Groupon tumbles after weak 1Q revenue outlook

The Associated Press

Online deals company Groupon Inc. posted a larger fourth-quarter net loss on Wednesday, and its weaker than-expected revenue outlook sent its shares down 24 percent after-hours.

The guidance fueled investor worry that people are tiring of the myriad of online restaurant, spa and Botox deals that Groupon built its business on, and that the company's efforts to broaden into an e-commerce powerhouse haven't been paying off.

The Chicago-based company booked a net loss of $81.1 million, or 12 cents per share, in the October-December period. That compares with a loss of $65.4 million, also 12 cents per share, in the same period a year earlier when it had fewer shares outstanding.

Analysts were expecting a loss of 2 cents a share, according to FactSet.

Revenue rose 30 percent to $638.3 million from $492.2 million. Wall Street had expected revenue of $639.8 million.

Gross billings, a closely watched figure that shows the total amount that customers spent on Groupon's deals, increased 24 percent in the quarter to $1.52 billion from $1.23 billion a year earlier.

"Record billings growth this quarter is a clear signal that customers love Groupons," said CEO Andrew Mason in a statement. "We will continue to invest in growth through 2013 as we see new opportunities to give our customers what they want."

For the current quarter, Groupon is expecting revenue of $560 million and $610 million, which translates to a range of flat to 9 percent higher than in the first quarter of 2012. Analysts are expecting higher revenue of $646.8 million.

Groupon's stock fell $1.46 to $4.52 in after-hours trading. Earlier, the stock had closed up 43 cents at $5.98 prior to the release of the earnings report.