Yelp reports narrower 4Q loss as revenue climbs

The Associated Press

Online reviews site Yelp Inc. reported a narrower fourth-quarter loss on Wednesday as visitors to its website and apps grew from a year ago, before it had gone public.

The company lost $5.3 million, or 8 cents per share, in the October-December period. That compares with a loss of $9.1 million, or 56 cents per share, in the same period a year earlier. Revenue rose 65 percent to $41.2 million from $24.9 million.

Analysts, on average, were expecting a loss of 4 cents per share on revenue of $40.2 million, according to a poll by FactSet.

San Francisco-based Yelp said it had about 86 million average monthly unique visitors during the quarter, up 31 percent year-over-year. In January, it had 100 million.

Yelp makes money from advertising on its website and mobile apps, which let ordinary people review local restaurants, bars, stores and other businesses.

But the company is also spending a lot to grow, and expenses rose 38 percent to $46.3 million due in large part to higher sales and marketing costs.

Echoing Facebook and online game company Zynga, CEO Jeremy Stoppelman said that Yelp's mobile strategy will "remain a top priority" this year as more people access it from mobile devices. He also said that 2013 would be a "tipping point" for Yelp in Europe as it expands to new markets outside the U.S.

For the current quarter, Yelp expects revenue of $44 million to $44.5 million. Analysts are forecasting revenue of $44.3 million.

For the year, Yelp expects revenue of $210 million to $212 million, while analysts predict $207.1 million.

Yelp went public last March at $15 per share. On Wednesday, its stock fell 48 cents, or 2.1 percent, to $21.90 in after-hours trading after closing up $1.20, or 5.7 percent, at $22.38.

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