

Angie's List files IPO papers

The Associated Press, August 25, 2011, 6:22PM ET

NEW YORK

Consumer review provider Angie's List on Thursday filed the papers for an initial public offering of stock.

The filing pegged the value of the offering at \$75 million, though the company said that was estimated only to calculate the filing fee and could change.

The company, based in Indianapolis, provides consumer reviews on local contractors and doctors to members in more than U.S. 170 markets. The company said it has more than 820,000 paid memberships.

Though small, the planned IPO would extend a run of companies going public that offer their services online, including Pandora Media Inc. and an expected offering from daily-deal company Groupon Inc.

Angie's List said in its filing with the Securities and Exchange Commission that its revenue was \$59 million and in 2010 and \$38.6 million for the six months ended June 30. Its net losses for the same periods were \$27.2 million and \$25.8 million, respectively.

The company noted that it has been building membership through its national advertising strategy, which resulted in marketing expenses of \$30 million for both last year and the six months ending June 30.

Angie's List said it plans to continue aggressively investing in national advertising to deepen its market penetration, particularly in New York City and Los Angeles. It also noted it is expanding into new categories. The company started by focusing on home improvement services, and now covers categories such as health and wellness services and car restoration.

Net proceeds will be used to fund its advertising strategy and for general corporate purposes, the company said.

In listing its risk factors, the company noted that it has lost money since its inception and expects this will continue for the foreseeable future. It also noted that it has significantly increased spending on acquiring new members.

If membership fees vary significantly from expectations, the company said it might not be able to recover its membership acquisition costs.

Angie's List did not specify a proposed ticker symbol.

Earlier this month, the company announced plans to nearly double the size of its Indianapolis headquarters and create up to 500 new jobs by 2015.