

LIVEDEAL, INC. Blowout Quarter With More To Come

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LIVEDEAL, INC. (NASDAQ - LIVE - \$3.23)

Price Target: \$8.00

Rating: Speculative Buy

COMPANY SNAPSHOT

LiveDeal Inc. provides marketing solutions that boost customer awareness and merchant visibility on the Internet. LiveDeal operates a deal engine, which is a service that connects merchants and consumers via an innovative platform that uses geo-location, enabling businesses to communicate real-time and instant offers to nearby consumers. In November 2012, LiveDeal commenced the sale of marketing tools that help local businesses manage their online presence under the Company's Velocity Local™ brand. In late 3Q14, LiveDeal acquired leading online retailer ModernEveryday.com, which is generating nearly \$10 million in sales annually.

KEY STATISTICS

Price as of 2/13/15	\$3.23
52 Week High – Low	\$10.42 – \$2.00
Est. Shares Outstanding	15.1M
Market Capitalization	\$48.8M
3 Mo Avg Vol	502,000
Exchange	NASDAQ

COMPANY INFORMATION

LiveDeal, Inc.
325 E. Warm Springs Rd, Suite 102
Las Vegas NV 89119
www.LiveDeal.com

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support@livedeal.com

KEY TAKEAWAYS

LiveDeal recently reported an impressive 2015 fiscal first quarter which included record revenue of \$8 million that reflects a greater revenue level than was booked for the entire 2014 fiscal year. The more than 1200% quarterly year-over-year revenue growth is not a one-time event, as recent quarters have also illustrated top-line growth of several hundred percent, thus reinforcing to the Street that the Company's model is clicking on all cylinders.

The stock sold off as profit-takers sold into the good news, but we believe that could prove to be short-sighted. Given the \$3.6M in inventories at the end of the period and the first hint of successful integration of the ModernEveryday.com acquisition indicates continued top-line growth lies ahead.

Given that the Company is in the early stages of its hockey stick-type revenue growth model, we anticipate improved operating performance throughout the year. It should be noted that the (\$0.33) loss per share for the period overwhelmingly reflected non-cash items, rather than cash-based operating performance.

The combination of a vigorous television ad campaign and new initiatives that include the provision of real-time deal content to search engines should drive traffic and meaningful new business to the Company during this fiscal year. We expect to have greater clarity on this front in the coming months.

We continue to rate LiveDeal's shares a Speculative Buy with a price target of \$8.00, which reflects a price/revenue multiple of 5-6x on a potential \$20M annual revenue run rate for fiscal 2015.

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Trading History For LIVE

(Source: Stockta.com)



Senior Analyst: Robert Goldman

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

Analyst Certification

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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