

Renaissance IPO Research

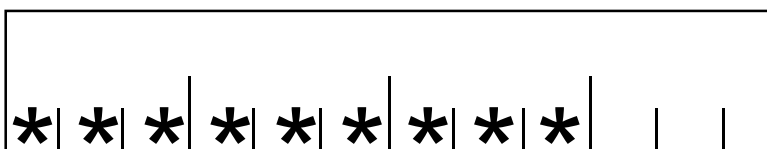
Offer Price: \$13.00

Yahoo!***
Symbol: YHOO

Offered: Apr 11, 1996

Quality Measure

Renaissance Capital's measurement of investment attractiveness based upon company fundamentals, management, valuation, and industry group.



Low

Average

High

Investment Thesis

With more users turning to powerful Internet Web online guide sites to locate desired content, companies are looking to advertise at these sites, benefiting this widely used online guide provider. While it has high Netscape payments and aggressive competitors, it has a leading position in a fast growing market.

Company Insights

Industry: Computer - Software

Business: Provides one of the most widely used online content guides on the Internet's World Wide Web. Gets over 1mm visits and 11mm "hits" per day. Organizes over 230k sites. Priced \$20k to 60k/million impressions. JVs with SOFTBANK and Ziff-Davis. Uses Open Text's search engine. New Web sites in Japan, Canada.

Competition: America Online, DEC, Excite (IPO), Infoseek, Lycos, McKinley Group, MCI/NewsCorp, Open Text.

Management: Timothy Koogle, 44, CEO since '95 (was: CEO of Intermec '92-'95; Manager at Motorola '82-'91).

Control: SOFTBANK 37%, Sequoia Cap 17.2%, CoFdrs/Chief Yahoos: Jerry Yang (Dir) 15.6%, David Filo 15.6%.



Offering Statistics

	<u>The Filing</u>	<u>The Offering</u>
Date:	March 7, 1996	April 11, 1996
Price:	\$10.00 to \$12.00	\$13.00
Shares Offered:	2,600,000	
Shares Outstanding:	25,702,798	
Market Capitalization:	\$282,730,778	
	<u>Lead</u>	<u>Co-Manager</u>
Managers:	Goldman Sachs	Doanldson Lufkin Montgomery

Financial Summary

Income Statement		Balance Sheet		
<u>FY Ending</u>	<u>Dec 95</u>		<u>As of</u>	<u>As</u>
			<u>Dec 95</u>	<u>Adjusted</u>
Sales	\$1,363	Cash	\$69,049	\$95,047
Gross Profit	1,180	Working Capital	69,113	95,111
Operating Income	-680	Assets	70,050	96,048
Net Income	-634	Long Term Debt	97	97
Cash Flow Data:		Net Worth	69,202	95,200
Depreciation	\$133			
Capital Expenditures	107			

Interim Results (\$000)

	Three Months Ended	
	<u>Sept 95</u>	<u>Dec 95</u>
Sales	\$288	\$1,075
Gross Margin	84.4%	89.6%
Operating Margin	-130.2%	5.7%
Net Margin	-128.8%	8.6%
EPS	-\$0.02	\$0.01

Company Data

Business: One of the best known search engines on the "Web".
Address: Sunnyvale, CA
Telephone: 408-328-3300
Employees: 43
Founded: 1994

