MedAssets rises as 3Q results exceed estimates

The Associated Press

Hospital software maker MedAssets Inc. reported a third-quarter loss on Friday due to costs related to the integration of Broadlane Group into its business.

But excluding one-time items, the company's results and full-year outlook were stronger than Wall Street expected. Its shares surged $1.73, or almost 17 percent, to $12.09.

MedAssets said it lost $983,000, or 2 cents per share. In the third quarter of 2010 it reported a profit of $8.5 million, or 14 cents per share. MedAssets said it earned 26 cents per share in the latest quarter if one-time items are excluded. Revenue grew 50 percent, to $143.6 million from $95.9 million.

Analysts expected the company to report an adjusted profit of 16 cents per share and $137.4 million in revenue, according to FactSet.

MedAssets acquired Broadlane Group in November 2010. Broadlane provides supply chain management and cost management services. The company said its administrative fees more than doubled to $62.6 million from $27.9 million, and service fees rose 19 percent to $80.9 million.

MedAssets maintained its full-year 2011 adjusted profit forecast of 96 cents to $1.02 per share, excluding one-time items. It narrowed its revenue forecast to a range of $576 million to $582 million, from $575 million to $587 million.

Analysts had been forecasting the company would report an annual profit of 95 cents per share and revenue of $576.4 million.

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