

Lyft loses money again but eyes profits in about 2 years

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In this May 28, 2019, file photo Lyft scooters are seen along Mission Beach boardwalk in San Diego. Lyft, Inc. reports financial earnings on Wednesday, Oct. 30. (AP Photo/Gregory Bull, File)

Lyft is continuing to lose staggering sums of money as it barrels ahead with impressive revenue growth, but its executives said they believe the

company will turn a corner and reach profitability in about two years.

The ride-hailing heavyweight raised \$955.6 million in revenues in the third quarter, up 63% from the same time last year, the company said Wednesday. That beat expectations of analysts polled by FactSet.

But the company lost \$463.5 million in the quarter compared with a \$249.2 million loss a year ago. More than half of the loss came from stock-based compensation and payroll tax expenses related to its [initial public offering](#).

On the bright side, Lyft's executives emphasized they believe the company will turn a profit in the [fourth quarter](#) of 2021, a year earlier than they had previously projected.

One reason for optimism: the company is providing far fewer discounted rides than it did a year ago, said Brian Roberts, Lyft's [chief financial officer](#), in an interview with The Associated Press.

Lyft is also focusing on more profitable rides, such as airport or business trips, he said.

"We are very focused on profitable growth, not growth at all costs," Roberts said.

The money-losing [company](#) has struggled to demonstrate a path to profitability, just like its larger rival Uber.

Its share price, which hovered around \$44 Wednesday afternoon, has lost about 39% of its value since its stock market debut in March.

But Roberts sought to differentiate Lyft from Uber. "We're not doing food. We're not doing trucking. We are 100% focused on our

[transportation network](#)," he said.

Lyft's quarterly losses also included \$86.6 million related to changes in how much insurance regulatory agencies require. After accounting for those and other expenses such as those related to the IPO, Lyft's adjusted net loss was \$121.6 million in the third quarter, compared with \$245.3 million a year ago.

Lyft is committed to hitting its new profitability timeline despite California's recent passage of a law that requires ride-hailing companies to treat drivers as employees, Roberts said. That costly change could entitle its drivers to [minimum wage](#), benefits and workers compensation, among other things. Uber and Lyft proposed a ballot initiative Tuesday to exempt ride-hailing companies from the new law.

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