

Snapchat working on ipo, valuing company at \$25 billion or more

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Photo-sharing app Snapchat's parent is working on an initial public offering that could value the company at \$25 billion or more, the *Wall Street Journal* reported, citing several people familiar with the matter.

Snap Inc., which operates the app that lets users send videos and messages that disappear in seconds, is looking to sell shares as early as late March, the *Journal* reported.

An IPO valued at \$25 billion would be significantly higher than Snapchat's most recent valuation of \$17.81 billion, based on a \$1.81 billion financing round in May.

It would also represent the largest IPO by a technology company since Chinese e-commerce giant Alibaba Group Holding Ltd. went public in 2014.

Snapchat had been talking to investment bankers about an IPO towards the end of this year or early in 2017, technology website The Information reported last month.

"We aren't commenting on rumors or speculation about any financing plans," the company said in an emailed statement on Thursday.

Reports on Snap Inc.'s IPO come at a time when shares of technology companies such as Square Inc. and Box Inc. that went public over the last two years are trading below their private market valuation.

Snapchat's valuation has grown in the last few years as the company added advertising and sponsored contents to its messaging service.

The company has told investors to expect \$1 billion in advertising revenue in 2017, according to sources familiar with the matter.

The company received \$3.1 million in advertising revenue for the first 11 months of 2014, according to financial documents leaked last year.

Snapchat is expected to have 58.6 million users in the United States by the end of 2016 and that number is expected to jump 13.6 percent to 66.6 million by next year, according to research firm eMarketer.

(Reporting By Sudarshan Varadhan and Narottam Medhora in Bengaluru and Heather Somerville in San Francisco; Editing by Shounak Dasgupta and Don Sebastian)