

Snapchat value could hit \$10 billion with possible Alibaba investment

August 1 2014, by Andrea Chang, Los Angeles Times

Last year, Snapchat decided Facebook's \$3-billion offer wasn't cool. You know what's cool? \$10 billion.

The Venice, Calif., start-up is reportedly in talks with investors, including Chinese e-commerce behemoth Alibaba Group Holdings, for a round of financing that would value Snapchat at \$10 billion.

The discussions are ongoing and terms could change, according to a Bloomberg report, which cited unnamed sources with knowledge of the situation.

If a deal happens, it would be vindication for Snapchat, which spurned a \$3-billion takeover offer from Facebook last year to the bewilderment of tech watchers. Google, too, tried to acquire the company, which enables users to send messages that disappear seconds after they're viewed.

But Snapchat executives insisted then that they were in it for the long run and were not content to sell out and turn over the reins of the young company.

Snapchat Chief Executive Evan Spiegel and spokeswoman Mary Ritti did not return an email and a call for comment. A spokesman for Alibaba declined to comment.

Alibaba is preparing to go public later this year in what could be the

biggest [initial public offering](#) ever. This month, in a regulatory filing, Alibaba said its valuation was \$130 billion. Analysts estimate the company, which is bigger than Amazon and eBay combined, could raise \$15 billion to \$20 billion in its IPO.

Besides e-commerce, Alibaba also has interests in banking, maps, cloud computing, music, and TV and film production.

In the last few months, Alibaba has been busy scooping up majority and minority stakes in companies to bulk up its portfolio before going public.

This year the group announced it would invest about \$692 million in Chinese department store chain Intime Retail Group to grow its presence in the bricks-and-mortar space. It also led a \$280-million round of financing for messaging app Tango. More recently it acquired mapping and navigation company AutoNavi.

Since its founding in 2011, Snapchat has raised \$133 million from investors that include Benchmark Capital, Coatue Management, Lightspeed Venture Partners and Institutional Venture Partners.

Last year, after IVP participated in a financing round, general partner Dennis Phelps wrote in a blog post that the [venture capital firm](#) chose to invest in Snapchat because of its "off the charts" growth and engagement metrics and its popularity among younger users.

"Seldom have we seen a consumer application with this type of user momentum and excitement," Phelps wrote. "Think Twitter. Think Instagram. Think Pinterest. And Snapchat is just getting started."

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Citation: Snapchat value could hit \$10 billion with possible Alibaba investment (2014, August 1)
retrieved 24 April 2024 from
<https://phys.org/news/2014-08-snapchat-billion-alibaba-investment.html>

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