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Alibaba poised to surge on the NYSE

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People walk past an advertising billboard showing the mobile app of Alibaba's Taobao consumer-to-consumer site at a subway station in Beijing Thursday, Sept. 18, 2014. Alibaba Group's U.S. stock offering is a wakeup call about an emerging wave of technology giants in China's state-dominated economy. (AP Photo/Vincent Thian)

Chinese e-commerce powerhouse Alibaba will say "open sesame" to the New York Stock Exchange on Friday, as its shares begin trading in a highly anticipated debut that could raise up to $25 billion.

The company priced its initial public offering of stock Thursday evening at $68 per share, the top end of the expected price range, according to Alibaba. The shares will trade under the ticker "BABA" on the NYSE. The IPO values Alibaba at $167.62 billion. That's bigger than the current market value of companies such as Amazon, Cisco, and eBay.

The company has enjoyed a surge in U.S. popularity over the past two weeks as investors met with executives, including its colorful founder Jack Ma. As part of the so-called roadshow, would-be investors heard a sales pitch that centered on Alibaba's strong revenue growth and seemingly endless possibilities for expansion. Demand has been so high that the company raised its expected offering price to $66 to $68 per share from $60 to $66 per share on Monday, setting the stage for what could be the biggest ever IPO.

Alibaba said it is offering 320.1 million shares for a total offering size of $21.77 billion. Underwriters have a 30-day option to buy up to about 48 million more shares. That means the offering size could be as much as $25 billion.

The main reason investors appear breathless about the 15-year old Alibaba: It offers an investment vehicle that taps into China's burgeoning middle-class.

Alibaba's Taobao, TMall and other platforms account for some 80 percent of Chinese online commerce. Most of Alibaba's 279 million active buyers visit the sites at least once a month on smartphones and other mobile devices, making the company attractive to investors as computing shifts away from laptop and desktop machines.

And the growth rate is not expected to mature anytime soon. Online spending by Chinese shoppers is forecast to triple from its 2011 size by 2015. Beyond that, Alibaba has said it plans to expand into emerging markets and eventually, Europe and the U.S.

"There are very few companies that are this big, grow this fast, and are this profitable," said Wedbush analyst Gil Luria.

Alibaba operates an online ecosystem that lets individuals and small businesses buy and sell. It doesn't directly sell anything, compete with its merchants, or hold inventory.

"The business model is really interesting. It's not just an eBay, it's not an Amazon, it's not a Paypal. It's all of that and much more," said Reena Aggarwal, a professor at Georgetown.

Like China's consumer and Internet market, Alibaba is still growing rapidly. The company's revenue in its latest quarter ending in June surged 46 percent from last year to $2.54 billion while its earnings climbed 60 percent to nearly $1.2 billion, after subtracting a one-time gain and certain other items.

In its last fiscal year ending March 31, Alibaba earned $3.7 billion, making it more profitable than eBay Inc. and Amazon.com Inc. combined. Amazon ended Thursday with a market value of about $150 billion while eBay's market value stood at $67 billion.

Alibaba, is based in Hangzhou in Eastern China, Ma's hometown. The company got started in 1999 when Ma and 17 friends developed a fledgling e-commerce company on the cusp of the Internet boom. Today, Alibaba's main platforms are its original business-to-business service Alibaba.com, consumer-to-consumer site Taobao and TMall, a place for brands to sell to consumers.

And while there's plenty of growth left in China, Ma has recently hinted about plans to expand beyond those borders.

"We hope to become a global company, so after we go public in the U.S., we will expand strongly in Europe and America," Ma said to a group of reporters in Kowloon on Monday.

The IPO's fundraising target handily eclipses the $16 billion Facebook raised in 2012, the most for a technology IPO. If all of its underwriters' options are exercised, it would also top the all-time IPO fundraising record of $22.1 billion set by the Agricultural Bank of China Ltd. in 2010.

Alibaba is offering up to 368 million shares, about 15 percent of the roughly 2.5 billion that will be outstanding after the IPO.

Alibaba plans to sell 123 million of those shares itself. The rest will be offered by the company's early investors, including Yahoo Inc., which is parting with some of its 22 percent stake.

Yahoo stands to be a big winner. The U.S. company, which has been struggling to grow for years, is in line for a windfall of $8.28 billion by selling 121.7 million of is Alibaba shares. And founder Jack Ma is selling 12.75 million shares worth $867 million.

Although the IPO is likely to be the biggest in history, some analysts think the pricing is conservative. Wedbush's Luria gives the stock a 1-year price target of $80. And research firm PrivCo said the stock is worth $100 a share because of all of the private companies that Alibaba has taken stakes in.

On Friday, Alibaba and its bankers will try to avoid mishaps like the ones that plagued Facebook's stock debut on the Nasdaq in May 2012. The social networking company's first day of trading was marred by technical glitches. Despite an IPO that was hyped even more than Alibaba's, Facebook's stock closed just 23 cents above its $38 IPO price on that first day and later fell much lower. The stock took more than a year to climb back above $38.