

German startup factory Rocket launches IPO (Update)

September 10 2014, by Frank Jordans



The Aug. 28, 2013 file photo shows transportation boxes of the fashion retailer Zalando during a news conference in Berlin, Germany. Germany's startup factory Rocket Internet AG said it plans a public listing on the Frankfurt stock exchange this year. The privately held company has launched dozens of online businesses around the world, often copying successful rivals. The announcement Wednesday, Sept. 10, 2014 comes a week after one of its main investments, fashion retailer Zalando, itself revealed plans for an IPO. (AP Photo/Michael Sohn, file)

Germany's Rocket Internet AG, which specializes in launching e-

commerce startups, announced Wednesday that it plans a public listing on the Frankfurt stock exchange.

The Berlin-based company said it aims to raise 750 million euros (\$968 million) with a flotation "intended to take place later in 2014," giving no specific date.

"Taking our company public is the next step in our journey to build the world's leading Internet platform outside of the United States and China," said Rocket founder and chief executive Oliver Samwer.

Rocket said it would provide financial details on its business as it moves toward the stock listing. So far, Rocket has relied heavily on venture capital to fund the rapid expansion of its businesses, many of which are just a year or two old.

"As a young enterprise we're not targeting profitability now," said Samwer. "We are long-term players."

Rocket's biggest stakeholder at the moment is the Global Founders Fund, led by Samwer and his brothers, Marc and Alexander. They have 52.3 percent of its shares, followed by Swedish investment company Kinnevik, which holds an 18.1-percent stake.

Rocket recently received large cash injections by selling stakes to the Philippine Long Distance Telephone Company and Germany's United Internet. Those investments valued Rocket at between 3.3 billion euros and 4.1 billion euros.

The announcement Wednesday comes a week after one of Rocket's most successful ventures, fashion retailer Zalando, itself unveiled plans for an IPO. Zalando, which has some 7,000 employees, recently reported revenues of 1.05 billion euros and its first operating profit of 12 million

euros for the first half of 2014.

Since 2007 Rocket has established dozens of other startups with more than 20,000 staff in more than 100 countries. Its formula has often been to copy successful rivals such as eBay, Alibaba or Airbnb.

Among the startups Rocket has launched are food delivery site HelloFresh, online furniture shop Home24 and personal storage company SpaceWays.

Each new startup receives funding, logistical support and a few months to become successful.

More information: www.rocket-internet.com

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