

Snapchat gets \$537 million in fresh funding

May 29 2015



Snapchat on Friday informed US regulators that it has raised \$537 million in a new round of equity funding that could climb as high as \$650 million

Snapchat on Friday informed US regulators that it has raised \$537 million in a new round of equity funding that could climb as high as \$650 million.

The vanishing-message service did not disclose who bought stakes in the Los Angeles-based company, which came at a price estimated to give Snapchat a value of more than \$15 billion, according to media reports.

US media reports indicated that Snapchat investors in this latest round of fund raising included Chinese e-commerce titan Alibaba.

Earlier this year, reports surfaced that Alibaba committed to a \$200 million investment in Snapchat.

The chief of Snapchat said this week that the company has a plan for an initial public offering but did not reveal when it might happen.

"We need to IPO, we have a plan to do that," chief executive officer Evan Spiegel said on-stage at a Code Conference in California when asked about the potential for an [initial public offering](#) of stock.

"An IPO is really important," he added, according to a live blog of the exclusive technology conference.

Snapchat rejected a \$3 billion takeover offer from Facebook in 2013.

Spiegel acknowledged plans for a Snapchat IPO during a talk in which he agreed with the notion there is a tech industry bubble that will at some point burst, with low interest rates, easy money, and risky investments calling for a "correction."

Snapchat rocketed to popularity in the United States, especially among teenagers, after the initial app was released in September 2011.

Smartphone app Snapchat late last year began letting users in the United States send money to friends by simply typing dollar amounts into new "Snapcash" messages.

The new feature came from a first collaboration between Snapchat and Square, a mobile payments company headed by Twitter co-founder Jack Dorsey.

The new service was added as Snapchat worked to boost the money-making capabilities of its popular app, which sees messages disappear shortly after being viewed.

Snapchat has become a popular way for people to share videos or photos, and has nearly 100 million people using it each day, according to Spiegel.

Snapchat began weaving ads into the service last year.

© 2015 AFP

Citation: Snapchat gets \$537 million in fresh funding (2015, May 29) retrieved 8 May 2024 from <https://phys.org/news/2015-05-snapchat-million-fresh-funding.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.