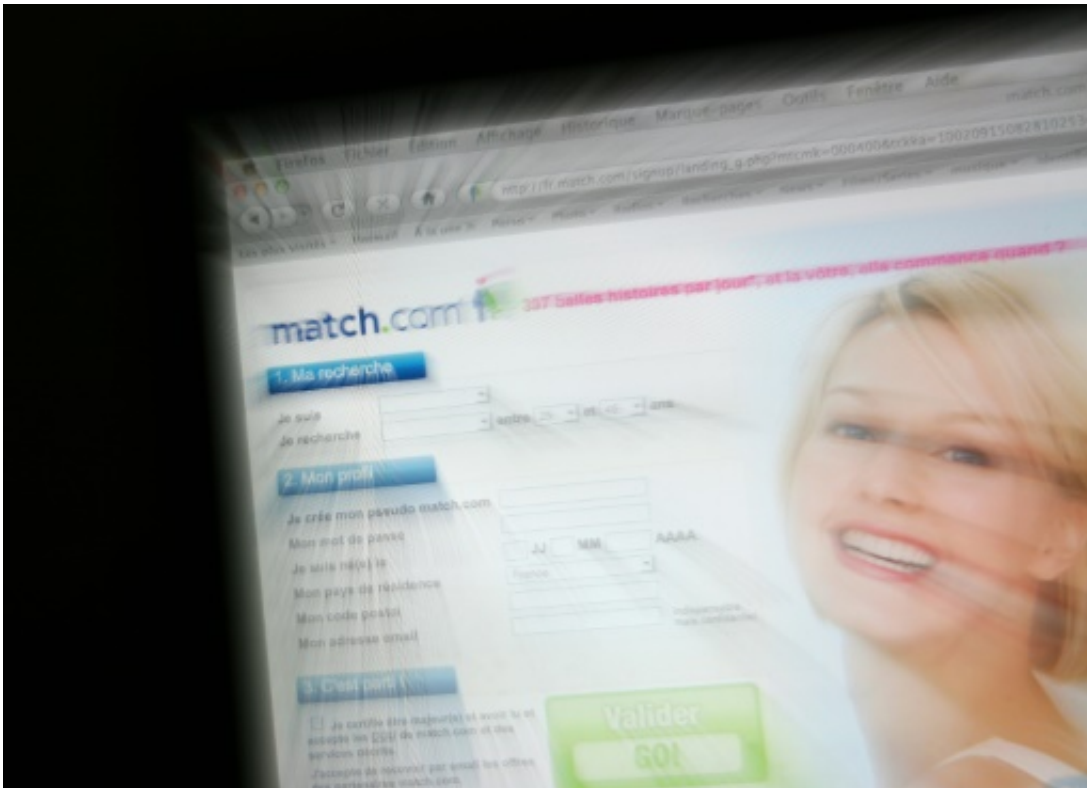


# Square and Match shares jump in stock market debuts

November 20 2015, by Glenn Chapman

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Match Group, the new firm which operates dating apps Tinder and OK Cupid, scored well in its first date on Wall Street as the market warmed to its stock offering

Square and Match galloped onto Wall Street on Thursday in a sign that tech startups may still find gold in public markets.

Mobile payments firm Square priced its [initial public offering](#) of stock at \$9, lower than expected. Square shares jumped out of the gate and were up some 45 percent to \$13.07 at the close of trading on the New York Stock Exchange.

Match Group, the new firm which operates dating apps Tinder and OK Cupid, also scored well in its first date on Wall Street as the market warmed to its stock offering.

Shares in Match ended the formal trading day on the Nasdaq at \$14.74, up nearly 23 percent from the IPO launch price of \$12.

Square was being keenly watched to see whether public markets would take the magic out of a high-profile Silicon Valley 'unicorn,' Silicon Valley parlance for a tech startup valued at more than a billion dollars in private funding rounds.

Some analysts have warned of a tech bubble in the private markets, with dozens of firms getting a value of over \$1 billion without enough scrutiny over their financial prospects.

The research firm PrivCo said Square's debut "will set a precedent with regard to how investors react to unicorns in the public market."

Square's IPO price valued the San Francisco-based startup at about half the \$6 billion valuation it got in its latest round of private funding.

Sales of the shares raised \$243 million.

Square, founded by Twitter's Jack Dorsey—who is chief executive of both firms—said in a regulatory filing early this month that it expected to price shares between \$11 and \$13.



Square chief Jack Dorsey, pictured November 20, 2014, rang the opening bell at the New York Stock Exchange

That IPO price range suggested a market value of just over \$4 billion, on par with the value given to Square by its closing share price on Thursday.

"We're really excited to go back to work. We have a real idea of what needs to be done," said Square chief Jack Dorsey on CNBC after ringing the New York Stock Exchange opening bell.

"It's all about accelerating the business now, our tools and our features."

Square, which started in 2009 by providing financial transaction software for smartphones or tablets along with free "dongles" that read magnetic strips on payment cards, was among prominent unicorns in

startup-rich Silicon Valley.

## **A saner place**

Intense talk and focus on unicorns is "like making a sporting event out of something that is not a sporting event," Google Ventures chief Bill Maris told AFP at a recent Wall Street Journal technology conference in California.

"There is too much focus on valuations, prices," Maris said.

"It is the unicorns that break out and become successful that are important."

He cited smartphones as playing a role in the rapid rising values placed on Internet startups, since online services can grow much faster than they could when people relied on desktop computers to be connected.

With smartphones, even a "moderately unsuccessful" app can reach 50 million people, Maris reasoned.

Venture capitalist Bill Gurley of Benchmark saw unicorns becoming more rare as investors intensify scrutiny of startups.

"I personally wish the market would bring them all down so we would be in a saner place," Gurley said during an on-stage chat at the Wall Street Journal conference.

Stock market concern about valuations of startups may have been among reasons Match opted to price its IPO at the low end of its projected range even though, as a spin-off, it wasn't part of the unicorn herd.

The Match IPO raised \$400 million for the group spun off of

IAC/InterActiveCorp, a US media and Internet giant chaired by former Fox chief executive Barry Diller.

Match operates a portfolio of more than 45 brands, which also include Meetic, Twoo and FriendScout24, each of them designed "to increase our users' likelihood of finding a romantic connection," according to a filing.

The company has been in the limelight for its fast-growing Tinder app, which allows smartphone users to swipe right or left to accept a reject a potential partner and has become symbolic of quick-sex "hookup" culture.

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