

Messaging app Line to make trading debut in Tokyo, New York (Update)

June 10 2016

Messaging app Line said Friday it will make its stock market debut in Tokyo and New York next month, as it looks to expand on booming popularity among smartphone users in Asia.

The Japan-based firm won regulatory approval for the sale with the dual listing expected to raise as much as 113 billion yen (\$1.05 billion), including an option to sell more shares if demand is strong.

The deal—likely to be among the biggest IPOs this year— would value Line at about \$5.5 billion, and was described by Bloomberg as this year's biggest tech offering globally.

Line, which is owned by South Korean Internet provider Naver, said it expected to list its stock on July 14 in New York and July 15 in Tokyo.

It will offer 13 million new shares in Japan, with another 22 million in the US, according to documents filed with the Tokyo Stock Exchange.

The indicative share price would be 2,800 yen apiece.

"(Line) has made the decision to go public in both Japan and the United States to further enhance its strong position in Asia and to continue a more active global expansion," the company said.

The sale comes two years after the firm initially announced plans to list in an IPO that was later shelved, reportedly due to disagreements over

the sale between Line and its South Korean owner.

The July offering would be the biggest in Tokyo since Japan Post made its long-awaited trading debut in November with a share sale that topped \$11.5 billion.

The popular app lets users make free calls, send instant messages, and post photos or short videos, along with a host of other paid-services.

It combines attributes from Facebook, Skype and WhatsApp, with Games and a mobile payment service also on offer.

Line's messaging service launched in 2011 after the quake-tsunami tragedy damaged Japan's telecoms infrastructure nationwide, forcing people to use to online resources to communicate.

It is best known for letting users send each other cute cartoon "stickers", and is hugely popular in Japan, particularly among teenagers.

Line's sticker shop sells thousands of the emoticons—some are animated and noisy—from Hello Kitty and Super Mario to Manga and Disney characters.

The app, which has about 218 million active monthly users, has a strong presence in Asian markets such as Thailand, Taiwan and Indonesia, as well as some Spanish-speaking areas, including Spain and Mexico.

Line said it would use proceeds of the stock offering to help it expand in Asia, and tap the US and European markets where it's not a major player.

"We will continue mergers and acquisitions and other investment globally, but there is nothing decided at this point" in terms of a

particular deal, the company said.

Last year, Line posted revenue of 120 billion yen, up 40 percent from the year before, but a small overall loss, which it blamed on rising staff costs and other expenses.

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