

Snapchat parent to offer shares on NYSE: reports

January 30 2017

The parent company of hit mobile-messaging service Snapchat is expected to make its debut as a public company on the New York Stock Exchange, according to reports.

The Wall Street Journal and news website TechCrunch each reported that Snap Inc. chose to make its [initial public offering](#) of shares on the NYSE instead of on the tech-heavy Nasdaq where Apple, Amazon and Google-parent Alphabet are traded.

The IPO move by California-based Snap would build on a trend of the Nasdaq no longer being the preference of private tech companies looking to go [public](#).

Popular one-to-many messaging platform Twitter and Chinese online commerce powerhouse Alibaba both opted for the NYSE in recent years.

Snap declined an AFP request for comment.

Snap is expected to file IPO paperwork later this week, with a possible valuation between \$20 billion and \$25 billion which could make it the biggest-ticket Wall Street debut since Alibaba in 2014.

The IPO is keenly anticipated by investors, especially if it could serve as a bellwether on how stock market debuts might go for other hot startups such as Airbnb, Spotify or Uber.

Snap Inc. began the IPO process late last year under regulations that allow early stages to be kept confidential.

This exempted it from disclosing its financial information until 21 days before the start of a "roadshow" presentation tour to court potential investors

Entering that phase this week would put Snap on schedule to go public in March.

Snap is one of the sector's most prominent "unicorns"—a term used for venture-backed firms with valuations over \$1 billion—along with Uber and Airbnb.

While Snap's finances are not public, research firm eMarketer has estimated that Snapchat would generate nearly \$1 billion this year from advertising.

Snapchat has become widely popular with teenagers and young adults thanks to messages that disappear shortly after being seen by recipients.

The service claims more than 150 million daily users, of which 50 million are in Europe.

The company last year hit the market with camera-equipped sunglasses called "Spectacles" and renamed the company to show it was no longer limited to a single product.

© 2017 AFP

Citation: Snapchat parent to offer shares on NYSE: reports (2017, January 30) retrieved 25 April 2024 from <https://phys.org/news/2017-01-snapchat-parent-nyse.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.