

Snapchat parent rockets higher in Wall Street debut

March 2 2017, by Barbara Ortutay



Snapchat co-founders Bobby Murphy, left, and CEO Evan Spiegel ring the opening bell at the New York Stock Exchange as the company celebrates its IPO, Thursday, March 2, 2017. (AP Photo/Richard Drew)

The company behind Snapchat closed on a high note in its Wall Street debut, proof, at least for a day, that there's investor demand for young but still unproven tech companies.

Shares of Snap Inc. jumped \$7.58, or 44 percent, to close at \$24.48 on Thursday.

The company had priced its initial public offering of 200 million shares at \$17 each on Wednesday. That was above the expected range of \$14 to \$16.

Snap's IPO was one of the most anticipated for a technology company since Twitter's in 2013. That, in turn, had created the biggest stir since Facebook made its debut on Wall Street in 2012. Twitter is now valued at \$11 billion, while Facebook is \$395 billion. Snap's closing price Thursday valued the Los Angeles company at \$34 billion.

Snapchat is best known for disappearing messages and quirky face-filters for jazzing up selfies. It's popular with young people, but growth has slowed in recent months. That has investors wondering whether the company will end up more like Twitter, with its troubles attracting users and declining stock price, or Facebook, with soaring user numbers and stock price.

Thursday's surge on Wall Street shows that there is initial investor excitement about Snap, but it's not guaranteed to last. Twitter, for one, soared initially after its IPO, but now trades 39 percent below its IPO price. Facebook, meanwhile, struggled initially but has since more than tripled its IPO price.



Model Miranda Kerr, center, takes a selfie with friends at the opening bell at the New York Stock Exchange, as Snapchat celebrates its IPO, Thursday, March 2, 2017. Kerr is engaged to Snapchat CEO Evan Spiegel. (AP Photo/Mark Lennihan)



A banner for Snap Inc. hangs from the front of the New York Stock Exchange, Thursday, March 2, 2017, in New York. The company behind the popular messaging app Snapchat is expected to start trading Thursday after a better-than-expected stock offering. (AP Photo/Mark Lennihan)



The New York Stock Exchange is prepared for the IPO of Snap Inc., Thursday, March 2, 2017. The company behind the popular messaging app Snapchat is expected to start trading Thursday after a better-than-expected stock offering. (AP Photo/Mark Lennihan)

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