

China's online service giant Meituan plans massive IPO

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The food delivery and restaurant review service is the latest Chinese tech startup to seek a listing to raise billions in funds

Chinese online services giant Meituan-Dianping filed for an initial public offering in Hong Kong on Monday, in what could become one of

the the biggest IPOs of the year.

The food delivery and restaurant review [service](#) is the latest Chinese "unicorn"—a tech startup valued at least \$1 billion—to seek a listing to raise billions in funds.

The file did not disclose which day it will list or the amount of cash it aims to raise, but Bloomberg News reported the firm was said to have been targeting a \$6 billion fundraising at a valuation of about \$60 billion.

The scale would be around the same level as smartphone maker Xiaomi's announced goal of \$6.1 billion, which Bloomberg said would be the world's biggest IPO for two years. Xiaomi is expected to list on July 9.

Groupon-like website Meituan.com was founded by CEO Wang Xing in 2010 and merged with comment-rating platform Dianping Holdings into a \$15 billion provider of online services in 2015.

The pair are leading enterprises in China's group-buying market and were backed by internet giants Alibaba and its rival Tencent, respectively.

The combined company Meituan-Dianping, now mainly backed by Tencent, offers a variety of services including group-buying, food ordering and delivery, restaurant and movie ticket booking.



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It also launched ride-hailing services earlier this year trying to compete with industry leader Didi Chuxing.

With revenue mainly generated by commissions, Meituan said it had 310 million active users and 4.4 million active merchants and its gross transaction volume reached 35.7 billion yuan (\$5.5 billion) in 2017.

But it reported a 19 billion yuan loss for last year, up from the around six billion yuan loss in 2016.

The IPO comes after Hong Kong allowed firms with dual voting rights to

list in the former British colony.

Several global corporate titans such as Facebook have differing share classes that give stronger voting rights to founders in order to protect their influence even after going public.

It also comes as mainland regulators launched Chinese Depositary Receipts (CDR), a programme under which companies listed outside the country can simultaneously list CDRs at home.

Meituan is also a prime candidate for CDR, Bloomberg reported earlier.

Xiaomi was to be the first one to launch CDR before the firm announced earlier this month to postpone the mainland launch.

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