

Workplace messaging startup Slack to list on Wall Street

April 26 2019



Slack CEO Stewart Butterfield speaks at his company's Frontiers conference in San Francisco ahead of the workplace collaboration firm's Wall Street listing

The workplace messaging startup Slack filed documents Friday to list its shares on the New York Stock Exchange, the latest of a group of richly

valued tech enterprises to look to Wall Street.

The "direct listing" will raise no cash for the California-based firm but will enable employees and early investors to sell their shares in the fast-growing tech firm.

Slack, which has become a popular application for businesses looking to move away from email to real-time messaging, said it had some 10 million users at the end of January.

That included 88,000 paying customers and 65 of the Fortune 100 firms.

"Our vision is to make people's working lives simpler, more pleasant and more productive," Slack said in its filing with the Securities & Exchange Commission.

"Slack is a new layer of the business technology stack that brings together people, applications, and data—a single place where people can effectively work together, access hundreds of thousands of critical applications and services, and find important information to do their best work."

Slack, which has users in 150 countries, has raised more than \$1 billion from investors with the latest round valuing the company at \$7.1 billion, making it one of the most richly valued "unicorns"—startups with private funding worth at least \$1 billion.

In its first release of financial data, Slack said it lost \$141 million in the 12 months to January 31 on revenue of \$400 million.

Created in 2013, Slack has been a leader in the new segment but faces competition from the likes of Microsoft, Facebook and others offering workplace collaboration tools.

Analysts say Slack has found a niche, especially among small- and medium-sized businesses.

Its clients include software giant Oracle, the French luxury goods maker LVMH, Liberty Mutual insurance and the NASA Jet Propulsion Laboratory.

It is available in eight languages and gets about one-third of its revenue from outside the United States.

Slack's chief executive and founder Stewart Butterfield was part of the team that started the photo-sharing service Flickr.

The direct listing, which was also used by the streaming music giant Spotify, does not add fresh capital to the firm but enables free trading of shares while avoiding the underwriting costs of a public offering.

Slack will trade under the symbol "SK."

© 2019 AFP

Citation: Workplace messaging startup Slack to list on Wall Street (2019, April 26) retrieved 28 June 2024 from <https://phys.org/news/2019-04-messaging-app-slack-ipo.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.