

Twitter announces plans for stock offering

12 September 2013



The logo of social networking website 'Twitter' is displayed on a computer screen in London on September 11, 2013.

Twitter announced Thursday, in a tweet, that it has submitted papers for a stock offering, the most hotly anticipated in the tech sector since Facebook's last year.

"We've confidentially submitted an S-1 to the SEC for a planned IPO. This Tweet does not constitute an offer of any securities for sale," the company tweeted.

Talk of an initial public offering (IPO) has circulated about Twitter for some time, and the Wall Street Journal estimated the company founded in 2006 is worth some \$10 billion.

Twitter has become one of the fastest-growing and most influential social media services, used widely by celebrities, journalists, politicians and others.

The company said earlier this year it had "well over 200 million" active users, although some analysts say the figure is much higher.

Twitter this week said it was moving deeper into mobile advertising with the purchase of MoPub, a startup focusing on mobile ad exchanges.

The acquisition announced late Monday was estimated to be worth some \$350 million, according to the technology news site TechCrunch.

The fast-growing social network is expected to earn \$582.8 million globally in ad revenue this year and nearly \$1 billion next year, according to industry tracker eMarketer.

The San Francisco company is taking advantage of a rule adopted last year by the Securities and Exchange Commission which allows "emerging growth" companies with revenues of less than one billion to keep financial details confidential until they get closer to the IPO.

An analysis by the website Statistic Brain says Twitter has some 554 million active, registered users and is adding 135,000 daily.

In a sign of the growing importance of Twitter, tweets have been analyzed to measure happiness of cities and countries, and some scholars claim Twitter was an important factor in uprisings such as the Arab Spring.

Twitter is used to measure the popularity of TV shows, and is used by some programs for instant feedback.

A year ago, chief executive Dick Costolo said the time was not ripe for a Twitter IPO but indicated Twitter would remain independent.

Some of the concerns over social media companies have faded with Facebook, whose shares lost 50 percent after its May 2012 IPO, hitting an all-time high in recent days.

Facebook shares debuted at \$38, and languished for months before recovering this year. Facebook hit a record above \$45 this week, and closed Thursday at \$44.75.

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