

## Robinhood sees valuation of up to \$35 billion as public co.

July 19 2021, by Michelle Chapman

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This Dec. 17, 2020, photo shows the logo for the Robinhood app on a smartphone in New York. Robinhood, the online brokerage that found itself embroiled in this year's meme stock phenomenon, will seek to go public with a market valuation of up to \$35 billion. The company said in a regulatory filing on Monday, July 19, 2021, that it wanted to price the 55 million shares in its initial public offering in a range of \$38 to \$42 per share. It could raise approximately \$2.3 billion if shares are sold at the high end of the range. Credit: AP Photo/Patrick Sison, File

Robinhood, the online brokerage that found itself embroiled in this year's meme stock phenomenon, will go public next week seeking a market valuation of up to \$35 billion.

The company said in a regulatory filing Monday that it hopes to price 55 million shares in its initial public offering in a range of \$38 to \$42 per share. It could raise about \$2.3 billion if the shares are sold at the high end of the range.

Robinhood is offering about 52.4 million shares. The company's founders Baiju Bhatt and Vladimir Tenev, and Chief Financial Officer Jason Warnick, are offering about 2.6 million shares. The company won't receive any proceeds from shares sold by its officers and founders.

The underwriters have an option to buy 5.5 million shares to cover any overallotments.

Robinhood's IPO will give investors a chance to own a big slice of a fast-growing company that has rocked the traditionally staid brokerage business. The company expects to offer up to \$770 million worth of its shares to its customers via its platform. The estimate is based on an offering price of \$40 per share, the company said in the filing.

Meanwhile, the venture capital unit of business software company Salesforce.com has indicated an interest in buying up to \$150 million in shares of Robinhood at the IPO price, Robinhood said.

Since its launch in 2014, Robinhood's popularity has forced rivals to get rid of commissions and to offer apps that make trading easy and maybe even fun.

The company based in Menlo Park, California, said in its filing that it had 17.7 million monthly active users as of March and more than half of its customers are first-time investors.

Many of those first-time investors have started trading on Robinhood due to the popularity of meme stocks like GameStop. The trading frenzy that followed forced Robinhood to limit some trades because of the massive volume and it drew some government scrutiny.

Robinhood said in the filing that it expects that its revenue for the April-June quarter totaled up to \$574 million, or a more than twofold increase from \$244 million a year earlier. Even so, the company projects it slid to loss in the quarter ranging from \$487 million and \$537 million. Robinhood posted a profit of \$58 million in the same quarter last year.

The company projects revenue in the third quarter will be lower, citing lower levels of trading activity.

The company is expected to make its stock market debut on July 29. It will list on the Nasdaq under the "HOOD" ticker symbol.

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Citation: Robinhood sees valuation of up to \$35 billion as public co. (2021, July 19) retrieved 24 April 2024 from <https://techxplore.com/news/2021-07-robinhood-aims-bn-valuation.html>

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