



## Despite IPO stampede, Stripe sticks with mega-rounds in private market

By Marina Temkin  
March 15, 2021

Many of the world's largest VC-backed companies are rushing to take advantage of the best public market conditions in over 20 years.

But some fast-growing companies are in no hurry to join them.

Last month, [SpaceX](#) raised \$850 million, with CNBC reporting a valuation of about \$74 billion. A week later, [Klarna](#) collected \$1 billion from investors who deemed the Stockholm-based fintech company to be worth \$31 billion. Neither company signaled immediate public listing plans.

[Stripe](#) is the latest VC-backed company to bring in substantial private capital at an enormous private market value. The payments processing giant announced on Sunday that it raised \$600 million at a valuation of \$95 billion, making it the world's second most valuable venture-backed company behind China's [ByteDance](#).

Meanwhile, [Square](#), a bellwether fintech company that is publicly traded, commands a slightly higher market cap of more than \$110 billion.

Even as the public market has been bullish on new tech stocks, growth-stage private investors are also chock full of dry powder that they're ready to deploy in fast-growing private companies such as Stripe. This means the world's highest-quality private companies can continue to stay private until they're ready to be publicly traded.

**"Stripe has an unusual amount of control in the hands of their founders, who have shown no particular interest in being a public company," said Greg Martin, a partner with Liquid Stock, a secondaries firm that invests in pre-IPO companies. "While most private companies whose investors exert more control over their exit destiny will be pushed to go public sooner, Stripe could delay an IPO more than most."**

The San Francisco- and Dublin-based company was among the most coveted stocks on the secondaries market even before the COVID-19 pandemic accelerated consumers' shift to online shopping sites, many of which use Stripe to power their payments processing. But over the course of the last year, Stripe's popularity with investors turned red hot, according to Martin.

In the secondaries markets—where investors buy equity stakes from early investors and insiders/founders—the company's valuation rose as high as \$115 billion last month. But it has come down to \$90 billion in light of Sunday's round and a general pullback by the tech-heavy Nasdaq Composite Index, said Martin, who added that a slight decline is a sign of increased rationality in private

markets.

The latest financing round may mean that Stripe is on track for an IPO or a direct listing later this year. Roblox and Palantir are two major tech companies that raised a private round right before a direct listing. Stripe's primary investors in the latest deal include [Fidelity Management & Research](#), [Sequoia](#) and Baillie Gifford.

But since Stripe's exit plans have been a mystery to most market observers, a public market debut this year is far from a guarantee.

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