

Top 10 most valuable startups in the world

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Uber Technologies Inc., a ride-hailing company valued at more than £35 billion, has topped the list of most valuable startups in the world according to Statista, an online statistics portal.

The Chinese smartphone maker Xiaomi trails Uber, with a £32 billion valuation.

Of the top 10 startups, six companies are from the United States, three are from China, and one is from India.

Below, we take a closer look at the top 10 privately held startups, based on their last valuation of the most recent funding rounds.

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At £36 billion, Uber is the most valuable startup in the world

1. Uber

Travis Kalanick and Garrett Camp founded UberCab in 2009. The company officially launched its ride-hailing service and mobile application in San Francisco in 2011 and changed the name to Uber. It has expanded its service to 390 cities worldwide in a couple of years.

The company, which takes a 20 per cent cut of each ride, recorded revenues of more than £282 million in 2014. Uber Technologies Inc. completed a new funding round in July 2015 that valued the company at close to £36 billion.

Its success story has led to the emergence of rivals like Lyft and an opposition from the incumbent taxi industry and regulators. The service has been banned in some areas owing to concerns about safety.

The rapid increase in Uber's valuation reflects its aggressive

growth as well as the rising popularity of its service among riders.

2. Xiaomi

Xiaomi Corp., headquartered in Beijing, is the world's fourth largest smartphone maker after Samsung, Apple, and Huawei. The company designs, develops, and sells smartphones, mobile apps, and related electronics.

It has achieved 30 per cent growth in sales in 2015 and has a significant presence in China, India, and Southeast Asia.

The company set a mark recognised by Guinness World Records by selling more than 2 million handsets online in 24 hours that offered discounts on its fifth birthday (April 6th, 2015).

Critics said Xiaomi's phones and tablets are very similar to Apple's. In addition, the company's chairman Lei Jun, the fifth richest man in China, has carefully cultivated a Steve Jobs image and is considered as a "knockoff of Steve Jobs".

Xiaomi raised £777 million in 2014, at a valuation of £32 billion. This is a dramatic growth from the last time the company raised money in June 2012 at a valuation of £2.8 billion.

However, this whopping valuation may not be sustainable, according to experts. With the economic slowdown in China, the company is expected to miss its sales targets.

JUSTIN SULLIVAN/GETTY



Airbnb co-founder and CEO Brian Chesky in San Francisco

3. Airbnb

Founded in 2008, Airbnb is a

social website that connects people looking to rent their homes to people who are looking for local accommodation. It operates in more than 34,000 cities and 190 countries. It was founded by Brian Chesky, Joe Gebbia, and Nathan Blecharczyk in San Francisco.

Airbnb's valuation has been driven by its solid growth in the last few years. Its estimated revenues for 2015 were £635 million.

Airbnb Inc. raised a new round of funding in November 2015 that valued the company at £18 billion. With this valuation, Airbnb surpasses the market value of major hotel chains like Hilton (£14.8 billion), Marriott (£12.6 billion), and Starwood (£9.1 billion).

4. Palantir

Palantir Technologies, Inc. is a private American software and services company, specialising in data analysis. The company's software is used by government agencies such as the CIA and the FBI to visualise relationships among large amounts of data.

Palantir is best known for helping the US government track down al-Qaeda leader Osama bin Laden.

It was founded in 2004 by five partners and is currently led by CEO Alex Karp who has no background in technology. Karp holds a doctoral degree in neoclassical social theory.

Palantir has recently raised funds at a £14.3 billion valuation, up from £10.6 billion in 2014. It is one of the largest private employers in Palo Alto, California, with more than 2,000 employees. The company is keen on staying private and will not be filing for a public offering.

5. Meituan-Dianping

Meituan-Dianping is China's largest group deals website. The company offers deals of the day by selling vouchers on local services and entertainment including movie tickets and restaurant bookings. Its services are in some

ways similar to the services sold by Groupon.

The company was formed by the merger of two rival startups, Meituan and Dianping, in October 2015. It has 150 million monthly active users and its total transaction volume reached £18 billion in 2015.

In its largest single funding round in January, the company was valued at £12.7 billion.

LIONEL BONAVENTURE/AFP/GETTY IMAGES



6. Snapchat

Snapchat is a video messaging application Evan Spiegel, Bobby Murphy, and Reggie Brown created when they were students at Stanford University.

Compared with Twitter and Facebook, Snapchat is considered user-unfriendly, especially for people new to the application.

The application, which is popular among millennials, reaches 100 million people per day.

Its annual revenue is roughly £141 million, according to media estimates, which is weaker than other tech startup revenues. However, the company has become an attractive advertising platform for big names like PepsiCo, Budweiser, and Amazon.com because of Snapchat's Super Bowl coverage. But the company needs to sell more advertisements especially to small and midsize businesses, according to experts.

Snapchat Inc. acquired £123.6 million in new funding in February, valuing the company at the same £11.3 billion valuation from a year ago. Despite its staggering growth, investors are worried about the company's prospects, which put pressure on the valuation.

7. WeWork

An office-sharing startup, WeWork operates in more than 20 cities across North America, Europe, and Israel. Its customers are mainly startups, freelancers, and small businesses who can pay a monthly fee for access to workspaces at one or several locations.

It completed a round of funding in March this year that puts the company's value at £11.3 billion. It is the latest startup to be valued at above £7 billion and is now tied with Snapchat and Didi Kuaidi for sixth place in the list of the world's most valuable startups.

WeWork was founded by Adam Neumann and Miguel McKelvey in 2010 and its headquarters are in New York City.

It was named among the "most innovative companies" by Fast Company magazine.

8. Didi Kuaidi

Didi Kuaidi (also known as Didi Chuxing) is the biggest ride-hailing company in China. It was formed in 2015 by the merger of the two largest taxi hailing firms Didi Dache and Kuaidi Dache.

It is based in Beijing and backed by Alibaba and Tencent, China's two largest Internet companies. Its biggest rival is UberChina.

Didi Kuaidi raised £2.1 billion from investors in September 2015 at a valuation of £11.3 billion. UberChina raised £847 million the same year at a valuation of more than £5.6 billion.

Didi Kuaidi recently has received additional £706 billion in commitments for a new fundraising round, according to media reports. Once the financing closes, it would value the company at more than £14 billion.

9. Flipkart

Flipkart is India's largest e-commerce company. It was founded in 2007 by Sachin Bansal and Binny Bansal who both worked for Amazon.com and left to create

their own e-commerce platform.

Flipkart Internet Pvt. raised £388 million in May 2015, in a deal that valued the startup at about £10.6 billion.

Flipkart sold more than £4.2 billion worth of goods in 2015, according to the estimates; however, it is still not profitable, which may put downward pressure on its valuation.

Three mutual funds that invested in Flipkart lowered their valuations of the company by more than 20 per cent in March. Despite the fact that Indians are accessing the Internet at a record rate, only a small percentage of them shop online.

10. SpaceX

Headquartered in Hawthorne, California, Space Exploration Technologies Corporation (SpaceX) designs, manufactures, and launches rockets and spacecraft. It was founded in 2002 by

BILL INGALLS/NASA VIA GETTY IMAGES



The SpaceX Falcon 9 rocket

former PayPal entrepreneur and Tesla Motors CEO Elon Musk who aims to build simple and relatively inexpensive reusable rockets.

Google invested £635 million for a 7.5 per cent stake in SpaceX in January 2015. This implies a valuation of £8.5 billion for the company. With this valuation, SpaceX ranks 10th in the top 10 valuable startups list.

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