Is Slack Really Worth $20 Billion?

The office collaboration company’s stock fell on its second trading day.

June 21, 2019 2 min read

Slack shares opened at $38.50 on Thursday, the company’s first day of trading, up 48 percent from a $26 reference price Wednesday. That massive win gave the San Francisco-based tech startup a $19.5 billion valuation, almost triple its private valuation of $7.1 billion. That seems like a high number, considering that Slack itself estimated the market for its industry (workplace collaboration services) at $28 billion in its offering paperwork.

Friday saw the startup fall back to earth, as Slack stock fell 3.63 percent to 37.22. However, the true question about Slack’s value won’t be determined in its first week of trading (just as Uber’s fate wasn’t decided by a disastrous IPO).

The Entrepreneur Index™ as a whole was down slightly, falling 0.13 percent as Amazon, Comcast and Adobe Inc. saw losses on the day. The biggest declines on the day came from D.R. Horton (-2.28 percent), Boston Properties (-1.9 percent) and FedEx Corp. (-1.89 percent).

On the other side, Alexion Pharmaceuticals rose by 2.83 percent Victoria’s Secret parent company L Brands rose by 2.8 percent on Friday followed by two clothing companies in Victoria’s Secret parent company L Brands (2.8 percent) and Ralph Lauren Corp. (2.47 percent).

Related: Stock Market Hits New High Thanks to Fed Policy Shift

The Entrepreneur Index™ collects the top 60 publicly traded companies founded and run by entrepreneurs. The entrepreneurial spirit is a valuable asset for any business, and this index recognizes its importance, no matter how much a company has grown. These inspirational businesses can be tracked in real time on Entrepreneur.com.

https://www.entrepreneur.com/article/335687