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FINANCE · CHIME

Chime was once valued at \$25 billion. The CEO says the fintech darling is ‘IPO ready,’ but investors want to know: What is it worth now?

 **FORTUNE**

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Chime CEO and cofounder Chris Britt attends The Grove by Reid Hoffman and Village Global in November 2023.

STEFANIE KEENAN—GETTY IMAGES FOR VILLAGE GLOBAL

As the valuations of fintech firms have plummeted the last two years, alongside venture funding, perhaps no one has suffered more than Chime Financial.

Shares of [Block](#), formerly Square, have fallen about 77% since August 2021, while [PayPal](#) is down about 79% during that same period. The privately held Chime, valued at \$25 billion as recently as 2021, has also seen its value drop. But by how much?

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Pricing data from Forge, an online marketplace for buying and selling shares of private firms, marked Chime shares at \$16.40 on Jan. 23, a spokeswoman said. This implies a valuation of just \$5.9 billion, a 76% plunge from 2021, when Chime shares were valued around \$69.07.

Chime was one of the most actively traded securities on the private stock marketplace [Hiive](#) in 2023, which saw a total of 130 buy- and sell-side orders, according to a spokesman. Chime last traded at \$18.50 a share, at the end of third quarter on a block of 60,000 shares, the spokesman said. This implies a valuation of \$6.7 billion.

Current buy-side indications of interest for Chime are around \$16.50 a share for its common stock, at block sizes of roughly \$2 million to \$5 million in value, the Hiive spokesman added. Most recent sell orders for Chime on Hiive range from \$18.50 to \$26, with associated block sizes in the range of 5,000 to 30,000 shares. Most sellers are believed to be in the low- to mid-twenties price range, the spokesman said.

One venture executive told *Fortune* that they weren't surprised to see such a drop in Chime's value, to about \$6 billion. "That valuation seems more reasonable than their other one," they said.

Others say they're skeptical of the numbers being tossed around on secondary markets. One Chime investor, who's owned a stake for about 10 years, said their firm conducted a full analysis of Chime's business last June that valued shares closer to \$45, meaning a total valuation of about \$16 billion. That same executive added that by Dec. 31, Chime's valuation had risen to \$57 a share, implying a valuation of \$21 billion.

"We have been very happy with our investment in Chime since the outset, and we continue to be excited about the company's current execution metrics AND its long-term growth potential," the executive said via text message.

\$2.2 billion

Founded in 2012, Chime is a neobank that offers traditional financial services such as fee-free checking, savings accounts, and debit cards. It doesn't have a bank charter, instead partnering with the Bancorp Bank and Stride Bank in offering its services.

According to Chime's website, customers have access to more than 60,000 ATMs, and perhaps the biggest perk for many is [SpotMe](#), which allows for overdrafts of up to \$200. Rather than chasing high-net-worth individuals, Chime caters to those making less than \$100,000. The company declined to share with *Fortune* its current customer base, but *Forbes* in 2022 [pegged](#) the number at more than 14.5 million.

Chime has collected \$2.2 billion in funding from some of the most well-known investors, including General Atlantic, Tiger Global Management, and Sequoia Capital. The last time Chime raised money was in 2021, a bubble year for venture when many unprofitable companies [reached unicorn status](#). A correction in 2022 caused venture funding to [drop by 35%](#), according to Crunchbase.

“Pretty much every consumer fintech got marked up way too much over the last three years, and it was really hard for them to grow into valuations,” said Justin Smith, a managing partner at private equity firm Recharge Capital.

Chime was expected to list its shares in 2021, when a record-breaking 397 companies went public via IPOs. It didn’t. Every year since, Chime is mentioned as a prime candidate for an IPO. Opinion right now is split on whether it should.

Some bankers and entrepreneurs think Chime has enough money and doesn’t need to go public. The firm last year generated \$1 billion in revenue and as of last March had \$900 million in cash, a person familiar with the situation told *Fortune*.

Others believe an IPO is the only option. Chime, another VC told *Fortune*, “will have to go public because they raised more money than they are currently worth, and an IPO is the only exit that won’t impair the entire cap table.”

It appears that Chime is leaning toward the latter. In December, Chris Britt, a cofounder and CEO, [told Bloomberg](#) that Chime had raised a lot of money with the intent to be an “independent, large, public company.” He didn’t give a timeline but did say the company is as “IPO-ready” as one can be. Britt said Chime, at least for now, would “wait and see” how the economy and markets play out in the first half of 2024.

It’s unlikely Chime is an acquisition target, for two main reasons: First, its true valuation is unclear; second, that’s not what the company wants.

“Chime is not for sale,” Jennifer Kuperman, Chime’s chief corporate affairs officer, told *Fortune*, adding later in a statement: “We’ve long said our goal is to become a public company, and we are in an enviable position to advance that plan when it makes sense for our business.”

In other words, investors will have to “wait and see.”

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