

Thrive Capital Said to Lead Potential Investment in Stripe

Thrive has committed \$1 billion, which would value the payments provider Stripe at about \$55 billion to \$60 billion, people with knowledge of the matter said.



By Lauren Hirsch and Maureen Farrell

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Thrive Capital, the investment firm founded by Joshua Kushner, is leading a potential investment in the payments provider Stripe at a valuation of \$55 billion to \$60 billion, down sharply from two years ago, two people with knowledge of the matter said.

Stripe is aiming to raise roughly \$2.5 billion, one of the people said. Thrive has committed \$1 billion, said another person familiar with the situation, who requested anonymity because the talks are confidential.

If completed, the funding could give Stripe breathing room amid a tough market for public listings. The money is expected to be used to pay the start-up's tax liabilities and to allow its employees to sell their company shares. Many privately held tech companies use stock options to help recruit employees, but a faltering market for public offerings has made it difficult for employees to cash out of those shares. Some Stripe employees have stock grants that will start expiring next year if the company does not go public or raise new funding, a person familiar with the situation said.

The Wall Street Journal previously reported that Stripe had considered raising new funds.

Stripe's moves are being scrutinized because it was once the most highly valued private company in the United States. How it responds to an inhospitable market for public offerings could be a harbinger for how others manage it.

The company, which the brothers John and Patrick Collison founded in 2010, hired Goldman Sachs and JPMorgan Chase to advise it on a potential public listing in the next year. It told employees last week that it was considering multiple routes to letting its employees cash out within 12 months.

Among the options is listing Stripe's shares on the public market. Another is to raise money privately followed by a tender offer, in which the company would sell employee shares to other investors while staying private. The new funding does not mean a public listing is off the table, one of the people with knowledge of the matter said.

A valuation of \$55 billion to \$60 billion would be a steep drop for a company that last raised money at a roughly \$95 billion valuation in 2021. Stripe sells payment processing software to companies including Peloton, Wayfair and Amazon.

Over the last year, the start-up funding environment has deteriorated amid rising interest rates and a renewed focus on profits. Some tech companies have found it harder to attract new investments and many start-ups have had to cut their costs.

For Thrive, known for its investments in start-ups like Skims, Warby Parker and SpaceX, a \$1 billion bet is a big check. Mr. Kushner has been trying to steer the firm out of the shadow of his older brother, Jared, who was a top adviser to his father-in-law, former President Donald J. Trump.

Thrive closed a \$3 billion fund, its largest ever, last year. Last week, it announced that it had sold a minority stake in the firm to executives including Robert Iger, Disney's chief executive, and Henry Kravis, a co-founder of private equity firm KKR. The deal valued Thrive at \$5.3 billion. It is also in talks to invest in the artificial intelligence company OpenAI.

Erin Griffith contributed reporting.

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