

Bitmain Technologies—A New Age of Investment Amidst a Pending IPO By Lauren Strauss, J.D. Candidate 2021 | October 16, 2018

Bitmain Technologies (Bitmain), a Beijing-based corporation that specializes in [cryptocurrency mining equipment](#), initiated an application to take its company public in late September of 2018 with the [Hong Kong Stock Exchange](#).

Amidst the pending initial public offering (IPO) application, cryptocurrencies, such as Bitcoin, have significantly dropped in value this year. In early 2018, Bitmain's sales followed suit due to a disproportionately high supply in relation to demand. However, the company is still on track to hit [\\$10 million](#) in annual revenue despite the observed fall in cryptocurrency value.

Since Bitmain's technology is reliant upon the market for cryptocurrencies, there is great speculation over how well Bitmain will fair once its IPO is issued. Pending success as a publicly-traded company, Bitmain will likely serve as a model for emerging startups engaged in cryptocurrency-related business practices. However, Bitmain's path to success is largely unpaved and unclear, which may cause risk-averse investors to keep Bitmain at arms-length. For instance, Tencent Holdings and Softbank Group, Uber's largest shareholder, are reportedly [not involved](#) in funding Bitmain's IPO.

Notwithstanding the close relationship between Bitmain and the cryptocurrency market, Bitmain appears to be relatively prudent in terms of its business dealings. By diversifying its products, Bitmain has made its company more appealing to investors by shielding itself from the seemingly volatile cryptocurrency market. Not only has it focused on creating mining equipment for a diverse group of cryptocurrencies, it also seeks to enter the artificial intelligence space. Investors are likely more willing to financially support a company that not only illustrates its knowledge about the risks associated with the cryptocurrency market but has concrete plans to protect itself from those same risks.

In addition, there has been a notable shift among large corporations to [align their interests](#) with the emerging cryptocurrency market. Companies like IBM, Intel, and Amazon, to name a few, are all integrating blockchain into their business dealings. Thus, while some may believe Bitmain's pending IPO application seems ill-advised, if all goes as planned, it will be one of many publicly-traded corporations that find value in engaging with emerging technologies to remain relevant and attract a new age of technology-focused investors.

