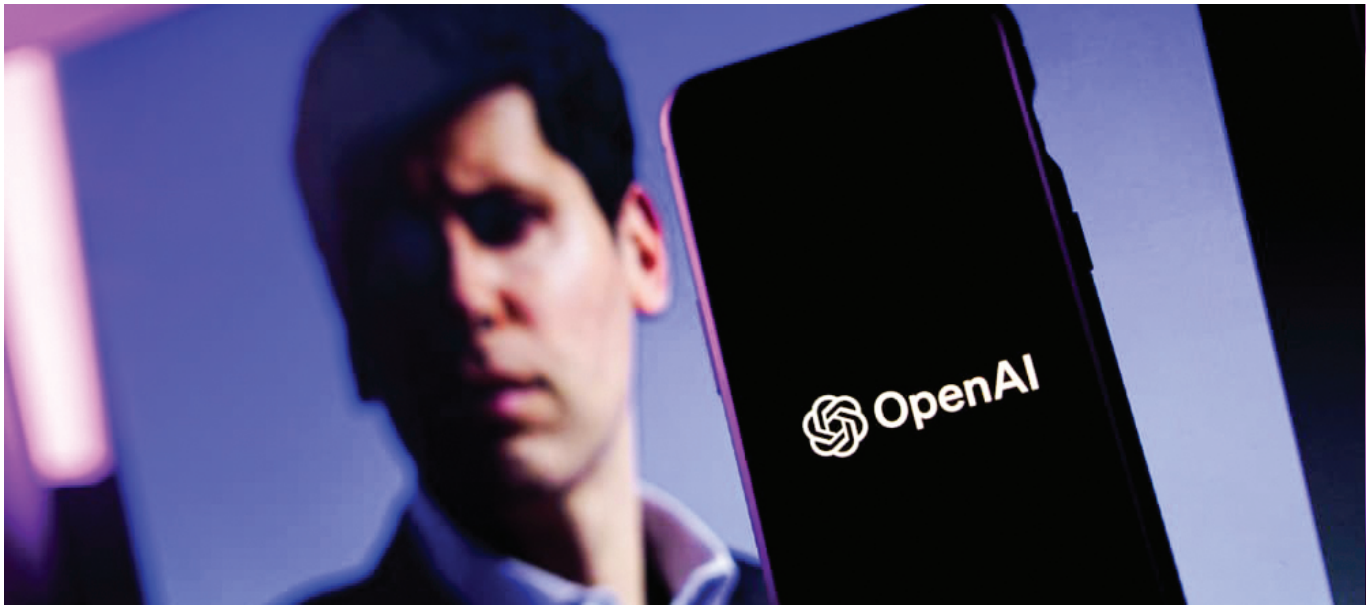
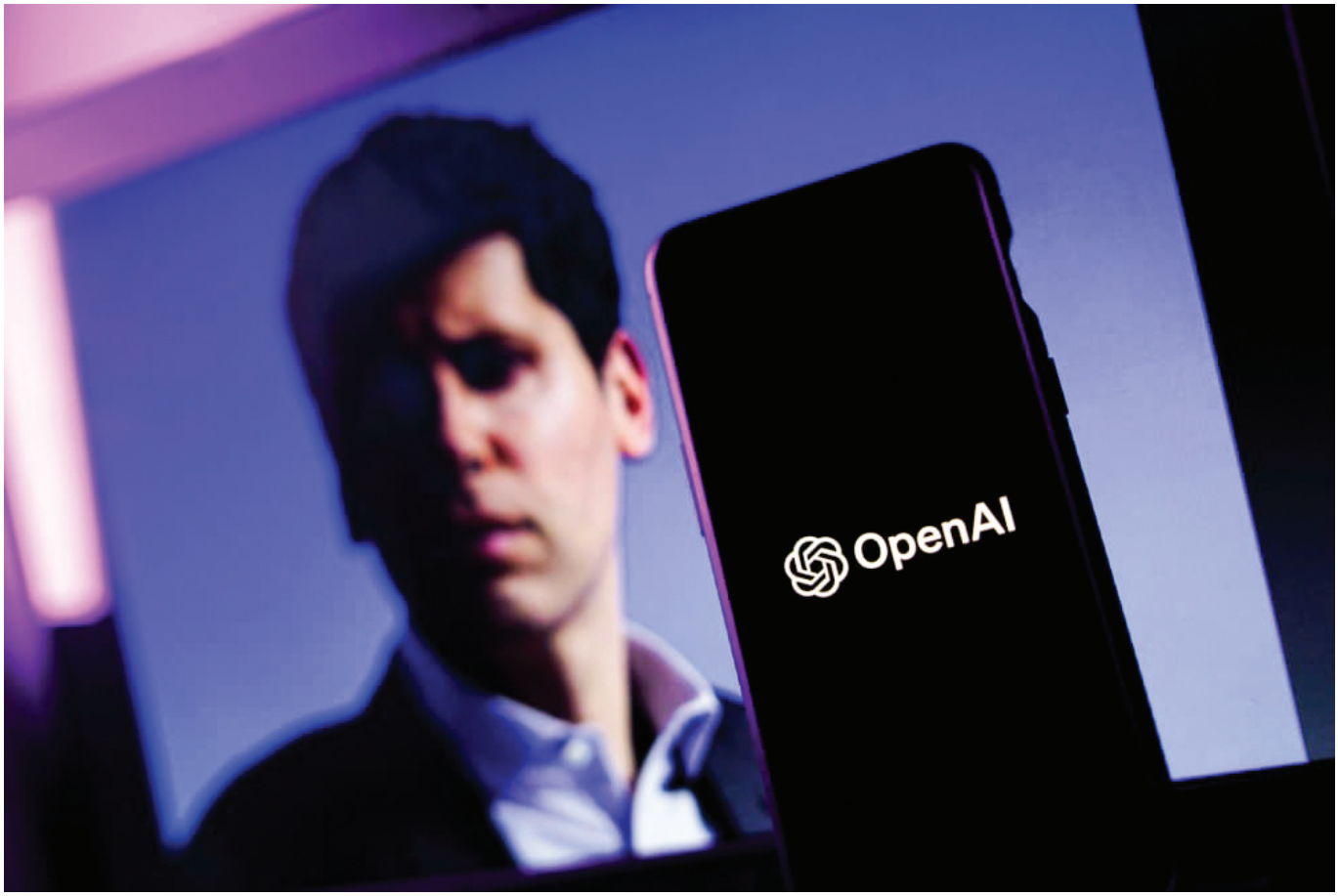


OpenAI would be a Global Top 40 company if it went public

February 11, 2025. Andreja Stojanovic



OpenAI, the company behind one of the most popular artificial intelligence (AI) platforms, ChatGPT, embarked on a journey of pivoting away from a non-profit focused on AI safety to a for-profit company in the second half of 2024.

Finbold research found that OpenAI's transition contributed to a substantial valuation increase, positioning it as the world's 39th largest company if it were to go public via an initial public offering (IPO).

Specifically, SoftBank (TYO: 9984) is preparing to invest USD 40 billion in OpenAI at a pre-money valuation of USD 260 billion, according to a February 7 report.

The new estimate means that OpenAI surged 65.61percent in value in just over four months as an October 2024 funding round – spearheaded by Fidelity, Thrive Capital, Microsoft (NASDAQ: MSFT), and Nvidia (NASDAQ: NVDA) – was undertaken at a USD 157 billion valuation.

OpenAI overtakes Palantir and Alibaba in terms of valuation

Furthermore, while OpenAI was at the 100th spot among the world's biggest companies and just behind Siemens (ETR: SIE) and just ahead of Contemporary Amperex Technology (SHE: 300750), the new estimate places it far ahead of these firms.

At USD 260 billion, the Microsoft and SoftBank-backed AI firm would find itself between Wells Fargo (NYSE: WFC) valued at USD 265.31 billion – and Samsung (KRX: 005930) – valued at USD 254.95 billion – if it went public.

OpenAI would also be well ahead of many of its technology peers, with Palantir (NASDAQ: PLTR) being three spots behind it at USD 252.51 billion, despite enjoying a 297.04 percent rally in the last six months and rising 365.67 percent in the last 12.

The Chinese e-commerce and technology giant Alibaba (NYSE: BABA) would also be smaller than the hypothetical, publicly-traded OpenAI as its market capitalization stands, at press time, at USD 245.93 billion.

The advantage over Alibaba is, perhaps, especially remarkable as BABA shares recently enjoyed a strong rally as the company unleashed its Qwen 2.5 AI model while alleging it is superior to DeepSeek.

It is noteworthy that DeepSeek itself was positioned en-par with OpenAI's most advanced broadly available models.

Institutional investors regain confidence after DeepSeek disruption

Simultaneously, the upward revaluation of OpenAI might serve as a show of confidence that the release of the novel DeepSeek model, as disruptive as it has been, does little to change the bull case in the long run.

The open-source AI platform was initially met with a massive stock market sell-off that even led to Nvidia posting a record-breaking daily valuation loss as investors suffered a crisis of conviction regarding the hundreds of billions poured into Silicon Valley due to the Chinese model's reported low costs.

Still, SoftBank is far from the only entity that concluded that DeepSeek's release didn't invalidate the worth of AI investments as after the initial shock passed, a

stance that the breakthroughs paired with the already developed and planned infrastructure would prove a net positive.

Such a conclusion is also evidenced by the fact that part of the USD 40 billion figure is expected to go to The Stargate Project, a USD 500 billion plan to improve AI infrastructure, announced by President Donald Trump and led by some of the biggest names in the industry, including SoftBank, Oracle (NYSE: ORCL), and OpenAI itself.

OpenAI's shifting valuation

Elsewhere, the USD 260 billion valuation provided by SoftBank's USD 40 billion investment plan might be somewhat deceptive.

OpenAI's transitioning into a for-profit entity created a messy corporate structure, recent developments indicate that the original non-profit entity – arguably the most important element as it still sits at the top of the pyramid – has a substantially lower valuation.

On Monday, February 10, Elon Musk led a consortium made up of Atreides Management, Vy Capital, Baron Capital, 8VC, Valor Equity Partners, and Endeavour chief executive Ari Emanuel offered to buy the non-profit for USD 97.4 billion.

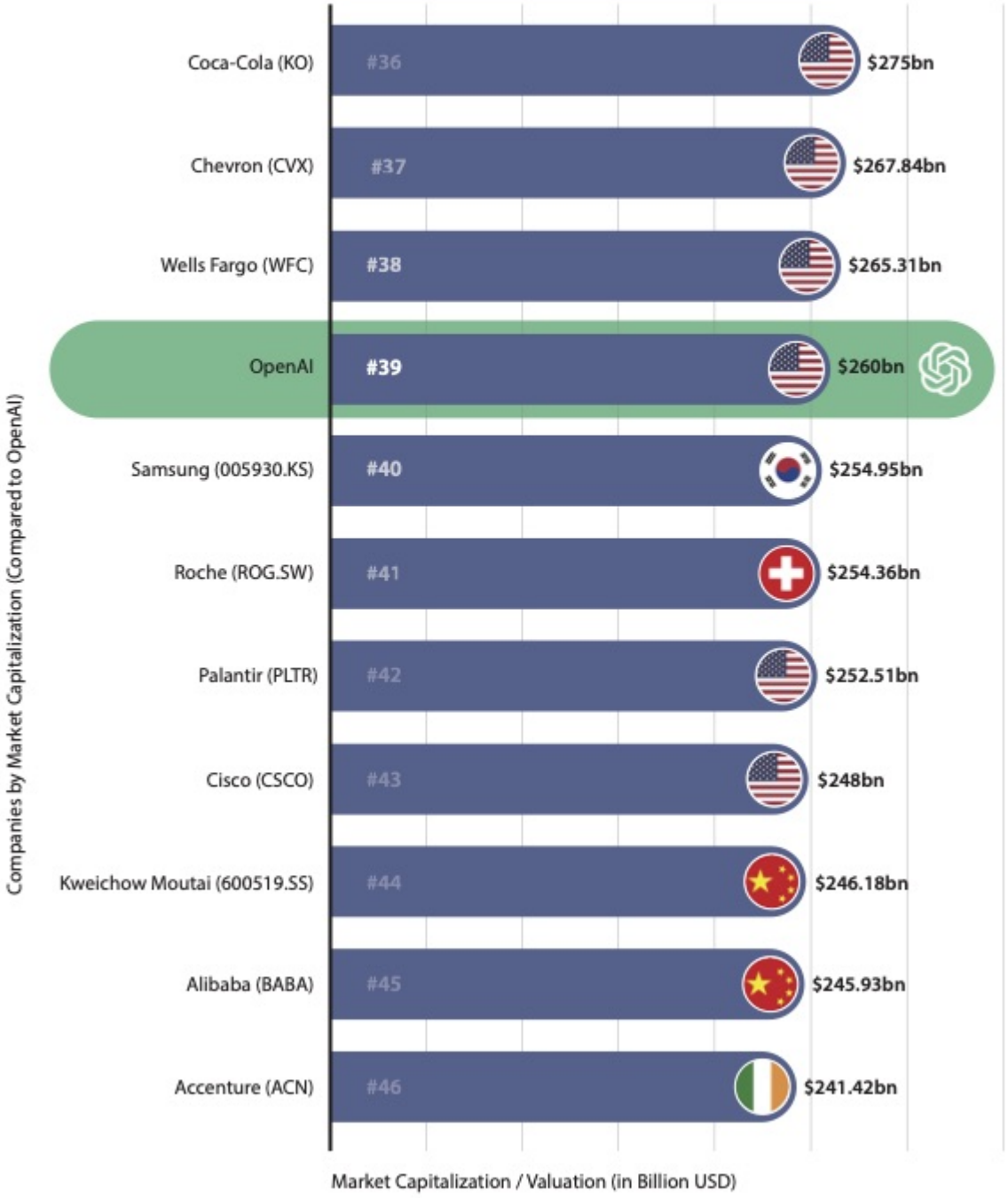
Sam Altman rejected the offer instead, saying he could buy X for USD 9.74 billion. Elon Musk purchased the social media platform – then known as Twitter – in 2022 for approximately USD 44 billion, while multiple reports indicate OpenAI's non-profit entity is valued at approximately USD 30 billion.

Though Musk's offer has been interpreted as intended to be disruptive rather than fruitful due to the long-standing feud between himself and Altman, the proposed and rejected amount, paired with the substantially reported internal valuation, does raise questions about OpenAI's transition.

Andreja is a skilled finance news reporter, copywriter, and screenwriter with a growing fascination for finance, especially in the wake of the retail investing boom. He has since committed himself to providing rigorous coverage of financial news and the exploration of intricate financial concepts.

OpenAI Valuation: Where It Would Rank as a Public Company?

Methodology: Finbold compared OpenAI's estimated valuation during the latest fundraising round with the market capitalizations of existing public companies to determine its likely global ranking should it undergo an initial public offering (IPO).
Sources: Finbold, Companies Market Cap, CNBC, OpenAI



Disclaimer: Valuation data for public companies retrieved on February 10, 2025.