

Brex raises mega-round, announces new feature for finance management

Article

The corporate credit card provider has scooped up a \$425 million Series D funding round led by Tiger Global, [per](#) TechCrunch. The round gives Brex a \$7.4 billion valuation—up from \$3 billion in 2020 when it raised a \$150 million Series C round. Brex [offers](#) small businesses access to a corporate credit card, alongside financial management tools including expense tracking.

Brex has been growing its business over the past year, and a new product announcement will further boost its financials.

- **Despite the pandemic, Brex's growth has steadily accelerated.** Brex claims to be onboarding thousands of new tech and nontech customers each month, with monthly customer additions increasing fivefold. From March 2020 to March 2021, Brex more than doubled its revenues and total payment volume, [per](#) TechCrunch. This comes despite Brex [reducing](#) credit limits at the onset of the pandemic to mitigate its potential exposure to defaults, in turn affecting its balance sheet since it earns revenues from startups using its corporate credit card.
- **Separately, Brex [unveiled](#) a new dashboard for businesses, which will diversify its revenue streams.** Dubbed Brex Premium, the dashboard combines credit cards, business cash accounts, and new spend management and bill pay software. Its \$49-per-month subscription fee will be payable in dollars or Brex points, which can be earned by using its credit card. With this move, Brex aims to provide its small business customers with an all-in-one finance solution, rather than having multiple platforms and apps to handle various financial tasks. The fintech previously didn't [charge](#) a fee for its services, so the new offering should boost its revenues and help it grow a more sustainable business.

The new product comes as the competitive landscape for corporate credit card startups is moving to offer more finance management features. Fellow credit card and accounting fintech Ramp also [recently](#) scooped up funding, attributing its growth to demand for its accounting solution. Brex itself has also made moves amid the pandemic to enhance its accounting tools, for example by integrating cash management platforms SAP Concur and Xero in [September](#). By further doubling down on finance management for businesses, Brex can defend its position in the market and increase the revenues it makes from each client.

Small Business Spending on Accounting and Payments Services, Q1 2020

Billions

Accounting/bookkeeping	\$135.5
Invoicing	\$144.9
Bill payment	\$142.0
Payment acceptance	\$108.4

Source: Cornerstone Advisors, "The \$370 Billion Small Business Opportunity for Banks," June 2020

Methodology: Data is from the June 2020 Cornerstone Advisors report titled "The \$370 Billion Small Business Opportunity for Banks." 1,265 US small business owners and executives were surveyed online during March 2020.

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