

Pleo becomes expense management unicorn after mega-round

Article

The news: Danish fintech **Pleo** raised **\$150 million** in a Series C round, valuing the startup at **\$1.7 billion**, [per](#) a company blog post.

More about the company: Pleo operates a platform that aims to simplify **expense management**.

It offers spending cards for employees that automatically itemize purchases according to their company's internal accounting systems. Pleo can also integrate invoice payments management and accounting with third parties like **Xero** and **Quickbooks**.

It has offices in Copenhagen, London, Stockholm, Berlin, and Madrid. Roughly **17,000** small and medium-sized businesses (SMBs) use Pleo, with companies at the medium end numbering about **1,000** employees.

What's next? The fintech wants to expand its reach by targeting larger employers, an opportunity that likely caught investors' attention.

CEO Jeppe Rindom said the fintech will use the fresh capital to attract businesses with up to **5,000** employees, according to TechCrunch. This change of focus will let Pleo **turbocharge** its growth, as it will be able to achieve the same user base growth while signing up fewer companies.

Larger clients may have a broader range of needs, but Pleo builds all its services from the ground up, so it will likely be able to adjust to a changing audience. As such, the fintech aims to reach **1 million** users by 2025 as it tries to make a bigger dent in Europe's **\$80 billion** expense management market.

What about the wider market? Digital finance management for businesses is a hot topic globally: 66% of SMBs reported shifting finance and operations solutions online in March 2021.

Fellow expense management startup Expensify, which has more than **\$100 million** in annual revenues and **10 million** users, recently submitted its IPO draft registration. Denmark-based **Ageras** recently raised **\$73 million** to connect small businesses with more than 5,000 professional accountants to help manage their finances, and accounting platform **Pilot** scooped up **\$100 million**.

Areas Where US SMBs Have Shifted Online,
Jan 2021

% of respondents



Note: businesses had fewer than 500 employees
Source: Localogy, "Modern Commerce Monitor: Wave 6.1," March 18, 2021

265144 eMarketer | InsiderIntelligence.com