

# Before Coronavirus ZOOM CEO Eric Yuan Was Worth \$3 Billion. His Net Worth Just Zoomed To \$21 Billion

Before trading opened on 3/28/2020 on the NASDAQ, a single share of Zoom Video Communications INC cost \$304. At that level the company had a market cap of \$83 billion. At that market cap, company founder and CEO Eric Yuan's 19% stake gave him a net worth of \$15.8 billion.

At the end of the trading day, a single share of Zoom cost \$325. That's an 8.63% increase in normal market hours trading.

After the markets closed, Zoom reported its quarterly results. In those reports, Zoom disclosed that revenue more than quadrupled over the same period last year. In fact, Zoom made more money in three months of 2020 than it did in all of 2019. Profits also doubled.

This news sent Zoom stock... well... zooming in after hours trading.

Markets closed at 4pm EST. And remember, the stock closed at \$325. Thirty minutes after closing, after hours trading sent the stock to \$355. Two hours later, it hit \$407, before settling down at \$400.

*[Full disclosure – By total random luck/coincidence, I bought 30 shares of Zoom from my personal trading account today at 9:57 am PST. My transactions cleared at a price per share of \$307.925. I frankly didn't even know Zoom was reporting earnings today. I found out when I saw someone Tweet about the revenue quadrupling. I quickly checked the stock price and was stunned to see Zoom at \$355. About 30 minutes later my jaw*

*dropped when I saw it nearing \$400. So if the \$400 price holds, I somewhat stumbled into a roughly \$2,500 gain in a few hours. I am not a professional investor and this is not a recommendation.*

*The reason I decided to buy Zoom shares was because my dad – a lawyer – told me yesterday on our weekly family Facetime that Zoom has totally revolutionized the legal business. He said he would never need to fly somewhere for a deposition again. His whole day is Zoom. This revelation made me realize that Zoom may not be a quarantine fluke company.]*



(Photo by Kena Betancur/Getty Images)

## **Eric Yuan's Zooming Net Worth**

Eric Yuan is the founder and CEO of Zoom. He was born in China in 1970. Earned a Master's Degree in Engineering from China University of Mining and Technology.

In 1994, he landed a job that required a 4-month stint while

living in Japan. At some point during this Japan sabbatical, he was able to attend a speech given by Bill Gates, who described the early growth of the internet industry back in United States. Erin immediately decided he needed to move to the US.

So Yuan applied for a visa, and was promptly rejected.

So he applied again, and was rejected.

In total, Eric's visa application was rejected 8 times over two years.

Finally in 1997, with a visa in-hand, Eric landed a job at a California company called WebEx. A decade later he had risen to Vice President of Engineering. In March 2007, the same year of his promotion, Cisco acquired WebEx for \$3.2 billion. Eric eventually rose to the title of Corporate Vice President of Engineering at Cisco Systems.

Eric founded Zoom in 2011. By 2014 the company had 10 million users – mostly corporations. Zoom's private market valuation crossed \$1 billion for the first time in June 2017.

Zoom went public on April 18, 2019. After the first day of trading, the company's market cap topped **\$15 billion**.

Eric owns 19% of Zoom. So, Eric ended the IPO day with a net worth of **\$3 billion**.

Here's a chart showing Zoom's stock performance between the IPO date and early March 2020 (before Coronavirus):



As you can see from the above chart, the stock was kind of an dog for the first 8 months of being a public company. It dropped as low as \$60 a share at one point.

Then Coronavirus hits.

In January 2020, Zoom was trading at \$75.

By late March Zoom doubled to \$150.

It hits \$200 in June and \$250 in August. It crossed \$300 for the first today (August 31), ultimately ending the normal trading day at \$325 and then \$400 with after hours trades.

When Eric Yuan went to bed last night he was worth \$15.8 billion. At the end of the normal trading day, before earnings were released, his net worth had jumped to \$17.3 billion.

With Zoom at \$400 a share, the company has a market cap of \$113 billion. At that level, Eric Yuan's net worth is \$21.5 billion. At one point when after hours trading pushed the stock to \$405, Eric was worth \$22 billion.