

We Company

07:53 14 Aug 2020

WeWork gets more financing from SoftBank after membership numbers hit by pandemic

WeWork's parent company has raised US\$1.1bn in new debt from majority owner SoftBank Group after the second quarter was hit by the coronavirus pandemic.

The shared office provider reported a reduction in revenue and increase in cash burn from the first quarter to the second.

Turnover in the second quarter was US\$882mln, up 9% year on year but down around 20% from the first, according to an email to staff from WeWork's chief financial officer Kimberly Ross, Reuters reported, as customer numbers shrank by 12% to 612,000 quarter on quarter.

Cash burn US\$671mln during the three months to end-June, almost 40% higher than the first quarter's US\$482mln.

However, the second quarter's cash burn included US\$116mln of restructuring costs as, under the Japanese investment giant's influence, the group's looks to **continue reducing staff numbers by around a fifth** and temper the pace of expansion.

"Our early efforts to become a more streamlined, cash-conscious organization puts us in a better position to adapt quickly, navigate new realities and deliver our future business objectives," said Ross in the memo.

Including the new financing, the We Company coffers are still bulging with US\$4.1bn in cash and other commitments.

Chairman Marcelo Claure recently said WeWork was on track to be positive cash flow in 2021.

Share Information

Code: WE

Listing: PRIVATE-NA

Sector: Real Estate

Website: www.wework.com

Company Synopsis:

We Company is the parent of WeWork, a real estate company that provides shared workspaces for technology startups, and services for other enterprises. Founded in 2010, it is headquartered in New York City.

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