

SoftBank Group drops \$3 bn WeWork tender offer

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Japanese global tech investor SoftBank Group said on Thursday it had

terminated a tender offer worth up to \$3 billion to acquire shares in US firm WeWork.

The company said "certain conditions to the tender offer were not satisfied", but added the decision would have "no impact on WeWork's operations, customers, five-year business and strategic plan, or the vast majority of WeWork's current employees."

The announcement came after reports of a nagging rift between SoftBank Group and WeWork board members over the rescue package for the US-based office-sharing start-up.

Among a list of unmet conditions, SoftBank cited "the existence of multiple, new, and significant pending criminal and civil investigations" surrounding WeWork and its co-founder Adam Neumann.

The Japanese conglomerate also pointed to the global impact of the pandemic which is restricting WeWork's operations as well as a lack of the necessary antitrust approvals.

On the Tokyo Stock Exchange, SoftBank Group reversed earlier losses to end up 2.53 percent at 3,768 yen.

Rob Townsend, SoftBank Group's senior vice president and chief legal officer, stressed the company's continued commitment to WeWork.

"The tender offer closing was conditioned on the satisfaction of certain closing conditions... Several of those conditions were not met, leaving SoftBank no choice but to terminate the tender offer," he said in a statement.

The decision was yet another dramatic turn of events at troubled WeWork, once hailed as a shining unicorn valued at \$47 billion. The

firm quickly lost cash, cancelled its IPO and Neumann was pushed out—albeit with a generous package.

The tender offer would have most benefited Neumann, his family, and major institutional stockholders like Benchmark Capital, SoftBank Group said.

SoftBank Group has been trying to restore its financial health after booking massive losses related to the performance of some investments including WeWork and Uber.

The company and its Vision Fund have been aggressively buying the world's top tech start-ups, but some have ended up disappointing.

They have already committed more than \$14.25 billion to WeWork.

Meanwhile, WeWork's office locations have been hit hard by the coronavirus pandemic which has triggered lockdowns of major urban districts, including business hubs in New York and California.

Public health measures have kept many workers at home, leaving many of WeWork's office spaces empty.

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