

Revamped WeWork rises in Nasdaq debut

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WeWork shares rose in their first session on the Nasdaq.

The office-sharing company WeWork made a strong Wall Street debut on Thursday, two years after a previous attempt disintegrated in spectacular fashion.

Shares of the venture that's been revamped with new corporate leaders

hovered at around \$11.01, or six percent up, on Thursday afternoon, hours after jumping nearly 10 percent shortly after midday, giving it a market value of about \$9 billion.

The surge comes two days after shareholders from a special-purpose acquisition company (SPAC) called BowX voted to merge with WeWork.

Shares trade on Nasdaq under the ticker "We."

Known initially for catering to young freelancers, WeWork has turned its focus more towards companies of more than 500 employees looking for space in urban centers.

Those larger firms represent a little more than half of WeWork's clientele, compared to 42 percent at the end of 2019.

Chief executive Sandeep Mathrani, a real estate veteran who was tapped in February 2020, has overseen a major austerity drive, cutting several thousand jobs worldwide and reducing the number of leases.

WeWork generated \$658 million in revenue between July and September but continues to lose money. The group, which has 762 workspaces in 38 countries and 150 cities, hopes to become profitable in the first quarter of next year.

The company aims to turn the page on the era of Adam Neumann, the co-founder and ex-boss whose antics and temperamental nature brought the company to the brink of bankruptcy.

'Refocusing'

Thursday's debut comes two years after the company went into a

dramatic tailspin that led to the canceling of its planned IPO and accepting a bailout by Japanese investment firm SoftBank.

To turn things around WeWork appointed Mathrani to lead the company, following Neumann's departure with a hefty severance package.

"WeWork has transformed its business by overhauling its operations and cost structure, rightsizing its real estate portfolio and most importantly—refocusing on its core product," Anthony Yazbeck, the group's chief operating officer, recently told AFP.

WeWork is banking on the sustainability that labor will be organized in new ways even in a post-pandemic world.

The company has launched a monthly subscription giving access to the common areas of any of the group's buildings around the world.

They also rolled out a pay-per-use service in several countries—including the United States, Britain and Australia—allowing users to rent rooms by the hour or by the day.

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