

WeWork hopes for IPO 'by end of year'

17 September 2019



The planned IPO from office-sharing startup parent We Company is being delayed, probably until late this year amid concerns from potential investors

A stock offering from fast-growing office-sharing startup WeWork is being delayed and will likely occur by the end of 2019, the parent company said.

The news from The We Company, which had filed paperwork for an expected listing this month, puts off the listing amid concerns about a huge overvaluation of the company.

"The We Company is looking forward to our upcoming IPO, which we expect to be completed by the end of the year," a company statement said late Monday.

"We want to thank all of our employees, members and partners for their ongoing commitment."

The We Company, its parent firm, was thought to be moving forward with listing on the Nasdaq next week.

WeWork had been expected to launch its IPO roadshow on Monday to market its shares to potential investors.

But investors are wary about the valuation of the company, which dropped from \$47 billion in January to less than \$20 billion last week and could be cut even further.

New York University professor Aswath Damodaran, who specializes in private firm valuations, said recently the company was worth some \$13.75 billion and that it is "susceptible to economic downturns and shocks in the real estate market" due to high debt levels.

The New York-based WeWork offers shared, flexible workspace arrangements, and has operations in 111 cities in 29 countries.

The company lost \$1.9 billion last year, with revenues of \$1.8 billion.

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