

Obama's Uber Reports Massive \$1.5 Billion 3Q Loss As Two Investors Drop Out Of New Financing Round

Obama staffed, profits from and pulls campaign data from UBER

 Tyler Durden's picture by Tyler Durden

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Following an [embarrassing revelation from about a week ago](#) that Uber concealed a massive cyberattack - in which hackers stole personal data from 57 million customers for more than a year - and paid the hackers \$100,000 to keep quiet (not to mention the plethora of other scandals of late), investors in the private company have rightfully balked at providing the \$7-\$10 billion worth of new equity it apparently needs to keep the doors open.

Therefore, it's probably not helpful, at least for Uber management, that the company just reported another quarter of massive losses totaling some \$1.5 billion. Here's more from the [Financial Times](#):

Uber's adjusted third-quarter losses widened to \$743m, up 14 per cent from the previous quarter, on a measure that excludes interest, tax and share-based compensation, the documents revealed.

Including those items brings Uber's net losses to \$1.5bn for the quarter, according to generally accepted accounting principles.

As Uber faces legal challenges around the world, including a high-profile lawsuit from Waymo, closer to home, its litigation efforts have become increasingly costly. The company also spends heavily on marketing and discounts for its transportation service, particularly in competitive markets such as India and the US.

Net revenues rose to \$2bn in the third quarter, up 14 per cent from the previous quarter, with gross bookings of \$9.7bn.



Of course, as [we noted](#) yesterday, SoftBank shocked some Uber investors when they offered to buy shares in a new

round of financing, but only at a 30% discount to their previous valuation of \$69 billion. Meanwhile, even at that "bargain" price, **General Atlantic and DST dropped out of the original investor consortium citing "growing risks" with the San Fran darling.**

Bloomberg reports that **SoftBank and a coalition of investors will offer to buy shares in Uber at a price that would value the ride-hailing company at 30 percent less than its most recent \$69 billion valuation**, according to two people familiar with the matter.

The deal isn't done, however. Shareholders will need to sell at the \$48 billion price.

While it's 30 percent less than the current valuation, the offer would represent a significant windfall for many early investors.

If shareholders don't agree to sell in sufficient numbers, SoftBank could raise the price or walk away.

So what say you? Are these all temporary blips for Uber or is there a "Dead Unicorn Walking" in Silicon Valley?