WeWork Moves Ahead With Reverse Stock Split

Flexible Office Provider To Give Stockholders One Share for Every 40 They Own

Inside a WeWork office in the city of London. (AFP via Getty Images)

By Bert Erik ten Cate
CoStar News

August 18, 2023 | 8:28 AM

Flexible office space provider WeWork plans a 1-for-40 reverse stock split, a move designed to keep its shares listed on the New York Stock Exchange and counter their decline in value as the company struggles with lower demand.

With the reverse stock split, WeWork said it aims to increase the company's per share trading value and to regain compliance with the $1.00 per share minimum closing price required to maintain the listing. The move will involve its outstanding shares of Class A Common Stock and Class C Common Stock.

The reverse split has been approved by WeWork's board and is within the range approved by shareholders at the annual meeting in June, the New York-based company said. It will be effective at 4:01 pm, Eastern Time, on the first day of September. The company does not expect the reverse stock split to impact its current or future business operations, it said.

RELATED CONTENT
WeWork’s Troubles Cast New Shadows Across the Real Estate Industry > >

Earlier this month, WeWork warned that “substantial doubt exists" about its ability to continue as a going concern unless it can improve liquidity and profitability over the next 12 months.

The company said its memberships, subscriptions for individuals or companies to gain desk space in offices it rents out around the world, fell because of issues including increased competition and “macroeconomic volatility” that led to a higher member churn.

It's the latest problem for a company that gained a high profile with fast growth in the years following its 2010 founding. WeWork became a publicly traded company in October 2021 after corporate governance concerns led to a failed IPO attempt in 2019 and the ouster of co-founder and CEO Adam Neumann, a period in which its valuation tumbled to $9 billion from a $47 billion valuation by majority shareholder SoftBank. WeWork now seeks a permanent CEO after its former chief, Sandeep Mathrani, left in May.