

## **IPO Expenses Drive Up Uber Losses To \$5.2 Billion As Growth Slows**

Uber's losses ballooned to \$5.24 billion in the second quarter due to \$3.9 billion in stock costs associated with its IPO. Revenue growth was also Uber's slowest ever, up just 14% from the year-ago quarter to reach \$3.1 billion. [Despite expecting the news given the routine expenses with taking a company public](#), investors still sent Uber's stock crashing after-hours as it fell as much as 12%.

The combination of massive losses and slowing revenue growth once again ignites questions over Uber's business model and whether it's sustainable in the long-term. The company, which has never been profitable, has already started cost-cutting measures in an effort to stem losses. In July, the company [laid off 400 employees](#) from its marketing teams globally.

During a call with analysts and reporters, Uber CEO Dara Khosrowshahi tried to assuage investors that Uber was on the right path, teasing new products coming in its shared rides and touting a stabilized U.S. market. "We're very confident that this company, at maturity, can be cash-flow positive," he said.

Uber did grow both its monthly riders and its global bookings by nearly a third. Its global bookings reached nearly \$15.8 billion, up 31% year-over-year. Its monthly active riders hit 99 million, up 30%. It also grew its take-rate for its food delivery service, Uber Eats, despite a competitive environment that [saw DoorDash raise another \\$600 million in May](#).

Unlike Uber, its U.S.-rival Lyft actually expects to lose less money in 2019 than it previously suggested. In Lyft's second quarter earnings, announced Wednesday, the company [reported](#) better-than-expected revenues and also dialed back its loss estimates for the year.

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