




wework
Same Logo,
Different Risk



A strategic alternative pitch to investors post-bankruptcy

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November 2023: The Breaking Point



The Balance Sheet

Assets: \$15.06 Billion

Liabilities: \$18,65 Billion

-\$3,6 Billion

The Real Crisis

Long-term lease commitments:

~\$40-50 Billion (10-15 year exposure)

Monthly customer churn:

30-40% annually (30-day cancelation)

Monthly occupancy risk:

Dropped from 75% → 45% (2022-2023)

Fixed cost structure:

~189% of revenue (at scale)

 **NO PATH TO PROFITABILITY**

THE MODEL MISMATCH:

The core flaw that no scale could fix



What WeWork Signed

15 years average commitment, no early exit clauses

~\$100K–\$200K

Monthly rent liability per location

What WeWork Collected

15 months average commitment, 30-day cancellation

~\$50K–\$150K

Monthly revenue per location:

"WeWork could exit every customer relationship in 30 days. It would take 15 years to exit its landlord obligations. When the market shifted, this wasn't a feature. It was a trap."

THE OBJECTION:

What Everyone Thought



“Coworking is dead”

- Remote work killed the market.
- Why pay \$500/month for a desk?

“The brand is radioactive”

- Scandal + Founder Drama = no trust
- Better to start from scratch

“It can’t be fixed”

- The model is fundamentally broken
- No path to profit

“These were fair objections in 2021–2022. But bankruptcy changed everything. We can address each one.”

BANKRUPTCY:

Three structural moves



~~THE END~~ ➡ THE RESET

Balance Sheet Surgery	Portfolio Discipline	Ownership & Accountability
\$4B Debt Cut. \$3B debt to Equity \$8B Total rent relief negotiated.	150 leases renegotiated (-40% rent) 150+ leases exited 150 High-performing leases kept.	New ownershiup: Yardi systems (60%) Softbank reduded to minority stake No more founder control
Path: \$18.6B liab → Zero debt	Path: from 770 locations → ~580 locations	Path: From Softbank \$47B hype -> Professional operators with skin in the game

~~LANDLORD~~ ➡ OPERATOR:



The new model

Landlord	Operator
Occupancy ↑ = We profit ✓ Occupancy ↓ = We fail ✗	Occupancy ↑ = Everyone profits Occupancy ↓ = Everyone adapts
One entity exposed Leverage amplifies swings.	Risk spreads across the system. Stability emerges.

THREE REVENUE STREAMS

Coworking
40-45%% revenue
Flexible membership

Enterprise
40% revenue
Sticky Contracts

Services + Other
15 - 20% revenue
Managment contracts