Uber Looks to Raise $2 billion in Debt

Ride-hailing company is working with Morgan Stanley, Barclays for a leveraged loan

Eric Newcomer

San Francisco: Uber Technologies's insatiable appetite for capital is driving it toward the market for high-yield debt.

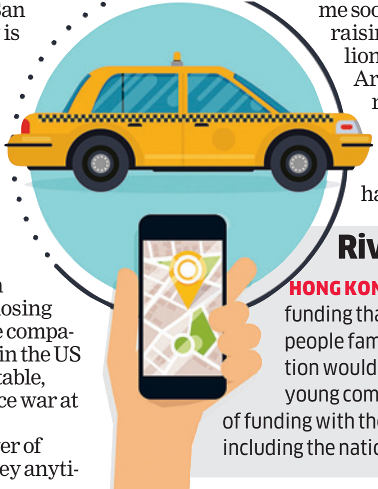
The ride-hailing company is seeking to raise $1 billion to $2 billion in a leveraged loan, said a person familiar with the matter. Uber is working with Morgan Stanley and Barclays on the proposed deal, the person said.

Discussions are ongoing, and the plans could fall apart, said the person, who asked not to be named because the discussions are private. Barclays, Morgan Stanley and Uber declined to comment.

As Uber expands around the globe at a rapid pace, the San Francisco company is spending aggressively. Nowhere is that more apparent than in China, where Uber has pledged to spend at least $1 billion a year to take on local rival Didi Chuxing. Last month, Apple invested $1 billion in Didi. While Uber is losing money in China, the company said its business in the US and Canada is profitable, even as it faces a price war at home with Lyft.

Uber is not in danger of running out of money anytime soon. After raising $3.5 billion from Saudi Arabia's sovereign wealth fund this month, Uber said it has more than $11 billion on its balance sheet, including cash and convertible debt. The amount doesn't include the high-yield loan it's seeking now.

Earlier on Tuesday, Jeff Holden, the chief product officer at Uber, said the ride-hailing industry would change "when the money train stops." — Bloomberg



Rival Didi now Valued at $28 b

HONG KONG Didi Chuxing has raised $4.5 billion in a round of funding that values it at close to $28 billion, according to people familiar with the situation. Didi's newly-earned valuation would make it the world's third-largest privately backed young company, surpassing Airbnb. It closed its latest round of funding with the help of Apple and prominent Chinese investors, including the nation's top life insurer. – Bloomberg