

Altrice Investment Co. Limited – Uber IPO Update

Uber Technologies Inc. has selected Morgan Stanley to lead its public offering next year.

CENTRAL, HONG KONG, HONG KONG, December 12, 2018 /EINPresswire.com/ -- This is according to two people familiar with the matter, meaning the investment bank will reap a larger share of the fees associated with a listing valuing the company at as much as \$120 billion.

It's another big win for Morgan Stanley banker Michael Grimes, who has become the go-to adviser for many of Silicon Valley's largest IPOs.

Goldman Sachs Group is also expected to play a role in shepherding Uber through the IPO process, according to the people, who asked not to be identified because the decision hasn't been made public. Morgan Stanley declined to comment. Goldman Sachs didn't respond to a request for comment.

"Uber is one of the most anticipated IPO's expected for 2019, along with Lyft, we will see exactly how retail investors feel about the sector." Said Chief Analyst Jimmy Wai of [Altrice Investment Co. Limited](#).

Uber's public offering could be one of the five largest of all time in the U.S. and is expected to be the biggest listing next year. The San Francisco-based startup filed confidentially Thursday after rival Lyft Inc. announced that it had filed, one of the people said.

Bloomberg previously reported that Morgan Stanley helped Uber to draft its IPO prospectus. Uber hasn't yet selected other banks to fill out the IPO paperwork but will round out the syndicate as it gets closer to going public.

JPMorgan Chase & Co. is leading Lyft's public offering with the help of Credit Suisse Group AG



Uber Releases more Information on its 2019 IPO

and Jefferies Financial Group Inc. Bankers have told Lyft it could be valued anywhere from \$18 billion to \$30 billion, people familiar with the matter have said.

Underwriters can typically expect to make fees equal to about 3 percent to 5 percent of the gross proceeds from the offering on larger IPOs, though companies may try to negotiate even lower fees on particularly big and high-profile listings.

Goldman Sachs is ranked No. 1 for taking the lead role on IPOs on U.S. exchanges so far in 2018, working on \$3.4 billion of deals including iQIYI Inc.'s \$2.4 billion listing, according to data compiled by

Bloomberg. Morgan Stanley is a close second, with Credit Suisse ranked third and Bank of America Corp. at No. 4.

While other startups are studying Spotify Technology SA's decision to list directly, Uber and Lyft appear to be charting more traditional courses. Uber could likely benefit from some help selling prospective investors on its vision. The company needs a generous revenue multiple if it wants to achieve the \$120 billion valuation that bankers have pitched the company on.

The exact timing of Uber's public offering will depend on market conditions, but Chief Executive Officer Dara Khosrowshahi has told investors that the company is targeting an offering in the first half of the year. Khosrowshahi faces a financial incentive to raise Uber's valuation to \$120 billion. The company needs to list by the end of next year or some investors will be free to sell their shares on the private markets. Lyft plans to list as soon as March or April, people familiar with its plans have said.

Uber lost \$1.1 billion in the third quarter on \$2.95 billion in revenue. Growth slowed to 38 percent as the ride-hailing company manages an ambitious portfolio. In most of the world, Uber either operates a market leading ride-hailing business or owns a significant stake in the player who does. Uber is quickly building one of the world's biggest food delivery companies. It's investing in electric scooters and bikes. And it's building a logistics operation. Don't forget its struggling self-driving car effort, either.

Morgan Stanley and Goldman Sachs will have to help Uber stitch together how those new and established businesses add up.

"Our ambitions keep us ahead of our competitors, and our research, service and results keep our clients in a position of financial security."

To receive more information on the Uber or Lyft [IPO's of 2019](#), or to find out more about our services and products, contact us at info@altriceinvestment.com or visit our website – <http://www.altriceinvestment.com> for further details.

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