

Uber, losing billions, freezes engineering hires

Enlarge / Dara Khosrowshahi, shown here in 2013, is CEO of Uber.

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Uber is freezing hiring for software engineers and product managers across its US and Canadian workforce, the company acknowledged to Bloomberg on Friday. The shift was reported by Yahoo earlier in the day. The freeze does not apply to Uber's autonomous vehicle and freight-shipping divisions.

The news comes a day after Uber reported second-quarter operating losses of \$5.4 billion—a new record for the company. That figure exaggerates Uber's quarterly burn rate because it includes more than \$4 billion in one-time charges related to Uber's initial public offering. Still, excluding IPO-related charges still leaves around \$1.2 billion in operating losses, worse than the \$1 billion the firm lost in the first quarter.

Uber recently laid off 400 marketing workers. According to Yahoo, Uber employees are worried that this could be a prelude to broader cuts as the company struggles to stem its losses.

“During a recent all-hands meeting, a question about potential layoffs in the engineering department was also raised, but executives didn't provide any timelines,” Yahoo's Krystal Hu reports.

Uber is in no immediate financial danger. Despite years of losses, Uber had \$13.7 billion in the bank at the end of the second quarter—a figure boosted by \$8 billion in Uber's IPO. With that much cash in the bank, Uber can continue at its current burn rate for more than two years. But CEO Dara Khosrowshahi will face pressure from Wall Street to stem Uber's losses much sooner than that.

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