

## Uber Technologies Inc. (NYSE: UBER)

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### Investment Thesis

Uber is transitioning from a growth-at-any-cost model to a cash-generating platform. Scale across Mobility, Delivery, and Freight is expanding margins, supporting buybacks, and funding new high-return verticals like advertising and grocery. With dominant market share, disciplined capital allocation, and accelerating free cash flow, Uber offers continued earnings growth and shareholder return potential.

### Business Overview

Founded 2009 | IPO 2019 | HQ: San Francisco Uber operates a global mobility and delivery platform with three segments:

- Mobility ( $\approx 57\%$  of 2024 rev.) – Core rideshare network with  $\sim 75\%$  U.S. market share.
- Delivery ( $\approx 31\%$ ) – Uber Eats, grocery, alcohol, and retail delivery; 2nd largest globally.
- Freight ( $\approx 12\%$ ) – Tech-enabled logistics platform connecting shippers and carriers.

FY 2024 results: \$163 B Gross Bookings, \$44 B Revenue, \$1.9 B GAAP profit, record free cash flow.

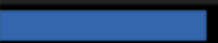







### Key Drivers & Catalysts

- Operating Leverage: MAPCs +15% YoY / Trips +18% YoY  $\rightarrow$  revenue outpacing cost growth.
- Advertising Monetization:  $> \$1.5$  B ARR run-rate,  $\sim 60\%$  YoY growth  $\rightarrow$  high-margin incremental EBITDA.
- Grocery & Retail Expansion: Broadened delivery categories and international partnerships (e.g., Trendyol).
- Share Repurchases: Ongoing buyback program reducing float and lifting EPS.
- Cross-Platform Synergies: Only  $\sim 20\%$  of users use both Mobility and Eats — large ARPU upside as conversion rises.

### Competitive Position

Uber maintains durable advantages through scale, brand, and network effects. It commands  $\sim 71\%$  U.S. rideshare and  $\sim 23\%$  delivery share versus Lyft and DoorDash, respectively. Unified tech and driver networks lower costs per trip and enable superior unit economics.

### ESG Snapshot

		Score		Trend	Vs Peers
ESG Score		6.64		+0.28	Leading
Environmental		6.99		+0.09	Leading
Social		5.88		+0.00	Leading
Governance		7.64		+1.00	Leading

## Risks & Mitigants

Risk	Mitigant
Regulatory pressure on gig model (driver classification)	Political advocacy and adaptive regional compliance (e.g., Prop 22, UK model).
Pricing and competitive pressure	Leverage platform scale, Uber One loyalty program, and ads to reduce discount dependence.
Freight cyclicalities	Shift toward managed services and tech-enabled load matching.

## Valuation Summary

Scenario	Target Price	Rationale
Bull	\$129	Faster margin expansion and ads growth > \$2 B ARR by 2026
Base	\$109	Steady execution with ~15% FCF growth CAGR
Bear	\$103	Regulatory setbacks and competitive discount pressure

## Conclusion

Uber's evolution into a profitable, capital-returning platform makes it a compelling core holding. Its diversified business mix, strong operating leverage, and disciplined reinvestment strategy support continued earnings growth and resilience against cyclical pressures.