AZ STOCKS
Stocks from A to Z

Uber

Is Uber the Booking.com of mobility? Not yet, but it is heading in that direction

DEEP DIVE

November 2026

COMPANY PROFILE

Uber

THESIS

Uber has become the dominant mobility and delivery platform, with network effects and expanding profitability. In this analysis I assess its model, its fundamentals and its management team, and estimate its value in scenarios ranging from operating efficiency to the autonomous vehicle revolution.

TARGET PRICE
USD 97

UPSIDE / DOWNSIDE
+40.2%

SECTOR
Technology

EXCHANGE
NYSE

CURRENCY
USD

LAST UPDATED
November 2026

THE COMPANY

Uber connects passengers, drivers, restaurants, merchants and carriers through three businesses. Mobility, the core, generated about USD 29.7 billion in 2025 (57% of sales).

Delivery, known as Uber Eats, contributed about USD 17.2 billion and is already a relevant contributor to profitability. Freight, its logistics business, is the smallest and most cyclical.

MARKET DATA AS OF 2026-11-06

PRICE	52-WEEK RANGE	5-YEAR CHANGE	BETA (5Y)
USD 69.19	64.04 – 95.18	+53%	1.27

WEEKLY SHARE PRICE, LAST 5 YEARS



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SECTION 01

Introduction

In this thesis we will break down Uber's business model, analyze the health of its fundamentals, assess the quality of its management team and understand the competitive environment in which it operates.

Finally, we will bring all of this down to earth in a quantitative valuation using a **Discounted Cash Flow (DCF)** model. Although I modeled the three classic scenarios, I think Uber's reality will fall between the *Base* and the *Best Case*, leaving the bearish scenario with a lower probability. Here is the logic behind each one:

- **Base Case (the efficiency scenario):** It assumes the business still depends mostly on human drivers, but with a substantial improvement in operating margins thanks to scale efficiencies and pricing power. The penetration of autonomous vehicles (AVs) is marginal.
- **Best Case (the autonomous revolution):** It assumes accelerated adoption of autonomous driving in the main cities. The thesis here is that Uber manages to establish itself as the demand and aggregation layer of autonomous mobility, integrating different fleets and technologies within its own platform. In this scenario Uber does not need to own all the AV technology to capture value: it is enough to be the dominant marketplace where those fleets find demand, pricing, payments and utilization.
- **Worst Case (disintermediation by AVs and AI agents):** A scenario where growth slows earlier than expected, operating efficiencies hit a ceiling and Uber loses part of its pricing power. The risk comes not only from personal AI agents, which could commoditize demand and compare prices across platforms in real time, but also from autonomous operators such as Waymo, Tesla or other players trying to build a direct relationship with the end user. If the demand interface moves from the Uber app to the operating system assistant, or directly to a proprietary AV app, Uber could become more exposed, competing as a lower-margin distribution layer.

SECTION 02

Business model

Uber's business model has three parts:

1. **Mobility**: The core business, what we all think of when we think of Uber: connecting a passenger with a driver, including ridesharing, taxis, Reserve and other mobility services. According to the 2025 10-K, Mobility generated about USD 29.7 billion of revenue, growing 18% year over year and representing about 57% of total sales. It remains the most important segment by scale and profitability, and the one that best reflects Uber's network power.
2. **Delivery**: The second leg is no longer just a hedge. Better known as Uber Eats, this segment has evolved from "delivering burgers" into a local logistics platform that includes restaurants, supermarkets, convenience stores, retail and advertising. In 2025 it generated about USD 17.2 billion of revenue, growing 25% year over year and representing about 33% of sales. Most interesting is that Delivery is no longer simply a growth unit: it is becoming a relevant contributor to profitability, with expanding margins and a strong synergy with Uber One.
3. **Freight**: The logistics link. It is the company's smallest and most cyclical segment. In 2025 it generated about USD 5.1 billion of revenue, down about 1% year over year. It remains the least attractive part of the group in terms of margins and growth, but its relative weight keeps shrinking compared with Mobility and Delivery. So although it can add noise to the consolidated numbers, it does not define the investment thesis on its own.

But Uber's real financial magic does not lie in its segments separately, but in the **synergy** between them. They are not three different businesses; they are a single **"Super App"** connecting millions of nodes (drivers, passengers, restaurants, stores) in a unified mobility *marketplace*.

This ecosystem generates a textbook **virtuous circle**:

- **Cross-selling:** Delivery acts as a magnet for new users. About **61%** of customers who used Delivery for the first time were completely new to the platform. Uber pays the customer acquisition cost (CAC) once and gains two customers (Delivery + Mobility).
- **Engagement and LTV** (Customer Lifetime Value)**:** The data is compelling. At the end of 2024, users of both services (Mobility + Delivery) made **11.4 trips per month** on average, more than double the **5.2 trips** of those who use only one.

Uber One. To seal this loyalty, Uber launched a membership that integrates benefits across Mobility and Delivery. In Q2 2026 membership reached a new all-time high, and Uber One members already represented more than 70% of Delivery Gross Bookings. This reinforces the growing importance of the membership as a tool for retention, frequency and monetization within the ecosystem.

Strategically, this is key. By offering free delivery, discounts and cross benefits for a fixed fee, Uber raises the user's switching cost. If the customer already pays for the membership, they have less incentive to open Lyft, DoorDash or another app before each transaction. Uber One turns a more transactional, price-seeking user into a more recurring user who seeks convenience, accumulated benefits and an integrated experience. In an industry where switching costs were historically low, this membership helps build a more defensive moat.

Finally, we cannot ignore the silent profit layer: **Uber Advertising**. With a captive audience looking at the app while waiting for their car or food, Uber has built a high-margin advertising business (similar to what Amazon did). It needs no fleet or logistics; it is pure software monetizing user attention, which is key to the future expansion of operating margin.

> **Balaji Krishnamurthy**
> Thanks, John. I'll take ads, and Dara will take delivery. So on ads, we're very, very pleased with the momentum that we're, we're seeing. As you rightly pointed out, we had, many years ago, talked about 2% as the potential ceiling for, penetration with delivery advertising. What we are seeing is that, the opportunity size here is potentially much larger. And, as we think through where, where we are on the journey with enterprises versus SMBs, SMB ad penetration is a lot higher than 2%, and enterprise year-on-year growth is now outpacing SMBs by a lot more. So, in a way, enterprise advertising is catching, playing catch-up, and that, that means there's gonna be a lot of runway here.

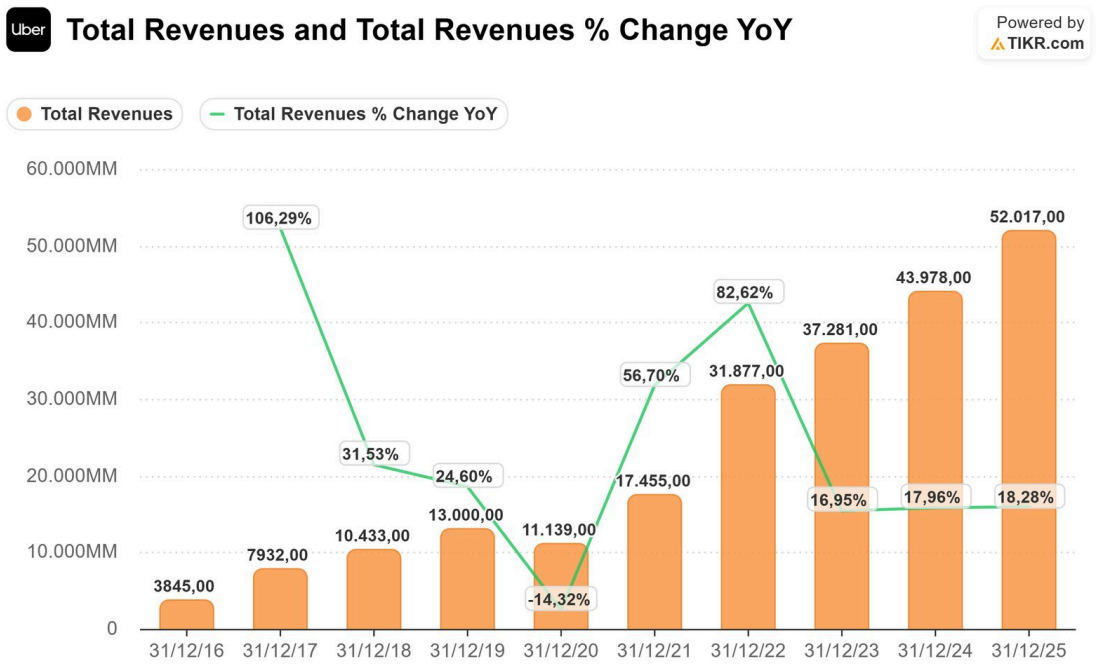
Source: Q4 2025 earnings call transcript, February 4, 2026

SECTION 03

Business quality

Let's break down the numbers to validate the real quality of the business:

Revenue



Source: Tikr

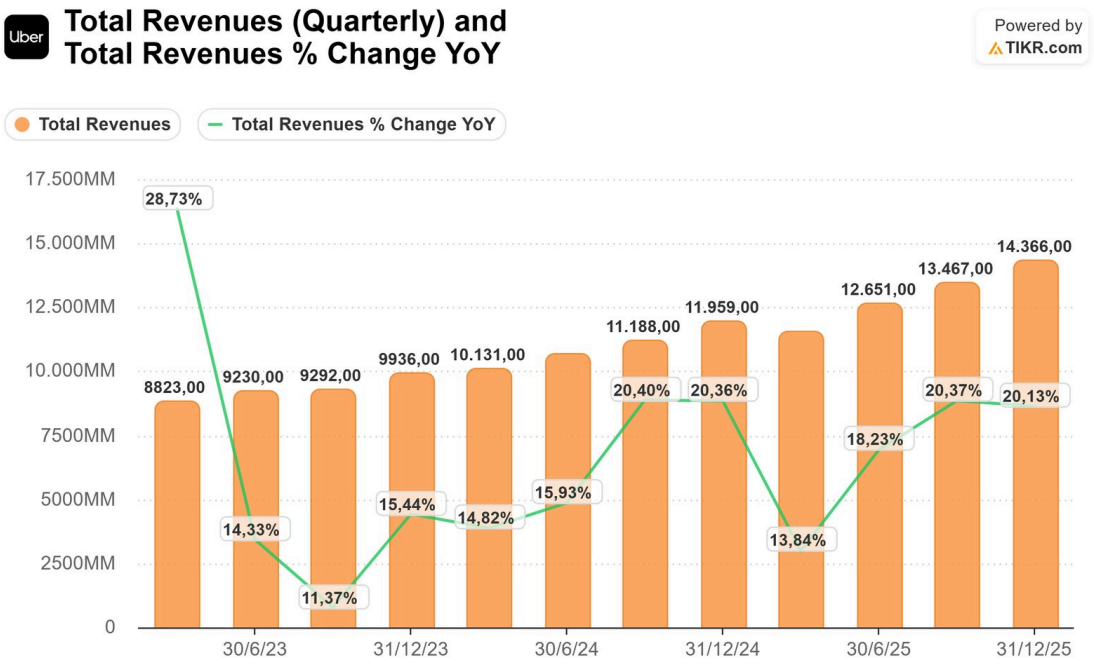
One of the things I like most about this chart is not the growth but the **resilience**. Look at 2020: in a year when global mobility almost completely stopped, Uber's sales fell **only 14%**. This showed the antifragility of the model: when Mobility switched off, Delivery started its engines. As the following table shows, while Mobility fell 43% because of the pandemic, Delivery grew 179% thanks to it:

(In millions, except percentages)	Year Ended December 31, 2018 [1]	2019 [1]	2020	2018 to 2019 % Change	2019 to 2020 % Change
Mobility [2]	$ 9,288	$ 10,707	$ 6,089	15 %	(43)%
Delivery	772	1,401	3,904	81 %	179 %
Freight	356	731	1,011	105 %	38 %
ATG and Other Technology Programs [3]	—	42	100	**	138 %
All Other	17	119	35	**	(71)%
Total revenue	$ 10,433	$ 13,000	$ 11,139	25 %	(14)%

Source: 2020 10-K

In 2021 the rebound was V-shaped: not only did they recover lost ground, they grew **34%** above pre-pandemic levels. 2022 marked a complete change of scale with an **82%** explosion (Part of that huge jump was not organic, but an accounting change in how they record revenue in the UK: they moved from recording "Net Revenue" to "Gross Revenue" for regulatory reasons). In recent years the company has kept up high double-digit growth, enviable for a company of this size. In 2025 revenue grew 18% to more than USD 52 billion. And in 2026 the trend remained positive. In Q2, trips grew 18% year over year, Gross Bookings 24% and revenue 12%. The gap between Gross Bookings growth and revenue growth is largely explained by business model changes that reduced reported revenue growth by about 8 percentage points. That is why, at this stage, it is worth looking at both metrics.

Now let's zoom in on the quarterly behavior:



Source: Tikr

Here we confirm **marked and predictable seasonality**: the business follows the rhythm of social life:

- **Q4 (Oct-Dec):** Consistently the strongest quarter (holidays, shopping, tourism, cold weather in the northern hemisphere that boosts delivery).
- **Q1 (Jan-Mar):** Usually the weakest, a post-holiday "hangover". Seeing this pattern repeat year after year is a good sign of operating stability; it allows us to predict cash flows more accurately.

By **geographic region**, there is a significant concentration in the United States and Canada, with 51% of the company's total sales. EMEA follows with 31%. The remainder is split between Asia and Latin America:

	Year Ended December 31,		
	2023	2024	2025
United States and Canada ("US&CAN")	$ 20,436	$ 23,618	$ 26,469
Latin America ("LatAm")	2,512	2,795	3,327
Europe, Middle East and Africa ("EMEA")	9,904	12,529	16,364
Asia Pacific ("APAC")	4,429	5,036	5,857
Total Revenue	$ 37,281	$ 43,978	$ 52,017

Finally, let's break down the revenue pie **by segment**:

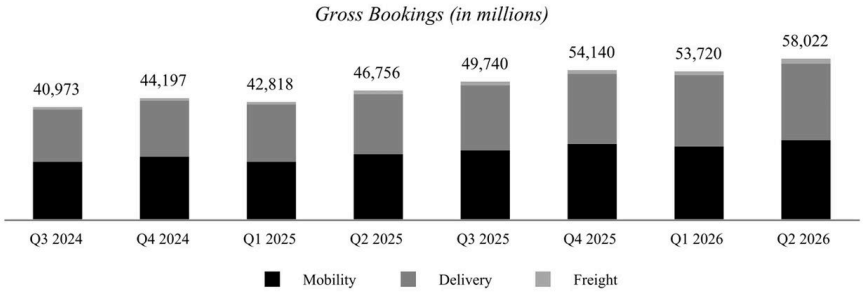
Revenue

(In millions, except percentages)	Year Ended December 31, 2024	Year Ended December 31, 2025	2024 to 2025 % Change
Mobility	$ 25,087	$ 29,670	18 %
Delivery	13,750	17,248	25 %
Freight	5,141	5,099	(1) %
Total revenue	$ 43,978	$ 52,017	18 %

The current picture with data from the 2025 10-K is clear:

1. Mobility remains the core business. It generated about USD 29.7 billion of revenue in 2025, growing 18% year over year and representing about 57% of total sales. It is the largest and most profitable segment and the one that concentrates much of Uber's network power.
2. Delivery is consolidating as an increasingly important second leg. It generated about USD 17.2 billion of revenue in 2025, growing 25% year over year and representing about 33% of sales. This changes the reading somewhat compared with previous years: Delivery is no longer just a defensive complement or a post-pandemic habit, but a business with scale, recurrence, advertising and expanding margins.
3. Freight remains the weakest note. It generated about USD 5.1 billion of revenue in 2025, down about 1% year over year. It is a more cyclical business, more exposed to the logistics cycle and less profitable. Fortunately, its relative weight within the group keeps shrinking.

In Q2 2026 the trend continued. Mobility remains the core business, but Delivery keeps growing faster: its Gross Bookings rose 26% year over year and its revenue 28%, versus 22% growth in Mobility Gross Bookings. This reinforces the idea that Uber is ceasing to depend on a single vertical and becoming a broader platform for mobility, delivery, local commerce, memberships and advertising.



	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Mobility	$ 21,002	$ 22,798	$ 21,182	$ 23,762	$ 25,111	$ 27,442	$ 26,394	$ 28,988
Delivery	18,663	20,126	20,377	21,734	23,322	25,431	25,992	27,463
Freight	1,308	1,273	1,259	1,260	1,307	1,267	1,334	1,571
Total	$ 40,973	$ 44,197	$ 42,818	$ 46,756	$ 49,740	$ 54,140	$ 53,720	$ 58,022

Now let's talk a bit about margins.

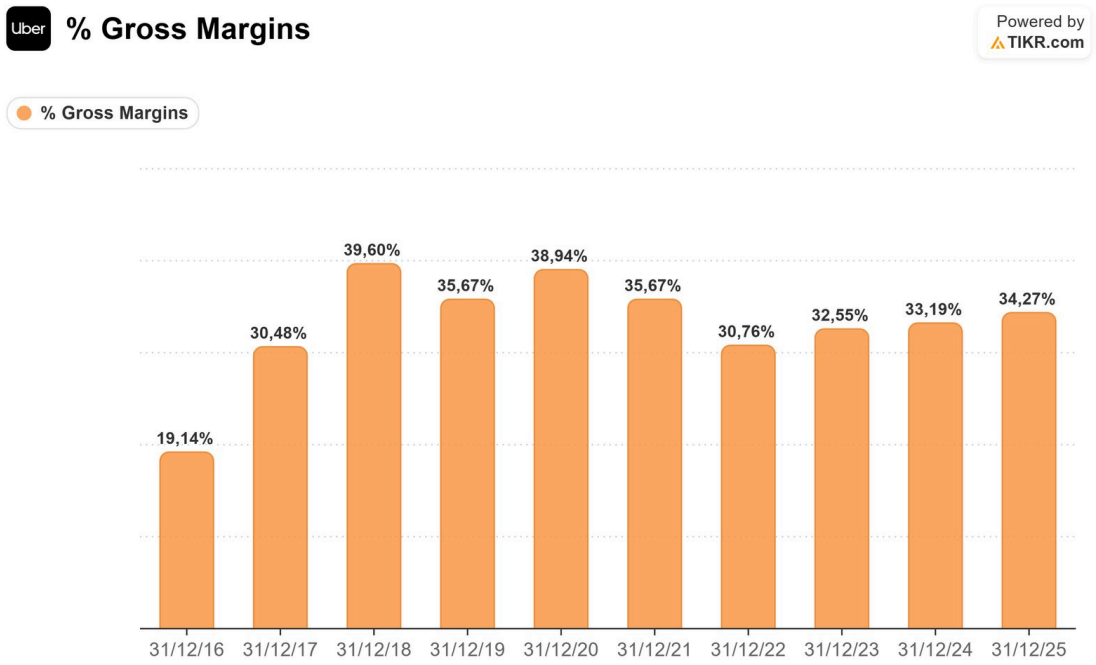
Latest results: third quarter of 2026

In early November Uber reported its third-quarter results. Growth remained strong and profitability kept improving:

- **Gross Bookings:** $59.8 billion, +20% year over year. Mobility grew 18% ($29.5 billion), Delivery 22% ($28.5 billion) and Freight 35%. Trips grew 16% and monthly active platform consumers reached 215 million (+14%).
- **Revenue:** $14.8 billion, +10%. Revenue growth was lower than Gross Bookings growth because business model changes in some markets took away 8 points.
- **Profitability:** GAAP operating income grew 30% to $1.4 billion and adjusted EBITDA 31% to $3.0 billion, 5.0% of Gross Bookings. GAAP net income was $512 million, hit by losses on the revaluation of equity investments. Adjusted EPS grew 35% to $0.88.
- **Cash:** free cash flow of $2.5 billion in the quarter (+14%) and $7.6 billion over nine months. Uber bought back $750 million of stock in the quarter and $4.3 billion year to date.

For the fourth quarter the company expects Gross Bookings of $63.25-65.25 billion (18-22% growth at constant currency) and adjusted EBITDA of $3.13-3.23 billion. In autonomous vehicles, Uber expects to have about 700 driverless vehicles on its platform by the end of 2026 and more than 2,000 in 2027.

Gross margin



Source: Tikr

Gross margin is the first real efficiency metric of the business. Over the last year it was around **34%**.

You might think the "Cost of Revenue" includes the payment to drivers (the bulk of the trip), but **it does not**.

To understand Uber's accounting, you need to distinguish two concepts:

1. **Gross Bookings:** The total amount charged for the trip (e.g. $100).
2. **Revenue:** The commission Uber keeps after the driver has been paid (e.g. Uber keeps $25).

Uber records its sales on a **net** basis. That is, when we read "Revenue" in its financial statements, the driver's payment has already been deducted before reaching that line. So the gross margin we analyze here **does not measure how much the driver is paid**, but how much it costs Uber to maintain the infrastructure to collect that commission.

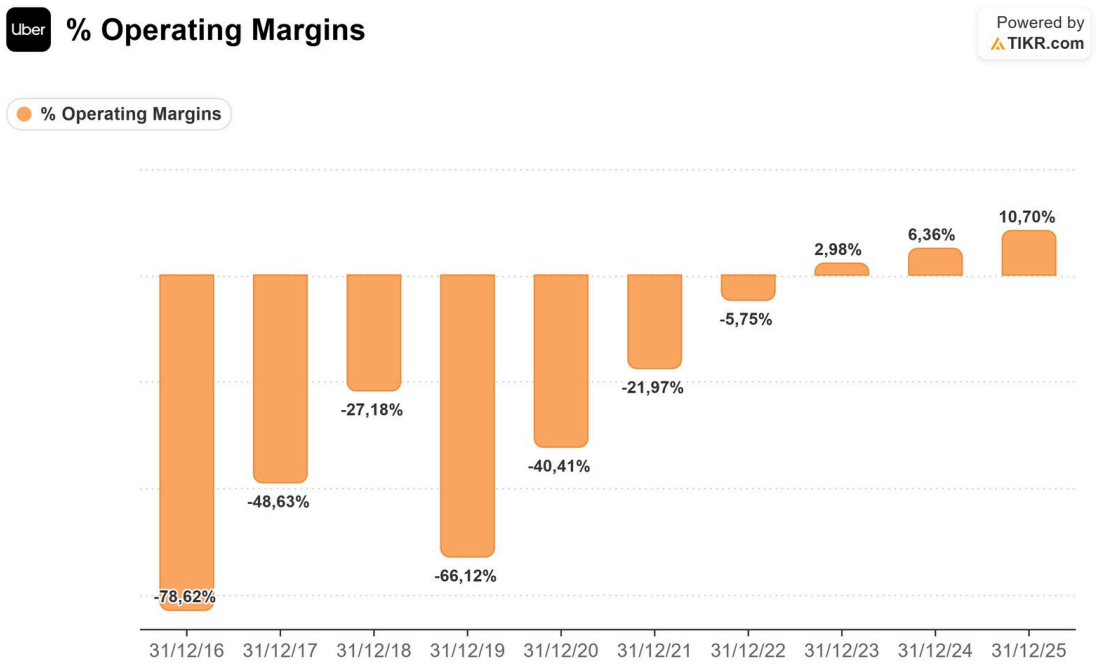
To understand this number, you have to look inside the "black box" of **Cost of Revenue**. Unlike a pure software (SaaS) company with 80% margins, Uber has to bear heavy "physical" and regulatory costs. The main ones are:

- **Insurance:** The heaviest expense. It includes liability and accident coverage for drivers and passengers.
- **Payment processing:** The fees Visa, Mastercard and banks charge on each transaction.
- **Technology infrastructure:** Network, cloud and data center costs that keep the app running.
- **Direct Freight costs:** Here payments to carriers are included (since this segment works differently in the accounts from Mobility).

Naturally, these costs are variable: they move with the platform's trip volume. More trips mean more insurance to pay and more cards to process.

Operating margin

There are two important things to highlight here:



Source: Tikr

1. **Real profitability:** Since 2023, operating margins have not only turned positive but are clearly expanding.

2. **Operating leverage:** This is the star concept. Sales are traveling by plane, while expenses are going by car:
    - **Revenue:** grew **+18%**.
    - **Total operating expenses:** grew just **+6%**.
    - How do they do it? Let’s go line by line using the 2025 10-K.

- Uber keeps showing operating leverage, with revenue growing at double digits and operating expenses growing at a more controlled pace. This confirms the company no longer needs to "buy" growth as intensely as in its earlier stage. Scale, network density, Uber One and advertising are doing more and more of the work for each incremental dollar of spending.

Operations and Support: a marginal increase, explained by the natural growth in employees and stock-based compensation, but far below the growth of the business.

Operations and Support

	Year Ended December 31,		
(In millions, except percentages)	2024	2025	% Change
Operations and support	$ 2,732	$ 2,854	4 %
Percentage of revenue	6 %	5 %	

2025 Compared to 2024

Operations and support expenses increased $122 million, or 4%, primarily attributable to a $138 million increase in employee headcount costs, partially offset by a $30 million decrease in external contractor expenses.

Sales and Marketing: Uber sold more while spending *less* on advertising than the previous year (as a percentage of sales). This validates what we discussed earlier: the network effect now does the heavy lifting of sales on its own.

Sales and Marketing

	Year Ended December 31,		
(In millions, except percentages)	2024	2025	% Change
Sales and marketing	$ 4,337	$ 4,898	13 %
Percentage of revenue	10 %	9 %	

2025 Compared to 2024

Sales and marketing expenses increased $561 million, or 13%, primarily attributable to a $221 million increase in indirect advertising and marketing, a $207 million increase in consumer discounts, promotions, credits and refunds to $1.6 billion compared to $1.4 billion in the same period in 2024, and a $129 million increase in employee headcount costs.

Research and Development: spending as a percentage of sales held steady, a sign that the core technology platform is already built and does not require constant costly reinventions.

Research and Development

	Year Ended December 31,		
(In millions, except percentages)	2024	2025	% Change
Research and development	$ 3,109	$ 3,402	9 %
Percentage of revenue	7 %	7 %	

General and Administrative: an 11% reduction versus 2024, mainly because of lower legal expenses.

General and Administrative

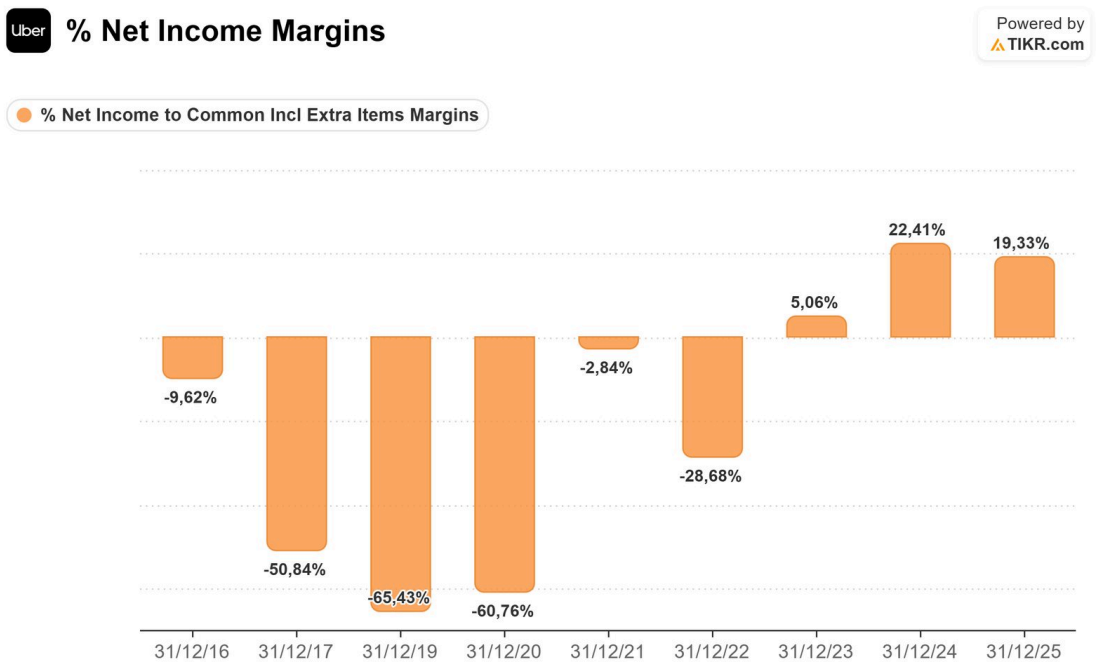
	Year Ended December 31,		
(In millions, except percentages)	2024	2025	% Change
General and administrative	$ 3,639	$ 3,241	(11) %
Percentage of revenue	8 %	6 %	

2025 Compared to 2024

General and administrative expenses decreased $398 million, or 11%, primarily attributable to a $549 million decrease in legal-related accruals and expenses, partially offset by a $65 million increase in employee headcount costs and a $47 million increase in other corporate expenses.

- The full picture shows a company that no longer needs to “buy” its growth. Uber is showing it can scale revenue at double digits without inflating its cost structure.

Net margin



Source: Tikr

If we look at the bottom line, we could get confused. Net margin in 2025 was a spectacular **19%**. How is that possible if we just said operating margin was only 10%?

The answer lies in non-operating items. Uber “inflated” its net income mainly through **tax benefits:** a giant tax credit thanks to accumulated past losses.

That is why, to value the company, we should ignore this 19% and focus on operating cash flow.

Vertical analysis

INCOME STATEMENT

Fiscal year Income Statement — % of revenue	FY2016A	FY2017A	FY2018A	FY2019A	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A	3Y avg	5Y avg
Total Revenues	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Cost of Goods Sold	(80.9%)	(69.5%)	(60.4%)	(64.3%)	(61.1%)	(64.3%)	(69.2%)	(62.9%)	(62.5%)	(61.5%)	**(62.3%)**	**(64.1%)**
Gross Profit	**19.1%**	**30.5%**	**39.6%**	**35.7%**	**38.9%**	**35.7%**	**30.8%**	**37.1%**	**37.5%**	**38.5%**	**37.7%**	**35.9%**
Selling General & Admin Expenses	(67.0%)	(57.5%)	(48.3%)	(61.0%)	(55.2%)	(40.7%)	(24.8%)	(23.4%)	(22.5%)	(19.9%)	**(21.9%)**	**(26.2%)**
R&D Expenses	(22.5%)	(15.1%)	(14.4%)	(37.2%)	(19.0%)	(11.8%)	(8.8%)	(8.5%)	(7.1%)	(6.5%)	**(7.4%)**	**(8.5%)**
Total Operating Expenses	**(97.8%)**	**(79.1%)**	**(66.8%)**	**(101.8%)**	**(79.4%)**	**(57.6%)**	**(36.5%)**	**(34.1%)**	**(31.1%)**	**(27.8%)**	**(31.0%)**	**(37.4%)**
Operating Income	**(78.6%)**	**(48.6%)**	**(27.2%)**	**(66.1%)**	**(40.4%)**	**(22.0%)**	**(5.7%)**	**3.0%**	**6.4%**	**10.7%**	**6.7%**	**(1.5%)**
Interest Expense	(8.7%)	(6.0%)	(6.2%)	(4.3%)	(4.1%)	(2.8%)	(1.8%)	(1.7%)	(1.2%)	(0.8%)	**(1.2%)**	**(1.7%)**
EBT Incl. Unusual Items	**(83.7%)**	**(57.7%)**	**12.2%**	**(65.1%)**	**(62.7%)**	**(6.1%)**	**(29.2%)**	**6.4%**	**9.3%**	**11.0%**	**8.9%**	**(1.7%)**
Income Tax Expense	(0.7%)	6.8%	(2.7%)	(0.3%)	1.7%	2.8%	0.6%	(0.6%)	13.1%	8.4%	**7.0%**	**4.9%**
Net Income	**(9.6%)**	**(50.8%)**	**9.6%**	**(65.4%)**	**(60.8%)**	**(2.8%)**	**(28.7%)**	**5.1%**	**22.4%**	**19.3%**	**15.6%**	**3.1%**
EBITDA	(70.6%)	(42.4%)	(23.2%)	(62.7%)	(35.2%)	(16.8%)	(2.8%)	5.2%	8.0%	12.1%	**8.5%**	**1.2%**

Source: author’s analysis based on Tikr data.

BALANCE SHEET

Fiscal year	FY2016A	FY2017A	FY2018A	FY2019A	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A	3Y avg	5Y avg
Balance Sheet — % of total assets												
Total Cash And Short Term Investments	**40.1%**	**28.5%**	**26.7%**	**35.6%**	**20.5%**	**11.1%**	**13.4%**	**14.0%**	**13.6%**	**12.4%**	**13.3%**	**12.9%**
Total Receivables	**3.2%**	**6.0%**	**5.6%**	**5.2%**	**4.6%**	**7.7%**	**10.9%**	**10.6%**	**6.5%**	**6.2%**	**7.8%**	**8.4%**
Total Current Assets	**44.6%**	**44.3%**	**36.1%**	**43.8%**	**29.7%**	**22.7%**	**28.8%**	**29.2%**	**23.9%**	**22.6%**	**25.2%**	**25.5%**
Net Property Plant And Equipment	13.2%	7.7%	6.8%	10.5%	9.3%	8.4%	11.0%	8.6%	6.1%	4.9%	**6.5%**	**7.8%**
Long-term Investments	38.0%	38.7%	48.6%	37.4%	30.5%	32.5%	16.4%	16.7%	17.1%	15.3%	**16.4%**	**19.6%**
Goodwill	0.2%	0.3%	0.6%	0.5%	18.4%	21.7%	25.7%	21.1%	15.7%	14.5%	**17.1%**	**19.7%**
Other Intangibles	0.3%	0.4%	0.3%	0.2%	4.7%	6.2%	5.8%	3.7%	2.2%	1.7%	**2.5%**	**3.9%**
Total Assets	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Total Current Liabilities	**15.4%**	**24.9%**	**17.8%**	**17.8%**	**20.6%**	**23.3%**	**27.6%**	**24.4%**	**22.4%**	**19.9%**	**22.3%**	**23.5%**
Long-Term Debt	19.8%	21.6%	30.5%	18.0%	22.7%	23.9%	28.9%	24.4%	16.3%	17.0%	**19.3%**	**22.1%**
Capital Leases	–	–	–	5.2%	5.0%	4.4%	6.1%	4.8%	3.2%	2.4%	**3.5%**	**4.2%**
Total Liabilities	**57.2%**	**76.3%**	**71.7%**	**52.2%**	**58.6%**	**60.4%**	**73.5%**	**67.2%**	**56.1%**	**54.6%**	**59.3%**	**62.4%**
Total Equity	**42.8%**	**23.7%**	**28.3%**	**47.8%**	**41.4%**	**39.6%**	**26.5%**	**32.8%**	**43.9%**	**45.4%**	**40.7%**	**37.6%**
Total Debt	**19.9%**	**22.6%**	**31.0%**	**24.4%**	**30.8%**	**29.9%**	**36.5%**	**30.2%**	**22.3%**	**19.9%**	**24.2%**	**27.8%**
Net Debt	(20.2%)	(5.9%)	4.3%	(11.2%)	10.3%	(10.4%)	16.3%	7.5%	(1.3%)	0.1%	**2.1%**	**2.4%**

Source: author's analysis based on Tikr data.

An X-ray of Uber's assets confirms one of its greatest virtues: it is an **asset-light** company. Unlike a traditional transport company with thousands of trucks or cars on its balance sheet, at Uber **fixed assets (PP&E)** represent less than **5%** of the total. In fact, in the last fiscal year this weight hit an all-time low. Uber does not own the hardware; it owns the network.

So where is the money? Looking at long-term assets, we find two big protagonists that tell the company's story:

1. **The insurance "bank" (Other Long-Term Assets):** This account weighs **23%** of assets and has grown sharply (in 2021 it was only 8%). The reason? **Restricted investments**. Basically, bonds and deposits Uber keeps "frozen" at the insurers' request to cover potential accidents. This reminds us that Uber runs a massive insurance operation.
2. **The trail of acquisitions (Goodwill and Intangibles):** Here we see the weight of past acquisitions (Postmates, Careem, Cornershop). Uber bought growth, and it shows here.

Cash: Liquidity is solid. Current assets are almost **23%** of the total, and more than half of that is **cash and short-term investments**.

Liabilities: On the debt side, the star short-term account is **accrued expenses**. It represents **18%** of all the company's assets (and practically all of its current liabilities).

- *In plain words:* this is the money Uber owes drivers, restaurants and legal provisions. It is money that "works" for Uber before it goes out to pay its partners.

Long-term liabilities add up to **34%** of the total, made up mainly of financial debt and, again, insurance reserves.

Equity: Finally, equity tells the story of how all this was financed:

- **Additional Paid-In Capital:** reflects the billions investors injected by buying shares at market prices to fund expansion.
- **Retained Earnings (negative):** this account is negative because it accumulates all the losses from the startup and aggressive growth years. As Uber generates net income (as in 2023/2024/2025), this hole will start to close.

CASH FLOW

Fiscal year Cash Flow — % of revenue	FY2016A	FY2017A	FY2018A	FY2019A	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A	3Y avg	5Y avg
Net Income	**(9.6%)**	**(50.8%)**	**9.6%**	**(65.4%)**	**(60.8%)**	**(2.8%)**	**(28.7%)**	**5.1%**	**22.4%**	**19.3%**	**15.6%**	**3.1%**
Total Depreciation & Amortization	**8.0%**	**6.3%**	**4.0%**	**3.5%**	**5.2%**	**5.2%**	**3.0%**	**2.2%**	**1.7%**	**1.4%**	**1.8%**	**2.7%**
Stock-Based Compensation	2.8%	1.6%	1.6%	35.4%	7.4%	6.7%	5.6%	5.2%	4.1%	3.5%	**4.3%**	**5.0%**
Cash from Operations	**(75.8%)**	**(17.9%)**	**(14.8%)**	**(33.2%)**	**(24.6%)**	**(2.5%)**	**2.0%**	**9.6%**	**16.2%**	**19.4%**	**15.1%**	**8.9%**
Capital Expenditure	(42.4%)	(10.4%)	(5.3%)	(4.5%)	(5.5%)	(1.7%)	(0.8%)	(0.6%)	(0.6%)	(0.6%)	**(0.6%)**	**(0.9%)**
Cash Acquisitions	(0.6%)	–	(0.6%)	(0.1%)	(13.2%)	(13.3%)	(0.2%)	–	–	(1.6%)	**(0.5%)**	**(3.0%)**
Cash from Investing	**(48.3%)**	**(6.1%)**	**(6.7%)**	**(6.1%)**	**(25.8%)**	**(6.9%)**	**(5.1%)**	**(8.7%)**	**(7.2%)**	**(6.9%)**	**(7.6%)**	**(6.9%)**
Total Debt Issued	**38.0%**	**2.5%**	**33.2%**	**9.1%**	**23.6%**	**10.1%**	**–**	**7.6%**	**9.0%**	**6.5%**	**7.7%**	**6.6%**
Total Debt Repaid	**(0.8%)**	**(1.1%)**	**(5.7%)**	**(1.3%)**	**(14.7%)**	**(4.8%)**	**(0.8%)**	**(7.6%)**	**(9.5%)**	**(4.8%)**	**(7.3%)**	**(5.5%)**
Repurchase of Common Stock	(2.3%)	(1.7%)	–	(12.1%)	–	–	–	–	(2.8%)	(12.5%)	**(5.1%)**	**(3.1%)**
Cash from Financing	**161.1%**	**12.8%**	**44.5%**	**68.8%**	**12.4%**	**10.2%**	**0.0%**	**(0.3%)**	**(4.7%)**	**(11.0%)**	**(5.3%)**	**(1.1%)**
Free Cash Flow	(118.1%)	(28.2%)	(20.1%)	(37.8%)	(30.2%)	(4.3%)	1.2%	9.0%	15.7%	18.8%	**14.5%**	**8.1%**

Source: author's analysis based on Tikr data.

Looking at the cash flow statement as a percentage of sales, the picture becomes much clearer:

1. **Cash From Operations (CFO):** the most striking thing about 2025 is that operating cash generation exceeded all expectations.
    - The fact: in 2025 Uber reached very high free cash flow, supported by Gross Bookings growth, operating leverage and favorable working capital dynamics. This cash conversion is one of the strongest points of the thesis.
    - The 2026 results reinforced the idea that the exceptional conversion of 2025 should not be extrapolated linearly. Trailing twelve-month free cash flow passed USD 10 billion for the first time, but the conversion of EBITDA into free cash flow can fluctuate considerably between quarters.
    - The analysis: the favorable working capital thesis is still valid, but I prefer to be somewhat more conservative in the valuation. Uber can keep generating a very significant amount of cash, but I would not permanently assume conversion above 100% of EBITDA.
2. **Investing activities (CapEx):** historically, Uber has been an asset-light business. It did not need to buy massive fleets of cars or build factories to grow, and that was one of the main reasons behind its improvement in ROIC and cash generation.
    - However, the arrival of autonomous vehicles introduces an important nuance. Uber is deepening agreements with partners such as Lucid, Nuro and other AV players, and in some cases it could commit capital, strategic investments or participation in fleets with third parties. This does not mean Uber will become a carmaker or abandon its platform model, but it does mean the business could become somewhat more capital-intensive if autonomous mobility scales faster.

- That is why, in the valuation, I still consider Uber a mostly asset-light company, but with an additional risk premium linked to the robotaxi rollout and the capital that opportunity could eventually require.

3. **Financing activities:** this is where the most important change in the script took place compared with 2024.
    - **Goodbye deleveraging:** Uber no longer needs to use its cash to repay debt.
    - **Hello buybacks:** On the call, management was explicit: *"We will continue to be aggressive buyers of our stock"*.

> So this is not a trade-off for us in the sense that we are choosing one or the other. We're able to do all of these things in parallel. As to your question on whether we would be returning 50% of free cash flows, based on our current visibility into what we're seeing, as well as the fact that our stock remains really cheap, we will continue to be aggressive buyers of our stock, and you should expect that it continues at a steady cadence. And we are on track to reducing our share count by a healthy amount as we go forward.

Source: Q4 2025 earnings call transcript, February 4, 2026

Financial ratios

- **Growth**

Fiscal year	FY2016A	FY2017A	FY2018A	FY2019A	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A	3Y avg	5Y avg
Growth												
Revenue growth		106.3%	31.5%	24.6%	(14.3%)	56.7%	82.6%	17.0%	18.0%	18.3%	**17.7%**	**38.5%**
EBIT growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	152.2%	98.8%	**125.5%**	**125.5%**
Diluted EPS growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	424.1%	3.7%	**213.9%**	**213.9%**
Change in diluted shares (dilution / buybacks)		3.4%	12.4%	160.5%	40.5%	8.2%	4.2%	5.9%	2.8%	(1.4%)	**2.4%**	**3.9%**

Source: author's analysis based on Tikr data.

Revenue grew 17-18% in each of the last three years, and EBIT almost doubled in 2025. The share count fell 1.4% in 2025 thanks to buybacks, after many years of dilution.

- **Profitability**

Fiscal year	FY2016A	FY2017A	FY2018A	FY2019A	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A	3Y avg	5Y avg
Profitability												
Gross margin	19.1%	30.5%	39.6%	35.7%	38.9%	35.7%	30.8%	37.1%	37.5%	38.5%	**37.7%**	**35.9%**
SG&A % revenue	67.0%	57.5%	48.3%	61.0%	55.2%	40.7%	24.8%	23.4%	22.5%	19.9%	**21.9%**	**26.2%**
R&D % revenue	22.5%	15.1%	14.4%	37.2%	19.0%	11.8%	8.8%	8.5%	7.1%	6.5%	**7.4%**	**8.5%**
EBIT margin	(78.6%)	(48.6%)	(27.2%)	(66.1%)	(40.4%)	(22.0%)	(5.7%)	3.0%	6.4%	10.7%	**6.7%**	**(1.5%)**
EBITDA margin (EBIT + D&A)	(70.6%)	(42.4%)	(23.2%)	(62.7%)	(35.2%)	(16.8%)	(2.8%)	5.2%	8.0%	12.1%	**8.5%**	**1.2%**
Net margin	(9.6%)	(50.8%)	9.6%	(65.4%)	(60.8%)	(2.8%)	(28.7%)	5.1%	22.4%	19.3%	**15.6%**	**3.1%**
Stock-based compensation % revenue	2.8%	1.6%	1.6%	35.4%	7.4%	6.7%	5.6%	5.2%	4.1%	3.5%	**4.3%**	**5.0%**
Effective tax rate	(0.9%)	11.8%	22.3%	(0.5%)	2.8%	46.3%	1.9%	9.0%	(140.9%)	(75.6%)	**(69.2%)**	**(31.8%)**

Source: author's analysis based on Tikr data.

Gross margin remains close to 38% and EBIT margin went from -5.7% in 2022 to 10.7% in 2025. The 19.3% net margin is inflated by one-off tax benefits. Stock-based compensation fell to 3.5% of revenue.

- **Cash flow and reinvestment**

Fiscal year	FY2016A	FY2017A	FY2018A	FY2019A	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A	3Y avg	5Y avg
Cash flow & reinvestment												
Cash from operations % revenue	(75.8%)	(17.9%)	(14.8%)	(33.2%)	(24.6%)	(2.5%)	2.0%	9.6%	16.2%	19.4%	**15.1%**	**8.9%**
FCF margin (TIKR FCF / revenue)	(118.1%)	(28.2%)	(20.1%)	(37.8%)	(30.2%)	(4.3%)	1.2%	9.0%	15.7%	18.8%	**14.5%**	**8.1%**
FCF conversion (FCF / net income)	n.m.	n.m.	(210.5%)	n.m.	n.m.	n.m.	n.m.	178.2%	70.0%	97.1%	**115.1%**	**115.1%**
Capex % revenue	42.4%	10.4%	5.3%	4.5%	5.5%	1.7%	0.8%	0.6%	0.6%	0.6%	**0.6%**	**0.9%**
D&A % revenue	8.0%	6.3%	4.0%	3.5%	5.2%	5.2%	3.0%	2.2%	1.7%	1.4%	**1.8%**	**2.7%**
Capex / D&A	5.3x	1.7x	1.3x	1.3x	1.1x	0.3x	0.3x	0.3x	0.3x	0.4x	**0.3x**	**0.3x**
D&A % beginning net PP&E		23.9%	34.7%	27.4%	17.3%	29.2%	29.2%	23.3%	22.2%	24.0%	**23.2%**	**25.6%**
Acquisitions % revenue	0.6%	–	0.6%	0.1%	13.2%	13.3%	0.2%	–	–	1.6%	**0.5%**	**3.0%**

Source: author's analysis based on Tikr data.

Free cash flow was 18.8% of revenue in 2025, with CapEx of just 0.6%. It is the best sign that the asset-light model works.

- **Working capital**

Fiscal year	FY2016A	FY2017A	FY2018A	FY2019A	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A	3Y avg	5Y avg
Working capital												
Receivables days (DSO)	47.7	42.6	46.7	46.1	50.4	62.6	39.9	40.3	27.7	26.9	**31.6**	**39.5**
Inventory days (DIO)	–	–	–	–	–	–	–	–	–	–	**–**	**–**
Payables days (DPO)	32.9	14.1	8.7	11.9	12.6	28.0	12.0	12.3	11.4	11.6	**11.8**	**15.0**
Cash conversion cycle (DSO + DIO − DPO)	14.9	28.5	38.0	34.2	37.8	34.6	27.9	28.0	16.3	15.3	**19.9**	**24.4**
Deferred revenue % revenue	2.0%	0.5%	0.6%	–	–	–	–	–	–	–	**–**	**–**
Operating NWC % revenue	(41.6%)	(14.5%)	(17.1%)	(19.6%)	(25.4%)	(23.6%)	(11.4%)	(8.9%)	(10.3%)	(10.1%)	**(9.8%)**	**(12.8%)**

Source: author's analysis based on Tikr data.

Uber collects in 27 days and pays suppliers in 12, but that figure is misleading: most of what it owes drivers, restaurants and insurers sits in accrued expenses, which is why operating working capital is negative (-10% of revenue).

- **Returns on capital**

Fiscal year	FY2016A	FY2017A	FY2018A	FY2019A	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A	3Y avg	5Y avg
Returns on capital												
NOPAT = EBIT × (1 − normalized tax rate)	(2,267)	(2,893)	(2,127)	(6,447)	(3,376)	(2,876)	(1,374)	833	2,099	4,174	**2,369**	**571**
Invested capital = debt + equity − cash & ST inv.	3,557	2,748	7,828	11,631	17,181	22,658	15,910	18,977	26,935	32,752	**26,221**	**23,446**
ROIC = NOPAT / average invested capital		(91.8%)	(40.2%)	(66.3%)	(23.4%)	(14.4%)	(7.1%)	4.8%	9.1%	14.0%	**9.3%**	**1.3%**
ROIC incl. cash = NOPAT / average (debt + equity)		(34.0%)	(19.9%)	(34.7%)	(14.4%)	(11.3%)	(5.8%)	3.7%	7.2%	11.2%	**7.4%**	**1.0%**
Pre-tax ROIC = EBIT / average invested capital (reference)		(122.3%)	(53.6%)	(88.3%)	(31.2%)	(19.2%)	(9.5%)	6.4%	12.2%	18.6%	**12.4%**	**1.7%**
ROE = net income / average equity		(77.7%)	19.1%	(77.4%)	(46.8%)	(3.4%)	(76.6%)	17.8%	56.1%	39.8%	**37.9%**	**6.7%**
ROA = net income / average total assets		(25.9%)	5.1%	(30.5%)	(20.8%)	(1.4%)	(25.8%)	5.3%	21.9%	17.8%	**15.0%**	**3.6%**

Source: author's analysis based on Tikr data.

ROIC went from negative through 2022 to 14% in 2025, and it keeps rising as operating profit grows without the need to invest much capital.

- **Leverage and liquidity**

Fiscal year	FY2016A	FY2017A	FY2018A	FY2019A	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A	3Y avg	5Y avg
Leverage & liquidity												
Net debt (debt − cash & ST inv.)	(3,169)	(905)	1,036	(3,552)	3,427	7,309	7,406	6,295	4,459	4,669	**5,141**	**6,028**
Net debt / EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	3.3x	1.3x	0.7x	**1.8x**	**1.8x**
Interest coverage (EBIT / interest expense)	(9.1x)	(8.1x)	(4.4x)	(15.4x)	(9.8x)	(7.9x)	(3.2x)	1.8x	5.4x	12.6x	**6.6x**	**1.7x**
Debt / (debt + equity), book	31.7%	48.8%	52.3%	33.8%	42.7%	43.1%	57.9%	48.0%	33.7%	30.5%	**37.4%**	**42.6%**
Current ratio	2.89	1.78	2.03	2.47	1.44	0.98	1.04	1.19	1.07	1.14	**1.13**	**1.08**

Source: author's analysis based on Tikr data.

Net debt fell to 0.7x EBITDA in 2025 and interest coverage rose to 12.7x. In 2026 long-term debt rose to $15.7 billion, partly to fund buybacks and investments in autonomy.

- **Shareholder returns and valuation**

Fiscal year	FY2016A	FY2017A	FY2018A	FY2019A	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A	3Y avg	5Y avg
Shareholder returns & market valuation (TIKR, at fiscal year end)												
Dividends + buybacks % FCF	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	–	–	18.2%	66.8%	**28.3%**	**21.2%**
EV / EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	67.8x	36.3x	26.8x	**43.6x**	**43.6x**
EV / revenue	n.m.	n.m.	n.m.	3.6x	8.4x	5.0x	1.7x	3.5x	2.9x	3.3x	**3.2x**	**3.3x**
P/E	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	67.1x	12.9x	16.9x	**32.3x**	**32.3x**
FCF yield (FCF / market cap)	n.m.	n.m.	n.m.	(9.7%)	(3.7%)	(0.9%)	0.8%	2.7%	5.4%	5.8%	**4.6%**	**2.7%**

Source: author's analysis based on Tikr data.

Uber used 67% of its free cash flow for buybacks in 2025. At the end of that year it traded at 27x EBITDA and 17x earnings (inflated by tax benefits), with a 5.8% FCF yield.

SECTION 04

Management and capital allocation

Dara Khosrowshahi (CEO)

If Uber's early stage was defined by its founder's unrestrained aggressiveness, the current era is characterized by the discipline of its managers. The team running the company today is not the one that created it, but the one that rescued it from chaos to turn it into a cash flow machine.

The central figure in this turnaround is **Dara Khosrowshahi**, who took the helm as CEO in August 2017. Dara is not a traditional Silicon Valley entrepreneur; he brought an impeccable execution record after twelve years leading **Expedia**, where he tripled revenue. His prior experience with the complexity of travel aggregators and global logistics was the key that allowed him to stabilize the internal culture and focus the company on a single metric: real profitability.

Balaji Krishnamurthy (CFO)

He is Uber's current CFO, a role he took on recently, replacing Prashanth Mahendra-Rajah. His arrival does not imply a disruptive outside change but rather an internal transition: Balaji has been at Uber since 2019 and previously headed strategic finance and Investor Relations.

I find this relevant because Uber is not bringing in someone from outside the business, but promoting an executive who knows the company, its main verticals and its relationship with the market well. In fact, before becoming global CFO, Balaji had already worked as CFO of the Mobility and Delivery segments, the two units that really define the investment thesis.

His challenge will be to maintain capital discipline at a different stage for Uber. The company is no longer fighting to prove it can be profitable; it must now prove it can keep growing, expanding margins, buying back stock and, at the same time, positioning itself to win in a future dominated by autonomous vehicles. In that sense, the CFO change does not alter the thesis, but it will be important to monitor whether he keeps the same prudence in capital allocation, especially as Uber increases its AV-related agreements and investments.

This renewal at the top is balanced by remarkable stability in operations. The leaders of the key divisions, **Andrew Macdonald** (Mobility) and **Pierre-Dimitri Gore-Coty** (Delivery), are veterans who have been with the company since 2012. They have survived every transition, bringing the deep knowledge of the business that is only earned in the trenches. Uber today is run by an ideal combination: financial experts who look after the cash and long-time operators who know the product by heart, all aligned to prioritize shareholder returns over empty promises.

SECTION 05

Competitive position

To understand Uber's competitive position, you first have to understand that the company **does not compete in a single industry**. Uber operates mainly in two huge markets: **urban mobility** and **delivery / local commerce**. On top of that comes a third, increasingly relevant layer: **advertising, memberships and, going forward, autonomous vehicles**.

The first industry is mobility. This is the business most associated with Uber: connecting passengers with drivers for urban trips, airport transfers, corporate travel, advance bookings, taxis and other forms of on-demand transport. Unlike a traditional transport company, Uber **does not need to own the cars**. Its value lies in coordinating the network: generating demand, attracting supply, calculating dynamic prices, reducing waiting times, processing payments and improving each driver's utilization.

Scale matters a lot in this business. In a city where Uber has many users and many drivers, the experience improves for both sides. The passenger finds cars faster, the driver has less idle time and the platform can better optimize prices and routes. This **network effect** is not fully global, because liquidity is built city by city, but once density is reached in a relevant market, **it becomes very hard to replicate without burning a lot of capital on subsidies**.

The addressable mobility market is huge. Uber does not compete only with Lyft or taxis. It competes with the private car, public transport, car rental, corporate transfers and other forms of urban mobility. In fact, the company itself usually presents a **TAM of several trillion dollars** if global spending on ground transport is considered. Personally, I would take that number with caution, because including the cost of owning a private car may be ambitious. But even being conservative, the market is still gigantic and ridesharing penetration is still low in many regions.

Uber's main mobility competitors depend heavily on the region. In the United States, **Lyft** is the most important direct rival. In China **Didi** dominates, although Uber no longer operates there directly. In Southeast Asia there is **Grab**, in India **Ola**, and in Europe and Africa players such as **Bolt** or **FREE NOW** compete. This fragmentation shows something important: **there is no single global winner in mobility**, but Uber is one of the few platforms with truly international scale.

The second big industry is delivery and local commerce. Here Uber competes mainly through Uber Eats, but the business is no longer limited to restaurants. Over time the company has expanded into supermarkets, convenience stores, pharmacies, alcohol, retail and other fast delivery categories. This evolution matters because it increases usage frequency and turns Uber Eats into a **local logistics platform**, not just an app for ordering food.

Competitive dynamics in delivery are different from mobility. Network effects exist but are weaker. A user can have Uber Eats, DoorDash, Rappi or PedidosYa installed at the same time and choose based on price, promotions, delivery times or available restaurants. Merchants also tend to work with several platforms in parallel. That is why delivery tends to be a **more promotional, more competitive industry with less pricing power** than mobility.

Even so, Delivery is increasingly important for Uber. In 2025 the segment already represented about a third of the company's sales and was growing faster than Mobility, and it kept showing very good momentum in 2026. This changes the reading of the thesis somewhat: Delivery is no longer just a strategic hedge or a post-pandemic habit, but a **real second leg of growth, recurrence and profitability**.

The main delivery competitors also vary by region. In the United States, **DoorDash** is the clear leader and keeps growing very strongly. In Europe and other regions, **Delivery Hero, Just Eat Takeaway, Glovo** and local operators compete. In China **Meituan** dominates, while in Latin America there are players such as

iFood, Rappi and PedidosYa. In this segment Uber does not have as dominant a position as in Mobility, but it has an advantage many competitors lack: it can combine **delivery with mobility, membership, advertising and a global user base**.

The delivery TAM is also very large, although more fragmented. The market includes not only prepared food but also **grocery, convenience, pharmacy and local commerce**. As consumers get used to receiving more categories in less time, the line between food delivery, e-commerce and urban logistics starts to blur. This opens a relevant opportunity, but it also means competing with very strong, specialized players.

Uber's great advantage is that **Mobility and Delivery do not live in isolation**. Together they form a platform with more usage frequency, more data and more monetization opportunities. A user can take a ride in the morning, order food at night, use Uber Reserve to get to the airport and pay for Uber One to capture benefits in both verticals. That integration allows Uber to reduce customer acquisition costs, improve retention and increase lifetime value.

Uber One is probably the most important tool for turning that integration into a competitive advantage. In an industry where switching costs were historically low, the membership creates an economic and psychological incentive to stay within the ecosystem. If the user already pays for Uber One and receives benefits on rides and delivery, they have less incentive to compare every transaction from scratch. By Q1 2026 Uber One had passed **50 million members**, and about half of the combined Mobility and Delivery Gross Bookings came from members. This does not eliminate competition, but it improves the quality of the customer relationship.

Another increasingly relevant point is advertising. **Uber Advertising** is a high-margin monetization layer based on user attention within the app and on relationships with restaurants, brands and merchants. In delivery, this can work much like Amazon or Instacart: merchants pay for visibility within a platform where the user already has purchase intent. This line still weighs less than Mobility or Delivery, but it can be important for **future margin expansion**.

The big strategic change in the industry is **autonomous driving**. For years it was a distant promise, but today it is becoming a real variable. Waymo already operates robotaxis in several cities and is scaling its paid rides. In Austin and Atlanta, Waymo operates through Uber, but in other markets it also seeks to build a direct relationship with users through its own app. This is positive because it validates demand for autonomous mobility, but it is also a risk: if AV operators manage to control the relationship with the end customer, Uber could lose part of its role as aggregator.

In the face of that risk, Uber is diversifying its strategy. Instead of depending exclusively on Waymo, it is signing agreements with different autonomous vehicle players. The agreement with **Lucid and Nuro** is especially important because it includes deploying more than **20,000 robotaxis** integrated into the Uber platform. There are also agreements or pilots with other AV partners in different regions. The logic seems clear: Uber wants to be the **demand, pricing, payments and utilization layer** for multiple autonomous fleets, without having to develop all the technology itself.

The opportunity is enormous, but not free. If autonomous vehicles scale, they could reduce the structural cost per trip, increase car availability and expand the on-demand mobility market. But they could also make the business more capital-intensive if Uber has to invest in vehicles, finance fleets or commit capital with strategic partners. That is why autonomous driving is at the same time **the biggest upside and one of the main long-term risks**.

Uber competes in two main industries: **mobility and delivery**. Mobility has better network effects, greater scale and better margins. Delivery is more competitive, but it increases frequency, recurrence and the advertising opportunity. Uber One ties both verticals together and improves retention. And autonomous vehicles could redefine the economics of the whole industry.

Uber's advantage is not in being the only company able to move people or deliver food. Its advantage lies in **the density of its network, its brand, usage frequency, technological scale, membership, data and the possibility of becoming the neutral aggregator of multiple forms of mobility**. That is the real question of

the thesis: if Uber manages to keep the relationship with the end user, it can become a kind of **Booking.com of mobility**. If it loses it to autonomous operators or closed platforms, part of the value could migrate to other players.

Porter's five forces

To assess the industry's long-term attractiveness:

- **Threat of new entrants (LOW):** Barriers to entry have changed. It is no longer the technology (building an app is easy) but **network liquidity**. A new competitor needs thousands of drivers to offer low waiting times (ETA). Without demand there are no drivers, and without drivers there is no demand (the chicken-and-egg problem). Replicating Uber's scale today would cost billions in subsidies.
- **Bargaining power of suppliers/drivers (MEDIUM-HIGH):** Historically high because of labor shortages. However, platforms are mitigating this through earnings algorithms that optimize driver income and labor flexibility, which remains the unique value proposition versus traditional employment.
- **Bargaining power of customers/consumers (HIGH, but declining):** Historically, user power in this industry has been absolute because switching costs are zero. For a passenger brand loyalty barely exists: you just close the Uber app and open Lyft or DoorDash to compare who charges a dollar less. However, Uber is drastically reducing this power thanks to **Uber One**. By tying the user to a monthly subscription with cross benefits (rides and food), Uber creates economic and convenience "switching costs".
- **Threat of substitutes (MEDIUM):** The main competitor is not the taxi but **private car ownership**. Over short distances, public transport and micro-mobility (bikes/scooters) are viable substitutes.
- **Rivalry among competitors (STABILIZING):** We have moved from price competition to competition on **service quality and waiting times**. The price elasticity of demand has turned out to be lower than expected; users tolerate price increases in exchange for reliability.

SWOT analysis

STRENGTHS

- Global leader in ride-hailing, present in more than 70 countries
- **Network effect and liquidity:** more scale means shorter wait times and a very high barrier to entry
- **Super app with cross-selling:** 30-40% lower acquisition cost and 25-35% higher retention; 40-50% of users use both platforms
- Strong brand: Uber is synonymous with ride-hailing
- Revenue diversified across Mobility, Delivery and Freight
- Management team with a proven record of margin improvement
- **Strong cash generation:** more than USD 10 billion of annual FCF, investment-grade balance sheet and buybacks
- Unique data on mobility patterns

WEAKNESSES

- **Almost no switching costs:** users have several apps and choose on price
- **Dependence on independent drivers:** regulatory risk, and driver shortages pressure margins
- **Price sensitivity:** a discretionary service, vulnerable to inflation and recession
- Margins still below mature technology platforms
- Number two in US delivery, behind DoorDash
- Intense competition requires subsidies in key markets
- Geographic concentration: the US accounts for a large share of revenue

OPPORTUNITIES

- **Autonomous vehicles:** become the system that dispatches both autonomous cars and drivers, without owning a fleet
- **Uber Ads:** very high growth, margins close to 80% and potential revenue of USD 1-2 billion a year
- **Delivery into grocery and retail:** a very large additional market
- Uber Freight can transform freight logistics
- Industry consolidation and acquisitions of smaller competitors
- Uber One increases loyalty and customer lifetime value
- Expansion in high-growth emerging markets (India, Africa)

THREATS

- **Labor regulation:** reclassifying drivers as employees would raise costs by 20-30%
- **Intermediation by AI agents:** virtual assistants comparing prices across platforms
- **Vertical integration by manufacturers:** Tesla Cybercab or autonomous operators with their own app
- More competition: DoorDash, Lyft and regional players
- A recession would cut discretionary spending on transport
- Cybersecurity and data privacy risks
- Fuel price volatility, which affects driver economics

Source: author's analysis.

Uber vs. the competition

Comparing Uber's consolidated numbers with its main global rivals (Lyft, DoorDash, Grab, Didi and Delivery Hero) strongly confirms the thesis that we have entered a "rational duopoly" led by Uber.

A technical note: we are comparing each company's total metrics, not their individual segments. Players such as Delivery Hero or DoorDash are *pure players* competing only in food, while Lyft only does mobility. Although this asymmetry makes the comparison imperfect line by line, **it is precisely this consolidated view that exposes Uber's greatest structural advantage.** Comparing the whole company against single-niche competitors, the numbers show why the "Super App" model (which spreads acquisition costs across rides and delivery) financially crushes those trying to survive with a single product.

REVENUE GROWTH: UBER IN THE MIDDLE

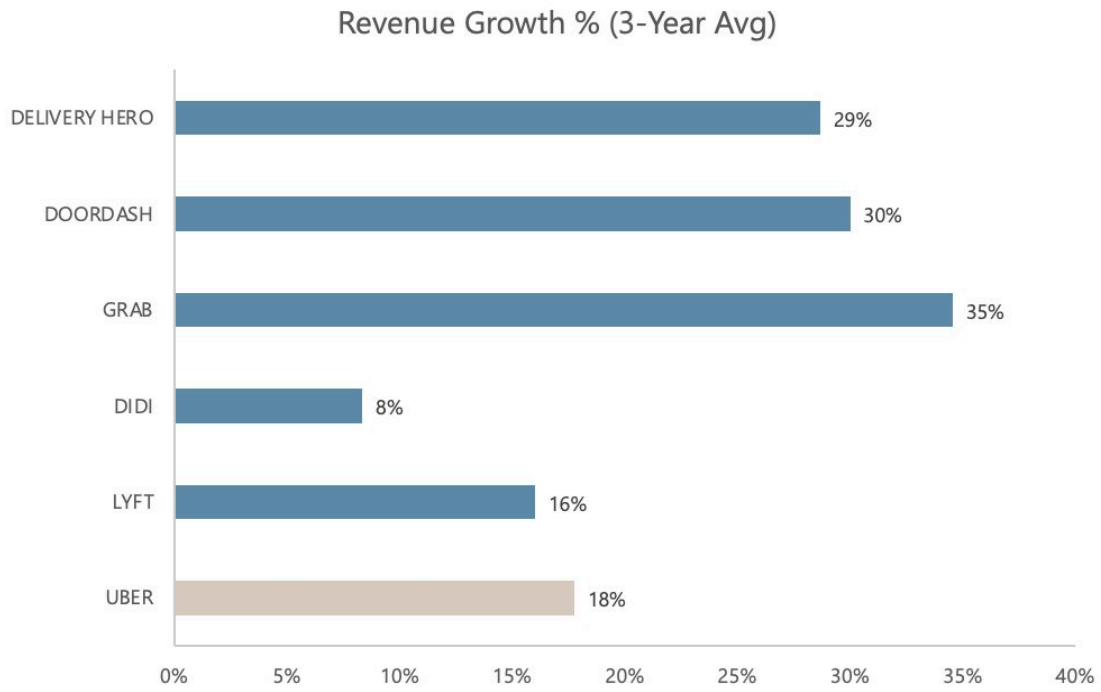
Revenue Growth %	31/12/2017	31/12/2018	31/12/2019	31/12/2020	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	Average
UBER TECHNOLOGIES, INC.	106,30%	31,50%	24,60%	(14,30%)	56,70%	82,60%	17,00%	18,00%	18,30%	17,77%
LYFT, INC.	208,70%	103,50%	67,70%	(34,60%)	35,70%	27,60%	7,50%	31,40%	9,20%	16,03%
DIDI GLOBAL			14,40%	(8,40%)	22,60%	(19,00%)	36,60%	7,50%		8,37%
GRAB HOLDINGS LIMITED				155,50%	43,90%	112,30%	64,60%	18,60%	20,50%	34,57%
DOORDASH, INC.			204,10%	226,10%	69,40%	34,70%	31,20%	24,20%		30,03%
DELIVERY HERO SE	56,50%	46,60%	86,10%	99,70%	136,90%	46,50%	15,90%	23,70%		28,70%

Source: author's analysis

Uber grew almost 18% on average over the last 3 years, placing it in the middle of its competitors. Grab and DoorDash lead growth with +30%, followed by Delivery Hero. At the other end, Lyft shows a significant slowdown (9.2%) after growing 36% in 2023, while Didi shows the worst growth rates over the last 3 years.

What this means: Uber is not the growth leader, but it is not lagging either. Its 18% growth is healthy for a company of its size (more than $50 billion of revenue). The slowdown at Lyft (its only direct US competitor) is a clear competitive advantage: Uber is winning the North American duopoly.

DoorDash's growth in delivery exceeds Uber Eats', confirming that Uber does not dominate this segment as it does Mobility. However, the combined growth of its two main segments remains solid.



Source: author's analysis

OPERATING MARGINS: THIS IS WHERE THE DIFFERENCE STARTS TO SHOW

% Operating Margin	31/12/2017	31/12/2018	31/12/2019	31/12/2020	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	Average
UBER TECHNOLOGIES, INC.	(48,63%)	(27,18%)	(66,12%)	(40,41%)	(21,97%)	(5,75%)	2,98%	6,36%	10,70%	6,68%
LYFT, INC.	(66,83%)	(45,21%)	(74,74%)	(74,35%)	(35,38%)	(32,69%)	(8,81%)	(1,92%)	(2,98%)	(4,57%)
DIDI GLOBAL		(9,20%)	(5,18%)	(9,73%)	(26,26%)	(12,57%)	(1,48%)	0,94%		(4,37%)
GRAB HOLDINGS LIMITED			352,78%	(272,71%)	(230,37%)	(95,05%)	(19,97%)	(5,58%)	2,28%	(7,75%)
DOORDASH, INC.		(72,16%)	(69,04%)	(14,69%)	(9,02%)	(14,58%)	(6,66%)	0,48%		(6,92%)
DELIVERY HERO SE	(51,40%)	(31,80%)	(51,69%)	(36,22%)	(28,32%)	(16,75%)	(7,12%)	(2,15%)		(8,67%)

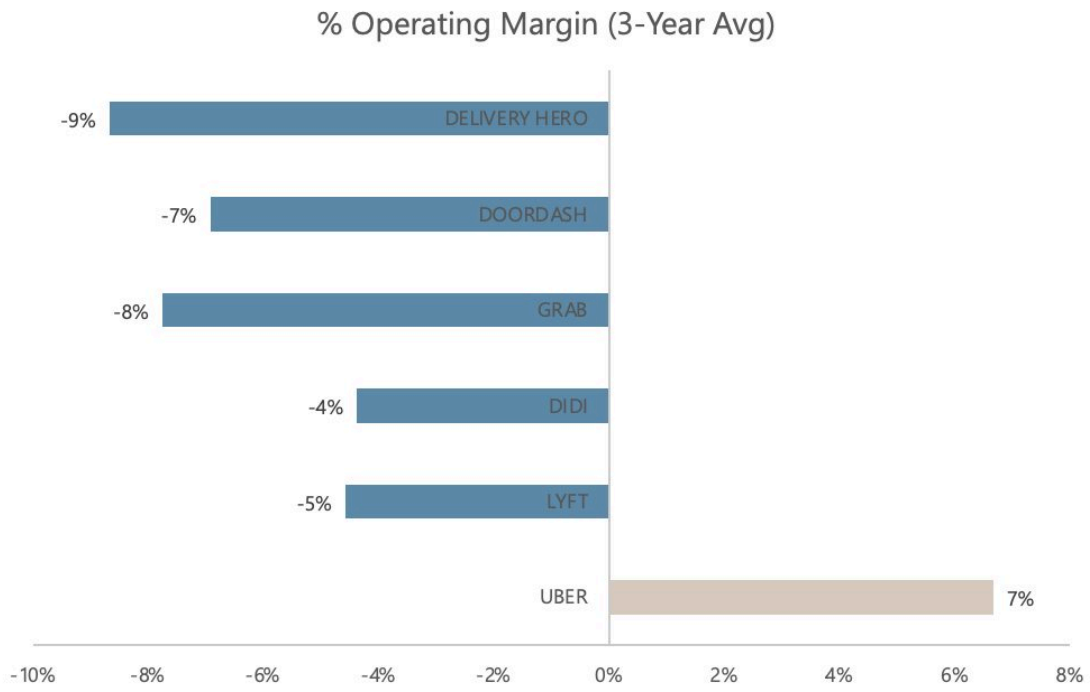
Source: author's analysis

Uber reached a 10.7% operating margin in 2025, a monumental achievement considering it was -48.6% in 2017. As we saw throughout the thesis, operating margin has been positive for three years and is growing. But here is the key: **it is still well above its competitors**:

Several competitors have not yet published full-year 2025 figures, so I indicate the fiscal year of each data point:

- **Lyft**: -2.98% in 2025 (still losing money).
- **Grab**: 2.28% in 2025 (improving, but far from impressive).
- **DoorDash**: 0.48% in 2024 (still fighting for profitability).
- **Didi**: 0.94% in 2024 (barely breaking even).
- **Delivery Hero**: -2.15% in 2024 (burning cash).

Uber keeps showing a combination of scale, profitability and diversification that sets it apart from most of its competitors. This is critical. While Lyft, Grab, Didi and Delivery Hero struggle to get out of the red, Uber is already generating double-digit margins and expanding them.



Source: author's analysis

LEVERAGE: UBER LEADS IN DELEVERAGING

Debt to EBITDA [Total debt / EBITDA]	31/12/2017	31/12/2018	31/12/2019	31/12/2020	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	Average
UBER TECHNOLOGIES, INC.	-1,04x	-3,07x	-0,95x	-2,52x	-3,96x	-13,24x	6,05x	3,23x	1,91x	3,73x
LYFT, INC.	0,00x	0,00x	-0,18x	-0,64x	-1,01x	-0,91x	-4,14x	46,01x	-23,69x	6,06x
DIDI GLOBAL		0,00x	-0,53x	-0,39x	-0,07x	-0,55x	4,97x	2,48x		2,30x
GRAB HOLDINGS LIMITED			-3,69x	-12,35x	-1,80x	-1,13x	-2,43x	-40,44x	8,08x	-11,60x
DOORDASH, INC.		0,00x	0,00x	0,00x	0,00x	0,00x	0,00x	0,00x		0,00x
DELIVERY HERO SE	-0,02x	-0,01x	-0,21x	-4,11x	-3,36x	-5,59x	-18,26x	48,05x		8,07x

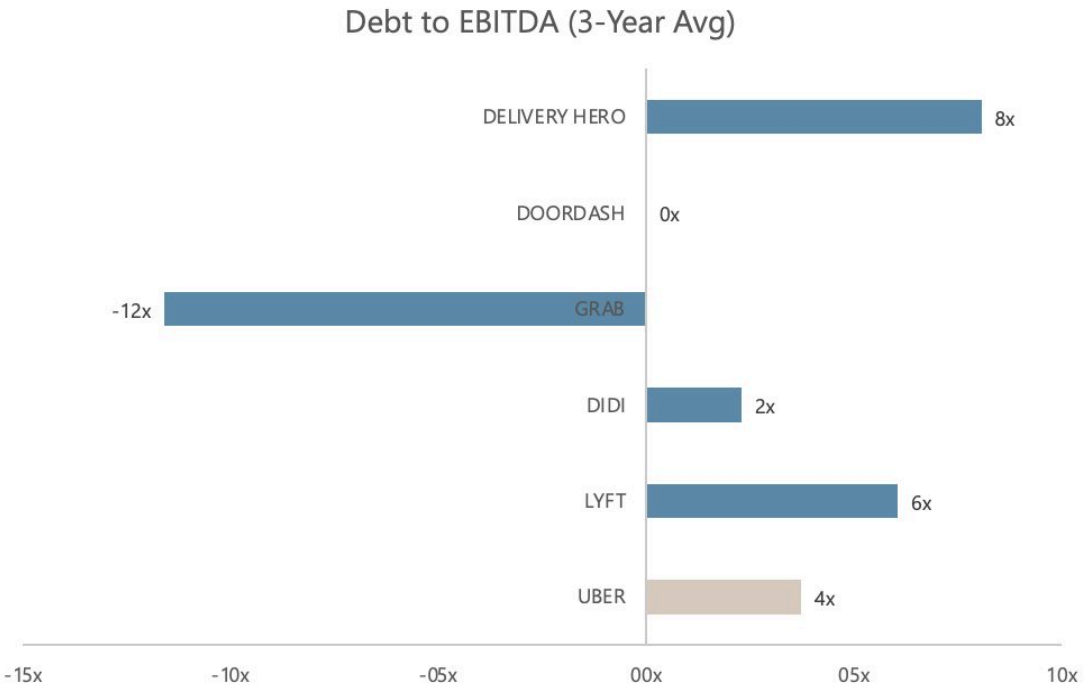
Source: author's analysis

Uber's total debt/EBITDA: 1.91x in 2025, a huge improvement from the negative ratios of 2018 to 2022, when EBITDA was negative. Compared with its competitors:

- **Lyft**: not meaningful in 2025, because its EBITDA was negative; in 2024 the ratio was 46.01x.
- **DoorDash**: 0.00x in 2024, because it has practically no financial debt.
- **Grab**: 8.08x in 2025.
- **Delivery Hero**: 48.05x in 2024, an extremely risky level.

Uber has a solid financial position with enough flexibility to buy back stock, make selective M&A and invest in strategic opportunities such as autonomous vehicles. This matters because the industry's next stage will probably require more capital than the purely asset-light model of recent years.

The difference versus weaker competitors remains relevant: Uber can fund strategic initiatives from a position of strength, not need. However, we must also recognize that AVs could raise the capital intensity of the business if Uber decides to participate more actively in fleets, investments or purchase commitments. That is why the balance sheet remains a competitive advantage, but also a key variable to monitor.



Source: author's analysis

CASH CONVERSION: UBER FINALLY MADE IT

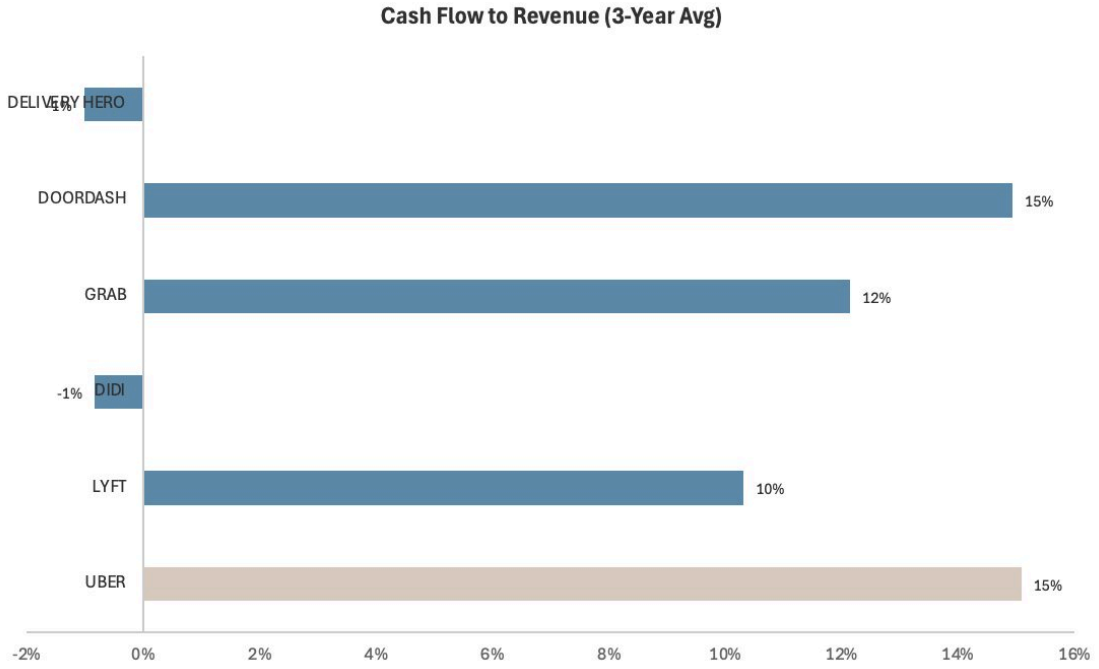
Cash flow to Revenue [CFO / Net revenue]	31/12/2017	31/12/2018	31/12/2019	31/12/2020	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	Average
UBER TECHNOLOGIES, INC.	-17,88%	-14,77%	-33,24%	-24,64%	-2,55%	2,01%	9,62%	16,23%	19,41%	15,09%
LYFT, INC.	-37,13%	-13,01%	-2,92%	-58,31%	-3,17%	-5,79%	-2,23%	14,69%	18,50%	10,32%
DIDI GLOBAL		-6,82%	0,93%	0,80%	-7,72%	-7,26%	1,66%	3,12%		-0,83%
GRAB HOLDINGS LIMITED			249,94%	-137,10%	-141,33%	-55,69%	3,65%	30,46%	2,34%	12,15%
DOORDASH, INC.		-54,64%	-52,77%	8,73%	14,16%	5,57%	19,37%	19,88%		14,94%
DELIVERY HERO SE	-46,42%	-24,75%	-29,48%	-21,44%	-15,39%	-8,03%	-0,20%	5,19%		-1,01%

Source: author's analysis

Uber's operating cash flow to revenue: 19.4% in 2025. This means that for every $100 of revenue, Uber generates $19.40 of operating cash.

- **Lyft**: 18.5% in 2025 (very good, but a much smaller company).
- **Grab**: 2.34% in 2025, far below the 30.46% of 2024.
- **DoorDash**: 19.88% in 2024.
- **Didi**: 3.12% in 2024.
- **Delivery Hero**: 5.19% in 2024.

Looking at the average of the last 3 years, the winner is Uber, with a 15% average.



Source: author's analysis

RETURN ON INVESTED CAPITAL (ROIC): THE REAL TEST

ROIC [EBIT / Average short and long-term debt and equity]	31/12/2017	31/12/2018	31/12/2019	31/12/2020	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	Average
UBER TECHNOLOGIES, INC.	-54%	-20%	-37%	-19%	-14%	-9%	5%	8%	14%	8.89%
LYFT, INC.	-31%	-43%	-81%	-65%	-48%	-90%	-23%	-5%	-4%	-10.95%
DIDI GLOBAL		-10%	-6%	-11%	-36%	-16%	-3%	2%		-5.71%
GRAB HOLDINGS LIMITED			-68%	-27%	-15%	-17%	-6%	-2%	1%	-2.65%
DOORDASH, INC.		-38%	-45%	-8%	-9%	-13%	-8%	1%		-6.80%
DELIVERY HERO SE	-14%	-13%	-32%	-21%	-17%	-15%	-10%	-3%		-9.36%

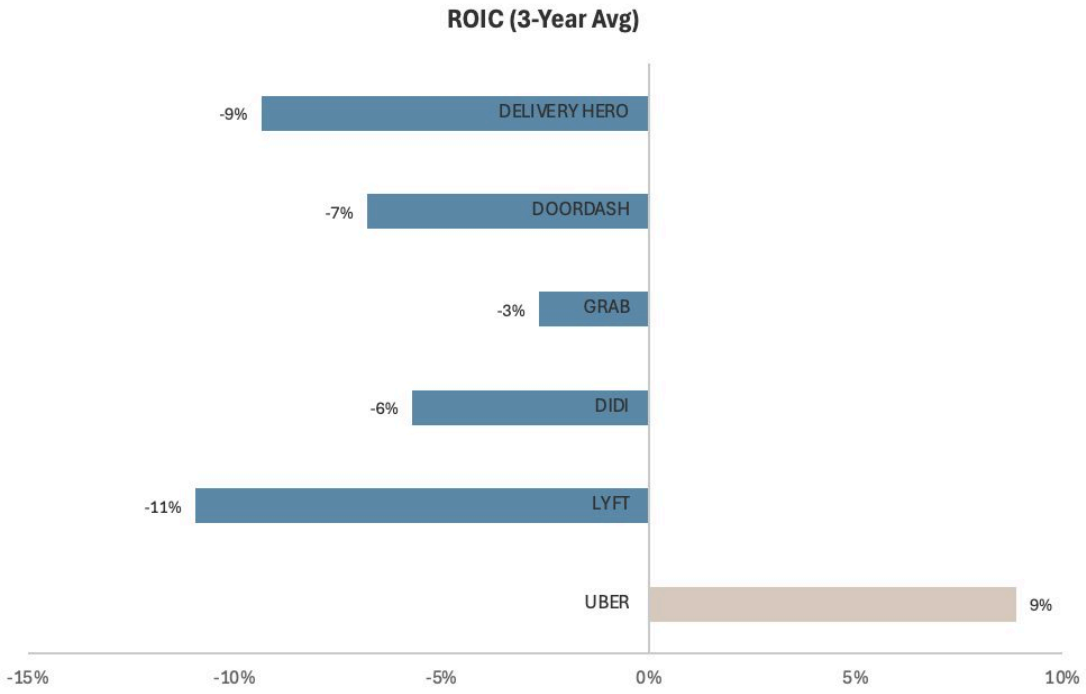
Source: author's analysis

Uber's ROIC: 14% in 2025. It measures how efficiently the company turns invested capital into operating profit.

- **Lyft**: -4% in 2025.
- **Grab**: 1% in 2025.
- **DoorDash**: 1% in 2024.
- **Didi**: 2% in 2024.

Uber is the only one in the group with ROIC above 10%. In this table ROIC is calculated as pre-tax EBIT over average debt and equity, so it ranks the companies by return rather than measuring value creation precisely. Even so, the gap is clear: for every $100 of invested capital, Uber generates $14 of operating profit, while its competitors barely break even or lose money.

Looking at the average of recent years, Uber is also the only one with a positive return.



Source: author's analysis

SECTION 06

The bulls vs. the bears

What do the bulls say?

The first argument is **scale and the network effect**: more than 200 million active users, Gross Bookings growing 20% and a Super App where Mobility, Delivery, Uber One and advertising reinforce each other.

The second is **profitability**: operating margin went from negative to double digits in three years, free cash flow already exceeds $10 billion a year and the company is buying back stock aggressively.

The third is **autonomous vehicles**: if Uber becomes the demand, pricing and utilization layer for third-party autonomous fleets, it can capture much of the value of that transition without having to build the cars.

What do the bears say?

The first argument is **disintermediation**: Waymo, Tesla or other autonomous operators may decide to have their own app, and AI agents could compare prices across platforms, taking away part of Uber's pricing power.

The second is **regulation**: driver employment classification, taxes and local rules remain a risk in many markets.

The third is **capital**: the transition to autonomous vehicles may require more investment and more debt than the business has historically needed.

SECTION 07

Valuation

I built a ten-year **discounted cash flow (DCF)** model with two methods for the terminal value: **perpetuity growth** and an **exit multiple on EBITDA**. The target price is the average of both in the base case.

I chose a ten-year horizon because Uber still has several years of growth ahead: greater Mobility penetration, Delivery expansion, Uber One, advertising, operating efficiency and, going forward, the autonomous vehicle option. Even so, I clearly separated the scenarios so as not to assume an overly aggressive capture of the autonomous revolution in the base case.

Model inputs and assumptions

2. Operating drivers by scenario (explicit forecast)

Driver	Δ vs Base	FY2023A	FY2024A	FY2025A	3Y avg	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E	FY2031E	FY2032E	FY2033E	FY2034E	FY2035E
Forecast year #						*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
Revenue growth ▸ selected scenario		17.0%	18.0%	18.3%	**17.7%**	**11.3%**	**14.0%**	**13.0%**	**12.0%**	**10.0%**	**9.0%**	**8.0%**	**6.0%**	**5.0%**	**4.0%**
Best case	4.0%					15.3%	18.0%	17.0%	16.0%	14.0%	13.0%	12.0%	10.0%	9.0%	8.0%
Base case						11.3%	14.0%	13.0%	12.0%	10.0%	9.0%	8.0%	6.0%	5.0%	4.0%
Worst case	(5.0%)					6.3%	9.0%	8.0%	7.0%	5.0%	4.0%	3.0%	1.0%	–	(1.0%)
Gross margin ▸ selected scenario		37.1%	37.5%	38.5%	**37.7%**	**35.0%**	**35.5%**	**36.0%**	**36.5%**	**37.0%**	**37.5%**	**38.0%**	**38.5%**	**39.0%**	**39.0%**
Best case	2.0%					37.0%	37.5%	38.0%	38.5%	39.0%	39.5%	40.0%	40.5%	41.0%	41.0%
Base case						35.0%	35.5%	36.0%	36.5%	37.0%	37.5%	38.0%	38.5%	39.0%	39.0%
Worst case	(3.0%)					32.0%	32.5%	33.0%	33.5%	34.0%	34.5%	35.0%	35.5%	36.0%	36.0%
EBIT margin ▸ selected scenario		3.0%	6.4%	10.7%	**6.7%**	**11.0%**	**12.5%**	**14.0%**	**15.5%**	**16.5%**	**17.5%**	**18.5%**	**19.5%**	**20.5%**	**20.5%**
Best case	4.0%					15.0%	16.5%	18.0%	19.5%	20.5%	21.5%	22.5%	23.5%	24.5%	24.5%
Base case						11.0%	12.5%	14.0%	15.5%	16.5%	17.5%	18.5%	19.5%	20.5%	20.5%
Worst case	(5.0%)					6.0%	7.5%	9.0%	10.5%	11.5%	12.5%	13.5%	14.5%	15.5%	15.5%
Capex % of revenue ▸ selected scenario		0.6%	0.6%	0.6%	**0.6%**	**1.2%**	**1.5%**	**1.8%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**
Best case	0.5%					1.7%	2.0%	2.3%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Base case						1.2%	1.5%	1.8%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Worst case	0.5%					1.7%	2.0%	2.3%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Source: author's analysis.

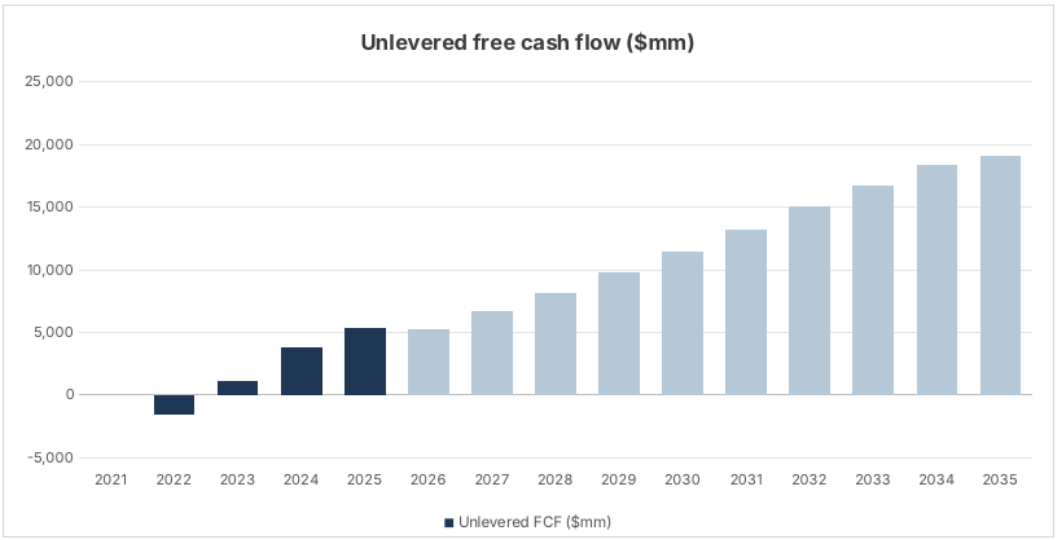
Revenue growth: in the Base Case I project 11.3% growth in 2026 (in line with the first nine months, affected by business model changes), 14% in 2027 and 13% in 2028. Growth then gradually slows to 4% in 2035.

Margins: gross margin gradually improves from 35% to 39%. GAAP EBIT margin goes from 11% in 2026 to 20.5% in 2034-2035. The expansion assumes Uber keeps capturing operating leverage with more advertising, more recurrence from Uber One and a more efficient cost structure.

CapEx: I keep Uber as a mostly asset-light company, but with greater capital intensity than in its recent history: CapEx rises from 1.2% to 2% of revenue to reflect the investments linked to autonomous vehicles.

What does each scenario mean?

- **Base Case:** Uber keeps growing at a good pace, supported mainly by scale, operating leverage, Delivery, Uber One, advertising and capital discipline, without significant autonomous vehicle penetration.
- **Best Case:** faster adoption of autonomous vehicles and Uber as the main demand platform for those fleets. It adds 4 points of growth per year, 2 of gross margin and 4 of EBIT margin.
- **Worst Case:** a sharper slowdown, competitive pressure, regulatory risk and partial disintermediation by autonomous operators or AI agents. It subtracts 5 points of growth, 3 of gross margin and 5 of EBIT margin.



Source: author's analysis.

Discount rate (WACC)

5. Discount rate (WACC)

		Value
Risk-free rate		4.9%
Equity beta (levered)	x	1.27
Equity risk premium		4.2%
Country risk premium		-
Cost of equity		10.2%
Pre-tax cost of debt		5.0%
Tax rate (debt tax shield)		25.0%
After-tax cost of debt		3.8%
Market value of equity	$ mm	142,393
Total debt	$ mm	12,302
Debt / (Debt + Equity)		8.0%
Equity / (Debt + Equity)		92.0%
WACC		9.7%

Source: author's analysis.

I use a 4.9% risk-free rate, a 4.2% equity risk premium and a beta of 1.27. The result is a **cost of equity of 10.2%**. For debt I use a 5% pre-tax cost. With a capital structure of 92% equity and 8% debt, the **resulting WACC is 9.7%**.

To go from Enterprise Value to Equity Value I added a net financial position of $3,754 million, which includes Uber's stakes in other companies. I use 2,058 million diluted shares.

Model results

PERPETUITY METHOD

With 2.5% perpetual growth and a 20% return on new invested capital, the model gives an Enterprise Value of $174,765 million and an Equity Value of $178,519 million, equivalent to **$86.74 per share**.

Uber Technologies, Inc.

UBER · Discounted Cash Flow · Perpetuity Growth Method

Valuation date 6 Nov 2026 · USD mm · Scenario: Base Case

INTRINSIC VALUE PER SHARE

$86.74

Current share price	$69.19
Upside / (downside)	+25.4%

VALUATION SUMMARY

Enterprise value	174,765
Equity value	178,519
PV of forecast cash flows	73,919
PV of terminal value	100,847
Terminal value % of EV	57.7%
Implied exit EV / EBITDA	8.5x

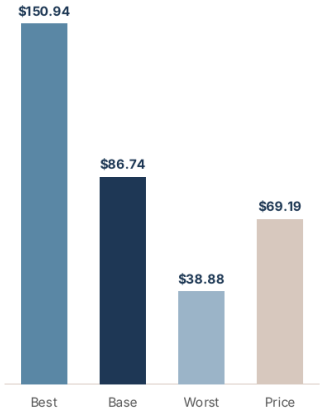
KEY ASSUMPTIONS

WACC (year 1)	9.7%
Terminal WACC	9.7%
Terminal growth (g)	2.5%
RONIC (terminal)	20.0%
Net debt & other claims	(3,754)
Diluted shares (mm)	2,058.0

SCENARIOS

Scenario	Terminal growth	Enterprise value	Equity value	Value per share	Upside
Best case	3.0%	306,883	310,637	**$150.94**	+118.2%
Base case	2.5%	174,765	178,519	**$86.74**	+25.4%
Worst case	2.0%	76,253	80,007	**$38.88**	(43.8%)
Current share price				*$69.19*	

VALUE PER SHARE VS. CURRENT PRICE



SENSITIVITY · VALUE PER SHARE

Terminal growth rate (g)

WACC / g	1.5%	2.0%	2.5%	3.0%	3.5%
8.7%	$95.71	$98.27	$101.24	$104.73	$108.88
9.2%	$89.06	$91.10	$93.45	$96.17	$99.36
9.7%	$83.24	$84.88	**$86.74**	$88.89	$91.37
10.2%	$78.10	$79.43	$80.92	$82.62	$84.58
10.7%	$73.53	$74.61	$75.81	$77.17	$78.72

Source: author's analysis.

In the Best Case the value is **$150.94** and in the Worst Case **$38.88**.

With a WACC half a point lower, the value rises to $93; with one half a point higher, it falls to $81.

EBITDA MULTIPLE METHOD

Applying a **12x** multiple to EBITDA in the last projected year of the Base Case (15x in the Best Case and 9x in the Worst Case), the model gives an Enterprise Value of $215,552 million and a value of **$106.56 per share**.

Uber Technologies, Inc.

UBER · Discounted Cash Flow · Exit Multiple Method

Valuation date 6 Nov 2026 · USD mm · Scenario: Base Case

AZ STOCKS Acciones de la A a la Z

INTRINSIC VALUE PER SHARE

$106.56

Current share price	$69.19
Upside / (downside)	+54.0%

VALUATION SUMMARY

Enterprise value	215,552
Equity value	219,306
PV of forecast cash flows	73,919
PV of terminal value	141,633
Terminal value % of EV	65.7%
Implied perpetual growth	3.7%

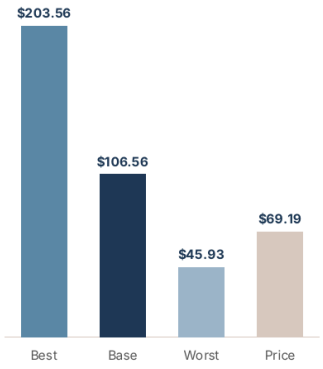
KEY ASSUMPTIONS

WACC (year 1)	9.7%
Terminal WACC	9.7%
Exit EV / EBITDA	12.0x
EBITDA, final forecast year	27,576
Net debt & other claims	(3,754)
Diluted shares (mm)	2,058.0

SCENARIOS

Scenario	Exit multiple	Enterprise value	Equity value	Value per share	Upside
Best case	15.0x	415,170	418,924	**$203.56**	+194.2%
Base case	12.0x	215,552	219,306	**$106.56**	+54.0%
Worst case	9.0x	90,771	94,525	**$45.93**	(33.6%)
Current share price				*$69.19*	

VALUE PER SHARE VS. CURRENT PRICE



SENSITIVITY · VALUE PER SHARE

Exit EV / EBITDA multiple

WACC / multiple	10.0x	11.0x	12.0x	13.0x	14.0x
8.7%	$101.75	$107.98	$114.22	$120.46	$126.69
9.2%	$98.35	$104.33	$110.31	$116.29	$122.27
9.7%	$95.09	$100.83	**$106.56**	$112.30	$118.03
10.2%	$91.97	$97.47	$102.98	$108.48	$113.98
10.7%	$88.98	$94.26	$99.54	$104.82	$110.10

Source: author's analysis.

12x reflects a mature, high-quality company with network effects, little need for capital and a dominant position in most of its markets. It implies 3.7% perpetual growth.

In the Best Case the value is **$203.56** and in the Worst Case **$45.93**.

Reading both methods together

Averaging both methods in the base case, I arrive at a **target price of $97 per share**, compared with a market price of $69.19. That is an upside of about 40%.

What is interesting is that the Base Case does not depend on Uber dominating autonomous mobility. The valuation rests mainly on organic growth, margin expansion, Uber One, Delivery, advertising and capital discipline. The Best Case captures a much larger part of the autonomous option.

SECTION 08

Conclusion

I have a position in Uber, at an average price of $75. I have not yet built the full position I would like; I am waiting for a bigger market correction to take it to 100% of my target.

Answering the question I asked at the start: *"Is Uber the Booking.com of mobility?"*. I think it is not yet, but it is heading in that direction. It still has a way to go to reach that level of margins and dominance, especially because the network effect in this industry is regional, not global.

The third quarter of 2026 reinforced the thesis: Gross Bookings growing 20%, adjusted EBITDA growing more than 30%, $2.5 billion of free cash flow in the quarter and an autonomous vehicle strategy that has moved into commercial execution.

My model gives a **target price of $97 per share**, versus a price of $69.19. It is a base case that keeps several prudent assumptions: it does not explicitly include the full value of the accumulated tax assets, it does not project a sustained reduction in shares from buybacks, and it does not assume accelerated adoption of autonomous vehicles, although it does include greater investment needs linked to that transition.

I am not sure I would classify it as one of those companies I would hold for life, but I am convinced it is an excellent opportunity for the coming years. At these prices I would add to the position, always with a controlled weight in the portfolio: personally, I would not allocate more than 10% to it.

Alan



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