

Uber

Bullish growth outlook exceeds large-cap peers, expect continued re-rating; Buy

Reiterate Rating: BUY | PO: 91.00 USD | Price: 79.15 USD

Investor Update provides 3-Yr. Outlook, share repurchases

Uber hosted an Investor Update with new disclosures, a 3-Yr financial outlook, & \$7bn share repurchase authorization. The 3-Yr outlook includes Bookings growth in the “mid-to-high teens”, driven by growth in users & trip frequency rather than pricing. Mgmt. expects EBITDA growth in the high 30-40% CAGR range (~7% incremental margin), with 90% EBITDA to FCF Conversion (favorable vs. Lyft at 50% conversion). Uber's growth outlook exceeds our ests. for Online media, eCommerce and travel sector growth.

Two-sided market, network effect & scale thesis at work

New disclosures underscore Uber's unique economies of scale & platform synergies. Our Top-5 disclosures were: 1) Uber One Members now spending 3.4x more than Non-members; 2) 20% of new Mobility drivers come from the Delivery courier pool; 3) 31% of Delivery new users come from Rides app & 22% of Rides new users come from Delivery; 4) Cross-platform driver app generated 19pts of improvement in Delivery driver retention; 5) 34% of customers now use multiple products (Rides + Eats) monthly.

3-Yr Outlook above prior Street, slightly raise 2025 ests.

Relative to prior ests., bookings growth guide for mid-to-high teens was above Street at 14.6% (assuming a 17.5% CAGR gets to \$223bn in '26 bookings, vs. Street at \$207bn). The EBITDA growth outlook is also above prior Street (\$10.8bn in '26 EBITDA assuming 39% growth, vs. Street at \$10.4bn prior). For our already above-Street estimates, 2024 is mostly unchanged, but for 2025 we raise bookings by 1% and EBITDA by 3%. We also reduce our 2025 share count est. by 3% for buybacks. For 2025, we raise Bookings/Rev./EBITDA to \$195.3bn/\$52.0bn/\$8.5bn from \$192.8bn/\$51.4bn/\$8.2bn.

The bar is now higher, but Uber well positioned

Analyst day was a positive affirmation of high growth expectations, and while there is risk to mgmt. credibility earned over past two years with any future top line weakness, there still could be upside, as Uber's incremental margin outlook at ~7% is below recent history. We continue to see strong network effects at Uber, and now Street has clear visibility on Uber's potential to be a top large-cap growth company in the Internet sector (and our top travel/transportation stock). As Delivery is now firmly profitable, we are shifting from a sum-of-parts valuation to FCF valuation, and raising our PO from \$78 to \$91 based on 25x FCF. We think a 25x 2025 FCF multiple is reasonable vs. FANG avg. of 23x (Bloomberg), given high-30s EBITDA growth outlook (vs 20% avg. FANG 2-yr est.). Reiterate Buy.

Estimates (Dec) (US\$)	2022A	2023A	2024E	2025E	2026E
EPS	(4.59)	0.91	1.41	2.27	3.18
GAAP EPS	(4.59)	1.04	1.41	2.27	3.18
EPS Change (YoY)	NM	NM	54.9%	61.0%	40.1%
Consensus EPS (Bloomberg)			1.53	2.30	3.07
DPS	0	0	0	0	0
Valuation (Dec)					
P/E	NM	87.0x	56.1x	34.9x	24.9x
GAAP P/E	NM	76.1x	56.1x	34.9x	24.9x
EV / EBITDA*	57.4x	35.9x	24.8x	18.7x	14.8x
Free Cash Flow Yield*	0.2%	2.4%	3.7%	4.7%	6.0%

* For full definitions of *IQmethod*SM measures, see page 8.

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Timestamp: 14 February 2024 09:46PM EST

14 February 2024

Equity

Key Changes

(US\$)	Previous	Current
Price Obj.	78.00	91.00
2024E Rev (m)	43,817.2	43,904.3
2025E Rev (m)	51,371.7	51,994.5
2026E Rev (m)	59,414.4	60,436.9
2024E EPS	1.38	1.41
2025E EPS	2.10	2.27
2026E EPS	2.77	3.18

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Stock Data

Price	79.15 USD
Price Objective	91.00 USD
Date Established	14-Feb-2024
Investment Opinion	C-1-9
52-Week Range	29.22 USD - 79.20 USD
Mkt Val (mn) / Shares Out (mn)	162,879 USD / 2,057.9
Free Float	96.1%
Average Daily Value (mn)	1793.97 USD
BofA Ticker / Exchange	UBER / NYS
Bloomberg / Reuters	UBER US / UBER.N
ROE (2024E)	20.8%
Net Dbt to Eqty (Dec-2023A)	60.1%
ESGMeter TM	High

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to "BofA ESGMeter Methodology".

MAPC: Monthly Active Platform Customers

iQprofileSM Uber

iQmethodSM – Bus Performance*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Return on Capital Employed	5.2%	13.0%	14.6%	17.0%	18.7%
Return on Equity	-78.7%	18.8%	20.8%	25.0%	27.1%
Operating Margin	5.1%	10.9%	14.2%	16.3%	18.0%
Free Cash Flow	389	3,963	5,959	7,722	9,693

iQmethodSM – Quality of Earnings*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash Realization Ratio	NM	2.2x	2.1x	1.7x	1.5x
Asset Replacement Ratio	0.3x	0.3x	0.3x	0.3x	0.3x
Tax Rate	2.1%	9.0%	20.0%	20.0%	20.0%
Net Debt-to-Equity Ratio	99.0%	60.1%	33.2%	4.2%	-19.1%
Interest Cover	NA	NA	NA	NA	NA

Income Statement Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Sales	31,877	37,281	43,904	51,995	60,437
% Change	82.6%	17.0%	17.8%	18.4%	16.2%
Gross Profit	12,224	14,820	17,447	20,971	24,658
% Change	48.7%	21.2%	17.7%	20.2%	17.6%
EBITDA	3,048	4,875	7,063	9,329	11,815
% Change	NM	59.9%	44.9%	32.1%	26.7%
Net Interest & Other Income	20,922	35,598	41,412	49,500	57,956
Net Income (Adjusted)	(9,142)	1,887	3,009	4,802	6,694
% Change	NM	NM	59.5%	59.6%	39.4%

Free Cash Flow Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Income from Cont Operations (GAAP)	(9,141)	2,156	3,009	4,802	6,694
Depreciation & Amortization	950	823	809	832	967
Change in Working Capital	331	766	1,321	1,189	1,165
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	8,501	441	1,070	1,150	1,165
Capital Expenditure	(252)	(223)	(250)	(251)	(298)
Free Cash Flow	389	3,963	5,959	7,722	9,693
% Change	NM	918.8%	50.4%	29.6%	25.5%
Share / Issue Repurchase	0	0	0	0	0
Cost of Dividends Paid	0	0	0	0	0
Change in Debt	0	0	0	0	0

Balance Sheet Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash & Equivalents	4,208	5,407	8,282	13,278	19,836
Trade Receivables	2,779	3,404	3,640	4,171	4,706
Other Current Assets	2,262	2,486	2,999	3,194	3,176
Property, Plant & Equipment	2,082	2,073	2,073	2,073	2,073
Other Non-Current Assets	20,778	25,329	28,371	29,189	30,031
Total Assets	32,109	38,699	45,365	51,905	59,822
Short-Term Debt	1,692	2,016	2,864	3,179	3,497
Other Current Liabilities	7,161	7,438	8,256	9,158	9,819
Long-Term Debt	10,938	11,009	11,009	11,009	11,009
Other Non-Current Liabilities	3,814	5,554	6,391	7,002	7,619
Total Liabilities	23,605	26,017	28,519	30,348	31,943
Total Equity	8,504	12,682	16,846	21,557	27,879
Total Equity & Liabilities	32,109	38,699	45,365	51,905	59,822

* For full definitions of iQmethodSM measures, see page 8.

Company Sector

Internet/e-Commerce

Company Description

Uber is a mobility platform that services 63 countries, 750+ ridesharing markets, and 500+ Eats markets, and nearly half of Core Platform Revenue is generated outside of the U.S. The company's now has over 100mn monthly customers with revenues generated from Mobility, Delivery and Freight services.

Investment Rationale

Uber should benefit from secular shifts to the sharing economy (Mobility), time saving services (Delivery), and a move to more efficient marketplaces (Freight). We are constructive on fundamentals given a large total addressable market (TAM) and technology advances that likely lower driver dependency and improve margins. We think the stock should trade at a premium to direct peers given share leadership and potential network effects.

Stock Data

Average Daily Volume 23,594,420

Quarterly Earnings Estimates

	2023	2024
Q1	-0.08A	0.26E
Q2	0.19A	0.32E
Q3	0.10A	0.37E
Q4	0.67A	0.47E

Uber Investor Update Outlook Overview

Uber hosted an Investor Update and outlined a growth outlook above Street estimates on top- and bottom-line, share count reduction, growing network effects and a large advertising opportunity. We list key takeaways below:

- **Uber maintains 7% incremental EBITDA margins in 3-Yr Outlook.** Uber outlined targets for Gross Bookings growth (constant currency) of mid-to-high teens CAGR, EBITDA growth of high-30% to 40% CAGR, and EBITDA to FCF conversion of 90%+. At the range midpoints, Uber's 3-Yr Outlook implies 2026 Bookings/EBITDA estimates around \$225bn/\$11bn, above Street at \$207bn/\$10.4bn. Uber's target of 2026 bookings growth of mid-to-high teens and EBITDA growth of high 30% to 40% CAGR suggests incremental EBITDA margins of approximately 7% at midpoint, in line with the company's current LT target of 7%. Free Cash Flow conversion considers growing insurance reserves, offset by a high-single digit to low-teens tax rate and asset light model.

Exhibit 1: Range implied by Uber's 3-Year Outlook

The low-end of Uber's 3-Year Outlook still surpasses Street expectations for 2023

High-end	2023	2024	2025	2026	CAGR
Gross Bookings	\$137,868	\$164,063	\$195,235	\$232,330	19.0%
y/y	19.5%	19.0%	19.0%	19.0%	
EBITDA	\$4,052	\$5,673	\$7,942	\$11,119	40.0%
y/y	137%	40.0%	40.0%	40.0%	
% margin (on bookings)	2.9%	3.5%	4.1%	4.8%	
Incremental EBITDA margin	10.4%	6.2%	7.3%	8.6%	
FCF	\$3,963	\$5,673	\$7,942	\$11,119	41.0%
Conversion	98%	100%	100%	100%	
margin (on bookings)	2.9%	3.5%	4.1%	4.8%	
Midpoint	2023	2024	2025	2026	CAGR
Gross Bookings	\$137,868	\$161,995	\$190,344	\$223,654	17.5%
y/y	19.5%	17.5%	17.5%	17.5%	
EBITDA	\$4,052	\$5,612	\$7,773	\$10,765	38.5%
y/y	137%	38.5%	38.5%	38.5%	
% margin (on bookings)	2.9%	3.5%	4.1%	4.8%	
Incremental EBITDA margin	10.4%	6.5%	7.6%	9.0%	
FCF	\$3,963	\$5,331	\$7,384	\$10,227	37.2%
Conversion	98%	95%	95%	95%	
margin (on bookings)	2.9%	3.3%	3.9%	4.6%	
Low-end	2023	2024	2025	2026	CAGR
Gross Bookings	\$137,868	\$158,548	\$182,330	\$209,680	15.0%
y/y	19.5%	15.0%	15.0%	15.0%	
EBITDA	\$4,052	\$5,551	\$7,605	\$10,419	37.0%
y/y	137%	37.0%	37.0%	37.0%	
% margin (on bookings)	2.9%	3.5%	4.2%	5.0%	
Incremental EBITDA margin	10.4%	7.2%	8.6%	10.3%	
FCF	\$3,963	\$4,996	\$6,845	\$9,377	33.3%
Conversion	98%	90%	90%	90%	
margin (on bookings)	2.9%	3.2%	3.8%	4.5%	
Prior Street	2023	2024	2025	2026	CAGR
Gross Bookings	\$137,868	\$162,340	\$186,853	\$207,410	14.6%
y/y	19.5%	14.6%	14.6%	14.6%	
EBITDA	\$4,052	\$6,120	\$8,172	\$10,365	36.8%
y/y	137%	36.8%	36.8%	36.8%	
% margin (on bookings)	2.9%	3.8%	4.4%	5.0%	
Incremental EBITDA margin	10.4%	8.5%	8.4%	10.7%	
FCF	\$3,963	\$5,580	\$7,406	\$9,159	32.2%
Conversion	98%	91%	91%	88%	
margin (on bookings)	2.9%	3.4%	4.0%	4.4%	

Source: Company reports, Bloomberg, BofA Global Research

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- **Expanding penetration.** Uber's consumer penetration in its most mature markets is still below 20%, with the US still below 10%. By matching under-penetration markets with similar markets, Uber sees a tens-of-billions opportunity for Gross



Bookings. For example, the US alone could generate an incremental \$13bn in annual Gross Bookings if penetration matched the UK (at around 15%).

- **Product diversification drives engagement.** A growing suite of products and higher conversion of Uber One members should fuel future engagement. Per Uber, users that use multiple products spend approx. 3x more than other users (50mn of 150mn total users use two or more products), and Uber One members spend approx. 3.4x more than non-members. The platform's 19mn Uber One members now represent 30% of total gross bookings, and a higher 45% in delivery and generate more bottom-line dollars than non-members due to higher frequency, despite a lower margin profile. New products in Mobility include Shared Rides, Uber Reserve, and Taxi, while New products in Delivery include Retail and Grocery (growing 40%+).
- **Pricing should be relatively flat.** Uber has released various low-cost and premium offers that, on average, have made prices on the platform trend below inflation. Pricing is not expected to be a large driver of growth, and average price for the Mobility business may also be impacted by a shift to lower priced tiers like Pool and Moto.
- **GenAI can be a future driver of margin expansion.** Margin expansion is expected from enhanced customer support enabled by Generative AI, leveraging new technologies to minimize payment costs, and fixed cost leverage with discipline on headcount and SBC (targeting around \$2bn going forward). GenAI should be able to handle basic customer support tasks that may have been handled by humans in the past.
- **FCF conversion above 90% annually.** Uber targets FCF conversion of 90%+ annually. Puts and takes include: (1) tax rate is expected to trend in the high single digit to low teens; (2) working capital will be modest draw on cash as the company continues to scale; (3) capex is expected to be minimal as the company leverages existing investments and continues to transition to the cloud; (4) insurance costs, which have been driven primarily by US Mobility Trip growth and cost of insurance, is being actively managed to retain more risk. We note that Lyft guided to just 50% FCF conversion in 2024.
- **Capital allocation strategy.** Per mgmt., Uber will prioritize growth (organically and through M&A) and seek to maintain a strong liquidity position, with about 2x gross leverage in concern to insurance. Excess cash will be deployed with a bias toward share repurchases and long-term share count reduction.
- **\$7bn in buybacks.** Uber announced a stock repurchase program of \$7bn (5% of market cap on 2/14), a key catalyst we outlined for the stock (see [PM Level Overview](#)). According to CFO Mahendra-Rajah, Uber "will be thoughtful as it relates to the pace of our buyback, beginning with actions that partially offset stock-based compensation, and working towards a consistent reduction in share count". We assume a modest reduction in share count in future years as newly granted shares offset full benefit of buybacks.
- **Advertising is still early.** CEO Dara Khosrowshahi targets 2% ad penetration on bookings, well above 4Q'23 levels at about 0.6% of core bookings (ex. Freight). Drivers include increasing impressions (new placements or formats and enhanced search), increasing adoption and budget of advertisers (ad ROIs are 8x), and growing Cost-per-Click as auction demand rises. Mr. Khosrowshahi referenced Instacart ad penetration as nearing 3% of gross transaction value, so 2% ad penetration seems achievable.

Estimate Changes

For 2024, our estimates are mostly unchanged, but we are raising EBITDA for 2025 and 2026 by 3% and 6%, respectively. For 2025, we raise to Bookings/Rev./EBITDA of \$195.3bn/\$52.0bn/\$8.5bn from \$192.8bn/\$51.4bn/\$8.2bn.

Exhibit 2: Estimate Changes

For 2026 we are now at \$225.0bn/\$60.44bn/\$10.85bn vs. \$221.1bn/\$59.41bn/\$10.28bn prior

Estimate Changes	2024E			2025E			2026E		
	Prior	New	% Chg.	Prior	New	% Chg.	Prior	New	% Chg.
KPIs									
MAPCs	168	169	0%	183	187	2%	196	202	3%
Trips (millions)	11,322	11,365	0%	13,123	13,331	2%	15,085	15,754	4%
Mobility									
Bookings	85,980	86,173	0%	102,008	103,554	2%	118,329	121,158	2%
Revenue	24,803	24,859	0%	29,478	29,924	2%	34,315	35,136	2%
Take Rate	28.8%	28.8%	(0.0)	28.9%	28.9%	(0.0)	29.0%	29.0%	-
EBITDA	6,586	6,614	0%	8,150	8,328	2%	9,814	10,119	3%
% margin (on bookings)	7.7%	7.7%	0.0	8.0%	8.0%	0.1	8.3%	8.4%	0.1
Incremental EBITDA margin	9.5%	9.6%	0.1	9.8%	9.9%	0.1	10.2%	10.2%	(0.0)
Delivery									
Bookings	74,616	74,786	0%	84,856	85,796	1%	95,887	96,950	1%
Revenue	13,767	13,798	0%	15,911	16,087	1%	18,219	18,420	1%
Take Rate	18.5%	18.5%	0.0	18.8%	18.8%	0.0	19.0%	19.0%	-
EBITDA	2,172	2,177	0%	2,695	2,794	4%	3,279	3,445	5%
% margin (on bookings)	2.9%	2.9%	0.0	3.2%	3.3%	0.1	3.4%	3.6%	0.1
Incremental EBITDA margin	6.1%	6.1%	(0.0)	5.1%	5.6%	0.5	5.3%	5.8%	0.5
Freight									
Revenue	5,247	5,247	0%	5,983	5,983	0%	6,880	6,880	0%
EBITDA	(6)	(6)	0%	48	80	67%	103	103	0%
% margin	-0.1%	-0.1%	-	0.8%	1.3%	0.5	1.5%	1.5%	-
Company-Wide									
Gross Bookings	165,843	166,206	0%	192,847	195,333	1%	221,097	224,988	2%
y/y	20.3%	20.6%	0.3	16.3%	17.5%	1.2	14.6%	15.2%	0.5
Total Revenue	43,817	43,904	0%	51,372	51,995	1%	59,414	60,437	2%
y/y	17.5%	17.8%	0.2	17.2%	18.4%	1.2	15.7%	16.2%	0.6
Take Rate	26.4%	26.4%	(0.0)	26.6%	26.6%	(0.0)	26.9%	26.9%	(0.0)
Adj. EBITDA	6,193	6,253	1%	8,239	8,497	3%	10,279	10,848	6%
% margin	14.1%	14.2%	0.1	16.0%	16.3%	0.3	17.3%	18.0%	0.7
Incremental EBITDA margin	7.7%	7.8%	0.1	7.6%	7.7%	0.1	7.2%	7.9%	0.7
Adj. Income Statement									
Cost of Revenue	26,405	26,457	0%	30,459	31,024	2%	34,817	35,779	3%
Operations & Support	2,672	2,677	0%	3,016	2,961	-2%	3,387	3,264	-4%
Sales & Marketing	4,162	4,122	-1%	4,863	4,688	-4%	5,644	5,318	-6%
Research & Development	2,123	2,127	0%	2,367	2,396	1%	2,614	2,659	2%
General & Administrative	2,264	2,268	0%	2,427	2,429	0%	2,674	2,569	-4%
Adjustments									
Depreciation & Amortization	808	809	0%	822	832	1%	951	967	2%
Stock-based compensation	1,943	1,942	0%	2,027	2,022	0%	2,211	2,043	-8%
Tax Rate	20.0%	20.0%	-	20.0%	20.0%	(0.0)	20.0%	20.0%	-
GAAP Net Income	2,959	3,009	2%	4,590	4,802	5%	6,100	6,694	10%
GAAP EPS	\$1.38	\$1.41	\$0.04	\$2.10	\$2.27	\$0.16	\$2.77	\$3.18	\$0.40
FD Shares	2,150	2,131	-1%	2,185	2,119	-3%	2,200	2,107	-4%

Source: BofA Global Research estimates, company report

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Valuation

We continue to see strong network effects at Uber, and now Street has clear visibility on Uber's potential to be a top large cap. growth company in the sector (and our top travel/transportation stock). As delivery is now firmly profitable, we are shifting from a sum-of-parts valuation to FCF valuation, and raising our PO from \$78 to \$91 based on 25x FCF. We think a 25x 2025E FCF multiple is reasonable vs FANG average (per Bloomberg ests) of 23x, given Uber's superior high-30s% EBITDA growth outlook based on our estimates (vs 20% 2-year for FANG avg). Our Uber PO price would represent 23x 2025 EV/EBITDA and 40x GAAP earnings, we think some premium to the FANG group is warranted due to lower capex and faster growth expectations for 2026. At close to 20x 2025 EBITDA, valuation risk for any missteps or new regulatory uncertainty is growing for the stock, but we think Uber's strong multi-year outlook suggests 2024 is in good shape.

Exhibit 3: Valuation

FANG comps are trading at 23x 2025E FCF

Online Media	Revenue Growth		EBITDA Margin		EBITDA Growth		EV/ Revenue		EV/EBITDA		GAAP Price to Earnings		Price to FCF	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Meta	18%	12%	38%	34%	27%	15%	7.5x	6.6x	12.6x	10.7x	23x	20x	24x	21x
Alphabet	12%	16%	35%	30%	11%	13%	6.1x	5.2x	12.5x	10.7x	20x	17x	21x	19x
Netflix	15%	12%	19%	17%	36%	20%	6.8x	6.1x	25.8x	21.4x	34x	27x	40x	31x
Amazon	12%	12%	15%	13%	20%	18%	2.9x	2.6x	14.5x	12.6x	35x	28x	28x	22x
Average	14%	13%	27%	24%	23%	17%	5.8x	5.1x	16.3x	13.8x	28x	23x	28x	23x
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Uber (current \$79 price)	18%	18%	14%	16%	54%	36%	3.9x	3.4x	26.7x	19.4x	51x	34x	30x	22x

Source: BofA estimates (for Uber metrics), Bloomberg for FANG metrics and valuations

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Price objective basis & risk

Uber (UBER)

Our \$91 PO is based on 25x FCF. We think a 25x 2025 FCF multiple is reasonable vs FANG average (per Bloomberg ests) of 23x, given Uber's superior 39% 3-year EBITDA growth outlook (vs 20% for FANG 2-year avg). Our Uber PO price would represent 23x 2025 EV/EBITDA and 40x GAAP earnings, we think some premium to the FANG group is warranted due to lower capex and faster growth expectations for 2026.

Downside risks are 1) multiple compression given macro economic exposure, 2) slowing user/revenue growth due to competitive initiatives from Lyft or DoorDash, 3) new competition from self-driving technology companies, and 4) new regulations, fees, and/or minimum wages.

Analyst Certification

We, Justin Post and Michael McGovern, hereby certify that the views each of us has expressed in this research report accurately reflect each of our respective personal views about the subject securities and issuers. We also certify that no part of our respective compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

US - Internet Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Alphabet	GOOGL	GOOGL US	Justin Post
	Alphabet	GOOG	GOOG US	Justin Post
	Amazon.com	AMZN	AMZN US	Justin Post
	AppLovin	APP	APP US	Omar Dessouky, CFA
	DoorDash	DASH	DASH US	Michael McGovern
	DoubleVerify Holdings, Inc.	DV	DV US	Omar Dessouky, CFA
	Electronic Arts	EA	EA US	Omar Dessouky, CFA
	Integral Ad Science Holding Corp.	IAS	IAS US	Omar Dessouky, CFA
	LegalZoom	LZ	LZ US	Michael McGovern
	Match Group	MTCH	MTCH US	Curtis Nagle, CFA
	Meta Platforms Inc	META	META US	Justin Post
	Pinterest	PINS	PINS US	Justin Post
	RH	RH	RH US	Curtis Nagle, CFA
	Roblox Corp. Class A	RBLX	RBLX US	Omar Dessouky, CFA
	Squarespace, Inc.	SQSP	SQSP US	Michael McGovern
	Uber	UBER	UBER US	Justin Post
	Udemy Inc	UDMY	UDMY US	Curtis Nagle, CFA
	Vivid Seats	SEAT	SEAT US	Curtis Nagle, CFA
	Wayfair	W	W US	Curtis Nagle, CFA
	Wix.com	WIX	WIX US	Michael McGovern
NEUTRAL				
	ACV Auctions	ACVA	ACVA US	Curtis Nagle, CFA
	Airbnb	ABNB	ABNB US	Justin Post
	Beyond Inc	BYON	BYON US	Curtis Nagle, CFA
	Booking Holdings Inc	BKNG	BKNG US	Justin Post
	Bumble	BMBL	BMBL US	Curtis Nagle, CFA
	Digital Turbine, Inc	APPS	APPS US	Omar Dessouky, CFA
	Duolingo	DUOL	DUOL US	Curtis Nagle, CFA
	eBay	EBAY	EBAY US	Justin Post
	Etsy, Inc.	ETSY	ETSY US	Curtis Nagle, CFA
	Expedia	EXPE	EXPE US	Justin Post
	Instacart	CART	CART US	Justin Post
	Magnite, Inc.	MGNI	MGNI US	Omar Dessouky, CFA
	Snap	SNAP	SNAP US	Justin Post
	Take-Two Interactive	TTWO	TTWO US	Omar Dessouky, CFA
	Zillow	ZG	ZG US	Curtis Nagle, CFA
	Zillow	Z	Z US	Curtis Nagle, CFA



US - Internet Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
UNDERPERFORM	Chewy Inc	CHWY	CHWY US	Curtis Nagle, CFA
	Lyft, Inc.	LYFT	LYFT US	Michael McGovern
	Opendoor Technologies	OPEN	OPEN US	Curtis Nagle, CFA
	Peloton	PTON	PTON US	Curtis Nagle, CFA
	Playtika	PLTK	PLTK US	Omar Dessouky, CFA
	Redfin Corp	RDFN	RDFN US	Curtis Nagle, CFA
	Shutterstock	SSTK	SSTK US	Curtis Nagle, CFA

iQmethodSM Measures Definitions**Business Performance**

Return On Capital Employed

Return On Equity
Operating Margin
Earnings Growth
Free Cash Flow

Quality of Earnings

Cash Realization Ratio
Asset Replacement Ratio
Tax Rate
Net Debt-To-Equity Ratio
Interest Cover

Valuation Toolkit

Price / Earnings Ratio
Price / Book Value
Dividend Yield
Free Cash Flow Yield
Enterprise Value / Sales

EV / EBITDA

Numerator

NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization

Net Income
Operating Profit
Expected 5 Year CAGR From Latest Actual
Cash Flow From Operations – Total Capex

Numerator

Cash Flow From Operations
Capex
Tax Charge
Net Debt = Total Debt – Cash & Equivalents
EBIT

Numerator

Current Share Price
Current Share Price
Annualised Declared Cash Dividend
Cash Flow From Operations – Total Capex
EV = Current Share Price × Current Shares + Minority Equity + Net Debt +
Other LT Liabilities
Enterprise Value

Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill
Amortization
Shareholders' Equity
Sales
N/A
N/A

Denominator

Net Income
Depreciation
Pre-Tax Income
Total Equity
Interest Expense

Denominator

Diluted Earnings Per Share (Basis As Specified)
Shareholders' Equity / Current Basic Shares
Current Share Price
Market Cap = Current Share Price × Current Basic Shares
Sales

Basic EBIT + Depreciation + Amortization

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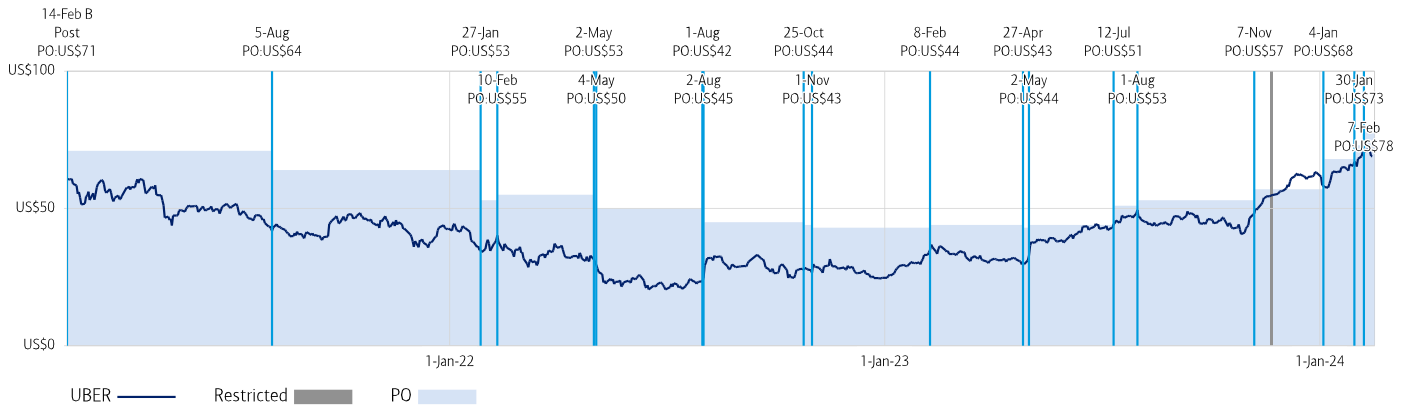
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Uber Technologies (UBER) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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Equity Investment Rating Distribution: Technology Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	215	53.09%	Buy	111	51.63%
Hold	97	23.95%	Hold	45	46.39%
Sell	93	22.96%	Sell	24	25.81%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R2} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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