



U B E R

# Presentation Outline

- ❖ Company overview
- ❖ Business Model
- ❖ Challenges
- ❖ Competitors
- ❖ Future Plans

# Overview

- ❖ Founded in 2009
- ❖ Network orchestrator, connecting passengers with drivers through a phone application
- ❖ Active in 57 countries and 300+ cities
- ❖ Different offerings : determined on comfort, style, time, user experience, options and convenience
- ❖ Growth strategy: R&D & acquisition

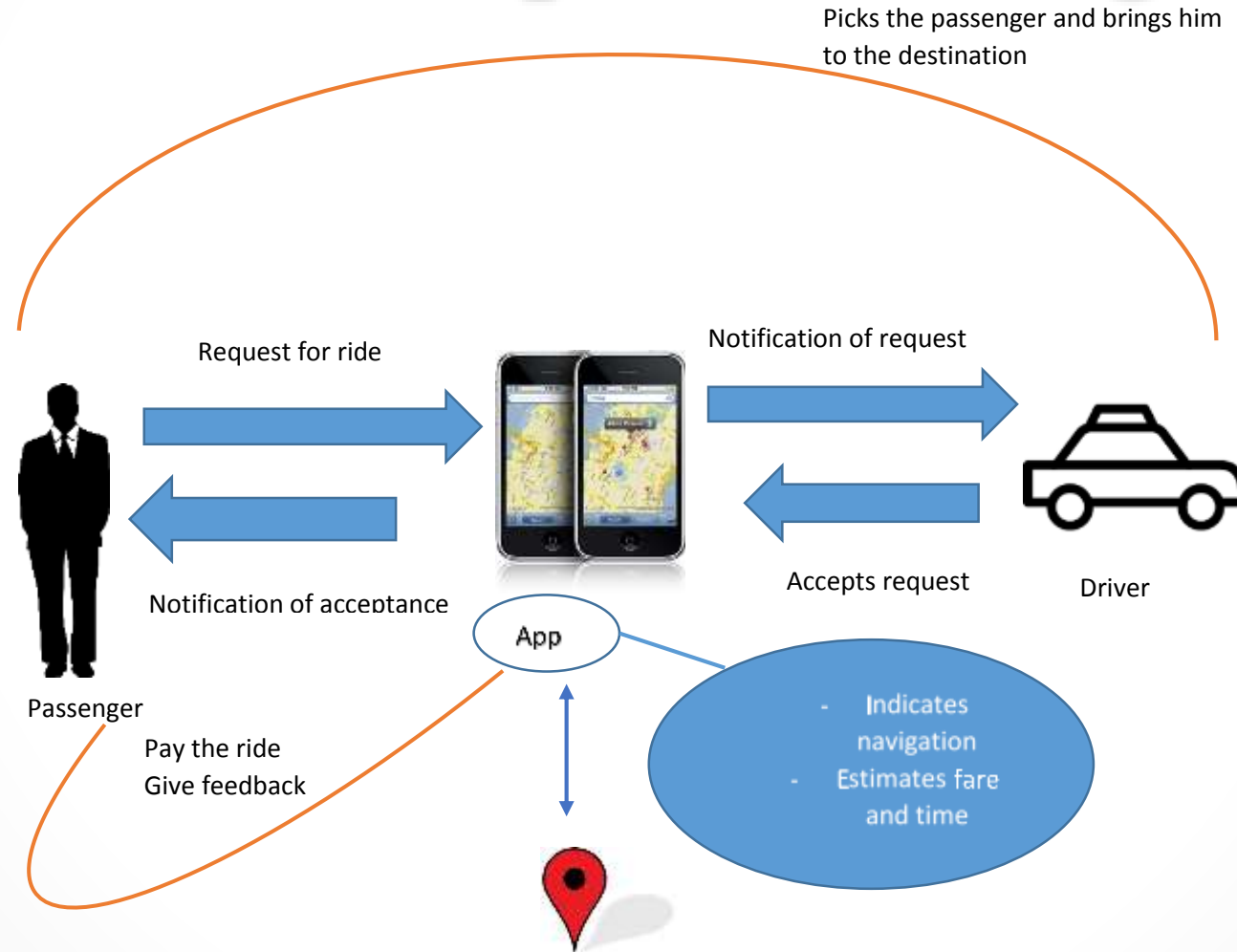
# Customer Segments

- By needs:
  - I want a ride (Taxi UberX, Uber Taxi)
  - I want a luxury ride (Limousine Taxim UberBlack)
  - I'm willing to pay more to get a ride NOW (UberX)
  - I want to share the ride to reduce cost (UberPool)
  - I want a scheduled ride (Taxi)
  - I want a consistent good user experience (Uber)

# Targeted customer segments

- UberPool – Non-working group e.g. students or young adults
- UberX – e.g. working adults, people in a rush
- UberTaxi – e.g. the usual taxi passenger
- UberBlack – e.g. professionals

# Order processing



# Value proposition

- Passenger:
- -one tap to ride
- -reliable pick up,
- -status sharing,
- -ride feedback,
- -cashless
- Fare splitting

# Value proposition

- Driver:
  - flexibility to drive
    - extra income
    - drive with assurance: trust and security
    - Don't have to pay for professional fees to deliver the service



# A cheaper ride compared to taxis

- A simple two-sided marketplace of buyers and sellers
- No inventory, warehouses or distribution centres
- No other ancillary overhead
- Uber drivers are partners not employees

# Pricing

- 3 main pricing structures:
  - Fixed airport rates
  - Standard fees
  - Dynamic pricing
- Takes 25% commission
- Largest current markets: US and India

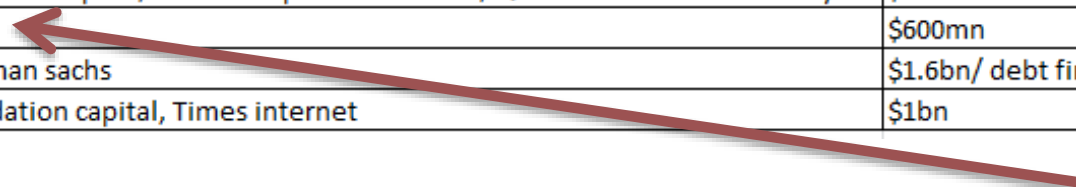
# Organic growth drivers

- Advertising and marketing
- Network effect
- Mobile penetration



# Investments

Round/Series	Date	Investors	Amount	Valuation
Seed	01/08/2009	Garrett Camp, Travis Kalanick	\$200k	
Angel	15/08/2010	First Round (lead), Alfred Lin, Babak Nivi	\$1.3mn	
A	14/02/2011	Benchmark (lead), Alfred Lin, First round	\$11mn	\$60mn
B	07/12/2011	Menlo Ventures (lead), Benchmark, Goldman Sachs	\$37mn	\$60mn
C	28/08/2013	Google Ventures (lead), Benchmark, TPG Growth	\$258mn	\$3.4bn
D	06/06/2014	Black Rock, Fidelity Investments, Google Ventures	\$1.2bn	\$18bn
E	04/12/2014	Lone Pine Capital, New Enterprise Associates, Qatar Investment Authority	\$1.2bn	\$40bn
E	16/12/2014	Baidu	\$600mn	\$40bn
Debt financing	21/01/2015	Goldman Sachs	\$1.6bn/ debt financing	\$40bn
E	18/02/2015	Foundation Capital, Times Internet	\$1bn	\$40bn



# Recent Acquisition

- deCarta
- founded in 1996
- Valuation of more than \$55mn
- LBS platform company

# Challenges

Issues	Solutions
Trust and Safety issues <ul style="list-style-type: none"><li>- Alleged (sexual assaults)</li><li>- Alleged kidnapping</li></ul>	<ul style="list-style-type: none"><li>• Driver/Passenger information, GPS following rides</li><li>• Panic button</li><li>• Background checks, identification of new technologies</li></ul>
Legal Issues <ul style="list-style-type: none"><li>- Insurance coverage for accidents</li><li>- Regulatory laws – illegal taxi operation?</li></ul>	<ul style="list-style-type: none"><li>• Metromile's Uber Car Insurance coverage for UberX</li><li>• App's terms and conditions</li><li>• Conforming to the laws</li></ul>
Surge Pricing	<ul style="list-style-type: none"><li>• Cap on fares for certain events</li></ul>

# Issues: Background checks

- All drivers are screened against:
  - County courthouse records
  - Federal courthouse records
  - Multi-State Criminal Database
  - National Sex Offender Registry
  - Social Security Trace
  - Motor Vehicle Records

# Issues: insurance Coverage for UberX

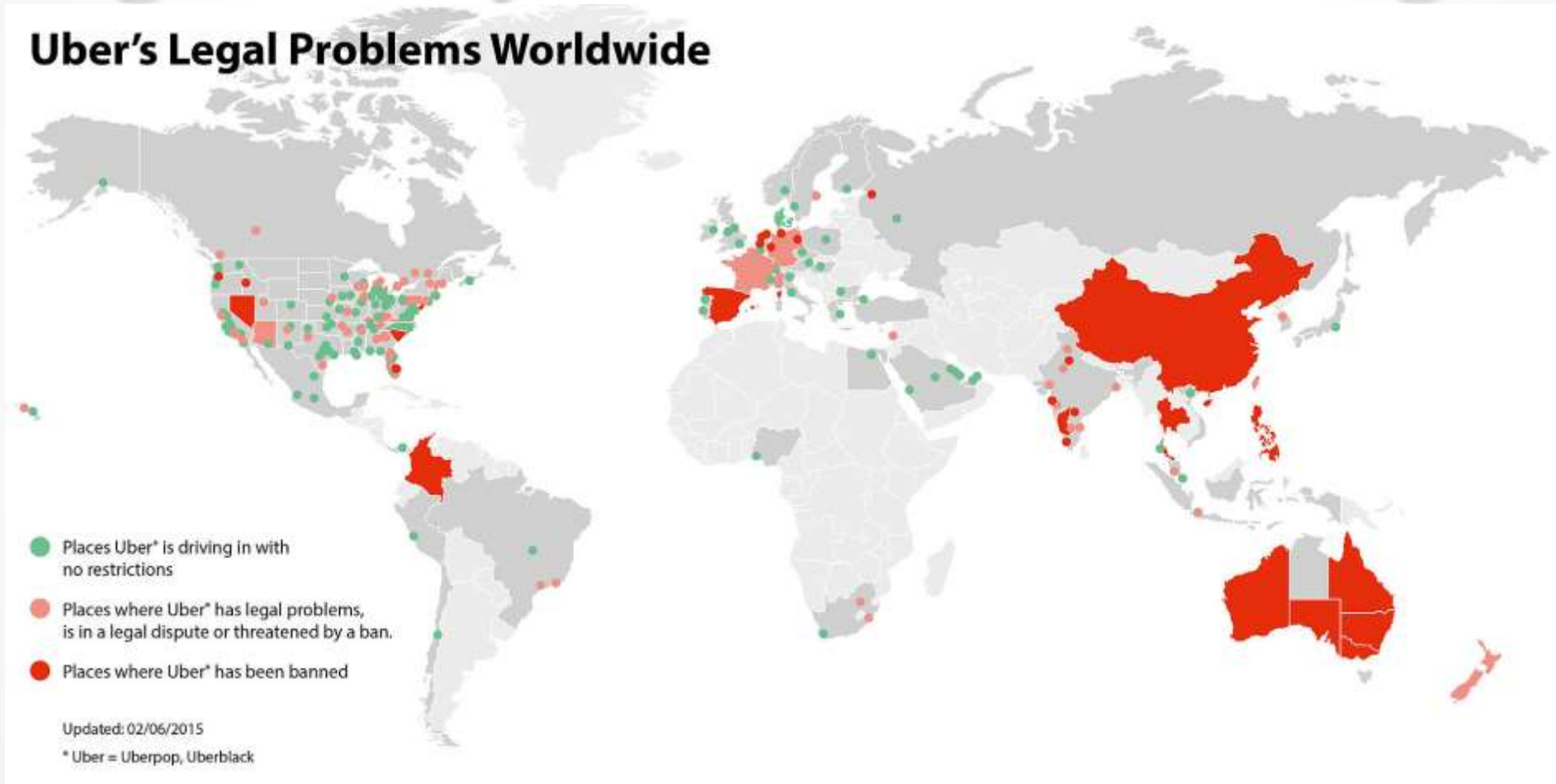
- UberBlack, UberSUV or UberTAXI rides are provided by commercially licensed and insured partners and drivers
- Uber introduced insurance coverage for UberX rides in March 2014



# Issues:Metromile's Uber Car Insurance

- Covers drivers for miles in between trips
- Complements UberX Car insurance
- As a result drivers don't have to fear:
  - Being denied coverage by personal insurance

# Regulatory laws: is Uber legal?



# Regulatory laws: Tech firm vs. Taxi operator

	Uber	Taxi
Advance booking	No	No
Hiring Method	Smart Phone App	Flag/call Centre/App/Dedicated taxi queue
Driver/Passenger Rating	Available	NA
Pricing structure	Flexible	Structured
Fare Sharing	Anyone	Limited to friends
ETA to destination	Available	NA
ETA of the Ride	Available	NA
Car	Self	Rented from Taxi company
Driver's perspectives	Flexible	Rigid
Law & Regulation	Grey Area	Well defined
Value Capture to Company	Commission fee	Rental fee, Advertisement
Payment	Cashless	Cash/Credit card

# Competitors

- Easy Tax
- Taxi Code
- Haxi
- Side car
- BlaBla car
- Hailo



# Competitors: Lyft

- founded 2012
- 29 states
- P2P
- 20% commission
- Expanded from 15 to 65 cities in first 12 months



# Uber vs. Lyft

	Uber	Lyft
GO-to-market	Luxury/Private Cars/ Existing Taxi	Private Car
Market Strategy	Celebrity endorsement, social media	Branding (moustache)
Tools	Smartphone	Smartphone
Payment Method	Cashless	Cashless
Taxi Fare	Cheaper than traditional taxi	cheaper than traditional taxi
Advance Booking Option	NA	NA
User Experience	Driver/passenger rating	Driver/passenger rating
Fare Sharing	Uber Pool	Line Lyft
Surge Pricing	No limit	Cap at 200% i.e. 3x fare

# Competitors: Ola

- Founded in December 2010
- Operates in 22 cities in India
- 40,000+ cars
- Largest In India
- Acquired TaxiForsure in March 2015





# Competitors: Didi Kuaidi

- Founded in September 2012
- Formed a merger in 2015 with China's top 2 car-hailing apps Didi Dache and Kuaidi Dache
- Controls more than 90% of China's taxi-hailing market
- 3mn car requests each day vs. Uber of 1mn





# Future Alternatives

- UberFresh and UberESSENTIALS
- UberPOOL
- UberEAT
- Alternative Business Models – Customer Segments
  - UberAlternate
  - UberAlternateX
  - UberTour

# Uber The Aggregator?

Advantages	Change to Business model
Increased consumer base and worldwide presence	Increase revenues and profits
Side step regulations and taxes	Business model will be able to remain the same (simple) allowing them to maintain large profits
Categorised as an ecommerce business	Wont be threatened by legal regulations associated with taxi operators which would cause a huge financial burden
Viewed as a contractor	wont need to change business model to adjust for factors like over heads and wont potentially need to accept lower profits

# Uber the Aggregator?

Disadvantages	Change to Business model
Reduced driver satisfaction	Less drivers so a reduced supply , decreasing revenues
Difficulty in attracting other taxi apps	May not result in increased profits or revenues