

Uber Technologies Inc.

Market Mavericks

Maggie, Yash, Hardik & Stephen
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Executive Summary

Investment Strategy

- Fundamental analysis to identify an undervalued technology company with strong growth potential.

Investment Pitch

- Buy 100 shares of UBER.

Current Price vs Analysis Price

- $69.04 \text{ (Current)} - 90.79 \text{ (analysis)} = \21.75 (+31.50\%)

Rationale

- UBER's dominant market position, consistent financial growth, and robust industry outlook make it a compelling buy.



Company Overview

Founding

- Uber was founded in 2009 by Garrett Camp and Travis Kalanick in San Francisco, revolutionizing urban transportation. Originally launched as UberCab, the company pioneered app-based ride-hailing services, establishing a new era of convenience in mobility solutions.

Business model

- Uber operates a platform-based model connecting drivers and riders. Leveraging dynamic pricing and a commission-based structure, it has diversified into Uber Eats (food delivery), freight logistics, and emerging autonomous vehicle technologies to drive growth and innovation.

Market Position

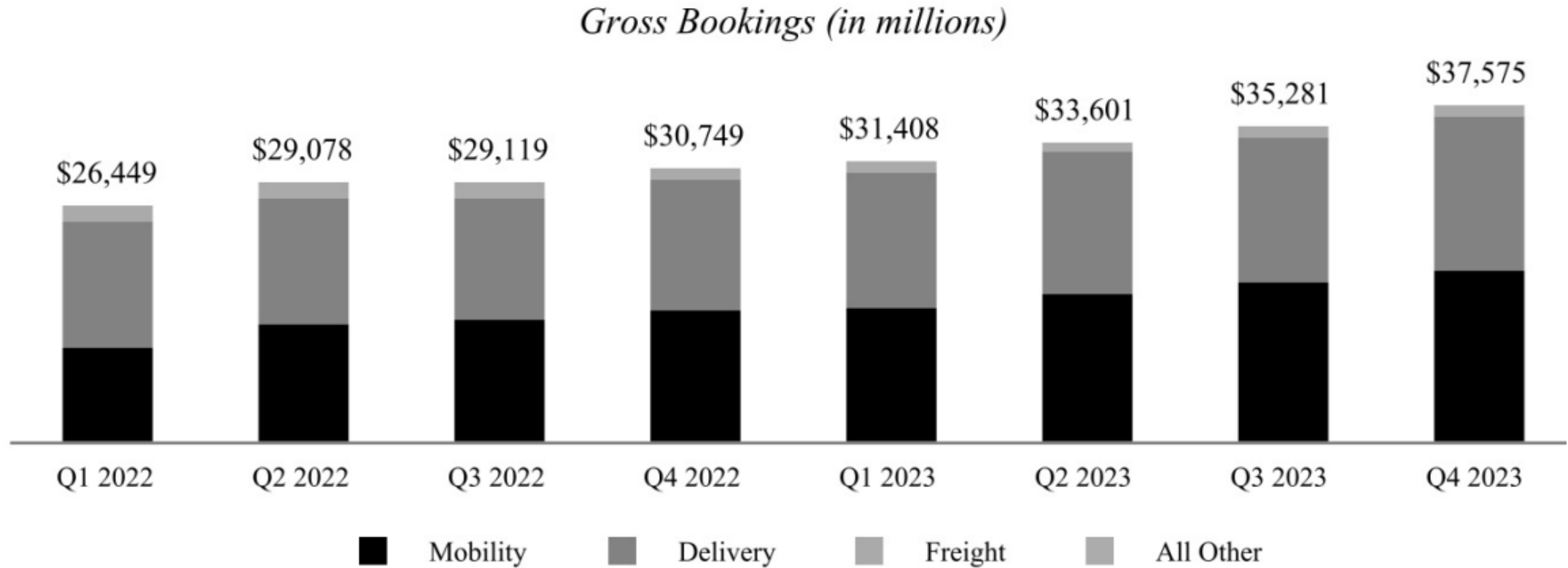
- In 2023, Uber led the global ride-hailing market with significant market share across all key regions, surpassing competitors through innovation and operational efficiency. Uber Eats also established itself among the top global food delivery platforms, strengthening its multi-segment dominance.

Global Reach

- Uber operates in over 70 countries and 10,000 cities globally, offering localized services across the Americas, Europe, the Middle East, Africa, and Asia-Pacific. With millions of active users, Uber caters to diverse mobility and delivery needs worldwide.



Earnings Analysis



Investment Thesis

Company Name:	Uber Technologies	Analysis Price:	90.79
Ticker:	UBER	Analysis Date:	11/13/24
Sector:	Technology	Current Price:	69.04
Industry:	Software - Application	Target Price:	HOLD
Shares Out.:	2.11 Billion	Monthly Volume:	~21 Million
Market Cap.:	154.24 Billion	Beta (5y monthly):	1.35

Investment Thesis: BUY 100 Shares of UBER



Industry Analysis- Growth



Shared-Mobility Industry:

U.S. Market Size: \$314.5b

Global Market Size: \$731b

CAGR (5yr): 1.95% (US), 16.5% (GI)

Growth Drivers:

- Rising urbanization and congestion management efforts.
- Expansion of electric and autonomous vehicle fleets.
- Government policies to reduce emissions and promote ride-sharing services.



Food Delivery Industry:

U.S. Market Size: \$70b

Global Market Size: \$466b

CAGR (5yr): 8-10% (US), 10.8% (GI)

Growth Drivers:

- Consumer preference for convenience and meal delivery apps.
- Growth of subscription-based delivery services.
- Technological innovation in logistics, including drone delivery solutions.



Freight Services Industry:

U.S. Market Size: \$1.8t

Global Market Size: \$30.91b

CAGR (5yr): 11-15% (US), 11.3% (GI)

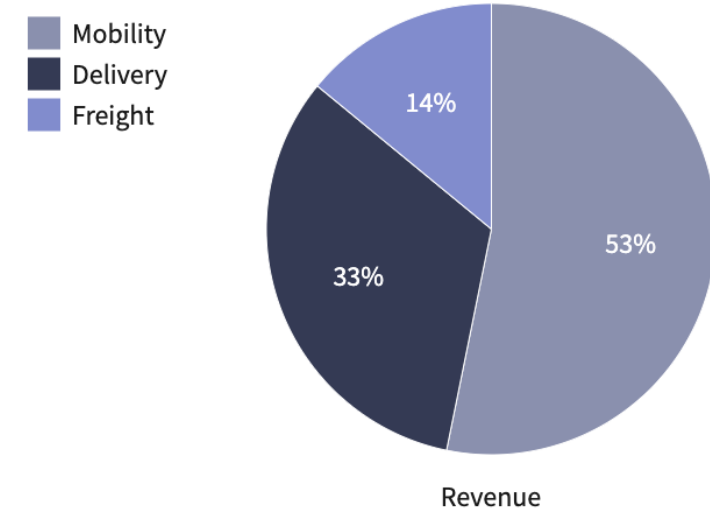
Growth Drivers:

- E-commerce boom driving last-mile delivery and supply chain demands.
- Advancements in digital freight matching platforms.
- Increasing emphasis on sustainability, including electric freight vehicles.

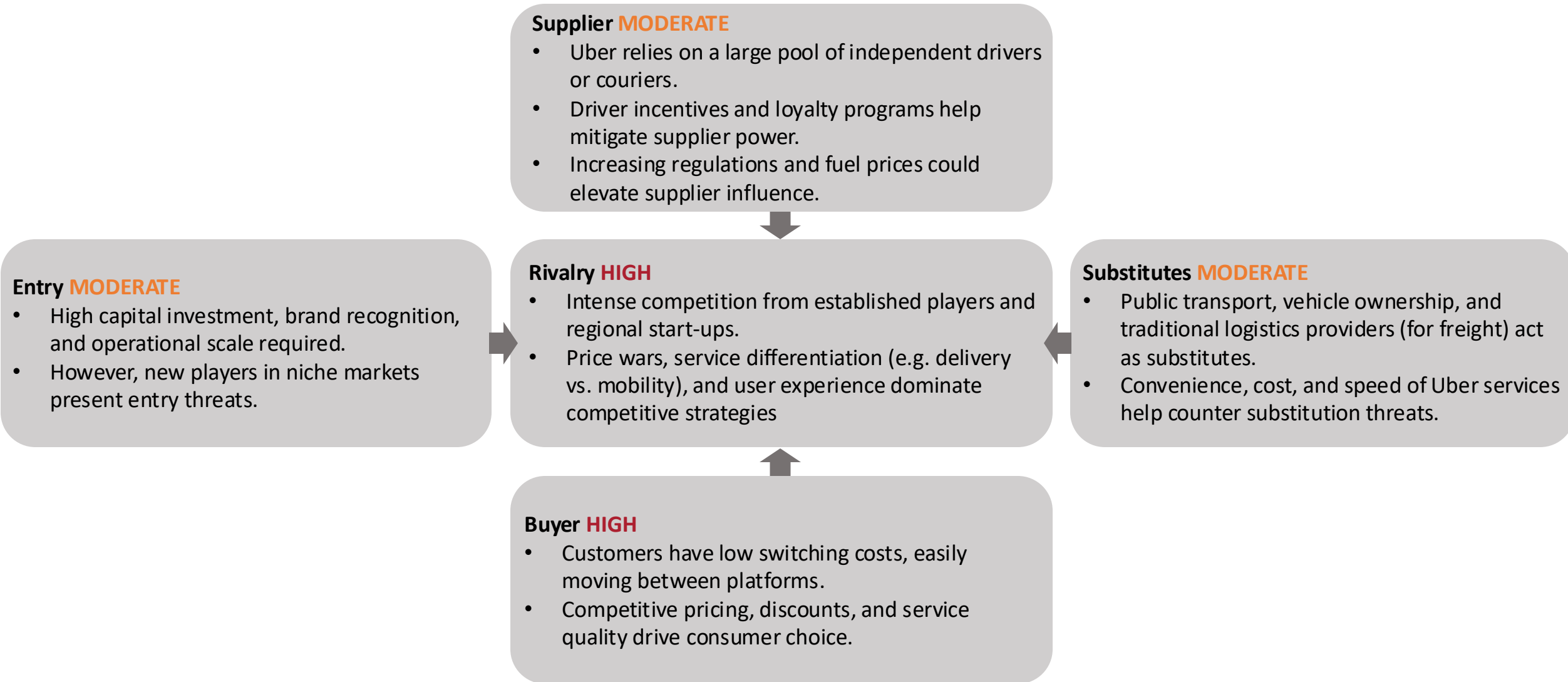


Industry Analysis- Market Share

	U.S. Market	Global Market	Key Metrics
Mobility Market	Uber: 72% (largest) Lyft: 26% Others: 2%	Uber: 37% (largest) Didi: 27% Lyft & others: combined 36%	Global Revenue (2023): \$18.6b - Operates in over 10,000 cities worldwide.
Delivery Market	Uber: 24% Doordash: 65% Grubhub: 8%	Uber Eats: 17% Doordash: 24% Combined others: 59%	Global Revenue (2023): \$12.5b - Operates in over 6,000 cities worldwide.
Freight Market	Uber Freight holds a modest share as part of the growing digital freight brokerage market.	Uber Freight : 2% - Competes with C.H. Robinson and Convoy.	Global Revenue (2023): \$7.4b - Active in North America and Europe, with recent expansions.



Porter's Five Forces



SWOT Analysis

Strengths

- Brand recognition
- Network effects
- Tech platform

Weaknesses

- Driver Churn
- High Costs
- Profitability

Opportunities

- Self-driving
- Delivery
- New Markets

Threats

- Regulations
- Competition
- Labor Laws



Annual Performance History (Price Return)

%	2020	2021	2022	2023	2024
UBER	71.49%	-17.78%	-41.02%	148.97%	12.07%
SP TECH	43.61%	34.74%	-27.23%	56.02%	17.91%
SPX	16.86%	26.89%	-19.44%	24.23%	24.29%

Yahoo Finance



5Y Comparative Return with S&P and S&P Tech Sector



UBER Comp Comparison



UBER Comp Comparison

	UBER	DIDIY	GRAB	DASH	LYFT
Market Value	154.24B	23B	19.05B	69.7B	7.5B
Enterprise Value	159.59B	18.5B	13.79B	64.5B	6.7B
EV/EBITDA	18.9x	14.8x	29.3x	25.3x	13.4x
Revenue	41.95B	27.8B	2.3B	8.6B	4.4B
FCF	5.957B	748.1M	684M	1.78B	641.2M
ROA	10.6%	0.36%	-1.08%	-1.54%	-1.34%
ROC	20.36%	0.53%	-	-	-2.49%
Total D/E	75.5%	9.9%	5.2%	7%	174%



UBER Liquidity Ratios

	2021	2022	2023	2024 YTD
Cash Ratio	0.48	0.49	0.57	.84
Current Ratio	0.98	1.04	1.19	1.41
Quick Ratio	0.75	0.80	0.93	1.18
Long-Term Debt/ Equity	75.37%	147.22%	102.93%	75.47%
EBITDA to Interest Expense	-5.46	-1.06	3.53	8.72



UBER Annual Performance

	2020	2021	2022	2023	2024 LTM
Return on Assets	-222.54%	-7.16%	-26.02%	3.14%	10.60%
Return on Capital	-31.10%	-9.32%	-38.58%	7.77%	20.36%
Return on Invested Capital	-24.79%	1.34%	-15.66%	2.65%	9.42%
EBITDA Margin	-28.76%	-5.92%	-3.21%	6.45%	11.15%
Operating Margin	-39.39%	-11.91%	-5.93%	4.24%	9.48%



Valuation Assumptions

Valuation Date:	11/18/2024	N Forecasted Years:	5
Revenue Growth Method:	Custom	Exit EV/EBITDA Multiple:	18.4x
Rev. Growth Rate 2024E:	24.5%	WACC Calc. Method:	Bloomberg
Rev. Growth Rate 2025E:	23%	WACC:	11.18%
		Cost of Equity:	11.28%
Rev. Growth Rate 2026E+:	20%	N Comparable Peers:	4



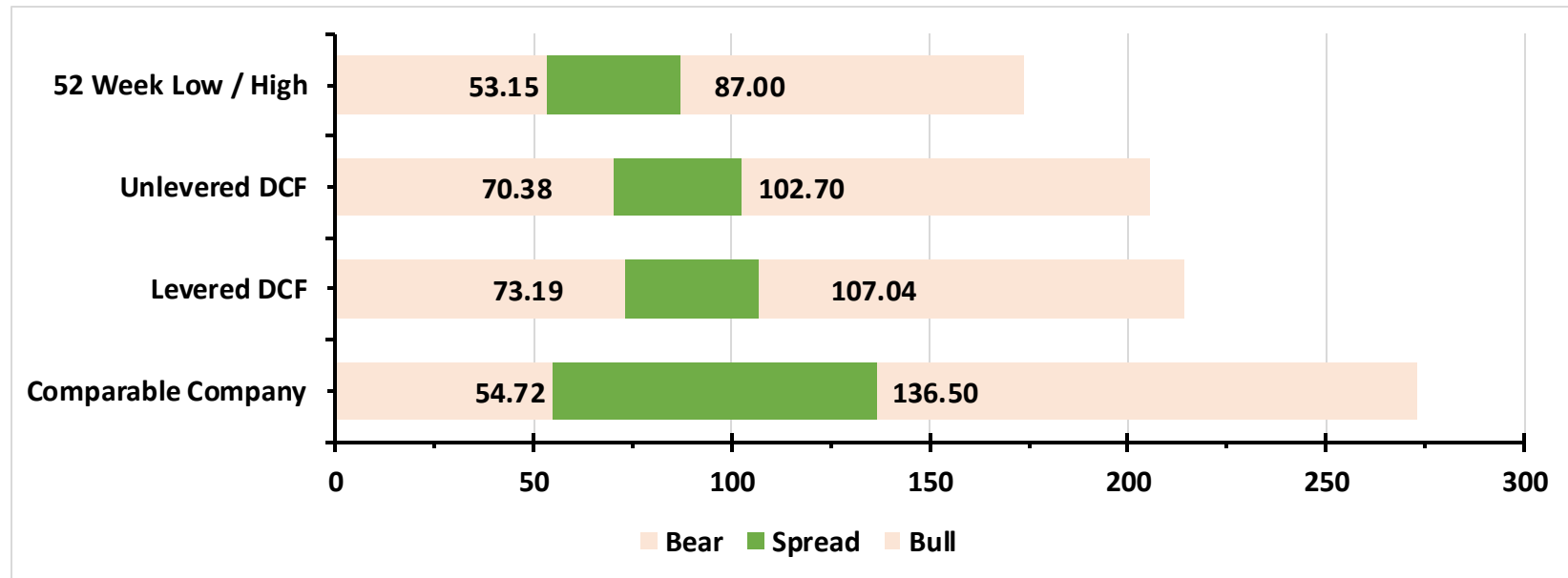
Valuation Model Outcomes

	Estimated Base Value Per Share	Model Weights
Unlevered DCF	\$ 86.56	33.4%
Levered DCF	\$ 90.04	33.33%
Comparable Company	\$ 95.61	33.33%



Valuation Target Price

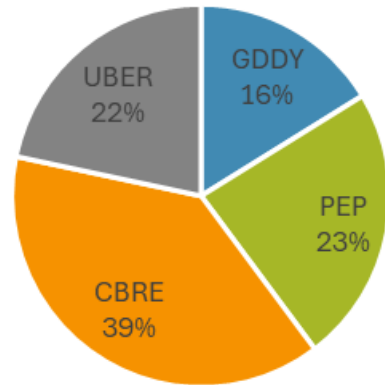
	Current	Bear	Base	Bull
Stock Price	\$69.04	\$66.15	\$90.75	\$115.47
Upside (Downside) \$		(\$2.89)	\$21.75	\$46.25
Upside (Downside) %		(4.18%)	31.51%	67.25%



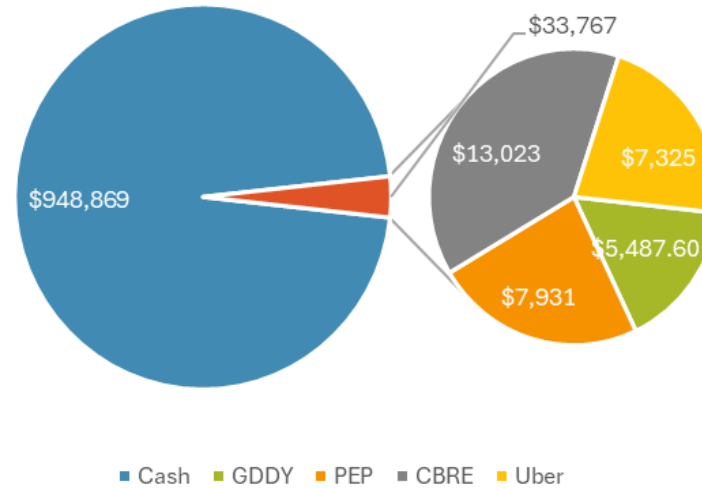
Effect on the Portfolio

Portfolio Breakdown

■ GDDY ■ PEP ■ CBRE ■ UBER

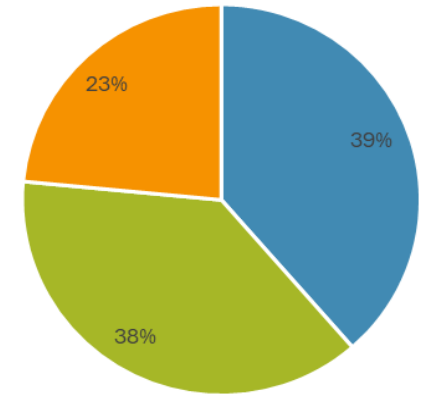


Breakdown of the portfolio



Sector Weights W/O Cash

■ Real Estate ■ Information Technology ■ Consumer Staples



Portfolio	Exp. Return	St. Dev*	Beta*	Sharpe Ratio*	Idio. Risk*	Info. Ratio*
Existing	6.15%	0.75%	0.0289	2.18	-	-
UBER	23.95%	12.87%	1.34	1.51	-	-
Adjusted	6.29%	0.79%	0.0389	2.26	-	-



Conclusion

Investment Thesis: **BUY** 100 Shares of UBER (~\$6,904)

- **Market Leadership:** Uber is a global leader in ride-hailing and food delivery services, operating in over 70 countries and 10,000 cities. Its innovative platform and brand recognition position it as a dominant force in the mobility and logistics sectors.
- **Growth Potential:** Uber demonstrates strong growth potential through market diversification, strategic expansions like Uber Eats and freight logistics, and advancements in autonomous vehicles, all supported by increasing global demand for tech-enabled mobility solutions.
- **Valuation Upside:** Uber's target valuation suggests potential upside driven by strong market trends, operational efficiency, and continued revenue growth in core and adjacent business verticals. Our analysis shows that Uber is currently underpriced and should be priced at 90.79 (31.51% higher).
- **Operating Efficiency and Scale:** Uber capitalizes on economies of scale with its vast global network, enabling efficient operations and higher margins. Its platform-based model ensures consistent user engagement and operational scalability across diverse markets.



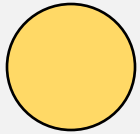
Summary & Recommendation

Strategy Merits



- **Performance**

Based on our analysis, we can tell that Uber is undervalued and is a **BUY**.



- **Risk**

A competitive industry fighting for market share.



- **Effects on Portfolio**

The portfolio's expected return will increase from 6.15% to 6.29%. The Sharpe ratio also increased from 2.18 to 2.26.

Action Plan



- **Recommendation: Yes**

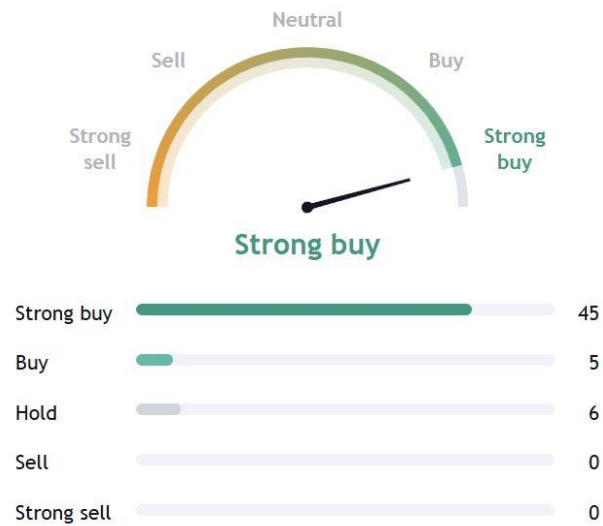
Allocate \$6,904 to purchase 100 amount of UBER shares at \$69.04 per share.



Conclusion

Analyst rating

Based on 56 analysts giving stock ratings to Uber Technologies, Inc. in the past 3 months.



Price target

90.79 USD

+17.54 +23.94%

The 48 analysts offering 1 year price forecasts for Uber Technologies, Inc. have a max estimate of 120.00 and a min estimate of 66.00.

