Uber Technologies' stock is at a crossroads. Investors should take it.

Shares of the ride-sharing company have been stuck in neutral since October, whenTesla announced that production of its first robo-taxi would begin in 2026. That sparked fears that Uber, already weighed down by concerns about Waymo's autonomous-vehicle business, would eventually get pushed out of the market. A 31% tumble in its shares was followed by a bounce, but a combination of disappointing guidance and concerns about what President Donald Trump's tariffs could do to the economy left them going nowhere fast.

The ride-sharing issues are overblown. Uber should be seen as a partner, not a victim, of autonomous vehicles. The company already works with Waymo, a unit of Alphabet, in Atlanta and Austin, Texas, and could join up with it in other cities as well. What's more, Uber's app is on more than 171 million phones, and its businesses, which also include food delivery and advertising, are well diversified beyond providing cars to passengers. With the stock's valuation cut in half over the past year, now looks like the time to buy.

You have this possibility that the [autonomous] debate starts to swing in their favor," says Wedbush analyst Scott Devitt.

Make no mistake—autonomous is the future of ride sharing. The global self-driving taxi market, which is around $1 billion now, could grow to more than $2 trillion over the next decade, according to Evercore. The big risk to Uber is that companies like Tesla and Waymo go it alone, dramatically reducing Uber's ride-hailing market share. Even if Waymo decides to partner up on ride sharing, Uber has to share a cut with Waymo, so the profit margins on these trips would be lower.

There's a real possibility, though, that Waymo and others will put more cars on the road, making ride sharing more accessible and widespread, even if they don't all use Uber. But if Uber were able to increase the number of total rides, its earnings would still get a boost, even if the driverless business is less profitable. And ultimately, it should be seen as a tailwind, not a headwind, Devitt says.

“The [ride-share] market expands because there’s more and more use cases,” he explains. “That leads to more density of vehicles. That is super-bullish for Uber long-term.”

Under this scenario, Uber’s growth rate would go from fast to faster. The company, which saw over half of its total $44 billion in 2024 revenue from rides and about a third from Uber Eats food delivery, grew the top line 20% during the fourth quarter of 2024. Management’s first-quarter guidance called for 19% first-quarter gross bookings growth at the midpoint of the range, with the slight decrease driven entirely by a stronger U.S. dollar. Uber has the potential to grow sales well above 20% in the years ahead.

Uber also wants to be more than a ride-sharing and food-delivery platform. It has visions of becoming a “super app”—a one-stop shop for rides, food, and booking travel. That’s on the back burner at the moment, as far as the market is concerned, but it’s a goal that could be reached even if Uber doesn’t buy Expedia Group, as the Financial Times reported it had been considering in October. Getting a small piece of the travel market would expand Uber’s reach and make selling ads, which appear on the app, easier.

Advertising isn't a large part of Uber's total revenue today, but the opportunity is huge. Ad revenue had an annualized run rate in the low-single-digit billions in the fourth quarter, but the digital market is hundreds of billions annually. Taking a little bit of market share would have a material impact on Uber's revenue. When it comes to the conversation on Wall Street, nobody is talking about "their little gem of an advertising business and an audience waiting to be delivered ads," says Jason Ware, chief investment officer at Albion Financial Group, which owns the stock. "The super app value is in advertising."

In the near term, Uber is a free-cash-flow machine. If revenue grows by 15% in 2025 and operating expenses don't grow faster than the 13% analysts predict, free cash flow could grow 23% to $8.5 billion this year, and it should continue to grow in the years ahead. The extra cash could be used to buy back stock, something that would boost earnings as well.

While the company is expected to produce adjusted earnings of $3.06 a share in 2025, down from 2024's tax-boosted $4.56, earnings should grow 33% to $4.06 in 2026. That growth makes the stock look attractive at 20.4 times expected 2025 free cash flow per share, a mere 4.5 points above the S&P 500's 15.9 times after trading at a 12-point premium over the past three years.

"Uber's free cash flow multiple could increase to the mid-20s," writes BofA Securities analyst Justin Post, who has a Buy rating and a $95 price target on the stock, up 34% from Tuesday's close of $70.65.