

Recommendation: NEUTRAL
Event risk: Medium
Sector: Transportation Services
Analyst: Benjamin Day
Contact info: 319-936-4543
E-mail: day.ben@principal.com
Date: 11/17/2022

Recommendation	
Fundamentals	51%
Technicals	70%
Valuation	35%
% of Index	0.45%
Rec Weight	0.25
Total Score	NEUTRAL
Recommendation	NEUTRAL

Company Description

Uber is a ride sharing and food delivery company that connects riders, customers, and drivers through its network. The company operates in three reportable segments. The delivery segment represents 33% of sales. Its Delivery offering allows consumers to search for and discover local restaurants, order a meal, and either pick-up at the restaurant or have the meal delivered and, in certain markets, Delivery also includes offerings for grocery, alcohol and convenience store delivery as well as select other goods. The mobility segment accounts for 44% of sales. Mobility refers to products that connect consumers with Mobility Drivers who provide rides in a variety of vehicles, such as cars, auto rickshaws, motorbikes, minibuses, or taxis. Mobility also includes activity related to our financial partnerships offerings. The Freight segment (23% of revenue) leverages its proprietary technology, brand awareness, and experience revolutionizing industries to connect carriers with shippers on its platform, and gives carriers upfront, transparent pricing and the ability to book a shipment.

Description	Rec	Coupon	Maturity	Amt Out (mn)	Ratings	Call Price	Next Call	Soft Call	Duration	Bond price
UBER TECHNOLOGIE 1L Gtd Sr. Secd	NEUTRAL	LIBOR 1M + 350	02/25/2027	USD 1081	Ba3/B+	100	11/17/2022	Yes	5.25	99.69
UBER TECHNOLOGIE 1L Gtd Sr. Secd	NEUTRAL	LIBOR 1M + 350	04/04/2025	USD 1436	Ba3/B+	100	11/17/2022	Yes	3.40	99.88

Description	Rec	Coupon	Maturity	Amt Out (mn)	Ratings	Call Price	Next Call	Duration	Bond price	YTW	OAS
UBER TECHNOLOGIE Sr Unsecured	NEUTRAL	4.500%	08/15/2029	USD 1500	B2/B-	102.25	08/15/2024	5.05	86.71	7.05%	313
UBER TECHNOLOGIE Sr Unsecured	NEUTRAL	6.250%	01/15/2028	USD 500	B2/B-	103.125	09/15/2023	3.08	96.70	6.97%	258
UBER TECHNOLOGIE Sr Unsecured	NEUTRAL	7.500%	09/15/2027	USD 1200	B2/B-	105.625	12/02/2022	2.30	101.05	7.15%	239
UBER TECHNOLOGIE Sr Unsecured	OUTPERFORM	8.000%	11/01/2026	USD 1500	B2/B-	104	12/02/2022	1.68	101.48	7.21%	218
UBER TECHNOLOGIE Sr Unsecured	OUTPERFORM	7.500%	05/15/2025	USD 1000	B2/B-	103.75	12/02/2022	1.38	101.06	6.79%	204

Description	Rec	Coupon	Maturity	Amt Out (mn)	Ratings	Convert Price	Conv Ratio	Stock Price	Duration	Bond price	YTW
UBER TECHNOLOGIES Convertible	NEUTRAL	0.000%	12/15/2025	USD 1150	NR/NR	80.84	12.37	30.04	3.1	86.16	4.92%

Recommendation Summary

Uber is an improving credit story with a strong ratings trend. The company will be Adjusted EBITDA profitable in 2023 and likely generate positive FCF. The Total Addressable Market is massive, even if you assume a fraction of management estimates. Moreover, major markets in EMEA, APAC, and LatAm have been largely untapped and will be good growth opportunities. Current Liquidity is extremely strong, and Uber could generate additional liquidity through investment sales, business divestments, or additional equity/debt issuance. Management has expressed its desire to achieve IG ratings and current focus is on cost cutting and profitability instead of growth at any cost. Uber's unit economics are challenging and although margins are improving, the company will need monumental scale to achieve meaningful Net Income profitability. We are constructive on the regulatory environment and litigation risk but acknowledge it as a negative overall. Spreads trade extremely tight compared to ratings, G255-320+ across the curve. To summarize, we are constructive on fundamentals, very positive on technicals, but very negative on valuation. We don't see meaningful total return underperformance due to Uber's strong liquidity and defensive credit profile compared to other B competitors. However, spreads have already priced in rating upgrades so outperformance is unlikely. From a tactical perspective, Uber would be a good front end holding when we are risk-off. In the current credit environment, front end spreads have meaningfully outperformed (down 4-5%) YTD. We recommend Neutral on Uber, but Outperform on the 2025 and 2026 bonds primarily due to the credit's defensive profile and current spread widening environment.

Risks to Recommendation

Litigation Risk
Regulatory Risk
Margin volatility
ESG score deterioration

Fundamentals

+ Substantial Liquidity position
+ Large Scale and low penetration in almost all markets
+ New revenue verticals in Uber One, Freight, and Ads
+ Largest driver network in the world across Delivery and Mobility
- Unit Economics
- Low Margins
- Competitive Landscape
- Asset light business
- Cyclical

Internal Rating

Our Neutral rating on Uber reflects our view of an outstanding liquidity position and improving ratings trend, but with very tight spreads. Unit economics are challenging, but the company will be Adjusted EBITDA positive next year and likely FCF positive. We could consider a downgrade if Uber's Adjusted EBITDA results are below expectations or is large scale M&A is pursued. We likely won't upgrade to B+ until 2024 but we could consider going to positive outlook if the company is able to maintain high growth with lower promotional spend. Asset sales or investment portfolio sales would also be a positive.

Pro-forma Capital Structure

\$ Millions	Q2 2022	xLTM EBITDA 22	xLTM EBITDA 23
U.S. Revolving Credit Facility '24	\$ 2,029		
First Lien Debt	\$ 2,517		
Total Secured Debt	\$ 4,546	4.6x	2.4x
4.5% Senior Notes '29	\$ 1,500		
6.25% Senior Notes '28	\$ 500		
7.5% Senior Notes '27	\$ 1,200		
8% Senior Notes '26	\$ 1,500		
7.5% Senior Notes '25	\$ 1,150		
Zero Coupon Convertible '25	\$ 1,000		
Total Debt	\$ 11,396	11.4x	5.9x
Cash and Cash Equivalents	\$ (4,865)		
Operating Leases	\$ 189		
Market Capitalization	\$ 58,249		
Enterprise Value	\$ 64,969	65.2x	33.8x
EBITDA 2022e	\$ 997		
EBITDA 2023e	\$ 1,924		

Source: Company Filings, Bloomberg

Valuation

Uber trades extremely tight for a B credit. However, superior scale and liquidity compared to peers imply a very positive ratings trend. Moreover, management has expressed its desire to achieve IG ratings. Current spread levels imply rating upgrades to come for Uber. We see Uber in a superior competitive position against its Mobility peer Lyft given better scale, brand, and resources. Regarding Delivery, Uber remains a key competitor after its acquisition of Postmates with 27% marketshare. However it trails peer Doordash with 59% marketshare.

Technicals

Technicals for Uber are very positive. Uber has significantly higher liquidity than other single B peers which provides significant support for front end bonds that trade near par. We don't see as much value in the long end because yields are flat to slightly inverted compared to the front end and we expect the current spread environment to continue. We also have long term concerns about fundamentals and don't want to take on too much duration. There is some litigation risk but exposure at Uber is much lower than peers in challenging markets.

Ratings

	Moody's	S&P	Internal
Issue Level Rating	B1	B	B+
Senior Unsecured	B2	B-	B
1st Lien	Ba3	B+	BB-
Outlook	STABLE	POS	STABLE

ESG

We rate Uber a 4 for ESG based on a below average environmental score, bad social score, and solid governance score. Uber has a net zero goal for all operations by 2040. We view this as challenging given the fast growth in bookings and increase in emissions. Once EVs are a larger share of the car market environmental should improve for the company. The company scores very poor from a social perspective. There are legal battles across various jurisdictions where Uber is fighting to classify its drivers as Independent Contractors instead of employees in an attempt to reduce overhead. The company performs background checks on its drivers, however drivers may face elevated safety risks given the volume of riders. These problems are likely to remain for Uber for the foreseeable future. Uber's governance is stronger than peers with few areas of concern. MSCI ranks Uber in the 96th overall percentile for corporate behavior.

Liquidity (\$ mill.)

Cash and Cash Equivalents	\$ 4,865
Revolving Credit Facility	\$ 2,029
Letters of Credit	\$ (206)
Total Liquidity	\$ 6,688
Current Equity Holdings	\$ 4,400
Total Liquidity + Equity Portfolio Value	\$ 11,088

Financial Analysis

	2019	2020	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22E	2022E	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E	2025E
Income Statement:																			
GBV Mobility	\$ 49,700	\$ 26,614	\$ 6,773	\$ 8,640	\$ 9,883	\$ 11,340	\$ 36,366	\$ 10,723	\$ 13,364	\$ 13,684	\$ 15,196	\$ 52,967	\$ 14,047	\$ 15,770	\$ 16,284	\$ 18,235	\$ 64,335	\$ 79,776	\$ 99,720
GBV Delivery	\$ 14,489	\$ 30,244	\$ 12,461	\$ 12,912	\$ 12,828	\$ 13,444	\$ 51,645	\$ 13,903	\$ 13,876	\$ 13,684	\$ 15,057	\$ 56,520	\$ 15,432	\$ 14,986	\$ 14,642	\$ 16,337	\$ 61,397	\$ 69,993	\$ 81,192
GBV Freight	\$ 737	\$ 1,013	\$ 302	\$ 348	\$ 402	\$ 1,082	\$ 2,134	\$ 1,823	\$ 1,838	\$ 1,751	\$ 1,785	\$ 7,197	\$ 1,879	\$ 1,887	\$ 1,804	\$ 1,839	\$ 7,408	\$ 8,149	\$ 8,964
Gross Bookings	\$ 64,926	\$ 57,871	\$ 19,536	\$ 21,900	\$ 23,113	\$ 25,866	\$ 90,415	\$ 26,449	\$ 29,078	\$ 29,119	\$ 32,038	\$ 116,684	\$ 31,358	\$ 32,643	\$ 32,729	\$ 36,411	\$ 133,141	\$ 157,918	\$ 189,875
Restaurant/Driver take + Incentives	\$ 51,926	\$ 46,437	\$ 16,633	\$ 17,971	\$ 18,268	\$ 20,088	\$ 72,960	\$ 19,595	\$ 21,005	\$ 20,776	\$ 23,446	\$ 84,822	\$ 23,317	\$ 23,589	\$ 23,452	\$ 26,710	\$ 97,068	\$ 115,290	\$ 139,215
Mobility Revenue	\$ 10,707	\$ 6,089	\$ 853	\$ 1,618	\$ 2,205	\$ 2,278	\$ 6,954	\$ 2,518	\$ 3,553	\$ 3,822	\$ 3,964	\$ 13,857	\$ 3,374	\$ 4,264	\$ 4,510	\$ 4,677	\$ 16,825	\$ 20,863	\$ 25,766
Delivery Revenue	\$ 1,401	\$ 3,905	\$ 1,741	\$ 1,963	\$ 2,238	\$ 2,420	\$ 8,362	\$ 2,512	\$ 2,688	\$ 2,770	\$ 2,844	\$ 10,814	\$ 2,788	\$ 2,903	\$ 2,964	\$ 3,185	\$ 11,840	\$ 13,616	\$ 15,931
Freight Revenue	\$ 731	\$ 1,011	\$ 301	\$ 348	\$ 402	\$ 1,080	\$ 2,131	\$ 1,824	\$ 1,832	\$ 1,751	\$ 1,785	\$ 7,192	\$ 1,879	\$ 1,887	\$ 1,804	\$ 1,839	\$ 7,408	\$ 8,149	\$ 8,964
Total Revenue	\$ 13,000	\$ 11,139	\$ 2,903	\$ 3,929	\$ 4,845	\$ 5,778	\$ 17,455	\$ 6,854	\$ 8,073	\$ 8,343	\$ 8,593	\$ 31,931	\$ 8,041	\$ 9,054	\$ 9,277	\$ 9,701	\$ 36,073	\$ 42,628	\$ 50,660
COGS	\$ 6,061	\$ 5,154	\$ 1,710	\$ 2,099	\$ 2,438	\$ 3,104	\$ 9,351	\$ 4,026	\$ 5,153	\$ 5,173	\$ 5,156	\$ 19,549	\$ 5,026	\$ 5,405	\$ 5,427	\$ 5,626	\$ 21,484	\$ 24,681	\$ 28,623
Gross Profit	\$ 6,939	\$ 5,985	\$ 1,193	\$ 1,830	\$ 2,407	\$ 2,674	\$ 8,104	\$ 2,828	\$ 2,920	\$ 3,170	\$ 3,437	\$ 12,382	\$ 3,015	\$ 3,649	\$ 3,850	\$ 4,074	\$ 14,588	\$ 17,946	\$ 22,037
SG&A	\$ 7,925	\$ 6,249	\$ 1,567	\$ 1,872	\$ 1,793	\$ 1,873	\$ 7,105	\$ 1,895	\$ 2,069	\$ 2,061	\$ 2,266	\$ 8,148	\$ 2,236	\$ 2,328	\$ 2,339	\$ 2,584	\$ 9,487	\$ 11,004	\$ 12,985
Research & Development	\$ 4,836	\$ 2,200	\$ 515	\$ 493	\$ 496	\$ 547	\$ 2,051	\$ 587	\$ 704	\$ 760	\$ 667	\$ 2,864	\$ 669	\$ 781	\$ 851	\$ 761	\$ 3,063	\$ 3,369	\$ 3,773
Depreciation & Amortization	\$ 472	\$ 575	\$ 212	\$ 226	\$ 218	\$ 246	\$ 902	\$ 254	\$ 243	\$ 227	\$ 295	\$ 951	\$ 305	\$ 292	\$ 272	\$ 354	\$ 1,223	\$ 1,370	\$ 1,493
Operations & Support	\$ 2,302	\$ 1,747	\$ 395	\$ 394	\$ 433	\$ 516	\$ 1,738	\$ 541	\$ 577	\$ 576	\$ 630	\$ 2,324	\$ 600	\$ 690	\$ 690	\$ 711	\$ 2,691	\$ 3,122	\$ 3,809
Other Current Expenses	\$ -	\$ 77	\$ 28	\$ 33	\$ 39	\$ 42	\$ 142	\$ 33	\$ 40	\$ 41	\$ 65	\$ 179	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Profit (EBIT)	\$ (8,596)	\$ (4,863)	\$ (1,524)	\$ (1,188)	\$ (572)	\$ (550)	\$ (3,834)	\$ (482)	\$ (713)	\$ (495)	\$ (486)	\$ (2,083)	\$ (795)	\$ (442)	\$ (303)	\$ (336)	\$ (1,875)	\$ (919)	\$ (23)
Net Interest Expense	\$ 325	\$ 403	\$ 110	\$ 102	\$ 113	\$ 121	\$ 446	\$ 118	\$ 122	\$ 108	\$ 135	\$ 456	\$ 135	\$ 135	\$ 135	\$ 135	\$ 540	\$ 530	\$ 520
FX loss (gain)	\$ 40	\$ 128	\$ 25	\$ -	\$ (13)	\$ 29	\$ 67	\$ (10)	\$ (38)	\$ (48)	\$ -	\$ (96)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
One Time Loss (gain)	\$ (528)	\$ 1,552	\$ (1,730)	\$ (1,930)	\$ 1,855	\$ (1,491)	\$ (3,322)	\$ 5,578	\$ 1,759	\$ 621	\$ -	\$ 7,958	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other loss (gain)	\$ 326	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30	\$ 30	\$ 100	\$ 100	\$ 100	\$ 100	\$ 400	\$ 400	\$ 400
Pretax Income	\$ (8,433)	\$ (6,946)	\$ 71	\$ 640	\$ (2,527)	\$ 791	\$ (1,025)	\$ (6,168)	\$ (2,556)	\$ (1,176)	\$ (651)	\$ (10,285)	\$ (1,030)	\$ (677)	\$ (538)	\$ (571)	\$ (2,815)	\$ (1,849)	\$ (943)
Loss from Affiliates (gain)	\$ 34	\$ 34	\$ 8	\$ 7	\$ 13	\$ 9	\$ 37	\$ (18)	\$ (17)	\$ (30)	\$ -	\$ (65)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Minority Interest	\$ (6)	\$ (20)	\$ (14)	\$ (32)	\$ (15)	\$ (13)	\$ (74)	\$ 12	\$ (15)	\$ 2	\$ -	\$ (1)	\$ (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Tax (benefit)	\$ 45	\$ (192)	\$ 185	\$ (479)	\$ (101)	\$ 97	\$ (492)	\$ (232)	\$ 77	\$ 58	\$ -	\$ (182)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income	\$ (8,506)	\$ (6,768)	\$ (108)	\$ 1,144	\$ (2,424)	\$ 892	\$ (496)	\$ (5,930)	\$ (2,601)	\$ (1,206)	\$ (651)	\$ (10,388)	\$ (1,030)	\$ (677)	\$ (538)	\$ (571)	\$ (2,815)	\$ (1,849)	\$ (943)
Business Trends:																			
Mobility GBV Growth YoY	19.7%	-46.5%	-37.7%	183.7%	67.4%	67.0%	37.7%	58.3%	54.7%	38.5%	34.0%	46.4%	31.0%	18.0%	19.0%	20.0%	22.0%	24.0%	25.0%
Delivery GBV Growth YoY	83.0%	108.7%	166.1%	85.5%	50.0%	33.8%	70.8%	11.6%	7.5%	6.7%	12.0%	9.4%	11.0%	8.0%	7.0%	8.5%	8.6%	14.0%	16.0%
Overall Bookings YoY Growth	30.4%	-10.9%	24.0%	114.3%	56.8%	50.8%	56.2%	35.4%	32.8%	26.0%	23.9%	29.5%	18.6%	12.3%	12.4%	13.6%	14.2%	18.6%	20.2%
Take Rate (Total Revenue / GBV)	18.6%	17.3%	13.3%	16.4%	19.2%	18.2%	16.9%	19.0%	21.5%	22.6%	21.2%	21.1%	19.7%	22.0%	22.8%	21.6%	21.5%	21.8%	22.0%
Revenue Growth YoY	24.6%	-14.3%	-18.1%	105.4%	72.2%	82.6%	56.7%	136.1%	105.5%	72.2%	48.7%	90.6%	17.3%	12.1%	11.2%	12.9%	13.4%	18.2%	18.8%
Gross Margin	53.4%	53.7%	41.1%	46.6%	49.7%	46.3%	46.4%	41.3%	36.2%	38.0%	40.0%	38.9%	37.5%	40.3%	41.5%	42.0%	40.3%	42.1%	43.5%
SG&A (as % revenue)	61.0%	56.1%	54.0%	47.6%	37.0%	32.4%	40.7%	27.6%	25.6%	24.7%	26.4%	26.1%	27.8%	25.7%	25.2%	26.6%	26.3%	25.8%	25.6%
Co Adjusted EBITDA	\$ (2,725)	\$ (2,528)	\$ (359)	\$ (509)	\$ 8	\$ 86	\$ (774)	\$ 168	\$ 364	\$ 516	\$ 630	\$ 1,678	\$ 350	\$ 728	\$ 693	\$ 553	\$ 2,324	\$ 3,268	\$ 4,897
Less: Legal, Tax, Regulatory Reserve Charges	\$ 353	\$ (35)	\$ 551	\$ 140	\$ (98)	\$ (67)	\$ 526	\$ -	\$ 368	\$ 283	\$ 30	\$ 681	\$ 100	\$ 100	\$ 100	\$ 100	\$ 400	\$ 400	\$ 400
Model Adjusted EBITDA	\$ (3,078)	\$ (2,493)	\$ (910)	\$ (649)	\$ 106	\$ 153	\$ (1,300)	\$ 168	\$ (4)	\$ 233	\$ 600	\$ 997	\$ 250	\$ 628	\$ 593	\$ 453	\$ 1,924	\$ 2,868	\$ 4,497
Adj EBITDA Margin	-23.7%	-22.4%	-31.3%	-16.5%	2.2%	2.6%	-7.4%	2.5%	0.0%	2.8%	7.0%	3.1%	3.1%	6.9%	6.4%	4.7%	5.3%	6.7%	8.9%
LTM Adj EBITDA	\$ (2,725)	\$ (2,493)	\$ (2,772)	\$ (2,546)	\$ (1,815)	\$ (1,300)	\$ (1,300)	\$ (222)	\$ 423	\$ 550	\$ 997	\$ 997	\$ 1,079	\$ 1,710	\$ 2,070	\$ 1,924	\$ 1,924	\$ 2,868	\$ 4,497
Monthly Active Platform Consumers (Millions)	111	93	98	101	109	118	118	115	122	124	133	133	128	132	136	144	144	164	187
Trips (Millions)	6904	5022	1447	1511	1641	1769	6368	1713	1872	1953	2052	7590	1987	2097	2207	2339	8630	10270	12221
Balance Sheet:																			
Cash and Cash Equivalents	\$ 11,313	\$ 6,827	\$ 5,655	\$ 5,003	\$ 6,482	\$ 4,295	\$ 4,295	\$ 4,184	\$ 4,397	\$ 4,865	\$ 5,289	\$ 5,289	\$ 5,062	\$ 5,202	\$ 5,305	\$ 5,255	\$ 5,255	\$ 6,129	\$ 5,029
Accounts Receivable	\$ 1,214	\$ 1,073	\$ 1,075	\$ 1,201	\$ 1,333	\$ 2,439	\$ 2,439	\$ 2,476	\$ 2,459	\$ 2,468	\$ 2,394	\$ 2,394	\$ 2,346	\$ 2,299	\$ 2,330	\$ 2,163	\$ 2,163	\$ 2,442	\$ 2,077
Other ST Assets	\$ 1,398	\$ 1,982	\$ 1,565	\$ 1,579	\$ 1,869	\$ 2,085	\$ 2,085	\$ 2,005	\$ 1,895	\$ 2,035	\$ 2,035	\$ 2,035	\$ 2,035	\$ 2,035	\$ 2,035	\$ 2,035	\$ 2,035	\$ 2,035	\$ 2,035
Current Assets	\$ 13,925	\$ 9,882	\$ 8,295	\$ 7,783	\$ 9,684	\$ 8,819	\$ 8,819	\$ 8,665	\$ 8,751	\$ 9,368	\$ 9,718	\$ 9,718	\$ 9,443	\$ 9,536	\$ 9,570	\$ 9,453	\$ 9,453	\$ 10,306	\$ 9,142
Net PP&E	\$ 3,325	\$ 3,088	\$ 3,024	\$ 3,014	\$ 2,999	\$ 3,241	\$ 3,241	\$ 3,292	\$ 3,342	\$ 3,347	\$ 3,379	\$ 3,379	\$ 3,405	\$ 3,442	\$ 3,481	\$ 3,533	\$ 3,533	\$ 3,617	\$ 3,852
Goodwill	\$ 167	\$ 6,109	\$ 6,352	\$ 6,448	\$ 6,447	\$ 8,420	\$ 8,420	\$ 8,435	\$ 8,359	\$ 8,300	\$ 8,296	\$ 8,296	\$ 8,293	\$ 8,289	\$ 8,286	\$ 8,282	\$ 8,282	\$ 8,267	\$ 8,252
Intangible Assets	\$ 71	\$ 1,564	\$ 1,455	\$ 1,378	\$ 1,278	\$ 2,412	\$ 2,412	\$ 2,269	\$ 2,122	\$ 1,992	\$ 1,878	\$ 1,878	\$ 1,788	\$ 1,699	\$ 1,609	\$ 1,519	\$ 1,519	\$ 1,216	\$ 952
Long Term Investments & Receivables	\$ 10,527	\$ 9,052	\$ 11,794	\$ 13,774	\$ 12,239	\$ 11,806	\$ 11,806	\$ 6,247	\$ 4,572	\$ 3,643	\$ 3,643	\$ 3,643	\$ 3,643	\$ 3,643	\$ 3,643	\$ 3,643	\$ 3,643	\$ 3,643	\$ 3,643
Investments in Affiliates	\$ 1,364	\$ 1,079	\$ 1,127	\$ 1,097	\$ 971	\$ 800	\$ 800	\$ 624	\$ 521	\$ 902	\$ 902	\$ 902	\$ 902	\$ 902	\$ 902	\$ 902	\$ 902	\$ 902	\$ 902
Other LT Assets	\$ 2,382	\$ 2,478	\$ 2,608	\$ 2,757	\$ 3,266	\$ 3,276	\$ 3,276	\$ 3,280	\$ 3,347	\$ 3,560	\$ 3,560	\$ 3,560	\$ 3,560	\$ 3,560	\$ 3,560	\$ 3,560	\$ 3,560	\$ 3,560	\$ 3,560
Total Assets	\$ 31,761																		

Uber Technologies (UBER)

Unit Economics & EBITDA reconciliation

Mobility Trip	Average Ride	High Incentive Ride	
Gross Bookings	\$ 15.00	\$ 15.00	
Driver Take	\$ 10.50	\$ 10.50	* 70% of GB
Driver Incentives	\$ 1.00	\$ 3.50	
Excess Incentives	\$ -	\$ 2.00	
Driver Take + Incentives	\$ 11.50	\$ 17.00	

Income Statement Impact			
Revenue	\$ 3.50	\$ -	
Excess Incentives	\$ -	\$ (2.00)	
Adjusted Revenue	\$ 3.50	\$ (2.00)	
COGS	\$ 2.00	\$ 2.00	
Gross Profit/Loss	\$ 1.50	\$ (4.00)	

Take Rate (Adj Rev / Gross Bookings)	23%	-13%	
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Delivery Trip			
Restaurant Order Total	\$ 20.00		
Delivery & Service Fees	\$ 4.00	* 20% of order subtotal	
Gross Bookings	\$ 24.00		

Restaurant Take	\$ 14.00	* 70% of restaurant subtotal	
Driver Take	\$ 5.00		
Restaurant + Driver	\$ 19.00		

Revenue	\$ 5.00	* GB - Restaurant + Driver take	
Excess Incentives	\$ 2.40	* 10% of GB	
Adjusted Revenue	\$ 2.60		
Take Rate (Adj Rev / GB)	11%		

Income Statement Impact			
Revenue	\$ 5.00		
Excess Incentives	\$ 2.40		
COGS	\$ 2.00		
Gross Profit/Loss	\$ 0.60		



(In millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2022	2021	2022
Adjusted EBITDA reconciliation:				
Net loss attributable to Uber Technologies, Inc.	\$ (2,424)	\$ (1,206)	\$ (1,388)	\$ (9,736)
Add (deduct):				
Net income (loss) attributable to non-controlling interests, net of tax	(15)	2	(61)	(2)
Provision for (benefit from) income taxes	(101)	58	(395)	(97)
Loss (income) from equity method investments	13	(30)	28	(65)
Interest expense	123	146	353	414
Other (income) expense, net	1,832	535	(1,821)	7,796
Depreciation and amortization	218	227	656	724
Stock-based compensation expense	281	482	834	1,311
Legal, tax, and regulatory reserve changes and settlements	(98)	283	593	651
Goodwill and asset impairments/loss on sale of assets	—	—	57	17
Acquisition, financing and divestitures related expenses	23	19	85	39
Accelerated lease costs related to cease-use of ROU assets	—	—	2	—
COVID-19 response initiatives	10	—	51	1
Loss on lease arrangements, net	—	—	—	7
Restructuring and related charges	—	—	—	2
Legacy auto insurance transfer ⁽¹⁾	103	—	103	—
Mass arbitration fees, net	43	—	43	(14)
Adjusted EBITDA	\$ 8	\$ 516	\$ (860)	\$ 1,048

Platform Highlights

Membership
~10 million members globally

Uber One



Launched Uber One in the UK, Canada, Australia and New Zealand

Mobility Product Innovation



UberX Share



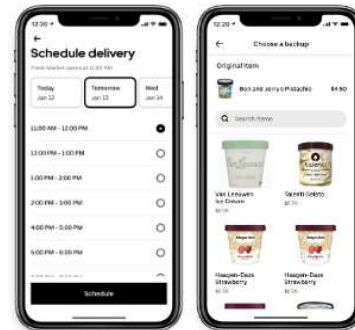
Comfort



Reserve

Expanded UberX Share, Comfort Electric and Uber Reserve to meet a broader range of consumer needs and price points

Grocery Product Relaunch



Introduced native Uber Eats grocery experience with new features

Uber Q4 2022 Earnings

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We moved rapidly to focus on growth opportunities while securing our future

Divestitures

Uber delivery in India → **zomato**

JUMP → **Lime**

Freight in Europe → **sennder**

Uber Elevate → **Joby**

ATG → **Aurora**

Operating initiatives

Exited 15+ sub-scale delivery markets

SK Telecom JV

Freight funding

Headcount reduction

Acquisitions

Careem
CornerShop

Postmates

autocab



TRANSPLACE

Product development

Grocery delivery

Uber Advertising

Uber Eats

Uber Eats for Business

Uber Direct

Uber One

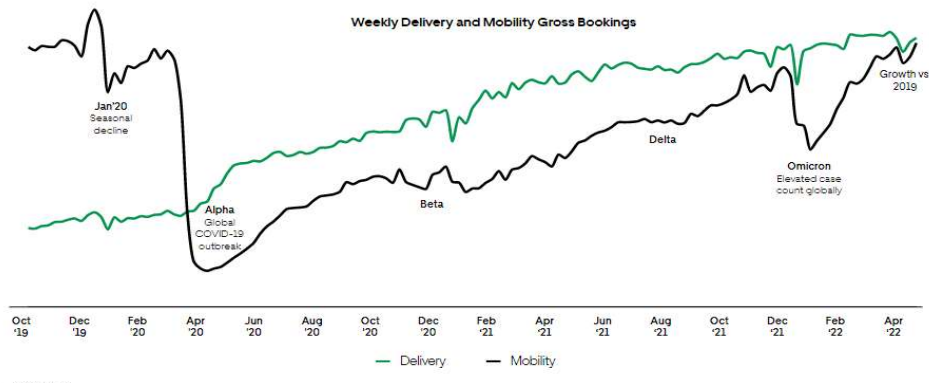
Uber Reserve

\$1B run-rate fixed costs reduction

Uber | Investor Day 2022

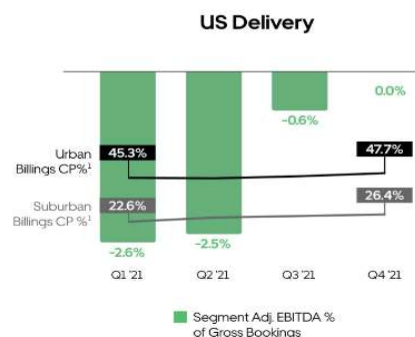
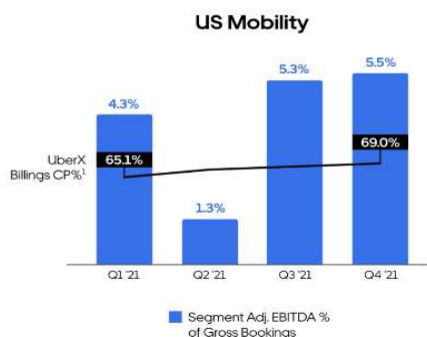
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Mobility demand returning to growth vs. 2019 and Delivery growth remains strong



Financial Framework

...with constructive trends in our largest market
Profitability improvement and category position gains through 2021



Uber | Investor Day 2022

¹ "CP" stands for Category Position. CP percentages are internal estimates based on our billings and estimated billings for other ridesharing and food delivery platforms as of the last week of each referenced quarter. Billings represents the sum of the amounts billed to the consumer, as listed on the receipt after discounts and credits.
² Segment Adj. EBITDA % of Gross Bookings reflect US Mobility and US Delivery margins, not global margins.

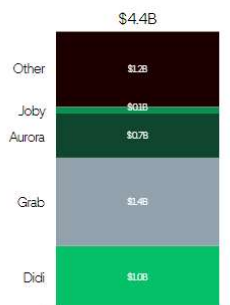
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Summary of liquidity position and equity stakes

Liquidity Position



Equity Stakes (Carrying value)



Uber's Ownership Position



Note 1: Liquidity position excluding restricted cash. Uber provides an additional liquidity of \$2.0B, net of offers of credit, as of September 30, 2022. Uber's long-term debt is roughly \$2.0B.
Note 2: All equity stakes and other ownership amounts based on carrying value as of September 30, 2022, which may be different than potential market transaction values.
Note 3: As of September 30, 2022, Uber owns approximately 25% of shares of Didi, 20% of shares of Aurora, 20% of shares of Joby, and 24% of shares of Lime. Uber's ownership stake in Didi represents 225 ordinary shares.
Note 4: Ownership stake percentages as of September 30, 2022 and based on a fully diluted basis.

Uber Q3 2022 Earnings

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Financial Framework

Significant earnings power over the long term

Long-term targets

Segment	Revenue take rate (% of GBs)	X	Adj. EBITDA (% of revenue)	=	Implied Adjusted EBITDA (% of GBs)
Mobility	25%		45%		11.25%
Delivery	15%		30%		4.50%
TOTAL	NA		25%		7.00%

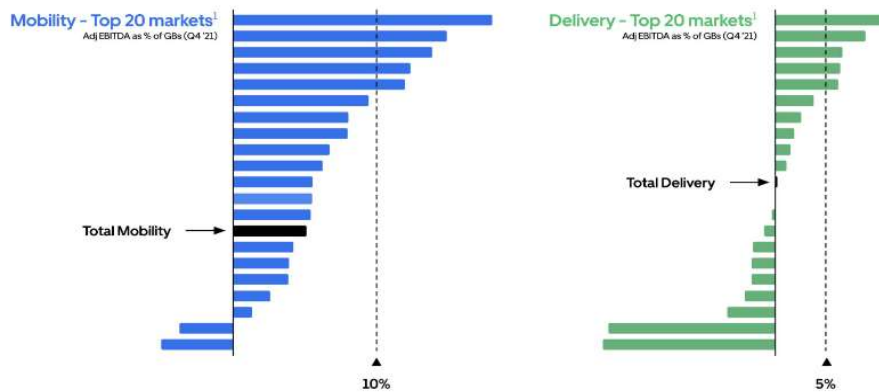
We continue to expect Mobility and Delivery to generate over 10% and roughly 5% of Gross Bookings in EBITDA margins, respectively.

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Financial Framework

Several of our largest markets are already operating above our long-term profitability targets



Uber | Investor Day 2022

¹ "Top 20 Markets" based on Gross Bookings in Q4 '21 for each segment.

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FTV SCORES	WEIGHTING	SCORES
Fundamentals (6-12 months)	60%	51%
Technicals (0-3 months)	15%	70%
Valuation (current)	25%	35%
PGI HY Factor Score		50%
BONUS Recommendation		NEUTRAL

BONUS SCALE	
>80%	B UY
60% - 80%	O UTPERFORM
40% - 60%	N EUTRAL
20% - 40%	U NDERPERFORM
<20%	S ELL

SCORE (0-10)	COMMENTS
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Fundamentals (6-12 months)

Future Risk Profile

Forecasted growth in cash flow	6.0
Free cash flow to debt	4.0
Expected change in Leverage	5.0
Margins / Capital Intensity	3.0
Financial policy & shareholder initiatives	8.0
Financial Flexibility (covenants & liquidity)	8.0

Business Strategy & Sustainability

Business model assessment (MOAT)	6.0
Management team assessment	6.0
Complexity of corporate/capital structure	5.0
Analyst Fundamental Score	57%
ESG score	39%
ACP Fundamental Score	
Total Fundamental Score	51%

Technicals (0-3 Months)

Expected impact from issuance (company & sector)	8.0
Equity price/Volatility/Earnings Surprises	6.0
Event Risk (+15 to -15)	0.0
Analyst Technical Score	70%
ACP Technical Score	0.7
Total Technical Score	70%

Valuation (Current)

Expected Return	5.0	Total return scenarios
Relative Value	1.0	vs. peers/rating
Variability of Potential Returns	6.0	10 - low variability in returns. 1-extremely variability/possible downside risk.
Analyst Valuation Score	40%	
ACP Valuation Score	20%	
Total Valuation Score	35%	

Analyst FTV	54%
Total FTV Score	50%

Total Return Analysis



UBER 8 11/01/2026

Scenario Description	Probability	Current Price	Current YTW	Coupon	Resulting Price	Resulting YTW	Price Appreciation	Current Yield	Holding Period TRR	Annualized TRR
Strong Mobility and Delivery results; 3-4 billion of FCF in 2025	20%	101.41	7.000%	8.000%	102.00	0.00%	0.58%	7.89%	8.47%	8.47%
Positive Adjusted EBITDA in 2023; No large M&A or strategy change	60%	101.41	7.000%	8.000%	101.00	0.00%	-0.40%	7.89%	7.48%	7.48%
Renewed focus on top line growth; positive FCF delayed to 2024	15%	101.41	7.000%	8.000%	98.00	0.00%	-3.36%	7.89%	4.53%	4.53%
Courts rule in favor of DOL/Biden admin, drivers classified as employees	5%	101.41	7.000%	8.000%	92.00	0.00%	-9.28%	7.89%	-1.39%	-1.39%
Expected Total Return								6.79%	6.79%	6.79%
									Std. Dev of Returns:	4.44%
									Expected Return/Std. Dev of Return Scenarios	1.53

UBER 7 1/2 05/15/2025

Scenario Description	Probability	Current Price	Current YTW	Coupon	Resulting Price	Resulting YTW	Price Appreciation	Current Yield	Holding Period TRR	Annualized TRR
Strong Mobility and Delivery results; 3-4 billion of FCF in 2025	20%	101.26	6.600%	7.500%	102.00	0.00%	0.73%	7.41%	8.14%	8.14%
Positive Adjusted EBITDA in 2023; No large M&A or strategy change	60%	101.25	6.600%	7.500%	101.00	0.00%	-0.25%	7.41%	7.16%	7.16%
Renewed focus on top line growth; positive FCF delayed to 2024	15%	101.25	6.600%	7.500%	98.00	0.00%	-3.21%	7.41%	4.19%	4.19%
Courts rule in favor of DOL/Biden admin, drivers classified as employees	5%	101.25	6.600%	7.500%	92.00	0.00%	-9.14%	7.41%	-1.73%	-1.73%
Expected Total Return								6.46%	6.46%	6.46%
									Std. Dev of Returns:	4.44%
									Expected Return/Std. Dev of Return Scenarios	1.46

Relative Value

Indexes	YTW	OAS	YTD Return
US HY Index	8.97%	498	-10.49%
HY Transportation Index	8.65%	459	-7.56%
B Average	9.08%	512	-9.29%
BB Average	7.09%	317	-9.74%
Uber 2025 Notes	6.79%	204	-4.88%
Uber 2026 Notes	7.21%	218	-4.71%

ESG Scoring Grid						
UBER ESG SCORING GRID						
Date						
Factor	Subfactor	Items of Consideration	Principal Score	Subfactor Weight	Analyst Comments	Calculated Score
Environmental	Toxic and Carbon Emissions	Percentage of operations with high/moderate/low carbon and toxic emission intensity and policies in place to manage/reduce emissions	4	30%	Uber has a net zero emissions goal for all operations by 2040. We view this as challenging given the fast growth in bookings and increase in emissions. Once EVs are a larger share of the car market this score should improve.	
	Total Environmental Score		4	30%		4
Social	Health/Safety/Nutrition	Risk and management of health and safety-related issues that can lead to accidents causing production disruption, litigation, liabilities, etc; nutritional evaluation of product portfolio	3	10%	Uber has faced a significant number of controversies regarding safety risks. The company is now performing background checks on drivers, however the drivers may face elevated safety risks given the increased volume of riders.	
	Human Capital & Community Management	Ability to adequately motivate, compensate, retain and manage workforce; high-reliance on skilled workers; jurisdictional & community relationships; supply chain labor standards; percentage of operations in business segments with high/moderate/low levels of employee specialization, education, and qualification needs, and levels of compensation per employee	2	35%	Uber is very poor regarding its treatment of drivers. The company is involved in numerous legal battles attempting to classify its workers as independent contractors. We do not expect this score to improve as Uber will not back down from its stance. This score may be improved to a 3 if driver earnings increase and the company continues to invest in its driver ecosystem.	
	Total Social Score		2	45%		2
Governance	Board Evaluation	Factors include CEO/chairman independent, entrenched board, board member experience, the presence of key committees (audit, compensation, etc.)	7	10%	Overall, the board is solid with few areas of concern. MSCI ranks Uber in the 96th percentile for corporate behavior.	
	Management Evaluation	Factors include management tenure, relevant experience, compensation & incentives	7	10%	In the past there were serious management concerns with Kalanick as CEO but Khosrowshahi has greatly improved the culture.	
	Business Ethics	Risk and history of ethics issues such as fraud, corruption, misconduct, instability, etc; anticompetitive practices; preventative measures against such problems	8	5%	There are some minor concerns with board effectiveness, shareholder rights, and director elections.	
	Total Governance Score		7	25%		7
			4	100%	We rate Uber a 4 for ESG on a below average environmental score, bad social score, and solid governance score.	4