

Adjusted EBITDA

We define Adjusted EBITDA as net income (loss), excluding (i) income (loss) from discontinued operations, net of income taxes, (ii) net income (loss) attributable to non-controlling interests, net of tax, (iii) provision for (benefit from) income taxes, (iv) income (loss) from equity method investments, (v) interest expense, (vi) other income (expense), net, (vii) depreciation and amortization, (viii) stock-based compensation expense, (ix) certain legal, tax, and regulatory reserve changes and settlements, (x) goodwill and asset impairments/loss on sale of assets, (xi) acquisition, financing and divestitures related expenses, (xii) restructuring and related charges and (xiii) other items not indicative of our ongoing operating performance.

We have included Adjusted EBITDA in this Annual Report on Form 10-K because it is a key measure used by our management team to evaluate our operating performance, generate future operating plans, and make strategic decisions, including those relating to operating expenses. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management team and board of directors. In addition, it provides a useful measure for period-to-period comparisons of our business, as it removes the effect of certain non-cash expenses and certain variable charges.

Legal, tax, and regulatory reserve changes and settlements

Legal, tax, and regulatory reserve changes and settlements are primarily related to certain significant legal proceedings or governmental investigations related to worker classification definitions, or tax agencies challenging our non-income tax positions. These matters have limited precedent, cover extended historical periods and are unpredictable in both magnitude and timing, therefore are distinct from normal, recurring legal, tax and regulatory matters and related expenses incurred in our ongoing operating performance.

Limitations of Non-GAAP Financial Measures and Adjusted EBITDA Reconciliation

Adjusted EBITDA has limitations as a financial measure, should be considered as supplemental in nature, and is not meant as a substitute for the related financial information prepared in accordance with GAAP. These limitations include the following:

- Adjusted EBITDA excludes certain recurring, non-cash charges, such as depreciation of property and equipment and amortization of intangible assets, and although these are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect all cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA excludes stock-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense in our business and an important part of our compensation strategy;
- Adjusted EBITDA excludes certain restructuring and related charges, part of which may be settled in cash;
- Adjusted EBITDA excludes other items not indicative of our ongoing operating performance;
- Adjusted EBITDA does not reflect period-to-period changes in taxes, income tax expense or the cash necessary to pay income taxes;
- Adjusted EBITDA does not reflect the components of other income (expense), net, which primarily includes: interest income; foreign currency exchange gains (losses), net; gain (loss) on business divestitures, net; unrealized gain (loss) on debt and equity securities, net; and impairment of debt and equity securities; and
- Adjusted EBITDA excludes certain legal, tax, and regulatory reserve changes and settlements that may reduce cash available to us.

The following table presents a reconciliation of net income (loss) attributable to Uber Technologies, Inc., the most directly comparable GAAP financial measure, to Adjusted EBITDA for each of the periods indicated:

(In millions)	Year Ended December 31,	
	2022	2023
Adjusted EBITDA reconciliation:		
Net income (loss) attributable to Uber Technologies, Inc.	\$ (9,141)	\$ 1,887
Add (deduct):		
Net income attributable to non-controlling interests, net of tax	3	269
Provision for (benefit from) income taxes	(181)	213
Income from equity method investments	(107)	(48)
Interest expense	565	633
Other (income) expense, net	7,029	(1,844)
Depreciation and amortization	947	823
Stock-based compensation expense	1,793	1,935
Legal, tax, and regulatory reserve changes and settlements	732	9
Goodwill and asset impairments/loss on sale of assets, net	25	84
Acquisition, financing and divestitures related expenses	46	36
Accelerated lease costs related to cease-use of ROU assets	6	—
COVID-19 response initiatives	1	—
Loss on lease arrangement, net	7	4
Restructuring and related charges	2	51
Mass arbitration fees, net	(14)	—
Adjusted EBITDA	\$ 1,713	\$ 4,052

Constant Currency

We compare the percent change in our current period results from the corresponding prior period using constant currency disclosure. We present constant currency growth rate information to provide a framework for assessing how our underlying revenue performed excluding the effect of foreign currency rate fluctuations. We calculate constant currency by translating our current period financial results using the corresponding prior period's monthly exchange rates for our transacted currencies other than the U.S. dollar.

Free Cash Flow

We define free cash flow as net cash flows from operating activities less capital expenditures. The following table presents a reconciliation of free cash flow to the most directly comparable GAAP financial measure for each of the periods indicated:

(In millions)	Year Ended December 31,	
	2022	2023
Free cash flow reconciliation:		
Net cash provided by operating activities	\$ 642	\$ 3,585
Purchases of property and equipment	(252)	(223)
Free cash flow	\$ 390	\$ 3,362

Liquidity and Capital Resources

(In millions)	Year Ended December 31,	
	2022	2023
Net cash provided by operating activities	\$ 642	\$ 3,585
Net cash used in investing activities	(1,637)	(3,226)
Net cash provided by (used in) financing activities	15	(95)

Operating Activities

Net cash provided by operating activities was \$3.6 billion for the year ended December 31, 2023, primarily consisting of \$2.2 billion of net income including non-controlling interests, adjusted for certain non-cash items, which primarily included \$1.9 billion of stock-based compensation expense, \$1.6 billion of unrealized gains from equity securities, \$823 million of depreciation and