

# Uber Technologies Inc. (NYSE:UBER)

Underweight

Current Price: \$90.99

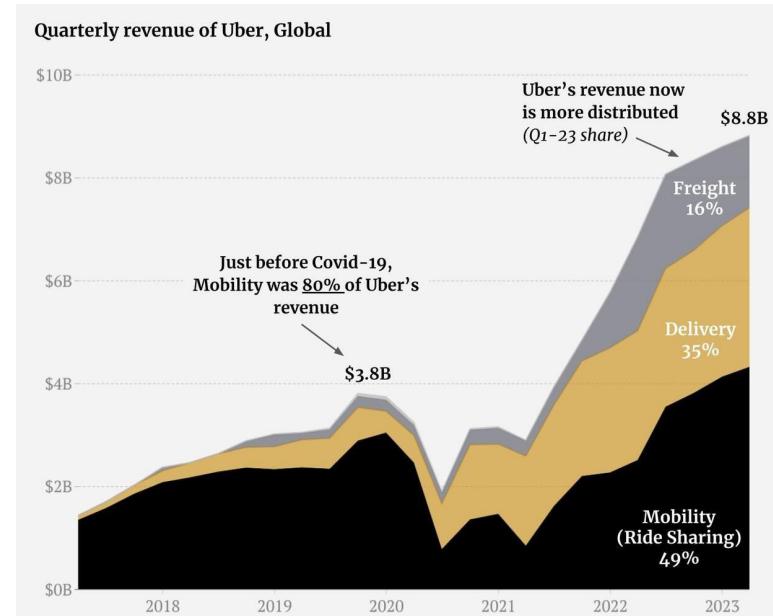
Target Price: \$139.53 (53.34% Upside)

Forecast Window: 2024-2029

Derek Chan

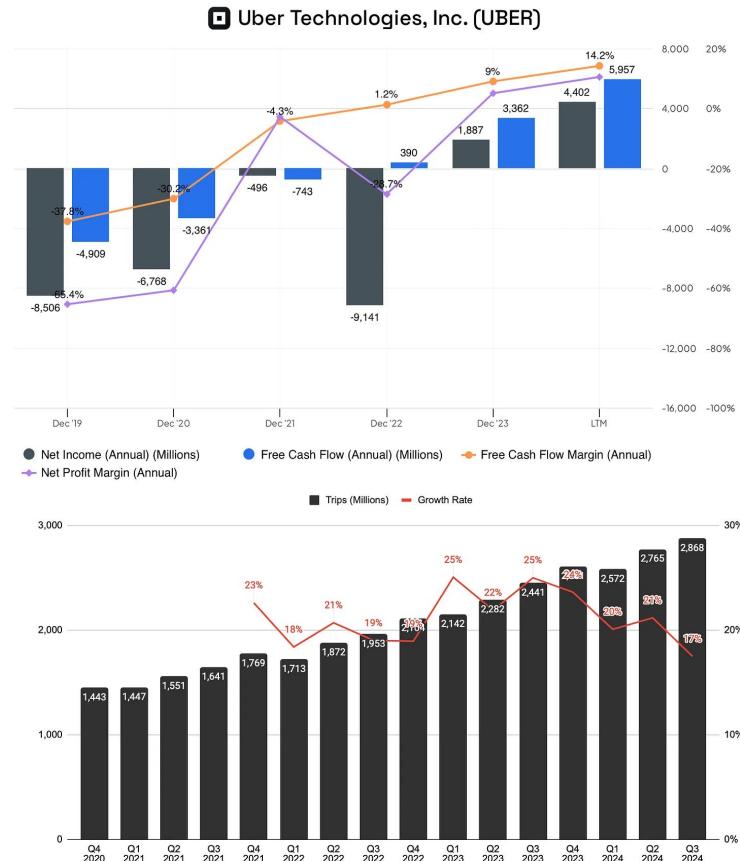
# Current Market Overview

- World's Leading two-sided marketplace across mobility (ride sharing) and Delivery (Uber Eats), with growing freight arms
- Vanguard of massive growth markets
  - 180M+ Monthly customers, operating in 10,000+ cities across 70 countries with unparalleled brand recognition
  - Controls 25% of global ride hailing and 70% of the U.S market
- Decades of revenue runway and scalability
  - Ride-hailing market expected to reach \$216B by 2028, while online food and grocery delivery is estimated to reach \$1.85T by 2029
- Currently trading at 15.42x P/E over fears of autonomous vehicle disruption despite consistent mid-to-high teens revenue growth and 30%+ EPS growth
  - Market's AV concerns create a mispricing against long-term fundamentals.



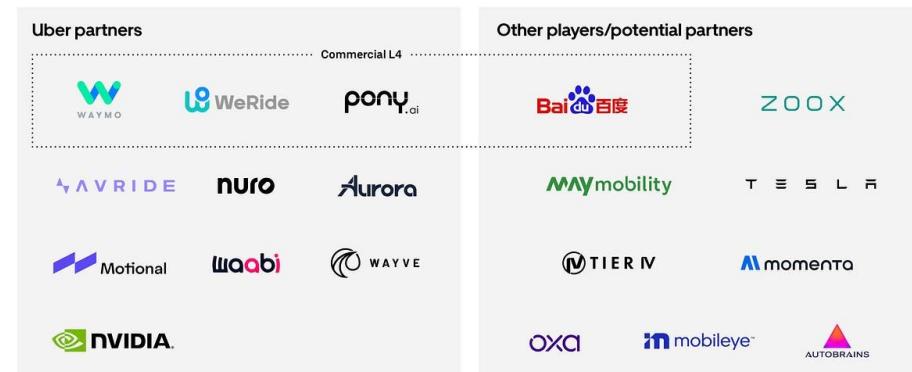
# Business Model

- Ease of scalability as increased adoption lowers wait times, strengthens algorithmic matching, attracting more users and supply, reinforcing network effects
- Achieved first GAAP net income in 2023, now generating \$6B+ in FCF annualized with improving EBITDA margins
- Retains optimized operating leverage with Capex <1% of revenue while EBITDA grows 25% YoY
- Monthly Active platform consumers consistently grows 15.4% YoY, up to 180M in Q2 2025
- Strong retention of users and growth of total annual trips
  - Reached 6.1 trips/month per user by Q2 2025
  - Achieved annual total of 11.3B trips, up 19% YoY



# Catalysts and Competitors

- Uber holds 70% of US rideshare market against Lyft's 30%, with higher driver liquidity, faster wait times, and stronger brand recognition
- Uber partners with AV developers like Waymo, retaining market share without significant R&D burn
- Near term catalysts include Uber Ads, with a \$1B EBITDA target by 2026
  - Rapid growth of Uber One subscription service (36M+ members) with 60% YoY providing recurring revenue
    - Lyft lacks a similar subscription model
- Long Term catalysts include AV partnerships with Waymo, Aurora, Motional
  - Ability to lower costs while avoiding capital drain



- AV disruption at least a decade away, still allowing Uber to generate strong cash flow
- Instead of displacement by AV, Uber is positioned as the key demand aggregator for AV fleets through partnerships

# Intrinsic Value Estimate

- Current Share Price: \$90.99
- Intrinsic Value Estimate: \$139.53
  - Upside Potential 53.34%
- DCF analysis using WACC of 9%, long term growth rate of 5%, and EV/EBITDA multiple of 15x
- Enterprise Value: \$288.3B
- Equity Value: \$296.4B
- Shares Outstanding: 2.12B

FCF Calculation		Wacc Calculation	
Annualized Assumptions (2025 Q2 in Millions of USD\$)		Assumptions (2025 Q2 in Millions of USD\$)	
EBIT	7092	Equity Value	188900
Tax Rate %	3%	Debt Value	9578
Depreciation & Amortization	1384	Cost of Debt	3.45%
Capex	356	Tax Rate	2.80%
Non-cash Working Capital	1796	10Y Treasury	4.28%
<b>Unlevered Free Cash Flow</b>		Beta	1.43
		Market Return	8%
EBIT	7092	Cost of Equity	9.60%
Tax	-198.576	E / D+E	95%
D&A	1384	D / D+E	5%
Capex	-356		
Non-cash Working Capital	-1796		
<b>Free Cash Flow</b>	<b>6125.424</b>	<b>WACC</b>	<b>9%</b>

Period	0	1	2	3	4	5
FCF	6125	7350	8820	10584	12701	15241
Terminal Value						380183.2
Discount Factor		0.917431	0.84168	0.772183	0.708425	0.649931
PV of FCF		6743.119	7423.618	8172.79	8997.709	9905.604
PV of TV						247093
<b>Enterprise Value</b>	<b>288335.9</b>					

Enterprise Value to Equity Value	
Enterprise Value	288335.86
Cash and Marketable Securities	16700
Total Debt	8650
<b>Equity Value</b>	<b>296385.86</b>
Shares Outstanding	2124.181
<b>Implied Share Price</b>	<b>139.52947</b>