

Uber Technologies

FY2021 results & mid-term targets

► **Uber reports robust financial results with revenue up 83% YoY to \$5,778mn on the back of 51% Gross Bookings (GB) growth to \$25,866mn in 4Q21.** The number of Monthly Active Platform Consumers (MAPCs) increased by 27% YoY to 118mn in 4Q21, while trips soared 23% YoY to 1.77bn. The Uber platform currently onboards 4.4mn earners and 825k merchants. Mobility GB were \$11.3bn, up 67% YoY in constant currency, with take rate of 20.1% in 4Q21. Delivery GB were up 33% YoY to \$13.4bn, with an 18% take rate. The company reported revenue of \$2,278mn in Mobility and a \$575mn Adjusted EBITDA in 4Q21. The Delivery revenue was up 77% in constant currency to \$2,429mn, and Adjusted EBITDA reached \$25mn in 4Q21. Last quarter, the company reported a positive EBITDA in Delivery for the first time. Drivers and couriers earned \$9.5bn in 4Q21, up 56% YoY. Freight revenue increased by 245% YoY to \$1,080mn, and the Adjusted EBITDA loss was \$25mn. The company reported an \$86mn Adjusted EBITDA in 4Q21 compared to an Adjusted EBITDA loss of \$454mn in 4Q20. In FY2021, the number of trips increased by 27% YoY to 6,368mn, while GB were up 56% YoY to \$90,415mn. Uber's revenue reached \$17,455mn, up 57% YoY in FY2021. Net loss attributable to Uber was \$496mn in FY2021, including a stock-based compensation expense of \$1,168mn. Adjusted EBITDA loss was \$774mn in FY2021 compared to a net loss of \$2,528mn in FY2020. Airport Gross Bookings accounted for 13% of Mobility Gross Bookings in 4Q, demonstrating c. 200% YoY growth and outpacing the Mobility segment recovery growth. Uber launched its advertising platform in more than 30 countries and onboarded c. 170k advertisers as of December 2021. The annualized ads revenue run-rate was \$225mn in December 2021. Uber's liquidity position includes \$4.3bn of unrestricted cash as of the end of 2021. The equity stakes in Didi, Zomato, Yandex, Grab, Aurora, Joby, and others are valued at \$12.5bn.

► **Uber presented its medium-term targets, including \$5bn Adj EBITDA and \$165-175bn Gross Bookings in 2024 (22-24% CAGR).** Uber sees large target markets for further growth, including \$5trln Mobility TAM, \$5trln Delivery TAM, and \$4trln Freight TAM. The global restaurant spend of \$1.8trln and grocery spend of \$2.5trln are Delivery TAMs. Key Mobility GB growth drivers include deepening core rides penetration, expansion of use cases, scaling of low-cost products, and transition to electric & autonomous vehicles. Widening of product cross-sale helps Uber to maintain higher engagement and higher retention, while product range expansion adds new segments to Mobility/Delivery offering. In 2021, only 5% of trips were shared and only 4% of trips were with Moto/Auto/Taxi, leaving space for improvement in these segments. Uber plans to get every taxi on Uber by 2025 in its core markets, which may contribute to a 6x taxi GB increase to \$3bn+. Uber also sees potential in pre-booked services (\$8bn TAM in the US alone and a high-margin segment). The shift towards EVs (the number of EVs in the EU, US, and Canada increased 3x over 2021) and autonomous vehicles will further reduce the price per mile representing an alternative to private car ownership. In Delivery, the Grocery segment's deeper penetration, membership adoption, and geographical expansion will drive Uber's GB. In Freight, Uber focuses on the development of the largest digital freight marketplace with access to over 1mn drivers after the acquisition of Transplace. Uber expects to deliver c.10% of EBITDA margin as a percentage of GB for Mobility, 5%+ for Delivery, and a positive Adjusted EBITDA for Freight in 2022. Uber targets \$1bn revenue on the advertising platform to reach in 2024, up from \$141mn in 2021. In 4Q21, Uber saw Mobility GB close to a \$50bn ARR that supports a good outlook for 2022. The company has a \$6bn liquidity and no debt maturing before 2025, promising a disciplined approach to M&A and divestiture. Uber sold its equity interest in Yandex for \$1.0bn with the shares demerger expected in 4Q21. Risks include an adverse effect of Omicron for 1Q22 performance, high investments in drivers, increasing competition, and regulation. Fed rate risk contributed to the tech stocks revaluation. We update our model and set our 12-month price target at \$48.07 per share. We rate the stock BUY.

Report date: 23 February 2022

| Uber | |
|----------------------|------|
| Main exchange | NYSE |
| Rating | BUY |
| Current Price, \$ | 33.8 |
| 12M Target price, \$ | 48.1 |
| Current MCap, \$bn | 64 |

Uber is one of the largest ride-hailing companies globally. The company offers Delivery and Freight services via its platform.

Marina Alekseenkova
Research analyst

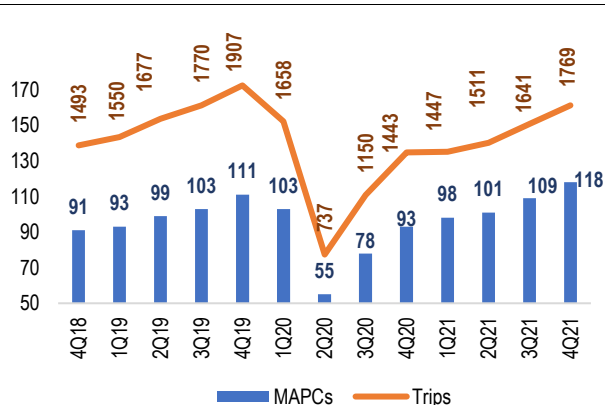
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Figure 1. Uber's key metrics

| | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Total gross bookings, \$mn | 14649 | 15756 | 16465 | 18131 | 15776 | 10224 | 14745 | 17152 | 19536 | 21900 | 23113 | 25866 |
| Rides/Mobility | 11446 | 12188 | 12554 | 13512 | 10874 | 3046 | 5905 | 6789 | 6773 | 8640 | 9883 | 11340 |
| Eats/Delivery | 3071 | 3386 | 3658 | 4374 | 4682 | 6961 | 8550 | 10050 | 12461 | 12912 | 12828 | 13444 |
| Freight | 128 | 167 | 223 | 219 | 198 | 212 | 290 | 313 | 302 | 348 | 402 | 1082 |
| Monthly active platform consumers | 93 | 99 | 103 | 111 | 103 | 55 | 78 | 93 | 98 | 101 | 109 | 118 |
| Trips | 1550 | 1677 | 1770 | 1907 | 1658 | 737 | 1150 | 1443 | 1447 | 1511 | 1641 | 1769 |
| Revenue | 3099 | 3166 | 3813 | 4069 | 3248 | 2241 | 3129 | 3165 | 2903 | 3929 | 4845 | 5778 |
| Cost of revenue | 1681 | 1740 | 1860 | 1927 | 1491 | 1252 | 1614 | 1441 | 1710 | 2099 | 2438 | 3104 |
| Operations and support | 434 | 864 | 498 | 506 | 503 | 582 | 365 | 369 | 423 | 432 | 475 | 547 |
| Sales and marketing | 1040 | 1222 | 1113 | 1251 | 885 | 736 | 924 | 1038 | 1103 | 1256 | 1168 | 1262 |
| Research and development | 409 | 3064 | 755 | 608 | 645 | 584 | 493 | 483 | 515 | 488 | 493 | 558 |
| General and administrative | 423 | 1638 | 591 | 647 | 859 | 565 | 711 | 531 | 464 | 616 | 625 | 611 |
| Depreciation and amortization | 146 | 123 | 102 | 101 | 128 | 129 | 138 | 180 | 212 | 226 | 218 | 246 |
| Total costs and expenses | 4133 | 8651 | 4919 | 5040 | 4511 | 3848 | 4245 | 4042 | 4427 | 5117 | 5417 | 6328 |
| Loss from operations | -1034 | -5485 | -1106 | -971 | -1263 | -1607 | -1116 | -877 | -1524 | -1188 | -572 | -550 |
| Interest expense | -217 | -151 | -90 | -101 | -118 | -110 | -112 | -118 | -115 | -115 | -123 | -130 |
| Other income (expense), net | 260 | 398 | 49 | 15 | -1795 | -44 | 151 | 63 | 1710 | 1943 | -1832 | 1471 |
| Income (loss) from continuing operations | -991 | -5238 | -1147 | -1057 | -3176 | -1761 | -1077 | -932 | 71 | 640 | -2527 | 791 |

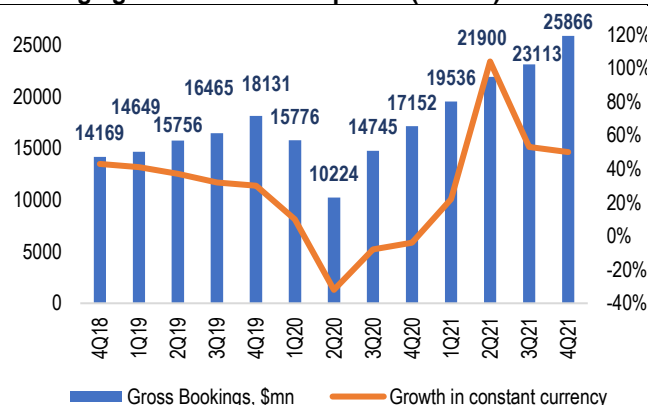
Source: companies' data, Hypothesis Research estimates

Figure 2. Uber's MAPCs (mn) and trips (mn)



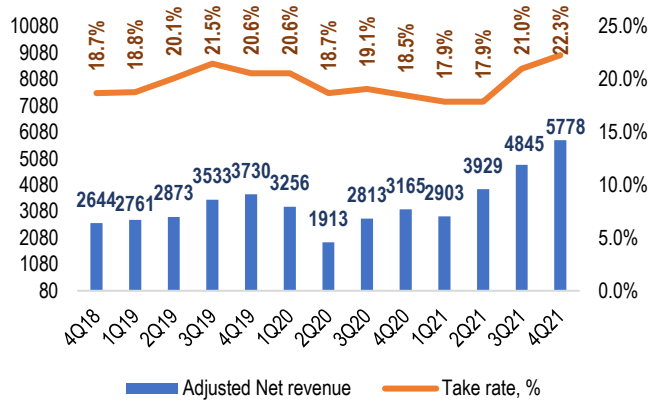
Source: company data

Figure 3. Uber's Gross Bookings (\$mn) and Gross Bookings growth in constant prices (% YoY)



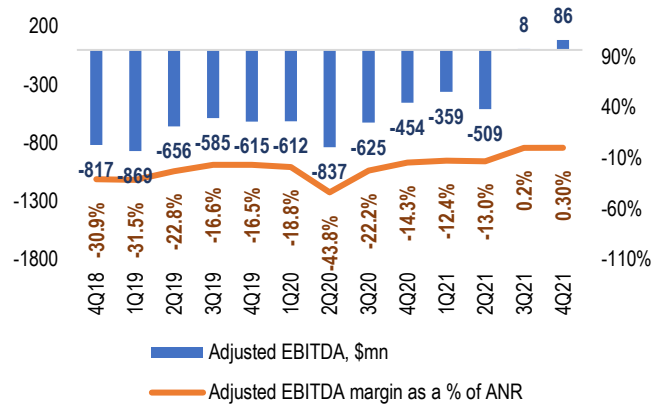
Source: company data

Figure 4. Uber's Net Revenue (\$mn) and take rate (%)



Source: company data

Figure 5. Uber's Adjusted EBITDA (\$mn) and Adj EBITDA margin (% of ANR)



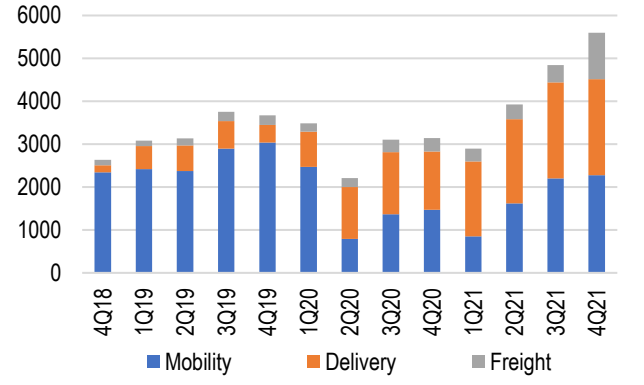
Source: company data

Figure 6. Uber's Gross bookings by segment, \$mn



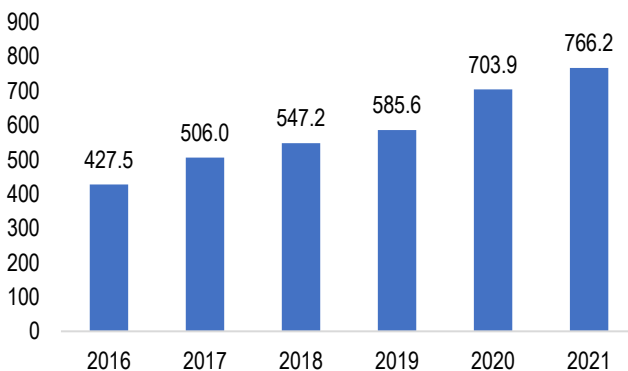
Source: company data

Figure 7. Uber's net revenues by segment, \$mn



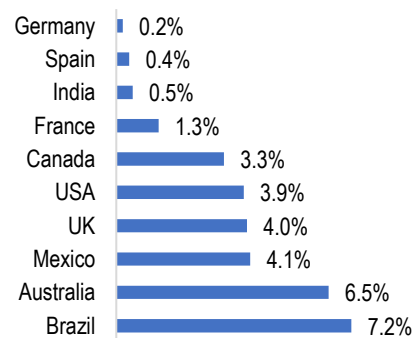
Source: company data

Figure 8. Gross bookings per MAPC, \$ per person (5Y CAGR 12.4%)



Source: company data

Figure 9. Weekly active consumer penetration, av 4Q19 weekly actives / Total population 18+



Source: company data

Figure 10. Uber key financial data, \$mn

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------------|--------|--------|--------|--------|--------|---------|---------|---------|---------|
| Gross Bookings | 34,409 | 49,799 | 65,001 | 57,896 | 90,415 | 123,845 | 143,337 | 164,836 | 176,276 |
| Revenue | | | | | | | | | |
| Rides/Mobility | 6,434 | 9,013 | 10,725 | 6,096 | 6,954 | 10,984 | 12,640 | 14,357 | 15,155 |
| Eats/Delivery | 367 | 757 | 2,191 | 4,837 | 8,182 | 9,685 | 11,507 | 13,661 | 14,798 |
| Freight | 390 | 255 | 731 | 1,011 | 2,132 | 4,976 | 5,434 | 5,821 | 6,235 |
| Other revenue | - | 1,245 | 1,295 | - | 187 | 194 | 202 | 1,000 | 1,250 |
| Total Uber revenue | 7,932 | 11,270 | 14,147 | 12,078 | 17,455 | 25,840 | 29,783 | 34,839 | 37,438 |

Source: company data, Hypothesis Research estimates

Figure 11. Uber condensed income statement, \$mn

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue | 7,932 | 11,270 | 13,000 | 11,139 | 17,455 | 25,840 | 29,783 | 34,839 | 37,438 |
| Costs and expenses | | | | | | | | | |
| Cost of revenue, exclusive of depreciation and amortization shown separately below | 4,160 | 5,623 | 6,061 | 5,154 | 9,351 | 13,749 | 15,537 | 17,557 | 18,340 |
| Operations and support | 1,354 | 1,516 | 2,302 | 1,819 | 1,877 | 2,102 | 2,355 | 2,614 | 2,888 |
| Sales and marketing | 2,524 | 3,151 | 4,626 | 3,583 | 4,789 | 6,460 | 5,957 | 6,445 | 6,926 |
| Research and development | 1,201 | 1,505 | 4,836 | 2,205 | 2,054 | 2,911 | 3,207 | 3,577 | 3,657 |
| General and administrative | 2,263 | 2,082 | 3,299 | 2,666 | 2,316 | 2,200 | 2,090 | 1,986 | 1,886 |
| Depreciation and amortization | 510 | 426 | 472 | 575 | 902 | 947 | 994 | 1,044 | 1,096 |
| Total costs and expenses | 12,012 | 14,303 | 21,596 | 16,002 | 21,289 | 28,371 | 30,139 | 33,222 | 34,794 |
| Loss from operations | -4,080 | -3,033 | -8,596 | -4,863 | -3,834 | -2,531 | -357 | 1,616 | 2,645 |
| Interest expense | -479 | -648 | -559 | -458 | -483 | -483 | -483 | -483 | -483 |
| Other income (expense), net | -16 | 4,993 | | | | | | | |
| Income (loss) from continuing operations before income taxes | -4,575 | 1,312 | -8,433 | -6,946 | -1,025 | -3,014 | -840 | 1,133 | 2,162 |
| Provision for (benefit from) income taxes | -542 | 283 | 45 | -192 | -492 | -375 | 94 | 522 | 744 |
| Net income (loss) attributable to Uber Technologies | -4,033 | 977 | -8,506 | -6,768 | -496 | -2,638 | -934 | 611 | 1,418 |
| EPS | -9.5 | 2.2 | -6.8 | -3.9 | -0.3 | -1.4 | -0.5 | 0.3 | 0.7 |
| Adjusted EBITDA | -2,642 | -1,867 | -3,431 | -2,528 | -774 | 169 | 2,451 | 4,539 | 5,646 |

Source: company data, Hypothesis Research estimates

Figure 12. Uber condensed balance sheet, \$mn

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Assets | | | | | | | | | |
| Cash and cash equivalents | 4393 | 6406 | 10873 | 5647 | 4295 | 2893 | 3698 | 4141 | 1374 |
| Restricted cash and cash equivalents | 142 | 67 | 99 | 250 | 631 | 631 | 631 | 631 | 631 |
| Accounts receivable | 739 | 919 | 1214 | 1073 | 2439 | 3327 | 3427 | 3532 | 3282 |
| Prepaid expenses and other current assets | 425 | 860 | 1299 | 1215 | 1454 | 1938 | 2058 | 2269 | 2186 |
| Assets held for sale | 1138 | 406 | 0 | 517 | 0 | 0 | 0 | 0 | 0 |
| Total current assets | 6837 | 8658 | 13925 | 9882 | 8819 | 8790 | 9815 | 10573 | 7473 |
| Restricted cash and cash equivalents | 1293 | 1736 | 1095 | 1494 | 2879 | 4262 | 4912 | 5746 | 6175 |
| Investments | 5969 | 10355 | 10527 | 9052 | 11806 | 12042 | 9042 | 8042 | 8846 |
| Equity method investments | 0 | 1312 | 1364 | 1079 | 800 | 800 | 800 | 800 | 800 |
| Property and equipment, net | 1192 | 1641 | 1731 | 1814 | 1853 | 1827 | 1856 | 1921 | 2015 |
| Intangible assets, net | 54 | 82 | 71 | 1564 | 2412 | 2171 | 1954 | 1758 | 1583 |
| Goodwill | 39 | 153 | 167 | 6109 | 8420 | 8757 | 9107 | 9471 | 9850 |
| Other assets | 42 | 51 | 88 | 124 | 397 | 413 | 429 | 447 | 464 |
| Total assets | 15426 | 23988 | 31761 | 33252 | 38774 | 40422 | 39248 | 40065 | 38578 |
| Liabilities, mezzanine equity and stockholders' deficit | | | | | | | | | |
| Accounts payable | 213 | 150 | 272 | 235 | 860 | 1146 | 1218 | 1342 | 1406 |
| Short-term insurance reserves | 469 | 941 | 1121 | 1243 | 1442 | 2135 | 2460 | 2878 | 3093 |
| Accrued and other current liabilities | 2713 | 3157 | 4050 | 5112 | 6537 | 8615 | 8951 | 9038 | 8174 |
| Liabilities held for sale | 452 | 11 | 0 | 100 | 0 | 0 | 0 | 0 | 0 |
| Total current liabilities | 3847 | 4259 | 5639 | 6865 | 9024 | 12090 | 12833 | 13473 | 12898 |
| Long-term insurance reserves | 1527 | 1996 | 2297 | 2223 | 2546 | 3769 | 4344 | 5082 | 5461 |
| Long-term debt, net of current portion | 3048 | 6869 | 5707 | 7560 | 9276 | 8812 | 7050 | 5640 | 2820 |
| Other long-term liabilities | 3351 | 4072 | 1412 | 1306 | 935 | 1313 | 1432 | 1580 | 1595 |
| Total liabilities | 11773 | 17196 | 16578 | 19498 | 23425 | 27711 | 27471 | 27677 | 24772 |
| Total stockholders' deficit | -8557 | -7385 | 14501 | 12266 | 14458 | 12024 | 11090 | 11701 | 13119 |
| Total liabilities, mezzanine equity, and stockholders' deficit | 15426 | 23,988 | 31761 | 33252 | 38774 | 40422 | 39248 | 40065 | 38578 |

Source: company data, Hypothesis Research estimates

Figure 13. Comparable multiples

| Company name | Market Cap, \$mn | EV, \$mn | P/E Fwd 1Y | P/E Fwd 2Y | P/E Fwd 3Y | EV/ EBITDA 1Y fwd | EV/ EBITDA 2Y fwd | EV/ EBITDA 3 fwd | EV/ Revenues 1y fwd | EV/ Revenues 2y fwd | EV/ Revenues 3y fwd |
|--------------------------|------------------|---------------|------------|---------------|--------------|-------------------|-------------------|------------------|---------------------|---------------------|---------------------|
| Alphabet | 1,724,260 | 1,599,541 | 22.31 | 19.00 | 17.01 | 13.01 | 11.31 | 9.78 | 5.26 | 4.56 | 4.04 |
| Amazon | 1,553,008 | 1,529,260 | 61.39 | 41.75 | 27.30 | 18.13 | 14.08 | 11.02 | 2.82 | 2.40 | 2.08 |
| Apple | 2,730,242 | 2,789,127 | 27.10 | 25.32 | 24.75 | 21.19 | 20.51 | 19.96 | 7.05 | 6.67 | 6.41 |
| Facebook | 561,156 | 513,739 | 16.60 | 14.05 | 12.42 | 8.59 | 7.29 | 6.41 | 3.88 | 3.30 | 2.97 |
| Alibaba Group Holding | 323,436 | 297,830 | 14.55 | 13.28 | 11.10 | 11.61 | 9.94 | 8.03 | 2.20 | 1.90 | 1.65 |
| Tencent Holdings | 547,604 | 571,603 | 26.71 | 25.20 | 21.08 | 17.57 | 17.91 | 14.98 | 6.43 | 5.73 | 4.97 |
| Netflix | 173,718 | 183,083 | 35.24 | 27.45 | 21.87 | 25.05 | 20.07 | 16.21 | 5.48 | 4.88 | 4.36 |
| eBay | 34,718 | 29,261 | 13.99 | 12.49 | 11.16 | 7.38 | 7.02 | 6.71 | 2.81 | 2.68 | 2.57 |
| Target Corp | 97,928 | 104,937 | 15.39 | 15.17 | 13.91 | 9.31 | 9.32 | 8.84 | 0.99 | 0.96 | 0.93 |
| Tesla | 885,695 | 876,216 | 76.74 | 63.23 | 53.55 | 43.76 | 33.20 | 27.97 | 10.43 | 8.28 | 7.00 |
| General Motors | 70,617 | 157,391 | 6.93 | 6.62 | 6.18 | 9.69 | 8.99 | 7.35 | 1.01 | 0.94 | 0.93 |
| Volkswagen | 126,644 | 291,771 | 6.76 | 6.06 | 5.54 | 6.21 | 5.89 | 5.73 | 1.04 | 0.97 | 0.92 |
| SNAP | 61,740 | 60,300 | 66.33 | 36.16 | 20.81 | 64.91 | 31.98 | 18.17 | 10.66 | 7.43 | 5.50 |
| Twitter | 27,478 | 25,337 | 42.62 | 30.51 | 23.47 | 17.28 | 13.45 | 10.64 | 4.22 | 3.46 | 2.99 |
| Naver Corp | 43,016 | 43,768 | 29.40 | 24.88 | 24.23 | 24.57 | 20.51 | 17.16 | 6.23 | 5.26 | 4.18 |
| XPO Logistics Inc | 8,205 | 11,517 | 13.68 | 12.54 | 11.65 | 8.27 | 7.72 | 7.37 | 0.85 | 0.82 | 0.82 |
| Just Eat Takeaway.com NV | 8,090 | 8,850 | NaN | NaN | NaN | NaN | NaN | 121.23 | 1.60 | 1.24 | 1.04 |
| Doordash | 33,006 | 29,249 | NaN | NaN | 254.98 | 92.62 | 44.13 | 24.92 | 4.95 | 3.99 | 3.29 |
| Deliveroo | 3,227 | 1,057 | NaN | NaN | NaN | NaN | NaN | NaN | 0.42 | 0.34 | 0.28 |
| Lyft | 14,232 | 12,633 | 66.76 | 29.39 | 16.70 | 33.30 | 16.86 | 10.60 | 2.96 | 2.36 | 2.01 |
| Uber | 67,283 | 73,155 | NaN | 136.14 | 33.28 | 56.26 | 24.21 | 14.40 | 2.65 | 2.14 | 1.76 |

Source: Refinitiv

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