Uber Technologies, Inc.

UBER

EQUITY RESEARCH REPORT

August 10, 2026

UBER — Uber Technologies, Inc.

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Analyst: Moschovakis Capital Research

Listing: NYSE (CIK 0001543151) | Sector classification: SIC 7389, Business Services

Authoritative Current Price: $75.02 USD / €64.89 EUR

FX rate applied throughout: 1 USD = 0.8650 EUR

EXECUTIVE SUMMARY

Metric	Value
Recommendation	**HOLD / WATCHLIST**
Current Price	€64.89 ($75.02)
Fair Value (Base Case, normalized owner earnings)	€70.90 ($82.00)
Margin of Safety	9.3% (below the 10% minimum)
Target Entry (HOLD)	€57.10 ($66.00), 12.0% below current

Return Profile	Value
Dividend Yield	0.0% (no dividend declared)
Expected Dividend Growth	Not applicable
Expected Price Appreciation (Base, 10Y)	10.6% CAGR
Total Expected Return (Base)	10.6% CAGR
Bear Case Total Return	-5.8% CAGR
Bull Case Total Return	20.4% CAGR
Probability-Weighted Return	9.0% CAGR

Risk Assessment	Value
Wealth Preservation Score	55 / 100
Downside Protection Score	35 / 100
Quality Score	54 / 100
Return Adequacy Score	85 / 100
Risk Level	ELEVATED
Probability of >50% Permanent Loss	~12% (BUY ceiling is 10%)

Risk Assessment	Value
Recession Profile	SENSITIVE

One-Line Thesis:

Uber converts a scaled two-sided marketplace into $9.8B of annual free cash flow at a 16x cash multiple, but it pays you nothing to wait, it has already lost two thirds of its value once in this decade, and autonomous vehicles put a credible path to negative ten-year returns on the table, so the price has to come down before this earns capital under a preservation mandate.

INVESTMENT THESIS

Uber earns its money by matching supply and demand and taking a cut. In FY2025 that produced $52.0B of revenue (+18.3% year over year), $17.4B of gross profit at a 33.3% gross margin, $5.6B of income from operations per the 10-K filed 2026-02-13 (+99% year over year), and $9.77B of free cash flow at an 18.8% FCF margin. Q4 2025 monthly active platform consumers reached 202 million (+18%) and trips reached 3.8 billion (+22%), with roughly 3% of that trip growth coming from higher frequency per user rather than user additions alone. Year-end unrestricted cash and short-term investments stood at $7.6B. The company refinanced into a $1.0B 4.15% note due 2031 and a $1.25B 4.80% note due 2035 while retiring $700M of 2027 notes and $500M of 2028 notes. Debt markets price this company as investment grade, and the cash flow supports that view.

The return math clears the hurdle in the base case and fails it in the bear case. Assume revenue compounds at 9% for a decade, FCF margin drifts from 18.8% toward 21%, share count stays flat as buybacks offset stock compensation, and the market pays 17x free cash flow at the end. That path delivers roughly 10.6% annual return from €64.89, against a hurdle of inflation plus 4% (about 7%). Now flip the assumptions: autonomous fleets shift bargaining power to whoever owns the vehicles and the driving software, take rates compress, driver-classification rulings push a share of gig costs onto the platform, and revenue compounds at 4% with FCF margin falling back to 12%. Apply 11x on a share count 16% higher, and you get €35.50 per share in 2036, a -5.8% annual return. A preservation mandate cannot fund that outcome with a 25% probability weight and no dividend to offset the wait.

Two structural problems keep this out of BUY territory at €64.89. First, there is no income cushion. The framework awards 30 of 100 quality points to dividend reliability, and Uber scores zero, so every euro of return depends on price appreciation and therefore on multiple stability. Second, the drawdown history is severe. The stock traded above $60 in early 2021 and near $20 in mid-2022, a decline of roughly two thirds (the dataset supplies no price series, so treat those levels as approximate market history). A business that has already halved twice over cannot be assumed to protect capital through the next repricing. Add the GAAP distortion: the $10.1B of 2025 net income attributable to Uber includes a $5.0B benefit from releasing a Netherlands deferred tax valuation allowance, so the widely quoted 16.5x trailing P/E corresponds to something closer to 31x on underlying earnings. Cash flow, not GAAP net income, is the honest anchor here.

What would change the answer: a price near €57 ($66), which restores a 20%+ margin of safety against normalized owner earnings and lifts the bear-case return toward breakeven. Or evidence over the next four to six quarters that revenue margin holds while adjusted EBITDA margin keeps expanding, which would let the base case carry a higher terminal multiple. Against the alternative of a 4% deposit, Uber offers roughly 500 basis points of expected excess return in exchange for accepting a plausible 45% ten-year decline. That trade is acceptable at a lower entry price and not acceptable today.

STAGE 1 — SECTOR & THEME IDENTIFICATION

Q1. Is the sector understandable? Yes. Uber intermediates transactions across Mobility (approximately $19.8B of 2024 revenue), Delivery (approximately $12.2B) and Freight (approximately $5.2B). It owns software, routing, pricing and payments, not vehicles or restaurants. The failure modes are identifiable: take-rate pressure, driver cost reclassification, promotional wars, and technology substitution. **Continue.**

Q2. Is the sector in secular decline? No. Ride-hailing and delivery penetration continue to rise across 70+ countries and 15,000+ cities, and Uber's own trip growth of 22% in Q4 2025 confirms volume expansion rather than contraction. **Continue.**

Q3. Defensive or cyclical? Moderately cyclical with discretionary exposure. Mobility depends on commuting, nightlife, airport travel and business trips. Delivery carries some counter-cyclical offset, since consumers order in when they cut back on restaurants. The risk assessment data flags explicit sensitivity to discretionary consumer spending, travel activity and restaurant demand. This classification triggers **heightened balance sheet scrutiny**, which Uber survives (see Stage 2.1).

Q4. Sector-level tailwinds.

1. Structural shift of urban transport and food spend onto digital platforms, evidenced by 18% MAPC growth on a 202 million base.

2. High-margin monetization layers on top of existing volume: advertising reached $700M in Q1 2025 with management guiding to 20%+ annual growth, plus Uber One subscriptions.

3. Autonomous vehicles, which cut both ways. Uber has partnership exposure through Waymo, Avride, WeRide, Pony.ai, Motional, Nvidia, Verne and a Rivian investment and deployment agreement. Whether AV becomes a demand-aggregation win or a disintermediation loss is the single largest unresolved question in the file.

Pricing status: the market pays about 20.5x EV/EBITDA and 16.5x reported trailing earnings, which prices in continued high-teens bookings growth and margin expansion. The tailwinds are partly in the price. AV optionality is priced as a call option, not as a liability.

Q5. Sector valuation versus history. Peer average P/E of 22.2x and sector median of 32.9x sit above Uber at 17-18x. On its own history Uber trades far below its 5-year average P/E of 42.5x, but that average spans years of GAAP losses and carries no information. The more useful comparison is Uber's 12-month average P/E of 15.27x versus 16.45x today, meaning the stock trades slightly above its own recent-year norm.

SECTOR VERDICT: CONTINUE with cyclical-scrutiny flags on consumer discretionary exposure and technology substitution.

STAGE 2 — FUNDAMENTAL GATEKEEPING

2.1 Solvency Check

The dataset does not supply a full balance sheet (total debt, total equity, current assets and liabilities, interest expense). The table below separates verified figures from derived estimates and marks gaps explicitly. No number is invented.

Metric	Threshold	Uber	Source quality	Verdict
Debt-to-Equity	<1.0x	~0.35x (est.)	Derived: ~$11B notes implied by issuance/redemption disclo	PASS (low confidence)
Interest Coverage	>5.0x	~9-10x (est.)	Derived: $5.6B operating income against coupons of 4.15%-	PASS (low confidence)
Current Ratio	>1.5x	NOT PROVIDED	Historically near 1.0x for this business given accrued insuran	MONITOR
Free Cash Flow	Positive 4 of 5 years	4 of 5 (2021: -$743M; 2022: +$390M; 2023: +$3,36[illegible]M; 2024: +$6,894M; 2025: +$9,76	Verified	PASS
Debt maturity cliff	No >30% in any 2 years	No cliff disclosed; 2027 and 2028 maturities partially [illegible]ed, new paper pushed to 203	Verified from filings	PASS
Cash / Total Debt	>20%	~69% ($7.6B against ~$11B debt)	Partly derived	PASS

Stress test: revenue down 30% for two years. Revenue falls from $52.0B to $36.4B. Gross margin of 33.3% implies gross profit near $12.1B against a 2025 base of $17.4B. Fixed cost absorption would erase the $5.6B of operating income and likely push the company back toward breakeven or modest operating loss, but $7.6B of liquid resources, no near-term maturity wall, and a variable cost base (driver incentives, marketing) that shrinks with volume mean solvency is not in question. No dividend exists to defend. Dilutive equity issuance would be unnecessary at this liquidity level.

Solvency Assessment: ADEQUATE. It is not FORTRESS. Uber carries an accumulated deficit, its balance sheet strength is recent rather than tested, and three of the six gate metrics rest on derived rather than disclosed figures.

2.2 Earnings Quality Check

Test	Finding	Assessment
OCF vs net income	FCF of $9,765M against reported net income attributable of $10,100M. Free cash flow already	Cash conversion strong
GAAP net income integrity	$5.0B of the $10.1B came from releasing a Netherlands deferred tax valuation allowance. Unde	**Material distortion**
Non-cash cost add-backs	Stock compensation is not disclosed in this dataset, but it has run in the $1.8B-$2.4B range for	Adjust downward
Receivables vs revenue	NOT PROVIDED	Gap
Inventory vs COGS	Not material to an asset-light marketplace	Not applicable
Restatements past 5 years	None disclosed. PricewaterhouseCoopers LLP issues the opinion; no going-concern language,	Clean
Working capital float	Insurance reserves and payment timing flatter cash flow for a marketplace of this type. Not qua	Monitor

Earnings Quality: ACCEPTABLE. The cash is real. The headline EPS is not representative. Anyone valuing Uber off the 16.5x trailing P/E is paying roughly 31x underlying earnings and does not know it.

2.3 Dilution Check

Share counts derived from disclosed net income and diluted EPS:

Year	Net income ($M)	Diluted EPS	Implied diluted shares (M)
2022	-9,141	-4.92	~1,858
2024	9,856	4.69	~2,101

Year	Net income ($M)	Diluted EPS	Implied diluted shares (M)
2025	10,100	4.73	~2,135

Three-year share growth of about 14.9% works out near 4.7% annualized, but loss-year share counts use basic rather than diluted arithmetic, which overstates the change. Measuring 2024 to 2025 alone gives 1.6% annual dilution, which matches a company issuing stock compensation while running a repurchase program. The 10-K discloses active buybacks alongside debt refinancing.

Management compensation and alignment: the dataset contains no proxy compensation figures, no CEO comp as a percentage of net income, and no insider ownership percentage. EDGAR confirms insider transaction filings exist for both owner and issuer, but the dataset does not include the transaction detail. The valuation research explicitly could not verify insider buys or sells.

Dilution Assessment: ACCEPTABLE on the 1.6% recent run rate, with a data gap on compensation structure that prevents an EXCELLENT rating.

2.4 Dividend Sustainability

Uber declares no dividend. Every line of this section returns nil.

Metric	Uber
Dividend Yield	0.0%
Payout Ratio	Not applicable
FCF Payout Ratio	0%
5Y Dividend Growth	Not applicable
Consecutive years of dividend	0
Coverage	Not applicable

Dividend Sustainability: NOT APPLICABLE. The consequence matters more than the label. Under the Stage 3 scoring system, 30 of 100 quality points sit in Income Reliability, and Uber forfeits all of them. A preservation portfolio holding Uber accepts that 100% of its return depends on the multiple the market assigns in the future. Capital returns currently flow through repurchases, which are discretionary, reversible in a downturn, and worth less than cash in hand when the buyer's judgment on price is untested.

2.5 Capital Efficiency

Derived from disclosed figures, with assumptions labelled:

- NOPAT: $5,600M operating income (10-K) × (1 - 25% assumed cash tax rate) = ~$4,200M
- Invested capital: ~$11B debt (est.) + ~$32B equity (est., inflated by the tax asset release) - $7.6B cash = ~$35B
- **ROIC: ~12%** (estimate)
- **WACC: ~9.5%** (estimate; equity cost near 10.5% on above-market volatility, debt cost 4.15%-4.80% pre-tax)
- Spread: roughly +250 basis points

Trend: 2022 operating margin -5.7%, 2023 +3.0%, 2024 +6.3%, 2025 approximately +10.8% using the 10-K's $5.6B rather than the aggregator's inconsistent $9,854M figure. Gross margin improved from 28.7% (2022) to 33.3% (2025). Both point the same direction.

ROIC: ~12% | vs. WACC: ~9.5% | Trend: Improving | Verdict: Value Creating. Note that the tax asset release mechanically inflated the equity base, so the reported ROIC understates the return on genuinely deployed capital while overstating how long the company has earned above its cost of capital.

2.6 Valuation Screening

Metric	Current	Recent Average	Long-Run Average	Assessment
P/E (trailing, reported)	16.45x	15.27x (12-month avg)	42.5x (5Y, distorted by loss years)	Slightly above recent norm
P/E (on underlying, ex-tax benefit)	~31x	Not available	Not available	Full
EV/EBITDA	20.53x	Not provided	Not provided	Full
P/FCF	14.62x (source) / ~16.4x (recomputed at €64.89 and ~2,135M shares)	Not provided	Not provided	Fair
P/B	5.61x	Not provided	Not provided	Full, and book value is tax-asset in
Dividend Yield	0.0%	0.0%	0.0%	No support
Peer P/E	22.2x peer avg / 32.9x sector median			Uber cheaper on reported EPS

Margin of safety calculation (normalized owner earnings method):

1. 2026 free cash flow: $9,765M growing at a conservative 15% = ~$11,200M
2. Deduct stock compensation to reach owner earnings: less ~$2,300M = ~$8,900M
3. Fair multiple for a value-creating, 9%-growth, no-dividend platform with technology substitution risk: 20x
4. Enterprise value: ~$178,000M; less net debt of ~$3,400M ($11B est. debt against $7.6B cash) = equity value ~$174,600M
5. Per share on ~2,135M shares: **$82.00 / €70.90**

Margin of Safety = ($82.00 - $75.02) / $75.02 = 9.3%. The framework requires 10% minimum for BUY.

Valuation: FAIR. Cheaper than peers on a distorted earnings number, fairly priced on cash flow, expensive on underlying earnings and on book value.

STAGE 3 — PEER COMPARISON & QUALITY RANKING

3.1 Competitive Cohort

The dataset supplies no peer-level financial statements. Fabricating competitor ratios would breach the data hierarchy rule, so the table below marks every unavailable cell and rests only on what the research provides: sector median P/E of 32.9x, peer average P/E of 22.2x, and named competitive threats from DoorDash and Amazon in delivery, plus AV operators in mobility.

Dimension	UBER	DoorDash	Lyft	Grab	Best for preservati
Debt/Equity	~0.35x (est.)	NOT PROVIDED	NOT PROVIDED	NOT PROVIDED	Undetermined
Interest Coverage	~9-10x (est.)	NOT PROVIDED	NOT PROVIDED	NOT PROVIDED	Undetermined
Dividend Yield	0.0%	0.0% (no dividend known)	0.0%	0.0%	None qualifies
Payout Ratio	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
FCF Margin	18.8% (verified)	NOT PROVIDED	NOT PROVIDED	NOT PROVIDED	UBER on absolute level
ROIC	~12% (est.)	NOT PROVIDED	NOT PROVIDED	NOT PROVIDED	Undetermined
Recent dilution	~1.6%/yr	NOT PROVIDED	NOT PROVIDED	NOT PROVIDED	Undetermined
P/E vs peers	17-18x vs 22.2x peer avg	Peer set avg 22.2x	NOT PROVIDED	NOT PROVIDED	UBER
Scale (bookings, users)	202M MAPC, 3.8B quarterly trips	Smaller			

IMPORTANT DISCLOSURES

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