



Delivery Hero SE

DHER

EQUITY RESEARCH REPORT

October 24, 2026

DHER — DELIVERY HERO SE

Report Date: 2026-10-24

Analyst: Moschovakis Capital Research

EXECUTIVE SUMMARY

Metric	Value
Recommendation	**AVOID**
Current Price	**€37.31** (\$41.80)
Uber Offer Price	€41.50 (€13.0B equity value)
Gross Spread to Offer	+11.2% (€4.19)
Fair Value (Standalone, Bear Anchor)	€27.53 to €28.58
Margin of Safety (Standalone)	Negative (-19.6% to -26.2%)

Return Profile	Value
Dividend Yield	0.0%
Expected Dividend Growth	N/A
Expected Price Appreciation	+11.2% (deal closes); -19.6% to -26.2% (deal breaks)
Total Expected Return (Base Case)	+11.2% over 9–14 months (9.4% to 16.9% annualized)
Bear Case Total Return	-19.6% to -26.2% (central -23.4%)
Bull Case Total Return	+11.2% to +20.6% (raised bid scenario)
Probability-Weighted Return	+4.9% over holding period (~4.2% to 6.5% annualized)

Risk Assessment	Value
Wealth Preservation Score	**37 / 100**
Downside Protection Score	**15 / 100**
Quality Score	**17 / 100**
Risk Level	**ELEVATED**
Probability of >50% Loss	~10%
Recession Profile	SENSITIVE

One-Line Thesis: Delivery Hero is a leveraged, GAAP-unprofitable food delivery platform whose only near-term return path is a capped €41.50 Uber takeover offer, producing an 11.2% upside against a 23% deal-break

downside that violates every wealth preservation gate.

FRAMEWORK STAGE APPLICATION

Stage	Gate	Verdict
1. Sector & Theme	Understandable, growing industry; merger- and takeover-related situation	PASS (with flag)
2. Fundamental Gatekeeping	D/E 3.88x, negative interest coverage, current ratio 1.07, GAAP losses	FAIL
3. Quality Ranking	Quality Score 17/100; weakest vs. DoorDash and Uber	FAIL
4. Qualitative Deep Dive	Moat unquantified; rider misclassification risk; no dividend	FAIL
5. Valuation & Scenario	Bear case -23.4% (below zero); spread instrument vs. downside	FAIL
6. Investment Decision	WP Score 37/100; multiple absolute requirements not met	REJECTED

INVESTMENT THESIS

Delivery Hero reaches this desk as a merger-arbitrage asset, not an operating compounder. Uber announced a voluntary public takeover at €41.50 per share, valuing the equity at €13.0 billion, with the board recommending acceptance and closing expected in the second half of 2027. The current price of €37.31 sits €4.19 below that offer, a gross spread of 11.2 percent. An investor who buys here and sees the deal close captures that spread. An investor who buys here and watches the deal break watches the position fall toward the standalone value that anchored the stock before the bid: €28.58 at the December 2024 close, or €27.53 on the most conservative sell-side bear case. That is a 23 percent loss.

The wealth preservation mandate asks one question before any return math: how much can I lose? The answer is roughly a quarter of the position. The framework's absolute requirement for a bear case total return of zero or better fails. The asymmetry runs the wrong direction. The upside is hard-capped at €41.50 because Uber already owns 37 percent of the shares and no competing suitor has surfaced in a deal the board has recommended. The best case beyond the offer is €45.00, the top of the analyst range, which only materializes if Uber raises the bid, an outcome the available data does not support as a base expectation. The downside is unbounded to the extent deal risk reprices the stock to its pre-bid fundamental floor.

The probability-weighted arithmetic is not compelling. Assigning a 25 percent chance of the bear case at a 23.4 percent loss, a 50 percent chance of the base case at an 11.2 percent gain, and a 25 percent chance of a raised bid at a 20.6 percent gain produces a total expected return of 4.9 percent over the holding period. Annualized over the nine to fourteen months the deal requires, that lands between roughly four and six and a half percent. A high-yield savings account pays four percent with zero principal risk. The incremental two percentage points of annualized return do not compensate for a tail that erases 23 percent of the position.

The standalone business does not rescue the thesis if the deal breaks. Delivery Hero generated over €900 million of adjusted EBITDA in fiscal 2025 and has guided to €960 million to €1,000 million for 2026, with free cash flow above €250 million. Those are real improvements. But the company still carries €5.31 billion of debt against €2.7 billion of cash, a debt-to-equity ratio of 3.88, negative interest coverage, and a trailing-twelve-month GAAP

net loss of €779 million. A deal break would likely coincide with antitrust or regulatory obstruction, which would simultaneously weaken the strategic narrative and test the balance sheet.

What would change the assessment? A repriced offer materially above €41.50, a competing bid, or a price decline toward €30 that restored a positive asymmetry between the offer and the entry point. At €30, the spread to €41.50 is 38 percent, which changes the risk calculus. At €37.31, the position is a speculative bet on deal completion with a poor payoff-and-risk ratio. The framework's decision rule for any position failing an absolute requirement is to avoid it regardless of upside. This position fails the bear case test, the solvency test, and the quality screen. The recommendation is to avoid it and preserve the capital for situations where the downside is capped and the upside is not.

1. BUSINESS QUALITY ASSESSMENT

Delivery Hero operates an asset-light online marketplace connecting customers with restaurants, grocery stores, and local merchants across 49 to 70 countries. The company runs four reporting segments: Europe, MENA, Americas, and Asia, plus Integrated Verticals covering quick commerce and grocery. Fiscal 2025 total segment revenue reached €14,803 million, up 23.1 percent like-for-like, on gross merchandise value of €49,197 million. The platform processed a peak of over 11 million orders in a single 24-hour period, evidence of genuine operating scale.

The revenue engine is commission income from restaurant partners, supplemented by delivery fees, advertising services, and a point-of-sale software product. The company frames its competitive advantage as a single global technology platform supporting localized consumer brands: Glovo in Southern Europe, Foodpanda and Foodora in Asia, PedidosYa in Latin America, Talabat and HungerStation in the Gulf, Baedal Minjok in Korea, and Yemeksepeti in Turkey. Localized features such as Ramadan ordering in MENA and loyalty gamification in APAC suggest real product differentiation, but the search data provides no market share, retention, or unit economics figures to size the moat.

The quality assessment lands in the middle of the range for precisely that reason. The moat narrative has three plausible legs. First, local network effects exist where rider density and merchant coverage reinforce each other in each city. Second, scale economics show up in the margin progression: adjusted EBITDA margin on GMV rose from 1.42 percent in fiscal 2024 to over 1.83 percent in fiscal 2025, and Integrated Verticals reached full-year adjusted EBITDA break-even. Third, merchant switching costs exist through the point-of-sale and advertising integrations. But none of this is quantified in a way that survives scrutiny. ROIC sits at 8.97 percent, below the 15 percent threshold the framework treats as evidence of a durable franchise and likely below the company's cost of capital. DoorDash posts 14.80 percent on the same metric.

The business model carries a structural vulnerability that disqualifies it for wealth preservation: delivery riders are classified as self-employed contractors, a classification under active legal assault in Spain and Italy. Delivery Hero's own 2024 Corporate Report rates the legal status of riders as its top strategic risk. The Spanish subsidiary Glovo carries a contingent liability of €440 million to €770 million tied to social security investigations. Nearly 850,000 riders sit in the value chain, and any forced employment reclassification across major markets would raise costs materially.

Operating momentum is real, but management bought it with investment. Q2 2026 GMV grew 11.3 percent like-for-like, revenue grew 17.7 percent, and orders grew 11 percent to 981 million. Adjusted EBITDA for H1 2026 rose only 3.9 percent to €427 million while revenue rose 17.8 percent, meaning the incremental revenue is

not yet flowing through to profit at the same rate. The business is improving, but the quality gate clears only marginally, and the business quality on its own would not carry this past the wealth preservation screen.

2. FINANCIAL FORTRESS ANALYSIS

The fortress gate is where Delivery Hero fails the wealth preservation standard outright. Yahoo Finance shows total debt of €5.31 billion against total cash of €2.7 billion, a current ratio of 1.07, and a debt-to-equity ratio of 387.58 percent, which the Lightyear data expresses as 3.88 times total and 3.75 times long-term. The framework sets the solvency threshold at debt-to-equity below 1.0 and the preferred level at 0.5. Delivery Hero sits at roughly four times that ceiling. Interest coverage is negative on both reported constructions: minus 0.37 on one screen and minus 0.18 percent trailing on another, meaning operating income does not cover interest expense.

The equity base is thin. Book value per share is €3.99 against a price of €37.31, producing a price-to-book of 9.22. Return on equity is negative 37.82 percent over the trailing twelve months. Total assets of €19.7 billion back total equity of €10.0 billion, leaving the capital structure geared toward creditors. The company is a German *Societas Europaea* whose debt appears on lender balance sheets such as Apollo Debt Solutions BDC, which holds Delivery Hero Finco Germany first-lien secured debt at a Euribor plus 575 basis points spread maturing August 2027. That maturity lands shortly after the expected H2 2027 Uber closing, which concentrates refinancing risk precisely at the point the takeover is supposed to complete.

The offsetting strength is liquidity and an inflection in operating cash flow. Cash of €2.8 billion at mid-2026, per the company, covers debt service comfortably in the near term. Free cash flow before extraordinary items swung from negative €8 million in H1 2025 to positive €348 million in H1 2026, the largest single-year swing in the packet, though management attributes part of the benefit to working capital timing expected to partially reverse in the second half. Full-year 2026 guidance calls for free cash flow above €250 million. Fiscal 2025 adjusted EBITDA exceeded €900 million, and the 2026 guide sits at €960 million to €1,000 million.

The accounting basis matters here. Yahoo's trailing EBITDA of €144 million is an unadjusted IFRS figure reflecting legal and antitrust provisions, while the company's adjusted figure strips those out. The gap between the two is large, and the truth sits between. The company took provisions for Spanish rider classification and EU antitrust matters that drove the H1 2026 net loss of €359 million despite positive adjusted EBITDA of €427 million. A wealth preservation investor cannot treat the adjusted line as the whole story when the unadjusted line is negative.

The stress test undercuts the case. In a scenario where the Uber deal breaks and a recession compresses revenue 30 percent, Delivery Hero would likely add operating losses on top of an already negative GAAP income line, and the rider reclassification contingent liability of up to €770 million would loom larger against the €10 billion equity base. The framework classifies this solvency profile as marginal at best, possibly unacceptable, because the improvements in adjusted EBITDA and free cash flow are too recent to have hardened into fortress status. The verdict on this stage is FAIL.

3. DIVIDEND ANALYSIS

Delivery Hero does not pay a dividend. No dividend analysis applies.

4. VALUATION ANALYSIS

The valuation question for Delivery Hero splits into two separate problems: the deal price and the standalone price. The deal price is unambiguous. Uber's voluntary public offer stands at €41.50 per share for €13.0 billion of equity, recommended by the board and expected to close in H2 2027. The current price of €37.31 trades at a gross spread of €4.19, or 11.2 percent below the offer. The spread annualizes to roughly 9.4 percent if the deal closes at the end of 2027 and 16.9 percent if it closes mid-2027, because the cash pays out in nine to fourteen months.

The standalone price is messier. Pre-deal anchors exist. The stock closed at €28.58 on the Monday before December 27, 2024. The offer represented a 34 percent premium to the three-month average before announcement, which implies a pre-announcement average near €30.97. MarketScreener's bear case fair value sits at €27.53, built on a 10.07 percent revenue growth assumption and a lower terminal multiple. The 52-week range runs from €14.80 to €39.83. The current €37.31 price sits near the top of that range, fully pricing near-certain deal completion.

Conventional multiples do not help. The forward P/E is 66.67 times. The trailing P/E is not meaningful because earnings are negative. Price-to-book runs at 9.22 against a negative return on equity. EV-to-revenue is 0.93 and price-to-sales is 0.75, which look inexpensive only relative to the low-margin, asset-light delivery model. EV-to-EBITDA varies wildly by definition: Yahoo shows 36.16, StockAnalysis 47.73, and Investing.com 99.4 on the trailing GAAP EBITDA of €144 million. None of these passes the wealth preservation test of paying a fair price with a margin of safety.

The margin of safety runs negative. The bear case fair value of €27.53 sits 26 percent below the current price. Even the generous pre-announcement average of €30.97 sits 17 percent below. The 11.2 percent deal spread functions as a ceiling, not a safety margin, because it caps the payoff rather than buffering the downside. A genuine margin of safety would mean buying far enough below the offer that a deal break still left the position near breakeven. That entry price would be around €30, where the spread to €41.50 is 38 percent and a break to €27.53 costs only 8 percent.

The deal premium itself reads as fragile in the data. Morningstar headlines trace a bid that moved from \$11.6 billion to \$14.8 billion to \$15 billion, with the final offer at €13 billion or roughly \$14.5 billion, and the Just Eat remedy language indicates antitrust divestitures are part of the approval package. The market's own pricing corroborates uncertainty: quotes of €36.44 and €36.60 in the source data sit below the €41.50 offer, meaning the market is assigning meaningful break probability to a recommended, signed deal. The valuation argument for buying here rests entirely on that spread, and the spread is insufficient compensation for the risk it embeds.

5. SCENARIO ANALYSIS

The bear case assumes the Uber takeover collapses. The trigger would most likely be antitrust obstruction: the South Korea Fair Trade Commission review, the Just Eat remedy conditions, or European Commission scrutiny of Uber's 37 percent stake and resulting market concentration. In the bear case the stock reprices to standalone fundamental value, removing the takeover premium. The anchor is the December 2024 close of €28.58 and the MarketScreener bear fair value of €27.53. The position loses between 19.6 percent and 26.2 percent before any dividend, and there is no dividend to cushion the fall. The framework weights this case at 25 percent, though the source data suggests the market assigns it a somewhat lower probability given the board recommendation and

Uber's large existing stake. The direction of the loss is the same either way.

The base case assumes the deal completes at €41.50 in the second half of 2027. The position gains 11.2 percent, paid in cash at closing. On a nine-month close that annualizes to 16.9 percent. On a fourteen-month close it annualizes to 9.4 percent. The base case also assumes the company executes its raised 2026 guidance in the interim: GMV growth of 9 to 11 percent, revenue growth of 17 to 19 percent, adjusted EBITDA of €960 million to €1,000 million, and free cash flow above €250 million. Those interim results will not change the closing price materially because the consideration is fixed cash, so the base case return is capped regardless of operating strength.

The bull case requires Uber to raise the bid, close early, or both. No competing suitor exists in the data. The top of the analyst range sits at €45.00, which would return 20.6 percent. A competing bid is conceivable given the scale of the platform across 49 markets, but the 37 percent Uber stake makes a rival bid structurally difficult. I treat the bull case as a raised offer to €45.00, weighted 25 percent, acknowledging the data does not strongly support it.

The probability-weighted expected return combines these: 25 percent of a 23.4 percent loss, 50 percent of an 11.2 percent gain, and 25 percent of a 20.6 percent gain. The arithmetic produces a total expected return of 4.9 percent over the holding period. That lands between roughly four and 6.5 percent annualized depending on timing. The return fails to clear the inflation-plus-four hurdle on a risk-adjusted basis. A four percent high-yield savings account delivers nearly the same annualized return with no principal risk and no nine-to-fourteen-month lockup.

The scenario analysis also has to account for the interim operating path, which diverges from the deal outcome. If the deal breaks while the operating numbers improve, the stock may not fall all the way to €27.53 because the standalone business demonstrably strengthens. A break in a benign operating environment might floor the stock near €30, softening the bear case to minus 19.6 percent. If the deal breaks simultaneously with a rider reclassification ruling and a growth slowdown, the stock could overshoot below the bear fair value toward the 52-week low of €14.80. The central bear estimate of minus 23.4 percent sits between those poles. The framework requires a bear case total return of zero or better, and this position fails that gate by a wide margin in every version of the downside.

6. RISK ASSESSMENT

The dominant risk is deal failure. The Uber takeover at €41.50 requires regulatory approvals across multiple jurisdictions, and the data names only the South Korea Fair Trade Commission as an active review. The Just Eat remedy language in the Morningstar headlines indicates the deal is conditioned on asset or stake divestitures, which introduces execution risk. A regulatory block, a forced carve-out that destroys value, or a repriced offer below €37.31 would all repurchase the position toward the standalone floor. The closing date of H2 2027 is unusually long for a signed deal, stretching the exposure window.

The second risk cluster is the rider classification liability. Delivery Hero's model treats riders as self-employed contractors. Spanish authorities are investigating Glovo Spain under an older business model, and the company's December 31, 2024 notes disclose a contingent liability of €440 million to €770 million for a further investigation covering the model operated since August 2021. Glovo moved to employment-based contracts in Spain in December 2024 to stop the accumulation of new contingencies, but the existing exposure remains. The company has lost misclassification cases in Spain and Italy, and ETF Europe estimates nearly 850,000 riders sit

in the value chain. Any forced reclassification across additional markets would raise operating costs and could reprice the stock in a deal-break scenario.

Leverage compounds the legal risk. The balance sheet carries €5.31 billion of debt against €2.7 billion of cash, debt-to-equity of 3.88, and negative interest coverage. The refinancing profile includes secured debt maturing in August 2027, immediately after the expected deal close. If the deal breaks and refinancing conditions tighten, the company faces higher funding costs on top of operating losses.

Competitive risk is constant. The company's own risk matrix rates competition as High in both 2024 and 2023. DoorDash operates with a 14.8 percent ROIC versus Delivery Hero's 8.97 percent. DoorDash and Uber both compete in overlapping markets, and the deal itself would consolidate the two largest Western platforms, which is precisely why antitrust scrutiny exists. In markets where the deal does not proceed, Delivery Hero faces continued competitive subsidy pressure.

Macro and FX risk runs through the segments. MENA and Asia produced meaningful growth, but the reported-currency and constant-currency revenue diverge: fiscal 2025 total segment revenue grew 23.1 percent like-for-like but only 15.7 percent in reported currency, with Turkey and Argentina requiring hyperinflation accounting. A beta of 1.83 indicates the stock amplifies market moves nearly two to one, and the 52-week range of €14.80 to €39.83 shows drawdowns exceeding 60 percent from trough to peak.

The permanent loss assessment lands near the threshold. The probability of a greater-than-50-percent permanent decline requires a deal break combined with either a severe recession or a destructive rider reclassification outcome, estimated at roughly 10 percent. The framework requires a probability below 10 percent and rejects positions above 15 percent. This position sits right on the line, which by itself does not disqualify it, but combined with the negative bear case it removes any remaining case for the mandate. The risk is real, the protection is absent, and the return does not pay for either.

7. MANAGEMENT & GOVERNANCE

Niklas Östberg leads the company as Chairman of the Management Board and CEO. He announced he will remain beyond March 31, 2027, which the data interprets as deliberate continuity through the Uber closing window. The retention announcement removes a near-term leadership transition risk, and the board's recommendation of the €41.50 offer signals alignment with the transaction. Institutional ownership stands at 50.60 percent, and insider-related ownership shows 43.63 percent, though that figure includes Uber's 37 percent position, which Uber built by buying shares from activist investor Aspex Management and from Prosus under the Just Eat remedy. Uber is both the largest shareholder and the acquirer, a concentration of influence worth flagging.

The data does not provide enough history to score the management track record on the framework's five-year capital allocation lens. No CEO tenure beyond the current period, no compensation detail, no buyback history, and no dividend record exist in the source packet. The available evidence is strategic rather than financial: the company exited operations in Slovakia, Slovenia, Denmark, Ghana, and Thailand in fiscal 2024 and 2025, suspended restaurant directory services in Spain and South Korea, and took Integrated Verticals to adjusted EBITDA break-even rather than continue subsidizing it. The planned \$600 million sale of the Taiwan business to Grab, expected to close in the fourth quarter of 2026, continues the divestiture pattern.

The capital allocation signals are mixed from a preservation standpoint. The divestitures shrink geographic complexity and raise cash, which is positive. The elevated growth investment in MENA and Asia during 2025

bought market share at the cost of margin, because H1 2026 adjusted EBITDA grew only 3.9 percent against 17.8 percent revenue growth. The December 2025 announcement of a strategic review of capital allocation measures reads as shareholder pressure applied ahead of the Uber approach.

Governance red flags appear on the accounting side. The company takes large legal and antitrust provisions that swung the H1 2026 result from a positive adjusted EBITDA of €427 million to a net loss of €359 million. KPMG AG serves as auditor, but the source data includes no audit opinion or key audit matter disclosure to evaluate the quality of oversight. The framework scores management quality at adequate rather than good because the operating improvements are recent, the legal provisions are large, and the five-year capital allocation record is incomplete. For a wealth preservation mandate, adequate management with a negative bear case does not change the verdict.

8. PEER COMPARISON

The peer set narrows to DoorDash, Uber, and HelloFresh on the available data, with DoorDash and Uber as the meaningful comparables. Delivery Hero is the weakest of the three on nearly every preservation metric. The normalized P/E from Morningstar puts Delivery Hero at 96.25 times, DoorDash at 74.93, and Uber at 25.69. ROIC runs 8.97 percent for Delivery Hero against 14.80 percent for DoorDash. Debt-to-equity runs 3.88 for Delivery Hero; the source data provides no comparable figure for the other two, but Uber's profitable, cash-generative model and DoorDash's balance sheet strength leave Delivery Hero as the most levered of the group.

Dimension	DHER	DASH	UBER	HFG.DE
P/E (normalized)	96.25x	74.93x	25.69x	n/a
ROIC	8.97%	14.80%	n/a	n/a
Debt / Equity	3.88x (387.6%)	n/a	n/a	n/a
Interest Coverage	Negative (-0.37)	n/a	n/a	n/a
Dividend Yield	0.0%	0.0%	0.0%	n/a
EV/EBITDA	36.2x–99.4x (def. dependent)	n/a	n/a	n/a
FCF Margin (levered, Yahoo def.)	n/a	n/a	n/a	n/a

HelloFresh appears in the Yahoo comparison list but provides no screening metrics and operates an adjacent but different model, a meal-kit subscription business rather than a marketplace. It is not a serious preservation benchmark for a delivery platform.

The comparison shows the most material dimension clearly: the negative numbers. Delivery Hero is the only peer with negative interest coverage, the only one still generating GAAP losses at this scale, and the only one carrying a debt-to-equity ratio above one. DoorDash generates 14.80 percent ROIC, nearly double Delivery Hero's 8.97 percent, indicating the American competitor's marketplace economics are materially stronger. Uber's 25.69 P/E reflects genuine GAAP profitability and a diversified rides-plus-delivery model that Delivery Hero lacks.

For a wealth preservation mandate, the peer ranking is decisive. The framework instructs a position to compete against alternatives on risk-adjusted return, and DoorDash or Uber offer comparable sector exposure with

stronger balance sheets and better unit economics. Delivery Hero's only differentiated attribute in this set is the €41.50 takeout, which caps the upside at 11.2 percent. The peer comparison reinforces the conclusion that this is a merger arbitrage position, not a quality compounder, and that the capital has better-preserving homes elsewhere in the sector.

9. KEY METRICS SUMMARY

Metric	Value
Current Price	€37.31 (\$41.80)
Market Cap	~€11.5B–11.7B
Enterprise Value	€13.95B (Yahoo)
Uber Offer	€41.50 (€13.0B equity)
Gross Spread	11.2%
FY2025 Total Segment Revenue	€14,803.4M
FY2025 GMV	€49,196.8M
FY2025 Adjusted EBITDA	>€900M
FY2025 Free Cash Flow	>€200M
FY2026 Adj. EBITDA Guide	€960M–1,000M
FY2026 FCF Guide	>€250M
TTM Revenue (Yahoo)	€14.93B
TTM Net Income	-€779M
TTM Diluted EPS	-€2.56
Cash	€2.7B–2.8B
Total Debt	€5.31B
Debt / Equity	387.58%
Current Ratio	1.07
Forward P/E	66.67x
P/B	9.22x
EV / Revenue	0.93x
52-Week Range	€14.80–€39.83
Beta	1.83
ROIC	8.97%
Auditor	KPMG AG

Metric	Value
Institutional Ownership	50.60%
Insider-Related Ownership	43.63% (incl. Uber 37%)

10. MONITORING CHECKLIST

Trigger	Frequency	Action
Uber deal closing progress / regulatory updates	Quarterly	Reassess deal-break probability
South Korea FTC decision	On release	Immediate re-review
Just Eat remedy / EU antitrust divestitures	On news	Reassess deal structure
Glovo Spain rider classification findings	On release	Reassess €440M–770M contingent liability
FY2026 adj. EBITDA vs €960M–1,000M guide	H2 2026 results	Update standalone floor
FY2026 FCF vs >€250M guide	H2 2026 results	Update standalone floor
Q3 2026 trading statement	Nov 2026	Check GMV and revenue trend
Taiwan Grab sale (\$600M) close	Q4 2026	Confirm cash inflow
Uber stake changes	On news	Reassess ownership concentration

11. MARKET EXPECTATIONS & CONSENSUS

The current price of €37.31 prices in a high but not complete probability of the €41.50 takeover. The spread of €4.19, or 11.2 percent, is the market's statement of deal risk. If the market believed the deal would certainly close within nine to fourteen months, the stock would trade within a few percent of €41.50, discounted only for the time value of money. A fully capitalized deal would sit near €40.50 to €41.00 today. The actual price of €37.31 implies the market assigns roughly a 15 to 20 percent probability that the deal breaks, consistent with the Morningstar report that the market is not fully capitalizing the offer.

The consensus bull case from Yahoo and MarketScreener frames a standalone fair value of €42.34 built on 15.54 percent annual revenue growth, AI productivity gains, and stronger margins than the market assumes. That bull case is now largely subsumed by the takeover; the fixed cash offer makes the standalone upside academic unless the deal breaks. The consensus bear case sits at €27.53 on 10.07 percent revenue growth with a lower terminal multiple and higher discount rate. That bear case is the operative downside if the deal fails.

Analyst sentiment has cooled from the December 2024 levels where J.P. Morgan carried a €49 target and UBS a €55 target on a Strong Buy consensus. The current StockAnalysis consensus reads Hold with a €38.62 average target, and MarketScreener shows 13 analysts at Outperform with recent ratings from UBS Neutral, Jefferies Neutral, Berenberg Buy at €41.50, and Bernstein Outperform. The average target of €38.62 sits only 3.5 percent above the current price, and the high of €45.00 sits 20.6 percent above. None of the targets above €41.50 has a credible basis in the existing bid.

Short interest data is not disclosed in the source packet, so days to cover cannot be reported. The Pasadena Fire & Police Retirement System board packet shows a holding valued at €41.73 per share, effectively at the offer price, which suggests some institutional holders are already marking positions to the deal.

What validates the consensus is a clean regulatory path to closing in H2 2027. What disappoints is any South Korea FTC objection, a forced divestiture that raises costs, a repriced offer, or a break that sends the stock back toward €28. The forward P/E of 66.67, the unavailable PEG ratio, and the beta of 1.83 all point to a stock pricing optimism that a failed deal would punish.

12. KEY BUSINESS DRIVERS

Driver 1: Uber deal completion. This is the only driver that matters for the next nine to fourteen months. The offer at €41.50 caps the return at 11.2 percent. Bull threshold is a clean South Korea FTC approval and no material divestitures. Bear threshold is any regulatory objection or repricing below €37.31. Next data point is the South Korea FTC decision or any Uber stake or remedy filing.

Driver 2: GMV growth. Gross merchandise value measures platform volume, the raw fuel for commission revenue. Q2 2026 GMV grew 11.3 percent like-for-like, up from 8.8 percent in Q1. Bear threshold is a decline below the raised 2026 guidance range of 9 to 11 percent. Bull threshold is sustained double-digit like-for-like growth. Next data point is the Q3 2026 trading statement expected in November.

Driver 3: Adjusted EBITDA level and margin. The 2026 guide of €960 million to €1,000 million, after over €900 million in 2025, defines the standalone value floor if the deal breaks. H1 2026 delivered €427 million, up only 3.9 percent year over year. Bear threshold is a miss below €960 million. Bull threshold is a beat above €1,000 million with margin expansion, which would raise the standalone floor toward €30 and soften the deal-break loss. Next data point is the full-year 2026 results.

Driver 4: Free cash flow before extraordinary items. The H1 2026 figure of €348 million versus negative €8 million a year earlier reflects working capital timing expected to partially reverse in H2. Bull threshold is full-year 2026 toward €300 million or better. Bear threshold is a fall below the €250 million guide. Next data point is the full-year cash flow statement.

Driver 5: Integrated Verticals profitability. The segment reached full-year adjusted EBITDA break-even in 2025, a strategic milestone. Sustained break-even or better validates the margin thesis. A relapse into losses would undercut the standalone investment case. Next data point is the FY2026 segment disclosure.

13. PROXY TRACKERS & LEADING INDICATORS

Proxy	Ticker / Symbol	Relationship	Signal
Uber Technologies	UBER	Acquirer / 37% owner	Bullish if UBER holds near highs and con
DoorDash	DASH	Sector peer	Leads DHER standalone sentiment; DAS
Just Eat Takeaway	JET (LON)	Remedy counterparty	Any Just Eat remedy escalation or delay
EUR/USD	FX	MENA/Asia revenue translation	Bearish for reported revenue if EUR stren

Monitoring rule: If Uber shares fall 10 percent from current levels on deal-related news, or if South Korea's FTC issues a statement of objection, re-evaluate the thesis within five days. If EUR/USD moves more than 3 percent in a month, adjust reported-revenue assumptions for the MENA and Asia segments.

EXIT TRIGGERS AND REASSESSMENT CONDITIONS

Because the recommendation is AVOID, the relevant list is the conditions that would upgrade the position.

- **Price decline to €30.00 or below while the €41.50 offer remains firm.** At €30 the spread is 38 percent and the deal-break loss to €27.53 shrinks to 8 percent, restoring positive asymmetry.
- **Uber raises the offer above €45.00.** A raised bid combined with a re-rating would reset the spread calculation.
- **A competing bidder emerges.** The data shows none, but a second suitor would change both the ceiling and the floor.
- **FY2026 adjusted EBITDA above €1,000 million with free cash flow above €300 million.** This hardens the standalone floor toward €30 even in a break scenario.

Review triggers while holding the position would be any South Korea FTC objection, any Uber repricing below €38, any rider reclassification ruling in a major market, any FY2026 guidance miss, and any delay of the Taiwan sale beyond Q4 2026.

FINAL RECOMMENDATION

RECOMMENDATION: AVOID

The position fails the wealth preservation mandate on three independent gates. The bear case returns negative 19.6 to 26.2 percent, violating the absolute requirement that downside total return be zero or better. The solvency profile is marginal to unacceptable, with 3.88 times debt-to-equity, negative interest coverage, and trailing GAAP losses of €779 million. The quality score registers 17 out of 100. The composite Wealth Preservation Score of 37 out of 100 sits well below the 45-point floor and far below the 65-point threshold for a standard position.

The probability-weighted expected return of 4.9 percent over the holding period barely clears a four percent high-yield savings account on an annualized basis while carrying a tail that erases roughly a quarter of the position. The asymmetry runs the wrong direction: the upside is capped at 11.2 percent, and the downside is not capped at all. Capital-preserving investors decline positions with this payoff structure regardless of the deal's apparent momentum. The capital has better accounts to sit in.

ANALYST NOTES

Key Assumptions: Uber's €41.50 offer remains outstanding; the deal closes H2 2027; bear case floor is €27.53 to €30.00; deal-break probability implied by the market is 15 to 20 percent; FY2026 adjusted EBITDA lands in the guided €960 million to €1,000 million range; the 43.63 percent insider ownership figure includes Uber's 37

percent stake.

Limitations: The source data reconciles several conflicting revenue figures (€14,803 million preliminary versus €14.06 billion and €14.93 billion TTM). Short interest and days to cover are not disclosed. No audit opinion or key audit matter language is available from KPMG. The management compensation and five-year capital allocation record are incomplete. PEG ratio is not disclosed in the live data.

Confidence Level: MEDIUM. The recommendation direction is high confidence because the downside gate fails under every scenario combination. The magnitude of the bear case is medium confidence because the standalone floor depends on interim operating results that could soften the decline.

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