

New Investment in Uber Technologies (“UBER”)

Uber

Ticker:
UBER

Stock Price: \$79

Market Cap:
\$168bn

- ▶ World’s leading rideshare (mobility) and delivery (Uber Eats) marketplace
- ▶ Uber’s business model has strong network effects that reinforce supply and demand growth
 - 170mm monthly customers and 8mm drivers across 70 countries
 - Large demand increases driver utilization; Large driver supply decreases wait times and user prices
- ▶ Gross bookings (trip value) of ~\$160bn is split between mobility and delivery
 - Fast-growing international business accounts for more than half of bookings
- ▶ Industry-leading management team, led by Dara Khosrowshahi, has vastly improved operational discipline and capital allocation
- ▶ Management targets imply +30% annual EPS growth over the next several years driven by mid-to-high-teens revenue growth, robust margin expansion, and share repurchases
- ▶ Currently trading at 29x P/E due to concerns regarding the potential long-term threat from autonomous vehicles (AVs)

We believe the long-term risk from AVs is limited and estimate that Uber’s share price is likely to more than double over the next 3 to 4 years

Uber Investment Thesis

Uber is a high-quality business which is positioned for rapid earnings growth over the medium-term based on strong revenue growth and robust operating leverage

Attractive business model

- ✓ **Leading global two-sided marketplace with strong and growing network effects and ingrained consumer behaviors driving expanding user frequency**
- ✓ **Strong consumer and driver synergies from integrated and scaled mobility and delivery platform**

Robust mid-to-high-teens revenue growth potential

- ✓ **Growth driven by new customers and increased frequency of existing consumers**
- ✓ **Growth in new customers due to increased penetration of mature markets, expansion into new geographies, and new product offerings**

Rapid earnings growth potential over the medium term

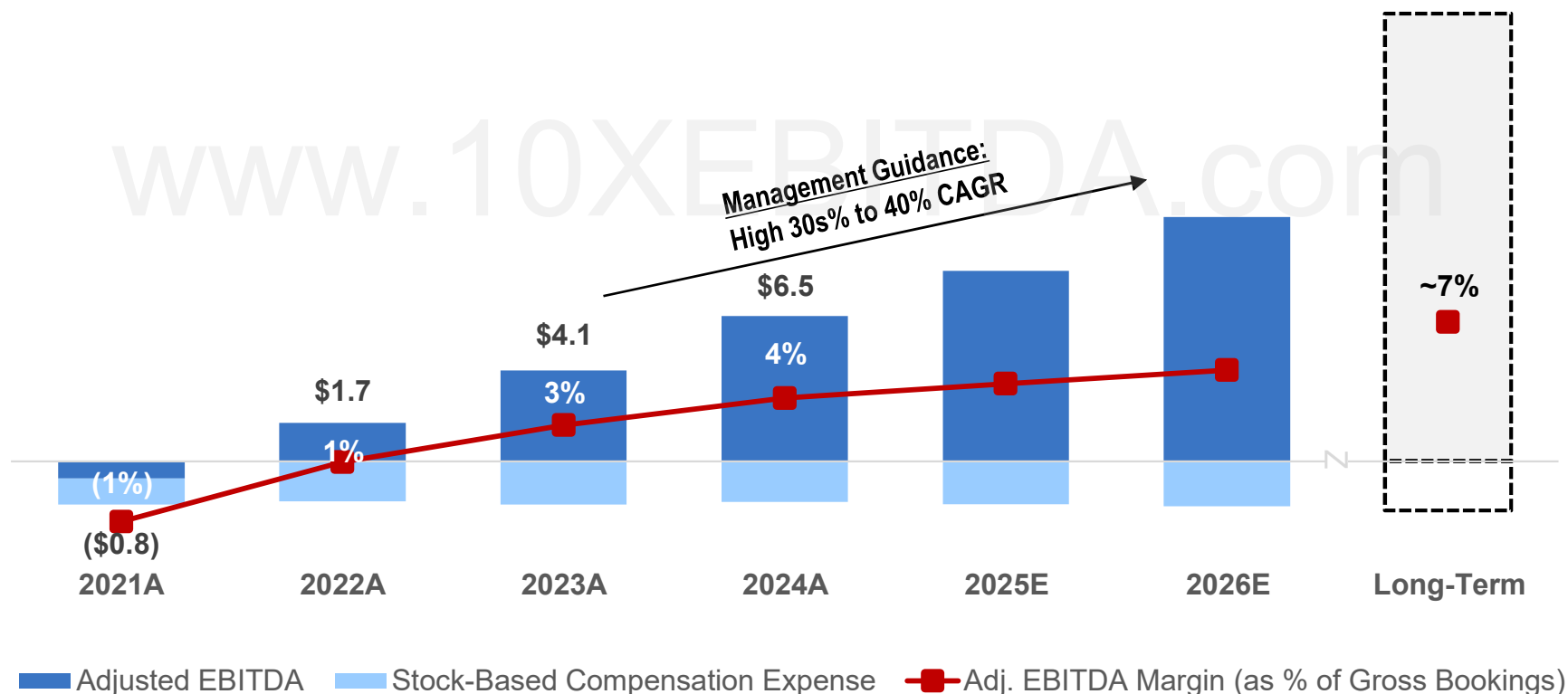
- ✓ **Strong top-line revenue growth combined with excellent expense control drives significant operating leverage and margin expansion**
 - Large degree of fixed-costs allow for significant operating leverage (e.g. 3% annual headcount growth vs. 20% annual bookings CAGR since 2019)
 - Continued focus on operational efficiencies will limit future expense growth

Robust free cash flow positions Uber for substantial capital return

Significant Future Earnings Growth Potential

Uber has generated significant earnings growth since turning profitable in 2023. We believe the company's rapid earnings growth is likely to continue as it maintains high revenue growth and leverages its fixed cost base

Adj. EBITDA and Adj. EBITDA Margin (as % of Gross Bookings):

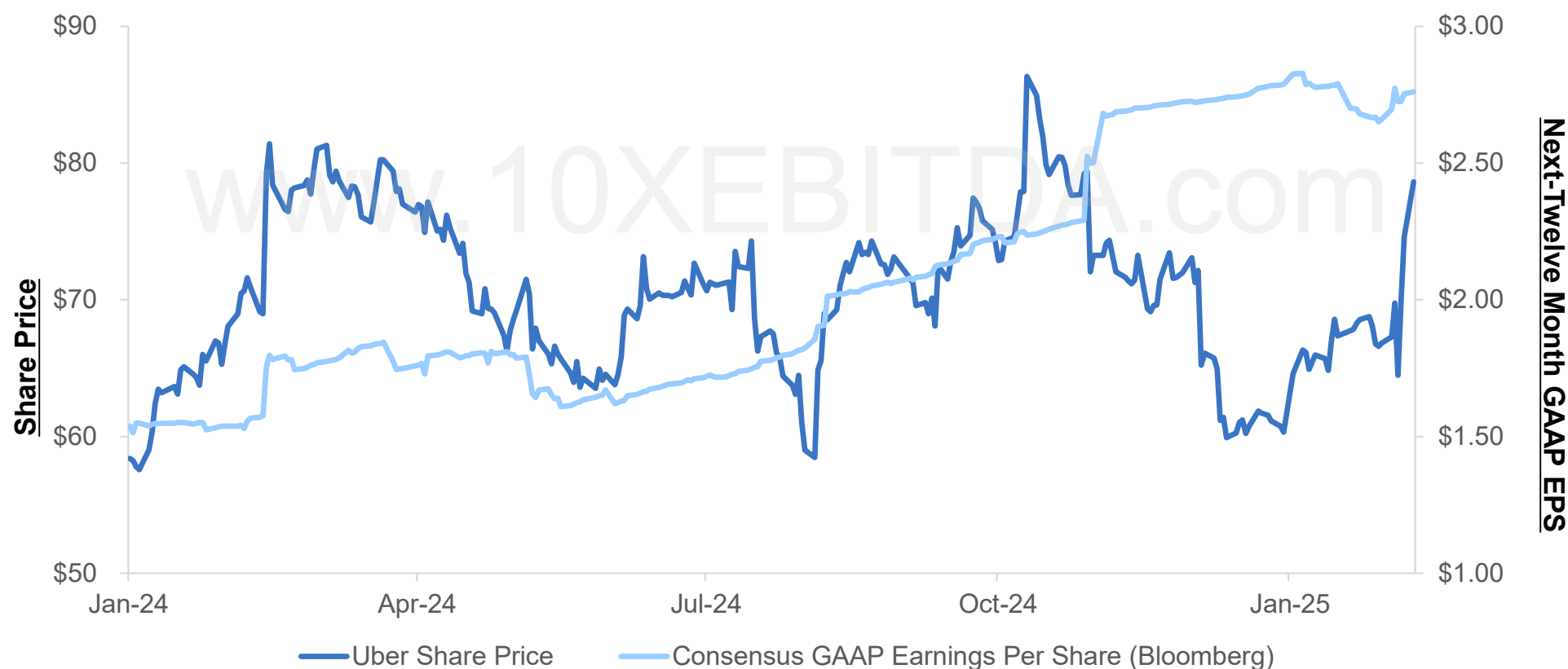


Uber's current EBITDA margin of 4% is just over half of its 7% long-term target

Recent Share Price Overview

Since Uber's February 2024 Investor Update, Uber's share price has decreased 3% while analysts' earnings estimates increased more than 50%, resulting in a significant decrease in Uber's multiple, now 29x earnings per share

Uber Share Price and Forward Consensus GAAP Earnings per Share:



We believe Uber's P/E multiple is low in the context of its 30%+ growth profile

Long-Term Risk to Uber from AVs is Limited

AV companies likely to partner with Uber over time due to its strong value proposition

- ✓ **Uber's 20% per ride take-rate is low relative to the value it provides which maximizes vehicle utilization and driver revenues. Attempting to replicate Uber's capabilities (vs. partnering) is economically irrational**
 - Demand aggregation of 170mm customers and rider-matching technology significantly increases utilization and revenues
 - Scaled-network provides driver routing, pricing function, insurance, regulatory support, customer support, fleet management services
- ✓ Uber already has 14 AV partners across mobility, delivery, and freight, which are likely to expand over time

Uber's product and geographic diversification insulate it from potential AV risks

- ✓ Delivery is ~50% of bookings and unlikely to be affected by AVs due to courier involvement
- ✓ International mobility is >50% of bookings and large-scale AV introduction unlikely due to underdeveloped markets with lower per-trip monetization (e.g., Brazil and India) or stringent regulations (e.g., Europe)

Large-scale U.S. AV rideshare introduction is unlikely for many years

- ✓ Technological advances required before AVs safety significantly exceeds human drivers in all environments. Consistent "superhuman" safety profile needed for widescale consumer acceptance with potential for headline risk to derail adoption
- ✓ AVs currently regulated by states and federal transportation safety agencies who are appropriately cautious
- ✓ Capital-intensive road infrastructure, car-charging, and parking build out required for large-scale AV introduction

Large-scale AV introduction would likely significantly expand overall rideshare market

- ✓ Rideshare penetration <1% of total annual miles driven due to relatively high cost per trip and limited driver supply
- ✓ Potential to both increase supply and significantly decrease cost per mile, leading to significant market growth
 - Increase in trip growth and distance likely to more than offset lower price per mile, causing growth to accelerate