Uber Technologies Inc. (UBER)

Q2'26 Earnings Review: Revenue Noise Shouldn't Distract from Long-Term Narratives Building in Both Operating Momentum & Scale; Compelling Risk/Reward on Revenue Growth & FCF Opportunity Ahead

UBER	12m Price Target: **$110.00**	Price: **$68.18**	Upside: **61.3%**

In its Q2'26 earnings report, UBER highlighted a number of themes across an overall positive earnings report: 1) overall Gross Bookings demonstrated strong global demand trends – with mgmt. highlighting the continued acceleration of the US mobility business, Grocery and Retail bookings having reached an annualized run-rate of $15bn during Q2, while also emphasizing their focus on executing against their global cross-platform strategy (to enable growth both within mature & emerging markets); 2) Q2 trip growth moderated primarily due to supply softness in Brazil – which mgmt. framed to be more of a localized dynamic, and we believe that this is unlikely to present as anything more than a transient dynamic; 3) Autonomous Vehicle strategy and execution continues to emerge as a long-term strategic narrative – with mgmt. reiterating that AV operations are expected to be live in as many as 15 cities by year end (up from 7 today); & 4) an emphasis that scaling the scope of the platform in total (as opposed to any one product or geography) is increasingly the focus of management's growth investment allocation and (in our view) remains the least appreciated and understood by investors. In total, while we understand the negative reaction to a revenue performance in this earnings report, we would frame this quarter's results as confirmatory of many long-term narratives that inform our thesis on the company's multi-year prospects, including:

- **Mobility (AVs)**. In our view, the launch of Uber Autonomous Solutions, paired with recent (and ongoing) investments & partnerships within the AV ecosystem, results in Uber being well positioned to play a pivotal role in scaling (and enabling distribution) within the autonomous vehicle industry. While the debate around what role UBER will play within the AV industry will likely persist, we believe that the continued execution of scaling their operations & partnership announcements will be central to muting the most notable bull/bear debate in the

BUY

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Key Data

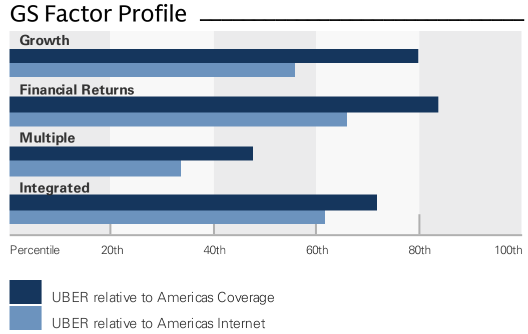
Market cap: $140.5bn
Enterprise value: $142.0bn
3m ADTV: $1.5bn
United States
Americas Internet
M&A Rank: 3

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue ($ mn) New	**52,017.0**	**57,477.9**	**66,196.0**	**75,397.3**
Revenue ($ mn) Old	52,017.0	57,896.5	66,918.4	76,226.1
EBITDA ($ mn)	8,730.0	11,337.7	13,437.0	15,867.1
EBIT ($ mn)	5,565.0	8,420.1	10,437.2	12,705.0
EPS ($) New	**4.74**	**3.34**	**4.79**	**6.21**
EPS ($) Old	4.74	2.85	4.72	6.15
P/E (X)	17.9	20.4	14.2	11.0
Dividend yield (%)	–	–	–	–
Net debt/EBITDA (X)	0.1	0.1	(0.4)	(1.0)

	6/26	9/26E	12/26E	3/27E
EPS ($)	1.17	0.96	1.10	1.06

GS Factor Profile



Source: Company data, Goldman Sachs Research estimates.
See disclosures for details.

BUY

Uber Technologies Inc. (UBER)

Rating since Sep 12, 2021

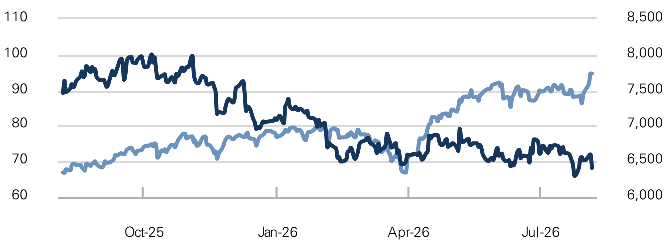
Ratios & Valuation

	12/25	12/26E	12/27E	12/28E
P/E (X)	17.9	20.4	14.2	11.0
EV/EBITDA (X)	20.3	12.4	9.7	7.3
EV/sales (X)	3.4	2.4	2.0	1.5
FCF yield (%)	5.5	8.3	10.2	12.3
EV/DACF (X)	23.7	13.4	10.8	8.2
CROCI (%)	25.9	31.6	34.2	39.8
ROE (%)	41.4	24.0	29.4	30.8
Net debt/EBITDA (X)	0.1	0.1	(0.4)	(1.0)
Net debt/equity (%)	3.1	4.7	(15.0)	(34.0)
Interest cover (X)	12.6	16.4	18.8	22.8
Inventory days	NM	NM	NM	NM
Receivable days	25.1	25.3	24.4	24.3
Days payable outstanding	10.9	11.1	9.2	8.1

Growth & Margins (%)

	12/25	12/26E	12/27E	12/28E
Total revenue growth	18.3	10.5	15.2	13.9
EBITDA growth	79.0	46.6	21.6	19.8
EPS growth	2.6	(29.5)	43.2	29.7
DPS growth	NM	NM	NM	NM
Gross margin	39.8	44.8	44.8	44.8
EBIT margin	10.7	14.6	15.8	16.9

Price Performance



	3m	6m	12m
Absolute	(6.5)%	(9.3)%	(23.7)%
Rel. to the S&P 500	(12.3)%	(20.3)%	(37.9)%

Source: FactSet. Price as of 5 Aug 2026 close.

Income Statement ($ mn)

	12/25	12/26E	12/27E	12/28E
Total revenue	52,017.0	57,477.9	66,196.0	75,397.3
Cost of goods sold	(31,338.0)	(31,732.1)	(36,544.1)	(41,622.1)
SG&A	(10,993.0)	(12,469.2)	(13,768.5)	(15,155.6)
R&D	(3,402.0)	(4,061.5)	(4,680.0)	(5,198.4)
Other operating inc./(exp.)	–	–	–	–
EBITDA	**6,284.0**	**9,215.1**	**11,203.4**	**13,421.2**
Depreciation & amortization	(719.0)	(794.9)	(766.2)	(716.2)
EBIT	**5,565.0**	**8,420.1**	**10,437.2**	**12,705.0**
Net interest inc./(exp.)	303.0	174.2	536.0	1,101.7
Income/(loss) from associates	–	–	–	–
Pre-tax profit	**5,800.0**	**8,442.4**	**10,973.1**	**13,806.7**
Provision for taxes	4,346.0	(1,500.9)	(1,371.6)	(1,725.8)
Minority interest	(93.0)	(82.0)	–	–
Preferred dividends	–	–	–	–
Net inc. (pre-exceptionals)	**10,053.0**	**6,859.5**	**9,601.5**	**12,080.9**
Net inc. (post-exceptionals)	**10,053.0**	**6,859.5**	**9,601.5**	**12,080.9**
EPS (basic, pre-except) ($)	**4.82**	**3.37**	**4.82**	**6.26**
EPS (diluted, pre-except) ($)	**4.74**	**3.34**	**4.79**	**6.21**
EPS (ex-ESO exp., dil.) ($)	**--**	**--**	**--**	**--**
DPS ($)	–	–	–	–
Div. payout ratio (%)	0.0	0.0	0.0	0.0
Wtd avg shares out. (basic) (mn)	2,085.3	2,036.6	1,991.3	1,931.0
Wtd avg shares out. (diluted) (mn)	2,119.7	2,051.7	2,005.1	1,944.8

Balance Sheet ($ mn)

	12/25	12/26E	12/27E	12/28E
Cash & cash equivalents	9,647.0	11,246.3	18,141.7	27,802.4
Accounts receivable	3,827.0	4,130.2	4,727.7	5,318.3
Inventory	–	–	–	–
Other current assets	2,430.0	2,728.7	3,092.5	3,463.6
Total current assets	**15,904.0**	**18,105.2**	**25,961.9**	**36,584.3**
Net PP&E	3,011.0	2,762.6	2,592.4	2,543.9
Net intangibles	9,979.0	10,604.0	10,604.0	10,604.0
Total investments	18,339.0	22,018.0	22,018.0	22,018.0
Other long-term assets	14,569.0	15,637.0	15,637.0	15,637.0
Total assets	**61,802.0**	**69,126.9**	**76,813.3**	**87,387.2**
Accounts payable	1,013.0	909.0	930.9	924.1
Short-term debt	–	–	–	–
Current lease liabilities	169.0	115.7	128.7	142.8
Other current liabilities	11,138.0	12,224.2	13,526.0	14,702.8
Total current liabilities	**12,320.0**	**13,248.8**	**14,585.7**	**15,769.6**
Long-term debt	10,521.0	12,723.0	12,723.0	12,723.0
Non-current lease liabilities	1,390.0	1,040.6	1,179.3	1,311.1
Other long-term liabilities	9,488.0	10,817.2	12,088.4	13,294.6
Total long-term liabilities	**21,399.0**	**24,580.8**	**25,990.6**	**27,328.7**
Total liabilities	**33,719.0**	**37,829.6**	**40,576.3**	**43,098.3**
Preferred shares	–	–	–	–
Total common equity	**27,041.0**	**30,214.3**	**35,154.0**	**43,205.9**
Minority interest	1,042.0	1,083.0	1,083.0	1,083.0
Total liabilities & equity	**61,802.0**	**69,126.9**	**76,813.3**	**87,387.2**
BVPS ($)	13.65	15.51	18.49	23.16

Cash Flow ($ mn)

	12/25	12/26E	12/27E	12/28E
Net income	10,053.0	6,859.5	9,601.5	12,080.9
D&A add-back	747.0	808.9	766.2	716.2
Minority interest add-back	–	–	–	–
Net (inc)/dec working capital	2,227.0	1,149.1	1,559.7	1,345.0
Others	(2,928.0)	2,996.9	2,307.8	2,515.3
Cash flow from operations	**10,099.0**	**11,814.4**	**14,235.1**	**16,657.4**
Capital expenditures	(336.0)	(355.4)	(444.2)	(521.9)
Acquisitions	(804.0)	(653.0)	–	–
Divestitures	–	–	–	–
Others	(2,424.0)	(5,374.0)	–	–
Cash flow from investing	**(3,564.0)**	**(6,382.4)**	**(444.2)**	**(521.9)**
Dividends paid	–	–	–	–
Share issuance/(repurchase)	(6,523.0)	(5,840.7)	(6,895.5)	(6,474.8)
Inc/(dec) in debt	852.0	(2,082.0)	0.0	0.0
Others	173.0	4,090.0	–	–
Cash flow from financing	**(5,498.0)**	**(3,832.7)**	**(6,895.5)**	**(6,474.8)**
Total cash flow	**1,037.0**	**1,599.3**	**6,895.5**	**9,660.7**
Free cash flow	9,763.0	11,459.0	13,790.9	16,135.5
Free cash flow per share (basic) ($)	4.68	5.63	6.93	8.36

Source: Company data, Goldman Sachs Research estimates.

coming quarters. As previously outlined in our longer-duration work around the opportunity (link) – we believe that Uber remains well positioned given that: a) hybrid networks will enable for a seamless consumer experience; b) their scaled DTC rideshare network remains much more scaled relative to AV challengers; & c) partnerships & investments will likely continue – and highlight UBER's commitment toward scaling their exposure to the broader industry.

- **Delivery (Local commerce).** As previously outlined (link | link | link), we view the broader local commerce secular growth theme to be one of the most compelling opportunities across our coverage universe. While Uber's Grocery & Retail business has continued to grow their annual GBs (Q2'26 annualized run rate of ~$15bn, implying 35-40% YoY on an annualized basis [GSe]), we continue to expect growth within the category to outpace core restaurant growth primarily driven by: a) continued growth of the broader online grocery industry (which has one of the lowest online penetration rates relative to other eCommerce categories); b) increased supply of grocery/retail offerings as UBER continues to look to expand their ecosystem of such partners; & c) increased consumer adoption/purchases within the category, as consumers increasingly prioritize quicker delivery times.

In the coming quarters, we expect that investor narratives will remain anchored around the macro activity levels across consumer and enterprise usage, the competitive dynamics across all operating segments, and how mgmt. framing might evolve with respect to the balance between returns, investments, and outside capital allocation. On this last point, we expect investor focus particularly around the mix of free cash flow allocated to growth and platform initiatives (& any increased visibility into a return profile – with most likely discernible evidence tied to the expansion of the AV strategy in the coming 12-18 months). Overall, we continue to view UBER as well positioned against key themes surrounding the ability to scale end-markets, increase profitability levels (even while remaining committed to investing for the long term) and execute against the platform cross-sell/flywheel opportunity, which should result in investors revisiting the mix of compounded growth, margins & FCF generation profile of the business (while also navigating the rise of AVs affecting industry supply).

We reiterate our Buy rating on UBER and adjust our 12-month price target from $115 to $110 as we update our operating estimates for this earnings report and mgmt. forward commentary. On today's stock price ($68), UBER is trading at 16x our 2027 non-GAAP EPS estimate (which we expect to grow +29% YoY to ~$5.60 by 2028) and at a 12x equity/(FCF-SBC) multiple on our 2027 estimates.

Q2'26 Positives & Negatives:

Positives: a) Continued momentum in Gross Bookings (+22% FXN YoY marking the fourth consecutive quarter above 20%) with Q2 total Gross Bookings coming in above GSe/Street estimates on the back of broad-based strength across business lines and geographies (with mgmt. reiterating their expectation that momentum continues in US Mobility); b) Mgmt. highlighted positive demand trends, including record first-time user additions in the past 12-month period driven by new and lower-cost product offerings, sparse market growth (as inventory builds), and cross platform activity (growing ~1.5x faster than single product users); & c) Continued progress around key growth initiatives including AVs (partnerships continue to scale & mgmt. reiterated plans to be in 15 markets globally by year-end), new verticals (i.e., U4B within Mobility, Grocery & Retail within Delivery, etc.) and AI (driving improved user experience externally and pace of innovation & cost savings internally).

Negatives: a) Q2 Trips YoY growth moderated by 200bps sequentially, which mgmt. attributed entirely to supply softness in Brazil and expects headwinds to persist (albeit improving) relative to the rest of the business going into Q3; b) Q3 Gross Bookings guide came in slightly below to in line with GSe/Street expectations and imply a sequential deceleration in growth, though mgmt. noted World Cup benefit in Q2; & c) Mgmt. reiterated their commitment to investing behind key growth opportunities (i.e., AVs, tech & dev behind AI initiatives, G&R, new markets) in parallel with expressing confidence in ability to balance investments with continued leverage & margin expansion.

Q3'26 & 2026 Estimate Changes:

- **Q3'26**: Gross Bookings of $60.01bn (from $60.07bn), Revenues of $14.58bn (from $14.76bn); Adj. EBITDA of $2.90bn (from $2.68bn); & Non-GAAP EPS of $0.86 (from $0.84).
- **2026**: Gross Bookings of $236.83bn (from $234.56bn); Revenues of $57.48bn (from $57.90bn); Adj. EBITDA of $11.34bn (from $10.54bn); & Non-GAAP EPS of $3.36 (from $3.18).

Exhibit 1: Q2'26 Actuals vs. Estimates
$mm, except per-share data

	Actuals	GS	Consensus	Actuals vs. GS	Actuals vs. Cons
Trips (m)	3,867	3,951	3,912	-2%	-1%
MAPCs (m)	208	209	208	-1%	0%
Gross Bookings	$ 58,022	$ 56,815	$ 57,227	2%	1%
Mobility	$ 28,988	$ 29,166	$ 29,027	-1%	0%
Delivery	$ 27,463	$ 26,388	$ 26,910	4%	2%
Freight	$ 1,571	$ 1,260	$ 1,312	25%	20%
Revenue	$ 14,191	$ 14,151	$ 14,238	0%	0%
Mobility	$ 7,363	$ 7,779	$ 7,734	-5%	-5%
Delivery	$ 5,245	$ 5,112	$ 5,227	3%	0%
Freight	$ 1,583	$ 1,260	$ 1,311	26%	21%
Adj. EBITDA	$ 2,819	$ 2,662	$ 2,779	6%	1%
Adj. EBITDA Margin (% GB)	*4.9%*	*4.7%*	*4.9%*	*17 bps*	*0 bps*

Source: Company data, FactSet, Goldman Sachs Global Investment Research

Exhibit 2: Q3'26, 2026, 2027 & 2028 Estimate Changes
$mm, except per-share data

	Q3 '26E			2026E			2027E			2028E		
	Old	New	% Change	Old	New	% Change	Old	New	% Change	Old	New	% Change
Trips (mm)	4,219	4,054	-4%	16,279	15,917	-2%	19,153	18,593	-3%	22,145	21,296	-4%
MAPCs (mm)	218	215	-1%	214	213	-1%	244	240	-1%	273	266	-2%
Gross Bookings	$ 60,066	$ 60,006	0%	$ 235,459	$ 236,831	1%	$ 273,407	$ 274,228	0%	$ 312,234	$ 313,277	0%
Mobility	$ 30,555	$ 30,230	-1%	$ 119,182	$ 118,317	-1%	$ 139,035	$ 137,431	-1%	$ 159,149	$ 157,384	-1%
Delivery	$ 28,205	$ 28,469	1%	$ 111,109	$ 113,034	2%	$ 129,203	$ 131,318	2%	$ 147,916	$ 150,413	2%
Freight	$ 1,307	$ 1,307	0%	$ 5,168	$ 5,479	6%	$ 5,168	$ 5,479	6%	$ 5,168	$ 5,479	6%
Revenue	$ 14,764	$ 14,580	-1%	$ 57,896	$ 57,478	-1%	$ 66,918	$ 66,196	-1%	$ 76,226	$ 75,397	-1%
Mobility	$ 7,972	$ 7,737	-3%	$ 31,112	$ 30,072	-3%	$ 36,295	$ 34,933	-4%	$ 41,546	$ 40,010	-4%
% Take Rate	*26.1%*	*25.6%*	*-50 bps*	*26.1%*	*25.4%*	*-69 bps*	*26.1%*	*25.4%*	*-69 bps*	*26.1%*	*25.4%*	*-68 bps*
Delivery	$ 5,485	$ 5,536	1%	$ 21,613	$ 21,911	1%	$ 25,456	$ 25,784	1%	$ 29,512	$ 29,908	1%
% Take Rate	*19.4%*	*19.4%*	*0 bps*	*19.5%*	*19.4%*	*-7 bps*	*19.7%*	*19.6%*	*-7 bps*	*20.0%*	*19.9%*	*-7 bps*
Freight	$ 1,307	$ 1,307	0%	$ 5,171	$ 5,494	6%	$ 5,168	$ 5,479	6%	$ 5,168	$ 5,479	6%
Adj. EBITDA	$ 2,679	$ 2,901	8%	$ 10,541	$ 11,338	8%	$ 12,892	$ 13,437	4%	$ 15,353	$ 15,867	3%
Adj. EBITDA Margin (% GB)	*4.5%*	*4.8%*	*37 bps*	*4.5%*	*4.8%*	*31 bps*	*4.7%*	*4.9%*	*18 bps*	*4.9%*	*5.1%*	*15 bps*
Non-GAAP EPS	$ 0.84	$ 0.86	2%	$ 3.18	$ 3.36	6%	$ 4.29	$ 4.35	1%	$ 5.55	$ 5.61	1%

Source: Goldman Sachs Global Investment Research

Valuation: Maintain Buy Rating; Lower PT to $110 (from $115)

Our $110, 12-month price target (from $115) is based on an equal blend of (1) EV/GAAP EBITDA applied to our NTM + 1 year estimates and (2) a modified DCF using an EV/FCF-SBC multiple applied to our NTM + 4 years estimates discounted back 3 years. Specifically:

- 19.0x EV/GAAP EBITDA (unchanged) or applied to our NTM + 1 year estimates.
- 15.0x EV/FCF-SBC (unchanged) applied to our NTM + 4 years estimates discounted back 3 years at 12% (unchanged). The discount rate represents CAPM using the blended average of companies within our coverage universe consisting of: (1) 3% risk free rate (based on the normalized 10-year rate); (2) average beta of ~1.3; (3) equity risk premium of 7%.

Exhibit 3: Uber Valuation Analysis
$mm, except per share data

Scenario Analysis	Downside	Base	Upside
Valuation	$ 55	$ 110	$ 160
% upside/downside	*-19%*	*62%*	*135%*
GAAP EBITDA (NTM)	$ 7,995	$ 10,238	$ 11,725
EBITDA Margin %	*14.0%*	*16.5%*	*17.5%*
GAAP EBITDA (NTM + 1 Year)	$ 10,463	$ 12,336	$ 13,765
EBITDA Margin %	*16.4%*	*17.4%*	*17.6%*
EV / NTM+1 GAAP EBITDA	11.0x	19.0x	25.0x
EBITDA CAGR	18.3%	28.5%	35.7%
EV / EBITDA to Growth	0.60x	0.67x	0.70x
Enterprise Value	$ 115,094	$ 234,385	$ 344,126
FCF-SBC (NTM + 4 Years)	$ 17,198	$ 19,165	$ 20,149
FCF % of Sales	*17.5%*	*19.5%*	*20.5%*
EV / FCF-SBC	10.0x	15.0x	20.0x
FCF-SBC CAGR	*10.9%*	*15.0%*	*16.9%*
EV / FCF-SBC to Growth	0.92x	1.00x	1.18x
Discount Rate	15%	12%	10%
Discount Period (Years)	3	3	3
Enterprise Value (NTM + 3 Years)	$ 171,976	$ 287,477	$ 402,978
Discounted Enterprise Value	$ 113,077	$ 204,621	$ 302,764
Weighting			
EV derived from GAAP EBITDA	50%	50%	50%
EV derived from (FCF-SBC)	50%	50%	50%
Enterprise Value	$ 114,085	$ 219,503	$ 323,445
Capital Structure Adjustments			
Net Debt - NTM Ending	$ 266	$ 266	$ 266
Investments & JVs	$ -	$ 6,893	$ 6,893
Non-Controlling interest	$ 1,083	$ 1,083	$ 1,083
Shares Outstanding - NTM Ending	2,026	2,026	2,026

Source: FactSet, Goldman Sachs Global Investment Research

Risks to our Buy rating include: a) Slower growth in Mobility due to demand elasticity, maturation, competition from Autonomous Vehicles, etc.; b) Regulatory environment around driver classification (incl. compensation, benefits, etc.), merchant commission caps, ESG, etc.; c) Competitive forces in both Mobility and Delivery (incl. local commerce/logistics); d) Normalization of consumer discretionary spend habits within Delivery; and e) volatility caused by the global macroeconomic environment and investor risk appetite for growth stocks.