Flash | Citi Research

02 Sep 2026 10:04:55 ET | 10 pages

Uber Technologies, Inc. (UBER.N)

10% RIF Announced as Uber Streamlines the Organization & Allocates Savings Toward AV & Product

CITI'S TAKE

Earlier today, Uber announced that it is reducing its workforce by ~10%, or ~3.3K employees, as part of a broader effort to streamline and flatten its organizational structure while reallocating resources toward growth initiatives and AV. Given the changes are more focused on reducing layers (including a 20% reduction in employees who are 7+ layers from the CEO) and organizational complexity (50% reduction in smaller teams), we do not believe this action is the result of slowing GB demand or challenges. On the contrary, we believe this action is likely enabled, at least in part, by greater efficiencies from Uber's AI investments. Our back-of-the-envelope analysis suggests gross annualized savings could be $825M+, though we also believe these savings are planned to be reinvested into growth initiatives/AV. Citi estimates are calculated on a stand-alone basis and do not take into account the M&A transaction.

Rating Suspended	
Price (01 Sep 26 16:00)	US$75.24
Target price	-
Expected share price return	-
Expected dividend yield	-
Expected total return	-
Market Cap	US$153,682M

Ronald Josey[AC]

- **Streamlining the Organization: ~10% RIF & a Broader Organizational Redesign**: A 10% RIF equates to ~3.3K employees and compares to Uber's total headcount of ~36.6K employees as of 2Q. The restructuring includes a ~20% reduction in employees who are 7+ layers from the CEO, a nearly 50% reduction in teams with one to two members, while consolidating certain engineering and operations teams (like Core Services Engineering and Science teams in Tech). Management stated the changes are intended to simplify the organization, clarify ownership, and accelerate decision making as it invests in growth across AV, Mobility, and Delivery.

- **Back-of-the-Envelope Analysis Suggests $825M+ Gross Annualized Savings Opportunity; AI Efficiency Gains**: Assuming ~3.3K positions are eliminated and average fully loaded employee costs of ~$250K per employee, gross annualized savings could reach $825M+. The restructuring follows increasing AI productivity improvements. We note 70%+ of pull requests are now attributed to local or cloud-based AI agents, weekly agentic requests increased 9.4x since Feb., and WAUs across agentic offerings increased 7x, all which highlight greater adoption and usage of AI tools across the enterprise. Key here though, total AI spend at Uber stabilized in April, and from Feb. to July, cost per 1,000 model requests has declined ~34% from peak and cost-per-session is 52% from its June peak. This suggests to us that the RIF is likely not the result of GB challenges, but rather improving productivity and organizational design. To that, the savings generated are expected to be reinvested into growth, innovation, and autonomous vehicle initiatives rather than retained solely for margin expansion.

See Appendix A-1 for Analyst Certification, Important Disclosures and Research Analyst Affiliati



Uber Technologies, Inc.

Valuation
Rating Suspended

Risks
Rating Suspended