VALUATION: UBER

Team: Market Mavericks
Team Members: Maggie Crookston, Hardik Sogani, Yash Agrawal, Stephen Fredrick
Date Presented: 11/18/2024
Investment Decision: Invested $7000, ~101 Shares

INTRODUCTION:

Our strategy was to look at S&P 500's MOAT stocks. While exploring those, we found Uber, and after thorough research on the company, we saw the potential growth and hence chose Uber. Once we did our fundamental analysis, we figured that Uber is undervalued with strong growth potential in shared mobility, food delivery, and freight services. Its innovative business model leverages technological advancements and global market reach.

COMPANY OVERVIEW:

Ticker:	UBER	**Exchange:**	NYSE
Current Stock Price:	$69.04	**Date Reported:**	11/18/2024
Target Stock Price:	$90.79	**Target Date:**	11/18/2024

Uber, founded in 2009 by Garrett Camp and Travis Kalanick in San Francisco, revolutionized urban transportation with its app-based ride-hailing platform. Initially launched as UberCab, the company expanded its model to connect drivers and riders globally, utilizing dynamic pricing and a commission structure. Beyond ride-hailing, Uber diversified into Uber Eats (food delivery), freight logistics, and autonomous vehicle technologies, achieving market leadership by 2023 in 70+ countries and 10,000+ cities. With a major market share and millions of active users, Uber is a dominant force, catering to diverse mobility and delivery needs across regions, including the Americas, Europe, and Asia-Pacific.

VALUATION SUMMARY:

We recommended investing $7k with a target price of $69.04. Uber's valuation underscores its growth potential across shared mobility, food delivery, and freight sectors. Leveraging a global presence and innovative technology, Uber addresses rising urbanization, shifting consumer preferences, and logistics demands. With a target price of $69.04 per share, the analysis highlights its undervaluation, supported by a strong CAGR across key markets. Strategic advancements in autonomous vehicles, sustainability, and subscription services position Uber for future scalability. Despite competitive pressures and regulatory challenges, its diversified revenue streams, brand strength, and network effects solidify its market leadership, making it an attractive investment opportunity with promising long-term returns.

HISTORICAL PERFORMANCE:

Uber's historical performance reflects its resilience and adaptability in a competitive landscape. Over the past five years, its price return has consistently outpaced industry averages, supported by significant growth in global ride-hailing and food delivery markets. The company has shown the ability to recover from market disruptions, leveraging technological advancements and a strong brand presence. While profitability remains a challenge due to high operational costs, Uber has demonstrated steady improvement in financial metrics, including revenue growth and market share. Its expansion into freight and autonomous technology further underscores its focus on long-term value creation and market leadership.