

**Uber Technologies, Inc.**  
**Q1 2022 Prepared Remarks**  
May 4, 2022

**Dara Khosrowshahi, CEO**

**Q1 and April highlights**

After more than two years of persistent and sometimes unpredictable impacts to our business, our Q1 results make clear that we are emerging on a strong path out of the pandemic and that the power of our platform is differentiating our financial performance.

As people have returned to offices, restaurants, pubs, stadiums and airports around the world, they've returned to Uber. In Q1, Gross Bookings grew 39% year-over-year in constant currency to a record high of \$26.4 billion, with strong growth in both MAPCs (up 17% to 115 million) and trips (up 18% to 1.71 billion).

Our early investments in earner growth in 2021 and our focus on the earner product experience have clearly paid dividends. Our driver base is at a post-pandemic high and is more engaged on Uber than on other platforms. Importantly, we expect this trend to continue without significant incremental incentive investments.

Despite the impacts of Omicron early in the quarter, strong Mobility demand helped us beat our quarterly Gross Bookings and Adjusted EBITDA guidance, while Delivery posted yet another all-time high for Gross Bookings in Q1. That strength has continued into Q2, with Mobility Gross Bookings in April exceeding 2019 levels across all use cases and all regions, and Delivery trends remaining healthy through the month. Just last week, we reached an all-time high for total company Gross Bookings, with strength across both lines of business.

Importantly, the recovery is underpinned by increased engagement with our products. Trip growth in April accelerated to 28% year-over-year, with particular strength from Mobility, approaching full recovery vs. 2019, and continued Delivery growth despite tough comps and the impact of reopenings. This once again highlights the all-weather nature of our portfolio: whether in a reopening scenario or not, we benefit from the secular increase in the on-demand transportation of people and things, and we have demonstrated we can capitalize on these growth tailwinds in a profitable manner.

We reached another milestone as Freight turned Adjusted EBITDA profitable in the quarter, ahead of our internal plan, with the business completing its first full quarter after acquiring Transplace. Freight, now generating \$1.8 billion in quarterly Gross Bookings, is by far the leading player in its space and is well positioned to bring much-needed digital innovation at what is clearly a critical moment for the enormous logistics ecosystem.

## **Mobility strength across the board**

Our Mobility business reached an all-time high Adjusted EBITDA margin in Q1, despite higher gas prices and continued competition for labor. Further, in April, we reached post-pandemic highs for Mobility Gross Bookings as well as active drivers. Our multi-product platform strategy works not only for consumers but also for earners, who can drive, deliver, or shop, all with one Uber app—differentiating us further from other players.

Of course, gas prices are top of mind for people around the world, including drivers on our platform. Our company-wide efforts to accelerate driver growth over the past year have resulted in significant improvements in our earner product, leading to post-pandemic records in the number of active drivers on our platform. Consequently, in Q1, surge and wait times improved to their best levels in a year. In fact, our Mobility category position in the US is at a multi-year high.

Last year, we leaned on incentives to get earners back onto our platform. This year, as earnings remain organically high, we are focused instead on our holistic product experience as a way to attract, engage and retain earners. For example, our revamped onboarding allows earners to sign up for both mobility and delivery opportunities at the same time. We are hard at work automating manual processes such as document uploads through integration with data providers to make the signup process much faster. We now also provide a much clearer guided experience to help first-time drivers learn how to get the most out of Uber. And we are sweating the details that matter most to earners: we have shipped more than 100,000 fixes to our maps and squashed hundreds of bugs in our Driver app, all with the simple goal of making Uber the best platform for flexible work, all over the world.

Notably, we have also begun an expanded pilot in the US where drivers receive upfront fare and destination information and can accept or decline trips as they see fit. We believe this is a significant improvement in the driver experience, similar to when riders began receiving a guaranteed upfront fare many years ago. The technology underpinning this pilot is cutting-edge and differentiated from competitors. We expect these changes will also reduce cancellations, improving the experience further for Uber riders along with drivers.

We remain more confident than ever that we can balance our marketplace while demonstrating disciplined cost control and delivering healthy Adjusted EBITDA progression over the coming quarters and beyond.

## **Another quarter of record Delivery Gross Bookings and EBITDA**

We continue to benefit from consumers' growing appetite for Delivery services. Our Delivery business posted yet another record quarter in Q1, growing 15% to nearly \$14 billion in Gross Bookings. Additionally, we had yet another strong quarter in the US & Canada, with organic Uber

Eats Gross Bookings up 31% and total Delivery up 23%. We held the US category position gains made in the second half of 2021, while further expanding Adjusted EBITDA margin from Q4. Consistent with our expectations coming into 2022, international Delivery posted more moderate growth (+7%) against tough comps.

New Verticals (like grocery, convenience and alcohol) represent not only an opportunity to increase wallet share with our existing customers, but also to increase engagement and loyalty with our platform. New Verticals users are more loyal and have 1.4x the monthly order frequency of those who only order from restaurants.

To capture this opportunity, we are bringing together Cornershop with Uber's leading operations, tech infrastructure, and global footprint. The Cornershop and Uber teams are now working together as one, and we're excited to transform our products into a world-class, fully native commerce experience this year.

We continue to make progress with New Verticals selection, adding new partners like Adidas, Dollarama in Canada, and BWS in Australia in the quarter. And earlier this week, we announced the expansion of our grocery offering with Albertsons to over 2,000 stores across the US and an Uber Direct partnership with Tesco to fulfill grocery and retail deliveries in the UK.

We expect Delivery Gross Bookings to accelerate in the back half of the year as comparisons ease and as our grocery, convenience and alcohol offerings ramp further, and we expect to expand Delivery EBITDA through the year.

### **Platform initiatives**

We discussed the power of our platform at our recent [Investor Day](#). Our strategy here is simple: we bring in as many new consumers as we can through our Mobility and Delivery front-ends; then we convert them into active cross-platform consumers and package everything together with Uber One, our growing membership program. This platform capability affords us lower customer acquisition costs and generates higher customer lifetime value—a differentiated advantage that will continue to compound over time.

In addition to our cross-promotion activities, we are building new Mobility and Delivery services that are not only profitable long-term economic opportunities, but also widen our customer acquisition funnel, strengthen our platform frequency, and add more earning opportunities for drivers and couriers.

The reopening has created the perfect environment to introduce new Mobility services to consumers, and we have moved quickly to capture this opportunity. We announced partnerships in New York City and San Francisco that will see nearly the entire local taxi fleets in both cities join Uber, accelerating our progress to at least \$3 billion in taxi Gross Bookings by 2024 and our

vision to put every taxi on Uber by 2025. Our Hailables products (which include taxis, two-wheelers, and three-wheelers) recently crossed a \$1 billion annualized Gross Bookings run-rate—yet we are only scratching the surface of this \$120+ billion category. Hailables now bring in 14% of first-time riders each month, and 35% of these new users are upsold to other Mobility products within three months.

We have also started rolling out [UberX Share](#), our reimagined shared rides product that is economically sustainable for Uber and better for riders and drivers, and we expect to be live in the US soon. In addition, we are making progress with car rentals and car-sharing, and we are piloting innovative new offerings like [Uber Explore](#) in the US and broader travel planning in the UK.

We bring all components of the platform together with [Uber One](#), which we launched in the US at the end of 2021 and in Germany and Mexico this past quarter, with many more launches coming soon. In addition, Uber for Business, which serves 170,000 organizations worldwide, including 60% of the Fortune 500, is now allowing US clients to offer an Uber One membership to their employees as an added perk. We see substantial runway for membership adoption through this channel.

Finally, we continued to roll out new Advertising products, including Sponsored Video ads in the Uber Eats home feed to serve brand and premium performance advertising objectives. Advertising revenue for the quarter was up over 200%, with advertising merchant count nearly doubling to more than 200,000.

We'll have more platform and product updates to share at our [annual Go/Get event](#), scheduled for Monday, May 16.

## **Regulatory progress**

We made strong progress on the regulatory front during the quarter. In London, one of our top 5 markets globally, we satisfied our regulator's high bar for licensing, successfully receiving a 30-month license, the first directly granted by TfL in nearly a decade.

Elsewhere, the global trend on labor issues continues to be positive. In Chile, after years of discussion, the legislature passed a law which expands social protections for drivers and couriers, along the lines of the independent-contractor-plus (IC+) model we have long championed. In Canada, we struck an agreement with UFCW Canada, the country's largest private-sector labor organization, to jointly advocate for IC+ reforms.

The US environment continues to move in the right direction, both federally and at the state level. This quarter saw four new pieces of legislation on the books that provide us with classification certainty. We especially want to highlight the first-of-its-kind compromise between labor,

lawmakers and platforms in Washington State. This historic law grants new benefits and protections to drivers, while preserving the flexibility they overwhelmingly prefer. If we can get to a good place in Washington State, we continue to believe there is no reason we can't do it everywhere else.

The fundamental fact of the debate on status in the gig economy is that the majority of those who work on platforms like ours say that they want to be independent contractors and not employees. This quarter's developments underscore our ability to work collaboratively with regulators, legislators, and labor to ensure that drivers and couriers don't have to choose between benefits and flexibility.

## **Nelson Chai, CFO**

### **Financial recap**

We handily surpassed our top- and bottom-line outlook in Q1, with Adjusted EBITDA beating the high end of our guidance, which had previously been revised higher intra-quarter. Adjusted EBITDA was \$168 million, translating to an Adjusted EBITDA margin of 0.6% of Gross Bookings, an improvement of 240bps year-over-year. On a year-over-year incremental basis, Adjusted EBITDA margin improved to 7.6% of Gross Bookings. We remain confident we can deliver at least 7% incremental margins for the full year, with improving scale and marketplace balance for Mobility and continued profitability for Delivery and Freight.

On a free cash flow basis (defined as net cash from operating activities less purchases of property and equipment), we witnessed an outflow of just \$47 million. While quarterly trends can fluctuate due to the timing of working capital and other cash flows, with free cash flows already approaching breakeven, we now expect to generate meaningful positive free cash flows for full-year 2022.

Turning to segment results: Mobility Gross Bookings grew 62%, and the segment generated an all-time-high Adjusted EBITDA margin of 5.8% of Gross Bookings, up 140bps year-over-year. Delivery Gross Bookings grew 15% and Adjusted EBITDA profit improved both year-over-year and sequentially. Freight Gross Bookings grew 505%, the first full quarter of combined Uber Freight and Transplace performance. Freight turned Adjusted EBITDA positive in the quarter for the first time as we continued to enhance our logistics flywheel and drive industry-leading automation.

### **Balance sheet and equity stakes**

Turning to our balance sheet and liquidity position: we continue to maintain a strong liquidity position, ending the quarter with \$4.2 billion in cash and cash equivalents, with our equity stakes marked at \$6.8 billion.

During Q1, our equity stakes portfolio was meaningfully impacted by overall market and company-specific volatility, driving a \$5.6 billion unrealized pre-tax loss related primarily to the mark-to-market of our publicly traded stakes in Grab, Aurora, and Didi. Our GAAP net income may continue to see swings from quarter to quarter due to the large size of equity stakes on our balance sheet. While we intend to monetize some of our stakes at an appropriate time, we have sufficient liquidity to give us the flexibility to maintain all of these positions, with the aim of maximizing value for Uber and our shareholders.

## **Outlook**

Based on recent trends, we expect Mobility to deliver better than seasonal growth. We expect modest sequential growth for Delivery in Q2, with an expected acceleration in the back half of 2022. On Freight, Q1 performance should serve as a baseline after a full quarter of Transplace contributions.

With that context, for Q2:

- We expect total company Gross Bookings to be between **\$28.5 billion and \$29.5 billion**, representing year-over-year growth of **30% to 35%**
- We expect total company Adjusted EBITDA profit of **\$240 million to \$270 million**

## **Dara Khosrowshahi, CEO**

We are keenly aware that the market is placing a high value on companies generating and growing profits. We are leading the industry in this respect. Our focus over the past two years on profitable growth has resulted in the strong top and bottom lines that we delivered in Q1. We are confident that our leadership position, our global scale, and our innovation and platform advantages will allow us to deliver significant profitability *and* durable growth, as investors rightly expect from globally scaled technology platforms like ours. We are committed to taking all necessary actions to continue to deliver industry-leading margins and free cash flow generation, along with a disciplined capital allocation strategy. We've never been more optimistic about our prospects, and we are determined to execute as a team to bring that optimism to fruition.

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## **Forward-Looking Statements Disclaimer**

These prepared remarks include both GAAP and non-GAAP financial measures. Additional disclosures regarding these non-GAAP measures, including a reconciliation of GAAP to non-GAAP measures, are included in the press release, supplemental slides and our filings with the SEC, each of which is posted to investor.uber.com.

Certain statements in this presentation and on this call are forward-looking statements. You should not place undue reliance on forward-looking statements. Actual results may differ materially from these forward-looking statements, and we do not undertake any obligation to update any forward-looking statements we make today, except as required by law.

For more information about factors that may cause actual results to differ materially from forward-looking statements, please refer to the press release we issued today and in other filings made with the SEC, when available.

All first-quarter growth rates reflect year-over-year growth and are on a constant-currency basis, unless otherwise noted. Lastly, we ask you to review our earnings press release for a detailed Q1 financial review and our Q1 supplemental slides deck for additional disclosures that provide context on recent business performance.