Welcome to Uber's investor day 2022. We welcome to the stage Balaji Krishnamurthy, head of investor relations.

Balaji Krishnamurthy:
Good morning, and welcome to Uber's very first investor day. I'm Balaji Krishnamurthy, head of Uber's investor relations, and on behalf of team Uber, I want to thank you for joining us in person in New York and virtually from around the world. Over the next few hours, you will hear from nine senior Uber leaders starting with our CEO, Dara Khosrowshahi, and ending the formal presentations with our CFO, Nelson Chai.

We've structured the day in two parts. We will start with four presentations followed by a short break, five more presentations followed by a Q and A with analysts. For those of you here in the room, and we have a packed house, we will have a networking lunch following the Q and A session. After the conclusion of the event, we will post the slides, a transcript, and the video replay of the event to our IR website. We truly appreciate you taking the time to learn more about Uber, and I look forward to following up with many of you afterwards.

Before we start, I must let you know that we will be making forward-looking statements and presenting both GAAP and non-GAAP measures during today's presentation, so I ask you to review the disclaimer on the screen. Forward-looking statements can be identified by terms such as believe, intend, expect or may, and you should not place undue reliance on forward-looking statements.

Actual results can defer materially from forward-looking statements, and we do not undertake any obligation to update these forward-looking statements. For more information about factors that may cause actual results or defer materially from forward-looking statements, please refer to our filings made with the SEC, which are also available at investor.uber.com. With that, let's kick off with a short video.

We now welcome to the stage Dara Khosrowshahi, chief executive officer.

Dara Khosrowshahi:
All right, everyone. Thank you so much for joining us in person today. Really appreciate it. For those of you who couldn't join us and join us virtually, welcome. And a special welcome to members of our board of directors, including Ron Sugar, our chairman. We're very glad you could be with us. So two years ago, just this week, we reported earnings for just the third time as a public company. I hosted the [inaudible 00:05:36] call actually from our New York office where no one was wearing a mask, no one had a drawer full of rapid tests, and I didn't get a single question about the coronavirus.

On that call, we reported our highest gross bookings ever as a company, we reported an improved adjusted EBITDA loss of 650 million, we moved up our profitability target and the stock continued a rally that had seen our stock price increase by over 50% over the past couple of months. We were feeling pretty good. What a difference a month made. By March, the coronavirus had locked down the entire
world and our stock had hit all time lows. Nelson and I were fielding serious questions from investors about whether or not we had enough liquidity to get through the crisis.

Well, we're still here. And two years into the pandemic, the world looks entirely different than anything we could have expected, as does Uber. The results that we reported yesterday demonstrate just how much progress we've made as a company and how much we've changed. I'm proud to say that we reported at another record quarter of gross bookings. We also reported 86 million in adjusted EBITDA profit. There's an improvement in terms of gross bookings of nearly 8 billion dollars and adjusted EBITDA of over 700 million dollars from that quarter just two years ago.

Now, if you step back, go back a bit further, two years earlier, this is just after I joined the company, and compare our results to the fourth quarter of 2017, you get an even better sense of our progress over time. Over that time, we've increased our audience or MAPCs compounded at a 15% per year. We have deepened our engagement with our consumers increasing gross bookings per MAPC at 11% per year. And that has resulted in CAGR of our gross bookings of 27% per year. That's astonishing given how significantly our business, which used to be a mobility-only business, had been impacted by the pandemic. So how do we do it, and more importantly, where are we going next?

I'd like to say that crisis forces focus and focus forces ingenuity. The pandemic forced us to take the hard look at what was best serving Uber and the shareholders. What we did well, where to invest, where to innovate and also where to pull back. And we made some tough calls. Like rationalizing and headcount by 25%, exiting several delivery markets, merging in our micro-mobility businesses and autonomous businesses into other leading entities as well. But this freed us to focus on getting mobility back on its feet, playing offense and supercharging our delivery business, and building a world class digital freight competitor.

Today, Uber's a technology platform operating at unparalleled scale and serving multiple multi-trillion dollar markets across mobility, delivery and logistics. Throughout the ups and downs of the pandemic, we found ourselves in a unique position of having two segments that prove to be complimentary. We leveraged each to enhance a platform that you hear more about that continue to get stronger throughout the pandemic. As cities locked down, millions of consumers and business as came to rely on Uber Eats for delivery of food and many, many other goods. And as cities reopened, people quickly started taking Uber rides again, often faster than other forms of transportation.

So we focused and we doubled down on our core strengths, helping people go anywhere they want, and helping people then get anything they need, and we as a company are emerging from the pandemic truly as an all weather company. So that's where we've been. What's next? First our mobility business. Since I started talking to you today, Uber has moved a hundred thousand people around the world. These are people going to work, they're dropping off kids at school, they're visiting their doctor or they're meeting their friends. They're traveling in individual and shared car, public transit, private buses, bicycles, motorcycles, taxis, three wheelers, electric, and yes, soon we hope, autonomous vehicles as well. We're the only player with this kind of breath, globally, at scale.

Our global leadership position, and the vast amounts of marketplace data that comes along with it, means that we have the best technical and data platform, and we can go to market faster than anyone else. And at the same time, our local scale allows us to deliver a better consumer proposition or better reliability and higher earnings for our drivers. These are self reinforcing loops. You'll hear more from Mack about how we're uniquely positioned, not only to strengthen our core rides business, but to build new businesses and mobility verticals that can use a little bit of that Uber magic.

Next, delivery. While we always believe that over time, consumers will come to love getting food and pretty much anything else eventually delivered to their doorsteps, the pandemic compressed what would have been a three to five year shift into just a few months. Uber Eats has now become an integral
part of people's daily lives in 32 countries, and our delivery business now is bigger than mobility was at its pre-pandemic peak. Our goal here is simple. To deepen engagement with our customers for fast, frequent usage across grocery, alcohol, convenience and more. And you'll hear much more from Pierre about our plans for delivery later on in this presentation.

Third, freight. As a result of this pandemic, discussions about our supply chains, they're now kitchen table discussions, and it's clear that the old ways in which we built our logistic systems just aren't serving us anymore. We need to create new digital first systems that can adjust real-time to changes in demand and local patterns. Freight has continued to grow its size and scale and capabilities of its marketplace, putting the power of its data in the hands of carriers and shippers as they build a seamless digital freight ecosystem that's going to move us forward after these challenges.

Our company now is stronger than ever, but the real reason you are all here today, it's to better understand, "Well, why should I invest in Uber?" We know you can invest in mobility pure plays, we know you can invest in delivery pure plays or even logistics pure plays. "Why should I invest in Uber?" The complimentary nature between mobility and delivery that sustained us throughout the pandemic has become a powerful synergistic platform. Relative to other players that only have one line of business, our platform is giving us an advantage that's compounding over time and is getting bigger and bigger. The strategy here is pretty simple. Bring in as many new customers as we can throughout our mobility and delivery front ends, then we convert them into active cross-platform consumers and tie everything together with a first class membership program.

Increasingly, it doesn't matter if your first interaction with Uber is a ride share trip, a car rental, a scooter ride, or a grocery delivery. Once a consumer starts to use one of our services, we're able to quickly show them everything else that we can do for them. Because of this unique multi-product advantage, we can acquire customers at a lower cost and generate higher lifetime value than our competitors. People who use multiple products also spend more and retain at better rates than our own single product users. And we've really started to lean in here.

You may have already noticed this in your app. For instance, we'll prompt you to order groceries if you're near your destination or on-trip, and we'll show you a restaurant near your destination as well. We're also getting much, much more owner about targeting users for the right product at the right time at the right place using our rich data sets. Our machine learning algorithms are sharing data across both mobility and delivery, and they're getting smarter every single week as they optimize more and more. This is going to reduce customer acquisition costs and increase retention even further.

Add on to that Uber One, our unified membership program across both mobility and delivery, and the platform advantage becomes even bigger as members use more of our products more often. These consumer segments are big and they're growing with lots of room to run. Today, 46% of our gross bookings come from cross-platform consumers. 46%. That's up 4% year on year. And only 17% come from members, but that's up 6% year on year. Six points year on year. It's also important to know that the same's true for drivers and careers. We can attract more people to the platform by offering more kinds of work, which translates into better earnings and higher retention for those earners.

This platform advantage shows up in all parts of our business. For instance, we can sell a combined mobility and delivery enterprise product to businesses. You'll hear more about that from Susan. We can offer unique audience across both delivery, grocery and mobility, for example, which Mark will talk about later. And we can use our large data sets to build, launch, scale new products, globally, faster than anyone else. Sundeep will talk to you a bit more about that later as well.

So I'll go back to my original question. Why Uber? We have leading positions across mobility, delivery and freight. These are enormous categories, each of which represents multi trillon dollar opportunities. Relative to other single product competitors of ours, our multi-product platform gives us an edge that is
emerging and is going to compound over time. And the combination of leading businesses and our platform advantage translates into an attractive financial profile. What you'll hear from Nelson is high growth rates compounding at scale, improving profit margins going forward, and significant free cash flow generation.

At Uber, we wake up excited every day to reimagine movement for the better. We're the only company focused on letting you go wherever you want, get whatever you need. This is the best time to build at Uber and Mack, one of our builders, is going to first start talking about mobility. Thank you.

Andrew Macdonald:
Thank you, Dara. Hi, folks. I'm delighted to stand in front of so many of you today and talk about the future of mobility at Uber. It's a topic that has dominated my thinking and, frankly, my life for most of the past 10 years. I still remember my first Uber trip. Late at night, on a bitterly cold winter evening in Toronto, with a group of friends who were equally as amazed as I was. I'm sure many of you remember your first Uber trip too. There was something undeniably magical about pushing a button and getting a ride. And there still is today.

It's easy to take for granted now, but Uber really has revolutionized the way the world moves. We've come a long way since those days from a handful of cities to more than 10,000, with a global footprint and a leading position in the vast majority of our markets. We've grown from black cars and SUVs to bikes, scooters, mini buses, and everything in between. Of course, the journey wasn't without its twists and turns. Back then we operated in what many would call a gray zone, and we didn't always get our introductions to cities quite right. But as we still do, we deeply believed in our mission and what we were building and today I'm proud to say that ride sharing has been recognized and legitimized in almost every major market around the world. That was unthinkable just a few years ago.

So it's been an exciting 10 years, but I'm even more excited about the next 10. Despite our scale, we still have an enormous opportunity to make every journey better. And we mean every journey. Our vision is to be a part of your trip every time you leave the house. Instead of monthly or weekly, we aspire to be a daily use case. We'll do that by deploying our secret sauce, which is putting a best-in-class technology layer on the physical world. So let's talk about how we make every journey better.

First. We still have a lot of untapped potential in the markets where we already operate. Second, we can deepen engagement with consumers with new use cases that build on our core rides proposition. Third, there’s an enormous growth opportunity to be unlocked by structurally lowering transportation costs. Fourth, there are adjacent categories with unmet consumer needs that desperately need to be Uberized, and will help us chip away at personal car ownership. And finally, I'll talk about the future, which we know will be electric and ultimately autonomous.

Okay, so let's get into it. First off, even though Uber’s become a verb, we still have a huge amount of untapped growth potential in the markets where we operate today. Even if you look at our biggest markets, only a fraction of the population uses Uber in a given week. That's just 7% in Brazil, 4% in the US and single digits of across all our major markets. Even if you look at the percentage of people who have ever used Uber across our top 25 markets, the median is just 22%. That's still a lot of room for growth. To put that in perspective, if the US reached the weekly saturation levels of Australia, that's an incremental 14 billion dollars in gross bookings annually. If India reached the levels of Brazil, that'll be 10X, the number of weekly active users and 15 billion dollars in gross bookings.

More than all that, there's still a lot of large economies around the world where Uber isn't yet a household name. A few years ago, we set out to change that, and we've made some really great
progress. In Spain, we operate by acquiring licenses for fleets who in turn employ drivers. Our Spain business has more than doubled since 2018 and is now operating close to our long term profit target. Additionally, we think we can double that business again in the next three years. In Germany, it's a similar story. By working with regulators and adapting our model, we've grown the business from near zero in 2018 to 400 million dollars in annual run rate gross bookings.

In South Korea, we took a different approach. We found a great local partner in SK Telecom. We now jointly operate a JV called UT going after the 7 billion dollar Korean mobility market. And by the way, there are other countries like these, for instance, Italy and Japan, that we're currently working to unlock and where we hope to get the same results. So that's one prong of our strategy, to take the concept of Uber to more people. But we're also working to expand what it means to take an Uber. The UberX consumer proposition is great. Open the app, push a button and a car shows up. But right now, UberX is trying to be everything to everyone.

What if you're willing to wait longer or share your ride for a cheaper fair? What if you want to book a month in advance instead of on-demand? What if you want to take a two-wheeler or a three Wheeler to go faster and cheaper? What if you wait to answer every single one. One good example of how we're changing what it means to take an Uber is pre-booking. Since the beginning, Uber's been known for on-demand. When you want to ride open your app and a car will show up in three to five minutes.

But habituating people to pre-book travel on Uber unlocks an enormous transportation category for us. Today, the majority of transportation globally is booked in advance. But for Uber, that number is just 1% around the world, and 6% of gross bookings in the US and Canada. In exchange for certainty and a superb customer experience, we are able to price these trips at a premium to UberX, which means that drivers earn more and mobility margins improve.

There's another huge category and use case that Uber has not historically served well, which presents an enormous opportunity. Taxis. Today, taxis and other street hail vehicles still represent a highly fragmented 120 billion dollar industry with 20 million active vehicles on the road. To put that into context, that's more than 2X the size of Uber's pre-pandemic mobility business with more than 5X the number of active vehicles. Now, I understand the irony here. The Uber guy is telling you that taxis are the future. But when we look at the next five years, we just don't see a world in which taxis and Uber exist separately. There's too much to gain for both sides.

That's why we've set a very ambitious goal to put every taxi on Uber by 2025. By using the same technologies that have underpinned the growth of ride hail, we are bullish on the impact we can make in this segment. Taxis help us unlock new markets. It's now our primary product in places like Turkey and Hong Kong. Taxis also increase driver supply. Last year, we added 122,000 new taxis to the platform which represented 3% of all earners who joined Uber. And we've already seen this work. We 2.5X the business last year, showing that this working, not just for operators, but consumers as well.

Adding more modes of transportation to the platform doesn't just bring in new consumers, these consumers spend more and are more loyal. For example, we see that users who use more than one mobility product spend up to 3X on the platform compared to single product users. This cohort also has significantly higher retention. We can also cross-sell and upsell between mobility products. For example, users who come onto Uber taking a taxi trip, of those users, 35% go on to use other mobility products. If we get every two product user to become a three product user, that would represent an incremental 5 billion in mobility gross bookings annually, and we're already well set up to do this.

We have a strong, competitive advantage in launching new products and scaling them efficiently and globally, and each new product we add helps consumers consolidate more of their mobility activity onto Uber. As we build out new use cases, we are laser focused on affordability. In a majority of our markets,
particularly emerging markets, we recognize that the vast majority of our TAM sits at price points lower than UberX. Simply put, we need to bring down prices to make Uber more accessible to more people.

Lowering prices doesn't just grow our user base, it helps us build out an ecosystem of affordable multimodal transportation from shared rides to micro mobility to public transit, which continues to be a powerful ally to Uber. Together we can take on our ultimate competitor. Personal car ownership. We will lower prices, not by slashing driver fairs, but by innovating on new products that leverage network density, excess vehicle capacity, more affordable vehicles, and by operating the most efficient marketplace in the world, which means we can pass our structural cost savings back into the marketplace.

So let's talk about a few ideas here. One way we're reducing prices is through a new shared rides product. Some of you will recall that just about two years ago today, we actually shut down Uber Pool globally in the early days of the pandemic. Since then we've been working on revamping shared rides under a new banner called UberX Share. Rather than steep discounts upfront, UberX Share offers a fixed 5% discount and Uber Cash back to the rider only if you're matched with another rider. The core unit economics are great. And by offering a bigger discount, only if you match, we fundamentally align the interests of Uber, of riders and drivers.

Getting more people into fewer vehicles creates efficiency in the transportation ecosystem, advancing our sustainability goals while lowering prices. That gets us to daily usage. Another area I'm really excited about is high capacity vehicles. You're probably thinking, "Mack, that's just a bus," but this is actually a little bit different. Today, in many emerging market mega cities, millions of people rely on informal private bus systems for their daily commute. These are often slow, unsafe, overcrowded and stressful. This is more than just inconvenient, it impacts people's lives.

Many women, in particular, choose not to pursue certain opportunities, because they feel unsafe commuting. The combination of Uber's marketplace innovation and on-the-ground operational expertise mean that we can solve this problem better than anyone else. Bringing Uber's technology to this segment, we're working to enable access to a safer and more reliable commute at a quarter of price of an UberX. And we're seeing really good product market fit. Despite many people still working from home, HCV is growing quarter on quarter and HCV users are taking more trips per month and per week than UberX users in comparable markets.

We've also got a B2B opportunity here. We're partnering with business around the world who want to offer their employees a better commute. Just last year, and in our first year with our business offering, we signed deals with Nissan in Egypt, Toyota in Brazil and Tata Realty in India. So while putting more people in shared vehicles is one way we sustainably lower costs, another is more affordable vehicles to begin with. To that end, motorbikes and auto rickshaws are important parts of our low cost portfolio. Autos and Motos are fast growing and financially sustainable while unlocking a massive TAM in emerging economies by offering rides at less than half the price of an UberX.

In many parts of the world, two and three wheelers are really popular both as mobility and delivery vehicles, thanks to their low cost and small size. Putting them on our platform solves major consumer pain points around reliability and price transparency. Autos and Motos have also proven to be a great user acquisition lever. 10% of all first time riders to Uber last year came through a two-wheeler or a three Wheeler trip. Both of these businesses have recovered faster coming out of the pandemic than our core business and are profitable in 9 of 12 operational markets, despite their lower price point. Underpinning all of this work to make every journey better is our commitment

To be the best platform for earners. 2021 saw significant driver growth with monthly growth rates, 2X the rate of 2019. We did this, not just with record high earnings on the platform, but also with foundational product and earner experience improvements that made driving on Uber better. One way
we did this was by rapidly growing our employee driver program, which more than doubled last year. Dara set the tone for the company here by getting behind the wheel himself, because that's really the best way to experience what it's like to be a driver on Uber. We quickly uncovered and fixed more than 300 pain points, big and small. Everything from the legibility of certain fonts to major foundational navigation improvements. These features as well as the superior earnings opportunities available only on the Uber platform, you'll hear more about that from Sundeep later, have led drivers to consistently prefer Uber.

In fact, research indicates that earners prefer driving for Uber versus all our major competitors in all our major markets. And we're going to keep innovating to ensure that we improve the experience and keep this edge. So thinking a bit bigger, we believe we can gradually help displace personal car ownership by systematically finding ways to make it easier to not own a car.

Take car rentals. Anyone who has waited in line at a rental car counter knows it's not the quickest or easiest experience to say the least, but what if a rental could show up at your door in 20 minutes. That's such a radically improved experience. It starts to change the car ownership calculus, and it opens up the $55 billion rental car TAM for Uber, 30 billion of which is in the US. This experience is live today in Washington DC, with Uber Valet. We've worked with Avis to allow you to press a button and get a car dropped off, and we'll even send a driver to pick it up when you're done. Still in the very early stages, but we're seeing some great signal and we expect to expand this to more markets this year.

P2P rentals, think of this as the Airbnb for cars, is another huge opportunity. We all know that most cars sit unused for 95% of their useful life. Last month, we announced the acquisition of a company called Car Next Door, a great company that's been pioneering this type of car sharing in Australia. Our initial focus is going to be helping them scale the neighboring markets, but we do think the opportunity here is global.

Now let's speak about a few major shifts in mobility and society that Uber is going to help usher in. First electrification. It's clear that the future of transportation is electric. When we look a few years out, Uber has a huge role to play in the world's transition to electric vehicles. That's why we've set an ambitious commitment to get to zero emissions by 2040. And we're making really good progress on that goal. We're making it easier for riders to choose hybrids or EVs by launching our Uber green product in hundreds of cities around the world. We're making it easier for drivers to transition through financial incentives and through innovative partnerships, like our deal with Hertz to allow drivers to get Teslas and drive them on the platform. That's proven hugely popular by the way, with a wait list in the thousands. Building towards this future is not just the right thing to do. It's also great for Uber and our users. EVs have lower operating costs, which means driver earnings up and rider prices go down. It's a win, win, win for our customers, for Uber and the planet.

Finally, autonomy. While it won't happen overnight, we expect autonomous vehicles to be an increasingly important part of the transportation ecosystem and therefore Uber's business over time. Lower prices through autonomous innovation will materially increase the size of the mobility as a service TAM. We estimate that reducing the price to a dollar per mile will meaningfully expand the category for us. Rather than building AVs ourselves, we've decided to bring AV developers fleets onto our network. As the largest mobility platform in the world, we are uniquely positioned to do this. There is simply no other network that can provide one stop access to a global marketplace across mobility, delivery and freight.

Of course, AVs are still student drivers. They won't be able to handle every type of trip for many years. We're really well set up for this hybrid world. We can use AVs on our network, where they can thrive and our core network where they can't. Our ability to offer this turnkey adoption path along with our hard one operational expertise of running a global ride sharing business will ensure that most AV
providers choose to partner with Uber rather than building their own rideshare network. In 2022, you'll see us launch a number of pilots in the US and begin to introduce consumers to a world where they won't need a driver's license.

I'll close by quickly touching on how we intend to bring all these ambitious plans to life. Over the last 10 years, we've turned our core mobility operation into a highly efficient business with compounding growth and a strong margin profile. We've emerged from the pandemic on even more solid footing with a much leaner operating cost structure. In the years ahead, we'll strategically invest our profits from the core business into new prices, and or new products and structurally lower prices for riders while maintaining our preference amongst drivers. Our unique technology and operational advantages, as well as our global platform, mean we can quickly double down on products where we see product market fit. By scaling quickly, we'll turn experiments into growing and profitable verticals. Then we'll repeat the cycle all over again. We are confident that 2022 will be less about recovery and more about the future. A future in which our industry leading scale, unrivaled operational expertise and unique platform advantages mean that we will win.

In closing, I want to reiterate our overarching goal to make every journey better. We'll do that by strengthening our core, expanding our product suite, reducing prices through innovation, offering more alternatives to personal car ownership and leading the transition to electric and autonomous vehicles. 10 years in, I'm incredibly proud of what we've accomplished, but I get up every day excited about what's ahead. Thank you. And I'll now turn it over to Pierre to talk about delivery.

Pierre-Dimitri Gore-Coty:
Hello everyone. Thank you, Mark. Hello everyone. I am here. I am very excited to be here today with all of you. Like Mark, I am an all-timer by Uber standards. I joined this company more than nine years ago. I've spent most of my time actually focusing on the mobility business until early 2020, when I started leading the delivery business, which I'm going to talk about today.

To give you context delivery at the time was a solid $17 billion annualized GV business, growing at healthy rights, but it was very much the little brother or sister to the mobility business. So when I took over that team on February 25th, 2020, I was excited to see where we could take this promising business over the next three to five years. I obviously had no idea that three weeks later, everything would change. Uber Eats would become a lifeline, not just for millions of businesses and consumers, but also for Uber itself. I'm happy to say that we didn't just make it through, our business actually thrived. We've more than tripled since the start of the pandemic, strengthening opposition as the largest food delivery platform outside of China. But importantly, we also seize the moment to fundamentally transform delivery at Uber going beyond restaurant food delivery, into new categories, like grocery, convenience, alcohol, pharmacy, and other types of local commerce.

As Dara said earlier, the pandemic accelerated a structural shift in consumer behavior. What would have been a three to five year shift just happened in just a few months. And I can say with conviction today that delivery is here to stay both in consumer's lives, but also in Uber's overall business. We see very clearly that even in cities that have reopened, our delivery business is not just holding up. It is actually growing. We operate in a massive TAM and there's huge growth still ahead of us. The delivery penetration, as you can see here is still extremely low across the restaurant and the grocery categories, not even to mention retail. Capturing just a small fraction of this opportunity would actually double our delivery business today. So there is an enormous opportunity ahead of us and it's Uber's for taking around the world. We are best positioned to win.
Our long term goal is to become a go-to partner in people's daily lives by providing them instant access to all of local commerce. The best of your community brought to your doorstep. And we are already about much more than food delivery. Whether you need to replace that lost iPhone charger or pick up a bottle of wine on your way home, Uber Eats is here for you, helping you get anything you need delivered to you. Now I'd like to show you an ad, our Super Bowl ad that I think brings to life, if you haven't seen it, in a pretty funny way, the fact that Uber eats is already about a lot more than eating.

I love this ad, I think it’s my favorite one. Okay. So now that I have made you hungry for light bulbs and toilet paper, I’d like to take a moment to update you on where our core delivery business is today, both attraction we’re seeing in the US and our continued international strands. And then I'll move to talk about where we are headed and how we're expanding into new types of verticals like grocery and others. Of any player out there we are best place to capture this global opportunity. We have global scale leadership position in seven out of our top 10 countries. We have an engaged user base across both the Uber app and the Uber Eats app, which we can cross sale new products to. And finally we have well-classed technology that is allowing us not just to provide superior experience to consumers, to earners, to merchants, but actually also take us down and create a sustainable unit economic advantage.

Our core delivery business today is now adjusted to be that profitable and we expect margins for that business to keep improving. And this is really important because this means we can actually sell funds, investments into our future growth, into areas like grocery, that I'll chat about in a minute, without compromising the profitability profile of our overall delivery business, which is now profitable as of yesterday. So we benefit from a profit pool allowing us to put modelers and work at work that our competitors, but of course, winning in this space isn't just about reinvesting profit. It's actually about execution and technology like we have been seeing in the US for instance, which is where I want to turn next.

While we are resolutely a global business, the US is naturally very important to us. And I know it's top of mind for all of you too. And over the last year, we have made significant progress in the US, both in key markets like here in New York and across the country. We have started gaining category position at the beginning of the second half of last year. Building up on a leadership in European centers where we are the leader nationally, but also strengthening position in suburban areas. We exited 2021 as the fastest growing delivery player in the US market while improving our margins by more than 250 bits on a year on year basis.

Such progress results from deep improvement in our core business fundamentals, restaurant selection, courier growth and reliability, but also [inaudible 00:44:55] acquisition. And all of those were funded by major efficiencies we were able to extract throughout technology and a relentless focus on execution. Our global tech platform is actually one of our biggest assets. As an example, the recent improvements we have made in courier pricing, which are powered by machine learning models, actually helped us lower fulfillment cost by more than a $100 million in the last year. And this is just one side of the marketplace, and this is just the US. We are actually leveraging our tech across all sides, including the either side of things and how we deploy promotions for instance, to make that more efficient every day. Our teams are working across the board to increase the efficiency of operations, making space in our P&L to reinvest in long term growth drivers, which is really how we win.

Now, zooming back out to examine our international business. It’s a clear story of not just growth, but also profits. We launched in many of the largest food delivery countries in the world in 2016. And we now enjoy a leading position in about 70% of our international growth bookings with the remaining 30% being markets where we have a strong number two position. Those results have been driven by strong execution, technology, our ability to adapt our platform to the local realities of each and every of those
countries. And finally, a disciplined approach to capital allocation. Our international business is now profitable with expanding margins and is a true competitive advantage for us as Uber.

And I’d like to turn now to two of our top international countries, which I think provide a good overview of the [inaudible 00:46:40] of international portfolio, but also successful formulas for us to use elsewhere. The first one is Taiwan. Taiwan is one of our, or has emerged as one of our store markets. From an operational perspective it’s a country where we have seen a positive trifecta of rapidly compounding growth, improving financials, that business is now almost profitable and finally all that while maintaining a leading position in the market and those results have really been powered by a deep focus on operational excellence. To give you context, we deliver in Taiwan in 27 minutes on average, more than 60% of the trips are actually batched together, creating efficiencies.

We’ve also invested in quality selection, which is creating differentiation versus competitive platforms in the country. And finally, we have leaned hard into membership. Taiwan is actually a great case study for us as to the power of our membership program. More than half of the gross bookings we have in Taiwan are actually done by members from about 10% before the pandemic. And what we see is actually this membership program is driving huge increase in consumer engagement. On average in Taiwan, the members we have are making 16 orders every single month. This is a great [inaudible 00:48:04] for us and other countries to aspire to.

Now moving to France, my home country but this is not why we're talking about France today. Perhaps surprising given its deep food culture, bustling sidewalk cafes, French people have really embraced delivery and Uber Eats has emerged as a clear leader in the country since launching about five years ago. Like in Taiwan, we have seen in France, its deep trifecta of compounding growth, improving financials. France is actually one of our most profitable markets around the world, but also strengthening category position like you can see here.

Those results have been powered by a aggressive expansion. Just in 2021 we added 350 cities to the Uber Eats map in France. We cover about 60% of the population. We've had also relentless focus on selection. We have about twice as many merchants available on Uber Eats app in France than competitive apps out there. And finally, some very successful brand investments that have built Uber Eats a beloved brand in the country. France is home to the only football soccer league that bears the Uber Eats name, the league one Uber Eats, which has really proven to be a worthwhile investment for the Uber Eats brand to be top of mind for consumers all year round.

So now that I have is established what we’ve accomplished, I'd like to talk about where we're headed. I talked earlier about the enormous opportunity in the grocery space. I think we can all agree that things like pet food, last minute dinner ingredients are better on our doorsteps than a car trip away. And this is an area we’ve been investing a lot into over the past year, both organically, but also through the acquisition of Drizly and Cornershop. Our belief, our conviction is that by offering selection [inaudible 00:49:57] across categories, we're able and will be able to move from a once a week use case to actually a daily use case, delivering whatever consumer needs, whenever they need them, every day.

And we are happy with our progress to date since launching in 2022, this grocery and new verticals offering. To date represents about $4 billion GB run rate for us. We hold the number one or strong number two position on on-demand grocery in eight out of our top 10 countries. And our grocery delivery is certainly more established in the US, we believe that a large pot of the opportunity actually sits outside the US, where penetration for online grocery is way smaller. And this is where we’ve actually had disproportionate traction. You look at countries for instance, like Japan and France. We are number one in both of those countries on online grocery. They represent about $600 billion of annual grocery spend combined.
So I talked a lot about grocery and the reason is that this is the most natural adjacency for us to the core restaurant business. It requires the least amount of consumer behavior change from users. It’s a massive spend category, high frequency repeat purchasing that lends itself really well to same day on demand value proposition. But we really see grocery as an entry point into retail more broadly. In Chile, for instance, which is what you see here on this page, Chile’s corner shop home market. What we see in Chile is that after 15 months on average, a consumer would have tried more than half of the stores that a consumer would have tried or actually non grocery stores. We’re very early days still, only about 4% of the overall Uber Maps are active on those new verticals. And we see that continuing to progress as we continue to invest in our product and experience.

We are from a product and experience perspective, we are bringing together on the one hand Cornershop, which has been investing in large basket grocery deliveries for more than seven years at this point, with Uber's fast and efficient operations, leading tech and global footprint. And our goal really is to completely transform the experience that users, merchants, earners have and effectively have a fully native commerce experience. And that means for us, one, making sure that we’re built to support any purchasing occasion, whether this is just a few items, a large basket, on demand or scheduled. Making sure that our merchant facing systems and tools are also designed to support merchant of all kinds, from small ones to big global ones. And finally improving the earner app, which spans across both mobility and delivery and making sure that shoppers have as efficient as possible and as pleasant as possible of an experience.

So as you can see, we are completely reimagining how grocery and retail looks on the Uber it app from the either ordering flow down to post order modifications and out of item replacement. We think this new experience will be transformative and we’re committed really to building the products that provides access to all of local commerce has to offer including a rather speedy new entrance to our neighborhoods, quick commerce.

So quick word on quick commerce. Like you, we have seen growing appetite, growing consumer demand for sub 30 minutes deliveries of everyday essentials, especially in your centers. And our conviction is that this is actually a really important part of that everyday use case mix. We’re very committed as Uber to fulfill such demand but we are prioritizing a partnership approach with the likes of Gopuff in the US, Carrefour in France. We’re convinced that partnerships are a more effective way to scale, both quicker time to markets and more cost efficient. To put things in perspective, we have about 480 dock stores that are already live on the Uber Eats app, delivering in minutes with many more to come over the course of this year.

A great example of the success we're seeing with this approach is for instance, the offering we have in France called sprint, which is co-designed and exclusive to and ourselves. Effectively what we see with that offering in France is that we are able to deliver in 15 minutes with high fuel rates, high customer satisfactions. We also see that consumer engagement, as people try that new offering actually goes up across the entire platform, including a restaurant business. And finally, we were very excited to see that those that offering isn't just attracting the typical consumers you'd expect, the more digital natives. We've seen as an example, a lot of traction among senior citizens that are valuing the convenience that this offer brings and that are trusting the and the Uber Eats brand. We think this approach is a win for all parties involved and a big opportunity.

The next area of enormous opportunity in the delivery portfolio is actually delivery as a service, Uber Direct. It's an offer that was built in the spring of 2020, leveraging the technology from Postmates. As merchants and retailers around the world we are looking for new way to deliver all of those orders that were originating from their own apps and their own websites. Since then, the Uber Direct business has
grown to support thousands of merchants around the world, from use cases like parking lot pickups with Walmart here in the US to actually delivering for more discerning brands like Apple, Sephora, Adidas as an example.

We think this business plays a really, really important role in the overall delivery portfolio. One from a gross perspective, as the world moves more and more towards on demand delivery of things. Secondly, that business helps us densify a courier network. And that means, makes that courier network more efficient, which is a key aspect of how we win longer term. And finally, it is a great opportunity to strengthen through that business relationship with existing merchants, but also prospective merchants that could join a marketplace at some point.

So wrapping up today are the opportunity is the space is absolutely massive with some important gross levels that I’d like to reiterate. First in a core restaurant delivery business, we think that there is still plenty of growth ahead. We see that penetration, but also user engagement, user frequency, other frequency are going to go up structurally over the years to come. We have seen, for instance, in the more [inaudible 00:56:52] countries, I’ve talked about the engagement we see in Taiwan, for instance. Secondly, the opportunity is even larger in the overall retail space as I’ve described before. And this is important because this has ramifications across the broader platform. What we see is that as people’s start to try more and more categories, we see overall engagement goes up on the Uber platform. And finally membership, which is truly getting better every day for consumers and for Uber. Today, about 17% of Uber’s overall gross bookings are done by members. We see that numbers structurally go up and help drive further engagement onto the overall Uber platform.

Now, if I am to leave you with one thing, it’s that it is Uber that is best positioned to win and to go after this huge opportunity. I suddenly feel very lucky to be leading this business in this next phase. Both here in the US and around the world, we have very, very clear structural advantages. The richness of the go-get platform for consumers, which Mark talked about, you’ll hear more from Sundeep in a minute. The Uber brand, which is becoming more trusted every year around the world. Best in class logistics technology that is not just sitting on the ground, but actually pressure tested, fine tuned in more than 6,000 cities around the world. And finally our relentless ambition and incredibly talented teams. So with that, thank you for your time today, and I’m going to pass it off to Lior to chat about Uber Freight. Thank you.

Lior Ron:

Thank you, Pierre and hi everyone. I’m Lior Ron, the head of Uber Freight and it's great to be here with you today to talk about logistics. Now, when we got going five years ago, logistics was this topic nobody cared about, but we at Uber Freight saw this massive industry desperately in need of a technology transformation. So we started building and now logistics is the forefront of our daily lives. Consumers around the world are feeling their pain of supply chain not functioning. For me, after waiting for six months, I've recently just received my son's first bike for waiting six months for it. And walking into Party City over the weekend for my daughter's birthday, I was told balloons are in a back order of a month. Balloons. I'm sure you all experience a similar moment lately, not being able to get something you really wanted. And the reality is that we now rely more than ever on the orderly movement of goods and behind all of these goods, behind everything we buy, there's a truck. In fact, everything surrounding us in this room was probably in a truck once, if not twice before.

This is a $4 trillion market globally, almost a trillion just in the United States. 70% of everything that is moved around us is moved on trucks. And that amounts to almost 250 pounds of stuff moved per
person in the United States every day. Truly trucking is the backbone of the global economy. Yet this industry is completely broken. Nearly every participant in this vast ecosystem is struggling. 20 years ago, the average age of a truck driver in the US was 35. 10 years ago it was 45. It's now 55. It's the same baby boom mills, just aging out of the industry. And the vast majority of those truck drivers are small mom and pop shops, with less than five trucks, it's impossible for them to connect with the big shippers or run their operation efficiently.

So to aggregate that very long tail supply, you have 17,000 brokers in United States, but they're all subscale and manual. It takes 25 manual steps to just coordinate and move a truck. So more than 10% of the cost of a truck is actually the cost of just coordinating it. And shippers facing with all this inefficiency are paying more and more and more for logistics. This is the child that every CEO and CFO in corporate America is staring at. With logistics now being more than 5% of overall company cost, growing at almost 50% and we as consumers end up paying for that with ever increasing prices for basic goods. The other casualty of that is our planet. Almost 30% of all the trucks that you see moving next to you on a highway are driving empty. 30%, that amounts to more than 2% of global greenhouse emissions caused by just empty trucks going out there empty. So five years ago, we said to do something about this. We believe that the only way to truly affect change is to apply deep technology to this market at scale, and to help digitize this vast ecosystem, so information can flow in the speed of light, not in the speed of people, and we can connect all those participants to an integrated cloud, to fundamentally simplify logistics. And we're very proud of what we've achieved to-date. With the advent of mobile, we put an app in a pocket of more than a million truck drivers, creating the world's largest virtual fleet. With artificial intelligence and data science, we're connecting the right truck, at the right time, for the right shipper, for the right price, instantly. And making it the most efficient way to procure freight in the market today.

And with the cloud, we’re making all of this accessible for tens of thousands of shippers, creating the largest logistics cloud ever built, with $17 billion of freight under management. And it all starts with truck drivers and making it better for them. The truck drivers that are the backbone of the industry, who have some of the toughest jobs out there. So, for the very early days, we set on a mission to transform this reality for those millions of truck drivers. With Uber Freight, carriers are now empowered to run their business on the go, 24/7, with full and transparent access to the biggest shippers out there. And they are doing so while minimizing the empty miles between shipments, so they can make more money and spend more time back home with their families.

And they're paid for those shipments almost instantly, compared to an average of 45 days in this industry, which means they can rely more on a cashflow to grow their small business. And they do all of that while benefiting from deep access to discounts on fuel, maintenance, insurance, and more. Collectively, they increase their earnings and reduce their cost, making Uber Freight a very compelling option to drive with.

That focus on putting driver first and making it super easy for them to run their business, allowed us to create the largest digital freight business and freight network, with access to over million drivers onboarded to the platform to-date, which is more than a quarter of all truck drivers in the United States. We now have critical supply density on every major freight corridor, allowing shippers to access their capacity when they need it, where they need it. And every carrier on this map is fully digitally enabled, allowing us to innovate on top of that network, across the entire supply chain. Now, those carriers are also very happy and loyal. As you can see on the left, they are more likely to use us than any other option in the industry. And the more they get familiar with the platform and understand the benefits, they use us more and more and more, with strong growth across all cohorts.
Starting a new trucking business nowadays with Uber Freight is so much simpler, that we are seeing a golden age for new truck drivers entering the market more than ever before, with more than three X more registrations compared to 2019. Now, having that liquid scale, digital carrier marketplace for the first time in our industry, makes this a much more Uber-like problem and opportunity. We can unlock business model innovation in ways never possible before.

We have a simple strategy, we build a digital network that allows us to achieve a structurally better position in the two things that shippers care most about, cost and service. Having all those carriers on an automated, digital-first network, allows us to unleash machine learning to optimize that network and automate all those manual workflows. And then, fully optimized and automated networks mean we can significantly reduce both the carrier and operation cost, pass those savings to shipper, secure more demand, bring more carriers to the platform, and actually improve the service as more carriers actually onboard to that platform.

Let's quickly look at our progress to-date. First, our marketplace innovation driving carrier costs down. If you think about it, this is a pretty complex marketplace challenge. You have tens of thousands of shippers on one end, trying to connect with millions of carriers on the other end. And to address that, we have pioneered many industry firsts, which can only be enabled by a digital-first network.

First, we innovated at the shipment level, removing friction from the process and creating the first guaranteed upfront price in this industry. Looking at hundreds of different parameters in real-time, we offer carriers a transparent price they can trust, and shippers the peace of mind they can clear the freight they need for a price they know, in advance.

Then we innovated at a driver level with the Uber Freight app. We personalized all the opportunities for those carriers to match their preference. We can optimize their schedule and allow them to spend more time back home with their families.

And lastly, we've optimized the network itself. Using sophisticated artificial intelligence, we offer carriers bundles composed of multiple shipments. So, a carrier can book a load, let's say, coming from Chicago to Florida, at the same time he's booking that load back from Florida, going home. And they can handle both of those loads for a reduced price and allow them to reduce their empty miles, making more money while driving. And doing that all at real-time, across a billion of potential combinations, we estimate those bundle loads are reducing more than a quarter of those empty miles for our carrier community.

There are hundreds of types of innovation that our data scientists and engineers are driving on top of the digital-first network. And that is what allowed us to continuously push the envelope and dramatically reduce our carrier cost year over year, over year. Making the booking process more efficient, finding the perfect match out of more than a million drivers, and limiting all those empty miles. And today, we believe we are able to secure trucks at the lower cost than the vast majority of the industry, both in the inflationary market, on the right, and a deflationary market on the left.

Now, the second flywheel is driving efficiency and automation in a digital-first network. We believe we now have the lowest operational cost in the industry, having automated many of the steps required to execute a typical load. From connecting directly with shipper systems to automate the load creation, to pricing all of those shipments automatically with sophisticated algorithm, to book all of those shipments by our carrier in the app, we're able to accomplish all of that and many other steps, without a single human touch, without all of those manual phone calls and faxes. And we eliminate the need for this large, manual, expensive, and very hard to scale sales flow you'll see in the typical brokerage.

Now, having a fundamentally better [inaudible 01:09:51] structure also allows us to provide our shippers much more instant capacity and scale with them seamlessly as their needs grow. Our model also allows
us to offer better service for our shippers. In this example, a carrier had to cancel a load on the way to a pickup. This happens all the time in logistics. 15% of daily shipments are actually canceled for weather, mechanical failure, and a host of other reasons. But what will typically take days to recover from and hundreds of dollars of additional costs, can now be fixed on the Uber Freight Marketplace automatically for 80% of those failed booking that are rebooked without a single human touch.

In this example, the platform automatically reprise the load, automatically send it to all the nearby carriers, and a carrier who actually was closer, re-booked that load within nine minutes and arrived even earlier to the pickup spot. Now, this might be something like you expect out of an Uber, but in the world of logistics and freight, this is unheard of, and shippers are delighted by how much time and money we can save them.

Speaking of shippers, taking together this cost, efficiency and service benefits, we have been now a vital part of America's supply chain. We now serve more than 100 of the Fortune 500 shippers. Five out of the top five bev companies, nine out of the top 10 CPG companies. We move on our trucks more than 15% of all bottled water in the US. And for many of those shippers, we are now their biggest carrier, growing our business with them for over more than a hundred million dollars in less than four year, for numerous of those shippers.

Those companies and shippers come to Uber Freight because they want to access truck capacity at scale, they come to us because they want visibility on where the trucks are at. They want reliable service they can trust when they need it most. They want to reduce cost, innovative solutions rooted in our deep technology and operational excellence. Collectively, just these enterprise shippers represent more than $100 billion dollar of freight opportunity. And we're just getting started with them. We continuously increased our engagement with them, being recognized for the service and value we bring them.

As we grow with these customers, we become even more integrated with their supply chain and with their systems and they rely even more on our innovation. For example, Anheuser-Busch is now planning their daily factory production volume based on a real-time price of a truck in the market, something only Uber Freight can do at scale. And as we scale with those shippers, they're asking us not just to manage a portion of their freight, but their entire supply chain. And to do that, last year we've acquired Transplace, the leading managed transportation provider in North America.

Managed transportation is essentially a shipper deciding to fully outsource the logistics to a third-party, and Transplace is the clear leader in this growing category. Because if you're a shipper, you need to manage hundreds of different brokers and carriers provider, do all of that with a large in-house team, deal with varying technology or the lack of technology by those providers, and even after all of that, you're not fully controlling your supply chain costs, because you're optimizing to begin with on a subscale network.

Compare that to the Transplace experience, it's magical. Transplace is the single point of contact across your logistics needs. They're managing all of your carrier relationship. Transplace software is integrated across their entire operation, from ELP to warehouse management, to customer service, audit, pay and more. And this makes Transplace a trusted strategic partner, resulting in over 95% customer retention. And trust is earned by Transplace team of expertise, living and breathing logistics from top to bottom, executing more than 500 million transactions a year. No in-house team can compete with the pulse they have on the market. And with the visibility Transplace have to over 1,000 shippers network, they can provide unprecedented optimization, resulting in over more than $400 million saved just last year, for their shippers.

So, now we combine Uber Freight, the number one digital broker with Transplace, the number one managed transportation provider, creating the largest logistics cloud ever built, with $17 billion under
management. This allows us to solve shipper logistics problems end-to-end, across all of North America and across all modes, from truckload to partial truckload, to custom into Mexico, to rail, to parcels, and even last mile, we can be their strategic partner and help them with the most strategic aspect, from the most strategic aspect of demand planning, to the individual truck drivers moving that load.

Now, the two businesses are actually very complementary to each other, accelerating each other. Imagine doing all of the innovation we spoke about, not just on 1.5 billion of freight, but on $15 billion of freight, moving the Uber Freight flywheel so much faster. And then on the other end, unleashing that engine at a much bigger scale enabled Transplace to create even more value for its shippers, making it even more appealing for them to join the platform.

Now we truly have a combined platform, a logistics cloud, that makes every participant in it, whether it's a carrier or a shipper, more productive, more cost efficient, and more predictable. Back to the pain point we started this with, this is the best way to make structural progress on the supply chain challenges we face and improve the overall logistics market.

Speaking of change and improvement, I wanted to end by sharing a bit more about the future. We believe autonomous trucks will fundamentally improve safety and reduce cost by injecting much needed capacity into this market. And we believe Uber Freight is going to play a critical role in this future. Like autonomous cars, autonomous trucks will start with the most predictable routes, in this case, long stretches of highway, leaving the more complicated last and first mile to human drivers.

So, put yourself in the shoes of a self-driving technology developer, and think about everything that you need once you actually develop the technology, in order to actually commercialize that in scale. You need drivers available at scale, to carry the first and last mile of your route. You need someone who can manage all of those transfer hubs with fully loaded trailers on both ends of that leg. You need the fall back when the technology can't be activated due to weather, or traffic, or any other reason. You need a lot of shipper demand to fill your empty and very expensive trucks. You need a channel to interface with shippers and integrate autonomous solutions into the supply chain, combine routes between those different shippers. In short, you need Uber Freight.

And we are the ideal partner for the self-driving ecosystem. And the future is already here. Late last year, we've announced our first pilot with Aurora, which is moving loads on self-driving trucks as we speak, in Texas, between Dallas and Houston every day. Now it is more important than ever to invest in the future of the logistics industry. We are inspired and motivated by our mission, to simplify the moving of goods to help communities thrive. And we believe we have an important role to play in advancing this critical industry forward. Thank you very much.

Speaker 10:
We now welcome to the stage, Sundeep Jain, Chief Product Officer.

Sundeep Jain:
Hello, everyone. My name is Sundeep Jain, and I’m responsible for products at Uber. I joined Uber after a number of years at Google, where I worked in search advertising, which is a marketplace connecting users with advertisers. And Google's marketplace is very complex. After having been here for over three years at Uber, under the hood, I can with high confidence tell you that Uber's marketplace is unbelievably sophisticated, because in addition to dynamic demand, that's changing in real-time, we also have dynamic supply that's changing in real-time, constantly.

Every minute, our algorithms are pricing, matching, routing thousands of trips and deliveries in thousands of cities across the world. We have to balance multiple sides of the marketplace in real-time
and in the real world, and prediction can be a challenge. What if there's bad traffic? What if it's raining? What if a restaurant is closed? Multiply that across 10,000 cities, and the breadth, complexity and scale of our technology becomes quite impressive.

So far today, you've heard from each of our vertical product lines, you heard from mobility, you heard from delivery, and you heard from freight. I am here to tell you why Uber as a whole is greater than the sum of the parts. Uber as a whole is greater than the sum of the parts. And to show you how that underlying technology platform creates a sustainable advantage versus a single product line, I'll start by talking about earners and I'll show you how we have higher lifetime value and lower customer acquisition costs.

I've chosen to talk about earners first, because often we realize the benefits of a platform on the consumer side, but it's really the earner side that is equally advantageous for us. Then I'll talk about consumers, and also show you how we have higher lifetime value and lower customer acquisition costs than a single product line. And lastly, I'll talk about our shared technology across the entire platform, which gives us a cost advantage on tech costs and enables us to launch products faster to market. And I'll share that as well.

Let's start with earners and how the platform creates sustainable advantage. Now, my job is to make it easier for earners. I want to make their onboarding easier. I want to make it attractive for them to stay. I want to make sure that they have the highest earnings they could have relative to any other service, such that they stay with us longer. And we do all of this, because what's good for earners is good for Uber.

So, let's start chronologically through their journey. The first step for an earner is to onboard onto a platform so they can start earning. Now, if you're a single product line, you tend to push them into a vertical workflow, where you either onboard for mobility or you either onboard for delivery. And we used to do the exact same thing, where you'd send them in one specific flow.

Imagine if we could create a shared workflow, where they sign up just once, one login, go through the process once and they're able to both move people and deliver goods. We shifted from vertical flows to a shared workflow last year, to test how much easier it would be for earners. Where they sign up just once and they can do both rides and eats. What we uncovered by doing that process is that, we compressed the cycle time and sometimes we would approve them for just one, because the background check processes can be different across for both. But often, we would approve them to do deliveries and rides all at the same time, so they can get on the platform faster. Signing up once for driving and delivering enables them to earn faster, which is one of their primary goals.

Now, after we moved to a shared workflow, we noticed that each of the earners was giving us more supply hours per earner. The black bar represents cross-platform users. Whereas, the green is delivery only, and the blue is mobility only. And take the graph on the right-hand side, earners that onboarded using a shared workflow did 40% more first trips than those that just did a vertical specific workflow. That's a pretty big number, right? The shared workflow gives them more trips on the Uber platform.

Now, after they're onboarded, we create a single app for their workflow, and that single app gives them more choices. Take the picture on the left-hand side, which is a heat map that shows them opportunities for rides and eats, shows them opportunities to earn with the pop-up at the bottom. So, they have more choices and more flexibility, they can navigate their day. And in the future, we're going create a job board which shows multiple dispatches, so they can pick exactly which job they want to do. Now, flexibility is a core reason earners join platforms within the gig economy. And we provide them a lot of flexibility.
Now, it’s not surprising that that flexibility is important, because the peak periods for mobility and the peak periods for delivery are different, right? Mobility is going to be busier during commute hours and weekend nights. And delivery’s going to be busier during meal times. So, this is a timeline chart, where the blue represents a dominant transaction volume for mobility, and the green represents a dominant transaction volume for delivery, and they’re different throughout the day. And so, if you’re just doing one type of a job, you’re going to miss out on the peak periods, right?

And the benefits are there. So, when you drive or deliver across the platform, sometimes rides, sometimes eats, you actually make more money. The earnings per hour are higher. So, I’ve shown three different time periods, where the black bar represents cross-platform earners and the blue represents mobility only. Mobility only tends to be higher than delivery only. And you notice that we have higher earnings per hour. Now, this is an example from a specific city and it’s not pervasive everywhere, but there’s an opportunity for us to make this pervasive everywhere.

Now, just imagine that you’re able to onboard faster and work across both platforms. We give you more choices and you actually have higher earnings. And when you have higher earnings, you end up staying on the platform longer, you retain longer. And if you retain longer, you have higher lifetime value. And so, this is 28-day earner retention, and the black bar represents the cross-platform earners and there’s 17 percentage points higher retention than delivery only. And three percentage points higher retention than mobility only. Now, that's a 28-day or one month retention, that compounds to pretty big numbers over a course of a year.

Now from Uber’s standpoint, because earners work across the platform and they're earning on both of our platforms and they end up having higher retention, if we go to the next slide, we have the benefit of lower customer acquisition costs, right? With different peak periods, we have opportunities to cross-sell them across the platform. So, you see, the pop-ups at the bottom will show you when it's better to do a delivery and when it's better to do a ride. And that type of guidance can help them navigate their day. And that effectively lowers our customer acquisition costs by 15%, 15% is a large difference in customer acquisition costs, that creates fundamental economic advantage for a platform that has multiple services versus just a single line of service.

The best part is that only 23% of our earners today are on both rides and eats, right? This number’s grown substantially over 2021, but as we started to roll out shared workflows, only 23% on both rides and eats. Which creates immense future growth upside, as we grow the proportion of earners that are on both platforms. And we have high confidence that we’ll be able to grow this, given that we're delivering higher earnings per hour, which makes them want to stay longer with Uber.

So, just as a quick recap, the shared onboarding workflow gets them to earn faster, makes it easier for them to earn on both platforms. Then we have a single app where we have shared information that enables them to have higher earnings, which leads to higher retention and higher lifetime value. And because the peak periods are different, this makes intuitive sense. And we’re able to cross-promote across a platform, such that we have a lower customer acquisition cost. And all of those together create an economic advantage on the earner side.

Now, let’s shift gears and talk about consumers. So, consumers, over the last two years during the pandemic, we have been busy building a large set of services to go anywhere and get anything. We have done this through two interconnected apps. There's a rides app and there's a eats app. One for, go anywhere. One for, get anything. But across those two apps, we have lots of cross-promotion surfaces. Here’s an example, where in the rides app we’re promoting grocery and in the eats apps, we’re promoting the rides. And those cross-promotion surfaces are very important.

If we look at all of the externally paid channels, this is Google, Facebook, TikTok, Instagram, wherever you might place an ad for externally paid channeled, we acquire twice as many users than all of those
channels combined. So, delivery acquired twice as many consumers than all of those channels combined. We are able to source consumers from our internal platform, and that twice as many consumers that we acquired, we did that at one fourth of the cost, 25% of the cost. Acquiring twice as many users at one fourth of the cost. That's an economic advantage.

In addition to acquiring consumers, we create consistent identity, consistent payments, consistent business and user profiles, and single set of preferences that personalize your experience in the app. You can designate a home residence, which we can use both in rides and eats, you can designate a third-party such as your mom, where you can take a ride or order a meal for them. All of this is consistent and seamless across the two apps. The shared data enables us to create magical moments. An example that I experienced myself is, you land in an airport and we can enable ordering a meal, such that it arrives by the time you get home. It's a magical moment, right? And you just need a few of those magical moments for the consumers to really appreciate your platform. And we can only enable that because we have shared data across the two apps. All of the various services that we offer enable us to predict what might be the right service for you.

Now, in addition to these magical moments, if we go to the next slide, consumers start spending more. Those magical moments, make our platform more valuable. So, if you look at the spend per consumer on a quarterly basis in mobility, which is a blue bar, delivery, which is a green bar, and a cross-platform, which is a black bar. So, the cross-platform users are spending six times per more than the mobility. And the cross-platform users are spending twice as much as delivery. So, we have higher engagement.

In addition to higher engagement, we have higher retention. So, once again, the black line represents cross-platform users. The blue line represents mobility. And the green line represents delivery. And you can see by the numbers at the end, that the cross-platform users have about 20, 25% higher retention than either mobility or delivery. So, we've got lower customer acquisition costs. They're starting to spend more, because we have these magical moments, and then stay on our platform longer.

And the proportion of users that are cross-platform is growing. So, the top line, and Dara mentioned this, 46% of our users, GB weighted, gross bookings weighted, are cross-platform. If you look at the bottom line, which only corresponds to 17% of our users, that's great that it's only 17% of our users, because given the cross-promotion surfaces that we have, given how large and equally sized the two businesses have become, that number has a lot of future upside. And remember, as we grow the proportion of users that are cross-platform, we get the benefit of higher spend per user, higher retention and higher LTV. All of that is future upside for us.

Beyond all the things I talked about, which is just through our surfaces, we're also bringing forth the Uber One membership, which is something else on top. And the membership program that combines benefits across rides and delivery, is better than just a single line. We can offer preferred drivers on the rides side, $0 delivery fee on the eats side. And we can deliver all of that membership program as a same price

... price as a competitor would deliver for one product line. So, the shared benefits across those make it a better membership program. And members are more valuable to Uber. They spend 2.7X versus non-members, as shown by this slide, and they also retain 20% more than non-members. So, we already have the benefits of customer acquisition costs, engagement, and retention. And then, we bring membership on top to increase that even further. So we have interconnected apps where we can cross-promote, create higher engagement, and then, we have higher spend and we're expanding our programs, membership programs across geographies and across areas to increase the proportion of users that are members.

Okay. After consumers, I'm going to talk about technology costs and time to market. We have significant shared tech operating at scale across our platform, right? Whether it's identity, dispatching,
infrastructure, ordering, all of that functionality is shared. In fact, 75% of our engineering resources work on shared components across the platform, and all of that is available out of the box.

And so, when we launch new lines of business, and you heard a lot about new lines of businesses across both the mobility and the delivery verticals, we’re going to be able to take those to market faster. We’ve already seen some evidence of that. If you look on the next slide, the blue line represents the mobility, green represents Eats and orange represents grocery, we’re scaling products faster to market. Now, some of that’s the market dynamics, but a lot of it is that we’re able to bring those products to market faster.

Let me give you one other example of where shared data creates competitive advantage. We use the shared data to make each service better. So, on the left hand side, we use delivery data for apartment complexes. Remember, we need to deliver food to specific apartment unit versus a leasing office which tends to be the address for that apartment complex, on sprawling ones, not the high rises. But we’re able to use that data to make rides pickups better.

Similarly, we have all of this prediction data from rides, and we’re able to use that to better estimate ETAs for delivery, ETAs are estimated time of arrival. And so, we’re using the shared data to make each service better that are feeding off each other. Let me give you another example, one of my favorite examples. So the top of the slot represents matching graph optimizations. And remember, matching graph optimizations is just increasing the number of connections between riders and drivers or eaters and couriers. And the more connections we have, the higher throughput we can give.

So, for given amount of supply, given amount of demand, if we can create more connections and density, we get higher throughput. And over the last 10 years, we’ve been improving that by each year iterating year by year through machine learning. And over 10 years, and maybe you would expect this, after 10 years of machine learning, we’ve got a thousand X improvement on our matching graph optimizations right? So, that’s great for mobility. But because we use shared tech, delivery gets the benefit of that in the earlier phases. They don’t have to wait 10 years to build those improvements themselves. They get the benefit in the earlier stages.

Take the example at the bottom which is pricing algorithm optimizations. Remember, we’re always trying to price a trip for the consumers and for the earners. We’re trying to get as close to the market clearing price as possible all in real time. So, pricing is actually a very complicated and sophisticated algorithm and challenge. And over the last 10 years, we’re getting better and better on the mobility side. So, over the last 10 years, we’ve got a 300% improvement in pricing efficiency, which drives higher throughput. And delivery gets all of that benefit in the earlier phases.

And so, collectively, we had the... Shared tech enables us to lower our costs because so much of it is shared, 75% of engineering sources, and we can launch products to market faster, and new product lines get the benefit of multiple years of learning.

So, to wrap up, what I’ve shared on the earner side is we do have higher engagement, higher lifetime value because we have all of this shared workflow and shared data, and that does lead to lower customer acquisition costs and higher lifetime value. On the consumer side, we have a lot of cross-promoting surfaces, which enables us to create lower customer acquisition costs, and then, because we’re able to create magical moments for consumers, we have higher engagement and higher LTV, and then, we bring membership together to put it all together.

And on the shared tech side, we can ship products, new product lines faster to market. We reduce our tech costs and we build better product experiences, especially when new product lines get the benefit of all of the learning for multiple years.
Now, everything I’ve talked about today has been very focused on consumers, rider and eaters, earners, drivers, and careers, and all of our shared tech. But we also have a pretty large opportunity on the enterprise side. We sell advertising to enterprises across both rides and eats. We have a business that we call Uber for business, which sells rides for businesses and eats for businesses to enterprises, and we’d like to tell you a little bit more about that. Let’s start with advertising, then we’ll go to Uber for business. I’d like to invite my colleague, Mark, to talk about that.

Mark Grether:
Thank you, Sundeep. Hello everyone. I’m Mark Grether, the general manager of Uber advertising. I joined Uber six months ago from Amazon Advertising where I drove its broad strategy for the demand side place business. Prior to Amazon, I was the CEO of Sizmek, the largest independent advertising platform, and the COO and co-founder of Xaxis, the largest programmatic media company in the world. Today, I’m very excited to talk about our nascent but high potential advertising business. Uber advertising brings together location-based and shopping data with closed loop attribution across our mobility and delivery channels for performance and branding campaigns. We enable our advertisers to engage with our consumers on the entire marketing funnel, from awareness to consideration, to conversion, to loyalty. Very, very exciting.

Let me start by talking about our consumers first. We have a global premium go get audience of 180 million monthly consumers who engage with our platform. As part of our core business, they tell us where to go and what they want to get. With more than 1.8 billion trips in the fourth quarter, they get in touch with us about five times per month across our rides and eats services. And we know that without any person information that we share. We recognize the significant responsibility we have to be transparent with our users, safeguard their data and earn their trust.

So let’s have a closer look at how we can deliver on this opportunity. Imagine that Starbucks has introduced a new holiday-themed drink. To achieve awareness, Starbucks will utilize Uber’s digital out of home platform to connect our riders and our eaters together. As Starbucks move further down the funnel, we will target riders on the way to the office with our mobility in app advertising. Then, Starbucks will be able to target eaters at their time of purchase within Uber Eats sponsored listings program. For consumers looking to order their groceries, Starbucks can use sponsored listings to have their products added to a larger shopping basket, together with other items such as lipstick, candles or dog food.

As Starbucks drives loyalty, they can message our repeat eaters. We believe no other platform can reach consumers through such a targeted omnichannel marketing solution with transaction-based measurement at global scale. While we have an [endemic 01:42:06] avatar set of more than 825,000 merchants, we believe this value proposition will appeal to many verticals beyond our existing partners, from connecting business travelers who frequently ride to the airport for travel companies, to people in the back of cars on a Friday evening for entertainment brands, to the extension of our delivery business to get almost anything delivered for our retail advertisers.

Now, let me share the success we've had since starting our journey in 2021. We built the technical foundation of our proprietary advertising platform by focusing on restaurants on Uber Eats with the launch of our sponsored listings program in more than 30 markets. Our solution have helped over 170,000 advertisers to grow their business, and we were able to deliver a return of advertising spent of 11 in the fourth quarter.
We also now would like to take a moment to talk about our mobility program. During the second half of 2021, we ran a pilot program within our rides platform for five partners including Marriott. Custom content was presented across phase of the ride. With a hundred percent share voice during the entire trip, consumers were exposed to the ad content for approximately two minutes, which is significantly more than on any other platform. And that exposure resulted in two to six X to brand performance list.

In addition, we launched Uber's digital out of home advertising network with more than 3,000 car tops in seven US markets, delivering a hundred million daily impressions. This solution increases for the most engaged drivers the incomes like William here on this chart by about 20%. So, we are looking forward to expanding our delivery and mobility offerings in 2022.

Today, I'm very excited to share that we exited 2021 with 141 million revenues at a run rate of 225 million. As we continue to invest in new ad services format and features and build out a dedicated sales force, we expect this business to grow into a 1-billion plus revenue opportunity by 2024. And with this high margin profile, Uber advertising will serve as the key driver for Uber's probability in the years to come.

Let me close by sharing that we believe that the advertising flywheel will help to fuel the growth of our marketplace businesses. With our large user base and first party data, we can provide strong advertiser returns and deep insights for our advertisers which will attract more of them. With more advertisers on our platform, we can grow our advertiser profits, which we'll use to reinvest in the future growth of our core businesses, accelerating the flywheel program of our advertising business.

I look forward to our future and the growth of Uber's advertising business. Thank you for your time today, and now, to Susan, who will tell you more about Uber for business.

**Susan Anderson:**

Hi everyone. I'm Susan Anderson, and I'm here to tell you a little bit more about Uber for business. I joined Uber five years ago to launch Uber Eats in Australia. I'd previously been at Amazon, and launched Amazon Prime Now in the UK. I then went on to run mobility in APAC before taking over Uber for business just under a year ago.

So, eight years ago, businesses started realizing Uber was one of their most expensed items along the Starbucks. And so, they turn to us for an expense solution. And that's when we launched Uber for business. Since then, as Uber has diversified, so has Uber for business. I'm going to start by taking you through our suite of products before going on to talk about our, some financials as well as our growth plans.

So, you all know what's best for our travel products. Companies can offer their employees integrated expense management for ordering rides or food on business travel. Uber automatically populates receipts, so no receipts, no hassle. For companies, we offer customizable reporting soon to include CO2 emissions as well as tools to manage policy compliance.

So, why is that useful? Well, I'll give you an example. During the depth of the pandemic, we worked with a global fast food company that needed a solution to get their restaurant workers home when travel and transportation opportunities were really reduced. They came to us at Uber for business, and we could set them up with restrictions on time of day when they could use the products, as well as locations to and from, and that meant they could enable that employees to use the service and ensure everything was within policy.
Alongside travel, we’re building out our eats for business solution. Companies can set daily, weekly, or monthly budgets for employee meal solutions. We offer bill splitting, group ordering and premium customer service. Importantly, whereas many legacy offers food providers can only handle the meals in office, Uber can also deliver to employees’ homes, which is a huge advantage as many companies are moving to hybrid ways of working.

As the war for talent continues, we are seeing large companies investing in enhanced benefits, including meals. We recently won a competitive tender with one of the world’s largest tech organizations for their annual meal program. This will be worth over 45 million annually, and we won on the strength of our product, a global reach, as well as the fact we can meet both in office and at home. And that's not a one-off. We’re seeing a lot of companies looking into this space to enhance their benefits both in the US and worldwide.

And then, often, as is the case with that tech company, companies are buying Uber One for their employees as part of their benefits package. In late 2019, we launched vouchers and corporate gift cards for both our Uber rides and Eats products. This provides technology to enable companies to buy and distribute these products on bulk. So, for people here in person today, you’ll receive vouchers, and I know a number of them have used them to come today and to go home, so you've experienced that personally.

So alongside the employee and client use case, since launch, we’ve also secured multimillion dollar deals with marketing agencies to provide Uber gift cards as a key part of their campaign. You can see this in the live campaign that's running up to and during the Super Bowl using Uber Eats gift cards. The potential here is huge and is a really strong complement to the ads business.

Our Uber central product is a web-based dashboard that allows companies to directly dispatch cars to their clients or VIPs who don’t even need to have the Uber app downloaded. With this technology, anyone can be a dispatcher for rides or Eats. It's frequently used by assistants in organizations for their executives or for their teams, but we're also seeing it being used within logistics. For instance, we have a roadside recovery organization in France who’s utilizing Uber central to go and get customers when they find themselves stranded.

Finally, for health providers, we also have a HIPAA-compliant offering providing non-emergency medical transportation that allows care teams to request rides to their medical appointments on behalf of their patients, or to have prescriptions, food or medical equipment delivered. This is a rapidly-growing part of the health industry. And again, our ability to address both mobility and the delivery is proving to be a key differentiator in this space. Healthcare providers are thinking about this holistically and we are the partner that can offer that.

So we’re now seeing more of our clients using multiple Uber products. So, let's take Meta. They use Uber for business globally for transportation, as well as meals while traveling, as well as using our commute product to supplement their on-campus shuttle services, and to transport staff home in emergencies. Similarly, Salesforce, they leverage Uber for business for both travel and meals whilst also using our voucher product for client events.

We currently have contracts with over 170,000 organizations worldwide, we call this our managed business. And this includes over 60% of the Fortune 500. We did a recent survey with our enterprises which gave us an NPS of 68, which is substantially higher than industry average, and our global coverage, as well as our platform portfolio is a key differentiator. We operate dedicated sales teams in our largest Uber markets, but also, self-serve available in every market where Uber operates. And this is a large global market. We estimate that we’re targeting markets in excess of 600 billion, of which, a large portion, we think, over 50% will only be accessed by us having that direct relationship with the client.
And we're unlocking platform value. Uber for business is a strong acquisition channel for new users to consumer Uber. 6% of users through Uber for business's travel product are completely new to Uber. And a further 35% of users have been reactivated post an Uber for business launch after more than six months dormant in their consumer accounts.

And then, on vouchers and gift cards, that acquisition is even higher. 14% of users are completely new to Uber. So, I'm sorry, Sandy, but our [CAC 01:52:30] is much better, we get paid to acquire our customers. And these customers are some of our most valuable. At Uber for business, a consumer is highly lucrative with over 4.4 times the variable contribution of a personal consumer in mobility.

The diversification of our portfolio has had a meaningful impact on our revenue mix. In 2018, only 2% of our GBs were from non mobility products in Uber for business. Today, that's at over 26%. And when we look at the new contracts we're signing, that's at 36% as we increase our portfolio selling. We have a proven track record of growth. Despite the reduction in global business travel in 2021, we exceeded our 2019 GBs, delivering in excess of $1 billion.

We're confident we can accelerate growth. Our goal is to achieve an annual run rate of well over 5 billion in 2024 from our contracted clients. This represents 5X growth in overall and even faster growth in our health and our delivery sections. And so, to achieve this, we're investing in sales teams. We're increasing our team by over 60%, and we'll [4X 01:53:45] the amount of new business we're bringing in every year.

And then, we're focused on growing our large existing cohorts of clients. We need to increase the number of clients using more than one product in our portfolio. Currently, only 10% of clients are using more than one, so we have a lot of runway. And then, we're going to deepen end employee usage through differentiated benefit such as our exclusive Marriott points deal, as well as Uber One.

I know a number of your companies are Uber for business clients, thank you for that. But if not, please, talk to me at the end, and I'll happily sign you up. So, thank you very much for your time, and I'm going to hand it over to Jill.

Jill Hazelbaker:

Hello everyone. I'm Jill Hazelbaker and I lead our communications, marketing and public policy teams. As you might expect for someone in my line of work, I'm often asked about our regulatory hotspots. What doesn't get as much attention is all of the work that we're doing to partner and ally with cities around the globe. In our time together today, I'm going to walk you through a few of our key areas of focus, as well as how it translates to and impacts the work that we're doing from a public policy perspective.

When I came to Uber six and a half years ago, politicians often had genuine, and I'll admit, not unfounded questions for me about whether Uber could be a partner to them on the issues that they care most about, economic opportunity, work opportunities for people living in their communities, safety, whether we could help them make their streets and their neighborhoods safer. And of course, sustainability.

What we have learned, over time, is that by partnering closely with cities, to help them solve their problems, we can make a lot of progress. We can also open the door to collaboration on some of our toughest policy challenges. Turning first to economic opportunity, one of the most important outcomes of the pandemic has been this incredible shift toward flexible work. Of course, at Uber, we've always
understood the value of flexibility. Millions of people have used our technology to find an earnings opportunity since our inception.

And today, Uber is the largest source of work in the world. Not the largest source of gig economy work or on demand work, the largest source of work in the world, period. Between 2016 and 2021, more than 30 million people earned over $175 billion on our platform. That tells you just how much people value the type of flexible, low barrier to earnings opportunities that we provide. Contrary to popular belief, this is not a full-time gig. 90% of our earners were fewer than 40 hours per week. 60% of our earners were fewer than 20 hours per week. And inside of Uber, we are enormously proud that people trying to put their first foot on an economic ladder are coming to Uber.

In London, 82% of our earners are immigrants. And here in New York City, that number is closer to 90%. During COVID, on demand work became a lifeline for many. According to a recent report by Accenture, more than 64% of people who were new to platform work came because they'd either suffered a job loss, or a reduction in hours. 78% of people said that platform work was an essential form of income during the pandemic. But we also know that the status quo isn't good enough. Being independent shouldn't mean that you're entirely on your own. That's why our policy teams all around the world are fighting for a better future for our earners.

They're working toward a future that marries the flexibility and independence we know earners love, with the benefits and protections that they deserve. And we're making a lot of progress. We're making a lot of progress because there are a number of different ways for us to approach this problem. We can strike deals directly with labor like we did in the UK, and more recently, in Canada. We can work with labor and other stakeholders to pass legislation like we did in Chile a few weeks ago. And we can win at the ballot like we did in California by an 18-point margin, and like we'll do later this year in Massachusetts, we'll expect a similarly successful result.

It's going to take some time for this issue to shake out, but I fundamentally believe that we're on the right side of history. We're on the right side of history because we are aligned with what earners actually want. In survey after survey, they tell us that they value the type of flexibility and independence that our platform provides. In fact, in six and a half years here, I have never seen a survey where they didn't say that unequivocally.

Before I turn to safety, I'm going to play a short clip for one of our drivers here in New York, Everjoy, who's going to talk about what driving for Uber means for her.

Many of our earliest innovations whether it's background checks, share my trip, or GPS tracking, have now become the industry standard. Our ride check technology can sense whether you might have been in an accident, or you deviated from your planned trip, so that we can check in with riders in real time to make sure that you're okay.

We're testing audio recording in many countries, and we've recently rolled out an audible reminder to buckle up when you get in the car. But it isn't enough for us to make Uber safer, we want to move the entire industry in a safer direction. That's why we were the first ride share company to publish a comprehensive report detailing exactly what's happening on our platform, with the next one coming this spring. We did it because we fundamentally believe that you can't improve what you're unwilling to measure.

We were also the first in our industry to enforce arbitration for victims of sexual assault and sexual harassment. And here in the US, we're partnering with Lyft, to share information about drivers who might have been deactivated so that we can keep bad actors off both of our platforms.

Of course, central to our policy argument is this idea that Uber makes cities and their communities safer, and that's absolutely the case when it comes to drinking and driving. 80% of our riders tell us that Uber
has helped them avoid drinking and driving. One often cited study by the University of Texas med center in Houston found that when Uber came to town, DUIs decreased across the board, with the greatest reductions happening on weekend hours, when not surprisingly, Uber is busiest.

Of course, the pandemic totally changed what safety means to Uber and our communities. That's why very early on, we rolled out a global mask mandate, as well as mask verification technology, to ensure that riders and drivers were safe while traveling in our cars. And to ensure that transportation is never a barrier to getting a vaccine, we put our hand up and partnered with the White House to offer Americans free rides to their first shots.

Finally, on sustainability. This has long been a priority area for cities in a place where Uber can have an obvious, positive impact. That's why we committed to getting our mobility business to zero emissions by 2030 in the US and in Europe, and by 2040, everywhere else. We're making good progress. We've rolled out Uber Green to more than 1,500 cities, and we've expanded the number of electric vehicles on our platform over the last 18 months.

We've also committed almost 800 million to transition hundreds of thousands of drivers into electric vehicles via partnerships like the one making Teslas available for rent on Hertz. You'll notice a common thread to the topics that I've talked about today, transparency, innovation, accountability. Whether it's been economic opportunity or safety or sustainability, we've been transparent with the public about the arguments we're making and where we see the direction of travel going.

We've led the way with product, technology and innovation. And we hold our leaders accountable, myself included, for delivering on these objectives. Some companies talk about this as ESG or CSR, at Uber, this is a core part of what we do every day. It's how we run our business.

In closing, you heard Dara open the morning, talking about how Uber as a company is emerging from the pandemic stronger than ever, and the same is true from a policy and regulatory position. You can see what I mean behind me. In the past two years, we've either built or rebuilt relationships across the political spectrum because we showed up for communities when they needed us most and while regulatory interest is always going to be a fact of life for a business like ours, I'm absolutely confident that by working together, we'll build a better future for our riders, for our drivers, and for the cities we serve. Thank you very much for your time today. With that, I will hand it over to Nelson.

Nelson Chai:

Thank you, Jill. So, as Dara started out, it is great to see everybody in person, a lot of familiar faces. For those who don't know me, my name is Nelson Chai. I've been at Uber for three and half years. On behalf of the management team, I do want to thank you for joining us today, to learn more about our business, our products, our technology, and our long-term vision. I hope you enjoyed the opportunity to meet some of our key leaders.

So, I'm going to close today with the discussion of Uber's potential as compound growth at very attractive levels while expanding profitability, and to touch upon our capital allocation framework as we start generating positive cashflow in the near future. When we last hosted investor meetings before our IPO, the company had just closed 2018 with around 90 million monthly active platform consumers and $50 billion in gross bookings mostly from our mobility business.

The business was generating deep losses and we expected the losses to continue to expand further into 2019 before we started to pivot towards profitability. As a business that is predicated on movement,
impact that the pandemic had on our then core business was dramatic. If you think about it, in April 2020, our core rides business was down 80%. I'm very, very proud of how our team came together and executed against an incredibly challenging backdrop. We acted decisively to refocus the company towards core opportunities. We divested several portions of our businesses and cut costs in the early days of the pandemic all while being focused on product development to serve our core opportunities. We also acquired strategic assets opportunistically to accelerate our roadmap. On our balance sheet, we maintained ample liquidity. We lowered our borrowing costs. We pushed out maturities. We started monetizing some of our stakes in DiDi and Yandex in 2021. Our execution through the past few years has turned the crisis into an opportunity and we are emerging stronger than ever before. Based on cell site estimates, we can see that the slope of the expected curve for Uber has become steeper post-pandemic. Sorry.

Over that same period, we've dramatically improved quarterly adjusted EBITDA by nearly $700 million since the pandemic began. Importantly, we achieved our commitment to deliver EBITDA positive in the back half of last year. We've driven operating leverage across every line of our P&L including variable cost items, such as insurance and payments. Of course, we meaningfully reduced our expenses and fixed costs with a focus on addressing the core opportunities ahead of us. We intend to continue expanding profitability from here, and I'll share more details later in the presentation.

Without recap, let's turn to what's ahead. We're still very much in the early days of penetration across multi-trillion dollar cams across mobility, delivery, and freight. You heard a lot today from Mac, Pierre, and Lior on these opportunities and on Uber strategy within the categories. Let me spend a few minutes going over our position and the implications for Uber's mid to long term earnings potential.

We are entering 2022 very well positioned across these businesses. As of Q4 21, mobility was operating at a $45 billion gross bookings run rate and generating a healthy EBITDA margin. Our delivery business reached a $54 billion gross bookings run rate in the fourth quarter and delivered its first EBITDA positive quarter. Freight completed the trans place acquisition. We are now poised to generate adjusted EBITDA profitability in 2022. Looking at our competitive position across mobility and delivery, we believe we are the best position player in our categories. Our early and aggressive investments around the globe in conjunction with our portfolio discipline have resulted in Uber having a category leading position across both mobility and delivery. In fact, for mobility, Uber was the category creator around the world. We estimate that over 80% of our current gross bookings are generated in markets where we have over a great 65% category position.

We know from experience that a disproportionate share of value accrues to the category leader in a marketplace business like this. For delivery, we are late entering to the game, but despite that reality, we have created the largest food delivery business outside of China in just five years. We have category leading positions in two thirds of international markets, and a second position virtually everywhere else. Turning to an important market, we are seeing very constructive trends across mobility and delivery in the United States which generates over 40% of our gross bookings. In the first half of 2021, we made a decision to focus on our consumer experience and invest in driver growth even at the cost of short term profitability considerations. As a result, we have seen strong improvement in the top line performance and in profitability in the US mobility in the back half of last year.

At the same time, our focus on fixing the fundamentals for our US delivery business has meant that we have gained category share while turning the business from deep investments to adjusted EBITDA break even in Q4. We have really great momentum in the US heading into 2022. Importantly, our business is actually a platform that delivers an outcome that's bigger than the sum of those businesses as Sundeep outlined earlier today. As a result of our platform synergies, we are able to acquire consumers as much as 75% cheaper than paid channels. As we deliver more services to our consumers, they tend to engage
at rates that are multiples of single product users and they retain at substantially higher rates as well. These levers are not available to our competitors around the world. So, this is actually the secret sauce to Uber. This is why we were able to be a laid entrant and build Uber Eats into the largest food delivery business outside of China.

This is why we believe we will build our next frontiers faster and more efficiently than our single product competitors. Putting it all together, we see significantly better spend retention from our cross-platform consumers looking at all consumers acquired from 2018 to 2020. We saw spending expand at healthy rates for all cohorts, but cross-platform consumers spent as much as 35% more than all consumers in year two. Our platform adoption is steadily increasing. As you heard earlier, as a Q4 34% of quarterly trips and 46% of quarterly gross bookings come from consumers who are actively engaged across mobility and delivery, but we're very much still in early days as only 17% of our acting consumers are engaging actively across both product lines. Our goal is to increase this meaningfully in the coming years.

Finally, let me turn to our financial model and capital allocation philosophy. As you may recall, we've previously discussed the long range models for both mobility and delivery given our global footprint and multi product marketplaces accounting differences between geographies and segments can result in noisy revenue reporting as it has been case with our delivery business over the past couple of years? So that's why we encourage investors to assess the margin potential of our businesses as a percentage of gross bookings and set of revenues as it simplifies and improves the analysis of each segment relative to the other.

So while a lot has changed that Uber since the IPO, our progress has only reinforced our long term targets for these segments. We continue to expect mobility to generate over 10% of GBS and EBITDA margin and delivery will likely closer to 5%. In both segments as you heard today, we are pursuing some higher potential lower margin opportunities with advertising providing an offset against that. We expect to steadily demonstrate incremental margins that are at least those levels in the next few years. We are confident that our long term model is achievable. As we have already sufficient evidence across our more mature markers. As you can see on the slides here across mobility and delivery, we have several large markets that already exceed these long term targets.

For our delivery business, the picture continues to improve. In 2022, we expect more markets to turn profitable. On an aggregate basis in the mobility and delivery markets, we are at or above our long term model. We are currently delivering around 13% and 6% EBITDA margins respectfully. With acquisition, retention and engagement spend at steady state levels. This is not unique to these specific markets as markets mature, Uber and our competitors rationalize spend to bring in new consumers and that turns the markets to healthy profitability. While in some costs may vary across markets like insurance in the US, we are very confident that our portfolio of markets can blend to the long term targets that we have outlined.

Finally, freight strong momentum entering 2022, both top and bottom line are worth calling out. As we commented on our fourth quarter call yesterday, we expect freight to generate positive adjust to EBITDA for full year of 2022. We're very excited about combining freight's digital brokerage technology where trans places manage transportation platform. The two businesses are truly complimentary and accelerate each other's growth. So, I'll close by addressing our financial framework. My sense is you guys are kind of interested in this chart. So based on our current expectations, we expect to deliver accelerating top line growth for full year 21 to 24 with a compounding gross bookings growth rate between 22 and 25%. In other words, we expect to nearly double our gross bookings from 21. In 2024, that will translate to around $5165 to $175 billion of gross bookings. In addition, we expect revenues to outpace gross bookings growth.
We expect mobility and delivery to show incremental margins that are at or around all long term targets on a yearly basis although quarterly trends may fluctuate. As a result, we are confident that Uber can deliver $5 billion and adjust EBITDA in 2024 which should translate to roughly 7% incremental margins from 21 to 24. Given our asset light model free cash flow tend to modestly lag or adjust EBITDA. For context over the past three years, free cash flows have roughly trailed adjust EBITDA by around a billion dollars after normalizing for one off impacts from the James River Insurance transactions. In 2022, we expect to generate meaningful EBITDA. As such, we expect to turn free cash flow positive by the end of this year. By 2024, we expect strong free cash flow generation. So this brings us to a new chapter in Uber's history and it'd be useful to close with a summary of our capital allocation framework.

When I met with investors when Uber went public, we talked about instilling discipline to effectively allocate capital and to turn Uber to cashflow flow positive. Looking forward, we expect to remain disciplined and invest behind growth opportunities and markets and categories where we are well positioned to win. Our growth initiatives, we focus on deepening our engagement with and developing more cross-platform consumers. We do expect to utilize M&A to augment our organic efforts. Although in the near term, we do not anticipate any major acquisitions. We do expect to retain a strong balance sheet and remain opportunistic when the right opportunities present themselves.

So let me wrap with a quick summary of everything you heard today. We are confident that Uber can compound top line of very attractive rates in the medium to long term. We are committed to developing or delivering profitability and expanding our margins and expect to deliver $5 billion in adjust EBITDA in 2024. We will continue to be prudent capital allocators funding the highest return initiatives and maximizing long term free cash flows to shareholders. As you heard from Jill, we will do so being good partners in our communities, focus on economic opportunity, safety and sustainability.

Thanks again for your time today and I'll turn it over to Dara for closing remarks.

Dara Khosrowshahi:

All right. Thank you Nelson. Before we go to Q and A, I did want to summarize again why we believe Uber is a great platform and as a result a terrific investment. We talked about it before. We have leading positions in multiple massive total addressable markets. We're the undisputed leader in mobility across the globe and you see with Mac our building out very, very significant growth opportunities during the most difficult times of the pandemic that are now ready to scale out. Delivery is here to say, and our delivery business is now the largest delivery business outside of China and is now profitable. We expect it to be profitable growing forward with again multiple big opportunities, grocery direct advertising on top of it as well.

Freight is bringing digital innovation at the perfect time when our supply chains are disrupted and is now going to be expected to enter profitably going forward. Each of these standalone businesses are dying my businesses on their own, but they're not on their own. They get to benefit from the power of Uber’s platform. This is cross selling consumers. This is earners coming to one app. This is freight using the data infrastructure that we have already built. I hope you saw from Lior's presentation. There are a lot of parallels in terms of pricing, matching technology between freight and our other businesses as well. All of this, as you saw from Nelson’s presentation translates into what we believe is huge value creation for shareholders that's ultimately why we're here 20 to 25% gross bookings CAGR, 7% incremental margins resulting in a target of $5 billion in adjusted EBITDA by 2024 with significant free cash flow generation and a management team who has demonstrated very strong capital discipline.

Now, little perspective, if you take our gross bookings run rate of about hundred billion, and you apply our incremental margins of about 7% to it, then we today are trading at about a 10 to 11 times adjusted EBITDA multiple. This is for the kind of compounding that we have, the kind of leading market positions,
and the multiple multi-trillion dollar TAMs available to us. You know, the old big tech compounders that lot of us, the steady added compounders that I think a lot of you are quite familiar with. Some of them aren't so steady anymore and they're compounding is slowing down little bit. This is Uber's turn. Hope, you'll join us on a ride.

With that, thank you very much for joining us. We're going to take a five minute break and then we're going to get the management team up here for Q and A. Thanks again.

Balaji Krishnamurthy:

All right. Great. We had a lot of presentations. We wanted to open it up for Q and A with the analysts. I think just a few housekeeping notes before we start. We'll ask that you raise your hands and I'll call on you, and Julia and Rebecca in the back will run a mic to you. Please wait for that before you ask a question and we'll request you to also limit yourself to one question and follow up, and then for the virtual audience, we'll turn to them periodically as well. So we'll try and do that and be efficient about it. All right. We can go to Eric Sheridan, Goldman Sachs.

Eric Sheridan, Goldman Sachs:

Thanks and thanks for all the information today, maybe taking a step back, you talked a lot about the cross-selling opportunity. Can we better understand over the next two to three years? What's the ramp of the cross-selling opportunity that you have reflected in the numbers you talked about today as a driver of unit economics on the platform, and how should we be thinking about leaning into investments on that cross selling over the next couple years? What should we be watching for? Thanks.

Dara Khosrowshahi:

Yeah, absolutely. You saw the graphs that Nelson put forward as far as cross sale and Sundeep put forward on the cross sale. It takes a while to build out the capabilities as it relates to cross sale. There's a lot of experimentation that has to go through to make sure that you're not spoiling the core experience by trying to cross sell to the earner or the rider or eater the next experience. We now have the musculature and the data structures where we are effectively able to cross sell our audience through a number of different experiences. So I would expect the percentage graphs in terms of GBs from multi-product users to continue to increase. Now, at some point that's going to peak out and really it's about the percentage of customers that are multi-product customers where we think we have an enormous amount of upside, but I'd expect the shape of the curve or the slope of the curve to remain positive. I can't predict whether it's going to change, whether it's going to inflect one way or the other, but I think that the opportunity set there is pretty significant.

Dara Khosrowshahi:

Sundeep, do you have anything to add?

Sundeep Jain:

Yeah, the one thing I would add is that we often spend a lot of time talking about the cross sell on the consumer side. I think Dara addressed that as well. On the earner side where we shared that 23% of our earners are cross platform across mobility and delivery. That is much more of at least in my opinion, a no brainer for earners, right? It's easier to onboard you earn more money by using both platforms. So I do see that curve continuing to grow as well. While we can't predict that an inflection point, that we could see more and more earners as they come back to the platform share across the two services.
Nelson Chai:
So Eric, let me just jump in for a quick second. So the short answer is, as you know and you heard from the presentations that we were largely mobility business going into the pandemic, we're emerging with two very, very, very large businesses and we're starting to see the early signal of that cross selling opportunity as we continue to emerge from the pandemic and move forward. So again, we think there's a huge opportunity there. What's built in the financial model, it's not something we would end up talking about saying you had the specific questions. So we want to get folks thinking about is what our overall gross bookings are going to be, what our EBITDA margins are going to be us gross bookings. I know at least even on quarterly analyst calls, we spend a lot of time with questions about take grade and all sorts of those things. So, our goal is to manage across those metrics.
I know you're going to look at a lot of different outputs which we'll share with you, but if you think about how we're running the business, and then what we will do is what we'll allocate capital. We may invest a little bit more depending on a quarter. The fourth quarter, we addressed it on the call where we did invest in on some of our mobility business as an example. Just as markets were opening up, could we have done more maybe, but we knew that we wanted to make sure we overachieved against our guidance which we did. So you should just expect over time that we're going to continue to manage against those two big metrics. Then, we'll allocate accordingly below as we think about managing the discipline our capital allocation. So it's a long answer to get back to. A, we're not going to tell you what's in there for cross sell. B, it's really, really early days. C, you had to get to a point where you had these two huge businesses that could interact with the different consumers we have.

Balaji Krishnamurthy:
I'll go to Brian and then we'll try and go the other side.

Brian Nowak, Morgan Stanley:
Thanks for taking my question. Thanks for everything today. I have a couple just around rides and mobility. So if we're sort of running some of monkey math on the margins and the total bookings guide, you can sort of get to, it looks like you're expecting mobility to sort of CAGR in the low 20s from bookings perspective. I'm curious if that, MAPCs. If that is right, how do you sort of think about the drivers of mobility between MAPCs and increased spend per MAPC and maybe just talk to us about how your biggest strategy to get more new users in your oldest market to really adopt the mobility product at this point

Dara Khosrowshahi:
Mac, you want to talk that

Andrew Macdonald:
Sure. Happy to. So I think in terms of your question around compounding, I think that's sort of roughly right with what we've shared as far as GBs. In terms of spend per MAPC versus driver of the number of MAPCs, I spoke a bunch in the presentation about how we think about driving users to use multiple products. I think the biggest lever to do that honestly is by structurally bringing prices down, the point that our TAM exists, most of our TAM exists below where UberX today, I think is an important one to understand and that's why things like shared rides and higher capacity vehicles are so interesting because as the biggest network, I think we're best positioned to put people into shared vehicles to batch with things like food or maybe not food, but grocery and things that are non-perishable.
Andrew Macdonald:

So I think the network density and efficiency there really helps with shared rides, and that brings down structural costs which means we can grow both the number of consumers, but also engagement per consumer. So I think about the multiple product strategy I talked about as key to driving engagement per MAPC. The other thing to understand and you didn't ask it in your question, but it's probably worth calling out. This business is a supply led business. So the most important thing we can do to grow the number of consumers and improve the consumer experience is grow the number of earners on the platform. So that's why I think our efforts on that front, the leadership you see us have versus competition in every single market we have as far as earner sentiment and retention really, really matters.

Andrew Macdonald:

We are in the fortunate position particularly in mobility of the consumer product market fit being so strong that if we can grow the earner side of our market, we will grow this business. So that's critical whether you're talking about an existing market like the US where our penetration levels while still relatively low or higher than elsewhere in the world. But that's also critical when you hear me talk about places like Germany and Spain and South Korea. The things that matter in those markets is standing up an earner operating model that works. Once we do that, we can grow consumers and people love the product.

Andrew Macdonald:

So hopefully those thoughts are helpful and the final point I'll make is we didn't talk about it today, but it is part of our strategy. There's a lot we can do to push into different age demographics. So younger users, I think we're under penetrated on relative to the opportunity. Many of these are people who are not getting their driver's license when they turn 16 like they used to, and then older users right? Making mobility easy, I think is a really important thing for an aging population. Uber's got a huge role to play there. So I'll leave the question there. I could talk about much more, but hopefully that gives you a sense.

Dara Khosrowshahi:

Brian, if you step out for a second. Generally, if you were to look at pattern recognition, lower cost products and taxi are very strong, new customer acquisition vehicles for us, but early vehicles. Then once we cry those new customers, we try to upsell them with other forms of transportation which it increases GB per MAPC, but especially increases EBITDA per MAPC, the higher margin product as well. So think of low margin as customer acquisition, and then we will upsell them more stuff which is more about GB and EBITDA and the two move against each other. So for example, most recently in Q4, we had huge MAPC growth and Nelson talked about a lot of first time active riders. They tend to use the product less. They haven't developed the retention metrics, the repeat metrics.

Dara Khosrowshahi:

So, GB per MAPC kind of moves the other way. So, we don't strictly look at both. I would say you want healthy balance growth across audience because if you're milking your audience too much and not growing audience, that's a problem. As we deepen usage of GB for MAPC and EBITDA or MAPC, we'll reinvest it to kind of find new audience out there and that cycle tends to work. The new cycle and frankly, it is relatively new that we're looking forward to is the Uber Eats audience like the Uber Eats audience is now again big. There are a bunch of markets in which eats is huge, Japan for example, where
the rides business isn't big and right now I'd say the mobility business has been more of a giver and it's time for delivery to give back a little bit. These two have worked together for many years, so I'm sure that'll work out.

Balaji Krishnamurthy:
Let's go to Justin in the back.

Justin Post, Bank of America:
Thank you. A lot of people in this room cover a lot of your competitors. So just wondering what you're seeing in markets like New York, where you have some new local competition on the delivery side, and then what's embedded in your estimates both mobility and delivery for market share over the three year period. Thank you.

Andrew Macdonald:
Mac. You want to talk the competition?

Pierre-Dimitri Gore-Coty:
Yeah, of course. I'm happy to give you a bit of a sense for like competitive dynamics here in the US and in New York specifically. Overall, I'd say Uber Eats has done a really good job at gaining category position in the past six to nine months in the US as a whole and that's really been driven by share gains in some of the key markets in New York. For instance, where we are number one player, but also by the push we're making deliberate push into suburban markets where as I think we are still pretty far behind. Our conviction is that those share gains even though we don't need them to feel like we have a healthy business, fast growing and profitable, those share gains we think are going to be sustained and that's really ambition over the next few months and years.

Pierre-Dimitri Gore-Coty:
Now, there's been in New York like in many urban centers around the world, the emergence of what I would call quick commerce players, the Gorillas and Gopuff, and many others around the world. Our view on that, if that's also where your question is getting at is this is an important part of the value prop. So, we see that and we treat that seriously. It's definitely a need we want to fulfill, but frankly at the same time, we have quite a lot of conviction that our partnership approach is the right one both in terms of prudent capital location, but also speak to market. We see that the space is incredibly well capitalized.

Pierre-Dimitri Gore-Coty:
It reminds me in many ways what we have seen with micro mobility many years back where you'd have in every big city around the world, 10 different players with billion dollar variations left and right, that's not to say it's not a great business in the end, but it's to say that there's probably going to be a lot of value description for many of the players there. We are kind of focused on this partnership approach at least in countries where we think there's a clear path. I talked about the [inaudible 02:33:34] example in France. So that's kind of the situation of role in the US specifically when it comes to competition and delivery.

Balaji Krishnamurthy:
Andrew Macdonald:
Sure. I mean, you heard Nelson. I think the key slide from Nelson on competition around the percentage of our gross bookings in mobility and markets where we have more than 65% category position. So thinking about us being two X or two X plus the next biggest player that's really important to understand how strong we feel like those positions are because the classic flywheel effects that have always existed in our business do still exist which is that if you've got the larger network that's a better consumer experience. It means you've got more availability of cars, higher reliability, lower ETAs in different pockets of the city, and ultimately what that ends up in is lower prices for consumers because you just have a more efficient network. On the driver's side, those same marketplace dynamics exist. You have less time between trips, less time you've got to drive to get your trip, just more earnings opportunities and utilization on Uber, and that's not even taking to account the stuff we talked about cross platforms. So that classic consumer and earner flywheel means that those strong market leading positions are sustainable.

Andrew Macdonald:
So, I think the question was around how do you embed this in your plans? I think we're pretty reasonable in terms of how we do our financial planning.

Andrew Macdonald:
We don't assume some massive amount of competitive rationalization. I can tell you we used to do that years ago. We would think about, "Okay, the incentive environment will improve." But I think we're just pretty reasonable and assume a continuation of what we've seen for the most part, which is probably the rational way to approach things. But we've proven we can make money and grow in an intensely competitive environment, which is what Mobility has been the last 10 years. And so I expect that will continue.

Dara Khosrowshahi:
And it's our expectation that we will grow faster than the category, and we'll have higher margins than the category average. If you go back to what Sundeep talked about, as far as customer acquisition, if I had to compete with the competitor who had 2x the Google, Facebook, Instagram, TikTok, et cetera, all of these channels that was proprietary to that competitor, 2x the volume at a quarter of the cost, I'd really be worried. That competitor is Uber. So I do think that we can, regardless of the competitive environment, yes if the environment gets hyper competitive, we have to respond, and we do. But we have enough of our portfolio around the world, we have enough businesses that trade off with each other. Our Q1 guidance was pretty strong, and under the covers, Eats is stronger with Omicron and can lend a little help to the Mobility business. That balance and that structural advantage, we believe, are going to translate into faster than category growth and higher margins than category. There'll be short term perturbations throughout.

Balaji Krishnamurthy:
Alright. Let's take one from Deepak in the middle, over here, before we go to the virtual audience.

Deepak Mathivanan, Wolfe Research:
Great, thank you so much. So I just wanted to ask about the earner side. How much growth from 4.4 million earners is incorporated into the 2024 outlook? Obviously there is engagement increases, but do you also need to see earners compounded at a consistent rate to achieve this? Any colleague that can share would be great.

Nelson Chai:
So of course we run a balanced marketplace. And so yes, you heard Mac's comments that it's supply side driven. So yes, we have a lot of efforts across the company, in terms of continuing to engage and activate earners. We've done a lot of work operationally to make sure that we can onboard them quicker, so they're earning faster. And again, think about the fourth quarter. I don't know if you guys heard on the call last night, but we have a lot of competitors, globally, that will do less than 20 million riders, every quarter. In terms of monthly actives, or quarterly actives. We added to 20 million new riders in the fourth quarter of 2021. Even during this pandemic. So just think about the flywheel that Mac was talking about, and yes, we need to make sure that we add supply, because it keeps the flywheel going.

Dara Khosrowshahi:
We would expect that our supply position, if you think about doubling gross bookings roughly based on what Nelson talked about, we think we can increase efficiency on the supply front. And some of the new channels that Mac talked about, for example taxis, it's supplying out their vehicles that exist out there. And so we're just reaching into existing supply now.

Andrew Macdonald:
I think one point I'd add, if I can. We talk about this, and you heard Jill talk about flexible work. People come in and out of driving on Uber, delivering for Uber pretty regularly. A big part of our improvements in supply in the US, for example, the last year have been around resurrecting drivers who left the platform either during COVID or pre COVID. The reality is we've been building the earner side of this business now for 10 years. If just 4% of drivers who aren't currently active on the platform came back to Uber, that would more double our current monthly active drivers. So beyond just growing the category of earners, beyond cross selling, versus other gig economy workers, if we just resurrected 4% of drivers who have ever worked for Uber but currently aren't, that would double our monthly active drivers. So there's a lot we have to bring people in and out of the category.

Balaji Krishnamurthy:
Alright, let's go to the virtual audience, if we can.

Speaker:
Our next question is from Lloyd Walmsley at UBS. Lloyd, please unmute your audio and video to ask your question.

Lloyd Walmsley, UBS:
Great. Hopefully you can hear me. Thanks for hosting the event and taking the question, I guess two if I can. First Mac, you talked about driving some big potential unlocks in markets like Spain and Germany and Korea, and then on the format, working with taxis. What are some of the things that need to happen in those markets or with those formats to unlock that growth? And then just secondly, Nelson,
thanks for sharing the 2024 targets, I think you said historically, you'd like to exceed your targets. But what are some of the key drivers that could produce upside to the 2024 margin targets?

Dara Khosrowshahi:
Thanks for asking for upside already, Lloyd, it's a little early.

Nelson Chai:
Lloyd, to be clear, I said we did in Q4.

Dara Khosrowshahi:
I think it's Mac and Jill, because both of you work hand in hand on unlocking some of these markets. Who wants to go first?

Jill Hazelbaker:
You want to kick off?

Andrew Macdonald:
Sure. So the first thing I'd say, Lloyd, thanks for the question, is in all those markets you just listed, Spain, Germany, and Korea, we have workable models today. Now that wasn't true three, four years ago. And I think thanks to the work of Jill and other teams, we can now scale a business. And those markets, it's been about getting to a driver side model. So a supply model that works. They're a little bit different. Spain is licenses and then partnership with fleet to employ drivers. Germany, a little looser on the licensing requirements, but still partnering with fleets who employ drivers. And then Korea is much more of an [EHEL 02:41:07] market, where you're looking at actually more of a taxi product, where they've done some liberalization of how the pricing works.

Andrew Macdonald:
But the key thing to understand is we have business models today that work in all three of those markets. Of course there are things we want to do to scale the number of licenses or make it more flexible for IOs in these markets to be able to work on our platform. These types of things. But we have the foundation laid for many years of growth.

Jill Hazelbaker:
Yeah, I would just add to that. I think that's exactly right. I mean our North Star is always preserving the independent contractor model. But I think we've demonstrated over time that we can make the business work and we can grow the business under a number of different regulatory regimes. And so if you look at those markets, the introduction of dynamic pricing in Germany obviously allowed for explosive growth. The ability to onboard fleets in Spain allowed for explosive growth. So in each market we're looking at what is the unlock, and then we have a very deliberate, intentional strategy, whether it's through partnership or legislative activity, to solve it. So that Mac's business and peers' businesses can continue to grow.

Nelson Chai:
So Lloyd I'll touch on your model. But let me give you a quick snapshot of Korea, just because I was involved in the joint ventures. So Korea is the seventh largest taxi market in the world. There's about
350,000 taxi drivers in the marketplace. The demographic of the taxi driver in Korea is similar to what Lior is facing, in terms of truck drivers in this country. So what ends up happening is while there's a significant demand, if you are out and about after 10:00, it's hard to get actually a cab, because a lot of the folks are home, because of the aging demographic. So we work closely, Jill's team worked very closely from a policy standpoint, assessing where the marketplace was in terms of some of the rules, trying to get things like dynamic pricing, some of the things that we all take for granted when we get in an Uber.

Nelson Chai:
And as we were seeing some light there, we figured that it was better to partner with a local partner, which is SK Telecom. They have mapping technology. Again, we brought a lot of what Uber brings. And so we're able to combine the two. So when you say, "Well, what is the big unlock?" Well, the big unlock is we need to bring more supply in. So we need to get more folks coming in who want to work in a contractor plus model, like we do. We need to give them the technology and tools, because a lot of the older drivers they actually don't have smartphones. So we need to make sure that we can use the Uber tools to do it. And so we are working closely over there to continue to unlock that market.

Nelson Chai:
And we're very well positioned to move forward on unlocking. Again, it will be a big opportunity for the company, and for Uber going forward. In terms of the long term model, again, I think you just heard a lot about what the upsides could be, Lloyd. If you think about where we've come from, the opportunities and the big TAMs ahead, Lior's business, if you think about it, we're still early days. We're still integrating the businesses. As we've gotten to learn transplants a lot more, what they really can help us with is, as we think about pricing, contract loads as we're trying to bring more shippers on. Because they're in that business already, they can do it way better than we do.

Nelson Chai:
What we've gotten very good at during the past, the current economic cycle, is we're very, very good, and by the way you've seen it in our margins, we've gotten way better both on the cost side, as we talked about it, but in terms of managing the marketplace both from a contract perspective, but in the spot markets. And so the combination of the technology and the efficiency that we've built, combined with their market position as a managed transportation provider, that should provide some upside. At least from a Freight side of the business. And you heard a lot about the opportunities on both on the big TAMs and where we are going on the unlocks. So boy, that would be the upside. But let's be clear, my commentary about overachieving against our guidance was really in Q4 of 2021.

Dara Khosrowshahi:
And I also do want to point out that the $5 billion target, compared to gross bookings, it's about 3% of gross bookings, in terms of EBITDA. The incremental margins of this business is 7% or higher. And we think it's a worthwhile target. Could there be upside? Absolutely. But let's work on that target for now.

Lloyd Walmsley:
Thank you.
Balaji Krishnamurthy:
Let's go to Ed.

Ed:
Some interesting momentum in the advertising business, still early days. I wanted to understand what's necessary to grow the business? And then, as a follow up, it seems like a lot of consumer facing marketplaces can capture 300 basis points, or north of that, as a percent from advertising. Is that an aspirational goal?

Dara Khosrowshahi:
Mark? You want to talk to that?

Mark Grether:
Sure. Can you hear me? Okay. Thanks for the question. So regarding your first question, what do we need to do? There are two things. On the delivery side, we see a tremendous amount of opportunities by growing into ad formats, new features, and especially growing our grocery business opportunity. We see a huge opportunity.

Mark Grether:
On the Mobility side, as I shared, we see three main surfaces that we would like to grow. The first one is the ability to serve ads within the in-app opportunity. Secondly, it will be the opportunity to engage with our riders when they're in the car itself, meaning the tablet opportunity. And then thirdly, we also have seen that car tops is a huge opportunity for our advertising business.

Mark Grether:
In terms of now, the growth potential, it is still early days. We just started the business last year. So we do believe that we are confident to hit the $1 billion revenue opportunity by 2024. I'm sure we will see a percentage of cross bookings in some verticals like alcohol, which are larger than the 1% to 2%. But again, it's early days, and so we are really excited about the opportunities.

Balaji Krishnamurthy:
Try and come back here. James...

James:
Great. Thanks for taking my questions. My questions are more about regulations. Obviously, we see a lot of moving parts on the federal side and the state side, as well. I think most recently, Mr. Weil was renominated in DOL, and also some of the labor agencies are taking a more aggressive stance on gig labor. So I'm just curious, what you guys do in there, specifically to smooth out the process? And also in New York, we have a new governor at the helm. We're not quite sure what her stand is on gig labor, and maybe help us understand that as well. Thank you.

Jill Hazelbaker:
Sure. So I'll take New York first. We got pretty close, as many of you know, to a deal in New York last year. I think that gives me a lot of confidence that there's appetite to get something done in the future. And so we'll continue to pursue that. As you all know, election years are tough and so I don't expect
something to happen in the immediate term. But again, I feel really optimistic given where we were and close we were last time, that we can get something over the line that works for the business. In terms of what's going to happen in Washington, I think casual observers see that the White House and the administration have quite a lot of things on their plate, other than the gig economy. We're obviously watching the nomination of Weil closely. And I think there's been some folks who have expressed concern about it. So we'll see where that goes.

Jill Hazelbaker:
In terms of our overall relationship with the Department of Labor, there was a lot of concern a year ago about what Marty Walsh's appointment meant for Uber. And we just haven't seen that come to pass. In fact, quite the opposite. We built a very collaborative relationship with Secretary Walsh. Dara has met with him, had very productive conversations. And as of now, we don't see independent contractor classification on the agenda. So overall, fairly smooth sailing at the federal level.

Dara Khosrowshahi:
I'd also remind everyone that from a big pictures perspective, our earners prefer flexibility by a four to one margin. And again, we are stepping forward with not only flexibility, but also benefits and protections as well. So I think we are leaning in to this ecosystem as a leader. And you can have regulatory bumps along the way, et cetera. But long term, if you look at the regulatory framework, globally, as it relates to rideshare delivery and the regulatory framework as it relates to work, it's moving in the right direction. Chiefly because it's what our earners want.

Jill Hazelbaker:
I think just one last point there. If you look back to 2013, the only place with any sort of regulation on the rideshare regulations was the state of California. And so fast forward, and look at all the progress that we've made around the world where we're regulated. You saw Mac's slide. We're regulated in dozens of countries and literally thousands of cities. And so we've learned a lot along the way about how to actually get this done, in a way that allows the business to continue to grow.

Balaji Krishnamurthy:
Let's go here.

Jason Helfstein, Oppenheimer:
Thanks. Jason [inaudible 02:51:00]. So Dara, anything missing for you to become the super app outside of Asia?

Dara Khosrowshahi:
Say that again? Anything missing to become the super app..?

Jason:
Yeah. Anything missing or capabilities that you think you need to have to become the super app?

Dara Khosrowshahi:
I’m sure we’ll come up with something. But we have a lot. When you talked about Mac and all the
different forms of mobility, and then the bet that we’re making in terms of grocery, alcohol, other kinds
of goods, the partnership with quick commerce. We are certainly with Careem testing out payments. So
Careem is building another super app environment in the Middle East, as it relates with payments as
well. So that’s a good experimental area for us. But I feel like our footprint now and the cross promotion
services that we have are very, very significant. And our realization of the potential of the footprint, and
cross promotion, and membership is pretty low at this point. So there’s a lot of growth ahead of us, and
we’re going to look to run what we have better. And you can see, in terms of cross promotion and
membership the progress there. Versus looking to see what else we can do. But we’re always looking up
at opportunity.

Sundeep Jain:
And Jason, the one thing we would add at is that, I think your question mostly referred to being a super
app on the consumer side. We are a super app on the earner side with a single app that provides
earnings opportunities across multiple lines of businesses.

Balaji Krishnamurthy:
Great. Let’s go to Rob over there.

Rob Sanderson, Loop Capital:
Yeah. Thank you. Thanks for taking the question. So Rob Sanderson at Loop Capital. Question on the unit
economics fund groceries. Pierre described it as a gateway category, do you think of it as a loss leader?
Can it have reasonable margin profile on the logistics side alone? Or does it depend on the advertising?
And how should we think about economics in other retail categories that groceries may open up and
enable? Thank you.

Pierre-Dimitri Gore-Coty:
So first thing, just to be clear, I didn't intend to say grocery would be a loss leader. My point was more to
say that it's an entry point into retail, more broadly. And so like I've described with seeing that as people
start to use more verticals with Uber, its transcends engagement across the overall platform. When it
comes to the margin profile, well I have a ton of confidence that grocery standalone can actually be a
profitable business. We see that already with some markets at the Cornershop side of things, which is
the company we've acquired in Latin America. So I've quite a lot of confidence there. Our goal really,
when it comes to grocery and new verticals, is to frankly provide a new leg to the overall Uber platform,
that gets people anything they would like, whether large item grocery baskets, like what Cornershop has
been doing mostly for the past seven years, to actually much fewer number of baskets and more of the
top up use case, which we hear a lot about with the quick commerce players that are coming up.

Pierre-Dimitri Gore-Coty:
So that's how we see things. Overall, I've said that earlier, but I have a lot of conviction that this is
actually a bigger opportunity, a larger opportunity than what we have with the restaurant food delivery.
And an interesting piece, and I will probably conclude there, is that it is really something we should think
about beyond the Uber Eats app. What we see is the world is moving to on-demand delivery of things.
That means every single retailer out there, I think 65% of the retailers in the US are telling us that over
the next two years they want to figure out how to offer quick delivery to their consumers. And this is
really also how we can play a big role with our delivery as a service offering, which is growing faster and faster than the core.

Dara Khosrowshahi:
And if I were to generalize. In developed markets, US, call it Europe, the cost of labor and cost of time to put everything together, relative to the basket size, is higher. So in developed markets you have to lean more into advertising in order for the business to be a super attractive business. In developing markets like Latin America, and we’re seeing with Cornershop, the cost of labor as a percentage of basket is actually lower. So the core unit economics are more attractive, and you have to lean a little bit less on advertising to make everything work. As it relates to other retail categories, we’re certainly going to go into other retail categories through the marketplace.

Dara Khosrowshahi:
But I think the other retail categories, the bigger penetration potential that we see is actually the direct business, where we essentially separate the fulfillment stack that we built for our own businesses, and we offer in that fulfillment stack to the retailers. Actually Freight is doing the same exact thing as well. They are allowing shippers to go reach down to a particular truck driver and grab that truck driver to have their own virtual fleet. We’re essentially building a virtual network of delivery for any local retailer out there, as well. That, we think, is a huge opportunity, and the unit economics as it relates to that direct business are already positive as well.

Balaji Krishnamurthy:
Let’s try and wrap up with a couple of questions from the virtual audience.

Speaker:
Our next question is from Ross Sandler at Barclays. Ross, please unmute your audio and video to ask your question.

Ross Sandler, Barclays:
Hey guys, great presentation. Pierre showed a slide early on that talked about where the margin improvement in the delivery business came from. There was fulfillment efficiencies and a few other items. Could you guys maybe talk about where you see the biggest opportunity in that margin today, going to the 4.5 to 5% long term target? And DoorDash likes to talk about how they have this 10 to 15 point retention advantage in the space. It seems like you guys may have closed that gap pretty significantly. So could you just talk about retention and where you stand today and what’s embedded in that long term goal? Thanks a lot.

Dara Khosrowshahi:
Yeah. Ross, I'll start and Pierre you can add. In terms of delivery margins, I wouldn't point to a particular kind of magic margin creator. We look at the entire P and L. We're very systematic. We look at cost of sales, which is obviously BigONE Contact Rate, for example. We look at sales and marketing and retention rates. And then I'd also say cost per transaction. How much does it cost to fulfill a transaction? And we have teams that are optimizing each of these items. For example, our contact rate can be improved very, very significantly, versus where we are now. Same thing, as far as our sales and marketing and our retention spend, a higher percentage of our sales and marketing or new customers is
now coming from internal than external categories. This is in a world where mobility has been largely closed down, and there's more optimization to be done.

Dara Khosrowshahi:
Membership is becoming a bigger part of our business as well. That should improve retention. And then as it relates to cost per transaction, as the network densifies, and as our algorithms and routing algorithms improve, and as we're able to increase batching, which is one courier carrying multiple items to multiple places, our cost per transaction is coming down as we speak. So there's no magic bullet here. There are teams specifically working on all of these different areas, and we think we have a long way to go. I'll add to that the advertising business, which has the billion dollar target. But that is by no means a ceiling. The billion dollars as a percentage of total gross bookings is still modest. And we think even when we hit that number, we're going to have plenty of growth ahead of us.

Dara Khosrowshahi:
As far as a retention advantage, et cetera, I don't want to focus in on one competitor. I tell you that our first focus has been moving single product customers to multiple product customers. So the way that we look at retention, isn't mobility retention, delivery retention. We certainly look at those metrics. But we look at Uber retention. And if you look at Uber as an entity and the ability for Uber to pay for a customer on a corner and bring them into the ecosystem, and retain that customer by offering them lots and lots of stuff, upselling them, et cetera. Just from a structural standpoint, we are advantaged over single product competitors.

Dara Khosrowshahi:
We're relatively early in the membership journey. Some of our competitors have gone deeper into membership. That's because that's the only lever they have. They can't really cross sell into Mobility, et cetera. There's nothing to cross sell. So they have to instantly go to membership. We've gone to cross sell first, and then we're going to go deeper into membership. That's going to create a greater advantage in terms of Uber retention than our single product consumer. So I don't want to focus on one competitor. We like what we see, and you can see the trends. When shares improve, and margins improve, and you're growing faster than the category. Good things are happening. And we think good things are going to continue to happen.

Pierre-Dimitri Gore-Coty:
Yeah, very clear. Maybe the lost point to add on the margin, first of all, another element is basket size. Which also plays an important role in the P and L. We've seen that increase through a lot of our deliberate efforts. And this is an area we're continuing to innovate into, to make sure, for instance, that as you order and order, you're able to batch it with another order and things like that. So basket size matters.

Pierre-Dimitri Gore-Coty:
And then just on retention, I agree with all you said. The thing that add is, outside the US we typically have a retention advantage in the majority of the countries. And we see fundamentally beyond all the initiatives that stand us apart, like you've said, that it's also a function of the underlying quality of the business, restaurant selection, reliability of the marketplace. And on that we are making, and we have made, very substantial improvements in the US which have also helped us gain those thin points of retention in the country.
Balaji Krishnamurthy:
Let's take one last question, and we'll do it virtually.

Speaker:
Our next question is from Jake Fuller at BTIG. Jake, please unmute your audio and video to ask your question.

Jake Fuller, BTIG:
Hi guys. Thank you for taking the question. So why don't you drill down, just a little bit, on the growth algorithm. One of the slides you had up covered the Hailables going from, if I remember correctly, 400 million to several billion by 2024. How did the unit economics in that business work?

Dara Khosrowshahi:
Mac?

Andrew Macdonald:
Sure. Happy to speak to it. So there are puts and takes. From a take rate perspective on Hailables, we typically see it a little bit lower than a product like UberX. And there's a few reasons for that.

Andrew Macdonald:
One is we are competing with the [street hail 03:02:12] for drivers. And so that's a different dynamic than most of our for-hire vehicle drivers. But there is OPEX below that, that is actually better on the Hailables products. So insurance and payments are two of our largest cost items on the Mobility P and L. And those tend to be better on our Hailables products, because drivers are bringing their own commercial insurance because of the market mix. And because within the Hailables industry, payment norms are a bit different. And so you're able to do things like pass along the payments cost to the driver. These types of things. So there are puts and takes. We think it'll grow EBITDA overall, because it massively expands the category. And additionally, you get all the benefits of multi-product users and those types of things.

Balaji Krishnamurthy:
Great. Let's wrap it up there.

Dara Khosrowshahi:
Alright. Thank you everyone for joining us. And I think we have time to mingle.

Balaji Krishnamurthy:
Yeah. For everyone in the room, we have lunch next outside this room. But we'll be around for any questions that you want to ask any of the speakers here.

Dara Khosrowshahi:
Thank you for making it in person. Really appreciate it.
Balaji Krishnamurthy:
Thank you.

Jill Hazelbaker:
Thank you.