



APERTURE

INSIGHTFUL AND RELEVANT RESEARCH UPDATES

Uber Technologies Inc. Q2 2026 Results

Share Price
Date

US\$ 68,18
06 August 2026

RESULTS SUMMARY

Uber delivered a solid second-quarter 2026 result, with gross bookings increasing 24%, ahead of market expectations, driven primarily by continued strength in the Delivery business. Revenue grew 12%, broadly in line with consensus, as increased investment in selected markets offset the stronger bookings performance. Profitability continued to improve, with adjusted operating income rising 40% and operating margin expanding by 40 basis points to 3.7% of gross bookings. Adjusted EPS increased 35% to US\$0.81, marginally below consensus of US\$0.82.

Despite the strong quarter, the shares came under pressure following slightly softer-than-expected third-quarter guidance. Management's midpoint forecast for gross bookings was below market expectations, pointing to a modest slowdown in top-line growth, while adjusted EBITDA guidance was broadly in line with consensus.

Autonomous vehicles (AVs) remained a key focus. Uber plans to invest around US\$10bn over the coming years across equity investments, infrastructure and vehicle commitments to support AV deployment. Working alongside vehicle manufacturers, autonomous driving technology companies and fleet partners, management expects the platform to be operating in 15 cities by the end of 2026, with a fleet of approximately 120,000 autonomous vehicles over time.

OUR LONG-TERM INVESTMENT VIEW

- Uber is the largest ride-hailing provider globally, operating in 70 countries and more than 15 000 cities, with 75% market share within the US. Its scale has been built on strong network effects between their drivers and customers/riders.
- Growth comes from adding new users and increasing how often they use Uber's services. Product improvements and sharper pricing across both mobility and delivery have supported this. Customers who use both services spend 3.4 times more, making cross-selling a key growth driver. Given that only about 20% of users currently use both platforms, there is significant room for expansion.
- Uber became profitability for the first time in 2023 as revenue growth led to efficient scale. With a capital-light business model, annual free cash flow has risen to US\$10bn and return on invested capital has exceeded 25% by the third year of profitability. We expect continued margin expansion, which should enable EPS to outpace revenue growth.
- Autonomous Vehicles (AVs) offer both opportunity and risk. Robotaxi operators could either partner with Uber or build their own apps. We believe large-scale AV deployment favours partnering with Uber. Uber has the largest network of customers globally and a partnership would be a simple plug and play. More importantly, high utilisation rates are required for AV economics to work, and Uber's rich data that helps predict where and when trips are needed, can enable this.

UNPACKING THE Q2 2026 RESULTS

High-level numbers

- **Revenue** increased 12% y-o-y to US\$14.2bn, supported by a 24% rise in gross bookings. The variation in growth in revenue and gross bookings was due to a business model change in the UK. Trips increased 18%, a slightly slowdown from the previous quarter due to pressure on the low-end products in Brazil. Monthly active platform customers
- **Freight:** Gross bookings and revenue were US\$1.5bn, up 25% y-o-y. The segment remains small and made a slight loss during the quarter.
- **Uber One** membership reached another record, now over 50m members and contributing over half of gross bookings, 70% within Delivery.
- **Advertising** growth continued, now exceeding \$2.5bn in annualised run rate, growing roughly 50% y-o-y. With margins significantly higher for

(MAPCs) grew 16% to 208m and monthly trips per MAPC rose 2%.

- **Adjusted operating income** increased 40% y-o-y with margin improving by 40bps to 3.7% of gross bookings. The improvement was driven by scale benefits and product mix.
- **Adjusted EPS** was US\$0.81, increasing 35% YoY.
- **Free cash flow** generation continued to improve, increasing 13% for the quarter. Cash flow for the trailing 12 months exceeded US\$10bn for the first time.
- As of 30 June 2026, Uber held US\$5.4bn in cash and short-term investments and US\$12.7bn in debt, resulting in net debt of US\$2.8bn. The balance sheet remains robust with net debt to EBITDA of approx. 1x.

Key segment performance

- **Mobility:** Gross bookings rose 20% y-o-y to US\$29bn, with revenue flat due to the business model change in the UK. This change is purely for disclosure purposes and has no impact on profitability. Growth was supported by the segment's continued strength in member and trip growth, especially in the U.S. as insurance savings being passed on to customers has reaccelerated growth in certain areas. Segment operating income was US\$2.2bn, up 28% with a 7.6% margin to gross bookings, up from 7.3% in the prior year. Margin improvement was aided by an increase in mix from premium offerings, such as Uber for Business, which grew 40% y-o-y.
- **Delivery:** Gross bookings increased 25% y-o-y to US\$27.5bn, with revenue rising 25%. Management continues to invest heavily in expanding the Grocery and Retail (G&R) offering which saw another y-o-y increase of roughly 40% in gross bookings and reached US\$15bn in annualised billings. Selection has been key to this growth with retail stores such as GameStop, Toys"R"Us, and Ulta Beauty being added to the platform. Operating income was US\$1bn, up 38% compared to the prior year with a 3.8% margin to gross bookings, up from 3.5% in the prior year and a new record.

advertising than the rest of the business this is expected to be a significant tailwind to margin expansion in the future.

- **Autonomous vehicles** remain central to both the bull and bear cases for Uber. The story around AVs has shifted from an emerging technology to how it can be scaled and commercialised. Uber maintain that the future will see many AV operators globally and believe they have the platform that can increase the reach, access incremental demand, and optimise fleet utilisation. To bring AVs to market Uber has committed US\$10bn over the coming years across equity investments, infrastructure, and vehicle offtake commitments. Through work with their partners, including OEMs, AV technology, and fleet management companies they aim to be live in 15 cities by the end of 2026 with 120 000 vehicles in the coming years.

Looking ahead

Management expects the strong operating momentum to continue into the third quarter, guiding gross bookings of US\$58.25bn - US\$60.25bn, representing y-o-y growth of 18% - 22%.

Adjusted EBITDA is forecast at US\$2.86bn - US\$2.96bn, up 24% - 29% y-o-y. The midpoint implies an EBITDA to Gross Booking margin of 4.9%. Adjusted EPS is expected to grow between 28% - 35%.

The bottom line

Uber continues to deliver solid growth across its core Mobility and Delivery businesses, including in mature US mobility markets. We expect further margin expansion to support earnings growth ahead of revenue growth over the medium term.

While investors remain cautious about the potential disruption from AVs, we believe their adoption will ultimately strengthen Uber's platform and competitive position. In our view, the current valuation already reflects much of this uncertainty, leaving the shares well positioned as the company's long-term growth strategy unfolds.

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