

## Uber is on pace to collect \$2 billion from riders this year, report says

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Uber's 20 percent cut from the cost of rides it provides should add up to \$2 billion in revenue this year, a nearly tenfold increase over 2013, the latest in a series of leaked financial documents suggest.

Revenue could top \$5 billion in 2016, also according to an investor presentation obtained by Reuters.

An Uber representative said the company does not comment on rumor or speculation.

The document didn't reveal details about the ride-hailing app's expenses, which previous leaks showed far outstrip revenue. Uber recently said it plans to spend \$1 billion in China and another \$1 billion in India in the coming months to grow its business.

That has left analysts to wonder whether Uber will generate a profit anytime soon, especially as it battles lawsuits and regulators in Asia, Europe and the U.S. Among the issues that could become costly: Some Uber drivers want to be considered employees rather than contractors, and lawmakers want stricter background checks on drivers. About 80 percent of rider fees go to drivers.

Thilo Koslowski, vice president and automotive practice leader at research firm Gartner, said the numbers in the presentation seem "a little too high" and are probably on the top end of the company's projections, but he said he didn't doubt Uber had the potential to pull in such

revenues.

"This is a gold mine for Uber," Koslowski said. "That's why the company is getting so much funding from investors. It's no secret they make a lot of revenue, we just don't know what's left after their spending. Once the spending is reduced, these revenues will turn into profits."

As for whether the company could go public within the next two years as the investor presentation forecasts, Koslowski said the San Francisco company could go public, but that doesn't mean it should.

"It doesn't seem like they have any problems securing funding and investment, and really, you want to IPO to expand your base to get more funding," he said. "I don't think the [company](#) needs that at this point."

Hugh Tallents, a partner at management consultancy Cg42, said Uber also has reason to hold off on an IPO because "their command and control structure doesn't lend itself to increased market scrutiny."

According to Tallents, Uber's unresolved regulatory and legal issues might spook investors in the public market, whereas private investors seem less concerned.

"I think private investors still have some patience because they can see the hockey stick still trending upwards," he said.

The highest-valued start-up in the U.S. at an estimated worth of close to \$50 billion, Uber has billions of dollars in venture capital to keep humming. The leaked presentation, which cited China Life Insurance Co. and China Taiping Insurance as among Uber's newest [investors](#), was aimed at soliciting even more cash. Another infusion would coming through an [initial public offering](#), expected to occur in the next two

years, Reuters said, citing the [presentation](#).

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