



BREAKING PROFITS

WITH ENRIQUE ABEYTA

The Stock Everybody Knows, But the Market Still Undervalues

INSIDE THIS ISSUE

The Stock Everybody Knows, But the Market Still Undervalues

Uber is a company that hardly needs an introduction. But it's much more than a simple ride-sharing company — and the market is just now catching on to that fact.

Four Corners of the Market

Stocks posted their sixth consecutive month of gains while the gold rally finally ran out of steam. We cover all that and more in this month's economic overview.

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Some companies become so successful that their names turn into shorthand. We Google things rather than search online, or someone orders a Coke instead of a soda.

If a company does establish itself as a household name, it's usually when it's already reached maturity. But that's not always the case.

Uber Technologies Inc. (UBER) is about as established as a brand name gets. The word “Uber” is often used as a stand-in for the concept of ride-sharing itself.

So it may sound odd when I tell you that this well-known company is misunderstood. But it's true.

For years, Uber was grouped with the unprofitable growth names of the 2010s, companies chasing scale with little regard for cash flow.

Investors still remember the days of Uber bleeding cash to acquire riders, fighting regulatory battles in every major city, and embodying Silicon Valley's “growth at any cost” mindset.

But Uber has matured significantly since its startup days. It turned profitable two years ago and is generating billions in free cash flow while buying back stock.

Meanwhile, it's grown into much more than a simple ride-sharing service. Uber is building the network that moves people, food, and goods through cities across the globe.

It could soon become to transportation what Amazon is to commerce, what Apple is to devices, and what Google is to information.

The stock, however, remains well below its all-time highs. And that disconnect spells opportunity.

Uber's Next Act as a Compounder

We're all familiar with Uber. But before we go any further, let's go over what it actually does. The company is organized into three main divisions:

- **Mobility:** Uber's core ride-hailing business that built the brand and still generates the majority of profits.
- **Delivery:** What started as restaurant delivery but now handles groceries, convenience items, and other goods.
- **Freight:** The logistics segment that matches trucking carriers with companies that need to move inventory.

So Uber is much more than a rideshare company. It's a platform that coordinates the physical movement of people and goods on a global scale.

After years of heavy investment and restructuring, Uber has emerged stronger than ever.

It posted its first full year of profitability in 2023, delivering nearly \$1.9 billion in net income. It built on that momentum the following year, reporting over \$9.8 billion in net profit in 2024.

After years of heavy investment and restructuring, Uber has emerged stronger than ever.

On its latest earnings call, Uber reported revenue of \$13.47 billion (up 20% YoY), income from operations of \$1.1 billion (up 5% YoY), and adjusted EBITDA of \$2.3 billion (up 33% YoY).

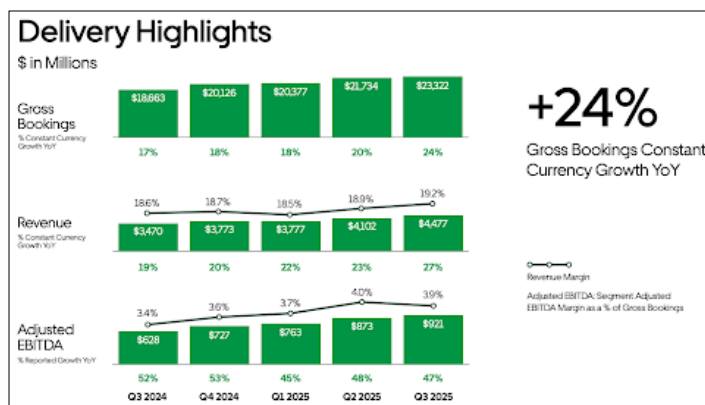
Moreover, operating cash flow reached \$2.3 billion and free cash flow stood at approximately \$2.2 billion for the quarter.

Uber also recently announced a new \$20 billion share buyback authorization, which further underscores management's confidence in the business trajectory.

The company has clearly started a new chapter in the years since it turned profitable. Importantly, it hasn't come at the expense of growth.

Uber's delivery segment, which includes Uber Eats, grocery, and local commerce, is rapidly becoming a second growth engine for the company.

Year-over-year revenue growth in the delivery segment has been in the double digits, with the most recent quarter rising 19.2% YoY.



High-profile partnerships are key to this growth. Uber recently inked deals with Dollar General, Five Below, FreshDirect, and regional grocers like Big Y and Vallarta Supermarkets.

Big picture, Uber is building an all-category delivery infrastructure that can compete with the likes of Instacart and even Amazon.

More Drivers of Long-Term Growth

Another significant catalyst for Uber's long-term valuation expansion is its increasing investment in autonomous driving.

Uber has signed partnerships with leaders in the space, including Waymo, Nuro, and Nvidia. The Nvidia deal in particular marks a major leap forward.

Uber will contribute its massive real-world driving data to help train Nvidia's advanced AI models for autonomous mobility.



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This partnership could eventually reduce Uber's dependence on human drivers, massively lower costs, and unlock higher margins.

Uber will contribute its massive real-world driving data to help train Nvidia's advanced AI models for autonomous mobility.

The company has already launched a beta robotaxi service in Atlanta in partnership with Waymo and expects additional rollouts in the coming quarters.

Autonomous rides could turn Uber into a far more profitable company in the long run, since it would have fewer drivers to share revenue with.

That could dramatically transform the company's unit economics and valuation multiples.

On a related note, Uber is also pushing hard on electrification, a smart move for both the environment and the business.

EVs can lower Uber's long-term fuel reimbursement costs and help drivers earn more. And regulatory alignment reduces political risk and increases eligibility for green incentives.

Uber has also partnered with charging infrastructure providers to reduce friction for drivers and improve uptime for electric vehicles on its network.

As global cities introduce low-emission zones and stricter climate mandates, Uber's early investments in sustainability may provide a competitive advantage.

The "Platform Effect" Is the Future

What Amazon is to commerce, Uber is becoming to transport.

In a world of frictionless logistics, autonomous rides, and app-enabled delivery, Uber is positioning itself as the centralized hub.

Uber One (the company's cross-service subscription) is now available in 34 countries.

This subscription boosts customer retention and lifetime value and creates a platform for loyalty across Mobility, Delivery, and other future services.

The membership model mirrors the successful strategies Amazon Prime and Apple One use, building recurring revenue and user stickiness across categories.

Its platform already handles millions of transactions daily and generates valuable real-world data across people, goods, time, and geography.

As autonomous and electric fleets scale, and Uber monetizes its user base across more verticals, its margins could rise substantially.

If Uber achieves even modest improvements in take-rate and unit economics while growing its global base, the earnings power could scale dramatically.

Moreover, Uber's advertising business, which is still in its early stages, represents a powerful new revenue stream.

By selling targeted ad placements across its apps, Uber can monetize both attention and intent in ways few companies can. This could become a multi-billion-dollar line item over time.

Despite all the catalysts I've covered here, the stock still hasn't had its breakout moment.

Most major Wall Street firms have price targets for the stock well above current levels, citing earnings momentum, strong free cash flow, and a scalable global platform.

But the market still undervalues Uber — a mistake that I see as an opportunity.

As you can see in the chart below, Uber has been trading in a clear upward trajectory this year.

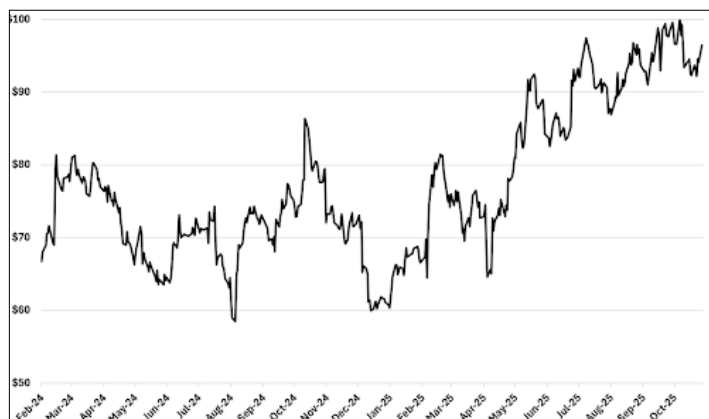
Uber Technologies Inc. (UBER) Share Price (6-Years)



In fact, after reaching its all-time high of just over \$100 per share in October, the stock had gained approximately 67% in the current year.

Here is a shorter-term chart along with our key technical indicator, the relative strength index (RSI).

Uber Technologies Inc. (UBER) Share Price (2-Years)



RSI



Uber's share price has declined recently, partially due to a market-wide selloff last month that had nothing to do with Uber.

This temporary pullback provides a great opportunity to secure a good entry price on this misunderstood stock.

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But what exactly could the future look like for Uber's stock?

The Blue-Sky Scenario

The math is straightforward. Uber is forecasted to post solid double-digit growth rates for the foreseeable future.

Currently, Wall Street analysts have them growing about 19% per year over the next five years. I think that is conservative, so let's assume 20% annual growth instead.

The stock is trading at a price-to-earnings (P/E) ratio of about 33x. Let's assume that, given the flywheel growth effect of its platform in future years, it can reach a target P/E of 50x.

If we assume 20% annual earnings growth and a 50x P/E multiple, Uber could reach over \$364 per share by 2030 — more than triple today's price.

Uber Technologies Inc (UBER) "Blue Sky" EPS Analysis

2025 EPS	\$2.93
Annual % Growth	20%
% Growth	249%
2030 EPS	\$7.29
Current Share Price	\$96.42
Current P/E	32.9 x
Target P/E	50
Target Share Price	\$364.54
Target Return	3.8 x
Target Return	278%
AMZN (Historical)	50 x

Uber's momentum is building across all its core metrics: profitability, free cash flow, geographic footprint, strategic partnerships, and vertical integration.

It has emerged from its "growth at all costs" era with discipline, scale, and a clearer focus. And the market is beginning to reward this transformation.

But the full potential of what Uber is building, a global, AI-augmented transportation and logistics platform, is not yet priced in.

Uber isn't just driving people anymore; it's driving the future.

If you want exposure to megatrends like autonomous driving, urban mobility, e-commerce logistics, and global app ecosystems, Uber offers a powerful growth opportunity.

The sentiment shift is already underway with a growing number of analysts initiating coverage or raising their targets.

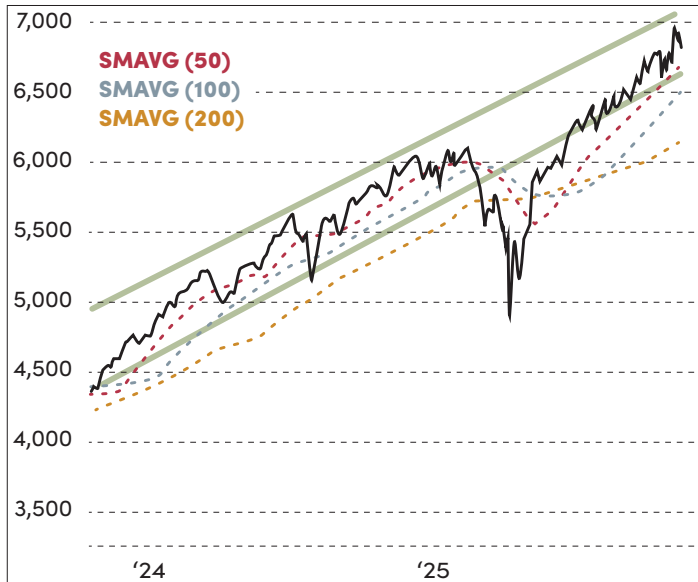
ACTION TO TAKE: Buy shares of Uber Technologies Inc. (UBER) up to \$125.

Four Corners of the Market

Every month, we share insights from the key macro-economic factors driving the economy. As always, we'll start with a look at the broad stock market first.

Stocks

S&P 500



October was another strong month for the stock market indices, which notched new highs once again. The S&P has now gone up each of the past six months.

It's rare for the stock market to post a six-month streak of consecutive gains. It's only happened four times over the past 75 years.

Each time it's happened before, the stock market was higher one year later. This time shouldn't be any different.

While there are plenty of potential challenges to the stock market, the reality is the primary trend remains strong. We are also entering the strongest seasonal period of the year.

Combine this seasonality with a strong prior period, and the probability that the stock market ends the year higher is extremely high.

We may go through some consolidation periods in breadth as well as the overall indices, but I think the market will continue to grind higher.

Bonds

U.S. Government 10-Year Treasury Bond Yield



Another cut in the benchmark interest rate by the Fed has contributed to the downward movement in rates on the benchmark 10-year government bond in 2025.

From their peak of almost 4.8% in January, recently yields broke below the 4% level for the first time in almost a year.

This is a positive for the economy and stocks, and continued interest rate cuts will also be a positive in the future.

The chart going back five years, though, puts it all in perspective.

The fact is that rates have been in a trading range of roughly 3.5%–4.5% for the last three years.

As long as rates stay in this low absolute range and don't break out either way, I do not see them being a major contributor to stock prices in the near-term.

Crypto

Bitcoin



Last month, I said that I was as bullish on Bitcoin as I have been in a year. Well, I got that one wrong.

After hitting a high above \$125k back in August, Bitcoin has struggled and broken down to new six-month lows at the start of November.

Heightened expectations into a seasonally strong period have played a role in this recent sell-off.

I do not, however, think there is a change in the longer-term fundamentals of Bitcoin nor my bullish outlook.

With every risk asset in the world hitting new highs recently, I do not think we will see Bitcoin (or other cryptocurrencies) break down further. Now is a good time to accumulate Bitcoin.

Commodities

Crude Oil



While oil prices have continued to trade at the bottom end of the range (\$65–\$85) set over the last few years, I now believe they may head lower.

Historically, this would happen as a result of global economic weakness. But this time may be different.

Yes, I know those are the most dangerous words in the market. But the evolution of technology and geopolitics is creating an environment where oil supply relative to demand will result in a lower price deck.

This isn't unheard of; there have been many times when oil has traded at lower levels without signaling economic weakness.

I do think that inconsistent economic growth may be contributing to lower prices. But the dynamic is beginning to feel more "secular" rather than "cyclical."

If this is the case and energy prices remain low, it is very constructive for the global economy and stock market.

Commodities

Gold



Gold continues on its record run. But after hitting a new all-time high in October, it sold off steeply. This was unavoidable, given the overbought status of gold prices.

While gold prices are down 10% from their highs, they are still well above their 50-day and 100-day moving averages.

I suspect that before it can move higher, it will likely revisit the area between these two moving averages.

That is roughly \$3,750, or down another 5% from current levels.

After that, gold will eventually run to new highs. But it could take a number of months (maybe three to six) before it reaches them.

I remain constructive on gold prices, but would be patient before adding to or initiating a position.

That's all for now. If you have any questions or comments about this month's issue, I'd like to hear from you!

You can always reach us at AskEnrique@paradigm-pressgroup.com.

To Making YOU Money,

Enrique Abeyta | Editor, *Breaking Profits*

Breaking Profits Portfolio

Updated on 11/07/2025

	SYMBOL	ENTRY DATE	ENTRY PRICE	RECENT PRICE	PERCENT CHANGE	ACTION TO TAKE
Uber Technologies Inc	UBER	11/07/2025	NEW	NEW	NEW	Buy up to \$125
Alibaba Group Holding Ltd.	BABA	10/03/2025	\$189.15	\$162.16	-14.27%	Buy up to \$200
Fortinet Inc.	FTNT	09/12/2025	\$80.01	\$81.34	1.66%	Buy up to \$100
Okta Inc.	OKTA	09/12/2025	\$91.29	\$85.35	-6.51%	Buy up to \$120
Stride Inc.	LRN	08/08/2025	\$150.81	\$71.44	-52.63%	Buy up to \$200
USA Rare Earth Inc.	USAR	07/15/2025	\$14.99	\$15.77	5.20%	Buy up to \$20
MP Materials Corp.	MP	06/06/2025	\$25.45	\$53.89	111.75%	Buy up to \$70
Viking Holdings Ltd	VIK	05/02/2025	\$42.00	\$58.12	38.38%	Buy up to \$50
Quanta Services Inc.	PWR	04/04/2025	\$240.31	\$437.70	82.14%	Buy up to \$325
Talen Energy Corp.	TLN	03/20/2025	\$212.96	\$367.90	72.76%	Buy up to \$250
Credo Technology Group Holding Ltd	CRDO	03/20/2025	\$46.49	\$155.15	233.73%	Buy up to \$150
Taiwan Semiconductor Manufacturing Co	TSM	03/20/2025	\$177.47	\$284.50	60.31%	Buy up to \$220