

Uber on Track to Exceed Fourth Quarter Earnings Estimates

Posted on November 1, 2022 by Business Editor



Ride-hailing service Uber announced it expects to exceed the forecast for fourth-quarter operating profit as customers resume spending more on travel, driving up demand.

According to Reuters.com, Uber CEO Dara Khosrowshahi said consumers are shifting their budgets to services as cities reopen and travel demand booms compared to two years of COVID lockdowns that limited spending to basic needs.

After dealing with driver shortages, the company revealed the number of active drivers is back to September 2019 levels, possibly due to rising inflation causing many to look for additional work.

In the third quarter, Khosrowshahi revealed that Uber's rideshare segment revenue increased 72 percent to \$8.34 billion and adjusted profit was \$516 million, both exceeding Wall Street estimates.

"We've seen these trends continue into the fourth quarter, with October tracking to be our best month ever for both mobility and total company gross bookings," Khosrowshahi said.

As for the fourth quarter, the company forecast adjusted EBITDA would be between \$600 million and \$630 million. Gross bookings are expected to increase by 23-27 percent compared to a 26 percent jump during the third quarter.

Earlier this year, Uber launched its newest expansion, Uber Explore, a new way to browse and book attractions while in a destination, whether it be something as simple as dinner reservations or museum exhibits, concerts and more.

