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Bernstein University US 2025

US SMID Cap Internet

Wednesday, October 15, 2025

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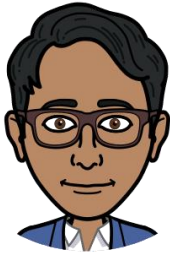
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See Disclosure Appendix of this report for important Disclosures and Analyst Certifications

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Bernstein US Internet Teams

Nikhil Devnani, Senior Research Analyst



- + **US Emerging Internet: Uber, DoorDash, Lyft, Instacart, eBay, Etsy, Wayfair, and Zillow**
- + 9+ years of sell-side experience across Internet and Financials
- + On US Internet, focus has been on marketplace models – e.g., eCommerce, rideshare, delivery services
- + BS from the Wharton School of the University of Pennsylvania
- + CFA Charterholder

Mark Shmulik, Senior Research Analyst



- + **US Internet: Amazon, Alphabet, Meta, Pinterest, Reddit, and Snap**
- + 20+ years of experience specializing in digital business models and disruption
- + Career has been a random walk down tech street
 - + Advisory: McKinsey & Co. (digital practice), Altman Solon
 - + Venture Capital: Seraphim Capital, Arts Alliance
 - + Trade organizations: GSMA (telecom), IAB (digital ads)
 - + Industry: (Telus Mobility, Compass)
- + HBA from the Richard Ivey School of Business, MBA from London Business School

Core takeaways

- + **Internet is a made-up sector:** The Internet touches every sector, and the lines between offline and online channels are blurring
- + **Internet is a growth sector:** We are beyond the days of hyper-growth with much of the world already online today – but there is still 10-20% annual growth to be had
- + **Internet is becoming more profitable:** As we move along the S-curve and the market demands rationality, we are seeing profitability improve in many verticals
- + **We're entering a new period of change, driven by AI:** Not limited to Internet, but an era-defining feature or potential disruption / disintermediation risk
- + **Scale matters:** Network effects mean that scale is a competitive advantage with Internet business models – we tend to see winner-take-most outcomes
- + **Narratives change fast:** Investors are always optimistic about new growth opportunities, and on edge about competition and disruptions. Headlines move stocks

Bernstein US Internet Coverage

eCommerce (Nikhil and Mark)

Digital Advertising (Mark)

On-Demand (Mobility and Delivery services) (Nikhil)

Online Travel (Richard Clarke*)

Cloud (Mark)

Online Real Estate (Nikhil)



Note: Richard Clarke covers Global Hotels, Cruiselines, and OTAs
Source: Company websites

Internet: A sector with healthy growth ahead...but not hyper growth

Expected growth rates across the core sub-sectors of Internet

Digital Advertising

Global Industry Digital Ad Spend (ex-China) in \$B

eCommerce

Global Industry eCommerce GMV (ex-China) in \$B

On-Demand Economy

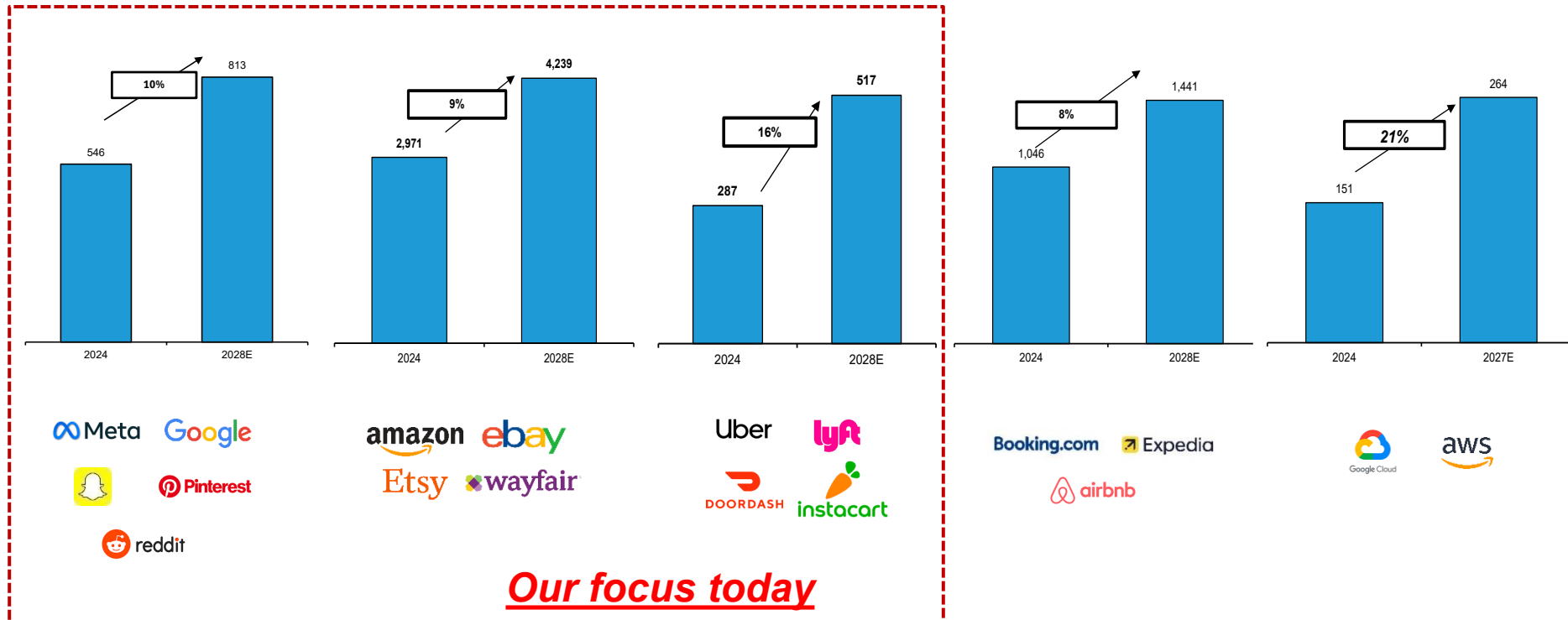
Sum of Coverage Gross Bookings (Global) in \$B

Online Travel

Global Room Nights Booked via OTAs (Millions)

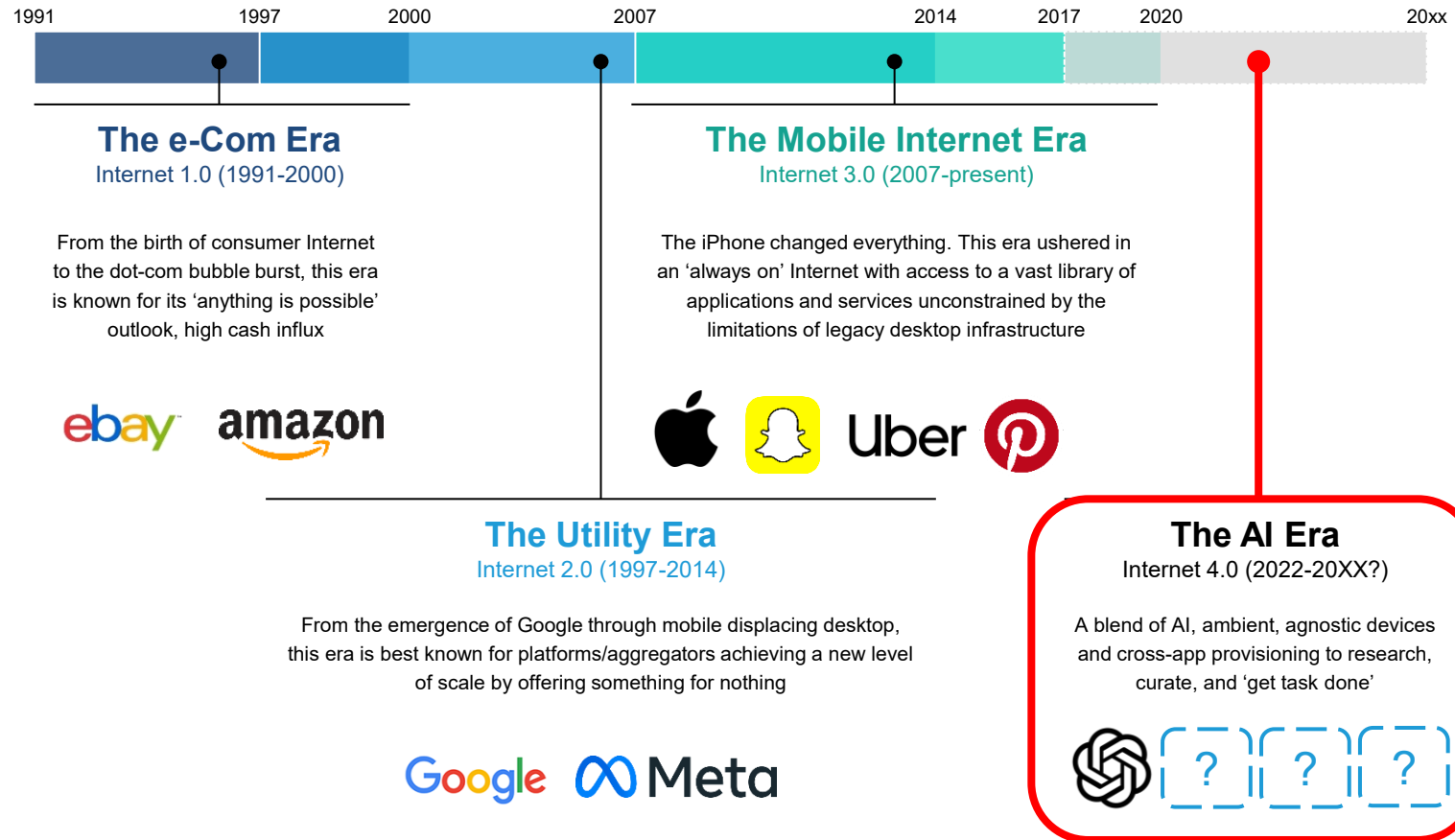
Cloud

Hyperscale Revenue across AWS and GCP (\$B)



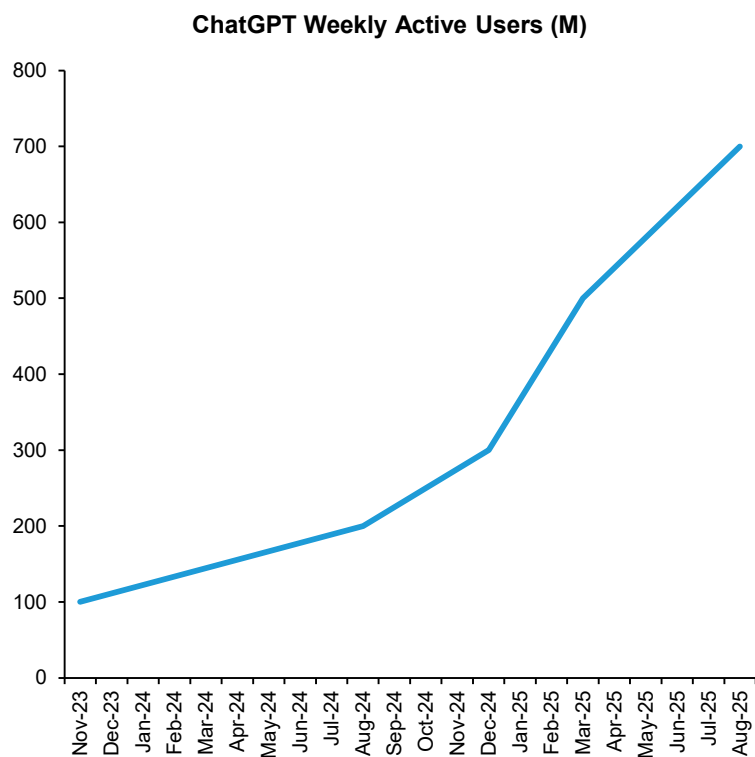
Note: On-Demand Economy includes the total global bookings of DASH, UBER, and CART; eCommerce and Travel rates are derived from Bernstein industry models
Source: Company reports, eMarketer estimates (digital ads), IDC, Bernstein estimates and analysis

Entering the early days of Internet 4.0



We are seeing hyper-growth in the AI space, and the emergence of the next big consumer Internet player

The next big consumer app is here...



...but competing with scaled incumbents

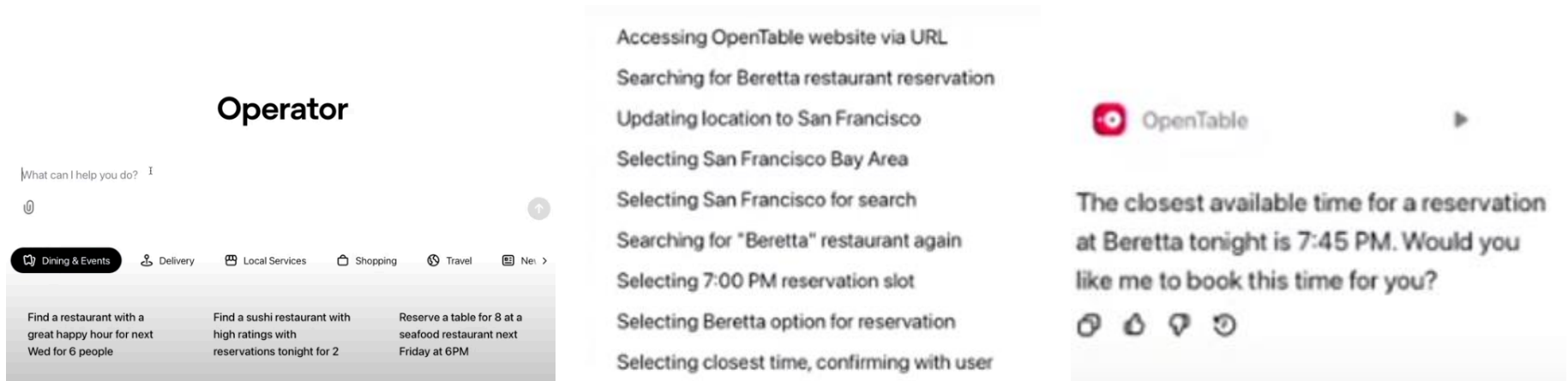
∞ Meta = 3B+ users

Google = 15 apps with 500M+ users

Apple = 2B+ devices

What can AI Agents do (well)? Not a lot today, but in the future probably a lot more

A demo from Open AI's Operator



Input Prompt: “Book me a table for two at Beretta tonight at 7 pm”

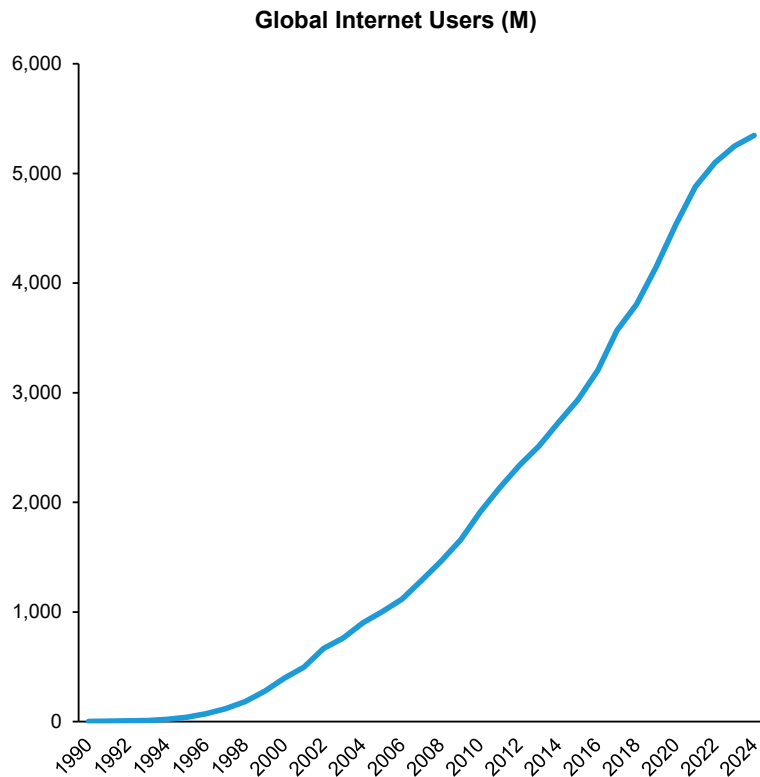
It opens up a remote browser and goes through the actions listed below...

...and confirms if 7:45 pm is okay when 7:15 is not available before booking it.

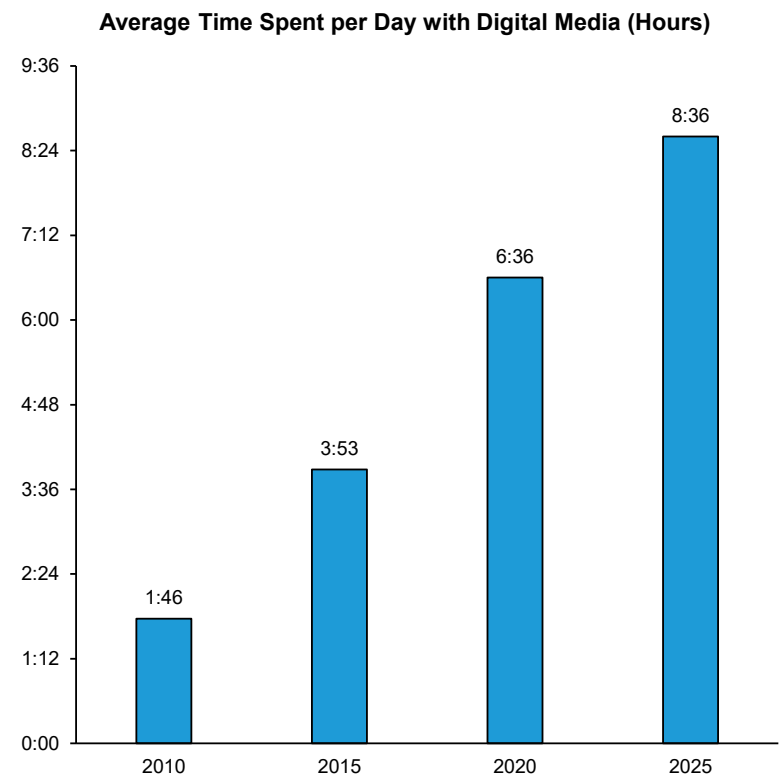
Internet Scale

Most of the world is now connected, and spending hours online each day, especially on Mobile...

Internet penetration has ramped...

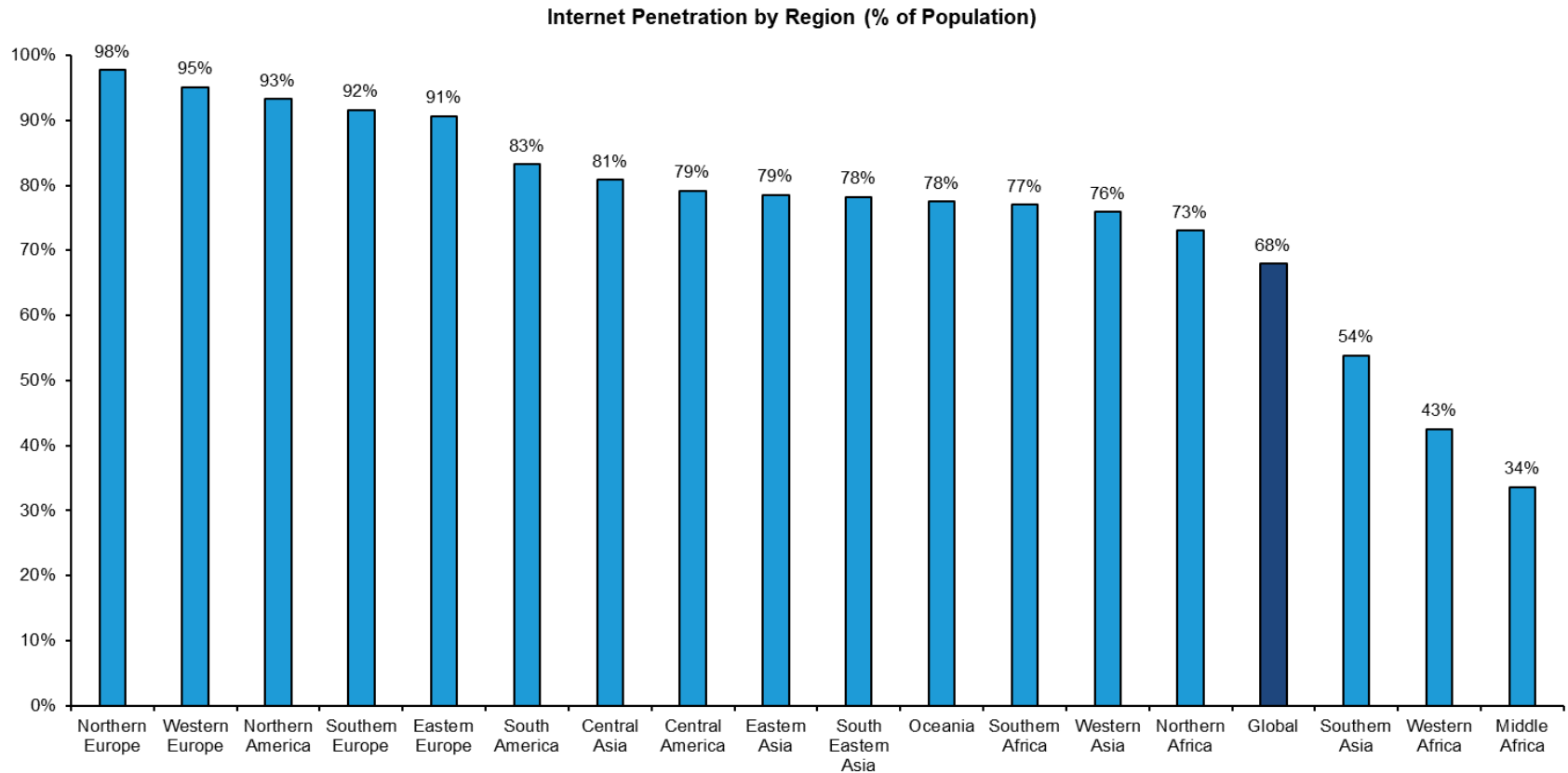


...and we spend a lot of time online



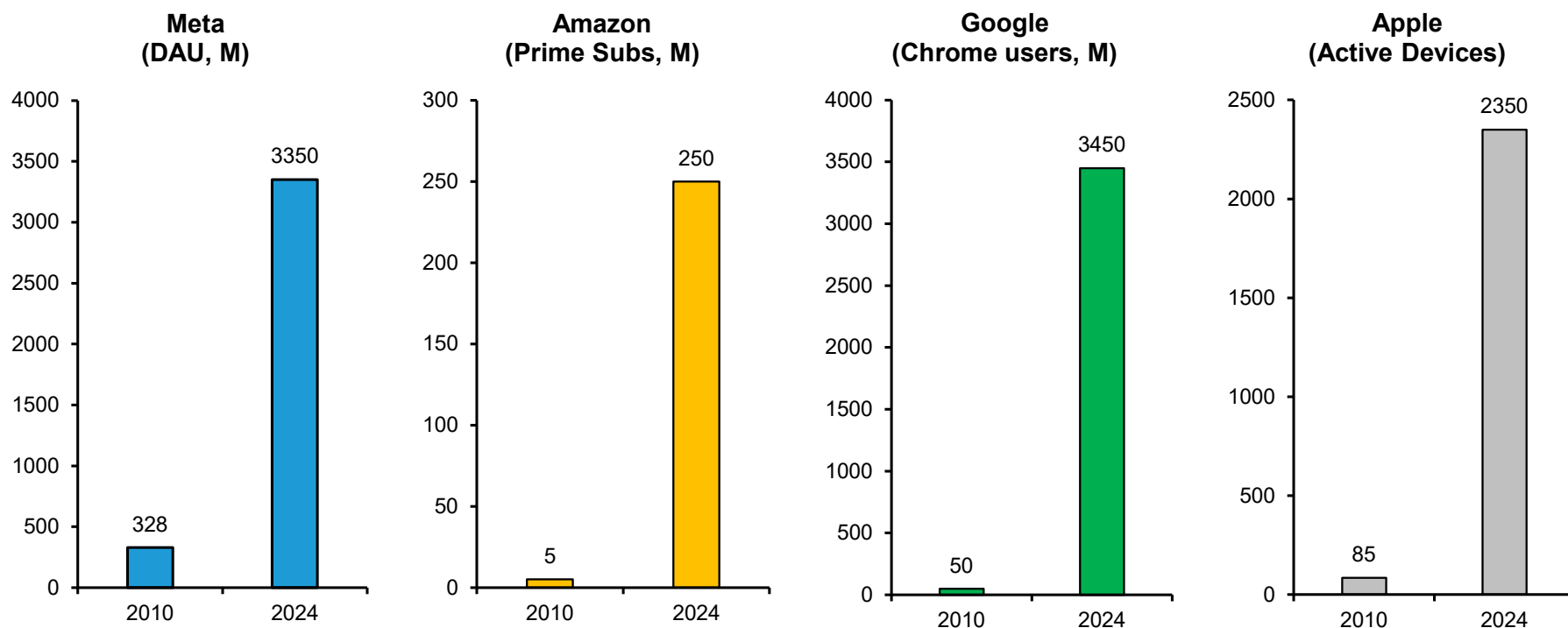
...though there is room for adoption rates to grow in Emerging Markets, highlighting the benefits of a global model

Almost 70% of the world is online today, but that number is over 90% in North America



The largest tech companies have reached unprecedented scale

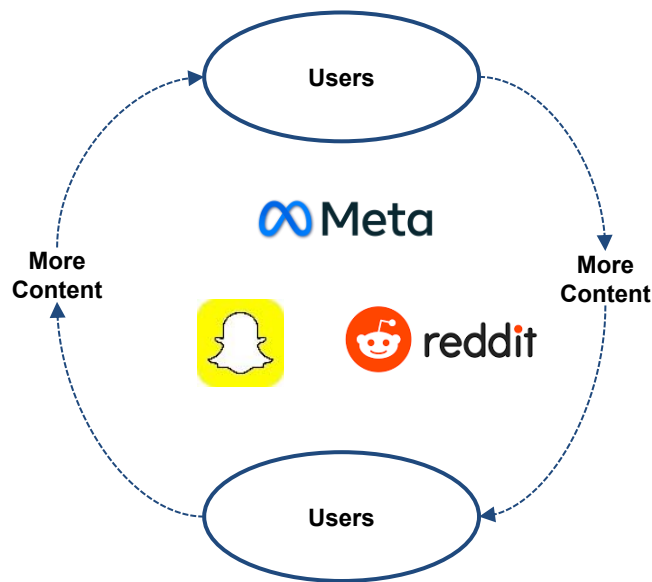
Everywhere, all at once – US tech has dramatically increased its reach over the past 10-15 years



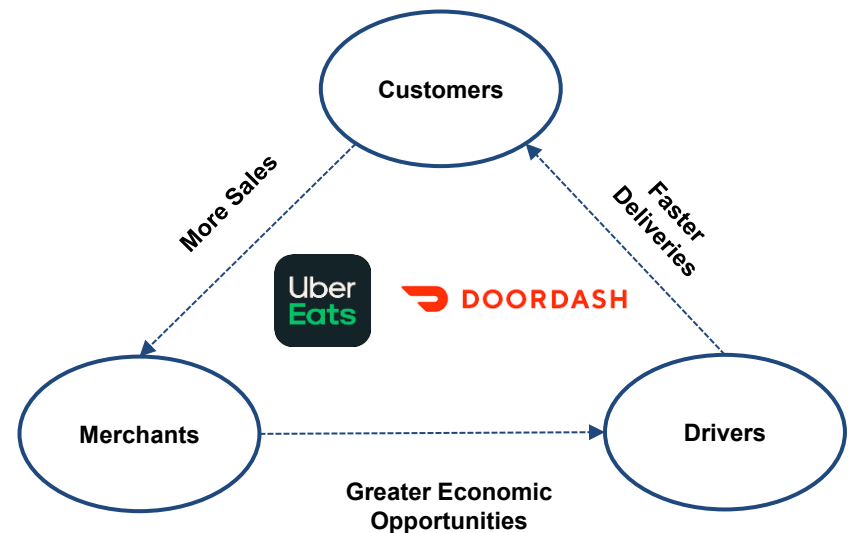
Network effects have powered Internet models to global scale...

- + **Virtuous Cycle:** More users → more engagement → more users / merchants → repeat
- + **Scale becomes a competitive advantage**
- + **Degrees of network effects:** Quite high in social media, can plateau or remain localized in more transaction-based models

Two-sided Networks



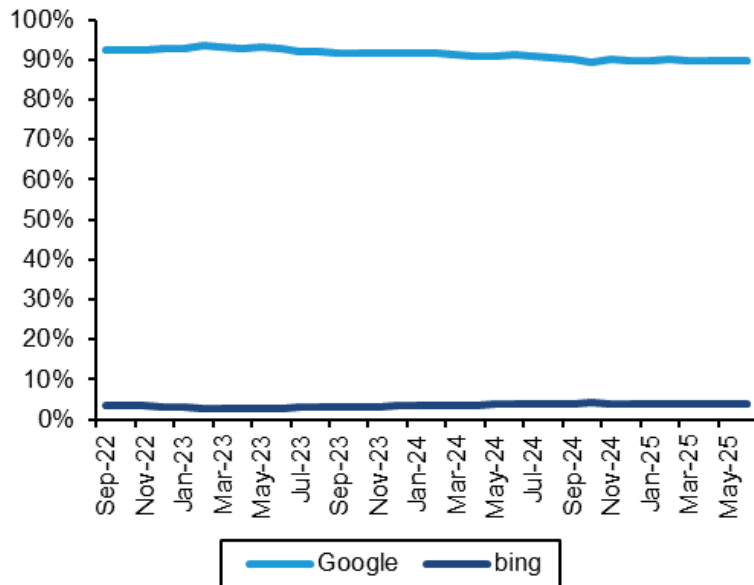
Three-sided Networks



...contributing to winner-take-most outcomes across several sub-sectors (i.e., the gap between #1 and #2 or #3 can be wide)

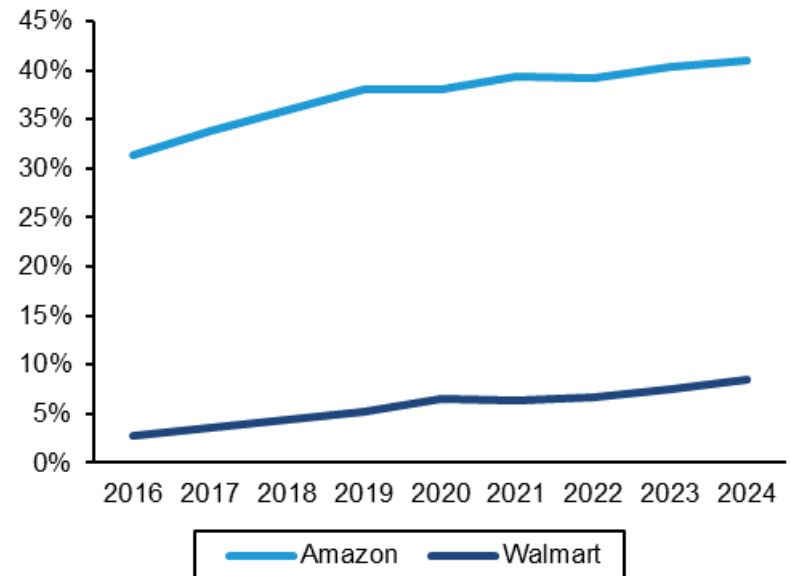
Google dominates in Search

Google (#1) and Bing (#2) Search Engine Market Share (%)



Amazon dominates in eCommerce

Amazon (#1) and Walmart (#2) Share of US eCommerce (%)

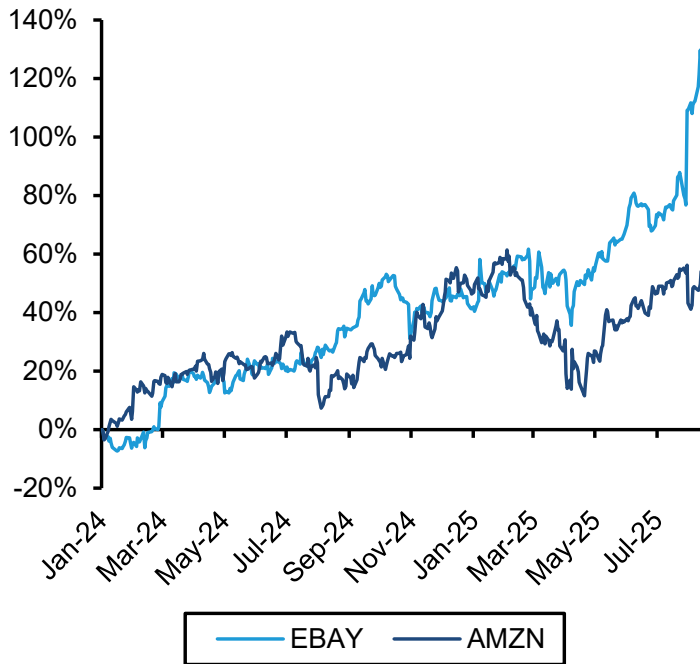


The smaller market-cap stocks can create alpha...but over the long-run investors have gotten paid to back the winners

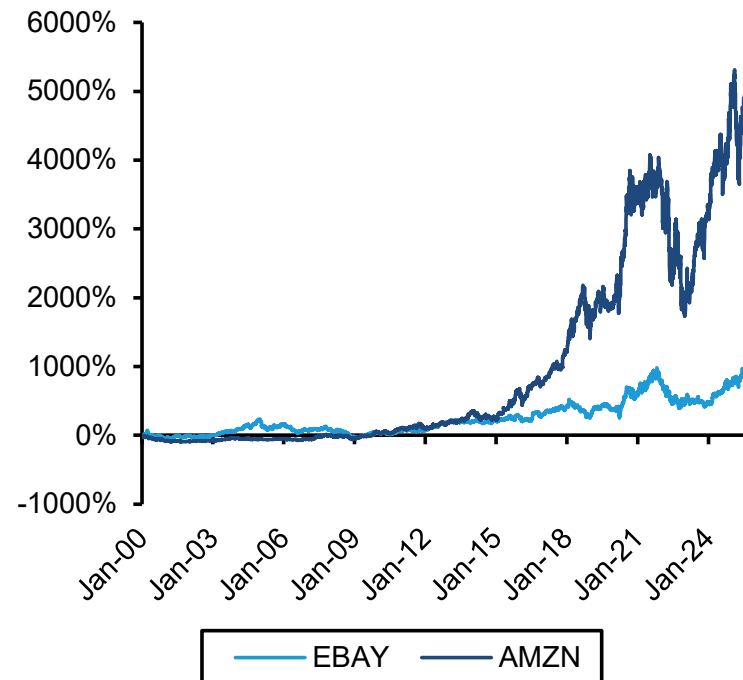
Take AMZN vs. EBAY – recently, it has paid to own EBAY in the midst of a turnaround...

...but over the long-term, AMZN has created far more shareholder value than EBAY

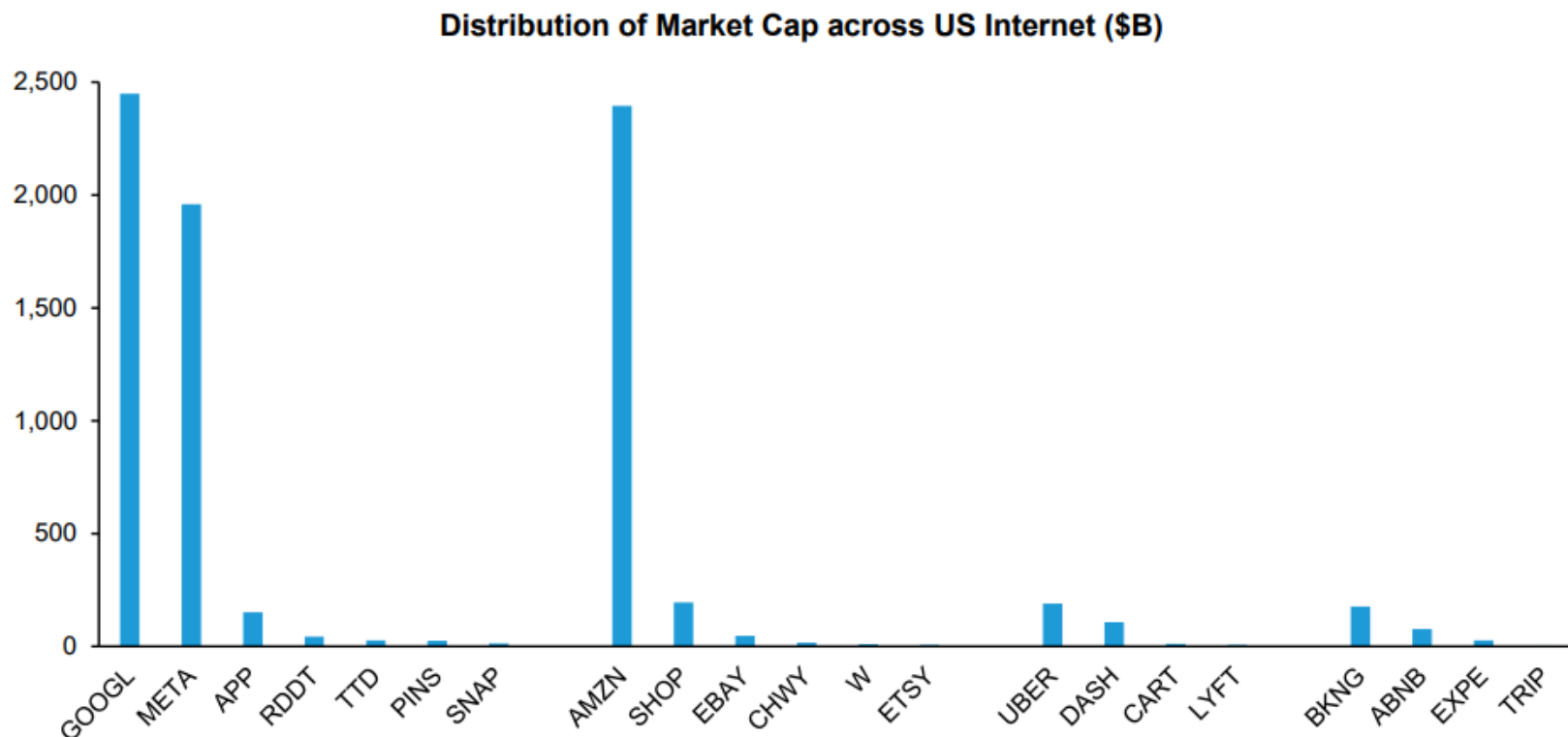
EBAY vs. AMZN Share Price Performance (Indexed to Jan 2024)



EBAY vs. AMZN Share Price Performance (Indexed to Jan 2000)



This translates to a wide distribution on market cap, even at the sub-sector level (i.e., a few Large-Caps and many more SMID-Caps)



3 common ways to monetize all this usage – (1) Advertising, (2) Transaction-Based Take Rates, and (3) Subscriptions

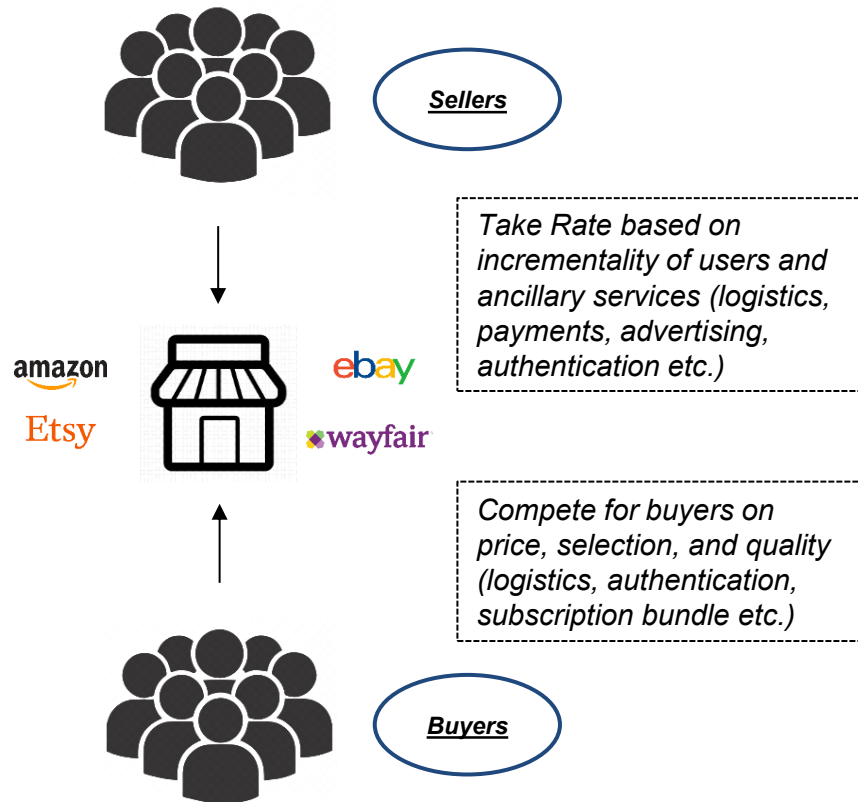
- + **Advertising Model**: Maximize users, engagement, and effectiveness of advertising units (e.g., Google, Facebook, Pinterest, Reddit)
- + **Transaction-Based Take Rate Model**: The platform earns a ‘take rate’ (i.e., fees) on every transaction (e.g., Amazon, Uber, Instacart, Booking.com)
- + **Subscription Model**: Consumers pay monthly or annually for access to content or additional perks (e.g., Netflix, Spotify, Amazon Prime, DashPass)

No longer distinct – these revenue models are all converging

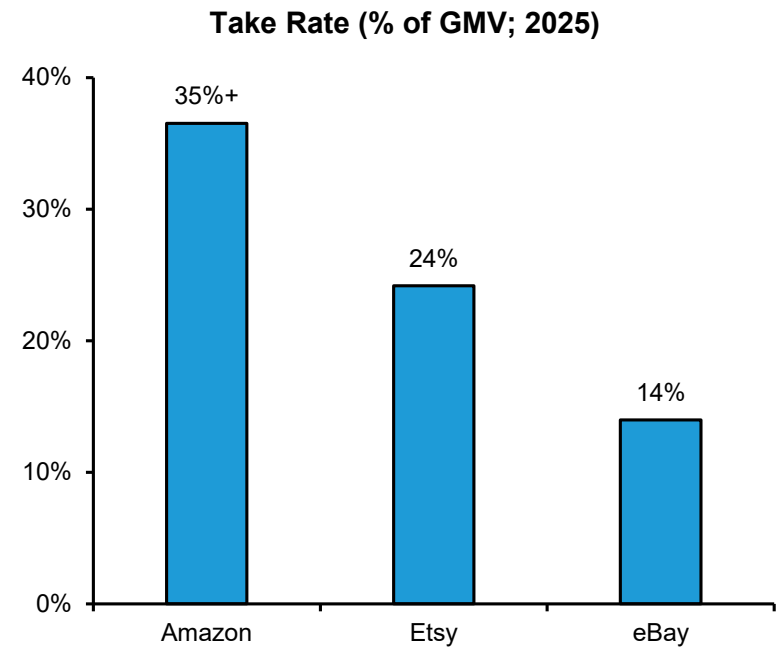
eCommerce

Current coverage: AMZN, EBAY, W, and ETSY

eCommerce marketplaces aggregate millions of buyers and sellers

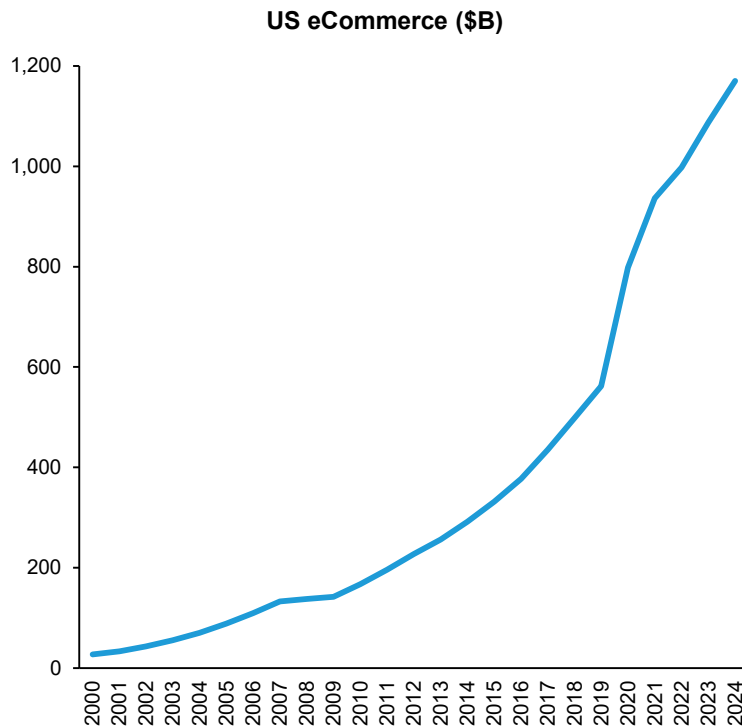


Take Rates vary across eCommerce depending on pricing power and services

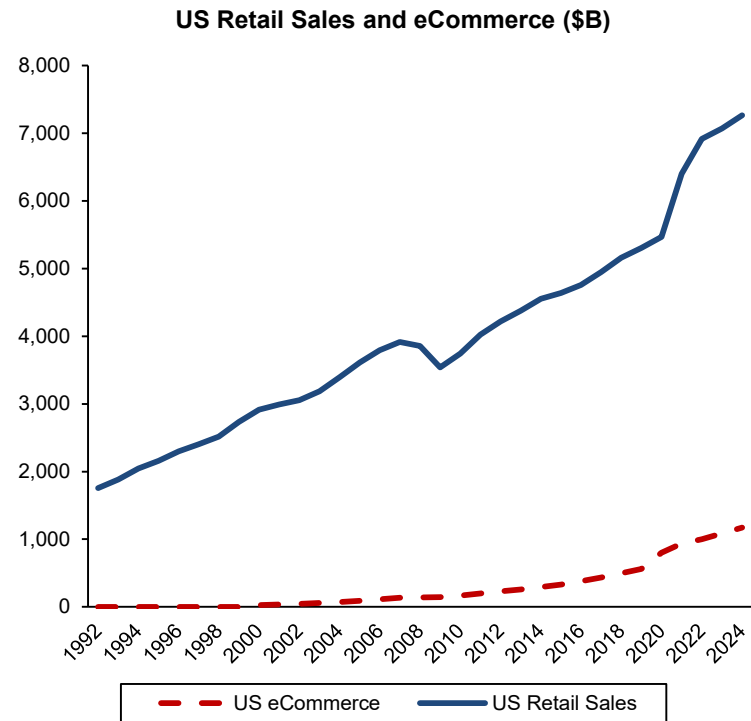


US eCommerce has grown into a trillion-dollar market, but it's still only a fraction of total retail sales in the US

US eCommerce is now a \$1.2T industry in Gross Sales or GMV terms...

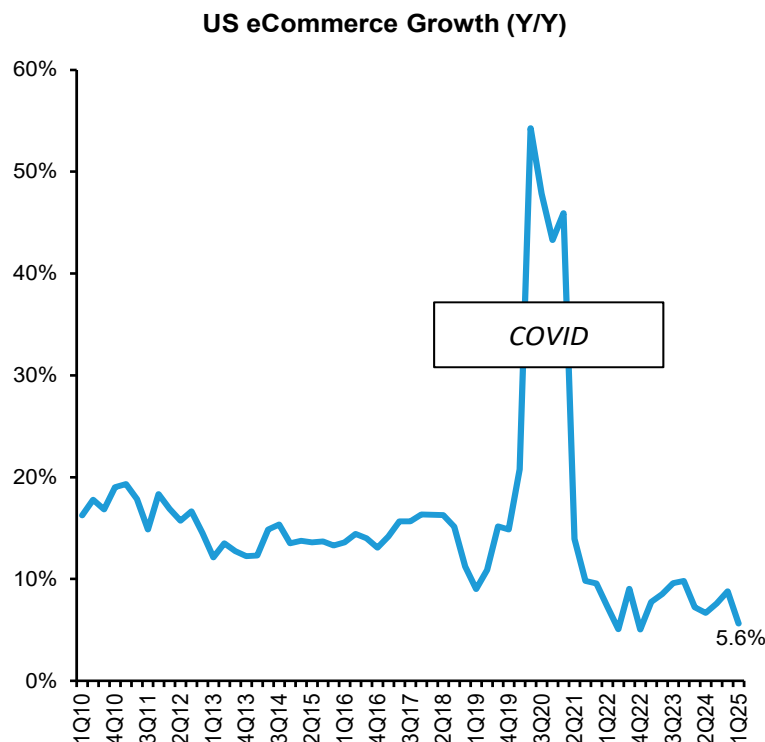


...but remains a fraction of total retail sales

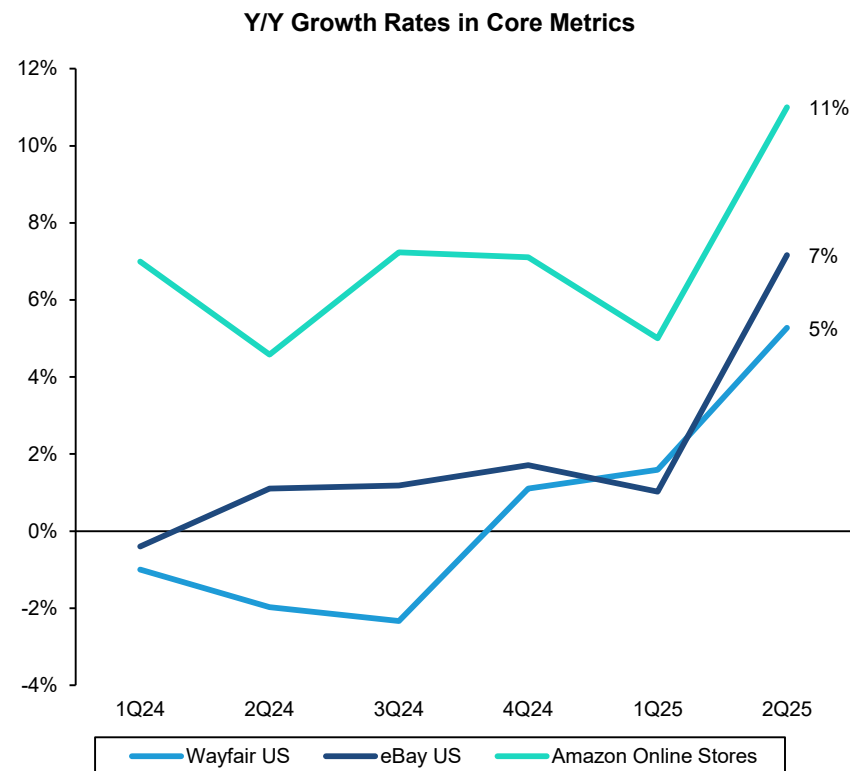


Post-COVID, growth has been tepid inviting questions of saturation, though 2Q25 offered some upside surprise

US eCommerce has been growing MSD+ relative to the 13-14% post-GFC median



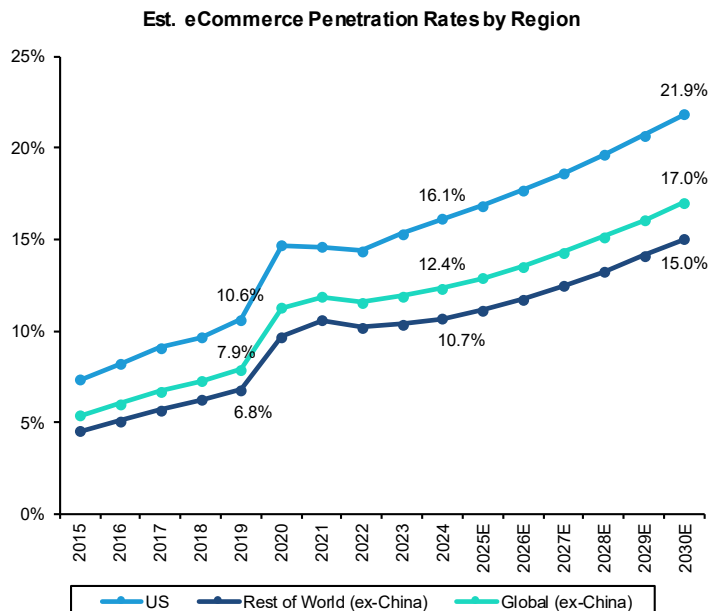
2Q25 earnings offered some optimism, with growth rates improving across the group



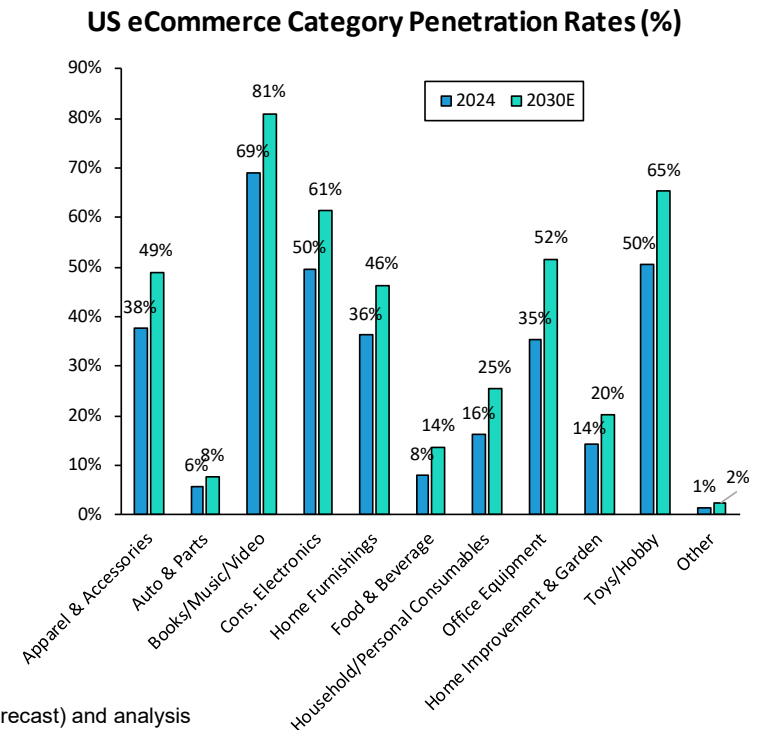
Stepping back, we believe online migration is mid-cycle

- + **eCommerce 2.0 categories** → Looking to apparel, personal care, grocery, and home goods
- + **New regions** → International under-penetrated vs. the US, particularly emerging markets
- + **Fewer barriers** → Improving technical infrastructure (e.g., search, AR), faster delivery, and fewer financial barriers (e.g., BNPL)
- + **AI accelerant** → Agentic AI and improved search on-platform can drive conversion rates higher

US penetration could approach 22% by 2030



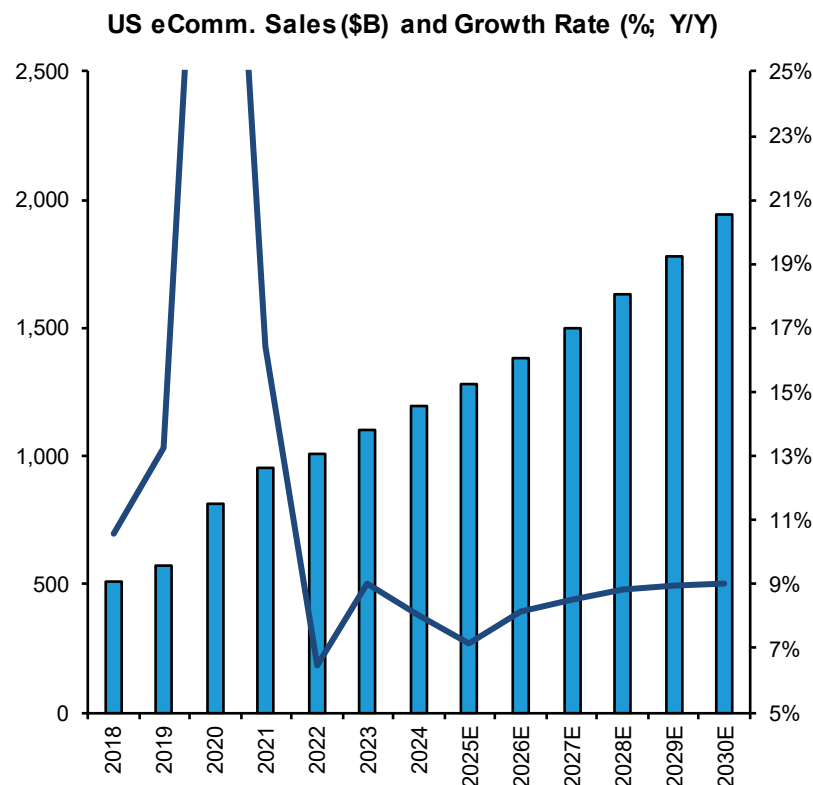
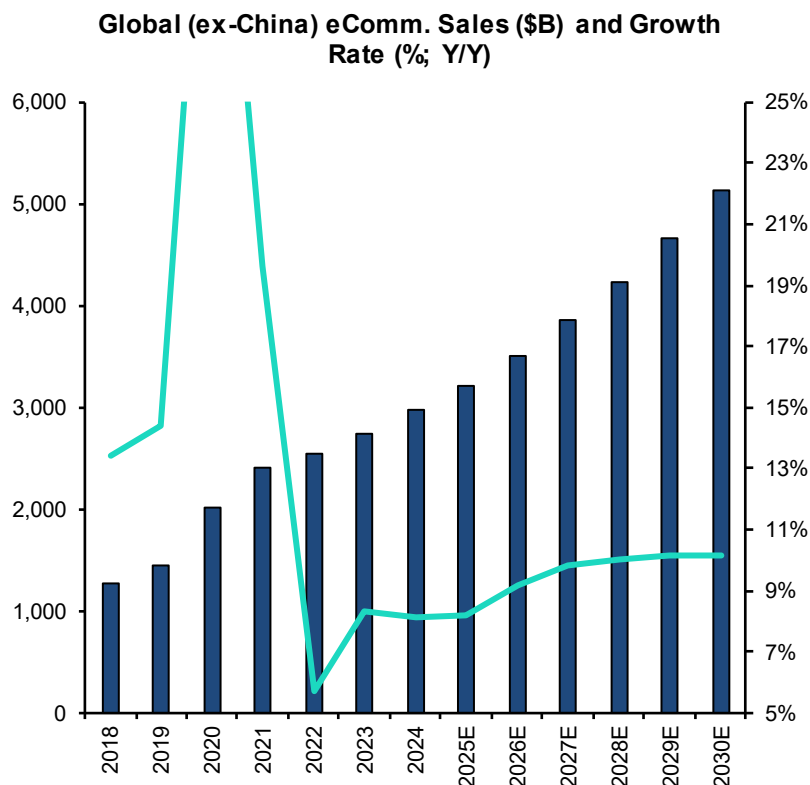
Discretionary verticals becoming key drivers



We forecast global eCommerce growth of 9-10% per year through to 2030, with the global (ex-China) market exceeding \$5T

We forecast global (ex-China) eCommerce to grow at a 9-10% CAGR to \$5.1T by 2030...

...with the US growing at an 8-9% CAGR, crossing \$1.9T by 2030



Note: 2025 to 2030 are Bernstein estimates
Source: eMarketer, Bernstein estimates and analysis

The big have gotten bigger in US eCommerce over the past decade, with AMZN, SHOP, and WMT leading the charge

US eCommerce market share across the top players

US GMV Market Share (%)	2016	2017	2018	2019	2020	2021	2022	2023	2024	PPT Change 2024 vs. 2016	PPT Change 2024 vs. 2021
Amazon	31.3%	33.8%	36.0%	38.0%	38.1%	39.4%	39.3%	40.3%	40.9%	9.59%	1.57%
Shopify	2.1%	3.1%	4.3%	5.6%	7.8%	10.0%	10.0%	10.6%	11.7%	9.52%	1.62%
Walmart Inc.	2.8%	3.5%	4.4%	5.3%	6.5%	6.3%	6.7%	7.5%	8.5%	5.68%	2.14%
Apple	3.2%	3.6%	3.7%	3.6%	3.6%	3.8%	3.8%	3.4%	3.3%	0.09%	-0.52%
eBay	8.8%	8.0%	6.5%	5.4%	4.8%	4.2%	3.5%	3.2%	3.0%	-5.80%	-1.24%
The Home Depot	1.3%	1.4%	1.6%	1.7%	2.2%	2.1%	2.1%	2.0%	1.9%	0.56%	-0.19%
Temu	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	1.3%	1.29%	1.29%
Target	0.8%	0.9%	1.0%	1.2%	2.0%	2.1%	2.0%	1.8%	1.7%	0.95%	-0.36%
The Kroger Co.	0.3%	0.5%	0.8%	0.9%	1.3%	1.1%	1.1%	1.1%	1.1%	0.80%	0.03%
Shein	0.0%	0.0%	0.1%	0.2%	0.4%	0.8%	1.1%	1.4%	1.5%	1.51%	0.75%
Costco	0.7%	0.8%	0.9%	1.0%	1.0%	1.3%	1.3%	1.1%	1.2%	0.54%	-0.03%
Carvana	0.1%	0.2%	0.4%	0.7%	0.7%	1.3%	1.3%	1.0%	1.1%	1.05%	-0.20%
Best Buy	1.2%	1.3%	1.3%	1.3%	2.3%	1.7%	1.4%	1.2%	1.1%	-0.13%	-0.64%
Chewy	0.2%	0.5%	0.7%	0.8%	0.9%	0.9%	1.0%	1.0%	1.0%	0.77%	0.05%
Wayfair	0.8%	0.9%	1.1%	1.4%	1.5%	1.2%	1.0%	0.9%	0.9%	0.09%	-0.31%
Lowe's	0.5%	0.6%	0.6%	0.6%	0.9%	0.9%	0.9%	0.8%	0.8%	0.28%	-0.08%
Etsy Inc.	0.5%	0.5%	0.6%	0.6%	0.9%	1.0%	1.0%	0.9%	0.8%	0.25%	-0.27%
Macy's Inc.	1.1%	1.1%	1.1%	1.1%	1.0%	0.9%	0.8%	0.7%	0.6%	-0.52%	-0.32%
Qurate Retail Group	0.8%	0.7%	1.4%	1.2%	0.9%	0.8%	0.6%	0.5%	0.4%	-0.38%	-0.35%
Others	43.3%	38.7%	33.4%	29.4%	23.3%	20.1%	21.1%	19.7%	17.2%	-26.14%	-2.94%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%		
Top Players Share (ex-Shopify)	54.5%	58.2%	62.2%	65.0%	69.0%	69.8%	68.9%	69.8%	71.2%	16.6%	1.3%
Top Share (ex-Shopify, Temu, Shein)	54.5%	58.2%	62.1%	64.8%	68.6%	69.1%	67.8%	67.5%	68.4%	13.8%	-0.7%

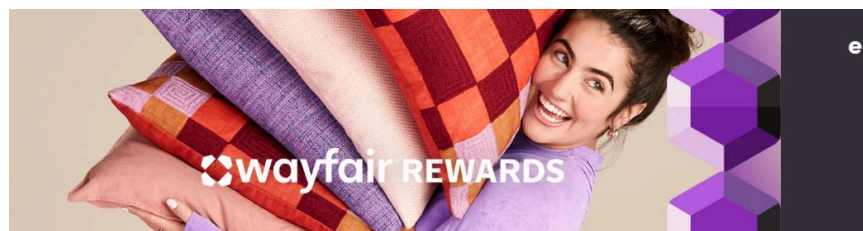
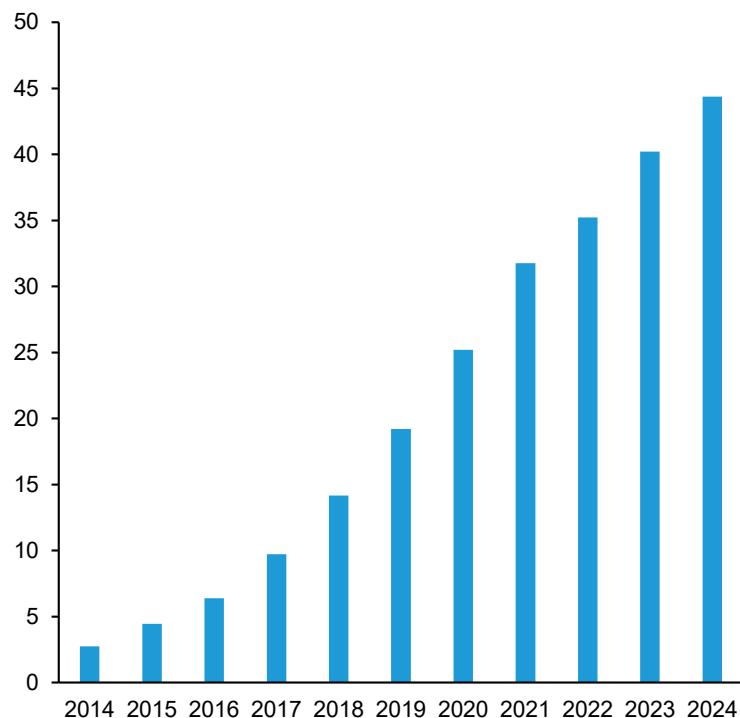
Note: We use a combination of reported numbers, eMarketer estimates, and our estimates to arrive at market share numbers; WMT covered by Zhihan Ma and SHOP not covered by Bernstein (covered by Autonomous)
Source: eMarketer, Company reports, Bloomberg, Bernstein analysis

Amazon has built a strong subscription services business – for others, the focus is narrower around building customer loyalty

Amazon now has a substantial subscription services business, led by Prime...

...while other eCommerce players can't replicate that, they are trying to build loyalty

AMZN Subscription Revenue (\$B)



wayfair REWARDS | MEMBERS ONLY unbeatable savings on kitchen

join for these benefits & more

5%

5% back in rewards¹
on every item every day. (bonus:
they never expire!)



free shipping
on every order²
From plates to sofas, it's on us



special offers & perks

We'll treat you on your birthday – and just because.

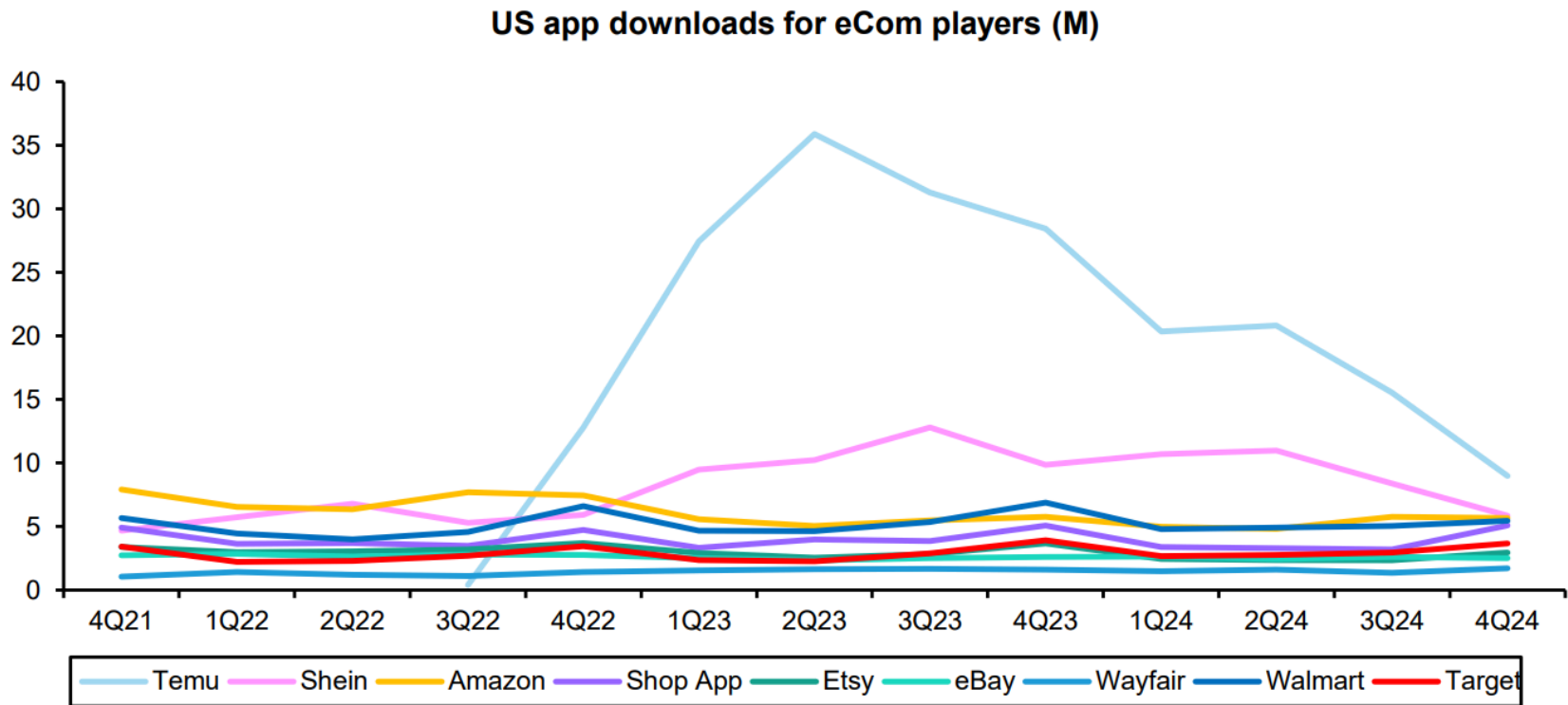


member support line

Call for fast, quality assistance.

Chinese eCommerce platforms Temu and Shein have been disruptive in recent years, though growth now appears to be normalizing

Quarterly US app downloads, per third-party data sources



Note: Temu is owned by PDD, which is covered by Robin Zhu; Shein is private
Source: SensorTower, Bernstein analysis

Running at MSD margins as a percent of GMV, with variable margins accretive – i.e., room for positive operating leverage

How \$100 of GMV illustratively flows through our SMID-Cap eCommerce coverage

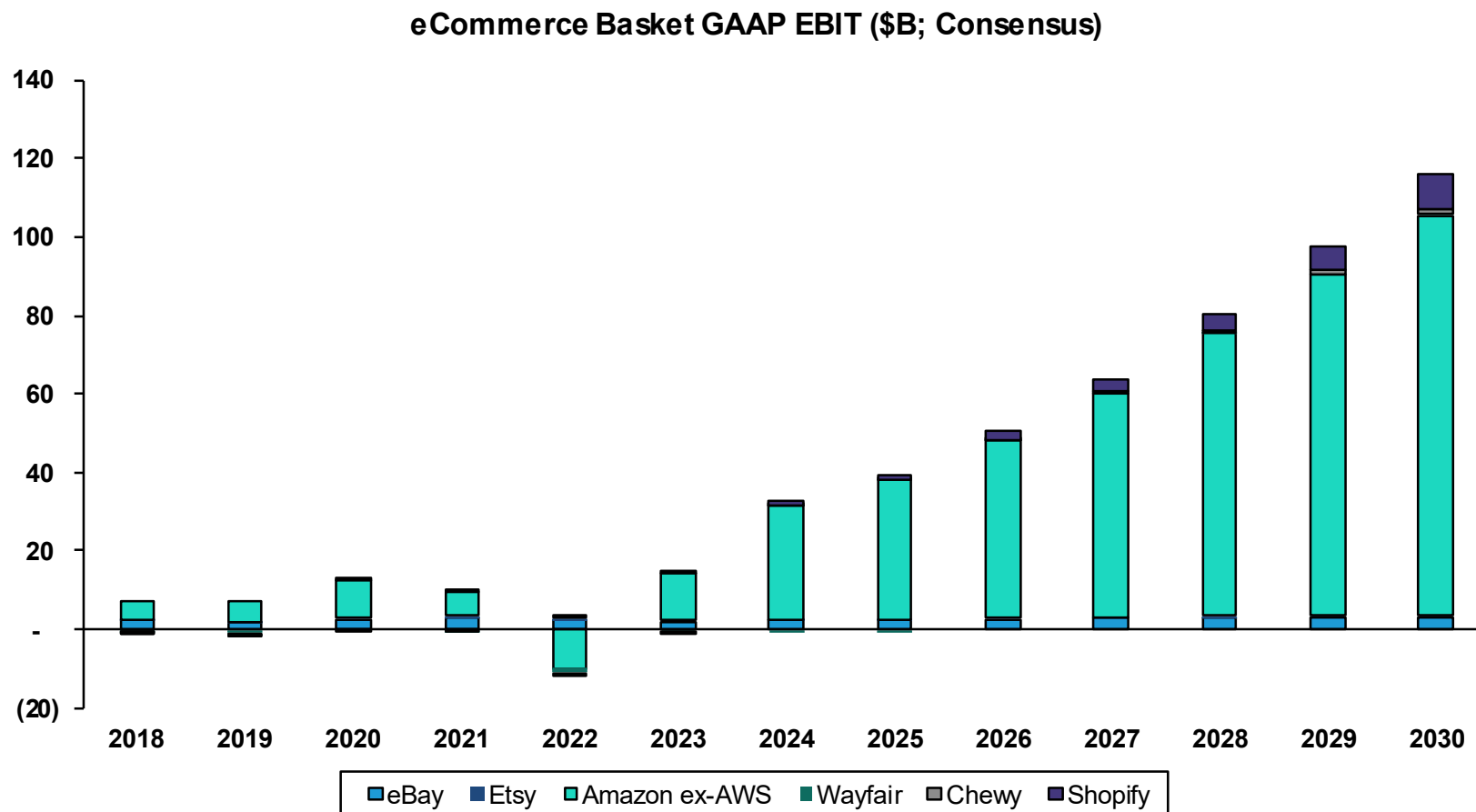
	EBAY		ETSY		W	
Illustrative Order Value	100.0		100.0		100.0	
Transaction + Services/Other Revenue	11.5	11.5%	19.5	19.5%		
Advertising Revenue	2.5	2.5%	5.0	5.0%	<i>In Contra COGS</i>	
Revenue	14.0	14.0%	24.5	24.5%	100.0	100.0%
Cost of Revenue	-4.0	4.0%	-6.9	6.9%	-71.5	71.5%
Advertising Revenue	n/a		n/a		1.5	1.5%
Gross Profit	10.0	10.0%	17.6	17.6%	30.0	30.0%
Sales & Marketing	-3.0	3.0%	-7.5	7.5%	-11.8	11.8%
Gross Profit less S&M	7.0	7.0%	10.1	10.1%	18.2	18.2%
Other OpEx (Net of D&A)	-2.8	2.8%	-3.9	3.9%	-13.0	13.0%
Adjusted EBITDA	4.3	4.3%	6.2	6.2%	5.2	5.2%

Note: EBAY and ETSY report a take rate model; Wayfair logs net revenue largely equivalent to the cost of goods sold on the platform (akin to more traditional retail accounting)

Source: Company reports, Bernstein analysis

While growth rates have moderated, the Street expects collective operating income to ramp for US eCommerce names

Profitability ramp is expected to be led by, but not exclusive to, Amazon in US eCommerce

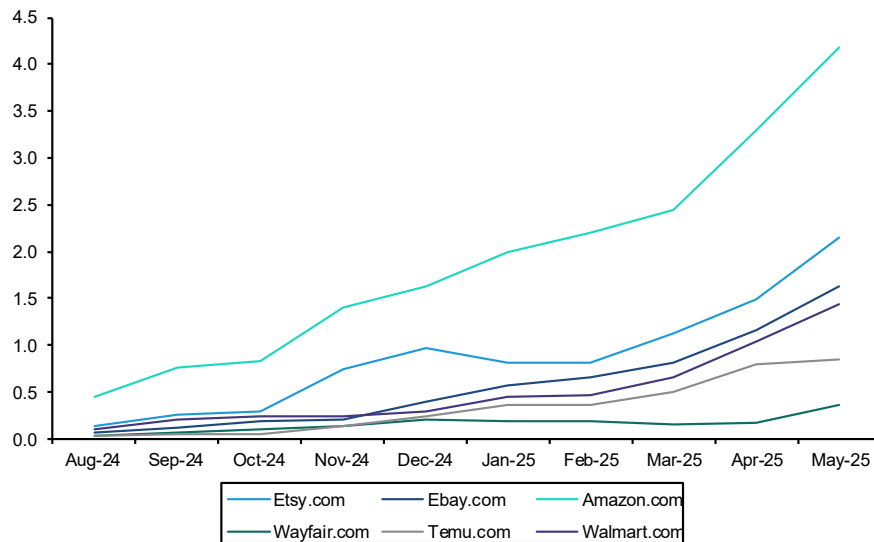


Agentic AI is growing as a source of traffic for eCommerce sites

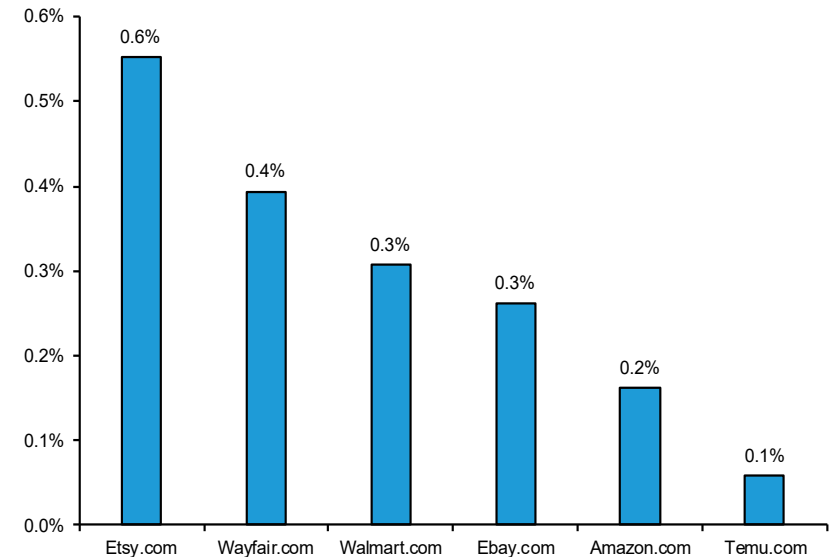
Traffic from AI tools to eCommerce platforms is increasing...

...but it still only accounts for a fraction of total web traffic so far

Incoming Traffic to eCommerce Marketplaces from Chatgpt.com
(Millions of Visits)



Incoming Traffic from Chatgpt.com as a % of Total Traffic to eCommerce Marketplaces



Agentic AI could drive conversion uplift and re-accelerate growth

Illustrative Uplift from AI Tools/Traffic for US eCommerce Growth

ChatGPT Queries (Billions)	750				
ChatGPT Market Share	80%				Statcounter market share estimate
Total Queries Implied (B)	938				
Assumed US % of Total	12%				SensorTower US / Global ChatGPT DAU
Total US Queries Implied (B)	113				
5YR CAGR in Query Volume	25%				Illustrative; Google 10-15% CAGR from 2012
Implied ~2030 Query Volume (B)	343				
% of Queries tied to Product Search	10.0%	12.5%	15.0%	17.5%	20.0%
Product Search AI Queries (B)	34	43	51	60	69
% of Searches Incremental to Web	50.0%	50.0%	50.0%	50.0%	50.0%
Illustrative base eComm conversion rate assumed		2.5%			Wide range, most LSD
Illustrative AI Search conversion rate assumed		5.0%			Illustrative material uplift
Substituted Web Search Queries	17	21	26	30	34
Incremental Conversion Uplift	2.5%	2.5%	2.5%	2.5%	2.5%
Incremental Purchases	0.43	0.54	0.64	0.75	0.86
Illustrative AOV (\$/Order)	\$100	\$100	\$100	\$100	\$100
Incremental GMV (\$B)	\$42.9	\$53.6	\$64.4	\$75.1	\$85.8
Incremental Search Queries	17	21	26	30	34
Conversion Rate Assumed	5.0%	5.0%	5.0%	5.0%	5.0%
Incremental Online Purchases	0.86	1.07	1.29	1.50	1.72
Illustrative AOV (\$/Order)	\$100	\$100	\$100	\$100	\$100
Incremental GMV (\$B)	\$85.8	\$107.3	\$128.7	\$150.2	\$171.7
Total Incremental GMV (\$B)	\$128.7	\$160.9	\$193.1	\$225.3	\$257.5
% Increase to Base Case 2030	6.6%	8.3%	10.0%	11.6%	13.3%
Implied 5YR CAGR (2025-2030)	10.1%	10.4%	10.8%	11.1%	11.4%
Base Case 5YR CAGR (2025-2030)	8.7%	8.7%	8.7%	8.7%	8.7%
Improvement (basis points)	141	175	208	242	274

Illustratively, 1-3ppt improvement to eCommerce CAGR...though likely to start small and build over time

One-liners on our US eCommerce coverage

- + **Amazon (Outperform):** AWS back in focus, and we expect to see acceleration in 2H. Longer term, we see Amazon as the king of both cloud and eCom, with more operating leverage to come, trading at an attractive multiple.
- + **EBAY (Market-Perform):** Encouraging GMV progression on product-led turnaround, now increasingly priced in along with operating leverage expectations and AI tailwinds
- + **ETSY (Market-Perform):** A show-me story on GMS improvement and underlying KPIs (most notably frequency) which have yet to show durable inflection
- + **W (Market-Perform):** Solid revenue and EBTIDA flow-through in 1H25, but ongoing questions on durability (pull forward, tariffs etc.); LT margin potential a core debate, but the company showed encouraging signs on operating leverage with the 2Q25 print

Topics we couldn't cover in this presentation – please reach out

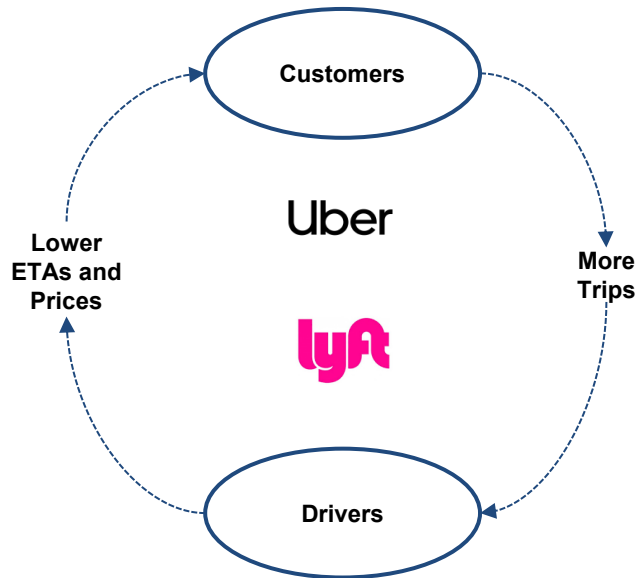
- + **New AI tools:** New ways platforms are leveraging AI to enhance the shopping experience, helping with product discovery and quality of listings
- + **CAC and Retention:** Which platforms are able to build customer loyalty, and which have not shown much progress on this front or leverage on CAC yet
- + **Advertising:** The revenue opportunity and differences across marketplaces
- + **Logistics:** The value of logistics networks, like Amazon Prime and Wayfair's CastleGate
- + **Reinvestment:** New products, markets, and affordability (e.g., Amazon's push into grocery, Wayfair's efforts to open stores)
- + **Regional dynamics:** US vs. ROW growth outlooks – penetration rates and competitive dynamics vary by market and region
- + **Current events:** Tariffs and the debates around pull-forward demand
- + **China Internet competition:** Temu / Shein and the impact on competitive dynamics and ad auctions

On-Demand (Mobility and Delivery)

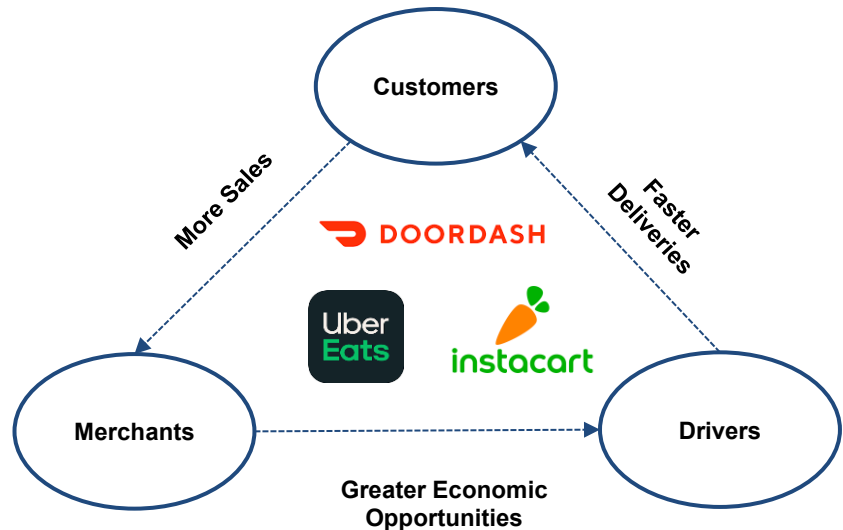
Current coverage: UBER, DASH, LYFT, and CART

On-Demand Marketplaces: Two- and Three-sided networks competing on price, selection, convenience, and quality of service

Two-sided Networks



Three-sided Networks



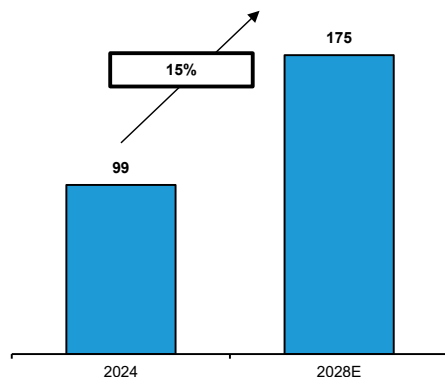
- + **Mobility (aka Rideshare):** Driver ETAs (i.e., wait times), price, and range of modes
- + **Food Delivery:** Merchant selection, price, and quality of service (error rates, handling of food etc.)
- + **Grocery Delivery:** Merchant selection, price, and quality (error rates, handling, item availability etc.)

With penetration levels relatively low, there is runway for mid-teens+ growth in the on-demand sector

Expected CAGR in Gross Bookings (i.e., total consumer spending on platform) from 2024 to 2028

Mobility (Rideshare)

Sum of Coverage Gross Bookings (Global) in \$B

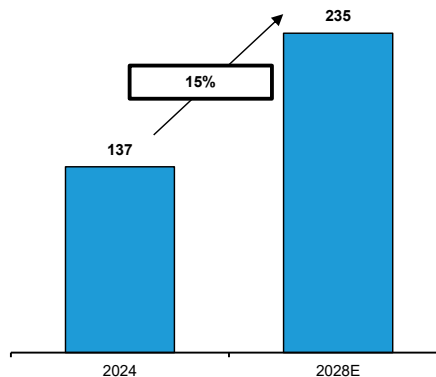


Uber

lyft

Food Delivery

Sum of Coverage Gross Bookings (Global) in \$B

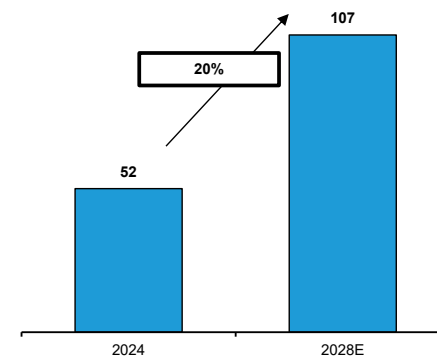


DOORDASH

Uber Eats

New Verticals / Grocery

Sum of Coverage Gross Bookings (Global) in \$B



instacart

Note: Delivery market includes the total global bookings of DASH and UBER estimated for Restaurants; Grocery market includes CART, UBER, DASH estimated Delivery bookings ex-Restaurants; Rideshare includes the total Mobility global bookings of UBER and LYFT

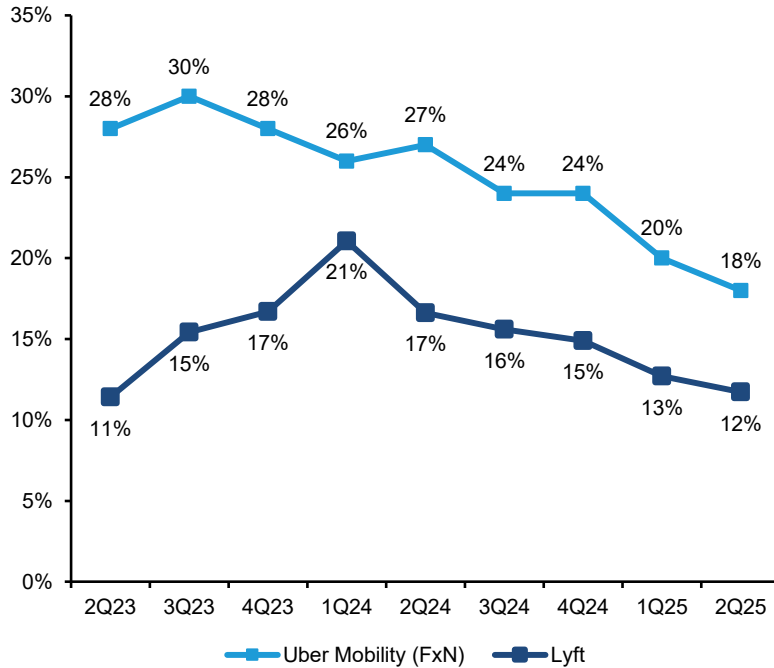
Source: Company reports, Bernstein estimates and analysis

Scale is paramount, with UBER and DASH driving high-teens to low-20% growth, helped by reinvestment efforts (new products, markets)

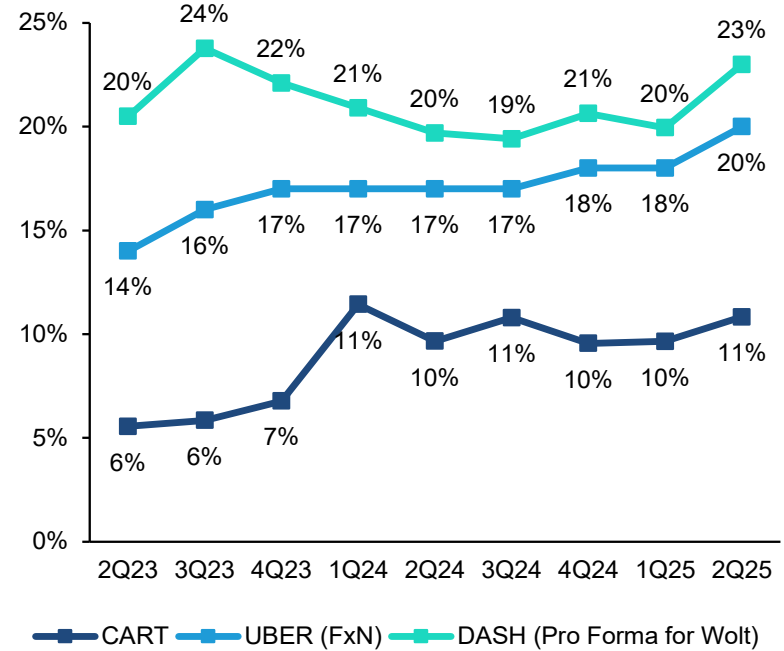
UBER's Gross Bookings have continued to grow more quickly than LYFT's...

...while DASH and UBER Delivery have shown great consistency around 20% +/-

Rideshare Gross Bookings Growth Y/Y



Delivery Gross Bookings Growth (Y/Y)

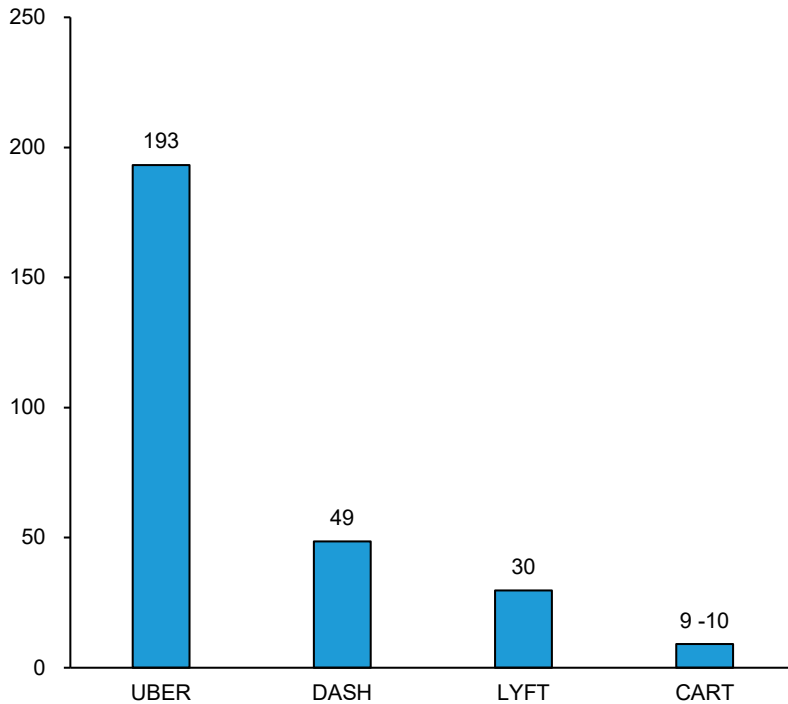


Large audiences with growing frequency

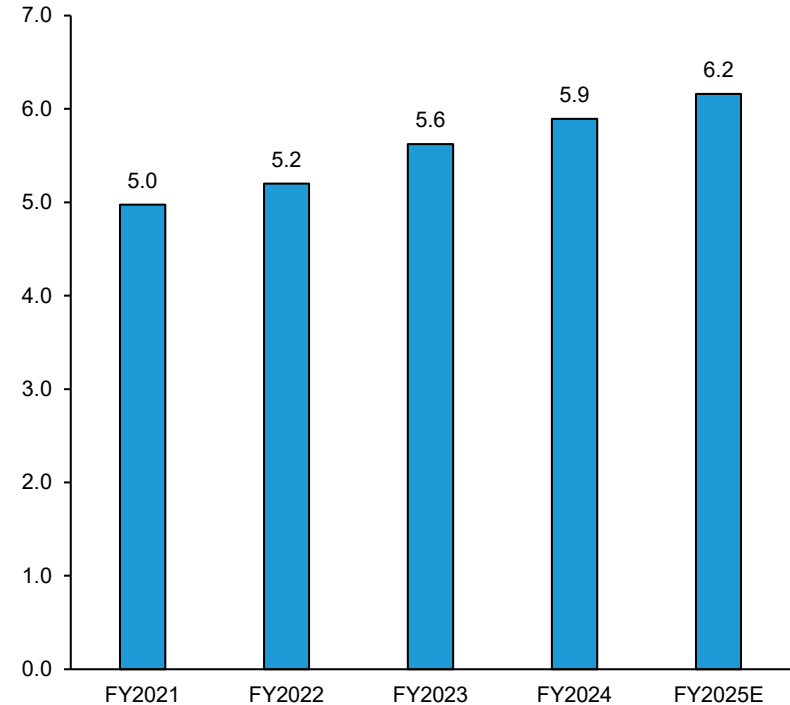
Everyone loves convenience – these are now global platforms...

...with high frequency of use (though very much driven by the 80/20 rule on usage)

Estimated Active Users (2025E)



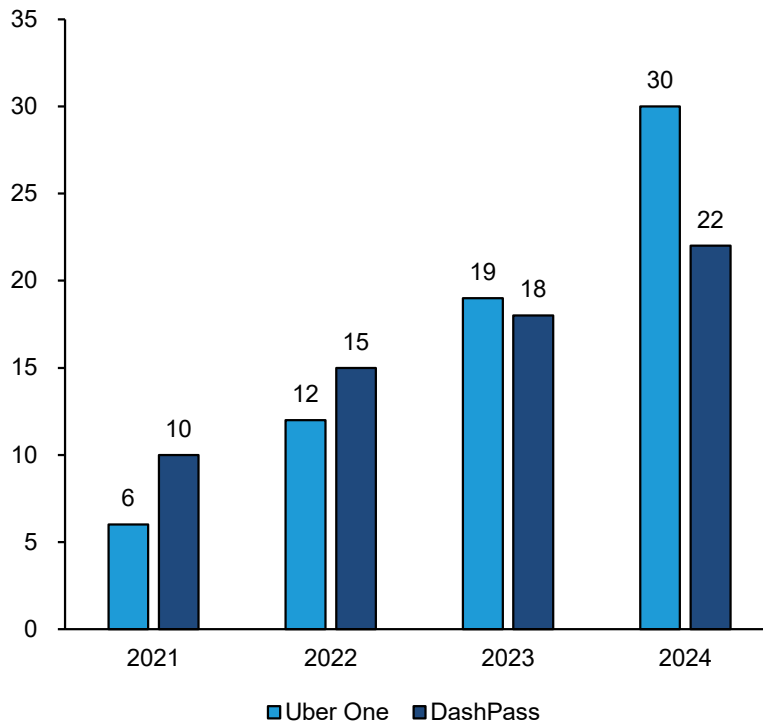
UBER: Monthly Trips / MAPC



Subscription bundles and multi-product usage are making customers stickier and more valuable

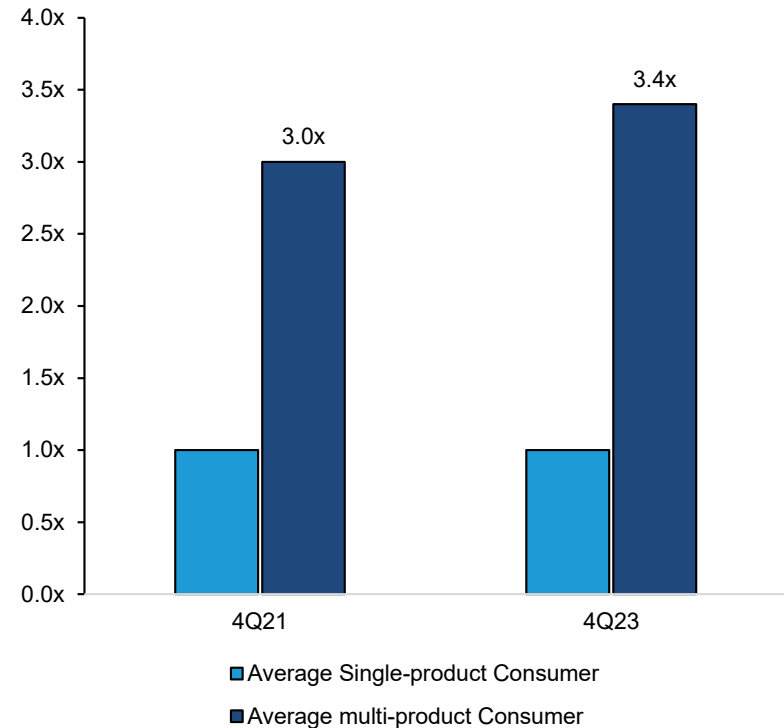
These platforms are scaling membership bundles, particularly UBER and DASH

Uber One and DashPass Members



Multi-category users and members spend more and are more valuable in the long-run

UBER: Single-product and Multi-product Consumer Spending

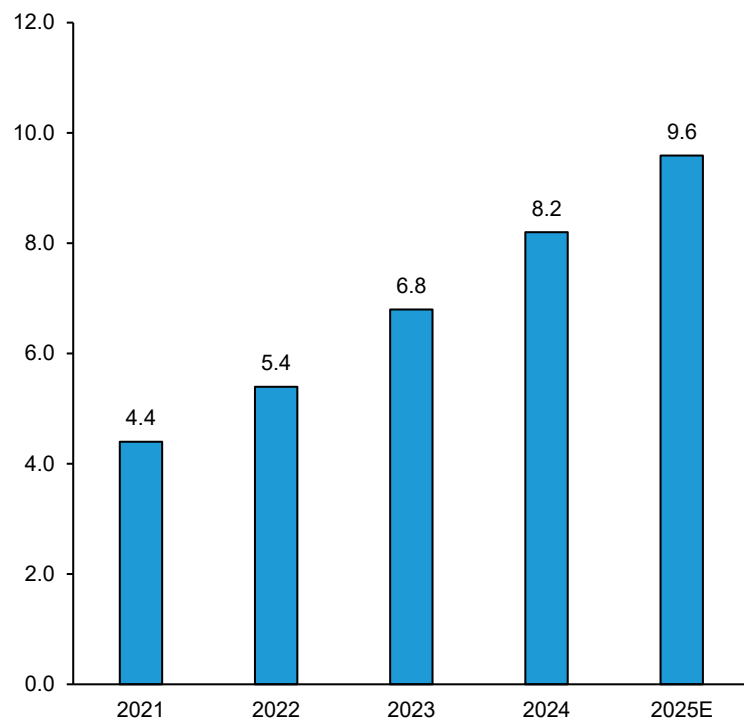


Don't forget about drivers and merchants → more supply = more value and higher quality consumer experience

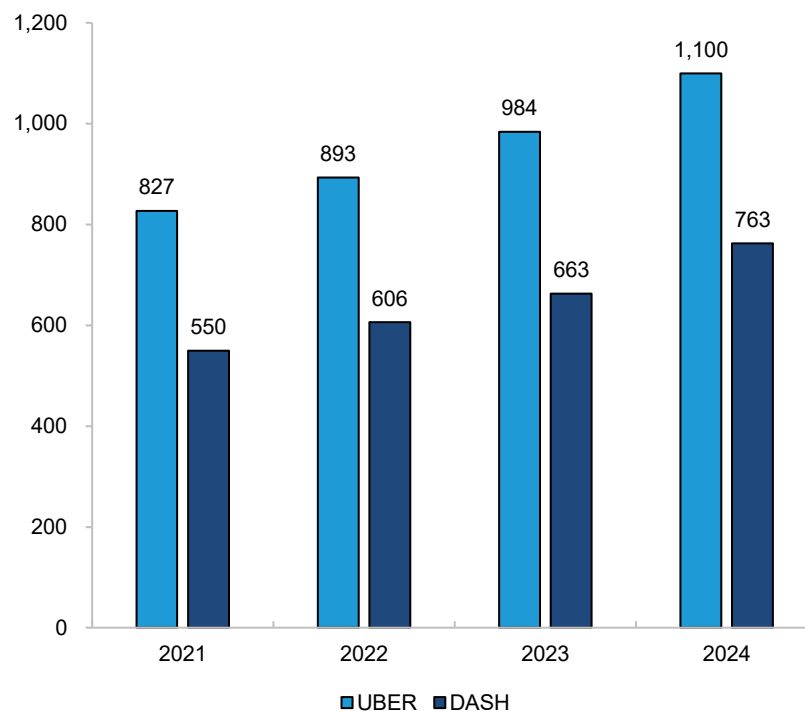
Earner / Driver growth (and time spent online) has ramped to keep pace with demand...

...as has merchant supply on delivery apps with SMBs and big brands leaning in now

UBER Active Earners (M)

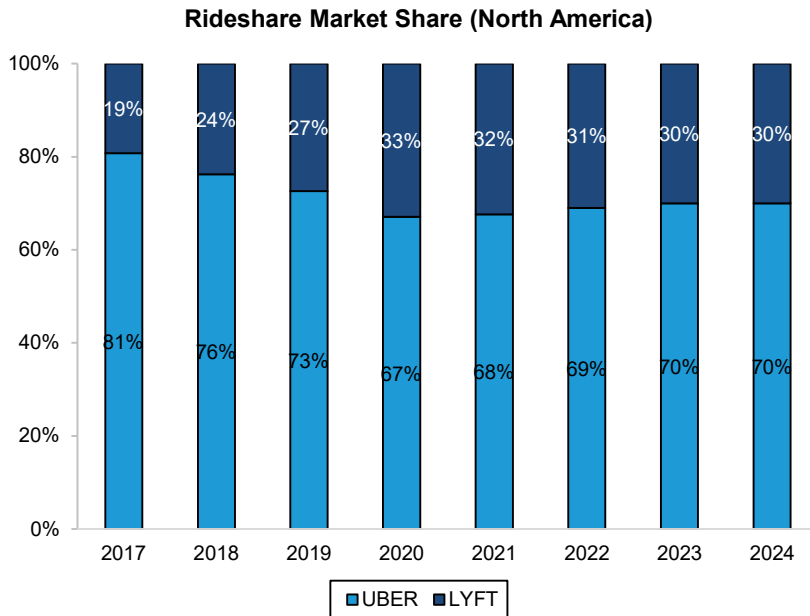


UBER and DASH Active Merchants (K)

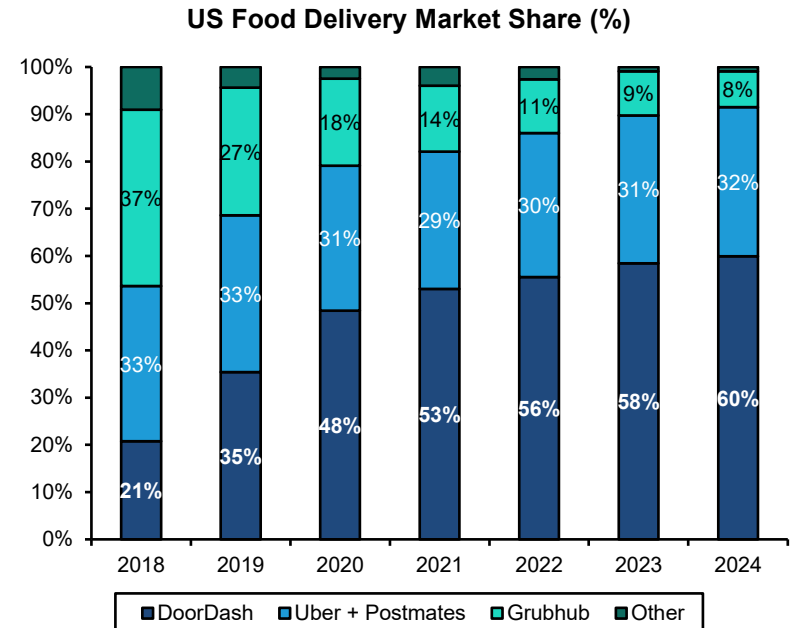


Both Mobility and Delivery have become two-player markets, with UBER and DASH the dominant platforms

Mobility is a 70/30 market in North America between UBER and LYFT...

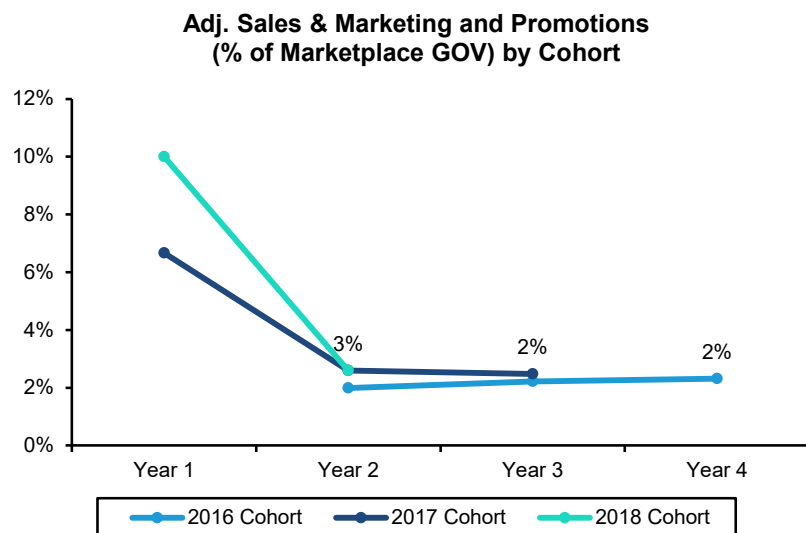


...while DASH dominates in Delivery, followed by UBER, with GRUB's share shrinking

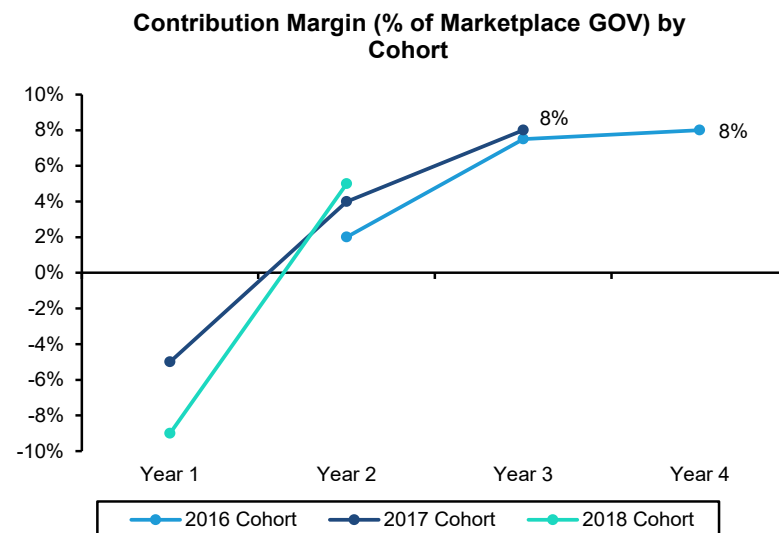


You may feel like you're always getting discounts...but there is a method to the madness in Mobility and Delivery

As cohorts mature, they require fewer promos (DASH cohorts shown below)...



...and margins ramp nicely (DASH cohorts shown below)



- + **Year 1:** Expensive to acquire the customer initially – promos, coupons, discounts
- + **Years 2-4:** Customer becomes more habituated, and requires less promotional spending
- + **Contribution margin expands:** Consumers reach healthy margin profile by Years 3-4

We believe Mobility is an attractive business with high-margins at scale in markets like the US...

Illustrative US Mobility economics at scale for the dominant platform (with reinvestment for growth in new markets and products – i.e., not end-state)

US Mobility Unit Economics		
	per Order	% of AOV
AOV	\$ 22.0	
Driver Cost and Incentives	\$ (13.2)	-60.0%
Taxes, Tolls, Fees	\$ (1.8)	-8.0%
Revenue	\$ 7.0	32.0%
Insurance Cost	\$ (3.4)	-15.5%
Take Rate less Insurance	\$ 3.6	16.5%
Payments	\$ (0.6)	-2.5%
Other Operating Expenses	\$ (1.4)	-6.5%
Adjusted EBITDA	\$ 1.7	7.5%
Adjusted EBITDA % of Revenue		23%

...and we believe Delivery margins are also under-appreciated, particularly with the opportunity to build advertising businesses

Illustrative US Restaurant and Grocery unit economics at scale (with reinvestment for growth in new markets and products – i.e., not end-state)

	Resutarant Delivery		Grocery Delivery	
	Per Order	% of AOV	Per Order	% of AOV
AOV	\$ 35.0		\$ 113.0	
Payment to Merchant	\$ (21.5)	-61.5%	\$ (90.4)	-80.0%
Payment to Driver / Shopper (incl. tips)	\$ (7.9)	-22.5%	\$ (14.6)	-12.9%
Refunds and Incentives	\$ (1.1)	-3.0%		
Advertising Revenue	\$ 0.5	1.5%	\$ 3.4	3.0%
Revenue per Order	\$ 5.1	14.5%	\$ 11.4	10.1%
Cost of Revenue	\$ (2.1)	-6.0%	\$ (2.7)	-2.4%
S&M	\$ (0.7)	-2.0%	\$ (2.5)	-2.2%
Contribution Marign	\$ 2.3	6.5%	\$ 6.3	5.5%
Other OpEx	\$ (0.5)	-1.5%	\$ (2.9)	-2.6%
Adjusted EBITDA	\$ 1.8	5.0%	\$ 3.3	2.9%

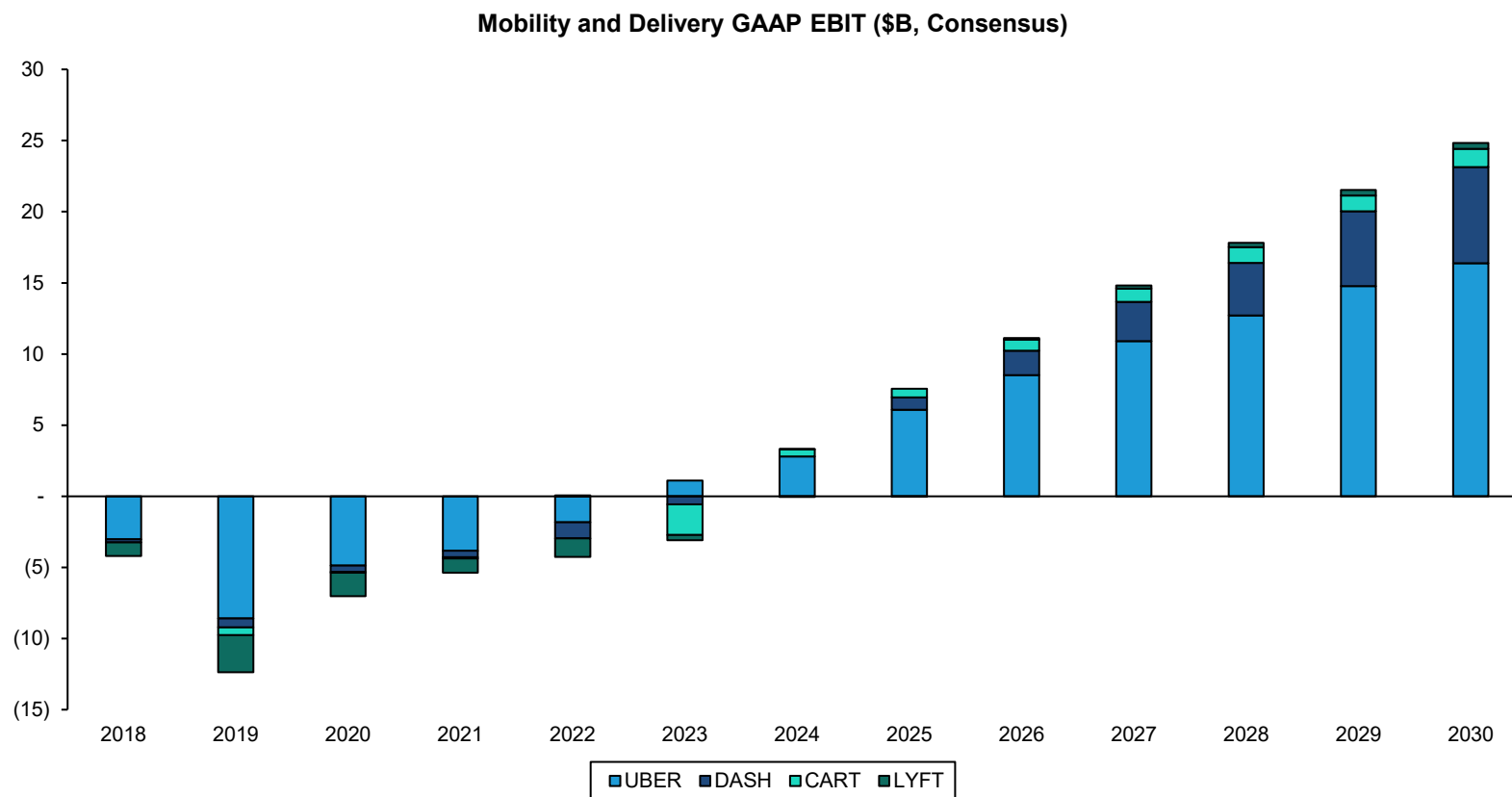
Adjusted EBITDA % of Revenue

34%

29%

We believe Mobility and Delivery platforms are at an inflection point in profitability, growing at accretive incremental margins today

Profitability ramp is expected to be led by, but not exclusive to, UBER in this sector

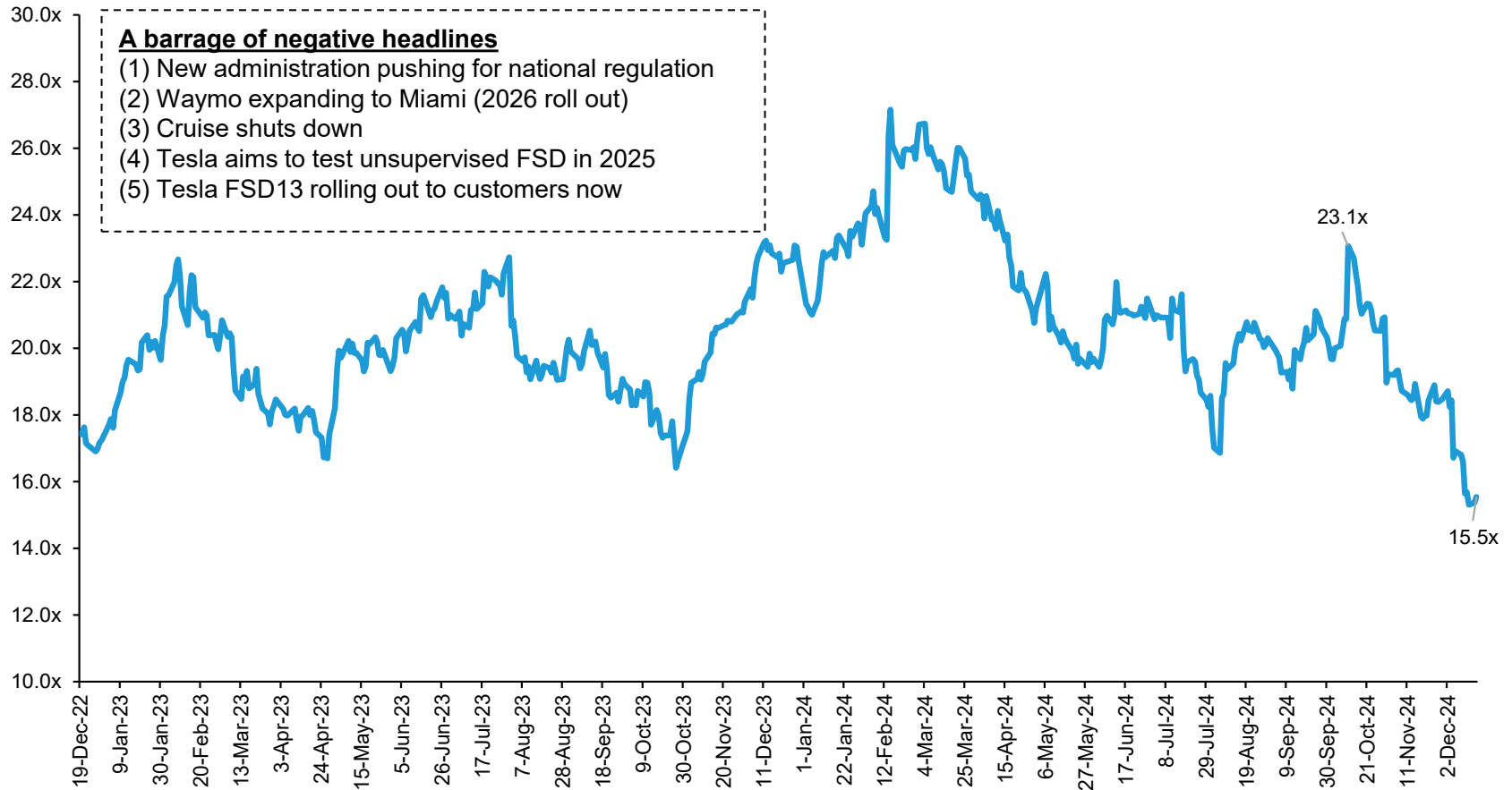


Core debate: Will Autonomous Vehicles (“AVs”) disrupt UBER/LYFT?



The AV debate caused UBER's multiple to get cut -30% in late 2024

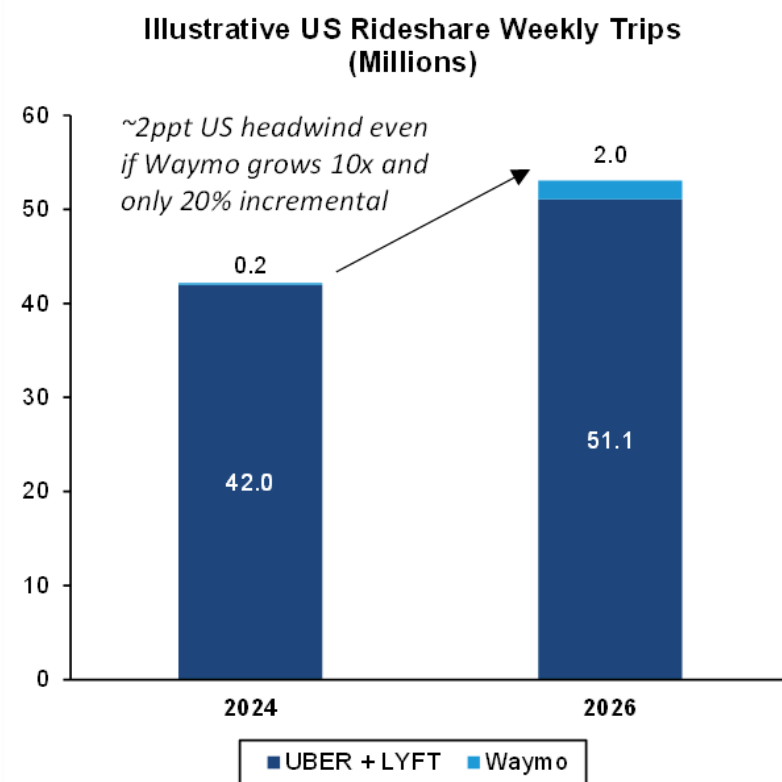
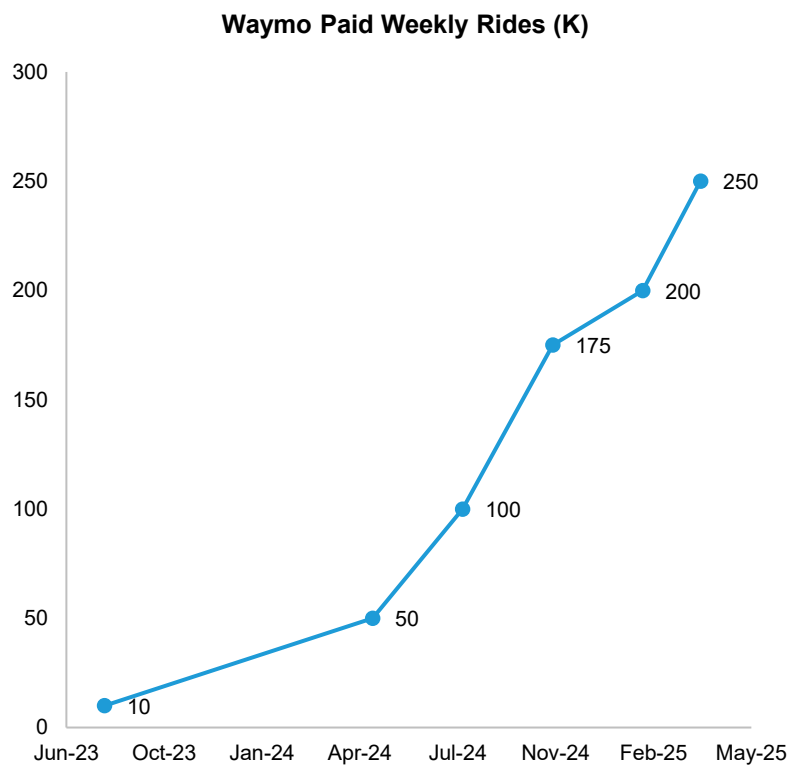
UBER EV to NTM Adjusted EBITDA (Consensus)



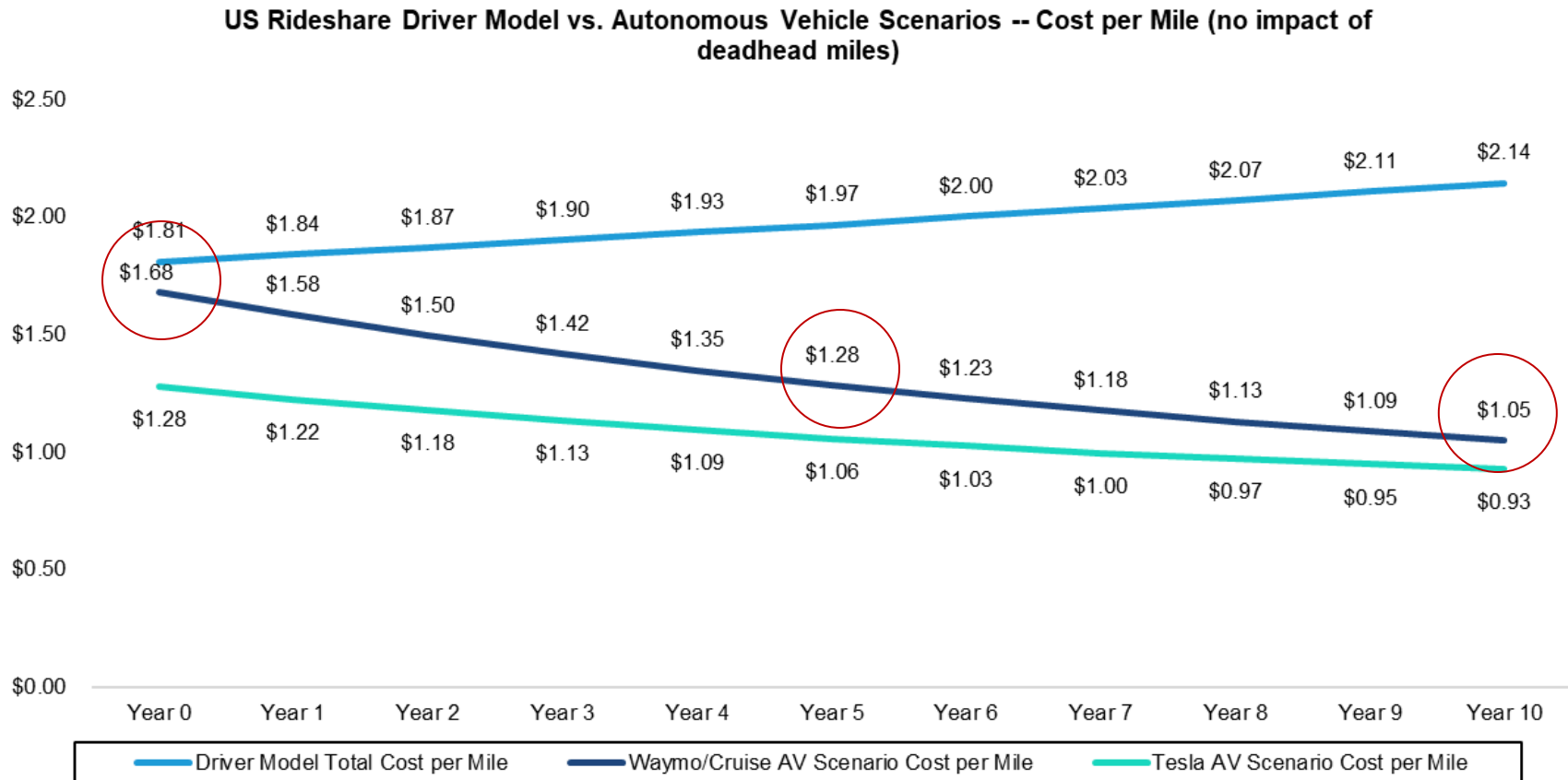
AV networks will continue to grow – but UBER should be able to absorb this and even serve as a valuable partner in the long-run

Waymo has been scaling quickly off a low base in markets like SF, Austin, Phoenix, LA...

...but remains a relatively small portion of the market, even if we assume rides 10x



For AVs to commercialize, we think the costs need to come down – with break-throughs possible as we approach \$1 per mile



One-liners on our US On-Demand coverage

- + **UBER (Outperform):** Dominant Mobility platform with substantial scale in Delivery – unique multi-platform offering, double-digit growth and ramping FCF
- + **DASH (Outperform):** Dominant in US restaurant delivery, and now taking share in New Verticals and International markets – significantly under-earning as it invests here
- + **CART (Outperform):** Street overly bearish on competition narrative near-term; HSD GTV growth with under-appreciated operating leverage and take out potential
- + **LYFT (Market-Perform):** Healthier business today following cost cuts and investments in supply, but we struggle with competitive positioning vs. UBER

Topics we couldn't cover in this presentation – please reach out

- + **AVs:** In-depth economics on Autonomous Vehicles and the role UBER/LYFT could play
- + **Reinvestment:** Efforts into new products, markets, and affordability – implications for current margins (notably at UBER and DASH) vs. normalized margin potential
- + **Advertising opportunity:** Opportunities by vertical within Delivery and Mobility
- + **Regional dynamics:** US vs. ROW growth outlooks – penetration rates and competitive dynamics vary by market and region
- + **Insurance cost in US Mobility:** Insurance and the cost burden on Mobility / Rideshare; impact on US Mobility pricing in recent years
- + **Capital allocation:** Growing capital intensity around AV fleets and the role of M&A, particularly within EMEA Delivery
- + **Regulation:** Labor classification and minimum pay, merchant take rates, insurance
- + **New AI tools:** New ways platforms are leveraging AI to enhance the shopping experience, helping with product discovery and quality of listings

Valuation

Coverage snapshot

Company	Valuation					Consensus Estimates				
	Share Price	Market Cap (\$M)	EV (\$M)	EV / 2026 Sales	EV / 2026 Adj. EBITDA	2025 Revenue	2026 Revenue	2024-26 CAGR	2026 Adj. EBITDA	2026 Margin (%)
UBER	93	193,110	197,964	3.3x	17.9x	51,483	59,589	17%	11,069	19%
DASH	248	105,088	102,620	6.5x	27.4x	13,162	15,849	22%	3,750	24%
LYFT	16	6,430	5,361	0.7x	8.1x	6,536	7,455	14%	660	9%
CART	44	11,570	10,200	2.5x	8.4x	3,714	4,066	10%	1,214	30%
ETSY	66	6,584	8,247	2.8x	10.9x	2,839	2,898	1%	754	26%
EBAY	101	46,020	49,432	4.3x	13.7x	10,849	11,418	5%	3,603	32%
W	79	10,208	12,583	1.0x	17.3x	12,229	12,727	4%	727	6%
ZG	81	20,420	19,590	6.7x	24.9x	2,567	2,937	15%	788	27%
AMZN	231	2,463,915	2,522,652	3.2x	12.8x	706,490	778,618	10%	196,902	25%
GOOGL	204	2,471,879	2,415,397	6.4x	12.4x	335,334	377,081	12%	195,145	52%
META	785	1,972,609	1,975,098	8.7x	16.2x	195,928	227,252	18%	122,274	54%
SNAP	7	12,082	13,381	2.1x	17.9x	5,888	6,518	10%	747	11%
RDDT	247	46,134	44,099	16.1x	40.9x	2,072	2,732	46%	1,079	39%
PINS	36	24,328	21,806	4.5x	14.3x	4,237	4,862	16%	1,530	31%
ABNB	125	77,742	68,668	5.2x	14.6x	12,118	13,262	10%	4,701	35%
EXPE	207	25,664	26,725	1.8x	7.7x	14,313	15,234	6%	3,486	23%
BKNG	5,454	176,773	177,608	6.2x	16.6x	26,349	28,607	10%	10,719	37%
SHOP	141	183,750	179,069	13.0x	71.4x	11,270	13,825	25%	2,507	18%
TTD	52	25,484	24,140	7.4x	17.9x	2,863	3,274	15%	1,347	41%
APP	439	148,383	150,702	21.2x	25.8x	5,548	7,115	24%	5,848	82%
CHWY	40	16,812	16,731	1.3x	23.6x	11,810	12,481	6%	709	6%
CVNA	350	72,350	77,060	3.3x	27.5x	18,867	23,624	32%	2,803	12%
MTCH	38	9,211	12,299	3.4x	9.1x	3,495	3,649	2%	1,347	37%
BMBL	6	1,024	1,389	1.5x	4.9x	974	922	-7%	281	30%
Median				3.8x	16.4x			11%		28%

US Emerging Internet (Nikhil Devnani)

US Large Cap Internet (Mark Shmulik)

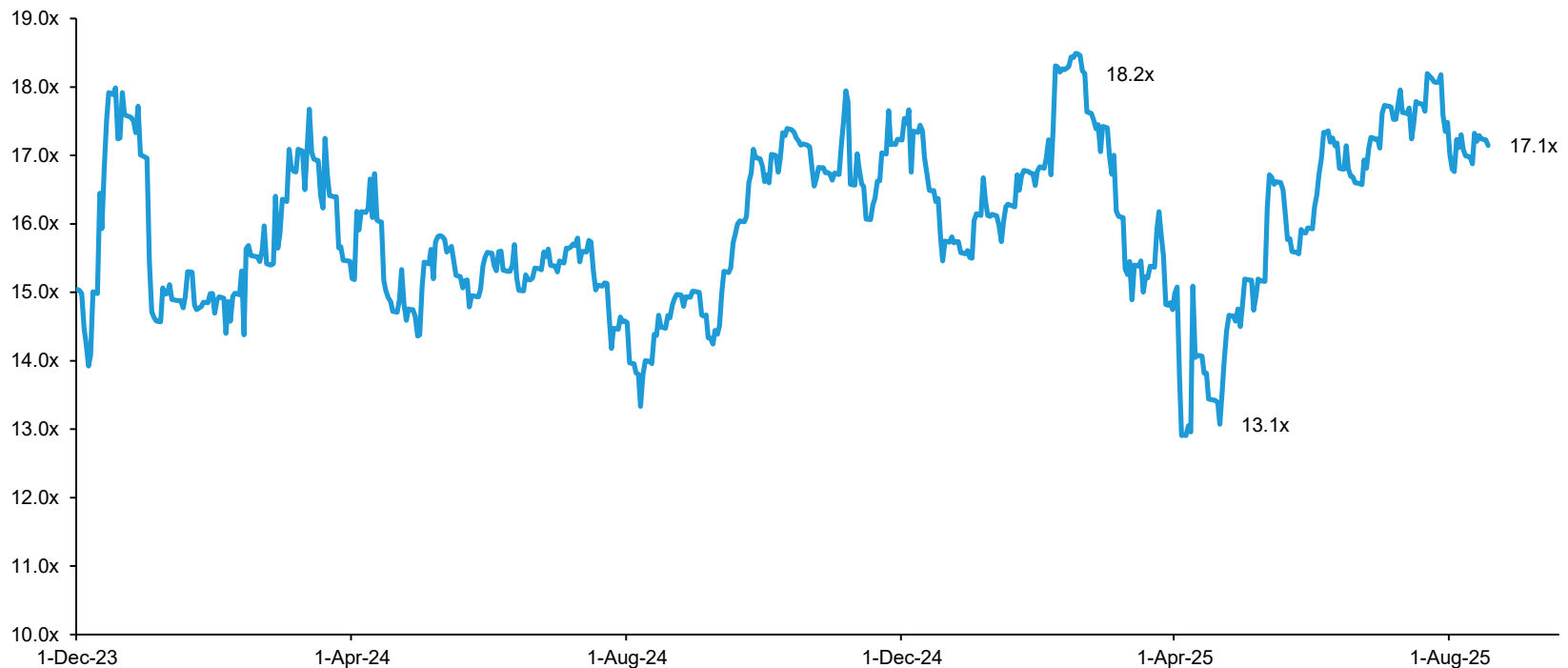
Global Hotels & Leisure (Richard Clarke)

Not Covered

On an EV/NTM EBITDA basis, the group trades at 17x today

The group has recovered from Liberation Day lows with optimism coming back into the stocks

US Internet: EV/NTM Adj. EBITDA Multiples (Median)

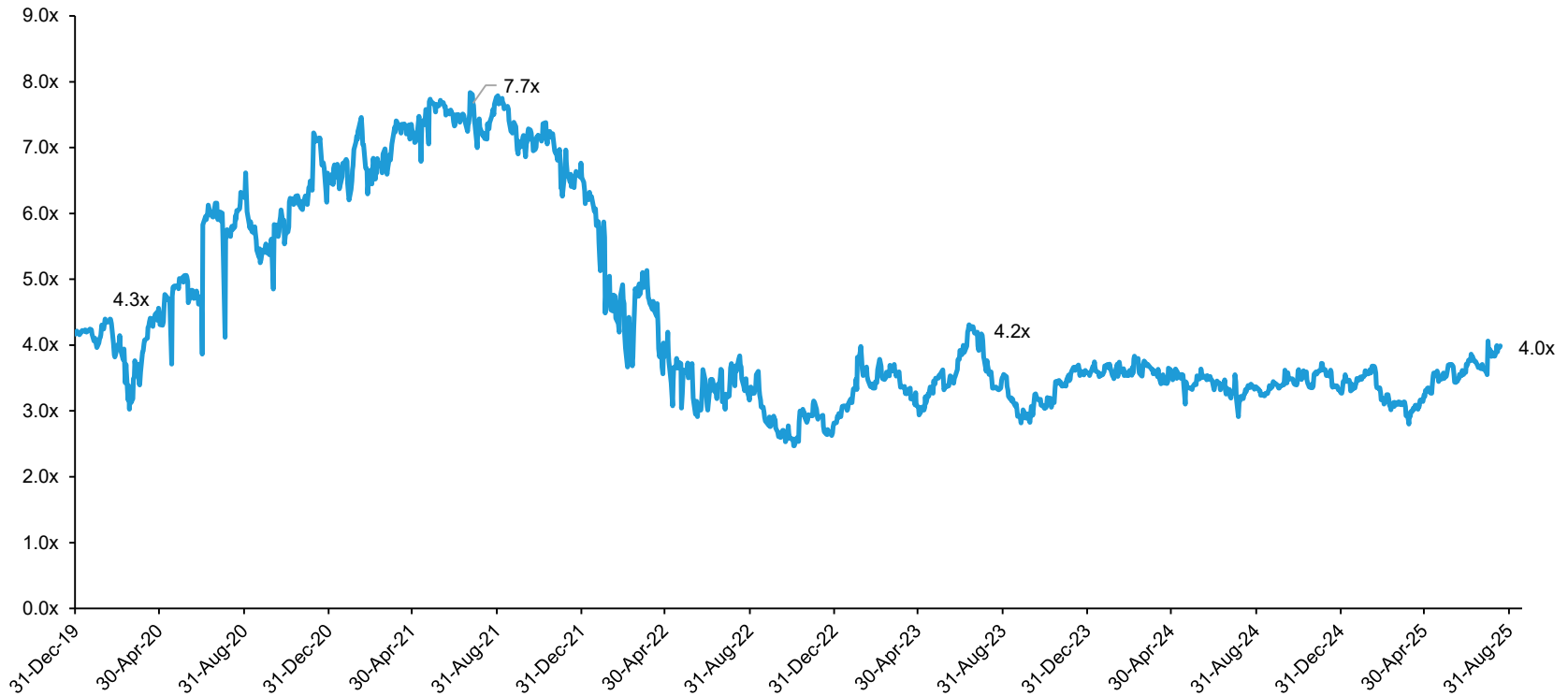


Note: Market data as of 08/15/25; Median includes AMZN, EBAY, ETSY, W, DASH, UBER, CART, LYFT, META, GOOGL, RDDT, PINS, SNAP, BKNG, EXPE, ABNB, ZG, CVNA, CHWY, SHOP, TTD, APP, OPEN, CSGP, MTCH, BMBL
Source: Bloomberg, Bernstein analysis

EV/NTM Sales multiples are a far cry from COVID heights, but back in-line with pre-pandemic levels

Median EV/NTM Sales multiple for the sector, including stocks outside our coverage

US Internet: EV/NTM Sales Multiples (Median)

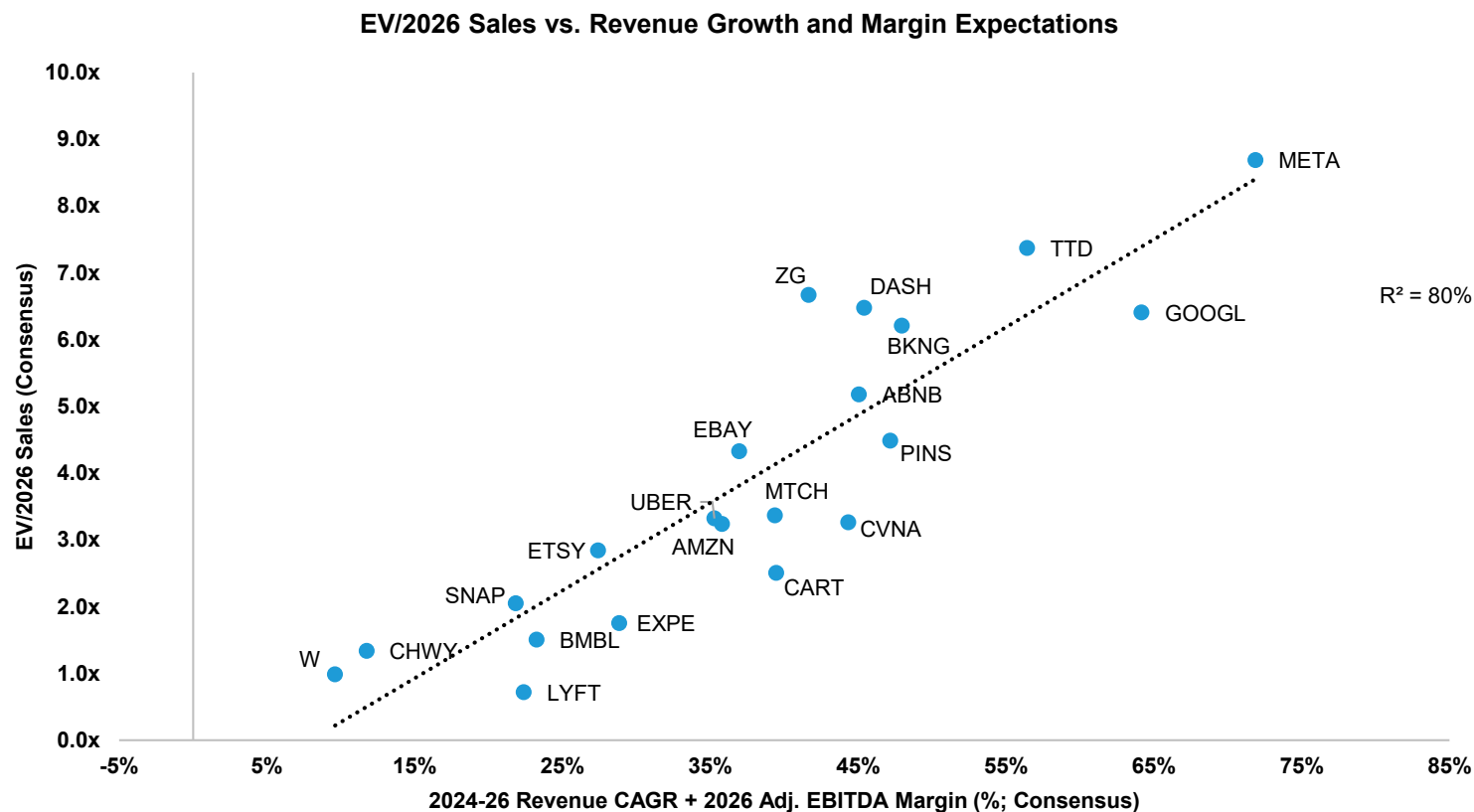


Note: Market data as of 08/15/25; Median includes AMZN, EBAY, ETSY, W, DASH, UBER, CART, LYFT, META, GOOGL, RDDT, PINS, SNAP, BKNG, EXPE, ABNB, ZG, CVNA, CHWY, SHOP, TTD, APP, OPEN, CSGP, MTCH, BMBL

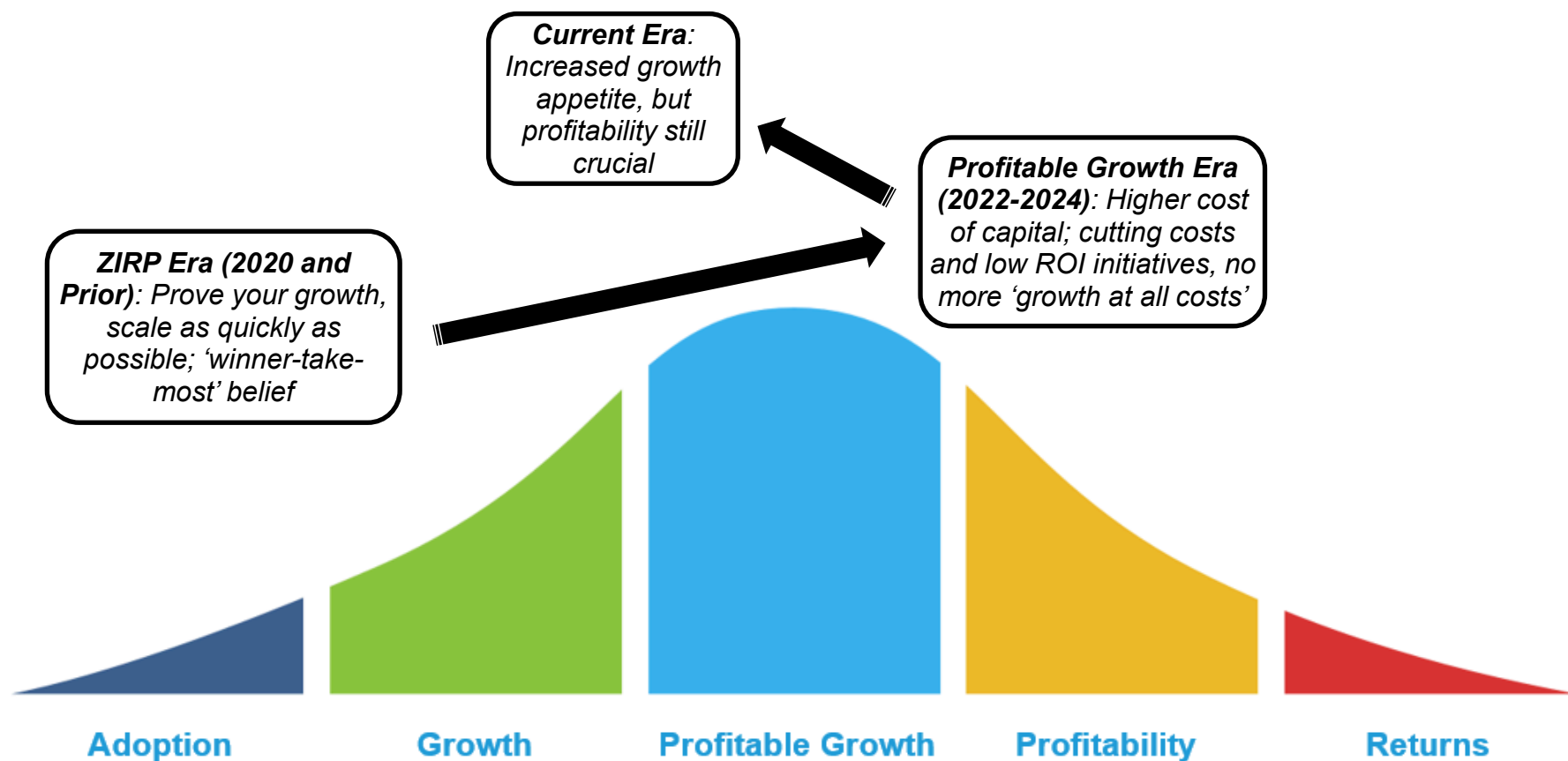
Source: Bloomberg, Bernstein analysis

We look at multiples on a growth and margin adjusted basis

Akin to a software framework, though we are less dogmatic about the “Rule of 40”

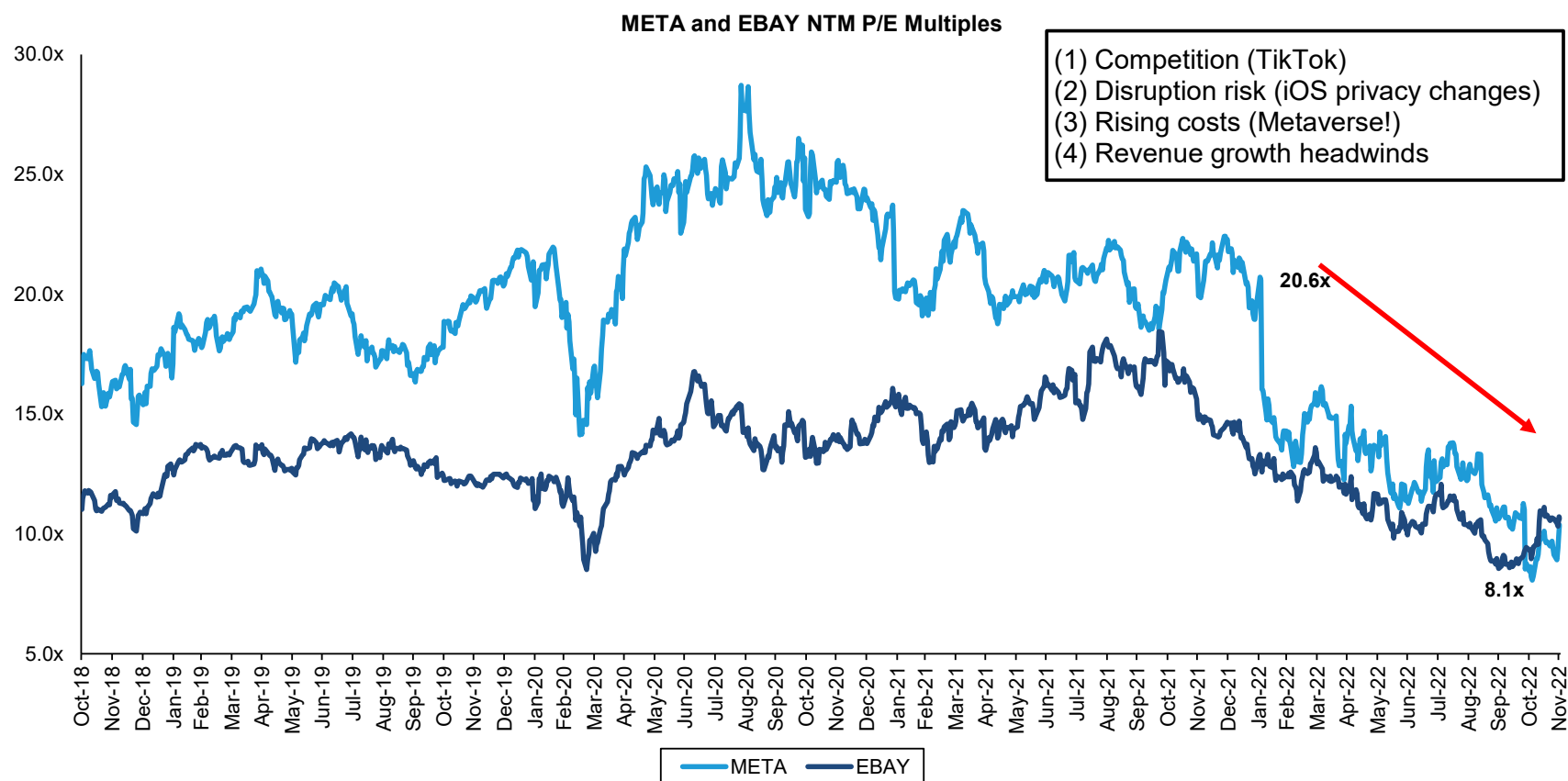


The market tends to oscillate between growth and profitability expectations – but investors naturally demand both



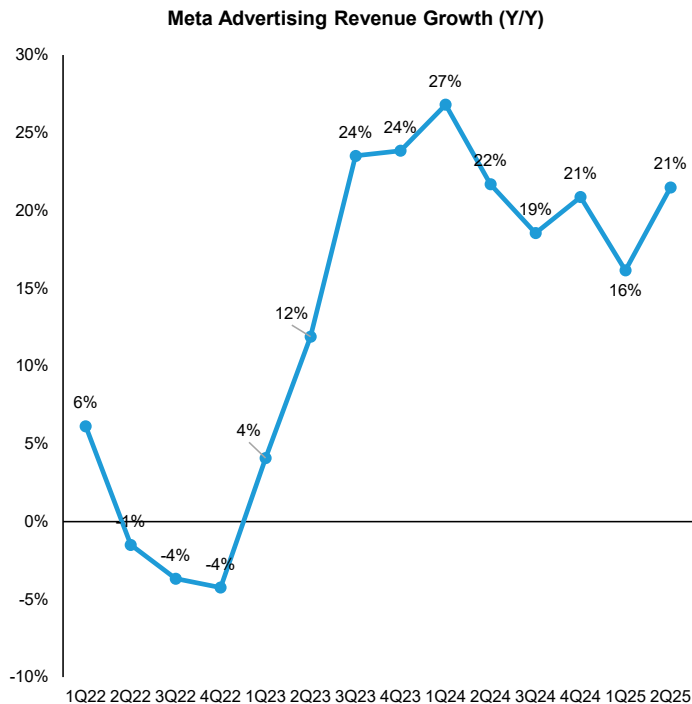
An important lesson to keep in mind in Internet – narratives change fast, and stocks will price these swings in...

One of our favorite examples of narratives driving price action – Meta in 2022 went to sub-10x P/E

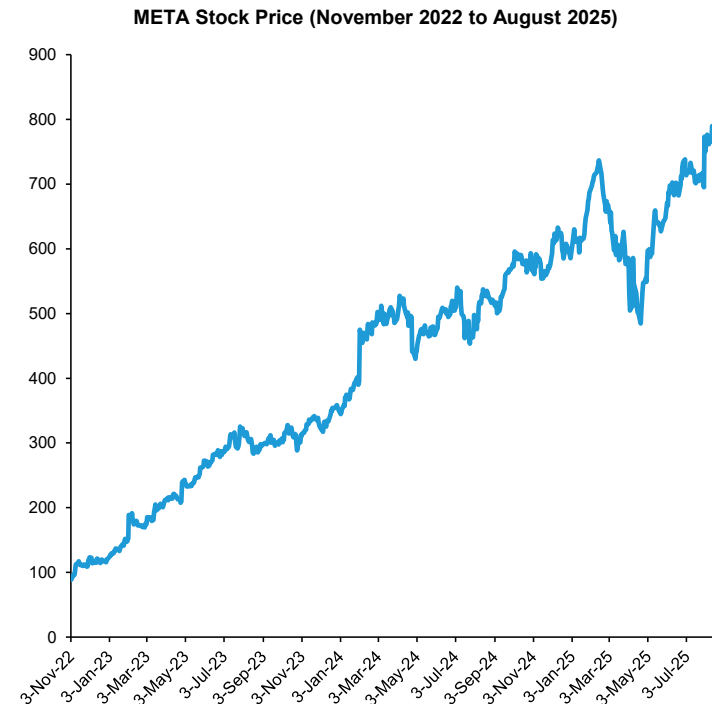


...but narratives can also be disproven – nothing fixes a broken narrative like accelerating growth

META revenue growth re-accelerates in 2023 and holds strong...



...and hope is restored in the stock – a multi-bagger off the lows



BERNSTEIN TICKER TABLE

Ticker	Rating	Cur	6 Oct 2025		TTM	Cur	Adjusted EPS			Adjusted P/E (x)		
			Closing Price	Price Target	Rel. Perf.		2024A	2025E	2026E	2024A	2025E	2026E
DASH	O	USD	281.74	310.00	81.1%	USD	3.56	4.91	6.34	79.2	57.4	44.4
EBAY	M	USD	91.77	85.00	20.2%	USD	4.87	5.56	6.23	18.8	16.5	14.7
ETSY	M	USD	70.00	55.00	19.5%	USD	4.45	4.80	5.19	15.7	14.6	13.5
LYFT	M	USD	21.74	16.00	56.6%	USD	0.95	1.24	1.47	22.8	17.6	14.8
CART	O	USD	37.85	63.00	(27.0)%	USD	2.78	3.36	3.82	13.6	11.3	9.9
UBER	O	USD	100.10	110.00	17.0%	USD	2.27	3.44	4.39	44.2	29.1	22.8
W	M	USD	84.19	70.00	32.3%	USD	0.12	1.86	1.99	701.6	45.3	42.4
ZG	O	USD	71.53	105.00	4.3%	USD	1.38	1.64	2.28	51.8	43.7	31.3
GOOGL	M	USD	250.43	210.00	36.5%	USD	8.00	9.94	10.86	31.3	25.2	23.1
AMZN	O	USD	220.90	250.00	5.0%	USD	5.52	6.76	7.84	40.0	32.7	28.2
META	O	USD	715.66	900.00	5.2%	USD	23.92	28.66	30.79	29.9	25.0	23.2
PINS	O	USD	32.04	45.00	(18.9)%	USD	3.87	1.73	2.00	8.3	18.5	16.0
RDDT	M	USD	203.63	185.00	171.9%	USD	(3.09)	1.70	2.56	(65.8)	119.9	79.6
SNAP	M	USD	8.52	9.00	(35.9)%	USD	0.29	0.38	0.65	29.1	22.6	13.1
SPX			6,740.28									

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

GOOGL, META estimate is Reported EPS; AMZN estimate is Adjusted EPS EPS Growth (%) Reported EPS Total Long-Term Assets Goodwill Other long-term assets Total Equity (M) Working Capital (M) Net Debt (Cash) (M) CFO excl Chg in Work Cap CFO (M) Net capital expenditure FCF (M) Cash flow from financing activities Cash flow from investing activities Revenues growth (%) Cost of Goods Sold (M) Depreciation and amortisation EBIT yoy growth (%) EBIT Margin (%) Net Interest Income Tax Charge (M) Pre-Tax Net Income Growth (%) Reported net income Net Income Margin (%) Net Income Growth (%) ROE (%) ROIC (%) Weighted Average Diluted Shares Out. BV/Share (M); GOOGL, AMZN, META valuation is Reported P/E (x);

Source: Bloomberg, Bernstein estimates and analysis.

BERNSTEIN

SOCIETE GENERALE GROUP

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On April 1, 2024, Société Générale (SG) and AllianceBernstein, L.P. (AB) completed a transaction that created a new joint venture in which their respective cash equities and research businesses operate in a new business combination. Although their respective ownership percentages in the joint venture differ between North America and the rest of the world, the creation, production and publication of research is handled collaboratively on a global basis across the two research brands, "Bernstein" and "Autonomous". Unless specifically noted otherwise, for purposes of these disclosures, references to Bernstein's "affiliates" relate to both SG and AB and their respective affiliates.

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RATINGS DEFINITIONS, BENCHMARKS AND DISTRIBUTION

EQUITY RATINGS DEFINITIONS

Bernstein brand

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Neutral (Autonomous Brand)					
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