

## Uber and Its Peers: A CompanyIQ™ Profile



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## Introduction

Uber filed its IPO prospectus on April 11, 2019. It is expected to start selling shares valued at up to \$100 billion in the next 30 days. While one of the main stories to be revealed in the prospectus is that the company is losing close to \$2 billion a year, there are also many other hidden data points in the document that paint an interesting picture of a company that has changed retail transportation as we know it.

This report looks at Uber and select peers that it identified in its prospectus.

It provides details on Uber and its peers in the following areas:

- Executive compensation
- Director compensation
- Corporate governance practices, and
- Risk factors.

## Executive Compensation

**Table 1: CEO Compensation 2018 – Uber and Select Peers as Disclosed by Uber**

Company Name	Executive	Salary	Bonus	Stock Awards	Short Term Incentives	Non-Equity Incentive	All Other Compensation	Total Compensation	Revenues
UBER TECHNOLOGIES INC	DARA KHOSROVSHAHI*	\$1,000,000	\$2,000,000	\$40,133,692	0	0	\$2,197,010	\$45,330,702	\$11,270,000,000
ADOBE INC.	SHANTANU NARAYEN*	\$1,000,000	0	\$25,539,764	\$1,824,313	\$1,824,313	\$33,451	\$28,397,528	\$9,030,000,000
APPLE INC	TIMOTHY COOK*	\$3,000,000	0	0	\$12,000,000	\$12,000,000	\$682,219	\$15,682,219	\$265,595,000,000
MICROSOFT CORP	SATYA NADELLA*	\$1,500,000	0	\$16,807,208	\$7,425,000	\$7,425,000	\$111,055	\$25,843,263	\$110,360,000,000
SALESFORCE COM INC	MARC BENIOFF	\$1,550,000	0	0	\$3,100,000	\$3,100,000	\$3,362	\$4,653,362	\$13,282,000,000
SNAP INC	EVAN SPIEGEL	\$1	0	0	0	0	\$800,846	\$800,847	\$1,180,000,000
TWITTER, INC.	JACK DORSEY	\$1	0	0	0	0	0	\$1	\$3,042,000,000
WORKDAY, INC.	ANEEL BHUSRI*	\$65,250	0	\$9,070,098	0	0	\$9,771	\$9,145,119	\$2,822,000,000

\*Non-founder CEO

- The Uber CEO had the highest stock award and highest compensation among select peers in 2018.
- He had 1.5 times the stock award of the Adobe CEO.
- And twice that of the Microsoft CEO.
- And 4 times that of the Workaday CEO.

**Table 2: CFO Compensation 2018 – Uber and Select Peers as Disclosed by Uber**

Company Name	Executive	Salary	Bonus	Stock Awards	Stock Options	Short Term Incentives	Non-Equity Incentive	All Other Compensation	Total Compensation	Revenues
UBER TECHNOLOGIES INC	NELSON CHAI	\$250,000	\$429,589	\$17,763,517	\$9,225,000	0	0	\$285,824	\$27,953,930	\$11,270,000,000
ADOBE INC	JOHN F. MURPHY	\$532,115	0	\$6,620,002	0	0	\$469,415	\$200,011	\$7,821,543	\$9,030,000,000
APPLE INC	LUCA MAESTRI	\$1,000,000	0	\$21,491,888	0	0	\$4,000,000	\$17,804	\$26,509,692	\$265,595,000,000
MICROSOFT CORP	AMY E HOOD	\$875,000	0	\$10,232,265	0	0	\$3,718,750	\$98,442	\$14,924,457	\$110,360,000,000
SALESFORCE COM INC	MARK HAWKINS	\$750,000	0	0	0	0	\$750,000	\$10,909	\$1,510,909	\$13,282,000,000
SNAP INC	TIM STONE	\$303,846	0	\$23,930,230	0	0	0	\$764,815	\$24,998,891	\$1,180,000,000
TWITTER	NED SEGAL	\$500,000	0	\$4,460,054				\$3,000	\$4,963,054	\$3,042,000,000
WORKDAY, INC.	ROBYNNE D SISCO	\$295,769	\$171,000	\$4,535,049	0	0	0	\$30,808	\$5,032,626	\$3,042,000,000

- At almost \$28 million, the Uber CFO had the highest total compensation in 2018.
- He also was the only one to get stock options in 2018.

**Table 3: Director Pay 2018 – Uber and Select Peers as Disclosed by Uber**

Company Name	Number of Board Members 2018	Number of Board Members Who Received Compensation	Average Cost per Director Who Received Compensation	Total Board Compensation	Revenues
UBER TECHNOLOGIES INC	12	5	\$518,000	\$2,590,000	\$11,270,000,000
ADOBE INC <sup>1</sup>	11	10	\$346,426	\$3,464,264	\$9,030,000,000
APPLE INC <sup>2</sup>	8	7	\$404,575	\$2,832,025	\$265,595,000,000
MICROSOFT CORP <sup>3</sup>	14	12	\$353,505	\$4,242,055	\$110,360,000,000
SALESFORCE COM INC <sup>4</sup>	12	11	\$540,568	\$5,946,246	\$13,282,000,000
SNAP INC <sup>5</sup>	10	9	\$240,967	\$2,168,705	\$1,180,000,000
TWITTER, INC. <sup>6</sup>	10	9	\$244,770	\$2,202,930	\$3,042,000,000
WORKDAY, INC. <sup>7</sup>	10	8	\$300,492	\$2,403,935	\$2,822,000,000

<sup>1</sup>Compensation applies only to the 10 directors who are non-employees

<sup>2</sup>Compensation only applies to the 7 directors who are non-employees

<sup>3</sup>Compensation only applies to 12 of the 14 directors. The founder, Bill Gates, and the current CEO, Satya Nadella, do not receive director pay.

<sup>4</sup>Compensation only applies to the 11 directors who are non-employees.

<sup>5</sup>Compensation only applies to the 9 directors who are non-employees.

<sup>6</sup>Compensation only applies to the 9 directors who are non-employees.

<sup>7</sup>Compensation only applies to the 8 directors who are non-employees.

- Only five of Uber's 12 directors received compensation in 2018. It will be interesting to see what changes post IPO for Uber's board.

## Corporate Governance 2018

**Table 4: Select Corporate Governance Measures – Uber and Select Peers as Disclosed by Uber \***

	Director Age Limit 75 or Under	Regular Executive Sessions of Non-Management Directors	Director Performance Review	Director Removed Only for Cause	Executive Directors Resign Upon Departing Company	Shareholders Allowed to Call Special Meetings	Poison Pill or Rights Plan
UBER	X	✓	✓	X	X	N/A	X
UBER'S PEERS - AVG	29%	100%	100%	100%	100%	100%	100%
S&P 500	64%	95%	93%	15%	33%	14%	1%
ADOBE INC.	X	✓	✓	✓	✓	✓	X
APPLE INC	✓	✓	✓	✓	✓	✓	X
MICROSOFT CORP	✓	✓	✓	✓	✓	✓	X
ORACLE CORP	X	✓	✓	✓	✓	✓	X
SALESFORCE COM INC	X	✓	✓	✓	✓	✓	X
TWITTER, INC.	X	✓	✓	✓	✓	✓	X
WORKDAY, INC.	X	✓	✓	✓	✓	✓	X

\*Based on publicly disclosed data. X can mean the company affirmatively does not have this practice, or it can signify the absence of disclosure in generally available public documents.

N/A= Not applicable until Uber becomes a public company.

- Uber appears to be in the middle of the pack in terms of the corporate governance practices in Table 4.
- It appears that Uber may have some work to do when it comes to corporate governance practices for its board of directors.

**Table 5: Select Corporate Governance Measures – Uber and Select Peers as Disclosed by Uber \***

	Proxy Access Policy	Disclosed Clawback Provision	Policy Prohibiting Pledging or Hedging of Stock by Directors and Employees	Disclosed Board Attendance Exceeds 95%	Current Board Gender Diversity <sup>+</sup>	Classified Board	Supermajority to Amend Charter	Lack Cumulative Voting for Board Seats	Allow Shareholders to Act by Written Consent
UBER	N/A	✓	✓	X	X	X	X	N/A	N/A
UBER'S PEERS - AVG	71%	100%	100%	0%	14%	29%	0%	0%	29%
S&P 500	64%	95%	93%	15%	33%	14%	1%	3%	21%
ADOBE INC.	✓	✓	✓	X	X	X	X	X	X
APPLE INC	✓	✓	✓	X	X	X	X	X	✓
MICROSOFT CORP	✓	✓	✓	X	X	X	X	X	X
ORACLE CORP	✓	✓	✓	X	X	X	X	X	X
SALESFORCE COM INC	✓	✓	✓	X	X	X	X	X	X
TWITTER, INC.	X	✓	✓	X	✓	✓	X	X	X
WORKDAY, INC.	X	✓	✓	X	X	✓	X	X	✓

\*Based on publicly disclosed data. X can mean the company affirmatively does not have this practice, or it can signify the absence of disclosure in generally available public documents.

N/A until Uber becomes a public company.

<sup>+</sup>1/3 or more of board members are female.

- Here too, Uber seems to be fairly consistent with its peers on the corporate governance practices in Table 5.
- It appears that all of these companies could do a better job on board attendance and board gender diversity.

**Table 6: Select Corporate Governance Measures – Uber and Select Peers as Disclosed by Uber \***

	Limit Overboarding for Audit Committee	Limit Overboarding for CEO	Limit Overboarding for All Directors	Current Board Size	Current Number of Female Directors	Resignation Policy for Directors in Failed Elections	CEO Succession Plan	Double Trigger
UBER	X	✓	✓	12	3	✓	✓	X
UBER's PEERS - AVG	43%	43%	100%	12	3	71%	100%	578%
S&P 500	41%	36%	77%	11	72%	93%	62%	41%
ADOBE INC.	X	X	✓	11	3	✓	✓	X
APPLE INC	X	✓	✓	8	2	✓	✓	X
MICROSOFT CORP	✓	✓	✓	14	4	X	✓	X
ORACLE CORP	✓	X	✓	14	3	✓	✓	✓
SALESFORCE COM INC	✓	✓	✓	13	3	✓	✓	✓
TWITTER, INC.	X	X	✓	9	3	✓	✓	✓
WORKDAY, INC.	X	X	✓	11	2	X	✓	✓

\*Based on publicly disclosed data. X can mean the company affirmatively does not have this practice, or it can signify the absence of disclosure in generally available public documents.

- Limiting overboarding of its Audit Committee members and ensuring that there is more than a single trigger for a change in control vesting of stock awards may be two corporate governance measures that Uber wants to look at adopting.



## Risk Factors 2019

**Table 7: Risk Factors 2019 – Uber and Select Peers as Disclosed by Uber**

	Number of Risk Factors
UBER TECHNOLOGIES INC	71
ADOBE INC.	31
ALPHABET INC.	30
AMAZON COM INC	23
BOOKING HOLDINGS INC.	26
EBAY INC	36
EXPEDIA GROUP, INC.	28
FACEBOOK INC	45
NETFLIX INC	30
PAYPAL HOLDINGS, INC.	41
SALESFORCE COM INC	35
SNAP INC	58
SQUARE INC	44
TESLA, INC.	46
TWITTER, INC.	47
WORKDAY, INC.	50

- As could be expected for a company in the IPO stage, Uber identifies a significant number of risk factors.

**Table 8: 2019 Disclosed Risk Factors – Uber and Select Peers as Disclosed by Uber**

	Corporate Finance and Operations	Cybersecurity	Government and Regulation	Innovation and Competitiveness	Litigation and Legal Liabilities	Retain/Hire Qualified Personnel	Supply Chain and Third Party
UBER TECHNOLOGIES INC	52	3	22	15	16	7	8
ADOBE INC.	25	2	12	7	5	2	6
ALPHABET INC.	22	2	5	9	8	2	5
AMAZON COM INC	17	1	9	5	3	2	2
BOOKING HOLDINGS INC.	15	1	5	4	5	1	2
EBAY INC	22	2	14	7	7	1	5
EXPEDIA GROUP, INC.	21	1	10	4	4	2	1
FACEBOOK INC	31	3	11	12	7	1	3
NETFLIX INC	21	1	6	4	4	1	4
PAYPAL HOLDINGS, INC.	23	1	13	9	8	2	3
SALESFORCE COM INC	26	2	10	7	9	2	5
SNAP INC	47	2	16	15	9	4	6
SQUARE INC	37	2	14	10	6	4	3
TESLA, INC.	31	1	7	20	7	3	1
TWITTER, INC.	41	1	10	16	5	1	6
WORKDAY, INC.	40	1	14	7	7	4	8

- The biggest area of self-identified risk for Uber is in the corporate finance and operations area.