

Uber Technologies Inc

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Uber rival Bolt sees London passenger numbers surge 400%

Estonian taxi app Bolt, a rival of Uber Technologies Inc (NYSE:UBER) has seen passenger numbers surge to 1.5mln in December, a 400% increase since September, following its London launch in June.

Bolt, which is trying to differentiate itself from other ride-hailing firms by only taking 15% commission from its drivers compared to around 30% by its rivals, also said it had around 30,000 of its cars in London and unveiled a new hub for its drivers in Chiswick.

READ: Uber competitor Ola to launch in London in coming weeks
 Formerly known as Taxify, Bolt currently operates in 30 countries across Europe on Africa and is supported by some serious financial backers including German car giant Daimler, which led a US\$175mln funding round last year that valued the company at US\$1bn, granting it 'unicorn' status.

Bolt's success is likely to cause more problems for Uber's operation in the capital following last month's decision by Transport for London (TfL) not to renew the group's operating licence when its current one expires before the end of the year.

TfL said that it had identified "a pattern of failures" and that it did not have confidence that the firm had "a robust system for protecting passenger safety". Uber is currently appealing the decision, during which time it will still be allowed to operate in the city.

London is Uber's largest European market, however with surging competitors and legal troubles its dominance in the city appears to be under threat.

Bolt isn't the only competitor parking its tanks on Uber's lawn, with Indian firm Ola announcing at the end of November that had also begun registering drivers in London after being granted a 15-month licence by TfL.

Negative headlines could boost rivals and fray investor patience
 "Uber has never been short of competitors and this remains one of the biggest challenges that faces the company - and therefore shareholders - in business where the barriers to entry seem to be relatively low and in a world where capital seemingly remains cheap and plentiful", said Russ Mould, investment director at AJ Bell.

"If Uber continues to attract negative headlines, or fails to win licences, this potentially puts off customers or at least means they are more open to experimenting with rival operators... Uber must therefore focus on providing a better service and not just a cheaper one, as price alone will not be enough of a weapon with so many rivals around."

Mould added that having already exited the Chinese and Russian markets, Uber may at some stage "have to focus at being really good in one area" and not engage in 'land grabs' for more customers, as continuing to haemorrhage money

Price: 39.66

Market Cap: \$68.08 billion

1 Year Share Price Graph



Share Information

Code: UBER

Listing: NYSE

52 week High Low
47.08 25.58

Sector: Software & services

Website: www.uber.com

Company Synopsis:

Uber is evolving the way the world moves. By seamlessly connecting riders to drivers through our apps, we make cities more accessible, opening up more possibilities for riders and more business for drivers. From our founding in 2009 to our launches in hundreds of cities today, Uber's rapidly expanding global presence continues to bring people and their cities closer.

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will likely fray nerves with its investors.

"Shareholders seem willing to subsidise passengers for now, and swallow the operating losses, but with the shares still a third below the IPO price there is a risk that their patience may start to give way if Uber continues to record heavy losses and burn cash even as passenger numbers grow", he said.

Uber's shares were down 0.9% at US\$28.82 in early trading in New York on Thursday.

--Adds share price--

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