For Immediate Release

SharesPost Research: Global Ride-Sharing Bookings To Double In Next Three Years To $400 Billion

Uber, Lyft Execute Different Growth Strategies From DiDi, Ola, Grab, and Careem

SAN FRANCISCO – Dec. 7, 2018 – Annual gross bookings for the world's major ride-sharing companies will double to $400 billion by 2021, powered by triple-digit growth in Asia and declining car ownership by Millennials, according to new research from SharesPost.

In 2018, an estimated 800 million to 850 million users were spending an average $20 to $25 per month on ride-sharing apps, generating annual gross bookings of $175 billion to $225 billion. Over the next three years, ridership will grow 50 percent and gross bookings are expected to double to over $400 billion, based on SharesPost's forecast.

The dynamic growth of ride-sharing is due to increasing smartphone usage globally, a preference by Millennials to abandon car ownership and strong adoption in regions with large urban populations, particularly in India and China.

Lyft's planned IPO, announced this week, is also likely to accelerate the IPO timeline for other ride-sharing firms.

"Lyft's planned IPO will be closely watched by other ride-sharing companies as institutional investors get a first look at the numbers behind the fundamental value proposition of ride-sharing apps," said Managing Director Rohit Kulkarni, Head of Research for SharesPost, Inc. "Ride-sharing apps work best in high-density areas with lots of drivers and riders – the classic network effect. The Asia-Pacific region is home to the most metro areas with populations over 10 million. At the same time, the allure of car ownership is fading among Millennials, the world's largest demographic. All of this, along with continued venture capital investment, will drive the growth of the category for the foreseeable future."

The 25-page report highlights the growth prospects for the major ride-sharing companies – Uber, Lyft, Ola, DiDi, Careem, and Grab – and estimates each company's enterprise value. The analysis also highlights the unique approach that Asian companies are pursuing by offering ride-sharing in a "super app" that includes a supermarket of consumer services in addition to transportation.

The report predicts that Asian ride-sharing firms will continue to grow much faster in the medium term. However, American rideshare companies still benefit from higher valuations relative to growth and scale than Asian counterparts.

“Our analysis suggests that investors are discounting Asian ride-sharing firms compared to American companies,” Kulkarni said. “DiDi has a larger footprint in terms of drivers and has raised a similar amount of capital as Uber, but investors value DiDi less, even though the company has more room to grow. Similarly, Lyft has a smaller base of drivers and fewer rides completed till date as compared to Grab, but enjoys a higher valuation.”

Today, the three largest Asian companies currently account for 40 million rides a day. DiDi alone will likely surpass 20 billion rides annually by the end of 2018, more than double Uber’s ridership and 20 times more than Lyft’s. The Asia-Pacific region also has more Millennials than North America and Europe combined. India, which is expected to see the most growth in riding-sharing, boasts the largest Millennial population in these countries, the report noted.

To download the full report, click here.

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