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Just Eat Takeaway.com announces the launch of an offering of convertible bonds

Just Eat Takeaway.com N.V. (LSE: JET, AMS: TKWY), hereinafter the “Company”, or together with its group companies “Just Eat Takeaway.com”, one of the world’s largest online food delivery marketplaces, announces the launch of an offering of two tranches of convertible bonds due August 2025 (“Tranche A”) and February 2028 (“Tranche B”) in an aggregate principal amount of EUR 1,000 million (the “Convertible Bonds”) convertible into ordinary shares of the Company (“Ordinary Shares”). Just Eat Takeaway.com intends to use the net proceeds from the issue of the Convertible Bonds for general corporate purposes as well as to provide the Company with financial flexibility to act on strategic opportunities which may arise.

Transaction rationale

On the back of Just Eat Takeaway.com’s proven growth strategy, the Covid-19 tailwinds and the significant investments in the legacy Just Eat markets, the Company has reported three consecutive quarters of order growth acceleration. Management expects further order growth acceleration in the first quarter of 2021, demonstrating the success of the investment program.

To capitalise on the strong momentum from our investment programme, the Company will continue to invest heavily and prioritise market share over adjusted EBITDA, as also set out in the Q4 2020 Trading Update. The Company believes that a stronger balance sheet provides additional financial flexibility to act on strategic opportunities that may arise.

Other general corporate purposes of the issuance include, amongst others, the payment of transaction costs for the Grubhub transaction and the potential funding requirements for the Company's stake in iFood. Whilst Just Eat Takeaway.com remains committed to selling its stake in iFood and returning a portion of the proceeds to shareholders, this will happen only when it is able to realise a fair value for this highly attractive and fast-growing asset. The timing of a potential sale and monetisation remains uncertain.

For the avoidance of doubt, the proceeds will not be used to improve the agreed consideration for the Grubhub transaction, which consideration is final.

Issue of Convertible Bonds

The Convertible Bonds will be offered via an accelerated bookbuilding (the "CB Bookbuilding") solely to institutional investors in certain jurisdictions by way of a private placement outside the United States pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The Convertible Bonds, with a denomination of EUR 100,000 each, will be issued under the Company's current shareholder authorisation provided at the annual general meeting held on 14 May 2020, at between 101.50% and 103.75% (Tranche A) and at 100% (Tranche B) of their nominal value and redeemed at 100% of their nominal value. The Tranche A Convertible Bonds will not bear interest and the Tranche B Convertible Bonds will be offered with an interest rate between 0.125% and 0.625% per annum, payable semi-annually in arrear in equal instalments on 9 February and 9 August of each year, commencing on 9 August 2021, corresponding to an annual gross yield-to-maturity of (0.816)% to (0.331)% (Tranche A) and 0.125% to 0.625% (Tranche B). The initial conversion price of the Convertible Bonds is expected to be set between 40% and 45% (Tranche A) and 50% and 55% (Tranche B) above the clearing price of an Ordinary Share in the Concurrent Delta Placement (as defined below). The final terms of the Convertible Bonds, including the interest rate and initial conversion price, will be determined following completion of the CB Bookbuilding. The Convertible Bonds may be converted into Ordinary Shares in accordance with the terms and conditions of the Convertible Bonds.

The Company will have the option to redeem all, but not some only, of the Tranche A Convertible Bonds at their principal amount from 24 August 2023, should the value of an Ordinary Share exceed 130% of the conversion price over a certain period. The Company will have the option to redeem all, but not some only, of the Tranche B Convertible Bonds at their principal amount plus any accrued interest from 24 February 2025, should the value of an Ordinary Share exceed 150% of the conversion price over a certain period, and from 24 February 2026, should the value of an Ordinary Share exceed 130% of the conversion price over a certain period.

Settlement of the Convertible Bond issue is expected to take place on 9 February 2021 (the “Issue Date”). The Company will apply for the Convertible Bonds to be admitted to trading on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange no later than 30 days after the Issue Date.

Lock-up

The Company and its subsidiaries are subject to lock-up undertakings in relation to equity and equity-linked securities ending 90 calendar days after the Issue Date, subject to waiver by the Joint Global Coordinators (as defined below), except for any issue of Ordinary Shares as consideration in connection with the Proposed Grubhub Transaction (as defined below) and certain customary exceptions.

Prospectus

No prospectus is required in respect of the offering of the Convertible Bonds or the Concurrent Delta Placement (as defined below) and no prospectus or similar document will be published in connection with the offering of the Convertible Bonds or the Concurrent Delta Placement.

Proposed Grubhub Transaction

The Company announced on 10 June 2020 that it had entered into a definitive agreement whereby the Company is to acquire 100% of the shares of Grubhub Inc. (“Grubhub”) in an all-stock transaction (the “Proposed Grubhub Transaction”). The Proposed Grubhub Transaction is subject to various conditions precedent and is expected to close after completion of the offering of the Convertible Bonds during the first half of 2021. Grubhub has publicly stated its intention to publish its financial results for the fiscal quarter and the full year ended 31 December 2020 (the “Grubhub Q4 2020 Results”) on 3 February 2021, which is before the expected Issue Date. The Company has not had any access to any material information regarding Grubhub’s operational and financial performance during the fiscal quarter ended 31 December 2020 other than that which has been made publicly available by Grubhub, including in its filings with the U.S. Securities and Exchange Commission. Accordingly, the Company and the Joint Bookrunners have no information concerning the content of the Grubhub Q4 2020 Results and do not accept any responsibility for, and disclaim any and all liability with respect to their contents, including were they to disclose any changes in Grubhub’s financial or business condition.

Syndicate, bookbuilding procedure & concurrent delta placement

BofA Securities Europe SA, ABN AMRO Bank N.V. (acting in collaboration with ABN AMRO – ODDO BHF B.V. and ODDO BHF SCA), Barclays Bank Ireland PLC, BNP Paribas and ING are acting as Joint Global Coordinators and Joint Bookrunners (the “Joint Global Coordinators”) on the offering of the Convertible Bonds, alongside Société Générale as Joint Bookrunner (together with the Joint Global Coordinators, the “Joint Bookrunners”). N.M. Rothschild & Sons Limited (“Rothschild & Co”) has provided independent financial advice to the Company in relation to the offering of the Convertible Bonds.

The Company has been advised by the Joint Bookrunners that the Joint Bookrunners will organise a simultaneous placement of existing Ordinary Shares (“Delta Shares”) on behalf of certain subscribers of the Convertible Bonds who wish to sell these Delta Shares in short sales to purchasers procured by the Joint Bookrunners in order to hedge the market risk to which the subscribers are exposed with respect to the Convertible Bonds that they acquire in the offering (the “Concurrent Delta Placement”). The placement price for the short sales in the Concurrent Delta Placement shall be determined via an accelerated bookbuilding process that will be carried out by the Joint Bookrunners. The Company will not receive any proceeds from any sale of Delta Shares in connection with the Concurrent Delta Placement.

The Joint Global Coordinators and Joint Bookrunners will commence the accelerated bookbuildings immediately, and books will open with immediate effect, following the release of this announcement. The timing of the closing of the books, pricing and allocations are at the absolute discretion of the Company, the Joint Global Coordinators, and the Joint Bookrunners. Details of the Convertible Bond terms will be announced as soon as practicable after the close of the bookbuildings.

ABOUT JUST EAT TAKEAWAY

Just Eat Takeaway.com (LSE: JET, AMS: TKWY, NASDAQ: GRUB) is a leading global online food delivery marketplace.

Headquartered in Amsterdam, the Company is focused on connecting consumers and restaurants through its platforms, offering consumers a wide variety of food choice. Just Eat Takeaway.com mainly collaborates with delivery restaurants, but also provides its proprietary restaurant delivery services for restaurants that do not deliver themselves.

The Company has rapidly grown to become a leading online food delivery marketplace with operations in the United States, United Kingdom, Germany, the Netherlands, Canada, Australia, Austria, Belgium, Bulgaria, Denmark, France, Ireland, Israel, Italy, Luxembourg, New Zealand, Norway, Poland, Portugal, Romania, Spain and Switzerland, as well as through partnerships in Colombia and Brazil.

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