01 August 2018, 13:35 (CEST)

Half Year 2018 Results

Takeaway.com increases revenue by 42%; German revenue up by 45%

Statement of Jitse Groen, CEO of Takeaway.com: "As we rapidly move closer to profitability, we see the strength and resolve of our company increase. Takeaway.com is a household brand and the undisputed market leading website in most of the geographies in which we operate. Despite our increasing investments in marketing and Scoober, and the added operating expenses of our acquisitions in Bulgaria, Romania and Switzerland, we are ahead of plan. The 10bis acquisition will allow us to further capitalise on the increasing scale at which we operate."

● Revenue grew by 42% to €110.2 million in the first six months of 2018 compared with €77.4 million in the first half of 2017.
● Takeaway.com processed 41.7 million orders in the first six months of 2018, representing an order growth of 30% compared with the first half of 2017.
● Orders via Takeaway.com's restaurant delivery service Scoober represented 2.3% of total orders in the first six months of 2018 versus 1.2% of orders in the first half of 2017. Management believes Scoober is now the largest logistical food delivery service in the Netherlands. As well as continuing to grow strongly and expanding to an additional eight cities, operational efficiency also continued to improve.
● In the first six months of 2018, the Netherlands segment showed revenue and order growth of 34% and 21% respectively compared with the first half of 2017. The Company supplied active restaurants in the Netherlands with, on average, around €85,000 of revenue on an annualised basis. Adjusted EBITDA1 in the Netherlands further increased to €25.3 million in the first six months of 2018 compared with €20.5 million in the first half of 2017.
● In Germany, Takeaway.com continued its strong revenue growth trajectory in the first six months of 2018 with 45% top line growth and 34% order growth compared with the first half of 2017. Order growth accelerated in the second quarter of 2018 compared with the first quarter of 2018. In May 2018, Germany segment reached a milestone with the first-ever month in which it processed more orders than the website in the Netherlands.

● Revenue in Other Leading Markets grew by 56% to €24.3 million in the first six months of 2018 compared with €15.6 million in the first half of 2017. Order growth in Other Leading Markets remained robust at 41% in the first six months of 2018 compared with the first half of 2017, and Poland continues to be the main driver of growth in this segment.
● Consistent with Takeaway.com's 'One Company, One brand and One IT-platform' approach, the acquired businesses in Bulgaria, Romania and Switzerland have been fully integrated into its global technology platform.
● Adjusted EBITDA for the Company was minus €6.1 million in the first six months of 2018 compared with minus €15.5 million in the first half of 2017. This improvement demonstrates that Takeaway.com is on track towards profitability, while it invested heavily in the business as part of its growth strategy. Although Takeaway.com will continue to invest, management expects absolute losses to decrease going forward.
● On 28 July 2018, Takeaway.com announced that it signed an agreement to acquire 10bis for a cash consideration of approx. €135 million. For more information, reference is made to the press release.

Takeaway.com N.V. (AMS: TKWY), hereinafter the "Company", or together with its group companies the "Group" or "Takeaway.com", the leading online food delivery marketplace in Continental Europe, hereby reports its financial results for the first six months of 2018.

Performance highlights

Thousands unless stated otherwise	H1 2018	H1 2017	H1 2018 to H1 2017 (% change, except where indicated)
Restaurants (#)[1,2]	36,417	30,010	21%
Active Consumers[1,2]	12,556	10,142	24%
Orders	41,733	31,984	30%
Netherlands	*15,654*	*12,918*	*21%*
Germany	*15,058*	*11,257*	*34%*
Other Leading Markets	*11,021*	*7,809*	*41%*
Returning Active Consumers as % of Active Consumers (%)[1]	61%	58%	3pp
Orders per Returning Active Consumer (#)	10.8	10.8	0.0
Average Order Value (€)	19.39	19.17	0.22
GMV (in € millions)	809.0	613.3	32%

[1] Excludes France, for which operations were discontinued in February 2018.
Acquisitions of Foodarena, BGmenu and Oliviera are included in the H1 2018 figure.

[2] Number as at 30 June

Thousands unless stated otherwise	H1 2018	H1 2017	H1 2018 to H1 2017
			(% change)
Revenue	110,160	77,360	42%
Netherlands	*46,695*	*34,775*	*34%*
Germany	*39,207*	*27,017*	*45%*
Other Leading Markets	*24,258*	*15,568*	*56%*
Gross profit	91,962	65,176	41%
Marketing expenses	(65,453)	(58,851)	11%
Adjusted EBITDA	(6,144)	(15,467)	60%
Netherlands [1]	*25,267*	*20,516*	*23%*
Germany [1]	*(20,927)*	*(23,837)*	*12%*
Other Leading Markets [1]	*(10,484)*	*(12,146)*	*14%*
Loss for the period	(14,730)	(21,837)	33%

[1] Includes allocation of headquarter expenses

Medium-term objectives

Management reiterates the following medium-term objectives:

● Takeaway.com aims for order growth to exceed 25% per annum in the medium term (targeting greater than 30% compounded annual growth rate (CAGR) from 2015 to 2018);
● Takeaway.com aims to achieve revenue growth which continues to exceed order growth after 2016;
● Takeaway.com aims to achieve a positive EBITDA margin for both its operations in Germany segment and the Group as a whole within two to three years following its initial public offering; and
● Takeaway.com aims for adjusted EBITDA in the Netherlands to continue to increase.

The Group's ability to achieve these objectives will depend upon a number of factors outside of its control, including significant business, economic and competitive uncertainties and contingencies.

Our people

Our people are critical to the success of our business and we continued to invest in our organisation in the first six months of 2018. During the period, we strengthened our staff across all markets and at headquarter level, with staff levels increasing to 1,052 FTEs as at 30 June 2018 from 761 FTEs as at 31 December 2017. Additionally, we employed approximately 3,000 Scoober couriers, or 758 FTEs, as at 30 June 2018.

CFO update and financial review

The financial information included in the CFO update and financial review is derived from the condensed consolidated interim financial statements, as integrated into this document.

Condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June

€000	H1 2018	H1 2017	H1 2018 to H1 2017 (% change)
Revenue	110,160	77,360	42%
Cost of sales	(18,198)	(12,184)	49%
Gross profit	91,962	65,176	41%
Staff costs	(20,474)	(14,612)	40%
Other operating expenses	(81,549)	(70,042)	16%
Long-term employee incentive costs	(1,211)	(373)	225%
Finance income and expense, net	(437)	(41)	966%
Share of profit / (loss) of joint ventures	(68)	(75)	(9%)
Loss before income tax	(11,777)	(19,967)	(41%)
Income tax expense	(2,953)	(1,870)	58%
Loss for the year	**(14,730)**	**(21,837)**	**(33%)**
Other comprehensive income / (loss) for the period	254	157	
Total comprehensive loss for the period	**(14,476)**	**(21,680)**	**(33%)**

Revenue

€000	H1 2018	H1 2017	H1 2018 to H1 2017 (% change)
Commission revenue	99,150	69,714	42%
Online payment services revenue	7,793	5,574	40%
Other revenue	3,217	2,072	55%
Total revenue	**110,160**	**77,360**	**42%**

Takeaway.com generated total revenue of €110.2 million in the first six months of 2018, a 42% increase from €77.4 million in the first half of 2017. This increase was the result of order growth and higher average commission rates in each of our markets.

Commission revenue increased by 42% to €99.2 million in the first six months of 2018 compared with €69.7 million in the first half of 2017, exceeding the order growth of 30%. The average commission rate increased to 12.3% in the first six months of 2018 from 11.4% in the first half of 2017. This was driven by higher average commission rates across all our markets, following an increase of our standard commission rates in all markets from the start of 2018 and an increasing share of Scoober orders, which generally carry higher commission rates.

Revenue from online payments increased to €7.8 million in the first six months of 2018 from €5.6 million in the first half of 2017. Order growth and further adoption of online payments by consumers contributed to this increase. The percentage of orders paid online increased to 59% in the first six months of 2018 from 54% in the first half of 2017.

Cost of sales and gross margin

Cost of sales was €18.2 million in the first six months of 2018, which represented a 49% increase from €12.2 million in the first half of 2017. The growth in cost of sales was higher than the growth in orders due to further growth of Scoober, which added courier labour expenses of €9.0 million to the cost of sales in the first six months of 2018, compared with €4.7 million in the first half of 2017. Excluding the impact of Scoober, cost of sales increased by 22% year-on-year, well below our order and revenue growth.

As a result of the above, our gross margin declined to 83% in the first six months of 2018 compared with 84% in the first half of 2017.

Staff costs

Staff costs were €20.5 million in the first six months of 2018, representing a 40% increase from €14.6 million in the first half of 2017. This increase is the result of our continued investments in our organisation. We expanded our staff to manage our growth strategy and we continued to invest in our technology and product teams to innovate more rapidly. In addition, the growth of our Scoober offering also required further staff and management support. Please note that the approximately 3,000 Scoober couriers, or 758 FTEs, as at 30 June 2018, are not included in these staff costs but are classified as cost of sales.

Other operating expenses

Other operating expenses comprise marketing expenses, depreciation and amortisation costs and other expenses which are mainly related to staff.

€000	H1 2018	H1 2017	H1 2018 to H1 2017
			(% change)
Marketing expenses	65,453	58,851	11%
Depreciation and amortisation expenses	3,089	2,355	31%
Other	13,007	8,836	47%
Total	**81,549**	**70,042**	**16%**

The largest component of other operating expenses is marketing expenses. Marketing expenses increased by 11% to €65.5 million in the first six months of 2018 compared with €58.9 million in the first half of 2017. This increase is relatively modest compared with our order growth, reflecting the scalable nature of our business and strong performance of our existing consumer base. Marketing as a percentage of revenue improved in all segments during the first six months of 2018 compared with the first half of 2017.

Our depreciation and amortisation expenses were €3.1 million in the first six months of 2018, which represented a 31% increase from €2.4 million in the first half of 2017. This related primarily to the amortisation of intangible assets recognised as the result of acquisitions in recent years.

Other operating expenses were €13.0 million in the first six months of 2018, which represented a 47% increase from €8.8 million in the first half of 2017. This increase was mainly driven by additional staff-related expenses in line with the growth in FTEs and investments in new organisational systems.

Long-term employee incentive costs

Long-term employee incentive costs relate to the fair value expense of share-based payments for employees in a particular year. Our long-term employee incentive costs were €1.2 million in the first six months of 2018, up from €0.4 million in the first half of 2017. The main reason for this increase was the further roll-out of an Employee Share and Option Plan (ESOP), which was granted to our key senior and mid-level management.

Finance income and expenses, net

Our finance costs increased to €0.4 million in the first six months of 2018 compared with €41 thousand in the first half of 2017, mainly due to unrealised foreign exchange rate results of our foreign operations.

Share of loss of joint venture

Takeaway.com owns 66% of Takeaway.com Asia BV, which in turn owns 99% of the shares and voting rights of Vietnammm. Takeaway.com Asia BV is accounted for as a joint venture using the equity method of accounting given that joint control exists in terms of decision-making. Takeaway.com's share of loss in the joint venture was €0.1 million in the first six months of 2018 compared with €0.1 million in the first half of 2017.

Income tax expense

Income tax expense amounted to €3.0 million in the first six months of 2018 compared with €1.9 million in the first half of 2017. Takeaway.com has historically not been profitable in its non-Dutch entities and, as a result, has accumulated tax losses in these entities which can be carried forward to offset future taxable income, if any, and if not expired in the relevant countries. Takeaway.com's operations have been further integrated, and the legal structure has been amended to reflect this integration. As a result, the non-Dutch entities reported a profit, which has partly been offset with carried forward losses.

Loss for the period

The Group incurred a net loss of €14.7 million in the first six months of 2018, representing an improvement of 33% compared with a loss of €21.8 million in the first half of 2017.

Condensed consolidated statement of financial position

€000	2018 30 June	2017 31 December
Non-current assets	104,757	91,455
Current assets	22,338	16,666
Cash and cash equivalents	66,895	89,793
Total assets	**193,990**	**197,914**
Share capital and share premium	251,261	251,261
Other reserves	3,263	1,798
Accumulated deficits	(118,010)	(103,280)
Total shareholders' equity attributable to equity holders	**136,514**	**149,779**
Non-current liabilities	9,566	5,962
Current liabilities	47,910	42,173
Total shareholders' equity and liabilities	**193,990**	**197,914**

Non-current assets were €104.8 million as at 30 June 2018 from €91.5 million at 31 December 2017, an increase of €13.3 million mainly consisting of goodwill, other intangible assets, and property and equipment, as a result of the acquisitions of HelloHungry and Foodarena, recognised goodwill and other intangible assets.

Operating working capital amounted to minus €25.6 million as at 30 June 2018 compared with minus €25.7 million as at 31 December 2017, a decrease of €0.1 million, driven by the timing of restaurant and other creditor payments.

Cash and cash equivalents were €66.9 million as at 30 June 2018 compared with €89.8 million at 31 December 2017, a decrease of €22.9 million. This was driven by net cash used in operating activities of €7.0 million and the net cash used by investing activities driven mainly by the acquisitions of HelloHungry and Foodarena, which were completed in March and June 2018 respectively.

Shareholders' equity decreased to €136.5 million at 30 June 2018 from €149.8 million at 31 December 2017, following the allocation of the loss for the first six months of 2018 to shareholders' equity.

Condensed consolidated statement of cash flows for the first six-month period ended 30 June

€000	2018 30 June	2017 30 June
Net cash used in operating activities	(6,985)	(20,457)
Net cash used in investing activities	(15,912)	(6,304)
Net cash generated by financing activities	-	-
Net cash and cash equivalents generated / (used)	**(22,897)**	**(26,761)**
Effects of exchange rate changes of cash held in foreign currencies	(1)	29
Net increase / (decrease) in cash and cash equivalents	**(22,898)**	**(26,732)**

Net cash used in operating activities amounted to €7.0 million in the first six months of 2018 compared with €20.5 million in the first half of 2017. The decrease in net cash used in operating activities was caused primarily by our lower operating losses.

Net cash flow used in investing activities was €15.9 million in the first six months of 2018, driven by the acquisitions of HelloHungry and Foodarena, as well as capital expenditures made in relation to office space and IT infrastructure.

No cash was generated by financing activities in the first six months of 2018 and 2017 respectively.

Segment information

The Netherlands

Thousands unless stated otherwise	H1 2018	H1 2017	H1 2018 to H1 2017
			(% change, except where indicated)
Orders	15,654	12,918	21%
• Scoober %	2.7%	1.0%	1.7pp
GMV	€ 321,316	€ 259,578	24%
Revenue	€ 46,695	€ 34,775	34%
• Average commission rate (%)	13.3%	12.2%	1.1pp
Adjusted EBITDA[1]	€ 25,267	€ 20,516	23%
• Adjusted EBITDA margin (%)	54%	59%	(5)pp

[1] Includes allocation of headquarter expenses

In the Netherlands, Takeaway.com processed 15.7 million orders in the first six months of 2018, representing a growth rate of 21% compared with the first half of 2017. Gross Merchandise Value (GMV) grew by 24% during the period, driven by higher average order values. Revenue in the Netherlands grew by 34% to €46.7 million in the first six months of 2018 from €34.8 million in the first half of 2017, outpacing order growth. This increase was driven by an increase in the average commission rate from January 2018 as well as the increased share of Scoober orders.

Adjusted EBITDA, including allocated headquarter expenses, increased to €25.3 million in the first six months of 2018 compared with €20.5 million in the first half of 2017. This resulted in an adjusted EBITDA margin of 54% in the first six months of 2018 compared with 59% in the first half of 2017.

Germany

Thousands unless stated otherwise	H1 2018	H1 2017	H1 2018 to H1 2017
			(% change, except where indicated)
Orders	15,058	11,257	34%
• Scoober %	2.0%	1.9%	0.1pp
GMV	€ 304,897	€ 224,885	36%
Revenue	€ 39,207	€ 27,017	45%
• Average commission rate (%)	11.2%	10.6%	0.6pp
Adjusted EBITDA[1]	€ (20,927)	€ (23,837)	12%
• Adjusted EBITDA margin (%)	(53)%	(88)%	35pp

[1] Includes allocation of headquarter expenses

Orders processed in Germany grew by 34% to 15.1 million in the first six months of 2018 compared with the first half of 2017. Order growth accelerated in the second quarter of 2018 compared with the first quarter of 2018, demonstrating our market share gains. In May 2018, the Germany segment reached a milestone with the first-ever month in which it processed more orders than the website in the Netherlands. GMV grew by 36%, slightly faster than orders, during the first half of 2018, driven primarily by higher average order values. Revenue in Germany grew to €39.2 million in the first six months of 2018 from €27.0 million in the first half of 2017, representing a 45% increase. The primary reason for the revenue growth in excess of order growth was the increased average commission rate following the standard commission rate increase from January 2018.

In Germany, our scale benefits and significant revenue growth were the primary drivers of the 35-percentage point improvement in our adjusted EBITDA margin compared to the first half of 2017. Our adjusted EBITDA improved to minus €20.9 million in the first six months of 2018 compared with minus €23.8 million in the first half of 2017.

Other Leading Markets

Thousands unless stated otherwise	H1 2018	H1 2017	H1 2018 to H1 2017
			(% change, except where indicated)
Orders	11,021	7,809	41%
• Scoober %	2.3%	0.4%	1.9pp
GMV	€ 182,811	€ 128,795	42%
Revenue	€ 24,258	€ 15,568	56%
• Average commission rate (%)	12.2%	11.1%	1.1pp
Adjusted EBITDA[1]	€ (10,484)	€ (12,146)	14%
• Adjusted EBITDA margin (%)	(43)%	(78)%	35pp

[1] Includes allocation of headquarter expenses

Orders processed in the Other Leading Markets segment (which includes Poland, Belgium, Austria, Switzerland, Romania, Bulgaria, Portugal, Luxembourg and France until February 2018) increased by 41% to 11.0 million in the first six months of 2018 compared with 7.8 million in the first half of 2017, driven primarily by high growth in Poland. Revenue in the segment grew by 56% to €24.3 million in the first six months of 2018 from €15.6 million in the first half of 2017. The substantial growth in revenue compared to GMV and order growth reflected an increase in the average commission rate, driven mainly by standard commission rate increases in all markets from January 2018, as well as growth in Scoober orders. Scoober orders increased sharply to 2.3% of total orders in the first six months of 2018 compared with 0.4% of total orders in the first half of 2017, mainly reflecting the acquired businesses in Bulgaria and Romania which have a relatively large portion of Scoober orders.

In the Other Leading Markets segment, the adjusted EBITDA margin strongly improved in the first six months of 2018 compared with the first half of 2017, reflecting the scalability of our business.

In February 2018, Takeaway.com acquired the food delivery marketplaces BGmenu.com in Bulgaria and Oliviera.ro in Romania. BGmenu.com is the market leader in food delivery in Bulgaria in terms of orders and Oliviera.ro is one of the largest food delivery marketplaces in Romania. The acquisition is in line with our strategy to further expand our leadership positions in sizeable markets. Upon 26 March 2018, the date of acquisition, Bulgaria and Romania have been included in the Other Leading Markets segment.

In June 2018, Takeaway.com acquired the food delivery marketplace Foodarena in Switzerland. Through this acquisition, Takeaway.com further strengthened its position in Switzerland and added hundreds of delivery restaurants to the platform, broadening its offering to Swiss consumers.

The acquired businesses have been fully migrated to the Takeaway.com platform, consistent with our ‘One Company, One Brand, One IT-platform’ approach, to drive efficiency and to share best practices. The total impact of the acquisitions in Bulgaria, Romania and Switzerland on Group results and the Other Leading Markets segment was immaterial during the first six months of 2018.

Outlook

To maintain our strong growth, we will continue to invest in our offering to consumers and restaurants, in conformity with the guidance given by the Company at our full year results announcement. As a result, we anticipate a loss at Group level for the year 2018 but expect the absolute amount of future losses to continue to decrease.

Principal risks and uncertainties

The risks outlined in the 2017 Annual Report continued to apply in the year 2018. The key operational risks we face are as follows:

● Our ability to maintain and improve our competitive position and its effect on marketing expenses;
● Our ability to keep pace with long-term developments in website and mobile applications and e-commerce relative to our competitors;
● Maintenance of our reputation and consumer awareness of our brand;
● Our ability to attract and retain highly-qualified staff;
● Dependence on technology for day-to-day operations;
● Our compliance with laws and regulations;
● Exposure to fraud;
● Our ability to maintain a high level of IT security; and
● Reliance on intellectual property.

In 2018, Takeaway.com introduced an internal audit function in order to strengthen the control environment. The Management Board, having responsibility for risk management with oversight from the Supervisory Board, believes that Takeaway.com's risk management framework operated effectively in the first six months of 2018. The Management Board believes that all the aforementioned risks were effectively mitigated within the boundaries of our risk appetite and is not aware of any incidents that substantially impacted the business during this period.

In Control Statement by the Management Board

With reference to the statement within the meaning of Article 5:25d (2)(c) of the Financial Supervision Act, the Management Board states, to the best of its knowledge, that:
● The condensed consolidated interim financial statements as at and for the six months ended 30 June 2018 give a true and fair view of the assets, liabilities, financial position, and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and

● The Half Year 2018 Results provide a fair view of the information required pursuant to Article 5:25d paragraph 8 and 9 of the Financial Supervision Act.

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.

JUST EAT Takeaway.com

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