

Takeaway.com acquires food delivery operations in Germany from Delivery Hero

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, signed an agreement with Delivery Hero S.E. (ETR: DHER) (“Delivery Hero”) to acquire Delivery Hero’s Germany businesses in return for cash and an equity stake in the Company (the “Transaction”). Takeaway.com is already active in Germany with its brand Lieferando.de and this Transaction, which comprises the Lieferheld, Pizza.de and foodora brands in Germany, will enable Takeaway.com to offer an enhanced proposition for both consumers and partner restaurants. Takeaway.com’s management expects to generate material synergies by integrating the businesses.

The Company signed an agreement with Delivery Hero whereby Delivery Hero will sell Delivery Hero Germany GmbH and foodora GmbH (together, “Delivery Hero Germany”) to Takeaway.com for a total consideration of approximately €930 million (the “Consideration”), consisting of c. €508 million in cash and 9.5 million Takeaway.com shares worth c. €422 million¹, representing c. 18% of the total issued and outstanding (pre dilution) share capital of the Company². In addition, Delivery Hero will have the right to submit a binding nomination for an independent member of the Company’s supervisory board, until its shareholding is less than 9.99% in the Company. The Transaction is subject to approval of the general meeting of the Company and anticipated to be completed by the first half of 2019.

Jitse Groen, CEO and founder of Takeaway.com, said: “This transaction provides Takeaway.com with a stronger proposition for both consumers and partner restaurants in the German market. It also allows Takeaway.com to operate on a significantly larger scale which is essential in building a profitable online food delivery business. Although the transaction almost doubles Takeaway.com’s orders in Germany, there is still ample growth ahead, given that penetration of online food delivery in Germany is amongst the lowest in Europe. We look forward to welcoming Delivery Hero as a shareholder.”

Niklas Östberg, CEO of Delivery Hero, commented: “This transaction enables us to strengthen our global footprint and increase our focus on our key growth regions while becoming a shareholder in Takeaway.com, enabling Delivery Hero to benefit further financially from any additional value that Takeaway.com may create. My sincere thanks go to our German teams for doing such a tremendous job and creating such outstanding businesses.”

Key takeaways

- Delivery Hero is active in the German market since 2010 and currently operates through three brands: marketplaces Lieferheld and Pizza.de, and delivery business foodora
- In the first nine months of 2018, Delivery Hero’s Germany businesses recorded 23 million orders, Gross Merchandise Value (“GMV”) of €462 million and revenues of €76 million, which represents an increase of 13%, 16% and 16% respectively from the previous year
- This compares to Takeaway.com’s German orders of 23 million, GMV of €471 million and revenues of €60 million for the similar period of 2018
- As a result of the combination, the pro-forma entity would account for 47 million orders, €932 million of GMV and €136 million of revenue for the first nine months of 2018
- The Transaction is in line with the Company’s strategy to drive for sustainable market positions

Transaction highlights

- Consideration of c. €930 million, consisting of a combination of cash and shares in the Company to be issued to Delivery Hero. The Consideration will be subject to customary adjustments
- The share component of the Transaction comprises 9.5 million shares in the Company which is equal to c. 18% of the Company's total issued and outstanding (pre dilution) share capital³ and represents c. €422 million⁴
- Takeaway.com has secured €680 million of committed bridge financing for (i) the cash portion of the Transaction and (ii) the refinancing of the €150 million bridge debt facility related to the recent 10bis acquisition in Israel which has been provided by ABN AMRO and ING
- The committed bridge financing has a maturity of twelve months, with a one third repayment instalment after seven months. There is also a three-month extension option, beyond the twelve months, relating to a €150 million portion of the bridge

- Takeaway.com anticipates refinancing this committed bridge financing with equity (a non preemptive and/or pre-emptive basis), equity-linked instruments or debt, or a combination thereof
- ABN AMRO, BofA Merrill Lynch and ING have, subject to customary conditions, entered into a standby equity underwriting commitment with the Company in relation to the committed bridge financing amount
- The Company's management board is currently authorised, subject to the approval of the supervisory board, to increase the share capital through the issuance of 8.6 million new shares on a non pre-emptive basis, representing 20% of the currently outstanding share capital of the Company. The Company intends to seek approval for an additional authorisation to increase share capital at an Extraordinary General Meeting, anticipated to be held on 5 March 2019
- The Company and Delivery Hero also entered into a relationship agreement. Pursuant to this agreement, following completion of the Transaction, Delivery Hero will have the right to submit a binding nomination for the appointment of one independent member to the Company's supervisory board. This right will expire on the date Delivery Hero holds less than 9.99% of the Company's issued and outstanding share capital
- As part of the agreement, the parties have agreed to a standstill period of four years following the completion of the Transaction during which Delivery Hero and its subsidiaries, with limited exceptions, shall, in particular, not directly or indirectly in any way effect or cause to effect any increases in its shareholding in Takeaway.com through any financial instruments or related derivative securities
- During the standstill period but only as of 1 July 2019 (or any earlier date on which an equity transaction to (re)finance the cash portion of the Transaction is completed), Delivery Hero and its subsidiaries may, however, sell, transfer and otherwise dispose of any Takeaway.com financial instruments held by it, provided that such disposal is not made to certain restricted parties active in the online food delivery industry
- During the standstill period and up to three years after that period, certain voting restrictions, mainly on merger and acquisition related matters and in case of conflict of interest, will apply to Delivery Hero's shares in the Company
- Certain other shareholder restrictions will apply to Delivery Hero during, and for a limited period after, the standstill period

Strategic rationale The Transaction further enhances Takeaway.com's position as the leading online food delivery marketplace in Continental Europe processing more than 87.4 million orders for the first nine months of 2018:

- Total processed orders in Germany will increase to 47 million compared to 23 million orders for Takeaway.com in Germany on a stand-alone base
- The German market represents a significant growth opportunity for Takeaway.com as it continues to tap into this large and underpenetrated addressable market
- Accelerating scale in Germany, which will enable progress towards profitability
- Enhance the offering to Takeaway.com consumers and partner restaurants in Germany by adding several thousand restaurants, further expanding the variety of cuisines available to consumers, thereby diversifying choice and geographic spread
- Management believes significant value creation will be driven by scale benefits and cost synergies mainly from marketing. Management expects total cost synergies to exceed €60 million by 2020

Next steps, conditions, advisors and timeline

The Transaction is subject to approval of the general meeting of the Company as the Consideration amounts to more than one third of the value of the assets of Takeaway.com's consolidated balance sheet at year-end 2017. The convocation of the Extraordinary General Meeting ("EGM") will be made available on the corporate website of Takeaway.com (<https://corporate.takeaway.com>). The EGM is expected to take place on 5 March 2019 and will also vote on an additional authorisation for the management board to issue shares and limit or exclude pre-emptive rights of shareholders (together with the approval of the Transaction, the "Resolutions"). It is noted that in light of the Transaction, each of the members of the management board have issued an irrevocable undertaking to vote, in their capacity of (indirect) shareholder, in favour of the approval of the Transaction in the EGM.

In connection with this Transaction, BofA Merrill Lynch is acting as lead financial advisor to the Company. ABN AMRO and ING are also acting as financial advisors. De Brauw Blackstone Westbroek N.V. and Hengeler Mueller are acting as legal advisors.

The Transaction is anticipated to be completed by the first half of 2019, provided the Resolutions have been adopted by the EGM. To confirm the commitment of Takeaway.com to the Transaction and timeline, it has agreed to a break fee in the amount of €9.3 million, which will become due and payable if specific conditions relating to the Resolutions have not been met on or before 1 June 2019.

Conference call and webcast details

Jitse Groen, Brent Wissink and Joerg Gerbig will host an analyst and investor conference call to discuss the Transaction at 10:00 am CET on 21 December 2018. Members of the investor community can follow the audio webcast on <https://corporate.takeaway.com/investors/results-and-reports/>. An on-demand replay will be available on the corporate website following the presentation.

Media and wires call

Jitse Groen will host a media and wires call to discuss the Transaction at 8:30am CET on Friday 21 December 2018. The press can join the conference call at +44 1296 311600 (passcode: 927 302 63).

The Company will provide further details on the Transaction at the time of its full year 2018 results announcement on 13 February 2019.

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

