



***Delivery Hero***

# **Q2 2019 Trading Update**

**30<sup>th</sup> July, 2019**



# Our Clear Vision



Always  
delivering  
an amazing  
experience



AMAZING  
FOOD



AMAZING  
ORDERING



AMAZING  
SERVICE





# Agenda



## **1** Business Update

2 Financial Update

3 Outlook

4 Q&A



# Q2 2019 Financial Highlights



**144m**

**ORDERS**

**+67%**  
YoY Growth



**€1.7bn**

**GROSS MERCHANDISE  
VALUE**

**+64%**  
YoY Growth



**€315m**

**REVENUES**

**+103%**  
YoY Growth

All values in Unit million / € million

YoY growth rates on a constant currency basis

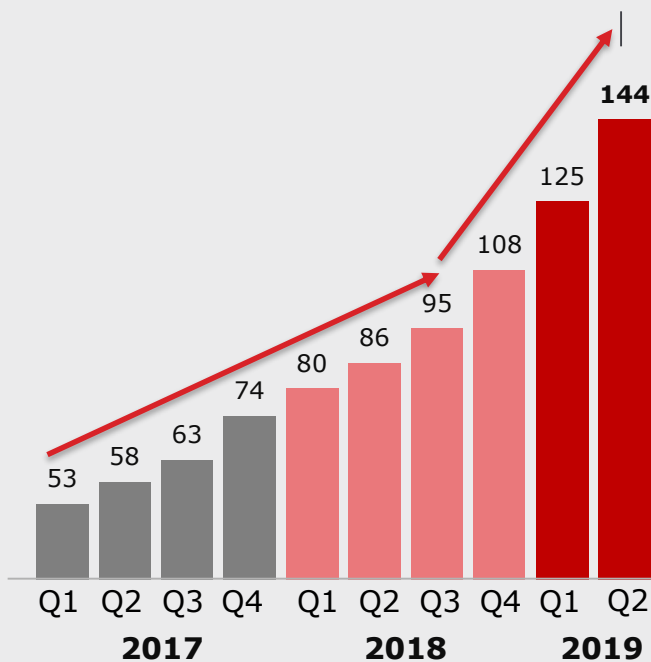
The group order growth would have been 63% YoY if adjusted for all acquisition and divestments – Mainly related to the acquisition of Zomato UAE which is consolidated from 1 March 2019

# Continuous Track Record of Growth



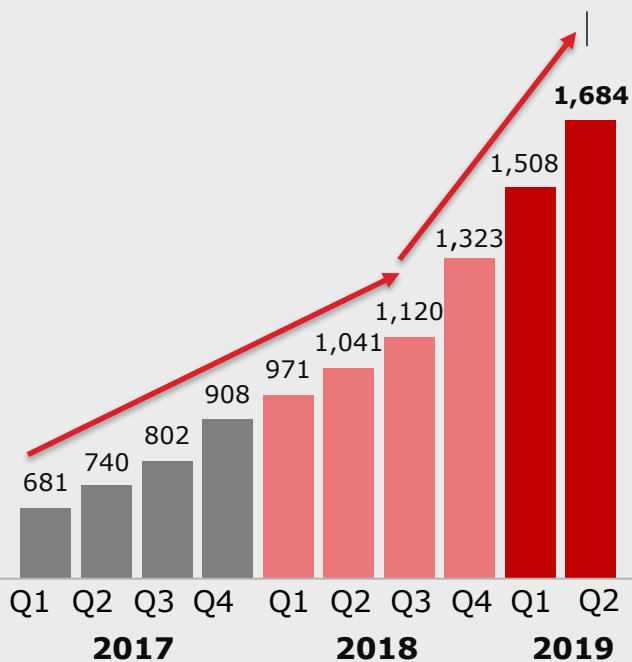
## Orders

**+67%**



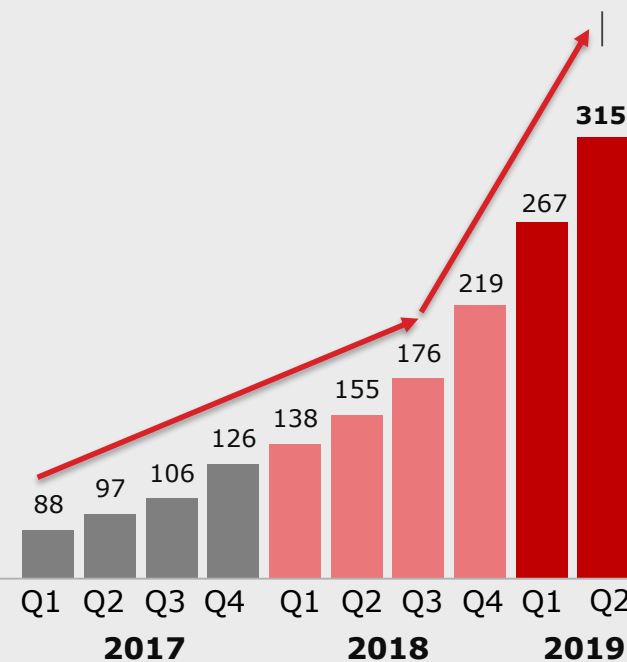
## GMV

**+64%**



## Revenues

**+103%**



All values in Unit million / € million

YoY growth rates on a constant currency basis

The group order growth would have been 63% YoY if adjusted for all acquisition and divestments - Mainly related to the acquisition of Zomato UAE which is consolidated from 1 March 2019

# Delivering on Our Promise



## Guidance at IPO

## Status

### Growth as No.1 Priority

- >40% in short & mid-term
- >30% in the long-term



- Q2 2019 order and revenue growth of 67% and 103% with continued high level of growth throughout 2019<sup>1</sup>
- Increased guidance leading to near 100% YoY revenue growth for FY 2019

### Invest for Leadership

- Further build leadership positions across the most attractive markets



- #1 leadership positions in 31 out of 39 markets<sup>2</sup>
- >50m orders per month in more than 4,000 cities
- >16m own-delivery orders per month (30% of overall orders) in c. 300 cities globally

### Build Tech & Product Leadership

- Invest in innovation to build a third generation on-demand platform



- Migrated an additional 2 country operations in Q2 with a long-term target of 8 regional platforms
- Rollout of additional verticals (e.g. groceries) in another 2 countries now live in 12 countries
- Testing of c. 20 dark stores in Turkey

1. YoY growth rates on a constant currency basis  
2. Google Trend Data - After divestments of operations in Ecuador and Peru



## **Expanded City Coverage to Untap Additional Customers**

- Increase of restaurant sales coverage with specific push in Asia and Americas
- Accelerated city and area expansion with additional 50 cities in Q2 2019

## **Increased Quantity, Quality & Choice via Expanded Restaurant Coverage**

- Accelerated restaurant inventory with growth of 70% YoY to c. 310K restaurants
- Continued testing of cloud kitchens to provide better quality food with reduced delivery times at lower costs in 10+ markets

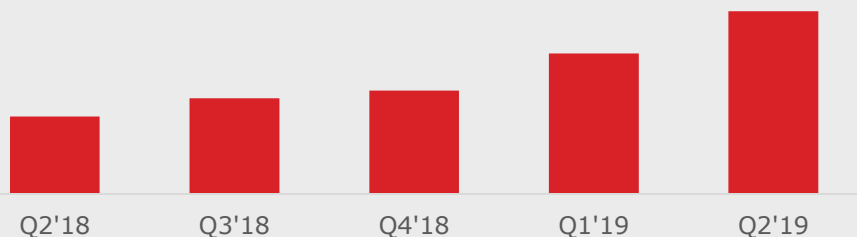
## **Improved Selection, Experience & Speed With Own-Delivery**

- Better choice with expanded selection of popular restaurants
- Improved consumer experience via fast delivery and lower cost

# Significant Acceleration of New Customer Acquisition at Flat Costs in Asia & Americas

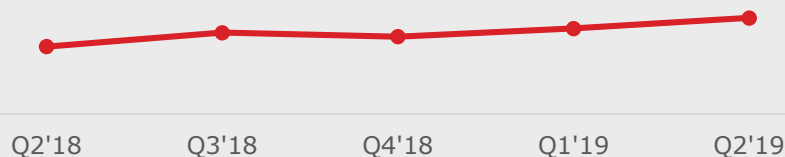


## ASIA & AMERICAS - NEW CUSTOMERS<sup>1</sup>



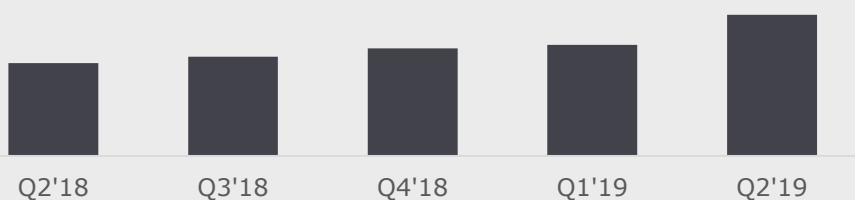
**Significant Increase in Customer Acquisitions With 166% YoY Growth**

## ASIA & AMERICAS<sup>1</sup> - COST PER ACQUISITION (CPA)<sup>2</sup>



**Increased Marketing Spend With Close to Flat CPAs**

## ASIA & AMERICAS - MONTH 1 FREQUENCY<sup>3</sup>



**Higher Frequency Customers With 52% Increase in Frequency YoY**

**Resulting in acceleration of order growth and a higher long term customer lifetime**

1. Sum of new customers for the specific quarter

2. Average CPA per quarter. Slightly elevated CPA in Q2 2019 driven by one-offs in June 2019

3. Defined as number of orders divided by cohort acquisitions, calculated as three month average

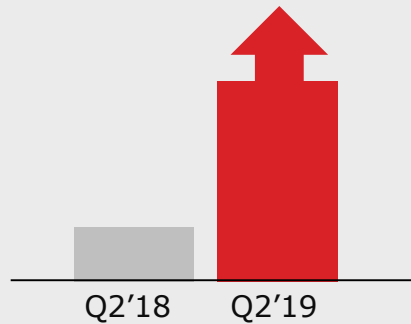


# Improved Utilization On Back of Scaled Own-Delivery



## Number of Own-Delivery Orders – Group<sup>1</sup>

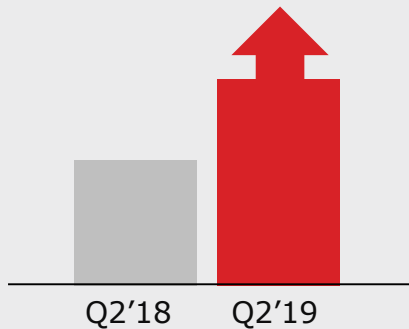
Own delivery orders +318% YoY



- Own-Delivery now at 30% of orders for the group
- Rollout driven by expansion to new cities & areas (Added 50+ cities and 200+ delivery areas in Q2 2019)

## Utilization Rate – Group<sup>2</sup>

Improved UTR by +23% YoY



- Despite fast logistics rollout UTR increased by 23% YoY. In dense areas UTR increased by up to 50% YoY
- Improved customer experience through reduction of delivery time, which is now at c. 30 minutes with even faster delivery in dense areas

1. Number of own-delivery orders is displayed based upon current geographic footprint  
2. Utilization Rate (UTR) defined as drops per hour per rider

# Agenda



1 Business Update

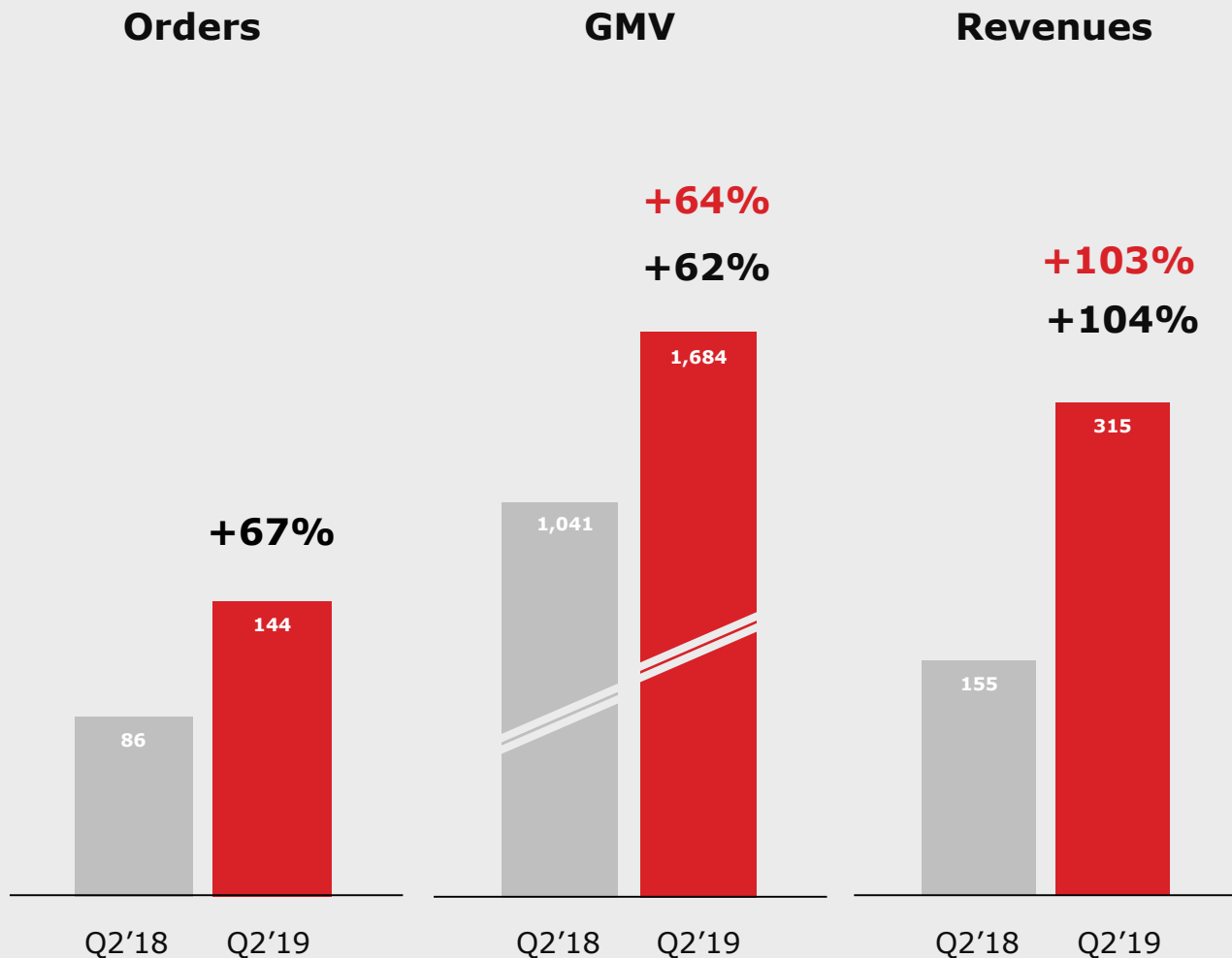
**2 Financial Update**

3 Outlook

4 Q&A



# Q2 2019 Group Performance



- 103% Revenue growth YoY driven by strong performance across all segments
- Own-delivery orders now at 30% of total orders driven by greater customer demand and city expansion
- Total group take rate excluding own-delivery orders at 12.0% in Q2 2019 (up from 11.3% in Q2 2018)
- Total group take rate increased to 18.7% driven by higher own-delivery mix and an increase in other revenues
- Preliminary adjusted EBITDA margin expected to be -30% for H1 2019

All values in Unit million / € million

YoY growth rates in red are constant currency and in black are reported currency

Included reported current growth rates for Argentina in our constant currency calculation due to the effects of hyperinflation in Argentina

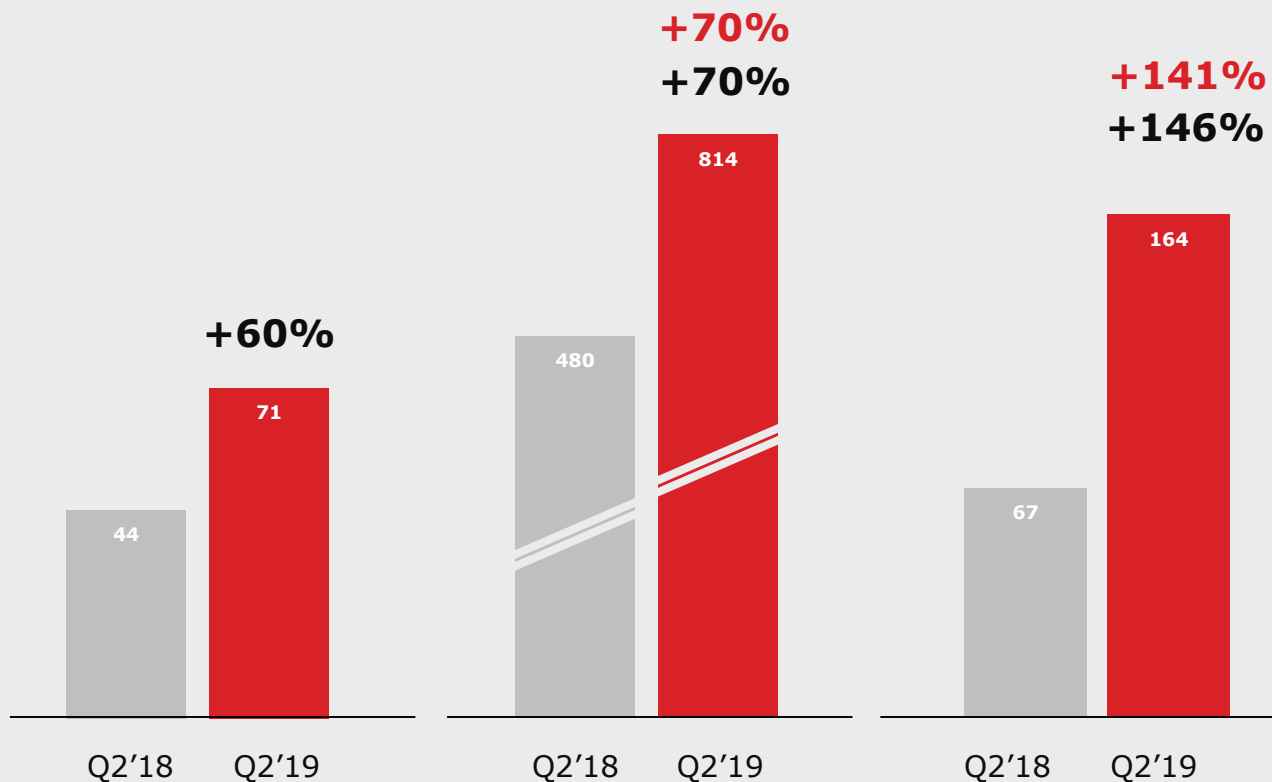
# Q2 2019 MENA Performance



## Orders

## GMV

## Revenues



- Continue high level of order and revenue growth with 60% YoY and 141% YoY respectively<sup>1</sup>
- Own-delivery orders now at 28% of total orders driving revenue growth
- The MENA segment is expected to generate full year adjusted EBITDA of EUR 70 million despite one-off impacts in H1 2019<sup>2</sup>
- The adjusted EBITDA is expected to be slightly negative in H1 2019 given one-off impacts related to Hungerstation and the integration of Zomato UAE

All values in Unit million / € million

YoY growth rates in red are constant currency and in black are reported currency

1. MENA order growth would have been 52% YoY if adjusted for all acquisition and divestments – Mainly related to the acquisition of Zomato UAE which is consolidated from 1 March 2019

2. One off effects in H1 are not expected to be carried forward to H2 2019. The strong underlying performance of the business will allow us to reach significant profits in H2 2019. Adj. EBITDA guidance for the MENA segment is already factoring in the Zomato UAE acquisition that took place in Q1 2019



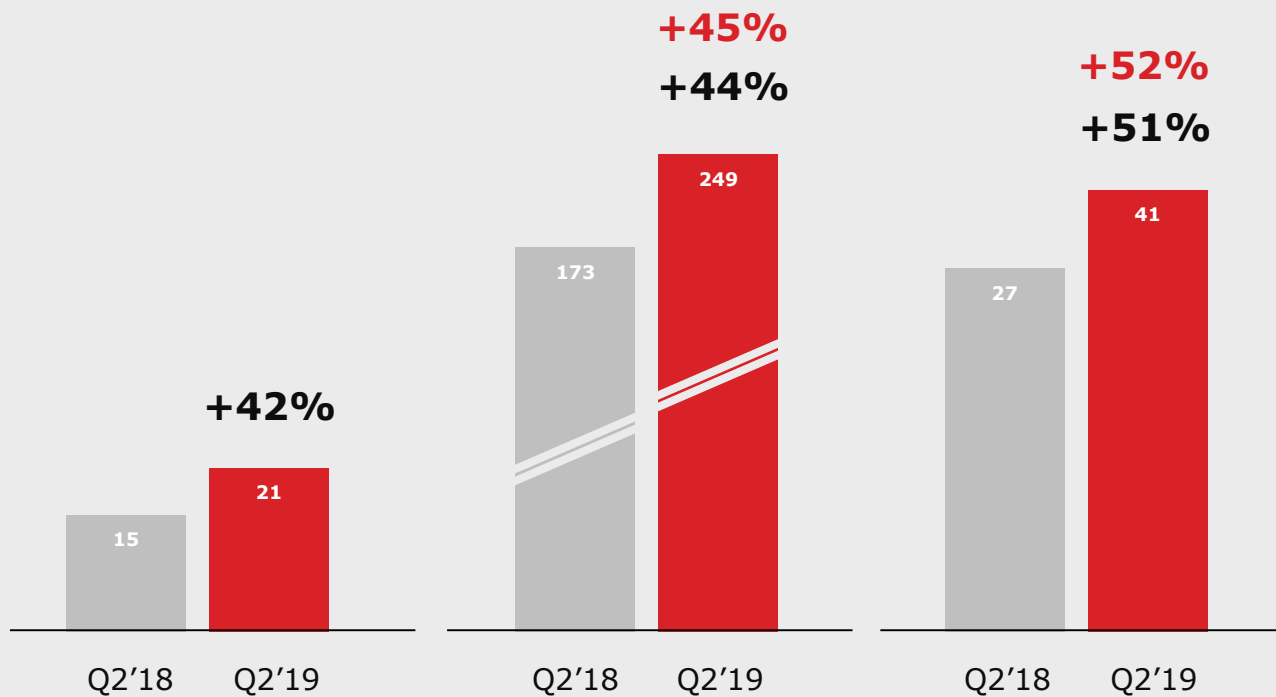
# Q2 2019 Europe Performance



## Orders

## GMV

## Revenues



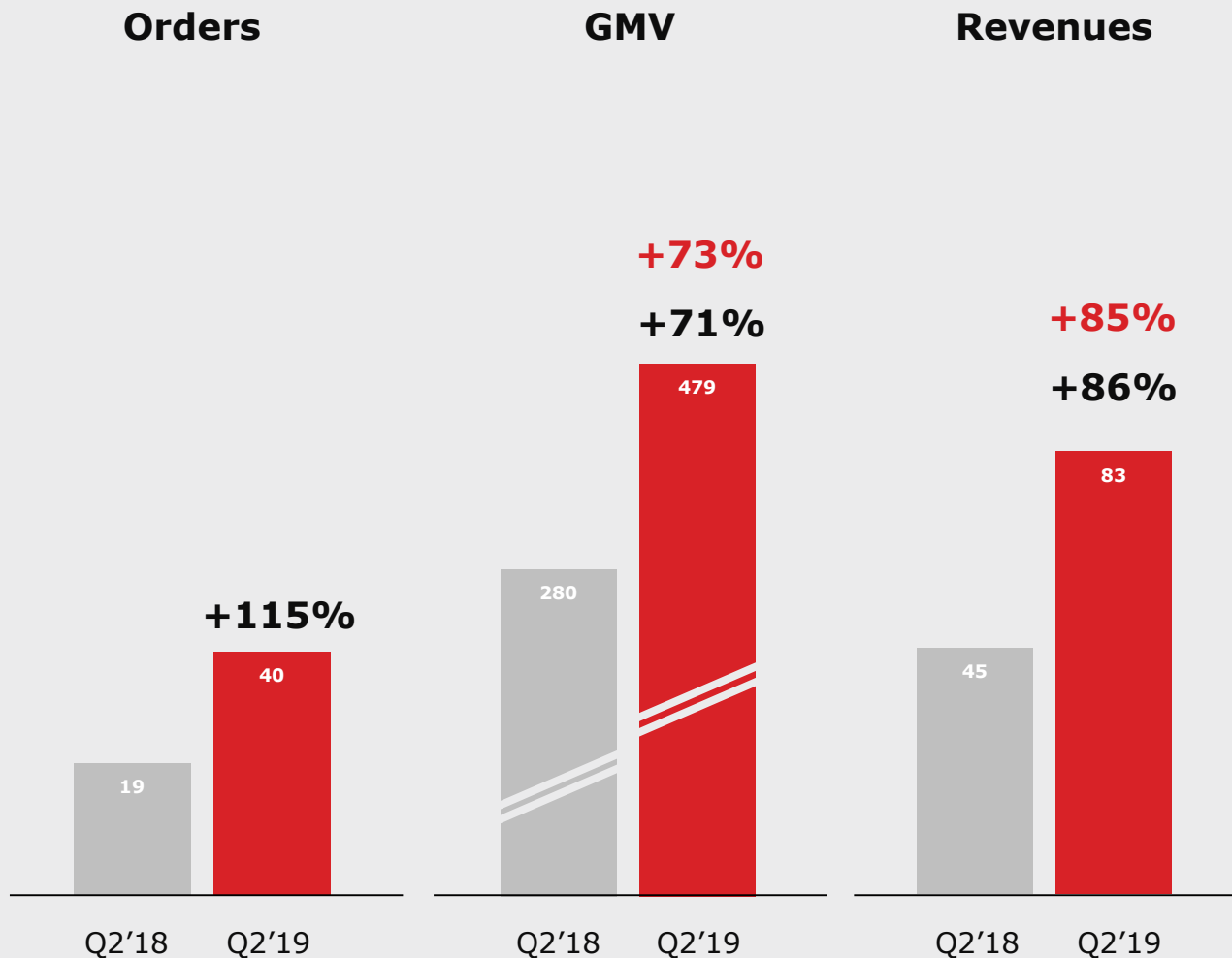
- Acceleration in order growth to 42% YoY given change in market mix
- Own-delivery orders now at 13% of total orders for Europe
- Europe expected to reach breakeven during H2 2019<sup>1</sup>

All values in Unit million / € million

YoY growth rates in red are constant currency and in black are reported currency

1. Europe is expected to breakeven on an adjusted EBITDA basis

# Q2 2019 Asia Performance

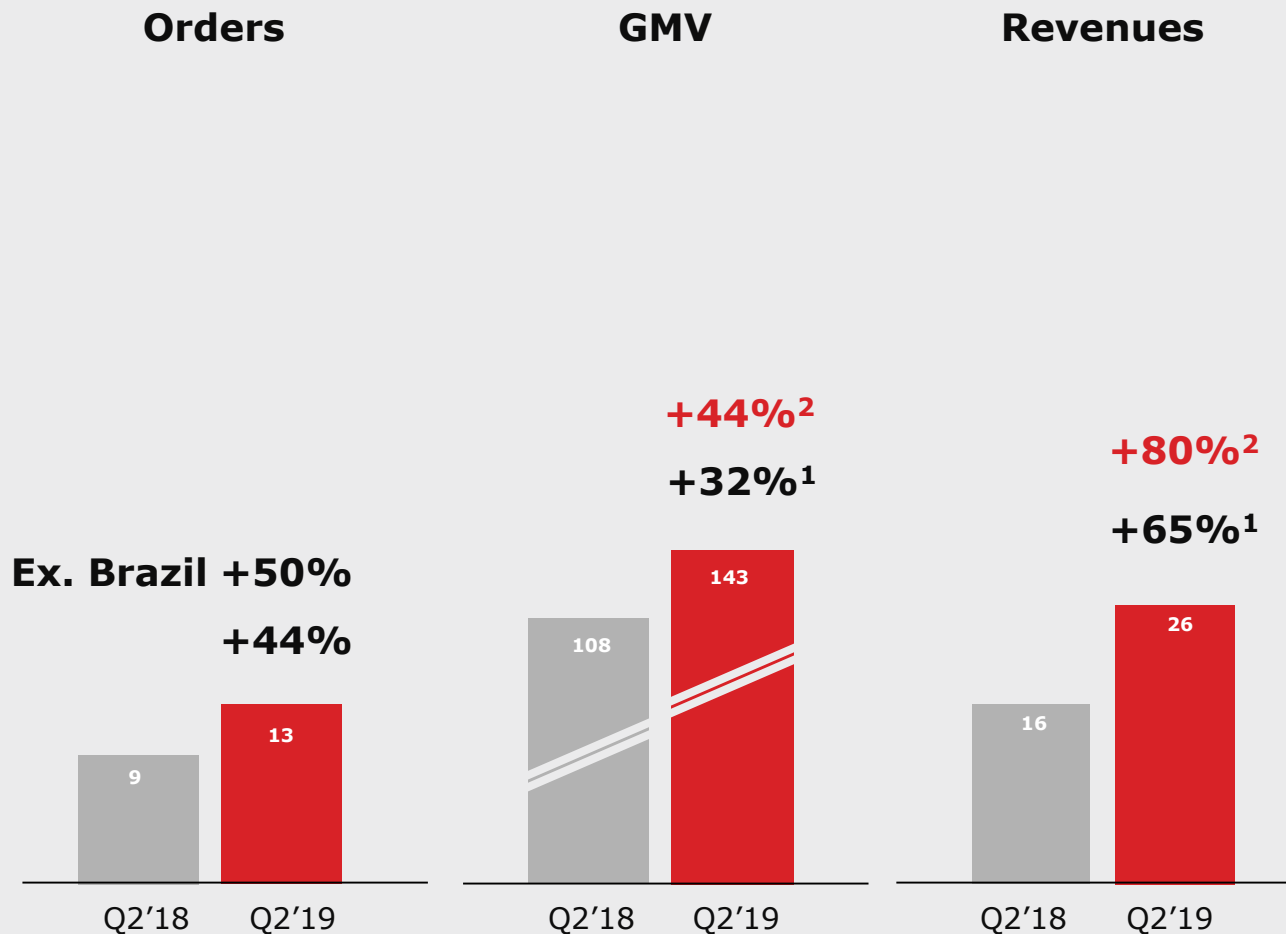


- Substantial increase in growth of 115% YoY in orders with further upside to accelerate driven by city expansion, increased restaurant coverage and improved customer experience through delivery
- Own-delivery orders now at 39% of total orders
- Due to the successful adoption of sustainable affordability measures the average order value has reduced to €11.90

All values in Unit million / € million

YoY growth rates in red are constant currency and in black are reported currency

# Q2 2019 Americas Performance



- Significant acceleration in order growth of 50% YoY ex Brazil with further upside to accelerate
- Own-delivery orders now at 38% of total orders
- Due to the successful adoption of affordability campaigns the average order value has decreased to €11.31
- Revenues and GMV are impacted by the accounting treatment IAS 29 for Argentina considered as a hyperinflationary economy<sup>2</sup>

All values in Unit million / € million

YoY growth rates in red are constant currency and in black are reported currency

1. Americas revenues and GMV as well as the respective growth rates are impacted by the Argentinian operations qualifying as hyperinflationary economy according to IAS 29 beginning 1 September 2018. 2018 revenue is retrospectively adjusted. Comparability is affected as prior period information is not restated. In Q2 2019 revenues & GMV have been retrospectively adjusted with a total positive impact of €1.2m and €7.5m respectively

2. Included reported current growth rates for Argentina in our constant currency calculation due to the effects of hyperinflation in Argentina

# Agenda



1 Business Update

2 Financial Update

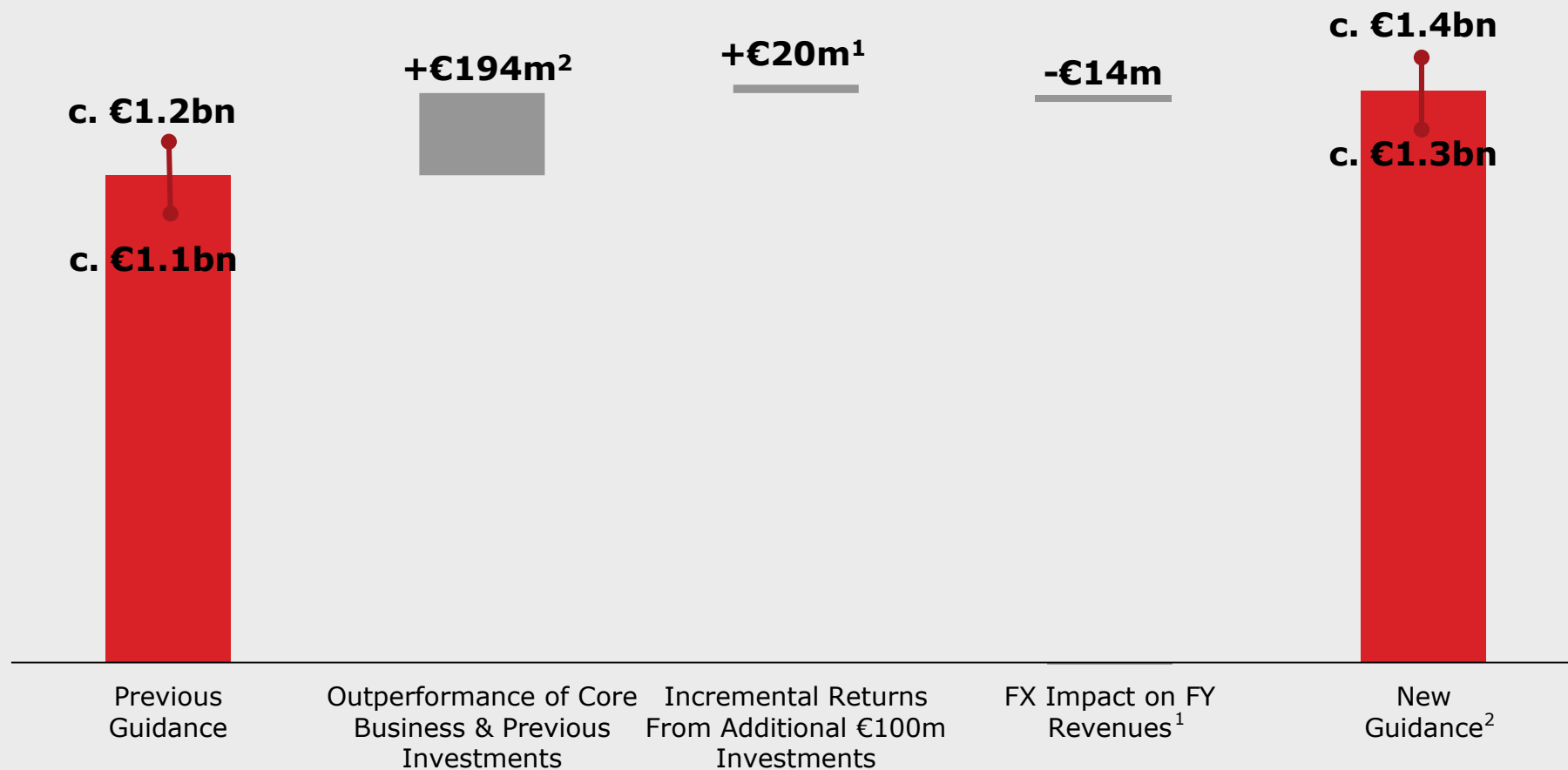
**3 Outlook**

4 Q&A





# FY 2019 Revenue Guidance



1. Incremental profits from revenue uplift will be reinvested into the business. Adjusted EBITDA guidance remains unchanged.  
 2. As per June 2019 announcement

# Outlook 2019



## 2019E Guidance:

### Revenues

**€1.3bn to €1.4bn**

Raised Revenue Guidance by €200m in June 2019

### Adjusted EBITDA

**-€370m to -€420m**

Includes €100m investments announced in June 2019

- MENA expected to generate full year adjusted EBITDA of €70m<sup>1</sup> despite one off impacts in H1 2019
- Europe expected to reach adjusted EBITDA breakeven during H2 2019

1. Adjusted EBITDA expected to be slightly negative in H1 2019 with significant profit occurring in H2 2019. H1 2019 profitability impacted by one-off impacts in H1 2019 related to Hungerstation and the integration of Zomato UAE. One-off effects in H1 are not expected to be carried forward to H2 2019. The strong underlying performance of the business will allow us to reach significant profits in H2 2019

# Agenda



- 1 Business Update
- 2 Financial Update Q1 2019
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# APPENDIX





# Adjustments



- **Definitions**

- The reported like for like figures have been retrospectively adjusted for divestments of foodora non core assets i.e. Australia, France, Italy & Netherlands and Germany
  - Figures have not been adjusted for other acquisitions or divestments that can be found in the table below
- The group order growth would have been 63% YoY if adjusted for all acquisition and divestments – Mainly related to the acquisition of Zomato UAE which is consolidated from 1 March 2019.

- **Change in Footprint Since Q2 2018**

	Europe	MENA	Asia	Americas
<b>Acquisitions</b>	Hungary (Pizza.hu) Romania (hipmenu) Hungrig (Sweden)	UAE (Zomato)		Ecuador (Megabite) Uruguay / Bolivia (Netcomidas) Argentina (Delivery Santa Fe)
<b>Divestments</b>	Switzerland (Foodarena) Poland (PizzaPortal)			Brazil (PedidosYa) Peru (Domicilios) Ecuador (Domicilios)

# 2019 Financial Calendar



## Event

## Release Date

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**Half-year 2019 Report**

**04-Sep-2019**

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**Q3/9M 2019 Trading Update**

**07-Nov-2019**

# Delivery Hero KPIs (1/2)



	2018						2019		
<i>in €m</i>	Q1	Q2	H1	Q3	Q4	FY	Q1	Q2	H1
<b>Delivery Hero Group</b>									
<b>Orders</b>	80.2	86.4	<b>166.6</b>	94.5	108.3	<b>369.4</b>	124.5	144.2	<b>268.8</b>
% YoY Growth	51.8%	48.3%	<b>50.0%</b>	49.0%	46.7%	<b>48.8%</b>	55.2%	67.0%	<b>61.4%</b>
% OD Orders	10.2%	11.9%	<b>11.1%</b>	16.4%	19.5%	<b>14.9%</b>	25.0%	29.9%	<b>27.6%</b>
<b>GMV<sup>1,2</sup></b>	970.7	1,041.1	<b>2,011.8</b>	1,119.8	1,322.8	<b>4,454.4</b>	1,507.6	1,684.1	<b>3,191.7</b>
% YoY Growth (Reported currency)	42.5%	40.7%	<b>41.6%</b>	39.7%	45.7%	<b>42.3%</b>	55.3%	61.8%	<b>58.6%</b>
% YoY Growth (Constant currency)	59.4%	55.6%	<b>57.4%</b>	46.2%	57.8%	<b>54.7%</b>	56.8%	63.7%	<b>60.4%</b>
<b>Revenue<sup>1,2</sup></b>	137.7	154.5	<b>292.2</b>	175.9	218.9	<b>687.0</b>	267.2	314.6	<b>581.7</b>
% YoY Growth (Reported currency)	56.2%	58.7%	<b>57.5%</b>	65.3%	74.4%	<b>64.6%</b>	94.1%	103.6%	<b>99.1%</b>
% YoY Growth (Constant currency)	73.9%	74.0%	<b>74.0%</b>	71.4%	85.5%	<b>76.8%</b>	93.0%	103.0%	<b>98.3%</b>
<b>Adj. EBITDA<sup>1,2</sup></b>						<b>-100.2</b>			
% EBITDA Margin						<b>-14.6%</b>			
<b>MENA</b>									
<b>Orders</b>	41.1	44.2	<b>85.4</b>	48.7	56.5	<b>190.6</b>	64.6	70.6	<b>135.2</b>
% YoY Growth	60.4%	56.5%	<b>58.3%</b>	53.8%	50.9%	<b>54.9%</b>	57.0%	59.7%	<b>58.4%</b>
% OD Orders	7.9%	9.4%	<b>8.7%</b>	14.4%	18.6%	<b>13.1%</b>	26.5%	28.3%	<b>27.4%</b>
<b>GMV</b>	439.8	479.9	<b>919.7</b>	549.7	630.6	<b>2,099.9</b>	744.8	813.8	<b>1,558.5</b>
% YoY Growth (Reported currency)	52.4%	53.2%	<b>52.8%</b>	50.1%	56.9%	<b>53.3%</b>	69.3%	69.6%	<b>69.5%</b>
% YoY Growth (Constant currency)	76.6%	74.6%	<b>75.6%</b>	64.7%	66.3%	<b>69.9%</b>	69.6%	70.0%	<b>69.8%</b>
<b>Revenue</b>	56.6	66.7	<b>123.3</b>	85.0	108.1	<b>316.4</b>	143.9	164.3	<b>308.2</b>
% YoY Growth (Reported currency)	91.5%	103.8%	<b>97.9%</b>	103.4%	119.7%	<b>106.4%</b>	154.1%	146.4%	<b>149.9%</b>
% YoY Growth (Constant currency)	121.5%	130.1%	<b>126.1%</b>	117.6%	126.5%	<b>123.9%</b>	146.8%	141.2%	<b>143.8%</b>
<b>Adj. EBITDA</b>						<b>18.1</b>			
% EBITDA Margin						<b>5.8%</b>			
<b>Europe</b>									
<b>Orders</b>	13.8	14.6	<b>28.4</b>	14.3	17.5	<b>60.3</b>	19.2	20.8	<b>39.9</b>
% YoY Growth	37.9%	39.1%	<b>38.5%</b>	43.5%	44.6%	<b>41.4%</b>	38.5%	42.1%	<b>40.4%</b>
% OD Orders	6.1%	6.4%	<b>6.2%</b>	7.8%	8.5%	<b>7.3%</b>	10.2%	13.1%	<b>11.7%</b>
<b>GMV</b>	173.1	173.2	<b>346.3</b>	174.8	213.4	<b>734.5</b>	232.0	248.6	<b>480.6</b>
% YoY Growth (Reported currency)	34.8%	31.4%	<b>33.1%</b>	33.7%	36.4%	<b>34.2%</b>	34.1%	43.5%	<b>38.8%</b>
% YoY Growth (Constant currency)	35.7%	32.8%	<b>34.2%</b>	36.1%	37.9%	<b>35.7%</b>	35.4%	44.7%	<b>40.0%</b>
<b>Revenue</b>	27.4	27.4	<b>54.8</b>	27.6	33.6	<b>115.9</b>	37.0	41.3	<b>78.2</b>
% YoY Growth (Reported currency)	29.1%	25.1%	<b>27.1%</b>	28.5%	34.8%	<b>29.6%</b>	34.9%	50.7%	<b>42.8%</b>
% YoY Growth (Constant currency)	30.6%	26.8%	<b>28.7%</b>	31.1%	36.5%	<b>31.5%</b>	36.6%	52.2%	<b>44.4%</b>
<b>Adj. EBITDA</b>						<b>-15.4</b>			
% EBITDA Margin						<b>-13.3%</b>			

- Americas revenues and GMV are impacted by the Argentinian operations qualifying as hyperinflationary economy according to IAS 29 beginning 1 September 2018. 2018 revenue is retrospectively adjusted. Comparability is affected as prior period information is not restated.
- Included reported current growth rates for Argentina in our constant currency calculation due to the effects of hyperinflation in Argentina

# Delivery Hero KPIs (2/2)



in €m	2018						2019		
	Q1	Q2	H1	Q3	Q4	FY	Q1	Q2	H1
<b>Asia</b>									
<b>Orders</b>	17.6	18.7	<b>36.3</b>	21.9	24.4	<b>82.6</b>	30.4	40.2	<b>70.6</b>
% YoY Growth	53.8%	46.9%	<b>50.2%</b>	50.6%	48.6%	<b>49.8%</b>	73.0%	114.8%	<b>94.6%</b>
% OD Orders	19.4%	21.8%	<b>20.6%</b>	25.7%	27.5%	<b>24.0%</b>	29.3%	38.8%	<b>34.7%</b>
<b>GMV</b>	261.7	280.0	<b>541.7</b>	317.4	354.5	<b>1,213.7</b>	416.3	479.0	<b>895.3</b>
% YoY Growth (Reported currency)	41.4%	39.8%	<b>40.6%</b>	50.4%	43.2%	<b>43.8%</b>	59.1%	71.1%	<b>65.3%</b>
% YoY Growth (Constant currency)	52.7%	45.7%	<b>49.0%</b>	48.7%	42.0%	<b>46.9%</b>	54.3%	72.5%	<b>63.7%</b>
<b>Revenue</b>	39.9	44.7	<b>84.6</b>	50.8	57.1	<b>192.5</b>	66.7	83.0	<b>149.7</b>
% YoY Growth (Reported currency)	44.7%	44.2%	<b>44.4%</b>	63.2%	52.1%	<b>51.3%</b>	67.3%	85.7%	<b>77.0%</b>
% YoY Growth (Constant currency)	56.4%	50.2%	<b>53.1%</b>	61.3%	50.4%	<b>54.3%</b>	61.4%	84.9%	<b>73.8%</b>
<b>Adj. EBITDA</b>						<b>-51.9</b>			
% EBITDA Margin						<b>-27.0%</b>			
<b>Americas</b>									
<b>Orders</b>	7.7	8.8	<b>16.5</b>	9.6	9.8	<b>36.0</b>	10.4	12.6	<b>23.1</b>
% YoY Growth	33.8%	31.1%	<b>32.4%</b>	32.6%	25.9%	<b>30.6%</b>	35.5%	43.8%	<b>39.9%</b>
% OD Orders	9.5%	12.9%	<b>11.3%</b>	18.6%	24.2%	<b>16.8%</b>	30.2%	37.6%	<b>34.3%</b>
<b>GMV</b> <sup>1,2</sup>	96.1	108.0	<b>204.2</b>	77.9	124.3	<b>406.3</b>	114.5	142.7	<b>257.2</b>
% YoY Growth (Reported currency)	21.1%	14.3%	<b>17.4%</b>	-16.9%	22.0%	<b>10.0%</b>	19.1%	32.1%	<b>26.0%</b>
% YoY Growth (Constant currency)	51.0%	45.8%	<b>48.1%</b>	-17.5%	93.4%	<b>44.0%</b>	44.0%	43.7%	<b>43.8%</b>
<b>Revenue</b> <sup>1,2</sup>	13.8	15.8	<b>29.6</b>	12.5	20.1	<b>62.1</b>	19.6	26.1	<b>45.7</b>
% YoY Growth (Reported currency)	40.7%	34.3%	<b>37.2%</b>	4.0%	45.4%	<b>31.2%</b>	42.5%	65.0%	<b>54.5%</b>
% YoY Growth (constant currency)	73.1%	68.5%	<b>70.6%</b>	8.4%	123.8%	<b>70.3%</b>	75.7%	80.4%	<b>78.2%</b>
<b>Adj. EBITDA</b> <sup>1,2</sup>						<b>-50.9</b>			
% EBITDA Margin						<b>-81.6%</b>			

- Americas revenues and GMV are impacted by the Argentinian operations qualifying as hyperinflationary economy according to IAS 29 beginning 1 September 2018. 2018 revenue is retrospectively adjusted. Comparability is affected as prior period information is not restated.
- Included reported current growth rates for Argentina in our constant currency calculation due to the effects of hyperinflation in Argentina

# Definitions



- **Gross Merchandise Value (GMV)** is the total value of orders (including VAT) transmitted to restaurants
- **Revenues** presented for Delivery Hero represent the total segment revenues prior to discounts. Discounts are expected to amount to EUR 71 million in H1 2019
- **Constant currency** provides an indication of the business performance by removing the impact of foreign exchange rate movements. Due to hyperinflation in Argentina we have included reported current growth rates for Argentina in our constant currency calculation to provide a more accurate picture of the underlying business
- **IAS 29 Hyperinflation Economies** applies to our Argentinian operations beginning 1 September 2018 and impacts our Americas revenues and GMV. 2018 revenue is retrospectively adjusted and comparability is affected as prior period information is not restated.
- **IFRS 16** has been adopted as of 1 January 2019



# Important Notice



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