

# Just Eat Capital Markets Day

## **Just Eat**

**John Hughes**

**Chairman, Just Eat plc**

Good morning. For those of you who don't know me, I'm John Hughes, the Chairman of Just Eat, and I'd like to welcome you to this morning's Capital Markets Day.

It's pretty remarkable, in my mind, that actually 26 months have passed since we IPOed this business. It seems like yesterday, frankly. And yet in that 26-month period I think we've travelled an awful long way. Hopefully what we'll show you this morning though is that the opportunity that's in front of us is actually way bigger than the journey we've already taken in the last couple of years. And what we'd like to demonstrate to you and I hope we will demonstrate to you this morning, first of all is the strength and capability of the team we've built to maximise that opportunity, and secondly, just some of the investments that we're making, both in the technology space but also in marketing, so that we can take advantage of the tremendous opportunity that this business has to continue to grow and to deliver more value to its shareholders.

With that let me hand over to David and the rest of team. Have a great morning, and thank you very much.

**David Buttress**

**CEO**

Yes, so morning, everyone. I think I know most of you, but I'm David Buttress, the CEO of Just Eat. There's two reasons why I wanted to host you all today. The first reason is actually I wanted to showcase to you the quality of team we've built the last couple of years, the last few years, because one of the best kept secrets I think of most businesses is that it's actually the people that make the difference, and while lots of you spend loads of time with Mike and I in one-to-one meetings you've never had a chance to see the fantastic team we've assembled, and I think while I'm always conscious that self-praise is no praise, as I'm speaking on behalf of my colleagues and others today, what I would say to you is I think who you're going to see and who you're going to meet, a phenomenal group of people. They really are the best team in the world in our industry, and I would include a few [inaudible] other categories. In a way I think of them at the New Zealand All Blacks, pained as I am to say that Welshman, of the category, and all the fearsome qualities that they possess when they go executing.

And I think where the rubber hits the road around that, where the substance of that is demonstrated is actually what happens when we do compete with people and when people come into our markets. And that's demonstrated, I think, when you see our positions and territory. So we're leader in pretty much every geography we operate in, and many geographies pulling away. And that's where the quality of the team, I think, makes such a huge, significant difference. So that's who you're going to meet today, just a small sample of the team. We get a real sense of them.

I think the second thing we wanted to share with you is the how we do it, because we love what we do. We've been doing it for a long time. I think we know the best business model to deploy. I think we know how to deploy it the best, and so I wanted to share with you a bit of our passion and excitement about how and what we do every day. So for the next few hours you're going to get into a bit of the detail of our business, and I like to think of this as almost like a pseudo recruitment fest. If any of you get so excited about what we do, feel free to drop your CV on the way out. We've got lots of great vacancies. So with that let me slide into the deck.

Okay. So you can see we went to a PowerPoint build class in preparation for today. It only took me 25 clicks to get the first slide. So you know these numbers but let me just reiterate where we are and the momentum we have, because momentum in business is a critical thing to build. It takes years to get and it becomes an unstoppable train, and we are that unstoppable train. And you saw that in our 2015 performance, but you know these numbers, so I don't want to pull them out, but what I do want to pull out is this. You saw in Q1 2016, despite, I mean many perceptions of a very competitive market, despite that, our Q1 2016 momentum has continued. We're feeling good about the year. I think it's fair to say of course it's still early in the year, so when you saw our Q1 guidance what we said was we're upgrading, but obviously we haven't had the summer yet. So the one caveat always, as you now know, is the seasonality effect, so we'll come to you at the half year results and give you a full update on where we see 2016 landing, but I think it's certainly fair to say we're feeling good about Q1 and how we're progressing through 2016. And as you know now, we're guiding you to that GBP358m thanks to the amazing work our UK team did and Graham Caulfield you're going to meet shortly, who runs our UK business and has done a phenomenal job in executing the price rise a lot earlier I think than people were expecting and with [virtually] no effect whatsoever.

You've also seen this, but I think this is important to emphasise, just the scale of the growth that we're getting, and not just the scale, actually, but the profitable growth that we're getting, because anyone can buy growth -- anyone can do that, anyone can do that. But what you can't buy is a proper business model that's sustainable economics. And the growth that you're seeing here is not only huge, scalable growth, but it's hugely profitable growth, and that profitable growth isn't just here in the UK and Denmark.

I think this slide is a really useful slide. We work in a really big industry. It might not be weapons or oil, but it's a big industry, a GBP24b industry that we operate in the territories we operate around the world. And that industry is growing, so this category is expanding. So this is not a flattening category. This is an expanding category driven by two things, consumers drive to convenience and the diversification of choice. When I started working in this category 11 years ago you could pretty much order a takeaway which was curry, Chinese and pizza, and there was just the beginning of sushi coming through. And now, actually, if you so desire, you could literally eat on Just Eat every day. And one of the things you'll see from Adrian a bit later is how the category is evolving.

And that's exciting for us because as you know one of the key drivers of future success will be order frequency and user retention. So the more relevant we become to our consumers the more regularly they'll use us and the great thing about being in the marketplace around that is what we have is the best choice. So we're the most relevant.

The other thing I just want to pull out for you here as well, while this seems a big number, the UK is GBP5.5b of it, but actually, the really exciting thing that I want to get to is the positions we now have in this other GBP18b part of the market, because that is a significant part, and while others have struggled, while others have struggled to build businesses globally in our category and while others -- and you've seen some others actually pull out with geographies, what I can tell you is the reason why they're doing that, it's because we're winning. It's us that's winning in those geographies.

I think important always to emphasise the UK, however, because without question, in our industry in global category, this is the best business in the world, bar none, in all geographies, even in the markets we don't operate in, including all our competitive set. And what you've seen here is the acceleration of growth, and look, the growth's continuing, right up into the right, over the last three years. So we're in, even in the UK, the growth, we're pushing up there towards 8m orders a month in the UK. So our business in the UK has real scale now, real scale and that drives a few major benefits.

The first one it drives, of course, is the channel shift from voice to digital is driving that growth. The second is scale in our marketing activity. So we can really do things nationwide and get all the network effects that come with that. And the last thing of course is the investments we're now making in technology are deployed and shared across so many customers they're more efficient. It's more efficient.

And I love this slide. And I love this slide so I'll spend a little bit more than the 10 seconds. I love this slide because what does it show you? This slide is the UK in March 2016. This is what the category looked like in March 2016. So this is a new slide you wouldn't have seen before. So the UK category, I think I want to emphasise three things. The first one I want to emphasise is, look, still 55% of UK consumers order their takeaways offline. So there's a huge category still, part of the category, that's doing it on the phone, and that's important because of course that's driving underlying growth for many, many years still to come.

And the second thing I can tell you, related to that growth, is actually, I think what we talked about at IPO we thought in the long term 60% of this industry would go online. 60%. Well, look. We're pretty much 45% or something now, and look at the growth of our UK Company. You saw it in the Q1 order update. You saw that growth still around 40%. And there's other people in the category also growing. There's no way, in my opinion, that it stops at 60%. There's just no way that's going to happen, right. It's going to go well above. I've seen some commentary saying it will. That's ludicrous. It will continue to go well above, I think, 60% in the long term. In fact, we've got there a lot quicker. Let's be frank about that.

The second thing I want to pull out about this slide is our relentless focus and discipline about, I think, focusing on the best business model and execution in the category. What does that mean? It means the growth -- when we -- to give you some context, when we IPOed this Company we had about 11% UK market share. We now have 25%. We've overtaken Domino's and we've pretty

much doubled versus Domino's since we IPO'd, in terms of market share. And even if you look at the last 12 months that segment there, in the middle, that's 7% that we added in the 12 months from March 2015 to March 2016. That 7%, of course, go back to what I said at the top, is great, sustainable, profitable growth. That is not growth that we're getting in a business model that doesn't have that characteristic. Our business model, as you know, has fantastic underlying financial characteristics. And that 7% growth that you also see that we've had in the last 12 months, is more than all our other competitors in the UK combined. More than all our other UK competitors combined. So our number two competitor, hungryhouse, number three, Deliveroo, if you add all of them up that 7% growth we had in the last 12 months is bigger than them all together, or roughly the same size.

Adrian's going to talk to this, like I said, in a few moments, but I think I just wanted to emphasise, from my perspective and give you a sense about why we are so excited about our global positions. So while others have been pulling out and scaling back, both their last [mile] operations and also some of their geographic expansion, we're doubling down in the territories we operate in, because of that discipline we've had the last years about making sure we won big about the market leader in markets of scale point that I think that we've said to you all about 3,000 times, probably, on average. And this is important, because look what's happening.

So if you look around this wheel, what you're seeing is the yellow geographies are now profitable. So go back just two years, we had two profitable geographies, in effect, UK and Denmark. And now you can see all these countries coming through to profitability as we add scale to them. And Adrian's going to give you a sense of that curve of evolution that they're on, but what I wanted to draw out to you is now not only do we have the leadership positions, which create the economics that you now know and are getting to know quite well, but also what we have within those geographies is that great underlying profitability there, coming through at Group level, because as more and more of these countries come through the line into profitability of course, our Group position gets ever, ever stronger.

And let me just emphasise a little bit as well some of the growth that we have in these markets. So Italy, Spain, Mexico, Brazil -- and remember, let's just remember always that there's nothing in our numbers, ever, that gives us any credit for Brazil and that's a significant company in our sector, now doing more than 1.5m orders a month, growing triple-digit organically year-on-year, and has actually gone through breakeven into profitability in its own right. This is a hugely valuable asset, I think, in the long term.

Let me just talk about -- I said to you the things that we get passionate and excited about at Just Eat, because you build Just Eat by doing a thousand good things every day, small bits of execution in every geography, and that's why I think for us the big thing that I wanted to pull out to you as well [inaudible] the team, it isn't just here in London that we have a great team. I'm so grateful to the guys that have built our businesses around the world. We have fantastic local teams. Unfortunately, we can never showcase all of them to you, but rest assured, the same quality of team that I spoke about here in London, some of whom you will meet now, actually is replicated across all our geographies. So this is a business being built by brilliant people every day who know how to build these businesses and do this thousand pieces of execution I spoke to.

And let's just pull a couple of things I think which are quite exciting about what we're doing. Talk about improving the consumer experience. Nobody knows what we know about this industry and

will probably ever know what we know. And what does that mean from improving the consumer experience? Well, I think we can tell you, in any given neighbourhood, what are the best restaurants for you, as a consumer, to choose and eat from, who will give you the best experience, and of course now what we're going to do over the coming years is elevate those local restaurants that we know are the best one, in order to make sure we keep giving you better experience than you'll ever get anywhere else and on the phone. And of course that ability, that knowledge, that data means the customers that order on our platform, why would you go anywhere else? Which is why, once we get you on our platform and get you through the first few orders, you never go back, because it's just about experience, because you never know that via your kitchen drawer.

I think the next thing that's critical is this one on choice. Another thing Adrian's going to show you is how the category's evolving, and as a marketplace business what we're able to do is give you everything for all those different occasions I mentioned earlier. So it just needs to becoming more and more relevant for you when you're hungry, not just for that Friday and Saturday night treat, but now for that Tuesday night, maybe salad after football on the way home from a busy day at work. So that means that driving that, bringing a greater choice, I believe is going to continue drive that order frequency, which of course will additionally drive growth in the long term, and make us relevant and centre of the category, because what we're not going to do is focus on any mid or high end or just do non-delivery. We're going to do everything for everyone. That's the way to think about it. And in the end that's the winning play. I really believe that's the winning play.

And then lastly, of course, channel shift. Let's not ever forget it because we can all get hung up on there's lots of things happening in the industry, there's lots of competitors coming, but actually, let's remember, it's a huge category, it's expanding, and on top of that the vast majority, our number one competitor right now, is the telephone, and that's true in the UK, and it's even more true, if you think about it globally, because in most of our geographies outside of the UK and Denmark eight out of ten orders, plus, are on the telephone, which is why we have the growth trajectory we have for the next decade.

So let me leave you with the thing I started with, which is my sense of the team that we've built the last few years, and I think why you should have the same confidence and belief that I have, that we have in New Zealand All Blacks of this category. I'm going to do the haka for you, actually, at the end. So, Adrian, obviously, is a veteran now. He's been with us for five, six years. He's going to present next, and has run our operations and runs all our countries globally. So Adrian's going to share with you some insight internationally.

Fernando's a recent joining, actually, so Fernando's going to present all the tech, amazing tech and product stuff. We're going to -- what we're starting to do and will continue to do over the next year or two, so really give you a sense of where that investment is going and what that execution is going to deliver from a consumer product experience and a restaurant experience with us, because the restaurant part of our business, I would hope you get a sense of today, is a huge moat, I believe, around our company in the long term.

Barnaby is obviously also now a veteran because he's been here a year and if you've been here a year at Just Eat -- Just Eat years are like dog years -- so if you've been here a year it feels like seven. So I've been here for 70. But no, Barnaby's been here for just over a year and all the amazing marketing you've seen the stuff in execution in Italy that we did last fall, which meant we went from number two to market leader and then we had to push Rocket out of that market, a lot of credit goes

to Barnaby and his execution of localising genuinely world class marketing execution, both above the line and locally over the last 12 months, and Barnaby will give you a sense of what we're doing globally around that. There's some amazing stuff you're going to see there.

And lastly, and not presenting today, is Lisa. But Lisa's for me, has been a huge business partner in the last 12 months. She's been amazing to work with. She joined us from Betfair, and Lisa, all the things I've said about the team and how we're building the team, huge credit goes to Lisa around there. She's a business partner, like I say, for me, but also I think for the entire exec team, and the people, if you go on LinkedIn and see the kind of people working here now and the people joining, I think you'd agree with me that we are genuinely the New Zealand All Blacks, as I say.

So, with that I'll now pass over to Adrian, who's going to take you through all our operations.

## **Adrian Blair**

### **COO, Just Eat plc**

Thanks a lot, David. I'm going to talk about the global opportunity and how we plan to capture it and then I'm going to hand over Graham Caulfield, who runs our UK operations, to give a bit more detail on what we're doing in the UK. Let's start with the global opportunity, a useful benchmark, I think, of true scale in this industry is whether you've done a million orders in a month. If you look around the world at the hundreds of people who've attempted this business model, you can literally, in one handful, count the number of people who've managed to surpass that benchmark. We've got three businesses in our portfolio right now, who do more than 1m orders per month, and we've got three more who are on a very credible path to achieving that benchmark. So let me tell you a bit more about that and about what this slide means.

What this shows is the number of months since inception of each of these businesses, and orders per month on the vertical axis. And you can see the blue line is the UK. Now, if we continued that to the point it is now, it would extend well into the floor above us, because, as David showed, it's doing well north of 7m orders per month now, so the UK is a runaway success on that chart.

What you can see here is the line furthest to the left, Brazil, because they've got such a big population to shoot for, it's actually accelerating at an even faster growth rate than our UK business did in the early days. And you can see, on the far right there, our third business, which is already over a million orders per month is Australia. When we bought it just over a year ago it was doing around 700,000 orders per month. It's now well over that million order a month trajectory. So those are the three that are already above that benchmark.

Why is it that we think we've got three others on such a credible path to get there? Well, essentially, you can see it on this chart. Australia's done it. Australia's there already. We've got three businesses who are ahead of Australia on that curve, who, there is a very real prospect that they also achieve that benchmark. So you can see Spain, the green line, is the furthest advanced and the sudden spike you see right at the end there -- this data runs until May 2016 -- the sudden spike, of course, is our acquisition of La Nevera Roja, so we were already on that path to achieving a million orders and that's obviously brought us a lot closer to the objective.

And then to the left of that you've got Italy -- similar story. We're already on that path. The acquisition spikes us up and brings us closer. And then we've got France, which is further behind, and we've tracked that since the date that we actually bought the business, because prior to that it wasn't really being run for growth, and what you can see with France is it's on track to get there as well.

So, commercially, the top priorities of my teams are, number one, we want to help the UK and Australia to shoot for the stars and to grow revenue and to grow profit and to accelerate those businesses as fast as we possibly can, whilst supporting our joint venture partners in Brazil to do the same.

Number two, we've got to make sure that those three other markets achieve that million order benchmark and do everything we can to invest in them and support them to get to that point. And number three, we need to create more Denmarks, because of course we have small countries in our portfolio as well. It's not all about these big markets with large populations to shoot for. And our Danish business, let's not forget, did more than GBP5m of EBITDA in 2015. So even these small markets can be very, very valuable assets over time, and we've got a couple in our portfolio who are actually well ahead of where Denmark was at an equivalent point in time.

So again, similar chart and what you can see here is the bottom line here is Denmark and of course it's progressed well beyond this point now. It's a much bigger business than that, but this shows Denmark since inception and you can see the line above that is interesting because that's Ireland. So Ireland, with a similar population to Denmark, is already about 100% ahead of where Denmark was at an equivalent point in time. So when we talk about Ireland potentially being a future Denmark, we're actually being quite conservative in saying that. I think it can be a future Denmark actually much sooner than Denmark itself got there and hopefully can be an even more attractive market in the long term.

And then the other one that's got a prospect of getting there is Switzerland. So Switzerland is further behind, but you can see from here, it's actually growing even faster than the Irish trajectory. We've got a slightly larger population in Switzerland that's helping.

So those are the commercial priorities. Accelerate the big markets, shoot for the stars in those big markets, get those other three up to that million order a month benchmark and beyond and then create more Denmarks in our portfolio.

How are we going to get there? Again, I think there's three things that any business needs to do. One is you've got to have great people. You've got to have a really strong team with strength and depth as you scale. Two is you've got to have the right plan, the right strategy and three is you've got to have superb execution to make sure that you actually do it. So let me talk to you about each of those things.

This is the team that I manage at a senior level. The way we operate is we empower country managers to a degree that some other businesses in our space probably don't. So we hire experienced general manager into those positions. They have full accountability for their P&L, and what we believe is that these people know their local markets better than anybody else, and while we can have opinions and make recommendations, they're the ones that really drive the business in

their territory and ultimately make the important calls about what we should do, and that model has served us very, very well over time.

But what we do in addition to that is we support them with some functional specialists centrally. A great example of that is the business intelligence team, which I also manage, which supports all these countries. We've got a global operations team that does something similar, and a few other functional specialists, because we can obviously afford a level of talent centrally that you wouldn't be able to recruit, particularly in a small market like a Switzerland or an Ireland. So this model is working very well for us to get the best of central and local empowerment at the same time, and it comes down to the quality of these individuals who, as David mentioned, are really second to none.

The most recent addition to this group is Alistair Venn down here, in Australia. Alistair joined a few weeks ago as our managing director. He was previously responsible for all of Groupon's operations in Australia. He's a fantastic talent already making an impact. So he's the latest example of the level of talent that we're able to bring in.

So let me talk to you about how. Those are the people. Those are the commercial objectives. How do we actually plan to get there? The first thing we need to do, as David mentioned, is we need to expand choice for the consumer. We don't just want to be a niche player in one or two parts of the category. We want to give our consumers everything that they want, delivered to their home. The first part of that is we need to just go out and capture the restaurants that are out there in the markets where we operate.

There are thousands and thousands of restaurants waiting to be signed up that our sales teams need to go out and get and the system we have for doing that is getting better and better all the time. The latest example is we're getting much more sophisticated around lead scoring. That is looking at data on restaurants outside our network, to identify the ones that we need to bring on first.

The second thing we need to do is we need to bring restaurants on to the platform who don't have their own drivers, so we work, as most of you will know, with third party logistics specialists. What we do here is we're quite selective. We wouldn't go out to any old sandwich bar, who doesn't have drivers, and bring them on to the platform. We look at our data. We see what our users want and we go out and we get those restaurants that we think match the demand of the people on our platform. We've got hundreds of these restaurants around the world. Some of you will have seen the London Loves category here in London, where we've got a couple of hundred restaurants already, who we're providing drivers for via third parties.

Then the third part of this is brands and chains. We already work with brands like the ones you can see on the slide and we think there's a huge opportunity for them to work with us, because you can think of Just Eat as a huge shopping mall of people looking for food. We've got, as I mentioned at the full year results, we've got over a million people a day using our product in the UK to find out where they want to eat. If you're a chain, if you're a brand, you want your brand to be in front of those people at that time when they're looking for food. It's as simple as that. So we think there's a big opportunity for them, and of course for us, to bring them on to our platform.

David mentioned how the category's evolving. One of the striking features of this is how diverse demand now is from our consumers. It's not people just coming on with kebabs and pizza or whatever. These are some of the fastest growing cuisine types, relative to our business as a whole.

You can see the blue line is healthy foods, the yellow line is Greek food. Both of these things growing more than twice as fast as overall demand on Just Eat, and I could have picked many other diverse cuisine types, because you'll find dozens of them on Just Eat. I think in various parts of the UK we've got over 100 different types of cuisine now on the platform, so it's quite remarkable, the diversity and the demand for that diversity among our consumers.

The second big part of our operating strategy -- so that was choice. The second big part is activation of our restaurants and of the areas in which we operate. Traditionally we've done a lot of things here, and you can see examples. I'm sure you've seen on the streets, things like our blade signs that are on the left here. You'll have seen our stickers on restaurant windows. We plan to do a lot more of that kind of activity, to get our brand in front of users. But we also plan to go beyond that, because to me activation isn't just about slapping our brand around the restaurant estate. It's about engaging with the restaurants to help them actually grow their businesses. The reality is as we've scaled we're sitting on a huge amount of data that is useful for restaurant owners to manage their business. Let me give you a couple of examples of what I mean by that.

This shows, for a particular restaurant outlet, the time of day and how many orders they're doing at each time of day. You put this in front of a restaurant owner who's never looked at this kind of data before but who wants to grow their business, and it's incredibly engaging and powerful for them to see this kind of thing. This particular owner, for example, you can see 10pm on a Thursday he has a huge spike, but he doesn't see it any other time of the week. That has obviously operational implications like he needs to have more drivers.

This is another example which shows top selling menu items for a particular restaurant and bottom selling items. Again, obvious operational improvements, or requirements for the owner in this to make sure that they have enough of their top sellers, and perhaps take some of their bottom sellers off the menu so that they don't have to stock all that inventory.

So these are just a couple of examples, and there's so much more we can do here, of the kind of data our teams can bring into restaurants to actually help them to grow their businesses. So activation isn't just about us and our brand. It's about them and helping these owners to grow.

Then the third part of it -- so that was choice, activation -- the third part of this is improving the consumer experience. So, we run a contact centre in Borehamwood, with several hundred people. We've got outsourced customer support centres in Romania and Bulgaria, and some of our markets we've got local support to complement that. One of the great achievements of the last few months has been that we've managed to improve the satisfaction of people who get in touch with our contact centre, and this is people asking questions like, what's going on -- my food hasn't arrived? The satisfaction of those people has gone up quite dramatically and is now over 90%. And at the same time as doing that we've actually reduced the number of contacts that we received per order. So we've improved the efficiency, by a factor of two, of the -- or by 50%, sorry. We've improved the efficiency by 50% of the people actually doing that work. And that's through implementing a new tool set, cloud based telephony, Zendesk, and a few other things, which we're now spreading around the world.

So that's dealing with -- but that's what I call the sticking plaster, because that's dealing with problems when they've arisen. And of course what we really want to do is make sure problems don't happen in the first place. So, that's the second part of this, is improving the actual experience

itself and again, data is absolutely key to this. So we're sitting on a huge amount of data about the experiences that our restaurants are delivering and we can do a lot more to actually use that data to optimise our network at an individual outlet level to make sure that we're rewarding the best and coaching the worst, or keeping them off the platform completely to improve the underlying experience that our consumers have.

Then something really interesting going on in our business at the moment is we're starting to set an ambition of becoming a global brand. So not using different brands everywhere around our network and Barnaby is going to talk more about that.

We also want to become a global technology platform, so, Fernando is going to talk a bit more about our ambitions there. To complement that, I think it's important that we have a consistent standard of service around the world. So if you're a Just East consumer in Paris, you don't get a completely different standard of service to what you would expect in London. It needs to be consistent. It needs to be the same everywhere and that's one of the big initiatives in our operations teams at the moment to agree what are those standards, let's implement them right across our estate. So that means like the price promise that we have in the UK. So your Just Eat menu price and the price you will get in the restaurant should be the same. We promise that to the consumer. We refund double the difference if the prices don't match. That's the kind of thing we mean. We want to roll out consistent standards globally.

I've mentioned data a lot. It's worth calling out the team the team that's actually doing this every day. So we've made a serious investment in some world-class business intelligence talent. So we've got a team of about 40 people now who produce the data visualisation and the underlying data infrastructure capability to deliver on a lot of the things that I've been mentioning. Because if you think about league scoring, using data to improve customer service, putting data in front of restaurant owners that they're going to find interesting, that doesn't just come out of the ether. You need people who really know what they're doing to produce that. The same team is supporting Fernando's organisation in technology and Barnaby's in marketing. So it's absolutely core to our success which is an important thing to understand.

I want to talk briefly about the assets that we acquired. So I already showed you the trajectory of the Australian business, how it surpassed the important million order a month benchmark. We've owned it now for about a year and in that time we've been able to already make a lot of operating improvements.

So just quick example, they didn't have a field sales team. They didn't have top placement to generate additional revenue. We've implemented those things and, as David said, our business is about many, many small things, not one or two big ideas. As you can imagine, we've gone in and implemented many, many small improvements.

At the same time when we buy businesses like this, we're humble and we want to learn from them. We've actually learnt a lot from Menulog and from PizzaBo and the other businesses we've bought that has helped us elsewhere in the operation.

I mentioned Alistair Venn earlier, we brought in as the Country Manager. We put in talent from elsewhere in the Group. So we've brought some of our best managers into Australia because it's

such an important market for us and we've hired some talent externally as well. So we've got essentially a completely new senior leadership team in that market.

We just relaunched the Menulog brand. I won't steal Barnaby's thunder. He's going to talk a lot about what that means. But that only happened a few weeks ago and that's a very important part of improving our growth in the second half in that market that's performing on plan at the moment.

Let me talk briefly about Spain and Italy and the acquisitions we just made there. So PizzaBo in Italy is progressing well. We've completed the people changes. So we've got a few people from that organisation who are now working for us and we've actually been very impressed by the level of talent that we've been able to find there. The migration of PizzaBo to the Just Eat brand and platform and the migration of the customers will all start to happen from September this year. Their base is heavily student oriented, so it doesn't make sense to do it right now. We need to wait until the students start coming back in September.

In Spain we're a little bit behind that because of an HR consultation period, but the plan is to get that done and then to progress in similar fashion. But it's important to understand that the businesses that we run, the core businesses of Spain and Italy and the assets that we acquired, are continuing to perform well since the date of the acquisition.

So, about three years ago we promoted Graham Corfield. He was our UK Finance Director. We promoted him to running our entire UK operation and we've surpassed many milestones since Graham took over. So, I'm going to hand over now to him for a quick update on the UK operations and progress.

## **Graham Corfield**

### **UK Managing Director, Just Eat plc**

Hi, everyone, I'm Graham. Thank you, Adrian, for that lovely introduction. As Adrian said, I've been UK MD for now three years. I've been in the company five years and as David said, that's about 35 years in dog years. I joined in 2011 working for Mike as the first UK FD. In that time I've seen some significant growth and I thought I would just put up this slide which just really reiterates the great business we've got in the UK, how solid it is and the business that I literally have the privilege of being the Managing Director of. It's an honour to run this business.

We've seen massive success, but there is so much more still to do in the UK. As David said, 55% is still done on the phone. That's your biggest competitor and that's really where we're going to need to attack.

You've seen these numbers, the 2015 number analysis, but that's just 67 million orders, up 48% year on year, £170m and £78m of EBITDA. £78m EBITDA is 130% of the Group EBITDA for 2015, so a real profit generator for the Group. As you've seen from the Q1 numbers, again, we continued to grow 40% in quarter one. But there is still so much more me to do.

In terms of some milestones, we talk about milestones. A few milestones in 2016 we've achieved already. In March it was our tenth anniversary, so he hit ten years, which in true Just Eat style we celebrated accordingly with some cake and some fizzy pop. To put it in context, the growth of the business in those ten years, in year one, to put in scale, we did 14,000 orders and for our restaurant

partners we processed £250,000 worth of gross order value through our system for restaurants. In 2015, ten years later, we did 67 million orders and we generated for our restaurant partners £1.1b of food order value in ten years. That growth is great. It really shows how we're helping drive business to independent restaurant partners and helping them thrive. Not just survive, but thrive in a very competitive landscape.

Other milestones is in May this year we hit our 200 millionth order. This is the restaurant. This is Speedy Amigos in Cardiff which is where our CEO lives. So I've not done the due diligence, but I need to check whether actually the order was placed by a Buttress. I could imagine David at 199,999 saying order, order, order. Or actually whether this is actually David's dad. I'm not sure. But this is Speedy Amigos in Cardiff. The order was a chicken pizza. The guy on the left is Ali Mehar. He's our Territory Manager in Cardiff. Went down, gave the guy £2,000. We celebrated. Got a lot of local press PR, gave the guy a tee-shirt saying, "I delivered Just Eat's 200 millionth order, Holy Guacamole", which was great.

Again, to put that in context in the UK business around that growth, it took us eight years and nine months to do our first 100 million. It's taken us 18 months to do our second hundred. I am absolutely passionate about pushing this business to do our next 200 million in a 12 month timeframe or less. That's what my real driver is, to try and close that gap.

So, great for these guys.

Secondly, in May, as we estimated, Adrian talked about one million orders a month is a great threshold. You saw the graph of the UK. We surpassed one million orders in a weekend for the first time in May. So across Friday, Saturday, Sunday we took one million orders which is the first time. It was a massive milestone. So, again, we're celebrating in style with some fizzy pop and cake and we move on. So my next goal is 300 million orders and my next goal is our first two million order weekend. So, that's where we're shooting.

As well as orders, a few things I think I would like to update you on with regard to the UK business. Three key areas really. One is, as David alluded to, we've implemented a price increase into the UK business. We did this on the 11<sup>th</sup> April with effect from the 11<sup>th</sup> April. That was taking our existing restaurant estate from 12% to 13% commission. It was hugely successfully implemented. It was a true cross-business partnership with our operations team, our B2B marketing team, our sales team, everyone working on this to the point that of a 27,000 restaurant estate, we've had 27 restaurants decide to leave on a base price. Now, that's less 0.1% of the entire estate has backed away because of price. If I'm going to be a betting man, I would absolutely guarantee that within the next few months they'll come back because they realise the error of their ways.

So, again, that's landed very well and we that in a number of ways. One is we communicated to all the restaurants. We communicated it exceptionally well. We delivered the message in terms of why we're raising it. We told them all the things we do for them apart for them give them orders, the technology we provide them, the access to consumers we do, we provide them the marketing and equally, what we're going to do with the increased funds. The increased investment we're going to invest in technology, more marketing to grow more orders, help them improve their business and help them make more efficient.

We also introduced weekly payments. So we listened to restaurants. I listened to restaurants. I go meet them all the time. One of the bugbears was that we only pay them every two weeks. We've now introduced, with the commission increase at the same time, a weekly payment process. They get their cash quicker and that's landed very well. So 27 have gone and I fully expect they'll be back.

As Adrian alluded to in terms of activation, we've a big focus now on restaurant activation. We've just been through a sales restructure where we have elevated the role of a traditional field-based team into territory managers. What that means is turning these guys into consultants, into real true business advisors for our restaurants, helping them understand their business, helping them understand how they can improve, using our technology well, and actually therefore, growing their business which in turn grows our business. So that went live 1<sup>st</sup> June, so we're in that transition stage now. Again, working with restaurants for them and understanding their business, helping them grow.

The third thing is restaurant services. I've created a new team within the UK focused purely on restaurant services. I've got a new member on my leadership team who joins me, a guy called Robin Clark, who joins me from M&S and Tesco. Retail background. That team is fully focused on providing market leading value add products and services for restaurants. It is nothing I'm going to monetise or make money off. I want these guys to go out and actually give restaurants a value-add proposition.

For example, the first one we've landed is a deal with the national wholesaler Booker. So if you're a Just Eat restaurant, you can go into Booker, and if you put all your F&B spend through Booker, based on what you spend, you get discounts. That's actually saving restaurants real dollars and real value to the bottom line. That's the first of many we've got in process. We're looking at other value-add services.

If you look at the economics of a restaurant, 30% of their spend roughly, between 25% and 30%, is F&B (food and beverage), about 25%, 30% is overhead. Actually, if we can get in and help them, using our scale and leverage as Just Eats to get better deals, market leading rates such as utilities etc. that really drives bottom line savings to the restaurant estate. So that's their focus and they've just started, but they've already landed a great deal for our restaurants.

For our restaurant partners, probably useful to talk about the mix. People have talked about what we're seeing in trends. We've now got over 100 cuisine categories on Just Eats and that's growing. I think that just shows the choice we have. Consumers want choice. We have pretty much every cuisine choice they want. Also diversity. People are getting more diverse, more adventurous, about the types of food they want to eat.

We still have a traditional core, clearly, of Indian, Chinese, pizza, because we are creatures of habit. I did some roadshows recently in Bristol and Edinburgh with some Indian restaurants, and I showed them over the last five years the top five dishes people are buying and it's been the same top five for the last five years. So we are creatures of habit. We do see that. But, equally, educating these guys that we do see trends around healthy, around sushi, etc., Argentinean is growing, Ethiopian is growing, as you saw from Adrian's slide, Greek is growing and salads are growing. So actually, you don't need to necessarily be in those cuisines, but put dishes on your menu which help consumers get the food they want.

We've got about 95% of our restaurants are still independent restaurant chains. So, as Adrian said, in terms of opportunity, talking to chains and growing and scaling with chains is another huge opportunity for us in the UK as an opportunity. But it also shows the work we've done, 67 million orders going into independent restaurants to help them grow and help them survive and drive their business.

Also I want to just reiterate that we are a national business. We are not city focused. We're not London centric. About 15% of our business is in London, the rest is national. When you look at this graph you can see the bottom line is our top five cities in terms of order volume. The top line is the rest of the country. We are a national brand and that helps drive scale because we can market outside the country. You can drive consumers all over the country. Wherever they are, if you're a Just Eat user and Just Eat loyal, you can order from Just Eat anywhere in the country and you can see this from the scale. So we are a national business with national scale.

Equally, London. I just want to bring out London. So as you can see, in 2015, so London compared to the top four cities. We're not all about London, but equally, London is performing very well against the next four cities in terms of volume-wise again and that's continuing. So that's scaling. There is a lot of talk about competition in London, but we are attacking that head-on and, as you can see, London is performing solidly compared to the top four cities.

That was a quick run through the UK business. I will now hand back to I think David. Yes. Thank you, sir.

## **David Buttress**

### **CEO**

So we've got on time delivery. That's what it is about. So we can do some questions now, if that's okay and then we'll have a break and then we'll come right back and some really exciting stuff with you too. So let's take some questions now if we can from the floor on the operational side of our business or any of our markets. Adrian, Mike, Graham and I are here to answer them.

## **Q&A Session**

### **Carl Hazeley - Goldman Sachs**

I've got three questions. Firstly, I'm surprised just given the size of the market there was no real mention of Canada. Is that still a focus for you, or you can just give an update on any thoughts there?

### **Adrian Blair**

Yes, totally. Absolutely we're the market leader in Canada in terms of trajectory. I was showing markets relative to Denmark, markets relative to the UK. In terms of trajectory, Canada is somewhere in-between.

**Carl Hazeley - Goldman Sachs**

Okay, thank you. Then you talked about in the UK part of expanding choice is some restaurants that maybe don't have their own delivery in-house. Can you talk, I guess, related to that about where you see the total number of addressable restaurants in the UK now? Is that more than the 89,000 you talked to previously?

**Adrian Blair**

Well, look, the size of the overall restaurant universe in the UK isn't the most important number. There are many third party sources that give you numbers like 89,000 or north of that. As I said, what we're doing is we're being selective and we're saying what are our consumers actually looking for and let's go out and get the restaurants that our consumers want to order from.

So, frankly, whether the market is 89,000 or 150,000, we're progressing in the same fashion and shooting for the stars in terms of growth, as I said.

**Carl Hazeley**

Fine. Thank you. Then the last one is related to that around the third party delivery providers. In the context of ensuring quality service, how do police the quality of the third party drivers?

**Adrian Blair**

Yes, absolutely, so we are working on software to do that. Many of the third party partners have their own system already. But that's obviously a very important part of this is that we know when the food is arriving and have a consistent measure and a consistent way of doing it. So that's a very important priority for us.

**Carl Hazeley**

Thank you.

**Tal Grant - UBS**

Morning. Two questions if I could. Firstly, on the Booker deal, is that a national deal now then and what is take-up been like for that and how close are you to signing up any other deals with payment service providers or whoever?

Then on the third party stuff you said you are being quite selective about the restaurants. Now, I'm not sure if you've disclosed the economics of the third party deals, but presumably it's all incremental for you, so why would you not just let anyone on?

**Graham Corfield**

I'll take Booker. So Booker went live 1 June. Booker is a national deal. It went 1 June and I think it's on a quarterly discount basis, so, clearly, we are sort of ten days in, two weeks in, so immediately up to interest from our restaurant estate, we've seen traffic onto the blog page where we put it is good and strong. So, clearly, they're interested in it, they see value in it and I think the

reality is the end of the first few months we'll see when we talk with Booker and we will see what the football is. But they see it as a real value-add.

In terms of what else, literally my Director Restaurant Services started about six weeks ago, so he's got this over the line pretty quickly. I think from my perspective, I have lots of these sort of third party service providers kicking my door down because they know I have access to 27,000 restaurants, so I've got a list of people at my door, but I need to be selective to make sure it's the right deal from a restaurant estate.

When you say how close are we to the next deal, reasonably close. But again, we're in the negotiation stage back doing stuff, but it's got to be right for the restaurant estate.

### **David Buttress**

We'll update you at the half-year. Then I will pass to Adrian. All I would say to you is why not everyone? If you actually look at the data of the third party suppliers here in the UK, actually, all of them, no exception, more than 50% of their volumes are coming from three or four chains. That's where the volume is coming from. Make no bones about it. What we told you a year ago has proved to be true. It's a niche at the mid to high end. Where the volume lies actually is in three, four, five major chain brands.

Now, we don't want to just focus on, therefore, the mid to high end because like we told you a year ago, it's a niche. It doesn't move any needles whatsoever. What we're focused on is actually the big ones that can, but the only way you do that is to focus on maybe three, four, five that are driving those volumes. That's true of all these last mile places. More than half their orders are coming from three or four places, not a comfortable place to be I would imagine.

Adrian, if you?

### **Adrian Blair**

The way we're thinking about is the big one metric that we optimise this business above all else is the number of orders and that reflects revenue and turns into profit. So if you've got 100,000 or whatever you think the number is to shoot for, you have to prioritise and the way I ask people to prioritise is well, what's going to drive the most orders and that's why we're selective and we look at what our consumers actually want.

### **Gerardus Vos - Barclays Capital**

Two questions. Just first of all, how successful have you been to expand beyond the Thursday, Friday nights into other food points, particularly around lunch or something like that?

Then secondly, could you help us the segmentation. The question I always get and we discussed it earlier, a lot of questions around investors is could you help us with the segmentation around the competition. So where do you see delivery rule and where do you see, for example, the overlap? Where do you see Uber? Where do you see Amazon, let's say, on a current basis and also on a five-year out basis? Thank you.

**Adrian Blair**

So on segmentation, so yes, we are seeing the diversity of occasions broaden a bit. For example, launching with some of these restaurant served by third party delivery, some of those restaurants are getting a much higher proportion of their orders at lunchtime, for example, than in our core business. So they're still, it's worth saying, a small proportion of our total orders, but yes, we are seeing that diversification.

**David Buttress**

In terms of Uber and Amazon, I think it's interesting. What are we trying to do? What are we trying to do? We are trying to get user activation and user attention and the way we're doing that is through all the things that the guys have demonstrated to you over the last hour.

Now, what's important and why have I mentioned these three, four, five chains, of course, is I don't want you going anywhere else for your food other than our place for dinner. Now, I don't mind, of course you can't be all things. Like I said to you a year ago, I'm not worried about the niche of high end. It's a niche. I don't care. I care about actually where the 90%-odd, 98% of the volumes are in this industry. So I think that's why these three, four, five chains are important because we also want to keep you on our platform. We don't want you going anywhere else, right, so that's why we want to do it.

Then, if we've done that for you, because we've done all this stuff and now we're going to do that for you to, why on earth as a consumer do you need to go anywhere else? You don't need to go anywhere else because you've got all the solutions you need.

What have Uber said? Let's look at what they've said. I'm sure you've seen the same as I have. What they've said is they are basically replicating delivery. They're going after actually mid to high end and they've actually specifically said, and last Friday I saw the release probably the same as you did, that actually they've just going to replicate that. So that probably works for them in London because that's I guess their major footprint. It probably works for them in from the demographics. That's fine. But, actually, that's not where we're at and what we're trying to do. So, actually, I think for me I feel super comfortable that we've got the winning major strategy here for the next three, five years. We're the ones actually I think with a winning plan around that.

So let Uber go and do that. You've seen probably, the same as I have, in the last four months in London you've had two last mile places collapse. Take Eat Easy have now gone. I think when we were doing the full year results it was on all the buses. I remember a few people asked me at full-year results. They've gone. They've pulled out of London. They've gone already. Q1 they're bankrupt. I think we've got the plan around that.

Amazon, we don't see Amazon coming. I don't think they've quite worked out what they're going to do and where they're going to play. If you look at the stuff they're doing in the US, they're coming. They've now gaining traction if you look at the GrubHub. But let's see. I think it's early to see.

But I go back to what I say. I focus on what we do. I almost, you know, with respect, I don't worry about what these guys are. I care what we're doing and I go back to why I think we've got the winning strategy and plan and are well positioned therefore with massive scale, with massive scale, to make sure we maintain that position.

**Adrian Blair**

It is worth adding on competition, we need to put this in perspective. We've had competition throughout the whole time we've been operating. It wasn't invented in 2015. You can see on the curves that I showed you which run right up until last month, I challenge you to point out on those curves when competition started to impact us because you won't find an inflection point on those curves.

**From the floor**

GrubHub in the US seems to be struggling. Are there any takeaways, pardon the pun, you can take from their experience that might apply to some of your geographies?

**David Buttress**

I don't think it's for us to comment on GrubHub and their execution. I think they've got a phenomenal business in New York and Chicago. I don't think there's no question about that. They've done a great job there. I don't think you need to look further than this. We don't operate in two cities. We operate in 15 countries across hundreds of cities.

If you just take the UK, we are literally Lands' End, John O'Groats. I think what we have, if I point at one thing that I can comment on us, is we're hugely diversified.

If I go back to Graham's slide, even the UK, 15% of all our orders come from London and London is 15% of our population here in the UK, so that's not really a surprise. 85% of our business just in the UK alone is diversified. So I think that's one of the great strengths. There is many to ours I think, but that's one of the great strengths of us versus, if you wanted to just isolate them. Other than that, I don't think there is anything else that is driving that.

**Ali Naqvi - Peel Hunt**

What's your distribution of the gross order value across your restaurants? Do the top 1,000 restaurants make up a disproportionate portion of the order volume?

**David Buttress**

Yes. We shared that before.

**Adrian Blair**

So the top 1,000 absolutely make up a disproportionate share. It's the same with both users and restaurants. Looking at an overall average isn't that informative because the reality is there are heroes and there is long tail, as you would see in a lot of businesses.

**From the floor**

Just in terms of the dynamics, have they changed materially since IPO for UK restaurants?

**Adrian Blair**

No. I don't think there is material change.

**Ed Hill - Morgan Stanley**

You don't want to be niche. You don't want to be top-end, even though you said at the start that you do want to also do top-end. Are you not going to do delivery at all over the next five years? Shall we just expect you to --

**David Buttress**

I didn't say top-end.

**Ed Hill**

No. You said at the start that you want to be relevant to all categories, including top-end.

**David Buttress**

No. I said that I want us to be relevant in the major part of the category. What we're not going to do is go in to the top-end part that is just a niche. That's what I said.

**Ed Hill**

Okay, well I obviously misheard you.

My question is do you think you're going to be doing delivery in the UK?

**David Buttress**

I think what we'll be doing is using partners. We already are de facto doing delivery in the sense that it's not complicated to get a guy on a bike and a scooter. We've got many partners we use around the world that have used and here in the UK we're using a couple to do the London Loves that you've seen already in the products. The answer is we already are and are using partners to do it.

The fact that they are not employed by us directly through a partner makes no difference because if you even look at the last mile players, all those guys are basically non-employees anywhere on zero-hour contracts. So basically, we're going to continue to use partners, that's how we're going to scale it.

**Ed Hill**

Okay. Then a question on the user behaviour within the regions where these online delivery companies have scaled up in the last six months, they deliver in Central London where they've added a lot of restaurants, have you seen any change in customer behaviour within those post codes which are most widely --?

**David Buttress**

Yes. So I think we shared with you at our 2015 results update. We're happy to send you the slide. We said at full-year results there is no material impact in our business. It's just phenomenal if you think about what's going on. If you think about the amount of money that is being spent. I think some of these businesses are losing £10m a month to actually try and activate. So you can see therefore the underlying strength of our business when you can see that actually in our UK business, Adrian has just said, you can point at it. You try and find an inflection point. I think what that talks to, of course, is something else we said at 2015 results, which is the size of the category.

Of course, competition is not new and of course within the category there is segmentation. One of the things that Uber said on Friday was that they're focused on the £25 to £30 average order value. Well, our average order value, as you know, is £16, £17. By definition, it's a very obvious thing to say, but of course that's a different demographic.

So, of course, if you're focusing in that demographic, it's logical to say the human impact on say Just Eats is not going to be significant because that's not where our core demographic is. We're at £16, £17 and these guys are £25 to £30. That's why I think the overlap you're going to see come in London between Uber and the other last mile players is because basically what we're seeing is we're coming after that, that's what we want. The reason why they want that, of course, is if you're charging 25% commission, at £30 you can make sense of it. If you're at £16, £17, actually, you can probably never ever make the economics work. You can question whether you can make it work with £25, £30. You can definitely question whether you can make it work at £16, £17.

I'm going to say one thing actually because I'm conscious we need to have a break. There is lots of time for questions today, let's wrap up questions now if that's okay and I promise you we've got another major question and answer session coming. So let's do a break now.

There's two things I want to say. There is a kitchen on this floor where there is loads of drinks and snacks. Please help yourself. Make yourself at home. You're very welcome. Then if you need the loo, it's literally by the lifts and do a right.

Thank you.

[Break]

**Fernando Fanton****Chief Product and Technology Officer**

Everyone, welcome to the fun part of the presentation. We have technology and marketing coming up. I think the previous was very important. This is going to be important and fun as well.

So my name is Fernando Fanton. I'm the new Chief Product and Technology Officer. I'm very happy to be here with you guys telling a little bit of what we're going to be doing in the future and I'm super excited, of course, to join Just Eat and I will talk a little bit about why that is.

So, as we all know, technology is all about execution and getting things to the users, getting innovation to the users faster than anyone else. So with that philosophy in mind, I will only spend

five or ten minutes myself. I'm going to have three people from our team doing real project demos that we're working on right now.

Again, I won't talk too much, but I want to get three things across. One is I'll talk very briefly about my experience only with the idea of what I think can help us with what lies ahead in the next three years.

The second point is we're going to talk about innovation and what are we doing in that sense. So I want to make sure that we understand how we think about innovation. What is the theme? What is the framework that we have in our minds when we talk about moving the category forward?

The third one will be, like I said before, having three real project demos so you can see when we talk about innovation what we actually mean. There is of course many more things that we're working on which we will be able to unleash to the users at the right time.

So, a little bit about my experience. So like 12 or 13 years ago, or even more, I took partners to Microsoft in Seattle in the West Coast of the United States. I spent seven years there. Truly what I learned primarily was the value for scale. So the difference of the start-up I was before and Microsoft was what are the benefits you can bring with sophistication and scale when you have a platform that supports a billion users, for example.

The last job I had was in Mendeley which is a start-up that disrupted quite a bit the science space. The way they did it is because they use the data that is globally available and they use very sophisticated tools like machine learning to make it very personal for each user to see what was relevant to them.

Right before that, now like 13, 14 years ago and still was in university, I was working with a robot. What I was trying to do was teaching that robot how to walk on its own by recognising the environment.

Now, if you think about the 13 last years, if I think the difference to what I did in Mendeley 12 years ago, there are very striking differences of the power of the data, what you can do with it. The algorithms that we used in the robot were not so different than what we do today. Whether it is any predictive analysis or machine learning, neural networks, the concepts have been there like for 30 years with very few exceptions around deep learning, for example.

What is different is the abundance of data and it's not just data. When we talk about data all the time, what does it mean? It means knowledge. What it means knowledge is very specific. All the data is not the same. It's about the data that matters, the knowledge that matters. The knowledge about what our users care about, what are they consuming today, how that changes across different variables. You can only do it when you do that scale.

So, I think the important theme I'm going to talk today, I'm going to talk more in a minute, is how skill and sophistication with the right data helps you to make much more impact than what we could without it.

The reason why I joined, of course, not only because I met the team and I thought it was an excellent team with the right vision, but also because they have what I think of great ambition that was grounded in reality. That is very important. When we talk about data, it is not just visionary

things. It is really grounded in reality what we can do to move the category forward. What is very exciting for me as a technologist was if you look at the next three years compared to what we've done the last three years, there is really all the opportunities that lie ahead. I know it's a very cheesy term, but we're really scratching the surface.

If you think about you can do in frequency, what we can do to get to know the user better, to make the experience more personal, to bring all that information out there and make it relevant to you to get to know you, is truly I think in this space we really have started playing with it and that's what really excites me. I think there is so much more that we can do that will drive growth that we haven't even started.

So that's primarily the reason, when I look at the next three years I'm very, very excited to see what are all the things that we can do to drive growth. When I say drive growth, what it means is to lead the category. In my view, this is not some game. We're lifting the category forward. We are allowing people to do things they couldn't do before. We are bringing information to the restaurants and to the users that we have never been able to tap into before we existed.

So very simply, how do we think about this problem? It's really the end-to-end experience what matters. It's not about only a great consumer application. It's not about only a great product. It's not about only great food. It's not about all the great service. You're thinking it through from the beginning to the end. It's which restaurant you talk to. How do we engage with them? How do you enter that information into the platform? How do you augment that information? How do you augment that data? How do you service all that information real time to the users that matter? How do you get the users to be more proactive? What information do they want to see? What is the right level of service? What things do matter versus the one things that are hygienic factors?

So the way we're going to be looking at it, and I think the three examples we show today, is really to talk about how this holistic view that is going to help us to move the marketplace forward.

So, if you think about the last five years in technology, there really hasn't been more innovation done in any period in my mind in human history. So I'm going to talk about two examples today. One is natural user interfaces. We're investing heavily in product research. We have grown our team dramatically and we're hiring people in the areas that make a difference today like data science and machine learning experts and also natural user interfaces. We're going to have an example today around one case of a natural user interface that we will be launching in the next few months. But we are actually working on a variety of them. We're working with all the leading technology companies on all the new - you know what those are - natural user interfaces.

Why we do that is because we want to be close to the user. We want to be contextual to the user. We want to be where the user where they are in any situation, in any environment and we're going to adapt what we do within that context.

So, Andy is going to do a demo later today. He is actually going to show one example of the many we're working on of how we want to adapt to the user context and provide a superior experience. So this is one side of the marketplace. Of course, what we need to do is bring the marketplace together so we can lift the entire category.

Ritchie is going to be talking about another great example which is the restaurant's performance tool that we're working on. That allows us, again, bring the richness of the real time data to show very tangible actionable insights that it will allow them to grow their business. It will allow them to grow their business, and, of course, as they grow their business, that will provide unique opportunities for the users that were not available before, lifting the entire marketplace together.

The other demo that we're going to do today is around auto [drive] and driver management system. What that is going to highlight is how focused we're going to be in the user experience. When I say user, I mean the two types of users we have. The end users, which are the ones that buy food through our products and the restaurant partners which in our mind are users. The way we have been developing this application is really working hand by hand with the restaurant partners and they have been the ones that have been telling us which features they wanted to. I think that's a very important difference because when we engage with them it wasn't about what we want them to do, it was about what are the best solutions for your business. I think Harry is going to be speaking to that in a minute.

So at the middle of all of it is again data or knowledge. Today, the tools to process data, whether it is, what is called in the industry big data, or is predictive analytics or machine learning, which is a subset of that, are fairly commonplace. They have been commoditised in the last two or three years.

At the same time we're engaging with the leading providers of these technologies to work together in partnerships to make sure that we're at cutting edge. But, really, what makes a difference in the last three years in areas like visual recognition is not so much of the algorithms, it was the data. It is the wealth of data that they had. It's not the same to have data that lives within just one experience, one product then share it across thousands. It's not the same to have information around just a few orders in a neighbourhood. They have to have ten times information about the orders in that neighbourhood across the country, across the globe. So it's not the same thing.

So without saying more I think we should move on now with Ritchie from Operations. He's going to show the restaurant performance.

## **Richie Teo**

### **Head of Technology**

Thanks, Fernando. So I'm Richie. I'm the Head of Technology. I've been here three years and I've been working on operational products for both our customer service teams, but also our restaurants partners.

So performance profile is something that we're building. It's not yet live. But the aim of this tool is to help our restaurant partners improve their performance using all the data that we have. So, Fernando talked about the intersection between product and service and Graham talked about we have 95% of our restaurant estate is independents. These are independents who don't necessarily know how to do e-commerce really well and they look to Just Eat to be the expert in coaching them on how to improve their performance.

So over here inside of our partner centre, our partner portal, we've collated all the different data points, some of which we've heard from restaurant partners, some of which, based on our own

expertise, we know this is what we should be giving them. So we have summary of, for example, here are all your reviews, here's how many orders you've been rejecting or refusing. If you have an FSA rating, it's over here. How do you do against your delivery time? Do you keep on changing your delivery time or not? Is your food always late? Again, it's an easy way to collate all of this.

But the other thing we're doing is that we're making it really simple for restaurant owners to act on data. So rather than as a restaurant owner you have to think of what to do, we list out key action points that you can do. For example, you've got a negative review that you haven't really responded to, you have an unhappy customer that may never come back, why don't you respond to that? Or your orders are always late, why don't you reduce your delivery radius to cope with that?

The other thing we're trying to do is show to you how you perform against other restaurants in your area. So as a restaurant owner I have all these data points, maybe my mind glazes over and says I really can't interpret this. But if you tell a small fish and chip shop here's how you perform against the other people in your category, that lights the bulb and tries to get them excited.

So, here's a small demo. Again, you log in first thing in the morning, you see action points you can do, you see I haven't responded to this review, you click on it, type your response, hit submit and it's done. So you don't have to even think of I haven't done this action point or that action point. We make it really easy for you.

Then, if you scroll down you actually want to interrogate the order data you have, you'll see here look, I have a lot of orders where I reject them because the customer is too far. Maybe when I signed up for Just Eat I was being very optimistic about where I can deliver to. But we are going to suggest for you because we have the data that shows you really can't cope with that, why don't you adjust your radius. It's a one-click thing and all of a sudden your radius has now shrunk which means you will have less late orders, you'll have lots of happy customers and hopefully it reinforces this virtual cycle where you get more repeat orders.

The other thing we are working on is this concept of what we call frictionless customer service. So, as Adrian was saying earlier, one of the things we've been doing over the past year is putting in tools like Zendesk. As a result, we have lots and lots of data about what our customers are asking from us. You know, hundreds of thousands of tickets. So what we're trying to do is maybe we should redo our FAQ system so that we service the more common things more easily, but also we want to move to what we call personalised help. So if you're going to our help pages and you're tracing an order and we know you have a live order, why don't we make that front and centre. We're going to make it context aware. So if you ask us for help and your order is not yet due, we tell you here's the due time. If you ask for help on where is my food and it's about five minutes after, we might ask you to call the restaurant. If it's 30 minutes after, what we've probably done is already called the restaurant on your behalf and maybe compensated you with a voucher.

So, again, this concept of we have data, we can change what we show you based on what is appropriate at that time. That's what we're trying to be doing. So more and more personalised service.

If you are calling about a refund, maybe we give you a one-button click so that you can get the refund by yourself. You don't even need to call our call centre.

The last thing we want is move to this rather proactive help. So you don't even need to ask us for help. If your order is now due, maybe we'll send you a message and say how was it? Yes, it was okay, job done, or no, I've actually missing an item, you click that button and we'll help you. You don't even need to reach out to us.

So these are just some ideas that we're working on over the next few months on how to make the customer service area even better.

Now I will hand over to Harry. He's going to talk about order transparency.

## **Harry Parkes**

### **Head of Product, UK**

Thanks, Richie. Thanks, everybody. Hi. I'm Harry. I head up Product here in the UK.

As Fernando and others have talked about, and I think the slide that Graham showed with the 200 millionth order kind of optimise really. If I think about Just Eat, the heart of it, it's about connecting consumers with great food and service in local restaurants and creating great and memorable experiences around that. In order to do that and particularly to help our restaurant partners around the service part of that, we've been working on a range of tools that really kind of empower and motivate them because it delivers demonstrable benefits to their business in how to do that. We're going to show you a few of the tools we've been developing around that.

So, order transparency's initiative we've been working on this for a while now and it really is about, as the project name says, it's about taking away that question both for the restaurant, the driver and the consumer that once the order is placed, where's the food. When is it going to arrive? How do I manage my drivers more efficiently etc. We've done this by working very closely with between three key restaurant partners and I think we go up to around 40 different drivers at any one point. We've basically embedded ourselves within the restaurant, within their operations to understand how we deliver this.

So at the heart of it obviously is you place an order with Just Eat. The order comes back. We give you confirmation, conformation of delivery address and an ETA. That order then plays through to the restaurant. This is our new order pad software and the new restaurant devices that we've been rolling out this year. The restaurant gets the orders, accepts the order and then the driver management software effectively allows the restaurant to see all of their orders. When I mean all of their orders, it's not just Just Eat orders. So we can hook this up to the restaurant's EPOS. We can hook this up to their telephony systems. We can enable them to put all orders in here so they can see all of their drivers and all of their orders, not just the Just Eats orders.

The key thing here is when they can see the orders they want to know when the driver is going to be back in the restaurant. It took us a while really kind of getting in understanding what was going on within the restaurants to understand how crucial this is because if you don't know when the driver is back in the restaurant you don't know when to put the food order into the kitchen. If you don't know when to put the food order into the kitchen, you run the risk of the food coming out of the

kitchen and not having a driver, or you run the risk of a driver coming back and not having an order. That gets upset drivers. It also gets upset customers because the food obviously is going cold. So this system focuses on about allowing the restaurant to understand which is the best driver to assign the order to and when to have that food order going into the kitchen so it comes out.

So, in the background, obviously once the order comes in we have the docket comes out. That then goes into the kitchen to start the food preparation. Meanwhile, the customer gets a notification with an update on the ETA and then that goes through into their app so they can then see the order status within the app.

For the driver, the drivers then have a separate app available for iPhone and Android so that they can then come back and they can pick up the order and it can either be they can track it themselves or it can be assigned to them by the restaurant operator. Restaurants basically have two modes of operation. Our system caters for both.

Meanwhile, of course, then the customer then gets the delivery. The order is out for delivery and this is when it's going to be with you. Obviously again, if there is any impact in terms of traffic problems along the way, that updates the driver etc. and that obviously has a big impact on our contact centre because we then see less contact coming through to us, less contact coming through to the restaurant.

That's another for the restaurant. Outside of optimising their workflow efficiencies, it seems like not having the phone tied up with customers calling up to say where is my food, what they want is to be focusing on delivering the food and taking orders.

So the customer can then, as I said, track the order all the way through and that includes doing nice little touches like telling them when the food is going to arrive, how to get ready, five minutes away etc. The restaurant can see all the drivers' location and how the drivers are then progressing through to their customers. Again, if they do get a call from the customer, they can answer the call accurately. I don't know how many of you have ordered takeaway and been given the it's out for delivery, it will be with you in 20 minutes. It always seems to be 20 minutes. I don't quite know where that figure comes from. But the restaurant really actually can say okay, this is where the driver is.

We have some nice little touches with the drivers' app as we'll. So the driver can see all of the details where the customer is and can take a photo. It can help other drivers, for example, if it's a difficult address to find, particularly in London and some of our other cities as we'll. You know basement flats, the door is down the side etc. as well. For the drivers again, it's all around the turnaround time both for the restaurant and the drivers because the drivers are often reimbursed based on the number of deliveries they do, so they don't want to be waiting.

So, as I said, we're doing a lot of work with Apple and you'll see a little bit more about that in a minute. So obviously, again, the app then comes through onto the watch if you've got the Apple watch and then there we are, happy days, takeaway at the door and ready to go in through to the table as we'll. Then finally, we then complete this through with the prompt into rate the order just to close off the experience and to give us again as Fernando said, that kind of crucial data point on how things are going as well.

So that end-to-end experience, as I said, we're out trialling it with a number of restaurants and we will be scaling that out in the second half of this year. A part of the consumer experience are already active. Some of you may have had the delivery notifications that you'll see if you use our iPhone app or our Android app as we'll. That's already had quite a big impact. Actually, we've seen with certainly one of the recent releases of some of the notifications a 15% drop in contact centre post orders being given out to those customers using the app. Obviously that has a real benefit for us as a business.

I'm just going to take you through one more thing. So this is the latest version of the driver management software rolled out through order pad. So what this allows the restaurant to do, up here you can see these are all the drivers. The restaurant operator can see all of the drivers they have, whether they're deployed to an order or whether they're free, and if they're free, when they're going to be back in the restaurant.

As I said again earlier, this can be hooked up to their EPOS system, up to their telephony system and all orders, not just Just Eat's, can go in here as well. So they can see the orders in progress, the orders completed and the ones yet to assign to a driver.

This then gives them obviously the picture on the map. It shows you the drivers who are free, the drivers who are busy and the customers, all the details of the order and then which orders need assignation to a driver.

So here you can see Steve returning to the restaurant, click through into the order, assign to driver, pick it up, and that then goes through. As I said, critically, we've seen I think one of our early trials, we saw a significant increase around 20% in terms of the reorder rate because we're delivering better value to the customers. That reorder rate is critical for the restaurant.

I think one of the things I've found really empowering about this business is how passionate our restaurant partners are about delivering good service and how much they want to deliver that efficiency and get those reorders. This is kind of a critical part of that as we'll.

So I'm now going to hand you over to the team who work on the really fun stuff and will talk about what we're doing in some other emerging channels. Thanks.

**Andy White**

**Product Research**

Thanks, Harry. My name is Andy White and I'm from Product Research. I've been at Just Eat for about four years, over four years actually, so I guess in the whole dog years thing I'm kind of getting on a little bit.

Obviously the focus of product research is defensible differentiation. Most recently my team have been doing a lot of research around the home. We're working on a multitude of new platforms and I'm really excited to be able to share some demos of those new platforms with you today.

It's about being close to our customer whatever they're up to. It's about winning those key moments when people are about to order food in their home, where they're playing video games, where they've got friends round for a party, where they're about to order a film, watch a film, or where they're about to watch a sports event or something like that. All of those moments we want to win those key moments.

So I want to share with you two new platforms today that both of these bring Just Eat into the heart of the living room and onto the big screen. Both of these new platforms are a couple of months away from being live, so please bear that in mind what you see in a moment. There is going to be some rough edges. Not everything is perfect and missing features.

The first app that I want to share with you is Apple TV app. Apple TV is a fantastic platform to develop on because we get this rich ecosystem at different devices and to put that simply, it means that we can connect the Apple TV to iPhone and iPad devices to create really unique experiences.

We've been doing research around group ordering. A lot of our customers order in groups. Right now, if you imagine ordering in a group, either a device gets passed around or there is one person who is doing the order and that person has to relay the menu to everybody else. They also have to collate the bill at the end. So what we created is a really unique experience using different Apple products to come together to allow a fun experience for group ordering.

So, as you can see, we're leading straightaway with really, really rich visual imagery. Straightaway this engages hungry customers and gets the juices flowing. In this top rail there we could have some video content, maybe for some local restaurant heroes who have wanted to be featured, invited us into their kitchens and also maybe inspiring around the different cuisines that are available.

The role here of the Apple TV app and this group ordering scenario is to lead and inspire and guide a group of hungry people into making an excellent decision around what they're going to eat.

We're also surfacing popular dishes and special offers. So it's all about just inspiring conversation for that group.

So we're going to dig in and take a look at different cuisines. Excuse some of the duplicate images here. They're not the final images. But I did want to point out some of the really nice features that you get on Apple TV with this parallaxing here if you see what's happening to the image. It works really, really well with food and it just makes you feel even closer to that takeaway that you're going to receive later.

So let's dip in and we're going to choose Japanese because we all had breakfast, so let's get some sushi going. Okay, so again, the app is trying to help to inspire which restaurant we're going to choose. So it is showing us what's popular, what's highest rated and what's quickest. Of course, we could drill down into many, many more restaurants because there is so much choice on Just Eat, but I'm going to keep it simple today and choose Itsu.

So this is where things get really, really fun. All I'm going to do is take out my iPhone and I'm just going to start up the regular Just Eat app. Straightaway the TV knows that I'm here and the phone knows that there is a group order taking place. Asked me to join. So it's even more fun. I can actually have a little Avatar up on the screen. So I could take a little selfie just to prove to you that

this is live. A little face up there with a microphone. It kind of looks like I'm at a karaoke party or something I guess. I think there is actually a karaoke app available on Apple TV, so who knows, maybe we could do some deals with that. It could work out quite well. But you can see what's happening right now, I've had some other friends join as well. So Nicole is here, [Erdenese] is here, Lee is here and then what happens now is that each one of us has our own private version of the menu that we can peruse at our leisure. We don't need to shout out what's on the menu. We don't need to feel pressured into having what other people are having. We can just take our time, look through all of the options and start adding things to the basket. Really nice. Really easy.

You won't need to add a new version of the app. If you've already got the Just Eat app, then it just works and it just connects. You don't need to add new apps and you also don't need to pay over the phone. There is no hassling with that, so it's very, very easy to use and a lot of fun. Of course, once the food has arrived you've got this fantastic breakdown of who ordered what, so there is no chance of anybody nicking your prawn bonda which could happen.

The second app that I want to share with you today is an app that also brings Just Eat onto the big screen, but it's aimed at a wider range of devices. So this app will be coming out in Amazon Fire TV, Firestick, Roku, Samsung Smart TVs, Panasonic, LG and more.

What we've gone for in this app is simplicity. Very, very, very easy to use using the simple remote. Fantastic scenario for this could be when you're just about to watch a film. I think food and film is just such a marriage made in heaven. Imagine the deals that we could do with streaming partners.

If we wanted to order something that we've ordered before, can really, really quickly do that within a couple of clicks, or if we'd like to choose a new restaurant, again leading with a little bit of imagery flipping through there, see what's open. Let's see what's open in the area. Choose our London Love section. Really, really easy again to browse. Sit back kind of 10 foot or lean back experience. You're just sitting back on your sofa with a partner, you're going to watch a film together, let's choose a restaurant. I'm going to go with the Melt Room and again, super easy to flip through the menu. You can't go wrong. It's so easy. Really, really nice.

Even though this doesn't actually use multiple devices like the Apple TV device app, we still think that this helps with group ordering because it's still using the real estate of the big screen and it's still a more pleasurable experience for ordering with a partner or in groups.

I'm going to flip through, choose some items, add a few things to the basket. Again, really, really easy to flip through the menu. Really nice interface as well for choosing things with options. This works really, really well for things like pizzas where you've got multiple required accessories, optional accessories and different sizes and things like that. Super easy to use. Then you're going to actually checkout through your TV. So this app does everything from start to finish. We don't need to get any other devices available.

When we created this app we actually made some changes to the Just Eat platform to make it even more versatile. So Just Eat is now going to be available on any platform imaginable.

So the last thing I would like to mention is that obviously these new platforms are primarily aimed at our hungry customers at home. Our restaurant partners are also our customers as well and we

find that when we show our restaurant partners these exciting new platforms, they get really, really excited about their business being available.

That's it, so thanks for listening. Any questions?

## **Q&A Session**

### **From the floor**

Thanks. On the Apple TV version, will there be bill splitting available across the app or will the payment come off a single phone?

### **Andy White**

Sure. Sorry, I should have mentioned that you check out on the phone, so of course you could use Apple Pay as we'll.

To answer your bill splitting question, in version 1 what we'll probably do is one person will pay, but then there will be a notification that gets sent to everybody in the group, so you'll know how much you are owed and then certainly bill splitting is something that we're looking at in future versions.

### **From the floor**

Hi there. I'm not sure how long you've had the order management system in place, but just wondering because you said you allow for phone orders as we'll. So have you noticed there is it the 55% that we talked about earlier coming from phone and 45% from you guys, or what is the split that you can talk about so far?

### **Mike Wroe**

Mike Wroe. I'm the CFO. I didn't get included in the executive team which I'm taking quite personally really. The simple answer is it's in tens of restaurants at the moment. They tend to be quite high impact Just Eat restaurants so the split is far more they've probably got 40%, 50% of their orders rather than 20% of their orders on Just Eat. But, yes, it's still very much a 50% plus of orders are still done through the phone, but it's early days in that trial the full order tracking trial.

### **Bob Liao - Macquarie**

Just a follow-up on that. On the data product for the restaurants, I imagine that that would be particularly valuable for the top 100 restaurants rather than the bottom half of restaurants. Looking at it from a monetisation point of view, I'm not sure if there is an opportunity to perhaps charge the top 100 because that's who is going to get value from it.

### **Mike Wroe**

It's Mike Wroe again. I think you're right. Not top 100, but with our top 20% will probably get most of the value because there will be a group of people who care and take and use the advice to

drive changes to their business. So whether it's 20, 30, 40, I agree, it's not 100%. I think, in whether we can monetize it, it's part of what enables us to drive commission increases over time. I think over the long term, I think Rightmove has done a great job of segmenting its user base, its restaurant user base in our case, and enabling different people to take different tools at different cost points. So next 24 months, no, I don't think it's a monetisation issue. It's about driving usage beyond 24 months. I think you should look at how Rightmove have used their tools as to how we might move forward.

### **From the Floor**

How far are you from telling the winner in [Let's Call Cardiff]? You need to open a restaurant in London, in this post code, in this particular location, because this is the one that has the optimal time to serve the customers. We're going to get - rather than 13 per cent, we're going to get a higher commission rate on this new idea.

### **Richie**

Yeah, we're not far away, obviously. We do have the data and the information. It's all about that partnership. Getting close to them and telling all the opportunities they have to grow. So I think that's a great opportunity to grow, that we can do. There are many others as well. So it's not the only one. But yes, we have better information than anyone else, obviously.

### **David Buttress**

I think [inaudible] certainly for us, it's very important - [inaudible] just think how important it becomes not just for you as an independent restaurant owner but you go back to us working with, say, the top 10 chains, let's say, in any given market around the world we operate in, not only can we [say] the best restaurant operators - and by the way, it isn't 10 per cent, it's probably close to 30, 40 per cent of the industry. I think those guys, that's powerful.

Because it's not about being in Cardiff or being in London, but we can tell that guy in Cardiff, listen, if you want to open up in Newport or Swansea, this is probably where you should open, this is the street you should get the shop in because there's an under-performing one you could buy. We know you can operate it better and help grow the industry which helps to build the strength of the independent category long term. It makes us incredibly valuable to our restaurant partners, I think, in terms of stickiness.

You might only get access to that level of data if you don't work with anyone else. Because there's lots of things you could do commercially around defensibility around it. Then on top of that [inaudible], if you're a chain, if I was the CEO of, say, a chain, I would be banging down the door of Just Eat saying, I've got to open 20 stores in the next 12 months, where should those stores be? I would be literally banging down our door. Because we can tell you where they're under-indexing, where they're over-indexing, where's the right consumer demographic, et cetera, et cetera.

### **From the Floor**

What is stopping you doing it already?

**David Buttress**

Well that's why we are doing it.

**Robert Berg - Berenberg**

Hi, yes, Robert Berg from Berenberg. Going back to the delivery management and the consumer notifications part of your presentation, my understanding is that parts of the process do rely on the takeaway restaurant pressing buttons at the right time. I'm just interested to hear what process or policies you have tested or are putting in place to ensure the takeaway restaurant are compliant and everyone gets the best possible quality of service?

**Harry Parkes**

Yeah, that's a really good question and it's one of the - I think one of the challenges we're working at. So one obviously, we focus a lot on education, in our territory managers and our field sales in terms of why restaurants should do this; giving them the case studies, giving them the case studies, giving them the benefits, making it very - trying to remove any friction from [those] in terms of getting drivers enabled to use the app and in terms of how they - as you saw there, they're deliberately very simple interfaces. Particularly because we know that friction in a high-volume takeaway restaurant has a big impact in terms of utilisation.

We also design the experience for the consumer, that it works the same with or without the restaurant using it. So we don't leave people waiting for a stage if that isn't activated as well. So that's been one of the challenges on the consumer proposition, is delivering that process that will work for all customers, not just for the restaurants that happen to use it.

**Fernando Fanton**

I'd just add one thing. So if you think about it, particularly for the top 23 per cent, if you look at both ends, we work very closely with them, we do user research, make sure it's very easy to use, it's in line with their workflow. Then you show them the restaurant performance and they [are saying] we see the benefit. We can show them, we can sit down with them if we had to, or we can do it online, the first [month] and say, if you do this, this is the impact. These are smart people; they want to grow their business. So we have the tools to do it.

**From the Floor**

My question was along those lines as well. Real-time and accurate delivery time ETAs. This must be the promised land. But where do you think you can get in a couple of years' time? What sort of percentage of your restaurant partners can credibly have enough technology in house to be able to deliver this accurately? Because if you say it's 30 minutes away and it's 50 minutes away, you're stuffed.

**Fernando Fanton**

Sure, so I think we're confident we have the tools and the information to make it very clear for them the value of using it. Coming exactly the percentage is difficult too. But what we believe is with the right education and engaging with them in a partnership, it would be thoroughly obvious and we could move this quite quickly. So we'll see as we go through. What we've been focusing on now is [do] the right solution for them to do exactly what works for them and that makes everything easier. As we go through, we get a much better idea of how much the takeout, that option is. I think we feel confident that the value is there and it's very clearly to show it.

**David Buttress**

I would say, to be fair to the team, they've done a phenomenal job building this app. But I think we want to keep - our philosophy of the team is we'll come and tell you how we're doing regularly, against it. We'll also stick with the philosophy of we'll come and tell you when we've done it. Which I think is the right way to come at it. So yeah, we'll keep you posted on how it's developing but this is a - this takes years to build, you're absolutely right, it's not going to be built in three months, of course not.

**Harry Parkes**

One of the partners we work with on this, when we showed them the first version of this, and this really was the first pre-alpha, it crashed three times in the demo. At the end of the conversation, he said, how much do I have to pay you not to take this away? So there's a real desire for the restaurants that want to perform and deliver great service to use this technology. As we talked about earlier in terms of the percentage, obviously we have a long tail, like a lot of other businesses of our nature, that the volume of orders that we can get, it's not about rolling out to the whole estate, it's about focusing on the ones at the top end of the funnel, that we can drive a really big impact for our consumers.

**Ed Hill-Wood - Morgan Stanley**

It's Ed Hill-Wood at Morgan Stanley. So a lot of these enhancements have obviously been very important for your recent commission increase, which you have very happy customers, 89 per cent renewal. In terms of when you look forward towards your next commission increase, when would that be and what technologies are you going to tell them have significantly enhanced their life from 2016, 2017 to justify that? Because you need to incrementally - which one or two of these projects are going to be the ones which your salesforce go to the customer in two years' time and say, or one year's time and say, this is the thing which we've added in 2017?

**Graham Corfield**

I'll take that one. We work on a two-to-three-year time horizon; we've just done the last one. Actually, interestingly, technology wasn't one of the big selling points in this round. I think as David indicated, the biggest single selling point was the move to weekly invoicing for the restaurants and other marketing and other improvements. I think - and it ties back to one of the questions about making sure the restaurants have the tech - over the next two years, we are

upgrading all the technology that we have in our restaurant outlets from, effectively, a credit card machine, through to an order pad which will be in demonstration later on. But effectively an iPad with a printer.

So that's one element. I think the other really big element hinges around the data that we're starting to give them on the partner centre. The fact that partner centre has moved from being a tool where you can see your billing to a tool where you can get tangible actions where you can improve your menu layout, your pricing or whatever. So I think those are two. The simple answer is, you do a lot and in two years' time, probably of the five that we think now, three of them will be right and it will be two different ones later one. Because that's why we have the product research team to make sure those sort of things don't get lost.

### **From the Floor**

Two quick ones from me. Firstly, on the order pad rollout and upgrade. Who actually pays for the upgrade?

### **Mike Wroe**

I'll take that one as well. All new restaurants get it as a matter of course going forward. So they pay for it automatically, because they're paying for it. It's roughly - the old unit was £175, the new one's £190. So from us, no material difference in cost. The current rollout to our high-volume restaurants, we're picking up the cost. But in reality, we exchange about 500 a month anyway because of breakage. We've got 10 years' worth of estate out there.

So the net cost over - and it's capital cost - over the next two years is a little bit less than £2 million. So it's not a significant number in that respect to us.

### **From the Floor**

Just the last one is, have the sign-up fees for new restaurants changed?

### **Unidentified Company Representative**

[No].

### **From the Floor**

Cool, thank you.

### **From the Floor**

Sorry if I missed it but when you were talking about the fleet management overview and you were sharing how the restaurant [inaudible] track the orders, will you be rolling out the functionality on the consumer end, so they will see the moped on the way to them? Can you talk about some of the hurdles that might stop you from getting there and what your timeline is around that?

**Fernando Fanton**

Yeah, I can take that one. I think what we're going to do is leverage that information to make a good user experience. So exactly what that looks like, we're trying a few. What we want is to make sure in some cases, we're testing whether they want to see the map or they want to see the information, and we'll find out the right answer. But if the information is available, it will definitely show it and benefit from it. If it's not available, we still have an interface that will actually try to do the best job and tell you what time it's going to be. So we're going to account for both.

But the answer is yes, we'll be rolling out the counterpart on the user to leverage that data, yes.

**David Buttress****CEO**

I think just, thanks guys, thanks to the team for an amazing job actually, it's really exciting what we're doing. I think just in closing of this section, I would add this. The reason why we're doing these product enhancements actually for me is not about price. This is about doing it for our restaurant partners to make sure that they are the best in class in the category around consumer experience. Whether it be how they manage service or whether it be how they give the customer a phenomenal experience that gives them love when they order our product. So I think that's what it's primarily about.

So commercially, yes, I'm sure there'll be a benefit at some point in time, but that for me is not the point. It's about restaurants [inaudible] the best place to go to order your food and about consumers making Just Eat completely differentiated, miles in front of everyone else, because we'll [do] it at scale. That's the key other point that we'll throw everything at. We'll keep you posted as that develops.

Now with that, I'm going to pass it over now to Barnaby who is our CMO, you now have met briefly earlier, now you're going to get to see him present. So Barnaby's now going to talk through the work we do globally around our marketing execution. Not just here in the UK, because I appreciate we all live and work in the UK, or many of us do. So of course it's always great to focus on that, it's a big part of our business, but also like I said to you at the top, phenomenally exciting the positions we're building internationally. So also, Barnaby's going to share with you what's going on globally. Over to you, Barnaby.

**Barnaby Dawe****CMO**

Thanks, David. Hi everyone, I've just been introduced, I've been here a year. So I don't know what dog years that is. So I'm going to just talk you through what I've been doing in that year and the changes I've made amongst the teams and across brand, across some global performance, some

investments we've made in marketing technology and then I'm going to show you some of the local campaigns that are coming out across our markets and the impact they've had on those businesses.

So I wanted to talk firstly about brands. I've come into this business that's growing very rapidly. It's been very successful in terms of being disruptive. I like to use this analogy. So on the left, for those of you that are old enough, will remember David Beckham's kick, to an Argentinian - funnily enough, Fernando - and where he is today. I think this actually sums up a bit of our journey. We were a disruptor, and that's how we've been very successful in all our markets. But actually, as you get to leadership status, you want to retain some of that challenger hungriness but you need to get a bit of polish.

I think David Beckham's really interesting, because he's a global brand, he's universally liked by practically everyone. For us, that's important because it appeals to both ends of the social spectrum and David's talked a lot about that today. So where we are at the moment I think is just in the middle, I think we're a bit of a teenager, we're just moving through an awkward phase in terms of where we need to get to from a brand perspective.

Why is that important? We've talked a lot about competition today. We welcome that, because it's opening up the category. I think what we've tried very hard to do over the last 10 years into the UK, particularly, and longer than that in other markets, is to open up the categories. So converting people from the phone to ordering online. But it's going to get different from here on in, because people have much more choice. So the good thing is that people are doing that job for us. So they're opening up the category, there's lots of messages about how great it is to order online. So we can downplay that. What we have to up-play is why people should choose us. Why Just Eat? What's the brand preference strategy that we need to adopt?

So really, where we are now, and this is global, but just from the UK perspective, we're 100 per cent greater in awareness terms in the UK than our nearest competitor. But actually, I'm interested in moving us into a new neighbourhood. The reason I'm interested in that is that I want us to be the food delivery platform that's globally recognised in its vertical. I'm choosing these brands very carefully. So I'm going to talk about Uber and Airbnb just very briefly. I really like them as models because they served both sides of their marketplace.

So whether you're a rider or a driver, for Uber, or whether you're a guest or a host for Airbnb, you have the same sentiment toward the brand. So you serve both sides of your marketplace really effectively. The brand drives through the strategy for both customers and for us, for restaurant partners. So that's where we're headed. We're not there yet but that's our ambition in the next few years.

Fernando's already shown this slide, it was originally my slide but I'm very flattered that he used it. But really, it's not just about fluffy brand stuff, this is genuine commercial opportunity. Just to touch on a couple of these, we've talked about pulling people from not just ordering on a Thursday, Friday, Saturday, Sunday, but actually pulling them deeper into the week. But also other occasions; so not just dinner time but lunch time too. There's masses of opportunity.

I think the big thing about us that's different and unique is that we offer massive choice. I think the important thing about choice is that it can be overwhelming. So the data that we have is really crucial in helping consumers discover restaurants. Also helping restaurant partners make

themselves more discoverable. Really, we're tying all that up - and I can't show you now because it's commercially sensitive in terms of competition - but we are rolling out a new brand look and feel in the next couple of months, which is really exciting and it does what I was - the last slide I showed with David Beckham; it puts a bit of polish on us, we don't lose our spirit and our sense of fun which you'll see coming through the advertising. But it really puts us into a new plane and gives us this leadership position that we have and is reflected in the way that we talk as a brand.

Really what this all sums up, this is the new normal, this is how it's done. If you're hungry, just eat, wherever you are in the world. What does that mean from a direction point of view in terms of how we communicate? So I've talked about the right food for the right mood. We can match up anything you feel like, we've got it. This other point, quality for everyone, is really important again. We're not premiumising our brand. We want to be for everyone. Everyone's idea of quality is different. Whatever your budget, we've got something for you.

I think the other thing is, going back to that neighbourhood slide, of being on a bigger global scale, we're moving towards one platform, one app experience, but we have to move towards one brand. So this is over a period of time, we'll move to all our brands that you can see on the left being called Just Eat. I think that's really important both from a consumer perspective but also from a perception perspective as well. So that's where we're heading as a brand, that deep-rooted strategy that we're then rolling out across our markets.

I wanted to talk to you a little bit about the global performance strategy. So we've created a global performance team that sits centrally under me. The reason for that is that we've done a really good job of being a last-click business. So we're really good at bringing people in and then understanding what happens when they come to this point on the right here and how they come into us. What's really important is the more money we spend as the businesses mature up to here is the greater visibility that's needed.

So how do we do that? Well we've invested heavily in a marketing [text stack] and actually - so I'm going to point to two; it's easiest, rather than going through all of these. Salesforce has been really important in creating that ecosystem that Fernando was talking about. So it's not just about all the marketing information that it can bring, it's also about what happens in the product. So when people come into our product, we can see their behaviour. When they come out of the product, we can see their attitudinal side. So we can combine those two really effectively and salesforce is a really powerful tool which we're rolling out globally. It's been in the UK for a few months and already we've seen a 35 per cent increase in CRM conversion. So every order that's coming through, there's a 35 per cent increase based on how we communicate with our customers, our existing customers. It's already paid for itself and some, which is great.

In terms of visual IQ, what it's done is unwrapped all of these other areas. So what we're doing is getting greater visibility. It's interesting to see that TV, as we've seen in most of our markets, provides a massive inflection point for growth. But what we haven't been able to do until recently is to really see what type of customer it's driving into what type of environment within our world. So there's really positive upsides that we're seeing from an acquisition point of view, from an activation point of view and from a retention point of view. The marketing technology investment is paying off.

So I wanted to talk to you about other markets. I'm going to show you a bit of UK stuff but you've probably seen it, but I think it's really interesting to see how different markets are performing. When I arrived, there was a one-size-fits-all advertising strategy. That's fairly typical of companies that grow up fast and move into new markets. So the UK would create an ad campaign and then put it out into different markets. With great effect but actually what I wanted to do was really understand what was happening in those markets. You might remember some of these campaigns.

What we've done is now really tried to understand the customer base in each market. Also bear in mind we're not a Procter & Gamble, we're not Unilever, we haven't been around for hundreds of years. This is a new category and therefore people have different interactions with food and different interactions with technology in each of our markets, depending on the maturity and the understanding. So to give you an example, we've talked about 45 per cent of transactions online in terms of food ordering in this country. In Italy, it's just three per cent. So there's a huge difference, and I'll show you how we've adapted to that kind of information in our advertising.

So we've been segmenting our customer base, we've been much more laser-focused on who we target and what kind of media we use to target them. So every single market now has its individual strategy from an advertising point of view, all feeding into an overarching brand strategy. The global performance team are then sharing that best practice to help us be really agile. So what's happening in Mexico might be relevant to what's happening in Spain et cetera.

It's not just about the consumer side. So the teams are really focused on generating great brand awareness amongst restaurant partners but also great sentiment as well. As I talked about Airbnb being a really good example. So we're getting out there more and we're recognising and hero-ing our restaurant partners. We did the British Takeaway Awards, we're rolling that out into Denmark, Ireland, Australia et cetera. It's a really successful event. We've talked about it before, and not to labour the point, but I think personalising communication for restaurant partners is key. Using our data to tell a story for them is key in how we can genuinely be a true partner for growth and how we can use that data to inform them what someone in the next-door street is selling that they're not, if they start selling it, they'll make more money.

I think this point really about the press is that we are a leader now in our category, in all our markets bar one. I think it's really important that behaviour changes and that we help the little guy understand how we can operate as a category. I think that comes through our brand reputation and our corporate reputation but also joining forces with people and being the voice of the sector. So I'm just going to play you a video which just sums up that. So it's 60 seconds long, and then I'll go into the local advertising strategies.

[Video playing]

**[Male on video]**

Menulog ordering system really allows us to present the menus the way you'd have it in the restaurant and we're recreating the restaurant dining environment to the home. Because we've been there with them so long, we feel we're actually partners and we've got a good relationship. We meet them and talk to them on a regular basis and we feel they're as much involved in our business as we are in their business. I think the best part of the efficiency of Menulog is their relationship with the

end user, the customer. Customers like them, they come back to them. So I guess they're doing something really right on their side.

**[Male on video]**

We've won Ireland's Favourite Takeaway. Fantastic, really, really honoured, really, really proud.

**[Male on video]**

Something like this is huge. We're a small company with one takeaway, so something like this is monumental. A reward for all the hard work.

**[Male on video]**

What an amazing night for [Chris' Fish & Chips], firstly winners of the best takeaway in the East Midlands and now the winner of the best takeaway in Britain. Before tonight, they said the future held more staff, more vehicles and more cooking capacity. Winning this award will hopefully help them on their way.

[End of video]

## **Barnaby Dawe**

### **CMO**

I think that was the last time that Tess and Vernon were seen together publically. He was busy texting during the event as well.

But on a serious note actually, Chris' Fish & Chips, I think beyond what they do in terms of delivering great food, there are lots of really nice stories behind it and we're going to start doing more content; Fernando and Harry alluded to that, in terms of what we can do on the big screen. But actually people are more interested in the story behind where their food comes from. Chris' Fish & Chips deliver on a Tuesday to an old people's home and actually we went to film them and it just makes their day. They look forward to Tuesday. That's just one restaurant, we've got 27,000 in the UK and there are many, many stories that we can start to tell from a local point of view.

So Australia, a big acquisition, big market for us, really exciting. Just a few stats to give you an idea of how big it is. So massively into takeaway, much like the British market. Average order value is slightly higher than the UK at \$40 and 37 per cent of those orders come through the app, and 125,000 new customers a week on average, and that's obviously going up. I'll talk to you about why that is now.

So we have done a rebrand. When we took over the business, we have put a new team in, from a marketing point of view. I think they've done an amazing job in getting to where they had got to. But it wasn't underpinned by good measurement and good strategy. What we've done is spent a lot

of time thinking about how again we need to segment the base, be much more laser-focused in the way that we use media and particularly as we go above the line into TV et cetera in this winter, which has just started.

So we've got a campaign that's called what do you feel like. I'll just show you the ad and then I'll talk a bit about the impact that that's having.

[Advert playing]

So one of the insights about Australia is that they absolutely love food. Not only do they love takeaway but they love food generally. The highest-rating show in Australia is MasterChef, over and above X Factor et cetera. They in fact interrupted the news, I think two years ago, to announce who the winner of MasterChef was on a competing channel. That's how obsessed with food they are and I think you can see how we've reflected that in the creative that you've seen there.

These are the ads, or they called [ad shelves], so they're on bus shelters when people are waiting. I was in Sydney last week and this is actually food. So every piece is actually a different bit of food, so it's really demonstrating the choice that we have. What's great is I witness people standing in the rain, under the bus shelter, really craning their necks to try and see what type of food it was that was using each letter. That's great engagement for us. It's very early days but we've had really significant responses to the campaign.

We've reflected that not just on the outside but also on the inside. So the product's got a new lick of paint - I say that very flippantly actually, there was a lot of work that went into it; to create new features but also a new way of people interacting with us. So the food comes to the fore, but also we're reflecting the campaign. So we're asking the question, what do you feel like? That is everywhere in Sydney that I could see. What we've seen so far - it is really early days when you're changing the way a brand behaves, but in the last four weeks since it launched, we've seen a 25 per cent increase in app usage. As we know, when people come into the app, they are more loyal to us and they spend on average, in Australia, \$8 more than other channels.

So we're really pleased with the impact. As I say, it is everywhere, we've used every single channel that we can and we've front-loaded that investment to make sure that we kick it off in the right way. Because this is a crucial period; it's their winter between now and probably September is the best period for us to get the most amount of sales through. We've had great anecdotal feedback, I'll just read some of these. New Menulog app is bae, apparently that means cool. I'm too old to know but I've been told by my team. This is work saying, this is all put together by M&C Saatchi who are the number 1 agency in Australia. As David was saying, it's about investing in really strong people. That's true in the marketing teams but also I really believe in investing in really strong advertising agencies who bring you a really strong external perspective on your business and use learnings from other great clients that they have.

Again, it's not just about the customers. We've been looking at how we can treat our restaurant partners differently. The use of video you'll see coming through more and more, and we've been trialling this in Australia where we use video and you saw some of it, just to tell people a bit more about our business. And that's true across lots of the channels that we're using from a marketing perspective but also in our own environment. So, that's Australia.

Just a quick look at the UK. I'm sure you've all heard our song parodies. We've had three through, the latest one just launched at the beginning of May. Anecdotally, friends of mine and mums who do the school run are wanting to kill me because the children sing them over and over and over again, but actually it's had enormous impact for us as a business. We've ended it. So, we've just done our third which, I'll just play to you now, but we've ended on a high, I think. If you get stuck into a rut, if I can compare Go Compare, for example, they tried to get rid of their horrible opera singer. Now they've had to bring him back and I think it's not working for them. Compare The Market, again the meerkat, it's going on and on and on and I think it's very hard to get out of that. And we're always keen to stay ahead and I think this is a good time to depart. And, as I say, where we're taking the brand doesn't feel reflective. This launches the category, what we need to start doing, and you'll see this coming through in the next couple of months as really defining and answering the question why Just Eat? But, nonetheless, this has been a hugely successful campaign for you and I'll talk a bit about the numbers that it's brought in.

[Video playing]

So, since the start of this campaign it's brought in 2.2 million new customers in the first two quarters, which is hugely successful. And actually when we launched that ad that weekend, that was the weekend we went to a million orders within a weekend, so it has been massively successful for us. I don't want to underplay it, but I believe in quitting while you're ahead, end on a high, and you're going to see some really exciting stuff coming out in the next couple of months which will see a step-change. And I think also we want to get away from it being a singular moment, i.e. that mini fist-pump feeling, that's a Friday-night feeling. Actually we want to move that into an everyday occasion and that means a change in strategy. But you can see it has worked really well. We've had masses of social interaction with people bringing their ideas to us, begging us to make them go live, but unfortunately there are copyright issues involved so we have to be careful how we go with that.

So, I'm going to go from the UK to Italy. As I've said, the UK we're looking at 45%. Italy is only 3% of people interacting online and we're driving a lot of that. So, there's 97% of headroom to go. It's a massively important market for us. But you'll see in the advertising that I'm going to show you that it's totally different. You don't have to speak Italian to understand. I shall play it for you and you'll see.

[Video playing]

So, there you go. As I say, I don't need to translate what that was all about, but it's essentially about putting the app at the centre. It's obviously telling you that you can order your food through it. This has been one of the most successful campaigns that we've ever done. It generated 700,000 app downloads within the first six weeks of the campaign, which is absolutely extraordinary. The Italian team came to me and said, we think we can do, I think it was 450,000, and I said, you are absolutely mad to set yourself that kind of target. And they proved me wrong and I'm very happy to say they did. 700,000 is absolutely incredible and obviously that's still climbing. So, that's Italy.

Spain, again, very different. We were... before I joined had horns locked with la nevera roja, our nearest competitor; we were neck-and-neck with them at the start of 2015. And this is a really good example of us operating and executing excellently, both from the product side, but also from the marketing side. When we set our sights on something we're really good at accomplishing our goals.

And you can see by the end of 2015 we were twice the size of them. We were up to a million active customers and then we went and bought la nevera roja in Q1. So, we bought a really strong business, because they fought really hard, but you can see how good we are at executing in each of our markets.

The advertising that went with that is really interesting. Again, it's slightly different. I have to explain this one. So, the premise is that we have this massive choice on Just Eat, as I've talked about and they've used the... they've created a device of an anteater because anteaters are very sad; they can only eat ants. But us lucky humans can eat anything we want on Just Eat. So, he's a bit like Eeyore on Winnie the Pooh, this character. He's called [Jorhito] and he's, as I say, always sad because he's looking at his human being friends who can eat anything they want.

[Video playing]

So, the story goes on with Jorhito, and we've had a couple of other executions where he's been on dates. He's been using other apps, etc. So, it's kind of taken on a life of its own; loads of social-media interaction. I was slightly horrified because people, for a bit of a laugh, did some Photoshop-ping on his trunk. I won't tell you what they did it as, but that got taken down very quickly! But anyway, that's just a great sign that people are engaging with everything that we do on the marketing side.

So, that's it from the local marketing campaigns, but I think it's just worth going back to the people side. I've put in place a new international leadership team to bunch the countries together to really push down that strategy into the local markets and help them get the best out of us in the centre. I've got two international marketing directors. Dani was promoted out of Spain in the work that he did so successfully in 2015 and Astrid comes from Match Group and has got great calibre, sorry, experience. Rachael runs our Global Performance team and Ben and Kim both report directly into me. They're our two biggest markets. And Jo's just joined in the last few weeks. She comes from McDonalds and she's really in charge of... and, again, this is really all about creating brand value and Jo's all about protecting that brand value and helping us act as a leader in our category. And not just serving consumer PR but also serving stakeholders, like yourselves, and other people who are influencers in our sector.

So, where are we going to? Well, it's obviously about growth, growth, growth, continuing that, but also that market-leadership stance is really important. We've put in place a really strong team and that helps provide best practice. And, most importantly of all, we can act fast. So, if we see things happening that are positive in other markets we can then push that really quickly into neighbouring markets. And, equally, if we see something is not working we can very quickly act and help out. I've talked about how important it is in this next phase in our lifecycle of being really clear about who we are and what our purpose is as a brand and really pushing that brand preference now, so, why choose Just Eat. And you'll see that coming through, as I've said, in the next couple of months.

And then the saying goes, well, I've always been told that marketing needs to make friends with finance, Mike, because we spend all the money, as you keep saying. And I don't think that's strictly true, but I've always been told let's make friends with finance but marry technology, so Fernando and I are officially married. And the reason for that is that marketing and product have to work hand-in-hand. It's no good having something that looks really cool on the outside and then you get onto the inside and it's not the same experience. And, equally, vice versa, so Fernando and I work

very closely and it's incredibly important to make sure that the teams underneath us are doing the same.

So, that's it from me, but I'm happy to take any questions. It was that good there are no questions. Hi.

### **Tal Grant – UBS**

Hello. It's Tal Grant from UBS. Two questions. First of all, I think from someone like Uber, I think I've heard that they have 15% of their orders, or something like that, come from people in different countries. So, I'm in the UK and I'm ordering in Spain, or something like that. But for you guys I assume that's not the case. So, I'm just wondering, what the rationale is behind having this one... moving towards Just Eat in every market rather than in France having a French name, Italy having an Italian name, etc.

### **Barnaby Dawe**

It's a really, really good question, actually. I think it's actually the French team that are driving this, so I think my vision is to have a global brand. I think having a global app as well is really important. If it is 15%, that's a great stat. I didn't know that. But there's a lot of people travelling around. There are a lot of great partnerships we can do if we're one app and one brand. But actually the [Alorresso] team feel that [Alorresso] itself as a name is about telephones, that's originally where it started, so I think it's one of our oldest businesses. Obviously we've acquired it, but it's one of the original starters. Was it 1998, David? Yes, first ever in the category, so in the dial-up days, so I think that they feel that there's this need to refresh.

I think also we have this misperception, particularly in France, that French like French things. But if you think about the success of Uber or Facebook or Airbnb, it's been incredibly successful. So, I think they actually are more global in their outlook than we give them credit for and I think it's just about being able to play on a bigger stage. I think if we are one brand we have that ability to punch much more harder than if we're lots of small brands, particularly in the app space, where we're moving to you'll get better rankings if you are one app and one brand.

### **Tal Grant**

Okay. And also obviously all these adverts and things are very good for attracting new customers. I think you spoke briefly about moving to salesforce.com to try and help retention with existing customers. When did you move? I might have missed it. When did you start?

### **Barnaby Dawe**

So, we invested last year and it's being rolled out. So, it's been in the UK since September and then we've rolled out I think into Canada, Denmark, Spain, and Italy is coming online and Australia. So, but I think by the end of this year we should have all our markets on the sales-force marketing Cloud. They don't go from nought to 100 from the outset, but certainly we'll be putting programmes in and releasing them as we go and everything becomes more and more personalised as a result of that.

**Tal Grant**

Great. Thank you.

**From the floor**

I mean, you talked about harmonising the brand but, I mean, if you look at somewhere like Australia where Menulog has lots of name recognition and you're advertising that on TV now, and you're telling me in a couple of years you're going to torpedo that and change the name to Just Eat, you're still starting from scratch. Why are you doing that?

**Barnaby Dawe**

So, we wouldn't start from scratch. And the other thing that we've been doing in the background is making sure that the strategies are aligned. So, what I haven't talked today, because I can't, is about where our strategy is going as a brand, but if you look at the messaging that you see in the Menulog that's kind of a hint where we're going. So, I think it's about understanding, the local advertising strategies will always be local, but actually the brand I think will be unified. And that doesn't... that's just not because I want it; it's because the data is telling me that. So, we're looking at customer behaviour, we're looking at customer attitudes and reflecting that in the brands that we create.

What we absolutely didn't want to do is to buy Australia and slam Just Eat as a brand into it. That would be stupid. But what there is sense in, is making sure that as we go through we start educating people in the Just Eat brand, but I'm not talking about doing that tomorrow. We wouldn't have bothered investing in all that great advertising. So, it's not something that's happening tomorrow. We'll definitely need to take it very slowly. The UK will be the first place to go in terms of a rebrand and then we'll look very carefully about how that works across different markets.

There's a question over there.

**From the floor**

Hi, Barnaby. How do you differentiate, or do you, when you're growing the brand with the restaurant partners and with the consumer? Or do the, those same campaigns impact both?

**Barnaby Dawe**

What do you mean?

**From the floor**

Well, I'm just... I mean, I just wonder how does it fall within your remit and the plan to develop the Just Eat brand within the restaurant partners as well as with [multiple speakers].

**Barnaby Dawe**

Yes, so, I mean, it's a good point. I think that's partly why we're looking at a revised strategy. So, I showed you the Beckham slide and I showed you -- Uber and Airbnb are brands that I really respect for precisely those reasons; that they're really good at selling themselves and involving people in their world no matter which side of the marketplace they sit. So, I think the advertising itself we absolutely engage the restaurants in and I think they really like our tone because it's friendly. It's always upbeat and it's full of a bit of joy and always cracks a smile. So, we're very keen to communicate with them.

I think going back to the slide that I had around how we communicate with restaurant partners, I think you can only go so far with the value that we bring. It's also about -- to Adrian's point about demonstrating true value for growth, so we can communicate all the things that we like about driving footfall to them, but actually it's other things that make up part of that puzzle. So, they do engage with us, and I think they sing the songs, which is always worrying when I go anywhere; if someone hears I work for Just Eat they start to sing songs back to me. But restaurant partners are no different to that; they are, in fact, consumers and they see the ads themselves. Does that answer your question, yes?

**From the floor**

Yes.

**From the floor**

Do you have some comment on what has been the impact of -- early impact of salesforce in, or CRM systems, in the UK? I'm particularly interested in the impact in cohorts for new customers, so a percentage of customers that reach the famous third order.

**Barnaby Dawe**

So, yes, the 35% figure is the one I can give you. I think as we bring more programmes online then we start to see cohorts breaking up and being -- understanding more about the behaviour and how people respond to certain types of messaging. But, again, as we start developing the product you can start putting the two together and that's the bit that we're working on at the moment. But certainly it's been really successful in driving that personalisation, particularly in the UK.

**From the floor**

Hi. When do you see the marketing strategy maturing? So, at what point do you ease off the gas in terms of your marketing spend in your more mature markets or is it just going to be continuous investment?

**Barnaby Dawe**

Mike would probably say tomorrow. Do you want to answer that one, Mike?

**Mike Wroe**

I think the definition of easing off the gas is an interesting one. I think in absolute terms I don't think we ever will. As the business continues to grow the percentage of revenues, you've seen it, it came down from 23 two years ago to 18 last year to -- two years ago to 17 this year. Denmark is at 10 to 12. So I think you'll continue to see that evolution over time, but I don't think -- easing off the gas is probably the wrong phrase. It comes down as a percentage of revenue just because Barnaby's going to be so successful that his spend won't be able to keep up with the revenue growth. So, that's what we would expect to happen.

**Barnaby Dawe**

Great, Mike. Thanks. I think also the marketing technology helps us make greater efficiencies. That doesn't mean we would spend less. I think we'd just spend it more effectively and it's more laser-focused. We're certainly seeing greater ROI thanks to the people like -- the outfits like Visual IQ, because we just understand things more -- TVSquared we can't use in this market because the buying patterns are different. But certainly when we've used TVSquared we can see exactly what spots and what time and what programme are driving what kind of orders. And then profiling the customers and seeing what type of customers they bring and then pushing them into a lifetime-value model. So, I think once we get better at that then it's an easier question to answer. But at the moment it's full foot on the gas.

**From the floor**

Hi. I'm just wondering how important in your strategy social media is in terms of marketing, because obviously you've spoken a lot, I mean, you had half a slide I think on social media, but do you have teams that are --?

**Barnaby Dawe**

Yes, so social media, sorry, yes, I didn't really think about the proportion of that I dedicated to social but, yes, it's an incredibly important channel. It's a really good channel for driving app installs and we're getting much more sophisticated in how we use Facebook particularly is a really good platform for us in all our markets. And the great thing about Facebook is we're starting now to get better at understanding our data and how that can map with their data. And it's incredible the types of conversations we're having about APIs that we're putting in to deliver that and we're seeing greater ROI at scale. And Facebook, as you know, is all about personalisation and scale, that's what they're selling, so we work with them on beta programmes on how that delivers but I haven't -- that's one of my main things which I haven't said there, but I couldn't say everything. But social is a really big and important not just in terms of engagement but in terms of acquisition and retention. So, we break it up into cohorts of new customers, existing customers, and then customers who've lapsed, so there are different strategies for all of those three cohorts.

**David Buttress**

I think maybe one more [inaudible].

**Barnaby Dawes**

That's it.

**Unidentified Company Representative**

Thanks, Barnaby.

**Barnaby Dawe**

Great stuff. Thank you very much.

**David Buttress**

Let me say a couple of things in closing. So, we've got another opportunity there for just a general more broad Q&A. And then we've also got -- we'd love you to join us for lunch. So, if you have time, in the kitchen there's some lunch for us all, so we can also do some one-to-one chats of course after over lunch. But let me just wrap up.

You can read the slide, so I don't want to read the words but let me just maybe leave you with two things which marry back to what I said at the top which is that first of all I hope we've given you a sense of the team, because I feel like I've got the easiest job in the world in many ways, right, having a team like this. Going back to my All Black analogy, we're not going to do the Haka for you but I can tell you something the same level of passion about winning and execution and the same level of quality and know-how is in this team. So, whoever comes onto this pitch better be ready that they're coming up against the All Blacks and when you come up against the All Blacks one thing tends to happen, right, you lose.

So, I think we feel super confident, not complacent, super confident that this is the team that's going to deliver everything we said that we're going to do. We've already done some of it and lots more to do which I think is great and exciting. And hopefully you've got a sense that lots more great stuff for you to come as investors. The second thing I wanted to say to you all was thank you. Thanks for this morning for making time, but also thanks for your support. I'm conscious that in the world out there there's lots happening, there's lots of moving parts, and your support in backing us is helping us to build this business from the UK but globally which I genuinely believe will be the commerce company over the next decade in Europe. We have got that opportunity. This is a very special place to be.

So, let me just say this. You know I've said to you that's also I think a key point to make is this is no longer, it never really was actually but I hope we've all got confidence now that this is just a UK and Denmark story. This is truly an international business with an unrivalled portfolio of positions now globally, many of which has aided and articulated our getting to scale and we're growing very quickly through that scale. And we'll have similar characteristics to the margin profile you've started to see in those geographies we've had for a long time like UK and Denmark. And I think that sets us up for a unique thing, which is actually we'll be able over the next five years to I think not only accelerate away but have the business model that sustains. And that's a key fundamental thing. We always said even back 11 years ago we're building a company to tell our grandkids about

and I think that's what this is fast becoming. And that's, being that sustainability point I think is fundamental in an ever-changing world that we operate in.

So, thanks again and we'll take some questions now as a team, just general whatever, and let's maybe do that for 10 minutes and then we'll go and grab some lunch.

### **From the floor**

[Inaudible] from Barclays. Just coming back on the global category brand in five years' time where do you see yourself from a market perspective? You're now in 13 markets. Where should we expect you to be in that timeframe?

### **David Buttress**

In what sense please?

### **From the floor**

In how many countries if you want to be global category killer then your current footprint might simply not be enough to achieve that.

### **David Buttress**

So, I think we've got all the footprint we need. I think we've said that before. I think with a 23 billion, if we go back to what the footprint is, well, it's 24 billion virtually and it's growing. So, I don't think when you say global we need to be in every country. I think that's not the smart way to come at this. It's a very local business. I think what we want to continue to do is focus on these geographies. I think we've got the right portfolio now. So, we've got 24 billion to go at. We've just gone through two billion probably this year at some point in the calendar year in terms of the orders we're passing on consumers to restaurants in those markets. We'll let's say we're nearly 10% of the way there or just over 10% of the way there.

So, I think that's what we focus on. I don't think we need to go into anywhere else. But I think what could be interesting for us as a global player in this category and obviously clearly now becoming the clear global leader and the player in this category, of course, the technology and stuff and some of the innovation that Fernando and the team are building coupled to this execution that I think we've always kind of had but we're improving all the time I think that could be interesting, right, and what we can do with that. But I think of that as like long term, but right now our core plan and focus for the next five years is focus on what we've got and absolutely nail that down and be the big winner in all those markets. That's the plan, so we don't need to go anywhere else.

### **From the floor**

Very clear. Thanks.

**David Buttress**

I'm looking for at least three Carl.

**Carl Hazeley – Goldman Sachs**

Just the one, actually. I'm just wondering about card payments and whether in the UK or internationally there's any pressure either from customers or on the regulatory side to get rid of card payments that you charge.

**David Buttress**

Yes. Mike, do you want to do some work?

**Mike Wroe**

That must be a difficult question, Dave. Yes, the simple answer is consumers absolutely none. In the UK, as you know, we make a 50p charge if you pay by card or make an online payment. We get absolutely no pushback from consumers with regard to that. I think it's not an unusual piece. The regulatory environment changes constantly. Europe puts out their rules and every country interprets it completely differently. So, actually in Denmark we had to get rid of a big part of our card fee and what we did is we split that so the restaurant pays a little bit of what we used to be paid and the consumer pays what we're allowed to charge them. It's a slightly screwed system but it -- we're compliant there. It will continue to evolve. Great news is the cost of card processing is coming down as well so maybe over time that gives you more flexibility to do it as well. But no, nothing imminent, but it's an ever-changing environment.

**David Buttress**

And Carl, remember on Just Eat you can always pay no fee because you're going to pay cash. So, it's not like we're forcing people to pay card. If you want to you can, and many do actually, more than 30% of UK customers pay by cash and at the door and which, of course, incurs no fee.

**From the floor**

David, yes, just a quick question. I always thought GBK was a Deliveroo partner but we ordered late last night at work at GBK now seems to be on the Just Eat platform. Can you just maybe expand on your relationship with them and what do you think that means competitively?

**David Buttress**

Well, I'm not sure if Graham's still around, is Graham around? Oh, maybe Graham... you did all the hard work in actually getting GBK so maybe Graham should take the credit for it.

**Graham Corfield**

Yes, so I've got a good relationship with Alistair at GBK and we're... they're in the London Loves trial with us at the moment so they're on board with us trialling it and we'll see where that develops.

**From the floor**

Is it going well?

**Graham Corfield**

For me definitely. It's working well. I think we're building a good relationship there and you're right, they are established with a competitor, but equally they're looking to us because clearly we're the market leader. We've got the volume and they know that. So, actually, we provide the volume, the operational scalability, the capability, the technology that we're streets ahead of the competitors so actually we'll see what happens.

Well, maybe let's give a bit of colour, right, Dave, so after two weeks standing start, right, we're virtually the biggest supplier nearly already after two weeks standing start, so that tells you something about the power we have and the volume we have and the demographics actually for these guys at the mid end, mid to high end in our minds, the clear opportunity there is for these guys to be working with us and our consumers, therefore, to be utilising them.

**From the floor**

That's great. Thanks.

**Tal Grant - UBS**

Tal Grant, UBS. Hi. So, in your IPO prospectus you said that I think it was around half or 50% of customers after the first order go on to order nine or 10 times a year and the rest presumably come off. I'm just wondering is there any change in those two figures or could you update those two figures for us?

**David Buttress**

Yes, so it's growing, it's improving, so if you take the UK so it was nine, 10, IPO, it's now north of 12 on average per year. So, yes, that's been increasing over time that order-frequency metric, driven by various things, right? So, it's being driven by choice. It's being driven by the quality of the execution and it would be pretty disappointing given what everything we've seen this morning if we can't further improve that I would say over time. So, yes, it's increasing, order frequency is improving. In terms of the funnel, if you like, from those consumers down to that maybe Mike you want to do your -- do the numbers through it, talk it through?

**Mike Wroe**

Yes, at IPO we were deliberately vague. The simple answer is less than 50% of consumers get to the fourth order. For us it's always been about getting to that third, doing the third order means you get to the fourth and after that you pretty much stay with us for life. And consumers are incredibly loyal when we've bought businesses that have been competing hard. We've seen that nine out of 10 consumers are only active users on one of the two platforms despite the massive restaurant overlap, despite massive competitive overlap. So, people are very loyal once they get to that third order. The simple answer is it's still slightly less than half, but it's significantly better than it was at the time of the IPO. We've improved by about between five and 10 percentage points in the UK the number of people who go on to achieve a third or fourth order. We call it the second date score, but it's technically the third order.

**David Buttress**

And maybe two more questions, if that's okay, and then we can obviously do one-to-one stuff over lunch, perhaps. I'm sorry. I won't finish with you.

**From the floor**

And perhaps a question for Graham also. Would it be mad for Domino's UK to join your platform?

**Graham Corfield**

In what respect? For us or them? We wouldn't want them! We don't want them!

**From the floor**

Would they even entertain the conversation because, you know, much like joining Amazon you'd get the volume, you'd lose some margin but you'd get the volume.

**Graham Corfield**

I don't know. I'd never say never. I mean I think, you know, in terms of their business they're doing reasonably well I think. We've never had the conversation as far as I'm aware in my time here. I don't know if they've talked before, David. But I certainly would entertain the question.

**David Buttress**

Yes, so, I think Adrian if you want to add anything on the chains, the big chains?

**Adrian Blair**

I think what I'd remind you of is that analogy I used of the shopping mall. I mean, if you walk into a big shopping mall or an airport, let's say, you see a lot of these big global chain brands there and they're often paying a lot of money for presence in those spaces. Why are they doing it? Because that's where the people are and that's the big asset that we've got. Don't think of us as, just as a

technology platform. The big asset we've got is the customers and the people. So, our view very strongly is if you're a smart commercial operator of a restaurant chain of course you've got a lot of customers who come to you direct and that's great. But the customers who are on Just Eat every night whether you like that or not and why not put your brand in front of them?

**David Buttress**

Let's finish up with Edward.

**Edward Hill-Wood**

Sorry, just to go back to the overlap with delivery companies, but I'm a little bit confused. So, GBK are mid end or high end, whether you're not interested in them but you're interested in doing business with them and you're overlapping. So, I was wondering if you could explain this overlap and maybe what percentage of your orders are done over £20 in the UK in terms of volume. And then a question just on price increases externally. Just you've had a lot of success in the UK. Are you having the same success raising prices in other countries?

**David Buttress**

Yes, let's start off with this mid end, high end because obviously you're...

**Edward Hill-Wood**

Yes, I'm just confused.

**David Buttress**

Really confused. So, in our minds I would see that if you... let's describe not just GBK I'd say in the restaurant segmentation piece I would say among those GBK, Pizza Express, Carluccio's, all these kind of brands, I think in my mind, in our mind Just Eat is in mid to high end in our minds. So, what I'm saying Edward, to be mega clear, is that the top-end restaurants, really high end, gourmet style cuisine, almost like that type, I'm saying we're not focused on that. We're not focused on that. We're focused on these guys which in our minds are mid to high end. So, for our consumers yes I think they're very relevant. Actually the demographic data I think we can share, but the demographic data is really interesting because actually we over index, Just Eat customers over index for these types of chains. So, they over index so we can definitely, definitely provide not only a load of customers but a load of relevant customers for these guys. So, maybe it's just a... where I come from I would describe it as [inaudible] is a big high end treat for our family and if I work in Morgan Stanley...

**Edward Hill Wood**

It is for me too.

**David Buttress**

It's probably not. And then in terms of the average order value Mike do you want to --?

**Mike Wroe**

Yes, your big mistake is asking a boy from Cardiff to define high end. That is... but I don't have the number for over £20. I do have the number for over 25. It's about 12% of our UK orders are more than 12 -- £25. There's a bit of a London skew there. Our average order value in Glasgow and Edinburgh and Manchester is lower than our average order value in London. But, yes, it's about 12%.

**David Buttress**

Thanks, Edward. Thank you. So again thanks a lot. Let's go and have lunch and [even on time]. There you go.

[End]