Just Eat plc

Capital Markets Day 2018

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Transcript

Mike Evans: My name's Mike Evans, I'm the newly chairman of Just Eat and it's my pleasure to welcome you today to our capital markets day.

As the new kid on the block, I'm not going to take up too much of your time because what we want to do today is to showcase to you the strength, the talented management team that we have. Following my recent experience as chairman, first, of Hargreaves Lansdown and for, sadly the next few weeks only, the chairman of ZPG or Zoopla. I've worked with business models, which have grown organically on the one hand and through extensive M&A on the other hand. Hence, what attracted me to +9Just Eat was the undoubted strength of its marketplace position in a highly dynamic and competitive sector, and the opportunity to broaden that proposition as we develop the hybrid marketplace.

This is an energetic, digitally focused business in a very exciting transition stage. What we're showcasing to you today is our focus on delivering revenue and principally organic market share growth powered by focusing on the customer proposition whilst, at the same time, keeping a watchful eye out for value adding M&A opportunities. After a period of management and board changes we now have a stable, experienced management team and a supportive board with a diverse range of skills and backgrounds collectively focused on being able to capitalise on our profitable leadership position in what is, undoubtedly, an exciting high-growth sector.

I very much hope you find today useful and informative and I look forward to meeting you all during the breaks. Let me now hand over to our CEO, Peter Plumb. Thank you.

Peter Plumb: Thank you Mike and welcome everyone. We do have books for you, I think they're going to be handed round in the next few minutes because I know everybody likes taking notes, but please do not turn ahead and read ahead of the presenters. They really are for you to take notes as we go through. They should be handed out in a couple of minutes, I think, these guys are coming in.

Firstly, welcome everyone to certainly my first capital markets day of Just Eat. I appreciate the time you're all giving to us this morning and I very much look forward to sharing our plans and introducing the team to you today. It's the team, after all, who are going to be executing the plans we're looking forward to sharing with you. Whilst preparing for today, it struck me both how far the group has come, but also how rapidly this market is evolving. People across the world are going online in growing numbers to order their takeaway treat. It's a massively exciting and dynamic market and there are some extraordinary opportunities opening up for the group as we look forwards.

We do have, as you're about to see as it's handed out, a fair few pages of PowerPoint to share with you today, but if I were to capture a single theme, a set of words, or a summary of my ambition for the Just Eat group it would be these: serving every customer's takeaway moment. Today, we're going to share with you much more detail on what those words mean, sharing every customer's takeaway moment really is a huge opportunity for this group as we look forwards. To reassure you that we're not short of ambition, within the markets Just Eat currently serves there are 220 million takeaway eaters, 220 million people who eat takeaway in some shape or form. Most importantly, we're not looking for people to eat more takeaway. The market is already huge, what's really fun about this sector is that the majority of customers when we talk to them about takeaway they see takeaway as a treat, they see takeaway as a celebration that they share with friends and family. It's this fun and this treat that really is at the heart of the Just Eat group.

I am in no doubt that we're well-placed to continue to lead the sector, but acknowledge up front in this section two key things. Firstly, the market is evolving rapidly, but secondly and most importantly there are new ambitious competitors entering this market most of whom are very well funded by VCs with long-term growth. Likewise, myself and my team ... I don't know what to do with these pages. Likewise, myself and my team are really committed, as you'll hear today, to build long-term value for this group for the benefit of our employees, you our shareholders, and of course our customers.

As you'll hear today, I'll be making some near-term investment decisions, which are all about long-term revenue and market share growth. The delivery element of our future, which I introduced to you at our prelims earlier this year, is of course very different both operationally and economically to that of our core marketplace business. I acknowledge that this might be uncomfortable for some, but equally I'm going to make no apologies for doing what I believe is the right thing to enhance the long-term value of this business as we go forwards. We really do have everything to play for and an enviable position from which to build.

Now, before I get done with my materials, I just have a couple of things I want to share with you. These are important tasks. Firstly, I'd like to introduce Peter Duffy, our new Chief Customer Officer, who many of you will know was previously in his role as COO easy Jet. I'm delighted Peter's decided to join the group, his role is to lead our organisation across the world to ensure Just Eat puts the customer at the heart of everything we do. Clearly, it's too early for Peter to speak today, but I'm sure you'll get lots of opportunity to meet Peter in the years ahead. Peter, it's an honor to welcome you to the group and to the team, so Peter's over here.

Secondly, let's look at the agenda for today to give you some idea of the structure and the materials we're going to be going through. I said at the prelims, earlier this year, that 2018 was going to be a year of learning. You know we've made bigger investments this year than we've made before and that's all about investing in the brand, investing in delivery to learn from those investments how best to grow the group going forwards. Some of those learnings we'll share with you today, but it is early days in the year to have a lot of insights and data from those tests so far.

We've structured today into these key seven components, I'll remind you of our growth agenda and the huge headroom this group has ahead of it. We'll then move on to building a world-class marketplace where our team will talk to you about our brands and our customers, our restaurant groups both UK and International. We'll then move to technology, how we're using technology and data to make the marketplace business move from good to great to world-class. We'll then take a coffee break, which I hope will be about 10:30 depending on how get on with the materials, and then we're going to move onto delivery. The second part of the day is all about engineering delivery services.

We'll be talking to you about grocery ... not our grocery, our restaurant partners around the world, and the chains, and how they want to work with us. We'll be sharing with you some of our learnings from third-party couriers and we'll be using France as an example for you. We'll then be talking about Skip and sharing with you our own delivery model and how we believe it's world-class in the pace in which we are rolling that out. Then, we'll move to Australia to share with you how we've taken Skip planted it in Australia, in the very early days, how those seeds are starting to grow.

No business is a complete business without people, so we'll talk to you about our team, we'll talk to you about where our culture's heading and how the team is looking to grow, and the skills we're looking to bring into the group before Paul will pool the whole thing together. Now, I know many of you have questions on the economics of both the delivery business and the marketplace business. We are deliberately keeping that piece of today until the end where Paul will give you the first results of some of our tests and insights to help you through how to think about the future, but I do stress it is still early days so we could only tell you what we know not what we don't know.

Then, after that we want to open up the floor to questions. We'll keep plenty of time, 45 minutes I hope, for questions at the end. We really do want to get through the materials first because, hopefully, those will answer many of your questions before we get to the end. Then, as Adam says, it's time for lunch and, hopefully, you'll have a chance during the coffee break to order your own lunch. That's the running order today. I'll come in between to summarise each section and introduce the team members you're going to see.

To kick off, I shared the group's three key strategic priorities with you back at the prelims in early March. As a reminder they are the foundation, as you've just heard, of the structure of today and what each of the exec team will be talking about. As a reminder, they are primarily: build our marketplace business to world-class. We're good but we're not great and you'll hear some of those plans. Engineer delivery services to complement our marketplace business. We have lots of data on customers and we'll share with you how we think about delivery and how we will engineer different solutions, the right solution for the right customer. Then, it's all about our team, how we're going to build and lead a world-class digital global team supporting extraordinary local customer experts, which is the key DNA of Just Eat.

The group really has come a long way in a relatively short period of time. We started in a Danish basement in 2001, a similar time to other successful marketplacers Rightmove, Skyscanner, and my old company Moneysupermarket. The first wave of growth of this business was organic, it is a combination of building out great tech, great marketing, but most importantly good old fashioned boots on the ground signing up tens of thousands of the independent takeaway restaurants across the world. This really is the foundation of our marketplace business. Break even was quickly achieved in 2004 followed by pretty much an annual push into new markets starting in 2006 with the UK. The second wave of growth was driven by M&A as the market rapidly consolidated Just Eat emerged as the European leader, but along the way not only did M&A secure that leadership position it also planted further international businesses, which you'll be hearing from today, of Canada, Australia, and RJV in Brazil and Mexico, but more of that later. The third wave of growth, that's what today is all about.

The result of this expansion so far put us in a great position in which to build the business. We have a diversified revenue source across 13 different geographies with UK and Canada now being our largest countries. Our group's primary markets are very stable and wealthy economies. Firstly, takeaway is well-established, everyone in our markets can afford it, and the mass-market sector of those populations is the real heart of the takeaway customer. Owning mass-market is the key in our countries.

Secondly, all of our countries are digital natives particularly the 18 to 34-year-olds with busy, hectic lives and a growing preference to enjoying takeaway rather than cook in or go out. Clearly, Mexico and Brazil are emerging markets behind Europe, but very exciting and I view as a fourth wave of growth due to the sheer size of those populations.

Finally, our brands, we have four powerful brands within the group. Just Eat in both the UK and now chiefly across our European countries. We have Menulog, we have SkipTheDishes, and we have iFood, which is our joint venture business in Brazil and Mexico. At this stage, I see no reason for migrating all of our countries to the Just Eat brand just for the sake of it. After all, and you'll hear this later, Menulog has a valuable heritage with the Australian population for takeaway and SkipTheDishes, in its very short life, has built an enviable reputation for excellent service by both the restaurants and the customers. In this industry, local might well be better than global when it comes to food service.

As I see Just Eat, a great business diversified across predominantly stable and affluent geographies where everyone can afford to takeaway. Let me walk you through how Euromonitor and our friends at OC&C size our market opportunity. I'll introduce you to first term, GMV which is gross meal value and we report it here in billions of pounds. This is the amount of money people actually spent on buying their food they eat rather than the revenue we report as a business, which is the fee we charge for our services which is generally a percentage, in our case mostly 14% for our service to the restaurant.

The group's heritage is in the tens of thousands of independent takeaways and restaurants that have their own delivery capability, or as we will call them their own wheels. In that market, you can see in the middle, labeled takeaway in brackets delivered, meaning the takeaway restaurants deliver the food themselves, is worth £16 billion. It's made up of two components, it's made up of £7 billion that is bought online, clearly we are a large share of that, and a further £9 billion worth of takeaway food that is still ordered on the telephone. The telephone is still Just Eat group's biggest competitor and you'll hear more about that as we go through this morning.

The second part of the market, according to Euromonitor, is estimated to be £41 billion, which is the dark green block, and they call that collection. This is bigger than I first thought when I talked to you back in March, but remember these are branded high street restaurants, quick service restaurant chains, and the thousands of sit down restaurants. Historically, the only way to eat their food as takeaway was to visit the restaurant yourself and collect it, but that is starting to change. The group in the past, has questioned the viability and attractiveness of this collection segment, but things are changing fast and it's fair to say that the Uber Eats and McDonald's partnership is pioneering in this space. In fact, as you'll see, later today our own SkipTheDishes business in

Canada is giving us growing confidence of the long-term attractiveness and viability of this very large collection segment. The third piece of the picture is a 26 billion market opportunity in Mexico and Brazil. It has huge potential due to its population, but it is very, very long term.

I said during my introduction that I'm in no doubt that we are well-placed to continue to lead this sector, so let me explain this a little bit further. What is our unique strategic advantage in the markets in which we play as Just Eat? We're already very well known, we're already very well used, and we're already very profitable. Those are fantastic foundations from which to build. Actually, I see our unique strategic advantage really lies within our data and our marketplace. If we look at our marketplace we service 87,000 restaurants, that's the depth of choice we give our customers. We have 22 million active customers, last year placing 172 million orders. Our brands were seen by over 72 million people, and that's just measuring our off-line brand investment of last year.

That's our foundation, but do I mean by unique strategic advantage? That lies in our data. We know a great deal about 22 million takeaway lovers, on the right-hand page of this chart. On average, because we've been in business a long time, we have over 24 orders worth of data for each of those customers. We know what they bought, we know when they bought it, we know how much they paid, and we know how many people were part of that order. Each of those meals were selected out of an average 65 other restaurants that the Just Eat service presented to that customer as part of their choice, different prices, different cuisines, different locations. All of that across over 870 different cities across our territories. As you'll hear today, predicting and accurately modeling customer behavior is very valuable to our future plans and we have this unique strategic advantage rooted in the rich customer data that we've gathered and won over the last 17 years of being a business.

It's this getting personal and understanding customer needs and behaviors that has really helped map out our future and our plans that we're going to share with you today. Customers tell us in the UK that they eat around 29 takeaways a year, the green bar in the middle, and surprisingly there are very, very similar stated customer behaviors across all of our key markets, which you can see on the right-hand side of the chart. What's interesting are the different ways customers get their takeaways from different sources.

Starting with marketplace, customers tell us, on average, they order seven takeaways online and five takeaways on the phone. By growing our brand and making Just Eat easier to use on the phone we believe could, in the long term, open up some of these additional five occasions that customers tell us about in box 1. As I explained earlier, by building delivery capability previously collected food can be delivered directly to the customers for a fee opening up more takeaway occasions for the group to serve. By providing delivery capability to our partners the group has the potential to share some of the further five collected takeaways in box 2. Box 3 is very, very long term moving on premise eating to collection once the habit of eating takeaway at home is built. These customer insights are the reason the group is expanding its delivery capabilities to meet many more of our customers takeaway moments, after all we're a business called Just Eat and that's what we should help our customers enjoy wherever whatever they want to takeaway.

Our marketplace model will continue to thrive and we will, of course, continue to invest in it to make it world-class. Now, I just want to take a few moments to explain the difference between marketplace and delivery before we go into the sessions with the team. As a reminder, marketplace, as you can see on the top of this chart sometimes referred to as a two-sided model, connects customers with restaurants. The orders are delivered by the restaurant's own wheels, sometimes a family member driving the car, sometimes a local taxi, but the delivery is provided by the takeaway restaurant with their own drivers. This results in significant network effects for the leader of winner takes most, the bigger the choice of restaurants the more customers use the service and the more marketing can be afforded by the business, the so-called fly wheel effect. Financially, as you all know from our results, this results in high operating leverage delivering high margins once scale is achieved. We intend to keep our marketplace model thriving by further investment as you'll hear today in brands, data, and user experience to continue that fly wheel effect.

Turning to delivery, or three-sided, although it appears a natural evolution it's a very different model requiring very different skill sets and economics. Technology not only has to connect customers to restaurants, but the technology stack also has to connect restaurants to couriers and delivery players. Technology, data, and scale are the keys to efficiency of this model, generally achieved in highly urbanized cities and tier 1, tier 2 geographies, but financially it is a long term gain. It enhances revenue growth through broader customer choice, but profitability is lower certainly from what we're learning from our Skip experience, but Paul will talk about these economics in his section at the end. We do have all the ingredients to deliver this third wave of growth for the group serving our customers with the best and broadest range of restaurants possible whilst being an essential business partner for our restaurants who choose to work with us in the ever-increasing digital world of takeaway.

In my section, I wanted to give you clarity on the market in which we play and the size of the ambition that we're playing for. The rest of today is really about our plans and how we're going to achieve this ambition and most importantly introduce you to the team members whose plan this really is. We are going to pioneer this market space for our customers, for our restaurants, and for our shareholders, and this really truly is an exciting market.

I'm now going to hand over to three key people in our business. We're going to talk about our marketplace business, we're going to start talking about our customers and brands, and Ben Carter's going to step up, our UK Head of Marketing. He's going to be followed by Andrew Kenny, our UK Sales Director and he's going to be followed by Jerome Gavin, our International Managing Director who runs all of our international businesses to talk further about our restaurants in those markets. Without further ado I'll hand over to Ben. Thank you.

Ben Carter: Good morning everyone, I'm Ben Carter I'm the UK Marketing Director of Just Eat. I've been at Just Eat for about 2 1/2 years, and previously led the marketing growth strategies of some of the UK's biggest digital businesses. Today, I'm going to take you on a brief journey of who our customers are, why they use us, and how we want to get them using us more often, and also how we attract more new customers to our apps and our websites around the world. To kick off, I want to show you a short video so you get a sense of just who our customers are around the world.

Video plays…

Ben Carter: I think you'd probably find a restaurant on Just Eat that serves toast and beans. Anyway, as you've seen from the video, we really are a brand for everyone and, as Peter said, we're committed to serving every customer's takeaway moment. We operate unashamedly in the mass market, the bottom 90% where our customers are working families, singles, couples, students, and this is representative across all of our global markets.

For some of our customers we are a habit, but for most we are a well-earned treat. Whilst, as you saw in the video, and as you can see on this chart in the middle, over half of our UK customers you Just Eat to save time from cooking so they can spend more time with their family. It's fair to say our customers' needs vary by demographic segment. The chart on the left is a snapshot of our biggest UK customer groups. Here you can see our key customer segments. For example, families on a budget, young professionals, and students. As you can see, they over index for over half of the UK population. You may also be surprised to see that we over index on young professionals. There absolutely is a clear opportunity in growing our share of families and affluent elites as we broaden our range and this is where our increased focus on delivery and on brands will enable us to focus.

One of the key strengths of our marketplace is our range. As you can see on the chart on the left with this sweet spot, the majority of our customers order from 3 to 4 restaurants. In the middle chart, each of our three main cuisine types, so Chinese, Indian, and Italian, our customers use 2 to 3 different restaurants per year. The marketplace is all about choice, if you give customers restaurant choice then you get frequency back. The chart on the right, this one, shows that actually at a total cuisine level customers order from a wide variety of restaurants. The popularity of our core cuisines, so Italian, Chinese, and Indian, remains fairly static, though there is absolute growth coming from new categories such as desserts and breakfast. This is because food delivery is rapidly becoming the norm particularly in towns and cities across Europe.

As Peter has already said, this pie chart shows what the overall market looks like in the UK. The headline is, there really is still all to play for. Just Eat's share of the total market, now including hungryhouse, totals 34%, but our biggest competitor still is the telephone and this is true across all markets. The chart on the right hand side is a really interesting one because it basically shows you why consumers have traditionally used the telephone. We're taking this data and we're improving our app experience. So not only does it make ordering instant, easy, and full of choice, but it also matches the benefits of why people order on the telephone and Fernando is going to take us into a lot more detail of this later in the presentation.

In essence, we're trying to break one habit to form a new habit. The average UK consumer has 29 takeaways a year, and yet currently we only get four of them. Our customers order more takeaways than the rest of the population, so clearly there's a massive opportunity to grow order frequency by getting our customers to place more of those occasions through [inaudible 00:31:50].

Fundamentally, we want to open up access to a greater proportion to a customer's food ordering repertoire, but with the market growing rapidly as we've heard, we also see an opportunity to acquire new customers, particularly customers who are using the branded online pizza segment, because they're already used to online behavior as well as customers from the established delivery aggregators.

Now onto our brands. So we've got strong brands around the world with Just Eat here in the UK and much of Europe, Menulog in Australia, SkipTheDishes in Canada, and ifood in Brazil and Latin America. But to win, these now need to become famous brands. For us to create even greater [inaudible 00:32:32] here amongst our customers, we have to continue to invest in our brands, ensuring that they're not only on top of mind, but they cut through because this marketplace is getting increasingly dynamic and noisy.

An example of this is the UK, where through sustained brand investment over the last three years in national broadcast channels such as TV, radio, or out of home, we've driven strong brand and business growth. Our spontaneous or top of mind awareness has grown by over 75 percent over the last three years, and a third of the UK population site Just Eat when asked to name an online food-ordering platform.

This is good, but it could be better and when we look at other sectors, established sectors such as travel or gambling, market leading brands in these sectors would have spontaneous brand awareness of 40-50 percent, and this is absolutely where we need to get to.

Our brands are well-liked, but they're not yet loved and there is significant head room. In terms of that head room, as you can see in the chart on the right-hand side, there's over 25 million people in the UK alone who are ordering takeaway online, but have not used Just Eat. TV clearly through advertising and sponsorship around mass entertainment programs like for example, I TV's X Factor, drives new customer trial and repeat ordering, and it's an absolutely brand-building platform for us.

That's why I'm delighted that we're sponsoring X Factor for the second year this year. It's a great platform for us to get our customers ordering more and to attract new customers to Just Eat. Our brand investment and everything that we do from a marketing point of view is focused on giving people reasons to love us and to make us famous. That way we'll get people to keep using us and when it comes to ordering food, we want the UK and the rest of the world to think Just Eat.

Our customers use us because of our breadth of range, regardless of where they are, where they live, and because of how simple it is to use us, and they get access to their favorite brands be it independent restaurants who are increasingly branded restaurant groups at a tap of a button. Once we've acquired a customer, and online ordering has become an established behavior for them, rather than just trying it and going back to direct ordering, they become sticky. And in all of our markets, despite competition, our customers' ordering behavior through our platforms, once established, remains remarkably consistent.

This is reinforced by the cohort models on the right-hand side where you can see regardless of the year the customer has been acquired, their behavior is consistent. And what is even better, is as we migrate our customers onto our apps, they also become more valuable to use because they order more frequently. We're committed to developing a greater customer experience in all of our markets and again you're gonna hear from our chief products and technology officer, Fernando, on this later. We're using NPS as a benchmark to assess this and it's fair to say at the moment we're out-performing the category but there's absolute scope to step change this over the coming years.

In parallel, we are committed to making our brands more famous. We're actively investing in world-class digital capabilities to retain more of our customers and give our customers more reasons to use us. Hopefully now you've got a really good idea of who our customer is. We're in the mass market. We're looking to get our customers to use us more often and the mission we're all on is to make our brands work harder to appeal to more consumers around the world.

So now I'm going to hand over to my colleague, Andrew Kenny, our UK sales director, to give the restaurant partner side of the story. Thank you very much.

Andrew Kenny: Hi my name is Andrew Kenny. I'm the UK sales director. I've been at Just Eat for almost a year and a half now and before that I spent almost a decade in various finance roles, specifically capital markets and equities both in London and New York.

I'm essentially responsible for ensuring that we have the right supply in the right places throughout the UK and ensuring that we're driving both performance and engagement from our independent restaurant estate. So I want to play a quick video to hopefully help bring the vibrancy of our European restaurant estate to life. Here we go.

Video plays

Andrew Kenny: So our UK restaurant estate now has over 29,000 partners so I think it's important to remind ourselves who exactly they are and what we're doing to support and engage those partners throughout the UK. So the first thing that I would say that this is still very much a sector dominated by sole traders. 77 percent operate just a single outlet. These are hard-working entrepreneurs, often first generation migrants and very much still family business with over 40 percent employing at least one other family member.

It goes without saying that they're small businesses with an average of just six employees, but they're extremely proud about what they've achieved as business owners and the contribution that they make within their local communities.

Now although the picture varies quite dramatically across Europe, in the UK the vast majority of our independent estate, their core business model is centered around delivery and collection. Around three quarters of them don't have tables and chairs. So in essence, these are the dark kitchens and they're already spread throughout the UK. It's for that reason, and the fact that on average one third of their orders comes from Just Eat, although that number varies meaningfully, and a meaningful proportion channels directly to the restaurant, it's absolutely imperative that they have their own delivery solution.

And because of their operating model, delivery is very much part of their know-how, part of their core competency, and they're driving the volume to justify it. It's also worth knowing that our partners are everywhere, spread across the length and breadth of the UK. 62 percent of UK orders come from cities and towns with populations of less than 350,000 people and our restaurant partners deliver to 95 percent of all UK post codes, with London representing 30 percent of orders, which is broadly flat.

Finally, cash remains a key feature so one in four orders processed on Just Eat are processed on cash on delivery, and allowing that feature remains a key competitive advantage for us and something that can really only operate within a self-delivery environment.

As you'll be aware, the landscape for independent restaurants, in fact restaurants generally, is incredibly difficult right now, whether it's food input cost inflation that they've been battling for a number of years, acute skill shortages particularly in the kitchens, rising business rates, or simply the expectations from customers around a digital seamless live order experience continue to change so fundamentally and it's for that reason that we are very aware as a business that was need to support our restaurant partners more than ever right now and really help navigate and hand hold them through a digital world that they would otherwise struggle to connect with.

There's three sort of pillars to the way we approach this. The first one is the one I really want to focus on, which is feet on the streets, account management. We've built up long-term and sticky relationships with many of our restaurant partners across the UK and this didn't happen overnight. You simply can't support and engage a restaurant community of our size and expect to operate it like a listings directory.

A key differentiator of our offer for many years now has been the extensive network of territory managers that we have spread across the UK and it's really not a stretch to say that these territory managers are part of the local fabric and when it works it's a very powerful connection. They organize local events, they know when new restaurants open, when others close. They connect restaurant partners with delivery drivers and formally with local suppliers. We've got territory managers that speak Mandarin, Cantonese, Punjabi, Hindi, English even. My team carry out over 40,000 face to face business reviews with partners each year, really focused around boosting orders, ensuring the account is set up for success on Just Eat.

They're focused on cost-savings, never more important than it is today and this is true, our ever-growing menu of negotiated deals on food wholesale, insurance, credit card fees, electric bikes, the list goes on and on. But also general operating cost benchmarking, sitting down with the restaurant partners and helping the ones that are struggling really figure out where they're overpaying on certain key inputs.

Finally they're very focused on influencing restaurants to behave in a way that delivers the best possible customer experience, by leveraging the data that they have available to them to drive up repeat rates.

But we need to do a lot more here, and as you saw, or at least as we touched on in the video, not all our restaurant partners are engaged in the way we would like them to be and we've got work to do here and we are currently rolling out a program to over double the number of interactions and business reviews across the estate from 40,000 to 80,000 and beyond that run rate by the end of the year.

We also help build local heroes within the independent state and give them brand fame. One example of this is Local Legends, a program that we've had a huge amount of success with driving both performance for them as well as restaurant-partner engagement and Jerome's team are currently beginning to expand this program across the rest of Europe. We're now up to almost 10 percent of the estate. This program is all about rewarding restaurants who are consistently providing the best possible customer experience, measured in terms of customer repeat rates, the key metric, as well as certain behaviors that we know really resonate strongly with customers. In return, they're rewarded through meaningful order uplift on the back of this customer-facing badge that you see in the search rankings.

Finally and I guess more broadly, we invest a huge amount of time championing the takeaway sector through a number of key initiatives. It's a massively under-represented sector despite the meaningful contribution that it makes to the UK economy and I think we're particularly proud of the role that we placed spearheading the launch of the British takeaway campaign in July of last year. The BTC's goal is all about providing a single voice for the takeaway industry. Although that's a hugely diverse sector, the issues faced by restaurants are all remarkably similar and so we regularly find ourselves in Westminster lobbying on their behalf on whatever the key issues of the day are, whether that's a shortage of chefs, improving food standards, or simply driving that awareness of the economics importance of the industry.

We also have partnerships both at a national and a local level with almost every industry body in the takeaway sector, and across all cuisines. This allows us to stay very close to real issues that are affecting our partners as well as of course, giving back to the sector as a whole.

I also want to touch on technology and obviously Fernando will be talking about this in a lot more detail, but bringing technology specifically to the independent restaurant estate, supports them in their digital journeys, drastically increases their ability to sell more food and sell that food more efficiently, and it also improves the engagement and the mode around our own brands. I think we're in the infancy of this story.

There's a few key themes to this and they're very much inter-connected as you would expect. The first is around making their lives easier. If you've been in a takeaway restaurant on Friday or a Saturday night, you know it can be a fairly chaotic environment. The order pad has helped us step change the restaurant partner's experience around controlling the live order and we're now up to processing 86 percent of UK orders through that device. We should comfortably be at 100 percent by the end of the year.

This has not only drastically improved the restaurant's efficiency in dealing with the live order, but of course, it's drastically improved the customer's overall experience around ordering on Just Eat, as the restaurant partner is so readily able to interact around that live order and provide updates and order transparency.

But now with the foundations in place, with the order pad device in nearly the entire UK estate, the goal over the next 12 months is going to be aggressively layer on additional functionality, particularly centered around controlling demand levers in real time, on the night, and also continuing our efficiency drive so that partners rarely need to contact either the customer or the Just Eat call center around any kind of issue that may have gone wrong around a live order, again making their lives easier.

Secondly is around data, both from an account management perspective as well as through self-serve, where providing partners with an ever-greater suite of data to help inform the decisions that they make, and the territory managers are very skilled in being able to outline that for them. I have hundreds of examples of restaurant partners have given me of how they've used the data to step change their order trajectory, and I can bore you over lunch with a few tales of that.

We're also in the early stages of rolling out a recommendation engine, something that I'm particularly excited about, where partners are automatically notified with recommendations of steps they can change to either optimize their account and increase their order trajectory, that could be a recommendation to extend the delivery radius by even a quarter of a mile to unlock a pocket of demand in a certain area, or it could be that their delivery fee is simply out of sync with what others in the area are doing and something that they may want to bring back in line. But it's also around their resource requirement. For example it's a Saturday morning in New Castle. The weather forecast is for rain and it's X Factor semi-final night. We can predict with a high degree of certainty the number of orders that that restaurant partner will generate that evening.

And finally, our restaurant accelerator program, also in its early stages of being scaled, but this is all about giving support for partners who are ambitious and want to expand into other local geographies, or into new cuisines, and by extending them this data, drastically improving their chance of success with that venture.

Finally, it's about control, giving our partners control through partner center. This is something that restaurant partners constantly feed back to us. As more and more orders channel to them in an indirect fashion, they want to be in control. It's not Just Eat's business, it's not anyone else's business. It's their business. Partner center is essentially the control unit, the command center, that allows that to happen. Engagement continues to grow with over 70 percent of our UK partners logging into the dedicated app and website each month and there's a whole host of self-service functionality that allows them to make changes to their account, interact, and ultimately decide how they want to optimize their Just Eat relationship and we're continuing layering on more and more.

As I said, I think we've come a long way but we're still in the infancy of this technology story as it relates to the independent estate. We've a lot more exciting things, some of which Fernando will touch on, coming in the next 12 months.

I'm now going to hand over to Jerome, who will talk about our restaurant estate across the international markets. Thank you very much.

Jerome Gavin: Thank you Andrew. Good morning everyone. Thanks for coming. My name is Jerome Gavin. I'm the international managing director. I'm in charge of our continental European markets across the world and I'm also a Just Eat board member for Mexico and Brazil, our joint ventures. My background is essentially internet and marketplaces. I worked for several e-commerce companies in the US, in France, and Spain. Prior to Just Eat, I had my own business and I also worked for Ebay for seven years. I joined Just Eat in August 2010, so in two months I will be eight years, so I'm a Just Eat veteran. My first job at Just Eat was launching our successful Spanish business. I ran that business for three years. I took it from one employee to 60 employees, from one order a month, no sorry, eighteen orders a month, to 100,000 orders a month, and then I got promoted, and promoted again, and today I am helping and empowering our country managers across the world to grow and scale our business, to make restaurants happy, to make consumers happy, to make employees happy, to make you happy, so it's a great job.

The next three slides are about two key factors of success, restaurant acquisition and restaurant activation. As you know now, we connect restaurants who are happy to deliver food. We've consumers who have ordered their meal online and want it delivered to their door. Getting the right supply, a wide and deep range of cuisine, is critical for us. Supply drives the demand. It's the basic of the marketplace. The good news is that in continental Europe, according to our global restaurant database and our research, we still have a lot of restaurants to sign.

The other piece of good news is that in most of our European market online penetration of food delivery is still very low which means that more and more restaurants and consumers will go online in the years to come. Restaurants will because food delivery is booming, is here to stay, because a service like Just Eat enable them to make more money and have access to a new type of consumers. Consumers will because food habits are changing. It's convenient, a service like Just Eat. It gives you access to a wide and deep range of cuisine. Last but not least, it is available in your area.

Availability is important. It's another key factor of success. Indeed having national coverage, grabbing land is another key factor of success. It's important for us to diversify and to take our service beyond the larger cities. Whilst in the UK we probably have already 20 percent of the adult population on the platform and our service is available to 95 percent of the whole nation. This is not the case in Europe. There's still a long way to go, which is very promising. The future looks bright. As a consequence of that, for the last 24 months, we've been pushing hard the accelerator and we have implemented what we call our Blue Ocean Strategy.

What is our Blue Ocean Strategy? Our Blue Ocean Strategy is taking Just Eat to our tier two, tier three, tier four cities, taking our service beyond the larger cities. We even go to cities beyond 100,000 inhabitants. One of my favorite examples, of course, is France, a good business that we have there, but historically very concentrated in Paris and its immediate suburbs. For the last 24 months, the French team has dramatically changed that. We have taken Just Eat to our tier two, tier three, tier four cities. Most of our orders today are coming out of Paris and its immediate suburbs and we are seeing its tier two, tier three, tier four cities exponential growth. I was talking about availability. Today our service in France is available for more than 30 million French people.

So the previous two slides were about restaurant acquisition, bringing the right supply, signing up restaurant win methodology, achieving national coverage. This slide is all about activation. Once you have managed to bring on board restaurants, it is important to activate them. It is important to make sure that they are successful on Just Eat and they provide our consumers with great service. You cannot activate restaurants by just pushing button from the head office, make no mistake. You need dedicated sales team on the phone, boots on the field. You need to build relationships with thousands of restaurants by providing them great advice. You need to act as advisors and trusted partners. This is why every year we invest heavily in our sales teams so they can help our restaurants to have a good start on Just Eat. They can help our restaurants to make good money on Just Eat. They can have access to incentives and of course, they can also leverage our millions of data, data that no one else has in the industry. Bare that in mind, we have been around for 17 years. No one else has the level of data we have.

So in summary, two key factors of success for a marketplace: restaurant acquisition. Bringing the right supply, wide and deep range of cuisine, national coverage. Second key factor of success: restaurant activation. Set our restaurants up for success. This is what we do.

Before I hand over, and I click the button, let me say a few works about LatAm, about Mexico and Brazil. As I said before, I'm the board member for our joint ventures in Mexico and Brazil. Big markets, right? 300 million people. We are lucky because we operate in the top two Latin markets in terms of e-commerce and food delivery. We are, at the moment, operating where it matters. Both markets are growing two or three digits year on year growth, depending on the month. Thousands of restaurants, of marketplace restaurants, still to acquire. Big cities. App first market, $26 billion market opportunity, so plenty of growth ahead of us and for you a small video.

Video plays

Jerome Gavin: Thank you.

Peter Plumb: Thank you Jerome.

So I hope that's given you a bit of a flavor on our marketplace business, the key messages we want you to takeaway are marketplace is a mass market business. Range we are finding is rewarded by customer frequency so it's all about having the biggest choice of restaurants, and several restaurants within one cuisine-type that drives frequency. Going forwards, it's all about brand fame. It's investing in the brand to both be known, loved, and front of mind. And marketplace, as Andrew told us, is all about feet on the street. This is about turning these local businesses into local heroes and making the better businesses whilst fighting their corner at the top level that we possibly can.

And when we start looking at Europe, you can see the headroom that's available to this business. Jerome told us about bringing the penetration of tier two, tier three, and tier four restaurants up to the level of the UK, still there's tremendous headroom for that business. We call it Blue Ocean.

And finally LatAm, I hope you got a tiny taste of the size of that market and the opportunity, but I'll stress now, it is long long long term, but very exciting. So now you know what we're trying to achieve in marketplace. I'm delighted to introduce you to Fernando and Alex, who are going to tell you how we're going to improve the customer experience in the operation of this business by using technology, by using data, and by using customer insights to truly build a world-class marketplace. Fernando, over to you.

Fernando Fanton: Thank you Peter. Hi everybody. My name is Fernando Fanton. I'm the Chief Product and Technology Officer at Just Eat. My background has been primarily building B to C digital platforms, some large like at Microsoft, and others smaller like at Mendeley, or e-commerce sites all over the world. Some of you, particularly heavy in the states, may have heard the term platform economy. So today I'm going to talk a little bit more about the Just Eat platform, and what it means for our restaurants, our customers, and why you should care about it too.

I'm very excited to have the opportunity today to show a little bit of the journey we have been in the last two years in Just Eat. What lies ahead, and more importantly what we're doing is so important, to be a competitive advantage, that really impacts our bottom line. So, if there's one thing that I want you to take away from my chat today, is, the platform and technology does impact the bottom line. The platform and technology makes a good marketplace, a great marketplace. And does improve frequency, improves retention, and in the end improves the bottom line and experience for our customers.

So a lot of years ago, when I joined Just Eat, we set out to step change what the platform and Just Eat did at the time and for a few of you that may have followed Just Eat from a few years ago, you know that we have grown, as organically, by having different platforms and acquiring different companies. So, at that time we had some problems with the platforms, and it was fragile, and it was hard to change. But we didn't set out to just fix it, or patch it. What we set out to do two years ago was much more ambitious than that. What we set out to do was really deliver competitive advantage to Just Eat.

And I want to zero in on that term, because I'm not really using it as a fancy, or a nice term. It's something that we measure every day. And there's really three things that we define as providing competitive advantage through technology. The first one is, an easier-to-use experience for both customers and restaurants that provides best-in-class experience. The second one is, when we deploy this platform in a market that didn't have it before, and we roll out the capabilities, the experience, and the bottom line materially improves. And we measure this by measuring reorder rate, or conversion. And finally, the platform will allow vehicle system to thrive, by allowing our restaurants to grow their business, and our customers to tap into more takeaway experiences.

The way we set out to do this is by focusing on four pillars that we have run the program over the last two years. So what I want to do today is to walk you through those four pillars and give you some examples, so you can really understand why it matters.

The first pillar is modern architecture with strong foundations. So, only one year later, as you can see in 2017, there are tangible improvements that we have delivered to our customers. Reliability has materially improved and is now at best-class levels over the last few months. Our beta pipeline becomes a material asset to Just Eat so today we process a huge amount of data real time, more than 5,000 events per second. And finally, the improved architecture drives faster innovation and this is truly important, because what we are committed to do and what you can see today is that every month Just Eat will deliver innovation at a faster rate than ever before. So six months from now, the apps will look better and will perform much better than they are today. And one year from now, that rate of improvement will only increase. And you will have a taste of that over lunch when you play with the bid app that we provided for you.

Our second pillar is delivering a flexible and modularized cross platform. And I'll give you a few examples to really drive it home. So what we mean with this, this is not a monolithic platform as it used to be before. It's now built in a way that's modular, so you can plug different pieces quickly and easily. One example of this will be third-party apps. We can now today process orders from third-party apps like white label the same way we process orders for Just Eat. This is not a trivial endeavor, but it then adds a lot of flexibility that then makes our platform more powerful and allows us to go to market faster than ever before.

And of course, if you can process orders for any white label, you can also process orders and connect orders from different platforms. And that's the case that we have done with Skip and Just Eat. To give an example that, Alistair will talk more in a few minutes, in Australia we were able to bring, connect the Skip platform with Just Eat within five weeks. And the reason we were able to do this is because of this principle, the ability to connect modular platforms very quickly with each other. And of course, there's much more to do and this is just the beginning, but this ability will really allow us to react to market much faster than we have before. And in an industry like ours, that moves so quickly, this is very important.

The third pillar is customer obsession. So we truly obsess about our customers and the experience that they have. And we do this in a very scientific manner. What you can see here is all the people that are involved to understand the customer needs. And there's a very well know axiom in technology, which is that customers don't really know what they want, but they do know the problems that they have. And this is what we obsess about. We obsess about working with our customers, or restaurant partners, and spending time with them, observing them, so that we can truly understand what the real problems are. And that allows us to come up with ever-increasing solutions.

This is not run by us, by the way, so-

This allows us to come with ever-increasing solutions that provide our users a modern life experience, and therefore help them improve retention and frequency, which impact our bottom line. Let me give you an example of how scientific this approach is, because I take a lot of pride in that. What you can see in the bottom graph is, we don't only spend time with customers, we also quantify their feedback. So what we will do is bring tens of customers to our labs, and we will look at their face and actually measure their emotions, quantitatively as they use the application. And of course, we do this over and over. So we can actually see how their emotions are getting better over time. So, why is this important? Some of you might be asking, why is this important to me? But, it is really important. Because what it gives us in the confidence that every change that we make will improve the experience and will be a good thing for Just Eat.

So, let's bring it all together now. Like we said before all these pillars allow us to move faster to react quicker to market, and to really understand what our customer needs are. This was the Just Eat app only six months ago, as you can see, it feels very static and transactional. Even though we had a lot of information about our customers, it's not really coming out in the application. So, it was mainly focused on ease of use, but you couldn't really tell that we knew so much about our customers.

This is the application as it stands today, only six months later. And you will have a little taste, if the wifi behaves over lunch, on the changes that are live today. What you can see already is that information is much more personalized, it's more visual, more engaging. And we used all the knowledge of their needs to make the experience one that drives less anxiety, which is the graph that you have seen before. Which you see on the top right, by showing the information that they care about, and when the food is going to arrive. So, what you can see is only in six months, it has a material improvement. And this is basically because of the principles on which we based the foundation of the Just Eat platform.

This is what we think the platform will look a few months from now. And what you can start seeing now is that it will also bring the elements of what we call the hybrid experience. When the marketplace and some of the delivery or logistics experience comes together to offer more choice to our customers in a way that is very easy for them to select what they prefer. And again, the personalization, and the nose for our customers will allow us with confidence to pioneer the best hybrid experience in the market.

So, let's look at all the restaurants. As Andrew was mentioning before, we're in the beginning of a very exciting phase with our restaurant orders. The Order Pad is really the beginning of owning the construct of experience. And this is important for many reason. The first reason is we really care about our partners, and we want to make their life easier. We want them to grow their business, and the Order Pad will be the way that they can, for them, to grow orders by for example, getting recommendations about offers they could make on a Monday or Tuesday morning, or differing dishes, or bundles that they should provide. And it will also make their life easier so they don't have to pick up the phone for any changes. They can actually manage their presence online through our Order Pad Platform.

The second thing is, as you heard before, in the marketplace, from going from good to great, we're still primarily competing with the phone. And the experience that the phone has provided over the years is not a great one from a customer experience point of view. So the Order Pad now can lift the experience compared to the phone, to make it a much better experience so nobody truly has a need to use a phone instead of Just Eat. I'll give an example, this is the ability for a user to cancel an order, or change the order on the fly, and a message will come up in the Order Pad asking the restaurant order for a prompt, which action they want to take. This is the past would have take a very difficult conversation over the phone, if you're lucky. We can now automatize our workflow through the Order Pad, so we're very excited about how we're going to lift the customer experience for the marketplace through the product of the Order Pad across an entire state.

Video plays

Just Eat engineer: Alexa, ask Just Eat for a football feast.

Alexa: Hi Andy. We'll choose the food for all of you so you can get back to the game. Okay, how many people are you feeding?

Just Eat engineer: Four.

Alexa: Alrighty. Let's order from KFC. We'll get you 12-piece dipping boneless feast with fries, corn, a large gravy, and Pepsi for everyone. Does the food sound good?

Just Eat engineer: Yes.

Alexa: We'll deliver to Just Eat Fleetplace around 5:54. You're paying 22 pounds and 70 pence with your VISA. If that's all good, say "Pay Now".

Just Eat engineer: Pay now.

Alexa: Ordered like a boss. KFC will deliver around 5:54. Enjoy the match tonight.

Fernando Fanton: What you just saw was a live demo of our integration with Amazon Alexa. And the exciting thing here is that it took 42 seconds to place an order. We believe the platform not only supports the apps and the website, it also supports many other experiences like the one you just saw. And we believe that voice in particular is one that could have a material impact over the next few years.

What you saw today was an example of an order experience, but you can imagine voice to be really a way to augment the dry experience that Just Eat has. For example, you can place the order on the phone, but then give feedback, or reviews just by talking. For something, Just Eat, I love the chicken, that was a very wholesome meal, please remember next Thursday, don't forget to tell me, to advise me not to forget to order again. And it becomes a much more natural conversation. And out of the reaches of our platform will allow us to bring all of these experiences together, the phone and voice, to really provide an experience, that has nothing that you can compare against today.

So, to finalize, let me go back to the topic of data that we mentioned before. This was one of the main key principles in Just Eat, that we set out two years ago is having data as a core part of what we do. What this means in technical terms is that every component in Just Eat shares it's data with the data lake and that data is ingested real time. I won't go into detail with the numbers, but as you can see these are very impressive numbers of the sheer size of the volume, the history of all the data that we can produce, and process in real time.

This can later be used to augment the experience through personalization and many other scenarios for both our restaurant owners and our partners. So to talk more about the power of our data, how to harness this, I'll invite Alex Rahin, our Chief Data Officer. Thank you.

Alex Rahin: Thank you Fernando. Hello everyone. I'm Alex Rahin, Chief Data Officer for Just Eat. I've been here a little under a year and a half and it's been an amazing year and a half. Unfortunately Fernando took all of my cool stats and my video, so I'm stuck with some slides, so please bear with me.

My background prior to Just Eat has been all technology. Some of the companies, you may have heard of, such as Microsoft, Amazon, Intel, but also a few small start-ups that I had the blessing, and some days the curse of being the founder of.

And here's what we're doing at Just Eat, it's quite unique. You've seen data appear in some shape or form in every slide so far, so I wanted to, following on Fernando's overview, give you a deeper view. I want to take you through a journey of what's really running under the hood.

Some of the things we've been able to deliver over the last 18 months. I'll walk you through some examples, but also I want to give you a glimpse of what's happening, which is just as exciting, over the next 18 months.

Okay. So, I want to start with, maybe a holistic view of data at Just Eat. And this is very important because I want to leave you with a good understanding of not just what we've built, but perhaps, just as importantly, how we've built it. Data is extremely complex, fast-moving, a lot of high-velocity of innovation that's happening, and we've taken all of this into developing a strategy and a vision that is right for Just Eat. And, what is our vision? What is our strategy? Well, it evolves really around three key principles.

First and foremost, we look at data through it's application and use cases from an end-to-end point of view. End-to-end means nothing really can run at velocity and scale unless you connect all the pieces, all the way from your infrastructure, the data that you ingest, the transformations of that data, how you make it available through applications, and then finally how it's actually surfaced through the customers.

The second principle is that we're customer-centric, customer-obsessed. And what that means really is that if you look at Just East, we're truly a marketplace. And I use the word customer very generically. Our customers for data are not just consumers of Just Eat, they're also restaurants, there are delivery partners, and logistics applications, but also the internal ways, where we've invested into decision science to drive a lot of key strategies in both commercial logistics and marketing areas.

So how does it all come to life? Here's a representation of what we've literally built over the last 18 months. This is what we call the data stack, and the data stack starts with casting a very wide net at the lowest possible level where we ingest in real time, and at high velocity, some of the metrics that Fernando showed you articulate that. Everything that we have, all of our data assets in one place in raw form, in real time, and then progressively, again mostly real time and at high scale we bring this into various levels of connectedness, optimization, and then the magic happens essentially in the middle layer where we apply our knowledge around machine learning and AI applications to build these smart signals. Some examples are segmentation, right, we can generate in real time and update our segmentation models that can be applied for a wide variety of marketing applications.

CLV stands for customer lifetime value. This is one metric we use to really understand the differences between customers. Not every customer is equal in terms of their impact to Just Eat's business, in terms of their behavior, over a long time of their interactions with our assets. The propensity to take action, we have a really good set of predictive models now that allow us to predict customers behavior. And this is also used again, not just in marketing, but in our engagements with restaurant partners and to drive commercial applications across the globe.

And then lastly, the top layer is how this is presented. And my team drives all of these applications from end-to-end. And the three areas that I picked to show you, one is obviously around products and features. Personalization has been a key area of investment for us. I'll actually take that strand and I'll walk you though how data enables it at different layers. Delivery and logistics, and also our recent investments into growth.

Marketing and tools are kind of the wiring and the plumbing that allow us to reach customers at the right time, with the right offer. And we are also investing over the last year and a half, continuing into 2019, to really bring our marketing capabilities to cutting edge and toward leading.

And just as importantly, our internal customers around consistency, speaking the right language, and the same language around data. Having the right models where we can drive some very key decisions around many of the projects that you're going to hear about today.

So, I'm going to take the example of personalization and we're going to go on a journey together on what this really looks like. So from now, you're going to be almost an internal Just Eat person looking at data and looking at things we can get from it.

A good place to start I think is considerations around cuisine mix. So obviously we're a food company, cuisine matters. How do we bring this to life? Well, first and foremost you can start by looking at our understanding of customer behaviors around geographies. And I'm here picking UK, but we have the same capabilities for all of our markets. So you can see that these colors, we present various preferences around UK cuisine-preferences as by our customer behaviors.

But we can actually take you deeper. We can actually have a very good sense of the distribution of this cuisine and preferences, which essentially means selection. Selection drives commercial priorities, delivery focus, and marketing. And we can also even take it to the level of the individual customers, so what I'm showing here at the bottom are two cities. Which cities are not very important, but I want to bring your attention to the fact that through our deep understanding of customer insights, that we've distributed and democratized, across all of Just Eat, we enable every single Just-Eater to identify opportunities. Here's one example.

You see that city one and city two once you apply the dimension of time have some very interesting differences. One of them actually has a very healthy business around lunchtime, the other one doesn't. Both of them happen to have a great opportunity around ordering desserts. All of these, as you can imagine, are great opportunities to drive that next level of personalization, really at the lowest level at the individual customer.

So, I want to now fast forward and show you how this comes back to life. Now we've taken it to the individual customer level, so I've picked two customers from vastly different behavioral segments. One of which is essentially the very bottom tier, the other one is from the top tier as measured by frequency and volume of orders. You can see that we can infer from our data that these guys live in different parts of the country. They have different ordering patterns, they have different propensity preferences in terms of cuisine, in terms of type of order, in terms of volume of order. All of which allows us to really drive the key metrics that we've democratized across the company around volume, around frequency, and around average order value, among other things.

So you've seen this, this is essentially kind of a glimpse of what we've built so far. Most of which are actually in production and running, some of which are just around the corner and about to be launched, but this is kind of a backward looking view if you will. I want to transition and show you what's coming forward, which is just as exciting.

And this is around expanding and scaling these capabilities to apply to the rest of the marketplace. The rest of the marketplace includes our restaurants, and obviously includes delivery and logistics. Let me walk you through quickly what you're looking at. On the left hand side is an individual customer. Through over several hundred signals for every customer, such as how they rate restaurants, their offers, their propensity to care about offers and promotions, how frequently they order, what type of food, how much they spend, what are their preferences, we get a very insightful profile of this particular customer around their propensity to order from the same food for instance, versus adventurness of openness and trying other types of food. Their propensity to care about brand restaurants versus independent. How much they look for a good deal so to speak. How much they rate quality of food as they define it. How big of a consideration is speed of delivery, are these guys usually on hurry or not, on and so forth.

So, this is where we've invested and we've actually built these capabilities. And what you're going to see next, and Chris and the logistics teams are going to dive even deeper into how this is going to be brought to life, is expanding this into logistics and restaurants. The same model can be applied to restaurants. And this is what we're going deliver over the next 18 months.

What you see there is our model for a restaurant partner. Again, we have several hundred signals that we analyze in real time. Things such as location of the restaurant compared to the driver pool. The performance of their kitchen in terms of delivery, in terms of delays. In terms of added time. What is the customer experience and the quality of customer experience. Do they chat? Do they call? Are customers happy?

So here's an individual restaurant that you can really understand at the deepest possible level in terms of how do you they track, how do they operate, how is their distance convenient and a consideration for restaurants. And really this is important because this is really how the magic of Just Eat happens. The magic of Just Eat happens when we create and optimize connections between restaurants and customers. And this is the plumbing and the wiring behind it to make it happen.

Thank you.

Peter Plumb: Thank you very much Alex. We're going to take a quick 15 minute break. Just firstly, thanks to Ben, Andrew, Jerome, Fernando, and Alex. This morning was all about headroom growth in our core marketplace proposition. When we've gone through technology, 2017 was about reliability and we shared with you how much more stable and how strong our platforms are, but behind the scenes, I hope what Fernando has communicated to you is a lot of work was going off. We were running on several platforms, we still are, but we've been working on modularizing that technology to allow us to now this year build a world-class user experience. Fernando's talked to us about removing the anxiety in a customer journey to make using Just Eat easier than using the telephone and our investment in all the parts to every restaurant possible lays a technology foundation for changing customer service in removing the telephone from our business except in the most extreme situations.

As we start sharing with you what we're going to do with data, firstly we've taught you about data is vital to coordinate the feet on the street that makes the marketplace different ... That makes our marketplace business completely different. Knowing which cuisines, which type of restaurants, and which price points we need to target, and which cities, for which customers is really the secret sauce to make those feet on the street work.

Finally, on the personalization piece, what Alex has shown you, we're just peeling back the onion on this, knowing more about our customers and feeding that into the apps we're developing, giving us a chance when you open up the app for us to be as personal as we can with you.

So during the break ... We'll take 15 minutes. I need you back here at five to 11:00 ... Please if you want to grab an iPhone. We do need it back. I apologize for that up front. It is a beta version of our app we release all the time, so those that haven't used our app for a few months, and we do know who you are, I urge you to grab one and have a go. Play about with it. It's the reorder feature that is really the insight into personalization.

But to show you how good our AI is, it doesn't matter if you don't get time to order your lunch, because Alex and the team have predicted what each and every one of you want, so there will be food here if you don't get a chance to order, if you need time for a coffee and a comfort break. But please, back here at five to 11:00 for us to start talking about delivery and the way forwards. Thank you.

Peter Plumb: Okay. I think we're ready to start. Please do grab your seats. Okay. Our aim is to finish for 1:00, where, as I say, lunch will be coming in. We're trying to reserve 40-45 minutes for questions, so please grab a seat now, anybody outside we need you in here. I hope you enjoyed your coffee break. I hope you had a chance to talk to the team, and for those that had a few minutes, I hope you managed to order lunch for the rest of us.

We're going to shift gear now. We've talked about marketplace, marketplace being the bedrock of Just Eat, and the headroom we have still to go in becoming world class. We're going to move over to delivery, and if you'll remember when I talk to you delivery has a 41 billion market opportunity. It's currently by euro monitor called Collection, because there was no alternative to walk into those restaurants other than going in yourself to collect the food, and that is starting to change.

We said in our prelims we were going to do experiments this year and we were going to invest more money than in 2017 to run those experiments to find the right model for the right market for the right customers around the 13 different territories of Just Eat. So I'm going to hand over to four people. We're going to start with Graham Corfield, our UK MD, who's going to tell you a bit more about who those restaurants are and what they want and why they want to work with Just Eat.

We're then going to move to France and Gilles, our French MD, is going to talk to you about how we've been using third party couriers, where we are with some of our partners, because during the prelims many people asked us why are you using third parties? Why aren't you just doing it yourself? We've got some interesting learnings from that market, and that market is around Europe.

Then we're going to move to Chris. Chris is the co-founder and CEO of SkipTheDishes, our Canadian business. You know from the numbers it's had a phenomenal 2017, and I'm pleased to say that's continuing in '18. Chris is going to share with you where he's taken the business from as a co-founder to where he is today, and some of the ingredients that we believe makes Skip world class. It really is a fantastic model he's built.

Then we're going to move on to Australia. Australia is in its very, very early days, but we've taken the Skip model, we've planted the seed in Australia, and from that seed we are starting to build out our delivery capability, but it is very early days, but I did want Alistair to share some of his learnings with you about how he's pulled the pieces of this group together to plant that seed.

So I'm going to kick off by handing over to Graham. Thank you.

Graham Corfield: Thank you Peter. Hello everyone. I'm Graham Corfield, and as Peter said I'm the managing director of Just Eat here in the UK. I'm a KPMG trained chartered accountant by background. Make of that what you will. I've worked in a number of service based industries across various sectors before I joined Just Eat. I've now been with Just Eat for six years, 358 days. It's my seventh anniversary next Wednesday, so I'm expecting a very big present from my boss and my team. Just putting it out there.

I'm hugely proud and I feel immensely privileged to have been part of the team that has built out our leadership position in the UK marketplace in the UK during my time. You've heard earlier from Andrew and Ben, the team around our heartland marketplace business, and that remains an absolute focus every day, of every week, of every year, to continue to strengthen, grow and improve with every interaction we have with our customers, with our restaurants, with our restaurant partners, with the best products, the best experience, and we have the best partnership model, so absolutely relentlessly focused on keeping that growing, keeping that growing stronger, and improving every day.

Now I'm going to focus on the next wave of growth for Just Eat and the Just Eat Group. As you've heard, increasing restaurant choice has always been a key part of our success. In the UK we're up to 29,000 plus restaurants and continuing to grow. I think now bringing onto our platform branded restaurant groups is absolutely key to driving greater growth in our marketplace businesses, by giving our existing and new customers all the choice they want at the tap of one app to fulfill all of their takeaway occasions and serve every takeaway moment.

Over the last year we've been building relationships with some of the major branded restaurant groups on both a global and a local level in each of our markets across the country, and today we work with a large number of those brands, as you can see on the chart behind me. This chart is just a snapshot, and this chart is growing day by day as brands come to us, knock on our door, and want to work with us.

We've seen the market in the UK evolve and across the world evolve over the last few years, as branded restaurant groups who previously haven't done delivery now see a huge opportunity for their business and an increased growth opportunity by offering their food as takeaway delivery, and they see Just Eat as a key partner to help them enable to do that.

Working with brands in the UK we've learned is absolutely key to build strong relationships, work as absolute partner with them, understand each other's business relentlessly at operational level in every detail, and work very closely with them to launch and scale with them, because they're learning in this process and we want to be on that journey with them and help them learn and help them scale, and not just [inaudible 01:58:52] every restaurant in day one, but actually they need to understand their operation impact, how it impacts them, and we work alongside them to do that.

As I said, building partnerships rather than a supplier/customer relationship is vitally important, because that enables longterm stable growth for both parties, doing it properly in partnership and learning in that way. In the long term we see branded restaurant groups working with at least two, and possibly three delivery partners in every market, which enables them to have contingency, optionality, and coverage, and we definitely will be one of those partners in all our markets.

We're already seeing some of the existing exclusivity deals now being ended. For example, GBK recently announced they're ending and exclusivity deal to engage and work with Just Eat, so we're definitely not too late to the party in providing delivery to help brands grow their business. If you look at our brand awareness, our customer data, our customer base on a national scale and brands coming and knocking at our door every day to come and work with us, now is the absolutely perfect time for us to scale this globally.

As we engage with brands, what's clear is our knowledge and depth of experience and understanding of the marketplace and takeaway delivery is absolutely hugely valued by brands and it's a key to teach the advantage for them and how they can accelerate their growth over the next few years.

Three of the main pillars up there are about how we build a relationship and how we build a partnership and what they're looking for. One is co-branding and marketing with them. They absolutely see it vital actually using the power of their brand and the power of the Just Eat brand to leverage together really will drive ... Cut through with customers and drive real accelerated growth.

Also in partnership, working with them to understand their business and making sure that when they launch delivery ... Often in a sit down restaurant it impacts how they operate their business, so making it as seamless and as less onerous as possible for them to expand their business into a takeaway delivery facility is important. One of those key pillars is actually building point of sale integration into their system so it's seamless and it drives efficiency on front of house. For most of the branded restaurant groups actually offering delivery as a solution ... Not all of them, but for the majority of them offering a delivery solution is vital to fulfill their orders.

As we build out and develop our partnerships and relationships with branded restaurant groups, the restaurant coverage and choice that they can bring our customers and our markets is absolutely substantial. There's a huge amount of headroom from today's Just Eat Group and the number of restaurants we can add across the estates, and that will provide much greater choice and feed every occasion for existing hungry new customers.

Our customers we know from data, and Ben picked on it earlier, they want full choice of restaurants and they want full choice of cuisines, so as we build that delivery we will add both global brands, and you can see the headroom there. Tenfold we could add at scale across our key markets. We have the key national brands, because there are national brands which operate just locally in countries. We'll operate other local brands. There are brands which operate regionally or locally in areas, and also we'll bring onboard targeted independents.

Again, in many, many regions of each market, particularly in the UK and across all the Just Eat groups, there are the local hero independent restaurant who customers love, and they would love to have it on delivery, and they come into us, "Graham, get it onboard Just Eat," but they don't have the wheels. So we will target those local heroes and give them the ability and take them on the journey of offering a delivery solution as well. Combined with our leading marketplace business, this provides every customer with a world class high grade marketplace to satisfy all their needs.

Our data points prove that adding a branded restaurant group with delivery solution drives incremental volume, and it does not cannibalize a strong core marketplace. When you talk to brands, they're worried that it'll cannibalize their dine in business. Again, we track if it's cannibalizing a marketplace. It is not. It is actually strengthening and complementing and driving incremental business into our core marketplace. At date, it shows that over 90% of customers who order from a branded restaurant group then go on to order multiple times from our core marketplace independent restaurants.

So the halo effect of adding brands on our platform is very significant. It drives very strong incremental growth wherever we launch, particularly in the UK, and our data shows that where we add a brand within a delivery area that area over-indexes on both new an reactivated Just Eat customers, who then go on to cross-shop across both brand restaurants and independent restaurants as well, so it really is a win/win/win situation.

It's a win for branded restaurant groups because they have access to our loyal 22 million and growing everyday customer base, and they get instant volume uplifts, which is incremental to their sit down businesses. It's a win for customers. They get more choice. They get a full cuisine offer with the brands they love alongside our core market base independents they also love. And it's a win for our core marketplace, because the independent self-delivery restaurants get more new customers and incremental volume.

To provide that choice to our customers we clearly need to provide wheels in the majority of cases to support the growth of branded restaurant groups, quick service restaurants, and also local independent takeaway heroes. So we are currently using third party couriers, as mentioned earlier, in some countries, including the UK, which is scaling really well and already proving the route of profitability in a number of key postcodes and areas as we build and scale this. Plus, we have a hugely successful delivery business in SkipTheDishes in Canada, which we're starting to roll outside of Canada. You'll hear from Alistair later on Australia, and we're looking to launch that at the back end of this year into the UK and also into Spain.

So, we're now at what I see as, seven years in, having a solid leadership marketplace business, we're now in a superbly exciting next stage of growth for the Just Eat Group as we scale and grow this globally. So, I'm now going to hand over to a couple of people to talk about providing the wheel spin. Gilles will talk about working with third party couriers in France, and then I'll hand over to Chris, who will talk about SkipTheDishes and that business. So, thank you. Over to Gilles.

Gilles Raison: Thanks a lot, Graham, to show us how brands are so important to our success in today and in the future. I'm Gilles Raison, I'm the country manager of France for three years right now. I started e-commerce before Google is live, so it was very, very long time ago. And, previously I was at Amazon, leading the fashion accessories and shoes business in France for four years, and now leading the French business.

I will talk about delivery, and I will take the example of France, and how we operate with a third party courier, which is called Stuart. So, Stuart is a last night delivery company, that was started that has now been acquired by GeoPost, the international subsidiary of French group La Poste. We are their first customer and we decide to define a strategy partnership with them to increase the number of catchments we operate in delivery. So, so far we operate in nine cities, and we will go to 22 cities before end of year.

The strategy we define is to always start with the branded group restaurants or with a chain. You have at least of five A core chains. So, more important for us than others. So that's McDonald's, Burger King, O'Tacos, Subway and KFC. And, some of them already work with us, and some of them, that's under discussion. We are already able to provide a great restaurant and customer experience, meaning that we can deliver accurate ETA, we can do automatic dispatch and we can create dynamic polygons to define the delivery areas of each restaurant, which is really, really important for franchises because you know they have some limitation in their contract.

On top, we have dedicated some teams to deliver the great customer experience and it's allowed us to improve, especially the performance during the most complex faze, that is rain and peak time, for example football match.

If we look at third party performance and advantages and disadvantages of working with them, so if we start with the advantages of that model, the first thing is that we benefit from flexible drivers that are locked with per-order cost, meaning that that's cost effective to share drivers with other verticals. We are able to deliver accurate ETA to customer thanks to the technology we have and provided by the partner as well.

The main disadvantages of working with third party, the first one is the geographical limitation, this is a negotiation to open new areas and this is not something we can decide absolutely alone. The second thing which is a small disadvantage is that the focus of the company is shared with other verticals. For example, the focus for a technology roadmap. So, you need to be the first customer to have some weight, and this is the case, for example, with Stuart in France. And, last but not least, the driver branding is not available when you operate like that.

The strategy that we have chosen with Stuart is to operate with them in France, this is the main partner and this is one of the partner we have chosen in the UK. If you look at the performance, we can say that the data shows the deviation from the average delivery time with most order delivered with five minutes of expectation, which is great. And, if we look at the end-to-end delivery time, and we took the example of KFC in France, that 27 minutes, and 27 minutes from end-to-end. From customer who orders to the door with the bag in the hands. Meaning that we take into account, for example, the waiting time at door, which is a very decent performance.

In Europe, we have similar deals with different company, like Stuart's, or this is, for example, MissionBox, it could be PonyU in Italy, NoTime in Switzerland. So, in every country we select the best partner and we are very disciplined in the way we launch the catchment. The first one is, we only choose largest, very large city with high density catchment. Then, we use a data-driven approach to define if we need delivery, or not. The result is an hybrid model, first combine delivery and marketplace in high density areas and, in all of the catchments, we will continue to be marketplace only.

So, this is a really good model to start delivery and to make it cost effective, and to sum up, I will say that selected, high quality third party courier can offer very competitive delivery economics, given cross-vertical drivers, particularly in Europe. However, we have a world class solution in the group, and I'm very happy to introduce you Chris, which is the co-founder and the CEO of SkipTheDishes, one of the pioneers, and I would say one of the, probably the best person in the world to talk about delivery, so, welcome Chris.

Chris Simair: Thank you Gilles. No pressure, eh? My name is Chris Simair, I'm one of the co-founders and current CEO of SkipTheDishes. I have a background in engineering, I spent the last, about 30,000 hours and six years really working alongside some incredible people, building the SkipTheDishes business. Now, when I say six years, that's startup years, I'm only 18 guys. It really wears me down. I want to continue building upon the theme of delivery, colleagues Gilles and Graham. I'm going to speak a bit about the SkipTheDishes model, how the operator model works, a bit about or history as well as where we are today. I'm not going to talk too much of financials, I'm going to leave that for my colleague Paul Harrison to speak to the end of the presentation.

First, let's take a little bit of a journey back in time, to about six years ago. Like Just Eat, SkipTheDishes originated in a basement, a case of beer, riding colleagues who work for free, and here you just want to highlight a few things here. We've come a long way in six years, admittedly, you know, we no longer have these yellow cables, chairs without backs. That whiteboard technology was, like, really leading edge at the time, but I also want to note that there's a lot of food delivery here in the garbage as well, so the early days give a snapshot of where the people came from.

Now, doing a startup in Canada, it's not like Silicon Valley, it's not like London, it's the middle of Canada, and, you don't really hear about a lot of unicorn size business coming up Winnipeg's of Canada. The big difference was that we already had a bootstrap since day one. When I say bootstrap it's like, get your trousers, you're going to hold onto those because you're not going to buy another pair for five years. And, what are we really most proud about was that along the way, we were able to calculate some of the best talent in Canada, and bring it to an opportunity now to work alongside the experts of food delivery at Just Eat, and we create something even more special.

So, here's a snapshot a few years later, again we dropped the cables this time and we actually have some sofas, so big progression. Some people may not know the story of Just Eat, but actually my brother and past CEO, he actually got the idea from working here in the city, he was working long hours as a banker, obviously capital markets, and he ordered a lot of food, like working 18 hour days like most analysts do, and he ordered from this place called Just Eat. And he's like "What's with all these Just Eat drivers coming in now?". This was five years ago, six years ago. And he thought "Wow, this is a great business model". Saw the margins, saw the growth rate, he called up myself, my other brother, who are engineers and said "Hey, can we do this in Canada?".

So, this was one of the first versions of the website six years ago. You'll see right away, you've got things like "Delivery", "Pick up", "When", "What's your postal code". That's antiquity these days, eh? Now, we actually have our roots in marketplace as well, so we very much understand the marketplace model. We had about two years under our belt in marketplace, until we realized, had epiphanies thinking a few years ahead, what's going to happen? In delivery, you don't have ... Sorry, in Canada we don't have a delivery network like you do in London, so we set out to go out and build our own infrastructure, our own service, hence it's in the path of us becoming one of the world players in food delivery.

So, a quick lesson in geography of Canada. So, Canada, literally is not much different than, like, a Western European market, outside of we have a lot more beavers and a lot more hockey players. So, I like to divide up in west and east. So, the east is all where about 50% of the population resides. The west is where we originated, I was born in Saskatchewan in the north, and not many people around there. And, we started out in that area and we've expanded since then out towards east more recently. I'll speak to that a little bit later.

Here are the ... The key thing to highlight about Canada is it's really often referred to the 51st state of The United States. And why? It's because we have 90% of the population around a 100 kilometer border from the US. I think a lot of us mostly just want to escape the north in the winter, get down south where it's nice and warm, right? And, so what you see here is a very distributed country, about 7,000 kilometers coast to coast, right, and 40,000,000 people spread across this country. Now, another key fact is that in North America, and most places of the world, about 50% of the population resides in your tier 1 cities like Toronto, like Montreal. Whereas the other 50% of the population resides in mid-markets, like the Winnipeg's, Edmonton's, Calgary's, of between three and 1000 to 1,000,000 people.

So, we've come a long way since then, through partnering with Just Eat and leveraging their insight, their big pockets, you know, I feel our growth there. We've matured our organization to a point where it's now about ... It's close to 2,000 people. So, you have double the size of the team since acquisition. We have matured our capabilities, so look from a compliance lens, looking from a growth lens to make sure we're growing sustainably. And, we now have four offices across Canada, and in the cities of Saskatoon, Calgary, opening up soon, Toronto, as well as Winnipeg. Our headquarters is in Winnipeg.

Now, Winnipeg, a lot of people don't know but Canada is actually emerging as a technology scener now. It's, a lot of the money in US, and due to the recession and instability of the 2008 crash, you see a lot more money coming to Canada. And, a lot of the talent that has been gone from Canada down to the States has chosen to stay in Canada instead, due to some political nature and some leaders in the US, helping with that of course. And, so in Canada, Winnipeg is actually positioned the right time, it's kind of emerging from this economy, it's very diversified. It has strong roots in logistics, back in it's early days, and now it's really centralized geographically and with some good schools around it to be able to emerge as a tech leader, and a lot more money pouring into these kind of markets.

Now, why Winnipeg? A lot of our investors remember the early days, going to the valley and even talking to their London peers here too, they're always asking "Why Winnipeg versus Toronto? What about the valley?". And, some investors went so far as saying "Winni... Washington. I know Washington.", like, no, it's a little more north. And, realistically we saw a mass opportunity for the reason I mentioned about being an emerging tech sector.

But, also, for the last 20 years, all the talent from the Canadian schools go down to the US. You have Amazon, for example, set up a hub in Canada, they breed the best developers, they head down to headquarters in Seattle and [inaudible 02:19:08]. So, when we set up SkipTheDishes in Winnipeg, we just thought, like, a few years out, things go in cycles and we saw that it's going to everse the cycle.

And, now we actually have a big fish in a small sea. We have access to about seven top Canadian schools. Now, Canadian school system is quite good, for those who don't know, it's government backed, it's very standardized and it's more akin to the Ivy Leagues of US, just near the bottom rung of those. So, we have first mover access to a lot of these kid grads. Furthermore, we've secured immigration channels, pathways with provincial and federal governments to ensure that we can solidify a strong talent pool for recruitment, so we're able to pull in a top candidate from Brazil, per se, with a two month window to get them there, to our office and working in a quick time frame. So, it's really a key to our success to grow, but also it de-risks the future in terms of mitigation and for talent. Not only in Winnipeg, but our other offices as well.

So, looking back on the summer, I know there's a heat wave going on in London right now, what's that, 30 degrees? We get up to sometimes 40 degree weather in Winnipeg in Canada. Fascinating, eh? But in the winter, it kicks down to minus 40 degrees. Massive sweep. Okay? Now, why is this important? Well, think about this. That's your courier. How is your courier going to deliver your food in that kind of weather? Rain? I mean, come on. Rain's easy. However, dealing with, like, a place the size of London, maybe about 3,000,000 people, now come on. That's a very distributed population base.

Now, if you can solve delivery in this, and without the meaning for penetration of people, just to be sure, people centralized like London, like New York, like Toronto, heck I mean come on these cities are easy. So, I mean good for Uber Eats, good for, you know it's, like, Postmates in the US, and DoorDash. These started in big cities with big pockets, but if you're going to do this bootstrap, and solve for delivery here and pick meaningful dive since day one, just imagine extrapolating that now to the big markets afterwards. So, it's sets us up for solving the hardest problem first, it makes the other problems much easier.

Now, how we do this. The base of it all starts with people and ends with people, in my opinion. So, my predecessor, Josh, the previous CEO, he did a great job in the early days of securing ... The first 50 employees were top international, national, Olympic level athletes. Now, why is it so important that when you go out on delivery, some logistics operations business? Very fine margins you've got to deal with here. There's no room for error. So, you need a very good team to set the early days as a culture, of a very competitive attitude, an attitude to win. Can we be ejected by restaurants and sales, can we get back up and knock it back down? So, culture has been a key to success since day one, it will be a key to success as we work with Just Eat together, to redefine what that means to take an operational leadership position across the world.

As long as we remain entrepreneurial and agile, we're able to adapt to the market as the market changes on us, and outmanoeuvre our competitors as well. So, just to ... The phrase of our technology, to give some context around us, there's 1,800 seconds in a 30 minute delivery window. 1,800 seconds. Now, there's even more combinations of what could go wrong. All the way from, courier has a flat tire, it's snowing, snow hazard, you've got the restaurant staff quit the day off, there's hair in your food. There's so many things that could go wrong in food delivery. So, what SkipTheDishes has done is taking 1,000,000 hours of our total combined effort, and approached delivery as a science.

So, what we've done is reverse engineered the whole delivery cycle, from the time where you place your order, to where you get your food and eat it. We've looked at it second-by-second, frame-by-frame and looked at how we can improve every second of that, and it hence translates to increased margin, profitability and so forth. Alright, there we go.

What's really important is that, by taking a fully integrated approach, you're able to create this continuous feedback loop, and therefore a future cycle. So, we have our apps, our platform embedded in the restaurant in the kitchen, mention the POS as well, the customer has it on the back of their hands, the courier has our app, and as well as our system behind the scenes, our teams are enabled and powered through technology. So what this does, it creates this ecosphere, this system where it's continuous feedback two way between all parties, alright?

Now, why is this important? It's really important to collect this amount of information and this data control. So, if you're looking at every second, you need to have real time updates and visibility insights along the way. So, with using machine learning technology and techniques, and predictive, adaptive technologies, we're able to learn from this data in real time and get smarter ever day.

So, every day our system gets better, and every day we can look at, in real time, each order, and our system tells us when we need to act, so, we have about a 1,500 team right now today in Winnipeg, being available should the system tell them to intervene. So, say a courier is going the wrong way, okay? Then the app notifies them right away that "Hey, are you sure you're in the right direction?", then, if still it continues to persist, our team gets involved, a call or chat with the courier. So, all those things add up to a point where you have continuous oversight and each order goes through this process, end-to-end, to make sure you get the best experience for our customers and our couriers, and our restaurant partners.

There's got to be a secret to this somehow. There we go. Perfect. Now, when you calculate data, it's really important to ... Okay, take a step back here. So, it's really important to understand that delivery is not our responsibility only, it's a shared responsibility across all parties. It's a network. Our job is to connect customers, hungry customers, with the restaurant partners and fulfill the order through a partnered independent contracted courier, okay? That's very important because when it comes to things like a restaurant holding a courier, I mean that could take two minutes, it could take 10 minutes sometimes, and that ultimately gets pointed back to us for responsibility.

So, what we've done with the data, and through our app is being able to transpose that, or make a transparency back to each party. So they have full visibility on what's happening behind the scenes. Just like if you're going into a restaurant and you sit there for an hour, what's going on? If you had a visibility into the kitchen, you'd understand they've hit a backlog, something's going on, the kitchen broke or whatever happened, right? So, it's very important that we give this transparency to our stakeholders.

Now, it also gives ... Expectations are very important too. So, say if a customer, you order food, it's going to be a 30 minute delivery time, that's according to the start. Now, something happens, now it's all of a sudden 45 minutes. If you don't know what happens, you're going to be hungry, like, you're going to be hangry at that point, right? And, it's so important to get that insight into the journey, so that the people understand or have expectations managed along the way. Again, further increases that future cycle of a positive experience.

Turning to the restaurant partners, similarly we give them the tools to be able to succeed and to be able to manage their own performance. Now, it's really important to note that we've developed technology through many, many years of doing this, to understand that, you try to create an environment of gamification, okay? Incentivisation for each party.

So, with restaurants, we use something called Skip Score. Now this, it's a whole algorithm, just like Google does for search rank, it combines a multitude, like hundreds of different factors in it's own proprietary algorithm to give a ranking to a restaurant for performance. Things like, you know, how popular a restaurant is, how well they perform. Now that's what's important. It's not only that you want to have customer ratings exposed to your customers, but you actually want to show how is the experience going to be for that order as well, for that restaurant.

And, so things like courier hold, so what we've done with our technology is to be able to ensure, to the best of our abilities, that the food will remain hot. How is that? You give the transparency of the tracking to the restaurant to see the couriers coming. You show them that they're going to be ranked on this visibly to the customers on this at the end of the day, connect the two dots together, and now you have a feedback loop for their behavior, and a reward to ensure that they're being held accountable to this. So, when the courier comes to arrive to get their food, they're not sat their waiting in the kitchen. The restaurant sees that, the food's ready to go, the courier picks the food up and drops it to the customer in the shortest amount of time possible.

Likewise for courier partners, very important as well, these are independently contracted couriers, okay? They're not our employees here, so we can't tell them what to do, can't tell them where to go and do their job. What we can do, though, is provide them the tools and information to power them to make the right decisions, and, again to gamification principles to incentivize them to do the right behaviors as well, too. So, it's very important to have that full feedback loop with the courier partners as well.

We manage all our couriers, as well, so we have a dedicated team to do the recruitment, the communications, support, these are human beings at the end of the day, and it's really important to have emotional connections between our team and theirs. It's very easy to point fingers at someone when we don't know who they are, but as soon as you connect to the human being behind there, you build that relationship and trust, and that's how we maintain a healthy pool of couriers in our network, to ensure that we have enough, adequate supply at all times.

There are also other things and staff that's important to note, that we actually have a team of weather experts in our office. People are watched by 50 minute intervals, what's going on in the weather across all our geographies across the world. 24/7 operations, 30 plus languages spoken now, in the office. When it comes to couriers, we have mechanisms built into our system where it proactively and reactively reacts to weather patterns, special events, spikes in traffic, to ensure that we have enough couriers coming in and out and demand supply's curbed and increased as we need it real time as well. This, in my opinion, I don't think that any other competitors would do this today, and that gives us a leading edge in cases where it's, say snowing or raining in certain markets. We're able to capture that volume.

So, how have we done today with this technology and our team? A quick glance at some of our past performance. So, rewind the clock to 2016, when we were acquired. We had total revenue for that year, Canadian dollars of $24 million. Last year $87 million. Now, you can see in the graph on the right, the search traffic here from Google Trends, it really just highlights the potential that we have in Canada. We have a team that's fired up, we're just starting the engine here. We're finally getting investment and partnered up with the colleagues at Just Eat and, in my opinion, there's such a run right here. Again, in my opinion, I think that we should get this meaningful size where we can start approaching UK size one day as well, where they are today, I hope of course it keeps continuing to grow.

Now, one of the reasons why, this is really important for my team and for everyone here, is that the reason why we exited, we chose to exit with Just Eat, we didn't have to, we had another raise at the same time. We had a $40 million offer on the table, we had a few other competitors in the space also approach us, but we chose Just Eat. I hope this explains why we chose them. It's why? It's because they had the same approach and methodology and the understanding of food delivery that we really appreciated. We saw a massive opportunity to take our know-how and knowledge across other geographies, and our team and culture aligned so well and meshed with it so well.

Another key success here, partnering with Just Eat, we're able to leverage our brand power globally as well, to double team on some of these brands here in Canada. So, a key success to be able to grow across the geography is to be able to get a combination of brands, cuisine types, offerings and ground power to be able to launch all these cities quickly. So, over the last year and a half, two years, we've launched about 100 cities, all greater than about 25,000-50,000 people through the partnerships with these chains, which further fuels interest from more chains, which increases again our footprint from a grand standpoint; so much in fact, that now about just over half our orders are now coming from these branded chain relationships. That's very important to note that the other half are still independents. So, I see in the future here, that, really, approach to marketplace and the delivery being combined together is even more powerful than just one or the other at all.

Lastly, I want to end off about our approach to launcher markets, and why this is important. So, so many times along my lifetime here with SkipTheDishes, I've heard questions about, and comments about, "What is your jobs per hour metric?", or "What's your cost per delivery?", "How much dollars per hour for your couriers?". I mean, the answer to all those really comes down to, it depends. Being in control of this thing is to have an end-to-end, like the fulfillment side of it, and our control, we're able to look at these as levers. So, really I'm the operator in Canada. When I'm watching a city, I get to choose how much addressable coverage do I want to pursue in that city, to penetrate the market? How fast do I want delivery times to start with? And do I want to adapt it to over time? And how much cost do I went to spend in this market, to investment, to be able to grow the market as well?

So, at any given time, we could be profitable, but we're choosing to be able to invest for future growth, and when it comes to new markets, say in Canada, or abroad, it's very important to understand the triangle of balance between the addressable area you're covering from a zone perspective, and how many customers you reach, versus speed, versus cost. And we're able to tailor this and be in full control the whole time about how fast, and at what cost do you want to grow in other markets across the globe.

So, to speak to you a bit about a key study on this, and more recently we've been teaming up with Alistair's team in Australia, I'm going to invite Alistair to the stage to speak about our experiences working together.

Alistair Venn: Thank you very much, cheers.

Chris Simair: Thank you.

Alistair Venn: Good stuff, good morning everyone, it's still morning, some weird hour in Australia. But, I'm Alistair, I've been with Just Eat for a bit over two years, so I joined Menulog about nine months after the acquisition, I'm originally, unashamedly an engineer, I spent most of my time with big engineering companies like Siemens and Rolls Royce, doing all the real nut and bolt stuff in mining, manufacturing and supply chain. So, I'm absolutely loving this endeavor into delivery that we're seeing in Australia at the moment. But, I transitioned about seven years ago into the world of e-commerce, I did my MBA at INSEAD, moved to Australia and led Groupon Australia for five years, and I've been at Menulog since then.

It's been a pretty amazing journey, it was an offer that I couldn't refuse to join this incredible business, one of the largest marketplaces in e-commerce businesses in Australia, at such an exciting time. It's a really interesting journey, we refer to Menulog, we refer to the Menulog Group, but Menulog was actually the merger of two major brands in Australia, of Menulog and Eat Now. The acquisition happened only four months after that merger, so we really had a lot, a lot, a lot of work to do in the early days. Two different teams, located in two different cities, two entirely different tech platforms, two entirely different operational systems. The day I took over, there were seven different external service providers supporting restaurants and customers across the group, so I really enjoyed that stage of the lifecycle to be honest, that's the geeky engineer again. Coming in, developing the right people, processes and technology to be able to scale the business. But we've really had to invest and work very, very hard on some internal topics in order to do so.

The first thing we did was really focus on our core business of our marketplace, the self delivery marketplace. And over the past two years we've taken a number of self delivery restaurants, we've doubled that from 5,000 to 10,000 restaurants across the country. And we've also doubled the number of active customers. Remember Australia is only 24 million people. We've doubled that to three million active customers across Australia. We've built strong roots in terms of our marketplace business. We've also had to lay a lot of those tough foundations. A lot of hard work through the course of last year completing the migration from a very old legacy technology platform that Menulog built 11 years ago to the Global Just Eat platform. And we're now seeing the fruits of that labor.

However, while we were busy doing all of these things in the past two years, the market dynamics are really, really interesting in Australia. There's three key points that I want to point out here that make Australia just absolutely perfect for third party delivery in particular. First and foremost is the degree of urbanisation. 40% of the entire population lives in Sydney and Melbourne and more than 70% of the population lives in the top 10 cities. And you can see some of the other Just Eat markets, just the delta between that degree of urbanisation, which makes the ability to provide and scale third party delivery in these larger, more dense areas even quicker.

The second is that Australia is not a traditional delivery or take away experience. We have done extensive research and identified 86000 different restaurants across Australia. Australia has an enormous foodie culture. But we've actually called every single one of those 86000 restaurants and asked a simple question. "Can you deliver to me? Yes or no?" 11,000 of the 86,000 restaurants deliver. And as I mentioned 10,000 of those are now on the menu log platform.

Lastly, the take away space in particular is very strongly led by a few major QSRs. The 10 largest QSRs in the country represent more than half of all of the take away transactions in Australia. And these three components combined mean that the traditional self delivery space, although a very large and interesting space, is limited to a certain extent and there's huge opportunity in expanding further to address all of these other restaurants. Hence, the reason that we started to look into delivery.

Now, all of us can confirm to you that doing delivery is not the easiest thing in the world. Yes, being geeky makes you want to do it. But the reality is we're doing it purely for our customers. We want to be demand-led, listening to our customers rather than supply-led. And I'll show you a little bit of what that means over here. Our traditional business, first of all, in terms of occasions mix, time of day. A traditional self-delivery business has been driven by when our self delivery restaurant partners want to deliver. And that means that in our traditional marketplace 81% of all our transactions happen over dinner time because that's the primary time when our restaurants offer delivery.

A small insight there in the launch of our first few zones has seen that the percentage of lunchtime delivery has grown from 19% to 35% of all transactions in all those zones in the space of only three months since we've been operating. We believe there's huge further incrementality in breakfast and even late night. We can actually track the traffic to our website and track the conversion rates with advice from teams such as Alex. And we can see the huge amount of consumer demand coming to us at two o'clock in the morning. We all know who those people are. They still manage to use their phones, amazingly enough, in their inebriated state. But our conversion rates are very low because we just don't have enough supply at that time. And these are the type of insight that make it incredibly interesting, incredibly valuable to be able to launch and scale delivery very quickly because we have a very good understanding. We're not going blind into a new area. We have a detailed understanding of who our customers are, what they're looking for, and where our current gaps are. That's a bit of insight into the occasion side of things.

The other side is cuisine. Once again, supply-led has meant that more than two thirds of all of our restaurants come from pizza, Thai, Indian, and Chinese. Those four cuisine types represent two thirds of our 10,000 restaurants, yet however, of that 86,000 in Australia only 18% of all restaurants in Australia are from those cuisine types. You can see from that delta just where our gaps are. And we've seen some really interesting initial first fruits from this perspective of being able to launch this.

Hence, to me, it was really evident about the opportunities of being able to launch delivery. The reality is that while we've been doing this internal stuff and getting ready, some companies like Uber Eat have moved into this market very quickly and very aggressively. But we see that as an interesting opportunity to gather ourselves, work closely with our colleagues. I feel like I've spent more time with Chris than with my wife in the past six months. He's a great guy. We're working very quickly to try and catch up in that regard.

The KangaMoose. We called it Project KangaMoose. It's not the prettiest creature in the world, but it's remarkably effective in what it sets out to do. And this was all really about crafting and engineering not just the best of both worlds, but the best components of all three parts of our business both in terms of technology and in terms of operations to bring a product to market quickly and to be able to iterate on top of that so we can explore and understand the delivery side of our business. All of that hard work that we did together with Fernando who was my work wife last year, we worked together on the global platform migration last year. We're seeing the huge fruits of that labor now by able to use the Orderpad hardware and the Global Just Eat technology front end, like the apps you're playing with today. We start to get access to that type of thing rather than building it ourselves in Australia.

From a consumer perspective, they engage with the Menulog branded Just Eat powered interfaces. Behind the scenes, you just saw some insight from Chris around the amazing technology really focused around the restaurants and the careers. We leverage that. We put everything out on the table and we say, "How do we pull the best from everything?" When it came down to the restaurant facing and career facing technology, we've plugged in the SkipTheDishes restaurant app running on the Orderpad hardware and we've plugged in the courier app into Australia. And we get all that excellent insight, the data, the analytics, the real time ETAs, et cetera are launched already in Australia from this side of things.

What you also learned from Chris is that it's not just one great piece of technology that does it all. The real special sauce is linking that together seamlessly with really strong operations. And we are hugely privileged, I'm massively privileged to have an amazing team in Sydney which are incredibly on the supply and demand generation. As I mentioned, more than three million active customers in Australia. More than 30% of Australian households ordered from Menulog last year. More than 50% brand awareness. Our marketing teams are really driving that forward being able to build customer acquisition. And on the sales side, it's hugely exciting to now run at that 7X larger opportunity of restaurants to go after.

And then from the real core operational side of things, as Chris mentioned, he's got a strong team and a large team in Winnipeg. And a lot of the real time live support of the careers and the logistics teams is done out of Winnipeg seamlessly between our teams. Thanks goodness we're not on fixed line because our phone bills would be enormous between Canada. We can do it all within the cloud these days. But huge collaboration between the teams to bring this to market.

This is our journey. As Fernando mentioned, we can start to use all of the benefits of the modular technology solution to be able to pull together a first version, a very crude version of these best of all elements technology solutions.

We had to design and build every operational process in order to on board restaurants, careers, and customers. And that design process took five weeks before we launched, excitingly, our first zone in Sydney. The great thing about this that we're starting to see now, as I mentioned before, is that most of the uncertainty and inefficiency of the launch of a new market comes from not having the demand. You don't know who your customers are. You don't know what they want. And it's quite expensive and time consuming to get them. And while you're busy building that demand, you suffer inefficiencies on the supply side of careers and restaurants.

The amazing thing that we have is that we're launching this technology into existing markets and we can see that we can launch with far more insight than if this was a separate company coming in trying to build customer demand at the same time. Our plan was to run for the first month to really keep it a very soft launch and gradual. But we're aspirational people and we grew past our goals in that regard. The first thousand, I did a few and we all chipped in to learn as much as we possibly could. By the second month, we launched our first market in Melbourne remembering that Sydney and Melbourne both have a population of five million each as well as multiple other zones in Sydney. We're seeing some strong operational performance in terms of delivery times and efficiencies. And we're starting to really tap into that opportunity from the QSR space, from the branded restaurant groups. Two of those key 10 major restaurants have come on board in our first initial zones. And three of the other top 10 are on our self delivery marketplace. We're starting to be able to move into that quick service restaurant space.

It's ramping up strongly. It's really exciting an interesting time. It's amazing collaboration between teams. Where we stand today. We have seven delivery zones live. You probably don't know what a zone looks or feels like. But to give you a feeling of that, those seven zone across Sydney and Melbourne have a total population of two million inhabitants inside of it. We already, in the first three months, are offering our delivery service to just short of 10% of the Australian population in three months. And in those zones there are 9,000 total restaurants that customers can choose to purchase from by walking down the street. And we have 1,300 of those restaurants. Close on 20%, which is our aspiration, to always be more than 20% of all available restaurants in an area to our customers to provide a genuine choice of cuisine, price point, and time of day to give them the selection that they're looking for.

Still incredibly early days. I have to temper my excitement all the time. We're learning every day. This is very much a version one. But it is proving valuable to our restaurants and our customers. And we're working very closely with Chris on an operational front and Fernando on the technology front to really move from these early versions, V0.1 to be one, two and three to be able to take it further.

Just a quick summary. Australia's been through a pretty bumpy ride to be dead honest. We've done a lot of strong foundational work. But during that time, other people have been able to come in and seize this opportunity a bit more quicker on the delivery front. We've done a lot of strong work on our marketplace. And we've seen some really interesting first fruits in the delivery space. We feel hugely privilege to be the first country in the Just Eat group to build this hybrid solution, to offer the maximum possible selection and feed our customer take away moments to service all of those take away moments that they're looking for and to really learn as much as we can and to pass those learnings on to other countries. It's a real privilege to be able to demonstrate some initial results and start to already work with some of the other country managers around thinking how this might roll out to other countries.

I've covered most of these points already. We're seeing strong operational performance as well in terms of delivery times. That's really important for us to learn as much as we can but not to pass any pain onto customers or restaurants, so we're really making sure that every transaction that we do, every delivery that we fulfill is operationally sound and we grow this slow and steady moving forward. Now it worked when it shouldn't have. Thank you, Peter.

Peter Plumb: Hey, thanks.

Look, delivery is all about unlocking the £41 billion pound collection market I talked about in the beginning. Graham talked to us about customers tell us they want it. We see that in their behavior. Restaurants in growing numbers want to work with us for what we bring to this market as Graham explained to us.

In the prelims, I said in March we would use 2018 to see if we could plant the Skip seed in another market, to see whether we could take that technology to roll out delivery with the third party currier model with the success that Chris has clearly had with his team in Canada. Alistair and Chris make it sound simple. It's clearly not. We are still learning. I think it's fair to say. We are in the early stages of making this model work. But we have proved we can plug our tech together, which Fernando has laid the model for. And the Skip model is still incredibly manual at the moment to coordinate that number of restaurants and people so we have a long way to go to productionize this. But I feel we can tick what we said in the prelims about can we transpose the world class operation from Winnipeg and operate it out of Winnipeg to some of our other markets. And we're clearly now starting to lay plans to do a similar thing in both the UK and perhaps a European market in the second half of the year, just to see how far we can go. But it is early, early, early days.

Of course, because this is a manual process the success will lie in having the right people in the right culture in our business to embrace this very different business model bolted onto our core marketplace model. I'm delighted now to invite Lisa up to the stage who's going to tell you a little bit more about the Just Eat organization, the culture that Lisa has built in the organization over the last three years and our plans for the future.

Lisa Hiller: Thank you. Look, I get the best bit. I get to talk about our people. Bear with me, my first two slides have no graphs and no numbers, but we get back on track by slide three. We've got numbers. I'm very aware of my audience. Look, we want to build a winning organization culture. The great news is we've got huge passion and energy within our business. And that will hopefully have come across through many of the people who have already spoken today.

We've always been a people business and we've always been proud of what we've built. The reality is our business is changing. You've heard a lot today about the introduction of delivery. You've heard about a more competitive landscape. As a business, culturally we have to change as well. In order to change a culture, particularly one which has been very much part of our journey over the last 15 years, you have to be really compelling about what it is we're building and why. We have to be really authentic and understand why we need to change. And we have to be deliberate. We have to be absolutely deliberate in building our culture and not just sleep walk into it.

I've said we've got a great platform to build on. We've got great people. We've got great energy. Our values are very much our DNA within our organisation. As we move forward, we need to harness this start up feel, which in fairness we still have in many of our businesses across the globe. We need to harness that energy and sharpen our tools. We need to sharpen our culture. We need to be obsessed about the customer. We need to drive greater accountability and greater clarity in the sense that now we are bigger. It's really, really important that we understand who does what. And above all, we have to all align and have a relentless desire to win, which we can learn from our colleagues at Skip in terms of culturally much more aligned with where we need to go.

In order to bring it to life, we have to have the right organization structure. I'll just take you through some principles to start with. These sound really obvious, but our organisational structure has to be aligned to our three year plan. We need to utilise our talent in areas of our business which will create most value for Just Eat. We need to hire strategically so you'll have heard that obviously delivery is quite a new concept for us and we are still learning. We need to make sure that we hire to build capability and plug gaps that we don't currently have within the organisation. We need to execute locally. In order to do that we build strong support centrally. And again, building on the delivery concept, we need to build and integrate a logistics business but without distracting from our core marketplace.

I'll dig into those in a bit more detail one by one. And these are Peter's strategic pillars that he talked about earlier. Building out our marketplace to work world class. Andrew talked earlier about our territory managers. We've got feet on the street in all of our markets who manage face-to-face relationships with our restaurants. They're highly engaged teams. They're field based and that's actually quite unusual to drive such great engagement through field based teams. They're high performing teams. And we believe it truly differentiates us from our competitors. We learn from each market. We're fortunate that we have a number to learn from and we can build almost a lift and shift model. When we can develop a team of territory managers in one market, we have a really good sense of what great looks like. We can use that model and learn and build it in new markets.

The other aspect of the marketplace is we are building deep local knowledge. Community is important to us and we recognize that we're partnering with small, independent, family run businesses. But the great news is, the territory managers have the support of Alex and the data team to really provide horse power in order to give these small businesses access to resources, to data, and to information they just never would have other than being a partner of Just Eat.

Engineering delivery to complement marketplace. Obviously this is an area very dear to my heart in terms of how we can leverage the learning of Skip and all of the knowledge within the Skip business and roll it out into other markets.

You've just seen that brought to life through Alistair. But we've obviously got other markets. And we have to be very thoughtful about one size doesn't fit all. And we have to be really clear about what are the opportunities in each one of our markets and also what are the risks. We're working with local employment lawyers in all of our markets to make sure that whether it's through the partnership model that Gilles talked about or whether it's through the Skip model that we actually comply with any local legislation and we are a responsible employer and do the right thing. The reason that's challenges is I have to make sure as well that doing the right thing makes commercial sense and we can get the right balance.

We're learning about delivery. We've talked about it. And as one other thing Gilles talked about was the strategic partners we have with the suppliers. Again, part of building capability is building account management capability within our teams who can manage those suppliers, again backed up with the data that Alex and his team provides. And then finally on delivery, because we've got the access to SkipTheDishes, we're building our own capability and quite strategically we're transferring and seconding people across different markets to really share and build on the learning within the organisation.

And finally, in terms of org structure, we continue to invest in product to provide a really frictionless service and experience for all of our customers. We've talked a lot about building local experts and local teams. We continue to build local customer expert teams in each of our markets, supported by centralised shared service teams to really drive efficiency and provide around the clock support. One thing which is quite new to us, we've talked about this customer obsession and the fact that we need to put customer at the heart of all that we do particularly in how we evolve our culture. For 2018, our top 150 leaders share a customer NPS objective in order to really drive and make that shift of mindset and performance. This is all backed up and supported through a world class technology team, product team, and data team who are the engine room behind the three components I've just talked about. Right, we're back on numbers. Cool.

This is a really important slide. I've been working with Fernando and Alex and the tech team in order to really build, grow a digital organisation. This slide is quite backwards looking, but we continue to make the investment within these teams. We've got nearly 500 people within the UK technology teams split between London and Bristol. Globally we have five technology hubs. In the last 18 months, we hired just over 180 engineers and developers and we hired more than 20 data scientists. Importantly, more than 80% of those hires were direct. That means that they were directly resourced through the talent acquisition team based in London. The reason it's really important statistic for us, not only does direct hiring mean we own the relationship and conversation with any potential candidates joining Just Eat, but what it also does is drive efficiency. We're quicker to hire and it drives down cost. Also, the big statistic that we've learned through direct hiring is employees are stickier. They stay with us for longer. Our average tenure within the technology business is 2.2 years. Now we've compared that to other UK based technology businesses, Amazon, Google, Apple and we're actually leading the way in terms of stickiness of employees.

You can see that played out in our annual turnover which is just under 17% year to date. Now that's actually in Bristol, which we've got a tech hub which we've invested hugely in over the last couple of years. The turnover in Bristol is just under eight percent. It's higher in London as you would expect. That moves me on to talk about the makeup of our workforce and 68 of our team in the technology business are female. We recognize we've got tons and tons of work to do in this space and it's a great opportunity for us. The good news is we've improved that by 7% over the last 12 months. And even more pleasing for me is we've got 12 graduates joining Just Eat in our Bristol office in September this year, six of which are female. We're really proud that we're starting to attract entry level talent, female talent, and inspire them to grow a career at Just Eat. And then on career growth, over the last 18 months we've had a look at the movement of our technology teams. And one in five of our technology teams were promoted in the last 18 months. It comes back to this point of stickiness and growing a career at Just Eat.

Finally, I'm going to wrap up just talking a little bit about engagement. Back in March, April time of this year we ran a global engagement survey. We had more than 70% of people respond to the survey. I've talked about the energy and the passion within our work force and we had more than 2,000 individual comments come back to us in terms of really trying to join in and drive improvement and make Just Eat an even better place to work. I talked about values being very much part of our DNA. 91% of our people know what our company values are. 87% of our teams globally know how their job contribute to the goals of Just Eat. And 82% feel like they're part of a team. We're really proud of this. Of course we could do more. We rerun the survey three times a year. We have action planning so we can really drive improvement and point to these scores and try and drive an increase as we go through the year.

Just to leave you, one of the things we do annually and this has been going on for many, many years is we love to recognise and thank all of our teams for all of their contributions through what we describe as a world party. It's a global event. I had the honour of organising it last year. It was called Flavour. We had 1200 people from all over our markets join us in an event we held in London. It's really difficult for me to explain to you about the culture, the energy and the passion, and I think this event really brings it to life. I'm going to show you and leave you with a two minute video of our culture and our people in action.

Video plays

Lisa Hiller: The bit you've all been waiting for.

Paul Harrison: Thank you, Lisa. Follow party video with a finance presentation. I'll do my best. Purpose of my session today is to view our key messages through a financial lens. We've made it clear, I hope, we haven't got all of the answers yet, certainly not to provide precise guidance going out three, four, five years. But I am confident that following this session you'll be able to form a view, a financial view on our future performance.

Before I do that, I'm going to take you back to March. Okay. In March, we talked about investing approximately 50 million pounds this year. And I thought I'd start by giving you a quick refresh on where that money's going and five months in the progress we're making. This slide provides a broad break down of that investment. It comprised 20 million to accelerate SkipTheDishes including opening the operations we've talked about in Australia and also actually in French speaking Quebec. It included 20 million to accelerate those early 2017 delivery trials in the UK, and finally 10 million to invest in our still nascent Mexican business. As I say, we're only five months in, but consider what you've heard today. We've continued to open new cities in Canada, and we've also, as you've heard, launched the Skip-based delivery service in Sydney and Melbourne and encouraged by the early results there. We're evaluating further launches in cities in both the UK and Spain as we speak. In the UK, you've heard Graham describe the process we've made in accelerate and delivery. As you see in the slide this has resulted and is driving career firm costs down. To be specific, some of you remember the early economics of our per order cost we talked about in the UK for 2017.

Our latest spot data shows that unit cost coming down by about between 30 and 40% since the end of '17. Finally, Mexico. Our investment into this emerging market will be more familiar to you oriented as it is primarily to marketplace. So much of the learnings from this investment have therefore informed the strategic initiatives that we've talked about today, and as I'll explain that investment will continue beyond 2018. Now, today is a day for sharing with you the exciting plans we've got for Just Eat over the next three years. In a month or so we're going to be back with you talking about current trading, so I'm not going to talk about that today. What I will say is as you saw from our trading update we enjoyed a strong first quarter to 2018, and we're confident this thing stands that we're trading well against the guidance we've issued this year.

Okay, so what I'm going do now as I said is reflect on what you've heard today through a financial lens. You've heard several references to date to a hybrid business. That reflects our thinking, the building a world past marketplace complemented. By undertaking delivery services we'll create an even more formidable business for our shareholders. As I've noted on the slide, delivery enables us to address a significant new market for fast food consumers, but to do this we need to invest in relations, in building relationships with branded quick service restaurant groups around the world. We do this in the knowledge that we will not only bring more Just Eat delivered dining occasions to our platform, but it'll also generate additional marketplace orders as these customers broaden their marketplace repertoire.

Now, this is no longer a hypothesis. The early data is telling us that each new customer initially won by virtuous delivering food for QSRs goes on to place a further two orders in the marketplace. Therefore, clear evidence from our early data of greater choice boosting order frequency in locations where we provide delivery for branded restaurant groups. Over time we'll continue to evolve towards positive unit economics in delivery as we scale our operations. Hopefully as you've heard today it's far from all about marketplace, all about delivery. We'll continue to make most of our profit in marketplace where we have a tremendous opportunity to create a world class platform.

You've had a glimpse of the exciting leaps forward in our customer experience and restaurant engagement today, both leverage in the profound data insight that Alex and his team are exposing. We'll complement that with brand investment and to this end as Ben mentioned a little bit earlier we're pleased today to confirm our sponsorship of another series of X-factor in the UK. All of this will drive stronger engagement with a highly performing platform, therefore increasing over time order frequency. That's the power of a hybrid model. The most occasions, the broadest range of restaurants driving the most profitable long-term growth for our shareholders.

Having established the strong rationale for building a hybrid model, let's return to marketplace. What are our actions there designed to stimulate? Clearly it remains very important that we continue to attract large numbers of new customers to our platform, but we believe that significant future revenue growth lies in increasing customer engagement and order frequency by delivering a world class customer experience to the platform enhancement, better customer support model, and more effective marketing, much of which we talked about today. We believe that over time the initiative you've heard today will see us doing a better job in persuading new customers to place their second and third orders on our platform, so driving activation or persuading existing customers toward a more often, so driving frequency.

We're realistic about this though. We've only got 23 million customers exhibiting different order patterns, so it takes time to shift average order frequency appreciably, but we're on it. To help you further align with our thinking on revenue growth let's talk about the things you've not heard today as it applies to marketplace. So as the graph shows here, marketplace revenue in recent years is significantly exceeded order growth. Now going forward we're committed to winning only when our restaurant partners clearly win. This calls in our view for a much closer alignment of revenue growth with order growth. We've made no references today to raising commission rates in our marketplace as we don't plan to change them for the foreseeable future.

Similarly, we take a cautious view with ancillary revenues, which are principally, as you know, top placement today. These will grow in line with commission-based revenues. We anticipate marketplace average order values growing modestly broadly in line with food inflation. As a result of all that, expect to see revenue growth correlate more closely with order growth going forward.

So how are we going to move a good marketplace to a world class marketplace? You've heard today that we want to invest further in marketing to drive brand awareness in a more crowded space, in technology as Fernando's described, to drive a more personalized experience and in people, particularly field sales, the feet on the street, which is so key to creating the deep relationships we have with our restaurant partners. So to provide you with a financial context you're thinking you'll see on the right side of this slide that I've shown how these costs have trended in marketplace over time. So given the investments we've described over the next few years you should expect to see marketing and tech costs particularly rise as we pursue the goals that we've talked about today.

Okay, that's marketplace. Let's turn now to delivery. As you've heard, the prize is substantial and compelling, not only by way of the new market segment, the branded restaurant groups on lock for us, but also the additional marketplace orders that flow from those customers that branded restaurants attract. So let's consider what we've seen so far. We've seen average order values in a similar range to marketplace in most countries, not withstanding the variation in marketplace average order values between countries. Now reflect on that. It was not a given at the outcome of these early trials. Commission rates vary in this early market, and if the experience is great, we believe customers will continue to pay a fee for their delivery service, for that delivery service.

Maybe over time we'll see the potential to see such fees evolve to a subscription type model such as we see with Amazon Prime, but that's not for now. Let's consider now what we have in our armory. First, we believe what Chris and his team have built in Canada is world class. We should remember that this has been achieved in the original Uber Eats market. Skip will extend to future markets, so as you know we're up and running in Australia last three months. We've seen enough already to start actively working on further geographic expansion with Skip. Second as you've heard today we've learned a lot about how to make a success of working with courier companies. We've focused down on a smaller number of high quality partners who's multi-vertical strategies enable them to pass on compelling per drop pricing potentially over time similar to that of Skip.

I mentioned already the many learnings that we have from Skip. This slide shows how they have moved on a market by market basis within Canada towards profit. The circles talk to differing market sizes within that country. Larger, more competitive cities take longer to reach profitability given the marketing and restaurant activation required at scale. However, without naming the markets here, these are real, and they support our view of a root profitability over an 18-36 month time frame. The obvious question is do we expect to see that same trajectory in other markets? At this very early stage I'm a little cautious on the point. As I've said, we think Skip is a world class business, but we've only recently taken it out of Canada.

Whilst our courier partners in other markets are rapidly reducing driver costs given better utilisation, it'll take a little bit longer in those markets with that mixed model to drive to those levels of profitability. Then, furthermore as you've heard from both Fernando and Graham today, we want to invest in technology to bring about efficient e-parse integration and a dynamic search experience combining delivery and marketplace on our platform.

You've heard us talk about approaching delivery in a thoughtful manner. There are good places to open a delivery capability, and there are locations we'll avoid. Therefore, the significance of delivery is going to vary market on market as the slide indicates. Following Alastair's comments, you're not going to be too surprised to see over time Australia showing a high propensity for delivery. Similarly, Canada too. In the UK and continental Europe, over the medium term, we think it'll become meaningful but probably a less significant as a proportion of the overall revenue in those markets compared to Australia and Canada.

Okay, it's really important that you are able to assess our success as we go through this journey. Now, for some time we've reported the established and developing market segments. These segments actually group together some relatively dissimilar markets particularly following the acquisition of SkipTheDishes, which went into the established segment, because we were already in Canada. In order to reflect the way we're now running the business we're going to change this. Going forward we'll talk to the segments that report to Peter directly, which is the UK, Australia, and Canada and the international segment, which is Europe and Mexico, which reports to me via Jerome.

For these segments, we're going to report the KPIs that we've shown on this slide, which talk, I think, to the critical aspects of our strategy we've discussed today and in each case to help you I've given you the 2017 year start point. My final slide reflects on Just Eat being a tremendously cash generative business. As many of you know over the last three years we've averages conversion of around 100% of EBITDA into cash. I think our priorities should be clear by now. We're investing to transform a good marketplace into a world class one, and we'll build a complementary delivery capability. So our first priority of cash of course is to use it to invest organically into our business. Now as Mike said at the outset of today, we will of course remain vigilante to the possibility of acquisitions, which offer the potential to accelerate our strategy.

Jerome referenced Latin America where iFood's made phenomenal progress, and we all continue to look favorably at further investment in those substantial and growing markets. For completeness, the board keeps of course the topic of returns under review. Whilst it does that it doesn't consider this to be the right moment to start returning cash to shareholders given the exciting growth agenda we've set out today.

So to wrap up, I've given you a sense of how revenue and EBITDA are likely to evolve in both marketplace and delivery. In marketplace I've talked about order frequency. I've talked about the halo effect we're seeing from delivery. I've talked about the convergence of order and revenue growth, and I've talked about margins.

In delivery, I've talked about the contribution to overall revenue. I've talked about driver economics and about the technology investment we'll make. This enables you to place a value on the investment that we plan to make in this business over the coming years to create this hybrid world class marketplace market and delivery business and, of course, the potential returns over time on those investments. Okay, I'm almost done, but before I pass back to Peter I just want to take a moment to thank all my colleagues who have worked on today's event tirelessly despite having very busy day jobs. I'd just like to say how much I greatly appreciate their support today. Thank you. With that, I'll pass back to Peter.

Peter Plumb: So a long, long morning for you all, and my sincere thanks to each and every one of you for giving up your time today and for listening. We've really enjoyed sharing with you our plans for what we see as an incredibly exciting third wave of growth even before we start thinking about the fourth wave beyond. I'd like to join Paul in my sincere thanks to not only the speakers who put a phenomenal amount of time, but the rest of the Just Eat team behind the scenes, because a great deal of work has gone in today. My thanks to all of you for making today go so smoothly, so thank you for the time you've all put in.

To wrap up, the joys of our business on one page, so if you take anything away from today, these are our three strategic priorities: building a world class marketplace, engineering delivery to complement our marketplace and open up that £41 billion pound collection market, and to do that we recognize our culture and our people are vital to keep Just Eat as the winning formula, balancing local teams of experts with a global expert team. Financially Paul has explained to you we do expect our marketplace to continue healthy growth at margins very similar to today. You've seen the headroom in our marketplace model, and we will invest in complementary delivery services that over time as Paul has shown you could be around a third of our volume in the longer term.

To fuel that, our organisation will have to grow with data scientists, with developers, and the people we need to coordinate this new model, whether they be third party couriers or independent contractors coordinating through our technology. We will continue to invest in this group for the long term, and we will be led by what our customers tell us they want from a service called Just Eat.

So I hope you understand why I wanted to title today 'Serving Every Customer's Takeaway Moment', because every one of our customers say there are more moments to serve if we invest and if we grow this business, which is absolutely my commitment as the CEO and that of the board to try to meet each and every one of those moments.

So with that, an £83 billion market to play for I'd now like to open up the floor to questions. We are due to finish at one o'clock, so that gives us 30 minutes for questions, so please try and only ask us one each rather than all three. Microphones will come around the stage. Paul and I will take the questions, and if they involve the rest of the team we'll try and pass the question onto the appropriate member, so thank you all.

audience: Hi, good morning. This is-

Peter Plumb: Can I just get Paul up on stage?

audience: Apologies.

Paul Harrison: Thank you.

Peter Plumb: So if you can clearly say your name, where you're from, and the question please.

Andrea Ferraz: Hi, I'm Andrea Ferraz from Morgan Stanley. So my question is around delivery. You've said that you're experimenting with the Skip business model in the UK. I think the teams have made a very compelling proposition for being in control of the delivery process, and Paul mentioned that under a third party model potentially the price per drop could come close to Skip level, so what are the challenges in rolling out this model? Why wouldn't you end up just taking control over your couriers and contracting them directly?

Peter Plumb: Okay, Andrea. I've got the question right. The question is look, we've done a lot of experiments with delivery so far. In the UK we're running a courier model with third parties. Your question is why wouldn't we go immediately to the Skip model because what you've taken away from today is the economics look attractive. Is that the right question?

Andrea Ferraz: Yeah, that's a good summary. Thanks.

Peter Plumb: Yeah, and I think there's a couple of angles to this, and I'll let Paul chip in on the economics. This is about learning, and it is about finding the right piece for Just Eat. We are a marketplace business, and what we found is with the third party couriers we've been using throughout the UK, and we do use many, we've started learning many of the lessons we've shared with you today. Is it more expensive than the Skip model seems to be? Yes, because we're not at the scale in the UK yet to meet those economics, but what you've heard from

Gilles today is we shouldn't write off that third party couriers can be hugely important strategic partners for us across Europe and in cities to help us deliver the service quicker than rolling out the Skip model.

In fact, we're still in the experimental stage to know what the best economics are that we can achieve through those parties. I don't know Paul whether you want to add anything on the economics.

Paul Harrison: I think the key point is peace, is being able to move in multiple markets at multiple times. If you look at the economics and you're going to see these going forward, and you consider Skip, then if you look at your 2017 numbers that we disclosed on Skip, Skip all in cost was coming out at about seven pounds an order of that order. The early economics from third party couriers compared to Skip were way, way ahead of that, but they have come down as I indicated quite substantially and crucially those couriers have proven willing over time to move from on a per hour basis procurement of the driver where we have a productivity risk, but to a per drop basis. We see that coming down quite rapidly, although we've got a way to go.

That's my point about the convergence of the two models whilst respecting the fact that we've got a world class solution with Skip, which we think will always be the best.

Marcus Diebel: Hi, it's Marcus Diebel from JP Morgan. One question I had actually for Andrew Kenny on the restaurants, but I think you might have answered that as well. We see you give the announcement from delivery, which seems quite, yeah, ambitious or unrealistic or whatever you want to call it to sign up that many restaurants in such a short time. What's your view how this will play out? What's the feedback from restaurants? Can they be bothered to go with another one? Is it a problem for them, or do you think they at least signed them up and see how it goes? Then, also this context we clearly on the technologies are very relevant part also in giving the restaurants enough data to plan their business.

We've seen a lot of slides on technology. How do we think this compares to your peers? Is it better? Is it broadly the same degree? Is it worst? So that would be quite helpful as well. Thank you.

Peter Plumb: Okay, Marcus, so your question is bringing on restaurants, existing delivery players, some of our competitors saying they're going to go to marketplace. Will restaurants be bothered to join them. That was one of your first questions, and what role does technology play and how do we compare ours with competitors. Those are the two questions. I'm going to ask Graham to say a little bit about his experiences with restaurants, because actually Graham and Andrew just live and breath it, so I think they can give you a perspective of the early days and how they see things. I think you have to step back from your question, which is it's an endorsement of our business model. Marketplace is where the money is at. It's where the breadth of cuisines are at, and it's where the depth of food types are at.

I think Ben gave you a very clear indication that it's all about cuisine type, and the more cuisine types you put on there and the deeper restaurant choices the better the frequency of use. Other people looking to move into marketplace is flattering our business model and confirming our strategy of marketplaces where you need to be and delivery is an interesting add-on to that with challenging economics. If you look at the strategic point of view, I think it's a complete endorsement of where we're headed in the strategy you've just seen laid down for you. I'll ask Graham to say a few words about his experiences about restaurants and how he hears from restaurants their view of Just Eat and perhaps some of the other players.

Graham Corfield: Hello. Hi. Yeah, I think as Peter said it's a huge testimony to the marketplace business that people are addressing it. I think Andrew alluded to it. This is all about relationships and feet on the street and talking to restaurant partners. It isn't as simple as just signing people up over the phone. I think our relationships are strong. I think you also got to drive order volume. It's just not signing restaurants. It's driving order volume, so competition in the UK in the marketplace, we've always had it from day one, and we won in that marketplace, and we'll continue to win. I think as I said our relentless focus is on every single day every interaction with that customers, our restaurant partners, has got to be the best, and we've got to keep driving forward, and we've got to keep improving.

So competition is nothing new. It keeps us on our feet and it keeps pushing us forward, so you know, early days clearly there are conversations going on, but the feedback from us is absolutely restaurant partners are sticking loyal to us and will absolutely keep driving business through us.

Peter Plumb: Paul, do you want to add anything?

Paul Harrison: Just a reflection that there's a reason why it takes 12 years to build such a phenomenal business as Graham and his team have done in the UK. It's the hard yards of working with small to mid-sized businesses. Technology communication isn't enough. I think it was Andrew who mentioned 40,000 face to face meetings that we conduct every year going into small towns in these countries to build a successful mass market business. That isn't something anybody else can replicate over night.

Peter Plumb: To address your technology question, I think we've got to face into the fact Just Eat second wave of growth was M&A, which means we still have several platforms operationally in the business. Fernando and the team are doing an amazing job trying to bring that down to two or three platforms and to modularise the capability. That clearly is a disadvantage for us as a group and a real challenge for Fernando, but I hope today laid out his vision of where he sees technology going and the slight drag that several platforms and an older business brings. We should acknowledge that. The flip side of it is the data. When you've been in business for 17 years you heard from Alex how last year a lot of effort was put into building a single customer view. You can have the data, but exposing it and using it is the key.

Lisa talked you through the 21 data scientists we hired last year. Plugging all that together and using it is the trick. So it's really ours to lose if we don't use our data for a strategic advantage.

Okay.

Gerardus Vos: Hi, it's Gerardus Vos from Barclays. Just a question on the kind of long term profitability of the logistics and effort. You shared with us that it will take 18-36 months to get to critical mass and profitability. If you look at your kind of planned roll out globally for logistics by what time do you expect logistics to be breakeven as a group? Thanks.

Peter Plumb: So the question was from the data we've shared with you with Skip clearly getting profitability within the Skip model has taken between two and three years, so as we look at the broader groups roll out model, how long is it going to take us? I'm going to get Paul to answer that. Do remember what Chris talked about. This is all about optionality. As the CEO of Skip, Chris talked to you about those levers he can pull about how fast you want your delivery service to be, the coverage that you want to apply, and the number of restaurants you need to apply to a zone to run efficiency. We're lucky as a group that we don't necessarily need to optimize delivery from day one, because it's complementing an already profitable marketplace business, so it's about putting choice on the streets for customers rather than driving profitability the earliest opportunity, which Chris showed you in his presentation is an option for a CEO of Skip.

We've actively encouraged Chris and all our MDs at the moment to go for growth as they plan out in the future to bring that choice to customers. I don't know, Paul, whether you want to add a little bit more.

Paul Harrison: It's not an easy question given this relatively early stage we're at, but a couple of points I'd make. First off, we look at the cost of doing delivery on a per unit business, and just take a big step back. If we subscribe to a view that there's going to be sort of regulatory forces such as minimum wage that are going to play into this in due course, and we assume they will, then if we take a sort of simplistic example, an individual has to earn roughly 10 pounds an hour. Add an overhead cost to that, call it 11 pounds an hour. If we then look outside of China at what the best delivery models are achieving, they're achieving around about two, a little bit over two drops an hour, so the goal in terms of cost per drop, a great goal, would be to see it in that kind of six pounds range, six pounds a drop range.

That will be a great achievement. That's the bit that we can, I think very credibly, anticipate. The bit that's tougher is the point Peter's just made. It depends how many markets we go to. I've tried on the slides today to give you an indication of how significant delivery will be against our reporting segments. The nuance within that is how quickly do you go at it in those segments? You've heard that we've just launched in Australia literally three months ago. We're evaluating Skip in the UK. We're going to evaluate it in Spain, and we've started working with couriers. I think the harder thing to predict at this stage, and we will keep you informed as we go, is the pace at which we roll out over the new few years.

Peter Plumb: Okay, next question.

audience: Just wanted to check. Just when you talk about the breakeven point in terms of delivery you mentioned that delivery has a knock on effect in terms of driving extra orders through the platform, and I think you mentioned two. Do your assumptions in terms of the break even point actually take into account those two extra orders, or you've taken a conservative view and said that's incremental gain for potentially in the future?

Paul Harrison: It's a very good question. The short answer is no they don't. Those assumptions are looking at a delivery on its own and ignore the halo effect to marketplace, which is why actually when you're running a hybrid business, whilst we can debate the profitability of one or other activity, they're highly complimentary. That's a very good question.

John King: Oh, thanks. It's John King from Merrill Lynch. Actually just following on directly from that break with Peter, in relation to if you think about some of the biggest chains, the biggest QSRs globally, there's lots of reasons why the economics there are probably going to be more challenging for you then if you would imagine an independent restaurant just because the nature of the marketplace.

I just want to understand conceptually how you think about that, Could you imagine situations in perpetuity than where you're running those orders at a potential modest loss to the previous point, or actually if that were the case, you say actually, "Well, we'll leave that for an Uber Eats or someone else to run with that" if that's actually ends up playing out?

Peter Plumb: John, just to check your question. QSRs big volume, you might have to run a bit of loss. Do I worry about that?

John King: A loss forever. Yeah.

Peter Plumb: A loss forever? Okay, my word.

John King: Yeah.

Peter Plumb: I would. Well, look, Paul's given you the absolute floor on how we think about delivery costs, whether it's through a third party or a contractor that we manage or we ask to use our app. Labour costs are the floor, and Paul's given you a steer of what that will be. It's unlikely that whatever tech you've got, you're gonna be able to breach that floor, but you have to balance it with what your customer wants. Some QSR food is up there on the frequency scale that for certain segments of customers is really important.

Like any food retailer or any grocery chain, some of the products you have on your site don't make as much profit as other products, but it's the basket that your data drives as the whole that you're in business for. It's not just about QSRs. There might be some food types that our data says we need on our platform to help drive the long term use by customers, and we would be mad not to look at it holistically rather than an individual basket, because that's tried to be my whole theme today. We have to meet every customer moment.

Yes, I can imagine some restaurants we will have on our platform for mutual benefit to meet that total customer need, but the pot is the thing that interests me and the long term stickiness and engagement with the customer. Does that help answer your question? Have we got the ... who's next with the microphone?

Sylvia Cuneo: Good afternoon, it's Sylvia Cuneo from Deutsche Bank. I have a question on data. You talked about the way you have improved the platform and the ability you will have soon to personalise the user experience. So my question is, does this personalisation and the addition of branded restaurants somehow cannibalise your top placement eventually ... is this why you expect revenue to grow in line with orders in the future and also, can you please clarify one of your latest comments about margins development in the marketplace? I think you mentioned something. We should expect similar level of margins.

Peter Plumb: Okay, so data. Does personalisation impact top placement, and how do we think about that? Then secondly, how do we view margins on marketplace, which I'll ask Paul to pick up in a moment Cecilia. I think top placement is a hugely valuable tool for restaurants to be able to increase their visibility just like they do with paid search on Google. Personalisation shouldn't affect, and in fact it should help, make that a more relevant tool for both restaurants and customers. Just like Google algorithms have with paid search. One could argue that I look at Ben who spends a lot of money on paid search.

In a way personalisation helps your money work harder because particularly if you run a cost per application ... so when you click through and actually buy ... if you run a model like that, personalisation makes it a more profitable tool and a more effective tool because it's personalised. We've got all of these lessons to learn. We do have experiments in Alex's team already running about different models for top placement, but it's about being relevant and using the data to find out what's best for the customer. But, I certainly don't see top placement or some form of it going away, but I do see a chance to make it significantly better for restaurants based on applying best practice in that area.

Alex, is there anything else you wanna add to that or does that help?

Alex Rahin: No, I think [inaudible 03:42:11]. Personalisation equals relevance, so in a data driven ... thank you. Every data driven product in future that we launch globally will benefit from personalisation, not the other way around. I think that's a key takeaway.

Peter Plumb: Thanks Alex. I think Paul is going to pick up the margin question.

Paul Harrison: Yeah, and you're right to pick up what I said there, which was maintaining margins in marketplace as we look at in the next few years. You saw from my slide how those margins have quite aggressively ramped upwards in recent years, and you've heard plenty today about the investment that we want to place into marketplace in the form of both marketing, technology, and to some extent, people, particularly field sales.

That's the basis of which we're saying we're going to maintain those high marketplace margins. Not everybody had this sort of implicit in their models, but I know some of you saw a continuation of growth in margins in marketplace. There's a means by which you can value. Put evaluation on the investment that we're making there.

Peter Plumb: Okay. Where next?

Adriaan van Otterloo: Yes, hello. It's Adriaan from Intrinsic Value. I just have one question. It's regarding Switzerland. What is your current market share there, and do you look at the sale of Foodarena now?

Peter Plumb: Sorry, with the train over-

I heard what is our current market share.

Adriaan van Otterloo: The current market share in Switzerland, and did you look at the sale of Foodarena which was recently sold by Delivery Hero?

Peter Plumb: Sorry, the last question was? Last part of the question.

Adriaan van Otterloo: I'm sorry.

Peter Plumb: I keep missing, I'm sorry.

Adriaan van Otterloo: Foodarena. The Delivery Hero sold their business in Switzerland.

Peter Plumb: Yes.

Adriaan van Otterloo: Did you look at that sale?

Peter Plumb: Two things. What's our market share, and what's our view about the Swiss business that Delivery Hero sold a couple of days ago? Is that right?

Adriaan van Otterloo: Correct.

Peter Plumb: Market share. The easiest way to think about it is marketplace, we did about three billion pounds of revenue last year. I think the numbers are £18.89 an order. 172 million orders. You take off the delivery element. The market is £16 billion pounds if you include the telephone, so you've got a good marketshare number there for marketplace.

Adriaan van Otterloo: What's the market share in Switzerland?

Peter Plumb: What's our market share in Switzerland? I don't have that at hand, and we don't give out individual country shares.

Paul Harrison: I think that's the point, I'm sorry to sound a little unhelpful. We're gonna talk about the segment of international. And your second question of course is whether we looked at a particular asset from the point of view of acquisition and again, regret that we'd never comment on that.

Alex Marie: Hi Alex Marie from BDL Capital, I have a question on the long term economics of delivery. There is a chart where you show after 36 months you reach break even, and the longer term profitability is not mentioned but it seems to look on the chart like 15% EBITDA msrgin ish. Now there have been players and logistics in your markets that have been active for a lot longer than 36 months and they are nowhere near 15% EBITDA margin. So I just wanted to understand if there's a fundamental difference between Canada and Europe, or if you see your competitors are doing something wrong in Europe or if you have a secret weapon to achieve this 15%.

Peter Plumb: So your question is, and I'll ask Paul to give his view. 36 months to profitability, although seems a long time compared with players that are already in Europe and have been operating beyond 36 months are still not showing profitability, is there a difference between Canada and Europe in the way we look at delivery.

Alex Marie: And can you achieve 15% in Europe?

Peter Plumb: Okay, I'm gonna ask Paul to comment on our view on margin longer term because we're still learning that, so you're saying 15 but that's your assumption. So let's start-

Alex Marie: That's what it looks like on the chart.

Peter Plumb: So Paul will pick that up. So, difference between Canada and Europe, big differences as Chris showed you, weather, geography, a mix of tier 2 tier 1 cities. The absolute focus that the SkipTheDishes team have brought to that operation, which I think Chris brought to live very clearly, in some markets like the US there's a tip that sometimes adds to the delivery fee. When we look at some geographies in the world tips do make a bit of a difference we believe. In Europe, I think we're seeing different geographies to Chris but our early thoughts are the Skip model should be as effective in Europe, which is why were gonna try it in places like Spain and the UK over time to be able to come back to you and say what we've learned, but long term margin one we can't comment on other players but two, do you want to reinforce anything about..

Paul Harrison: We it is reinforcing, I made the point that we've only just taken the world class skip business out of Canada and into Europe, and outside of Canada into the rest of our group and its very early days. Peter Makes a very good point, in North America as you know and we hear from other continents there's a tipping culture that plays favourably into the economics of doing delivery that is why in certain well established markets your right to say that Chris, sat next to you can say that he's demonstrating actually pretty strong profitability in the 20s margins. At this very early stage it would be certainly premature to hypothesize about those margins but we do believe we can get delivery to be a profitable activity and that to the previous question is before this favorable impact even has a marketplace. And that's the beauty of having marketplace as well. If your delivery only of course over time you got to obsess about the delivery, the profitability of the delivery. If we can get delivery to break even or modest profitability and we continue to see this favorable halo effect, the overall economics are very strong.

Peter Plumb: Okay we've got a microphone near the back.

You've got one? Okay.

Audience: Thank you very much I think what is very clear is it is a super business, and you've lined up a fantastic team. I think what is worrying you are a listed company and the funds are very short term oriented in general. And you have a bunch of irrational competition who not only will not make money for themselves but perhaps will drown us with them. And as a listed company seal I would like to know how are you balancing that act.

Peter Plumb: Okay so the challenge you're saying if you were sitting in my shoes is you're impressed by what you've seen today. Thank you very much for that compliment. We will take that, and you understand why sometimes I don't sleep at night; because some of our competitors are incredibly well funded, for the long term. But you have to remember they are coming from a standing start. Chris is probably the only person in the room whose gone through this as a founder. We're in a very privileged position, I haven't got to build a brand. We've got four great brands. I haven't got to use delivery to acquire customers

	from a standing start. I have 22 million customers who absolutely love the service we offer. I know how much they pay, I know who they eat with, I know when they eat. All I'm really doing is adding on an additional service to the customers we have, whereas competitors are going from a standing start. I think that's a very different battle to fight, and that's why I believe as a listed company were doing exactly the right thing for long term shareholders and leaning into this £41 billion opportunity sensibly, and using the assets we've got rather than going in blindly. I'm really comfortable that were going at this at the right pace. I've got the board’s support for what were doing, and I'll be as open as I can with you as we go forward in the success and the lessons we learn along the way. That's how I view our situation and that's how I view my role. Do you want to add anything...
Peter Plumb:	So thank you for the question. We've got five more minutes. Can I suggest the people with their hands up we'll take each of your questions, we will do them one at a time and then we will have to close for lunch. The four people with their hands up can we take each of those questions before we close. Who’s first? Can we get a microphone to this...
Chris:	I've got a mic for both.
Peter Plumb:	Great.
Chris Grundberg:	Its Chris Grundberg from UBS, just to dive back into the economics of own delivery, you've touched on these two different models and specifically the unit costs as they pertain to the actual wage per hour, and obviously the differences in commission and takeaways, etc. I wondered if you could talk about the differences in your costs in the different places you've tried it, driver recruitment and retention, and how big a factor that's playing in the way you're thinking of the different models you're pursuing. And maybe which metric is the best way of measuring it, is it that, that as a component of overall opex or is it as a percentage of fully loaded cost per hour?
Peter Plumb:	Okay, Chris you question was economics per delivery, we've focused in our response to this question so far is the labour cost, but you're rightly saying "Look this is dynamic", cause all other inputs which one is the most significant. Is courier recruitment a big problem for us. I'm gonna ask Alistair to say a few words about his experience from a standing start in Australia recruiting couriers with Chris, cause that's obviously the starting point of this. Alistair will answer that, but I just want to step back a bit further. What our Skip colleagues have taught us is that there's much more input costs than just courier recruitment. There's wait time at restaurants, which you can manage through great AI, of managing when a courier arrives, when a kitchen has to start cooking so the two match. If you don't have the integration of those two long wait times can also impact the costs as well as courier costs. Those types of elements as a whole all build into the equation and we're learning as we go with Skip but to answer your specific one about courier recruitment do you want to say Alistair your experience as to men you log. Remember these are within the beginning of a delivery.

Alistar Venn: The three month caveat. Thank you Peter, once again I come back to Peter's point on not starting from a standing start. We'd be hugely fortunate in the strength of the Menulog brand, the consumer facing brand yields benefit all the way to recruitment as well. In terms of our fore costs what i can say directionally is that our courier recruitment costs have been lower than we originally expected. We've actually turned off some of our marketing because we have such strong demand of couriers wanting to come on board. Which is a great initial sign in the very early days. Just in someways some new competition is has kind of ridden on our coattails to ramp things up from the restaurant supply we're able to do the reverse to them at the moment now which is a good thing. There's a lot of couriers out there they're hearing the word about how efficient and effective the skip network is, and show it is a viable means to ear incremental income. So we seen strong attraction as well as positive retention rates.

Peter Plumb: Thank you Alistair. The other three people who had their hand up. Okay.

Richard Kramer: Hi, Richard Kramer from Arete Research I promise you I'm not going to ask you another question about delivery economics, all of the questions on that already. Two ones very simply, you've got a very exciting interesting business in brazil but you don't control it, can you talk about the path to control there if there a one and how you manage or think about the pace of investment there since its not entirely in your hands? The second question you really didn't mention it maybe a bit more broadly. Can you talk a little bit about areas like meal kits or grocery delivery. You have a good understanding of what your customers are eating on a regular basis that's another segment of the market that's growing is that something you might look to address or would that be natural extension of a business?

Peter Plumb: Okay, great questions Richard. Firstly, Brazil how do we think about it as minority owner I'll let Paul answer that. Secondly, how do we think about the adjacent seas. I didn't think I would ever as the CEO be sitting in a marketplace as big as I've got in delivered, prepared, hot food. I have no itch to scratch at all, and say I need another market to grow this business in. I want to say focused on all the food types you've talked about.

My experiences having worked in the grocery trade in previous lives before is if you think hot food delivery is hard think of trying to do it with grocery's on the margins they're on, you can see in the grocery trade how home delivery quickly drove and then plateaued all the way through because its very expensive, its very hard to do, and its incredibly low margins on a product.

Let me crack hot food delivery, certainly on my watch with our third and fourth wave of growth before we need to look in those categories. It's a very different business it is also one drop to many different people, a very different logistics model to one drop to one person then one drop to one person. Which is why pioneering in this space is really important because traditional logistic models don't work, they're used to coming from a warehouse with a whole truckload and maximizing the route - this is 1:1. I don't see us needing to go to that space.

Paul Harrison: We own 34% of our Brazilian JV today, actually now there are no minorities, the only other party to it is our joint venture partner. What we've done under the shareholder agreement all the way through has take up our pro rata entitlement to buy founders out as they've sold. Openly there is no mechanism in place for either party to squeeze the other one out and drive control. There's no obvious route to control by virtue of the shareholders agreement, what I will say to you stepping back from this I've been with Just Eat 20 months. Sitting with Jerome in many of the meetings on Brazil we've had a number of conversations, a bit like Chris was talking about earlier. We've had options to move that business into profitability, quite strong profitability really since I joined it, 20 months ago. To give you a sense of the consistent way which our joint venture partner we thinks bout this we've consistently said "No, don't do that let's venture back into top line gross". There's not withstanding a joint venture party there's been a very common agenda I think between the business I don't know if Jerome would add any comments to that.

Peter Plumb: Okay, I think there was a couple more people with their hands up. We'll go we've got 2 more.

Giles Thorne: Thank you, it's Giles Thorne here from Jefferies. I wanted to come back to the kangaroo in the room, and the Deliveroo announcement of pursuing Just Eat restaurants. It feels like the opportunity set for Deliveroo is to come in with slightly cheaper commission rates but more fundamentally offer an incremental user so at best Deliveroo is going to be able to drive multi-homing behavior by your restaurants rather than single-homing. My first question is do you share that characterisation of their opportunities? Secondly, to help frame that incremental user opportunity that Deliveroo can offer your restaurant. It would be good to get a sense of the level of overlap that you see today between your users and Deliveroos users. I had a second question which is just housekeeping. This might trigger youl just to repeat something he's already said, but it appears that there was actually some long term margin guidance in earlier iterations of the note but you decided to walk away from putting that on a piece of paper. It would be interesting to know why you omitted it in the end. Cheers.

Peter Plumb: Okay, so to address your question about one competitor - we have to remember we have several competitors you are just focusing on one in the UK. It's really interesting in my role because I get to visit all the markets and what's interesting is that we have different competitors in different markets, each one has different strengths depending on the market. We talked about Uber eats in Australia, being a very strong competitor there due to their partnership with McDonalds. For me it's a compliment that here in the UK that particular competitor is saying "look marketplace is where the market and the profits are would like to see whether our brand will stretch into it", but I'll come back to where were sitting and Ben, to me, nailed this. We are the mass market brand, we've actually spent many years trying to move ourselves up market to connect with the chains which we see the next wave of growth coming from. So my brands, my team, and the restaurant feet on the street I believe have as deep a relationship as I could ever wish for with both the customers in that market. Will they open up their doors to another player? We'll see over time, but there's more than enough market to play for as we've talked about.

Graham’s already told you how we think about that and I don't want to hypothesise I just very pleased with the market we've got. As for margin…

Paul Harrison: You're right we did in an earlier version of the presentation had a thought about giving more specific guidance for that margin, but I will go back to the previous point made and that is whilst we can be confident about driving economics down the bit that is hard to predict at this stage is the rate of rollout in the markets we've talked about. Frankly, giving more guidance would be premature and that's why we took it out.

Peter Plumb: We have the last question. Sorry we do have two more questions, you also were there.

Joe Barnet-Lamb: Hi, Joe Barnet-Lamb from Credit Suisse. So I'm just building on Giles' theme. Can you commit to FY18 being the absolute peak for absolute investment in delivery logistics? Secondly, will you report a split between logistics and marketplace so we can track how the economics of logistics is evolving over the coming years?

Peter Plumb: Okay, I'll let Paul talk about how we'll report going forwards, absolutely no. I said this year was gonna be an experimental year and I said I'd share with you what I learned along the way and were in June, so we're only half way through our experiment and I think you've heard from every single one of our team the work, the rigor, and the passion everybody got for reinventing this category. You have to remember the £41 billion were talking about marketplace is currently collection where people walk in and collect themselves, that is being reinvented. I'd be mad to make any commitment to you without first learning from the investments we're making, as for the other question…

Paul Harison: Yes, the answer is we will give you an indication of the progress we make we've committed to sharing with you our learnings as we go along. It isn't not there as a KPI to be clear because it isn't, hopefully as you've gathered from today, critical or integral to the way were running the business. We are running a hybrid and not a discrete delivery business is the early question. Yes, we will give you of course, continue to give you an idea of the evolving economics.

Peter Plumb: Thank you for being so patient.

Rob Joyce: Very welcome. Thanks for taking the question. Rob Joyce from Goldman Sachs, back to the comments about flat EBITDA margins in the marketplace from here, given the UK marketplace EBITDA margin was probably mid 50s last year. Is this a comment that the marketplace is structurally lower margin going forward you think or is this reflecting some catch-up investment. And related to that is there an implication here that you see room for mid term estimates to come down on the back of this. Thank you.

Peter Plumb: Okay, over the next three years what's driving our, you're asking why you're thinking about flat EBITDAs over the next three years. Now let Paul pick that up to give you some I idea, we've tried to give you everything we can today. From my point of view it does go back to Giles' question. It would be wrong of this group not to build on its strengths and build out delivery services to complement marketplace. We are learning this year, and I keep repeating that and I cannot tell you what I don't know and so modelling out three years is very difficult to me, but you want to understand the commitment that we're not gonna let somebody else take this market from us at this stage in our life just of the short term profit, that would be the wrong way to add value for the long term of the Just Eat group. If there's one message to take away that's my commitment to you of what this year, next year, and the next few years are all about, but I can't tell you what I don't know.

Paul Harrison: Two points I guess, I wouldn't categorize it as catch up investment. I think what were talking about today is entering a new and very exciting second phase of the journey, first phase of the journey in building any marketplace is relentlessly focusing on adding the two sides to that marketplace the two communities to it. What we're talking about today is now the next phase, I wouldn't say it's catch up, I think it's been made at the right time. As to mid term estimates to be honest with you if you look at the mid term estimates across the sell side community there's a big range - some people, to your point have got marketplace margins sort of continuing to ramp up at an aggressive rate but by no means all there are a number of people who have got margins relatively flat actually. Actually going forward in marketplace, so I don't see that so clearly. Of course, that's before you think about the delivery piece as well. And just to that Adam and I just to be very clear to the analyst in the room over the next couple of day we will be available to work with you as you would have liked as you pick up the pieces of today and build your models.

Peter Plumb: Okay, my thanks to you all for your great questions, your patience, and I hope we've answered at least some of your questions. Lunch is outside for those that can hang around, we very much look forward to seeing you in our interims at the end of July. Thank you.