JUST EAT GROUP

31 July 2018

Just Eat plc

("Just Eat", the "Company" or the "Group")

2018 Interim Results

Strong first half performance, upgraded full year revenue guidance

Just Eat plc (LSE: JE.), a leading global marketplace for online food delivery, today reports its results for the six months ended 30 June 2018 ("H1" or the "First Half").

Financial highlights

- Orders up 30% to 104.4 million (H1 2017: 80.4 million)
- Revenue up 45% to £358.4 million (H1 2017: £246.6 million), up 46% on a constant currency basis
- uEBITDA[1] up 12% to £82.7 million (H1 2017: £73.6 million)
- Profit before tax down 3% to £48.1 million (H1 2017: £49.5 million) given costs associated with the acquisition of Hungryhouse
- Basic earnings per share ("EPS") remains unchanged at 5.5p (H1 2017: 5.5p)
- Adjusted basic EPS[2] up 10% to 8.6p (H1 2017: 7.8p)
- Cash generated by operations up 13% to £77.2 million (H1 2017: £68.1 million)

Operational highlights

- UK revenue up 30%; Hungryhouse successfully migrated
- Canada revenue up 212%, or 227% at constant currency; driven by a strong performance from SkipTheDishes, Just Eat Canada merged with Skip
- Australia revenue down 8%, or down 2% at constant currency. Australia business transition to hybrid delivery underway
- International revenue up 36%, or 35% at constant currency driven by strong order growth in Italy, Spain and Mexico
- Orders via app: accounted for 54% of total orders (H1 2017: 46%)

Peter Plumb, Chief Executive Officer, commented:

"The Just Eat Group served 24 million customers with 104 million takeaways through the Group's platforms around the world. Our increased investments in technology, brand and delivery are on track to make our service even easier to use, whilst expanding our customer's choice. I'm pleased with the strong start to the year and excited by our opportunity to help many more people enjoy more of their takeaway moments through our platforms."

Outlook

The Board is confident in the current performance and strategy of the Group and is raising investment for long term growth from £50 million to £55 - £60 million. Therefore, revenue guidance is raised for 2018 to between £740 – £770 million, up from £660 – £700 million. Underlying EBITDA guidance for the Full Year remains unchanged between £165 – £185 million.

- Ends -

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[1] The main measure of profitability used by management to assess the performance of the Group's businesses is Underlying EBITDA ("uEBITDA"). It is defined as earnings before finance income and costs, taxation, depreciation and amortisation ("EBITDA"), and additionally excludes long-term employee incentive costs, exceptional items, foreign exchange gains and losses, other gains and losses, and an adjustment for the associates uEBITDA. See note 3.

[2] Adjusted basic earnings per share is the main measure of earnings per share used by the Group and is calculated using an underlying profit measure attributable to the equity shareholders. It is defined as profit attributable to the equity shareholders before long-term employee incentive costs, exceptional items, other gains and losses, foreign exchange gains and losses, amortisation of acquired intangible assets, an adjustment for the associates uEBITDA, and the tax impact of these adjusting items. See note 8.

Presentation
A presentation will be held for analysts and professional investors at 09.30am (UK time) at UBS, 5 Broadgate, London EC2M 2QS.

The presentation will be webcast live and will be accessible via the Just Eat website[3] at www.justeatplc.com/investors/results-reports.

An on-demand replay will also be available on the Just Eat website following the presentation.

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Forward-looking statements
This announcement includes statements that are, or may be deemed to be, "forward-looking statements". By their nature, such statements involve risk and uncertainty since they relate to future events and circumstances. Actual results may, and often do, differ materially from any forward-looking statements. Any forward-looking statements in this announcement reflect management's view with respect to future events as at the date of this announcement. Save as required by law or by the Listing Rules of the UK Listing Authority, the Company undertakes no obligation to publicly revise any forward-looking statements in this announcement following any change in its expectations or to reflect subsequent events or circumstances following the date of this announcement.

About Just Eat
Just Eat plc operates a leading global marketplace for takeaway food delivery. Headquartered in London, we use proprietary technology to offer a quick and efficient digital ordering service for 24.0 million customers and 93,700 restaurant partners across the UK, Australia & New Zealand, Canada, Denmark, France, Ireland, Italy, Mexico, Norway, Spain, Switzerland and Brazil. Just Eat is a member of the FTSE 100 Index.

[3] The content of the Just Eat website should not be considered to form a part of or be incorporated into this announcement.

H1 2018 PERFORMANCE REVIEW

Overview

This has been a strong first six months for the Group, which has seen us add a net 11,400 restaurants and 5.6 million new customers. We sent our restaurant partners 104.4 million orders worth £2.0 billion, up 33% from £1.5 billion in the prior comparable period.

Group revenue was £358.4 million, up 45% (H1 2017: £246.6 million), and up 46% at constant currency. uEBITDA increased 12% to £82.7 million and we generated £77.2 million of cash from operations (H1 2017: £68.1 million). These results reflect increased investment, specifically in key areas such as marketing, technology and product development. These improvements are benefitting both sides of our marketplace and providing a solid platform for the launch of delivery services.

Our non-UK businesses now account for 49% of Group revenues (H1 2017: 43%) and we continue to see strong growth in the majority of those markets, with the exception of Australia where the launch of delivery is beginning to gain momentum.

Strategic progress

At our 2017 preliminary results announcement in March, we noted that 2018 would be a year when we would invest to grow and at our Capital Markets Day ("CMD") in June, we outlined our vision to unlock the £57 billion market opportunity across our core geographies, with a further £26 billion in Latin America where we operate through our associate, iFood. It is this prize that created our ambition to serve every customer's takeaway moment.

At the CMD, we shared the knowledge that we had gained, and introduced the strategic pillars that underpin how the Group intends to target this opportunity. These are to: Build our marketplace to be world-class; Engineer delivery services to complement our marketplace; and Lead a world-class digital global team, supporting extraordinary local customer experts.

Build our marketplace to be world-class

Creating a more engaging user experience and building a stronger brand are essential tenets to driving customer attraction, order frequency and retention. We have an opportunity and a plan to create a world-class customer experience, measured by top of mind awareness and Net Promotor Score, which at a Group level increased by seven percentage points to 36 in the first six months of 2018.

In respect of technology investment, in the first half we spent £46.7 million (H1 2017: £35.6 million) in improving both the customer and our restaurant partner experience. Building brands is a long-term commitment, and marketing spend over the First Half was £69.6 million up 29% on the comparable period (H1 2017: £54.0 million).

App users are more loyal and order more frequently than other customers. We are rapidly improving the user experience of our apps to encourage increasing numbers of customers to connect with us through that channel. We are pleased to note that 54% of orders over the First Half were made via the app (H1 2017: 46%).

Over the First Half, average order frequency across the Group on an annualised basis improved to 8.1 (H1 2017: 8.0).

We also added 11,400 net new restaurants onto our platform, with approximately 70% of our estate now being in tier 2-5 cities, reflecting the wide reach of our leading marketplace businesses.

At our preliminary results in March, we committed to rolling out our restaurant device, Orderpad, to all restaurants. We're pleased to note that as at 30 June, Orderpad was in 34,300 restaurants (H1 2017: 15,400), including 18,800 in UK restaurants. Orderpad provides significant benefits to all parties. The technology helps our restaurant partners run better businesses through greater control and insight, whilst offering the potential to improve customer service by enabling direct contact with restaurants rather than through our contact centres.

Engineer delivery services to complement our marketplace

Delivery revenue grew by 238% to £81.9 million (H1 2017: £24.2 million), representing 23% of Group revenue (H1 2017: 10%). At constant currency, delivery revenue grew 249%. This was led by Canada where we are merging our Just Eat business with SkipTheDishes and, following further development of a French language version of the platform, we will leverage our existing marketplace business to bring the Skip business to Quebec during the second half.

In the UK, we made significant progress in the First Half, expanding delivery services to major cities such as Leeds, Liverpool and Manchester. Our courier partners are able to deploy resource across non-competing industries and, consequently, pass on significantly reduced delivery costs and improved service times.

At the beginning of April, we launched delivery services in Australia with strong collaboration between our Menulog, SkipTheDishes and technology teams. Whilst there remains more to do to emulate the full SkipTheDishes experience in Australia, by the end of June, we were live in seven delivery zones covering a population of 2 million people and are adding a new zone every ten days.

Lead a world-class digital global team, supporting extraordinary local customer experts
We have significantly strengthened our team over the First Half. In the period, we appointed Peter Duffy as our first Chief Customer Officer. Peter will lead our new initiatives to put our customers at the heart of everything we do with responsibility for Marketing, Digital, Customer Relationship Management (CRM), Business Intelligence (BI), Data, Machine Learning and Group Operations - all of which are vital for Just Eat to offer our customers the best and easiest way to find and order their takeaway treat. Furthermore, we continue to strengthen our technology team with the addition of new development resource.

2018 strategic investment
As a result of encouraging H1 learnings, the Board have increased growth investment from £50 million to £55 - £60 million. We successfully invested £24 million in the First Half, which included:

- Driving continued exceptional growth in Canada and launching SkipTheDishes technology into Australia
- Scaling delivery for branded restaurants and working to improve the delivery economics in the UK
- Further nurturing and growing our businesses in earlier stage markets.

Segment results
At our Capital Markets Day we set out new reporting segments which reflect how we now manage the business. We are reporting according to these segments for the first time.

United Kingdom
Strong growth in the UK business continued during the period, with orders up 20% to 59.3 million (H1 2017: 49.5 million), including 2.2m orders through the Hungryhouse platform, which was fully integrated, ahead of plan, on 22 May 2018. Revenue was up by 30% to £182.7 million (H1 2017: £140.1 million), driven by order growth and Average Revenue Per Order ("ARPO") growth of 9% (H1 2017: 6%).

Key highlights of the First Half include:

- Achieving the 400 millionth UK order since launch
- Increasing the Active customer[4] base by 16% to 11.3 million customers (H1 2017: 9.7 million)
- An acceleration of delivery orders, driven by an increase in the number of branded restaurants we are working with and significantly improved economics. As well as working with third party couriers, we intend to launch SkipTheDishes technology in selected cities during the second half of 2018.

The uEBITDA margin was 49% (H1 2017: 52%), reflecting investment in marketing, technology and delivery. We anticipate increased expenditure in the second half of the year as we continue to roll out delivery services and enhance our brand, particularly with our recently announced sponsorship of X Factor for a second season.

Canada
Canada saw orders up by 189% to 12.7 million (H1 2017: 4.4 million) and revenue of £73.0 million (H1 2017: £23.4 million), up by 212% or 227% at constant currency. This was driven by a strong performance from SkipTheDishes.

Key highlights of the First Half include:

- Launched SkipTheDishes outside of Canada for the first time, bringing its leading technology and expertise to Australia

[4] Defined as those customers that have placed at least one order within the last 12 months.

- Established a centre of excellence for delivery services, particularly courier management, in Winnipeg
- Completed the integration of SkipTheDishes and Just Eat Canada business.

Canadian uEBITDA losses were £8.5 million (H1 2017: £3.1 million loss).

Australia & New Zealand
Over the First Half, the Menulog Group achieved 6.5 million orders (H1 2017: 7.4 million), generating revenue of £21.6 million (H1 2017: £23.6 million), down 8% or 2% on a currency neutral basis. uEBITDA decreased by £2.1 million to £4.4 million (H1 2017: £6.5 million). These results demonstrate the importance in this region of complementing our marketplace business with a delivery capability which has been introduced since 31 December 2017.

During the First Half we launched delivery services under the Menulog brand using SkipTheDishes' expertise and we are now present in seven delivery zones in Sydney and Melbourne. Whilst this enables access to more than 2 million potential customers to supplement our marketplace business, there remains significant further engineering work to do to create an outstanding customer experience.

International
This segment contains eight countries – Denmark, France, Ireland, Italy, Mexico, Norway, Spain and Switzerland. In the First Half they generated 25.9 million orders (H1 2017: 19.0 million), an increase of 36%, and revenue of £81.1 million (H1 2017: £59.5 million), up 36% or 35% on a currency neutral basis.

Italy, Spain and Mexico had strong performances, with Spain achieving one million orders in a month for the first time. Mexico is responding well to increased investment, although this remains an early stage market. France performed well as we continue to add restaurants to diversify the French business, with fewer than 60% of orders now coming from Greater Paris. During the half we also rebranded the French business to Just Eat from Allo Resto. In Switzerland we saw an acceleration of order growth in the First Half.

This segment achieved uEBITDA of £4.3 million (H1 2017: £4.2 million), with the additional scale of more established markets being mitigated by stronger investment in earlier stage markets.

iFood ("IF-JE")
We saw continued excellent performance over the First Half of the year from iFood, generating 45.0 million orders (H1 2017: 21.7 million), an increase of 107%. This drove revenue of £52.7 million (H1 2017: £31.4 million), up 68% (up 98% on a constant currency basis). The business remains predominantly Brazil-based and has significant long-term potential. During the First Half, we increased our stake in IF-JE to 33% as the last minority holders were bought out.

Profit before tax
Profit before tax was £48.1 million, down 3% from the comparable period (H1 2017: £49.5 million). The scale benefit of a 45% increase in revenue was offset by a reduction in gross margin as a result of the higher level of delivery orders, exceptional costs pertaining to the acquisition of Hungryhouse and an increase in depreciation and amortisation associated with this transaction.

Taxation
The income tax expense was recognised based on management's best estimate of the annual income tax rate expected for each jurisdiction for the full financial year applied to profit before tax for the interim period, jurisdiction by jurisdiction. On this basis, the Group's tax charge was £11.9 million (H1 2017: £13.1 million). The adjusted effective tax rate, after taking account of the impact of long-term employee incentive costs, exceptional items, other gains and losses, foreign exchange gains and losses, amortisation in respect of acquired intangibles and an adjustment for the associates uEBITDA, was 21.2% (H1 2017: 23.4%). The effective tax rate, based on profit before tax, was 24.7% (H1 2017: 26.5%).

Earnings per share
Adjusted basic EPS was 8.6p (H1 2017: 7.8p), an increase of 10% in the period. Adjusted basic EPS is calculated using the adjusted profit attributable to the holders of ordinary shares. Basic EPS for the period was unchanged at 5.5p (H1 2017: 5.5p).

Cash flow and net debt
The Group continued its high level of cash conversion, benefiting from collecting the gross order value ahead of making net payments to its restaurant partners. Cash generated by operations was £77.2 million (H1 2017: £68.1 million).

To fund the purchase of Hungryhouse, we drew down £145.0 million from the Group's £350 million revolving credit facility. At the balance sheet date, the Group had cash balances of £156.7 million (H1 2017: £177.5 million). Excluding cash remitted to restaurants following the end of the period, the Group assessed its net debt to be £6.8 million (H1 2017: £142.9 million net cash)[5].

Capital structure and dividend
No dividends were declared during the period (H1 2017: nil). Whilst Just Eat generates strong earnings and has high cash conversion, the Board continues to prioritise investment to drive strong long-term revenue growth and profitability. The Board regularly reviews its capital allocation and return policy in order to maximise long-term returns to shareholders.

Outlook
The Board is confident in the current performance and strategy of the Group and is raising investment for long term growth from £50 million to £55 - £60 million. Therefore, revenue guidance is raised for 2018 to between £740 – £770 million, up from £660 – £700 million. Underlying EBITDA guidance for the Full Year remains unchanged between £165 – £185 million.

Audit Tender
Just Eat will shortly be holding a competitive tender process to select and formalise the appointment of the external auditor for the financial year ending 31 December 2019.

Deloitte LLP have acted as Just Eat's external auditor since 2009 and will undertake the audit of the financial statements for the year ending 31 December 2018.

An announcement will be made in due course to confirm the appointment of an external auditor following the conclusion of the audit tender process.

Principal risks and uncertainties
The principal risks and uncertainties set out in the last annual report remain valid at the date of this report. In summary, these include:

- Inability to offer compelling service propositions
- User experience fails to meet expectations
- Changes in regulation and legislation
- Brand is harmed by an event or strategy
- Sustain a cyber security breach
- Prolonged outage of critical platforms and infrastructure
- Challenges in growing and scaling the business
- Significant delays and challenges with integration of new acquisitions
- Key talent leaves the business or talent acquisition is ineffective
- Global economic or political events weaken performance.

[5] See note 12.

Directors' responsibility statement

The Directors confirm that, to the best of their knowledge:

- The Interim Financial Statements, which have been prepared in accordance with IAS 34 Interim Financial Reporting, give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by DTR 4.2.4R
- The Interim Management Report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year)
- The Interim Management Report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

Peter Plumb
Chief Executive Officer
30 July 2018

Paul Harrison
Chief Financial Officer

Consolidated Income Statement
For the period ended 30 June 2018

	Notes	Period ended 30 June 2018 Unaudited £m	Period ended 30 June 2017 Unaudited £m	Year ended 31 December 2017 Audited £m
Continuing operations				
Revenues	**3**	**358.4**	246.6	546.3
Cost of sales		**(93.1)**	(36.8)	(96.0)
Gross profit		**265.3**	209.8	450.3
Long-term employee incentive costs	**4**	**(3.1)**	(3.3)	(6.6)
Exceptional items	**5**	**(11.1)**	(4.3)	(191.1)
Other administrative expenses		**(205.4)**	(152.3)	(324.5)
Total administrative expenses		**(219.6)**	(159.9)	(522.2)
Share of results of associates		**(0.1)**	0.5	(0.6)
Operating profit/(loss)		**45.6**	50.4	(72.5)
Other gains and losses	**6**	**2.8**	(0.7)	(2.0)
Finance income		**0.2**	0.2	0.7
Finance costs		**(0.5)**	(0.4)	(2.2)
Profit/(loss) before tax		**48.1**	49.5	(76.0)
Taxation	**7**	**(11.9)**	(13.1)	(27.5)
Profit/(loss) for the period		**36.2**	36.4	(103.5)
Attributable to:				
Equity shareholders		**37.2**	37.3	(102.7)
Non-controlling interests		**(1.0)**	(0.9)	(0.8)
		36.2	36.4	(103.5)
Earnings per ordinary share (pence)				
Basic	**8**	**5.5**	5.5	(15.2)
Diluted	**8**	**5.4**	5.4	(15.2)
Adjusted earnings per ordinary share[6] (pence)				
Basic	**8**	**8.6**	7.8	16.8
Diluted	**8**	**8.5**	7.7	16.6
Reconciliation of operating profit to uEBITDA[1]				
Operating profit/(loss)		**45.6**	50.4	(72.5)
Depreciation and amortisation	**3**	**21.6**	15.0	38.4
Long-term employee incentive costs	**4**	**3.1**	3.3	6.6
Exceptional items	**5**	**11.1**	4.3	191.1
Net foreign exchange losses/(gains)		**0.5**	0.2	(0.5)
Adjustment for associates uEBITDA[7]		**0.8**	0.4	0.4
uEBITDA[1]	**3**	**82.7**	73.6	163.5

[6] A definition of adjusted EPS is included in note 8.

[7] The adjustment for associates uEBITDA recognises the group's share of items which fall between uEBITDA and operating profit and therefore should be added back to calculate group uEBITDA.

Consolidated Statement of Other Comprehensive Income
For the period ended 30 June 2018

	Period ended 30 June		Year ended 31 December
	2018	**2017**	**2017**
	Unaudited	**Unaudited**	**Audited**
	£m	**£m**	**£m**
Profit/(loss) for the period	**36.2**	36.4	(103.5)
Items that may be reclassified subsequently to the income statement:			
Exchange differences on translation of foreign operations – Group	**(10.2)**	11.2	(2.6)
Exchange differences on translation of foreign operations – Associates	**(4.0)**	(1.8)	(3.8)
Exchange differences on translation of non-controlling interests	**-**	0.6	(0.1)
Fair value losses on cash flow hedges	**-**	(0.2)	(0.1)
Fair value gains on available-for-sale investments	**-**	-	0.1
Other comprehensive (loss)/income for the period	**(14.2)**	9.8	(6.5)
Total comprehensive income/(loss) for the period	**22.0**	46.2	(110.0)
Attributable to:			
Equity shareholders	**23.0**	46.5	(109.1)
Non-controlling interests	**(1.0)**	(0.3)	(0.9)
Total comprehensive income/(loss) for the period	**22.0**	46.2	(110.0)

Consolidated Balance Sheet
As at 30 June 2018

	Notes	As at 30 June 2018 Unaudited £m	As at 30 June 2017 Unaudited £m	As at 31 December 2017 Audited £m
Non-current assets				
Goodwill	**9**	**735.3**	736.1	544.9
Other intangible assets		**126.8**	98.5	94.5
Property, plant and equipment		**20.8**	15.2	19.0
Investments in associates		**53.2**	44.0	41.4
Available-for-sale investments	**11**	**4.2**	4.1	4.2
Deferred tax assets		**23.1**	12.3	18.1
		963.4	910.2	722.1
Current assets				
Operating cash		**98.9**	143.9	213.6
Cash to be paid to Restaurant Partners		**57.8**	33.6	51.5
Cash and cash equivalents		**156.7**	177.5	265.1
Inventories		**4.4**	2.5	2.8
Trade and other receivables		**24.7**	23.7	24.2
Derivative financial instruments	**11**	**0.3**	-	0.1
Current tax assets		**1.0**	1.1	0.4
		187.1	204.8	292.6
Total assets		**1,150.5**	1,115.0	1,014.7
Current liabilities				
Trade and other payables		**(220.8)**	(117.8)	(185.2)
Derivative financial instruments	**11**	**-**	(0.1)	(0.6)
Current tax liabilities		**(28.3)**	(25.8)	(36.4)
Deferred revenue		**(3.3)**	(3.5)	(3.3)
Provisions for liabilities	**13**	**(13.0)**	(35.5)	(22.6)
Borrowings	**12**	**(0.4)**	(0.7)	(0.4)
		(265.8)	(183.4)	(248.5)
Net current (liabilities)/assets		**(78.7)**	21.4	44.1
Non-current liabilities				
Deferred tax liabilities		**(21.6)**	(23.2)	(18.2)
Deferred revenue		**(3.8)**	(0.9)	(0.8)
Provisions for liabilities	**13**	**-**	(20.7)	(20.2)
Borrowings	**12**	**(105.3)**	(0.3)	(0.3)
Other long-term liabilities		**-**	(9.4)	-
		(130.7)	(54.5)	(39.5)
Total liabilities		**(396.5)**	(237.9)	(288.0)
Net assets		**754.0**	877.1	726.7
Equity				
Share capital		**6.8**	6.8	6.8
Share premium account		**562.8**	562.5	562.7
Translation reserve		**74.1**	104.1	88.3
Other reserves		**(5.0)**	(6.3)	(5.2)
Retained earnings		**106.2**	201.6	65.9
Equity attributable to shareholders of the Company		**744.9**	868.7	718.5
Non-controlling interest		**9.1**	8.4	8.2
Total equity		**754.0**	877.1	726.7

Consolidated Statement of Changes in Equity
For the period ended 30 June 2018

	Share capital £m	Share premium account £m	Translation reserve £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £m
1 January 2018 (audited)	6.8	562.7	88.3	(5.2)	65.9	718.5	8.2	726.7
Profit/(loss) for the period	-	-	-	-	37.2	37.2	(1.0)	36.2
Other comprehensive income	-	-	(14.2)	-	-	(14.2)	-	(14.2)
Total comprehensive income/ (loss) for the period	-	-	(14.2)	-	37.2	23.0	(1.0)	22.0
Exercise of share options	-	0.1	-	-	-	0.1	-	0.1
Share based payment charge	-	-	-	-	2.7	2.7	-	2.7
Exercise of JSOP awards	-	-	-	0.2	-	0.2	-	0.2
Tax on share options	-	-	-	-	0.4	0.4	-	0.4
Adjustment to Mexican NCI	-	-	-	-	-	-	1.9	1.9
30 June 2018 (unaudited)	**6.8**	**562.8**	**74.1**	**(5.0)**	**106.2**	**744.9**	**9.1**	**754.0**

Consolidated Statement of Changes in Equity
Year ended 31 December 2017

	Share capital £m	Share premium account £m	Translation reserve £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £m
1 January 2017 (audited)	6.8	562.2	94.7	(6.4)	160.7	818.0	7.7	825.7
Profit/(loss) for the period	-	-	-	-	37.3	37.3	(0.9)	36.4
Other comprehensive income/(loss)	-	-	9.4	(0.2)	-	9.2	0.6	9.8
Total comprehensive income/ (loss) for the period	-	-	9.4	(0.2)	37.3	46.5	(0.3)	46.2
Exercise of share options	-	0.3	-	-	-	0.3	-	0.3
Share based payment charge	-	-	-	-	2.8	2.8	-	2.8
Exercise of JSOP/SIP awards	-	-	-	0.3	-	0.3	-	0.3
Tax on share options	-	-	-	-	0.8	0.8	-	0.8
Adjustment to Mexican NCI	-	-	-	-	-	-	1.0	1.0
30 June 2017 (unaudited)	6.8	562.5	104.1	(6.3)	201.6	868.7	8.4	877.1
(Loss)/profit for the period	-	-	-	-	(140.0)	(140.0)	0.1	(139.9)
Other comprehensive (loss)/income	-	-	(15.8)	0.2	-	(15.6)	(0.7)	(16.3)
Total comprehensive loss for the period	-	-	(15.8)	0.2	(140.0)	(155.6)	(0.6)	(156.2)
Exercise of share options	-	0.2	-	-	-	0.2	-	0.2
Share based payment charge	-	-	-	-	3.3	3.3	-	3.3
Exercise of JSOP/SIP awards	-	-	-	0.9	-	0.9	-	0.9
Adjustment for cash-settled share options	-	-	-	-	(0.2)	(0.2)	-	(0.2)
Tax on share options	-	-	-	-	1.2	1.2	-	1.2
Adjustment to Mexican NCI	-	-	-	-	-	-	0.4	0.4
31 December 2017 (audited)	**6.8**	**562.7**	**88.3**	**(5.2)**	**65.9**	**718.5**	**8.2**	**726.7**

Consolidated Cash Flow Statement
For the period ended 30 June 2018

	Period ended 30 June 2018 Unaudited £m	2017 Unaudited £m	Year ended 31 December 2017 Audited £m
Operating profit for the period	**45.6**	50.4	(72.5)
Adjustments for:			
Amortisation of intangible assets	**16.7**	11.7	31.1
Depreciation of property, plant and equipment	**4.9**	3.3	7.3
Loss on disposal of property, plant and equipment and intangible assets	**0.7**	0.5	0.9
Share of results of associates	**0.1**	(0.5)	0.6
Movement in provisions	**(0.2)**	0.1	0.3
Non-cash long-term employee incentive costs	**3.1**	3.3	6.6
Impairment charges	**-**	-	180.4
Other non-cash items	**-**	0.1	(0.3)
	70.9	68.9	154.4
(Increase)/decrease in inventories	**0.1**	(0.5)	(0.2)
Increase in receivables	**(5.2)**	(1.7)	(4.6)
Increase in payables	**8.6**	1.7	42.7
Increase/(decrease) in deferred income	**2.8**	(0.3)	(0.6)
Net cash generated by operations	**77.2**	68.1	191.7
Interest paid	**(0.2)**	-	(0.7)
Facility fees paid	**(0.2)**	(0.3)	(2.3)
Income taxes paid	**(21.3)**	(9.5)	(22.0)
Net cash generated from operating activities	**55.5**	58.3	166.7
Investing activities			
Interest received	**0.2**	0.2	0.7
Acquisition of subsidiary businesses	**(230.7)**	(0.3)	(0.4)
Acquisition of interests in associates	**(17.0)**	(2.0)	(2.6)
Disposal of subsidiary businesses	**-**	3.7	3.6
Disposal of minority stake in Mexican business	**-**	0.5	1.2
Funding provided to associates	**(3.1)**	-	(0.8)
Purchase of intangible assets	**(12.9)**	(8.3)	(24.0)
Purchase of property, plant and equipment	**(7.1)**	(8.2)	(14.6)
Other cash outflows	**-**	0.8	1.2
Net cash used in investing activities	**(270.6)**	(13.6)	(35.7)
Financing activities			
Proceeds from exercise of options and awards	**0.6**	1.0	3.1
Cash inflow on borrowings	**145.0**	-	-
Repayment of borrowings	**(40.0)**	-	(0.4)
Funding received from non-controlling interest	**1.9**	-	-
Net cash generated from financing activities	**107.5**	1.0	2.7
Net (decrease)/increase in cash and cash equivalents	**(107.6)**	45.7	133.7
Cash and cash equivalents at beginning of period	**265.1**	130.6	130.6
Effect of changes in foreign exchange rates	**(0.8)**	1.2	0.8
Cash and cash equivalents at end of period	**156.7**	177.5	265.1

Notes to the Interim Financial Statements

1. General information

The Directors of Just Eat plc (the "Company") present their interim report and the unaudited condensed consolidated financial statements for the period ended 30 June 2018 ("Interim Financial Statements"). The Company is a public limited company, incorporated and domiciled in the UK. Its registered address is Masters House, 107 Hammersmith Road, London, W14 0QH.

The Interim Financial Statements have been reviewed, but not audited, by Deloitte LLP and were approved by the Board of Directors on 30 July 2018.

The information for the period ended 30 June 2018 does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The Interim Financial Statements should be read in conjunction with the Annual Report and Financial Statements, for the year ended 31 December 2017, which were prepared in accordance with European Union endorsed International Financial Reporting Standards ("IFRS") and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Annual Report and Financial Statements for the year ended 31 December 2017 were approved by the Board of Directors on 5 March 2018 and delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498(2) or (3) of the Companies Act 2006.

2. Basis of preparation

The Interim Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as endorsed by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

The Interim Financial Statements are presented in pounds sterling, rounded to the nearest £0.1 million, unless otherwise stated. They were prepared under the historical cost convention, except for assets and liabilities acquired as part of a business combination, deferred contingent consideration, available-for-sale investments, derivative financial instruments, and other financial assets and liabilities recognised at fair value through profit or loss, which have been measured at fair value.

Going concern
The Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the Interim Financial Statements.

Accounting policies
The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2017.

New and amended standards adopted by the Group
The Group have implemented IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from contracts with customers,* both effective for the first time for the financial year beginning on 1 January 2018. Neither standard has had a material impact on the Group's financial position or performance therefore no restatement of the comparative figures has been required.

Critical accounting judgements and key sources of estimation uncertainty
In the course of preparing the financial statements, management necessarily makes judgements and estimates that can have a significant impact on the financial statements. The most critical accounting judgements relate to capitalised development costs. Key sources of estimation uncertainty relate to the fair value calculations on acquired intangible assets in respect of business combinations, the impairment of goodwill and intangible assets, and the impact of uncertain tax provisions. The use of inaccurate assumptions in assessments made for any of these judgements and estimates could result in a significant impact on the financial results.

With the exception of the additional estimation uncertainty concerning the fair value of the business combination in the period, these critical accounting judgements and key sources of estimation uncertainty are the same as those disclosed in note 2 of the Group's 2017 Annual Report, which can be obtained from the Company's registered office or from the Company's website www.justeatplc.com.

3. Operating segments

The Group's segmental reporting is designed to give greater transparency to the reader of the Group's financial statements by disclosing the Group's results on geographical basis, where each market has similar economic characteristics. Due to both the current and expected future size of the Canada and Australia & New Zealand ("ANZ") segments, the Group has changed its reporting segments to be: United Kingdom, ANZ, Canada and International (which consists of Denmark, France, Ireland, Italy, Mexico, Norway, Spain and Switzerland). The comparative segmental disclosures below have been restated for this change in operating segments.

Each of the businesses aggregated within International have similar economic characteristics as they have similar business models and therefore are expected to have similar long-term uEBITDA margins. The chief operating decision maker ("CODM") is Peter Plumb, the Group's Chief Executive Officer, who manages and reports to the Board on the same basis as the new reporting segments. The principal measure of profit used by the CODM to assess and manage performance is uEBITDA. It is defined as earnings before finance income and costs, taxation, depreciation and amortisation ("EBITDA"), and additionally excludes long-term employee incentive costs, exceptional items, foreign exchange gains and losses, other gains and losses, and the share of results from associates falling outside this definition.

At a segmental level, uEBITDA incorporates an allocation of Group technology and central costs.

Segment revenue	Period ended 30 June 2018 Unaudited £m	Period ended 30 June 2017 Unaudited £m	Year ended 31 December 2017 Audited £m
		Restated	*Restated*
United Kingdom	**182.7**	140.1	303.8
ANZ	**21.6**	23.6	49.8
Canada[11]	**73.0**	23.4	64.4
International	**81.1**	59.5	128.3
Total revenue	**358.4**	246.6	546.3

Revenue by source	Period ended 30 June 2018 Unaudited £m	%	Period ended 30 June 2017 Unaudited £m	%	Year ended 31 December 2017 Audited £m	%
Commission revenue	**308.2**	**86**	205.7	83	458.4	84
Payment card and administration fees	**40.0**	**11**	28.6	12	60.1	11
Discounts	**(14.3)**	**(4)**	(6.4)	(3)	(14.5)	(3)
Order-driven revenue	**333.9**	**93**	227.9	92	504.0	92
Top-placement fees	**20.4**	**6**	13.8	6	31.6	6
Connection fees and other revenue	**4.1**	**1**	4.9	2	10.7	2
Ancillary revenue	**24.5**	**7**	18.7	8	42.3	8
Total revenues	**358.4**		246.6		546.3	

Order-driven revenue by segment was as follows: United Kingdom £171.4 million (H1 2017: £130.9 million), ANZ £20.3 million (H1 2017: £22.8 million), Canada £71.1 million (H1 2017: £22.2 million) and International £71.1 million (H1 2017: £52.0 million).

[11] Includes both Just Eat Canada and SkipTheDishes.

3. Operating segments (continued)

Segment uEBITDA and results	Period ended 30 June 2018 Unaudited £m	Period ended 30 June 2017 Unaudited £m *Restated*	Year ended 31 December 2017 Audited £m *Restated*
United Kingdom	**89.4**	73.4	155.4
ANZ	**4.4**	6.5	17.3
Canada	**(8.5)**	(3.1)	(11.4)
International	**4.3**	4.2	19.4
Total segment uEBITDA	**89.6**	81.0	180.7
Share of uEBITDA from associates[12]	**0.7**	0.9	(0.2)
Head office costs	**(7.6)**	(8.3)	(17.0)
uEBITDA	**82.7**	73.6	163.5
Long-term employee incentive costs	**(3.1)**	(3.3)	(6.6)
Exceptional items[13]	**(11.1)**	(4.3)	(191.1)
Net foreign exchange (losses)/gains	**(0.5)**	(0.2)	0.5
EBITDA	**68.0**	65.8	(33.7)
Depreciation	**(4.9)**	(3.3)	(7.3)
Amortisation – Acquired intangible assets	**(11.6)**	(9.3)	(24.4)
Amortisation – Other intangible assets	**(5.1)**	(2.4)	(6.7)
Share of results from associates below uEBITDA[8]	**(0.8)**	(0.4)	(0.4)
Operating profit/(loss)	**45.6**	50.4	(72.5)
Other gains and losses	**2.8**	(0.7)	(2.0)
Finance income	**0.2**	0.2	0.7
Finance costs	**(0.5)**	(0.4)	(2.2)
Profit/(loss) before tax	**48.1**	49.5	(76.0)

Property, plant & equipment and intangible assets

	Additions[14] Period ended 30 June 2018 £m	Additions[14] Period ended 30 June 2017 £m *Restated*	Additions[14] Year ended 31 December 2017 £m *Restated*	Depreciation and amortisation Period ended 30 June 2018 £m	Depreciation and amortisation Period ended 30 June 2017 £m *Restated*	Depreciation and amortisation Year ended 31 December 2017 £m *Restated*
United Kingdom	**242.2**	1.4	2.6	**5.1**	1.6	3.0
ANZ	**0.8**	0.9	0.2	**4.5**	5.6	15.0
Canada	**2.5**	0.9	1.7	**2.4**	2.2	4.3
International	**2.7**	1.7	3.4	**3.2**	3.3	8.6
	248.2	4.9	7.9	**15.2**	12.7	30.9
Head office	**11.0**	9.4	30.8	**6.4**	2.3	7.5
Total	**259.2**	14.3	38.7	**21.6**	15.0	38.4

4. Long-term employee incentive costs

During the period ended 30 June 2018, the Group recognised a charge in respect of long-term employee incentive costs of £3.1 million (H1 2017: £3.3 million; year ended 31 December 2017: £6.6 million). This charge was in respect of the Group's share-based long-term incentive plans and related employer's national insurance (or local equivalent). During the period, the Company granted awards of 84,740 shares under the Group's long-term employee incentive plans (period ended 30 June 2017: 2,217,059 shares).

[12] Respective amounts that fall either inside or outside of the Group's definition of uEBITDA.

[13] The prior year includes an impairment charge of £180.4 million which relates to the carrying value of goodwill included within the Australia & New Zealand CGU.

[14] Additions include goodwill and other intangible assets acquired as part of business combinations, as well as purchases of tangible and intangible fixed assets.

5. Exceptional items

	Period ended 30 June 2018 Unaudited £m	2017 Unaudited £m	Year ended 31 December 2017 Audited £m
Impairment charges	**-**	-	180.4
M&A transaction costs	**1.6**	1.2	1.7
Acquisition integration costs	**9.5**	3.1	9.0
Total exceptional items	**11.1**	4.3	191.1

Impairment charges
During the year ended 31 December 2017, an impairment charge of £180.4 million was recorded in respect of the Group's Australia & New Zealand ("ANZ") businesses. The charge was driven by lower projected cash flows in the business' plans, resulting in management's reassessment of expected future business performance in light of the current trading environment.

The Australian market is unique in the Just Eat portfolio with a substantial part of the population living in just two cities, Sydney and Melbourne. This characteristic makes Australia an attractive market for delivery focussed competitors, with the consequence that Australia is today one of our most competitive markets. As a consequence, success will be partly dependent on our ability to add delivery capability to complement our marketplace business.

During the period, the Group's Australian business commenced delivery operations by utilising the SkipTheDishes technology. Along with the additional security, scalability and stability that the new platform brings, this integration will be crucial to ensure the continued growth in the ANZ market through the addition of the logistics capability. The technology built by SkipTheDishes allows forecasting of consumer demand, driver allocation and delivery times with very high levels of accuracy. Whilst it will take time to deploy, it is this technology that will place the business in a good position for solid future growth.

M&A transaction costs
M&A transaction costs relate to legal, due diligence and other costs incurred as a result of the Group's acquisitions and aborted acquisitions. For the period ended 30 June 2018, they include £1.0 million (H1 2017: £1.1 million; year ended 31 December 2017: £1.3 million) of costs in respect of the acquisition of Hungryhouse Holdings Limited ("Hungryhouse"), which completed on 31 January 2018.

Acquisition integration costs
The acquisition integration costs relate to the integration of recently acquired businesses into the Group. For the period ended 30 June 2018, £1.4 million relates to accrued consideration (separate to the acquisition consideration) of SkipTheDishes' management providing certain services to the Group post-completion (H1 2017: £nil; year ended 31 December 2017: £9.0 million).

Also included in the period ended 30 June 2018 is £8.1 million related to the integration of Hungryhouse into the Group. These costs include non-recurring costs of running two offices and platforms during employee consultation processes, redundancy costs, lease termination costs and related advisers' fees.

6. Other gains and losses

	Period ended 30 June 2018 Unaudited £m	2017 Unaudited £m	Year ended 31 December 2017 Audited £m
Movement in minority shareholders' buy-out provision	**-**	(0.4)	(0.5)
Gain/(loss) on derivative financial instruments	**0.3**	0.1	(0.4)
Fair value gain/(loss) on contingent consideration	**2.5**	(0.4)	(1.1)
Total other gains and losses	**2.8**	(0.7)	(2.0)

7. Taxation

	Period ended 30 June 2018 Unaudited £m	2017 Unaudited £m	Year ended 31 December 2017 Audited £m
Current taxation			
Current period	**13.2**	13.2	38.0
Adjustment for prior periods	**-**	-	(0.3)
	13.2	13.2	37.7
Deferred taxation			
Temporary timing differences	**(1.3)**	(0.1)	(10.0)
Adjustments for prior periods	**-**	-	(0.2)
	(1.3)	(0.1)	(10.2)
Total tax charge for the period	**11.9**	13.1	27.5

UK corporation tax was calculated at 19% (H1 2017: 19.25%; year ended 31 December 2017: 19.25%) of the taxable profit for the year. The UK government announced, in the summer 2015 budget, a reduction in the standard rate of corporation tax from 20% to 19% effective from 1 April 2017. The Finance Bill 2016 subsequently reduced the main rate of corporation tax to 17%, effective from 1 April 2020.

Taxation for territories outside of the UK was calculated at the rates prevailing in the respective jurisdictions.

Taxation on items taken directly to equity in respect of share options was a net credit of £0.4 million (H1 2017: £0.8 million; year ended 31 December 2017: £2.0 million), which comprised of a credit of £0.5 million relating to current tax and a debit of £0.1 million relating to deferred tax.

The effective tax rate on underlying profits ("Underlying ETR") is 21.2% (H1 2017: 23.4%; year ended 31 December 2017: 23.7%). Underlying profit is defined as profit before tax before long-term employee incentive costs, exceptional items, other gains and losses, foreign exchange gains and losses, amortisation in respect of acquired intangible assets and share of results from associates below uEBITDA.

The total tax charge of £11.9 million (H1 2017: £13.1 million; year ended 31 December 2017: £27.5 million) is made up of a current tax charge of £13.2 million (H1 2017: £13.2 million; year ended 31 December 2017: £37.7 million), primarily consisting of corporate tax arising in the UK, Denmark, France, Ireland and Switzerland; and a net deferred tax credit of £1.3 million (H1 2017: £0.1 million; year ended 31 December 2017: £10.2 million) resulting from the unwinding of the deferred tax asset on tax losses arising in Australia and the unwinding of deferred tax liabilities arising on acquired intangibles.

As a result of the geographical spread of the Group's operations and the varied, increasingly complex nature of local and global tax law, there are some transactions for which the ultimate tax determination is uncertain during the ordinary course of business. The provision held in relation to uncertain tax items totalled £17.6 million (H1 2017: £10.0 million; as at 31 December 2017: £17.4 million). Included within this provision is an amount held in relation to an ongoing transfer pricing audit in Denmark (as disclosed in note 10 of the Group’s 2017 Annual Report). There has been no movement in claim proceedings since the 2017 Annual Report and the Group’s view of the expected outcome of the claim remains unchanged. This remains a key source of estimation uncertainty as outlined in Note 2.

8. Earnings per share

Basic earnings per share was calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year, excluding unvested shares held pursuant to the Group's Joint Share Ownership Plan ("JSOP") and Share Incentive Plan ("SIP").

Diluted earnings per share was calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive shares. The Group has potentially dilutive shares in the form of share options and unvested shares held pursuant to the Group's JSOP and SIP.

Adjusted earnings per share is the main measure of earnings per share used by the Group and is calculated using an underlying profit measure attributable to equity shareholders, which is defined as profit attributable to equity shareholders, before long-term employee incentive costs, exceptional items, other gains and losses, foreign exchange gains and losses, amortisation of acquired intangible assets, adjustment for associates uEBITDA, and the tax impact of these adjusting items.

Basic and diluted earnings per share have been calculated as follows:

Basic and diluted earnings per share	**Period ended 30 June 2018 Unaudited £m**	**Period ended 30 June 2017 Unaudited £m**	**Year ended 31 December 2017 Audited £m**
Profit/(loss) attributable to equity shareholders	**37.2**	37.3	(102.7)
Long-term employee incentive costs	**3.1**	3.3	6.6
Exceptional items	**11.1**	4.3	191.1
Other gains and losses	**(2.8)**	0.7	2.0
Net foreign exchange losses/ (gains)	**0.5**	0.2	(0.5)
Amortisation in respect of acquired intangible assets	**11.6**	9.3	24.4
Adjustment for associates uEBITDA	**0.8**	0.4	0.4
Tax impact of the adjusting items	**(3.5)**	(2.8)	(7.6)
Adjusted profit attributable to equity shareholders	**58.0**	52.7	113.7

	Number of shares ('000) Period ended 30 June 2018 Unaudited	**Period ended 30 June 2017 Unaudited**	**Year ended 31 December 2017 Audited**
Weighted average number of ordinary shares for basic earnings per share	**677,973**	676,238	676,844
Effect of dilution			
Share options and awards	**5,211**	6,400	5,159
Unvested JSOP shares	**153**	1,337	943
Shares held in escrow	**-**	1,047	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**683,337**	685,022	682,946

	Period ended 30 June 2018 Unaudited Pence	**Period ended 30 June 2017 Unaudited Pence**	**Year ended 31 December 2017 Audited Pence**
Earnings per ordinary share			
Basic	**5.5**	5.5	(15.2)
Diluted[15]	**5.4**	5.4	(15.2)
Adjusted earnings per ordinary share			
Basic	**8.6**	7.8	16.8
Diluted	**8.5**	7.7	16.6

[15] Ordinary shares are only treated as dilutive when their conversion would decrease earnings per share or increase loss per share from continuing operations.

9. Goodwill

	Period ended 30 June		Year ended 31 December
	2018 Unaudited £m	**2017 Unaudited £m**	**2017 Audited £m**
At start of period	**544.9**	725.2	725.2
Arising on acquisition of Hungryhouse (see note 10)	**201.0**	-	-
SkipTheDishes acquisition adjustment[16]	**-**	1.3	1.5
Impairment charges[17]	**-**	-	(180.4)
Foreign exchange movement	**(10.6)**	9.6	(1.4)
At end of period	**735.3**	736.1	544.9

Goodwill has arisen on the acquisition of businesses and is attributable to the future growth of the acquired businesses, through expansion of their networks of Restaurant Partners and the number of orders per restaurant, anticipated future operating synergies, and the ability to leverage the Group's existing intellectual property in new markets around the world. In addition, the goodwill balances represent the value of the businesses' active Customer bases and assembled workforce, which do not meet the recognition criteria of an intangible asset.

Goodwill acquired in a business combination is allocated on acquisition to the CGUs that are expected to benefit from that business combination.

Note 12 to the Group's financial statements for the year ended 31 December 2017 included the following statement: "With the exception of the ANZ and MX CGUs, no reasonably expected change in the key assumptions used in the VIU calculations would give rise to an impairment charge". The Directors continue to believe this to be the case.

[16] SkipTheDishes was acquired on 14 December 2016. The acquisition accounting at 31 December 2016 and 30 June 2017 was provisional as the valuation of the acquired intangible assets was based on estimated inputs at that stage. In the year ended 31 December 2017, the valuation models and acquisition accounting was finalised, resulting in an increase in goodwill of £1.5 million.

[17] Impairment charges at 31 December 2017 related to the Group's ANZ CGU.

10. Acquisitions

Provisional fair values of businesses acquired in the current period[18]	**Hungryhouse £m**
Cash	7.9
Intangible assets - Restaurant contracts	39.4
Deferred tax liabilities in respect of the intangible assets	(6.7)
Deferred tax asset in respect of losses	6.5
Trade and other receivables	0.1
Trade and other payables	(8.5)
Provisions	(0.2)
	38.5
Goodwill	201.0
Total consideration	239.5
Satisfied by:	
Cash consideration	216.0
Deferred consideration	23.5
Total consideration	239.5
Net cash outflow arising on acquisition:	
Cash consideration	216.0
Cash acquired	(7.9)
Net cash outflow	208.1
Contribution since control obtained[19]	
Revenue	n/a
uEBITDA	n/a

Acquisition of Hungryhouse

On 15 December 2016, the Group announced that it had agreed to acquire 100% of the share capital of Hungryhouse from Delivery Hero Holding GmbH. Approval from the Competition and Markets Authority ("CMA") was obtained on 16 November 2017 and completion of the acquisition occurred on 31 January 2018 for consideration totalling £239.5 million.

Funding for the acquisition was obtained from both existing cash reserves and a draw down on the Group's revolving credit facility. Estimated deferred consideration of £23.5 million is payable on 31 January 2019.

The acquisition is consistent with Just Eat's strategic ambition to further its growth and increase its market presence in every geography in which it operates. Hungryhouse is an online food company operating solely in the UK, with a comparable business model to Just Eat.

The acquisition is expected to generate significant benefits for Just Eat's Restaurant Partners and Customers. It creates an enlarged Customer base for Restaurant Partners to access, whilst increasing the breadth of choice on offer to UK consumers through Just Eat's platform. The combination of the two businesses also generates compelling economic benefits of scale, with high operating leverage expected to drive material synergies post integration. Goodwill is attributable to the future growth of the acquired business, through expansion of their networks of Restaurant Partners, the number of orders per restaurant, and the anticipated future operational synergies. In addition, the goodwill balance represents the value of the consumer bases and assembled workforce, which do not meet the recognition criteria of an intangible asset. None of the goodwill is expected to be deductible for tax purposes.

Transaction costs incurred on acquisition (including the CMA process) and integration costs have been separately recognised as exceptional items in note 5.

[18] Due to the limited amount of time since the acquisition of Hungryhouse, on 31 January 2018, the acquisition accounting is provisional. This includes the valuation of the acquired intangible assets as some of the inputs to the valuation models are based on estimates.

[19] Immediately after acquisition, management started transferring Hungryhouse customers and restaurants on to the Just Eat UK ordering platform. The Hungryhouse platform ceased operating on 22 May 2018. Because of this, it is not possible to track Hungryhouse's total contribution to the Group's results since the date of acquisition, as information is only available in respect of orders placed directly through the Hungryhouse platform, which would exclude orders from Hungyhouse customers that had transferred on to the Just Eat platform.

10. Acquisitions (continued)

Net cash outflow on acquisition of businesses
The net cash outflow on acquisition of businesses during the period ended 30 June 2018 as shown in the table above was £208.1 million. £202.1 million of this was paid during the period ended 30 June 2018. The remaining £6.0 million was paid in the year ended 31 December 2016. The amount in the Consolidated Cash Flow Statement also includes £28.6 million of deferred consideration paid during the year in respect of acquisitions made in previous years.

11. Financial instruments

The Group measures financial instruments subsequent to initial recognition at fair value for forward exchange contracts (level 2) and available-for-sale investments (level 3). There have been no transfers between levels 2 and levels 3 in any of the periods presented.

a) Available-for-sale investments
At 30 June 2018, the Group held £4.2 million of available-for-sale investments (H1 2017: £4.1m; as at 31 December 2017: £4.2 million). The level 3 measurement techniques and inputs applied in fair valuing these investments included a comparison to valuations used by other comparable companies that have recently raised capital.

b) Derivative financial instruments
At 30 June 2018, the Group had entered into six forward contracts to purchase US$6.0 million which will be used to hedge highly probable forecasted US$ denominated operating costs. The Group designated US$nil of the foreign exchange forward contracts as cash flow hedges. At 30 June 2018, the Group has recognised a financial asset of £0.3 million to reflect the fair value of the outstanding forward contracts.

12. Borrowings

	As at 30 June 2018 Unaudited £m	As at 30 June 2017 Unaudited £m	As at 31 December 2017 Audited £m
Current			
Other borrowings	**(0.4)**	(0.7)	(0.4)
	(0.4)	(0.7)	(0.4)
Non-current			
Revolving credit facility	**(105.0)**	-	-
Other borrowings	**(0.3)**	(0.3)	(0.3)
	(105.3)	(0.3)	(0.3)
Net Debt			
Operating cash	**98.9**	143.9	213.6
Current borrowings	**(0.4)**	(0.7)	(0.4)
Non-current borrowings	**(105.3)**	(0.3)	(0.3)
	(6.8)	142.9	212.9

Revolving credit facility
The Group has access to a £350.0 million revolving credit facility which has been partly utilised in the current period as a result of acquisition of Hungryhouse (see note 10).

This facility is unsecured, has an interest rate range of 0.75% to 1.35% above LIBOR and is repayable in November 2022, with an option to extend for up to two further years. Financial covenants to this facility include ratios relating to interest cover, leverage and earn-out deferred consideration.

13. Provisions

	2018 Unaudited £m	As at 30 June 2017 Unaudited £m	As at 31 December 2017 Audited £m
Current	**13.0**	35.5	22.6
Non-current	**-**	20.7	20.2
	13.0	56.2	42.8

Provisions as at 30 June 2018 included £9.6 million (H1 2017: £9.4 million; as at 31 December 2017: £9.6 million) in respect of the Group's commitment to buy out the minority shareholder of FBA Invest SaS and associated legal costs.

Provisions as at 31 December 2017 included £9.8 million (H1 2017: £nil) in respect of contingent consideration on the acquisition of a further 1.5% stake in IF-JE, (an associated undertaking of the group). The contingent consideration was a level 3 measurement recorded at fair value. The discount rate applied to the obligation was 1.17%. The consideration is no longer considered to be contingent and therefore the amount payable is now included in trade and other payables.

Provisions as at 30 June 2017 included £40.8 million relating to contingent consideration on the acquisition of SkipTheDishes. At 30 June 2018, the acquired business has met the conditions for payment of the additional consideration and therefore it is no longer considered contingent. The remaining consideration payable has therefore been transferred to trade and other payables (as at 31 December 2017: £20.6 million included in trade and other payables). The consideration was a level 3 measurement recorded at fair value. The discount rate applied to the obligation was 1.73%.

Movements in provisions, other than their utilisation, are recognised within other gains and losses.

Other provisions total £3.4 million (H1 2017: £6.0 million; as at 31 December 2017: £3.2 million).

14. Related-party transactions

Transactions between the Group and its related parties are made on terms equivalent to those that prevail in arm's length transactions. The following transactions were entered into with related parties:

IF-JE Participacoes S.A. ("IF-JE")
During the period ended 30 June 2018, the Group provided its associate, IF-JE, with working capital funding of £2.7 million (H1 2017: £nil; year ended 31 December 2017: £0.8 million). The majority shareholder, Movile, also participated in the funding. As the IF-JE minority shareholders did not participate in the funding, the Group's holding in IF-JE increased by less than 0.1%.

IF-JE has contracted to provide management services to SinDelantal Mexico. The total charge incurred for the period ended 30 June 2018 was £1.2 million (H1 2017: £0.4 million; year ended 31 December 2017: £0.6 million), all of which were accrued on the balance sheet on their respective period ends.

IF-JE Holdings B.V. ("IF-JE NL")
During the period ended 30 June 2018, the Group provided its associate, IF-JE NL, with net working capital funding of £0.4 million.

Long-term incentives
Amounts recognised as long-term incentive costs during the period in respect of key management personnel were £0.9 million (H1 2017: £0.9 million; year ended 31 December 2017: £2.0 million).

15. Post balance sheet events

There have been no events subsequent to the balance sheet date that require disclosure.

Independent review report to Just Eat plc

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2018 which comprises the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and related notes 1 to 15. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this Half Year financial report has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2018 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP
Statutory Auditor
London, United Kingdom
30 July 2018

Officers and registered office

Directors

M. Evans (Chairman)	Appointed 6 March 2018
P. Plumb (Chief Executive Officer)	
P. Harrison (Chief Financial Officer)	
G. Burr	
D. Buttress	Retired 26 April 2018
F. Coorevits	
A. Cox	
R. Donnelly	
A. Griffith	
D. Oliva	

Secretary
T. Hunter

Company registration number
06947854

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