

Delivery Hero Increases FY 2019 Revenue Guidance to between EUR 1.44 and 1.48 billion as Growth Accelerates to 117% YoY in Q3 2019

Berlin, 31 October 2019 – Delivery Hero SE (hereinafter referred to as “Delivery Hero” or “Company”), one of the leading global online food ordering and delivery marketplaces, announces its trading results for the third quarter ended September 30, 2019.

- Delivery Hero increases its full year 2019 revenue guidance to a range of between EUR 1.44 and 1.48 billion (from previous “top of guidance range of EUR 1.3 to 1.4 billion”) due to outperformance during Q3 2019 and continued strong growth expected in Q4 2019
- The group significantly accelerated its revenue growth in Q3 2019 to 117% YoY on constant currency basis, driven by improved service offering and targeted investments into customer acquisitions
- The Asia segment exhibited attractive returns with lower than expected customer acquisition costs driving superior order growth rates
- Delivery Hero is strengthening its customer offering through significantly expanding restaurant coverage, enhanced technology and product innovation as well as improved delivery time
- With a strategic focus to lead innovation in the food delivery space, Delivery Hero is demonstrating progress in rolling out additional vertical capabilities
- Given stronger cohorts and superior returns the Company expects to reinvest gains from outperformance and achieve above-guidance growth in the short-term, whilst growing market size and higher frequencies are expected to drive above-guidance sustainable growth in mid to long-term

Niklas Östberg, CEO of Delivery Hero, commented:

“The group achieved excellent results in the third quarter. A significant ramp up in order volumes and own delivery capabilities underpins the incredible revenue growth of 117% YoY. We accomplished this through focus on innovation and creating better customer experience, with our investments further accelerating top-line growth. We continue to allocate resources to the markets with the most compelling long-term opportunities. An encouraging start to the fourth quarter gives us confidence that we can reach our increased full-year revenue guidance.”

Q3 2019 Key Operational Highlights

- Strong growth driven by improvement in the service offering throughout the year:
 - Increased quantity, quality and choice through the expanded coverage with active restaurants increasing by 82% YoY to c. 390,000 in over 4,000 cities globally
 - Enhanced technology and product innovation with 20 billion data points processed per month
 - Advanced delivery operations with average delivery time decreasing to below 30 minutes. Own delivery accounts for c. 40% of total orders
 - New customer acquisitions are up by 100% YoY with slightly lower customer acquisition costs

- Enhanced customer experience leads to new and returning customers ordering more frequently
- Investments in additional verticals also boost frequency of orders on the platform:
 - Additional vertical capabilities rolled-out in further six countries, currently operating in a total of eighteen countries
 - Launching dark stores¹ in four additional MENA markets during Q4 2019
- While investing into growth and market leadership, Delivery Hero has a clear path to profitability with 50% of the group GMV currently generated in profitable markets. Best in class markets achieved > 50% EBITDA margin as a percentage of revenues and several markets reached the targeted 5-8% EBITDA margin as a percentage of GMV.

Q3 2019 Group Financial Performance

- Order growth accelerated significantly to 92% YoY with group orders reaching 181 million in Q3 2019, up from 95 million in Q3 2018 (Q3 2018: 49%YoY)
- GMV increased by 73% YoY on constant currency basis and by 76% YoY on reported currency basis to EUR 1,972 million (Q3 2018: 40% YoY on reported currency basis)
- Revenues grew by 117% YoY on constant currency basis and by 122% YoY on reported currency basis to EUR 391 million (Q3 2018: 65% YoY on reported currency basis)
- Group take-rate increased to 19.8%. Excluding own delivery take-rate amounted to 12.0% (up from 11.2% in Q3 2018), still relatively low level with significant upside potential given the early stage nature of the business.

Outlook for the Financial Year 2019

- Delivery Hero increases its revenue guidance for the financial year 2019 to a range of between EUR 1.44 and 1.48 billion from previously announced “top of guidance range of between EUR 1.3 and 1.4 billion.”
- Delivery Hero expects adjusted EBITDA for the financial year 2019 to be close to the lower end of the previously stated guidance range of between negative EUR 370 million and negative EUR 420 million due to accelerated investments into additional verticals.
 - The Europe segment is expected to reach adjusted EBITDA break-even during Q4 2019
 - The MENA food delivery business² is expected to generate adjusted EBITDA of EUR 65 million for the financial year 2019, with expected adjusted EBITDA of EUR 75 million in H2 2019 nearly compensating for the losses incurred in H1 2019 in association with the third-party logistics change at Hungerstation and integration of Zomato UAE
 - Outside of the food delivery business, the MENA segment aims to invest into dark stores and virtual restaurants with a net adjusted EBITDA impact of c. negative EUR 20 million. With that, Delivery Hero is expanding its dark stores footprint from 1 to 5 markets and virtual restaurants from 20 to over 100 during Q4 2019.

1) Dark stores are delivery-only stores with the total space of 200-500 sqm that can accommodate up to 2,000 stock keeping units (SKUs). The stores are designed for an optimal picking process to help achieve deliveries in less than 15 minutes.

2) MENA food delivery business is defined as the MENA segment excluding investments into dark stores and virtual restaurants.

Key Performance Indicators

	Q1 2018	Q2 2018	H1 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	H1 2019	Q3 2019
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR Million
Group										
Orders (Unit million)	80.2	86.4	166.6	94.5	108.3	369.4	124.5	144.2	268.8	181.3
% YoY Growth	51.8%	48.3%	50.0%	49.0%	46.7%	48.8%	55.2%	67.0%	61.4%	91.8%
% OD Orders	10.2%	11.9%	11.1%	16.4%	19.5%	14.9%	25.0%	29.9%	27.6%	40.4%
GMV ^{1,2}	970.7	1,041.1	2,011.8	1,119.8	1,322.8	4,454.4	1,507.6	1,684.1	3,191.7	1,971.7
% YoY Growth (RC)	42.5%	40.7%	41.6%	39.7%	45.7%	42.3%	55.3%	61.8%	58.6%	76.1%
% YoY Growth (CC)	59.4%	55.6%	57.4%	46.2%	57.8%	54.7%	56.8%	63.7%	60.4%	73.2%
Total Segment Revenues ^{1,2}	137.7	154.5	292.2	175.9	218.9	687.0	267.2	314.6	581.8	390.5
% YoY Growth (RC)	56.2%	58.7%	57.5%	65.3%	74.4%	64.6%	94.1%	103.6%	99.1%	122.1%
% YoY Growth (CC)	73.9%	74.0%	74.0%	71.4%	85.5%	76.8%	93.0%	103.0%	98.3%	117.0%
MENA										
Orders (Unit million)	41.1	44.2	85.4	48.7	56.5	190.6	64.6	70.6	135.2	76.9
% YoY Growth	60.4%	56.5%	58.3%	53.8%	50.9%	54.9%	57.0%	59.7%	58.4%	57.9%
% OD Orders	7.9%	9.4%	8.7%	14.4%	18.6%	13.1%	26.5%	28.3%	27.4%	33.1%
GMV	439.8	479.9	919.7	549.7	630.6	2,099.9	744.8	813.8	1,558.5	927.8
% YoY Growth (RC)	52.4%	53.2%	52.8%	50.1%	56.9%	53.3%	69.3%	69.6%	69.5%	68.8%
% YoY Growth (CC)	76.6%	74.6%	75.6%	64.7%	66.3%	69.9%	69.6%	70.0%	69.8%	62.1%
Revenues	56.6	66.7	123.3	85.0	108.1	316.4	143.9	164.3	308.2	193.2
% YoY Growth (RC)	91.5%	103.8%	97.9%	103.4%	119.7%	106.4%	154.1%	146.4%	149.9%	127.4%
% YoY Growth (CC)	121.5%	130.1%	126.1%	117.6%	126.5%	123.9%	146.8%	141.2%	143.8%	117.9%
Europe										
Orders (Unit million)	13.8	14.6	28.4	14.3	17.5	60.3	19.2	20.8	39.9	20.7
% YoY Growth	37.9%	39.1%	38.5%	43.5%	44.6%	41.4%	38.5%	42.1%	40.4%	44.5%
% OD Orders	6.1%	6.4%	6.2%	7.8%	8.5%	7.3%	10.2%	13.1%	11.7%	14.8%
GMV	173.1	173.2	346.3	174.8	213.4	734.5	232.0	248.6	480.6	258.4
% YoY Growth (RC)	34.8%	31.4%	33.1%	33.7%	36.4%	34.2%	34.1%	43.5%	38.8%	47.8%
% YoY Growth (CC)	35.7%	32.8%	34.2%	36.1%	37.9%	35.7%	35.4%	44.7%	40.0%	48.8%
Revenues	27.4	27.4	54.8	27.6	33.6	115.9	37.0	41.3	78.2	42.7
% YoY Growth (RC)	29.1%	25.1%	27.1%	28.5%	34.8%	29.6%	34.9%	50.7%	42.8%	55.0%
% YoY Growth (CC)	30.6%	26.8%	28.7%	31.1%	36.5%	31.5%	36.6%	52.2%	44.4%	56.4%
Asia										
Orders (Unit million)	17.6	18.7	36.3	21.9	24.4	82.6	30.4	40.2	70.6	68.1
% YoY Growth	53.8%	46.9%	50.2%	50.6%	48.6%	49.8%	73.0%	114.8%	94.6%	211.6%
% OD Orders	19.4%	21.8%	20.6%	25.7%	27.5%	24.0%	29.3%	38.8%	34.7%	54.6%
GMV	261.7	280.0	541.7	317.4	354.5	1,213.7	416.3	479.0	895.3	654.2
% YoY Growth (RC)	41.4%	39.8%	40.6%	50.4%	43.2%	43.8%	59.1%	71.1%	65.3%	106.1%
% YoY Growth (CC)	52.7%	45.7%	49.0%	48.7%	42.0%	46.9%	54.3%	72.5%	63.7%	106.6%
Revenues	39.9	44.7	84.6	50.8	57.1	192.5	66.7	83.0	149.7	126.4
% YoY Growth (RC)	44.7%	44.2%	44.4%	63.2%	52.1%	51.3%	67.3%	85.7%	77.0%	148.8%
% YoY Growth (CC)	56.4%	50.2%	53.1%	61.3%	50.4%	54.3%	61.4%	84.9%	73.8%	146.0%
Americas										
Orders (Unit million)	7.7	8.8	16.5	9.6	9.8	36.0	10.4	12.6	23.1	15.6
% YoY Growth	33.8%	31.1%	32.4%	32.6%	25.9%	30.6%	35.5%	43.8%	39.9%	61.6%
% OD Orders	9.5%	12.9%	11.3%	18.6%	24.2%	16.8%	30.2%	37.6%	34.3%	48.5%
GMV ^{1,2}	96.1	108.0	204.2	77.9	124.3	406.3	114.5	142.7	257.2	131.2
% YoY Growth (RC)	21.1%	14.3%	17.4%	-16.9%	22.0%	10.0%	19.1%	32.1%	26.0%	68.4%
% YoY Growth (CC)	51.0%	45.8%	48.1%	-17.5%	93.4%	44.0%	44.0%	43.7%	43.8%	70.6%
Revenues ^{1,2}	13.8	15.8	29.6	12.5	20.1	62.1	19.6	26.1	45.7	28.2
% YoY Growth (RC)	40.7%	34.3%	37.2%	4.0%	45.4%	31.2%	42.5%	65.0%	54.5%	125.2%
% YoY Growth (CC)	73.1%	68.5%	70.6%	8.4%	123.8%	70.3%	75.7%	80.4%	78.2%	126.6%

- 1) Americas revenues and GMV are impacted by the Argentinian operations qualifying as hyperinflationary economy according to IAS 29 beginning 1 September 2018. 2018 revenue is retrospectively adjusted.
- 2) Included reported current growth rates for Argentina in our constant currency calculation due to the effects of hyperinflation in Argentina.

	Q3 2019	Q3 2018	Reported Currency Change	Constant Currency Change	9M 2019	9M2018	Reported Currency Change	Constant Currency Change
	EUR million	EUR million	%	%	EUR million	EUR million	%	%
Group								
Orders (Unit million)	181.3	94.5	91.8%	91.8%	450.1	261.1	72.4%	72.4%
GMV ^{1,2}	1,971.7	1,119.8	76.1%	73.2%	5,163.3	3,131.6	64.9%	65.0%
Total Segment Revenues ^{1,2}	390.5	175.9	122.1%	117.0%	972.2	468.1	107.7%	105.3%
MENA								
Orders (Unit million)	76.9	48.7	57.9%	57.9%	212.1	134.1	58.2%	58.2%
GMV	927.8	549.7	68.8%	62.1%	2,486.3	1,469.3	69.2%	66.9%
Revenues	193.2	85.0	127.4%	117.9%	501.3	208.3	140.7%	133.2%
Europe								
Orders (Unit million)	20.7	14.3	44.5%	44.5%	60.6	42.8	41.8%	41.8%
GMV	258.4	174.8	47.8%	48.8%	739.1	521.1	41.8%	43.0%
Revenues	42.7	27.6	55.0%	56.4%	120.9	82.3	46.9%	48.4%
Asia								
Orders (Unit million)	68.1	21.9	211.6%	211.6%	138.7	58.2	138.5%	138.5%
GMV	654.2	317.4	106.1%	106.6%	1,549.5	859.1	80.4%	79.6%
Revenues	126.4	50.8	148.8%	146.0%	276.1	135.4	103.9%	100.9%
Americas								
Orders (Unit million)	15.6	9.6	61.6%	61.6%	38.6	26.1	47.9%	47.9%
GMV ^{1,2}	131.2	77.9	68.4%	70.6%	388.4	282.1	37.7%	51.2%
Revenues ^{1,2}	28.2	12.5	125.2%	126.6%	73.8	42.1	75.5%	92.6%

3) Americas revenues and GMV are impacted by the Argentinian operations qualifying as hyperinflationary economy according to IAS 29 beginning 1 September 2018. 2018 revenue is retrospectively adjusted.

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

Definitions

- The **Reported Figures** are calculated on proforma basis, i.e. adjusted for the divestments of foodora (Australia, France, Italy & Netherlands) and Germany. The numbers have not been adjusted for smaller acquisitions or divestments. The group **order growth** would have been 87% YoY **if adjusted for all acquisition** and divestments. The difference to the reported order growth is mainly related to the acquisition of Zomato UAE which is consolidated from 1 March 2019.
- **Gross Merchandise Value (GMV)** is the total value of orders (including VAT) transmitted to restaurants.
- **Revenues** presented for Delivery Hero represent the total segment revenues prior to discounts.
- Since January 2019, **Adjusted EBITDA** is adopted for IFRS 16.
- **Constant currency** figures provide an indication of the business performance by removing the impact of foreign exchange rate movements.

Conference Call and Webcast Details

Niklas Östberg Co-Founder (CEO), Emmanuel Thomassin (CFO), Duncan McIntyre (Global Head of Strategy) and Maryia Berasneva-McNamara (Head of Investor Relation) will host an analyst and investor conference call to discuss Q3 2019 results at 10:00am CET / 9:00am GMT on 31 October 2019. The audio webcast can be followed via <https://webcasts.eqs.com/delivery20191031>.

An on-demand replay will be available on the corporate website following the presentation. The accompanying presentation can be downloaded on the Company's website, via the following link:

<https://ir.deliveryhero.com/websites/delivery/English/3500/presentations-and-webcasts.html>.

About Delivery Hero

Delivery Hero is one of the leading global online food ordering and delivery marketplaces. The company maintains number one competitive market positions, in terms of restaurants, active users and orders, and online and mobile platforms, across 34 out of 41 countries in Europe, the Middle East & North Africa (MENA), Latin America and Asia-Pacific. Delivery Hero also operates its own delivery service primarily in over 400 cities around the world. The Company is headquartered in Berlin, Germany and has over 22,000 employees.

For more information, please visit www.deliveryhero.com

WKN: A2E4K4; ISIN: DE000A2E4K43

Investor Relations

Maryia Berasneva-McNamara
Head of Investor Relations
ir@deliveryhero.com

Julia Stoetzel
Director, Investor Relations
ir@deliveryhero.com

Media

Vincent Pfeifer
Corporate Communications Spokesperson
press@deliveryhero.com

Disclaimer

The presentation contains forward looking statements, other estimates, opinions and projections with respect to anticipated future performance of Delivery Hero SE ("Forward-looking Statements"). These Forward-looking Statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "aims", "plans", "predicts", "may", "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These Forward-looking Statements include all matters that are not historical facts. They appear in a number of places throughout this press release and include statements regarding Delivery Hero SE's intentions, beliefs or current expectations concerning, among other things, Delivery Hero SE's prospects, growth, strategies, the industry in which it operates and potential or ongoing acquisitions. By their nature, Forward-looking Statements involve significant risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking Statements should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. Similarly, past performance should not be taken as an indication of future results, and nor representation or warranty, express or implied, is made regarding future performance. The development of Delivery Hero SE's prospects, growth, strategies, the industry in which it operates, and the effect of acquisitions on Delivery Hero SE may differ materially from those made in or suggested by the Forward-looking Statements contained in this presentation or past performance. In addition, even if the development of Delivery Hero SE's prospects, growth, strategies and the industry in which it operates are consistent with the Forward-looking Statements contained in this presentation or past performance, those developments may not be indicative of Delivery Hero SE's results, liquidity or financial position or of results or developments in subsequent periods not covered by this presentation. Any Forward-Looking Statements only speak as at the date of this press release is provided to the recipient and it is up to the recipient to make its own assessment of the validity of any Forward-looking Statements and assumptions. No liability whatsoever is accepted by Delivery Hero SE in respect of the achievement of such Forward-looking Statements and assumptions.