

Delivery Hero divests Taiwan operations to Uber

14 May 2024





An attractive transaction in-line with Delivery Hero's strategy



Materializes an attractive valuation



Further strengthens the balance sheet



Creates value for our shareholders



Key Highlights

- Delivery Hero to sell **Taiwan operations** to **Uber** for **US\$ 950 million** in an **all-cash** transaction
- Attractive valuation of **0.6x EV/GMV** LTM ending March 2024
- Antitrust approval required to complete the transaction which is **targeted to close in H1 2025**
- **Uber will additionally invest US\$ 300 million** at the time of signing in newly issued ordinary Delivery Hero shares
- Delivery Hero intends to use the **net proceeds** from the capital increase to **buy back convertible bonds** to enhance its capital structure

Transaction details



Transaction

- Sale of Delivery Hero's operations in **Taiwan** to **Uber** for **US\$ 950m** as share deal. **The transaction values DH's Taiwan business at 0.6x EV/GMV** LTM ending March 2024
- Consideration to be paid **fully in cash** (cash-free, debt-free basis)
- **Uber will additionally invest US\$ 300m** at €33.0 a share at the time of signing in newly issued ordinary Delivery Hero shares

Strategic Rationale

- This transaction **materializes the high value of our assets** and allows us to focus resources on other parts of our global footprint, strengthening our market leading ecosystem and creating value for our shareholders
- Cash proceeds are reducing the net debt and further strengthening our balance sheet

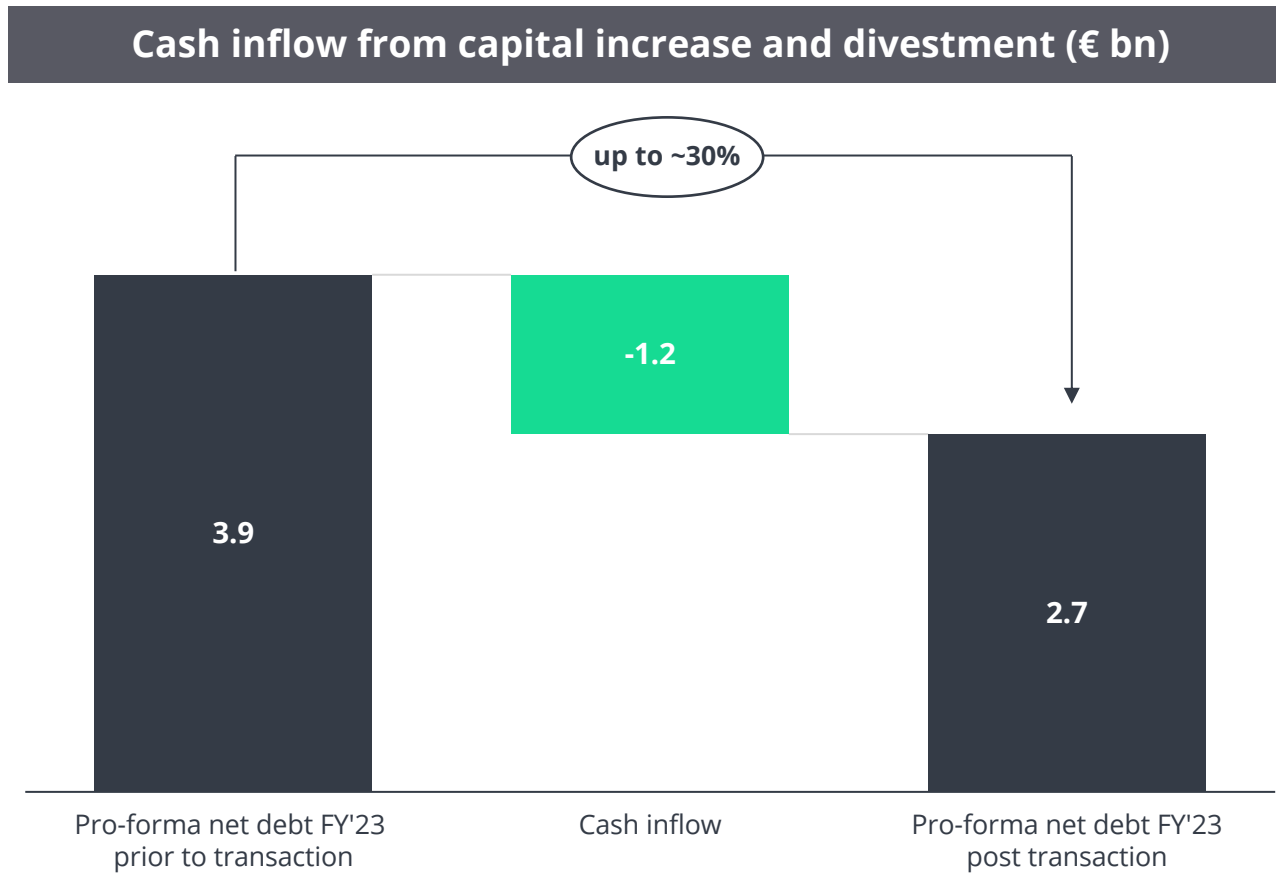
Financials

- GMV in Taiwan reached €1.6bn based on LTM figures ending March 2024 (which represents ~3% of Group GMV)
- Adjusted EBITDA before allocation of group costs was a small positive in the period

Closing

- Divestment transaction is subject to customary closing conditions and requires regulatory approvals. The transaction is **targeted to close in H1 2025**. The long-stop date can be extended from 12 to 18 months
- Investments in the local market will continue until closing, thereby preserving business value and market position
- Uber's investment in Delivery Hero will take place at the time of signing, with funds to be transferred shortly afterwards
- The parties agreed to appropriate deal protections to ensure strong alignment to close the transaction

Significant decrease in net debt following the completion of the transaction



Comment

- Delivery Hero intends to use the net proceeds from the capital increase to buy back convertible bonds to enhance its capital structure
- Significant net debt reduction of up to ~30% after the transaction is completed
- The organic cash flow generation in the coming years comfortably exceeds all upcoming convertible debt and term loan maturities

Note: Pro-forma net debt FY'23 prior to transaction as of 31 December 2023 adjusted for divestment of Deliveroo shares, upside of term loans and repayment of convertible bonds. Pro-forma net debt FY'23 post transaction also includes the proceeds from both the capital increase and the divestment of Taiwan. Cash inflow from the capital increase relates to the US\$ 300 million investment in newly issued ordinary Delivery Hero shares at the time of signing. Cash inflow from divestiture relates to the divestment of Taiwan and occurs after the divestment operation receives regulatory approval and the transaction is finalized. For illustration purposes, net debt reduction assumes convertible bond buybacks at par.

Definitions & Important Notice



Definitions

- Gross Merchandise Value (GMV) is the total value paid by customers (including VAT, delivery fees, other fees and subsidies but excluding subscription fees, tips and delivery-as-a-service fee).
- Total Segment Revenue is defined as revenue in accordance with IFRS 15, excluding the effect of vouchers, discounts and other reconciliation effects. Difference between total segment revenue and the sum of segment revenues is mainly due to intersegment consolidation adjustments for services charged by the Platform Businesses to the Integrated Verticals Businesses.
- Constant currency provides an indication of the business performance by removing the impact of foreign exchange rate movements.

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