NON-CONFIDENTIAL VERSION

JUST EAT / HUNGRYHOUSE

COMPETITION AND MARKETS AUTHORITY

MERGER NOTICE UNDER SECTION 96 OF THE ENTERPRISE ACT 2002

In relation to the proposed acquisition by Just Eat.co.uk Limited of HungryHouse Holdings Limited

9 March 2017

Linklaters

PREAMBLE

Purpose of the Notice

This merger notice (the "**Notice**") is for the purpose of notifying an anticipated merger to the Competition and Markets Authority (the "**CMA**") pursuant to section 96 of the Enterprise Act 2002 (as amended) (the "**Act**").

Parties giving the Notice

A Notice may be submitted by any person carrying on an enterprise to which the notified arrangements relate. In this case, the person submitting the Notice (the "**Notifying Party**") is Just Eat.co.uk Limited.

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[1] Response to Question 22 of 1st request for further information dated 18 January 2017 ("**RFI1**").

[2] Response to Question 23 RFI1.

PART I – GENERAL INFORMATION

1 Provide the name and contact details of:

(a) **an individual within each of the merger parties**

(b) **any authorised representatives of each of the merger parties**

(c) **if not already provided in response to (a) and (b), the person(s) submitting the Notice**[3]

(d) **the person to whom the CMA should address any correspondence.**

1.1 This Notice is submitted on behalf of Just Eat.co.uk Limited ("**Just Eat.co.uk**") in connection with the proposed acquisition by Just Eat.co.uk of HungryHouse Holdings Limited ("**Hungryhouse**") (the "**Proposed Transaction**"). Each of Just Eat.co.uk and Hungryhouse may be referred to as a "**Party**" and together, as the "**Parties**".

1.2 The contact details for the Parties are set out below:

Just Eat

Contact person	James Sporle
Telephone number	[✂]
Address	Fleet Place House, Fleet Place, London EC4M 7RF
Email	[✂]

Hungryhouse

Contact person	Alice Mrongovius
Telephone number	[✂]
Address	Chester House, Fulham Green, 81-83 Fulham High Street, London SW6 3JA
Email	[✂]

1.3 The authorised representatives of each of the Parties are:

Just Eat

Contact person	Michael Cutting (Partner) / Anna Mitchell (Managing Associate)
Telephone number	+44 207 456 3514 / +44 207 456 2801
Address	Linklaters LLP, One Silk Street, London EC2Y 8HQ
Email	michael.cutting@linklaters.com / anna.mitchell@linklaters.com

3 That is, the Notifying Party, as described in paragraph 2 of the Preamble above.

Hungryhouse

Contact person	Nelson Jung (Partner) / Chris Worrall (Senior Associate)
Telephone number	+44 207 006 6675 / +44 207 006 1508
Address	Clifford Chance LLP, 10 Upper Bank Street, London E14 5JJ
Email	nelson.jung@cliffordchance.com / chris.worrall@cliffordchance.com

1.4 The CMA should address any correspondence to Just Eat.co.uk's and Hungryhouse's authorised representatives.

PART II – MERGER DETAILS

The merger situation

2 Describe the arrangements by which the enterprises will cease/have ceased to be distinct (the merger), including:

(a) **the parties to the merger (the merger parties)**

(b) **the type of transaction**

(c) **the consideration**

(d) **the key terms**

(e) **the timing**

(f) **the strategic and economic rationale for the transaction**

(g) **whether it is being notified in any other jurisdictions and, if so, whether the merger parties are willing to offer a waiver to support coordination between the CMA and the competition authorities in those jurisdictions, and**

(h) **the ownership structure pre and post-merger, including any pre-merger links between the merger parties.**

2.1 The Parties

2.1.1 Just Eat

- Just Eat.co.uk is the UK subsidiary of Just Eat PLC. Just Eat PLC is a UK-based corporate group, which has been listed on the London Stock Exchange since March 2014. The company is headquartered in London and it operates in the takeaway restaurant sector, acting as an intermediary between final consumers and restaurants willing to offer home delivery services.
- Just Eat PLC was created in Denmark in 2001 and it has since expanded to 15 countries, including the UK, Australia, Belgium, Brazil, Canada, Denmark, France, Ireland, Italy, the Netherlands, New Zealand, Norway, Mexico and Switzerland. Just Eat.co.uk and Just Eat PLC are referred to in this filing as "**Just Eat**".
- Further information about Just Eat is available on its website: https://www.just-eat.co.uk/

2.1.2 Hungryhouse

- Hungryhouse is a UK-based private company which operates in the takeaway restaurant sector, acting as an intermediary between final consumers and restaurants willing to offer home delivery services.
- Hungryhouse is headquartered in London and serves 124 locations[4] within the UK including Birmingham, Brighton, Glasgow, Leeds, Leicester, Liverpool, London, Manchester, Newcastle and Sheffield.
- Further information about Hungryhouse is available on its website: https://www.hungryhouse.co.uk/

2.2 The Transaction

2.2.1 **Type of transaction** – Share sale. Just Eat will purchase 100% of Hungryhouse's share capital from Delivery Hero Holding GmbH (the "**Seller**"), who currently owns 100% of the share capital in Hungryhouse.

2.2.2 **Consideration** – The consideration payable by Just Eat to the Seller in exchange for the shares pursuant to the sale and purchase agreement ("**SPA**") entered into by the Parties is £200 million.[5]

2.2.3 **Key terms** – Under the terms of the SPA, completion of the Proposed Transaction is conditional upon the receipt of approval from the CMA.

2.3 Timing

Just Eat and the Seller entered into a term sheet on [✂] setting out the principal terms and conditions of the Proposed Transaction. The Parties entered into the SPA, reflecting the terms set out in the term sheet, on 15 December 2016. The Parties are committed to completing the Proposed Transaction as soon as possible, subject to the receipt of approval from the CMA.

2.4 Rationale for the Proposed Transaction

Both Parties face a number of strong and increasingly potent competitive constraints, both from existing players in the market and new entrants and they have therefore decided to enter into the Proposed Transaction for the following reasons:

2.4.1 **The Proposed Transaction will allow the merged entity to compete more effectively with well-resourced, fast-growing existing competitors and new entrants with strong brands and significantly deeper pockets than Just Eat** – The Proposed Transaction must be assessed in light of the environment in which the Parties operate, not least as recent developments in this marketplace form a key part of the rationale for the Proposed Transaction. The provision of takeaway services is rapidly expanding, as shown by the exponential growth of existing players (such as Deliveroo Ltd ("**Deliveroo**")) and by the entry of new global-scale players, both actual such as UberEATS Limited ("**UberEATS**"), Amazon through its food ordering app Amazon Restaurants ("**Amazon Restaurants**") and HeyMenu Ltd ("**HeyMenu**"); and prospective (such as the takeaway services to be offered by Facebook and Google),

4 A "location" is defined as a city with more than 100,000 inhabitants.

5 This may be adjusted up to a maximum of £240 million depending on Hungryhouse's interim revenues between signing and completion.

which are breaking into the market at a rapid pace, placing additional, increasing competitive constraints on the Parties.

The competitive threat posed by these major players is particularly significant, not least given their well-established brands, strong consumer loyalty, effective distribution networks, extensive financial resources and ability and incentive to invest in promoting their services, on which they can capitalise effectively in a growing marketplace. Moreover, their later entry enables them to launch with IT systems and technologies that may be newer and more capable (and more attractive to consumers and restaurants) than those of existing platforms.

More specifically, UberEATS has been rapidly growing since its launch in June 2016, partly on the back of its strong brand recognition, track record in logistics and delivery services and its installed base of apps on consumers' mobile phones. Uber's strong financial position and access to funding ("the most funded start-up in the world") allows UberEATS to compete aggressively and undercut its competitors, for example by offering a £10 credit for those referred by existing customers, and promising delivery within 30 minutes, or £30 off a customer's next order. Uber has previously used and continues to use a low margin business model where it uses its very substantial cash resources to underwrite market entry strategies and thereby successfully challenge incumbent providers (for example, taxi operators).

In addition, the competitive threat posed by Amazon, which has recently established Amazon Restaurants, is also significant given Amazon's strong brand. In terms of speed of delivery, a key parameter of competition, Amazon has the strong advantage of its existing last-mile distribution network[6] as well as access to its large and increasing Amazon Prime customer base. Moreover, as recognised by the Financial Times, "*Amazon, like Uber, cares about land grab and quick scale, not quick economic returns*"[7] and has the ability to engage in loss leading strategies, to the detriment of competitors, as part of its investment in new businesses.[8] The ability to operate at a loss enables Amazon Restaurants to offer promotions and discounts, such as its current offer of £10 off for new customers,[9] or free delivery,[10] which other providers are not able to match. Amazon has employed this strategy to the detriment

[6] Amazon has become, in the words of a recent commentator, "*an 800lb gorilla in every market sector in which it operates…[it] is no longer the company most people think it is. It is not a retailer, a bookseller or whatever else the company might have been. It is an information behemoth with an unmatched global logistics and distribution footprint*". (The Independent, *Amazon said to hell with what Wall Street wants – and is now unstoppable*, 30 January 2016, available at http://www.independent.co.uk/news/business/comment/amazon-said-to-hell-with-what-wall-street-wants-and-is-now-unstoppable-a6842941.html.)

[7] Financial Times, *Amazon Restaurants takes a bite out of food delivery market*, 7 September 2016, available at https://www.ft.com/content/9300d730-750c-11e6-b60a-de4532d5ea35.

[8] Business Insider, *Former Amazon Employee Explains How The Company's Business Model Really Works*, 28 October 2013, available at http://www.businessinsider.com/amazons-profits-what-people-dont-understand-2013-10?IR=T.

[9] MoneySavingExpert.com, *Amazon Restaurants delivery service: £10 off £15 spend*, 13 September 2016, available at http://www.moneysavingexpert.com/deals/deals-hunter/2016/09/13/amazon-restaurants-delivery-service-10-off-15-spend/.

[10] Metro, *Amazon takes on Deliveroo with free one-hour restaurant deliveries in Britain*, 7 September 2016, available at http://metro.co.uk/2016/09/07/amazon-takes-on-deliveroo-with-free-one-hour-restaurant-deliveries-in-britain-6113860/#ixzz4Soy8POkBhttp://metro.co.uk/2016/09/07/amazon-takes-on-deliveroo-with-free-one-hour-restaurant-deliveries-in-britain-6113860/.

of competitors in other industries (for example, Borders in books and Circuit City in electronics[11]).

By contrast, the resources of Just Eat and Hungryhouse are small in comparison to those of the larger new entrants, such as Amazon and Uber, as well as those of potential entrants, such as Google and Facebook. For example, in 2016, Hungryhouse generated turnover of [✂] worldwide, whereas Amazon generated turnover of USD 32.71 billion in the third quarter of 2016 alone.[12]

As such, the competitive threat and impact on Just Eat and Hungryhouse arising from the emergence and expansion of these large players will be significant. This has been recognised by a number of analysts, including at the *Financial Times*, which noted recently that "*[t]he arrival of Amazon will mean further competition for existing takeaway groups…which are already facing a new threat from the arrival in the UK of UberEats*".[13]

These challenges are in addition to the threat that Just Eat and Hungryhouse face from Deliveroo. Deliveroo has captured significant market share in a very short period of time. It has also raised USD 474.6 million (approximately £380 million) in five rounds of funding since June 2014, further increasing its ability to continue its rapid expansion. Deliveroo's revenue is set to hit £130 million in 2016, representing more than 1,000% year-on-year growth. Other existing players and direct orders (as set out below) provide further constraints on the Parties in an increasingly expanding marketplace.

In addition, the rapid entry and expansion of disruptive players is causing structural changes in the market, which the Parties must adapt to in order to remain competitive. For example, the industry is moving towards a combination of marketplace (aggregator) and delivery services, with the lines between both business propositions becoming increasingly blurred, as the market evolves. [✂] Just Eat and Hungryhouse [✂] arrangements relating to the delivery of food, a business area previously unexplored by the Parties.[14] Delivery is increasingly becoming a key determinant in relation to consumer satisfaction; for example, Just Eat's customer research shows that consumers mention delivery speed as a factor [✂]. As such, if online takeaway service providers are unable to offer reliable delivery, consumer satisfaction rates are likely to be low, which may impact consumer retention rates. In addition, many restaurants are increasingly reluctant to employ delivery services themselves,[15] either because this is not part of their traditional business model or because they have capacity constraints. From the restaurants' perspective, there are also significant fixed costs associated with the employment of drivers, which are typically in high demand during peak hours (in particular 3-hour windows on Friday

[11] Bloomberg, *How Grocery Stores Can Survive Amazon*, 11 April 2016, available at https://www.bloomberg.com/gadfly/articles/2016-04-11/amazon-fresh-how-grocers-can-strike-back.

[12] Statista, *Net revenue of Amazon from 1st quarter 2007 to 3rd quarter 2016 (in billion U.S. dollars)*, available at https://www.statista.com/statistics/273963/quarterly-revenue-of-amazoncom/.

[13] Financial Times, *Amazon Restaurants takes a bite out of food delivery market*, 7 September 2016, available at https://www.ft.com/content/9300d730-750c-11e6-b60a-de4532d5ea35.

[14] See Section 26 below for further details on these arrangements.

[15] See, for example, slides 18, 24, 26 of **Annex 3B.15** and **Annex RFI.7B.1**.

and Saturday evenings), but often not required for other parts of the day or week. As such, as the market rapidly expands and consumers increasingly expect providers of online takeaway services to enable access to a large range of restaurants,[16] such providers are required to diversify their business model in order to meet and retain the demand of both consumers and restaurant customers.

Against this background, the Proposed Transaction is designed to create an entity that will be better placed to compete in a fast-paced and rapidly expanding market against existing competitors which have grown exponentially since their inception and new entrants with deep pockets, strong brands and a history of conquering markets with aggressive pricing and innovative service strategies.[17]

2.4.2 **The Proposed Transaction will bring together two differentiated businesses** – [✂]. From a restaurant perspective, this means that Just Eat and Hungryhouse are likely to be considered to be differentiated propositions since they offer access to different sets of consumers. Therefore, a key rationale for the Proposed Transaction is that it will bring together two businesses that are differentiated from the perspective of restaurants. In particular, the Proposed Transaction will allow Just Eat to add Hungryhouse's customer base (on both sides of the market) to its existing infrastructure and brand, and this will further increase the attractiveness of Just Eat's proposition to restaurants.

2.4.3 **The Proposed Transaction will result in material synergies** – The Proposed Transaction will also allow Just Eat to achieve significant synergies, as a result of compelling economic benefits of scale. Just Eat estimates that it will realise synergies of approximately £12 million – £15 million [✂]. These synergies will allow Just Eat to improve its operations and invest in marketing and technology, to the direct benefit of both restaurants and consumers.

2.4.4 **The Proposed Transaction will not have an adverse effect on competition for the following reasons:**

- **The Parties face strong competitive constraints from existing players and direct orders** – In the sector in which the Parties operate, direct ordering from local restaurants (for instance, in person (i.e. walking into a restaurant and collecting food), by telephone or through online channels) and larger chains such as Domino's, The Pizza Hut ("**Pizza Hut**")[18] and Papa John's GB Limited ("**Papa John's**") plays a significant role. In particular, direct ordering from local restaurants and, primarily, orders placed over the telephone, exert a material competitive constraint on Just Eat, with consumers using – and continuing to use after ordering from Just Eat – direct ordering channels offered by restaurants. Pizza chains, and Domino's in particular, also impose

[16] This is not relevant to takeaway service providers who offer services for their own restaurants (e.g. Domino's, Pizza Hut etc.).

[17] The Parties draw parallels to the OFT's decision in ***WRI/Hostelbookers.com***. In that case, the OFT approved the merger unconditionally on the basis of the dynamic and rapidly evolving nature of the market and the fact the parties were likely to face increased competition as a result of entry and expansion into the market by other large and well-resourced online players (see *Anticipated acquisition by Web Reservations International (through its parent company Hellman & Friedman) of Hostelbookers.com Limited*, ME/6062/13, in particular paragraphs 103 to 124).

[18] The Pizza Hut chain in the UK is owned by Yum! III (UK) Ltd.

a strong competitive constraint on Just Eat and have benefited from a high level of brand awareness for their long-standing brands. Other well-known brands, including Burger King,[19] have also recently started to offer their own delivery services.

- **Recent market entrants represent a material competitive constraint on the Parties** – As explained in Section 2.4.1 above, a number of players have recently entered the market for the supply of takeaway services, including large and well-resourced firms such as Deliveroo, UberEATS and Amazon Restaurants, [✂] prospective entry of other large-scale firms (such as Facebook and Google).
- **The Parties are not close competitors** – Although both Parties operate within the market for the provision of takeaway services, the Parties are not close competitors, in particular because Hungryhouse imposes a limited competitive constraint on Just Eat. From the perspective of consumers, Hungryhouse is unlikely to be an attractive proposition, given [✂] the fact that many of the restaurants listed on Hungryhouse are also listed on Just Eat, which offers a greater variety of choice. From the perspective of restaurants, as explained in Section 2.4.2 above, Hungryhouse is likely to be considered an additional route to market to Just Eat, rather than a direct substitute, since they offer access to different sets of consumers. In any case, the Proposed Transaction will represent only a small increment to Just Eat's existing market share.
- [✂].

2.5 Notifications in Other Jurisdictions

The Proposed Transaction is not being notified to competition authorities in any other jurisdiction, given that the majority of the Parties' businesses are focused on the UK.

2.6 Ownership Structures

Hungryhouse will be fully owned by Just Eat following the Proposed Transaction.

3 Provide a brief description of the businesses of the merger parties (and, where relevant, their groups).

3.1 Just Eat

Please see section 2.1.1 above.

3.2 Hungryhouse

Please see section 2.1.2 above.

4 Provide brief details of any other transactions (merger, acquisition, disposal, joint venture) undertaken by:

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[19] Burger King, *Start your order today*, available at https://www.burgerkingdelivers.co.uk/#!/home.

(a) **either of the merger parties in the last two years which involve the products or services in any Candidate Market identified in response to question 13, and**

4.1 Just Eat has not been involved in any M&A transactions involving the same products or services in any Candidate Markets identified in Section 13 below in the last two years in Britain. However, on 6 July 2015, Just Eat acquired the entire issued share capital of Nifty Nosh Limited, a provider of online takeaway services incorporated in Northern Ireland for £[✂] million. In addition, in August 2016, Just Eat purchased the client and restaurant database from Dutch company Takeaway.com Central Core B.V ("**Takeaway.com**"), as a result of Takeaway.com deciding to exit the UK market prior to its IPO a month later. The asset purchase price for this transaction was [✂]. In addition, and for the sake of completeness, outside of the UK, Just Eat acquired a Spanish company, Grupo Yamm Comidia a Domicilio, S.A, which operates under the brand "La Nevera Roja", in early 2016. Just Eat also acquired in 2016 food delivery companies in Mexico, Brazil and Italy as part of a series of transactions with Rocket Internet.

4.2 Hungryhouse has not been involved in any transactions involving the same products or services as in any Candidate Markets identified in Section 13 below in the last two years. For the sake of completeness, the Parties note that in December 2016, the Seller acquired Foodpanda GmbH, a provider of online takeaway services based in Germany and operating in Asia, Eastern Europe and the Middle East.

(b) **both or all merger parties in the last two years (that is, where the merger parties were party to the same transaction).**

4.3 None.

Jurisdiction

5 Explain why:

(a) **a relevant merger situation (as per section 23 of the Act) has been created, or**

(b) **arrangements are in progress or contemplation which will result in the creation of a relevant merger situation.**

5.1 The Parties consider that the thresholds set out in section 23 of the Act are met since:

5.1.1 the Proposed Transaction will result in the Parties (which are currently separate enterprises) ceasing to be distinct; and

5.1.2 although the Proposed Transaction is not reviewable under section 23(1) of the Act on the basis of the turnover test (since Hungryhouse's UK turnover is significantly less than £70 million), the Parties consider that the CMA is likely to conclude that it is reviewable on the basis of the share of supply test. Whilst the Parties consider that the relevant market to take into consideration is the market for the provision of takeaway services and that the share of supply of the merged entity will not be in excess of 25% in a substantial part of the UK in this market, they consider that the CMA is likely to conclude that the share of supply test will be satisfied if another description of the share of supply test, such as online takeaway services, is adopted. Although the Parties do not consider it appropriate to adopt a description which is as narrow as online takeaway services, without taking into consideration other methods of ordering a takeaway, including over the telephone and by walking into a restaurant, the Parties are submitting this Notice on the belief that the CMA is likely to conclude that the share of supply test is satisfied.

6 Indicate the annual UK, EEA, and worldwide turnover in the last financial year associated with each of:

(a) **the acquirer (including group companies where relevant – see Annex B of the Guidance), and**

(b) **the target (if not already provided under question 5).**

6.1 Just Eat generated revenues of:

- £169.9 million in the UK;
- £219.6 million in the European Economic Area (the "**EEA**"); and
- £247.6 million worldwide,

in its most recent financial year, which ended on 31 December 2015.

6.2 Hungryhouse generated revenues of:

- £[✂] in the UK;
- £[✂] in the European Economic Area (the "**EEA**"); and
- £[✂] worldwide,

in its most recent financial year, which ended on 31 December 2015.

7 Explain why the transaction is not subject to the European Union Merger Regulation (EU Merger Regulation)[20] (highlighting whether it is notifiable in the UK by virtue of the "two-thirds" rule in article 1 (2) or 1 (3) of that Regulation).

The Proposed Transaction is not notifiable in accordance with the EU Merger Regulation. As noted above, both Just Eat and Hungryhouse are relatively small players. As such, neither Just Eat nor Hungryhouse has turnover in Europe of more than €250 million, so the primary thresholds under the EU Merger Regulation are not met, [✂].

Supporting documents

8 Provide:

(a) **a press release or report and details of any notifications to listing authorities (for example, for admission to the UK Listing Authority Official List and for admission to trading on the London Stock Exchange) or other documentation evidencing that the merger (or merger proposal) has been made public, and**

(b) **a copy of the documents bringing about the merger situation, including any heads of terms, memorandum of understanding, sale and purchase agreement,**

20 Council Regulation (EC) No 139/2004 of 20 January 2004.

business purchase agreement or equivalent. Where these are not in final form, please provide the latest draft and keep the CMA informed of any subsequent changes to the document.

(c) **If the offer is subject to the City Code, copies of the Offer Document and Listing Particulars. If these are not yet available, provide copies of the latest drafts and supply the final versions as soon as they are issued.**

(d) **for each of the acquirer and acquirer group (if relevant) and the target (or merger parties in the case of a full merger), the most recent annual report and accounts and last set of monthly management accounts.**

(e) **copies of the most recent business plan of the acquirer and acquirer group (if relevant) and the target (or merger parties in the case of a full merger). Where any horizontal overlap or vertical relationship involves, for example, a specific division or brand of one or both of the merger parties, a business plan for the relevant division or brand should be provided as well.**

8.1 See **Annex 1**.

9 **Provide copies of any documents (including but not limited to minutes of meetings, studies, reports, presentations, surveys, analyses or recommendations) in either of the merger parties' possession which:**

(a) **have been prepared by or for, or received by, any member of the board of directors (or equivalent body) or senior management or shareholders of either merger party (whether prepared internally or by external consultants), and**

(b) **either:**

(i) **set out the rationale for the merger (including but not limited to the benefits of, and/or investment case for, the acquisition), or**

(ii) **assess or analyse the merger with respect to competitive conditions, competitors (actual and potential), potential for sales growth or expansion into new product or geographic areas, market conditions, market shares and/or the price to be paid. This should include but not necessarily be limited to post-merger business plans or strategy (including integration plans and financial forecasts) and Information Memoranda prepared by or for the merger parties and in either of their possession that specifically relate to the sale of the target. If no such Information Memoranda exist, explain what information or document(s) given to any of the merger parties is meant to serve the function of an Information Memorandum.**

Indicate (if not contained in the document itself) the date of preparation and the identity and role of the author(s) within the merger parties or external consultants.

9.1 See **Annex 2**.

10 **Provide:**

(a) **copies of documents (including but not necessarily limited to reports, presentations, studies, analysis, industry/market reports or analysis – including customer research and pricing studies) in either merger parties' possession and prepared or published in the last two years which set out the competitive conditions, market conditions, market shares, or competitors in the industry or business areas where the merger parties have a horizontal overlap as identified in response to question 12 below.**

(b) **any marketing and advertising strategy documents generated by, or on behalf of, either of the merger parties in the last year and which relate to the product(s) or service(s) where the merger parties have a horizontal overlap as identified in response to question 12 below.**

10.1 See **Annex 3**.

Counterfactual

11 **If the notifying parties consider that the CMA should assess the competitive effects of the merger against a counterfactual other than the current or pre-existing competitive situation, please describe that counterfactual and explain why the notifying parties consider it should be used for that assessment.**

11.1 [✂].

11.2 [✂].

11.2.1 [✂].

11.2.2 [✂].

11.2.3 [✂].

11.3 [✂]

11.3.1 [✂][21] [✂]

Exhibit 1. [✂]

11.4 [✂]

11.4.1 [✂].

11.4.2 [✂].[22] [✂].

11.4.3 [✂].

[21] [✂]

[22] See **Annex RFI1.18B.1** and **Annex RFI1.18B.2**.

Exhibit 2. [✄]

11.4.4 [✄][23]

Exhibit 2A. [✄]

11.4.5 [✄].

11.4.6 [✄].

11.5 [✄]

11.5.1 [✄].

Exhibit 3. [✄]

11.5.2 [✄].

11.5.3 [✄].

11.5.4 [✄].

Exhibit 4. [✄]

11.6 [✄]

11.6.1 [✄].

11.6.2 [✄][24] [✄]

Exhibit 5. [✄]

11.6.3 [✄].

11.6.4 [✄].

Exhibit 6. [✄]

11.7 [✄]

11.7.1 [✄]

11.7.2 [✄].[25] [✄]

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[23] [✄].

[24] [✄].

[25] [✄].

Exhibit 7. [✂]

- [✂].

11.8 [✂]

11.8.1 [✂].

11.8.2 [✂].

Market definition

12 **Describe the product(s) or service(s) and geographic area(s) where the merger parties overlap, where they have a vertical relationship, or where they supply related products/services.**

Please see response to Section 13 below.

13 **Identify (and explain the rationale for identifying):**

(a) **the narrowest candidate product/service and geographic market(s) where the merger parties overlap, and (if the parties have a vertical relationship or supply related products/services)[26] the narrowest candidate product/service and geographic market(s) at each level of the vertical supply chain and for each related product/service (the Narrowest Candidate Market(s)).**

(b) **any other plausible candidate product/service and geographic market(s)[27] where the merger parties overlap, have a vertical relationship, or supply related products/services (together with the Narrowest Candidate Market(s), the Candidate Market(s)).**

13.1 **Product market**

13.1.1 The parties overlap in the provision of takeaway services in the UK, namely the ability of a consumer to order a takeaway meal from a restaurant to enjoy at home.[28]

13.1.2 There are a variety of channels by which consumers can order a takeaway, including both offline and online means:

- travelling to the restaurant, ordering at the restaurant and then taking the food home themselves;

[26] These are products or services which do not lie within the same market, but which are nevertheless related in some way; for example, because they are complements (so that a fall in the price of one product/service increases the customer's demand for another), or because there are economies of scale in purchasing them (so that customers buy them together).

[27] This may include, for example, the products/services and geographic area(s) in the Narrowest Candidate Market(s) together with other products/services and geographic areas that might be considered substitutes with such products/services and geographic area(s).

[28] There are further options available to consumers who wish to enjoy a meal at home, which may also impose a competitive constraint on providers of takeaway services. For example, such options may include ordering groceries from Amazon for delivery within a short period of time or HelloFresh, which delivers recipes and pre-measured ingredients to consumers.

- telephoning the restaurant to order the food and then travelling to the restaurant to take the food home themselves;
- telephoning the restaurant to order the food, who will then deliver the food to the consumer's home address;
- using the restaurant's own website or app (e.g. mobile/TV); and
- using an online takeaway service (i.e. either a third party platform providing consumers with access to multiple restaurants or single-brand online takeaway services providing consumers with access to a restaurant chain).[29]

13.1.3 From a supply-side perspective, restaurants offering a takeaway service will typically use multiple channels, in that:

- almost all restaurants will serve consumers who visit them directly;[30]
- almost all restaurants will take telephone orders;
- some restaurants will have their own websites and/or apps, which they have either developed themselves or sourced from third-party "white label" app-building suppliers such as Preoday Limited ("**Preoday**") and Orderlord UK ("**Orderlord**"); and
- many restaurants will list on one or more third-party platforms.

13.1.4 The Parties consider it appropriate to define the relevant product market as comprising all of these options for consumers (the "**eat at home**" Candidate Market).[31]

13.1.5 A narrower segment would comprise telephone orders for delivery, restaurants' own websites/apps and online takeaway services (i.e. the latter three options shown above at Section 13.1.2) (the "**remote ordering**" segment). Each of these options results in exactly the same outcome from the perspective of the consumer, in that they order from home, stay at home and receive a meal delivered to their door. As explained in Section 15.6 below, the Parties consider telephone ordering to represent a material competitive constraint, with the available evidence indicating that consumers switch between using online and offline channels. Moreover, almost all restaurants offer telephone ordering and have an incentive to switch consumers to telephone ordering, given that they would gain the commission that would otherwise be paid to a platform. Telephone ordering may also be more attractive to consumers if restaurants can avoid paying the delivery charges that some online takeaway providers would impose.

13.1.6 A still narrower segment would be based only on online methods of contacting the restaurant (the "**online ordering**" segment), whether through the restaurant's own website or app, or through a third-party platform. There are several extremely large

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29 Some third-party platforms also allow consumers to order pre-packaged frozen or chilled "ready meals" to be heated up or cooked at home. For example, Deliveroo offers a selection of "ready meals" from Marks & Spencer (see *Marks & Spencer – Food and Wine*, available at https://deliveroo.co.uk/menu/london/kensington/marks-and-spencer-food-and-wine).

30 There may be a few restaurants who only accept remote orders (e.g. because they are located in a business park or industrial estate).

31 **[✂].**

restaurant websites/apps, notably Domino's, Papa John's, Pizza Hut and Burger King. For smaller chains and independent restaurants, it is also easy and inexpensive to develop their own websites and/or apps, for instance by using third-party "white label" app-building suppliers, such as Preoday. However, as outlined above, the Parties consider that direct ordering represents a material competitive constraint, such that it would be inappropriate to exclude direct ordering from the relevant product market definition.

13.1.7 In relation to Domino's:

- The marketing spend and level of brand awareness for [✄] than for any other provider of online takeaway services
- [✄]
- As of November 2016, Domino's has around 940 restaurants in different locations throughout the UK.
- [✄].

13.1.8 In light of these considerations, it would be inappropriate to exclude either telephone orders or online takeaway service providers, such as Domino's, Papa John's, Pizza Hut and Burger King, for the purposes of defining the relevant product market.

13.2 Geographic market

13.2.1 All of the major suppliers in the proposed Candidate Market and narrower segments operate nationally or have the capacity to operate on a national basis. From a supply-side perspective, each of the relevant restaurants or online takeaway services could in principle move into other parts of the country if they are not already present in those areas.

13.2.2 Accordingly, from a geographic market definition perspective it is appropriate to define the market as UK-wide in scope. To the extent that consumers have different choices in different regional areas, it would be appropriate to take account of these variations in the analysis of competitive effects, rather than in a market definition context.

13.3 Market shares

13.3.1 Estimated market shares for the proposed Candidate Market and narrower segments are provided below.

13.3.2 The Parties have estimated market shares based on total orders by volume and by value, as orders represent realised transactions between consumers and restaurants that bring together both sides of the market. However, given the dynamic nature of the sector in which the Parties operate, estimated market shares will not fully reflect the competitive constraints resulting from the recent entry and expansion of large and well-resourced players such as UberEATS and Amazon Restaurants.

13.3.3 [✄].[32] [✄].

[32] Please see the response to Question 26(e) of RFI1 for further details.

13.4 "Eat at home" Candidate Market

13.4.1 The charts below show the estimated market shares for Just Eat, Hungryhouse, Domino's (online)[33], Deliveroo, UberEATS, telephone orders and walk-in orders, based on total orders by volume and by value in 2016.[34]

Exhibit 8. [✄]

Exhibit 9. [✄]

13.4.2 [✄] of total orders by volume and [✄] of total orders by value. Telephone orders account for a larger share of the market than orders placed online, representing [✄] of total orders by volume, compared with [✄] online orders, and [✄] of total orders by value, compared with [✄] for online orders.

13.4.3 Overall, the Parties estimate that, both by volume and by value, Just Eat's share of the "eat at home" Candidate Market is around [✄]% and Hungryhouse's share is around [✄]%. Therefore, the Proposed Transaction would represent only a small increment to Just Eat's existing market share, which would increase by [✄]%.

13.5 Remote ordering segment

13.5.1 The charts below show the estimated market shares for Just Eat, Hungryhouse, Domino's (online)[35], Deliveroo, UberEATS and telephone orders, based on total orders by volume and by value in 2016.

Exhibit 10. [✄]

Exhibit 11. [✄]

13.5.2 In this segment, orders placed over the phone accounted for the largest share of total orders, [✄]% of total orders by volume and [✄]% of total orders by value. The Parties estimate that Just Eat's share of the remote ordering segment is [✄]% based on orders by volume and [✄]% based on orders by value, whilst Hungryhouse's share is [✄]% (both by volume and by value). Therefore, in this segment, the Proposed Transaction would represent an increment to Just Eat's existing market share of [✄]%.

13.6 Online ordering segment

13.6.1 The charts below show the estimated market shares for Just Eat, Hungryhouse, Domino's, Deliveroo and UberEATS based on total orders by volume and by value

33 [✄].

34 [✄].

35 [✄].

between 2014 and 2016. Market shares for 2016 are based on figures up to September 2016.

Exhibit 12. [✂]

Exhibit 13. [✂]

13.6.2 The charts indicate that Hungryhouse's share of the online ordering market is [✂]% by volume and value of orders. Therefore, the Proposed Transaction would represent only a small increment to Just Eat's existing market share of [✂]% by volume of orders and [✂]% by value of orders [✂] Deliveroo's share has [✂].

13.6.3 These submissions are supported by the Parties' response to the "thought experiment" put to them by the CMA in Question 22 RFI1, the answer to which is repeated for ease of reference at **Annex 11**.

Horizontal effects

14 Provide a description of how competition works in each Candidate Market where the merger parties overlap.

14.1 The takeaway services sector

14.1.1 The takeaway services sector consists of the supply of services to two different sets of customers:

- the supply of takeaway food services for consumers; and
- the supply of takeaway orders for restaurants.

14.1.2 Restaurants may provide their own ordering services to consumers, through walk-ins, by telephone or through their own website/app (which they may choose to develop themselves or source from third-party "white label" app-building suppliers such as Preoday or Orderlord). Alternatively, they may choose to outsource this to a third party, such as an online takeaway platform. They may also take orders through multiple channels, for example taking direct orders over the phone but also choosing to list on online takeaway platforms.

14.1.3 Consumers can place takeaway orders through a range of channels, such as: (i) independent restaurants' own direct ordering facilities (e.g. walk-in, telephone, websites, apps) which are available from almost all restaurants that offer takeaway services; (ii) restaurant chains offering direct ordering; and/or (iii) online takeaway platforms. All of these channels provide consumers with access to restaurants, allowing consumers to review menus (and prices) and to place food orders.

14.1.4 Competing alongside direct ordering facilities for individual restaurants, online takeaway platforms (such as Just Eat, Hungryhouse, Deliveroo, UberEATS and Amazon Restaurants) aggregate the services of multiple restaurants. More specifically, online takeaway platforms operate in two-sided markets, which the Merger Assessment Guidelines describe as follows:

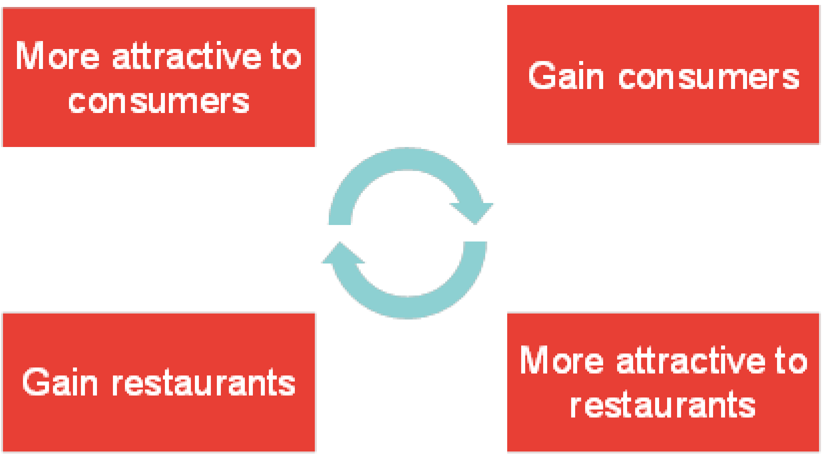
"Two-sided products are platforms (such as newspapers and other media) that intermediate between distinct and unrelated groups of customers. The number of customers in each group affects the profitability of the product, because the value that one group of customers realizes from using the intermediary depends on the volume of customers from the other group ("indirect network effects"). Prices charged to each set of customers take account of the need to get both sets "on board".[36]

14.1.5 Therefore, two-sided markets are those where the value of the platform to one set of users is based on the number of users using the platform on the other side of the market (i.e. "indirect network effects"). This implies that:

- consumers prefer an online takeaway platform with many restaurants; and
- restaurants prefer an online takeaway platform with many consumers.

14.1.6 Indirect network effects in two-sided markets can lead to so-called "virtuous cycles", whereby an increase in the number of users on one side of the market will have positive feedback effects (leading to further increases in the number of users on both sides of the market), and "vicious cycles", whereby a decrease in the number of users on one side of the market will have negative feedback effects (leading to further decreases in the number of users on both sides of the market). This is illustrated in the following graphic:

Exhibit 14. Virtuous cycles in the online takeaway services sector



14.1.7 Hence, an assessment of competition in this sector must consider both sides of the market. The following sections set out how both sides of the market operate, in particular:

- the services offered by online takeaway providers;
- how consumers decide which channel to use to place orders;
- how restaurants decide which channel to use to receive orders; and

[36] Paragraph 5.2.20 of the Merger Assessment Guidelines.

- how providers of takeaway services compete with one another for consumers and restaurants.

14.2 Services offered by online takeaway providers

14.2.1 Most online takeaway services providers[37] offer the following services:

- the ordering platform;
- restaurant partner portal;
- driver management solutions such as order tracking;
- "top placement";
- white label services; [38] and
- delivery services.[39]

14.2.2 The ordering platform is a core service offered by online takeaway service providers. In particular, Just Eat's ordering platform accounts for the vast majority of its total revenues, with commission-based revenues representing 82% of Just Eat's total revenue in 2016. "Top placement", partner portals and delivery services are also offered by many other providers of online takeaway services, including Deliveroo, UberEATS and/or Amazon Restaurants.[40]

14.2.3 In relation to the services offered by the Parties, given that direct ordering over the telephone accounts for the largest share of takeaway ordering[41] and around 69% of users also order directly from restaurants' online websites,[42] both Parties need to invest in developing their offering to restaurant customers in order to encourage them to continue to use the Parties' services, rather than relying on direct ordering only.

14.2.4 Both Parties provide similar services such as white label websites, online stores, self-service sites for restaurant partners to log into, and top or premium placement services. Despite the fact that the proportion of total revenue gained by the Parties from these services is small when compared to the costs incurred in providing the services, these services add value to restaurants and are therefore an important part of the Parties' business appeal to restaurant customers, especially in light of the competition faced from players such as Deliveroo and UberEATS.

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[37] Some takeaway service providers offer services for their own restaurants (e.g. Domino's, Pizza Hut and Papa John's). These entities do not offer all of the services offered by providers that list more than one restaurant (e.g. restaurant partner portals and top placement).

[38] White label services can also be sourced from third-party white label app-building suppliers such as Preoday and Orderlord (see Sections 13, 14, 26 and 28).

[39] Delivery services are also offered by providers of delivery services such as Quiqup, Jinn, One Delivery, etc. on a white label basis.

[40] The Parties understand that there are a few services offered which are unique to both Hungryhouse and Just Eat (i.e. insofar as the Parties' are aware, the online shop and discounted menu printing). [✂]. Specifically, Just Eat shop accounted for [✂]% of Just Eat's total revenues in 2016 (e.g. Just Eat shop generated revenues of £[✂] million in 2016, compared with Just Eat's total revenue of £237 million in the same year). Whilst it is understood by Just Eat that [✂]. Furthermore, it is understood that Deliveroo offers free branded merchandise to restaurants, which negates the use of an online store. In addition, there are numerous providers of printing services and barriers to offering this service are very low.

[41] As of September 2016, 84% of respondents ordered takeaway over the telephone. See Section 15.6.1 below.

[42] Ipsos MediaCT survey, brand tracking data from Hungryhouse. See Section 15.6.1 below.

14.2.5 Further details relating to the services that Just Eat and Hungryhouse offer, along with an outline of the Parties' business models, are set out in **Annex 9** and **Annex 10** respectively.

14.3 Consumer-side behaviour

14.3.1 Consumers who would like to order takeaway can choose from the following options:

- going to a restaurant, and ordering takeaway at the premises;
- ordering takeaway from the restaurant directly (on the phone or through the restaurant's own website, if available), and then choosing to collect the takeaway at the premises;
- ordering takeaway from the restaurant directly (on the phone or through the restaurant's own website, if available), and having the order delivered to their preferred location;
- using an online platform to search for restaurants and place an order, choosing to collect the takeaway at the premises;
- using an online platform to search for restaurants and place an order, having the order delivered to their preferred location; and
- using an online platform to search for restaurants, and then ordering takeaway from the selected restaurant directly (instead of through the online platform) (on the phone or through the restaurant's own website, if available), and having the order delivered by the restaurant to their preferred location.

14.3.2 Ordering directly from a restaurant (either through visiting the premises or by telephone) was the only option available for consumers until the launch of online aggregators. Consumers continue to use the direct-to-restaurant channel (either alone or in combination with online channels) because, for example:

- a consumer may consider contacting the restaurant directly, either in person or over the telephone, to be the quickest (and sometimes cheapest) way of placing an order;
- a consumer may like speaking to the restaurant in order to get additional information or a more personalised service (for example, if they wish to make modifications to the menu options); or
- a consumer may be in the habit of calling their local restaurant to order takeaway food because this is what they have done in the past.

14.3.3 Many restaurants also have their own websites with the functionality to take orders for takeaway food. Consumers may prefer to use this channel because, for example:

- they may find it easier or more convenient to use the online service, for example if they do not have a physical copy of the menu for that restaurant;
- they may have previously registered their payment details and previous orders on the website and may therefore find it easier to place an order with that restaurant online; or
- they would like to avoid the costs that they may associate with placing a phone call, for example the uncertainty of whether they will receive a

response or the lack of written confirmation which would make raising a complaint (if the incorrect order was placed) more difficult.

14.3.4 Consumers may also choose to use, instead of or in addition to these other channels, online platforms. A consumer's decision to order from a particular platform can be divided into two stages:

- first, the choice of platform(s) to sign up to; and
- second, the choice of platform to use for any particular takeaway requirement.

14.4 The decision to sign up with a platform

14.4.1 It seems plausible that consumers would first decide which platform to sign up to based on:

- whether they have heard of that platform (e.g. through marketing);
- the number and attractiveness of restaurants on that platform; and
- the attractiveness of that platform in other ways (e.g. ease of use, coverage of different types of restaurant, frequency and size of discounts offered).

14.4.2 Other things equal, one would expect that a platform with a greater number of restaurants, more attractive restaurants, or other attractive features, would be more likely to pick up more consumers.

14.4.3 However, a consumer must also be aware of the platform's presence, which is likely to be related to the level of marketing activity undertaken by that platform. In particular, the level of marketing activity is likely to influence a consumer's decision about the first platform that they sign up with, before they are able to rely on their direct experience of using a platform. It should be noted that marketing by a given platform may raise the general level of awareness of online takeaway platforms, which is likely to increase total demand for online takeaway platforms.

14.4.4 When considering whether to sign up with an additional platform, one would expect a consumer to trade off the likely additional benefit of signing up with another platform against the cost of doing so. Since there is no cash cost for consumers to sign up with a platform, the main "cost" for a consumer is the time required to sign up. Signing up to a platform typically involves providing a set of personal details in order to create a user account. Details required may be quite minimal – the user's name, address, email address – or may be more detailed, for example requiring users to enter card details.

14.4.5 This would suggest that consumers would be more likely to sign up with an additional provider if it offered:

- an additional or different choice of restaurants; or
- other additional features valued by consumers (e.g. possibility to track an order).

14.5 The ongoing decision to order from a platform

14.5.1 For any particular takeaway requirement, consumers have a choice of using the platforms with which they have already signed up or of signing up with another platform.

14.5.2 One would expect that, to the extent that consumers want takeaway food quickly, it is unlikely that many consumers would sign up with a new platform for their requirements (i.e. in addition to using a platform they have already signed up with), given that this would involve switching costs. Therefore, one would generally expect consumers to order from the existing set of platforms with which they have signed up.

14.5.3 Moreover, over time, one may expect users to get into the habit of using a particular platform, to the extent that it is delivering adequately to their requirements and alternative platforms are not differentiated (e.g. in terms of restaurants) from the platform that they are already using. This further reduces the likelihood that consumers will search around for an alternative similar platform.

14.5.4 However, if a consumer has signed up to more than one platform, one would expect them to choose between these platforms on an ongoing basis to the extent that they offer something different from one another (e.g. new restaurants, delivery tracking features, different types of cuisine etc.). If one is a better version of another (i.e. same restaurants but more choice), one would expect that the less attractive platform would be rarely used.

14.6 How takeaway services compete for consumers

14.6.1 In order to induce users to switch from direct ordering to using a platform, online aggregators will have to create a compelling proposition for consumers. They must ensure that:

- ordering online is no more expensive than ordering direct;
- ordering online provides consumers with a speedy and reliable takeaway service option; and
- ordering online allows consumers to learn about new and better restaurants so that they can improve their choice of takeaway food.

14.6.2 In particular, platforms are likely to compete for consumers in the following dimensions:

- **Marketing** – Platforms may invest in marketing in order to improve their brand awareness amongst potential new users compared with competing takeaway service providers. Platforms may also use marketing to position themselves as offering a differentiated service.
- **Restaurant choice** – Platforms may try to improve and expand the set of restaurants that its users can access through their service.
- **Delivery services** – Platforms may offer delivery services to consumers, particularly if they have a pre-existing delivery infrastructure, and these may compete in terms of speed and reliability. Platforms may also offer other delivery-related features, such as the ability for consumers to monitor delivery times, track drivers and contact drivers if there is an issue with their order.

- **Other value-added features** – Platforms may invest in developing features on their websites which enhance the ordering experience for consumers in order to discourage switching away to other online takeaway service providers or direct ordering. Please see **Annex 12** for more detail on the "other value-added features" offered by the Parties to provide additional support to, and value for, consumers, together with some information about how customers have responded to these features.

14.7 Restaurant-side behaviour

14.7.1 Restaurants ultimately want to receive orders from consumers and face the following options:

- they can take orders exclusively over the phone;
- they can take orders over the phone and through their own website; or
- they can (additionally or instead of the options above) list on an online platform such as Just Eat.

14.7.2 A restaurant will sign up to a platform if the number of additional orders they will receive outweighs the sign-up cost.

14.7.3 Therefore, a restaurant is more likely to choose to sign up with a platform if:

- the restaurant has heard of the platform through marketing;
- there is a large number of consumers using the platform;
- the consumers using that platform are likely to have a preference for the restaurant's offering (e.g. in terms of price, cuisine, etc.);
- the commission rate and sign up costs are low; and
- the value-added services offered to the restaurant by the platform are attractive to the restaurant (e.g. the restaurant can achieve significant cost savings by listing on the platform).[43]

14.7.4 Having signed up with one platform, the incremental benefit of signing up with another platform depends primarily on the incremental number of orders which that platform is likely to deliver. In turn, this depends on whether the second platform has a different set of consumers that the restaurant can access, which could not be accessed through its existing set of platforms. This suggests that, for a given cost, restaurants are more likely to sign up to an additional platform if this provides access to a larger set of consumers that cannot be accessed through another platform.

14.8 How platforms compete for restaurants

14.8.1 Based on the framework set out above, platforms are likely to compete for restaurants in the following dimensions:

[43] Please see **Annex 9** and **Annex 10** for further details on the services offered by the Parties to the restaurants listing with them.

- **Marketing** – Restaurants need to be aware of the platform and, in particular, the benefits of signing up (i.e. the additional orders they may expect as a result of signing up).
- **The number of consumers (that cannot be accessed through another platform)** – This is the main determinant of the number of orders that a platform is likely to deliver for a restaurant.
- **Commission rates and sign-up costs** – These are the costs against which restaurants compare the expected benefit from listing on a platform. All else equal, the lower the commission rates and/or sign-up costs, the greater the likelihood that a restaurant will sign up with a platform.

14.9 Implications of the framework

14.9.1 As described in the framework above, online takeaway platforms compete with each other in the following dimensions:

- for restaurants: (i) through marketing; (ii) by providing access to a larger portfolio of consumers; and (iii) by offering lower commission rates;
- for consumers who have not signed up with any platform: (i) through marketing their brand to raise awareness; and (ii) by providing access to a larger set of restaurants; and
- for consumers who have already signed up with a platform, by ensuring that they offer a high quality service to existing users and remain price-competitive compared to direct ordering services.

14.9.2 Overall, this suggests that the following are likely to be aspects of competition in the market for takeaway services, which the Parties have taken into account in their assessment of the potential competitive effects arising from the Proposed Transaction in Section 15 below:

- **If Platform A lists similar, but fewer, restaurants compared with Platform B, Platform A is likely to be at a competitive disadvantage.** Platform A is unlikely to be an attractive proposition for new consumers, as it only provides access to restaurants which could be accessed through Platform B. Platform B would also provide access to additional restaurants that could not be accessed through Platform A.
- **Competitive disadvantages will be reinforced over time because of indirect network effects.** Based on the example set out above, Platform A is likely to acquire few new consumers, which will make it less attractive to restaurants. This in turn will make Platform A less attractive to new consumers, which further reduces the likelihood that it will acquire new consumers.
- **A platform that offers a different set of restaurants or different features is more likely to be viewed as an attractive alternative platform.** One would expect consumers that have already signed with up one platform to view an alternative provider of online takeaway services as attractive if that provider offers access to a different set of restaurants (e.g. because it is attractive to a different set of restaurants or offers them different features).

- **Platforms face an additional constraint through direct ordering from restaurant chains and independent takeaway restaurants.** Consumers can and do contact their preferred local restaurants directly as an alternative to using an online platform.

15 **For each Candidate Market where the merger parties overlap, explain to what extent the merger may give rise to unilateral effects (see section 5.4 of the *Merger Assessment Guidelines*), that is, to what extent it is likely to cause loss of competition. Include:**

(a) **information on the competitive constraint posed by each of the merger parties on each other, and**

(b) **information on the competitive constraint posed by the other principal suppliers in the Candidate Market(s). Include the merger parties' and each of their principal competitors' shares of supply (by value and volume) specifying the total market size(s) together with an explanation as to how these are calculated**

(c) **a discussion of the extent to which the merger parties' products or services are substitutes and any supporting data (including, in sectors in which it is relevant, bidding data).**

15.1 There are five main reasons why the Proposed Transaction would not lead to a realistic prospect of substantial lessening of competition – both for consumers and restaurants.

15.1.1 [✂].

15.1.2 Second, Deliveroo's entry into the market with a differentiated business model has created a strong competitive constraint on Just Eat (stronger than that exerted by Hungryhouse). It is likely that this competitive pressure will continue to increase, both from Deliveroo itself and from other more recent entrants such as UberEATS and Amazon Restaurants, as they continue their expansion across the UK.

15.1.3 Third, UberEATS has entered the market for the provision of takeaway services in 2016 and has already begun to exert a material competitive constraint on Just Eat in those areas where it is present. In addition, other large and well-resourced players (which have materially more resources than the Parties), such as Amazon Restaurants, have also recently entered the market.

15.1.4 Fourth, Domino's (and other takeaway restaurant chains) have been and will continue to be a strong competitive constraint on Just Eat and other aggregators.

15.1.5 Fifth, direct ordering from takeaway restaurants, in particular by telephone, represents a material constraint on Just Eat and other online takeaway service providers.

15.2 [✂]

15.2.1 [✂]

- [✂].[44]

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[44] Using three-month averages prevents any distortions from particular marketing campaigns that may drive high awareness in a given month.

Exhibit 15. [✂]

- [✂].[45]
- [✂].

45 [✂].

Exhibit 16. [✂]

Exhibit 17. [✂]

- [✂].

Exhibit 18. [✂]

  - [✂].

Exhibit 19. [✂][46]

15.2.2 Competition for restaurants

- As explained in Section 14.7 above, a restaurant's decision to sign up to an online platform is mainly determined by the following:

  (a) the number of consumers (that cannot be accessed through another platform);

  (b) sales and marketing effort by platforms;

  (c) commission rates and sign-up costs; and

  (d) value-added services offered to restaurants by platforms.[47]

- [✂]. This is likely to influence restaurants' awareness of particular platforms as well as that of consumers.

- From a takeaway restaurant perspective, Just Eat and Hungryhouse are differentiated propositions as they offer access to different sets of consumers, given that [✂].

- The effect of this differentiation between Just Eat and Hungryhouse from the perspective of restaurants is that a large group of restaurants has decided to list on both. [✂] almost all [✂].

Exhibit 20. Just Eat's and Hungryhouse's restaurant listings in September 2016

[✂]

- Exhibit 20 above shows the number of restaurants listed on Just Eat (and not Hungryhouse), on Hungryhouse (and not Just Eat) and on both Just Eat and Hungryhouse in September 2016.

- The table below provides a comparison between the figures in Exhibit 20 above and updated figures based only on the geographic areas where the Parties are both active. For the purpose of calculating these figures, a postcode district is treated as a "geographic area", as this is the level at which data is readily available to the Parties.

	Total estate (Exhibit 20)	Restaurants only in geographic areas where the Parties are both active
Just Eat only	[✂]	[✂]

[46] [✂].

[47] Please see **Annex 9** and **Annex 10** for further details on the services offered by the Parties to the restaurants listing with them.

Hungryhouse only	[✂]	[✂]
Both	[✂]	[✂]

- As set out above, [✂] restaurants which are listed on Hungryhouse are also listed on Just Eat. This applies both for Hungryhouse's total estate (i.e. [✂] out of [✂] restaurants, or [✂]%) and for Hungryhouse's restaurants only in geographic areas where the Parties are both active (i.e. [✂] out of [✂] restaurants, or [✂]%).

15.2.3 [✂]

- [✂].[48]
- [✂].[49]
- [✂].

Exhibit 21. [✂]

- The results from this empirical analysis are wholly consistent with all of the evidence presented above demonstrating that [✂] as is described below.

15.3 Deliveroo has been a strong constraint on Just Eat since its entry into the market, and will continue to grow rapidly in the future

15.3.1 Deliveroo has grown very quickly since its entry into the market

- Deliveroo was founded in February 2013, launched its offering in the UK in August 2013 and received its first round of external investment in June 2014.[50] Since its entry, Deliveroo has grown rapidly. This is demonstrated by:

  (a) the increase in brand awareness for Deliveroo amongst takeaway consumers;

  (b) the rate at which Deliveroo has signed up new restaurants; and

  (c) the increase in Deliveroo's geographic coverage.

- On the consumer side of the market, data from the [✂].
- Brand awareness for Deliveroo has grown rapidly. In the last year, the share of respondents who spontaneously recalled the Deliveroo brand (i.e. without any prompting) went from [✂]. This is despite Deliveroo operating with more limited geographical coverage to date than Just Eat or Hungryhouse, which

48 See also Annexes RFI1.27A.1 and RFI1.27A.2 containing the full dataset and code used to form this analysis.

49 [✂].

50 Introduction to Deliveroo, June 2016, available at http://ec.europa.eu/information_society/newsroom/image/document/2016-6/deliveroo_13855.pdf.

suggests that, where Deliveroo is present, awareness of Deliveroo's brand is even higher than the average suggested by the survey.

Exhibit 22. [✂]

- [✂].

Exhibit 23. [✂]

- On the restaurant side, as of November 2016, Deliveroo has signed up over 6,500 restaurants, roughly doubling its restaurant listings in the 12 months leading up to November 2016. As a benchmark, after three years of operations, Just Eat had around [✂] restaurants listed on its platform. In addition, the rate of Deliveroo's addition of new restaurants – as shown in the figure below compared with Just Eat – suggests that it is likely to continue growing strongly in the future.

Exhibit 24. [✂]

- Deliveroo started operations in London in late 2013. It has now expanded its presence well beyond the capital, with offerings in cities including Birmingham, Leeds, Liverpool, Edinburgh, Manchester, Bristol, Blackpool, Milton Keynes and Plymouth.
- As the timeline below illustrates, Deliveroo's expansion geographically has taken place at a fast rate. Deliveroo signed up its first restaurant outside of London in December 2014 – in Brighton – and by August 2016, it was already present in a large number of urban areas around the UK. As of October 2016, cities where Deliveroo operates include: London, Manchester, Birmingham, Edinburgh, Bristol, Brighton, Oxford, Cambridge, Reading, Guildford, Liverpool, Leeds, Nottingham, Southampton, Cheltenham, Leicester, Cardiff, Sheffield, Exeter, Bath, Aberdeen, Chester, Glasgow, Bournemouth, Derby, Newcastle, Coventry, York and Norwich.[51]

Exhibit 25. [✂]

15.3.2 Deliveroo is already a strong constraint on Just Eat

- [✂].[52] However, this does not imply that the constraint imposed by Deliveroo on Just Eat is limited. In a two-sided market, the overlap between two websites/apps on one side of the market affects the incentives of those on the other side of the market to use both of those sites. Therefore, the fact that

[51] *Introduction to Deliveroo*, June 2016 available at http://ec.europa.eu/information_society/newsroom/image/document/2016-6/deliveroo_13855.pdf.

[52] [✂].

the overlap between Deliveroo and Just Eat is minimal provides consumers with an incentive to sign up for Deliveroo *in addition to* Just Eat, as signing up for Deliveroo provides them with access to a wider range of restaurants than those available on Just Eat – unlike Hungryhouse, which offers a similar choice of restaurants to Just Eat.

- Once consumers have signed up with both providers, the differences in the offerings available from Just Eat and Deliveroo are also likely to encourage consumers to switch regularly between ordering from one provider to ordering from the other provider. [✂].
- As described in Section 15.3 above, the Parties have assessed empirically the extent to which Just Eat's orders are affected by the presence of Deliveroo in those areas where there are takeaway restaurants listed with Deliveroo. The methodology for this analysis is described in detail in **Annex 5**, along with the full set of results.
- Exhibit 26 below shows the estimated effect of the presence of Deliveroo – as measured by the number of takeaway restaurants listed on Deliveroo – on Just Eat's order volumes, compared with those areas where Deliveroo is not present. This indicates that, all else equal:
  (a) Just Eat's order volumes in areas with between 1 and 4 takeaway restaurants listed on Deliveroo are [✂];
  (b) Just Eat's order volumes in areas with between 5 and 9 takeaway restaurants listed on Deliveroo are [✂]; and
  (c) Just Eat's order volumes in areas with either between 10 and 19 takeaway restaurants listed on Deliveroo or over 20 takeaway restaurants listed on Deliveroo are [✂].

Exhibit 26. [✂]

15.3.3 Deliveroo exerts a material constraint on Just Eat, which will grow rapidly in the future

- To the extent that Just Eat and Deliveroo offer restaurants access to a similar group of consumers, restaurants are likely to consider these two providers to be substitutes for one another. This means that Deliveroo imposes a material – and growing – competitive constraint on Just Eat. This is supported by the empirical evidence, as set out in **Annex 5**.
- In fact, several restaurants listing with Deliveroo are now available through Just Eat (e.g. Yo! Sushi, Suito Japanese, Kenza Restaurant & Lounge, Namaaste Kitchen, Toulouse Lautrec, Barburrito, Spaghetti House, Beboz, Daddy Donkey, Pizza Express, Chilango[53], [✂][54]), Hungryhouse (e.g. Layalina, Basilico, YouMe Sushi, Mangio, Eaton Square) or both (e.g. Itsu,

[53] Scheduled to be listed with Just Eat by the end of February 2017.

[54] [✂].

Tootoomoo, La Cucina, Casareccia, The Cedar, Rumi, Reun Thai, K10, Good Earth Express, Neds Noodle Bar, Eat First). In addition, several restaurants previously only listing with Just Eat are now also available through Deliveroo (e.g. Beboz Italian Street Food, Bon Appetit, Koza Restaurant and Bar, La Porchetta, The Workers Café), or through both Deliveroo and Amazon Restaurants (e.g. Pod, Bangalore Express, Mayfair Pizza Co and Noura Lebanese Restaurant). This demonstrates that many restaurants are looking to outsource their delivery to third-party providers rather than employing their own drivers.

- Further, third-party commentary and industry forecasts support the view that Deliveroo is likely to pose an increasingly strong constraint in the future. For example, in June 2016 it was reported that Deliveroo's revenue was set to hit £130 million in 2016 – representing more than 1,000% growth on the previous year. This is consistent with its announcement in September 2016 that it has raised £210 million of funding from investors such as private equity firms and venture capital funds.[55] It has also been reported that Deliveroo is signing up restaurants which are perceived as "more affordable" since Deliveroo is seemingly keen to "quash the notion that it is a somewhat elitist and urban-centric brand".[56]
- Just Eat's efforts to enter into arrangements relating to the delivery of food[57] [✂][58] [✂].[59]

15.4 UberEATS has grown rapidly and is already having a material impact on Just Eat

15.4.1 UberEATS is a subsidiary of Uber Technologies Inc. ("**Uber**"). Uber was founded in March 2009 and has since become the largest app-based taxi service company worldwide. Since its launch in 2009, Uber has raised in excess of USD 11 billion of capital through funding rounds.[60] In the UK, Uber currently has over [✂]active users[61] and over 40,000 drivers. As of November 2016, Uber is present in London, Belfast, Birmingham, Brighton and Sussex, Bristol, Cardiff, Edinburgh, Glasgow, Leeds, Leicester, Manchester, Merseyside, Newcastle, Nottingham, Sheffield, Southampton and Stoke.[62]

15.4.2 Uber's large customer base offers an existing source of potential new end customers for UberEATS. For instance, upon its launch, UberEATS was advertised prominently

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[55] Bloomberg, *Deliveroo raises $275 Million to Escalate Food-Delivery Wars,* 5 August 2016, available at https://www.bloomberg.com/news/articles/2016-08-05/deliveroo-raises-275-million-to-escalate-food-delivery-wars.

[56] Econsultancy, *The four goals underpinning Deliveroo's growth strategy*, 10 November 2016, available at https://econsultancy.com/blog/68508-the-four-goals-underpinning-deliveroo-s-growth-strategy/.

[57] Please see Section 26.7 below for further details.

[58] Please see Section 26.7 below for further details.

[59] In Question 23 RFI1, the CMA questioned whether there was significance in the lack of commonality between Deliveroo's restaurants and the Parties' restaurants. The Parties submit that this does not suggest that the constraint imposed by Deliveroo on the Parties is limited and expand on this in their response to RFI1, which for ease of reference is repeated at **Annex 13**.

[60] Crunchbase website tracking investor funding, available at https://www.crunchbase.com/app/search/funding_rounds/df862550edfd53ab4168cb0039631a9c1b6112a8.

[61] [✂].

[62] Uber website, available at https://www.uber.com/en-GB/cities/.

on the home screen of the Uber app, with existing Uber users able to download directly the UberEATS app via the Uber app.

15.4.3 On the consumer side of the market, UberEATS has grown rapidly in terms of overall app downloads. Despite launching only in June 2016, UberEATS accounted for [✄]% of monthly app downloads on iOS and Android platforms, as of October 2016, as shown in Exhibit 27 below. Between June 2016 and October 2016, the total number of app downloads for UberEATS (around [✄] downloads) was greater than for Hungryhouse (around [✄] downloads). It should be noted that UberEATS is primarily an app-based takeaway service.

Exhibit 27. [✄]

15.4.4 UberEATS has also been competing aggressively with other providers of online takeaway services in relation to the quality of the services that it offers. For instance, when UberEATS entered the market, it offered free delivery for the first month and it has no minimum order size. UberEATS currently offers £10 off vouchers for first-time orders. It also offers a promise to consumers that, for orders up to the value of £30, consumers will receive £30 off their next order if it takes longer than 30 minutes for their order to reach them.[63] To help to achieve these delivery times, UberEATS has also quadrupled since its launch the number of couriers that it employs.

15.4.5 On the restaurant side of the market, UberEATS has signed up a material number of takeaway restaurants since its launch in June 2016. As of September 2016, around 500 takeaway restaurants had signed up with UberEATS.[64] Overall, UberEATS was present in 83 postcode districts in London, which together cover a workday population of around 2.9 million.[65] UberEATS has also launched in Manchester, where it has already signed up more than 100 restaurants[66] and has announced plans to launch in a number of other major cities in the UK, including Birmingham, and Leeds, where Uber's taxi service is already present.

15.4.6 As described in Section 15.4 above, the Parties have assessed empirically the extent to which Just Eat's orders are affected by the presence of UberEATS in those areas where there are takeaway restaurants listed with UberEATS. The methodology for this analysis is described in detail in **Annex 5**, along with the full set of results.

- Exhibit 28 below shows the estimated effect of the presence of UberEATS – as measured by the number of takeaway restaurants listed on UberEATS –

[63] Business Insider UK, *People are gaming UberEats to get hundreds of pounds in free food*, 3 October 2016, available at http://uk.businessinsider.com/how-to-get-free-ubereats-vouchers-promotions-food-hundreds-pounds-london-2016-9.

[64] Evening Standard, *UberEATS expands to Zone 2 in London*, 29 September 2016, available at http://www.standard.co.uk/lifestyle/london-life/ubereats-expands-to-zone-2-a3357401.html.

[65] This estimate is based on the 2011 Census undertaken by the Office for National Statistics. The "workday population", as defined by the ONS, refers to the population that is present in a given area during the working day. This includes people who: (1) work in the area, irrespective of where they live; and (2) live in the area, but are not employed. The measure excludes people who live in the area but work outside of the area.

[66] Manchester Evening News, *UberEATS to launch Manchester restaurant delivery service*, 9 February 2017, available at http://www.manchestereveningnews.co.uk/whats-on/food-drink-news/uber-eats-manchester-restaurant-delivery-12574778.

on Just Eat's order volumes, compared with those areas where UberEATS is not present. This indicates that, all else equal:

(a) Just Eat's order volumes in areas with between 1 and 4 takeaway restaurants listed on UberEATS are [✂];

(b) Just Eat's order volumes in areas with between 5 and 9 takeaway restaurants listed on UberEATS are [✂]; and

(c) Just Eat's order volumes in areas with either between 10 and 19 takeaway restaurants listed on UberEATS or over 20 takeaway restaurants listed on UberEATS are [✂].

- [✂].

Exhibit 28. [✂]

15.4.7 Other large and well-resourced companies with an existing delivery network in place for their current operations (such as Amazon) are also likely to exert a material constraint on Just Eat going forward. For example, Amazon launched Amazon Restaurants in 2016 and has already signed up over 200 restaurants.[67]

15.5 Domino's has been and will continue to be a strong competitive constraint on Just Eat and other platforms[68]

15.5.1 First, Domino's has a strong presence amongst consumers in the online takeaway services sector.

- [✂]:

Exhibit 29. [✂]

- [✂].

Exhibit 30. [✂][69]

- [✂]. Domino's online presence has – and is continuing to – grow considerably, both in terms of app downloads and website visits. Second, the strong presence of Domino's in the market for the provision of takeaway services is reflected [✂].

- As described in Section 15.5 above, the Parties have assessed empirically the extent to which Just Eat's orders are affected by the presence of

[67] Amazon Restaurants signed up around 150 restaurants upon launch (source: http://phx.corporate-ir.net/phoenix.zhtml?c=251199&p=irol-newsArticle&ID=2199707). Amazon Restaurants has since added a further 80 restaurants to its listings (source: http://www.cityam.com/253660/amazon-restaurants-food-delivery-expands-more-london).

[68] In addition to Domino's, other restaurant chains such as Papa John's, Pizza Hut and Burger King are also active in this sector. However, they are not considered in detail in this section because the data available to the Parties on these providers is more limited.

[69] [✂].

Domino's in those areas where Domino's is present. The methodology for this analysis is described in detail in **Annex 5**, along with the full set of results.

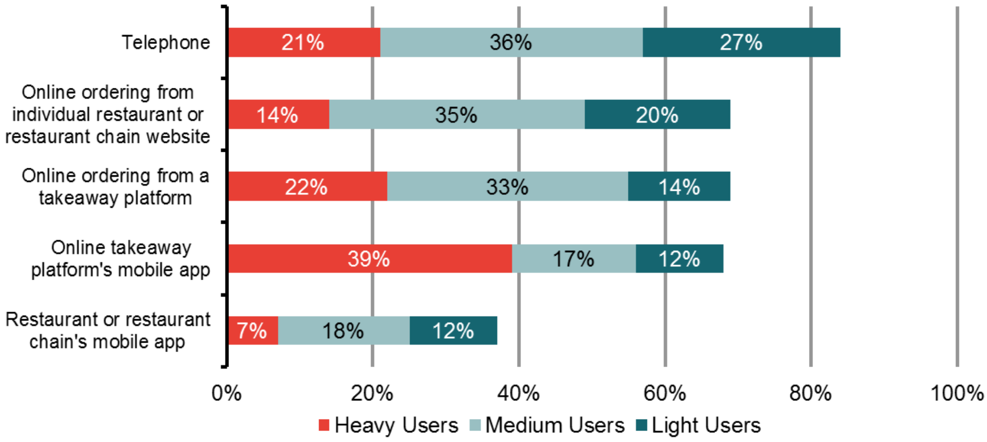
- As shown in Exhibit 21 above, Just Eat's order volumes in areas where Domino's is present are [✂].[70]

15.6 Direct ordering from restaurants, in particular by telephone, is a material constraint on Just Eat and other aggregators

15.6.1 Survey data indicates that consumers use – and continue to use after ordering from Just Eat – direct ordering channels offered by restaurants.

- First, Exhibit 31 below shows the share of consumers that use different channels to order takeaway, based on the results of a survey conducted by Ipsos MediaCT on behalf of Hungryhouse.[71] As of September 2016, 84% of respondents ordered takeaway over the telephone, with 21% being heavy users (i.e. placing an order at least once a week or once every two weeks). Telephone ordering accounted for the largest share of takeaway orders across all channels and, in particular, was used more commonly than ordering from providers of online takeaway services (which accounted for 69% of respondents). Moreover, around 69% of users order directly from restaurants' online websites.

Exhibit 31. Consumer survey on channel usage



Note: *Heavy Users: order atleast once a week or once in two weeks*
Medium Users: order around once a month or less than once a month but more often than once every six months
Light users: order once or twice a year or less than once a year

*Source: Brand tracking data from Hungryhouse – the Ipsos MediaCT survey is provided as **Annex RFI1.26B.1** and the data in relation to the survey is provided as **Annex RFI1.26B.2***

- As shown in Exhibit 32 below based on [✂].

Exhibit 32. [✂]

- The tendency to use offline in parallel with ordering from Just Eat's online platform is persistent over time. Exhibit 33 below shows that [✂].

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70 [✂].

71 [✂].

Exhibit 33. [✂]

- There is limited evidence indicating that individuals who use the Just Eat platform are migrating away from using offline channels, particularly if they have previously been in the habit of using offline means of ordering takeaway food. While there may be a tendency to use a single provider of online takeaway services (if these offer very similar services), it seems likely that, for the majority of consumers, ordering offline offers a differentiated service that will not be replaced entirely by online providers. Therefore, offline will continue to exert a competitive constraint on Just Eat over time.
- [✂].

Exhibit 34. [✂][72]

15.6.2 There is evidence to suggest that individuals would switch back to offline channels for takeaway if they have an unsatisfactory experience using online platforms.

- [✂].

Exhibit 35. [✂]

- [✂].

15.6.3 [✂] users tend to order repeatedly from the same restaurants, so restaurants have repeated opportunities to convert them to direct ordering.

- [✂][73] [✂].

Exhibit 36. [✂]

- This indicates that, as most Just Eat users repeatedly order from the same restaurants, restaurants have many opportunities to convert them to direct ordering instead.

15.6.4 Restaurants also use a combination of channels for advertising their takeaway offer.

- [✂].

Exhibit 37. [✂]

- This indicates that restaurants use offline channels to reach new consumers in addition to lsiting with providers of online takeaway services, [✂].

16 Provide the names and contact details for both merger parties' relevant customers and competitors.

16.1 Customers

72 [✂]

73 Unfortunately more recent data on this question is not available.

16.1.1 As the relevant markets are two-sided, the Parties consider that they have two different sets of customers: consumers on the one hand and restaurants on the other hand.

16.1.2 In relation to consumers, these are individuals rather than companies, and therefore it is not practicable to provide a list of consumer contact details within this Merger Notification.

16.1.3 In relation to restaurants, the Parties consider these should be classified as customers since the Parties compete to attract restaurants to their platforms. The contact details for Just Eat's and Hungryhouse's restaurant customers are provided in **Annex RFI1.34A.1** and **Annex RFI1.34B.1**, respectively. In addition, the Parties have set out in **Annex 6** a representative sample of some of the top restaurants by order volumes appearing on their platforms in recent months. However, the Parties note that a number of factors, such as seasonality, staffing and pricing influence the top restaurants on the Parties' platforms at any one given time.

16.2 Competitors

16.2.1 The Parties consider that their main competition comes from orders for takeaway food placed over the telephone, rather than from other food delivery platforms or orders placed online through websites. Almost all restaurants allow consumers to place orders directly by telephoning the restaurant, using a number which can be obtained easily from any search engine (e.g. Google, Bing etc.), on the restaurant's website or via offline advertisements (e.g. leaflets received through letterboxes or with previous food orders). Ordering takeaway food for delivery directly from the restaurant over the phone is the preferred channel used by consumers to order takeaway, with 60% of orders in the UK for takeaway services being placed over the telephone.[74] Ordering directly over the phone is also the preferred channel of ordering for restaurants, as it allows them to secure orders at no added cost to the restaurant service they are already providing. As such, the Parties consider that their main competitor is orders placed with restaurants over the telephone.

16.2.2 The Parties also compete with orders placed on the restaurant's own website and with walk-in customers, who order food for either home delivery or pick-up directly from the restaurant itself.

16.2.3 In addition to competition faced from the restaurants themselves, the Parties compete with a number of other players, who offer takeaway services. An overview of the main activities of these players is set out below:

- **Deliveroo** is a British online food delivery company that has operations in the UK, the Netherlands, France, Germany, Belgium, Ireland, Spain, Italy, Australia, Singapore, Dubai and Hong Kong. Orders are placed through its website and then self-employed bicycle or motorcycle couriers transport orders from restaurants to customers.
- **Domino's** is a dine-in, take out or delivery restaurant chain which offers a variety of foods including pizzas, chicken wings and other chicken-based products, garlic breads, salads and desserts. Delivery orders can be placed

[74] ShareCast, *Berenberg starts Just Eat at 'buy'*, 18 May 2016, available at http://www.sharecast.com/news/berenberg-starts-just-eat-at-buy/24424949.html.

via Domino's webpage or through Domino's own mobile app, which can be downloaded via the Apple App Store or Google Play, and which allows consumers to place their orders on their mobiles and also re-order customers' favourite dishes with no clicks required.

- **UberEATS** is an on-demand meal delivery service powered by the Uber Technologies Inc ("**Uber**") app which connects drivers and riders, and utilises Uber's existing network to deliver meals to customers.
- **Amazon** is an electronic commerce and cloud computing company considered to be the largest internet-based retailer in the world by total sales and market capitalisation. Amazon Restaurants is currently in its pilot stage and allows people living or working, mainly in central London postcodes, to order takeaway food via the Amazon Prime Now app. Unlike UberEATS and Deliveroo, Amazon Restaurants uses a network of delivery service providers to deliver orders, which gives Amazon Restaurants the opportunity to expand nationwide.
- **Papa John's** is a dine-in, take out or delivery restaurant chain which offers pizzas, oven-baked chicken, sides, such as potato wedges and corn, and desserts. Delivery orders can be placed via its webpage or through its own mobile app, which can be downloaded via the Apple App Store or Google Play.
- **Pizza Hut** is a dine-in or take out restaurant chain which offers pizzas, oven-baked chicken and shrimp, pasta, lasagna and desserts. Delivery orders can be placed via its webpage or through its own mobile app, which can be downloaded via the Apple App Store or Google Play.
- **Burger King** is a global fast food chain offering takeaway and dine-in services to its patrons. Originally founded in 1954 in America, Burger King has expanded globally and has 20,000 employees throughout the UK and Ireland.[75] In 2010, 3G capital, a global multi-million dollar investment firm, purchased Burger King and the company is now privately-held.[76] The restaurant chain offers various food items including flame-grilled burgers, crispy chicken strips, fish burgers and salads. Burger King began its direct delivery service in 2015 on a trial basis and it now permanently offers this service in several towns. Users can order food from Burger King to be delivered to their door either through Burger King's own website or app.
- **Jinn** is a British on-demand local food delivery service that has operations in the UK and Spain. Jinn allows customers to place an order with a restaurant of choice and have it delivered to their doorstep in around 35 minutes. The service is currently operational in London and Manchester.
- **Henchman and Co Ltd** ("**Henchman**") is a London-based mobile app, that provides a personalised concierge service delivering premium takeaway food

[75] http://www.bkcareers.co.uk/crew.aspx.

[76] http://www.burgerking.co.uk/about-bk.

to users within a short time-frame, by using riders to order and pick up food for a consumer and deliver it to their door.

- **Quiqup** offers pick-up and delivery services for a variety of goods, including food. Quiqup partners with restaurants and shops, as well as offering pick-ups of items requested by its customers. Customers place orders through the Quiqup app, or through the Quiqup website[77] and bicycle couriers transport the goods from and to the relevant location.
- **One Delivery** is an online ordering and outsourced delivery service platform with presence in over 65 cities across the UK including, Leeds, Nottingham, Cardiff, York and Sheffield through franchisees.[78]
- **Kukd.com Limited** ("**Kukd**") is an online provider of packages, solutions and services to suit all types of restaurants and takeaway outlets, as well as being an aggregator for restaurants looking to provide takeaway services to consumers. The company provides e-commerce technology solutions, website and app design, business consultancy and marketing services to the restaurant and takeaway sector across the UK.
- **HeyMenu** is a new online provider of intermediary services between final consumers and restaurants willing to offer home delivery. It commenced operations on 1 March 2017. HeyMenu charges: (i) a fixed monthly fee of £65 per month, regardless of the number of orders received, which is discounted to £45 per month for the first three months; and (ii) a sign-up fee of £249 or £99 (for restaurants that signed up with HeyMenu before it went live).[79]
- **Facebook** is an online social media and social networking service with 1.8 billion monthly active users. Facebook recently introduced a food delivery service in the United States, where users browsing a bar or restaurant's Facebook page can order takeaway directly from Facebook by simply clicking on the new "start order" tab on any dining spot page that uses Delivery.com or Slice. This feature is likely to become available in the UK shortly.
- **Google** is a provider of internet-related services, including online advertising technologies, search, cloud computing, software, and hardware. In 2015, Google launched a new tool to its search system which allows customers to order takeaway from restaurants straight from a page of search results by clicking on "place an order". Currently this service is only available in the United States where Google has partnered with delivery providers Seamless, Grubhub, Eat24, Delivery.com, BeyondMenu and MyPizza.com. However, as Seamless is also present in the UK, it is expected that the service will soon become available in the UK.

16.2.4 Contact details for the Parties' main competitors are set out in **Annex 7**.

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77 https://www.quiqup.com.

78 One Delivery is closely linked to its sister company, One Hour, also founded by Craig Pollock.

79 https://www.heymenu.com/page/restaurant#why-hm.

Increase in the merger parties' buyer power

17 For any product(s) (including raw materials) or service(s) which the merger parties both purchase, provide details of the merger parties' ability to obtain more favourable commercial conditions from suppliers as a result of this merger and the effects of any such increased ability on competition on all levels of the supply chain.

17.1 Not applicable.

18 Provide contact details for relevant suppliers providing an estimate of the annual value and/or volume of purchases.

18.1 Given the online nature of the Parties' business models within the Candidate Markets, the Parties use a number of different service providers for their technological needs. This includes entering into contracts with a variety of different companies who provide services such as media and marketing, data security, site security and monitoring, payment services and search functions. The Parties have provided in **Annex 8** some examples of the main companies from whom they purchase these types of services.

Loss of potential competition

19 What barriers to entry or expansion exist for each merger party to start supplying product(s)/service(s)/geographic area(s) which it does not currently supply but which the other merger party is already supplying (or expected to supply)?

19.1 As explained in Section 20 below, the barriers to entry and expansion within the Candidate Markets are extremely low.

19.2 Since Just Eat and Hungryhouse already have online platforms with established IT systems at the core of their business models,[80] both Parties' businesses are easily scalable to include more restaurants across different locations, with little to no investment costs. In terms of satisfying orders, the same system is able to serve 100,000 or 400,000 orders[81] and therefore it would be relatively easy for the Parties to expand into an area that they do not currently supply, where the other Party currently operates.

19.3 However, both Just Eat and Hungryhouse already have an extremely broad coverage across the UK, with both Parties serving more than [✂] postcodes. This extensive reach is demonstrated by the fact that Just Eat is currently present in over 700 towns within the UK, and Hungryhouse operates in approximately 124 cities. Both businesses serve the major UK cities, towns and surrounding areas, such as London, Birmingham, Leeds, Liverpool, Manchester, Cardiff and Glasgow.

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80 [✂] newer players, such as Deliveroo and HeyMenu, have more up-to-date and flexible technology solutions that enable them to deliver services to restaurant customers and consumers efficiently. Moreover, many of these competitors, such as UberEATS and Amazon Restaurants, have extensive knowledge and experience in relation to technology and therefore have well developed hardware and software solutions.

81 Just Eat Annual Report 2015, page 7, available at: http://je-ict-live-corpsite-assets-eu-west-1.s3.amazonaws.com/wp-content/uploads/2016/03/JUST-EAT-ARA-201516.pdf.

19.4 As Just Eat's presence is larger than that of Hungryhouse, Hungryhouse would be more likely to expand into geographic areas where Just Eat is present than vice versa. [✂].

19.5 [✂], over the same period, both Just Eat and Deliveroo have continued to increase their restaurant numbers.

Exhibit 37A. [✂]

19.6 [✂]. [82] [✂].

19.7 [✂].[83] [✂].

19.8 [✂].

19.9 [✂].

82 [✂].

83 [✂].

20 **Are there any plans by either merger party to do so? Provide any internal documents setting out any plans of any merger party to expand in the overlapping product(s), service(s) and geographic area(s) or to enter a market where another merger party is operating.**

20.1 See response to Section 19 above.

Coordination

21 **Describe the impact of the merger on the potential for coordinated conduct between remaining competitors in respect of the Candidate Market(s), post-merger.**

21.1 In order for coordination to be possible, according to the *Airtours* criteria,[84] all three of the following conditions must be met:

21.1.1 firstly, firms need to be able to reach and monitor the terms of coordination;

21.1.2 secondly, coordination needs to be internally sustainable among the coordinating group (i.e. firms have to find it in their individual interests to adhere to the coordinated outcome and there needs to be some form of credible deterrent mechanism that can be activated if the deviation is detected); and

21.1.3 thirdly, coordination needs to be externally sustainable, in that there is little likelihood of the coordination being undermined by competition from outside of the coordinating group.

21.2 There is no realistic potential for coordinated conduct in any of the Candidate Markets or any plausible segment as a result of the Proposed Transaction for the following reasons:

21.2.1 **Disruptive entrants ensure that the market is too dynamic to sustain coordination** – the market is very dynamic, with the rapid growth of a number of new, disruptive entrants, including Deliveroo, UberEATS and Amazon Restaurants all rapidly expanding into the provision of takeaway services. Further, new entrants are expected with the entry of Google and Facebook's online takeaway services. In such a fast-moving and evolving market, coordination would not be possible. This is especially true since many of the players in the market are recent entrants who want to gain market share, so they would not have the inclination to engage in any form of coordinated activity.

21.2.2 **Differentiated business models make coordination difficult to achieve** – even focusing on the narrowest Candidate Market (i.e. online methods of placing a takeaway order), competitors have different business models and correspondingly different pricing structures. Some players are vertically integrated, others only directly charge the restaurant side of the market (some with fixed fees and others with commission rates on each order), and others charge both the restaurant and the consumer sides of the market for their services. In addition, even players that do follow the same pricing strategy might then decide to implement it very differently. [✄] whereas Just Eat does not [✄].

Vertical effects

22 **If the merger parties operate at different levels of the supply chain (that is, they have a vertical relationship), describe whether the merger would, or would be likely to, limit**

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[84] Case T-342/99 ***Airtours plc v Commission of the European Communities***, 6 June 2002.

the supply of inputs or access to customers such that downstream or upstream rivals would face higher costs post-acquisition or full or partial foreclosure of key inputs or of access to customers.

22.1 Just Eat and Hungryhouse do not operate at different levels of the supply chain in relation to their takeaway services. As a result, this Section 22 is not applicable.

23 For all Candidate Markets in which the merger parties have a vertical relationship, provide contact details for the relevant competitors and customers of the merger parties on the upstream and downstream markets on which each merger party is active (to the extent not already provided in response to questions 16 and 18).

23.1 Not applicable.

Conglomerate effects

24 Provide details of any related product(s) or service(s) supplied by the merger parties.

24.1 The Parties are both active in the market for the provision of takeaway services and neither of them supply any related products or services. As a result, the Proposed Transaction will not result in any conglomerate effects and this section is not applicable.

25 Provide contact details for the relevant competitors and customers of the merger parties for the related products/services in which each of the merger parties is active identified in relation to question 24 above (to the extent not already provided in response to question 16).

25.1 Not applicable.

Entry or expansion

26 Provide details of any barriers to entry and expansion with respect to the Candidate Market(s).

26.1 Barriers to entry and expansion are extremely low. This is particularly the case since there are numerous business propositions that companies can adopt in order to penetrate this market (such as expanding an online business; restaurants offering orders to be taken directly over the phone or via their websites; development of new apps etc.). There are a number of different case studies which demonstrate that, not only are there low barriers to entry and expansion within these markets, but also that the markets are extremely dynamic, allowing companies to decide the best method of entry to maximise their own profits. As such, there is no specific or prescribed route of entry or expansion with respect to these markets, meaning that competitive constraints on companies (and the Parties themselves) are imposed from a number of different angles. Set out below is an overview of the different types of models businesses have used to successfully enter into, and expand within, the market. These include: (i) new players which have been able to grow significantly since their inception (e.g. Deliveroo); (ii) existing players active in adjacent markets, which, by capitalising on their existing loyal customer base and deep pockets (and consequently on their ability to operate initially at a loss), have entered and are rapidly expanding into the market (e.g. Amazon Restaurants and UberEATS); and (iii) existing restaurant chains which have successfully responded to the increasing demand for simplicity and innovation through e-commerce (e.g. Domino’s, Papa John's, Pizza Hut).

26.2 Deliveroo

26.2.1 New market player, Deliveroo, has become a strong competitive force against the Parties, using a business model which is different to that of the Parties. Despite currently having a smaller footprint than either Just Eat or Hungryhouse, by providing an existing fleet of drivers so restaurants do not need to invest in employing drivers, the company has expanded aggressively across the UK.

26.2.2 Since its launch only three years ago, Deliveroo has become a strong player in the market, and now that it has developed its existing platform to a high standard, the business is easily scalable to geographical areas where it is currently not present. This growth and expansion is evidenced by the fact that, between December 2015 and August 2016, Deliveroo expanded into new regions, including Blackpool, Milton Keynes and Plymouth and added more than 1,500 postcodes to its geographic coverage. Deliveroo’s expansion has been funded by several rounds of financing, through which it has raised $474.6 million (approximately £380 million) from external investors. This funding has allowed Deliveroo to spend heavily on marketing, in order to raise its public profile and increase brand awareness. The low barriers to entry and expansion are demonstrated by how prosperous Deliveroo has been in such a short space of time – the company has become a successful player in just three years and shows no signs of slowing growth.

26.2.3 Companies wishing to enter or expand into the market in a similar fashion to Deliveroo only need an online platform and a fleet of drivers with their own bicycle/motorbike (further lowering cost barriers) to enable them to enter the market. If they can also then raise funding and increase their brand awareness, as Deliveroo has, they are likely to be a successful market player and impose a competitive constraint on others in the market.

26.3 UberEATS/Amazon Restaurants

26.3.1 Companies such as UberEATS and Amazon Restaurants have rapidly entered the provision of takeaway services by building on existing capital, assets and relevant expertise from already very successful businesses in other markets, which allowed them to easily move into the market. As discussed further in Section 27 below, Uber has been extremely successful with its car-hailing service app, and has recently moved into the Candidate Markets with relative ease by capitalising on the success of its app, its brand name and its deep pockets to develop into a new driver-based market.

26.3.2 Similarly, global powerhouse Amazon has built on its existing infrastructure as an online distribution company in order to expand into providing a takeaway food service to its customers. As a result of its huge distribution network across the UK and its millions of customers, Amazon Restaurants is able to capitalise on its existing online delivery platform and last-mile delivery logistics infrastructure in order to break into the market.

26.3.3 It is also expected that Facebook and Google will enter the UK market in the near future by offering users the ability to order from the restaurant’s Facebook page or straight from a list of Google search results or Google maps for iOS application, as they have recently done in the United States, demonstrating just how easy it is for an existing firm to expand into this market.

26.3.4 Such companies also have existing platforms which afford them the scalability and knowhow to enter the market in a very short period of time – and they also already have a huge and loyal existing customer base which they can capitalise upon. Therefore, it is easy for them to expand into the market without significant additional investment. Similarly, funding does not appear to be a strong barrier to entry for these types of companies, with Uber holding the title of "the most funded start-up in the world" despite reported losses.

26.3.5 Despite Amazon Restaurants and UberEATS currently having a much smaller reach across the UK than either Just Eat or Hungryhouse, their existing platforms are easily scalable and their business models are based on growth in the near future, meaning that they are likely to expand into geographical areas where they are currently not present, imposing an even further competitive constraint on the Parties.

26.3.6 Other websites, such as those offering restaurant table booking services, also have access to the required IT tools and knowhow to expand their businesses to the provision of takeaway services, if they wished to enter such market. However, it should be noted that, whilst barriers to entry in the market are low, it can be difficult to maintain a successful business within the market, particularly if a new entrant does not have a high level of existing brand awareness, an existing delivery infrastructure or an existing customer base to whom to cross-sell. This is evidenced by the recent exit of Take Eat Easy, which ceased trading in the UK in July 2016, despite raising £13 million of funding in the previous year. Notwithstanding this, the recent entrants that have entered and are in the process of entering the market, such as UberEATS and Amazon Restaurants, all have the finance, brand awareness, delivery infrastructure and an existing customer base in place which will allow them to overcome any barriers to success and be credible market players.

26.4 Other aggregators

26.4.1 As discussed in Section 19 above, the absence of significant barriers to entry is also true for aggregator online takeaway companies such as Just Eat and Hungryhouse, and HeyMenu (which launched on 1 March 2017). These companies use web-based platforms that are easily scalable and adaptable to different geographic locations. Further, there are no critical patents or intellectual property that would prevent entry or expansion of new or existing competitors.

26.4.2 Aggregator platforms have extremely low start-up costs, as all they require are an online platform for restaurants to sign up to and customers to place orders. Restaurants provide their own delivery drivers, and the business model rests on aggregating restaurants with existing takeaway services and providing consumers with the best possible choice on one platform. As such, once a good online platform has been set up, a business adopting this model can expand into different cuisines and geographical locations without significant costs.

26.5 Orders placed with restaurants

26.5.1 For newcomers into the provision of takeaway services (who can then compete with Just Eat and Hungryhouse by offering home delivery services by telephone or direct walk-ins for takeaway), aside from an initial investment in the restaurant, there are very few relevant barriers to entry.

26.5.2 This is evidenced by the fact that new restaurants frequently open in all geographic areas all of the time. Offering home delivery services does not require many additional investments for an eating-in restaurant and they can easily accept orders over the telephone or on their website as soon as their restaurant has been established. To the extent not already present, a restaurant may need to employ a driver and a suitable vehicle to conduct these deliveries, but the costs associated with this barrier to entry are likely to be easily off-set by the increase in profits from orders satisfied.

26.5.3 For restaurants with a physical presence, offering a takeaway service would be a very workable way to increase revenues from orders, without the expenditure on fixed costs from expanding physical locations. Entering into the market by providing food to customers to eat in the comfort of their own homes allows the restaurants to capitalise on their existing infrastructure of serving food, without much additional cost. This, coupled with the fact that barriers to entry and expansion are negligible, means that offline orders from restaurants are a large competitive threat to the Parties.

26.5.4 Notably, companies such as Preoday and Orderlord UK are making it easier and simpler for restaurants to create or buy their own ready-made app, and this, together with sophisticated mechanisms for delivery management software at their fingertips, allows restaurants to quickly become a competitor to players such as Just Eat, Hungryhouse, UberEATS and Deliveroo.

26.5.5 With potential expansion of franchises also available, this is a model that companies such as Domino's and Pizza Hut have adopted in various forms.[85] Using existing capital from previous success, this model has allowed companies to grow both online and offline. The lack of barriers to expansion is evidenced by the considerable growth of Domino's, in terms of app downloads (with more than 11.5 million customers in the UK having downloaded the Domino's app by the end of 2015[86]), numbers of online orders and brand awareness.

26.6 Other models

26.6.1 There are a number of alternative models that companies are using to enter and expand into the takeaway services market. Companies such as One Delivery, Jinn and Henchman provide personalised concierge and delivery service. Customers can simply browse the location-based app for items they want to purchase (including food) and one of the start-ups' self-employed couriers will be sent to the restaurant to buy the order, which he/she will then deliver to the customer's doorstep in a short timeframe.

26.6.2 Companies operating under this model can take advantage of: (i) the large gap in the market for delivery of fast-food from well-known chains such as Burger King, McDonald's and KFC, previously untapped by other players; (ii) the very low barriers

[85] Burger King has also recently begun direct delivery.

[86] Domino's annual report and accounts 2015, page 7, available at http://investors.dominos.co.uk/system/files/uploads/financialdocs/dominos-ar-2015.pdf.

to entry, as companies offering personalised concierge and delivery services do not need partnership agreements or contracts with specific restaurants to enter the market or expand into new locations; and (iii) the growing consumer demand fostered by the wide range of choice available to consumers (as the offering is not restricted to a catalogue of restaurants).

26.7 Blurred lines between different models

26.7.1 As outlined in Section 2.4.1 above, the Parties note that the industry is moving towards a combination of marketplace (aggregator) and delivery services, with the lines between both models becoming increasingly blurred. [✂]. Delivery is increasingly becoming a key determinant in relation to consumer satisfaction; for example, Just Eat's customer research shows that consumers mention delivery speed as a factor in [✂]. As such, if online takeaway service providers are unable to offer reliable delivery, consumer satisfaction rates are likely to be low, which may impact consumer retention rates. [✂],[87] [✂]. From the restaurants' perspective, there are also significant fixed costs associated with the employment of drivers, which are typically in high demand during peak hours (in particular 3-hour windows on Friday and Saturday evenings), but often not required for other parts of the day or week. As such, as the market rapidly expands and consumers increasingly expect providers of online takeaway services to enable access to a large range of restaurants,[88] [✂].

26.7.2 In light of these developments, the provision of online takeaway services is moving towards hybrid business models, blurring the lines between what may have previously been regarded as "aggregators" and "delivery" providers. Other jurisdictions are slightly ahead in shifting to such hybrid models: in Asia, for example, Foodpanda has started offering both last mile delivery and aggregator services through the same app by which consumers are able to see whether their meal will be delivered by Foodpanda or by the restaurant's own drivers and can therefore make an informed choice. Hybrid business models combining aggregator and delivery models will also become increasingly prevalent in the UK, primarily in response to the rapidly changing competitive landscape following the entry and explosive growth by Deliveroo and UberEATS, plus other players such as Amazon Restaurants which have significant experience and expertise in delivery. [✂].

Just Eat

26.7.3 [✂].[89]

26.7.4 [✂].

26.7.5 [✂].

[87] See, for example, slides 18, 24, 26 of **Annex 3B.15** and **Annex RFI.7B.1**.

[88] This is not relevant to takeaway service providers who offer services for their own restaurants (e.g. Domino's, Pizza Hut etc.).

[89] In this regard, Just Eat is recruiting for a new Operations Project Manager for its delivery services (see https://www.linkedin.com/jobs/view/238615371/?trk=jobs_biz_prem_srch).

26.7.6 [✂].

26.7.7 [✂].[90]

Hungryhouse

26.7.8 In recognition of the shortcomings of a purely “aggregator” based business model, particularly in light of the increasing competitive constraint from delivery-based new entrants, Hungryhouse has been considering entering into arrangements relating to the delivery of food for some time. Hungryhouse’s parent entity, Delivery Hero, has experience in the takeaway services sector across a wide range of jurisdictions and has therefore witnessed the emerging constraint from delivery-based and hybrid business models elsewhere. It was therefore keen to pre-empt these developments in the UK by providing Hungryhouse with delivery capabilities. For example, already, in May 2015, Hungryhouse partnered with Valk Fleet who provided delivery services for Hungryhouse orders.[91] [✂].[92]

26.7.9 Given the increasing importance of delivery capabilities, Hungryhouse continued its search for a third party delivery service provider it could cooperate with. As a result of these efforts, Hungryhouse began developing a last mile delivery solution with Quiqup in April 2016. A formal arrangement with Quiqup was concluded in January 2017.[93] This partnership with Quiqup will enable Hungryhouse to serve restaurant customers that do not have – or no longer want to have – their own delivery drivers. It will also allow Hungryhouse to serve existing restaurant customers with an insufficient number of drivers at times of peak demand. [✂][94] [✂].[95]

26.7.10 [✂].[96] [✂].

26.7.11 [✂].[97] [✂].

26.7.12 [✂].[98]

27 Provide:

(a) **details of any expansion, entry or exit in any of the Candidate Markets over the past five years, and**

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90 See **Annex RFI1.7A.1** for further details.

91 An overview of this service is provided in **Annex RFI1.7B.2** and **Annex RFI1.7B.3**. See also **Annex RFI1.7B.4**.

92 See **Annex RFI1.7B.5**.

93 For an overview of the services offered by Quiqup see **Annex RFI1.7B.6** and Quiqup’s announcement to investors at **Annex RFI1.7B.7**. Hungryhouse’s press release in relation to this partnership is provided as **Annex RFI1.7B.8**. The partnership agreement between Hungryhouse and Quiqup is provided as **Annex RFI2.3B.1**.

94 See https://api.quiqup.com/operating_areas/active.

95 [✂].

96 [✂].

97 [✂].

98 [✂].

(b) **of any companies that the notifying parties consider are likely, post-merger, to enter or expand into any of the Candidate Markets in a sufficiently timely manner so as to adequately constrain the merged entity,**

including, in either case, any available evidence for that submission and contact details for any companies named.

27.1 The last five years have witnessed a rapid entry and expansion of several new players, including Deliveroo, Domino's, Papa John's, UberEATS, Jinn, Henchman, Kukd, One Delivery, Amazon Restaurants and Quiqup. In addition, new entrant HeyMenu has recently entered the market on 1 March 2017 and it is expected that Facebook and Google, already offering takeaway services in the United States, will expand their operations to the UK in the near future. By contrast, in the last five years, just two players, Take Eat Easy and Takeaway.com, have exited the UK market.

27.2 Entry / rapid growth

27.2.1 Deliveroo

- Deliveroo was founded in February 2013 by a former investment-banking analyst and a software engineer. Less than three years after its launch, Deliveroo had more than 300 employees, along with 5,000 delivery agents on bikes and scooters in the UK, the Netherlands, France, Germany, Belgium, Ireland, Spain, Italy, Australia, Singapore, Dubai and Hong Kong. Since its inception, Deliveroo has enjoyed a steady revenue growth of 20%-25% per month, along with a 25% month-by-month increase of its user-base.[99]
- Since its first round of external investment in June 2014, Deliveroo has raised USD 474.6 million (approximately £380 million) in five rounds of funding.
- As explained in Section 15.3.1 above, Deliveroo's rapid growth is evidenced by:

  (a) the increase in brand awareness for Deliveroo amongst takeaway consumers;

  (b) the rate at which Deliveroo has signed up new restaurants; and

  (c) the increase in Deliveroo's geographic coverage.
- In terms of brand awareness, as noted in Section 15.3 above*,* data from the [✂].
- In terms of restaurant expansion, as of November 2016, Deliveroo has signed over 6,500 restaurants to its platform, roughly doubling its restaurant listings in the 12 months leading up to November 2016. Deliveroo's portfolio includes prominent restaurants and chains such as Brindisa, Busaba Eathai, Carluccio's, Cay Tre, Goodlife Diner, Gourmet Burger Kitchen, Princi, Rossopomodoro and Tommi's Burgers.

[99] Forbes, *Delivering 25% Month-On-Month Growth: The Deliveroo Story*, 26 February 2016, available at http://www.forbes.com/sites/freddiedawson/2016/02/26/delivering-25-month-on-month-growth-the-deliveroo-success-story/#587d852c4590.

- In terms of geographic coverage, Deliveroo has now expanded its presence well beyond London, with offerings in cities including Birmingham, Leeds, Liverpool, Edinburgh, Manchester, Bristol, Blackpool, Milton Keynes and Plymouth.

27.2.2 UberEATS

- Capitalising on its existing car service app and brand awareness, Uber has built in an on-demand food service, which was first launched in Santa Monica in 2014 under the name UberFRESH. In April 2015, Uber renamed its UberFRESH program to UberEATS and expanded the service to include Barcelona, Chicago and New York City. UberEATS continued to expand throughout the second half of 2015 to Atlanta, Austin, Philadelphia, San Francisco, Toronto and Washington D.C. Currently, UberEATS is present in more than 18 cities around the globe including the United States, Australia, France, Canada and Singapore.
- In June 2016, UberEATS launched in London, allowing customers to order takeaway food from restaurants that do not typically deliver themselves. At its launch, UberEATS' portfolio encompassed more than 150 restaurants.[100] As of September 2016, UberEATS' portfolio grew to around 500[101] restaurants including renowned chains such as Good Life Eatery, Hotbox, Chilango, Pho, Comptoir Libanais and Snog. UberEATS has recently launched in Manchester, where it already has more than 100 restaurant customers and it has firm plans to widen the availability of its takeaway service across the UK, including in with Birmingham and Leeds.[102] [✂].[103]
- With the support of Uber's USD 1.5 billion[104] net revenue and its UK-wide turnover of £23.3 million[105], UberEATS competes aggressively with other providers of online takeaway services by promising that orders up to £30 will receive £30 off their next order if they take longer than 30 minutes.[106] To ensure that deliveries are achieved within the specified timeframe, UberEATS has quadrupled the number of couriers on the roads since its launch. UberEATS' strategy to rapidly win new customers also includes a £10

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[100] The Daily Mail, *Uber goes gourmet! The taxi app branches into food with 150 restaurants to choose from (and promises to deliver within half an hour)*, 16 June 2016, available at http://www.dailymail.co.uk/femail/food/article-3644785/Uber-branches-food-150-restaurants-choose-from.html#ixzz4WKDVzjea.

[101] Evening Standard, *UberEATS expands to Zone 2 in London*, 29 September 2016, available at http://www.standard.co.uk/lifestyle/london-life/ubereats-expands-to-zone-2-a3357401.html.

[102] Bloomberg Technology, *Uber is Preparing to Deliver Its Food Business to Further U.K. Cities*, 19 August 2016, available at https://www.bloomberg.com/news/articles/2016-08-19/uber-is-preparing-to-deliver-its-food-business-to-further-u-k-cities.

International Business News, *Uber plans to expand UberEats food delivery service to more UK cities*, 22 August 2016, available at http://www.ibtimes.co.uk/uber-plans-expand-ubereats-food-delivery-service-more-uk-cities-1577302.

[103] [✂].

[104] Business of Apps, *Uber Revenue Analysis*, 5 September 2016, available at http://www.businessofapps.com/uber-revenue-analysis/.

[105] Pluris, *Uber Sales and Profit Growth*, 11 October 2016, available at http://www.pluris.co.uk/uber-sales-and-profit-growth/.

[106] Business Insider UK, *People are gaming UberEats to get hundreds of pounds in free food*, 3 October 2016, available at http://uk.businessinsider.com/how-to-get-free-ubereats-vouchers-promotions-food-hundreds-pounds-london-2016-9.

credit for every person existing customers refer to the service, along with other strategies to achieve brand recognition.[107]

27.2.3 Amazon Restaurants

- In September 2015, online retailer Amazon introduced a takeaway service in Seattle which it offered through its delivery app Prime Now. The service has rapidly expanded and is now available in 15 cities across the United States.
- Amazon chose the UK as its first international launch of takeaway service in 2016. The service is initially available to Prime Now customers across London.
- Since its recent launch, Amazon Restaurants has signed up over 200 restaurants to deliver food via the platform.[108] This includes The Mayfair Pizza Co., The Duck Truck, Hummus Bros, Strada, Gastronomica and Planet Hollywood.[109] The service is currently available to Amazon Prime subscribers who pay a membership fee of £79 a year, or £7.99 a month, who will be able to enjoy free deliveries for orders of at least £15.
- As with Uber, Amazon is able to capitalise on its deep pockets and existing loyal customer base, which allows it to compete aggressively by offering vouchers if the one-hour delivery promise is not fulfilled. Other financial incentives include £10 off vouchers for first time orders or refunds of the cost of any item if a customer finds it priced lower on another online menu.[110]

27.2.4 Jinn

- Launched in April 2014, Jinn is a 24/7 app which enables customers to order food and other goods from any local restaurant or shop and have it delivered to their doorstep for a fixed fee. With operations in London and Manchester, Jinn has delivered over 50,000 orders in Central London in just two years since launch. This equates to an annual run rate of USD 25 million (approximately £20 million) in sales. Jinn has experienced steady 30% month-on-month growth, with customers ordering on average once a week.[111] Jinn has raised over USD 9.7 million (approximately £7.8 million) in

[107] For example, UberEATS recently offered free ice cream delivered to the consumers' doors if they sign up with Uber or UberEATS. See Metro, *Uber is giving away free ice lollies TODAY,* 11 August 2016, available at http://metro.co.uk/2016/08/11/uber-is-giving-away-free-ice-lollies-tomorrow-6062523/.

[108] Amazon Restaurants signed up around 150 restaurants upon launch (source: http://phx.corporate-ir.net/phoenix.zhtml?c=251199&p=irol-newsArticle&ID=2199707). Amazon Restaurants has since added a further 80 restaurants to its listings (source: http://www.cityam.com/253660/amazon-restaurants-food-delivery-expands-more-london).

[109] Business Insider UK, *People are gaming UberEats to get hundreds of pounds in free food*, 3 October 2016, available at http://uk.businessinsider.com/how-to-get-free-ubereats-vouchers-promotions-food-hundreds-pounds-london-2016-9.

[110] Net Imperative, *Deliveroo beware: Amazon takes food delivery service to London*, 8 September 2016, available at http://www.netimperative.com/2016/09/deliveroo-beware-amazon-takes-food-delivery-service-london/.

[111] Startups, *Jinn app bags $7.5m to "bring any item straight to your door"*, 6 April 2016, available at http://startups.co.uk/jinn-app-bags-7-5m-to-bring-any-item-straight-to-your-door/.

five investment rounds,[112] which it plans to use to expand to more UK cities and continental Europe.[113]

- Jinn's business model offers consumers the possibility to browse its location-based app for items they want to purchase, or enter their request in a free-form text field. Based on proximity, one of Jinn's self-employed couriers is sent to the restaurant or store to purchase the item, which he/she then delivers to the customer in less than an hour. Fast-food has proven the most popular item ordered, especially since well-known fast food chains such as McDonald's do not operate their own delivery service.[114]

- As a result, Jinn's business model allows it to: (i) launch in new locations before it has partnerships with restaurants; and (ii) offer a wide range of choice to end consumers which is not limited to the number of restaurants it has signed up with. Jinn's business model also incentivises restaurants to sign up with the app, in order to offer end consumers more attractive conditions in the form of lower delivery fees and reduced delivery time. In this respect, Jinn has put in place official partnership agreements with more than 500 merchants and plans to grow this number significantly in the near future.[115]

27.2.5 One Delivery

- One Delivery was launched in March 2013 in Leeds, providing delivery services from around 500 restaurants, including fast food chains such as McDonald's, KFC and Burger King.

- One Delivery operates through a franchise system, which can be acquired from £995.00 plus a monthly management fee of £75, which has led to One Delivery being present in 65 cities across the UK, including Leeds, Nottingham, Cardiff, York and Sheffield[116] and gather over 30,000 drivers.[117] Since its launch in 2013, One Delivery has delivered over 500,000 food orders with some individuals ordering more than 15 times per month.[118] On average, One Delivery carries out 10,000 deliveries a month, with 60% of these orders coming from KFC.

27.2.6 HeyMenu

- HeyMenu, a new online provider of intermediary services between final consumers and restaurants, commenced operations on 1 March 2017.

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[112] Crunchbase, *Jinn*, April 2016, available at https://www.crunchbase.com/organization/jinn#/entity.

[113] Business Insider UK, *London delivery company Jinn has raised $7.5 million in funding*, 5 April 2016, available at http://uk.businessinsider.com/london-delivery-company-jinn-raises-75-million-series-a-2016-4.

[114] Jinn has increasingly been able to compete on speed, with an average delivery time of 32 minutes, down from 45 minutes six months ago. Tech Crunch, *London-based on-demand delivery service Jinn picks up $7.5M Series A*, 5 April 2016, available at https://techcrunch.com/2016/04/05/jinn-picks-up-series-a/.

[115] PJ Tec, *London-based on-demand delivery service Jinn picks up $7.5M Series A*, 5 April 2016, http://news.pjtec.co.uk/london-based-on-demand-delivery-service-jinn-picks-up-7-5m-series-a/.

[116] Franchise Direct, *One Delivery, The future of restaurant and fast food delivery*, available at http://www.franchisedirect.co.uk/courierfranchises/one-delivery-franchise-12336/.

[117] One Hour's website, available at https://one-hour.co.uk/.

[118] One Delivery's brochure, available at https://issuu.com/sreerams/docs/od1.

According to publicly available sources, "*HeyMenu enters the competitive UK online takeaway industry with plans to disrupt the current market and its competitors, with a new and improved business model*".[119] HeyMenu is actively branding itself as a competitor to the Parties, stating on its website that "*unlike Just Eat and Hungryhouse, we offer a simple, very low, fixed monthly amount*" regardless of the number of orders placed through its website.[120]

- HeyMenu seeks to increase restaurants' profitability by abolishing commission rates which are calculated by reference to order value. HeyMenu also promises restaurants that they "*will never pay commission on an order [HeyMenu] provide[s]*".[121] Instead, HeyMenu charges (i) a lump-sum monthly fee of £65 per month (which is discounted to £45 per month for the first three months); and (ii) a sign-up fee of £249 or £99 (for restaurants that signed up with HeyMenu before it went live).[122] This sign-up fee is "*around less than 10% of [its] largest competitors*" and includes all equipment and online set-up.[123] Overall, "*HeyMenu's proposition is to provide up to 90 per cent lower costs to takeaway restaurants than [its] competitors*".[124]
- In addition to its no-commissions proposition, HeyMenu seeks to attract restaurants by providing "*more personalisation and dependable technology that ensures orders are not dropped, payments are secure and reliable and deliveries are tracked from restaurant to the front door*".[125]
- To generate rapid brand recognition and awareness, HeyMenu has budgeted £4 million to spend on marketing. It also guarantees that "*[its] partners can expect to receive an average of 40 orders a month in their first 3 months*".
- Even before substantial marketing spend is undertaken, HeyMenu has already experienced a significant increase in the number of restaurants listing with it. For instance, in just over three weeks since HeyMenu announced its intention to enter the market, over 2,000 takeaway restaurants joined HeyMenu. As a result of such rapid increase in demand, HeyMenu decided to substantially increase its contact centre staff and employee face-

[119] StreetZine, *New Disrupter Enters the UK Takeaway Food Fight*, 7 October 2016, available at http://www.streetfoodnews.co.uk/uk-takeaway-food-fight/.

[120] https://heymenu.com/page/restaurant?gclid=Cj0KEQiA_eXEBRDP8fnIlJDXxsIBEiQAAGfyoYxW6JBKRbKGZ69U0Uud5mx8MB8kCp7kDM3jm0zEen8aAotg8P8HAQ#why-hm.

[121] QuickBite, *The online takeaway service bringing commission free orders to restaurants*, available at http://quickbitemagazine.co.uk/features/article/the-online-takeaway-service-bringing-commission-free-orders-to-restaurants.

[122] https://www.heymenu.com/page/restaurant#why-hm.

[123] QuickBite, *The online takeaway service bringing commission free orders to restaurants*, available at http://quickbitemagazine.co.uk/features/article/the-online-takeaway-service-bringing-commission-free-orders-to-restaurants.

[124] StreetZine, *New Disrupter Enters the UK Takeaway Food Fight*, 7 October 2016, available at http://www.streetfoodnews.co.uk/uk-takeaway-food-fight/. See also Takeaway and Restaurant Innovation, Expo 2017, *Introducing HeyMenu at The Takeaway and Restaurant Innovation Expo 2017*, available at http://www.takeawayexpo.co.uk/news/blog.asp?blog_id=3777.

[125] StreetZine, New Disrupter Enters the UK Takeaway Food Fight, 7 October 2016, available at http://www.streetfoodnews.co.uk/uk-takeaway-food-fight/.

to-face sales force.[126] In October 2016, it was reported that HeyMenu has seen "*the company on-boarding an average 500 takeaway restaurants per week, developing at a significant fast-pace, prior to any substantial marketing activity*".[127] HeyMenu is currently working to sign up 10,000 takeaway restaurants ahead of its consumer launch, and anticipates on-boarding up to 250 per day from there on.[128]

27.3 Expansion

27.3.1 Domino's

- Domino's Pizza entered the UK in 1985 with a single branch in Luton[129] and in 2012 changed its name to Domino's to emphasise the variety of non-pizza products increasingly being added to its menu. In an attempt to capitalise on the boom of online trading, Domino's has made increasing efforts to boost its e-commerce (both via its own webpage and also through its mobile app). In this respect, around three years ago, Domino's launched a takeaway ordering app by which consumers can order their favourite pizzas, sides, desserts and drinks quickly and easily with their configured "Easy Order" with just one touch. This app has acquired a total of 11.5 million downloads since it was launched.
- Additionally, Domino's has taken "easy ordering" to another level by launching a "Zero Click" app which instantly delivers consumer's recently ordered items to their doorsteps by simply opening the app. The standalone app is linked to the customer's Domino's account which they need to log into before completing their first order. After that, by simply opening the app and, after a 10-second countdown, the consumer's previously ordered "Easy Order" will automatically be placed.[130] In the past, Domino's has also allowed customers to order pizza via Amazon Echo, Apple's Siri, Samsung's Smart TVs, and even emoji on Twitter.[131]
- In 2015, Domino's achieved an underlying operating profit of £73.2 million, with e-commerce sales representing 77.7% of all delivered sales (up from 70.8% in 2014) and app-based sales representing the largest distribution channel, driving 48.6% of online sales.[132]

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[126] PR Newswire, New Disruptor Enters the UK Takeaway Food Fight, 25 October 2016, available at http://www.prnewswire.co.uk/news-releases/new-disruptor-enters-the-uk-takeaway-food-fight-598310821.html.

[127] StreetZine, New Disrupter Enters the UK Takeaway Food Fight, 7 October 2016, available at http://www.streetfoodnews.co.uk/uk-takeaway-food-fight/.

[128] PR Newswire, 9 December 2016, HeyMenu Welcomes New Chief Executive, available at http://www.prnewswire.co.uk/news-releases/heymenu-welcomes-new-chief-executive-605651296.html.

[129] The Guardian, *The rise and rise of Domino's Pizza*, 9 January 2014, available at https://www.theguardian.com/business/2014/jan/08/dominos-pizza-sales-up.

[130] Life Hacker, *Domino's Pizza Has Launched A 'Zero Click' Instant Delivery App*, 14 September 2016, available at http://www.lifehacker.com.au/2016/09/dominos-pizza-has-launched-a-zero-click-instant-delivery-app/.

[131] The Verge, *New Domino's app automatically orders a pizza when you or anyone else opens it*, 6 April 2016, available at http://www.theverge.com/2016/4/6/11377860/dominos-pizza-zero-click-app-easy-order.

[132] Domino's 2015 annual report, pages 1 and 7, available at http://investors.dominos.co.uk/system/files/uploads/financialdocs/dominos-ar-2015.pdf.

27.3.2 Papa John's

- Papa John's has operated in the UK since 2001, the same year it made available online ordering to its customers.[133] Currently, 55% of Papa John's orders are made through digital channels, with digital orders increasing by 3% to 5% every year since 2010. The company believes this growth will continue at least until 70% to 80% of all of its orders are digital. Papa John's has been heavily marketing its digital platforms in order to drive customers to those offerings by constantly enhancing the user experience of its digital platforms with new innovations. For instance, in August 2016, Papa John's launched an ordering app on Apple TV which allows users to customise orders, as well as store past orders, payment and delivery information. All Papa John's orders made via Apple TV are automatically discounted 25%.[134]

27.3.3 Burger King

- In February 2015, Burger King announced a trial for a home delivery service in the UK for certain postcodes.[135] This has since now expanded on a more permanent basis and has been rolled out nationally to more towns across the UK. Upon its launch, it was acknowledged that this service will see Burger King "*competing with fast food delivery giants such as Just Eat or Hungryhouse*" and that initial public reaction was extremely positive.[136] Users can order food from Burger King to be delivered to their door either through Burger King's own website or app. Burger King also offers a rewards system through its online platforms, dependent on a user's location, which encourages loyalty to use Burger King's own website.[137]

27.4 Likely entry

27.4.1 Facebook

- In October 2016, Facebook announced that restaurants and takeaways available on the American food delivery platforms, Delivery.com or Slice, will now have their menus automatically linked to the social network. Facebook users will now be able to order food from restaurants directly from their Facebook pages by simply clicking on "Start Order" on any restaurant's Facebook page that uses Delivery.com or Slice. Customers will be able to pay with a credit card they have on file with Facebook, without being required to sign up with Delivery.com or Slice.[138]

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[133] Papa John's, *10 Facts You May Not Know About Papa John's*, 24 March 2016, available at http://www.papajohns.co.uk/blog/10-ten-facts-you-may-not-know-about-papa-johns/.

[134] Yahoo! Finance, *Papa John's has a new weapon in the pizza industry's technology wars*, 30 August 2016, available at https://uk.finance.yahoo.com/news/papa-johns-weapon-pizza-industrys-120000778.html.

[135] Daily Mail, *Now you don't have to move from your sofa for a Double Whopper: Burger King rolls out new home delivery trial service in UK… but you'll have to spend at least £14 to use it!*, 19 February 2015, available at http://www.dailymail.co.uk/femail/food/article-2959807/Burger-King-trials-delivery-service-eight-UK-locations.html.

[136] Telegraph, *Burger King launches UK delivery service*, 20 February 2015, available at http://www.telegraph.co.uk/foodanddrink/foodanddrinknews/11422133/Burger-King-launches-UK-delivery-service.html.

[137] Burger King, *Terms of Use for delivery service,* available at https://www.burgerkingdelivers.co.uk/#!/page/108.

[138] The Drum, *Facebook integrates with Delivery.com and Slice as it hones in on food*, 21 October 2016, available at http://www.thedrum.com/news/2016/10/21/facebook-integrates-with-deliverycom-and-slice-it-hones-food.

- Facebook will not charge any fee from the restaurants, from Delivery.com or Slice or from the end consumers. Instead, Facebook envisages that the new feature will generate more traffic, which in turn will boost its advertisement-driven profits.
- Even though the feature is currently only available in the United States, it is likely that it will expand to other regions.[139] As with Amazon Restaurants, it is expected that the UK will be chosen as the first international launch.

27.4.2 Google

- In May 2015, Google announced the launch of a shortcut function, whereby users can place an order on their device directly from Google search results. In addition, Google has also provided an update to their popular Maps for iOS application, by allowing users to tap on a restaurant within the map functionality which will take them to a button entitled "place an order" making ordering food for consumers "easier than ever".[140] This function is currently only available through delivery providers Seamless, Grubhub, Eat24, Delivery.com, BeyondMenu and MyPizza.com in the United States.[141] However, as Seamless already exists in the UK, it is expected that the service will be expanded to this jurisdiction.[142]

Countervailing buyer power

28 Explain, with evidence where available, whether the merged entity will be subject to any countervailing buyer power.

28.1 Restaurants have buyer power over the Parties because they can easily switch, at very little cost, to other online food delivery platforms, or remove themselves from the platforms altogether and instead rely on their own home delivery services (e.g. orders on their own websites, via their apps, by directly calling the restaurant), rather than on the Parties' platforms. It has become increasingly cheaper for restaurants to offer their own online ordering interface and restaurants often seek to steer consumers to direct ordering via their own websites/apps, so that they do not have to pay commission to online platforms when orders are placed; particularly with the entry and expansion of "white label" app-building suppliers such as Preoday and Orderlord. This is evidenced by the fact that is it not uncommon for restaurants to entice the Parties' customers to use their ordering services directly, for example by including discount leaflets with an order placed via the Parties' platforms or by sending emails/text messages to consumers that order from the Parties' platforms informing them that their order will be offered at a discount (usually 10%) if the consumer orders its next meal directly from the website itself.

28.2 Restaurants listed with the Parties can choose to delist [✂], including because they want to focus on other platforms or their own direct delivery services. This further demonstrates

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[139] Grub Hub, *You'll soon be able to order food through Facebook*, 19 October 2016, available at http://qz.com/813700/facebook-fb-now-lets-you-order-meals-right-from-a-restaurants-facebook-page/.

[140] Networkworld, *New Google feature makes ordering food online easier than ever*, 8 May 2015, available at http://www.networkworld.com/article/2920165/applications/new-google-feature-makes-ordering-food-online-easier-than-ever.html.

[141] Engadget, *Google adds a food delivery shortcut to Maps for iOS*, 25 October 2016, available at https://www.engadget.com/2016/10/25/google-maps-ios-food-delivery-shortcut/.

[142] Alphr, *Google update makes ordering that guilty takeaway so much easier*, 8 May 2015, available at http://www.alphr.com/smartphones/1000729/google-update-makes-ordering-that-guilty-takeaway-so-much-easier.

the power exerted on the Parties by restaurants, as a result of the Parties' offering a service which is not considered to be a "must-have" service for restaurants and which can be easily bypassed by them.

28.3 Please see **Annex 14** for the reasons why restaurants de-list from both Just Eat and Hungryhouse's platforms.

28.4 Switching to direct ordering from restaurants for repeat orders from the same restaurant is also a natural step for some consumers, who will become familiar with the restaurants they often order from and who get limited added value from continuing to use online platforms for orders with the same restaurant. [✂].[143] These constraints imposed by restaurants will remain in place post-merger and will in fact likely strengthen as there is increased expansion in orders placed directly with restaurants themselves, as they respond to evolving technology by improving their websites and launching their own apps.

Efficiencies and customer benefits

29 **If the notifying parties wish the CMA specifically to consider at phase 1 any efficiencies or relevant customer benefits that the notifying parties believe will arise from the merger, describe such efficiencies and provide any documents prepared internally or by external consultants that discuss such expected efficiencies or relevant customer benefits.**

29.1 The Proposed Transaction will result in an enlarged customer base for takeaway restaurants and will allow Just Eat to increase its restaurant offering.

29.2 It will also allow restaurants that previously listed on Hungryhouse but not Just Eat to take advantage of the value-added propositions that Just Eat offers. For example, all restaurants signed up with Just Eat can receive discounts (of up to 7% cashback) for purchases made with the national wholesaler Booker Makro.[144] Just Eat also has arrangements in place with other third parties, such as Sky and Global Payments, which restaurants listed with Just Eat can benefit from. As such, the Proposed Transaction will allow restaurants that are currently only listed on Hungryhouse to improve their businesses by obtaining the value of these benefits.

29.3 The Proposed Transaction will also allow Just Eat to achieve significant synergies, estimated to be around £12 million – £15 million, [✂]. Consumers and restaurants will both benefit from the improved operations of the merged entity and the synergies which arise will allow Just Eat to compete successfully with hugely successful new entrants, such as Deliveroo and UberEATS, existing players including Domino's, and entrants that are likely to rapidly grow and succeed going forward, such as Amazon Restaurants, in a dynamic and quickly evolving market.

29.4 Following the Proposed Transaction, those restaurants that are currently only on Hungryhouse will be able to benefit from the very significant investment that Just Eat has made in restaurant technology (Orderpad, Partner Centre) and demographic data. Additionally, those restaurants currently listed with both Parties will benefit from all of their

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[143] [✂].

[144] http://partnerblog.just-eat.co.uk/more-value/booker-save-thousands-restaurant-essentials-today/.

orders being processed by Just Eat, which is currently investing in the services it offers to restaurants and is committed to continue doing so.

30 Provide the name and contact details (including address, email address and telephone number) for any relevant regulatory authorities covering the industry in which the merger parties overlap, have a vertical relationship, or supply related product(s)/service(s).

30.1 Not applicable.

31 Provide the name and contact details (including address, and email address and telephone number) of any trade associations which cover the industry in which the merger parties overlap, have a vertical relationship, or supply related product(s)/service(s).

31.1 Just Eat and Hungryhouse are not part of any trade associations. [✂].

32 Provide any other information that the notifying parties consider may be relevant to the CMA's Phase 1 investigation.

32.1 Not applicable.

PART III – DECLARATION

Declaration

This Declaration must be signed by the authorised person.

I understand that:

It is a criminal offence for a person to supply information in a Notice which that person knows to be false or misleading in any material respect.

The CMA may reject any Notice if it is suspected that it contains information which is false or misleading in any material respect.

The CMA will bring the existence of the merger proposal described in this Notice, and the fact that the Notice has been given, to the attention of interested parties.

Signed:

Name: (block letters)

Position: (block letters)

Date:

I confirm that the person (if any) named in reply to question 1(b) is authorised to act (including to accept service or take receipt) on my behalf for the purposes of this Notice and that I retain responsibility for the contents of this Notice.

Signed:

Name: (block letters)

Position: (block letters)

Date: