

# Just Eat PLC

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## Just Eat blames warm February weather as it posts weakest Q1 order growth since listing

Just Eat PLC (LON:JE.) has blamed February's warm weather after it missed expectations across the board with its first-quarter numbers, prompting fresh fears over the threat of Uber Eats and Deliveroo.

The number of orders placed through the company's online takeaway marketplace increased by 21% year-on-year in the three months ended 31 March. Revenue jumped by almost a third to US\$227.9mln).

READ: Why Uber's upcoming US\$100bn IPO could be bad news for Just Eat But City analysts had forecast the FTSE 250 group to deliver order growth of closer to 25%, with sales tipped to come in at US\$234mln.

The performance in the UK, which accounts for more than half of the business, was particularly bleak as orders edged 7.4% higher - the weakest first-quarter growth on record.

Analysts had always expected a slight deceleration in growth, although their estimate of a 13% jump in orders was missed.

### Warm weather to blame for weak UK growth

Just Eat bosses said the "unseasonably warm" weather in February, coupled with Easter entirely falling in the second quarter and a strong comparative was to blame for the woeful UK performance.

"We would expect an improvement in UK order growth during the remainder of the year," the company asserted in Friday's update.

Analysts weren't so confident, with Liberum speculating that the continued rise of Uber Eats and Deliveroo, with their deep pockets, is denting demand for Just Eat's services.

"Concerns on weak orders and UK competition from Uber Eats & Deliveroo will be raised as other food delivery portals such as Delivery Hero have recently reported strong results," said the City broker in a note to clients.

### Full-year guidance reiterated

The company also operates in other countries such as Canada, Italy and Switzerland, and orders outside the UK grew by 40% compared to the first quarter of last year.

Full-year guidance for revenue in the range of £1.0bn-£1.1bn and underlying earnings (EBITDA) of between £185-205mln was reiterated.

"Just Eat is on the right path to be the leading hybrid marketplace for online food delivery and we are confident in the delivery of our strategy," said Peter Duffy, who is standing in as chairman while a successor for Peter Plumb is found.

**Price:** 781.2

**Market Cap:** £5.34 billion

### 1 Year Share Price Graph



### Share Information

**Code:** JE.

**Listing:** LSE

**52 week High Low**  
833.137 545.8

**Sector:** Online business & e-commerce

**Website:** www.just-eat.com

### Company Synopsis:

Just Eat plc operates a leading global marketplace for takeaway food delivery. Headquartered in London, we use proprietary technology to offer a quick and efficient digital ordering service for 21.5 million customers and 82,300 restaurant partners. Just Eat is a member of the FTSE 100 Index.

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"Many of our international markets have performed very well in the period although, as expected, we saw softer UK order growth in the quarter."

Shares dropped 4.1% to 718p at the opening bell on Friday.

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