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PM targets growth of ‘stay at home’ success stories

By **Terri-Ann Williams** / 24 Aug, 2018

The move towards a ‘to-your-door’ economy is becoming ever more prevalent and many companies are capitalising on people spending nights at home rather than at events.

Jason White of Artisan Partners is keen to have a slice of the action and is therefore buying into online takeaway delivery service Takeaway.com.

Uber-eats and Deliveroo already have a dominant share in the market, but Takeaway.com is advancing into key European territory, he said.

‘Takeaway.com is a leading online food delivery marketplace in the Netherlands, Germany and Poland. Online food delivery is rapidly growing, as consumers are increasingly willing to pay for restaurant-quality meals delivered to their homes,’ White said.

White currently holds a 0.9% allocation to Takeaway.com in his Artisan Global Discovery fund and says the company already has a dominant market share in the Netherlands and is moving in on other European regions.

‘Its strong presence in the Netherlands has driven attractive revenue growth, allowing the company to invest in its operations in other European countries. The food delivery business requires heavy upfront investment, primarily in marketing, in order to win customers.

‘However, once customers are committed to a particular delivery platform, they tend to be highly sticky, generating attractive profits for the winner. For example, in the Netherlands, where Takeaway.com is the hands-down leader, it has EBITDA margins of more than 55%.’



Furthermore, White said Takeaway.com has gained significant market share in Germany over the last 18 months.

‘This is a market that has five times the population and is at least three times the size of the Netherlands. Takeaway.com already has a 50% market share in Germany and we believe Germany’s profitability will materially inflect over the next six to 12 months.’

However, M&A activity in the market is high. Just last month, for example, UK-based takeaway service JustEat swallowed up rival Hungryhouse in a £200

million deal which meant the latter closed its takeaway portal after a 12-year run. But White doesn’t seem fazed and said Takeaway.com is in a prime position.

‘It’s in front of a powerful secular trend and is separating itself competitively in big new markets like Germany and Poland. For these reasons the firm is likely to increase profitability dramatically over the next three years,’ he said.

Jason White is portfolio manager for Artisan Global Discovery Fund. This article represents the views of Terri-Ann Williams of Citywire and Jason White as of the date of publication and those views and opinions presented are their own. Artisan Partners is not responsible for and cannot guarantee the accuracy or completeness of any statement in the discussion. This material does not constitute investment advice or a solicitation of any specific investment product or service. Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. Prospective investors should consult their financial and tax adviser before making investments in order to determine whether an investment will be suitable for them.

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