

Just Eat to remain profitable in 2023 despite consumers reining in spending

Online food delivery firm [Just Eat Takeaway.com](#) has said it returned to underlying earnings last year and expects to remain profitable in 2023 despite seeing a drop in orders as customers cut back.

The Amsterdam-based group swung to underlying earnings of 19 million euros (£16.7 million) last year from losses of 350 million euros (£308 million) in 2021 thanks largely to cost-cutting efforts.

In the UK and [Ireland](#), it saw earnings of 23 million euros (£20.2 million) from losses of 107 million euros (£94.2 million) the previous year.

The group said order numbers tumbled 9% to 984 million, with the last six months impacted in particular amid a consumer spending pull back and an ongoing slowdown in the online food sector as growth eases back after a pandemic-driven boom in demand.

Our ambition to create a highly profitable food delivery business is firmly on track

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But it held total sales by gross transaction value (GTV) firm at 28.2 billion euros (£24.8 billion) thanks to higher average values for each order and a foreign exchange boost.

The group said it expects to remain profitable in 2023, with earnings of around 225 million euros (£198 million), but said growth will be skewed towards the end of the year given the recent decline in orders while it is also expecting pressures from wage costs and an uncertain economic backdrop.

The group revealed its wage costs jumped by 41% to 1.3 billion euros (£1.1 billion) in 2022, but the group froze hiring in June last year to help bring staff expenses in line with falling orders.

Jitse Groen, chief executive of Just Eat Takeaway.com, said: "In 2022, our priority was to enhance profitability and strengthen our business.

"As a result, we materially improved our financial performance.

"We expect a further improvement to adjusted EBITDA in 2023 and our ambition to create a highly profitable food delivery business is firmly on track."

In the UK, order numbers plunged 10% to 260 million, having fallen sharply in the final quarter, but still representing more than a quarter (26%) of total group orders.

GTV in the division fell 1% to 6.6 billion euros (£5.8 billion), offsetting the drop as customers spent more per order.

Its results showed that order numbers were dragged lower by a 13% fall at its beleaguered US Grubhub division.

Facing activist pressure, Just Eat has been forced to consider a sale of Grubhub – a US delivery company that it bought in 2021.

In September last year, Just Eat said it had written down the value of Grubhub by three billion euros (£2.6 billion). It bought the firm for 7.3 billion US dollars (£6.4 billion).

Just Eat reiterated on Wednesday that it “continues to actively explore the partial or full sale” of Grubhub and will make further announcements “as and when appropriate”.