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# UK Menulog rival seeks local listing

**Exclusive**

**Yolanda Redrup**

A UK food delivery service that wants to steal market share from Menulog owner Just Eat is set to list on the ASX, raising up to \$6.8 million.

Appetise, which was bought last year by US-based investor Bergen Asset Management, has \$50,000 of revenue for the year to March 31, but Bergen vice-president and Appetise board member Robert Clisdell said he is confident it can win over customers.

"Globally, it's a \$100 billion sector and the UK is the largest takeaway food market in Europe, with it being a \$10 billion market alone," he said.

"The largest competitor in the industry is still telephone ordering ... our plan is to capture a very large share of the natural migration online and then also from the one or two current large competitors that exist in the UK."

The company was founded by young entrepreneurs out of university in the UK in 2008, but since it was acquired by Bergen last year, former Amazon marketplace sales specialist and TheFoodMarket commercial director Konstantine Karampatsos has taken over as chief executive.

The business follows a similar model to Menulog in that it does not operate its own fleet of delivery drivers, but acts as a marketplace to connect restaurants and consumers.

Mr Clisdell, who is based in Sydney, said the company had decided to list on the ASX because it was a market Bergen was familiar with and the popularity of food delivery services like Menulog, UberEATS, Deliveroo and Foodora meant investors were familiar with the narrative.

"For us, it's a very natural and logical place to raise capital," he said. "The ASX is also very receptive to small cap initial public offerings, which was the biggest part of the equation for us."

"It's also receptive in a cost-effective way. At the end of the day, capital is global and companies will go where it's available in a regulatory friendly regime."

"The other important aspect was that Menulog is a well-known business here, as was the transaction when it was acquired by Just Eat."

In May 2015, Menulog was sold for \$855 million – an amount that shocked the business community and sector analysts at the time.

Last year, Just Eat, which is valued at \$8.9 billion, also bought its closest UK

competitor, Hungry House, for \$325 million.

Appetise generates revenue by taking a 10 per cent commission on transactions, unlike Just Eat, which charges a joining fee, up to 14 per cent commissions and also a 50 pence card fee, which makes up about 10 per cent of its revenue. It has 90,000 registered users

and 400 restaurants on the platform.

Mr Karampatsos said the company would expand throughout the UK in "clusters", but needed to achieve only a fraction of Just Eat's 300 million yearly orders to be profitable.

"I've spoken to people who have left Just Eat and they've said there are a lot of user experience improvements that

could be made, but weren't accepted," he said. "When you have this monopoly position in the market, there is no incentive to change and become better. We've identified this point and we intend to take advantage of it."

Despite listing in Australia, the company does not intend to expand locally in the near term.

**The largest competitor in the industry is still telephone ordering.**

Robert Clisdell, Appetise



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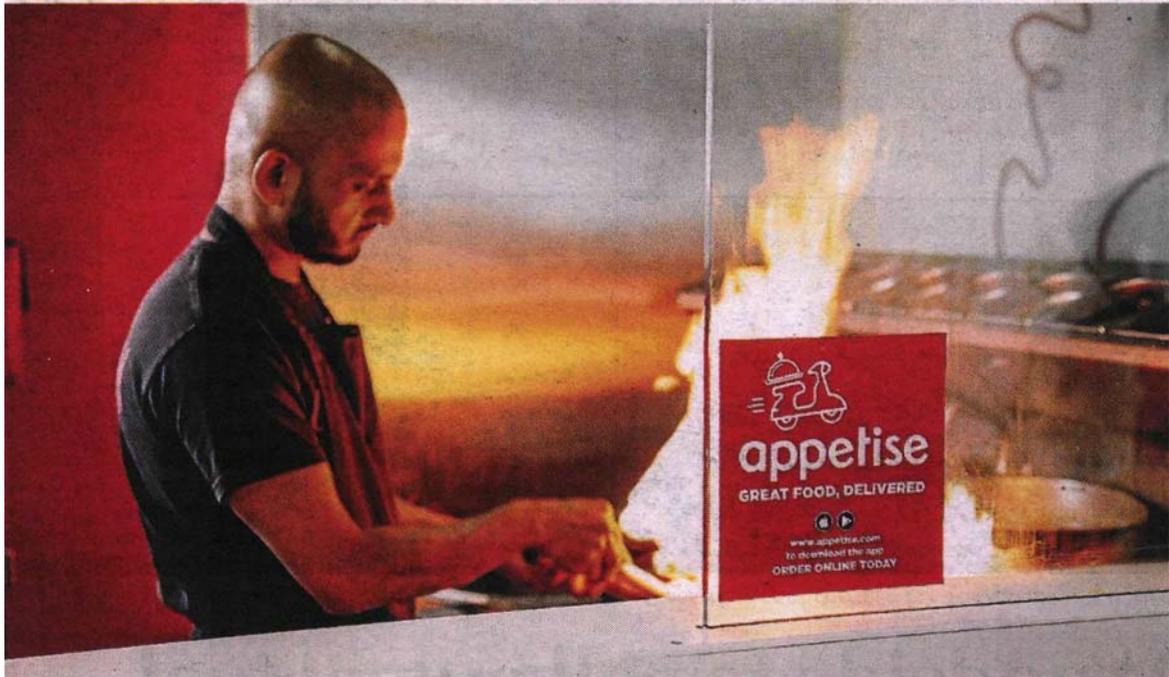
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