GrubHub Inc.
Form S-1
August 25, 2014
Table of Contents

As filed with the Securities and Exchange Commission on August 25, 2014.

No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

GRUBHUB INC.

(Exact name of registrant as specified in its charter)

Delaware	**7389**	**46-2908664**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

111 W. Washington Street, Suite 2100

Chicago, Illinois 60602

(877) 585-7878

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Margo Drucker, Esq.

SVP, General Counsel and Secretary

GrubHub Inc.

111 W. Washington Street, Suite 2100

Chicago, Illinois 60602

(877) 585-7878

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of all communications, including communications sent to agent for service, should be sent to:

Joshua N. Korff, Esq.

Ross M. Leff, Esq.

Kirkland & Ellis LLP

601 Lexington Avenue

New York, NY 10022

(212) 446-4800

David J. Goldschmidt, Esq.

Skadden, Arps, Slate, Meagher & Flom LLP

Four Times Square

New York, NY 10036

(212) 735-3574

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one): ¨

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer	x (Do not check if a smaller reporting company)	Smaller reporting company	¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered[(2)]	Proposed Maximum Aggregate Offering Price[(1)(2)]	Amount of Registration Fee[(3)]
Common Stock, $0.0001 par value per share	11,538,427	$500,883,117	$64,514

(1)

Estimated solely for the purpose of calculating the registration fee based on the average of the high and low prices for the registrant s common stock on the New York Stock Exchange on August 21, 2014 pursuant to Rule 457(c) under the Securities Act of 1933, as amended.

(2) Includes the offering price of any additional shares of common stock that the underwriters have the option to purchase.

(3) Calculated by multiplying 0.0001288 by the proposed maximum aggregate offering price.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this prospectus is not complete and may be changed. We and the selling stockholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we and the selling stockholders are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS DATED AUGUST 25, 2014

10,033,415 Shares

Common Stock

We are offering 1,250,000 shares of common stock to be sold in this offering. The selling stockholders identified in this prospectus, which include certain members of our board of directors and management, are offering 8,783,415 shares of our common stock. We will not receive any of the proceeds from the sale of shares being sold by the selling stockholders. See Principal and Selling Stockholders.

The selling stockholders have granted the underwriters an option to purchase up to 1,505,012 additional shares of our common stock.

Our common stock is listed on the New York Stock Exchange (NYSE) under the symbol GRUB. On August 22, 2014, the closing price of our common stock as reported on the NYSE was $42.76.

We are an emerging growth company as defined under the federal securities laws and, as such, may elect to comply with certain reduced public company reporting requirements for future filings.

Investing in our common stock involves risks. See the section titled Risk Factors beginning on page 12.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public Offering Price	$	$
Underwriting Discount	$	$
Proceeds to GrubHub Inc. (before expenses)	$	$
Proceeds to Selling Stockholders (before expenses)	$	$

The underwriters expect to deliver the shares to purchasers on or about , 2014 through the book-entry facilities of The Depository Trust Company.

Citigroup **Morgan Stanley** **BofA Merrill Lynch**

Allen & Company LLC

BMO Capital Markets **Canaccord Genuity** **Raymond James** **William Blair**

The date of this prospectus is , 2014.

Table of Contents

We are responsible for the information contained in this prospectus and in any free-writing prospectus we prepare or authorize. We, the selling stockholders and the underwriters have not authorized anyone to provide you with different information, and we, the selling stockholders and the underwriters take no responsibility for any other information others may give you. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than its date.

TABLE OF CONTENTS

Table of Contents

SUMMARY

This summary highlights selected information that is presented in greater detail elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, including the sections titled Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. Unless otherwise stated or the context requires otherwise, (i) when we refer to the Seamless Platform, we refer to the operations for Seamless North America, LLC as of and for the year ended December 31, 2011 and from January 1, 2012 through October 28, 2012, the date when Aramark Corporation (Aramark) completed the spin-off of its interest in the Seamless business, and to the operations for Seamless Holdings Corporation, an entity formed for the purpose of completing the spin-off and whose assets primarily consist of Aramark s former interest in the Seamless business and its subsidiaries (Seamless Holdings), beginning on October 29, 2012, (ii) when we refer to the GrubHub Platform, we refer to the operations of GrubHub Holdings Inc., formerly known as GrubHub, Inc. (GrubHub Holdings), and its subsidiaries and (iii) all share and per share data in this prospectus reflects a 1-for-2 reverse stock split of our capital stock issued and outstanding (including adjustments for fractional shares), which was effected on April 2, 2014. On August 8, 2013 (the Merger Date), we completed a merger of the GrubHub Platform and the Seamless Platform (the Merger). Through the Merger, we formed GrubHub Inc., formerly known as GrubHub Seamless Inc., which includes both the GrubHub Platform and the Seamless Platform. In this prospectus, unless the context otherwise requires, the terms GrubHub, the Company, our platform, we, us, and our refer, (i) prior to the Merger Date, to the Seamless Platform and (ii) after the Merger Date, to GrubHub Inc. and its subsidiaries.

References to operating metrics as combined reflect the combined results for the GrubHub Platform and the Seamless Platform beginning on the first day of the period for which the operating metric is presented. See Basis of Presentation.

Our Mission

Our mission is to make takeout better.

Our Company

GrubHub is the leading online and mobile platform for restaurant pick-up and delivery orders, which we refer to as takeout. We processed more than 177,800 Daily Average Grubs (as defined herein) on our platform during the six months ended June 30, 2014 and had approximately $855.6 million of Gross Food Sales (as defined herein) during the six months ended June 30, 2014. We connect local restaurants with hungry diners in more than 700 cities across the United States and are focused on transforming the takeout experience. For restaurants, GrubHub generates higher margin takeout orders at full menu prices. Our platform empowers diners with a direct line into the kitchen, avoiding the inefficiencies, inaccuracies and frustrations associated with paper menus and phone orders. We have a powerful two-sided network that creates additional value for both restaurants and diners as it grows.

Our target market is primarily independent restaurants. These independent restaurants, which account for 61% of all U.S. restaurants (according to a 2013 industry report prepared by Euromonitor International (Euromonitor)), remain local, highly fragmented and are mostly owner-operated family businesses. According to Euromonitor, Americans spent $204 billion at these approximately 350,000 independent restaurants in 2012. Of that amount, we believe that Americans spent approximately $67 billion on takeout at these independent restaurants in 2012.

Table of Contents

For restaurants, takeout enables them to grow their business without adding seating capacity or wait staff. Advertising for takeout, typically done through the distribution of menus to local households or advertisements in local publications, is often inefficient and requires upfront payment with no certainty of success. In contrast, we provide the restaurants on our platform with an efficient way to generate more takeout orders. We enable restaurants to access local diners at the moment when those diners are hungry and ready to purchase takeout. In addition, we do not charge the restaurants in our network any upfront or subscription fees, we do not require any discounts from their full price menus and we only get paid for the orders we generate for them, providing restaurants with a low-risk, high-return solution. We charge restaurants a per-order commission that is primarily percentage-based.

As our two-sided network of restaurants and diners has grown, many of our restaurants have chosen to pay higher rates to receive better exposure to more diners on our platform, and this has resulted in higher overall commission rates for us.

For diners, the traditional takeout ordering process is often a frustrating experience from using paper menus to communicating an order by phone to a busy restaurant employee. In contrast, ordering on GrubHub is enjoyable and a dramatic improvement over the menu drawer. We provide diners on our platform with an easy-to-use, intuitive and personalized platform that helps them search for and discover local restaurants and then accurately and efficiently place an order from any Internet-connected device. We also provide diners with information and transparency about their orders and status and solve problems that may arise. In addition, we make re-ordering convenient by storing previous orders, preferences and payment information, helping us promote diner frequency and drive strong repeat business.

The proliferation of mobile devices over the past few years has significantly increased the value of our platform. With powerful, easy-to-use mobile applications for iPhone, iPad and Android, we enable diners to access GrubHub whenever and wherever they want takeout. All of the discovery and ordering capabilities that are available on our consumer websites are also available through our mobile applications. We monetize the orders placed through our mobile applications using the same rate as orders placed through our websites. Our mobile applications make ordering from GrubHub more accessible and personal, driving increased use of our platform by restaurants and diners. Orders placed on mobile devices increased from approximately 20% of our consumer orders during the quarter ended December 31, 2011 to approximately 48% of our consumer orders during the quarter ended June 30, 2014.

The GrubHub Platform was founded in 2004 and the Seamless Platform was founded in 1999. We completed the Merger of the two companies in August 2013. The Merger has enabled us to expand our two-sided network, connecting customers in the geographies we serve with more restaurants. Through the combination of the GrubHub Platform and the Seamless Platform, we are able to eliminate duplicative marketing expenses and restaurant sales and take advantage of a complementary geographic footprint.

Our business has grown rapidly. During the six months ended June 30, 2014, we generated revenue of $118.6 million, representing a 125% increase from the same period in 2013. Our revenue growth has been driven primarily by the inclusion of results from the GrubHub Platform and the increasing adoption of our platform by restaurants and diners, with 4.2 million Active Diners (as defined herein) as of June 30, 2014. During the six months ended June 30, 2013, there were approximately 1.8 million Active Diners and 46,400 Daily Average Grubs on the GrubHub Platform that would have been included had the Merger been completed as of January 1, 2013. For the six months ended June 30, 2014, our net income was $7.0 million and our Adjusted EBITDA was $33.3 million. See Selected Historical Consolidated Financial and Other Data for a discussion and reconciliation of Adjusted EBITDA to net income.

Table of Contents

The Takeout Market Opportunity

Food is an essential, social and enjoyable aspect of everyday life. However, there is often little time to cook at home or dine out. In addition, diners are increasingly looking for a broader and more diversified choice of cuisines and menu items. Takeout offers a convenient alternative, providing diners with a wide variety of options, wherever they want and whenever they want.

Large and Fragmented Market

Our primary target market is comprised of approximately 350,000 independent restaurants that account for 61% of all U.S. restaurants, according to Euromonitor. According to Euromonitor, Americans spent $204 billion at these independent restaurants in 2012. Of that amount, we believe that Americans spent approximately $67 billion on takeout at these independent restaurants.

Challenges for Independent Restaurants

Independent restaurant owners recognize that increasing takeout orders enables them to grow their business because they can service the additional orders by leveraging existing resources, including excess capacity and perishable inventory, without adding seating capacity or wait staff. Advertising for takeout is often done through the distribution of menus to local households or through local publications such as the yellow pages. These traditional methods of advertising are typically inefficient, require upfront payment with no certainty of success and are rapidly becoming obsolete as diners shift to online and mobile solutions for local search and discovery. Providing a quality experience for takeout diners is also a key challenge for restaurants. Because independent restaurants focus on serving on-premise diners, they typically have a limited ability to attend to the needs of takeout diners. The traditional takeout ordering process is highly manual and prone to errors and delays. Effectively and efficiently managing order delivery is also a challenge for independent restaurants given the nature of the process as well as their limited resources to handle follow-up calls.

Independent restaurants seek a simple and effective solution to expand their takeout business without significant investments or expertise in marketing and technology.

Challenges for Diners

For diners, ordering takeout is usually a chore and is often a frustrating experience. Typically, ordering takeout starts with the challenge of choosing where to order from and what to order usually relying on a tired, outdated and limited choice of menus found in the menu drawer. Once a diner chooses and calls a restaurant, the ordering process can lead to angst, as the diner is faced with long hold times, distracted order-takers in an already error-prone process, difficulty communicating special requests, incomplete pricing information and the inevitable wait for delivery with limited transparency. Upon delivery, diners only have a few seconds to confirm that what they received is indeed what they ordered, with limited recourse in the event it is not.

Diners seek a simple, convenient and transparent takeout ordering solution with a wide variety of restaurant choices that provides them with a direct line into the kitchen.

The GrubHub Solution

At GrubHub, we focus on providing value to both restaurants and diners through our two-sided network. We provide restaurants with more orders, help them serve diners better and enable them to improve the efficiency of their takeout business. For diners, we make takeout accessible, simple and enjoyable, enabling them to discover new restaurants and accurately and easily place their orders anytime and from anywhere.

Table of Contents

Why Restaurants Love GrubHub

With more than 30,000 restaurants in our network as of June 30, 2014, we believe that we provide restaurants with the following key benefits:

More Orders. Through GrubHub, restaurants in our network receive more orders at full menu prices.

Targeted Reach. Restaurants in our network gain an online and mobile presence with the ability to reach their most valuable target audience hungry diners in their area.

Low Risk, High Return. GrubHub generates higher margin takeout orders for the restaurants in our network by enabling them to leverage their existing fixed costs.

Service and Efficiency. Restaurants in our network can receive and handle a larger volume of takeout orders more accurately, increasing their operational efficiency while providing their takeout diners with a high-quality experience.

Insights. We provide restaurants with actionable insights based on the significant amount of order data we gather, helping them to optimize their delivery footprints, menus, pricing and online profiles.

Why Diners Love GrubHub

With 4.2 million Active Diners as of June 30, 2014 and more than 177,800 combined Daily Average Grubs during the six months ended June 30, 2014, we believe that we provide diners with the following key benefits:

Discovery. GrubHub aggregates menus and enables ordering from restaurants across more than 700 cities in the United States, in most cases providing diners with more choices than the menu drawer and allowing them to discover hidden gems from local restaurants in our network.

Convenience. Using GrubHub, diners do not need to place their orders over the phone. We provide diners with an easy-to-use, intuitive and personalized platform that makes ordering simple from any connected device.

Control and Transparency. Our platform empowers diners with a direct line into the kitchen, without having to talk to a distracted order-taker in an already error-prone process.

Service. For diners, GrubHub s role is similar to that of the waiter in a restaurant, providing a critical layer of customer service that is typically missing in takeout.

Our Competitive Advantages

Our focus on making takeout better for both restaurants and diners has helped us to develop the following competitive advantages:

Market Leader with Significant Scale. We are the largest takeout platform, with approximately $855.6 million in combined Gross Food Sales on our platform during the six months ended June 30, 2014; approximately 30,000 restaurants across over 700 cities in the United States; and 4.2 million Active Diners, yielding more than 177,800 combined Daily Average Grubs across our platform during the six months ended June 30, 2014.

Powerful Two-Sided Network Effect. As we continue to increase the number of restaurants in our network, we become a more compelling platform for diners. As we continue to increase the number of diners on our platform, we generate more orders for and become more compelling to restaurants.

Growing and Recurring Diner Base. We believe that our easy-to-use ordering system, restaurant choices and enjoyable user experience all inspire new diners to try GrubHub and encourage existing diners to make GrubHub a way of life, driving repeat and growing use of our platform.

Table of Contents

Product Innovation. We have a history of introducing new products that make our platform better, such as the introduction of our mobile applications and our restaurant-facing products, OrderHub and Boost.

Mobile Engagement and Monetization. We benefit from the growing adoption and increased use of our mobile applications, as they significantly increase the number of orders diners place through GrubHub. Orders placed on mobile devices increased from approximately 20% of our consumer orders during the quarter ended December 31, 2011 to approximately 48% of our consumer orders during the quarter ended June 30, 2014. We monetize the orders placed through our mobile applications using the same rate as orders placed through our websites.

Attractive Business Model. Our scalable platform enables us to process additional orders at low incremental cost. As our two-sided network of restaurants and diners has grown, many of our restaurants have chosen to pay higher rates to receive better exposure to more diners on our platform, and this has resulted in higher overall commission rates for us.

Our Growth Strategy

We strive to make GrubHub an integral part of everyday life for our restaurants and diners through the following growth strategies:

Grow our Two-Sided Network. We intend to grow the number of restaurants in our existing geographic markets by providing them with opportunities to generate more takeout orders. We intend to grow the number of diners and orders placed on our network primarily through word-of-mouth referrals, marketing that encourages adoption of our mobile applications and increased order frequency.

Enhance our Platform. We plan to continue to invest in our websites and mobile products, develop new products and better leverage the significant amount of order data that we collect.

Deliver Excellent Customer Service. By meeting and exceeding the expectations of both restaurants and diners through our customer service, we seek to gain their loyalty and support for our platform.

Pursue Strategic Acquisitions. We intend to continue to pursue expansion opportunities in existing and new markets, as well as in core and adjacent categories through strategic acquisitions.

Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, before making a decision to invest in our common stock. Some of these risks are:

we have a limited operating history in an evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful;

if we fail to manage the integration of the Merger effectively, our results of operations and business could be harmed;

if we fail to retain our existing restaurants and diners or to acquire new restaurants and diners in a cost-effective manner, our revenue may decrease and our business may be harmed;

growth of our business will depend on a strong brand and any failure to maintain, protect and enhance our brand would hurt our ability to retain or expand our base of restaurants and diners and our ability to increase their level of engagement;

we rely on restaurants in our network for many aspects of our business, and any failure by them to maintain their service levels could harm our business; and

we experience significant seasonal fluctuations in our financial results, which could cause our stock price to fluctuate.

Table of Contents

Our Corporate Information

The GrubHub Platform was founded in 2004 and the Seamless Platform was founded in 1999. We completed the Merger of the two platforms on the Merger Date.

Our principal executive offices are located at 111 W. Washington Street, Suite 2100, Chicago, Illinois 60602, and our telephone number is (877) 585-7878. Our website addresses are www.grubhub.com and www.seamless.com. Information contained on or that can be accessed through our website does not constitute part of this prospectus and inclusions of our website address in this prospectus are inactive textual references only.

As of June 30, 2014, we had more than 40 trademarks registered in the United States, including GrubHub, happy eating, Seamless, OrderHub and Your food is here. This prospectus may also contain trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners. Solely for convenience, the trademarks, service marks, trade names and copyrights referred to in this prospectus are listed without the TM, SM, © and ® symbols, but we will assert, to the fullest extent under applicable law, our rights or the rights of the applicable owners, if any, to these trademarks, service marks, trade names and copyrights.

Emerging Growth Company Status

We qualify as an emerging growth company, as defined in Section 2(a) of the Securities Act of 1933, as amended, or the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the JOBS Act). As such, we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to:

- an exemption from complying with the auditor attestation requirements of Section 404 of the Sarbanes Oxley Act of 2002, as amended (Section 404);
- a requirement to have only two years of audited financial statements and only two years of related selected financial data and management s discussion and analysis of financial condition and results of operations disclosure;
- reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and
- an exemption from the requirement to seek non-binding advisory votes on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We have not made a decision regarding whether to take advantage of these exemptions. If we do take advantage of any of these exemptions, we do not know if some investors will find our common stock less attractive as a result. The result may be a less active trading market for our common stock and our stock price may be more volatile.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably opted out of the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the JOBS Act.

Table of Contents

We could remain an emerging growth company for up to five years following the completion of our initial public offering (the IPO) (which occurred on April 4, 2014), or until the earliest of (a) the last day of the first fiscal year in which our annual gross revenues exceed $1 billion, (b) the date that we become a large accelerated filer as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the Exchange Act), which would occur if the market value of our common stock that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or (c) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three-year period.

Table of Contents

The Offering

Common stock offered by us	1,250,000 shares.
Common stock offered by the selling stockholders	8,783,415 shares (or 10,288,427 shares if the underwriters exercise their option to purchase additional shares in full).
Common stock to be outstanding after this offering	80,081,644 shares.
Use of proceeds	We intend to use the net proceeds from this offering, including any proceeds received by us in connection with the exercise of options or warrants to purchase our common stock by the selling stockholders in connection with this offering, for general corporate purposes. We will not receive any proceeds from the sale of the shares by the selling stockholders in this offering. See Use of Proceeds. For more information on the selling stockholders, see Principal and Selling Stockholders.
Concentration of ownership	Upon completion of this offering, our executive officers and directors, and their affiliates, will beneficially own, in the aggregate, approximately 24% of our outstanding shares of common stock (or approximately 23% if the underwriters exercise their option to purchase additional shares in full).
Trading symbol	GRUB.

The number of shares of common stock that will be outstanding after this offering is based on 78,831,644 shares outstanding as of August 15, 2014, and excludes:

- 8,009,355 shares of common stock issuable upon the exercise of options to purchase common stock that were outstanding as of August 15, 2014, with a weighted average exercise price of $6.45 per share; and

- 1,439,129 shares of common stock reserved for future issuance under our 2013 Omnibus Incentive Plan as of August 15, 2014, and any future increase in shares reserved for issuance under such plan.

Except as otherwise indicated, information in this prospectus reflects or assumes no exercise by the underwriters of their option to purchase up to an additional 1,505,012 shares of common stock from the selling stockholders in this offering. All share and per share information referenced throughout this prospectus has been retroactively adjusted to reflect a 1-for-2 reverse stock split of our issued and outstanding common stock and preferred stock effected on April 2, 2014 (the Reverse Stock Split). No fractional shares of the Company s common stock and preferred stock were issued as a result of the Reverse Stock Split. Any fractional shares resulting from the Reverse Stock Split have been rounded up to the nearest whole share.

Table of Contents

Summary Historical Consolidated Financial and Other Data

The Statement of Operations Data for the years ended December 31, 2011, 2012 and 2013 set forth below is derived from our audited consolidated financial statements included elsewhere in this prospectus. The Statement of Operations Data for each of the six months ended June 30, 2013 and 2014 and the balance sheet data as of June 30, 2014 are derived from our unaudited consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements included elsewhere in this prospectus reflect the results of operations and financial condition of (i) the Seamless Platform as of and for the years ended December 31, 2011 and 2012, (ii) the Seamless Platform from January 1, 2013 through the Merger Date and for both the GrubHub Platform and the Seamless Platform after the Merger Date and (iii) GrubHub Inc. as of December 31, 2013 and June 30, 2014. Our historical results are not necessarily indicative of the results that may be expected in the future. The following summary financial and other data should be read in conjunction with the section titled Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes included elsewhere in this prospectus.

(in thousands)	Year Ended December 31, 2011	2012	2013[(1)]	Six Months Ended June 30, 2013 (unaudited)	2014[(2)] (unaudited)
Statement of Operations Data:					
Revenues	$ 60,611	$ 82,299	$ 137,143	$ 52,658	$ 118,619
Costs and expenses:					
Sales and marketing	17,198	26,892	37,347	16,164	32,285
Operations and support	13,961	18,165	34,173	11,975	29,841
Technology (exclusive of amortization)	5,651	10,172	15,357	5,344	11,413
General and administrative	9,777	12,249	21,907	8,712	16,944
Depreciation and amortization	4,033	6,089	13,470	3,673	11,130
Total costs and expenses	50,620	73,567	122,254	45,868	101,613
Income before provision for income taxes	9,991	8,732	14,889	6,790	17,006
Provision (benefit) for income taxes	(5,220)	813	8,142	3,711	9,961
Net income	$ 15,211	$ 7,919	$ 6,747	$ 3,079	$ 7,045
Other Financial Information:					
Adjusted EBITDA[(3)]	$ 14,827	$ 17,185	$ 38,134	$ 15,044	$ 33,315

(1) Includes results for Seamless Platform through August 8, 2013, when we completed the Merger, and of GrubHub Inc., the combined company, for the remainder of the period presented.
(2) Includes the results of GrubHub Inc., the combined company, for the period presented.
(3) See the section titled Non-GAAP Financial Measures below for more information and for a reconciliation of Adjusted EBITDA to net income, the most directly comparable financial measure calculated and presented in accordance with U.S. generally accepted accounting principles.

(in thousands)	As of June 30, 2014 Actual (unaudited)	As Adjusted[(1)] (unaudited)
Balance Sheet Data:		
Cash and cash equivalents	$ 207,096	$ 257,833
Working capital	149,130	199,867
Total assets	885,898	936,635
Total stockholders equity	681,304	732,041

(1) The as adjusted column above gives effect to the sale and issuance by us of 1,250,000 shares of common stock in this offering at an assumed public offering price of $42.76 per share, which is the last reported sale price of our common stock on the NYSE on August 22, 2014 after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Key Business Metrics

To analyze our business performance, determine financial forecasts and help develop long-term strategic plans, we review the following key business metrics:

	Year Ended December 31,			Six Months Ended June 30,	
	2011	2012	2013 (unaudited)	2013	2014
Active Diners(1)	689,000	986,000	3,421,000	1,171,000	4,192,000
Daily Average Grubs(2)	45,700	62,000	107,900	83,200	177,800
Gross Food Sales (in millions)(3)	$ 412.2	$ 568.8	$ 1,014.9	$ 381.4	$ 855.6

(1) We count Active Diners as the number of unique diner accounts from which an order has been placed in the past twelve months through our platform. We began including Active Diners from the GrubHub Platform as of the Merger Date.

(2) We count Daily Average Grubs as the number of revenue generating orders placed on our platform divided by the number of days for a given period.

(3) We calculate Gross Food Sales as the total value of food, beverages, taxes, prepaid gratuities, and any delivery fees processed through our platform. We include all revenue generating orders placed on our platform. Because we act as an agent of the merchant in the transaction, we recognize as revenue only our commissions from the transaction, which are a percentage of the total Gross Food Sales for such transaction.

Non-GAAP Financial Measures

Adjusted EBITDA is a financial measure that is not calculated in accordance with generally accepted accounting principles in the United States (GAAP). We define Adjusted EBITDA as net income adjusted to exclude acquisition costs and related severance, incomes taxes, depreciation and amortization and stock-based compensation expense. Below, we have provided a reconciliation of Adjusted EBITDA to our net income, the most directly comparable financial measure calculated and presented in accordance with GAAP. Adjusted EBITDA should not be considered as an alternative to net income or any other measure of financial performance calculated and presented in accordance with GAAP. Our Adjusted EBITDA may not be comparable to similarly titled measures of other organizations because other organizations may not calculate Adjusted EBITDA in the same manner as we calculate the measure.

We include Adjusted EBITDA in this prospectus because it is an important measure upon which our management assesses our operating performance. We use Adjusted EBITDA as a key performance measure because we believe it facilitates operating performance comparisons from period to period by excluding potential differences primarily caused by variations in capital structures, tax positions, the impact of acquisitions and restructuring, the impact of depreciation and amortization expense on our fixed assets and the impact of stock-based compensation expense. Because Adjusted EBITDA facilitates internal comparisons of our historical operating performance on a more consistent basis, we also use Adjusted EBITDA for business planning purposes and in evaluating acquisition opportunities. In addition, we believe Adjusted EBITDA and similar measures are widely used by investors, securities analysts, ratings agencies and other parties in evaluating companies in our industry as a measure of financial performance and debt-service capabilities.

Our use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

Adjusted EBITDA does not reflect our cash expenditures for capital equipment or other contractual commitments;

although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect capital expenditure requirements for such replacements;

Table of Contents

Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs; and

other companies, including companies in our industry, may calculate Adjusted EBITDA measures differently, which reduces their usefulness as comparative measures.

In evaluating Adjusted EBITDA, you should be aware that in the future we will incur expenses similar to some of the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by these expenses or any unusual or non-recurring items. When evaluating our performance, you should consider Adjusted EBITDA alongside other financial performance measures, including our net income and other GAAP results.

The following table presents a reconciliation of Adjusted EBITDA to our net income, the most comparable GAAP measure, for each of the periods indicated:

	Year Ended December 31,			Six Months Ended June 30,	
	2011	**2012**	**2013[(1)]**	**2013**	**2014[(2)]**
(in thousands)			**(unaudited)**		
Reconciliation of Adjusted EBITDA:					
Net income	$ 15,211	$ 7,919	$ 6,747	$ 3,079	$ 7,045
Income taxes[(3)]	(5,220)	813	8,142	3,711	9,961
Depreciation and amortization	4,033	6,089	13,470	3,673	11,130
EBITDA	14,024	14,821	28,359	10,463	28,136
Merger and restructuring costs[(4)]			4,842	3,343	492
Stock-based compensation	803	2,364	4,933	1,238	4,687
Adjusted EBITDA	$ 14,827	$ 17,185	$ 38,134	$ 15,044	$ 33,315

(1) Includes results for Seamless Platform through August 8, 2013, when we completed the Merger, and of GrubHub Inc., the combined company, for the remainder of the period presented.
(2) Includes the results of GrubHub Inc., the combined company, for the period presented.
(3) The increase in income tax expense was primarily attributable to a reversal of deferred tax liability of $8.1 million in 2011 associated with the June 2011 sale of preferred stock to SLW Investors, LLC offset by 2011 income tax paid of $2.2 million, which represents the income tax expense from January 1, 2011 through May 31, 2011. For the period January 1, 2012 through October 27, 2012, the Company was a pass-through entity for income tax purposes. Immediately following the Merger Date, 100% of our taxable income is subject to income tax.
(4) Merger and restructuring costs include transaction and integration-related costs, such as legal and accounting costs, associated with the Merger and restructuring initiatives.

Table of Contents

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, before making a decision to invest in our common stock. If any of the risks actually occur, our business, financial condition, results of operations and prospects could be harmed. In that event, the trading price of our common stock could decline, and you could lose part or all of your investment in us.

Risks Related to Our Business

We have a limited operating history in an evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.

We have a limited operating history in an evolving industry that may not develop as expected. Assessing our business and future prospects is challenging in light of the risks and difficulties we may encounter. These risks and difficulties include our ability to:

- accurately forecast our revenues and plan our operating expenses;
- increase the number of and retain existing restaurants and diners using our platform;
- successfully compete with the traditional telephone, pen-and-paper takeout ordering process, along with other companies that are currently in, or may in the future enter, the business of allowing diners to order takeout food online;
- successfully expand our business in existing markets and enter new markets;
- adapt to rapidly evolving trends in the ways consumers and businesses interact with technology;
- avoid interruptions or disruptions in our service;
- develop a scalable, high-performance technology infrastructure that can efficiently and reliably handle increased usage, as well as the deployment of new features and products;
- hire, integrate and retain talented sales, customer service, technology and other personnel; and
- effectively manage rapid growth in our personnel and operations.

If the demand for ordering food online and through mobile applications does not develop as we expect, or if we fail to address the needs of restaurants or diners, our business will be harmed. We may not be able to successfully address these risks and difficulties, which could harm our business and results of operations.

If we fail to manage the integration of the Merger effectively, our results of operations and business could be harmed.

Since the Merger, we have implemented and continue to implement a process of integration to merge the two businesses. The possible risks associated with such integration include the following:

- changes to unify our pricing models could affect our relationship with existing restaurants in our network;
- we may experience difficulty with and may not succeed in rebranding a combined company;
- we are in the process of closing our Sandy, Utah office in order to consolidate our customer care, operations and technology teams in Chicago, and we may not be able to retain employees in that office for the necessary transition period before we are able to transition our technology platform completely;
- we may not assimilate the personnel, culture and operations of the two businesses in the combined company, including back-office functions and systems, such as accounting, human resources and others;
- we may not be able to integrate smoothly the combined technologies or products with the current technologies and products, and customers may experience interruptions in their use of our platform as a result; and

Table of Contents

cost savings and/or marketing efficiencies may not meet our expectations.

This integration may be difficult and unpredictable. It may be that resources invested in the Merger and integration efforts would have been or could be better utilized developing technology and products for our proprietary technology platform or on other strategic development initiatives. Additionally, our ongoing business could be disrupted, including management being distracted from other objectives, opportunities and risks. Successful integration also requires coordination of different functional teams. There can be no assurance that we will be successful in our business integration efforts or that we will realize the expected benefits.

If we fail to retain our existing restaurants and diners or to acquire new restaurants and diners in a cost-effective manner, our revenue may decrease and our business may be harmed.

We believe that growth of our business and revenue is dependent upon our ability to continue to grow our two-sided network in existing geographic markets by retaining our existing restaurants and diners and adding new restaurants and diners. The increase in restaurants attracts more diners to our platform and the increase in diners attracts more restaurants. This two-sided network takes time to build and may grow more slowly than we expect or than it has grown in the past. In addition, as we have become larger through organic growth, the growth rates for Active Diners, Daily Average Grubs and Gross Food Sales have at times slowed, and may similarly slow in the future, even if we continue to add restaurants and diners on an absolute basis. Although we expect that our growth rates will continue to slow during certain periods as our business increases in size, if we fail to retain either our existing restaurants (especially our most popular restaurants) or diners, the value of our two-sided network will be diminished. In addition, although we believe that many of our new restaurants and diners originate from word-of-mouth and other non-paid referrals from existing restaurants and diners, we also expect to continue to spend to acquire additional restaurants and diners. We cannot assure you that the revenue from the restaurants and diners we acquire will ultimately exceed the cost of acquisition.

While a key part of our business strategy is to add restaurants and diners in our existing geographic markets, to a lesser degree, we may also expand our operations into new geographic markets. In doing so, we may incur losses or otherwise fail to enter new markets successfully. Our expansion into new markets may place us in unfamiliar competitive environments and involve various risks, including the need to invest significant resources and the possibility that returns on such investments will not be achieved for several years or at all.

Growth of our business will depend on a strong brand and any failure to maintain, protect and enhance our brand would hurt our ability to retain or expand our base of restaurants and diners and our ability to increase their level of engagement.

We believe that a strong brand is necessary to continue to attract and retain diners and, in turn, the restaurants in our network. We need to maintain, protect and enhance our brand in order to expand our base of diners and increase their engagement with our websites and mobile applications. This will depend largely on our ability to continue to provide differentiated products, and we may not be able to do so effectively. While we may choose to engage in a broader marketing campaign to further promote our brand, this effort may not be successful or cost effective. If we are unable to maintain or enhance restaurant and diner awareness in a cost-effective manner, our brand, business, results of operations and financial condition could be harmed. Furthermore, negative publicity about our Company, including delivery problems, issues with our technology and complaints about our personnel or customer service, could diminish confidence in, and the use of, our products, which could harm our results of operations and business.

We rely on restaurants in our network for many aspects of our business, and any failure by them to maintain their service levels could harm our business.

We rely upon restaurants in our network, principally small and local independent businesses, to provide quality food to our diners on a timely basis. If these restaurants experience difficulty servicing diner demand, producing quality food, providing timely delivery and good service or meeting our other requirements or standards, our reputation and brand could be damaged. In addition, if restaurants in our network were to cease

Table of Contents

operations, temporarily or permanently, face financial distress or other business disruption, or if our relationships with restaurants in our network deteriorate, we may not be able to provide diners with restaurant choices. This risk is more pronounced in markets where we have fewer restaurants. In addition, if we are unsuccessful in choosing or finding popular restaurants, if we fail to negotiate satisfactory pricing terms with them or if we ineffectively manage these relationships, it could harm our business and results of operations.

We experience significant seasonal fluctuations in our financial results, which could cause our stock price to fluctuate.

Our business is highly dependent on diner behavior patterns that we have observed over time. In our metropolitan markets, we generally experience a relative increase in diner activity from September to April and a relative decrease in diner activity from May to August. In addition, we benefit from increased order volume in our campus markets when school is in session and experience a decrease in order volume when school is not in session, during summer breaks and other vacation periods. Diner activity can also be impacted by colder or more inclement weather, which typically increases order volume, and warmer or sunny weather, which typically decreases order volume. Seasonality will likely cause fluctuations in our financial results on a quarterly basis. In addition, other seasonality trends may develop and the existing seasonality and diner behavior that we experience may change or become more extreme.

We may not continue to grow at historical rates or maintain profitability in the future.

While our revenue has grown in recent periods, this growth rate may not be sustainable and we may not realize sufficient revenue to maintain profitability. We may incur significant losses in the future for a number of reasons, including insufficient growth in the number of restaurants and diners on our platform, increasing competition, as well as other risks described in this prospectus, and we may encounter unforeseen expenses, difficulties, complications and delays and other unknown factors. We expect to continue to make investments in the development and expansion of our business, which may not result in increased revenue or growth. In addition, as a public company, we incur and will continue to incur significant legal, accounting and other expenses that we did not incur as a private company. As a result of these increased expenditures, we will have to generate and sustain increased revenue to maintain profitability. Accordingly, we may not be able to maintain profitability and we may incur significant losses in the future, and this could cause the price of our common stock to decline.

If we fail to manage our growth effectively, our brand, results of operations and business could be harmed.

We have experienced rapid growth in our headcount and operations, both through organic growth as well as due to the Merger. This growth places substantial demands on management and our operational infrastructure. Many of our employees have been with us for fewer than 18 months. We have and intend to continue to make substantial investments in our technology, customer service, sales and marketing infrastructure. As we continue to grow, we must effectively integrate, develop and motivate a large number of new employees, while maintaining the beneficial aspects of our Company culture. We may not be able to manage growth effectively. If we do not manage the growth of our business and operations effectively, the quality of our platform and efficiency of our operations could suffer, which could harm our brand, business and results of operations.

The impact of economic conditions, including the resulting effect on consumer spending, may harm our business and results of operations.

Our performance is subject to economic conditions and their impact on levels of consumer spending. Some of the factors having an impact on discretionary consumer spending include general economic conditions, unemployment, consumer debt, reductions in net worth, residential real estate and mortgage markets, taxation, energy prices, interest rates, consumer confidence and other macroeconomic factors. Consumer purchases of discretionary items generally decline during recessionary periods and other periods in which disposable income

Table of Contents

is adversely affected. Small businesses that do not have substantial resources, like virtually all of the restaurants in our network, tend to be more adversely affected by poor economic conditions than large businesses. Also, because spending for food purchases from restaurants is generally considered to be discretionary, any decline in consumer spending may have a disproportionate effect on our business relative to those businesses that sell products or services considered to be necessities. If spending at many of the restaurants in our network declines, or if a significant number of these restaurants go out of business, diners may be less likely to use our service, which could harm our business and results of operations. In addition, significant adverse economic conditions could harm the businesses of our corporate customers, resulting in decreased use of our platform. Moreover, the majority of restaurants in our network are located in major metropolitan areas like New York City, Chicago and the San Francisco Bay Area. To the extent any one of these geographic areas experience any of the above described conditions to a greater extent than other geographic areas, the harm to our business and results of operations could be exacerbated.

We make the restaurant and diner experience our highest priority. Our dedication to making decisions based primarily on the best interests of restaurants and diners may cause us to forego short-term opportunities, which could impact our profitability.

We base many of our decisions upon the best interests of the restaurants and diners who use our platform. We believe that this approach has been essential to our success in increasing our growth rate and the frequency with which restaurants and diners use our platform and has served our long-term interests and those of our stockholders. We believe that it is our responsibility to make our diners happy. In the past, we have foregone, and we may in the future forego, certain expansion or revenue opportunities that we do not believe are in the best interests of our restaurants and diners, even if such decisions negatively impact our business or results of operations in the short term. Our focus on making decisions based primarily on the interests of the restaurants and diners who use our platform may not result in the long-term benefits that we expect, and our business and results of operations may be harmed.

If use of the Internet via websites, mobile devices and other platforms, particularly with respect to online food ordering, does not continue to increase as rapidly as we anticipate, our business and growth prospects will be harmed.

Our business and growth prospects are substantially dependent upon the continued and increasing use of the Internet as an effective medium of transactions by diners. Internet use may not continue to develop at historical rates, and diners may not continue to use the Internet and other online services to order their food at current or increased growth rates or at all. In addition, the Internet and mobile applications may not continue to be accepted as a viable platform or resource for a number of reasons, including:

- actual or perceived lack of security of information or privacy protection;
- possible disruptions, computer viruses or other damage to Internet servers, users computers or mobile applications;
- excessive governmental regulation; and
- unacceptable delays due to actual or perceived limitations of wireless networks.

We face potential liability, expenses for legal claims and harm to our business based on the nature of our business and the content on our platform.

We face potential liability, expenses for legal claims and harm to our business relating to the nature of the takeout food business, including potential claims related to food offerings, delivery and quality. For example, third parties could assert legal claims against us in connection with personal injuries related to food poisoning or tampering or accidents caused by the delivery drivers of restaurants in our network. Alternatively, we could be subject to legal claims relating to the sale of alcoholic beverages by our restaurants to underage diners.

Table of Contents

Reports, whether true or not, of food-borne illnesses (such as E. Coli, avian flu, bovine spongiform encephalopathy, hepatitis A, trichinosis or salmonella) and injuries caused by food tampering have severely injured the reputations of participants in the food business and could do so in the future as well. The potential for acts of terrorism on our nation s food supply also exists and, if such an event occurs, it could harm our business and results of operations. In addition, reports of food-borne illnesses or food tampering, even those occurring solely at restaurants that are not in our network, could, as a result of negative publicity about the restaurant industry, harm our business and results of operations.

In addition, we face potential liability and expense for claims relating to the information that we publish on our websites and mobile applications, including claims for trademark and copyright infringement, defamation, libel and negligence, among others. For example, we could be subject to claims related to the content published on allmenus.com and MenuPages.com (MenuPages), which contain approximately 275,000 menus, based on the fact that we do not obtain prior permission from restaurants to include their menus.

We have incurred and expect to continue to incur legal claims. Potentially, the frequency of such claims could increase in proportion to the number of restaurants and diners that use our platform and as we grow. These claims could divert management time and attention away from our business and result in significant costs to investigate and defend, regardless of the merits of the claims. In some instances, we may elect or be compelled to remove content or may be forced to pay substantial damages if we are unsuccessful in our efforts to defend against these claims. If we elect or are compelled to remove valuable content from our websites or mobile applications, our platform may become less useful to restaurants and diners and our traffic may decline, which could harm our business and results of operations.

We may not timely and effectively scale and adapt our existing technology and network infrastructure to ensure that our platform is accessible, which would harm our reputation, business and results of operations.

It is critical to our success that restaurants and diners within our geographic markets be able to access our platform at all times. We have previously experienced service disruptions, and in the future, we may experience service disruptions, outages or other performance problems due to a variety of factors, including infrastructure changes, human or software errors, capacity constraints due to an overwhelming number of diners accessing our platform simultaneously, and denial of service or fraud or security attacks. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. It may become increasingly difficult to maintain and improve the availability of our platform, especially during peak usage times and as our products become more complex and our diner traffic increases. If our platform is unavailable when diners attempt to access it or it does not load as quickly as they expect, diners may seek other services, and may not return to our platform as often in the future, or at all. This would harm our ability to attract restaurants and diners and decrease the frequency with which they use our platform. We expect to continue to make significant investments to maintain and improve the availability of our platform and to enable rapid releases of new features and products. To the extent that we do not effectively address capacity constraints, respond adequately to service disruptions, upgrade our systems as needed or continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business and results of operations would be harmed.

Our failure to protect personal information provided by our diners against inappropriate disclosure, including security breaches, could violate applicable law and contracts with our service providers and could result in liability to us, damage to our reputation and brand and harm to our business.

We rely on third-party payment processors and encryption and authentication technology licensed from third parties that is designed to effect secure transmission of personal information provided by our diners. We may need to expend significant resources to protect against impermissible disclosure, including security breaches, or to address problems caused by such disclosure. If we, or our third-party providers, are unable to maintain the security of our diners personal information, our reputation and brand could be harmed and we may be exposed to litigation and possible liability.

Table of Contents

Because we process and transmit payment card information, we are subject to the Payment Card Industry (PCI) and Data Security Standard (the Standard). The Standard is a comprehensive set of requirements for enhancing payment account data security that was developed by the PCI Security Standards Council to help facilitate the broad adoption of consistent data security measures. We are required by payment card network rules to comply with the Standard, and our failure to do so may result in fines or restrictions on our ability to accept payment cards. Under certain circumstances specified in the payment card network rules, we may be required to submit to periodic audits, self-assessments or other assessments of our compliance with the Standard. Such activities may reveal that we have failed to comply with the Standard. If an audit, self-assessment or other test determines that we need to take steps to remediate any deficiencies, such remediation efforts may distract our management team and require us to undertake costly and time consuming remediation efforts. In addition, even if we comply with the Standard, there is no assurance that we will be protected from a security breach.

We are subject to payment-related risks, and if payment processors are unwilling or unable to provide us with payment processing service or impose onerous requirements on us in order to access their services, or if they increase the fees they charge us for these services, our business and results of operations could be harmed.

We accept payments using a variety of methods, including credit and debit cards. For certain payment methods, including credit and debit cards, we pay bank interchange and other fees. These fees may increase over time and raise our operating costs and lower our profitability. We rely on third parties to provide payment processing services, including the processing of credit and debit cards. Our business may be disrupted for an extended period of time if any of these companies becomes unwilling or unable to provide these services to us. We are also subject to payment card association operating rules, certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and/or lose our ability to accept credit and debit card payments from diners or facilitate other types of online payments, and our business and results of operations could be harmed.

We rely on third parties, including our payment processor and data center hosts, and if these or other third parties do not perform adequately or terminate their relationships with us, our costs may increase and our business and results of operations could be harmed.

Our success will depend upon our relationships with third parties, including our payment processor and data center hosts. We rely on a third-party payment processor and encryption and authentication technology licensed from third parties that is designed to effect secure transmission of personal information provided by our diners. We also rely on third-party data center hosts to provide a reliable network backbone with the speed, data capacity, security and hardware necessary for reliable Internet access and services. If our payment processor, or a data center host, or another third party, does not perform adequately, terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, we may have difficulty finding an alternate provider on similar terms and in an acceptable timeframe, our costs may increase and our business and results of operations could be harmed.

In addition, we rely on off-the-shelf hardware and software platforms developed by third parties to build and customize our OrderHub and Boost tablet and mobile applications. If third parties fail to continue to produce or maintain these hardware and software platforms, our OrderHub and Boost tablet and mobile applications may become less accessible to restaurants and diners, and our business and results of operations could be harmed.

If our security measures are compromised, or if our platform is subject to attacks that degrade or deny the ability of restaurants and diners to access our content, restaurants and diners may curtail or stop use of our platform.

Like all online services, our platform is vulnerable to computer viruses, break-ins, phishing attacks, attempts to overload our servers with denial-of-service, misappropriation of data through website scraping or other attacks

Table of Contents

and similar disruptions from unauthorized use of our computer systems, any of which could lead to interruptions, delays or website shutdowns, causing loss of critical data or the unauthorized disclosure or use of personally identifiable or other confidential information. Like most Internet companies, we have experienced interruptions in our service in the past due to software and hardware issues as well as denial-of-service and other cyber-attacks and, in the future, may experience compromises to our security that result in performance or availability problems, the complete shutdown of our websites or the loss or unauthorized disclosure of confidential information. In the event of a prolonged service interruption or significant breach of our security measures, our restaurants and diners may lose trust and confidence in us and decrease their use of our platform or stop using our platform entirely. We may be unable to implement adequate preventative measures against or proactively address techniques used to obtain unauthorized access, disable or degrade service or sabotage systems because such techniques change frequently, often remain undetected until launched against a target and may originate from remote areas around the world that are less regulated. Any or all of these issues could harm our ability to attract new restaurants and diners or deter current restaurants and diners from returning, reduce the frequency with which restaurants and diners use our platform or subject us to third-party lawsuits, regulatory fines or other action or liability, thereby harming our business and results of operations.

We compete primarily with the traditional offline ordering process and adherence to this traditional ordering method and pressure from existing and new companies that offer online ordering could harm our business and results of operations.

We primarily compete with the traditional offline ordering process used by the vast majority of restaurants and diners involving the telephone and paper menus that restaurants distribute to diners, as well as advertising that restaurants place in local publications to attract diners. Changing traditional ordering habits is difficult and if restaurants and diners do not embrace the transition to online food ordering as we expect, our business and results of operations could be harmed.

In addition to the traditional takeout ordering process, we compete with other online food ordering businesses, chain restaurants that have their own online ordering platforms, point of sale companies and restaurant delivery services. Our current and future competitors may enjoy competitive advantages, such as greater name recognition, longer operating histories, greater market share in certain markets and larger existing user bases in certain markets and substantially greater financial, technical and other resources than we have. Greater financial resources and product development capabilities may allow these competitors to respond more quickly to new or emerging technologies and changes in restaurant and diner requirements that may render our products less attractive or obsolete. These competitors could introduce new products with competitive price and performance characteristics or undertake more aggressive marketing campaigns than ours. Large Internet companies with substantial resources, users and brand power could also decide to enter our market and compete with us. Furthermore, independent restaurants could determine that it is more cost effective to develop their own platform to permit online takeout orders rather than use our service.

As part of the Merger, we completed an agreement with the New York Attorney General s Office that required us to waive the exclusivity provisions in existing agreements with restaurants located in Manhattan and to refrain from entering into any new exclusive agreements in Manhattan until February 2015. Complying with the terms of this agreement could increase the ability of our competitors to compete in Manhattan and therefore could have an impact on our market position in Manhattan. If this agreement gives our competitors an advantage, our revenue may decrease and our business and results of operations may be harmed.

If we lose existing restaurants or diners in our network, fail to attract new restaurants or diners or are forced to reduce our commission percentage or make pricing concessions as a result of increased competition, our business and results of operations could be harmed.

Table of Contents

If we do not continue to innovate and provide useful products or if our introduced products do not perform or are not adopted by restaurants in accordance with our expectations, we may not remain competitive and our business and results of operations could suffer.

Our success depends in part on our ability to continue to innovate. To remain competitive, we must continuously enhance and improve the functionality and features of our platform, including our websites and mobile applications. The Internet and the online commerce industry are rapidly changing and becoming more competitive. If competitors introduce new products embodying new technologies, or if new industry standards and practices emerge, our existing websites, technology and mobile applications may become obsolete. Our future success could depend on our ability to:

- enhance our existing products and develop new products;
- persuade restaurants to adopt our new technologies and products in a timely manner; and
- respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis.

Developing our platform, which includes our mobile applications, websites and other technologies entails significant technical and business risks. We may use new technologies ineffectively, or we may fail to adapt to emerging industry standards. If we face material delays in introducing new or enhanced products or if our recently introduced products do not perform in accordance with our expectations, the restaurants and diners in our network may forego the use of our products in favor of those of our competitors.

Internet search engines drive traffic to our platform and our new diner growth could decline and our business and results of operations would be harmed if we fail to appear prominently in search results.

Our success depends in part on our ability to attract diners through unpaid Internet search results on search engines like Google, Yahoo! and Bing. The number of diners we attract to our platform from search engines is due in large part to how and where our websites rank in unpaid search results. These rankings can be affected by a number of factors, many of which are not under our direct control and may change frequently. For example, a search engine may change its ranking algorithms, methodologies or design layouts. As a result, links to our websites may not be prominent enough to drive traffic to our websites, and we may not know how or otherwise be in a position to influence the results. In some instances, search engine companies may change these rankings in a way that promotes their own competing products or services or the products or services of one or more of our competitors. Search engines may also adopt a more aggressive auction-pricing system for keywords that would cause us to incur higher advertising costs or reduce our market visibility to prospective diners. Our websites have experienced fluctuations in search result rankings in the past, and we anticipate similar fluctuations in the future. Any reduction in the number of diners directed to our platform could harm our business and results of operations.

We expect a number of factors to cause our results of operations to fluctuate on a quarterly and annual basis, which may make it difficult to predict our future performance.

Our results of operations could vary significantly from quarter to quarter and year to year because of a variety of factors, many of which are outside of our control. As a result, comparing our results of operations on a period-to-period basis may not be meaningful. In addition to other risk factors discussed in this section, factors that may contribute to the variability of our quarterly and annual results include:

our ability to attract new restaurants and diners and retain existing restaurants and diners in our network in a cost-effective manner;

our ability to accurately forecast revenue and appropriately plan our expenses;

the effects of changes in search engine placement and prominence;

the effects of increased competition on our business;

Table of Contents

our ability to successfully expand in existing markets and successfully enter new markets;

the impact of worldwide economic conditions, including the resulting effect on diner spending on takeout;

the seasonality of our business, including the effect of academic calendars on college campuses and seasonal patterns in restaurant dining;

the impact of weather on our business;

our ability to protect our intellectual property;

our ability to maintain an adequate rate of growth and effectively manage that growth;

our ability to maintain and increase traffic to our platform;

our ability to keep pace with technology changes in the takeout industry;

the success of our sales and marketing efforts;

costs associated with defending claims, including intellectual property infringement claims and related judgments or settlements;

changes in governmental or other regulation affecting our business;

interruptions in service and any related impact on our business, reputation or brand;

the attraction and retention of qualified employees and key personnel;

our ability to choose and effectively manage third-party service providers;

changes in diner behavior with respect to takeout, especially in New York City, Chicago and the San Francisco Bay Area;

the effects of natural or man-made catastrophic events;

the effectiveness of our internal controls;

the impact of payment processor costs and procedures;

- changes in the online payment transfer rate; and

- changes in our tax rates or exposure to additional tax liabilities.

The loss of key senior management personnel could harm our business and future prospects.

We depend on our senior management and other key personnel. We may not be able to retain the services of any of our senior management or other key personnel. Although we have employment agreements with our key senior management personnel, their employment is at-will and they could leave at any time. The loss of any of our executive officers or other key employees could harm our business and future prospects.

We depend on talented personnel to grow and operate our business, and if we are unable to hire, retain, manage and motivate our personnel, or if our new personnel do not perform as we anticipate, we may not be able to grow effectively.

Our future success will depend upon our ability to continue to identify, hire, develop, motivate and retain talented personnel. We may not be able to retain the services of any of our employees or other members of senior management in the future. In addition, from time to time, there may be changes in our senior management team that may be disruptive to our business. If our senior management team fails to work together effectively and to execute our plans and strategies, our business and results of operations could be harmed.

Our growth strategy also depends on our ability to expand our organization by attracting and hiring high-quality personnel. Identifying, attracting, recruiting, training, integrating, managing and motivating talented

Table of Contents

individuals will require significant time, expense and attention. Competition for talent is intense, particularly in technology driven industries such as ours. If we are not able to effectively recruit and retain our talent, our business and our ability to achieve our strategic objectives would be harmed.

Unfavorable media coverage could harm our business and results of operations.

We are the subject of media coverage from time to time. Unfavorable publicity regarding our business model, content, personnel, customer service, technology, product changes, product quality or privacy practices could harm our reputation. Such negative publicity could also harm the size of our network and engagement and loyalty of our restaurants and diners, which could adversely impact our business and results of operations.

Our business, and that of our third-party providers and third-party data center, is subject to the risks of severe weather, earthquakes, fires, floods, hurricanes and other natural catastrophic events and to interruption by man-made problems such as computer viruses or terrorism.

Our business, particularly in areas of significant concentration like New York, Chicago and San Francisco, is subject to damage or interruption from severe weather, earthquakes, fires, floods, tornadoes, hurricanes, power losses, telecommunications failures, terrorist attacks, acts of war and similar events. For example, severe weather in Chicago, the location of our corporate headquarters and most of our customer service staff, could inhibit the ability of our customer service staff to get to work, which could result in service problems and complaints from restaurants or diners. As we rely heavily on our servers, computer and communications systems, as well as those of our third-party providers and third-party data centers, and the Internet to conduct our business and provide high quality customer service, disruptions could harm our ability to run our business, which could harm our results of operations and financial condition. For example, in October 2012, Superstorm Sandy caused blackouts throughout significant portions of New York City, which resulted in restaurants and diners being unable to access our platform for several days. These events could also negatively impact diner activity or the ability of restaurants to continue to operate.

Increases in food, labor, energy and other costs could adversely affect results of operations.

An increase in restaurant operating costs could cause restaurants in our network to raise prices or cease operations. Factors such as inflation, increased food costs, increased labor and employee benefit costs, increased rent costs and increased energy costs may increase restaurant operating costs. Many of the factors affecting restaurant costs are beyond the control of the restaurants in our network. In many cases, these restaurants may not be able to pass along these increased costs to diners and, as a result, may cease operations, which could harm our profitability and results of operations. Additionally, if these restaurants raise prices, order volume may decline, which could harm our profitability and results of operations.

Future acquisitions could disrupt our business and harm our business and results of operations.

As part of our business strategy, we will continue to selectively explore acquisition opportunities of companies and technologies to strengthen our platform. The identification of suitable acquisition candidates can be difficult, time consuming and costly, and we may not be able to successfully complete identified acquisitions. The risks we face in connection with acquisitions include:

regulatory hurdles;

anticipated benefits may not materialize;

diversion of management time and focus from operating our business to addressing acquisition integration challenges;

transition of the acquired company s users to our websites and mobile applications;

retention of employees from the acquired company;

Table of Contents

- cultural challenges associated with integrating employees from the acquired company into our organization;
- integration of the acquired company s accounting, management information, human resources and other administrative systems;
- the need to implement or improve controls, procedures and policies at a business that prior to the acquisition may have lacked effective controls, procedures and policies;
- coordination of product development and sales and marketing functions;
- liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities; and
- litigation or other claims in connection with the acquired company, including claims from terminated employees, users, former stockholders or other third parties.

Our failure to address these risks or other problems encountered in connection with our past or future acquisitions and investments could cause us to fail to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities, and harm our business generally. Future acquisitions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortization expenses or the impairment of goodwill, any of which could harm our business and results of operations.

Government regulation of the Internet and e-commerce is evolving, and unfavorable changes could substantially harm our business and results of operations.

We are subject to general business regulations and laws as well as federal and state regulations and laws specifically governing the Internet and e-commerce. Existing and future laws and regulations may impede the growth of the Internet, e-commerce or other online services, and increase the cost of providing online services. These regulations and laws may cover sweepstakes, taxation, tariffs, user privacy, data protection, pricing, content, copyrights, distribution, electronic contracts and other communications, consumer protection, broadband residential Internet access and the characteristics and quality of services. It is not clear how existing laws governing issues such as property ownership, sales, use and other taxes, libel and personal privacy apply to the Internet and e-commerce. Unfavorable resolution of these issues may harm our business and results of operations.

Our business is subject to a variety of U.S. laws, many of which are unsettled and still developing and which could subject us to claims or otherwise harm our business or results of operations.

We are subject to a variety of laws in the United States, including laws regarding data retention, online credit card payments, privacy, data security, distribution of user-generated content, consumer protection and tax, which are frequently evolving and developing. The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting. For example, laws relating to the liability of providers of online services for activities of their users and other third parties are currently being tested by a number of claims, including actions based on invasion of privacy and other torts, unfair competition, copyright and trademark infringement, and other theories based on the nature and content of the materials searched, the ads posted or the content provided by users. In addition, regulatory authorities in the United States and the European Union are considering a number of legislative and regulatory proposals concerning data protection and other matters that may be applicable to our business. It is also likely that if our business grows and evolves and our products are used in a greater number of geographies, we will become subject to laws and regulations in additional jurisdictions. It is difficult to predict how existing laws will be applied to our business and the new laws to which we may become subject.

If we are not able to comply with these laws or regulations or if we become liable under these laws or regulations, we could be harmed, and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to discontinue certain products or features, which would negatively affect our business. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm our reputation or otherwise impact the growth of our business. Any costs incurred to prevent or mitigate this potential liability could also harm our business and results of operations.

Failure to adequately protect our intellectual property could harm our business and results of operations.

Our business depends on our intellectual property, the protection of which is crucial to the success of our business. We rely on a combination of patent, trademark, trade secret and copyright law and contractual restrictions to protect our intellectual property. In addition, we attempt to protect our intellectual property, technology and confidential information by requiring our employees and consultants who develop intellectual property on our behalf to enter into confidentiality and assignment of inventions agreements and non-competition agreements, and third parties to enter into nondisclosure agreements. These agreements may not effectively prevent unauthorized use or disclosure of our confidential information, intellectual property or technology and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information, intellectual property or technology. Despite our efforts to protect our proprietary rights, unauthorized parties may copy aspects of our website features, software and functionality or obtain and use information that we consider proprietary.

We have registered, among numerous other trademarks, GrubHub, happy eating, Seamless, OrderHub and Your food is here. as trademarks the United States. Competitors have and may continue to adopt service names similar to ours, thereby harming our ability to build brand identity and possibly leading to user confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other trademarks that are similar to our trademarks. Litigation or proceedings before the U.S. Patent and Trademark Office or other governmental authorities and administrative bodies in the United States and abroad may be necessary in the future to enforce our intellectual property rights and to determine the validity and scope of the proprietary rights of others. Our efforts to enforce or protect our proprietary rights may be ineffective and could result in substantial costs and diversion of resources, which could harm our business and results of operations.

We may be unable to continue to use the domain names that we use in our business, or prevent third parties from acquiring and using domain names that infringe on, are similar to, or otherwise decrease the value of our brand or our trademarks or service marks.

We have registered domain names for our websites that we use in our business, most importantly seamless.com, grubhub.com, MenuPages.com and allmenus.com. If we lose the ability to use a domain name, whether due to trademark claims, failure to renew the applicable registration, or any other cause, we may be forced to market our products under a new domain name, which could cause us substantial harm, or to incur significant expense in order to purchase rights to the domain name in question. In addition, our competitors and others could attempt to capitalize on our brand recognition by using domain names similar to ours. Domain names similar to ours have been registered in the United States and elsewhere. We may be unable to prevent third parties from acquiring and using domain names that infringe on, are similar to, or otherwise decrease the value of our brand or our trademarks or service marks. Protecting and enforcing our rights in our domain names may require litigation, which could result in substantial costs and diversion of resources, which could in turn harm our business and results of operations.

Intellectual property infringement assertions by third parties could result in significant costs and harm our business, results of operations and reputation.

We operate in an industry with extensive intellectual property litigation. Other parties have asserted, and in the future may assert, that we have infringed their intellectual property rights. Such litigation may involve patent

Table of Contents

holding companies or other adverse patent owners who have no relevant product revenue, and therefore our own issued and pending patents may provide little or no deterrence. We could be required to pay substantial damages or cease using intellectual property or technology that is deemed infringing.

For example, we are currently a defendant to a patent infringement suit filed by Ameranth, Inc. in which we are alleged to infringe on patents relating to online ordering software. See the section titled Business Legal Proceedings for a further discussion of this litigation. This litigation could cause us to incur significant expenses and costs. In addition, the outcome of any litigation is inherently unpredictable and, as a result of this litigation, we may be required to pay damages, an injunction may be entered against us, or a license or other right to continue to deliver an unmodified version of the service may not be made available to us at all or may require us to pay ongoing royalties and comply with unfavorable terms. Any of these outcomes could harm our business. Even if we were to prevail, this litigation could be costly and time-consuming, could divert the attention of our management and key personnel from our business operations, and may discourage restaurants and diners from using our products.

Furthermore, we cannot predict whether other assertions of third-party intellectual property rights or claims arising from such assertions will substantially harm our business and results of operations. The defense of these claims and any future infringement claims, whether they are with or without merit or are determined in our favor, may result in costly litigation and diversion of technical and management personnel. Furthermore, an adverse outcome of a dispute may require us to pay damages, potentially including treble damages and attorneys fees if we are found to have willfully infringed a party s patent or copyright rights; cease making, licensing or using products that are alleged to incorporate the intellectual property of others; expend additional development resources to redesign our products; and enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies. Royalty or licensing agreements, if required, may be unavailable on terms acceptable to us, or at all. In any event, we may need to license intellectual property which would require us to pay royalties or make one-time payments. Even if these matters do not result in litigation or are resolved in our favor or without significant cash settlements, the time and resources necessary to resolve them could harm our business, results of operations and reputation.

Some of our products contain open source software, which may pose particular risks to our proprietary software and products.

We use open source software in our products and will use open source software in the future. From time to time, we may face claims from third parties claiming ownership of, or demanding release of, the open source software and/or derivative works that we developed using such software (which could include our proprietary source code), or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require us to purchase a costly license or cease offering the implicated products unless and until we can re-engineer them to avoid infringement. This re-engineering process could require significant additional research and development resources. In addition to risks related to license requirements, use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could harm our business and results of operations.

We may require additional capital to support business growth, and this capital might not be available on acceptable terms, if at all.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new features and products or enhance our existing products, improve our operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our existing stockholders could

24

suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing that we secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be impaired, and our business may be harmed.

Our business and results of operations may be harmed if we are deemed responsible for the collection and remittance of state sales taxes for our restaurants.

If we are deemed an agent for the restaurants in our network under state tax law, we may be deemed responsible for collecting and remitting sales taxes directly to certain states. It is possible that one or more states could seek to impose sales, use or other tax collection obligations on us with regard to such food sales. These taxes may be applicable to past sales. A successful assertion that we should be collecting additional sales, use or other taxes or remitting such taxes directly to states could result in substantial tax liabilities for past sales and additional administrative expenses, which would harm our business and results of operations.

As a public company, we incur significant costs to comply with the laws and regulations affecting public companies which could harm our business and results of operations.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act), the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) and the listing requirements of the NYSE, and other applicable securities rules and regulations. These rules and regulations have increased and will continue to increase our legal, accounting and financial compliance costs and have made and will continue to make some activities more time consuming and costly, particularly after we cease to be an emerging growth company as defined in the JOBS Act. For example, these rules and regulations could make it more difficult and more costly for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or to incur substantial costs to maintain the same or similar coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors or our board committees or as executive officers. Our management and other personnel devote a substantial amount of time to these compliance initiatives. As a result, management s attention may be diverted from other business concerns, which could harm our business and operating results. Although we have hired additional employees to comply with these requirements, we may need to hire more employees in the future, which will increase our costs and expenses.

Our management team, including our CEO, has limited experience in managing publicly traded companies. Our management team and other personnel devote a substantial amount of time to new compliance initiatives and we may not successfully or efficiently manage our transition to a public company. To comply with the requirements of being a public company, including the Sarbanes-Oxley Act, we may need to undertake various actions, such as implementing new internal controls and procedures and hiring accounting or internal audit staff, which would require us to incur additional expenses and harm our results of operations.

Risks Related to Ownership of Our Common Stock and this Offering

A significant portion of our common stock is held by our existing executive officers, directors and their affiliates, whose interests may differ from yours.

Upon completion of this offering, our current executive officers, directors and holders of 5% or more of our outstanding common stock will beneficially own, in the aggregate, approximately 38% of our outstanding shares of common stock. Some of these persons or entities may have interests that are different from yours. For

Table of Contents

example, these stockholders may support proposals and actions with which you may disagree or which are not in your interests or which adversely impact the value of your investment. These stockholders will be able to exercise a significant level of control over all matters requiring stockholder approval, including the election of directors, amendment of our certificate of incorporation and approval of significant corporate transactions. This control could have the effect of delaying or preventing a change of control in us or changes in management and could also make the approval of certain transactions difficult or impossible without the support of these stockholders, which in turn could reduce the price of our common stock.

The price of our common stock has been and may continue to be volatile, and you could lose all or part of your investment.

Prior to our IPO in April 2014, there had been no public market for our common stock. Shares of our common stock were sold in our IPO in April 2014 at a price of $26.00 per share, and our common stock has subsequently traded as high as $45.80. An active, liquid and orderly market for our common stock may not be sustained, which could depress the trading price of our common stock. The trading price of our common stock has been and may continue to be subject to wide fluctuations in response to various factors, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in our common stock since you might be unable to sell your shares at or above the price you paid in this offering. In addition to the factors discussed in this Risk Factors section and elsewhere in this prospectus, factors that could cause fluctuations in the trading price of our common stock include the following:

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the market prices and trading volumes of technology stocks, particularly Internet stocks;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- sales of shares of our common stock by us or our stockholders;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by any securities analysts who follow our Company or our failure to meet these estimates or the expectations of investors;
- the financial projections we may provide to the public, any changes in those projections or our failure to meet those projections;
- announcements by us or our competitors of new products;
- the public s reaction to our press releases, other public announcements and filings with the Securities and Exchange Commission (the SEC);
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations;

actual or anticipated developments in our business, our competitors businesses or the competitive landscape generally;

litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;

developments or disputes concerning our intellectual property or other proprietary rights;

announced or completed acquisitions of businesses or technologies by us or our competitors;

new laws or regulations or new interpretations of existing laws or regulations applicable to our business;

changes in accounting standards, policies, guidelines, interpretations or principles;

any significant change in our management; and

general economic conditions and slow or negative growth of our markets.

Table of Contents

Price and volume fluctuations may be even more pronounced in the trading market for our stock for a period of time following this offering. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company s securities. Such litigation, if instituted against us, could result in substantial costs, divert our management s attention and resources and harm our business and results of operations.

Our stock price could decline due to the large number of outstanding shares of our common stock eligible for future sale or subject to rights requiring us to register them for public sale.

The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the market after this offering, and the perception that these sales could occur may also depress the market price of our common stock. Based on shares outstanding as of August 15, 2014, upon the completion of this offering, we will have 80,081,644 shares of our common stock outstanding, assuming no exercise of outstanding options or warrants other than those options or warrants exercised by the selling stockholders for the purpose of selling shares in this offering. Of these shares, the shares of common stock sold in our IPO and the shares of common stock sold in this offering will be freely tradable in the United States, except for any shares purchased by our affiliates as defined in Rule 144 under the Securities Act. The holders of 26,161,853 shares of our outstanding common stock have entered into lock-up agreements in connection with this offering under which they have agreed not to dispose of or hedge any of their shares of common stock, subject to specified exceptions, without the prior written consent of Citibank Global Markets Inc., for a period of 90 days after the date of this prospectus. In addition, in connection with our IPO, the holders of 69,869,330 shares of outstanding common stock agreed, subject to certain exceptions, not to dispose of or hedge any of their shares of common stock during the 180-day period following our IPO, which period is scheduled to expire on September 30, 2014, unless earlier waived by Citigroup Global Markets Inc. and Morgan Stanley & Co. LLC. After the expiration of the 90-day restricted period (in connection with this offering), and the 180-day restricted period (in connection with the IPO), these shares may be sold in the public market in the United States, subject to prior registration in the United States, if required, or reliance upon an exemption from United States registration, including, in the case of shares held by affiliates or control persons, compliance with the volume and other restrictions of Rule 144 and Rule 701 of the Securities Act.

In addition, as of August 15, 2014, stockholders owning an aggregate of 67,022,269 shares have rights, subject to certain conditions, under contracts providing for registration rights to require us to register shares of our common stock owned by them for public sale in the United States. In addition, as of August 15, 2014, options to purchase a total of 8,009,355 shares of common stock pursuant to our 2013 Omnibus Incentive Plan were outstanding, of which options to purchase 3,732,573 shares were exercisable. On July 18, 2014, we filed a registration statement on Form S-8 to register the approximately 10,351,283 shares of common stock subject to options outstanding or reserved for future issuance under our 2013 Omnibus Incentive Plan. Pursuant to that registration statement, subject to Rule 144 limitations applicable to affiliates, the satisfaction of applicable exercise periods and, in certain cases, lock-up agreements with the representatives of the underwriters referred to above, the shares of common stock issued upon exercise of outstanding options will be available for immediate resale in the United States in the open market.

Sales of our common stock as restrictions end or pursuant to registration rights may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. These sales also could cause our stock price to fall and make it more difficult for you to sell shares of our common stock. For more information on the registration rights, see Certain Relationships and Related Party Transactions Registration Rights Agreement.

We are an emerging growth company and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an emerging growth company and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies.

Table of Contents

We could remain an emerging growth company for up to five years following the completion of our IPO (which occurred on April 4, 2014) or until (i) we achieve total annual gross revenues in excess of $1 billion during a fiscal year, (ii) become a large accelerated filer as defined in Rule 12b-2 under the Exchange Act, as a result of achieving a public float of at least $700 million as of the end of a second fiscal quarter or (iii) we issue more than $1 billion in nonconvertible debt during the preceding three year period. The exemptions include not being required to comply with the auditor attestation requirements of Section 404, reduced disclosure obligations regarding executive compensation in our registration statement, periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

While we will be required to disclose changes made in our internal control and procedures on a quarterly basis, if we choose not to comply with the auditor attestation requirements of Section 404, our auditors will not be required to attest to the effectiveness of our internal control over financial reporting until the later of the year following our first annual report required to be filed with the SEC or the date we are no longer an emerging growth company. We could be an emerging growth company for up to five years. As a result, investors may become less comfortable with the effectiveness of our internal control and the risk that material weaknesses or other deficiencies in our internal controls go undetected may increase.

If we choose to provide reduced disclosures in our periodic reports and proxy statements while we are an emerging growth company, investors would have access to less information and analysis about our executive compensation, which may make it difficult for investors to evaluate our executive compensation practices. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions and provide reduced disclosure. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

After we are no longer an emerging growth company, we will be obligated to develop and maintain proper and effective internal control over financial reporting. We may not complete our analysis of our internal control over financial reporting in a timely manner, or these internal controls may not be determined to be effective, which may harm investor confidence in our company and, as a result, the value of our common stock.

After we are no longer an emerging growth company, we will be required, pursuant to Section 404, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting for the first fiscal year beginning after the effective date of our IPO. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting.

We are in the early stages of the costly and challenging process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal controls are effective. If we are unable to assert that our internal control over financial reporting is effective, investors could lose confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline.

Our independent registered public accounting firm has advised us that it identified a material weakness in the internal control over financial reporting of Seamless Holdings, now known as GrubHub Inc., for the years ended December 31, 2011 and 2012. If our internal control over financial reporting or our disclosure controls and procedures are not effective, we may not be able to accurately report our financial results, prevent fraud or file our periodic reports in a timely manner, which may cause investors to lose confidence in our reported financial information and may lead to a decline in our stock price.

Our independent registered public accounting firm has not conducted an audit of Seamless Holdings (which is now known as GrubHub Inc.) internal control over financial reporting. However, in connection with its audit

Table of Contents

of Seamless Holdings consolidated financial statements as of and for the years ended December 31, 2011 and 2012 included elsewhere in this prospectus, our independent registered public accounting firm discovered a material weakness relating to the documentation of journal entry review of Seamless Holdings. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Specifically, Seamless Holdings had not regularly documented its review of journal entries.

Since discovery of this material weakness, we have taken steps to fully understand the material weakness and to remediate it. We have implemented a formal review of all manual journal entries, including documentation, as part of our monthly close process. Additionally, in connection with the Merger, we retained the chief financial officer and controller that served in those roles for the GrubHub Platform. By utilizing their existing accounting and finance expertise, we have built a more experienced accounting and finance organization. While we have remediated this material weakness for the period ended December 31, 2013, we may identify additional related or unrelated material weaknesses or significant deficiencies in the future. If our internal control over financial reporting or our disclosure controls and procedures are not effective, we may not be able to accurately report our financial results, prevent fraud or file our periodic reports in a timely manner, which may cause investors to lose confidence in our reported financial information and may lead to a decline in our stock price.

In addition, implementing any appropriate changes to our internal controls may distract our officers and employees, entail substantial costs to implement new processes and modify our existing processes and take significant time to complete. Moreover, any such changes do not guarantee that we will be effective in maintaining the adequacy of our internal controls, and any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and harm our business. Furthermore, investors perceptions that our internal controls are inadequate or that we are unable to produce accurate financial statements on a timely basis may harm our stock price.

Anti-takeover provisions contained in our certificate of incorporation and bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Our certificate of incorporation and bylaws contain and Delaware law contains provisions which could have the effect of rendering more difficult, delaying or preventing an acquisition deemed undesirable by our board of directors. Our corporate governance documents include provisions:

- creating a classified board of directors whose members serve staggered three-year terms;
- authorizing blank check preferred stock, which could be issued by our board of directors without stockholder approval and may contain voting, liquidation, dividend and other rights superior to our common stock;
- limiting the liability of, and providing indemnification to, our directors and officers;
- limiting the ability of our stockholders to call and bring business before special meetings;
- requiring advance notice of stockholder proposals for business to be conducted at meetings of our stockholders and for nominations of candidates for election to our board of directors;

- controlling the procedures for the conduct and scheduling of board of directors and stockholder meetings; and

- providing our board of directors with the express power to postpone previously scheduled annual meetings and to cancel previously scheduled special meetings.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management.

Table of Contents

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation law, which prevents some stockholders holding more than 15% of our outstanding common stock from engaging in certain business combinations without approval of the holders of substantially all of our outstanding common stock.

Any provision of our certificate of incorporation, bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock.

We may invest or spend the proceeds of this offering in ways with which you may not agree or in ways which may not yield a return or enhance the price of our common stock.

The net proceeds from the sale of our shares of common stock by us in this offering will be used for general corporate purposes. We may also use a portion of the net proceeds to acquire complementary businesses, products, services or technologies. However, we do not have any agreements or commitments for any acquisitions at this time. Our management will have considerable discretion in the application of the net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. The net proceeds may be invested with a view towards long-term benefits for our stockholders and this may not increase our results of operations or market value. Until the net proceeds are used, they may be placed in investments that do not produce significant income or that may lose value.

If securities or industry analysts issue an adverse or misleading opinion regarding our common stock or do not publish or cease publishing research or reports about us, our business or our market, or if they change their recommendations regarding our common stock adversely, our stock price and trading volume could decline.

The trading market for our common stock will be influenced, to some extent, by the research and reports that industry or securities analysts may publish about us, our business, our market or our competitors. We do not control these analysts or the content and opinions included in their reports. If any of the analysts who cover us change their recommendation regarding our common stock adversely, or provide more favorable relative recommendations about our competitors, our stock price would likely decline. If any analyst who covers us were to cease coverage of our Company or fail to publish reports on us regularly or if analysts elect not to provide research coverage of our common stock, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

We do not expect to declare any dividends in the foreseeable future.

We do not anticipate declaring any cash dividends to holders of our common stock in the foreseeable future. Consequently, investors may need to rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment. Investors seeking cash dividends should not purchase our common stock.

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

In addition to historical information about the Company, we also make statements in this prospectus containing forward-looking statements within the meaning of the federal securities laws. Forward-looking statements involve substantial risks, known or unknown, and uncertainties that may cause actual results to differ materially from future results or outcomes expressed or implied by such forward-looking statements. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as anticipates, believes, contemplates, continue, could, estimates, expects, may, plans, potential, predicts, projects, should, target or will or the negative of these words or other similar terms or expressions th our expectations, strategy, plans or intentions. We cannot guarantee that any forward-looking statement will be realized. The following important factors, in addition to those discussed elsewhere in this prospectus, could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in such forward-looking statements:

our future financial performance, including our revenue, costs and expenses, our ability to generate positive cash flow and our ability to achieve and maintain profitability;

the sufficiency of our cash and cash equivalents to meet our liquidity needs;

our ability to effectively manage our integration after the Merger;

our ability to attract and retain restaurants in a cost-effective manner to use our platform;

our ability to increase the number of and retain existing diners using our websites and mobile applications and their level of engagement;

our ability to properly use and protect customer information and data;

our ability to strengthen our two-sided network;

the growth in the usage of our mobile applications and our ability to continue to successfully monetize this usage;

our ability to innovate and provide a superior experience to restaurants and diners;

our ability to successfully expand in our existing markets and into new markets;

our ability to effectively manage our growth and future expenses;

our ability to maintain, protect and enhance our intellectual property;

- the impact of worldwide economic conditions, including the resulting effect on diner spending on takeout;
- the impact of weather, natural or man-made catastrophic events on our business;
- interruptions in service and any related impact on our business, reputation or brand;
- the seasonality of our business, including the effect of academic calendars and college campuses and seasonal patterns in restaurant dining;
- the effects of increased competition on our business;
- costs associated with defending claims, including intellectual property, infringement claims and related judgments and settlements;
- our ability to comply with new legislation and governmental regulations applicable to our business; and
- the attraction and retention of qualified employees and key personnel.

While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results.

Table of Contents

Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations in this prospectus. All forward-looking statements are expressly qualified in their entirety by these cautionary statements. You should evaluate all forward-looking statements made in this prospectus in the context of these risks and uncertainties.

We caution you that the factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences we anticipate or affect us or our operations in the way we expect. The forward-looking statements included in this prospectus are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements.

Table of Contents

BASIS OF PRESENTATION

Unless otherwise stated or the context requires otherwise, (i) when we refer to the Seamless Platform, we refer to the operations for Seamless North America, LLC as of and for the year ended December 31, 2011 and from January 1, 2012 through October 28, 2012, the date when Aramark Corporation (Aramark) completed the spin-off of its interest in the Seamless business, and for Seamless Holdings Corporation, an entity formed for the purpose of completing the spin-off and whose assets primarily consist of Aramark s former interest in the Seamless business and its subsidiaries (Seamless Holdings), beginning on October 29, 2012, (ii) when we refer to the GrubHub Platform, we refer to the operations of GrubHub Holdings Inc., formerly known as GrubHub, Inc. (GrubHub Holdings), and its subsidiaries and (iii) all share and per share data in this prospectus reflects the 1-for-2 reverse stock split of our issued and outstanding common stock and preferred stock (the Reverse Stock Split), which was effected on April 2, 2014. On August 8, 2013 (the Merger Date), we completed a merger of the GrubHub Platform and the Seamless Platform (the Merger). Through the Merger, we formed GrubHub Inc., formerly known as GrubHub Seamless Inc., which includes both the GrubHub Platform and the Seamless Platform.

Financial Information

Unless otherwise stated or the context requires otherwise, the historical financial information included throughout this prospectus reflects the historical financial condition and results of operations for the Seamless Platform as of and for the years ended December 31, 2011 and 2012 and the six months ended June 30, 2013. The results of operations for the year ended December 31, 2013 include the results of operations for the Seamless Platform alone from January 1, 2013 through the Merger Date and for both the GrubHub Platform and the Seamless Platform, as reflected in the financial statements of GrubHub Inc., after the Merger Date through December 31, 2013. The results of operations for the six months ended June 30, 2014 include the results of operations for GrubHub Inc., which includes both the GrubHub Platform and the Seamless Platform. The balance sheet data as of June 30, 2014 reflects the financial condition of GrubHub Inc.

Operating Metrics

Throughout this prospectus, we discuss key business metrics, including Active Diners, Daily Average Grubs and Gross Food Sales. Unless otherwise stated or the context requires otherwise, each of these metrics include results for the Seamless Platform alone prior to the Merger Date and for both the GrubHub Platform and the Seamless Platform, as GrubHub Inc., after the Merger Date. Our key business metrics are defined as follows:

Active Diners. We count Active Diners as the number of unique diner accounts from which an order has been placed in the past twelve months through our platform. We began including Active Diners from the GrubHub Platform as of the Merger Date. Unless otherwise stated or the context requires otherwise, when we disclose the number of Active Diners as of December 31, 2013 and June 30, 2014, this includes the number of diner accounts from which an order has been placed in the twelve months prior to such dates through either the GrubHub Platform or the Seamless Platform. Some of our diners could have more than one account if they were to set up multiple accounts using a different e-mail address for each account. As a result, it is possible that our Active Diner metric may count certain diners more than once during any given period.

Daily Average Grubs. We count Daily Average Grubs as the number of revenue generating orders placed on our platform divided by the number of days for a given period. Unless otherwise stated or the context requires otherwise, when we disclose the Daily Average Grubs during the year ended December 31, 2013, this includes the sum of the number of revenue generating orders placed on the Seamless Platform between January 1, 2013 and August 8, 2013 and the number of revenue generating orders placed on both the GrubHub Platform and the Seamless Platform between August 9, 2013 and December 31, 2013, divided by the number of days in that period. Daily Average Grubs during the six months ended June 30, 2014, includes the number of revenue generating orders placed on the Seamless Platform and the GrubHub Platform, divided by the number of days in that period.

Table of Contents

Gross Food Sales. We calculate Gross Food Sales as the total value of food, beverages, taxes, prepaid gratuities, and any delivery fees processed through our platform. We include all revenue generating orders placed on our platform. Because we act as an agent of the merchant in the transaction, we recognize as revenues only our commissions from the transaction, which are a percentage of the total Gross Food Sales for such transaction. Unless otherwise stated or the context requires otherwise, when we disclose Gross Food Sales during the twelve months ended December 31, 2013 and the six months ended June 30, 2014, we include the total value of food, beverages, taxes, prepaid gratuities, and any delivery fees processed through the Seamless Platform from January 1, 2013 to August 8, 2013 and the total value of food, beverages, taxes, prepaid gratuities, and any delivery fees processed through both the GrubHub Platform and the Seamless Platform after August 9, 2013.

References to Daily Average Grubs and Gross Food Sales as combined reflect the combined results for the GrubHub Platform and the Seamless Platform beginning on the first day of the period for which the operating metric is presented.

References herein to diners are to diners on our platform.

References to the number of restaurants on our platform include all restaurants that have an open contract with us (and exclude duplicate entries for restaurants on both the GrubHub Platform and the Seamless Platform), regardless of the restaurant s level of activity on our platform.

Table of Contents

INDUSTRY AND MARKET DATA

This prospectus also contains statistical data, estimates and forecasts that are based on independent industry publications, such as those published by Euromonitor, or other publicly available information, as well as other information based on our internal sources. The industry data presented in this prospectus related to the size of the U.S. independent restaurant market is based on data from the 2013 Euromonitor International report and our analysis of such data. References to independent restaurants included in this prospectus exclude chains with greater than ten outlets and street stalls, kiosks and self-service cafeterias. None of the independent industry publications referred to in this prospectus were prepared on our or on our affiliates behalf or at our expense. While we are not aware of any misstatements regarding any third-party information presented in this prospectus, Euromonitor International s figures are based on official statistics, trade associations, trade press, company research, trade interviews and trade services, and as such have not been independently verified by Euromonitor International in each case.

Table of Contents

USE OF PROCEEDS

We expect to receive net proceeds from this offering of approximately $50.7 million, based upon an assumed public offering price of $42.76 per share, which is equal to the last reported sale price of our common stock on the NYSE on August 22, 2014, excluding any proceeds received by us in connection with the exercise of options or warrants to purchase shares of our common stock by the selling stockholders in connection with this offering and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any proceeds from the sale of shares of common stock by the selling stockholders, including certain members of our board of directors and management. See Principal and Selling Stockholders.

We currently intend to use the net proceeds that we receive in connection with this offering, including any proceeds received in connection with the exercise of options or warrants to purchase shares of our common stock by the selling stockholders in connection with this offering, for general corporate purposes, which may include investments and acquisitions. We cannot specify with certainty the particular uses of the net proceeds that we will receive from this offering. Accordingly, we will have broad discretion in using these proceeds. Pending the use of proceeds from this offering as described above, we plan to invest the net proceeds that we receive in this offering in short-term and intermediate term interest-bearing obligations, investment-grade investments, certificates of deposit or direct or guaranteed obligations of the U.S. government.

Table of Contents

PRICE RANGE OF COMMON STOCK

Our common stock began trading on the NYSE under the symbol GRUB on April 4, 2014. Before then, there was no public market for our common stock. The following table sets forth, for the periods indicated, the high and low sales prices of our common stock as reported by the NYSE:

	High	Low
Second Quarter (beginning April 4, 2014)	$ 40.80	$ 29.86
Third Quarter (through August 22, 2014)	$ 45.80	$ 30.62

On August 22, 2014, the closing price as reported on the NYSE of our common stock was $42.76 per share. As of August 15, 2014, we had approximately 438 holders of record of our common stock. The number of holders of record is based upon the actual number of holders registered at such date and does not include holders of shares in street name or persons, partnerships, associates, corporations or other entities in security position listings maintained by depositories.

Table of Contents

DIVIDEND POLICY

We made dividend payments to our common and preferred stockholders in 2011, 2012, 2013 and 2014, but we currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. Any future determination to declare dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions and other factors that our board of directors may deem relevant.

Table of Contents

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2014 as follows:

1. on an actual basis; and

2. on an as adjusted basis, giving effect to the sale and issuance by us of 1,250,000 shares of common stock in this offering, at an assumed public offering price of $42.76 per share, which is the last reported sale price of our common stock on the NYSE on August 22, 2014, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us and excluding any proceeds received by us from the exercise of options or warrants to purchase our common stock by the selling stockholders in connection with this offering.

You should read this table together with our financial statements and related notes, and the sections titled Use of Proceeds and Selected Historical Consolidated Financial and Other Data that are included elsewhere in this prospectus.

	As of June 30, 2014	
(in thousands, except share and per share data)	**Actual**	**As Adjusted**
Cash and cash equivalents	$ 207,096	$ 257,833
Stockholders equity:		
Common stock, par value $0.0001 per share: 500,000,000 shares authorized, 78,831,161 shares issued and outstanding, actual, 80,081,161 shares issued and outstanding, as adjusted	8	8
Accumulated other comprehensive income	316	316
Additional paid-in capital	617,375	668,112
Retained earnings	63,605	63,605
Total stockholders equity	$ 681,304	$ 732,041

The outstanding share information set forth in the table above is as of June 30, 2014 and excludes the following:

8,119,867 shares of common stock issuable upon the exercise of options to purchase common stock that were outstanding as of June 30, 2014, with a weighted average exercise price of $6.44 per share; and

1,439,129 shares of common stock reserved for future issuance under our 2013 Omnibus Incentive Plan as of June 30, 2014, and any future increase in shares reserved for issuance under such plan.

Table of Contents

UNAUDITED PRO FORMA FINANCIAL INFORMATION

During the year ended December 31, 2013, we made the following acquisitions:

- on August 8, 2013, GrubHub Inc. acquired all of the equity interests of each of Seamless North America, LLC, Seamless Holdings and GrubHub Holdings, pursuant to the Reorganization and Contribution Agreement, dated as of May 19, 2013, by and among the Company, Seamless North America, LLC, Seamless Holdings, GrubHub Holdings and the other parties thereto.

For purposes of the Unaudited Pro Forma Condensed Statement of Operations for the year ended December 31, 2013 and the six months ended June 30, 2013, we assumed that the Merger occurred on January 1, 2013. As a result, the Unaudited Pro Forma Condensed Statement of Operations was derived from:

- the audited historical statement of operations of Seamless Holdings (Acquirer) for the year ended December 31, 2013 and the six months ended June 30, 2013; and

- the unaudited historical statement of operations of GrubHub Holdings (Acquiree) for the period January 1, 2013 to August 8, 2013 and the six months ended June 30, 2013.

The Unaudited Pro Forma Condensed Statement of Operations is presented for illustration purposes only and does not necessarily indicate the results of operations that would have been achieved if the Merger had occurred at the beginning of period presented, nor is it indicative of future results of operations.

The Unaudited Pro Forma Condensed Statement of Operations should be read in conjunction with the Company s historical financial statements and accompanying notes included in this prospectus.

GrubHub Inc. Basic and Diluted earnings per share:

Basic: The weighted average number of shares outstanding used to calculate basic earnings per share in the Unaudited Pro Forma Condensed Statement of Operations, after giving effect to the Reverse Stock Split, does not account for the automatic conversion of preferred stock into shares of common stock that occurred immediately prior to the closing of the IPO.

Diluted: Diluted net income per share attributable to common stockholders is computed by dividing net income by the weighted-average number of common shares outstanding during the period and potentially dilutive common stock equivalents, except in cases where the effect of the common stock equivalent would be antidilutive, after giving effect to the Reverse Stock Split. Potential common stock equivalents consist of common stock issuable upon exercise of stock options using the treasury stock method and common stock issuable upon conversion of our preferred stock.

Pro Forma Basic and Diluted earnings per share:

Basic: The weighted average number of shares outstanding used to calculate the pro forma basic earnings per share in the Unaudited Pro Forma Condensed Statement of Operations reflects the common stock issued at the time of the Merger as if the common stock had been issued as of the beginning of the year of acquisition after giving effect to the Reverse Stock Split, which was effected on April 2, 2014.

Diluted: Diluted net income per share attributable to common stockholders is computed by dividing net income by the weighted-average number of common shares outstanding during the period and potentially dilutive common stock equivalents, except in cases where the effect of the common stock equivalent would be antidilutive, after giving effect to the Reverse Stock Split. Potential common stock equivalents consist of common stock issuable upon exercise of stock options using the treasury stock method and common stock issuable upon conversion of our preferred stock.

Table of Contents

GrubHub Inc.

Unaudited Pro Forma Condensed Statement of Operations

For the Year Ended December 31, 2013

(in thousands, except per share data)

	GrubHub Inc.	GrubHub Holdings from January 1, 2013 to August 8, 2013	Acquisition Adjustments (A)	Acquisition Adjustments (B)	Acquisition Adjustments (C)	Acquisition Adjustments (D)	Pro Forma
Revenues	$ 137,143	$ 32,943	$	$	$	$	$ 170,086
Sales and marketing	37,347	10,948		540			48,835
Operations and support	34,173	11,466		491			46,130
Technology (exclusive of amortization)	15,357	3,794		306			19,457
General and administrative	21,907	10,495		1,660	(9,131)		24,931
Depreciation and amortization	13,470	1,536	6,475				21,481
Total operating expenses	122,254	38,239	6,475	2,997	(9,131)		160,834
Income (loss) before provision for income taxes	14,889	(5,296)	(6,475)	(2,997)	9,131		9,252
Provision (benefit) for income taxes	8,142					(3,050)	5,092
Net income (loss)	$ 6,747	$ (5,296)	$ (6,475)	$ (2,997)	$ 9,131	$ 3,050	$ 4,160
Preferred stock tax distributions	(1,073)						(1,073)
Net income attributable to common stockholders	$ 5,674						$ 3,087
Net income per share attributable to common stockholders:							
Basic	$ 0.14						$ 0.06
Diluted	$ 0.12						$ 0.06
Weighted average number of shares outstanding:							
Basic	40,681						54,774
Diluted	56,645						75,634

41

Table of Contents

GrubHub Inc.

Unaudited Pro Forma Condensed Statement of Operations

For the Six Months Ended June 30, 2013

(in thousands, except per share data)

	GrubHub Inc.	GrubHub Holdings for the Six Months Ended June 30, 2013	Acquisition Adjustments (A)	Acquisition Adjustments (B)	Acquisition Adjustments (C)	Acquisition Adjustments (D)	Pro Forma
Revenues	$ 52,658	$ 27,369	$	$	$	$	$ 80,027
Sales and marketing	16,164	9,350		437			25,951
Operations and support	11,975	9,535		394			21,904
Technology (exclusive of amortization)	5,344	3,164		246			8,754
General and administrative	8,712	8,763		1,347	(7,430)		11,392
Depreciation and amortization	3,673	1,302	5,334				10,309
Total operating expenses	45,868	32,114	5,334	2,424	(7,430)		78,310
Income (loss) before provision for income taxes	6,790	(4,745)	(5,334)	(2,424)	7,430		1,717
Provision (benefit) for income taxes	3,711					(2,767)	944
Net income (loss)	$ 3,079	$ (4,745)	$ (5,334)	$ (2,424)	$ 7,430	$ 2,767	$ 773
Preferred stock tax distributions	(648)						(648)
Net income attributable to common stockholders	$ 2,431						$ 125
Net income per share attributable to common stockholders:							
Basic	$ 0.08						$ 0.00
Diluted	$ 0.07						$ 0.01
Weighted average number of shares outstanding:							
Basic	31,368						54,687
Diluted	43,356						74,773

GrubHub Inc.

Notes to Unaudited Pro Forma Condensed Statement of Operations

(in thousands, except share data)

(A) Amortization

The pro forma adjustments reflects the additional amortization that would have been recognized on the intangible assets had the acquisitions occurred on January 1, 2013.

		GrubHub Holdings Amortization	
	Useful life	January 1, 2013 to August 8, 2013	Six Months Ended June 30, 2013
Developed technology	3 years	$ 1,038	$ 857
Customer list	16.4 years	6,171	5,105
Total pro forma impact		7,209	5,962
Less amounts already recorded		(734)	(628)
Adjustment necessary		$ 6,475	$ 5,334

(B) Replacement stock option awards

In connection with the Merger, we were required to replace the GrubHub Platform share based payment awards. The fair value of the replacement options for services performed after the Merger was recognized as compensation cost. The pro forma adjustments reflect an adjustment of $2,997 and $2,424 for the year ended December 31, 2013 and the six months ended June 30, 2013, respectively, had the Merger occurred on January 1, 2013.

(C) Transaction costs

The pro forma adjustment reflects the elimination of the transaction costs incurred in connection with the Merger of $9,131 and $7,430 for the year ended December 31, 2013 and the six months ended June 30, 2013, respectively, including $4,667 and $3,343 of transaction costs at GrubHub Inc. for the year ended December 31, 2013 and the six months ended June 30, 2013, respectively, and $4,464 and $4,087 of transaction costs at GrubHub Holdings year ended December 31, 2013 and the six months ended June 30, 2013, respectively.

(D) Income taxes

The $3,050 and $2,767 pro forma adjustments reflect the estimated income tax benefit that would have been recognized for the year ended December 31, 2013 and the six months ended June 30, 2013, respectively, had the acquisition occurred on January 1, 2013. The pro forma tax benefit was determined by using the Company s historical effective tax rate.

Table of Contents

SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

The following selected historical consolidated financial and other data is derived from our consolidated financial statements included elsewhere in this prospectus. The consolidated financial statements included elsewhere in this prospectus reflect the results of operations and financial condition of (i) the Seamless Platform as of and for the years ended December 31, 2011 and 2012 (ii) the Seamless Platform from January 1, 2013 through the Merger Date and for both the Seamless Platform and the GrubHub Platform after the Merger Date and (iii) GrubHub Inc. as of December 31, 2013 and June 30, 2014. The share and per share amounts for all periods reflect the completion of the Reverse Stock Split, which was effected on April 2, 2014. The audited consolidated financial statements reflect, in the opinion of management, all adjustments of a normal, recurring nature that are necessary for the fair presentation of the financial statements. You should read the selected financial data below in conjunction with the section titled Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes included elsewhere in this prospectus.

(in thousands, except per share data)	Year Ended December 31, 2011	2012	2013(1)	Six Months Ended June 30, 2013(1) (unaudited)	2014(2) (unaudited)
Statement of Operations Data:					
Revenues	$ 60,611	$ 82,299	$ 137,143	$ 52,658	$ 118,619
Costs and expenses:					
Sales and marketing	17,198	26,892	37,347	16,164	32,285
Operations and support	13,961	18,165	34,173	11,975	29,841
Technology (exclusive of amortization)	5,651	10,172	15,357	5,344	11,413
General and administrative	9,777	12,249	21,907	8,712	16,944
Depreciation and amortization	4,033	6,089	13,470	3,673	11,130
Total costs and expenses	50,620	73,567	122,254	45,868	101,613
Income before provision for income taxes	9,991	8,732	14,889	6,790	17,006
Provision (Benefit) for income taxes	(5,220)	813	8,142	3,711	9,961
Net income	15,211	7,919	6,747	3,079	7,045
Preferred stock tax distributions	(334)	(402)	(1,073)	(648)	(320)
Net income attributable to common stockholders	$ 14,877	$ 7,517	$ 5,674	$ 2,431	$ 6,725
Net income per share attributable to common stockholders:					
Basic	$ 0.48	$ 0.24	$ 0.14	$ 0.08	$ 0.10
Diluted	$ 0.36	$ 0.19	$ 0.12	$ 0.07	$ 0.09
Weighted average shares used to compute net income per share attributable to common stockholders:					
Basic	31,320	31,320	40,681	31,368	66,626
Diluted	42,505	42,666	56,645	43,356	79,854
Pro forma net income per share attributable to common stockholders (unaudited)(3):					
Basic		$ 0.14	$ 0.12	$ 0.06	
Diluted		$ 0.14	$ 0.12	$ 0.07	
Weighted average shares used to compute pro forma net income per share attributable to common stockholders (unaudited)(3):					
Basic		42,505	55,071	42,554	

Diluted		42,666	56,645	43,356	
Other Financial Information:					
Adjusted EBITDA(4)	$ 14,827	$ 17,185	$ 38,134	$ 15,044	$ 33,315
Cash Flows Data:					
Net cash provided by operating activities	$ 32,094	$ 29,578	$ 40,819	$ 19,415	$ 30,285
Net cash provided by (used in) investing activities	(36,949)	10,303	6,245	(4,604)	(3,490)
Net cash provided by (used in) financing activities	7,321	(2,218)	(1,842)	(1,806)	93,575
Preferred stock tax distributions	(16,690)	(1,588)	(1,893)	(651)	(320)

(1) Includes results for Seamless Platform through the Merger, and of GrubHub Inc., for the remainder of the period presented.
(2) Includes the results of GrubHub Inc.
(3) Pro forma net income per share attributable to common stockholders has been calculated assuming the conversion of all outstanding shares of our convertible preferred stock into shares of our common stock, as though the conversion had occurred as of the beginning of 2011 or the original date of issue, if later.
(4) See the section titled Non-GAAP Financial Measures below for more information and for a reconciliation of Adjusted EBITDA to net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP.

	As of December 31,			As of June 30, 2014
	2011	2012	2013	Actual
(in thousands)				(unaudited)
Balance Sheet Data:				
Cash and cash equivalents	$ 3,383	$ 41,161	$ 86,542	$ 207,096
Property and equipment, net	11,233	13,341	17,096	16,529
Working capital	(11,905)	3,837	29,568	149,130
Total assets	184,940	206,255	762,812	885,898
Convertible Preferred Stock	1	1	2	
Total stockholders equity	131,971	137,888	557,375	681,304

Key Business Metrics

To analyze our business performance, determine financial forecasts and help develop long-term strategic plans, we review the following key business metrics:

	Year Ended December 31,			Six Months Ended June 30,	
	2011	2012	2013	2013	2014
				(unaudited)	
Active Diners[(1)]	689,000	986,000	3,421,000	1,171,000	4,192,000
Daily Average Grubs[(2)]	45,700	62,000	107,900	83,200	177,800
Gross Food Sales (in millions)[(3)]	$ 412.2	$ 568.8	$ 1,014.9	$ 381.4	$ 855.6

(1) We count Active Diners as the number of unique diner accounts from which an order has been placed in the past twelve months through our platform. We began including Active Diners from the GrubHub Platform as of the Merger Date.
(2) We count Daily Average Grubs as the number of revenue generating orders placed on our platform divided by the number of days for a given period.
(3) We calculate Gross Food Sales as the total value of food, beverages, taxes, prepaid gratuities, and any delivery fees processed through our platform. We include all revenue generating orders placed on our platform. Because we act as an agent of the merchant in the transaction, we recognize as revenues only our commissions from the transaction, which are a percentage of the total Gross Food Sales for such transaction.

Non-GAAP Financial Measures

Adjusted EBITDA is a financial measure that is not calculated in accordance with GAAP. We define Adjusted EBITDA as net income adjusted to exclude merger and restructuring costs, incomes taxes, depreciation and amortization and stock-based compensation expense. Below, we have provided a reconciliation of Adjusted EBITDA to our net income, the most directly comparable financial measure calculated and presented in accordance with GAAP. Adjusted EBITDA should not be considered as an alternative to net income or any other

Table of Contents

measure of financial performance calculated and presented in accordance with GAAP. Our Adjusted EBITDA may not be comparable to similarly titled measures of other organizations because other organizations may not calculate Adjusted EBITDA in the same manner as we calculate the measure.

We include Adjusted EBITDA in this prospectus because it is an important measure upon which our management assesses our operating performance. We use Adjusted EBITDA as a key performance measure because we believe it facilitates operating performance comparisons from period to period by excluding potential differences primarily caused by variations in capital structures, tax positions, the impact of acquisitions and restructuring, the impact of depreciation and amortization expense on our fixed assets and the impact of stock-based compensation expense. Because Adjusted EBITDA facilitates internal comparisons of our historical operating performance on a more consistent basis, we also use Adjusted EBITDA for business planning purposes and in evaluating acquisition opportunities. In addition, we believe Adjusted EBITDA and similar measures are widely used by investors, securities analysts, ratings agencies and other parties in evaluating companies in our industry as a measure of financial performance and debt-service capabilities.

Our use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures for capital equipment or other contractual commitments;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect capital expenditure requirements for such replacements;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs; and
- other companies, including companies in our industry, may calculate Adjusted EBITDA measures differently, which reduces their usefulness as comparative measures.

In evaluating Adjusted EBITDA, you should be aware that in the future we will incur expenses similar to some of the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by these expenses or any unusual or non-recurring items. When evaluating our performance, you should consider Adjusted EBITDA alongside other financial performance measures, including our net income and other GAAP results.

The following table presents a reconciliation of Adjusted EBITDA to our net income, the most comparable GAAP measure, for each of the periods indicated:

	Year Ended December 31,			Six Months Ended June 30,	
	2011	2012	2013[1]	2013	2014[2]
(in thousands)				(unaudited)	
Reconciliation of Adjusted EBITDA:					
Net income	$ 15,211	$ 7,919	$ 6,747	$ 3,079	$ 7,045
Income taxes[3]	(5,220)	813	8,142	3,711	9,961
Depreciation and amortization	4,033	6,089	13,470	3,673	11,130

EBITDA	14,024	14,821	28,359	10,463	28,136
Merger and restructuring costs[4]			4,842	3,343	492
Stock-based compensation	803	2,364	4,933	1,238	4,687
Adjusted EBITDA	$ 14,827	$ 17,185	$ 38,134	$ 15,044	$ 33,315

(1) Includes results for Seamless Platform through August 8, 2013, when we completed the Merger, and of GrubHub Inc., the combined company, for the remainder of the period presented.

Table of Contents

(2) Includes the results of operation for GrubHub Inc. for the six months ended June 30, 2014.

(3) The increase in income tax expense was primarily attributable to a reversal of deferred tax liability of $8.1 million in 2011 associated with the June 2011 sale of preferred stock to SLW Investors, LLC offset by 2011 income tax paid of $2.2 million, which represents the income tax expense from January 1, 2011 through May 31, 2011. For the period January 1, 2012 through October 27, 2012, the Company was a pass-through entity for income tax purposes. Immediately following the Merger Date, 100% of our taxable income is subject to income tax.

(4) Merger and restructuring costs include transaction and integration-related costs, such as legal and accounting costs, associated with the Merger and restructuring initiatives.

Table of Contents

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the sections titled Unaudited Pro Forma Financial Information and Selected Historical Consolidated Financial and Other Data, and the financial statements and related notes thereto included elsewhere in this prospectus. Unless otherwise stated, the discussion below primarily reflects the historical condition and results of operations for (i) the Seamless Platform as of and for the years ended December 31, 2011 and 2012 and the six months ended June 30, 2013, (ii) the Seamless Platform from January 1, 2013 through the Merger Date and for both the GrubHub Platform and the Seamless Platform after the Merger Date and (iii) GrubHub Inc. as of December 31, 2013 and June 30, 2014. Additionally, unless otherwise stated, all results from the GrubHub Platform refer to the period after the Merger Date. The share and per share amounts for all periods reflect the completion of the Reverse Stock Split, which was effected on April 2, 2014. For purposes of the following discussion of the financial condition and results of operations only, the terms, GrubHub, we, us, our, our platform and the Company refer to the Seamless Platform prior to the Merger Date and the GrubHub Platform and Seamless Platform combined following the Merger Date.

This discussion contains forward-looking statements that primarily relate to GrubHub Inc., the combined company of the GrubHub Platform and the Seamless Platform, and involve risks and uncertainties. Our actual results could differ materially from those discussed below, which primarily reflect the results of the Seamless Platform. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the section titled Risk Factors included elsewhere in this prospectus.

Overview