
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 7, 2019

WAITR HOLDINGS INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-37788

(Commission File Number)

26-3828008
(IRS Employer
Identification No.)

**214 Jefferson Street, Suite 200,
Lafayette, Louisiana**
(Address of Principal Executive Offices)

70501
(Zip Code)

Registrant's Telephone Number, Including Area Code: (337) 534-6881

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common Stock, Par Value \$0.0001 Per Share | WTRH | The Nasdaq Stock Market LLC |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On November 7, 2019, Waitr Holdings Inc. (the “Company”) issued a press release announcing third quarter 2019 financial results for the Company. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information in this Item 2.02, including Exhibit 99.1, is intended to be furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (“Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| <u>Exhibit Number</u> | <u>Description</u> |
|---------------------------|--|
| 99.1 | <u>Earnings Press Release dated November 7, 2019</u> |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WAITR HOLDINGS INC.

Date: November 7, 2019

By: /s/ Damon Schramm

Name: Damon Schramm

Title: Chief Legal Officer

Waitr Holdings Reports Fiscal 2019 Third Quarter Results

LAFAYETTE, LA, November 7, 2019 — Waitr Holdings Inc. (Nasdaq: WTRH) (“Waitr” and “Company”), a leader in on-demand food ordering and delivery, today reported financial results for its fiscal 2019 third quarter ended September 30, 2019.

“We made progress in the third quarter streamlining our operations and making improvements that consistently create a better customer and restaurant partner experience while also setting us up to reduce expenses now and in the future. During the quarter, we started implementing changes that are expected to result in an incremental \$25 to \$30 million of annual savings in FY 2020. We remain dedicated to stabilizing the business in terms of cash flow and charting a clear path towards profitability,” said Adam Price, Chief Executive Officer of Waitr.

Third Quarter 2019 Financial Highlights

- Revenue for the third quarter of 2019 increased 153% to \$49.2 million compared to \$19.4 million in the third quarter of 2018. Revenue related to the Bite Squad Merger totaled \$24.0 million for the third quarter of 2019.
- Net loss for the third quarter of 2019 was \$220.1 million, or a loss of \$2.89 per diluted share, compared to a loss of \$6.5 million, or a loss of \$0.64 per diluted share, in the third quarter of 2018. Net loss for the third quarter of 2019 included \$192.1 million of goodwill and intangible asset impairment charges and \$2.2 million of non-cash stock compensation expenses.
- Adjusted EBITDA¹ for the third quarter of 2019 was a loss of \$15.4 million compared to a loss of \$2.5 million in the third quarter of 2018.

Third Quarter 2019 Key Business Metrics and Updates

- Gross Food Sales² for the third quarter of 2019 increased to \$161.4 million compared to \$77.7 million in the third quarter of 2018. Gross Food Sales related to the Bite Squad Merger totaled \$74.0 million for the third quarter of 2019.
- Active Diners for the third quarter of 2019 increased to 2.4 million compared to 843,000 for the third quarter of 2018.
- During third of quarter 2019, Waitr made progress on its “Path to Profitability” initiative with the intent of strengthening the business through realizing synergies from the Bite Squad combination and aligning the teams and cost structure of the combined organization under one set of guiding principles and objectives. During the quarter, the Company realized approximately \$2 million of cost savings from this initiative and more recently, began implementing additional changes to improve annual operating cash flows by an incremental \$25 to \$30 million in Fiscal Year 2020.

¹ Adjusted EBITDA is a non-GAAP financial measure. A reconciliation of GAAP net loss to Adjusted EBITDA is included in the accompanying financial data. See also “Non-GAAP Financial Measure,” included herein.

² Gross Food Sales represents food and beverage receipts, plus taxes, prepaid gratuities and diner fees.

Strategic Alternative Review Conclusion

The Company announced today that its Board of Directors (“Board”) has completed the strategic alternative review process first announced on August 8, 2019. The Board has concluded that the Company will best serve the interests of its stockholders at this time by focusing on executing its strategic plan as an independent public company. The Company remains open to potential value creating opportunities.

Third Quarter 2019 Earnings Conference Call

The Company will host a conference call to discuss third quarter 2019 financial results today at 5:00 p.m. ET. The conference call will be webcast live from the Company’s investor relations website at <http://investors.waitrapp.com>. The call can also be accessed live over the phone by dialing (877) 705-6003, or for international callers (201) 493-6725. A replay will be available one hour after the call and can be accessed by dialing (844) 512-2921 or (412) 317-6671 for international callers; the conference ID is 13696231. That replay will be available until Thursday, November 14, 2019.

About Waitr Holdings Inc.

Founded in 2013 and based in Lafayette, Louisiana, Waitr is a leader in on-demand food ordering and delivery. Waitr, along with recently acquired food delivery company Bite Squad, connects local restaurants to hungry diners in underserved U.S. markets. Together they are the most convenient way to discover, order and receive great food from the best local restaurants and national chains. As of September 30, 2019, Waitr and Bite Squad operated in small and medium sized markets in the United States in over 700 cities.

Non-GAAP Financial Measure

Adjusted EBITDA is a financial measure that is not calculated in accordance with generally accepted accounting principles in the United States of America (“GAAP”).

We define Adjusted EBITDA as net loss adjusted to exclude interest expense, income taxes, depreciation and amortization, acquisition and restructuring costs, stock-based compensation expense, impairments of intangible assets and goodwill and gains and losses associated with derivatives and debt extinguishments and when applicable, other expenses that do not reflect our core operations. We use this non-GAAP financial measure 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. Adjusted EBITDA is not a measurement of our financial performance under GAAP and should not be considered as an alternative to performance measures derived in accordance with GAAP.

See “Non-GAAP Financial Measure/Adjusted EBITDA” below for a reconciliation of net loss to Adjusted EBITDA for the three and nine months ended September 30, 2019 and 2018.

Cautionary Note Concerning Forward-Looking Statements

This press release contains “forward-looking statements,” as defined by the federal securities laws, including statements regarding the future performance of the Company. Forward-looking statements reflect Waitr’s current expectations and projections about future events at the time, and thus involve uncertainty and risk. The words “believe,” “expect,” “anticipate,” “will,” “could,” “would,” “should,” “may,” “plan,” “estimate,” “intend,” “predict,” “potential,” “continue,” and the negatives of these words and other similar expressions generally identify forward-looking statements. Such forward-looking statements are subject to various risks and uncertainties, including those described under the section entitled “Risk Factors” in Waitr’s Annual Report on Form 10-K, filed with the SEC on March 15, 2019, as such factors may be updated from time to time in Waitr’s periodic filings with the SEC, which are accessible on the SEC’s

website at www.sec.gov. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and in Waitr's filings with the SEC. While forward-looking statements reflect Waitr's good faith beliefs, they are not guarantees of future performance. Waitr disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, new information, data or methods, future events or other changes after the date of this press release, except as required by applicable law. You should not place undue reliance on any forward-looking statements, which are based only on information currently available to Waitr (or to third parties making the forward-looking statements).

Contacts:

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or

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CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share amounts)
(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|-------------------|---------------------------------|--------------------|
| | 2019 | 2018 | 2019 | 2018 |
| REVENUE | \$ 49,201 | \$ 19,431 | \$ 148,575 | \$ 48,000 |
| COSTS AND EXPENSES: | | | | |
| Operations and support (1) | 37,289 | 14,022 | 113,170 | 35,056 |
| Sales and marketing (1) | 15,953 | 3,947 | 41,615 | 9,116 |
| Research and development | 1,920 | 791 | 6,009 | 1,988 |
| General and administrative (1) | 12,817 | 6,312 | 44,115 | 17,667 |
| Depreciation and amortization | 4,851 | 400 | 13,791 | 902 |
| Goodwill impairment | 119,212 | — | 119,212 | — |
| Intangible and other asset impairments | 72,917 | — | 72,935 | — |
| Loss on disposal of assets | 11 | — | 26 | 8 |
| TOTAL COSTS AND EXPENSES | 264,970 | 25,472 | 410,873 | 64,737 |
| LOSS FROM OPERATIONS | (215,769) | (6,041) | (262,298) | (16,737) |
| OTHER EXPENSES (INCOME) AND LOSSES (GAINS), NET | | | | |
| Interest expense | 2,775 | 441 | 6,570 | 903 |
| Interest income | (297) | (1) | (877) | (2) |
| Gain on derivatives | — | (9) | — | (336) |
| Other expenses | 1,827 | 39 | 1,654 | 1 |
| NET LOSS BEFORE INCOME TAXES | (220,074) | (6,511) | (269,645) | (17,303) |
| Income tax expense | 30 | 4 | 60 | 38 |
| NET LOSS | \$ (220,104) | \$ (6,515) | \$ (269,705) | \$ (17,341) |
| LOSS PER SHARE: | | | | |
| Basic and diluted | \$ (2.89) | \$ (0.64) | \$ (3.77) | \$ (1.72) |
| Weighted average common shares outstanding – basic and diluted | 76,145,317 | 10,145,527 | 71,071,777 | 10,064,560 |

(1) Certain prior period amounts have been reclassified to conform to the current period's presentation. The Company has revised the classification of certain employee-related wages and payroll taxes associated with such wages to better align the statement of operations line items with departmental responsibilities and management of operations.

KEY BUSINESS METRICS

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|-----------|---------------------------------|------------|
| | 2019 | 2018 | 2019 | 2018 |
| Active Diners (as of period end) | 2,393,063 | 842,533 | 2,393,063 | 842,533 |
| Average Daily Orders | 48,155 | 24,300 | 53,579 | 20,600 |
| Gross Food Sales (dollars in thousands) | \$ 161,390 | \$ 77,692 | \$ 514,835 | \$ 197,505 |
| Average Order Size (in dollars) | \$ 36.43 | \$ 35.14 | \$ 36.12 | \$ 35.24 |

CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)
(Unaudited)

| | September 30, 2019 | December 31, 2018 (1) |
|---|-----------------------|--------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 52,198 | \$ 209,340 |
| Accounts receivable, net | 5,664 | 3,687 |
| Capitalized contract costs, current | — | 1,869 |
| Prepaid expenses and other current assets | 8,474 | 4,548 |
| TOTAL CURRENT ASSETS | 66,336 | 219,444 |
| Property and equipment, net | 4,474 | 4,551 |
| Capitalized contract costs, noncurrent | — | 827 |
| Goodwill | 106,734 | 1,408 |
| Intangible assets, net | 26,430 | 261 |
| Other noncurrent assets | 529 | 61 |
| TOTAL ASSETS | \$ 204,503 | \$ 226,552 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| LIABILITIES: | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 5,420 | \$ 1,827 |
| Restaurant food liability | 6,989 | 208 |
| Accrued payroll | 7,034 | 3,055 |
| Short-term loans | 3,193 | 658 |
| Deferred revenue, current | 767 | 3,314 |
| Income tax payable | 30 | 25 |
| Other current liabilities | 15,107 | 4,508 |
| TOTAL CURRENT LIABILITIES | 38,540 | 13,595 |
| Long-term debt | 120,884 | 80,985 |
| Accrued workers' compensation liability | 542 | 908 |
| Deferred revenue, noncurrent | 212 | 1,356 |
| Other noncurrent liabilities | 325 | 217 |
| TOTAL LIABILITIES | 160,503 | 97,061 |
| STOCKHOLDERS' EQUITY: | | |
| Common stock, \$0.0001 par value | 8 | 5 |
| Additional paid in capital | 384,628 | 200,417 |
| Accumulated deficit | (340,636) | (70,931) |
| TOTAL STOCKHOLDERS' EQUITY | 44,000 | 129,491 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 204,503 | \$ 226,552 |

(1) Certain prior period amounts have been reclassified to conform to the current period's presentation.

CONSOLIDATED CASH FLOW STATEMENTS
(In thousands)
(Unaudited)

| | Nine Months Ended September 30, | |
|---|---------------------------------|-----------------|
| | 2019 | 2018 |
| Cash flows from operating activities: | | |
| Net loss | \$ (269,705) | \$ (17,341) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Non-cash interest expense | 3,346 | 252 |
| Non-cash advertising expense | 379 | 377 |
| Stock-based compensation | 6,747 | 3,481 |
| Equity issued in exchange for services | 90 | 90 |
| Loss on disposal of assets | 26 | 8 |
| Depreciation and amortization | 13,791 | 902 |
| Goodwill impairment | 119,212 | — |
| Intangible and other asset impairments | 72,935 | — |
| Amortization of capitalized contract costs | 1,614 | 1,023 |
| Gain on derivatives | — | (336) |
| Other non-cash expense | — | 74 |
| Imputed interest income | (39) | — |
| Changes in assets and liabilities: | | |
| Accounts receivable | (248) | (1,384) |
| Capitalized contract costs | (3,585) | (1,910) |
| Prepaid expenses and other current assets | (2,803) | (2,268) |
| Accounts payable | 2,640 | 1,486 |
| Restaurant food liability | 5,851 | 52 |
| Deferred revenue | (3,691) | 1,889 |
| Income tax payable | 5 | 7 |
| Accrued payroll | 2,853 | 1,983 |
| Accrued workers' compensation liability | (366) | 155 |
| Other current liabilities | (474) | 5,518 |
| Other noncurrent liabilities | 111 | (47) |
| Net cash used in operating activities | (51,311) | (5,989) |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (1,493) | (1,836) |
| Acquisition of Bite Squad, net of cash acquired | (192,568) | — |
| Other acquisitions | (395) | (11) |
| Collections on notes receivable | 72 | — |
| Internally developed software | (1,096) | — |
| Proceeds from sale of property and equipment | 28 | — |
| Net cash used in investing activities | (195,452) | (1,847) |
| Cash flows from financing activities: | | |
| Proceeds from line of credit | — | 4,000 |
| Proceeds from convertible notes issuance | — | 1,410 |
| Waitr shares redeemed for cash | (10) | — |
| Proceeds from issuance of stock | 50,002 | — |
| Equity issuance costs | (4,179) | — |
| Proceeds from Additional Term Loans | 42,080 | — |
| Proceeds from short-term loans | 5,032 | 2,172 |
| Payments on short-term loans | (2,509) | (862) |
| Proceeds from exercise of stock options | 4 | 11 |
| Taxes paid related to net settlement on stock-based compensation | (799) | — |
| Net cash provided by financing activities | 89,621 | 6,731 |
| Net change in cash | (157,142) | (1,105) |
| Cash, beginning of period | 209,340 | 3,947 |
| Cash, end of period | \$ 52,198 | \$ 2,842 |
| Supplemental disclosures of cash flow information: | | |
| Cash paid during the period for state income taxes | \$ 30 | \$ 31 |
| Cash earned during the period for interest | 838 | — |
| Cash paid during the period for interest | 3,224 | 88 |
| Supplemental disclosures of non-cash investing and financing activities: | | |
| Services receivable | \$ — | \$ 1,000 |
| Stock issued as consideration in Bite Squad acquisition | 126,574 | — |
| Stock issued in connection with Additional Term Loans | 3,884 | — |
| Non-cash gain on debt extinguishment | 1,897 | — |
| Seller-financed payables related to other acquisitions | 801 | — |
| Non-cash investments in other acquisitions | 801 | 142 |
| Debt assumed in IndiePlate asset acquisition | — | 60 |
| Bifurcated embedded derivatives | — | 87 |
| Discount on convertible notes due to beneficial conversion feature | — | 1,529 |

NON-GAAP FINANCIAL MEASURE
ADJUSTED EBITDA
(In thousands)
(Unaudited)

| | <u>Three Months Ended September 30,</u> | | <u>Nine Months Ended September 30,</u> | |
|---|---|-------------------|--|--------------------|
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| NET LOSS | \$ (220,104) | \$ (6,515) | \$ (269,705) | \$ (17,341) |
| Interest expense | 2,775 | 441 | 6,570 | 903 |
| Income taxes | 30 | 4 | 60 | 38 |
| Depreciation and amortization | 4,851 | 400 | 13,791 | 902 |
| Goodwill impairment | 119,212 | — | 119,212 | — |
| Stock-based compensation | 2,225 | 1,329 | 6,837 | 3,571 |
| Gain on derivatives | — | (9) | — | (336) |
| Intangible and other asset impairments | 72,917 | — | 72,935 | — |
| Business combination related expenditures | — | 1,870 | 6,956 | 5,473 |
| Costs associated with reduction in force | 658 | — | 1,026 | — |
| Accrued legal contingency | 2,000 | — | 2,000 | — |
| ADJUSTED EBITDA | \$ (15,436) | \$ (2,480) | \$ (40,318) | \$ (6,790) |