

Germany's Delivery Hero gobbles up S.Korean food app Woowa

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Getting their teeth into the South Korean market

German takeaway giant Delivery Hero on Friday said it had agreed to buy South Korea's largest food delivery app Woowa in a 3.6 billion euro (\$4 billion) deal aimed at beefing up its presence in Asia.

Delivery Hero will first acquire an 82-percent stake in Woowa before

taking full ownership "over time", it said in a statement.

The deal will see the firms combine forces to take on major rivals like Gojek, UberEats and Grab in Asia at a time of fierce competition and consolidation in the booming sector of online food delivery services.

Woowa founder and CEO Kim Bong-jin said teaming up with Delivery Hero would allow it "to facilitate expansion in Asia, as well as to further penetrate the high potential Korean market".

Under the terms of the cash-and-shares acquisition, the two companies will create a [joint venture](#) based in Singapore and headed by Kim.

Founded in 2010, Woowa is South Korea's biggest food [delivery](#) platform, racking up some 30 million orders a month.

Delivery Hero has risen to become one of Germany's most successful start-ups since it was founded in 2011.

It currently has a market capitalisation of more than 10 billion euros after years of rapid global expansion.

The German group is aiming for revenues of around 1.45 billion in 2019, mainly led by sales in the Middle East and Northern Africa region.

Shares in Delivery Hero jumped more than 16 percent to 58.22 euros by mid-morning on Frankfurt's mid-sized MDAX index on news of the Woowa acquisition.

The deal, still subject to regulatory approval, is expected to close in the second half of 2020.

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