

**Grubhub Inc.****GRUB - \$36.45 – NasdaqGS****Update:****Recommendation: Cover one half of short position****1<sup>st</sup> sell short recommendation: 7-9-2019 @ \$75.47, Profit \$39.02, +51.70%****2<sup>nd</sup> sell short recommendation: 10-31-2019 @ \$34.00, Loss \$2.45, -7.21%****3<sup>rd</sup> sell short recommendation: 2-11-2020 @ \$52.25, Profit \$15.80, +30.24%****Average short price: \$53.91, Profit \$17.46, +32.39%**

GRUB has gone below both our short term price target of \$45 and our medium price target of \$40. Therefore, per our rule, we will take some profit on our short position. We recommend taking profit on one half of the short position. Our long term price target remains \$25.

There has been talk about GRUB being a buyout candidate. We do not believe that GRUB is an attractive buyout candidate, given the implosion in the business over the past three months. But, dumb things do happen in the market and taking a huge profit in one month seems prudent.

**Grubhub today announced it is temporarily suspending collection of up to \$100 million in commission payments from impacted independent restaurants nationwide. [Suspending \\$100 million](#)**

As we wrote in our last report: 2-11-2020:

As the businesses continues to deteriorate, we believe any buyout will be at market price or less. There is absolutely no reason to buy a broken business model with non loyal customers. We do not believe the company will be sold until it is on its last legs. It will be much less valuable then.

Our short term price target is \$45.

Our medium term target is \$40

Our long term target is still \$25.