Crocs, Inc.
Form 4
June 17, 2013

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
CROGHAN RAYMOND D

(Last) (First) (Middle)

C/O CROCS, INC. 7477 E DRY CREEK PARKWAY

(Street)

NIWOT, CO 80503

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Crocs, Inc. [CROX]

3. Date of Earliest Transaction (Month/Day/Year)
06/13/2013

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	06/13/2013		A		6,039 (1)	A	$ 0	54,747	D	
Common Stock	06/13/2013		A		8,455 (2)	A	$ 0	63,202	D	
Common Stock								2,480	I	By Trust (3)
Common Stock								2,480	I	By Trust (3)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CROGHAN RAYMOND D C/O CROCS, INC. 7477 E DRY CREEK PARKWAY NIWOT, CO 80503	X			

Signatures

/s/ Jeff Lasher, Attorney-in-Fact	06/17/2013
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Pursuant to the issuer's Board of Directors Compensation Plan, the Board of Directors granted $100,000 of common stock to each non-employee director under the issuer's 2007 Equity Incentive Plan (As Amended and Restated), based on the $16.56 closing price of the common stock on June 13, 2013, as quoted on the NASDAQ Global Select Market.

(2) Pursuant to the issuer's Board of Directors Compensation Plan, the reporting person elected to receive $140,000 of restricted stock issued under the issuer's 2007 Equity Incentive Plan (As Amended and Restated), in lieu of cash compensation. The restricted stock issued to the reporting person is based on the $16.56 closing price of the common stock on June 13, 2013, as quoted on the NASDAQ Global Select Market. The restricted stock vests in four equal installments on September 13, 2013, December 13, 2013, March 13, 2014 and June 13, 2014.

(3) The reporting person disclaims beneficial ownership of these securities except to the extent the reporting person is deemed to have a pecuniary interest in the securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. d valign="bottom" BGCOLOR="#FFFFFF" style="padding-left:0pt;padding-Right:0.75pt;padding-Top:0.75pt;padding-Bottom:0pt;width:10.76%;white-space:nowrap;">

0.30

$

0.12

Weighted-average shares used to compute net income per share

attributable to common stockholders:

Basic

84,076

73,571

40,681

Diluted

85,706

81,698

56,645

(See Notes to Consolidated Financial Statements)

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GRUBHUB INC.

Consolidated Statements of Comprehensive Income

(in thousands)

	Year Ended December 31,		
	2015	2014	2013
Net income	$38,077	$24,263	$6,747
OTHER COMPREHENSIVE INCOME (LOSS)			
Foreign currency translation adjustments	(342)	(394)	159
COMPREHENSIVE INCOME	$37,735	$23,869	$6,906

Explanation of Responses:

(See Notes to Consolidated Financial Statements)

GRUBHUB INC.

Consolidated Balance Sheets

(in thousands, except share data)

	December 31, 2015	December 31, 2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$169,293	$201,796
Short term investments	141,448	111,341
Accounts receivable, less allowances for doubtful accounts	42,051	36,127
Prepaid expenses	3,482	2,940
Total current assets	356,274	352,204
PROPERTY AND EQUIPMENT:		
Property and equipment, net of depreciation and amortization	19,082	16,003
OTHER ASSETS:		
Other assets	3,105	3,543
Goodwill	396,220	352,788
Acquired intangible assets, net of amortization	285,567	254,339
Total other assets	684,892	610,670
TOTAL ASSETS	$1,060,248	$978,877
LIABILITIES AND STOCKHOLDERS’ EQUITY		
CURRENT LIABILITIES:		
Restaurant food liability	$64,326	$91,575
Accounts payable	8,189	3,371
Accrued payroll	4,841	5,958
Taxes payable	426	1,660
Other accruals	11,830	8,441
Total current liabilities	89,612	111,005
LONG TERM LIABILITIES:		
Deferred taxes, non-current	87,584	91,419
Other accruals	5,456	5,931
Total long term liabilities	93,040	97,350
Commitments and contingencies		
STOCKHOLDERS’ EQUITY:		
Series A Convertible Preferred Stock, $0.0001 par value. Authorized: 25,000,000 shares as of December 31, 2015 and December 31, 2014; issued and outstanding: no shares as of December 31, 2015 and December 31, 2014.	—	—
Common stock, $0.0001 par value. Authorized: 500,000,000 shares at December 31, 2015 and December 31, 2014; issued and outstanding: 84,979,869 and 81,905,325 shares as of December 31, 2015 and December 31, 2014, respectively	8	8
Accumulated other comprehensive loss	(604)	(262)
Additional paid-in capital	759,292	689,953
Retained earnings	118,900	80,823
Total Stockholders’ Equity	$877,596	$770,522
TOTAL LIABILITIES AND STOCKHOLDERS’ EQUITY	$1,060,248	$978,877

(See Notes to Consolidated Financial Statements)

GRUBHUB INC.

Statements of Cash Flows

(in thousands)

	Year Ended December 31, 2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$38,077	$24,263	$6,747
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation	5,085	5,032	3,992
Provision for doubtful accounts	850	426	473
Loss on disposal of fixed assets	—	11	—
Deferred taxes	(3,835)	4,612	1,706
Amortization of intangible assets	22,949	17,655	9,477
Tenant allowance amortization	(159)	(159)	(159)
Stock-based compensation	13,450	9,393	4,933
Deferred rent	32	(17)	(135)
Investment premium amortization	688	315	—
Change in assets and liabilities, net of the effects of business acquisitions:			
Accounts receivable	(4,343)	(7,394)	(8,298)
Prepaid expenses and other assets	242	(1,669)	(2,388)
Restaurant food liability	(29,409)	13,414	26,549
Accounts payable	3,312	(259)	2,065
Accrued payroll	(2,104)	4,243	(1,707)
Other accruals	(80)	3,038	(2,192)
Due to related party	—	—	(244)
Net cash provided by operating activities	44,755	72,904	40,819
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investments	(220,667)	(113,156)	—
Proceeds from maturity of investments	189,872	1,500	—
Capitalized website and development costs	(7,137)	(3,431)	(2,592)
Purchases of property and equipment	(4,150)	(3,653)	(4,429)
Acquisitions of businesses, net of cash acquired	(73,907)	—	—
Cash acquired in merger of Grubhub Holdings Inc.	—	—	13,266
Other cash flows from investing activities	(408)	—	—
Net cash provided by (used in) investing activities	(116,397)	(118,740)	6,245
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from the issuance of common stock	—	142,541	—
Repurchases of common stock	—	(116)	(1,367)
Proceeds from exercise of stock options	11,919	8,322	1,418
Excess tax benefits related to stock-based compensation	27,830	12,975	—
Taxes paid related to net settlement of stock-based compensation awards	(345)	(2,070)	—
Preferred stock tax distributions	—	(320)	(1,893)
Net cash provided by (used in) financing activities	39,404	161,332	(1,842)
Net change in cash and cash equivalents	(32,238)	115,496	45,222
Effect of exchange rates on cash	(265)	(242)	159
Cash and cash equivalents at beginning of year	201,796	86,542	41,161

Cash and cash equivalents at end of the period	$169,293	$201,796	$86,542
SUPPLEMENTAL DISCLOSURE OF NON CASH ITEMS			
Fair value of common stock issued for acquisitions	$15,980	$—	$421,485
Cash paid for income taxes	—	1,326	7,706
Capitalized property, equipment and website and development costs in accounts payable at period end	927	—	—
Cashless exercise of stock options	—	1,054	—
Settlement of receivable through cashless acquisition of treasury shares in connection with the net settlement of stock-based awards	(345)	(3,123)	—

(See Notes to Consolidated Financial Statements)

GRUBHUB INC.

Consolidated Statements of Changes in Stockholders' Equity and Redeemable Common Stock

(in thousands, except share data)

	Common stock		Preferred stock		Treasury stock			Accumulated Other Comprehensive Income (Loss)	Retained earnings	Total stockholders' equity	Redeemable common stock	
	Shares	Amount	Shares	Amount	Shares	Amount	APIC				Shares	Amou
nce ember 31,	31,218,164	$3	11,185,683	$1	131,607	$(858)	$86,743	$(27)	$52,026	$137,888	—	$—
ncome	—	—	—	—	—		—	—	6,747	6,747	—	—
mon k rchase	(176,082)	—	—	—	176,082	(1,367)	—	—	—	(1,367)	—	—
sury e uance	307,689	—	—	—	(307,689)	2,225	(2,225)	—	—	—	—	—
ency lation	—	—	—	—	—	—	—	159	—	159	—	—
k-based pensation	—	—	—	—	—	—	4,933	—	—	4,933	—	—
ty issued merger ubhub ings Inc.	23,318,580	2	8,098,430	1	—	—	421,482	—	—	421,485	—	—
erred k tax ibutions	—	—	—	—	—	—	—	—	(1,893)	(1,893)	—	—
eemable mon stock	(1,344,236)	—	—	—	—	—	(18,415)	—	—	(18,415)	1,344,236	18,4
rred tax ts butable to rger of ership est	—	—	—	—	—	—	6,420	—	—	6,420	—	—
k option cises	433,322	—	—	—	—	—	1,418	—	—	1,418	—	—
nce ember 31,	53,757,437	5	19,284,113	2	—	—	500,356	132	56,880	557,375	1,344,236	18,4

ncome	—	—	—	—	—	—	—	—	24,263	24,263	—	—
ency lation	—	—	—	—	—	—	—	(394)	—	(394)	—	—
nination it rights deemable mmon k, in ection IPO	1,344,236	—	—	—	—	—	34,950	—	—	34,950	(1,344,236)	(34,
version of erred k upon	19,284,113	2	(19,284,113)	(2)	—	—	—	—	—	—	—	—
ance of mon k, net of uance	5,250,000	1	—	—	—	—	142,540	—	—	142,541	—	—
ge in fair e of emable mmon k	—	—	—	—	—	—	(16,535)	—	—	(16,535)	—	16,5
k-based pensation	—	—	—	—	—	—	9,530	—	—	9,530	—	—
benefit ed to k-based pensation	—	—	—	—	—	—	12,975	—	—	12,975	—	—
k option cises, net holdings other	2,416,651	—	—	—	—	—	9,376	—	—	9,376	—	—
erred k tax butions	—	—	—	—	—	—	—	—	(320)	(320)	—	—
mon k rchases	(147,112)	—	—	—	—	—	(3,239)	—	—	(3,239)	—	—

irements												
nce ember 31,	81,905,325	8	—	—	—	—	689,953	(262)	80,823	770,522	—	—
ncome	—	—	—	—	—	—	—	—	38,077	38,077	—	—
ency lation	—	—	—	—	—	—	—	(342)	—	(342)	—	—
k-based pensation	—	—	—	—	—	—	13,955	—	—	13,955	—	—
benefit ed to k-based pensation	—	—	—	—	—	—	27,830	—	—	27,830	—	—
k option cises, net holdings other	2,578,398	—	—	—	—	—	11,919	—	—	11,919	—	—
ance of icted k awards	101,616	—	—	—	—	—	—	—	—	—	—	—
ance of mon k, isitions	407,812	—	—	—	—	—	15,980	—	—	15,980	—	—
es rchased retired to fy holding k vesting	(13,282)	—	—	—	—	—	(345)	—	—	(345)	—	—
nce at ember 31,	84,979,869	$8	—	$—	—	$—	$759,292	$(604)	$118,900	$877,596	—	$—

(See Notes to Consolidated Financial Statements)

GRUBHUB INC.

Notes to Consolidated Financial Statements

1. Organization and Reorganization

Organization

Grubhub Inc., a Delaware corporation, and its wholly-owned subsidiaries (collectively referred to as the “Company”) provide an online and mobile platform for restaurant pick-up and delivery orders. Diners enter their delivery address or use geo-location within the mobile applications and the Company displays the menus and other relevant information for restaurants in its network. Orders may be placed directly online, via mobile applications or over the phone at no cost to the diner. The Company charges the restaurant a per order commission that is largely fee based. In certain markets, the Company also provides delivery services to restaurants on its platform that do not have their own delivery operations.

Reorganization and History

On August 8, 2013, Grubhub Inc. acquired, through a series of transactions, all of the equity interests of each of Seamless North America, LLC, Seamless Holdings Corporation (“Seamless Holdings”) and Grubhub Holdings Inc. pursuant to that certain Reorganization and Contribution Agreement, dated as of May 19, 2013, by and among Grubhub Inc., Seamless North America, LLC, Seamless Holdings, Grubhub Holdings Inc. and the other parties thereto (the “Reorganization Agreement”). Following this transaction, the Company concluded that Seamless Holdings was deemed the acquirer for financial reporting purposes. See Note 3, “Acquisitions”, for additional details. Accordingly, the acquisition of Grubhub Holdings Inc. was accounted for as a business combination. The results of operations of Grubhub Holdings Inc. have been included in the Company’s financial statements since August 9, 2013. In February 2014, Grubhub Seamless Inc. was renamed Grubhub Inc.

The financial position and results of operations of Seamless Holdings and Seamless North America, LLC have been included in the consolidated financial statements for all periods presented.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The Company’s consolidated financial statements were prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The accompanying consolidated financial statements include all wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. The consolidated statements of operations include the results of entities acquired from the dates of the acquisitions for accounting purposes.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and the related disclosures at the date of the financial statements, as well as the reported amounts of revenue and expenses during the periods presented. Estimates include revenue recognition, the allowance for doubtful accounts, website and internal-use software development costs, goodwill, depreciable lives of property and equipment, recoverability of intangible assets with finite lives and other long-lived assets and stock-based compensation. To the extent there are material differences between these estimates, judgments or assumptions and actual results, the Company's consolidated financial statements will be affected. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require management's judgment in its application.

Cash and Cash Equivalents

Cash includes demand deposits with banks or financial institutions. Cash equivalents include short-term, highly liquid investments that are both readily convertible to known amounts of cash, and that are so near their maturity that they present minimal risk of changes in value because of changes in interest rates. The Company's cash equivalents include only investments with original maturities of three months or less. The Company regularly maintains cash in excess of federally insured limits at financial institutions.

Marketable Securities

Marketable securities consist primarily of commercial paper and investment grade U.S. and non-U.S.-issued corporate and U.S. government agency debt securities. The Company invests in a diversified portfolio of marketable securities and limits the concentration of its investment in any particular security. Marketable securities with original maturities of three months or less are included in cash and cash equivalents and marketable securities with original maturities greater than three months, but less than one year, are included in short term investments on the consolidated balance sheets. The Company determines the classification of its marketable securities as available-for-sale or held-to-maturity at the time of purchase and reassesses these determinations at each balance sheet date. Debt securities are classified as held-to-maturity when the Company has the intent to hold the securities to

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GRUBHUB INC.

Notes to Consolidated Financial Statements (Continued)

maturity. Held-to-maturity securities are stated at amortized cost and are periodically assessed for other-than-temporary impairment. The amortized cost of debt securities is adjusted for the amortization of premiums and accretion of discounts to maturity, which is recognized as interest income within general and administrative expense in the consolidated statements of operations. Interest income is recognized when earned.

Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss consists of foreign currency translation adjustments. The financial statements of the Company's U.K. subsidiary are translated from their functional currency into U.S. dollars. Assets and liabilities are translated at period end rates of exchange, and revenue and expenses are translated using average rates of exchange. The resulting gain or loss is included in accumulated other comprehensive loss on the consolidated balance sheets.

Property and Equipment, Net

Property and equipment is recorded at cost and depreciated using the straight-line method over the estimated useful lives of the related assets. The useful lives are as follows:

Computer equipment	2-3 years
Delivery equipment	1.5 years
Furniture and fixtures	5 years
Developed software	1-3 years
Purchased software	3-5 years
Leasehold improvements	Shorter of expected useful life or lease term

The Company reduced the estimated useful life on certain developed and purchased software and computer equipment assets to coincide with the migration of nearly all of the Seamless consumer diner traffic to a new web and mobile platform during the second quarter of 2015 (see Note 7, "Property and Equipment").

Maintenance and repair costs are charged to expense as incurred. Major improvements, which extend the useful life of the related asset, are capitalized. Upon disposal of a fixed asset, the Company records a gain or loss based on the difference between the proceeds received and the net book value of the disposed asset.

Accounts Receivable, Net

Accounts receivable primarily represent the net cash due from the Company's payment processor for cleared transactions and amounts owed from corporate customers. The carrying amount of the Company's receivables is reduced by an allowance for doubtful accounts that reflects management's best estimate of amounts that will not be collected. These uncollected amounts are generally not recovered from the restaurants. The allowance is recorded through a charge to bad debt expense which is recorded within general and administrative expense in the consolidated statements of operations. The allowance is based on historical loss experience and any specific risks identified in collection matters.

Management provides for probable uncollectible amounts through a charge against bad debt expense and a credit to an allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off against the allowance. The Company does not charge interest on trade receivables.

The Company incurs expenses for uncollected credit card receivables (or "chargebacks"), including fraudulent orders, when a diner's card is authorized but fails to process, and for other unpaid credit card receivables, as well as uncollected accounts receivable from the Company's corporate customers. The majority of the Company's chargeback expense is recorded directly to general and administrative expense in the consolidated statements of operations as the charges are incurred; however, a portion of the allowance for doubtful accounts includes a reserve for chargebacks on the net cash due from the Company's payment processors as of the end of the period.

Changes in the Company's allowance for doubtful accounts for the periods presented were as follows:

	Year Ended December 31,	
	2015	2014
Balance at beginning of period	$723	$510
Additions to expense	850	426
Writeoffs, net of recoveries and other adjustments	(614)	(213)
Balance at end of period	$959	$723

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GRUBHUB INC.

Notes to Consolidated Financial Statements (Continued)

Advertising Costs

Advertising costs are generally expensed as incurred in connection with the requisite service period. Certain advertising production costs are capitalized and expensed when the advertisement first takes place. For the years ended December 31, 2015, 2014 and 2013, expenses attributable to advertising totaled approximately $64.4 million, $45.9 million and $25.0 million, respectively. Advertising costs are recorded in sales and marketing expense on the Company's consolidated statements of operations.

Stock-Based Compensation

The Company measures compensation expense for all stock-based awards, including stock options, restricted stock units and restricted stock awards, at fair value on the date of grant and recognizes compensation expense over the service period on a straight-line basis for awards expected to vest.

The Company uses the Black-Scholes option-pricing model to determine the fair value for stock options. In valuing the Company's options, the Company makes assumptions about risk-free interest rates, dividend yields, volatility and weighted-average expected lives, including estimated forfeiture rates. Risk-free interest rates are derived from U.S. Treasury securities as of the option grant date. Expected dividend yield is based on the Company's historical dividend payments, which have been zero to date. As the Company did not have public trading history for its common shares until April of 2014, the expected volatility for the Company's common stock is estimated using a combination of the published historical and implied volatilities of industry peers representing the verticals in which the Company operates and the historical volatility of the Company's own common stock. The Company estimates the weighted-average expected life of the options as the average of the vesting option schedule and the term of the award, since the Company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term due to the limited period of time stock-based awards have been exercisable. The term of the award is estimated using the simplified method. Forfeiture rates are estimated using historical actual forfeiture trends as well as the Company's judgment of future forfeitures. These rates are evaluated quarterly and any change in compensation expense is recognized in the period of the change. The estimation of stock awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from the Company's current estimates, such amounts will be recorded as a cumulative adjustment in the period the estimates are revised. The Company considers many factors when estimating expected forfeitures, including the types of awards and employee class. Actual results, and future changes in estimates, may differ substantially from management's current estimates.

The Company has elected to use the with-and-without method in determining the order in which tax attributes are utilized. As a result, the Company will only recognize a tax benefit for stock-based awards in additional paid-in capital if an incremental tax benefit is realized after all other tax attributes available to the Company have been utilized. See Note 9, "Stock-Based Compensation" for further discussion.

Provision for Income Taxes

The provision for income taxes is determined using the asset and liability method. Under this method, deferred tax assets and liabilities are calculated based upon the temporary differences between the financial statement and income tax bases of assets and liabilities using the enacted tax rates that are applicable in a given year.

The Company utilizes a two-step approach to recognizing and measuring uncertain tax positions (“tax contingencies”). The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount which is more than 50% likely to be realized upon ultimate settlement. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and which may not accurately forecast actual outcomes. The Company includes interest and penalties related to tax contingencies in the provision for income taxes in the consolidated statements of operations. See Note 10, “Income Taxes.” Management of the Company does not expect the total amount of unrecognized tax benefits to significantly change in the next twelve months.

Seamless North America, LLC became a partnership for tax purposes in June of 2011. The income tax consequences of a partnership are borne by its partners. The tax consequences of this partnership were borne by Aramark Holdings Corporation (“Aramark”) and SLW Investors, LLC from June of 2011 through October 29, 2012. Starting October 30, 2012, 74% of the partnership’s taxable income was reflected as taxable income at Seamless Holdings, a subsidiary of Grubhub Inc. Starting on August 9, 2013, 100% of the partnership’s taxable income was recognized as taxable income by the Company. If Seamless North America, LLC had been taxed as a C corporation for all of its earnings throughout 2013, the tax expense recorded in these consolidated statements of operations would have increased by $0.9 million.

GRUBHUB INC.

Notes to Consolidated Financial Statements (Continued)

Intangible Assets

Intangible assets with finite useful lives are amortized using the straight-line method over their useful lives and are reviewed for impairment. The Company evaluates intangible assets and other long-lived assets for impairment whenever events or circumstances indicate that they may not be recoverable, or at least annually. Recoverability is measured by comparing the carrying amount of an asset group to the future undiscounted net cash flows expected to be generated by that asset group. If this comparison indicates impairment, the amount of impairment to be recognized is calculated as the difference between the carrying value and the fair value of the asset group, generally measured by discounting estimated future cash flows. There were no impairment indicators present during the years ended December 31, 2015, 2014 or 2013.

Website and Software Development Costs

The costs incurred in the preliminary stages of website and software development are expensed as incurred. Once an application has reached the development stage, internal and external costs, if direct and incremental and deemed by management to be significant, are capitalized and amortized on a straight-line basis over the estimated useful life of the application. Maintenance and enhancement costs, including those costs in the post-implementation stages, are typically expensed as incurred, unless such costs relate to substantial upgrades and enhancements to the website or software that result in added functionality, in which case the costs are capitalized and amortized on a straight-line basis over the estimated useful lives. Amortization expense related to capitalized website and software development costs is included in depreciation and amortization in the consolidated statements of operations. The Company capitalized $8.0 million, $3.6 million and $2.6 million of website development costs during the years ended December 31, 2015, 2014 and 2013, respectively.

Goodwill

Goodwill represents the excess of the cost of an acquired business over the fair value of the assets acquired at the date of acquisition. Absent any special circumstances that could require an interim test, the Company has elected to test for goodwill impairment at September 30 of each year.

The Company tests for impairment using a two-step process. The first step of the goodwill impairment test identifies if there is potential goodwill impairment. If step one indicates that an impairment may exist, a second step is performed to measure the amount of the goodwill impairment, if any, by comparing the implied fair value of goodwill with the carrying amount. If the implied fair value of goodwill is less than the carrying amount, a write-down is recorded. The Company determined there was no goodwill impairment during the years ended December 31, 2015, 2014 or 2013.

Fair Value

Accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The standards also establish a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. See Note 14, “Fair Value Measurement,” for details of the fair value hierarchy and the related inputs used by the Company.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of accounts receivable. For the years ended December 31, 2015, 2014 and 2013, the Company had no customers which accounted for more than 1% of revenue or 10% of accounts receivable.

Revenue Recognition

In general, the Company recognizes revenue when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered to the customer, (iii) the fee is fixed or determinable and (iv) collectability is reasonably assured. The Company considers a signed agreement, a binding contract with the restaurant or other similar documentation reflecting the terms and conditions under which products or services will be provided to be persuasive evidence of an arrangement.

The Company generates revenues primarily when diners place an order on the platform through its mobile applications, its websites, third-party websites that incorporate API or one of the Company’s listed phone numbers. Restaurants pay a commission, typically a percentage of the transaction, on orders that are processed through the platform. Most of the restaurants on the platform can choose their level of commission rate, at or above a base rate, to affect their relative priority in the sorting algorithms, with restaurants paying higher commission rates generally appearing higher in the search order than restaurants paying lower commission rates. Additionally, restaurants that use the Company’s delivery services pay an additional commission for the use of those services. As an agent of the merchant in the transaction, the Company recognizes as revenues only the commissions from the transaction, which are a percentage of the total Gross Food Sales for such transaction.

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Notes to Consolidated Financial Statements (Continued)

The Company periodically provides incentive offers to restaurants and diners to use the platform. These promotions are generally cash credits to be applied against purchases. These incentive offers are recorded as reductions in revenues, generally on the date the corresponding revenue is recorded.

Revenues from online and phone delivery orders are recognized when these orders are placed at the restaurants. The amount of revenue recorded by the Company is based on the contractual arrangement with the related restaurant, and is adjusted for any cash credits, including incentive offers provided to restaurants and diners, related to the transaction. The Company also recognizes as revenue any fees charged to the diner for delivery services provided by the Company. Although the Company will process the entire amount of the transaction with the diner, it will record revenue on a net basis because the Company is acting as an agent of the merchant in the transaction. The Company will record an amount representing the restaurant food liability for the net balance due the restaurant. Costs incurred for processing the transactions and providing delivery services are included in operations and support in the consolidated statements of operations.

Deferred Rent

For the Company's operating leases, the Company recognizes rent expenses on a straight-line basis over the terms of the leases. Accordingly, the Company records the difference between cash rent payments and the recognition of rent expenses as a deferred rent liability in the consolidated balance sheets. The Company has landlord-funded leasehold improvements that are recorded as tenant allowances which are being amortized as a reduction of rent expense over the noncancelable terms of the operating leases.

Segments

The Company has one reportable segment, which has been identified based on how the chief operating decision maker manages the business, makes operating decisions and evaluates operating performance.

Recently Issued Accounting Pronouncements

In November 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2015-17, "Income Taxes – Balance Sheet Classification of Deferred Taxes" ("ASU 2015-17"). The purpose of the standard is to simplify the presentation of deferred taxes on a classified balance sheet. Under current GAAP, deferred income tax assets and liabilities are separated into current and noncurrent amounts in the balance sheet. The amendments in ASU 2015-17 require that all deferred tax assets and liabilities be classified as noncurrent in the balance sheet. The ASU is effective beginning in the first quarter of 2017, but with early adoption permitted and may be applied either prospectively or retrospectively. The Company has elected to early adopt ASU 2015-17 on a retrospective basis effective in the fourth quarter of 2015. The adoption of ASU 2015-17 impacted the presentation of the Company's deferred tax assets and liabilities in the consolidated balance sheets and certain disclosures, but did not have an impact on results of operations or cash flows. See Note 10, "Income Taxes" for further details.

In September 2015, the FASB issued Accounting Standards Update No. 2015-16, "Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments" ("ASU 2015-16"), which eliminates the requirement to account for adjustments identified during the measurement-period in a business combination retrospectively. Instead, the acquirer must recognize measurement-period adjustments during the period in which they are identified, including the effect on earnings of any amounts that would have been recorded in previous periods had the purchase accounting been completed at the acquisition date. ASU 2015-16 will be effective for the Company in the first quarter of 2016 with early adoption permitted. The adoption of ASU 2015-16 is expected to eliminate costs related to retrospective application of any measurement-period adjustments that may be identified, but otherwise is not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In April 2015, the FASB issued Accounting Standards Update 2015-05, "Intangibles -Goodwill and Other – Internal Use Software (Subtopic 350-40): Customer's Accounting for Fees Paid in a Cloud Computing Arrangement" ("ASU 2015-05"), which provides guidance on accounting for fees paid in a cloud computing arrangement. Under ASU 2015-05, if a cloud computing arrangement includes a software license, the software license element should be accounted for consistent with the purchase of other software licenses. If the cloud computing arrangement does not include a software license, it should be accounted for as a service contract. ASU 2015-05 will be effective for the Company in the first quarter of 2016 and may be applied either prospectively or retrospectively. The Company has elected to apply ASU 2015-05 prospectively; however, its adoption is not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASU 2014-09"), which supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, including most industry-specific requirements. ASU 2014-09 establishes a five-step revenue recognition process in which an entity will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. ASU 2014-09 also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenues and cash flows from contracts with customers. In August 2015, the FASB issued Accounting Standards Update 2015-14, "Revenue from Contracts with Customers (Topic 606): Deferral of the Effective

GRUBHUB INC.

Notes to Consolidated Financial Statements (Continued)

Date", which defers the effective date of ASU 2014-09 by one year. ASU 2014-09 will be effective for the Company in the first quarter of 2018. Management is currently evaluating the impact the adoption of ASU 2014-09 will have on the Company's consolidated financial position, results of operations or cash flows. The Company currently anticipates applying the modified retrospective approach when adopting the standard.

3. Acquisitions

2015 Acquisitions

On February 4, 2015, the Company acquired assets of DiningIn.com, Inc. and certain of its affiliates (collectively, "DiningIn"), on February 27, 2015, the Company acquired the membership units of Restaurants on the Run, LLC ("Restaurants on the Run") and on December 4, 2015, the Company acquired the membership units of Mealport USA, LLC ("Delivered Dish"). Aggregate consideration for the three acquisitions was approximately $73.9 million in cash and 407,812 restricted shares of the Company's common stock, or an estimated total transaction value of approximately $89.9 million based on the Company's closing share price on the respective closing dates, net of cash acquired of $0.7 million. DiningIn, Restaurants on the Run and Delivered Dish provide delivery options for individual diners, group orders and corporate catering. The acquisitions have expanded and enhanced the Company's service offerings for its customers, particularly in the delivery space.

The excess of the consideration transferred in the acquisitions over the net amounts assigned to the fair value of the assets acquired was recorded as goodwill, which represents the opportunity to expand restaurant delivery services and enhance the breadth and depth of the Company's restaurant networks. The goodwill related to these acquisitions of $43.4 million is expected to be deductible for income tax purposes.

During the year ended December 31, 2015, the Company incurred certain expenses directly and indirectly related to acquisitions of $1.1 million, which were recognized in general and administrative expenses within the consolidated statements of operations.

The assets acquired and liabilities assumed of DiningIn, Restaurants on the Run and Delivered Dish were recorded at their estimated fair values as of the closing dates of February 4, 2015, February 27, 2015 and December 4, 2015, respectively. The following table summarizes the final purchase price allocation acquisition-date fair values of the assets and liabilities acquired in connection with the DiningIn, Restaurants on the Run and Delivered Dish acquisitions:

	(in thousands)
Cash and cash equivalents	$ 698
Accounts receivable	2,331
Prepaid expenses and other assets	325

Customer and vendor relationships	44,259
Property and equipment	161
Developed technology	4,676
Goodwill	43,432
Trademarks	529
Accounts payable and accrued expenses	(5,826)
Total purchase price plus cash acquired	90,585
Cash acquired	(698)
Fair value of common stock issued	(15,980)
Net cash paid	$ 73,907

The estimated fair values of the intangible assets acquired were determined based on a combination of the income, cost, and market approaches to measure the fair value of the customer (restaurant) relationships, developed technology and trademarks. The fair value of the trademarks was measured based on the relief from royalty method. The cost approach, specifically the cost to recreate method, was used to value the developed technology. The income approach, specifically the multi-period excess earnings method, was used to value the customer (restaurant) relationships. These fair value measurements were based on significant inputs not observable in the market and thus represent Level 3 measurements within the fair value hierarchy.

The results of operations of DiningIn, Restaurants on the Run and Delivered Dish have been included in the Company’s financial statements since February 4, 2015, February 27, 2015 and December 4, 2015, respectively. The total amount of revenues and net loss from the acquisitions included in the Company’s operating results since the respective acquisition dates through December 31, 2015 were $23.0 million and $1.5 million, respectively.

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Notes to Consolidated Financial Statements (Continued)

The following unaudited pro forma information presents a summary of the operating results of the Company for the years ended December, 2015 and 2014 as if the acquisitions had occurred on January 1, 2014:

	Year Ended December 31,	
	2015	2014
	(in thousands)	
Revenues	$371,021	$283,522
Net income	39,431	23,103

The pro forma adjustments reflect the amortization that would have been recognized for intangible assets, elimination of transaction costs incurred and pro forma tax adjustments for the years ended December 31, 2015 and 2014 as follows:

	Year Ended December 31,	
	2015	2014
	(in thousands)	
Depreciation and amortization	$3	$5,483
Transaction costs	(1,055)	(646)
Income tax benefit	(109)	(1,066)

The unaudited pro forma revenues and net income are not intended to represent or be indicative of the Company's consolidated results of operations or financial condition that would have been reported had the acquisitions been completed as of the beginning of the periods presented and should not be taken as indicative of the Company's future consolidated results of operations or financial condition.

2014 Acquisitions

There were no acquisitions during the year ended December 31, 2014.

2013 Acquisitions

On August 8, 2013 (the "Merger Date"), the Company acquired all of the equity interests of each of Seamless North America, LLC, Seamless Holdings and Grubhub Holdings Inc. pursuant to the Reorganization Agreement. In February 2014, Grubhub, Inc. changed its name to Grubhub Holdings Inc. The Company issued 23,318,580 shares of common stock and 8,098,430 shares of preferred stock to Grubhub Holdings Inc. in exchange for all of Grubhub Holdings Inc.'s equity interests (the "Merger"). The Company concluded that Seamless Holdings was deemed the acquirer for financial reporting purposes based on key deciding factors such as a majority ownership and majority of the board of director seats. Accordingly, the acquisition of Grubhub Holdings Inc. has been accounted for as a business combination. The results of operations of Grubhub Holdings Inc. have been included in the Company's financial statements since August 9, 2013. Grubhub Holdings Inc. provides online food ordering through its website grubhub.com, and also operates allmenus.com, a website that stored and displayed approximately 275,000 menus at the time of acquisition. The Merger has expanded the Company's existing markets and access to new customers and created revenue and cost synergies which management believes will contribute to future profits.

The fair value of the equity issued to Grubhub Holdings Inc. in connection with the Merger was approximately $421.5 million. The value of the equity was determined using the estimated fair value of the stock of Grubhub Holdings Inc. at the Merger Date based on a valuation of Grubhub Holdings Inc. performed by management. The assets acquired and liabilities assumed were recorded at their estimated fair values as of August 8, 2013. The fair value of the equity of $421.5 million included approximately $11.0 million related to the fair value of the replacement awards that were attributed to the pre-combination service period for Grubhub Holdings Inc. option holders. The fair value of the replacement awards was determined using the Black-Scholes option pricing model. Post combination expense of $12.5 million is recognized post-Merger for the unrecognized compensation expense related to Grubhub Holdings Inc. stock options. See Note 9, "Stock-Based Compensation", for further details.

The excess of the consideration transferred in the acquisition over the net amounts assigned to the fair value of the assets acquired was recorded as goodwill, which represents the opportunity to expand existing markets and access new customers and to create revenue and cost synergies that management believes will contribute to future profits. The goodwill is not deductible for income tax purposes.

The Company incurred certain expenses directly and indirectly related to the Merger of $4.7 million during the year ended December 31, 2013, which were recognized in general and administrative expense within the consolidated statements of operations.

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Notes to Consolidated Financial Statements (Continued)

The following table summarizes the August 8, 2013 acquisition-date fair value of the assets and liabilities acquired in connection with the Grubhub Holdings Inc. business combination:

	(in thousands)
Cash and cash equivalents	$ 13,266
Accounts receivable	2,108
Other identifiable assets	4,422
Customer and vendor relationships	167,450
Deferred tax asset	4,013
Deferred tax liability	(88,937)
Developed technology	5,143
Goodwill	239,346
Liabilities assumed	(10,602)
Trademarks	85,276
Total net assets acquired	$ 421,485

The estimated fair values of the intangible assets acquired were determined based on a combination of the income, cost, and market approaches to measure the fair value of the customer (restaurant) and vendor relationships, developed technology and trademarks. The fair value of the trademarks was measured based on the relief from royalty method. The cost approach, specifically the cost to recreate method, was used to value the developed technology. The income approach, specifically the multi-period excess earnings method, was used to value the customer (restaurant) and vendor relationships. These fair value measurements were based on significant inputs not observable in the market and thus represent Level 3 measurements within the fair value hierarchy.

4. Marketable Securities

The amortized cost, unrealized gains and losses and estimated fair value of the Company’s held-to-maturity marketable securities as of December 31, 2015 and 2014 were as follows:

	December 31, 2015			
				Estimated
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
	(in thousands)			

Cash and cash equivalents				
Commercial paper	$22,744	$ —	$ (5)	$22,739
Short term investments				
Commercial paper	90,949	—	(102)	90,847
Corporate bonds	41,503	9	(39)	41,473
U.S. government agency bonds	8,996	8	—	9,004
Total	$164,192	$ 17	$ (146)	$164,063

	December 31, 2014			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
	(in thousands)			
Cash and cash equivalents				
Corporate bonds	$1,882	$ 1	$ (1)	$1,882
Short term investments				
Commercial paper	38,081	—	(26)	38,055
Corporate bonds	73,260	2	(64)	73,198
Total	$113,223	$ 3	$ (91)	$113,135

All of the Company’s marketable securities were classified as held-to-maturity investments and have maturities within one year of December 31, 2015.

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Notes to Consolidated Financial Statements (Continued)

The gross unrealized losses, estimated fair value and length of time the individual marketable securities were in a continuous loss position for those marketable securities in an unrealized loss position as of December 31, 2015 and 2014 were as follows:

	December 31, 2015					
	Less Than 12 Months		12 Months or Greater		Total	
	Estimated Fair Value	Unrealized Loss	Estimated Fair Value	Unrealized Loss	Estimated Fair Value	Unrealized Loss
	(in thousands)					
Commercial paper	$113,586	$ (107)	$ —	$ —	$113,586	$ (107)
Corporate bonds	31,952	(39)	—	—	31,952	(39)
Total	$145,538	$ (146)	$ —	$ —	$145,538	$ (146)

	December 31, 2014					
	Less Than 12 Months		12 Months or Greater		Total	
	Estimated Fair Value	Unrealized Loss	Estimated Fair Value	Unrealized Loss	Estimated Fair Value	Unrealized Loss
	(in thousands)					
Commercial paper	$38,055	$ (26)	$ —	$ —	$38,055	$ (26)
Corporate bonds	64,557	(65)	—	—	64,557	(65)
Total	$102,612	$ (91)	$ —	$ —	$102,612	$ (91)

During the years ended December 31, 2015 and 2014, the Company did not recognize any other-than-temporary impairment losses related to its marketable securities. The Company did not have any marketable securities prior to July 1, 2014.

The Company's marketable securities are classified within Level 2 of the fair value hierarchy (see Note 14, "Fair Value Measurement", for further details).

5. Related Party Transactions

Due to Related Party

During the year ended December 31, 2013, the Company had a cash management program with Aramark whereby all payroll and related costs were funded by Aramark and all cumulative excess cash balances were deposited with Aramark. The program was terminated in 2013 and no balance was due as of December 31, 2013.

Corporate Services Agreement

The Company had an arrangement with Aramark pursuant to which Aramark would provide support to the Company for certain corporate, accounting, information technology and other administrative services. Total expenses incurred under this arrangement were $0.1 million during the years ended December 31, 2013. The arrangement was terminated in 2013.

6. Goodwill and Acquired Intangible Assets

The components of acquired intangible assets as of December 31, 2015 and 2014 were as follows:

	December 31, 2015			December 31, 2014		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
	(in thousands)					
Developed technology	$9,819	$ (6,288)	$ 3,531	$5,143	$ (2,392)	$ 2,751
Customer and vendor relationships, databases	236,238	(44,192)	192,046	191,979	(30,067)	161,912
Trademarks	529	(215)	314	—	—	—
Total amortizable intangible assets	246,586	(50,695)	195,891	197,122	(32,459)	164,663
Indefinite-lived trademarks	89,676	—	89,676	89,676	—	89,676
Total acquired intangible assets	$336,262	$ (50,695)	$ 285,567	$286,798	$ (32,459)	$ 254,339

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Notes to Consolidated Financial Statements (Continued)

Amortization expense for acquired intangible assets was $18.2 million, $14.1 million and $6.9 million for the years ended December 31, 2015, 2014 and 2013, respectively.

The changes in the carrying amount of goodwill for the years ended December 31, 2015 and 2014 were as follows.

	Goodwill	Accumulated Impairment Losses	Net Book Value
	(in thousands)		
Balance as of December 31, 2013	$352,788	$ —	$352,788
Balance as of December 31, 2014	352,788	—	352,788
Acquisitions	43,432	—	43,432
Balance as of December 31, 2015	$396,220	$ —	$396,220

During the year ended December 31, 2015, the Company recorded additions to acquired intangible assets of $49.5 million as a result of the acquisitions of DiningIn, Restaurants on the Run and Delivered Dish. The components of the acquired intangibles assets added during the year ended December 31, 2015 were as follows:

	Year Ended December 31, 2015 (in thousands)	Weighted-Average Amortization Period (years)
Customer and vendor relationships	$ 44,259	18.7
Developed technology	4,676	1.7
Trademarks	529	1.8
Total	$ 49,464	

Estimated future amortization expense of acquired intangible assets as of December 31, 2015 was as follows:

	(in thousands)
2016	$ 17,664
2017	15,331
2018	14,455

2019	14,455
2020	11,249
Thereafter	122,737
Total	$ 195,891

As of December 31, 2015, the estimated remaining weighted-average useful life of the Company’s acquired intangibles was 14.3 years. The Company recognizes amortization expense for acquired intangibles on a straight-line basis.

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Notes to Consolidated Financial Statements (Continued)

7. Property and Equipment

The components of the Company's property and equipment as of December 31, 2015 and 2014 were as follows:

	December 31, 2015	December 31, 2014
	(in thousands)	
Computer equipment	$ 10,080	$ 12,114
Delivery equipment	555	—
Furniture and fixtures	2,092	1,876
Developed software	11,129	12,378
Purchased software	361	2,149
Leasehold improvements	6,050	5,900
Property and equipment	30,267	34,417
Accumulated amortization and depreciation	(11,185)	(18,414)
Property and equipment, net	$ 19,082	$ 16,003

The gross carrying amount and accumulated amortization and depreciation of the Company's property and equipment as of December 31, 2015 have been adjusted for certain fully depreciated developed and purchased software and computer equipment assets that were disposed of with the migration of nearly all of the Seamless consumer diner traffic to a new web and mobile platform during the second quarter of 2015 and certain other computer equipment that were fully depreciated and disposed of during the fourth quarter of 2015. During the year ended December 31, 2015, the Company recorded approximately $1.9 million of accelerated depreciation and amortization expense related to these retired assets.

The Company recorded depreciation and amortization expense for property and equipment other than developed software for the years ended December 31, 2015, 2014 and 2013 of $5.7 million, $5.7 million and $4.0 million, respectively.

The Company capitalized developed software costs of $8.0 million, $3.6 million and $2.6 million for the years ended December 31, 2015, 2014 and 2013, respectively. Amortization expense for developed software costs, recognized in depreciation and amortization in the consolidated statements of operations, for the years ended December 31, 2015, 2014 and 2013 was $4.1 million, $2.9 million and $2.6 million, respectively.

8. Commitments and Contingencies

Office Facility Leases

The Company has various operating lease agreements for its office facilities which expire at various dates through March 2026. The terms of the lease agreements provide for rental payments on a graduated basis. The Company can, after the initial lease term, renew its leases under right of first offer terms at fair value at the time of renewal for a period of five years. The Company recognizes rent expense on a straight-line basis over the lease term.

Rental expense, primarily for leased office space under the operating lease commitments, was $4.1 million, $3.6 million and $2.5 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Future minimum lease payments under the Company's operating lease agreements that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2015 were as follows:

	(in thousands)
2016	$ 3,618
2017	3,938
2018	4,499
2019	4,698
2020	4,762
Thereafter	19,567
Total	$ 41,082

The table above does not reflect the Company's option to exercise early termination rights or the payment of related early termination fees.

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GRUBHUB INC.

Notes to Consolidated Financial Statements (Continued)

Legal

In August 2011, Ameranth, Inc. (“Ameranth”) filed a patent infringement action against a number of defendants, including Grubhub Holdings Inc., in the U.S. District Court for the Southern District of California (the “Court”), Case No. 3:11-cv-1810 (“’1810 action”). In September 2011, Ameranth amended its complaint in the ’1810 action to also allege patent infringement against Seamless North America, LLC. Ameranth alleged that the Grubhub Holdings Inc. and Seamless North America, LLC ordering systems, products and services infringe claims 12 through 15 of U.S. Patent No. 6,384,850 (“’850 patent”) and claims 11 and 15 of U.S. Patent No. 6,871,325 (“’325 patent”).

In March 2012, Ameranth initiated eight additional actions for infringement of a third, related patent, U.S. Patent No. 8,146,077 (“’077 patent”), in the same forum, including separate actions against Grubhub Holdings Inc., Case No. 3:12-cv-739 (“’739 action”), and Seamless North America, LLC, Case No. 3:12-cv-737 (“’737 action”). In August 2012, the Court severed the claims against Grubhub Holdings Inc. and Seamless North America, LLC in the ’1810 action and consolidated them with the ’739 action and the ’737 action, respectively. Later, the Court consolidated these separate cases against Grubhub Holdings Inc. and Seamless North America, LLC, along with the approximately 40 other cases Ameranth filed in the same district, with the original ’1810 action. In their answers, Grubhub Holdings Inc. and Seamless North America, LLC denied infringement and interposed various defenses, including non-infringement, invalidity, unenforceability and inequitable conduct.

No trial date has been set for this case and the consolidated district court case remains stayed. The Company believes this case lacks merit and that it has strong defenses to all of the infringement claims. The Company intends to defend the suit vigorously. However, the Company is unable to predict the likelihood of success of Ameranth’s infringement claims and is unable to predict the likelihood of success of its counterclaims. The Company has not recorded an accrual related to this lawsuit as of December 31, 2015, as it does not believe a material loss is probable. It is a reasonable possibility that a loss may be incurred; however, the possible range of loss is not estimable given the early stage of the dispute and the uncertainty as to whether the claims at issue are with or without merit, will be settled out of court, or will be determined in the Company’s favor, whether the Company may be required to expend significant management time and financial resources on the defense of such claims, and whether the Company will be able to recover any losses under its insurance policies.

In addition to the matters described above, from time to time, the Company is involved in various other legal proceedings arising from the normal course of business activities.

Indemnification

In connection with the Merger in August 2013, the Company agreed to indemnify Aramark for negative income tax consequences associated with the October 2012 spin-off of Seamless Holdings Corporation that were the result of certain actions taken by the Company through October 29, 2014, in certain instances subject to a $15.0 million limitation. Management is not aware of any actions that would impact the indemnification obligation.

Restructuring

On November 20, 2013, the Company announced plans to close its Sandy, Utah office location in 2014. The Company recorded a restructuring accrual in the consolidated balance sheets for severance and payroll related benefits and other facility closure costs as a result of the restructuring announcement. The amounts recorded represented the service vesting requirements for identified employees who worked for various periods beyond the communication date and related lease termination costs. The facility was closed on November 30, 2014; however, certain employees worked until January 2, 2015. During the year ended December 31, 2014, total restructuring costs incurred were approximately $1.3 million, including expense of $0.5 million related to the termination of the Sandy, Utah office lease agreement. During the year ended December 31, 2013, total restructuring costs incurred were $0.2 million. Restructuring expense was recognized in general and administrative expense in the consolidated statements of operations. The Company did not incur any restructuring expense related to the Sandy, Utah facility closure during the year ended December 31, 2015.

The following table summarizes the Company's restructuring activity during the years ended December 31, 2015 and 2014:

	(in thousands)
Restructuring accrual balance at December 31, 2013	$ 176
Restructuring expense	1,313
Cash payments	(741)
Restructuring accrual balance at December 31, 2014	748
Restructuring expense	—
Cash payments	(748)
Restructuring accrual balance at December 31, 2015	$ —

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GRUBHUB INC.

Notes to Consolidated Financial Statements (Continued)

9. Stock-Based Compensation

In May 2015, the Company's stockholders approved the Grubhub Inc. 2015 Long-Term Incentive Plan (the "2015 Plan"), pursuant to which the Compensation Committee of the Board of Directors may grant stock options, stock appreciation rights, restricted stock awards, restricted stock units, performance awards and other stock-based and cash-based awards. On May 20, 2015, the Company filed a registration statement on Form S-8 to register up to 14,256,901 shares of common stock reserved for issuance pursuant to awards granted under the 2015 Plan. Effective May 20, 2015, no further grants will be made under the Company's 2013 Omnibus Incentive Plan (the "2013 Plan"). As of December 31, 2015, there were 8,637,093 shares of common stock authorized and available for issuance pursuant to awards granted under the 2015 Plan. The Board of Directors of the Company and committee or subcommittee of the Board of Directors has discretion to establish the terms and conditions for grants, including, but not limited to, the number shares and vesting and forfeiture provisions.

The Company has granted stock options, restricted stock units and restricted stock awards under its incentive plans. The Company recognizes compensation expense based on estimated grant date fair values for all stock-based awards issued to employees and directors, including stock options, restricted stock units and restricted stock awards. For all stock options outstanding as of December 31, 2015, the exercise price of the stock options equals the fair value of the stock option on the grant date. The stock options and restricted stock units vest over different lengths of time, but generally over 4 years, and are subject to forfeiture upon termination of employment prior to vesting. The maximum term for stock options issued to employees under the 2015 Plan and the 2013 Plan is 10 years, and they expire 10 years from the date of grant. Compensation expense for stock options, restricted stock units and restricted stock awards is recognized ratably over the vesting period.

The rights granted to the recipient of a restricted stock unit generally accrue over the vesting period. Participants holding restricted stock units are not entitled to any ordinary cash dividends paid by the Company with respect to such shares unless otherwise provided by the terms of the award. The Company does not expect to pay any dividends in the foreseeable future.

The recipient of a restricted stock award shall have all of the rights of a holder of shares of the Company's common stock, including the right to receive dividends, the right to vote such shares and, upon the full vesting of the restricted stock awards, the right to tender such shares. The payment of any dividends will be deferred until the restricted stock awards have fully vested. The restricted stock awards outstanding as of December 31, 2015, generally vest over 2 years and are subject to forfeiture upon termination of employment prior to vesting unless otherwise provided in the terms of the award agreement.

As part of the Reorganization Agreement, the Company was required to replace Grubhub Holdings Inc.'s share-based payment awards. The fair value of the replacement awards attributable to pre-combination services at the time of the Merger was approximately $11.0 million, which was included as additional consideration transferred in the business combination in the total purchase price of $421.5 million. The fair value of the replacement options attributable to post combination services was approximately $12.5 million and is recognized as compensation cost in the Company's post-Merger consolidated financial statements over the remaining vesting period.

GRUBHUB INC.

Notes to Consolidated Financial Statements (Continued)

Stock Options

The Company granted 2,542,523, 2,019,413 and 3,698,708 stock options during the years ended December 31, 2015, 2014 and 2013, respectively. The fair value of each stock option award was estimated based on the assumptions below as of the grant date using the Black-Scholes-Merton option pricing model. Expected volatilities are based on a combination of the historical and implied volatilities of comparable publicly-traded companies and the historical volatility of the Company's own common stock due to its limited trading history. The Company uses historical data to estimate option exercises and employee terminations within the valuation model. Separate groups of employees that have similar historical exercise behavior are considered separately for valuation purposes. The expected term of the award is estimated using a simplified method. The fair value at grant date, prior to the Company's initial public offering in April 2014 (the "IPO"), was determined considering the performance of the Company at the grant date as well as future growth and profitability expectations by applying market and income approaches. The risk-free rate for the period within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The assumptions used to determine the fair value of the stock options granted during the years ended December 31, 2015, 2014 and 2013 were as follows:

	2015	2014	2013
Weighted-average fair value options granted	$14.66	$13.87	$3.97
Average risk-free interest rate	1.65 %	1.97 %	1.41%
Expected stock price volatilities[(a)]	48.4 %	50.3 %	50.7%
Dividend yield	None	None	None
Expected stock option life (years)	6.07	6.26	5.20

(a) There was no active external or internal market for the Company's common stock prior to the IPO. Due to the Company's limited trading history, the Company estimated expected volatility for the years ended December 31, 2015 and 2014 based on a combination of the historical and implied volatilities of comparable publicly-traded companies and the historical volatility of the Company's own common stock. During the year ended December 31, 2013, the expected volatility was based on the historical and implied volatilities of comparable publicly-traded companies as there was no trading history for the Company's own common stock.

Stock option awards as of December 31, 2015 and 2014, and changes during the year ended December 31, 2015, were as follows:

	Options	Weighted-Average Exercise Price	Aggregate Intrinsic Value (thousands)	Weighted-Average Exercise Term (years)
Outstanding at December 31, 2014	6,180,795	$ 8.49	$ 172,661	7.87
Granted	2,542,523	30.99		
Forfeited	(1,066,623)	18.31		
Exercised	(2,578,398)	4.63		

Outstanding at December 31, 2015	5,078,297	19.66	41,107	8.21
Vested and expected to vest at December 31, 2015	3,522,623	17.77	32,195	8.08
Exercisable at December 31, 2015	1,349,375	$ 8.23	$ 23,208	6.62

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the difference between the fair value of the common stock and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their in-the-money options on each date. This amount will change in future periods based on the fair value of the Company's stock and the number of options outstanding. The aggregate intrinsic value of awards exercised during the years ended December 31, 2015, 2014 and 2013 was $87.6 million, $74.0 million and $3.4 million, respectively.

The Company recorded compensation expense for stock options of $9.9 million, $9.4 million and $4.9 million for the years ended December 31, 2015, 2014 and 2013, respectively. During the years ended December 31, 2015 and 2014, the Company capitalized $0.5 million and $0.1 million of stock-based compensation expense as website and software development costs, respectively. As of December, 2015, total unrecognized compensation cost, adjusted for estimated forfeitures, related to non-vested stock options was $25.7 million and is expected to be recognized over a weighted-average period of 3.2 years.

During the years ended December 31, 2015 and 2014, the Company reported excess tax benefits as a decrease in cash flows from operations and an increase in cash flows from financing activities of $27.8 million and $13.0 million, respectively. Excess tax benefits were suspended during the year ended December 31, 2013 due to net operating losses. Excess tax benefits reflect the total of

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GRUBHUB INC.

Notes to Consolidated Financial Statements (Continued)

the individual stock option exercise transactions in which the reduction to the Company's income tax liability is greater than the deferred tax assets that were previously recorded.

Restricted Stock Units and Restricted Stock Awards

Non-vested restricted stock unit awards as of December 31, 2015 and 2014, and changes during the year ended December 31, 2015 were as follows:

	Restricted Stock Units		Restricted Stock Awards	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Outstanding at December 31, 2014	2,899	$ 31.90	—	$ —
Granted	896,906	27.85	101,616	42.01
Forfeited	(11,322)	28.98	—	—
Vested	—	—	(33,872)	42.01
Outstanding at December 31, 2015	888,483	$ 27.85	67,744	$ 42.01

During the year ended December 31, 2015, compensation expense recognized related to restricted stock awards and restricted stock units was $1.9 million and $1.7 million, respectively. During the year ended December 31, 2014, compensation expense recognized related to restricted stock units was nominal. There were no non-vested restricted stock units or related expense during the years ended December 31, 2013. There were no non-vested restricted stock awards or related expense during the years ended December 31, 2014 and 2013. The aggregate fair value of restricted stock awards that vested during the year ended December 31, 2015 was $1.4 million. As of December, 2015, $13.8 million of total unrecognized compensation cost, adjusted for estimated forfeitures, related to 888,483 non-vested restricted stock units with a weighted-average grant date fair value of $27.85 is expected to be recognized over a weighted-average period of 3.7 years. As of December 31, 2015, $1.7 million of total unrecognized compensation cost related to 67,744 non-vested restricted stock awards with weighted-average grant date fair values of $42.01 is expected to be recognized over a weighted-average period of 1.2 years. The fair value of these awards was determined based on the Company's stock price at the grant date and assumes no expected dividend payments through the vesting period.

There were no excess tax benefits related to restricted stock units or restricted stock awards during the years ended December 31, 2015, 2014 and 2013.

10. Income Taxes

The Company files income tax returns in the U.S. federal, the United Kingdom and various state jurisdictions.

For the years ended December 31, 2015, 2014 and 2013, the income tax provision was comprised of the following:

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
Current:			
Federal	$20,947	$8,073	$2,912
State	6,260	7,610	3,056
Foreign	480	426	468
Total current	27,687	16,109	6,436
Deferred:			
Federal	(1,534)	1,056	1,300
State	(2,301)	3,556	406
Total deferred	(3,835)	4,612	1,706
Total income tax expense	$23,852	$20,721	$8,142

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Notes to Consolidated Financial Statements (Continued)

Income before provision for income taxes for the years ended December 31, 2015, 2014 and 2013, was as follows:

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
Domestic source	$59,705	$43,069	$12,986
Foreign source	2,224	1,915	1,903
Income before provision for income taxes	$61,929	$44,984	$14,889

The following is a reconciliation of income taxes computed at the U.S. federal statutory rate to the income taxes reported in the consolidated statements of operations for the years ended December 31, 2015, 2014 and 2013:

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
Income tax expense at statutory rate	$21,675	$15,747	$5,211
State income taxes	2,577	8,038	2,522
Deferred tax impact of reorganization	—	(2,382)	—
Nondeductible transaction costs	—	—	1,148
Tax benefit of partnership status	—	—	(726)
Valuation allowance reversal	—	—	(502)
Research and development tax credit	(345)	—	—
Foreign rate differential	(328)	(253)	(220)
Deferred tax true-up	69	—	—
All other	204	(429)	709
Total income tax expense	$23,852	$20,721	$8,142

On December 31, 2014, the Company undertook a series of transactions intended to simplify its legal and tax structure in the U.S. The result of the reorganization was a combination of Grubhub Holdings Inc. and Seamless North America, LLC, which resulted in the deemed liquidation of the Seamless North America, LLC partnership status for tax purposes. The reorganization resulted in a net income tax benefit of $0.4 million for the year ended December 31, 2014. The income tax benefit consisted of a deferred tax benefit of $2.2 million as a result of converting the Seamless North America, LLC partnership into a division of Grubhub Holdings Inc., partially offset by an increase in deferred tax expense of $1.8 million as a result of the adjusted deferred state tax rate applicable to the Company’s U.S. operations.

The Company recorded a $2.0 million increase in deferred tax expense in 2014 as a result of a change in state tax law.

The tax effects of temporary differences giving rise to deferred income tax assets and liabilities as of December 31, 2015 and 2014 were as follows:

	As of December 31, 2015	2014
	(in thousands)	
Deferred tax assets:		
Loss and credit carryforwards	$5,134	$7,212
Accrued expenses	1,934	2,221
Stock-based compensation	8,330	7,752
Total deferred tax assets	15,398	17,185
Valuation allowance	(910)	(910)
Net deferred tax assets	14,488	16,275
Deferred tax liabilities:		
Fixed assets	(2,269)	(2,721)
Intangible assets	(99,803)	(104,973)
Total deferred tax liabilities	(102,072)	(107,694)
Net deferred tax liability	$(87,584)	$(91,419)

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GRUBHUB INC.

Notes to Consolidated Financial Statements (Continued)

A partial valuation reserve of $0.9 million was recorded as of both December 31, 2015 and 2014, against certain state-only credits as those credits have a short carryover period and the Company believes that this portion of the credit carryovers will more likely than not expire before they are utilized.

Classification of net deferred tax assets (liabilities) on the consolidated balance sheets as of December 31, 2015 and 2014 was as follows:

	As of December 31,	
	2015	2014
	(in thousands)	
Non-current liabilities	$(87,584)	$(91,419)
Total deferred tax liability	$(87,584)	$(91,419)

The Company has early adopted ASU 2015-17, relating to the presentation of deferred tax assets and deferred tax liabilities as non-current in the consolidated balance sheets, in the fourth quarter of 2015. The consolidated balance sheet as of the year ended December, 31, 2014, has been retrospectively adjusted to reflect the change in presentation of $0.8 million of current deferred tax assets.

The Company has not provided U.S. income tax on the accumulated earnings of its U.K. subsidiary, Seamless Europe, Ltd. of approximately $7.7 million as of December 31, 2015, as it intends to permanently reinvest those undistributed earnings into future operations in that country. The Company estimates the potential additional U.S. tax liabilities that would result from the complete repatriation of those accumulated earnings to be approximately $1.9 million as of December 31, 2015.

The Company had the following tax loss and credit carryforwards as of December 31, 2015 and 2014:

	2015	2014	Beginning Year of Expiration
	(in thousands)		
U.S. federal loss carryforwards	$3,284	$7,706	2027
U.S. state and local loss carryforwards	5,753	9,856	2027
U.S. contribution carryforwards	—	166	2015
Illinois Edge Credits(a)	3,829	2,938	2017
New York unincorporated business tax credits(a)	—	875	2021

(a) Amounts are before the federal benefit of state tax

In addition to the federal and state NOL carryforwards shown above, as of December 31, 2015 the Company has $47.5 million in additional loss carryovers attributable to excess tax benefits on stock option exercises that will be recorded to additional paid-in capital when those losses are deemed utilized applying the “with and without” method of accounting for excess tax benefits.

During the year ended December 31, 2015, the Internal Revenue Service completed an audit of Grubhub Inc.’s and its subsidiaries’ tax return for the year ended December 31, 2013 and proposed no changes. The Company is currently under examination in Illinois for corporate income tax returns for the tax years ended December 31, 2013 and 2012. The Company cannot predict with certainty whether there will be any additional tax liabilities, penalties and/or interest as a result of the audit. The Company’s tax returns are subject to the normal statute of limitations, three years from the filing date for federal income tax purposes. The federal and state statute of limitations generally remain open for years in which tax losses are generated until three years from the year those losses are utilized. Under these rules, the 2007 and later year NOLs of Slick City Media, Inc. are still subject to audit by the IRS and state and local jurisdictions. Also, the 2007 and later year NOLs of Grubhub Holdings Inc. and its acquired businesses are still subject to audit by the IRS and state and local jurisdictions. The September 30, 2012 and later period U.K. returns of Seamless Europe Ltd. are subject to exam by the U.K. tax authorities.

The Company is subject to taxation in the U.S. federal and various state jurisdictions. Significant judgment is required in determining the provision for income taxes and recording the related income tax assets and liabilities. The Company’s practice for accounting for uncertainty in income taxes is to recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not criteria, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority.

GRUBHUB INC.

Notes to Consolidated Financial Statements (Continued)

The following table summarizes the Company's unrecognized tax benefit activity during the years ended December 31, 2015 and 2014, excluding the related accrual for interest:

	As of December 31,	
	2015	2014
	(in thousands)	
Balance at beginning of period	$3,188	$1,097
Reductions for tax positions of prior years	(296)	(491)
Additions for tax positions of prior years	40	50
Additions for tax positions of the current year	—	2,532
Balance at end of period	$2,932	$3,188

The Company records interest and penalties, if any, as a component of its income tax expense in the consolidated statements of operations. No interest expense or penalties were recognized during the years ended December 31, 2015 or 2014. The non-current income tax liabilities are recorded in long-term liabilities in the consolidated balance sheets. At December 31, 2015, the Company did not anticipate any significant adjustments to its unrecognized tax benefits caused by the settlement of tax examinations or other factors, within the next twelve months. Included in the consolidated balance sheets at December 31, 2015 and 2014 were deferred tax assets that relate to the potential settlement of these unrecognized tax benefits. After consideration of these amounts, $1.0 million of the amount accrued at each of December 31, 2015 and 2014, would impact the effective tax rate if reversed.

11. Stockholders' Equity

As of December 31, 2015 and 2014, the Company was authorized to issue two classes of stock: common stock and Series A Preferred Stock.

On April 4, 2014, the Company completed the IPO in which it issued and sold 4,000,000 shares of common stock at a public offering price of $26.00 per share. The Company received net proceeds of $94.9 million after deducting underwriting discounts and commissions of $6.5 million and other offering expenses of approximately $2.6 million. Upon the closing of the IPO, the stockholder's agreement ceased to be in effect.

On September 3, 2014, the Company completed a follow-on offering in which it issued and sold 1,250,000 shares of common stock at a public offering price of $40.25 per share. The Company received net proceeds of $47.6 million after deducting underwriting discounts and commissions of $1.9 million and other offering expenses of approximately $0.8 million. These expenses were recorded against the proceeds received from the follow-on offering.

Common Stock

Each holder of common stock has one vote per share of common stock held on all matters that are submitted for stockholder vote. At December 31, 2015 and 2014, there were 500,000,000 shares of common stock authorized. At December 31, 2015 and 2014, there were 84,979,869 and 81,905,325 shares of common stock issued and outstanding, respectively. The Company did not hold any shares as treasury shares as of December 31, 2015 and 2014.

Series A Preferred Stock

The Company was authorized to issue 25,000,000 shares of preferred stock as of December 31, 2015 and 2014. Upon the closing of the IPO on April 4, 2014, all shares of the Company's then-outstanding convertible Series A Preferred Stock automatically converted on a one-for-one basis into an aggregate of 19,284,113 shares of common stock. There were no issued or outstanding shares of preferred stock as of December 31, 2015 and 2014.

Redeemable Common Stock

The put rights that would have required the Company to repurchase the Company's then outstanding redeemable common stock at fair value (as defined in the stockholders agreement) determined at the redemption date were terminated and the shares converted on a one-for-one basis into an aggregate of 1,344,236 shares of common stock upon the closing of the IPO on April 4, 2014.

GRUBHUB INC.

Notes to Consolidated Financial Statements (Continued)

12. Retirement Plan

Beginning February 1, 2012, the Company has maintained a defined contribution plan for employees. The plan is qualified under section 401(k) of the Internal Revenue Code. For the years ended December 31, 2015, 2014 and 2013, the Company matched 100% of the first 3% of employees' contributions and 50% of the next 2% of employees' contributions that were made. The Company may also make discretionary profit sharing contributions as determined by the Company's Board of Directors. The Company's matching contributions to the plan were $1.3 million, $1.0 million and $0.7 million during the years ended December 31, 2015, 2014 and 2013, respectively.

13. Earnings Per Share Attributable to Common Stockholders

Basic earnings per share is computed by dividing net income attributable to common stockholders by the weighted-average number of common shares outstanding during the period without consideration for common stock equivalents. 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, including stock options, restricted stock awards and restricted stock units, except in cases where the effect of the common stock equivalent would be antidilutive. Potential common stock equivalents consist of common stock issuable upon exercise of stock options and vesting of restricted stock units and restricted stock awards using the treasury stock method and common stock issuable upon conversion of the Series A Preferred Stock. Upon the closing of the IPO, all shares of the Company's then-outstanding convertible Series A Preferred Stock automatically converted into an aggregate of 19,284,113 shares of common stock.

The following table presents the calculation of basic and diluted net income per share attributable to common stockholders for the years ended December 31, 2015, 2014 and 2013:

	Year Ended December 31, 2015		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(in thousands, except per share data)		
Basic EPS			
Net income attributable to common stockholders	$38,077	84,076	$ 0.45
Effect of Dilutive Securities			
Preferred stock	—	—	
Stock options	—	1,594	
Restricted stock units and restricted stock awards	—	36	
Diluted EPS			
Net income attributable to common stockholders	$38,077	85,706	$ 0.44

	Year Ended December 31, 2014		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(in thousands, except per share data)		
Net income	$24,263		
Preferred stock tax distributions	(320)		
Basic EPS			
Net income attributable to common stockholders	23,943	73,571	$ 0.33
Effect of Dilutive Securities			
Preferred stock	320	4,980	
Stock options	—	3,147	
Restricted stock units and restricted stock awards	—	—	
Diluted EPS			
Net income attributable to common stockholders	$24,263	81,698	$ 0.30

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GRUBHUB INC.

Notes to Consolidated Financial Statements (Continued)

	Year Ended December 31, 2013		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(in thousands, except per share data)		
Net income	$6,747		
Preferred stock tax distributions	(1,073)		
Basic EPS			
Net income attributable to common stockholders	5,674	40,681	$ 0.14
Effect of Dilutive Securities			
Preferred stock	1,073	14,390	
Stock options	—	1,574	
Diluted EPS			
Net income attributable to common stockholders	$6,747	56,645	$ 0.12

The number of shares of common stock underlying stock-based awards excluded from the calculation of diluted net income per share attributable to common stockholders because their effect would have been antidilutive for the years ended December 31, 2015, 2014 and 2013 were as follows:

	Year Ended December 31,		
	2015	2014	2013
Anti-dilutive shares underlying stock-based awards:			
Stock options	2,380,813	407,328	477,452
Restricted stock awards	—	—	—
Restricted stock units	464,930	657	—

There were no outstanding restricted stock awards during the years ended December 31, 2014 and 2013. There were no outstanding restricted stock units during the year ended December 31, 2013.

14. Fair Value Measurement

Certain assets and liabilities are required to be recorded at fair value on a recurring basis. Accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The standards also establish a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The accounting guidance for fair value measurements prioritizes valuation methodologies based on the reliability of the inputs in the following three-tier value hierarchy:

Level 1	Quoted prices in active markets for identical assets or liabilities.
Level 2	Assets and liabilities valued based on observable market data for similar instruments, such as quoted prices for similar assets or liabilities.
Level 3	Unobservable inputs that are supported by little or no market activity; instruments valued based on the best available data, some of which is internally developed, and considers risk premiums that a market participant would require.

The Company applied the following methods and assumptions in estimating its fair value measurements: the Company's commercial paper, investments in corporate and U.S. government agency bonds and certain money market funds are classified as Level 2 within the fair value hierarchy because they are valued using inputs other than quoted prices in active markets that are observable directly or indirectly. Accounts receivable and accounts payable approximate fair value due to their generally short-term maturities.

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GRUBHUB INC.

Notes to Consolidated Financial Statements (Continued)

The following table presents the balances of assets measured at fair value on a recurring basis as of December 31, 2015 and 2014:

	December 31, 2015			December 31, 2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(in thousands)					
Money market funds	$—	$1,083	$ —	$—	$1,386	$ —
Commercial paper	—	113,586	—	—	38,055	—
Corporate bonds	—	41,473	—	—	75,080	—
U.S. government agency bonds	—	9,004	—	—	—	—
Total	$—	$165,146	$ —	$—	$114,521	$ —

In addition to assets and liabilities that are recorded at fair value on a recurring basis, the Company is required to record certain assets and liabilities at fair value on a nonrecurring basis, generally as a result of acquisitions. See Note 3, “Acquisitions,” for further discussion of the fair value of assets and liabilities associated with acquisitions.

15. Subsequent Events

On January 22, 2016, the Board of Directors of the Company approved a program that authorizes the repurchase of up to $100 million of the Company’s common stock exclusive of any fees, commissions or other expenses relating to such repurchases through open market purchases or privately negotiated transactions at the prevailing market price at the time of purchase. The repurchased stock may be retired or held as authorized but unissued treasury shares. The repurchase authorizations do no obligate the Company to acquire any particular amount of common stock or adopt any particular method of repurchase and may be modified, suspended or terminated at any time at the Company’s discretion. Repurchased and retired shares will result in an immediate reduction of the outstanding shares used to calculate the weighted-average common shares outstanding for basic and diluted net income per share at the time of the transaction.

From January 1, 2016 through February 19, 2016, the Company repurchased and retired $9.8 million of its common stock as follows:

Period	Total Number of Shares	Average Price	Total Number of Shares Purchased	Dollar Value of Shares that May Yet

	Purchased	Paid per Share	as Part of Publicly Announced Plans or Programs	be Purchased Under the Plans or Programs (in thousands)
January 1, 2016 - January 31, 2016	148,073	$ 18.67	148,073	$ 97,235
February 1, 2016 - February 19, 2016	358,600	19.51	358,600	90,239
Total	506,673	$ 19.26	506,673	

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of

Grubhub Inc.

Chicago, Illinois

We have audited the accompanying consolidated balance sheets of Grubhub Inc. (the "Company") as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, changes in stockholders' equity and redeemable common stock, and cash flows for each of the three years in the period ended December 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Grubhub Inc. at December 31, 2015 and 2014, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Grubhub Inc.'s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) and our report dated February 25, 2016, expressed an unqualified opinion thereon.

/s/ Crowe Horwath LLP

Oak Brook, Illinois

February 25, 2016

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SELECTED QUARTERLY FINANCIAL DATA

(UNAUDITED)

Unless otherwise stated, the discussion below primarily reflects the historical condition and results of operations for (i) Grubhub Inc. as of December 31, 2015 and 2014 and for the years ended December 31, 2015 and 2014 and (ii) the results of acquired businesses from the relevant acquisition dates in 2015. In the opinion of management, the data has been prepared on the same basis as the audited financial statements included in this Annual Report on Form 10-K, and reflects all necessary adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this data. The results of historical periods are not necessarily indicative of the results of operations of any future period. You should read this data together with the financial statements and the related notes included elsewhere in this Annual Report on Form 10-K.

	Three Months Ended							
	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
	(in thousands, except per share data)(unaudited)							
Revenues	$99,959	$ 85,662	$87,955	$88,249	$ 73,313	$ 61,941	$60,006	$58,613
Costs and expenses:								
Sales and marketing	24,921	21,443	20,679	24,107	19,033	14,883	16,168	16,117
Operations and support	32,483	27,637	24,603	22,701	17,766	14,902	14,734	15,107
Technology (exclusive of amortization)	8,802	8,412	7,902	7,666	7,212	6,560	6,066	5,347
General and administrative	11,457	10,203	9,745	9,101	7,220	8,143	8,620	8,324
Depreciation and amortization	6,657	6,299	8,829	6,249	5,809	5,748	5,615	5,515
Total costs and expenses	84,320	73,994	71,758	69,824	57,040	50,236	51,203	50,410
Income before provision for income taxes	15,639	11,668	16,197	18,425	16,273	11,705	8,803	8,203
Provision for income taxes	4,351	4,801	6,845	7,855	5,508	5,252	6,111	3,850
Net income	11,288	6,867	9,352	10,570	10,765	6,453	2,692	4,353
Preferred stock tax distributions	—	—	—	—	—	—	(320)	—
Net income attributable to common stockholders	$11,288	$ 6,867	$9,352	$10,570	$ 10,765	$ 6,453	$2,372	$4,353
Net income per share attributable								

to common stockholders(a):								
Basic	$0.13	$ 0.08	$0.11	$0.13	$ 0.13	$ 0.08	$0.03	$0.08
Diluted	$0.13	$ 0.08	$0.11	$0.12	$ 0.13	$ 0.08	$0.03	$0.06

(a) Full year amounts may not equal the sum of the quarters due to rounding

- In addition to the impact of the growth in orders and the inclusion of the result of the Company’s recent acquisitions, the quarterly increase in operations and support expense was driven by the investment in the Company’s delivery network during the year ended December 31, 2015. During the three months ended March 31, 2015, June 30, 2015, September 30, 2015 and December 31, 2015, the Company recognized acquisition-related and restructuring costs of $0.6 million, $0.1 million, $0.4 million and $0.5 million, respectively, within general and administrative expense in the consolidated statements of operations. During the three months ended June 30, 2015, the Company recognized accelerated depreciation and amortization expense of $1.9 million for certain developed and purchased software and computer equipment assets that were disposed of with the migration of nearly all of the Seamless consumer diner traffic to a new web and mobile platform.
- During the three months ended March 31, 2014, June 30, 2014, September 30, 2014 and December 31, 2014, the Company recognized acquisition-related and restructuring costs of $0.3 million, $0.2 million, $0.7 million and $0.4 million, respectively, within general and administrative expense in the consolidated statements of operations.

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Our key business metrics were as follows for the periods presented:

	Three Months Ended December 31, 2015 (unaudited)	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Active Diners	6,746,000	6,431,000	5,932,000	5,604,000	5,029,000	4,571,000	4,192,000	3,851,000
Daily Average Grubs	241,800	211,500	220,100	234,700	202,700	172,700	174,500	181,200
Gross Food Sales (in millions)	$642.5	$553.6	$567.6	$589.9	$508.0	$423.8	$422.6	$433.0

- Active Diners are the number of unique diner accounts from which an order has been placed in the past twelve months through the Company's platform.
- Daily Average Grubs are calculated as the number of revenue generating orders placed on the platform divided by the number of days for a given period.
- Gross Food Sales are the total value of food, beverages, taxes, prepaid gratuities, and any delivery fees processed through the Company's platform. All revenue generating orders placed on the platform are included. Only the commission from the transaction is recognized as revenues, which are a percentage of the total Gross Food Sales for such transaction.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) and Rule 15d-15(e) of the Exchange Act, the Company's management, including the Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining effective disclosure controls and procedures, as defined under Rules 13a-15(e) and 15d-15(e) of the Exchange Act. As of December 31, 2015, an evaluation was performed under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that disclosure controls and procedures as of December 31, 2015 were effective in ensuring information required to be disclosed in the Company's SEC reports was recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information was accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended December 31, 2015 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report and Attestation Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(c) and 15(d)-15(c) under the Exchange Act.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2015. Our management based this assessment on criteria for effective internal control over financial reporting described in the "Internal Control – Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. As permitted, our management excluded from its assessment the operations of Restaurants on the Run, LLC, DiningIn.com, Inc. and MealPort USA, LLC acquired during 2015, which is described in Part II, Item 8, Note 3, "Acquisitions" to the consolidated financial statements.

Based on this assessment, our management determined that, as of December 31, 2015, the Company maintained effective internal control over financial reporting.

Crowe Horwath LLP, our independent registered public accounting firm, who has audited the consolidated financial statements of the Company included in this Annual Report on Form 10-K, and as part of the audit, has issued an attestation report on the effectiveness of our internal control over financial reporting as of December 31, 2015.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of

Grubhub Inc.

Chicago, Illinois

We have audited Grubhub Inc.'s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework)(the "COSO criteria"). Grubhub Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As permitted, the Company has excluded the operations of Restaurants on the Run, LLC, DiningIn.com, Inc. and MealPort USA, LLC acquired during 2015, which is described in Note 3 of the consolidated financial statements, from the scope of management's report on internal control over financial reporting. As such, they have also been excluded from the scope of our audit of internal control over financial reporting.

In our opinion, Grubhub Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Grubhub Inc. as of December 31, 2015 and 2014, and the related consolidated financial statements of operations, comprehensive income, changes in stockholder’s equity and redeemable common stock and cash flows for each of the three years in the period ended December 31, 2015, and our report dated February 25, 2016 expressed an unqualified opinion on those financial statements.

/s/ Crowe Horwath LLP

Oak Brook, Illinois

February 25, 2016

Item 9B. Other Information
Compensatory Arrangements of Certain Officers

On February 22, 2016, the Compensation Committee of the Company’s Board of Directors approved cash bonuses for fiscal 2015 under the Company’s Management Incentive Bonus Program for the Company’s named executive officers in the amounts set forth below:

Named Executive Officer	2015 Bonus
Matthew Maloney Chief Executive Officer	$273,600
Adam DeWitt Chief Financial Officer	$171,000

80% of each award was based on the Company’s performance for fiscal 2015, with the remaining 20% of each award based on individual performance in fiscal 2015.

PART III.

Item 10. Directors, Executive Officers and Corporate Governance
The information required by this Item 10 will be contained in the Company’s definitive proxy statement to be filed with the SEC in connection with its 2016 Annual Meeting of Stockholders (the “2016 Proxy Statement”), which is expected to be filed not later than 120 days after the end of the Company’s fiscal year ended December 31, 2015, and is incorporated herein by reference.

Code of Conduct. The Company has adopted a code of business conduct and ethics (the “Code of Conduct”) that applies to all employees, officers and directors, including the principal executive officer, principal financial officer and principal accounting officer. The Code of Conduct is available on the Company’s website at investors.grubhub.com under “Corporate Governance.” The Company intends to post on its website all disclosures that are required by law or NYSE listing rules regarding any amendment to, or a waiver of, any provision of the Code of Conduct for the principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

Item 11. Executive Compensation
The information required by this Item 11 will be contained in the 2016 Proxy Statement, and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters
The information required by this Item 12 will be contained in the 2016 Proxy Statement, and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions and Director Independence
The information required by this Item 13 will be contained in the 2016 Proxy Statement, and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services
The information required by this Item 14 will be contained in the 2016 Proxy Statement, and is incorporated herein by reference.

PART IV.

Item 15. Exhibits, Financial Statement Schedules

(a) The following documents are filed as part of this report:

1. Financial Statements

Consolidated Statements of Operations for the years ended December 31, 2015, 2014 and 2013

Consolidated Statements of Comprehensive Income for the years ended December 31, 2015, 2014 and 2013

Consolidated Balance Sheets as of December 31, 2015 and 2014

Consolidated Statements of Cash Flows for the years ended December 31, 2015, 2014 and 2013

Consolidated Statements of Changes in Stockholders' Equity and Redeemable Common Stock for the years ended December 31, 2015, 2014 and 2013

Notes to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

Quarterly Financial Data

2. Financial Statement Schedules

The schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions or are inapplicable and, therefore, have been omitted.

(b) Exhibits

See Item 15(b) below for a complete list of Exhibits to this report.

EXHIBITS

Exhibit No.	Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed Herewith
3.1	Amended and Restated Certificate of Incorporation of Grubhub Inc.	10-Q	001-36389	3.1	August 7, 2014	
3.2	Amended and Restated By-laws of Grubhub Inc.	10-Q	001-36389	3.2	August 7, 2014	
4.1	Form of common stock certificate of the Registrant.	S-1/A	333-194219	4.1	March 20, 2014	
10.1	Registration Rights Agreement, dated August 8, 2013 by and among Grubhub Inc. (f/k/a Grubhub Seamless Inc. f/k/a Seamless Grubhub Holdings Inc.) and certain stockholders listed therein.	S-1	333-194219	10.1	March 14, 2014	
10.2	Tax Matters Agreement, dated May 19, 2013, by and among Grubhub Holdings, Inc. Seamless Holdings Corporation and Aramark Holdings Corporation.	S-1	333-194219	10.2	March 14, 2014	
10.3	Reorganization and Contribution Agreement, dated May 19, 2013, by and among Seamless North America, LLC, Grubhub Inc. (Grubhub Seamless Inc.), Grubhub Holdings Inc. (f/k/a Grubhub, Inc.), Pizza 1 Co., Pizza 2 Co., SLW Investor, LLC and Seamless Holdings Corporation.	S-1	333-194219	10.7	March 14, 2014	
10.4	Stockholders' Agreement of Seamless Grubhub Holdings Inc., dated as of May 19, 2013, as amended on August 8, 2013 by and between Seamless Grubhub Holdings Inc. and certain stockholders listed therein.	S-1/A	333-194219	10.4	February 18, 2014	
10.5	First Amendment to Stockholders' Agreement of Grubhub Holdings Inc., dated as of August 8, 2013 by and between Seamless Grubhub Holdings Inc. and certain stockholders listed therein.	S-1/A	333-194219	10.5	February 18, 2014	
10.6	Second Amendment to Stockholders' Agreement of Grubhub Holdings Inc., dated as of February 7, 2014 by and between Seamless Grubhub Holdings Inc. and certain stockholders listed therein.	S-1/A	333-194219	10.6	February 18, 2014	
10.7*		S-1/A	333-194219	10.8		

	Employment Agreement between Grubhub Holdings Inc. (f/k/a Grubhub, Inc.) and Matthew Maloney, dated as of May 19, 2013.				February 18, 2014
10.8*	Employment Agreement between Grubhub Holdings Inc. (f/k/a Grubhub, Inc.) and Matthew Maloney, dated as of March 9, 2009.	S-1/A	333-194219	10.9	February 18, 2014
10.9*	Employment Agreement between Grubhub Holdings Inc. (f/k/a Grubhub, Inc.) and Adam DeWitt, dated as of May 19, 2013.	S-1/A	333-194219	10.10	February 18, 2014
10.10*	Employment Offer Letter between Grubhub Holdings Inc. (f/k/a Grubhub, Inc.) and Adam DeWitt, dated October 17, 2011.	S-1/A	333-194219	10.11	February 18, 2014

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Exhibit No.	Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed Herewith
10.11*	Protective Agreement and Agreement Not To Compete between Grubhub Holdings Inc. (f/k/a Grubhub, Inc.) and Adam DeWitt, dated as of October 7, 2011.	S-1/A	333-194219	10.12	February 18, 2014	
10.12*	Grubhub Inc. (f/k/a Grubhub Seamless Inc.) 2013 Omnibus Incentive Plan.	S-1/A	333-194219	10.15	February 18, 2014	
10.13*	Stock Option Grant Notice and Stock Option Agreement between Grubhub Inc. (f/k/a Grubhub Seamless Inc.) and Matthew Maloney, granted in replacement of options originally granted on April 23, 2012.	S-1/A	333-194219	10.16	February 18, 2014	
10.14*	Stock Option Grant Notice and Stock Option Agreement between Grubhub Inc. (f/k/a Grubhub Seamless Inc.) and Matthew Maloney, granted in replacement of options originally granted on July 26, 2012.	S-1/A	333-194219	10.17	February 18, 2014	
10.15*	Stock Option Grant Notice and Stock Option Agreement between Grubhub Inc. (f/k/a Grubhub Seamless Inc.) and Matthew Maloney, granted in replacement of options originally granted on November 16, 2012.	S-1/A	333-194219	10.18	February 18, 2014	
10.16*	Stock Option Grant Notice and Stock Option Agreement between Grubhub Inc. (f/k/a Grubhub Seamless Inc.) and Matthew Maloney, granted in replacement of options originally granted on January 28, 2013.	S-1/A	333-194219	10.19	February 18, 2014	
10.17*	Stock Option Grant Notice and Stock Option Agreement between Grubhub Inc. (f/k/a Grubhub Seamless Inc.) and Matthew Maloney, granted in replacement of options originally granted on March 12, 2013.	S-1/A	333-194219	10.20	February 18, 2014	
10.18*	Stock Option Grant Notice and Stock Option Agreement between Grubhub Inc. (f/k/a Grubhub Seamless Inc.) and Adam DeWitt, granted in replacement of options originally granted on December 7, 2011.	S-1/A	333-194219	10.21	February 18, 2014	
10.19*	Stock Option Grant Notice and Stock Option Agreement between Grubhub Inc. (f/k/a Grubhub Seamless Inc.) and Adam DeWitt, granted in replacement of options originally granted on December 7, 2011.	S-1/A	333-194219	10.22	February 18, 2014	
10.20*	Stock Option Grant Notice and Stock Option Agreement between Grubhub Inc. (f/k/a Grubhub Seamless Inc.) and	S-1/A	333-194219	10.23	February 18, 2014	

	Adam DeWitt, granted in replacement of options originally granted on April 23, 2012.				
10.21*	Stock Option Grant Notice and Stock Option Agreement between Grubhub Inc. (f/k/a Grubhub Seamless Inc.) and Adam DeWitt, granted in replacement of options originally granted on July 26, 2012.	S-1/A	333-194219	10.24	February 18, 2014

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Exhibit No.	Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
		Incorporated by Reference				
10.22*	Stock Option Grant Notice and Stock Option Agreement between Grubhub Inc. (f/k/a Grubhub Seamless Inc.) and Adam DeWitt, granted in replacement of options originally granted on November 16, 2012.	S-1/A	333-194219	10.25	February 18, 2014	
10.23*	Stock Option Grant Notice and Stock Option Agreement between Grubhub Inc. (f/k/a Grubhub Seamless Inc.) and Adam DeWitt, granted in replacement of options originally granted on March 12, 2013.	S-1/A	333-194219	10.26	February 18, 2014	
10.24*	Employment Offer Letter between SeamlessWeb Professional Solutions, LLC and Jonathan H. Zabusky, dated as of June 6, 2011.	S-1/A	333-194219	10.32	February 18, 2014	
10.25*	Agreement Relating to Employment and Post-Employment Competition between SeamlessWeb Professional Solutions, LLC and Jonathan H. Zabusky, dated as of June 6, 2011.	S-1/A	333-194219	10.33	February 18, 2014	
10.26*	Transaction and Severance Benefits Letter between Seamless North America, LLC and Jonathan H. Zabusky, dated as of May 13, 2013.	S-1/A	333-194219	10.34	February 18, 2014	
10.27*	Separation and General Release Agreement between Grubhub Inc. and Jonathan H. Zabusky, dated as of February 19, 2015.	10-K	001-36389	10.36	March 5, 2015	
10.28*	Employee Restricted Stock Purchase Agreement, dated November 3, 2010, by and between Grubhub Holdings Inc. (f/k/a Grubhub, Inc.) and Matthew Maloney.	S-1/A	333-194219	10.38	February 18, 2014	
10.29*	Note Cancellation and Stock Repurchase Agreement, dated December 21, 2012, by and between Grubhub Holdings Inc. (f/k/a Grubhub, Inc.), Matthew Maloney and Matt and Holly Maloney Family Limited.	S-1/A	333-194219	10.39	February 18, 2014	
10.30*	Stock Option Grant Notice and Stock Option Agreement between Grubhub Inc. (f/k/a Grubhub Seamless Inc.) and Matthew Maloney, granted in substitution of options originally granted on January 28, 2014.	S-1/A	333-194219	10.41	February 28, 2014	
10.31*	Stock Option Grant Notice and Stock Option Agreement between Grubhub Inc. (f/k/a Grubhub Seamless Inc.) and Adam DeWitt, granted in substitution of options originally	S-1/A	333-194219	10.42	February 28, 2014	

	granted on January 28, 2014.				
10.32*	Form of Indemnification Agreement.	S-1/A	333-194219	10.44	April 3, 2014
10.33*	Form of Option Grant Notice and Option Agreement under the Grubhub Inc. 2013 Omnibus Incentive Plan.	10-K	001-36389	10.46	March 5, 2015
10.34*	Form of RSU Grant Notice and Restricted Stock Unit Agreement under the Grubhub Inc. 2013 Omnibus Incentive Plan.	10-K	001-36389	10.47	March 5, 2015

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		Incorporated by Reference				
Exhibit No.	Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
10.35*	Amendment, dated August 3, 2015, to Separation and Release Agreement by and between Grubhub Inc. and Jonathan Zabusky	10-Q	001-36389	10.48	August 6, 2015	
10.36	Office Building Lease, dated March 23, 2012, by and between 111 West Washington, LLC and Grubhub, Inc.	8-K	001-36389	10.1	October 9, 2015	
10.37	First Amendment to Lease, dated December 11, 2013, by and between Burnham Center – 111 West Washington, LLC and Grubhub, Inc.	8-K	001-36389	10.2	October 9, 2015	
10.38	Second Amendment to Lease, dated October 5, 2015, by and between Burnham Center – 111 West Washington, LLC and Grubhub Holdings Inc.	8-K	001-36389	10.3	October 9, 2015	
10.39*	Employment Offer Letter and Agreement Relating to Employment and Post-Employment Competition between Seamless North America, LLC and Margo Drucker, dated as of May 17, 2012.					X
10.40*	Stock Option Grant Notice and Stock Option Agreement between Grubhub Inc. (f/k/a Grubhub Seamless Inc.) and Margo Drucker, granted in substitution of options originally granted on July 9, 2012.					X
10.41*	Stock Option Grant Notice and Stock Option Agreement between Grubhub Inc. (f/k/a Grubhub Seamless Inc.) and Margo Drucker relating to options granted on January 28, 2014.					X
10.42*	Employment Offer Letter between Grubhub Holdings Inc. and Stanley Chia, dated as of February 22, 2015					X
10.43*	Employment Offer Letter between Grubhub Holdings Inc. and Barbara Martin Coppola, dated as of February 27, 2015.					X
10.44*	Grubhub Inc. 2015 Long-Term Incentive Plan.	DEF 14A	001-36389	Appendix A	April 10, 2015	
10.45*	Form of Non-Qualified Option Grant Notice and Option Agreement under the 2015 Long-Term Incentive Plan.					X
10.46*						X

	Form of Restricted Stock Unit Grant Notice and Option Agreement under the 2015 Long-Term Incentive Plan.	
10.47*	Form of Non-Qualified Option Grant Notice and Option Agreement under the 2015 Long-Term Incentive Plan (NEO Grant).	X
10.48*	Form of Restricted Stock Unit Grant Notice and Option Agreement under the 2015 Long-Term Incentive Plan (NEO Grant).	X
21.1	List of Subsidiaries.	X
23.1	Consent of Crowe Horwath LLP	X

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Exhibit No.	Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed Herewith
24.1	Power of Attorney (incorporated by reference to the signature page of this Annual Report on Form 10-K).					X
31.1	Certification of Matthew Maloney, Chief Executive Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Adam DeWitt, Chief Financial Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1	Certification of Matthew Maloney, Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2	Certification of Adam DeWitt, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	XBRL Instance Document.					X
101.SCH	XBRL Taxonomy Extension Schema Document.					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.					X
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document.					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.					X

* Indicates a management contract or compensatory plan

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

GRUBHUB INC.

By: /s/ Adam DeWitt
Adam DeWitt
Chief Financial Officer and Treasurer

(Principal Financial Officer and Principal Accounting Officer)
February 25, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated, on the twenty-fifth day of February 2016.

/s/ Adam DeWitt Adam DeWitt Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)	/s/ Matthew Maloney Matthew Maloney Chief Executive Officer and Director (Principal Executive Officer)
/s/ David Fisher David Fisher Director	/s/ Brian McAndrews Brian McAndrews Chairman of the Board of Directors
/s/ Lloyd Frink Lloyd Frink Director	/s/ Keith Richman Keith Richman Director
/s/ Brandt Kucharski Brandt Kuckarski Corporate Controller	/s/ Justin Sadrian Justin Sadrian Director
/s/ Katrina Lake Katrina Lake Director	/s/ Benjamin Spero Benjamin Spero Director
/s/ Girish Lakshman Girish Lakshman Director	