

# Deliveroo

The definitive  
online food company

H1 2021 Results



## 1. Business highlights

2. H1 financial results

3. Post-lockdown trading

4. On demand grocery update

5. Rider proposition

6. Guidance



- 1 | **Strong growth** fueled by new consumers, and encouraging consumer **engagement post-reopening**
- 2 | Continued traction in **on demand grocery** and **step change in selection** of restaurants
- 3 | **Strong rider retention and satisfaction**, despite surge in vacancies elsewhere in the economy
- 4 | Investing for the **long-term**, with a **well-capitalised** balance sheet

# Business highlights | Strong results from relentless focus on all sides of our marketplace



## Highly engaged marketplace



*Consumers:*  
**7.8 million** average monthly active consumers in Q2 2021<sup>1</sup>



*Riders:*  
**85% global rider satisfaction**<sup>2</sup> and strong retention and applications rates despite reopenings



*Restaurants:*  
**c.137,000 partner sites**<sup>3</sup> and now largest selection of food merchants in the UK



*Grocers:*  
**>9,000 partner sites**<sup>3</sup> including continued rapid expansion with major partners



## Strong group financial performance in H1

**Orders:**

149m

**+100%**  
YoY

**GTV:**

£3.4bn

**+102%**  
YoY

**Gross profit:**

£264m

**7.8%**  
of GTV

**Adjusted EBITDA:**

£(27)m

**(0.8)%**  
of GTV

# Contents

1. Business highlights

**2. H1 financial results**

3. Post-lockdown trading

4. On demand grocery update

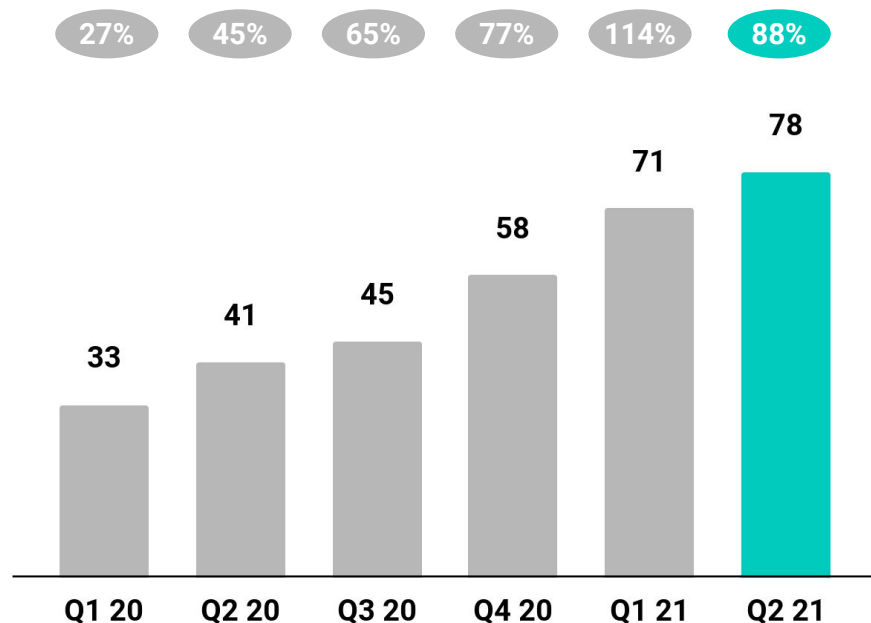
5. Rider proposition

6. Guidance

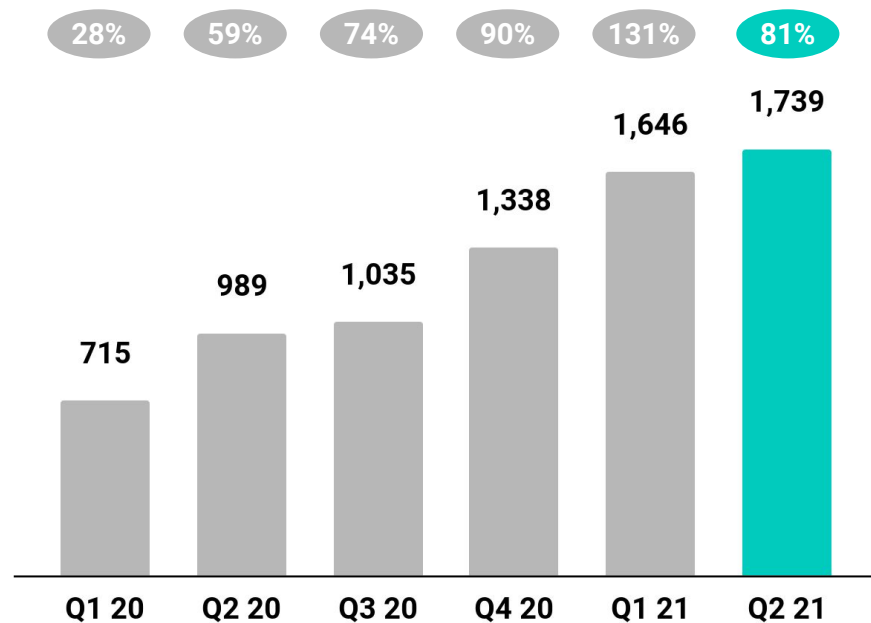
# Group H1 results | Strong growth despite easing of lockdown restrictions



## Orders m, global



## GTV £m, global

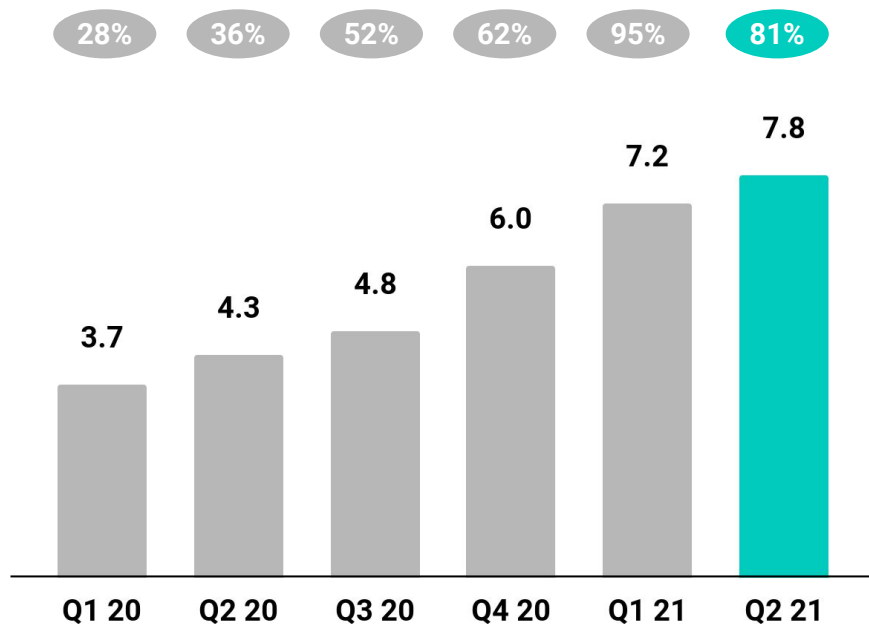


x% Year-over-year growth

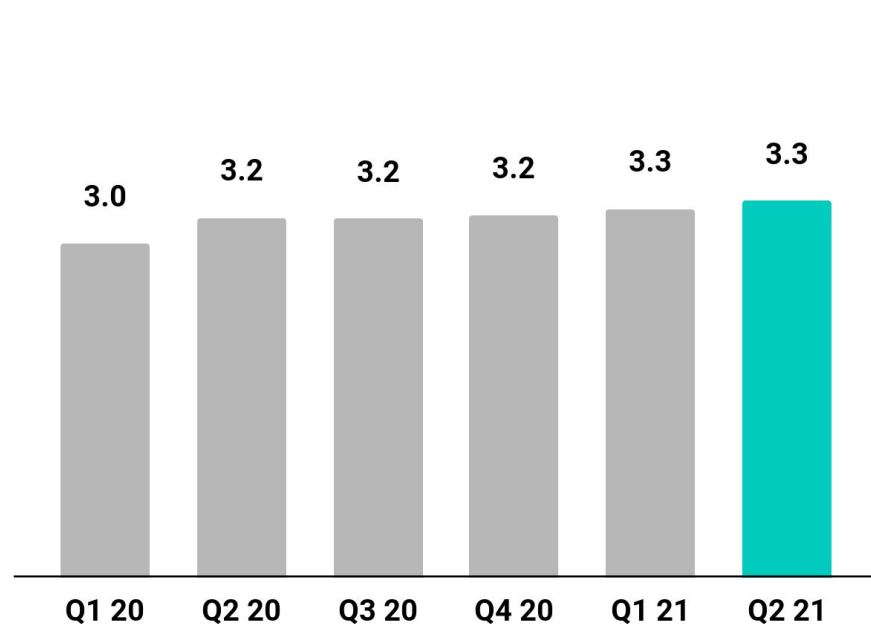
# Group H1 results | Consistent increase in average monthly active consumers driving growth



### Average monthly active consumers m, global



### Average monthly order frequency #, global

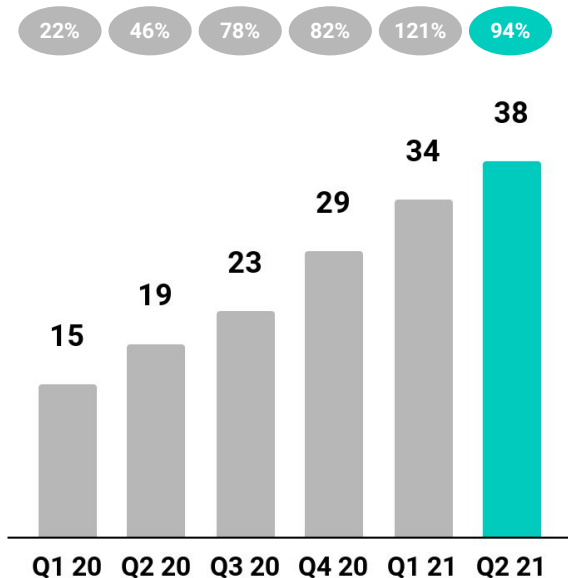


x% Year-over-year growth

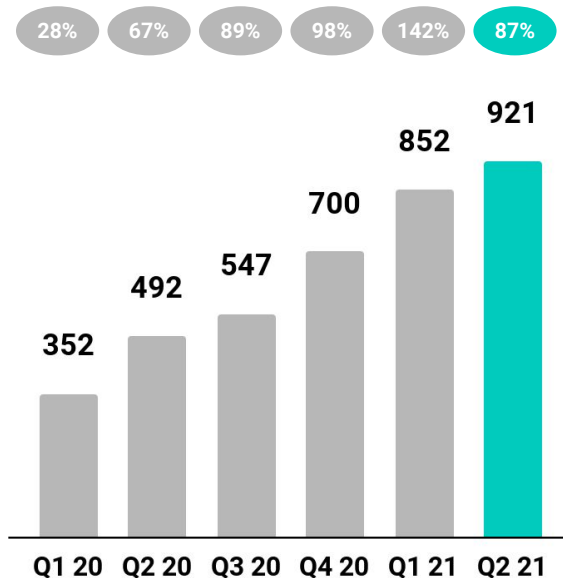
# UK & Ireland H1 results | Delivering strong top-line performance, whilst sowing the seeds for future growth



## Orders m



## GTV £m



## Highlights

- Continued **broad-based geographic momentum**, growing GTV 87% in Q2 (8% QoQ<sup>1</sup>), 110% in H1
- **No material impact** on consumer engagement, from any of the 3 restaurant reopening milestones in Q2
- Live with **1.8k grocery sites** with major partners<sup>2</sup> in the UK (from 1.2k in Dec 20)
- Strengthened restaurant selection & now have the **largest number of active food merchants** in the UK<sup>3</sup>

### Seeds for future growth

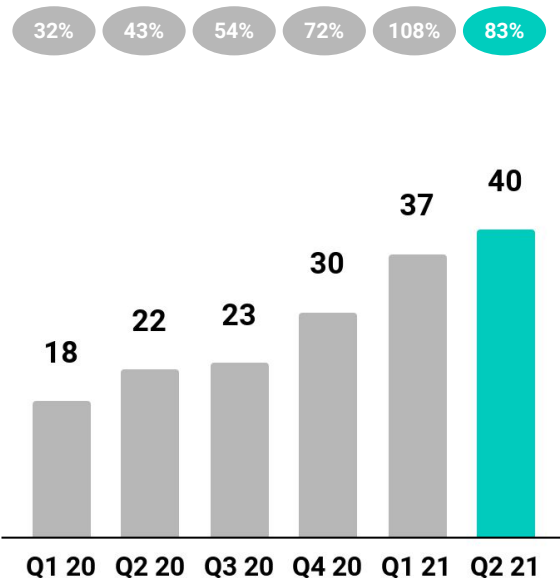
- Expanded population **coverage** from 53% to 72% in H1, already exceeding year end target of 67%. We will continue to look for further opportunities in H2

x% Year-over-year growth

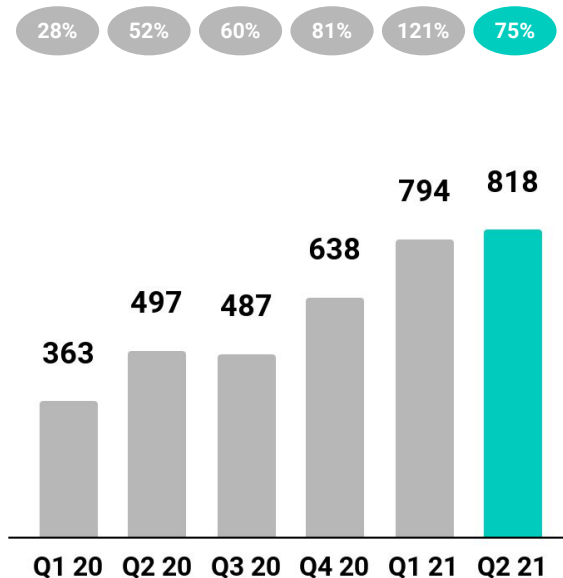


# International H1 results | Strong growth in Q2, whilst strengthening restaurant selection & rolling out with key grocery partners

## Orders m



## GTV £m



## Highlights

- Continued **strong GTV growth**: 75% in Q2, 95% in H1 YoY
- Results reflect a **mixture of different dynamics** across International markets - for example based on timing of restrictions
- Some **moderate impact of reopening** seen in Europe, more so than UK - but difficult to separate this from normal Q2 seasonality
- Strengthened **restaurant selection** with c.10k restaurant partners added in Q2 and key strategic deals signed

### Seeds for future growth

- Continued rollout with key grocery partners, such as **Carrefour** in France, Italy, Belgium; **Casino** in France, and signed **Park N Shop** in Hong Kong; live with c.900 sites of major brands vs c.400 at end of 2020<sup>1</sup>

x% Year-over-year growth



## Investment mindset

- We invest through the lens of our hyperlocal **consumer value proposition**
- We invest strategically in **durable, long-term differentiation**

## Investment timing

- **Slower investment pace for most of 2020** due to capital constraints & early COVID uncertainty
- **Increased investments from Q4 2020** following strengthened capital position & visibility on positive structural shift in consumer behaviour

## Examples of where investment sits on our P&L

*Commission: restaurant and grocery selection*

*Consumer fees: new consumers, retention (Plus)*

**Gross Profit**

*Marketing: awareness/brand (offline & online)*

*Overheads: consumer value prop, selection*

**EBITDA**

*CapEx: Editions; CapDev: platform development*

# Group H1 results | Attractive gross profit growth with accelerated investments for future growth

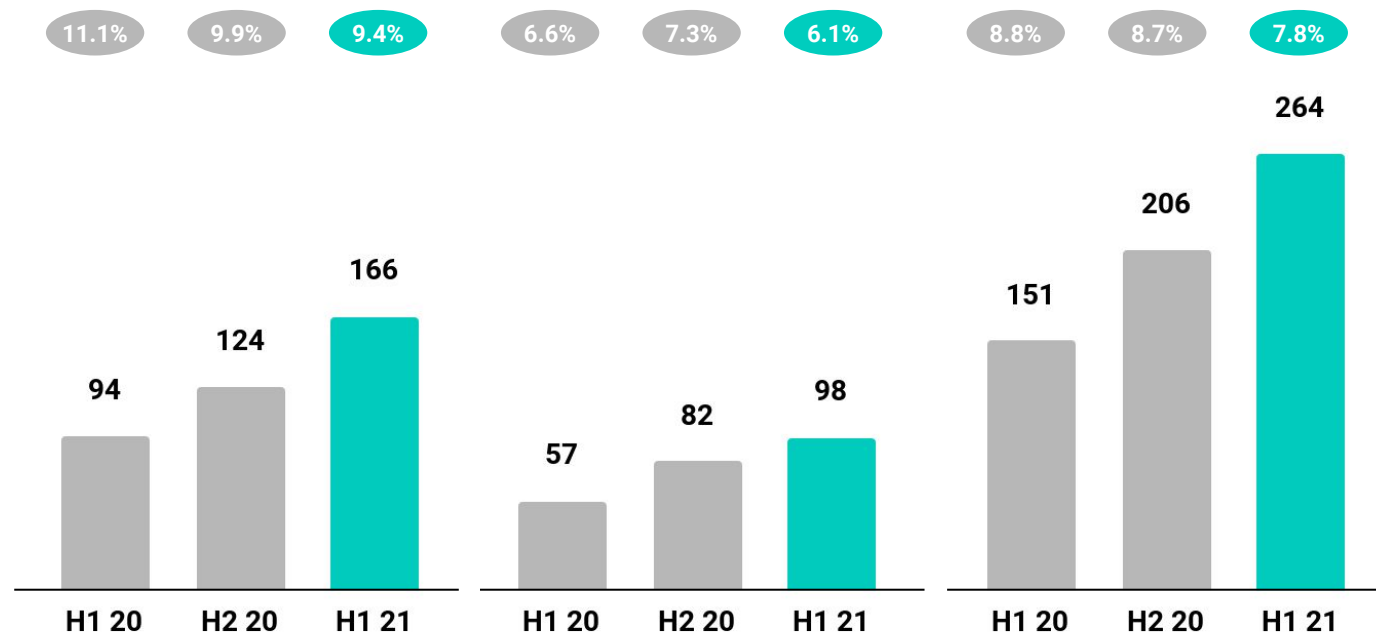


## UK&I gross profit £m

## International gross profit £m

## Group gross profit £m

## Highlights



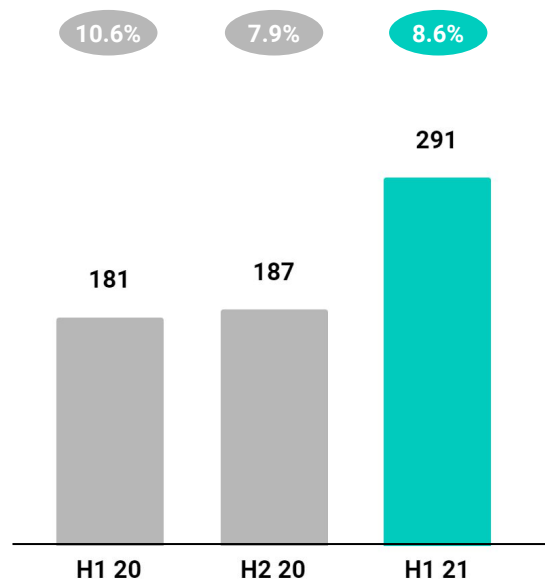
- Step up in investments from Q4 2020 above gross profit, in particular in selection and new consumer acquisition and retention

x% % of GTV

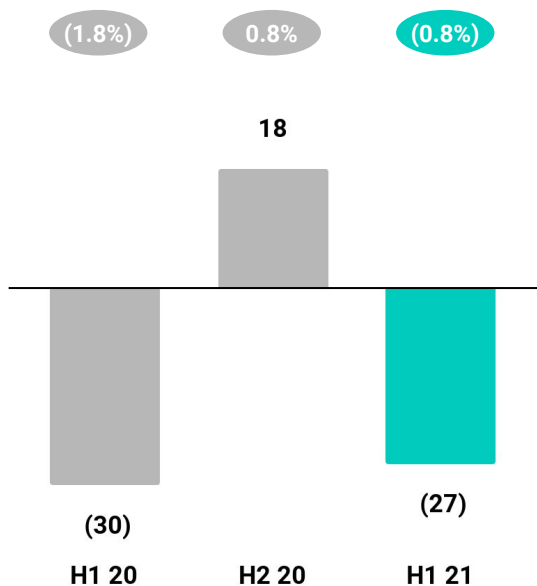
# Group H1 results | Increased investments to build long-term assets



## Marketing and overheads £m



## Adjusted EBITDA £m

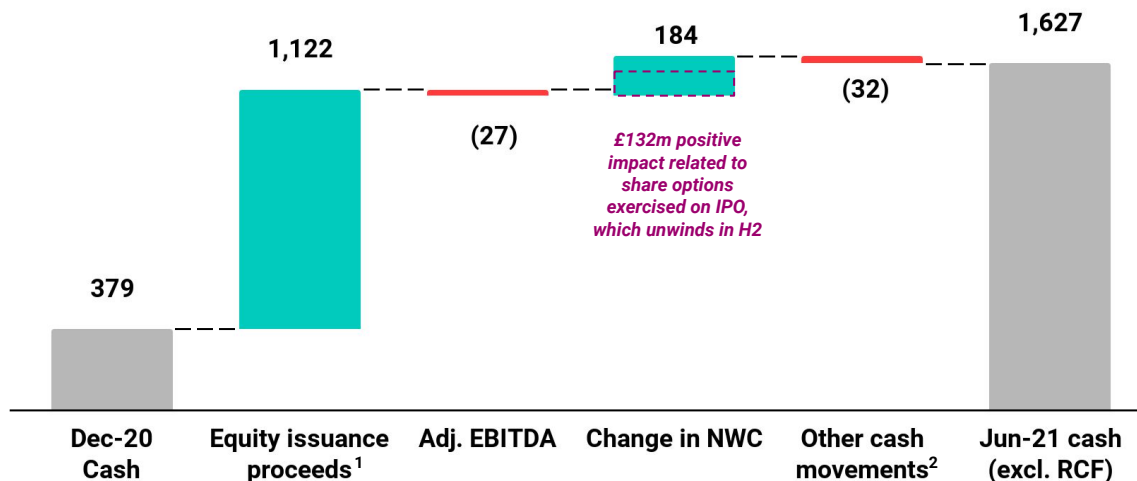


- Increased investments in marketing and overheads as we are capitalising on the strong momentum in the business
- Investing to build long-term valuable assets, including in our Engineering team, acquiring new consumers and building our brand equity

x% % of GTV



## Cash and cash equivalents £m



- We have a well-capitalised balance sheet with £1.6bn of cash and cash equivalents, plus the ability to draw on an RCF if needed
- Change in net working capital was positively impacted by an increase in payables of £132 million related to the timing of employee tax and social security payments on share options exercised on IPO, which unwinds in H2 2021

# Contents

1. Business highlights

2. H1 financial results

**3. Post-lockdown trading**

4. On demand grocery update

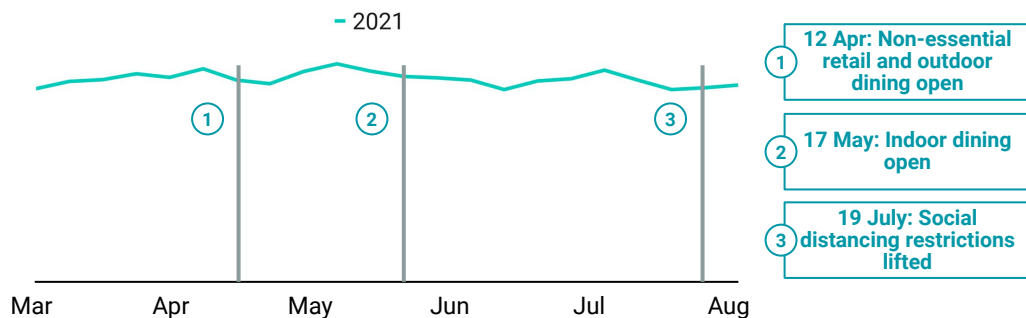
5. Rider proposition

6. Guidance

# UK performance through reopening | Order volume has remained robust through reopening, with slight declines seen in AOV



## Order volume, by week, m



## Commentary

- Our business has remained resilient in the UK despite the easing of lockdown restrictions during Q2
- Average weekly order volume has remained robust throughout the period
- AOV has declined slightly due to mix shift to smaller party sizes, but remains solidly above 2019 levels

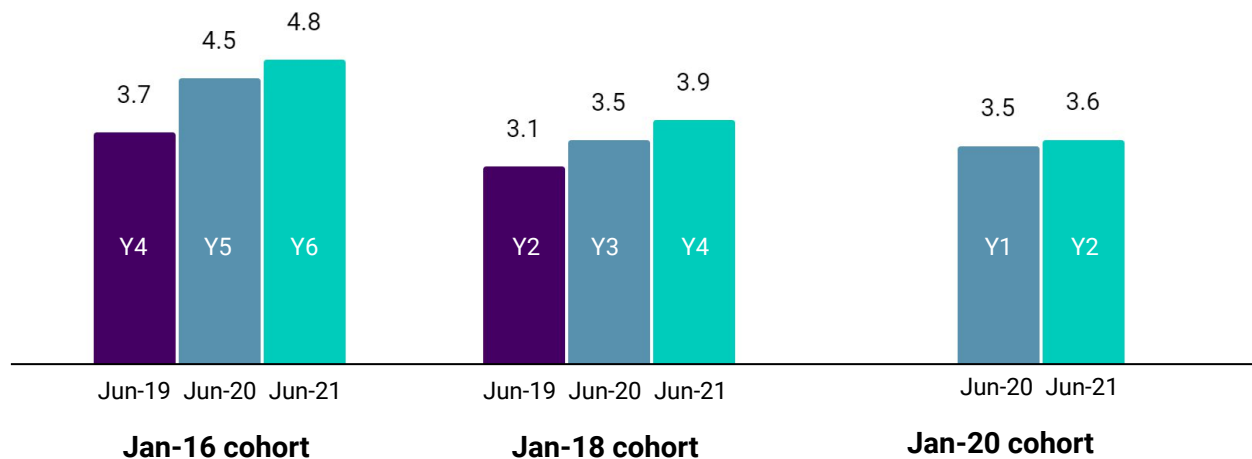
## AOV, by week, £



# UK performance through reopening | Consistent increases in order frequency for our consumers



## Monthly average order frequency, by acquisition cohort #, UK



One-time disclosure for illustrative purposes

## Commentary

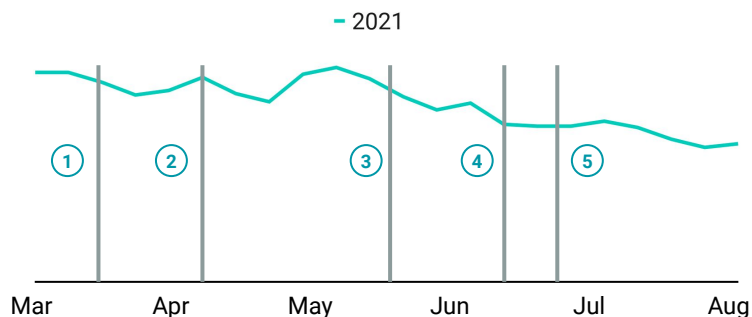
- Our cohorts have consistently increased their average order frequency over time
- This has continued in June 2021 in the UK despite lockdown restrictions easing and tough prior year comparables with full lockdowns
- Cohorts in International markets are experiencing similar patterns of order frequency



# France and Italy performance through reopening | Orders moderately down from peak, partly due to reopenings but also normal Q2 seasonality

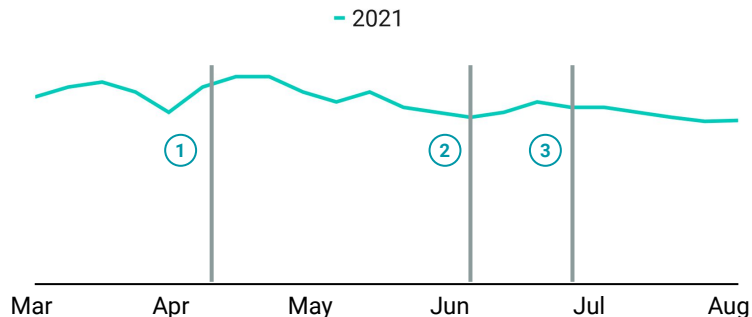


## France order volume, by week, m



- 1 18 March: Curfew extended from 6pm to 7pm
- 2 4 Apr: National lockdown
- 3 19 May: outdoor dining open, curfew extended to 9pm
- 4 9 June: Indoor dining open, curfew extended to 11pm
- 5 20 June: Curfew and most restrictions lifted

## Italy order volume, by week, m



- 1 7 Apr: National lockdown
- 2 1 June: Indoor dining open
- 3 21 June: Curfew and most restrictions lifted

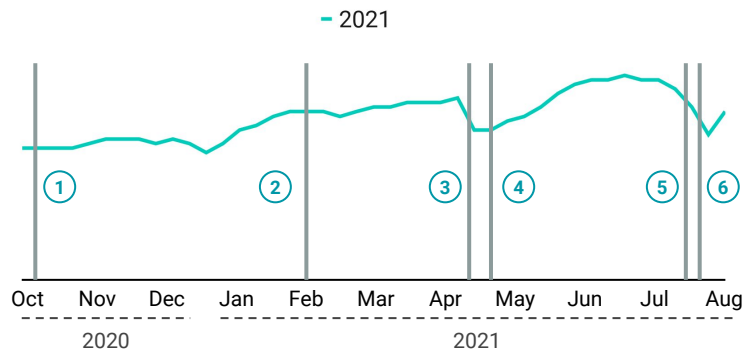
## Commentary

- In Q1 and early Q2, lockdowns in Italy & France drove very strong order volume performance - we have since seen a series of reopening events in each country
- France experienced moderate decline in orders through reopening (more impact than seen in UK) - this appears to be an industry-wide effect
- Impact of reopening coincides with normal seasonal slowdown at end of Q2, so difficult to separate the two effects at this stage
- In Italy, reopenings have also caused a degree of slowdown in order growth - but to a lesser extent than in France
- In both cases, order volumes in the month following reopenings are still very significantly ahead of the same periods in 2020 - and underlying consumer engagement remains strong



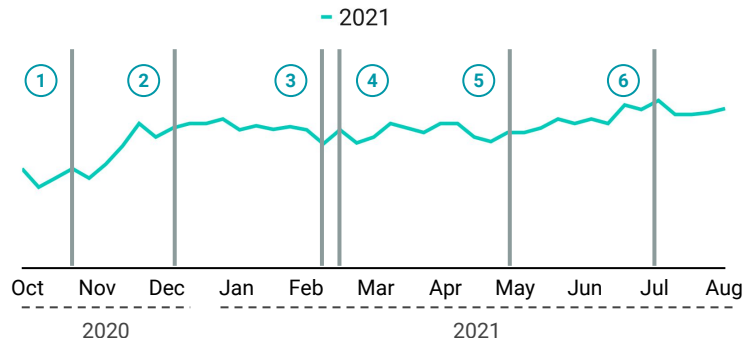
# UAE and Hong Kong performance through reopening | Consistent growth through different stages of reopening

## UAE order volume, by week, m



- 1 9 Oct: Dubai maximum dining party limited to 8
- 2 1 Feb: 50% capacity cap introduced in Dubai
- 3 12 Apr: Start of Ramadan
- 4 17 Apr: Dining restrictions relaxed in Dubai
- 5 17 July: 50% capacity cap introduced in Abu Dhabi
- 6 19 July: Start of Eid

## Hong Kong order volume, by week, m



- 1 30 Oct: Restaurants close at 2am, max parties of 6
- 2 8 Dec: Restaurants close at 6pm, max parties of 2
- 3 12 Feb: Chinese New Year
- 4 18 Feb: Some easing to dining restrictions
- 5 29 Apr: Vaccine bubble introduced
- 6 30 June: Further easing of restrictions under vaccine bubble

## Commentary

- UAE and Hong Kong have been under much lighter Covid restrictions in H1, compared to our European markets
- UAE has effectively been without any major restrictions since the start of 2021 - effectively operating as a “post-covid” market for 6 months, and showing very strong acceleration in growth
- Hong Kong performance has been positive as we have seen growth through the different stages of reopening

# Contents

1. Business highlights

2. H1 financial results

3. Post-lockdown trading

**4. On demand grocery update**

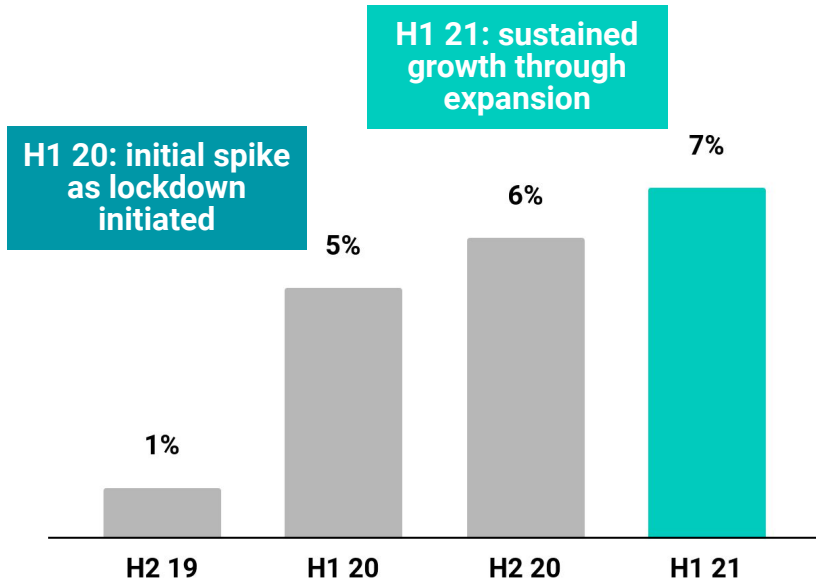
5. Rider proposition

6. Guidance

# On demand grocery | Contribution to overall business increasing as global selection expands



## On demand grocery GTV % of total



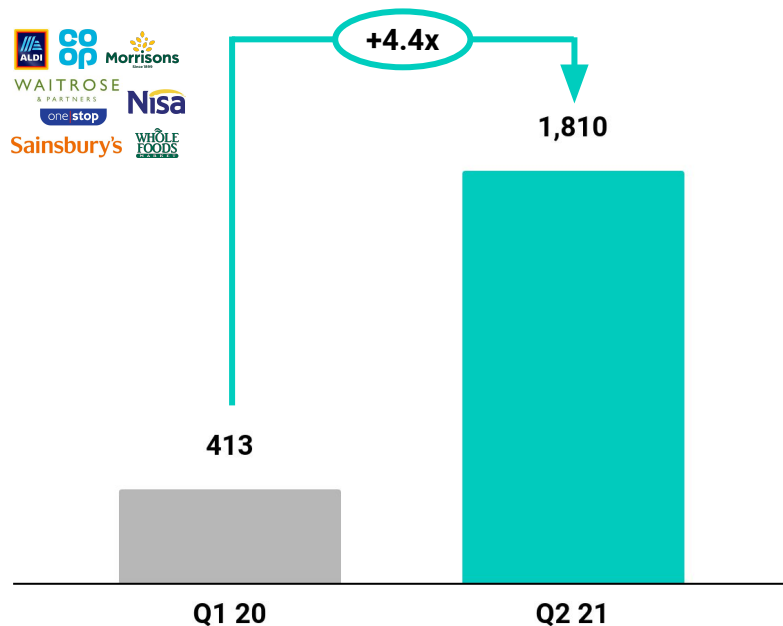
## Key partners in selected markets

<b>UK&amp;I</b>	
<b>France</b>	
<b>Italy</b>	
<b>Hong Kong</b>	
<b>UAE</b>	

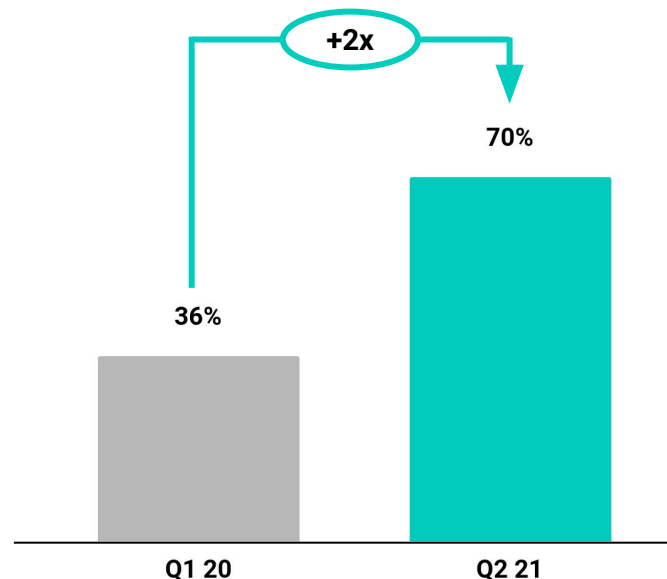
# On demand grocery | Rapid expansion with major partners, now covering >70% of UK population



## Sites live with major grocery partners<sup>1</sup> UK



## Grocery population coverage UK, major partners<sup>1</sup>



# On demand grocery | Attractive long-term economics as model scales



## Powerful synergies with core platform

100% incremental demand to restaurants & drives flywheel

Effective consumer acquisition channel

## Solid building blocks for long-term economics

Higher basket sizes from improving selection and inventory management

Same consumer and rider base as restaurants

Potential for non-commission revenue (e.g. FMCG advertising)

## Grocery economics relative to restaurant

Gross profit per order, UK & Ireland<sup>1</sup>



One-time disclosure for illustrative purposes

# Contents

1. Business highlights
2. H1 financial results
3. Post-lockdown trading
4. On demand grocery update
- 5. Rider proposition**
6. Guidance

# Rider proposition | Deliveroo's flexible rider model delivers high levels of satisfaction and retention



## ***Our Rider Proposition - true two-way flexibility***

### **Our riders:**

- ✓ Choose when and where to work
- ✓ Are free to work with multiple apps at the same time
- ✓ Have unlimited freedom to reject any order
- ✓ Get paid per delivery completed
- ✓ Have full visibility of fees for each delivery upfront
- ✓ Can track customer demand in each area

**The #1 reason for working with Deliveroo is flexibility - the ability to choose when and where to work**



**85%** of riders globally are satisfied or very satisfied working with Deliveroo



**>14,000** rider applications received per week in UKI in H1

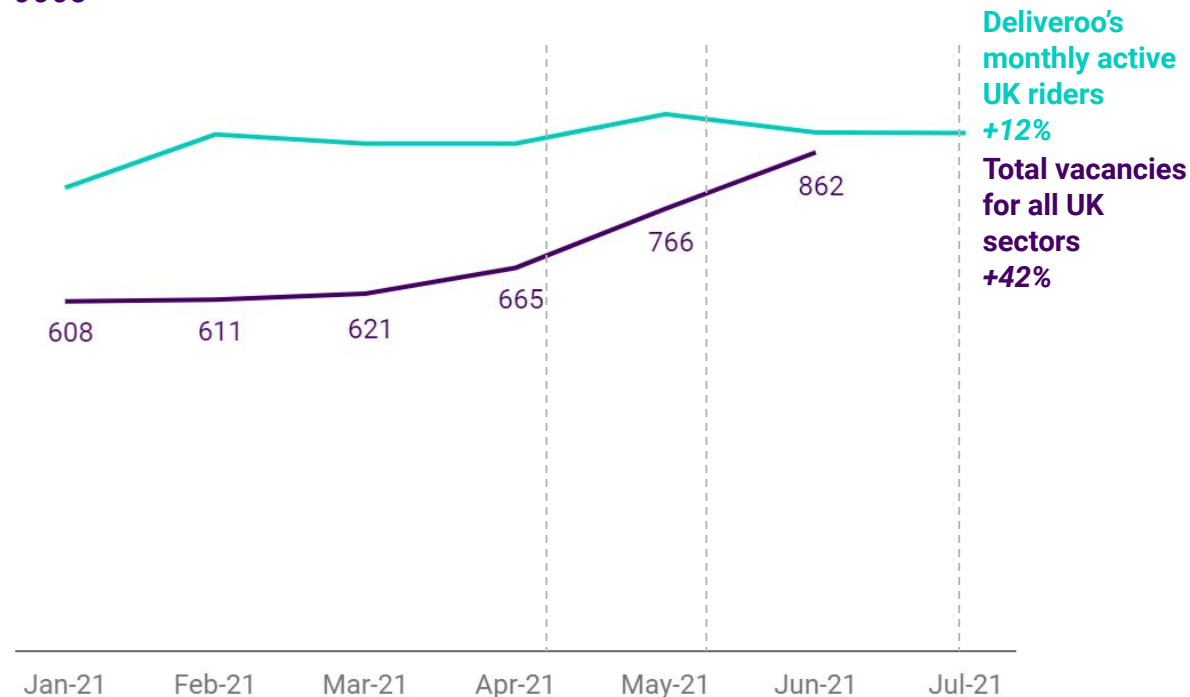


# Rider proposition | Rider retention has remained strong, as employment vacancies have opened up in the UK



## Total UK job vacancies<sup>1</sup> vs. Deliveroo's monthly active riders<sup>2</sup> in the UK

000s



## Highlights

- Across the UK economy in April to June 2021 job vacancies were estimated to grow c.40% quarter-on-quarter, in particular in retail (40+%) and hospitality (250+%)
- Despite the increase in employment vacancies, there is high demand for flexible work and number of monthly active riders has increased by 12%
- Rider retention has also been strong. 90% of riders working with the company in May or June were working in July

# Key regulatory developments concerning rider status | H1 2021 update



## UK

- **Jun:** UK Court of Appeal confirmed for 4th time that Deliveroo riders are self-employed



## France

- **Apr:** Paris Court of Appeal confirmed that Deliveroo offers self-employment to riders
- **Jul:** French Government consulting on how to give self-employed platform workers greater security; not considering reclassification to employment



## Spain

- **Aug:** Royal Decree aiming to reclassify riders as employees comes into force
- No read across to other markets



## Italy

- Challenges to historic model in Italy (under appeal)

# Contents

1. Business highlights
2. H1 financial results
3. Post-lockdown trading
4. On demand grocery update
5. Rider proposition
- 6. Guidance**

# Guidance



	2019A	2020A	Original 2021 Guidance <sup>1</sup>	Revised 2021 Guidance <sup>2</sup>
GTV growth	59%	64%	30-40%	50-60%
Gross profit % GTV	7.6%	8.8%	7.5-8.0%	7.5-7.75%



- 1 | **Strong growth** fueled by new consumers, and encouraging consumer **engagement post-reopening**
- 2 | Continued traction in **on demand grocery** and **step change in selection** of restaurants
- 3 | **Strong rider retention and satisfaction**, despite surge in vacancies elsewhere in the economy
- 4 | Investing for the **long-term**, with a **well-capitalised** balance sheet



**Q&A**

**Any questions?**



# Appendix

# Financial KPIs



£m	FY2019	Q1 20	Q2 20	H1 20	Q3 20	Q4 20	FY2020	Q1 21	Q2 21	H1 21
<b>Group</b>										
<b>Orders (m)</b>	<b>115</b>	<b>33</b>	<b>41</b>	<b>75</b>	<b>45</b>	<b>58</b>	<b>178</b>	<b>71</b>	<b>78</b>	<b>149</b>
% year-over-year	64%	27%	45%	36%	65%	77%	55%	114%	88%	100%
<b>GTV</b>	<b>2,481</b>	<b>715</b>	<b>989</b>	<b>1,704</b>	<b>1,035</b>	<b>1,338</b>	<b>4,077</b>	<b>1,646</b>	<b>1,739</b>	<b>3,386</b>
% year-over-year	59%	26%	61%	44%	72%	92%	64%	130%	76%	99%
<b>Gross profit</b>	<b>189</b>			<b>151</b>			<b>356</b>			<b>264</b>
% of GTV	7.6%			8.8%			8.7%			7.8%
<b>Adj. EBITDA</b>	<b>(227)</b>			<b>(30)</b>			<b>(12)</b>			<b>(27)</b>
% of GTV	(9.1%)			(1.8%)			(0.3%)			(0.8%)
<b>UK &amp; Ireland</b>										
<b>Orders (m)</b>	<b>54</b>	<b>15</b>	<b>19</b>	<b>35</b>	<b>23</b>	<b>29</b>	<b>86</b>	<b>34</b>	<b>38</b>	<b>71</b>
% year-over-year	58%	22%	46%	35%	78%	82%	58%	121%	94%	106%
<b>GTV</b>	<b>1,215</b>	<b>352</b>	<b>492</b>	<b>844</b>	<b>547</b>	<b>700</b>	<b>2,091</b>	<b>852</b>	<b>921</b>	<b>1,773</b>
% year-over-year	55%	27%	67%	48%	89%	98%	72%	142%	87%	110%
<b>Gross profit</b>	<b>121</b>			<b>94</b>			<b>217</b>			<b>166</b>
% of GTV	10.0%			11.1%			10.4%			9.4%
<b>Adj. EBITDA</b>	<b>(86)</b>			<b>35</b>			<b>81</b>			<b>55</b>
% of GTV	(7.1%)			4.1%			3.8%			3.1%
<b>International</b>										
<b>Orders (m)</b>	<b>61</b>	<b>18</b>	<b>22</b>	<b>40</b>	<b>23</b>	<b>30</b>	<b>92</b>	<b>37</b>	<b>40</b>	<b>77</b>
% year-over-year	70%	32%	43%	38%	54%	72%	51%	108%	83%	94%
<b>GTV</b>	<b>1,266</b>	<b>363</b>	<b>497</b>	<b>860</b>	<b>487</b>	<b>638</b>	<b>1,985</b>	<b>794</b>	<b>818</b>	<b>1,613</b>
% year-over-year	62%	24%	56%	41%	56%	86%	57%	119%	65%	88%
<b>Gross profit</b>	<b>66</b>			<b>57</b>			<b>139</b>			<b>98</b>
% of GTV	5.2%			6.6%			7.0%			6.1%
<b>Adj. EBITDA</b>	<b>(88)</b>			<b>(8)</b>			<b>8</b>			<b>(11)</b>
% of GTV	(6.9%)			(0.9%)			0.4%			(0.7%)