

# 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

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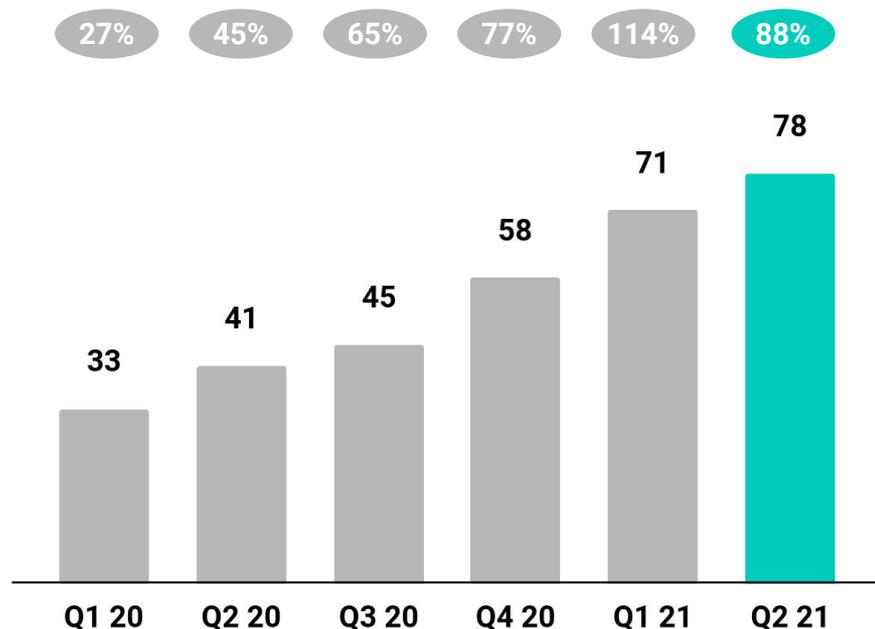
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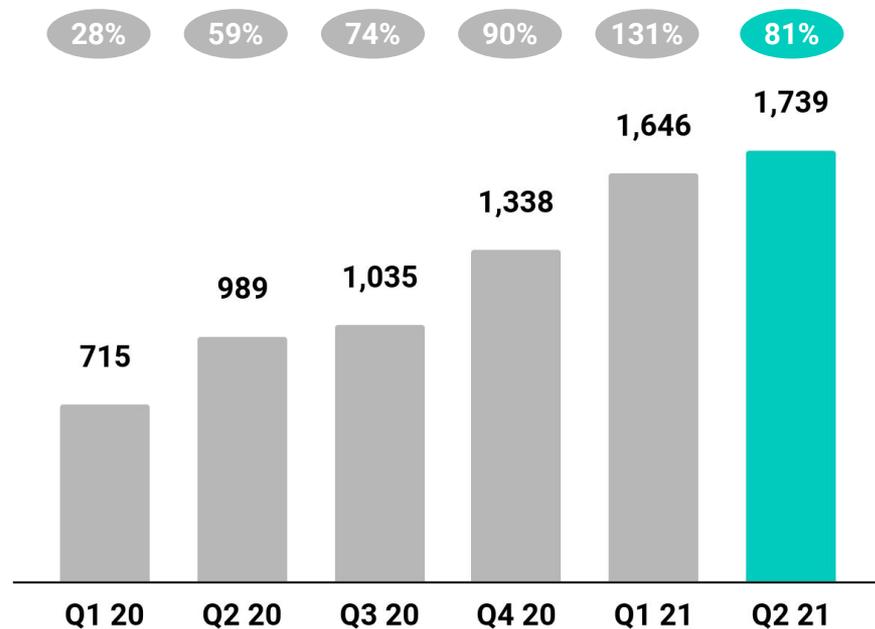
# Group H1 results | Strong growth despite easing of lockdown restrictions



## Orders m, global



## GTV £m, global

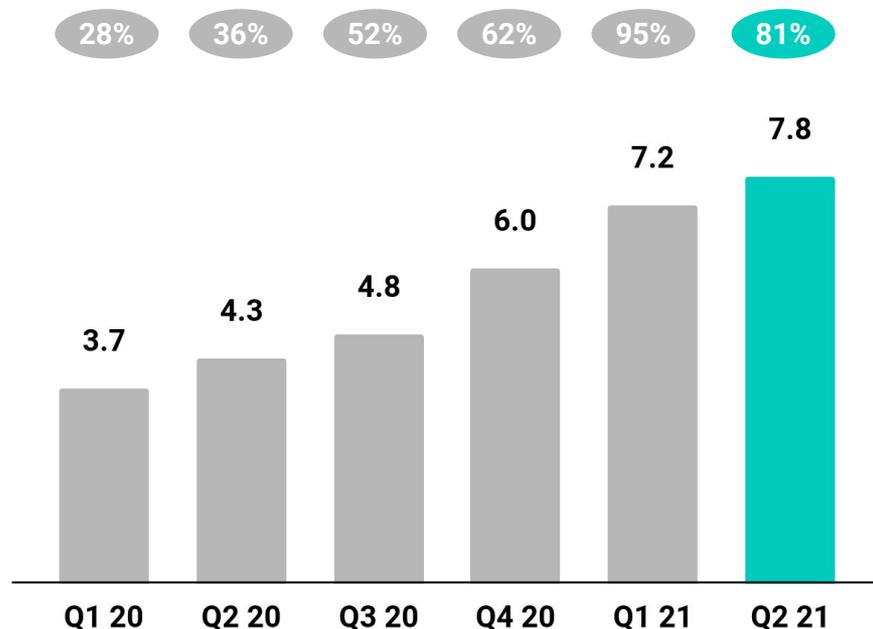


x% Year-over-year growth

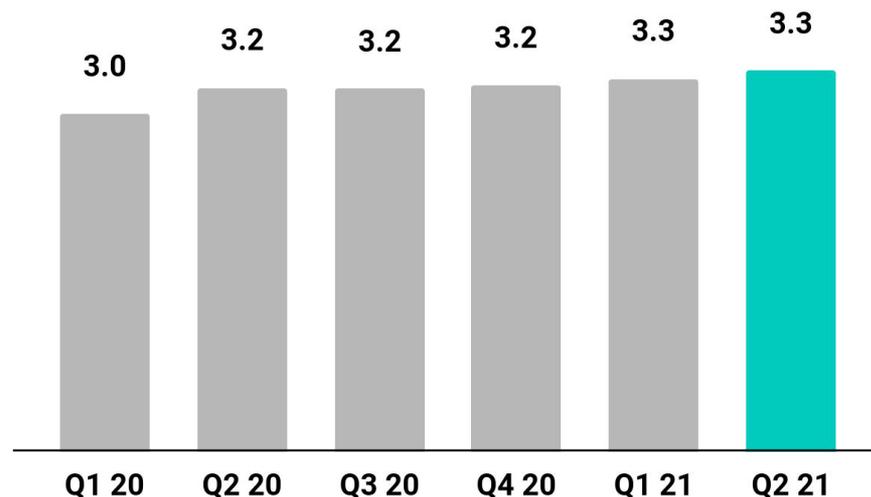
# Group H1 results | Consistent increase in average monthly active consumers driving growth



## Average monthly active consumers m, global



## Average monthly order frequency #, global

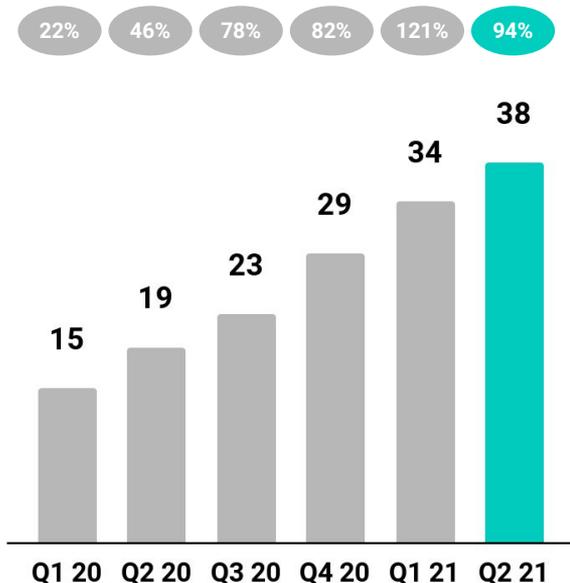


x% Year-over-year growth

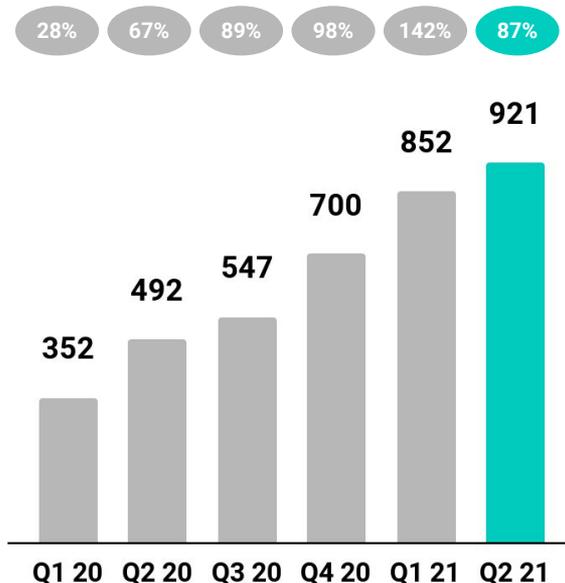
# UK & Ireland H1 results | Delivering strong top-line performance, whilst sowing the seeds for future growth



## 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>

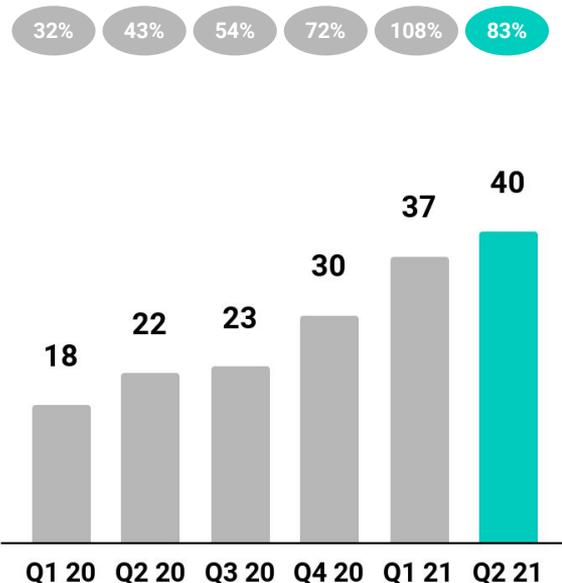
### Seeds for future growth

- 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

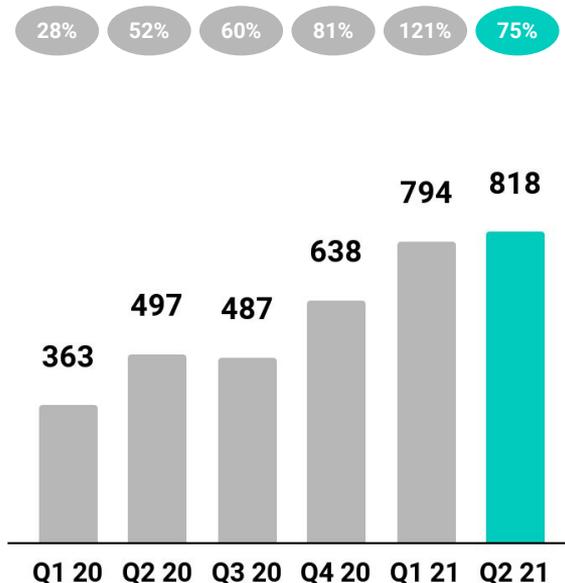
x% Year-over-year growth

# 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

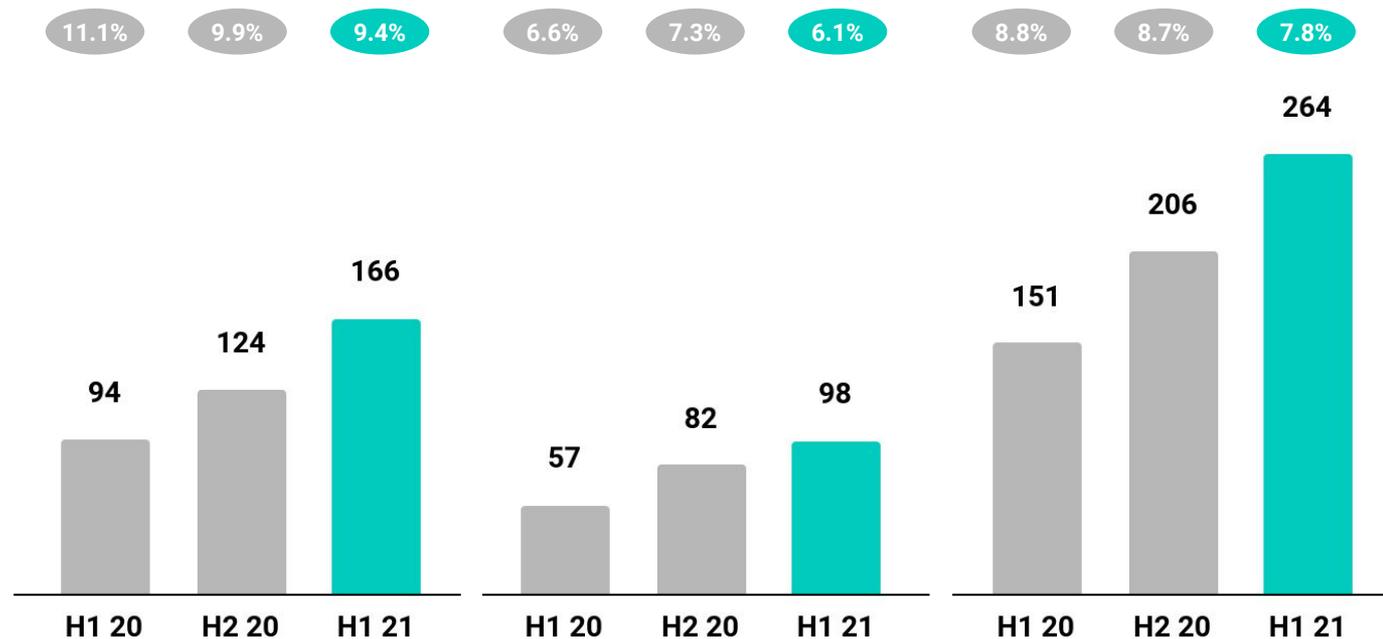


## UK&I gross profit £m

## International gross profit £m

## Group gross profit £m

## Highlights



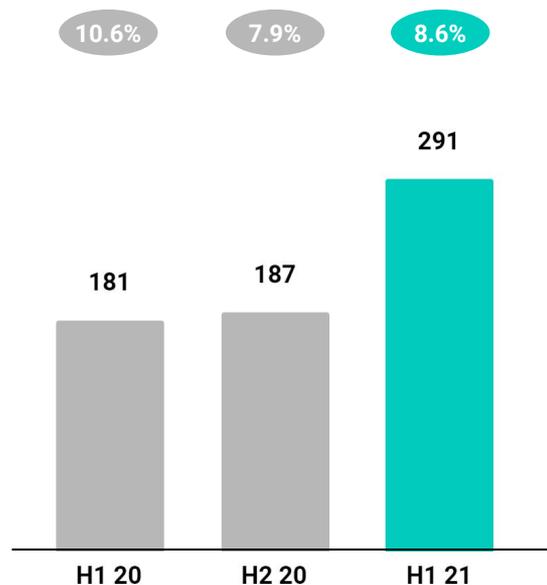
- Step up in investments from Q4 2020 above gross profit, in particular in selection and new consumer acquisition and retention

x% % of GTV

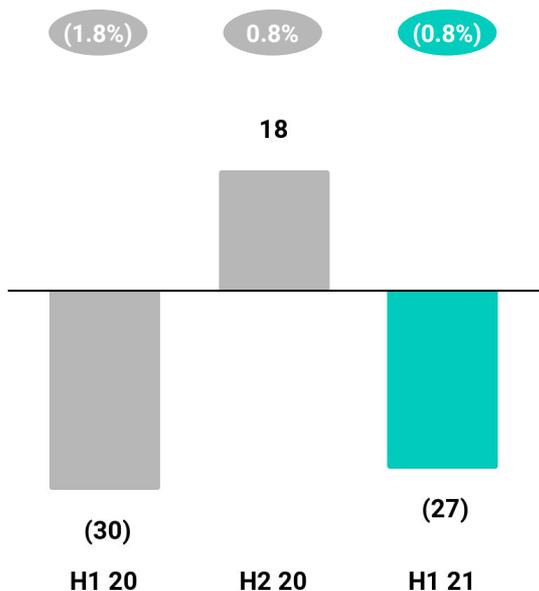
# Group H1 results | Increased investments to build long-term assets



## Marketing and overheads £m



## Adjusted EBITDA £m

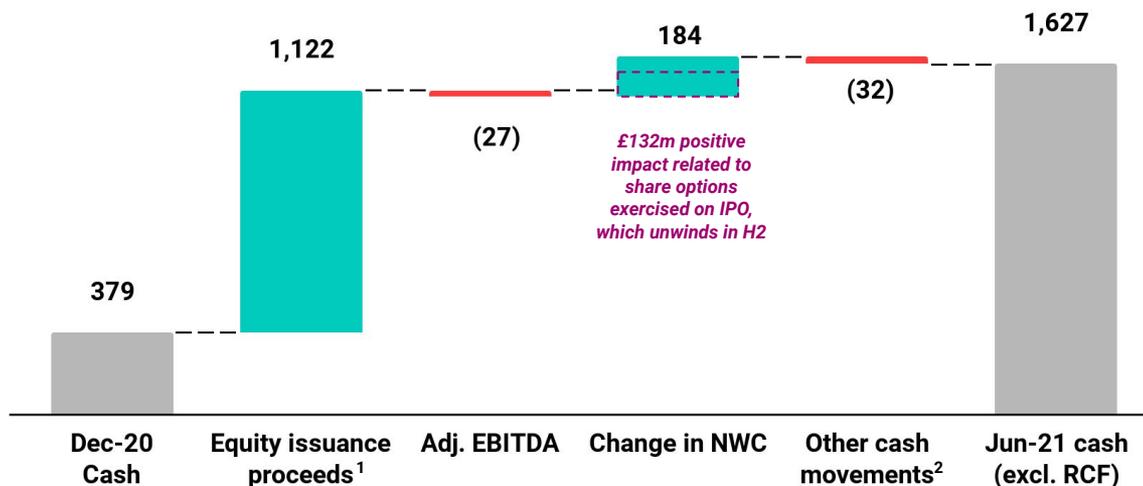


- Increased investments in marketing and overheads as we are capitalising on the strong momentum in the business
- Investing to build long-term valuable assets, including in our Engineering team, acquiring new consumers and building our brand equity

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

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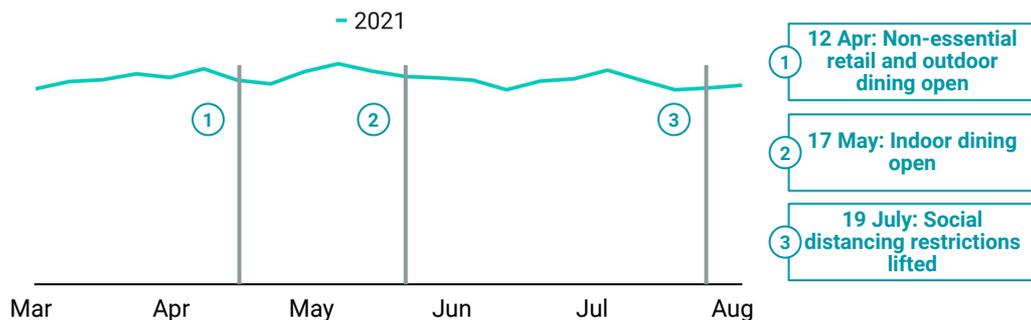
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# UK performance through reopening | Order volume has remained robust through reopening, with slight declines seen in AOV



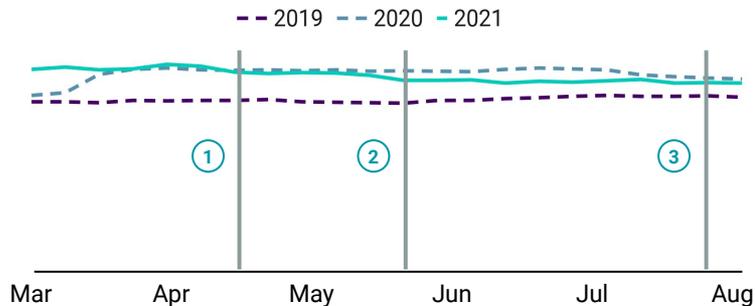
## Order volume, by week, m



## 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

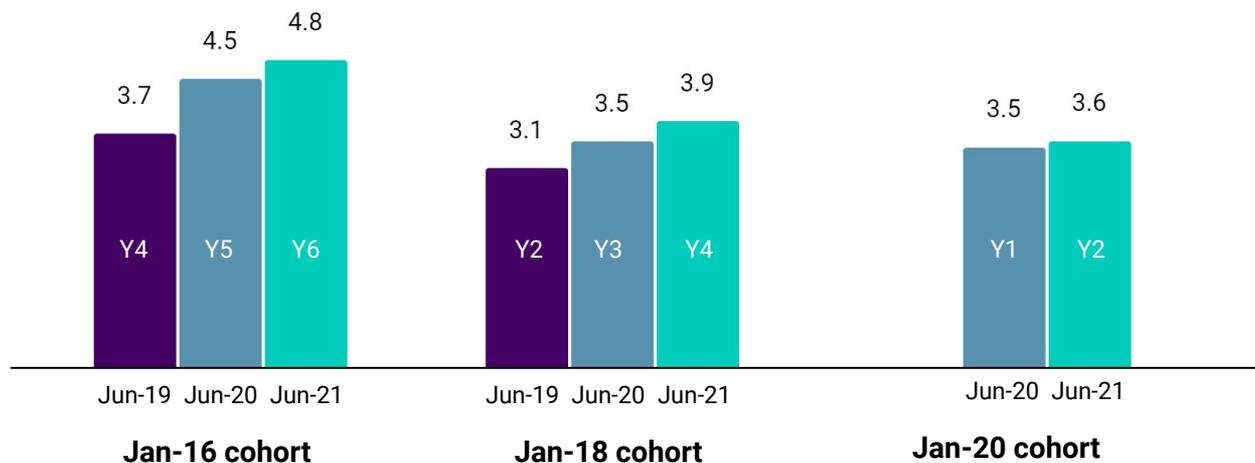
## AOV, by week, £



# 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

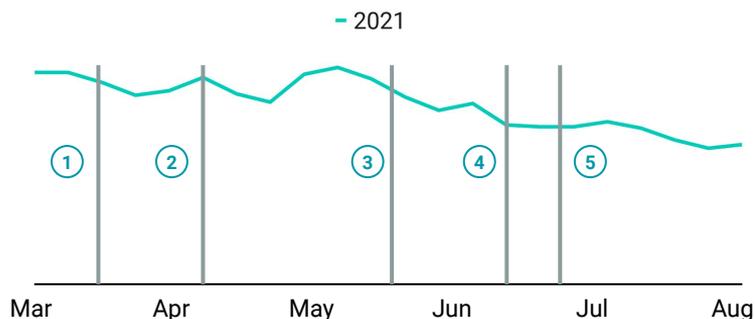
## Commentary

- 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

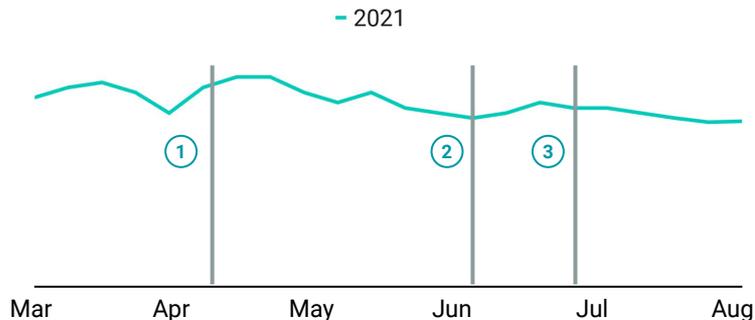


## France order volume, by week, m



- 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

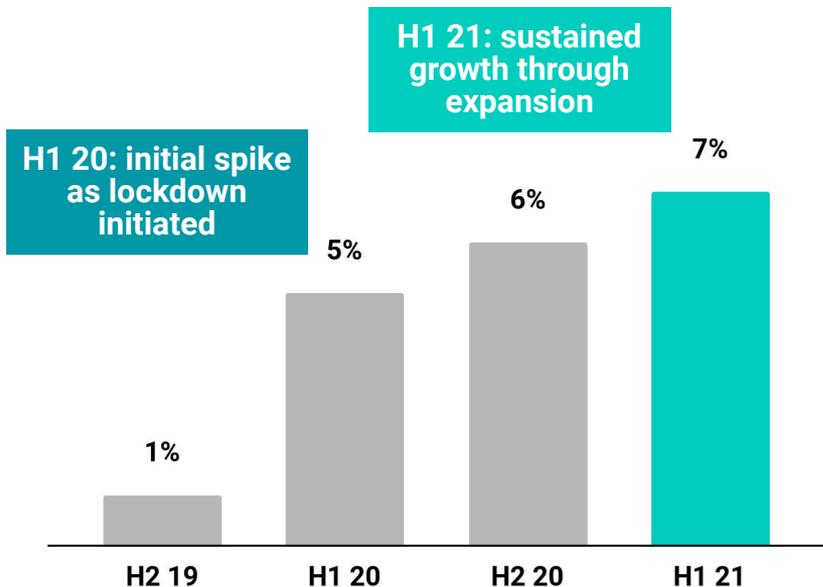
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# On demand grocery | Contribution to overall business increasing as global selection expands



## On demand grocery GTV % of total



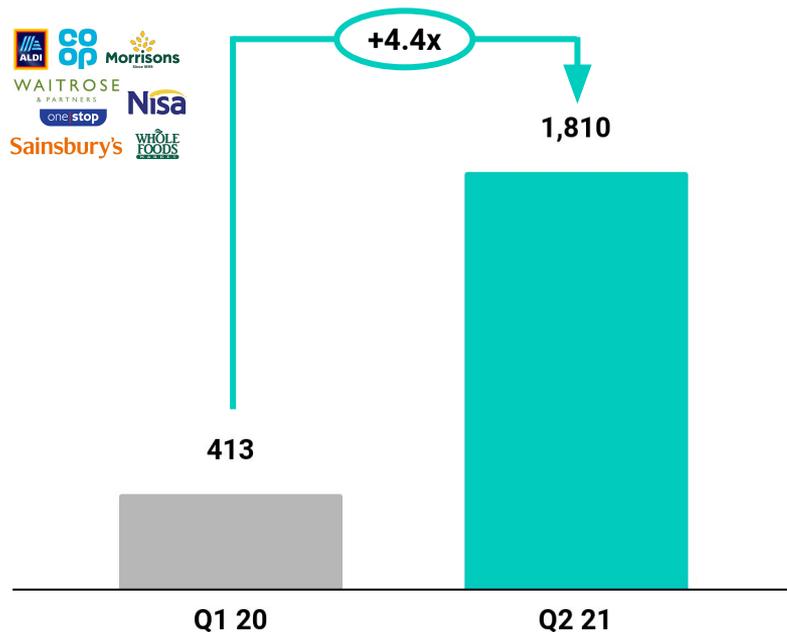
## Key partners in selected markets

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

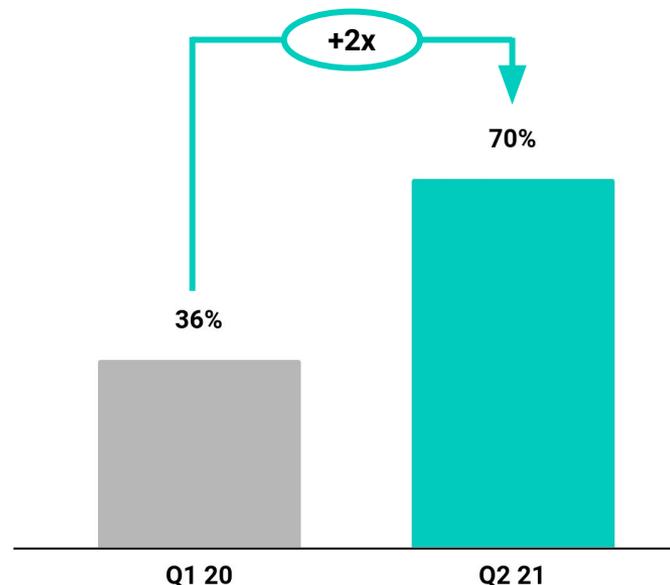
# On demand grocery | Rapid expansion with major partners, now covering >70% of UK population



## 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

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# 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



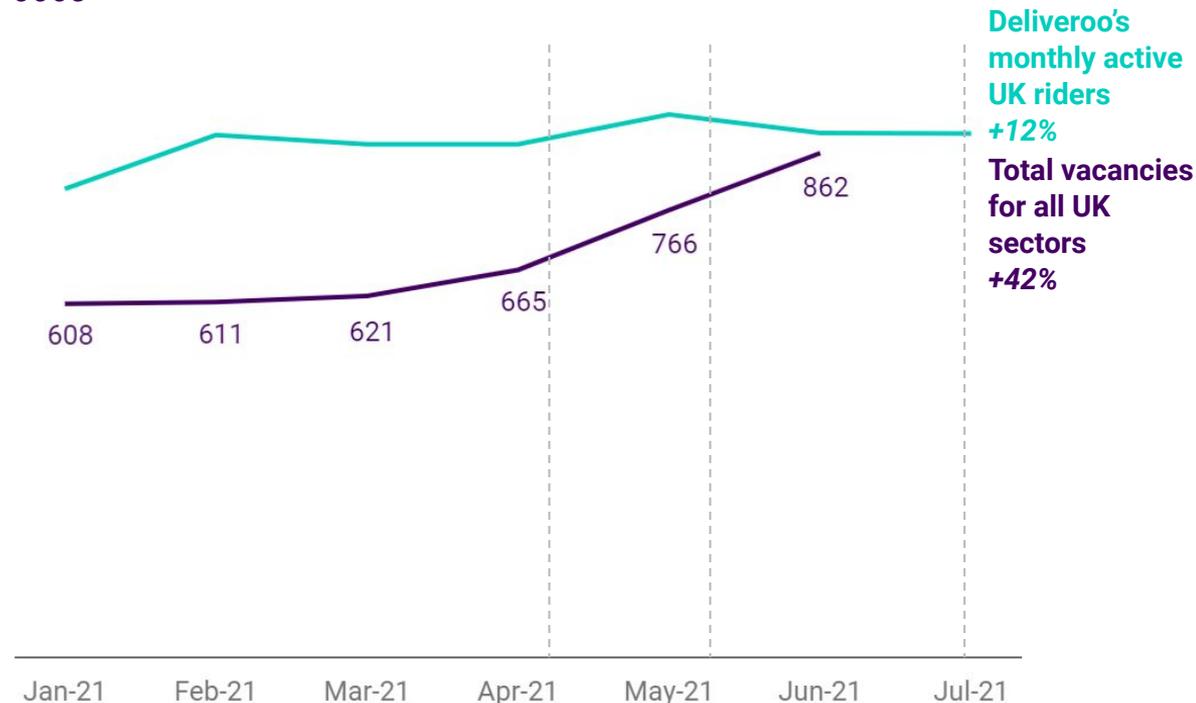
**>14,000** rider applications received per week in UKI in H1

# 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)

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# Guidance



|                       | 2019A | 2020A | Original<br>2021<br>Guidance <sup>1</sup> | Revised<br>2021<br>Guidance <sup>2</sup> |
|-----------------------|-------|-------|---|--|
| GTV<br>growth         | 59%   | 64%   | 30-40%                                    | 50-60%                                   |
| Gross profit<br>% 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%)       |