

## Continued GTV growth year-on-year, progress on profitability

### Performance Highlights<sup>1</sup>

- **Continued year-on-year growth in Q3 2022**, with gross transaction value (GTV) up 8% year-on-year in reported currency and 5% year-on-year in constant currency; GTV per order was up 6% driven by item level price inflation; orders were down (1)%, reflecting the difficult consumer environment
- **GTV growth broadly stable during Q3 2022**, with September year-on-year growth similar to Q3 overall; in Q3 2022, GTV contracted by (5)% sequentially (vs Q2 2022) reflecting summer seasonality in European markets and current consumer headwinds
- **UKI growth outperformed International**, with GTV in UKI up 11% and in International down (2)% year-on-year (up 5% in reported currency); International growth was relatively stronger in Europe and Middle East, offset by declines in Asia Pacific (where renewed COVID-related restrictions in Q3 2021 gave a tough comparison base)
- **Continued targeted expansion of Deliveroo offering**: further Hop and 'Hop as a Service' sites opened; Boots partnership expanded to 125 stores; rollout of >1,000 McDonald's sites in the UK; launch of Deliveroo in Qatar
- **Updating FY 2022 guidance** based on GTV developments during Q3 2022 and the current economic outlook, as well as progress made on path to profitability levers, Deliveroo is today updating 2022 guidance:
  - GTV growth now expected to be in the range of 4–8% in constant currency, the lower half of the previously-announced range (4–12%)
  - Adjusted EBITDA margin (as a % of GTV) now expected to be in the range of (1.2)–(1.5)% (previously (1.5)–(1.8)%), due to continued gross profit margin expansion and control of marketing and overheads costs

Will Shu, Founder and CEO of Deliveroo, said: “During the quarter, we delivered continued GTV growth year-on-year, strengthened our value proposition and made further progress on our path to profitability. Since June, the year-on-year GTV growth trend has been broadly stable, despite the ongoing economic uncertainty. Throughout 2022 we have been adapting financially to the operating environment and driving forward on our path to profitability, and we now expect the H2 2022 adjusted EBITDA margin to be better than our previous guidance. We continue to be excited about the opportunity ahead and our ability to capitalise on it.”

### GTV and Orders

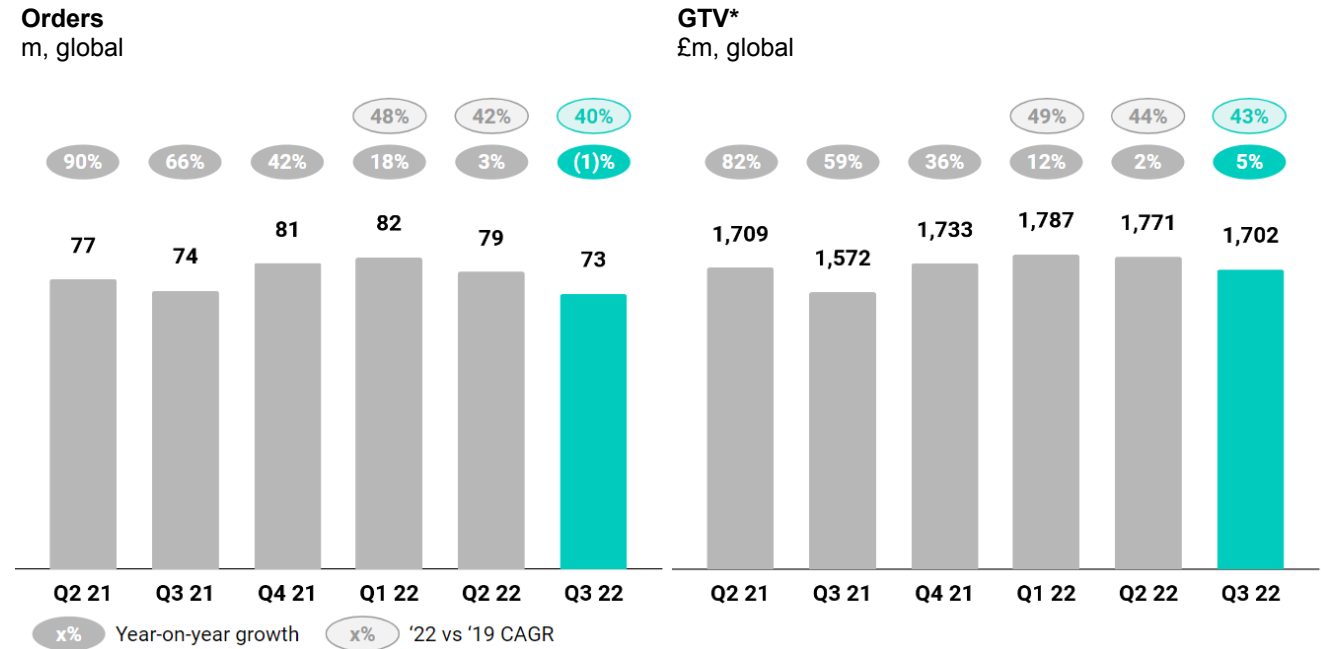
	Q3 2022	Q3 2021	% Change		9M 2022	9M 2021	% Change	
			Reported	Constant currency			Reported	Constant currency
<b>Group</b>								
GTV (£m)	1,702	1,572	8%	5%	5,260	4,897	7%	6%
Orders (m)	72.8	73.6	(1)%	-	233.7	219.8	6%	-
GTV per order (£)	23.4	21.4	9%	6%	22.5	22.3	1%	0%
<b>UKI</b>								
GTV (£m)	944	852	11%	11%	2,858	2,625	9%	9%
Orders (m)	37.7	35.8	5%	-	117.8	107.2	10%	-
GTV per order (£)	25.0	23.8	5%	6%	24.3	24.5	(1)%	(1)%
<b>International</b>								
GTV (£m)	758	721	5%	(2)%	2,402	2,273	6%	3%
Orders (m)	35.1	37.8	(7)%	-	115.9	112.5	3%	-
GTV per order (£)	21.6	19.1	13%	6%	20.7	20.2	2%	0%

<sup>1</sup> In this section, all growth rates for GTV and GTV per order are in constant currency unless otherwise stated

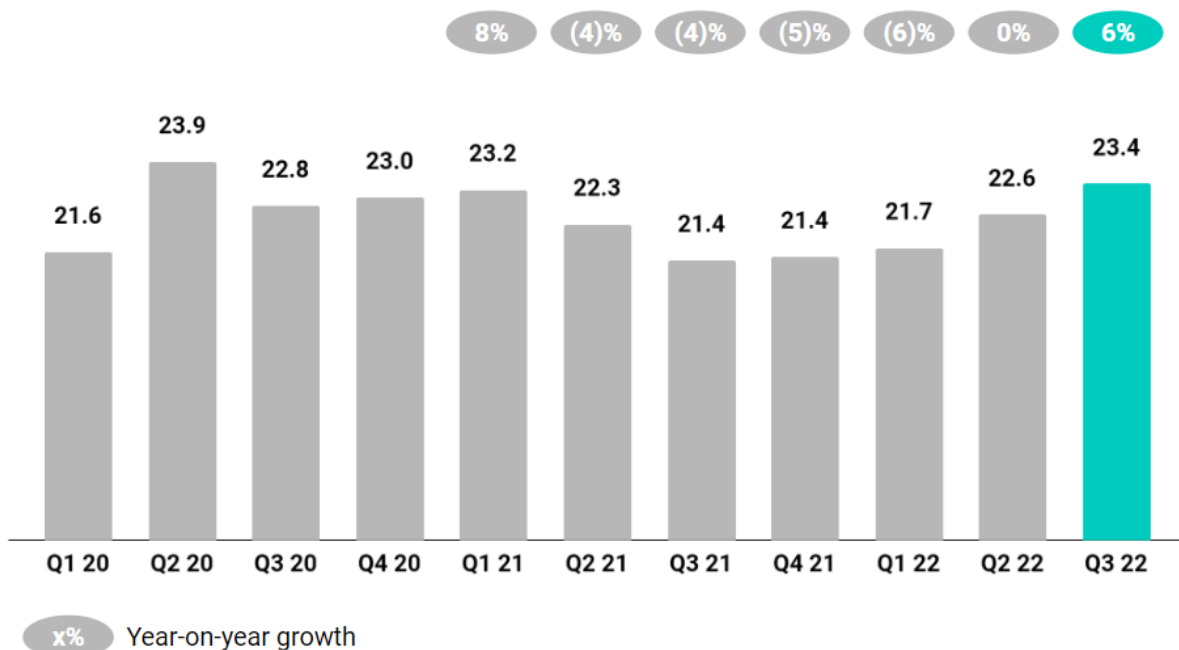
## Performance Review

### 1. Overview

Overall, Deliveroo produced another solid quarter in Q3 2022, despite the difficult consumer environment. Gross transaction value (GTV) increased to £1,702 million, up 8% (5% in constant currency) year-on-year. Orders declined (1)% year-on-year, but this was more than offset by year-on-year growth in GTV per order of 9% (6% in constant currency), driven by item level price inflation and continued optimisation of consumer fees. Sequentially (vs Q2 2022), Q3 2022 GTV contracted by (5)% in constant currency, and orders were down (7)%, reflecting summer seasonality in European markets and current consumer headwinds. GTV per order has increased quarter-by-quarter since Q3 2021 to reach £23.4 in Q3 2022, primarily driven by item price inflation.



### GTV per order\* £, global



\* GTV and GTV per order growth rates shown in constant currency

## 2. Segment performance

Deliveroo manages its business on a geographic basis, rather than on a product or market segmentation basis. The company operates in two segments: the UK and Ireland (UKI) segment and the International segment, comprising the remainder of the company's markets.

### UK and Ireland

In UKI, GTV was £944 million and orders were 37.7 million in Q3 2022. Year-on-year, GTV growth was 11% in constant currency, ahead of order growth of 5% due to an increase in GTV per order vs Q3 2021 driven by item level price inflation and continued optimisation of consumer fees. Sequentially and in constant currency, GTV and orders were down (2)% and (4)%, respectively, reflecting summer seasonality and consumer headwinds, whilst GTV per order was up 3%. Management believes that the Q3 results represent continued good performance in a difficult consumer environment, showing the strength of Deliveroo's consumer value proposition.

UK and Ireland	Q3 2022	% Change*	
		vs Q3 2021	vs Q2 2022
GTV (£m)	944	11%	(2)%
Orders (m)	37.7	5%	(4)%
GTV per order (£)	25.0	6%	3%

\* % change shown in constant currency

### International

In International, GTV was £758 million and orders were 35.1 million in Q3 2022. Year-on-year, GTV contracted by (2)% in constant currency, as orders declined by (7)% while GTV per order increased by 6% in constant currency driven by item level price inflation and continued optimisation of consumer fees. Q3 2022 GTV growth in International was relatively stronger in Europe and the Middle East, but held back by declines within Asia Pacific, where renewed COVID-related restrictions in some markets in Q3 2021 made for a tougher comparison base. Sequentially and in constant currency, GTV and orders in International were both down (10)%, reflecting summer seasonality and consumer headwinds; GTV per order was flat as mix effects in the International segment offset item level price inflation within individual markets.

International	Q3 2022	% Change*	
		vs Q3 2021	vs Q2 2022
GTV (£m)	758	(2)%	(10)%
Orders (m)	35.1	(7)%	(10)%
GTV per order (£)	21.6	6%	0%

\* % change shown in constant currency

In August 2022, Deliveroo announced a proposal to consult on ending its operations in the Netherlands, consistent with the Company's disciplined approach to capital allocation. In October 2022, the consultation concluded and Deliveroo decided to proceed with the proposal. The Company's final day operating in the Netherlands will be 30 November 2022. The Netherlands represented 1% of Deliveroo's GTV in the first nine months of 2022.

During Q3 2022, Deliveroo made preparations to enter the food delivery market in Qatar, and formally launched operations in October. This expansion will strengthen Deliveroo's business in the Middle East region, where market dynamics are attractive and where Deliveroo has already established strong positions in the UAE and Kuwait.

### 3. The three sides of the marketplace

#### Consumers

Deliveroo's consumer base was broadly stable year-on-year, with an average of 7.3 million monthly active consumers (MACs) in Q3 2022, up 1% compared to Q3 2021. Sequentially, total MACs in Q3 2022 declined compared to Q2 2022, in part reflecting summer seasonality in European markets. In addition, the more challenging macroeconomic environment, and reduction in consumer marketing against this backdrop, has seen weaker acquisition of new consumers and retention of existing consumers, contributing to the sequential decline.

Average monthly order frequency of 3.3x in Q3 2022 was stable both sequentially and year-on-year. Deliveroo tracks consumers on the basis of historical cohorts, with each cohort representing consumers who placed their first order on the platform in a given period. Historically, consumer cohorts have consistently increased their average order frequency over time. In 2020 and 2021, the rate of increase accelerated as a result of lockdowns in many countries; throughout 2022, this above-trend frequency boost has reversed. However, monthly average order frequency for all consumer cohorts remains well above pre-COVID levels.

Group	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
UK & Ireland	3.6	3.9	3.8	4.1	4.1	4.0	3.9
International	3.5	3.7	3.6	3.9	4.0	3.8	3.4
Average monthly active consumers (m)	7.1	7.6	7.3	8.0	8.1	7.8	7.3
<i>Year-on-year growth in MACs</i>	95%	82%	59%	37%	16%	4%	1%
Average monthly order frequency	3.3	3.4	3.3	3.4	3.4	3.3	3.3

#### Restaurants and on-demand grocery partners

Restaurant and grocery selection is an important part of Deliveroo's consumer value proposition. The choice and availability to consumers – on a neighbourhood-by-neighbourhood basis – continues to increase. At the end of the period, Deliveroo worked with over 167,000 restaurant partner sites (Q2 2022: over 160,000) and had over 17,000 grocery sites live (Q2 2022: over 15,000).

During the quarter, Deliveroo further expanded Deliveroo Hop, which operates from delivery-only grocery stores run by Deliveroo, working in partnership with established grocers. Hop is now live globally in cities across the UK, France, Italy, UAE and Hong Kong. On 3 October 2022, Deliveroo launched a new grocery store in New Oxford Street, London, in partnership with Morrisons, which is the first Hop store in the UK where consumers are also able to walk into the store and shop for groceries via a kiosk or 'click and collect'.

In August, Deliveroo announced the expansion of its partnership with Boots which saw the number of stores increase to 125 (previously 14 pilot stores). Consumers now have access to an expanded range of over 1,000 health and beauty products delivered to their door in minutes. It is the latest development of Deliveroo's non-food offering, having launched a trial with WHSmith and expanded its partnership with LloydsPharmacy earlier in the year.

#### Riders

Riders are a vital part of Deliveroo's three-sided marketplace. Deliveroo works with around 170,000 riders globally and continuously works to balance rider supply and demand. In Q3 2022, rider application pipelines and retention rates remained robust, and global rider satisfaction was 81%.

#### 4. Share purchase programme

As previously announced, Deliveroo has commenced a share purchase programme of up to £75 million to acquire Class A Ordinary Shares for the purpose of mitigating dilution from share-based compensation plans. Shares will be purchased by Deliveroo's Employee Benefit Trust (EBT). Repurchased shares will be held by the EBT and used to satisfy employee share-based compensation awards. From launch on 1 September 2022 until 20 October 2022, the EBT had purchased a total of 18.7 million shares for a total gross purchase consideration of £15.7 million.

#### 5. Outlook and financial guidance

Deliveroo is committed to continuing to drive sustainable growth and strengthen the levers of profitability in 2022 and beyond. Based on GTV developments during Q3 2022 and the current economic outlook, Deliveroo is updating guidance today to narrow the guidance range for 2022 GTV growth to 4–8% in constant currency, the lower half of the previously-announced range of 4–12%.

Deliveroo's balance sheet remains strong and management is confident in the Company's ability to continue to adapt financially to a rapidly changing macroeconomic environment through gross margin improvements, more efficient marketing expenditure and tight cost control. As a result of the progress made on these profitability levers, Deliveroo now expects to deliver an adjusted EBITDA margin (as a % of GTV) in the range of (1.2)–(1.5)% in 2022 (previously (1.5)–(1.8)%). As announced earlier this year, Deliveroo aims to reach adjusted EBITDA breakeven at some point during H2 2023–H1 2024, the next key milestone on the path to achieving its longer-term profit ambitions.

	Prior guidance FY2022	Updated guidance FY2022	Actual H1 2022	Updated guidance H2 2022 implied
<b>GTV growth (in constant currency)</b>	4 - 12%	4 - 8%	7%	1 - 9%
<b>Adjusted EBITDA margin (as % of GTV)</b>	(1.5) - (1.8)%	(1.2) - (1.5)%	(1.9)%	(0.5) - (1.1)%

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### Analyst and investor call

A conference call and webcast with Q&A for analysts and investors will be held at 09:00 BST / 10:00 CEST. Registration details as follows:

Conference call: [https://secure.emincote.com/client/deliveroo/roo007/vip\\_connect](https://secure.emincote.com/client/deliveroo/roo007/vip_connect)

Webcast: <https://secure.emincote.com/client/deliveroo/roo007>

The webcast will also be available to view at <https://corporate.deliveroo.co.uk/>. A replay will be made available later.

### About Deliveroo plc ('Deliveroo' or 'the Company')

Deliveroo is an award-winning delivery service founded in 2013 by William Shu and Greg Orlowski. Deliveroo works with approximately 185,000 best-loved restaurants and grocery partners, as well as around 170,000 riders to provide the best food delivery experience in the world. Deliveroo is headquartered in London, with offices around the globe. Deliveroo operates across 12 markets, including Australia, Belgium, France, Hong Kong, Italy, Ireland, Netherlands, Qatar, Singapore, United Arab Emirates, Kuwait and the United Kingdom.

Further information regarding Deliveroo is available on the Company's website at <https://corporate.deliveroo.co.uk/>.

### Additional Notes

1. All figures in this trading update are unaudited.
2. All growth rates reflect a comparison to the three-month period ended 30 September 2021 unless otherwise stated.
3. References to "Q3" are to the three-month period ended 30 September 2022 and to "Q2" are to the three-month period ended 30 June 2022, unless otherwise stated. References to the "year", "financial year" or "2022 financial year" are to the financial year ending 31 December 2022 and references to the "last year", "last financial year" or "2021 financial year" are to the financial year ended 31 December 2021 unless otherwise stated.

This announcement may include forward-looking statements, which are based on current expectations and projections about future events. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target", "believe", "expect", "aim", "intend", "may", "anticipate", "estimate", "plan", "project", "will", "can have", "likely", "should", "would", "could" and any other words and terms of similar meaning or the negative thereof. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its subsidiaries and its investments, including, among other things, the development of its business, trends in its operating environment, and future capital expenditures and acquisitions. The forward-looking statements in this announcement speak only as at the date of this announcement. These statements reflect the beliefs of the Directors, (including based on their expectations arising from pursuit of the Group's strategy) as well as assumptions made by the Directors and information currently available to the Company. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate and none of the Company nor any member of the Group, nor any of such person's affiliates or their respective directors, officers, employees, agents and/or advisors, nor any other person(s) accepts any responsibility for the accuracy or fairness of the opinions expressed in this announcement or the underlying assumptions. Actual events or conditions are unlikely to be consistent with, and may differ significantly from, those assumed. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur. No representation or warranty is made that any forward-looking statement will come to pass. No one undertakes to update, supplement, amend or revise any forward-looking statements. You are therefore cautioned not to place any undue reliance on forward-looking statements.