

13 March 2025

# Deliveroo

FY 2024 Results





# Definitions & basis of discussion

References to profitability in this presentation are to adjusted EBITDA unless otherwise stated. **Adjusted EBITDA** represents loss for the year before income tax charge/credit, finance costs, finance income, depreciation and amortisation, impairments, exceptional items and provisions, and share-based payments charge and national insurance on share options. Adjusted EBITDA is considered to be a measure of the underlying trading performance of the Group and is used, amongst other measures, to evaluate operations from a profitability perspective, to develop budgets, and to measure performance against those budgets.

Growth rates are year-on-year and in reported currency unless otherwise stated. **Constant currency** growth rates adjust for period-to-period local currency fluctuations; the Group uses constant currency information because the Directors believe it allows the Group to assess consumer behaviour on a like-for-like basis to better understand the underlying trends in the business.

On 10 March 2025, Deliveroo announced its decision to exit its Hong Kong operations. All numbers in this presentation are as reported for 2024 - including Hong Kong - unless otherwise stated. Pro forma numbers for 2023 and 2024, on an excluding Hong Kong basis, can be found in the appendix to this presentation (slide 32) to provide a better understanding of performance for the ongoing operations.

# Overview

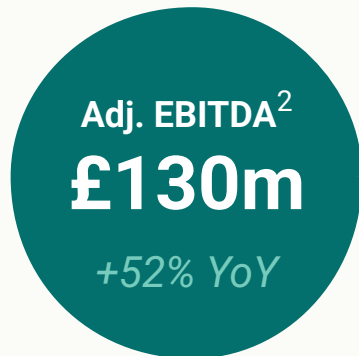
# FY24 | Delivering growth and profitability



- **Good financial performance;** GTV up 6% and revenue up 3%, adjusted EBITDA up 52%, with positive free cash flow and profit milestones hit
- **Progress on growth initiatives;** innovation in Plus loyalty programme, focus on price integrity, strong growth in grocery and progress in retail
- **Positive signs of consumer engagement;** average order frequency and retention inflection in cohorts
- **Remain confident in medium term mid-teens GTV growth target;** with multiple opportunities ahead to accelerate growth
- **Margin target (revised);** expect adjusted EBITDA margin (as % of GTV) of 4%+ in the medium term

# 2024 financials

# Overview | Making strong progress in 2024



1 "cc" = constant currency growth rate.

2 Adjusted EBITDA represents profit for the period before income tax, finance costs/income, depreciation and amortisation, impairments, exceptional items, share-based payments charge and national insurance on share options.

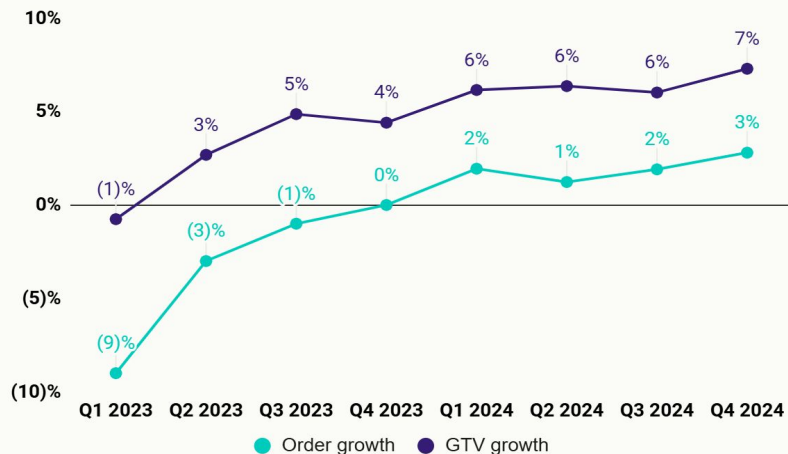
3 Free cash flow is calculated as net cash from operating activities less: purchase of property, plant and equipment; acquisition of intangible assets; payment of lease liabilities; and interest on lease liabilities.

4 Net cash/net debt is defined as the Group's cash & cash equivalents and treasury deposits less debt (excluding leases).

# Top line | Orders returning to growth

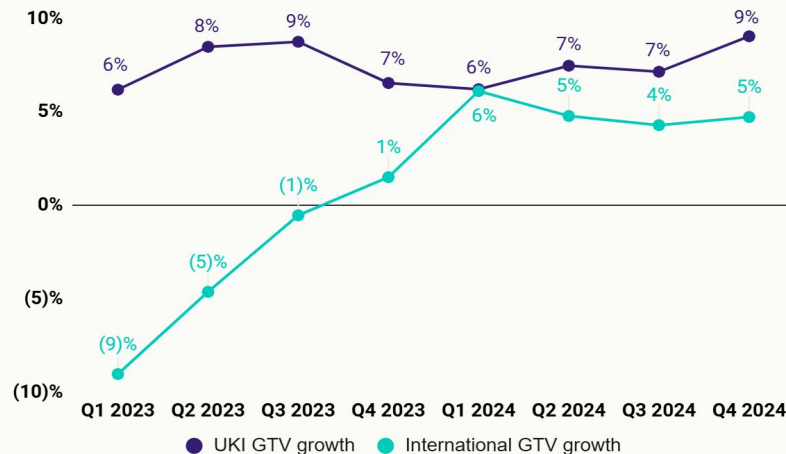


## Robust top-line performance; orders returned to growth



- GTV up 6% in 2024 (2023: 3%)
- Orders returned to growth of 2% 2024 (2023: (3)%)
- GTV growth predominantly driven by GTV per order (up 4% in 2024), mainly due to item level price inflation
- Excluding Hong Kong: orders up 4% and GTV up 8% in 2024

## Encouraging performance in both segments

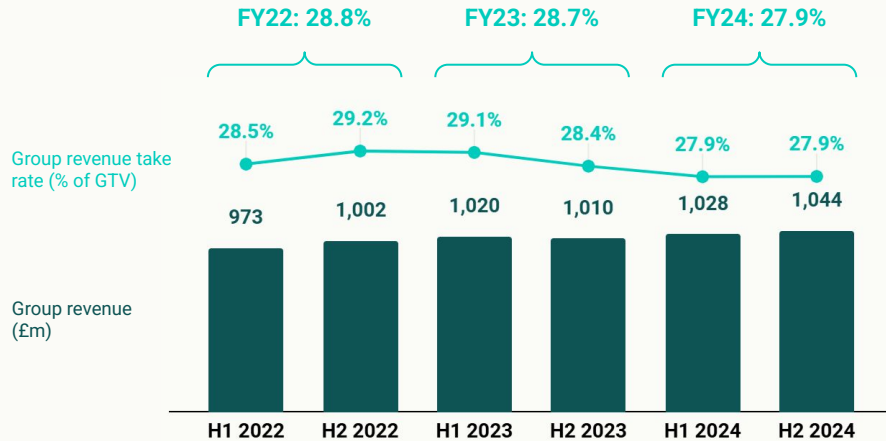


- Continued strength in UKI exiting the year up 9% in Q4
- Return to growth of International segment; up 4% in 2024 compared to (3)% in 2023
- Improving International trends driven by strong growth in UAE and Italy, alongside improvement in France
- International excluding Hong Kong was up 9% in 2024

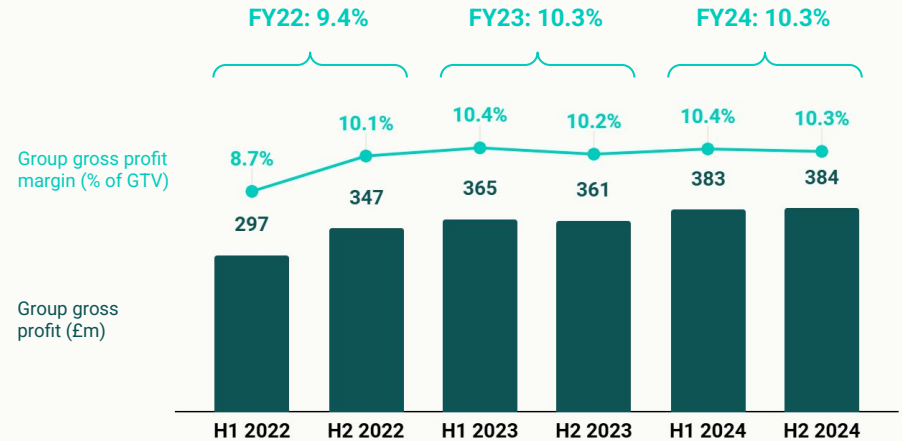
# Revenue & margin | Efficiencies enable CVP investments



## Investment in CVP enabled by delivery efficiencies



## Growth in gross profit, stable gross profit margin



- Revenue up 3% YoY primarily due to increasing GTV, as well as contribution of ad revenue (1.4% of GTV in Q4 2024)
- Plus and grocery orders growing within overall mix, increasing absolute revenue, while diluting take rate
- Continue to invest in CVP to reinforce value perception through targeted promotions

- Continued growth in gross profit, up 6% YoY in 2024, with margin stable YoY at 10.3%
- Efficiencies in the delivery network have allowed us to mitigate the impact of inflation and invest back into the CVP through initiatives like radii expansion and targeted promotions
- Delivery network efficiencies include roll out of multi pick-up stacking and reducing rider wait time at merchants

# Costs | Continued leverage with further opportunities



## Marketing & overheads (M&O) (as % of GTV)



H1 2022   H2 2022   H1 2023   H2 2023   H1 2024   H2 2024

- M&O reduced by £4m YoY despite increasing order volume and cost inflation
- Effective cost management has seen M&O (as % of GTV) improve by 50 bps YoY
- Continued progress towards driving operating leverage, but more to do to accelerate progress

## Breakdown of marketing & overheads (M&O)

Group (£m)	2024	2023	YoY
Staff and other people costs <sup>1</sup>	368	362	2%
Capitalised development costs	(41)	(36)	15%
<b>Net people costs</b>	<b>326</b>	<b>326</b>	<b>0%</b>
Non-people costs <sup>2</sup>	124	129	(4)%
<b>Total overheads</b>	<b>450</b>	<b>455</b>	<b>(1)%</b>
Marketing	187	186	1%
<b>Total marketing &amp; overheads</b>	<b>637</b>	<b>641</b>	<b>(1)%</b>

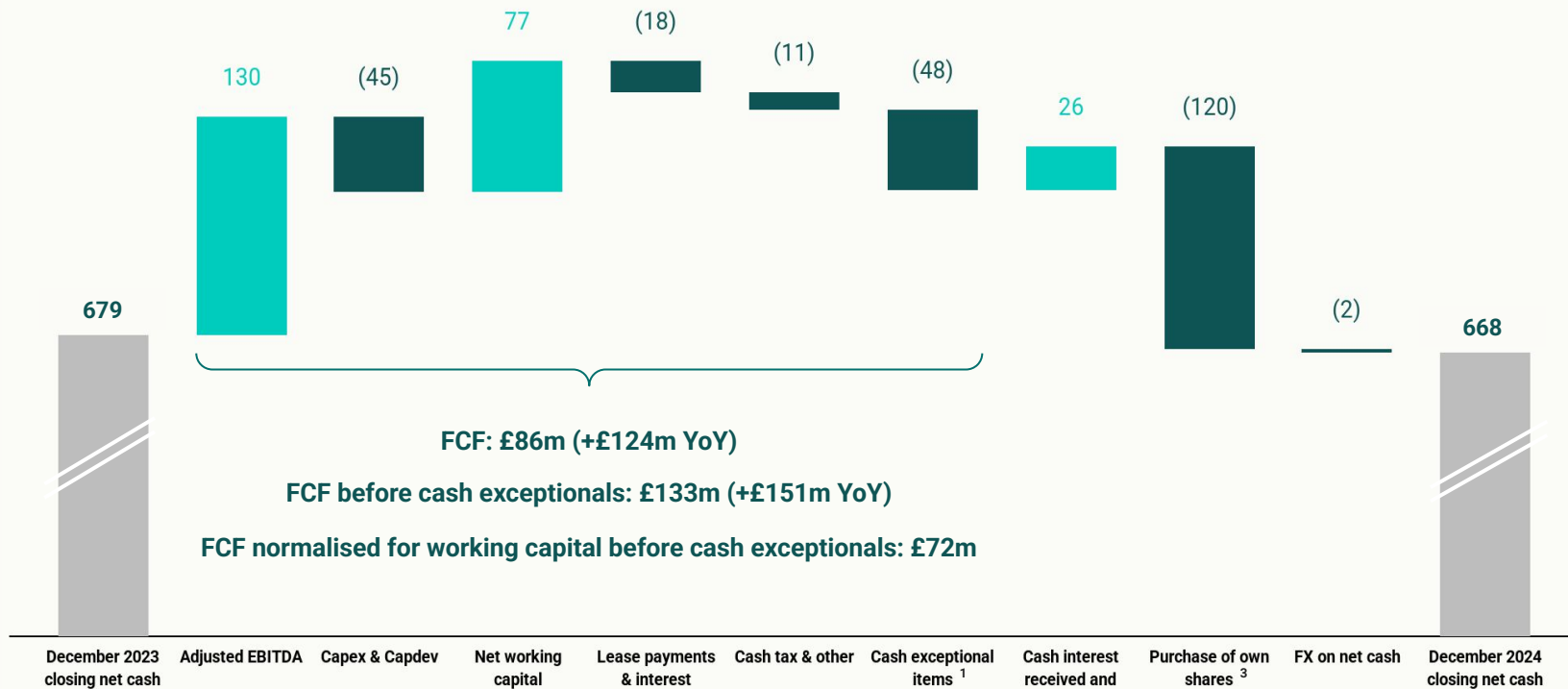
- People costs flat YoY with lower average headcount offset by wage inflation
- Non-people costs were down 4% with lower office-related expenses and IT costs
- Marketing efficiencies offset by investment into retail

<sup>1</sup> Other people costs primarily relate to contractors and customer care agents.  
<sup>2</sup> Non-people expenses include IT expenses, office costs and professional fees.

# Cash flow | First year of positive free cash flow



£ million



<sup>1</sup> Cash exceptional items primarily relate to cash outflow for regulatory settlements.

<sup>2</sup> £27.2m of cash interest offset by £1.0m refinancing cost.

<sup>3</sup> £30m EBT share repurchase programme and £90.2m on-market share buyback programme (including fees and stamp duty).

# Capital allocation | Announcing £100m return of capital



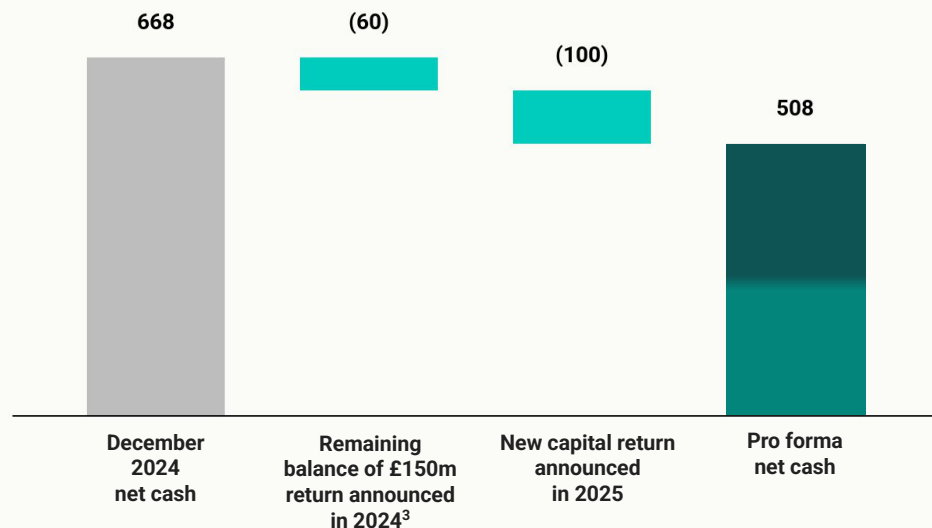
## Allocation of capital<sup>1</sup>

Strategic and operational capital

Headroom (including provisions and contingent liabilities)

Structural surplus capital<sup>2</sup>

## Bridge from December 2024 net cash to pro forma net cash (£m)



<sup>1</sup> Buckets not to scale

<sup>2</sup> Structural surplus capital does not take into account potential future cash flow generation

<sup>3</sup> As at December 2024, c.£90m of the £150m on-market share buyback programme announced in 2024 had been completed

# FY25 outlook



## GTV growth

- Anticipated to be high-single digits percentage growth (in constant currency)

## Adjusted EBITDA

- Expected to be in the range of £170-190 million, as we make targeted investments to capture future growth opportunities

# **Business update**

# Growth | Our business



## Building blocks



New customers



Retention



Frequency



GTV per order

## Verticals

2013-19

Restaurant

Grocery

2020-22

Restaurant

Grocery

2023-

Restaurant

Grocery

Retail

## Consumer value proposition

Leading selection

Value for money

Plus

Delivery experience

Leading selection

Value for money

Plus

Delivery experience

Leading selection

Value for money

Plus

Delivery experience

# Price/value | Building trust for consumers



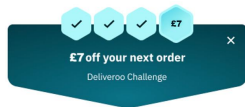
We have used direct and indirect levers to address prices on the platform...

## Direct levers

Loyalty programme



Targeted promotions



## Indirect levers

Commercial architecture

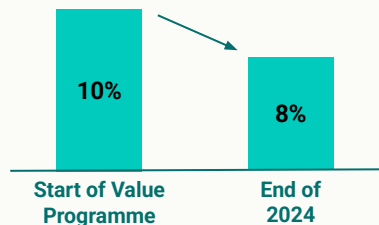


Value Programme



...resulting in positive outcomes for consumers, partners and Deliveroo

Reduced average markups<sup>1</sup> in UKI



Driving more sales to great partners



*Increase in partner GMV when they move into 'Deliveroo's Choice'*

Focus for 2025 and beyond...



Strengthen Value Programme benefits to encourage more restaurants to reduce markups



Enhance how 'Deliveroo's Choice' merchants tell their stories and showcase menus (e.g. video)



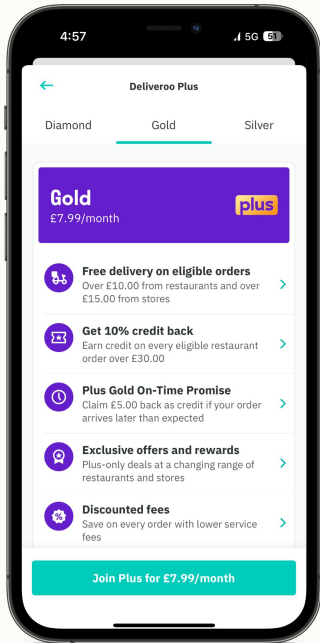
Enhance promo efficiency and effectiveness through greater user-level targeting

<sup>1</sup> Sales-weighted markup in UKI reduced from ~10% when the programme launched at the end of October 2023 to ~8% at the end of 2024

# Loyalty | Step change in Plus programmes



We launched innovations in our Plus programme...

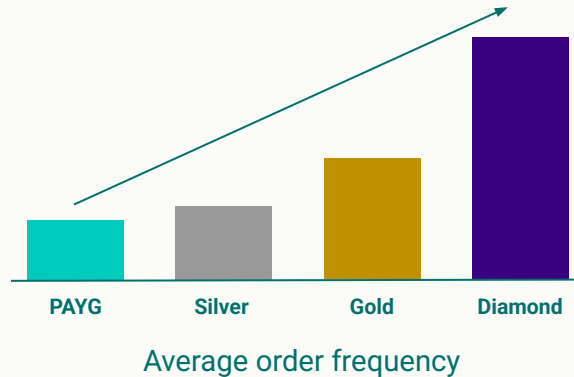


...resulting in more subscribers...

**+30%**

Increase in paying Gold subscribers in UKI/ France since relaunch (May 2024)

...who order more frequently from us



Focus for 2025 and beyond...



Introduce more sophisticated subscriber acquisition targeting



Increase value to Plus users through more partner benefits



Scale the proposition with exciting new partnerships

# Delivery experience | Striving to make every order perfect



## By helping merchants and riders reduce defects across the order journey...

### Streamlined operations for partners:

- Live signals
- Item substitutions
- Optimised receipt layout



### Picking app improvements for Grocers:

- Forced barcode scanning
- Auto-completing orders
- Extended queue time



### Seamless Restaurant <-> Rider

**Handover:** Order number scanning for riders at merchants to stop order mix ups



## ...we delivered more perfect orders and improved consumer sentiment

12%

*Fewer cancelled orders*

5%

*Fewer inaccurate orders*

4pt

*Improvement in NPS*

## Focus for 2025 and beyond...

- Receipt scanning for rider to consumer handover to reduce mix-ups
- Auto-acceptance for large scale grocery partners to reduce cancellations
- Scale rider check-in globally to reduce rider wait time

# Grocery | Increasing the power of our platform



We have increased selection and improved consumer experience...

Increased selection



Range expansion

More sites offering 10-15k SKU's



Consumer experience

- Picking app improvements
- New promo mechanics
- Loyalty schemes
- Top-up orders

...driving increased category adoption and incremental platform benefits

More grocery users

**+20%**

*Grocery MACs YoY*

Grocery orders are incremental<sup>1</sup>

**+15%**

*Uplift in frequency*

Mature cohorts continue to spend more<sup>2</sup>

**+15%**

*Increase in spend YoY*

Focus for 2025 and beyond...

- Continue to improve selection and coverage through new and existing partners
- Drive awareness & category adoption
- Further mid-sized basket expansion
- Deliver value for money to consumers and continue to improve service
- Introduce new capabilities; e.g. scheduled orders and 'Deliveroo Express'

<sup>1</sup> When an existing restaurant user places their first grocery order their average order frequency increases by 15% vs a comparable restaurant-only cohort in the first 3 months

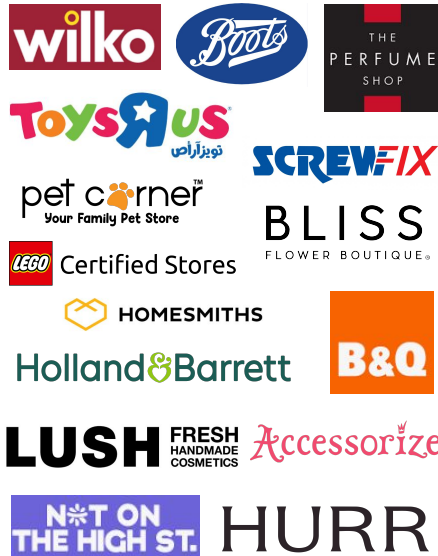
<sup>2</sup> GTV from the 2018 UKI grocery cohort increased by 15% in 2024 compared to 2023

# Retail | Laying the foundations

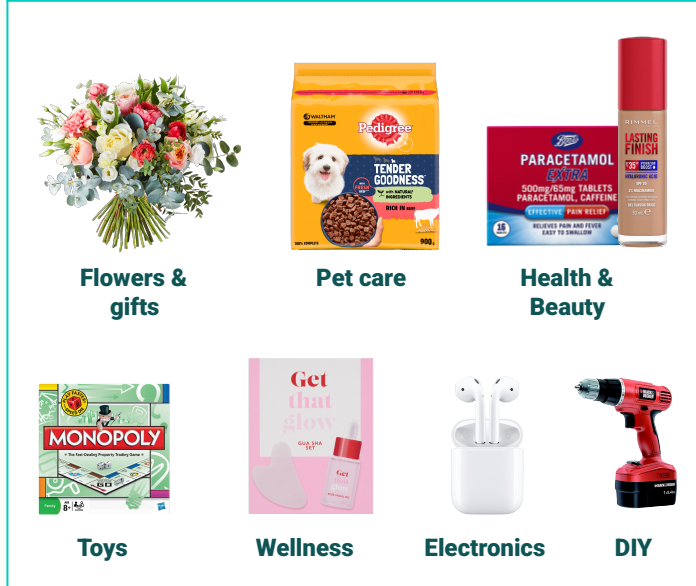


We focused on expanding selection in key categories and driving awareness...

## Expanding selection



## Focusing on our priority categories



Focus for 2025 and beyond...

- Continue to improve selection and coverage through new and existing partners
- Drive awareness & category adoption
- Expand into new retail categories
- Deliver value for money to consumers and continue to improve service
- Introduce new capabilities; e.g. scheduled orders and 'Deliveroo Express'

# Cohorts | Building blocks of future growth improving



## Building blocks



New customers



Retention

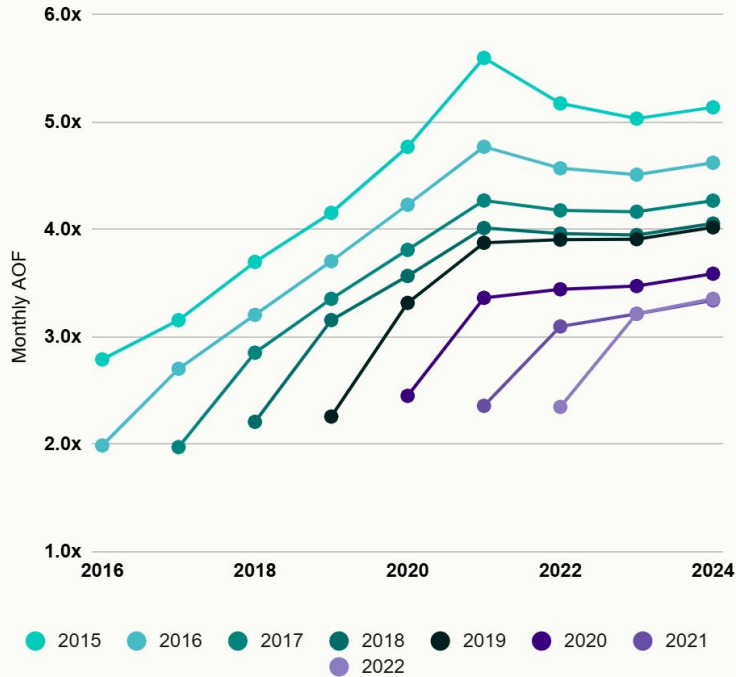


Frequency

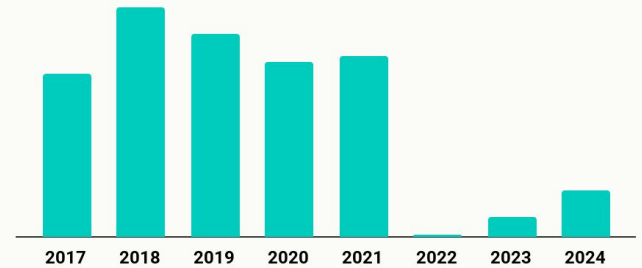


GTV per order

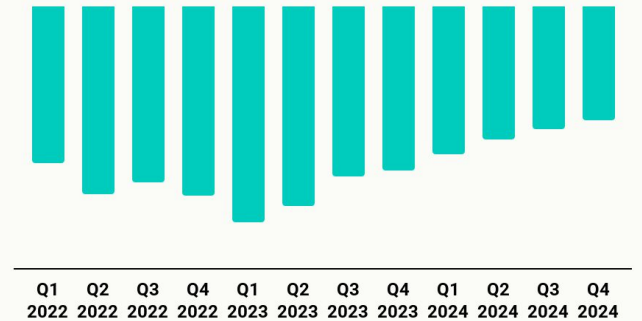
### Average order frequency (AOF) by cohort (Group)<sup>1</sup>



### Improving trend in YoY frequency growth<sup>2</sup>



### Lapse rate also continuing to improve<sup>3</sup>



<sup>1</sup> Monthly average order frequency (of MACs) by cohort year for the 2015 to 2022 annual cohorts.

<sup>2</sup> Represents the average YoY change in monthly average order frequency across the 2015 to 2022 annual cohorts.

<sup>3</sup> Represents the average YoY change in active users across the 2015 to 2020 annual cohorts.

# Restaurant | Reignite growth



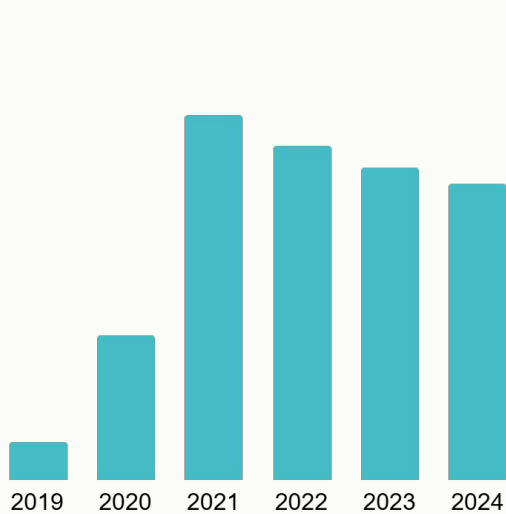
Major markets have seen post-COVID growth constrained

UK



Restaurant Delivery Market

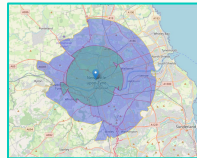
Order Volume (M)



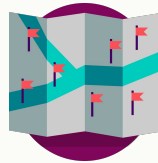
Our existing CVP has put us in a good position and we will push harder in 2025



Enhancing selection, including key exclusives



Expanding delivery radii to increase consumer access



Further penetrate geographic areas where we can develop a large CVP differential

We will grow the overall market by unlocking new occasions



Optimising dishes and price points to unlock different missions

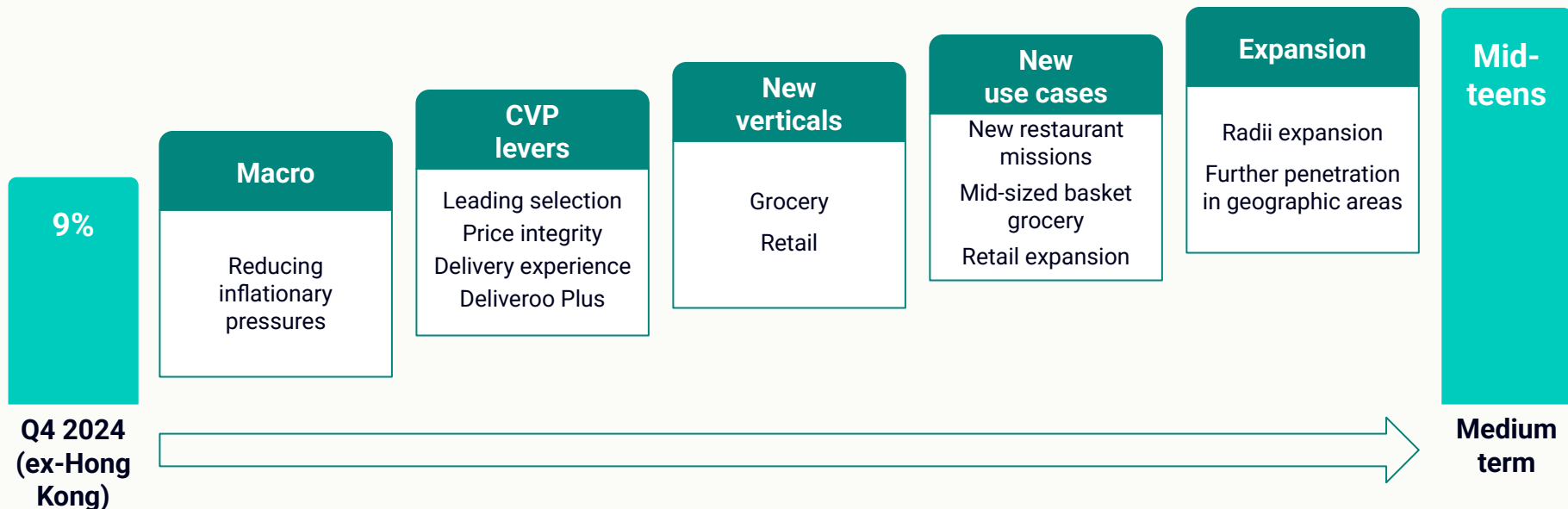


Different ordering behaviours: pre- and group planning

# Growth target | How do we accelerate?



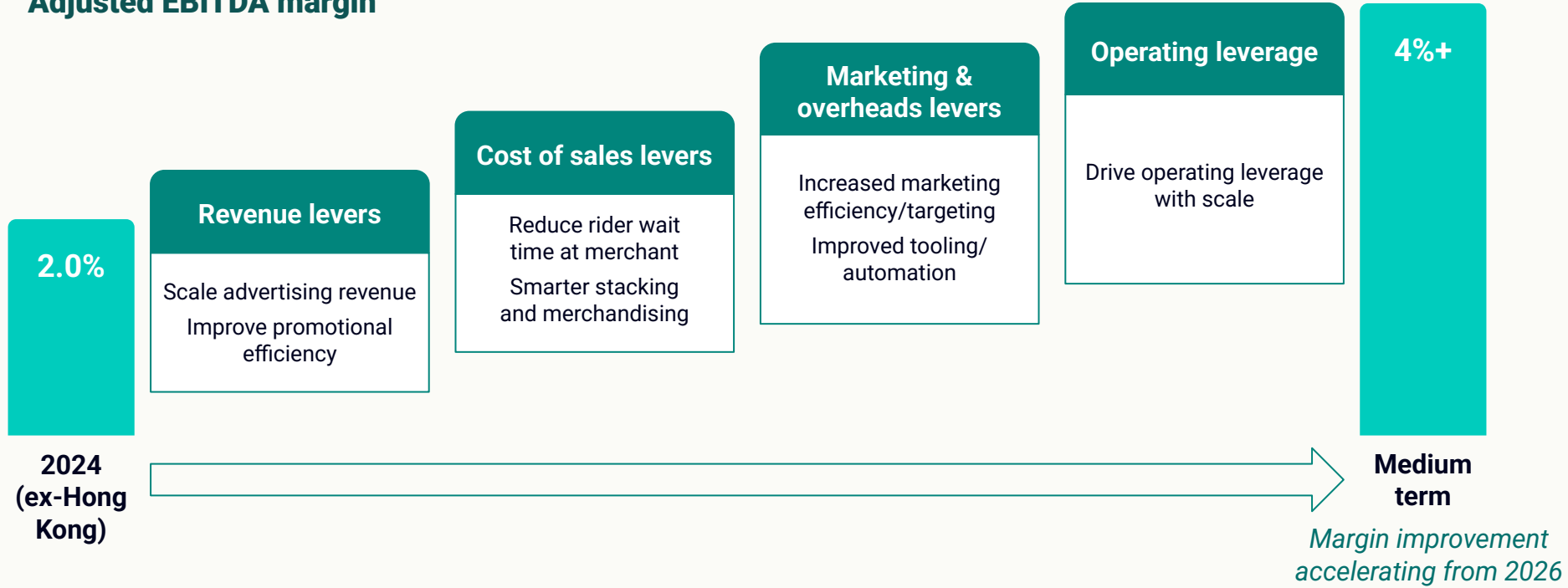
## GTV growth



# Margin target | How do we get to 4%+?



## Adjusted EBITDA margin



# Advertising | Continuing to scale



## What have we done?

- Improved advertiser experience - through the launch of new features
- Increased relevance - using machine learning (ML) models
- Launched new formats for non-endemic brands

## What has it delivered?

**+15%**

*Increase in partners placing ads in 2024*

**c.90%**

*Partner monthly retention rate*

**1.4%**

*vs 1.0% in Q4 2023*

*Advertising revenue (% of GTV) in Q4 2024*

## Look forwards

- Develop advertiser value proposition through enhanced user targeting, better insights and new ad formats
- Drive greater uptake in FMCG and non-endemic category via new strategic sales partnership in UKI



**PEPSICO**



**CARLSBERG  
BRITVIC**

Continue progress towards our planned 2%+ in 2026



# Marketing and promotions | Driving efficiencies

## What have we done?

### New Customers (NC)

#### Refined top of the funnel initiatives:

- Optimised performance marketing
- Reduced fraud
- Customised vouchers based on geographies and demographics

## What has it delivered?

**16%**

*Saving in NC promotions through improved fraud controls*

**11%**

*Improvement in NC retention<sup>1</sup> YoY in Q4 '24 (UK)*

## Look forwards

- Further optimise the way we bid on paid search
- Launch scalable, automated campaigns on social media (e.g. Meta and TikTok)
- Optimise our creatives (especially Youtube)

### Existing Customers (EC)

#### Built capability and rolled out programs at scale. Consequently, we have;

- Developed tools to roll out efficient user targeted campaigns
- Automated process to empower partners and self-serve
- Built repository of campaign types to meet different needs

**5x**

*More campaigns per quarter enabled*

**c.15%**

*Improvement in promo efficiency*

- Building ML intelligence to target users at an individual level at scale
- Better tooling and insights to encourage more co-funding from partners
- Improve user experience across different touchpoints, including visibility of deals in the app

<sup>1</sup> Improvement in month 2 retention of UK NCs acquired in Q4 2024 compared to UK NCs acquired in Q4 2023

# Delivery efficiencies | Significant progress & opportunity



## What have we done?

- Rolled out multi pick-up stacking
- Combined inference and direct signals to reduce rider wait time
- Direct data points from merchants, enabled by new features:
  - Order ready button
  - Rider check-in function
  - Rider receipt scanning

## What has it delivered?

**90 bps**

*Reduction in cost of sales (as % of GTV)*

**1.5x**

*Increase in stacked orders YoY*

**3%**

*Reduction in rider wait time at merchants*

## Look forwards

- Continue to use indirect and direct signals to further reduce rider wait time
- Automation and optimisation of rider incentives at peak times
- Use in-app merchandising to enable consumers to find key merchants while preserving service
- Smarter stacking, e.g. greater stacking multiples for grocery and retail and scheduled orders

# Overheads | Further cost optimisation to drive leverage



## What have we done?

- Foundational elements on process and procurement systems
- Location optimisation and operating model simplification
- Improving self-serve tooling and automating more

## What has it delivered?

**c.10%**

*Average savings through RFP*

**c.30%**

*of Tech org now based in our India hub*

**40bps**

*Overheads leverage in 2024*

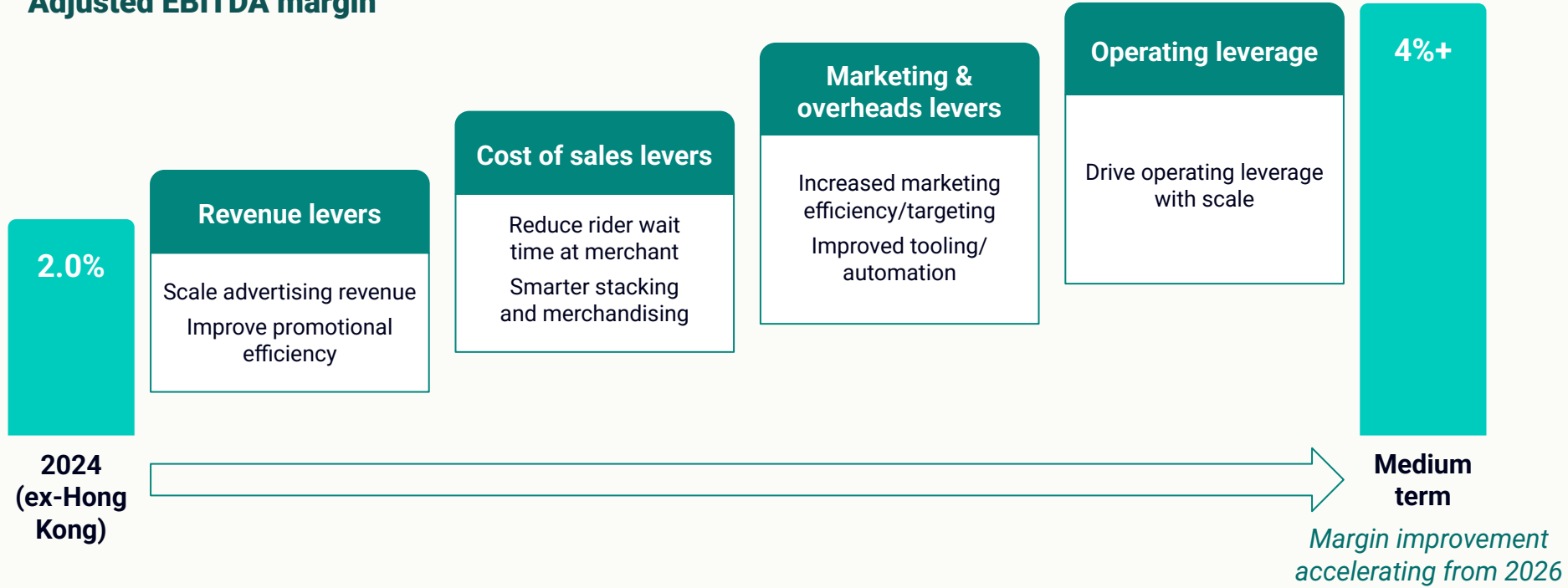
## Look forwards

- Better and more efficient partner and customer support through automation and GenAI
- Opportunity to improve efficiency across the business
- Drive operating leverage with scale

# Bringing it together | Multiple levers to reach our target



## Adjusted EBITDA margin



**Q&A**



# Appendix

# Financial KPIs (all operations - including Hong Kong)



£m	Q1 23	Q2 23	Q3 23	Q4 23	H1 23	FY 23	Q1 24	Q2 24	Q3 24	Q4 24	H1 24	FY 24
<b>Group</b>												
<b>Orders (m)</b>	72	73	70	75	145	290	74	74	71	77	147	296
% year-over-year	(9)%	(3)%	(1)%	0%	(6)%	(3)%	2%	1%	2%	3%	2%	2%
<b>GTV</b>	1,746	1,761	1,697	1,858	3,507	7,062	1,830	1,859	1,778	1,965	3,690	7,433
% year-over-year (reported FX)	2%	3%	3%	4%	3%	3%	5%	6%	5%	6%	5%	5%
% year-over-year (constant FX)	(1)%	3%	5%	4%	1%	3%	6%	6%	6%	7%	6%	6%
<b>Revenue</b>	512	508	487	523	1,020	2,030	514	514	498	545	1,028	2,072
Take rate (% of GTV)	29.3%	28.8%	28.7%	28.1%	29.1%	28.7%	28.1%	27.6%	28.0%	27.8%	27.9%	27.9%
<b>Gross profit</b>					365	726					383	767
% of GTV					10.4%	10.3%					10.4%	10.3%
<b>Adj. EBITDA</b>					39	85					62	130
% of GTV					1.1%	1.2%					1.7%	1.7%
<b>UK &amp; Ireland</b>												
<b>Orders (m)</b>	40	40	39	41	80	159	40	40	40	43	80	163
% year-over-year	(3)%	2%	3%	1%	(1)%	1%	0%	1%	2%	5%	1%	2%
<b>GTV</b>	1,017	1,040	1,026	1,097	2,058	4,181	1,079	1,117	1,098	1,195	2,196	4,489
% year-over-year (reported FX)	6%	9%	9%	7%	7%	8%	6%	7%	7%	9%	7%	7%
% year-over-year (constant FX)	6%	8%	9%	7%	7%	7%	6%	7%	7%	9%	7%	7%
<b>Revenue</b>	299	303	297	310	602	1,209	306	308	308	332	614	1,254
Take rate (% of GTV)	29.4%	29.1%	28.9%	28.2%	29.3%	28.9%	28.4%	27.6%	28.1%	27.8%	28.0%	27.9%
<b>Gross profit</b>					229	457					241	485
% of GTV					11.1%	10.9%					11.0%	10.8%
<b>Adj. EBITDA</b>					124	253					131	274
% of GTV					6.0%	6.0%					5.9%	6.1%
<b>International</b>												
<b>Orders (m)</b>	33	33	31	34	66	131	34	33	32	34	67	133
% year-over-year	(15)%	(8)%	(5)%	0%	(11)%	(7)%	4%	1%	2%	0%	3%	2%
<b>GTV</b>	729	721	671	761	1,450	2,882	751	742	680	771	1,494	2,945
% year-over-year (reported FX)	(3)%	(3)%	(4)%	(1)%	(3)%	(3)%	3%	3%	1%	1%	3%	2%
% year-over-year (constant FX)	(9)%	(5)%	(1)%	1%	(7)%	(3)%	6%	5%	4%	5%	5%	4%
<b>Revenue</b>	213	205	190	213	418	821	208	207	190	213	414	817
Take rate (% of GTV)	29.2%	28.4%	28.3%	28.0%	28.9%	28.5%	27.7%	27.8%	27.9%	27.7%	27.7%	27.8%
<b>Gross profit</b>					136	269					142	282
% of GTV					9.4%	9.3%					9.5%	9.6%
<b>Adj. EBITDA</b>					42	80					52	102
% of GTV					2.9%	2.8%					3.5%	3.5%

Numbers may not always cast due to rounding.

# Financial KPIs (continuing operations - excluding Hong Kong)



£m	Q1 23	Q2 23	Q3 23	Q4 23	H1 23	FY 23	Q1 24	Q2 24	Q3 24	Q4 24	H1 24	FY 24
<b>Group (ex-Hong Kong)</b>												
<b>Orders (m)</b>	67	67	64	69	133	266	68	69	66	73	137	276
% year-over-year							2%	3%	4%	6%	3%	4%
<b>GTV</b>	1,634	1,639	1,584	1,746	3,273	6,603	1,727	1,761	1,691	1,882	3,487	7,061
% year-over-year (reported FX)							6%	7%	7%	8%	7%	7%
% year-over-year (constant FX)							7%	8%	8%	9%	8%	8%
<b>Revenue</b>	477	472	452	490	948	1,890	485	487	474	521	972	1,967
Take rate (% of GTV)	29.2%	28.8%	28.5%	28.0%	29.0%	28.6%	28.1%	27.7%	28.0%	27.7%	27.9%	27.9%
<b>Gross profit</b>					349	692					369	742
% of GTV					10.7%	10.5%					10.6%	10.5%
<b>Adj. EBITDA</b>					42	88					66	140
% of GTV					1.3%	1.3%					1.9%	2.0%
<b>UK &amp; Ireland</b>												
<b>Orders (m)</b>	40	40	39	41	80	159	40	40	40	43	80	163
% year-over-year	(3)%	2%	3%	1%	(1)%	1%	0%	1%	2%	5%	1%	2%
<b>GTV</b>	1,017	1,040	1,026	1,097	2,058	4,181	1,079	1,117	1,098	1,195	2,196	4,489
% year-over-year (reported FX)	6%	9%	9%	7%	7%	8%	6%	7%	7%	9%	7%	7%
% year-over-year (constant FX)	6%	8%	9%	7%	7%	7%	6%	7%	7%	9%	7%	7%
<b>Revenue</b>	299	303	297	310	602	1,209	306	308	308	332	614	1,254
Take rate (% of GTV)	29.4%	29.1%	28.9%	28.2%	29.3%	28.9%	28.4%	27.6%	28.1%	27.8%	28.0%	27.9%
<b>Gross profit</b>					229	457					241	485
% of GTV					11.1%	10.9%					11.0%	10.8%
<b>Adj. EBITDA</b>					124	253					131	274
% of GTV					6.0%	6.0%					5.9%	6.1%
<b>International (ex-Hong Kong)</b>												
<b>Orders (m)</b>	27	27	25	28	54	107	28	28	27	30	56	113
% year-over-year							4%	6%	6%	6%	5%	6%
<b>GTV</b>	616	598	558	649	1,215	2,422	648	644	593	687	1,291	2,572
% year-over-year (reported FX)							5%	8%	6%	6%	6%	6%
% year-over-year (constant FX)							8%	10%	9%	10%	9%	9%
<b>Revenue</b>	178	169	154	180	346	681	179	179	165	189	358	713
Take rate (% of GTV)	28.8%	28.2%	27.7%	27.7%	28.5%	28.1%	27.6%	27.8%	27.9%	27.5%	27.7%	27.7%
<b>Gross profit</b>					120	234					128	258
% of GTV					9.9%	9.7%					9.9%	10.0%
<b>Adj. EBITDA</b>					44	82					56	112
% of GTV					3.6%	3.4%					4.4%	4.3%

Continuing operations. Numbers may not always cast due to rounding.

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