

Deliveroo

FY 2021

Results presentation

17 March 2022



Definitions & Basis of Discussion



The following commentary includes discussion of statutory measures such as revenue and cash and cash equivalents, as well as alternative performance measures (APMs) such as gross transaction value (GTV), gross profit margin (as % of GTV) and adjusted EBITDA, as the business also uses these metrics to monitor and assess performance. A full list of APMs and their definitions can be found on page 37 in the Preliminary Results announcement.

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, exceptional costs, exceptional income, legal and regulatory settlements and provisions, and share-based payments charge and accrued 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. EBITDA less capital expenditure and capitalised development costs is used as a further measure of underlying operating profitability of the business.

Growth rates are year-on-year and in reported currency unless otherwise stated. **Constant currency** growth rates adjusts 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 29 November 2021, Deliveroo ceased operations in Spain. Spain has been classified as a Discontinued Operation in accordance with IFRS 5 and as such Spain is not included in **continuing operations** in 2020-21 (but is included in continuing operations for 2018-19).

1. Overview

2. Business highlights

3. Financial performance

4. Path to profitability

5. Guidance



- 1 Strong year of growth**, with full year Gross Transaction Value (GTV) **up 70% YoY**
- 2 Continued progress** with **Plus, Editions** and **Grocery**
- 3 Robust financial position** with £1.3 billion in cash & cash equivalents at 31 Dec 2021
- 4 2022 guidance:** GTV growth in the range of 15–25% (at constant currency) and adjusted EBITDA in the range of (1.5)–(1.8)% as % of GTV
- 5 Outlining path to profitability:** aim to reach adjusted EBITDA breakeven at some point during H2 2023 - H1 2024, with 4%+ adjusted EBITDA margin (as % of GTV) by 2026

Overview | Relentless focus on all sides of our marketplace



Highly engaged marketplace



Consumers:
8.0 million average monthly active consumers in Q4 2021¹



Riders:
85% global rider satisfaction² across our network of **>180,000 riders**



Restaurants:
>148,000 partner sites³ after further growth during the quarter



Grocers:
>11,000 partner sites³ including continued expansion with major partners



2021 financial performance

Orders:

301m

+73%
YoY

GTV:

£6.6bn

+70%
YoY

Gross profit:

£497m

7.5%
of GTV

Adjusted EBITDA:

£(131)m

(2.0)%
of GTV

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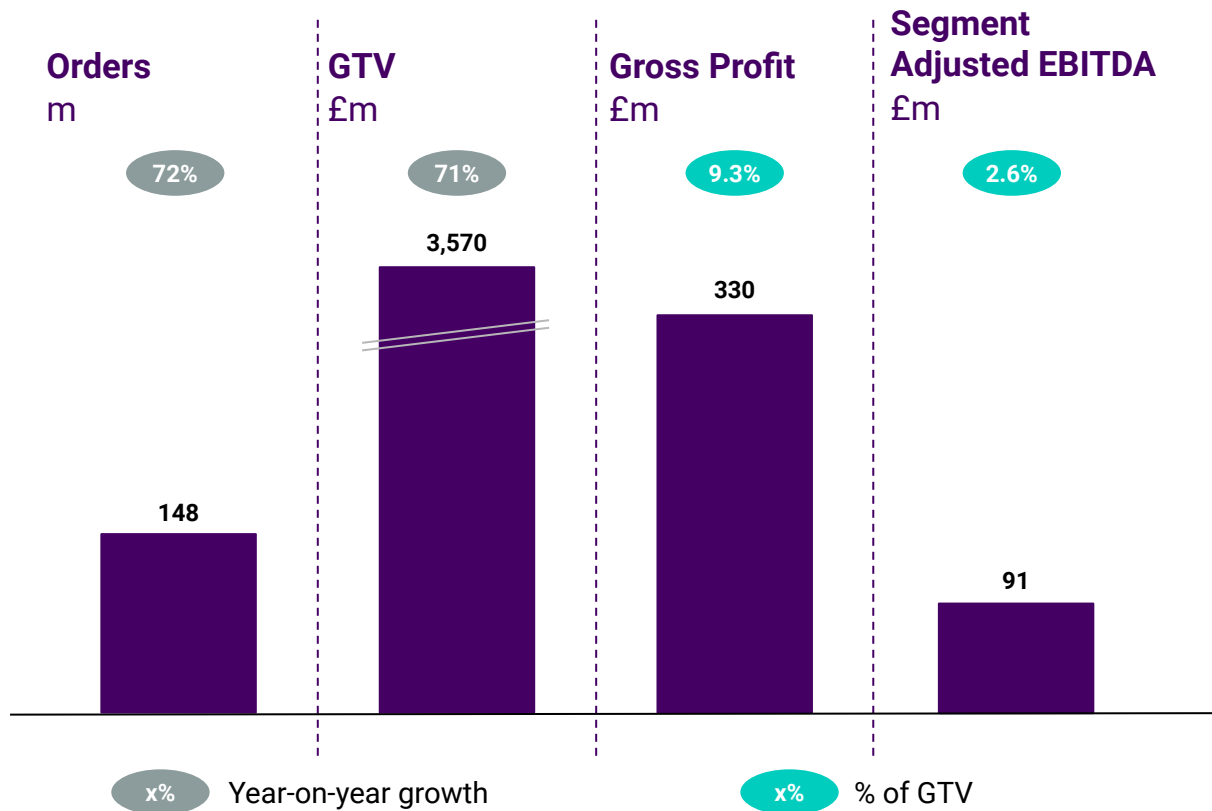
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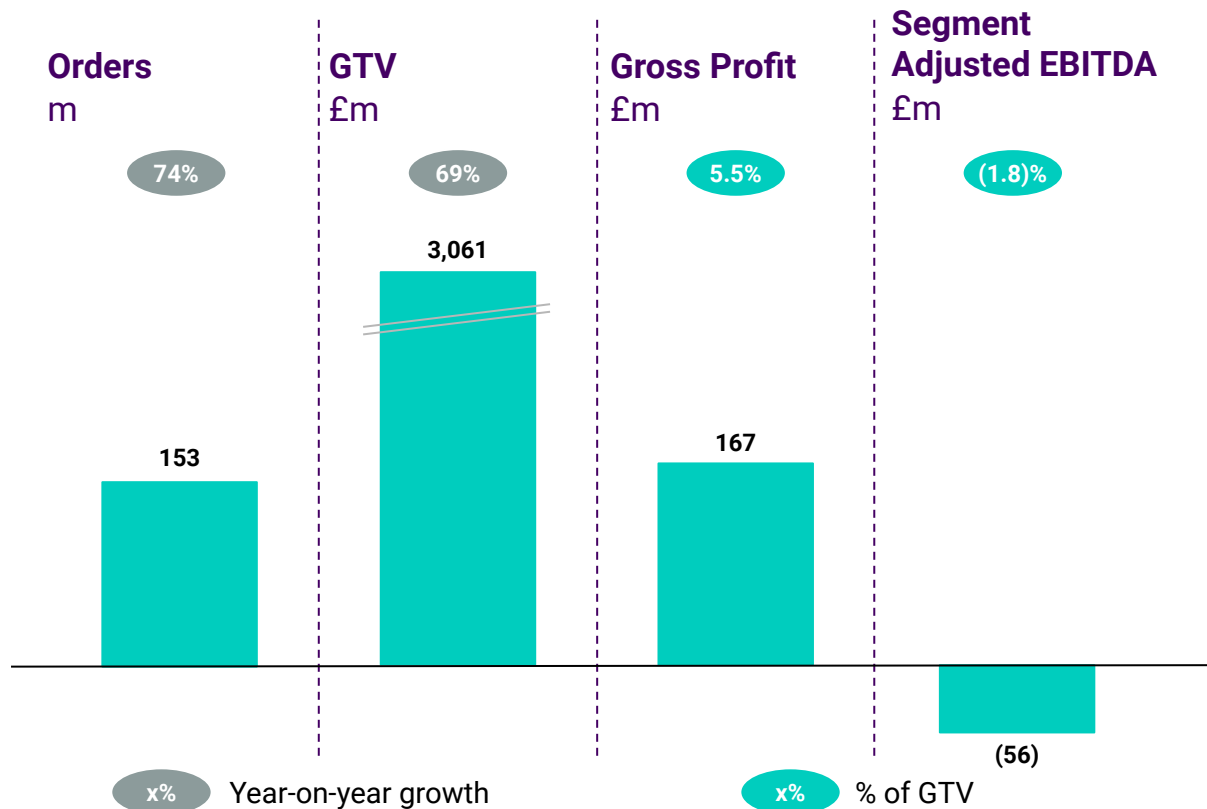
5. Guidance

UKI | Strong growth and continued market share gains with seeds planted for future growth



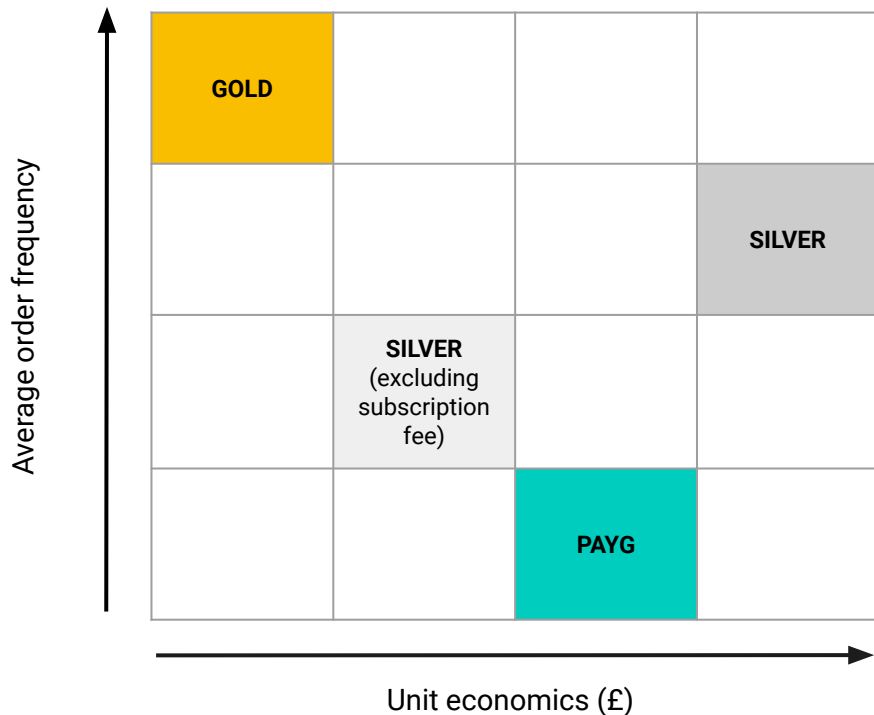
- Continued to grow UK market share in a competitive environment, with UKI orders and GTV up 72% and 71% YoY, respectively
- UK population coverage expanded to 77% at end-2021 vs 53% at end-2020, planting the seeds for future growth

International | Continued growth while improving broader consumer value proposition



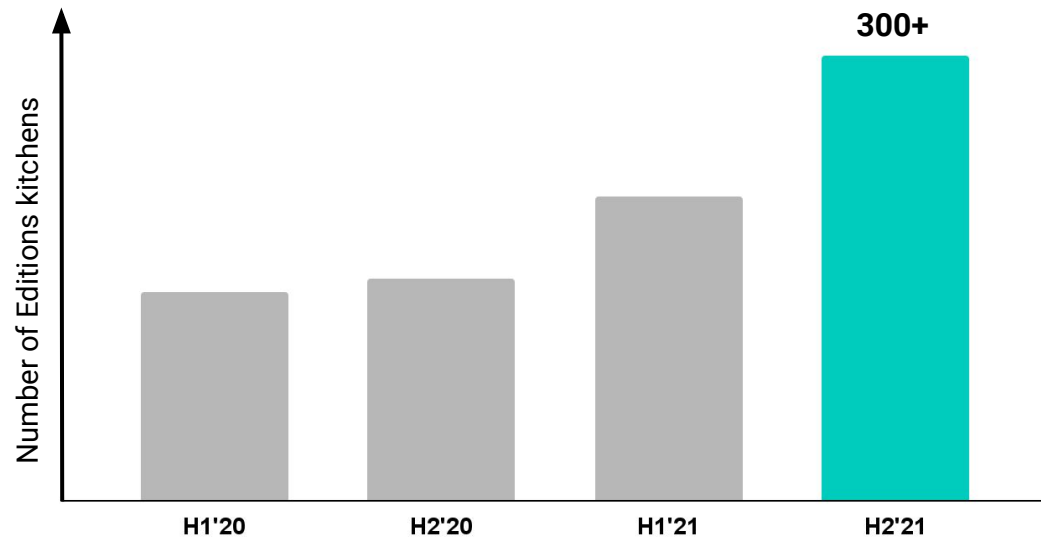
- Strengthened our position across major cities in key markets such as Marseille and Rome
- Continued roll-out with key grocery partners such as Carrefour in France, Italy, Belgium; Casino and Picard in France, and Park N Shop in Hong Kong

Plus | Increased order frequency across Plus programmes contributes to higher lifetime value versus PAYG¹



- Continued traction in Plus subscription programme
- Launched Silver tier designed for families in Q1 2021
- 3x increase in Plus subscribers globally, with UKI subscribers up 4x, since Dec-20
- Higher frequency offsets any unit economics dilution, meaning Plus subscribers have a higher lifetime value than PAYG¹

Editions | Accelerated rollout of Editions, opening over 100 delivery-only kitchens in 2021

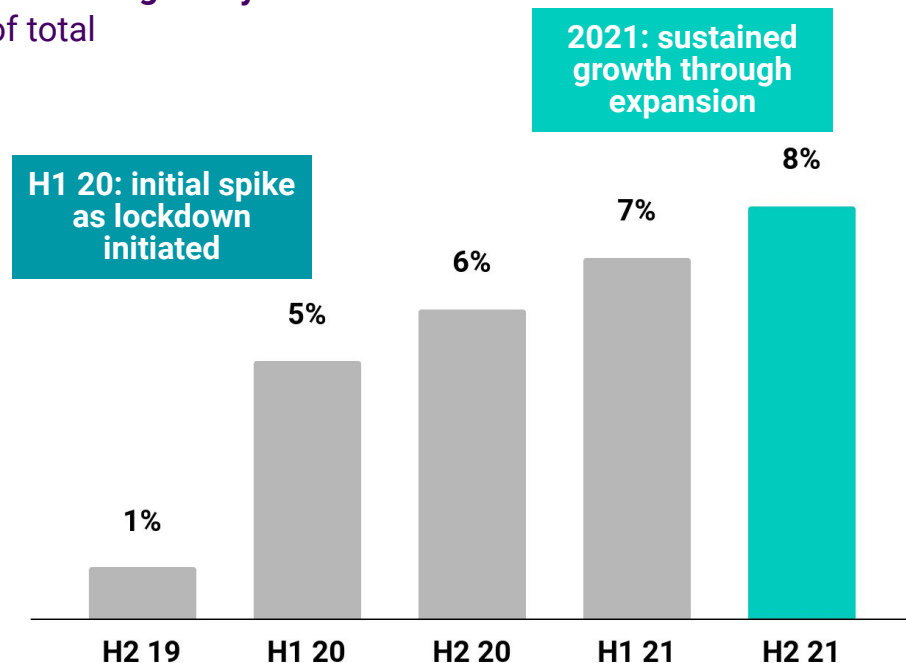


- More than 300 kitchens globally, with over 100 kitchens opened in 2021
- Accelerated rollout throughout the year, with nearly 70 kitchens opened in H2
- Bringing brands like Dishoom, Five Guys, Shake Shack, Watami, Pierre Sang and Pho to new neighbourhoods
- Plan to continue to scale in 2022 and beyond

On-demand grocery | Launched exciting new partnerships whilst increasing grocery share of total GTV to 8%

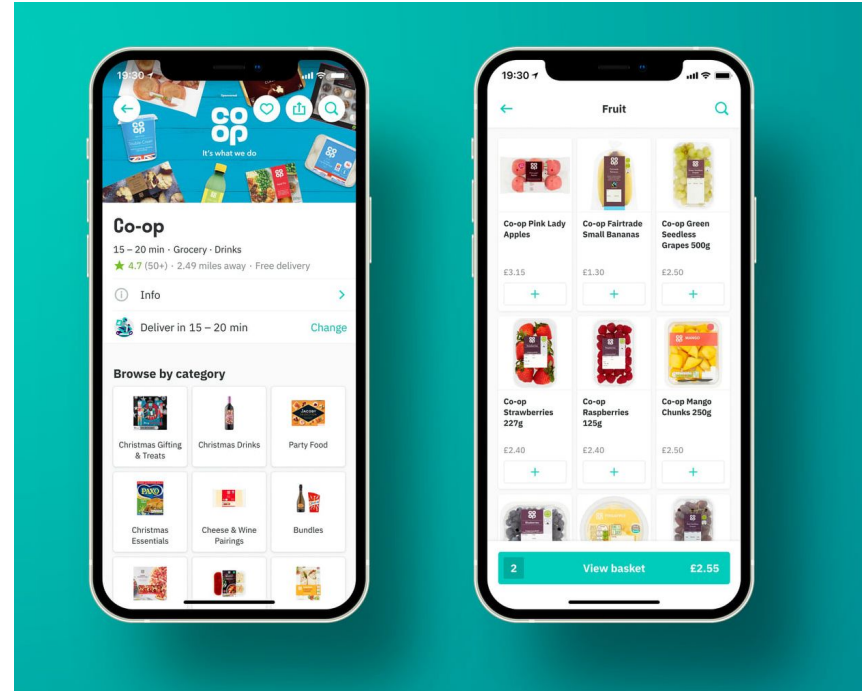
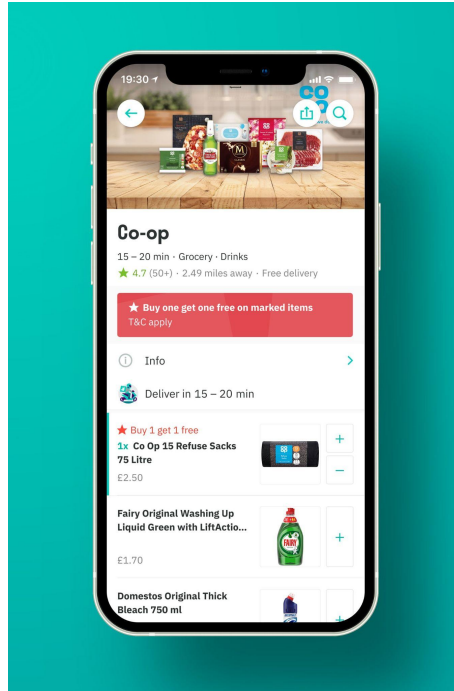


On demand grocery GTV % of total

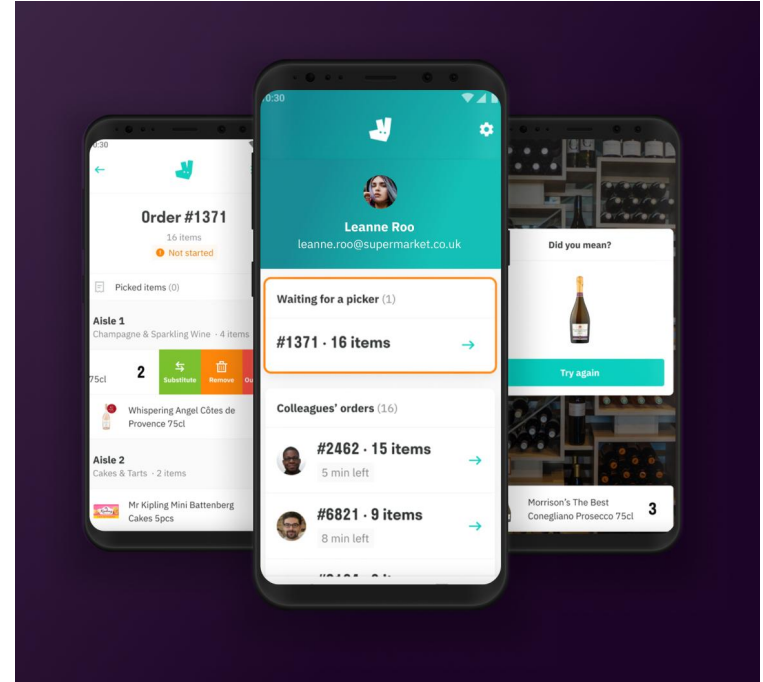
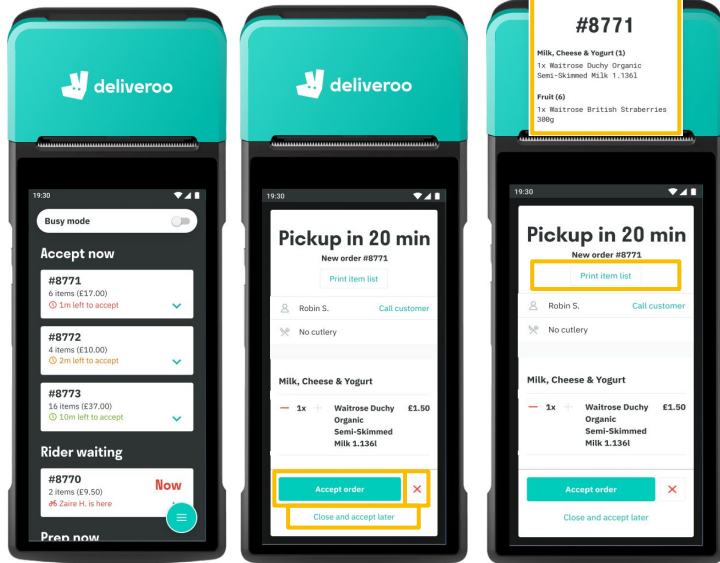


- Increased partner grocery sites from ~7,000 at end-2020 to over 11,000 at end-2021
- Launched Deliveroo Hop partnerships with Morrisons and Waitrose in UK and Carrefour in Italy
- Grocery now accounts for 8% of total GTV in H2, up from 7% at H1

On-demand grocery | Enhancing consumer app and experience



On-demand grocery | Partner app and operational improvements strengthening proposition

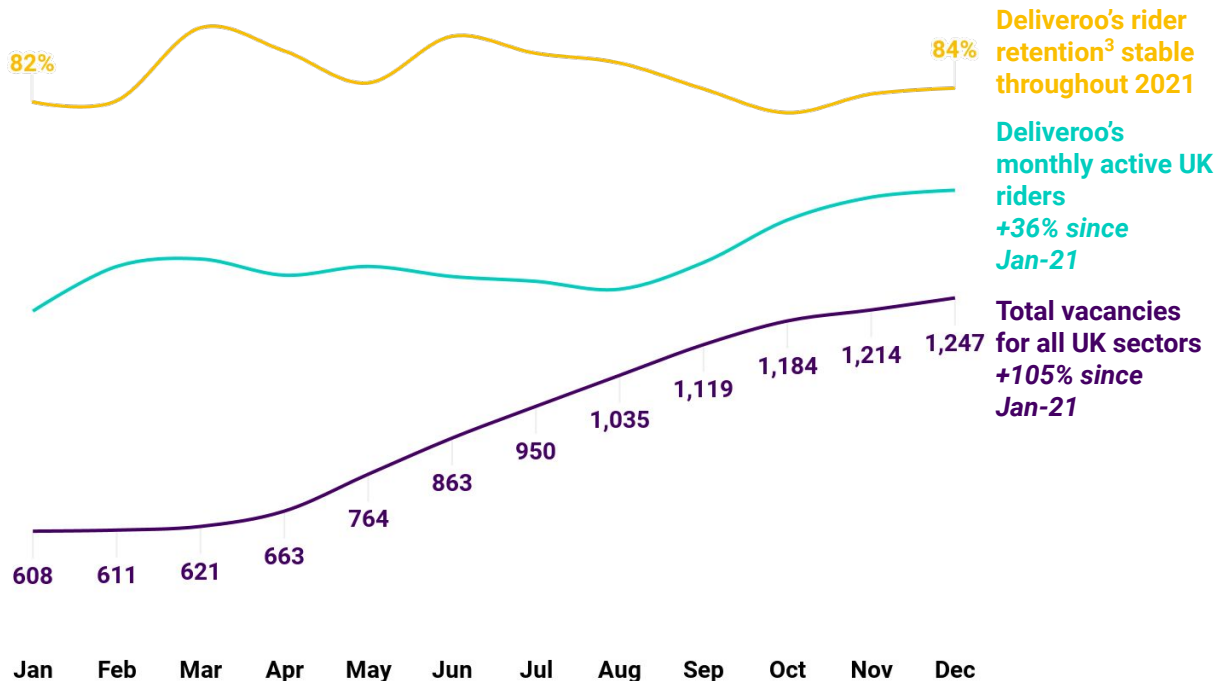


Rider proposition | Deliveroo's flexible model is highly attractive to riders



Total UK job vacancies¹ vs. Deliveroo's monthly active riders² in the UK in 2021

000s



- Despite huge increase in employment vacancies, there remains high demand for flexible work, with number of monthly active riders increasing by 36%
- >11,000 weekly applicants and 82% retention in UK Q4 2021
- 85% of riders globally are satisfied or very satisfied working with Deliveroo
- Enhanced protection (covering sickness and new parents since Q3 2021 in several markets)



UK

LEGAL

- **June 2021:** UK Court of Appeal confirmed for 4th time that Deliveroo riders are self-employed



EU

POLITICAL

- **Dec 2021:** European Union proposals on platform broadly in line with Deliveroo's current model and could provide welcome clarity on the tests to determine the status of platform workers
- **Dec 2021:** Belgium Government adopted a similar policy to EU proposal

LEGAL

- **Dec 2021:** The Brussels Labour Court confirmed that Deliveroo offers self-employed work



France

POLITICAL

- **Jul 2021:** French Government introduced legislation to support self-employed platform workers; not considering reclassification to employment

LEGAL

- **Apr 2021:** Paris Court of Appeal confirmed that Deliveroo offers self-employment to riders.
- **Current:** Challenges to historic model are ongoing and are being defended



Italy

LEGAL

- **Dec 2021:** Settled historic, sector-wide H&S investigation
- **Current:** Various ongoing challenges (which are under appeal)
- **Current:** Trade union agreement recognises riders as self-employed

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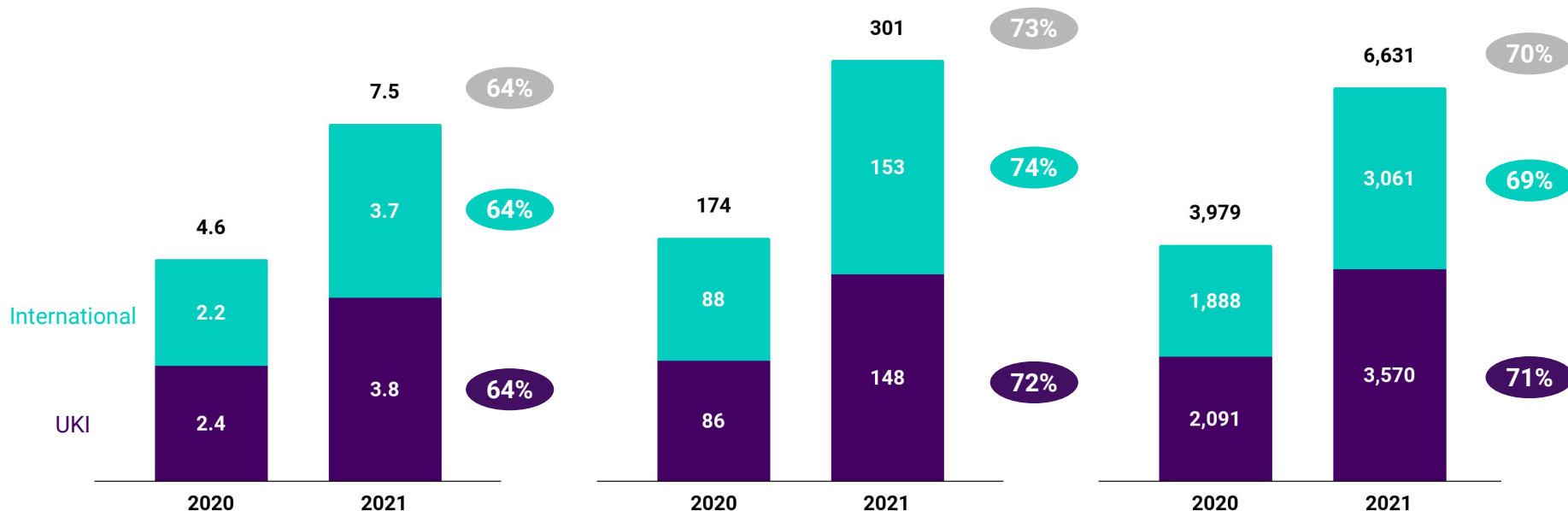
Group | Strong year-on-year growth in both geographic segments



Average monthly active consumers¹
m, global

Orders
m, global

GTV
£m, global

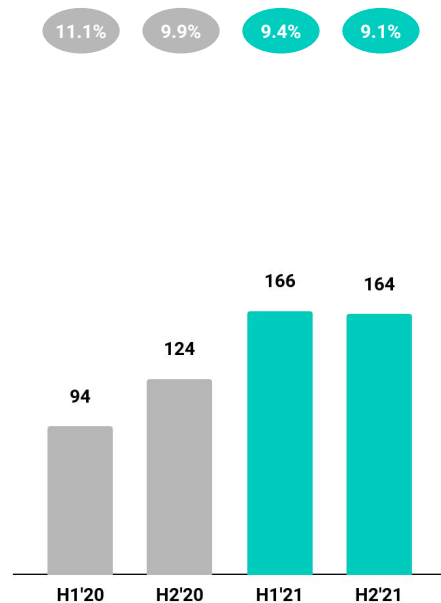


x% Year-on-year growth

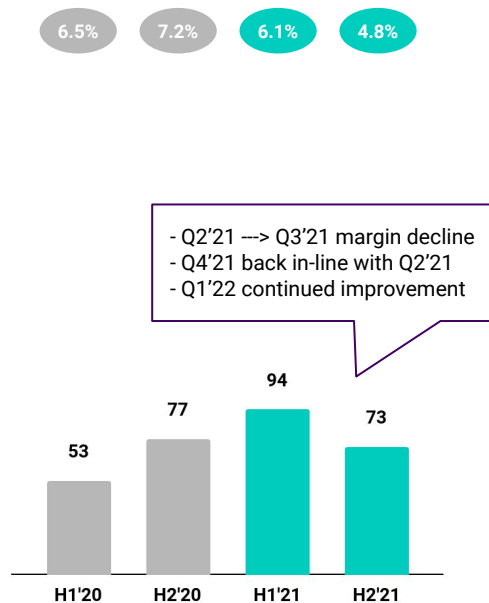
Group | Investments above gross profit to support future growth



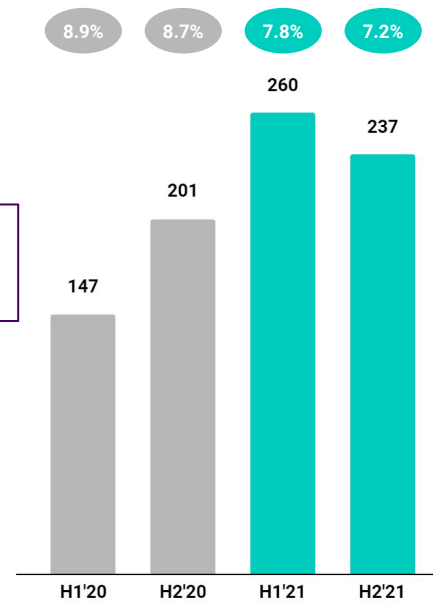
UK&I gross profit £m



International gross profit £m



Group gross profit £m



- Step up in investments above gross profit to support future growth, e.g. selection and new consumer acquisition and retention
- Reversal of benefits from higher basket sizes during COVID-related lockdowns

x% % of GTV

Group | Increased investments to build long-term value

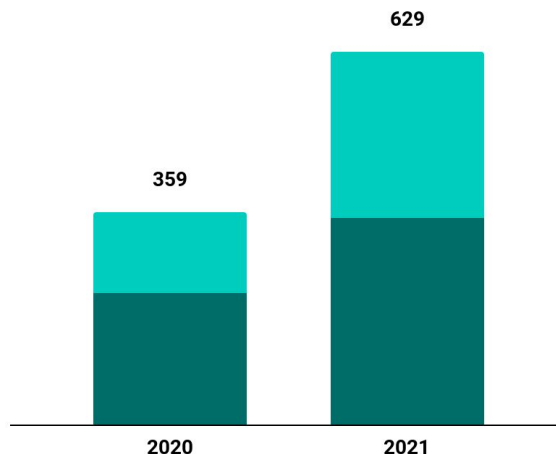
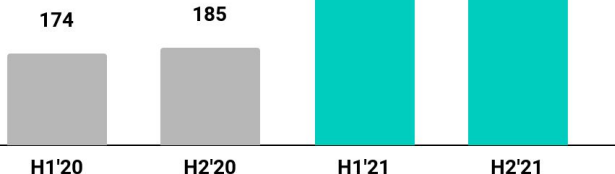


Marketing and overheads £m half year

Marketing and overheads £m full year

10.9% 7.7% 8.8% 10.2%

9.0% 9.5%



Overheads Marketing

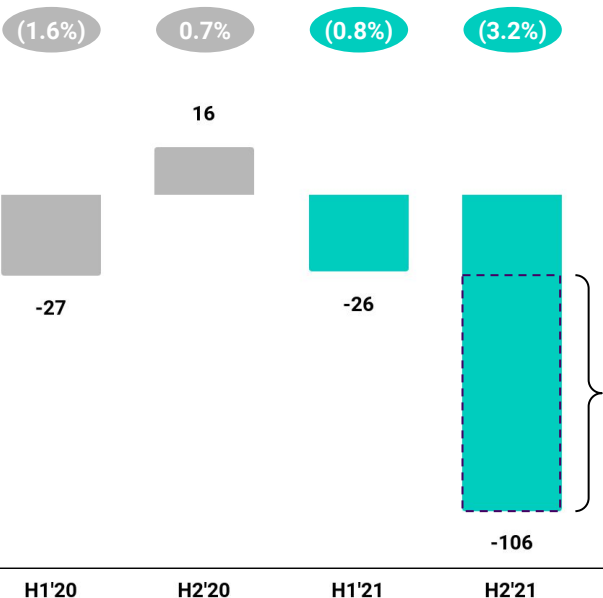
x% % of GTV

- Increased investments to build long-term value, including in our engineering team, acquiring new consumers and building our brand equity and awareness
- Lower investment in 2020 due to conservative capital allocation as a result of CMA investigation and initial COVID uncertainty

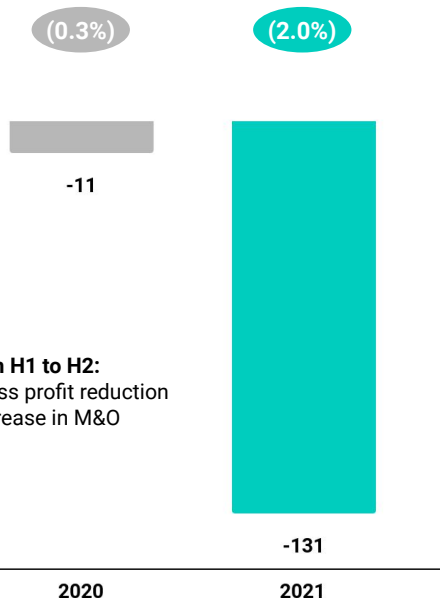
Group I Higher adjusted EBITDA loss reflects investments to drive future growth and reversal of COVID lockdown benefits



Adjusted EBITDA £m half year



Adjusted EBITDA £m full year



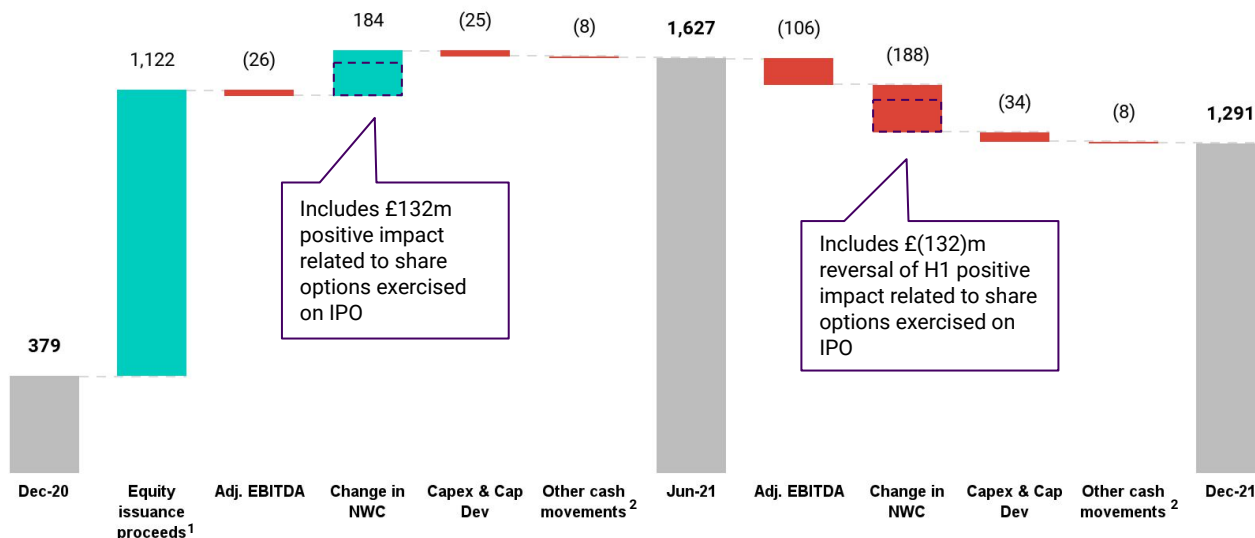
- Higher aggregate gross profit more than offset by increased investments in marketing and overheads to support future growth
- Higher H2 2021 adjusted EBITDA loss reflects the second-half weighting of growth investments, as well as the reversal of benefits from higher basket sizes during COVID-related lockdowns

x% % of GTV

Group | Healthy balance sheet and liquidity



Cash and cash equivalents £m



- We remain well-capitalised with £1.3bn of cash and cash equivalents, plus the ability to draw on an RCF if we choose
- H2 change in net working capital (NWC) includes expected unwind of £132 million related to the timing of employee tax and social security payments on share options exercised on IPO
- Remaining working capital movement due to timing of restaurant payments at the end of the year

Group GTV by Cohort | Cohort behaviour remains attractive and predictable



GTV by cohort



- Each consumer cohort has consistently increased the amount it spends on our platform in subsequent years
- Net GTV retention of more than 100% every year
- Size of new cohorts has increased each year

Consumer cohorts ■ Pre-2017 ■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021

UK cohort behaviour | Trend of increasing order frequency by cohort has continued since reopening



Period:	Q4 2016	Q4 2017	Q4 2018	Q4 2019	Q4 2020	Q4 2021
Cohort:	Monthly Average Order Frequency (of MACs)					
2015	2.9x	3.2x	3.9x	4.1x	5.1x	5.4x
2016		2.6x	3.2x	3.4x	4.0x	4.3x
2017			3.0x	3.2x	3.6x	3.9x
2018				3.1x	3.5x	3.8x
2019					3.4x	3.7x
2020						3.2x
Legend:	Y2	Y3	Y4	Y5	Y6	Y7

- Pre-pandemic trend was for annual cohorts to increase average order frequency (AOF) each year
- In 2020, the rate of annual increase in AOF stepped up during COVID
- Encouragingly, each annual cohort saw frequency increase further in Q4 2021 vs Q4 2020, even as COVID restrictions had unwound by Q4 2021

UAE cohort behaviour | Highest order frequency market with more mature cohorts now ordering over 10x per month



Period:	Q4 2016	Q4 2017	Q4 2018	Q4 2019	Q4 2020	Q4 2021
Cohort:	Monthly Average Order Frequency (of MACs)					
2015	6.2x	6.7x	7.8x	8.7x	10.0x	10.3x
2016		5.7x	7.4x	8.5x	10.3x	10.7x
2017			5.9x	7.1x	8.9x	9.4x
2018				6.3x	7.9x	8.6x
2019					6.9x	7.5x
2020						5.7x
Legend:	Y2	Y3	Y4	Y5	Y6	Y7

- UAE is our most mature market in terms of AOF
- Cohorts in UAE can have monthly AOF more double that of UKI
- Similar trends to UKI with cohorts increasing AOF each year, including 2021, post-reopening

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Path to profitability | Adjusted EBITDA margin guidance over the short, medium and long term



	2021 Actual	2022 Guidance	Medium- term	Longer- term
Adjusted EBITDA margin <i>% of GTV</i>	(2.0)%	(1.5)% - (1.8)%	Aim to reach breakeven at some point during H2 2023 - H1 2024	Aim to reach 4%+ by 2026 Further upside beyond 2026

Throughout this section, and the rest of this presentation, 'profitability' means on an adjusted EBITDA basis



1. Path and levers to 2026 adjusted EBITDA guidance
2. Path to reach breakeven at some point during H2 2023 - H1 2024
3. Existing market profitability proof points
4. Hyperlocal profitability examples

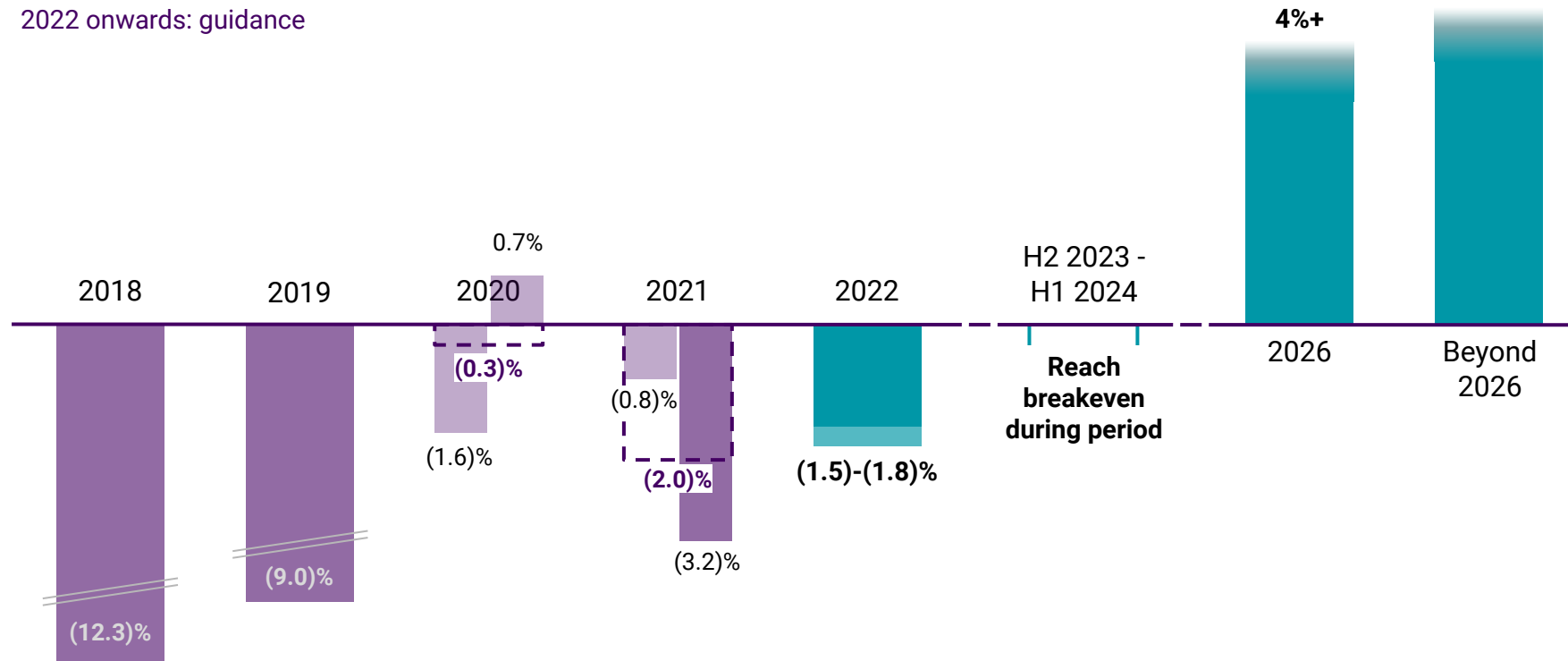
Path to profitability | Timeline of path to adjusted EBITDA profitability



Adjusted EBITDA margin (% of GTV)

2018-2021: actuals

2022 onwards: guidance



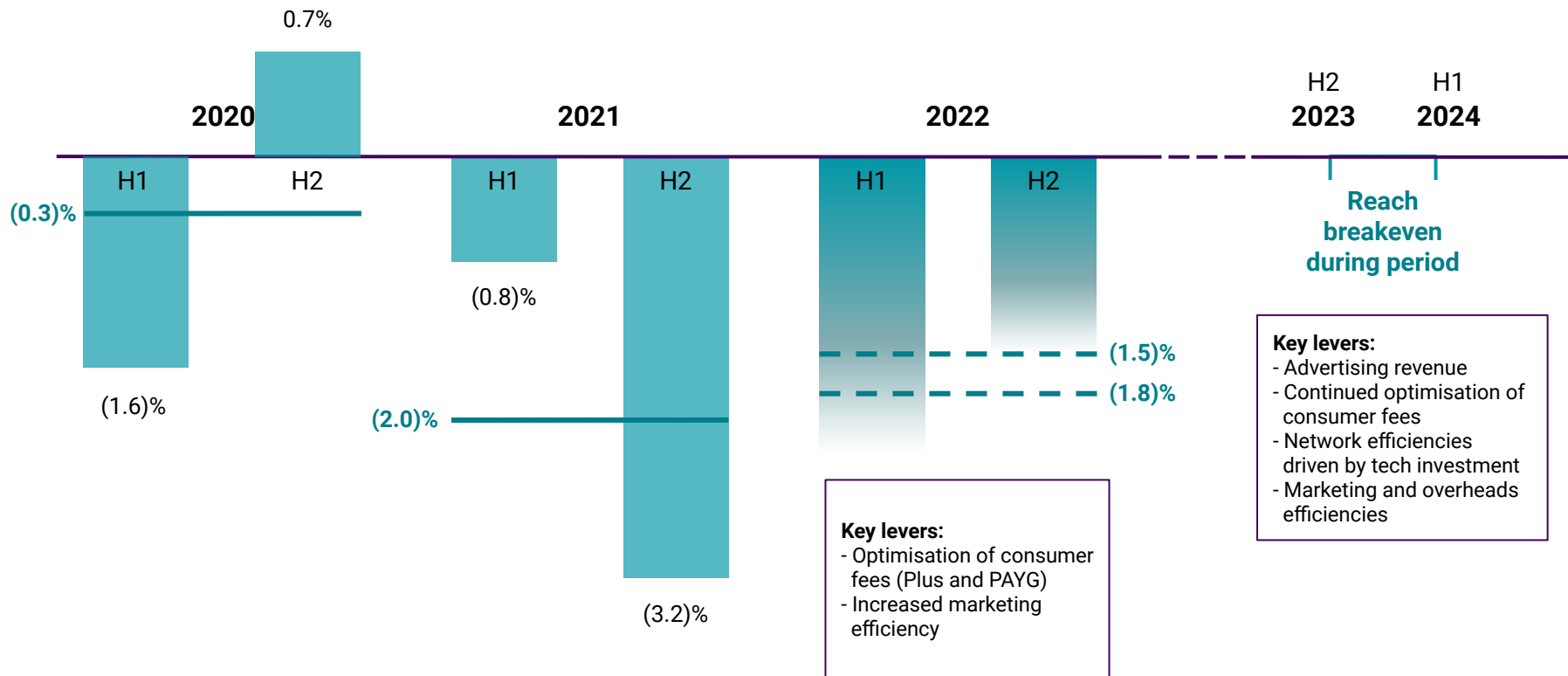
Path to profitability | Illustrative example of potential pathway and levers



	% of GTV			Key Components	Levers
	2021	2026	bps chg		
Revenue	27.5 %			Commission, consumer, and advertising revenue; refunds	Revenue levers • Increase AOV (eg by upselling) • Optimise consumer pricing • Develop high quality advertising model • Reduce fraud & improve order accuracy
Cost of sales	(20.0)%			Delivery costs; card fees	
Gross Profit	7.5 %	~10-11%	~250-350		
Marketing	(4.0)%			Consumer (performance, own digital, brand-building) and rider marketing	Cost of sales levers • Reduce 'rider experience time' (eg wait time at restaurant, handover to consumer) • Increase network density and batching • Reduce card fees
Overheads	(5.5)%			Semi-variable (ops & sales); people (tech & non-tech); facilities & other	
M&O	(9.5)%	~(6)-(7)%	~250-350		Marketing & overheads levers • Improve marketing efficiency/targeting • Increase automation (eg self-service support for partners & consumers) • Drive operating leverage with scale
Adj. EBITDA	(2.0)%	4.0%+	600+		

2021 GTV % rounded to nearest 50 bps for illustrative purposes

Path to breakeven | Expect half-on-half improvement in H1 & H2 2022



Path to profitability | Already achieved fully-allocated adjusted EBITDA profitability in key markets



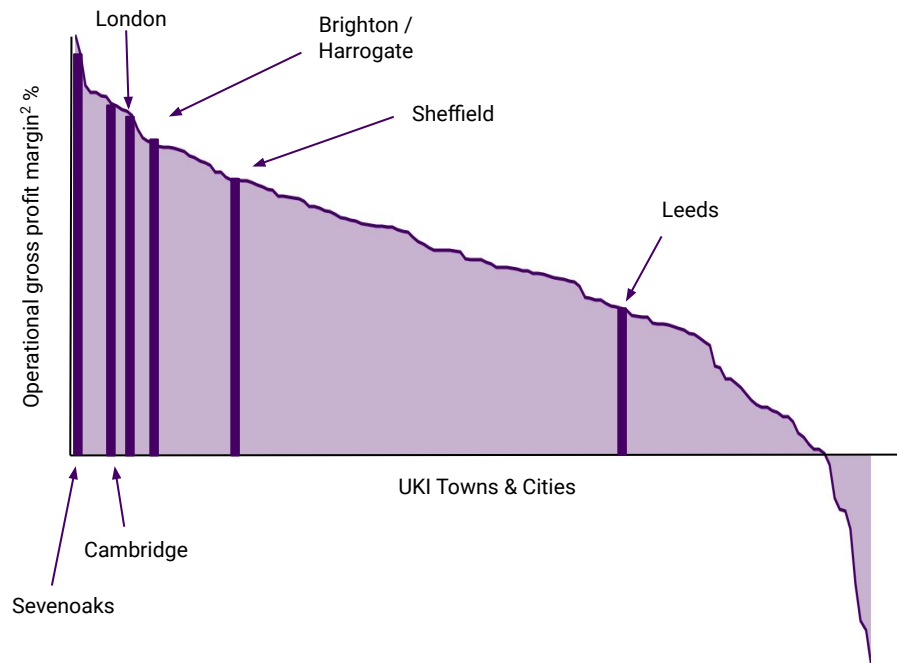
% of GTV	UKI % of GTV		UAE % of GTV	
	2020	2021	2020	2021
Gross Profit	10.4 %	9.3 %	> 10 %	> 10 %
Segment/Country adjusted EBITDA	3.8 %	2.6 %	> 5 %	> 4 %
Share of unallocated central costs ¹	Fully allocated as % of GTV	Fully allocated as % of GTV	Fully allocated as % of GTV	Fully allocated as % of GTV
Segment adjusted EBITDA, fully-allocated basis	1.4 %	0.0 %	> 2.5 %	~ 2 %

- Key markets have achieved positive adjusted EBITDA margins both pre- and post-allocation of Group costs
- On a fully allocated basis, both UKI and UAE have been adjusted EBITDA breakeven or profitable in each of the last two years

Path to profitability | Strong gross profit margins across multiple types of town/city in UKI - with plenty of opportunities too



UKI, Q4 2021

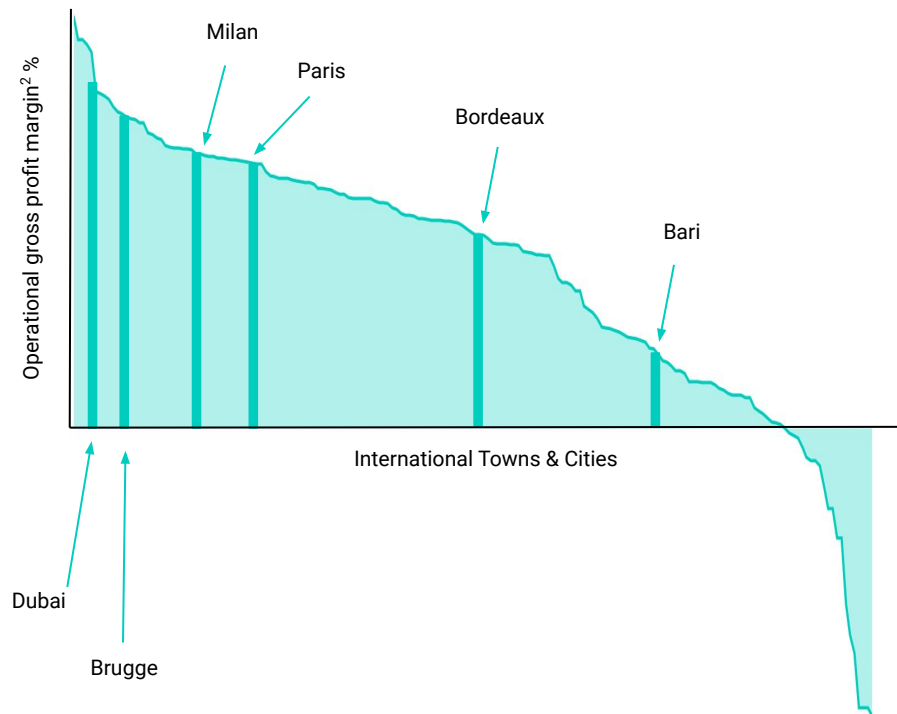


Town/City Type¹	Town/City	Location	Operational gross profit margin²
Small	Sevenoaks	South	13%
Mid	Cambridge	East	12%
Large	London	South	11%
Mid	Brighton	South	10%
Small	Harrogate	North	10%
Large	Sheffield	North	9%
Mid	Belfast	NI	8%
Large	Leeds	North	5%
Mid	Southampton	South	5%

Path to profitability | Solid gross profit margins across multiple types of town/city across International markets - with plenty of opportunities too



International³, Q4 2021



Town/City Type¹	Town/City	Location	Operational gross profit margin²
Large	Dubai	UAE	11%
Mid	Brugge	Belgium	10%
Large	Milan	Italy	9%
Large	Paris	France	9%
Small	Frosinone	Italy	9%
Large	Bordeaux	France	6%
Mid	Montpellier	France	6%
Small	Vercelli	Italy	5%
Mid	Bari	Italy	2%

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Guidance | For 2022 and beyond



	2021 Actual	2022 Guidance	Medium- term	Longer- term
GTV	70%*	15% - 25%* <i>H2 growth rate above H1</i>	20 - 25%* p.a.	
Adjusted EBITDA margin <i>% of GTV</i>	(2.0)%	(1.5)% - (1.8)%	Aim to reach breakeven at some point during H2 2023 - H1 2024	Aim to reach 4%+ by 2026 Further upside beyond 2026

Summary | Key takeaways



- 1 Strong year of growth**, with full year Gross Transaction Value (GTV) **up 70% YoY**
- 2 Continued progress** with **Plus, Editions** and **Grocery**
- 3 Robust financial position** with £1.3 billion in cash & cash equivalents at 31 Dec 2021
- 4 2022 guidance:** GTV growth in the range of 15–25% (at constant currency) and adjusted EBITDA in the range of (1.5)–(1.8)% as % of GTV
- 5 Outlining path to profitability:** aim to reach adjusted EBITDA breakeven at some point during H2 2023 - H1 2024, with 4%+ adjusted EBITDA margin (as % of GTV) by 2026



Q&A

Any questions?



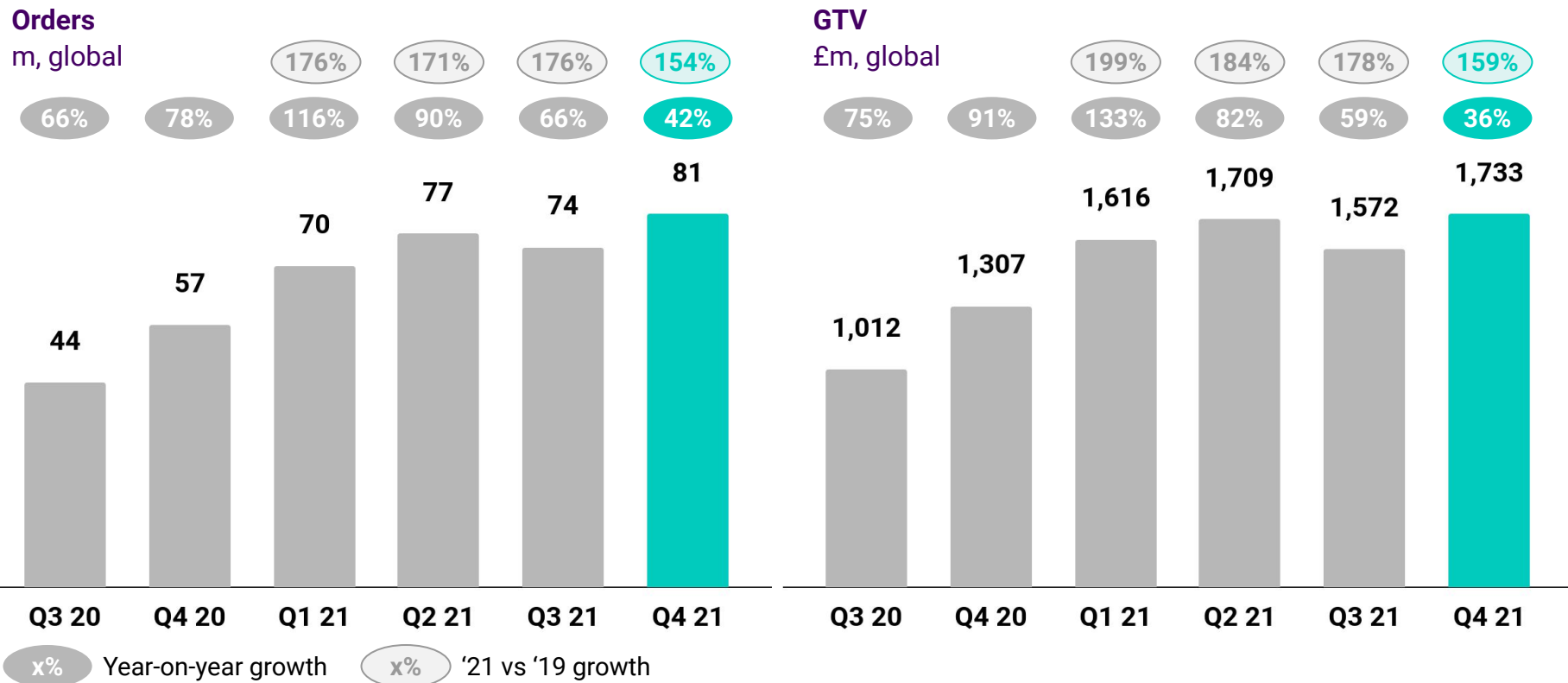
Appendix

Overview | 2021 performance vs. guidance



	Original 2021 Guidance ¹	Q3 revised 2021 Guidance ²	2021 Actual
GTV growth	30-40%	60-70%	70% ✓
Gross profit % GTV	7.5-8.0%	7.5-7.75%	7.5% ✓

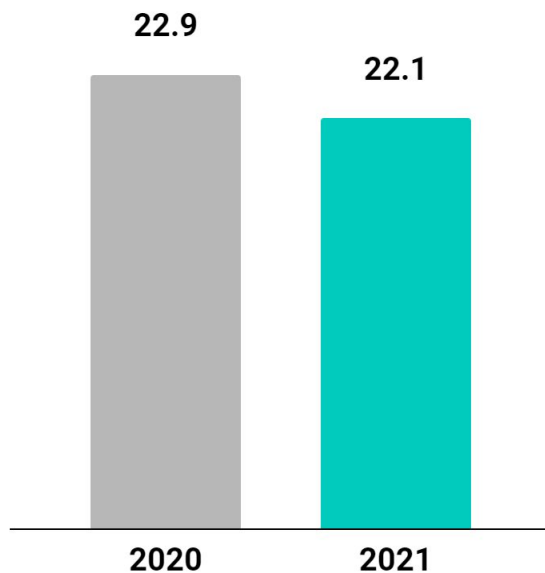
Group | Q4 sequential growth in orders and GTV of 10% and 11%, respectively



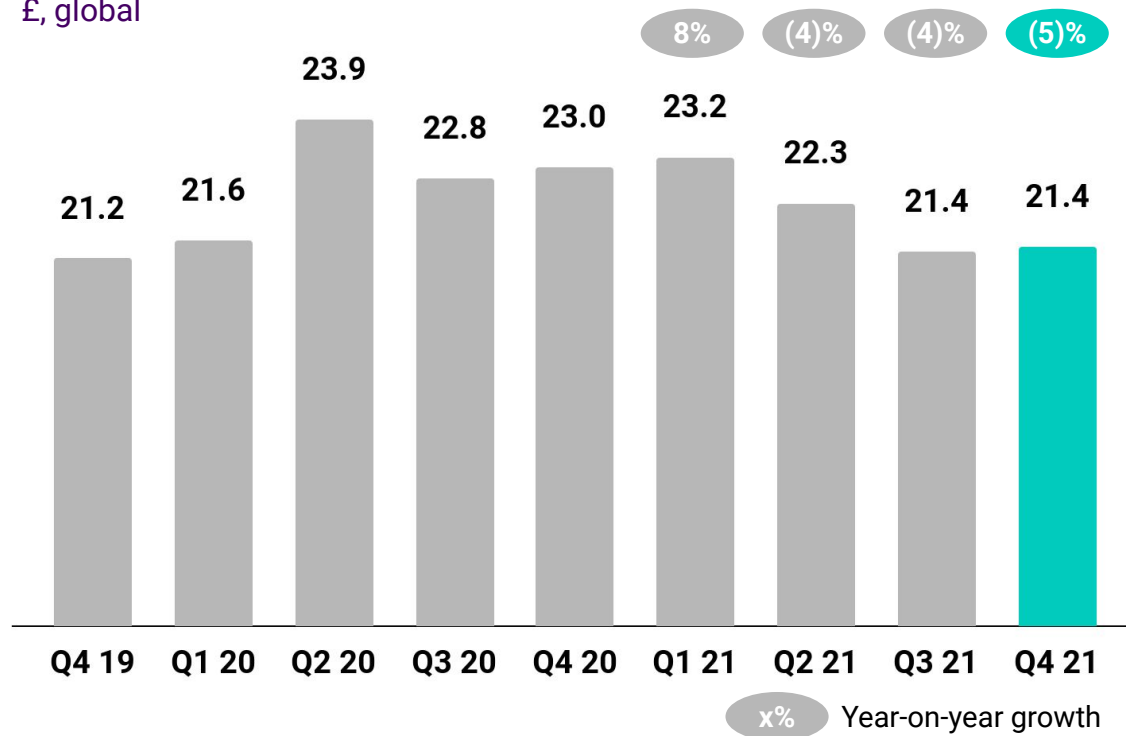
Group | GTV per order has stabilised in the second half, having reverted towards pre-pandemic levels



GTV per order
£, global



GTV per order
£, global

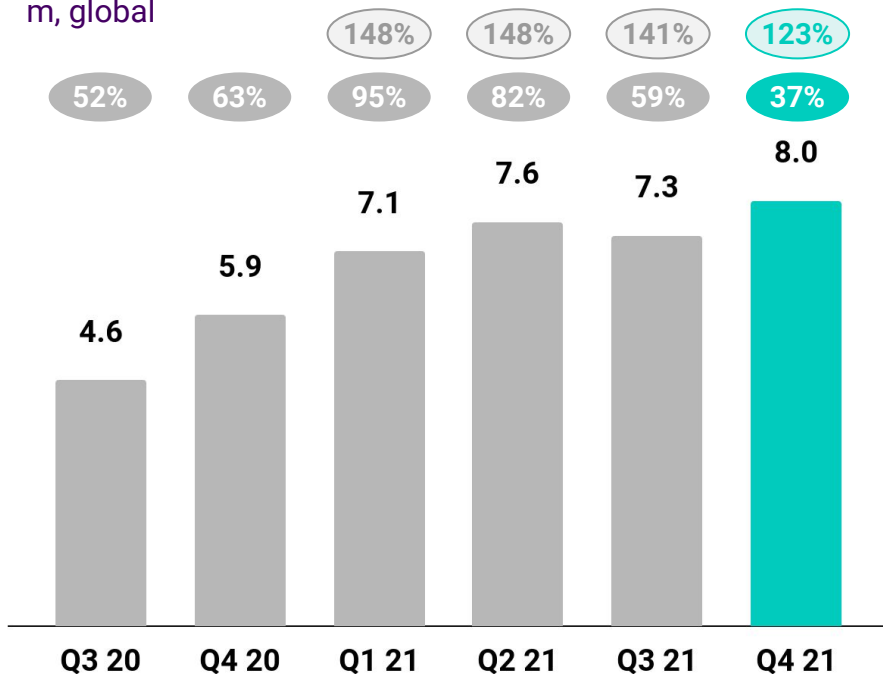


Group I Growth continues to be driven by consistent year-on-year increase in average monthly active consumers



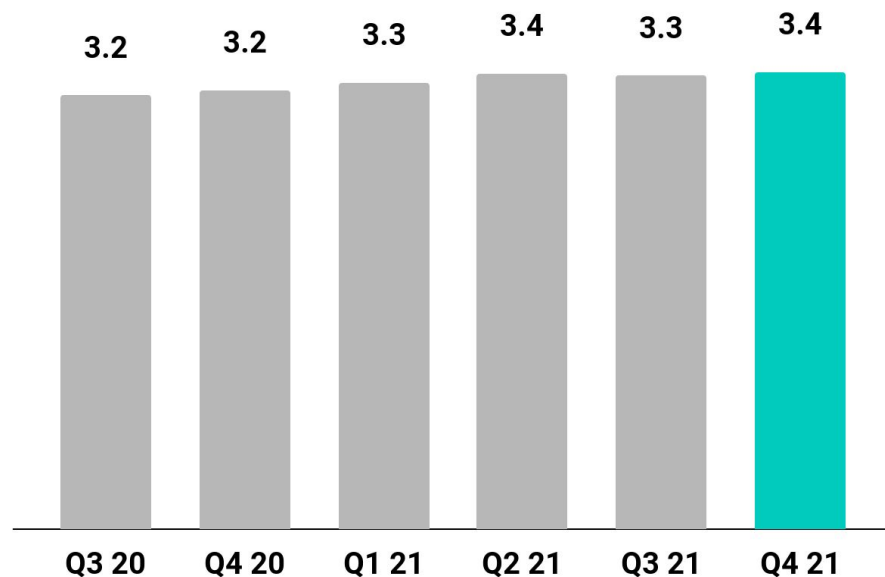
Average monthly active consumers

m, global



Average monthly order frequency

#, global

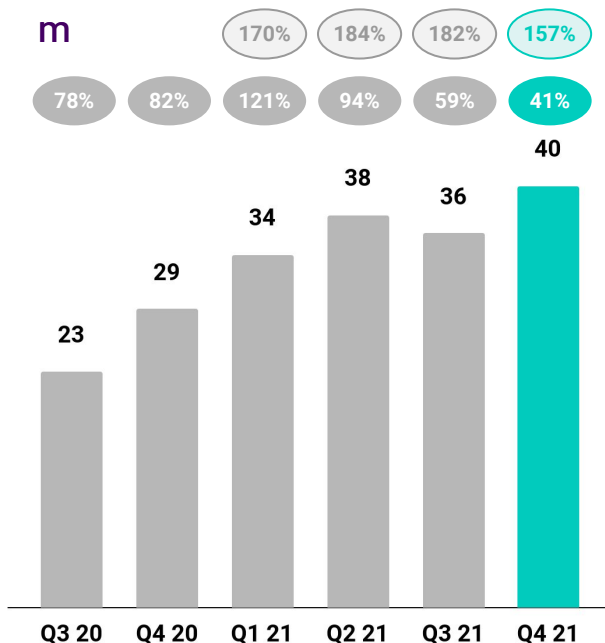


x% Year-on-year growth x% '21 vs '19 growth

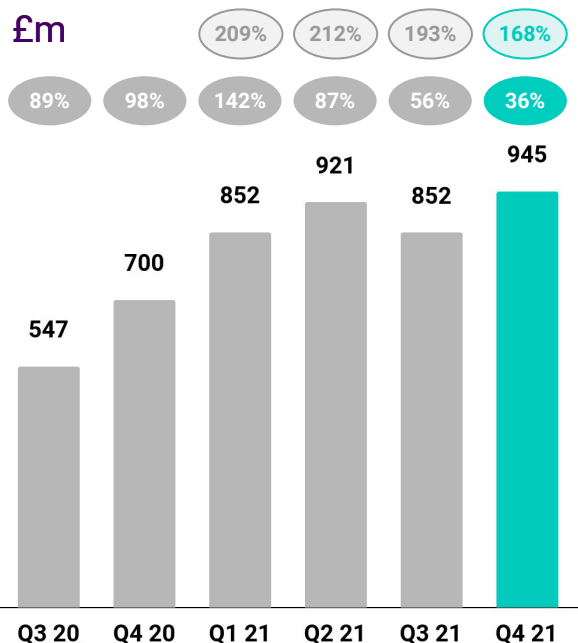
UK & Ireland | Continued market share gains and expanded population coverage



Orders m



GTV £m



Highlights

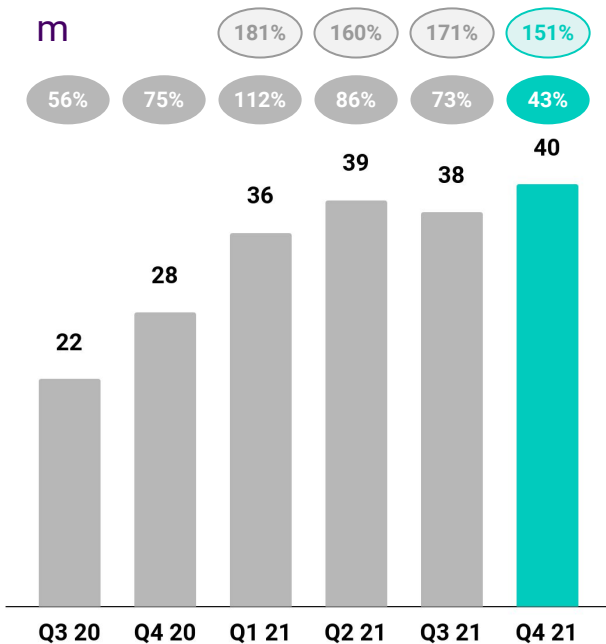
- Continued market share gains throughout Q4
- Expanded population coverage to 77%
- Growth initiatives:
 - Continued momentum of Plus partnership with Amazon Prime
 - Launched ~30 Editions kitchens across London
 - 3 Deliveroo Hop sites now live in London

x% Year-on-year growth x% '21 vs '19 growth

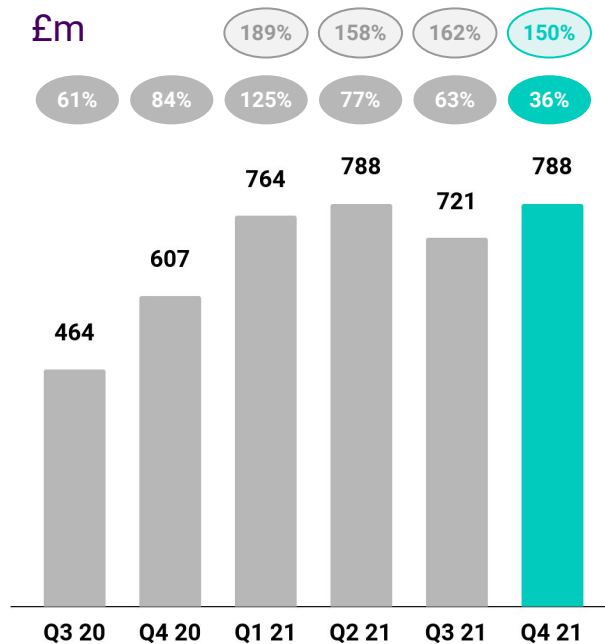
International | Strengthened market positions and further rollout of grocery and Editions



Orders m



GTV £m



Highlights

- Continued to strengthen position across key cities in major markets (e.g. Toulouse, Lille and Lyon)
- Further enhanced grocery selection, including new partnership with Picard in France
- Launched ~20 Editions kitchens across Hong Kong and France

x%

Year-on-year growth

x%

'21 vs '19 growth

Financial KPIs (excluding Spain)



£m		Q1 20	Q2 20	H1 20	Q3 20	Q4 20	FY 2020	Q1 21	Q2 21	H1 21	Q3 21	Q4 21	FY 2021
Group													
Orders (m)		32	40	73	44	57	174	70	77	146	74	81	301
% year-over-year		-	-	-	-	-	-	116%	90%	102%	66%	42%	73%
GTV		695	965	1,660	1,012	1,307	3,979	1,616	1,709	3,325	1,572	1,733	6,631
% year-over-year		-	-	-	-	-	-	133%	77%	100%	55%	33%	67%
Gross profit				147			348			260			497
% of GTV				-			-			-			-
Adj. EBITDA				(27)			(11)			(26)			(131)
% of GTV				-			-			-			-
UK & Ireland													
Orders (m)		15	19	35	23	29	86	34	38	71	36	40	148
% year-over-year		-	-	-	-	-	-	121%	94%	106%	59%	41%	72%
GTV		352	492	844	547	700	2,091	852	921	1,773	852	945	3,570
% year-over-year		-	-	-	-	-	-	142%	87%	110%	56%	35%	71%
Gross profit				94			217			166			330
% of GTV				-			-			-			-
Adj. EBITDA				35			81			55			91
% of GTV				-			-			-			-
International													
Orders (m)		17	21	38	22	28	88	36	39	75	38	40	153
% year-over-year		-	-	-	-	-	-	112%	85%	97%	73%	43%	74%
GTV		343	473	816	464	607	1,888	764	788	1,552	721	788	3,061
% year-over-year		-	-	-	-	-	-	123%	67%	90%	55%	30%	62%
Gross profit				53			131			94			167
% of GTV				-			-			-			-
Adj. EBITDA				(6)			7			(10)			(56)
% of GTV				-			-			-			-

GTV growth rates are shown at reported currency. Numbers may not always cast due to rounding.