

Solid Q1 growth against challenging comparison base, further expansion of offering

Performance Highlights

- **Solid growth in Q1 2022**, with gross transaction value (GTV) up 12% year-on-year in constant currency and orders up 18% – a strong performance against a Q1 2021 comparison base that included lockdown restrictions in many markets
- **Q1 2022 GTV growth of 3% sequentially** (vs Q4 2021) in constant currency with orders up 2%; GTV per order broadly stable sequentially, up by 1% QoQ in constant currency, following a similar increase in Q4 vs Q3 2021
- **Both UKI and International segments contributed to growth**, with UKI GTV up 12% and orders up 20% and International GTV up 11% and orders up 16%, all year-on-year and in constant currency
- **Continued expansion of Deliveroo offering**: Deliveroo Plus collaboration with Amazon Prime expanded to France and Italy; further Deliveroo Hop sites opened with Waitrose in UK and Carrefour in Italy; WHSmith pilot launched to trial delivery from 10 stores across the UK
- **FY 2022 guidance maintained**: GTV growth expected to be in the range of 15-25% (in constant currency) with higher growth rate in H2 than in H1, given the challenging comparison base in H1; adjusted EBITDA margin (as a % of GTV) expected to be in the range of (1.5)–(1.8)%

Will Shu, Founder and CEO of Deliveroo, said:

“Our first quarter performance was in line with the guidance we provided in March. We delivered solid growth of 12% in Q1 2022, against a tough comparison base in Q1 2021, when many of our markets were still experiencing lockdown restrictions. I’m delighted that we continued to strengthen our offering for consumers this quarter: we expanded existing relationships in grocery with Waitrose and Carrefour, widened our offer of 12-months free Plus subscription for Amazon Prime members to include France and Italy, and launched a new pilot with WHSmith in the UK. Consumer behaviour may moderate during the year, and this is reflected in our guidance. We remain confident in our ability to adapt financially to any further changes in the macroeconomic environment. We continue to be excited about the opportunity ahead and our ability to capitalise on it.”

GTV and Orders

			% Change	
Continuing operations	Q1 2022	Q1 2021	Reported currency	Constant currency
Group				
GTV (£m)	1,787	1,616	11%	12%
Orders (m)	82.4	69.6	18%	-
GTV per order (£)	21.7	23.2	(7)%	(6)%
UKI				
GTV (£m)	956	852	12%	12%
Orders (m)	40.7	33.8	20%	-
GTV per order (£)	23.5	25.2	(7)%	(7)%
International				
GTV (£m)	831	764	9%	11%
Orders (m)	41.7	35.8	16%	-
GTV per order (£)	19.9	21.3	(7)%	(5)%

Performance Review

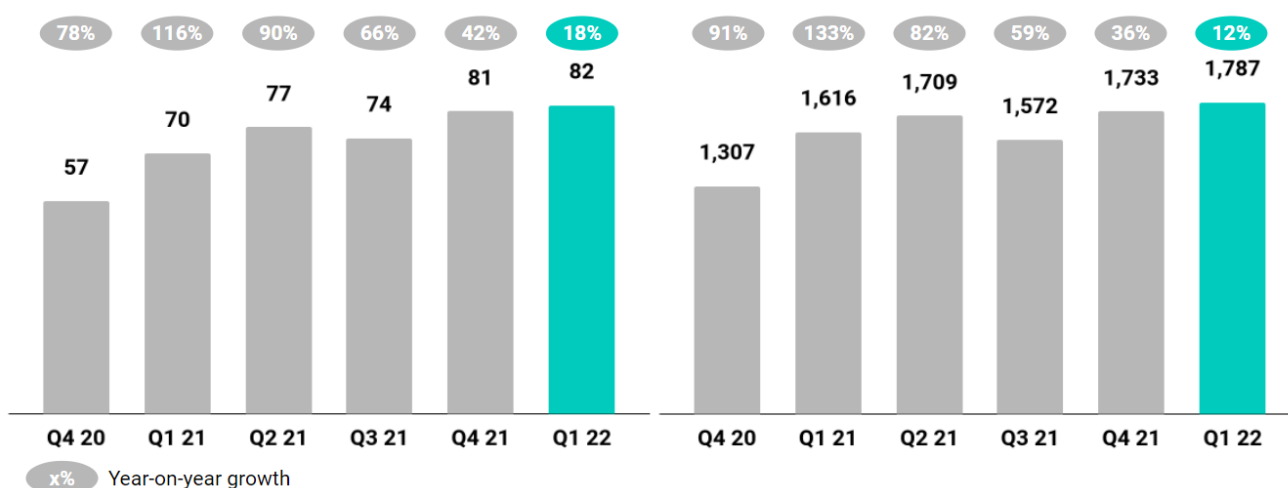
In this announcement, all figures exclude results from Spain, where operations ended in November 2021 and are treated as discontinued operations.

1. Overview

Overall, Deliveroo produced another good quarter in Q1 2022. Gross transaction value (GTV) increased to £1,787 million, up 11% (12% in constant currency) year-on-year against a Q1 2021 comparison base that included lockdown restrictions in many markets. Growth in orders was 18% year-on-year, exceeding GTV growth; this was partially offset by a year-on-year reduction in GTV per order of (7)% ((6)% in constant currency), as basket sizes were elevated during lockdowns in Q1 2021. Sequentially (vs Q4 2021), Q1 2022 GTV grew by 3% in constant currency; orders were up 2% and GTV per order of £21.7 was broadly stable, up by 1% in constant currency following a similar sequential increase last quarter.

Orders
m, global

GTV*
£m, global



* GTV 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 £956 million and orders were 40.7 million in Q1 2022. Year-on-year, GTV growth was 12% in constant currency, below order growth of 20% due to a decrease in average order value vs Q1 2021. Sequentially and in constant currency, GTV was up 1%, orders were up 1%, and GTV per order was flat. Management believes that this represents continued strong performance in a competitive environment and against a tough comparison base in Q1 2021, reflecting the continued strengthening of Deliveroo's consumer value proposition.

	Q1 2022	% Change*	
		vs Q1 2021	vs Q4 2021
UK and Ireland			
GTV (£m)	956	12%	1%
Orders (m)	40.7	20%	1%
GTV per order (£)	23.5	(7)%	0%

* % change shown in constant currency

International

In International, GTV was £831 million and orders were 41.7 million in Q1 2022. Year-on-year, GTV growth was 11% in constant currency, below order growth of 16% due to a decrease in average order value vs Q1 2021. Within the International segment, year-on-year growth rates were generally stronger in markets in Asia Pacific and the Middle East than in Europe, reflecting the different patterns of COVID-related lockdowns in 2021. Sequentially and in constant currency, International GTV was up 5% in Q1 2022, with orders up 3% and GTV per order up 2%.

International	Q1 2022	% Change*	
		vs Q1 2021	vs Q4 2021
GTV (£m)	831	11%	5%
Orders (m)	41.7	16%	3%
GTV per order (£)	19.9	(5)%	2%

* % change shown in constant currency

3. The Three Sides of the Marketplace

Deliveroo operates a complex three-sided marketplace connecting consumers, riders and restaurant and grocery partners across local markets to bring people the food they love. Deliveroo is committed to creating an inclusive marketplace that builds sustainable futures for all sides of the marketplace, helping riders, restaurants and grocers to grow and thrive, and supporting partners and consumers to reduce their emissions and cut food and packaging waste.

Consumers

Deliveroo's consumer base continued to grow compared to prior years, with an average of 8.1 million monthly active consumers in Q1 2022, up 16% compared to Q1 2021. Monthly average order frequency was 3.4 per month in Q1 2022, stable compared to Q4 2021.

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

An important part of Deliveroo's consumer value proposition is Deliveroo Plus, the consumer subscription programme that unlocks access to unlimited free delivery for a fixed monthly fee. Deliveroo Plus removes delivery fees as a barrier to ordering, increasing order frequency and improving retention. During the quarter, Deliveroo Plus was rolled out in the UAE and Kuwait following successful trials in these markets. In March 2022, Deliveroo expanded its existing collaboration with Amazon Prime to allow all Prime members in France and Italy to sign up for free Deliveroo Plus Silver membership for a year, with unlimited free delivery on orders over €25. In September 2021, a similar offer was launched for Prime members in the UK and Ireland.

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 160,000 restaurant partner sites (Q4 2021: over 148,000) and had close to 13,000 grocery sites live (Q4 2021: over 11,000).

During the quarter, Deliveroo further expanded Deliveroo Hop, offering grocery delivery in as little as 10 minutes from delivery-only stores operated by Deliveroo. In February 2022, further Hop sites were launched in the UK in partnership with Waitrose, and March saw the opening of the first international site with Carrefour in Italy. As Deliveroo continues with its cautious expansion of Hop in 2022, this takes the total number of Deliveroo Hop stores to six across London, Manchester and Milan. Operating metrics have been very encouraging so far, with a strong consumer experience (including low incidence of substitutions and missing items) driving high consumer engagement and retention.

In March, Deliveroo also launched a new trial in the non-food segment, working exclusively with WHSmith to bring 600 products including stationery, books and home office items direct to consumers' doors in as little as 20 minutes. This further testing of non-food offerings follows the success of Deliveroo's partnership with Boots launched in 2021, offering delivery of 800 health and beauty products from 14 pilot stores, with very encouraging results so far.

Riders

Riders are a vital part of Deliveroo's three-sided marketplace. Deliveroo works with over 190,000 riders globally and continuously works to balance rider supply and demand. In Q1 2022, rider application pipelines and retention rates were robust, and global rider satisfaction was 83%. To help mitigate the impact of rising fuel costs, during the quarter Deliveroo launched an offer with Shell in the UK to provide riders with discounted fuel.

4. Outlook and Financial Guidance for 2022

Deliveroo is committed to continuing to drive sustainable growth and strengthen the levers of profitability in 2022 and beyond. For 2022, management's expectations reflect current uncertainties, particularly across European markets, due to inflationary pressures, post-COVID consumer behaviour, and the broader geopolitical and economic impacts of the conflict in Ukraine. Nevertheless, management is confident in the Company's ability to adapt financially to a rapidly changing macroeconomic environment, and financial guidance for 2022 is unchanged from that provided with the 2021 full year results in March:

- 2022 GTV growth: expected to be in the range of 15–25% (in constant currency), with a higher growth rate in H2 than in H1, given the challenging comparison base in H1 as last year's COVID restrictions are lapped
- 2022 adjusted EBITDA: expected to be in the range of (1.5)–(1.8)% as a % of GTV, an improvement against (2.0)% in FY 2021 and (3.2)% in H2 2021.

Contact information

Given the proximity of this announcement to the recently-reported FY2021 results, Deliveroo will not hold a conference call on the trading update. Please address any questions to the Investor Relations and Media Relations teams using the contact information below.

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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 over 170,000 best-loved restaurants and grocery partners, as well as over 190,000 riders to provide the best food delivery experience in the world. Deliveroo is headquartered in London, with offices around the globe. Deliveroo operates across 11 markets, including Australia, Belgium, France, Hong Kong, Italy, Ireland, Netherlands, 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 and exclude Spain discontinued operations for the comparative periods.
2. All growth rates reflect a comparison to the three-month period ended 31 March 2021 unless otherwise stated.
3. References to "Q1" are to the three-month period ended 31 March 2022 and to "Q4" are to the three-month period ended 31 December 2021, 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.