

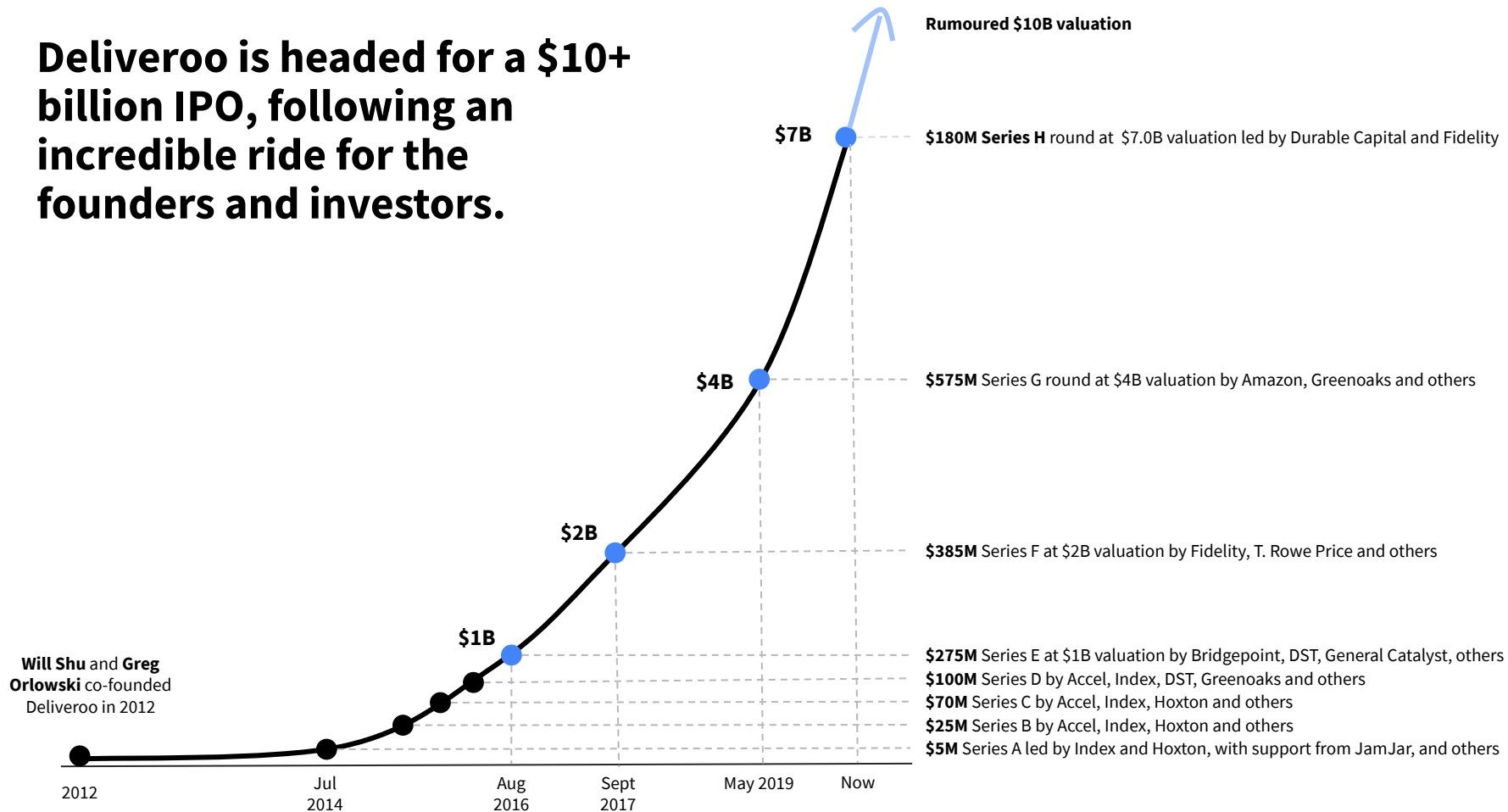


Deliveroo: an incredible ride to IPO

10 March 2021

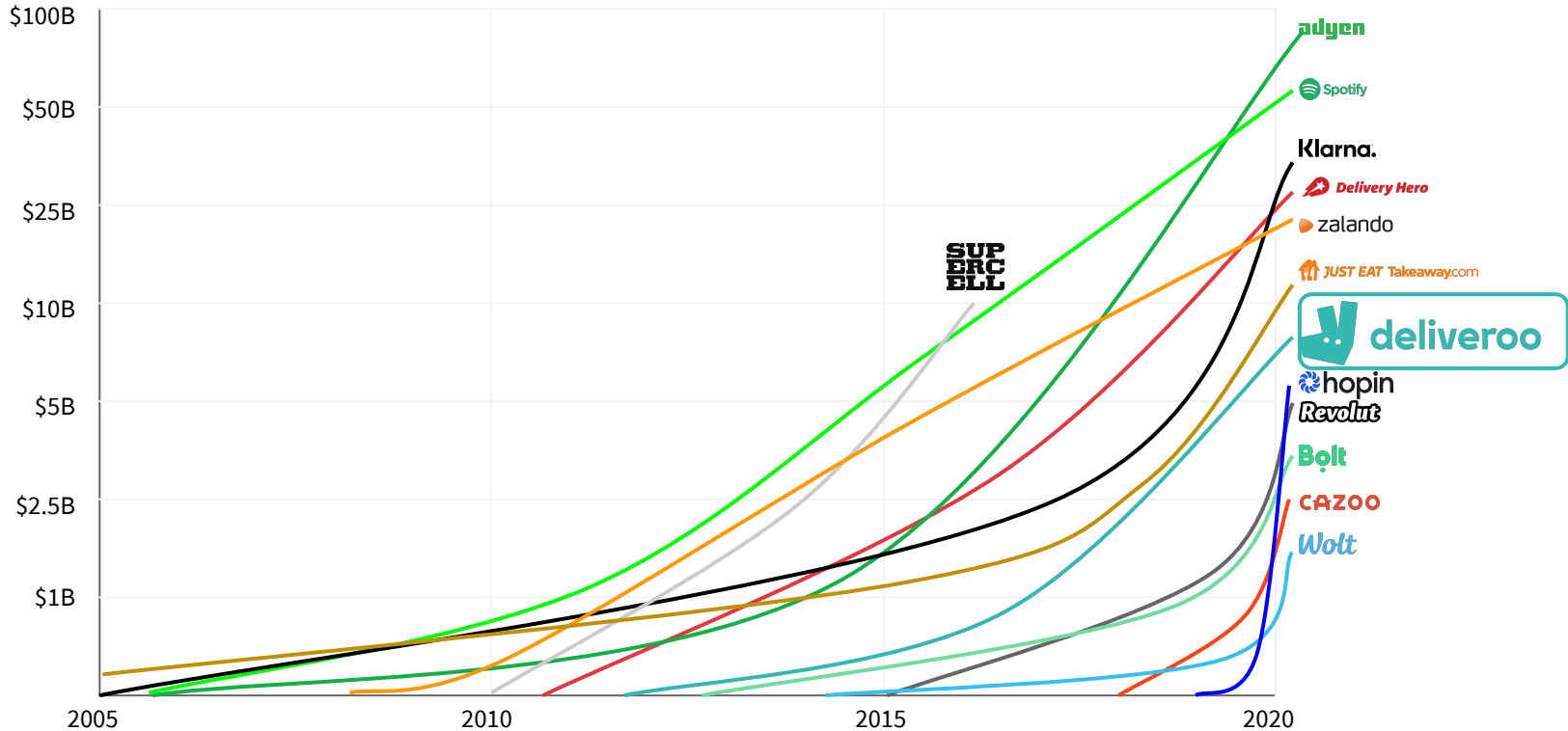


Deliveroo is headed for a \$10+ billion IPO, following an incredible ride for the founders and investors.



Deliveroo is among Europe's fastest-growing startups of the last 10 years.

Enterprise value



Deliveroo is approaching “adjusted EBITDA” profitability.

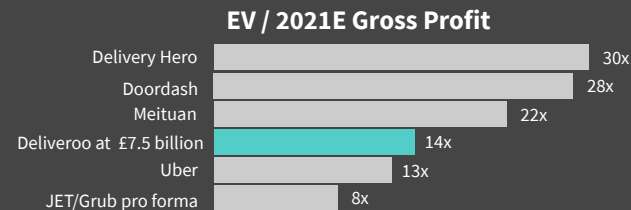
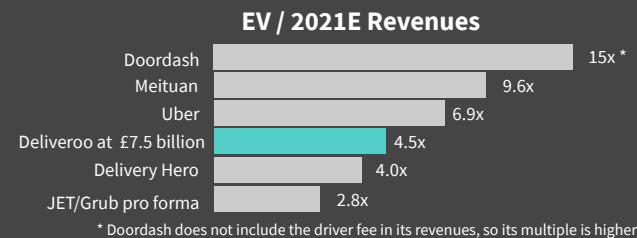
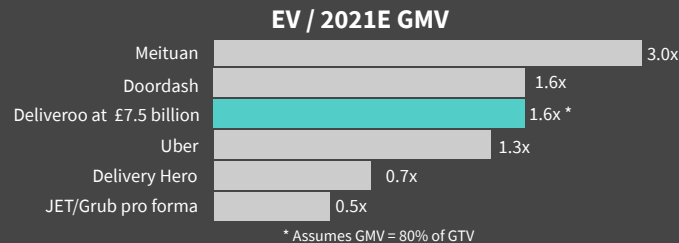
GBP in millions	2015A	2016A	2017A	2018A	2019A	2020A	2021E*
GTV	61	436	1,000	1,600	2,500	4,100	~5,740
% growth		610%	129%	60%	56%	64%	40%
Implied take-rate	29%	29%	28%	30%	30%	29%	29%
Revenue	18	129	277	476	755	1,190	1,655
% growth		610%	115%	72%	59%	58%	40%
Gross profit	(1)	1	64	91	189	356	550
% margin	(7.7%)	0.9%	23.2%	19.1%	25.0%	30.0%	33.0%
Adjusted EBITDA	(29)	(135)	(165)	(198)	(227)	(12)	
% margin	(162%)	(105%)	(60%)	(42%)	(30%)	(1%)	

Notes:

2018-2020 financials taken from registration document except 2018 GTV which is inferred from a graph.
2015-2017 financials are from older statements and may not be fully compatible. GTV data is inferred from a graph and 2015 is estimated based on implied take-rate. Take-rate is simply revenue as percentage of GTV.

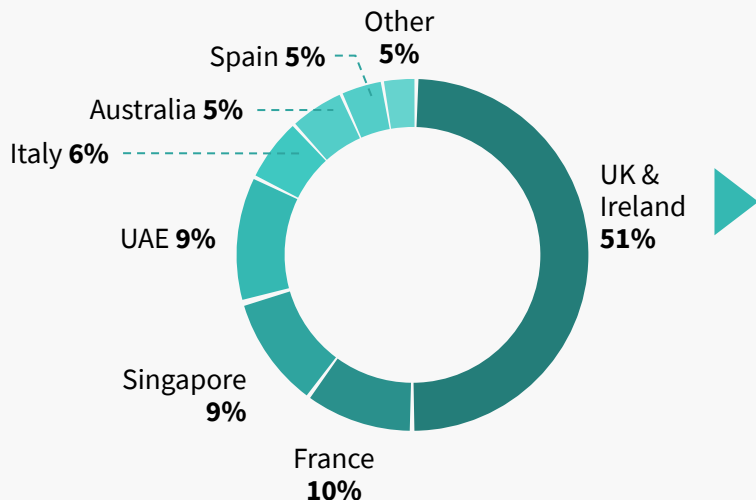
* Dealroom indicative estimate based on simple extrapolation.

Deliveroo is reported to target a valuation of \$10 billion / £7.5 billion.



Almost 50% of Deliveroo's GMV is from the UK, where it's the #3 player. It's focusing (initially) on dense & affluent areas. And its market share is growing.

Deliveroo's GMV by country

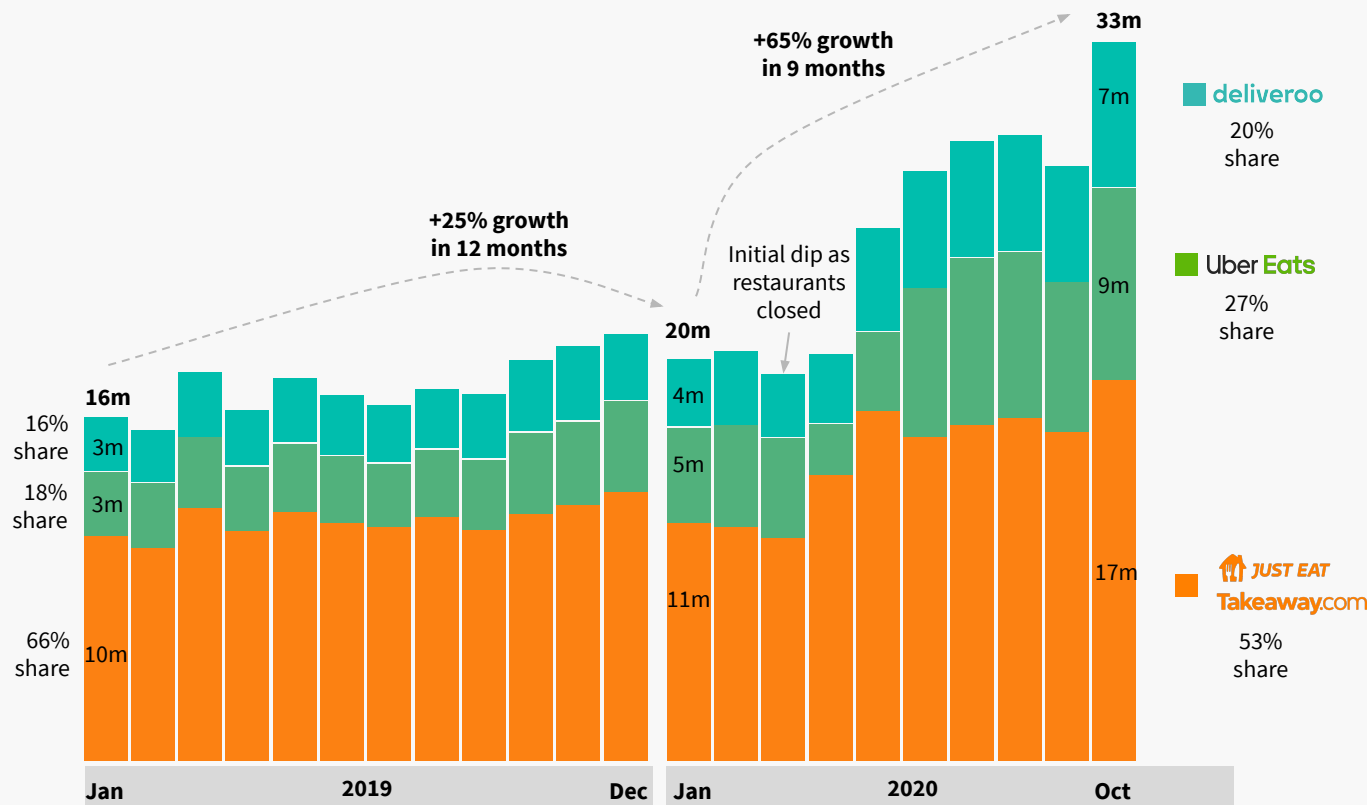


	Top UK players by GMV	HQ	Founded
#1	JUST EAT Takeaway.com	Amsterdam	2001
#2	Uber Eats	San Francisco	2014
#3	deliveroo	London	2012
#4	Domino's	Milton Keynes	1960

Deliveroo increased its UK market share in 2020. The pandemic expanded the entire market by over 50%.

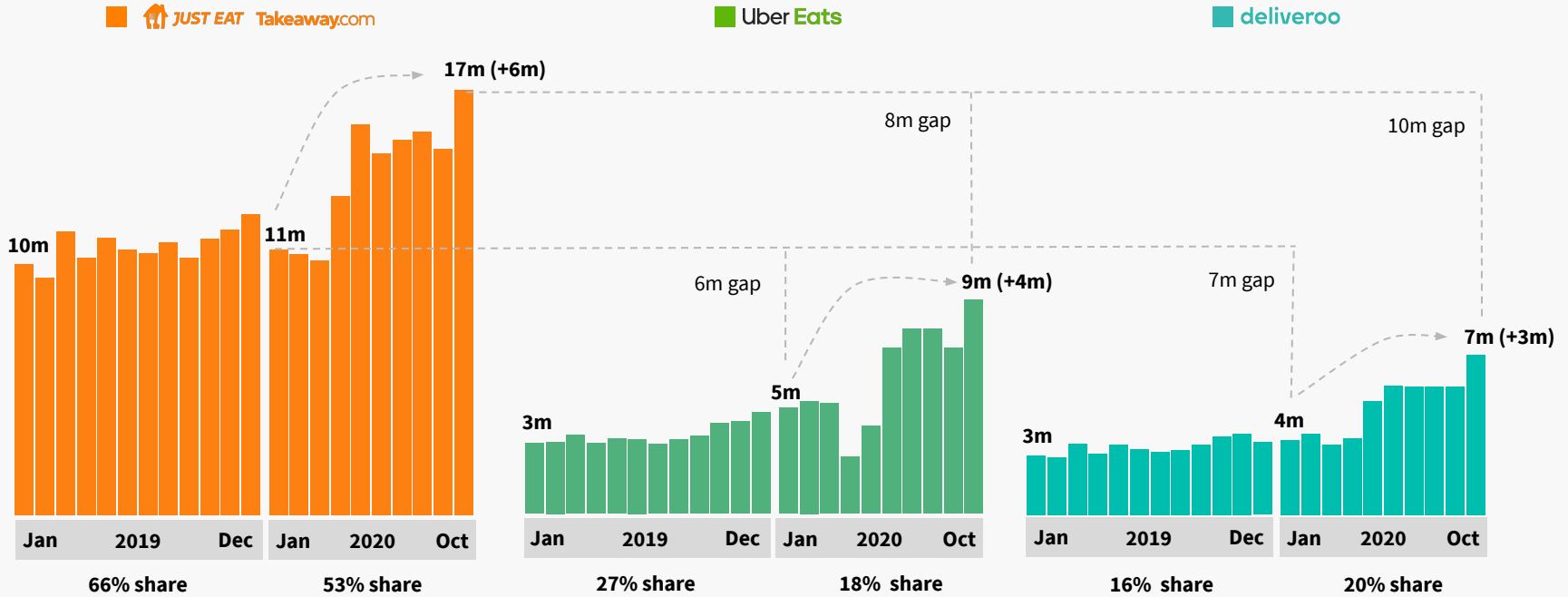
Meanwhile, Uber Eats also increased its market share, but with significantly lower average order size. And a third of its orders are discounted according to an analysis by Just Eat Takeaway.

Number of food delivery transactions in the UK



Just Eat Takeaway added the most UK orders in an absolute sense, and therefore also grew the absolute difference with Uber Eats and Deliveroo.

Number of food delivery transactions in the UK



Meal delivery profitability is about average order value, commission, vouchers and costs of delivery.

Unit economics of illustrative typical order in developed market in developed country (US\$)

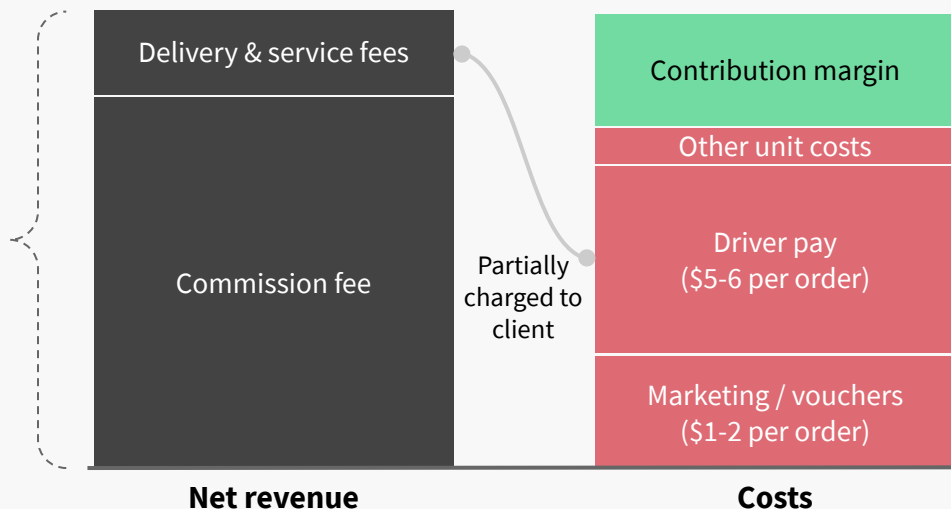
Additional revenues could come from advertising (e.g. from chains), similar to Amazon, Ocado and Meituan



\$8-10 per order

Typically around 15% on marketplace orders

Typically around 30% for logistics orders





Hourly wage ranges from \$12-14 in most developed countries (\$1-7 per hour in developing countries)

Vouchering is used in competitive markets. JET spends <0.5% of GMV, whereas DHER spends 2-3% of GMV on vouchers

Margins vary hugely by business model (marketplace vs. full-stack), market share and maturity. Illustrative unit economics model.

Rounded figures

		UK (a developed & dense market)			Illustrative newer markets	
		 JUST EAT Takeaway.com	Uber Eats	 deliveroo	Lower density areas	Affluent & high density
	Order value incl fees	\$ 29.00	\$ 24.00	\$ 32.00	\$ 20.00	\$ 30.00
x	Total commission	15% *	30%	30%	30%	30%
=	Net revenue per order	\$ 4.35	\$ 7.20	\$ 9.60	\$ 6.00	\$ 9.00
-	Delivery costs **	-	(\$ 5.00)	(\$ 5.00)	(\$ 7.00)	(\$ 2.00)
-	Marketing/vouchers ***	(\$ 0.25)	(\$ 1.00)	(\$ 0.50)	(\$ 2.00)	(\$ 1.00)
-	Other unit costs ****	(\$ 1.00)	(\$ 1.00)	(\$ 1.00)	(\$ 1.00)	(\$ 1.00)
=	Contribution per order	\$ 3.10	\$ 0.20	\$ 2.60	(\$ 4.00)	\$ 5.00
	Contribution margin	+71%	3%	+32%	(67%)	+61%

In dense areas (plus boosted by dark kitchens) Deliveroo can reportedly achieve over 5 deliveries per hour, which would mean <\$2.00 delivery costs.

Source: Dealroom estimates, company annual reports.

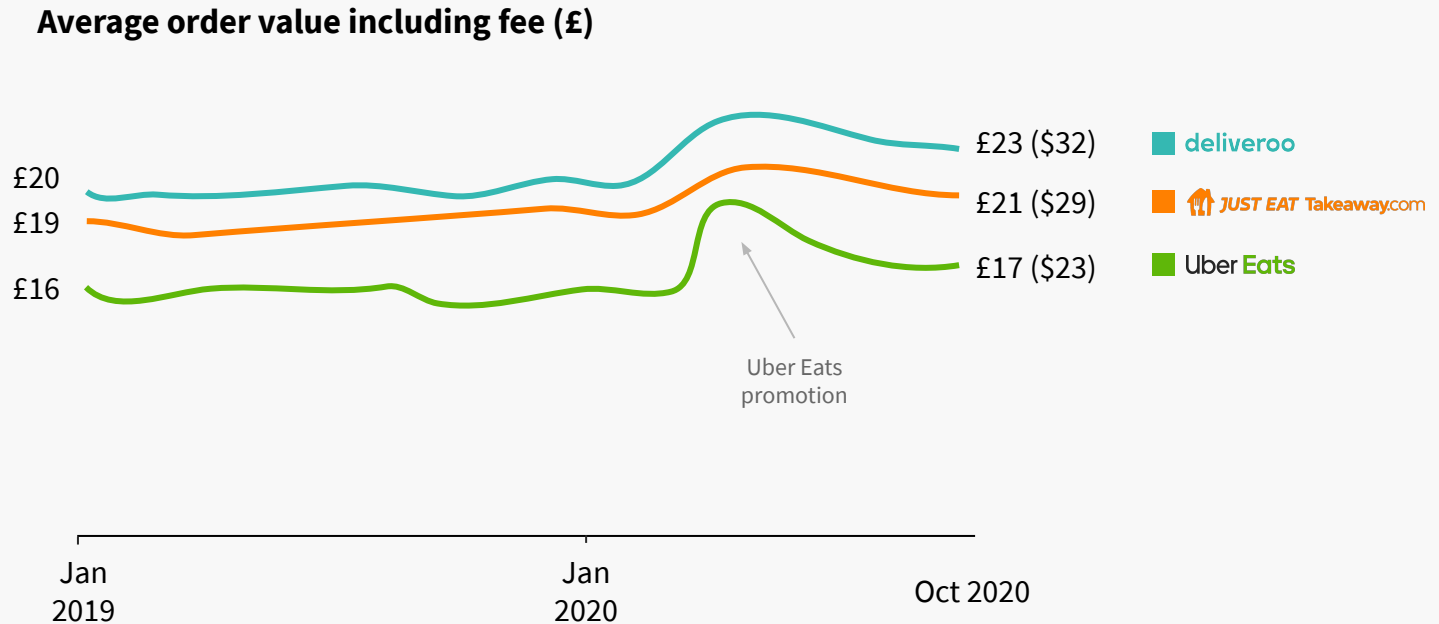
* Just Eat has ~25% own delivery in UK and growing. Here assumes 3rd party delivery.

** Delivery costs assume 2.5-3 rides per hour and \$14/hour wage.

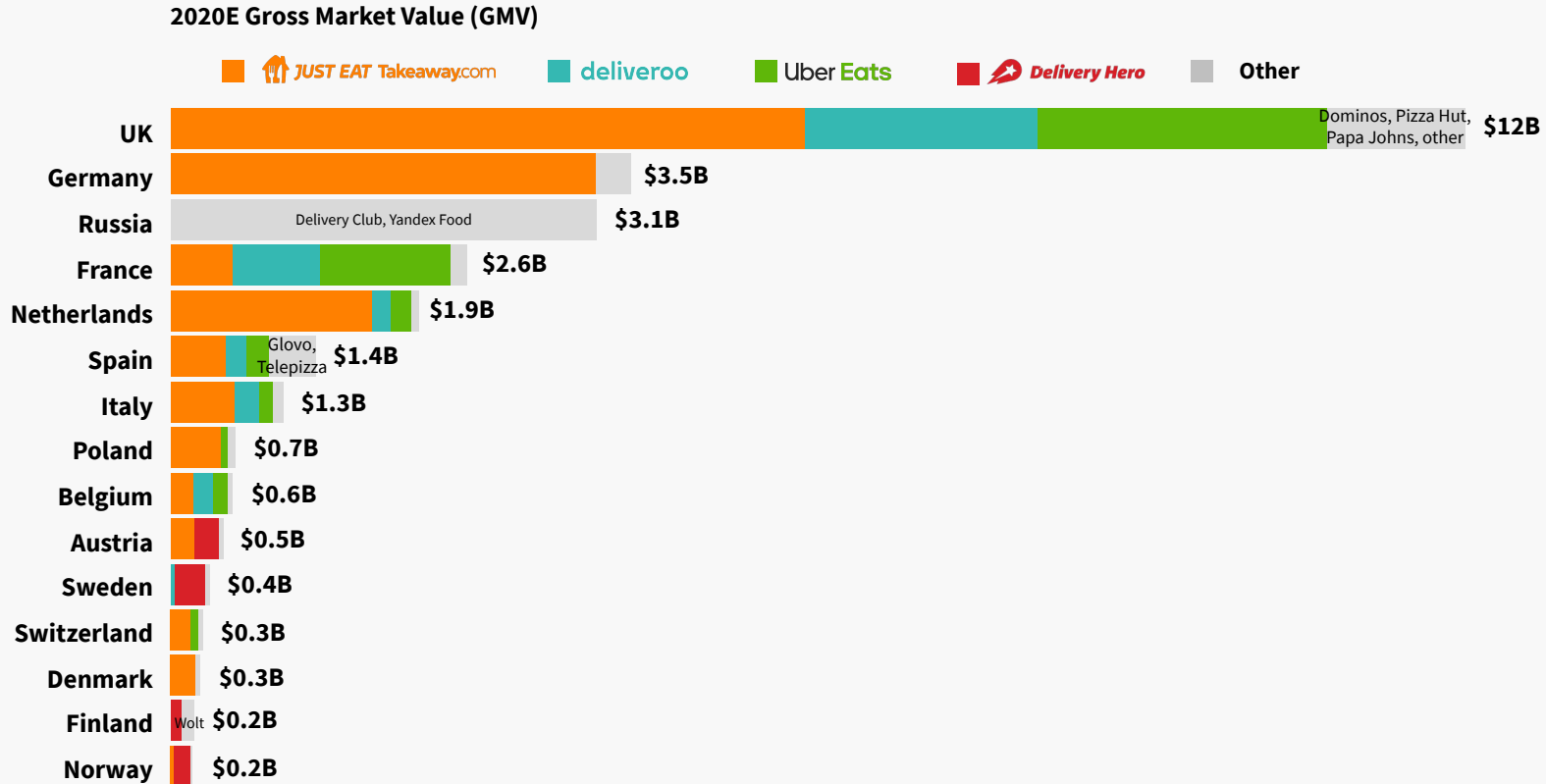
*** This is discretionary spending and will vary. Estimate based on equity research and company reports.

**** Payment costs, insurance and other based on equity research reports.

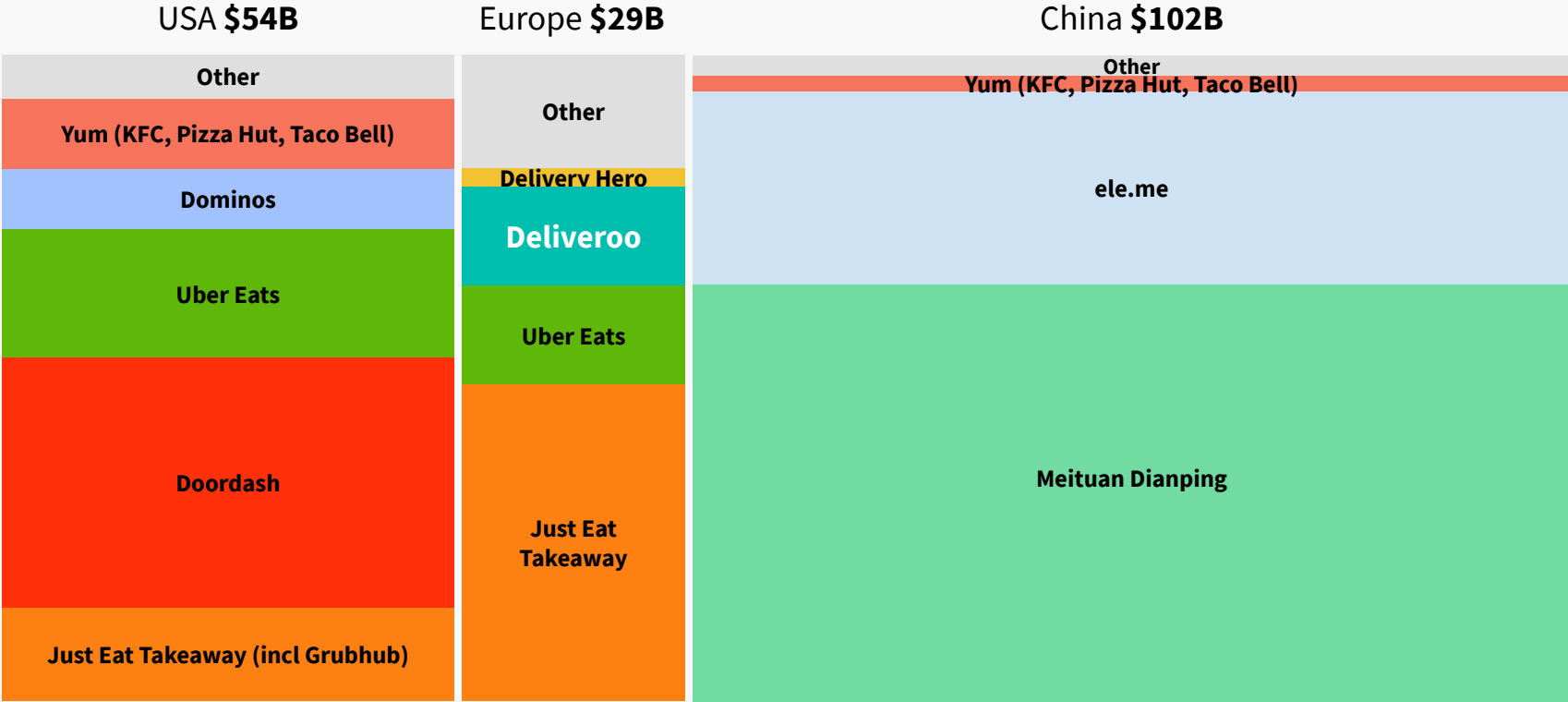
Deliveroo has the highest average order sizes in the UK. Average order sizes also increased during the pandemic.



Deliveroo has roughly 13% share of European food delivery (22% in the UK).

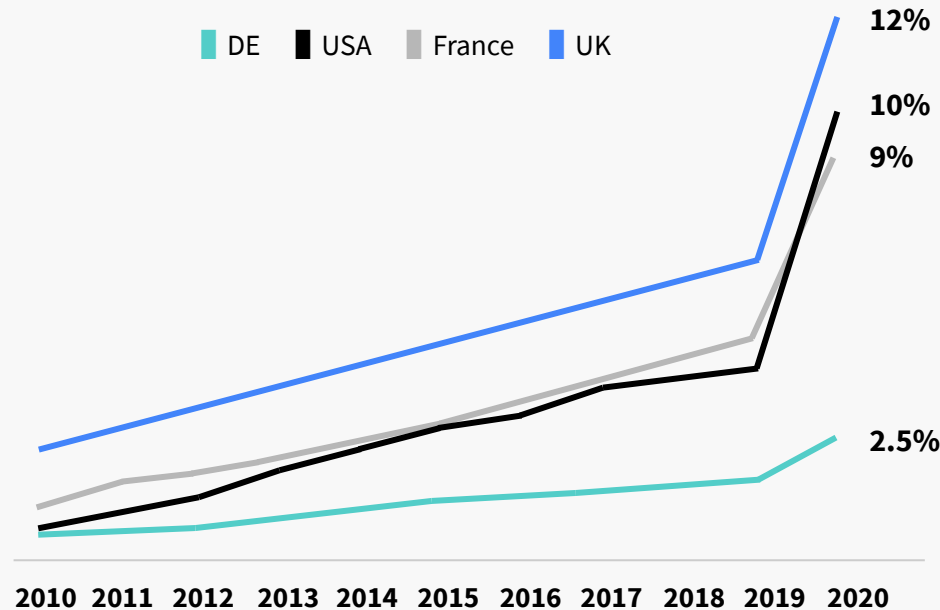


Global food delivery market share analysis (estimated GMV in 2020).



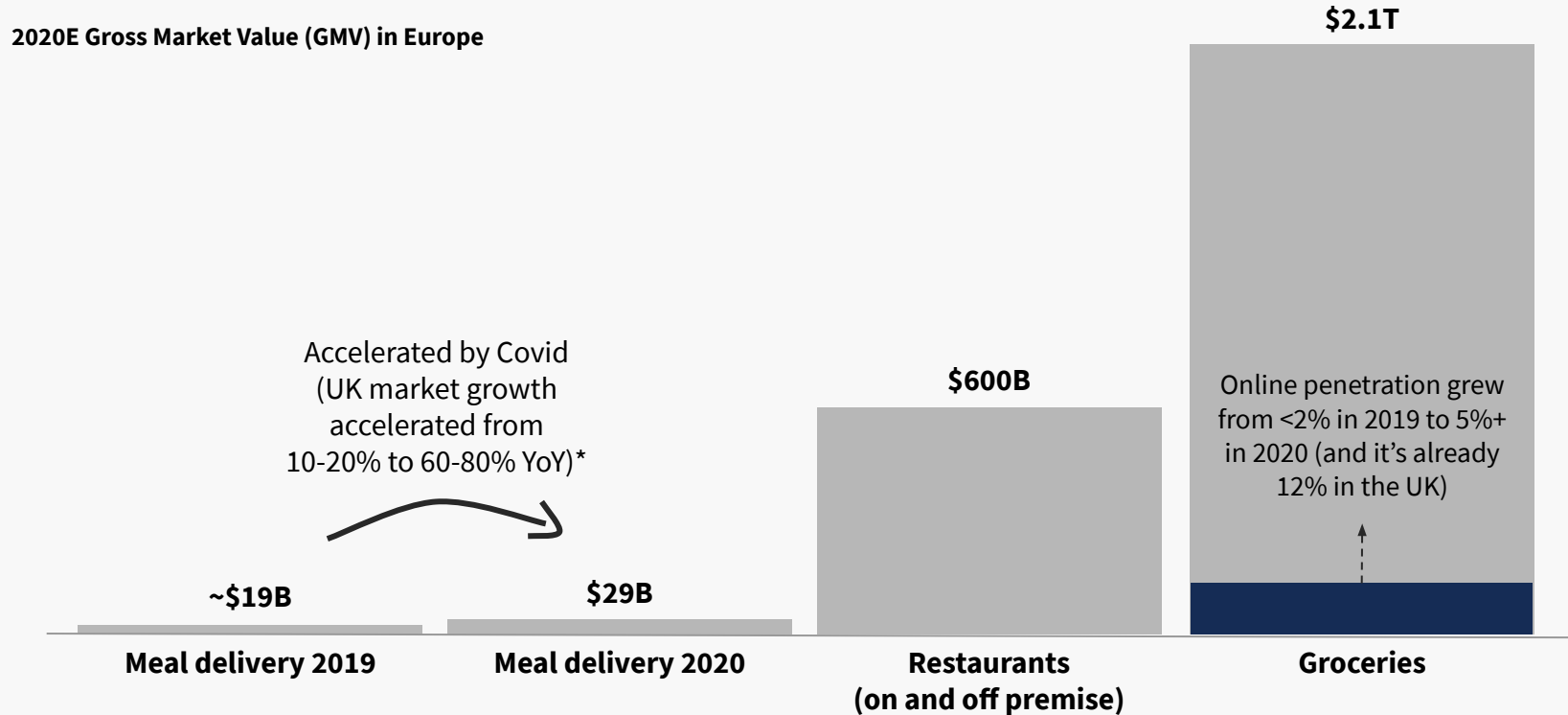
But the bigger growth opportunity still lies ahead: grocery delivery.

Online penetration of grocery sales (via Heartcore.com)



- Online penetration of groceries is increasing rapidly and here to stay
- Instant delivery is potentially large part of total online delivery
- Unit economics of grocery delivery are similar to meal delivery
- Rise of smaller fulfillment centers reduces cost of delivery

A small slice of the grocery market would mean a huge increase of addressable market. But restaurant opportunity is also still big.



Virtual restaurants, cloud kitchens, smaller fulfillment centers are driving efficiency and creating new opportunities for companies like Deliveroo.

Virtual restaurants

Bringing restaurant-level brand, aesthetic, and menu to a delivery-only offering.

Often operate out of ghost/cloud/dark kitchens - preparation space that is not linked to a retail site.

Virtual restaurants use platforms like Deliveroo for sales and delivery, and may even outsource their restaurant concept, in a virtual restaurant franchise.



keatz



Third party cloud kitchens

Co-working space for chefs.

Equipped and maintained commercial kitchens and storage space, used by virtual restaurants at a significantly lower cost than restaurant overheads.

Units can be hired by the hour, and include cleaning, waste management, pest control, packaging, even an ingredient marketplace to benefit from economies of scale.



REEF



Last-mile delivery & fulfilment

Deliveroo is now offering last-mile delivery services to several UK supermarkets.

Stuart and Glovo are doing last-mile delivery for French supermarkets

While Ocado has build cost efficiency with automated warehouse-scale groceries, last-mile players like Deliveroo and micro fulfilment centres, can compete on speed.

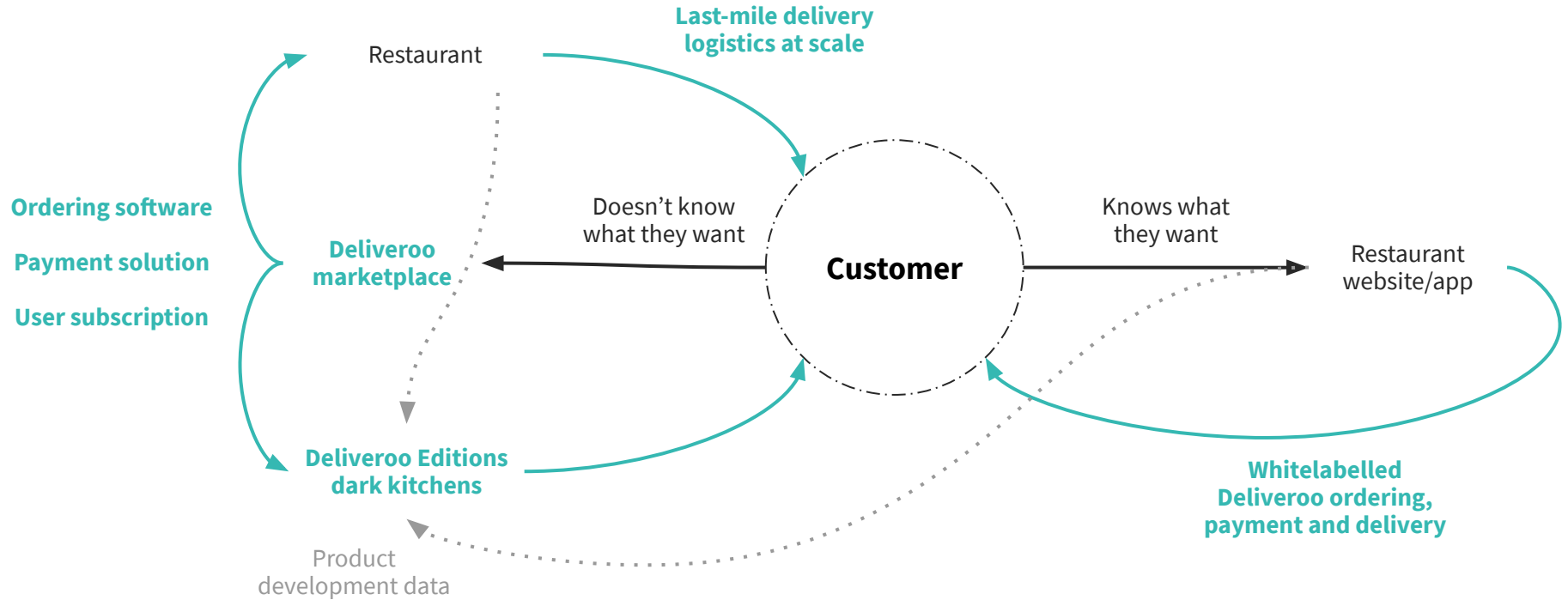


Food delivery startups are fundamentally changing how restaurants work. Similar to Amazon*, Deliveroo have leveraged user purchasing data to compete with their own marketplace vendors.



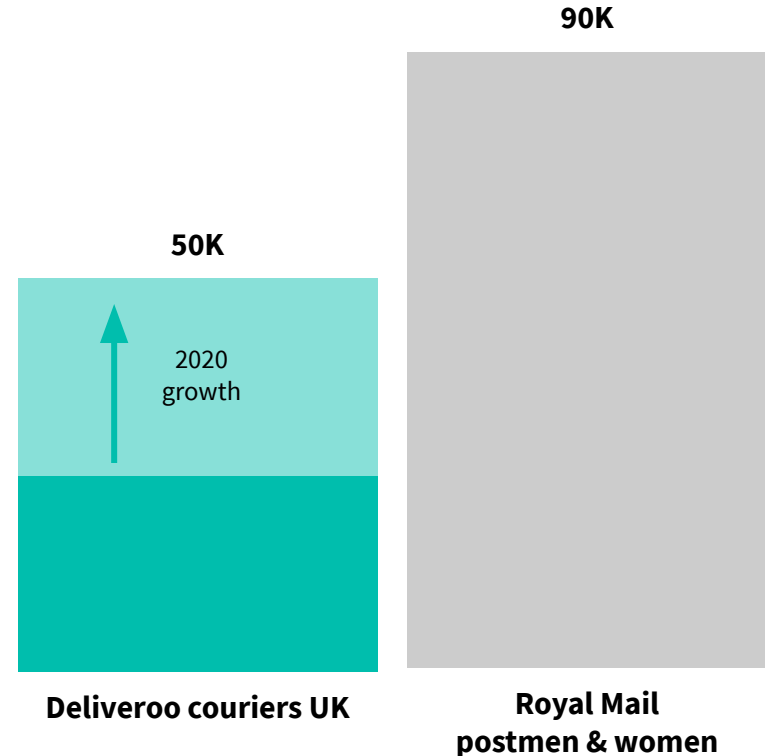
*In November 2018, Amazon Restaurants left the UK market after failing to compete, before shutting entirely. In May 2019, Amazon invested \$575M in Deliveroo.

Much more than a restaurant marketplace, Deliveroo have added last-mile delivery, whitelabelled ordering software, and data-driven dark kitchens.



Food app or logistics company? Deliveroo has a UK courier force at 56% of all Royal Mail postmen and women, and no fleet overheads.

- Deliveroo's 50,000 strong real-time UK courier service has doubled in the last year, and workers use their own vehicles for deliveries.
- That compares to 90,000 postmen and women working for the Royal Mail.
- Courier and collection-based retail is almost as big an opportunity as post, and barely digitised (Benedict Evans - The Great Unbundling).
- E-commerce consumers care more about delivery transparency and control, than product price.
- Deliveroo can apply their scaled real-time logistics infrastructure to much more than takeaways.



The world's top delivery players by enterprise value and GMV.

Name	Model	HQ	Founded	Valuation	Food GMV (2020E)	Top countries
 Meituan-Dianping	Meals / on-demand	Beijing	2003	\$277B	\$65B	
Uber Eats	Meals / on-demand	San Francisco	2009	\$95B	\$30B	
 DOORDASH	Meals / on-demand	San Francisco	2013	\$54B	\$24B	
 Delivery Hero	Meals / on-demand	Berlin	2011	\$28B	\$35B *****	
 ocado	Groceries / scheduled	Hartfield, UK	2000	\$23B	\$3.2B *	
 instacart	Groceries / scheduled	San Francisco	2012	\$19B (private) **	~\$6B ****	
Takeaway.com	Meals / on-demand	Amsterdam	2000	\$15B	\$16B	
 HELLO FRESH	Meal kits / scheduled	Berlin	2011	\$15B	\$4.5B *	
 gojek	Meals / on-demand	Jakarta	2010	\$11B (private) ***	\$12B	
deliveroo	Meals / on-demand	London	2012	\$7.0B (private)	\$3.6B	
 Rappi	Meals / on-demand	Bogota	2015	\$3.5B (private)	N/A	
 ifood	Meals / on-demand	São Paulo	2011	\$2.7B (private)	N/A	
Wolt	Meals / on-demand	Helsinki	2014	\$2.9B (private)	\$330M	

Source: Dealroom.co and Google Finance as of March 1 2021.

* For Ocado and Hellofresh, GMV roughly equals net revenue.

*** Rumoured to IPO early 2021. **** Indicative estimate

** Gojek to [merge with Tokopedia](#) ahead of IPO.

***** Pro forma including Woowa



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[View Deliveroo profile »](#)

The screenshot shows the profile page for Deliveroo on Dealroom.co. The page includes a header with the Dealroom.co logo and search bar, and a user profile for Yoram Wijnngaarde. The main content area features the Deliveroo logo, company description, and various filters for industry, location, and funding. Below this is a navigation bar with tabs for Overview, Similar Companies, Investments (2), Analytics, Team (37), Notes, Jobs (137), and Innovations. The Overview tab is active, displaying company information, a financial table, a funding table, and a tech stack.

COMPANY INFORMATION

Launch date	2012
Employees	5,679 people
Ownership	angel, venture capital
Firm valuation	€6.4b (Dealroom.co estimates Jan 2021)
GBP	2016 2017 2018 2019 2020E 2021E 2022E
Revenues	129m 277m 475m 772m - - -
% growth	611 % 115 % 72 % 62 % - - -
EBITDA	(135m) - - - - -
% EBITDA margin	(105 %) - - - - -
Profit	(129m) (185m) (232m) - - -
% profit margin	(100 %) (67 %) (49 %) - - -

Source: Company filings or news article

DELIVEROO FUNDING

DATE	INVESTORS	AMOUNT	ROUND
-	Entrée Capital, ScribeVC, Felix Capital	N/A	Not yet verified
Jun 2014	Greg Marsh, Index Ventures, Hoxton Ventures, Jan Jan Investments, Arnaud Bernaud	€2.8m	SERIES A
Jan 2015*	Accel, Hummingbird Ventures, Index Ventures, Hoxton Ventures, Khalid Helouli	\$25m	SERIES B
Jul 2015*	Accel, Index Ventures, Hoxton Ventures, Greenoaks Capital Partners	\$70m	SERIES C
Nov 2015*	Accel, Hummingbird Ventures, Index Ventures, DST Global, Greenoaks Capital Partners	\$100m	SERIES D
Aug 2016	Bridgepoint, General Catalyst Partners, DST Global, Greenoaks Capital Partners, Greyhound Capital	\$275m valuation: \$1.9b	SERIES E
Feb 2017*	Accel, Index Ventures, General Catalyst	\$385m	Series E

DELIVEROO INVESTORS

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Nov 2015*	Accel, Hummingbird Ventures, Index Ventures, DST Global, Greenoaks Capital Partners	\$100m	SERIES D
Aug 2016	Bridgepoint, General Catalyst Partners, DST Global, Greenoaks Capital Partners, Greyhound Capital	\$275m valuation: \$1.9b	SERIES E
Feb 2017*	Accel, Index Ventures, General Catalyst	\$385m	Series E

ANALYTICS

Employees | Web visits

Year	Employees
Jan 2019	~5,000
Jul 2019	~5,000
Jan 2020	~5,000
Jul 2020	~5,000
Jan 2021YTD	~5,679

	CURRENT	GROWTH RANK
Web users	9M monthly visits	58,338th (top half)
App users	12M app installs	461st (top 5%)
Social engagement	835K followers	-
Employees	5,679	118,403rd
Top countries	United Kingdom, United States, France, India	-

TECH STACK