

Continued strong performance in Q3 2021

Performance Highlights

- **Strong performance in Q3 2021** with gross transaction value (GTV) up 58% YoY in constant currency; orders were resilient despite reopening, with a modest reduction in average order value
- **Excellent initial traction from Deliveroo Plus partnership with Amazon Prime**; number of Plus subscribers in UKI has more than doubled since the partnership launched in mid-September
- **Further expansion of on-demand grocery offering including launch of ‘Hop’**, Deliveroo’s new rapid grocery service from delivery-only stores launched in partnership with Morrisons

Full Year Guidance

- **Full year GTV growth:** guidance increased to 60-70% growth (vs prior guidance of 50-60%)
- **Full year gross profit margin (as % of GTV):** guidance unchanged; remains in the range of 7.50-7.75%.

Will Shu, Founder and CEO of Deliveroo, said:

“We have continued to make good progress executing against our strategy, resulting in strong performance in Q3. This quarter we have partnered with Amazon to offer their Prime customers in the UK and Ireland access to our Deliveroo Plus subscription programme. We have also successfully launched a new rapid grocery service, Deliveroo Hop, in partnership with Morrisons. These are just two examples of innovations introduced this quarter that are consistently improving our consumer value proposition.

While we are mindful of current and potential macroeconomic disruptions and uncertainties, we expect further strong performance in the remainder of the year and we are increasing our full year GTV growth guidance. We remain excited about the opportunity ahead and our plans to deliver better value to our consumers, help our restaurant and grocery partners to grow, and provide further opportunities for riders.”

GTV and Orders

	Q3 2021	Q3 2020	% Change		9M 2021	9M 2020	% Change	
			Reported currency	Constant currency			Reported currency	Constant currency
Group								
GTV (£m)	1,594	1,035	54%	58%	4,980	2,739	82%	85%
Orders (m)	74.6	45.4	64%	-	223.5	119.9	86%	-
GTV per order (£)	21.4	22.8	(6)%	(4)%	22.3	22.8	(2)%	0%
UKI								
GTV (£m)	852	547	56%	56%	2,625	1,392	89%	89%
Orders (m)	35.8	22.6	59%	-	107.2	57.3	87%	-
GTV per order (£)	23.8	24.2	(2)%	(2)%	24.5	24.3	1%	1%
International								
GTV (£m)	742	487	52%	60%	2,355	1,347	75%	82%
Orders (m)	38.8	22.8	70%	-	116.2	62.7	85%	-
GTV per order (£)	19.1	21.4	(11)%	(6)%	20.3	21.5	(6)%	(2)%

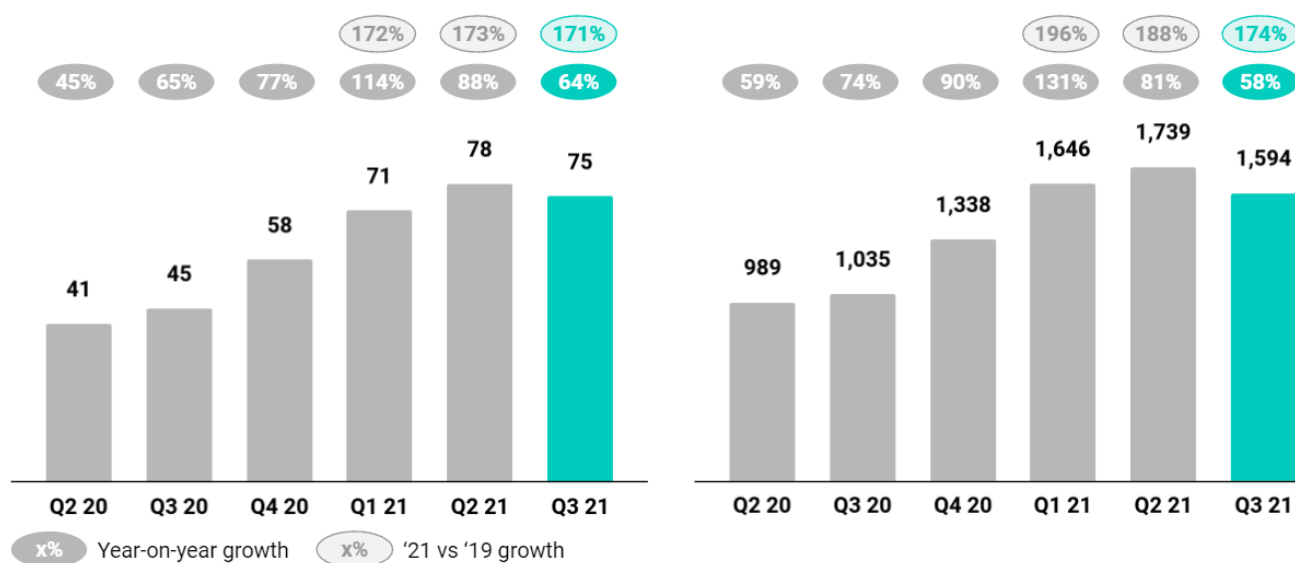
Performance Review

1. Overview

Overall, Deliveroo produced a strong operating performance in Q3 2021. Gross transaction value (GTV) increased to £1,594 million, up 54% (58% in constant currency) year-on-year. Growth in monthly active consumers and orders continued to be healthy, up 56% and 64%, respectively. Taking a two-year view, orders in Q3 2021 increased by 171%, similar to the 172% two-year order growth achieved in H1 2021 - demonstrating that growth momentum has been maintained despite the easing of lockdown restrictions in most markets. In Q3 2021, GTV per order decreased by 4% year-on-year in constant currency, with average order values continuing to revert towards pre-COVID levels.

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 £852 million in Q3 2021, down from £921 million in Q2 2021 reflecting typical seasonality. In Q3 2021, year-on-year GTV growth was 56% in constant currency, modestly below order growth of 59% due to a slight decrease in average order value. Taking a 2-year view (i.e. comparing to the respective quarter in 2019), GTV growth in constant currency was 193% in Q3 2021 (Q2 2021: 212%, Q1 2021: 209%), and order growth was 182% in Q3 2021 (Q2 2021: 184%, Q1 2021: 170%).

International

In International, GTV was £742 million in Q3 2021, down from £818 million in Q2 2021 reflecting typical seasonality. In Q3 2021, year-on-year GTV growth was 60% in constant currency, below order growth of 70% due to a decrease in average order value. Taking a 2-year view (i.e. comparing to the respective quarter in 2019), GTV growth in constant currency was 155% in Q3 2021 (Q2 2021: 166%, Q1 2021: 183%), and order growth was 162% in Q3 2021 (Q2 2021: 163%, Q1 2021: 173%).

3. The Three Sides of the Marketplace

Consumers

Deliveroo's consumer base continued to grow compared to prior years, with an average of 7.5 million monthly active consumers in Q3 2021, up 56% compared to Q3 2020 and up 142% compared to Q3 2019. The decline in average monthly active consumers in Q3 2021 compared to Q2 2021 reflects typical seasonality, especially in European markets. Despite the widespread removal of lockdown restrictions in Q3 2021, monthly average order frequency remained stable at 3.3 times per month.

Group	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Average monthly active consumers	3.7	4.3	4.8	6.0	7.2	7.8	7.5
<i>Year-on-year growth in MACs</i>	28%	36%	52%	62%	95%	81%	56%
<i>2021 vs 2019 growth in MACs</i>	-	-	-	-	148%	144%	142%
Monthly frequency	3.0	3.2	3.2	3.2	3.3	3.3	3.3

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. In mid-September 2021, Deliveroo launched a new partnership with Amazon Prime, allowing all UK and Ireland Amazon Prime members to sign up for free Deliveroo Plus membership for a year, with unlimited free delivery on orders over £25/€25. In August 2021, Deliveroo Plus members represented 15% of UKI monthly active consumers. Since the launch of the Amazon Prime partnership on 15 September 2021, the number of Deliveroo Plus subscribers in UKI has more than doubled, driven by conversion of existing Deliveroo consumers to Plus as well as bringing new consumers to Deliveroo for the first time.

Restaurants and On-Demand Grocery

Restaurant selection is another important part of Deliveroo's consumer value proposition. The availability and choice to consumers - on a neighbourhood-by-neighbourhood basis - continues to increase. At the end of the period, Deliveroo worked with over 143,000 restaurant partner sites globally. Q3 2021 saw particular challenges for restaurant partners in many markets, as they contended with a full return of dine-in customers alongside sustained high demand for delivery, as well as supply chain issues and labour shortages.

In September 2021, Deliveroo announced a new rapid grocery delivery service, launched in partnership with Morrisons. 'Deliveroo Hop' will operate from delivery-only grocery stores, enabling deliveries in as little as 10 minutes, greater stock accuracy, and a wider product range - including partner-branded and own-label products such as Morrisons 'The Best' range. The service benefits from a deep integration between Deliveroo's new grocery management technology, existing logistics algorithms and network of over 50,000 UK delivery riders, as well as Morrison's established supply chain. Rapid grocery delivery will sit alongside Deliveroo's existing and fast-growing on-demand grocery service, which already delivers from over 10,000 partner grocery sites globally.

Riders

Riders are a vital part of Deliveroo's three-sided marketplace and Deliveroo works with over 150,000 riders globally. In Q3 2021, global rider satisfaction was 84%, with good application pipelines and rider retention rates. Since 2018, Deliveroo has provided riders with free and automatic accident and injury cover and third-party liability insurance. During Q3 2021, Deliveroo extended this free insurance to provide riders with enhanced protection in several markets. The new insurance coverage includes earnings support for riders working regularly with the company who are unwell and unable to work for more than 7 days (backdated to day 1). In addition, insurance now entitles qualifying riders to a one-off lump sum payment following the birth or adoption of a child. Deliveroo is currently exploring extending these enhanced entitlements to additional markets.

4. Outlook and Full Year Guidance

Following growth in H1 2021 that was materially ahead of expectations, trading in Q3 remained strong. While mindful of current and potential macroeconomic disruptions and uncertainties, management expects further strong performance in the remainder of the year. As such, Deliveroo is increasing full year GTV growth guidance:

- **Full year GTV growth:** guidance increased to 60-70% growth (vs prior guidance of 50-60%)
- **Full year gross profit margin (as % of GTV):** guidance unchanged in the range of 7.50-7.75%.

Analyst and investor call

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

Conference call: https://secure.emincote.com/client/deliveroo/q3-2021/vip_connect

Webcast: <https://secure.emincote.com/client/deliveroo/q3-2021>

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

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

Deliveroo is on a mission to build the definitive online food company. We want to be the platform that people turn to whenever they think about food. 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 Germany and Taiwan discontinued operations for the comparative period.
2. All growth rates reflect a comparison to the three-month period ended 30 September 2020 unless otherwise stated.
3. References to "Q1" are to the three-month period ended 31 March 2021, unless otherwise stated. References to "Q2" are to the three-month period ended 30 June 2021, unless otherwise stated. References to "Q3" are to the three-month period ended 30 September 2021, unless otherwise stated. References to the "year", "financial year" or "2021 financial year" are to the financial year ending 31 December 2021 and references to the "last year", "last financial year" or "2020 financial year" are to the financial year ended 31 December 2020 unless otherwise stated.

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