

Our strategy

We are on a mission to transform the way people shop and eat, bringing the neighbourhood to their door by connecting consumers, restaurants, shops and riders. We aim to achieve this by offering the best proposition to all three sides of the marketplace.

Deliveroo is unusual because it is a global online platform, yet it is also a very local business – we call it ‘hyperlocal’. A consumer in Bristol doesn’t care about restaurant selection or delivery speed in Brighton; a rider in Milan doesn’t think about the earnings opportunities in Naples; and a typical merchant in Dublin isn’t trying to tap into demand in Dubai or Doha.

Looking at our business through a hyperlocal lens is key to our strategy. We obsess about creating the best, differentiated value propositions for all sides of the marketplace, and we measure this neighbourhood by neighbourhood.

Our industry is early in its maturity with strong growth potential, and a key part of capturing that growth is improving and winning local market share positions. In driving profitable growth, hyperlocal network effects are more powerful than overall scale, and network effects come from hyperlocal market share. As for any company, overall scale helps to spread marketing costs and overheads. But in our business, profit pool potential is a function of population density, affluence, merchant supply, and our local market share.

Deliveroo’s mission is to transform the way you shop and eat, bringing the neighbourhood to your door by connecting consumers, restaurants, shops and riders.

Our core priorities

1

Compelling CVP

Selection

Price/value

Consumer experience

Loyalty

2

Across key verticals

Restaurant

Grocery

Retail

Advertising

3

Delivered efficiently

Optimised delivery

Marketing efficiency

Operating leverage

Investment discipline



Allow us to create value across the business

Drive growth

Mid-teens GTV growth in the medium term

Optimise returns

4%+ adjusted EBITDA margin in the medium term

Capital efficiency

Maintain an efficient capital structure

1 COMPELLING CVP

PILLARS

Selection

From the beginning, Deliveroo has been built on offering great selection across all restaurants and cuisine types. Expanding choice – including across grocery and now non-food retail – continues to be a key driver of increasing spend and retention with existing customers, as well as adding new customers.

Price/value

Ensuring value for money on our platform is key to building consumer trust and supporting frequency and retention. We promote fair prices using direct levers such as targeted promotions for consumers and indirect levers such as our value programme, which rewards merchants who limit mark-ups and deliver great service.

Consumer experience

A great experience combines in-app search and discovery, the delivery service and care/recovery in case of any issues. There remain opportunities to improve across all three aspects, and doing so improves consumer trust and is a key element of unlocking further growth.

Loyalty

Our Plus programme is a tiered subscription plan now live in eight markets, offering members free delivery and additional benefits. Plus customers spend more than non-members and have stronger retention, making this programme one of our most valuable strategic growth assets.

Progress in 2024

- **Selection:** We expanded our global merchant supply with an additional c.3,000 sites, across restaurants, grocery and retail, including a number on an exclusive basis. We also expanded the delivery area in more neighbourhoods, increasing the selection that consumers see in the app, giving them greater choice.
- **Price/value:** We improved value for money on our platform via the continued roll-out of our Value Programme in UKI and France. Since the launch sales-weighted average markup on the platform in the UKI has reduced by 20%, with a third of participating restaurants reducing their mark-up. We have also invested in pricing, through targeted promotions, to capitalise on a stabilising consumer environment by reinforcing value perception.
- **Consumer experience:** We continued to strive for more perfect orders, introducing an improved item substitution flow, forced scanning for grocery products with barcodes, optimising receipt layouts to aid order packing, rolling out order number scanning for riders and introducing better signals to understand when a partner is accepting orders. These actions reduced rejections and cancellations by 12% and order inaccuracy by 5% year-on-year.
- **Loyalty:** We significantly enhanced our loyalty proposition; launching our new premium tier Plus Diamond in UKI, relaunching Plus Gold in UKI and France and improving Plus Silver in UKI, France and Italy. This, coupled with our first major Plus brand campaign, resulted in record levels of adoption, and improved order frequency.

Priorities in 2025

- **Selection:** In the restaurant segment we will continue to expand our supply, focusing on geographies and cuisine types where our penetration of the supply is low. In grocery, we will continue to expand our product ranges and footprint with well-known brands across key markets. In retail, we will continue to build selection, launching new retailers and expanding into new regions within our existing portfolio.
- **Price/value:** Continue to reduce and maintain low price mark-ups through the Value Programme. Optimise Deliveroo-funded promotions with improved marketing efficiency driven by tooling and automation. Increase the number of offer types that our grocery and retail partners are able to provide on our platform, targeting parity with in-store where possible.
- **Consumer experience:** Evolve the in-app consumer experience by introducing new ways to navigate the app, better tools to narrow down choice and new flows to seamlessly place orders, placing an increased focus on discovery. This will help users discover our Grocery and Retail offering for the first time, find great promotions and offers, as well as help them discover new restaurants and occasions. Alongside this, we will also continue rolling out new tools for partners to help further reduce order inaccuracies and improve service.
- **Loyalty:** Continue to progress towards becoming a Plus-first business by 2026 by optimising and scaling the proposition through new partnerships and new partner-funded benefits to provide our loyal customers with even more value, driving greater retention and frequency.

HIGHLIGHTS

Added

c.3,000
merchant sites

Sales-weighted
mark up reduced

20%
in UKI

Plus accounted for

44%
of order volume
in Q4 2024



2 ACROSS KEY VERTICALS

PILLARS

Restaurant

We operate in large addressable markets with significant growth potential across the entire restaurant delivery business. We use data science to capture opportunities on a hyperlocal level at scale, and we align commercial incentives to improve the consumer experience and drive growth.

Grocery

We were one of the first platforms to launch on-demand grocery, where penetration is low and there is a clear demand for the speed and convenience we offer. We are driving growth by expanding our selection (additional partners and more SKUs), improving the experience through new consumer and partner technology, and expanding into larger basket missions.

Retail

We launched our 'Shopping' proposition in 2023, since consumer behaviour showed a clear appetite for on-demand Retail through our platform. We are well-positioned to capitalise on the opportunity, leveraging our grocery playbook and evolving our existing technology and data capabilities to build a large business with attractive unit economics.

Advertising

We provide an attractive platform for advertisers to connect with our large premium consumer base. Our technology powers our advertising solutions, allowing us to deliver strong returns for our advertisers whilst protecting the consumer experience by serving them with the most relevant content.

Progress in 2024

- **Restaurant:** With overall category-level growth being constrained by value-for-money concerns of consumers, we made significant progress in ensuring consumers pay a fair price, alongside reducing order defects. This was achieved through new technologies to enhance operations, targeted promotional investment and expanding the range of incentives for partners to improve their consumer proposition and experience.
- **Grocery:** Our grocery business continued to scale, reaching 16% of GTV in the second half of 2024, helped by the growth of mid-sized baskets (£30-£60), which continue to grow faster than other baskets. We improved selection, by adding new partners and by increasing SKU count with existing grocers. The latter is a key enabler to growing basket sizes, increasing conversion and improving consumer experience.
- **Retail:** We have made good progress building up selection and driving awareness of our 'Shopping' proposition, adding major retailers such as Wilko, B&Q and Accessorize in the UK and Toys R Us and Holland & Barratt in the UAE, as well as a number of local independent stores. Following encouraging early signs in UAE and the UK, we launched retail in further markets during 2024.
- **Advertising:** We further scaled our business across sponsored positioning and search results for restaurants and grocers, with ad revenue reaching 1.4% of GTV in Q4 2024. We continue to take a consumer-first approach, to strike the right balance between helping merchants drive demand, whilst prioritising the consumer experience.

Priorities in 2025

- **Restaurant:** Accelerate growth within this vertical by growing our share of the existing category, using our proven hyperlocal playbook to further penetrate geographic zones where we believe our CVP is far superior to that of our competitors, while growing the market, by unlocking new missions to expand the categories we operate in.
- **Grocery:** Serve more customer missions by continuing our expansion into mid-sized baskets through range expansion and enhanced technology, whilst continuing to drive greater category adoption via the launch of new features and targeted merchandising.
- **Retail:** Continue to scale retail globally by partnering with leading brands and local favourites to grow selection and coverage, including launching in additional markets. This will help build consumer awareness alongside targeted marketing campaigns around key seasonal retail moments, promotions and in-app merchandising.
- **Advertising:** Increase advertiser adoption across segments by introducing additional advertising formats and slots, whilst continuing to drive an attractive return on ad-spend ('ROAS'). We will also continue to scale our offering to advertisers by enhancing our approach to FMCG and non-endemic advertising, where we are currently less advanced.

HIGHLIGHTS

Scaled grocery to

16%

of GTV in H2 2024

Added

€2,000

Retail Sites

Ad revenue now

1.4%

of GTV in Q4 2024



3 DELIVERED EFFICIENTLY

PILLARS

Optimised delivery

Delivery costs are the largest expense item in our P&L. We have a proven record in driving efficiency in the delivery network, enabling us to reinvest in our key growth drivers and improve profitability, whilst also allowing riders to maximise their earnings potential.

Marketing efficiency

Our marketing activities are focused on both new consumer acquisition and increasing retention, frequency and spend of existing consumers. We continually experiment to improve the efficiency and effectiveness of our spend, helping us to reduce our marketing cost as a percentage of GTV.

Operating leverage

We support our market-facing commercial and operational activities with a global tech platform and central support functions. We have multiple opportunities to drive efficiency and operating leverage as we scale.

Investment discipline

Our industry is still early in its maturity and there remains ample room for growth. We are disciplined in allocating capital to the most promising opportunities where we can build strong market positions offering compelling returns. Our capital position provides the financial resources to maintain and strengthen market positions and pursue growth opportunities whilst providing appropriate headroom.

Progress in 2024

- **Optimised Delivery:** We continued to drive efficiencies in our delivery network further reducing cost of goods sold as a percentage of GTV. A key element has been the roll out of multi pick-up stacking, which helped enable us increase stacked orders by c.50% year-on-year, whilst protecting the consumer and rider experience. Additionally, through features like an order ready button for partners, a rider check-in function and rider receipt scanning we reduced rider wait time at merchants by 3% year-on-year.
- **Marketing efficiency:** We delivered a number of improvements to drive efficiency: we launched enhanced user-level targeted promotions, partner co-funded promotions, new promo mechanics, improved marketing tooling and automated CRM journeys aimed at improving the lifecycle of new cohorts.
- **Operating leverage:** Alongside the improvements to marketing efficiencies above, we have other efficiency programmes to improve headcount productivity and drive other cost efficiency. These benefits are starting to feed into the numbers with marketing and overheads down 1% year-on-year and down 50 bps as a % of GTV.

Priorities in 2025

- **Optimised Delivery:** We will continue to build an efficient and flexible network, focusing on creating new opportunities for efficiency that guarantee service levels. Alongside stacking efficiencies, we will continue to focus on dispatch innovation and creating smoother rider handover experiences, both at the merchant and the consumer.
- **Marketing efficiency:** Leverage the improvements made in 2024 to increase marketing efficiency through more targeted and personalised promotions, increased co-funding by partners and further performance marketing optimisations.
- **Operating leverage:** Drive further efficiencies through improved tooling and automation, optimising third-party spend and leveraging our location strategy.
- **Investment discipline:** We will continue to focus investments across the highest impact areas in the business. In line with our commitment to disciplined capital allocation the Board determined that it would not serve shareholders' best interests to continue to operate in Hong Kong; we exited the market in H1 2025.

HIGHLIGHTS

Increased stacked orders by **c.50%** year-on-year

Rider wait time at merchants down **3%** year-on-year

Marketing and overheads down **50 bps** year-on-year as a % of GTV

