

Deliveroo cuts annual loss before London float

March 8 2021, by Roland Jackson



Deliveroo riders in central London where the company plans a major stock market listing

Takeaway meals app Deliveroo slashed losses last year on booming demand from locked-down customers during the pandemic, it reported

Monday ahead of a London stock market float planned for April.

The UK-based [company](#) made an underlying loss of £223.7 million (\$309.3 million, 259.5 million euros) in 2020, Deliveroo said in a statement, hit by heavy investment.

It marked an improvement from the loss of £317 million in 2019.

The value of transactions last year rocketed 64 percent to £4.1 billion for Deliveroo, in which US retail giant Amazon took a 16-percent stake two years ago.

Deliveroo last week picked London for its stock market listing, handing a major boost to the capital's [financial sector](#) which has been roiled by Brexit.

The company—founded in London eight years ago— confirmed Monday its "intention to list" in an [initial public offering](#) that will target [institutional investors](#) outside the United States.

The IPO "will include a community offer in which the company will enable UK-based consumers with a Deliveroo account to apply for shares in the company", it said.

Some £50 million of shares will be made available for customers, with delivery riders and restaurant partners also able to participate.

Deliveroo is adopting a dual-class share structure giving founder Will Shu 20 votes per share while all other shareholders get one vote per share.

'City where it started'

"Now we take the next big step in our journey by allowing everyone to have a share in our future," Shu said in a letter accompanying Monday's results.

"That's why we are planning to take Deliveroo public here in London, the city where it all started, and we plan to offer our customers across the UK the chance to own a part of the business.

"We are proud to be enabling our customers to participate in a future float and have the chance to buy shares," he added.

A source told AFP that the listing was planned for April, while it is not yet clear what percentage of the group will be floated.

Deliveroo in January confirmed that it would target a London IPO after a fundraising round valued the firm at more than \$7.0 billion (5.8 billion euros).

Since its London launch in 2013, Deliveroo has expanded into mainland Europe, Asia, Australia and the Middle East.

More than six million people ordered food and drink every month from its app in 2020 via 115,000 cafes, restaurants and stores.

Deliveroo, in line with other home-delivery companies, has experienced surging demand due to global lockdowns meant to curb the Covid-19 pandemic.

However, its business has come under scrutiny, including in Britain, France and Spain, as its freelance delivery riders complain of working conditions, reflecting wider concerns over their rights in the gig economy.

Britain's antitrust regulator last year approved Amazon's investment in Deliveroo, after an in-depth probe concluded it would not harm competition.

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