

# UK food giant Deliveroo set for £7.6bn London IPO

March 30 2021, by Jean-Baptiste Oubrier

---



Eight-year-old Deliveroo remains on track for the City's biggest listing in 10 years thanks to pandemic lockdowns boosting sales, despite mounting criticism over its treatment of riders.

Britain's app-driven food delivery firm Deliveroo is set for London's

largest stock market launch in a decade with a valuation of £7.6 billion, despite mounting criticism over its treatment of riders.

Deliveroo's [initial public offering](#) due Wednesday will be priced at £3.90 per share, a source close to the matter said Tuesday.

That values the Amazon-backed group at the equivalent of 8.9 billion euros or \$10.5 billion.

Eight-year-old Deliveroo remains on track for the City's biggest listing in 10 years thanks to Covid lockdowns boosting sales—and despite mounting concern over a business model that relies on low pay for riders.

The group "has very significant demand from institutions across the globe" for the offer, a Deliveroo spokesman told AFP separately on Tuesday.

Tuesday's news comes one day after Deliveroo had said the IPO was eyed at a range between £7.6 billion and £7.85 billion.

The group has however been forced to trim its IPO valuation due to recent market volatility surrounding the tech sector—particularly in Europe and the United States.

It had last week given an IPO market capitalisation of up to £8.8 billion.

## **Protests and strikes**

Last year, more than six million people ordered food and drink every month via the company's app from 115,000 cafes, restaurants and stores.

British asset management firms Aviva Investors and Aberdeen Standard

have decided against investing in Deliveroo's IPO, citing the job insecurity of its riders.

Deliveroo maintains that its self-employed riders—which total around 100,000 across some 800 cities worldwide—value the flexibility the job affords, adding that on average its food couriers earn more than £10 per hour.

The Independent Workers' Union of Great Britain, which has taken Deliveroo to court to win bargaining rights for its riders, claims that some couriers in the north of England are earning £2 per hour, well below the UK [minimum wage](#).

Deliveroo has set aside £112 million to deal with the litigation and its possible consequences.

However, its business model has come under scrutiny, including in Britain, France and Spain, as its freelance delivery riders complain about working conditions.

The float has been overshadowed by protests, strikes and rallies in Australia, Britain and France—with more set to follow.

Deliveroo's listing is meanwhile seen as a major boost to London's [financial sector](#), known as the City, which lost its European share trading crown to Amsterdam following Brexit.

© 2021 AFP

Citation: UK food giant Deliveroo set for £7.6bn London IPO (2021, March 30) retrieved 24 April 2024 from <https://techxplore.com/news/2021-03-uk-food-giant-deliveroo-76bn.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private

study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.