

Deliveroo reduces losses on cost-cutting

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Deliveroo hopes to improve underlying earnings this year although high inflation and competition could make for a bumpy ride.

Deliveroo reduced net losses last year on cost-cutting, while revenues rallied on higher pricing in the face of soaring global inflation, the international food delivery app said Thursday.

Losses after tax were down 11 percent at £294 million (\$355 million) compared with 2021, the British company said in a statement.

Revenue jumped 14 percent to nearly £2 billion, despite easing COVID curbs and controversy over treatment of its riders.

Average order value accelerated 11 percent to £23.90 by the end of the year, despite belt-tightening by customers hit by a cost-of-living crisis.

The app giant forecast underlying earnings growth this year after gaining [market share](#) in Britain, France and Italy.

Under major streamlining, Deliveroo exited Australia and the Netherlands in 2022, after departing from Spain the previous year.

But the company expanded into Qatar last year as it pursues Middle East growth.

"Our team has delivered in difficult market conditions," said CEO Will Shu, who founded the company ten years ago.

"The macroeconomic outlook for the year ahead remains uncertain, but our record in the past 12 months makes me optimistic about our ability to adapt and continue to deliver on our plans to drive profitable growth."

Deliveroo last month cut about 350 jobs, or nearly one tenth of its non-rider workforce.

The group, which experienced surging demand during the COVID pandemic from lockdown-hit customers, also has thousands of self-employed riders.

Following Thursday's update, Deliveroo shares slid 1.8 percent to 87.9

pence on the London stock market.

"When household budgets are squeezed, non-essential expenses such as on grocery deliveries or takeaways can be among the first to go, putting pressure on Deliveroo after its surge in popularity during the pandemic," noted Victoria Scholar, head of investment at Interactive Investor.

"On top of that, Deliveroo faces intense competition in the sector from Uber Eats, Just Eat Takeaway and q-commerce players like Gopuff."

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