

Deliveroo picks Goldman as broker despite US bank's role on IPO flop

Deliveroo is close to naming Goldman Sachs as one of its new brokers, eight months after the Wall Street bank played a major role in what became one of the London stock market's most calamitous listings.

Sky News has learnt that Deliveroo is close to finalising the appointments of Goldman and Barclays as joint corporate brokers – a key role for investment banks as they seek to advise company boards on lucrative deals.

The food delivery app listed in late March, with its shares crashing by nearly a third at one point on the opening day of trading.

Goldman and JP Morgan, the two US investment banks, occupied the top roles on the flotation.

A source close to Deliveroo said it had not yet finalised the appointment of its joint brokers, but that Goldman and Barclays were the frontrunners to land the roles.

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Barclays did not play a part in the app's initial public offering, which saw its shares priced at £3.90.

The sudden collapse in value led to some commentators describing it as London's worst-ever IPO, although Deliveroo's shares have rallied since then.

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Nevertheless, they closed on Friday at just 314.2p, giving the company a market value of £5.76bn.

It emerged in August that German-based Delivery Hero had snapped up a 5% stake in its British rival, although it said at the time that it was not planning to launch a takeover bid.

A spokesman for Deliveroo declined to comment on Sunday.