Deliveroo to cut hundreds of jobs globally – and UK to be worst hit

Takeaway delivery platform Deliveroo has announced it is to cut roughly 350 jobs, equivalent to about 9% of the company workforce.

Roles across the global **Deliveroo** business will be impacted, founder and chief executive Will Shu told staff, but it is understood that UK employees will be worst hit by the losses. The majority of employees are based in the UK.

Some employees will be moved to different areas of the business in an effort to keep losses to roughly 300 roles while a redundancy process is to begin across the company.

In the UK, a collective consultation process on Deliveroo's redundancy proposals will take place, Mr Shu said, but across all markets "enhanced redundancy packages that go above government requirements and support" will be given. The specifics will vary by market, he added.

The company head said Deliveroo needed to "go further" to make the company profitable as the COVID-era boom in takeaway orders subsides on the platform.

Latest quarterly results from the company, announced last month, said it broke even and expected to be profitable this year.

Cost control measures and higher customer fees helped financial performance after order numbers fell from the highs of the pandemic: orders dropped 2% but this was offset by higher restaurant prices.

Competition in the delivery sector and global economic conditions have been blamed for the job cuts. “We operate in a highly competitive industry, and at the same time we are also in a difficult consumer environment in most of our markets,” Mr Shu said.

“We are experiencing record high inflation, rising interest rates, an energy crisis and fears of a recession in the UK.”

Image:
Deliveroo founder and chief executive Will Shu

As with many tech companies and start-ups, Deliveroo said it hired rapidly during the pandemic and is now downsizing. “In recent years we grew our headcount very quickly. This was a response to unprecedented growth rates supported by COVID-related tailwinds,” Mr Shu added.

The cuts were his responsibility, he said, and he should have “had a more balanced approach to headcount growth”.

The company went public by listing on the London Stock Exchange in March 2021 in what was described as the **worst initial public offering** in London’s history after the share price dropped by a quarter and wiped £7.6bn off the total value of Deliveroo stocks.

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But the cost saving measures made during the final quarter of 2022 – which included closing loss-making operations in Australia and the Netherlands – were not enough as Mr Shu on Thursday said: "Quite bluntly, our fixed cost base is too big for our business."

Deliveroo uses gig economy workers to deliver takeaways – who are not classed as employees and so will not be part of the headcount cull.