

Coronavirus economic impact

Supper shrugs off Deliveroo slump with funding round

Group plans to expand beyond London as pandemic spurs demand for fine dining at home

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Supper, the high-end food delivery business, is seeking to raise £5m in a private equity-backed funding round, just days after delivery app Deliveroo lost billions in market value within minutes of listing in London.

London-based Supper, which delivers food for restaurants including Nobu and Hakkasan, said that it had already raised £1.5m from private investor platform Growthdeck and had venture capital funds lined up to take part in the round.

Peter Georgiou, the company's founder and chief executive, a former bond trader, said that having been lossmaking until the start of the pandemic, Supper expected to make a "slight profit" on revenues of around £11m in the year to the end of April. It intends to use the funding to expand in London as well as launch internationally in cities such as New York and Dubai.

The company counts Premier League footballers and several FTSE 100 chief executives among its 80,000 customers and said it aimed to increase the number of restaurants on its platform from 130 to 300 by the end of 2021. Launched in 2015, it offers food from 15 Michelin-starred chefs

and also delivers meal orders from Harrods and Fortnum & Mason.

Demand for takeaway services has surged during lockdowns as customers turn to delivery apps to order food while restaurants have been closed. But the reliance of restaurants on delivery companies has put the working practices of these businesses into the spotlight.

Several large fund managers said they planned to shun Deliveroo's initial public offering after concerns were raised about its treatment of workers. Restaurants have also complained that the three dominant delivery companies – Deliveroo, Just Eat and UberEats – charge punishingly high fees of up to 35 per cent.

Georgiou said that unlike the larger players, Supper treated all of its drivers as salaried employees, paying them an hourly rate of £9 as well as pension and holiday pay.

"We try to run the business as ethically and socially minded as possible," he said, although he noted that they had to charge restaurants commission of around 22 to 25 per cent per order to fund the payroll.

Georgiou added that since a report revealed last week that Deliveroo riders could earn as little as £2 an hour, "the phones had lit up" with restaurants wanting to join Supper

Gary Robins, head of business development at Growthdeck, said that Supper, whose bikes can store food at different temperatures and feature gyroscopic technology to prevent the Michelin-starred dishes being bumped around by potholes, had "completely different" metrics to other delivery businesses. A typical Supper order is more than £100 compared with about £16 on other apps, he said.

One Mayfair-based hedge fund manager has racked up a £36,000-plus bill on more than 380 orders during the pandemic.

Through Growthdeck, Nick Basing, who stepped down as chair of the tenpin bowling company Ten Entertainment last week, will join the Supper board.

This article has been amended to clarify Supper's clients