



DoorDash: Growth through Acquisition

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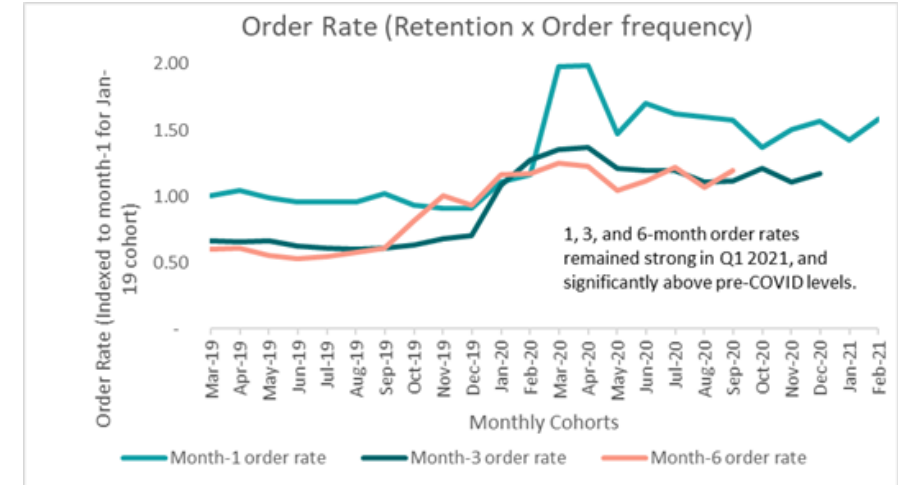
DoorDash 2021 Q1 Performance

Operational Performance

- Average order rate among existing consumers increased both Q/Q and Y/Y,)
- New consumer cohorts order with more frequency than pre-COVID-19 pandemic historical averages
- DoorDash acquired new consumers at a pace that was consistent with the prior two quarters.
- DoorDash more than doubled DashPass subscribers Y/Y and drove DashPass average order frequency for the quarter to an all-time high since launch.

Financial Performance

- Q1 net loss of \$110 million or 34 cents per share
- In Q1 2021, Door Dash grew Total Orders 219% Y/Y to 329 million.
- Strong growth in Drive revenue drove Q1 2021 revenue up 198% Y/Y to \$1.1 billion.
- Q1 2021 Marketplace gross order value (GOV) grew 222% Y/Y to \$9.9 billion.
- Adjusted Gross Profit declined to 5.3% in Q1 2021 versus 6.6% in Q4 2020 and 5.6% in Q1 2020

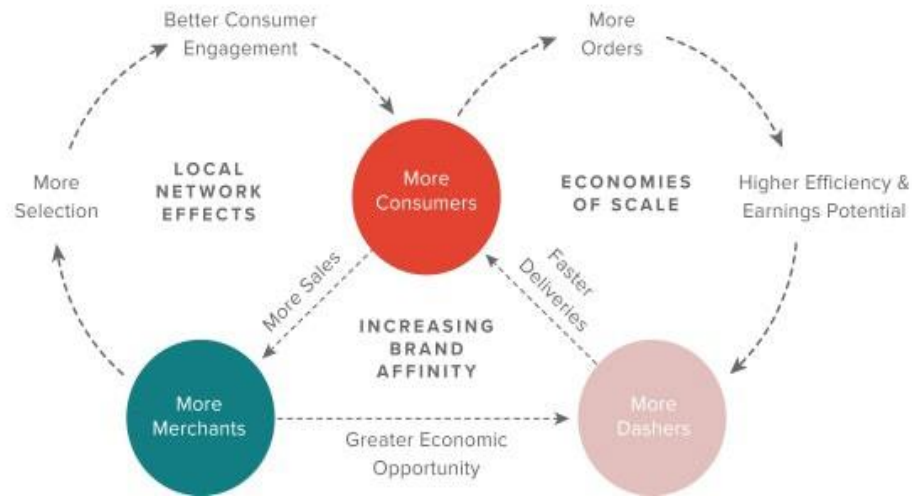


Financial and Operational Highlights

(In millions, except percentages)	Three Months Ended March 31,		
	2020	2021	% Change
Total Orders	103	329	219 %
Marketplace GOV	\$3,083	\$9,913	222 %
Revenue	\$362	\$1,077	198 %
Contribution Profit ⁽¹⁾	\$25	\$209	736 %
Contribution Margin ⁽¹⁾	7.0 %	19.4 %	
Contribution Profit as a % of Marketplace GOV	0.8 %	2.1 %	
Adjusted EBITDA ⁽¹⁾	\$(70)	\$43	**
Adjusted EBITDA Margin ⁽¹⁾	(19.3)%	4.0 %	
Adjusted EBITDA as a % of Marketplace GOV	(2.3)%	0.4 %	

DoorDash Growth Strategies

The DoorDash Flywheel



Three core elements: **More order volume = Everybody wins**

- Acquire more **merchants** and empower them with more merchant services that help them grow their business
- Acquire more **customers** and offer them a restaurant selection and services that drive up engagement and retention
- Empower **dashers** with an efficient delivery process so they can deliver more orders per unit of time, with a predictable, transparent way to earn money

Creates economic uplift for all participants

Organic Growth Strategies:

- 2016 - DoorDash Drive: Large ordering/nonfood items
- April 24, 2018 – Walmart Partnership (Grocery and non-Food Items)
- Aug 5, 2020 - DashMart (convenience/grocery items)
- Oct, 2020 – Macy's (Department store items)
- Expands Globally: April 30, 2021 (Europe and Japan)

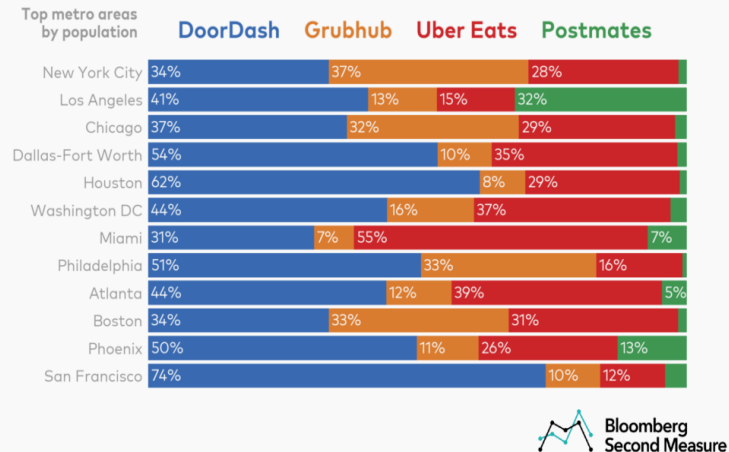
Tactics:

- Developed a detailed playbook for rolling out a new market
- Guidelines on how to approach merchants
- Checklists of what needs to be done when
- Provides education for merchants, e.g. how to optimize their dishes for delivery and pick-up, or what to do to attract new customers.

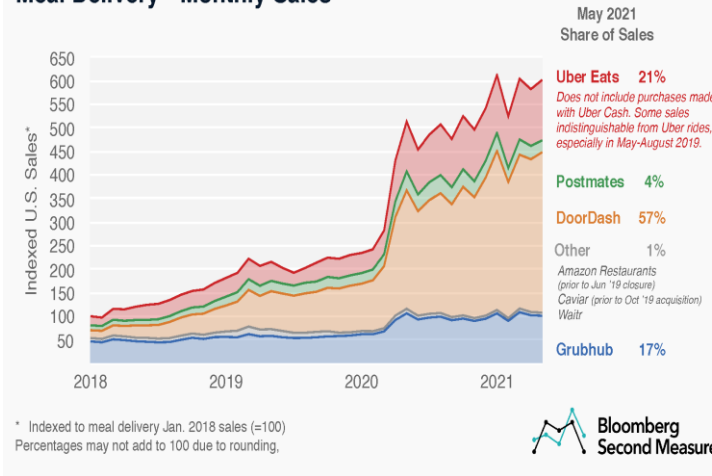
Inorganic Growth Strategies:

- Jan 2019: General Motors partnership - Self-Driving Cars
- Scotty Labs (Aug 2019 - self-driving and remote-controlled vehicle technology)
- Caviar (Oct 2019 - upscale urban-area restaurant delivery)
- Chowbotics (Feb 2021 - food prep automation)

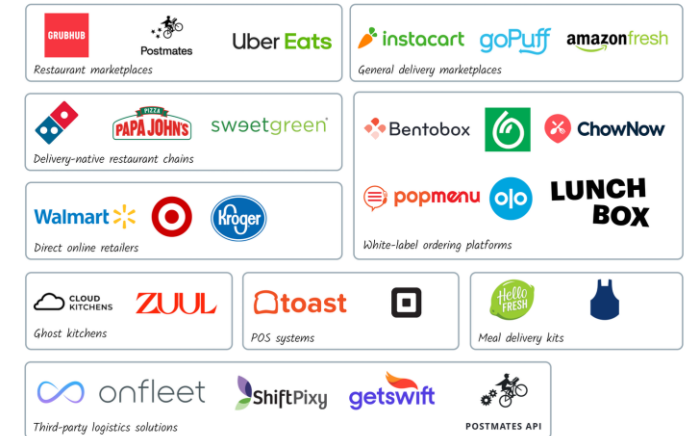
Meal Delivery - March 2021 Share of Sales



Meal Delivery - Monthly Sales



DoorDash's various competitors



Competitive Assessment of DoorDash Market Space

- DoorDash cites its US market share at 50%, with greater penetration in suburban markets.
- Second graph broadly confirms this assertion, suggesting that DoorDash held 57% of the market as of May 2021.
- DoorDash competes with other marketplace companies, grocery delivery services, meal kits, ghost kitchens, and vertically integrated restaurant chains.
- DoorDash looks to empower small and medium sized businesses and expand its logistical operations, by competing with white-label ordering platforms, POS systems, third-party logistics providers, and direct online retailers.

DoorDash Vision Statement & Proposed Growth Strategies

DoorDash Vision Statement

“Our vision - which will take decades to realize - is to build a last-mile logistics platform, create a set of services to grow a merchants sales, and produce a membership program that connects consumers to the merchants that sustain them”

Proposed Growth Strategies

- Improve Customer Satisfaction
- Grow Market Share through Improved Relationships with Suppliers
- Diversification of Services through Increased Retail Partnerships

“Underpenetration of e-commerce in the foodservice space provides the biggest tailwind for the company” – DoorDash President

Strategy: Grow Market Share through Improved Relationships with Restaurants

Strategy Goals: To gain share from the “Buy Local” consumer segment, shift share from other delivery services, and reduce the odds of new local competition entering the market

1. In our survey of 333 Richmond residents, 35% of those preferring curbside, and 88% of those preferring local delivery, said that “supporting local” or “better for restaurants” was a motivation. We believe restaurants have influence over these customers. Nationally published surveys and research show similar results
 2. States are making it illegal to list a restaurant on 3rd party delivery sites without restaurant permission making the relationship with restaurants more important. DoorDash needs to act quickly to keep restaurants on their site
 3. DoorDash forming strong relationships with restaurants, and adding value to their business proposition, could prevent a new local delivery service from entering the market or prevent restaurant owners from forming a local coop food delivery service
- **Tactic: Monthly Cash Back Program (DashBack) for restaurants**
 - Rewards restaurants for increasing the number of orders through DoorDash by returning a growing portion of their commissions monthly, based on order volume
 - Motivates restaurants to support DoorDash without removing their ability to get exposure, and additional orders, from other sites. By listing only DoorDash on their website, menu, and social media, share will shift from other 3rd party sites to DoorDash



FOR MERCHANTS

We're there for you 24/7/365 for live chat, email, and phone support. Use your DoorDash Tablet and POS integrations to fulfill orders with your back of house, and the Merchant Portal to manage your menu, analyze sales, and respond to customer ratings.

Who is Toast?

Our Story

At Toast we power successful restaurants of all sizes. By combining point of sale, front of house, back of house, and guest-facing technology with an unrivaled commitment to customer success we enable our community of restaurateurs to delight their guests, do what they love, and thrive.

Toast Company History:

2011: Founded in Cambridge MA.

2013: First Restaurant goes live

2014: Introduces integrated online ordering, gift cards, loyalty, and kitchen display systems

2017: In all 50 states. Named 3rd fastest growing technology company in North America by Deloitte

April 2018: Introduces ToastGo, the first handheld POS system designed specifically for the restaurant industry (Android)

June 2018: Becomes the leading cloud-based restaurant management platform

April 2020: Cut half their staff in reaction to pandemic

November 2020: Valuation nearly doubles pre-pandemic value due to restaurants retooling for takeout

2021: Named top restaurant POS by G2

Toast is a Cloud-Based Restaurant Software Company that combines all the software needed to manage a restaurant into their POS system.

- Front of House: POS with ticket and table management, ToastGo, Kiosk
- Back of House: kitchen display system (no paper tickets), inventory management
- Online Ordering: including the ability to create a no-contact guest experience
- CRM: email marketing, loyalty, gift cards
- Back Office: payroll, analytics, payment processing

Restaurants can use Toast to get online orders without having a POS or buying the Toast POS.

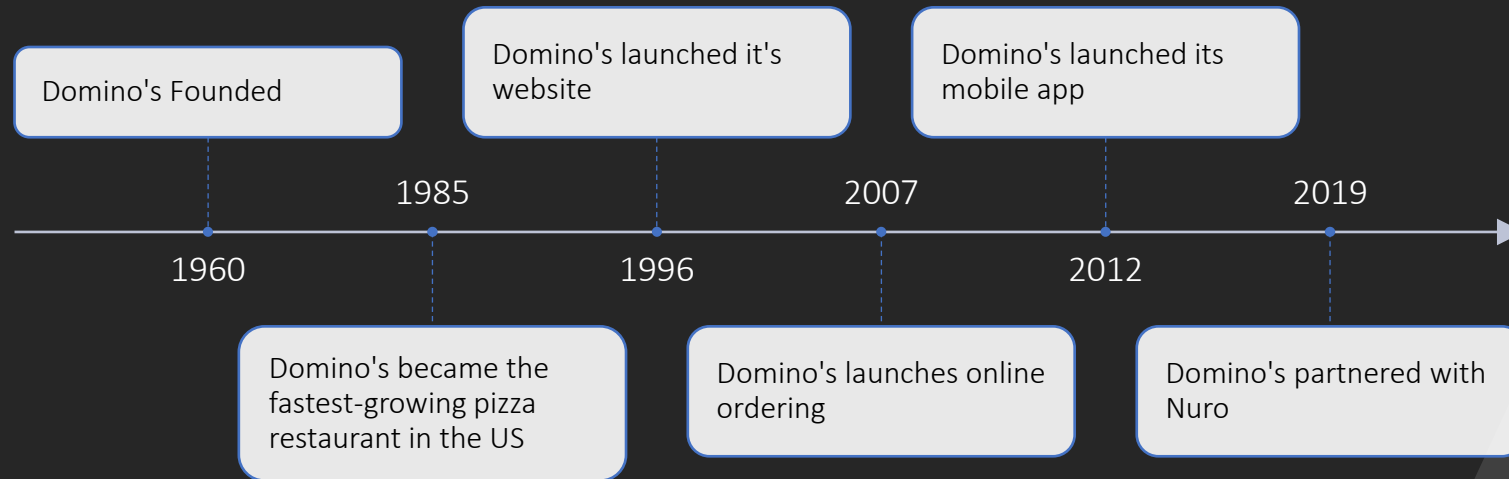
Why Toast?



The fastest growing
restaurant management
platform in North America

- Adjacencies: Toast has products adjacent to DoorDash's
- Ability to Cross-sell and Grow Market Share: Toast customers are all potential DoorDash suppliers (40,000 and growing) and DoorDash's (restaurant) suppliers are potential Toast customers
- DoorDash needs to earn restaurants trust and Toast has their trust. 1 in 5 new Toast customers is a referral from an existing customer. In December the DoorDash CEO wrote "We've heard the feedback and know we have to make improvements to earn and maintain partner trust."
- Revenue and Cost Synergies: An example is a combined sales department to target new restaurants
- Acquire Expertise and Technology: They are both technology companies with strong analytics
- Reduce potential competition: Toast is competing with DoorDash's Storefront by enabling restaurants to add online ordering to their own website and recently added delivery to that product (using DoorDash). However, they could expand further into DoorDash's core market
- DoorDash wants to improve their NPS. Toast has an NPS of 27 compared to DoorDash's 5.
- Toast has a strong culture which DoorDash struggles with but needs to improve
- Shared Values: Both DoorDash (Project Dash) and Toast (Toast.org) have programs geared towards addressing critical food issues in communities
- Restaurants like the ease of use compared to other POS systems which is important given the high industry turnover. DoorDash already integrates with Toast

Domino's Timeline



Who is Domino's?

It is a leading pizza delivery company.

Domino's operates a network of company-owned and franchise-owned stores in the United States as well as international markets. In

2020 Domino's generated \$491 million in profits.

Reasons for Acquisition Consideration



Domino's shared vision of autonomous vehicle delivery



Domino's international footprint

Acquisition
Option:
Domino's





Domino's partnered with Nuro in 2019. The Nuro R2 model is shown in the image on the right. Nuro is currently being used in selected cities in Texas, Arizona and California.

Benefits to DoorDash

- Improved customer satisfaction
 - Temperature controlled deliveries
 - Customers will be confident their order was not tampered with during delivery
- Shared Vision
 - Dominos and DoorDash are both focused on giving their customers the best ordering experience and are both interested in last mile delivery. This is an opportunity for them to share costs and expertise
- Improved loyalty of environmentally conscious customers
 - Nuro is an eco-friendly delivery option which will appeal to customers who support electrification

Domino's Autonomous Delivery



Domino's International Footprint

Comparision:

DoorDash

DoorDash is currently operating in over 4,000 cities in the United States, 80 cities in Canada, 3 in Australia and 1 city in Japan.

Domino's

In Quarter 1 of 2021 Domino's was operating 17,800 stores in more than 90 countries.

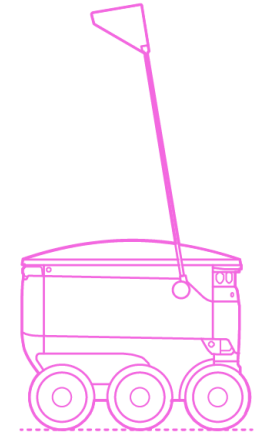
Benefits to DoorDash

- DoorDash could leverage Domino's international footprint and customer base

Acquistion Option:

Reasons for Acquistion Consideration

- Continue to invest in innovative technology and delivery options to provide the most cost effective and efficient deliveries for their customer
- Allow DoorDash the capacity of expanding to other areas with limited Dasher resources.
- Improve the delivery experience for customers and merchants who are concerned with human error and tampering.



STARSHIP

Who is Starship?

Starship Company History:

2011: Founded by the co-founders of Skype in June 2011.

2011: Registered first in Tallinn, Estonia

2016: Registered in the United States, establishing their headquarters in San Francisco

2016: Launched Pilots in United States and the United Kingdom

2019: Partnered with its first college, George Mason University and distributed 25 robots to deliver food on campus.

2019: 25 other university campuses across the United States joined in utilizing Starship as a way to deliver food on campuses.

2020: Let go of more than half of its employees in Estonia because of the COVID-19 pandemic

Early 2021: Rehired many of its staff as campuses have reopened post pandemic.

Starship Technologies is revolutionizing deliveries with autonomous robots.

- Designed to deliver Groceries, Food, Laundry, Medicine and packages in a 4 mile radius within minutes going as fast as a human's light jog.
 - Equipped with hot and cold compartments to help keep temperature controlled items safe.
 - To ensure accuracy of delivery, Starship Technologies invest heavily on mapping technologies to ensure the most accurate sidewalk and road conditions.
- Engineer offices in Estonia and Headquartered in San Francisco, California.
 - Operating in UK, USA, Germany, Denmark, and Estonia

Why Starship?

Aligns with the DoorDash strategy to expand its delivery options and provide the most cost effective and efficient means of transporting goods.

- Allows for more efficient delivery options in congested areas where parking and traffic may be an issue
- More secure delivery from merchant to customer. With locked compartments to ensure no tampering of objects.
- Temperature controlled compartments.
- 24/7 availability to deliver goods
- Growing demand and autonomous restrictions being lifted by many states.
- Starship is making large investments in having the most up to date and accurate mapping technologies.
- Getting in early on the autonomous technology that can be expected to grow and develop over the years.
- Operating globally
- On work and college campuses, starship allows for DoorDash to expand services.
- Libraries, transferring meeting documents from one building to another, food, medication, etc.



Aligns with our Growth Strategy

Grow Market Share through Improved Relationships with Suppliers

Aligns with DoorDash's vision

"(to) create a set of services to grow a merchants sales."



- Adjacencies: Toast has products adjacent to DoorDash's
- Ability to Cross-sell and Grow Market Share: Expands DoorDash's supplier base and Toast's customer base
- DoorDash can benefit from Toast's relationship with restaurants. 1 in 5 new Toast customers is a referral from an existing customer
- Revenue and Cost Synergies
- Both companies are technology companies that value analytics
- DoorDash already integrates with Toast and Toast is already partners with DoorDash for delivery



Toast: Potential sale price and assumption from valuation.

Toast currently valued at \$8 Billion as of Nov 2020, up from a \$4.9 Billion valuation in February 2020.

Assumption from Valuation

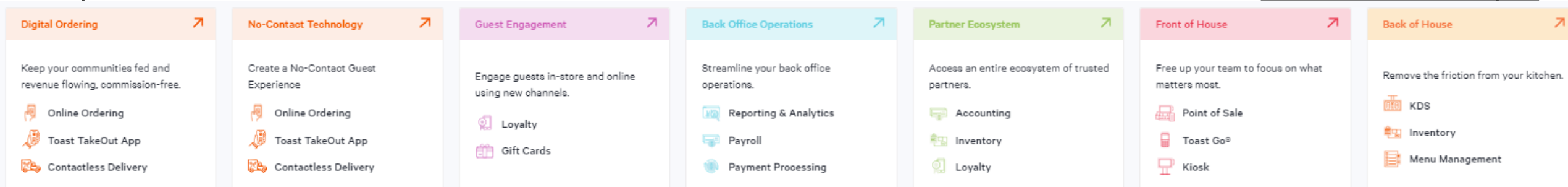
- Unconfirmed reports that Toasts discussed an IPO that could value the company at 20 Billion.
- Many Restaurants joined Toasts platform last year, and the company's revenue grew 109 percent as a result.
- Toast's growth is not sustainable with the market being saturated with companies providing the same service.
- Toast has a very small share of the overall restaurant industry POS business.
- Toast is overpriced and will fizzle by the time they IPO.

Potential Sale Price

- We think a value of \$10 Billion seems more likely and recommend offering \$9 Billion.
- Sale price is determined by Olo, a similar New York Based Company, that operates in the similar part of the restaurant company,
- An article, Tech Crunch, revealed that anything above \$5 Billion would be cream for them.
- Olo revenue in 2020 of \$98 million and profits of a little over \$3 million.
- Olo financial performance is not far-fetched from Toast, with a revenue of \$284 million in 2020 from a \$260 revenue in 2019.
- S-1 filing revealed Olo had a history of losses and was unable to achieve or sustain profitability.
- On March 17, 2021, Olo launched their IPO achieving a valuation of \$3.6 Billion.

Implementation Considerations

- **Communication:** Leadership, Operations, Software developers, Data teams, etc.
 - Keep Strategies clear
 - This acquisition is a strategy to Grow Market Share through Improved Relationships with Suppliers
 - This should integrate growth in markets, products, technology, and resources but should not completely reshape the active corporate strategies or vision in other areas
- **Win-Win:** Ability to Cross-sell and Grow Market Share
- **Culture**
 - Good fit - Honor the past, must let it evolve on its own
 - Both are: Fun, open, inclusive, experimental, promote hard-working environments - very restaurant/merchant first minded
 - Toast: Fortune's 2020 list of Best Places to Work in Technology - "bring your full self to work" and "no ego."
 - The "Dashers" can learn from the "Toasters"
- **Integration**
 - Organization structural integration depending on Toast CEO retention
 - Overlapping Areas: Properly align use of current DoorDash "Storefront" into Toast System and DoorDash service into Toast Delivery Services™
 - Processing fees (Toast is experimenting with a flat fee)
 - Collaborate data: Use data from both parties to increase efficiency between the order and food delivered
- **Others**
 - Potential push back from restaurant owners frustrated with profitability issues that involve working with third-party services
 - Toast: Evolved into almost the Swiss Army Knife of restaurant tech platforms so DoorDash could eventually benefit from diversifying into the other areas below
- **Social Impact**
 - DoorDash and Toast are using their platforms to address food insecurity, hunger, waste, inequality, and accessibility via Project DASH (DoorDash Acts for Sustainability and Hunger) and Toast's "Enrich the food experience for all"
 - \$165 billion worth of food is wasted every year. 16 million U.S. households go hungry. The strength of what they can do to help will multiply if acquired.
- **Success Measures**
 - Key Success Metric: Number of new Restaurant Partners
 - Secondary Metrics:
 - Partner Satisfaction Score through surveys
 - % of restaurants increased their order count
 - % Market Share growth in the restaurant segment (key markets and overall domestic market share)
 - \$ and % Revenue growth in the restaurant segment (key markets and overall)
 - Maintaining or reducing the number of competitors in markets



Questions?



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