
How Cathay Innovation leveraged key strategic partnerships to support Glovo's rise to a global last-mile delivery and Q-commerce leader



Founded in 2015 by Oscar Pierre and Sacha Michaud, Barcelona-based Glovo is a pioneering multi-category app connecting customers with businesses and couriers for on-demand deliveries from local restaurants, groceries and supermarkets, pharmacies and high-street retail stores.

Through its global lens, Cathay Innovation had been watching the rise of on-demand delivery services across Asia, Europe, and the US, and recognized Glovo as one of the most promising players.

from 7 at
investment
to >1,300

of cities

from
200,000
to 16M
orders per
month

of orders

€1 billion

raised since
initial Cathay
investment

\$2.6B
(€2.3B) in
2022

Acquired by
Delivery Hero for



Sector:	Retail
Country:	Spain
Fund:	Cathay Innovation I
Status:	Exited
Investment Date:	August 2017

Challenge

With its multi-vertical approach going beyond typical food delivery, along with its policy of “delivery anything” under an hour, Glovo had clear potential to become a global category leader. In 2017, the company had built a strong presence in Spain, Italy, and France with an annual gross transaction value (GTV) run rate of approximately €50M. To reach the next phase of growth, Glovo was looking to consolidate its leading position in Southern Europe, reach profitability in mature markets and expand to new regions such as Latam — a largely fragmented market and untapped opportunity. In addition, to grow their product catalog and drive adoption, securing long-term partnerships with tier 1 brands and retailers was a high priority.

Solution

Cathay Innovation co-led Glovo's €24M Series B in August 2017 followed by participation in its C and D rounds in 2018 and 2019, to fuel international growth. During this period, Glovo experienced rapid growth due to its differentiating one-stop value proposition and obsession with innovation that would reduce delivery times. Two key strategies were and (1) offering best service to users in partnership with local merchants and global brands (e.g., McDonalds, Walmart, Carrefour etc.) (2) leveraging a growing network of urban dark stores, fostering retail and best in class product – many of which were initiated with Cathay support.

For instance, the team introduced Glovo to global wine and spirits leader Pernod Ricard, one of Cathay Innovation's strategic limited partners, in late 2018. This led to the beverage giant investing in Glovo's Series C and D rounds followed by the launch of a large-scale commercial partnership in early 2020 — enabling Glovo to offer Pernod Ricard brands (e.g., Absolut Vodka, Jameson Irish Whiskey, Olmeca Tequila) on-demand in all markets where Glovo operates. The partnership proved to be mutually beneficial

by scaling Glovo's adoption with a wider selection of well-known brand products and helping Pernod Ricard explore new, innovative ways to reach customers —resulting in a measurable impact on top sales and average order value. As of July 2022, Glovo grew its operations to >1,300 cities in 25 countries across Europe, Central Asia and Africa with >15M active users expecting an annual GTV of ~€4B for 2022. Its impressive growth, products and services attracted the likes of German delivery startup Delivery Hero, which acquired Glovo for \$2.6B (€2.3B) — combining two quick commerce pioneers for a global footprint of 74 countries, serving 2.2B people across 4 continents.



Partnering with Cathay Innovation as an early investor was essential to our evolution from a strong regional delivery player to a leading multi-continental business. Their global view and incredible network of some of the largest brands accelerated our growth and supported us on our journey to fundamentally shift how millions of people in cities across the world get their local products. Additionally, their support during our fundraising rounds and final M&A talks to ensure we were creating value for all stakeholders.”

OSCAR PIERRE
CEO OF GLOVO