



Issue Opens

November 6, 2024 to November 8, 2024

Price Band
₹371 to ₹390

Face Value
₹1

Issue Size
₹11,327.43 Cr

Lot Size
38 Shares

Issue Type
Book Built

Issue Size

290,446,837 shares / ₹11,327.43 Cr

Fresh Issue

115,358,974 shares / ₹4,499.00 Cr

Offer for Sale

175,087,863 shares / ₹6,828.43 Cr

Basis of Allotment

Monday, November 11, 2024

Initiation of Refunds

Tuesday, November 12, 2024

Credit of Shares to Demat

Tuesday, November 12, 2024

Swiggy Listing Day

Wednesday, November 13, 2024

Objects of The Offer



The company plans to use the Net Proceeds for the following:

- Invest in its subsidiary, Scootsy, to fully or partially repay its borrowings.
- Fund Scootsy's Quick Commerce expansion by establishing new Dark Stores and covering lease or license costs.
- Develop technology and cloud infrastructure.
- Boost brand visibility through marketing and promotional activities.
- Support growth through acquisitions and general corporate expenses.

Brief profile of the Directors

- **Anand Kripalu:** Independent Director and Chairman since Dec 4, 2023. Background in electrical engineering from IIT Madras and management from IIM Calcutta and Wharton. Currently CEO of EPL Limited with past roles at United Spirits and Cadbury. Received a Lifetime Achievement Award in Marketing.
- **Sriharsha Majety:** Managing Director and Group CEO. Holds a degree in engineering from BITS Pilani and management from IIM Calcutta. Over 10 years at the company, recognized as Entrepreneur of the Year 2019 by The Economic Times.
- **Lakshmi Nandan Reddy Obul:** Whole-time Director, Head of Innovation. Holds a master's in physics from BITS Pilani and has over 10 years of experience, with prior consulting experience at Intellectap.
- **Shailesh Vishnubhai Haribhakti:** Independent Director since Jan 24, 2023. Chartered Accountant and certified internal auditor with over 15 years in the finance and corporate sector. Previously associated with companies like L&T Finance and Ambuja Cements.
- **Suparna Mitra:** Independent Director since Apr 1, 2024. Holds degrees in engineering from Jadavpur University and management from IIM Calcutta. CEO of Titan's Watches & Wearables division, recognized among the most powerful women in business.
- **Anand Daniel:** Nominee Director (Non-Executive) since July 10, 2015. Holds degrees in computer science, engineering, and an MBA from MIT. Partner at Accel Partners India with extensive investment experience.



About The Company

Swiggy is a next-generation, consumer-focused technology company that provides users with a convenient and easy-to-use platform, accessible through a unified app - to browse, select, order and pay for food ("Food Delivery"), groceries and household goods ("Instamart") and have orders delivered to customer's doorsteps through their network of on-demand delivery partners. Their platform can be used to make reservations at restaurants ("Dineout") and events ("SteppinOut"), avail product pickup/drop-off services ("Genie") and engage in other hyper-local entertainment activities (Swiggy Minis, among others). As one of the first hyperlocal commerce platforms, Swiggy was one of the pioneers in this space in India, launching Food Delivery in 2014 and Quick Commerce in 2020. Due to Swiggy's pioneering position, it is recognized as a leader in hyperlocal commerce innovation and as a brand synonymous with the categories in which it operates.

Key Business Operations

Swiggy Ltd. is a dynamic company offering a range of services in the food and grocery delivery market, addressing consumer needs through key business operations:

1. **Food Delivery:** Swiggy's core service delivers food from a vast network of restaurants, generating revenue from restaurant commissions, advertising, and user fees.
2. **Quick Commerce (Instamart):** This segment provides rapid grocery delivery through a network of Dark Stores, supporting high efficiency. Revenue sources include commissions, ads, and user fees.
3. **Out-of-Home Consumption:** Expanding with Dineout, Swiggy offers restaurant reservations and event bookings, with earnings from partner commissions, ads, and user fees.
4. **Logistics and Supply Chain Services:** Swiggy provides logistics solutions for B2B deliveries, including pickup, transport, and supply chain management, with income from sales and service fees.
5. **Platform Innovation:** New services like Swiggy Genie (same-day delivery) and Swiggy One (membership program with discounts) enhance customer experience.

1. Technological Infrastructure: Significant investment in tech supports efficient logistics, scaling, and customer experience through machine learning and cloud infrastructure.
2. Marketing and Brand Promotion: Strategic marketing boosts brand visibility, focusing on new services like Instamart for customer acquisition and retention.
3. Geographic Reach: Operating in over 580 cities across India, Swiggy covers 97% of the population, supporting its B2C marketplace for food, grocery, and logistics.



Swiggy's five main segments are Food Delivery, Out-of-Home Consumption, Quick Commerce, Supply Chain & Distribution, and Platform Innovations, aggregating restaurant and merchant partners on a B2C marketplace platform that facilitates delivery, reservations, payments, and partner lead generation.

For the three months ended June 30, ← As of and for the fiscal ended March 31, →

| Particulars | Unit | 2024 | 2023 | 2024 | 2023 | 2022 |
|--|-----------|------------|------------|-------------|-------------|-------------|
| Swiggy Platform | | | | | | |
| B2C GOV ⁽¹⁾ | ₹ million | 101,895.86 | 82,771.86 | 349,690.75 | 277,405.18 | 201,222.59 |
| Consolidated Gross Revenue ⁽²⁾ | ₹ million | 34,732.87 | 26,938.48 | 123,203.14 | 94,796.89 | 68,604.44 |
| Consolidated Adjusted EBITDA ⁽³⁾ | ₹ million | (3,478.00) | (4,868.90) | (18,355.67) | (39,103.37) | (32,337.62) |
| Average Monthly Transacting Users ⁽⁴⁾ | million | 15.99 | 13.88 | 14.29 | 12.67 | 10.26 |
| Average Monthly Transacting Delivery Partners ⁽⁵⁾ | # | 407,249 | 350,290 | 392,589 | 322,819 | 243,496 |
| Platform Frequency ⁽⁶⁾ | # | 4.50 | 4.42 | 4.48 | 4.34 | 4.14 |
| Swiggy One members ⁽⁷⁾ | million | 5.71 | 1.38 | 5.33 | 1.39 | 0.95 |
| Food Delivery | | | | | | |
| GOV ⁽¹⁾ | ₹ million | 68,083.44 | 59,587.43 | 247,174.41 | 215,170.76 | 184,788.26 |
| Gross Revenue ⁽²⁾ | ₹ million | 17,296.39 | 14,545.32 | 60,815.51 | 51,792.05 | 44,298.07 |
| Contribution Margin (as a percentage of GOV) ⁽³⁾ | % | 6.40% | 5.24% | 5.72% | 2.94% | 1.59% |
| Adjusted EBITDA ⁽⁴⁾ | ₹ million | 578.43 | (431.95) | (471.80) | (10,349.93) | (14,095.17) |
| Average Monthly Transacting Users ⁽⁵⁾ | million | 14.03 | 12.56 | 12.73 | 11.57 | 9.86 |
| Average Monthly Transacting Restaurant Partners ⁽⁶⁾ | # | 223,671 | 183,138 | 196,499 | 174,598 | 129,036 |
| Out-of-Home Consumption⁽⁷⁾ | | | | | | |
| GOV ⁽¹⁾ | ₹ million | 6,571.95 | 5,769.28 | 21,830.67 | 11,050.75 | - |
| Gross Revenue ⁽²⁾ | ₹ million | 467.03 | 311.25 | 1571.86 | 776.86 | - |
| Contribution Margin (as a percentage of GOV) ⁽³⁾ | % | 3.49% | 2.78% | 2.45% | 1.20% | - |
| Adjusted EBITDA ⁽⁴⁾ | ₹ million | (131.57) | (490.13) | (1,735.96) | (1,372.06) | (85.22) |
| Average Monthly Active Restaurants ⁽⁵⁾ | # | 33,352 | 32,889 | 36,575 | 10,436 | - |
| Quick Commerce | | | | | | |
| GOV ⁽¹⁾ | ₹ million | 27,240.47 | 17,415.15 | 80,685.67 | 51,183.67 | 16,434.33 |
| Gross Revenue ⁽²⁾ | ₹ million | 4,033.85 | 2,123.03 | 10,877.00 | 5,472.75 | 1,342.23 |
| Contribution Margin (as a percentage of GOV) ⁽³⁾ | % | (3.18)% | (7.50)% | (6.01)% | (23.55)% | (32.28)% |
| Adjusted EBITDA ⁽⁴⁾ | ₹ million | (3,179.15) | (3,121.09) | (13,690.94) | (20,267.59) | (8,832.56) |
| Average Monthly Transacting Users ⁽⁵⁾ | million | 5.24 | 3.89 | 4.24 | 3.20 | 1.10 |
| Active Dark stores ⁽⁶⁾ | # | 557 | 421 | 523 | 421 | 301 |
| Supply Chain and Distribution | | | | | | |
| Revenue | ₹ million | 12,682.57 | 9,475.81 | 47,796.05 | 32,863.47 | 14,653.00 |
| Adjusted EBITDA ⁽²⁾ | ₹ million | (578.91) | (426.62) | (1,867.20) | (2,954.99) | (3,051.49) |
| Platform Innovations | | | | | | |
| Gross Revenue ⁽¹⁾ | ₹ million | 293.12 | 483.03 | 2,142.72 | 3,891.76 | 8,411.14 |
| Adjusted EBITDA ⁽²⁾ | ₹ million | (166.80) | (399.17) | (1,189.77) | (4,158.81) | (6,329.18) |

Statement of Profit and Loss



| | Three months ended June 30, 2024 | Three months ended June 30, 2023 | Year ended March 31, 2024 | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|-------------------------------------|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Income | | | | | |
| Revenue from operations | 32,222.17 | 23,898.18 | 112,473.90 | 82,645.96 | 57,048.97 |
| Other income | 878.94 | 1,198.32 | 3,869.59 | 4,498.57 | 4,148.80 |
| Total income | 33,101.11 | 25,096.50 | 116,343.49 | 87,144.53 | 61,197.77 |
| Expenses | | | | | |
| Cost of materials consumed | 77.69 | 143.63 | 610.83 | 719.99 | 510.54 |
| Purchases of stock-in-trade | 11,951.48 | 8,970.16 | 45,547.50 | 33,019.51 | 22,245.40 |
| Changes in inventories of stock-in-trade | (75.50) | (13.30) | (116.34) | 69.23 | (75.46) |
| Employee benefits expense | 5,891.85 | 4,857.80 | 20,121.64 | 21,298.20 | 17,084.90 |
| Finance costs | 198.26 | 174.00 | 714.03 | 581.92 | 483.76 |
| Depreciation and amortisation expense | 1,216.72 | 912.98 | 4,205.85 | 2,857.86 | 1,700.90 |
| Other expenses | | | | | |
| Advertising and sales promotion | 4,453.73 | 4,871.35 | 18,507.99 | 25,011.60 | 20,050.73 |
| Delivery and related charges | 10,460.45 | 7,490.01 | 33,510.59 | 28,349.44 | 20,688.13 |
| Others | 4,904.90 | 3,319.01 | 16,371.75 | 16,936.24 | 13,055.63 |
| Total expenses | 39,079.58 | 30,725.64 | 139,473.84 | 28,843.99 | 95,744.53 |
| Loss before share of loss of an associate, exceptional items and tax | (5,978.47) | (5,629.14) | (23,130.35) | (41,699.46) | (34,546.76) |
| Share in net loss of an associate | (0.90) | (5.00) | (66.14) | (1.03) | (10.16) |
| Loss before exceptional items and tax | (5,979.37) | (5,634.14) | (23,196.49) | (41,700.49) | (34,556.92) |
| Exceptional items | (130.70) | (6.70) | (305.94) | (92.56) | (1,732.04) |
| Loss before tax | (6,110.07) | (5,640.84) | (23,502.43) | (41,793.05) | (36,288.96) |
| Tax expense: | - | - | - | - | - |
| Current tax | - | - | - | - | - |
| Deferred tax | - | - | - | - | - |
| Total tax expense | - | - | - | - | - |
| Loss for the period/year | (6,110.07) | (5,640.84) | (23,502.43) | (41,793.05) | (36,288.96) |
| Other comprehensive income ("OCI"), net of tax | | | | | |
| Items that will not be reclassified subsequently to profit or loss: | 54.58 | - | 931.68 | (95.86) | - |
| - Changes in fair value of equity instruments carried at fair value/ comprehensive income | (2.34) | 12.57 | 11.25 | (32.82) | (23.32) |
| - Re-measurement gain/ (loss) on defined benefit plans (Refer note 10) | 52.24 | 12.57 | 942.93 | (128.68) | (23.32) |
| Other comprehensive income/ (loss) for the period/year | (6,057.83) | (5,628.27) | (22,559.50) | (41,921.73) | (36,312.28) |
| Total comprehensive loss for the period/year, net of tax | (2.76) | (2.58) | (10.70) | (19.33) | (18.62) |

Strengths



- **Capital for Expansion:** A primary goal of the IPO is to raise funds for expanding Swiggy's operations across existing markets and entering new ones, including potential international opportunities. This includes enhancing its delivery infrastructure and technology platform to improve customer experience.
- **Diversification of Services:** Swiggy plans to use the proceeds to diversify its service offerings beyond food delivery, notably through its Instamart grocery delivery and Swiggy Genie parcel services. This diversification is crucial in a competitive market where consumer preferences are shifting.
- **Debt Reduction:** Part of the funds will be allocated to reducing existing debt, which will strengthen Swiggy's financial position and allow for more flexibility in future investments.
- **Market Leadership and Brand Visibility:** As one of India's leading food delivery platforms, Swiggy's IPO will enhance its brand visibility and credibility. Being publicly listed will improve access to capital markets and attract institutional investors.
- **Technological Advancements:** Swiggy has invested significantly in technology-driven solutions that enhance operational efficiency. This includes AI-driven logistics systems that can help maintain competitiveness against rivals like Zomato and new entrants in the market.
- **Growth Potential in a Booming Market:** The Indian food services market is projected to grow significantly, with online food delivery expected to increase its market share from 8% to 20% by 2030. This growth presents a favorable environment for Swiggy's expansion plans.





Threats

- **Market Volatility and Competitive Challenges:**

Competitive Market: Swiggy faces tough competition from established brands like Zomato and new players in food and grocery delivery. This competition can result in price wars, impacting profitability and market share.

Economic Impact: The food delivery sector is sensitive to economic changes, such as rising fuel prices and shifts in consumer spending. These factors can impact Swiggy's revenue and costs.

- **Financial Performance Concerns:**

Consistent Losses: Swiggy has been recording annual losses, with losses in FY24 around ₹2,350 crore despite revenue growth. Continued losses may deter investors.

Negative Cash Flow: Swiggy's negative operating cash flows raise concerns about its ability to fund operations and future growth without external financing.

- **Valuation and IPO Risks:**

Pricing Strategy: Swiggy's IPO success depends on investor perception of its valuation. If overvalued, it may struggle to attract demand, while competitive pricing could drive investor interest.

- **Regulatory and Operational Risks:**

Regulatory Changes: The food delivery industry faces evolving regulations, and any unfavorable changes could lead to higher compliance costs or operational limitations for Swiggy.

User Retention: Swiggy's growth depends on retaining current users while cost-effectively gaining new ones. If users shift toward home-cooked meals, it may impact revenue growth.

High Employee Turnover: Rising attrition rates could affect Swiggy's operational efficiency, increase hiring and training costs, and impact service quality.



Valuation and Outlook



Swiggy Ltd IPO is expected to be priced between ₹371 to ₹390 per share. At this price, the company is valued at Price-to-Earnings (P/E) ratio of Rs -10.70x versus the Industry P/E of 634.50x.

| Name of the Company | Revenue from operations for the financial year ended March 31, 2024 (in million ₹) | Face value of equity shares | EPS (₹) | Return on Net Worth (%) | NAV (per share) (₹) | P/E | EV/Revenue | Market Capitalization (₹) to Revenue from Operations (x times) | Market Capitalization (₹) to Total Income (x times) | EV to EBITDA (x times) |
|---------------------|--|-----------------------------|---------|-------------------------|---------------------|------|------------|--|---|------------------------|
| Swiggy Limited | 1,12,473.90 | 1 | -10.7 | -10.7 | -30.2 | 35.5 | * | * | * | * |
| Zomato Limited | 1,21,140 | 1 | 0.41 | 0.4 | 1.72% | 23.1 | 634.5 | 18.45 | 18.51 | 17.3 |

The estimated FY24 revenue of ₹116,343.5 million suggests a revenue multiple of 8.4-8.5x, which is lower than Zomato's 18.5x. This valuation reflects current macroeconomic issues and investor mood, as Swiggy competes fiercely with Zomato and new competitors into food delivery and rapid commerce. The IPO is a critical opportunity for Swiggy to improve its market position. After analyzing the company's fundamentals and future prospects. Given the value, we presently rank Swiggy Ltd.'s IPO as **"Avoid."**

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