



EQUITY RESEARCH

UPDATED

12/07/2024

# Mottu

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Mottu

Motorcycle rental and delivery service for gig workers and businesses in Latin America

#on-demand #micromobility

[Visit Website](#)

Details

HEADQUARTERS

São Paulo

CEO

Rubens Zanelatto



REVENUE

\$66,962,484

2023

GROWTH RATE (Y/Y)

88%

2023

FUNDING

\$112,000,000

2023

Revenue

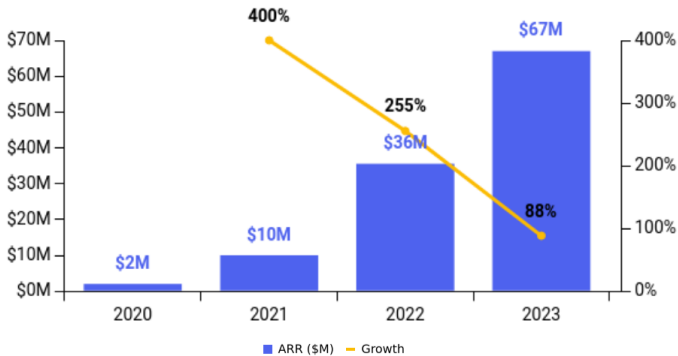


Mottu

ARR & ARR Growth Rate

\$67.0M

↑ 88.4% YoY



Source: Sacra

Updated: Dec 31, 2023

Sacra estimates Mottu hit \$67M in annual recurring revenue (ARR) in 2023, up 88% year-over-year, driven by its motorcycle rental and last-mile delivery operations across Brazil and Mexico.

The company has demonstrated remarkable growth since inception, starting with \$2M ARR in 2020, expanding to \$10M ARR in 2021, and continuing its upward trajectory through 2023. Revenue is primarily generated through motorcycle rentals to delivery couriers at approximately \$150 per month per vehicle, with a fleet of 72,000 motorcycles across 40 cities.

Mottu maintains impressive 69% gross margins, significantly outperforming U.S. micromobility competitors like Bird (19% margins), due to lower maintenance costs and the absence of charging infrastructure needs for gas-powered vehicles. The company has expanded beyond pure motorcycle rentals to offer white-labeled last-mile delivery services to over 1,000 retailers, including restaurants, pharmacies, and e-commerce platforms.

Valuation

Mottu completed a Series C funding round in 2023 led by QED Investors and Bicycle Capital. The company has raised over \$150 million in total funding since its founding in 2020, with its most recent round being a \$50 million Series C in 2023. Key strategic investors include QED Investors, Tiger Global, and Bicycle Capital (founded by former SoftBank executives), with additional participation from Endeavor Catalyst and Michael Moritz.

Product

Mottu was founded in 2020 by Rubens Zanelatto in São Paulo, Brazil.

Mottu found product-market fit as a motorcycle rental service for unemployed individuals who wanted to work as delivery couriers but lacked the means to purchase their own vehicles or access traditional credit. The company started with 200 motorcycles in São Paulo and quickly expanded as demand grew from aspiring delivery workers.

The core product is a comprehensive motorcycle rental service that includes maintenance, insurance, and 24/7 support. Customers pay a daily rental fee to access Mottu's motorcycles, which they can use to work for food delivery and logistics apps like Rappi and iFood. For those without licenses, Mottu provides access to driving school services to help them qualify as couriers.

The company has since evolved to offer an integrated last-mile logistics ecosystem. Mottu now assembles its own fuel-efficient motorcycles at a plant in Manaus, which are specifically designed for courier work. The company also provides white-labeled delivery services to retailers, allowing businesses to tap into Mottu's network of vetted couriers with reliable transportation. This creates a complete solution connecting restaurants, retailers, and e-commerce businesses with delivery workers across Brazil and Mexico.

Business Model

Mottu is a motorcycle rental and logistics platform that enables income generation for delivery workers in Latin America while building out last-mile delivery infrastructure. The company rents motorcycles to independent couriers who work for food delivery and logistics apps but cannot afford to purchase their own vehicles or lack credit access.

The company operates an end-to-end model, assembling its own fuel-efficient motorcycles in Manaus and renting them to couriers for approximately \$3.70 per day with no credit requirements. Mottu provides comprehensive services including insurance, maintenance, 24/7 support, and even driving school access for aspiring couriers who need licenses.

Beyond motorcycle rentals, Mottu has expanded into white-label last-mile delivery services used by over 1,000 restaurants, pharmacies and e-commerce businesses. This creates a powerful network effect - more couriers enable better delivery coverage, attracting more merchants to use Mottu's delivery services.

The company's vertical integration and focus on operational efficiency enable it to maintain high margins while serving an underbanked population. By controlling the full stack from motorcycle assembly to courier operations to merchant delivery services, Mottu has built strong barriers to entry in the fragmented Latin American logistics market.

## Competition

Mottu operates in the Latin American last-mile delivery and vehicle rental market, competing across several distinct segments focused on enabling delivery workers and merchants.

### Motorcycle rental and driver enablement

Traditional motorcycle rental companies like Localiza and Movida dominate Brazil's vehicle rental market but focus primarily on cars and trucks. Uber-backed Moove (\$115M ARR) offers vehicle financing and rentals to ride-hailing drivers but emphasizes four-wheeled vehicles. Unlike these players, Mottu vertically integrates motorcycle assembly, maintenance, and driver services specifically for delivery workers.

### Last-mile delivery networks

Major food delivery platforms like Rappi (\$885M revenue), iFood (\$1.4B revenue), and PedidosYa (\$546M revenue) maintain their own courier networks but don't provide vehicles. Logistics companies like Loggi focus on B2B deliveries using a mix of vehicles. Mottu differentiates by combining motorcycle rentals with a white-label delivery marketplace used by 1,000+ merchants.

### Micromobility operators

While companies like Lime (\$500M revenue) and Bird (\$205M revenue) offer short-term vehicle rentals in urban areas, they focus on consumer transportation rather than enabling delivery workers. Their unit economics suffer from charging costs and vandalism - challenges Mottu avoids through its courier-focused model with 69% gross margins. The company's assembly facility in Manaus and comprehensive maintenance program also create barriers to entry that pure-play rental companies would struggle to replicate.

## TAM Expansion

Mottu has tailwinds from Latin America's rapidly growing delivery economy and increasing demand for flexible work opportunities, with potential to expand into adjacent markets like fleet management, financial services, and urban mobility solutions.

### Last-mile delivery infrastructure

The online food delivery market in Latin America is projected to reach \$33B by 2024, growing 9% annually. Mottu's network of 76,000 vetted couriers positions them to become the backbone of last-mile delivery infrastructure across the region. Their white-label delivery service, already used by 1,000+ merchants, could scale to serve the broader retail and e-commerce sectors beyond just food delivery.

### Financial services expansion

With a captive base of underbanked couriers who rely on Mottu's motorcycles for income generation, the company can expand into financial services like insurance, credit, and digital payments. Their perfect payment collection rate and deep understanding of courier earnings patterns creates unique advantages in credit underwriting. The addressable market for financial services to gig workers in Latin America exceeds \$20B.

### Urban mobility solutions

Mottu's recent entry into general mobility services targets the massive population of urban commuters in Brazil and Mexico who currently rely on poor quality public transportation. Their efficient motorcycle fleet and operational expertise in maintenance and fleet management positions them to build a comprehensive urban mobility platform. The total urban mobility market in Latin America's major cities represents a \$50B+ opportunity that remains largely untapped by existing players.

## Risks

**Regulatory backlash in delivery markets:** As Mottu's business model relies heavily on gig economy delivery workers, any regulatory changes requiring worker classification as employees (like those seen in other markets) could severely impact unit economics and force costly operational changes. The company's low-cost rental model might be viewed as enabling worker exploitation, particularly given their focus on unbanked/low-credit populations.

**Fleet maintenance and replacement costs:** While Mottu currently enjoys 69% gross margins due to low maintenance costs, scaling a fleet of 72k+ motorcycles across multiple countries creates significant long-term maintenance liability. As bikes age, maintenance costs could spike unexpectedly and replacement cycles could pressure margins, especially if utilization rates drop.

**Geographic expansion risks:** Mottu's expansion from Brazil into Mexico and planned growth across LatAm requires navigating distinct regulatory environments, building local maintenance networks, and competing with established players. Their vertically integrated model (including motorcycle assembly) makes rapid expansion more capital intensive and operationally complex than pure marketplace models.

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