



MARKET REPORT

UPDATED

10/08/2024

Swiggy at \$1.3B revenue

TEAM

Jan-Erik Asplund

Co-Founder

jan@sacra.com

DISCLAIMERS

This report is for information purposes only and is not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal trade recommendation to you.

This research report has been prepared solely by Sacra and should not be considered a product of any person or entity that makes such report available, if any.

Information and opinions presented in the sections of the report were obtained or derived from sources Sacra believes are reliable, but Sacra makes no representation as to their accuracy or completeness. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a determination at its original date of publication by Sacra and are subject to change without notice.

Sacra accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that liability arises under specific statutes or regulations applicable to Sacra. Sacra may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect different assumptions, views and analytical methods of the analysts who prepared them and Sacra is under no obligation to ensure that such other reports are brought to the attention of any recipient of this report.

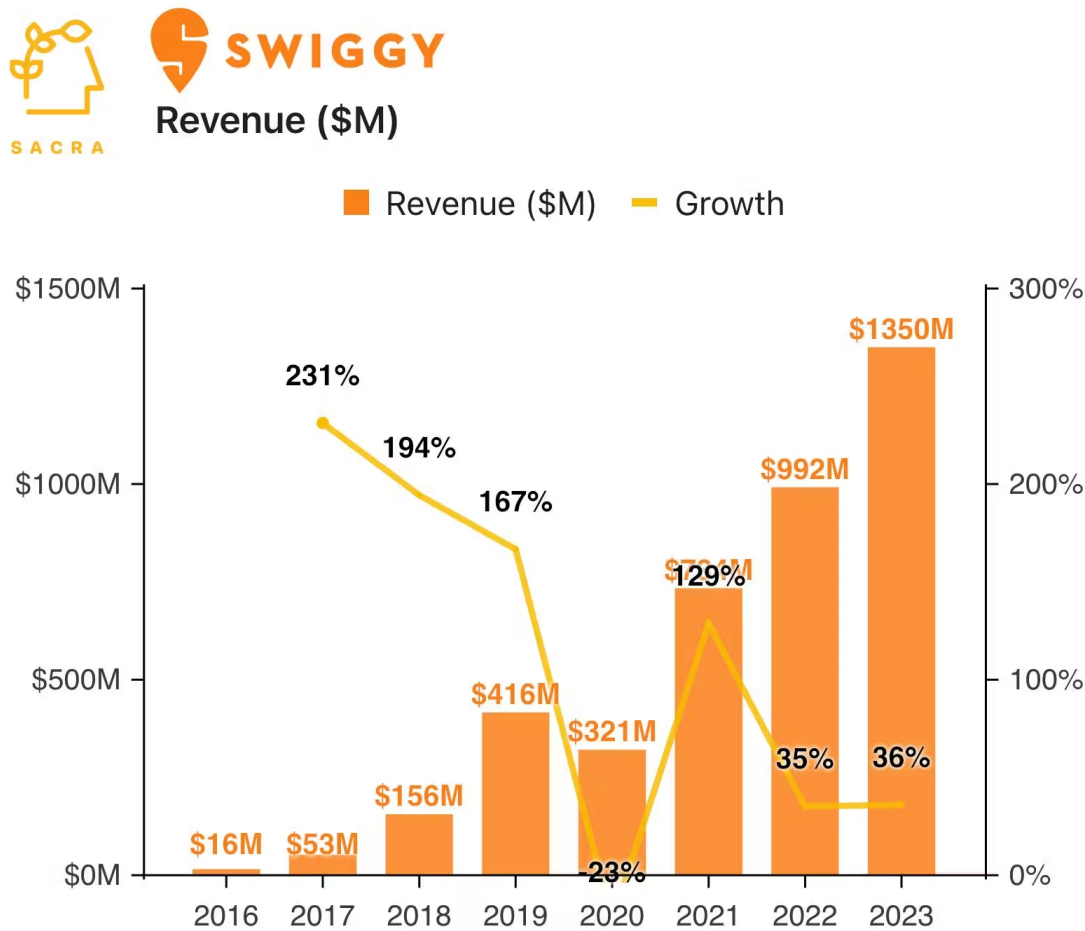
All rights reserved. All material presented in this report, unless specifically indicated otherwise is under copyright to Sacra. Sacra reserves any and all intellectual property rights in the report. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of Sacra. Any modification, copying, displaying, distributing, transmitting, publishing, licensing, creating derivative works from, or selling any report is strictly prohibited. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of Sacra. Any unauthorized duplication, redistribution or disclosure of this report will result in prosecution.

Published on Oct 08th, 2024

Swiggy at \$1.3B revenue

By Jan-Erik Asplund

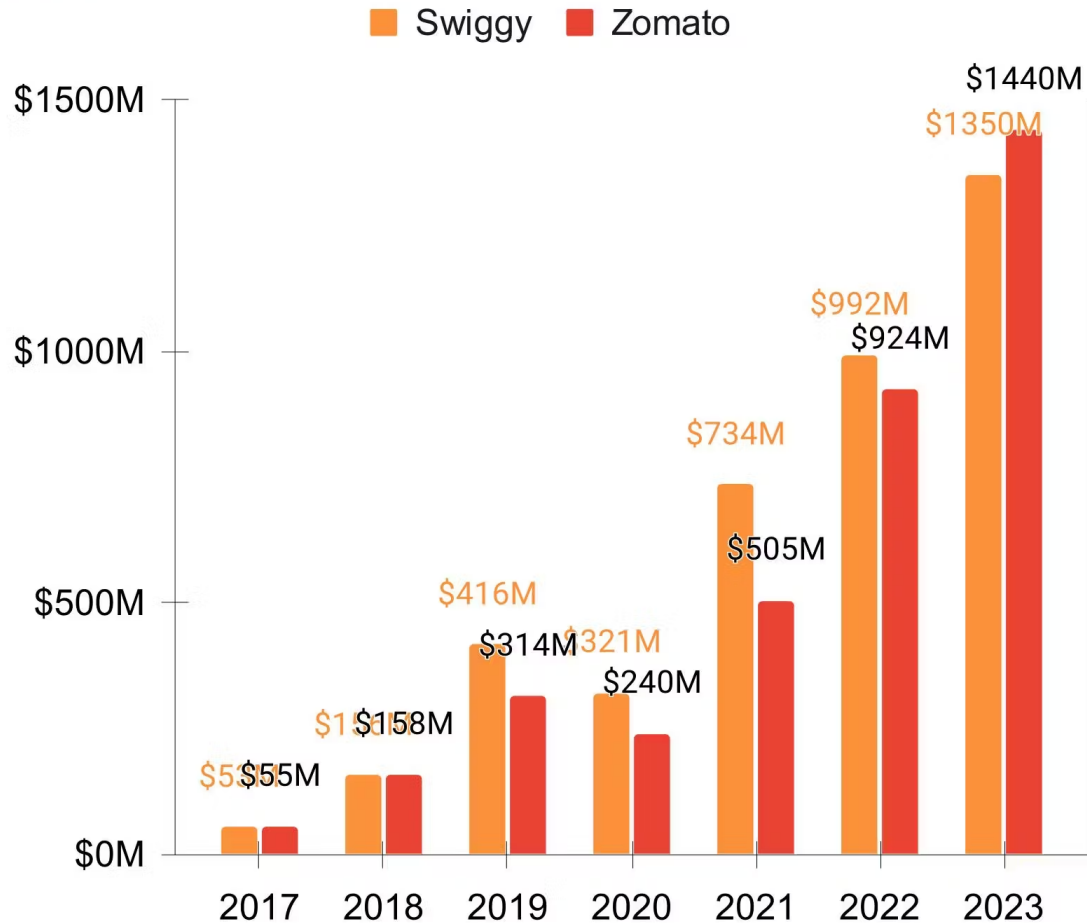
TL;DR: Sacra estimates that Swiggy generated \$1.3B of revenue in 2023, up 36% year-over-year, as they race Zomato (NSE: ZOMATO, \$1.66B revenue) to build the super app for urban Indian consumers. For more, check out our full report and dataset on Swiggy.





SWIGGY vs. zomato

Revenue (\$M)



Key points via Sacra AI:

- **Zomato (2008)**, the “Yelp for India”, struggled with adding delivery to their platform due to restaurants’ unreliable logistics and a lack of high quality 3rd-party delivery services—Uber’s (2009) success in on-demand inspired **Swiggy (2014)** to compete by building its own delivery fleet to enable it to control the customer experience from order to last-mile delivery, growing from **\$16M in revenue in 2016 to \$156M in 2018**. Just as Uber went on to leverage its fleet to deliver from restaurants (Uber Eats, 2014), retail (Postmates, 2020) and liquor stores (Drizly, 2021), Swiggy would go on to expand to retail (Swiggy Stores, 2019), parcel delivery (Swiggy Go, 2019), alcohol (Wine Shops, 2020), and groceries (2020), charging restaurants and stores a 15-25% take rate on total order value.
- **The tough economics of food delivery in the Indian market**—where average order values (AOV) are \$5-7 vs. \$30 in the US—led to competitors with lower market share like Uber Eats, Ola (\$340M in 2023), Foodpanda, and TinyOwl shutting down or being acquired, while the well-capitalized

Swiggy (\$3.6B raised) weathered the storm and has grown to \$1.35B in revenue in 2023, up 36%, with a 43% share of the duopoly market. Compare to Zomato (NSE: ZOMATO) at \$1.44B in revenue in 2024, up 55%, which fast-followed Swiggy on building out a fleet to compete head-on in 1st-party delivery—and has grown its share of the market considerably from just 39% in 2018 to 56% as of 2024.

- **Swiggy's upside case hinges on becoming a "super app" for urban Indian consumers, integrating food delivery, grocery, and other on-demand services to capture a larger share of the \$50B Indian food services market, while also expanding into new verticals like advertising and B2B restaurant supply to improve margins and diversify revenue streams.** Still unprofitable, Swiggy is expanding its list of SKUs, looking to follow in the pattern of Chinese on-demand giant Meituan (\$39B in revenue), which burned cash for 6 years to win market share before becoming profitable by growing AOV, increasing their density of transactions, and improving efficiency.

For more, check out this other research from our platform:

- Swiggy (dataset)
- Swastik Nigam, CEO of Winvesta, on building cross-border fintech
- Raghunandan G, CEO of Zolve, on cross-border banking in India
- Instacart vs Amazon vs Uber
- Pradeep Elankumaran, CEO of Farmstead, on the future of online grocery.
- Online Grocery Unit Economics, Sensitivity Analysis and TAM
- The Key Profitability Levers in Online Grocery.
- Sebastian Mejia, co-founder of Rappi, on building for multi-verticality in on-demand