

Name of the Company



KEY IPO Highlights

Subscription Period:
14th July 2021 to 16th July 2021

Issue Size: 1233.6 Mn shares
(Aggregating up to INR 9375 Cr)

(OFS- 375 Cr)

Price Band: INR 72 to 76

Lot Size: 195 Shares

Listing Date:
27th Jul., 2021

About the Company:

- The company has a platform which connects customers, restaurant partners and delivery partners, serving their multiple needs.
- The platform provides restaurant partners with industry-specific marketing tools which enable them to engage and acquire customers to grow their business while also providing a reliable and efficient last mile delivery service.
- One of the leading food services platforms in India in terms of value of food sold, as of March 2021. **During FY21, 32.1 million average monthly active users (MAU) visited its platform in India.**
- **As of March 2021, having presence over 552 cities in India with 3,89,932 active restaurant listings, 1,69,802 active delivery partners, 1,48,384 active food delivery restaurants.**

Objects of the Issue:

- Funding organic and inorganic growth initiatives.
- Meet general corporate purposes.

Financial Overview (INR Million)

Particulars	Mar-21	Mar-20	Mar-19
Total Assets	87,035	29,004	34,134
Total Revenue	21,184	27,427	13,977
Profit After Tax	(8,164)	(23,856)	(10,105)

Recommendation from major brokerage houses

SUBSCRIBE



Neutral



Highlights:

- Among the leading Food Service Delivery platforms.
- Recognized consumer brand equity across India.
- Widespread and efficient on-demand hyper local delivery network.
- A strong network of 131,233 restaurants and 161,637 delivery partners.

Disclaimer: The recommendations stated above are given by individual advisors (including Kreo Capital). Investors are advised to consult their financial advisor and do their own due diligence before subscription.

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KEY STATISTICS (FY 21)

239 Mn

No. of Orders

1.5 Mn

Zomato Pro Members

32 Mn

Monthly Active Users

169,802

No. of Delivery partners

94,820 Mn

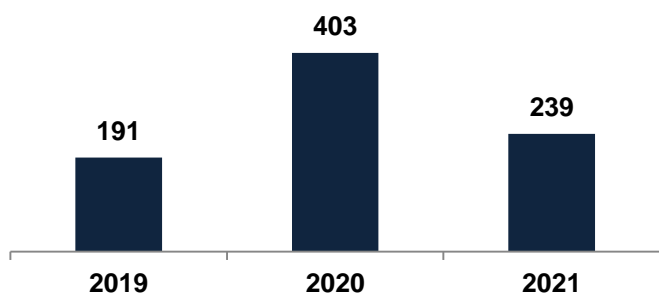
Gross Order Value

389,932

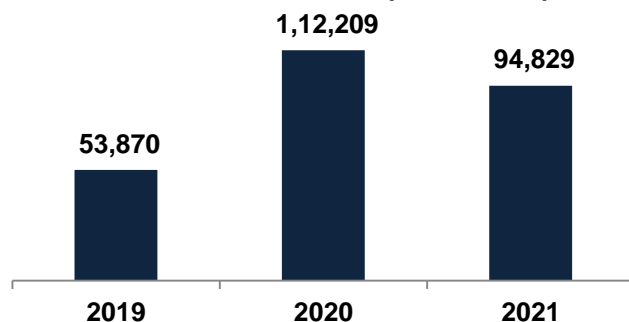
No. of Restaurants Listed

Key Order Values:

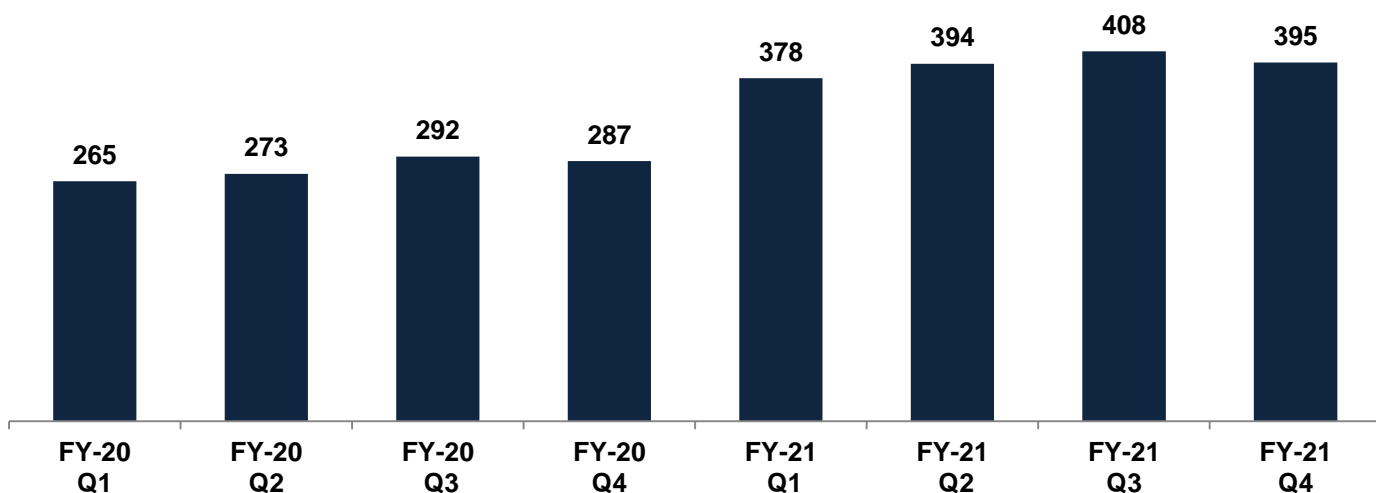
Orders (INR In Mn)



Gross Order Value (INR In Mn)







Average Order Value - Food Delivery





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KEY GREEN FLAGS

-  The company has ability to generate profitability on unit economic basis. The company strong potential to breakeven at the EBITDA and PAT level in FY 22 & FY 23 respectively given improving unit economics. The Company has a least debt ratio.
-  The company might considering focus on international expansion in the long term with US\$ 2 Bn in cash post its IPO.
-  The company IPO valuation band is around US\$ 6.5-6.8 Bn pre-money (US\$ 7.7-8.1 Bn post money) which implies FY23 EV/Sales at 8.5-9x, as we forecast that is to deliver US\$ 673 Mn revenues by FY23. If we compare with its listed global peers the company has a potential to trade at 11.5 EV/Sales, implying US\$10Bn valuation at listing.
-  The company FY21 P/BV is reasonably valued as it is available at 3.5 times as global players peers average of 10.6 times.

KEY RED FLAGS

-  Though the financials of the company have improved, however the company is yet to come in profit at PAT levels. The negative PAT might be taken negatively by the investor community as difficult to arrive at the P/E multiple and other equity related ratios.
-  The IPO would be one of the first IPOs by a unicorn in India and there has been no historical study as of now which can be taken as a base case to have an in-depth analysis of this IPO



OPINION



- Though the company has one of the highest brand equity and revenue has more than 100% growth, the **current negative profitability** seems to be a concern. The IPO size & its issue seems a bit risky at the current stage, so we have **neutral** stand on this IPO.
- Though it might show decent listing gains, we would opine to **wait and watch** for this IPO.

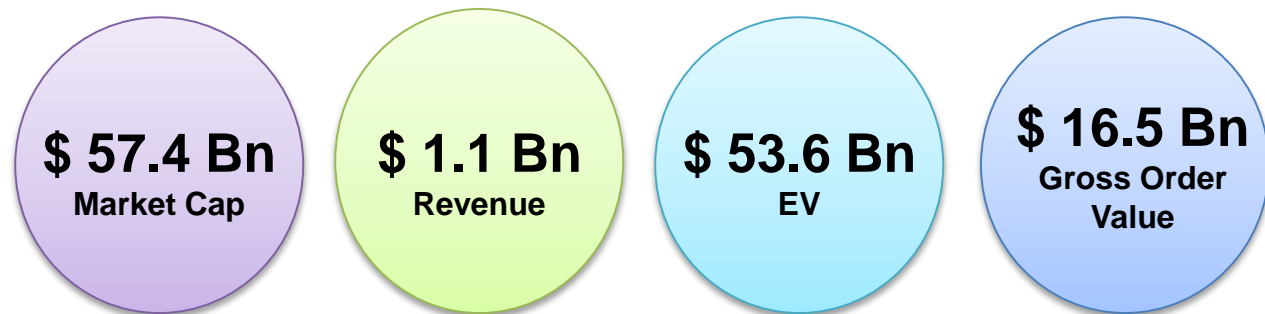
KEY GLOBAL PLAYERS IN FOOD DELIVERY BUSINESS



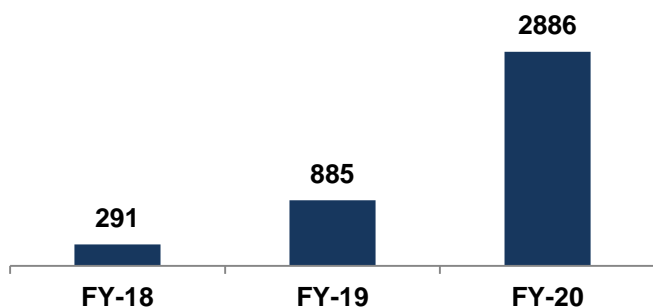


- Based in San Francisco, with having 56% market share, it is the largest food delivery company in the US & having 60% market share in the convenience delivery category.
- As of December 31, 2020, the platform served 450,000 merchants, 20,000,000 consumers, and 1 million deliveries.

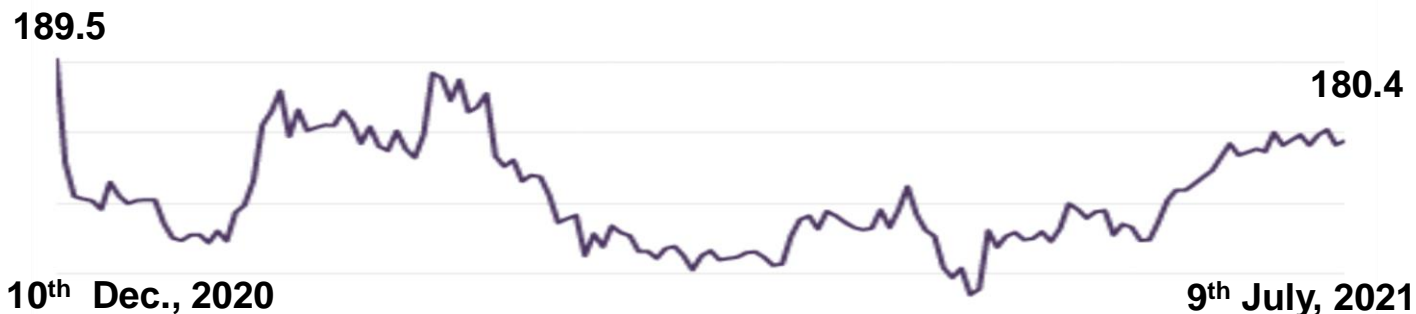
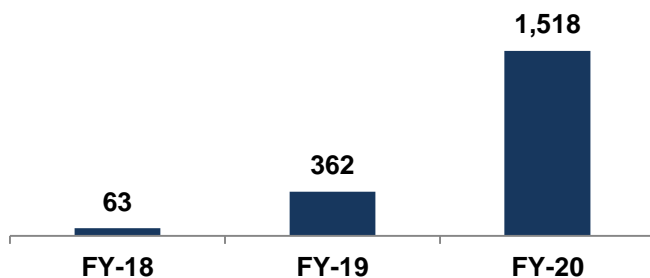
Key Statistics:



Revenue (In \$ Mn)



Gross Profit (In \$ Mn)



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- A European multinational online food-delivery service based in Berlin, Germany
- Operates in 40+ countries internationally in Europe, Asia, Latin America and the Middle East and partners with 500,000+ restaurants.
- Started its operation as food delivery service in 2011 & now it runs own delivery platform on four continents.

Key Statistics:

361.7 Mn

Q3 2020 orders

\$ 2.92 Bn

Annual Revenue

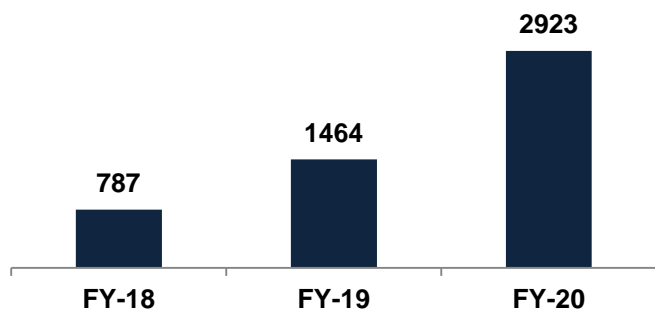
\$ 32.4 Bn

MCAP

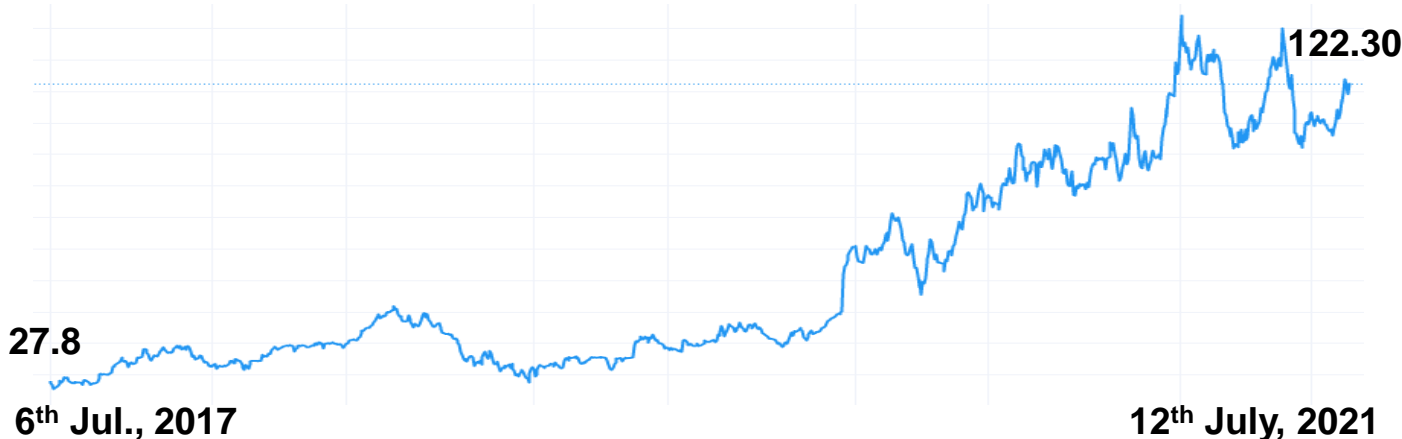
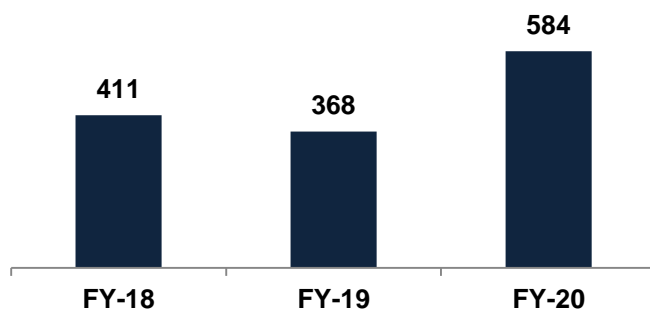
\$ 32.4 Bn

EV

Revenue (In \$ Mn)



Gross Profit (In \$ Mn)



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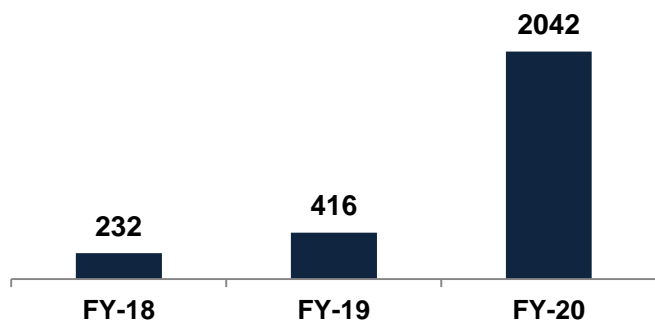


- Operates an online marketplace that connects restaurants with 60 Mn active users in Europe & North America.
- An Anglo-Dutch dot-com company specializing in online food ordering and home delivery.

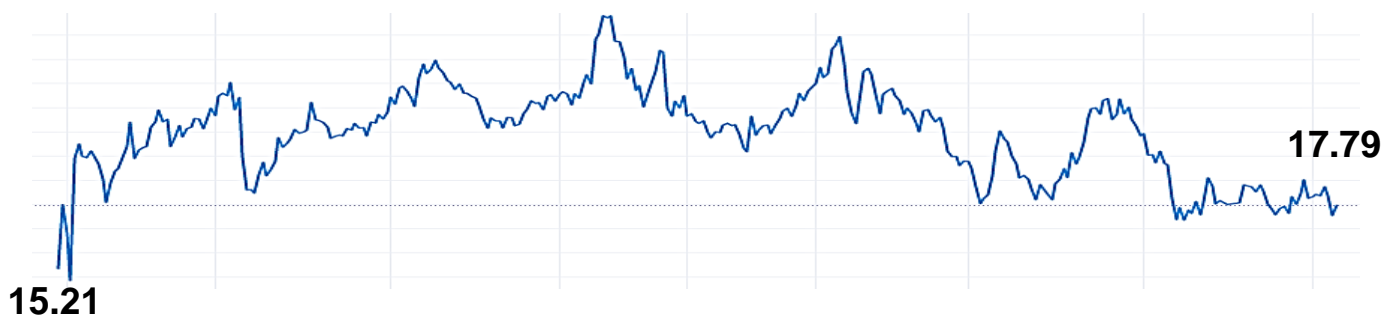
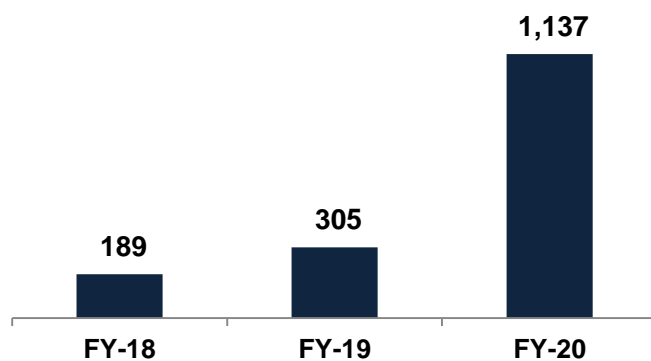
Key Statistics:



Revenue (In \$ Mn)



Gross Profit (In \$ Mn)



25th March, 2020

12th July, 2021

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- A platform for services aiming to leverage technology to connect consumers and local merchants.
- Its ecosystem adopts a Food + Platform strategy, encompassing high-frequency services such as food delivery, grocery delivery, bike-sharing, community group-purchasing, and booking hotel, travel, or movie tickets.

Key Statistics:

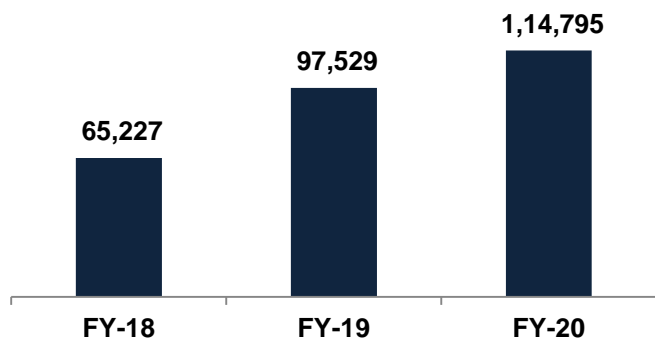
1.8 Tn
Market Cap

134.2 Bn
Revenue

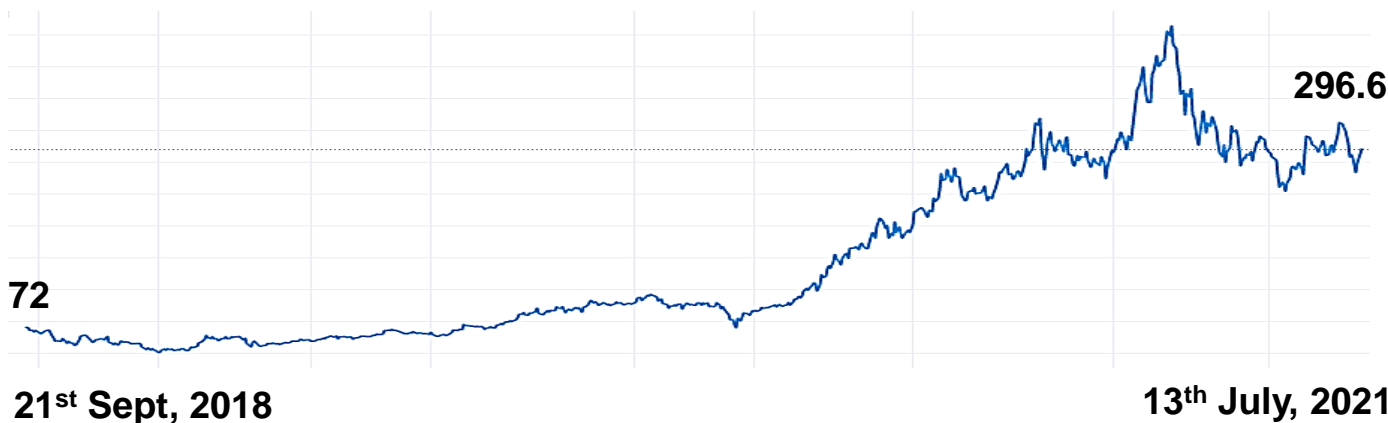
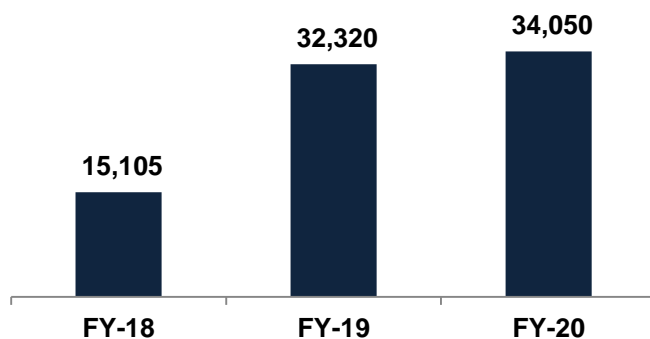
488.4 Bn
Gross Transaction Value

27.7 Mn
Daily Average # of deliveries

Revenue (In ¥ Mn)

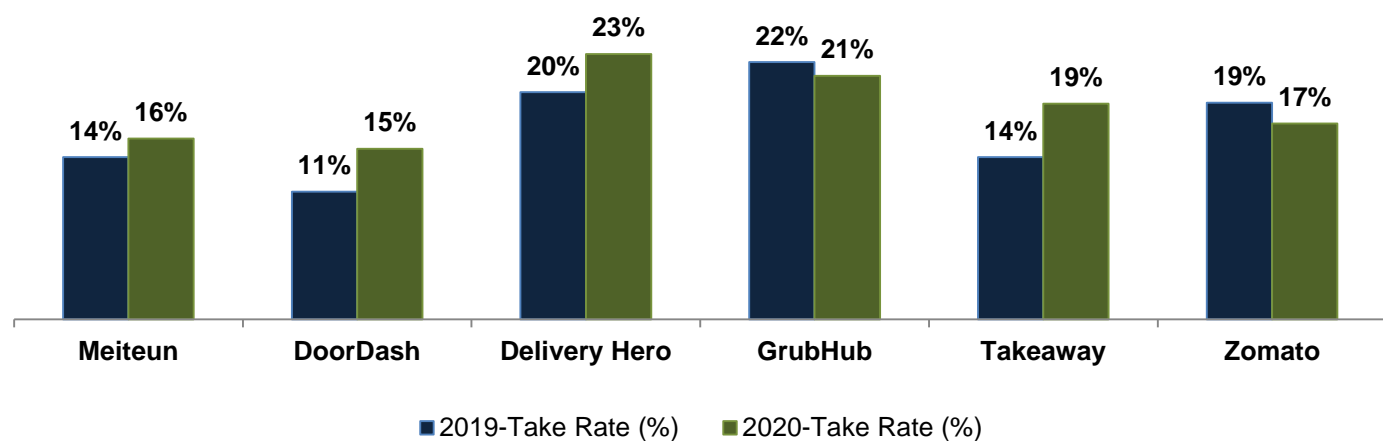
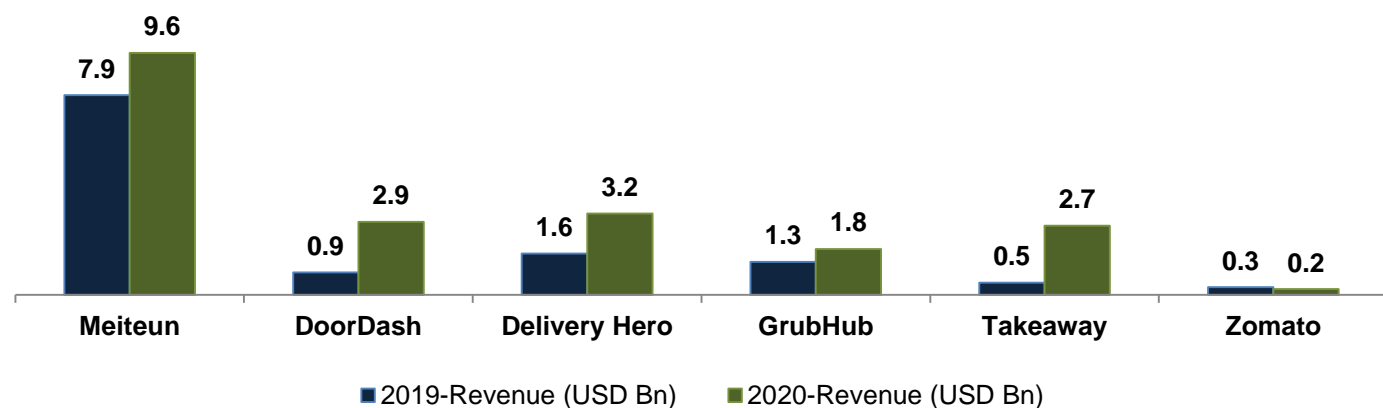
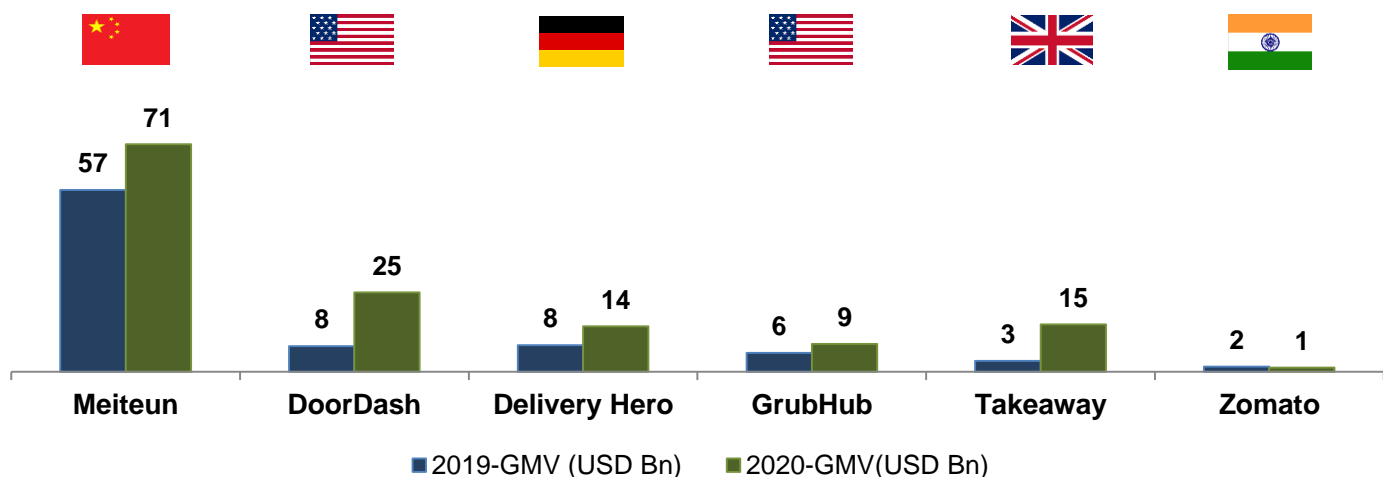


Gross Profit (In ¥ Mn)



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KEY GLOBAL PLAYERS IN FOOD DELIVERY



Meiteun is by far the largest global player in Food delivery business

KREO CAPITAL PRIVATE LIMITED

CAPITAL MARKETS | INVESTMENT BANKING | WEALTH ADVISORY | LENDING SOLUTIONS

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Raising capital through investors is one of the key ways in which we support our clients growth. Our acclaimed knowledge of regulatory norms and processes aids us in creating innovative structures aligned to specific business plans.

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