



IPO NOTE

SWIGGY LIMITED IPO



Rating:

May Subscribe

(Only For High Risk Investors)



ISSUE OFFER

Issue Opens on	NOV 06, 2024
Issue Close on	NOV 08, 2024
Total IPO size (cr)	₹11,327.43
Fresh issue (cr)	₹4,499.00
Offer For Sale (cr)	₹6,828.43
Price Band (INR)	371-390
Market Lot	38
Face Value (INR)	₹1
Listing At	NSE, BSE
Market Capitalization (cr)	87298.6

ISSUE BREAK-UP (%)

QIB Portion	<div style="width: 75%;"></div>	75%
NII Portion	<div style="width: 15%;"></div>	15%
Retail Portion	<div style="width: 10%;"></div>	10%

INDICATIVE TIMETABLE

Basis of Allotment	11-11-2024
Refunds/Unblocking ASBA Fund	12-11-2024
Credit of Share to Demat A/c	12-11-2024
Listing Date	13-11-2024

Swiggy offer its users a convenience platform, accessible through a unified app - to browse, select, order and pay for food, grocery and household items, and have their orders delivered to their doorsteps.

OBJECTS OF THE ISSUE

- Investment in the Material Subsidiary, Scootsy for debt payment and expansion.
- Investment in technology and cloud infrastructure.
- Brand marketing and business promotion expenses.
- Funding inorganic growth.

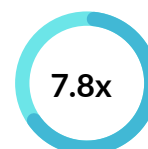
FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2024	FY 2023	FY 2022
Equity Share Capital	3.00	2.65	0.85
Net Worth	7,791.46	9,056.61	12,266.91
ROCE %	20.18%	20.04%	17.30%
Revenue	11,247.39	8,264.59	5,704.89
Operating Profit Margin %	11.60%	10.70%	9.48%
Net Loss of the year	(2,350.24)	(4,179.30)	(3,628.89)

FINANCIAL RATIOS OF FY24



EPS



P/Sales



Asset Turnover

OUTLOOK & VALUATION

- Leading player in the emerging e-commerce and food delivery sector.
- Reports steady revenue growth but remains a loss-making company.
- IPO has a negative P/E; however, based on other metrics the valuation appears reasonable.
- Current market conditions could further impact subscription and listing performance.
- Recommended only for high-risk investors with a long-term perspective.



COMPANY PROFILE

- It has five business segments – (i) Food Delivery; (ii) Out-of-home Consumption, covering dining out and events; (iii) Quick Commerce; (iv) Supply Chain and Distribution, and (v) Platform Innovations covering its new initiatives and offerings, such as Swiggy Genie, Swiggy Minis, among others.
- Swiggy is unique, as it is the only unified app in India that fulfills through its platform all food and related missions of urban users of ordering-in, eating-out and cooking-at-home, as of June 30, 2024.



COMPETITIVE STRATEGIES

- Retain and grow user base by expanding its offerings and growing its partner network.
- Expand Dark Store footprint and basket-sizes for Quick Commerce.
- Invest to enhance its brand recall.
- Improve its contribution margin by scaling its operations, and expanding high margin offerings and revenue streams.
- Invest in its technology backbone and optimise its last-mile network.



KEY CONCERNS

- It has incurred net losses each year since incorporation and has negative cash flows from operations.
- Any failure to manage its dark stores in a cost-effective manner may impact its business.
- It faces intense competition across the markets it serves.
- Systems failures and resulting interruptions may affect its business.
- It depends on many third-party providers in connection with its business operations.



KEY STRENGTHS

- Pioneers of high-frequency hyperlocal commerce categories.
- A consistently growing network of users.
- Rising user engagement on its platform.
- “Swiggy” brand delivered through a unified app with consistent user experience.
- A preferred choice for partners.
- Platform has created synergetic network effect.
- An experienced professional management team.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (Basic)	NAV	P/E	P/Sales	TOTAL INCOME (In CR.)
Swiggy Limited	(10.70)	35.48	NA	7.8	11,247.39
Peer Group					
Zomato Limited	0.41	23.14	634.50	18.0	12,114


DISCLAIMER:

The information contained herein are strictly confidential and are meant solely for the information of the recipient and shall not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written permission of Swastika Investmart Ltd. ("SIL"). The contents of this document are for information purpose only. This document is not an investment advice and must not alone be taken as the basis for an investment decision. Before taking any decision to invest, the recipient of this document must read carefully the Red Herring Prospectus ("RHP") issued to know the details of IPO and various risks and uncertainties associated with the investment in the IPO of the Company. All recipients of this document must before acting on the given information/details, make their own investigation and apply independent judgment based on their specific investment objectives and financial position. They can also seek appropriate professional advice from their own legal and tax consultants, advisors, etc. to understand the risks and investment considerations arising from such investment. The investor should possess appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances before making any decisions on the investment. The Investor shall be solely responsible for any action taken based on this document. SIL shall not be liable for any direct or indirect losses arising from the use of the information contained in this document and accept no responsibility for statements made otherwise issued or any other source of information received by the investor and the investor would be doing so at his/her/its own risk. The information contained in this document should not be construed as forecast or promise or guarantee or assurance of any kind. The investors are not being offered any assurance or guaranteed or fixed returns on their investments. The users of this document must bear in mind that past performances if any, are not indicative of future results. The actual returns on investment may be materially different than the past. Investments in Securities market products and instruments including in the IPO of the Company are highly risky and they are generally not an appropriate avenue for someone with limited resources/ limited investment and low risk tolerance. Such Investments are subject to market risks including, without limitation, price, volatility and liquidity and capital risks. Therefore, the users of this document must carefully consider all the information given in the RHP including the risks factors before making any investment in the Equity Shares of the Company.

Swastika Investmart Ltd or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Swastika Investmart Ltd nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Swastika Investment Ltd may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the Subject Company or third party in connection with the Research Report.

CORPORATE & ADMINISTRATIVE OFFICE - 48, Jaora Compound, M.Y.H. Road, Indore - 452 001 | Phone 0731 - 6644000

Compliance Officer: Ms. Sheetal Duraphe Email: compliance@swastika.co.in Phone: (0731) 6644 241

Swastika Investmart Limited, SEBI Reg. No. : NSE/BSE/MSEI: INZ000192732 Merchant Banking: INM000012102 Investment Adviser: INA000009843 MCX/NCDEX: INZ000072532

CDSL/NSDL: IN-DP-115-2015 RBI Reg. No.: B-03-00174 IRDA Reg. No.: 713.