

***zomato***

May 2024

# Our mission - Powering India's changing lifestyles

## Our vision statements



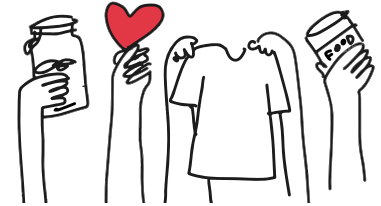
**Better food for  
more people**

ZOMATO & HYPERPURE



**Instant commerce  
indistinguishable  
from magic**

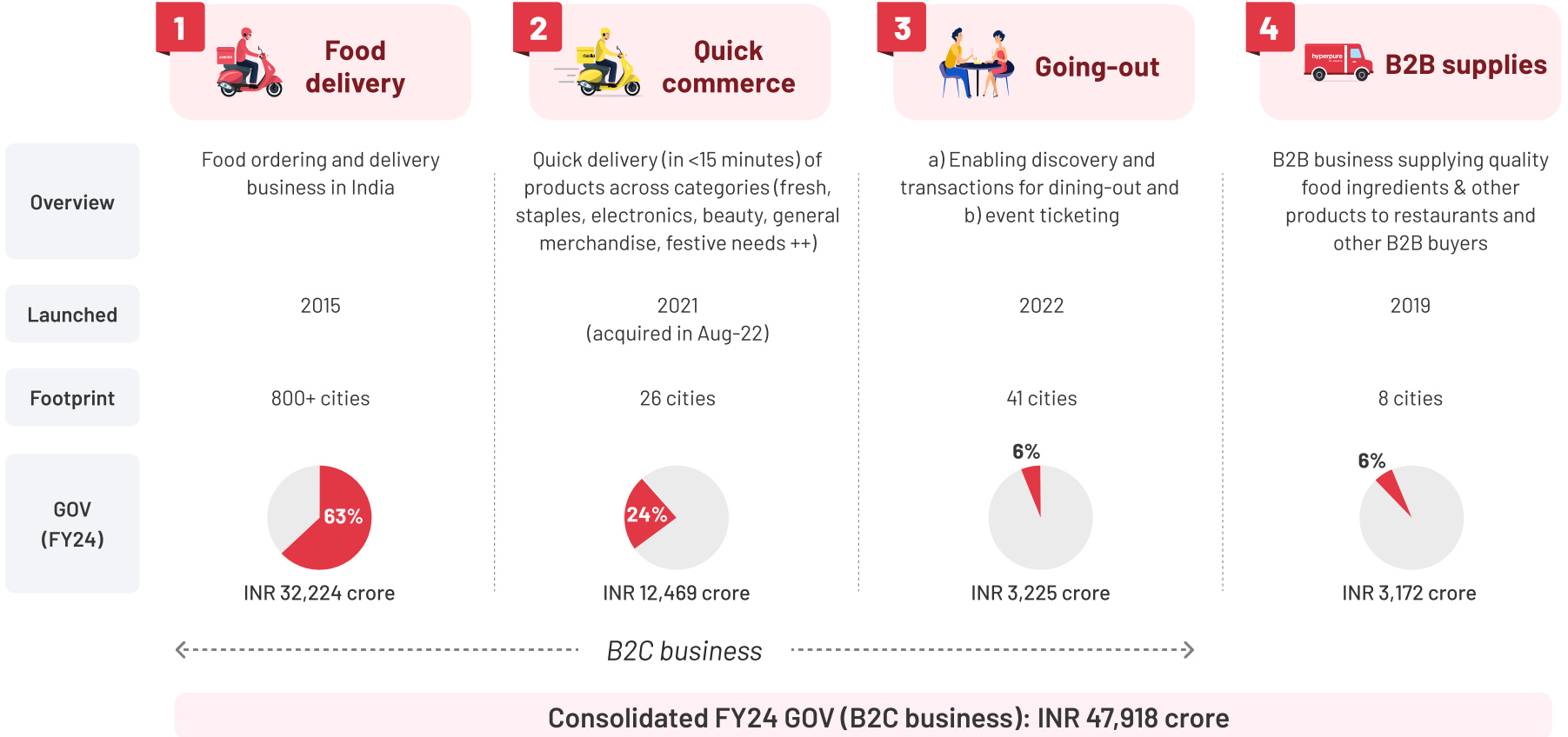
BLINKIT



**Make India  
malnutrition free**

FEEDING INDIA

# Our key businesses

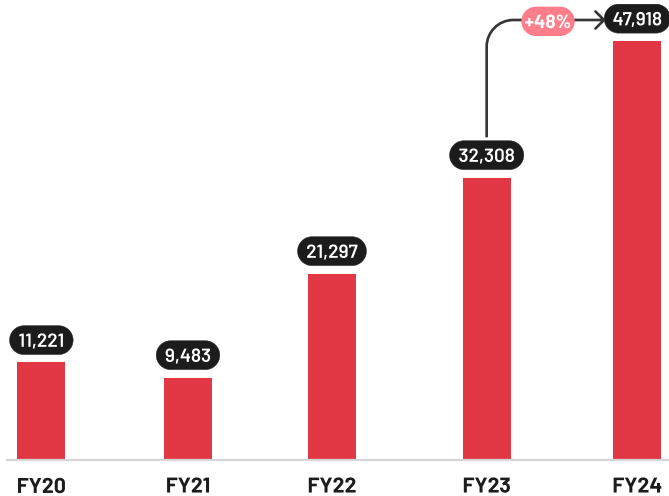


# Business is scaling well driven by growth across all key businesses...

## GOV (B2C business)

INR crore

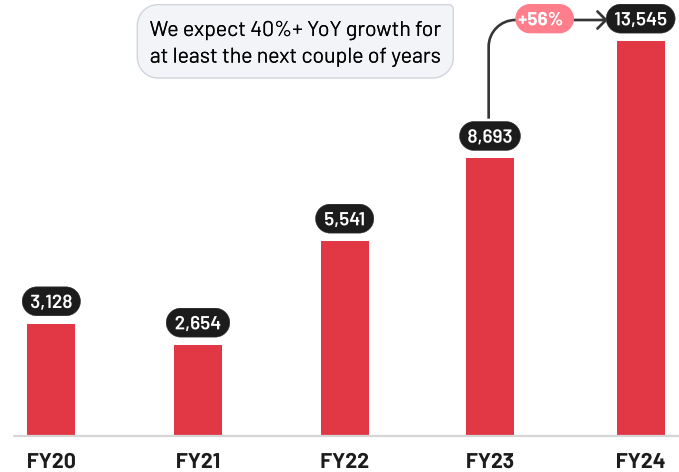
CAGR: 44%



## Adjusted Revenue

INR crore

CAGR: 44%



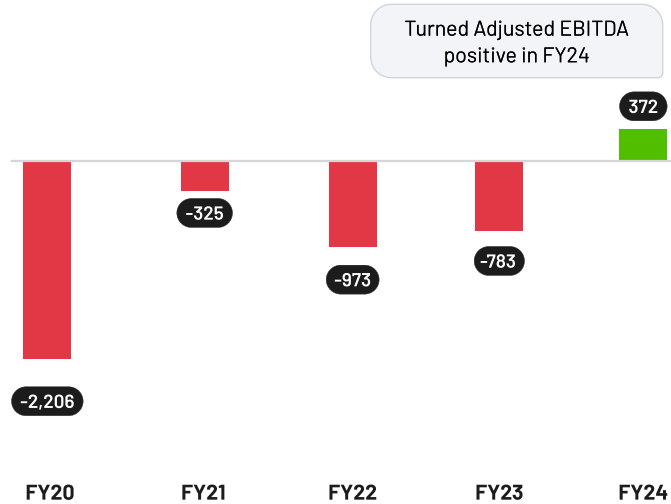
**Note:**

1) GOV (B2C business) defined as the combined GOV of consumer facing businesses i.e. food delivery, quick commerce and Going-out. 2) Adjusted Revenue defined as consolidated revenue from operations as per financials (+) actual customer delivery charges paid in the food delivery business (net of any discounts, including free delivery discounts on account of Zomato Gold program)(+) platform fee paid (that is not already included in Revenue). 3) Quick commerce data used for above computation is from 10-Aug-22 onwards (transaction closing date). 4) GOV (B2C business) for FY20 and FY21 includes food delivery GOV only.

# ...along with improvement in profitability

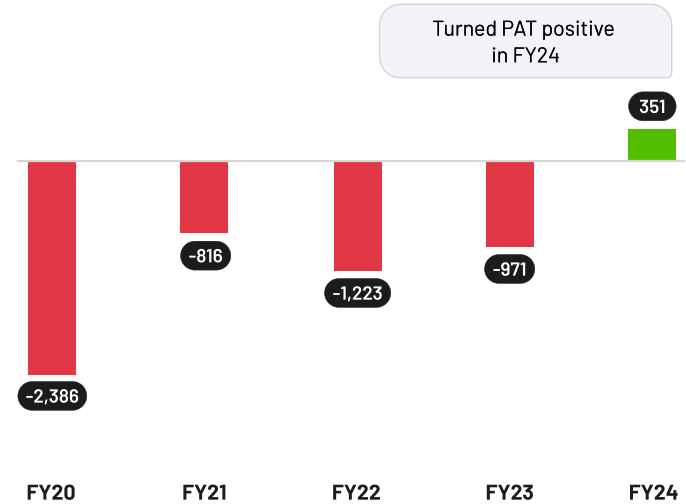
## Adjusted EBITDA

INR crore



## PAT (Profit after tax)

INR crore



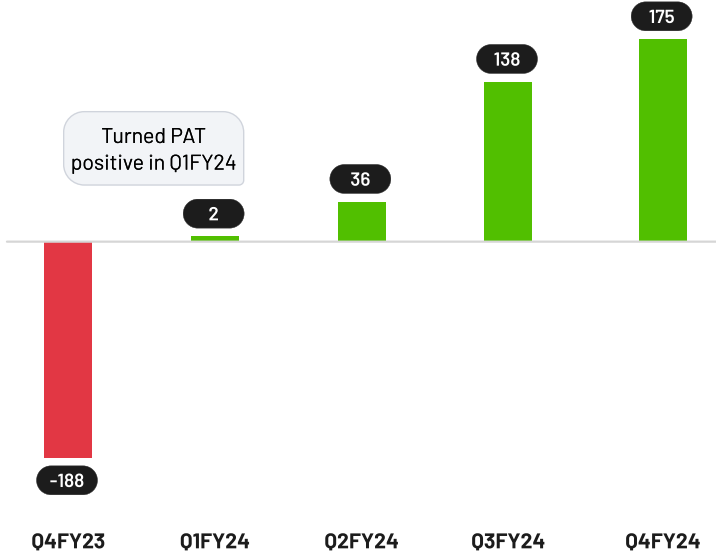
**Note:**

1) Adjusted EBITDA defined as consolidated EBITDA (+) share-based payment expense (-) rental paid for the period pertaining to 'Ind AS 116 leases'.

# Profitability and cash generation have accelerated in the last 4 quarters

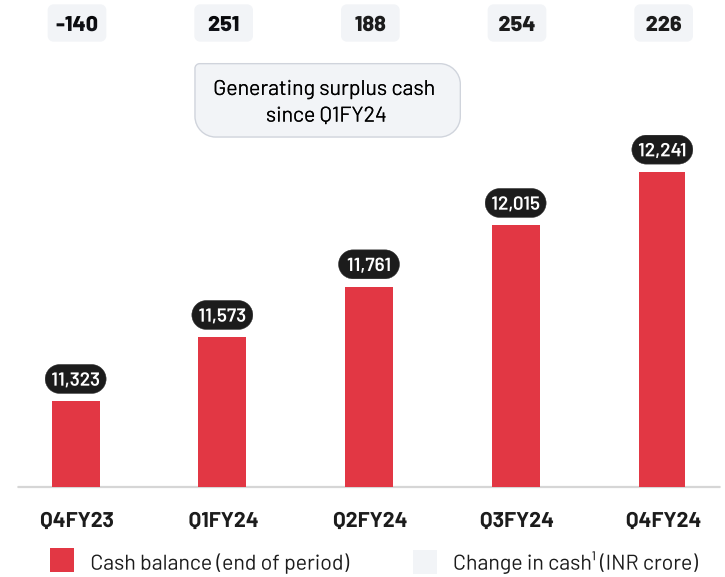
## PAT (Profit after tax)

INR crore



## Cash balance

INR crore



Note:

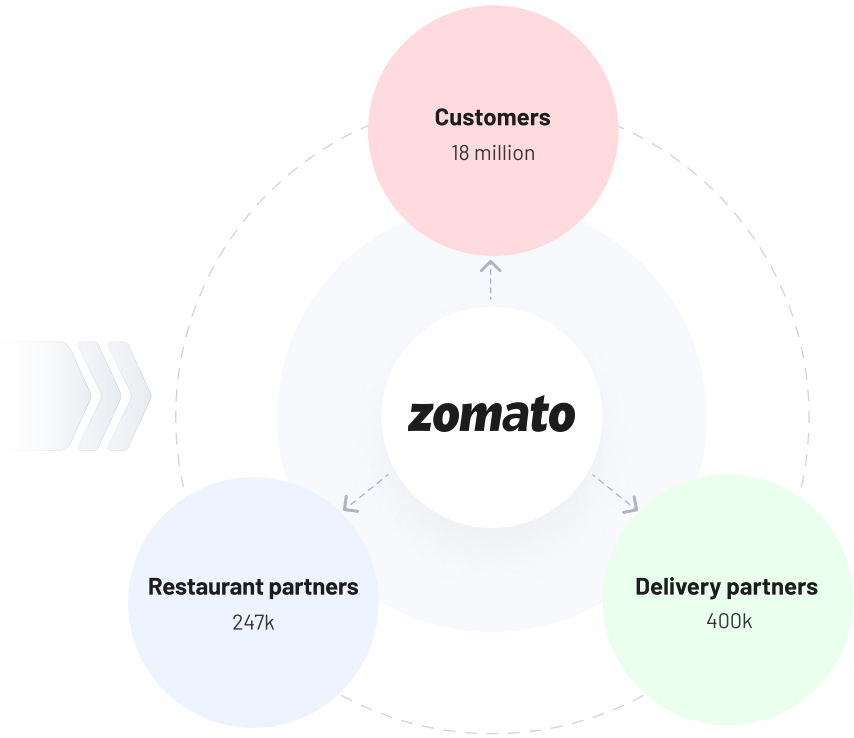
1) Change in cash = Adjusted EBITDA (+) treasury income (-) capital expenditure (+) (increase) / decrease in working capital (+) other items.

# 1. Food delivery

# Food delivery business is a complex three-sided marketplace

## Why is food delivery complex?

- 1. Perishable products** – require careful handling with real-time execution
- 2. Three-sided marketplace** – one of the few internet categories with a three-sided marketplace, making it tougher to achieve marketplace balance
- 3. Complex “technology + operations” business** – algorithms require years of training for real-time demand forecasting, fleet optimization and order dispatch, at scale
- 4. India: a unique market** – restaurant food consumption amongst the lowest in the world with highly fragmented and unorganized restaurant supply



**Note:**

1) Numbers shown above are average monthly for FY24.



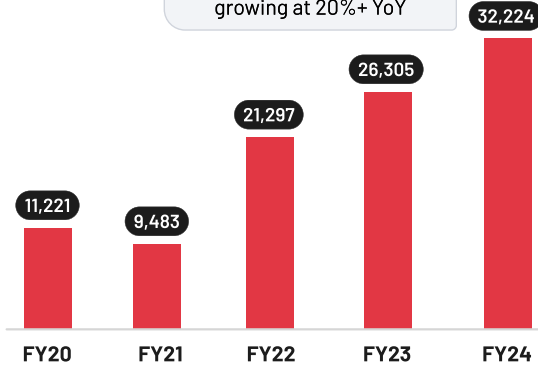
# Zomato has built a large and resilient food delivery business

## GOV

INR crore

CAGR: 30%

We expect GOV to continue growing at 20%+ YoY

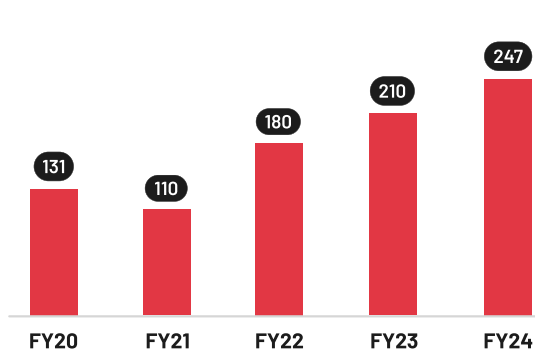


- Large runway for growth given low restaurant food penetration in India
- Zomato driving better accessibility, choice and affordability of restaurant food

## Restaurant partners

'000

CAGR: 17%

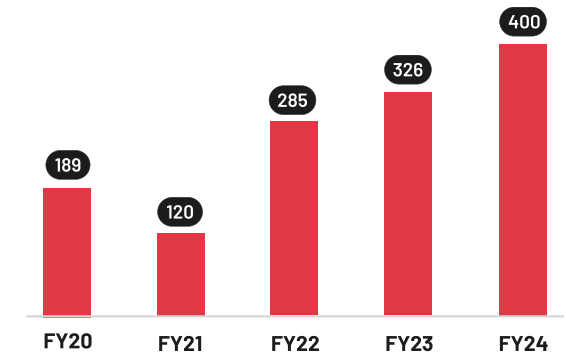


- Highly fragmented restaurant base with only a small share of GOV from chain restaurants
- Restaurant base continues to grow as food delivery market still underserved from a supply standpoint

## Delivery partners

'000

CAGR: 21%



- 1P business model, with over 95% of orders being delivered by network of independent delivery partners

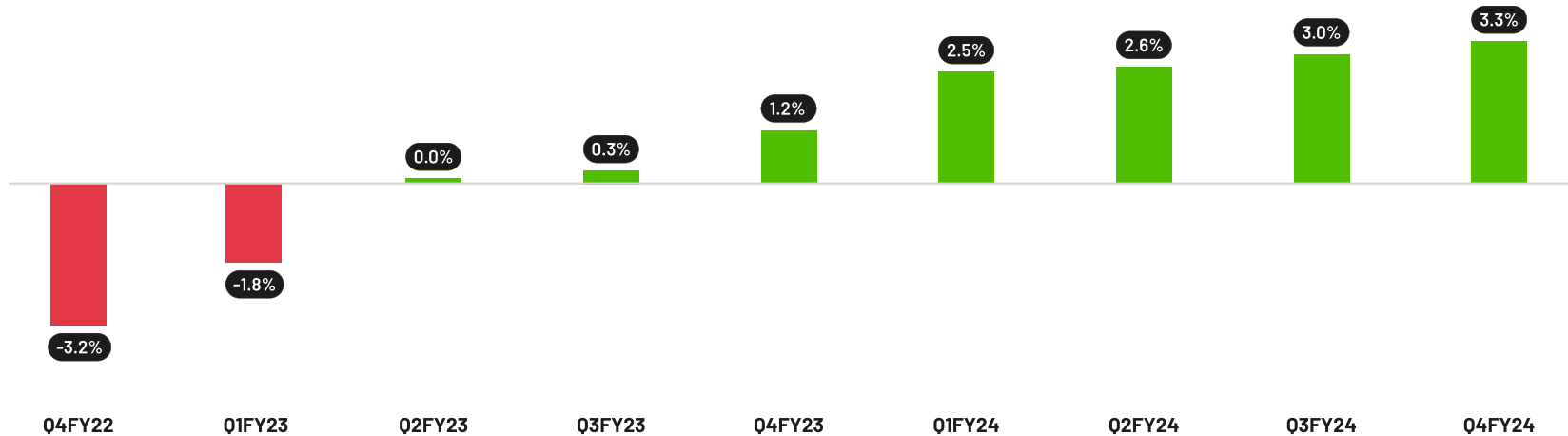
### Note:

1) Restaurant partners denotes average monthly active food delivery restaurant partners for the period. 2) Delivery partners denotes average monthly active delivery partners for the period.

# The business is now sustainably profitable

## Adjusted EBITDA

as % of GOV

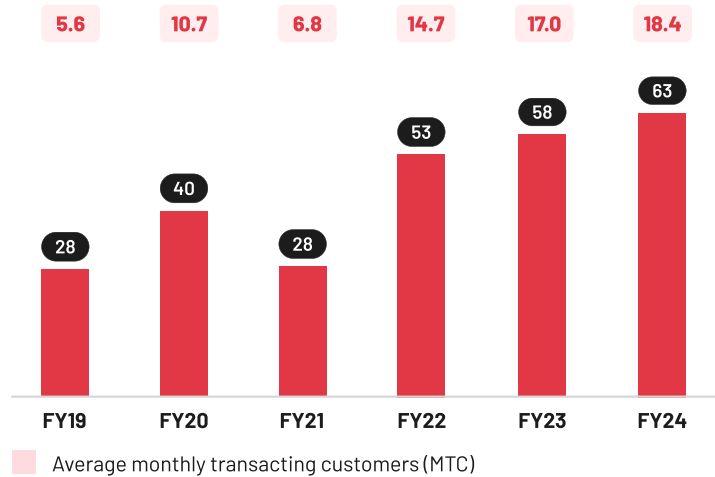


- Investments in category creation now largely behind us
- Progress in profitability a result of incremental improvements in scale, efficiency and durability of the business
- Steady state Adjusted EBITDA margin expected to reach 4-5% of GOV in the medium term

# Our customer base is growing and their order frequency is increasing

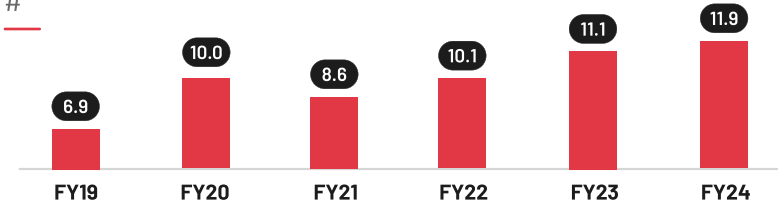
## Annual transacting customers (ATC)

million



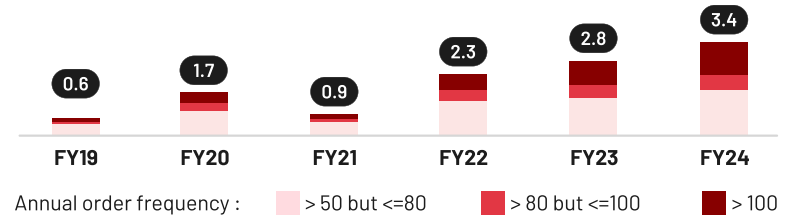
## Annual order frequency

#



## Customers with annual order frequency > 50

million



- We expect GOV growth to be driven by (a) growth in monthly transacting customers (MTC) and (b) growth in number of power customers (order frequency >50 times a year)
- MTC to continue growing as more of our annual transacting customers (ATC) start transacting every month (reflected in increasing annual order frequency)
- ATC to also continue growing driven by new customer acquisition, which will further drive MTC growth

Note:

1) Annual order frequency computed as Orders for the year divided by annual transacting customers (ATC).

# The outcome - a large and growing business with sustainable future cash generation



Food delivery business currently generates ~INR 1,100 crore of Adjusted EBITDA on an annualized\* basis

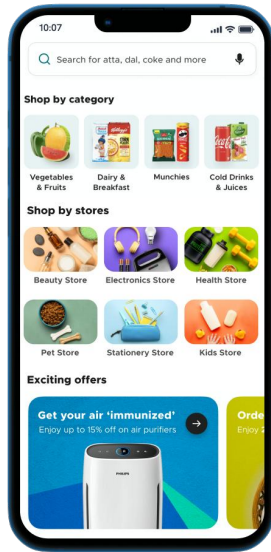
Note:

\* Q4FY24 annualized.

## **2. Quick commerce**

# What is quick commerce?

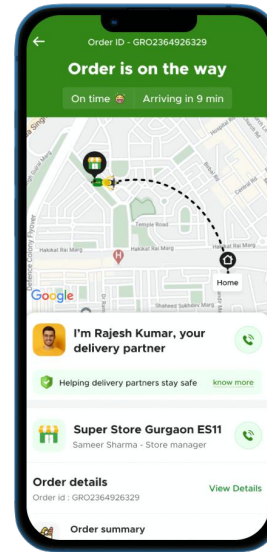
- On demand delivery of thousands of products across multiple categories in <15 minutes through a separate app - Blinkit
- Average delivery time of 12.5 minutes with 75%+ orders delivered within two minutes of promised time and 99%+ fill rate (Mar-24)



Wide assortment across categories ...



... customized based on local preferences ...



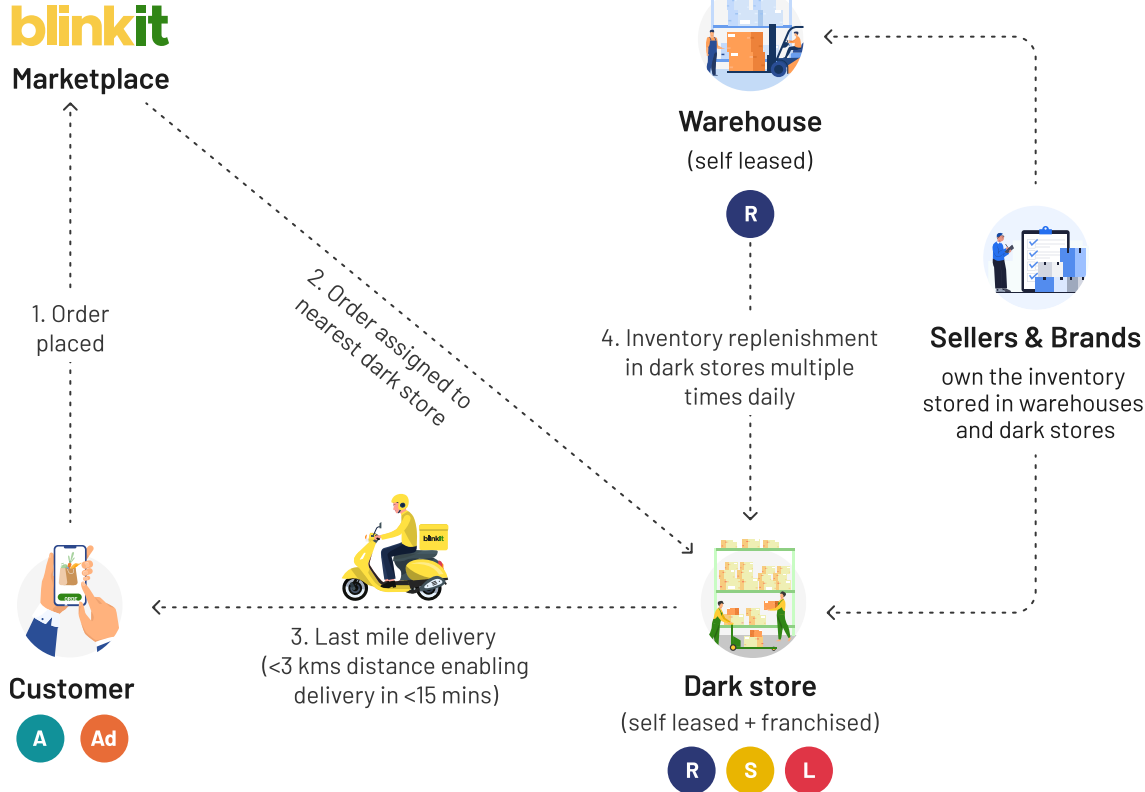
... delivered in <15 mins through dark stores located in a <3 km radius

## Why is quick commerce working?

1. Mirrors existing offline customer behavior in India - frequent top-up purchases delivered quickly when needed
2. Addresses majority of customer's needs across multiple categories such as food (staples and fresh), electronics, beauty, general merchandise, festive needs ++
3. Reliable quick delivery eliminates the need for planning

# What makes quick commerce possible?

## #1 Supply chain design



## #2 End-to-end proprietary technology

- R** **Replenishment design** - Assimilate purchase patterns to optimize product stocking quantities and replenishment cycles in stores

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- S** **Store tech** - Products packed in under two minutes through smart pick-path optimization in dark stores

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- L** **Location intelligence** - Optimizing store locations for shortest delivery times

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- A** **Assortment science** - Neighbourhood level data on product searches and purchase patterns drives relevance and localization of assortment in dark stores

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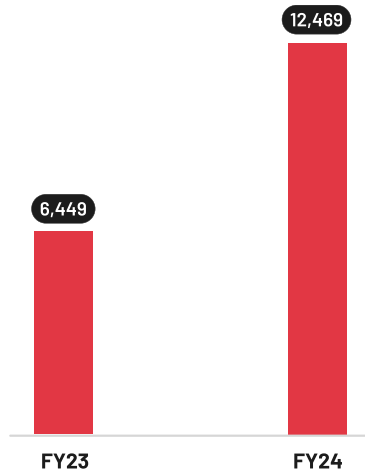
- Ad** **Ad-tech** - Self-serve platform for brands to access demand patterns to enable highly targeted advertising

# The business is scaling rapidly...

## GOV

INR crore

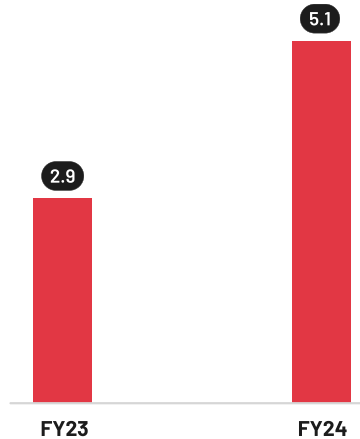
YoY growth: 93%



## Average monthly transacting customers

million

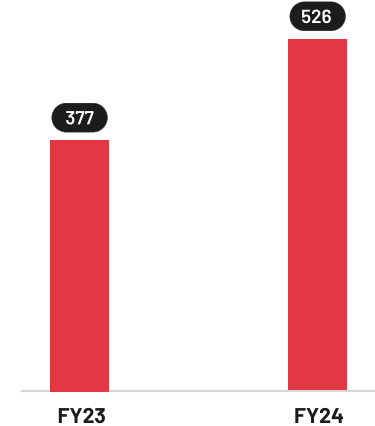
YoY growth: 73%



## Store count

#

YoY net additions: 149 stores



- Blinkit's GOV is already higher than Zomato's GOV in some of the cities with overlapping presence
- We expect to continue to see 60%+ YoY GOV growth in this business
- Added 149 net new stores in FY24. Aiming to add ~475 net new stores during FY25 (taking total store count to ~1,000 by Mar-25)

### Note:

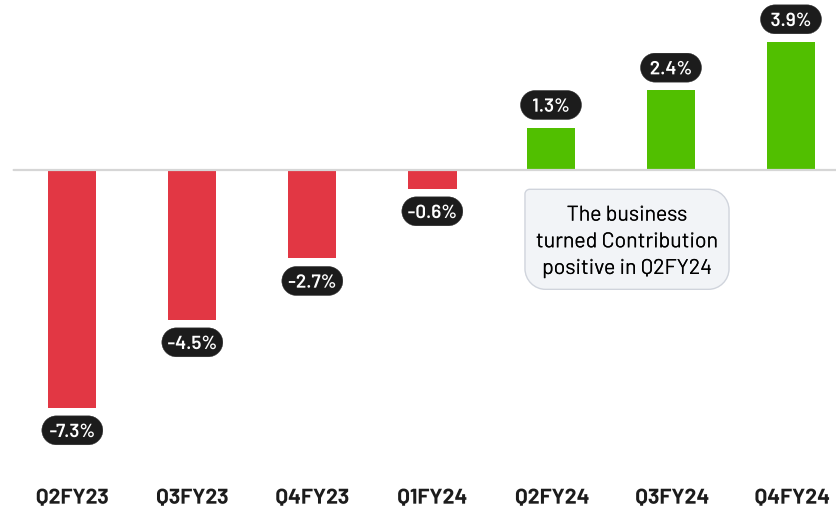
1) Average monthly transacting customers computed as average of monthly transacting customers for the period. 2) Store count refers to the number of stores live as at the end of the period. 3) Q1FY23 and Q2FY23 numbers used for FY23 computation are unaudited, MIS based numbers as received from Blinkit. Consolidation of Blinkit numbers in books of Zomato Limited is only from August 10, 2022 onwards (transaction closing date).



# ...while making progress on profitability

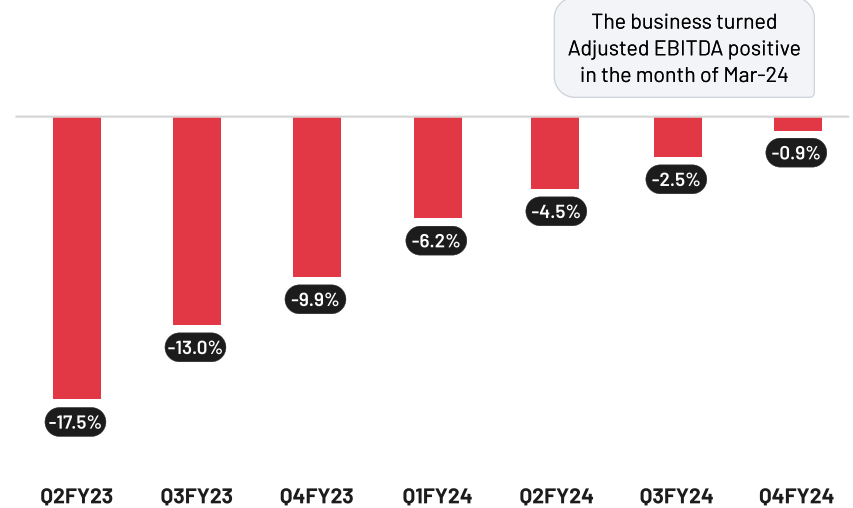
## Contribution margin

as % of GOV



## Adjusted EBITDA

as % of GOV



- Profitability has consistently improved mainly due to operating leverage driven by higher throughput per store
- Steady state Adjusted EBITDA margin (% of GOV) expected to be around 4-5%

### Note:

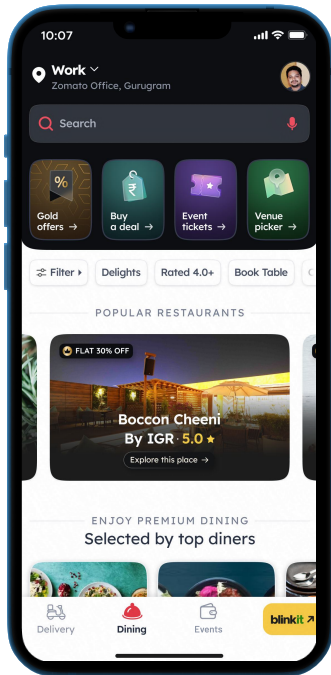
1) Q2FY23 numbers shown above are unaudited, MIS based numbers as received from Blinkit. Consolidation of Blinkit numbers in books of Zomato Limited is only from August 10, 2022 onwards (transaction closing date).

## **3. Going-out**

# Going-out = Dining-out + Zomato Live

- Going-out comprises of two key segments –
  - (a) Dining-out – discovery, table reservation and transactions for dining-out across restaurants in India and the UAE
  - (b) Zomato Live – discovery and ticketing of events such as food carnivals, music concerts and other live events in India

## Dining-out

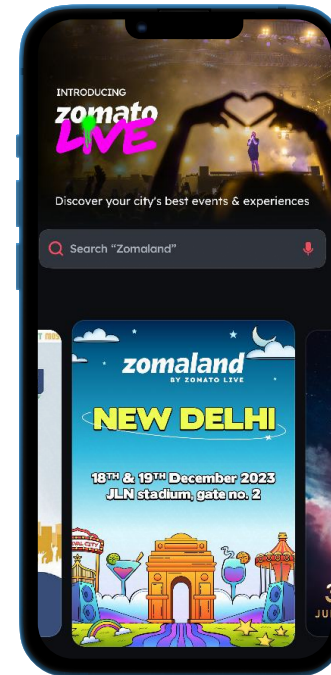


Large opportunity to monetize dining-out spends

Customers can access exclusive offers by paying dining-out bills through the Zomato app

Restaurants get measurable ROI on marketing spends with flexibility to customize offers real-time

## Zomato Live



Tap into growing demand for outdoor entertainment in India

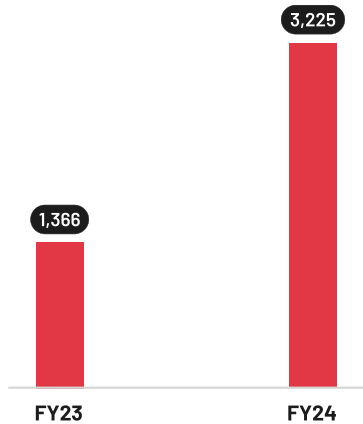
Zomato Live complements the dining-out business and enables discovery of options for "Going-out"

# The business is still nascent with a large, untapped opportunity ahead

## GOV

INR crore

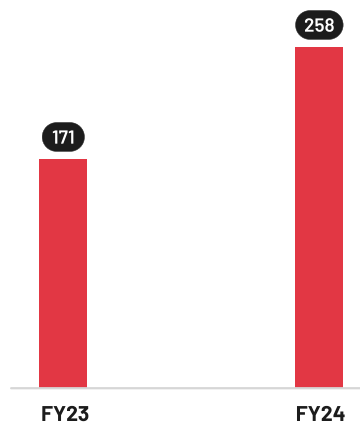
YoY growth: 136%



## Revenue

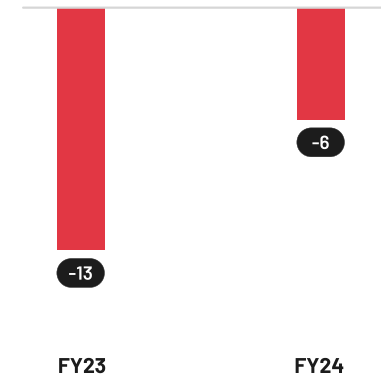
INR crore

YoY growth: 51%



## Adjusted EBITDA

INR crore



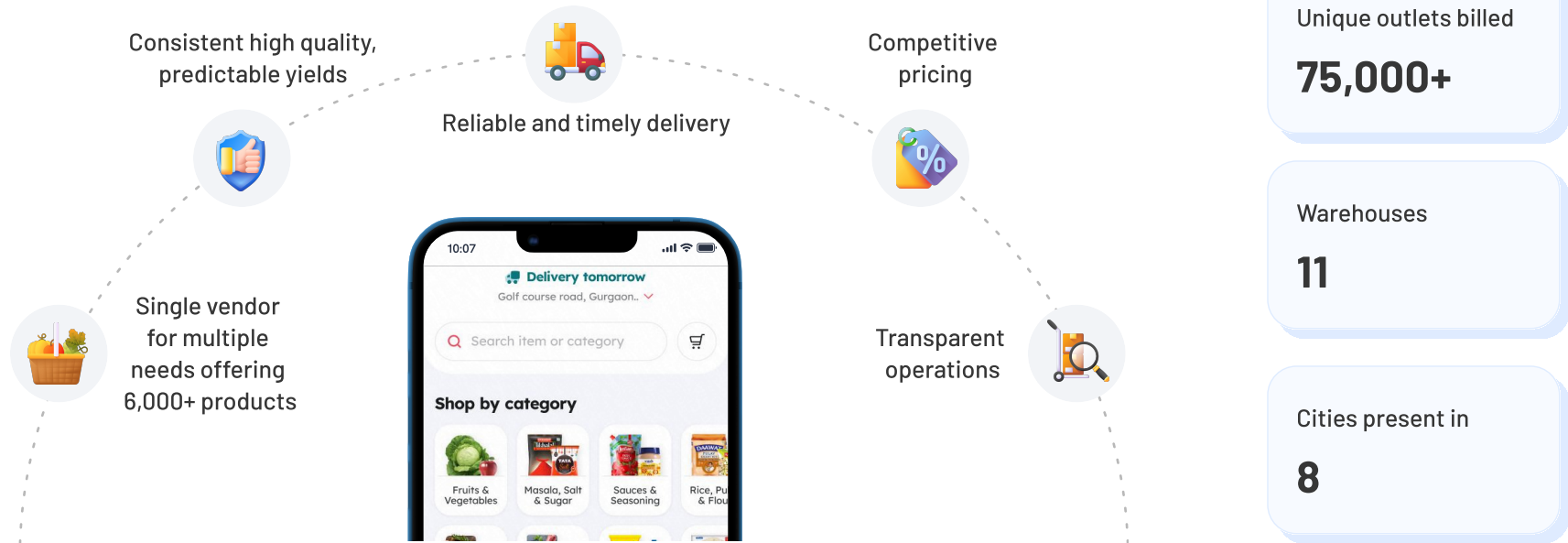
GOV grew 136% YoY in FY24 primarily driven by growth in the India Dining-out business

## **4. B2B supplies**

# Hyperpure is solving 'sourcing' for restaurants

- Restaurant B2B supplies market in India is highly fragmented and unorganized, leading to inconsistency in product quality, availability and yield
- Hyperpure is solving the above problem for standalone restaurants and regional chains (that form bulk of the restaurant supply in India) through its end-to-end B2B supply chain for food ingredients and other products
- Hyperpure operates a 1P model (i.e., owns inventory) where it sources directly from farmer producer organizations, traders and brands and supplies to restaurants and other B2B customers

## Why restaurants choose Hyperpure



Note:

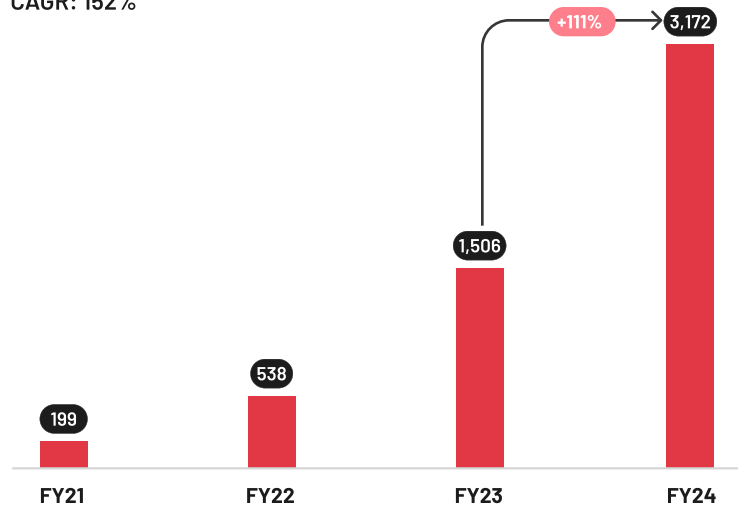
1) Data as of FY24.

# Hyperpure is scaling well with improving profitability

## Revenue

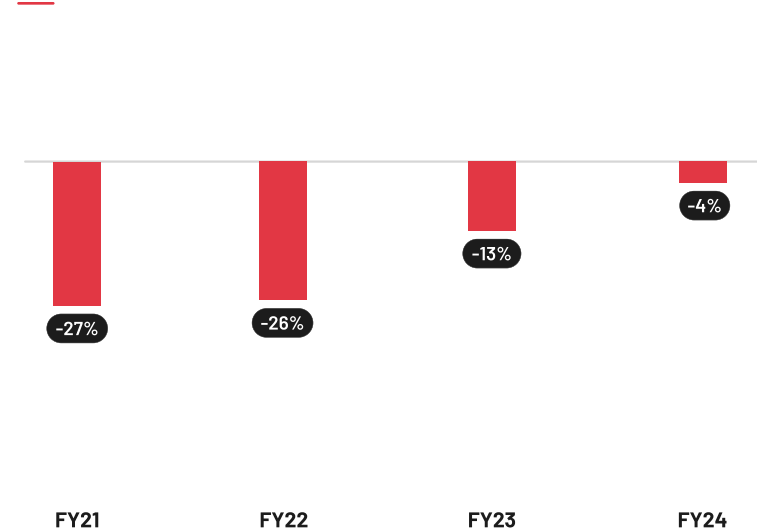
INR crore

CAGR: 152%



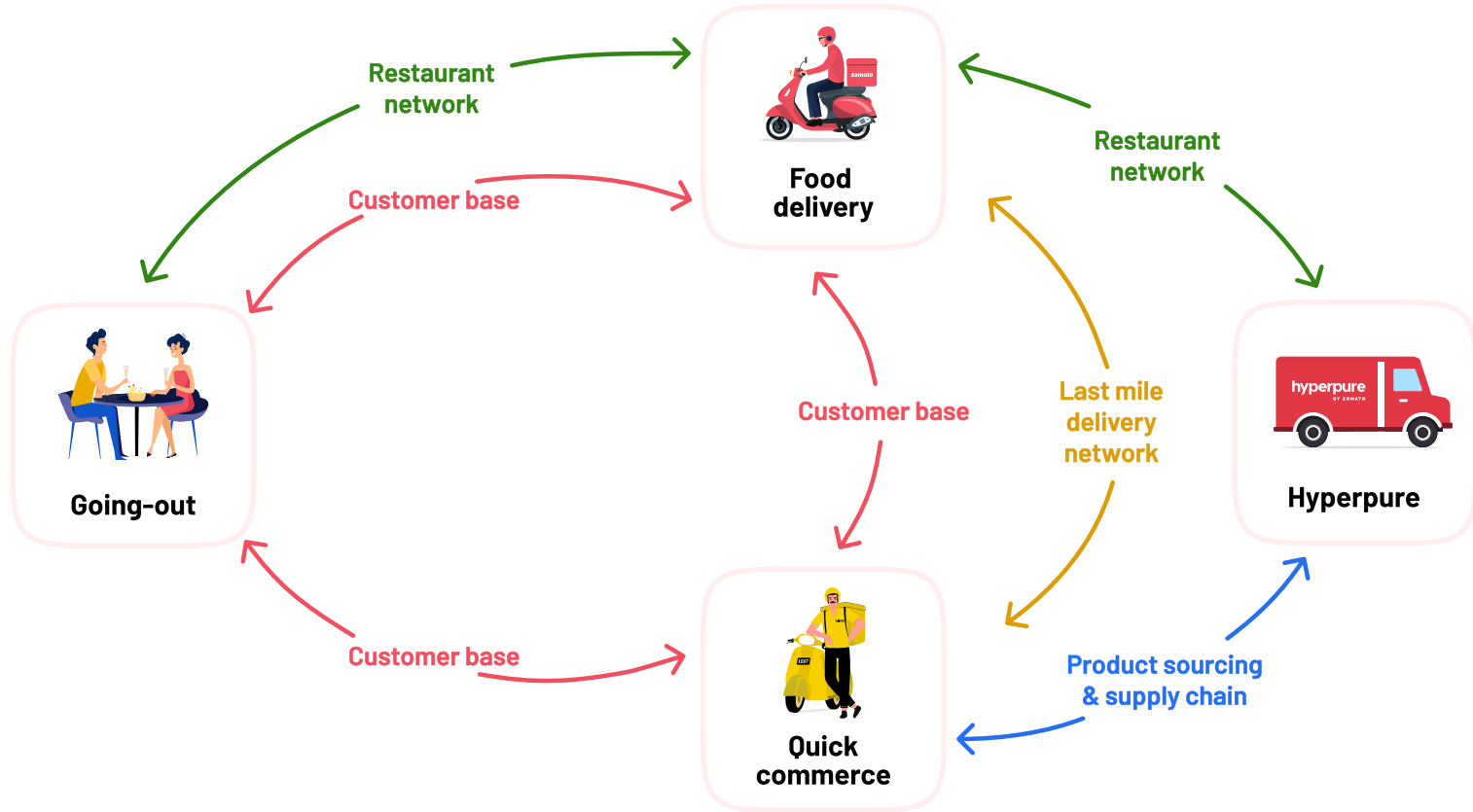
## Adjusted EBITDA margin (%)

% of Revenue



- Revenue growing rapidly given the large B2B opportunity
- Improvement in profitability driven by (a) higher throughput resulting in better utilization of existing supply chain and (b) increase in gross margins due to scale benefit and growing share of higher margin/ value added products
- Business is working capital intensive since inventory is owned by Hyperpure

# Our businesses feed into each other and further enhance our core strengths



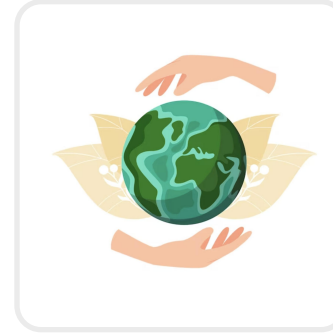


# Beyond business ...



## Feeding India

- Dedicated to solving chronic hunger and malnutrition in India
- Daily Feeding Program present across 40 cities, served **170+ million meals** till date



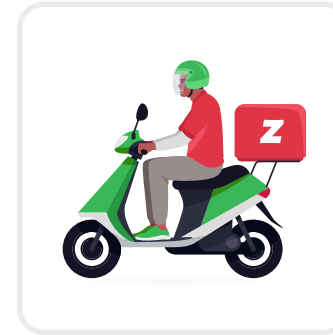
## Net Zero

- Commitment to achieve **Net Zero emissions** across our food delivery value chain **in the next 10 years** i.e., by 2033



## Plastic-neutral deliveries

- Committed to voluntary **recycling of >100% of plastic** used in food delivery order packing
- Aim to facilitate delivery of **100 million plastic free food orders** by 2025



## Delivery partner safety

- Trained **20,000+ delivery partners** to provide medical aid in case of roadside emergencies across 31 cities
- **Distributed 250k+ modified wearable assets** with in-built reflector strips to aid delivery partner visibility at night
- Free **accidental and medical insurance**

# Appendix

# Adjusted Revenue and Adjusted EBITDA reconciliation

INR crore, unless otherwise mentioned

	FY23	FY24
<b>Adjusted Revenue</b>		
Revenue from operations	7,079	12,114
Add: Actual customer delivery charges paid in the food delivery business	1,614	1,348
Add: Platform fee paid in the food delivery business (that is not already included in revenue)	-	83
<b>Adjusted Revenue</b>	<b>8,693</b>	<b>13,545</b>
<b>Adjusted EBITDA</b>		
Adjusted EBITDA	-783	372
Add: Other income	682	847
Add: Rental paid pertaining to 'Ind AS 116 leases' <sup>1</sup>	78	185
Less: Depreciation & amortization expense	437	526
Less: Finance cost	49	72
Less: ESOP expense	506	515
Less: Exceptional items	0.0	0.0
Less: Tax expense	-44	-60
<b>Profit / (loss) for the period</b>	<b>-971</b>	<b>351</b>

**Note:**

1) Up until Q1FY23, Adjusted EBITDA did not include the rental expenses on certain leases that are required to be capitalised as per Indian Accounting Standard 116 (Ind AS 116). From Q2FY23 onwards, we have included the actual rent paid for the period under such leases in the Adjusted EBITDA computation to reflect our cash profit / loss more appropriately.

# Adjusted EBITDA to closing cash balance bridge

INR crore, unless otherwise mentioned

	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24
<b>Adjusted EBITDA</b>	<b>-175</b>	<b>12</b>	<b>41</b>	<b>125</b>	<b>194</b>
Add: Treasury income received	230	329	37	136	116
Less: Capital expenditure incurred	-25	-24	-35	-60	-83
Add: Other items	10	-91	21	18	65
<b>Cash (burn) / surplus</b>	<b>40</b>	<b>226</b>	<b>64</b>	<b>219</b>	<b>292</b>
Add: (Increase) / Decrease in net working capital	-180	25	124	35	-66
<b>Change in cash</b>	<b>-140</b>	<b>251</b>	<b>188</b>	<b>254</b>	<b>226</b>
Add: Opening cash balance	11,463	11,323	11,573	11,761	12,015
<b>Closing cash balance</b>	<b>11,323</b>	<b>11,573</b>	<b>11,761</b>	<b>12,015</b>	<b>12,241</b>

**Note:**

1) Treasury income is as per actual cash received (and not on accrual basis). Hence, there will be quarterly variation in the quantum.

# Glossary (1/4)

## Consolidated

Term	Description
Revenue	Consolidated revenue from operations as per financials which includes food delivery Revenue (+) Hyperpure (B2B supplies) Revenue (+) Quick commerce Revenue (+) Going-out Revenue
Adjusted Revenue	Defined as Revenue (+) actual customer delivery charges paid in the food delivery business (net of any discounts, including free delivery discounts on account of Zomato Gold program) (+) platform fee paid in the food delivery business (that is not already included in Revenue)
Adjusted EBITDA	Defined as consolidated EBITDA (+) share-based payment expense (-) rental paid for the period pertaining to 'Ind AS 116 leases'

## Food delivery

Term	Description
Food delivery business	Refers to India food ordering and delivery business
Orders	All food delivery orders placed on our platform in India, including canceled orders
Gross order value (GOV)	Total monetary value of Orders gross of any restaurant or platform funded discounts (excluding tips) (+) actual customer delivery charges paid (net of any discounts, including free delivery discounts on account of Zomato Gold program) (+) platform fee paid by the customer (+) packaging charges (+) taxes
Average order value (AOV)	GOV divided by number of Orders
Adjusted Revenue	Defined as commission and other charges (+) ad revenue (+) actual customer delivery charges paid (net of any discounts, including free delivery discounts on account of Zomato Gold program) (+) platform fee paid by customers (+) subscription revenue for Zomato Gold (net of discounts, credits and refunds other than free delivery) (+) restaurant & delivery partner onboarding fee
Contribution	Defined as Adjusted Revenue (-) last mile delivery cost (-) platform funded discounts (-) payment gateway charges (-) customer support and appeasement cost (-) customer & restaurant partner refunds (-) delivery partner recruitment and onboarding cost (-) cash on delivery handling charges (-) other miscellaneous costs

# Glossary (2/4)

## Food delivery (contd.)

Term	Description
Adjusted EBITDA	Defined as EBITDA (+) share-based payment expense (-) rental paid for the period pertaining to 'Ind AS 116 leases'
Monthly transacting customers	Number of unique transacting customers identified by customers' mobile number that have placed at least one Order in India in that month
Monthly active delivery partners	Unique delivery partners identified by their national identity proof who successfully delivered at least one Order in India in that month
Monthly active food delivery restaurant partners	Unique restaurant partners that received at least one Order in India in that month

## Quick commerce

Term	Description
Orders	Defined as all orders placed on the Blinkit marketplace platform in India, including canceled orders
Gross order value (GOV)	Total monetary value of Orders at maximum retail price ("MRP") of goods sold (except for instances where MRP is not applicable such as fruits and vegetables in which case final selling price is used instead of MRP), gross of any seller/ brand/ platform funded subsidies (excluding tips)(+) actual customer delivery charges paid (net of any discounts)(+) other charges such as handling fee, convenience fee, packaging fee (+) taxes
Average order value (AOV)	GOV divided by number of Orders
Revenue	Defined as Blinkit marketplace commission income (+) actual customer delivery charges (net of any discounts)(+) ad revenue (+) warehousing and ancillary services income
Adjusted EBITDA	Defined as EBITDA (+) share-based payment expense (-) rental paid for the period pertaining to 'Ind AS 116 leases'

# Glossary (3/4)

## Quick commerce (contd.)

Term	Description
<b>Contribution</b>	Defined as Adjusted Revenue (-) dark store operations cost (including actual rent paid prior to any accounting adjustment for Ind AS 116)(-) last mile delivery costs (-) warehouses expenses (including actual rent paid prior to any accounting adjustment for Ind AS 116)(-) middle mile transportation costs (-) customer acquisition subsidies (-) wastage losses (-) customer refund cost (-) packaging cost (-) payment gateway charges (-) support cost (-) delivery partner recruitment and onboarding cost (-) cash on delivery handling (-) other miscellaneous costs
<b>Monthly transacting customers</b>	Defined as the number of unique transacting customers identified by the customers' mobile number that have placed at least one Order in that month
<b>Average GOV per day, per store</b>	Calculated as a simple average of total GOV transacted on a particular day divided by total number of dark stores operational for the day, for that period
<b>Platform(s)</b>	Unless otherwise provided, refers to our mobile applications and website for all our quick commerce related service offerings and operations

## Going-out

Term	Description
<b>Gross order value (GOV)</b>	Defined as total monetary value of transactions across our Dining-out and Zomato Live platforms gross of discounts (+) convenience fee paid by the customer (+) taxes (as applicable)
<b>Revenue</b>	Defined as commission charged from restaurant partners on dining-out bills paid through the Zomato app in India and UAE (+) subscription revenue for Zomato Gold UAE for access to dining-out offers in UAE (+) ad revenue (+) convenience fee collected from customers (+) take-rate earned from third-party event organizers on sale of tickets through Zomato platform in India (+) ticket sale collections for events managed by Zomato (e.g., Zomaland)(+) sponsorship revenue relating to Zomato live events (+) rentals and commission charged on sale of food & other products from restaurants / merchants participating in Zomato managed live events (+) other income
<b>Adjusted EBITDA</b>	Defined as EBITDA (+) share-based payment expense (-) rental paid for the period pertaining to 'Ind AS 116 leases'

# Glossary (4/4)

## Hyperpure

Term	Description
Revenue	Total monetary value of goods sold on the Hyperpure platform (net of any returns/ discounts)(+) actual delivery charges paid (net of any discounts)(+) other revenue
Adjusted EBITDA	Defined as EBITDA (+) share-based payment expense (-) rental paid for the period pertaining to 'Ind AS 116 leases'



# Disclaimer

## Use of non-GAAP financial measures:

To supplement our financial information presented in accordance with IND AS, we consider certain financial measures that are not prepared in accordance with IND AS, including Adjusted Revenue and Adjusted EBITDA. We use these financial measures in conjunction with IND AS measures as part of our overall assessment of our performance to evaluate the effectiveness of our business strategies and to communicate with our board of directors concerning our business and financial performance. We believe these non-GAAP financial measures provide useful information to investors about our business and financial performance, enhance their overall understanding of our past performance and future prospects, and allow for greater transparency with respect to metrics used by our management in their financial and operational decision making. We are presenting these non-GAAP financial measures to assist our investors and because we believe that these non-GAAP financial measures provide an additional tool for investors to use in comparing results of operations of our business over multiple periods. Information given also includes information related to material subsidiaries.

## Non-GAAP measures used by us are defined below:

- Adjusted Revenue = Revenue from operations as per financials + actual customer delivery charges paid in the food delivery business (net of any discounts, including free delivery discounts on account of Zomato Gold program (+) platform fee paid in the food delivery business (that is not already included in reported revenue from operations)
- Adjusted EBITDA = EBITDA (+) share-based payment expense (-) rental paid for the period pertaining to 'Ind AS 116 leases'
- EBITDA = Profit/loss as per financials excluding (i) tax expense (ii) other income (iii) depreciation and amortization expense (iv) finance cost and (v) exceptional items

These metrics have certain limitations and hence should be considered in addition to, not as substitutes for, or in isolation from, measures prepared in accordance with IND AS.

## Forward looking statements:

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