**Zomato Limited: Financial Analysis Report (FY24-FY25)**

**Executive Summary**

This report provides a comprehensive financial analysis of Zomato Limited, a leading Indian foodtech and quick commerce platform, for the fiscal years 2024-2025. Despite achieving strong revenue growth of 63.76% YoY in Q4 FY25 and 71.1% in FY24, Zomato faces profitability challenges with a 77.7% YoY profit decline in Q4 FY25 to ₹39 crore, primarily due to quick commerce expansion costs. Compared to its main competitor Swiggy, Zomato maintains a stronger financial position with consistent profitability, a larger market capitalization (nearly three times greater), and negligible debt. The company's long-term prospects are supported by its market leadership and substantial cash reserves of ₹12,241 crore, though investors should consider its high valuation metrics when making investment decisions.

**1. Company Profile**

**Founding:** 2008  
**Business Model:** Food delivery and quick commerce platform  
**Alternative Name:** "Eternal" in some financial reports

**Core Business Segments:**

* **Food Delivery:** Platform connecting users with restaurants
* **Quick Commerce (Blinkit):** 10-minute delivery of groceries and essentials
* **Hyperpure:** B2B farm-to-fork supplies for restaurant partners
* **Going Out:** Includes dining reservations (Dining Out) and event ticketing (Zomato Live)

**Market Position:**

* Primary competitor: Swiggy in the Indian market
* Went public in July 2021

**2. Revenue Analysis**

**2.1 Revenue Performance Metrics**

| **Period** | **Revenue from Operations** | **YoY Growth** | **Total Revenue (incl. other income)** |
| --- | --- | --- | --- |
| FY24 (ended Mar 31, 2024) | ₹12,114 crore | 71.1% | ₹12,961 crore |
| Q3 FY25 (ended Dec 31, 2024) | ₹5,405 crore | 64.4% | ₹5,657 crore |
| Q4 FY25 (ended Mar 31, 2025) | ₹5,833 crore | 63.76% | N/A |
| Nine Months FY25 (Apr-Dec 2024) | ₹14,410 crore | N/A | N/A |

**2.2 Segment Performance (Q4 FY25)**

* **Food Delivery:** Flat at ₹9,800 crore QoQ, indicating growth slowdown
* **Quick Commerce (Blinkit):** 20% QoQ growth, strong momentum

**2.3 Revenue Drivers**

* **Quick Commerce Expansion:** Blinkit's 20% QoQ revenue growth in Q4 FY25
* **User Base Growth:** Contributing to 30% CAGR over FY19-FY24
* **Diversified Revenue Streams:** Including subscription models and advertising

**2.4 Competitive Comparison (vs. Swiggy)**

| **Metric** | **Zomato** | **Swiggy** | **Advantage** |
| --- | --- | --- | --- |
| FY24 Revenue | ₹12,114 crore (71.1% YoY) | ₹11,247 crore (36% YoY) | Zomato |
| Q4 FY25 Revenue | ₹5,833 crore (63.76% YoY) | ₹4,410 crore (45% YoY) | Zomato |
| Quick Commerce Growth | Blinkit: 20% QoQ | Instamart: 115% YoY | Swiggy |
| Overall Scale | Larger | Smaller | Zomato |

**3. Profitability Analysis**

**3.1 Profit Performance Metrics**

| **Period** | **Net Profit/(Loss)** | **YoY Change** | **Profit Margin** | **EBITDA** |
| --- | --- | --- | --- | --- |
| FY24 | ₹351 crore | From (₹971) crore loss in FY23 | 2.9% | N/A |
| Q3 FY25 | ₹59 crore | (57.2%) | N/A | N/A |
| Q4 FY25 | ₹39 crore | (77.7%) | N/A | ₹72 crore (1.2% margin) |
| Nine Months FY25 | ₹488 crore | N/A | N/A | N/A |

**3.2 Profitability Challenges**

* **Quick Commerce Costs:** Negative contribution margin in Q3 FY25 due to rapid expansion
* **Other Income Dependency:** Q4 FY25 profit of ₹39 crore supported by ₹368 crore in other income
* **Rising Expenses:** Total expenditure in Q3 FY25 up 63.6% YoY to ₹5,533 crore

**3.3 Competitive Comparison (vs. Swiggy, Q4 FY25)**

| **Metric** | **Zomato** | **Swiggy** | **Advantage** |
| --- | --- | --- | --- |
| Net Profit/(Loss) | ₹39 crore profit | (₹1,081) crore loss | Zomato |
| EBITDA | ₹72 crore | (₹962) crore | Zomato |

**4. Expense Analysis**

**4.1 Expense Breakdown (Q3 FY25)**

| **Expense Category** | **Amount** | **% of Total Expenses** |
| --- | --- | --- |
| Total Expenditure | ₹5,533 crore | 100% |
| Delivery & Related Charges | ₹1,450 crore | 26% |
| Stock Purchases | ₹1,500 crore | 27% |
| Employee Benefits | ₹689 crore | 12% |
| Advertising & Promotions | ₹521 crore | 9% |

**4.2 Key Expense Metrics**

* **Unit Economics:** ₹1.02 spent to earn ₹1 in Q3 FY25
* **YoY Increases (FY24):** Depreciation charges up 20.4%, finance costs up 46.9%

**5. Balance Sheet Analysis**

**5.1 Key Balance Sheet Metrics (FY24)**

| **Metric** | **Value** | **YoY Change** |
| --- | --- | --- |
| Total Assets | ₹234 billion | N/A |
| Fixed Assets | ₹179 billion | 66% |
| Current Assets | ₹55 billion | (50%) |
| Current Liabilities | ₹21 billion | 44.6% |
| Long-term Debt | ₹58 million | N/A |
| Cash Reserves | ₹12,241 crore | N/A |
| Debt-to-Equity Ratio | 0.0 | N/A |

**5.2 Competitive Comparison (vs. Swiggy, FY24)**

| **Metric** | **Zomato** | **Swiggy** | **Advantage** |
| --- | --- | --- | --- |
| Total Assets | ₹23,400 crore | ₹10,529 crore | Zomato |
| Debt-to-Equity Ratio | 0.0 | (0.03) | Zomato |
| Equity Position | Positive | Negative | Zomato |

**6. Cash Flow Analysis**

**6.1 Cash Flow Metrics (FY24)**

| **Cash Flow Category** | **Amount** | **YoY Change** |
| --- | --- | --- |
| Cash Flow from Operations (CFO) | ₹6 billion | Significant improvement |
| Cash Flow from Investing (CFI) | (₹3 billion) | N/A |
| Cash Flow from Financing (CFF) | (₹2 billion) | N/A |
| Net Cash Flows | ₹910 million | From (₹2 billion) in FY23 |

**6.2 Competitive Comparison (vs. Swiggy, FY24)**

| **Metric** | **Zomato** | **Swiggy** | **Advantage** |
| --- | --- | --- | --- |
| Cash Flow from Operations | ₹600 crore | ₹1,312 crore | Swiggy |
| Net Cash Flow | ₹91 crore (positive) | Negative (relies on equity financing) | Zomato |

**7. Market Performance**

**7.1 Stock Metrics (as of May 9, 2025)**

| **Metric** | **Value** | **Notes** |
| --- | --- | --- |
| Share Price (NSE) | ₹236.32 | Up 7.25% on Jan 20, 2025 |
| Current Price | ~₹243.90 | As of Jan 15, 2025 |
| Market Capitalization | ₹2,10,336 crore ($24.3 billion) | As of Jan 20, 2025 |
| Price-to-Earnings (P/E) | 388.8x | Based on FY24 EPS of ₹0.4 |
| Price-to-Book (P/B) | 11.9x | N/A |
| Price-to-Sales (P/S) | 19.0x | Market cap-to-sales: 18.04 |

**7.2 Stock Performance**

* 173% return in FY24
* Volatile in FY25, with peak of ₹304.5 in December 2024
* Currently trading near support levels of ₹243-₹251

**7.3 Analyst Consensus**

* **Average Target Price:** ₹285.97 (31.06% upside from ₹218.19)
* **Coverage:** 29 analysts
* **Notable Ratings:**
  + Motilal Oswal: Buy (₹260)
  + ICICI Securities: Buy (₹310)
  + Anand Rathi: Buy (₹300)

**7.4 Competitive Comparison (vs. Swiggy)**

| **Metric** | **Zomato** | **Swiggy** | **Advantage** |
| --- | --- | --- | --- |
| Share Price | ₹236.32 (NSE) | ₹314.00 (BSE) | N/A |
| Market Capitalization | ₹2,10,336 crore | ₹71,909.55 crore | Zomato (3x larger) |
| YTD Performance | N/A | Down 41% | Zomato |

**8. Strategic Initiatives and Risk Assessment**

**8.1 Strategic Initiatives**

* **Blinkit Expansion:** Rapid store additions driving 20% QoQ revenue growth
* **Category Diversification:** Investments in digitalization and new markets
* **Operational Efficiency:** Focus on mature stores to improve margins

**8.2 Risk Assessment**

| **Risk Factor** | **Impact** | **Mitigation** |
| --- | --- | --- |
| Profitability Pressure | 57% YoY profit drop in Q3 FY25 | Focus on mature store profitability |
| Competition | Swiggy's Instamart (115% YoY growth) | Continue innovation and market leadership |
| Valuation Risk | P/E of 388.8x suggests overvaluation | Deliver on growth expectations |
| Regulatory Risk | CCI's predatory pricing rules | Adapt pricing strategies |

**9. Financial Ratio Analysis**

| **Ratio** | **FY24** | **FY23** | **Change** |
| --- | --- | --- | --- |
| Debt-to-Equity | 0.0 | N/A | N/A |
| Operating Profit Margin | 0.1% | 17.7% | (17.6 pp) |
| Net Profit Margin | 2.9% | (13.7%) | 16.6 pp |
| Return on Equity (ROE) | Positive | Negative | Positive |
| P/E Ratio | 388.8x | N/A | N/A |

**10. Outlook and Recommendations**

**10.1 Growth Prospects**

* **Quick Commerce:** Blinkit's 20% QoQ growth positions Zomato well in expanding market
* **Revenue Growth:** Forecasted earnings growth of 50.59% per year
* **Financial Stability:** Strong cash reserves (₹12,241 crore) and debt-free status

**10.2 Challenges**

* **Profitability Concerns:** Q4 FY25 net profit down 77.7% YoY to ₹39 crore
* **Valuation Considerations:** High P/E and P/S ratios require earnings growth
* **Competitive Pressure:** Swiggy's aggressive quick commerce growth

**10.3 Investment Recommendation**

| **Time Horizon** | **Recommendation** | **Rationale** |
| --- | --- | --- |
| Short-Term | Hold | High valuations (P/E 388.8x) and profit declines suggest caution |
| Long-Term | Buy on dips | Debt-free status, cash reserves, and quick commerce momentum |

**10.4 Key Performance Indicators to Monitor**

* Blinkit's contribution margin improvement
* Sustained revenue growth in food delivery segment
* Reduction in dependence on other income

**11. Appendices**

**Appendix A: Glossary of Terms**

* **YoY:** Year-over-Year
* **QoQ:** Quarter-over-Quarter
* **EBITDA:** Earnings Before Interest, Taxes, Depreciation, and Amortization
* **CFO:** Cash Flow from Operations
* **CCI:** Competition Commission of India

**Appendix B: Data Sources**

* Zomato Limited Financial Statements FY24-FY25
* Market data as of May 9, 2025
* Analyst reports from Motilal Oswal, ICICI Securities, and Anand Rathi