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November 06, 2025

To  
The Deputy Manager  
Department of Corporate Services  
BSE Limited  
PJ Towers, Dalal Street  
Mumbai -400001  
**Scrip Code: 544285**

To  
The Manager  
National Stock Exchange of India  
Limited Exchange Plaza, Plot No. C/1,  
G Block Bandra-Kurla Complex,  
Bandra (E), Mumbai 400051  
**Symbol: SWIGGY**

Dear Sir/ Madam,

**Sub: Transcript of the Earnings Conference Call for Analysts and Investors held on Thursday, October 30, 2025.**

**Ref: Disclosure pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to the provisions of Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the transcript of the Earnings Conference Call for Analysts and Investors held on Thursday, October 30, 2025.

The said transcript is enclosed herewith and has also been hosted on the website of the company. The link for accessing the transcript is provided below:

<https://www.swiggy.com/corporate/investor-relations/financial-results/>

This disclosure is being submitted in compliance with the aforementioned regulation and is for your information and records.

Thanking you,

Yours faithfully,

**For Swiggy Limited**

**Cauveri Sriram**  
**Company Secretary & Compliance Officer**

**SWIGGY LIMITED**

(formerly known as "Swiggy Private Limited" and "Bundl Technologies Private Limited") | CIN: L74110KA2013PLC096530

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## **Swiggy Limited**

**Q2 FY26 Earnings Conference Call**

**October 30, 2025**

**MANAGEMENT:**

**SRIHARSHA MAJETY – MANAGING DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER – SWIGGY LIMITED**

**RAHUL BOTHRA – CHIEF FINANCIAL OFFICER – SWIGGY LIMITED**

**ROHIT KAPOOR – CHIEF EXECUTIVE OFFICER, FOOD MARKETPLACE – SWIGGY LIMITED**

**AMITESH JHA – CHIEF EXECUTIVE OFFICER, INSTAMART – SWIGGY LIMITED**

**ABHISHEK AGARWAL – HEAD OF INVESTOR RELATIONS – SWIGGY LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Swiggy Limited Q2 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Abhishek Agarwal, Head of Investor Relations. Thank you, and over to you, sir.

**Abhishek Agarwal:** Thank you, operator. Hello, everyone, and welcome to the second quarter FY 2026 Earnings Call of Swiggy. Our financial results and shareholders' letter have been published on the Exchanges, and the information pack has been placed in the Investor Relations section of our website, [www.swiggy.com](http://www.swiggy.com). We would like to inform you that the management can make certain comments on this call that one could deem forward-looking statements.

Specifically, the financial guidance and pro forma information that we will provide on this call are management estimates based on certain assumptions and have not been subjected to any product review or examination procedures. Swiggy does not guarantee these statements and is not obliged to update them at any time.

Joining me on the call today are:

Sriharsha Majety – MD and Group CEO, Rahul Bothra – our CFO, Rohit Kapoor – CEO of Food Marketplace, and Amitesh Jha – CEO of Instamart.

With this brief preamble, let us start the Q&A. Operator, you can go ahead please.

**Moderator:** Our first question comes from the line of Sachin Salgaonkar from Bank of America.

**Sachin Salgaonkar:** Thank you for the opportunity. I have three questions. First question is on the QIP. I know its early stages and you're still waiting for approval from management. But broadly, I want to understand the thought process in terms of how the incremental capital will be used.

For example, will there be any change in strategy towards your dark store additions, which we see after Q4, it has been a slow addition out there? Or is there an intention to further expand into different areas? So, would love to understand and get an update in that direction?

**Rahul Bothra:** Sachin, Rahul here. So, if you've seen over the last, say, three quarters and post our IPO, the quick commerce business is where most of our investments have gone. The food delivery business, of course, has continued its path of profitable growth and currently is at a run rate of INR 1,000 crores on an annual basis.

And in quick commerce, we have seen now this is the third continuous quarter of us delivering 100% plus GOV growth and this is way over some of the expectations that we had back in the days when we were expecting a 50% - 60% kind of growth trajectory.

We've also guided and reiterated our guidance of being able to demonstrate contribution margin profitability by June 2026 quarter. We've also demonstrated even in the current quarter, how we've been able to move the contribution margin profile. So, we feel very good about our ability to finance the growth opportunity, the investments that we have made and continue to get operating leverage from those investments.

Having said that, we have seen continued investments. This sector has continued to attract a lot of investments. Both new and legacy players are growing and getting investments.

So, this is a conversation that we want to have with the Board to be able to raise this additional capital, which would be more towards growth as well as strategic reserves that we want to use on a going forward basis. Of course, more on this once we get the approval, but this is the intent of calling this particular board meeting.

**Sachin Salgaonkar:** Got it, Rahul. Just a follow-up on this. Clearly, we do have a visibility and now a comfort that you guys should be able to come to a positive contribution margin by June 2026. But again, from that perspective, any thoughts of introducing a guidance towards an EBITDA breakeven?

Because to your point, the sector continues to attract a lot of investments and again, any comfort what investors would get that there will be no further fundraises in that direction and the path towards profitability will be clearer despite being a slightly higher competition in terms of what you are seeing out here?

**Rahul Bothra:** Yes. So, Sachin, as you've seen, we have very strong cash reserves. And as I said, the food delivery business continues to accrue cash reserves positively. With the Rapido stake sale, which we are expecting in this quarter, the cash proceeds to come in, we anyway sit on a very strong balance sheet.

So, this additional fundraise, as I said, is going to be used more towards growth capital. We are also a very innovative company. We have been pioneers of launching the services, whether it's food delivery or quick commerce and continue to experiment on the side to need some of the innovation capital going forward for some of the new experiments that we do.

So, this will definitely bolster our overall cash results and put us in a very, very healthy position. We don't expect the need to raise any further capital if and when we were to raise this additional QIP.

**Sachin Salgaonkar:** Thank you for that clarity. Second question is on competition. We see one of your competitors raising some capital and a large traditional player adding 600-plus kind of dark stores. So, since the last quarter to now, have you seen an increase in competition in quick commerce?

**Amitesh Jha:** Sachin, this is Amitesh here. See the competition has been there, and we have not seen a let up or let down of any of the competition that we had seen earlier. In general, what I will say is that the steady state of competitiveness still remains, we'll keep on seeing up and down based on the season and based on the objective in that particular month. But overall, we see

heightened competition at the same level as what we had seen in the last quarter to continue and all our plans in the future are based on that.

**Sachin Salgaonkar:** Got it. And last question, generally wanted an update on the Quick India Movement (“QIM”). Would be great to understand, it's the first time you did this, how has been the traction out there? Was there any incremental cost in terms of selling and marketing associated with that? And is there an intention to do programs on similar lines in future also?

**Amitesh Jha:** Yes, absolutely. See, the Quick India Movement had a very specific objective, and that specific objective was to make sure that people are aware that quick commerce has a lot more to offer than only grocery. It was very important for us because in terms of future readiness of being an everything store rather than only a grocery store, this is the first step essentially towards that.

To that factor, we wanted to move into or make that move in a time period where generally there is a heightened intensity in the overall online commerce space. And we thought it is the right time because people at that point of time do switch and do look for all opportunities that exist. So, the objective was to make sure our customers and a lot more customers are aware that we sell a lot of things.

Now the result of all of that is that we have seen a lot more adoption for these categories that were not there earlier. There is a heightened traffic that has gone into these new categories even after the sale has ended. So, the objective was to make sure that people are aware and all of that will lead to a higher AOV also in the future.

In terms of the money spent, quick commerce is a fast-growing business and in general brands also want to participate in that. What we have seen is that we have been able to build a story around why quick commerce and why does it make sense for the non-grocery brands to participate and make sure that there is a lot of work adoption for consumers that already exist in this business.

Again, the way brands think about it is that as soon as there is a new channel that essentially comes in, there is a chance of market share movement for them. So, they need to use these opportunities to drive their market share and which has been the way it has happened.

Apart from that also, I think one of the things that we saw was also that though the Quick India Movement was focused towards newer categories, even the grocery business grew. It was on the back of obviously the existing customer feeling heightened curiosity about the items as well.

And we see the continuous adoption in terms of higher traffic in the month of October also. So yes, the way to think about it is that the excitement that customers had was also shared by brands, and which is the reason why we were able to do it at a much better profitability.

**Sachin Salgaonkar:** Yes. A quick follow-up out here. We are seeing that as the contribution of non-grocery increases your take rate also goes down. So in a way, does that imply that non-grocery has a lower take rate? And given the fact that you have mentioned in shareholders' letter that the

non-grocery component will continue to increase, do we see a continued pressure on take rate going ahead?

**Rahul Bothra:** So two things there, right? One is in terms of the introduction of some of these non-grocery SKUs, which, as you have seen, it's only been a recent phenomenon for us. So there is this margin accrual that we expect over time as we continue to go deeper into the supply chain. The other is the mix factor.

We do expect a lot more higher margin mix to attach to these non-grocery segments from what we have seen. So in the near term, there has been some amount of customer inducement that we had to do, while trying to sell this newer assortment to these customers. So that will also come down.

As a combination of these 3 factors, we do expect the margins overall to go up because typically, non-groceries have higher margins as well as the ability for these brands to also fund for advertising. So we do expect the margins to continue to improve from here on the selection.

**Abhishek Agarwal:** And Sachin, just to add here, this is Abhishek. We've improved our adjusted revenue per order, as you would have seen by INR 10 in each of Q1 and Q2 consecutively, which basically means that at the overall level, you are talking about improving the economics of the equation.

**Moderator:** Our next question comes from the line of Kunal Vora from BNP Paribas.

**Kunal Vora:** You mentioned that non-grocery like electronics have doubled in terms of contribution in the last couple of quarters. What else are you looking at adding? How promising is pharmacy, which I think is a strong push now? How is the early response into pharmacy? And what's the coverage now -- that's my first question.

**Amitesh Jha:** Yes. So I'll just answer this question, Amitesh here. See, the strategic rationale that we have chosen is that apart from the long-tail categories where the assortment or the wide assortment really helps, we'll be in all the categories that require a decent assortment.

And that is the reason our stated objective of being everything store is there. So effectively think about it as everything that you can find in the store, except for a really long tail, maybe some fashion, some home decor and all that kind of stuff.

The pharmacy is obviously essentially part of it is one of those things that led easily to the requirement of quick commerce. We have seen robust growth in it. In one year, we have reached an adoption that a lot of other new businesses take an extremely long time.

Our focus will always be there. We believe it's a very integral part of our overall operation of making thing extremely convenient for the end consumer and we will continue to do that for all the other categories as well.

**Kunal Vora:** Understood. Just a follow-up on this. So non-grocery has moved from 9% to 26% in the last one year. Do you see it crossing even 50% in the coming couple of years?

**Amitesh Jha:** See, it's very hard to crystal gaze on where exactly we'll end up. But I'll give you an overall way to think about it. Grocery is still the higher contribution on the wallet of an end consumer. So the majority of the revenue will always come from that. There's no going away from there. That said, the consumers that we are looking at do have a significant share of general merchandise as well and all the other products. We believe this number will essentially go up.

There is a headroom that exists. How much will be extremely hard to say. We'll have to say play quarter-to-quarter. But yes, I believe the headroom is still there. 50% is way too much a stretch. Just by pure logic on grocery being higher, we don't think it will happen.

**Kunal Vora:** And second and last question, in food delivery, you mentioned that during the quarter you saw heightened competitive intensity with lower subscription fees and reduced minimum order value. Is the impact of these competing moves already in the numbers? Or there could be some margin impact in the next quarter or so? And how has the early feedback been on the new entrant, which has entered?

**Rohit Kapoor:** This is Rohit here. Look, I think the competitive intensity is always there in food delivery, but it spiked on the subscription platform side over the last quarter; that's what we saw. I believe it's already factored into the numbers, and I don't see a differential coming in the future from the baseline. If you look at the numbers, we have still grown our EBITDA 44 basis points over last quarter and the EBITDA over last quarter same year has more than doubled, right...

To your second question on the new entrant, we do not have any inside information. But from the best of market knowledge that we have on public sources that whatever we have gleaned -- the pilot -- it's still in pilot phase in a few areas in Bangalore. That's all that we know as of now.

**Kunal Vora:** Okay. Have you had to respond to that new entrant or like it's at status quo?

**Rohit Kapoor:** We have not had to respond to the new entrant as of now.

**Moderator:** We have our next question from the line of Vivek Maheshwari from Jefferies.

**Vivek Maheshwari:** Two questions. First, to the extent you can comment because you have mentioned about the capital raise. Today's media article also talks about some raise at the subsidiary level, which is the quick commerce entity. Can you just clarify your position as I said to the extent you can?

**Rahul Bothra:** No. So this is being done at the holding company level. So, there is no near-term plan or any plan to raise at a subsidiary level.

**Vivek Maheshwari:** Okay. The second question is, let's say, your GOV in this quarter has gone up by 110%, give or take. And the overheads are up about 125%. Now from here on, as we go forward, how will the profitability at EBITDA level improve given that, let's say, about INR 650 crores, INR 660 crores are the overheads. So as you grow forward, will there be an operating leverage basically at the overheads level?

Because your AOVs are already at about 700 levels. And I would have thought that, that would have definitely given you that leverage. But for whatever reason, it's not showing up. So are there expenses which will like grow way lower than your GOV growth?

**Rahul Bothra:** Yes. So Vivek, if you see on a sequential basis, our overhead base in the quick commerce business have only grown 5%, right, versus GOV close to 25% growth on a sequential basis. So that operating leverage is already starting to play out. And you should absolutely expect this to continue in the future.

**Abhishek Agarwal:** That's visible in the contribution margin improving by 200 basis points and the EBITDA margin improving by 375 quarter-on-quarter.

**Vivek Maheshwari:** Sure. My point is basically the overheads are still about 10% of GOV. And if you take the last 6 quarter average also, it has trended at around that level, so let's say, between 8% and 12%. As we go forward, the -- and within overheads, what are the key hedge which will drive that leverage?

**Rahul Bothra:** So in large part, marketing is one place that will kind of go up or down depending on how we see the customer adoption and new customer acquisition happening in the sector and it's slightly also competitive in terms of the price that we end up paying for our CACs depending on the competitive intensity.

Outside of that, all the other costs are fixed in nature, apart from the annual wage inflation etc., most of those have been fixed.

**Vivek Maheshwari:** Okay. So just to conclude, Rahul, this Y-o-Y increase the bulk you are saying is due to marketing. The other heads would have still seen leverage benefits in a way?

**Rahul Bothra:** That's right. That's correct.

**Moderator:** The next question comes from the line of Abhishek Bhandari from Nomura.

**Abhishek Bhandari:** Congrats on a sharp improvement on CM at the QC. So Rahul, as in the past, when you gave some breakdown about how the CM actually fell in those quarters, if you could give a similar breakdown on how the CM improved from minus 4.6% to minus 2.6% across these 3 vectors, what you mentioned, which is ads and lower customer incentives and increased utilization.

The reason for asking this question is I'm just trying to gauge what are the incremental levers for you over the next few quarters when you want to hit a kind of breakeven by Q1 '27.

**Rahul Bothra:** Absolutely. So, if you see, we have given this answer in our shareholders' letter in terms of the breakdown of the 200 basis points. So this has come across the monetization levers as well as the operating leverage and better utilization of the stores. So going forward basis, as I said, you should expect margin improvement to continue happening.

We've also guided that our store addition is not going to be in line with some of the past additions that we've done over the last 4 quarters. So that is going to drive operating leverage

of throughput and efficiency for us. So you should expect that there is a lot of juice left in almost all the monetization lines as well as the cost lines largely through better operating efficiencies.

**Abhishek Bhandari:** Do you think lower customer incentive is really a lever from here on, given that competition has raised money. And as you said, the competition has not really gone down from the other players?

**Rahul Bothra:** No. I think that bit is a little bit dynamic. Because depending on how much competitive intensity we are seeing, we also choose not to respond during various times because there could be some amount of insanity around both minimum order pricing as well as deep discounting, which we may not want to partake in.

At the same time, we see what are the cohorts of consumers that we want to attract and retain on our platform, and we'll continue to make the right choices of investments there. So while it can have some impact due to the outside pressure, but largely, we believe that we are in control of our destiny here.

**Abhishek Bhandari:** Got it. My second and last question is on food side. Do you think the contribution margin is kind of stagnating at 7.3% is because of your initiatives around the value segment to ensure that your GOV growth rate remains closer to 20%? And also in the letter on Page 10, you have mentioned that the entire EBITDA margin currently comes only from advertisement. So how much more juice is left on the advertisement piece on the food you think from here on?

**Rohit Kapoor:** Yes. So I think there are two questions. One, on the contribution margin. I think it remaining constant over the last quarter is a function of 2 things. One is our focus on mixing on growth and continuing to invest towards that, and that's something we'll keep balancing quarter-on-quarter.

The second thing was, as I said, the higher intensity on subscription program that we saw from a competitive lens and we matched that and in some cases, even went aggressive because there is an opportunity to do so. Those two things, but it is something that, over time, we see still more potential to trend up in the subsequent quarters.

But having said that, I think I also want you to note that while that happened, we still increased EBITDA by about 44 basis points over the previous quarter as we interchanged investment into what goes into contribution margin versus what comes below the contribution margin.

Second question on advertising revenue. I think that's just one lens of looking at it because obviously, if you take all line items, some will be from a percentage standpoint, that's probably not only way to look at it. I think that the comfort there is that -- there's one significant line item is more than the EBITDA today, and we have guided to a medium-term EBITDA margin of 5%, which we think we have line of sight to in the medium term. So, I think that's the answer to your two questions there.

**Moderator:** Our next question comes from the line of Vijit Jain from Citi.

**Vijit Jain:** So, this quarter contribution margin in quick commerce improved 200 bps and you called out all those different levers and you're only minus 2.6% now. I looked at the cohort data, your comments on the impact of non-grocery still to play out further, as you said earlier, in this call.

So how would you characterize the potential for CM to break even well before the June '26 deadline? I mean at this pace, you could do it in December or in March quarter itself, right? So that's my first question.

**Rahul Bothra:** So I think we have given in the past a certain guidance around, and we do want to retain flexibility as some of the participants have mentioned that competition intensity goes up and down depending on how much investments are happening in the sector. Currently, we do want to retain our guidance. Now whether that happens one quarter ahead or not is something that we are not able to comment on today.

**Vijit Jain:** Fair enough. Now my second question is, so your non-grocery have gone up quite meaningfully this quarter as well, congratulations on that. I'm guessing some part of it would have been definitely aided by the Quick India Movement. My question is immediately, does it consolidate here since QIM is over or this can continue to go up even in the near term?

And secondly, from an AOV point of view, how should one think about the pace from where you are now at INR 700 from a Q-o-Q basis? Does it still continue to grow at this kind of pace? I know December is usually the strongest quarter from an AOV point of view.

**Amitesh Jha:** Yes. It's Amitesh here. See, we see continued interest from both customers and brands on the non-grocery part. We believe that what we did in QIM is just not a QIM-specific impact. And the reason also why we essentially did was that we should have a more permanent impact. We're already seeing it with more number of customers and more number of brands partnering in that.

And for sure, there is a headroom for higher AOV. It's just very hard to visibly look at and say how much of it will it go to. But we see there is a substantial offering especially because the consumer penetration of some of these categories are extremely low. So as and when more users become mature on quick commerce, their buying will happen more on the non-grocery categories, and the AOV will go up. It's still early stages there.

**Moderator:** The next question comes from the line of Sudheer from Kotak Asset Management Company.

**Sudheer Guntupalli:** Congrats on a good set of numbers. So I'm just looking at the contribution margin and I just want to double down on what Vijit was also asking early on. Despite the Quick India Sale Movement, you have shown almost 200 basis point sequential improvement in contribution margin and incrementally not having -- I mean, of course, a lot of those discounts might be funded by the brands, and I get that.

But incrementally, you have just a 250-basis points kind of effort to be done to reach your guidance. But I'm just asking a bit of a converse of what the earlier participant asked. In case you reached that contribution breakeven earlier would you sort of decide to let that flow into

the P&L? Or would you sort of decide to recoup that back as investments in user incentivization or so on and so forth?

**Rahul Bothra:** No, I think Sudheer, that's exactly what we intend to do, which is retain the flexibility to be able to invest it back for even higher growth from what we see. At the same time, I think there is a journey that we have to traverse. We've done well over the past couple of quarters to get it to negative 2.5% from the negative 5.5% peak that we had.

And I think from here on, while there is going to be all the positives, if there are negative headwinds coming from either some competition activity, we do want to retain the flexibility and therefore, the guidance stays for the end of the June '26 quarter.

**Sudheer Guntupalli:** Got it, Rahul. And second thing, our store addition is just around 40 this quarter. And despite that, our sequential GOV growth is not very different from that of our larger competitor, who has added almost 7x our stores.

So just what is happening here, just in case if you were to understand in very simple terms, how far do you think this bridging the utilization or improving the utilization will give you that growth kicker? Or is it a difference in terms of the spread of the store, geographic spread of the stores that is driving this kind of a paradox?

**Rahul Bothra:** Yes. So Sudheer, I think we had talked about this in the past that we have a network design and a choice which has the normal dark store of say roughly 4,000 square feet and the mega store, which could be 8,000-10,000 square feet. So our ability to, therefore, service a lot more orders from these stores exists.

We've also mentioned that we have created sufficient capacity on the dark store network to easily double our business from here without having the need to add more stores. Having said that, we will continue to densify especially to manage capacities where we run out of max capacity. So, there is enough headroom that we have from the current network.

And even if you look at our assortment addition or the speed at which we are delivering today, we believe that we are amongst the best in the industry. So, these customer backward choices that we have made around the network design and the capacity addition that we have done ahead of time puts us in a good place to be able to appropriate the growth that we are.

**Sudheer Guntupalli:** Okay, Rahul. Let me ask it in a different way. So even if we were to add a much fewer number of stores compared to our competitor, do you think going ahead, sequentially, growth rates should be in the same ballpark that we had seen in the current quarter? Is that a fair assessment to make?

**Rahul Bothra:** Yes, I think we want to meet and beat the industry growth rates. I think there are some choices around, say, some of the newer cities, etcetera, that we may or may not decide to go, considering they are long tail. But in the larger metros and cities that matter to us, we will continue to densify the network and as I said, we have leading metrics on the consumer side. So I see no reason for us to fall back on the growth component.

**Moderator:** The next question is from the line of Gaurav Rateria from Morgan Stanley.

**Gaurav Rateria:** I just want to know what's the breakeven period for any new store at the CM level for the quick commerce business?

**Rahul Bothra:** So it varies between 800 to 1,000 orders a day.

**Gaurav Rateria:** No, I was asking time period.

**Rahul Bothra:** And in terms of time line, it could be depending on, again, the hyper local areas, it could anywhere be between, say, 6 months to 12 months.

**Gaurav Rateria:** So, you shared a pretty interesting data point on the percentage of total active stores, which are greater than 3% and 0% to 3%, which put together 25%. So, correct me if I'm wrong, so only 25% of the stores are positive CM and the remaining 75% are still in red at the CM level. So, I was not sure if this interpretation is correct or not.

**Rahul Bothra:** That's correct. As we have written in the question number eight, the negative stores are currently at 5.2% negative CM. So, at a portfolio level, we are at negative 2.6%.

**Gaurav Rateria:** Okay. So, I was just trying to reconcile that if it takes 6 months to 12 months to get to a breakeven. And my understanding is that you have gone from 600 stores to 1,100 stores in the last 12 months. So how come your stores that are above breakeven are only 25% of the total stores.

Shouldn't it have been a much larger percentage of total stores, which have been in existence for a long period of time from a breakeven perspective? So maybe there is some math to it, which I'm not able to reconcile.

**Rahul Bothra:** No. So as you've rightly said that a lot of our store additions happened between, say, December to March period. And we have to, therefore, wait for this couple of quarters for the 12-month cycle to elapse. And this is in conjunction with the guidance that we have given, right, with saying that by June, we expect the entire network to become CM positive.

So it's moving in that trajectory, right. If you see even in the last couple of quarters, if you see our overall network from 9% has gone up to 25%, and it will continue to accrete in the same fashion.

**Gaurav Rateria:** Okay. Okay. My second question is that you have a lot of scope to go from a current throughput of 1,000 plus to 2,000 plus in terms of orders per day per store. So what exactly does it require from our side, like in terms of aggressively adding MTUs or trying to drive frequency? Just trying to understand like we already have the network, so what are the incremental steps required to get to that from 1,000 to 2,000?

**Amitesh Jha:** Yes, what you said is absolutely right. The way to think about our business is, there are new users that we acquired, those users become mature users and the frequency of mature users are higher, both in terms of the spend on the platform as well as their orders.

So the way to think about it is that we are in the journey of moving from a lot of new users to the matured as a user. That will drive up both the orders per day in that particular store as well as the GOV per store in that particular store. And that is the reason why we believe this has happened, which is what you would have also seen.

The GOV per user is also increasing, GOV per store is also increasing, and we see that being a secular trend for a longer period of time because we are extremely happy with the funnel. The new users that we are acquiring are spending more in the first month itself.

The users that we acquired in the subsequent quarters and months are also spending more as a structural thing. So we believe this is a positive cycle that has already started. As and when the lot of new users that we acquired in the first 2 quarters of this current year start maturing and they move towards higher frequency, we believe all these stores will also start delivering profits.

**Gaurav Rateria:** Got it. And last question is on this QIP that you're talking about. Just trying to understand that would this lead to any change in the strategy that we are pursuing in the quick commerce business? And with the incremental growth capital that you get, is it fair to say that the market has enough depth for you to continue to grow at sort of 100%, not just for this year, even going forward in the coming years.

**Rahul Bothra:** Yes. I think, see, the overall boosting of the balance sheet is more forward-looking, more around the opportunity that will present to us. We don't know how long these growth rates will continue in this segment. Also, as I said, this is also adding to the innovation capital and the strategic reserve of the company.

So overall, we should see from that lens, I think overall, on the quick commerce business, we have made sufficient network investments that are required for us to be able to grow at these triple-digit growth rates. So we don't necessarily see a reason to change that strategy. However, if it positively surprises us, we will have the flexibility to continue making those investments.

**Moderator:** Our next question comes from the line of Garima Mishra from Kotak Securities.

**Garima Mishra:** First question from me. You mentioned in the letter that your current store network can support double the orders. So, based on trends that you are witnessing, do you have any sort of timeline in mind as to when this happens?

**Amitesh Jha:** We are seeing a healthy growth rate of our GOV around 20%+QoQ for the last two quarters. We see a movement in our OPD in the subsequent quarters as well. We can assume a similar kind of growth rate. So if we assume a similar growth rate, we should see these numbers being hit within a year's time. But of course, what also happens is that it is lopsided.

Not every store will be at the same rate. There are stores that will hit the maximum capacity sooner, which means we'll have to open new stores. So we believe that in the next two quarters, there will be a few stores that will reach those orders, and we'll have to open new stores on that.

The one thing at least for now, we are very, very sure on that we're going to focus on the cities that we are in, where we would want to densify that network, make sure that we are doing a good job there because the headroom in those cities itself is extremely high and which is where the focus for our store expansion will be.

**Garima Mishra:** Got it. So if I look, let us say, let's say, 6, 8 quarters ahead, should we also assume that at some point of time, the store addition, which today seems to be a little lower because you built a buffer or you've built some spare capacity in the past. This exhausts and then you again start seeing a recovery or a much higher let's say, quarterly kind of store addition. Fair to expect?

**Amitesh Jha:** Yes, absolutely. There are two ways in which it will happen. One is whenever there is a capacity reach that we see for existing stores, we will open new stores. Whenever we see there is an opportunity with higher speed that we can present in spite of capacity not reaching, we'll also do that. We believe that will start happening from maybe a couple of few quarters from now. We don't see this being essentially a permanent feature.

**Garima Mishra:** Got it. Another follow-up here. Now CM breakeven for the Instamart business, I think it's been talked about a lot and 1Q FY '27 is where things are landing up as of now. However, in this business now, what is your long-term ambition for this number? And what can be, hence, a resultant sort of EBITDA margin? Because I think a positive CM and a positive EBITDA margin will sort of be the target for any business, right?

**Rahul Bothra:** I think this is obviously doing a little bit of crystal ball gazing to say, but we do have conviction that this business can get to like a 4% EBITDA with a 7% kind of contribution margin positive trajectory.

**Garima Mishra:** Okay. And maybe last question here. Again, in the letter, you've mentioned that for food delivery business, right, advertisements are roughly 4% plus of GMV. What is this number for Instamart today? And can this number potentially be much higher than what it is for food delivery?

**Rahul Bothra:** Yes. For specific reasons, we won't be able to share the number, but in a very short period of time, we have made substantial progress on this particular line. In terms of our guidance, we believe that in steady state, this number can get to 6% to 7%.

**Moderator:** Our next question is from the line of Gaurav Malhotra from Axis.

**Gaurav Malhotra:** Just a few questions from my side. On the ad revenues in the restaurants, I was under the impression that the ad revenues from restaurants typically would be, say lower than what it would be say for a quick commerce business is because not every restaurant typically would spend and generally say most if not all brands tend to spend.

So the greater than 4% number looks a little bit high in that context. So if you could just give us some sense as to the long-term quick commerce is 6%-7% and the restaurants are like 4% plus, how should we sort of think of these two numbers in that context?

**Rohit Kapoor:** This is Rohit here. Is the question more around expansion possibilities in food? Or is it a comparison with quick commerce? I just want to sharpen my answer.

**Gaurav Malhotra:** So basically, I was under the impression that the ad revenue contribution in the food delivery would be lower than quick commerce. And if the restaurant, the food delivery itself is 4% plus, then shouldn't the long-term quick commerce be then more than 6%-7% right? Because the understanding is that most of the brands typically tend to spend on quick commerce, but not all restaurants spend on food delivery from an advertisement perspective.

**Rohit Kapoor:** Yes. So, I think we're looking at both businesses at different points in time of maturity, right? So structurally, you're right that quick commerce, by definition, should be higher over time, but we are looking at a decade-old food delivery business and a 3-year old quick commerce business.

So the expansion in terms of personnel GOV will happen at a differential pace between both the businesses. So your assumption is actually correct that over time, quick commerce should have a higher percent of GOV in terms of advertising revenues or food. Amitesh, you want to add?

**Amitesh Jha:** Yes. So, what you're saying, which is what Rahul was speaking about, that structurally, we believe that the total amount spent by brands. There is enough available for quick commerce, which is, in fact, the highest impacting on consumer behavior to extract most of the brands.

We believe that quick commerce will end up being the industry leader in ad spend just because this model has a very high impact on the way consumer preference essentially changes. Right now since it is the start. We are only a few years old. We generally see brands spending a lot more money, and they are very excited about the opportunities that exist in this.

**Gaurav Malhotra:** Next question is on Instamart. Obviously, the contribution margins have sort of improved quite meaningfully. But obviously, the absolute losses at the EBITDA level have not -- have come down, but maybe not to the same level in context to the fact that you're not expanding as aggressively.

So just wanted to get a sense as to the fixed cost, right, is there a much higher salience on marketing spend versus, say, the costs related to the actual operations which is why the fixed cost itself is remaining more sticky than what one would have expected.

**Rahul Bothra:** Yes. So as we've answered this, right, in the past that on a sequential basis, the cost below CM have only increased by 5% versus the 24.5% growth on the gross order value. So there is significant operating leverage that sits there. A large part of the cost below CM is around marketing.

And marketing, as I mentioned, also depends on the number of users that you're adding as well as the competition intensity that exists in the market around your acquisition costs. So we do expect significant operating leverage here. On a going forward basis, you should see that starting to play out and has already started to play out.

**Gaurav Malhotra:** Understood. And just last question on Maxxsaver. Obviously, that seems to be helping from an AOV perspective. But is there a thought process as to increasing the minimum threshold or are you sort of happy with how Maxxsaver is sort of currently seeing the traction it is seeing?

**Amitesh Jha:** Yes, we are happy with the threshold and the traction that we are seeing. If you remember last time when we were speaking about Maxxsaver, we did speak about the extra steroid injection that we had to give to make sure that adoption is higher. We spoke about it last time specifically talking about how we are weaning away people from that without changing the habit.

We see that habit not changed in spite of investment from our side being lower right away. So that's a secular trend. We don't believe that we should be changing that. It is one of the more important missions that consumers have in a month. We want to be top of mind for that, and we will try to drive adoption of Maxxsaver rather than increase the AOV or the minimum AOV required for that.

**Gaurav Malhotra:** Okay. Just last question. I think this question have already been asked, but maybe if I can just ask it once again. In terms of your throughput, you mentioned that you sort of have capacity to double it as well.

In what time frame are we sort of thinking about it? Because now throughput also is a function of the AOV and if there is Maxxsaver and higher value items then maybe throughput will take longer to sort of reach that double the number versus where it is right now? Just some thoughts around that, please.

**Amitesh Jha:** Yes. See, I think as we said, right, our growth is something that we're allowed to be doubling our GOV number in a year's time. See, I think one of those things is it's very hard to exactly say where this throughput will reach the level that we essentially want. But what we have seen generally wherever the growth of Maxxsaver is there, the growth of OPD also is there, and there are more mature customers coming in.

We believe that there is a balanced play on maybe breaking up a pod or expanding our network faster than what it is required from a pure financial perspective. Those are the calls that we keep on taking and which we will keep on taking. So sometimes the addition of stores or pods happen faster than what we would have said from a pure financial lens.

That is the only change which is there. So that's the reason I said last time also, we'll keep on seeing movement in that, but I don't think it will be an abrupt movement. It will be a gradual movement. But yes, from a capacity-wise perspective, we have solved for here.

**Moderator:** Our next question comes from the line of Ankur Rudra from JPMorgan.

**Ankur Rudra:** Good to see cash burn shrink rapidly this quarter. Firstly, on quick commerce, I noticed that while GOV growth is quite strong, the NOV growth is very similar to last quarter, about 17% to 18%. And the MTU growth was probably a bit lighter at about 8%-9% versus 11% last time.

I'm just curious how the sale event may have helped you in terms of user acquisition and growth in general? And also, if there's any sort of impact on GST on the business and how that might impact you in 3Q?

**Amitesh Jha:**

Yes. I think there are multiple questions. I'll take it one by one. QIM obviously happened at the end of the quarter. The impact of that will also be felt in the subsequent quarter. See, one other thing which is happening is that there is a lot of adoption from our consumers to the category where the GOV drop is higher, and which is the reason why you see that divergence is also playing out.

The other thing is that our MTU growth is built primarily on the quality of the consumer base that we wanted. If you remember last time, when we looked at the retro the last quarter, one of the things that we specifically said is that we are trying to get our funnel right into the kind of customers that lead to a more healthy output in the future.

That healthy output in the future is what we are essentially focusing on right now. That does have an impact in the current quarter in terms of pure MTU and OPD, but we believe that the retention of these consumers being higher will have a subsequent quarter impact of higher growth rate as well.

Now we believe that as you said, right, I think one of the questions also was about our GOV growing faster. We are seeing a secular trend of that GOV being fast with more mature customers coming in, we see an opportunity of higher MTU growth as well as OPD growth in the future, but we'll keep a balance on getting the right consumers rather than just run after an OPD number, which may not be sustainable for the longer term as well.

**Ankur Rudra:**

Just I think a related question was, was there any impact of the GST cuts in the cadence of the business?

**Rahul Bothra:**

Yes. So see, we are largely dealing in non-discretionary kind of spending. So we haven't really seen any significant movement. At the same time, we didn't see any dip which the other platforms saw as a lead up to the changes. So I think the business has been pretty consistent and continues to perform. In some categories, there is some tailwind, but again, not impactful enough to make a large impact on the platform.

**Ankur Rudra:**

Understood. You first mentioned and as we discussed on the call also the capital raise you're considering. So once you do raise that, do you think you have a blueprint to potentially accelerate your GOV or NOV growth and MTU growth further? And what do you think you need to do to further accelerate from here?

**Rahul Bothra:**

No. As I mentioned, even our current cash balance is sufficient, including the cash accrual that we see from the profitable food delivery business, to finance the ambition that we have in the quick commerce business.

At the same time, we don't know enough about some of the future opportunities including in the quick commerce business that how long can we continue to sustain this triple-digit growth.

So we are boosting our cash reserves towards that growth capital as well as the strategic reserves considering some of the innovations that can start firing from our table.

**Ankur Rudra:** Understood. Just last question, if I can. Working capital improvement was very sharp this time. How should we think about the working capital movement going forward is what we saw this quarter sustainable? Or should we see negative working capital or a return to the kind of working capital investment that was happening in the last 2 quarters?

**Rahul Bothra:** As I mentioned in the last call that the cycles are now kind of established. We do see some bit of efficiencies that can land depending on how the month end and payment cycles play out. So you should expect that the number of days of working capital should not go up. At the same time, in one quarter, if it's higher or lower, can be.

**Moderator:** Our next question is from the line of Aditya Soman from CLSA.

**Aditya Soman:** So two questions. Firstly, on the loyalty program, Swiggy One and Swiggy One BLCK. Can you give us a sense of what proportion of Instamart customers are coming from the loyalty program? And then maybe in the related lines that you've also split your app for Instamart, I mean, between the common app and a separate app. So can we get a sense of what proportion of customers is coming on the separate app? And has it accelerated as that separate app has been sort of extended?

**Rahul Bothra:** So unfortunately, we won't be able to share specific numbers as these are sensitive. At the same time, we can tell you that the separate app strategy has worked out really well for us, so especially in some of these newer cities and new to Swiggy customer acquisition has been pretty strong on the separate app.

**Aditya Soman:** All right. And maybe then if you can't give me specific numbers, and also in terms of the split between sort of food delivery customers and new to Swiggy customers, would that be -- would that now be incrementally much larger in terms of sort of the proportion of new to Swiggy customers coming on? Or would it still be a large chunk of food delivery customers that are all common customers that are using the platform for Instamart?

**Rahul Bothra:** So we are seeing both the adoption of the multi services users using multiple services continues to inch up as well as new Swiggy users, especially at the back of the Instamart proposition continues to increase.

**Aditya Soman:** But would it be fair then to say for me that, let's say, the proportion of new to Swiggy customers is rising?

**Rahul Bothra:** Yes, and that's also the trendlines that you should assume going forward considering the overall TAM that exists for the quick commerce.

**Aditya Soman:** And then one of your competitors obviously has moved to an inventory model. Obviously, at this point, I'm assuming you cannot do it. But any plans on doing that or any advantage do you see of doing that?

**Rahul Bothra:** So, I think we have mentioned this in the past that this is an eventuality that we do expect that to happen. So, if you look at our domestic shareholder base, it has now gone above 43% in a very quick time. So, since our listing, this has more than doubled and we do expect this to cross the threshold and at such time, we can convert ourselves to an inventory-led model.

There are certain benefits both on the numerator side as well as certain investments that happen on the denominator, which is the cash flow side. So that accrual will happen if and when we change to this model.

**Moderator:** Ladies and gentlemen, we will now take one last question from the line of Abhisek Banerjee from ICICI Securities.

**Abhisek Banerjee:** Congratulations on a great set of numbers. So one question is that today, there was an article which came out where one of your competitors claimed that their order numbers are almost 40% higher than you during the Diwali season.

And they are basically saying that in which case, there is no way that you can be higher on an NOV basis. So if you could give some clarity on that, plus if you would have any data, which would give clarity on what is the burn rate for the overall segment, these two data points will be very helpful.

**Sriharsha Majety:** Harsha here. So firstly, I mean, even in the past, when we've been asked along this line, it's easy to compare with a publicly listed peer, but it's very hard to look at the numbers of privately listed peers and you can understand their definitions of how they're calculating everything that they're suggesting.

So that just makes it really, really hard, but at the same time, volume growth and getting volume growth and buying it in orders by choosing the path of, let's say, very poor average order values and Contribution is a choice, but it's not really a choice we want to make. In the end, we are playing to win in the long term and for that the staying power happens at the stages of the category only if you are consistently making progress on the Contribution.

So we believe that -- I mean, we do not know at least how to operate like that, maybe at very poor AOV and Contributions because that we definitely believe will dent our staying power in the medium term.

As per the overall spends in the category, as Amitesh mentioned, I think intensity has been high. I think there are a bunch of players in the category. So it would be hard to make an overall estimate. We remain sanguine about our own path and guidance, and we want to build a business with good staying power and an ability to win in the long term.

**Abhisek Banerjee:** Got it. Now on the NOV to GOV, that proportion has dipped to 70% in this quarter. I guess that would be also due to the sale that you did in this quarter. And in the letter, you have mentioned that it was funded by brands. Now what would be the outlook going forward on this NOV to GOV ratio?

**Amitesh Jha:** NOV to GOV reduction is because, obviously, the non-grocery mix is increasing, and it is not only because of the sale event. I just want to clarify, that's a very secular trend. Consumers have come back. They're expanding their baskets and it is happening. Also, the proportion of Swiggy One and free delivery orders also increased in this particular period, which is the reason why we see a dip. The secular trend of more customers being on that will increase.

Now it's very hard to, because we have seen our FMCG growth also being at a decent clip. But there could be some pressure on the NOV to GOV ratio, but not a lot, hence going forward. This particular -- any festive season generally has a higher delta since the next two months are not going to be festivals, we believe that this quarter will still be okay, and we don't see a lot of FMCG dilution there.

**Abhisek Banerjee:** Understood. And sir, while I have you, just one last question, which is, if I see the spends per cohort, right, it is almost doubling in this quarter for some of the cohorts, right? So what is happening, which is driving this kind of increased user adoption. If you could give some clarity on that.

**Amitesh Jha:** See, of course, one of the things is that when you give better service, better speed, more assortment and when it becomes a habit, the spend per customer essentially grows. Frequency is higher. There are more number of items in the cart. And then what is happening is that a lot of these items are of a higher ASP because they have more percentage of general merchandise.

So, the way to think about it is that the spend is increasing because people are adopting our quick commerce platform as a platform of default on buying a lot of other categories as well as things that they would. So, the way to think about it is that all missions that they have in shopping are slowly moving towards essentially quick commerce. It is a reflection of that.

We believe these numbers will keep on going up. The quality of customers is an important benchmark as well, something that Harsha spoke about. We want to go in a sustained way. We need to get the right habit for the customer. We have seen that a lot of customers who do get acquired in quick commerce because of, say, unsustainable incentives generally go and stick to platforms that are much better on the fundamentals of business and which is what we are seeing for us also right now.

**Moderator:** With that, ladies and gentlemen, we will end our question-and-answer session. On behalf of Swiggy Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.