Dated: 01 July 2026

Swiggy (SWIGGY) - BUY

Company Update

Current Market Price (CMP)	Fair Value (FV)
Rs.239	Rs 370

Rationale:

- We expect Swiggy to report mixed revenue performance in Q1FY27, driven by steady 20% yoy growth in food delivery GOV and slower-than-earlier 49/41% yoy growth in Instamart GOV/NOV.
- We expect food delivery to report a sequential CM contraction, driven by early monsoon and higher delivery costs.
- We expect Instamart to report CM breakeven, but high fixed costs will still result in an adjusted EBITDA loss of Rs730 cr.
- As before, we expect Instamart to show meaningful improvement in EBITDA only gradually.
- Instamart continues to lose market share versus peers.

Positives:

- We expect 39% yoy growth in 1Q revenue, driven by 25% yoy growth in food delivery and 41% yoy growth in Instamart revenue.
- Expect yoy take rate increase driven by higher platform fee.
- Instamart: Expect qoq NOV growth of 4.1% and CM breakeven.
- We expect EBITDA loss to decline qoq.
- We model CAGR of 19% in food delivery GOV over FY26-29E.

Negatives:

- Expect 40 bps qoq CM contraction, driven by higher delivery costs.

(GMV -Gross Merchandise Value, GOV - Gross Order Value, NOV – Net Order Value, CM – Contribution Margin, SOTP - Sum of the Parts, CAGR - Compound Annual Growth Rate, EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization, MTU - Monthly Transacting Users)

Holding Period: 12 months

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RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY – We expect the stock to deliver more than 15% returns over the next 12 months

ADD – We expect the stock to deliver 5% - 15% returns over the next 12 months

REDUCE – We expect the stock to deliver -5% - +5% returns over the next 12 months

SELL – We expect the stock to deliver < -5% returns over the next 12 months

NR – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.

SUBSCRIBE – We advise investor to subscribe to the IPO.

RS – **Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.

NA – **Not Available or Not Applicable.** The information is not available for display or is not applicable

NM – **Not Meaningful.** The information is not meaningful and is therefore excluded.

NOTE – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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