

Zomato, Swiggy gets \$700m investment, restaurant sector \$843m

A clear investment shift in the food business, money pumped in by Private Equity (PE) and Venture Capital (VC) players in just two online platforms — Zomato and Swiggy — was merely \$143 million less than what was invested in the country's organised restaurant segment over the last five years. PE and VC investors infused \$843 million in the restaurant segment, including in categories such as quick service, casual dining and fine dining during the last five years. Over the same period, Zomato and Swiggy received around \$700 million.

The most active investors in the space, as per Venture Intelligence, have been Everstone — its portfolio includes Burger King India, Massive Restaurants (Farzi Cafe, MasalaBar, Pa Pa Ya), Blue Foods (Spaghetti Kitchen, Copper Chimney, The Coffee Bean & Tea Leaf) and My Square. Now Capital invested in Boombox Cafe, Cafe OTB, Carls Jr India and Kwals Group. Goldman Sachs put money in Sapphire Foods, Massive Restaurants and Azure Hospitality (Mamagoto, Dhaba, Rollmaal).

The restaurant sector is a long-term play for private equity investors. Private equity investors are typically looking at making a minimum of at least three times their investment in a four-year time frame.