

## **Zomato Sells Its UAE Business To Rival Talabat's Parent Firm For \$172 Million**

Food ordering and delivery platform Zomato has sold its UAE business to German e-commerce giant Delivery Hero, which also owns its Middle Eastern rival Talabat, for a sum of \$172 million.

Delivery Hero will also invest around \$50 million in Zomato, which is locked in a heated battle with another food delivery service Swiggy to get a bite of the food delivery service market in India. The investment will put Delivery Hero among the top 10 shareholders of the Gurgaon-based company.

The acquisition of Zomato is also expected to impact Talabat's regional operations. Delivery Hero said that the deal will add 1.2 million monthly orders and \$2 million in monthly revenues to Delivery Hero's MENA business. The deal will be fully funded by an acquisition facility, the statement said.

"Zomato has built a successful food delivery business in the UAE and India on the back of its restaurant search and discovery app and website," said Niklas Östberg, CEO of Delivery Hero. "The acquisition will allow us to further improve our service to customers in the UAE."

It is not yet clear whether the deal will result in any specific job cuts within Zomato's UAE operations. The food app delivery market in the UAE is dominated by home-grown Talabat, Zomato, Deliveroo and Uber Eats. New players like Careem Food have joined the market.

Despite the growing competition, Zomato's UAE operations have remained profitable, with the average order value higher than its home market in India. Its latest move to divest comes as it faces a cash crunch to keep its pace with its rival Swiggy in India.

Along with the sale of UAE unit to Delivery Hero, Zomato has also raised about \$315 from the Chinese giant Ant Financial, bringing the overall amount raised to \$550 million.

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