

Rebel Foods eyes global expansion of cloud kitchens

Raising funds to become next unicorn

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Mumbai-based Rebel Foods plans to scale up operations of building and running virtual restaurant brands globally, with rising adoption of its services after the pandemic.

Known for operating brands like Faasos and Behrouz Biryani, the firm is betting big on expansion to global markets such as West Asia (especially Saudi Arabia), Latin America, Russia, and Europe.

Sequoia-backed Rebel Foods is the world's largest operator of online restaurants (3,500), with over 300 cloud kitchens across India, the UAE, South-East Asia, and the UK.

"2020 has been a great validation of the cloud kitchen model, and the digital brand building and internet restaurants," said Kallol Banerjee, co-founder of Rebel Foods.

Rebel Foods has raised a total of \$342.3 million from investors, including Goldman Sachs, Sequoia, Coatue Management and Indonesian ride-hailing company Go-Jek. It is in talks with existing and new investors for another round, which will support its global expansion plans and help it become a unicorn, said people in the know.

"Our business was like a Nike swoosh graph. It dipped and recovered," said Banerjee, adding: "We are back to (100 per cent) level of what we were in December 2019."

"The cloud kitchen model is picking up significantly. There is huge opportunity in it," said Ankur Pahwa, partner and national leader (e-commerce and consumer internet) at EY India.

Rebel Foods has launched two of its brands in Malaysia, Singapore, and Bangladesh. They were tweaked to adapt to local tastes and preferences, and are now seeing significant results within a short span.

It also has plans to venture into Asia-Pacific — Vietnam, Thailand, Cambodia, and Sri Lanka. In Indonesia, it plans to more than double its kitchens to 75 this year. The collaboration with its investor Go-Jek is helping the firm get insights related to demand, taste preferences, and price points.

"There are markets where you don't need to set up kitchens but use the existing infrastructure of third parties," said Banerjee. "Here we don't own the manpower or kitchens, but we make our brands adapt to the local cuisine and leave it for other people to operate."

Rebel Foods is also expanding the scope of its business through franchises. In December 2020, US fast-



Kallol Banerjee, co-founder of Rebel Foods

REACHING FOR THE CLOUDS

300+ Cloud kitchens make Rebel Foods the world's largest operator of online restaurants

2020 The year which witnessed an acceleration in the cloud kitchen model due to Covid-19

100% Pre-Covid-19 businesses of Rebel Foods have recovered

\$342.3 mn The total funding raised from investors including Goldman Sachs, Sequoia, Coatue, Go-Jek

\$1 bn The valuation Rebel Foods is set to cross after it raises new funding soon

food chain Wendy's Company formed a strategic partnership with Rebel Foods to expand Wendy's presence in India over the next decade.

As part of the expansion plans, Rebel Foods will partner with Sierra Nevada Restaurants to develop and operate about 250 Wendy's cloud kitchens across India, and Sierra Nevada will develop 150 traditional Wendy's restaurants. The firm is also forming similar partnerships with local and national brands such as Natural Ice Cream and Mad Over Donuts.

Globally, Rebel Foods competes with Taster in France, Keatz in Germany. Uber co-founder Travis Kalanick's start-up City Storage Systems and London-based Karma Kitchen.

Food delivery firms themselves such as DoorDash, Uber Eats, Deliveroo, and Swiggy had also entered the cloud kitchen space.

In India, it competes with Ola Foods, the food business arm of the SoftBank-backed ride-hailing firm Ola, which has expanded to a network of over 50 technology-enabled kitchens. Ola is expanding its network of cloud kitchens to serve more customers.