

## CarTrade Tech Ltd : Good Issue

**IPO Note : India's Leading Digital Auto Platform for used-cars, two wheelers & Commercial Vehicles:First-Mover Advantage: High Valuation : Zero Debt : Ranking\*\*\***



### Issue details

Price band (Rs)	Rs.1585-Rs.1618
IPO Opening Date	09/08/21
IPO Closing Date	11/08/21
Issue Size	Rs. 2998.51 Cr.

### Financial and Recommendation

- For the financial years 2021, 2020 and 2019, its total income was 281.52 crore, 318.44 crore and Rs.266.80 Crores respectively
- Restated profit for the year was **Rs.101.07 Crore**, **Rs. 31.29 crore** and **Rs.25.91 crore**, respectively.
- Adjusted EBITDA margin was 27.62%, 22.71% and 24.42% for the financial years 2021, 2020 and 2019, respectively.
- If we attribute FY21 earnings on fully diluted post issue equity, then the **asking price is at a P/E of around 73.37** (at the upper price band).
- There are no listed companies in India that engage in a business similar to that of the Company
- NAV as on 31 March 2021 was Rs.392.83

### Highlights

- CarTrade is India's number one online auto portal for both cars and two-wheelers
- Among its key competitors, It was the only profitable digital auto platform for FY 2020
- Leading Marketplace for Automotive Sales with a Synergistic Ecosystem
- Strong Brands and Superior Customer Experience Driving Powerful Network Effects
- Proprietary End-to-End Technology Platforms Focus on Data Science to Provide Superior Solutions
- Profitable and Scalable Business Model
- Founder-led Management Team

### Company Introduction

Incorporated in 2000, CarTrade Tech Ltd is a multi-channel auto platform provider company. The company operates various brands such as CarWale, CarTrade, Shriram Automall, BikeWale, CarTradeExchange, Adroit Auto, and AutoBiz. The platform connects new and used automobile customers, vehicle dealers, vehicle OEMs, and other businesses to buy and sell different types of vehicles. The company offers a variety of solutions across automotive transactions for buying, selling, marketing, financing, and other activities.

CarTrade is India's number one online auto portal for both cars and two-wheelers, based on relative online search popularity in FY 2021, and are one of the leading used vehicle auction platform based on number of vehicles listed for auction for FY 2020. Among its key competitors, It was the only profitable digital auto platform for FY 2020. It is a multi-channel auto platform with coverage and presence across vehicle types and value-added services through our brands, namely: CarWale, CarTrade, Shriram Automall, BikeWale, CarTrade Exchange, Adroit Auto and AutoBiz. It's revenue primarily comprises of commission and related income which includes commission and fees from remarketing services and inspection and valuation services of used vehicles as well as website services



[www.cartradetech.com](http://www.cartradetech.com)

### Financial Summary (Rs. In Crore)

Particulars	FY2021	FY2020	FY2019
Total Income	281.52	318.44	266.80
Net Profit	101.07	31.29	25.91
EPS (Rs)	22.05	6.82	5.65

Source: RHP and ACE Equity

### RANKING METHODOLOGY

WEAK	*
AVERAGE	**
GOOD	***
VERY GOOD	****
EXCELLENT	*****

and fees which includes revenues generated from online advertising solutions, lead generation, technology based services and sale of used cars.

### Company Promoters:

CarTrade Tech is a professionally managed company with no identifiable promoters.

### Objects of the Issue:

- The company aims to utilize the net proceeds towards the following objectives;
- To carry out an offer for sale.
- To achieve the benefits of listing the Equity Shares on the stock exchanges.

### IPO Issue Proceed

To carry out an offer for sale and to achieve the benefits of listing the Equity Shares on the stock exchanges, CTTL is coming out with a maiden book building process IPO with an Offer for Sale (OFS) of 18532216 equity shares (approx. Rs. 2998.51 cr. at the upper cap). Thus CTTL mulls raising approx. Rs. 2998.51 cr. from the issuance of 18532216 equity shares. The issue opens for subscription on August 09, 2021, and will close on August 11, 2021. CTTL has fixed a price band of Rs. 1585 - Rs. 1618 per share of Rs. 10 each. Minimum application is to be made for 9 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. Post issue KDL's current paid-up equity capital of Rs. 45.83 cr. will be same as being an OFS. Based on the upper price band, CTTL is looking for a market cap of Rs. 7410.44 cr. The issue constitutes 40.43 % of the post issue paid-up capital of the company. The company has allocated 50% for QIBs, 15% for HNIs and 35% for retail investors.

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