

## Name of the Company



### KEY IPO Highlights

**Subscription Period:**  
9<sup>th</sup> Aug., 2021 to 11<sup>th</sup> Aug., 2021

**Issue Size: 18.53 Mn Shares**  
(Aggregating up to INR 2999 Cr)  
(OFS - 2999 Cr)

**Price Band: INR 1585 to 1618**

**Lot Size: 9 Shares**

**Listing Date:**  
23/08/2021

### About the Company:

- A multi-channel auto platform provider 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.
- Offers a variety of solutions across automotive transactions for buying, selling, marketing, financing, and other activities.

### Objects of the Issue:

- To carry out an offer for sale.
- To achieve the benefits of listing the Equity Shares on the stock exchanges.

### Financial Overview (INR Million)

Particulars	Mar-21	Mar-20	Mar-19
Total Assets	19,302	14,704	14,271
Total Revenue	2,815	3,184	2,668
Profit After Tax	1,011	292	283

### P/E MULTIPLE

**CAR TRADE TECH — 84**

*Currently There is no listed peers whose service model is fully comparable to Car Trade.*

### Recommendation from major brokerage houses

**SUBSCRIBE**

**Neutral**



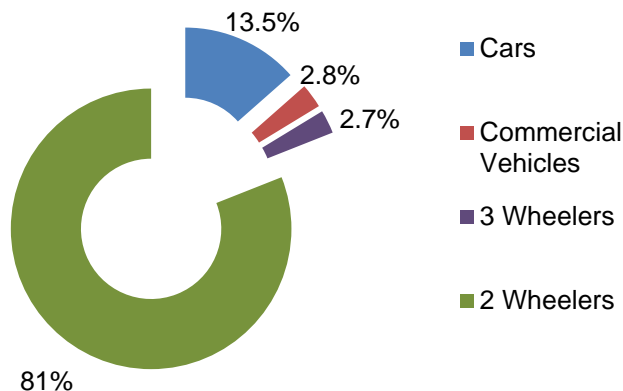
### Highlights:

- A leading platform for Automotive Sales with a Synergistic Ecosystem.
- Operate various brands i.e. CarWale, CarTrade, Shriram Automall, BikeWale, CarTrade Exchange, AutoBiz, etc.
- A comprehensive range of services i.e. automotive buying, selling, financing, marketing, etc.
- Profitable and scalable business model.

**Disclaimer:** The recommendations stated above are given by individual advisors (including Kreo Capital). Investors are advised to consult their financial advisor and do their own due diligence before subscription.

## India's Automotive Sector Overview

### Segment break-up in total Production volume FY 21



Share in India's GDP  
6.5-7%  
FY 2021  
USD 160-180 Bn

Share in India's Exports  
4.3%

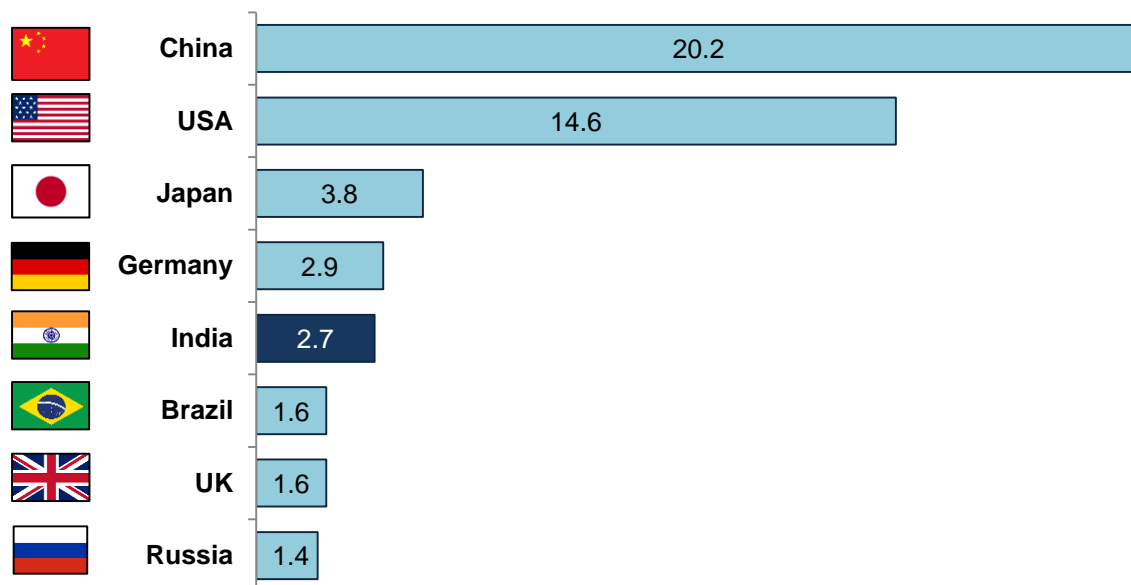
Share in FDI Inflows  
April 2000- March 2021  
USD 25.8 Bn

Source: Invest India (GoI), RedSeer estimates

India is positioned well among other developed markets with 2.7 Mn passenger car registrations

### New Car Sales

Global Positioning, In Mn Units, CY 2020

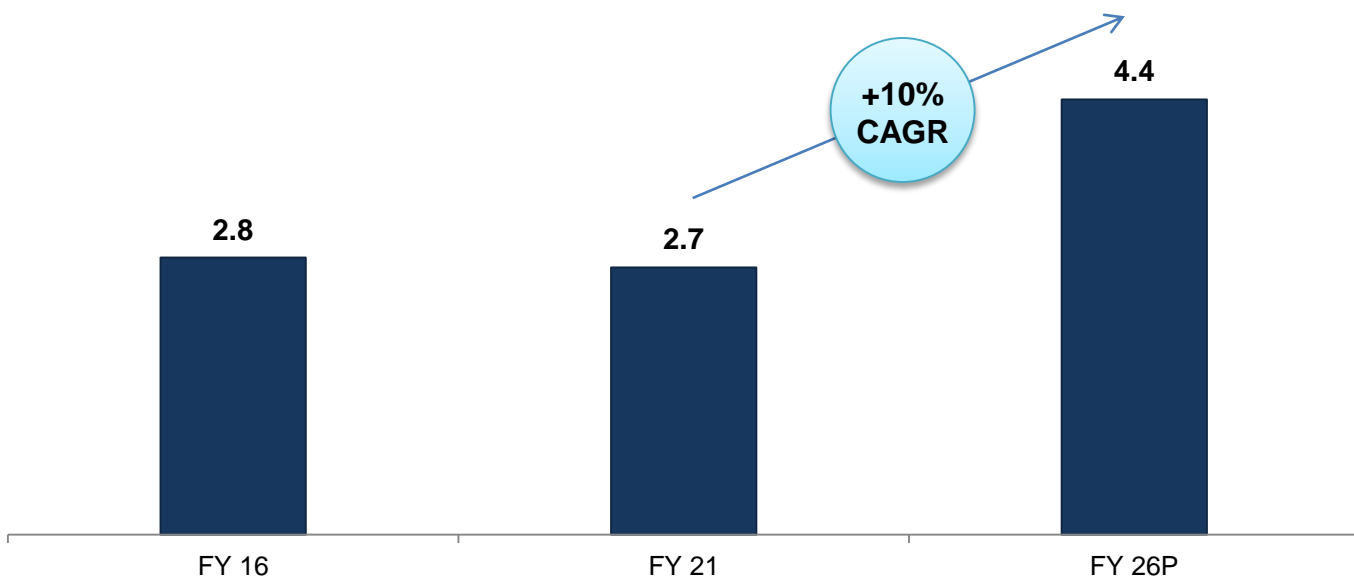


Source: International Organization of Motor Vehicle Manufacturers (OICA), RedSeer analysis

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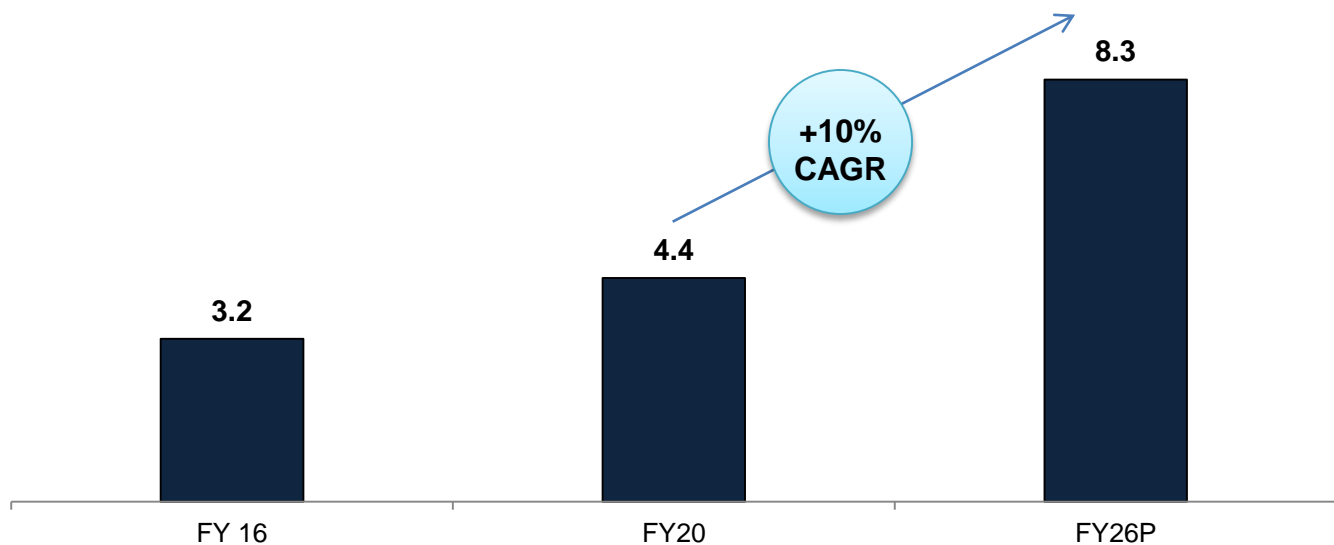
## New Car Sales

India in Mn units (Growth in %), FY 16-26P



## Used Car Market

India in Mn units (Growth in %), FY 16-26P

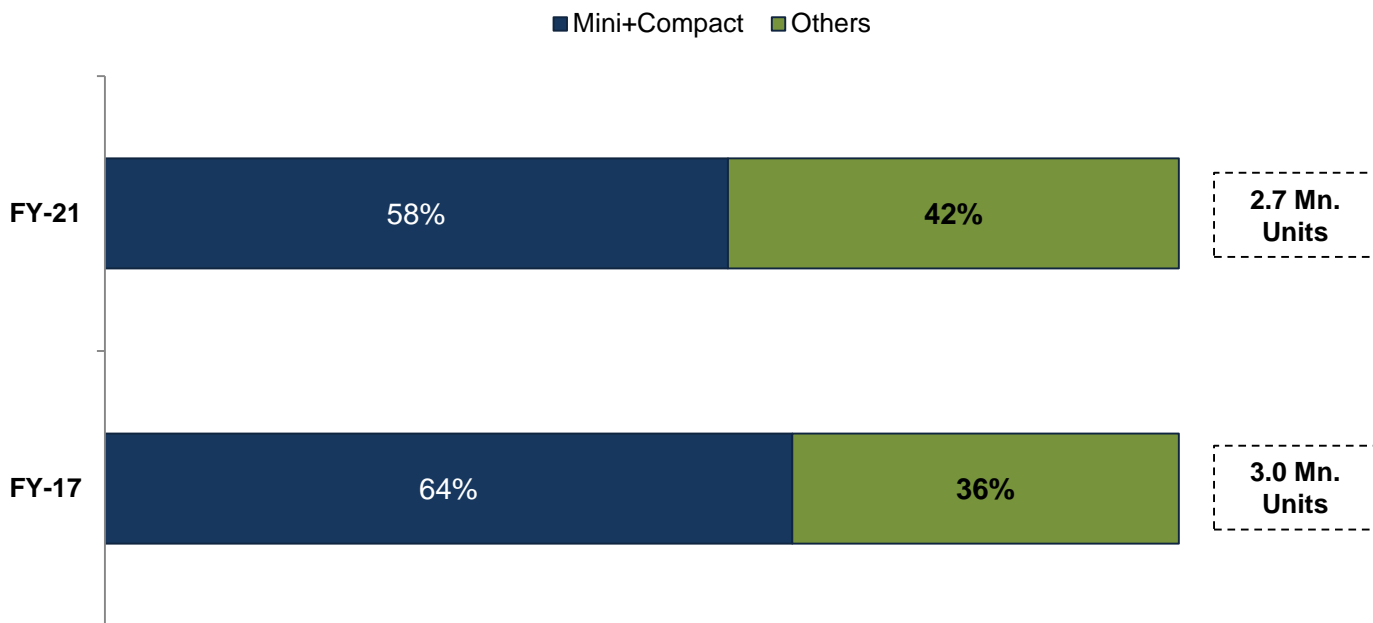


Source: RedSeer analysis

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## New car Sales by Segments

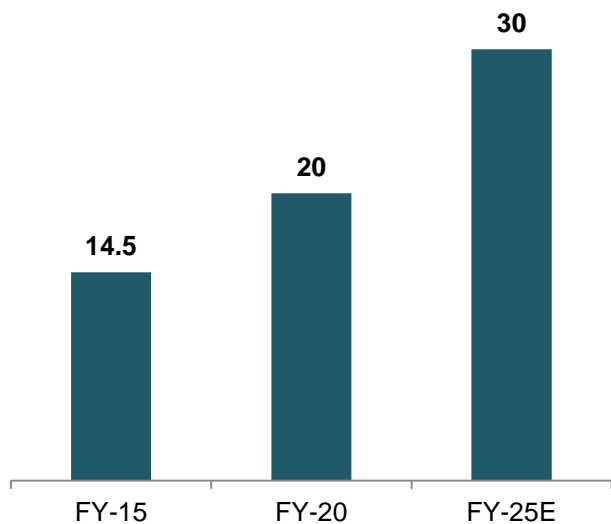
### New car market segmentation By car segment, FY17-21



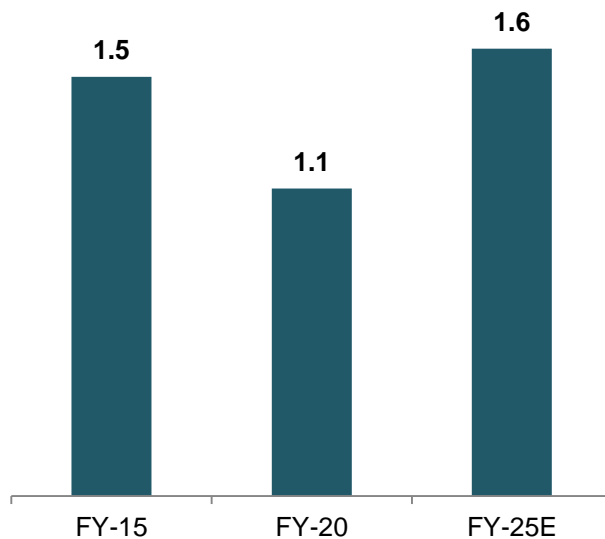
Others include mid size, executive, premium, UV, MPV, + Vans

Source: RedSeer analysis

### Used Bike Market in Mn Units



### Used CV Market in Mn Units



Source: RHP

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## Financials Comparison ( Consolidated )

FY 20 INR Mn

Financials Comparison ( Consolidated )	Car Trade Tech	Cars 24	Car Dekho	Mahindra First Choice	Droom
<b>Revenue (INR Mn)</b>					
Total Revenue	3,183	30,652	7,547	3,758	1,795
Less: Purchase of Stock in Trade	162	28,654	3,074	1,678	-
Changes in inventories of Finished goods, work-in-progress & stock-in-trade	9	(560)	(180)	(52)	-
<b>Adjusted Revenue</b>	<b>3,012</b>	<b>2,558</b>	<b>4,653</b>	<b>2,132</b>	<b>1,795</b>
<b>Expenses (INR Mn)</b>					
Advertising Promotional Expenses	241	1,416	1,461	145	1,979
Employee Benefit Expenses	1,342	2,172	3,388	653	420
Other Expenses (excluding Finance costs, Depreciation & Amortisation expenses & Taxes)	1,077	3,069	4,105	1,475	2,177
<b>Profitability (INR Mn)</b>					
EBITDA	<b>592</b>	<b>(2672)</b>	<b>(2,840)</b>	5	<b>(803)</b>
% Of Total Revenue	<b>18.6%</b>	<b>(8.7%)</b>	<b>(37.6%)</b>	0.1%	<b>(44.7%)</b>
PAT	<b>292</b>	<b>(2,850)</b>	<b>(3,265)</b>	<b>(70)</b>	<b>(829)</b>
% Of Total Revenue	<b>9.2%</b>	<b>(9.3%)</b>	<b>(43.3%)</b>	<b>(1.9%)</b>	<b>(46.2%)</b>

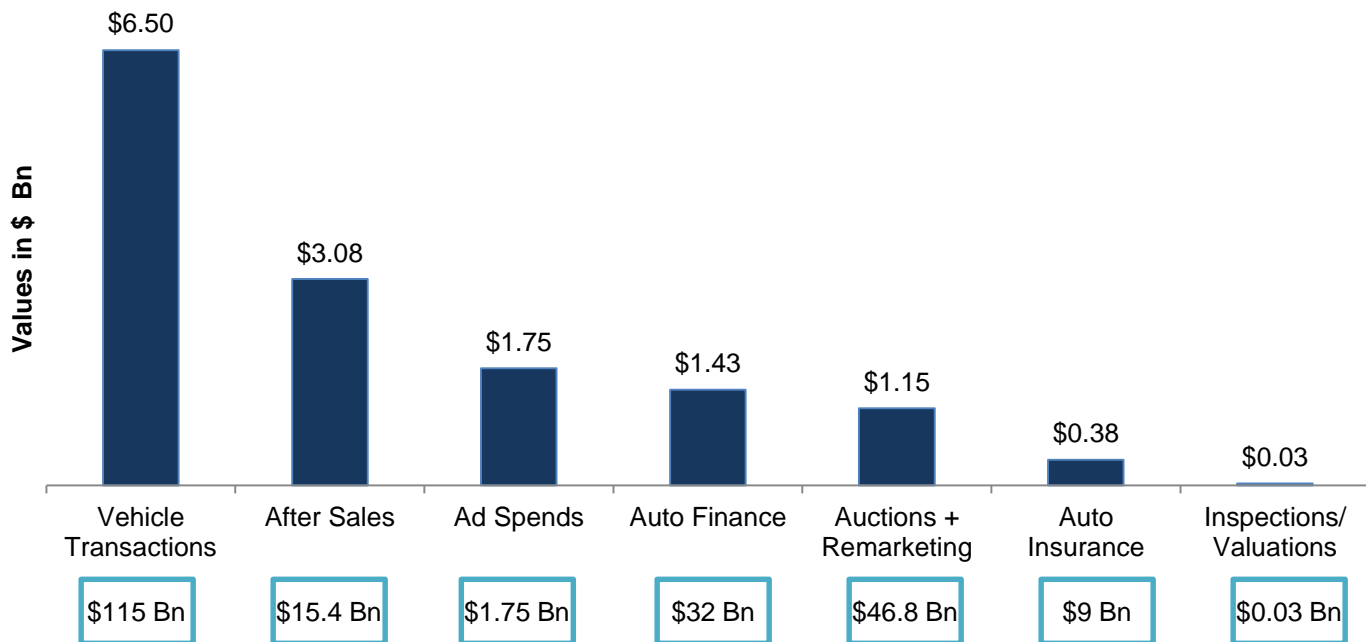
**Source: Financial Disclosures/ MCA filings, RedSeer analysis**

### Notes:

- CarTrade Tech (Cartrade Tech Pvt Ltd): The subsidiaries include Shriram Automall India Limited, Adroit Inspection Services Pvt Ltd, CarTrade Exchange Solutions India Pvt Ltd, CarTrade Finance Pvt Ltd and Augeo Asset Management Pvt Ltd.
- Cars24 (Cars24 Services Pvt Ltd): The subsidiaries include Cars24 Financial Services Pvt Ltd.
- CarDekho (Girnar Software Pvt Ltd): The subsidiaries include Girnarsoft Automobiles Pvt Ltd, Girnar Care Pvt Ltd, Carbay Pte Ltd (Singapore), PT Carbay Services Indonesia (Indonesia), Carbay Philippines Inc (Philippines), Advanced Structures India Pvt Ltd, Girnar Software (SEZ) Pvt Ltd, Girnar Insurance Brokers Pvt Ltd, Girnarsoft Education Services Pvt Ltd, Powerdrift Studios Pvt Ltd and Girnar Finserv Pvt Ltd.
- Mahindra First Choice includes only standalone statement of Mahindra First Choice Wheels Limited
- Droom (Droom Technology Pvt Ltd): The subsidiaries include Droom Tech Logistics Pvt Ltd, Droom Finance Tech Pvt Ltd and Xeraphin Finvest Pvt Ltd.

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Auto Portal TAM - Revenue Pool: \$14.3 Bn (TAM) FY 20



Note: Ad spends includes spends by Auto OEMs (PVs, 2Ws, CVs) and Auto dealer (New and used car dealers)

In financial year 2020, the Total Addressable Market (“TAM”), or the revenue pool for online automotive portals in India was approximately US\$14.3 billion, as shown in the figure above:

Source: RedSeer analysis



## OPINION



The company is the only profitable player in the vehicle platform space in India & one of few players internationally. The company has a strong brand, better technology platforms, a profitable and scalable business model. The company is **debt free** & has a history of generating **positive free cash flows**. However looking at the overall segment, currently there is no major direct listed competitor. Also considering the fact of significant high P/E and 100% OFS issue, we propose to have **Wait and Watch** stand on this IPO.

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