

Date: August 04, 2025

To,  
**Department of Corporate Services,  
BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
Mumbai - 400001  
**Scrip Code: 543333**

To,  
**Listing Department,  
National Stock Exchange of India Limited**  
Exchange Plaza, Plot No. C/1, G Block  
Bandra Kurla Complex, Bandra East,  
Mumbai – 400051  
**Scrip Symbol: CARTRADE**

**ISIN: INE290S01011**

Dear Sir/ Madam,

**Ref: Regulation 30 read with Schedule III Part A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Sub: Transcript of the CarTrade Tech Limited Q1FY26 Earnings Conference Call held on July 28, 2025**

With reference to our letter dated July 23, 2025 intimating about the Analyst / Investor Call with Analysts/Investors, please find enclosed the transcript of CarTrade Tech Limited Q1FY26 Earnings Conference Call held on July 28, 2025.

The above information will also be available on the website of the Company at [www.cartradetech.com](http://www.cartradetech.com).

This is for your information & record.

Thanking You.

**For CarTrade Tech Limited**

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**Lalbahadur Pal**  
**Company Secretary and Compliance officer**  
**Mem. No. A40812**

**Enclose: a/a**

**CarTrade Tech Limited**

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“CarTrade Tech Limited

Q1 FY26 Earnings Conference Call”

July 28, 2025



**MANAGEMENT:** **MR. VINAY SANGHI – CHAIRMAN AND MANAGING  
DIRECTOR – CARTRADE TECH LIMITED**  
**MS. ANEESHA BHANDARY – EXECUTIVE DIRECTOR  
AND CHIEF FINANCIAL OFFICER – CARTRADE TECH  
LIMITED**

**MODERATORS:** **MS. NIDHI VIJAYWARGIA – MUFG INTIME INDIA  
PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the CarTrade Tech Limited Q1 FY '26 Earnings Conference Call organized by MUFG Intime India Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Nidhi Vijaywargia from MUFG Intime India Private Limited. Thank you and over to you, ma'am.

**Nidhi Vijaywargia:** Thank you, Palak. Good afternoon, ladies and gentlemen. I welcome you all to the earnings call of CarTrade Tech Limited to discuss the Q1 FY '26 business performance. Today on the call, we have from management, Mr. Vinay Sanghi, Chairman and Managing Director; and Ms. Aneesha Bhandary, Executive Director and CFO.

Before we proceed with this call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. For more details, kindly refer to the Investor Presentation and other filings that can be found on the company's website. Without further ado, I would like to hand over the call to the management for their opening remarks, and then we can open the floor for Q&A. Thank you, and over to you, Vinay sir.

**Vinay Sanghi:** Thank you. Good afternoon, everybody, and welcome to this first quarter earnings call. And I really want to thank all of you for joining this call. We have, of course, put up a presentation, and I'd like to start by referring to Slide 3 in the presentation. As many of you can see, CarTrade has delivered in the first quarter, its highest ever profits at 106% growth to INR47 crores and its highest ever revenue at INR199 crores.

We are quite excited and -- about the quarter gone by and the future prospects ahead and really feel optimistic on the business situation the way it is today. We have almost more than 150 million users on each of our platforms, CarWale, BikeWale, OLX that we've talked about earlier.

And our traffic, as you can see in the slides ahead, continues to grow. If you look at the businesses itself, the consumer group has grown by 32%, which resulted in a 79% growth in profit and achieved a 29% EBITDA margin, which is getting close to a benchmark for the entire industry.

Our remarketing business has gained momentum and delivered a 36% growth, which has led to almost 258% growth in profits, growing the leverage in the business. And OLX has achieved its highest ever revenues with a 71% surge in its profits. If you look at Slide 4, I want to reiterate that we achieved the highest ever revenue and profits in the quarter.

We are the number one automotive platform in the country, number one used classified platform in the country, number one vehicle auction platform in the country. Approximately 75 million consumers come to all our platforms every month. And what is more remarkable is 95% of these come organically.

We have 500-plus physical locations. We auction at the rate of 1.4 million vehicles a year. Revenue, as I said, is INR199 million in the last quarter, which is the highest ever. Adjusted EBITDA is almost INR73 crores, which is a cash proxy for the company and profit after tax is INR47 crores.

And as you can see, the cash has tossed to INR1,024 crores, which is approximately INR70-odd crores more than the last quarter. So the company continues to be healthy with margins and healthy with its profits and cash generation. If you look at next slide, Slide 5, revenue from operations and total income is up 27% at INR199 crores. If you see our cost base is up by only 8%.

And normally, as you know, all our increments are done in the first quarter. This cost increase, which we see in employee cost at 7%, we expect to be quite stable now for the rest of the year, considering all the increments are factored in, in the first quarter this year. EBITDA is up 98% as a result of the leverage in the business, as you can see.

And EBITDA margin has gone to 25% on a consolidated basis from 15% a year ago. So margins continue to grow. PBT is up by 132% at INR57 crores, which is our highest ever PBT in the quarter as well. And then that is -- PAT is up 106% to INR47 crores. The PAT is up 106% in spite of INR5.5 crores deferred tax.

As you know, that's a noncash tax cost as per the accounting standard. So in spite of the tax being up from INR75 lakhs to INR5.5 crores, PAT is still up 106% in the quarter. If we go to the next slide, which is the consumer group, as I said, revenue is up 32%, profit after tax up 79%.

The 32% is on the back of an automotive or a car industry, which has barely grown in the first quarter. It's been flattish. And in spite of that, the business has grown by 32%. Costs up 9%, which is mostly on a very low base, marketing costs up a little bit. As you see employee cost is up only 4%. The one thing I'd like to also call out on the consumer group or -- is, again, the leverage in the business.

The margins have gone to 29%, which is probably close to our highest ever margins. As you can see, PBT is up 115%. And because of the deferred tax, PAT is up 79%. The one thing -- the other thing I'd like to call out is normally Q1 is the weakest in terms of revenues. And obviously, we expect this to grow as the season picks up from July onwards.

If you go to Slide 7, and this is the remarketing business. The remarketing business is up 36%. This is something we've been working on for 2 to 3 years, as we called out in many, many earnings calls in the past. We had talked about how repossession in the Indian automotive industry had been going down.

There has been a slight bounce back in repossession, but also our retail businesses have grown. And collectively, and that's resulted in this massive 36% growth. And again, here, you can see the leverage in the business. Margins have shot up from 14% to 23%, EBITDA is up 120% and of course, PAT is up 258%.

In Shriram Automall also or the remarketing business, Q1 tends to be normally a sluggish quarter. So we do expect things to still improve from here as we go on for the rest of the year. If you look at OLX on Slide 8, it's up by about 2% to 3% and operating revenue, total revenue up by 12% and profits up by 71%. We do -- we've done a lot of work on product tech in the last quarter.

We've seen some early results of the growth momentum as the growth engine starting to fire. We're very optimistic about OLX during the next few quarters of the year. We definitely feel that all the product initiatives we are taking are starting to pay off. We launched an Elite Buyer program earlier this month, and we really feel -- we've got 3 more launches this quarter itself in July, August, September. And the existing products have also started to grow.

So we feel pretty confident about the OLX growth prospects in terms of revenue or even traffic and other user metrics over the current quarter and then in the following quarters in the year. The rest is the segmentation results, which is on Slide 9. The only thing I want to highlight there, this question comes often.

If you see the share-based expense or ESOP cost, if you see it is also down 36% this year in the first quarter. It's down from INR6 crores a quarter last year to about INR3.85 crores a quarter. So we've had ESOP costs come down as well. So this is what I had to say. I'm happy to answer all your questions and doubt and clarify anything you might want to ask. Thank you.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Siddhartha Bera from Nomura. Please go ahead.

**Siddhartha Bera:** Congrats on a good set of results.

**Vinay Sanghi:** Thank you, Siddhartha.

**Siddhartha Bera:** Sir, first on the OLX. So like you mentioned that you have already taken a few initiatives, which should sort of start helping the growth momentum going ahead. So if you can provide some more color about how to sort of see the improvement? I mean, will returning to that double-digit 15%, 20% take some more time, probably a year because of the initiatives will probably take some time to roll out or how do you see in terms of the impact on the revenues from a growth perspective given the initiatives which you have taken?

**Vinay Sanghi:** Sure. One is we normally don't give guidance on any growth percentage. But the first new product we launched was earlier this month, the Elite Buyer program, which has had really good response. We're launching 3 new products probably by the end of September or beginning October.

We definitely feel that some of the initiatives will kick in and deliver some growth to our revenues in the current year. But we also believe that the earlier initiatives, there has a lot of work on product and technology are starting to get some results, and we do feel pretty confident of a reasonable growth in the next few quarters in OLX.

- Siddhartha Bera:** Got it, sir. And in terms of the remarketing business also, we have seen a pretty strong step-up in the current quarter. You mentioned that you believe these trends should ideally continue given that Q1 is generally a seasonally low quarter in terms of revenues. So some more thoughts there from where have we seen the pickup?
- And if -- on the mix side also repo and consumer where was the bigger sort of delta? So some more insights into how the growth has played out?
- Vinay Sanghi:** Sure. The growth has come across segments. It's come in repo, it's come in our retail business. Our retail repo rate is about 45% and 45%, it's almost the same in percentage of volume. But the growth across segments, you're right, normally, April, June, normally our numbers are the weakest. It shows the strength of the business.
- And we've done a lot of work. I mean if you see in the last few years, we've talked about this a lot. And many earnings calls where we've told you that when repo comes back, we'll come out much stronger because the amount of work we did then is actually paying off now. So not only repo grown, but other businesses have grown as well, and that's the result of this.
- We're actually quite optimistic about the year in the remarketing business. We see no reason why this should not continue. So if that's the question. I mean, as I said, normally, April, June is the weakest volume. It should only pick up from here for the rest of the year.
- Siddhartha Bera:** Got it, sir. I will come back in the queue.
- Moderator:** Thank you, sir. The next question is from the line of Sachin Dixit from JM Financial. Please go ahead.
- Sachin Dixit:** So on the marketing piece, right, so what we noticed in your metrics is that the volumes have actually dipped Q-o-Q and that too a significant dip is there, while revenue has grown Q-o-Q as well. So can you explain like what is the nature of this? What is happening? How are we driving this?
- Vinay Sanghi:** The volume, actually, if you look at Y-on-Y, I mean there's an appreciable volume in Y-o-Y in terms of the volume itself, if you see year-on-year. Normally, March -- if you look at the numbers, March is normally a more buoyant period than any other quarter. And obviously, as we get towards the end of the year, volumes will increase.
- But if you really look at year-on-year, I mean, if you look at the year-on-year, the volumes are up, actually, the listing is up 35%, the volumes up 29% so we feel pretty optimistic. As I said, even there's a good mix of repo bouncing back and retail growing as well. There's pretty much growth across segments. So we see a reasonably buoyant kind of situation.
- Sachin Dixit:** Yes, I agree Y-o-Y, the trajectory is easier to see, but I just wanted to understand the Q-o-Q trajectory, right? Is it that the...

- Vinay Sanghi:** There is a 2-wheeler bias, I'll be honest you're right. There is a little 2-wheel bias. I think that just the nature of repossession in India. There is a little bias. But to be honest, I think the way to compare volumes is really year-on-year, not Q-on-Q. I think that's the right way to compare it.
- Sachin Dixit:** Understood. And my second question is on OLX, right? As you were highlighting that there are certain initiatives that you have already pulled off, three more expected to come in the coming few months, right? So is that the one that is getting reflected in a very sharp like 24%, 25% Q-o-Q rise in employee cost, that's where the investment is going in?
- Vinay Sanghi:** There is some tech product investment, but I'll be honest, one -- there are also increments which have come in, in April, all our increments are factored in the first quarter. From here, you'll see very little cost growth across the group, not just in OLX, but there is an increment which has come in the first quarter as well. And therefore, you're seeing the wage costs go up. And if you look at actually employee cost year-on-year, it's actually the right way to look at it, not Q-on-Q.
- Sachin Dixit:** Understood. And just a follow-up on this one, right? There is also a rise in other income OLX, which I think is coming from some liabilities, which don't need to be written back. Can you just explain?
- Vinay Sanghi:** There were some provisions which we had made, which, of course, they were not required to be made. So, obviously, we've taken that back into income.
- Sachin Dixit:** So that will revert back in the -- that will normalize in the coming quarter, I guess?
- Vinay Sanghi:** That's right. At this point it would, yes, at this point it would unless there are additional as such.
- Sachin Dixit:** I mean are there any more provisions or liabilities that need to be written back in the coming quarters or...?
- Vinay Sanghi:** Aneesha, you want to answer that?
- Aneesha Bhandary:** Yes, Vinay, we are currently evaluating that. So there is some amount of cleanup that we've done in this quarter, but we could anticipate another set of cleanup in the coming quarter. We're evaluating as a company.
- Sachin Dixit:** Thanks. All right. Thank you and all the best for the coming.
- Moderator:** Thank you, sir. The next question is from the line of Vijit Jain from Citigroup. Please go ahead.
- Vijit Jain:** My first question is just looking at the traffic growth, right, 7% Y-o-Y is slightly lower than the trend we've seen recently. So do you think this is broadly reflective of the overall automotive market in general in terms of the demand trends? And I know for you, the business is also a function of whether advertisers and OEMs in this case, want to advertise.
- So it doesn't directly flow through necessarily from this immediately. But how does this impact you on a more rest of the year basis here?

**Vinay Sanghi:**

Sure. Yes, you got to remember the 7% growth in traffic in India is on a factor of the fact that the industry has actually slightly very marginally degrown, right? So it is a big factor on growth of traffic. That's really growth of the industry a reflection, if you ask me, on interested buyers. I think the two things happened.

One is obviously our market share of traffic has grown is bound to have considering the industry has not grown, right? That's one. The second is if industry has not grown and we've grown 30% or more, it shows that people have shifted from any form of spend to us, which I mean the market share there has grown as well, whether it's digital or total.

And that's what we always say that when -- in industries like this, which are competitive or when the growth rates -- when demand is more than -- when demand is less than supply, which is always the case normally in any industry, where supply is more than demand, we thrive then.

And I think last 2, 3 years have shown continuous growth here, just looking -- and the industry has grown as well, actually, automotive industry, even though it's flattish, it's not that it is at a 0 point of scale, and we continue to grow with that. And I think that's a -- it's a very good position to be, right?

I think most people are estimating the automotive industry to stay as it is for the next 3 quarters, right, for the end of the year, maybe like 0% to 3% growth, probably somewhere there. We feel that's where we make the most contribution to manufacturers and dealers, and that's where we become the most relevant to everybody. We've always said we are the lowest cost of customer acquisition for any manufacturer or dealer. And this is the time when they need us the most.

**Vijit Jain:**

Got it. And then my next question is on the employee costs in general and 2 parts to that. One is, so a bit higher in OLX versus in stand-alone consumer. And I guess that is in line with where your product development efforts are going? And second, related to that, the ESOP expenses, is this the new normal going ahead?

Because on a total employee cost basis, I think the increase is fairly modest here, right? I mean, so I'm just trying to get a sense of whether this is -- including the ESOP cost, the comment you made was that this is going to be the base?

**Vinay Sanghi:**

Yes. First, employee cost on a group level basis is 7% up Q-on-Q, right? Sorry, year-on-year, 7% up and we actually think now because this is mainly a factor of increments, right? So the chance of -- it's very unlikely employee cost will go up from here for the rest of the year, number one.

There may be marginal changes in number -- we may hire a few people, et cetera, et cetera, but no significant change in employee cost going forward, number one. In OLX, just to correct, employee cost is actually down 5% year-on-year. So it's not up, number one. I think that's in spite of increments being factored in. So that's the second part.

The third is the ESOP cost. ESOP costs, as we've always said, it keeps coming down because -- and we don't think -- it could come down further in the coming years, actually, to be honest. So we don't think that there's going to be any significant ESOP cost. Even now if you look at INR3.8



crores a quarter, it will become insignificant on total cost anyway now. So -- but if at all, it will come down or remain stable. It's not likely to go up.

**Vijit Jain:** Got it. So Vinay, the ESOPs are largely being given into the OLX employee base? Is that the...

**Vinay Sanghi:** No, these are ESOP costs. These costs are pertaining to costs which of ESOPs are granted in the past. They're not a current grant. Normally, when you issue an ESOP, you issue it -- is granted and then vest over a 4-year period or 5 and you are amortizing these costs over a 4-year period.

So some of these costs are ESOPs granted in the past, not being granted now. So I mean a large part of the cost is past grants, right? We actually in the last quarter, Aneesha, you can correct me, we haven't granted any ESOPs.

**Aneesha Bhandary:** No.

**Vijit Jain:** Okay. Got it. Understood. The last question...

**Vinay Sanghi:** And then that is why we keep coming down because a lot of the grants 3, 4 years back are -- have not fully vested. So this cost will keep coming down.

**Vijit Jain:** Got it. Understood. The last question I had was on the remarketing business. I heard your comment on April, May. I mean, in general, the seasonality in this quarter is very well understood, and it's still a pretty remarkable set of numbers. So is it that -- is your optimism being driven by, in general, what we see in the industry in terms of -- or what is being seen in the industry in terms of NPAs in used vehicles and the new vehicle space? Is that something that you can see is going to rise given what you see in April and May?

**Vinay Sanghi:** No, I actually can't predict it's going to rise, but I do see NPAs higher than they have been in the past. It's hard for me to predict what might happen in the future. But definitely, repossession is up. The volume coming to us is up, our market share may have gone up as well.

But -- and also, by the way, during the last 2, 3 years when repossession was down, we built other segments, which have also grown. So I think it's a combination of all of that. But it -- even I would -- I would just think repossession will be where it is right now. We are not projecting it to go up or down. We're just thinking it is what it is. It's hard for us to predict whether it will go up or not.

**Vijit Jain:** Got it. And if you can disclose those metrics that you used to disclose earlier, share of repo, remarketing?

**Vinay Sanghi:** It's -- as I said upfront, it's about 44% and 45%, retail is 44%, repo 45% in volume.

**Vijit Jain:** Okay. Got it. And new and used dealers and OEMs?

**Vinay Sanghi:** Aneesha is new and used 84% in CarWale and 16% and what's the third one you wanted?

**Vijit Jain:** OEM and dealers?

**Vinay Sanghi:** Is it -- Aneesha, you want to say I can't completely...

**Aneesha Bhandary:** See, the OEM is about 69% and retail is 31%.

**Vinay Sanghi:** 69%. Yes, 69%-31%.

**Moderator:** Thank you, sir. The next question is from the line of Deep Shah from B&K Securities. Please go ahead.

**Deep Shah:** So, Vinay, actually, I wanted to understand a bit on nature of our employee cost ex ESOP. So when I see our, say, consumer business, they have been growing pretty much in single digits Y-on-Y, of course, other than 4Q. So what would be the split between, say, fixed cost and variable cost here because I assume some of it would be incentives based on the kinds of?

**Vinay Sanghi:** No, it's not. We don't -- in the consumer group, actually, we -- our incentives are very low. And we've talked about it earlier, a large part of our people costs are fixed costs. You should think about the tech. And that's where you see the employee costs in the consumer group or across the group, actually, I would say.

If you go and look at the last couple of years, the cost escalation is very, very low. And it's because of fixed cost. So as revenue grows, almost a large part of it gets added back to profit. And I think we've demonstrated that in our margins over the last many, many quarters that as revenue has grown, a large, large part of it just goes to and that's the beauty of the model.

And the leverage we have in our business that a lot of the cost of wage increase of that 7% or 8% is done in the first quarter. If our revenues were to grow in quarter 2 or quarter 3 or quarter 4, a large part of that would go to profit straight away. I think that's just the nature of our business.

**Deep Shah:** Correct. So then it would be very logical to assume that the incremental EBITDA margins for the business as a whole will keep on improving even from these levels akin to what typical

**Vinay Sanghi:** We've always said that. We've always said that our margins are normally -- if you look at the historic last year or the year before, in Q1, our margins or EBITDA margins are the weakest.

**Deep Shah:** Correct.

**Vinay Sanghi:** So if it is 25% console or 29% the consumer group, we all, of course, anticipate it will go up in the next few quarters, absolutely if revenue grows. The chance of significant cost escalation in the next few quarters is lower. The chance of cost escalation.

**Deep Shah:** Perfect. Thanks, Vinay.

**Moderator:** Thank you, sir. The next question is from the line of Kunal Vora from White Whale Partners. Please go ahead.

**Hardik:** This is Hardik here. I just had a question on OLX. If you take out the other income, then actually the revenue from operations is up about 2% year-on-year and our EBITDA would have probably

degrown a bit. So can you just talk a bit about when we can expect some kind of momentum on this front and also on the expenses front, where are we kind of investing back?

**Vinay Sanghi:**

Sure. we've been doing a lot of work on OLX over the last, I would say, like 18 months or so or 19 months. And a lot of our work is done in product and technology. As we said, we launched a product earlier this month, and we're launching three more in this quarter. That's taken 4 to 6 months of work to bring these products out.

We actually have started first signs of seeing growth in OLX coming around. And we actually believe through the rest of the year, I mean, we should be able to deliver reasonable growth in OLX and revenues. And of course, if revenues do grow, profitability would grow at a much faster pace because the costs are unlikely to go up. So we feel very optimistic about it.

I think we also attached this time and we, of course, had put it up to the markets even a few weeks ago, the OLX strategy deck is part of the current presentation, where you can see the potential of OLX as we think it is and the TAM for the used product market -- for entire used products in India, whether it is cars or electronics or other used products.

And therefore, that gives us a lot of optimism with OLX being a market leader by far, we're now having 180 million people a year coming entirely driven by brand. We don't advertise at all at OLX, which is 180 million people a year. So we feel very optimistic about all of this. We've shared a lot in the presentation which attached here.

And we think that the growth engine, we can see early signs of it. Like we talked about SAMIL for the last 2 years. We feel this is also a place where we're in a reasonably good stable place, and we see a tremendous opportunity in the next 3 quarters and many quarters after that.

**Aneesha Bhandary:**

Just one thing to clarify Hardik. Hardik, just to clarify, the EBITDA has not degrown. EBITDA is without the other income. So the EBITDA, which is disclosed on the screen is revenue from operations minus the costs. So the EBITDA is excluding that.

**Hardik:**

Okay. No, no. Sorry, my mistake. And just a follow-up on the OLX part, right? I mean in the past calls, we used to always talk about how within OLX, we want to focus on just the car opportunity, the used car opportunity, which has got a long runway for growth and that we would take the other segments, let's say, electronics and mobile as and when we've got things figured out. So I just want to understand a bit in terms of your thinking, what kind of was the catalyst for us to now look beyond just the used cars and expand into the other categories as well?

**Vinay Sanghi:**

Yes. So some of the other categories have also grown and the product creation, which we've launched is not just in automotive. So we launched an Elite Buyer program earlier in the month, it's, of course, on cars, but it's also on bikes and electronics and other used products. And all the products we launch now are actually aimed at all the used products OLX deals in, not just cars.

So those are some of the things we've done here where our first initial objective was to stabilize product and technology, then grow cars, then the other categories. I think we've taken up everything together. And as much as we work on cars, we work on the other categories as well.

- Hardik:** Okay. Got it. One last question on the traffic front. I -- as somebody already mentioned on an absolute basis, traffic is growing at about 7%. And if I look at it even from 3 quarters, like from December quarter, has even degrown. Now I just want to understand how much of a correlation is there between, I guess, industry demand and traffic and how much of it is -- like should be the secular growth given it's still underpenetrated, right?
- Vinay Sanghi:** Yes, there is no -- there's not much correlation between traffic growth and revenue growth. I mean you can see that in the results in the last few quarters. Traffic has actually got 7 -- revenue is up more than 30%. That itself says something. I think traffic is a reflection a little bit about the industry on the whole of how many people out there are searching for cars. It's not such a reflection of our revenues. So I would not correlate traffic growth with revenue growth in the company, I would not I think for us we have -- yes.
- Hardik:** No, sorry, I was actually asking about traffic growth with overall automotive industry demand growth?
- Vinay Sanghi:** See, it's a reflection -- there's probably a reflection, yes. So the industry grew by 20%, the traffic may grow faster. But the industry has actually been flat over the last quarter. So you see a traffic growth of 7%, which also means we've gained market share a little bit from others.
- Hardik:** Okay. So I mean, if industry demand was to accelerate, then this traffic growth would go into like, let's say, the high teens or 20% as well?
- Vinay Sanghi:** It's possible. I think when the industry grows faster, the traffic is bound to grow faster.
- Hardik:** Got it. Thanks so much.
- Moderator:** Thank you, sir. The next question is from the line of Vimal Gohil from Alchemy Capital Management. Please go ahead.
- Vimal Gohil:** Thanks guys and congrats on a good set of numbers.
- Vinay Sanghi:** Thank you.
- Vimal Gohil:** My question is on the classified industry, which you just discussed. So you mentioned the industry may have been weak this particular quarter, and it's quite encouraging that you mentioned that you've gained share. But given the fact that or rather the size of the industry as such versus the overall spend that our end customers do on other platforms, why should our industry degrow? Shouldn't we be sort of growing at least or remain flat?
- Vinay Sanghi:** Sorry, what has degrown, sorry?
- Vimal Gohil:** The industry, the car classified industry as you mentioned?
- Vinay Sanghi:** No, no, car classified has not degrown. Nobody said that. The car industry is flat, not car classified industry. In fact, car traffic has grown, so I don't think that's correct. Our traffic has grown 7%. The industry is down by, I think, 1% or something this quarter, right, the car industry

itself. In fact, the reality is digital adoption is going up in respect to the industry. And our revenues are growing at 32%, which shows the adoption actually.

**Vimal Gohil:** Understood. And the second question is on OLX. You mentioned that you are already seeing signs of pickup from new initiatives. And this year, could be -- you're expecting reasonable growth. Is this growth or confidence of growth coming from the new initiatives that you've taken or the business as it is showing a good amount of traction because the newer initiatives we assumed that?

**Vinay Sanghi:** The new initiative is very early. It's only a month old, but we're seeing it across both. We're seeing new initiatives -- the first new initiative work out well, but we're also seeing growth or the early signs of growth in the -- our current products and services we already offer.

**Vimal Gohil:** Understood. And on the reported margins for OLX, if my assumption is that once the growth comes back, should we be looking at the margins coming back to the previous levels?

**Vinay Sanghi:** Yes, the margins will keep going up as revenue grows in this company as well. It's -- whether it's OLX or Shriram Automall or the consumer group, which is CarWale and BikeWale, it continues to grow as revenue grows, of course.

**Vimal Gohil:** Thank you. All right. Thank you so much. All the very best.

**Moderator:** Thank you, sir. The next question is from the line of Huseain Bharuchwala from Carnelian Capital.

**Huseain Bharuchwala:** So I just wanted to understand on the OLX side, like one thing which I wanted to understand is on real estate front. You've not mentioned how much we can scale it up on the real estate. So can you give some color on real estate? Can it become big? How meaningful that can be?

**Vinay Sanghi:** Yes. Real estate is one of our second largest categories after auto. We are in a specific place in real estate where we don't -- most of the business is of people's houses or commercial properties or rentals. It is not on new development. So a lot of the other real estate players focus on new development, which are new properties or new sites.

We are mostly on people's own premises. And in that, we have a reasonable market share. So we feel very optimistic about the real estate side as well. It's a high-margin business for us, something which has also done well in the past for OLX and is very strong in Tier 2, Tier 3 cities, especially reasonably medium-sized, low-cost properties.

**Huseain Bharuchwala:** Got it. And you have focused players like Nobroker.com or the other players which are there in the market. So how do you see the competition in this landscape?

**Vinay Sanghi:** We're actually very different because a lot of NoBroker -- I think some of these are buying and selling properties. We are not doing that. We're a platform where sellers and buyers directly connect. So if you're a real estate -- if you're a consumer who's got your own house, you use OLX or if you're maybe even a real estate broker who's got properties, you might list them.

We generally -- OLX is a platform, which is an asset-light platform. Some of these others are trying to get transactions done and make money, which they could be even taking positions on them. We don't do that at all. We're just a marketplace.

**Huseain Bharuchwala:** Got it. Okay. Thank you.

**Moderator:** Thank you, sir. The next question is from the line of Rohan Nagpal from Helios Capital Asset Management. Please go ahead.

**Rohan Nagpal:** Congrats on a great set of numbers.

**Vinay Sanghi:** Thank you.

**Rohan Nagpal:** So on OLX, you talked a lot about the optimism. I mean, you've talked about growth and your optimism about it sort of accelerating from here on. Could you just provide some color on like the signs of growth that you're seeing? Are you seeing more traffic? Is it more listings? Is it more paid listings or I mean, advertising on the platform? Are you seeing more people getting -- signing up for the Elite Buyer program? Just some like...

**Vinay Sanghi:** Yes, these are normally the indications -- yes, normally the indications we look at our daily active users or our listing, paid listings, conversion buckets, conversion flows, collections. These are some of the metrics we look at. And we see many signs of that now going up. So we feel pretty confident that this growth engine will start and start driving growth in revenues in the coming quarters and coming years for sure.

**Rohan Nagpal:** Could you provide -- I mean, is that -- can you quantify some of these? Like what is the sort of uptick you're seeing year-over-year, quarter-over-quarter?

**Vinay Sanghi:** We have not -- at this point, we're not able to disclose the exact -- all these metrics and the growth rates of the future. We don't normally give guidance around this. But the early signs are -- I mean, like we talked in the past of Shriram Automall, the early signs are that it looks like the growth engine or the growth in metrics as well as revenue should start from now.

**Rohan Nagpal:** Okay, thanks. That's it from my end.

**Moderator:** Thank you, sir. The next question is from the line of Sashi Rajan from Anadhin Capital. Please go ahead.

**Sashi Rajan:** Congratulations. Just can you understand that -- can you just help me understand the traffic that is we are getting from the Tier 2 and Tier 3 cities, as far as services and products are concerned?

**Vinay Sanghi:** As far as which? What's the last part of the question, traffic from Tier 2, Tier 3 cities and...?

**Sashi Rajan:** Tier 2 and Tier 3 cities, how much traction we're getting in the car segment and the electronic segments from Tier 2 and Tier 3 cities?

**Vinay Sanghi:** If you talk about OLX specifically on used products, a large part of OLX's traffic comes from Tier 2, Tier 3 cities as well. One of the reasons why OLX has remained strong over the last few

years is availability of data or penetration of 5G and 4G in some of these towns, which is what provided some level of growth in OLX as well and by -- that's also some of the growth coming in CarWale and BikeWale because we find that Tier 2, Tier 3 is driving some of this growth.

As we go on, as penetration goes -- the Internet penetration grows in these towns, obviously, the beneficiaries will be platforms like CarWale, BikeWale and OLX. But that penetration already started to happen in the last 2 to 3 years, and we're already seeing growth coming from these towns.

**Sashi Rajan:** Thank you, Vinay. That answers my question.

**Moderator:** Thank you, sir. The next question is from the line of Ankit Kanodia from Zen Nivesh. Please go ahead.

**Ankit Kanodia:** Congrats on getting good set of numbers.

**Vinay Sanghi:** Thank you.

**Ankit Kanodia:** So most of my questions related to the current business scenario has already been covered. So I'll just ask a forward-looking question in the sense that not asking for any numbers, but how do we see us growing our revenues in the next, say, 2, 3 years? And why I'm asking this question is that because the market we are in is still very, very, very nascent and probably still -- if we don't take the OLX part, if we just take our CarWale segment.

I think most of our traffic would be metro and metro also, there would be a few metros who would be giving us most of the traffic. So any color on how do we long-term approach this and how to penetrate the market further going forward because we are still at a very nascent stage?

**Vinay Sanghi:** Sure. No, I agree with the fact that we are all in early days of this in India. There are two, three growth drivers here. If you look at the industry itself, the automotive industry itself is underpenetrated in India, number one. Number two, the digitization of it itself, only about 15%, 16% of all advertising in India comes with digital platforms like ours.

So in most other countries, that's 30% to 40%. So that's also at a very early stage. If you look at the TAM, whether you look at used products or new products, we've got such a big universe. In fact, I think CarTrade Tech after the OLX acquisition, the TAM is almost limitless. It's only -- our growth is completely dependent on what we can execute and what we can deliver.

So we feel very optimistic about growth in volumes, growth in market share, growth in revenues, growth in profitability and margins over the next few years and quarters, whether it is used cars, whether it is new cars, whether it is new bikes, whether it's used products, whether it is auctions, we feel very optimistic about -- as I said, the TAM for the group is almost limitless.

There's a lot to do and there's a lot for us to work on. There's a lot of new technologies to build. In fact, what we've not talked through is the amount of AI intervention in the company itself at the front end, back end. There's a large amount of work going on, which, of course, is not evident

to everybody on the amount of technology innovation and intervention we're doing on all our platforms and products.

As we talked about the fact that also the brands, BikeWale, CarWale and OLX, we are probably one of the only company in the world, which on 3 different platforms, we see more than 150 million customers a year on three different platforms. And I think that itself makes us feel really optimistic about all the three brands, OLX, CarWale and BikeWale, and we feel really optimistic about the future because of that reason itself.

So there's technology, there's brand, there's TAM, many, many reasons why we feel optimistic about revenues and profitability and margin growth in the future.

**Ankit Kanodia:** Okay. And second question would be any color onto -- I'm not asking for any particular competitor, but any color on competition as to what -- where the industry is going, what other players are doing in general and how we are maybe ahead of them or maybe different from them?

**Vinay Sanghi:** As you know that OLX has no direct competitor. OLX is a very strong market leader on used products, which is used cars and other products. Shriram Automall also has no direct competitor, very, very strong in auctions. For us, a lot of what we need to do in the future is just focusing on our execution.

As I told you already, the TAM is limitless. For us, it's about building really good technology and products for our consumers and continuously growing. Competition is not a limitation. Our limitation is our own execution capabilities. And as we develop them and grow and build new technologies, obviously, keep growing the revenue and growing with the margin of this company. We don't think competition is a limitation in the company.

**Ankit Kanodia:** I was not talking from the perspective of limitation. I was just trying to understand that -- as in there are other players also, and they are also fairly large players?

**Vinay Sanghi:** I think most of them are customers of ours. We -- as I said in used products, we have really no competitor, direct competitor. Most of the other players whom people perceive as competition are full stack players. They buy vehicles, sell vehicles. So actually customers who list on our platform, they're not really competition for us.

**Ankit Kanodia:** Got it. Thank you so much and all the best for the future.

**Moderator:** Thank you, sir. The next question is from the line of Anuj Kapil from Taurus Mutual Fund. Please go ahead.

**Anuj Kapil:** Sir, I just wanted a little bit color on your current cash position and if you can throw some light on the possible capital allocation plans that you would be having for M&A or capex or platform development?

**Vinay Sanghi:** Sure. The current cash position we've put in the deck is INR1,024 crores. It's grown approximately INR75 crores over the last quarter. We -- there's a figure on adjusted EBITDA, I



mean our cash seems to be a reflection of that mostly. It's all surplus. We -- as you know, we generate cash every quarter, so this is surplus.

The use of the cash is likely to be M&A in the future or if we find a target company, which -- where we can exploit the synergies or where we can grow our current businesses, and that will be one use of cash. I think otherwise, obviously, the other use of cash is distributed to shareholders and -- as and when we can or as and when regulation allows to do so.

**Moderator:** Ladies and gentlemen, due to the interest of time, that was the last question. I now hand the conference over to Ms. Nidhi Vijaywargia for closing comments.

**Nidhi Vijaywargia:** Thank you, Palak. I would like to thank the management for taking the time out for this conference call today and also to all the participants. If you have any queries, please feel free to contact us, we are MUFG Intime Investor Relations Advisors to CarTrade Tech Limited.

**Vinay Sanghi:** Thank you, everybody.

**Aneesha Bhandary:** Thank you.

**Moderator:** Thank you. On behalf of CarTrade Tech Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.