

CMP: INR 482

Outlook: Positive

Stock Info

BSE	543333
NSE	CARTRADE
Bloomberg	CARTRADE.IN
Sector	Automobile
Face Value (INR)	10
Equity Capital (INR Mn)	46.6
Mkt Cap (INR Mn)	23,180
52w H/L (INR)	1018/ 460
Avg Daily Vol (in 000')	190

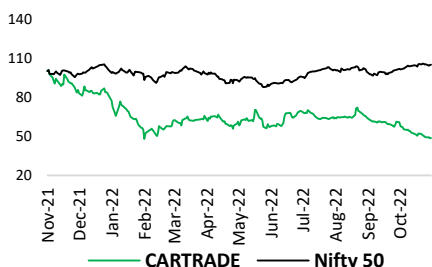
Shareholding Pattern %

(As on Sept, 2022)

Promoters	0%
FII	0%
DII	0.025%
Public & Others	99.975%

Stock Performance (%)	1m	3m	12m
CARTRADE	-20%	-24%	-51%
Nifty	3%	3.7%	4.9%

CARTRADE Vs Nifty



About the company: CarTrade is a multi-channel auto platform with coverage and presence across vehicle types and value-added services. The platforms operate under several brands: CarWale, CarTrade, Shriram Automall, BikeWale, CarTradeExchange, Adroit Auto and AutoBiz. Through these platforms, they enable new and used automobile customers, vehicle dealerships, vehicle OEMs and other businesses to buy and sell their vehicles in a simple and efficient manner.

Investment Rationale:

- **Carwale to consolidate its duopolistic positioning in New Auto:** The digital advertising split between horizontals (Google, Facebook etc) and between CarDekho and Carwale has roughly been stable over the past few years and we expect that to sustain in the future as elaborated in competitive positioning section.

- **SAMIL expected to be the dominant force in B2B remarketing business:** CarTrade acquired an interesting asset in SAMIL that has 113 automalls and is the largest player in the category, enabling the company to have a phygital approach in used vehicle B2B transactions. This is also an inherently profitable business model. However, it should not be expected to grow >15-18% YoY in the best case scenario.

- **abSure can become interesting optionality in a tough investor environment:** The current market environment suggests that investors are becoming cautious of longer path to profitability and unproven unit economics. CarTrade's foray into used cars retail using an asset light and inherently profitable franchise model can become the preferred approach and drive strong growth if the current investor environment continues for a sustained period

- **Outlook:** We are expecting sustainable growth expected from CarTrade with improving margins. **At INR 482, company trades 1x FY25E P/B and 17.8x FY25E P/E (Bloomberg Estimates).**

Arihant Research Desk

Email: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1 st Floor Andheri Ghatkopar Link Road Chakala, Andheri (E) Mumbai – 400093 Tel: (91-22) 42254800 Fax: (91-22) 42254880	Arihant House E-5 Ratlam Kothi Indore - 452003, (M.P.) Tel: (91-731) 3016100 Fax: (91-731) 3016199

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	www.arihantcapital.com	instresearch@arihantcapital.com

Disclaimer: This document has been prepared by Arihant Capital Markets Ltd. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Arihant may trade in investments, which are the subject of this document or in related investments and may have acted upon or used the information contained in this document or the research or the analysis on which it is based, before its publication. This is just a suggestion and Arihant will not be responsible for any profit or loss arising out of the decision taken by the reader of this document. Affiliates of Arihant may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. No matter contained in this document may be reproduced or copied without the consent of the firm.

Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800 Fax. 022-42254880