

Date: February 03, 2026

To,
**Department of Corporate Services,
BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai - 400001
Scrip Code: 543333
ISIN: INE290S01011

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

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 Q3FY26 Earnings Conference Call held on Wednesday, January 28, 2026

Dear Sir/ Madam,

With reference to our letter dated January 22, 2026 intimating about the Analyst / Investor Call with Analysts/Investors, please find enclosed the transcript of the CarTrade Tech Limited Q3FY26 Earnings Conference Call held on Wednesday, January 28, 2026.

The above information will also be available on the website of the Company:
www.cartradetech.com.

This is for your information & record.

Thanking You.

For CarTrade Tech Limited

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

Enclose: a/a

CarTrade Tech Limited

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“CarTrade Tech Limited

Q3 and 9 Months FY '26 Earnings Conference Call”

Wednesday, January 28, 2026



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

MODERATORS: **MR. ARYAN SUMRA – MUFG INTIME INDIA PRIVATE
LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the CarTrade Tech Limited Q3 and 9 Months 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aryan Sumra from MUFG Intime. Thank you, and over to you, sir.

Aryan Sumra: Thank you. Good afternoon, everyone. I welcome you all to the Q3 and 9 months FY '26 Earnings Conference Call for CarTrade Tech Limited. To discuss this quarter's financial and business performance, we have from the management, Mr. Vinay Sanghi, Chairman and Managing Director; Ms. Aneesha Bhandary, Executive Director and CFO.

Before we proceed with the call, I would like to mention that some of the statements made in today's call may be forward-looking 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 the opening remarks, and then we can open the floor for Q&A. Thank you, and over to you, sir.

Vinay Sanghi: Thank you, and good afternoon to everybody, and welcome to the Q3 FY '26 Earnings Call. I'd like to start by Slide 3, which has been shared on the investment deck, which talks about the company over the last 3 years.

As you can see here, over the last 3 years from FY '23 to FY '26, if you look at the company, the revenue CAGR has been 32%, EBITDA CAGR has been 112% and the profit CAGR has been 83% over 3 years.

So you can see the consistency in performance and that's why we want to bring it out. Quarter-after-quarter, 3 years, almost 12 quarters, and you can see the consistency in the company's delivery, performance and the execution capability.

If you look at the center block, it shows that our cash reserves have gone back to INR1,145 crores. And for the first time you can also see the return on equity reached double digits, which is a very strong business performance by the company from where it was.

And if we look at the last block for the shareholder value, the EPS CAGR has been 92% over the last 3 years. And of course, the share price is up 94% in the last 3 years during this phase. So the numbers to look for are the PAT CAGR 83%, EPS CAGR of 92% and the share price CAGR of 94% over the last 3 years.

If you look at Slide 4 for our Q3 results, you'll see CarTrade has achieved its highest ever revenues at INR228 crores in any quarter ever in our history. EBITDA has gone up by 56% to

INR78 crores. It's by far our highest ever EBITDA. Not only highest EBITDA by far, it's also almost INR15 crores more than the previous quarter. EBITDA is up 23% even sequentially from the previous quarter. So there's a 56% year-on-year growth, 23% sequential QoQ growth to INR78 crores.

We've been talking about margins for many quarters with you. And you can see now margins have gone up to 37%, which is getting best-in-class in the country now, and it shows the unit economics and the leverage we have in our business.

If you go to the revenue, EBITDA, exponential growth in profit after tax has come at INR62 crores, which is up 35% year-on-year, and this is primarily due to an extraordinary item of the Labor code provision as per the new regulation being provided INR6.5 crores during the quarter. Otherwise, profits will be up by 49% if you look at after you include the Labor Code impact.

We continue to have 150 million yearly users in all our 3 platforms. The consumer group has grown by 27%. EBITDA is up 55%. And of course, we achieved a 43% margin on EBITDA in the consumer group, which is currently operating at significantly higher margin levels.

And we've talked about how we have the unit economics and the leverage in this business over the last few quarters. The remarketing business profit is up by 68%, revenue is up by 12%, *EBITDA is up 23% as well, and our margins in the remarketing grew at 30% now. OLX has reached the highest ever revenue in the history in this quarter. It's up 18%. PAT is up 37%. and OLX also now reached a 37% EBITDA margin ratio.

**Note- EBITDA is up by 47% as well, and our margins in the remarketing grew to 30% now.*

If we look at Slide 5, we can obviously continue to be the number 1 automotive platform, used platform, vehicle auction platform in the country. Traffic is up to 85 million MAUs during the quarter, 95% organic traffic continues. Vehicles auctioned at a rate of 1.9 million vehicles a year. We talked about the revenue at INR228 crores, it's highest ever in our history.

Adjusted EBITDA reached INR101 crores. It's a cash proxy. It's the first time it's crossed INR100 crores in the quarter. So you can say INR101 crores of cash generation during the quarter. PAT is INR62 crores. As I said, the PAT would be at INR68 crores, if Labor Code impact was taken out. And our cash balance continues to be about INR1,145 crores as we've talked earlier.

If we go to Slide 6 and look at the consolidated results of the company, revenue is up 18%. Operating revenue is up 19%. EBITDA is up 56%. Margin out here on a consolidated basis at 37%, up from 33% last quarter sequentially. If you see there is a 400 basis point increase in margins sequentially, just quarter-on-quarter. And from last year's margin of 28%, we have landed up at 37%. PBT is up 58% before exceptional items. PBT post exceptional items is up 46% and PAT is up 35%.

If you look at the 9-month results of the company, revenue is up 24%, EBITDA up 77%. The 9-month margins come at 32% and the PAT is at 74%. PBT is 87% up for the 9 months. So you

see the growth in both margins, profitability, and the revenues over a 9-month period, which shows the consistency in the performance of the company.

If you go to Slide 7, look at the consumer group. For the quarter, revenue is up 27%. We spoke about EBITDA at 55%. EBITDA margin has reached 43%. And even sequentially, if you look at EBITDA is up INR6 crores just in this one business. And margins have gone from 40% to 43% sequentially. Over last year, margins has gone from 35% to 43%.

PBT, as I said, is up 43%. And if you look at the 9-month numbers, the consumer group has done extremely well with a 32% growth in revenue, 106% growth in EBITDA and a 74% growth in PBT, with a 51% growth in PAT.

If you look at the remarketing business, there's a 12% revenue growth and a 68% profit growth during the quarter. Margins for the first time crossed 30% in the remarketing business. And if you look at the 9-month figures, 22% up in revenue, 57% increase in EBITDA and an 80% growth in PAT for the year. So the remarketing business had a very good year in the first 9 months of the year.

If you look at OLX, it has had its highest ever revenue in any quarter. It's crossed INR61.7 crores and INR58 crores in operating revenue, which is up 18%. Profitability or EBITDA is up 70%. OLX margins reached 37% now and PAT is up 37%. And PBT is up 73%. There will be taxes included as OLX has exhausted its carryforward tax shelters. And now in this quarter, tax has been paid in OLX as well. But yes, PBT is up 73%.

If you look at the 9-month data, OLX's EBITDA is up 63% and profit after tax is up 92%. So it's been a very strong quarter for us. We feel very optimistic about all the 3 businesses. Just to highlight, all 3 businesses achieved the highest ever revenue. All 3 businesses achieved the highest ever margin. So we feel very optimistic.

Business has been very strong in all the 3 businesses. We are even more optimistic about the current quarter, January to March and feel very optimistic that obviously, our numbers will get better and better from here. The business or the market especially the new car industry or the used car industry or the used product industry seems to be growing. And naturally, we feel optimistic about the current quarter and the quarters coming ahead. This is what I have to say.

I'm happy to take any questions now and clarify all your questions and doubts.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Sachin Dixit from JM Financial.

Sachin Dixit: My first question is with regards to this EU FTA, So there is obviously some chatter about how it can potentially impact Indian auto industry. Do you have any views on that? Like how does it impact CarTrade's consumer business, if at all?

Vinay Sanghi: Yes, are you talking about the EU 40% tariff on vehicles? Is that the question?

- Sachin Dixit:** No, no, no. This mother of all trade deals that we have signed with EU in terms of free trade agreement
- Vinay Sanghi:** I've not obviously studied in great detail. It's only been a day old. But the one thing which might affect or help the consumer group are 2 things. One is if tariffs or duties on imported European vehicles comes down, it could lead to further demand in the new car industry, which, of course, could benefit the consumer group.
- And the other there could be opportunities to bring other such vehicles in, directly even by -- it could be a business opportunity for the consumer group considering the reach of consumers and the distribution of CarTrade Tech as a group.
- So obviously, we'll try to examine if there are opportunities where consumers here wanting cars from the EU could use platforms like CarWale or others for that need. So it's something we'll have to watch and see what the potential of this is, but it's too early to say at this point.
- Sachin Dixit:** My second question is on OLX business side. Obviously, you did highlight in the previous earnings call that momentum is picking. We saw that we improved growth rate by roughly 150 basis points. If I look on a Q-on-Q basis, 16.6% gone to 18.1%. Do you see further momentum here? And on the same line, on cost side, we saw that actually both employee and other costs declined Q-o-Q. What is resulting in this decline, if you can highlight?
- Vinay Sanghi:** Yes. You're talking about OLX cost or overall cost?
- Sachin Dixit:** Overall, OLX cost.
- Vinay Sanghi:** Yes, we definitely see the growth rate of OLX going up from the current growth rate in this quarter. So we do feel you will see that even further, and more amplified, the growth rates going up in OLX, number one. We feel very strong about the business, both the automotive and the non-automotive side of it.
- So yes, you will see, in our opinion, a higher growth rate on OLX, in the revenue side. Costs are, I would just say, stable. There may be some minor fluctuations on manpower and other costs, but generally stable. We don't see any real serious decrease in costs or we don't see any increase in costs either. They're just stable, I would say, in OLX.
- Sachin Dixit:** Understood. Just one final question on the new auto side, if I can take that, right?
- Vinay Sanghi:** Sure, go ahead.
- Sachin Dixit:** Last quarter, obviously, we had, I believe, 37-odd percent growth on this business. This quarter, that has dropped to 27%, but still very, very healthy, no doubt. There must have also been some base effect that would have played out compared to 3Q FY '25. How do we look at this ahead? Do we still believe this is roughly a mid-20s to maybe or 30 sort of a growth? Or there is potential for this to maybe inch down further by, let's say, a few percentage points?
- Vinay Sanghi:** The growth rate actually in the first 9 months is 32%, right, in this business.

- Sachin Dixit:** Right.
- Vinay Sanghi:** There is a bit of base effect of last year to Q3 to Q3 in the previous year. But generally, it's 32% over a 9-month period. We see no reason and we're quite confident. Actually, the new car industry in the last 2 months has done extremely well.
- And like we said, we are obviously beneficiaries of the car industry itself. So we do see that definitely sustaining the growth rate. I'm not able to give guidance whether it's higher or lower. But yes, we don't see any reason for the growth rate to come down at all. We feel very optimistic about the new car business.
- Moderator:** The next question is from the line of Siddhartha Bera from Nomura.
- Siddhartha Bera:** Sir, first question is again on the OLX side. We had talked about multiple initiatives on the growth side, which we had taken in quarter 3 across Elite Buyer and 2 or 3 more product initiatives getting rolled out. So can you just talk about how has been the acceptance? What percentage of our user base have accepted that? Just to understand sort of how the growth momentum should pick up in the coming quarters, some more details on that?
- Vinay Sanghi:** Yes. The Elite Buyer actually done extremely well in the last quarter. It was really commercially fully launched in the last quarter, and we feel very good about the adoption of the Elite Buyer program. We also feel that this will become a very large revenue opportunity for OLX in the many coming quarters and years. We're already seen very high traction in the last 30-40 days of the Elite Buyer program.
- And it will, in our opinion, as I said, in the coming quarters, impact the revenues very favorably, number one. Other products like Verification, is likely to be launched in the next 30 days or so, it is completely a new product to further enhance customer experience on trust and safety on the platform. So that will get launched sometime in the next 30 days. So we feel optimistic about that as well.
- But the growth rate continues also to be in existing products on B2C charges for dealers or C2C charges for consumers, etcetera. So overall, we feel very optimistic about the revenue potential of OLX and the growth rates, which are going to come in the quarters there.
- Siddhartha Bera:** Got it, sir. But if I look at the monthly visitors for OLX, it sort of has seen some softness compared to last quarter. Is it something more seasonal? Or anything more here to look at?
- Vinay Sanghi:** There was a very slight seasonality, I would say, in September and a little bit of end of December. But generally, traffic has been stable of OLX. User engagement has been stable, traffic has been stable, very stable.
- Siddhartha Bera:** Got it, sir. And sir, lastly, on this margin profile for the OLX, we have seen a lot of cost benefits also coming in, in the current quarter. So is there any onetime cost thing which has come? Or do you think this 35%- 36% margins which we have done for the quarter, as we see a pickup in growth...

Vinay Sanghi: Yes, we think the margins will probably improve. Like in all our businesses, the leverage is higher, right I don't think cost will increase. So if revenue goes up, margins will improve, as we've said quarter after quarter in all our businesses.

Moderator: The next question is from the line of Hardik Doshi from White Whale Partners.

Hardik Doshi: Yes. Sir, this is Hardik here. Just a couple of questions. First one was on during the quarter, we were pursuing the CarDekho deal and then kind of did not pan out. So can you just maybe spend a few minutes just explaining the rational and thought process and how we walked away from it?

Vinay Sanghi: Yes. I think we did announce that we were pursuing the transaction, and we then after studying it, at that point, decided to put it on hold. I think the reasons mostly were around understanding, obviously, the potential in our own business seems so high that we said, is this the right time for that or not. We continue to be very optimistic about the new car industry, which is what the acquisition was about.

And we obviously continue to be optimistic about OLX and all other businesses. So the amount of opportunities within the company itself, we felt it is better to hold any inorganic opportunity at that point. And yes, that's one of the reasons why we studied it and then we said it's better to put around wait at that point of time.

I just want to also highlight in the earnings call and we have also mentioned in our results that, we have provided some diligence cost, which is also factored into the quarter 3 results, which you've seen. The results and the margins are after some diligence costs which got incurred. It's in the expenses of the company already accounted.

Hardik Doshi: Yes. Okay. Got it. And then just on the previous question in terms of the consumer growth, I think you maintained you said that you expect to sustain this kind of growth level that you've seen over the 9 months. I just wanted to understand a little better in terms of the drivers of this growth.

When there's a slowdown, the OEMs and the dealers need to kind of push more and so the increase in marketing expense. But when the industry is going through a better phase, would that kind of marketing expenses sustain? And so to that extent, can we still maintain this kind of growth or not?

Vinay Sanghi: So the industry has gone through a very good phase in October to December, number one. And also the entire last 3 months, industry has grown rapidly. It's had unprecedented growth and volumes in the car industry. I'd just like to highlight that we're beneficiaries of growth in car sales. Obviously, we will benefit. We're also beneficial when manufacturing dealers spend more money on digital, which has been a long secular trend. We also benefit in car ARPU when prices go up in terms of ARPUs, which means people move towards a bigger vehicle like an SUV.

So we benefit in multiple ways. We also gain market share because we're the most cost-effective way for a dealer, a manufacturer to sell a car. We also have a large number of almost all car buyers in the country coming to our platforms. So clearly, there's a dependence and high

relevance the industry has towards platforms like CarWale and BikeWale or OLX for that matter for used cars.

So in any situation, whether the industry is down, which we've seen over the last 1.5 years or when the industry is growing rapidly as in the last quarter, our growth rates have been maintained and grown further even. So we've also shown and disclosed in the previous quarter, the last 3-year trend of growth where the industry goes up and down, and we found that irrespective of that, CarWale out of the consumer group growth rates have stayed extremely robust during all those phases.

Hardik Doshi: Got it. So I guess this is more of a structural shift from offline to digital spend and then within that away from, let's say, Google towards platform related sites.

Vinay Sanghi: It is offline to digital spend. It is growth in the industry. It is growth of ARPUs in cars. It is different kinds of cars being sold, like if you see today, more than 50% of cars sold is SUVs. So it's many, many things altogether. But by and large, there's a big shift to spending on platforms like CarWale, where the relevance for manufacturers and dealers who spend is very, very high.

Hardik Doshi: Understood. Just one last question was on the operating leverage. So now if I were to just look at our consumer and OLX, I mean, I think we average around 40% plus margins. How are you seeing like if you continue with this 25%-30% growth rate, Your expenses have pretty much not grown for the 9 months. Is there any kind of areas you need to invest into? Or will expenses remain at similar levels in terms of...

Vinay Sanghi: We think expenses are stable. They're not likely to see any fluctuation or any incremental change at all. So they're not likely to change. We've always said that our margins will keep growing, right? And I think we've reached 37% as a group, 43% as a consumer group. We think they'll go further.

Hardik Doshi: Got it. So essentially, all the growth that comes through a very large part of it will continue to pass through, as a clarity?

Vinay Sanghi: That is correct. That's just the nature of the business.

Moderator: The next question is from the line of Nishit Jalan from Axis Capital.

Nishit Jalan: Congrats on good set of numbers. My question is, obviously, industry tailwinds are there. And now that you have studied CarDekho also, just wanted to understand on consumer side of the business, do you think a part of the growth is also driven by market share side of the things, right? How is it panning out?

And while operating leverage will be there in our business for sure, globally there are companies which makes 50% plus margins also. So will it be incorrect to assume that in the next 2-3 years, if the growth continues, you could also be a 50% plus kind of a margin business?

Vinay Sanghi: Sorry, what's the last part? I didn't get the last part.

Nishit Jalan: Basically, what I was saying was that if the growth rate continues over the next 2-3 years, these margins could expand from 40-odd percent to 50% plus. Basically, what should we look at as the incremental EBITDA margin on the revenues? Because your incremental costs are lower in a way, right? So how should we look at especially the OLX and the consumer business because that's where the benefits will be much more substantial?

Vinay Sanghi: Yes, two parts. One is the first part, which is the growth in the car industry itself. After since reduction of the GST, we've seen the car industry grow. Our growth rates, if you see 32%, were even before the GST reduction took place. So clearly, we're beneficiaries of car growth rates. We also benefit when growth rates have been more muted for the car industry itself. So because our growth rates have been high in both cases. We see that the reason for this is because consumers come to a platform like CarWale or others to fulfill a need of buying a car or finding a car, etcetera.

And because of the number of consumers and the relevance to consumers, which a platform that CarWale has, manufacturers and dealers need to be obviously spending more on platforms like ours compared to others. That could be offline advertising, that could be Google, it could be Facebook or other horizontal platforms and also direct vertical competitors because we feel we are far more efficient than our competitors are. So I think you're seeing a fact of that, that we are gaining market share, number one. Number two, you've also seen a factor of industry level growth and move towards digital.

And like I said, number three, it's also a product mix where, as you've seen in the last 3-4 years in India, there's a huge shift towards SUVs by itself. So the ARPUs of cars have basically gone up as well. All these factors do matter. And clearly, our job is to make sure that the consumer coming on our platform, our product and improvements or development cycle continues so that consumers keep coming and growing on the platform, and that's what we are focused on. So that's the first part of the question.

The second was over the last 10-12 quarters, we've demonstrated to you that costs in companies like this are stable. We see no reason for that to change in the coming quarters. And therefore, a lot of that revenue will go to margin. And I think if you see the last 3 years, margins has gone from 9% to 37% as a company, as a consolidated company. So I don't see a reason for that. I think the trend will just continue. Margins will continue to grow.

Nishit Jalan: Yes. Maybe just one follow-up. You did talk about the ARPU going up, right? So ARPU going up, the benefit is indirect as in the industry revenues goes up and the ability of OEMs to spend more on A&P goes up. Is that the indirect benefit that comes to you or there's something else which is there?

Vinay Sanghi: It does benefit where the car prices go up, suppose the average rather than small cars or sedans, SUVs, which are higher price sell, it benefits all stakeholders. Anybody in the chain, it benefits.

Nishit Jalan: It benefits because the industry revenue goes up and the ability of the industry...

Vinay Sanghi: And the industry spend goes up, I would say, yes, absolutely.

- Nishit Jalan:** Yes. And sorry, I think you answered it, but I missed out. On the OLX side, you have started to take a lot of initiatives to monetize the Elite Buyer and seller and all sort of things. Sorry, if you have commented earlier, I missed out, but where are we in...
- Vinay Sanghi:** No. Actually Elite Buyers has done extremely well in the last quarter for us. We feel very, very optimistic that this will become one of our flagship revenue earners in the coming quarters and years ahead, number one. Number two, even existing revenue drivers have gone up or improved. UX has improved. Customer engagement has improved. The growth rates of revenue have grown, we will see the highest revenues. But on top of it, we feel the growth in revenues will go even up further, and margins in OLX will also increase further. We feel pretty confident of that.
- Nishit Jalan:** And on the used car side of the business, right now, you are monetizing more from dealer subscription and now very recently Elite Buyer, Elite Seller program. Any plans to get into more value-added services also like a financing or an insurance or a service or some warranty?
- Vinay Sanghi:** Financing is something we're working very closely on a fintech perspective. But like I said, we'll be a marketplace company. We're not likely to take any risk, balance sheet risk or lending risk ever. So this is like a marketplace model where we're working very closely with a couple of very big banks and NBFCs on launching products, on used car financing. I think in the next few quarters, you'll see products like that launched for used cars where our relevance is very high.
- If you see data which we've disclosed in the past, where 65% of all used cars sold in India are listed on OLX. more than 1.5 million used car buyers come to OLX and CarWale together. In the last quarter, actually earlier this month we publicly disclosed that as well. We, for the first time, combined the CarWale OLX offering for all dealers in India.
- So we launched a subscription for dealers, which is combined of OLX and CarWale to increase the base for both companies. So there are many used car initiatives going on, and you'll see a lot of the results coming in the next few quarters around the used car side of the business, both in fintech side as well as in the core used car business.
- Moderator:** The next question is from the line of Amit Agicha from H.G. Hawa.
- Amit Agicha** Sir, with INR1,145 crores of cash on the balance sheet, how should investors think about capital allocation priorities in the next 2 years?
- Vinay Sanghi:** Yes, it's a good question. At this point, we are also generating, INR100 crores a quarter.. We showed you the adjusted EBITDA number. So it's INR1,145 crores in the bank plus INR100-odd crores of cash every quarter at this rate, as profitability grows, even the cash generated would grow. We have almost no capex in the company and almost no need from an investment standpoint in our current business, all our businesses are high-margin businesses.
- So the intent would be, to look at whether any inorganic opportunities come in the future. And we've been very good at acquisitions in the past. We've done multiple successful acquisitions. So part of the use, if at all, we come across an opportunity would be that. And obviously, the long-term intent would be to return money to shareholders.

- Amit Agicha** And sir, one more question, connected would be employees, like are there any talent constraints in data science, AI pricing models or data analytics that could require higher future investments?
- Vinay Sanghi:** We've actually made a lot of investments. It goes in our operating cost. A large part of our manpower cost is product engineering, design, AI talent, etcetera. So a lot of investments are being made. These margins and these costs are after making those investments. We are first a technology company before everything else. So this is part of what we do every day.
- A large part of our team is product engineering, design and AI talent. So we're building products for OLX, CarWale, SAMIL every single day and new products as well. We also created CarTrade Laboratories, which builds only new cutting-edge products few months ago. So these investments are done, and they're part of the operating cost in the company.
- Moderator:** The next question is from the line of Siddhartha Bera from Nomura.
- Siddhartha Bera:** Sir, a quick question on the remarketing business. If I look at the volumes for CarTrade and the auctions, seems that the conversion has dropped a bit compared to the last quarter. Any particular reason what is happening here?
- Vinay Sanghi:** No, it is only in the last quarter. And I'll tell you, specifically in the used car industry or the used vehicle industry, new vehicle prices came down in September with the GST reduction. Used vehicle pricing took some time to correct itself. I think it took 2-3 months to correct because those are more subjective by nature. So a lot of the sellers tend to be waiting back and saying, listen, am I going to get a better price?
- And when they realize that used car pricing has changed forever, then they start selling. So it's a bit of a delayed process, and maybe that's why you're seeing a slight conversion difference. That's primarily due to price reduction on the new car side, which affects and impacts the used car industry as well.
- Siddhartha Bera:** So this conversion then in normal scenario should pick up in the coming quarters?
- Vinay Sanghi:** Yes, absolutely. It's already better. So yes, that's correct.
- Siddhartha Bera:** Okay. And on the growth side for the remarketing also, I think the last few quarters, we had seen a very strong growth, obviously, with the low base. But now going ahead, do you think there can be further acceleration to this? Or this is a run rate we should assume for this business?
- Vinay Sanghi:** No, I think we should continue to grow. We feel strong about the business. And we do believe that normally, Q4 is much better than Q3 for this business. So we do feel the growth rates and the absolute numbers should get better.
- Siddhartha Bera:** Understood. And sir, last clarification, I think you have mentioned about INR1.8 crores of due diligence cost in the stand-alone consumer business.
- Vinay Sanghi:** That's correct.
- Siddhartha Bera:** So that should be there in the consolidated numbers as well, right?

Vinay Sanghi: It's in both numbers.

Moderator: The next question is from the line of Anjali Bajaj from Naredi Investments.

Anjali Bajaj: Other income from OLX India business declined sequentially in the quarter 3 compared to quarter 2. Could you please explain the key reason for this drop?

Vinay Sanghi: Sure. Aneesha, do you want to explain this? Do you want to explain the other income in OLX?

Aneesha Bhandary: Yes. So as we had disclosed in the previous quarter, the quarter 2, we had an other income writeback in OLX, which was disclosed in a detailed note in the financial statement itself. In Q3, we do not have any write-back, which is there, which is why there is a dip in the other income.

Vinay Sanghi: The way to look at it also is that Q3 is a normalized other income. And in Q2, because the writeback there was a special item in there.

Moderator: The next question is from the line of Arpit Shah from Stallion Asset.

Arpit Shah: Congratulations on a super set of numbers, great expansion on margins across all businesses. Just wanted to understand, over the years ahead, what kind of incremental revenues now would straight pass on to profits? Would it be 80%, 90%? How should we look at that?

Vinay Sanghi: Yes. that's been the track record, Arpit. I don't see any reason why that will change.

Arpit Shah: Got it. And you just mentioned that we're going to be launching something like an OLX verified for Elite Buyers in the next 1 month or so. How big do you think that opportunity would be for revenues going ahead? Because I believe if I just see for Meta, maybe Instagram, Facebook that opportunity is about \$2 - \$3 billion every year in terms of just selling verified subscription. But how big that number could be for OLX?

Vinay Sanghi: I don't want to give a revenue guidance around it, but it's a very important product for OLX and dramatically enhances user experience. It's very innovative, the way it's been brought out at OLX, and you'll see it in a few weeks. But we feel very good about the product and very optimistic about it. The revenue upside will be significant. But we also see that it's a big feature for all users on OLX. It changes a lot on how they interact with the buyer or seller on the platform.

Arpit Shah: Got it. And how should we look at the remarketing business growth because the growth has reaccelerated from what was earlier to, a couple of quarters back, and it's now moved to 12%. The margin offset for that kind of revenue growth. But how should we be reading revenue growth for remarketing business?

Vinay Sanghi: I think we've had a 22% 9-month growth. And I think that's the way to look at it. Sometimes the quarter is a base effect of the previous year. But yes, I would think of it a lot of the business over a 9-month period. And the business actually is a good situation, both the retail side and the repossession side. So I see some of this growth is continuing. I don't see much change. In fact, the markets are quite favorable for Shriram Automall as they are for OLX or CarWale.

- Arpit Shah:** Got it. And structurally, the classifieds business, the growth should keep improving now quarter-on-quarter.
- Vinay Sanghi:** I feel OLX growth rates will go up. And I think consumer group, which is 32% in the first 9 months, has already been very strong, the growth rate. So I think you'll see a positive growth rate from what it is in OLX, the 18.5% will get better. In CarWale, as I said, 32% growth rate is already seen in the first 9 months. So it's been very strong anyway.
- Arpit Shah:** And this growth will keep coming despite the margins that we are at, right? We wouldn't have to spend a lot in getting that growth, like to 37% that already exists...
- Vinay Sanghi:** We don't see much change in the cost structure of the company.
- Moderator:** The next question is from the line of Aditya Yadav from Transient Capital.
- Aditya Yadav:** Congratulations, sir, on a great, great execution. Congratulations to the team as well. My question so yes, this has been talk of the town, but my question was regarding the AI wave. And so there are 2 parts to it, sir. One is there like, there was talk of threat of disintermediation where like the site visits go down hypothetically where the LLM itself generates the answer to the query of the user. And the second part was the use of AI tech within the company itself. So I would ask you to like provide color on both the sides.
- And with the first part, we are seeing some evolving models globally also where they are the data owners like us are moving into a licensing agreement with the LLM organization where you are charging a licensing fee of that sort and not providing unlisted access. And we are seeing some of those kind of models evolving. And so yes, I would urge you to provide color on both things like outside the organization and inside the organization both.
- Vinay Sanghi:** Sure. The first way we see AI in the group is at multiple levels. I think and the first thing which we work on is to improve user experience, right, is if you come on to our platforms, how does our data and intelligence help you perform a task better. So lots of work is going on and being done and launched even around helping your experience on CarWale or OLX or BikeWale to get better, number one.
- And like I said, the one thing we've always prided ourselves on is going deep into the journey so that it's very hard for LLM to duplicate what we do. For example, if you come to CarWale and you want to get a loan approved in a second, our tools help you get an approval from multiple banks within 1 second. I don't think any LLM would be able to do that. So our task is always to go deeper into a process of the journey of what we do so that no horizontal platform or an LLM can replicate or duplicate what we do.
- And the strength we've got is when we look at AI products within our experience for users. We obviously have our own public data, our own private data, and we have our own private consumer data or customer data. All of that is being used for giving you a better response to the user. The LLM is only a public data.

They don't get to see all the other 3 levels of data. As much as we are a technology company, we're a data warehouse for the automotive industry and in all the other industries we cater to. So for example, today, millions of mobile phones are sold on OLX or hundreds and thousands and millions of furniture items are sold on OLX.

So the amount of data around that helps us serve our customers better. 65% of used cars listed in India are inventory in OLX today, right. So I think we feel that all of this data, which we've got a consumer or products or price gives us a differentiated advantage on the AI front to help serve our customers better, right. I think that's what we believe.

On licensing and sharing content, no, we don't share our proprietary content or our own data with LLMs at all in any licensing arrangement. We think the data we've got and the brand we have and the platform we have is a differentiator or is differentiated, and we would not want to be licensing or sharing it with anybody else.

Aditya Yadav: Understood. And sir, regarding the consumer group, what other optionalities you see that you've been talking about like going deeper into the user journey, facilitating loans is one such part of that. And do we see other optionalities also in the business where we could be trying to get a larger revenue share of the user car buying journey

Vinay Sanghi: There are multiple journeys going on. There are multiple helping a person -- in the car buying journey, helping a person sell a car, to get a loan, to buy a car to buy other value-added products, too. In OLX, there are multiple journeys which help us serve the customer better and give them a better experience and go deeper in the process of buying or selling a product.

Aditya Yadav: Could you provide some color on that?

Vinay Sanghi: In which business? I mean, are you talking about OLX or CarWale, which one?

Aditya Yadav: CarWale, the consumer group.

Vinay Sanghi: In the consumer group. So in CarWale, one of the things we help consumers do is how do they sell a car or when they buy a car, and how they trade in manage. For us, buying a car is a journey. It's not about just buying a new car. It's about all the surround activities around it.

And for building technology of products, which help a user do all those tasks in what we call a one-click environment is what we work towards. And for that, we need to work with the ecosystem, dealers, manufacturers, banks, etcetera, to provide products like this. So that's an example of how we're thinking.

Moderator: The next question is from the line of Vijit Jain from Citi.

Vijit Jain: Sorry, I joined a little bit late in the discussion, I apologize.

Vinay Sanghi: No worries.

Vijit Jain: My question is this quarter, we saw all the GST rate cuts that happened on cars, and a number of other categories, too. Two questions. One, at OLX level, did you see any surge in listing

activities, as people might have replaced at a higher pace than they would have done earlier on both cars and other categories? So did you see any indicators there?

And how should we think about that as it impacts your business going forward? And second, also how the car price changes affects your business across all 3 categories, if you could give me a broader color on how you think about these things?

Vinay Sanghi:

Yes. We partly answered before, in the start, the new car side. The reduction in the new car prices of GST had an immediate benefit to the new car industry, obviously. And we saw over October, December, new car industry go rapidly. Resale scale, highest ever numbers we've ever done. And obviously, CarWale and the consumer group are obviously beneficiaries through that immediately, I would say. Consumer demand, traffic demand, buying demand, all that automatically went up on CarWale.

I think what we saw, is very normal, when prices fall sharply in the new product industry the used car industry is almost in a status quo mode where people are wondering whether they sell an old item at a lower price or not because if the new car prices come down by 10%, the used car price necessarily has to come down by 10%. I mean this is the way the economics work.

So I think for people who are selling a product, it takes some time to digest that understanding that what I have is going to fetch me 10% less. And that takes 1 to 3 months to adjust itself. So OLX's growth and a lot of that, towards the end of December you find that people are becoming more accepting to realizing that the asset value has gone down in the used product they own, because the new product itself come down. And you found that starting to happen in December onwards in the used car industrial or the used product industry.

I think in Jan, we're seeing a little more of that where people who have used products are now saying, listen, this is a new norm of pricing. Generally, as you've seen over the long periods of time in multiple cycles like this, as the new product industry pricing goes down, the new product demand goes up, the used car demand goes up with a lag because when the used car product prices start going down, you'll start now finding demand for the used products going even higher. So you'll see a massive growth in the used product industry in the next 12 to 15 months, which follows typically the new product price decreases.

Vijit Jain:

Okay. So there's usually a lag there of a quarter...

Vinay Sanghi:

There's just lag because it takes time people mentally to adjust to the new prices. But when they do, then the demand dramatically goes up because the affordability of the used product goes up.

Vijit Jain:

Right. Makes sense. Second question, within the OLX business, right, if I look at the last quarter, and you launched obviously a lot of products here, Elite Buyer, Super Series, etcetera. And there was a big quarter-on-quarter jump in the last quarter. And if I use that exit rate that you might have had in September quarter, would you say that these GST-related changes minus them, OLX would have been higher than this in this quarter, and this is why you're guiding to a much better growth rate than 18% Y-o-Y going forward because that...

- Vinay Sanghi:** No, I am not linking the GST at all with OLX. I don't think OLX is positively or negatively affected by the GST. I just feel like OLX is getting better at everything it does every day. It's an M&A, which is a little more than 2 years now and the product changes, the product improvements and new product launches. By the way, Super Series was launched in Jan, not in December, it was announced in Jan. So we feel like a lot of what we're doing is starting to pay off.
- And of course, at the center of it is user experience and transaction volume on OLX is getting better. And we obviously have visibility towards the end of quarters on how the next quarter is going to be because there's a rate and the run rate.. So that's why I've given a guidance earlier on the call saying that the growth rate of OLX will go up automatically, in this quarter of January to March, and that's the guidance we'd given.
- Vijit Jain:** Last question. On the consumer business, right, on the consumer business now, we can see your trends on traffic across CarWale and BikeWale. In terms of revenue market share apples-to-apples, would you say it's roughly on par with your traffic share or would you say...
- Vinay Sanghi:** Sorry, Vijit, I lost the last part. Just repeat the question? I believe you said revenue shares. The revenue and traffic, are you comparing the revenue and traffic growth. Are you saying that?
- Vijit Jain:** Yes. So roughly, if you have a certain traffic market share among classifieds and you have a certain revenue market share, would you say your revenue market share is above or below the traffic market share is what I'm trying to understand.
- Vinay Sanghi:** I don't want to get into competitive market shares at this point. But the reality is that CarWale, if you look at the traffic market share, is very dominant in the business it's in. And that comes from the number of users which come itself. Clearly, the dominance is displayed in all facets of its business. All its engagement calls, and how we serve our customers, manufacturers and dealers. We also feel very strong about the revenue growth at CarWale. I have a 32% growth in 9 months. And if we look at the last 3 years CAGR of growth of CarWale, it's been extremely strong. So I would like to keep it at that. But really, we see that CarWale is becoming clearly a dominant new car platform.
- Vijit Jain:** Got it. Understood. Just last question for Aneesha. If you can give me the split/mix between new and used and OEM versus dealers?
- Aneesha Bhandary:** Sure. Similar, Vijit, to what we have disclosed previously. The used continues to be like 15% versus new being at 85%. The OEM dealers at ballpark 70-30 kind of ratio, OEM being 70 and dealer being 30.
- Vijit Jain:** And within the remarketing business, what will be the split between retail and those 3 categories that you split remarketing into?
- Aneesha Bhandary:** So repo is about 49% of our business, retail continues to be about 40% of the business and the balance is corporates.
- Moderator:** The next question is from the line of Deep Shah from NV Capital.

- Deep Shah:** Sir, my first question is on the consumer business again. I just wanted to understand over a 2-year horizon, do you see growth kind of tapering down? Because firstly, during the IPO, you all had mentioned that the penetration of like digital ad spend is around 19%, that currently would have increased to around 35%, 40%. So it's much closer to global peers.
- Secondly, it's largely a duopolistic market. So do you use pricing as a conscious lever, so just a thing like the base would also catch up. So just wanted to get an understanding of the consumer business over 2 years. How do you see growth coming in here?
- Vinay Sanghi:** Sure. I think the first thing is that spends of manufacturers are in the 18% to 20% range on platforms like ours. I think the 30%, 40% you may be referring to, if you include OTT platforms and television, like YouTube and other things like that, there's a huge headroom for advertising from the offline world to grow in the online world in the automotive industry. So the 17%, 18%, 20%, we think obviously will grow much larger over the next few years, number one.
- Number two, we also feel among digital advertising platforms, whether if a manufacturer is advertising on us or other horizontals, we feel we offer a far of value to dealers and consumers. So we see a clear increase in our market share in spends.
- Number three, we definitely see the automotive industry growing at a particular rate for the next 5 years. And we've shown that even if the industry growth is more muted, we continue to grow because of the shift towards spending on platforms like ours.
- And number four, we definitely see as prices and ARPUs of cars and the mix of cars changes, we benefit from that. So there are multiple, multiple factors, I think, right from user growth to all these 4 factors, which is why we see that the consumer group has continued to grow on over the last 3 years. Even this year, it's grown at 32% for the first 9 months. We see no reason for this change for the coming few years at all.
- Deep Shah:** Sir, the 20% penetration you said is on the auto portal side, right?
- Vinay Sanghi:** No, no, no. It's on automotive plus all other such digital platforms.
- Deep Shah:** So would like Meta, Instagram, all of that would come in here or...
- Vinay Sanghi:** That will come in that, yes.
- Deep Shah:** Okay. And on pricing, do you see that as a conscious steward to, I mean, increase or support your top line?
- Vinay Sanghi:** Your prices change based on product change and mixes too. I think we're not a company which charges more for doing the same thing. We normally try and increase value to our users to manufacturers and dealers when their prices change or when we provide more services to them. I think that's the way we think about it.
- Deep Shah:** Okay. Got it. And just in addition to the previous question on mix on the remarketing group, the 10% corporate that you mentioned, how would you differentiate between the retail and the corporate, what do you include in the corporate piece?

- Vinay Sanghi:** Retail, a single user. Corporate is someone who's got bulk vehicles, it is different. I mean a corporate would be a vehicle company...
- Aneesha Bhandary:** Ola, Uber.
- Deep Shah:** Fleet owners would be corporates?
- Vinay Sanghi:** Yes, fleet owners could be corporate, yes. Individual is a single individual.
- Deep Shah:** Okay. And the last question was on OLX. You mentioned that the group would pick up from them. Could you just elaborate on the non-auto portal? I mean when you had acquired this, the focus was largely on the auto piece of the business. How are we scaling up the non-auto piece? And could you just explain it?
- Vinay Sanghi:** I think the non-auto piece has also grown rapidly. I think, in this period, the non-auto growth has been slightly ahead of the auto growth. So it's been pretty strong. There are multiple parts of it from electronics to goods to mobile, furniture, bikes, jobs, real estate, so multiple parts of it. We feel very optimistic about all those. In fact, in mobile phones, almost 25% of all phones sold are listed on OLX. We've shared that market share data as well publicly.
- And even in furniture, if you, today in India, are selling a table or a chair or anything else, OLX is a single destination where 180 million, 190 million Indians come every year to sell something or buy something. So it's a very strong platform for used products from a non-auto standpoint. Of course, in auto, 65% of cars are listed on OLX. But even on non-auto, we find that the traction and the adoption is extremely high and very optimistic about the non-auto side.
- It actually fulfills a very major need for the population of India that if you ever want to sell something, I think this is the only methodology you can use to sell what you have. It could be a piano. It could be anything. And we said before that a lot of this operates hyper-locally. So if you are listing an item in a particular geography, within a 5-kilometer geography, there's a buyer for you. So very strong platform, very strong transaction metrics and extremely strong adoption by users.
- Moderator:** The next question is from the line of Shrenik Mehta from IndoAlps Wealth.
- Shrenik Mehta** I have two questions. Number one was on the ROE. So you have a fairly strong glidepath to the growth here. When do you think in the next 2-3 years, you can come to a more ROE, which is closer to, say, the growth that we want to take, which will be in the range of 20%-25%?
- Vinay Sanghi:** I don't give a guidance on when that will happen, but clearly, we see the ROE going up because as profit goes up and the lack of capex or other big investments being made, we clearly see the ROE going up in the company.
- Shrenik Mehta** Okay. And second, I was thinking a little bit about the AI. So do you have some AI case which you've utilized in your company and has been very successful to bring the business growth to you, any one user case?

- Vinay Sanghi:** So multiple interventions of AI. I think the one which is already live, which all users use even today is if you list a product on OLX and let's say you list a car and you put a photograph or something else, our AI tool will immediately will check on it, and obviously guide you to say, listen, this is our product. So there are multiple small interventions like this, but AI is being used across to enhance user experience on CarWale or OLX.
- There's a lot of pricing information. So we go to CarWale today when you're buying a used car, it will immediately guide you, tell you what price you should pay, which is all intelligently as you know, used car pricing is an extremely complicated item and this is all through AI, so multiple interventions, but there's a long, long way to go with. This is the beginning of the AI intervention in the business.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as the last question for today. I now hand the conference over to Mr. Aryan Sumra for closing comments. Over to you, sir.
- Aryan Sumra:** Thank you. I would like to thank the management for taking their time out for this conference call today. And I would also like to thank all the participants. If you have any queries, feel free to contact us via MUFG Intime, Investor Relations Advisors to CarTrade Tech Limited. Thank you so much.
- 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. Thank you.