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Dated: 30 July 2026

Cartrade Tech (CARTRADE) - REDUCE

Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.2856	**Rs 2700**

Rationale:

- Cartrade posted consolidated revenue growth of 16% yoy, below estimates, on account of weaker-than-expected growth in the core classifieds and SAMIL businesses.
- Adjusted EBITDA margin of 34.3% expanded 690 bps yoy.
- Upgrade revenues by ~1-2% for FY27-29, though EBITDA is lower due to higher tech spends.
- We increase our valuation for the OLX business, given improvement in monetization and margins.
- Roll-forward to Sep 2028E leads to a revised SoTP-based FV of Rs2,700 (Rs2,300 earlier).
- Downgrade to REDUCE and await a better entry price into the name.

Positives:

- Decent growth driven by organic user acquisition.
- EBITDA margin improvement across segments, driven by operating leverage.
- OLX reported healthy 29% growth; focus is on better monetization.
- Strong organic traffic growth in core business.
- We estimate revenue CAGR of 21% over FY26-29E.

Negatives:

- Consolidated revenue growth below estimates, on account of weaker-than-expected growth in the core classifieds and SAMIL businesses.

(EPS: Earnings Per Share, CAGR: Compound Annual Growth Rate, EBITDA - Earnings before Interest, Tax, Depreciation, and Amortisation, GMV - Gross Merchandise Value, MAUs – Monthly Active Users)

Holding Period: 12 months

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RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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