

## Tracxn Technologies Ltd.

Neutral

### Issue Highlights

Issue Open	October 10, 2022
Issue Close	October 12, 2022
Issue Price	Rs. 75 - Rs. 85 Per Share
Total Issue Size	Rs. 309 Cr
Of which	
Offer for Sale	Rs. 309 Cr
Face Value	Rs. 1 Per share
Market Lot	185 Equity Shares
Issue Type	Book Built Issue

### Offer Structure

QIB Category	75%
Non-Institutional	15%
Retail category	10%

### Lead Book Running Managers

⇒ IIFL Securities Ltd.

### Registrar To The Offer

⇒ Link Intime India Pvt Ltd.

### Research Analyst

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### Key Highlights

- ❑ **Company Background:** Incorporated on 11th August 2012, Tracxn Technologies is among the leading global market intelligence providers for private company data and rank among the top five players globally in terms of number of companies profiled offering data of private market companies across sectors and geographies. They have one of the largest coverage of private companies in emerging technology sectors including IoT, artificial intelligence, virtual reality, robotics, block chain and electric vehicles.
- ❑ **Scalable and secure technology platform:** Tracxn Technologies have an assets light business model and operate Software as a Service-based platform, Tracxn. It is a combination of technology and human analysts, and is able to process vast amounts of data. This platform is developed in house and built primarily using new age technologies for hosting on cloud infrastructure. Further, it is mapped to over 49,000 different business models, searchable in near real-time through a set of search tools built in-house using an open search engine and analytics solution. Besides, they have built a range of business and workflow tools and for gathering private market data, they have built a web-crawling and data engine.
- ❑ **Diversified Customer Base:** The Company has a diverse base of 1,139 Customer Accounts present in over 58 countries, as of June 30, 2022. These customer accounts are for Customers that include 'Fortune 500' companies and/or their affiliates. Further, their global customer base helps them limit their dependency on a specific customer, industry or geography thereby reducing financial and concentration risk.
- ❑ **Significant Cost Advantage:** Tracxn is an Indian SaaS company and their platform Tracxn serves customers globally. Their ability to develop and deploy the platform in India provides them with significant cost advantages. Service providers, especially those operating in regions like India have a cost advantage as their pricing is much more competitive than their global competitors. Remuneration is 10 times lower than the USA and around 6 times lower than the UK. Due to the cost advantage the company has can continue to grow in different geographies and offer additional services.
- ❑ **Financials:** On the financials front, the company's revenue has grown at a CAGR of 30.4%. Although the revenues have increased, EBITDA and PAT have been in negative for the past 2 years. So, an investor needs to keep a watch on the financials for FY23.
- ❑ **Risk:** 1) Competition intensity is high across industry 2) The company revenue may decline, if customers do not renew their subscription.

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[Please note that only in case of multiple RAs, if in the event answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) below , are given separately]

S. No.	Statement	Answer	
		Yes	No
		Tick appropriate	
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of Interest is given below this table]		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		No

	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation for products or services other than brokerage services from the subject company in the past twelve months?		No

	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

Nature of Interest ( if answer to F (a) above is Yes :

Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) above , are given below]

SS.No.	Name(s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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