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Dated: 29 Oct 2025

Cartrade Tech (CARTRADE) - SELL

Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.3135	**Rs.1700**

Rationale:

- Cartrade posted consolidated revenue growth of 25% yoy.
- The adjusted EBITDA margin of 34.6% was higher than estimates and expanded by a solid 950 bps yoy.
- We raise FY26-27E EPS by 19-32%, as we model higher revenues and better margins.
- This, coupled with the roll-forward to December 2027E, leads to a sharply higher SoTP-based FV of Rs1,700 (Rs1,060 earlier).
- The strong run-up in stock price, however, caps upside.

(SAMIL- Shriram Automall India Limited, EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization, EPS- Earning Per Share)

Positives:

- Classifieds business revenues grew 37% yoy
- SAMIL's 2Q revenues increased 23% yoy.
- Strong organic traffic growth in core business.
- OLX 2Q revenues increased 17% yoy with healthy margin improvement.
- EBITDA margin improvement across segments driven by operating leverage.
- Future growth: Focus on better monetization of core business and OLX.
- Cartrade had ~Rs1080 cr of cash on books as of September 2025.

Negatives:

- The automotive industry growth in the last many months is 0-2% and is not driving growth in the business.

Holding Period: 12 months

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.
RS	–	**Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.
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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