TRACXN TECHNOLOGIES LIMITED

May 22, 2024

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001
Company Code: 543638

To,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400051
Company Code: TRACXN

Sub: Transcript of the Investor/Analyst Earnings Call held on Monday, May 20, 2024

Dear Sir/Madam,

This is in continuation to our letter dated May 20, 2024, wherein we had informed regarding the video link of the earnings call with analysts/investors for the quarter and year ended March 31, 2024.

In this regard, please find enclosed herewith the transcript of the said call.

The transcript is also available on the Company's website i.e. https://cdn.tracxn.com/investor-relations/financials/FY24_Q4_Earnings_Call_Transcript_niKM1Dih1mrbcqWCtC1dY.pdf

Kindly take the above said information on record.

Thanking you.

Yours faithfully,
For Tracxn Technologies Limited

Surabhi Pasari
Company Secretary and Compliance Officer
Membership No. F11215

Encl. A/a

Place: Bengaluru
Date: May 22, 2024

Tracxn Technologies Limited

Q4 FY24-Earnings Conference Call

May 20th, 2024

Management:
Ms. Neha Singh, Chairperson and Managing Director
Mr. Abhishek Goyal, Vice Chairman and Executive Director
Mr. Prashant Chandra, Chief Financial Officer

Host and Moderator:
Mr. Sidharth Agrawal, Systematix Shares and Stocks (India) Ltd
Mr Sameer Pardikar, Systematix Shares and Stocks (India) Ltd

Moderator:	Good evening ladies and gentlemen. Thanks for joining us today on the Q4 Quarter and Annual FY24 Earnings Call of Tracxn Technologies Limited. On behalf of Systematix, I would like to thank the management of Tracxn for giving us the opportunity to host this earnings call.
	Today on the call we have with us Ms. Neha Singh - Co-founder, Chairperson and Managing Director, Mr. Abhishek Goyal - Co-founder, Vice Chairman and Executive Director, and Mr. Prashant Chandra – Chief Financial Officer.
	I would now like to hand over the call to Neha to give her opening remarks and take us through the PPT, and after that we will open it up for the Q&A session. Please use the raise hand option to ask the question or you can also submit your questions in the Q&A box at the bottom of your screen. Thanks and with that, over to you Neha.
Neha Singh:	Thanks Siddharth. Welcome everyone. Thanks so much for joining us today for our Earnings Call for the 4th Quarter for the financial year FY24. We are very excited to present our results for this quarter. In terms of format, we would like to run through a short presentation and share some key highlights for this period. I'll also give some commentary along which will be helpful in the overall understanding. And we'll follow it up with a Q&A session. I request you to please take note of the standard disclaimers for this presentation.
	Quick recap on our business. Tracxn is a data and software platform for the private markets globally. If you look at the public market, it has created multiple large companies, many of which are highly cash rich profitable companies. As private markets are becoming large and important, it will also create platforms like these and we are building a global platform in this space. Our customers include venture capital funds, private equity fund, investment banks, as well as M&A and innovation teams of large Fortune 500 corporations. It's a global platform, so 66% of our revenue is international and we have customers from over 50 countries.
	I would like to begin by summarizing the financial performance for Q4 and FY24.
	To set the context, we have one business, one legal entity, so you'll not see terms like standalone or consolidated. All the numbers that we have is for the business overall. The Revenue from Operations for Q4 FY24 was 20.3 crore. Total Income was 21.6 crores. Coming to profitability, EBITDA for the quarter was positive 0.7 crore. Also to add, this EBITDA includes all non-cash expense also like ESOP charge. PAT for the same period was positive 1.4 crores. Moving on, EBITDA margin was 3.3% and PAT margin was 7%.

I will quickly summarize the numbers for the financial year FY24 as well. Revenue from Operations was 82.8 crores, which is a 6% increase on a year-on-year basis. Total Income was 87 crores, which is a 7.2% increase on a year-on-year basis. In terms of profitability, EBITDA was 4.6 crores for FY24. PAT was 6.5 crores for FY24. In terms of margin, EBITDA margin was 5.5%. PAT margin was 7.9%. The business continued to generate positive free cash flow. The free cash flow for FY24 was 10.3 crores. Cash & Cash Equivalents stood at nearly 75.2 crores, which is an increase of 24.7% on a year-on-year basis or an increase of 14.9 crores in absolute terms on a year-on-year basis.

In the subsequent slides, I will be covering each of the metrics we talked about in the summary in more detail, starting with revenue. Revenue from Operations is essentially revenue from platform subscriptions. 100% of this revenue is subscription-based, so there is no services or one-time implementation component. So, it's a fairly high-quality revenue. Also, please note that this is accrued revenue. Though we do prepaid billing and collections like most other financial data platforms you may have used, we only recognize revenue for the time duration falling within the reporting period for which the service was made available. As discussed earlier, Revenue from Operations in FY24 was 82.8 crores, which is a 6% year-on-year increase. Total Income for FY24 was 87 crores, which is a 7% year-on-year increase. We've also added historical data for the last three financial years for reference here.

Coming to profitables, we continue to have profitable operations in FY24. EBITDA for FY24 was 4.6 crores. Please note this also includes a non-cash expense, primarily ESOP expense. If you exclude this non-cash expense, the adjusted EBITDA for this period will be 9.4 crores. PAT for FY24 was 6.5 crores. If we exclude the non-cash expense, primarily ESOP expense, the adjusted PAT will be 11.3 crores. Just a point to note here, in the PAT calculation, you will see a tax component as well, which is the tax amount set off with deferred tax asset. This is a non-cash component as we don't have to pay taxes as we have accumulated losses, but this non-cash expense is included in the PAT calculation.

Coming to margins, EBITDA margin for FY24 was 5.5%, which is an expansion of 2.2% on a year-on-year basis. PAT margin for FY24 was 7.9%. So, we continue to see margin expansion on a year-on-year basis.

One of the other metrics we track closely for the business is what part of the incremental revenue is going into bottom line. We saw this metric increase this year as compared to last year. In the previous years, it has been much higher. In FY21 and FY22, it was close to nearly 80%. In FY23, we saw this metric decrease to 31%. So, earlier there were some questions around what do we expect this number to be going forward. We had mentioned that we expect this to increase. So, in line with what we had mentioned, we saw this metric increase with the 2nd half of this financial

year being higher than the 1st half. For the full financial year, FY24, the percentage of incremental revenue going into bottomline was 43%. So, this is higher than what we saw in the previous financial year and a very good increase and going back to the norm.

Coming to expense, our Total Expense for FY24 was 78.4 crores. This is a 3.5% increase over the same period last financial year. If you see, this expense growth is lower than the CAGR across the last two years, which is what we had indicated in the previous quarters. On the right-hand side of this slide, we have given the expense breakup of this cost across the key components. The key components are the same as what you had seen previously. But just to summarize, first, bulk of our expense is team cost. In FY24, this was 88% of the total expense. It has been in the same range across the last two financial years. So, in FY22 and FY23, it was 89% and 88% respectively of the total expense. Also, note that all our team is in-house, so there is no outsourced or contract workforce. The second largest item is cloud hosting, which accounted for 3.1% of the total expense as we do a lot of data processing and analytics. This is followed by rental expense.

The other interesting aspect is that we do not have a large paid marketing expense line item because we do not have a large paid marketing spend, neither digital marketing nor offline-based, typically required for customer acquisition. The reason for this being because we are a data company, we produce a lot of content, and hence are able to use that to get a lot of organic traffic. So, we are able to acquire leads efficiently, which is reflected in the expense breakup.

Coming to revenue growth, if you see the previous financial year's revenue grew at a CAGR of 28% from FY20 to FY23. If you look at FY24, it grew at 6% on a year-on-year basis.

Doing a deep dive on the growth and revenue metrics, we have given the growth rates by the different regions. We have the split of the revenue by the four geographical regions, which are Americas, APAC excluding India, EMEA and India. In terms of the revenue contribution in FY24, India and Americas contributed to nearly 34% and 32% respectively. EMEA contributed to around 23%. The rest of APAC contributed to the remaining 10%. In terms of growth, India and Americas grew at between 10% to 15%.

Next, we have shared the number of accounts which gave us a revenue of more than 20 lakh, 30 lakh, 40 lakh across the last four financial years. So, if you see the number of clients, it grew consistently across all these three revenue buckets across the last four financial years. So, it is interesting to see that despite the market conditions during the last financial year, large accounts have continued to grow for us, also indicating the fact that customers are willing to pay more if you deliver value. And there is a continued headroom for account expansion.

Continuing on the revenue side, I wanted to talk a little bit about the markets. So, in line with what we had indicated in the last quarters, if you look at 2023 calendar year overall, it was a very muted year for the private markets. I am sure you would have already seen some commentary on this in the press, but just to put into perspective, the deal activity was one of the lowest. So, if you look at the global tech funding, it was at a near six-year low. Global funding in 2023 was down nearly 44% of the previous year. Similarly, the trend in India was similar to the global trends, where it was down nearly 70% in 2023 over the previous year. This was more stark in the later stage. One proxy for the late-stage activity is the number of new unicorn startups that got created or the new private companies which got valued at over a billion dollars. In 2023, the number of new unicorn companies which got created globally, which is a proxy of the investment activity in the late stage, was the lowest that it has been in the last seven years. India, for instance, saw only two new companies got added to the unicorn list, coming down from a peak of nearly 44 in 2021.

Even if you look at the M&A activity, it has been very muted. If you look at the M&A deal value in 2023, it was the lowest that it has been in the last decade. Even if you look at the IB fee, the Investment Banking M&A Advisory fee in 2023, it was the lowest in the last 10 years.

So, on the question of when will the private markets bounce back, if you look at more granular quarterly data, the overall funding recovery is still awaited. However, you can see improvement in parts. For instance, if you look at the early stage, you can see signs of recovery that has started to happen. So, if you see the year-on-year growth rates, the declining trend which was starting to happen for the last few quarters, has started to reverse. This is also something that we see anecdotally around. The general consensus is that you should see recovery in the 2nd half of this year. Early signs look positive. So, we'll have to see how this progresses in the coming months.

Coming to some of the business metrics, we are seeing green shoots. Here on the left-hand side, you can see the Q on Q trend of number of customer accounts. And on the right-hand side, you can see the number of customer accounts that got added in each quarter. Q4 saw the highest number of customer accounts getting added, higher than what it got added in the entire rest of the year. In terms of numbers, Q4 saw 88 accounts getting added, which was higher than the preceding quarters as well as higher than the average quarterly addition run rate last year.

Coming to deferred revenue, we see this continues to hold up. The deferred revenue for Q4 FY24 was 32.9 crores, which is a 12% year-on-year increase.

Coming to platform engagement metrics, they continue to look very

healthy and following an upward trend. If you look at the platform usage, which here is in terms of the number of exports and Myanalyst data queries that customers have sent, it has grown 1.5x across the last two years. So, the engagement has increased both at the overall level as well as on a per-user level. So, this is a very healthy trend that we continue to see.

Apart from these, we at our end have also been investing heavily across various growth initiatives. We span across the go-to-market funnel of marketing, sales, and account expansion. We believe as the markets open up, we should see more acceleration in terms of new customer acquisition as well as customer expansion. I'll take a couple of minutes to share some of the growth initiatives we are aggressively working on, and we are very excited to share the results of what we've been seeing.

One of the very interesting growth initiatives that we have talked about previously, is scaling of our organic traffic. Because we are a data company, we are able to use a lot of the data that we own to launch a large set of public pages, which generate a lot of customer traffic. For instance, someone who is searching for, say, a FinTech company in Sweden or SAAS companies in California, they come across our pages and we are able to generate leads through that. So, if you look at our organic traffic we got across all our pages, that was nearly 16 million in FY24. So, three things regarding that. One is, it's a very large funnel that we've been able to build. Second, it has grown rapidly, as you can see, across the last few quarters. For instance, it has grown by about five times in the last three years. Thirdly, we continue to work on this aggressively and we expect it to increase even further. For instance, the current traffic run rate has already reached 19 million, which is much higher than the last year's traffic.

Another very interesting growth initiative is the launch of Tracxn Lite. We launched Tracxn Lite at the end of last year for product-led growth to increase the awareness about the richness of our platform among potential customers. With Tracxn Lite, users are able to get access to the entire platform when they sign up, with obvious limitations such as restricted daily limits for profile views, exports, certain product modules, etc. So, we are seeing very good traction in this. Over 20,000 users have already signed up within just the first three months of launch. And monthly actives have now crossed over 8,000. So, this helps us in building a very good acquisition pipeline as part of the users express interest to upgrade.

We've also set up a specialized team for select high-potential customer segments, a good example being universities. So, we've set up a specialized team with cumulative experience of over 20 years in selling to universities. Majority of our relevant customer segments come from top universities globally, which is also a great avenue for them to get to know about data platforms like ours. More than a revenue segment, universities

are also a great marketing and discovery channel for us. So, you can see some of the university accounts that are our customers.

Moving to the next segment, we have helped set up a specialized team for private equity. So, PE is a large and cash-rich segment. We currently have lower penetration in this segment as compared to the venture capital segment. So, this is a very close adjacent segment that we can look to acquire customers in. To better tap this segment, in addition to a specialized sales team, we have also doubled down on the data production for the PE segment. We'll cover the increased data production subsequently, and we believe this will help us close more accounts in this segment.

We've also set up a specialized team for startups. We have seen high volume of inbound leads from startups. And even though this segment is served by the same platform, they have slightly different use case and workflow requirements, as it is more focused on sales and marketing data, market intelligence, and investor outreach. It's a very high-volume segment, but it has a lower price point than the investors. Cumulatively, this can be a sizable segment served by the same platform. So traditionally, we have not catered to this segment, but more recently, we have set up a separate go-to-market strategy for this segment, as we've been getting a very high and increasing volume of inbound from this segment. This includes a separate team to focus on acquisition and expansion of customers in this segment, differentiated pricing, separate billing and collection process. Through these initiatives, we are seeing a good initial success in terms of the pace of customer acquisition in this segment.

Another interesting growth initiative is, we have been expanding our coverage in financials and cap table datasets of private companies on the platform. These datasets were particularly in demand by certain customer segments like private equity and investment banks, among others. So, we have invested in significantly increasing the throughputs of these data production engines. We believe that this will help us accelerate our revenue in future, particularly in the customer segments of private equity and investment banks.

Talking about financials, we today cover financials of private companies across over 20 countries globally. The number of detailed financials on the platform has increased 5x in just the last one year of 2023. Or in other words, we added nearly four times the number of detailed financials on our platform in just the last year than what we had added across all these years since launch of this module. There's also a lot of automation and intelligence that we've been able to build to do this without increasing much headcount. As of May' 24, we had over 890,000 companies with revenue data and over 110,000 companies with detailed financials available on the platform.

Coming to cap tables, cap tables are requested by investors to see the detailed shareholding, valuation, latest as well as historical share price of private companies. Today, we track cap tables across over 15 countries. The number of companies with cap tables has increased 1.4x in just the last one year. As of May'24, we had over 43,000 companies with detailed shareholding available on the platform.

Legal entities. So, this is a new database that we launched of legal entities. This helps investors to screen through legal entities registered across the various countries for specific high growth metrics like revenue threshold or growth rate or profitability or headcount data, etc. As of May'24, we had nearly 30 million legal entities on our platform. Major countries by coverage include UK, India, Singapore, and US. So, this is a new database that we launched, and obviously, the data that you can see has increased at an amazing pace. Our aim is to increase this database to 50 million soon.

Another set of initiatives underway are for improving paid customer engagement, as well as, account expansion to enhance growth of revenue from existing customers. A separate team has been set up to increase the penetration of paid licenses within the existing accounts, thereby moving from reactive upgrades to more proactive upgrades. One of the examples of initiatives under account expansion is, for instance, curbing login sharing within an account. So, this is working well and we plan to continue to scale it. We've also set up a separate team within our customer success team for various engagement initiatives aimed at increasing user level and account level engagement through initiatives like better platform education, periodic touchpoints, hero features, personalization, and more.

Another interesting growth initiative that we have talked about in the past, is press mentions. As we've mentioned previously, whenever media talks about data for private companies or startups or emerging technology sectors, we want them to quote data from Tracxn. Our recent initiatives like launching reports with media, data contributions, regular columns in some newspapers, etc., have resulted in multifold increase in press mentions that we have received across various respected media outlets. Advantage of press mentions is that a lot of people discover our data for the first time through media, and come to our website and generate a very high intent lead. Also, we believe this goes a long way in building a brand as a data company and also helps our sales conversion, and hence our revenue growth.

Moving on to some of the other metrics, the company generated positive free cash flow of 10.3 crores in FY24. If you see, this is a slight decrease over FY23 last year. This is mainly due to the pending tax refunds which are expected to be realized in the coming quarter. Cash & cash equivalents stood at 75.2 crores, which is a very healthy increase of nearly 15 crores

on a year-on-year basis or a 25% increase on a year-on-year basis.

In the subsequent slides, we have covered some other KPIs for our business. On the first, we cover number of customer accounts, number of user accounts. We closed March'24 at 1,312 accounts and 3,593 users, which is a 7% and a 5% growth on a year-on-year basis. Please note that Q4 FY24 was the highest within the year and contributed to bulk of the account additions.

In terms of some of the other KPIs, contract price or the invoicing amount for FY24 was 86.6 crores, which is a 6% increase on a year-on-year basis. The last graph talks about the entities profiled, which is a proxy to the amount of data covered or data added onto the platform. So today, we track more than 3 million profiles, including private market companies, funds, etc. globally.

In terms of some other interesting characteristics of the business, 66% of the revenue for FY24 was from outside India. If you see, this has been in the same range across the last three financial years. These customers span over 50 countries. The top 5 countries within this show a similar spread to where you have large corporates as well as private market investors. The top 5 countries for us by number of customer accounts are India, US, Singapore, Germany, and UK.

Additionally, we also serve a diverse and a rich customer base. The investment industry, including venture capital funds, private equity funds, investment banks, as well as corporates across M&A teams, innovation teams, etc., and others like government agencies, universities. So this gives us a very large addressable market to tap into.

So, this covers most of the key updates from the recent period. In the subsequent slides, we cover the business overview. I will skip going over these slides, but please feel free to check it offline. Subsequently, we also have some slides in the detailed financial statements, which you can go through for more details.

Thanks. That's all the key items I wanted to share. I'll pass it back to Sidharth for any Q&A that the group might have.

Moderator:	Yeah. Thank you, Neha. That was a really good introduction. So, we can start the Q&A session now. Actually, we already had a few hands raised even while the session was going on. So I'll first give an opportunity to Nikhil Chandak. Nikhil, are you there?
Nikhil Chandak:	Yeah. Hi. I'm there. Thanks, Siddharth. Hi, Neha. Thank you for the presentation. Neha, I just had one question that, when do we start growing at the earlier CAGR, which you mentioned about FY20 to FY23,

which was in that range of 25%, irrespective of the startup environment? I'm just saying, theoretically, if the startup environment were to remain, say, sluggish, for example in the next 3-4 years, does it mean that we will still grow at the single digit kind of numbers on the revenue? I'm talking about revenue over here. So on the revenue side, or irrespective of the startup environment, whatever that does, can we grow at that 25% clip by way of market share gain or more markets… I mean, other territories and so on and so forth? So how does one think about that?

Neha Singh: Sure. Thanks, Nikhil. So yeah, that's correct, that if you look at historically, it has been nearly 30%. And so, if you break down the reason, for instance, little bit slow growth last year was one of the… one is obviously market. If you look at the overall stats, it's one of the lowest that it has been the last 10 years, particularly in the late stage, right? Which has impacted essentially all players in this market. If you look at all players, which are serving private market data, it has impacted that. Second is that, some regions were more impacted than the others. So, for instance, if you look at India and America, they grew at between 10 to 15%, but Europe was, slower than the other regions.

So, on your question of when do we sort of expect that to be back? So, one is, the general consensus that, from H2, the market should start to become better. But even if that doesn't happen, there are other things that we are also doing. So, for instance, for Europe in specific, we are doing something to be… so there you should start seeing a little bit more growth. We're doing a couple of things. One is basically we're increasing the coverage of financials over there, which would help us sign up more customers in terms of the PEs, etc. We're doing something in languages.

Secondly, we have also started… if you see the account and account growth, we have started to see that the volume growth has started to happen. And we are hoping that the value growth should subsequently follow that. So, and for instance, a lot of the efforts that you saw on increasing our conversions for a few segments like PE, etc., is all aimed towards that, that despite whatever happens externally, we are able to sort of see more conversions in these segments.

Nikhil Chandak: So, how does that translate? So, for example, what I was asking is, irrespective of the environment. Because that can remain bad for three years, God knows, right? I mean, nobody knows. It may not bottom out in the 2nd half of this year. That nobody knows, frankly, because it's still a tough environment. And interest rates are what they are; the bubble has burst. Once the bubble bursts, normally history shows us it takes a long time for things to come back to normal or to really boom again. So, if the other steps which you're talking about in Europe, etc., does that mean you come back to 20-25% growth rate, say for fiscal '25, fiscal '26?

Neha Singh: So, we are hoping for that. Like, without giving a sort of guidance, we are doing all these steps wherever we are seeing more impact or segments

wherein we want to improve conversions. So, all of this is basically aimed towards that. A good example is the account expansion that you saw. So, we are just starting some of the set of initiatives for account expansion. You saw even the large accounts sort of grow even in this year. And that is another area that you will probably see more effort. So, I think a lot of our efforts for both, increasing conversions as well as sort of mining more from the existing ones, you see in that direction. And specifically, there are segments wherein we see were more impacted. There, we are having a separate thing to be able to sort of see growth in those as well.

Nikhil Chandak: But any number we can pencil in for fiscal '25? Whatever your business plan might be, like what revenue growth one can say expect for this year, this fiscal year?

Neha Singh: So, I guess that would be… as you know, we abstain from sort of giving guidance. But, you know, hopefully that should become better from last year.

Nikhil Chandak: Okay, perfect. Thank you so much.

Moderator: Sorry, probably I was on mute. Thank you, Nikhil. Our next question is from Pratik Dedhia. Pratik, would you like to unmute yourself and ask your question?

Pratik Dedhia: Sure. Am I audible?

Moderator: Yeah, loud and clear.

Pratik Dedhia: Okay, cool. Thank you. So, my question is more on employee headcount. So, you mentioned that your employee is a bigger, major chunk. So, can you give some light on how the employee headcount has grown? And how do you look at it from the future perspective in terms of headcount growth, and how does it translate into top line growth?

Neha Singh: Sure. Thanks, Prateek. So, just to answer that question, yes, so, employee count today across the last three years, it has been around 88 to 89% of the total expense. So, that is like the largest part of the expense. In terms of the headcount, last year, the average headcount was slightly more. Today, the average headcount was… this in FY24, the ending headcount, for instance, is about 720 people. So, there were some teams which had grown, like the sales team, etc., had grown. But there was also a reduction in some of the other teams, like data operations, wherein you saw a lot of initiatives on the back of automation getting done, which helped us sort of increase data at a much more higher threshold with lesser number of people, right. So, there you saw some rationalization in terms of the number of people which are there. So, coming to your question about you know how do we expect the headcount to be going forward? So, currently if you see across - we have four key departments for the headcount. So, if I have break up the 720 people across the four departments, we have about 95-member team in product and tech , about 370 members in analysts

and data operations, about 200 members in sales, marketing, and customer success, and about 60 people in business support services, right. The team that we will be scaling this year is primarily the sales team wherein we are adding teams for a few customer segments like you saw for, PE we set up a separate team, for universities we set up a separate team. So, there you will continue to see some increase in headcount happen. For the other, it will be very, I would say linear or minimal like in analyst data operations because we keep increasing the number of data production throughput, but because of automation we don't need to increase a lot of headcount, right. So, in terms of the overall increase, you'll probably see increase in the sales team primarily you know in the subsequent year, right, but my sense is that the overall cost, you know increase will still be not very high. It may still be you know like under 10% or so, right, that you might see.

Pratik Dedhia: Alright, got it. And most of, yeah. Okay. Most of their workforce location is in India, right?

Neha Singh: Yes. Actually, all of our team members are based in India. Our entire team is based in India.

Pratik Dedhia: Got it and how do you see your workforce growth translating into your topline growth because your major revenue growth would come from people addition, is my understanding correct?

Neha Singh: So, not so much because if you look at our, the way our customer acquisition happens, you know a lot is driven by marketing. So, for instance you know all the initiatives that you saw around organic traffic, you know increasing to 16 million right now that is about 19 million. A lot of it is marketing driven which is not directly translated in terms of the number of increase in headcount, so that is one big bucket which is there, which is the increase in number of leads. The sales team is yes, which is responsible for the number - for the conversion, you know so from demo to closure, the other team that works behind it. So, you will see some increase in that and there's another team which is on expansion, but we don't really need to increase the number of people for increasing revenue, but a lot of it is also driven by say the increasing in terms of the leads that we are getting etc., which is primarily driven by you know say marketing.

Pratik Dedhia: Okay. Got it. Alright. And my other question was where, in terms of what type of data are you seeing the highest demand in? So, you mentioned that a lot of companies that you have data for would be say ranging from it being a legal entity to say only revenue data being available and for, I think around you mentioned in your presentation that around 110K companies for which you have full financial. So, where in which bucket are you seeing higher demand in terms of data?

Neha Singh: Yeah, sure. So, in terms of the demand for the data, so you know we cover private companies. One of the key demands for the data continues to be

your sector-based data, you know which is one of our core USP. So, for instance anyone who's looking to invest in a D2C brand or anyone who's looking to invest in a hospital chain wants to see a good list of say hospital chains or brands etc. which is there. So, that continues to be one of the core USPs of how people are looking at it and a lot of data related to that. What I mean is that you know when you're looking at a company you want to look at what is the comps, what is the global comps etc. to be able to do your benchmarking or do your diligence much more efficiently. So, that can be used to be the key things. What we have done recently is that we kept hearing from customers that for a specific set of customers for instance, we also require sort of more deeper financial data, revenue data etc. These are across countries. So, that was one of the reasons why for the last couple of quarters you see a lot more effort going into just increasing or doubling down on the you know coverage for these data sets. So, there we are able to see, you know we think that this will help us in sort of increase sort of conversions for specific customer segments, right, which are looking for in addition to the company data, and the sector data etc, they are also looking at the revenue data, financial data as well as data on the legal entities to be able to sort of scan through private companies.

Pratik Dedhia: Okay. Got it. Alright. Can I squeeze in one more question?

Moderator: Yes, please.

Pratik Dedhia: Sure. Okay. So, how do you see competition from global entities and local data entities? What kind of - so is there a pricing pressure or is there pureplay on the quality of the data? What is your sense on that?

Neha Singh: Sure. So, thanks for the question Pratik. So, coming to the competition. See it's not a very highly competitive market in that sense as in you know, unlike a horizontal SAAS company wherein you know if you're buying like an HRMS software or a CRM software, right, there are dozens of players which are there. Here globally, you only have about five or six players which exist in this market, right and currently there is fair amount of differentiation in terms of the data that exists across all these platforms. So, when you're selling, it's not so much that you know you get, it's not so much that due to the competition it's getting benchmark. You know you have to sort of sell your product independently, right. So, you don't see sort of pricing pressure in that sense because there's a fair amount of differentiated data that exist today across the platforms for very commodity data points, you know you may have this, but for a general investor they are looking at lot more other things on the platform than just, one or two data modules.

Pratik Dedhia: Got it. Okay. Thank you.

Moderator:	Yeah. Yeah, Thank you, Pratik. Now, we have next question from Pradyumna Choudhary. Pradyumna would like to unmute yourself and ask your question.
Pradyumna Choudhary:	Yeah. Hi. Can you hear me?
Moderator:	Yeah, Yeah, Yeah. loud and clear, yeah.
Pradyumna Choudhary:	So, first question is on Tracxn Lite. So, if you can give some sense on the costing of the product and is this what is leading to the customer account additions, like do we include Tracxn Lite, customers in our accounts, the accounts that we report number of accounts.
Neha Singh:	Right. So, we don't include the customer accounts on from the Tracxn Lite on to the paid platform. So, I'll give you what Tracxn Lite means. So, we kept - we heard from a lot of customers that when they see the platform then they are able to see the richness of the platform in much more detail. Currently when a, earlier when a user used to sign up, there was no provision for us to give them sort of a limited time or like a limited platform access for a longer time, right, which is you know you might have used a lot of platforms there and you get sort of a limited access for a lot of time, which helps you also get used to the platform or see more data about the platform and then part of the users upgrade in the platform, right. So, that is why we actually launched Tracxn Lite because we realized that currently for our potential customer segments, they really have to use the - see the data. So, once they see the data, then they are able to appreciate right the richness of the data that exists, otherwise they may not be aware that this sort of data sets exists on the platform, right. So, that is why we launched Tracxn Lite. Those users are not accounted in the customer count right because these are non-paid users. Only the set of users that become paid through that they get counted in the paid user addition, right. So, this is for us more of a customer acquisition channel that when the person signs up, they're able to see limited platform for a longer period of time, which helps us build the pipeline of users that are ready for upgrade, right. So, this is more of a marketing channel and not, so these customers are not counted. We only count when the billing starts.
Pradyumna Choudhary:	Understood. Second question is on our Q on Q growth going forward, like what I see is we've had a good net account addition in this quarter, which hasn't really flown to our Q on Q revenue growth because probably your the deferred revenue part, right, revenue gets recognized over the course of the remaining year from the time they've been signed, so can we – would it be right to say that Q4 probably for us was the bottom and we should see at least some sort of a Q on Q growth going forward from here on?
Neha Singh:	Yeah. So, like, yeah, so that is correct that if you see like the account addition, you know they were that volume growth that we have started to see, now that has started to happen and one of the reasons is that we

continue to see like all the value growth does not have like hopefully we are hoping that you know the value growth will sort of follow that and I think there you will probably see sort of more volume growth going forward and hopefully you will also probably see some of it translate into value growth, right.

Pradyumna Choudhary: So, but the sense is that Q4 probably for us was the bottom in terms of the revenue growth, would it be right to say?

Neha Singh: So, I think we'll have to probably see how that works, but a lot of the signs look good, a lot of the signs in terms of you know the customer acquisition that we are seeing or some of the initiatives that we are seeing i for specific regions , there the results that early results that we are seeing that continues to be positive. So, we are hoping for that.

Pradyumna Choudhary: Okay. And lastly on the sales team, like I saw your PPT where you explained how you guys are creating treating sales team specifically for the private equity side, specifically for the startups, which seems like a good initiative. Just wanted to understand like how is this new initiative any different from what we've done in the past like what's the, what would be the idea behind the sales team, like what would be the KRA'sS and also would this need to probably for a in the near term would it lead to a lower revenue to EBITDA conversion because I'm sure it would lead to some higher expenses?

Neha Singh: Right. Yeah. So, I actually answering that in two parts. One is basically what is the purpose for that. So, this is, just to increase the focus on those customer segments as well as to increase the conversion from demo to closure in those customer segments then what is done by a generic team, right. So, for instance universities like we talked about three different customer segments that we that have been prioritized. One is universities. So, universities are like a great marketing channel for us more than just being a revenue channel because most of our customer segments actually graduate from say like the top 500 to 1000 universities globally and we already saw examples of the fact that customers had started using the platform earlier, you know, when they were students and when they joined like a private equity fund or venture capital fund, they also bought the subscription over there, right. So, that is for instance one team. PE was the other team because that's again like a cash rich segment and we have low penetration in PE segment than say like a VC segment. So, that's why there was another team because it just brings in more focus for reaching out to this segment and in this the sales pitch and the conversion, that is required for this segment and startups was the other third team that we had set separately because we just were getting a lot of volume of inbound from this segment. Traditionally, we had not catered to this segment as a separate segment, but we set up a separate team which can do a different pitch, do a different way of collections etc. for this customer segment that helps us also tap that, that's mainly for like sales and marketing data or for market intelligence , right. So, that is that was the

logic of having these teams prioritize and there are one or two more segments which are there in the pipeline, which we will set up in the next coming one or two quarters, which will help us bring in more focus in terms of the closures within the segment and helps us in conversion of the of customers in this segment, right. So, hopefully that answers the first part of your question.

Coming to the second part of the question. So, in terms of the cost and how does this translate into the cost? So, yes, you will see a little bit of increase in terms of headcount in specific sales team, and so yeah, you might end up being, it may not be as much as say last year wherein we had increased the headcount. So, it'll be probably lesser than what it was in FY23, but it will be - we will add headcount in these segments which we believe is good for the long-term, which will help us bring in more sort of conversions and more focus towards the segments that we have been - that we have prioritized.

Pradyumna Choudhary: Understood. Just to follow up here, so sales team like I was hoping for it to be more of a push kind of an initiative where we aggressively go towards the customers and try selling a product, but it seems even now the idea behind these teams is to just like improve the conversion through a better demo and better interaction with the customer. So,

Abhishek Goyal: So, we do reach out

Pradyumna Choudhary: Yeah, please, please, Abhishek.

Abhishek Goyal: Yeah, we do plan for these vertical teams, usually these are 5 to 10 member teams. So, each of these title-based team would be in that range. We first start with inbound. It helps us refine our pitch for that category, pricing for that category sometimes even data related. The insights also come from these vertical teams and then eventually once we start like in a few weeks - few months, we start doing outbound also. See, in university we started doing outbound very aggressively after a few months and we got good results there. Similarly, in private equity, we are now in a phase we are doing more inbound, but I think the idea is that the test out outbound slowly and start getting more conversions there and private equity last couple of weeks we have started to do early outbounds and we are getting good responses there, so but you have to start with inbound because there's a big type of leads coming and they are also very warm, they already are familiar with the product. So, it's always a good idea to start there and then refine all these other items accordingly and then you go outbound.

Pradyumna Choudhary: Alright, thank you.

Moderator: Yeah. Thank you, Pradyumna. Next in line we have Sougata Roy. Saugata has also posted a lot of questions on chat window. So, Saugata, over to you.

Sougata Roy:	Thanks. Thanks so much. Can you guys hear me?
Moderator:	Yeah, you can be a little louder if you want. Otherwise, it's fine.
Sougata Roy:	Great, so Neha, Abhishek, just wanted to start with this question around when I see the results and when I try and reconcile your revenue drop with the number of accounts that have been added and the deferred revenue, the deferred revenue has been flat while you guys have increased the number of accounts in this quarter. So, what is the reason for that because ideally if you are adding accounts then you are deferred revenue should go up?
Neha Singh:	Right. Sure. Thanks, Sougata for that question. Yeah, just to answer that, for instance in terms of the number of accounts, obviously it has been like one of the highest that you see across the last four quarters. One of the reasons why there's a difference between just the number of account addition and the deferred revenue that you see is the size of the accounts. To give an example, if you look at the average number of users on per account across all our accounts, it's nearly three, right. So, on an average there are three users per account, per paid account that we have, but if you see a lot of the new users start small and grow over time, right. So, the new user starts with like a smaller pack like a single user two user etc. and then over time they grow. If you look at more recently a lot more users have chosen for instance, the new onboarding users are chosen for instance a single user plan, right like earlier it used to be a little lower, this time nearly 95% of the sort of accounts which started actually started with like a single user, right? That is why you see that the account addition has increased, but, like there's a little bit, but the deferred revenue difference is only, marginal in that sense, right. So, hopefully that answers your question.
Sougata Roy:	Just to follow-up Neha, and when I go to your Tracxn website, I see that if you want to now get a Tracxn login, the minimum number of users you need is 3, right? Is that correct? And is that a very recent phenomenon?
Neha Singh:	No. So, the minimum user you can actually start with like a single user as well. So, below that you have a single user as well that people can sign up with.
Sougata Roy:	And just, so that I understand your average, so let's say you have added 88 accounts, are you saying that across those 88 accounts 90%-95% of them are single user?
Neha Singh:	That's correct, yes. In terms of numbers.
Sougata Roy:	Understood.
Neha Singh:	Not in revenue, but in terms of numbers.

Sougata Roy:	Understood, understood and anyway I think, even if it is a single user, you guys offer a six month or a three months plan, and a one-year plan, right? So, what is the sort of tenure of clients that you have added?
Neha Singh:	Right. In terms of tenure, right, right. So, in terms of tenure, we have different plans. So, you have typically like a quarterly plan, so all the billing and the collection happens prepaid. So, it's either prepaid quarterly upfront or prepaid annually upfront, right. So, if you look at the typical revenue mix from last year about across the entire base about 60% to 66% would be annual upfront and the remaining would be quarterly upfront.
Sougata Roy:	And what would be the charges for an annual or other pricing for annual versus quarterly on an average?
Neha Singh:	So, it would be similar per user per month. There would be like a one-month discount that you have, say if you sign up over an annual package. This is just to incentivize people to sign up for annual packages. But we have seen that the preference for like a quarterly or an annual depends on the customer type. To give you an example, a lot of the corporates, the large corporates which have a PO process right, they prefer an annual billing. A lot of the funds, because they don't have to go through like a PO process, they actually prefer like a quarterly billing. So, even some of the large accounts would also, for instance be on quarterly billing because it's just the preference by the customer segment.
Sougata Roy:	And so, I'm trying to reconcile this because on an average let's say that, your average per account pricing for a year will be what, 3½ lakhs to 4 lakhs, right? Even if you take it on a quarterly basis, you would add anywhere between 1½ CR to 2 CR of upfront. I mean, there will be cash upfront versus the revenue being deferred, while the deferred revenue has actually fallen. I'm trying to reconcile that, in any customer addition scenario, you should see that deferred revenue go up even though if it is a single use customer. I mean even if there is one customer per account.
Neha Singh:	Sure. So, I'll let probably Prashant, sort of take that and see how there's a deferred revenue sort of change across the options.
Prashant Chandra:	Yes, Sougata, hi. I hope you're doing well, right. So, on the deferred revenue, I mean like one way to look at it is basically of how many months we are basically talking in front basically revenue in waiting to be recognized, yeah. Now it's, a function of the underlying billing. But on an average, historically our deferred revenue has been somewhere between 4½ to 5 months of revenue and if you can see that, that's what perhaps sustaining even now, yeah and right. So, perhaps like you know some of these accounts as they expand, we'll see the tick in the deferred revenue as well, but at the moment, I mean like as much as we are taking out inrevenue recognition there is as much being added as well. Did that answer your question, Sougata?

Sougata Roy:	Yeah, we can probably take this offline. The other question essentially Neha is that the degrowth in revenue Q on Q is it to do with the churn that has happened in quarter three and you're seeing some of that result in quarter 4?
Neha Singh:	So, just to answer that question, so Q3 flowing into Q4 would be - so, I think it would be more on a longer period of time like if you look at some of the regions wherein the degrowth happened, which is primarily Europe right. There probably the last 2-3 quarters have been slow. It's not so much of a spillover, but like it's because of a lot of the conditions which exist. Probably for the last two or three quarters, it has been slow. So, I would say that's a result of the last one or two quarters that spans across.
Sougata Roy:	And how do you see April pan out in terms of customer addition? Has it been in line with quarter four of FY24? Are you seeing that given the kind of initiatives that you've seen, I mean you've started and what are the sort of results that you're seeing, let's say on the PE side and on the University side? If one has to look at your mix of new customer that you've added, how many would have come from a PE and University, let's say in the first four months of CY24?
Neha Singh:	Sure. So, in terms of the volume growth, we continue to see the volume growth happen. Once it has started because of a lot of the initiatives that we have done. So, we continue to see sort of volume growth that continues. Coming to the second part which is you know in these customer segments I think you know there's a lot of initiatives that are underway and you'll keep seeing sort of more logos getting added like even in terms of universities which is there. So, probably the current rate of acquisition is multiple times of what existed maybe like two quarters back. So, that pace has sort of increased for us in terms of acquisition, in terms of number of universities or number of PE customers that is there, but I think you'll probably see more results of that in the subsequent quarters.
Sougata Roy:	Understood. And one final question before I jump back into the queue is that I see that you have 75 to 76 crores of cash on the balance sheet. Are you guys thinking of some sort of capital allocation with that cash in terms of a dividend or a buyback?
Neha Singh:	Right, right. So, yeah, there are essentially two things apart from if you want to do like a strategic acquisition, there are two other avenues. One is dividend and buyback as you rightly mentioned. We cannot do a dividend until we have used all the accumulated losses, right. So, that leaves buyback as one of the options and that is surely something that you know we'll potentially think about in the coming months if we can do that because we continue to generate cash. Like even if you look at last year, we generated nearly 15 crores of cash. Even on the Q on Q basis this increased by nearly 5 crores, right. So, there we continue to see sort of

healthy growth that happens. So, we'll probably end up sort of considering thinking about if we can do something in this direction.

Sougata Roy: Thanks. And just final question, would it be fair to say given the kind of customer accounts that you've added and adding now, I'm sure April is going to be in the same range as Q4, is, are we going to see a 10% plus growth Q on Q in quarter one FY25 and so on, do we, can we expect to see that given your deferred revenue balance as well as customer that you've added?

Neha Singh: So, just sort of we refrain from giving any guidance. We do expect that you will continue to see sort of what we see is that for instance the volume growth has started and hopefully you'll probably see something better that is there in the subsequent quarters.

Sougata Roy: Okay. Thanks a lot, Neha.

Neha Singh: Thanks, Sougata.

Moderator: Thank you, Sougata. Our next question is from Vidit. Vidit Shah Would you like to unmute yourself and ask your question?

Vidit Shah: Hi, yes. Am I audible?

Moderator: Yeah, loud and clear.

Vidit Shah: Okay, great. So, my first question was on the organic traffic. I mean this is grown about 70%-80%, right this year. We've not seen that like anything close to that in terms of addition to customers. Now I understand the market is slow, but like if you could just speak about some of the challenges that the marketing team is facing, while converting the organic traffic, why is this not leading to as much customer additions as it has in the past?

Abhishek Goyal: So, I think we also have to recognize that markets have been very, very soft. So, for private markets, we have never seen this kind of deduction in capital allocation as well as rounds, Unicorn creation. So, this is equivalent to like 2008 moment for public equities. So, that's why you see muted response to a lot of these marketing or growth initiatives that you have done, but we are expecting our initiatives to unfold over next few quarters as well as market to slightly normalize and in one or two quarters, we'll start seeing significantly better results from our initiatives. Neha in case you wanted to add something.

Neha Singh: Right, right. No, that's correct. So, we continue to sort of see work on these and we believe that as sort of a little bit of activity or as all these things pick up, we should start seeing more conversions. Obviously, we are working towards larger top of the funnel, so there ideally your volume

should also go irrespective of whatever happens externally, but as sort of things include we should continue to see sort of more sort of conversions that happen through this and as Abhishek sort of also mentioned that it's a little bit function also of the market like if you look at some of the large customer like large funds like a SoftBank, they did not do any deal last year in India for instance versus they were being very active, right. So, obviously there are a lot of people that are there in the funnel, but as for instance as activity for them sort of picks up, you probably see more conversions or that happen over time.

Vidit Shah: But I'm sure they would still be on the lookout for deals, right? Like even if they did not do a deal, I'm sure they must still be using products to scout for potential opportunities and even in such markets and the other thing I wanted to just clarify is that the 16 million and 19 million organic traffic, are these like unique IP's that we track or there could be some repeat like the same person coming on two different hits?

Neha Singh: I'll probably direct it to Abhishek.

Abhishek Goyal: So, this is the traffic that we receive from Google. These are not uniques. These are reported - Google has a console called Search Console where they give out data about how much traffic they are sending to admins. So, this is that data. So, it is not unique. These are all visits.

Vidit Shah: Okay.

Neha Singh: But these are good representative of the volume that you're getting. So, as that increases, you can also see a lot more increase in terms of some of the other click throughs etc.

Vidit Shah: Yeah, I guess it also represents like how good your data and how much of a pull your data really has.

Neha Singh: Right.

Abhishek Goyal: This is very reliable metric. Everything else you do can be subjective. We realize that this is a very clean, authentic source of data, so we started showcasing this. This is obviously only the traffic from Google, which is probably like 90%-95% of the market, but this is the cleanest and most reliable source of data. So, we depend on this data to give us a guidance on how we are doing.

Neha Singh: And just to add to that, I think we have also at our end been doing a lot of initiatives to be able to increase that, right. Just for instance the amount of data points that we sort of or the pages that we have sort of made live that's in spanning a few millions, so that anyone who's searching for that, they are aware of the data that said that exists, also working through the entire optimization funnel that exists. So, we have also been doing a lot of efforts on our end to be able to sort of increase this traffic.

Vidit Shah:	Understood. Also, if you could just, you answered a little bit on Tracxn Lite, but how long has it been since we've started this?
Neha Singh:	Just three months. So, you can say essentially beginning of this year is when we launched it.
Vidit Shah:	And what is the conversion that we've seen from the Lite customers to full-fledged paying customers?
Neha Singh:	Right. So, I would say, it's still early days, but we started to see that, there are a lot of people that are getting engaged, seeing the data, seeing what it exists, right. Lot of relevant customer segments are also being able to see that light, right. So, but I would say its early days. I think once it's probably spans a few more months then we'll have better data around the conversion panel that exists through this.
Vidit Shah:	Okay. Got it. And you I think gave out some data points in terms of your headcount strength. I sort of missed that. If you could just repeat that for me would be very helpful?
Neha Singh:	Yeah, sure. So, we ended the year, March ending at about 720 people total. We have four key departments, the way it's split across four key departments is about 95-member team across product and tech, that's first. Second is about 370-member team in analyst and data operations, about 200-member team in sales, marketing, and customer success, and about 60 people in business support services.
Vidit Shah:	Okay. And so out of this 200-member team like Abhishek said, we've got about 5 to 10 people dedicated for Universities, private equities, and startup seats. So, about 30 people are dedicated, the rest of 170 are working on other sort of customer avenues, is that the right way to understand?
Neha Singh:	Right. So, yeah there will be separate team for marketing which is more digital marketing focused and then across the different stages of sales, right and the support team as well. Yes, so this spans across all these.
Vidit Shah:	Okay. Thanks. Thanks so much for answering this. Wish you the best.
Neha Singh:	Thanks, Vidit.
Moderator:	Yeah. Thank you so much. I think in the interest of time, probably we'll have to close this call now. In case if you have any further questions, you can reach out to management at investor.relations@tracxn.com. Now, I will pass on to Neha and Abhishek to give the closing remarks.
Neha Singh:	Sure. Thanks a lot. Thanks Sameer. Thanks, Siddharth, and thanks everyone for joining us today. I hope you had a good understanding of our recent business update and we've been able to answer some of the queries. In case you have any other queries, please feel free to reach out

to any of us. I'm neha@tracxn.com or you can reach out to Abhishek or Prashant, or write to our team at investor.relations@tracxn.com. Thanks again and have a good rest of the day.

Moderator:	Thank you very much.
Abhishek Goyal:	Thank you everyone.
Prashant Chandra:	Thank you. Thank you everyone.
Moderator:	Thank you.