

Date: June 02, 2025

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Scrip Code: 543638

To,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051
Scrip Code: TRACXN

Sub: Transcript of the Investor/Analyst Earnings Call held on Monday, May 26, 2025

Dear Sir/Madam,

This is in continuation to our letter dated May 26 2025, wherein we had informed regarding the video link of the earnings call with analysts/investors for the quarter and year ended March 31, 2025.

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/Q4FY25_Earnings_Call_Transcript_DX5351XWb0CnA6FEcheDe.pdf

Kindly take the above said information on record.

Thanking You.

Yours faithfully,
For **Tracxn Technologies Limited**

Megha Tibrewal
Company Secretary and Compliance Officer
ACS-39158

Encl. A/a

Tracxn Technologies Limited

Q4 FY25-Earnings Conference Call

May 26th, 2025

Management:

Ms. Neha Singh, Chairperson and Managing Director

Mr. Abhishek Goyal, Executive Director

Mr. Prashant Chandra, Chief Financial Officer

Host and Moderator:

Ms. Devanshi Kamdar, Systematix Shares and Stocks (India) Ltd

Mr. Sidharth Agrawal, Systematix Shares and Stocks (India) Ltd

Moderator:

Yeah, good evening ladies and gentlemen, thanks for joining us today on the Q4 FY25 earnings call of Tracxn Technologies Limited. On behalf of Systematix, me, Devanshi Kamdar and Sidharth Agrawal would like to thank you, 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, o-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 Ms. Neha to give her opening remarks and take us through the PPT and probably after that we will open it up for 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 the screen. Thanks and with that over to you Neha.

Neha:

Thanks a lot Devanshi. Warm welcome to everyone. Thanks so much for joining us today for our earnings call for the fourth quarter and the financial year FY25.

We are excited to present our results. In terms of the format, it's the same. We would like to run through a short presentation to share some of the key highlights.

I'll also give some commentary along which will be helpful in the overall understanding and then we'll follow it up with the Q&A session. I request you to take note of the standard disclaimers for this presentation. A quick recap on the business.

Tracxn is a data and software platform for the private market.

Globally, highly profitable companies and as private market as an asset class is becoming large and important, it will also create platforms like this and we are building a global platform in this space.

If you look at our customer base, it includes venture capital funds, private equity funds, Fortune-500 corporations.

Also, it's a global platform so nearly 60% of our revenue is international and we have customers from over 50 countries.

We have one business, one legal entity, so you'll not see terms like standalone or consolidated.

All the numbers that we talk about is for the business overall. Revenue from operations for Q4 was 21.1 crores which is a 4% growth on a year-on-year basis. Total income was 22.7 crores which is an annualized run rate of 90.9 crores. Coming to profitability, EBITDA for the quarter was negative 0.8 crores. To add, this EBITDA also includes all the non-cash expense like ESOP charge. PAT for the same period was positive 0.5 crores and PAT margin was 2.6%. Coming to some of the other key metrics, the customer account continued to grow. Our number of active customer accounts reached 1,926 at the end of Q4 which is a 47% increase on a year-on-year basis. Deferred revenue for Q4 FY25 was 37.5 crores which is a growth of 14% on a year-on-year basis. I'll also quickly summarize the overall numbers for the last financial year.

Revenue from operations was 84.5 crores which is a 2.1% increase. Total income was 90.4 crores which is a 3.8% increase on a year-on-year basis. In terms of profitability, EBITDA was 0.8 crores for FY25, EBITDA margin was 1%. PAT was 4.9 crores for FY25 and PAT margin was 5.8%. The

business continued to generate positive free cash flow. So the free cash flow for FY25 was a good 14.3 crores. Cash and cash equivalents stood at nearly 94.6 crores which is an increase of 25.7% on a year-on-year basis or an increase of 19.4 crores in absolute terms on a year-on-year basis. So that's a fairly large increase.

In the subsequent slides, I'll 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 subscription. Bulk of this revenue is subscription-based. It's a fairly high-quality revenue.

Also, please note this is accrued revenue. So though we do prepaid billing and collections like most of the financial data platforms you may have seen, we only recognize revenue for the time duration falling within the reporting period for which the service was made available. So as discussed earlier, revenue from operations in FY25 was 84.5 crores and total income was 90.4 crores. And we've also added the historical data for the last four financial years for handy reference. Now coming to profitability. So we continue to have profitable operations in FY25.

EBITDA for FY25 was 0.8 crores. Please note this includes all the non-cash expense, primarily ESOP expense. If you exclude these non-cash expense, the adjusted EBITDA was 5.5 crores positive for FY25. PAT was 4.9 crores. If you exclude the non-cash expense, the adjusted PAT was 10.8 crores for FY25. Coming to margins, EBITDA margin was 1% and PAT margin was 5.8%. Just a point to note here, in the PAT calculations, you'll see a tax component, which is a tax amount set off with the deferred tax asset. So 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. There was some deferred tax provision in FY25 due to the periodic assessment of the deferred tax asset. These are only accounting in nature. Hence, this has been excluded from the PAT calculation for a like-to-like comparison in this deck that you'll see.

Another metric that we track is what part of the incremental revenue is going to bottom line. So in a good year like FY21-22, this metric was close to 80%. In FY23, this was 31%. Then it went back to 43% in the last financial year. In FY25, the incremental revenue was offset by the increase in cost as we aggressively are investing across various growth initiatives, which we'll talk about subsequently. But just a point to note that despite these investments in growth, we continue to have profitable operations as well as generate free cash flow during the financial year.

Coming to expenses, our total expense for FY25 was 83.7 crores, which is a 7% increase over last financial year. On the right-hand side, we have given the 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 the expense is team cost. So in FY25, this was 88% of the total expense. But this has been the same range across the last three financial years as well. So across FY22, 23, 24, this was 89%, 88, and 88%.

Just a point to note that all our team is in-house. There's no outsource or contract workforce. The second largest item is cloud hosting, which accounted for 2.9% 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 line item because we do not have a large paid marketing

spend, neither digital marketing or offline-based, typically required for customer acquisition. The reason for this is that we are a data company and we produce a lot of content and hence are able to use that to generate a lot of organic traffic.

So it's a fairly efficient way to acquire customers. Another interesting point that you see across the last four financial years from FY21 to FY25, in the same period, the headcount increased by 6% from 624 at the back four years back to ending 664 this financial year. The total expense during this four years increased by 37%, but the revenue nearly doubled. So it's great to see that in the same period that the revenue doubled, the headcount only increased by 6%. So this is also a great testimony to the operating leverage of the business.

Moving to some of the other metrics, in terms of the customer accounts and users, we have seen a fairly high pace of volume growth in FY25.

We closed March 25 at 1926 accounts, which is a 47% year-on-year growth. In terms of users, there were 5,051 users at the closing, and this is a 41% growth on a year-on-year basis. The net addition has been increasing QoQ since March of 24, with Q4, like the last quarter, Q4 FY25 being the highest net addition in terms of number of accounts.

And you'll be glad to know that even FY25 was the highest net addition in terms of the number of accounts and the number of new users as well. Moving on to some of the other metrics, the company generated positive free cash flow of 14.3 crores in FY25. If you see, this is an increase of 4.1 crore over the last financial year. The cash and -cash equivalent stood at 94.6 crores, which is a very healthy increase of 19.4 crores on a year-on-year basis, or a 26% increase on a year-on-year basis. So we continue to generate free cash flow and add to the cash throughout FY25.

Some of you had requested for a split of customers by customer type, so we have also added that data. So if you look at the accounts ending FY25, the split across the three categories are as follows. Nearly 50% of the accounts are from investment industry, which includes customers across private equity investors like VC funds, PE funds, investment banks, family offices, accelerators, incubators, etc. 46% of the customers were from corporates. This includes primarily corporate development team, M&A team, innovation teams, other corporates, consulting companies, etc. The remaining are others, which includes your academic institutions, government agencies, and others. So as we've mentioned previously, this is a fairly healthy spread across investor ecosystem as well as corporates.

So essentially, there's a diverse and rich customer base that we address, and this slide also gives an expanded summary of the titles within the investment industry and the corporates that we work with. So this gives us a large addressable market to tap into.

Coming to some other interesting characteristics and metrics of the business, 60% of the revenue for FY25 was from outside India. These customers span over 50 countries. The top five countries within this show a similar spread to where you have large corporates as well as private market investors. The top five countries for us by number of customer accounts are India, US, UK, Singapore, and Germany.

In terms of some of the other metrics, you can also see the split of growth across India and international. On the left hand side, you can see the split of India and international revenue for the

last three financial years. As you can see in FY25, we had an accelerated growth in India with the revenue increasing by 18% over last year.

So though the overall growth looked lesser, mainly because of the international market continued to have soft macros, but you can see we have seen a fairly healthy growth acceleration in regions where we have been investing in growth initiatives, primarily the vertical teams. So once we replicate the same playbook in international geography, we expect to start seeing the overall growth rates also improve there. On the right hand side, we have shared the number of accounts which give us a revenue of more than 20 lakh, 30 lakh, 40 lakh across the last five financial years.

So if you see the number of clients grew consistently across all the revenue buckets across the last five years. So it is interesting to see that despite market conditions during the last financial year also, some of the large accounts continue to grow for us. This indicates basically the fact that customers are willing to pay more if you deliver value and there's also a headroom for account expansion.

Similar to the previous quarters, I wanted to talk a little bit on the market as well. So if you look at the last two years, FY23-24 were muted years for the private market. FY23, sorry, the calendar year 23, the tech funding we see was down 40% globally.

In India, it was down 60% on a year-on-year basis. 2024 was slightly better in terms of the dollar invested, but it was only the second lowest if you see across the last seven years and 60% down from the peak and the deal volume was actually significantly lower even as compared to 2023. So 2024 was probably the lowest across the last 10 years in terms of deal volume.

And the similar proxies, the similar trend you can also see on the late stage. So one proxy for the late stage activity is the number of say new unicorn startups which are getting created or the new private companies which got valued at over a billion dollars.

In 2024, this number was 98 new unicorns that got added globally. In India, six new unicorns got added last year. In 2024, it was slightly better than 2023, but again, it was only the second lowest across the last seven years.

In terms of M&A activity, you see some recovery. So 2023 was fairly low. In 2024, you saw slight recovery, though it was only the second lowest across the last decade.

The current run rate if you see in 2025, it looks slightly better than 2024 as well as across the last two years. And even if you look at the IB investment banking fee, which is the investment banking M&A advising fee in 2024, this also saw some recovery to what it was basically five to six years back. So this is one of the lowest you see, but you are seeing some recovery and hopefully that will continue across 2025 as well.

Coming to some of the other business metrics, we do see some sort of greenshoots. One of the recent growth initiatives we had talked about earlier was vertical teams, vertical business unit wise team. We had mentioned that most of the vertical teams here also launched in the India geography.

So while we'll talk about the acceleration that we have seen due to individual vertical teams later in the presentation, but we also wanted to share the overall acceleration that we've seen in India geography due to this. So despite market conditions being sideways, we've seen a very healthy

growth, revenue growth acceleration in India geography. So the India revenue accelerated from 14% last year FY24 to 18% in FY25.

Further, the exiting trajectory was even higher. So if you look at Q4 FY25, the growth rate was 24% on a year on year basis. Hence we expect this revenue growth to continue and further accelerate in FY26.

So this playbook, which is only a few quarters old, is working and working very well. So our plan is basically to replicate it to other geographies as well so that we can start seeing similar acceleration in other geos as well. Coming to our customer account growth, so you'll be very excited to hear that we continue to have very high and accelerated volume growth.

Here on the left hand side, you can see the QoQ trend of total number of ending accounts. And on the right hand side, you can see the number of net accounts that got added each quarter. So if you see, previously we used to add anywhere on an average between 30 to 60 net new accounts on a quarterly basis.

We had seen this pace accelerate starting from Q4 of last financial year, where we added 88 net new accounts. And this pace has been accelerating across the last 5 quarters on a consistent basis. So if you see Q1, Q2, Q3 of the current financial year, FY25, which is last financial year, this increased to over 100 net new accounts getting added.

And this momentum sort of accelerated even further. So if you see last quarter, which is Q4 of FY25, we added an all-time high number of accounts. In terms of numbers, Q4 saw 227 net new accounts getting added, which is, as I mentioned, as a new all-time high.

Again, this is thanks to a lot of the growth initiatives that we'll talk about in the subsequent slides. On the user side also, this quarter saw a second highest number of users getting added. So we added a total of 425 users on a base of slightly over 4,600.

So reaching, crossing 5,000 users overall. Historically, we have added anywhere on an average like 40 to 80 users on a quarterly basis. So this is sort of a multi-fold increase that we saw in FY25.

Coming to deferred revenue, we continue to see this increase. The deferred revenue for FY25 was 37.5 crores, which is a 14% year-on-year increase.

Also, covering more details on the international markets, we have seen the account growth improve. In FY25, the number of subscription accounts as of end of the period grew by 26% on a year-on-year basis. So though it was not as high as the India geography, where the number of accounts grew by 65%, but it is still an improvement over last year. Last year, we saw negative 5% growth in terms of number of accounts.

This time it was positive 26% in FY25. Most of the reason for acceleration here that you see is the generic sales and marketing initiatives primarily increased organic traffic, and the second is launch of Tracxn lite. So what has worked well in accelerating the India growth is basically the vertical teams plus investing in augmenting data, which we'll also talk about, you know, sort of replicating these two things overall. And once this happens, we should start seeing the overall growth rate also improve.

Coming to the platform engagement metrics, they continue to look very healthy and following the historical upward trend. So if you look at the platform usage, which here is in terms of number of exports and my analyst data queries, has grown by 1.5x across the last two years. Engagement has increased both at the overall level as well as per user level. So there's a very healthy trend that we continue to see. Apart from these, we at our end have been investing heavily across various growth initiatives over the last few quarters.

We span across go-to-market funnel of sales, marketing, account expansion, and we continue to see good results from this. In the following slides, we'll talk about some of the initiatives that are giving good results and hence we expect further acceleration to happen.

The first growth initiative that we have talked about a couple of times, that we aggressively work on, is basically your search engine traffic. So one of the interesting things is about scaling our organic traffic. So this continues to be a big focus area for us. Being a data company, we are able to use a lot of data that we own to launch a large set of pages, which generate a lot of customer traffic.

For instance, when someone is searching for things like FinTech companies in Singapore or SaaS companies in North America, they come across our pages and we are able to generate leads through that. So if you look at our organic search traffic that we got across all our pages, that was over 21 million in FY25. So a couple of things regarding that, one is that this is a very large traffic funnel that we've been able to build.

Second, this has grown rapidly as you see across the last few quarters. For instance, it has grown over three times across the last three years. And thirdly, we continue to work on this aggressively and we expect it to increase even further.

Another very interesting growth initiative that we talked about earlier is the launch of Tracxn lite. So we launched Tracxn lite last year for product-led growth to increase the awareness about the richness of the platform among potential customers. And with Tracxn lite, users get access to the entire platform when they sign up, though obviously with some limitations such as restricted daily limits for the profile views, exports, etc. in certain platform modules. So in just over one year since launch, we have over 1,39,000 signups for Tracxn lite. So this is a fairly large set of users that we've been able to sign up.

Also, the pace of acquisition has been increasing on a quarter-on-quarter basis. So another interesting aspect is that the users who have signed up have also been using the platform actively. The monthly active users have now crossed over 30,000 users.

So this is a fairly large set of users that are getting familiar with the platform, which helps us in building a very good acquisition pipeline as part of the users express interest and upgrade over time. So just to give you an update on the recent quarter in terms of the metrics, if you compare Q4 of last financial year, FY24 to Q4 of FY25, the number of organic signups have almost tripled. Average monthly actives have quadrupled, so increased more than 4x. Average number of users per day hitting the credit limit have almost tripled. So we've also seen an increase in upgrade requests and demos. So this overall continues to be on the path to become a very, very large acquisition channel for us.

Coming to the vertical teams or the specialized teams that we have set up for select high potential customer segments, we continue to see very good results. A good example being universities,

which we've talked about previously. Just to summarize, this is a specialized team with cumulative experience of over 20 years selling to universities that we've set up.

Majority of relevant customer segments, if you see, come from top universities globally, which is also a great avenue to educate them about data platforms like ours. So initially, this team started with new sales, wherein they were able to significantly accelerate customer acquisition rates. And later, they also took up engagement, where they were able to work towards increasing activation and account penetration.

So this was, like university was one of our initial vertical teams, which was set up, and it has been over a year since launch. So we also wanted to share some results that you'll be very excited to hear that. So we see the number of customers in this segment have increased by more than 300% in the last 12 months, which is FY25.

And the revenue from this segment has increased by 100% in FY25 as compared to last financial year. So because of these focus teams, we are able to do very targeted outbound and get very high potential logos as well. So we've seen the last financial year FY25, we added many top universities, including three more IMs, five IITs, and many other universities as well.

In addition, we've also been working towards including Tracxn in the relevant courseworks, right, to actually increase the sort of long term, long term sort of retention for these customers. And we're very happy to know that Tracxn has been included in some of the top universities, such as IIMs and ISB, or courses such as investment banking, impact investing, venture capital and private equity courses. In addition to inclusion coursework, we're also working towards increasing engagement with activities such as on campus, on boarding sessions for the entire incoming batch to familiarize them with the platform.

So this has led to a further increase in engagement as well. So this is a good testimony to the vertical sales team approach that is very effective. So this has enabled us to increase both revenue as well as market share in these segments.

And as we expand this approach to other segments, we accelerate a similar boost to growth in growth across multiple other customer segments as well. We also set up a specialized team for startups. We see high volume of inbound from startups.

So even though they are served by the same platform, they have a slightly different use case and workflow requirements. Some of them use Tracxn for business development, fundraising, competitor analysis, market research. So it's a fairly high volume segment, but at a lower price point for investors.

But cumulatively, this can be a fairly sizable segment for us. So we had set up a separate GTM team for this as we were getting a very high and increasing volume of inbound. So interesting point to note that in FY25, we saw over 100% volume growth and 60% revenue from international customers.

Another recently launched team was accelerators and incubators. Under this initiative, we are focusing on customers across private incubators, government incubators, universities, and corporate accelerators. So we've seen good initial success with the pace of acquisition having increased in just the first two quarters since launch. Interestingly, even in this segment, over 50% of the revenue from new customers are from international customers in Q4 FY25.

Another vertical team we had launched was the investment banking team. So this team sells to the investment banks through both outbound and inbound reach outs. We had also augmented the data coverage required by this customer segment, which helped us to improve conversions in this segment. This included increasing coverage of private company financials, key ratios, VC and PE investor database for their outreach efforts, etc. We had also launched additional features on the platform, one of them being startups when they are looking, they can actually mention that they are looking to hire an investment bank on the platform.

So this helps in building a sales pipeline for the investment banks. So we continue to see very good results here. The logo penetration in India continues to increase by 1% on a month basis.

The pace of customer acquisition in this segment has almost tripled with a dedicated team. In India, for instance, the number of accounts grew by 70% and the revenue grew by nearly 30% on a year-on-year basis in FY25. We have started scaling this to other key geographies as well.

Another vertical team that we had launched recently is the corporate sales team. So this is a relatively newer team, which focuses on users with corporate sales background. They are typically looking for scouting and analyzing companies across various sectors and geography for lead generation, market analysis, competitor benchmarking, business development mandates, etc.

So we are also augmenting the data on the platform for this segment. For instance, they needed PIN code data, they needed CXO profiles, etc. In terms of volume growth, the number of accounts grew by over 100% year-on-year in FY25 for this segment.

So even here we see significant revenue acceleration and interestingly, over 50% of the revenue in this segment was from international customers. So based on success that we saw in the initial vertical teams, we had accelerated the launch of more teams and launched about 10 additional vertical teams. These are specialized teams for customer segments such as venture capital funds, corporate M&A teams, corporate sales team, etc.

As mentioned earlier, we believe that we have cracked a very repeatable playbook through this architecture and setting up new units essentially to cover more of the customer universe that we already have should have a material impact. In all these units, we have initially started with targeting new sales, which help us accelerate the pace of customer acquisition. And later these teams move to also include engagement within these segments, which help us in retention, market share penetration, and revenue growth in these segments.

As mentioned in the earlier slides, we have also started scaling these vertical teams to key geographies internationally and we expect this will help us bring us to our desired growth trajectory.

Moving on, another interesting growth initiative that we have been working on is expanding our coverage in financials and cap table data sets on private companies on the platform. These datasets are particularly in demand by certain customer segments like private equity, investment bank, among others.

And we have been significantly increasing the throughput of production of these data engines. Talking about financials, today we have financials of private companies in over 20 countries globally. The number of detailed financials on the platform have increased at a fairly rapid pace.

In 2023, we had increased this number by 5x on the platform. In 2024, we increased it by another 6x. So it's essentially 30x in just two years. And within the first four months of 2025, we have increased by another 1.5x. So as of April 25, we had over 1.6 million companies with revenue data, and over 1.1 million companies with detailed financials available on the platform. So one thing which is obviously very interesting in this is that we've been able to add these datasets at a fairly great pace without increasing headcount much. So this again is a great testimony to the level of automation and intelligence we've been able to build as part of our infrastructure, which helps us to be able to do this at this pace.

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 of over 15 countries. At the end of 2023, we had 39,000 companies with cap tables.

The subsequent year, end of 2024, this increased to 3,13,000 companies with detailed shareholding on the platform. So it's an 8x increase in just one calendar year. As of April 25, this number has further increased to 341,000 companies having cap tables on the platform.

So we had launched legal entities database about two years back. The legal entities basically help investors to screen through legal entities registered in various countries for specific high growth metrics, like revenue growth, growth, growth rate, profitability, employee count, etc. So this data has also expanded at a very good pace.

So it started with 11 million at the end of 2023 to 64 million at the end of FY25. The major countries that coverage include US, UK, Japan, India, Australia, Brazil. We also continue to see good customer usage with legal entity pages, increasing on a QoQ basis, the views increasing on a QoQ basis.

So there's a lot of focus also on adding more data points to the existing legal entity pages, which enables us to help to increase penetration in some of the new and existing customer segments. We are also building a deeper coverage of regulatory data on the private companies and legal entities. So some of the data that are live and in pipeline include things like loans and charges, data, patent data, legal case data, FDA approval data, among others.

These are particularly important for new and existing use cases, which includes things like deeper due diligence, KYC, etc, right, which helps us increasing the penetration within the existing and new customer segments. To give you examples, clinical trial data is crucial for healthcare and life sciences companies as well as healthcare focused funds. These are fairly cash rich customer segments.

So we are also working towards building coverage in these data sets. Similarly, data points like taxation, compliance, filing delays, payment delays, bankruptcy filings, etc, are essential for due diligence. Another interesting initiative that you've talked about earlier is press mentions.

Whenever media talks about data on private companies, we want them to quote data from Tracxn. So we have been working on various initiatives, including launching reports with media, data contributions, regular columns, in newspapers, etc, that have given us multiple increase in the number of press mentions across various media, respected media outlets. In FY25, we had some very prominent partnerships under this initiative.

To give you examples, we were data partners for a report with Titan Capital under the report called the First Check Report, with the Southeast Asia focused fund called Jungle Ventures. We were data partners for 50 Future Unicorns of Karnataka by Economic Times. We were also the knowledge partner of ET Startup Awards, which is a very prominent private market event hosted by the Economic Times.

Lately, we have also been working on increasing coverage internationally, starting with Southeast Asia. So we have launched reports in Southeast Asia and also are cracking some of the regular columns over there. So the advantage of press mention is that a lot of people discover our data for the first time through media, and then come to our website and generate a very high intent lead.

This also goes a long way in building a brand as an India company and helps in our sales conversion and eventual revenue growth.

We've also been an AI-first company and continue to harness GenAI for various key data production. A great testimony to our use of automation and intelligence in data production is that we've been able to multiply our data sets while reducing the manual intervention and shrinking headcount.

In 2024, for instance, we increased the coverage of the key data points on our platform by over 5x, while in the same period, the data production team's headcount reduced by 10%. So we are seeing both. On one hand, we are seeing acceleration in the amount of data production pace. On the other hand, we are seeing much leaner teams to be able to do that. So you'll be glad to know that the data production team further shrank. So if you look at the last quarter, which is Q4, the data production team shrank by another 10%, indicating further efficiency and accuracy in data production that we've been able to achieve through automation.

So GenAI continues to be a key focus for us. Some interesting areas in which we leverage AI include things like identification of upcoming private companies, data extraction from unstructured data and documents, enabling massive scalability to accelerate the pace of data addition, industry classification, data production for various transaction data sets like funding acquisitions, improving data accuracy, even on the GTM frontier, using it for defining lead profiling sentiment analysis of the interactions. So we expect further optimization to continue to happen. So on one hand, you can expect that the throughput of the system continues, while on the other hand, you can expect that the data production team becomes much more efficient and leaner.

So we remain fairly excited about the possibilities of GenAI technology and its potential for us to be able to accelerate building the global private market data.

Coming to some of the other KPIs for handy reference, the first graph talks about the contract price or the invoicing amount. So at FY25, this was 88.5 crores, which is a 2% increase on a year-on-year basis. The second graph talks about the number of entities profiled, which is a proxy to the amount of data added from the platform. Today, we track more than 4.5 million profiles on the platform, including private companies, funds, etc. This coverage of companies increased by 51% on a year-on-year basis.

So that's all. This covers most of the key updates that we had. Subsequently, we also have some slides with the detailed financial statements, which you can go through for more details.

So that's all. Passing it back to Devanshi for any Q&A that the group might have.

Moderator:

Thank you so much. Very good presentation. Loved it as always.

Moderator:

Yes, I think we can wait for a minute or two for the question queue to line up, and then we'll start taking questions, I guess. Yeah.

Abhishek:

Three people have raised hands, I think.

Moderator:

I think the first question we can take from the Q&A box from Saugata Roy. So Neha, maybe you can read the question and then answer the same from the Q&A box.

Neha:

Yeah, so I'll just take the first question, which is basically now you've seen one year growth in accounts from 100 per quarter to 200 net per quarter. Could you give us some stat of uptrend of revenues of some of these accounts that got added since some of them have seen over a full year? Also, can you see the trajectory of 10 lakh plus accounts for the last few years?

Yeah, so thanks, Saugata, for the question. So coming to the question of the upgrade cycles, I think most of the accounts, we are yet to see the upgrade cycles happening there. Because if you see, I think last year, obviously, the volume growth had been fairly high.

And most of the customers will have the next upgrade cycle in the subsequent years, typically. So for most of them, we have not had the upgrade cycle as yet. And we'll probably see that in the subsequent quarters going forward.

So again, I think for us, this kind of account penetration is very interesting, because there are a lot of accounts that we currently have to basically also engage and then go more deeper. Because most of these accounts actually start small. And on the other, second part of the question, which is the trajectory of the 10 lakh plus accounts for the last year.

So we've shared this data for the last five financial year and how these kind of accounts have trended. You know, hopefully, we should see some of these, you know, the accounts that we have sort of acquired, you know, reach there, my sense is that maybe in a few quarters. So I'll move to the second question, which is, could you also give a flavor of dollar and euro accounts focus going forward?

So if you see, in terms of our international revenue, 60% of our revenue is, you know, from outside India, most of this account are in dollar denominated. I also probably have Prashant, you know, add to this, but to my sense, most of these accounts internationally, you know, are in dollars. And Prashant, maybe you can also add.

Prashant:

That's correct. I mean, like we for international customers, we bill in USD. And I hope like, that's consistent for all our customers overseas.

Moderator:

Yeah. Yeah. So next question, I think we can take from Nikhil Chandak, you can unmute yourself and ask your question.
You've raised your hand.

Nikhil Chandak:

Hi, can you hear me?

Neha:

Yes. Hi. Yeah.

Nikhil Chandak:

Hi. Hi. So, you know, my question was more, say, mid to long term, just given the way we've seen AI tools build out and get developed, you know, on a longer term basis, once these tools get more and more sophisticated, I'm just thinking if one just takes, for example, an open AI monthly subscription, would he be as, you know, good with the data which say Tracxn gives, you know, can he get similar kind of data on open AI? And if that keeps happening, you know, wouldn't customers just shift to a single tool, like open AI or grok or whatever, for satisfying not just their data needs on unlisted companies, but you know, other information or data needs.

So from a longer term perspective, while you always see that AI is, you know, it's helping, but somehow intuitively, it feels that AI can be a bigger threat, because as these tools develop, somebody may not want to take up a Tracxn subscription, but just take one single open AI grok or, you know, whatever subscription. So I just wanted your thoughts on that over the medium term, how does this kind of impact growth and, you know, ARPU?

Neha:

No, thanks a lot, Nikhil. So that is something that we are sort of, we are very excited about, because, you know, I think we've been using a lot of these for the last 10 years, a lot of, sort of machine learning across the last few years. In the last, you know, I would say one, one to two years, the results that we've been able to get through these have increased.

That's why we are sort of fairly excited about it. And that's why you also see a lot of our pace, you know, sort of increase. Coming to the second question, you know, it's a threat, we don't see this as a threat.

To give you a parallel, you know, for instance, if, you know, if you take maybe public market investors, you know, only use some of these frontends and stop using any of the databases, maybe that will happen to the private market investors after one or two years, right? So there's still a lot of, you know, distance, which is there because investors, you know, because especially institutional investors, because we work, most of our customers are enterprise users, not so much retail, you know, investors, but all of them are enterprise, you know, sort of users, investors, as well as large corporates. For them, it's like a day job.

So for them, they will continue to, you know, sort of require more and more data, I would say. And for us, we see it as an enabler, right? So we see as a great enabler.

You know, I think for us, if you take the, you know, us, we are probably having the one of the best tech backend than any other private data market platform companies globally, right. And that is why

the pace at which we are able to add data is also fairly fast. So today, we have financials in more than 20 countries, wherein a lot of the times the filings are available in non-English language.

And we've been able to do that because of, you know, use of technology, and fairly aggressive, you know, sort of infrastructure that we've been able to sort of build. So I think for us, you know, we see as an enabler, we, you know, we see this, this will continue to remain because we are serving, you know, not the retail, but the institutional, you know, the asset class, you know, in the private market. Hopefully that answers the question.

Moderator:

Okay, so the next question we can take from Mr. Vidit Shah, you can unmute yourself and ask the question.

Vidit Shah:

Hi, thanks for taking my question. Just one from me. So we've seen very, very good, you know, customer account growth and users growth over the last, you know, three quarters or four quarters in fact.

What is the comfort level at after which, you know, you think about start increasing pricing for these customer accounts? It may not be immediately when they are up for renewal. Are you targeting a certain, you know, account base before we think about increasing prices for our subscription?

Neha:

Yeah, thanks a lot for the question. So our current strategy continues to be, so we will be, so whenever the renewal happens, we have, so we have done two things. One is for some of the renewals, we have a default, you know, that there will be some price increase, maybe in the first renewal or the second renewal.

So that we, for some of the customers, you know, that is a part of their onboarding, plus another experiment that we have done for a limited set of customers is that having a, you know, 3% annual increase. So this, we have started to, you know, doing that for a smaller segment, which is the annual, you know, increase that is there, which, you know, you would be familiar with some of the other financial data platforms that have had. So these are the things that, you know, that we will, that we are sort of, you know, that will pan out in the coming quarters.

But having said that, I think one of the things which we aggressively sort of, you know, also continue to do that is basically the old vertical team approach is sort of, is working. So we basically have more of the customer base covered through these teams, which we believe, you know, helps us in more, in working with these customers, you know, in a more, you know, increasing the engagement of these customers in a more deeper manner. So that is the other thing that, you know, also see in the quarters to come that we are working on.

So hopefully that answers the questions with it.

Moderator:

Okay, so the next question we can take from Abhinav Kashyap, you can unmute yourself and ask.

Abhinava Kashyap:

Hi Neha, thanks for taking my question. So I have a couple of questions. So one is any subscriptions giving to brokerages like Zerodha or someone so that Tracxn data can be used for analysis within the platform?

Neha:

Okay.

Abhinava Kashyap:

Because increasingly, investments are being made by public companies and private companies. So Tracxn data is a lot valuable, analyzing companies.

Neha:

Thanks Abhinav for the question. So currently, we haven't catered to this as a customer segment, in a sense that we haven't sort of, you know, talked about sort of partnering, you know, or licensing part of our data, you know, to any of these platforms, we are having, you know, but maybe if there is a, you know, you know, maybe that's something that we can explore. What we are exploring in terms of partnerships is with some of the large data companies in the international markets.

So for some markets, you know, we are in conversation with for some data partnership, which is essentially these are data companies which are selling to large, large corporates, or either large financial institutions, and those which are now also looking at, you know, private market data, we will be able to sell through them, they already have, you know, sort of sales team, you know, in the in the geographies, these may be, for instance, large limited partners who are looking at who are looking at public equities are also looking at private markets, or would be corporates who are now looking also at private markets. So this is something that we are probably that we are more closer to, you know, working with.

Abhinava Kashyap:

Okay, so next question is on partnership with AI companies, and enabling Tracxn as a app within them. So directly as a chat platform, we can reach out to Tracxn database and get some data. Right.

Neha:

No, that is interesting. I think we, that's something we had in early stages, but you know, I think it's a little far off. So but this is something that we may sort of explore, we haven't done anything, nothing is live as of now.

But this may be something that we that we may explore, because some of the ones have reached out to us, mentioning that, you know, financial data, financial customer segment is one of the largest segment that they are attracting, or it's a sizable piece of the customer segment that they are attracting. And if they can, if we can do some collaboration that, you know, that data becomes accessible to them. So yes, that's an interesting point.

Nothing is live. But yeah, this is something that we might explore.

Abhinava Kashyap:

Okay, thanks.

Neha:

Thanks a lot.

Moderator:

Okay, so next question, I think we can take from Akshay Sovani. You can unmute and ask. Hello, Akshay, you can unmute and ask your question.

Moderator:

Probably not able to reach him. Maybe we can move on to the next one, Devanshi.

Moderator:

Yeah, so I think next we can take the question from Praneeth. You can unmute and ask your question.

Praneeth Bommiseti:

Hello. Thank you for the opportunity. So I wanted to understand in terms of onboarding new clients, are we facing any bottlenecks in terms of onboarding?

And before when we started using dedicated teams, how do we see the ROI going forward? Like, because since we are putting dedicated teams, the cost is going to go high, how are we going to measure the onboard ROI metrics on these? And in terms of these clients also, I was wondering how many of them are the first time clients in terms of using a data aggregator?

How many of them are using it in addition? And how many of them are replacing their existing data aggregator with Tracxn completely? Can you give me like an idea of all of this?

Neha:

Sure. Thanks for the question. So I'll break up into two parts.

One is basically in terms of the new customers, how many are, you know, how many are using a data platform for the first time versus how many are moving from a comp or, you know, or those. So in terms of, so we have, you know, we don't have exact data. We have approximate data, more anecdotal based on what the sales team basically gets a feedback from the customers.

So here we continue to have, you know, about 40 to 50% of the customers are starting to use a platform for the first time. This includes some of the, even some of the, you know, the large funds which are there, or, you know, like universities or IBs, right. You know, they are, they are doing, they were used to doing something internally.

But this is the first data platform that they had sort of signed up. So that constitutes about 40 to 50%. The remaining 20, 30% are probably using some of the platforms and, you know, or using more than one platform as well.

Or sometimes they were using some platforms, and then they are coming to our platform because they are getting multiple data points at the same place. Right. So that is, you know, part one of the question.

The second part of the question, which is basically vertical teams, and how do we have, you know, ROI on those teams. So in terms of the cost of these teams, it is not, you know, very huge, because

these are fairly lean teams. These are typically team, which is, you know, having say one business head, and, you know, and then under them, they are having, you know, one team for the engagement, one team for sales, right, a senior salesperson, and then a junior salespeople.

So this is a fairly, you know, lean team, I would say. And typically, they are able to have recover their, you know, ROI in the next, say, one or two quarters. And, you know, maybe Abhishek can also add, you know, a little bit of this.

So but, you know, these, we are able to sort of track the efficiency of the, you know, of these vertical teams very closely.

Abhishek:

So I think usually put up a business head, maybe a couple of guys in sales, and then one person for engagement. So these are usually starting with four to five member teams, we would typically spend between five to eight lakh a month to begin with. And within six months, in most cases, they are able to bring enough incremental revenue for us to justify them.

And we have seen significantly higher engagement rates, as well as all other matrices, our sales closure rates are much higher, engagement rates are much higher. So that is a broad sort of financial impact of a vertical team on our P&L. In most cases, we have seen that the ROI of the team is justified, like within a couple of quarters.

Neha:

And also just to add to that, you know, the way we've been able to the way they actually structure is that firstly, they start catering to the new customers. So they work on new sales, then we are able to see a sort of increased customer acquisition, you know, that accelerate. And then subsequently, they also take up engagement when they are working with also the existing customers to actually work on very interesting ways in which these vertical, you know, vertical teams were not sort of able to work, they were able to work on very customer specific teams to work, you know, on deeper engagement within them.

So there, we have seen sort of good factors. And that's why we are sort of doubling down on that. So hopefully, that answers the question.

Moderator:

Okay, so the next question we can take from Jagadees Sharma, you can unmute yourself and ask.

Jagadees Sharma:

Hello.

Neha

Yes, yes.

Jagadees Sharma

Thanks for this opportunity. I have a couple of questions of my side. My first question is, why was our deferred revenue degrownquarter on quarter?

And when does this deferred revenue growth will translate into revenue?

Neha:

Sure. Thanks, Jagadees for the question. So one is the deferred revenue.

Actually, if you see, even in the last year, you could see a similar trend in in Q4, because of just the way the contracts are probably. So you saw a similar trend, you know, in Q4 as well, in terms of when they will translate to revenue. So typically, you know, most of our customer, like most of our contracts are either annual upfront or quarterly upfront, you know, like 60 to 70% as annual upfront.

So most of them would, you know, translate into accrued revenue over the next, you know, like two to four quarters. And maybe Prashant can, you know, also add here.

Prashant:

Sure. Hi Jagadees. Hope you're doing well.

So I mean, on your question of deferred revenue. there's two things about it. One is the deferred revenue is a balance sheet item, what we see is an aggregate of the last one year.

And what we sort of see in the revenue is the portion of the revenue which has accrued over the period. Now, so what happens is, let's say, if I bring in a customer on an annual basis, maximum three months of revenue will flow into sort of the revenue. And, you know, the last nine months will hit the deferred revenue.

So as long as I mean, like the billing is kind of, you know, increasing on a year-on-year basis, the deferred revenue will continue to grow. Now, how this equation is related, I mean, like you'll have to see the change in deferred revenue, because that's the portion which has been recognized in the revenue. And if the billings increase, you'll see the increase in deferred revenue.

And if sort of, you know, billings are flat or sort of, you know, you'll see something which is going to happen. And I think, you know, that's what it is, how these are linked. Thank you, sir.

Jagadees Sharma:

My second question is like, which is related to deferred tax assets. We have, what is the ratio for this DTA write-off, which we did in this quarter and for the overall year? And does it change that the company does not see any potential profitability in the future?

That is my second question. And I want to know, we have like five crore in our balance sheet as a DTA. Does it also need to be written off?

Or what is the future?

Prashant:

Should I take that question? Yeah. Yeah.

So, you know, regard to the DTA. So basically, this is more of an accounting exercise that we do every six years, sorry, six months. And it is sort of tied to the historical growth rates, right?

And considering FY25 was somewhat flat on a year-on-year basis. So, you know, like, so once you plug in historical numbers, obviously, you know, we can't be factoring in a, you know, very huge growth rate. Now, that really doesn't represent something like because, you know, at our scale, I mean, like, you know, a couple of sizable contracts and the growth picks up and so on.

So, for us, I mean, like, it's more of an accounting exercise, not necessarily, you know, very reflective of the business of the company. But in case, I mean, like the revenue growth picks up, then again, I mean, like after six months, you will see, you know, otherwise, it's going back into the balance sheet. So it's purely an accounting exercise that we do in terms of the balance 5.6Cr. I mean, like 5.6Cr. So like I said, I mean, like, totally, again, depends on how we how we do in the, you know, upcoming quarter. So I mean, like, so while we have like, you know, sort of, you know, taken a very conservative position on this one, but we'll have to still see how that goes.

Jagadees Sharma:

What you're saying is that this 8.5Cr will come back once there is a growth in the revenue, that is what you're saying, right?

Prashant:

Yeah, so it is like, you know, once the growth comes in, I mean, like, you know, different tax assets. So basically, what, you know, the reason why it is like moving is because these tax assets have a certain life and before they expire, we have to utilize them. So at every six months interval, the company along with the auditors sort of, you know, try to estimate I mean, like, what is the most likely value of realization?

You know, but like I said, I mean, like, it is it is it is a mathematical exercise, not really, I mean, like, you know, tied up to the revenue growth or something, we punch in the historical numbers. And that's how we sort of estimate how this is going to be like.

Jagadees Sharma:

My final question is, what is the guidance, growth guidance we are doing for FY 26 and 27?

Neha:

Yeah, so just to answer the question, we are not giving any guidance, but we are expecting, you know, as you mentioned, the, you know, if you look at our business, you know, thanks to all the initiatives that we've been able to do, the India part growth rate, which accounts for about 40% of the revenue. So that growth rate, you know, for this year was 18%. And on a QoQ basis, that is, you know, you know, 24% growth on a year on year basis for the Q4.

So that is already in the 20%. And ideally, we would want to, you know, replicate the same thing inside in some of the key geography so that, you know, that also comes to the same, you know, over 20%, 20% growth rate. So we're not giving any guidance, but our endeavor is basically, you know, to actually have the job have, you know, work on the other geographies.

So that we can, you know, the similar strategy, which, you know, we have done it over here, just replicated in some of the other geographies.

Jagadees Sharma:

International growth has been degrown, right?, like 6% 7% it has degrown So where do you see that? If we want to grow the India business at 15% or 18% plus, but our international business is degrowing, we cannot get to big growth, you know?

Neha:

Right.

No, so our strategy is simple, basically the same thing, which has, you know, worked over here,

which is the vertical, which is the business unit wise teams, which has helped us, you know, in revenue. So all the, you know, if you look at all the business, vertical teams there, you've seen revenue accelerate, you know, anywhere between, in a lot of the cases, more than 30% on a year on year basis. So this is the same strategy that we are basically expanding to more customer, more of our customer universe.

Currently, these teams do not cover all of our customer universe. So you're basically expanding so that we get a similar, you know, sort of the acceleration over there.

Moderator:

Yeah, I think the next question we can take from the Q&A box is from Ashwini Singh. I'll just read out the question. The net customer addition has been impressive, but that has not translated into a meaningful value growth.

Even with 600 plus new clients, the revenue is up less than 2 crores a year on year. It seems the new clients as well as the renewals are happening at lower rates from roughly 640k to a year ago to 440k per client. Is there a target number for revenue per client that you have in mind?

Will this number trend down further from here? Furthermore, when do you see meaningful value growth with respect to revenue? Would appreciate some revenue and corresponding net client addition guidance.

Neha:

Yeah, so thanks Ashwini for the question. So yes, that's correct. So the volume growth has been sort of accelerating.

You are not able to see that at the overall level. But actually, if you see the same parts, and that's why we've also given sort of the breakup, you know, across the different segments, wherever, in whichever segments wherein we have had sort of more than 20% average volume growth, you know, account growth, essentially, we've also had, you know, a decent revenue growth. So for instance, for all the vertical teams that we mentioned about, like, if you take IB in India, that grew by 30%.

Obviously, universities grew by more than 100%. Even the other segments, like corporate sales, startups, you saw acceleration of, you know, over 30%, which is there, you saw it in the different vertical teams, you also saw at the India level, right, like, because a lot of those, like, a lot of the account addition also happened in this, in this, whenever the initiative was live. So for instance, India, where the account growth rate was, you know, 65%, the revenue growth was also close to 20%.

Right. So you are seeing that in parts. And, you know, that's the basic endeavor.

So we're basically working on two things. One is basically whichever segment that we are sort of prioritizing, we are working on both the sales as well as in augmenting the data coverage there. So there, we are able to, you know, once we do that, then in addition to the volume growth in those segments, we are also able to, you know, have the revenue growth.

See, we are also able to see the revenue growth. So hopefully that answers the question, Ashwini.

Moderator:

Okay, the next question, I think.

Neha:

Yeah, there's also a question just before that, Sanjay Sood.

Moderator:

Yeah, sure. So Sanjay Sood's question, I'll just read out. You have mentioned that in spite of revenue increase of nearly 100%, with 6% headcount, you are able to maintain revenue employee expense of nearly at the same level of 80%.

Can the revenue slash employee be shared now and from now onwards?

Neha:

So, yeah, thanks, Sanjay, for the question. So in our business, actually, the revenue, unlike in a services business, wherein, you know, you care a lot about the revenue per employee, in our case, it is lesser relevant, because, you know, essentially, with the same employee base, as we mentioned, with hardly, you know, much thing, the revenue can essentially double, because the gross margins of the business are fairly high. So, you know, to basically serve, you know, the similar, you know, if you serve the double set of customers, the amount of incremental headcount that will incur is very limited, right?

It's also the other investments that we continue to do. So that is not, you know, some of the metric that we sort of track closely, because, you know, that can vary a lot, like in across one year, you know, sort of, it varies a lot. We gave this number just to, you know, also show that like in the period wherein our revenue doubled, the headcount only increased by 6%.

So obviously, the cost also increased by about 37%. But this is just to show that, you know, if you have to double the revenue, we don't need like double the number of people, it's only very, you know, marginal increase in the in the team size that we would need because of just the high margins of the business.

Moderator:

Next question, I think we can take from Bhavik Narang. Despite recent customer addition in the international markets, the revenue growth was negative. Could you help better understand this?

Also, what is happening in the international market resulting in sluggish demand and not in the Indian market?

Neha:

Yeah, thanks a lot Bhavik for the question. So the sentiment is basically the same that we see in India as well as international. Even internationally, if you see, you know, both on the funding side, you know, it has been one of the lowest year across the last 10 years.

And even in the corporate side, as you may have seen, you know, there continues to be, you know, some depression, but even the large corporates as well. So typically, for instance, you know, we would have some growth, you know, from the existing customer, which was muted because of the fact that a lot of the customers are not doing. But having said that, the market is not different in India and international, it's actually the same.

What we have realized is that, you know, there are some of the things that we had done during this that is sort of giving us good results. And in the international market, in specific, you are seeing volume growth. You know, for instance, this year, there was about 27% volume growth.

This is basically because of two things, which is the generic sales and marketing initiatives that we are doing. One is basically the increased SEO traffic that we are getting, you know, across all the geographies across all the customer segments. The second is launch of Tracxn lite, where we were able to sign up more than 1 lakh users in the first 12 months.

So a lot of the increase that you see is thanks to these initiatives. The second thing we haven't launched much in the international markets, which is basically the vertical teams that we talked about, wherein, you know, wherein we were also able to see the revenue growth. And that's why, you know, you know, once we replicate it, we hope that, you know, that should also start, you know, start to happen.

And the pressure in a sense that it was negative in a sense, because, you know, even like, we saw some impact in some of the large accounts, which is being some corporates or, you know, some of the investors, which are much lesser active than what they have been sort of traditionally across all these years. But having said that, you know, we feel that this strategy, which we are doing, so this is working well in getting us the good leads. Once we also start having the teams focusing on these geographies, as well as working on the data, this will also help us in revenue acceleration. We have already got results in 1-2 countries like Germany for instance were in we prioritized some of the vertical team, there we already have like double digit growth in last year but we have to replicate it to more geography to actually have the overall growth also improve

Moderator:

Okay, so there's another follow up question from Bhavik. Also, we were planning to replicate similar GTM initiatives that we had taken in domestic markets, which has resulted positively. Any timeline when it is planned for international market and would a significant increase in sales team be required?

Neha:

Yeah, thanks. Thanks for the question. So, so in terms of timeline, it will be in the subsequent quarters as well.

You know, so most of the teams that you see are probably, you know, four to six, six quarters old. And we have just started in some of the newer geographies and maybe the subsequent, you know, one or two quarters, you will see more action within them. Coming to the second part of the question, which is will it lead to significant increase in sales team?

So there will be increase in headcount marginally in the sales team. So this is something that we continue to sort of, you know, aggressively expand on. You may not see a lot increase in cost, because as I was saying that we don't have, you're typically one of the large items, which scales a lot in companies are the paid marketing item, paid marketing line item, which we don't have, you know, thankfully not a company.

So you will see some expense increase, but it may be sort of high single digit or low double digit increase only in terms of the overall expense, despite us investing in all these sort of growth initiative sales teams, you know, sort of going forward. And, but, you know, like even last year, when

we were sort of investing a lot in this, we continue to sort of, you know, sort of generate cash, you know, throughout the year.

Moderator:

Okay, so next question, I think we can take from Ravi Sinha from the Q&A box, impact of generative AI or any plan build MCP server, another channel of interface and revenue growth guidance for FY26?

Neha:

Okay, yeah, so I'll take the first question, which is basically the impact of AI. So I think, you know, as I was saying, we are sort of very excited about the, the, the level that it has been able to sort of achieve, we are able to, you know, do through AI, we are, as I was saying, you know, we are a very tech heavy company, like if you look at our DNA, we are, our tech backend today is one of the best across all the private market data platforms globally.

And that's why we've been able to add companies at this pace, we've been able to add data at this pace. And hardly any of the other platforms, for instance, you know, have been able to add, like, if you look at it, you know, in terms of so many countries, we've been able to add, to give you an example, a lot of the filings that we today track. So we have private company financials in more than 20 countries, share price in more than 20 countries, a lot of them have filings in non-English language, we're able to still extract it, standardize it, we've been able to add so many other data sets, right, at a fairly fast pace.

And this is thanks to a lot of the technology that we've been able to use. Lately, obviously, Gen AI has sort of become a key component, which has sort of good results. It is not still perfect.

So it's not so much that we've been able to expose to customers. But it is still, you know, fairly better, fairly exciting than what, you know, we were seeing probably two years back. So for us, I think we are fairly excited about it.

And that's why, you know, even if you look at our team, like though our, just the data on the platform has increased by 5 to 10x in just one year, the headcount is the same people, the period has shrunk by, you know, the data team headcount has shrunk by 10%. Right. So that is just a testimony to the kind of automation and we've been able to sort of build.

So we are sort of fairly excited about it. And we believe that, you know, this just helps us to capture global data at a much more faster pace. So that's, you know, on the first part of the question.

On the second part of the question, in terms of revenue some guidance, again, we're not giving guidance, but you know, we are, we are expecting that, you know, that, you know, we should come back to the historical sort of trajectory.

Moderator:

Okay, thanks, Neha. Next question we'll take from Akash from the Q&A box. So we see the private markets are taking time to pick up.

Many companies in the Europe and US are running cost cutting initiatives. Why customers are not switching from competitors such as PitchBook? Is it due to stickiness of the product?

What trends are you seeing customers switching to Tracxn from other competitors?

Neha:

Thanks a lot, Akash for the question. So yes, there is there. But you know, having said that, I think, you know, we have figured out, you know, sort of what is working and we are going to just double down on that, you know, in terms of, you know, your question on whether customers switching from one platform to the other.

Interestingly, you know, as I was mentioning, like 40 to 50% of the customers that we sign up have actually not used any platform, like even if you look at some of the corporate M&A teams, etc. You know, a lot of them have been doing it internally, right, not using sort of any platform. So a lot of times, it's not so much of a replacement of a platform, this market is not saturated.

So it's not so much like you are replacing a platform, a lot of times you have to sell independently, a lot of the government agencies, etc. that you're selling, right, a lot of these teams, innovation teams that you're selling to, you have to, you know, sort of sell to them independently. Right.

So we do see some advantage, you know, in this, in this time, for instance, if we are able to, you know, attract more customers, given, you know, all the changes that are happening. So we do see that this is also a good opportunity, you know, for us to be able to, you know, sort of get to as many customers as possible. And that's why we are also focusing a lot on, you know, sort of acquiring new logos and new customers, because we believe that, you know, this is a good, this gives us a good long term base that we can sort of, you know, expand, you know, over time.

Moderator:

Okay, thanks, Neha. So the next question we'll take from Prithvi. What is the net retention rate of the customers on the platform?

I mean, how much percentage of customers this financial year are the customers from last year? Right.

Neha:

Yeah, thanks a lot, Prithvi for the question. So just in terms of, you know, how we measure retention, one of the ways in which do that, ways we do that is basically your proxy to net dollar retention, which is essentially what we track is your revenue from existing customers. What that means is that, you know, if, if one set of customers, my set of customers paid me 100 rupees last year, how many, how much do they pay the subsequent year without me adding any new customers, right?

So typically, this number historically has been between 103 to 105%. Right. In a good year, we have also seen that increase to 115%.

Last year, it was lower, lower than 100%. This was in the 90s, 90, 90%. Right.

So we have seen, you know, two things to be able to improve this, like that's why you also saw the impact in the overall one. So two ways in which we have seen to increase retention, which is sort of work, which we also, you know, in process of working with. So one is in the segments, wherein, you know, we are seeing impact improving data, right?

So this can be a particular sector and region. So this, we have done it, for instance, in one of the geographies in Europe last year, wherein we saw results, wherein we sort of invested in data, there we saw the retention rates increase. The second, as I was mentioning, is launch of vertical teams.

The way they work is basically they work with these customers for better engagement, and they're able to work with customers much more closely than the vertical teams, right? So to give you an example, the team, which is working with investment bank, they come up with prioritizing more features, like, you know, like investment banks require a particular ratios or global comms for the pitch checks, or they needed expanded, you know, investor database. So they are also able to prioritize those features, or in universities, they are able to, you know, work with them for inclusion in their coursework, right?

So this helps us in sort of, you know, this is the second way in which we are able to increase retention. So one is basically investing in data in those, for those customer segments, the launch, the second is basically launch of this vertical team, and also adding engagement layer on top of it, right? So, so by doing this, we've seen this number improve.

And that is basically, you know, our talent, you know, also, in terms of the strategy, like, if you look at just India, wherein we worked last year, there, you saw the net dollar retention, increase, right, the retention increase. So in India, last year, it was slightly less than 100%. This year, FY 25, this was more than 100%.

So we were able to sort of increase, you know, within just about three to four quarters. And we were also able to see that, you know, in specific geographies, wherein we work with. So, so this is basically our plan, basically, you know, wherever you you work out by segment by segment, and you're basically, we are basically able to get it back to your historical average.

Which has been around, you know, 103 to 105%.

Moderator:

Okay, thanks, Neha. Next question we'll take from the Q&A box again from Akshay Sovani. Currently, Tracxn is more focused on increasing penetration in different segments of clients.

But how do you increase the number of logins and prices once that is achieved? Is there stickiness as customers might move to a rival product that is cheaper?

Neha:

Yeah, thanks a lot, you know, Akshay for the question. So the, the upgrade is basically fairly straightforward. So once you basically start working with the customer, you increase, you work towards, you know, increasing usage over there.

And then the other team basically also works towards, you know, selling them more licenses or and increasing the penetration within the teams. And, you know, there, there are some strategies that have worked well. So for instance, you know, things like we give some temporary licenses to some part of the team members, and in the next 10 years cycle, we are able to upgrade them.

Or the second thing, which has also worked is that you curve on login sharing. So sometimes, you know, there's some login sharing, which happens. And as soon as you curve that, then you're able to have, you know, some upgrades through that.

So there are, you know, a few things which have worked, and we probably plan to replicate it. For some of the accounts, for instance, we've been able to grow from like, you know, 5 lakh to 50 lakh within five to six years. And that is not us doing a lot of effort.

You know, hopefully, you know, once we do sort of more focused effort, we may, we may be able to sort of, you know, shrink the time based on, you know, how large the customers are. But this is something that, you know, we have anyways done with quite a lot of customers over time, or has also happened, you know, sort of organically with the customer. So this is something that we probably replicate to these customer segment as well.

But, you know, it may take some time, it may not happen immediately, it may take, you know, sort of some time.

Moderator:

Okay Neha, next question is from Praneeth in the Q&A box. What is the average account of a university and corporates? Universities seem like a great opportunity.

How are we scaling in terms of this opportunity? And what are the bottlenecks we are facing in terms of onboarding these type of?

Neha:

Right. So if you look at the average price point of the university, so this is the average overall ASPs about, you know, 5 lakh or 5.2 lakh. Universities may be slightly lesser, maybe like closer to 5 lakh, you know, on an overall level, though there's a whole range.

So this is for most financial data platforms. Actually, this is the same strategy. Like even if you look at, you know, any most of the top universities would have a student or a discounted version from the large public market data platforms.

And this is a playbook that we've actually, you know, sort of taken from the large public market data platforms itself. Because a lot of times, even when we were there, you know, in the different, in our schools or a B school, you would start using a platform for the first time, you know, through the universities. And in our case, in fact, if you look at our customer base, which is the investment, you know, the investment people that have come to the investment industry or, you know, the M&A Cobb there.

A lot of them actually graduate from the top, you know, 2000 universities globally. So for us, actually, it's a great marketing channel that, you know, we are able to sort of, you know, they are able to hear the name for the first time and get familiar with them, you know, when we are in the college. And for us, we've also had a few cases wherein, you know, the people actually knew about Tracxn earlier, they joined a fund and then they bought the subscription, you know, when they, as soon as they joined the funds.

So that just reinforces, you know, this. So in addition to being basically a revenue channel, this is also a great marketing channel for us. That's how we see it.

And coming to, you know, what is a bottleneck of scaling? So, you know, I don't think, you know, I think universities, you know, is working out very well. This was one of our oldest vertical teams, which is there, which is about, you know, five to six quarters old.

There in just the last year, we've had more than 300% increase in the number of customers, as well as more than 100% increase in the revenues, right? So we are very happy to, you know, see that the growth that we have seen from this verticals. And, you know, it's also a very good locus that we may be able to penetrate.

So now this, you know, they're basically, you know, they have a sort of a map of about, you know, 2000 plus universities and, you know, the team is basically just working towards that. So we don't see any bottleneck. I think we continue to be excited about the results that we are seeing and the sort of the way going forward.

Moderator:

Okay, thanks Neha. Next question is from Prithvi. What does the other income component consist of?

Like, is it a regular comp or any other extraordinary income limited to certain quarters?

Neha:

I'll pass this question to Prashant. Sure.

Prashant:

Hi Prithvi, hope you're doing well. So the other income that you see is a regular income, not necessarily anything particular to the quarter. So it has two components.

One is the other income, which is sort of the interest coming from the bank FDs and deposits and sort of things. And the bulk of it is like, you know, the gains and loss we sort of have it from the mutual fund investment. So because we have a, you know, sizable cash balance.

So that is kind of invested in high quality liquid funds and according to similar securities. So that has been consistent. I mean, like, in fact, it has been growing steadily, you know, quarter to quarter basis.

I hope I was able to answer your question Prithvi.

Moderator:

Okay, next question is from Akash. Is Tracxn's Management exploring potential collaborations with leading banks, financial institutions or asset managers in the US or Europe to strengthen brand credibility, build trust and enhance distribution channels? Neha, you're on mute.

Neha:

Okay, thanks. Yeah, thanks so much. Thanks a lot Akash for the question.

So in terms of partnership, you know, as I was mentioning, this is early days, but we are probably, you know, exploring partnership with, you know, some of the large data platforms or the financial data platforms, which are there in specific geographies. Our endeavor is basically, you know, some of them which have, you know, good footprint in terms of the sales teams that they have built in certain geographies. And, you know, they have a footprint of financial institutions that they work with.

And these financial institutions, their customers are also now looking at private company data, right? So this is something that they have heard multiple times from their customers. So we are basically working with, you know, a couple of them to actually do that.

So maybe, so nothing is live as of now, but we are working towards it. So maybe we'll end up, you know, closing one or two, you know, within this year to work on. And it'll be exciting for us to see, you know, how that sort of goes.

Moderator:

Okay, thanks Neha. I think this was probably the last question that we can take on. I will hand it over to you for closing remarks and then probably Sidharth can also pitch in.

Sidharth, you're on mute.

Moderator:

Yeah, sorry, I was on mute. What I was trying to say is that, thank you very much to all of you for a very detailed and insightful presentation. I've attended almost 12 of your quarterly calls post listing.

Besides that, we have hosted you so many times, but each time I learn three, four new things about your company. So that's the most interesting part of attending a presentation. And our questions and answers have been quite detailed.

And of course, management's answers have also been as much detailed. So thank you very much to you Neha, Prashant, Abhishek, Krishna management team for a great and insightful presentation. Thank you very much to all our participants for your intelligent questions.

And thank you very much to Devanshi for hosting the call. I would now like to hand it over to the management for their closing remarks.

Neha:

Yeah, thanks Sidharth. Thanks Devanshi. Thanks a lot everyone for joining us today and for the questions.

Hopefully we were able to answer most of them in case there's anything which we were not able to sort of address, please feel free to write to us. We are at investor.relations@tracxn.com or you can reach out to me, neha@tracxn.com or Abhishek or Prashant. Thanks again for joining us and hopefully you have a good rest of the day.

Moderator:

Yeah, thank you. And we would love to host you.

Prashant:

Thank you.

Moderator:

Come down to Mumbai, we'll arrange some investor sessions with all these clients of us.

Abhishek:

Yeah, thank you Sidharth. Thank you.

Neha:

Thanks everyone. Yeah.

Disclaimer: This transcript has been edited to remove and / or correct any grammatical inaccuracies and inconsistencies in language that might have occurred inadvertently while speaking.