AAA VALUATION

Monthly Newsletter

Business News

1.Zomato to acquire Blinkit for Rs. 4,447 crore in all-stock deal

Food delivery platform Zomato has agreed to acquire instant grocery startup Blinkit for ₹4,447 crore ($569 million) in an all-stock deal, as it seeks to exploit a fast-growing market for quick grocery delivery. As part of the deal, Zomato will issue up to 629 million shares, amounting to an equity stake of 6.88% on a fully-diluted basis, at an allotment price of ₹70.76 per share, Zomato said in a regulatory filing. Shares of Zomato closed at ₹70.35 on BSE on Friday, up 1.15%, before the acquisition was announced. Zomato also acquired Blinkit's warehousing and ancillary services business HOTPL for $8 million. It would, however, not acquire the B2B trading business as that no longer fits strategically into its plans, it said.

Read more at: https://www.livemint.com/companies/news/zomato-to-acquire-blinkit-for-4-447-crore-in-all-stock-deal-11656093457147.html

"**AAA Valuation Comment:** Founded in 2013, Blinkit is into Quick commerce, which refers to the delivery of items in under 30 minutes. The extreme convenience offered by these companies can create a sizable market over time, albeit in a few cities requires significant cash investments. Blinkit's annualized cash burn stands at Rs 1,290 crore (or $165 million) and the management expects it to remain well within the guided $400 million burn for the next two years. The company has scaled down its dark store from 450 to 400 in the last 6 months, which has helped it reduce its monthly burn from Rs 200 crore to Rs 110 crore over Jan-May 2022. Zomato's proposed acquisition of Blinkit at an EV of $720 million will be 7.3 per cent dilutive for existing holders. But it would widen its scope of hyper local delivery services beyond food delivery and would go well with the management's broader ambitions of capturing a larger slice of India's commerce,"

2.Mamaearth to raise $300 mn in planned IPO in 2023; seeks valuation of $3 bn

Sequoia Capital-backed Indian skincare startup Mamaearth is in talks to raise at least $300 million in a planned IPO next year and is seeking a valuation of around $3 billion, three people with direct knowledge of the company's plans told Reuters. The company was last valued at $1.2 billion in January this year when it raised fresh funds from investors including Sequoia and Belgium's Sofina. Mamaearth is targeting a valuation of around $3 billion - 10-12 times forward earnings based on sales growth and future revenue potential, a person briefed on the discussions said. It plans to file draft regulatory papers by the end of this year, said sources, who declined to be named as the plan is private.

Read more at: https://www.businesstoday.in/markets/ipo-corner/story/mamaearth-to-raise-300-mn-in-planned-ipo-in-2023-seeks-valuation-of-3-bn-338500-2022-06-21

“**AAA Valuation Comment:** Founded in 2016, Mamaearth has become popular in India with its range of "toxin-free" products such as face washes, shampoos and hair oils. It competes with Unilever's India unit, Hindustan Unilever and Procter & Gamble Co in the booming personal care industry. The company was last valued at $1.2 billion in January this year when it raised fresh funds from investors including Sequoia and Belgium's Sofina. Mamaearth is targetting a valuation of around $3 billion - 10-12 times forward earnings based on sales growth and future revenue potential. India's beauty and personal care industry is expected to grow to $27.5 billion by 2025, from $17.8 billion in 2020, and the number of online shoppers for beauty products is also projected to rise to 135 million from 25 million during that period.”

3. Cred raises $80 million funding led by GIC at $6.4 billion valuation

Fintech startup Cred has raised Rs 617 crore (about $80 million) in the first tranche of its latest funding round, according to filings with the Ministry of Corporate Affairs. The company told ET that it was raising $140 million in a mix of primary and secondary deals, which will value it at around $6.4 billion. “GIC of Singapore leads this round, joining existing investors - Sofina, Tiger Global, FalconEdge, and Dragoneer - for an investment of $140 million (primary and secondary),” the company said in a statement on Thursday.

Read more at: https://economictimes.indiatimes.com/tech/funding/cred-raises-80-million-funding-led-by-gic-at-6-4-billion-valuation/articleshow/92111072.cms

AAA Valuation Comment: Cred, founded by serial entrepreneur Kunal Shah, in 2018, started a platform for people to pay their credit card bills and earn points. It has since expanded into lending, e-commerce payments, advertising for brands, and providing short-term credit via Buy Now Pay Later (BNPL) options. The fintech unicorn plans to raise $140 million in this round with GIC leading it, along with existing investors Sofina, Tiger Global, FalconEdge, and Dragoneer, reported TechCrunch. In 2021, the startup raised capital through three rounds— $81 million in its Series C round, $215 million in Series D, and finally, $251 million in Series E.

4. Online beauty retailer Purplle raises $33 million funding, turns unicorn

Purplle, an online beauty and personal care products retailer, has raised $33 million from Paramark Ventures at a valuation of $1.1 billion. Purplle has become the Indian tech startup to join the unicorn club – or those privately held companies with a valuation of $1 billion or more - this week after online education venture Physics Wallah.This comes amid a funding winter in the global startup ecosystem. My view is that if you're a good company, if your unit economics is in place, you are good founders and if your corporate governance is top notch then I don't think that there is ever a funding winter," cofounder and chief executive Manish Taneja told ET.

Read more at: https://economictimes.indiatimes.com/tech/funding/beauty-startup-purplle-raises-33-million-funding-turns-unicorn/articleshow/92102676.cms

AAA Valuation Comment: Online cosmetics retailer Purplle has crossed $1.1 billion valuation after raising $33 million in latest Series E funding along with existing investors Premji Invest, Blume Ventures, and Kedaara. The fresh round of investment takes the total funding to over $215 million to join the unicorn club. Considered rival to Falguni Nayar-led Nykaa beauty brand, Purplle had previously received four rounds of funding from investors closing 2021 with a Series D of $140 million. The company has grown rapidly with seven million monthly active users, over 1,000 brands, 60,000 products, and five private direct-to-consumer (DTC) brands. With a robust growth trajectory, Purplle has scaled its annualised gross merchandise value (GMV) to $180 million in FY22. India's beauty and personal care market, estimated at $25.9 billion in 2020, is projected to reach $32.7 billion by 2023, growing at a compound annual growth rate (CAGR) of 8.1 per cent.

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5. FlexiLoans raises $90 million from global investors in Series B funding

MSME-focused fintech lending platform FlexiLoans.com on Tuesday announced that it has attracted nearly USD 90 million in Series B funding from marquee investors including Denmark based PE firm MAJ Invest, UK based fintech investor Fasanara Capital and the family offices of Dr. Harry Banga and Yogesh Mahansaria. The fundraise will help the firm in scaling up its micro SME lending and creating technological edge for its BNPL, supply chain and co-lending services. This investment round provides a strong runway to the firm for its growth journey at a time when there is fintech push by the government especially for the MSME sector, the company said in a release.

Read more at: : https://www.livemint.com/companies/news/lending-platform-flexiloans-raises-90-million-from-global-investors-in-series-b-funding-11654579104542.html

“ **AAA Valuation Comment:** Founded in 2016 by Indian School of Business alumni Deepak Jain, Ritesh Jain and Manish Lunia and IIT Bombay alumnus Abhishek Kothari, FlexiLoans is an embedded finance platform with more than 120 partners including e-commerce giants like Amazon, Flipkart, Nykaa, Myntra, and others. It helps provide financing to sellers or vendors of these ecommerce platforms. The platform is targeting to deploy Rs 1,500 crore to Rs 1,800 crore of loans in the next 12 months. A large portion of its loan book is generated from disbursals to small businesses in Tier 2 and 3 towns. The company currently claims to clock an annualized revenue run rate (ARR) of Rs 100 crore and presently has an active loan book of Rs 500 crore. ”

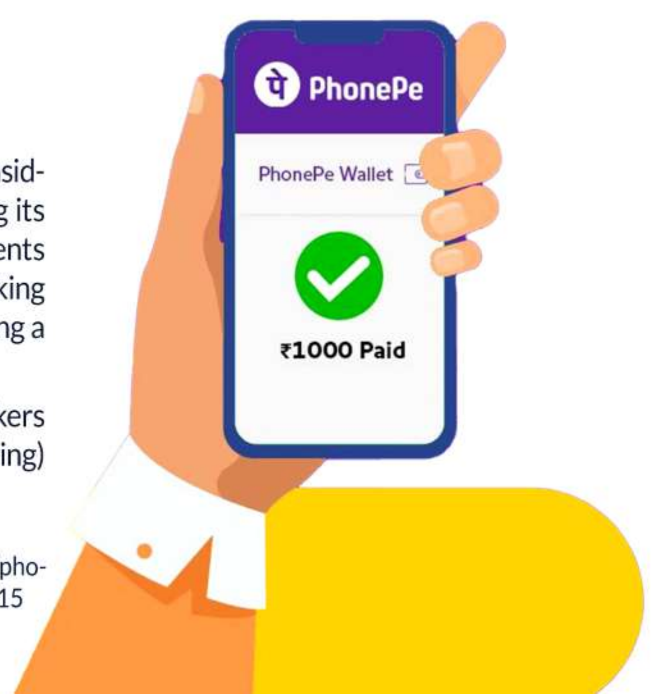
6. Crypto platform FalconX's valuation reaches $8 bn in latest funding round

Digital assets platform FalconX was valued at $8 billion in a new funding round led by Singapore's sovereign wealth fund GIC and B Capital, more than doubling its valuation in 10 months, its chief executive and founder Raghu Yarlagadda told Reuters, despite the recent slump in crypto markets. This funding round totaled $150 million from new and existing investors, bringing fresh capital to the company, even with an unfavorable market environment for crypto currencies. Not all the money will go the company's coffers as some investors also sold an undisclosed stake in FalconX. In a funding round concluded in August, FalconX had been valued at $3.75 billion.

Read more at: : https://www.businesstoday.in/crypto/story/crypto-platform-falconxs-valuation-reaches-8-bn-in-latest-funding-round-338777-2022-06-23

“ **AAA Valuation Comment:** FalconX, raised $150 million in a Series D funding from investors led by GIC and B Capital, a previous investor. The company's new funding arrives as a crypto winter chills the digital asset industry. The price of Bitcoin has sunk about 30% over the past month. FalconX's new round shows that there's still some investor appetite for crypto. The company's valuation puts it on par with some of the biggest names in crypto. FTX US, the US branch of crypto exchange FTX, is also valued at about $8 billion, as is crypto custody firm Fireblocks Inc. Coinbase currently has a market capitalization of about $13 billion. The startup plans to increase its workforce by 30% in the coming months, adding 55 new employees to the company. It also intends to use the proceeds in acquisitions, technology and data analytics, expanding its services to institutions from trading execution, credit and prime brokerage. ”

7. PhonePe prepping for IPO; aims for $8-10 bn valuation: Report



PhonePe, part of the Walmart Inc-controlled Flipkart group, is considering to raise funds through an initial public offering for expanding its financial services portfolio and deepening its core United Payments Interface (UPI) - based payments operations, investment banking sources said on Wednesday. The digital payment company is seeking a valuation of USD 8-10 billion, they added.

According to the sources, the company will soon engage with bankers and legal consultants to take forward the IPO (Initial Public Offering) process.

Read more at: : https://www.businesstoday.in/entrepreneurship/news/story/phonepe-prepping-for-ipo-aims-for-8-10-bn-valuation-report-337730-2022-06-15

AAA Valuation Comment: PhonePe plans to move its registered holding entity from Singapore to India, underlining its 'made in India' credentials. The company's board has already ratified the proposal to move the holding company to India.It will list on Indian stock exchanges as opposed to many startups that prefer to incorporate overseas, primarily Singapore or the US, chasing relatively friendlier tax laws and business regulations there. The company has applied for a mutual fund license and a Non-Banking Financial Company (NBFC) license and has acquired three companies -- WealthDesk, OpenQ and GigIndia. PhonePe is the leader in the UPI space, enjoying a 47 per cent market share in monthly transactions.

8. ShareChat raises $255 mn from Google, Times Group, others; valuation at $5 bn

Home-grown social media company ShareChat on Thursday said it has raised USD 255 million in funds from Google, Times Group, and Temasek, and reached USD 5 billion in valuation with its multi-tranche funding round. In the first part of the round, ShareChat had raised USD 266 million in December 2021 from Alkeon Capital, Temasek, HarbourVest, Moore Strategic Ventures, and India Quotient. ShareChat (Mohalla Tech) in a statement said it has closed multi-tranche funding round through which it raised a total of USD 520 million and reached USD 5 billion in valuation. Mohalla Tech is ShareChat's parent company. ShareChat runs India's largest short video platforms Moj and TakaTak, besides the ShareChat app, which together cater to over 400 million users.

Read more at: : https://www.businesstoday.in/entrepreneurship/news/story/phonepe-prepping-for-ipo-aims-for-8-10-bn-valuation-report-337730-2022-06-15

AAA Valuation Comment: Founded in 2015 by Ankush Sachdeva, Bhanu Pratap Singh and Farid Ahsan, ShareChat, had turned a unicorn (valued at $1 billion) last year, had raised $913 million in 2021. The fund raise underscores the capital-intensive nature of the short-video sector. It counts US social media majors like Twitter and Snap Incamong its investors. ShareChat runs India's largest short video platforms Moj and TakaTak, besides the ShareChat app, which together cater to over 400 million users. Platforms like MX Takatak, Moj, and Josh came into prominence after India banned a slew of Chinese apps including TikTok in 2020 following border hostilities with China. Moj competes directly with Josh run by VerSe Innovation which closed a $805 million funding led by existing investor Canada Pension Plan Investment Board (CPPIB).

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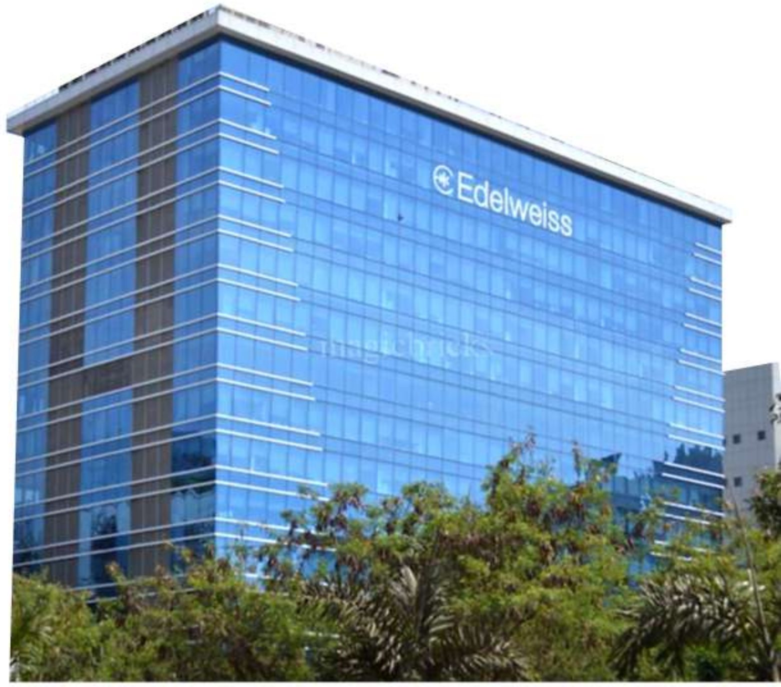
9. Edelweiss Broking to raise up to Rs 300 cr through NCD

Equirus Capital and Edelweiss Financial Services are the lead managers of the issue. These bonds are proposed to be listed on BSE. Edelweiss Broking on Tuesday said it will raise up to Rs 300 crore through the public issuance of non-convertible debentures to support working capital requirements. The issue will open on July 5 and close on July 26 with an option of early closure, the company said in a statement. The public issue of secured redeemable non-convertible debentures (NCDs) or bonds will have a face value of Rs 1,000 each. The issue has a base issue size of Rs 150 crore with an option to retain an oversubscription of up to Rs 150 crore, aggregating to Rs 300 crore.



Read more at: : https://www.businesstoday.in/latest/corporate/story/edelweiss-broking-to-raise-up-to-rs-300-cr-through-ncd-340366-2022-07-05

"**AAA Valuation Comment:** Edelweiss Broking, announced a public issue of secured redeemable non-convertible debentures (NCDs) of face value of Rs 1,000 each with a base size of Rs 150 crore. The NCD issue will have an option to retain an oversubscription of up to Rs 150 crore, aggregating up to Rs 300 crore. The issue will open on July 5 and close on July 26 with an option of early closure. These bonds will have a tenor of 24 months / 36 months / 60 months / 120 months available with various interest payment options like monthly, annual and cumulative. The effective yields offered to investors are in the range of 8.75-9.95 per cent per annum. These bonds are proposed to be listed on BSE."

PROPERTY SHARE

10. PropShare raises $47 million in equity at valuation of $170 million

Commercial real estate investment platform PropShare has raised $47 million in equity at a valuation of roughly $170 million in its Series B round led by WestBridge Capital, the company told FE. Existing investor Pravega Ventures participated in the round too. The company will use these funds to expand its distribution channels, invest in technology and people, add new product lines and strengthen investor relations.

Read more at: https://www.financialexpress.com/industry/propshare-raises-47-million-in-equity-at-valuation-of-170-million/2574507/

“ **AAA Valuation Comment:** Founded in 2016, PropShare is a technology-driven real estate investment platform that enables investors to purchase commercial real estate assets. The real estate investment platform will use the capital to scale its platform across geographies and real-estate asset classes by expanding distribution channels and investing in technology and people. The company plan to grow to over $1 billion in transacted assets on the platform by expanding into new geographies and property types while keeping technology and investors at the core of our offerings. ”

AAAVP Monthly Highlights

Knowledge sharing Sessions by Partner:

1. Partner Ankit Goel addressed a session by CA AFFINITY on “Valuation Examination” on 11th June, 2022.

Valuation Assignment Received

1. Secured assignment for valuation of assets of an entity engaged in business of Real estate, with book value of assets worth more than Rs.410 crore.

2. Secured assignment for valuation of assets of an entity operating in Manufacture of tobacco products, with book value of assets worth more than Rs. 20 crore.

3. Secured assignment for valuation of assets of an entity engaged in business of Real estate, with book value of assets worth more than Rs.18 crore.

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Interesting Trivia

1 "Yahoo" is an acronym for "Yet Another Hierarchical Officious Oracle."

2 Starbucks spends more on health care insurance for its employees ($300 million) than on coffee beans.

3 Candy Crush brings in a reported $633,000 a day in revenue.

4 Google was originally called BackRub.

5 In 2000, Coca-Cola launched a stealth campaign against water called "Just say no to H2O."

thank you