

# Astrotalk taps PE funds to raise \$40 million in pre-IPO round

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Investors in the Indian stock market will soon have the opportunity to invest in a novel business enterprise, adding to the diversity of companies available in the market. Astrotalk, the online astrology consultation services provider, is currently in talks with growth and mid-size PE funds and family offices to raise up to \$40 million (around ₹333 crore) as part of its pre-IPO funding round, valuing the company at \$220 million, people familiar with the company's plans said.

The firm, backed by Kunal Shah's Qed Innovation Labs, aims to go public in FY25, said Astrotalk CEO Puneet Gupta. This would be the company's first institutional round, he said. "We need to realign our cap table ahead of the IPO and hence are in talks to raise a PE round," he said, without sharing details of the funding round. It has appointed investment bank Illuminate to help it with the process.

It derives around 85% of its revenues from tier I cities and metros, Gupta said. "The average age of our customers is around 18-35, with almost 60% consultations being relationship and marriage-related," he said. According to him, around 30% of the consultations are for career and business.

The platform earns around ₹1.8 crore a day in consultations with its revenues for FY23 being around ₹285 crore. The current revenue run rate,



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according to Gupta, is around ₹600 crore and the firm is expecting to close the financial year at ₹650 crore in topline. "We have been profitable for some time. We are likely to close FY24 with ₹100 crore of Ebitda," he added. It is looking to add vernacular ads in to tap into tier II and tier III cities. The company, that is heavily focused on the market in North India will also expand its offerings in the South, which is a big market for astrology, he says.

The number of astrologers on the platform has increased manifold in the last 24 months, claims Gupta. It is onboarding around 150-200 astrologers each week on its platform. From 1,500 astrologers on its platform two years back, today it has around 13,000 registered with it, though only 7,500 are active, says Gupta.

While 90% of the business is consultations over call and chat, 5% comes from e-commerce remedies and 5% from live sessions on social media platforms. The company is looking at introducing newer streams of business such as

online pooja and global expansion to take the revenues to ₹1,500-2,000 crore over the next 12-18 months, he claims.

"Starting 2021, we saw new-age businesses coming to the market. Though it has significantly cooled off in the last 2 years on account of poor returns as also more stringent disclosures, there are several more such companies which are waiting to tap the IPO market to provide exit to their investors. A sound business at a reasonable valuation will get investor backing," said Pranav Haldea, managing director, Prime Database Group. There has also been a shift in the investor base in the last few years. "A lot of young investors who are probably also users of these businesses shall be more willing to back these new-age companies," he said.

"Online pooja is a large market and we are also seeing great traction from overseas clients," he said. According to Gupta, 17% of the business comes from the global market such as the US, Canada, UK and Australia.

In India, it competes with Astrosage and AstroYogi.