
PROPRIETARY

ECom Express may seek to raise USD 100m before planning to go public within three years, CFO says

22 MAR 2019

ECom Express, an Indian logistics solutions provider, aims to go public in two to three years but may raise funds of more than USD 100m before the initial public offering, Chief Financial Officer Mayank Gupta said.

The timeline for the fund raise has not been determined. The company would look to mandate an adviser when it is ready to tap the market, he said.

ECom Express would like to bring onboard new investors to diversify the shareholding base. Both strategic and financial investors would be welcome; the pedigree of the investor would be of utmost importance, according to the executive.

Warburg Pincus holds a majority stake in the company, and most of the remaining stake lies with the four promoters T.A. Krishnan, K. Satyanarayana, Manju Dhawan and Sanjeev Saxena, the CFO said.

ECom Express, launched in 2012 as a logistics service provider dedicated to the e-commerce industry, is expected to close the current financial year at a topline growth rate of 75%-80% over the previous financial year. Its current revenue is close to INR 10bn (USD 145m), and for the first time the company turned operationally profitable in the second half of the current financial year, Gupta noted.

The company claims to have a presence in all 29 states of India with 100% coverage in 20 states. It has 2,500 offices and a 27,000-strong workforce.

The logistics solutions provider has launched services for the banking & financial services (BFSI) and the telecom industry, and it aims to become the preferred partner in these sectors, he said. ECom Express also offers fulfillment services that include order management (pick, pack and ship services) and real-time inventory management to sellers.

Talking of its view on inorganic growth opportunities, the executive said the organic route remains the prime focus as of now. The company often receives inbound interest from potential targets that are assessed in-house but has not selected so far.

However, it would consider opportunities perceived as a strategic fit for the business or complementary. Therefore tech-driven firms, or entities belonging to the hyper-local or grocery businesses could be of interest, the CFO noted.

Its competitors include Alibaba-backed XpressBees and SoftBank-supported Delhivery, according to news reports. Delhivery is aiming to do an initial public offering this year, the reports added.

Ruby Jacob in Mumbai

Grade: Confirmed

TARGET

Ecom Express Private Limited

Competitors

Delhivery Pvt Ltd

Xpressbees Logistics

OTHERS

Warburg Pincus LLC

Countries

India

Sectors

Services (other)

Transportation

Sub-Sectors

Freight and other

transportation services

Mail and package shipment

Topics

Advisory Invitation

(Bankers, Other)

ECM

ECM Premium Content

Growth Capital Raise

IPO

Private equity related

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