

Trading app set to triple valuation thanks to India's huge user acquisition opportunities

Article

The news: India-based Groww is in talks to **raise \$250 million**, which would push its **valuation to \$3 billion**, up from **\$1 billion** in April, per TechCrunch.

What does it do? Groww offers users access to stocks, mutual funds, and gold. It **charges INR 20 (\$0.27) or 0.05% per executed order**, depending on which is cheaper.

Here's why it could triple its valuation: After becoming a unicorn earlier this year, Groww **acquired** asset manager **Indiabulls'** mutual fund business to broaden investing options for users and is on track to hit **\$35 million in annual recurring revenues (ARR)**.

And Groww's backers likely see significant user acquisition opportunities for the fintech in the coming years:

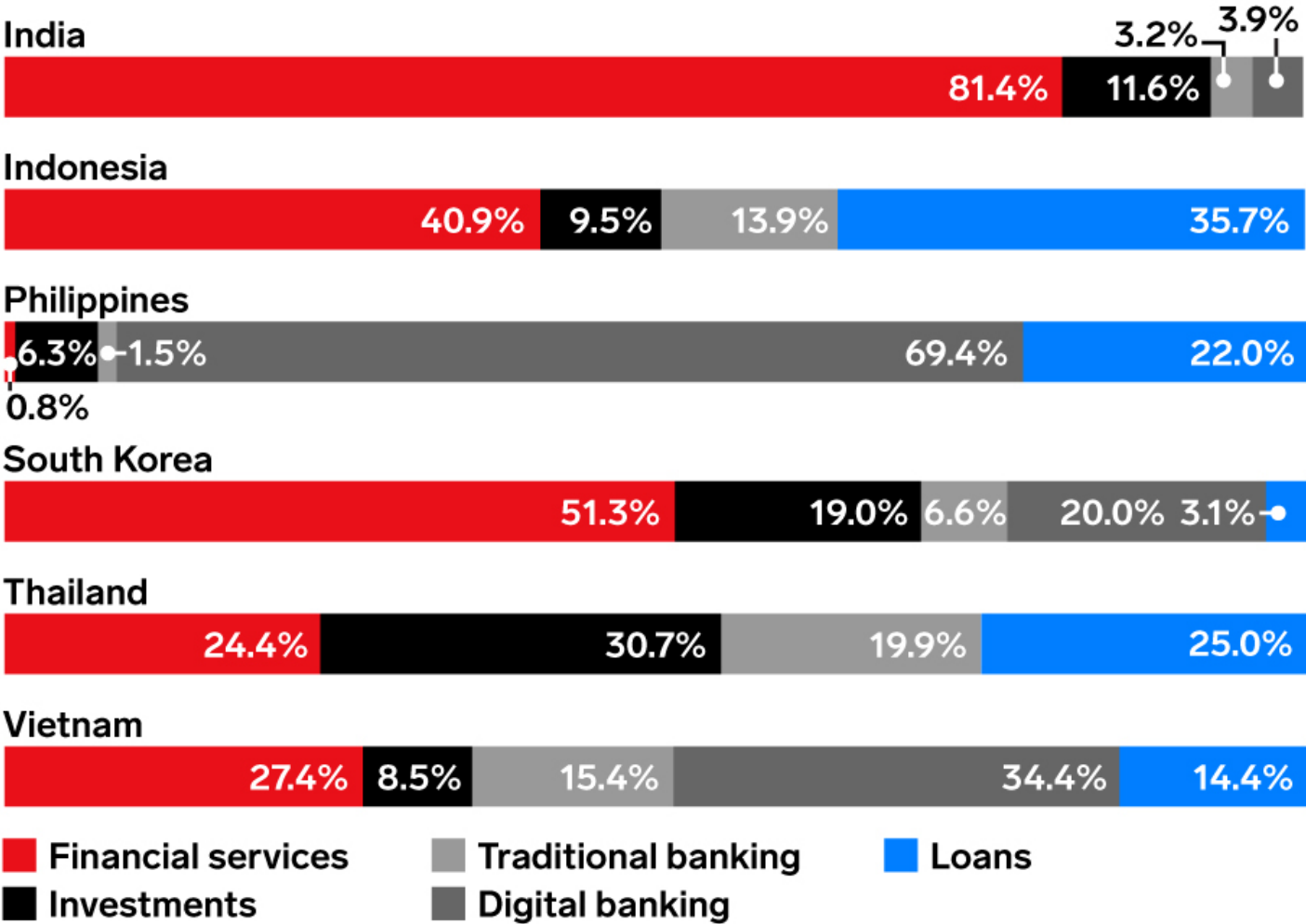
- **Fintech-savvy consumers.** In a country of **more than 1.38 billion people**, **37%** are already accustomed to digital transactions and should therefore easily adapt to investing digitally as well. And Groww is getting in at the right time given that **less than 30 million consumers** in the country currently invest in mutual funds and stocks, per TechCrunch.
- **Surging internet adoption.** **Millions** of consumers living in rural areas lack access to traditional financial services, but **improving** internet access is letting fintechs step in. More than **60%** of Groww users come from smaller cities and towns.
- **Potential crypto addition.** Groww is mulling the addition of crypto trading, which may have further excited potential backers. **Crypto investments in the country jumped 612% year over year in April 2021** to \$6.6 billion, up from \$923 million.

The bigger picture: Indian fintech unicorns are multiplying at a rapid rate as the country's tech-savvy yet underserved population makes investors bullish across fintech sectors.

India already hit **\$2.06 billion in fintech funding in H1**, compared with \$2.25 billion for all of 2020, pushing more startups into the unicorn club, including insurtech **Digit Insurance**, alt lender **Five Star Business Finance**, and credit card aggregator **Cred**. And the past year's retail investing **boom** is doing the same for digital brokers like crypto exchanges **CoinDCX** and **CoinSwitch**.

Mobile Finance App Performance Benchmarks for Select Countries in Asia-Pacific: App Install Share, by Category, Q4 2020-Q1 2021

% of total



Note: represents activity tracked by AppsFlyer, broader industry metrics may vary
 Source: AppsFlyer, "The State of Finance App Marketing," June 9, 2021

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