Shadowfax Technologies Ltd

Neutral

Rating: Neutral

Issue Offer

Total issue size: INR 19,070 Mn (153.8 Mn shares) - OFS of INR 9,070 Mn (73.17 Mn shares) and a Fresh Issue of INR 10,000 Mn (80.65 Mn shares).

Issue Summary	
Price Band (INR)	118-124
Face Value (INR)	10
Implied Market Cap (INR mn)	71,688.5
Market Lot	120
Issue Opens on	20 January, 2026
Issue Close on	22 January, 2026
No. of share pre-issue	49,74,88,085
No. of share post issue	57,81,33,246
Listing	NSE / BSE

Issue Break-up (%)	
QIB Portion	≥ 75
NIB Portion	≤ 15
Retail Portion	≤ 10

Book Running Lead Managers
ICICI Securities Ltd

Registrar
Kfin Technologies Ltd

Shareholding Pattern	Pre-Issue	Post-Issue
Promoters	19.41%	4.05%
Public & Others	80.59%	95.95%

Objects of the issue	Exp. Amt (INR Mn.)
Funding of capital expenditure requirements of the company in relation to the network infrastructure.	4,234.3
Funding of lease payments for new first mile centers, last mile centers and sort centers.	1,386.4
Funding of branding, marketing and communication costs.	885.7
Unidentified inorganic acquisitions and general corporate purposes.	

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Incorporated in June 2016, Shadowfax Technologies Ltd is an India-based logistics solutions provider offering end-to-end e-commerce and D2C parcel delivery, along with hyperlocal and quick commerce services, including same-day delivery. The company operates a nationwide, asset-light logistics network with 4,299 touchpoints covering 14,758 pin codes supported by a large gig-based delivery partner base and a dedicated linehaul fleet of over 3,000 trucks. Serving leading digital commerce platforms across e-commerce, food delivery, and quick commerce, company has positioned itself as a scaled, technology-driven logistics partner with strong nationwide reach and operational flexibility.

Investment Rationale:

Strong Competitive Position Through Integrated Logistics Offerings: The company is the only large-scale 3PL player in India offering both end-to-end e-commerce logistics and hyperlocal last-mile delivery. Its wide service portfolio—including express delivery, reverse logistics, quick commerce, and critical logistics—allows it to cater to diverse client needs. This integrated model improves client retention and increases wallet share, supporting sustainable long-term growth.

Extensive Nationwide Infrastructure Enables Faster Growth: With a wide network of touchpoints covering a large number of pin codes, the company has built a strong logistics backbone across India. Its asset-light and leased infrastructure model, combined with automated sort centers, supports high capital efficiency. This network strength allows faster service expansion, improved delivery speed, and operating leverage as volumes increase.

Technology-Led Platform Enhances Efficiency and Service Quality: The company's proprietary technology platform, supported by AI and machine learning, optimizes demand-supply matching, route planning, fraud detection, and address intelligence. These capabilities reduce delivery errors, improve reliability, and lower per-order costs. Continuous technology investments position the company well to handle complex logistics requirements and future growth.

Valuation & Outlook: Shadowfax Technologies Ltd is well positioned to benefit from the continued growth in India's e-commerce, D2C and quick commerce segments, supported by rising demand for faster and more reliable deliveries. Its integrated service offerings, asset-light nationwide network, and technology-driven operating model are expected to support sustained volume growth and operating leverage. Ongoing investments in automation, technology, and network expansion should enhance efficiency and service quality, while deeper engagement with existing clients and expansion into higher-yield segments can improve margins over the medium term. Overall, the company's scalable platform and strong execution capabilities provide a favorable outlook for steady growth with improving profitability. **At the upper band of INR 124, the issue is valued at a P/E ratio of 170.4x, based on annualized PAT of FY26 EPS of INR 0.73 and EV/EBITDA of 55.4x based on annualized EBITDA of FY26. We are recommending a "Neutral" rating for this issue.**

Financial Summary:

Particulars (INR Mn)	FY23	FY24	FY25	H1FY26
Revenue	14,229	18,965	25,147	18,198
Growth (% YoY)		*33%*	*33%*	
EBITDA	-1,135	114	562	643
Margins	*-8%*	*1%*	*2%*	*4%*
PAT	-1,426	-119	61	210
Margins	*-10%*	*-1%*	*0%*	*1%*
Debt	667	403	1,322	1,474

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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