



IPO Note

FRACTAL ANALYTICS LIMITED

Feb 09th, 2026



Feb 09th, 2026**Details of the Issue**

Price Band	₹ 857 - ₹ 900
Issue Size	₹ 2,834 Cr
Face Value	₹ 1
Bid Lot	16
Listing on	BSE,NSE
Post Issue Mcap	₹ 15,474 Cr
Investment Range	₹ 13,712 - ₹ 14,400

Important Indicative Dates (2025)

Opening	09 - Feb
Closing	11 - Feb
Basis of Allotment	12 - Feb
Refund Initiation	13 - Feb
Credit to Demat	13 - Feb
Listing Date	16 - Feb

Lead Manager

Axis Capital Ltd
Kotak Mahindra Capital Company Ltd

Offer Details

Offer Size	₹ 2,834 Cr
Fresh Issue	₹ 1,023 Cr
OFS	₹ 1,810 Cr

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	2,126	23.62	24.80	75
NII	425	4.72	4.96	15
Retail	283	3.15	3.31	10
Em- ploy.	-	-	-	-
Total	2,834	31.49	33.07	100

Invest Now**Company Profile**

Fractal Analytics, founded in March 2000, is a global enterprise AI and analytics company that helps leading organizations make smarter, data-driven decisions. With over 20 years of experience, Fractal combines deep technical capabilities with strong domain and functional expertise to build scalable AI solutions. As of September 30, 2025, its offerings are organized into two segments: Fractal.ai, which delivers AI services and products through its agentic AI platform Cogentin with low-code tools, governance and security; and Fractal Alpha, which incubates and scales independent AI businesses focused on high-growth markets. The company is well positioned in a rapidly expanding AI landscape, backed by long-standing relationships with global clients, a strong innovation track record, and founder-led leadership with a long-term vision. Its customers include Citi, Costco, Franklin Templeton, Mars, Mondelez, Nationwide, Nestlé and Philips.

GEPL's Insights & Investment Thesis:

- Fractal Analytics Ltd is India's leading pure-play enterprise Data, Analytics and Artificial Intelligence (DAAI) company that helps leading organizations make smarter, data-driven decisions with deep technical capabilities with strong domain and functional expertise.
- The company has marquee clients including Mars, Mondelez, Nestle, Phillips, Costco, and others. It has served more than 122 Must Win Clients (MWCs) as of September 2025.
- Based on the FY25 earnings, relative to the company's paid-up capital, the issue is priced at a P/E ratio of 79x. We believe that the company is India's leading pure play AI company, has marquee clients, improving financial performance, and has strong technical and functional capabilities. Therefore, we recommend a "Subscribe" rating for the issue.

Business Highlights & Services

AI adoption is a structural, long-term trend, with enterprises increasingly outsourcing data, analytics and AI (DAAI) to specialist providers due to complexity, talent shortages and cost pressures. This creates a large and fast-growing opportunity, with the global third-party DAAI market estimated at -US\$143 bn in FY25 and projected to grow at a 16.7% CAGR to -US\$310 bn by FY30. Fractal is a pure-play, end-to-end enterprise DAAI player, well positioned to benefit as large enterprises prefer a single partner with integrated capabilities across the value chain. Its comprehensive offerings span consulting, technology services, AI products and advanced capabilities in GenAI, NLP and computer vision. The company has consistently outperformed the industry, delivering an 18.0% revenue CAGR in FY23-FY25 versus ~11.0% for the global DAAI market, indicating market share gains. With over 90% of revenues from global clients and repeated "Leader" recognition from Everest Group and Forrester, Fractal offers a compelling play on scalable, global AI adoption.

Fractal serves marquee global clients across CPGR, TMT, HLS and BFSI, including Citi, Costco, Nestlé, Mondelez and Philips, with a well-diversified revenue mix and strong penetration among global leaders. As of FY25, it worked with 10 of the top 20 CPG, 8 of the top 20 TMT, 10 of the top 20 HLS, 3 of the top 20 BFSI and 5 of the top 20 retail companies, driving a 16.8% revenue CAGR in its focus industries during FY23-FY25 and positioning it well for GenAI-led mid-teens growth through FY30. Client relationships are deep and sticky, with long tenures and strong expansion. The top 10 clients contributed 54.2% of revenues in H1 FY26 with an average relationship of over eight years.



Net revenue retention in Fractal.ai has consistently remained above 110%, highlighting strong client retention, wallet share expansion and Fractal's role as a strategic, long-term AI partner.

Fractal is a full-stack, end-to-end enterprise AI player with over 25 years of experience, combining deep technical, domain and functional expertise to deliver scalable AI solutions across industries. Its strong capabilities in GenAI, machine vision, data engineering and advanced analytics are independently validated by Everest Group and reinforced through continuous research and academic collaboration. Deep domain knowledge across CPGR, TMT, HLS and BFSI enables Fractal to move from single use-cases to enterprise-wide deployments, driving client expansion and cross-sell. This is supported by domain- and function-specific platforms such as Trial Run and the Cogentiq suite, which improve repeatability and client stickiness. Fractal's strength lies in its ability to integrate AI into complex enterprise environments while ensuring responsible AI, security and adoption at scale. Strategic partnerships with leading cloud, data and AI ecosystem players further enhance execution capability and go-to-market reach, reinforcing its position as a long-term enterprise AI partner.

Fractal's strategy is focused on creating outsized client value by embedding AI into enterprise decision-making, while deepening relationships with marquee, multi-year clients and expanding its global presence across key markets. Its end-to-end ownership of the AI lifecycle from ideation to adoption—enables deep integration with client data, systems and partner ecosystems, driving higher client outcomes and stickiness. Continuous investment in talent, GenAI-led go-to-market and frontier AI research underpins long-term differentiation. Platforms such as Cogentin and advanced agentic systems accelerate enterprise AI deployment, while consumer and enterprise AI products and Fractal Alpha spin-offs create multiple monetization levers, positioning Fractal as a long-term compounder in enterprise AI.

Fractal follows a partnership-led growth strategy by collaborating with leading hyperscale's, cloud and data platforms, AI labs and enterprise AI software providers, including Google Cloud, Databricks, OpenAI, C3 AI and NielsenIQ. These partnerships are structured as mutual value exchanges, where Fractal supports partners' consumption and growth objectives while leveraging their technology, funding programs and market reach to accelerate client acquisition and deal conversion. By deeply aligning with clients' technology roadmaps and continuously upskilling teams on partner platforms, Fractal integrates partner offerings into its solutions to deliver end-to-end capabilities and faster time-to-value. This ecosystem-led approach strengthens go-to-market execution, enhances scalability and reinforces Fractal's position as a preferred enterprise AI implementation partner.

Fractal follows a disciplined, client-centric acquisition strategy to strengthen its technical, functional and domain capabilities while expanding geographic reach and talent depth. Acquisition targets are selectively evaluated for strategic fit, complementary capabilities and synergy potential, ensuring alignment with long-term growth priorities. A proven and repeatable M&A framework enables Fractal to de-risk capital allocation and consistently extract value through effective IP integration and talent retention. Past acquisitions such as Asper.ai, Cogentiq CX, Analytics Vidhya and Neal Analytics demonstrate Fractal's ability to translate acquisitions into scalable platforms, enhanced AI capabilities, stronger partnerships and a deeper talent pipeline, supporting sustained growth and execution confidence.

Segmental Revenue Split

Particular	1HFY25		FY25		FY24		FY23	
	Amount (In Cr)	%						
Fractal.ai	1,518	97%	2,704	97.78%	2,162	98.43%	1,969	99.19%
Fractal Alpha	45	3%	64	2.33%	37	1.66%	19	0.96%
Less: Others	-5	-0.32%	-3	-0.11%	-2	-0.09%	-3	-0.15%
Total Revenue	1,558	100%	2,765	100%	2,197	100%	1,985	100%



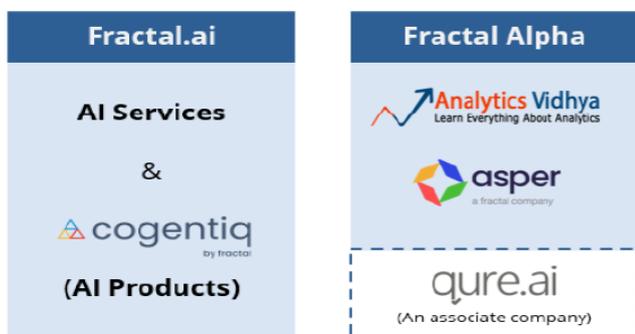
Revenue Split by Fractal AI Segment

Particular	1HFY25		FY25		FY24		FY23	
	Amount (In Cr)	%						
CPGR	569	37%	1,062	39.26%	904	41.81%	805	40.88%
TMT	413	27%	809	29.91%	587	27.15%	556	28.24%
HLS	258	17%	375	13.86%	301	13.92%	219	11.12%
BFSI	186	12%	298	11.02%	233	10.78%	284	14.42%
Others	92	6%	161	5.95%	137	6.34%	105	5.33%
Total Revenue	1,518	100%	2,705	100%	2,162	100%	1,969	100%

Fractal.ai Revenue Split by Geographical

Particular	1HFY25		FY25		FY24		FY23	
	Amount (In Cr)	%						
Americas	999	66%	1,799	66.53%	1,379	63.81%	1,322	67.14%
Europe	322	21%	479	17.71%	429	19.85%	333	16.91%
APAC and others	197	13%	426	15.75%	353	16.34%	314	15.95%
Total Revenue	1,518	100%	2,704	100%	2,161	100%	1,969	100%

Business Segment



Industry Outlook

Exhibit 10 shows the breakdown of the DAAI services market by value chain element over Fiscal 2021-30 (projected).





Company's Competitive Strength

- Leading Player in a large and growing AI market.
- Long-standing and growing relationships with marquee, global clients contributing to a diversified revenue base.
- Deep and integrated technical, domain and functional expertise.
- Track record of inventing and investing to benefit clients.
- Culture of trust, transparency & freedom to nurture talent.
- Experienced founders-led management team focused on building Fractal for the long term.

Key Strategies Implemented by Company

- Acquire and grow must win clients, or MWCs.
- Expand capabilities by investing in AI research and product innovation.
- Continue to build a great place to work.
- Partner with leading technology companies.
- Accelerate the capabilities through acquisitions.

Particular (INR in Cr)	1HFY26	FY25	FY24	FY23
Equity Capital	14	3	3	3
Reserves and Surplus	1,958	1,750	1,403	1,340
Net Worth	1,972	1,753	1,406	1,343
Revenue	1,559	2,765	2,196	1,985
Growth (%)		26%	11%	
EBITDA	200	350	73	-116
EBITDAM (%)	13%	13%	3%	-6%
PAT	72	223	-47	203
PATM (%)	4.6%	8.1%	-2.1%	10.2%
ROE (%)	-	11.2%	-3.0%	-23.9%
ROCE (%)	-	14.8%	2.2%	-8.2%



Notes

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