

Fractal Analytics Ltd

IPO Note



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Driving Enterprise Decisions Through Artificial Intelligence

Fractal Analytics Limited, incorporated in 2000, is a globally recognized enterprise artificial intelligence (AI) company providing end-to-end AI solutions to large global enterprises. The company leverages over 25 years of experience across artificial intelligence, data engineering, and domain expertise to support data-driven decision-making. As of September 30, 2025, Fractal operates through two segments: Fractal.ai, comprising AI services and AI products primarily hosted on its Cogentiq platform, and Fractal Alpha, which houses its AI businesses. The company serves clients across CPGR, TMT, healthcare and life sciences (HLS), BFSI, and other industries.

Fractal has built a diversified revenue profile. In FY25, revenue from the Fractal.ai segment stood at INR 2,703.7 Cr, with CPGR contributing INR 1,061.5 Cr, TMT INR 808.7 Cr, HLS INR 374.5 Cr, BFSI INR 298.0 Cr, and other industries INR 161.0 Cr. Revenue from operations grew from INR 1,985.4 Cr in FY23 to INR 2,196.3 Cr in FY24, and further to INR 2,765.4 Cr in FY25, reflecting a 25.9% YoY growth. For the six months ended September 30, 2025, revenue stood at INR 1,559.0 Cr, up 19.9% YoY.

Profitability improved materially in FY25. EBITDA increased to INR 398.0 Cr, with an EBITDA margin of 14.4%, compared to INR 97.2 Cr and 4.4% in FY24. Adjusted EBITDA stood at INR 482.1 Cr, with an adjusted EBITDA margin of 17.4%. Profit after tax (PAT) for FY25 was INR 220.6 Cr, compared to a loss of INR 54.7 Cr in FY24, with a PAT margin of 8.0%, while adjusted PAT stood at INR 347.8 Cr, translating into an adjusted PAT margin of 12.6%.

Fractal's growth is driven by increasing enterprise adoption of AI-led decision intelligence and expanding deployment of generative AI solutions across client use cases. However, execution risks, evolving technology cycles, and competitive pressures in the global AI and analytics services market remain key considerations. Overall, Fractal Analytics is positioned as a scaled enterprise AI platform with diversified industry exposure, strong revenue momentum, and improving profitability metrics.

Industry	IT Services
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Scrip Details

Listing	BSE &NSE
Open Date	Feb 09, 2026
Close Date	Feb 11, 2026
Price Band	INR 857 – 900
Face Value	INR 1.0
Market Lot	16 Shares
Minimum Lot	1

Issue Structure

Issue Size (INR cr)	2,833.9
Issue Size (Shares)	3.2
QIB Share (%)	≥ 75%
Non-Inst Share (%)	≤ 15%
Retail Share (%)	≤ 10%
Pre Issue sh. (cr)	16.1
Post Issue sh. (cr)	17.2
Post Issue Market Cap (cr)	15,473.6

Shareholding (%)	Pre(%)	Post (%)
Promoter	100.0	81.7
Public	0.0	18.3
TOTAL	100.0	100.0

Key Consolidated Financial Data (INR Cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net Profit (%)	EPS (INR)	BVPS (INR)	RoE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY23	618.1	56.3	8.9	9.1	1.4	0.1	2.0	6.4	2.3	1680.7	275.1
FY24	951.9	103.4	28.9	10.9	3.0	0.4	2.4	17.1	5.7	519.9	154.2
FY25	2335.6	720.8	369.0	30.9	15.8	5.3	7.8	68.7	29.6	40.7	22.7

Source: Ventura Research & Company update

Issue Structure and Offer Details

Fractal Analytics IPO is a book build issue of INR 2,833.9 Cr. The issue is a combination of fresh issue of 1.1 Cr. shares aggregating to INR 1,023.5 Cr. and offer for sale of 2.0 Cr. shares aggregating to INR 1,810.4 Cr.

Issue Structure	
Investor Category	Allocation
QIB	Not less than 75.00% of the Net Offer
NII (HNI)	Not more than 15.00% of the Net Offer
Retail	Not more than 10.00% of the Net Offer

Number of shares based on a higher price band of INR 900

Source: Company Reports

Objects of the Issue:

The Company proposes utilizing the Net Proceeds from the Offer towards the following objects:

1. Investment in Fractal USA for Debt Repayment – INR 264.9 Cr

Investment in its wholly owned subsidiary, Fractal USA, for pre-payment and/or scheduled repayment, in full or part, of outstanding borrowings, aimed at reducing leverage and strengthening the consolidated balance sheet.

2. Purchase of Laptops – INR 57.1 Cr

To procure laptops to support business operations, technology infrastructure, and employee productivity.

3. Setting-up New Office Premises in India – INR 1,211 Cr

To establish new office facilities in India in line with the Company's expansion and operational growth plans.

4. Investment in R&D and Sales & Marketing under Fractal Alpha – INR 355.1 Cr

To fund research and development initiatives and sales and marketing activities under the Fractal Alpha platform to drive innovation and business growth.

5. Inorganic Growth and General Corporate Purposes

The remaining Net Proceeds will be utilised towards inorganic growth through unidentified acquisitions, other strategic initiatives, and general corporate purposes, subject to regulatory caps.

Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	Fig in INR Cr (unless specified)	FY23	FY24	FY25
Income Statement				Per share data & Yields			
Revenue	1,985.4	2,196.3	2,765.4	Adjusted EPS (INR)	11.8	(2.8)	13.0
<i>YoY Growth (%)</i>	<i>53.3</i>	<i>10.6</i>	<i>25.9</i>	Adjusted Cash EPS (INR)	16.3	2.1	18.9
Raw Material Cost	0.0	0.0	0.0	Adjusted BVPS (INR)	79.3	82.6	102.7
<i>RM Cost to Sales (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	Adjusted CFO per share (INR)	(1.8)	9.3	23.1
Employee Cost	1,767.2	1,833.3	2,084.6	CFO Yield (%)	(0.2)	1.0	2.6
<i>Employee Cost to Sales (%)</i>	<i>89.0</i>	<i>83.5</i>	<i>75.4</i>	Adjusted FCF per share (INR)	(2.1)	12.5	21.4
Other Expenses	334.6	289.6	330.9	FCF Yield (%)	(0.2)	1.4	2.4
<i>Other Exp to Sales (%)</i>	<i>16.9</i>	<i>13.2</i>	<i>12.0</i>	Solvency Ratio (X)			
EBITDA	(116.4)	73.4	349.9	Total Debt to Equity	0.2	0.2	0.2
<i>Margin (%)</i>	<i>(5.9)</i>	<i>3.3</i>	<i>12.7</i>	Net Debt to Equity	(0.1)	(0.2)	(0.3)
<i>YoY Growth (%)</i>	<i>39.4</i>	<i>(163.1)</i>	<i>376.7</i>	Net Debt to EBITDA	1.6	(3.9)	(1.7)
Depreciation & Amortization	78.1	83.2	102.3	Return Ratios (%)			
EBIT	(194.5)	(9.8)	247.6	Return on Equity	15.1	(3.4)	12.7
<i>Margin (%)</i>	<i>(9.8)</i>	<i>(0.4)</i>	<i>9.0</i>	Return on Capital Employed	(7.2)	(1.1)	11.4
<i>YoY Growth (%)</i>	<i>27.7</i>	<i>(95.0)</i>	<i>(2,626.5)</i>	Return on Invested Capital	(16.8)	(0.9)	21.2
Other Income	58.3	45.6	50.8	Working Capital Ratios			
Bill discounting & other charges	74.3	60.8	87.4	Payable Days (Nos)	10	9	8
Fin Charges Coverage (X)	(2.6)	(0.2)	2.8	Inventory Days (Nos)	0	0	0
Exceptional Item	523.9	(5.5)	27.0	Receivable Days (Nos)	92	89	77
PBT	313.4	(30.5)	238.0	Net Working Capital Days (Nos)	82	80	69
<i>Margin (%)</i>	<i>15.8</i>	<i>(1.4)</i>	<i>8.6</i>	Net Working Capital to Sales (%)	22.4	22.0	18.9
<i>YoY Growth (%)</i>	<i>(312.5)</i>	<i>(109.7)</i>	<i>(880.3)</i>	Valuation (X)			
Tax Expense	119.0	24.2	17.4	P/E	76.2	(325.8)	69.4
<i>Tax Rate (%)</i>	<i>38.0</i>	<i>(79.3)</i>	<i>7.3</i>	P/BV	11.3	10.9	8.8
PAT	194.4	(54.7)	220.6	EV/EBITDA	(131.3)	207.0	42.6
<i>Margin (%)</i>	<i>9.8</i>	<i>(2.5)</i>	<i>8.0</i>	EV/Sales	7.7	6.9	5.4
<i>YoY Growth (%)</i>	<i>(231.0)</i>	<i>(128.1)</i>	<i>(503.3)</i>	Cash Flow Statement			
Min Int/Sh of Assoc	8.6	7.2	2.4	PBT	313.4	(30.5)	238.0
Net Profit	203.0	(47.5)	223.0	Adjustments	(114.4)	252.5	699.2
<i>Margin (%)</i>	<i>10.2</i>	<i>(2.2)</i>	<i>8.1</i>	Change in Working Capital	(110.6)	(38.3)	(522.8)
<i>YoY Growth (%)</i>	<i>(238.4)</i>	<i>(123.4)</i>	<i>(569.5)</i>	Less: Tax Paid	(119.0)	(24.2)	(17.4)
Balance Sheet				Cash Flow from Operations	(30.6)	159.5	397.0
Share Capital	3.1	3.1	3.1	Net Capital Expenditure	(33.9)	(24.5)	(82.8)
Total Reserves	1,360.3	1,416.8	1,762.3	Change in Investments	158.8	(125.6)	(98.2)
Shareholders Fund	1,363.4	1,419.9	1,765.4	Cash Flow from Investing	124.9	(150.1)	(181.0)
Long Term Borrowings	322.1	250.1	257.7	Change in Borrowings	0.4	(94.2)	14.9
Deferred Tax Assets / Liabilities	61.7	53.7	12.7	Less: Finance Cost	(74.3)	(60.8)	(87.4)
Other Long Term Liabilities	38.3	122.3	172.2	Proceeds from Equity	16.5	10.0	50.1
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	11.8	18.7	18.8	Dividend Paid	0.0	0.0	0.0
Total Liabilities	1,797.3	1,864.7	2,226.8	Cash flow from Financing	(57.4)	(145.0)	(22.4)
Net Block	558.4	626.2	687.0	Net Cash Flow	36.9	(135.6)	193.6
Capital Work in Progress	0.0	0.0	0.0	Forex Effect & Translation Adjustment	(6.9)	3.6	(9.9)
Intangible assets under development	0.7	5.9	13.7	Opening Balance of Cash	183.2	213.2	81.2
Non Current Investments	449.1	433.8	432.2	Closing Balance of Cash	213.2	81.2	264.9
Long Term Loans & Advances	35.4	34.0	41.1				
Other Non Current Assets	11.5	3.8	2.9				
Net Current Assets	742.2	761.0	1,049.9				
Total Assets	1,797.3	1,864.7	2,226.8				

Source: Company Reports

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