Fractal Analytics Ltd.

February 07, 2026

SMIFS LIMITED
LEGACY | TRUST | GROWTH

Fractal Analytics is a global pure-play enterprise AI company that helps large organizations institutionalize data-driven decision-making across functions. Founded in 2000, it operates through two synergistic segments: Fractal.ai, which offers consulting-led AI services and products built and orchestrated on its agentic AI platform Cogentiq; and Fractal Alpha, a portfolio of vertical and use‑case specific AI software businesses monetized via subscriptions and licenses. Fractal partners with Fortune 500 and other "must win" clients across CPG, retail, BFSI, healthcare, technology, media and telecom, combining deep domain expertise, proprietary models and platforms, and long-tenure relationships to deliver measurable, at-scale business impact.

Investment Rationale:

A leading, end to end proxy on the global enterprise AI adoption cycle:

- Global DAAI market to grow from US$143bn (FY25) to ~US$310bn (FY30); 16–17% CAGR.
- Fractal operates across consulting, services, software and AI products.
- Pure-play exposure to enterprise AI adoption, not single use cases.
- Rated Leader by Everest Group (2021–2025) and in multiple Forrester Waves.
- 18% revenue CAGR (FY23–FY25) vs ~11% market growth, indicating share gains.

Deep, sticky relationships with marquee clients supported by a "must win client" strategy:

- Focus on Must Win Clients (MWCs) enabling multi-year, enterprise-wide AI transformation.
- 122 MWCs as of Sep 2025, including global leaders across CPG, TMT, BFSI, HLS and Retail.
- Serves majority of Magnificent Seven companies.
- Net Revenue Retention >110% (FY25: 121%).
- Top 10 clients (avg. 8+ years) contribute 54% of Fractal.ai revenue.
- Dedicated global sales and client partner model to drive wallet share expansion.

Structured growth strategy across research, product innovation, partnerships and acquisitions:

- Acquire and scale MWCs using decision-centric AI and GenAI solutions.
- Sustained investment in AI research, agentic systems and foundation models.
- Focus areas include GenAI, quantum computing and computational neuroscience.
- Strong partnerships with hyperscalers, AI labs and enterprise AI platforms.
- Proven, repeatable M&A playbook to add capabilities and talent.
- IPO proceeds earmarked for inorganic growth and strategic initiatives.

IP and platform led model with Gen AI and reasoning assets driving operating leverage:

- Two segments: Fractal.ai (services + Cogentiq platform) and Fractal Alpha (AI products).
- Hybrid services + product model improves scalability and margins.
- Proprietary GenAI assets: Kalaido.ai, Vaidya.ai, Fathom R1 14B.
- Active development of agentic AI systems.
- 60+ patents and strategic incubations enhance defensibility and optionality.

Well diversified monetization engines with improving quality of earnings:

- Revenue from consulting, managed services, SaaS, licenses and AI businesses.
- FY25 revenue: Fractal.ai ~27,000 mn; Fractal Alpha ~600 mn (75% YoY growth).
- Diversified across sectors and geographies; no single industry dependence.
- 5–6% of revenue consistently reinvested in R&D.
- Increasing share of recurring and product-linked revenues.

Improving financial profile with rising operating leverage and disciplined capital deployment:

- Revenue grew at 18% CAGR (FY23–FY25); H1 FY26 up 20% YoY.
- EBITDA margin expanded to 12.7% in FY25 and 15.0% in H1 FY26.
- Returned to profitability in FY25; improving PAT trajectory.
- Operating cash flow strengthened to 3,970 mn in FY25.
- IPO proceeds to fund debt reduction, R&D, sales expansion and M&A.

Valuation and Outlook: The global data, analytics and AI industry is undergoing a structural shift toward an AI-native, GenAI-led enterprise stack, with core AI services and platforms emerging as the fastest-growing layers of digital transformation spend. Within this rapidly evolving landscape, Fractal Analytics is strategically positioned as a mission-critical, end-to-end enterprise AI partner, combining consulting, services, platforms and product businesses to help large global clients operationalize AI at scale across functions and industries. It operates in a long-duration, secular growth market, with its total serviceable addressable market across AI services, platforms and software expected to expand from about US$85 billion in FY25 to around US$171 billion by FY30P, implying a robust mid-teens CAGR in line with, or above, broader DAAI growth. This expansion is driven by accelerating GenAI adoption, rising demand for domain-specific AI, and the shift from pilot projects to scaled, production-grade AI and agentic systems embedded in core workflows, providing strong multi-year revenue visibility. Fractal's offerings are deeply integrated into client decision journeys and technology stacks, supported by high net revenue retention, long-standing relationships with marquee "must win" clients, and an increasing mix of recurring and product-linked revenues, resulting in high switching costs and improving earnings quality. We recommend subscribing to the issue with a long-term investment horizon, as sustained execution on its IP- and platform-led strategy, deepening penetration within must-win clients, and powerful GenAI-led industry tailwinds could translate into meaningful value creation over time.

Key Financial & Operating Metrics (Consolidated)

In INR mn	Revenue	YoY (%)	EBITDA	EBITDA %	PAT	EPS	ROE	ROCE
FY23	19854.00	53.28	-1164.00	-5.86	1944.00	12.42	17.72	23.35
FY24	21963.00	10.62	734.00	3.34	-547.00	-3.12	-4.81	0.84
FY25	27,654.00	25.91	3,499.00	12.65	2,206.00	13.36	17.44	16.09

Issue Snapshot	
Issue Open	09-Feb-26
Issue Close	11-Feb-26
Price Band	INR 857 - 900
Issue Size (Shares)	3,14,87,778
Market Cap (mn)	INR 154736

Particulars	
Fresh Issue (INR mn)	INR 10235
OFS Issue (INR mn)	INR 18104
QIB	75%
Non-institutionals	15%
Retail	10%

Capital Structure	
Pre Issue Equity	16,05,56,718
Post Issue Equity	17,19,28,940
Bid Lot	16 Shares
Minimum Bid amount @ 857	INR 13712
Maximum Bid amount @ 900	INR 14400

Share Holding Pattern	Pre Issue	Post Issue
Promoters	18.19%	5.29%
Public	81.81%	94.71%

Particulars	
Face Value	INR 1
Book Value	INR 161.5
EPS, Diluted	INR 12.83

Objects of the Issue

1. Investment in company's Subsidiaries, Fractal USA, towards pre-payment and/or scheduled repayment, in full or in part, of its borrowings (₹2,649 million)

2. Purchase of laptops (₹571 million)

3. Setting up new office premises in India (₹1,211 million)

4. Investment in (a) research and development; and (b) sales and marketing under Fractal Alpha (₹3,551 million)

5. Funding inorganic growth through unidentified acquisitions and other strategic initiatives, and general corporate purposes

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IPO Note

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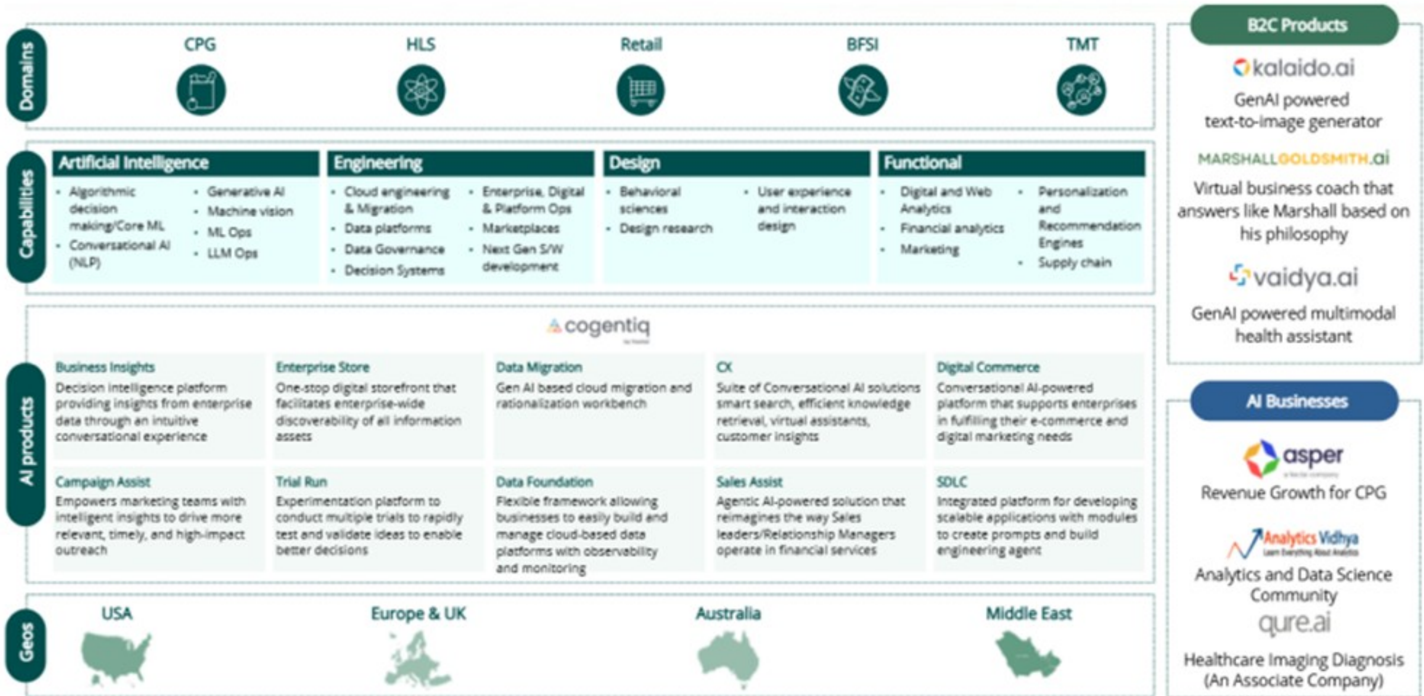
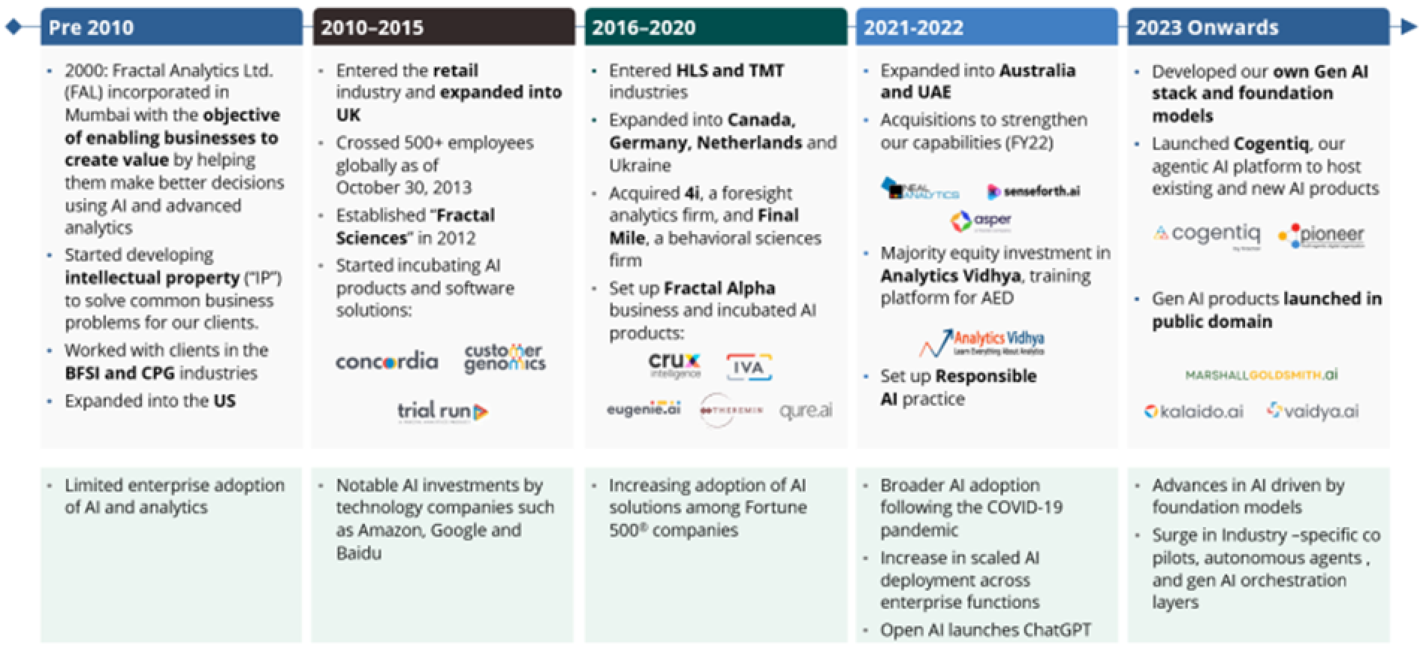
Fractal Analytics Limited, incorporated in 2000, is a global enterprise artificial intelligence (AI) company that helps large enterprises power decision-making through end-to-end data, analytics and AI solutions across industries and functions. Its offerings span the full AI lifecycle, from problem definition and data engineering to model development, deployment and ongoing optimization; organized into two segments: Fractal.ai, which provides AI services and products (largely delivered via its Cogentiq platform), and Fractal Alpha, which houses its AI businesses and productized ventures. Recognized as a "Leader" in Everest Group's Data and AI Services Specialists PEAK Matrix assessments from 2021 through 2025, Fractal combines capabilities in behavioural science, design thinking, cloud engineering and advanced analytics to deliver measurable business impact for clients across BFSI, consumer packaged goods and retail, technology, media and telecom, healthcare and life sciences, and other sectors.

Capabilities and some of Fractal's AI products

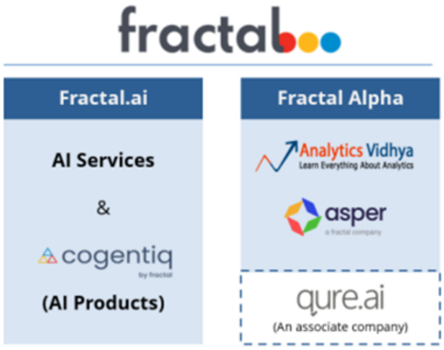


Fractal's portfolio includes proprietary platforms and models such as Cogentiq (an agentic AI orchestration platform), Vaidya (a multimodal medical foundation model ecosystem), Kalaido.ai (a diffusion-based generative image model), Pioneer (a multi-agent system for software development and autonomous data science), and the Fathom family of reasoning and deep-research models, alongside investments in ecosystem assets such as Qure.ai (AI for radiology) and Analytics Vidhya (a 4.9-million-member data science community). Operating from India with a global footprint, particularly in the Americas, Europe and APAC. Fractal serves many Fortune 500 companies, including several of the "Magnificent Seven", and focuses on "Must Win Clients" with over USD 10 billion revenue, USD 20 billion market cap or more than 30 million end-customers, positioning itself as a long-term, trusted AI transformation partner.



Business Segments

Fractal Analytics operates through two core segments, Fractal.ai and Fractal Alpha, each designed to address distinct needs across the enterprise AI value chain.



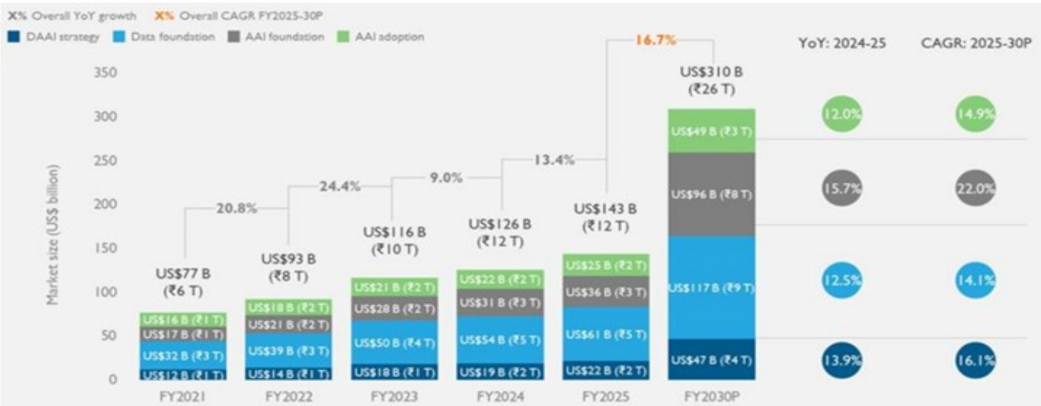
The **Fractal.ai** segment focuses on AI services and AI products that help large enterprises design, build and scale customized AI solutions across functions such as customer experience, sales and marketing, supply chain, finance and risk, using capabilities in data engineering, cloud, Gen AI and advanced analytics. Delivered largely via its Cogentiq agentic AI platform, this segment covers the full lifecycle from data foundation and model development to deployment, monitoring and ongoing optimization, and generates the majority of the company's revenue from operations across industries and geographies.

The **Fractal Alpha** segment acts as an incubation and scaling platform for AI product businesses and acquired ventures, nurturing market validated, scalable ideas into standalone AI businesses with dedicated management, sales and marketing teams. These businesses build vertical and use case–specific AI products (for example Asper.ai for dynamic demand planning and Trial Run for experimentation) and target both Fractal's "Must Win Clients" and a broader enterprise base, with separate go to market motions and focused investment in research, development, and brand building to accelerate growth.

Industry Overview:

The global data, analytics, and AI (DAAI) industry is expected to grow at a CAGR of 16.7% from FY25 to FY30P, reaching US$310 billion (~₹26 trillion) from ~US$143 billion (~₹12 trillion). DAAI services, a vital part of the industry, have transformed how enterprises harness data for insights and automation. These segments play a crucial role in modernization, modelling, and deployment, catering to evolving priorities and tech advances. The DAAI industry is a vast and ever-evolving sector that shapes how organizations analyse data, optimize operations, and innovate. Within this expansive industry, core AI-led services (including GenAI revenue) are projected to grow at over 20% CAGR from FY25 to FY30P. With an approximately 31.9% share of third-party digital services (~US$143 billion) in FY25, it continues to play a pivotal role in digital transformation and redefining business intelligence.

Breakdown of the DAAI services market by value chain element over FY21-30



	FY2021	FY2022	FY2023	FY2024	FY2025	FY2030P
Share of total spend	21.2%	19.4%	17.7%	17.5%	17.3%	14.4%
	21.7%	22.8%	24.0%	24.4%	24.9%	30.5%
	41.3%	42.3%	43.1%	42.7%	42.3%	39.8%
	15.8%	15.5%	15.2%	15.4%	15.4%	15.2%

Data foundation and AI adoption are other essential components of the DAAI industry, driving infrastructure and outcomes. Data foundation held a share of 42.3% (~US$60 billion) in FY25, estimated to be 32.4% (~US$100 billion by FY30P). The share of AI adoption in the global DAAI industry is projected to rise from 17.3% (~US$25 billion) in FY25 to 23.4% (~US$73 billion) by FY30P. The serviceable addressable markets and total addressable markets of each of its business divisions. Technological transitions occur roughly every 20-30 years. Traditional analytics emerged in the 1990s (with companies like SAS, SPSS), big data in 2010s (Hadoop, Spark ecosystems), and GenAI in 2020s (OpenAI GPT, Anthropic Claude, Google Gemini) and has swiftly taken over, redefining the DAAI landscape.

DAAI strategy

- Business case and use case development
- Vision and strategy for Business Intelligence (BI), analytics, and AI
- Analytics and AI maturity assessment
- AI, analytics, BI, and Gen AI consulting, roadmapping, and tool selection advisory
- AI and Gen AI discovery and pilot development
- Vision and strategy for data initiatives
- Data architecture and infrastructure assessment and consulting
- Data management consulting, roadmapping, and tool selection advisory
- Design research and behavioral architecture advisory

Data foundation

- Data architecture and design
- Data modernization and migration
- Data ingestion
- Data engineering (data pipelining, ETL, etc.)
- Data quality (data profiling, cleansing, enhancement, etc.)
- Data warehousing, data marts, etc.
- Vector and graph databases
- Data fabric and mesh
- Master and reference data management
- Data storage and administration
- Metadata management (data observability, lineage, data catalog, etc.)
- Data governance and security (data stewardship, compliance, validation, auditing, AI governance, etc.)
- Data exchange and marketplaces

AAI foundation

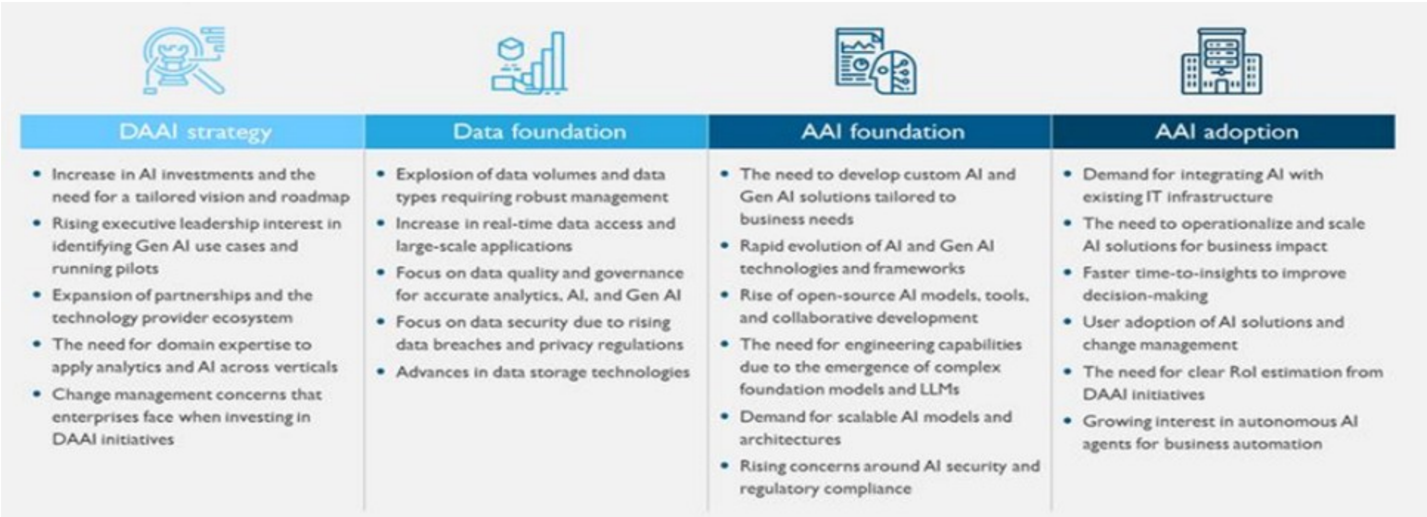
- Cognitive services
  - NLP/NLG (conversational AI, voice recognition, document analytics, text analytics, etc.)
  - Computer vision (image analytics, video analytics, etc.)
- Model development and deployment
  - Model integration, fine-tuning, and Retrieval Augmented Generation (RAG)
  - Model testing and validation
  - MLOps and LLMOps
- Responsible AI (model explainability, traceability, bias detection, compliance, auditing, sustainability, etc.)
- AI-driven advanced analytics
  - Predictive and prescriptive analytics
  - Recommendation engines

AAI adoption

- Interaction design
- Information design
- Implementation of analytical and BI tools
- Descriptive modeling
- KPI monitoring/reporting
- Canned reports
- Persona-based dashboards
- Data visualization and storytelling
- Interactive and mobile BI
- Self-serve analytics and insights
- Post-deployment maintenance and support (model monitoring and retraining)
- Domain-specific analytics use cases
- End-to-end studios
- Pre-built AI assets and applications
- AI copilots and workplace agents

Data foundation and AI adoption are other essential components of the DAAI industry, driving infrastructure and outcomes. Data foundation held a share of 42.3% (~US$60 billion) in FY25, estimated to be 32.4% (~US$100 billion by FY30P). The share of AI adoption in the global DAAI industry is projected to rise from 17.3% (~US$25 billion) in FY25 to 23.4% (~US$73 billion) by FY30P. The serviceable addressable markets and total addressable markets of each of its business divisions. Technological transitions occur roughly every 20-30 years. Traditional analytics emerged in the 1990s (with companies like SAS, SPSS), big data in 2010s (Hadoop, Spark ecosystems), and GenAI in 2020s (OpenAI GPT, Anthropic Claude, Google Gemini) and has swiftly taken over, redefining the DAAI landscape.

Key growth drivers of DAAI industry



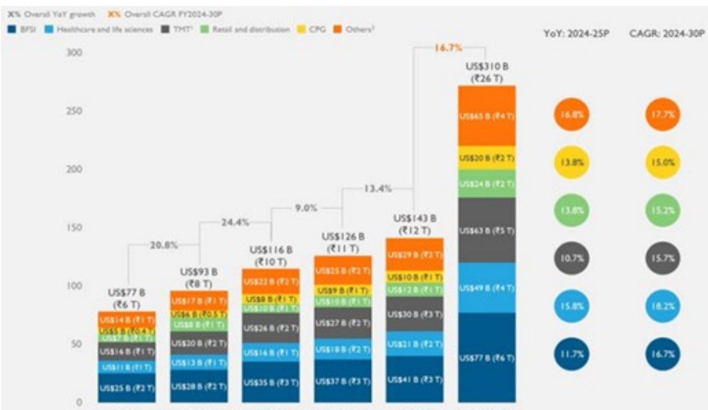
The DAAI industry is undergoing a structural shift towards a "new AI economy", led by transition from descriptive analytics to agentic GenAI, with core AI emerging as the most dynamic segment due to foundation models, multimodal advances, and MLOps. The rise of LLMs and open-source has enhanced accuracy, leading to evolving applications. Additionally, integration of reasoning agents, governance tools, and edge AI has reshaped enterprise intelligence. The following factors are driving the overall industry growth:

- Scalable infrastructure: HPC/cloud expansion, GPU democratization enables trillion-param models and real-time inference.
- Shift in analytics behaviour: From batch processing to autonomous agents on CTV/mobile/cloud, driven by GenAI co-pilots.
- Hyper-personalization and reasoning AI: LLM-powered predictions, multi-step logic deliver tailored experiences, boosting efficiency.
- AI monetization growth: Marketplaces, fine-tuning, agentic ROI beyond pilots.
- Demand for domain AI: Vertical models for BFSI risk, HLS diagnostics, regional/multilingual apps.
- Partnerships/bundling: Hyperscaler-AI integrations enhance scale in regulated markets.

With smartphones, APIs, and inference APIs, enterprises deploy AI anytime/anywhere, sans silos.
This transformation drives three major trends:

- Globalization of AI: Cross-geography models, but lacks sovereign infra (fine-tuning, compliance) limits scale.
- Shift to efficient models: Compute costs spur SLMs/open-source; infra gaps hinder delivery.
- Fragmentation of stacks: Multi-cloud/modalities/devices fragments governance, complicating standards.

Breakdown of DAAI services revenue by industry over FY21-30



	FY2021	FY2022	FY2023	FY2024	FY2025	FY2030P
Share of total DAAI services revenue	18.0%	18.7%	19.0%	19.5%	20.1%	21.0%
	6.3%	6.5%	6.6%	6.8%	6.8%	6.3%
	8.7%	8.5%	8.3%	8.3%	8.3%	7.8%
	20.7%	21.6%	22.1%	21.7%	21.1%	20.3%
	14.4%	14.2%	14.2%	14.5%	14.8%	15.7%
	31.8%	30.5%	30.1%	29.3%	28.8%	28.8%

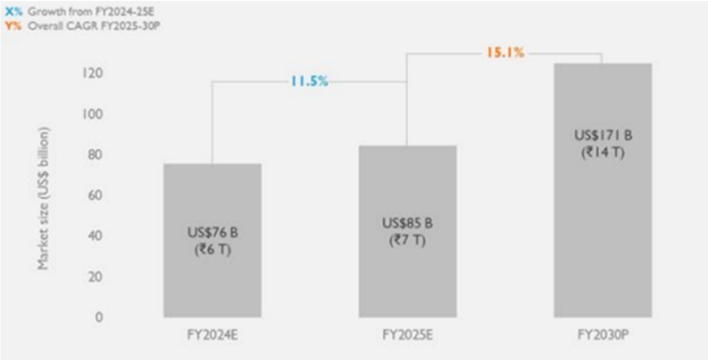
Distribution of DAAI service professionals by geography

Region	Growth rate
North America	5-10%
Europe	5-10%
APAC	10-15%
MEA	40%
LATAM	3%

Overview of SAM for Fractal

The SAM across various segments – AI services (Fractal.ai), AI platforms/products (Cogentiq), and standalone AI software (Fractal Alpha) has shown significant growth over the years. The total SAM grew from approximately US$76 billion (~₹6 trillion) in FY24 to ~US$85 billion (~₹7 trillion) in FY25, at a CAGR of approximately 11.8% and is expected to reach ~US$171 billion (~₹14 trillion) by FY30P, at a CAGR of approximately 15.1% over FY25 to FY30P.

Fractal's SAM in DAAI services over FY24-30



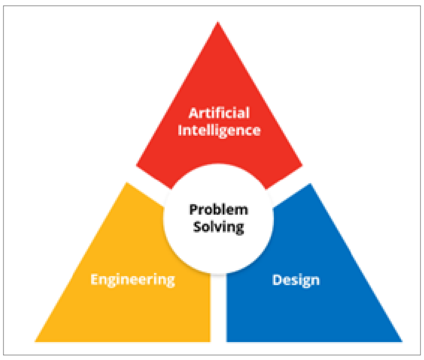
In FY25, North America held the largest share of the total serviceable market (across AI services, platforms, and software), accounting for approximately 50-60% and generating approximately US$43-51 billion. Europe followed with ~20% market share, contributing approximately US$17 billion. By FY30P, North America is expected to maintain ~50% market share, generating ~US$86 billion, with Europe continuing at approximately 20% market share and generating ~US$34 billion. North America's continued dominance is driven by its advanced technological infrastructure, a strong presence of global AI-tech giants, early adoption of GenAI, and a large, data-intensive enterprise base, while other regions are expected to experience accelerated growth during this period.

Investment Rationale:

A leading, end to end proxy on the global enterprise AI adoption cycle: The global data, analytics and AI (DAAI) market is estimated at US$143 billion in FY25 and projected to reach about US$310 billion by FY30, implying a 16–17% CAGR as enterprises embed AI into strategy, customer engagement and operations. Fractal operates across the full DAAI value chain, consulting, services, software and products; making it a pure play proxy on this secular AI adoption trend rather than on any single vertical or use case. It is rated a "Leader" by Everest Group in its Data and AI / Analytics and AI Services Specialists PEAK Matrix (2021–2025) and features as a "Leader" in multiple Forrester Waves for customer analytics service providers, evidencing global competitiveness against larger IT and consulting peers. Revenue from operations grew at an 18% CAGR over FY23–FY25, comfortably ahead of the broader outsourced DAAI market (11% CAGR), indicating share gains in a structurally expanding space.

Deep, sticky relationships with marquee clients supported by a "must win client" strategy: Fractal's growth is anchored in "must win clients" (MWCs)—large global enterprises with >US$10 billion revenue, >US$20 billion market cap or >30 million end customers, where multi year, multi function AI transformation is possible. As of September 30, 2025, the company served 122 MWCs, including Citi, Costco, Franklin Templeton, Mars, Mondelez, Nationwide, Nestlé and Philips, and a majority of the "Magnificent Seven" technology names. It works with 10 of the top 20 global CPG companies, eight of the top 20 TMT players, 10 of the top 20 HLS companies, three of the top 20 BFSI institutions and five of the top 20 retailers by FY25 revenue. Net Revenue Retention in the Fractal.ai segment remains robust at >110% (121.3% in FY25, 114.0% in H1 FY26), with the number of clients contributing >US$1m annually rising from 45 in FY23 to 53 in FY25. Top 10 Fractal.ai clients, served for an average of more than eight years; contributed 54% of segment revenue, illustrating the depth and stickiness typical of strategic AI partners. Strategically, Fractal plans to continue investing in dedicated sales, account management and alliance teams across the US, UK, Europe, Australia and the Middle East, and to embed deeply integrated client teams led by "client business partners" to both acquire new MWCs and drive outsized value and share of wallet gains in existing ones.

Structured growth strategy across research, product innovation, partnerships and acquisitions: Fractal's forward strategy is built on five reinforcing pillars. First, it aims to acquire and grow MWCs by "powering human decisions" across enterprises, leveraging cross functional, decision backwards AI solutions and Gen AI as key catalysts for new use cases. Second, it plans to expand capabilities by investing in AI research and product innovation, with an AI research charter that looks beyond narrow use cases towards agentic systems and, ultimately, AGI like capabilities. This includes fundamental work in Gen AI, quantum computing and computational neuroscience, and continued investment in foundation models such as Kalaido.ai, Vaidya.ai and Fathom R1 14B. Third, Fractal intends to keep strengthening its "great place to work" positioning; scaling hiring through platforms like Iqigai.ai, deepening training via internal academies and the Analytics Vidhya ecosystem, and improving engineering throughput using AI coding agents. Fourth, it is doubling down on partnerships with leading technology providers, hyperscalers such as Google Cloud, AI labs and foundation model providers like OpenAI, enterprise AI software players such as C3 AI, and data aggregators like NielsenIQ creating mutual value through joint solutioning and joint go to market at shared clients. Finally, Fractal will continue to accelerate capabilities through selective, capability accretive acquisitions, building on a long M&A track record (Neal Analytics, Senseforth, Analytics Vidhya, Final Mile, 4i Consulting, Samya/ Asper.ai), and leveraging honed playbooks for sourcing, due diligence, IP integration and "acqui hire" retention. IPO proceeds specifically earmarked for "inorganic growth through unidentified acquisitions and other strategic initiatives" provide financial firepower to execute this agenda while maintaining balance sheet discipline.



IP- and platform-led model with Gen AI and reasoning assets driving operating leverage: Fractal's business is structured into two complementary segments: (a) Fractal.ai, which houses AI services and AI products delivered primarily via Cogentiq, its enterprise agentic AI platform; and (b) Fractal Alpha, a portfolio of independent AI businesses that monetize through subscriptions and licenses. This model lets Fractal capture both services-led and product-led economics, with reusable IP and platforms being amortized across multiple clients and use cases, thereby enhancing scalability and margins over time. The company has built and/or open-sourced several cornerstone Gen AI and reasoning assets, including Kalaido.ai (diffusion-based multi-lingual text-to-image foundation model), Vaidya.ai (medical multi-modal ecosystem of LLMs, VLMs and reasoning systems), and Fathom -R1-14B (a large reasoning model released with training datasets); and is actively developing agentic systems that can autonomously or semi-autonomously execute complex workflows. Alongside, investments and incubations such as Qure.ai and Analytics Vidhya, and a patent portfolio of 60+ filings (granted plus pending), deepen its technology moat, support premium positioning and create optionality to scale high-margin software revenues.

Well diversified monetization engines with improving quality of earnings: Fractal monetizes its capabilities through multiple engines: bespoke consulting and implementation projects, long term managed services, SaaS and license fees on Cogentiq hosted products, and stand alone businesses within Fractal Alpha. In FY25, Fractal.ai contributed 27,000 mn of revenue versus 600 mn from Fractal Alpha, with the latter growing 75% YoY off a smaller base as newer products achieve product market fit. Revenue within Fractal.ai is diversified across CPGR (39% of FY25 segment revenue), TMT (30%), HLS (14%), BFSI (11%) and other sectors (6%), mitigating dependence on any one industry cycle. Geographically, the Americas contributed two thirds of FY25 Fractal.ai revenue, with Europe (18%) and APAC/ others (16%) offering both diversification and growth optionality. Sustained R&D spend of about 5–6% of revenue has built a growing library of accelerators, tools and platforms, which, when layered on top of a rising share of recurring and product linked revenues, underpins a structurally improving earnings profile.

Improving financial profile with rising operating leverage and disciplined capital deployment: Consolidated revenue from operations increased from 19,854 mn in FY23 to 21,963 mn in FY24 and 27,654 mn in FY25 (18% CAGR), with H1FY26 revenue at 15,590 mn, up 20% YoY. After a loss in FY24 (driven by one offs and elevated people investments), Fractal returned to profitability in FY25 with PAT of 2,206 mn (8.0% margin) and reported PAT of 709 mn in H1FY26 (4.5% margin). EBITDA margin expanded from -5.86% in FY23 to 3.34% in FY24 and 12.65% in FY25, with H1 FY26 at 15.0%, reflecting better utilization, richer mix of higher value and product linked work, and operating leverage in sales and corporate functions. Operating cash flow improved materially, from 306 mn in FY23 to 1,595 mn in FY24 and 3,970 mn in FY25; supporting continued R&D, go to market and inorganic investments without undue balance sheet strain. A portion of IPO proceeds is earmarked for pre payment/repayment of subsidiary debt, R&D and sales investments under Fractal Alpha, and for funding inorganic growth, signalling a disciplined capital allocation framework focused on growth, de risking and margin accretion.

Valuation and Outlook: The global data, analytics and AI industry is undergoing a structural shift toward an AI-native, GenAI-led enterprise stack, with core AI services and platforms emerging as the fastest-growing layers of digital transformation spend. Within this rapidly evolving landscape, Fractal Analytics is strategically positioned as a mission-critical, end-to-end enterprise AI partner, combining consulting, services, platforms and product businesses to help large global clients operationalize AI at scale across functions and industries. It operates in a long-duration, secular growth market, with its total serviceable addressable market across AI services, platforms and software expected to expand from about US$85 billion in FY25 to around US$171 billion by FY30P, implying a robust mid-teens CAGR in line with, or above, broader DAAI growth. This expansion is driven by accelerating GenAI adoption, rising demand for domain-specific AI, and the shift from pilot projects to scaled, production-grade AI and agentic systems embedded in core workflows, providing strong multi-year revenue visibility. Fractal's offerings are deeply integrated into client decision journeys and technology stacks, supported by high net revenue retention, long-standing relationships with marquee "must win" clients, and an increasing mix of recurring and product-linked revenues, resulting in high switching costs and improving earnings quality. We recommend subscribing to the issue with a long-term investment horizon, as sustained execution on its IP- and platform-led strategy, deepening penetration within must-win clients, and powerful GenAI-led industry tailwinds could translate into meaningful value creation over time.

Fractal.ai segment

Metric	Unit	H1FY26	H1FY25	FY25	FY24	FY23
Revenue from operations	₹ million	15,184	12,741	27,037	21,615	19,691
Growth in revenue from operations (%)	%	19.2	-	25.1	9.8	-
Revenue in Fractal.ai segment by industry						
CPGR (Consumer Packaged Goods and Retail)	₹ million	5,692	5,076	10,615	9,038	8,047
TMT (Technology, Media, & Telecom)	₹ million	4,134	3,730	8,087	5,867	5,563
HLS (Healthcare and Life Sciences)	₹ million	2,581	1,728	3,745	3,013	2,188
BFSI (Banking, Financial Services and Insurance)	₹ million	1,856	1,435	2,980	2,325	2,842
Others	₹ million	921	772	1,610	1,372	1,051
Revenue in Fractal.ai segment by industry (% of revenue)						
CPGR (Consumer Packaged Goods and Retail)	%	37.5	39.8	39.3	41.9	40.9
TMT (Technology, Media, & Telecom)	%	27.2	29.3	29.9	27.1	28.3
HLS (Healthcare and Life Sciences)	%	17	13.6	13.8	13.9	11.1
BFSI (Banking, Financial Services and Insurance)	%	12.2	11.3	11	10.8	14.4
Others	%	6.1	6	6	6.3	5.3
Revenue in Fractal.ai segment by geography						
Americas	₹ million	9,993	8,378	17,988	13,791	13,221
Europe	₹ million	3,219	2,241	4,792	4,291	3,333
APAC and others	₹ million	1,972	2,122	4,257	3,533	3,137
Revenue in Fractal.ai segment by geography (% of revenue)						
Americas	%	65.8	65.8	66.5	63.8	67.2
Europe	%	21.2	17.6	17.7	19.9	16.9
APAC and others	%	13	16.6	15.8	16.3	15.9
Segment results – Fractal.ai segment						
Segment results	₹ million	2,177	1,526	3,788	1,233	-315
Segment results margin	%	14.3	12	14	5.7	-1.6
Adjusted segment results – Fractal.ai segment						
Adjusted segment results	₹ million	2,510	2,235	5,084	2,769	2,115
Adjusted segment results margin	%	16.5	17.5	18.8	12.8	10.7

IPO Note

Fractal Alpha segment						
Metric	**Unit**	**H1FY26**	**H1FY25**	**FY25**	**FY24**	**FY23**
Revenue from operations	₹ million	451	275	644	365	190
Growth in revenue from operations (%)	%	64	-	76.4	92.1	-
Segment results – Fractal Alpha segment	₹ million	-66	-197	-283	-494	-616
Segment results margin (%)	%	-14.6	-71.6	-43.9	-135.3	-324.2
Adjusted segment results – Fractal Alpha segment	₹ million	-63	-179	-257	-443	-539
Adjusted segment results margin (%)	%	-14	-65.1	-39.9	-121.4	-283.7

Operational KPI						
Metric	**Unit**	**H1FY26**	**H1FY25**	**FY25**	**FY24**	**FY23**
Total Employees	Number	5,722	4,755	5,254	4,639	4,221
Fractal.ai segment						
Net Revenue Retention	%	114	119.1	121.3	110.2	151
Clients by annual revenue contribution						
>US$20 million	Number	4	4	5	2	1
>US$10 million	Number	7	6	6	5	5
>US$5 million	Number	17	15	15	11	10
>US$1 million	Number	52	47	53	48	45
Client concentration						
Top 10	₹ million	8,229	7,031	14,537	11,809	10,064
Top 10	%	54.2	55.2	53.8	54.6	51.1
Top 20	₹ million	10,952	9,157	18,831	15,114	13,194
Top 20	%	72.2	71.9	69.6	69.9	67
Net Promoter Score	Score	76	78	77	77	73

Fractal Analytics Ltd.

February 07, 2026

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IPO Note

Income Statement

Y/E (INR mn)	FY23	FY24	FY25
Revenue	19854.00	21963.00	27654.00
Expenses:			
Employee Cost	16085.00	17370.00	20048.00
Other Expenses	3346.00	2896.00	3309.00
Total Expenses	21018.00	21229.00	24155.00
EBITDA	-1164.00	734.00	3499.00
EBITDA Margin %	-5.86	3.34	12.65
Interest	453.00	445.00	577.00
Depreciation	781.00	832.00	1023.00
Other Income	583.00	456.00	508.00
PBT	3134.00	-305.00	2380.00
PAT	1944.00	-547.00	2206.00
EPS	12.42	-3.12	13.36

Balance Sheet

Y/E (INR mn)	FY23	FY24	FY25
Source of funds			
Equity Share Capital	31.00	31.00	31.00
Reserves	13400.00	14026.00	17501.00
Total Share holders funds	13431.00	14057.00	17532.00
Total Debt	3,256.00	2,501.00	2,662.00
Curent Liabilities	4,115.00	4,794.00	5,747.00
Trade Payables	571.00	512.00	620.00
Total Non-Current Liabilities	4,738.00	4,927.00	5,175.00
Total Liabilities	22,487.00	23,920.00	28,576.00
Application of funds			
Fixed Assets	412.00	227.00	316.00
Investment accounted for using the equity method	4479.00	4259.00	4258.00
Cash and Bank	2203.00	878.00	2883.00
Current Assets	11537.00	12404.00	16246.00
Trade Receivables	5009.00	5333.00	5848.00
Other current assets	1150.00	1391.00	1559.00
Total Assets	22,487.00	23,920.00	28,576.00

Cash Flow

Y/E (INR mn)	FY23	FY24	FY25
Profit Before Tax	3134.00	-305.00	2,380.00
Adjustment	-2189.00	2170.00	2,051.00
Changes In working Capital	-1039.00	53.00	96.00
Cash Flow after changes in Working Capital	-94.00	1918.00	4,527.00
Tax Paid	-212.00	-323.00	-557
Cash From Operating Activities	-306.00	1595.00	3970.00
Cash Flow from Investing Activities	1249.00	-1501.00	-1,810.00
Cash from Financing Activities	-574.00	-1450.00	-224
Net Cash Inflow / Outflow	369.00	-1356.00	1936.00
Opening Cash & Cash Equivalents	1832.00	2132.00	812.00
Closing Cash & Cash Equivalent	2132.00	812.00	2649.00

Key Ratios

Y/E (INR mln)	FY23	FY24	FY25
Growth Ratio			
Net Sales Growth(%)	53.28	10.62	25.91
EBITDA Growth(%)	-	-163.06	376.70
PAT Growth(%)	231.00	-128.14	503.29
Margin Ratios			
EBITDA	-5.86	3.34	12.65
PBT	15.79	-1.39	8.61
PAT	9.79	-2.49	7.98
Return Ratios			
ROA	9.68	-2.36	8.40
ROE	17.72	-4.81	17.44
ROCE	23.35	0.84	16.09
Turnover Ratios			
Asset Turnover(x)	0.99	0.95	1.05
Fixed Asset Turnover (x)	2.46	2.51	2.85
Solvency Ratios			
Debt/Equity(x)	0.29	0.22	0.19
Current Ratio(x)	2.80	2.59	2.83
Quick Ratio(x)	2.80	2.59	2.83
Interest Cover(x)	7.92	0.31	5.12
Valuation Ratios			
P/E	-	-	67.37
P/B	-	-	5.57
EV/EBITDA	-	-	44.16
EV/Sales	-	-	5.59

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