

Retail Research	IPO Note
Sector: Logistics	Price Band (Rs): 118 - 124
19 <sup>th</sup> January 2026	Recommendation: NEUTRAL

## Shadowfax Technologies Ltd.

### Company Overview:

Incorporated in 2016, **Shadowfax Technologies Ltd. (STL)** is an end-to-end 3P (3<sup>rd</sup> party) logistics solution provider with an exhaustive service network of 14,758 Indian pin codes as of Sep'25. The company services a wide range of enterprise clients including e-commerce, quick commerce, food marketplace and on-demand mobility companies. The company's nationwide logistics network includes 4,299 touchpoints across first-mile and last-mile centres and sort centres. Clientele includes marquee companies such as Meesho, Flipkart, Myntra, Swiggy, Bigbasket, Zepto, Blinkit, Zomato, Uber, ONDC, Magicpin, amongst others.

### Key Highlights:

**1. Agile and customisable logistics services:** STL serves the diverse and complex needs of its clients and end-consumers through a comprehensive suite of express logistics solutions, including forward parcel delivery, reverse pickups and hand-in-hand exchange logistics, prime delivery, quick commerce, on-demand hyperlocal delivery and critical item logistics. The broad service portfolio enables the company strengthen its relationship with clients and increase wallet share with the digital commerce clients.

**2. Largest last-mile gig-based delivery partner infrastructure:** The company has access to India's largest crowdsourced last-mile delivery fleet. For 1HFY26, the platform had 2,05,864 average quarterly unique transacting delivery partners across more than 2,300 cities. STL's last-mile operations are executed through a dynamic gig-based fleet, ensuring seamless end-consumer experiences while delivering strong value through cost efficiency for the digital commerce clients. The last-mile delivery fleet is interoperable across all service offerings, enabled by a sophisticated demand-supply allocation engine. Utilizing the same fleet across diverse services increases efficiency, lowers costs for clients and expands earning opportunities for gig-based delivery partners.

**3. Extensive nationwide network:** The company's nationwide network infrastructure serves as the backbone of its efficient and scalable delivery system, encompassing first-mile, middle-mile and last-mile facilities. The infrastructure includes automated sort centers that have high sortation speed, accuracy and overall throughput with some centers being operated through automated cross belt sorters. STL has fully automated sort centres in Surat, Bilaspur and Jaipur. Furthermore, the linehaul network operates more than 3,000 trucks on an average each day.

**4. Proprietary tech capabilities:** STL has built a tech led logistics platform that is custom built for enabling digital commerce penetration in India. Some of the critical modules include (i) a proprietary supply demand allocation engine, (ii) an advanced delivery partner lifecycle management system (Frodo), (iii) an advanced fraud detection and prevention engine (SF Shield), and (iv) an AI-based address intelligence system (SF Maps).

**Valuation:** At the upper price band of Rs 124, the IPO is valued at EV/Sales and EV/EBITDA multiple of 2.4x and 106.5x, respectively. The company has exhibited strong revenue growth of 32.5% CAGR during the FY23-25 period and has been EBITDA positive since FY24. It operates an efficient and scalable asset-light business model, having an asset turnover of over 4x. The company does not own any delivery vehicles while touchpoints and last-mile facilities are managed through a leasing model. Considering the low per capita shipment (3-5 in India) compared to 60-70 in the USA and 75-85 in China, the growth prospects appear promising. When comparing the issue with its closest peers, the IPO seems to be valued slightly at a premium. We maintain a NEUTRAL view on the IPO and intend to observe its performance post-listing.

Issue Details	
Date of Opening	20 <sup>th</sup> January 2026
Date of Closing	22 <sup>nd</sup> January 2026
Price Band (Rs)	118 – 124
Issue Size (Rs cr)	~1,907 @ UB
Fresh Issue (Rs cr)	~1,000
Offer for Sale (Rs cr)	~907 @ UB
No. of shares (@ upper band)	15,38,12,016
Face Value (Rs)	10
Post Issue Market Cap (Rs cr)	6,870 – 7,169
BRLMs	ICICI Securities Ltd., Morgan Stanley India Company Pvt. Ltd., JM Financial Ltd.
Registrar	KFin Technologies Ltd.
Bid Lot	120 shares and in multiple thereof
QIB shares	75%
Retail shares	10%
NIB shares	15%

Objects of Issue	
	Estimated utilization from net proceeds (Rs cr)
Funding of capital expenditure requirements of the company in relation to the network infrastructure	423.4
Funding of lease payments for new first mile centers, last mile centers and sort centers	138.6
Funding of branding, marketing and communication costs	88.6
Unidentified inorganic acquisitions and general corporate purposes*	-
<b>Total proceeds from fresh issue*</b>	-

*\*To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilised for general corporate purposes and unidentified inorganic acquisition shall not exceed 35% of the Gross Proceeds. The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.*

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	9,65,86,287	19.4
Public & Others	40,09,01,798	80.6
<b>Total</b>	<b>49,74,88,085</b>	<b>100.0</b>

Post Issue @Upper Price Band	No. of Shares	%
Promoter & Promoter Group	9,65,86,287	16.7
Public & Others	48,15,46,959	83.3
<b>Total</b>	<b>57,81,33,246</b>	<b>100.0</b>

Source: RHP, SBICAP Securities Research

## Key Financials

Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Revenue from operations	1,415	1,885	2,485	1,806
EBITDA	(113)	11	56	64
PAT	(143)	(12)	6	21
EBITDA Margin (%)	(8.0)	0.6	2.3	3.6
PAT Margin (%)	(10.1)	(0.6)	0.3	1.2
RoE (%)	-	-	1.0	-
RoCE (%)	-	-	3.1	-
P/E (x)*	-	-	960.0	-
EV/Sales (x)*	4.3	3.2	2.4	-

Source: RHP, SBICAP Securities Research

\*Note: Pre-issue P/E (x) and EV/Sales (x) are based on upper price band

## Risk Factors

- **Revenue concentration:** The company's largest client contributed ~49% and ~48% of revenue for 1HFY26 and FY26, respectively. The loss of any such key commercial relationships could adversely affect the business.
- **Man-power risk:** The company relies on crowdsourced network of delivery partners with whom the company does not have any exclusive arrangement. Any potential strikes or changes to the supply of delivery partners may disrupt business operations.
- **Operational risk:** Any mishandling of goods by the delivery partners may lead to operational inefficiencies and client dissatisfaction, which may affect the business operations.
- **Payment risk:** Some of the clients choose cash on delivery (~35% of total order were cash on delivery order as of 1HFY26) as their preferred payment method. The company acts as a limited agent for clients holding the cash until it is transferred to them. In the past, the company encountered a few incidents where delivery partners were robbed of the cash they were carrying during deliveries. Additionally, there have been instances of short deposit of cash on delivery order value to the Company after successful deliveries. While the total pecuniary value involved in this matter is just Rs 3.2 cr, handling of cash presents an operational risk for the company.

## Growth Strategies

- Focus on consistent market share expansion driven by deepening customer relationships and operating leverage.
- Continue to expand the service portfolio such as express B2B parcel capabilities to support time-critical inter-city and intra-city deliveries.
- Strengthen and expand the network.
- Establish EV centers in high-demand areas to facilitate easy access to electric vehicles.
- Continue investing in technology
- Inorganic growth through acquisition for expansion of its capabilities.

## Selling Shareholder through Offer for Sale (OFS)

Selling shareholders through OFS	Classification	Number of shares @UB
Flipkart Internet Pvt. Ltd.	Public	3,22,58,065
Eight Roads Investments Mauritius II Ltd. (formerly known as FIL Capital Investments (Mauritius) II Ltd.)	Public	1,58,87,097
International Finance Corporation	Public	52,86,210
Qualcomm Asia Pacific Pte. Ltd.	Public	52,75,806
Nokia Growth Partners IV, L.P.	Public	47,82,258
NewQuest Asia Fund IV (Singapore) Pte. Ltd.	Public	36,29,032
Mirae Asset - Naver New Growth Fund I	Public	30,24,194
Mirae Asset - GS Retail New Growth Fund I	Public	30,24,194
<b>Total</b>		<b>7,31,66,855</b>

## Business Overview

### Scale and Growth



**436.36 MM / 29.77% %**

Total Orders / CAGR <sup>(2)</sup>  
(FY25 / FY23-25)



**₹18,056.44 MM /**

**₹24,851.31 MM**

Revenue from Operations  
(6M Sept 25 / FY25)

### Market Share and Position



**~23% / ~8%**

Market Share in 3PL  
Express Logistics  
(6M Sept 25 / FY22) <sup>(1)</sup>

### Profitability And Capital Efficiency



**2.86%**

Adjusted EBITDA Margin  
(6M Sept 25) <sup>(3)</sup>

**+90 bps increase v/s FY25**



**14,758**

Pin Code Reach  
(6M Sept 25)



**205,864**

Quarterly Unique Transacting  
Delivery Partners  
(6M Sept 25)



**Market leader <sup>(1)</sup>(4)**

3PL quick commerce solutions  
Reverse pick-up  
Same day delivery



**3.96x**

Capital Turnover Ratio <sup>(5)</sup>  
(FY25)

Source: RHP, SBICAP Securities Research

## Key Business Levers

### Velocity

- Quick commerce and on-demand hyperlocal
- Same Day / Next day deliveries

### Value

- Only 3PL to have 100% gig based last mile fleet<sup>(1)</sup>
- Unified platform across services
- EV bikes and cyclists

### Versatility

Comprehensive suite of services and capabilities including:

- Reverse pick-up and hand-in-hand exchange (including Doorstep QC)
- Open box delivery
- Quick commerce surge demand
- Critical logistics



Note:  
1. RedSeer Report

Source: RHP, SBICAP Securities Research

## Service Offerings

### Express



Forward Express Parcel Delivery



Reverse Pickup Logistics and Hand-in-Hand Exchange



Prime Delivery

### Hyperlocal



Quick Commerce Services



Food and On-Demand Delivery



Mobility Solutions

### Other Logistics Services



Critical Logistics



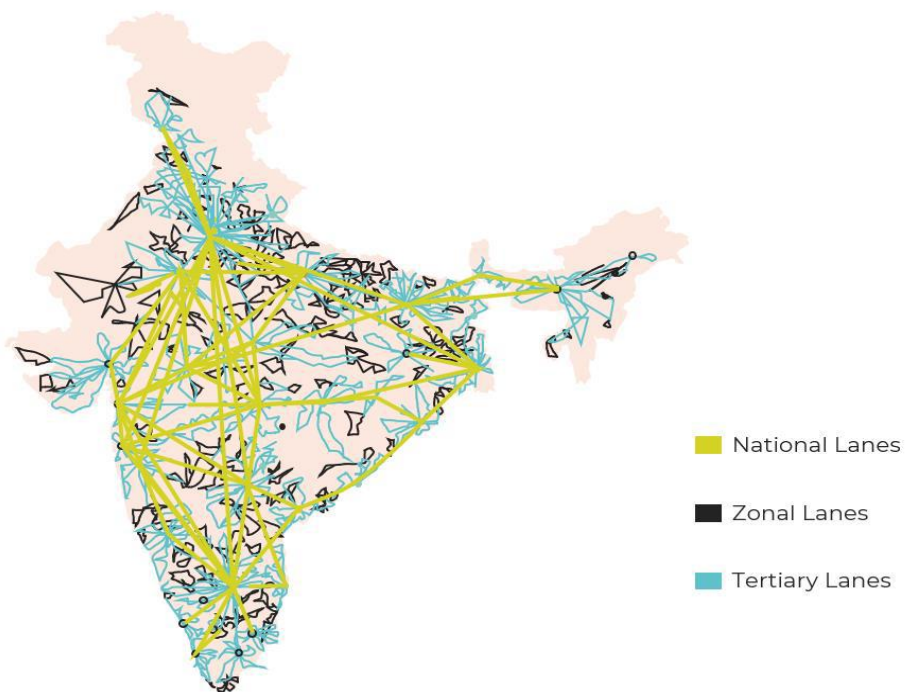
Strategic Insourcing of Unbundled Services



Dark Store Operations

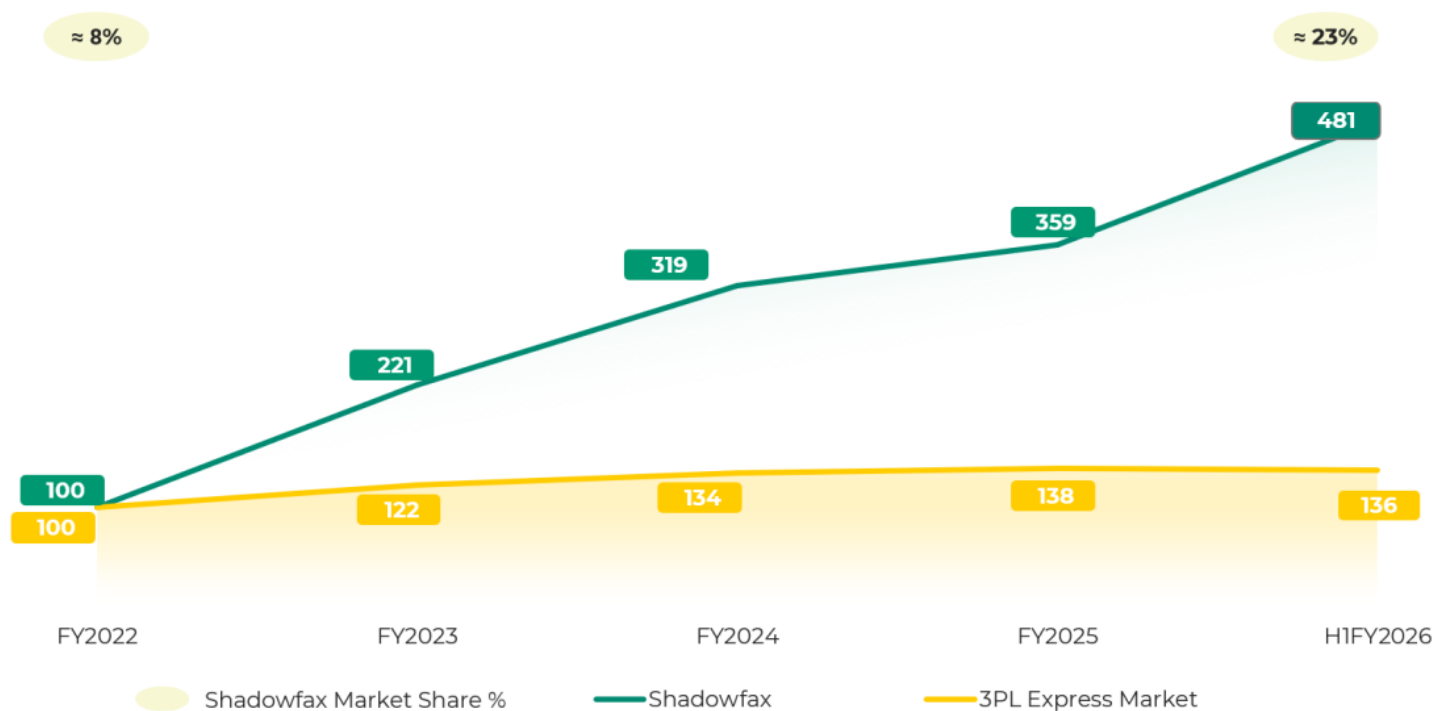
Source: RHP, SBICAP Securities Research

## Nation-wide Network



Source: RHP, SBICAP Securities Research

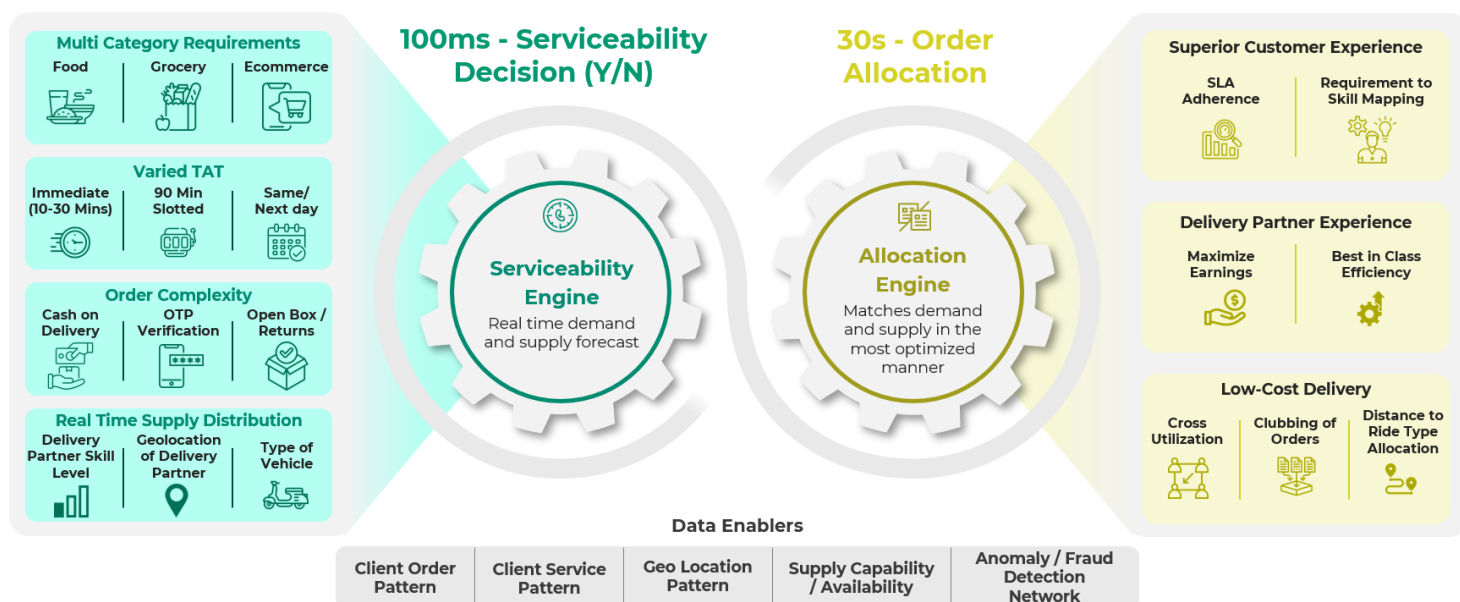
## 3PL Shipment Market Share



Source: RHP, SBICAP Securities Research

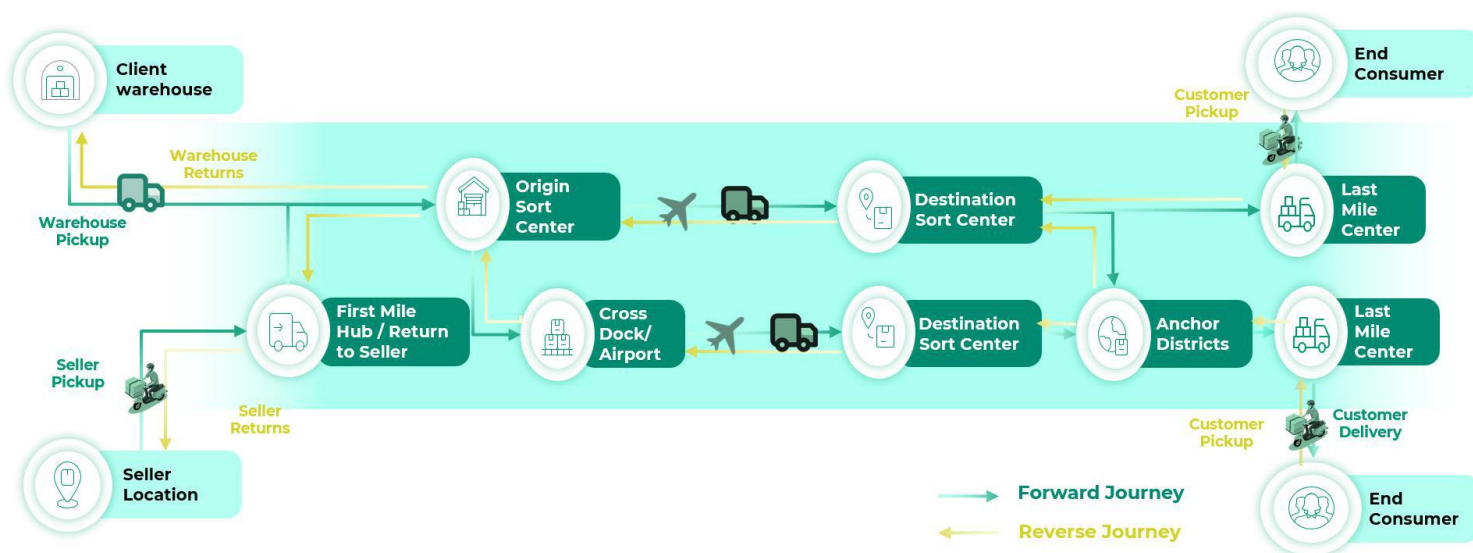
## Demand-Supply Allocation Engine

### Real-Time Demand and Supply Matching



Source: RHP, SBICAP Securities Research

## Network Architecture



Source: RHP, SBICAP Securities Research

## Operational Metrics

Particulars	FY23	FY24	FY25	1HFY26
Express Orders (mn)	210	302	342	228
Hyperlocal Orders (mn)	49	48	95	66
Total Orders (mn)	259	350	436	294
Pin-Codes Reach (nos)	7,955	13,169	14,387	14,758
No of Touchpoints (nos)	1,817	3,093	3,964	4,299
Average quarterly unique transacting delivery partners (nos)	1,40,468	1,01,761	1,51,385	2,05,864

*Note: (a) Express orders refer to the number of shipments for the express service line; (b) Hyperlocal Orders refer to the number of shipments for the hyperlocal service line. Source: RHP, SBICAP Securities Research*

## Service-wise Revenue Split

Particulars	FY23		FY24		FY25		1HFY26	
	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue
Express	1,035	73.2	1,495	79.3	1,716	69.1	1,239	68.6
Hyperlocal	255	18.0	254	13.5	513	20.7	359	19.9
Other Logistics Services	125	8.8	136	7.2	256	10.3	208	11.5
<b>Revenue from operations</b>	<b>1,415</b>	<b>100.0</b>	<b>1,885</b>	<b>100.0</b>	<b>2,485</b>	<b>100.0</b>	<b>1,806</b>	<b>100.0</b>

*Source: RHP, SBICAP Securities Research*

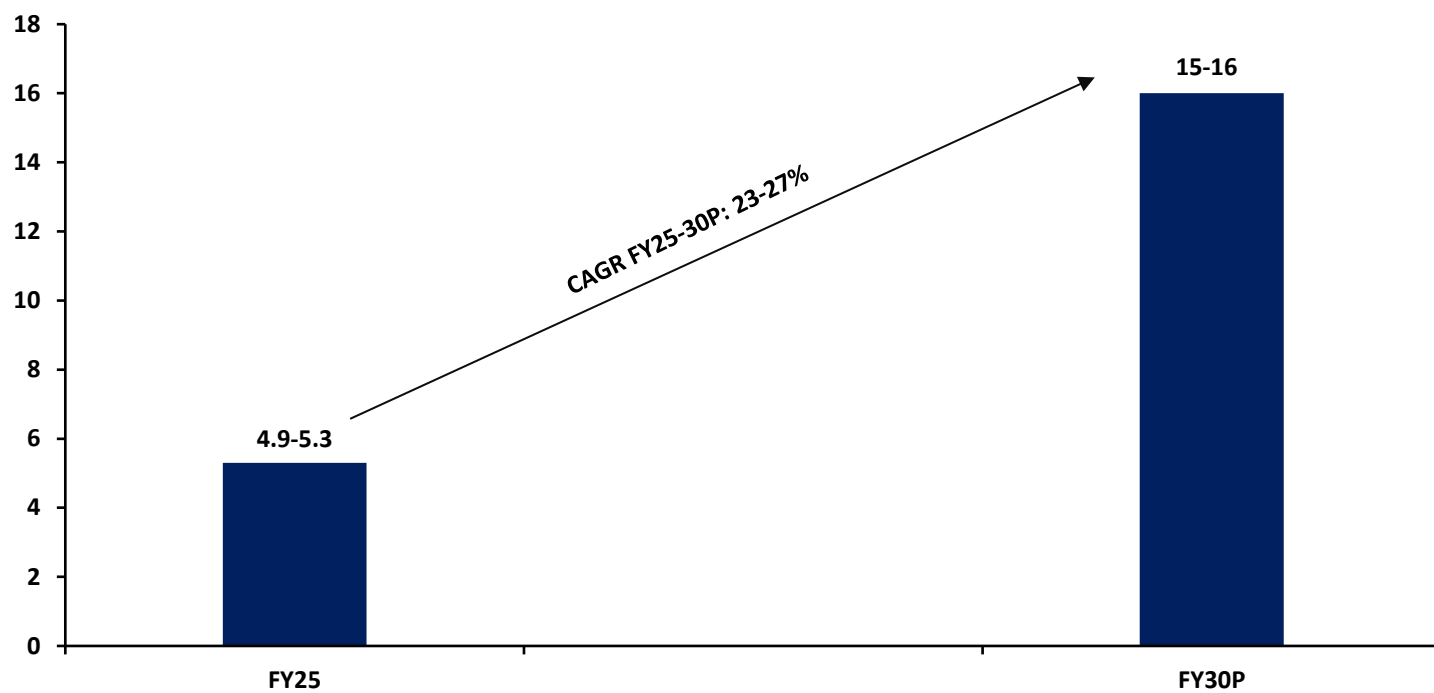
## Cash on Delivery Order Metrics

Particulars	FY23	FY24	FY25	1HFY26
Number of clients providing cash on delivery orders on the platform (nos)	133	144	272	387
Number of cash on delivery orders delivered (mn)	122	156	158	101
Cash on delivery Orders as % of Total Orders (%)	47.0	44.4	36.1	34.5

*Source: RHP, SBICAP Securities Research*

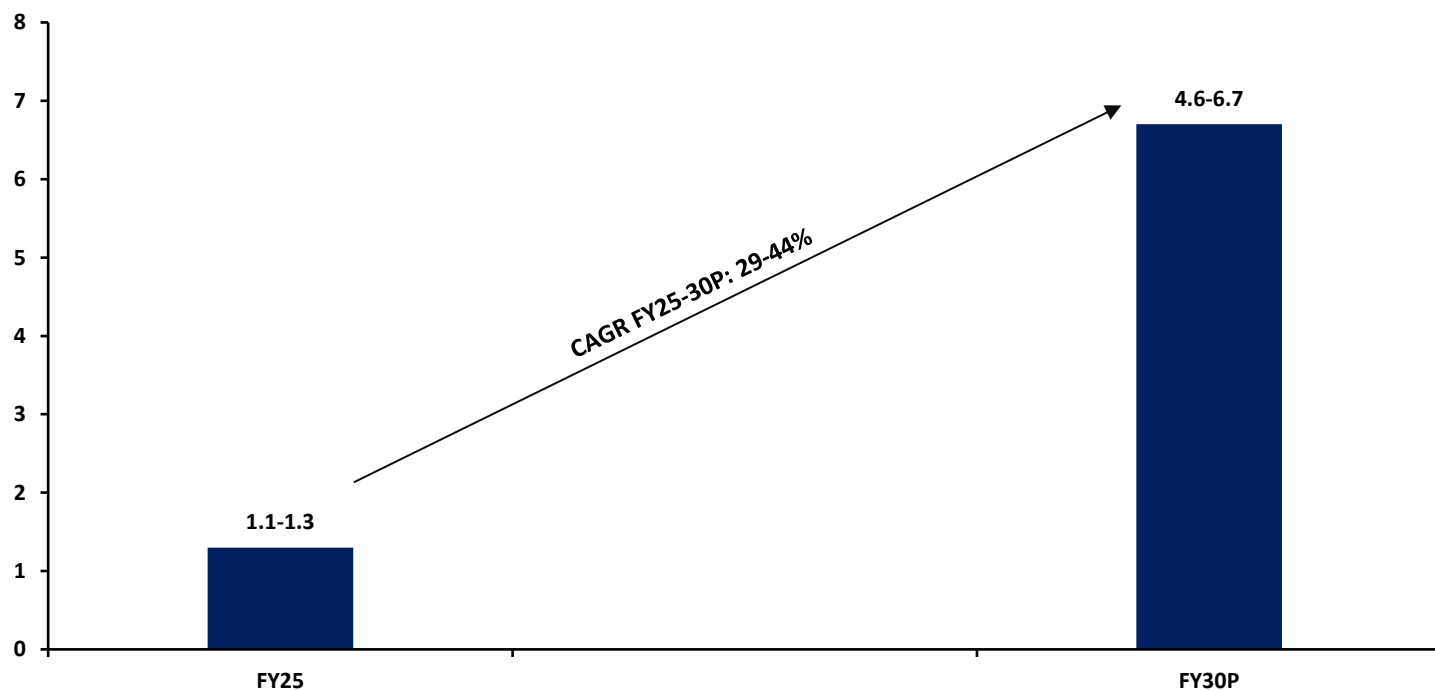
## Industry Overview

### E-commerce (excluding grocery) shipments, FY25-30P (in bn)



Source: RHP, SBICAP Securities Research

### Number of quick commerce shipments, FY25-30P (in bn)



Source: RHP, SBICAP Securities Research



## Financial Snapshot

INCOME STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
<b>Revenue from Operations</b>	<b>1,415</b>	<b>1,885</b>	<b>2,485</b>	<b>1,806</b>
<i>YoY growth (%)</i>	-	33.2%	31.8%	-
COGS (incl Stock Adj)	-	-	-	-
<b>Gross Profit</b>	<b>1,415</b>	<b>1,885</b>	<b>2,485</b>	<b>1,806</b>
<b>Gross margin (%)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Employee Cost	214	212	266	172
Other Operating Expenses	1,315	1,662	2,163	1,569
<b>EBITDA</b>	<b>(113)</b>	<b>11</b>	<b>56</b>	<b>64</b>
<b>EBITDA margins (%)</b>	<b>-8.0%</b>	<b>0.6%</b>	<b>2.3%</b>	<b>3.6%</b>
Other Income	8	12	30	14
Interest Exp.	13	7	14	8
Depreciation	24	28	65	50
<b>PBT</b>	<b>(143)</b>	<b>(12)</b>	<b>6</b>	<b>21</b>
Tax	-	-	(0)	-
<b>PAT</b>	<b>(143)</b>	<b>(12)</b>	<b>6</b>	<b>21</b>
<b>PAT margin (%)</b>	<b>-10.1%</b>	<b>-0.6%</b>	<b>0.3%</b>	<b>1.2%</b>
<b>EPS (Rs)</b>	<b>(2.9)</b>	<b>(0.2)</b>	<b>0.1</b>	<b>0.4</b>

BALANCE SHEET				
Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
<b>Assets</b>				
Net Block	66	89	117	153
Capital WIP	12	19	51	56
Goodwill	-	-	40	40
Right of use assets	5	9	121	140
Other Non-current Assets	39	49	38	73
<b>Current Assets</b>				
Current Investment	60	312	329	375
Inventories	-	-	-	-
Trade receivables	157	184	329	373
Cash and Bank Balances	86	103	191	183
Short-term loans and advances	-	-	-	-
Other Current Assets	18	21	43	60
<b>Total Current Assets</b>	<b>321</b>	<b>620</b>	<b>892</b>	<b>991</b>
<b>Current Liabilities &amp; Provisions</b>				
Trade payables	94	145	215	274
Other current liabilities	96	168	225	310
Short-term provisions	1	2	3	3
<b>Total Current Liabilities</b>	<b>192</b>	<b>315</b>	<b>443</b>	<b>587</b>
<b>Net Current Assets</b>	<b>129</b>	<b>304</b>	<b>449</b>	<b>404</b>
Assets Classified as held for sale	-	-	-	-
<b>Total Assets</b>	<b>251</b>	<b>471</b>	<b>816</b>	<b>866</b>
<b>Liabilities</b>				
Share Capital	0	0	152	152
Reserves and Surplus	176	422	509	542
<b>Total Shareholders' Funds</b>	<b>176</b>	<b>422</b>	<b>660</b>	<b>694</b>
Minority Interest	-	-	-	-
<b>Total Debt</b>	<b>61</b>	<b>32</b>	<b>6</b>	<b>1</b>
Long Term Provisions	8	9	15	17
Lease Liabilities	6	9	126	147
Other Long-Term Liabilities	-	-	8	8
Net Deferred Tax Liability	-	-	-	-
<b>Total Liabilities</b>	<b>251</b>	<b>471</b>	<b>816</b>	<b>866</b>

Cash Flow Statement (Rs cr)	FY23	FY24	FY25	1HFY26
Cash flow from Operating Activities	(73)	132	50	141
Cash flow from Investing Activities	(40)	(311)	(119)	(93)
Cash flow from Financing Activities	90	200	130	(39)
Free Cash Flow	(120)	78	(36)	87

RATIOS			
Particulars	FY23	FY24	FY25
<b>Profitability</b>			
Return on Assets	-	-	0.5%
Return on Capital Employed	-	-	3.1%
Return on Equity	-	-	1.0%
<b>Margin Analysis</b>			
EBITDA Margin	(8.0%)	0.6%	2.3%
Net Profit Margin	(10.1%)	(0.6%)	0.3%
<b>Short-Term Liquidity</b>			
Current Ratio (x)	1.4	1.8	2.0
Quick Ratio (x)	1.4	1.8	2.0
Avg. Days Sales Outstanding	41	36	48
Avg. Days Inventory Outstanding	-	-	-
Avg. Days Payables	22	28	32
Fixed asset turnover (x)	21.6	21.1	21.3
<b>Long-Term Solvency</b>			
Total Debt / Equity (x)	0.3	0.1	0.0
Interest Coverage Ratio (x)	-	-	1.4
<b>Valuation Ratios*</b>			
EV/EBITDA (x)	-	536.2	106.5
P/E (x)	-	-	960.0
P/B (x)	35.0	14.6	9.3
EV/Sales (x)	4.3	3.2	2.4
P/Sales (x)	4.4	3.3	2.5

\*Valuation ratios are based on pre-issue capital at the upper price band

Source: RHP, SBICAP Securities Research

## Peer Comparison – FY25

Particulars (Rs cr)	Shadowfax Technologies Ltd	Delhivery Ltd	Blue Dart Express Ltd
CMP (Rs)	124	401	5,400
Mkt Cap.	7,169	30,040	12,813
Enterprise Value	5,984	29,743	12,846
Sales	2,485	8,932	5,720
EBITDA	56	376	876
Net Profit	6	141	237
EBITDA Margin (%)	2.3	4.2	15.3
Net Profit Margin (%)	0.3	1.6	4.1
2Y Sales CAGR (%)	32.5	11.2	5.2
P/E (x)	1,115.6	213.0	54.1
EV/EBITDA (x)	106.5	79.1	14.7
EV/Sales (x)	2.4	3.3	2.2
RoE (%)	0.4	1.5	15.2
RoCE (%)	1.2	2.8	23.2

*For Shadowfax Technologies Ltd, the Market Cap, P/E (x), EV/EBITDA (x), RoE (%), RoCE (%) and EV/Sales are calculated on post-issue equity share capital based on the upper price band.*

*CMP of peer companies is as of 16<sup>th</sup> January, 2026.*

*Source: RHP, SBICAP Securities Research.*

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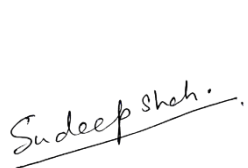
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