

IPO Note

SHADOWFAX TECHNOLOGIES LIMITED

Jan 20th, 2026



Jan 20th, 2025

| Details of the Issue | |
|----------------------|---------------------|
| Price Band | ₹ 118 - ₹ 124 |
| Issue Size | ₹ 1,907 Cr |
| Face Value | ₹ 10 |
| Bid Lot | 120 |
| Listing on | BSE,NSE |
| Post Issue Mcap | ₹ 7,168.85 Cr |
| Investment Range | ₹ 14,160 - ₹ 14,880 |

| Important Indicative Dates (2025) | |
|-----------------------------------|----------|
| Opening | 20 - Jan |
| Closing | 22 - Jan |
| Basis of Allotment | 23 - Jan |
| Refund Initiation | 27 - Jan |
| Credit to Demat | 27 - Jan |
| Listing Date | 28 - Jan |

| Lead Manager | |
|--------------------------------------|--|
| ICICI Securities Ltd | |
| Morgan Stanley India Company Pvt Ltd | |
| JM Financial Pvt Ltd | |

| Offer Details | |
|---------------|------------|
| Offer Size | ₹ 1,907 Cr |
| Fresh Issue | ₹ 1,000 Cr |
| OFS | ₹ 907 Cr |

| Type | In Rs Cr | No of Shares (Mn) | | % of Issue |
|--------------|----------|-------------------|-------|------------|
| | | Upper | Lower | |
| QIB | 1,430 | 115 | 121 | 75 |
| NII | 286 | 23.07 | 24.24 | 15 |
| Retail | 191 | 15.38 | 16.16 | 10 |
| Em- ploy. | - | - | - | - |
| Total | 1,907 | 154 | 162 | 100 |

Invest Now**Company Profile**

Shadowfax Technologies Ltd, incorporated in June 2016, provides end-to-end logistics solutions to e-commerce companies in India. Its service portfolio includes express forward deliveries, reverse pickups and exchanges, prime and same-day deliveries, quick commerce, on-demand hyperlocal logistics, mobility, and critical logistics services. As of September 30, 2025, STL's network covered 14,758 pin codes across India, supported by a nationwide infrastructure of 4,299 touchpoints, and catered to a diversified enterprise client base spanning horizontal and non-horizontal e-commerce, quick commerce, food marketplaces, and on-demand mobility platforms. The company is the fastest-growing 3PL player in India as of March 31, 2025, with its e-commerce shipment market share rising from ~8% in FY22 to ~23% in 6MFY26. The company is a market leader in reverse pickup shipments and quick commerce logistics, and also leads in same-day delivery volumes for FY25 and 6MFY26. STL processed 436.36 million orders in FY25, registering a 29.77% CAGR between FY23 and FY25, and processed 294.45 million orders as of September 30, 2025, reflecting a strong 50.11% CAGR from 6MFY24 to 6MFY26.

GEPL's Insights & Investment Thesis:

- Shadowfax Technologies is a third-party logistics solution provider with marquee companies such as Meesho, Flipkart, Zepto, and Others. The company's largest client contributed approximately 49% to the total revenue in the first half of fiscal year 2026.
- The company reported improving financial performance with 32.5% CAGR revenue growth between FY23-25 and turned PAT positive in FY2025.
- Based on the FY25 earnings, relative to the company's paid-up capital, the issue is priced at a P/S ratio of 2.6x. We believe that the issue is overly valued compared to its peers, faces client concentration risk, and weak profitability. Therefore, we recommend a "Avoid" rating for the issue.

Business Highlights & Services

Shadowfax Technologies is the only 3PL in India offering both end to end delivery for e-commerce and last mile delivery for quick commerce, food delivery, and other hyperlocal. It serves the diverse and complex needs of clients and end customer 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. As a result, we are the largest 3PL provider in India for value-added services such as reverse pickups logistics, hand-in-hand exchange deliveries, same day, and quick commerce, by order volume for the FY25 and 6MFY25. The company has a marquee client portfolio including Meesho, Flipkart, Myntra, Swiggy, Bigbasket, Zepto, Nykaa, Blinkit, Kartrocket, Zomato, Uber, Pincode, Purple, Licious, ONDC, Magicpin, among others. STL is a market leader in terms of order volumes for the FY25 and also for certain complex and value-added logistic services like reverse pick up and same day delivery.

The company operates India's largest crowdsourced last mile delivery fleet among the 3PL e-commerce players, with ~2.06 lakh active delivery partners on average across 2,300+ cities in H1 FY26 creates a strong entry barrier. The company operates on the Asset light business model through a gig-based model, this keeps cost low, fleet lowers fixed cost and enables scalable growth without heavy capital investment. Single fleet deployed across multiple services smoothens demand cycles, increases partner productivity, and enhances margins through higher utilization.



With proprietary AI/ML platform manages the entire delivery partner lifecycle onboarding, training, order allocation, tracking, payouts, and quality checks using AI/ML for efficient job matching. The platform gamifies payout through surge pricing, incentives, and referrals, boosting engagement, ~37% of new partners in FY25. Additional support includes early payouts, micro-financing, insurance cover, and brand discounts, improving partner retention and satisfaction. Large, skilled, and expanding delivery network acts as a core competitive moat, supporting sustained volume growth across e-commerce, quick commerce, and allied logistics services.

The company has large scale network which serve as the backbone of the efficient and scalable delivery system encompassing first mile, middle mile facilities. As of Sep 30,2025, it has network span of 14,758 pin code through network more than 4,299 touch point across first and the last mile centers, franchisee partner and sort centers. It runs fully automated sorting centers in Surat, Bilaspur, and Jaipur, and follows an asset-light model by leasing trucks and properties, which helps achieve industry-leading capital efficiency among Indian 3PL players. These sort centers use advanced machines like cross-belt sorters, X-ray scanners, and dimension-weight systems to sort parcels quickly, accurately, and securely. For heavy and bulky shipments, mechanized equipment reduces manual work, improves speed, and lowers operational risk. A camera-based tracking system (SF Shield) provides real-time visibility of shipments across the network, improving security, transparency, and risk control. The company operates 3,000+ trucks daily, covering first-mile pickup, inter-hub movement, and last-mile delivery, and also partners with airlines for next-day delivery in metros. The network is flexible and demand-driven metro areas get multiple daily delivery runs, while smaller cities receive at least one ensuring speed, reliability, and high throughput, especially for time-critical deliveries.

STL is the Indian's fastest growing 3PL, with rising market share from ~8% to ~23% in H1FY26, driven by execution strength and technology-led operations. Its strategic focus on higher-yield D2C and SME clients, alongside network-level operating leverage, has already translated into a sharp improvement in Adjusted EBITDA from -7.2% in FY23 to +2.9% in H1 FY26, with further margin upside ahead. A capital-efficient, asset-light model with the highest capital turnover among peers enables profitable scaling, while expansion into quick commerce infrastructure, BFSI and cross-border parcels, express B2B, heavy shipments, and reverse lane monetization provides multiple growth optionality's. Backed by strong e-commerce and logistics industry tailwinds, the company is well positioned to compound growth, strengthen profitability, and sustain long-term market leadership.

The company offers a compelling investment opportunity driven by its scalable network expansion, automation-led operating leverage, and technology-first strategy. Continued pin-code expansion, capacity augmentation, and investments in automated, vertically scalable sortation centers are expected to improve delivery speed, reduce costs, and support margin expansion as volumes grow. Strong focus on proprietary technology, generative AI, and data analytics enhances forecasting accuracy, last-mile efficiency, network security, and customer experience, creating a durable competitive moat. The transition toward EV-led logistics lowers delivery costs, improves delivery partner retention, and aligns the business with long-term sustainability trends. An asset-light, capital-efficient model supports high ROCE-led growth, while a proven M&A track record in reverse and critical logistics strengthens capabilities, diversifies higher-yield services, and provides sustained long-term growth visibility in India's structurally growing logistics market.

Operational Metrics

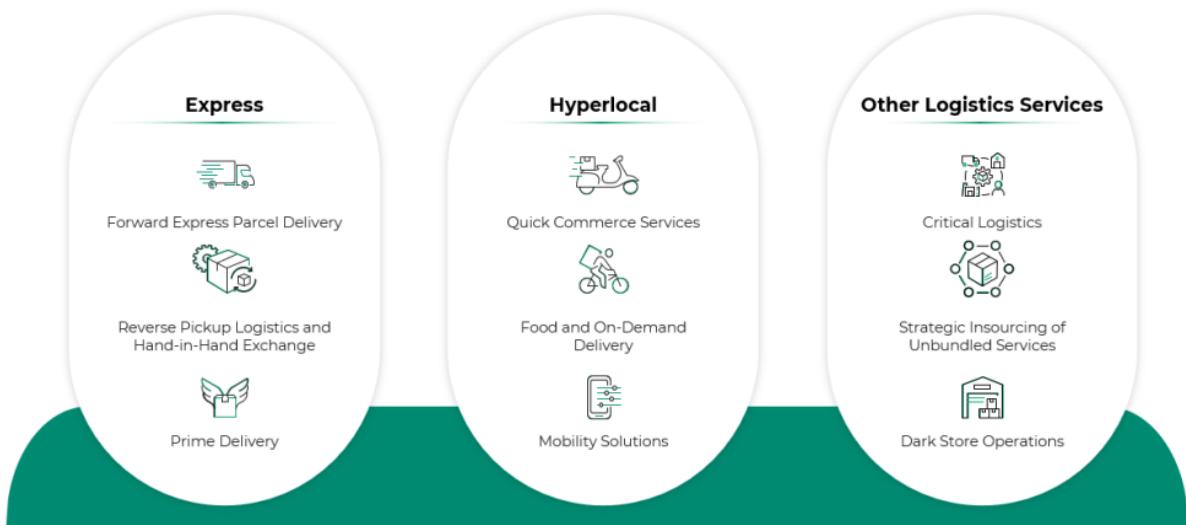
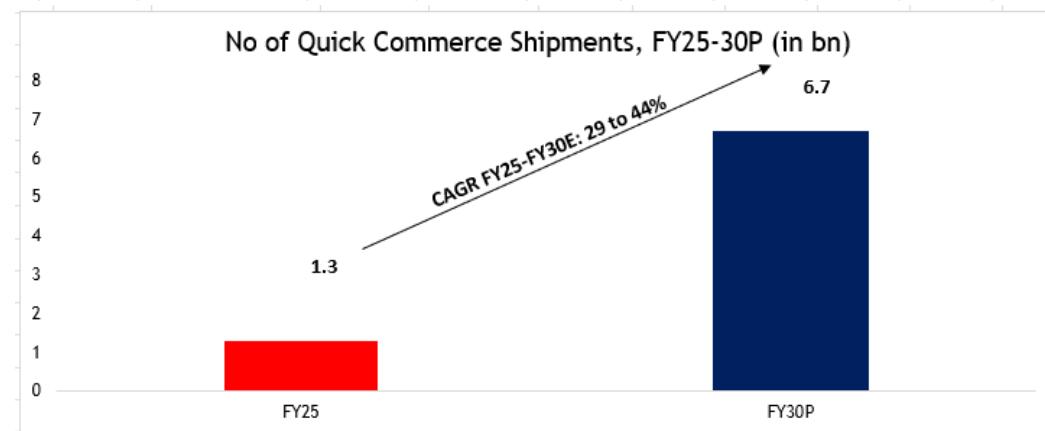
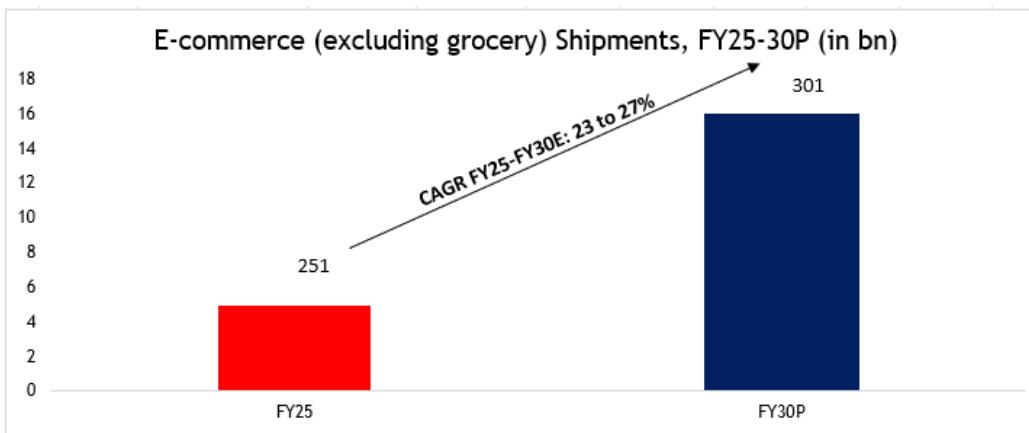
| Particular | 1HFY26 | FY25 | FY24 | FY23 |
|--|----------|----------|----------|----------|
| Express Orders (mn) | 228 | 342 | 302 | 210 |
| Hyperlocal Orders (mn) | 66 | 95 | 48 | 49 |
| Total Orders (mn) | 294 | 436 | 350 | 259 |
| Pin-Codes Reach (nos) | 14,758 | 14,387 | 13,169 | 7,955 |
| No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

Cash on Delivery Order Metrics

| Particular | 1HFY26 | FY25 | FY24 | FY23 |
|---|------------|------------|------------|------------|
| Number of clients providing cash on delivery orders on the platform (nos) | 387 | 272 | 144 | 133 |
| Number of cash on delivery orders delivered (mn) | 101 | 158 | 156 | 122 |
| Cash on delivery Orders as % of Total Orders (%) | 34.5 | 36.1 | 44.4 | 47 |
| Total | 523 | 466 | 344 | 302 |

Services wise revenue breakup

| Particular | 1HFY25 | | FY25 | | FY24 | | FY23 | |
|--------------------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|
| | Amount (In Cr) | % |
| Express | 1,239 | 68.60% | 1,716 | 69.05% | 1,495 | 79.31% | 1,035 | 73.14% |
| Hyperlocal | 359 | 19.88% | 513 | 20.64% | 254 | 13.47% | 255 | 18.02% |
| Other Logistics Services | 208 | 11.52% | 256 | 10.30% | 136 | 7.21% | 125 | 8.83% |
| Total Revenue | 1,806 | 100% | 2,485 | 100% | 1,885 | 100% | 1,415 | 100% |

STL Services OfferingsIndustry Outlook

Peers Comparisons

| Name of the company | Face Value (₹) | Total Revenue (In Cr) | EPS | P/E (x) | NAV (In INR) | RoNW(%) |
|----------------------------|-------------------|--------------------------|-------|---------|-----------------|---------|
| Shadowfax Technologies Ltd | 10 | 2,514.6 | 0.13 | NA | 13.83 | 0.97 |
| Peers Group | | | | | | |
| Blue Dart Express Ltd | 10 | 5,762.2 | 106.4 | 50.7 | 657.05 | 17.25 |
| Delhivery Ltd | 1 | 9,372.1 | 2.1 | 195.1 | 124.77 | 1.75 |

Company's Competitive Strength

- Agile and customisable logistics services that enable faster go-to-market for clients.
- Largest last-mile gig-based delivery partner infrastructure.
- The extensive nationwide network.
- Proprietary and agile technology capabilities.
- Proven business model, with focus on profitability, while delivering healthy growth.
- Experienced management team supported by entrepreneurial founders.

Key Strategies Implemented by Company

- Consistent market share expansion driven by deepening customer relationships and operating leverage.
- Continue to expand the service portfolio.
- Continue to strengthen and expand the network.
- Continue to invest in technology.
- Enabling EV fleets.
- Inorganic growth through acquisition for expansion of the capabilities.

| Particular (INR in Cr) | 1HFY26 | FY25 | FY24 | FY23 |
|------------------------|--------|-------|-------|--------|
| Equity Capital | 152 | 152 | - | - |
| Reserves and Surplus | 542 | 509 | 422 | 176 |
| Net Worth | 694 | 661 | 422 | 176 |
| Revenue | 1,806 | 2,485 | 1,885 | 1,415 |
| Growth (%) | | 32% | 33% | |
| EBITDA | 64 | 56 | 11 | -113 |
| EBITDAM (%) | 4% | 2% | 1% | -8% |
| PAT | 21 | 6 | -12 | -143 |
| PATM (%) | 1.2% | 0.2% | -0.6% | -10.1% |
| ROE (%) | - | 1.0% | - | - |
| ROCE (%) | - | 3.1% | - | - |



Notes

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