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India | Equity Research | Initiating Coverage

Shadowfax Technologies

Internet

Delivering value: Market share gain-led re-rating in the medium term

Shadowfax is a key beneficiary of consolidation in India's express parcel segment. Over the last year, it has emerged as the second largest player, gaining >1,000bps YoY market share. We estimate it held a volume market share of ~27-28% as of Dec'26. We believe Shadowfax is well positioned to deliver a revenue CAGR of 27% over FY26E-28E driven by further consolidation, client diversification and pin code expansion. Scale benefits are expected to support Adj. EBITDA margin expansion from 3.7% in FY26E to 5.6% in FY28E (56% CAGR over FY26E-28E). We initiate coverage on Shadowfax at **BUY** and a TP of INR 175, based on a three-stage DCF model, assuming a WACC of 12.5% (50bps above Delhivery given higher client concentration risk) and a terminal growth rate of 5%. This implies 25x one-year forward Adj. EV/EBITDA (FY28E).

Overview

Shadowfax is a new-age, technology-led third-party logistics (3PL) company. The company leverages technology to facilitate digital commerce via its service network that encompasses 15,166 Indian pin codes, as of Dec'25. It serves a wide category of enterprise clients, including horizontal and non-horizontal e-commerce, quick commerce, food marketplace and on-demand mobility companies.

Risk-reward skew – 2:1 to the upside

We see Shadowfax's stock trading at INR 200 in our bull-case scenario, which assumes further consolidation in express parcel, sustained improvement in e-commerce demand and higher revenue share from other platforms (Amazon, D2C). In our bear case, we see the stock at INR 80. This assumes a material spike in crude oil, hurting the company's margin outlook, or demand slowdown for Meesho, which is its biggest client (>50% overall revenue contribution). This implies a risk-reward skew of 2:1 to the upside.

Valuation

We initiate coverage with a **BUY** rating. We use a three-stage DCF valuation to arrive at a target price of INR 175, assuming WACC/terminal growth of 12.5%/5%. This implies a one-year forward Adj. EV/EBITDA multiple of 25x (FY28E).

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	24,851	39,066	50,404	62,905
EBITDA	562	1,324	2,418	3,926
EBITDA Margin (%)	2.3	3.4	4.8	6.2
Net Profit	64	343	1,116	1,916
EPS (INR)	0.1	0.6	1.9	3.3
EPS % Chg YoY	NA	356.1	225.5	71.7
P/E (x)	915.8	200.8	61.7	35.9
EV/EBITDA (x)	95.6	41.6	22.3	13.1
RoCE (%)	8.2	11.4	9.5	12.8
RoE (%)	1.2	3.1	7.0	10.9

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Market Data

Market Cap (INR)	69bn
Market Cap (USD)	747mn
Bloomberg Code	SHADOWF IN
Reuters Code	SADO.BO
52-week Range (INR)	128 /99
Free Float (%)	21.0
ADTV-3M (mn) (USD)	0.0

Price Performance (%)	3m	6m	12m
Absolute	0.0	0.0	0.0
Relative to Sensex	0.0	0.0	0.0

ESG Score	2024	2025	Change
ESG score	NA	NA	NA
Environment	NA	NA	NA
Social	NA	NA	NA
Governance	NA	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

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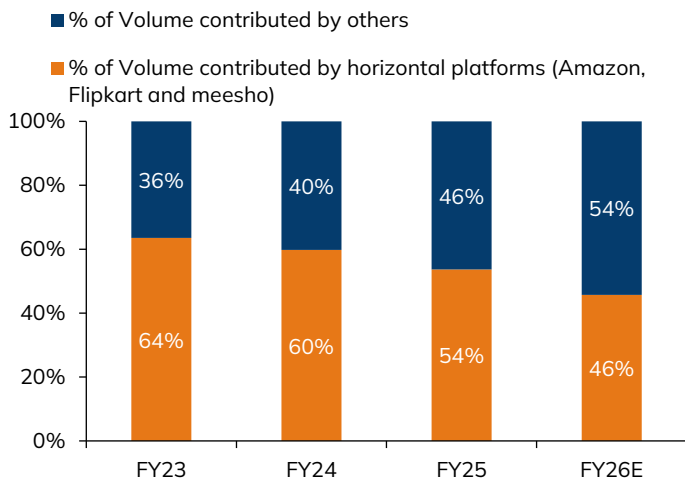
Investment Thesis

Market share gains in E-commerce shipments; continued network expansion and D2C to drive next phase

E-commerce parcel volumes outsourced to 3PL providers have historically been largely driven by the big 3 horizontal platforms (Amazon, Flipkart and Meesho) which together accounted for ~64% of 3PL express volumes in FY23. Among them, Meesho was almost fully outsourced until FY23. However, it initiated insourcing through its in-house platform, Valmo, gradually shifting volumes away from third-party providers

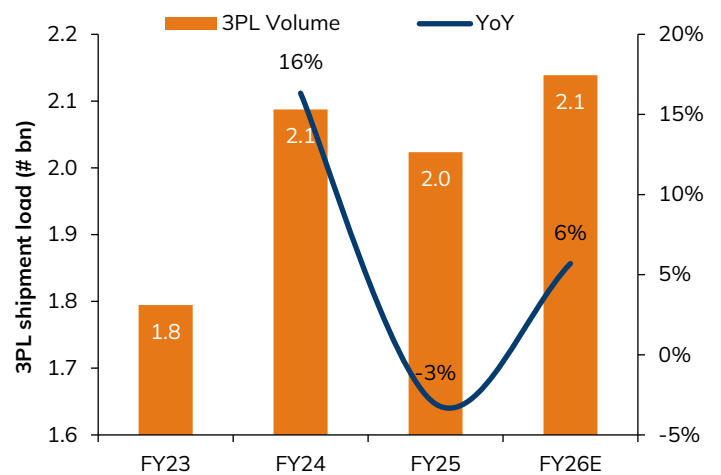
Meesho’s accelerated insourcing of logistics operations led to ~3% YoY contraction in 3PL industry’s volumes in FY25, with the outsourced share from key horizontal platforms declining to ~54% in FY25. The impact was amplified by the Covid-19-era overexpansion, where several operators-built network capacities ahead of sustainable demand. As growth normalised, underutilisation exposed scale inefficiencies across the ecosystem. This structural imbalance culminated in consolidation, most notably Delhivery’s acquisition of Ecom Express – effectively removing excess capacity from the system. We believe further consolidation remains possible.

Exhibit 1: Share of 3PL e-commerce volumes from Big 3 horizontal platforms



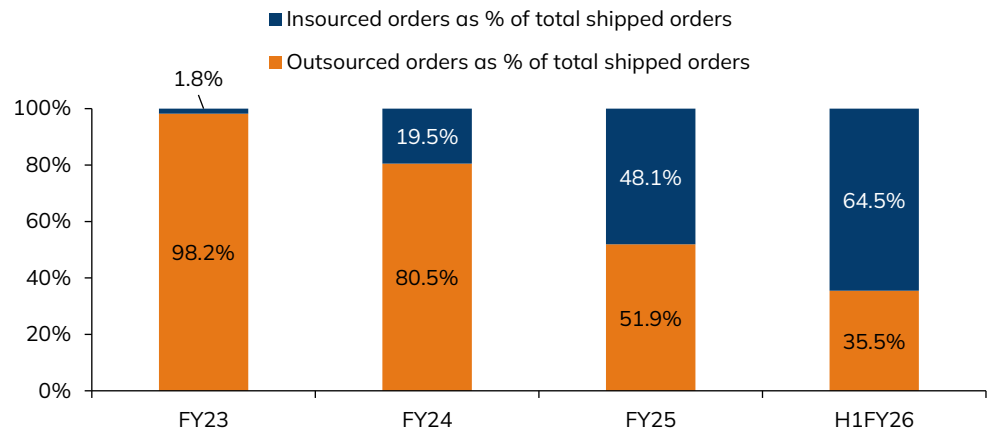
Source: I-Sec research

Exhibit 2: 3PL e-commerce shipment volumes contract in FY25 amid Meesho’s Insourcing



Source: I-Sec research

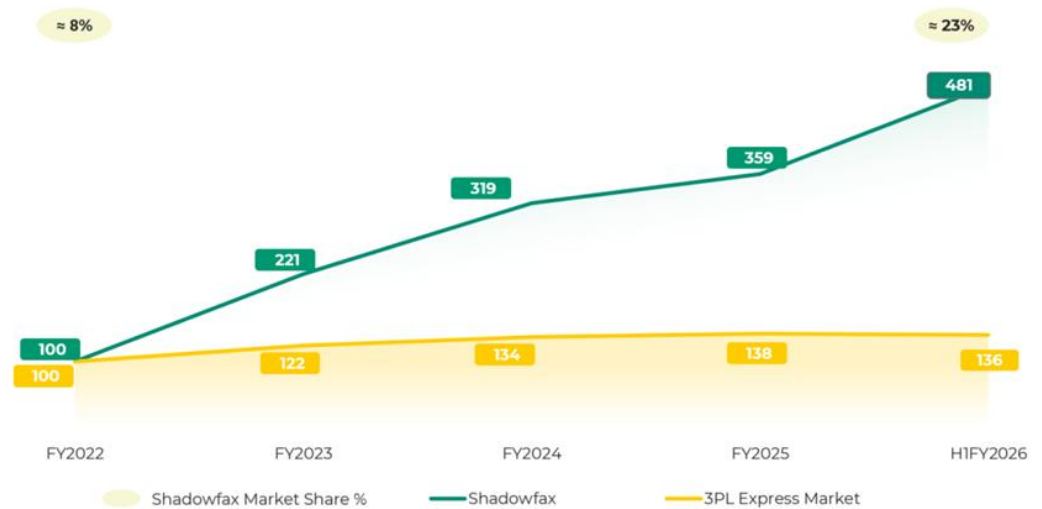
Exhibit 3: Meesho’s insourcing trajectory (FY23-H1FY26)



Source: I-Sec research, Meesho’s RHP

Amid this structural reset, Shadowfax has emerged as a relative beneficiary. The company's 'scale-as-it-builds' philosophy, expanding capacity in line with realised demand rather than building ahead of it, has enabled Shadowfax to navigate the downcycle more efficiently than peers. Reduced competitive intensity has supported incremental market share gains. Over the last year, Shadowfax has emerged as the second-largest player by gaining >1,000bps YoY market share. We estimate it held a volume market share of ~27–28%, as of Dec'26.

Exhibit 4: Shadowfax's e-commerce shipment market share expanded from ~8% in FY22 to ~23% in H1FY26



Source: RedSeer Report

Notes:

1. E-commerce shipments include the total volume of shipments including delivered plus RTO (single parcel count for forward and return legs of RTO) plus reverse pick-up shipments,
2. Express Shipments of the Company includes comparable metrics as the 3PL e-commerce shipments.

While insourcing remains a structural risk, we believe incremental growth from D2C brands and vertical e-commerce platforms may partially offset horizontal platform insourcing over the medium term. In addition, with fewer 3PL participants in the market, outsourced volume will be redistributed among the remaining players. Shadowfax also onboarded Amazon, following Flipkart's partial strategic exit; thus, aiding customer diversification and reducing concentration risk

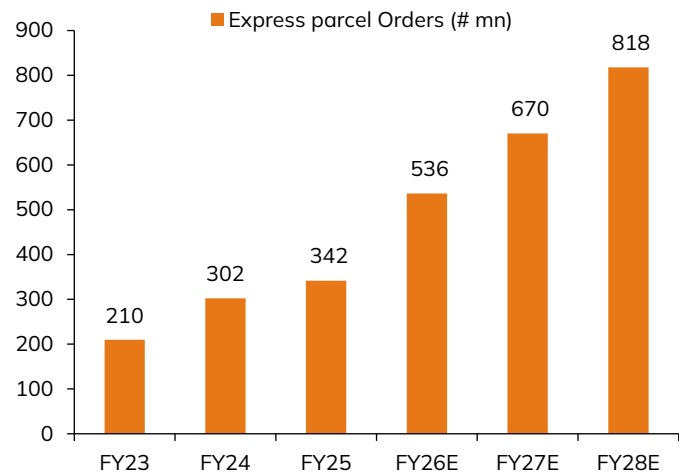
We expect the 3PL e-commerce shipments to grow at ~15% CAGR over FY26–28E, supported by improving discretionary demand (aided by tax rationalisation and potential rate cuts), increasing e-commerce penetration beyond tier-1 cities led by Meesho, and rising contributions from vertical and D2C players.

As per management, Shadowfax's D2C market share has improved from single-digits to early pre-teen levels, with yields ~20–25% higher than large enterprise contracts. The company is expanding its sales footprint across ~100 cities, targeting SME and social-commerce sellers (including Instagram-led brands), increasing exposure to structurally higher-margin volumes.

Network expansion provides additional growth visibility. Shadowfax currently serves ~15,000 pin codes vs. India's total prevailing pin codes of ~19,000, implying potentially 15–20% incremental reach opportunity. Planned addition of ~720 centres annually through FY27–29, alongside two large sort centres in the NCR and Mumbai, should deepen first, middle, and last-mile density, thus likely supporting both revenue growth and operating leverage for the company.

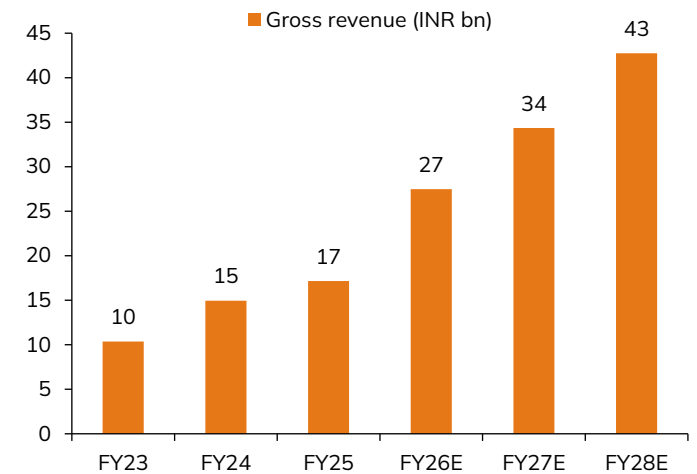
We expect Shadowfax's express parcel volumes to grow at ~23% CAGR over FY26–28E, outpacing industry growth, driven by market share gains, onboarding of Amazon, pin code expansion, and stronger presence in higher-yield D2C and SME segments.

Exhibit 5: E-commerce shipment volumes to see a CAGR of 23% over FY26–28E



Source: I-Sec research, Company data

Exhibit 6: Express parcel revenue to see a CAGR of 25% over FY26–28E



Source: I-Sec research, Company data

Hyperlocal - the next structural growth engine

Shadowfax is the market leader, by order volume, in 3PL quick commerce solutions (source: Redseer report). It provides specialised hyperlocal delivery services to platforms such as Zepto, BigBasket, Blinkit, Swiggy Instamart, and Flipkart Minutes. As quick commerce expands and competition intensifies, players are likely to depend more on 3PL partners to meet their logistics requirements efficiently.

Importantly, quick commerce is no longer limited to groceries. Platforms are expanding into higher-value discretionary categories such as mobiles, electronics, fashion, beauty, and personal care. The share of non-grocery GMV has increased to ~23% in FY25, reflecting structural category diversification. This mix shift is critical, as it drives higher Average Order Value (AOV) and increases consumer wallet share, thereby improving unit economics for both platforms and logistics partners.

A second structural tailwind is the emergence of vertical quick commerce platforms focused on specific categories. Players such as Myntra Now (fashion) and Nykaa Now (beauty), alongside newly funded vertical platforms like FirstClub (premium grocery), Peeko (babycare), and Knot (fashion), signal a broader ecosystem shift. Categories such as food, fashion, BPC, and medicines are witnessing the rise of specialised, category-led quick commerce models.

D2C brands are also increasingly interested in offering quick deliveries directly from their own websites via shared dark-store infrastructure. This model requires backend supply-chain partners to establish and operate multi-brand dark-store networks creating an infrastructure-layer opportunity rather than just a platform-dependent logistics model.

Exhibit 7: Emergence of vertical quick commerce platforms focused on specific categories

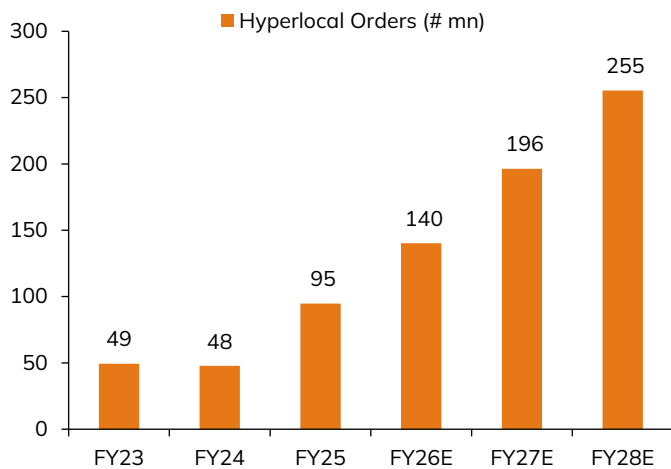
Category	Player
Horizontal QC	Blinkit, Instamart, Zepto, Amazon Now, Flipkart minutes, Big Basket, JioMart
FMCG/Grocery	First Club, Kirana Pro, Rozana
Food	Bistro by Blinkit, Swish
Fashion	M-Now (Myntra), KNOT, Slikk, ZILO, Zulu Club
BPC	Nykaa Now
Baby Care	Ozi, Peeko
Medicines	Apollo 24/7, Tata 1mg, Pillo, Piazza, Farmako, Medinos

Source: I-Sec research, Company data

Shadowfax plans to strengthen its hyperlocal moat by scaling its network of multi-brand, multi-category dark stores, enabling slotted and time-bound deliveries closer to end consumers. By building shared infrastructure that can serve horizontal, vertical, and D2C platforms alike, the company expands its addressable market while deepening integration with clients.

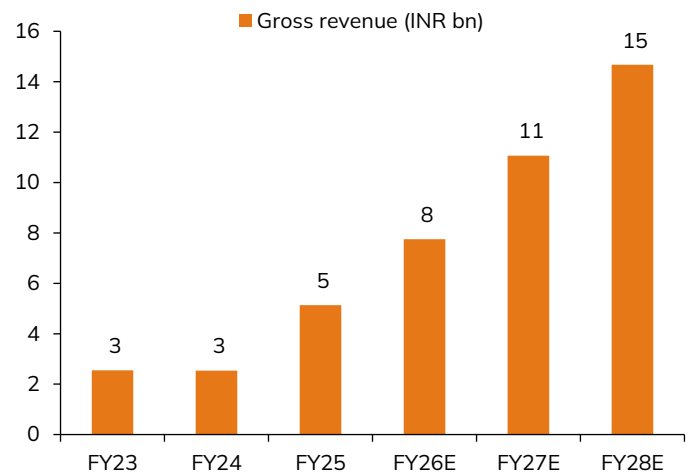
Given structural category expansion, rising non-grocery penetration, vertical platform emergence, and infrastructure build-out, we expect Shadowfax's hyperlocal revenues to grow at ~38% CAGR over FY26E–28E.

Exhibit 8: Hyperlocal Shipment volumes grow at a CAGR of 35% over FY26–28E



Source: I-Sec research, Company data

Exhibit 9: Hyperlocal revenue to grow at a CAGR of 38% over FY26–28E

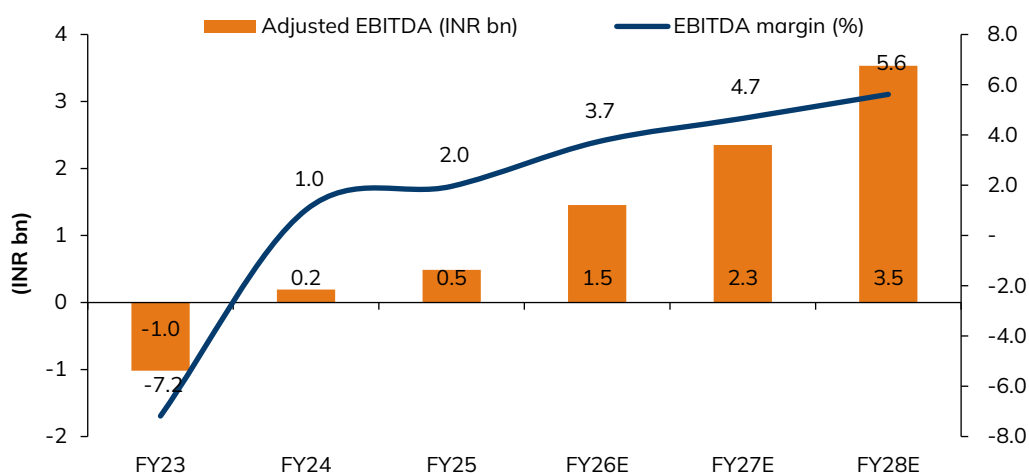


Source: I-Sec research, Company data

Operating leverage-led structural margin expansion

Shadowfax has delivered a sharp margin turnaround, with adj. EBITDA improving from -7.2% in FY23 to 4.3% in Q3FY26, reflecting operating leverage, better network efficiency, and early benefits of mix optimisation. We forecast a further 100–120bps annual expansion over FY26–28E, despite continued network investments

Exhibit 10: Expect adj. EBITDA margins to expand from ~3.7% in FY26E to 5.6% in FY28E



Source: I-Sec research, Company data

The company remains in an expansion phase, which temporarily suppresses near-term margins. It plans to open 2,160 new first-mile and last-mile centres (~720 annually across FY27–29), two sort centers and invest INR 4.2bn from its IPO proceeds into network infrastructure and automation.

Rental and setup expenses for these facilities typically hit the P&L before achieving optimal utilisation. Further, as Shadowfax expands coverage to the remaining 15–16% of unserved Indian pin codes, zonal trucking routes may initially operate at sub-optimal utilisations, weighing on margins in the short term.

Despite these investments, structural drivers support sustained margin expansion. A key lever is revenue mix improvement, with a strategic shift from low-margin horizontal marketplaces toward higher-yield D2C brands and SMEs, which typically generate 20–25% higher yields. The company also holds leadership in complex and high-margin categories such as reverse pickups (largest in India by volume) and same-day delivery, where value-added services like quality check (QC) charges enhance profitability.

Operational efficiency is further driven by its interoperable gig fleet model. A single crowdsourced last-mile fleet services express, hyperlocal, and reverse logistics, optimising rider utilisation across varying demand peaks throughout the day. This lowers cost per order while improving rider earnings, reinforcing supply-side stickiness.

Technology and selective asset ownership also underpin productivity gains. Proprietary systems such as SF Maps reduce misrouting and delivery failures, while the allocation engine processes serviceability decisions within 100 milliseconds to optimise demand-supply matching.

Although facilities are leased to maintain an asset-light structure, Shadowfax owns its automation equipment, including automated cross-belt sorters in major hubs. This strategy enables higher throughput within smaller footprints, reducing rental cost per shipment as volumes scale and reducing manual labour

Additionally, the company has meaningfully reduced lost shipment costs from 8.6% to 6.3% in Q3FY26, with management indicating further headroom for improvement, providing an incremental margin tailwind.

We see FY27–28E as transition years, where growth investments coexist with margin expansion - a positive signal on cost discipline. In our view, mix shift, automation, fleet interoperability, and density-led operating leverage collectively support sustained 100–120bps annual expansion, even amid continued pin code expansion. If execution remains disciplined, we see a pathway to mid-to-high single-digit EBITDA margins over the medium term, with incremental upside contingent on: 1) faster D2C mix ramp-up; and 2) quicker automation payback.

Additional optionality through infrastructure leverage

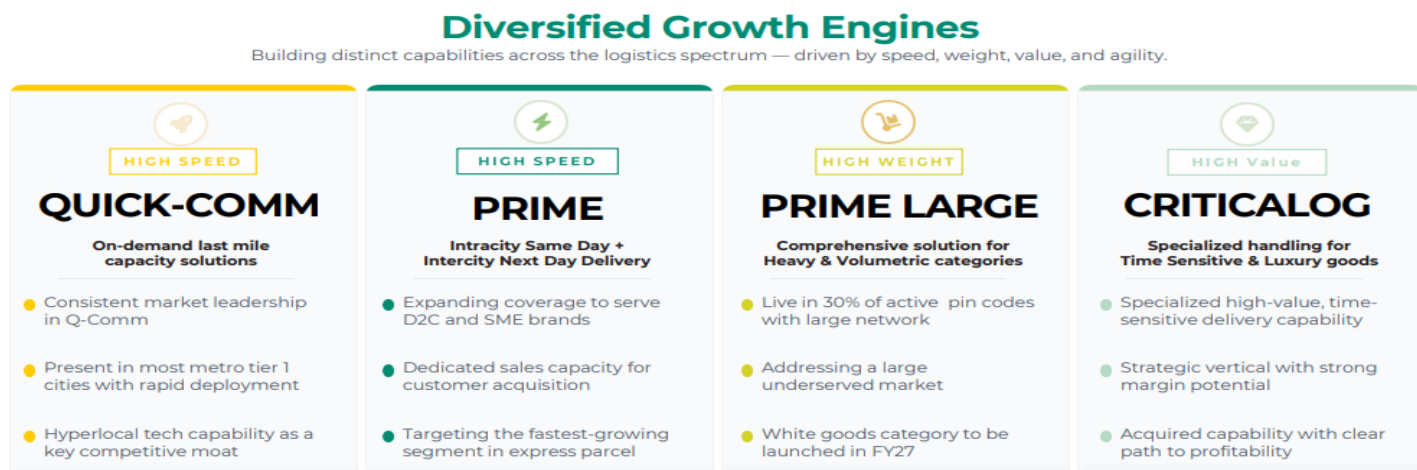
Beyond its core express and hyperlocal businesses, Shadowfax is increasingly leveraging its existing logistics infrastructure to unlock adjacent growth opportunities that expand its total addressable market (TAM). The company has recently entered the volumetric heavy-goods segment (launched in Q4FY25), enabling rapid inter-city and intra-city movement of large-sized shipments. It is already servicing ~30% of its pin codes for volumetric deliveries and generating ~INR 500mn ARR (Q3FY26). This segment expands wallet share from existing enterprise clients while improving yields due to higher ticket-size shipments. Importantly, this represents incremental TAM expansion built on the same network backbone.

The next phase of this strategy includes scaling into white goods such as refrigerators, washing machines, and large appliances -categories management has identified as significant growth drivers, largely from existing customers. This move reflects a gradual shift up the value chain into higher-AOV shipments that require greater operational sophistication, potentially supporting improved realisations over time.

Further strengthening its positioning, the acquisition of CriticalLog India enhances Shadowfax’s capabilities in handling high-value, sensitive shipments such as jewellery, gold coins, high-end electronics, and luxury apparel. Critical logistics is a niche, security-intensive segment with limited organised competition, creating potential for differentiated margins and defensibility beyond commoditised parcel delivery. It is generating INR 1.3bn ARR (basis Q3FY26)

The company is also entering specialised verticals such as BFSI logistics and cross-border parcel delivery, again monetising its established distribution backbone. These adjacencies increase network utilisation while broadening revenue streams.

Exhibit 11: Diversified growth engines



Source: I-Sec research, Company data

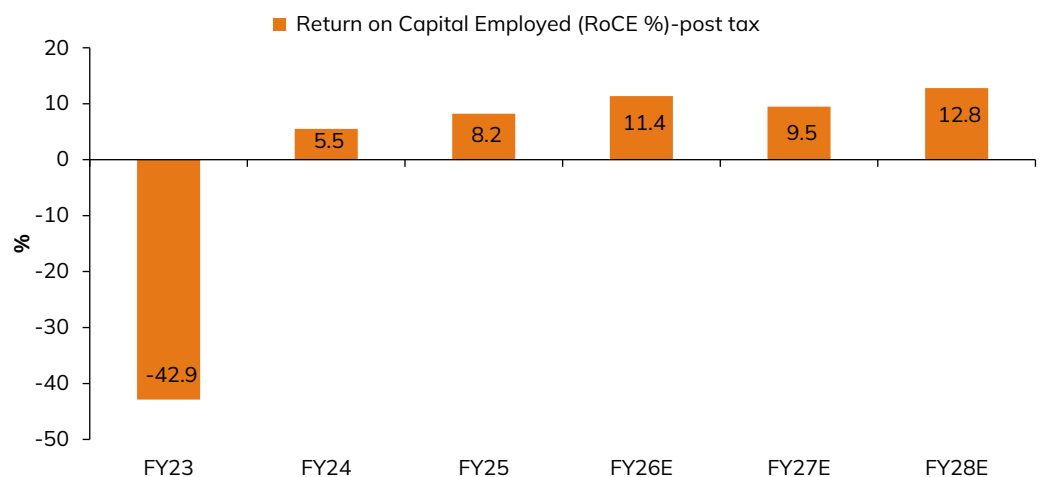
Asset-light, selective asset control drive structural RoCE advantage

We view Shadowfax's 'right asset strategy' as central to its capital efficiency and long-term margin trajectory. The company deliberately avoids ownership of low-return, fixed infrastructure while retaining control over high-productivity automation inside facilities – a hybrid model that balances flexibility with operating leverage.

Shadowfax leases its nationwide logistics footprint (>4.5mn sq.ft. as of Dec'25) and daily linehaul capacity (>3,000 trucks), maintaining a lean balance sheet and limiting fixed capital intensity. Importantly, while facilities are leased, the company owns core automation equipment (e.g., cross-belt sorters and vertical sortation systems), which increases throughput per square foot and lowers rental cost per shipment as volumes scale. This 'asset-light outside, asset-owned inside' approach enables operating leverage without real estate risk.

The last-mile fleet is fully crowdsourced and variable in nature, eliminating fixed employee overheads and enabling real-time capacity calibration to demand volatility. Additionally, expansion into low-density geographies is executed via franchisee partners operating on a variable-cost model, minimising upfront capital risk while improving national density.

Exhibit 12: We expect ROCE to expand from 11.4% in FY26E to 12.8% in FY28E



Source: I-Sec research, Company data

Risk to investment thesis

1. High client concentration risk

Shadowfax operates with a highly concentrated client base. The largest client contributed ~48.9% of revenue in H1FY26, while its top five clients collectively accounted for ~74.1%.

Such dependence on a limited number of commercial relationships exposes the company to meaningful revenue volatility. Any renegotiation of pricing terms, reduction in wallet share, change in preferred logistics mix, or loss of a key account could materially impact shipment volumes, network utilisation, and profitability.

Given the operating leverage embedded in the model, volume loss from a single large client could disproportionately compress margins and delay ROCE improvement.

2. Structural risk from accelerated captive insourcing

If large horizontal e-commerce players structurally reduce dependence on third-party logistics providers, the TAM for pure-play 3PL operators may shrink.

This could result in lower-than-expected industry volume growth, sub-optimal network utilisation, delayed operating leverage and slower margin expansion.

Further, if Shadowfax is unable to meaningfully scale within SME and D2C brands or if D2C growth moderate revenue diversification may remain limited.

Given the existing client concentration, this remains the most material structural risk to the consolidation-led growth narrative.

3. Execution risk amid rapid network expansion

Shadowfax's aggressive network expansion introduces execution complexity across multiple dimensions including gig workforce management, technology integration across nodes, SLA adherence, and mitigation of operational leakage or fraud.

Logistics is inherently execution-intensive, and even minor inefficiencies could compound at scale. Any deterioration in service reliability may result in client attrition, contractual penalties and reduced wallet share.

This would directly weaken both revenue growth and margin expansion assumptions embedded in the investment thesis.

4. Cyclical and regulatory dependence on e-commerce

Shadowfax's growth trajectory remains closely linked to India's e-commerce ecosystem. A slowdown in discretionary consumption, adverse regulatory developments, or structural shifts in platform strategy (including deeper vertical integration into logistics) could materially affect shipment volumes.

Given the relatively fixed-cost nature of logistics infrastructure, even modest volume softness could exert disproportionate pressure on EBITDA margins.

5. Margin dilution risk

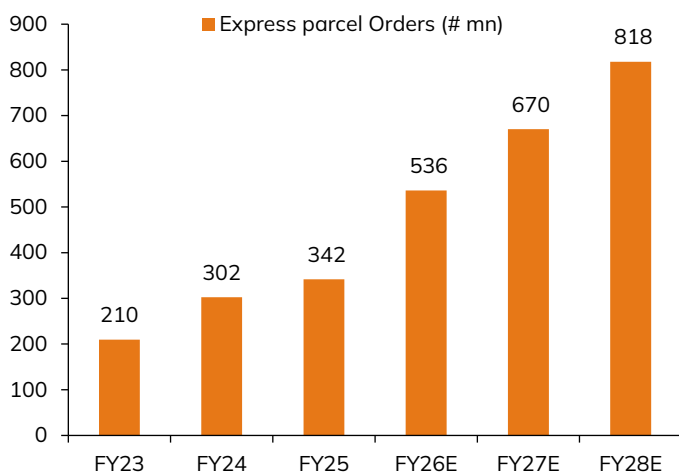
Hyperlocal operates at lower unit economics compared with express logistics. If the company is unable to drive margin improvement in hyperlocal and the segment grows faster than express parcel, it could be margin dilutive at consol level.

Financial analysis

We forecast Shadowfax to deliver a 27% revenue CAGR over FY26–28E, driven primarily by strong growth in its core express parcel and hyperlocal segments.

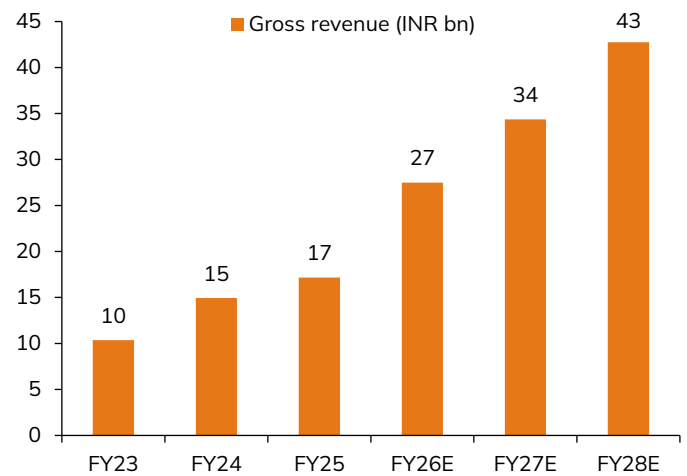
Express parcel revenue is expected to expand at a 25% CAGR, supported by a 23% CAGR in e-commerce shipment volumes over FY26–28E. Volume growth will likely be driven by continued network expansion (increasing serviceable pin codes and addressable market), rising wallet share with existing clients, and onboarding of large platforms such as Amazon along with scaling D2C brands. We assume realisation per shipment remains broadly stable, building in a modest 1% CAGR over the forecast period, leading to an overall 25% CAGR in express parcel revenue.

Exhibit 13: E-commerce shipment volumes to see a CAGR of 23% over FY26–28E



Source: I-Sec research, Company data

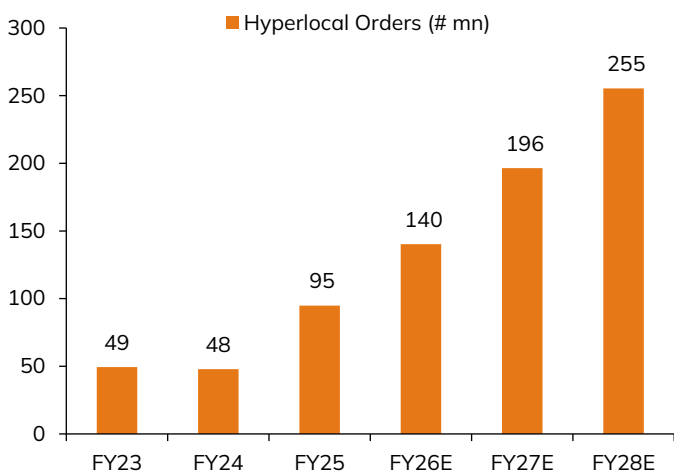
Exhibit 14: Express parcel revenue to see a CAGR of 25% over FY26–28E



Source: I-Sec research, Company data

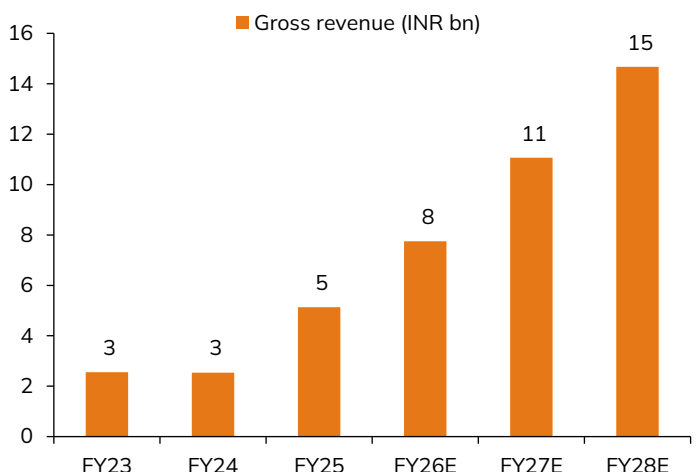
In hyperlocal, we build in a 35% CAGR in order volumes over FY26–28E, reflecting structural growth in quick commerce, same-day delivery, and enterprise adoption across urban clusters. We estimate realisation per order to see a 2% CAGR, supported by service mix improvement and value-added offerings. This results in a 38% revenue CAGR for the hyperlocal segment.

Exhibit 15: Hyperlocal Shipment volumes grow at a CAGR of 35% over FY26–28E



Source: I-Sec research, Company data

Exhibit 16: Hyperlocal revenue to grow at a CAGR of 38% over FY26–28E



Source: I-Sec research, Company data

Other Logistics Services (OLS) are assumed to expand at a 20% CAGR. Currently, ~90% of Shadowfax's revenue is derived from express parcel (~70%) and hyperlocal (~20%), which remain among the fastest-growing and largest profit-pool segments within the logistics ecosystem, supported by an asset-light and scalable operating model.

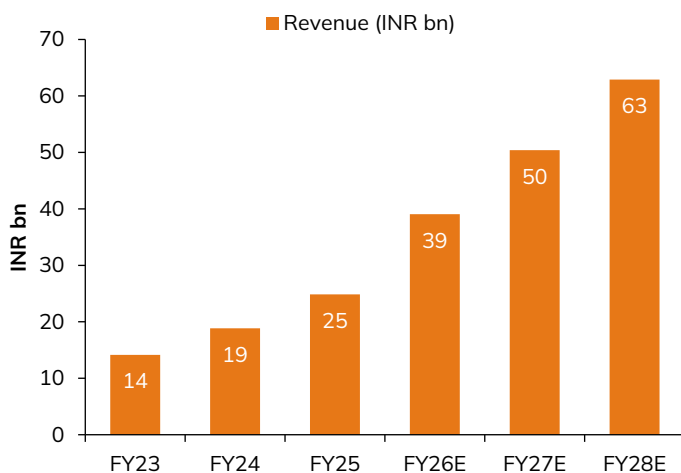
On the profitability front, we expect scale efficiencies and improved network density to drive operating leverage over the forecast period. Total operating expenses are estimated at ~96% of revenue in FY26E, declining to ~94% in FY28E

Consequently, adj. EBITDA margin is projected to expand from 3.7% in FY26E to 5.6% in FY28E.

A key driver of this leverage is employee cost rationalisation – employee expenses (excluding ESOPs) have already declined from 14% of revenue in FY23 to 9% in FY26E, and we expect this to further reduce to ~8% in FY28E, reflecting productivity gains and better fixed-cost absorption.

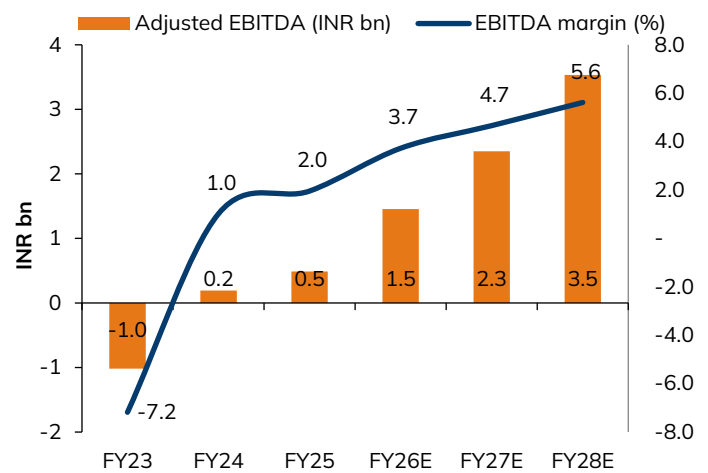
Overall, the financial trajectory reflects volume-led growth with stable pricing and gradual margin expansion, as the business transitions toward structurally higher profitability.

Exhibit 17: We forecast Shadowfax to deliver a 27% revenue CAGR over FY26–28E



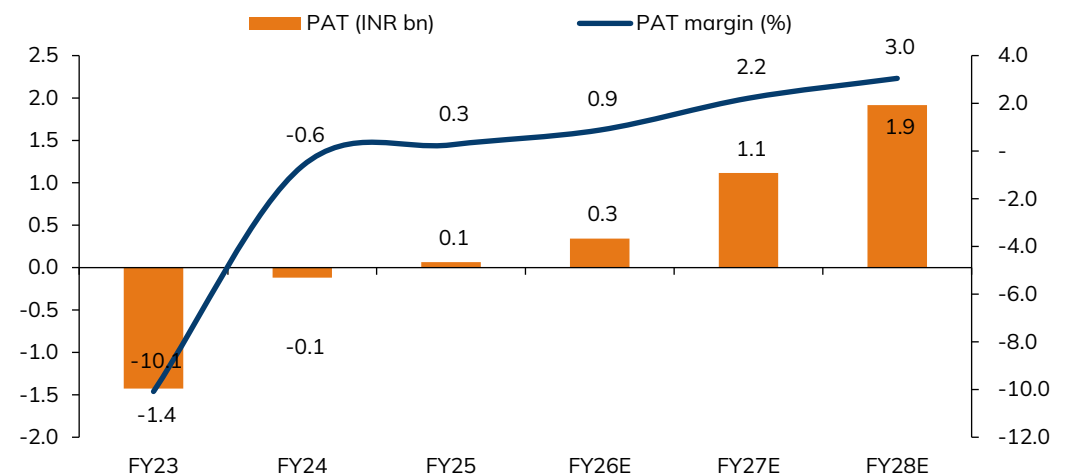
Source: I-Sec research, Company data

Exhibit 18: Adj. EBITDA margin is projected to expand from 3.7% in FY26E to 5.6% in FY28E



Source: I-Sec research, Company data

Exhibit 19: PAT margin projected to expand from 0.3% in FY26E to 3.0% in FY28E



Source: I-Sec research

Valuation

We value Shadowfax using a discounted cash flow (DCF) methodology, given the company's early-stage growth profile and evolving margin structure. We assume a WACC of 12.5% (50bps higher than Delhivery due to higher client concentration risk) and a terminal growth rate of 5%, reflecting the structural growth opportunity in express and hyperlocal logistics. This implies a 1-year forward Adj. EV/EBITDA multiple of 25x.

Our forecasts build in a 27% revenue CAGR over FY26–28E, moderating to ~17% over FY28E–33E, and tapering thereafter as the business matures. We expect Adj. EBITDA margins to expand from 3.7% in FY26E to 5.6% in FY28E and 7.1% by FY30E, driven by operating leverage, improving network density and employee cost rationalisation.

Exhibit 20: Three-stage DCF-based valuation (INR mn)

DCF Calculation	
WACC	12.5%
Terminal growth	5.00%
NPV of Cash flows (FY28–40E)	45,910
Terminal Value	41,278
Enterprise value core business	87,188
Cash (Mar'26)	-13,697
Total	1,00,885
Shares (mn)	578
Value per share (INR)	175

Source: I-Sec research, Company data

Exhibit 21: Logistics comps

Company	Mcap (USD bn)	EV / Revenue			Rev CAGR (%) FY26-28E	EV / EBITDA			EBITDA CAGR (%) FY26-28E	PE			EPS CAGR (%) FY26-28E
		FY26	FY27	FY28		FY26	FY27	FY28		FY26	FY27	FY28	
India													
Shadowfax*	0.7	1.7	1.3	1.0	26.9%	44.6	27.6	18.4	55.8%	200.7	61.7	35.9	136.0%
Delhivery*	3.4	2.9	2.4	2.1	16.3%	68.8	33.9	26.0	62.6%	78.7	40.7	31.4	58.3%
Blue Dart Express	1.4	2.2	2.0	1.8	10.8%	12.1	12.1	10.9	5.6%	40.9	35.7	29.6	17.4%
Global													
United Parcel Service Inc	96.1	1.3	1.3	1.2	3.7%	9.7	8.9	8.7	5.2%	16.0	14.1	13.3	9.9%
Deutsche Post AG	63.5	0.9	0.9	0.8	3.1%	6.8	6.6	6.2	4.7%	15.4	14.4	12.9	9.2%
FedEx Corp	89.9	1.3	1.3	1.2	3.9%	11.7	10.7	10.0	8.1%	20.5	17.6	15.7	14.3%
ZTO Express Cayman Inc	18.3	2.8	2.6	2.3	10.0%	9.7	8.7	7.9	11.0%	16.0	14.3	12.9	11.6%
SF Holding Co Ltd	26.3	0.6	0.6	0.5	8.7%	6.3	5.7	5.3	9.3%	16.8	14.8	12.9	14.2%
JD Logistics Inc	8.9	0.2	0.2	0.2	10.6%	2.9	2.7	2.5	7.7%	9.3	8.2	7.2	14.1%

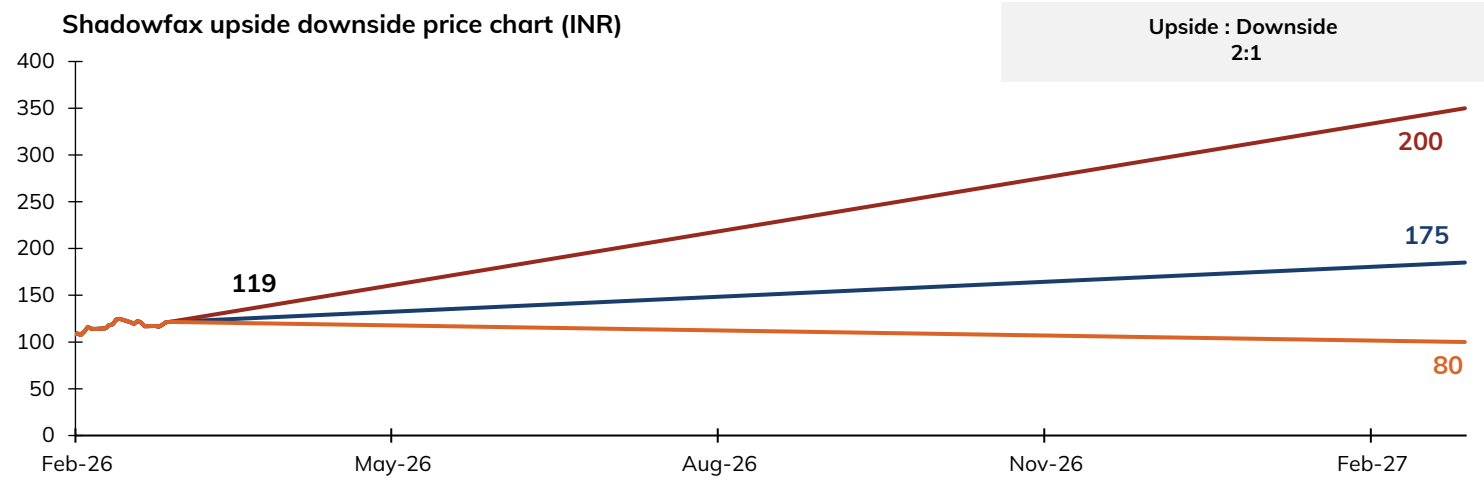
Source: I-Sec research, Company data, For * companies, EBITDA refers to Adjusted EBITDA (IND AS EBITDA – rent +ESOP), Market cap is as per CMP as on 4th Mar 2026 closing, Bloomberg estimates for uncovered companies

Exhibit 22: India Internet comps

Company	Mcap (INR bn)	EV / Revenue			Rev CAGR (%) FY26-28E	EV / EBITDA			EBITDA CAGR (%) FY26-28E	PE			EPS CAGR (%) FY26-28E
		FY26	FY27	FY28		FY26	FY27	FY28		FY26	FY27	FY28	
Shadowfax*	68.8	1.7	1.3	1.0	26.9%	44.6	27.6	18.4	55.8%	200.7	61.7	35.9	136.4%
Eternal*	2,326.2	4.0	2.0	1.4	68.6%	185.4	63.4	32.6	138.4%	346.4	90.6	43.6	181.8%
Swiggy*	820.9	3.4	2.5	1.9	32.8%	NA	NA	31.9	NA	NA	NA	38.3	NA
Nykaa*	731.5	7.4	5.9	4.8	24.2%	139.1	96.6	66.9	44.1%	295.3	186.6	118.2	58.1%
Info Edge	648.0	20.9	17.8	15.3	16.6%	51.7	43.9	34.9	21.6%	58.6	51.4	42.1	18.0%
Delhivery*	312.1	2.9	2.4	2.1	16.3%	68.8	33.9	26.0	62.6%	78.7	40.7	31.4	58.3%
IndiaMart	124.9	6.1	5.3	4.6	15.1%	17.9	16.4	14.6	10.8%	20.7	20.8	18.5	5.7%
Blackbuck	102.3	14.6	11.4	9.1	27.0%	53.6	37.3	26.2	43.1%	67.8	45.1	30.9	48.2%
Nazara	91.3	4.4	4.9	4.4	0.7%	33.7	24.0	20.7	27.7%	159.9	59.1	40.5	98.8%
Just Dial	44.4	NA	NA	NA	11.3%	NA	NA	NA	13.6%	7.7	6.8	6.3	10.6%
Matrimony	8.4	1.6	1.4	1.3	10.2%	14.8	10.4	9.2	27.2%	26.0	17.3	14.7	33.1%

Source: I-Sec research, Company data, For * companies, EBITDA refers to Adjusted EBITDA (IND AS EBITDA – rent +ESOP), Market cap is as per CMP as on 4th Mar 2026 closing

Exhibit 23: Risk-reward skew 2:1 to the upside



Source: I-Sec research, Company data

Bull Case

In our bull case scenario, Shadowfax sustains a 35% revenue CAGR over FY26–28E, driven by stronger wallet share gains, faster hyperlocal adoption, higher D2C penetration, and improved density from rapid network scaling. Realisations range between stable and slightly positive due to mix improvement and value-added services. Operating leverage accelerates, with total operating expenses declining to ~92% of revenue by FY28E, driving Adj. EBITDA margins to 7.7% by FY28E, supported by stronger fixed-cost absorption and productivity gains. In this case, we value the stock at a TP of INR 200 (12-month target price).

Base case

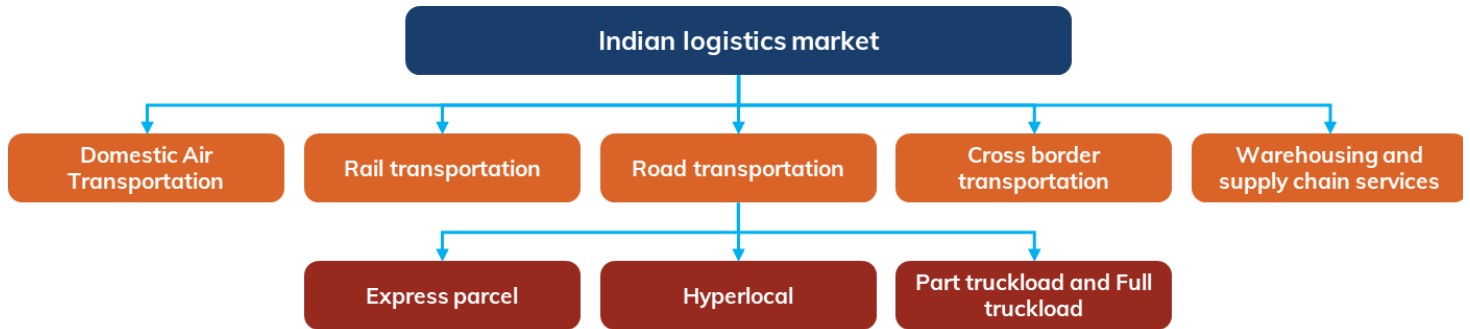
In our base case scenario, we forecast a 27% revenue CAGR over FY26E–28E, driven by 25%/38% CAGRs in express parcel//hyperlocal, while OLS grows at 20%. Growth is supported by shipment volume expansion, steady realisations, wallet share gains, and network scaling. Operating leverage gradually improves as total operating expenses decline from 96% of revenue in FY26E to 94% by FY28E, resulting in Adj. EBITDA margin expanding from 3.7% in FY26E to 5.6% in FY28E. In this case, we value the stock at a TP of INR 175 (12-month target price).

Bear case

In our bear case scenario, revenue moderates to a 20% CAGR over FY26–28E, driven by slower e-commerce shipment growth (mid-teens), weaker hyperlocal expansion, and competitive pricing pressure limiting realisation growth. Network expansion may not translate proportionately into density gains, impacting asset utilisation. Margin expansion is slower, with Adj. EBITDA margins reaching only 3.7% by FY28E, as operating costs remain elevated (~96% of revenue) due to continued investments and pricing competition. Employee cost leverage improves at a slower pace. In this case, we value the stock at a TP of INR 80 (12-month target price).

Industry overview: Express parcel and hyperlocal logistics

Exhibit 24: Indian logistics structure



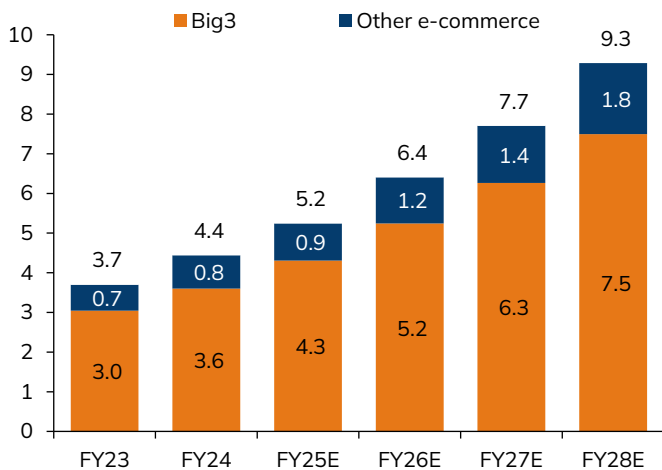
Source: I-Sec research, Company data

The express parcel segment comprises of low-weight shipments (typically 800g–1kg), largely driven by e-commerce orders and business documents, with standard delivery timelines of 3–4 days.

As per our proprietary model, total E-commerce shipment volumes stood at ~6.4bn shipments in FY26E and are expected to scale to ~9.3bn by FY28E, implying a ~20% CAGR. Growth is expected to be supported by volume expansions of ~20% in horizontal e-commerce platforms and ~24% in vertical and D2C platforms.

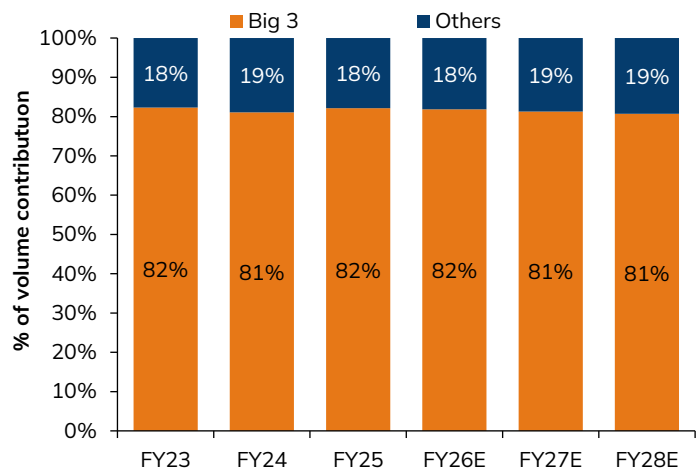
The top-three horizontal platforms are projected to account for ~82% of total e-commerce shipment volumes in FY26E, moderating slightly to ~81% by FY28E, reflecting continued concentration but relatively faster growth in vertical and D2C ecosystems.

Exhibit 25: India E-commerce shipment volumes to grow at ~20% CAGR (FY26E-FY28E)



Source: I-Sec research, Company data

Exhibit 26: Big 3 maintain ~80%+ Share; marginal shift towards verticals/D2C



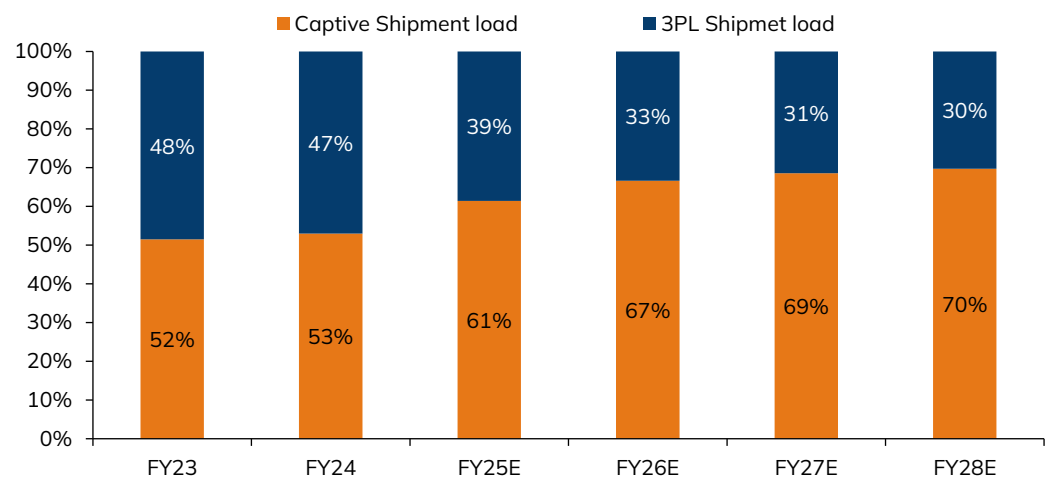
Source: I-Sec research, Company data

Large horizontal platforms operate hybrid fulfilment models, combining captive logistics and 3PL providers. Captive logistics penetration increased from ~52% in FY23 to ~67% in FY26E, largely driven by Meesho's insourcing through Valmo; and, is expected to rise further to ~70% by FY28E. Amazon and Flipkart were already highly insourced (~90–95%), limiting incremental disruption from them.

As a result, 3PL providers handled 2.1bn e-commerce shipments in FY26E (33% of total e-commerce shipments), compared with ~47-48% in FY23-FY24. The Big 3 platforms contributed ~64% of 3PL e-commerce volumes in FY23

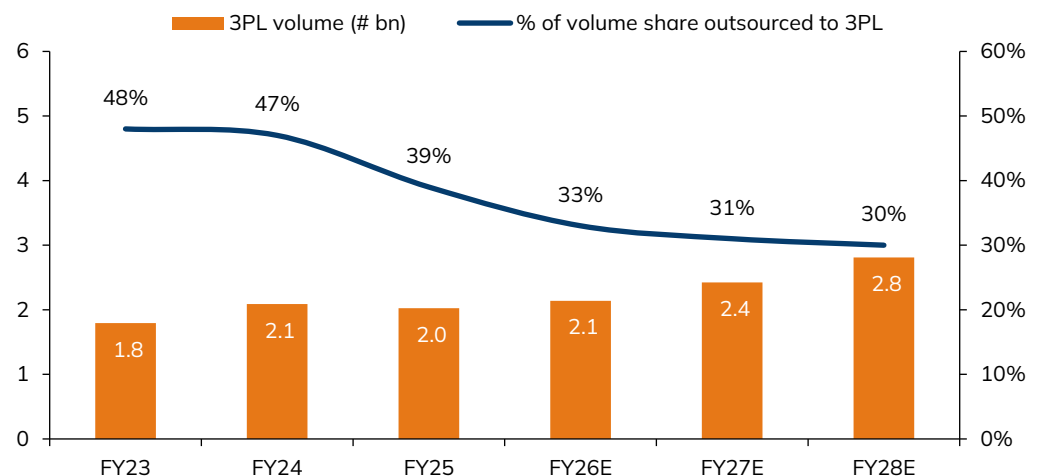
Meesho's accelerated insourcing of logistics operations led to ~3% contraction in 3PL industry volumes in FY25, with the outsourced share from big 3 platforms declining to ~54% in FY25. Meesho's insourcing led to near-term volume headwinds and consolidation within the 3PL express parcel industry.

Exhibit 27: Rising captive penetration led by Meesho Insourcing



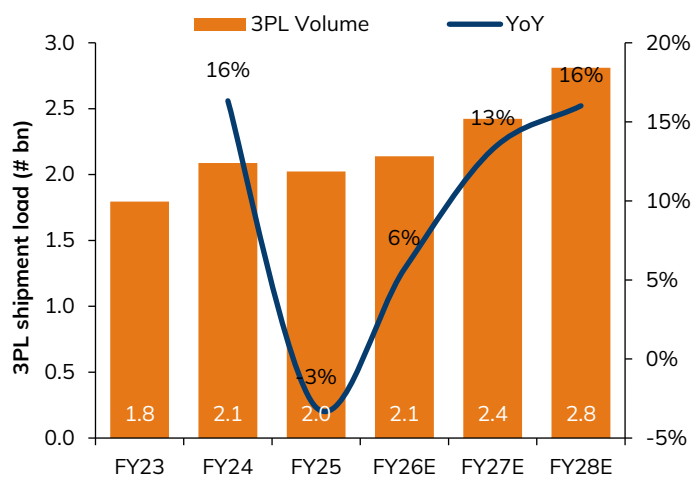
Source: I-Sec research, Company data

Exhibit 28: 3PL Industry volumes impacted by insourcing in FY25



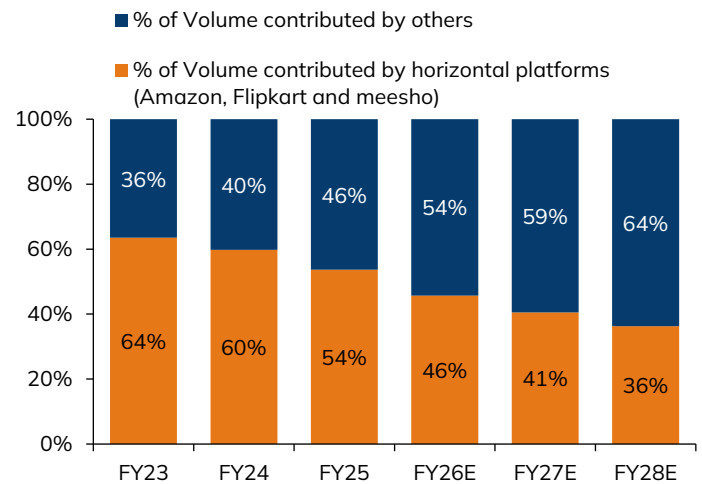
Source: Company data, I-Sec research

Exhibit 29: 3PL volumes expected to grow at ~15% CAGR over FY26–28E



Source: I-Sec research, Company data

Exhibit 30: Declining contribution from horizontal platforms (big 3) to 3PL volumes



Source: I-Sec research, Company data

However, we expect further insourcing impact to be relatively limited, with incremental volumes from faster-growing vertical platforms and D2C brands partially offsetting share losses. 3PL providers handled ~33% of express parcel shipments in FY26E. Their share may moderate to ~29–30% by FY28E due to continued captive expansion by Meesho,

3PL e-commerce volumes are expected to grow at ~15% CAGR over FY26–28E. Importantly, 3PL remains the preferred logistics partner for non-horizontal platforms, which are structurally growing faster than large horizontal players.

Hyperlocal

The hyperlocal, or quick commerce, segment represents the rapid, localised delivery of goods often within minutes to hours across categories such as groceries, FMCG, electronics, fashion, food delivery, gifting, and C2C transfers.

As of FY25, quick commerce accounted for ~1.1–1.3bn shipments and is projected to grow at a CAGR of ~29–44% through FY30 (as per Redseer report). The segment is at nascent stages of penetration in India, but is witnessing strong adoption in metro cities driven by high-frequency use-cases such as daily essentials and improving consumer stickiness. The Covid-19 pandemic accelerated behavioural shifts toward online ordering, further strengthening the structural growth trajectory of hyperlocal logistics.

As quick commerce platforms' scale and competitive intensity rises, outsourcing to 3PL partners is expected to increase to ensure operational flexibility and cost efficiency. ~15% of quick commerce shipments were outsourced to 3PL providers in FY25.

Given the operational complexity, demand variability, and peak-hour intensity inherent in quick commerce, 3PL partnerships provide scalable and asset-light execution capabilities. Shadowfax is the market leader in 3PL quick commerce solutions, based on order/shipments volume, for FY25 and H1FY26.

The on-demand hyperlocal markets primarily consist of online services such as food and other hyperlocal shipments such as on-demand pharma, meat, gifts, and C2C shipments. These are demand driven and often time constrained. As of FY25, food makes up the largest share of the market at ~92%. The online food delivery market currently caters to 1.8-2bn shipments as of FY25, of this, ~13% is outsourced to third party logistics.

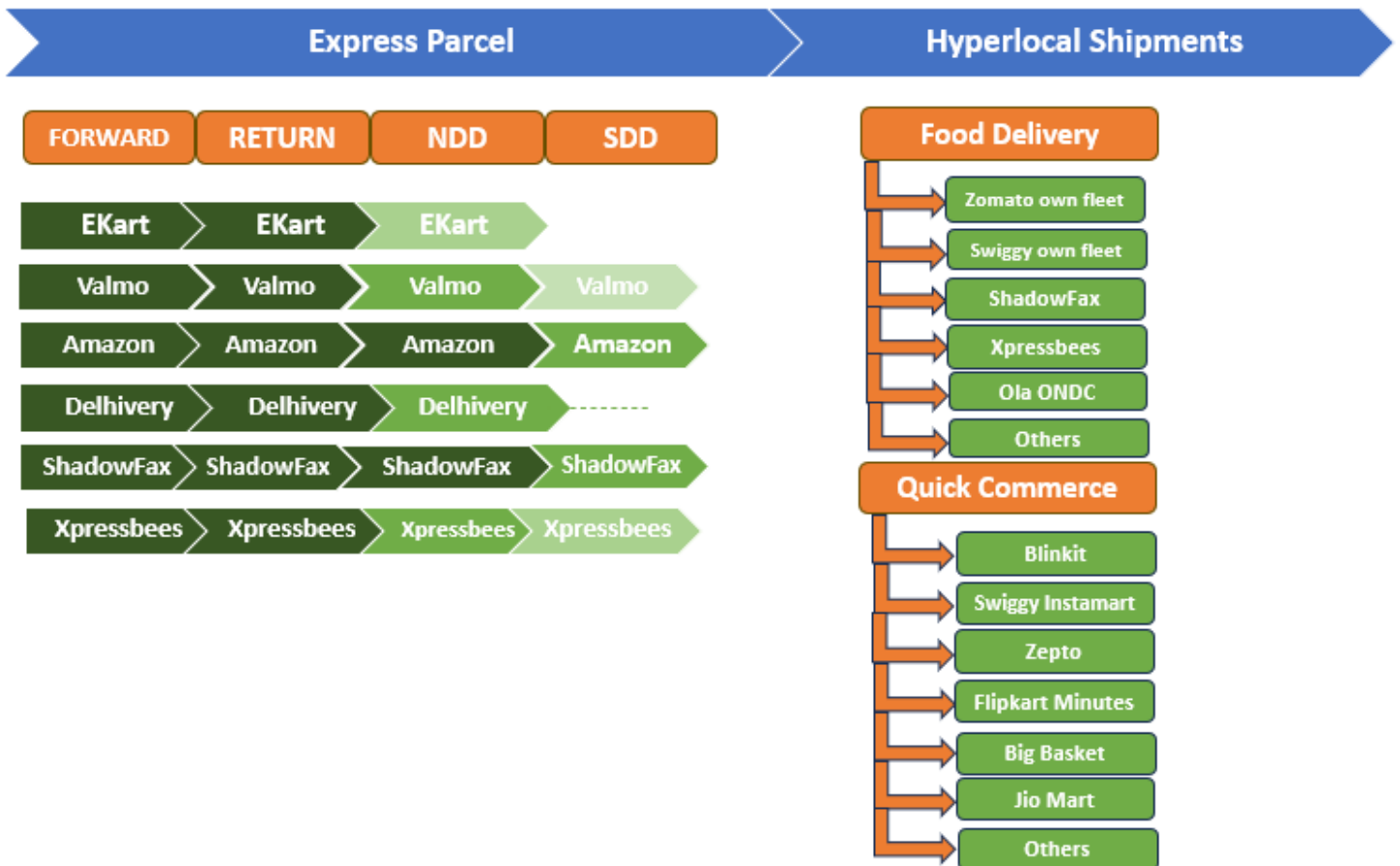
Competition landscape

Shadowfax operates in a highly concentrated and competitive 3PL e-commerce market. It competes against a select group of players, including Blue Dart, Delhivery, and Xpressbees. The landscape recently underwent significant consolidation, following Delhivery’s Jun’25 acquisition of Ecom Express, a move that provided Delhivery with additional scale advantages. Despite this, Shadowfax has established itself as the fastest-growing 3PL company of scale in India, nearly tripling its e-commerce market share from ~8% in FY22 to 23% in H1FY26 (Source: RedSeer Report)

The company maintains a unique strategic position as the only player of scale to provide both end-to-end delivery for e-commerce and last-mile services for food delivery and quick commerce, while also being the only peer to offer a two-wheeler fleet for online mobility platforms like Uber (Source: RedSeer Report)

Shadowfax further differentiates itself through market leadership by volume in complex, high-retention segments such as reverse pickups, same-day delivery, and 3PL quick commerce solutions.

Exhibit 31: Competition Landscape



Source: I-Sec research, Company data

Business overview

Shadowfax is a new-age, technology-led 3PL company. The company leverages technology to facilitate digital commerce, with its service network encompassing 15,166 Indian pin codes, as of Dec'25.

The company serves a wide category of enterprise clients including horizontal and non-horizontal e-commerce, quick commerce, food marketplace, and on-demand mobility companies. Shadowfax's range of services include express forward parcel deliveries, reverse pickups and hand-in-hand exchange deliveries, prime deliveries, quick commerce and on-demand hyperlocal deliveries, mobility, and other services, including critical logistics, enabling the company to cater to the most diverse and complex needs of its clients.

Exhibit 32: Shadowfax suite of services



Source: Company

Shadowfax services

A majority of Shadowfax's revenue from operations is derived from services where it delivers directly to the end-customer. Its platform supports a wide range of time-sensitive and flexible delivery needs of the diverse set of clients like Meesho, Flipkart, Myntra, Swiggy, BigBasket, Zepto, Nykaa, Blinkit, Kartrocket, Zomato, Uber, Pincode, Purpille, Licious, ONDC, Magicpin, among others.

This makes it the only player of scale to service last mile and end-to-end delivery for e-commerce, and last-mile delivery for quick commerce, food delivery and other hyperlocal services. It also offers API integration solutions for B2C logistics, enabling digital-first businesses, including e-commerce platforms, D2C brands, and service marketplaces, to manage scale with reliability and speed.

Exhibit 33: Shadowfax suite of services

Main service	Sub-service	Description	FY25 revenue contribution
Express	Forward express parcel delivery	Technology-led B2C parcel delivery for e-commerce platforms, including COD, open-box deliveries and scheduled time slots.	INR 17.2bn (~69% of FY25 revenue)
	Reverse pickup and hand-in-hand exchange	Manages product returns and exchanges with doorstep QC and controlled reverse logistics. Shadowfax is the largest 3PL in reverse shipments by order volume (FY25).	
	Prime (same-day/next-day delivery)	Time-definite express delivery service operating in 30+ cities. Enables same-day and next-day fulfilment to support faster e-commerce conversion and customer retention.	
Hyperlocal	Quick-commerce services	Last-mile delivery for dark stores and instant commerce players. Includes surge demand management, EV fleet solutions, and dedicated capacity fulfilment for peak-hour demand.	INR 5.1bn (~21% of FY25 revenue)
	Food and on-demand delivery	API-integrated logistics for food delivery, pharma, QSR, ONDC and other on-demand platforms. Handles dynamic order volumes through real-time demand-supply matching.	
	Mobility solutions	Two-wheeler fleet enablement for ride-hailing platforms via system-level API integration and proprietary allocation engine. Unique 3PL offering in mobility use case.	
Other logistics services	Critical logistics	Movement of high-value and time-sensitive products such as mobiles, luxury watches, MRI spares and industrial equipment parts. Leverages secure handling and controlled processes.	INR 2.6bn (~10% of FY25 revenue)
	Strategic insourcing (unbundled services)	Provides partial supply-chain solutions using existing pan-India network for clients seeking modular outsourcing.	
	Dark store operations	Multi-brand, multi-category dark store operations enabling time-slotted fulfilment. Early-stage but synergistic with quick commerce and express network.	

Source: I-Sec research, Company data

Network architecture

Shadowfax's network architecture is a technology-led, integrated logistics system designed to facilitate digital commerce across India.

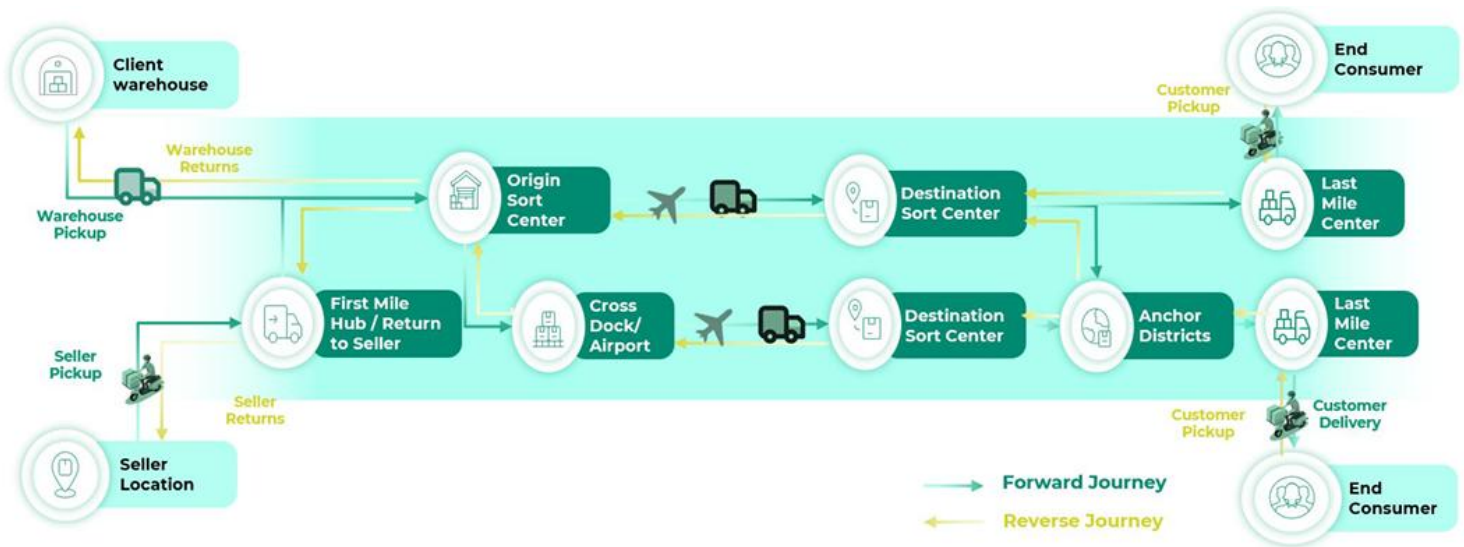
As of 31 Dec, '25, the network reached 15,166 pin codes and comprised 4,519 touchpoints distributed across first-mile, last-mile, and sort centres. It was supported by >4.5mn sq.ft. of operational space

As of 30 Sep, '25 (refer exhibit 34), the network covered 14,758 pin codes and comprised 4,299 touchpoints distributed across first-mile, last-mile, and sort centres. It was supported by >3.5mn sq.ft. of operational space. This included 53 sort centers spanning >1.80mn sq.ft

The company operates on a fully-leased model for its logistics facilities and transportation fleet (linehaul). While it leases these assets from third-party partners, it retains ownership of the automation and machinery within its sort centres to maintain operational control and efficiency.

The company owns the advanced automation systems used in its sort centres, such as automated cross-belt sorters, telescopic belt conveyors, and heavy-load sortation units. It also owns technical infrastructure like dimension-weight-scan (DWS) systems, X-ray machines, and volumetric profilers.

Exhibit 34: Network architecture



Source: Company RHP

Exhibit 35: Network architecture

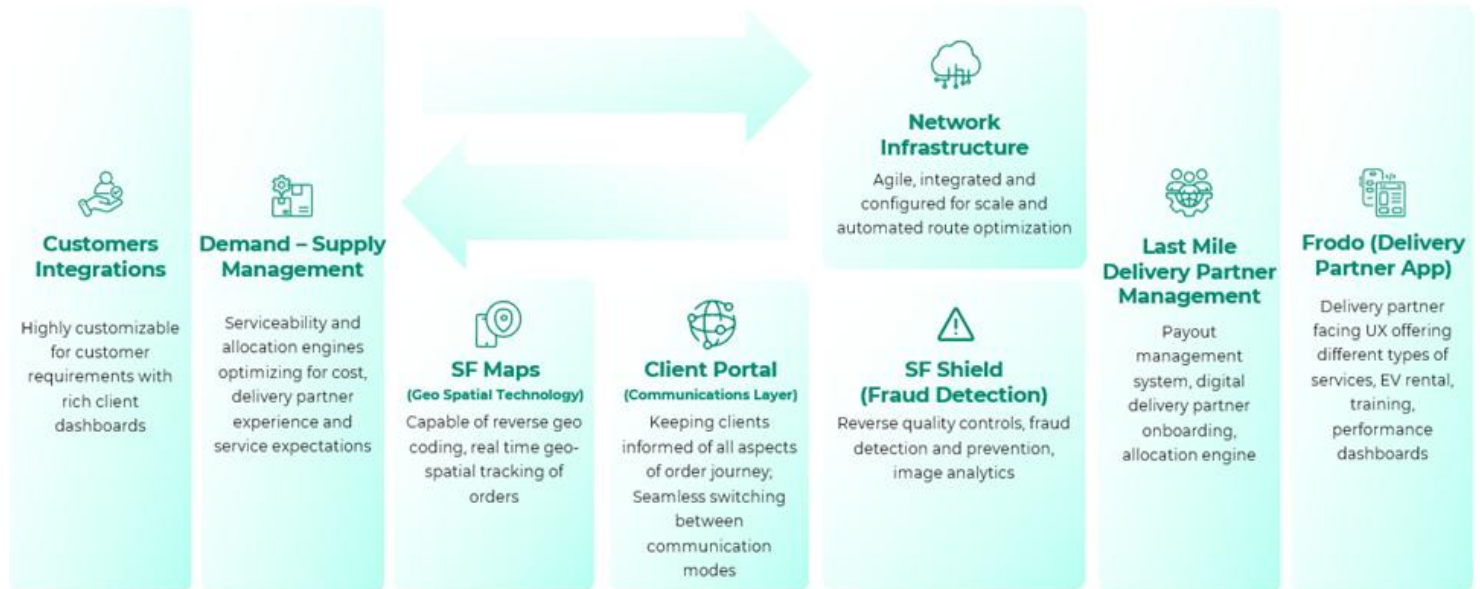
Network layer	Sub-layer	Core functionality	Scale as of Sep'25	Ownership / cost model
First Mile	First mile centres	First mile Centres are responsible for collecting forward shipments directly from client warehouses and seller locations, consolidating them, and ensuring timely induction into the national logistics network.	90 centres	100% leasehold facilities
	RTS (Return-to-Seller) centres	RTS facilities process reverse shipments and return-to-origin parcels by consolidating them and routing them back to the originating seller or warehouse.	Integrated within first-mile (FM) and last mile (LM)	
Middle Mile	Sort centres	Sort Centres function as central processing hubs where shipments are consolidated, deconsolidated, scanned, profiled, and routed to their next destination based on geography and service levels.	53 Centres, >1.8mn sq.ft.	100% leasehold facilities
	Cross docks	Cross docks enable shipments to be transferred directly from inbound to outbound vehicles without requiring storage or fixed point-to-point routes.	Within 53 centres (part of middle-mile infra)	Leasehold
	Anchor districts	Anchor districts operate as tertiary distribution nodes that connect sort Centres with clusters of last-mile Centres while also functioning as last-mile hubs themselves.	Integrated within LM infra	Leasehold
Last mile	Self-Operated LM centres	Self-operated last-mile Centres manage final delivery execution in high-density markets, overseeing delivery partner allocation, scanning, and customer handoffs.	Part of 4,156 centres	Leasehold facilities
	Franchise LM centres	Franchise Centres operate in low-density or newly activated pin codes under a variable cost structure, leveraging local operators integrated through the company's systems.	Included in 4,156 centres	Franchise / variable payout model
	Delivery partner fleet	The gig-based delivery partner network executes final-mile deliveries across hyperlocal, express, and reverse logistics categories based on dynamic allocation.	205,864 avg. quarterly unique partners	Gig-based payout per order
Transportation layer	Linehaul trucks and LCVs	The linehaul network connects first-mile, sort Centres, anchor districts, and last-mile hubs through intercity and intracity shipment movement using leased trucks and light commercial vehicles.	3,000+ trucks daily avg.	Leased from 3rd-party fleet partners
	Air cargo	Air cargo is utilised for time-sensitive and high-priority shipments to ensure faster transit across long distances	Belly cargo + charter	Variable commercial contracts

Source: Company RHP

Technology architecture

Shadowfax's technology stack is a proprietary, in-house developed platform designed to facilitate digital commerce through a microservices architecture that allows for seamless customisation and integration. This tech-first approach is central to managing their distributed network of over 4,519 touchpoints (as of Dec'25) and India's largest crowdsourced last-mile delivery fleet.

Exhibit 36: Technology architecture



Source: I-Sec research, Company data

Below are the core components of the Shadowfax technology stack:

1. Core proprietary engines

- **Demand-Supply Allocation Engine:** A sophisticated multi-category matching engine that accepts orders based on real-time demand and accepts or rejects them within 100ms. It allocates orders to gig-based partners within 30 seconds by analysing variables such as delivery partner skills, vehicle type (EV, biker, or cyclist), behavioural data, and precise geo-location.
- **Frodo (delivery partner management system):** Manages the entire lifecycle of gig workers. It enables touchless onboarding in under 30 minutes through integrations with UIDAI (Aadhar) and NSDL (PAN) systems. It also handles real-time tracking of earnings, gamified payout structures, and skill-based task assignments.
- **SF Maps (address intelligence system):** An AI-powered mapping infrastructure that solves for the lack of standardised address systems in India. It uses ML models trained on millions of historical delivery points to provide locality-based customer mapping, reverse geo-coding, and route optimisation to reduce misrouting and delivery failures.

2. Security and fraud detection (SF Shield)

Shadowfax utilises a proprietary framework called SF Shield to protect the integrity of the supply chain through:

- **Track & Trace:** An in-house video surveillance network integrated across all logistics nodes. It uses AI to process video footage of every shipment scan to ensure the correct user is scanning items into the correct bins.
- **SF Eye:** An AI-driven security layer that uses facial recognition for identity validation during onboarding and routine checks to prevent identity impersonation within the gig workforce.
- **Product Verification:** Employs X-ray screening and AI-based image analysis of **doorstep open-box deliveries** to detect shipment swaps or product mismatches during forward and reverse logistics.

3. Operational management tools

- **Sort Buddy:** An all-in-one mobile application for ground personnel at sort centres. It manages shipment workflows, digitises inventory, and handles anomalies like 'orphan' or 'hazy' shipments while minimising physical touchpoints to reduce errors.
- **TM-VTS (Trip Management and Vehicle Tracking System):** Provides an integrated view of shipment movements. It generates data insights to optimise network design, provides real-time GPS tracking for estimated time of arrival (ETA), and issues automated alerts for vehicle breakdowns.
- **Saruman:** The internal order management system that serves as the central hub for tracking every shipment interaction captured by the surveillance and allocation engines.

4. Digital portals and applications

- **Client portal:** A unified web-based dashboard where enterprise clients manage order placement, track shipments in bulk, update seller addresses, and check pin code serviceability in real-time.
- **Shadowfax Flash:** A consumer-facing application for intracity C2C and SME deliveries. It uses a 'milk-run' concept to deliver multiple shipments along a single optimised route, supporting cross-utilisation of the hyperlocal fleet.
- **EV marketplace:** A specialised three-way digital ecosystem connecting delivery partners with OEMs to facilitate **EV rentals** on flexible terms, increasing fleet accessibility for partners without their own vehicles.

5. Future initiatives

Shadowfax is prioritising the integration of **Generative AI** to further refine its demand forecasting, resource allocation, and last-mile efficiency metrics.

Exhibit 37: Board of directors

Name	Designation	Brief Role
Abhishek Bansal	Chairman, Managing Director, Chief Executive Officer	He is currently responsible for overall organizational growth and profitability. He holds a bachelor's degree of technology in production and industrial engineering from Indian Institute of Technology, Delhi. He has been associated with the Company since April 21, 2015. He has over 10 years of experience in the logistics industry.
Vaibhav Khandelwal	Whole-Time Director, Chief Technology Officer	He is currently responsible for the development of innovative and future-ready products. He holds a bachelor's degree in technology in electrical engineering from Indian Institute of Technology, Delhi. He has been associated with the Company since April 21, 2015. Prior to joining the Company, he was associated with Way2Wealth Securities Private Limited as an analyst. He has over 10 years of experience in the logistics industry.
Gaurav Jaithlia	Whole-Time Director and the Head of Business Strategy	He is currently responsible for growth of key clients and oversees the inorganic expansion efforts. He joined the Company on December 11, 2015. He holds an integrated master's degree in technology, mathematics and computing from the Indian Institute of Technology, Delhi. He has over nine years of experience in the logistics sector.
Praharsh Chandra	Whole-Time Director and the Chief Business Officer	He is currently responsible for revenue growth and managing of a diverse profit and loss portfolio. He joined the Company on July 7, 2015. He holds a bachelor's degree of technology in mechanical engineering from Indian Institute of Technology, Delhi. Prior to joining the Company, he was associated with AT Kearney Limited. He has over 12 of experience in the consulting and business management.
Pirojshaw Aspi Sarkari	Non-Executive Independent Director of the Company	He has been associated with the Company since January 21, 2025. Prior to joining the Company, he was associated with Gati Express and Supply Chain Private Limited as managing director and chief executive officer, Mahindra and Mahindra Limited as chief executive officer of Mahindra health care business, Mahindra Logistics Limited as chief executive officer, United Parcel Service Co. as country manager – general supervision department. He has over 25 years of experience in the logistics and health care industry.
Bijou Kurien	Non-Executive Independent Director of the Company	He holds a bachelor's degree in science from St. Joseph's College, Bangalore and a postgraduate diploma in business management from Xavier Labour Relations Institute, Jamshedpur. He has been associated with the Company since January 1, 2025. Prior to joining the Company, he was associated with Hindustan Lever Limited, Titan Company Limited (formerly known as Titan Watches Limited) and as the chief executive of lifestyle business of Reliance Industries Limited. He has over 40 years of experience in the management and retail/lifestyle sectors.
Ruchira Shukla	Non-Executive Independent Director of the Company	She holds a bachelor's degree in technology in chemical engineering from Indian Institute of Technology, Delhi. She holds a postgraduate diploma in management from Indian Institute of Management, Ahmedabad. She also holds a degree of master of business administration from The Wharton School, University of Pennsylvania and was bestowed the title of a Palmer Scholar. She is the Co- Founder & Managing Partner of Synapses Business Services LLP. She has been associated with the Company since January 21, 2025. Prior to joining the Company, she was associated with International Finance Corporation (IFC), World Bank Group as principal investment officer. She has over 12 years of experience in the private equity investing, strategy consulting and investment banking industries
Dinkar Gupta	Non-Executive Independent Director of the Company	He holds a bachelor's degree in commerce from the Punjabi University and a degree of master of arts in the subject of police administration. He is an Indian Police Service (IPS) officer and served as the Director General of Police, Punjab (head of police force) and retired as Director General of the National Investigation Agency (NIA) in March 2024.

Source: I-Sec research, Company data

Exhibit 38: KMP

Name	Designation	Brief Role
Praveen Kumar K J	Chief Financial Officer	He is currently responsible for financial management and governance. He joined the Company on March 20, 2019. He is an associate member of the Institute of Chartered Accountants of India. Prior to joining the Company, he was associated with Hewett Packard Globalsoft Limited, AF Ferguson & Co. and Onmobile Global Limited. He has over 20 years of experience in the field of finance and strategy. During FY25, he received a remuneration of INR17.90mn from the Company.
Krishnakanth G V	Company Secretary and Compliance Officer	He joined the Company on November 11, 2024. He holds a bachelor's degree in law and in commerce from Nagarjuna University and a master's degree in financial management from Pondicherry University. He is an associate member of the Institute of Company Secretaries of India. Prior to joining the Company, he was associated with Subex Limited, Tejas Networks Limited and GMR Infrastructure Limited. He has over 18 years of experience in the secretarial, governance and compliance matters.
Mohan Sitharam M S	Chief Human Resources Officer	He joined the Company on August 1, 2022. He is currently responsible for talent management and people strategy. He holds a bachelor's degree in law and a bachelor's degree in Academic Law and Law from Bangalore University and a master's diploma in personnel management and industrial relations from Symbiosis Institute of Management Studies. Prior to joining the Company, he was associated with Subex Limited, LTIMindtree Limited and Shipara Technologies Limited. He has over 21 years of experience in human resource management.
Nitesh Lohiya	Chief Product Officer	He joined the Company on October 19, 2021. He is currently responsible for ensuring efficient operations and minimizing losses. He holds a bachelor's degree of technology in mechanical engineering from Indian Institute of Technology, Madras and a post graduate programme in management from Indian School of Business, Hyderabad. Prior to joining the Company, he was associated with Flipkart Internet Private Limited, Microsoft, SAP Labs India and Tata Consultancy Services. He has over 21 years of experience in technology and product management.
Ankit Kala	Chief of Network and Planning	He joined the Company on April 20, 2020. He is currently responsible for overseeing middle-mile operations, using data and analytics to improve operational efficiency building financial models forecasts. He holds a bachelor's degree of technology in computer science & engineering and a master's degree of technology in computer science & engineering from Indian Institute of Technology, Kanpur and a post graduate programme in management from Indian School of Business, Hyderabad. Prior to joining the Company, he was associated with AT Kearney and ZS Associates. He has over thirteen years of experience in consulting, strategic planning and operations.
Deepak Kumar Goel	Chief of Last Mile Operations	He is currently responsible for managing the complete scope of last mile operations. He joined the Company on March 9, 2021. He holds a bachelor's degree of technology in mechanical engineering from National Institute of Technology, Kurukshetra and a post graduate diploma in industrial engineering from National Institute of Industrial Engineering, Mumbai. Prior to joining the Company, he was associated with Procter & Gamble Home Products Private Limited. He has over 16 years of experience in the manufacturing and supply chain.

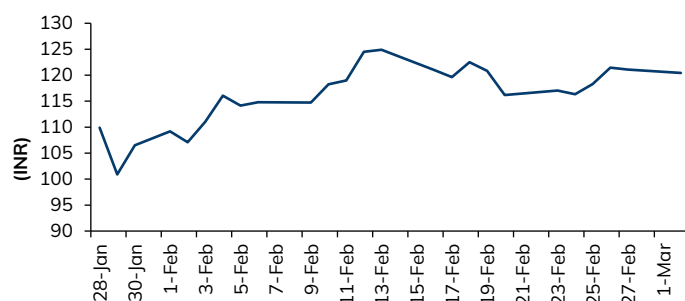
Source: I-Sec research, Company data

Exhibit 39: Shareholding pattern

%	Jan'26
Promoters	16.7
Institutional investors	25.6
MFs and other	9.2
Banks/ FIs	6.1
Insurance Cos.	1.1
FIs	9.2
Others	57.7

Source: Bloomberg, I-Sec research

Exhibit 40: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 41: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales	24,851	39,066	50,404	62,905
Operating Expenses	10,787	16,646	20,516	24,382
EBITDA	562	1,324	2,418	3,926
EBITDA Margin (%)	2.3	3.4	4.8	6.2
Depreciation & Amortization	652	1,125	1,524	1,938
EBIT	(91)	199	893	1,987
Interest expenditure	144	226	384	499
Other Non-operating Income	295	370	978	1,067
Recurring PBT	61	343	1,488	2,555
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	(4)	-	372	639
PAT	64	343	1,116	1,916
Less: Minority Interest	-	-	-	-
Extraordinary (Net)	-	-	-	-
Net Income (Reported)	64	343	1,116	1,916
Net Income (Adjusted)	64	343	1,116	1,916

Source Company data, I-Sec research

Exhibit 42: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	5,637	16,373	19,244	23,297
of which cash & cash eqv.	1,913	10,476	11,723	14,040
Total Current Liabilities & Provisions	4,432	7,168	9,293	11,636
Net Current Assets	1,205	9,205	9,951	11,661
Investments	3,286	3,286	3,286	3,286
Net Fixed Assets	1,679	2,606	3,348	4,041
ROU Assets	1,212	2,047	2,342	2,396
Capital Work-in-Progress	-	-	-	-
Total Intangible Assets	401	401	401	401
Other assets	262	262	289	318
Deferred Tax Assets	115	115	115	115
Total Assets	8,161	17,922	19,731	22,218
Liabilities				
Borrowings	65	65	65	65
Deferred Tax Liability	-	-	-	-
provisions	149	149	164	181
other Liabilities	85	85	93	103
Equity Share Capital	4,123	4,123	4,123	4,123
Reserves & Surplus	2,482	11,324	12,440	14,356
Total Net Worth	6,604	15,447	16,563	18,479
Minority Interest	-	-	-	-
Total Liabilities	8,161	17,922	19,731	22,218

Source Company data, I-Sec research

Exhibit 43: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Operating Cashflow	499	1,887	2,545	3,891
Working Capital Changes	(553)	563	499	604
Capital Commitments	(870)	(1,386)	(1,362)	(1,486)
Free Cashflow	(372)	501	1,183	2,405
Other investing cashflow	(322)	370	978	1,067
Cashflow from Investing Activities	(1,193)	(1,017)	(383)	(419)
Issue of Share Capital	1,997	8,500	-	-
Interest Cost	(28)	(226)	(384)	(499)
Inc (Dec) in Borrowings	(269)	-	-	-
Dividend paid	-	-	-	-
Others	-	-	-	-
Cash flow from Financing Activities	1,304	7,692	(915)	(1,155)
Chg. in Cash & Bank balance	610	8,563	1,247	2,317
Closing cash & balance	610	8,563	1,247	2,317

Source Company data, I-Sec research

Exhibit 44: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	0.1	0.6	1.9	3.3
Adjusted EPS (Diluted)	0.1	0.6	1.9	3.3
Cash EPS	(0.7)	0.9	2.0	4.2
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	13.4	26.7	28.6	32.0
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	31.8	57.2	29.0	24.8
EBITDA	394.5	135.7	82.6	62.4
EPS (INR)	NA	356.1	225.5	71.7
Valuation Ratios (x)				
P/E	915.8	200.7	61.7	35.9
P/CEPS	NA	137.4	58.2	28.6
P/BV	8.9	4.5	4.2	3.7
EV / EBITDA	95.6	41.6	22.3	13.1
P / Sales	2.4	1.7	1.3	1.1
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Gross Profit Margins (%)	-	-	-	-
EBITDA Margins (%)	2.3	3.4	4.8	6.2
Effective Tax Rate (%)	(6.0)	-	25.0	25.0
Net Profit Margins (%)	0.3	0.9	2.2	3.0
NWC / Total Assets (%)	(5.4)	(5.0)	(6.0)	(7.0)
Net Debt / Equity (x)	-	-	-	-
Net Debt / EBITDA (x)	-	-	-	-
Profitability Ratios				
RoCE (%)	8.2	11.4	9.5	12.8
RoE (%)	1.2	3.1	7.0	10.9
RoC (%)	(5.7)	6.0	16.0	32.9
Fixed Asset Turnover (x)	18.0	18.2	16.9	17.0
Inventory Turnover Days	-	-	-	-
Receivables Days	55	58	52	50
Payables Days	36	39	36	36

Source Company data, I-Sec research

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