



IPO Report

09th Feb'26

Snapshot

Founded in 2000, company is a globally recognized enterprise artificial intelligence (“AI”) company, with a vision to power human decisions in company’s clients’ enterprises by leveraging AI. Company support large global enterprises with data-driven insights and assist them in their decision making through its end-to-end AI solutions. Company build its AI solutions by leveraging its technical, domain and functional capabilities built over Company’s operating history of over 25 years. As of September 30, 2025, company’s full suite of AI solutions is organized under two segments: Fractal.ai (comprising AI services and AI products primarily hosted on Cogentiq) and Fractal Alpha (comprising AI businesses).

VALUATION

Company is bringing the issue at price band of Rs 857-900 per share at p/e multiple of 72x on post issue FY25 PAT basis. Company is leading Player in a large and growing AI market. Company has long-standing and growing relationships with marquee, global clients contributing to a diversified revenue base. Also, company has track record of inventing and investing to benefit clients Hence, we recommend “Subscribe” to issue for risk takers investors else one can apply for “ Long Term” to issue.

Price Band (Rs./Share)	857-900
Opening date of the issue	09th Feb '2026
Closing Date of the issue	11th Feb '2026
No of shares pre issue	16,05,56,718 Eq Shares
Issue Size	Rs 2833.90 Cr
Offer For Sale	Rs 1810.40 Cr
Fresh issue	Rs 1023.50 Cr
Face Value (Rs/ share)	Rs 1/share
Bid Lot	16
Employee Discount	Rs 85/share

BIDDING DETAILS

QIBs (Including Anchor)	75% of the offer (Approx 2,31,15,832 eq Shares)
Non-Institutional	15% of the offer (Approx 46,23,166 eq Shares)
Retail	10% of the offer (Approx 30,82,111 eq Shares)
Employee Reservation	7,36,196 Eq Shares
Lead managers	Axis Capital, Kotak Mahindra Capital, Morgan Stanley, Goldman Sachs (India)
Registrar to the issue	MUFG Intime India

WHAT WE LIKE

Leading Player in a large and growing AI market

As Fractal offers services across the DAAI value chain, the overall DAAI market can be interpreted as Fractal’s total addressable market (“TAM”), valued at an estimated US\$143 billion (₹12 trillion) in Fiscal 2025 and is estimated to grow at a CAGR of 16.7% to reach US\$310 billion (₹23 trillion) by Fiscal 2030 .To reduce their reliance on multiple partners across the DAAI value chain, enterprises, especially large buyers (with annual revenue > US\$5 billion or > ₹418 billion), prefer to engage with a single partner for AI solutions.

Long-standing and growing relationships with marquee, global clients contributing to a diversified revenue base

Company work with marquee clients across company’s focus industries of CPGR, TMT, HLS and BFSI. Company’s clients include Citi, Costco, Franklin Templeton, Mars, Mondelez, Nationwide, Nestle, Philips, among others. Company’s revenue base is diversified both across and within its focus industries. As of March 31, 2025, company worked with 10 of the top 20 CPG companies, eight of the top 20 TMT companies, three of the top 20 BFSI companies, 10 of the top 20 HLS companies and five of the top 20 retail companies, based on Fiscal 2025 revenue.

Track record of inventing and investing to benefit clients

Company have demonstrated a track record of inventing, by identifying emerging trends in AI, developing new AI solutions, which is evidenced by investments in R&D and acquiring businesses to expand its capabilities. As of January 19, 2026, company had 28 registered patents and 38 patent applications. Company’s commitment to technological research and development is aligned with its belief that the technology landscape is ever evolving and it is critical for enterprises to be well-prepared to incorporate the latest techniques and technologies to drive competitive differentiation.



COMPANY BACKGROUND

Company work with large global enterprise clients to help them navigate the entire life cycle of AI transformation from ideation to adoption to drive decisions in the enterprise. Company aim to become a trusted partner to its clients. Company focus on its “Must Win Clients” (“MWC” s) Company, who it define as its clients (i.e. company recognised revenue from them in the trailing 12 months) who are enterprises that meet one of three criteria: (1) over US\$10 billion in annual revenue, (2) over US\$20 billion in market capitalization, or (3) over 30 million end-customers. As of September 30, 2025, company served 122 MWCs; its clients include Citibank, N.A (“Citi”), Costco, Franklin Templeton, Mars, Mondelez, Nationwide, Nestle, Philips, among others. As of March 31, 2025, company served a majority of the “magnificent seven” companies³⁵ (source Everest Report).

Company’s domain expertise spans across its focus industries of consumer packaged goods (“CPG”) & retail (together with CPG, “CPGR”), technology, media and telecom (“TMT”), healthcare and life sciences (“HLS”) and banking, financial services and insurance (“BFSI”). As of March 31, 2025, company worked with 10 of the top 20 CPG companies, eight of the top 20 TMT companies, three of the top 20 BFSI companies, 10 of the top 20 HLS companies and five of the top 20 retail companies based on Fiscal 2025 revenue (source: Everest Report). Company’s ability to address clients’ problems across industries is driven by its deep technical, domain and functional expertise. Company integrate AI, engineering and design (“AED”) to power decisions in its clients’ enterprises and its strategic intent is to create outsized value for every client company work with. In this process, company aspire to become the most respected enterprise AI company globally.

Company is a client-centric company, which focuses on prioritizing its clients’ success and creating long-term value for them. Company’s “client first” value is reflected in the tenure of company’s relationship with its top clients and its Net Promoter Score (“NPS”) based on client surveys. Company have served its top ten clients by revenue in the six months ended September 30, 2025 (who contributed 54.2% to its revenue from operations in company’s Fractal.ai segment) for an average of more than eight years. Company’s NPS for its Fractal.ai segment was 76, 78, 77, 77 and 73 in the six months ended September 30, 2025, the six months ended September 30, 2024, Fiscal 2025, Fiscal 2024 and Fiscal 2023 respectively.

Company is India’ s leading pure-play enterprise data, analytics and AI company, recognized globally, with capabilities across the data, analytics and AI (“DAAI”) value chain . Company is uniquely placed among other industry players, with active investments in expanding its AI and Gen AI software portfolio and research and development (“R&D”) capabilities . Forrester categorized company as a “Leader” in five Forrester WavesTM for Customer Analytics Service Providers in 2025, 2023, 2021, 2019 and 2017, and Everest Group recognized company as a “Leader” in the Everest Group Data and AI Services Specialists PEAK Matrix[®] Assessment (and its predecessor Analytics and AI Services Specialists PEAK Matrix[®] Assessment) in 2021 through 2025.

OBJECTS OF OFFER

The Offer comprises a Fresh Issue of Equity Shares bearing face value of ₹1 each, aggregating up to ₹10,235 million by Company and an Offer for Sale of Equity Shares bearing face value of ₹1 each, aggregating up to ₹18,104 million by the Selling Shareholders. Company propose to utilise the Net Proceeds towards funding the following objects:

1. Investment in one of its Subsidiaries, Fractal USA, for pre-payment and/ or scheduled repayment, in full or in part, of its borrowings;
2. Purchase of laptops;
3. Setting-up new office premises in India;
4. Investment in (a) research and development; and (b) sales and marketing under Fractal Alpha; and
5. Funding inorganic growth through unidentified acquisitions and other strategic initiatives, and general corporate purposes,

RISKS

Security breaches, cyber-attacks, computer viruses and hacking activities may cause material adverse effects on its business, financial performance and results of operations and expose company to liability, which could adversely affect company’s business and its reputation.

Source:RHP



Consolidated Financials

(Rs in Mn)

Financials	FY23	FY24	FY25	H1FY26
Total Revenue (A)	19854.00	21963.00	27654.00	15590.00
Total Expenditure (B)	21018.00	21229	24155	13594
EBIDTA	-1164.00	734.00	3499.00	1996.00
EBIDTA Margin	-5.86	3.34	12.65	12.80
Other Income	583.00	456.00	508.00	353.00
Depreciation	781.00	832.00	1023.00	635.00
EBIT	-1362.00	358.00	2984.00	1714.00
Interest	453.00	445.00	577.00	233.00
PBT	-1815.00	-87.00	2407.00	1481.00
Share of profit in Asso	-290.00	-163.00	-297.00	-445.00
PBIT	-2105.00	-250.00	2110.00	1036.00
Exceptional	5239.00	-55.00	270.00	-48.00
PBT	3134.00	-305.00	2380.00	988.00
Tax	1190.00	242.00	174.00	279.00
PAT	1944.00	-547.00	2206.00	709.00
NPM	9.79	-2.49	7.98	4.55
ROE%	14.50	-3.90	12.60	3.60
EPS	13.39	-3.12	14.49	4.55
Eq Cap	31.00	31.00	31.00	142.00
Net Worth	13,634.00	14,199.00	17,654.00	19,795.00

(Source: RHP)



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