Shadowfax Technologies Ltd.

January 17, 2026

IPO Note

Shadowfax is a technology-led, third-party logistics (3PL) provider serving India's digital commerce ecosystem. Founded in 2015, the Bengaluru-based company operates across express delivery, quick commerce, and hyperlocal services with a network covering 14,758 pin codes and 4,299 touchpoints. Leveraging India's largest gig-based delivery partner fleet (205,864 active partners), proprietary demand-supply allocation engines, and AI-powered logistics infrastructure, Shadowfax facilitates seamless last-mile fulfilment for marquee clients including Flipkart, Meesho, Zepto, and Swiggy.

Investment Rationale:

Market Leadership Across All Critical Logistics Segments:

- Largest organized 3PL in India: FY25: 436 mn orders; H1FY26: 294 mn orders (+50% PoP)
- #1 in reverse logistics; 200 mn cumulative reverse orders (27% CAGR)
- Strong exposure to fashion e-commerce returns (23–24% of e-commerce by FY30)
- E-commerce logistics share: ~8% (FY22) → ~23% (H1FY26)
- FY25 revenue mix: Express 69%, Hyperlocal 21%, Others 10%
- H1FY26 revenue: ₹18,100 mn (+68% PoP); supports 25–30% growth trajectory

Capital-Efficient Asset-Light Network Supporting Rapid Scaling:

- Best-in-class 3.96x capital turnover
- Fully asset-light, leased-facility model; negative working capital
- Network: 4,299 touchpoints, 14,758 pin codes
- 90 first-mile centers | 53 automated sort centers | 4,156 last-mile centers
- 3,000+ daily trucks supporting nationwide line haul
- Automation-led scale via cross-belt sorters
- ₹3000 mn capex (72% infra) focused on automation through FY29
- Lower handling costs, higher throughput, strong margin leverage

India's Largest Crowdsourced Last-Mile Delivery Fleet with Proven Gig-Workforce Economics:

- 205,864 active delivery partners (Sep'25, +66% YoY)
- Dynamic pricing engine optimizes cost and partner earnings
- Operates across 2,200+ cities
- Structural tailwind from India's gig workforce (19% CAGR to FY30)

Proprietary Technology Platform as Core Competitive Moat:

- Real-time demand–supply matching across all service lines
- Proprietary partner apps drive productivity, transparency, retention
- Deep API integrations with major e-commerce and D2C platforms
- SF Maps: AI routing and ETA optimization; SF Shield: 99% reduction in fake PODs
- ML-driven allocation engine improves speed, utilization, and margins
- COD digitization at 26%, targeting 40–50%

Rapid Margin Expansion Through Operating Leverage and Network Maturation:

- EBITDA: –8% (FY23) → +2.3% (FY25)
- Consumables reduced: 33% → ~23–24% of revenue
- 3–4% steady-state EBITDA margins at scale
- Margin upside from:
  - Reverse logistics (+40–60% yield)
  - Prime deliveries (+25–35% yield)

Strategic Growth Initiatives and Competitive Positioning for Sustained Market Leadership:

- **Pillar 1: Market Share Expansion-** Continue gains in horizontal and non-horizontal segments
- **Pillar 2: Service Portfolio Expansion-** Dark stores: 23 → 50–100 by FY28; Expansion into B2B, BFSI, bulky goods, cross-border logistics
- **Pillar 3: Network Expansion-** 2,160 new centers (FY26–FY29); Automation-led capacity addition
- **Pillar 4: Technology Investment-** GenAI, predictive analytics, advanced routing
- **Pillar 5: EV Transition- Majority-**EV fleet in five years; 30–40% per-delivery cost savings
- **Pillar 6: Inorganic Growth-** Disciplined M&A using ≤35% of IPO proceeds

Valuation and Outlook: Shadowfax is strategically positioned as a mission-critical infrastructure provider within India's rapidly evolving digital commerce and logistics ecosystem, capturing structural growth across e-commerce, quick commerce, and hyperlocal delivery segments. The Indian logistics market, currently valued at $247-270 billion in FY25, is projected to expand at a healthy 6-8% CAGR through FY30, while online B2C logistics (e-commerce and hyperlocal combined) is expected to grow significantly faster at 20-27% CAGR, driven by India's substantial untapped potential relative to global benchmarks (3-4 shipments per capita vs. 60-85 in China and USA). Within this high-growth market, Shadowfax operates as the fastest-growing 3PL provider of scale, expanding market share from ~8% in FY22 to ~23% by H1FY26, with market-leading positions in reverse pickup logistics, same-day delivery, and quick commerce solutions; segments that command premium pricing and sticky customer relationships. The company's diversified revenue mix across Express (69% of revenue), Hyperlocal (21%), and Other Logistics Services (10%) mitigates concentration risk while enabling meaningful operating leverage; EBITDA margins have improved from -8.02% in FY23 to 3.56% in H1FY26 despite sustained network expansion, signalling strong structural unit economics. Further strengthening the investment case is Shadowfax's technology-led, asset-light business model utilizing India's largest gig-based delivery partner fleet (205,864 active partners in H1FY26) and proprietary demand-supply allocation engines, which deliver cost advantages and competitive moats against traditional 3PL competitors while maintaining capital efficiency (3.96x capital turnover—highest among 3PL peers). The company's comprehensive service portfolio, spanning forward parcel delivery, reverse pickups, hand-in-hand exchanges, prime delivery, and hyperlocal fulfilment; creates high switching costs and expanding wallet share opportunities with marquee clients including Flipkart, Meesho, Zepto, and Swiggy. Sustained execution on network expansion (targeting 2,160+ new delivery centers by FY27), margin accretion through operational leverage, and capacity monetization in high-margin verticals like BFSI and cross-border logistics could translate into multifold value creation over the medium to long term. We recommend growth-focused investors to subscribe to the issue with a multi-year investment horizon, as Shadowfax's market leadership, technology moat, and favourable industry tailwinds position the company to capture significant share of India's ~₹21-23 trillion addressable logistics market opportunity.

Key Financial & Operating Metrics (Consolidated)

In INR mn	Revenue	YoY (%)	EBITDA	EBITDA %	PAT	EPS	ROE	ROCE
FY23	14151.24	-	-1134.69	-8.02	-1426.38	-3.38	-173.82	-52.15
FY24	18848.22	33.19	113.72	0.6	-118.82	-0.28	-14.72	0.75
FY25	24,851.31	31.85	561.86	2.26	64.26	0.13	3.56	4.9

Issue Snapshot

Issue Open	20-Jan-26
Issue Close	22-Jan-26
Price Band	INR 118 - 124
Issue Size (Shares)	15,38,12,016
Market Cap (mn)	INR 71689

Particulars

Fresh Issue (INR mn)	INR 10000
OFS Issue (INR mn)	INR 9072.69
QIB	75%
Non-institutionals	15%
Retail	10%

Capital Structure

Pre Issue Equity	49,74,88,085
Post Issue Equity	57,81,33,246
Bid Lot	120 Shares
Minimum Bid amount @ 118	INR 14160
Maximum Bid amount @ 124	INR 14880

Share Holding Pattern	Pre Issue	Post Issue
Promoters	19.13%	3.81%
Public	80.87%	96.19%

Particulars

Face Value	INR 10
Book Value	INR 28.72
EPS, Diluted	INR 0.11

Objects of the Issue

1. Funding of capital expenditure requirements of the Company in relation to network infrastructure – ₹4,234.31 million.

2. Funding of lease payments for new first-mile centers, last-mile centers, and sort centers – ₹1,386.43 million.

3. Funding of branding, marketing, and communication costs – ₹885.74 million.

4. Unidentified inorganic acquisitions and general corporate purposes

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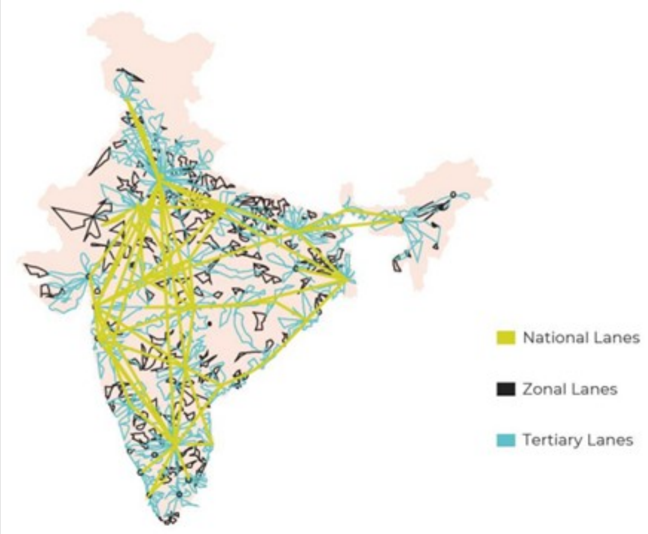
Shadowfax Technologies Limited is a technology-enabled, third-party logistics (3PL) provider transforming digital commerce logistics in India. As a new-age player leveraging proprietary technology to facilitate e-commerce penetration, the company operates a nationwide service network encompassing 14,758 Indian pin codes as of September 30, 2025, serving a diverse enterprise clientele including horizontal and non-horizontal e-commerce platforms, quick commerce operators, food marketplaces, and on-demand mobility companies.

Network Coverage: National, Zonal, and Tertiary Lanes Across India



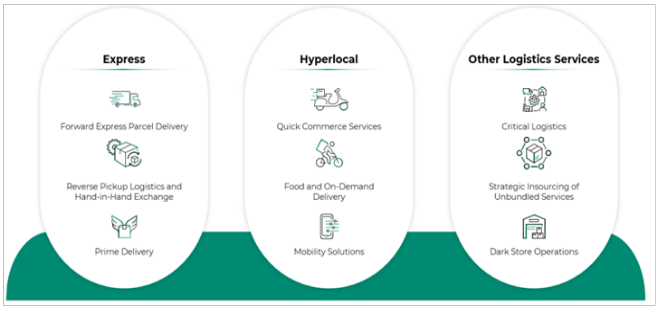
Key Levers

The company's service portfolio spans express forward parcel deliveries, reverse pickups and hand-in-hand exchange logistics, prime deliveries with same-day and next-day options, quick commerce and hyperlocal deliveries, and mobility services. This integrated offering positions Shadowfax as a market leader in complex logistics operations, particularly reverse pickup shipments and quick commerce solutions by order volume in FY25 and H1FY26. Shadowfax has demonstrated exceptional growth metrics, expanding its e-commerce market share from approximately 8% in FY22 to 23% in H1FY26, establishing itself as India's fastest-growing 3PL company of scale. The platform processed 436.36 million orders during FY25 with a CAGR of 29.77% (FY23-25), and 294.45 million orders in H1FY26, representing a 50.11% CAGR year-over-year.

The company's infrastructure comprises 4,299 nationwide touchpoints including 90 dedicated first-mile centers, 53 middle-mile sort centers (1.80 million square feet), and 4,156 last-mile centers, supported by over 3.50 million square feet of operational space. Notably, Shadowfax operates India's largest crowdsourced last-mile delivery fleet among 3PL e-commerce players, with 205,864 average quarterly unique transacting delivery partners as of September 30, 2025. The company maintains the highest capital turnover ratio among 3PL peers, demonstrating superior capital efficiency while operating on an asset-light model with leased logistics facilities and proprietary technology infrastructure—SF Maps, SF Shield, and the proprietary demand-supply allocation engine; enabling rapid scaling and competitive service delivery across India's evolving digital commerce landscape.

Scale, Market Position and Capital Efficiency

Shadowfax Technologies – Service Portfolio Overview



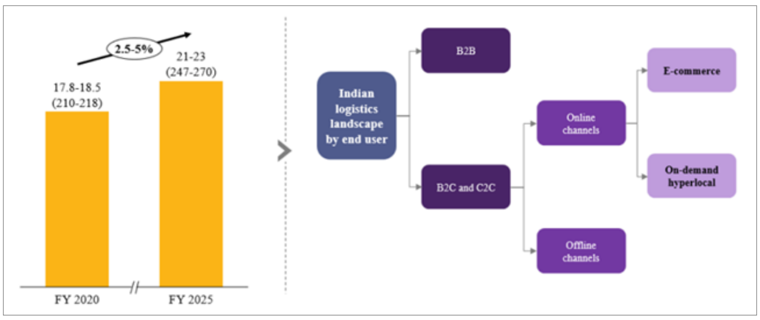
Industry Overview:

The Indian logistics market represents a dynamic ecosystem valued at ₹21–23 trillion (US$247–270 billion) as of FY25, having grown at a CAGR of 2.5–5% since FY20. This foundational growth masks significant structural shifts within the sector, particularly in the digital commerce logistics sub segment, which has expanded at significantly faster rates than overall logistics. India's Logistics Performance Index (LPI), calculated by the World Bank across six dimensions including customs efficiency, infrastructure quality, and shipment ease, reached 3.4 in CY23, approximately 0.3 and 0.4 points behind China and the USA respectively. Government initiatives such as Bharatmala, Gati Shakti, and the National Logistics Policy, alongside digitization measures including FASTags and e-way bills, continue to improve connectivity and operational efficiency

Digital Commerce Expansion and Logistics Demand

Online B2C logistics, segmented into e-commerce and on-demand hyperlocal services, handled 8–9 billion shipments as of FY25. E-commerce logistics, excluding grocery, processed 4.9–5.3 billion shipments in FY25, projected to reach 15–16 billion by FY30 at a CAGR of 23–27%. Despite this robust growth, India's per capita e-commerce shipments remain at 3–4 units annually, substantially lower than China (75–85) and the USA (60–70), signifying massive untapped growth potential. Quick commerce has emerged as the fastest-growing category, expanding from ₹0.04 trillion in FY22 to ₹0.53 trillion (US$6.2 billion) in FY25, with projected growth of 50–62% CAGR through FY30. Similarly, the online food delivery market grew from ₹400 billion in FY22 to ₹750–800 billion (US$8.8–9.4 billion) in FY25, expected to reach ₹1.7–2.2 trillion (US$20–26 billion) by FY30.

Indian Logistics Market Size and End-User Segmentation (FY20–FY25)



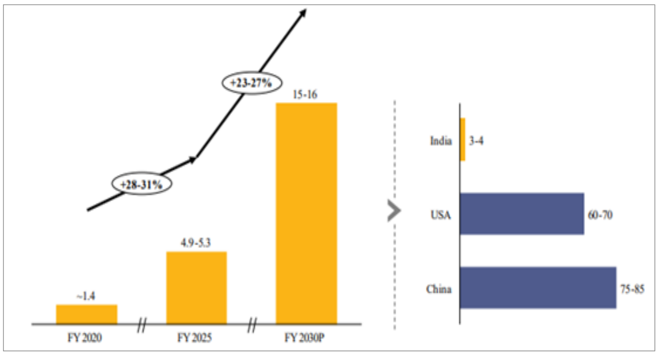
Third-Party Logistics (3PL) Market Structure and Competitive Dynamics

As of FY25, 3PL providers catered to 40–42% of total e-commerce logistics demand, with horizontal e-commerce platforms outsourcing 33–34% of shipments to 3PL partners despite maintaining captive logistics arms. Non-horizontal platforms (category-specific marketplaces and D2C brands), growing at 35–37% CAGR from FY20–25, outsourced approximately 74% of shipments to 3PL operators. This reliance reflects the capital-intensive nature of building proprietary logistics networks and the operational flexibility advantages offered by specialized 3PL providers. The 3PL e-commerce market consists of four dominant players: Blue Dart, Delhivery, Shadowfax, and Xpressbees, with only Blue Dart and Delhivery publicly listed as of October 2025. In June 2025, the CCI approved Delhivery's acquisition of Ecom Express, marking notable consolidation within the sector. Shadowfax has emerged as India's fastest-growing 3PL company of scale, expanding its e-commerce market share from approximately 8% in FY22 to approximately 23% by H1FY26, outpacing industry shipment growth rates.

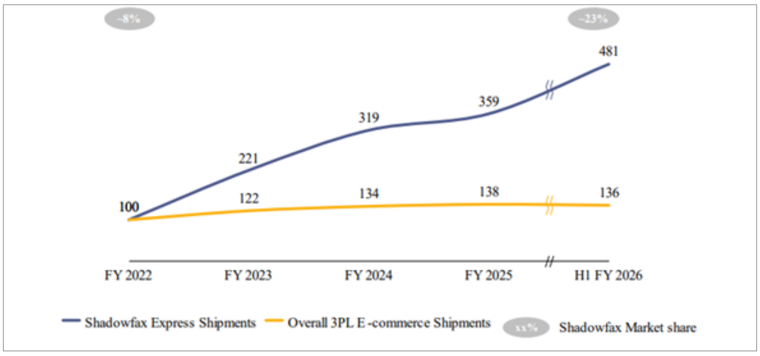
B2C Online Logistics Landscape Descriptive

	E-commerce		On-Demand Hyperlocal	
Sub-sectors	**Horizontals**	**Non-Horizontals**	**Quick Commerce**	**Food & others**
Definition	Horizontal marketplaces offer a broad spectrum of product categories, providing consumers with a one-stop platform to shop	Non-horizontal marketplaces focus on niche categories, including vertical marketplaces dedicated to a specific sector (e.g., fashion, electronics), D2C brands, and others	Quick commerce platforms deliver fast-moving consumer goods and retail essentials to consumers within ultra-short delivery windows, typically under 30 minutes.	This category primarily focuses on hyperlocal delivery services for food, meat, gifting solutions, and consumer-to-consumer (C2C) transfers.
Categories	Wide selection of categories - electronics, fashion, BPC[1], furniture, home and décor, general merchandise[2] etc	Focused product ranges like electronics, BPC[1], fashion, groceries, or niche categories (e.g., luxury items)	As of FY 24, majorly groceries. Upcoming categories are BPC[1], Electronics, Home, Fashion	Food, Meat, Gifting, Consumer to consumer transfers
Delivery timeline	Same-day to longer delivery timelines		<30 Mins	30 Mins- 2 Hr
Total Shipments (FY 2025)	4-4.3 Bn	0.9-1 Bn	1.1-1.3 Bn	2-2.2 Bn
3PL Outsourcing (FY 2025)	33-34%	~74%	~15%	~13%

India E-commerce Shipments Growth vs. Global Peers (FY20–FY30P)



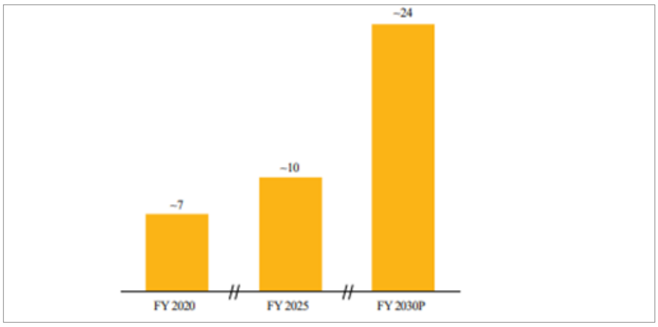
3PL E-commerce Orders Per Day Comparison – indexed to FY22 In %, FY 22-25,



Gig Workforce and Operational Flexibility

The logistics industry has leveraged a large pool of gig workers, enabling flexible, scalable operations with reduced idle costs. As of FY25, approximately 10 million gig workers existed in India (2% of workforce), projected to reach 24 million (4% of workforce) by FY30 according to NITI Aayog estimates. This flexibility allows logistics companies to adjust workforce capacity in real time, critical for managing seasonal demand fluctuations and peak e-commerce periods.

Number of Gig Workers in India In million, FY20-25, FY30P



Value-Added Services and Complex Logistics Requirements

The industry has evolved beyond parcel delivery toward sophisticated value-added services. Reverse pickup logistics; managing product returns with quality checks and reintegration, have grown at 27% CAGR from FY20–25, driven by fashion category expansion. Same-day delivery has emerged as a critical differentiator, with leading 3PL providers establishing dedicated capacity in major metropolitan and Tier-I cities. Additionally, 3PL players now manage first-mile, mid-mile, and last-mile operations independently, allowing captive logistics operators and platforms to unbundle supply chains and leverage specialized providers for specific segments.

The Indian logistics sector stands at an inflection point where scale, technology integration, and service diversification increasingly determine competitive success. Shadowfax's multifaceted service offerings, nationwide infrastructure, and gig-based operational model position it as a key beneficiary of India's expanding digital commerce ecosystem and rising consumer expectations for speed, reliability, and convenience.

Investment Rationale:

Market Leadership Across All Critical Logistics Segments: Shadowfax Technologies Limited has established itself as India's largest third-party logistics (3PL) operator by order volume among organized players, commanding market leadership positions across every major operating metric including shipment volume, geographic coverage, technology capabilities, and financial performance. In FY25, the company processed 436.36 million orders across three core service lines: express forward parcel deliveries (341.56 million orders constituting 78% of total), hyperlocal quick commerce and on-demand services (94.79 million orders, 22% of total), and other logistics services including reverse pickups and hand-in-hand exchange deliveries. For H1FY26, total orders reached 294.45 million, representing an exceptional 50.11% period-on-period growth, demonstrating accelerating market share capture and strengthening competitive positioning.

The company holds the uncontested number-one position for reverse pickup logistics among organized 3PL providers by order volume, managing 0.2 billion reverse pickups cumulatively from FY20 through FY25, growing at a robust 27% CAGR. This leadership position capitalizes on the rapid structural expansion of fashion e-commerce, which is projected to contribute between 23% and 24% of overall online retail by FY30, and the corresponding explosion in product return management demand. Shadowfax similarly commands market leadership in same-day and next-day delivery capabilities through its premium Prime delivery offering, with dedicated infrastructure positioned across major metropolitan areas and Tier-I cities enabling premium service tiers that command significantly higher yields than standard express delivery. This diversified service positioning, particularly the strategic focus on higher-margin reverse logistics and premium delivery services, creates a powerful pathway for margin accretion as the business scales and service mix evolves. The company's e-commerce logistics market share has expanded from approximately 8% in FY22 to approximately 23% in H1FY26; a remarkable 15-percentage-point gain over less than four years, substantially outpacing overall industry growth and establishing the company as India's fastest-growing 3PL company of scale.

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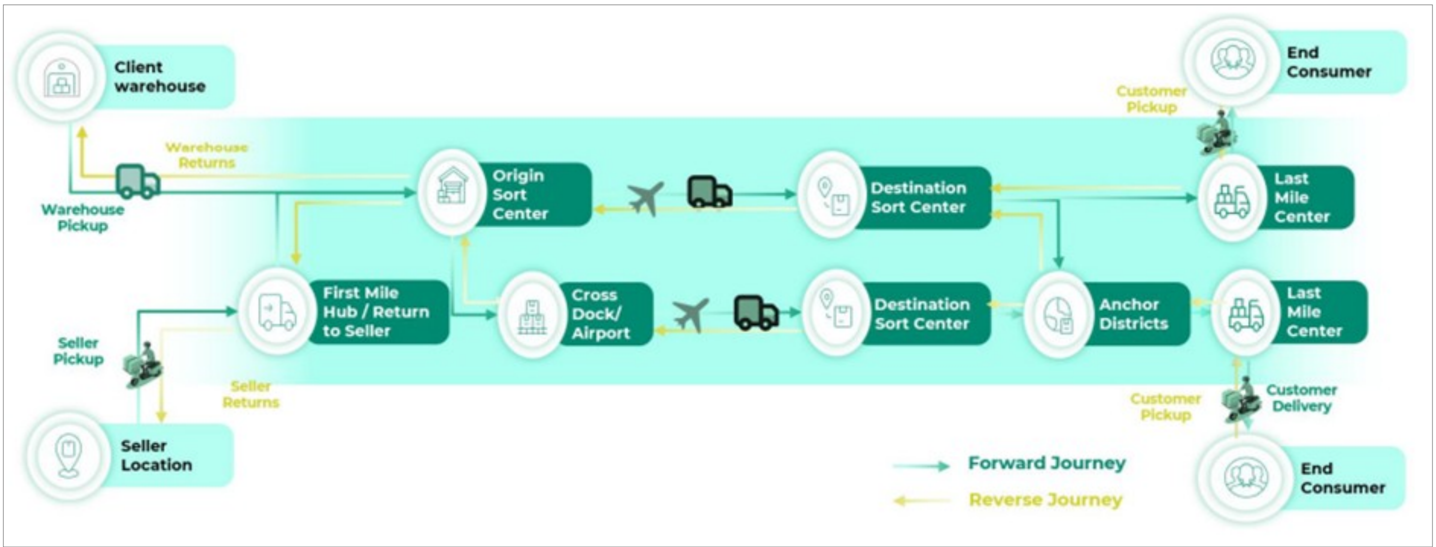
Revenue composition demonstrates the balanced and complementary nature of Shadowfax's service portfolio. Express parcel delivery services contributed ₹17,160.86 million, representing 69% of FY25 total revenue, while hyperlocal quick commerce and on-demand services contributed ₹5,132.42 million or 21% of revenue, and other logistics services including reverse pickups contributed ₹2,558.03 million or 10% of revenue. In H1FY26, total revenue from operations reached ₹18,056.44 million, reflecting an extraordinary 68.43% period-on-period growth rate, demonstrating accelerating order conversion, market share consolidation, and full-year revenue visibility supporting confidence in sustained 25% to 30% annual growth trajectories through the medium term.

Capital-Efficient Asset-Light Network Supporting Rapid Scaling: Shadowfax operates India's most capital-efficient logistics network among organized 3PL players, evidenced by an exceptional 3.96x capital turnover ratio as of FY25—the highest among peers. This superior efficiency stems from a disciplined asset-light, leased-facility model eliminating significant fixed-asset burden while maintaining comprehensive nationwide coverage across 4,299 touchpoints serving 14,758 pin codes. The infrastructure architecture comprises three complementary tiers optimized for cost-efficient scaling. The first-mile network includes 90 dedicated centers managing seller pickups and warehouse collections, consolidating shipments for dispatch to regional sort centers. The middle-mile network features 53 automated sort centers (1.80 million sq ft.), with fully automated facilities in Surat, Bilaspur, and Jaipur equipped with cross-belt sorters, x-ray machines, DWS systems, and SF Shield surveillance for real-time tracking and security. The last-mile network comprises 4,156 consumer-facing delivery centers configured across self-operated facilities in high-density areas and franchised facilities on variable-cost structures for lower-density pin codes, enabling rapid geographic expansion with minimal capital commitment.

A sophisticated line haul network of over 3,000 daily-operating trucks underpins this three-tier structure. All facilities operate under leased arrangements (excluding franchisees), generating negative working capital dynamics and substantially reducing capital intensity relative to operational scale. Strategic automation investments materially enhance operational leverage. Shadowfax has deployed vertical cross-belt sorters for large/non-standard shipments and plans ₹3,042.53 million capex (72% of infrastructure allocation) for automated sorters across six additional major facilities through FY29. This investment reduces per-shipment handling costs, minimizes human error, and enables capacity expansion on smaller real-estate footprints; fundamentally transforming middle-mile economics and serving as a powerful margin accretor as volumes scale through FY30.

India's Largest Crowdsourced Last-Mile Delivery Fleet with Proven Gig-Workforce Economics: The company operates India's largest crowdsourced delivery fleet, with 205,864 average quarterly unique transacting delivery partners as of September 30, 2025 (+65.7% YoY growth). This asset-light, variable-cost model provides unmatched flexibility for seasonal demand volatility, peak e-commerce events, and real-time workforce scaling without fixed employment constraints. Partner expenses totalled ₹13,502.65 million (FY25) and ₹9,561.03 million (H1FY26), representing pure variable costs that scale with volumes; delivering operating leverage versus traditional fixed-cost employment models. The proprietary Shadowfax Delivery Partner App features dynamic pricing incorporating distance, access difficulty, time-of-day, weekend differentials, seasonal demand, and real-time supply-demand conditions, balancing cost-competitiveness with superior partner earnings.

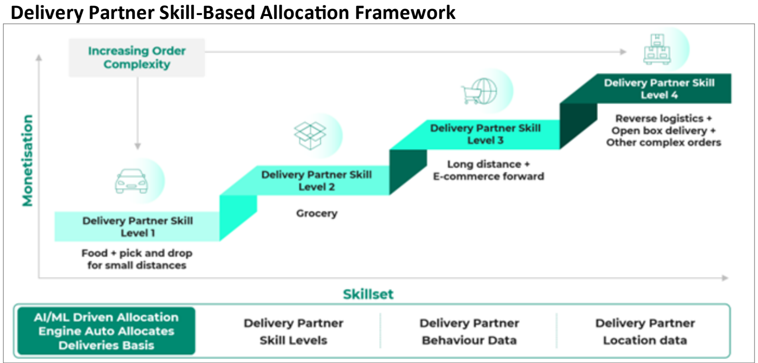


E-commerce Forward & Reverse Journey Flowchart

Retention strategy extends beyond pricing through comprehensive benefits: group insurance covering hospitalization and personal accidents for partners and families, holiday incentives during Diwali/Christmas/New Year peaks, and weather-based premiums for heavy rain/extreme heat conditions. This multifaceted approach drives 66% YoY growth in transacting partners and market leadership in monthly active riders.

India's gig workforce expansion from 10 million (2% of workforce, FY25) to 24 million (4%, FY30) at 19% CAGR creates structural tailwinds. Shadowfax's network spans 2,200+ cities, combining scale, superior incentives, insurance benefits, and earning transparency to position as the preferred platform for gig workers seeking stable, high-frequency income with social risk mitigation.

Delivery Partner Skill-Based Allocation Framework



Proprietary Technology Platform as Core Competitive Moat: Shadowfax's most sustainable competitive advantage rests on a sophisticated, micro services-based technology architecture custom-built for India's unique digital commerce logistics challenges. This unified platform enables real-time demand-supply matching across express, hyperlocal, and reverse logistics services while facilitating dynamic service customization and client-specific integrations. Spanning 2,200+ cities, the technology serves as the central nervous system driving operational excellence, competitive differentiation, and sustainable margin expansion.

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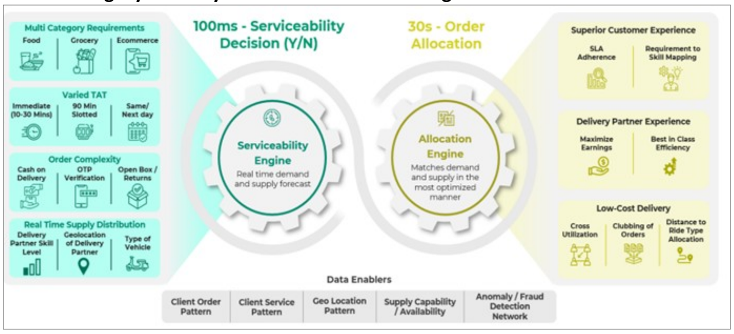
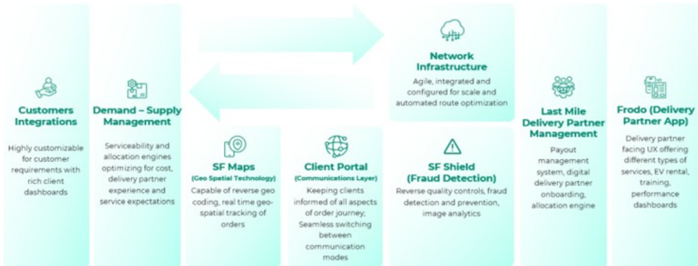
Multi-Category Delivery Decision & Allocation Engine



Two proprietary Google Play Store applications—Shadowfax Delivery Partner App and Shadowfax Flash, comprise comprehensive engagement platforms governing every aspect of delivery partner interactions. Beyond basic order dispatch, these apps deliver real-time order assignment algorithms optimizing for partner proximity, performance ratings, service specialization, and multi-service utilization. Partners access hourly/daily/weekly earnings transparency, personalized incentive recommendations, in-app training modules, performance benchmarking, real-time feedback, customer support, and dispute resolution, continuously reinforcing satisfaction and reducing attrition versus transactional platforms.

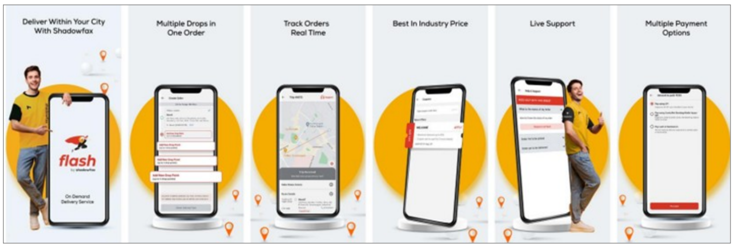
Integrated Supply Chain Management Platform



Customized API offerings provide seamless connectivity with e-commerce platforms (Amazon, Flipkart), quick commerce operators, food delivery marketplaces, and D2C retailers. These specialized integration bridges accommodate each client's unique requirements without technology redevelopment, enabling rapid client expansion across horizontal and non-horizontal segments.

SF Maps, the proprietary AI-based mapping infrastructure, enables accurate geospatial tagging, real-time dynamic routing optimization, and predictive delivery time estimation. Integrating historical traffic patterns, seasonal demand flows, and congestion feedback, SF Maps minimizes distance travelled, reduces delivery times, and enhances partner earnings per hour, critical for retention.

Flash Delivery Partner Mobile App



SF Shield, the real-time surveillance system, spans all network touchpoints (first-mile centers, sort centers, line haul vehicles, last-mile operations) with camera-based tracking. This reduces fake proof-of-delivery incidents by 99%, minimizes shipment loss/theft/damage, identifies operational bottlenecks, and creates regulatory compliance audit trails, particularly vital given ₹126.10 million daily cash-on-delivery exposure (FY25).

The demand-supply allocation engine represents years of machine learning development, matching real-time delivery demand across service lines with fluctuating partner supply influenced by time-of-day, weather, and competing platform opportunities. Processing thousands of orders continuously, it optimizes delivery time, partner earnings, vehicle utilization, and service consistency while learning from historical patterns to refine algorithms. Payment systems integrate specialized cash management providers with real-time visibility and automated reconciliation. Shadowfax migrated 25.8% of FY25 COD orders (₹16,037.90 million of ₹62,064.12 million) to digital UPI/QR payments, targeting 40–50% penetration to simplify working capital and reduce cash handling risks.

Technology investment discipline reflects strategic priority: ₹228.18 million (32.78% of FY25 capex) and ₹122.05 million (19.74% H1FY26 capex). Forward priorities include generative AI for demand forecasting/cost optimization, predictive analytics for risk identification, and machine learning enhancements for routing/ resource allocation—ensuring sustained technological leadership in India's increasingly competitive logistics sector.

Rapid Margin Expansion Through Operating Leverage and Network Maturation: Shadowfax has demonstrated material margin improvement from FY23 to H1FY26 despite aggressive growth. EBITDA moved from ₹(1,134.69) million loss (–8.02% margin, FY23) to ₹561.86 million profit (2.26%, FY25); a 90-basis-point sequential gain alongside 50% period-on-period order volume growth, showcasing simultaneous growth acceleration and unit economics improvement. Materials efficiency drove significant cost reduction, with consumables declining from 32.59% of revenue (FY23) to 25.69% (FY25) and estimated 23–24% (H1FY26). Initiatives include supplier diversification, centralized bulk purchasing, fuel optimization, and logistics routing improvements. Network density gains proved dramatic: express volumes grew 62.8% to 341.56 million orders (FY23–25) while touchpoints expanded 2.2x (1,817 to 3,964 centers). This 3.5x volume growth on 2.2x network expansion demonstrates improving facility utilization and fixed-cost absorption. Maturing new facilities will further enhance facility-level profitability.

Capital efficiency at 3.96x turnover (highest among peers) reflects the asset-light leased model enabling high revenue generation (₹3.96 per ₹1 capital) with modest balance sheet scale. At 600–700 million annual orders, fixed costs get substantially absorbed, supporting normalized 3–4% EBITDA margins. Premium service mix provides margin tailwinds: reverse logistics (+40–60% yield premium) and Prime delivery (+25–35% premium) outperform standard express. With fashion e-commerce reaching 23–24% penetration by FY30, reverse logistics volumes expand disproportionately, creating powerful margin accretion as higher-yielding services gain mix share.

Strategic Growth Initiatives and Competitive Positioning for Sustained Market Leadership: Shadowfax's board-approved growth strategy comprises six interconnected pillars leveraging existing advantages while expanding into adjacent domains.

Pillar 1: Market Share Expansion targets sustained growth from 8% (FY22) to 23% (H1FY26) market share through deepening horizontal platform relationships and accelerating penetration in faster-growing non-horizontal segments (D2C brands, category marketplaces). Currently capturing 25% of non-horizontal outsourced volume, substantial room exists for client acquisition and share-of-wallet expansion.

Pillar 2: Service Portfolio Expansion scales dark stores from 23 (H1FY26, Delhi-focused) to 50–100 locations by FY28 across metropolitan areas, enabling sub-30-minute quick commerce delivery (50–62% CAGR through FY30). Additional initiatives include express B2B services, BFSI parcel capabilities via CriticaLog integration, cross-border logistics evaluation, and large-parcel/bulky-goods expansion through vertical cross-belt sorters—unlocking higher-margin revenue streams and deepening wallet share.

Pillar 3: Network Expansion targets pin-code growth beyond 14,758 through disciplined tier-II/III facility additions. Capex allocates ₹3,042.53 million (72% of infrastructure spend) for automated cross-belt sorters across six major sort centers, plus 2,160 new first/last-mile centers (720 annually, FY26–29) in mixed self-operated/franchised models for rapid geographic scaling with minimal capital intensity.

Pillar 4: Technology Investment (20% of capex) prioritizes generative AI for BFSI/cross-border services, predictive analytics for risk identification, machine learning for dynamic routing/partner matching, and SF Shield surveillance enhancements, ensuring technological leadership.

Pillar 5: EV Transition commits to predominantly electric delivery partner fleet within five years via offline EV rental centers and three-way marketplace models, targeting 30–40% per-delivery cost savings, carbon reduction, and retention enhancement.

Pillar 6: Inorganic Growth leverages proven M&A track record (Pickingo Logixpress 2015, Nuvo Logistics 2017, CriticaLog 2025). IPO proceeds fund strategic acquisitions targeting complementary capabilities, geographic expansion, and technology advancement (≤35% of proceeds).

Valuation and Outlook: Shadowfax is strategically positioned as a mission-critical infrastructure provider within India's rapidly evolving digital commerce and logistics ecosystem, capturing structural growth across e-commerce, quick commerce, and hyperlocal delivery segments. The Indian logistics market, currently valued at $247-270 billion in FY25, is projected to expand at a healthy 6-8% CAGR through FY30, while online B2C logistics (e-commerce and hyperlocal combined) is expected to grow significantly faster at 20-27% CAGR, driven by India's substantial untapped potential relative to global benchmarks (3-4 shipments per capita vs. 60-85 in China and USA). Within this high-growth market, Shadowfax operates as the fastest-growing 3PL provider of scale, expanding market share from ~8% in FY22 to ~23% by H1FY26, with market-leading positions in reverse pickup logistics, same-day delivery, and quick commerce solutions; segments that command premium pricing and sticky customer relationships. The company's diversified revenue mix across Express (69% of revenue), Hyperlocal (21%), and Other Logistics Services (10%) mitigates concentration risk while enabling meaningful operating leverage; EBITDA margins have improved from -8.02% in FY23 to 3.56% in H1FY26 despite sustained network expansion, signalling strong structural unit economics. Further strengthening the investment case is Shadowfax's technology-led, asset-light business model utilizing India's largest gig-based delivery partner fleet (205,864 active partners in H1FY26) and proprietary demand-supply allocation engines, which deliver cost advantages and competitive moats against traditional 3PL competitors while maintaining capital efficiency (3.96x capital turnover—highest among 3PL peers). The company's comprehensive service portfolio, spanning forward parcel delivery, reverse pickups, hand-in-hand exchanges, prime delivery, and hyperlocal fulfilment; creates high switching costs and expanding wallet share opportunities with marquee clients including Flipkart, Meesho, Zepto, and Swiggy. Sustained execution on network expansion (targeting 2,160+ new delivery centers by FY27), margin accretion through operational leverage, and capacity monetization in high-margin verticals like BFSI and cross-border logistics could translate into multifold value creation over the medium to long term. We recommend growth-focused investors to subscribe to the issue with a multi-year investment horizon, as Shadowfax's market leadership, technology moat, and favourable industry tailwinds position the company to capture significant share of India's ~₹21-23 trillion addressable logistics market opportunity.

Shadowfax Technologies Ltd.

January 17, 2026

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Peer Comparison

Name of the company	Diluted EPS 2025 (₹)	Price as on Jan 14, 2026	P/E (x)
Shadowfax	0.13	124	953.85
Blue Dart	106.38	5435	51.09
Delhivery	2.14	403.65	188.62

Particulars FY25	Unit	Shadowfax	Blue Dart	Delhivery
Express Orders/Shipments	millions	341.56	-	752
Hyperlocal Orders/Shipments	millions	94.79	-	-
Total Orders/Shipments	millions	436.36	377.26	-
Period-on-Period Growth	%	24.56	4.97	-
Pin codes Reach	#	14387	-	18833
No of Touchpoints	#	3964	-	-
Avg Quarterly Unique Partners	#	151385	-	-
Express Revenue	₹ mn	17160.86	-	53175.16
Hyperlocal Revenue	₹ mn	5132.42	-	-
Other Logistics Services Revenue	₹ mn	2558.03	-	-
Revenue from operations	₹ mn	24851.31	57201.8	89319.01
Period-on-Period Revenue Growth	%	31.85	8.59	9.71
Profit/(loss) for period	₹ mn	64.26	2524.2	1621.1
Adjusted EBITDA	₹ mn	486.69	-	1475.06
Adjusted EBITDA Margin	%	1.96	-	1.65

KPI

Particulars	Unit	H1FY25	FY25	FY24	FY23
Express Orders	million	228.41	341.56	302.48	209.69
Hyperlocal Orders	million	66.03	94.79	47.84	49.42
Total Orders	million	294.45	436.36	350.32	259.11
Period-on-Period Growth Orders	%	50.11	24.56	35.20	72.04
Pin-Codes Reach	#	14758.00	14387.00	13169.00	7955.00
No of Touchpoints	#	4299.00	3964.00	3093.00	1817.00
Average Quarterly Unique Transacting Delivery Partners	#	205864.00	151385.00	101761.00	140468.00
Express Revenue	₹ in million	12387.31	17160.86	14945.90	10353.53
Hyperlocal Revenue	₹ in million	3593.47	5132.42	2538.95	2551.85
Other Logistics Services Revenue	₹ in million	2075.66	2558.03	1363.37	1245.86
Revenue from Operations	₹ in million	18056.44	24851.31	18848.22	14151.24
Period-on-Period Growth of Revenue	%	68.43	31.85	33.19	31.26
Profit/(loss) for the period/year	₹ in million	210.37	64.26	-118.82	-1426.38

Revenue Segmentation

Particulars	H1FY26	FY25	FY24	FY23
Express	12,387.31	17,160.86	14,945.90	10,353.53
Hyperlocal	3,593.47	5,132.42	2,538.95	2,551.85
Other Logistics Services	2,075.66	2,558.03	1,363.37	1,245.86
Total	**18,056.44**	**24,851.31**	**18,848.22**	**14,151.24**

Shadowfax Technologies Ltd.

January 17, 2026

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Income Statement

Y/E (INR mn)	FY23	FY24	FY25
Revenue	14,151.24	18,848.22	24,851.31
Expenses:			
Employee Cost	2137.36	2115.58	2655.81
Other Expenses	13148.57	16618.92	21633.64
Total Expenses	15,285.93	18,734.50	24,289.45
EBITDA	-1,134.69	113.72	561.86
EBITDA Margin %	-8.02	0.6	2.26
Interest	129.36	71.56	144.11
Depreciation	240.01	277.58	652.41
Other Income	77.68	116.60	295.26
PBT	-1,426.38	-118.82	60.60
PAT	-1,426.38	-118.82	64.26
EPS	-3.38	-0.28	0.13

Balance Sheet

Y/E (INR mn)	FY23	FY24	FY25
Source of funds			
Equity Share Capital	2.31	2.40	1517.89
Instruments entirely equity in nature	48.80	2490.70	2604.83
Reserves	1712.04	1724.66	2481.55
Total Share holders funds	1763.15	4217.76	6604.27
Total Debt	607.29	315.03	64.59
Lease Liabilities	59.65	88.25	1,257.73
Curent Liabilities	2,314.18	3,443.37	4,938.82
Trade Payables	941.48	1452.19	2147.65
Total Non-Current Liabilities	349.94	200.24	1,049.46
Total Liabilities	4,427.28	7,861.37	12,592.55
Application of funds			
Fixed Assets	656.15	893.73	1166.83
Cash and Bank	861.84	1028.11	1912.80
Current Assets	3208.54	6195.20	8922.57
Trade Receivables	1570.24	1836.38	3290.63
Other current assets	34.48	16.25	65.70
Total Assets	4,427.28	7,861.37	12,592.55

Cash Flow

Y/E (INR mn)	FY23	FY24	FY25
Profit Before Tax	-1426.38	-118.82	60.60
Adjustment	523.02	394.94	854.87
Changes In working Capital	202.32	957.49	-552.94
Cash Flow after changes in Working Capital	-701.04	1233.61	362.53
Tax Paid	-27.30	81.91	136.14
Cash From Operating Activities	-728.34	1315.52	498.67
Cash Flow from Investing Activities	-397.98	-3114.90	-1,192.65
Cash from Financing Activities	896.06	2003.55	1303.9
Net Cash Inflow / Outflow	-230.26	204.17	609.92
Opening Cash & Cash Equivalents	1036.06	805.80	1,009.97
Closing Cash & Cash Equivalent	805.80	1009.97	1619.89

Key Ratios

Y/E (INR mln)	FY23	FY24	FY25
Growth Ratio			
Net Sales Growth(%)	-	33.19	31.85
EBITDA Growth(%)	-	110.02	394.07
PAT Growth(%)	-	91.67	154.08
Margin Ratios			
EBITDA	-8.02	0.6	2.26
PBT	-10.08	-0.63	0.24
PAT	-10.08	-0.63	0.26
Return Ratios			
ROA	-32.22	-1.93	0.63
ROE	-173.82	-14.72	3.56
ROCE	-52.15	0.75	4.90
Turnover Ratios			
Asset Turnover(x)	3.20	3.07	2.43
Inventory Turnover(x)	-	-	-
Fixed Asset Turnover (x)	9.84	10.85	7.18
Solvency Ratios			
Debt/Equity(x)	0.70	0.10	0.01
Current Ratio(x)	1.39	1.80	1.81
Quick Ratio(x)	1.39	1.80	1.81
Interest Cover(x)	-6.50	0.18	1.28
Valuation Ratios			
P/E	-	-	953.85
P/B	-	-	4.32
EV/EBITDA	-	-	124.30
EV/Sales	-	-	2.81

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