ArihantCapital
Generating Wealth

IPO Note
4th August, 2026

LEAP India Ltd

Neutral

Rating: Neutral

Issue Offer

Total issue size:
Fresh - INR 4,800 Mn (30.19 Mn shares)
Offer for Sale – INR 20,000 Mn (125.79 Mn shares)

Issue Summary	
Price Band (INR)	151-159
Face Value (INR)	1
Implied Market Cap (INR mn)	70,045.3
Market Lot	94
Issue Opens on	7th August, 2026
Issue Close on	11th August, 2026
No. of share pre-issue	41,03,47,780
No. of share post issue	44,05,36,459
Listing	NSE, BSE

Issue Break-up (% of Total Issue)	
QIB Portion	50
Retail Portion	35
NII Portion	15

Book Running Lead Managers
JM Financial Limited
Avendus Capital Private Limited
IIFL Capital Services Limited
UBS Securities India Private Limited

Registrar
MUFG Intime India Private Limited

Shareholding Pattern		
	Pre-Issue	Post-Issue
Promoters	91.48%	67.62%
Public & Others	8.52%	32.38%

Objects of the Issue	
Repayment/ prepayment, in full or part, of all or certain outstanding borrowings availed by our Company	3,600
General Corporate Purposes	-

Abhishek Jain
abhishek.jain@arihantcapital.com
022-67114871

LEAP India Limited is India's largest on-demand supply-chain asset-pooling company, providing pallets, crates, foldable containers, utility boxes and material-handling equipment to customers across FMCG, food and beverages, e-commerce, automotive, retail and logistics. Its "share and reuse" model allows customers to access supply-chain assets without owning and maintaining them, reducing capital expenditure and improving logistics efficiency. LEAP has an estimated 90% share of India's pallet-pooling market and manages approximately 14.70 million pooled assets, according to Frost & Sullivan.

Investment Rationale:

Strong Revenue Growth: Revenue increased from INR 3,649.71 million in FY24 to INR 7,295.33 million in FY26, representing a two-year CAGR of approximately 41.3%. Growth was driven by higher pallet deployments and increasing adoption of outsourced logistics infrastructure. However, declining EBITDA margins indicate operating leverage is yet to fully materialise.

Dominant Market Position with Strong Competitive Moat: LEAP India is the largest organised pallet-pooling company in India, with an estimated 90% market share and a managed fleet of approximately 14.70 million pooled assets. Its nationwide network, customer relationships and asset-tracking capabilities create significant scale advantages and high entry barriers. With no directly comparable listed Indian peer, LEAP occupies a differentiated position in India's logistics ecosystem.

Asset-Light Solution with Attractive Industry Economics: LEAP benefits from the shift from asset ownership to asset access, allowing customers to reduce capital expenditure while generating recurring rental income from pooled assets. The model offers operating leverage as utilisation improves, though returns remain dependent on utilisation, maintenance costs and asset losses.

Structural Industry Tailwinds with Multiple Growth Drivers: The Indian pallet-pooling market is expected to grow at a CAGR of approximately 13.6% between FY25 and FY30, supported by e-commerce, organised retail, FMCG, third-party logistics, warehousing and cold-chain expansion. Given its dominant market share, future growth is expected to come from market expansion, higher asset utilisation and cross-selling rather than further market-share gains.

Balance Sheet Strengthening: Approximately INR 3,600 million of the INR 4,800 million fresh issue is proposed to be used for debt repayment, which should reduce finance costs and strengthen financial flexibility, although a significant portion of the IPO comprises an Offer for Sale.

Valuation & Outlook:

LEAP India offers a unique play on the formalisation of India's supply-chain infrastructure, backed by a dominant pallet-pooling franchise, strong revenue growth and favourable industry tailwinds. However, declining EBITDA margins despite rapid scale-up, the model's sensitivity to utilisation and asset recovery, and the absence of direct listed peers temper near-term earnings visibility and valuation comfort. These concerns are amplified by the steep IPO valuation, with the issue priced at around 112x earnings, which already discounts a large part of the long-term growth thesis. While the planned deleveraging from IPO proceeds should support margins and returns over the medium term, we believe the risk–reward is not compelling at the offer price. **We therefore assign a "Neutral" rating to the IPO.**

Particulars (INR Mn)	FY24	FY25	FY26
Revenue	3649.71	4664.72	7295.33
Growth (% YoY)		*27.81%*	*56.39%*
EBITDA	2029.45	2552.38	3610.07
Margins	*55.61%*	*54.72%*	*49.48%*
PAT	371.74	375.58	623.41
Margins	*10.19%*	*8.05%*	*8.55%*

Arihant Research Desk

Email: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park	
Building No. 10, 1st Floor	Arihant House
Andheri Ghatkopar Link Road	E-5 Ratlam Kothi
Chakala, Andheri (E)	Indore - 452003, (M.P.)
Mumbai – 400093	Tel: (91-731) 3016100
Tel: (91-22) 42254800	Fax: (91-731) 3016199
Fax: (91-22) 42254880	

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: ‘Arihant’ to 56677	www.arihantcapital.com	instresearch@arihantcapital.com

Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800Fax. 022-42254880

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Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

Abhishek Jain
Head of Research
Abhishek.jain@arihantcapital.com

Abhishek Chhajed Jain
Digitally signed by Abhishek Chhajed Jain
Date: 2026.08.06 18:40:05 +05'30'