ADITYA BIRLA CAPITAL
STOCKS & SECURITIES

Shiprocket

Monetising India's growing merchant ecosystem

SUBSCRIBE

Internet | IPO Note | August 11, 2026

Price Band (Rs): 92 - 97

We recommend SUBSCRIBE to the IPO of Shiprocket, driven by its market leadership in India's commerce enablement ecosystem, scalable merchant franchise, improving operating leverage and multiple monetisation opportunities across shipping, fulfillment, cross-border commerce, checkout and merchant solutions. The company has delivered a 24% revenue CAGR over FY24-26. While the core business contributed 73.4% of FY26 revenue and grew at a 17.0% CAGR, emerging businesses expanded at a 52.6% CAGR and accounted for 26.6% of revenue in FY26. Consolidated Adj. EBITDA margin has improved from -9.7% to 0.9%, with core Adj. EBITDA margin expanding from 6.7% in FY24 to 12.6% in FY26. We believe Shiprocket is well-positioned to benefit from structural tailwinds including rising e-commerce penetration, increasing MSME digitisation, growing D2C adoption, expanding cross-border trade and India's recently signed free trade agreements (FTAs). At the upper end of the price band, the IPO is valued at 3.6x FY26 EV/Sales, which appears attractive relative to comparable platform peers, supported by Shiprocket's market leadership, strong growth trajectory, and improving profitability profile.

Merchant acquisition engine with significant wallet-share opportunity

Shiprocket has built one of India's largest merchant ecosystems, serving 214k+ active merchants and 10k power merchants. Its shipping business acts as a scalable merchant acquisition engine, creating cross-sell opportunities across fulfillment, checkout, cross-border commerce, customer engagement, and merchant financing. In our view, deeper product adoption within its existing merchant base will drive higher wallet share, improve merchant retention, and serve as a key driver of long-term revenue growth and profitability.

Expanding from shipping aggregator to commerce operating system

Shiprocket has evolved from a shipping-focused platform into a broader commerce enablement ecosystem spanning fulfillment, checkout, cross-border logistics, customer engagement, and merchant financing. Emerging businesses grew at a 52.6% CAGR over FY24-26, increasing their revenue contribution from 17.6% to 26.6%. We believe continued cross-sell across these offerings enhances monetisation, diversifies revenue streams, and reduces dependence on domestic shipping revenues.

Cross-border commerce emerging as a key growth contributor

Shiprocket serves merchants across 169 countries through key global trade corridors. As Indian brands increasingly expand internationally, the company is well-positioned to benefit from rising export-led e-commerce. We believe cross-border solutions offer a meaningful long-term growth opportunity given their higher revenue intensity and superior unit economics relative to domestic shipping.

Asset-light model supports scalability and operating leverage

Unlike traditional logistics companies, Shiprocket does not own transportation infrastructure and instead focuses on technology, merchant acquisition, and ecosystem orchestration. This asset-light model enables efficient scaling, lower capital intensity, and stronger operating leverage, as reflected in the improvement in consolidated EBITDA margin from -9.7% in FY24 to 0.9% in FY26.

Key Risks

(1) Pricing pressure in the core shipping business. (2) Newer businesses such as checkout, cross-border and merchant financing may take longer to scale. (3) Dependence on third-party logistics partners could impact service quality. (4) Merchant churn within the SME and D2C ecosystem may affect growth. (5) Competition from logistics, marketplace and software players could pressure margins. (6) Merchant financing introduces credit and regulatory risks.

Company Background

Shiprocket is a leading commerce enablement platform serving 214k+ active merchants across shipping, fulfillment, checkout, cross-border commerce, customer engagement, and merchant financing. Over FY24-26, revenue grew at a 24% CAGR to Rs20.2bn, while profitability improved materially, with Adjusted EBITDA margin expanding from -9.7% to 0.9% and core business EBITDA margin increasing from 6.7% to 12.6%, reflecting improving scale and operating leverage.

Issue Details	
Issue Opens	August 12, 2026
Issue Closes	August 14, 2026
Type of Issue	OFS (75,462,363 shares) IPO (91,299,203 shares)
Face Value (Rs)	10
Price Band (Rs)	92 - 97
Bid Lot/ Bid Size	154 shares / Rs 14,938
Issue Size at upper price band (Rs bn)	16.2
Market Cap at upper price band (Rs bn)	70.6
Issue Structure	QIB- 75%, HNI- 15%, Retail- 10%
BRLMs	Axis Capital, BofA Securities India, JM Financial, Kotak Mahindra Capital
Registrar	KFin Technologies

Shareholding Pattern (%)	Pre-Issue	Post-Issue
Promoter	-	-
Public	100.0	100.0

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From Merchant Acquisition to Platform Monetisation

Multiple growth levers support wallet-share expansion

- **Scaled merchant ecosystem provides a large monetisation opportunity:** Shiprocket serves 214k+ active merchants and ~10k power merchants as of FY26, with shipping acting as the primary merchant acquisition engine. We believe that increasing adoption of fulfillment, checkout, customer engagement, cross-border commerce, and financing solutions will drive higher wallet share and revenue per merchant over time.

- **Emerging businesses are scaling rapidly**: Emerging business revenue grew at a 52.6% CAGR over FY24-26, increasing its contribution to revenue from 17.6% in FY24 to 26.6% in FY26. This diversification continues to broaden Shiprocket's addressable market while reducing reliance on domestic shipping revenues.

- **Cross-border commerce expands the growth runway:** Shiprocket enables merchants to sell across 169 countries through key global trade corridors. As Indian SMEs and D2C brands increasingly expand internationally, cross-border solutions offer a large and underpenetrated monetisation opportunity. Furthermore, India's recently signed FTAs are expected to create an additional tailwind for the company's cross-border commerce business.

Platform expansion supports monetisation and operating leverage

- **Transitioning from shipping aggregator to commerce operating system:** Shiprocket has expanded beyond shipping into fulfillment, checkout, customer engagement, cross-border logistics, and merchant financing, creating multiple monetisation touchpoints across the merchant lifecycle and diversifying its revenue base.

- **Improving merchant economics support revenue growth:** Power Merchant ARPU increased from Rs1.3mn in FY24 to Rs1.8mn in FY26, representing a 17.9% CAGR, reflecting stronger product adoption and deeper engagement among high-value merchants.

- **Customer acquisition efficiency continues to improve:** Core business CAC declined from Rs 4,101 in FY24 to Rs 2,829 in FY26, while the repeat consumer rate improved from 46.8% to 57.8%, supporting efficient merchant acquisition and stronger customer retention.

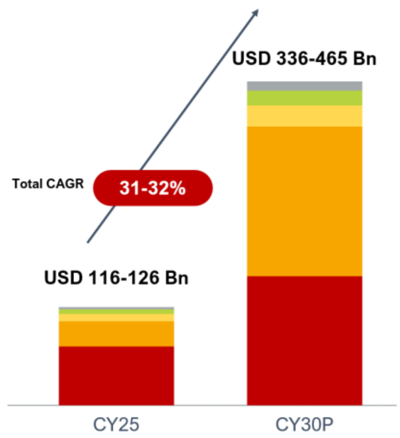
Operating leverage driving profitability

- **Scale is translating into profitability driven by operating leverage:** Revenue grew at a 24% CAGR during FY24-26 to Rs20.2bn, while consolidated Adjusted EBITDA improved from a loss of Rs1.3bn in FY24 to a profit of Rs177mn in FY26.

- **Core business profitability continues to strengthen:** Core business EBITDA margin expanded from 6.7% in FY24 to 12.6% in FY26, demonstrating stronger operating leverage and the scalability of the company's asset-light business model.

- **Emerging businesses provide long-term earnings optionality:** While still in investment mode, rapid growth in cross-border commerce, checkout, and merchant solutions creates a pathway for future margin expansion as these businesses mature, scale, and improve their contribution to the overall revenue mix.

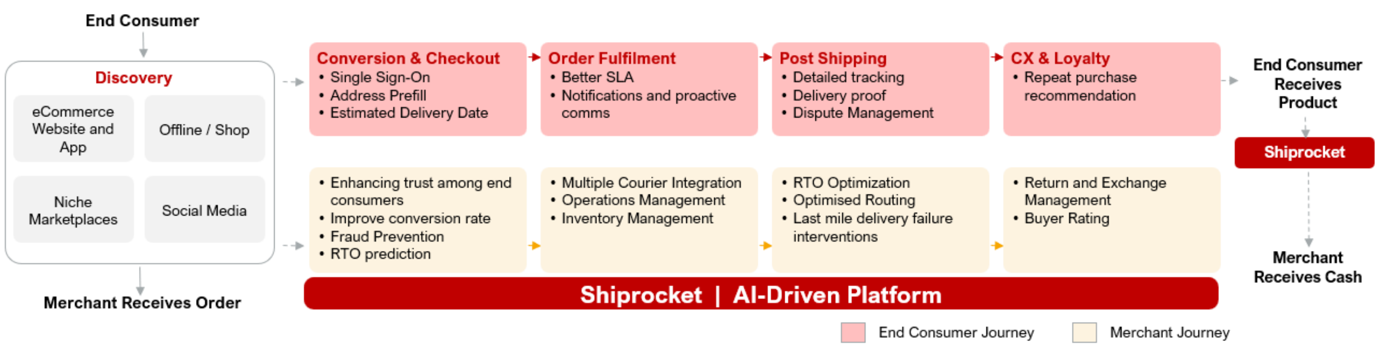
Exhibit 1: E-Commerce enablement TAM to grow at 31-32% CAGR over CY25-CY30P



Segment (USD Bn)	CY25	CY30P	CAGR
Other Marketplaces	2-3	9-11	14-18%
Digitally enabled social commerce	4-7	11-26	40-50%
Direct commerce	9-11	21-32	20-25%
In-store sales	29-33	157-215	40-45%
MSME Exports	72	139-180	14-20%

Source: Company RHP, ABM Research

Exhibit 2: Integrated platform spanning multiple commerce enablement solutions

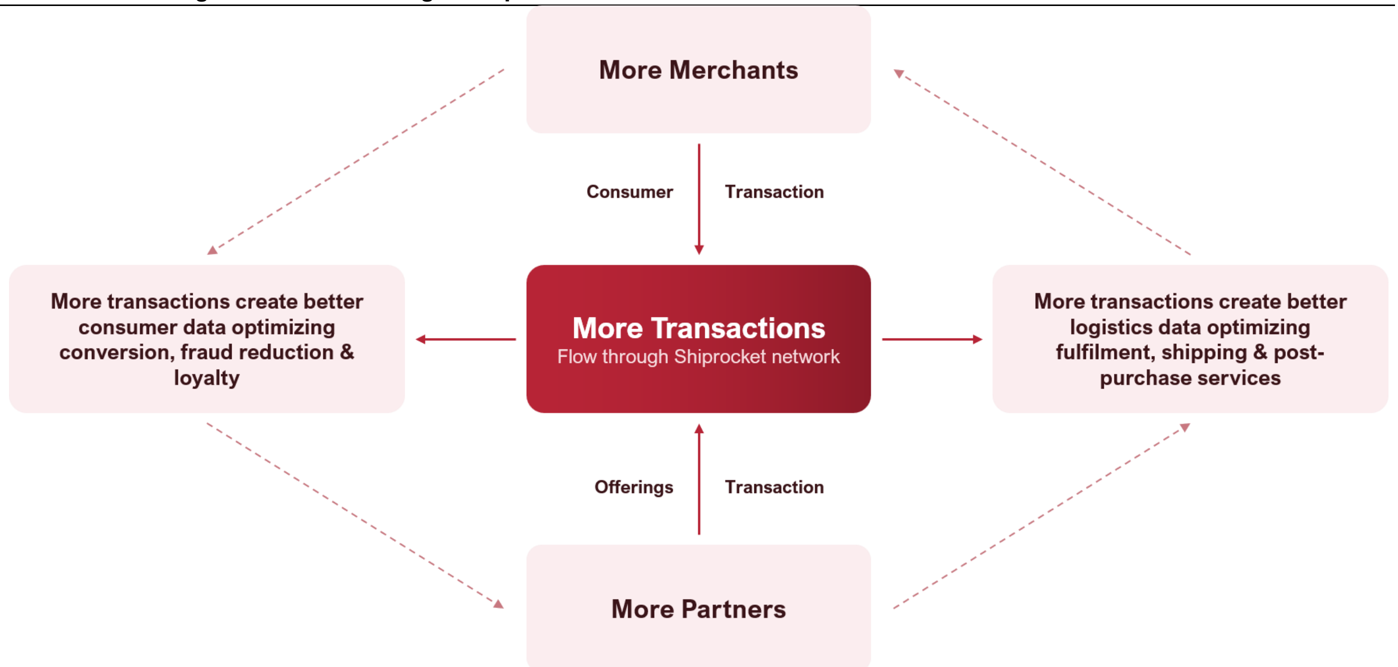


Source: Company RHP, ABM Research

Transaction-led flywheel strengthens network effects

Shiprocket's expanding merchant base drives higher transaction volumes across its platform, generating richer consumer and logistics data. This data advantage improves fulfillment efficiency, merchant outcomes and product capabilities, while attracting additional ecosystem partners and enabling cross-sell opportunities across checkout, fulfillment, cross-border commerce and fintech offerings. We believe the resulting network effects strengthen merchant retention, enhance monetization potential and create a scalable growth flywheel that can drive sustainable revenue growth over time.

Exhibit 3: Growing transactions strengthens platform monetisation



Source: Company RHP, ABM Research

Exhibit 4: Financial KPI's

	Unit	FY24	FY25	FY26	FY24-FY26 CAGR (%)
Overall Financial Performance					
Revenue from Operations	Rs mn	13,159.8	16,320.1	20,241.4	24.0
Revenue Growth	%	20.9	24.0	24.0	
Contribution Margin	Rs mn	1,974.3	3,062.8	3,712.0	37.1
Contribution Margin as % of Revenue	%	15.0	18.8	18.3	
Adjusted EBITDA	Rs mn	-1,279.6	70.3	176.5	NM
Adjusted EBITDA Margin	%	-9.7	0.4	0.9	
Loss for the Year	Rs mn	-5,951.8	-744.5	-792.5	NM
Loss Margin	%	-45.2	-4.6	-3.9	

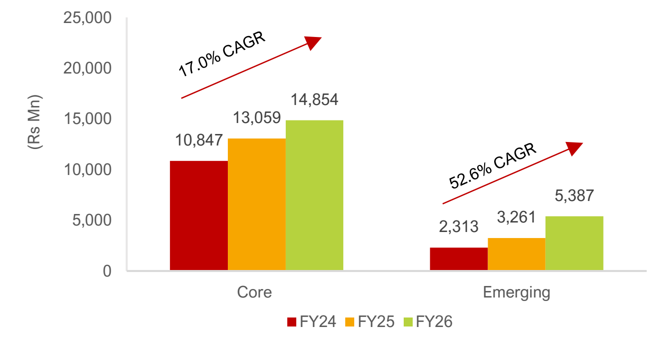
Source: Company RHP, ABM Research

Exhibit 5: Operational KPI's

	Unit	FY24	FY25	FY26	FY24-FY26 CAGR (%)
Power Merchants	Count	9,020.0	10,005.0	10,090.0	5.8
Power Merchant ARPU	Rs mn	1.3	1.4	1.8	17.9
Revenue from Operations per Employee	Rs mn	10.2	12.8	14.8	20.5
New Merchants Added - Emerging Business	Count	3,758.0	8,204.0	23,683.0	
CAC for Core Business	Rs	4,101.0	3,361.0	2,829.0	-16.9
CAC for Overall Business	Rs	6,384.0	5,742.0	5,830.0	-4.4
End Consumers Served (Core Business)	mn	48.3	61.6	69.6	20.0
New End Consumers Served (Core Business)	mn	25.7	30.1	29.4	6.9
Repeat End Consumers Served (Core Business)	mn	22.6	31.5	40.2	33.3
Repeat Rate of End Consumers Served	%	46.8	51.1	57.8	
Revenue per Product & Technology Team Employee	Rs mn	33.4	48.0	60.6	34.7

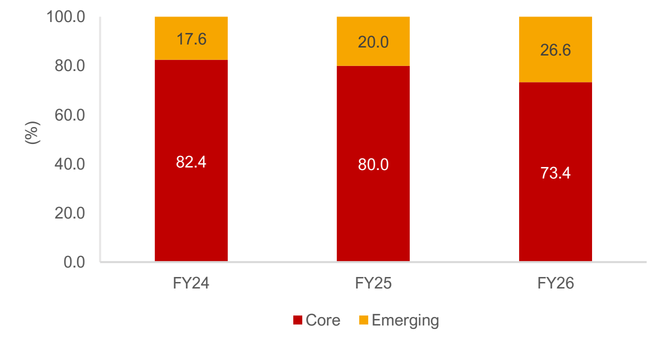
Source: Company RHP, ABM Research

Exhibit 6: Growth is led by Emerging businesses…



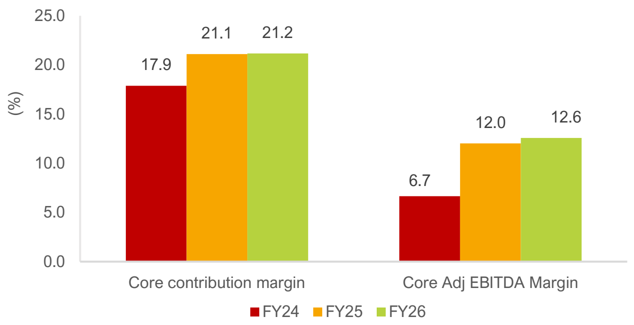
Source: Company, ABM Research

Exhibit 7: …resulting in expanding Emerging mix



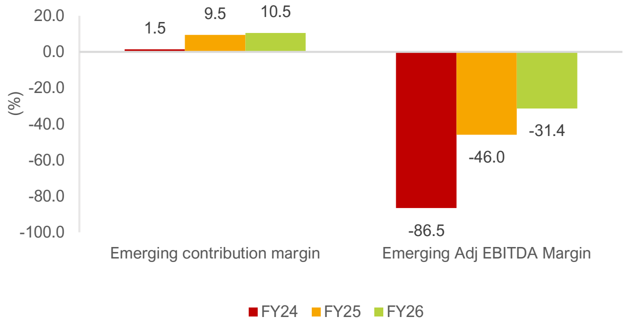
Source: Company, ABM Research

Exhibit 8: Core business profitability improving



Source: Company, ABM Research

Exhibit 9: Emerging business losses reducing



Source: Company, ABM Research

Exhibit 10: Peer Valuation

Company	Revenue (Rs Mn)			Adj. EBITDA Margin (%)			PAT (Rs Mn)			P/E Ratio (x)	EV/Sales (x)	ROCE (%)
	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26			
Shiprocket	13,160	16,320	20,241	-9.7	0.4	0.9	-5,952	-744	-792	NA	3.6	-0.9
Unicommerce	1,036	1,348	2,043	17.5	21.1	21.5	131	176	205	43.8	4.5	15.6
Shopify	644,931	815,973	1,075,842	NA	NA	NA	-18,183	140,070	115,884	117.7	16.4	9.8
Global-E Online	52,042	69,319	89,123	16.6	19	21.2	-10,681	-5,338	10,134	45.0	6.3	7.5
BigCommerce	27,666	29,140	30,173	2.6	8.4	10.6	-4,258	-1,826	-1,328	NA	0.5	-53.2

Note: P/E, EV/Sales and ROCE for FY26/CY25; Source: Company RHP, Bloomberg, ABM Research

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