IPO NOTE

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Shiprocket Limited

12th August, 2026

Recommendation	Subscribe for Long term
Price Band	Rs 92- Rs 97
Bidding Date	12-August-2026 to 14-August-2026
Book Running Lead Manager	Axis capital
Registrar	Kfin
Sector	Logistics
Minimum Retail Application- Detail At Cut off Price	
Number of Shares	154
Minimum Application Money	Rs. 14938
Payment Mode	ASBA

Consolidated Financials (Rs Cr)	FY25	FY26
Total Income	1,632	2,024
Adj EBITDA	-60	-67
Adj PAT	-74	-79

Valuations (FY25)	Upper Band
Market Cap (Rs Cr)	7,057
Adj EPS	-1.1
PE	-89.1
EV/ Sales (x)	3.5
Enterprise Value (Rs Cr)	7111
Post Issue Shareholding Pattern	
Public investors	71.9%
Institutions + Employees	28.1%
Offer structure for different categories	
QIB (Including Mutual Fund)	75%
Non-Institutional	15%
Retail	10%
Post Issue Equity (Rs. in Cr)	727.5
Issue Size (Rs in Cr)	1617
Face Value (Rs)	10

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Sr Research Analyst (022 62738034)

BACKGROUND

Shiprocket is an **asset-light, technology-led e-commerce enablement platform** for MSMEs and brands in India. It operates as an "operating system for commerce", integrating logistics, fulfilment, checkout, marketing, cross-border shipping and financing through a single interface and mobile app.

Objects and Details of the Issue: The issue is a combination of fresh issue of 9.13 cr shares aggregating to Rs 885.5 crs and offer for sale of 7.55 cr shares aggregating to Rs.731.98 cr totaling to Rs.1617.48 cr. Funds will be utilized to invest in growth areas, repay debt and fund inorganic growth.

Investment Rationale

1. Profitable and Scalable Core Business with Operating Leverage
2. Continuously expanding product offerings enabling cross-sales
3. Investments in Emerging Business to unlock growth for the Merchant's businesses and expand TAM.

Risks

- Over 80% of logistics is handled by the top 5 vendors, suggesting concentration risk.
- High competition in e-commerce enablement and logistics markets.
- Technology failures or outages could disrupt operations.

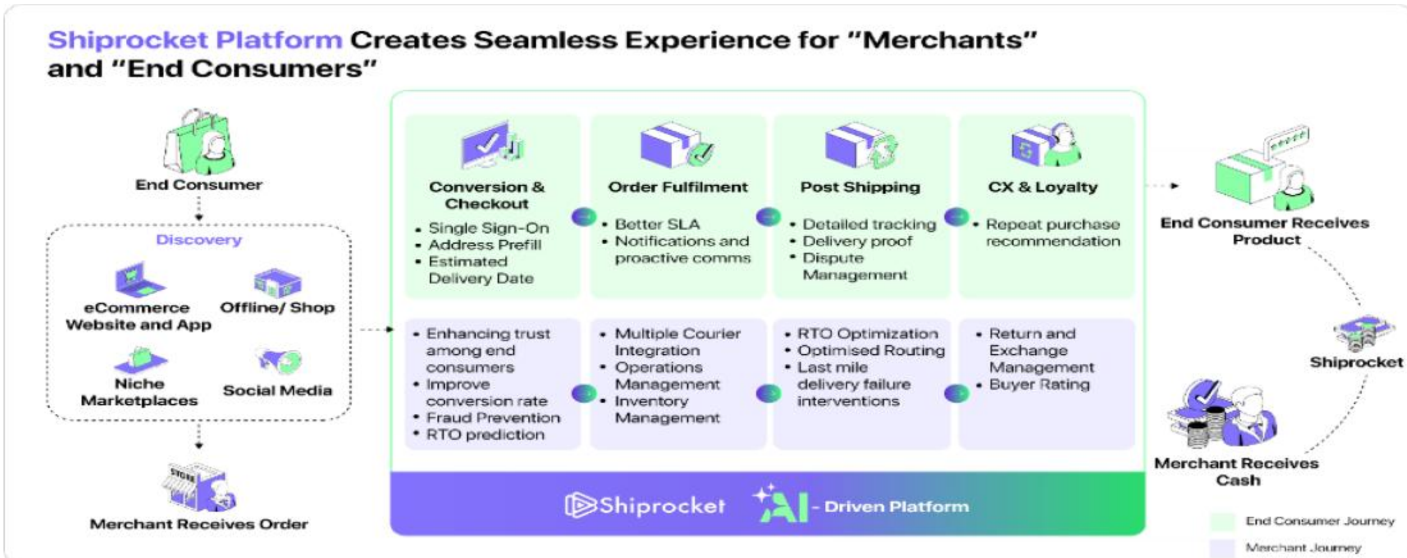
Valuation and Recommendation

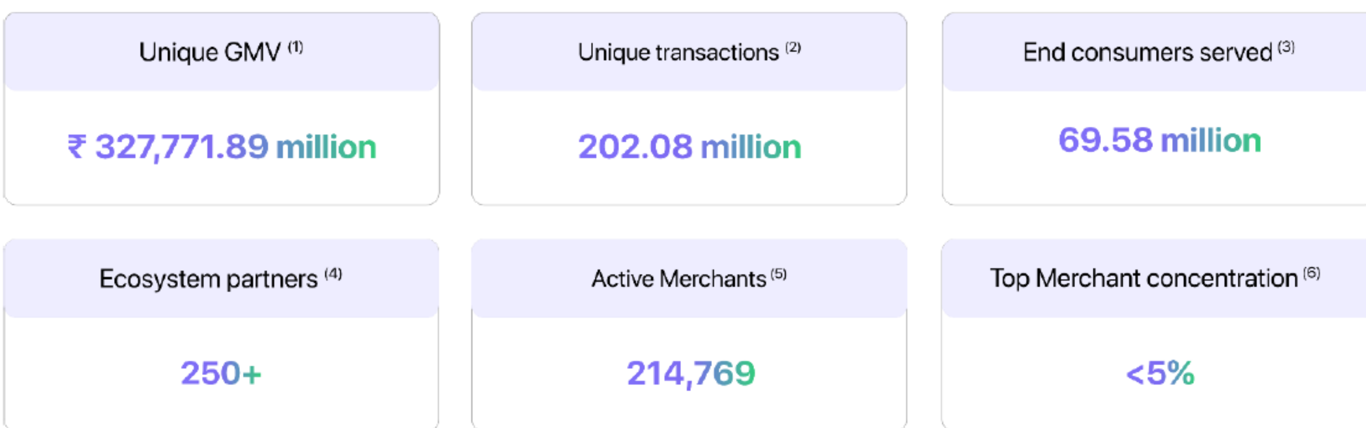
Shiprocket is a high-growth, loss-making but improving commerce platform with a large merchant base and multiple revenue levers. The investment case hinges on sustained growth, cross-selling, and margin expansion toward profitability. Company's core shipping platform remains the principal revenue generator, while newer businesses such as cross-border solutions, checkout technology and merchant-focused software are expanding faster than the core business. Revenues have grown at a CAGR of 40% during FY24-26 with narrowing operating losses. At the upper price band, Shiprocket is seeking a post-issue market capitalization of ~ Rs. 7,058 cr, around 30% below its last reported private-market valuation of roughly Rs 10,000 cr and at ~3.5x EV/Sales in FY26, it is priced at a discount compared to pure-play logistics tech peers like Delivery (~4.0x–4.5x EV/Sales) and thus we recommend 'Subscribe' with a long term view.

Financials	FY24	FY25	FY26
Net Revenues	1,316	1,632	2,024
Growth (%)		24.0%	24.0%
EBITDA	(293)	(60)	(67)
EBITDA (Margin %)	-22.3%	-3.7%	-3.3%
PBT	(595)	(74)	(79)
Adjusted PAT	(595)	(74)	(79)
EPS	-8.2	-1.0	-1.1
ROCE	-40.9%	-5.5%	-6.0%
EV/Sales	5.4	4.4	3.5
EV/EBITDA	-24.2	-118.6	-106.9
P/E	-11.9	-94.8	-89.1

Company Background

Shiprocket is an end-to-end, new age, merchant-first, and API-led technology platform designed to enable e-commerce transactions for India's MSMEs and Large Retailers. It's Shiprocket platform simplifies logistics, checkout, payments, fulfilment, and cross-border trade, enabling Merchants to sell online and offline efficiently and at scale. According to the Redseer Report, Shiprocket is the largest new-age end-to-end horizontal e-commerce enablement platform (in terms of revenue from operations) registered in India in FY26. It's platform is purpose-built to simplify e-commerce for Merchants who sell directly to end consumers through their own websites, apps or social media channels ("Direct Commerce").





Investment Rationale

Profitable and Scalable Core Business with Operating Leverage

Company's platform-based business model allows the company to rapidly expand into new shipping modes such as same-day/next day delivery and provide other value added offerings in the form of Shipping Apps to address market trends, without the constraint of physical infrastructure and avoid the associated costs for such infrastructure. It does not own delivery fleets or fulfilment centres allowing the Co to operate with lower capital investment and higher flexibility. Shiprocket's common technology infrastructure comprising Merchant management, billing, support, and CRM tools, enable faster and cost efficient execution.

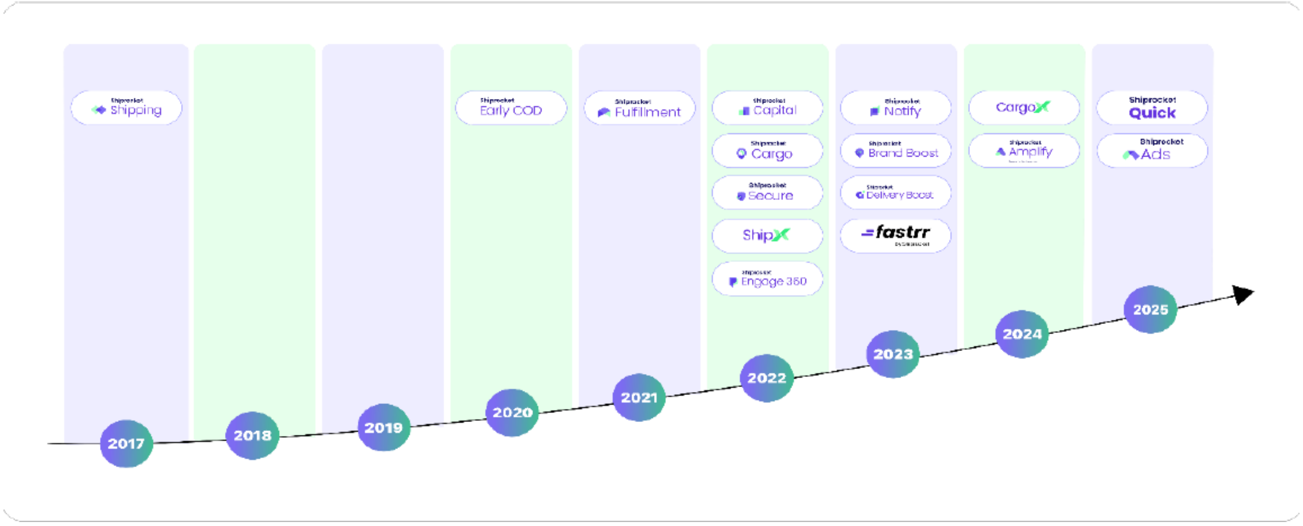
The ability to scale without significant infrastructure investments reinforces the long-term sustainability of the business and strengthens its ability to support Merchants at different stages of their growth.

Core Business (Rs. In Cr)	FY24	FY25	FY26
Revenues	1084.7	1305.9	1485.4
Adj Ebidta	72.2	156.9	186.7
Power Merchants (Count)	8599	9242	8815
Power Merchants (ARPU)	1.12	1.28	1.54

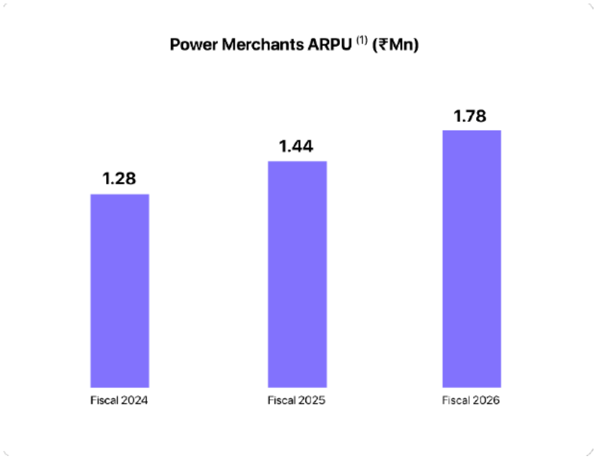
Shiprocket served a diversified Merchant base of 214,769 Active Merchants in FY26. Online retail contributed ~ 8% of the total retail GMV as of CY25 and is projected to increase to around 14-15% by CY30, growing at a CAGR of 20-25% as digital channels continue to transform the Indian retail landscape. To retain and attract Merchants, Company is expanding its product offerings to address key Merchant challenges in payments, capital, shipping and fulfilment, and cross-sell existing and new products. Growth of Merchant base and increases in revenue per Merchant and transaction volumes will enable the Co to improve its overall unit economics, resulting in higher margins and ARPU and revenue retention across the Core Business and Emerging Business segments.

Continuously expanding product offerings driving cross-sales

Shiprocket plans to open new regional offices in Western and Southern parts of India, adding to existing eight regional offices in Gurugram, Surat, Jaipur, Bangalore, Mumbai and Delhi, to enable them to extend in-person, localized support to more Merchants and also enable them to develop more on-the-ground insights on those regions. Co has touched 69.58 mn end consumers in India in FY26 as compared to 48.32 mn in FY24, marking a CAGR of 20.00%.



Co plans to continue adding new products and premium services on its platform that serve a variety of use cases in order to drive cross-sales and Merchant acquisition and retention, and enable it to tap into high margin opportunities.



Growth of the product portfolio will improve its Merchant retention ratios, increasing revenue per Merchant, which translates into higher margins for its Core Business and Emerging Business.

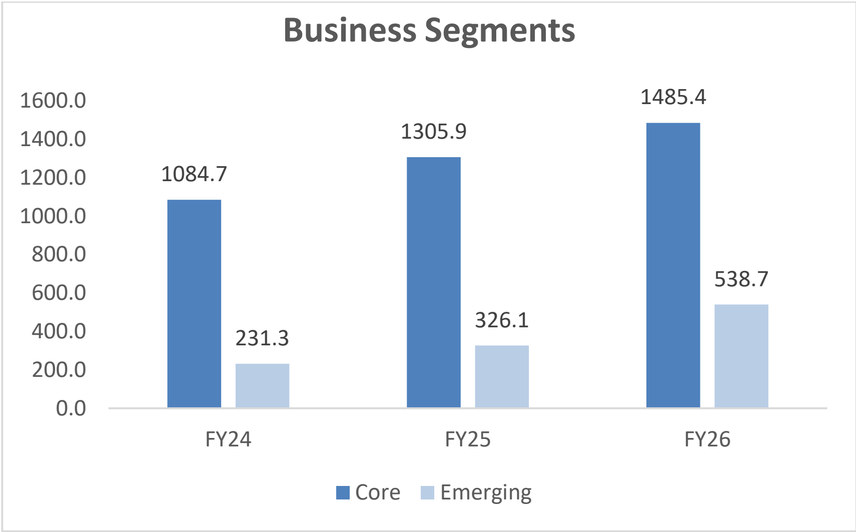
Investments in Emerging Business to unlock growth for the Merchant's businesses and expand TAM

Shiprocket with diverse technology offerings has demonstrated how its Core Business addresses key challenges related to shipping. Similarly, now they intend to replicate these offerings by connecting service and technology providers with Merchants to meet their offshore and intracity shipping demands through its Emerging Business offerings, including cross-border platform and hyperlocal deliveries. This will further enhance the user experience for Merchants and enable them to grow their business. Company plans to make strategic investments in companies that align with its business offerings, such as those that provide ads and marketing solutions as well as hyperlocal deliveries and same-day deliveries. In addition, they plan to invest in marketing initiatives to build awareness of its offerings, including data analytics, brand and content marketing and scaling partnerships to deliver the offerings to less connected regions.

Moreover, enabled cross-border trade for 5,884 Merchants with an aggregate GMV of Rs.5,081.54 mn through a network of 21 partners in FY26 by offering a virtualized network of shipping lanes powered by in-house technology and plans to continue growing the Cross-border business and lower the entry barriers and operational risks for smaller businesses in cross-border trade. Company also aims to expand its hyperlocal delivery capabilities to meet growing demand for faster deliveries by partnering with dark store networks to optimize inventory and place products closer to end consumers, to enable faster deliveries and an improved end consumer experience. It plans to partner with logistics providers to enable a comprehensive last-mile delivery fleet network for hyperlocal, intra-city deliveries using bikes, light commercial vehicles and three-wheelers.

Financials

Overall Revenues have grown at a cagr of 41% during FY24-26. The core business in FY26 saw growth of 14% while the emerging business has seen growth of 65%.



Valuation and Recommendation

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Peer Competition

FY26	Unicommerce	Delhivery	Ship rocket
Revenue	204	10,508	2,024
CAGR (FY24-26)	40%	14%	24%
EBITDA Margin	17.3%	6.1%	-3.3%
Asset Turns (x)	0.8	0.8	0.8
Wkg Cap Days	20	48	(6)
ROCE	13.2%	-0.6%	-5.8%
ROE	10.6%	1.6%	-5.2%
Debt/Equity	0.0	0.0	0.2
EV/EBITDA	26.8	57.4	-106.9
EV/Sales	4.6	4.5	3.5
P/E	46.9	231.9	-89.1

Financials

Consolidated

P&L (Rs. Cr)	FY24	FY25	FY26
Net Revenue	**1,316.0**	**1,632.0**	**2,024.1**
% Growth		*24.0%*	*24.0%*
COGS	1,012.3	1,220.7	1,515.0
% of Revenues	*76.9%*	*74.8%*	*74.8%*
Employee Cost	430.8	314.9	379.5
% of Revenues	*32.7%*	*19.3%*	*18.7%*
Other expenses	166.2	156.4	196.2
% of Revenues	*12.6%*	*9.6%*	*9.7%*
EBITDA	**-293.37**	**-59.97**	**-66.53**
EBITDA Margin	*-22.3%*	*-3.7%*	*-3.3%*
Depreciation	76.0	35.2	36.3
Other Income	41.9	42.8	53.3
Interest (Finance cost)	23.3	22.1	26.4
Exceptional Item	244.4	**0.0**	3.3
PBT	**-595.2**	**-74.4**	**-79.2**
PBT Margin	*-45.2%*	*-4.6%*	*-3.9%*
Share of profit / (Loss) of jv	*0.0*	*0.0*	*0.0*
Tax	0.0	0.0	0.0
PAT	**-595.2**	**-74.4**	**-79.2**
PAT Margin	*-45.2%*	*-4.6%*	*-3.9%*
% Growth		*-87.5%*	*6.4%*
EPS (Post Issue)	**(8.2)**	**(1.0)**	**(1.1)**

Balance Sheet (Rs. Cr)	FY24	FY25	FY26
Equity Share Capital	0.5	0.6	636.3
Instruments equity in nature	57.7	59.5	0.0
Other Equity/non controlling int	1,227.9	1,431.1	888.1
Networth	**1,286.2**	**1,491.3**	**1,524.3**
Total Loans	**213.3**	**244.7**	**242.0**
Non-current Provisions	5.3	8.5	12.4
Trade payable	202.0	229.4	272.2
Other Current Liab	241.8	244.9	351.1
Total Equity & Liab.	**2,051.2**	**2,308.6**	**2,504.7**
Property, Plant and Equipment	26.8	16.9	24.5
Other intangible assets	3.8	0.8	0.5
Right-of-use assets	96.1	81.1	88.6
Goodwill	915.3	915.3	915.3
Non Currrent Financial assets	238.6	8.0	458.5
Other non-current assets	68.6	32.0	0.8
Inventories	1.5	1.7	2.6
Investments - current assets	14.6	25.8	0.0
cash and cash equivalents	84.3	126.4	184.7
Bank bal	168.8	375.3	3.4
Other financial assets	285.2	528.2	517.2
Curent tax assets	30.8	24.2	42.1
Total Assets	**2,051.3**	**2,308.6**	**2,504.7**

Ratios & Others	FY24	FY25	FY26
Debt / Equity	0.17	0.16	0.16
EBITDA Margin (%)	-22.3%	-3.7%	-3.3%
PAT Margin (%)	-45.2%	-4.6%	-3.9%
Adj ROE (%)	-46.3%	-5.0%	-5.2%
Adj ROCE (%)	-40.9%	-5.5%	-6.0%

Turnover Ratios	FY24	FY25	FY26
Debtors Days	32.5	32.9	42.6
Inventory Days	0.4	0.4	0.5
Creditor Days	56.0	51.3	49.1
Asset Turnover (x)	0.6	0.7	0.8
Working capital cycle	(23.2)	(18.0)	(6.0)

Valuation Ratios	FY24	FY25	FY26
Price/Earnings (x)	(11.9)	(94.8)	(89.1)
EV/ EBITDA (x)	(24.2)	(118.6)	(106.9)
EV/Sales (x)	5.4	4.4	3.5
Price/BV (x)	5.5	4.7	4.6

Cash Flow (Rs. Cr)	FY24	FY25	FY26
Profit Before Tax	(595.2)	(74.4)	(79.2)
Dep, fin cost & other non-cash adjs	529.0	124.7	127.7
Op. profit before WC	**(66.2)**	**50.3**	**48.5**
Change in WC	(151.4)	(56.4)	22.0
Less: Tax	1.6	8.1	(17.9)
CF from operations	**(216.0)**	**1.9**	**52.6**
Purchase of PPE	(24.3)	(6.5)	(18.0)
Purchase of Other Investments	(0.5)	(2.5)	(13.1)
Investment MF units	7.2	(10.0)	26.9
Loan to Others	0.0	(26.0)	(4.0)
Interest received	42.9	20.6	70.5
Red of bank deposits	328.7	219.1	330.6
Invest in bank deposits	(178.2)	(338.6)	(339.7)
CF from Investing	**175.7**	**(144.0)**	**53.2**
Eq & pref share transactions	38.0	190.5	0.0
Repayment of lease liabilities	(27.2)	(24.2)	(28.1)
Interest paid on bank overdraft	(13.2)	(13.3)	(16.7)
CF from Financing	**(2.4)**	**152.9**	**(44.8)**
Net Change in cash	**(42.7)**	**10.8**	**61.0**
Cash & Bank at beginning	(86.2)	(129.0)	(118.2)
Cash & Bank at end	(128.9)	(118.2)	(57.2)

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