

IPO Note: Fractal Analytics Ltd.

Industry: Artificial Intelligence

Date: February 06, 2026

Issue Snapshot

Company Name	Fractal Analytics Ltd.
Issue Opens	February 09, 2026 to February 11, 2026
Price Band	Rs. 857 – Rs. 900
Bid Lot	16 Equity Shares and in multiples thereof.
The Offer	Public issue of 3,14,87,778 Equity shares of face value Rs. 1 each, (Comprising of fresh issue of 1,13,72,222 Equity Shares* (Rs. 1,023.5 cr.) and Offer for Sale of 2,01,15,556 Equity Shares* (Rs. 1,810.4 cr.) by Selling Shareholder).
Issue Size	Rs. 2,833.9 Crores
IPO Process	100% Book Building
Face Value	Rs. 1.00
Exchanges	NSE & BSE
BRLM	Kotak Mahindra Capital Co. Ltd., Axis Capital Ltd., Morgan Stanley India Co. Pvt. Ltd., Goldman Sachs (India) Securities Pvt. Ltd.
Registrar	MUFG Intime India Pvt. Ltd.

Issue Break up

QIB ex Anchor	30%	92,46,333
Anchor Investor	45%	1,38,69,500
HNI<Rs. 10 Lakhs	5%	15,41,056
HNI>Rs. 10 Lakhs	10%	30,82,111
RII	10%	30,82,111
Total Public	100%	3,08,21,111
Employee Reservation		6,66,667
Total		3,14,87,778

Equity Share Pre Issue (Nos. Cr.)	16.1
Fresh Share (Nos. Cr.)	1.1
OFS Share (Nos. Cr.)	2.0
Equity Share Post Issue (Nos. Cr.)	17.2
Market Cap (Rs. Cr.)	15,473.6
Equity Dilution	6.6%
Stake Sale by OFS	11.7%

Objects of the Offer

Offer for Sale

The Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders. (up to Rs. 8,809 million by Quinag Bidco Ltd, up to Rs. 4,500 million by TPG Fett Holdings Pte. Ltd., up to Rs. 295 million by Satya Kumari Remala and Rao Venkateswara Remala and Rs. 4,500 million by GLM Family Trust)

Fresh Issue

- Investment in one of the Subsidiaries, Fractal USA, for pre-payment and/ or scheduled repayment, in full or in part, of its borrowings (Rs. 264.9 Cr);
- Purchase of laptops (Rs. 57.1 Cr);
- Setting-up new office premises in India (Rs. 121.1 Cr);
- Investment in (a) research and development; and (b) sales and marketing under Fractal Alpha (Rs. 355.1 Cr); and
- Funding inorganic growth through unidentified acquisitions and other strategic initiatives, and general corporate purposes

Company Highlights

- Fractal Analytics Ltd (FAL) is a globally recognized enterprise artificial intelligence (AI) company with a vision to power improved human decision-making across enterprises through AI. Over the years, the Company has expanded its presence across key international markets such as the US, Europe, Canada, Australia, and the UAE, serving large enterprises and Fortune 500 clients. It enables large global organizations to generate data-driven insights and make informed decisions through its end-to-end AI solutions.
- Recognized as India's leading pure-play enterprise data, analytics, and AI company, the company has end-to-end capabilities across the data, analytics, and AI (DAAI) value chain and continue to invest actively in expanding its AI and Generative AI software portfolio and strengthening R&D capabilities.
- FAL offerings are organized into two segments: Fractal.ai, which comprises AI services and AI products primarily hosted on the Cogentiq platform, and Fractal Alpha, which comprises their AI-led businesses. Through these two segments, the company cater to diverse business needs across industries and functions by enabling clients to understand, predict, and shape customer behaviour while also improving operational efficiency.

- Across its core industries, the company works with marquee clients in CPGR, TMT, HLS, and BFSI, including Citi, Costco, Franklin Templeton, Mars, Mondelez, Nationwide, Nestle, and Philips. The 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, the company served 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 globally, based on FY25 revenues.
- As part of sustainability-focused initiatives, FAL developed a Generative AI powered product concept generator for a global consumer health and personal care company using consumer reviews and social media trends. At an enterprise decision-making level, it enabled a payments app provider to scale its user base by building an AI, data, and analytics infrastructure, conducting country-level business reviews, forecasting growth and budgets, and supporting multiple growth experiments.

View

- Fractal is India's leading pure-play enterprise AI company, recognized globally, with capabilities across the DAAI value chain. Its revenue from operations grew at a CAGR of 18% over FY23 to FY25, compared to the DAAI global third-party market's CAGR of 11%. The company cater to a global clientele, with 92.4% of their revenue in H1FY26 and 91.6% of revenue in FY25 from clients located outside of India.
- The company's strategic intent is to create outsized value for every client it works with by powering human decisions in the enterprise through leveraging AI. The company intend to continue to invest in its dedicated sales, account management, and partnerships and alliances teams across its target geographies - the US, UK, Europe, Australia, and the Middle East, to win new MWCs.
- The company's strategy involves identifying emerging trends in AI, conducting fundamental AI research across areas such as Generative AI, quantum computing, and computational neuroscience, developing new AI solutions, and acquiring businesses to accelerate its capabilities.
- The company's partnership strategy involves a mutual exchange of value with its partners. It builds relationships with partner account teams in its mutual clients/customers. The company has identified a set of leading data and technology companies to partner with and will focus on diversifying across them.
- The company will continue to selectively pursue acquisitions to enhance its existing technical and functional capabilities and continue to build its domain expertise across the industries it operates in. The company has, from its early stages, focused on M&A as a lever for growth, and this has led to the development of its capability to source potential opportunities, evaluate targets, integrate intellectual property, and retain "acqui-hired" talent to deliver benefits from M&A transactions over a sustained period.
- Fractal has demonstrated a track record of innovation by identifying emerging trends in AI, developing new AI solutions, and investing in R&D, as evidenced by its acquisitions to expand its capabilities. As of January 19, 2026, the company had 28 registered patents and 38 patent applications. Its commitment to technological research and development aligns with its belief that the technology landscape is ever-evolving, and that it is critical for enterprises to be well prepared to incorporate the latest techniques and technologies to drive competitive differentiation.
- Fractal focus is on developing and open-source foundational AI models and systems, including Kalaido.ai (text-to-image), Vaidya.ai (medical multi-modal foundation models), and the Fathom family of large reasoning and agentic research models, reinforcing thought leadership and accelerating ecosystem adoption. It wants to strengthen enterprise AI product development through continued investment in Cogentiq, the company's agentic AI platform, enabling faster development of secure, scalable, and interoperable AI solutions for MWCs, while advancing multi-agent systems and creating Fractal Alpha companies from successful AI products.
- In terms of the valuations, on the higher price band, Fractal demands P/E multiple of 70.1x on FY25 EPS and 109.1x on H1FY26 annualized EPS .

Revenue from Operations

(Rs. Cr.)	FY23	FY24	FY25	H1FY25	H1FY26
Analytical services	1,969.1	2,172.1	2,701.0	1,273.9	1,512.4
Subscriptions income	16.3	24.2	64.4	26.8	46.6
Total Revenue from operations	1,985.4	2,196.3	2,765.4	1,300.7	1,559.0
Reconciliation of revenue recognized with the contracted price					
Contracted price	2,005.6	2,222.1	2,801.3	1,319.7	1,582.5
Reductions towards variable consideration components	-20.2	-25.8	-35.9	-19.0	-23.5
Total Revenue from operations	1,985.4	2,196.3	2,765.4	1,300.7	1,559.0

Details of Patents and Trademarks

	Patents		Trademarks	
	Registered	Pending	Registered	Pending
Company and Subsidiaries	28	38	376	104

Key Operational Parameters

	FY23	FY24	FY25	H1FY25	H1FY26
Revenue from Operations	1,985.4	2,196.3	2,765.4	1,300.7	1,559.0
Growth in revenue from operations from the previous Fiscal (%)	N/A	10.6%	25.9%	N/A	19.9%
Cash flow from operations	-30.6	159.5	397.0	7.9	-21.4
Profit/ (Loss) for the year	194.4	-54.7	220.6	72.9	70.9
PAT Margin (%)	9.8%	-2.5%	8.0%	5.6%	4.5%
Adjusted PAT	54.0	-4.5	347.8	135.6	143.0
Adjusted PAT Margin (%)	2.7%	-0.2%	12.6%	10.4%	9.2%
EBITDA	436.8	97.2	398.0	131.0	185.6
EBITDA Margin (%)	22.0%	4.4%	14.4%	10.1%	11.9%
Adjusted EBITDA	134.3	232.1	482.1	206.2	233.2
Adjusted EBITDA Margin (%)	6.8%	10.6%	17.4%	15.9%	15.0%

Fractal.ai segment

Revenue from operations	1,969.1	2,161.5	2,703.7	1,274.1	1,518.4
Growth in revenue from operations from the previous Fiscal (%)	N/A	9.8%	25.1%	N/A	19.2%

Revenue in the Fractal.ai segment by industry

CPGR (Consumer Packaged Goods and Retail)	804.7	903.8	1,061.5	507.6	569.2
TMT (Technology, Media, & Telecom)	556.3	586.7	808.7	373.0	413.4
HLS (Healthcare and Life Sciences)	218.8	301.3	374.5	172.8	258.1
BFSI (Banking, Financial Services and Insurance)	284.2	232.5	298.0	143.5	185.6
Others	105.1	137.2	161.0	77.2	92.1

Key Operational Parameters

	FY23	FY24	FY25	H1FY25	H1FY26
Revenue in the Fractal.ai segment by industry, as a % of revenue from the Fractal.ai segment					
CPGR (Consumer Packaged Goods and Retail) (%)	40.9%	41.9%	39.3%	39.8%	37.5%
TMT (Technology, Media, & Telecom) (%)	28.3%	27.1%	29.9%	29.3%	27.2%
HLS (Healthcare and Life Sciences) (%)	11.1%	13.9%	13.8%	13.6%	17.0%
BFSI (Banking, Financial Services and Insurance) (%)	14.4%	10.8%	11.0%	11.3%	12.2%
Others (%)	5.3%	6.3%	6.0%	6.0%	6.1%
Revenue in the Fractal.ai segment by geography					
Americas	1,322.1	1,379.1	1,798.8	837.8	999.3
Europe	333.3	429.1	479.2	224.1	321.9
APAC and others	313.7	353.3	425.7	212.2	197.2
Revenue in the Fractal.ai segment by geography, as a % of revenue from the Fractal.ai segment					
Americas	67.2%	63.8%	66.5%	65.8%	65.8%
Europe	16.9%	19.9%	17.7%	17.6%	21.2%
APAC and others	15.9%	16.3%	15.8%	16.6%	13.0%
Segment results - Fractal.ai segment	-31.5	1,233.0	378.8	152.6	217.7
Segment results - Fractal.ai segment, as a % of revenue from operations - Fractal.ai segment (%)	-1.6%	5.7%	14.0%	12.0%	14.3%
Adjusted segment results - Fractal.ai segment	211.5	276.9	508.4	223.5	251.0
Adjusted segment results Margin - Fractal.ai segment (%)	10.7%	12.8%	18.8%	17.5%	16.5%
Fractal Alpha segment					
Revenue from operations	19.0	36.5	64.4	27.5	45.1
Growth in revenue from operations from the previous Fiscal (%)	N/A	92.1%	76.4%	N/A	64.0%
Segment results - Fractal Alpha segment	-61.6	-49.4	-28.3	-19.7	-6.6
Segment results - Fractal Alpha segment, as a % of revenue from operations - Fractal Alpha segment (%)	-324.2%	-135.3%	-43.9%	-71.6%	-14.6%
Adjusted segment results - Fractal Alpha segment	-53.9	-44.3	-25.7	-17.9	-6.3
Adjusted segment results Margin-Fractal Alpha segment (%)	-283.7%	-121.4%	-39.9%	-65.1%	-14.0%
Operational KPI					
The company Group					
Total Employees (Nos.)	4,221	4,639	5,254	4,755	5,722
Fractal.ai segment					
Net Revenue Retention (%)	151.0%	110.2%	121.3%	119.1%	114.0%
Clients by annual revenue contribution					
>US\$20 million (Nos.)	1	2	5	4	4
>US\$10 million (Nos.)	5	5	6	6	7
>US\$5 million (Nos.)	10	11	15	15	17
>US\$1 million (Nos.)	45	48	53	47	52
Client concentration					
Top 10	1,006.4	1,180.9	1,453.7	703.1	822.9
Top 10 (%)	51.1%	54.6%	53.8%	55.2%	54.2%
Top 20	1,319.4	1,511.4	1,883.1	915.7	1,095.5
Top 20 (%)	67.0%	69.9%	69.6%	71.9%	72.2%
Net Promoter Score (Score)	73	77	77	78	76

Financial Statement

(In Rs. Cr)	FY23	FY24	FY25	H1FY25	H1FY26
Share Capital	3.1	3.1	3.1	3.1	14.2
Net Worth	1363.4	1419.9	1765.4	1555.9	1979.5
Long Term Borrowings	322.1	250.1	257.7	256.3	263.9
Other Long Term Liabilities	151.7	242.6	259.8	219.3	242.7
Short-term borrowings	3.5	0.0	8.5	5.9	10.7
Other Current Liabilities	408.0	479.4	566.2	405.7	468.6
Fixed Assets	1007.0	1058.0	1126.5	1019.7	1151.1
Non Current Assets	646.4	93.6	106.5	113.5	128.3
Current Assets	1153.7	1240.4	1624.6	1309.9	1686.0
Total Assets	2248.7	2392.0	2857.6	2443.1	2965.4
Revenue from Operations	1985.4	2196.3	2765.4	1300.7	1559.0
Revenue Growth (%)		10.6	25.9		19.9
EBITDA	(116.4)	73.4	349.9	133.5	199.6
EBITDA Margin (%)	(5.9)	3.3	12.7	10.3	12.8
Net Profit	194.4	(54.7)	220.6	72.9	70.9
Net Profit Margin (%)	9.8	(2.5)	8.0	5.6	4.5
Earnings Per Share (Rs.)	12.4	(3.1)	13.4	4.5	4.1
Return on Networth (%)	14.5	(3.9)	12.6	4.7	3.6
Net Asset Value per Share (Rs.)	83.0	85.0	104.0	93.0	116.0

Source: RHP, Ashika Research

Cash Flow Statement

(In Rs. Cr)	FY23	FY24	FY25	H1FY25	H1FY26
Cash flow from Operations Activities	(30.6)	159.5	397.0	7.9	(21.4)
Cash flow from Investing Activities	124.9	(150.1)	(181.0)	64.6	(202.1)
Cash flow from Financing Activities	(57.4)	(145.0)	(22.4)	(14.6)	59.3
Net increase/(decrease) in cash and cash equivalents	36.9	(135.6)	193.6	57.9	(164.2)
Cash and cash equivalents at the beginning of the year	183.2	213.2	81.2	81.2	264.9
Cash and cash equivalents at the end of the year	213.2	81.2	264.9	140.2	110.2

Source: RHP

Comparison with Listed Industry Peers

There are no listed companies in India or globally which operate in a similar business model as the company. Company occupies a distinctive competitive position and differentiates itself from the other Industry players across segments.

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