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Generating Wealth

IPO Note
13th November 2025

Capillary Technologies India Ltd

Neutral

Rating: Neutral

Issue Offer

Fresh issue upto 59,79,203 equity shares and OFS upto 92,28,796 equity shares bringing the total issue size upto INR 8,775 Mn

Issue Summary	
Price Band (INR)	549 – 577
Face Value (INR)	2
Implied Market Cap (INR Mn)	45,760 Mn
Market Lot	25
Issue Opens on	November 14, 2025
Issue Close on	November 18, 2025
No. of share pre-issue	7,33,29,138
No. of share post issue	7,93,08,341
Listing	NSE / BSE

Issue Break-up (%)	
QIB Portion	≤70
NIB Portion	≥15
Retail Portion	≥10

Book Running Lead Managers

JM Financial Limited
IIFL Capital Services Limited
Nomura Financial Advisory and Securities (India) Private Limited

Registrar

MUFG Intime India Private Limited

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	67.94%	51.18%
Public & Others	32.06%	48.82%

Objects of the issue

-Funding our cloud infrastructure cost
-Investment in research, designing and development of our products and platform
-Investment in purchase of computer systems for our business
-Funding inorganic growth through unidentified acquisitions and general corporate purposes

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Capillary Technologies India Limited is a global SaaS provider offering AI driven customer engagement, loyalty, and analytics solutions that help brands acquire, retain, and grow customers. Its cloud-native platform integrates customer data management, campaign automation, loyalty rewards, and real-time insights, enabling personalized marketing at scale. Operating on a B2B enterprise SaaS model with recurring revenues, Capillary serves 250+ clients across retail, QSR, fashion, telecom, and consumer sectors in India, the Middle East, Southeast Asia, and North America, positioning itself as a key enabler of omnichannel customer engagement and loyalty at scale in high growth markets.

Investment Rationale

Market Leadership in Enterprise Loyalty & Customer Engagement Solutions
Capillary Technologies is a leading global SaaS provider in loyalty management and customer engagement, serving 250+ enterprise clients across retail, fashion, QSR, telecom, and consumer brands. Its AI-driven, cloud-native, and API-first platform enables omnichannel personalization, real-time customer insights, and large-scale loyalty orchestration, strengthening client stickiness. Deep industry expertise, long-term contracts, and high switching costs reinforce recurring revenue visibility in fast-growing digital consumer engagement markets.

Scalable Global SaaS Platform with High Client Retention & Product Innovation
Capillary's modular product suite, supported by AI and advanced analytics, enables seamless integration across online and offline ecosystems. The platform's ability to drive measurable ROI through increased repeat purchases, customer lifetime value, and campaign efficiency makes it mission-critical for brands. Continuous investments in AI, CDP (Customer Data Platform), and loyalty innovation support strong client retention, cross-selling opportunities, and global scalability across emerging and developed markets.

Recurring Revenue Model with Strong Unit Economics & Growth Potential
Operating on a subscription-led SaaS model, Capillary benefits from predictable ARR growth, strong gross margins, and high operating leverage. Its expanding global footprint in India, the Middle East, Southeast Asia, and North America, combined with increasing enterprise demand for personalized customer engagement, positions it to capture rising digital transformation budgets, unlock long-term revenue compounding, and scale efficiently with improving profitability.

Valuation & Outlook: **Capillary Technologies' IPO is coming at a time when digital transformation and AI-driven customer engagement spending are accelerating across consumer brands, BFSI, and retail globally. Capillary holds a strong position in loyalty management and customer data platforms, with a sticky enterprise client base and long-term SaaS contracts contributing to predictable recurring revenues. Backed by marquee investors and an expanding overseas revenue mix (notably in the U.S. market), the company has demonstrated improving operating leverage reflected in declining losses and better unit economics. Key factors to monitor include customer concentration risk, continuing investments in product innovation, and execution in new geographies. However, the company's proven technology stack, scalable SaaS model, and improving profitability outlook make it a compelling long-term play in the enterprise CX automation space. At the upper band of INR 577, the issue is valued at Price to Sales of 7.48x. We are recommending a "Neutral" rating for this issue.**

Particulars (INR Mn)	FY23	FY24	FY25
Revenue from Operations	1,564.31	4,021.29	4,811.05
EBITDA	-583.39	-14.91	785.73
Margins (%)	-37%	-0.37%	16%
PAT	-885.56	-683.51	141.54
Margins (%)	-57%	-17%	3%

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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%

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