

IPO NOTE

CAPILLARY TECHNOLOGIES INDIA LTD.



Rating:

Avoid



ISSUE OFFER

Issue Opens on	NOV 14, 2025
Issue Close on	NOV 18, 2025
Total IPO size (cr)	₹877.50 CR
Fresh issue (cr)	₹345.00 CR
Offer For Sale (cr)	₹532.50 CR
Price Band (INR)	₹ 549-577
Market Lot	25 SHARES
Face Value (INR)	₹2
Listing At	BSE, NSE
Market Capitalization (cr)	₹ 4,576.09 CR

ISSUE BREAK-UP (%)

QIB Portion	<div><div></div></div>	75%
NII Portion	<div><div></div></div>	15%
Retail Portion	<div><div></div></div>	10%

INDICATIVE TIMETABLE

Basis of Allotment	19-11-2025
Refunds/Unblocking ASBA Fund	20-11-2025
Credit of Share to Demat A/c	20-11-2025
Listing Date	21-11-2025

Capillary Technologies India Ltd is a leading Indian software-as-a-service (SaaS) company that specializes in customer loyalty and engagement solutions.

OBJECTS OF THE ISSUE

- Investment in research, designing and development of products and platform.
- Investment in purchase of computer systems for business.
- Funding cloud infrastructure cost.

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2025	FY 2024	FY 2023
Equity Share Capital	14.66	14.64	10.57
Net Worth	481.42	452.13	99.75
Revenue	5,98.25	5,25.10	2,55.37
EBITDA Margin%	13.13%	-0.28%	-22.84%
Net Profit/Loss of the year	14.15	-68.35	-88.56

FINANCIAL RATIOS OF FY25



OUTLOOK & VALUATION

- The company reported a net profit for the first time in FY25 (₹141.54 million), after significant losses in previous years.
- A substantial part of the total IPO size (e.g., over 60% based on the final issue size) consists of an Offer for Sale (OFS).
- The company operates in the highly competitive global SaaS (Software-as-a-Service) space, going up against global giants like Salesforce, Adobe, and HubSpot.
- Based on the company's financial data and market analysis, the valuation for the Capillary Technologies IPO appears highly aggressive hence, it is recommended to avoid this IPO.



COMPANY PROFILE

- Founded in India, Capillary Technologies is a global software product firm offering AI-based, cloud-native SaaS solutions that help enterprises enhance customer and partner loyalty.
- They specialize in designing end-to-end loyalty and engagement systems that enable brands to build strong, data-driven relationships and drive long-term growth.
- Their product suite includes Loyalty+ for advanced loyalty management, Engage+ for connected engagement, Insights+ for predictive analytics, Rewards+ for rewards management, and a Customer Data Platform (CDP) for unified customer insights.
- They serve over 410 brands across 47 countries.



COMPETITIVE STRATEGIES

- Focus Go-to-Market Strategy on Larger Enterprises.
- Focus on Improving Revenue from Existing Clients.
- Expand Presence in the United States and Pursue Further Acquisitions in North America and Other Regions
- Drive Expansion through Addition of New Industry-Specific Solutions.
- Continue Investing in Artificial Intelligence-Driven Enhancements and Advanced Customer Engagement Solutions.



KEY CONCERNS

- Heavy dependence on a few large enterprise clients for major revenue share.
- Rapidly evolving technology landscape may require continuous innovation.
- Exposure to data privacy, cybersecurity, and regulatory compliance risks.
- Intense competition from global SaaS and customer engagement platforms.
- Foreign currency and geopolitical exposure from significant overseas operations.



KEY STRENGTHS

- Leading SaaS-based loyalty and customer engagement platform across Asia and the Middle East.
- AI-driven analytics enable brands to personalize customer experiences effectively.
- Strong global clientele including marquee brands across retail, BFSI, and hospitality.
- Scalable cloud-based infrastructure with multi-language, multi-currency capabilities.
- Experienced leadership with deep expertise in technology and enterprise solutions.

COMPARISON WITH LISTED INDUSTRY PEERS (GLOBAL)

Name of the Company	EPS (₹ Basic)	P/E	NAV	Revenue (cr.)	RoNW%
Capillary Technologies (Our Company)	1.93	298.93	65.03	598.25	2.85
Peer Group					
Salesforce, Inc.	540.79	40.07	5,441.60	3,182,15.34	10.26
Adobe Inc.	1,038.29	28.60	2,650.28	1,796,33.39	36.74
HubSpot, Inc.	7.53	-	3,153.16	219,86.92	0.29
Braze, Inc.	-85.65	-	402.61	49,83.03	-22.58



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CORPORATE & ADMINISTRATIVE OFFICE - 48, Jaora Compound, M.Y.H. Road, Indore - 452 001 | Phone 0731 - 6644000

Compliance Officer: Ms. Sheetal Duraphe Email: compliance@swastika.co.in Phone: (0731) 6644 241

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