

Retail Research	IPO Note
Sector: IT – SaaS	Price Band (Rs): 114 – 120
14 th November 2025	Recommendation: NEUTRAL

Excelsoft Technologies Ltd

Company Overview:

Excelsoft Technologies Ltd (ETL) is a global vertical SaaS company which provides technology-based solutions across diverse learning & assessment segments through long-term contracts with enterprise clients worldwide. Its learning systems offerings encompass a suite of platforms & solutions that help publishers manage digital online learning solutions including subscription management, digital asset management and analytics. ETL is driven by innovation and product engineering capabilities, enabling robust product development and customised solutions through its proprietary platform, including expertise in big data & analytics, AI & ML, etc. which enables the company to provide value-added products and solutions.

Key Highlights:

1. Robust product engineering, development and implementation capabilities: ETL's product offerings include products and services that encompass the entire lifecycle of learning & assessment, which are feature-rich, versatile and have the ability to work across the spectrum of organisations. The company develops and implements products that are built on the foundation of sound engineering principles, architecture best practices and user-centric design which is adept at understanding the client's business requirements and implementing scalable, secure, reliable, and cost-effective cloud-based solutions.

2. Long-term relationships with marquee clients: As of Jun'25, the company's client base comprised of 101 clients, 64 of which have been clients of the company for more than 5 years. Further, its clientele is spread across 19 countries, including USA, UK, India, Singapore, Australia, Japan, Malaysia, Saudi Arabia, UAE and Canada. The company's ability to serve customers according to their specific requirements has made it a trusted and preferred partner for various clients which ultimately leads to higher loyalty and retention. The long-term relationships with global customers serve as a barrier to entry for competitors.

3. Flexibility to work with diverse technologies: ETL's ability to work with diversified technologies means that it is not tied to a single technology stack, but rather has the flexibility to choose the optimal tools, platforms, or frameworks to solve specific problems. By using the most relevant and effective technologies at any given time, the company can offer solutions that are optimized for performance, cost-efficiency, and scalability. This ensures that ETL can support growing customer bases, expanding product lines, or increasing transaction volumes without compromising on performance, security, or user experience. Further, these capabilities enable the company to adapt to new business models and changing industry landscapes resulting in faster response times, better customer experiences, and more innovative products.

Valuation: At the upper price band of Rs 120, the IPO is valued at a FY25 P/E multiple of 39.8x based on post-issue capital. The company has demonstrated a strong 24.4% CAGR growth in net profit between FY23-FY25 period with an EBIT margin exceeding 27% for FY25. However, revenue CAGR has been muted remaining below 10% during the same period. When compared to its close competitor, the issue appears to be fairly valued across various valuation metrics. The company has cash and bank balance of Rs 248 cr as of Jun'25. The company's RoIC (excl. cash and bank) stood at 19.5% during FY25. We maintain a NEUTRAL view on the issue and would like to monitor the performance of the company post listing.

Issue Details	
Date of Opening	19 th November 2025
Date of Closing	21 st November 2025
Price Band (Rs)	114 – 120
Offer for sale (Rs cr)	320.0
Fresh Issue (Rs cr)	180.0
Issue Size (Rs cr)	500.0
No. of shares at upper price band	4,16,66,667
Face Value (Rs)	10.0
Post Issue Market Cap (Rs cr)	1,321 – 1,381
BRLMs	Anand Rathi Advisors Ltd
Registrar	MUFG Intime India Pvt Ltd
Bid Lot	125 shares and in multiples thereof
QIB shares	50%
Retail shares	35%
NII shares	15%

Objects of Issue	
Particulars	Estimated utilization from net proceeds (Rs cr)
Funding capex requirements for purchase of land and construction of new building at Mysore.	61.8
Funding expenditure for upgradation of external electrical systems at existing facility at Mysore.	39.5
Funding upgradation of the company's IT infrastructure, incl. software, hardware and communications & network services.	54.6
General corporate purposes*	-
Net proceeds from the issue	180.0

**To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The cumulative amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	9,46,67,303	94.6
Public & Others	54,16,861	5.4
Total	10,00,84,164	100.0

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	6,80,00,636	59.1
Public & Others	4,70,83,528	40.9
Total	11,50,84,164	100.0

Selling shareholders through OFS	Classification	Amount (Rs cr)
Pedanta Technologies Pvt Ltd	Promoter	320.0
Total		320.0

Source: RHP, SSL Research

Key Financials

Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Revenue from operations	195	198	233	56
EBITDA	68	55	73	10
EBIT	44	28	64	9
PAT	22	13	35	6
EBITDA Margin (%)	34.9	27.7	31.4	18.3
EBIT Margin (%)	22.4	14.3	27.5	15.6
PAT Margin (%)	11.5	6.4	14.9	10.8
RoE (%)	8.1	4.3	9.3	-
RoCE (%)	11.0	7.6	16.1	-
RoIC (%)	8.0	4.9	19.5	-
P/E (x)*	53.6	94.2	34.6	-

*Note: Pre-issue P/E based on upper price band

Source: RHP, SSL Research

Risk Factors

- **Customer concentration:** During FY23/FY24/FY25/1QFY26, the company derived 41.9%/46.5%/58.8%/59.2% of its revenue from its top client Pearson Education Group. Any termination of contract or loss of business from the Pearson Education Group may have an adverse impact on the company's performance.
- **Rapid technological changes:** Information Technology and SaaS industry are characterized by rapid technological changes, evolving industry standards, changing client preferences, and new service introductions that could result in technology obsolescence. Any inability to keep pace with technological changes, develop or innovate service offerings to address emerging business demands, technological trends and evolving industry standards may have an adverse impact on the company's performance.
- **Forex fluctuations:** The company transacts business in various currencies other than the Indian Rupee and has significant customers abroad, which subject the company to currency exchange risks.
- **Customer retention:** The company's business heavily relies on its reputation as well as the quality and popularity of the services provided and visibility and perception among customers. Any inability to retain or attract clients may have an adverse impact on the company's performance.

Growth Strategies

- Increase revenue from existing clients and acquire new customers.
- Focus on brand positioning.
- Innovate and improve existing product portfolio and create new products suited to current market needs.
- Augment sales & marketing efforts by establishing teams in various geographies.
- Look for synergistic acquisition opportunities to expand faster in the EdTech market.
- Venture into the AI spectrum and develop AI based products.
- Develop modern and frontier technology to provide quality products to customers.

Revenue Mix – Segment wise

Particulars	FY23		FY24		FY25		1QFY26	
	Rs cr	as a % of Total Revenue	Rs cr	as a % of Total Revenue	Rs cr	as a % of Total Revenue	Rs cr	as a % of Total Revenue
Educational technology services	99.5	51.0	85.1	42.9	127.1	54.5	28.7	51.5
Assessment and proctoring solutions	52.9	27.1	72.9	36.8	63.1	27.0	17.6	31.5
Learning and student success solutions	33.1	17.0	34.2	17.2	30.0	12.9	6.3	11.3
Learning design and content solutions	9.7	4.9	6.2	3.1	13.1	5.6	3.2	5.7
Total	195.1	100.0	198.3	100.0	233.3	100.0	55.7	100.0

Source: RHP, SSL Research

Revenue Mix – Geography wise

Particulars	FY23		FY24		FY25		1QFY26	
	Rs cr	as a % of Total Revenue	Rs cr	as a % of Total Revenue	Rs cr	as a % of Total Revenue	Rs cr	as a % of Total Revenue
North America	123.5	63.3	109.1	55.0	141.5	60.7	33.8	60.7
Europe & UK	31.3	16.0	39.9	20.1	51.7	22.2	13.7	24.5
India	14.5	7.4	17.4	8.8	19.1	8.2	4.9	8.8
Asia (ex-India)	24.1	12.4	30.0	15.1	18.9	8.1	2.8	5.0
Australia	1.7	0.9	1.9	0.9	2.0	0.9	0.5	0.9
Total	195.1	100.0	198.3	100.0	233.3	100.0	55.7	100.0

Source: RHP, SSL Research

Other Operating Metrics

Particulars	FY23	FY24	FY25	1QFY26
Number of Clients	93	93	99	101
Number of New Client Additions	10	15	17	6
Average Vintage of Top 10 clients (years)	8.0	9.5	10.8	10.5
Number of Employees	1,046	1,080	1,116	1,118

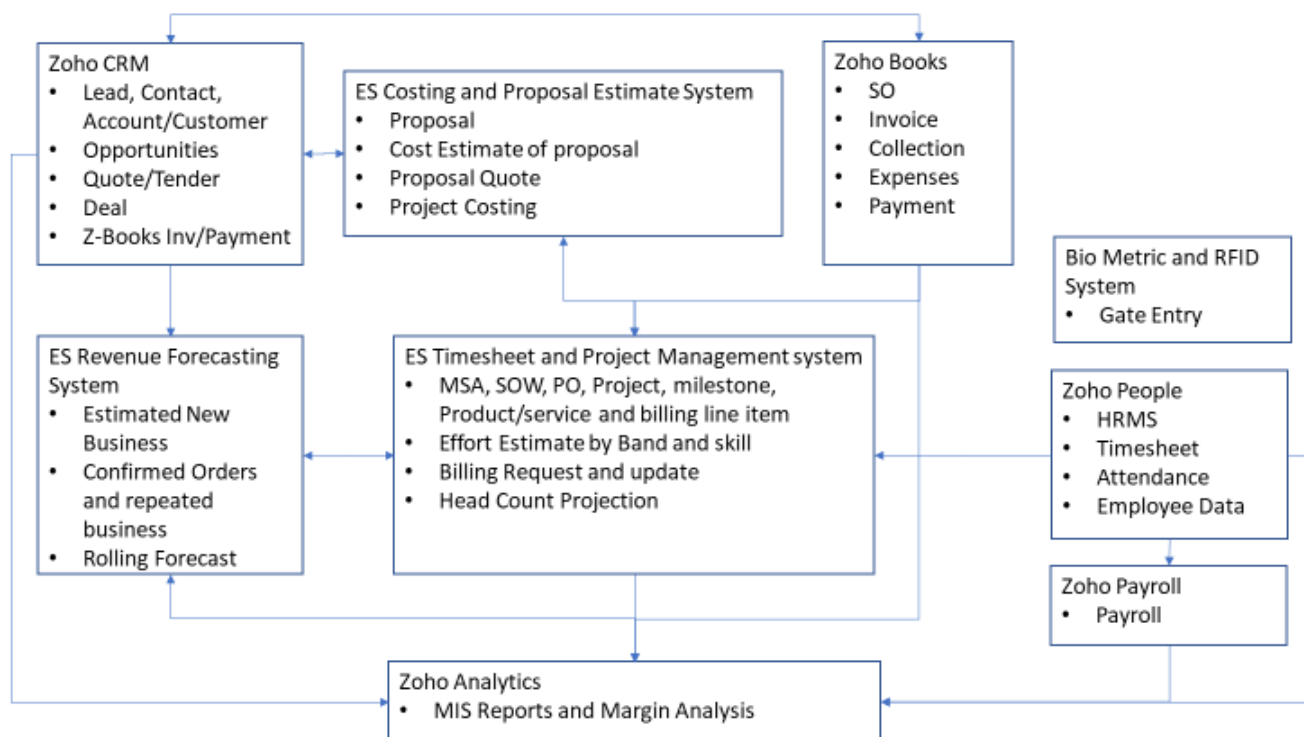
Source: RHP, SSL Research

Client Relationships

Number of Clients	FY23	FY24	FY25	1QFY26
More than 10 years	16	19	21	24
More than 5 years but less than 10 years	32	32	40	40
More than 3 years but less than 5 years	25	20	11	15
More than 1 year but less than 3 years	10	7	10	16
Less than 1 year	10	15	17	6
Total	93	93	99	101

Source: RHP, SSL Research

Business Process Flow



Source: RHP, SSL Research

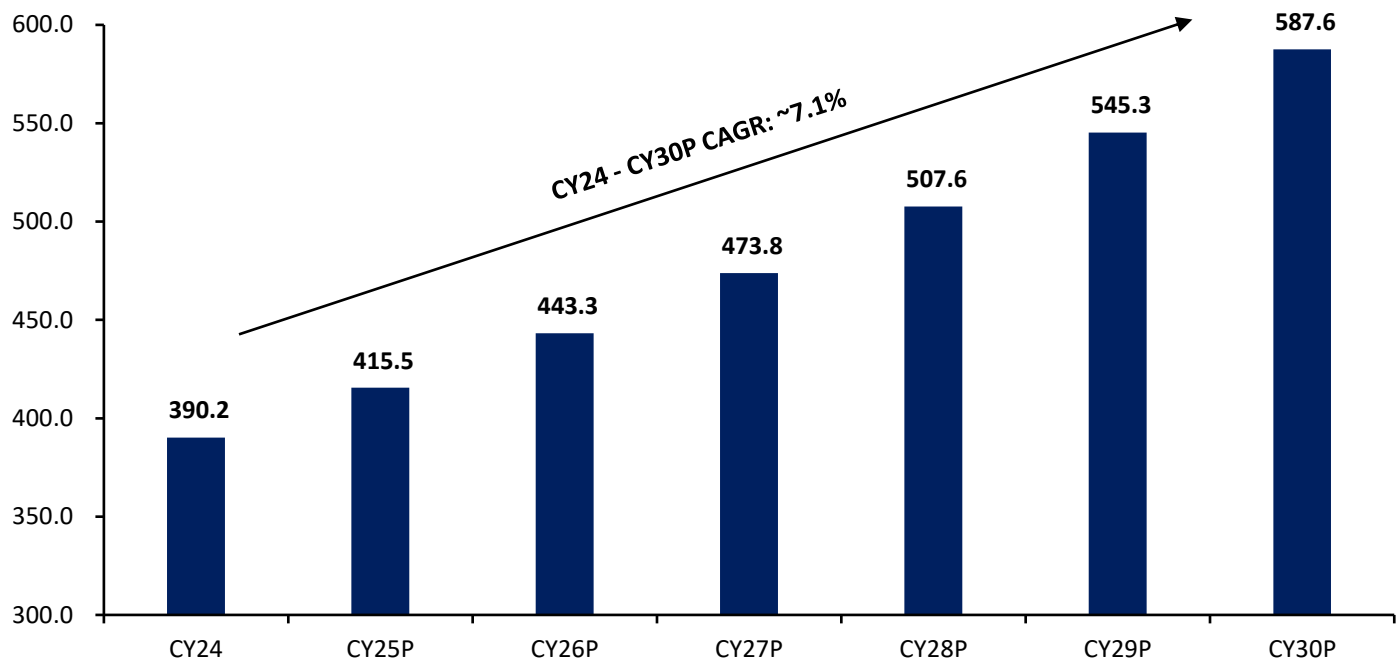
Geographical Presence



Source: RHP, SSL Research

Industry Overview

Global Learning & Development Market (USD billion)



Source: RHP, SSL Research

Global Learning & Development Market by Delivery Method (USD billion)

Particulars	CY24	CY30P	CY24 – CY30P CAGR
In-Person / Face to Face Learning	159.7	229.3	6.2%
Blended Learning	138.6	216.8	7.7%
Online Learning	91.9	141.6	7.5%
Total	390.2	587.6	7.1%

Source: RHP, SSL Research

Financial Snapshot

INCOME STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Revenue from Operations	195	198	233	56
YoY growth	-	1.6%	17.6%	-
Employee Cost	93	108	120	34
Other Operating Expenses	34	35	40	12
EBITDA	68	55	73	10
EBITDA margin	34.9%	27.7%	31.4%	18.3%
Depreciation	27	29	25	6
Other Income	3	2	16	5
EBIT	44	28	64	9
EBIT margin	22.4%	14.3%	27.5%	15.6%
Interest Expense	14	10	5	1
PBT	30	18	60	8
Tax	8	6	25	2
PAT	22	13	35	6
PAT margin	11.5%	6.4%	14.9%	10.8%
EPS (Rs)	2.2	1.3	3.5	0.6

BALANCE SHEET				
Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Assets				
Net Block	31	31	7	7
Intangible Assets	114	111	120	115
Intangible Assets under development	-	-	-	4
Right of use assets	203	194	8	8
Other Non-current Assets	15	16	4	14
Current Assets				
Trade receivables	46	47	51	54
Cash and Bank Balances	17	5	253	248
Short-term loans and advances	0	0	3	3
Other Current Assets	10	17	25	27
Total Current Assets	73	69	332	332
Current Liabilities & Provisions				
Trade payables	5	10	10	6
Other current liabilities	14	15	25	20
Short-term provisions	4	4	4	4
Total Current Liabilities	23	29	40	31
Net Current Assets	50	40	292	301
Total Assets	413	392	431	448
Liabilities				
Share Capital	2	2	100	100
Reserves and Surplus	276	296	271	276
Total Shareholders' Funds	278	297	371	376
Total Debt	118	77	27	38
Long Term Provisions	13	16	19	21
Lease Liabilities	2	2	9	8
Net Deferred Tax Liability	1	1	6	5
Total Liabilities	413	392	431	448

CASH FLOW STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Cash flow from Operating Activities	56	56	53	(5)
Cash flow from Investing Activities	(15)	(16)	7	(7)
Cash flow from Financing Activities	(27)	(52)	(56)	10
Free Cash Flow	52	53	49	(5)

RATIOS			
Particulars	FY23	FY24	FY25
Profitability			
Return on Capital Employed	11.0%	7.6%	16.1%
Return on Equity	8.1%	4.3%	9.3%
Return on Invested Capital	8.0%	4.9%	19.5%
Margin Analysis			
EBITDA Margin	34.9%	27.7%	31.4%
EBIT Margin	22.4%	14.3%	27.5%
Net Profit Margin	11.5%	6.4%	14.9%
Short-Term Liquidity			
Current Ratio (x)	0.9	1.2	5.0
Quick Ratio (x)	0.9	1.2	5.0
Avg. Days Sales Outstanding	85	86	80
Avg. Days Payables	14	26	24
Fixed asset turnover (x)	6.2	6.5	34.9
Debt-service coverage (x)	0.3	0.3	2.1
Long-Term Solvency			
Gross Debt / Equity (x)	0.4	0.3	0.1
Net Debt / Equity (x)	0.4	0.2	(0.6)
Interest Coverage Ratio (x)	3.2	2.8	14.0
Valuation Ratios*			
EV/EBITDA (x)	19.1	23.2	13.3
P/E (x)	53.6	94.2	34.6
P/B (x)	4.3	4.0	3.2
EV/Sales (x)	6.7	6.4	4.2
Mkt Cap/Sales (x)	6.2	6.1	5.1

**Valuation ratios are based on pre-issue capital at the upper price band*

Source: RHP, SSL Research

Peer Comparison – FY25

Particulars (Rs cr)	Excelsoft Technologies Ltd	MPS Ltd	Sasken Technologies Ltd	InfoBeans Technologies Ltd	Silver Touch Technologies Ltd
CMP (Rs)	120	2,325	1,413	610	784
Sales	233	727	551	395	288
EBITDA	73	211	23	68	38
EBIT	64	196	65	57	34
Net Profit	35	149	50	38	22
Mkt Cap.	1,381	3,977	2,140	1,492	994
Enterprise Value	991	3,893	2,101	1,445	1,020
EBITDA Margin (%)	31.4	29.0	4.2	17.3	13.0
EBIT Margin (%)	27.5	27.0	11.8	14.3	11.7
Net Profit Margin (%)	14.9	20.5	9.1	9.6	7.7
RoE (%)	6.2	31.1	6.4	11.4	16.6
RoCE (%)	10.8	41.0	8.2	17.0	19.1
P/E (x)	39.8	26.7	42.6	39.3	44.8
EV/EBITDA (x)	15.5	18.5	91.7	21.1	27.2
EV/Sales (x)	4.2	5.4	3.8	3.7	3.5

Source: RHP, Exchange Filings, SBI Securities Research

For Excelsoft Technologies Limited, the Market Cap, P/E(x), EV/EBITDA (x), EV/Sales (x) are calculated on post-issue equity share capital based on the upper price band.

RoE (%) and RoCE (%) are calculated on pre-issue capital

CMP for peer companies is closing price as on 13th November, 2025

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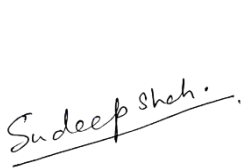
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