

## Fractal Analytics Ltd.

## 'SUBSCRIBE'

**09-02-2026 TO 11-02-2026**

**Industry:** Data Analytics / AI

**Price Band:** ₹857 to ₹900

**Recommendation:** Subscribe for long term

**Post Implied Market Cap:** ₹14,790 Cr – ₹15,480 Cr

### Key Data

Issue Size (₹ Cr)	₹2,834.00
Fresh (₹ Cr)	₹1,023.00
OFS (₹ Cr)	₹1,810.00
No of shares offered (total issue)	3,14,87,777
Face Value (₹ /share)	1
Bid Lot	16 Shares

### Indicative Timetable

IPO Open Date	Mon, Feb 9, 2026
IPO Close Date	Wed, Feb 11, 2026
Allotment	Thu, Feb 12, 2026
Refunds	Fri, Feb 13, 2026
Credit of Shares	Fri, Feb 13, 2026
Listing Date	Mon, Feb 16, 2026

### Shareholding (No. of shares)

Pre-Issue	16,05,56,718
Post-Issue	17,19,28,940

### Issue Breakup

QIB	75%
NII	15%
Retail	10%

### Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	17.87%	16.68%
Promoters Group	0.31%	0.29%
Public - Investor selling s/h	63.51%	47.59%
Public - Other	18.31%	35.44%
Total	100%	100%

### Other Details

**BRLM:** Kotak Mahindra Capital Company Limited,  
Axis Capital Limited

**Registrar:** MUFG Intime India Private Limited  
(Formerly Link Intime India Private Limited)

**Listing:** BSE & NSE

### Research Analyst

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### About the company

Founded in 2000, Fractal Analytics Limited is a global leader in artificial intelligence and data science. The company specializes in helping Fortune 500 organizations "power human decisions" by converting complex data into actionable insights through a combination of AI, engineering, and behavioural science.

### Investment Rationales

**Pure-Play AI Leader:** Unlike traditional IT firms, Fractal is a specialized AI and decision intelligence provider, offering high-margin exposure to the global enterprise AI boom.

**Scalable SaaS Transition:** The company is shifting from labour-intensive consulting to high-growth Agentic AI platforms (like Cogentiq), driving recurring revenue and better profit margins.

**Proven Financial Turnaround:** Following a profitable FY25 (₹220.6 cr PAT), Fractal has demonstrated strong operating leverage, with revenue growing faster than expenses.

**High-Value Subsidiary Pipeline:** Their "Alpha" incubator has produced market leaders like Qure.ai (Healthcare) and Asper.ai (Retail), providing a diversified portfolio of high-growth AI assets.

**High Client Stickiness:** Boasts a 121.3% Net Revenue Retention and an NPS of 77, with top-tier Fortune 500 relationships averaging over 8 years.

### Risk

**Geographic concentration:** 65% of revenue from operations come from USA.  
**Artificial General Intelligence (AGI):** Emergence of AGI could render existing AI solutions obsolete and disrupt the company's competitive standing.

### Our views

Fractal Analytics Ltd. (operating under the Fractal.ai segment) has demonstrated significant scaling and profitability by leveraging a high-growth AI and analytics model, underpinned by robust revenue retention and a growing base of high-value global clients.

The company's financial trajectory shows strong momentum, with revenue from operations growing 25.90% to reach ₹2,765.40 Cr in FY 2025. After a transitional FY 2024, Fractal successfully pivoted back to profitability, delivering a Profit for the Year of ₹220.6 Cr and expanding its Adjusted PAT Margin to 12.6%. This turnaround is supported by a Net Revenue Retention of 114% and a deepening presence in the enterprise market, with 4 clients contributing over US\$20 million annually.

While the emergence of Artificial General Intelligence (AGI) poses a long-term disruptive risk to traditional AI business models, Fractal's dominant position in the analytics niche suggest a strong competitive strength and deep-rooted client trust. As the company continues to capitalize on the global demand for enterprise-grade AI, its ability to maintain high margins and operational leverage, We recommend a 'SUBSCRIBE' rating for long-term investors.

## CONSOLIDATED FINANCIALS – BASIC FINANCIAL DETAILS

Financial Performance Indicators	Unit	Fiscal 2023	Fiscal 2024	Fiscal 2025
Revenue from Operations	₹ Cr	1985.40	2196.30	2765.40
Revenue Growth	%	N/A	10.60%	25.90%
Cash Flow from Operations	₹ Cr	-30.60	159.50	397.00
Profit / (Loss) for the Year	₹ Cr	194.40	-54.70	220.60
PAT Margin	%	9.80%	-2.50%	8.00%
Adjusted PAT	₹ Cr	54.00	-4.50	347.80
Adjusted PAT Margin	%	2.70%	-0.20%	12.60%
EBITDA	₹ Cr	436.80	97.20	398.00
EBITDA Margin	%	22.00%	4.40%	14.40%
Adjusted EBITDA	₹ Cr	134.30	232.10	482.10
Adjusted EBITDA Margin	%	6.80%	10.60%	17.40%
Operating Performance Indicators	Unit	Fiscal 2023	Fiscal 2024	Fiscal 2025
Total Employees (Group)	#	4221	4639	5254
Fractal.ai Segment				
Net Revenue Retention	%	151.00%	110.20%	121.30%
Clients by Annual Revenue				
>US\$20 million	#	1	2	5
>US\$10 million	#	5	5	6
>US\$5 million	#	10	11	15
>US\$1 million	#	45	48	53
Client Concentration				
Top 10	₹ Cr	1006.40	1180.90	1453.70
Top 10	%	51.10%	54.60%	53.80%
Top 20	₹ Cr	1319.40	1511.40	1883.10
Top 20	%	67.00%	69.90%	69.60%
Net Promoter Score	#	73	77	77

**Source: Company RHP**

There are no listed companies in India or abroad whose line of business is comparable with that Fractal Analytics Limited's business.

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