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24^{nd} September, 2025

Date – September 24, 2025 | **Pace Digitek Ltd** | **Subscribe**

IPO Details	
Face Value (INR)	2
Issue Open/Closing Date	Sept 26, 2025 to Sept 30, 2025
Fresh Issue (in INR crores)	819.15
OFS (in INR crores)	--
Total issue (in INR Crores)	819.15
Implied Market Cap (in INR crores; at higher band)	*4727.03*

Object of the Issue	• Capital expenditure for expansion • Long-term vision • Reducing Debt • General corporate purposes.

Strengths
Strong Industry tailwinds
Large order book
Use of IPO proceeds for expansion
Diversified offerings

Risk
High capital Intensity
Execution & supply chain
Tender –based revenue dependence
Market/macro risks

Particular (in INR tcrores)	FY23	FY24	FY25
Revenue	516.26	2511.82	2439.00
EBITDA	35.20	423.00	482.00
EBITDA Margin	6.8%	16.9%	19.8%
PAT	12.88	22.778	279.00
PAT Margin	2.5%	9.1%	11/4%
EPS (in INR)	0.95	14.13	16.30
ROE (in %)	4	39	23
ROCE (in %)	40.3	39.4	39.4
Fixed Asset T/O	0.50	3.64	2.28

Source: Wealthyvia Research

About the Company:

- Pace Digitek Ltd (PDTL) is a technology-driven company engaged in providing IT solutions, digital services, and system integration offerings. The company focuses on software development, digital transformation, IT infrastructure services, cloud solutions, and managed services tailored for enterprises.
- It serves clients across sectors such as banking, telecom, manufacturing, and government organizations, helping them modernize their processes through innovative tech solutions.
- The company emphasizes digital consulting, product engineering, enterprise mobility, and cybersecurity solutions, while also working on emerging technologies like AI, IoT, and data analytics to strengthen its service portfolio. With its client-centric approach, scalable delivery models, and focus on innovation, Pace Digi Tech positions itself as a growing player in India's digital technology and IT services industry.

Industry Outlook:

The industry outlook for PDT is positive, driven by strong growth in telecom infrastructure, fibre broadband, and energy storage systems. India's fixed broadband market is projected to expand steadily, with fibre expected to account for nearly all connections by 2029, supported by rising demand for high-speed internet and government-backed fibre rollouts. At the same time, the country's energy storage capacity is set to increase more than twelvefold to about 60 GW by FY2032, creating a ₹3.5 trillion investment opportunity in battery energy storage systems (BESS). These trends, coupled with supportive policies, growing digital adoption, and renewable integration, offer significant growth opportunities for companies in this space, though challenges like high capital intensity, supply chain reliance, and regulatory risks remain.

Strong order book Visibility :

A strong order book is a significant growth trigger for Pace Digitek as it provides near-term revenue visibility and reduces business uncertainty. The company's confirmed projects, primarily from government and public sector clients in telecom infrastructure, fibre networks, and energy storage, ensure predictable cash flows and steady execution pipelines. This not only mitigates market and competition risks but also allows the company to plan capital expenditure efficiently and scale operations with confidence. Moreover, a robust order book strengthens negotiating power with suppliers and partners, supporting better margins, while signaling operational stability and growth potential to investors. Overall, it forms a solid foundation for Pace Digitek's expansion and long-term value creation.

Battery Energy Storage system Projects (BESS):

BESS projects are a key growth driver for Pace Digitek, enabling the company to capitalize on India's expanding renewable energy and grid modernization market. With government incentives and rising demand for reliable energy storage, these projects provide predictable revenue, position the company as a technology leader, and open opportunities across utility, industrial, and commercial segments, supporting long-term growth.

Expansion In Telecom Industries :

Telecom infrastructure expansion in India, driven by the 5G rollout, rising broadband consumption, and government initiatives for digital connectivity, creates significant growth opportunities for Pace Digitek. The company can benefit from steady project inflows in fibre networks, backhaul systems, and telecom towers, ensuring long-term revenue visibility. Additionally, expanding demand in tier-2 and tier-3 cities, along with enterprise and government projects, positions Pace Digitek to strengthen its market presence and capture a larger share of the growing telecom infrastructure sector.

Global Market Opportunities :

Pace Digitek also has significant growth potential from the global market opportunity, as it can leverage India's cost advantages and technological expertise to provide telecom infrastructure and energy storage solutions abroad. Expanding into international markets allows the company to diversify revenue streams, access higher-value contracts, and gain exposure to rapidly growing telecom and renewable energy sectors worldwide. This global expansion not only enhances long-term growth prospects but also positions Pace Digitek as a competitive player beyond the domestic market.

Our view :

The Pace Digitek IPO offers a strong growth story, driven by telecom infrastructure, fibre broadband, and energy storage sectors. With a robust order book, diversified operations, and IPO proceeds aimed at expansion, the company has good revenue visibility and long-term growth potential. While risks like capital intensity and regulatory dependence exist, its technological capabilities and execution track record make it an attractive investment in India's digital and renewable infrastructure space.

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