Shadowfax Technologies Ltd

Retail Note | Logistics

Asset-Right Model, Scalable Growth

DALAL & BROACHA STOCK BROKING PVT. LTD.

Equity Research Desk

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Company Background

Shadowfax is a technology-led third-party logistics (3PL) company focused on enabling digital commerce in India. It provides end-to-end express logistics and large-scale hyperlocal delivery through a proprietary tech platform and a nationwide asset-light network, serving e-commerce, quick commerce, food delivery, and mobility platforms, and positions itself as a full-stack last-mile and mid-mile logistics enabler.

Rating	TP (Rs)	Up/Dn (%)
BUY	**303**	**19**

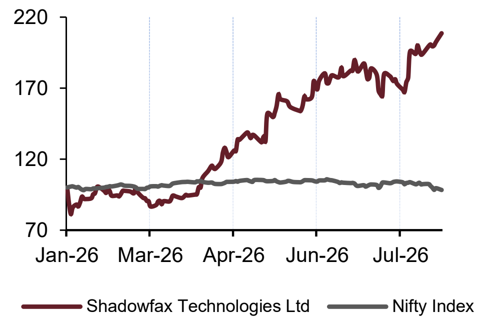
Market data		
Current price	**Rs**	**254**
Market Cap (Rs.Bn)	(Rs Bn)	152
Market Cap (US$ Mn)	(US$ Mn)	1,591
Face Value	Rs	10
52 Weeks High/Low	Rs	261.55 / 98.55
Average Daily Volume	('000)	2,801
BSE Code		544685
Bloomberg		SHADOWF

Source: Bloomberg

What We Think:

Shadowfax is in a rising stage, driven by the growth of e-commerce and quick commerce. The company has a leading delivery network with an extensive footprint and an asset-right strategy. It currently covers 16,372 pin codes, which is expected to expand to ~19,000 by 2028, helping the company increase its market share. With the consolidation of the third-party logistics (3PL) market, the company is well positioned to gain further market share.

One Year Performance



Source: Bloomberg

Why We Think So

1. Structural Growth in E-Commerce & Quick Commerce:

The rapid expansion of E-Commerce, D2C and Quick Commerce is structurally increasing the need for outsourced logistics. Shadowfax is positioned across express parcel, hyperlocal, reverse logistics and quick commerce, allowing it to participate across multiple growth pools rather than relying on a single segment.

% Shareholding	**Jun-26**	**Mar-26**
Promoters	44.38	44.88
Public	55.62	55.12
Total	**100.00**	**100.00**

Source: Bloomberg

2. Network Expansion Creates a Strong Competitive Moat:

Shadowfax has built an extensive network covering 16,372 pin codes and 5,905 touchpoints. Management aims to cover all pin codes ultimately achieve nationwide coverage by FY28. Greater geographic coverage allows existing customers to route more shipments through Shadowfax, making network expansion a direct driver of volume and market share gains.

3. 3PL Consolidation Favours Scaled Players:

The 3PL industry remains fragmented, but volumes are increasingly moving toward large, reliable national players. Shadowfax has already consistently gained market share, while management expects weaker players to continue losing share. Its scale, technology and service capabilities should allow it to capture a disproportionate share of industry growth.

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4. Asset- Right Model Enables Operating Leverage

Shadowfax's asset-right strategy combines a large network with flexible infrastructure and technology, allowing multiple services to utilize the same logistics ecosystem. As shipment density increases, the company can extract grater utilization from its existing network, creating operating leverage and potential margin expansion without a proportional increase in fixed infrastructure. Management expects significant operating leverage as the network scales.

Financial & Outlook Highlights

Shadowfax Technologies Ltd. is expected to deliver strong earnings momentum with Revenue, EBITDA, and PAT CAGR of 30%, 68%, and 65% respectively over FY25–29E, supported by improving product mix, export recovery, and operating leverage. Management guides for 27%-30% annual revenue growth, while Adjusted EBITDA margins are projected to expand to around 8%-10% by FY29E.

Valuation

Shadowfax Technologies Ltd. currently trades at 26x FY29E EPS, which appears attractive given its growth visibility and margin expansion outlook. **Assigning a target multiple of 30x FY29E earnings yields a target price of ₹303 per share**, implying an upside potential of approximately 19% from current levels.

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