



I P O R E S E A R C H D E S K

RESEARCH REPORT DATED 18 AUGUST 2026

Horizon Industrial Parks Limited

Mainboard IPO — Research Note

ISSUE DATES	17 – 19 August 2026
PRICE BAND	₹ 57 – ₹ 60 per share (FV ₹ 10)
LOT SIZE	250 shares • ₹ 15,000
ISSUE SIZE	₹ 2,600.04 Cr • 100% Fresh Issue
LISTING	BSE & NSE • 24 August 2026

SECTOR Real Assets — Grade A Warehousing & Industrial Parks	FINANCIALS Rev ₹691 Cr (FY26) • EBITDA ₹608 Cr (79%) • PAT – ₹204 Cr
VALUATIONS P/E n.m. (loss) • P/B 2.15x • EV/EBITDA ~36x • no listed peer	DEMAND Anchor 44.9% • Book 0.24x at Day-2 close • bHNI 0.18x
GMP +₹1.70 / +2.8% over ₹60 • 18 Aug 2026 • indicative only	RECOMMENDATION WAIT & WATCH Final update 1:30 PM, 19 Aug

I P O R E S E A R C H D E S K

2. Executive Summary

Horizon Industrial Parks owns and operates Grade A warehousing and industrial real estate — 45 assets, 58.58 million sq ft of total network across ten cities, of which 28.55 msf is operational and running at 93.56% committed occupancy as of 31 May 2026. Blackstone assembled the platform through acquisition rather than organic build-out, and the financials show it. FY26 revenue from operations was ₹691 Cr on total income of ₹768 Cr, EBITDA ₹608 Cr at a 79% margin, and a net loss of ₹204 Cr. Both halves of that are real. Rent on a leased warehouse converts to EBITDA almost fully; ₹6,884 Cr of debt then takes ₹539 Cr of finance cost off the same line, and depreciation takes the rest.

The structure is the most investor-friendly thing about this issue. ₹2,600 Cr, entirely fresh, no offer for sale — unusual for a private-equity-owned asset at exit stage, and ₹2,250 Cr of it goes straight to debt repayment. What has not shown up is demand. The anchor book raised ₹1,168 Cr across 54 investors, but only 19.95% of it went to domestic mutual funds, and a visible share of that came from asset managers affiliated with the bookrunners themselves. The public book closed Day 2 at 0.24x ex-anchor, with bHNI at 0.18x and sHNI at 0.10x. GMP has bled from ₹4 on anchor day to ₹1.70 today. Not one of the large domestic funds — SBI, HDFC, ICICI Prudential, Nippon, Kotak, Axis — is in the anchor list.

The call is **WAIT & WATCH**. Our working expectation is that QIB bids land in the closing hours of the final day and carry the issue past its threshold into oversubscription — that is the normal pattern for a ₹2,600 Cr book with a placed anchor tranche, and it is what we assume here. The problem is not whether the issue clears. It is what the buyer is paid for taking the risk. On a +2.8% GMP that has halved in three sessions, against a syndicate running a 23% hit rate in 2026 and an anchor book carrying no independent domestic conviction, the realistic band on listing is a 2–5% gain at best and roughly –5% in the bad case. That is a very low-reward bet, and it is the reason we are standing aside rather than bidding into the close. Final update around 1:30 PM on 19 August.

Recommendation	Risk-Averse View	Risk-Taker View
WAIT & WATCH	AVOID. No earnings, a falling GMP and a syndicate at a 23% hit rate this year. Nothing here compensates for the uncertainty.	Expect 2–5% on listing at best, not more; roughly –5% in the bad case. A very low-reward bet, with good chances of allotment as partial compensation.

3. Company Overview & Business Model

Horizon builds, owns and leases industrial real estate. The product is physical: large-format Grade A fulfilment centres, warehouses and built-to-suit manufacturing facilities, leased to occupiers on multi-year contracts with contracted escalations. Revenue is rent plus a smaller stream of facility and maintenance charges. There is no manufacturing, no trading, no working-capital cycle worth speaking of. That is why the EBITDA margin sits near 79% and why the business converts revenue to operating cash with very little leakage.

The portfolio splits three ways. Fulfilment centres are the largest block at roughly 15.55 msf, about 58% of the operational area — these serve e-commerce, quick-commerce and third-party logistics occupiers. Industrial facilities account for about 10.36 msf, roughly 39%, and skew toward electric-vehicle and general manufacturing tenants on longer, more customised leases. A third bucket, in-city logistics, is largely a pipeline at present with about 6.31 msf identified. Against 28.55 msf operational today sits a development pipeline of 30.03 msf that management expects to deliver over the next four to five years.

The promoter is Blackstone, holding roughly 88.7% pre-issue through three BREP Asia vehicles — BREP Asia II EIP Holding (NQ) Pte at 33.72%, BREP Asia II I at 33.43%, and BREP Asia II Indian Holding Co VI (NQ) Pte at 21.59%. The platform was built by acquiring warehousing assets and land parcels, in several instances from promoter-affiliated entities, which is why the restated statements carry pro-forma adjustments and why FY26 is not cleanly comparable with FY24 on a like-for-like basis. Management is a professional team; there is no founder-operator here in the conventional sense.

What breaks this model is straightforward and worth stating plainly. It is a spread business dressed as a real estate business — the company borrows at one rate, builds or buys at a yield, and keeps the difference. When the cost of debt rises faster than contracted rent escalations, or when a development block sits vacant longer than underwritten, the spread compresses and the loss widens. At 1.13x interest cover on FY26 EBITDA, there is very little cushion between operating performance and debt service.

4. Market Position & Client Base

On total network size, Horizon is described in the offer document as India's largest industrial and logistics infrastructure developer, and on the 58.58 msf figure that claim is defensible. Scale in this business is a genuine advantage: national occupiers — large e-commerce platforms, organised 3PL players, quick-commerce networks — prefer a single landlord who can deliver comparable Grade A space in eight or ten cities on one master framework rather than negotiating city by city. Horizon can do that. Most competitors cannot.

The customer base runs past 100 occupiers as of November 2025, spread across e-commerce, retail, FMCG, third-party logistics, renewable energy and general manufacturing. That sounds diversified until the concentration number arrives: the top ten customers account for somewhere between 41.5% and 54.0% of revenue depending on the period measured. For a landlord this is less alarming than it would be for a manufacturer — leases run multiple years, security deposits are held, and physical relocation of a fulfilment centre is expensive and slow. But it is not nothing. A single large occupier consolidating its network, as several e-commerce players have done in the last two years, can vacate several hundred thousand square feet in one decision.

Committed occupancy at 93.56% on the operational 28.55 msf is a strong number and the single best operating datapoint in this filing. It tells you the assets are leasable and the leasing team works. What it does not tell you is what happens to the 30.03 msf pipeline. Pipeline space is underwritten at assumed rents and assumed absorption; the 93.56% applies to a stabilised book that has already found its tenants. The gap between those two is where the equity risk sits.

The competitive moat, such as it is, is land and permissions rather than brand or technology. Assembling contiguous, well-located, road-connected industrial land near the eight largest consumption clusters in India takes years and relationships. Horizon has done that work. A new entrant with capital cannot simply buy the same position at the same cost today — which is the strongest structural argument for the platform, and one we do not dispute.

5. Geographic Distribution & Revenue Model

The network sits in ten cities, weighted to the consumption and manufacturing corridors that matter. Delhi-NCR carries the largest cluster — Farukhnagar, Bilaspur, Narela, Alipur, Sahibabad, Okhla and adjacent in-city sites. Maharashtra is the second pole with Bhiwandi, Chakan and Pimpri in Pune, plus Nashik and Nagpur. Karnataka runs through Hoskote, Dobbaspur and Malur around Bengaluru. Tamil Nadu is Oragadam and Hosur, the latter now an EV manufacturing cluster in its own right. Ahmedabad, Hyderabad and Goa complete the map.

Cluster	Representative Locations	Character
Delhi-NCR	Farukhnagar, Bilaspur, Narela, Alipur, Sahibabad, Okhla	Largest cluster; mix of large-format and in-city
Mumbai / Pune (MH)	Bhiwandi, Thane, Chakan, Pimpri	Consumption + auto manufacturing
Bengaluru (KA)	Hoskote, Dobbaspur, Malur	E-commerce and 3PL led
Chennai / Hosur (TN)	Oragadam, Hosur	EV and general manufacturing BTS
Other	Ahmedabad, Hyderabad, Nagpur, Nashik, Goa	Regional distribution and industrial

Source: Red Herring Prospectus dated 11 August 2026. Cluster grouping is our own; the offer document lists assets individually.

Revenue is entirely domestic and entirely rupee-denominated — there is no export exposure and no direct currency risk on the operating line. The commercial model is a lease: contracted rent per square foot per month, typically with 4–5% annual or triennial escalations, on tenures that run three to nine years for warehousing and longer for built-to-suit industrial. Facility management and common-area charges add a modest second layer. Because the asset is the revenue, growth requires capital — every incremental rupee of rent needs a building behind it, and buildings are funded with debt until equity arrives. That is the entire explanation for why a business earning a 79% EBITDA margin still posts a loss.

On a back-of-envelope basis, FY26 revenue of ₹691 Cr against 28.55 msf operational implies something in the region of ₹20 per sq ft per month blended — broadly consistent with Grade A warehousing rentals in these markets, and a useful check that the top line is real rent rather than one-off income. The number is understated because assets acquired mid-year did not contribute a full twelve months, which is also why FY27 revenue should step up mechanically even if no new leasing occurs.

6. IPO Structure & Use of Proceeds

Issue Structure

Particulars	Amount (₹ Cr)	% of Total
Fresh Issue	2,600.04	100.0%
Offer for Sale (OFS)	Nil	0.0%
Total Issue Size	2,600.04	100.0%
Employee Reservation (within above)	5.00	0.2%

Use of Proceeds — Fresh Issue

Objective	Amount (₹ Cr)	% of Fresh Issue
Repayment / prepayment of borrowings of the Company and certain subsidiaries	2,250.00	86.5%
General corporate purposes and issue expenses	~350.04	13.5%
Total	2,600.04	100.0%

Source: Red Herring Prospectus dated 11 August 2026; general corporate purposes capped at 25% of gross proceeds per SEBI ICDR.

There is no OFS. For a Blackstone-owned platform coming to market after a seven-year hold, that is genuinely notable and we will not pretend otherwise — the sponsor is not taking a rupee off the table, and every paisa raised goes into the company. Read against our usual OFS test, this issue passes cleanly. The 86.5% allocation to debt repayment is also the right use: on ₹6,884 Cr of borrowings at a blended cost implied around 8–9%, retiring ₹2,250 Cr saves roughly ₹190–200 Cr of annual finance cost, which is very nearly the size of the FY26 net loss.

The absence of an OFS is the strongest structural feature of this issue — and also a deferred one. Blackstone holds roughly 88.7% pre-issue and will still hold around 75% after listing, which sits right at the minimum-public-shareholding line. The sell-down is not cancelled; it is scheduled. Every institutional buyer in this book knows a supply overhang arrives inside three years, and that knowledge is part of why the anchor list looks the way it does.

Category Allocation

Category	% of Issue	Reserved Shares	Status at Day-2 Close
Anchor Investors (within QIB)	44.91%	19,46,25,000	Placed — ₹1,167.75 Cr

Category	% of Issue	Reserved Shares	Status at Day-2 Close
QIB (ex-anchor)	29.95%	13,65,78,947	0.21x
NII — bHNI (> ₹10 L)	9.98%	4,55,26,315	0.18x
NII — sHNI (₹2–10 L)	4.99%	2,27,63,158	0.10x
Retail	9.98%	4,55,26,315	0.43x
Employee	0.19%	9,61,538	0.61x
Overall (ex-anchor)	55.09%	25,13,56,273	0.24x

Subscription as of 18 August 2026, 7:30 PM. Reserved-share figures per exchange bidding data; category percentages rounded.

Five bookrunners are on the issue — JM Financial, Axis Capital, IIFL Capital Services, SBI Capital Markets and 360 ONE WAM. Five BRLMs on a ₹2,600 Cr issue is a heavy syndicate by any measure. Issuers assemble lineups that wide when they are buying distribution reach rather than underwriting conviction. Their individual track records are set out in Section 9.

7. Financial Performance Analysis

Profit & Loss

Particulars (₹ Cr)	FY 2024	FY 2025	FY 2026
Revenue from Operations	228.86	390.29	691.38
Total Income	245.52	439.35	767.84
EBITDA	151.51	339.12	607.80
EBITDA Margin (%)	61.7%	77.2%	79.2%
Finance Costs	210.83	352.89	538.99
Depreciation & Amortisation (implied)	~103	~165	~272
Profit / (Loss) After Tax	(162.21)	(178.78)	(203.65)
PAT Margin (%)	- 66.1%	- 40.7%	- 26.5%

Restated consolidated financials per the RHP. Depreciation is our implied estimate from the EBITDA-to-PAT bridge and includes tax effects; the offer document reports the audited line.

Balance Sheet & Leverage

Particulars (₹ Cr)	FY 2024	FY 2025	FY 2026
Total Assets	4,993.18	9,851.54	13,495.13
Net Worth	266.95	122.00	4,676.16
Total Borrowings	3,688.21	7,009.11	6,884.34
Debt / Equity (x)	13.8x	57.5x	1.47x
Interest Cover (EBITDA / Finance Cost)	0.72x	0.96x	1.13x
Net Asset Value per Share (₹)	—	—	27.89
Return on Net Worth (%)	—	—	- 4.23%

D/E computed on gross borrowings over reported net worth. The FY26 equity step-up reflects a pre-IPO promoter infusion and conversion, not retained earnings.

Start with the trajectory, because it is genuinely good. Revenue from operations tripled in two years — ₹229 Cr to ₹691 Cr, a two-year CAGR near 74% — and EBITDA margin climbed from 61.7% to 79.2% across the same window. That margin expansion is not financial engineering. It is what happens when a fixed cost base of leasing, facility and corporate overhead is spread across a rapidly growing rent roll. Operating leverage in a warehousing platform is close to mechanical, and Horizon is now near the ceiling of what the asset class delivers. There is not much more to come from here.

Below EBITDA the story reverses. Finance costs of ₹539 Cr in FY26 consumed 89% of EBITDA and 78% of revenue; on the two prior years they exceeded EBITDA outright. Interest cover has improved from 0.72x to 1.13x, which is progress, but 1.13x is not a comfortable number for a business that has to keep drawing debt to fund a 30 msf pipeline. Add roughly ₹270 Cr of depreciation and the loss is arithmetically unavoidable. The FY26 loss of ₹204 Cr is larger than FY25's ₹179 Cr and FY24's ₹162 Cr — losses have widened in absolute terms every year even as margins improved, because the asset base grew faster than the earnings on it.

The balance sheet needs a caveat. Net worth of ₹122 Cr in FY25 jumping to ₹4,676 Cr in FY26 is not operating performance — it is a pre-IPO equity infusion and conversion by the sponsor, timed ahead of the filing. The FY26 D/E of 1.47x therefore describes a capital structure that is barely months old, not one the company earned its way into. On the FY25 base the same debt sat against ₹122 Cr of equity. Anyone reading 1.47x as evidence of a conservatively financed business is reading the wrong year.

Cash flow disclosure in the public summaries is thin, and we would want the audited CFO line and the maintenance-versus-growth capex split before underwriting cash conversion. What we can say from the structure: rent collects monthly, receivable days in this model are short, and CFO should track EBITDA closely. The gap between CFO and free cash flow will be entirely capex, and on a 30 msf pipeline that gap will be very large for several more years. Post-repayment, saving roughly ₹190–200 Cr of annual interest takes the company to somewhere close to PAT breakeven — not profitability, breakeven. That is the honest FY27 base case.

8. Valuation

There is no peer table to build. The offer document states there are no comparable listed companies in India or the major select economies running a pure-play industrial park development and leasing model at this scale, and having looked, we agree. The nearest domestic references are the listed REITs and InvITs — stabilised, distribution-paying, structurally different — and diversified developers, whose economics are sales-led rather than rent-led. So the valuation has to be argued on absolutes.

Metric	At ₹60 (upper band)	Comment
Post-issue Market Cap	₹17,297.6 Cr	Implied on the upper band
P/E (FY26)	n.m.	Loss-making; EPS – ₹0.83
P/B	2.15x	NAV ₹27.89 per share
EV / EBITDA (FY26, pre-repayment)	~39.8x	EV ≈ ₹24,182 Cr on ₹6,884 Cr debt
EV / EBITDA (FY26, post-repayment)	~36.1x	Adjusting for ₹2,250 Cr debt retired
Price / Sales (total income)	~22.5x	On FY26 total income of ₹768 Cr
Return on Net Worth	– 4.23%	Negative on the restated FY26 base
Implied in-place EBITDA yield	~2.8%	FY26 EBITDA over post-repayment EV

Computed by IPO Research Desk from RHP financials and the upper band of ₹60. Enterprise value assumes minimal surplus cash.

The single most useful number here is the implied in-place yield. At ₹60, the enterprise is capitalised at roughly ₹21,900 Cr against ₹608 Cr of FY26 EBITDA — an in-place yield near 2.8%. Indian Grade A industrial assets transact at cap rates of roughly 8%. The gap is the pipeline: the market is being asked to pay today for 30 msf that does not yet earn. That is a legitimate way to value a development platform. It is not a cheap one.

Take the same question from the asset side. A post-repayment enterprise value near ₹21,900 Cr across 58.58 msf of total network is roughly ₹3,740 per square foot — broadly in line with all-in replacement cost for Grade A warehousing including land, which is the bull case in one line. Against the 28.55 msf that actually earns rent today, the same EV is about ₹7,700 per square foot. Both numbers are true; which one you use is the whole argument, and it reduces to how much credit the pipeline deserves before a brick is laid.

Our view: the pricing is not egregious for what the platform is, but it leaves nothing for the buyer. At 2.15x book on an equity base created months ago by sponsor infusion, at 36x EV/EBITDA with 1.13x interest cover, and with no earnings to anchor a multiple, the return case rests entirely on execution over four to five years. That is a private-equity underwriting horizon, not a listing-day one.

9. Demand, Application-Wise Breakup, Anchor Quality & BRLM Track Record

9.1 Subscription Trajectory

Category	Day 1 (17 Aug)	Day 2 (18 Aug)	Day 3 (19 Aug)
QIB (ex-anchor)	0.19x	0.21x	Pending
NII — bHNI (> ₹10 L)	0.03x	0.18x	Pending
NII — sHNI (₹2–10 L)	0.04x	0.10x	Pending
Retail	0.21x	0.43x	Pending
Employee	0.35x	0.61x	Pending
Overall (ex-anchor)	0.15x	0.24x	Pending

Day 1 as at 5:00 PM; Day 2 as at 7:30 PM. Intra-day snapshots vary marginally between data vendors; the Day-2 close figures above are the operative set for this note.

Two days in, the ex-anchor book is at 0.24x. Retail at 0.43x is the strongest category, which in a ₹2,600 Cr institutional issue is itself a warning — when retail is carrying the book and QIB ex-anchor sits at 0.21x, the money that is supposed to price the deal has not arrived. bHNI improved from 0.03x to 0.18x, which reads better in percentage terms than it does in rupees.

9.2 Subscription & Application-Wise Breakup

Category	Lot(s)	Qty (Shares)	Amount (₹)	Reserved	Applications (Day 2)
Retail	1	250	15,000	1,73,030	~60,837
sHNI	14	3,500	2,10,000	6,180	~631
bHNI	67	16,750	10,05,000	12,359	~474
Employee	1	250	15,000	3,654	~231

Lot and reserved-application figures per the exchange lot distribution. Application counts are approximate and indicative only, derived from cut-off bidding data as at 18 August 2026, 7:30 PM, and are confirmed only at the basis of allotment.

The bid quantities are the minimum tickets for each bucket: 67 lots (16,750 shares, ₹10,05,000) for bHNI and 14 lots (3,500 shares, ₹2,10,000) for sHNI. Against roughly 474 bHNI and 631 sHNI applications received at Day-2 close, there is no case for sizing above the minimum ticket on either.

Including the ₹1,168 Cr anchor placement, roughly 57% of the total book is already spoken for. Our working assumption is that QIB money lands in the final hours of Day 3 and takes the issue past its minimum-subscription threshold and into oversubscription — institutional bids on issues of this size are routinely placed at the close, and the anchor tranche is already committed. The book, in other words, is likely to get there. What it will not do is get there with the kind of excess demand that produces a listing pop.

9.3 Grey Market Premium

GMP stood at ₹1.70 on 18 August 2026, a 2.83% premium to the ₹60 upper band, implying an indicative listing near ₹61.70. It was ₹4 on anchor day and through Day 1, so the direction is down and the move is roughly a 58% erosion in three sessions. We treat GMP as one unregulated sentiment reading among several, not as a forecast — it is a thin, unofficial market with no settlement guarantee, and on issues with weak books it tends to overstate rather than understate. A +2.8% GMP on a falling trend and a 0.24x book is not a listing-gain signal. It is closer to a dealer's quote for an issue nobody is trading.

9.4 Anchor Quality — the Backtest

The anchor book placed 19,46,25,000 shares at ₹60 with 54 investors for ₹1,167.75 Cr, 44.91% of the issue. Domestic mutual funds took 19.95% across 6 AMCs and 27 schemes; life insurance and pension money took 6.42% across two names. The balance — nearly three-quarters of the book — sits with foreign funds, offshore derivative instrument counterparties, AIFs and private treasuries. The table below scores the largest participants against our seven-year base of 688 prior mainboard anchors.

Anchor	Alloc %	₹ Cr	Prior Issues	Avg Listing Gain	Avg Subscription
Carmignac (3 vehicles)	25.69%	300.0	39 + 7	+25.1%	21.7x
Societe Generale — ODI	9.42%	110.0	140	+8.8%	18.6x
360 ONE (5 vehicles)	9.59%	112.0	51	+10.7%	17.1x
Nuvama (2 funds)	6.43%	75.0	45	+7.4%	11.3x
Sundaram MF (4 schemes)	5.39%	63.0	67	+29.5%	26.8x
SBI Life Insurance	4.28%	50.0	96	+22.8%	24.1x
WhiteOak Capital MF (6 schemes)	3.43%	40.0	64	+18.8%	24.4x
JM Financial MF (5 schemes)	3.43%	40.0	22	+13.1%	13.8x
PGIM India MF (7 schemes)	3.41%	40.0	28	+7.4%	17.3x
Matthews (2 funds)	3.42%	40.0	26	+40.5%	31.7x

Anchor	Alloc %	₹ Cr	Prior Issues	Avg Listing Gain	Avg Subscription
BNP Paribas — ODI	3.00%	35.0	111	+11.5%	16.0x
Edelweiss Life Insurance	2.14%	25.0	22	+7.2%	15.9x
SBI General Insurance	2.14%	25.0	71	+9.0%	22.4x
Chhattisgarh Investments	2.14%	25.0	13	+22.2%	60.9x
Integrated Core Strategies (Asia)	1.28%	15.0	47	+29.2%	26.3x
Morgan Stanley Asia — ODI	0.86%	10.0	81	+10.1%	14.4x
Viridian Asia Opportunities	0.86%	10.0	7	– 6.5%	8.3x
Citigroup Global Mkts Mauritius — ODI	0.64%	7.5	50	+3.8%	10.0x

Prior-issue counts, average listing gains and average subscription multiples from the IPO Research Desk seven-year anchor base (2020–2026, 688 anchors). Poonawalla Vision Fund I, ASKWA Income Opportunities AIF, IndusInd General Insurance, ECL Finance, Alquity SICAV, Pico Capital and Dyna SIF do not appear in our base and carry no scoreable history.

Three things stand out, and none of them is the headline number. First, Carmignac alone is a quarter of the anchor book — ₹300 Cr across three vehicles. Carmignac has a good record, 39 prior issues at a +25% average listing gain, and they were active through 2025 at +45.9%. But a book where one foreign manager takes 25.7% is a concentrated book, and concentration cuts both ways: if the position is being built for a multi-year real-assets view rather than a listing trade, the natural buyer on the tape after listing is not obvious.

Second, and more uncomfortable, is how much of this book is house money. 360 ONE WAM is a bookrunner and 360 ONE vehicles took 9.59%, including ₹80 Cr into the 360 ONE Real Assets Development Fund. JM Financial is a bookrunner and JM Financial Mutual Fund schemes took 3.43%. Add the Nuvama and Edelweiss group entities at roughly 10% combined and something in the region of a fifth to a quarter of the anchor book comes from managers sitting inside or immediately adjacent to the syndicate. That is not improper and it happens on plenty of issues. But it materially discounts the informational value of the anchor book as an independent signal of institutional conviction.

Third, the absences. Not one of the large domestic mutual funds is here. ICICI Prudential MF (163 prior issues), Nippon India MF (154), HDFC MF (147), Goldman Sachs (131), Kotak Mahindra MF (109), SBI MF (106), Axis MF (103) — all absent. So are the big sovereign pools, Abu Dhabi Investment Authority (76) and Government Pension Fund Global (57). SBI Capital Markets is a bookrunner on this issue and SBI Mutual Fund did not take a share; SBI Life and SBI General did. When the domestic institutional bench of that depth passes on a ₹2,600 Cr Blackstone platform, the base case is that they looked and declined, not that they were crowded out of a book that is currently 0.24x subscribed.

One more calibration. The anchors in this book have historically participated in issues that ended up 8x to 32x subscribed — Carmignac's average is 21.7x, Sundaram's 26.8x, Matthews' 31.7x. This issue is tracking at 0.24x with a day to go. Their own participation history contains almost no precedent for this outcome, which means their presence here is not evidence that the pattern will hold. The historical average P/E band each of these names buys at is also unusable, because there is no E. They are being

asked to underwrite a loss-making, asset-heavy, leveraged platform on book value and pipeline — outside the profile our base scores them on.

9.5 BRLM Track Record — the Backtest

Book Running Lead Manager	IPOs (7 yr)	Hit Rate	Avg Listing Gain	2025	2026 YTD
JM Financial	104	72.1%	+18.5%	5 / 3	2 / 0
Axis Capital	114	70.2%	+14.9%	5 / 3	5 / 2
IIFL Capital Services	100	68.0%	+17.1%	3 / 2	3 / 0
SBI Capital Markets	72	62.5%	+11.4%	5 / 2	3 / 1
360 ONE WAM	1	0.0%	- 3.0%	—	—
Syndicate aggregate	391	68.5%	—	18 / 10	13 / 3

From the IPO Research Desk seven-year lead manager base (2020–2026). Year columns show IPOs managed / issues that listed at a premium. Aggregate double-counts issues where two or more of these houses shared the mandate.

On the seven-year aggregate this is a respectable lineup — a combined 68.5% listing-premium hit rate across nearly 400 mandates, with JM Financial the strongest at 72.1% and an +18.5% average listing gain. If that were the whole picture we would be relaxed about the syndicate.

It is not the whole picture. Across 2026 to date these four houses have run 13 mainboard issues between them and 3 listed at a premium — a 23% hit rate against a 68.5% lifetime average. IIFL is 0-for-3 this year, JM Financial 0-for-2, SBI Capital 1-for-3, Axis 2-for-5. The deterioration runs through 2025 as well, at 10 of 18. This is not a one-house problem or a one-quarter problem; it describes a primary market in which these desks have been pricing issues to the last rupee and the aftermarket has stopped paying for it. We weight the recent tape considerably more heavily than the seven-year average, and it argues against, not for.

360 ONE WAM is the fifth name and has one prior mainboard mandate in seven years, which listed down 3%. There is no meaningful track record to score. Their presence reads as a distribution and wealth-channel appointment — consistent with 360 ONE vehicles also taking 9.6% of the anchor book — rather than as underwriting depth. Five bookrunners on a ₹2,600 Cr issue, one of them effectively a first-timer, and the book is at 0.24x on Day 2. The distribution reach did not convert.

Strong anchor participation and a good BRLM track record reduce listing risk; they do not eliminate it. On this issue we have neither an independent anchor book nor a syndicate in current form.

10. Risk Factors

[PRIMARY CONCERN] 1. Weak book and a low-reward listing setup.

The ex-anchor book stood at 0.24x at Day-2 close, with QIB at 0.21x and bHNI at 0.18x. We expect QIB bids to arrive in the closing hours of the final day and carry the issue past its 90% minimum-subscription threshold into oversubscription — that is the standard pattern for an issue of this size with an anchor tranche already placed, and we do not treat failure of the issue as the base case. The risk is what follows. A book that clears late on institutional bids alone lists into a thin order tape with no retained excess demand behind it. On the current setup the realistic outcome band is a 2–5% gain on listing and roughly –5% in the bad case. The reward on offer is small relative to the uncertainty, and that asymmetry — not the threshold — is the dominant concern in this note.

2. Sustained losses with no stated path to profitability.

The company has posted losses in each of FY24, FY25 and FY26, and the losses have widened in absolute terms every year — ₹162 Cr, ₹179 Cr, ₹204 Cr — despite EBITDA margin expanding from 61.7% to 79.2%. The offer document states losses may continue for the foreseeable future as development proceeds. Retiring ₹2,250 Cr of debt takes the company to roughly PAT breakeven, not to profit. Investors buying at ₹60 are buying a business with no earnings and no committed date for earnings.

3. Leverage and interest cover.

Total borrowings stood at ₹6,884 Cr at 31 March 2026 against FY26 EBITDA of ₹608 Cr — interest cover of 1.13x. Post-repayment cover improves to roughly 1.8x, which is workable but not comfortable for a platform that must keep drawing debt to fund a 30.03 msf pipeline. Covenant breaches, refinancing at higher spreads, or a delay in a large development block would each pressure the same line. The FY26 debt-to-equity of 1.47x also flatters the position: it rests on a sponsor equity infusion completed months before filing, not on retained earnings.

4. Listing volatility.

A book that clears late and near its threshold lists into a thin order tape with no retained demand behind it. GMP has already fallen from ₹4 to ₹1.70 across three sessions. A weak open, a broad-market gap-down on 24 August, or the absence of any momentum bid can undo the setup regardless of how the anchor list reads. Anchor lock-in releases 50% at 30 days and the balance at 90 days, adding a known supply event just past the momentum window. We do not consider this a risk-free recommendation.

5. Promoter overhang and scheduled sell-down. Blackstone holds approximately 88.7% pre-issue and will retain roughly 75% after listing, at the edge of the minimum-public-shareholding requirement.

The absence of an OFS today is a genuine positive, but it defers rather than removes supply: a sell-down inside three years is a regulatory obligation, not a choice. Every institutional buyer in this book is pricing that forward supply, which is part of why the anchor list is thin on long-only domestic money.

6. Customer concentration. The top ten occupiers account for between 41.5% and 54.0% of revenue depending on the period measured. Long leases and high physical switching costs mitigate this more than they would in most industries, but a single large e-commerce or 3PL occupier consolidating its national network can vacate several hundred thousand square feet on one decision. The disclosed history is too short to show how the platform behaves through a real churn event.

7. Pipeline execution and absorption. Of 58.58 msf of total network, only 28.55 msf earns rent. The remaining 30.03 msf is scheduled over four to five years and carries land, approval, construction and leasing risk in sequence. Roughly 7.22 msf of deliveries depend on third-party contractors. The 93.56% committed occupancy on the stabilised book says nothing about absorption on space that does not yet exist, and the valuation depends heavily on that space arriving on time and on rent.

8. Related-party acquisitions and comparability of financials. Several portfolio assets were acquired from promoter-affiliated entities, and certain subsidiaries have recorded negative net worth. The restated statements carry pro-forma adjustments as a result. FY26 is not cleanly comparable with FY24 on a like-for-like basis, and growth rates computed across that window overstate underlying performance to a degree the public disclosures do not let us fully quantify.

9. No listed comparable — valuation is unanchored. The offer document itself states there is no comparable listed company in India or the major select economies. Absent a peer multiple, price discovery on listing has no reference point, which historically widens both the range of listing outcomes and the time taken for a stable trading band to form. It also means the issue price rests on the syndicate's own model rather than on a market-tested benchmark.

10. Interest rate and cap-rate sensitivity. The business is a spread between borrowing cost and asset yield, and the valuation is a function of the cap rate applied to that yield. A move up in policy or credit spreads compresses the spread and the multiple simultaneously. Contracted rent escalations of 4–5% provide a partial hedge over time but not within the near window this desk trades.

11. Investment Strengths & Positive Indicators

- 1. No offer for sale.** All ₹2,600 Cr is fresh capital into the company, with 86.5% earmarked for debt repayment. For a private-equity-owned platform at exit stage this is the exception, not the rule, and it is the strongest single item in this issue's favour. On our standard OFS test — which flags anything above 50% as an existing-investor exit signal — this issue registers zero.
- 2. Margin profile is genuinely top-decile.** EBITDA margin of 79.2% in FY26, up from 61.7% two years earlier, reflects real operating leverage on a fixed leasing and overhead base. Very few asset classes convert revenue this efficiently. The margin is durable because it is structural to warehousing economics, not cyclical.
- 3. Scale is a real competitive position.** At 58.58 msf across 45 assets in ten cities, Horizon can serve national occupiers on a single master framework in a way city-level developers cannot. The land bank near the largest consumption clusters took years to assemble and cannot be replicated at today's prices by a new entrant with capital alone.
- 4. Occupancy validates the asset quality.** Committed occupancy of 93.56% on the operational 28.55 msf as of 31 May 2026 is a strong print. It confirms the assets are leasable at underwritten rents and that the leasing function works — the most important operating evidence in the filing.
- 5. Growth trajectory is exceptional.** Revenue from operations tripled from ₹229 Cr in FY24 to ₹691 Cr in FY26, a two-year CAGR near 74%, with EBITDA rising from ₹152 Cr to ₹608 Cr over the same period. Part of that is acquisition-led and not organic, but the leased rent roll behind it is contracted and recurring.
- 6. Deleveraging is immediate and quantifiable.** Retiring ₹2,250 Cr of the ₹6,884 Cr borrowing takes annual finance cost down by roughly ₹190–200 Cr and lifts interest cover from 1.13x to approximately 1.8x. That is close to the size of the FY26 net loss, which is why FY27 should show a materially narrower deficit even on flat operations.
- 7. Sectoral tailwind is intact.** Supply-chain formalisation, manufacturing localisation, quick-commerce density and the continued shift from Grade B to Grade A warehousing are all multi-year structural demand drivers for this asset class. The addressable market is not in question. Whether this equity, at this price, is the right instrument to express that view is a separate matter.
- 8. Sponsor quality and governance discipline.** Blackstone's institutional processes, reporting standards and access to capital are advantages a domestically promoted developer of this scale would not have. Where the sponsor is a negative is the forward supply overhang, not the standard of stewardship.

12. Final Recommendation & Conclusion

R E C O M M E N D A T I O N

WAIT & WATCH

Risk-averse: AVOID • Risk-takers: selective • Final update around 1:30 PM, 19 August 2026

Run the five pillars and the picture is unusually lopsided. On structure, this is the cleanest issue we have looked at in months — 100% fresh, no OFS, 86.5% to debt repayment, and a sponsor who is not selling a share. On financial quality, the operating business is strong at the EBITDA line and unfinanceable below it: 79% margins, 1.13x interest cover, three consecutive years of widening losses. On valuation, 2.15x book and roughly 36x EV/EBITDA with no earnings and no listed comparable leaves the buyer paying today for a pipeline that delivers over four to five years. On demand, the book is at 0.24x with one session to go. On GMP, +2.8% and falling.

Four of those five say the same thing, and the fifth — the OFS structure — is a reason to respect the company, not a reason to bid the listing. We expect QIB money to arrive at the close of the final day and take the issue into oversubscription, so the question is not whether the deal gets done. The question is what the buyer is paid for it. On the current tape that is a 2–5% listing gain at best, and roughly –5% if the open is weak. Good chances of allotment are the compensation on offer, and on their own they are not a reason to commit capital.

The position splits by risk appetite, and we will state both sides plainly. For risk-averse capital the call is AVOID — a loss-making platform with no listed comparable, a GMP that has halved in three sessions and a syndicate running a 23% hit rate this year is not a setup that rewards patience on the listing print. For risk-takers willing to accept a low-reward, low-friction trade, a partial bid from selected accounts is defensible on the OFS structure and the asset backing, sized as a tactical position and never at full allocation. We revisit the tape and issue a final update around 1:30 PM on 19 August.

Two things must be said, and are said in every note this desk writes. This is not a risk-free recommendation. And a strong anchor book does not guarantee listing gains — on this issue the anchor book is not even strong on an independent basis, given how much of it comes from managers affiliated with the syndicate.

BHNI Guidance

Investor Category	Guidance	Allocation Approach	Exit Window
BHNI	WAIT & WATCH	Risk-averse: avoid. Risk-takers: partial bid from selected accounts only, never full allocation. Hold the decision until our final update around 1:30 PM on 19 August.	Listing day (24 Aug); trail to T+2 only if the open holds above ₹60

IPO Research Desk operates a BHNI-only mandate focused on the listing print and the immediate momentum window.

13. Standard Disclaimer

The analysis presented herein is based on publicly available information and data as of the date of publication. Investors should conduct their own due diligence before making investment decisions. Past performance is not indicative of future results. The author does not guarantee the accuracy, completeness, or timeliness of the information provided. Investment in IPOs and equity markets involves substantial risk, including the risk of loss of principal. Market conditions, company performance, regulatory changes, and macroeconomic factors can significantly impact investment outcomes.

Past performance is not indicative of future returns.