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Lesson from 2026 IPOs: earnings execution beats listing gains

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If you had watched only the listing-day tape, you would have written off two of these three companies. Photo: AI-generated

SUMMARY

Investors who sold on debut locked in losses on two of 2026's top three performers, showing why fundamental execution and consistent growth matter far more than first-day market noise.



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Fifty-three companies listed on the mainboard in 2026 through the end of August, raising a combined ₹67,322.60 crore, according to Prime Database. Forty of them are trading above their issue price.

Of the 53, only three stocks doubled from the issue price: Omnitech Engineering, SEDEMAC Mechatronics, and [Shadowfax Technologies](#).

More [IPOs](#) have listed since, and prices have kept moving, so both counts will have shifted further by the time you read this.

But as of 25 September 2026, there have been only three multibagger IPOs this year, and all three stocks are now above where they were in August.

Two of the three multibaggers had weak debuts

If you had watched only the listing-day tape, you would have written off two of these three.

Omnitech Engineering opened at ₹202 on the NSE against its ₹227 issue price and closed day one at ₹204.93, down 9.7%.

Shadowfax Technologies did worse: it opened at ₹112.6, well below its ₹124 issue price, and closed at ₹109.98, down 11.3%.

So, anyone who sold on listing day locked in a loss on both.

SEDEMAC Mechatronics was the exception. It opened at ₹1,535 on the NSE, above its ₹1,352 issue price, and closed day one at ₹1,451.1, up 7.3%. It's also the only one of the three that never traded below its issue price.

The pattern that actually matters is not the debut. It's what each company did with its balance sheet and order book in the seven months after.



Omnitech Engineering: outrunning valuation worries

Omnitech Engineering makes precision-machined components and assemblies for aerospace, defence, and industrial customers.

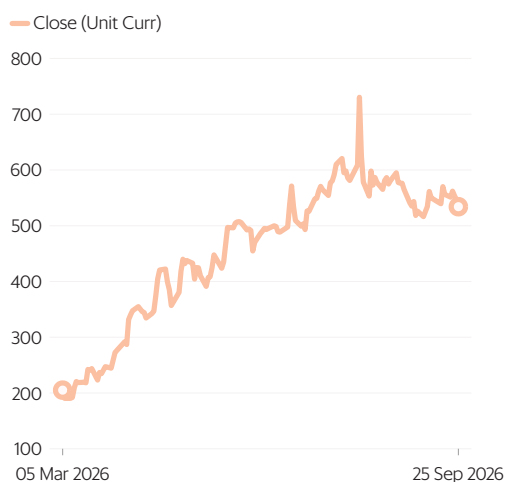
At ₹227 a share, the ₹583-crore IPO carried a rich valuation: 64 times earnings amid rising debt and stretched working capital.

Those working-capital concerns have not gone away. Debtor days stand at 153 and inventory days at 946 – both signs of a business that ties up cash for a long time before it turns into a sale.

What changed the market's mind was the scale of the earnings move. Its consolidated revenue for the June 2026 quarter rose 61.5% year-on-year to ₹1.7 crore, and net profit jumped 468.5% to ₹29.7 crore from ₹5.2 crore a year earlier.

Full-year FY26 profit had already grown 81% to ₹79 crore, while revenue was up 49% to ₹511 crore.

Omnitech Engineering Ltd. - share price since listing



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SEDEMAC Mechatronics: real growth, but insiders cashing out

SEDEMAC makes electronic control units and mechatronic systems for engines, mainly for off-highway and two-wheeler applications.

It priced its IPO at ₹1,352 – the very top of a range investors were willing to pay. Growth has held up. FY26 revenue grew 61%, continuing a run that averaged 69.4% annually over five years, and operating margin stood at 20%.

Two developments this September are worth noting. First, SEDEMAC disclosed GST show-cause notices totaling ₹2.35 crore across FY23 and FY24, split between tax and penalty. The company says it expects no material financial impact and plans to contest them at a hearing before the Tamil Nadu commercial taxes department.

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Second, and larger in scale, four pre-IPO investors – A91 Partners, Xponentia, Mace Private Limited, and Nandan Nilekani's NJRN Family Trust – sold a combined ₹1456.40 crore of shares through bulk deals at around ₹3,010 apiece on 24 September.

The buyers were a mix of long-only institutional names, including the government of Singapore, Amansa Holdings, Invesco Mutual Fund, SBI Mutual Fund, the Monetary Authority of Singapore, and T Rowe Price International Discovery Fund.

At ₹3,445, SEDEMAC trades at 130 times trailing earnings and 33.9 times book value, by far the richest valuation of the three names here.

SEDEMAC share price since listing

— Close (Unit Curr)



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Shadowfax Technologies: weakest debut, best recent quarter

Shadowfax runs a logistics network spanning express parcel delivery and hyperlocal (quick commerce and food) deliveries.

It had the roughest start of the three, listing at ₹109.98 against a ₹124 issue price on 28 January, an 11.3% first-day loss. But what followed was arguably the most convincing operating turnaround of the three companies here.

In Q1FY27, revenue grew 65% year-on-year to ₹1,358 crore, and net profit jumped more than eightfold to ₹65.4 crore from ₹8 crore a year earlier, marking the fifth straight quarter of revenue growth above 60%. Ebitda nearly quadrupled to ₹92 crore, and ebitda margin expanded to 6.77% from 2.98%.

Express parcel revenue rose 87.3% year-on-year, hyperlocal rose 53%, and the company delivered 247 million combined orders in the quarter while adding 5.3 million sq ft of operating space.

This matters because Shadowfax's story before listing was about scale without profit: FY25 revenue of ₹25.15 bn had produced a razor-thin bottom line, and its three-year average return on equity was 7.15%. The past two quarters are the evidence that scale is starting to convert into margins.

The market has rewarded that shift: shares hit a fresh 52-week high of ₹246.8 on the results and continued climbing to ₹282 by 25 September. At that price, Shadowfax trades at 96.2 times trailing earnings and 9.4 times book value, against a 52-week range of ₹98.6 to ₹292.

Shadowfax share price since listing

— Close (Unit Curr)



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The road ahead

Omnitech's 63.5 PE multiple and stretched working-capital cycle mean any slowdown in order execution or stumble in collecting from customers will hit the stock harder than it would a business priced for less growth.

SEDEMAC's valuation is the most demanding of the three at nearly 34 times book value, and the September stake sales by early investors, even if explained by normal profit-booking, are worth watching.

Shadowfax has the most room to disappoint on execution, as its re-rating rests on just two strong quarters after years of thin margins.

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Conclusion

The lesson from this year's batch is not that not all IPOs are a reliable source of quick gains. It's that listing-day price action told you almost nothing about which ones would double quickly. Two of the three biggest winners actually lost money for anyone who sold on day one. What separates them is what showed up in the quarters after listing.

Having said that, it's important to evaluate a company's business quality, financial performance, management execution, corporate governance, and valuation before making an investing decision.

Happy investing!