Aequs Limited

02-December-25

Subscribe- Long Term

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Issue Details

Issue Details	
Issue Size (Value in ₹ million, Upper Band)	9,218
Fresh Issue (No. of Shares in Lakhs)	540.3
Offer for Sale (No. of Shares in Lakhs)	203.1
Bid/Issue opens on	3-Dec-25
Bid/Issue closes on	5-Dec-25
Face Value	Rs. 10
Price Band	118-124
Minimum Lot	120

Objects of the Issue:

- **Fresh Issue: ₹6,700 million**
  - Repayment and/or payment, in full or part, of certain outstanding borrowings and prepayment penalties.
  - Funding capital expenditure to be incurred on account purchase of machinery and equipment by them and their subsidiaries.
  - Funding inorganic growth through unidentified acquisitions, other Initiatives and general corporate purposes.
- **Offer for Sale: ₹2,518 million**

Book Running Lead Managers
JM Financial Limited
IIFL Capital Services Limited
Kotak Mahindra Capital Company Limited
Registrar to the Offer
KFin Technologies Limited

Capital Structure (₹ million)	Aggregate Value
Authorized share capital	10,146.3
Subscribed paid up capital (Pre-Offer)	6,166.2
Paid up capital (post-Offer)	6,706.5

Share Holding Pattern %	Pre Issue	Post Issue
Promoters & Promoter group	64.5	56.3
Public	35.5	43.7
Total	**100.0%**	**100.0%**

Financials

Particulars (Rs. In Million)	3M FY26	FY25	FY24	FY23
Revenue from operations	5,372	9,246	9,651	8,121
Operating Expenses	4,814	8,512	8,428	7,775
EBIDTA	557	734	1,223	346
Other Income	284	346	232	284
Depreciation	572	1,034	1,077	995
EBIT	**269**	**46**	**378**	**(365)**
Interest	358	589	638	646
PBT	**(55)**	**(940.9)**	**(21.8)**	**(1,026.8)**
Tax Expense	113	83	100	61
Consolidated PAT	**(168)**	**(1,024)**	**(121)**	**(1,087)**
EPS	**(0.3)**	**(1.5)**	**(0.2)**	**(1.6)**
Ratio	**3M FY25**	**FY25**	**FY24**	**FY23**
EBITDAM	10.4%	7.9%	12.7%	4.3%
PATM	-3.1%	-11.1%	-1.3%	-13.4%
Sales growth		-4.2%	18.8%	

Company Description

Aequs Limited are the only precision component manufacturer operating within a single special economic zone in India to offer fully vertically integrated manufacturing capabilities in the Aerospace Segment, which sets them apart from other contract manufacturers with selective manufacturing capabilities amongst their peers. Precision components are precisely machined parts that are designed and manufactured to exact specifications and are commonly supplied to OEM customers and system integrators. They had one of the largest portfolios of aerospace products in India, as of March 31, 2025. Their diverse product portfolio includes components for engine systems, landing systems, cargo and interiors, structures, assemblies and turning for their aerospace clients. For the six months period ended September 30, 2025, and the Financial Year 2025, their net external revenue from the Aerospace Segment was ₹4,739.5 million and ₹8,246.4 million, respectively.

Their advanced manufacturing capabilities also enable them to enter new business segments by leveraging existing capabilities. While they primarily operate in the Aerospace Segment, over the years, they have expanded their product portfolio to include consumer electronics, plastics, and consumer durables for their consumer clients. Their diverse consumer product portfolio includes consumer durables such as cookware and small home appliances, plastics such as outdoor toys, figurines, toy vehicles, and components for consumer electronics such as portable computers and smart devices.

Valuation & Outlook:

Aequs Limited is a vertically integrated precision manufacturing company headquartered in Belagavi, Karnataka, operating India's first precision engineering SEZ and serving both the aerospace and consumer segments. The company provides end-to-end solutions including forging, high-precision machining, surface treatment, and aerostructure assembly for global aerospace OEMs, while also manufacturing components for consumer electronics, plastics, and consumer durables. It has a global footprint with facilities in India, France, and the U.S., enabling it to supply critical components for major aircraft programs and expand into high-volume consumer manufacturing.

They operate three manufacturing ecosystems in India and two dedicated aerospace facilities overseas, with a total capacity of 2,919,058 annual machining/molding hours, over 200 CNC machines for aerospace production, and 161 molding machines for consumer products. They are also the only fully integrated aerospace precision manufacturer within a single SEZ in India—a high-entry-barrier sector requiring significant investment, proof-of-concept capabilities, and strong OEM relationships. With a manufacturing presence across India, the U.S., and France, they benefit from proximity to global OEMs, access to a skilled and diverse workforce, and the ability to deliver innovative solutions while maintaining long-term customer relationships.

At the upper price band, the company is valued at 8.9x FY25 P/S, implying a post-issue market cap of ₹83,161 million and an EV/EBITDA of 122.9x. It aims to deepen wallet share with existing aerospace customers by moving up the value chain while also broadening its customer base in the Aerospace Segment. Additionally, it plans to expand its consumer electronics portfolio by leveraging advanced aerospace capabilities to scale manufacturing, grow its customer base, and increase wallet share. The consumer business adds significant upside though smooth execution is required which will help them achieve profitability in future. Considering these factors, the IPO appears fully valued and is rated "**Subscribe – Long Term**."

➢ **Description of Business**:

They are one of the few manufacturers in India with niche metallurgy capabilities, specializing in precision machining of high-end alloys, including titanium alloys for their aerospace clients. Further, they are the leading company within a single special economic zone in terms of end-to-end manufacturing capabilities (machining, forging, surface treatment and assembly) for the Aerospace Segment in India, based on the number of capabilities and approvals. They operate in three unique, engineering-led vertically integrated precision manufacturing "ecosystems" in India. These manufacturing ecosystems comprise their Company, few of their suppliers and their Joint Ventures, which allow them to manufacture products in accordance with their clients' specifications. Global aerospace companies, such as Airbus and Boeing, are focused on enhancing their supply chain efficiency and accordingly prefer suppliers who are able to offer "one-stop-shop" capabilities to support their complex manufacturing and integration needs, due to the benefits associated with quality management, cost and working capital efficiencies (for instance, on account of reduced logistics and warehousing costs as a result of co-located facilities), reduced lead times and reduced global carbon footprint. Their manufacturing ecosystems enable large-scale, timely production of complex products, meeting global OEMs' stringent requirements in both Aerospace Segment and Consumer Segment. In recent years, they have strategically prioritized the selective outsourcing of lower value-added activities, including 3-axis and 4-axis machining, within and outside their manufacturing ecosystem to third-party subcontractors, allowing them to concentrate on producing more complex and higher value components through higher value-added activities, including 5-axis machining. While they continue to maintain their capacity in 3-axis and 4-axis machining, their focus going forward is on expanding their capabilities in 5-axis machining, as they move up the value chain. Further, they aim to leverage their existing aerospace manufacturing capabilities to diversify customer base in Aerospace Segment by pursuing opportunities to develop new relationships and strengthening their presence in the Aerospace Segment.

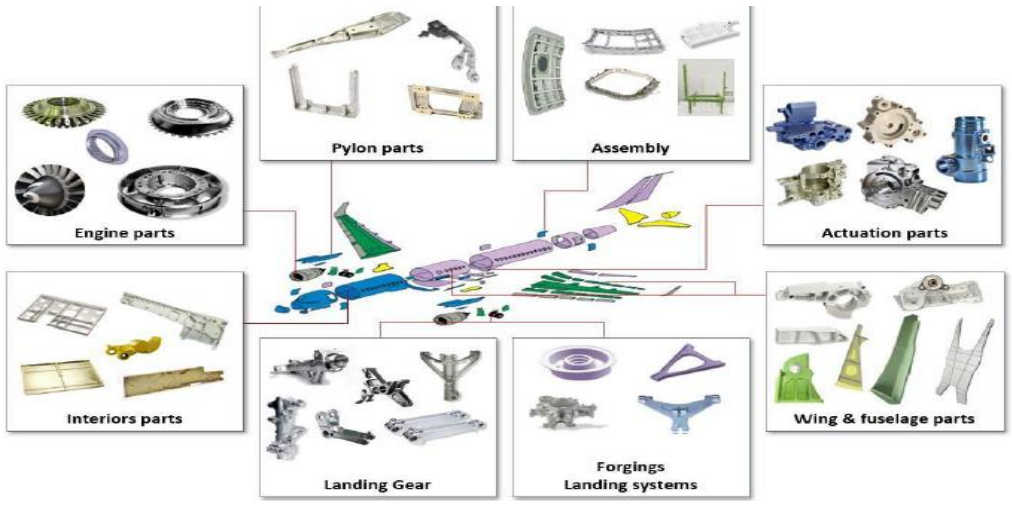
As of September 30, 2025, they produced over 5,000 products within the Aerospace Segment under a variety of manufacturing and assembly programs established with their aerospace customers, including programs for single aisle (such as A220, A320, B737) and long range (A330, A350, B777, B787) commercial aircrafts. They had one of the largest portfolios of aerospace products in India, as of March 31, 2025. The combination of their scale, vertically integrated manufacturing ecosystems and qualified engineering talent enables them to scale production while meeting contracted timelines with stringent quality and safety standards. This has also allowed them to achieve 100% in-country value addition for select products. They perform their own quality checks on suppliers, by regularly monitoring and ensuring that the raw materials supplied to them meet their and their customers' stringent quality standards, which in turn provides them with an ability to have better control over their quality and increase their competitive ability. Their Company has instituted a quality assurance framework to ensure that all materials and products meet both international standards and those of their customers. They conduct quality checks on suppliers, sourcing raw materials exclusively from approved and qualified vendors. Each manufacturing facility is supported by a dedicated quality assurance team that conduct thorough inspections at all stages of production, from raw material intake to final output. Their manufacturing facilities within their manufacturing clusters hold multiple internationally recognized certifications such as ISO 9001:2015, AS9100D, and NADCAP. Their quality control infrastructure, including inspection equipment such as coordinate measuring machines, optical measuring machines and non-destructive testing equipment, supports precise validation of product specifications. In addition, their manufacturing facilities are periodically inspected and audited by regulatory authorities and customers.

They commenced manufacturing of aero-structure components and aero-engine components for aerospace clients in their units in the Belagavi Manufacturing Cluster in 2009. Over the past 15 years, they have consistently grown their business by developing and acquiring new manufacturing capabilities, and diversifying their product portfolio and customer base across the Aerospace Segment and Consumer Segment. They strategically expanded their manufacturing operations in North America and France, through acquisitions in 2015 and 2016, respectively, which have allowed them to acquire new capabilities in the Aerospace Segment, grow their footprint in North America and Europe, and expand their portfolio of products.

They leverage their engineering capabilities to create innovative products and engineering solutions for their OEM customers. Their manufacturing capabilities allow them to develop fully manufactured products based on initial concepts and technical specifications from customers. Further, they have been able to enter into new business segments by leveraging existing core capabilities. As a platform for custom manufacturing based on specific client requirements, they are committed to developing innovative manufacturing processes while continuously improving existing ones to produce high-quality and reliable products in an efficient manner.

The graphics below illustrate their product portfolio across the Aerospace Segment and Consumer Segment:

- **Aerospace segment**:



- **Consumer segment**:

They have also entered into joint ventures to enhance their capabilities to develop new products and deliver engineering solutions, by harnessing the complementary expertise of their joint venture entities for production of complex and niche products required by their customers. Their joint venture SQuAD Forging India Private Limited ("SQuAD") has equipped them with enhanced capabilities to, among others, forge small to medium-sized aerostructural parts for engines, landing gear and braking system components in aluminium, steel, titanium or nickel-based alloys. Further, their joint venture with Magellan Aerospace Limited, Canada formed in 2007, Aerospace Processing India Private Limited ("API"), has enabled them to provide innovative surface treatment solutions. Further, their joint venture with Tramontina, Aequs Cookware Private Limited equips them with technical capabilities to develop innovative consumer products. However, their existing joint ventures may be discontinued in the future, and their future joint ventures expose them to other potential risks, including risks associated with unforeseen or hidden liabilities, sharing proprietary information, among others. Due to the collaborative nature of the manufacturing which they undertake along with their OEM customers, who have very specific product requirements and stringent quality standards, they have been able to maintain high levels of client stickiness and retention. Their deep understanding of their OEM customers' requirements allows them to continuously innovate and upgrade their capabilities in order to develop complex products with quick turnaround times. Extensive testing and validation processes required to fulfil very specific product requirements and stringent quality requirements by aerospace OEM customers create a significant barrier to entry for new market entrants. Once a contract is awarded by an OEM, significant amount of time is spent on design, manufacturing and first article inspection of the product. Onboarding a new supplier will make the OEM undergo the same processes and this is why OEMs are often reluctant to switch suppliers. They have won the 'Ramp-up Champion Award' for outstanding contribution to the Airbus ramp-up at the Airbus Global Supplier Conference 2024. This recognition rewards operational excellence and resilience in a volatile, uncertain, complex, and ambiguous (VUCA) environment, and is a testament to their ability to manufacture complex and critical components while consistently delivering quality and on-time performance for their clients. While the Aerospace Segment has historically contributed to a majority of their revenue from operations, they have been able to increase the contribution of revenues from their Consumer Segment. The table below sets forth the break-up of their net external revenue from their Aerospace Segment and Consumer Segment:

Metric	Unit	For six months ended September 30,		For the Financial Year		
		2025	2024	2025	2024	2023
Net external revenue – Aerospace Segment	₹ in million	4,740	3,947	8,246	7,570	5,852
Net external revenue – Aerospace Segment, as a percentage of revenue from operations	%	88.2%	86.0%	89.2%	78.4%	72.1%
Net external revenue – Consumer Segment	₹ in million	632	643	1,000	2,081	2,270
Net external revenue – Consumer Segment, as a percentage of revenue from operations	%	11.8%	14.0%	10.8%	21.6%	27.9%

They are led by their Individual Promoter, Executive Chairman and Chief Executive Officer, Aravind Shivaputrappa Melligeri, who provides strategic vision and leadership to the Aequs group. Further, they also benefit from a seasoned management team with significant industry experience. They are also backed by their investors, Amicus Capital Private Equity I LLP, Amicus Capital Partners India Fund I, Amicus Capital Partners India Fund II, Amansa Investments Ltd, Steadview Capital Mauritius Limited, Catamaran Ekam (acting through its trustee Catamaran Advisors LLP), Sparta Group LLC, SBI Emergent India Fund, DSP India Fund - India Long / Short Strategy Fund with Cash Management Option, SBI Optimal Equity Fund – Long Term and Think India Opportunities Master Fund LP, which collectively hold 25.05% of their pre-Offer Equity Share capital.

- **Competitive Strengths*:***

- **Advanced and vertically integrated precision manufacturing capabilities**

They are the leading company within a single special economic zone in terms of end-to-end manufacturing capabilities (machining, forging, surface treatment and assembly) for the Aerospace Segment in India, based on the number of capabilities and approvals. Across their three manufacturing ecosystems in India and two dedicated aerospace facilities outside India that they operate in, they had an aggregate capacity of 2,919,058 annual machining/molding hours for products within the Aerospace Segment and Consumer Segment, and over 200 computer numerical control ("CNC") machines for the Aerospace Segment and 161 molding machines deployed for consumer products, each as of September 30, 2025. Their extensive machining capabilities enable them to manufacture critical and complex components, such as engine systems and landing systems, at a large scale and in a timely manner. They offer advanced manufacturing solutions across the precision manufacturing value-chain. Their core capabilities include 3/4/5 axis milling and turned machining of various grades of material (such as aluminium, steel, inconel and titanium), forging, metal forming, advanced surface treatments and secondary processes, including precision surface finishing and post-processing techniques, aero assembly and blow molding, injection molding, which can be deployed across sectors. These capabilities allow them to manufacture components from start-to-finish, including some of the most critical and technically complex products within the Aerospace Segment in the industry. Further, in the Consumer Segment, these capabilities, which they also deploy within the Aerospace Segment, allow them to manufacture products such as components for portable computers and smart devices, which are high-precision consumer products that are manufactured using precision machining capabilities, as well as plastics such as outdoor toys, figurines and toy vehicles. These capabilities allow them to manufacture complex products for their clients at a large scale, and enter into new business segments by leveraging existing capabilities.

Their advanced manufacturing capabilities also enable them to enter into new business segments by leveraging existing capabilities across existing business segments. For example, their advanced manufacturing capabilities in the Aerospace Segment enabled them to enter into the consumer electronics business in 2021-2022, by leveraging and adapting their existing capabilities in the Aerospace Segment. There is a high barrier to enter precision manufacturing business segments, due to the substantial investment required to establish advanced precision manufacturing capabilities, develop proof of concept and cultivate relationships with global OEMs. Through their extensive manufacturing infrastructure and relationships, they are able to offer end-to-end capabilities to customers. Their manufacturing infrastructure has received process approval certifications from industry bodies such as Nadcap and Bureau Veritas, and the Belgavi Manufacturing Cluster, Koppal Manufacturing Cluster and Hubballi Manufacturing Cluster are ISO-certified for quality, information security, employee safety and environment.

- **Operations in unique, engineering-led vertically-integrated precision manufacturing ecosystems**

They are the only precision component manufacturer operating within a single special economic zone in India to offer fully vertically integrated manufacturing capabilities in the Aerospace Segment, which sets them apart from other contract manufacturers with selective manufacturing capabilities amongst their peers. There is a high barrier to enter precision manufacturing business segments, due to the substantial investment required to establish advanced precision manufacturing capabilities, develop proof of concept and cultivate relationships with global OEMs. Their capabilities and the success of the manufacturing ecosystems are the result of over two decades of experience and collaboration with customers and suppliers, providing them with competitive advantages within the precision component manufacturing industry. They operate in three unique, engineering-led vertically integrated precision manufacturing "ecosystems" in India. These comprise 1,231,721 square feet of precision component manufacturing facilities for the Aerospace Segment located in a special economic zone in Belagavi, Karnataka. For their Consumer Segment, they have 299,957 square feet of consumer electronics and consumer durables products manufacturing facilities located in Hubballi, Karnataka, and 554,138 square feet of plastics manufacturing facilities located in Koppal, Karnataka. The manufacturing ecosystems comprise colocated manufacturing facilities (operated either by them, their joint ventures or by their contract manufacturers) and other contract manufacturers and partners that they collaborate with. In addition, they also operate two dedicated precision component manufacturing facilities for the Aerospace Segment in Cholet (France) and Paris, Texas (the U.S.).

Manufacturing ecosystems enable them to produce complex products at a large scale and in a timely manner to meet their global OEM customers' requirements across the Aerospace Segment and Consumer Segment. As of September 30, 2025, they produced over 5,000 products within the Aerospace Segment under a variety of manufacturing and assembly programs, including programs for single aisle (such as A220, A320, B737) and long range (such as A330, A350, B767, B777, B787) commercial aircrafts, established with their aerospace customers. In addition to their scale, the vertical integration between different stages of the value-addition lifecycle at the manufacturing ecosystems, which comprise co-located manufacturing facilities (operated either by them, their joint ventures or their contract manufacturers), together with their workforce of qualified engineers, enable them to scale the production of components for customers within contracted timelines, while continuing to meet their quality, delivery and safety standards. This has allowed them to create 100% in-country value for certain products such as engine front spinner and wheels for landing systems. Further, over the past few years, they have selectively outsourced lower value-added processes to third-party sub-contractors primarily located in the manufacturing ecosystems, which has allowed them to focus more on the manufacture of higher value-added products.

- **Manufacturing presence across three continents with strategic proximity to end customers**

The company has a manufacturing footprint across India, the U.S. and France, strategically located near major global OEMs, which enables us to deliver innovative products and engineering solutions. They are among the few Indian aerospace companies with a presence across three continents, giving us access to a highly skilled and diverse talent pool while ensuring close proximity to customers, strengthening long-term customer relationships.

The table below sets out a country-wise breakdown of their net external revenue from the Aerospace Segment for the periods/years indicated:

Particulars	For the six months period ended September 30,2025		For the six months period ended September 30,2024	
	Amount (in ₹ million)	% of net external revenue from Aerospace Segment	Amount (in ₹ million)	% of net external revenue from Aerospace Segment
Net external revenue from Aerospace Segment - India	3,583	76	2,911	74
Net external revenue from Aerospace Segment - France	553	12	464	12
Net external revenue from Aerospace Segment - USA	604	13	572	14
Total net external revenue from Aerospace Segment	4,740	100	3,947	100

Their presence across India, the U.S. and France has enabled them to build specialized capabilities and strengthen relationships with customers in these regions, helping them expand their footprint and grow their customer base. In addition to organically developing their manufacturing ecosystems in India, they have pursued strategic acquisitions to enhance their technological offerings and leverage regional expertise. In 2015, they acquired T&K Machine (now Aequs Aero Machine Inc.) in Texas, which expanded their access to the North American aerospace market, brought them closer to customers such as Boeing and Spirit, and provided a U.S. export-control–approved manufacturing and logistics hub. In 2016, they acquired the SIRA Group in France, adding machining, assembly, fabrication and testing capabilities, while strengthening proximity to European clients such as Safran and Collins Aerospace. Together, their geographic presence and advanced manufacturing capabilities enable them to operate as a competitive global platform serving a broad customer base across three continents, while supporting near-shoring of business processes in the U.S. and France.

- **Comprehensive precision product portfolio across high value segments**

As of September 30, 2025, they produced over 5,000 products within the Aerospace Segment under various manufacturing and assembly programs established with their aerospace customers, including programs for single-aisle (A220, A320, B737) and long-range (A330, A350, B767, B777, B787) commercial aircraft. As of March 31, 2025, they had one of the largest aerospace product portfolios in India. They are a Tier-1 supplier of highly engineered precision components to certain global OEMs, with a diversified range of offerings across both the Aerospace and Consumer Segments. Their aerospace portfolio spans are engine systems, landing systems, cargo and interiors, structures, assemblies and turning, with a focus on high value-added components such as engine and landing parts. Set forth below is a case study in relation to one of their customers:

They continuously engage with their customers through periodic, pre-planned, multi-layered interactions that help build and strengthen long-term relationships. Since inception, they have consistently maintained strong ties with key customers and have steadily expanded the portfolio of products they manufacture for them. Their presence across three continents enables them to provide a global manufacturing platform and touchpoints for delivering integrated solutions. Their subsidiaries in the U.S. and France offer proximity to North American and European clients, respectively. They are among the few Indian companies in the Aerospace Segment with a presence on three continents, giving them access to a skilled and diverse workforce and enabling close customer relationships. They have been associated with Airbus since 2010 and have been approved as a Tier-1 supplier by global OEMs such as Boeing since 2017, following extensive and rigorous process audits. They have received Airbus' 'Detailed Parts Partner Award (D2P)' six times between 2016 and 2023, and a Supply Chain Quality Improvement Program award in 2019. The D2P status is awarded to a select group of about 100 global suppliers that consistently meet Airbus' high standards for quality and reliability. They also received the 'Ramp-up Champion Award' for their contribution to Airbus' production ramp-up at the Global Supplier Conference 2024. Over the years, they have demonstrated a consistent track record of meeting stringent qualification requirements for their components.

- **Key Strategies*:***

- **Continue to increase wallet share with their existing customers in the Aerospace Segment by moving up the manufacturing value chain and diversify the customer base in the Aerospace Segment**

They have scaled the volume of products supplied to their Aerospace Segment customers in the past. Going forward, as part of their growth strategy, they aim to increase wallet share from existing customers in the Aerospace Segment through the following initiatives:

- Moving up the value chain by increasing the production of more critical and complex aerospace components, such as engine and landing systems. They plan to scale manufacturing of existing complex engine and landing parts and expand into new products such as torque tubes, engine nacelles and blades.

- Leveraging trust and credibility with existing customers to increase value addition across customer platforms. As Airbus D2P partners, they have access to a pool of contracts across various manufacturing and assembly programs, giving them a competitive advantage over non-D2P suppliers. Their management team regularly engages with customers to understand evolving needs and explore opportunities to expand product supply. They also participate in D2P and customer conferences and interact with customers during airshows.

- Entering into long-term master service agreements (MSAs) that define the overarching terms of engagement with clients, along with work orders for each subsequent service.

They intend to implement this strategy by increasing capacity utilization at existing facilities and strengthening and localizing their supply chain in India. As part of this approach, they plan to selectively outsource lower value-added activities to sub-contractors within the ecosystem, enabling their internal teams to focus on higher value-added and more complex components. These efforts will help them move further up the value chain while remaining competitive and delivering comprehensive, end-to-end solutions to customers. In addition, they aim to leverage their existing aerospace manufacturing capabilities to diversify their customer base in the Aerospace Segment by pursuing opportunities to establish new relationships and strengthen their presence in the Aerospace Segment.

- **Grow their portfolio of consumer products**

- **Consumer electronics products**

They aim to further diversify their business by expanding their portfolio of consumer electronics products. They have begun manufacturing and commenced mass-production shipments of components for portable computers from July 31, 2025. They also intend to manufacture and begin mass-production shipments of components for smart devices, targeting integration into the supply chain of one of the largest global consumer electronics companies by revenue in Financial Year 2024. They plan to strengthen relationships with OEMs in the consumer electronics sector to scale manufacturing of existing products—such as portable computer and smart-device components—and expand into components for wearables and electronic devices. They have invested, and intend to continue investing, in the consumer electronics business. Investments amounted to ₹2,024.99 million, ₹1,473.60 million and ₹186.66 million in Financial Years 2025, 2024 and 2023, respectively, primarily for developing their consumer business and investing in plant and machinery at the Hubballi Manufacturing Cluster. As of September 30, 2025, they had 70,763 machining hours of capacity and 299,957 square feet of manufacturing space dedicated to supporting their consumer electronics and consumer durables strategy. They intend to leverage their advanced aerospace manufacturing capabilities to enhance their consumer electronics manufacturing operations, thereby expanding their customer base and increasing wallet share.

- **Increase in consumer product portfolio**

They plan to utilize their expertise in precision machining to establish long-term engagements with additional OEMs and expand their product portfolio in the Consumer Segment.

- **Joint venture capabilities**

They also aim to deepen relationships with global consumer durable companies. As part of this strategy, they entered into a joint venture with Tramontina in June 2024 to supply non-stick pans and expect to serve as a key supplier going forward. To further grow their consumer durables portfolio, they are exploring additional collaboration opportunities with Tramontina, including manufacturing aluminium non-stick and ceramic-coated cookware, triply cookware, and other related products.

- **Improve their margins through higher value manufacturing and measures for operational efficiencies**

Going forward, they aim to improve their margins through several key initiatives:

- Increasing revenue from the Consumer Segment while maintaining a stable cost base, enabling operating leverage.
- Enhancing efficiency and improving asset and capacity utilization across all segments.
- Pursuing potential acquisitions, strategic initiatives and partnerships that complement their operations and strengthen their position in targeted markets.
- Exploring business restructuring opportunities—including mergers, consolidation, or winding up certain Indian or overseas entities—to generate synergies and improve operational efficiencies, subject to necessary approvals and legal compliance.
- Diversifying their aerospace product mix by focusing on higher value-added components such as engine parts, actuation systems, landing gear components, and other highly complex products.
- They aim to improve efficiencies in the Consumer Segment by sourcing more raw materials domestically to reduce costs and boost margins. They also plan to increase the share of higher-margin consumer electronics in their portfolio.

Additionally, they intend to enter the high-precision consumer products space, such as portable computers and smart devices, which require titanium-based machining capabilities. These products can command a price premium due to the complexity involved. Furthermore, they intend to leverage government incentive programs such as the PLI Scheme and the Scheme for Promotion of Electronic Components and Semiconductors, in alignment with the Government of India's broader push to promote local manufacturing.

- **Leverage their existing capabilities to increase their market share in capability and sector adjacencies**

They aim to leverage their existing ecosystems and manufacturing capabilities to expand their presence in related precision-driven sectors, supported by India's push for local manufacturing. They plan to grow through strategic investments, acquisitions, joint ventures and partnerships. Their advanced aerospace engineering and machining capabilities can be replicated across adjacent sectors, helping them increase market share with global OEMs. They have begun mass production of components for portable computers (from July 31, 2025) and plan to start mass production of smart device components for a leading global consumer electronics player. By continuously engaging with OEMs and exploring new opportunities, they expect to benefit from strong industry tailwinds and their diversified business model. The Indian precision engineering components market is projected to grow from ₹2,992.92\ billion in 2024 to ₹4,946.9 billion by FY 2030, at an 8.7% CAGR.

➢ **Product Portfolio*:***

They offer a diversified product range across the Aerospace and Consumer segments, with over 5,000 products spanning engine systems, landing systems, cargo and interiors, structures, assemblies and turning in aerospace; and consumer electronics, plastics and consumer durables in the consumer segment. As of September 30, 2025, the SKU count for each segment is as follows:

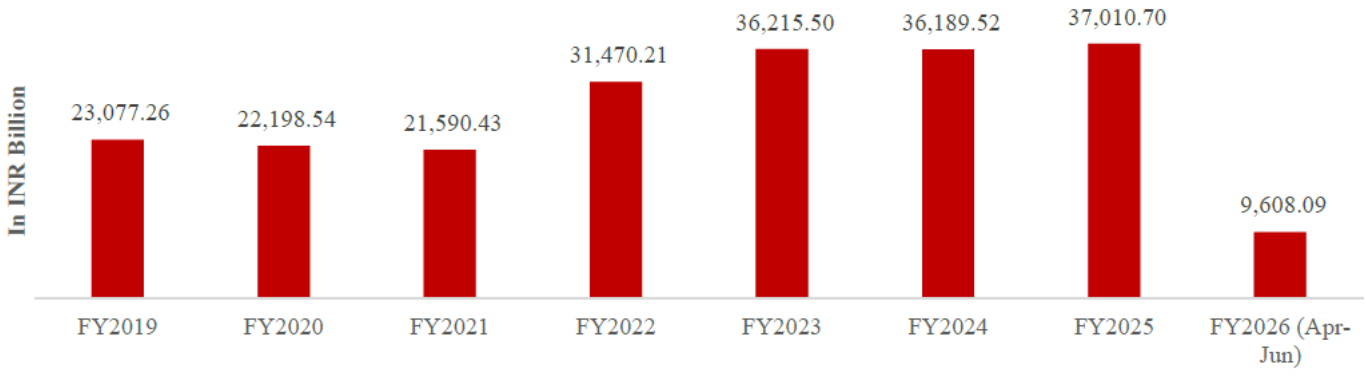
Business Verticals/Product Lines	Key Products Supplied	Number of SKUs
Aerospace		
Structures	Bracket, corner fitting, cable quadrant, triangular bracket, wing flap support, coupling, gearbox bracket, bracket structure	4,093
Interiors and cargo	Power distribution unit tray, side panel, pawls, base, pan-seat, beam-back support, panel side top, seat tray, outer pawl, housing left, bracket offset	670
Landing systems	Main landing gear, main fitting, bracket assembly, front panel, front assembly uplock, rim, half wheel, main fitting assembly	124
Actuation Systems	Housing, manifold, mounting foot, mounting flange, actuator piston, housing, jackhead, radarbox	79
Engine systems	Front spinner, seal rotating bearing, fan disk, cone sub-shaft, shroud, pylon rib, rotating spacer, fuel injection rail	39
Turnings	Cover (compressor), fitting, shear plate, coupling, bushings	17
Assemblies	Structure (Emergency exit panel), non-operable door panel, outflow valve door, retainer (seal), handle, machining, racks	4
Consumer		
Consumer electronics	Components for portable computers and smart devices	N/A
Plastics	Outdoor games/darts, toy vehicles, figures, dolls, role play toys and STEM toys	N/A
Consumer durables	Non-stick cookware and small home appliances	N/A

➢ **Industry Snapshot*:***

- **Overview of Indian Manufacturing Sector & Export Trends**

India's manufacturing sector is a key pillar of the economy, contributing 17.00% to GDP in FY2025. Key industries include automobiles, textiles, electronics, chemicals, and pharmaceuticals. Recent government initiatives, such as "Make in India" and production-linked incentives (PLI), have bolstered domestic production and global competitiveness. Exports from the sector have seen steady growth, with engineering goods, refined petroleum, and textiles leading the way. The engineering goods segment includes the engineering goods sector comprises metal products, industrial machinery and equipment, automobiles and their components, transport equipment, bicycles, medical devices, and renewable equipment. India is also emerging as a hub for electronics and pharmaceutical exports.

Indian Manufacturing Exports (In INR Bn), FY2019-FY2026 (Apr-Jun)



The exports for FY2025 accounted to INR 37,010.7 Bn (USD 440.6 Bn). In FY2026, (3 months duration of April-Jun 2025), the exports have already reached INR 9,608.1 Bn (USD 109.1 Bn), indicating a strong trajectory for the year despite global economic uncertainties.

- **Electronics Component Manufacturing Scheme (ECMS)**: A government initiative aimed at improving India's self-reliance in electronics manufacturing by promoting large-scale domestic production of essential components. Introduced under the National Policy on Electronics 2019, the scheme offers financial incentives to companies that set up or expand facilities for producing semiconductors, sensors, displays, printed circuit boards (PCBs), and other vital electronic parts. These incentives are tied to capital investments to ensure long-term growth and competitiveness throughout the value chain.

  In alignment with programs such as the Production Linked Incentive (PLI) and SPECS schemes, ECMS supports backward integration, technological innovation, and employment generation. By reinforcing supply chains and improving manufacturing capacity, the scheme is expected to lower import dependence and foster a strong domestic ecosystem. The ECMS serves as a key driver in realizing India's goal of building a USD 300.00 Bn electronics manufacturing industry by 2026, positioning the country as a prominent global centre for electronics production.

- **State Policy on Toys and Aerospace Manufacturing**: Karnataka has introduced targeted policies to advance its strengths in toys and aerospace manufacturing, highlighting a strategic emphasis on industrial development and employment generation. These initiatives are aimed at reinforcing the state's manufacturing foundation by fostering sector-specific growth, driving economic expansion, enhancing technological innovation, and creating job opportunities in key industries.

- **Karnataka Aerospace and Defence Policy (2022-2027)** Karnataka's Aerospace and Defence Policy aim to position the state as a global hub for aerospace manufacturing. Key features of this policy include:

  - **Incentives for Investment**: The policy offers various incentives for businesses involved in aerospace and defense, including tax breaks and subsidies to attract both domestic and international investments.

  - **Infrastructure Development**: The establishment of Special Economic Zones (SEZs) specifically for aerospace manufacturing, such as the one in Belagavi, provides essential infrastructure and facilities to support manufacturers. This SEZ has already attracted several companies involved in high-tech aerospace components.

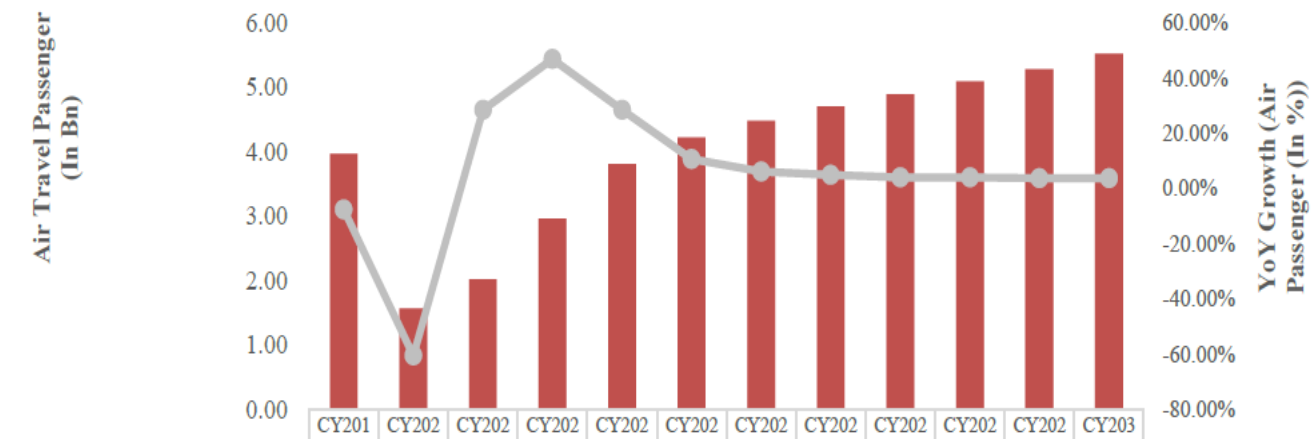
  - **Skill Development Initiatives**: The state government is investing in skill development through training programs and partnerships with educational institutions to ensure a skilled workforce is available for the aerospace sector.

- **Global Aerospace Manufacturing Market**

  - ***Overall Air Travel & Air Cargo Growth*** - Global air travel and air cargo have witnessed remarkable growth driven by rising demand and economic expansion. The air travel sector continues to recover post-pandemic, supported by increased connectivity and the expansion of low-cost carriers. Meanwhile, air cargo has surged due to e-commerce growth and the need for swift global logistics solutions. Emerging markets, particularly in Asia-Pacific, are driving significant demand in both sectors. Sustainability initiatives, fleet modernization, and digital transformation are shaping the future, as airlines strive to balance growth with environmental concerns, ensuring efficient and resilient air transportation networks worldwide.

  - ***Global Air Travel Growth*** - Global Air Travel has experienced significant fluctuations in passenger growth over recent years due to the impact of the COVID-19 pandemic and subsequent recovery trends. The global air passenger traffic shrank by 60.49% in CY2020 as an aftermath of the pandemic. The market was quick to recover post pandemic witnessing a YoY growth of 28.5%, 46.9% and 28.6% for the years CY2021, CY2022 and CY2023, respectively. The air travel passengers in CY2024 are estimated at 4.22 bn with a YoY growth of 10.71%. The market is expected to surpass pre-covid levels in CY2025. The momentum of growth is expected to continue, and the market is expected to surpass 5.52 Bn passengers by CY2030. The key drivers for growth are Economic Growth and Rising Disposable Incomes, Increasing Global Connectivity, Recovery in Business and Leisure Travel, Rise of Low-Cost Carriers and Advancements in Air Travel Technology.

Global Air Travel Growth (In Bn & In Percentage), CY2019-CY2030F

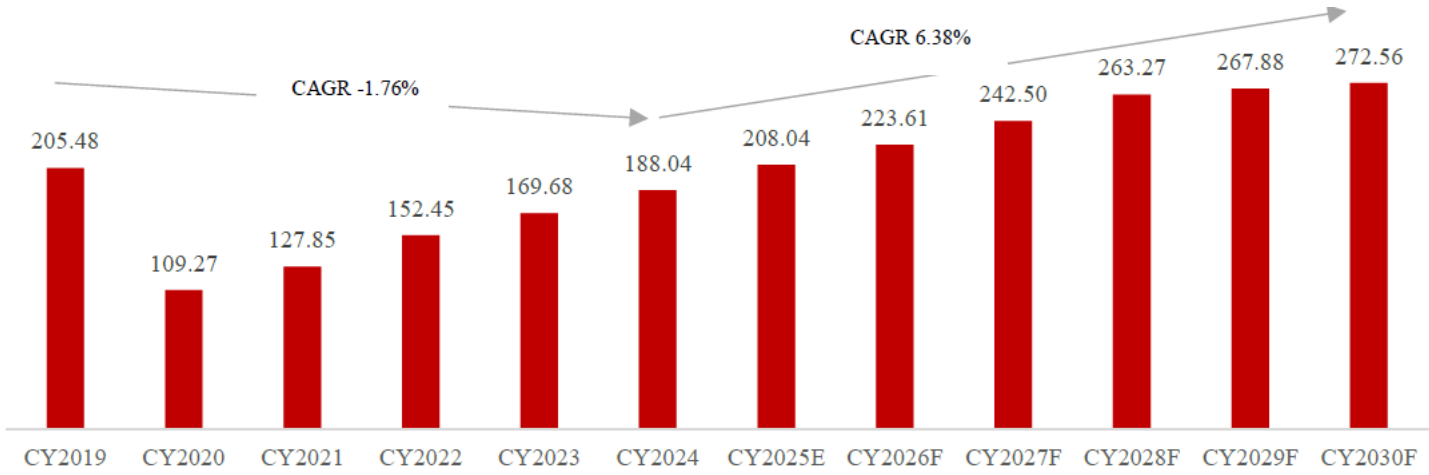


	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024	CY2025E	CY2026F	CY2027F	CY2028F	CY2029F	CY2030F
Air Travel Passengers (In Bn)	3.97	1.57	2.02	2.96	3.81	4.22	4.48	4.70	4.89	5.09	5.28	5.52
Air Travel Passengers (In %)	-7.58%	-60.49%	28.47%	46.85%	28.56%	10.71%	6.19%	5.00%	4.10%	4.00%	3.80%	3.80%

- **Market Size- Global Aerospace Manufacturing**

Global aerospace manufacturing is a critical industry that drives technological advancement and economic growth worldwide. This duopolistic market is dominated by Boeing and Airbus, the industry operates through a complex, interconnected global supply chain. Key trends shaping the sector include a focus on sustainability, with advancements in greener technologies, and the adoption of Industry 4.0 innovations such as AI, automation, and additive manufacturing. While challenges like geopolitical tensions and supply chain disruptions persist, the industry continues to adapt, fostering innovation and supporting aviation and space exploration. The global aerospace market was expected to grow from USD 188.04 Bn in CY2024 to USD 272.56 Bn in CY2030 at a CAGR of 6.38% between the given period.

Global Aerospace Market Size (In USD Bn), CY2019-CY2030F



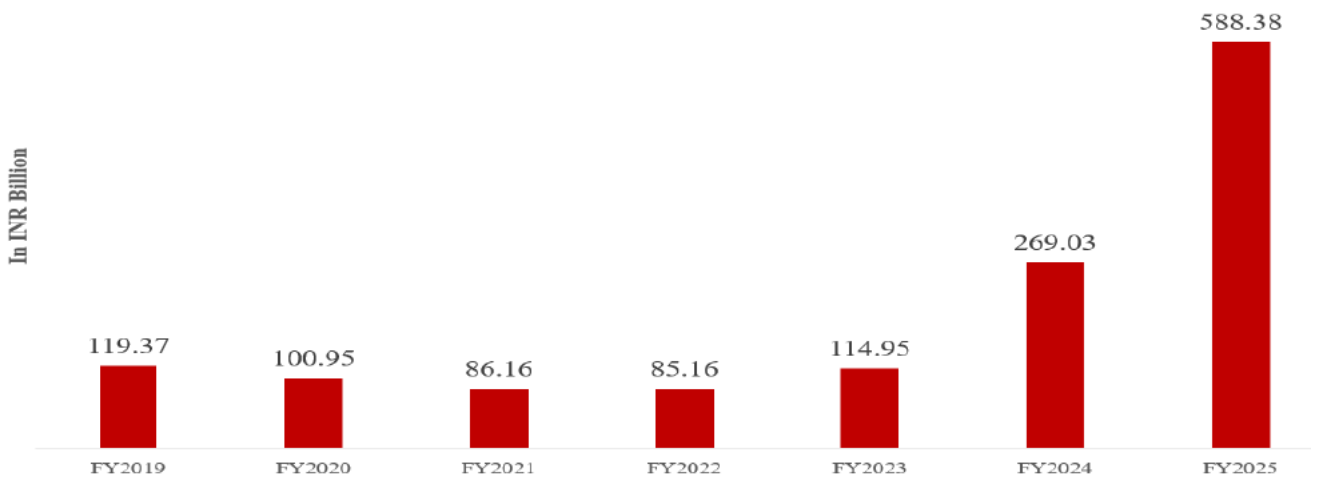
- **Indian Aerospace Manufacturing Market**

India's aircraft manufacturing market is rapidly growing, fuelled by rising air travel demand and e-commerce. The country is emerging as a key hub for aircraft manufacturing, assembly, and maintenance due to its strategic location and economic growth. A shift toward indigenous production is evident, with companies like Hindustan Aeronautics Limited (HAL) collaborating with global giants like Airbus and Boeing to enhance local manufacturing capabilities.

- **Increase in Export of Aerospace Engineered Components from India:**

India's export of aerospace-engineered components had witnessed significant growth, reflecting the country's rising capabilities in precision manufacturing and its expanding role in the global aerospace supply chain. In FY2019, aerospace component exports accounted to INR 119.4 Bn (USD 1.7 Bn), driven by increased participation of Indian manufacturers in global aerospace programs, government initiatives like Make in India, and strategic partnerships with leading international aerospace firms. In FY2025, the exports reached INR 588.4 Bn (USD 6.96 Bn). The push towards self-reliance in defense and aerospace, along with favorable policies and infrastructure development, is positioning India as a key supplier of high-quality aerospace components to global markets. Aequs has one of the largest portfolios of aerospace products in India, as of 31st March 2025.

Increase in Export of Aerospace Engineered Components from India (In INR Bn), FY2019 -FY2025



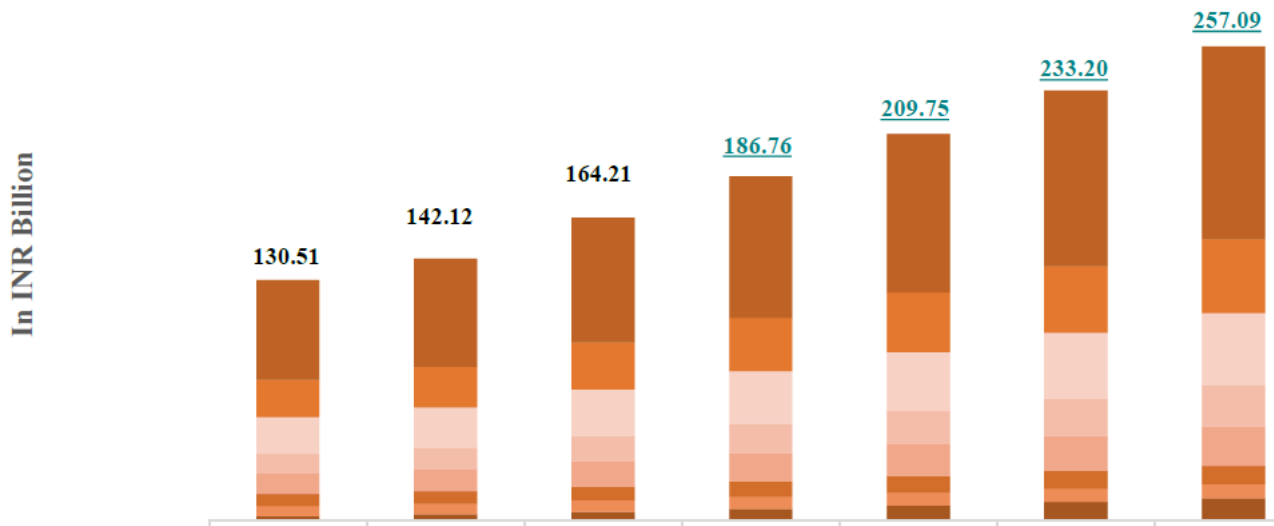
- **Market Size- Indian Aerospace Manufacturing**

The Indian Aerospace manufacturing market is expected to reach INR 257.1 Bn (USD 3.1 Bn) in CY2030. The market is estimated at around INR 130.5 Bn (USD 1.55 Bn) in CY2024 and grows at a CAGR of 11.96% between the period CY2024 to CY2030.

The Indian aircraft components market had witnessed a strong growth between CY2024 and CY2030. In CY2024, the engine segment was valued at INR 2.7 Bn (USD 0.03 Bn), while aerostructures stood at INR 53.9 Bn (USD 0.6 Bn). Interiors were recorded at INR 6.74 Bn (USD 0.08 Bn), landing systems at INR 20.2 Bn (USD 0.2 Bn), doors at INR 5.4 Bn (USD 0.06 Bn), turnings at INR 10.8 Bn (USD 0.13 Bn), and actuation systems at INR 10.8 Bn (USD 0.13 Bn).

By CY2030, significant growth is anticipated across all segments. The engine market is projected to reach INR 12.5 Bn (USD 0.2 Bn), aerostructures at INR 104.58 Bn (USD 1.24 Bn), and interiors at INR 9.9 Bn (USD 0.12 Bn). Landing systems are expected to grow to INR 39.8 Bn (USD 0.5 Bn), doors to INR 7.5 Bn (USD 0.09 Bn), turns to INR 21.2 Bn (USD 0.25 Bn), and actuation systems to INR 22.4 Bn (USD 0.3 Bn). The CAGR from CY2024 to CY2030 highlights notable expansion. Engines are set to grow at 29.03%, followed by actuation systems at 12.9%, aerostructures at 11.7%, and landing systems at 11.9%. Increasing aircraft production, technological advancements, and rising demand for lightweight and fuel-efficient components are driving this growth. Investments in next-generation materials and automation will further boost the sector.

Indian Aircraft Sub System Market In INR Bn), CY2024-CY2030F



	CY2024	CY2025E	CY2026F	CY2027F	CY2028F	CY2029F	CY2030F
Aerostructures	53.95	58.58	67.51	76.57	85.77	95.10	104.58
Landing Sytems	20.23	22.03	25.45	28.95	32.51	36.14	39.84
Others	19.91	21.68	25.05	28.49	31.99	35.57	39.21
Actuation Systems	10.79	11.86	13.83	15.87	17.98	20.16	22.41
Turnings	10.79	11.74	13.56	15.41	17.29	19.21	21.17
Interiors	6.74	7.02	7.75	8.40	8.99	9.51	9.96
Doors	5.40	5.57	6.09	6.54	6.92	7.23	7.47
Engine	2.70	3.63	4.98	6.54	8.30	10.27	12.45

- **Comparison with listed entity** –

Name of the Company	Face Value (₹ per share)	Revenue per Operations FY25 (₹ million)	EPS Fiscal 2025 (₹)	P/E Ratio	NAV per Equity Share	RONW (%) Fiscal 2025
Aequs Limited	10	9,246	(1.5)	NA	12.5	(14.5)
Peer Group*						
Azad Engineering Limited	2	4,574	14.7	115.5	234.1	6.2
Unimech Aerospace Limited	5	2,429	17.6	55.7	141.0	12.5
Amber Enterprises Limited	10	99,730	72.0	100.4	672.6	10.9
Kaynes Technology Limited	10	5,884	45.8	129.6	439.9	10.3
Dixon Technologies Limited	2	14,965	205.7	73.9	494.7	47.5
PTC Industries Limited	10	17,236	41.4	417.0	940	4.4

*Note –: 1) P/E Ratio has been computed based on the closing market price of equity shares on NSE on Dec 01, 2025.
2) * P/E of Vidya Wires Limited is calculated on EPS of FY25, and post issue no. of equity shares issued.

➢ **Key Risk:**

- A large share of their revenue comes from the Aerospace segment (72–89% across FY23–H1FY26). Any drop in demand or reduced economic viability in this segment could negatively impact on their business, financial performance, and cash flows.
- They rely heavily on their top ten customer groups, which contribute 82–89% of revenue across FY23–H1FY26. Any deterioration in these relationships or in the financial health of these customers could have a material impact on their business, financial performance, and cash flows.
- Their OEM contracts are largely requirement-based and do not guarantee order volumes or timelines. Any reduction in customer production needs or termination of these contracts could negatively impact their business, financial performance, and cash flows.
- Their business requires substantial capital investment to maintain and upgrade manufacturing equipment, and limited access to capital could negatively impact their operations, financial performance, and cash flows.

- Although part of Net Proceeds will be used to purchase and install machinery to expand capacity, there is no assurance that current utilization levels can be maintained. Any slowdown or shutdown in manufacturing could adversely impact their business, financial performance, and cash flows.
- Their business is exposed to raw material price volatility and supply disruptions, which could adversely impact their operations, financial performance, and cash flows.
- All their manufacturing units in India are located in Karnataka, exposing them to regional risks that could adversely impact their business, operations, financial condition, and cash flows.
- The company and certain subsidiaries have experienced negative operating cash flows in the past and may continue to do so, which could adversely impact their financial condition and results of operations.
- Their business and results of operations may be adversely affected if they are unable to maintain or improve capacity utilization after installing additional plants and machinery funded through the Offer.
- The units in the manufacturing clusters they operate in are subject to periodic regulatory inspections and audits, and any adverse observations from such reviews could harm their reputation and negatively impact their business, results of operations, financial condition, and cash flows.

➢ **Valuation & Outlook:**

Aequs Limited is a vertically integrated precision manufacturing company headquartered in Belagavi, Karnataka, operating India's first precision engineering SEZ and serving both the aerospace and consumer segments. The company provides end-to-end solutions including forging, high-precision machining, surface treatment, and aerostructure assembly for global aerospace OEMs, while also manufacturing components for consumer electronics, plastics, and consumer durables. It has a global footprint with facilities in India, France, and the U.S., enabling it to supply critical components for major aircraft programs and expand into high-volume consumer manufacturing.

They operate three manufacturing ecosystems in India and two dedicated aerospace facilities overseas, with a total capacity of 2,919,058 annual machining/molding hours, over 200 CNC machines for aerospace production, and 161 molding machines for consumer products. They are also the only fully integrated aerospace precision manufacturer within a single SEZ in India—a high-entry-barrier sector requiring significant investment, proof-of-concept capabilities, and strong OEM relationships. With a manufacturing presence across India, the U.S., and France, they benefit from proximity to global OEMs, access to a skilled and diverse workforce, and the ability to deliver innovative solutions while maintaining long-term customer relationships.

At the upper price band, the company is valued at 8.9x FY25 P/S, implying a post-issue market cap of ₹83,161 million and an EV/EBITDA of 122.9x. It aims to deepen wallet share with existing aerospace customers by moving up the value chain while also broadening its customer base in the Aerospace Segment. Additionally, it plans to expand its consumer electronics portfolio by leveraging advanced aerospace capabilities to scale manufacturing, grow its customer base, and increase wallet share. The consumer business adds significant upside though smooth execution is required which will help them achieve profitability in future. Considering these factors, the IPO appears fully valued and is rated "**Subscribe – Long Term**."

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Mid Caps (101st-250th company)	>20%	0%-20%	Below 0%
Small caps (251st company onwards)	>25%	0%-25%	Below 0%

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