Classified as Internal

IPO NOTE · PREPARED FOR CLIENTS

Zetwerk Manufacturing Business Ltd

Tech-enabled contract manufacturing platform | Fresh Issue + OFS ₹5,012.33 Cr | Opens 15 Oct 2026

RECOMMENDATION – NEUTRAL

Angel One Equity Research Desk
14 October 2026

01 THE OFFER

PRICE BAND	ISSUE SIZE	SUBSCRIPTION	LISTING (TENTATIVE)
₹143–151	₹5,012.33 Cr	15–19 Oct 2026	23 Oct 2026
Per equity share			

STRUCTURE	POST-ISSUE P/S	POST-ISSUE MCAP	QIB / NIB / RETAIL
Fresh Issue + Offer for Sale	1.6x	₹25,583.25 Cr	75 / 15 / 10%
Fresh Issue ₹2,380 Cr + OFS ₹2,182.33 Cr		At upper price band	Allocation split

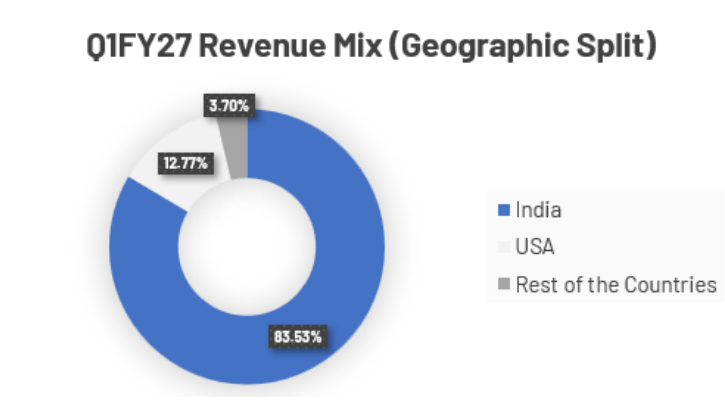
02 COMPANY SNAPSHOT

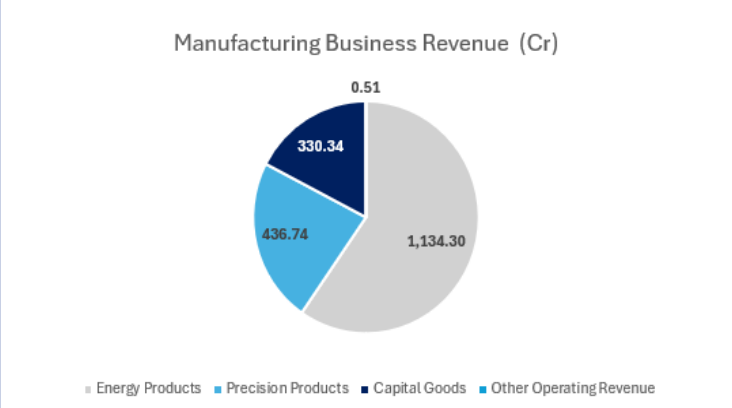
Zetwerk is a manufacturing platform company (headquartered in Bengaluru) that aggregates suppliers and its own facilities to manufacture diversified industrial and consumer products. It operates two main segments: Manufacturing Business (ODM/contract manufacturing of energy, precision, and capital goods products) and Ecosystem Business (branded Terra91 – industrial commodities sourcing).

MANUFACTURING ORDER BOOK	MANUFACTURING NEW ORDERS	MANUFACTURING CONTRIBUTION MARGIN	TOTAL CUSTOMERS
13,062.39 Cr	3,147.45	16.04%	1,802
Q1FY27	Q1FY27	Q1FY27	FY26 (1,613 India + 189 outside India)

MANUFACTURING FACILITIES	GROSS MARGIN	THIRD PARTY SUPPLIERS	MANUFACTURING ROCE
26 Facilities across 4 Countries	12.05%	6,979	22.75%
FY26	Q1FY27		FY26

03 BUSINESS MIX & MARKET LEADERSHIP



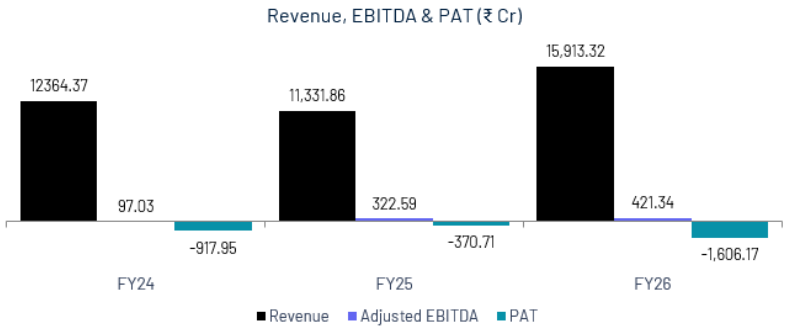


Where the revenue comes from

In FY26, the Manufacturing Business contributed 58.9% of total revenue, while the Ecosystem Business contributed the balance (41.1%). Geographically, India remains the largest market (83.5% of total revenue in Q1FY27), followed by the USA (12.8% in Q1FY27), with the rest of the world contributing the remaining share. Within the Manufacturing Business, revenue by region in Q1FY27 was India 64.3% and International 35.7%.
Revenue visibility is supported by a strong Manufacturing Order Book of ₹13,062 Cr as of 30 June 2026 (up from ₹12,370 Cr at the end of FY26). Additionally, repeat customers drive a high share of revenue, contributing 80.15% of Manufacturing Business revenue in FY26 and 89.26% in Q1FY27, reflecting strong customer stickiness.

	Objectives of the Issue	Amount
1	Repayment/prepayment of borrowings	
	(a) By the Company (b) By certain Subsidiaries (via investment in them)	1300 Cr 860 Cr
2	Funding inorganic growth through unidentified acquisitions and other strategic acquisitions + General Corporate Purposes	Balance

04 FINANCIAL PERFORMANCE



What happened

- Revenue grew strongly from ₹12,364 Cr in FY24 to ₹15,913 Cr in FY26.
- Adjusted EBITDA improved significantly from ₹97 Cr in FY24 to ₹421 Cr in FY26.
- Company continued to report losses (largely driven by exceptional items and discontinued operations).
- Q1 FY27 showed healthy momentum with Revenue of ₹4,118 Cr and Adjusted EBITDA of ₹103 Cr.

REVENUE (Q1 FY27)
₹ 4,117.88 Cr

ADJUSTED EBITDA (Q1 FY27)
₹103.16Cr
Margin 2.51%

PAT (Q1 FY27)
₹-732.98 Cr

₹ Cr	FY24	FY25	FY26	Q1 FY27
Revenue from operations	**12,364.37**	**11,331.86**	**15,913.32**	**4,117.88**
Adjusted EBITDA	**97.03**	**322.59**	**421.34**	**103.16**
PAT	**-917.95**	**-370.71**	**-1,606.17**	**-732.98**

05 PEER COMPARISON

There are no listed companies in India or globally that operate a similar hybrid manufacturing platform business model as Zetwerk.

06 SECTOR OUTLOOK & KEY RISK

Structural tailwinds intact

Manufacturing in India is supported by multiple secular tailwinds such as China+1 diversification, the 'Make in India' initiative, defence indigenisation, and large infrastructure spending on both public and private capital expenditure. However, the sector continues to face challenges of supply fragmentation, which creates reliability issues for customers. Manufacturing platforms are well positioned to address these challenges

Meaningful growth headroom

As of Fiscal 2026, the total addressable market (TAM) for manufacturing platforms is estimated at ₹10.26–₹12.57 trn (US$120.65–147.91 bn) in India and ₹2.07–₹6.26 trn (US$24.32–73.60 bn) in the USA. This TAM is expected to grow significantly to ₹17.68–₹20.00 trn (US$208.01–235.27 bn) in India and ₹26.76–₹30.95 trn (US$314.81–364.09 bn) in the USA by Fiscal 2031. This expansion reflects the rising demand for coordinated, reliable, and scalable manufacturing solutions across multiple industries and geographies.

⚠ KEY RISK

Persistent losses driven by high operating costs, finance costs, exceptional items, and discontinued Civil Infrastructure business. Heavy dependence on third-party suppliers (6,979 suppliers) and significant debt of ₹5,208 Cr, along with concentration on top customers/suppliers and exposure to US tariffs & regulatory risks.

07 OFFER STRUCTURE

Price Band

₹143 - 151

Post-issue market cap at the upper band: ₹25,583.25 Cr, across 33.20072 Cr shares under offer.

Investor Category Allocation



QIB 24.9005 Cr · NIB 4.9801 Cr · Retail 3.3201 Cr shares

Timeline

15 Oct → **19 Oct** → **22 Oct**

Subscription opens · Subscription closes · Tentative listing

Shareholding Pattern

Category	Pre IPO	Post IPO
Promoter and Promoter Group	15.86%	11.36%
Public	84.14%	88.64%
Total	**100%**	**100%**

08 OUR CALL

NEUTRAL

Zetwerk has built a differentiated hybrid manufacturing platform with strong revenue growth, a large Manufacturing Order Book of ₹13,062 Cr (as of Q1FY27), and high repeat customer contribution. The company also benefits from a scalable model and a large addressable market in India and the USA.

However, the stock is currently valued at a post-issue Price-to-Sales of ~1.6x. With negative earnings, traditional P/E is not meaningful. Continued losses at the PAT level, elevated interest costs due to high debt, working capital intensity, and dependence on third-party suppliers keep the risk-reward balanced. The issue is suitable for certain high risk investors hence we apply NEUTRAL rating to the issue.

Price band	**₹143-151**
Issue size	**₹5,012.33 Cr**
Structure	**Fresh Issue + OFS**
Post-issue P/S	**1.6x**
Listing	**23 Oct 2026**

09 DISCLOSURES – RESEARCH TEAM & CERTIFICATION

SEBI (Research Analyst) Regulations, 2014 – Registration No. INH000000164

Aamar Deo Singh	Head Research	**Hitesh Rathi**	Analyst – Tech. & Derivatives
Osho Krishan	Sr. Analyst – Tech. & Derivatives	**Bhuvan Shah**	Analyst – Tech. & Derivatives
Sneha Seth	Sr. Analyst – Tech. & Derivatives	**Vaqarjaved Khan, CFA**	Sr. Analyst – Fundamental
Sugreem Vishwakarma	Sr. Analyst – Tech. & Derivatives	**Shruti Panday**	Analyst – Fundamental
Abhishek Chauhan	Sr. Analyst – Tech. & Derivatives	**Sugesh Kollara**	Analyst – Fundamental

Certification & contact

We, Vaqarjaved Khan, CFA, Shruti Panday and Sugesh Kollara the analysts and named authors of this report, certify that all views expressed accurately reflect our views about the subject issuer(s)/securities; that no part of our compensation was, is, or will be linked to the specific recommendations or views in this report; and that none of the above analysts have received compensation from the companies mentioned in this report in the preceding twelve months, nor serve as an officer, director or employee of those companies.

Compliance Officer: Bineet Jha · Tel: 08657864228 · compliance@angelone.in **Research queries:** aolresearch@angelone.in · www.angelone.in

SUGESH SUDHAKARAN KOLLARA

Digitally signed by SUGESH SUDHAKARAN KOLLARA
Date: 2026.10.14 21:23:38 +05'30'

10 REGULATORY DISCLAIMER

Angel One Limited ("Angel"), CIN: U67120MH1996PLC101709, registered office at 601, 6th Floor, Ackruti Star, Central Road, MIDC, Andheri (E), Mumbai – 400093, is a member of NSE, BSE, MCX, MCDEX and NCDEX, a Depository Participant with CDSL, a Portfolio Manager and Investment Adviser, and registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014, Registration No. INH000000164. Angel One Limited (formerly Angel Broking Limited) is the ultimate parent company of the Group. Neither Angel nor its associates have been debarred/suspended by SEBI or any regulatory authority for accessing/dealing in the securities market.

This document is solely for personal information of the recipient and must not be construed as investment advice. Each recipient should make such investigations as deemed necessary to arrive at an independent evaluation of an investment, including the merits and risks involved, and should consult their own advisors. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of, or located in, any locality, state, country or jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.

Angel or its associates/research analyst or relatives may have actual/beneficial ownership of 1% or more in the securities of the subject company at the end of the month preceding publication; neither Angel, its associates, nor the research analyst has any material conflict of interest at the time of publication. Angel or its associates might have received compensation from the company for services including managing/co-managing offerings, corporate finance, investment banking or brokerage services in the preceding twelve months.

Investment in securities markets is subject to market risk — read all related documents carefully before investing. Brokerage will not exceed SEBI-prescribed limits. This report is confidential and meant solely for the selected recipient; it may not be altered, transmitted, copied, distributed or reproduced, in whole or in part, in any form, without prior written consent. Source of information: NSEINDIA.COM, Angel One.

Thank you

For fundamental & technical queries: aolresearch@angelone.in · www.angelone.in

AngelOne®