Skyways Air Services Ltd.

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IPO Note **21st August 2026**

Company Overview

Established in 1984, Skyways Air Services Limited (SASL) is an integrated logistics and freight forwarding company with over four decades of experience in India's air freight forwarding and logistics industry. According to World ACD Market Data, the company has consistently ranked No. 1 as an "Air Freight Forwarder" in terms of Air Waybills (AWBs) generated for the last four calendar years, from 2022 to 2025. SASL offers a comprehensive suite of logistics services, including air and ocean freight forwarding, trucking, warehousing, customs broking, technology-driven express cargo and parcel delivery, and other value-added services, enabling it to provide end-to-end logistics solutions across domestic and international markets. SASL has evolved from its origins as a Custom House Agent into a multi-modal logistics service provider with an integrated presence across the supply chain. Its operations encompass logistics planning and management, cargo handling, warehousing, documentation and customs clearance, transportation and last-mile distribution. The company has strengthened its global reach through strategic alliances with leading international airlines, including Saudi Cargo, Air India Cargo, Emirates and Lufthansa, along with membership in global logistics networks such as World Cargo Alliance (WCA), Air & Ocean Partners (AOP), Connecting 5 Continents (C5C), Multi Group Logistics Network (MGLN), Global Freight Alliance (GFA) and Transport Worldwide International Group (TWIG). These relationships provide access to international routes, cargo capacity and a broader network of global freight forwarding partners. Technology is a key component of SASL's strategy to improve operational efficiency and enhance customer experience. Through its technology subsidiary, sGate Tech Solutions Private Limited, the company has developed proprietary platforms covering freight quotations, digital booking, shipment tracking, workflow automation, documentation, customer communication and operational reporting. Its technology suite includes SLS HIKE, SLS 100X, SLS 100X 2.0, Cargo Dash, Skart-Edge and ASAP, with ASAP currently at the pre-launch stage. These platforms aim to reduce manual intervention, improve shipment visibility, standardise workflows, and enable faster, more scalable execution across the logistics value chain. Over the years, SASL has expanded its business by incorporating and acquiring subsidiaries in India and international markets, with the objective of strengthening its presence across different segments of the logistics value chain. The company's multi-modal service portfolio, global network relationships, airline partnerships, technology capabilities and integrated logistics infrastructure position it to provide end-to-end solutions to customers while catering to the evolving requirements of domestic and international trade.

Objects of the issue

The IPO size of Rs. 583 crores consist of a Fresh issue of Rs. 399 crores and Offer for Sale of Rs. 184 crores.

The net proceeds of the fresh issue are proposed to be utilized in the following manner:

⇒ Repayment/pre-payment, in full or in part, of certain outstanding borrowings availed by the Company and the Subsidiary "Forin Container Line Private Limited".

⇒ Funding incremental working capital requirements of the Company.

⇒ General corporate purposes.

Investment Rationale

Integrated and Diversified Logistics Solutions with End-to-End Capabilities

The company offers a comprehensive suite of logistics services, including air and ocean cargo, express cargo and parcel delivery, customs clearance, transportation of heavy goods, warehousing and inventory management, tailored supply chain solutions, cross-border express and freight services, and supply chain management software. This diversified service portfolio enables the company to address multiple logistics requirements under a single platform, thereby reducing the complexity associated with coordinating multiple service providers. Its integrated and customer-centric approach supports client retention and satisfaction by providing seamless end-to-end logistics solutions. The company's diversified business model also enables it to leverage synergies across its extensive network and infrastructure while reducing dependence on any single service line. This diversification

Issue Details	
Offer Period	24th August 2026 - 27th August 2026
Price Band	Rs. 131 to Rs. 138
Bid Lot	100
Listing	BSE & NSE
Issue Size (no. of shares in Cr.)	4.2
Issue Size (Rs. in Cr.)	583
Face Value (Rs.)	10

Issue Structure	
QIB	50%
NIB	15%
Retail	35%

BRLM	Holani Consultants Pvt. Ltd., Shannon Advisors Pvt. Ltd., Dolat Finserv Pvt.Ltd.
Registrar	Bigshare Services Pvt. Ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	79.1%	56.8%
Public	20.9%	43.2%
Total	**100.0%**	**100.0%**

(Assuming issue subscribed at higher band)

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enhances operational resilience and helps mitigate the impact of fluctuations in specific logistics segments or customer categories, supporting greater consistency and stability in business performance. Further, the company has been accredited by United Accrediting Services Limited (UASL) for compliance with the ISO 9001:2015 Quality Management System standards. The certification, bearing registration number 7477/QMS/0121, is valid until January 2027 and reflects the company's focus on quality, operational excellence and continuous improvement.

Extensive Global Partner Network and Diversified Customer Base

The company has developed long-standing relationships with major international and regional airlines through consistent business engagement and its ability to adapt to evolving logistics requirements. These partnerships form a key pillar of its air freight forwarding operations and provide access to preferred cargo capacity, competitive freight rates, priority handling and reliable services, including during periods of high demand and capacity constraints. In addition, the company maintains strategic affiliations with leading global logistics networks, including World Cargo Alliance (WCA), Air & Ocean Partners (AOP), Connecting 5 Continents (C5C), Multi Group Logistics Network (MGLN), Global Freight Alliance (GFA) and Transport Worldwide International Group (TWIG). Collectively, these networks provide access to more than 26,300 logistics partners and exclusive agents globally, enabling the company to expand its international service footprint across key trade lanes without the need for significant investments in fixed infrastructure. By leveraging the established infrastructure and capabilities of its global partners, the company is able to provide scalable, efficient and cost-effective logistics solutions across international markets. The company also serves a diverse customer base spanning multiple industries, including textiles and apparel, consumer durables, electronics, lifestyle and fashion, FMCG, industrial products, automotive, healthcare and retail. Its integrated logistics capabilities enable it to cater to customers across different industries, sizes and shipment requirements. In addition to large enterprises, the company serves smaller air freight forwarders, sub-agents and logistics firms that typically handle lower-volume shipments. Through its freight consolidation model, the company aggregates smaller shipment volumes to create larger cargo loads, enabling greater operational efficiency and allowing it to negotiate competitive freight rates through its extensive airline relationships and network. This diversified customer base and broad partner ecosystem help strengthen customer relationships, improve operational flexibility and support the company's competitive positioning in the freight forwarding industry.

Valuation

Skyways Air Services Limited (SASL), incorporated in 1984, is one of India's leading air freight forwarding and multi-modal logistics service providers. Operating on an asset-light model across domestic and international trade lanes, it delivers integrated supply chain solutions spanning air cargo, ocean freight, express parcel, surface trucking, warehousing, and customs clearance. India's logistics sector is undergoing structural formalization and expansion driven by key policy initiatives such as the PM Gati Shakti National Master Plan, the National Logistics Policy (NLP), and manufacturing growth supported by Production Linked Incentive (PLI) schemes. Within this landscape, air cargo serves as the primary channel for high-value and time-critical EXIM merchandise trade, supported by governmental objectives aiming to scale national air cargo throughput to 10 million metric tonnes by 2030. Financially, the company has demonstrated robust growth, with consolidated Revenue from Operations increasing at a 2-year CAGR of 47.72% from Rs. 1,289 crores in FY24 to Rs. 2,248 crores in FY25 and Rs. 2,813 crores in FY26. Consolidated Profit After Tax (PAT) grew at a 35.7% CAGR from Rs. 34 crores in FY24 to Rs. 64 crores in FY26, while operating EBITDA expanded from Rs. 48 crores (3.8% margin) to Rs. 126 crores (4.5% margin) over the same period. For FY26, the company posted a Return on Capital Employed (ROCE) of 18.1%, a Return on Net Worth (RoNW) of 12.3%, and a Debt-to-Equity ratio of 1.3x. **At the upper price band of Rs. 138, Skyways Air Services Ltd. (SASL) is valued at a P/E multiple of 38.7x based on FY26 earnings. Given the company's historical growth track record, expanding margins, scalable business model and industry growth potential, we believe the valuation is justified. Thus, we recommend a "SUBSCRIBE" rating for this issue with a medium to long-term investment horizon.**

Key Risks

- ⇒ The company's complete dependence on third-party carriers for cargo transportation exposes it to risks related to cargo capacity availability, freight rate fluctuations and potential service disruptions. Any shortage of carrier capacity, increase in transportation costs, delays or disruptions in carrier operations could adversely affect the company's ability to provide timely and cost-effective services to customers, thereby impacting its revenue, margins, profitability and overall financial performance.
- ⇒ Geopolitical tensions, armed conflicts and global instability, including events such as the Russia-Ukraine war, Israel-Hamas conflict and Iran-Israel tensions, could adversely impact global trade, supply chains, freight volumes and transportation routes. Such disruptions may lead to delays, higher freight and operating costs, capacity constraints and changes in trade flows, which could negatively affect the company's business operations, financial performance and profitability.

Skyways Air Services Ltd.

Income Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26
Revenue			
Revenue from operations	1,289	2,248	2,813
Total revenue	**1,289**	**2,248**	**2,813**
Expenses			
Cost of services	1,137	2,016	2,507
Purchase of stockm in trade	0	1	1
Changes in inventory of finished goods, stock in trade and work in progress	0	(0)	(0)
Employee benefit expenses	66	90	117
Other expenses	38	55	61
Total operating expenses	**1,241**	**2,162**	**2,686**
EBITDA	**48**	**86**	**127**
Depreciation & amortization expenses	9	14	17
EBIT	**39**	**72**	**110**
Finance costs	19	29	48
Other Income	28	23	27
Profit before share of profit of joint venture, exceptional items and income tax	**48**	**67**	**89**
Exceptional items - Labour codes	0	0	1
Share of profit/(loss) of Joint ventures	0	0	(0)
Profit Before Tax	**48**	**67**	**88**
Total Tax	14	19	24
Net Profit	**35**	**48**	**64**
Diluted EPS	**3.0**	**3.7**	**3.6**

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26
Cash Flow from/(used in) operating activities	(9)	2	114
Cash flow from/(used in) investing activities	(131)	(152)	(179)
Net cash flows (used in) / from financing activities	155	221	52
Net increase/(decrease) in cash and cash equivalents	**15**	**71**	**(13)**
Cash and cash equivalents at the beginning of the period	**55**	**70**	**141**
Cash and cash equivalents at the end of the period	**70**	**141**	**128**

Source: RHP, BP Equities Research

Skyways Air Services Ltd.

Balance Sheet (Rs. in Crores)

Particulars	FY24	FY25	FY26
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	70	110	122
(b) Capital work-in-progress	30	44	75
(c) Goodwill	17	94	99
(d) Other Intangible assets	12	13	15
(e) Intangible assets under development	11	16	15
(e) Right of use assets	6	6	2
(e) Financial Assets			
Investments	0	1	1
Other financial assets	42	54	58
(g) Deferred Tax Assets (net)	3	0	7
(h) Income tax assets (net)	7	23	20
Other non-current assets	9	9	17
Total Non-Current Assets	**207**	**370**	**430**
Current assets			
(a) Inventories	0	1	1
(b) Financial Assets			
Investments	20	27	28
Trade receivables	318	456	579
Cash and cash equivalents	70	141	128
Other bakances with banks	16	52	59
Loans	1	1	1
Other Financial Assets	124	125	167
Other current assets	35	148	113
Assets classififed as held for sale	**0**	**0**	**1**
Total Current Assets	**583**	**951**	**1,078**
Total Assets	**790**	**1,322**	**1,508**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	112	116
(b) Other Equity	144	135	216
(c) Non controlling interest	32	145	162
Total Equity	**186**	**392**	**495**
Liabilities			
Non Current Liabilities			
(a) Financial liabilities			
Borrowings	67	106	107
Lease Liabilities	5	4	0
Other financial liabilities	1	2	1
Provision	4	5	6
Total Non Current Liabilities	**77**	**117**	**115**
Current liabilities			
(a) Financial liabilities			
Borrowings	290	453	517
Lease Liabilities	2	2	2
- Trade Payables:-	209	245	345
- Other financial liabilities	6	87	11
(b) Other current liabilities	15	23	22
(c) Provisions	4	1	1
(d) Current Tax Liabilities (Net)	1	2	2
Total Current Liabilities	**527**	**812**	**899**
Total Liabilities	**790**	**1,322**	**1,508**

Source: RHP, BP Equities Research

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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