GEPL

IPO Note

AEQUS LIMITED

Nov 03rd, 2025

AEQUS
ecosystems of efficiency

Nov 03rd, 2025

Details of the Issue	
Price Band	₹ 118 - ₹ 124
Issue Size	₹ 921.81 Cr
Face Value	₹ 10
Bid Lot	120
Listing on	BSE,NSE
Post Issue Mcap	₹ 8,316 Cr
Investment Range	₹ 14,160 - ₹ 14,880

Important Indicative Dates (2025)	
Opening	03 - Dec
Closing	05 - Dec
Basis of Allotment	08 - Dec
Refund Initiation	09 - Dec
Credit to Demat	09 - Dec
Listing Date	10 - Dec

Lead Manager
JM Financial Ltd
IIFL Capital Securities Ltd
Kotak Mahindra Capital Company Ltd

Offer Details	
Offer Size	₹ 921.81 Cr
Fresh Issue	₹ 670 Cr
OFS	₹ 251.81 Cr

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	691.36	55.75	58.59	75
NII	138.27	11.15	11.72	15
Retail	92.18	7.43	7.81	10
Employ.	-	-	-	-
Total	921.81	74.33	78.12	100

Invest Now

Company Profile

Aequs Ltd. manufactures aerospace components and operates a Special Economic Zone in India, offering fully integrated manufacturing services. Its portfolio spans engine, landing, cargo, interior, structural, assembly, and turning components for global aerospace clients. While the company's core business remains aerospace, it has diversified into consumer electronics, plastics, and consumer durables. As of September 30, 2025, Aequs produced over 5,000 aerospace products across major programs, including single-aisle aircraft (A220, A320, B737) and long-range aircraft (A330, A350, B777, B787).

GEPL's Insights & Investment Thesis:

- Aequs Ltd is uniquely positioned as India's only precision component manufacturer, operating within a single Special Economic Zone (SEZ), which offers fully vertically integrated end-to-end aerospace manufacturing.
- The company has reported losses over the past three financial years and in 1H FY2026, primarily due to high interest and depreciation costs. However, with IPO proceeds earmarked for significant debt repayment, interest expenses are expected to reduce materially, paving the way for improved profitability.
- Based on the FY25 earnings, relative to the company's post-IPO paid up capital, the issue is priced at a EV/EBITDA ratio of 80.5x. We believe that the company has a unique position in the aerospace industry, healthy industry growth prospects, marquee clients. Therefore, we recommend a **"Subscribe for listing gains"** rating for the issue.

Business Highlights & Services

Aequs Ltd. is uniquely positioned as India's only precision component manufacturer offering fully vertically integrated, end-to-end aerospace manufacturing within a single SEZ, giving it a strong competitive moat and high entry barriers. Its integrated manufacturing ecosystems across Belagavi, Koppal, and Hubballi supported by facilities in France and the U.S. provide a scalable platform with over 2.9 million machining/molding hours, 200+ CNC machines, and 161 molding machines, enabling large-scale production of complex, high-precision components. The company's advanced capabilities across machining, forging, surface treatment, assembly, and plastics allow it to serve top global OEMs across major aircraft programs (A220, A320, B737, A330, A350, B767, B777, B787) while also diversifying into consumer electronics and plastics by leveraging the same precision strengths.

Product Portfolio:

- Structures: Brackets, fittings, quadrants, wing flap supports, gear brackets, floorboards, latch assemblies.
- Interiors & Cargo: Distribution trays, panels, pawls, seats, supports, housings.
- Landing Systems: Main landing gear, fittings, assemblies, rims, wheels.
- Actuation Systems: Housings, manifolds, flanges, pistons, jack heads

The company employed 1,892 full-time staff, supported by 1,834 contract employees, 55 trainees, 432 apprentices, and 325 fixed-term employees as of September 30, 2025. Aequs' long-term joint ventures with Magellan Aerospace, Tramontina, and Aubert & Duval, combined with OEM-approved facilities (Airbus, Boeing, Nadcap, Bureau Veritas), deepen customer stickiness and support multi-year order visibility . Its asset-light model where manufacturing infrastructure is leased through group entities enhances return on capital, accelerates capacity expansion, and keeps balance sheet leverage in check.

The company's sizable workforce of 4,538 employees, including 855 engineers, ensures strong execution capability and supports continuous scaling. With global OEMs increasingly outsourcing manufacturing, adopting China+1/Europe+1 strategies, and preferring integrated suppliers to reduce cost, complexity, and carbon footprint, Aequs is well placed to capture a rising share of global aerospace and precision manufacturing demand. Its ability to deliver 100% in-country value, maintain moderate capacity utilization, and offer rapid, customizable production strengthens its financial resilience and margin profile. The company's diversified portfolio across aerospace, consumer electronics, and plastics combined with deep relationships, high entry barriers, and scalable integrated infrastructure supports strong long-term revenue growth, margin expansion, and cash-flow visibility, making Aequs a structurally attractive investment opportunity.

Aequs' global presence across India, the U.S., and France, strengthened by strategic acquisitions and proximity to major OEMs, positions it as a leading Tier-1 precision manufacturer with one of India's largest aerospace product portfolios and deep integration across major aircraft programs; its diversified capabilities in engines, landing systems, structures, assemblies, and high-precision consumer electronics, combined with rising domestic sourcing, support margin expansion, while long-standing relationships with high-entry-barrier customers like Airbus, Boeing, Safran, Collins, Spirit, Hasbro, and Tramontina ensure strong revenue visibility and client stickiness; backed by industry tailwinds such as China+1 and Europe+1, high entry barriers, repeated global quality recognitions, and its ability to scale complex manufacturing across continents, Aequs is well positioned for sustained growth, operating leverage, and long-term financial strength.

Aequs plans to drive growth by deepening aerospace customer relationships through higher-value, complex manufacturing including advanced engine and landing system components leveraging its D2P status with Airbus, entering long-term MSAs, and optimizing capacity via localized supply chains and selective subcontracting. Alongside expanding its aerospace customer base, the company is scaling its consumer electronics business by manufacturing components for portable computers and smart devices, strengthening OEM partnerships, and investing significantly in machinery and capacity at its Hubballi cluster. Aequs is also broadening its consumer product portfolio using its precision machining expertise and expanding into consumer durables through a strategic joint venture with Tramontina to become a key supplier of non-stick cookware, while exploring additional collaborations to further grow its presence across cookware, kitchenware, and houseware categories.

Aequs' margin-expansion strategy is anchored in scaling its higher-margin Consumer Segment while maintaining a stable cost base, driving operating leverage, and improving efficiency through better asset and capacity utilization. The company plans to pursue strategic acquisitions, partnerships, and restructuring initiatives to unlock operational synergies and streamline its global entity structure. In Aerospace, Aequs aims to diversify toward higher-value, complex components such as engine, actuation, landing gear, and advanced structural parts—to improve realizations and profitability. In the Consumer Segment, the company intends to localize raw material sourcing to reduce import dependence, expand its share of higher-margin consumer electronics, and enter titanium-based high-precision products like portable computers and smart devices, supported by government incentives such as PLI and semiconductor promotion schemes. Leveraging its mature aerospace machining ecosystem, Aequs is expanding into adjacent precision-driven sectors and strengthening OEM engagements, supported by a strong industry opportunity with India's precision engineering market expected to grow at an 8.74% CAGR through FY30. This integrated multi-segment strategy, combining capability replication, ecosystem leverage, and targeted investments, positions Aequs for sustained growth, improved profitability, and greater market share across high-precision global value chains.

Geography-wise Revenue distribution

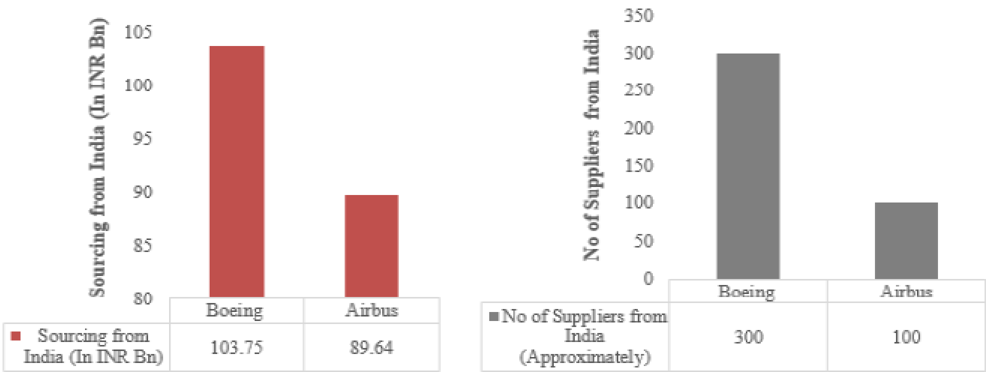
Particulars (in Cr)	1H FY26		FY25		FY24		FY23	
	Revenue	as % Revenue	Revenue	as % Revenue	Revenue	as % Revenue	Revenue	as % Revenue
India	61.5	11%	98.6	11%	122.3	13%	94.8	12%
United States of America	131.3	24%	213.1	23%	186.3	19%	164.4	20%
France	131.3	24%	204.4	22%	171.0	18%	151.7	19%
Hong Kong	49.9	9%	62.2	7%	160.6	17%	97.8	12%
Sweden	28.2	5%	90.5	10%	104.5	11%	64.9	8%
United Kingdom	74.5	14%	81.8	9%	67.9	7%	81.3	10%
Germany	31.7	6%	113.5	12%	99.4	10%	79.8	10%
Others	28.8	5%	60.5	7%	53.1	6%	77.5	10%
Total	**537.0**	**100%**	**924.5**	**100%**	**965.0**	**100%**	**812.1**	**100%**

Segment-wise Revenue Breakup

Particulars (in Cr)	1H FY26		FY25		FY24		FY23	
	Revenue	as % Revenue	Revenue	as % Revenue	Revenue	as % Revenue	Revenue	as % Revenue
Aerospace Segment	474.0	88%	824.6	89%	756.9	78%	585.2	72%
Consumer Segment	63.2	12%	100.0	11%	208.1	22%	226.9	28%
Total	**537.2**	**100%**	**924.6**	**100%**	**965.0**	**100%**	**812.1**	**100%**

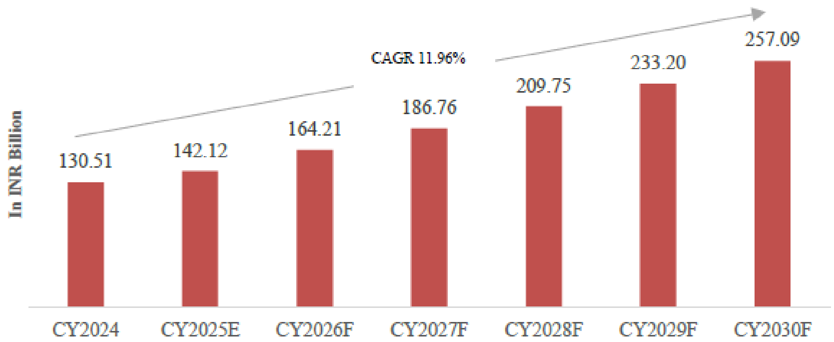
Industry Outlook

Figure 30: Sourcing and No of Suppliers of Airbus and Boeing from India, FY2024



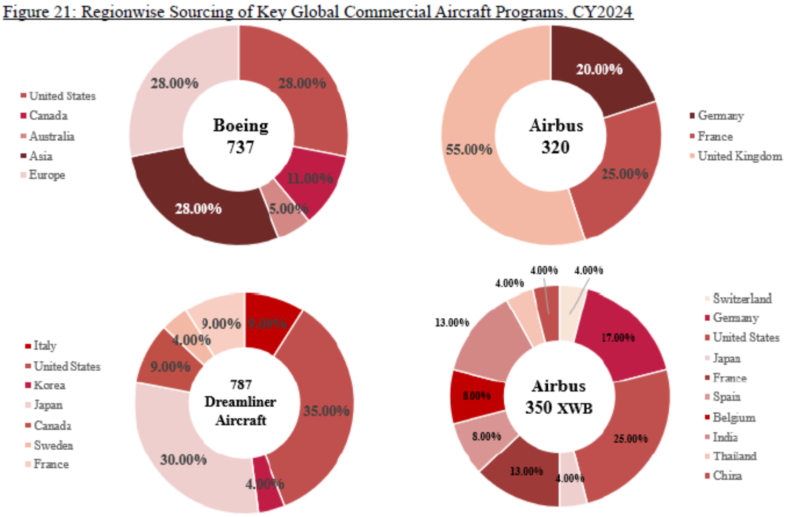
Source: Frost & Sullivan Analysis | Note : Currency exchange rate taken as of 31st March for the respective year

Figure 32: Indian Aerospace Manufacturing Market Size (In INR Bn), CY2024-CY2030F



Source: Frost & Sullivan Analysis | Note: The above market is for commercial aircrafts, Note : Currency exchange rate taken as of 31st March for the respective year, 1 USD = 85.00 INR from 2025 Onwards

Figure 21: Regionwise Sourcing of Key Global Commercial Aircraft Programs, CY2024



Source: Frost & Sullivan Analysis

Peers Comparisons

Name of the company	Face Value (₹)	Total Revenue (In Cr)	EPS	P/E (x)	NAV (In INR)	RoNW(%)
Aequs Ltd	**10**	**924.6**	**-1.8**	**NA**	**12.47**	**-14.47%**
Peers Group						
Azad Engineering Ltd	2	457.4	14.66	115.48	234.06	6.21%
Unimech Aerospace and Manufacturing Ltd	5	242.9	17.59	55.73	141.01	12.48%
Amber Enterprises India Ltd	10	9,973	71.67	100.43	672.61	10.99%
Kaynes Technology India Ltd	10	2,721.2	45.4	129.59	439.85	10.33%
Dixon Technologies (India) Ltd	2	38,860.1	202.58	73.87	494.74	47.50%
PTC Industries Ltd	10	308.1	41.33	417.03	940.03	4.40%

Company's Competitive Strength

- Advanced and vertically integrated precision manufacturing capabilities.
- Operations in unique, engineering-led vertically-integrated precision manufacturing ecosystems.
- Manufacturing presence across three continents with strategic proximity to end customers.
- Comprehensive precision product portfolio across high value segments.
- Long-standing relationships with high entry barrier global customers.
- Founder-led business supported by an experienced management team and a qualified employee base.

Key Strategies Implemented by Company

- Continue to increase wallet share with our existing customers in the Aerospace Segment by moving up the manufacturing value chain and diversify our customer base in the Aerospace Segment.
- Grow our portfolio of consumer products.
- Improve our margins through higher value manufacturing and measures for operational efficiencies.
- Leverage our existing capabilities to increase our market share in capability and sector adjacencies.

Particular (INR in Cr)	1H FY2026	FY25	FY24	FY23
Equity Capital	605	582	425	425
Reserves and Surplus	200	135	392	-146
Net Worth	805	717	817	279
Revenue	537	925	965	812
Growth (%)	17%	-4%	19%	
EBITDA	84	108	146	63
EBITDAM (%)	15.7%	11.7%	15.1%	7.8%
PAT	-17	-102	-14	-109
PATM (%)	-3.2%	-11.1%	-1.5%	-13.5%
ROE (%)	-2.1%	14.3%	1.5%	40.7%
ROCE (%)	1.8%	0.9%	2.8%	-3.7%

Notes

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