

Skyways Air Services Ltd – IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
24 August 2026	27 August 2026	₹131-138	Subscribe

Investment Summary

Skyways Air Services Limited is an integrated logistics and air cargo solutions provider engaged in freight forwarding, air cargo handling, customs clearance and related logistics services, catering to customers across domestic and international markets. The company has built an established presence across the logistics value chain, supported by its air cargo operations, freight forwarding capabilities and diversified customer base. In FY26, Skyways reported revenue from operations of ₹2,812.90 Cr, EBITDA of ₹125.65 Cr and PAT of ₹63.52 Cr, with EBITDA margin improving to 4.47% from 3.85% in FY25. The IPO comprises a fresh issue of 2,88,98,300 shares aggregating up to ₹398.80 Cr and an OFS of 1,33,33,300 shares aggregating up to ₹184 Cr, with proceeds from the fresh issue intended to support the company's growth and funding requirements. The company is positioned to benefit from the expansion of organized logistics, international trade and increasing demand for integrated freight and air cargo services. At the upper price band of ₹138, Skyways Air Services is valued at a P/E of 31.5x based on its FY26 EPS of ₹4.37, which is at a discount to listed peers. Considering its established presence in the logistics industry and the relatively attractive valuation compared with peers, we recommend a Subscribe stance on the IPO for investors with a medium - to long-term investment horizon, while monitoring working capital requirements, customer concentration and execution risks.

Company Overview

Skyways Air Services Limited was incorporated in Delhi as Skyways Air Services Private Limited in 1984 and was subsequently converted into a public limited company in 2025. The company is an integrated logistics service provider offering air and ocean freight forwarding, express cargo and parcel delivery, trucking, warehousing, customs broking and value-added logistics services. Its operations have expanded from its traditional air freight forwarding business into a broader multi-modal logistics platform through a combination of organic expansion, subsidiaries and international operations. Skyways has a diversified presence across the logistics value chain through 23 subsidiaries and 6 step-down subsidiaries, covering warehousing, road transportation, technology-enabled logistics, ocean logistics, express cargo and international freight forwarding across markets including Germany, Hong Kong, Dubai, Vietnam, Cambodia, the UK and other locations. The company serves customers across industries such as FMCG, pharmaceuticals and healthcare, automotive, textiles and apparel, and engineering and industrial equipment, providing specialised logistics solutions across these sectors. Air freight forwarding remains the core business, contributing 77.02% of FY26 revenue, followed by ocean freight forwarding at 15.02% and express cargo and parcel services at 5.79%. Together, these three verticals accounted for 97.83% of FY26 revenue from operations, highlighting the company's strong dependence on its core freight-forwarding activities. Skyways also holds IATA accreditation and, as stated in the RHP based on World ACD Market Data, was ranked No. 1 in India in terms of AWBs generated for four consecutive calendar years from 2022 to 2025. The company has continued to expand its service portfolio and international footprint through subsidiaries and strategic integration across the logistics value chain. However, its operations remain 100% dependent on third-party carriers, as it does not operate its own aircraft or shipping lines, exposing it to risks related to cargo capacity, freight rates, service disruptions and carrier relationships.

Business Model

Skyways Air Services Limited operates an integrated multi-modal logistics business model, providing freight forwarding and logistics solutions across air freight, ocean freight, express cargo and parcel services, trucking, warehousing, customs broking and other value-added services. The company primarily acts as an intermediary between customers and logistics carriers, arranging transportation and related services rather than operating its own aircraft or shipping vessels. Its customer base spans industries including FMCG, pharmaceuticals and healthcare, automotive, textiles and apparel, and engineering and industrial equipment. Air freight forwarding remains the company's principal revenue driver, contributing 77.02% of FY26 revenue from operations, followed by ocean freight forwarding at **15.02%** and express cargo

and parcel services at 5.79%. The company has expanded its offerings through subsidiaries covering road transportation, warehousing, ocean logistics, express delivery, technology-enabled logistics and international freight forwarding. This integrated platform allows Skyways to provide end-to-end logistics solutions across multiple transportation modes and geographies. The company generates revenue primarily through freight forwarding charges, transportation services, warehousing and related logistics solutions, with its earnings influenced by shipment volumes, freight rates, cargo capacity and operating efficiency. Skyways has also developed an international presence through subsidiaries and step-down subsidiaries across markets including Germany, Hong Kong, Dubai, Vietnam, Cambodia and the UK. Going forward, the company intends to further expand its logistics network, strengthen its international operations and increase the contribution from integrated and value-added logistics services. However, its asset-light model also means that it remains dependent on third-party carriers for transportation capacity, making carrier availability, freight-rate movements and global trade conditions important factors for business performance.

Investment Rationale

Established Position in Air Freight Forwarding: Skyways has built a strong position in India's air freight forwarding market and was ranked No. 1 in India by AWBs generated for four consecutive years from 2022 to 2025, according to World ACD Market Data cited in the RHP. Its established operating track record and customer relationships provide a strong base for continued growth.

Integrated Multi-Modal Logistics Platform: The company has expanded beyond air freight forwarding into ocean freight, express cargo and parcel services, trucking, warehousing, customs broking and other value-added logistics services. This broader service portfolio enables Skyways to address multiple logistics requirements and capture a larger share of customer spending.

Diversification Across Customers and Industries: Skyways serves customers across FMCG, pharmaceuticals and healthcare, automotive, textiles and apparel, and engineering and industrial equipment, reducing reliance on a single end-user industry. Its subsidiary network further expands its presence across multiple geographies and logistics segments.

Expanding International Presence: Through its subsidiaries and step-down subsidiaries, the company has established operations across markets including Germany, Hong Kong, Dubai, Vietnam, Cambodia and the UK, providing access to international trade flows and opportunities to expand its cross-border logistics business.

Strong Financial Growth: Skyways reported FY26 revenue from operations of ₹2,812.90 Cr, EBITDA of ₹125.65 Cr and PAT of ₹63.52 Cr, reflecting continued growth in scale and profitability. The company's expansion across logistics verticals and geographies provides scope for further operating leverage as volumes increase.

Growth in India's Organised Logistics Market: Increasing formalisation of logistics, growth in cross-border trade, e-commerce and organised supply chains can support demand for integrated freight-forwarding and logistics services. Skyways' existing multi-modal platform and international network provide an opportunity to participate in this structural growth.

Key Risk Factors

Dependence on Third-Party Carriers: Skyways does not operate its own aircraft or shipping vessels and is dependent on third-party carriers for transportation capacity. Any disruption in carrier availability, capacity constraints, service quality or changes in commercial terms could adversely affect operations and profitability.

High Dependence on Air Freight Forwarding: Air freight forwarding contributed 77.02% of FY26 revenue from operations, making the company significantly dependent on this segment. Any slowdown in air cargo volumes, changes in freight rates or weaker demand could materially affect revenue and margins.

Exposure to Freight Rate and Fuel Price Volatility: The company's performance is exposed to fluctuations in international freight rates and fuel prices, which can influence transportation costs and customer pricing. Sharp movements may adversely affect margins, particularly where cost increases cannot be fully passed on to customers.

Dependence on Global Trade Conditions: A substantial part of the business is linked to international trade and cross-border movement of goods. Any slowdown in global trade, geopolitical disruptions, trade restrictions or changes in import-export regulations could reduce shipment volumes and affect business performance.

Working Capital Requirements: The logistics business requires working capital to fund operating expenses, customer receivables and payments to carriers and other service providers. Any increase in receivable days or mismatch between collections and payments could place pressure on liquidity and cash flows.

Competition and Pricing Pressure: The logistics industry is highly competitive, with both established logistics companies and smaller regional operators competing on pricing, service quality and delivery capabilities. Increased competition could place pressure on freight margins and customer retention.

Financial Snapshot

Metric	FY24	FY25	FY26
Revenue from Operations	1,289.11	2,247.82	2,812.90
EBITDA	48.34	86.49	125.65
EBITDA Margin	3.74%	3.84%	4.46%
Profit After Tax (PAT)	34.49	48.14	63.62
PAT Margin	2.67%	2.14%	2.26%
Basic EPS (₹)	2.96	4.13	5.46

IPO Details and Use of Proceeds

Parameter	Details
Issuer	Skyways Air Services Limited
IPO Issue Size	4,22,31,600 shares (agg. up to ₹583 Cr) Fresh Issue 2,88,98,300 shares (agg. up to ₹399 Cr) Offer For Sale 1,33,33,330 shares of ₹10 (agg. up to 184 Cr)
Price Band	₹131 – ₹138 per share
Face Value	₹10 per share
IPO Opening Date	24 August 2026
IPO Closing Date	27 August 2026
Listing	NSE / BSE
Promoter Holding (Pre/Post)	Pre-IPO: ~79.14% → Post-IPO: ~56.82%
Book Running Lead Managers	Holani Consultants Private Limited, Shannon Advisors Private Limited, Dolat Finserv Private Limited.
Use of Proceeds	₹216.79 Cr towards repayment/pre-payment of certain outstanding borrowings of the Company and Forin Container Line Private Limited. ₹130.00 Cr towards funding incremental working capital requirements. - Balance towards general corporate purposes, subject to the 25% cap on GCP.

Valuation and Outlook

At the **upper price band of ₹138**, Skyways Air Services is valued at a **P/E of 31.5x based on its post-issue FY26 EPS of ₹4.37**, implying a **post-issue market capitalization of approximately ₹2,006 Cr.** The valuation is at a significant discount to listed peers such as Delhivery (260x), TVS Supply Chain Solutions (54x), Mahindra Logistics (1,548x), and Shadowfax Technologies (104x), with the peer average at approximately 491.5x. The company operates across freight forwarding, air cargo and integrated logistics, providing exposure to the growing organized logistics market. Considering its established operations, growth opportunities and relatively lower valuation compared with listed peers, **we recommend a Subscribe stance** on the IPO for investors with a medium- to long-term investment horizon, while monitoring working capital requirements, customer concentration, competitive intensity and execution risks.

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Registration and Contact Details: Name of Research Analyst - Mangal Keshav Financial Services LLP, Research Analyst
Registration No.: INH000018319.

LLPIN: AAM-3358

Registered Office: 501, Heritage Plaza, JP Road, Opp Indian Oil Colony, Andheri West, Mumbai 400053.
Correspondence/Administrative Office Address - 501, Heritage Plaza, JP Road, Opp Indian Oil Colony, Andheri West, Mumbai 400053.

TEL: 022 61907900