AEQUS LIMITED

December 02, 2025

AEQUS
ecosystems of efficiency

SMC Ranking
★ ½ ☆ ☆ ☆ (1.5/5)

Issue Highlights

Industry	Aerospace & Consumer Goods
Offer for sale (Shares)	20,307,393
Fresh Issue (Shares)	54,032,258
Net Offer to the Public	**74,339,651**
Issue Size (Rs. Cr.)	877-922
Price Band (Rs.)	118-124
Employee Discount	Rs. 11
Offer Date	3-Dec-25
Close Date	5-Dec-25
Face Value	10
Lot Size	120 Shares

Issue Composition

	In shares
Total Issue for Sale	74,339,651
QIB	55,754,738
NIB	11,150,948
Retail	7,433,965

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	64.49%	59.09%
QIB	32.95%	35.78%
NIB	2.56%	4.02%
Retail	0.00%	1.11%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company Aequs IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Repayment and/ or prepayment, in full or in part, of certain outstanding borrowings and prepayment penalties,as applicable, availed by the Company and three of its wholly-owned Subsidiaries, AeroStructures Manufacturing India Private Limited, Aequs Consumer Products Private Limited and Aequs Engineered Plastics Private Limited, through investment in such Subsidiaries.
2. Funding capital expenditure to be incurred on account of purchase of machinery and equipment by the company & one of its wholly-owned Subsidiaries, AeroStructures Manufacturing India Private Limited, through investment in such Subsidiary; and
3. Funding inorganic growth through unidentified acquisitions, other strategic initiatives and general corporate purposes.

Book Running Lead Manager
- JM Financial Limited
- IIFL Capital Services Limited
- Kotak Mahindra Capital Company Limited

Name of the registrar
- KFin Technologies Limited

About the company

Aequs Ltd., incorporated in 2000, is a fully integrated manufacturing solutions provider operating a dedicated Aerospace Special Economic Zone in India. The company offers end-to-end capabilities across machining, forging, surface treatment, assembly, and systems integration. Its diversified aerospace product portfolio spans engine, landing, actuation, cargo, interiors, and structural components. Over time, Aequs has expanded beyond aerospace into consumer electronics, plastics, and consumer durables. As of September 30, 2025, the company produced more than 5,000 aerospace components across major global aircraft programs, including single-aisle platforms (A220, A320, B737) and long-range aircraft (A330, A350, B777, B787). Key product categories include structures (brackets, corner fittings, floorboards), interiors and cargo systems (trays, panels, seat components), landing systems (landing gear assemblies, wheels, uplocks), and actuation systems (housings, manifolds, pistons). The company employed 1,892 full-time staff, 1,834 contract workers, 55 trainees, 432 apprentices, and 325 fixed-term employees as of September 30, 2025.

Strength

Advanced and vertically integrated precision manufacturing capabilities: Aequs offers end-to-end precision manufacturing solutions across machining, forging, metal forming, advanced surface treatment and secondary processes. Its capabilities span 3/4/5-axis milling and turning across materials like aluminium, steel, inconel and titanium. This high level of vertical integration creates strong entry barriers and enables the company to expand into new segments by leveraging existing precision engineering expertise.

Operations within a unique, engineering-led manufacturing ecosystem: Aequs is the only precision component manufacturer in India operating a fully integrated, aerospace-focused SEZ. This ecosystem supports large-scale, complex manufacturing with stringent quality standards, enabling timely delivery to global OEMs across both aerospace and consumer segments. The integrated setup significantly enhances productivity, reliability and scalability.

Global manufacturing footprint close to key OEMs: With facilities across India, the U.S., and France, Aequs benefits from strategic proximity to major global aerospace and consumer OEMs. Its international presence strengthens customer engagement, fosters deeper engineering collaboration and supports the development of specialized capabilities. Strategic acquisitions in the U.S. and France have further enhanced its technology base and service offering.

Comprehensive product portfolio across high-value segments: Aequs delivers a wide precision-engineered portfolio covering engine systems, landing systems, cargo and interiors, structures, assemblies and turnings. Its scalable ecosystem supports rapid expansion into adjacent products. The company has successfully leveraged aerospace competencies—such as surface treatment and forging—to manufacture high-entry-barrier consumer electronics products, including components for portable computers and smart devices.

Long-standing relationships with global high-entry-barrier customers: Aequs has built deep, long-term partnerships with global aerospace customers like Airbus, Collins Aerospace, Spirit AeroSystems, Safran and Boeing, and consumer clients such as Hasbro,

Spinmaster, Wonderchef and Tramontina. Its ability to meet stringent technical and quality requirements results in strong client retention and a first-mover advantage within India's precision manufacturing landscape.

Founder-led organization supported by an experienced management team: Aequs benefits from a founder-led leadership model backed by an experienced management team and a skilled workforce that undergoes continuous training. The tenure and expertise of key managerial personnel contribute to operational stability, strong execution and long-standing customer relationships.

Strategies

Increase wallet share in the Aerospace Segment by moving up the value chain and diversifying customers: Aequs aims to deepen engagement with existing aerospace customers by manufacturing more complex, higher-value components such as engine and landing gear systems, torque tubes and nacelles. The company will leverage its Direct-to-Partner relationship with Airbus, pursue long-term MSAs, enhance facility utilization, and outsource low-value work selectively to focus internal capabilities on critical components. It also plans to broaden its customer base using its established aerospace competencies.

Expand the portfolio of consumer products: The company is accelerating diversification into consumer electronics, plastics and consumer durables by leveraging its precision engineering expertise. It has made significant investments in its Hubballi cluster to scale mass production for portable computers and smart device components for a global electronics leader. In consumer durables, Aequs is expanding through its joint venture with Tramontina to supply non-stick pans and is exploring opportunities across aluminum and triply cookware.

Improve margins through higher-value manufacturing and operational efficiencies: Margin expansion will be driven by increased contributions from the consumer business, improved asset utilization and higher production of complex aerospace components. In the Consumer Segment, Aequs aims to lower costs through localized raw material sourcing, expand higher-margin electronics manufacturing and leverage government incentive schemes such as the PLI program to support domestic manufacturing.

Leverage existing capabilities to expand into adjacent precision-driven sectors: Aequs plans to apply its aerospace-grade machining, engineering and ecosystem capabilities to tap opportunities in precision-driven adjacencies aligned with India's manufacturing push. Recent milestones include mass production of portable computer components starting July 2025 and upcoming production for smart device components. The strategy positions Aequs to capture a share of India's rapidly expanding precision engineering market, projected to reach Rs. 4.95 trillion by Fy2030.

Risk Factor

- The company relies heavily on its Aerospace Segment, which generates 72% to nearly 90% of its external revenue.
- The company's finances are highly reliant on its ten largest customer groups, which account for 82.5% to nearly 89% of its revenue.
- The company's contracts with OEM customers are usually requirement-based, meaning customers are not obligated to place fixed-quantity orders.
- The business requires significant capital expenditure to maintain or upgrade equipment and machinery across the existing manufacturing clusters and facilities.
- The business is subject to fluctuations in the prices and disruptions in the availability of raw materials, which may have an adverse effect on our business, results of operations, financial condition and cash flows

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
PTC Industries	410.62	62.11	41.94	436.98	19.38	945.43	10	18327.15	27461.63
Dixon Technolog.	48436.92	1466.98	208.59	69.84	21.74	670.23	2	14568.55	88341.92
Amber Enterp.	10983.17	222.95	63.39	111.56	6.82	1036.96	10	7071.75	24872.79
Kaynes Tech	3225.35	378.68	56.49	94.84	7.67	698.22	10	5357.40	35913.15
Azad Engineering	530.13	111.65	17.29	96.32	7.27	228.99	2	1665.30	10754.80
Unimech Aero.	247.24	79.56	15.65	62.77	7.07	138.88	5	982.30	4995.67
Aequs Ltd.	924.61	-102.42	-ve	-ve	6.07	20.42	10	124.00	8316.06

***Peer companies financials are TTM based**
*****Aequs Ltd.financials are based on Fy25**

Valuation

The company is loss making so we are considering the P/BV valuation, Looking at the P/B ratio at higher band of Rs. 124, pre - issue book value of Rs. 11.34 of P/Bvx 10.93x. Post issue book value of Rs. 20.42 of P/Bvx 6.07x.

Looking at the P/B ratio at lower band of Rs. 118, pre - issue book value of Rs. 11.34 of P/Bvx 10.40x. Post issue book value of Rs. 20.42 of P/Bvx 5.78x.

Industry Outlook

Global aviation, electronics, and renewable energy sectors are entering a strong growth phase, supported by rising demand and steady economic recovery. Air travel, which dropped sharply in 2020 with a 60.49% fall in passengers, has bounced back with healthy growth of 28–47% annually between 2021 and 2023, reaching an estimated 4.22 billion passengers in 2024 and expected to cross pre-COVID levels in 2025. By 2030, passenger numbers are projected to exceed 5.5 billion. Aircraft manufacturers are also sitting on a sizeable backlog of about 15,241 planes as of mid-2025—nearly 14 years of production—showing sustained demand for new and more efficient aircraft. India's position in the aerospace supply chain continues to strengthen, with Airbus alone sourcing around USD 1.4 billion from over 100 Indian suppliers in FY2025. On the electronics front, India's exports have jumped from USD 8.22 billion in FY2020 to USD 38.58 billion in FY2025, driven largely by government incentives and expanding local capabilities. The push toward clean energy is also gaining momentum, with global wind power installations expected to rise from 117 GW in 2024 to 194 GW by 2030. Together, these trends point toward a decade of strong demand and steady expansion across aviation, advanced manufacturing, electronics, and renewables.

Outlook

Aequs is well-positioned for sustained growth driven by its integrated precision manufacturing ecosystem, global footprint, and strong aerospace and consumer relationships. Margin expansion is expected from higher-value components, improved utilization and scaling consumer electronics. Diversification into adjacent precision sectors strengthens long-term potential. However, customer concentration, requirement-based contracts, capex intensity and raw material volatility remain key risks.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	03-December-25
BID/ISSUE CLOSES ON	05-December-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	08-December-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	09-December-25
Credit of Equity Shares to Demat Accounts of Allottees	09-December-25
Commencement of trading of the Equity Shares on the Stock Exchanges	10-December-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Sept-25 (6 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	537.16	924.61	965.07
Total expenditure	481.44	851.24	842.79
Operating Profit	**55.72**	**73.36**	**122.28**
OPM%	10.37	7.93	12.67
Other Income	28.39	34.61	23.23
Total Net Income	**84.11**	**107.97**	**145.51**
Interest	35.75	58.90	63.81
PBDT	**48.36**	**49.07**	**81.70**
Depreciation	57.16	103.41	107.69
Loss from continuing operations before exceptional items, share of profit/(loss) of associate and joint ventures, and tax	**-8.80**	**-54.34**	**-25.98**
Share of net profit/(loss) of associate and joint using the equity method, net of tax ventures accounted for	3.38	8.52	5.15
PBT before Exceptional items gain / (loss)	**-5.42**	**-45.81**	**-20.83**
Exceptional items gain / (loss)	0.00	-48.27	18.65
Loss before tax from continuing operations	**-5.42**	**-94.08**	**-2.18**
Tax	11.27	8.34	9.97
Profit & Loss	**-16.68**	**-102.42**	**-12.15**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 30-Sept-25	As on 31-Mar-25	As on 31-Mar-24
Non-current assets			
Property Plant & Equipment	402.43	166.88	174.95
Right of Use Assets	312.67	334.93	411.24
Capital Work In Progress	346.14	395.09	175.39
Intangible assets	5.30	6.12	8.54
Goodwill	17.26	17.26	65.52
Invetmenrt Acounted for using Equity Method	81.31	76.81	62.16
Financial assets			
Investments	0.09	0.09	0.08
Other financial assets	78.01	70.62	39.45
Contract Asset	5.10	0.00	0.00
Deffered Tax Assets (Net)	33.11	33.17	32.45
Current tax assets	0.67	1.90	1.43
Other non-current assets	22.90	13.31	15.90
Total non-current assets	**1304.99**	**1116.18**	**987.11**
Current asset			
Financial Assets			
Inventories	459.12	408.27	354.12
Investments	0.00	0.00	29.72
Trade receivables	181.26	156.60	136.89
Cash and cash equivalents	57.19	60.94	79.27
Bank balances other than above	22.63	18.85	172.70
Other financial assets	12.43	12.87	1.52
Contract Asset	2.67	5.29	2.48
Assets classified as held for sale	0.02	0.01	0.37
Other current assets	94.05	80.82	58.82
Total current assets	**829.37**	**743.66**	**835.88**
Total Assets	**2134.35**	**1859.84**	**1822.98**
Non-current liabilities			
Financial liabilities			
Borrowings	207.39	142.44	85.51
Lease liabilities	269.47	278.56	350.68
Other Financial Liabilities	6.11	6.48	0.64
Provision for employee benefits	17.08	16.18	12.66
Other non-current liabilities	4.20	4.50	0.00
Contract liabilities	17.64	19.29	0.00
Total Non- Current liabilities	**521.88**	**467.44**	**449.49**
Current liabilities			
Financial Liabilities			
Borrowings	326.12	294.62	206.37
Lease liabilities	65.87	69.43	56.37
Trade Payables			
- Total outstanding dues of MSME	6.50	6.57	1.00
- Total outstanding dues of creditors other than MSME	286.65	224.32	201.52
Other financial liabilities	54.19	40.03	49.60
Provision for employee benefits	8.07	6.56	5.48
Other current liabilities	16.85	15.29	19.19
Current Tax Liabilities	7.16	3.50	6.09
Contract liabilities	36.57	16.07	12.21
Liabilities directly associated with assets classified as held for sale	0.00	0.03	0.05
Total - Current Liabilities	**807.98**	**676.41**	**557.88**
Total Liabilities	**1329.86**	**1143.85**	**1007.36**
Net worth represented by:			
Equity share capital	605.00	581.84	424.76
Instruments entirely equity in nature	0.00	0.00	407.12
Other equity	200.43	135.09	-15.31
Non controllig interest	-0.94	-0.94	-0.94
Total Equity	**804.49**	**715.99**	**815.62**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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