

# IPO NOTE

## AEQUUS LIMITED

SUBSCRIBE



Rating:

**SUBSCRIBE**



Incorporated in 2000, Aequus Ltd. is engaged in manufacturing and operating a special economic zone in India to offer fully vertically integrated manufacturing capabilities in the Aerospace Segment.

### OBJECTS OF THE ISSUE

- Repayment/prepayment of certain borrowings and related penalties.
- Investment into three wholly-owned subsidiaries.
- Funding capex for purchase of machinery and equipment.

### FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2025	FY 2024	FY 2023
Equity Share Capital	581.8	424.7	424.7
Net Worth	707.53	807.17	251.91
Revenue	924.6	965.0	812.1
EBITDA Margin%	11.68%	15.08%	7.77%
Net Profit/Loss of the year	-102.35	-14.24	-109.50

### FINANCIAL RATIOS OF FY25



### ISSUE BREAK-UP (%)

QIB Portion		75%
NII Portion		15%
Retail Portion		10%

### INDICATIVE TIMETABLE

Basis of Allotment	08-12-2025
Refunds/Unblocking ASBA Fund	09-12-2025
Credit of Share to Demat A/c	09-12-2025
Listing Date	10-12-2025

### OUTLOOK & VALUATION

- A unique, high-barrier entry into the aerospace & defense supply chain.
- The company is currently loss-making with negative return ratios
- The majority of IPO proceeds will be used to pay off debt, not for new expansion.
- Priced significantly lower than peers on a Price-to-Book basis (~9.9x vs peers at 15-20x).
- Aggressive investors can park some money for the long term to play niche theme.



## COMPANY PROFILE

- The company's diverse product portfolio includes components for engine systems, landing systems, cargo and interiors, structures, assemblies and turning for the aerospace clients.
- The company primarily operate in the Aerospace Segment, over the years, they have expanded their product portfolio to include consumer electronics, plastics, and consumer durables for their consumer clients.



## COMPETITIVE STRATEGIES

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



## KEY CONCERNs

- All manufacturing units are concentrated in Karnataka, exposing the company to regional risks.
- The company and some subsidiaries have had negative operating cash flows, which may continue and impact financial health.
- The business faces multiple risks and challenges linked to India's manufacturing sector, affecting operations and cash flows.

## Product Portfolio:

- Structures: Brackets, fittings, floorboards, latch assemblies, support components.
- Interiors & Cargo: Panels, trays, seat components, housings, beams, pawls.
- Landing Systems: Landing gear parts, fittings, brackets, rims, wheel assemblies.
- Actuation Systems: Manifolds, housings, pistons, mounting parts, actuator components.



## KEY STRENGTHS

- 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

## COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (₹ Basic)	P/E	NAV	Revenue (cr.)	RoNW%
<b>Aequus Ltd.</b>	<b>-1.80</b>	<b>-74.71</b>	<b>12.47</b>	<b>924.6</b>	<b>-14.47</b>
<b>Peer Group</b>					
Azad Engineering Limited	14.66	115.48	234.06	457.3	6.21
Unimech Aerospace And Manufacturing Limited	17.59	55.73	141.01	242.9	12.48
Amber Enterprises India Limited	72.01	100.40	672.61	9973.0	10.99
Kaynes Technology India Limited	45.82	129.59	439.85	2721.2	10.33
Dixon Technologies (india) Limited	205.70	73.87	494.74	38860.1	47.50
Ptc Industries Limited	41.37	417.03	940.03	308.0	4.40



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