

Aequus Ltd.

IPO Note



Subscribe

Vertically integrated aerospace precision engineering manufacturer serving global OEMs a

1. Business Model – High-Barrier Aerospace Ecosystem

Aequus is one of India's few vertically integrated precision engineering (PEC) players, operating across three engineering clusters. Its end-to-end ecosystem machining, forgings, processing, and assemblies—creates deep entry barriers and enables multi-stage value capture unmatched by most domestic peers.

2. Revenue Mix – Aerospace-Driven (~90%) rest from toys.

The Aerospace Segment contributed 89.19% of FY25 revenue, reflecting strong focus in a niche, certification-heavy domain. Key customers include Airbus, Boeing, Collins, Eaton, and Hasbro.

The top 10 customers contributed 88.57% of FY25 revenue—high concentration but also strong customer stickiness, as OEMs rarely replace certified suppliers.

3. Financial Performance

Aequus remains loss-making due to high capital intensity, reporting net losses of ₹102.35 cr (FY25), ₹14.24 cr (FY24) and ₹109.49 cr (FY23). Operating losses in FY23 and FY25 keep it below SEBI's profitability norms, placing the IPO under the Regulation 6(2) QIB-heavy route.

4. Key Risks & Considerations

Profitability: No consistent profits yet; however, utilization-led operating leverage may improve margins over time.

Order Volatility: Requirement-based contracts carry cancellation risk, though long-cycle aerospace relationships typically offer stability.

Competition: Faces Azad Engineering and global machining players, but Aequus' cluster model + SEZ efficiencies strengthen cost positioning.

Customer Concentration: High dependence on top 10 clients, though aerospace OEMs exhibit strong loyalty due to stringent vendor qualifications.

Industry	Aerospace
Scrip Details	
Listing	BSE & NSE
Open Date	Dec 03, 2025
Close Date	Dec 05, 2025
Price Band	INR 118 -124
Face Value	INR 10
Market Lot	120 Shares
Minimum Lot	1
Issue Structure	
Issue Size (INR cr)	INR 921.81
Issue Size (Shares)	7,43,39,651
QIB Share (%)	≥ 75%
Non-Inst Share (%)	≤ 15%
Retail Share (%)	≤ 10%
Pre-Issue sh. (in cr.)	94.6
Post Issue sh. (in cr.)	61.66
Post Issue Market Cap (in cr)	67.06
Shareholding (%)	
Promoter	64.48
Public	35.52
TOTAL	100
	100

Key Consolidated Financial Data (INR Cr, unless specified):

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoCE (%)	P/E (X)	EV/EBITDA (X)
FY22	529.1	13.2	-106.2	2.5	-20.1	-14.3	39.2	-36.4	-9.9	-8.7	86.1
FY23	812.1	38.6	-98.8	4.8	-12.2	-13.3	36.0	-35.5	-10.3	-9.3	31.3
FY24	965.1	127.6	-10.8	13.2	-1.1	-1.5	109.8	-1.3	4.3	-85.0	7.3
FY25	924.6	78.8	-102.3	8.5	-11.1	-13.8	96.4	-14.3	-2.3	-9.0	16.2

Source: Ventura Research & Company update

Issue Structure and Offer Details:

Aequus IPO is a book build issue of INR 921.81 cr. The issue includes fresh issue INR 670cr and OFS of INR 251.18 cr.

Issue Structure	
Investor Category	Allocation
QIB	Not less than 75.00% of the Offer
NII (HNI)	Not more than 15.00% of the Net issue
Retail	Not more than 10.00% of the Offer

Number of shares based on a higher price band of INR 124
Source: Company Reports

Objects of the Issue: -

1. **Repayment and/ or prepayment, in full or in part, of certain outstanding borrowings and prepayment penalties, as applicable, availed by:433.17Cr**
2. **three of the wholly-owned Subsidiaries, through investment in the below Subsidiaries.415.62Cr**
3. **Aequus Consumer Products Private Limited:-231.16Cr**
4. **Aequus Engineered Plastics Private Limited:-9.63Cr**
5. **Aerostructures Manufacturing India Private Limited:-174.82Cr**
6. **Funding capital expenditure to be incurred on account of purchase of machinery and equipment by:64Cr**
7. **One of the wholly-owned Subsidiaries, Aerostructures Manufacturing India Private Limited, through investment in such Subsidiary:-55.89Cr**
8. **Funding inorganic growth through unidentified acquisitions, other strategic initiatives and general corporate purposes:-25.66Cr**

Financial Summary

Fig in INR Cr (unless specified)	FY22	FY23	FY24	FY25	Fig in INR Cr (unless specified)	FY22	FY23	FY24E	FY25
Income Statement									
Revenue	529.1	812.1	965.1	924.6	Adjusted EPS (INR)	(14.3)	(13.3)	(1.5)	(13.8)
YoY Growth (%)	31.8	53.5	18.8	(4.2)	Adjusted Cash EPS (INR)	(4.3)	0.1	13.0	0.1
Raw Material Cost	245.2	384.0	416.6	392.2	Adjusted BVPS (INR)	39.2	36.0	109.8	96.4
RM Cost to Sales (%)	46.3	47.3	43.2	42.4	Adjusted CFO per share (INR)	(0.1)	1.3	(2.6)	3.5
Employee Cost	106.3	144.6	143.4	158.7	CFO Yield (%)	(0.1)	1.1	(2.1)	2.8
Employee Cost to Sales (%)	20.1	17.8	14.9	17.2	Adjusted FCF per share (INR)	(0.5)	(1.0)	(1.6)	(22.8)
Other Expenses	164.4	244.8	277.4	294.9	FCF Yield (%)	(0.4)	(0.8)	(1.3)	(18.4)
Other Exp to Sales (%)	31.1	30.1	28.7	31.9					
EBITDA	13.2	38.6	127.6	78.8	Solvency Ratio (X)				
Margin (%)	2.5	4.8	13.2	8.5	Total Debt to Equity	1.0	1.3	0.4	0.6
YoY Growth (%)	(151.4)	192.6	230.5	(38.3)	Net Debt to Equity	0.7	1.1	0.0	0.5
Depreciation & Amortization	74.6	99.5	107.7	103.4	Net Debt to EBITDA	16.3	7.4	0.1	4.5
EBIT	(61.4)	(60.9)	19.9	(24.6)	Return Ratios (%)				
Margin (%)	(11.6)	(7.5)	2.1	(2.7)	Return on Equity	(36.4)	(35.5)	(1.3)	(14.3)
YoY Growth (%)	(40.7)	(0.8)	(132.8)	(223.4)	Return on Capital Employed	(9.9)	(10.3)	4.3	(2.3)
Other Income	9.3	28.4	23.2	34.6	Return on Invested Capital	(12.1)	(10.8)	2.4	(2.3)
Bill discounting & other charges	43.5	68.6	69.2	64.3	Working Capital Ratios				
Fin Charges Coverage (X)	(1.4)	(0.9)	0.3	(0.4)	Payable Days (Nos)	122	101	77	91
Exceptional Item	(12.7)	(0.7)	18.6	(48.3)	Inventory Days (Nos)	148	134	134	161
PBT	(108.3)	(101.8)	(7.3)	(102.6)	Receivable Days (Nos)	73	48	52	62
Margin (%)	(20.5)	(12.5)	(0.8)	(11.1)	Net Working Capital Days (Nos)	99	81	109	132
YoY Growth (%)	(11.8)	(6.0)	(92.8)	1,299.2	Net Working Capital to Sales (%)	27.1	22.1	29.9	36.1
Tax Expense	(5.4)	6.0	10.0	8.3	Valuation (X)				
Tax Rate (%)	5.0	(5.9)	(135.9)	(8.1)	P/E	(8.7)	(9.3)	(85.0)	(9.0)
PAT	(102.9)	(107.9)	(17.3)	(110.9)	P/BV	3.2	3.4	1.1	1.3
Margin (%)	(19.4)	(13.3)	(1.8)	(12.0)	EV/EBITDA	86.1	31.3	7.8	16.2
YoY Growth (%)	(9.7)	4.8	(84.0)	541.3	EV/Sales	2.1	1.5	1.0	1.4
Min Int/Sh of Assoc	(3.3)	9.0	6.5	8.6	Cash Flow Statement				
Net Profit	(106.2)	(98.8)	(10.8)	(102.3)	PBT	(108.3)	(101.8)	(7.3)	(102.6)
Margin (%)	(20.1)	(12.2)	(1.1)	(11.1)	Adjustments	124.8	154.2	106.8	182.6
YoY Growth (%)	31.6	(6.9)	(89.0)	844.3	Change in Working Capital	(22.4)	(36.6)	(108.6)	(45.5)
					Less: Tax Paid	5.4	(6.0)	(10.0)	(8.3)
					Cash Flow from Operations	(0.5)	9.8	(19.1)	26.1
					Net Capital Expenditure	(44.7)	(90.2)	(155.6)	(264.8)
					Change in Investments	(42.2)	1.3	(187.8)	191.0
					Cash Flow from Investing	(86.9)	(88.9)	(343.4)	(73.8)
					Change in Borrowings	(21.5)	58.9	(59.3)	89.7
					Less: Finance Cost	(43.5)	(68.6)	(69.2)	(64.3)
					Proceeds from Equity	149.2	64.1	521.9	0.0
					Buyback of Shares	0.0	0.0	0.0	0.0
					Dividend Paid	0.0	0.0	0.0	0.0
					Cash flow from Financing	84.2	54.4	393.5	25.4
					Net Cash Flow	(3.2)	(24.7)	31.0	(22.3)
					Forex Effect	0.6	(6.6)	(3.0)	3.9
					Opening Balance of Cash	85.2	82.6	51.3	79.3
					Closing Balance of Cash	82.6	51.3	79.3	60.9

Source: Ventura Research

Disclosures and Disclaimer

Ventura Securities Limited (VSL) is a SEBI registered intermediary offering broking, depository and portfolio management services to clients. VSL is member of BSE, NSE and MCX-SX. VSL is a depository participant of NSDL. VSL states that no disciplinary action whatsoever has been taken by SEBI against it in last five years except administrative warning issued in connection with technical and venial lapses observed while inspection of books of accounts and records. Ventura Commodities Limited, Ventura Guaranty Limited, Ventura Insurance Brokers Limited and Ventura Allied Services Private Limited are associates of VSL. Research Analyst (RA) involved in the preparation of this research report and VSL disclose that neither RA nor VSL nor its associates (i) have any financial interest in the company which is the subject matter of this research report (ii) holds ownership of one percent or more in the securities of subject company (iii) have any material conflict of interest at the time of publication of this research report (iv) have received any compensation from the subject company in the past twelve months (v) have managed or co-managed public offering of securities for the subject company in past twelve months (vi) have received any compensation for investment banking merchant banking or brokerage services from the subject company in the past twelve months (vii) have received any compensation for product or services from the subject company in the past twelve months (viii) have received any compensation or other benefits from the subject company or third party in connection with the research report. RA involved in the preparation of this research report discloses that he / she has not served as an officer, director or employee of the subject company. RA involved in the preparation of this research report and VSL discloses that they have not been engaged in the market making activity for the subject company. Our sales people, dealers, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein. We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/ information inconsistent or different those made in this report. In reviewing this document, you should be aware that any or all the foregoing, among other things, may give rise to or potential conflicts of interest. We may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of VSL. This report is for information purposes only and this document/material should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities, and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document does not solicit any action based on the material contained herein. It is for the general information of the clients / prospective clients of VSL. VSL will not treat recipients as clients by virtue of their receiving this report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of clients / prospective clients. Similarly, this document does not have regard to the specific investment objectives, financial situation/circumstances and the needs of any specific person who may receive this document. The securities discussed in this report may not be suitable for all investors. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive this document should consider and independently evaluate whether it is suitable for his/ her/their particular circumstances and, if necessary, seek professional/financial advice. And such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this document. The projections and forecasts described in this report were based upon a few estimates and assumptions and are inherently subject to significant uncertainties and contingencies. Projections and forecasts are necessarily speculative in nature, and it can be expected that one or more of the estimates on which the projections and forecasts were based will not materialize or will vary significantly from actual results, and such variances will likely increase over time. All projections and forecasts described in this report have been prepared solely by the authors of this report independently of the Company. These projections and forecasts were not prepared with a view toward compliance with published guidelines or generally accepted accounting principles. No independent accountants have expressed an opinion or any other form of assurance on these projections or forecasts. You should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by VSL, its associates, the authors of this report or any other person that these projections or forecasts or their underlying assumptions will be achieved. For these reasons, you should only consider the projections and forecasts described in this report after carefully evaluating all of the information in this report, including the assumptions underlying such projections and forecasts. The price and value of the investments referred to in this document/material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. Future returns are not guaranteed, and a loss of original capital may occur. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. We do not provide tax advice to our clients, and all investors are strongly advised to consult regarding any potential investment. VSL, the RA involved in the preparation of this research report and its associates accept no liabilities for any loss or damage of any kind arising out of the use of this report. This report/document has been prepared by VSL, based upon information available to the public and sources, believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. VSL has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. The opinions expressed in this document/material are subject to change without notice and have no obligation to tell you when opinions or information in this report change. This report or recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. The report is for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of VSL. This report or any portion hereof may not be printed, sold or distributed without the written consent of VSL. This document does not constitute an offer or invitation to subscribe for or purchase or deal in any securities and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. This document is strictly confidential and is being furnished to you solely for your information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The opinions and projections expressed herein are entirely those of the author and are given as part of the normal research activity of VSL and are given as of this date and are subject to change without notice. Any opinion estimates or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection. This document has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Information in this document must not be relied upon b c as having been authorized or approved by the company or its directors or any other person. Any opinions and projections contained herein are entirely those of the authors. None of the company or its directors or any other person accepts any liability whatsoever for any loss arising from any use of this document or its contents or otherwise arising in connection therewith. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Securities Market.

Ventura Securities Limited - SEBI Registration No.: INH000001634

Corporate Office: I-Think Techno Campus, 8th Floor, 'B' Wing, Off Pokhran Road No 2, Eastern Express Highway, Thane (W) – 400608