

# **Aequs Ltd.**

## **IPO Note**



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### Vertically integrated aerospace precision engineering manufacturer serving global OEMs a

#### 1. Business Model – High-Barrier Aerospace Ecosystem

Aequs 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 top10 customers contributed 88.57% of FY25 revenue—high concentration but also strong customer stickiness, as OEMs rarely replace certified suppliers.

#### 3. Financial Performance

Aequs 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 Aequs' 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
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#### 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 (%)	Pre (%)	Post (%)
Promoter	64.48	56.25
Public	35.52	43.75
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 & Comp any update

### Issue Structure and Offer Details:

Aequs 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
<b>QIB</b>	<b>Not less than 75.00% of the Offer</b>
<b>NII (HNI)</b>	<b>Not more than 15.00% of the Net issue</b>
<b>Retail</b>	<b>Not more than 10.00% of the Offer</b>

*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. Aequs Consumer Products Private Limited:-231.16Cr**
- 4. Aequs 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
<b>Income Statement</b>					<b>Per share data &amp; Yields</b>				
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	<b>Solvency Ratio (X)</b>				
EBITDA	13.2	38.6	127.6	78.8	Total Debt to Equity	1.0	1.3	0.4	0.6
Margin (%)	2.5	4.8	13.2	8.5	Net Debt to Equity	0.7	1.1	0.0	0.5
YoY Growth (%)	(151.4)	192.6	230.5	(38.3)	Net Debt to EBITDA	16.3	7.4	0.1	4.5
Depreciation & Amortization	74.6	99.5	107.7	103.4	<b>Return Ratios (%)</b>				
EBIT	(61.4)	(60.9)	19.9	(24.6)	Return on Equity	(36.4)	(35.5)	(1.3)	(14.3)
Margin (%)	(11.6)	(7.5)	2.1	(2.7)	Return on Capital Employed	(9.9)	(10.3)	4.3	(2.3)
YoY Growth (%)	(40.7)	(0.8)	(132.8)	(223.4)	Return on Invested Capital	(12.1)	(10.8)	2.4	(2.3)
Other Income	9.3	28.4	23.2	34.6	<b>Working Capital Ratios</b>				
Bill discounting & other charges	43.5	68.6	69.2	64.3	Payable Days (Nos)	122	101	77	91
Fin Charges Coverage (X)	(1.4)	(0.9)	0.3	(0.4)	Inventory Days (Nos)	148	134	134	161
Exceptional Item	(12.7)	(0.7)	18.6	(48.3)	Receivable Days (Nos)	73	48	52	62
PBT	(108.3)	(101.8)	(7.3)	(102.6)	Net Working Capital Days (Nos)	99	81	109	132
Margin (%)	(20.5)	(12.5)	(0.8)	(11.1)	Net Working Capital to Sales (%)	27.1	22.1	29.9	36.1
YoY Growth (%)	(11.8)	(6.0)	(92.8)	1,299.2	<b>Valuation (X)</b>				
Tax Expense	(5.4)	6.0	10.0	8.3	P/E	(8.7)	(9.3)	(85.0)	(9.0)
Tax Rate (%)	5.0	(5.9)	(135.9)	(8.1)	P/BV	3.2	3.4	1.1	1.3
PAT	(102.9)	(107.9)	(17.3)	(110.9)	EV/EBITDA	86.1	31.3	7.3	16.2
Margin (%)	(19.4)	(13.3)	(1.8)	(12.0)	EV/Sales	2.1	1.5	1.0	1.4
YoY Growth (%)	(9.7)	4.8	(84.0)	541.3	<b>Cash Flow Statement</b>				
Min Int/Sh of Assoc	(3.3)	9.0	6.5	8.6	PBT	(108.3)	(101.8)	(7.3)	(102.6)
Net Profit	(106.2)	(98.8)	(10.8)	(102.3)	Adjustments	124.8	154.2	106.8	182.6
Margin (%)	(20.1)	(12.2)	(1.1)	(11.1)	Change in Working Capital	(22.4)	(36.6)	(108.6)	(45.5)
YoY Growth (%)	31.6	(6.9)	(89.0)	844.3	Less: Tax Paid	5.4	(6.0)	(10.0)	(8.3)
<b>Balance Sheet</b>					Cash Flow from Operations	(0.5)	9.8	(19.1)	26.1
Share Capital	396.0	424.8	831.9	581.8	Net Capital Expenditure	(44.7)	(90.2)	(155.6)	(264.8)
Total Reserves	(104.6)	(157.5)	(16.3)	134.1	Change in Investments	(42.2)	1.3	(187.8)	191.0
Shareholders Fund	291.4	267.3	815.6	716.0	Cash Flow from Investing	(86.9)	(88.9)	(343.4)	(73.8)
Long Term Borrowings	84.5	125.3	85.5	142.4	Change in Borrowings	(21.5)	58.9	(59.3)	89.7
Deferred Tax Assets / Liabilities	(36.2)	(30.9)	(32.4)	(33.2)	Less: Finance Cost	(43.5)	(68.6)	(69.2)	(64.3)
Other Long Term Liabilities	264.4	341.4	351.3	308.8	Proceeds from Equity	149.2	64.1	521.9	0.0
Long Term Trade Payables	0.0	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0	0.0
Long Term Provisions	0.0	11.0	12.7	16.2	Dividend Paid	0.0	0.0	0.0	0.0
Total Liabilities	604.1	714.1	1,232.7	1,150.3	Cash flow from Financing	84.2	54.4	393.5	25.4
Net Block	211.0	677.3	660.2	525.2	Net Cash Flow	(3.2)	(24.7)	31.0	(22.3)
Capital Work in Progress	2.2	1.6	175.4	395.1	Forex Effect	0.6	(6.6)	(3.0)	3.9
Intangible assets under developm	0.4	0.4	0.0	0.0	Opening Balance of Cash	85.2	82.6	51.3	79.3
Non Current Investments	50.3	57.6	62.2	76.9	Closing Balance of Cash	82.6	51.3	79.3	60.9
Long Term Loans & Advances	38.5	41.4	52.6	51.0					
Other Non Current Assets	337.0	3.0	4.2	34.8					
Net Current Assets	(35.4)	(67.2)	278.0	67.2					
Total Assets	604.1	714.1	1,232.7	1,150.3					

Source: Ventura Research

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