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IPO Report

02nd Dec'25

Snapshot

Company is the only precision component manufacturer operating within a single special economic zone in India to offer fully vertically integrated manufacturing capabilities in the Aerospace Segment, which sets company apart from other contract manufacturers with selective manufacturing capabilities amongst company's peers. Precision components are precisely machined parts that are designed and manufactured to exact specifications and are commonly supplied to OEM customers and system integrators. Company had one of the largest portfolios of aerospace products in India, as of March 31, 2025.

VALUATION

Company is bringing the issue at price band of Rs 118-124 per share at p/b multiple of more than 5.14x on post issue basis. Company has advanced and vertically integrated precision manufacturing capabilities. Company's Operations in unique, engineering-led vertically-integrated precision manufacturing ecosystems along with manufacturing presence across three continents with strategic proximity to end customers. Company has comprehensive precision product portfolio across high value segments along with long-standing relationships with high entry barrier global customers and founder-led business supported by an experienced management team and a qualified employee base. Hence, we recommend "Subscribe" to the issue.

Price Band (Rs./Share)	118-124
Opening date of the issue	03rd Dec '2025
Closing Date of the issue	05th Dec '2025
No of shares pre issue	61,66,17,677 Eq Shares
Issue Size	Rs 910-922 Cr
Fresh issue	Rs 670.00 Cr
Offer For Sale	2,03,07,393 Eq Shares
Face Value (Rs/ share)	Rs 10/share
Bid Lot	120
Employee Discount	Rs 11/share
BIDDING DETAILS	
QIBs (Including Anchor)	75% of the offer (Approx 5,56,33,772 eq Shares)
Non-Institutional	15% of the offer (Approx 1,11,26,753 eq Shares)
Retail	10% of the offer (Approx 74,17,835 eq Shares)
Employee Reservation	Eq shares upto rs 2 Cr
Lead managers	JM Financial, IIFL Capital, Kotak Mahindra Capital
Registrar to the issue	KFin Technologies Ltd

WHAT WE LIKE

Advanced and vertically integrated precision manufacturing capabilities

Company is the leading company within a single special economic zone in terms of end-to-end manufacturing capabilities (machining, forging, surface treatment and assembly) for the Aerospace Segment in India, based on the number of capabilities and approvals. Across company's three manufacturing ecosystems in India and two dedicated aerospace facilities outside India, that company operate in, had an aggregate capacity of 2,919,058 annual machining/molding hours for products within then Aerospace Segment and Consumer Segment, and over 200 computer numerical control ("CNC") machines for Aerospace Segment and 161 molding machines deployed for consumer products, each as of September 30, 2025.

Long-standing relationships with high entry barrier global customers

Company have established long-standing relationships with high entry barrier global customers, such as Airbus, Collins Aerospace, Spirit Aerosystems Inc., Safran and Boeing in the Aerospace Segment, and Hasbro, Spinmaster, Wonderchef, and Tramontina in the Consumer Segment. Over the years, company have also established itself as Tier-1 suppliers for such OEM customers. As of September 30, 2025, company's three largest customer groups had an average tenure of 15 years with company. Company's five largest customer groups collectively accounted for 66.36%, 69.71%, 73.17%, 69.08% and 65.84% of its revenue from operations for the six months period ended September 30, 2025 and 2024, and the Financial Years 2025, 2024 and 2023, respectively.

Comprehensive precision product portfolio across high value segments

As of September 30, 2025, company produced over 5,000 products within the Aerospace Segment under a variety of manufacturing and assembly programs established with its aerospace customers, including programs for single aisle (such as A220, A320, B737) and long range (A330, A350, B767, B777, B787) commercial aircrafts. Company had one of the largest portfolios of aerospace products in India, as of March 31, 2025. Company is a Tier-1 supplier of highly engineered precision components for certain global OEMs, and have a diversified range of product offerings across the Aerospace Segment and Consumer Segment.



COMPANY BACKGROUND

Company's diverse product portfolio includes components for engine systems, landing systems, cargo and interiors, structures, assemblies and turning for company's aerospace clients. For the six months period ended September 30, 2025 and the Financial Year 2025, company's net external revenue from the Aerospace Segment was ₹4,739.53 million and ₹8,246.41 million, respectively. Company's advanced manufacturing capabilities also enable it to enter into new business segments by leveraging existing capabilities. While company primarily operate in the Aerospace Segment, over the years, it have expanded its product portfolio to include consumer electronics, plastics, and consumer durables for its consumer clients. Company's diverse consumer product portfolio includes consumer durables such as cookware and small home appliances, plastics such as outdoor toys, figurines, toy vehicles and components for consumer electronics such as portable computers and smart devices.

Company is one of the few manufacturers in India with niche metallurgy capabilities, specializing in precision machining of high-end alloys, including titanium alloys for company's aerospace clients. Further, company is the leading company within a single special economic zone in terms of end-to-end manufacturing capabilities (machining, forging, surface treatment and assembly) for the Aerospace Segment in India, based on the number of capabilities and approvals

Company operate in three unique, engineering-led vertically integrated precision manufacturing "ecosystems" in India. These manufacturing ecosystems comprise Company, few of its suppliers and company's Joint Ventures, which allow company to manufacture products in accordance with its clients' specifications. Global aerospace companies, such as Airbus and Boeing are focused on enhancing their supply chain efficiency and accordingly, prefer suppliers who are able to offer "one-stop-shop" capabilities to support their complex manufacturing and integration needs, due to the benefits associated with quality management, cost and working capital efficiencies (for instance, on account of reduced logistics and warehousing costs as a result of co-located facilities), reduced lead times and reduced global carbon footprint. Company's manufacturing ecosystems enable large-scale, timely production of complex products, meeting global OEMs' stringent requirements in both Aerospace Segment and Consumer Segment. In recent years, company have strategically prioritized the selective outsourcing of lower valueadded activities, including 3-axis and 4-axis machining, within and outside company's manufacturing ecosystem to thirdparty subcontractors, allowing it to concentrate on producing more complex and higher value components through higher value-added activities, including 5-axis machining. While company continue to maintain its capacity in 3-axis and 4-axis machining, its focus going forward is on expanding its capabilities in 5-axis machining, as company move up the value chain. Further, company aim to leverage its existing aerospace manufacturing capabilities to diversify customer base in Aerospace Segment by pursuing opportunities to develop new relationships and strengthening its presence in the Aerospace Segment.

OBJECTS OF OFFER

The Offer comprises the Fresh Issue of Equity Shares aggregating up to ₹ 6,700.00 million by Company and an Offer for Sale of up to 20,307,393 Equity Shares by the Selling Shareholders.

Fresh Offer

Company proposes to utilize the Net Proceeds from the Fresh Issue towards the following:

- i Repayment and/ or prepayment, in full or in part, of certain outstanding borrowings and prepayment penalties, as applicable, availed by:
 - (a) Company; and
 - (b) three of company's 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:
 - (a) Company; and
 - (b) one of company's 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.

RISKS

Company derive a significant portion of its net external revenue from the Aerospace Segment (88.23% for the six months period ended September 30, 2025, 86.00% for the six months period ended September 30, 2024, 89.19% for the Financial Year 2025, 78.44% for the Financial Year 2024 and 72.06% for the Financial Year 2023). Any decrease in demand of products within the Aerospace Segment or any development that makes the sale of products within the Aerospace Segments less economically beneficial may adversely affect company's business, results of operations, financial condition and cash flows..

Source:RHP


Consolidated Financials

(Rs in Mn)

Financials	FY23	FY24	FY25	H1FY26
Total Revenue (A)	8121.32	9650.74	9246.06	5371.59
Total Expenditure (B)	7774.83	8427.94	8512.44	4814.39
EBIDTA	346.49	1222.80	733.62	557.20
EBIDTA Margin	4.27	12.67	7.93	10.37
Other Income	284.07	232.30	346.07	283.86
Depreciation	995.16	1076.85	1034.06	571.55
EBIT	-364.60	378.25	45.63	269.51
Interest	646.07	638.06	589.01	357.51
PBT	-1010.67	-259.81	-543.38	-88.00
Share of profit in Asso	-8.74	51.52	85.24	33.83
PBIT	-1019.41	-208.29	-458.14	-54.17
Exceptional	-7.36	186.48	-482.65	0.00
PBT	-1026.77	-21.81	-940.79	-54.17
Tax	60.49	99.66	83.40	112.67
PAT	-1087.26	-121.47	-1024.19	-166.84
NPM	-13.39	-1.26	-11.08	-3.11
ROE%	-43.47	-1.76	-14.47	-2.13
EPS	-2.44	-0.20	-1.80	-0.30
Eq Cap	4,247.58	4,247.59	5,818.29	6,050.02
Net Worth	2,786.08	8,165.61	7,169.19	8,054.29

(Source: RHP)



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