

AEQUS LTD

03-12-2025 TO 05-12-2025

Industry: Precision Manufacturing

Price Band: ₹ 118 - 124

Recommendation: Subscribe for long term

Post Implied Market Cap: ₹ 7,946 – 8,316 Cr

Key Data

Issue Size (₹ Cr)	910 - 922
Fresh (₹)	670
OFS (₹)	252
No. of shares offered	5,40,32,258
Face Value (₹ /share)	10
Bid Lot	120

About the Company

Aequs Ltd (Aequs) is India's only precision component manufacturer operating from a single SEZ with fully vertically integrated aerospace capabilities: covering machining, forging surface treatment, and assembly. As of March 31, 2025, it has one of the country's largest aerospace product portfolios and is a leading end-to-end manufacturing provider within an SEZ. By September 30, 2025, Aequs had produced over 5,000 aerospace components across major global aircraft programs, including single-aisle (A220, A320, B737) and long-range (A330, A350, B777, B787) platforms.

Investment Rationales

1) Advanced and vertically integrated precision manufacturing capabilities: Aequs operates three manufacturing ecosystems in India and two overseas aerospace facilities with a combined capacity of 2.92 million machining/moulding hours annually. As of September 30, 2025, the company uses over 200 CNC machines for aerospace production and 161 moulding machines for consumer products. Its core strengths include advanced 3/4/5-axis milling and turning across multiple material grades, enabling end-to-end manufacturing of highly complex and critical aerospace components.

2) Operations in unique, engineering-led, vertically integrated precision manufacturing ecosystems: Aequs is India's only precision component manufacturer operating from a single SEZ with fully vertically integrated aerospace capabilities. The industry has high entry barriers due to the large investments, complex prototype development, and long qualification cycles required to work with global OEMs. Aequs benefits from long-term joint ventures with global players like Magellan Aerospace, Tramontina, and Aubert & Duval, which strengthen its technical expertise. As global OEMs increasingly outsource precision manufacturing to specialized suppliers, Aequs is well-positioned to capture growing demand.

3) Manufacturing presence across three continents with strategic proximity to end customers: Company operates manufacturing facilities in India, the U.S., and France, strategically positioned near major global OEMs. Its presence across three continents enables faster engineering collaboration, access to specialised talent, and stronger long-term customer relationships—making it one of the few Indian aerospace suppliers with a truly global footprint.

4) Comprehensive precision product portfolio across high-value segments: Aequs has produced over 5,000 aerospace components, giving it one of the largest aerospace product portfolios in India, as of September 30, 2025. The company focuses on high-value, complex parts such as engine and landing gear components. It leverages its core aerospace capabilities: surface treatment, forging, machining, and assembly—to also manufacture consumer products, maximizing utilisation of its integrated manufacturing ecosystem.

5) Long-standing relationships with high-entry-barrier global customers: Aequs has deep, long-standing relationships with high entry barrier global OEMs such as Airbus, Boeing, Collins Aerospace, Safran, and Spirit AeroSystems, as well as major consumer brands like Hasbro and Tramontina. Many of these partnerships span over 15 years, and Aequs has grown to become a Tier-1 supplier for several of them. Its top five customer groups contribute a significant share—66% to 73%—of annual revenues, underscoring strong customer stickiness and reliance on marquee accounts.

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	8/12/2025
Refunds/Unblocking ASBA Fund	9/12/2025
Credit of equity shares to DP A/c	9/12/2025
Trading commences	10/12/2025

Shareholding (No. of shares)

Pre-Issue	61,66,17,677
Post Issue (Lower price band)	67,34,14,761
Post Issue (Higher price band)	67,06,65,635

Shareholding Pattern

Promoter & Promoter Group:

Pre Issue	63.82%
Post Issue	58.47%

Promoter Group:

Pre Issue	0.66%
Post Issue	0.61%

Public – Investor Selling S/h:

Pre Issue	6.10%
Post Issue	2.92%

Public – Individual Selling S/h

Pre Issue	0.40%
Post Issue	0.23%

Public - Others:

Pre Issue	26.46%
Post Issue	35.41%

Shares held by Emp Trust :

Pre Issue	2.56%
Post Issue	2.36%

Issue Breakup

QIB	75%
NIB	15%
Retail	10%

Other Details

BRLMs: JM Financial, IIFL Capital, Kotak Mahindra Capital

Registrar: KFin Technologies. Ltd.

Listing: BSE & NSE

Research Analyst

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Risk

- 1) Client concentration.
- 2) Failure to maintain or improve capacity utilisation.

MView

We believe Aequs Ltd IPO brings investors an opportunity to invest in a one of India's most advanced and fully integrated aerospace precision-manufacturing platforms. We think with a unique position as the only Indian manufacturer operating from a single SEZ with end to end aerospace capabilities that is spanning machining, forging, surface treatment and assembly, company offers high entry-barrier exposure to a globally outsourced industry. We also think company's global manufacturing footprint across India, the U.S. and France enhances customer proximity and collaboration, enabling it to win and retain long-term contracts with global OEMs such as Airbus, Boeing, Safran Collins and Spirit AeroSystems, many of whom have relationships exceeding 15 years. By looking at the financials, While the company reported muted financial performance the revenue from operations growth of 18.8% in FY24 followed by a 4.2% decline in FY25, with losses driven largely by a slowdown in the consumer division and strategic business transitions. While the core aerospace segment continues to demonstrate strong and structural momentum. On valuation parse at the upper price band of ₹124/-, the issue is asking for a Market cap of ₹8316/- cr. Based on FY2026 annualised earning company is asking for price to book value of 5.7x which seems reasonable compare to its listed peer trading at an average of ~10x. Given the strong customer stickiness, a diversified portfolio and JVs with global leaders like Magellan Aerospace, Aubert & Duval and Tramontina, we believe Aequs is well-positioned to capture the rising outsourcing trend in aerospace precision components. Its ability to leverage aerospace capabilities into high-volume consumer products further strengthens utilisation and margins. Hence, considering its strong competitive moat, global customer base, and alignment with the rising aerospace manufacturing opportunity in India, we recommend investors to "SUBSCRIBE" the Aequs Ltd IPO for a long-term perspective.

CONSOLIDATED FINANCIAL TABLES

BASIC FINANCIAL DETAILS

Particulars ₹ (in Cr)	6 months ended Sept 30		As of Mar' 31,		
	2025 (06)	2024 (06)	2025 (12)	2024 (12)	2023 (12)
Equity Share Capital	605	424.76	581.83	424.76	424.76
Instruments entirely equity in nature	-	407.12	-	407.12	-
Reserves	200.43	-90.83	135.09	-15.31	-146.15
Net Worth	796.04	731.65	707.53	807.17	251.91
Total Borrowings	533.51	384.79	437.06	291.88	346.14
Revenue from operations	537.16	458.97	924.61	965.07	812.13
Revenue Growth (%)	17.03%	-	-4.19%	18.83%	-
EBITDA	84.11	57.82	107.97	145.51	63.06
EBITDA Margin (%)	15.66%	12.60%	11.68%	15.08%	7.76%
Net (Loss) for the period/year	-16.98	-71.7	-102.35	-14.24	-109.5
NAV (₹)	13.6	12.89	12.47	14.82	6.21
Cash flow from operating activities	47.9	-11.73	26.14	-19.11	9.81
Cash flow from investing activities	-203.67	-29.79	-73.82	-343.37	-88.85
Cash flow from financing activities	166	31.61	25.4	393.49	54.37

Source: Company RHP

COMPARISON WITH INDUSTRY LISTED PEERS RS. (IN CR)

Companies	Revenue from Operations (₹ in Cr)	Mcap (₹ in Cr)	FV	EPS	NAV (₹ Per Share)	P/B	P/E	RoNW
Aequs Ltd	924.61	8316	10	-0.51	21.86	5.70	-245	-14.47%
Azad engineering Ltd	457.35	10690	2	14.66	234.06	7.2	94.3	6.21%
Unimech Aerospace & Manufacturing LTD.	242.93	4953	5	17.59	141.01	7.0	62.2	12.48%
Amber Enterprises Ltd	9973.02	24686	10	71.67	672.61	6.8	111	10.99%
Kaynes Technology India Ltd	2721.25	36263	10	45.40	439.85	7.8	95.8	10.33%
Dixon Technology India Ltd	38860.10	87888	2	202.58	494.74	21.6	68	47.50%
PTC Industries Ltd	308.07	27300	10	41.33	940.03	19.4	434	4.40%



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Msearch's Recommendation (Absolute Performance)

Buy: > 20% within the next 12 Months

Accumulate: 5% to 20% within the next 12 Months

Sell : < -20% within the next 12 Months

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