

UNIMECH AEROSPACE AND MANUFACTURING LIMITED.

Issue Detail	
Price Band (Rs.)	₹745 to ₹785
Face Value (Rs.)	₹5 per share
Issue Size (Rs.)	₹5,000 Mn
Issue Type	Book Built Issue IPO
Lot Size	19 shares
Issue Opens	December 23, 2024
Issue Closes	December 26, 2024
Listing on	BSE & NSE

Indicative Timeline	On or before
Finalization of Basis of Allotment	December 27, 2024
Unblocking of Funds	December 30, 2024
Credit of shares to Demat Account	December 30, 2024
Listing on exchange	December 31, 2024

Other Detail	
Book Running Lead Managers	<ul style="list-style-type: none"> Anand Rathi Securities Limited Equirus Capital Private Limited
Registrar	Kfin Technologies Limited

IPO Shareholding (%)		
Category	Pre-Issue	Post-Issue
Promoters	91.83%	79.82%
Public	8.17%	20.18%
Total	100%	100%

Distribution Team	
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Company Background

Unimech Aerospace and Manufacturing Limited. (Unimech Aerospace) was incorporated in 2016, Unimech Aerospace and Manufacturing Limited is engaging in the manufacturing of complex tools like mechanical assemblies, electro-mechanical systems, and components for aeroengine and airframe production. Company is a key link in the global supply chain for global aerospace, defence, semi-conductor and energy OEMs and their licensees for the supply of critical parts like aero tooling, ground support equipment, electro-mechanical sub-assemblies and other precision engineered components. The salient features of its products are complexity and a “high-mix, low volume nature”, characterized by high mix products which are not mass manufactured.

Issue Details

Unimech Aerospace and Manufacturing IPO is a book-built issue of Rs. 5,000 million. The issue is combination of fresh issue of around 31.84 lakh shares and offer for sale of around 31.84 lakh shares.

Issue Objectives

The Company proposes to utilise the Net Proceeds from the Fresh Issue towards funding the following objects:

- Funding of capital expenditure for expansion through purchase of machineries and equipment by the Company
- Funding working capital requirements of the Company
- Investment in the Material Subsidiary for: (i) purchase of machineries and equipment; (ii) funding its working capital requirements; and (iii) repayment / prepayment, in full or part, of certain borrowings availed by their Material Subsidiary; and
- General corporate purposes.

IPO Share Issue Structure

Category	Allocation	Number of Shares	Value at upper price band (Rs. in Mn.)
QIB (Institutional)	50%	31,75,158	2,492.5
Non Institutional	15%	9,52,547	747.7
Retail	35%	22,22,611	1,744.7
Employee*		19,108	15.0
Total	100%	63,69,424	5,000

*Note: Employee Reservation Portion Up to [●] equity shares of face value Rs.5 each aggregating up to Rs.15 million

Source: Company RHP, ACMIIL Research

Outlook

The company's strategic focus on advancing along the value chain has been central to enhancing the manufacturing capabilities and processes. The ongoing evolution in design and engineering capabilities positions to further diversify product portfolio and deliver high-margin, complex components to a global customer base. To expand product offerings, focus is on introducing new products that align with the needs of high-growth sectors. Government initiatives like the China+1 policy help investing countries access new markets, reduce costs, and diversify risks away from China. India's Make in India program focuses on infrastructure, skill development, and policy support to enhance manufacturing and integrate into global value chains. The PLI Scheme and 'Aatmanirbhar Bharat' aim to boost competitiveness, exports, and investments. Together, these policies position India as a global manufacturing hub.

Company Overview

Unimech Aerospace is an engineering solutions company specializing in manufacturing and supply of critical parts such as aero tooling, ground support equipment, electro-mechanical sub-assemblies and other precision engineered components for aerospace, defence, energy, and semiconductor industries. Company possess “build to print” capabilities, wherein they manufacture products based on client designs, and “build to specifications” capabilities, wherein company assist clients in designing the products to be manufactured basis specifications. It supply high precision and critical components to major OEMs and their licensees worldwide. Company’s export-oriented business has a diverse product portfolio and strong focus on quality and timely delivery.

The products offered by the company are as follows:

- Aero Engine tooling: Engine lifting and balancing beams, Oil Tubes Alignment Fixture, Heater for adapter LTP Shaft installation, Radial Centering Support etc.
- Airframe tooling: Lateral Spar Assembly, Drill Jig, Airframe Assembly Platforms
- Precision Parts: Head end Dome, Missile Component, Missile Component
- Precision Sub System: Rocker Arm - HMC CDA, Complex Electro-Mechanical Assemblies
- Semiconductor: MTG block, TCU Block and TEST ASSEMBLY SETUP.

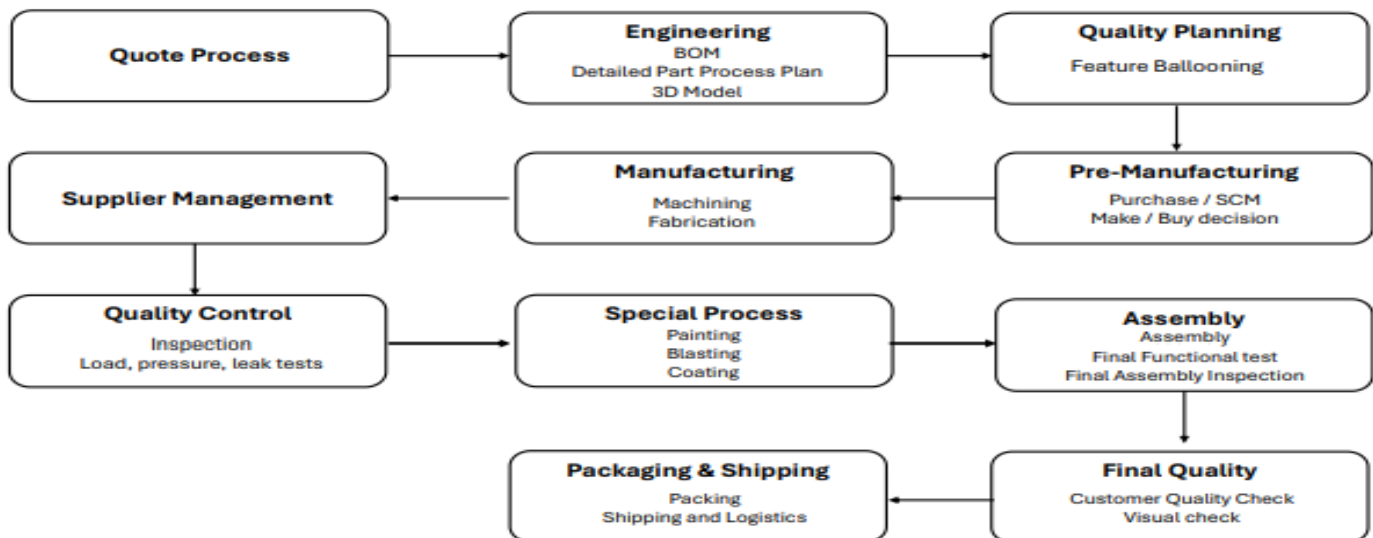
Manufacturing

Unimech Aerospace possess unique “build to print” and “build to specifications” capabilities.

- Build to Print – Company manufacture the products basis the specific designs and drawings shared by their clients;
- Build to Specifications – Company assist their clients in designing and manufacturing products basis certain specifications and descriptions of the clients requirement and the expectations of the functions to be performed by such products.

Between Year 2022 and Year 2024, they have manufactured 2,356 SKUs in tooling and precision complex sub-assemblies category and 624 SKUs in the precision machined parts category, supplying to more than 26 customers across 7 countries.

Manufacturing Process



Source: Company RHP, ACMIIL Research

Competitive Strengths

Advanced manufacturing capabilities capable of delivering high precision engineering solutions

Digital-first manufacturing company with a robust infrastructure facilitating seamless integration of operations

Established player with unique capabilities in a sector with high barriers to entry

Export driven player with a global delivery service model

Robust vendor ecosystem and strong sub-contractor management with proven execution capabilities

Experienced and complementary management team with strong implementation skills and operational effectiveness

Track record of strong financial performance, as Company is the fastest growing company, having recorded the highest revenue growth in terms of CAGR between the period FY2022 and FY2024.

Key Business Strategies

Market Development: Enhancing global footprint in strategic regions, thereby enriching the customer experience for company's existing clientele and expanding reach to new markets

Market Penetration: Capturing a higher market share and increase in wallet shares from customers

Capacity Expansion Strategies: Increasing manufacturing capacity and collaborative manufacturing with global and local manufacturers for growth

Diversification: Focus on growth by opportunistic inorganic acquisitions and partnerships with customers

Product Development: Manufacturing of products including semiconductor manufacturing equipment, medical devices, robotics and other industries which require high-mix, low-volume

Source: Company RHP, ACMIIL Research

Financial Snapshot (Consolidated)

Particulars (In Mn)	FY22	FY23	FY24	H1FY25
Revenue from operations	363.49	941.66	2,087.75	1,206.56
EBITDA	77.25	345.63	791.86	488.28
EBITDA%	21.25%	36.70%	37.93%	40.47%
PAT	33.92	228.13	581.34	386.80
PAT%	9.33%	24.23%	27.85%	32.06%
RONW%	12.26%	46.70%	53.53%	9.92%*
ROCE%	10.34%	42.87%	54.36%	9.69%*

***Not annualized**

Source: Company RHP, ACMIIL Research

Comparison with Peers as of September 30th, 2024

Company Name	Revenue from operations (in Mn)	EPS (₹) (Diluted)	NAV (Per Share)	P/E (x)	RoNW (%)	Financial Statements
Unimech Aerospace and Manufacturing Limited	1,206.56	8.49	85.65	[●]	9.92%	Consolidated
MTAR Technologies Limited	3,184.52	7.54	227.42	237.09	3.32%	Consolidated
Azad Engineering Limited	2,099.44	6.45	115.50	273.47	5.57%	Consolidated
Paras Defence & Space Technologies Limited	1,706.60	7.36	120.45	147.98	5.71%	Consolidated
Dynamatic Technologies Limited	7,077.00	34.49	1,038.98	230.12	3.32%	Consolidated
Data Patterns (India) Limited	1,951.00	11.27	241.07	223.67	4.67%	Consolidated

Source: Company RHP, ACMIIL Research

Risks and concerns

- Highly dependent upon top five customers, if the loss of any of these customers or a significant reduction in purchases by any of them could adversely affect the business, results of operations and financial condition.
- The company is dependent on exports and the performance of geographies. Any adverse changes in the conditions affecting the industries in global markets in which the products are supplied, including key markets such as United States and Germany, can adversely impact their business, cash flows, results of operations and financial condition.

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Budget Report	Stock Basket
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Rollover Analysis (Monthly)	IPO Note
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