

## Aequus Ltd.

## 'SUBSCRIBE'

**03-12-2025 TO 05-12-2025**

**Industry:** Aerospace and Consumer goods  
**Recommendation:** Subscribe for long term

**Price Band:** ₹118 to ₹124

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

### Key Data

Issue Size (₹ Cr)	₹921.81
Fresh (₹ Cr)	₹670.00
OFS (₹ Cr)	₹251.81
No of shares offered (total issue)	7,43,39,651
Face Value (₹ /share)	10
Bid Lot	120 Shares

### Indicative Timetable

IPO Open Date	Wed, Dec 3, 2025
IPO Close Date	Fri, Dec 5, 2025
Tentative Allotment	Mon, Dec 8, 2025
Initiation of Refunds	Tue, Dec 9, 2025
Credit of Shares to Demat	Tue, Dec 9, 2025
Tentative Listing Date	Wed, Dec 10, 2025
Cut-off time for UPI mandate confirmation	5 PM on Fri, Dec 5, 2025

### Shareholding (No. of shares)

Pre-Issue	61,66,17,677
Post-Issue	67,06,49,935

### Issue Breakup

QIB	75%
NII	15%
Retail	10%

### Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	63.82%	58.47%
Promoter Group	0.66%	0.61%
Public – Investor Selling S/h	6.10%	2.92%
Public – Individual Selling S/h	0.40%	0.23%
Public – Other	26.46%	35.41%
Shares held by Emp Trust	2.56%	2.36%
Total	100.00%	100.00%

### Other Details

**BRLM:** JM Financial Limited, IIFL Capital Services

Limited (formerly known as IIFL Securities

Limited), Kotak Mahindra Capital Company

Limited

**Registrar:** KFin Technologies Limited

**Listing:** BSE & NSE

### Research Analyst

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### About the company

Aequus Limited is a diversified precision manufacturing company headquartered in Belagavi, Karnataka, focused primarily on aerospace components while also serving consumer electronics, toys and cookware segments through vertically integrated manufacturing ecosystems in India, France and the United States.

### Investment Rationales

**High-Barrier Aerospace industry:** Critical Tier-1 supplier to global OEMs (Airbus, Boeing) in a regulated industry with long-term contracts and high revenue visibility.

**Unique Vertical Integration:** Only Indian firm offering a "one-stop-shop" solution (forging to assembly) within a single SEZ, optimizing cost and quality control.

**Strategic Global Footprint:** Operations across India, the U.S., and France ensure proximity and deep strategic alignment with major international clients.

**Capital Efficiency & Deleveraging:** IPO proceeds are directed toward debt repayment and investment in advanced manufacturing Capex (5-axis machining) to enhance profitability.

**Strong Industry Tailwinds:** Positioned to benefit from the massive, multi-year demand up-cycle in global commercial aerospace, driven by order backlogs and fleet renewal.

### Risk

CapEx heavy business for maintaining/upgrading equipment and machinery. All three manufacturing facilities are located in Karnataka, increasing concentrated regional risk.

### Our views

Aequus Limited is a premier Indian precision manufacturer, specialized in complex components and assemblies for the global aerospace sector.

The company has established a unique and highly differentiated business model, centered on a fully vertically integrated "one-stop-shop" solution from forging to specialized surface treatment and final assembly. All housed within a single campus. This structural advantage, combined with long-standing relationships with global Tier-1 clients like Airbus and Boeing, provides high revenue visibility and retention.

The proposed capital raise is strategically focused on reducing debt through repayment and significant investment in advanced capital expenditure (Capex) for high-value manufacturing capabilities (e.g., 5-axis machining). This dual strategy is designed to enhance profitability and solidify its position in the Aerospace Segment.

Despite inherent risks associated with its high customer concentration and the cyclical nature of the aerospace industry, Aequus's unique integrated ecosystem, strategic global footprint, and focus on high-barrier defence and commercial aerospace components provides a clear roadmap for sustained leadership. We recommend a 'SUBSCRIBE' rating.

## CONSOLIDATED FINANCIALS – BASIC FINANCIAL DETAILS

Financial Performance Indicators		Unit	Fiscal 2023	Fiscal 2024	Fiscal 2025
Revenue from Operations	₹ in Cr.		812.13	965.07	924.61
Year-on-year/Period-on-period increase in Revenue from Operations		Na		18.83%	-4.19%
Net external revenue – Aerospace Segment	₹ in Cr.		585.18	756.98	824.64
Net external revenue – Consumer Segment	₹ in Cr.		226.95	208.1	99.97
Loss for the period/year	₹ in Cr.		-109.5	-14.24	-102.35
Total assets	₹ in Cr.		1321.69	1822.98	1859.84
EBITDA	₹ in Cr.		63.06	145.51	107.97
EBITDA Margin	%		7.76%	15.08%	11.68%
EBITDA – Aerospace Segment	₹ in Cr.		83.36	174.37	159.78
EBITDA – Aerospace Segment Margin	%		14.24%	23.04%	19.38%
EBITDA – Consumer Segment	₹ in Cr.		-15.55	-15.57	-28.67
EBITDA – Consumer Segment Margin	%		-6.85%	-7.48%	-28.68%
PAT margin	%		-13.48%	-1.48%	-11.07%
Cash Conversion Cycle	in days		157	203	253
Return on Capital Employed	%		-3.72%	2.84%	0.87%
Return on Equity	%		-40.68%	-1.49%	-14.30%
Net Debt to Equity Ratio	Times		2.54	0.55	0.99
Fixed Asset Turnover	Times		1.36	1.65	1.84
Operating Performance Indicators		Unit	Fiscal 2023	Fiscal 2024	Fiscal 2025
Consolidated Installed Capacity	Hours p.a.		2799736	2868185	2919058
Capacity utilization	%		39.19%	44.40%	41.77%

Source: Company RHP

### Aequus Ltd. IPO Peer Comparison

(As on March 31, 2025)

Company Name	EPS (Basic)	EPS (Diluted)	NAV (per share) (Rs)	P/E (x)	RoNW (%)	P/BV Ratio	Financial statements
Aequus Ltd.	-1.8	-1.8	12.47		-14.47		Consolidated
Azad Engineering Limited	14.66	14.66	234.06	115.48	6.21	7.24	Consolidated
Unimech Aerospace And Manufacturing Ltd	17.59	17.59	141.01	55.73	12.48	6.95	Consolidated
Amber Enterprises India Limited	72.01	71.67	672.61	100.4	10.99	10.71	Consolidated
Kaynes Technology India Limited	45.82	45.4	439.85	129.59	10.33	13.4	Consolidated
Dixon Technologies (india) Limited	205.7	202.58	494.74	73.87	47.5	30.29	Consolidated
Ptc Industries Limited	41.37	41.33	940.03	417.03	4.4	18.34	Consolidated

**Notes:**

P/E ratio has been computed based on the closing market price of equity shares as on November 21, 2025, divided by the Diluted EPS.

.EPS of the peers is taken as disclosed in the annual consolidated financials for Financial Year 2025. Diluted EPS refers to the diluted earnings per share of the respective company.

Return on Net Worth (%) is calculated as Loss for the year divided by the net worth as at the end of the year.

Net asset value per Equity Share represents Net Worth as at the end of the year, divided by the weighted average number of Equity Shares considered for calculating basic and diluted EPS for the year.

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