

Unimech Aerospace and Manufacturing Limited

IPO Note



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Pioneering Precision Tooling for Aerospace Excellence

Unimech Aerospace and Manufacturing Limited (UMAM) is an engineering solutions provider specializing in complex tools, mechanical assemblies, and precision components for aerospace, defense, energy, and semiconductor industries. Founded in 2016, it offers "build to print" and "build to specifications" solutions, leveraging machining, fabrication, assembly, and testing capabilities to meet the precise needs of global clients.

Between FY22 and FY24, Unimech manufactured 2,356 SKUs in tooling and sub-assemblies and 624 SKUs in precision machined parts, serving over 26 customers across seven countries. Its product portfolio includes aero-engine tooling, airframe tooling, and missile components, reflecting its focus on high-precision, export-driven solutions.

With two ISO-certified facilities in Bangalore spanning 1,20,000 sq ft and a skilled workforce of 384 employees, Unimech is equipped to deliver advanced engineering solutions. Its strategic location and robust infrastructure support seamless operations and innovation.

The company's strengths include cutting-edge manufacturing capabilities, a digital-first approach, a strong vendor network, and high entry barriers in its niche sector. Backed by an experienced management team, Unimech is poised for growth as it prepares to launch its IPO.

Industry	Engineering
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Scrip Details

Listing	BSE & NSE
Open Date	Dec 23, 2024
Close Date	Dec 26, 2024
Price Band	INR 745 – 785
Face Value	INR 5
Market Lot	19 Shares
Minimum Lot	1

Issue Structure

Issue Size (INR cr)	INR 500
Issue Size (Shares)	63,69,424
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 35%
Retail Share (%)	≥ 15%
Pre Issue sh. (cr)	4.8
Post Issue sh. (cr)	5.1
Post Issue Market Cap (cr)	3,992

Shareholding (%)	Pre (%)	Post (%)
Promoter	91.83	79.82
Public	8.17	20.18
TOTAL	100	100

Key Consolidated Financial Data (INR Cr, unless specified)

	Revenue	EBITDA	Net Profit	EBITDA (%)	Net profit (%)	EPS (INR)	BVPS (INR)	RoE (%)	RoCE (%)	P/E (X)	EV/EBITDA (X)
FY22	36.3	7.9	3.4	21.7	9.3	0.7	5.4	12.3	9.7	1177.0	508.0
FY23	94.2	34.7	22.8	36.8	24.2	4.5	9.6	46.7	33.4	175.0	115.6
FY24	208.8	79.3	58.1	38.0	27.8	11.4	21.4	53.5	41.4	68.7	50.6

Source: Ventura Research & Company update

Issue Structure and Offer Details

Unimech Aerospace IPO is a book built issue of Rs 500.00 crores. The issue is a combination of fresh issue of 0.32 crore shares aggregating to Rs 250.00 crores and offer for sale of 0.32 crore shares aggregating to Rs 250.00 crores.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50.00% of the Offer
NII (HNI)	Not less than 35.00% of the Offer
Retail	Not less than 15.00% of the Offer

Number of shares based on a higher price band of INR 785

Source: Company Reports

Objects of the Issue

The Company proposes to utilize the Net Proceeds towards the following objects:

1. Funding of capital expenditure for expansion through purchase of machineries and equipment by the Company.
2. Funding working capital requirements of the Company.
3. 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.
4. General corporate purposes.

Financial Summary

Fig in INR Cr (unless specified)	FY22	FY23	FY24	Fig in INR Cr (unless specified)	FY22	FY23	FY24
Income Statement				Per share data & Yields			
Revenue	36.3	94.2	208.8	Adjusted EPS (INR)	0.7	4.5	11.4
YoY Growth (%)		159.1	121.7	Adjusted Cash EPS (INR)	1.3	5.3	12.3
Raw Material Cost	7.1	19.0	44.3	Adjusted BVPS (INR)	5.4	9.6	21.4
RM Cost to Sales (%)	19.6	20.2	21.2	Adjusted CFO per share (INR)	0.3	0.3	4.6
Employee Cost	8.3	15.6	32.4	CFO Yield (%)	0.0	0.0	0.6
Employee Cost to Sales (%)	22.7	16.6	15.5	Adjusted FCF per share (INR)	0.1	(0.5)	(0.2)
Other Expenses	13.1	24.9	52.8	FCF Yield (%)	0.0	(0.1)	(0.0)
Other Exp to Sales (%)	36.0	26.4	25.3				
EBITDA	7.9	34.7	79.3	Solvency Ratio (X)			
Margin (%)	21.7	36.8	38.0	Total Debt to Equity	0.6	0.5	0.3
YoY Growth (%)		340.4	128.5	Net Debt to Equity	0.3	0.4	0.2
Depreciation & Amortization	3.1	4.1	4.5	Net Debt to EBITDA	1.2	0.5	0.3
EBIT	4.8	30.6	74.8				
Margin (%)	13.2	32.5	35.8	Return Ratios (%)			
YoY Growth (%)		540.1	144.4	Return on Equity	12.3	46.7	53.5
Other Income	0.7	0.8	5.0	Return on Capital Employed	9.7	33.4	41.4
Bill discounting & other charges	1.8	2.0	3.3	Return on Invested Capital	12.8	45.7	57.6
Fin Charges Coverage (X)	2.7	15.2	22.5				
Exceptional Item	0.0	0.0	0.0	Working Capital Ratios			
PBT	3.7	29.4	76.5	Payable Days (Nos)	41	27	24
Margin (%)	10.2	31.2	36.6	Inventory Days (Nos)	47	61	34
YoY Growth (%)		689.8	160.5	Receivable Days (Nos)	75	125	82
Tax Expense	0.3	6.6	18.4	Net Working Capital Days (Nos)	81	159	93
Tax Rate (%)	8.8	22.3	24.0	Net Working Capital to Sales (%)	22.3	43.5	25.4
PAT	3.4	22.8	58.1				
Margin (%)	9.3	24.2	27.8	Valuation (X)			
YoY Growth (%)		572.6	154.8	P/E	1,177.0	175.0	68.7
Min Int/Sh of Assoc	0.0	0.0	0.0	P/BV	144.3	81.7	36.8
Net Profit	3.4	22.8	58.1	EV/EBITDA	508.0	115.6	50.6
Margin (%)	9.3	24.2	27.8	EV/Sales	110.1	42.6	19.2
YoY Growth (%)		572.6	154.8				
Balance Sheet				Cash Flow Statement			
Share Capital	1.0	1.0	22.0	PBT	3.7	29.4	76.5
Total Reserves	26.6	47.8	86.6	Adjustments	5.0	11.4	(22.4)
Shareholders Fund	27.7	48.8	108.6	Change in Working Capital	(7.4)	(32.9)	(12.1)
Long Term Borrowings	5.8	4.6	12.5	Less: Tax Paid	0.1	(6.6)	(18.4)
Deferred Tax Assets / Liabilities	(0.8)	(0.5)	(0.6)	Cash Flow from Operations	1.5	1.4	23.6
Other Long Term Liabilities	1.8	1.0	0.0	Net Capital Expenditure	(2.6)	(5.3)	(27.4)
Long Term Trade Payables	0.0	0.0	0.0	Change in Investments	3.4	(0.6)	3.5
Long Term Provisions	1.8	6.0	0.0	Cash Flow from Investing	0.8	(5.9)	(23.9)
Total Liabilities	36.2	59.9	120.6	Change in Borrowings	2.5	3.9	8.9
Net Block	24.7	28.9	52.0	Less: Finance Cost	(1.8)	(2.0)	(3.3)
Capital Work in Progress	3.0	0.0	0.0	Proceeds from Equity	(0.9)	1.0	0.0
Intangible assets under development	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Non Current Investments	0.0	0.0	0.0	Dividend Paid	0.0	0.0	0.0
Long Term Loans & Advances	0.7	0.6	9.0	Cash flow from Financing	(0.2)	2.9	5.6
Other Non Current Assets	2.4	0.3	0.4	Net Cash Flow	2.2	(1.6)	5.3
Net Current Assets	5.4	30.0	59.1	Forex Effect	(0.0)	0.1	0.0
Total Assets	36.2	59.9	120.6	Opening Balance of Cash	1.3	3.5	1.9
				Closing Balance of Cash	3.5	1.9	7.2

Source: Company Reports

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Corporate Office: I-Think Techno Campus, 8th Floor, 'B' Wing, Off Pokhran Road No 2, Eastern Express Highway, Thane (W) – 400608