

IPO Note – Aequs Ltd (2nd December 2025)



Company Overview

- Aequs Limited is a vertically integrated precision manufacturer serving the Aerospace and Consumer segments with end-to-end capabilities in forging, machining, surface treatment, tooling, plastics, and assemblies. Its integrated ecosystem enables full-stack, high-precision production for global OEMs, with select products achieving 100% in-country value addition through deep backward and forward integration.
- The company operates three advanced manufacturing clusters in India (Belagavi, Koppal, and Hubballi) along with facilities in France and the U.S., supported by co-located supply partners that enhance cost efficiency, shorten lead times, and improve operational scale. Aequs serves 180+ customers across major global markets including the USA, UK, France, China, Poland, Italy, Sweden, Brazil, and Indonesia.
- Aequs derives 89.19% of FY25 revenue from Aerospace and 10.81% from Consumer, supplying over 5,000 precision products across aerostructures, landing gear, engines, actuation systems, electronics, appliances and lifestyle categories. The company benefits from long-term, multi-program engagements with global OEMs, supported by AS9100 certification and NADCAP-approved processes.
- With India's largest aerospace machining capacity featuring 200+ CNC machines including high-speed 3-axis, 4-axis, and 5-axis systems and the advantage of SEZ-based integrated ecosystems, Aequs delivers cost-efficient, export-oriented, and globally competitive precision-engineering solutions across both verticals.

Sector Outlook

- India's precision engineering components industry is expanding rapidly, supported by Make in India, PLI schemes, China+1 shifts, and strong OEM outsourcing demand; the sector is projected to grow from ₹2,992.9bn in 2024 to ₹4,946.9bn by 2030 at an 8.74% CAGR, driven by rising adoption of advanced materials and Industry 4.0 technologies.
- Aerospace precision engineering is witnessing strong multi-year tailwinds, backed by a global aircraft backlog of 14,158 units and India's A&D PEC market set to rise from ₹137.86 billion in 2024 to ₹362.08 billion by 2030 at a 17.46% CAGR, benefiting suppliers with vertically integrated, cost-efficient manufacturing ecosystems..

Aequs Ltd

₹ 118 - 124
Price Band

₹ 921.81 Cr
Issue Size

03rd December - 05th December
Subscription Days

10th December 2025
Listing date

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Particulars	IPO Details
No of Shares under IPO (Cr.)	7.4340
Post Issue MCap (Cr.)	₹ 8,316
QIB (Cr.)	5.5755
NIB (Cr.)	1.1151
Retail (Cr.)	0.7434

Shareholding Pattern	Pre Issue (%)	Post Issue (%)
Promoter	64.48%	56.26%
Others	35.52%	43.74%
Total	100.00%	100.00%

Company Outlook

- Aequs' scale has improved since FY23, with revenue increasing from ₹812.1 crore in FY23 to ₹924.6 crore in FY25 and EBITDA strengthening from ₹63.1 crore to ₹108.0 crore over the same period; however, the company continues to report losses of ₹102.4 crore in FY25, with ROCE at 0.87%, ROE at -14.3% and ROA at -5.5%, indicating that despite operational gains, profitability remains constrained by high depreciation, finance costs and a leveraged balance sheet.
- The company is launching a ₹921.81cr IPO, comprising a ₹670cr Fresh Issue and ₹251.81cr OFS. The Fresh Issue proceeds will be utilised for debt repayment of ₹433.17cr, including investments into three wholly owned subsidiaries, for machinery capex of ₹64cr, and for funding inorganic growth, strategic initiatives, and general corporate purposes.
- At the upper price band of ₹124, Aequs is valued at 9.94x P/B as negative earnings make P/E irrelevant. The valuation reflects its integrated aerospace ecosystem, strong asset base and long cycle growth potential and a high barrier to entry business. However, elevated leverage, continued losses and the fact that a majority of IPO proceeds will go toward debt repayment rather than expansion weigh on near term attractiveness. Overall, the IPO is best viewed with a long term perspective and is therefore "Subscribe with Caution" for long term investors.

Key Risks

- Aequs faces key risks from its high leverage and capital-intensive model, heavy dependence on a concentrated Aerospace customer base, long working-capital cycles, and strict certification-driven quality requirements, any disruption across these areas could materially impact cash flows, margins, and operational stability.

Particulars	FY23	FY24	FY25
Revenue (Rs. Cr)	812.1	965.1	924.6
<i>Revenue Growth %</i>		18.83%	-4.19%
EBITDA (Rs. Cr)	63.1	145.5	108.0
<i>EBITDA Growth %</i>		130.75%	-25.80%
EBITDA Margin %	23.01%	15.08%	11.68%
PAT (Rs. Cr)	(109.5)	(14.2)	(102.4)
ROCE %	-3.72%	2.84%	0.87%

Metric (FY25)	Aequs Ltd.	Azad Engineering	Unimech Aerospace	Amber Enterprises	Kaynes Technology	Dixon Technologies	Ptc Industries
Revenue (cr)	924.6	457.4	242.9	9,973.0	2,721.3	38,860.1	308.1
EBITDA Margin (%)	11.7%	35.3%	37.9%	8.0%	15.1%	3.9%	35.51%
PAT Margin (%)	-11.07%	18.92%	34.35%	2.52%	10.78%	3.17%	19.81%
ROE (%)	-14.30%	NA	33.08%	11.30%	19.4%	47.5%	NA
ROCE (%)	0.87%	11.30%	25.16%	19.50%	19.2%	48.5%	NA
Capacity Utilization (%)	41.77%	NA	57.00%	NA	NA	NA	NA
RoNW (%)	-14.47x	6.21x	12.48x	10.99x	10.3x	47.5	4.4
P/BV Ratio	9.9x	7.2x	7.0x	10.7x	13.4	30.29	18.3x

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