

December 2, 2025

**Strong tailwinds in aerospace sector drives growth...**

**About the Company:** Aequs Limited (Aequs), incorporated in 2000 and headquartered in Bengaluru, is primarily engaged in manufacturing of precision components for aerospace (~89% of total) & consumer segments. With manufacturing facilities located in India, US and France, the company has diverse product portfolio. As of FY25, exports contribute ~89% to total revenue

**Key Highlights:**

- **Advanced manufacturing capabilities with operating in high-entry barrier aerospace industry:** Aequs is a key manufacturer of high-precision complex components for aerospace and consumer segments. Company has strong manufacturing capabilities (in machining, forging, surface treatment, and assembly) and operating through three facilities in India (within a single SEZ at Karnataka – one for aerospace and two for consumer) & two facilities abroad (US & France – both for aerospace). With ~22 lakh sq ft of aggregate manufacturing area and ~29.2 annual machining/moulding hours (comprising aerospace segment in India, US & France and consumer segment in India), extensive certified infrastructure and high-entry barriers (in aerospace segment), company is well positioned to scale-up both the businesses with maintaining strong competitive edge
- **Comprehensive product portfolio with long-standing relationships with global customers:** With the acquisition of T&K Machine (US) and SIRA group (France) during 2016-17 and incorporated JVs (SQuAD and API), company has expanded its global presence and diversified with a range of product offerings across the aerospace and consumer segments, which comprises over 5,000 distinct products across engine systems, landing systems, cargo and interiors, structures, assemblies and turning for aerospace clients; and consumer electronics, plastics and consumer durables for consumer clients. Since the commencement of its operations, company has cultivated long standing relationships with our customers, including prominent multinational OEMs such as Airbus, Collins Aerospace, Eaton, GKN Aerospace, Safran, Spirit Aerosystems Inc., Boeing, Hasbro, Tramontina, SpinMaster, Wonderchef, among others

**Our View & Rating**

Revenue grew at a 6.7% CAGR between FY23-FY25, mainly driven by strong growth in aerospace segment (led by strong industry tailwinds) which partially negated the impact of de-growth in consumer segment. EBITDA growth during the period remained much better at 46% CAGR, led by increase in share of better-margin aerospace segment (as EBITDA margin stands at 15-16% in aerospace as compared to loss in consumer segment). On PAT level, company has been reporting losses on account of higher interest and depreciation. Going ahead, we believe that, aerospace segment would continue to witness steady growth while recovery in consumer segment will be the key factor to watch-out for in the coming period. **We assign UNRATED rating to Aequs Ltd IPO**

**Key risk & concerns**

- High working capital requirement (cash conversion cycle - 253 days for FY25);
- Top 3 customer concentration risk (~54% of revenue as of FY25);
- Availability of critical components and raw materials

**Key Financial Summary**

Financial Summary (₹ crore)	FY23	FY24	FY25	Q1FY26	2-Year CAGR % (2023-25)
Net Sales	812	965	925	537	6.7%
EBITDA	35	122	73	56	45.5%
EBITDA Margins (%)	4.3	12.7	7.9	10.4	
Net Profit	(109)	(14)	(102)	(17)	NA
Reported EPS (₹)	(2.4)	(0.2)	(1.8)	(0.3)	
Market Cap. to Sales	10.2	8.6	9.0	7.7	
RoE (%)	(40.7)	(1.5)	(14.3)	(2.1)	
RoCE (%)	(3.7)	2.8	0.9	1.8	
Net Debt to Equity	2.5	0.6	1.0	1.0	

Source: RHP, ICICI Direct Research; \*Price/Sales calculated pre-issue based on upper price band of 124

**IPO Details**

Issue Details	
Issue Opens	3rd December
Issue Closes	5th December
Issue Size	~ Rs. 922 crore
QIB (Institutional) Share	75% of issue
Non-Institutional Share	15% of issue
Retail Share	10% of issue
Issue Type	Offer For Sale
Price Band (₹/share)	Rs. 118 - Rs. 124
Market Lot	120 shares
Face value (₹/share)	Rs.10
Listing Market Cap @ Upper price band	~Rs. 8,300 crore

**Shareholding pattern (at upper price band)**

	Pre-Issue	Post-Issue
Promoters	64.5	59.1
Public	35.5	40.9
Total	100.0	100.0

**Objects of the issue**

Net proceeds of the fresh issue are proposed to be utilised for -

- Repayment and/ or prepayment, in full or in part, of certain outstanding borrowings and prepayment penalties (₹ 433 crore);
- Funding capital expenditure (₹ 64 crore)

**Research Analyst**

Vijay Goel  
vijay.goel@icicisecurities.com

Kush Bhandari  
kush.bhandari@icicisecurities.com

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Subscribe: Apply for the IPO

Avoid: Do not apply for the IPO

Unrated: No View on applying for the IPO

Subscribe only for long term: Apply for the IPO only from a long term investment perspective (>two years)



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,  
ICICI Securities Limited,  
Third Floor, Brillanto House,  
Road No 13, MIDC,  
Andheri (East)  
Mumbai – 400 093  
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agarwal  
Contact number: 022-40701000 E-mail Address: [complianceofficer@icicisecurities.com](mailto:complianceofficer@icicisecurities.com)

For any queries or grievances: Mr. Jeetu Jawrani Email address: [headservation@icicidirect.com](mailto:headservation@icicidirect.com) Contact Number: 18601231122

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