

AEQUS

ecosystems of efficiency

Before the Bell: IPO Edition



Company Overview

- Aequs Limited is India's only precision component manufacturer operating within a single SEZ that offers a fully integrated aerospace manufacturing ecosystem. The Company manufactures and finishes very precise metal parts that go into airplanes and engines, also putting these parts together. All of this work meets strict international quality and safety standards.
- As of March 31, 2025, the Company ran three major manufacturing hubs in India and two aerospace facilities abroad. Together, they have the capacity for 2.92 million machining and molding hours, supported by more than 200 CNC machines and 161 molding machines. This strong setup allows the Company to efficiently produce large volumes of complex aerospace parts, including components for engines and landing systems.
- Aequs operates two key segments:
 - Aerospace: Producing over 4,500 components as of March 31, 2025, including parts for major commercial aircraft programs such as A220, A320, B737, A330, A350, B777, and B787. Capabilities span machining of high-end alloys, forgings, surface treatments, and assemblies.
 - Consumer: Manufacturing components for electronics, smart devices, toys, plastics, and cookware.
- Competitive Advantages:
 - Only Indian company that makes precision aerospace parts with all major processes located inside one special economic zone.
 - Broad end-to-end capabilities including machining, forging, surface treatment, and assembly.
 - Hard for new companies to enter this space because it requires huge investment, strict approvals, and long certification timelines.
 - Operations across three continents help the company stay close to major customers and access skilled workers worldwide.
- Risks & Challenges:
 - High dependence on the Aerospace Segment for revenue (72%–89% from FY 2023–FY 2025).
 - Significant reliance on the top ten customer groups (approximately 86%–89% of revenue).
 - All its factories in India are located in one state (Karnataka), which increases geographic risk
 - History of negative operating cash flows and potential for continued strain due to expansion investments.
 - Consolidated losses recorded over the past three financial years (FY 2023–FY 2025).

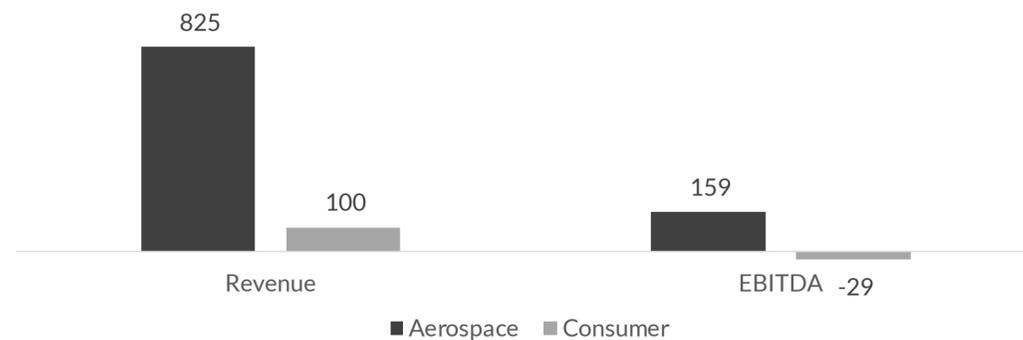
Financial Overview

(Amount in INR Crores)

Income Statement	FY 2022A	FY 2023A	FY 2024A	FY 2025A
Revenue from Operations	529	812	965	925
EBITDA	20	63	146	108
PBT	(109)	(103)	(2)	(94)
PAT	(104)	(109)	(12)	(102)

Revenue by Segment (FY 2025):

- Aerospace:
 - Revenue: INR 825 (89.19%)
 - EBITDA: INR 159
- Consumer:
 - Revenue: INR 100 (10.81%)
 - EBITDA: (INR 29)



Key Points:

- Revenue grew strongly in FY 2023 and FY 2024 but dipped slightly in FY 2025.
- Consistent net losses over three years despite EBITDA improvements, resulting in Profit margins to remain negative across all years.
- Aerospace remains the main revenue driver, contributing nearly 90%, with the Consumer segment revenue consistently falling.
- Aerospace segment generates healthy EBITDA, while Consumer segment is loss-making.
- Cash conversion cycle increased significantly from 157 days to 253 days over three years.
- Capacity utilization stayed low at around 39-44%, showing that the company is not fully using its available production capability.

Important Points

- The Company successfully completed a private placement of equity shares, raising INR 144 crore at a price of INR 123.97 per share, through participation from select institutional investors.
- As the Company has successfully completed the Pre-IPO placement, the Fresh Issue size has been reduced from INR 720 Crores to INR 670 Crores.
- The number of Offer for Sale shares has been reduced from 3.18 crore equity shares to 2.03 crores equity shares, showing a reduction of 1.15 crore equity shares.
- In May 2025, the promoters of the Company carried out an internal transfer of 45 lakh equity shares at a price of INR 74.64 per share.
- Financial Summary for Six-months ended September 30, 2025:
 - Revenue: INR 537 Crores (*17% year-on-year growth*)
 - EBITDA: INR 84 Crores
 - PAT: (INR 17 Crores)
- Revenue by Segment (Six-months ended September 30, 2025):
 - Aerospace:
 - Revenue: INR 515 Crores
 - EBITDA: INR 117 Crores
 - Consumer:
 - Revenue: INR 71 Crores
 - EBITDA: (INR 15 Crores)

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