

IPO Report

Choice

“SUBSCRIBE” to

Unimech Aerospace and Manufacturing Ltd.

A manufacturing partner for airframe tooling.



Salient features of the IPO:

- **Unimech Aerospace & Manufacturing Ltd.** (UAML), a global high precision engineering solutions company specializing in manufacturing of complex products for major original equipment manufacturers (OEMs) and their licensees worldwide in aerospace, defence, energy, and semiconductor industries., is coming up with an IPO to raise around Rs. 500.0cr, which opens on 23rd Dec. and closes on 26th Dec. 2024. The price band is Rs. 745 – 785 per share.
- This public issue is a combination of fresh issue (Rs. 250.0cr) and OFS (Rs. 250.0cr). The company will not receive any proceeds from the OFS portion. From the fresh issue net proceeds, the company will be utilizing Rs. 36.366cr for Funding of capital expenditure for expansion through purchase of machineries and equipment by our Company; Rs. 25.285cr for Funding working capital requirements of our Company; and Investment in the Material Subsidiary of Rs. 43.891cr for Funding of capital expenditure for expansion through purchase of machineries and equipment; Rs. 44.715cr for Funding working capital requirements; and Rs. 40.00cr for Repayment/ prepayment, in full or part, certain borrowings. Residual proceeds will be used for general corporate purposes.
- Some of the promoter & promoter group (P&PG) entities are participating in the OFS and offloading 0.318cr equity shares. Post-IPO, the P&PG and public shareholders will have 79.82% and 20.18% stake in the company, respectively.

Key competitive strengths:

- High-precision engineering solutions through advanced manufacturing capabilities
- Seamless operations integration through a digital-first manufacturing infrastructure
- Established leader with unique capabilities in a sector with high entry barriers
- Export-driven player with a global delivery service model
- Robust vendor ecosystem and strong sub-contractor management with proven execution capabilities
- Skilled and experienced management team with committed workforce

Risk and concerns:

- Dependence on a limited number of customers for revenue
- Reliance on operating income and cash flows generated by material subsidiary, Innomech Aerospace Toolings Pvt. Ltd.
- Financial and operational challenges due to product returns, re-work, and delivery delays
- Exposure to foreign currency exchange rate fluctuations amidst volatile interest rate environments
- Competition

Below are the key highlights of the company:

- The tourism sector is a significant 10.4% contributor to the global economy, generating USD 8.8tn in world GDP and is expected to grow to USD 15.50tn in 2033 and represent to 11.6% of Global economy. As the global tourism and travel market continues to expand, it is driving growth in the aerospace sector. A robust forecast for new passenger and freighter aircraft orders worldwide is fueling the demand for new aero-tooling, airframe production, and components.
- Incorporated on 12 Aug, 2016, UAML is an engineering solutions company specializing in manufacturing and supply of critical parts such as aero tooling, ground support equipment, electro-mechanical sub-assemblies and other precision engineered components for aerospace, defence, energy, and semiconductor industries.

Issue details

Price band	Rs. 745 - 785 per share
Face value	Rs. 5
Shares for fresh issue	0.318 – 0.336cr shares
Shares for OFS	0.318 – 0.336cr shares
Fresh issue size	Rs. 250.00cr
OFS issue size	Rs. 250.00cr
Total issue size	0.637 – 0.671cr shares (Rs. 500.00cr)
Employee reservation	0.0001cr shares (Rs. 0.050cr)
Net issue size	0.637 – 0.671cr shares (Rs. 499.950cr)
Bidding date	23 rd Dec. – 26 th Dec. 2024
Implied MCAP at higher price band	Rs. 3,992.27Cr
Implied enterprise value at higher price band	Rs. 3,767.89Cr

Book running lead manager Anand Rathi Advisors Ltd., and Equirus Capital Pvt. Ltd.

Registrar Kfin Technologies Ltd.

Sector Aerospace manufacturer

Promoters Anil Kumar P, Ramakrishna Kamojhala, Mani P, Rajanikanth Balaraman, And Preetham S V

Category	Percent of issue (%)	Number of shares
QIB portion	50%	0.318 – 0.336cr shares
Non institutional portion (Big)	10%	0.064 – 0.067cr shares
Non institutional portion (Small)	5%	0.032 – 0.034cr shares
Retail portion	35%	0.223 – 0.235cr shares

Indicative IPO process time line

Finalization of basis of allotment	27 th Dec. 2024
Unblocking of ASBA account	30 th Dec. 2024
Credit to demat accounts	30 th Dec. 2024
Commencement of trading	31 st Dec. 2024

Pre and post - issue shareholding pattern

	Pre-issue	Post-issue
Promoter & promoter group	91.83%	79.82%
Public	8.17%	20.18%
Non-promoter & Non-public	0.00%	0.00%
Total	100.00%	100.00%

Retail application money at higher cut-off price per lot

Number of shares per lot	19 shares
Application money	Rs. 14,915 per lot

Key highlights of the company (Contd...):

Company name	FV (Rs.)	CMP (Rs.)	MCAV (Rs. cr)	EV (Rs.)	6M Return (%)	12M Return (%)	FY24 Revenue (Rs. cr)	FY24 EBITDA (Rs. cr)	FY24 PAT (Rs. cr)	FY24 Gross Margin (%)	FY24 EBITDA margin (%)	FY24 PAT margin (%)
Unimech Aerospace and Manufacturing Ltd.	10	785	3,992.27	3,767.89	-	-	209	79	58	65.9%	37.9%	27.8%
MTAR Technologies Ltd.	10	1,700	5,229	5,368	-6.5%	-23.0%	580	112	56	47.9%	19.3%	9.7%
Azad Engineering Ltd.	2	1,681	9,939	9,919	-11.9%	-	341	117	59	86.5%	34.3%	17.3%
Dynamic Technologies Ltd.	10	8,191	5,563	6,087	10.7%	82.8%	1,429	162	122	53.3%	11.3%	8.5%
Paras Defence & Space Technologies Ltd.	10	1,014	4,087	4,142	-29.9%	39.5%	254	53	30	0.0%	20.9%	11.8%
Data Patterns (India) Ltd.	2	2,534	14,185	13,796	-17.7%	26.4%	520	222	182	0.0%	42.7%	35.0%
Average										37.5%	21.5%	11.8%

Company name	3Y top-line growth (CAGR)	3Y EBITDA growth (CAGR)	3Y PAT growth (CAGR)	Average 3Y EBITDA margin	Average 3Y PAT margin	3Y average RoE	3Y average RoCE	Avg 3Y Receivable days	Avg 3Y Inventory Days	Avg 3Y Payable Days	Net Worth
Unimech Aerospace and Manufacturing Ltd.	139.7%	220.2%	314.0%	32.0%	20.5%	37.5%	43.8%	74	39	-27	359
MTAR Technologies Ltd.	34.2%	9.2%	-4.2%	25.1%	15.6%	13.0%	16.3%	126	493	187	677
Azad Engineering Ltd.	32.6%	37.4%	42.6%	31.6%	11.8%	15.6%	19.8%	165	1035	581	645
Dynamic Technologies Ltd.	6.8%	-3.0%	185.2%	13.0%	4.3%	12.6%	13.5%	69	164	121	668
Paras Defence & Space Technologies Ltd.	17.8%	1.0%	5.4%	25.1%	14.3%	9.6%	13.3%	259	359	114	445
Data Patterns (India) Ltd.	29.3%	25.5%	39.1%	42.0%	30.9%	17.6%	24.5%	274	503	123	1,324
Average	24.1%	14.0%	53.6%	27.4%	15.4%	13.7%	17.5%	178.53	510.93	225.20	

Company name	Total Debt	Cash	FY24 RoE (%)	FY24 RoCE (%)	P / E	P / B	EV / Sales	EV / EBITDA	MCAV / Sales	EPS (Rs.)	BVPS (Rs.)	D/E
Unimech Aerospace and Manufacturing Ltd.	33	258	16.2%	65.6%	68.7	11.1	18.0	47.6	19.1	11.4	71	0.1
MTAR Technologies Ltd.	190	51	8.7%	11.0%	93.4	7.7	9.3	47.9	9.0	18.2	220	0.3
Azad Engineering Ltd.	39	59	13.8%	21.6%	168.4	15.4	29.1	84.8	29.1	10.0	109	0.1
Dynamic Technologies Ltd.	585	61	20.1%	17.5%	45.6	8.3	4.3	37.6	3.9	179.6	984	0.9
Paras Defence & Space Technologies Ltd.	66	11	7.8%	11.3%	131.8	8.9	16.3	78.2	16.1	7.7	114	0.1
Data Patterns (India) Ltd.	4	393	14.6%	20.2%	77.9	10.7	26.5	62.1	27.3	32.5	236	0.0
Average			13.0%	16.3%	103.43	10.21	17.1	62.12	17.08			0.3

Note: Considered financials for the period during FY22-24 (with IPO adjustments); Source: Choice Broking Research

- The company possess “build to print” capabilities, wherein it manufactures products based on client designs, it focus on tools and components which are complex in nature, and are categorized by their high mix, and low volume; and “build to specifications” capabilities, wherein it assists clients in designing the products to be manufactured basis specifications, it aligns with the expectations of the clients in terms of their requirement of product functionalities to deliver a satisfactory product experience to customers. UAML supply high precision and critical components to major OEMs and their licensees worldwide.
- The company’s product portfolio includes, inter alia, engine lifting and balancing beams, assembly, disassembly and calibration tooling, ground support equipment, airframe assembly platforms, engine transportation stands, mechanical & electro-mechanical turnkey systems, and precision components. It is a key link in the global supply chain for global aerospace, defence, semi-conductor and energy OEMs and their licensees for the supply of critical parts like aero tooling, ground support equipment, electro-mechanical sub-assemblies and other precision engineered components.
- The salient features of UAML products are complexity and a “high-mix, low volume nature”, characterized by high mix products which are not mass manufactured. It offers a wide range of products (Stock Keeping Units (“SKUs”)) but produce relatively small quantities of each based on specific customer requirements. Between Fiscals 2022 and six months period ended September 30, 2024, it manufactured 2,999 SKUs in tooling and precision complex sub-assemblies’ category and 760 SKUs in the precision machined parts category, supplying to more than 26 customers across 7 countries.
- UAML’s diverse capabilities allow it to service the customers globally, which has established it as an export-oriented company with customers across USA, Germany and United Kingdom. Its product and service exports aggregated to Rs. 33.101cr, Rs. 89.645cr, Rs. 203.849cr and Rs. 115.427cr, contributing 91.06%, 95.20%, 97.64% and 95.67% of the total revenue from operations for FY22, FY23, FY24 and six-months period ended September 30, 2024, respectively. Global customer base is spread across USA, Germany and UK.
- The company’s orders typically begin with the receipt of purchase orders, along with designs or specifications from the customers. Upon 205 developments of the design, they are converted into 3-D models with the help of software used by the experienced engineers.
- UAML focuses on timely deliveries of the products. The systems and processes ensure efficient order fulfilment and on-time delivery. As on September 30, 2024, its order in-hand was Rs. 80.752cr, with a delivery timeline ranging between 4 to 16 weeks.

Key highlights of the company (Contd...):

- As of six months period ended September 30, 2024, UAML had two manufacturing facilities, Unit I and Unit II, in Bangalore which is spread across an aggregate area of over 1,20,000 sq. ft. and have a combined annual installed capacity of 1,65,945 hours pa, annual actual production of 1,57,123 hours pa and capacity utilization of 94.68% pa.
- The facility in Unit I in Peenya, Bangalore, is spread across an area of over 30,000 sq. ft. and the Unit II facility in Devanahalli is situated in a Special Economic Zone (“SEZ”) near Bangalore International Airport which is spread across an area of over 90,000 sq. ft.
- As an engineering solutions provider, UAML offers a range of capabilities, from product conceptualization to final assembly, which includes (i) design and engineering, (ii) manufacturing, (iii) fabrication, (iv) special process, (v) electrical and electronic integration, (vi) assembly, and (vii) quality inspection. The designers take care of designs for prototypes, manufacturing and serviceability using high-end design software and designing platforms. The engineering team undertakes tech-pack creations which include (i) 2D to 3D modelling, (ii) detailing, (iii) process planning, (iv) stage drawings, and (v) inspection planning.
- UAML deploys a range of digital manufacturing systems which integrates the complete process from order origination to order delivery. Its digital manufacturing system captures all inspection requirements and measurements underpinning its commitment to the high standards of quality. It also developed an in-house ERP system which plans and tracks every step of the product manufacturing process, from inception to completion, including the movement of all components to external vendors, thereby assisting in timely delivery of products.
- The company conducts a substantial part of its operations through its material subsidiary, Innomech Aerospace Toolings Pvt. Ltd. This material subsidiary is engaged in the manufacturing of aero-tooling, GSTE and MRO tooling for the aerospace sector. Additionally, being located in a Special Economic Zone (“SEZ”) near Bangalore International Airport (unit II UAML), it places emphasis on export sales. A significant part of the revenue from operations i.e. 83.46%, 89.35%, 73.50% and 68.06% in the six months period ended September 30, 2024, FY24, FY23 and FY22, respectively were conducted through Innomech.

Peer comparison and valuation: UAML is an engineering solutions company specializing in manufacturing and supply of critical parts such as aero tooling, ground support equipment, electro-mechanical sub-assemblies and other precision engineered components for aerospace, defence, energy, and semiconductor industries. It possess “build to print” capabilities, wherein it manufacture products based on client designs, and “build to specifications” capabilities, wherein it assists clients in designing the products to be manufactured basis specifications.

At the upper end of its price range, UAML is demanding a P/E multiple of 68.7x, based on its FY24 EPS of Rs. 11.4, and a EV/Sales multiple of 18.0x, this valuation seems to be at a discount compared to its peers. The company has experienced a significant increase in both its top and bottom lines, driven by expanded capacity and rising customer revenue, resulting in improved margins. Looking forward, we believe UAML holds strong long-term growth potential through global expansion. Thus, we recommend a **“SUBSCRIBE”** rating for this issue.

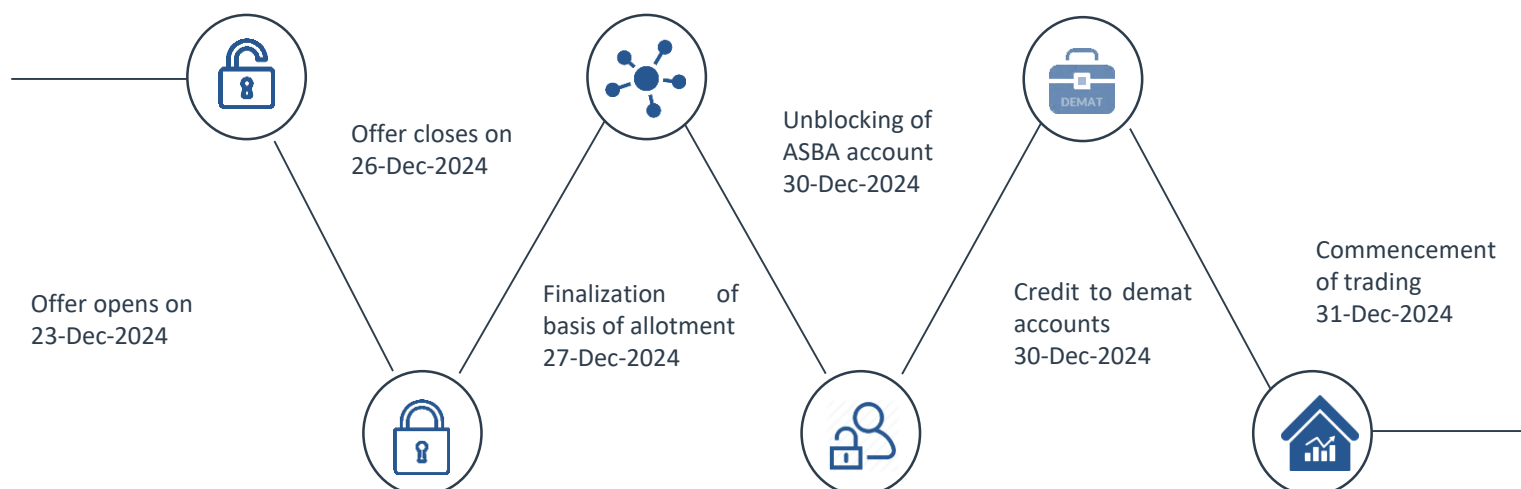
About the issue:

- UAML is coming up with an IPO with 0.637 – 0.671cr shares (fresh issue: 0.318 – 0.336cr shares; OFS shares: 0.318 – 0.336cr shares) in offering. This offer represents 12.52% of the post-issue paid-up equity shares of the company. Total IPO size is Rs. 500.00cr.
- The issue is through book building process with a price band of Rs. 745 - 785 per share.
- Lot size comprises of 19 equity shares and in-multiple of 19 shares thereafter.
- 0.0001cr shares are reserved for eligible employees
- The issue will open on 23rd Dec. 2024 and close on 26th Dec. 2024.
- This public issue is a combination of fresh issue (Rs. 250.0cr) and OFS (Rs. 250.0cr). The company will not receive any proceeds from the OFS portion. From the fresh issue net proceeds, the company will be utilizing Rs. 36.366cr for Funding of capital expenditure for expansion through purchase of machineries and equipment by our Company; Rs. 25.285cr for Funding working capital requirements of our Company; and Investment in the Material Subsidiary of Rs. 43.891cr for Funding of capital expenditure for expansion through purchase of machineries and equipment; Rs. 44.715cr for Funding working capital requirements; and Rs. 40.00cr for Repayment/prepayment, in full or part, certain borrowings. Residual proceeds will be used for general corporate purposes.
- Some of the promoter & promoter group (P&PG) entities are participating in the OFS and offloading 0.318cr equity shares. Post-IPO, the P&PG and public shareholders will have 79.82% and 20.18% stake in the company, respectively.
- 50% of the net issue is reserved for qualified institutional buyers, while 15% and 35% of the net issue is reserved for non-institutional bidders and retail investors, respectively.

Pre and post-issue shareholding pattern (%)		
	Pre-issue	Post-issue (at higher price band)
Promoter & promoter group	91.83%	79.82%
Public	8.17%	20.18%
Non-promoter & Non-public	0.00%	0.00%

Source: Choice Equity Broking

Indicative IPO process time line:



Pre-issue financial performance:

Performance over FY22-24: On the financial performance front, UAML has reported profitable growth in the business during FY22-24, primarily due to increase in total annualized capacity (including capacity of the material subsidiary) to 222,990 hours for FY24 from 99,810 hours in FY22 and number of purchase orders increased to 3,174 for FY24 from 1,672 in FY22.

The company's growth has increased, with total operating revenue reaching Rs. 208.78cr, reflecting a CAGR of 139.7%, due to the growth in SKUs and product volumes and business from existing and new customers. However, the gross profit margin was decreased to 65.9% in FY24 from 72.4% in FY22 due to increase in subcontracting charges.

With relatively, lower employee expenses, EBITDA margin expanded by 1,668bps to 37.9%. Consequently, consolidated EBITDA increased by 220.2% CAGR to Rs. 79.2cr in FY24. During this period, UAML saw a decrease in finance cost and experienced fall in the expenses, which leads to a 1,851bps increase in the PAT margin, rising it to 27.8% in FY24 and a significant rise in the reported PAT by a CAGR of 314.0%, reaching Rs. 58.1cr in FY24.

The company has a minute increase in its borrowings, leading to a 25.8% CAGR in its financial liabilities. However, there has been a fall in debt-to-equity ratio to 0.3x in FY24 from 0.8x in FY22. Pre-issue RoCE and RoE stood at 65.6% and 53.5%, respectively, in FY24.

Pre-issue financial snapshot (Rs. cr)	FY22	FY23	FY24	Q1FY25	CAGR over FY22-24	Y-o-Y (FY24 annual)
Revenue breakup by sector						
Aero-tooling	34.8	89.2	207.4	118.5	144.0%	132.6%
Precision components & others	1.5	5.0	1.4	2.1	-5.0%	-72.7%
Birfurcation by geography						
India	3.2	4.5	4.9	5.2	23.2%	9.0%
United States and Canada	27.8	72.4	192.5	99.6	163.3%	165.8%
Others	5.3	17.2	11.4	15.8	46.1%	-33.9%
Revenue from operations	36.3	94.2	208.8	120.7	139.7%	121.7%
Gross profit	26.3	67.8	137.6	85.4	128.6%	103.0%
EBITDA	7.7	34.6	79.2	48.8	220.2%	129.1%
Reported PAT	3.4	22.8	58.1	38.7	314.0%	154.8%
Restated adjusted EPS	0.7	4.5	11.4	7.6	314.0%	154.8%
Cash flow from operating activities	1.5	1.4	23.6	50.0	293.3%	1645.4%
NOPLAT	4.2	23.7	56.8	35.0	266.6%	139.8%
FCF	4.5	(2.2)	4.3	(20.6)	-2.1%	-293.1%
RoIC (%)	12.8%	40.2%	51.1%	10.8%	3,832bps	1090bps
Revenue growth rate	-	159.1%	121.7%	-		(3,735)bps
Gross profit growth rate	-	157.4%	103.0%	-		(5,436)bps
Gross profit margin	72.4%	72.0%	65.9%	70.8%	(653)bps	(606)bps
EBITDA growth rate	-	347.4%	129.1%	-		(21,831)bps
EBITDA margin	21.3%	36.7%	37.9%	40.5%	1,668bps	122bps
Restated PAT growth rate	-	572.6%	154.8%	-		(41,772)bps
Restated PAT margin	9.3%	24.2%	27.8%	32.1%	1,851bps	362bps
Inventories days	47.4	39.7	31.0	29.9	-19.1%	-21.9%
Trade receivables days	75.5	76.8	69.0	63.4	-4.4%	-10.2%
Trade payables days	(41.4)	(21.4)	(17.9)	(25.4)	-34.3%	-16.5%
Cash conversion cycle	81.5	95.1	82.2	67.9	0.4%	-13.6%
Total asset turnover ratio	0.6	1.3	1.6	0.2	55.9%	23.8%
Current ratio	1.3	1.9	2.1	4.0	28.0%	8.9%
Total debt	21.0	27.5	33.3	93.6	25.8%	21.1%
Net debt	17.6	25.6	26.1	86.1	21.8%	1.9%
Debt to equity	0.8	0.6	0.3	0.2	-36.5%	-45.5%
Net debt to EBITDA	2.3	0.7	0.3	1.8	-61.9%	-55.5%
RoE	12.3%	46.7%	53.5%	9.9%	4,127bps	683bps
RoA	6.0%	30.4%	43.2%	7.6%	3,726bps	1,285bps
RoCE	13.8%	52.0%	65.6%	22.6%	5,178bps	1,363bps

Note: Pre-IPO financials; Source: Choice Equity Broking

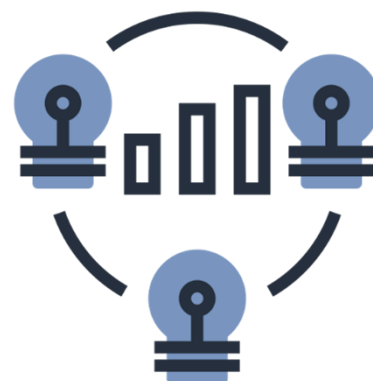


Competitive strengths:

- High-precision engineering solutions through advanced manufacturing capabilities
- Seamless operations integration through a digital-first manufacturing infrastructure
- Established leader with unique capabilities in a sector with high entry barriers
- Export-driven player with a global delivery service model
- Robust vendor ecosystem and strong sub-contractor management with proven execution capabilities
- Skilled and experienced management team with committed workforce

Business strategy:

- Expanding Global Presence to Enhance Customer Experience and Reach New Markets
- Capturing a higher market share and increase in wallet shares from customers
- Boosting Manufacturing Capacity through Global and Local Partnerships for growth
- Focus on growth by opportunistic inorganic acquisitions and partnerships with customers
- Manufacturing of products including semiconductor manufacturing equipment, medical devices, robotics and other industries which require high-mix, low-volume



Risk and concerns:

- Dependence on a limited number of customers for revenue
- Reliance on operating income and cash flows generated by material subsidiary, Innomech Aerospace Toolings Pvt. Ltd.
- Financial and operational challenges due to product returns, re-work, and delivery delays
- Exposure to foreign currency exchange rate fluctuations amidst volatile interest rate environments
- Competition

Financial statements:

Restated consolidated profit and loss statement (Rs. cr)						
	FY22	FY23	FY24	Q1FY25	CAGR over FY22-24	Annual growth over FY23
Revenue from operations	36.3	94.2	208.8	120.7	139.7%	121.7%
Cost of material consumed	(8.9)	(29.8)	(48.6)	(26.7)	133.3%	63.5%
Purchase of stock-in-trade	-	(1.0)	(0.6)	-	-	-42.0%
Changes in inventories of finished goods, work-in-progress & stock-in-trade	1.8	11.8	5.0	0.8	66.1%	-57.9%
Subcontracting charges	(2.9)	(7.4)	(26.9)	(9.4)	205.2%	263.1%
Gross profit	26.3	67.8	137.6	85.4	128.6%	103.0%
Employee benefits expenses	(8.3)	(15.6)	(32.4)	(23.6)	98.1%	107.9%
Other expenses	(10.3)	(17.6)	(26.0)	(13.0)	58.5%	47.6%
EBITDA	7.7	34.6	79.2	48.8	220.2%	129.1%
Depreciation & amortization expenses	(3.1)	(4.1)	(4.5)	(3.8)	20.1%	9.4%
EBIT	4.6	30.5	74.7	45.1	301.7%	145.1%
Finance costs	(1.6)	(1.9)	(3.2)	(2.2)	40.2%	71.7%
Other income	0.7	0.8	5.0	6.9	161.6%	555.9%
PBT	3.7	29.4	76.5	49.8	353.6%	160.5%
Tax expenses	(0.3)	(6.6)	(18.4)	(11.1)	650.6%	180.3%
Reported PAT	3.4	22.8	58.1	38.7	314.0%	154.8%

Restated consolidated balance sheet statement (Rs. cr)						
	FY22	FY23	FY24	Q1FY25	CAGR over FY22-24	Annual growth over FY23
Equity share capital	1.0	1.0	22.0	23.8	359.5%	-
Other Equity	26.6	47.8	86.6	366.3	80.4%	81.1%
Non-current borrowings	5.8	4.6	12.5	39.6	47.3%	172.7%
Non-current lease liabilities	1.8	1.0	-	1.9	-	-
Non-current provisions	1.8	6.0	-	0.2	-	-
Deferred Tax Liabilities (Net)	-	0.1	-	-	-	-
Trade payables	4.1	6.9	13.5	17.0	81.1%	95.1%
Current borrowings	11.3	17.7	16.3	35.1	20.0%	-7.5%
Current lease liabilities	1.1	0.8	1.0	1.0	-1.3%	26.5%
Other current financial liabilities	1.1	3.4	3.4	16.0	77.7%	-2.1%
Current provisions	0.5	1.2	19.6	5.6	526.3%	-
Net current tax liabilities	1.0	2.0	-	1.1	-	-
Other current liabilities	0.8	0.7	0.7	1.6	-7.0%	-2.0%
Total liabilities	56.9	93.3	175.6	509.3	75.7%	88.2%
PP&E	16.0	21.6	45.1	62.2	67.7%	108.9%
Right of use assets	8.3	7.1	6.3	8.3	-12.9%	-11.3%
Capital work-in-progress	3.0	0.0	0.0	21.9	-91.1%	-40.0%
Intangible assets	0.4	0.3	0.6	0.5	33.8%	140.8%
Non-current investments	-	-	-	78.0	-	-
Other non-current financial assets	3.1	0.7	0.9	1.2	-46.6%	28.2%
Income tax assets (net)	0.1	0.0	-	0.6	-	-
Deferred tax assets (net)	0.8	0.7	0.6	0.7	-13.5%	-16.8%
Other non-current assets	-	0.2	8.5	25.9	-	-
Inventories	4.7	15.8	19.7	20.1	104.4%	25.1%
Current investments	0.0	0.0	0.0	224.7	-	-
Trade receivables	7.5	32.1	46.8	42.5	149.7%	45.8%
Cash & cash equivalents	3.4	1.9	7.2	7.5	44.3%	282.8%
Other bank balances	4.0	2.2	0.5	2.5	-66.2%	-78.9%
Other current financial assets	1.8	6.0	23.9	0.2	268.7%	298.7%
Current tax assets (net)	0.2	-	4.0	0.7	326.1%	-
Other current assets	3.6	4.8	11.6	11.8	79.7%	140.9%
Total assets	56.9	93.3	175.6	509.3	75.7%	88.2%

Source: Choice Equity Broking

Financial statements (Contd...):

Restated consolidated cash flow statement (Rs. cr)						
	FY22	FY23	FY24	Q1FY25	CAGR over FY22-24	Annual growth over FY23
Cash flow before working capital changes	8.7	36.4	82.3	50.4	206.8%	126.1%
Working capital changes	(7.4)	(30.2)	(34.4)	7.1	116.2%	14.0%
Cash flow from operating activities	1.5	1.4	23.6	50.0	293.3%	-
Purchase of fixed assets & CWIP	(2.9)	(5.4)	(27.8)	(59.4)	212.1%	413.7%
Cash flow from investing activities	0.8	(5.9)	(23.9)	(336.0)	-	304.2%
Dividend paid						
Cash flow from financing activities	(0.2)	2.9	5.6	286.3	-	90.1%
Net cash flow	2.2	(1.6)	5.3	0.4	56.0%	-424.8%
Opening balance of cash	1.3	3.5	1.8	7.2	19.1%	-46.8%
Effects of exchange rate changes on cash	(0.0)	0.1	0.0	0.0	-	-78.2%
Closing balance of cash from continuing operations	3.5	1.8	7.2	7.5	43.4%	286.8%

Financial ratios				
Particulars	FY22	FY23	FY24	Q1FY25
Profitability ratios				
Revenue growth rate	-	159.1%	121.7%	
Gross profit growth rate	-	157.4%	103.0%	
Gross profit margin	72.4%	72.0%	65.9%	70.8%
EBITDA growth rate	-	347.4%	129.1%	
EBITDA margin	21.3%	36.7%	37.9%	40.5%
EBIT growth rate	-	558.4%	145.1%	
EBIT margin	12.7%	32.4%	35.8%	37.3%
Restated PAT growth rate	-	572.6%	154.8%	
Restated PAT margin	9.3%	24.2%	27.8%	32.1%
Turnover ratios				
Inventory turnover ratio	7.7	9.2	11.8	6.0
Trade receivable turnover ratio	4.8	4.8	5.3	2.8
Accounts payable turnover ratio	8.8	17.0	20.4	7.1
Fixed asset turnover ratio	1.3	3.3	5.2	1.3
Total asset turnover ratio	0.6	1.3	1.6	0.2
Liquidity ratios				
Current ratio	1.3	1.9	2.1	4.0
Quick ratio	1.0	1.4	1.7	3.7
Total debt	21.0	27.5	33.3	93.6
Net debt	17.6	25.6	26.1	86.1
Debt to equity	0.8	0.6	0.3	0.2
Net debt to EBITDA	2.3	0.7	0.3	1.8
Cash flow ratios				
CFO to PAT	0.5	0.1	0.4	1.3
CFO to Capex	0.5	0.3	0.9	0.8
CFO to total debt	0.1	0.0	0.7	0.5
CFO to current liabilities	0.1	0.0	0.4	0.6
Return ratios				
RoIC (%)	12.8%	40.2%	51.1%	10.8%
RoE (%)	12.3%	46.7%	53.5%	9.9%
RoA (%)	6.0%	30.4%	43.2%	7.6%
RoCE (%)	13.8%	52.0%	65.6%	22.6%
Per share data				
Restated EPS (Rs.)	0.7	4.5	11.4	7.6
DPS (Rs.)	-	-	-	-
BVPS (Rs.)	5.4	9.6	21.4	76.7
Operating cash flow per share (Rs.)	0.3	0.3	4.6	9.8
Free cash flow per share (Rs.)	0.9	(0.4)	0.8	(4.1)

Source: Choice Equity Broking

IPO rating rationale

Subscribe: An IPO with strong growth prospects and valuation comfort.

Subscribe for Long Term: Relatively better growth prospects but with valuation discomfort.

Avoid: Concerns on both fundamentals and demanded valuation.

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