

About Company

The business of **Unimech Aerospace and Manufacturing Limited** involves:

- ✦ **Specialization in Aerospace Toolings and Precision Components:** The company designs and manufactures high-precision components and tooling solutions primarily for the aerospace sector.
- ✦ **Manufacturing Units:** It operates from two facilities located in Bangalore, Karnataka:
 - **Unit I** in Peenya Industrial Area.
 - **Unit II** in the Bengaluru Aerospace SEZ park.
- ✦ **Products and Services**
 - Components and assemblies for aerospace applications.
 - Precision engineering solutions and manufacturing services.
 - Customized tooling and support for aerospace manufacturing.
- ✦ Company is a key link in the global supply chain for global aerospace, defence, semiconductor 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. Company's clients include top global airframe and aero-engine OEMs and their approved licensees.
- ✦ Between Fiscals 2022 and six months period ended September 30, 2024, company has 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.
- ✦ Company's diverse capabilities allow the company to service the customers globally, which has established the company as an export-oriented company with customers across USA, Germany and the United Kingdom. Company's product and service **exports contributed 91.06%, 95.20%, 97.64% and 95.67% of total revenue** from operations for Fiscals 2022, 2023 and 2024 and six-months period ended September 30, 2024, respectively.
- ✦ On September 30, 2024, the company's order in-hand was Rs. 80.75 crore, with a delivery timeline ranging between 4 to 16 weeks.

Global Opportunities

- ✦ Unimech Aerospace and Manufacturing Limited is well-positioned in aerospace, defense GSTE, and precision component manufacturing, catering to global OEMs. The Asia-Pacific region is expected to add 11,925 aircraft by 2042, solidifying its aviation leadership. In the energy sector, India promotes renewable projects like solar and wind for their cost and environmental benefits. Additionally, India's nuclear power capacity is expanding, with 22 operational reactors and 11 new stations planned, totaling 8,700 MW. Asia, including India, is becoming a hub for semiconductor manufacturing and precision components.

IPO Details

- ✦ Open date :
Dec 23, 2024
- ✦ Close date :
Dec 26, 2024
- ✦ Issue Size :
63,69,424 Shares (Rs. 500 Cr..)
- ✦ Fresh Issue :
31,84,712 Shares
- ✦ OFS :
31,84,712 Shares
- ✦ Price Band :
Rs. 745–785 Per Equity Shares
- ✦ Pre IPO Promoter Holding :
91.83%
- ✦ Post IPO Promoter Holding :
79.82%

Objects of the Issue

Particulars	Total estimated cost
1. Funding of capital expenditure for expansion through purchase of machineries and equipment by our Company	36.3 Cr
2. Funding working capital requirements of our Company	25.2 Cr
Total (A)	61.6 Cr
3. Investment in our Material Subsidiary for	
(i) Funding of capital expenditure for expansion through purchase of machineries and equipment	43.8 Cr
(ii) Funding working capital requirements	44.7 Cr
(iii) Repayment / prepayment, in full or part, certain borrowings	40 Cr
Total (B)	128.6 Cr
Total (A) + (B)	190.2 Cr

Financials of the company

(Fig. in Cr)

Particulars	Sep 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	120.65	208.77	94.16	36.34
Revenue Growth	-	121.71%	159.06%	-
EBITDA Margins	40.47%	37.93%	36.70%	21.25%
PAT Margins	32.06%	27.85%	24.23%	9.33%
ROCE	-	54.36%	42.87%	10.34%
CFOA	50.02	23.63	1.35	1.52

Comparison with Peers

Companies	Revenue	EBITDA Margin	PAT Margin	D/E Ratio	MCap	P/E
Unimech Aerospace & Manufacturing (FY 2024)	208.77	37.93%	27.85%	0.19	3,992.27 Cr	68.68
MTAR Technologies (TTM)	580 Cr.	16%	6.72%	0.26	5,173 Cr.	133
Azad Engineering (TTM)	392 Cr.	35%	17.86%	0.24	9,921 Cr.	142
Paras Defence & Space Technologies (TTM)	315 Cr.	23%	13.33%	0.15	4,033 Cr.	95.40
Dynamic Technologies (TTM)	1,424 Cr.	12%	6.46%	0.79	5,719 Cr.	114
Data Patterns (India) (TTM)	517 Cr.	43%	35.78%	0.00	13,977 Cr.	75.50

Positive and Negative Points

Positive

- ✦ **Strategic Positioning in Growth Sectors:** The company is well-positioned in the aerospace and defense sectors, with strong potential driven by increasing demand for precision components and GSTE.
- ✦ **Expanding Market Opportunity:** The Asia-Pacific region, especially India, is experiencing significant fleet expansion and a growing demand for renewable energy, creating a favorable business environment.
- ✦ **Strong Market Presence:** The company caters to global OEMs and is poised to benefit from growing international markets like Taiwan, South Korea, and China.
- ✦ **Government Support:** Policies promoting renewable energy and nuclear power in India provide long-term business opportunities.
- ✦ **Strong Revenue Growth.**
- ✦ **Good EBITDA and PAT Margins.**
- ✦ **Manageable Debts**
- ✦ **Positive Operating cash flow** but cash conversion ratio is low.
- ✦ The company is currently operating at nearly full capacity. The new capital expenditure will enhance its production capacity, enabling further growth.

Negative

- ✦ **Client Concentration:** 99.09% revenue from top 10 customers.
- ✦ The company's Price-to-Earnings (P/E) ratio is lower compared to its peers; however, a P/E of 69 for the IPO seems slightly on the higher side.
- ✦ **Corporate Governance issue** as the company failed to file TDS, PF and GST returns in the past. Many times in the past Company also failed to make loan repayment on time.



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