



IPO INSIGHTS



Aether Industries Ltd

Issue Dates - Opens: 24-05-2022 | Closes: 26-05-2022

IPO Note	<ol style="list-style-type: none"> 1. Gujarat-based Niche Specialty Chemical Producer 2. Competitive Edge as being the only large-scale manufacturer of many key products in India 3. Healthy & Steady Growth in Financials 4. Enjoys High-Margins for few selected products with repeat orders 5. Fully-Priced
Rating	★★★ (Good)

IPO SNAPSHOT

Issue Size	₹ 808.04 Crores
Issue Type	Fresh Issue & Offer for Sale
Fresh Issue	₹ 627 Crores
Offer for Sale	₹ 181.04 Crores
Face Value Per Share	₹ 10
Price Band Per Share	₹ 610 - ₹ 642
Minimum Lot Size	23 shares
Listing On	BSE & NSE
Pre-Issue Promoter Holding	96.96%
Post-Issue Promoter Holding	87.09%
Registrar to the Issue	Link Intime Private Limited

IPO SNAPSHOT – Aether Industries Ltd

About the Company	<ul style="list-style-type: none"> ▪ Incorporated on January 23, 2013 ▪ Specialty Chemical Manufacturer in India focused on producing advanced intermediaries and specialty chemicals involving differentiated and complex chemistry and technology core competencies. ▪ One of the fastest growing specialty chemical companies in India with a CAGR of around 49.5% between Fiscal 2019 and Fiscal 2021 ▪ Has 8 Chemistry Competencies to use for wide array of products as enabler to catering niche and advanced intermediate requirements of a wider range of end-products and applications ▪ All the competencies have been developed in-house – adding to the core strengths of company’s R & D Team ▪ 3 Business Models: <ol style="list-style-type: none"> 1. Large-scale manufacturing of their own intermediaries & specialty chemicals 2. Contract Research & Manufacturing Services (CRAMS) 3. Contract / Exclusive Manufacturing ▪ Among the few specialty chemicals companies to have successfully launched above separate business models in just 5 years into commercial manufacturing ▪ As on 31-03-2022, product portfolio consist of 25 products ▪ In CY2020 where they were sole manufacturer in India of 4MEP, MMBC, T2E, OTBN, NODG, DVL & Bifenthrin Alcohol ▪ In 2020, the company became Biggest Manufacturer of <ol style="list-style-type: none"> 1. 4MEP Globally in terms of production & volume & the sole manufacturer of the product in India 2. HEEP in India & globally in terms of production volume 3. NODG Globally in terms of production & volume & the sole manufacturer of the product in India 4. T2E Globally in terms of production & volume & the sole manufacturer of the product in India ▪ One of the few companies in specialty chemicals sector in India who has deployed continuous reaction technology as a core technology competency at all stages (R&D, Pilot Plant & large scale manufacturing) ▪ 2 Manufacturing Facilities in Sachin, Surat
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Competitive Strengths	<ul style="list-style-type: none"> ▪ Differentiated portfolio of market-leading products ▪ Focus on R&D to leverage core competencies of chemistry & technology ▪ Long-standing relationships with diversified customer base ▪ Synergistic business models focused on large-scale manufacturing, CRAMS & Contract manufacturing ▪ Focus on Quality, Environment, Health & Safety (QEHS) ▪ Strong and Consistent Financial Performance ▪ Experienced promoters & Senior management with extensive domain knowledge
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Financials (₹ in Millions)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">31-3-2019</th> <th style="text-align: center;">31-3-2020</th> <th style="text-align: center;">31-3-2021</th> <th style="text-align: center;">31-12-2021</th> <th style="text-align: center;">Y-o-Y</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Rev from Operations</td> <td style="text-align: right;">2011.80</td> <td style="text-align: right;">3018.06</td> <td style="text-align: right;">4498.16</td> <td style="text-align: right;">4425.44</td> <td style="text-align: center; color: green;">49%</td> </tr> <tr> <td style="text-align: center;">EBITDA</td> <td style="text-align: right;">475.1</td> <td style="text-align: right;">717.6</td> <td style="text-align: right;">1121.6</td> <td style="text-align: right;">1259.9</td> <td style="text-align: center; color: green;">56%</td> </tr> <tr> <td style="text-align: center;">EBITDA Margin</td> <td style="text-align: center;">23.6%</td> <td style="text-align: center;">23.8%</td> <td style="text-align: center;">24.9%</td> <td style="text-align: center;">28.5%</td> <td></td> </tr> <tr> <td style="text-align: center;">PAT</td> <td style="text-align: right;">233.35</td> <td style="text-align: right;">399.56</td> <td style="text-align: right;">711.19</td> <td style="text-align: right;">829.06</td> <td style="text-align: center; color: green;">78%</td> </tr> <tr> <td style="text-align: center;">PAT Margin</td> <td style="text-align: center;">11.6%</td> <td style="text-align: center;">13.2%</td> <td style="text-align: center;">15.8%</td> <td style="text-align: center;">18.7%</td> <td></td> </tr> </tbody> </table> <p>Debt to Networth as on March 31, 2021 comes to 1.31</p>	Particulars	31-3-2019	31-3-2020	31-3-2021	31-12-2021	Y-o-Y	Rev from Operations	2011.80	3018.06	4498.16	4425.44	49%	EBITDA	475.1	717.6	1121.6	1259.9	56%	EBITDA Margin	23.6%	23.8%	24.9%	28.5%		PAT	233.35	399.56	711.19	829.06	78%	PAT Margin	11.6%	13.2%	15.8%	18.7%	
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Valuation	<ul style="list-style-type: none"> ▪ At the Upper Price Band, P/E comes to 76
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Promoters	<ul style="list-style-type: none"> ▪ Ashwin Jayantilal Desai, Purnima Ashwin Desai, Rohan Ashwin Desai, Dr. Aman Ashwin Desai, AJD Family Trust, PAD Family Trust, RAD Family Trust, AAD Family Trust & AAD Business Trust
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