



IPO INSIGHTS



Avalon Technologies Ltd

Issue Dates - Opens: 03-04-2023 | Closes: 06-04-2023

IPO Note	<ul style="list-style-type: none"> One of the leading Vertically integrated EMS Company with end-to-end operations in delivering box-build solutions in India (Source: F&S Report) Only Indian EMS company with full-fledged manufacturing facility in the United States Diversified Marquee Clientele Include E-Infochips, Kyosan India Pvt Ltd., Faiveley Transport Rail Technologies India Pvt Ltd., a Wabtec Company, The US Malabar Co., Systech Corporation Meggitt (Securaplane Technologies Inc) High Debt & Major Portion Offer for Sale
Rating	★★ (AVERAGE)

IPO SNAPSHOT

Issue Size	₹ 865 Crores
Issue Type	Fresh Issue & Offer for Sale
Fresh Issue	₹ 320 Crores
Offer for Sale	₹ 545 Crores
Face Value Per Share	₹ 2
Price Band Per Share	₹ 415 - ₹ 436
Minimum Lot Size	34 shares
Pre-Issue Promoter Group Holding	70.75%
Post-Issue Promoter Group Holding	51.24%
Listing On	BSE, NSE
Registrar to the Issue	Link Intime India Private Ltd

IPO SNAPSHOT – Avalon Technologies Ltd

About the Company	<ul style="list-style-type: none"> ▪ Incorporated on November 3, 1999 ▪ One of the leading fully integrated EMS company with end-to-end operations in delivering box-build solutions in India in terms of revenue in FY2022 (Source: F&S Report) ▪ Focus on High Value Precision Engineered Products ▪ Unique global delivery model to provide a full-stack product and solution suite right from Printed Circuit Board (PCB Design) and assembly to manufacture of complete electronics systems (Box Build) to certain global Original Equipment Manufacturers (OEM) including OEMs located in USA, China, Netherlands and Japan ▪ End-to-end operations help achieve tangible benefits such as reduced manufacturing cost, improved supply chain management and reduced inventory obsolescence ▪ Capabilities include PCB design and assembly, cable assembly and wire harness, sheet metal fabrication and machining, magnetics, injections, molded plastics, and end-to-end box builds of electronic systems. ▪ Specialize in manufacturing and providing design support for critical integrated assemblies, sub-assemblies components and enclosures for multiple industry verticals ▪ Has a unique global delivery model, comprising design and manufacturing capabilities across India and USA ▪ Only Indian EMS company with full-fledged manufacturing facility in the United States, which gives unique competitive advantage in North American Markets ▪ 12 manufacturing facilities located across India and US <ul style="list-style-type: none"> ▪ 7 units in Chennai, Tamil Nadu ▪ 1 unit in Kanchipuram, Tamil Nadu, ▪ 2 units in Bengaluru, Karnataka ▪ 1 unit in Atlanta, Georgia ▪ 1 unit in Fremont, California ▪ Electronic Manufacturing Facilities comprise an aggregate of 66 production lines consisting of 11 Surface Mount Technology (SMT) lines and 12 Through Hole Technology (THT) lines and 43 assembly lines 																																										
Competitive Strengths	<ul style="list-style-type: none"> ▪ End-to-End Integrated solutions providing a One Stop Shop for electronics and electro – Mechanical Design and Manufacturing Services ▪ High entry barriers to business through collective cross-industry experience, customer engagement capabilities and leading position in the high mix flexible volume product manufacturing segment ▪ Well-diversified business leading to strong growth avenues ▪ Established relationships with marquee client base ▪ Global delivery footprint with high quality standards and advanced manufacturing and assembling capabilities ▪ Strong Financial Performance, stable cash-flows and visible growth profile 																																										
Financials (₹ in Crores)	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Mar-2020</th> <th>Mar-2021</th> <th>Mar-2022</th> <th>Nov-2021</th> <th>Nov-2022</th> <th>Y-o-Y</th> </tr> </thead> <tbody> <tr> <td>Revenue frm Operations</td> <td>641.87</td> <td>690.47</td> <td>840.72</td> <td>541.40</td> <td>584.79</td> <td>8.01%</td> </tr> <tr> <td>EBITDA as stated</td> <td>64.48</td> <td>66.14</td> <td>97.55</td> <td>58.29</td> <td>68.06</td> <td>16.76%</td> </tr> <tr> <td>EBITDA Margin</td> <td>10.05%</td> <td>9.58%</td> <td>11.60%</td> <td>10.77%</td> <td>11.64%</td> <td></td> </tr> <tr> <td>Profit After Tax as stated</td> <td>12.33</td> <td>23.08</td> <td>68.16</td> <td>42.30</td> <td>34.19</td> <td>-19.17%</td> </tr> <tr> <td>PAT Margin</td> <td>1.89%</td> <td>3.32%</td> <td>8.00%</td> <td>7.78%</td> <td>5.73%</td> <td></td> </tr> </tbody> </table> <p>Debt to Equity = 3.64</p>	Particulars	Mar-2020	Mar-2021	Mar-2022	Nov-2021	Nov-2022	Y-o-Y	Revenue frm Operations	641.87	690.47	840.72	541.40	584.79	8.01%	EBITDA as stated	64.48	66.14	97.55	58.29	68.06	16.76%	EBITDA Margin	10.05%	9.58%	11.60%	10.77%	11.64%		Profit After Tax as stated	12.33	23.08	68.16	42.30	34.19	-19.17%	PAT Margin	1.89%	3.32%	8.00%	7.78%	5.73%	
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Objects	<ul style="list-style-type: none"> ▪ Pre-payment or repayment of all or a portion of certain outstanding borrowings availed by the company and one of their material subsidiaries ▪ Funding Working Capital Requirements and General Corporate Purposes 																																										

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