



IPO INSIGHTS



A Z A D
Azad Engineering Limited

Issue Dates - Opens: 20-12-2023 | Closes: 22-12-2023

IPO Note

1. Azad Engineering Limited is a manufacturer of aerospace components and turbines.
2. The Company supplies its products to original equipment manufacturers (OEMs) in the aerospace, defense, energy, and oil and gas industries.

Rating

★★★ (Good)

IPO SNAPSHOT

Issue Size

₹ 740 Crores

Issue Type

Book Built Issue IPO

Fresh Issue

₹ 240 Crores

Offer for Sale

₹ 500 Crores

Face Value Per Share

₹ 2

Price Band Per Share

₹499 to ₹524

Minimum Lot Size

28 shares

Listing On

BSE, NSE

Registrar to the Issue

Kfin Technologies Limited

IPO SNAPSHOT – Azad Engineering Limited

| About the Company | <ul style="list-style-type: none"> ▪ Incorporated in 1993 ▪ The Company is one of the key manufacturers of our qualified product lines supplying to global original equipment manufacturers (“OEMs”) in the energy, aerospace and defence, and oil and gas industries, manufacturing highly engineered, complex and mission and life-critical components. ▪ The Company manufacture complex and highly engineered precision forged and machined components that are mission and life-critical and hence, some of our products have a “zero parts per million” defects requirement. ▪ The Company produces high-precision rotating and stationary 3D airfoils/ blades, special machined parts and combustion component assemblies for land-based turbines with applications in industrial and energy plants using different fuel types such as nuclear, hydrogen, natural gas and thermal. ▪ The Company has four manufacturing facilities in Hyderabad, Telangana, India. These facilities are capable of producing high-precision forged and machined components and have a total production area of around 20,000 square meters. ▪ The Company have in-house capabilities and proficiency in engineering, design, tooling, material development coupled with a range of finishing and assembly operations focussed on continuous improvements to our manufacturing and quality processes. ▪ Azad Engineering's products are highly engineered, complex, mission-critical, and vital. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--------------|------------|---------------------------|------------|--|---------|--------------------------------|--------|-------------------------|-------|--------|-------|-------|-------|-----|---------------|-------|-----|-------|--|-----|------|-------|------|------|------------|------|-------|------|--|
| Competitive Strengths | <ul style="list-style-type: none"> ▪ Engineered for success and a preferred name in the manufacturing of highly engineered, complex and mission and lifecritical high precision components for global OEMs despite growing competition from China, Europe, USA and Japan ▪ Supplying to OEMs with high global market penetration ▪ Long-standing and deep customer relationships ▪ Advanced manufacturing facilities with a diverse range of products and solutions with focus on innovation and cost competitiveness ▪ Consistent track record of financial performance ▪ Experienced Promoter and management team backed by marquee investors | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financials (₹ in Crores) | <table border="1"> <thead> <tr> <th>Particulars</th> <th>31-3-2021</th> <th>31-3-2022</th> <th>31-03-2023</th> <th>Y-o-Y</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>122.72</td> <td>194.47</td> <td>251.68</td> <td>29%</td> </tr> <tr> <td>EBITDA</td> <td>28.15</td> <td>62.27</td> <td>72.28</td> <td>16%</td> </tr> <tr> <td>EBITDA Margin</td> <td>22.9%</td> <td>32%</td> <td>28.7%</td> <td></td> </tr> <tr> <td>PAT</td> <td>11.5</td> <td>29.46</td> <td>8.47</td> <td>-71%</td> </tr> <tr> <td>PAT Margin</td> <td>9.4%</td> <td>15.1%</td> <td>3.4%</td> <td></td> </tr> </tbody> </table> | Particulars | 31-3-2021 | 31-3-2022 | 31-03-2023 | Y-o-Y | Revenue | 122.72 | 194.47 | 251.68 | 29% | EBITDA | 28.15 | 62.27 | 72.28 | 16% | EBITDA Margin | 22.9% | 32% | 28.7% | | PAT | 11.5 | 29.46 | 8.47 | -71% | PAT Margin | 9.4% | 15.1% | 3.4% | |
| Particulars | 31-3-2021 | 31-3-2022 | 31-03-2023 | Y-o-Y | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Valuation | <ul style="list-style-type: none"> ▪ Attributing Annualized FY23 Earnings asking P/E = 292.74 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Peers | <table border="1"> <thead> <tr> <th>Company Name</th> <th>P/E ratio</th> </tr> </thead> <tbody> <tr> <td>MTAR Technologies Limited</td> <td>67.91</td> </tr> <tr> <td>Paras Defence and Space Technologies Limited</td> <td>81.04</td> </tr> <tr> <td>Dynamatic Technologies Limited</td> <td>65.59</td> </tr> <tr> <td>Triveni Turbine Limited</td> <td>68.82</td> </tr> </tbody> </table> <p>Note : P/E ratio is calculated as closing share price as on December 18, 2023.</p> | Company Name | P/E ratio | MTAR Technologies Limited | 67.91 | Paras Defence and Space Technologies Limited | 81.04 | Dynamatic Technologies Limited | 65.59 | Triveni Turbine Limited | 68.82 | | | | | | | | | | | | | | | | | | | | |
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| Triveni Turbine Limited | 68.82 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Promoters | <ul style="list-style-type: none"> ▪ Rakesh Chopdar | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Objects of the issue | <ul style="list-style-type: none"> ▪ Funding capital expenditure of the Company ▪ Repayment or prepayment, in part or full, of certain of the borrowings availed by the Company ▪ General Corporate purposes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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