

# GROUP 11 PRESENTATION

ENT615



# Group 11: Aequus Team



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# 01 Company *Overview*

# AEQUS

# Building Ecosystems of Efficiency

## Diversified Contract Manufacturing Platform

### Company Snapshot

- **Founded:** 2006 (as QuEST Global Manufacturing)
- **Rebranded:** 2014 as Aequs
- **Founder:** Aravind Melligeri (Co-founder, QuEST Global)

 **Headquarters:** Belagavi, Karnataka, India

### Strategic Differentiator

- Hyper-Vertical Integration



Forging → Machining → Surface Treatment → Assembly

- Entire value chain within one ecosystem
- Reduced logistics cost & faster delivery for global OEMs

### Global Footprint

**India:** Belagavi | Koppal | Hubballi

### Key Verticals



#### Aerospace | Belagavi SEZ

- India's largest precision machining ecosystem
- Components for Airbus, Boeing, Safran



#### Toys | Koppal Cluster

- 400-acre integrated toy manufacturing hub
- Partners: Hasbro, Mattel, Spin Master



#### Consumer Goods | Hubballi Cluster

- Durable goods & appliances
- Brands like Wonderchef



# 02 Where to *Compete*

# Industry Overview and Target Customer

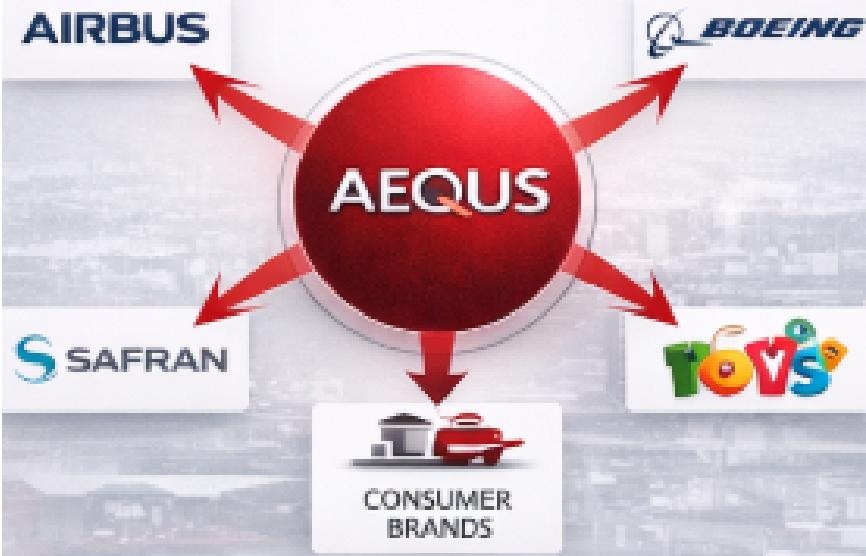
## Aerospace Core Engine



- ✓ High Entry Barriers AS9100, NADCAP
- ❖ Global Sourcing Shift China+1 & Make in India
- ⌚ 86-89% Revenue Long-Term Contracts

## The Global OEM Model (B2B)

Integrated, Zero-Defect Supply Partner



Global OEM Customer Base



TRAMONTINA



## Consumer Growth Engine

### Toys & Electronics

India: Emerging Global Hub  
High-Quality Manufacturing

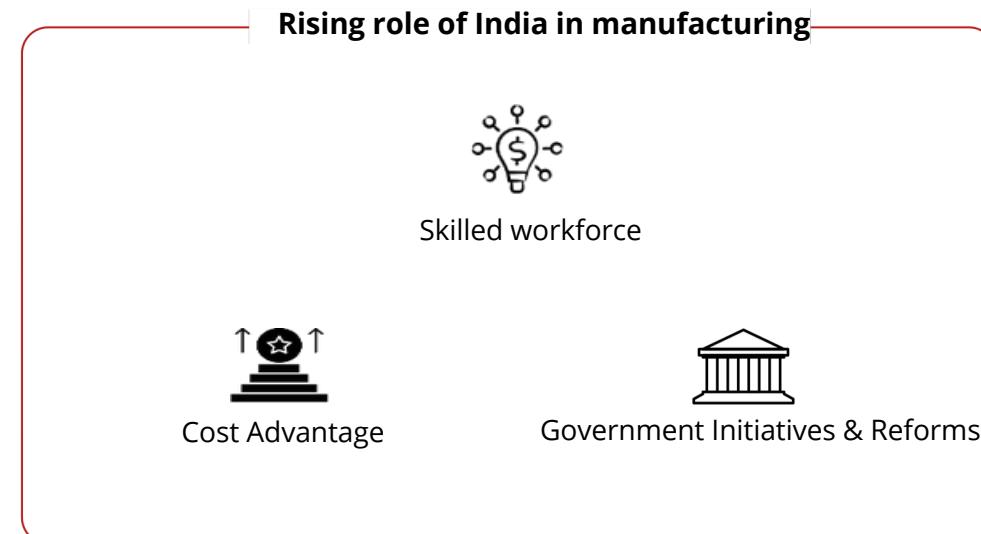
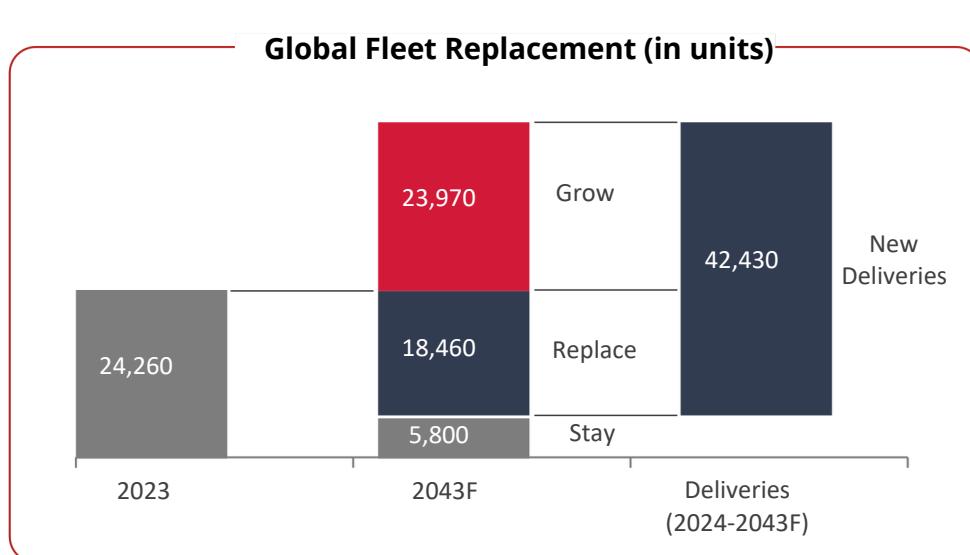
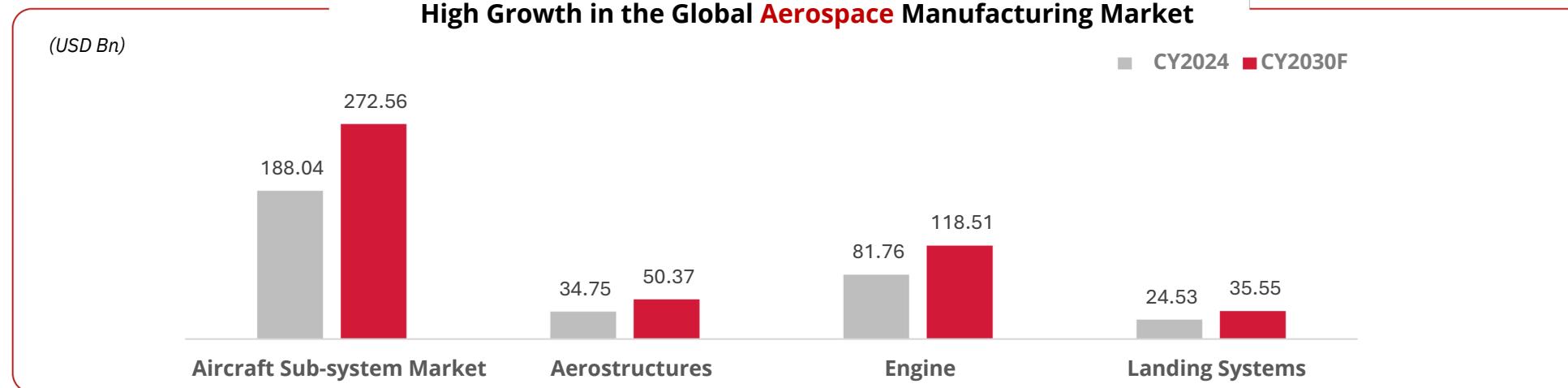


### Durables

Urbanization & Rising Incomes  
Premium Cookware & Appliances



# Favourable global industry dynamics fuelled by India's push to mfg.



# Value Chain Positioning: The "Ecosystem" Model

Aequus competes via "**Hyper-Vertical Integration**", creating self-sufficient industrial clusters where raw materials enter and finished products exit from a single campus.

## Aerospace Ecosystem (Belagavi SEZ):

- The "One-Site" Advantage: The only Indian player with a fully vertically integrated aerospace SEZ.
- End-to-End Flow:
  1. Raw Material: In-house Forging (SQuAD JV) for Titanium/Steel.
  2. Processing: Precision Machining (1.6M+ hours capacity).
  3. Finishing: 50+ NADCAP-approved surface treatments (API JV).
  4. Assembly: Structural assemblies (e.g., Door plugs) ready for OEMs.

## Consumer Ecosystems (Koppal & Hubballi):

**Koppal Toy Cluster:** A 400-acre hub integrating precision molding, electronics (PCBs), painting, and packaging for brands like Hasbro.

**Hubballi Cluster:** Dedicated fabrication and coating lines for white goods and appliances.

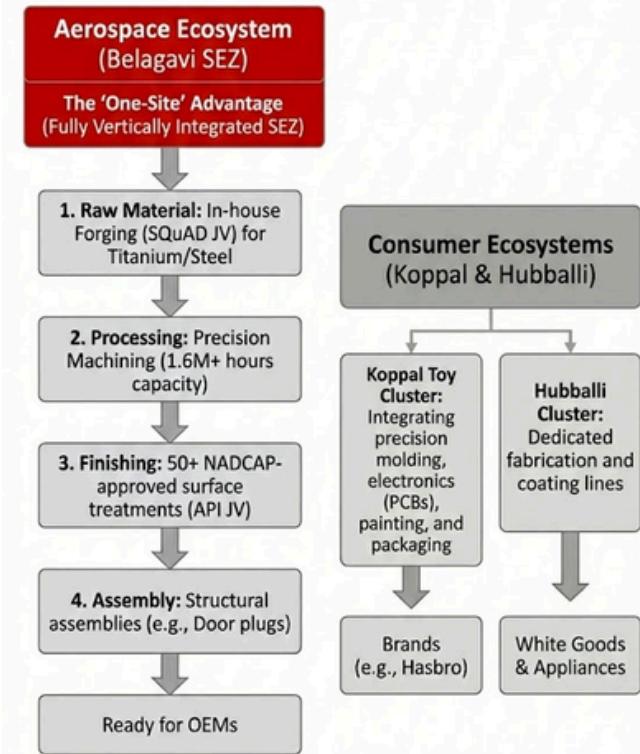
## Why this Wins:

**Speed:** Eliminates inter-factory logistics, cutting lead times by 30-40%.

**Accountability:** OEMs manage one partner instead of five separate vendors.

**Security:** Single-campus operations minimize IP theft risks for sensitive designs.

## Aequus: Hyper-Vertical Integration & 'One-Site' Advantage

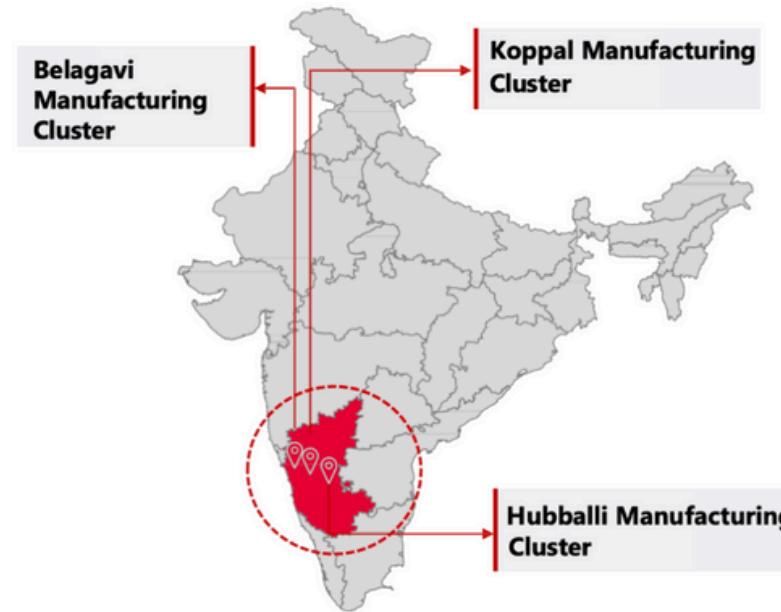


# Mfg. presence across 3 continents with strategic proximity customers

**AEQUS**  
ecosystems of efficiency

## India Operations

All Indian facilities are **ISO-certified** for quality, information security, employee safety and environment



India (Cost & Scale Hubs):  
Belagavi: Aerospace SEZ (Export focus).  
Koppal: Toy Manufacturing Cluster.  
Hubballi: Consumer Durables & Electronics.

## Global Operations



Paris, Texas



Cholet, France

### Background

**2015**  
Acquisition of T&K Machine  
Renamed Aequus Aero  
Machine Inc

### Capabilities

Produces machined parts and assemblies for the aerospace industry

### Shared Benefits

Closer to US based clients  
Boeing and Spirit

Provided us with machining, assembly, fabrication and testing (for example, for engines and landing gear) capabilities

Closer to our Europe based clients  
Safran and Collins Aerospace

Expanded footprint

Competitive global manufacturing platform

Near shoring of business processes

Aequus competes via a "**Local-Global**" model, leveraging low-cost manufacturing in India and proximity-to-customer in the West.

International (Proximity Hubs):  
Paris, Texas (USA): Machining for North American defense/commercial clients.  
Cholet (France): High-precision components for European OEMs.

# Industry Attractiveness Analysis (Porter's Five Forces)

## Aerospace & Precision Manufacturing Sector

### THREAT OF NEW ENTRANTS: LOW

- High Entry Barriers: Requires 3–5 years for global certifications (AS9100, NADCAP) and massive CAPEX.
- The "Moat": Aequus' exclusive vertically integrated SEZ is nearly impossible for fragmented startups to replicate.



### BARGAINING POWER OF BUYERS: HIGH

- Concentration Risk: Top 5 clients (Airbus, Boeing, etc.) drive ~66% of revenue, granting them immense leverage.
- Strict Demands: OEMs dictate "Zero Defect" quality, pricing, and delivery schedules.



### BARGAINING POWER OF SUPPLIERS: MODERATE-HIGH

- Material Dependency: Reliance on specific, OEM-approved global suppliers for Titanium and Inconel.
- JV Reliance: Dependence on partners (e.g., Aubert & Duval) for niche forging and treatment capabilities.



### THREAT OF SUBSTITUTES: LOW

- Criticality: No viable substitute for high-stress metal parts in aircraft landing gears or engines.
- Tech Limits: 3D printing is currently complementary, not a replacement for heavy structural forging.



### COMPETITIVE RIVALRY: MODERATE

- Differentiation: Aequus stands out with its "End-to-End Ecosystem" model versus generic pure-play machine shops.
- Peer Group: Primary competition is global (China/Mexico); domestic peers (Azad, Tata) focus on different niches (Energy/Defense).





# 03 How to *Compete*

# COST vs DIFFERENTIATION

## Quadrant: Differentiation (Wide Segment, Differentiation Competitiveness)

- Why:
  - a. Fully Integrated Manufacturing Ecosystem
  - b. Advanced Precision Engineering Capabilities
  - c. Global Multi-location Production Footprint
  - d. Complex Vertical Supply Chain Control
  - e. Certified Niche Metallurgical Processes
  - f. Strategic Tier-1 Global Partnerships

## Value Discipline (Product vs. Customer):

Aequus is a Product Leader that thrives on Operational Excellence. By creating a unique manufacturing ecosystem in Belagavi, they pioneered the "plug-and-play" infrastructure model for aerospace in India.

	<b>COST based competitiveness</b>	<b>DIFFERENTIATION based Competitiveness</b>
<b>WIDE Customer Segment</b>	<b>Cost Leadership - Mahindra Aerospace</b>	<b>Differentiation - Aequus</b>
<b>Narrow Customer Segment</b>	<b>Cost Focus - Dynamatic Technologies</b>	<b>Differentiation Fous - Azad Engineering</b>

# Competitive Benchmarking Across Pillars

Pillar	Best Indian Competitor	Their Edge	Aequus' Edge
Vertical Integration	Tata Advanced Systems	Strong system-level integration; large assemblies; strong OEM relationships	Fully integrated SEZ model enabling cost and lead-time advantage
Manufacturing Scale & Cost	Mahindra Aerospace	Global footprint; scale in aerostructures; access to capital	Low-cost, high-precision manufacturing base in India with export-grade quality
Energy & Aerospace components	Azad Engineering	High-precision turbine blades	Aequus offers broader ecosystem integration (Forging to Assembly) vs. niche component focus.
Consumer Electronics (EMS)	Dixon / Amber	High-volume electronics assembly	Aequus leverages precision engineering heritage (Aerospace standards) applied to consumer goods.

## Design & Engineering Support

Aequus provides manufacturing engineering and industrialization support for global aerospace OEMs and Tier-1 suppliers, helping translate complex designs into producible, cost-optimized components.

## Raw Material & Forging

Through its integrated forgings and machining ecosystem, Aequus controls upstream inputs, reducing dependency on external suppliers and improving lead times and material traceability.

## Precision Machining & Special Processes

Aequus operates large-scale aerospace-qualified machining, heat treatment, surface treatment, and NDT facilities, ensuring:

- Tight tolerances
- Global certifications (AS9100, NADCAP)
- Consistent quality at scale

## Assembly & System Integration

Aequus moves beyond part manufacturing into sub-assembly and system build-ups, increasing its value capture per aircraft and reducing coordination burden for OEMs.

## Quality, Compliance & Traceability

Aequus' value chain embeds:

- Full part traceability
- Stringent QA systems
- Regulatory compliance (FAA, EASA standards via customers)

making it suitable for flight-critical components.

## Customer Value Proposition

Aequus' value chain allows customers to:

- Outsource non-core manufacturing
- Reduce supplier fragmentation
- Lower total cost of ownership
- Improve delivery reliability



# 04 Operating *Model*

In aerospace manufacturing, value is created by controlling risk, not by chasing volume.

Aequus' operating model choices are designed to systematically absorb risk for OEMs and capture value in return.

## 01 Vertically Integrated SEZ Ecosystems: Control the Logistics and ESG Risk

Co-locating the full value chain within a single SEZ removes logistics volatility and aligns with OEM carbon targets.

### Strategic Choice

- Three vertically integrated ecosystems (Belagavi, Hubballi, Koppal) with forging, machining, surface treatment, and assembly on one campus

### Risk Controlled (OEM)

- Component movement cut from ~5000 km (fragmented vendors) to <500 meters, reducing logistics disruptions and supporting OEM ESG goals (e.g., Airbus High5+ 65% CO<sub>2</sub> reduction)

### Value Captured (Aequus)

- Faster ramp-ups, stronger working capital discipline & 19.38% Aerospace EBITDA margin

Impact: 2.22 Million+ sq. ft. of manufacturing area with India's largest precision machining capacity at 1.83 Million annual hours

Risk for Aequus: High fixed cost and execution dependency

## 02 Strategic Alliances: Mitigate Technical Qualification and Certification Risks

Joint ventures secure proprietary processes and certifications that are difficult and costly to replicate.

### Strategic Choice

- Long-term JVs — API (Magellan Aerospace) for surface treatment; SQuAD (Aubert & Duval) for advanced forging.

### Risk Controlled (OEM)

- Absorbs the risk of technical qualification failure. In-house control of NADCAP special processes and a 10,000-ton hydraulic press for titanium and inconel forgings

### Value Captured (Aequus)

- Tier-1 and D2P status with Airbus and Boeing (restricted global supplier base ~100).

Impact: 15+ years average relationship with top three customers

Risk for Aequus: Dependency on partners, governance complexity

In aerospace manufacturing, value is created by controlling risk, not by chasing volume.

Aequus' operating model choices are designed to systematically absorb risk for OEMs — and capture value in return.

03

## Aggressive Localization Push: Absorbs Geopolitical and Supply Chain Shocks

In-country value addition and incentive capture protect margins from global supply-chain shocks.

### Strategic Choice

- Move toward 100% in-country value addition for complex parts (engine spinners, landing gear wheels) and deepen domestic supplier base

### Risk Controlled (OEM)

- Reduced exposure to import disruption (China+1 risk); Controls cost volatility by contractually passing through raw material fluctuations (Titanium/Aluminium) to customers.

### Value Captured (Aequus)

- PLI & ECMS incentives strengthen cost leadership and capital efficiency

Impact: Fixed asset turnover improved from 1.36x to 1.84x as localization increased throughput.

Risk for Aequus: Supplier maturity and quality ramp risk

04

## Moving Up the Value Chain: Locks in Long-Cycle Cash Flows

Shifting to high-complexity manufacturing creates design-frozen programs with long revenue visibility.

### Strategic Choice

- Capacity shift from 3/4-axis to 5-axis machining for engines, nacelles, blades, and landing systems.

### Risk Controlled (OEM)

- Once the process is approved through FAI, switching suppliers becomes difficult and costly for OEMs.

### Value Captured (Aequus)

- USD 814 Million aerospace order book anchored in multi-generational programs (A320neo, B737).

Impact: Aequus transitions from supplier → strategic manufacturing partner

Risk for Aequus: Higher accountability, quality liability

# Operating Strategy: Building High-Entry-Barrier, Long-Term OEM Relationships

**AEQUUS**  
ecosystems of efficiency

15

Total OEMs customer groups globally

15 YRS

Average tenure of 3 largest customer groups

73.17%

Top 5 customer group contribution (FY25)

BOEING

Tier 1 supplier status since 2017

AIRBUS

6-times D2P award from 2016 to 2023, association since 2010

22 Export Markets

Global presence across North America, Europe & Asia

**One stop shop for global OEMs**

Developed one of India's largest aerospace portfolios with 5,221 qualified parts

**Asset-Light Approach**

Aequus leases master-planned infrastructure from group companies, allowing **rapid scale-up without heavy real-estate capex.**

**Ultra-Short Supply Chain**

Component travel reduced from 5,000 km to <500 meters via co-located facilities in Belagavi

**Qualified Vendor Network**

Manages **892** qualified suppliers, serving as the sole interface for OEMs



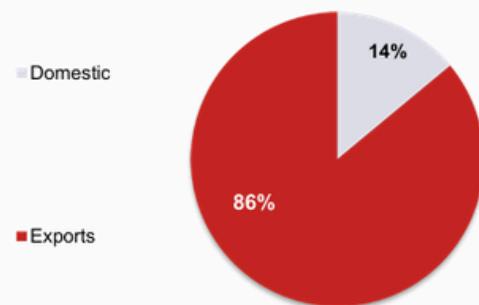
**D2P partner for Airbus** – access to pool of contracts with competitive advantage over non-D2P partners



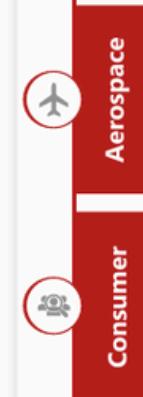
**Long-term MSAs** setting broad terms governing relationship & obtaining work orders for each subsequent service, setting out commercial terms

## Our Strong Global Reach

Revenue Mix (9M FY26)



## Our Blue Chip Customer Base



Airbus	Boeing	Safran	Collins
15 Years	8 Years	9 Years	>10 Years

GKN Aero Honeywell Eaton Mubea Bombardier

Tramontina

Spin Master	Wonderchef	Hasbro
7 Years	5 Years	9 Years



D2P Award by Airbus for 6 years

Ramp-up Champion Award

SQIP Award

Special Award for procurement ops

## True End-to-End Aerospace Manufacturing Platform

Co-located machining → forging → surface treatment → assembly inside a single SEZ, enabling unmatched lead times, cost, and quality control

## Strategic Global Proximity

Three India clusters + France & US sites, delivering rapid ramp-up, logistics efficiency, and deep supply-chain integration

## Expertise in High-Complexity Materials & Special Processes

NADCAP surface treatments, multi-metal forging (Aluminium, steel, titanium, nickel) and hard-to-machine alloy competence for complex, high-specification components



Certifications



- ISO 45001:14001
- ISO 9001 EN9100

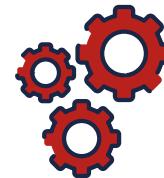
- AS 9100
- ISO 14001

- GRAMS
- OHSAS 18001 and others

# Operating Strategy: Diversification into Consumer Segment



Aequus leverages aerospace-grade precision (4-micron tolerances, advanced metallurgy) to build a high-margin consumer platform, hedging long-cycle aerospace volatility.



## AEROSPACE TO CONSUMER CAPABILITY TRANSFER

Adopts 3/4/5-axis machining, forging, and injection molding to produce high-spec enclosures for laptops, wearables, and smart devices



## COMPLEXITY DRIVEN PRICING POWER

Focuses on high-precision consumer components that command premiums due to tight tolerances and high entry barriers



## INCENTIVE-BACKED CAPITAL EFFICIENCY

Structures new lines to capture PLI and ECMS benefits, enabling faster and more capital-efficient scale-up



## PORTFOLIO RISK DIVERSIFICATION

Reduces dependence on aerospace (86% of revenue) through short-cycle consumer programs delivering 157% YoY growth



## ECOSYSTEM LEVERAGE

Replicates the ecosystem model at Koppal and Hubballi to achieve 100% in-country value addition and logistics efficiency for global consumer brands (Hasbro, Tramontina)

## FUTURE DIVERSIFICATION

Defense & UAVs: Partnered with Accel India and Vagus Defence to enter design and manufacturing of Unmanned Aeriel Vehicles (UAV) primarily for India defence requirements.

# Vision of Aequus

## Aequus - Market Fit

- Aequus operates as a precision manufacturing & integrated supply-chain partner for global aerospace and in future defense OEMs.
- Positioned between high-cost Western Tier-1 suppliers and low-capability Asian vendors.
- Strength lies in end-to-end manufacturing ecosystems (forging + machining + assembly) rather than standalone component supply.
- Key challenge is customer concentration and long aerospace qualification cycles, which slow rapid scale.
- Growth is driven by global supply-chain diversification away from China and India's rise as an aerospace hub

Rank	Player	Core Segment	Relative Position	Trend
#1	Global Tier-1 Suppliers	Complex assemblies	High cost, high scale	→ Stable
#2	Indian PSU / Legacy Suppliers	Defense	Bureaucratic, low agility	↓ Slow
<b>#3</b>	<b>Aequus</b>	Precision aerospace manufacturing	<b>Cost-efficient + integrated</b>	↑ Fast Growth
#4	Small Indian MSMEs	Parts & machining	Fragmented	→ Flat

Metric	Aequus	Global Tier-1	Indian MSMEs	Insight
Core Strategy	Integrated aerospace ecosystem	Scale + complexity	Job-work	Aequus = platform play
Revenue Mix	Aerospace ~70%	Aerospace 80–90%	Mixed	High aerospace exposure
Customer Base	Airbus, Boeing suppliers, Safran (indicative)	OEM direct	Tier-2/3	Global credibility
Manufacturing Model	Forging + Machining + Assembly	Distributed plants	Single-process	Cost & lead-time advantage
Capacity Utilization	~65–70% (est.)	~80%	~50%	Upside exists
Export Share	~80%+	~70%	~30%	FX + global hedge
Margins (EBITDA)	~18–22% (est.)	~15–18%	~10–12%	Efficiency edge
Capex Intensity	High (aerospace tooling)	Very high	Low	Entry barrier
Certifications	AS9100, NADCAP	Same	Limited	Qualification moat

## What Matters Now

### Scale & Capacity Leverage

- Aerospace contracts are long-tenure but slow ramp-up.
- Margin expansion depends on utilization crossing ~75%.
- New programs typically breakeven after 3–4 years.

### Customer Diversification

- Reduce dependence on single large OEM programs.
- Expand into other industry

### Cost Advantage Sustainability

- India labor + energy cost advantage must be protected via Automation ,Process standardization and Vendor ecosystem deepening

### Strategic Position Shift

- From "cost-efficient supplier"→"strategic manufacturing partner"
- Goal: earlier involvement in design-for-manufacturing (DFM) stages.

## Competitive Advantage

- Long-term aerospace programs → stable demand visibility
- Certified capabilities (AS9100, NADCAP) → high entry barriers
- Integrated model → lower lead time and better cost control

## Key Operating & Financial Indicators

### ● Production Volumes

- Steady YoY growth driven by program ramp-ups and ecosystem capacity utilization
- 
- | Year  | Indexed Volume (FY24 = 100) |
|-------|-----------------------------|
| FY24  | 100                         |
| FY25  | 115                         |
| FY26E | 135                         |



### ● Capacity Utilization:

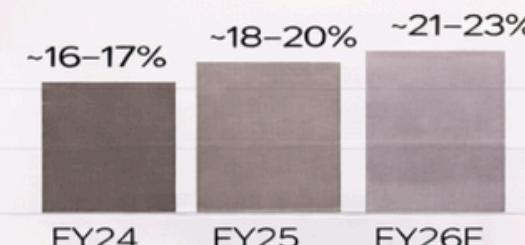
~60–62% (FY24) → ~65–68%  
~72–75%

### ● COGS per Unit:

~8–10% reduction over last 2 years  
(indexed basis)

## Margin & Profitability Trend

- Adjusted Gross Margin:  
~16–17% (FY24) → ~18–20% → ~21–23% (FY26E)
- EBITDA Margin:  
~14–15% → ~16–18% → 19–21% (FY26E)



Margin expansion driven by operating leverage & fixed-cost absorption

**AEQUS is transitioning from a capacity-build phase to a margin-expansion**

## What Matters Now

- ✓ Achieving > 75% utilization to unlock full margin potential
- ✓ Customer diversification across aerospace & defense programs
- ✓ Capex discipline in a high entry-barrier industry.

**Consistent scale-up**  
supported by long-duration aerospace contracts.



# 05

## *Financials*

# Performance Highlights

## FY25 Highlights

**9,246**

↓ 4.1% YoY

Revenue

**1079**

↓ 25% YoY

EBITDA & EBITDA Margin

**-1023**

↓ 7% YoY

PAT & PAT Margin

(₹ Mn.)

## Segment Update

**8,246**

↑ 9% YoY

Revenue

Aerospace Revenue

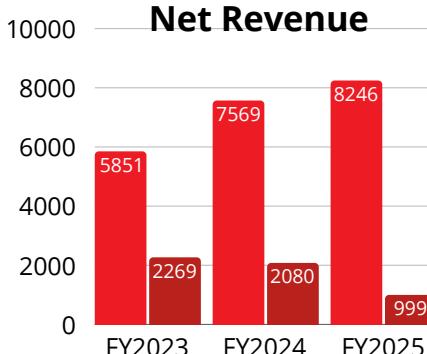
**999**

↓ 51% YoY

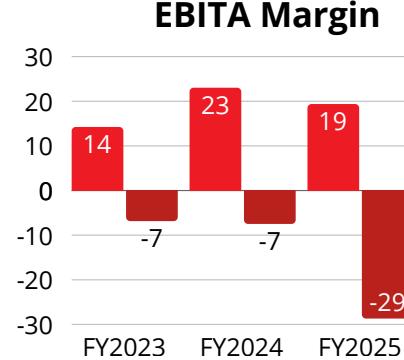
Consumer Revenue

(₹ Mn.)

## Net Revenue



## EBITA Margin



● Aerospace   ● Consumer

Particulars	Financial Year ended March 31,					
	2025 (₹ in million)	(% of Total Income)	2024 (₹ in million)	(% of Total Income)	2023 (₹ in million)	(% of Total Income)
<b>Continuing operations</b>						
Revenue from operations	9,246.06	96.39%	9,650.74	97.65%	8,121.32	96.62%
Other income	346.07	3.61%	232.30	2.35%	284.07	3.38%
<b>Total Income</b>	<b>9,592.13</b>	<b>100.00%</b>	<b>9,883.04</b>	<b>100.00%</b>	<b>8,405.39</b>	<b>100.00%</b>
<b>Expenses</b>						
Cost of materials consumed	4,082.60	42.56%	4,390.72	44.43%	4,168.95	49.60%
Purchases of stock-in-trade	-	-	-	-	20.70	0.25%
Changes in inventories of finished goods and work-in-progress	(160.60)	(1.67%)	(224.67)	(2.27%)	(349.24)	(4.15%)
Employee benefits expense	1,587.41	16.55%	1,434.08	14.51%	1,446.39	17.21%
Impairment losses on financial assets	4.16	0.04%	14.63	0.15%	8.54	0.10%
Other expenses	2,998.87	31.26%	2,813.18	28.46%	2,479.49	29.50%
<b>Total Expenses</b>	<b>8,512.44</b>	<b>88.74%</b>	<b>8,427.94</b>	<b>85.28%</b>	<b>7,774.83</b>	<b>92.50%</b>
<b>EBITA</b>	<b>1,079.69</b>	<b>11.26%</b>	<b>1,455.10</b>	<b>14.72%</b>	<b>630.56</b>	<b>7.50%</b>
Finance costs	589.01	6.14%	638.06	6.46%	646.07	7.69%
Depreciation and amortisation expense	1,034.06	10.78%	1,076.85	10.90%	995.16	11.84%
Loss from continuing operations before	(543.38)	(5.66%)	(259.81)	(2.63%)	(1,010.67)	(12.02%)
Exceptional items gain/(loss)	(482.65)	(5.03%)	186.48	1.89%	(7.36)	(0.09%)
Loss before tax from continuing operations	(940.79)	(9.81%)	(21.81)	(0.22%)	(1,026.77)	(12.22%)
<b>Income Tax expense</b>						
Current tax	148.88	1.55%	115.13	1.16%	12.02	0.15%
Deferred tax	(65.48)	(0.68%)	(15.47)	(0.16%)	48.47	0.58%
<b>Total tax expense</b>	<b>83.40</b>	<b>0.87%</b>	<b>99.66</b>	<b>1.01%</b>	<b>60.49</b>	<b>0.72%</b>
Loss from continuing operations	(1,024.19)	(10.68%)	(121.47)	(1.23%)	(1,087.26)	(12.94%)
<b>Discontinued operations</b>						
(Loss)/profit from discontinued operations before tax	0.73	0.01%	(20.97)	(0.21%)	(7.69)	(0.09%)
(Loss)/profit from discontinued operations after tax	0.73	0.01%	(20.97)	(0.21%)	(7.69)	(0.09%)
<b>Loss for the year</b>	<b>(1,023.46)</b>	<b>(10.67%)</b>	<b>(142.44)</b>	<b>(1.44%)</b>	<b>(1,094.95)</b>	<b>(13.03%)</b>

**Manufacturing - Still loss making !!**

Major Expenses Include :

- 1) Cost of materials
- 2) Employee cost
- 3) Interest
- 4) Depreciation

**Profitability at EBITDA Lvl** →

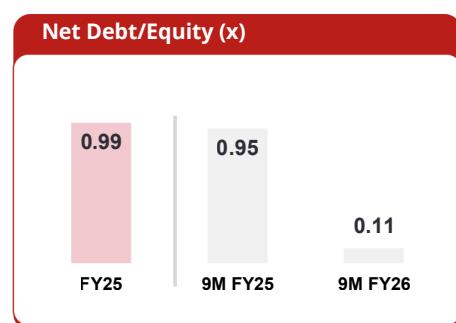
→ **Net Loss**

# Financial Analysis

## Cash Flow Statement

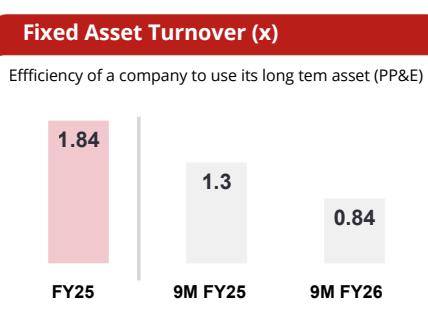
Particulars	Financial Year		
	2025	2024	2023
Net cash generated/(used in) from operating activities	261.41	(191.08)	98.11
Net cash (used) in investing activities	(738.20)	(3,433.68)	(888.50)
Net cash from financing activities	254.01	3,934.90	543.74
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(222.78)</b>	<b>310.14</b>	<b>(246.65)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>792.74</b>	<b>512.87</b>	<b>825.90</b>
Effects of exchange rate changes on cash and cash equivalents	39.47	(30.27)	(66.38)
<b>Cash and cash equivalents at the end of the year</b>	<b>609.43</b>	<b>792.74</b>	<b>512.87</b>

Net Debt/Equity (x)



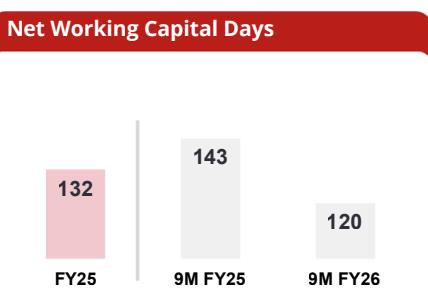
IPO Proceeds for debt repayment

Fixed Asset Turnover (x)



Under Utilisation of Assets

Net Working Capital Days



Segment ROCE (%)

Period	Aerospace	Consumer
FY25	14.27%	-9.44%
9M FY25	11.38%	-11.72%
9M FY26	18.57%	-9.85%

**64%**

Aerospace Capacity  
Utilisation (India - 71%)  
Q3 FY26

↑ 2% YoY

**31%**

Consumer Capacity  
Utilisation  
Q3 FY26

↑ 12% YoY

**AEQUS**  
ecosystems of efficiency

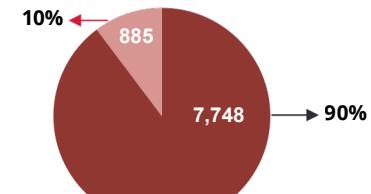
**USD 814 Mn**

Aerospace Order Book

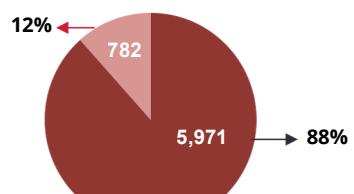
**195**

Aerospace Parts Added  
Q3 FY26

**9M FY25**



**9M FY25**



■ Exports

■ Domestic

# Consolidated Balance Sheet

Particulars	As at 31st Dec'25	As at 31st March'25
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital	6,707	5,818
Reserves and surplus	8,611	1,351
Non-controlling interest	-9	-9
<b>Total equity</b>	<b>15,309</b>	<b>7,160</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	2,854	1,424
Lease liabilities	2,561	2,786
Other non-current liabilities	385	464
<b>Total non-current liabilities</b>	<b>5,800</b>	<b>4,674</b>
<b>Current liabilities</b>		
Borrowings	3,676	2,946
Lease liabilities	603	694
Trade payables	3,774	2,309
Other current liabilities	1,379	815
<b>Total current liabilities</b>	<b>9,431</b>	<b>6,764</b>
<b>Total liabilities</b>	<b>15,232</b>	<b>11,439</b>
<b>Total equity and liabilities</b>	<b>30,541</b>	<b>18,598</b>

Particulars	As at 31st Dec'25	As at 31st March'25
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8,169	5,854
Right-of-use assets	2,911	3,349
Investments	858	768
Other non-current assets	1,616	1,191
<b>Total non-current assets</b>	<b>13,553</b>	<b>11,162</b>
<b>Current assets</b>		
Inventories	5,299	4,083
Trade receivables	2,233	1,566
Cash and cash equivalents	7,544	609
Bank balances other than above	541	188
Other current assets	1,371	990
<b>Total current assets</b>	<b>16,988</b>	<b>7,437</b>
<b>Total assets</b>	<b>30,541</b>	<b>18,598</b>

# Financial Analysis

Particulars	As at 31st Dec'25	As at 31st March'25
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital	6,707	5,818
Reserves and surplus	8,611	1,351
Non-controlling interest	-9	-9
<b>Total equity</b>	<b>15,309</b>	<b>7,160</b>
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Particulars	As at 31st Dec'25	As at 31st March'25
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8,169	5,854
Right-of-use assets	2,911	3,349
Investments	858	768
<b>Borrowings have risen</b>	1,616	1,191
<b>1) Inc. Working Capital</b>	<b>13,553</b>	<b>11,162</b>
<b>2) New capacity expansion</b>		
<b>3) Funding subsidiaries and Joint Venture</b>		
Bank balances other than above	5,299	4,083
Other current assets	2,233	1,566
<b>Aequus dependency on debt is alot</b>		
Bank balances other than above	7,544	609
Other current assets	541	188
<b>Total current assets</b>	<b>16,988</b>	<b>7,437</b>
<b>Total assets</b>	<b>30,541</b>	<b>18,598</b>



# 06 Leadership *Strategy & Culture*

# Board of Directors

## **Aravind Melligeri**

**Executive Chairman and Chief Executive Officer**

Over 25 years of experience in the aerospace sector and has been associated with our Company since its incorporation in 2000



## **Rajeev Kaul**

**Co-founder & Managing Director**

Responsible for the overall operations and performance of different verticals in the Company, including aerospace and consumer durable goods



## **Ajay Aravind Prabhu**

**Non-Executive Director**

He has over 23 years of experience in operations and technology sectors. He is currently associated with QuEST Global



## **Eberhard Klaus Richter**

**Independent Director**

He has over 29 years of experience in the field of procurement, materials management and business management



## **Vidya Sarathy**

**Independent Director**

She has over 23 years of experience in various sectors such as, finance and secretarial compliance



## **Anup Wadhawan**

**Independent Director**

Former Indian Administrative Services officer from the batch of 1985. He has held several important positions incl. Secretary, Department of Commerce, GoI, Joint secretary in the Ministry of Finance, GoI



**"We don't just build factories; we build ecosystems. If you create the right infrastructure, global manufacturing will come to India." - Aravind Melligeri**

1

## Management Principles & Agility



**Ecosystem-First Thinking :** Management moves beyond isolated factories to build self-sustaining "Clusters" (Belagavi, Koppal, Hubballi), empowering regional leadership rather than centralizing power



**"Aequals" Culture :** A philosophy of partnership where employees, customers, and JVs are treated as peers - symbolized by the parallel lines in the company logo



**Professional Governance :** Unlike typical promoter-led firms, Aequus maintains a professionalized C-Suite (CEO, MD, CFO) separate from the promoters to ensure transparent governance



**Process Agility :** Unique management ability to transfer "Aerospace Precision" (Zero Defect culture) to high-volume sectors like Toys, creating a cross-sector advantage

2

## Leadership Profiles

### *Aravind Melligeri*

Executive Chairman and Chief Executive Officer



- **Contrarian Mindset:** Rejects standard industry models by building in Tier-II cities, believing "if you create the right infrastructure, global manufacturing will come"
- **Strategic Patience:** Operates on a 30-year horizon, prioritizing assets like 10,000-ton forging presses that yield long-term value over quick wins

### *Rajeev Kaul*

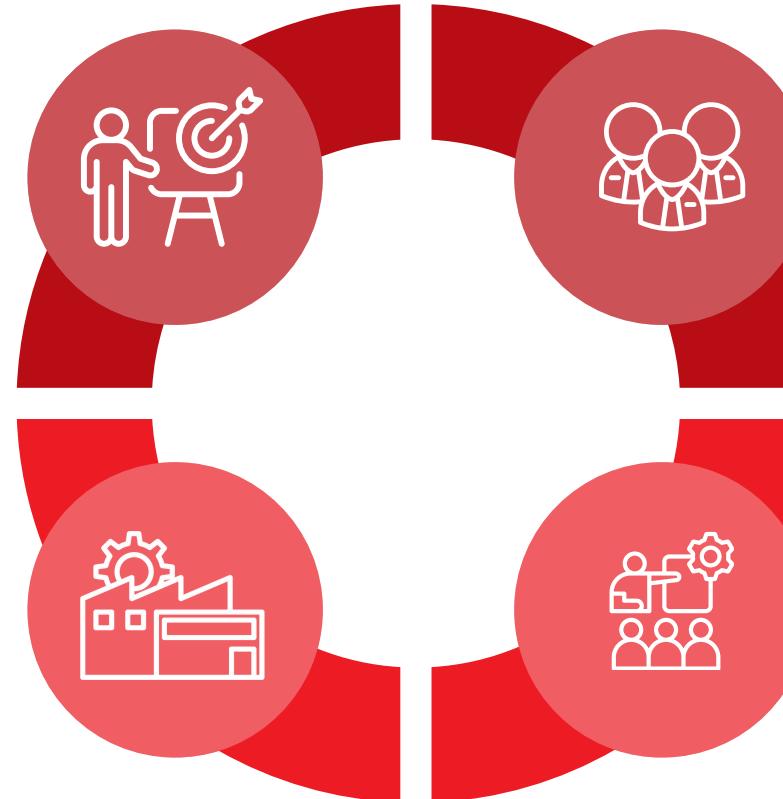
Co-founder & Managing Director



- **Operational Discipline:** Translates abstract vision into "execution reliability," ensuring ground-level success in the Belagavi SEZ
- **Builder DNA:** Focuses on the "Nuts and Bolts" of scaling infrastructure, bridging the gap between strategy and daily operation

## Core Purpose

To prove that world-class manufacturing can emerge from India's hinterland. They aim to drive value through efficiency while creating meaningful employment in rural regions to reduce dependency on global imports (The "China+ One" strategy)



## Manufacturing Vision

They do not just build isolated factories; they build city-scale "clusters" where the entire value chain (Forging => Machining => Surface Treatment => Assembly) sits in one campus to minimize logistics costs and lead times

**The Pivot:** Aequus is a live case study of a "Pivot" at scale using the cash cow (Aerospace) to fund a star (Consumer Goods)

## Social Development

A fundamental part of their vision is "Taking jobs to people, not people to jobs." They deliberately invest in Tier-II/III cities (like Belagavi and Koppal) to revitalize local economies and prevent the brain drain to crowded metros

## Strategic Vision

By 2028, they aim to de-risk the business by shifting from 90% Aerospace revenue to a balanced 50% Aerospace and 50% Consumer Goods (Toys/Appliances) split

**J-Curve :** Aequus accepts deep current losses to fuel exponential future growth, exemplifying the classic "J-Curve" strategy



## WHY (The Purpose)

### Driving Value through Efficiency & Social Impact.

To prove that world-class manufacturing can emerge from India's hinterland, creating meaningful employment in rural regions and reducing dependency on global imports (China Plus One).

## WHAT (The Output)

### Precision Engineering for the World

Manufacturing critical components for Aerospace (Airbus/Boeing), Consumer Goods (Cookware/Appliances), and Toys (Hasbro/Mattel)

## HOW (The Differentiator)

### Vertical Integration in Ecosystems

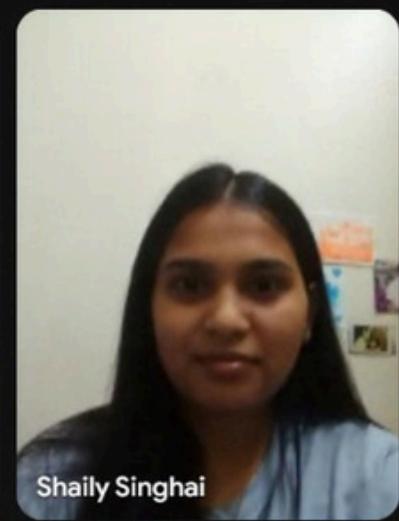
Co-locating the entire value chain (Forging => Machining => Surface Treatment => Assembly) in one campus to reduce lead times and logistics costs.



- **Balanced Power Structure** : Unlike many startups, Aequus has a professionalized C-Suite (CEO, MD, CFO) separate from the promoters, ensuring governance.
- **Transparency & Trust** : Treating all stakeholders (employees, partners, customers) as equals. The parallel lines in the logo represent this partnership.
- **Teaching** : The **Aequus Knowledge Centre** (AKC) trains local talent (often with no prior background) into aerospace-grade technicians, creating a workforce where none existed.

- ✓ Learning Curve : ★★★★★
- ✓ Work-Life Balance : ★★★
- ✓ Culture : ★★★★





11:49 | xgo-sxfz-wtu





# THANK YOU