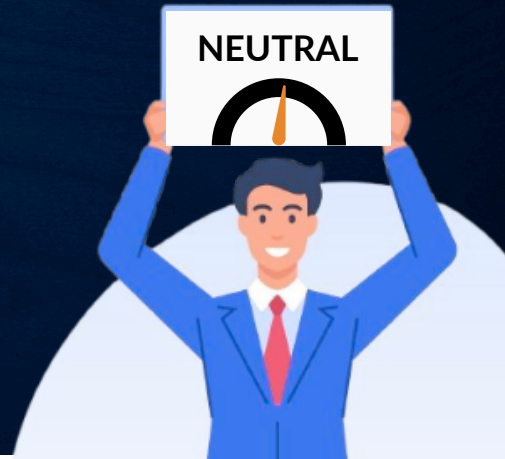


ZETWERK

IPO NOTE

ZETWERK MANUFACTURING BUSINESS



Rating:

NEUTRAL



ISSUE OFFER

Issue Opens on	OCT 15, 2026
Issue Close on	OCT 19, 2026
Total IPO size (cr)	₹5,012 CR
Fresh issue (cr)	₹2,830 CR
Offer For Sale (cr)	₹2,182 CR
Price Band (INR)	₹143-151
Market Lot	99 SHARES
Face Value (INR)	₹1
Listing At	BSE, NSE
Market Cap (Pre IPO)	₹25,583.25 CR

MINIMUM INVESTMENT DETAILS

Number of Shares	33,20,07,155
Minimum Investment Amount	₹14,949
Small-HNI (Min)/ 1386 Shares	₹2,09,286
Big-HNI (Min)/ 6633 Shares	₹10,01,583

INDICATIVE TIMETABLE

Basis of Allotment	21-10-2026
Refunds/Unblocking ASBA Fund	22-10-2026
Credit of Share to Demat A/c	22-10-2026
Listing Date	23-10-2026

ISSUE BREAK-UP (%)

QIB Portion		75%
Retail Portion		10%
NII Portion		15%

Zetwerk Manufacturing Businesses Private Limited is a technology-led global manufacturing platform.

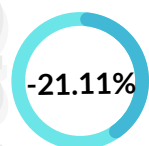
OBJECTS OF THE ISSUE

- Repayment or prepayment of existing loans, either partially or in full.
- Funding future acquisitions and strategic business expansion.
- Meeting general corporate and business requirements.
- Repayment or prepayment of the company's existing borrowings.

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2026	FY 2025	FY 2024
Equity Share Capital	11.38	11.30	10.70
Net Worth	4,813.72	4,453.76	4,062.46
Revenue from operations	15913.32	11331.85	12364.37
EBITDA Margin%	2.65%	2.85%	0.78%
Net Profit/Loss of the year	-1,606.17	-370.71	-917.95

FINANCIAL RATIOS OF FY26



RONW



P/B



P/E (Pre IPO)

OUTLOOK & VALUATION

- At the upper band, the stock is priced at roughly 1.6x FY26 revenue. Traditional EMS peers trade at P/S multiples of 3.5x to 6.0x due to net profitability. Zetwerk's lower P/S multiple reflects its lower operating margin profile and ongoing net losses.
- Net losses remain a major concern; consolidated loss stood at ₹1,606 Crore in FY26 (including discontinued operations). Continuing operations Q1 FY27 loss came in at ₹64 Crore.
- In FY26, interest burdens severely eroded operating returns. Eliminating the bulk of these high-cost working capital loans is estimated to save ₹180-220 Crore annually in finance costs, directly boosting pre-tax profit margins.
- Subscribing is recommended primarily for portfolios seeking high-beta, long-term industrial growth exposure.



COMPANY PROFILE

- Zetwerk is an asset-light manufacturing platform that connects customers with third-party suppliers and its own factories using proprietary Zetwerk OS. It was founded in 2017 and has generated ₹74,374 crore in cumulative GMV.
- Manufacturing contributed ₹9,375 crore (58.9%) of FY26 revenue, while Ecosystem/Terra91 contributed ₹6,539 crore (41.1%).
- The company works with 6,979 third-party suppliers across 26 countries.
- Manufacturing includes Energy Products (₹6,508 crore), Precision Products (₹1,397 crore) and Capital Goods (₹1,464 crore). Terra91 deals in metals and petrochemicals.
- Zetwerk operates 26 manufacturing facilities across India, Spain, the USA and Germany, with three more under construction.
- Zetwerk had a manufacturing order book of ₹13,062 crore as of June 30, 2026. Repeat customers contributed 80.15% of FY26 revenue.



COMPETITIVE STRATEGIES

- Expand product offerings and secure long-term contracts with customers.
- Focus on power equipment, AI data centres, precision components and emerging sectors like green hydrogen.
- Expand manufacturing in the USA and Europe while using India and Mexico to manage tariffs and delivery timelines.
- Increase design and engineering capabilities to develop more customised products.
- Build new facilities, acquire businesses, expand the supplier network and explore solar and PCB manufacturing.



KEY CONCERNS

- Persistent losses, negative operating cash flow, and low interest coverage of 1.15x.
- Civil Infrastructure losses and auditor concerns over receivables and internal controls.
- High dependence on third-party products, key customers and suppliers, and cancellable orders.
- ₹5,208 cr consolidated borrowings and ₹1,029 cr guarantees.
- Ongoing legal proceedings and US tariffs affecting solar pile orders.



KEY STRENGTHS

- 6,979 suppliers and 26 own facilities across 26 countries.
- Recurring components reached 71.2% of Manufacturing GMV in Q1 FY27.
- ₹13,062 crore order book and 80.15% repeat-customer revenue.
- Power transformers delivered in 12–15 months versus 30–42 months industry-wide.
- FY26 Manufacturing EBITDA of ₹565 crore, with a 6.03% margin.

COMPARISON WITH LISTED INDUSTRY PEERS

The RHP states that no listed company in India or globally has a comparable business model. According to company-commissioned Redseer research, the addressable platform opportunity for FY26 is estimated at ₹10.26–12.57 trillion in India and ₹2.07–6.26 trillion in the USA.



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