Ardee Industries Ltd

IPO Note

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Growing Presence in Metal Recycling

Ardee Industries Limited, incorporated in 1993, is engaged in the recovery and recycling of end-of-life energy storage products (primarily lead-acid batteries) and non-ferrous scrap. The company manufactures high-purity lead and specialised lead alloys, serving industries such as energy storage, e-mobility, automotive, and chemicals, with promoters bringing over four decades of experience in the lead and lead-alloys business.

The company is positioned within the secondary/recycled metals value chain, where demand is supported by the shift toward e-mobility, growth in organized battery recycling, tightening environmental regulations on lead-acid battery disposal, and rising preference among OEMs for reliable, compliant secondary-lead suppliers over unorganized players.

Its operating model is recycling and recovery-led, focused on reclaiming critical resources from waste streams and building long-term relationships with battery and auto-component manufacturers. However, the business carries meaningful customer concentration risk — its single largest customer, Amara Raja Energy and Mobility, contributed 40.64% of FY26 revenue, and its top 5 customers together account for 81.98% of revenue. This narrow base remains a key monitorable despite the strong growth trajectory. Operations are also concentrated at a single manufacturing site, with commodity-price exposure managed through hedging. Key strengths include an established position in organized lead recycling, sharp growth momentum, exposure to e-mobility tailwinds, and an experienced promoter background.

Financially, revenue rose sharply to INR 1,167.65 crore in FY26 from INR 462.96 crore in FY24, while PAT climbed to INR 84.68 crore from INR 8.95 crore — a revenue CAGR of 58.81% and PAT CAGR of 207.52%, among the sharpest growth trajectories seen in recent mainboard IPOs.

The IPO comprises a fresh issue of up to INR 320 crore and an Offer for Sale of up to 1.99 crore equity shares by promoters Sandeep Aggarwal and Nikunj Aggarwal, priced at INR 50-53 per share, valuing the company at INR 1,670.6 crore. Of the fresh issue, INR 220 crore is for incremental working capital, INR 22 crore for debt repayment, and the balance for general corporate purposes.

Industry	Recycling

Scrip Details	
Listing	BSE &NSE
Open Date	Aug 05, 2026
Close Date	Aug 07, 2026
Price Band	INR 50 – 53
Face Value	INR 2
Market Lot	281 Shares
Minimum Lot	1

Issue Structure	
Issue Size (INR cr)	425.87
Issue Size (Shares Cr)	8.04
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre Issue sh. (cr)	25.48
Post Issue sh. (cr)	31.52
Post Issue Market Cap (cr)	1670.6

Shareholding (%)	Pre(%)	Post (%)
Promoter	91.48	67.62
Public	8.52	32.38
TOTAL	**100.0**	**100.0**

Key Consolidated Financial Data (INR Cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net Profit (%)	EPS (INR)	BVPS (INR)	ROE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY23	411.8	22.8	8.6	*5.5*	*2.1*	0.3	0.6	*42.4*	*19.8*	*195.0*	*76.9*
FY24	463.0	28.1	9.0	*6.1*	*1.9*	0.3	0.9	*30.6*	*12.8*	*186.6*	*64.5*
FY25	742.7	65.9	33.3	*8.9*	*4.5*	1.1	2.0	*53.1*	*25.2*	*50.2*	*27.8*
FY26	1167.7	147.1	84.7	*12.6*	*7.3*	2.7	4.7	*57.5*	*44.1*	*19.7*	*12.4*

Source: Ventura Research & Company update

Issue Structure and Offer Details

Ardee Industries Limited IPO is a book build issue of INR 425.87 Cr. The issue comprises a fresh issue and offer for sale of 8.04 Cr Shares aggregating to Fresh Issue of INR 320 Cr and an offer for sale of INR 105.87 Cr.

Issue Structure

Investor Category	Allocation
QIB	Not more than 50.00% of the Net Offer
NII (HNI)	Not less than 15.00% of the Net Offer
Retail	Not less than 35.00% of the Net Offer

Number of shares based on a higher price band of INR 53

Source: Company Reports

Objects of the Issue:

The Company proposes utilizing the Net Proceeds from the Offer towards the following objects:

1. **Fresh Issue – INR 320 towards the following objects**
   - Meeting the Company's incremental working capital needs
   - Repaying or prepaying existing debt
   - General corporate purposes

2. Offer for Sale – INR 105.87 Cr

Proceeds go to the existing investors.

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Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	FY26
Income Statement				
Revenue	411.8	463.0	742.7	1,167.7
YoY Growth (%)		*12.4*	*60.4*	*57.2*
Raw Material Cost	354.6	367.0	584.7	900.1
RM Cost to Sales (%)	*86.1*	*79.3*	*78.7*	*77.1*
Employee Cost	9.4	20.9	21.9	32.3
Employee Cost to Sales (%)	*2.3*	*4.5*	*2.9*	*2.8*
Other Expenses	25.0	47.0	70.2	88.1
Other Exp to Sales (%)	*6.1*	*10.2*	*9.5*	*7.5*
EBITDA	22.8	28.1	65.9	147.1
Margin (%)	*5.5*	*6.1*	*8.9*	*12.6*
YoY Growth (%)		*23.3*	*135.0*	*123.1*
Depreciation & Amortization	2.8	6.4	8.7	11.4
EBIT	20.0	21.7	57.3	135.7
Margin (%)	*4.9*	*4.7*	*7.7*	*11.6*
YoY Growth (%)		*8.5*	*163.9*	*137.0*
Other Income	0.1	0.4	0.8	1.2
Finance Cost	7.3	10.3	13.4	24.0
Fin Charges Coverage (X)	2.7	2.1	4.3	5.7
Exceptional Item	0.0	0.0	0.0	0.0
PBT	12.8	11.8	44.6	112.9
Margin (%)	*3.1*	*2.5*	*6.0*	*9.7*
YoY Growth (%)		*(7.7)*	*278.8*	*153.0*
Tax Expense	4.2	2.8	11.4	28.3
Tax Rate (%)	*32.9*	*24.0*	*25.5*	*25.0*
PAT	8.6	9.0	33.3	84.7
Margin (%)	*2.1*	*1.9*	*4.5*	*7.3*
YoY Growth (%)		*4.5*	*271.6*	*154.5*
Min Int/Sh of Assoc	0.0	0.0	0.0	0.0
Net Profit	8.6	9.0	33.3	84.7
Margin (%)	*2.1*	*1.9*	*4.5*	*7.3*
YoY Growth (%)		*4.5*	*271.6*	*154.5*
Balance Sheet				
Share Capital	3.2	3.2	3.2	51.0
Total Reserves	17.0	26.1	59.4	96.4
Shareholders Fund	20.2	29.2	62.6	147.4
Long Term Borrowings	18.4	22.6	23.1	14.9
Deferred Tax Assets / Liabilities	0.2	(0.2)	(0.5)	(1.7)
Other Long Term Liabilities	0.0	0.2	0.3	1.4
Long Term Trade Payables	0.0	0.0	0.0	0.0
Long Term Provisions	0.2	0.4	0.6	1.2
Total Liabilities	39.0	52.2	86.2	163.3
Net Block	39.5	45.4	66.6	71.7
Capital Work in Progress	1.5	9.7	5.1	1.7
Intangible assets under development	0.0	0.0	0.0	0.1
Non Current Investments	0.0	0.0	0.0	0.0
Long Term Loans & Advances	0.0	0.0	0.0	0.0
Other Non Current Assets	3.3	9.8	8.1	7.9
Net Current Assets	(5.3)	(12.7)	6.4	81.8
Total Assets	39.0	52.2	86.2	163.3

Fig in INR Cr (unless specified)	FY23	FY24	FY25	FY26
Per share data & Yields				
Adjusted EPS (INR)	0.3	0.3	1.1	2.7
Adjusted Cash EPS (INR)	0.4	0.5	1.3	3.0
Adjusted BVPS (INR)	0.6	0.9	2.0	4.7
Adjusted CFO per share (INR)	(0.4)	(0.8)	0.2	0.9
CFO Yield (%)	(0.8)	(1.5)	0.5	1.8
Adjusted FCF per share (INR)	(1.0)	(1.2)	(0.2)	1.1
FCF Yield (%)	(1.8)	(2.3)	(0.4)	2.1
Solvency Ratio (X)				
Total Debt to Equity	4.0	4.9	2.6	1.2
Net Debt to Equity	4.0	4.8	2.6	1.1
Net Debt to EBITDA	3.6	5.0	2.5	1.1
Return Ratios (%)				
Return on Equity	42.4	30.6	53.1	57.5
Return on Capital Employed	13.3	9.6	18.7	30.7
Return on Invested Capital	19.8	12.8	25.2	44.1
Working Capital Ratios				
Payable Days (Nos)	3	7	11	4
Inventory Days (Nos)	22	33	22	36
Receivable Days (Nos)	19	31	29	8
Net Working Capital Days (Nos)	38	57	40	40
Net Working Capital to Sales (%)	10.3	15.6	11.1	10.9
Valuation (X)				
P/E	195.0	186.6	50.2	19.7
P/BV	82.6	57.1	26.7	11.3
EV/EBITDA	76.9	64.5	27.8	12.4
EV/Sales	4.3	3.9	2.5	1.6
Cash Flow Statement				
PBT	12.8	11.8	44.6	112.9
Adjustments	7.6	13.5	18.0	23.6
Change in Working Capital	(30.0)	(48.4)	(46.7)	(79.5)
Less: Tax Paid	(4.1)	(2.1)	(8.1)	(27.2)
Cash Flow from Operations	(13.8)	(25.3)	7.8	29.8
Net Capital Expenditure	(21.7)	(20.5)	(25.2)	(12.3)
Change in Investments	0.0	0.0	0.0	0.0
Cash Flow from Investing	(24.8)	(27.2)	(22.9)	(19.8)
Change in Borrowings	42.7	61.5	23.4	17.0
Less: Finance Cost	(4.9)	(7.2)	(10.0)	(13.0)
Proceeds from Equity	0.0	0.0	0.0	0.0
Buyback of Shares	0.0	0.0	0.0	0.0
Dividend Paid	0.0	0.0	0.0	0.0
Cash flow from Financing	37.8	54.4	13.3	3.8
Net Cash Flow	(0.8)	1.9	(1.7)	13.9
Forex Effect	0.0	0.0	0.0	0.0
Opening Balance of Cash	0.8	0.0	1.9	0.2
Closing Balance of Cash	0.0	1.9	0.2	14.1

Source: Company Reports

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