



IPO Note

ZETWERK MANUFACTURING BUSINESS LIMITED

OCT 15th, 2026



Oct 15th, 2026**Details of the Issue**

Price Band	₹ 143 - ₹ 151
Issue Size	₹ 5,012 Cr
Market Cap	₹ 25,583.25 Cr
Face Value	₹ 1
Bid Lot	99
Listing on	BSE,NSE
Investment Range	₹ 14,157 - ₹ 14,949

Important Indicative Dates (2026)

Opening	15 - Oct
Closing	19 - oct
Basis of Allotment	21 - Oct
Refund Initiation	22 - Oct
Credit to Demat	22 - Oct
Listing Date	23 - Oct

Lead Manager

Kotak Mahindra Capital Company Ltd
Morgan Stanley India Company Pvt Ltd
Goldman Sachs (India) Securities Pvt Ltd
Aventus Capital Pvt Ltd
JM Financial Ltd
HSBC Securities and Capital Market (India) Pvt Ltd
Pantomath Capital Advisors Pvt Ltd

Offer Details

Offer Size	₹ 5,012 Cr
Fresh Issue	₹ 2,830 Cr
OFS	₹ 2,182 Cr

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	3,840	254.3	268.5	75
NII	512	33.9	35.8	10
Retail	768	50.9	53.7	15
Em-ploy.	-	-	-	-
Total	5,120	339.1	358	100

[Invest Now](#)**Company Profile**

Zetwerk Manufacturing Businesses Pvt Limited is a technology-led, asset-light global manufacturing platform that connects industrial and consumer enterprises with a network of manufacturing partners to fulfil customised and large-scale production requirements. The company provides end-to-end manufacturing solutions, including design, supplier matching, quality control and logistics, supported by its proprietary Zetwerk OS platform for real-time tracking and transparency across the manufacturing lifecycle. It serves diverse industries, including electronics, renewable energy, aerospace and defence, oil & gas, capital goods, AI infrastructure and industrial automation, catering to customers ranging from startups to Fortune 500 companies. Zetwerk operates across 25+ countries, with a network of 10,000+ suppliers, 20+ manufacturing facilities across India, the US and Mexico, and a diversified customer base. In Fiscal 2026, the company served 1,802 customers, including 1,613 domestic and 189 international customers, leveraging its scalable manufacturing capacity, quality control systems and faster delivery capabilities to address global manufacturing demand.

GEPL's Insights & Investment Thesis:

- Zetwerk Manufacturing Businesses Ltd is a asset-light manufacturing platform, which integrates third-party suppliers across different manufacturing facilities and geographies.
- The company has been reporting losses over the last few years due to higher finance costs. Further, higher working capital requirements is leading to negative cash flows.
- Based on FY26 earnings, the issue is priced at a P/S of 1.6x, which appears fairly valued, however, the company has been reporting losses over the last few years, higher working capital requirement is leading to negative cash flows. Therefore, we recommend an “**Avoid**” rating for the issue.

Business Highlights & Services

Zetwerk's key strengths lie in its technology-driven, asset-light manufacturing platform, which integrates 6,979 third-party suppliers across 26 countries with 26 manufacturing facilities across four countries, enabling scalable production across diverse industries and geographies. Its proprietary Zetwerk OS integrates supplier selection, design engineering, production planning, quality control and logistics, providing real-time visibility across the manufacturing lifecycle, improving execution efficiency and supporting operating leverage as the business scales. The company has progressively diversified its business beyond India-focused, capex-driven and build-to-print manufacturing into international markets, recurring components and original design manufacturing (ODM), creating multiple growth drivers while reducing dependence on individual industries and project-based demand. The share of recurring components in manufacturing GMV stood at 50.85% in FY26, while ODM contracts contributed 13.93%, supporting greater revenue diversification and opportunities for margin improvement through value-added manufacturing and design capabilities. Its presence across Energy Products, Precision Products and Capital Goods enables it to capitalise on structural growth opportunities in renewable energy, power infrastructure, aerospace and defence, industrial automation and precision manufacturing. Strong customer relationships provide additional business visibility, with repeat customers contributing 80.15% of manufacturing revenue in FY26 and a median net revenue retention rate of 128.85% between FY23 and FY26, reflecting the potential to expand business with existing customers.

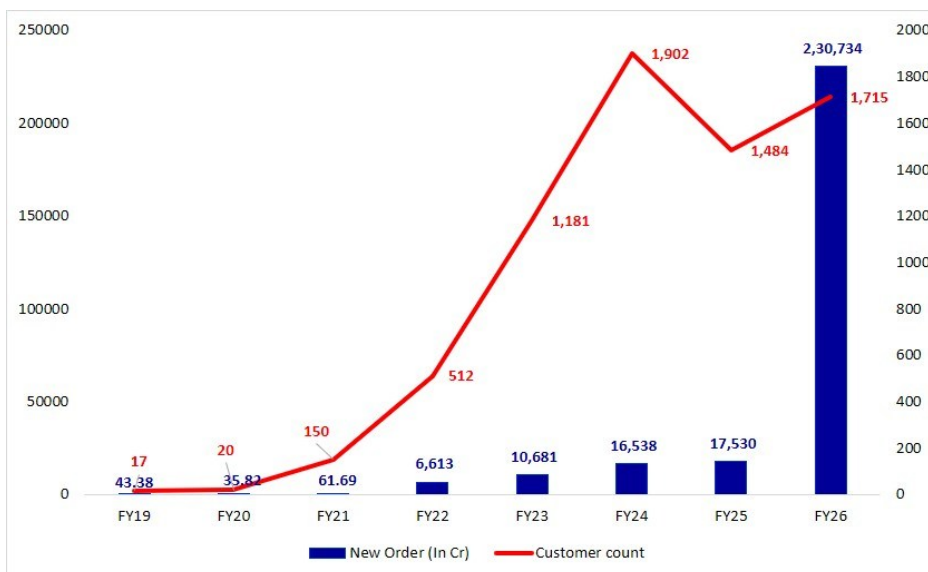


Furthermore, the manufacturing order book increased from ₹8,629 crore as of March 31, 2025, to ₹12,370 crore as of March 31, 2026, and further to ₹13,062 crore as of June 30, 2026, providing visibility into future execution. The company's hybrid model combines the scalability and capital efficiency of third-party manufacturing with selective investments in owned facilities for complex, high-value products, while its diversified sourcing network, commodity and foreign exchange hedging practices, and contractual price-variation clauses help mitigate operational and external risks. Collectively, these capabilities position Zetwerk to benefit from global manufacturing outsourcing, supply-chain diversification and industrial investment.

The company focuses on expanding existing customer relationships, diversifying industry exposure and strengthening its global manufacturing capabilities to drive sustainable growth. The company aims to increase its share of customer procurement by expanding from single-product supplies to multiple product categories and complete bill-of-material requirements, while catering to both capex-driven projects and recurring operational expenditure (opex) requirements. It also seeks to convert repeat orders into structured multi-year contracts, including take-or-pay agreements and sole-supplier arrangements, to improve revenue visibility, customer retention and business stability. Zetwerk intends to capitalise on structural demand opportunities in grid and power equipment, AI and data centre infrastructure, renewable energy, precision industrial components, aerospace and defence, and industrial automation. Its manufacturing capabilities enable it to coordinate production across multiple facilities and geographies, helping reduce lead times in supply-constrained industries; for instance, power transformer delivery timelines for US customers were 12-15 months in FY26, compared with industry averages of 36-42 months in the US.

The company also plans to expand internationally, with overseas markets contributing 29.60% of manufacturing revenue in FY26, by strengthening local execution capabilities in the US and Europe and optimising sourcing across India, Mexico and other countries to manage tariff exposure, logistics costs and geopolitical risks. Furthermore, Zetwerk aims to increase the contribution of original design manufacturing (ODM), which accounted for 13.93% of manufacturing GMV in FY26, through investments in engineering talent, product development and reusable design platforms, potentially supporting higher margins, stronger customer relationships and increased switching costs. Alongside this, the company plans to expand its supplier network, deepen integration of high-performing suppliers with Zetwerk OS and selectively increase owned manufacturing capacity through acquisitions and greenfield projects in areas such as solar and printed circuit board (PCB) manufacturing. These capacity additions will be guided by customer contracts, order book visibility and identified supply-demand gaps to mitigate underutilisation risks and preserve capital efficiency. Overall, these initiatives are aimed at strengthening customer relationships, diversifying revenue streams, improving value-added manufacturing capabilities and scaling the business while maintaining operational flexibility and resilience across economic cycles.

New Customer and New Order Trend





Geography wise revenue breakup

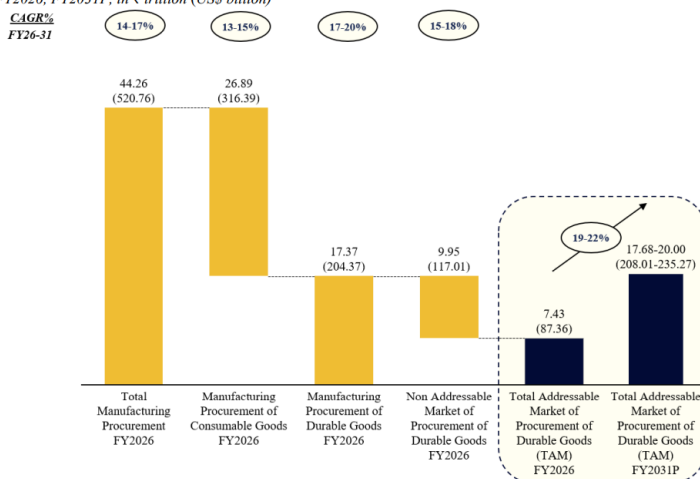
Particular	FY26		FY25		FY24	
	INR (in Cr)	% of revenue	INR (in Cr)	% of revenue	INR (in Cr)	% of revenue
India	13,135	83%	391	21%	354	19%
USA	2,280	14%	1,275	69%	1,176	62%
ROW	499	3%	171	9%	375	20%
Total	15,913	100%	1,836	100%	1,904	100%

Manufacturing Product breakup

Particular	FY26		FY25		FY24	
	INR (in Cr)	% of revenue	INR (in Cr)	% of revenue	INR (in Cr)	% of revenue
Energy Product	6,508	69%	3,482	56%	4,160	68%
Precision Product	1,397	15%	1,406	22%	581	10%
Capital Goods	1,464	16%	1,353	22%	1,316	22%
Other	6	0.06%	8	0.13%	25	0.41%
Total	9,375	100%	6,249	100%	6,082	100%

Industry Outlook

Exhibit 18a: Market Opportunity Funnel for Manufacturing Platforms - India
FY2026, FY2031P, in ₹ trillion (US\$ billion)



Source(s): Redseer research and analysis

Exhibit 19a: Total Addressable Market of Manufacturing Procurement for Durable Goods for Manufacturing Platforms- India
(FY2026, FY2031P, in ₹ trillion (US\$ billion))

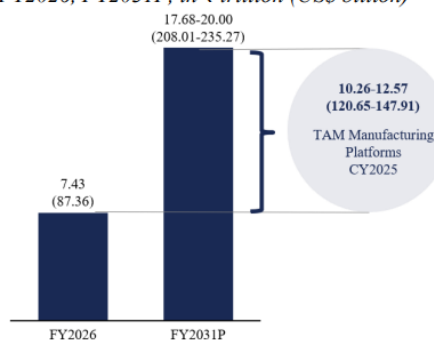
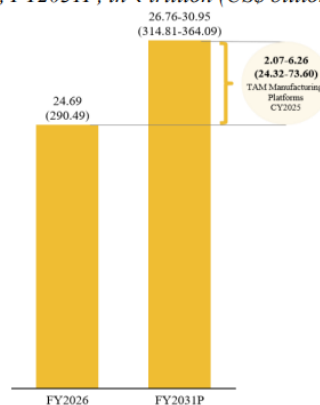


Exhibit 19b: Total Addressable Market of Manufacturing Procurement for Durable Goods for Manufacturing Platforms- US
(FY2026, FY2031P, in ₹ trillion (US\$ billion))



Source(s): Redseer research and analysis



Company's Competitive Strength

- The company unique business model enables us to serve multiple demand pools and makes us resilient across economic cycles.
- Ability to scale in a capital-efficient manner.
- Zetwerk OS, the proprietary technology enables end-to-end workflow management across the manufacturing lifecycle while driving powerful network effects across the operations.
- Deep relationships with customers driving higher revenue visibility and stickiness.
- Ability to add value-additive ecosystem services to the manufacturing platform.
- Experienced, cycle-tested management team backed by an experienced board of directors.
- Comprehensive and institutionalised risk management framework with protection against external risks.

Key Strategies Implemented by Company

- Increase wallet share with customers.
- Gain customers in rapidly expanding industries.
- Continue to diversify into new industries ahead of demand inflections.
- Continue to expand geographically.
- Increase design-led manufacturing and original design manufacturing.
- Expand and deepen the supplier network.
- Selectively expand own facilities through greenfield setups and acquisition of bolt-on capabilities.

Particular (INR in Cr)	FY26	FY25	FY24
Equity Capital	11	11	11
Reserves and Surplus	4,658	45	30
Net Worth	4,814	4,454	4,062
Revenue	15,913	11,332	12,364
Growth (%)	40%	-8%	
EBITDA	-354	293	-294
EBITDAM (%)	-2.22%	2.59%	-2.37%
PAT	-964	-215	-853
PATM (%)	-6.1%	-1.9%	-6.9%



Notes

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