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Generating Wealth

IPO Note
24th August, 2026

Skyways Air Services Ltd

Neutral

Rating: Neutral

Issue Offer

Total issue size:
Fresh - INR 3,988 Mn (28.90 Mn shares)
OFS – INR 1,840 Mn (13.33 Mn shares)

Issue Summary	
Price Band (INR)	131-138
Face Value (INR)	10
Implied Market Cap (INR mn)	20,057.4
Market Lot	100
Issue Opens on	24th August, 2026
Issue Close on	27th August, 2026
No. of share pre-issue	11,64,45,244
No. of share post issue	14,53,43,544
Listing	NSE, BSE

Issue Break-up (% of Total Issue)	
QIB Portion	50
Retail Portion	35
NII Portion	15

Book Running Lead Managers
Holani Consultants Private Limited
Shannon Advisors Private Limited
Dolat Finserv Private Limited

Registrar
Bigshare Services Private Limited

Shareholding Pattern	Pre-Issue	Post-Issue
Promoters	79.14%	54.23%
Public & Others	20.86%	45.77%

Objects of the Issue	
Repayment/pre-payment, in full or in part, of certain outstanding borrowings availed by our Company and our Subsidiary "Forin Container Line Private Limited"	21,678.67
Funding incremental working capital requirements of our Company	13,000

Skyways Air Services Limited is among India's leading integrated freight forwarding and logistics providers, moving international and domestic cargo across air, ocean and surface modes through freight forwarding, trucking, warehousing, customs broking and technology-driven express cargo delivery, serving end-markets including pharmaceuticals, textiles, electronics and automotive. The Company follows an asset-light model, owning no aircraft or vessels and instead deriving value from airline capacity allocations, carrier relationships and in-house customs capability. World ACD Market Data has ranked Skyways India's No. 1 air freight forwarder by air waybills generated for four consecutive calendar years from 2022 to 2025, with 9,504 customers served in FY26 and 83,923.81 tonnes of air cargo and 28,275 TEUs of ocean cargo handled across 1,204 pin codes. Its footprint spans 28 cities in India, complemented by operations in ten other countries.

Investment Rationale:

Strong Financial Performance: On a restated consolidated basis, Revenue from Operations grew from INR 12,891.10 Mn in FY24 to INR 28,128.99 Mn in FY26, a two-year CAGR of approximately 47.7%, while EBITDA compounded faster at 61.8% to INR 1,265.25 Mn, lifting EBITDA margin from 3.75% to 4.50%. PAT rose from INR 344.94 Mn to INR 635.24 Mn, a CAGR of 35.7%, with RoCE improving to 18.11% in FY26 from 14.61%.

Diversified Customer Franchise: Unusually for a mid-cap logistics issue, there is no single-customer dependency. Pharmaceuticals contributed 22.89% of FY26 revenue and textiles and apparel 13.04%, with decade-plus relationships including Cipla, Serum Institute of India and Torrent Pharmaceuticals, supported by the proprietary SLS 100X platform.

Balance Sheet Strengthening: Of the INR 5,827.96 Mn issue, INR 3,988 Mn is a fresh issue, so the majority of proceeds accrue to the business. INR 2,167.8 Mn is earmarked towards repayment of borrowings and INR 1,300 Mn towards incremental working capital, against a consolidated working capital gap of INR 3,110.7 Mn as of March 31, 2026, of which 86.23% was funded through borrowings. Promoter holding moderates from 79.14% to 56.82%.

Industry Tailwinds: India's logistics sector is estimated to expand from USD 215 Bn in 2021 to USD 357 Bn by FY2026 at a 10.7% CAGR, with domestic express logistics growing at a 14% CAGR over FY23–FY28, while air freight movement rose from 3.33 Mn tonnes in FY2020 to 3.96 Mn tonnes in FY2026 alongside cargo terminal development under UDAN and Bharatmala.

Valuation & Outlook:

Skyways Air Services is positioned to benefit from the structural expansion of India's air cargo and express logistics markets, supported by World ACD-verified leadership as India's No. 1 air freight forwarder for four consecutive years and an asset-light platform. Revenue compounded at approximately 47.7% over FY24–FY26 with EBITDA growing faster at 61.8%, while RoCE improved to 18.11% and RoNW of 12.33% is the highest among the four listed peers disclosed in the RHP. Revenue is well diversified with no single-customer dependency, and the fresh issue of INR 3,988 Mn should reduce finance costs. Set against this, PAT margin has remained confined to a narrow 2.14%–2.68% band, with RoNW eroding in each disclosed year from 20.26%, growth has come from volumes rather than pricing as air freight realisation slipped 7.88% to INR 258 per kg, and a pending FIR naming the Company alongside material subsidiary Brace Port Logistics merits separate consideration. At the upper band of INR 138, the issue is valued at a P/E ratio of 31.57x, based on post-issue EPS of INR 4.37. Considering that the leadership position is already priced in, we recommend a **"Neutral"** rating for the issue.

Particulars (INR Mn)	FY24	FY25	FY26
Revenue	12891.10	22478.25	28128.99
Growth (% YoY)		*74.37%*	*25.14%*
EBITDA	483.46	861.77	1265.25
Margins	*3.75%*	*3.83%*	*4.50%*
PAT	344.94	481.40	635.24
Margins	*2.68%*	*2.14%*	*2.26%*

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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