

PRE-IPO NOTE

Basic Parameters

M Cap.	161.1 Cr.
CMP	₹ 300
52 W H/L	300 / 300
Face Value	₹ 10
No. of Shares	53.5 Lk.

Industry Analysis:

- The electro-optics and precision engineering sector is a highly specialized industry that encompasses the development and manufacturing of advanced optics and electronic systems.
- It's closely tied to defense, aerospace, and surveillance sectors, serving critical needs in national security and scientific exploration. The industry is marked by high barriers to entry due to the technical knowledge required and is driven by innovation and intellectual property, with a strong focus on research and development. Global trends show increasing demand for advanced surveillance equipment, thermal imaging, and night vision technology, reflecting heightened security measures and technological advancements in civilian and military applications.
- The sector also sees significant investment in the development of lightweight and more sophisticated equipment, with companies striving to offer unique and proprietary products.

About The Company

At S4E, innovation is the core strength, rooted in over three decades of dedicated pursuit of excellence. The journey, initiated by a Padmashri Nominee, reflects a commitment to pushing the boundaries of technology.

- **Unprecedented Precision** : The state-of-the-art Nano Machining facility in India sets industry standards. With a focus on mechanical components boasting an astonishing 1-micron tolerance and optical elements featuring an exquisite 3 nm surface finish, they redefine precision engineering.
- **Stellar Space Contributions** : They have played a pivotal role in space exploration with the groundbreaking technology and processes for crafting large telescopic mirrors, as showcased in the MACE PROJECT.
- **Innovative Patents** : With four patents in Electro Optics already secured and three more in the pipeline, the commitment to intellectual property and innovation is unwavering.
- **Expanding Horizons** : The vision extends beyond Electro Optics. They have embarked on an exciting journey, developing lightweight Drone Cameras, cutting-edge Counter Drone systems, and VTOL technologies through the "Make in India" initiative.



Business Model

The company specializes in electro-optics and precision engineering, focusing on developing advanced technological solutions. Their portfolio includes innovative work in nano-machining and a strong emphasis on research and development in areas critical to enhancing the capabilities and applications of electro-optic technologies.

Products Portfolio:

Company currently working under two segments:

- **Repairs of electro optics (Thermal Camera):** Company having with its own technology also importing latest modules/designs for repairing and updating old one electro optics. This is the new segment added by the company.
- **Air Purifier Monitoring System:** Manufacturing air purifying system for confined places such as small rooms and in cars. Most of the sales of FY23 have been generated from this segment.

The company is planning to expand into new segments in the future.

- **Anti Drone System:** Company is planning to acquire technology from Israel for this. As per management margins will be high in this segment as compared to electro optics segments.
- **Drone Cameras:** Drones specifically made for Solar Panel Cleaning and for finding wind mill defects.

Some Key Points from management interview:

- Company expecting revenue of Rs. 45 to 50 cr in FY 2024 and Rs. 100 cr in FY 2025.

Peers :

- BEL
- Tonbo Imaging Private Limited
- Tata Advanced Systems Limited

Products of The Company

- **PRM 25, Micro Reflex Sight** : Weighs 55 grams, making it exceptionally lightweight and compact, suitable for most subcompact and pocket pistols with optics compatibility.



- **AP 37, Telescopic Sight 4x/5x :**



- **Dhristi 5x to 25x Zoom**



- **Night Vision Binocular**



Passive Night Vision Binocular equipped with a Gen II or Gen III (II tube) image intensifier, designed to seamlessly operate in highly challenging low-light environments. Its adaptability and performance make it a valuable asset for military applications, ensuring optimal visibility in extreme low-light conditions.

- **Long Range Camera**



Financial Performance:

Particulars	FY 2022	FY 2023
Revenue	38.31	31.20
EBITDA	12.25	16
EBITDA Margin	32.13%	52.72%
NP Margin	16.24%	27.34%
PAT	6	8.3
Interest Coverage Ratio	10.37	6.79
D/E Ratio	0.12	0.07
Current Ratio	2.15	1.79
EPS	13.05	15.89
Return on Net Worth	14%	13.57

Valuation:

Particulars	FY 2023
P/E Ratio	18.88
P/B Ratio	2.56
Mcap	163 Cr





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