

M&B Engineering Ltd.

‘SUBSCRIBE’

30-07-2025 TO 01-08-2025

Industry: Industrial Manufacturing / Industrial Products

Price Band: ₹366 to ₹385

Recommendation: Subscribe for long term

Post Implied Market Cap: ₹2,200 Cr

Key Data

Issue Size (₹ Cr)	₹650
Fresh (₹ Cr)	₹275
OFS (₹ Cr)	₹375
No of shares offered (total issue)	1,68,83,116
Face Value (₹ /share)	₹10
Bid Lot	38 Shares

Indicative Timetable

IPO Open Date	Wed, Jul 30, 2025
IPO Close Date	Fri, Aug 1, 2025
Tentative Allotment	Mon, Aug 4, 2025
Initiation of Refunds	Tue, Aug 5, 2025
Credit of Shares to Demat	Tue, Aug 5, 2025
Tentative Listing Date	Wed, Aug 6, 2025
Cut-off time for UPI mandate confirmation	5 PM on August 1, 2025

Shareholding (No. of shares)

Pre-Issue	5,00,00,000
Post-Issue	5,71,42,857

Issue Breakup

QIB	75%
NII	15%
Retail	10%

Other Details

BRLMs: Equirus Capital Private Limited, DAM Capital Advisors Limited.

Registrar: MUFG Intime India Private Limited (Formerly Link Intime India Private Limited)

Research Analyst

Anshul Jain
Anshul.Jain@lakshmishree.com
8767231444

About the company

M&B Engineering, established in 1981, is a leading Indian provider of Pre-Engineered Buildings (PEBs) and self-supported steel roofing solutions. They offer comprehensive services encompassing design, engineering, manufacturing, and installation across various industrial and infrastructure sectors. With dual divisions, Phenix for PEBs and structural steel and Proflex for self-supported roofing, M&B Engineering has completed over 9,500 projects and exports to 22 countries.

Investor Rationales

Market Leadership & Strong Fundamentals: M&B Engineering Ltd. is a key player in India's Pre-Engineered Building (PEB) market and holds a significant 75% market share in the self-supported steel roofing sector as of FY24. The company has a strong financial track record, including a high Return on Equity (ROE) of 25.13% and Return on Capital Employed (ROCE) of 24.80% as of March 31, 2025.

Comprehensive Solutions & Strong Order Book: They offer end-to-end design, engineering, manufacturing, and installation services for PEBs and roofing solutions. As of June 30, 2025, M&B Engineering Ltd. had a robust order book of ₹842.84 crore, indicating a strong pipeline for future revenue generation.

Experienced Management & Diversified Clientele: M&B Engineering Ltd. serves a diverse range of sectors, including manufacturing, food and beverages, warehousing, and power, reducing reliance on any single industry.

Operational Efficiency & Scalability: M&B Engineering Ltd. utilizes strategically located manufacturing facilities and 14 mobile manufacturing units for its self-supported roofing division, enabling efficient and scalable operations. The company's in-house design and engineering capabilities contribute to its efficiency and ability to deliver customized solutions.

Growth Opportunities: The Indian PEB market and self-supported roofing market are poised for significant growth, which M&B is well-positioned to capitalize on.

Risk

Roughly two-thirds of revenues come from design, manufacture and installation of PEBs.

Related party transactions risk: Some directors & promoters have interest in other subsidiaries & entities.

Our views

M&B Engineering Ltd. (MBEL) impresses with its 75% market share in self-supported roofing, a 25%+ ROE, and over 9,500 completed projects—underscoring leadership in India's PEB sector. Backed by strong order books, scalable operations, and strategic in-house design, MBEL is primed to ride the structural boom. Its export reach and experienced management further solidify its growth story. However, overdependence on PEBs and promoter-linked transactions raise governance and concentration risks. Despite these, MBEL's financial strength and sectoral demand tailwinds make it a compelling play. We believe the company offers solid long-term potential in infrastructure-driven growth. Verdict: Subscribe for sustained value creation.

CONSOLIDATED FINANCIALS – BASIC FINANCIAL DETAILS

Financial KPIs	Unit	Fiscal 23	Fiscal 24	Fiscal 25
Revenue from Operations	In ₹ Cr	880.47	795.06	988.55
EBITDA	In ₹ Cr	66.43	79.62	126.38
EBITDA Margin	%	7.54%	10.01%	12.78%
Restated Profit/(Loss) for the Year	In ₹ Cr	32.89	45.63	77.05
PAT Margin	%	3.70%	5.65%	7.73%
Return on Equity	%	18.89%	19.68%	25.13%
Return on Capital Employed	%	19.70%	19.17%	24.80%
Net Debt	In ₹ Cr	23.14	105.61	101.32
Net Debt to EBITDA	times	0.35	1.33	0.80
Net Debt to Equity	times	0.13	0.45	0.33
Net Fixed Assets Turnover Ratio	times	10.91	5.54	5.56
Net Working Capital	In ₹ Cr	159.73	241.45	288.09
Net Working Capital Days	No of days	66	111	106
Operational KPIs	Unit	Fiscal 23	Fiscal 24	Fiscal 25
Installed Capacity	MTPA	72000	72000	103800
Installed Capacity for self-roofing systems	square meters	1650000	1650000	1800000
Number of manufacturing plants	In Number	1.00	1.00	2.00

Source: Company RHP

M&B Engineering Ltd. IPO Peer Comparison

(As on March 31, 2025)

Company Name	EPS (Basic)	EPS (Diluted)	NAV (per share) (Rs)	P/E (x)	RoNW (%)	Financial statements
M & B Engineering Ltd.	15.41	15.41	61.31		25.14	Consolidated
Pennar Industries	8.84	8.84	73.99	25.23	11.96	Consolidated
Bansal Roofing Products	4.2	4.2	25.13	28.39	16.71	Consolidated
BirlaNU	-43.63	-43.63	1606.51		-2.72	Consolidated
Everest Industries	-2.28	-2.28	377.13		-0.6	Consolidated
Interarch Building Products	68.51	68.03	451.56	33.69	14.35	Consolidated

Notes:

Basic EPS and Diluted EPS refer to the Basic EPS and Diluted EPS sourced from the financial statements of the respective company.

P/E Ratio has been computed based on the closing market price of equity shares on BSE on July 07, 2025 divided by the Diluted EPS provided.

Return on net worth (RoNW) is computed as profit for the year attributable to common shareholders of the parent divided by net worth (excluding non-controlling interest), as at March 31, 2025.

NAV per equity share has been computed as the net worth attributable to common shareholders (excluding non-controlling interest) divided by the total number of shares outstanding, as at March 31, 2025.

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SEBI Regn. No.: INZ000170330 | Mutual Fund: ARN-77739 | Research Analyst: INH000014395

Registered Office:

Unit No 407, IV Floor, Marathon Icon, Ganpat Rao Kadam Marg, Lower Parel West, Mumbai 400013
Contact No: (022) 43431818

Corporate Office:

Shree House C-29/61-5 Teliyabag Varanasi, UP 221002
Contact No: (0542) 6600000

Email: info@lakshmishree.com, Website: www.lakshmishree.com
Compliance Officer: Abhishek Sharma
Email Id: compliance@lakshmishree.com
Phone No +91 92353 95868