

Recommendation	Subscribe
Price Band	Rs 366-385
Bidding Date	30 Jul – 01 Aug 2025
Book Running Lead Manager	Equirus Cap Ltd, DAM Cap Ltd,
Registrar	MUFG Intime Ind Private Ltd
Sector	Construction

Minimum Retail Application- Detail At Cut off Price

Number of Shares	38
Minimum Application Money	Rs. 14630
Payment Mode	ASBA

Financials (Rs Cr)	FY24	FY25
Total Income	795	989
EBITDA	80	126
PAT for the year	46	77

Valuations (FY25)	Upper Band
Market Cap (Rs Cr)	2,200
Adj EPS	13
PE	29
EV/ EBITDA	18
Enterprise Value(Rs Cr)	2306

Post Issue Shareholding Pattern	
Promoters	70.5%
Public/Other	29.5%

Offer structure for different categories	
QIB	75%
Non-Institutional	15%
Retail	10%
Post Issue Equity (cr)	57.1
Issue Size (Rs in cr)	650
Face Value (Rs)	10

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BACKGROUND

M&B Engineering Ltd is a leading Indian player in Pre-Engineered Buildings (PEB) and self-supported roofing, operating through two key divisions: Phenix (PEB structures) and Proflex (roofing systems). The company has executed over 9,500 projects across India and 22 countries, with a strong customer base including Adani, Tata, and Intas. As of FY25, it achieved ₹988.5 Cr in revenue, with 77% from Phenix and 23% from Proflex, and over half of this from repeat clients. M&B operates two advanced manufacturing units and 14 mobile roofing units, supported by a robust in-house team of engineers and project managers.

Details of the Issue:

The public issue consists of OFS aggregating up to Rs 375 Cr. And fresh issue up to Rs 275 Cr. Company proposes to utilize the Net Proceeds towards:-

- Funding the capex for the purchase of equipment and machinery, building works, solar, Rooftop grid and transport vehicles at Manufacturing Facilities :- 130.6 Cr
- Investment in IT software upgradation :- 5.2 Cr
- Re-payment of term loans in full or in part of certain borrowings availed by Company :- 58.8 Cr

Investment Rationale:

- Leading Capacity and Global Presence in PEB Industry
- One-Stop Engineering Solution with Advanced Capabilities
- Strong and Long-Term Customer Relationships Across Industries
- Strategic Manufacturing Locations with In-House Design Capabilities
- Consistent Financial Growth and Strong Profitability

Valuation and Recommendation:

M&B Engineering Ltd has a strong track record with over 9,500 projects and a solid order book of ₹842.8 Cr. It leads peers in financial performance with the highest ROE (25.1%), ROCE (24.6%), and strong EBITDA margins (12.8%). The company shows consistent revenue growth and solid capital efficiency. Despite this, the IPO is priced reasonably with a P/E of 28.6x and EV/EBITDA of 18.2x. Given its robust order book, profitability, and fair valuation, we recommend a Subscribe rating for the IPO.

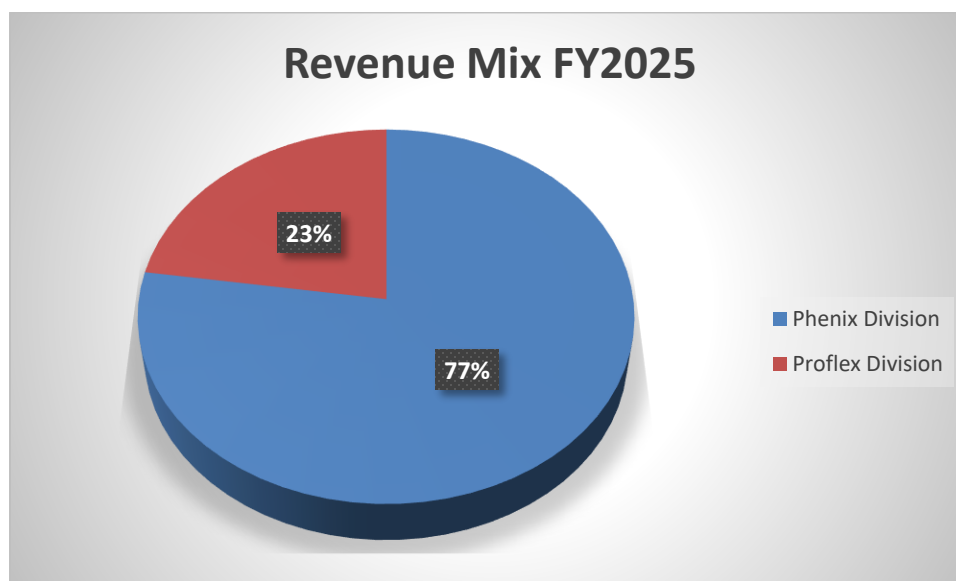
Financials	FY23	FY24	FY25
Net Revenues	880	795	989
Growth (%)	-	-9.7%	24.3%
EBITDA	66	80	126
EBITDA Margin (%)	7.5%	10.0%	12.8%
PBT	45	61	102
Adjusted PAT	33	46	77
EPS	5.76	7.99	13.48
ROCE	19.6%	19.1%	24.6%
EV/Sales	2.6	2.9	2.3
EV/EBITDA	34.7	29.0	18.2
P/E	66.9	48.2	28.6

Source: Company data, NBRR

Company Background

M&B Engineering Ltd is a leading company in India's Pre-Engineered Buildings (PEB) and self-supported roofing space. It operates through two divisions: Phenix, which handles PEB structures and complex steel components, and Proflex, which offers self-supported steel roofing. As of March 31, 2025, the company had a PEB manufacturing capacity of 103,800 MTPA and roofing capacity of 18 lakh square metres per year. It has completed over 9,500 projects, including more than 7,900 roofing projects and 1,600 PEB/steel structure projects across India and 22 other countries. M&B provides end-to-end solutions from design to on-site erection. Its Phenix division caters to industrial segments like bridges, flyovers, and power plants, while Proflex serves diverse industries such as food, textiles, logistics, and railways.

The company's clientele includes reputed names like Adani Group, Tata Advanced Systems, Intas Pharmaceuticals, and Haldiram. In FY25, it earned ₹988.5 Cr in revenue, with 77% from Phenix and 23% from Proflex. Repeat customers contributed over 57% of FY25 revenue, showing strong relationships and trust. Notable projects include roofing for Vande Bharat depots, railway stations, a US-based temple, and industrial facilities for global manufacturers. The company has two manufacturing facilities in Gujarat and Tamil Nadu, and 14 mobile roofing units for on-site work. It uses advanced software like TEKLA, STAAD PRO, and SAP-H4 Hana for design and operations. M&B holds ISO, NABL, FM Global, and AISC certifications, with the Sanand plant being the only AISC-certified PEB facility in India. Its in-house team includes 98 design engineers and 149 project managers for seamless execution. The company has a strong pan-India marketing network with presence in cities like Mumbai, Chennai, Hyderabad, and Delhi. Its experienced management team and 150+ years of combined promoter experience position it well for future growth in India's expanding infrastructure and industrial sectors.



Investment Rationale

Leading Capacity and Global Presence in PEB Industry

M&B Engineering Ltd is among the top players in India's PEB industry, with a large installed capacity of 103,800 MTPA for steel structures and 18 lakh sq. meters for roofing. The company has completed over 9,500 projects and exports to 22 countries including the US, Brazil, and South Africa. Its global expansion is supported by a US-based subsidiary with a marketing office in Texas. M&B's leadership gives it benefits like cost efficiency and strong pricing power. In FY25, exports contributed over ₹64.5 Cr to revenue. Its wide reach and consistent international business highlight its strong global positioning. The company is also actively targeting opportunities in North and South America.



One-Stop Engineering Solution with Advanced Capabilities

The company offers complete design-to-installation solutions for PEBs, structural steel, and roofing through its Phenix and Proflex divisions. It handles complex projects like retractable-roof shipyards and large infrastructure buildings with ease. M&B manages the entire process—design, manufacturing, testing, and on-site erection—ensuring quality, efficiency, and cost control. It serves a variety of industries and project sizes with custom-built solutions. The company uses modern software tools and manufactures all core components in-house. In FY25, Phenix contributed 77% and Proflex 23% to total revenues. This integrated approach positions M&B as a trusted, full-service engineering partner.

Strong and Long-Term Customer Relationships across Industries

With over 9,500 executed projects, M&B has built deep relationships with clients across industries like energy, logistics, pharma, food, and automotive. Its client list includes major names like Adani, Tata Advanced Systems, Intas Pharma, and Haldiram. In FY25, repeat customers contributed 57% of revenues, proving strong client loyalty. As of June 2025, it has a robust order book of ₹8,42.8 Cr, ensuring visibility and future growth. Its ability to meet diverse, high-spec demands helps retain and attract clients. M&B's consistent quality and timely delivery make it a preferred partner. Long-term ties help optimize capacity, reduce costs, and drive profitability.

Strategic Manufacturing Locations with In-House Design Capabilities

M&B Engineering has two well-placed manufacturing units—Sanand in Gujarat and Cheyyar in Tamil Nadu—which help reduce transportation costs and serve customers across India. These units have a combined installed capacity of over 1 lakh MTPA for PEBs and are equipped with high-end machinery and quality systems. The company also operates 14 mobile units for roofing projects, allowing it to serve clients at remote sites. M&B has strong in-house design teams in Hyderabad, Chennai, and Ahmedabad, using advanced CAD software for project customization. It also generates solar power at its plants, helping reduce electricity costs and improving sustainability. The Sanand facility is certified by top institutions, including AISC, showing high-quality standards. Overall, its manufacturing scale, location advantage, and engineering depth support efficient and customized project delivery.

Consistent Financial Growth and Strong Profitability

M&B has shown a steady improvement in its financial performance over the past three years, with revenues reaching ₹988.5 Cr in FY25. Its EBITDA margins improved from 7.5% in FY23 to 12.8% in FY25, while PAT margins also increased to 7.7%. The company's return on equity was a strong 25.1% in FY25, reflecting efficient capital usage. Despite capacity expansion, the company has kept its debt low, with a net debt-to-equity ratio of just 0.33. Its working capital is stable, and it now operates two manufacturing plants, up from one in FY23. These financial metrics demonstrate M&B's focus on profitability, cost control, and sustainable growth. A healthy balance sheet provides the flexibility to fund future expansion and innovation.

Risks

Rising steel and raw material prices can impact margins and overall profitability.

Steel is one of the key raw materials used in the company's manufacturing operations. A sustained increase in steel prices can significantly raise overall production costs. With limited ability to pass on these costs to customers, the company's profit margins may come under pressure.

Failure to meet customer specifications may lead to penalties or loss of reputation.

Client contracts include strict technical and quality requirements, delays or failure to meet standards can result in penalties or warranty claims. This may affect reputation and future business prospects.

Low Capacity Utilization Can Weaken Financial Performance

Capacity utilization at manufacturing facilities has remained below optimal levels in recent years. Lower output at existing facilities or new units could lead to inefficiencies and cost absorption issues. Utilization rates depend on demand, raw material availability, and execution capabilities. Prolonged underutilization may negatively affect profitability and growth projections.

Valuation and Recommendation

M&B Engineering Ltd has built a strong presence in India's PEB and self-supported roofing space through its comprehensive project execution, large-scale manufacturing capacity, and diverse client base. With over 9,500 projects completed and a robust order book of ₹842.8 Cr, the company is well-poised to benefit from increasing demand in industrial and infrastructure sectors.

In peer comparison, M&B Engineering Ltd demonstrates stronger financial performance, with the highest ROE (25.1%) and ROCE (24.6%), reflecting superior capital efficiency. It also leads in EBITDA margin (12.8%) and revenue CAGR (6%), indicating robust profitability and growth. Despite this, the IPO is being offered at reasonable valuations, with a lower P/E (28.6x) compared to the peer average. It's EV/EBITDA multiple (18.2x) is in line with peers, suggesting fair pricing for its operational strength. Considering the healthy order book, efficient operations, and attractive valuation, we recommend a Subscribe rating to the IPO.

Listed Peers

FY 25	Pennar Ind Ltd	Bansal Roofing Products Ltd	Interarch Building Products Ltd	Average	M & B Engineering Ltd
Revenue	3,227	97	1,454	1592	989
CAGR (FY23-25)	5.6%	1.8%	2.3%	3%	6%
EBITDA Margin	9.6%	9.5%	9.4%	9%	12.8%
Asset Turns (x)	1.8	2.5	1.9	2	2.0
Wkg Cap Days	72	49	64	62	68
ROCE	15.4%	20.6%	18.8%	18%	24.6%
ROE	11.9%	16.7%	14.4%	14%	25.1%
Debt/Equity	0.8	0.1	0.03	0.3	0.6
EV/EBITDA	12.9	18.2	26.8	19	18.2
P/E	28.3	29.3	35.5	31	28.6
Price/Sales	1.06	1.74	2.55	1.8	2.2

Source: Company Data, NBRR

Financials

Consolidated Nos

P&L (Rs. Cr)	FY23	FY24	FY25
Net Revenue	880	795	989
% Growth	-	-10%	24%
Cost of goods sold	668	573	675
% of Revenues	75.9%	72.1%	68.3%
Employee Cost	75	81	99
% of Revenues	8.6%	10.2%	10.0%
Other expenses	71	61	88
% of Revenues	8.0%	7.7%	8.9%
EBITDA	66	80	126
EBITDA Margin	7.5%	10.0%	12.8%
Depreciation	10	9	13
Other Income	9	13	8
Interest	19	23	20
Exceptional item	0	0	0
PBT	45.5	60.9	102.2
Tax	13	15	25
Tax rate	28%	25%	25%
Adj PAT	32.9	45.6	77.0
% Growth	-	39%	69%
EPS (Post Issue)	5.8	8.0	13.5

Ratios & Others	FY23	FY24	FY25
Debt / Equity	0.8	0.9	0.6
EBITDA Margin (%)	8%	10%	13%
PAT Margin (%)	4%	6%	8%
ROE (%)	18%	20%	25%
ROCE (%)	20%	19%	25%

Turnover Ratios	FY23	FY24	FY25
Debtors Days	49	64	71
Inventory Days	72	90	119
Creditor Days	56	43	84
Asset Turnover (x)	2.7	1.8	2.0

Valuation Ratios	FY23	FY24	FY25
Price/Earnings (x)	67	48	29
EV/EBITDA (x)	35	29	18
EV/Sales (x)	3	3	2
Price/BV (x)	12	9	7

Source: Company Data, NBRR

Balance Sheet (Rs. Cr)	FY23	FY24	FY25
Share Capital	20	50	50
Other Equity	161	183	257
Minority Interest	-1	0	0
Networth	180	233	307
Total Loans	150	205	191
Other non-curr liab.	5	4	7
Trade payable	134	93	227
Other Current Liab	90	97	119
Total Equity & Liab.	559	633	849
Property, Plant and Equipme	74	76	169
CWIP	2	66	2
Goodwill/Other Intangible a	5	2	7
Non Currrent Financial asse	10	11	10
Other non Curr. assets	0	0	0
Inventories	175	196	322
cash and cash equivalents	98	73	30
Bank bal	27	26	55
Investments+loans	0	0	0
Trade receivables(debtor)	119	139	192
Other Current assets	48	45	62
Total Assets	559	633	849

Cash Flow (Rs. Cr)	FY23	FY24	FY25
Profit Before Tax	45	61	102
Provisions & Others	-0	-1	-1
Op. profit before WC	70	89	125
Change in WC	-29	-65	-68
Less: Tax	-12	-18	-21
CF from operations	29	6	36
Purchase/Sale of fixed asset	-17	-67	-39
Loans and advances/ Div	0	-0	0
Interest, dividend and other	5	5	5
CF from Investing	-12	-62	-34
Proceeds of Borrowings/ Ter	49	56	-19
Share Issue Expenses	0	-0	-6
Repayment of Lease Liability	-0.4	-0.8	-1
interest & div paid	-19	-23	-20
CF from Financing	30	32	-45
Net Change in cash	47	(25)	(44)
Cash & Bank at beginning	51	98	73
Cash & Bank at end	98	73	30

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