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28th July, 2025

Date – July 28, 2025

M&B Engineering Ltd.

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IPO Details	
Price Band (INR)	336-385
Face Value (INR)	10
Issue Open/Closing Date	July 30, 2025 to August 1, 2025
Fresh Issue (in INR crores)	275
OFS (in INR crores)	375
Total Issue (in INR crores)	650
Implied Market Cap (in INR crores; at higher band)	2200
Object of the Issue	upgrade machinery, enhance IT systems, repay debt, and fund general corporate needs to support growth and efficiency.

Strengths	
Robust industry growth	
Emerging Demand in Tier II and III Markets	
Private Capex Revival Supporting Industrial Projects	
Scalability Driving Margin Improvement	
Policy Support and Industrial Incentives Boosting Execution	
Sustainability Trends Favoring Steel Structures	
Risk	
High Dependence on a few products	
Project based business model limits recurring revenue	
Regulatory and environmental risks	
Raw material price volatility	
Cyclical nature of end user	

Particular (in INR crores)	FY23	FY24	FY25
Revenue	880.47	795.06	988.55
EBITDA	66.43	79.62	126.38
EBITDA Margin	7.54%	10.01%	12.78%
PAT	32.89	45.63	77.04
PAT Margin	3.70%	5.65%	7.73%
EPS (in INR)	9.29	12.89	21.40
ROE (in %)	18.89%	19.68%	25.13%
ROCE (in %)	19.70%	19.17%	24.80%
Fixed Asset T/O	10.91	5.54	5.56

About the Company:

Founded in 1981 and headquartered in Gujarat, M&B Engineering Limited is a leading player in the pre-engineered buildings (PEB) and self-supported steel roofing segment in India. The company operates under two key brands—Phenix (PEB solutions) and Proflex (roofing systems)—serving a wide range of sectors including manufacturing, logistics, infrastructure, warehousing, and textiles. With manufacturing units in Gujarat and Tamil Nadu, and a network of mobile fabrication sites, M&B has executed over 9,500 projects across the country. The company is known for offering design-to-delivery turnkey solutions that enable faster, scalable, and cost-effective construction for industrial and commercial clients.

Strong Infrastructure & Industrial Growth Push:

The Indian PEB and structural steel construction industry is on a strong growth trajectory, driven by rising demand for speed, efficiency, and cost-effectiveness in construction. The sector is expected to grow at a CAGR of 9–11% over the next 4–5 years, with market size estimates ranging between INR 15,000 to 20,000 crore by FY28, depending on sector adoption. With government initiatives like PM Gati Shakti, PLI schemes, and Make in India, demand for efficient and quick-to-deploy construction solutions like those offered by M&B Engineering is gaining momentum. This creates a steady pipeline for their PEB and roofing solutions.

Preference for Faster Turnaround in Capex Projects:

Corporations are under pressure to optimize RoI on new investments, which has led to demand for quick, plug-and-play construction solutions. PEBs offer up to 40–50% time savings compared to RCC structures, making them an attractive choice, and M&B is well-positioned in this niche.

Rise in Organized Warehousing and Logistics:

The rapid expansion of e-commerce, 3PL logistics, cold chain, and FMCG sectors is driving demand for organized, large-scale warehousing infrastructure across India. These developments increasingly favor modular and scalable PEB solutions, directly benefiting M&B's Proflex and Phenix divisions.

Increasing Shift Toward Capex-Led Private Investment:

As corporate India resumes its capital expenditure cycles in manufacturing, textiles, automotive, and chemicals, there's a strong demand for setting up new plants or expanding capacity. M&B Engineering, with its turnkey industrial construction solutions, stands to benefit from this private sector capex revival.

India's Shift Toward Global Supply Chain Integration:

With the global "China + 1" strategy gaining traction, many multinational companies are setting up or expanding manufacturing bases in India. This transition is creating demand for fast, scalable, and standardized industrial buildings, where PEB solutions are the natural fit. M&B stands to benefit as a local player with strong execution capabilities.

Operational Leverage and Margin Expansion Potential:

With capacity utilization improving and a larger share of repeat clients, M&B stands to benefit from economies of scale. The company has already shown improved EBITDA margins (12.8% in FY25 vs ~10% earlier), and further operating leverage could support future margin expansion.

Low Penetration of PEB in Tier II/III Cities:

There is still large untapped demand in India's Tier II and III cities where SMEs and local industries are beginning to embrace modular construction. M&B's mobile Proflex units give it an execution advantage in such geographies, expanding its total addressable market.

Cold Chain and Agro-Logistics Expansion:

The government's push for cold storage, food processing units, and agri-logistics parks under schemes like PM Kisan Sampada and National Cold Chain Grid is increasing the need for insulated steel structures. M&B's roofing and PEB solutions are naturally suited for these facilities.

Green and Sustainable Construction Preference:

Clients are now prioritizing sustainability and operational efficiency. Steel-based buildings are recyclable, energy-efficient, and allow faster construction with less waste—offering a clear edge over conventional civil structures. M&B's offerings align well with this sustainable construction narrative.

Valuation and view:

M&B Engineering stands at the intersection of India's industrial growth and the rising demand for efficient, modular construction. With strong sectoral tailwinds, a growing order book, and a proven track record in PEB and roofing solutions, the company is well-positioned to capitalize on the next wave of infrastructure and manufacturing expansion. However, success will depend on its ability to manage execution risks, sustain margins, and maintain a competitive edge in a dynamic and evolving industry.

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