



IPO NOTE

Fabtech Technologies Limited

26th September 2025

Company Overview

Fabtech Technologies Limited is a global turnkey engineering solutions provider headquartered in India, specialising in pharmaceuticals, biotechnology, and healthcare projects. Backed by the 29-year legacy of the Fabtech Group, the company delivers end-to-end solutions for setting up aseptic manufacturing facilities, covering the entire project lifecycle from market analysis, disease profiling, design, engineering, procurement, and logistics to installation, commissioning, and regulatory certification. Incorporated in 2018 following a strategic demerger to enhance operational efficiency, Fabtech has rapidly built a strong track record, completing 51 projects across geographies including Saudi Arabia, Egypt, Algeria, Bangladesh, Ethiopia, Sri Lanka, and the UAE, and maintaining a robust order book of Rs. 904 crores as of July 31, 2025. The company operates in over 62 countries, with a significant presence in key emerging economies such as India, Bangladesh, Egypt, Ethiopia, Kenya, Saudi Arabia, Morocco, Nigeria, Turkey, the UAE, and the USA. The company offers both comprehensive greenfield turnkey solutions and standalone services - such as equipment procurement, supply, and commissioning - leveraging its asset-light model, integrated procurement system, and strong contractor network to optimise cost, quality, and execution timelines. Its proprietary digital project management platform, FabAssure, enhances efficiency through real-time monitoring, automation, and escalation mechanisms. With ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certifications, a team of 94 qualified engineers, and deep regulatory expertise, Fabtech has evolved beyond cleanroom and controlled environment projects to become a preferred partner for pharmaceutical and biotech manufacturers globally. Its strong customer relationships, technological capabilities, and focus on high-margin turnkey solutions position the company to capitalise on the growing global demand for resilient and cost-effective healthcare infrastructure.

Objects of the issue

The net proceeds from the fresh issue will be used towards the following purposes:

- Funding working capital requirements of the company;
- Pursuing inorganic growth initiatives through acquisitions;
- General corporate purposes.

Investment Rationale

A leading turnkey pharma engineering partner with comprehensive service offerings

The company is a key turnkey engineering solutions provider with an established presence in the pharmaceutical capex space and a strong track record of execution. The company offers comprehensive, end-to-end services from disease profiling and feasibility studies to design, engineering, procurement, equipment supplies, installation, testing, commissioning, training, validation, and certification, enabling clients to set up controlled environment pharmaceutical, biotechnology, and healthcare facilities across geographies. Its ability to integrate disease-specific profiling into project planning ensures that new facilities are tailored to the healthcare needs of target markets, thereby enhancing the relevance and commercial viability of client investments. Fabtech’s in-house design and engineering capabilities, combined with its proprietary FabAssure digital project management platform, provide real-time monitoring, cost control, and streamlined execution, driving efficiency and reducing implementation risk. The company’s asset-light model, supported by a strategic network of related entities and third-party suppliers, enhances scalability, improves cash flows, and ensures quality control across equipment procurement and project delivery. With a robust order book and turnkey projects, Fabtech enjoys strong revenue visibility and operating leverage. Its proven execution capabilities, showcased by the completion of 51 projects across key emerging and developed markets such as Saudi Arabia, Egypt, Algeria, Bangladesh, Ethiopia, Sri Lanka, and the UAE, position it to capitalise on the growing global demand for pharmaceutical infrastructure and healthcare investments, particularly in regulated and emerging markets. Backed by its technology-driven approach, integrated procurement system, and deep domain expertise, Fabtech is well-placed to expand its customer base, sustain high-margin turnkey projects, and deliver consistent growth in an industry benefiting from rising healthcare spending and the push for self-reliant pharmaceutical manufacturing globally.

Issue Details

Offer Period	29th Sept, 2025 - 1st Oct, 2025
Price Band	Rs. 181 to Rs. 191
Bid Lot	75
Listing	BSE & NSE
Issue Size (no. of shares in mn)	12
Issue Size (Rs. in bn)	2.3
Face Value (Rs.)	10

Issue Structure

QIB	50%
NIB	15%
Retail	35%
BRLM	Unistone Capital Private Ltd.

Registrar	Bigshare Services Private Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoters and promoter group	94.6	68.9
Public	5.4	31.1
Total	100.0	100.0

(Assuming issue subscribed at higher band)

Asset-light and integrated business model for scalable growth

The company has a scalable, asset-light, and integrated business model that enhances profitability, capital efficiency, and execution capability. By strategically sourcing a majority of critical equipment through Related Entities and third-party suppliers on an arm's-length basis, the company avoids significant capital expenditure on manufacturing facilities or heavy machinery. This approach allows Fabtech to focus resources on high-value activities such as project execution, sales, and marketing, while ensuring strict control over equipment quality, delivery timelines, and cost efficiency. The involvement of Related Entities provides reliable access to key equipment and enables Fabtech to leverage economies of scale, negotiate favorable procurement terms, and maintain consistent quality standards, thereby safeguarding margins and reducing operational risk. Complementing this asset-light procurement strategy is Fabtech's integrated in-house model, which encompasses risk assessment, design and engineering, equipment procurement and supply, quality control, logistics, and project execution teams. This integrated approach allows the company to capture a larger share of the value chain, reduce dependence on external suppliers, and mitigate contractual risks associated with third-party delays or quality lapses. Moreover, by partnering with a diverse and reliable network of equipment manufacturers and contractors, Fabtech can flexibly scale its resources in line with project demands, ensuring optimal asset utilisation and sustaining cash-light operations. This business model provides a competitive edge over peers that operate with capital-intensive structures and limited service offerings, positioning Fabtech to expand its turnkey engineering solutions across geographies.

Valuation

Fabtech Technologies Limited is a leading turnkey engineering solutions provider in the pharmaceutical, biotechnology, and healthcare infrastructure space. The company specialises in delivering end-to-end project solutions, including disease profiling, feasibility studies, design and engineering, equipment procurement, installation, testing, and commissioning. With a strong global presence spanning over 62 countries and a particular focus on emerging markets, Fabtech leverages its asset-light, integrated business model to execute projects efficiently while maintaining strict quality and regulatory standards. The company aims to capitalise on its strong project pipeline and global footprint by focusing on scalable, asset-light operations, which reduce capital intensity. The company's strategy is centered on expanding its turnkey offerings, strengthening customer relationships in emerging markets, and enhancing operational efficiencies through its proprietary project management platform FabAssure. By maintaining close partnerships with related entities and trusted third-party equipment suppliers, Fabtech secures competitive pricing, ensures timely delivery, and minimises execution risks. On the financial front, the company has delivered healthy CAGR growth over FY2023–25 period, with Revenue/EBITDA/PAT CAGR of 29.8%/29.1%/46.2%. The company is well-positioned to capitalise on the structural growth of the pharmaceutical and healthcare infrastructure sector globally. Its focus on emerging economies, combined with its technology-driven project execution capabilities, provides a competitive edge in securing high-value projects. Its asset-light model enables strong cash generation and high operating leverage, while maintaining flexibility to scale operations based on project demand. The company's order book provides healthy revenue visibility for the coming years, reducing dependency on new client acquisitions in the short term. **At the upper price band of Rs 191, the company is valued at a P/E multiple of 13.3x FY25 earnings. We, thus, recommend a "SUBSCRIBE" rating for this issue.**

Key Risks

- The company has historically converted less than 11% of submitted proposals into actual orders over the past three financial years. A continued inability to generate new leads or convert them into confirmed orders for an extended period could materially and adversely impact its business operations, financial condition, results, growth prospects, and cash flows.
- The company, due to its limited operating history, may face challenges in competing effectively in the market. Moreover, the absence of an extensive track record makes it difficult to evaluate the company's business performance and to predict its future operating results based on past performance.
- The company's current order book may not reflect its future performance. Projects included in the order book, as well as future projects, could be delayed, altered, or cancelled due to factors beyond the company's control, which could materially and adversely impact its business, prospects, reputation, profitability, financial condition, and operating results.

Income Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Revenue			
Revenue from Operations	1,938	2,261	3,267
Total Revenue	1,938	2,261	3,267
Expenses			
Cost of raw materials consumed	-	4	2
Purchases of stock-in-trade	1,024	1,211	2,120
Changes in inventories of stock-in-trade and finished goods	(107)	0	(303)
Employee benefit expenses	191	198	343
Other expenses	604	509	728
Total Operating Expenses	1,712	1,922	2,890
EBITDA	226	339	377
Depreciation and Amortization expenses	19	21	26
EBIT	207	318	351
Finance costs	26	19	21
Other Income	61	45	93
PBT	243	344	423
Total tax	62	86	140
PAT	217	272	465
Diluted EPS	6.7	8.4	14.3

Cash Flow Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Cash Flow from operating activities	-139	604	-361
Cash flow from investing activities	19	-300	-200
Cash flow from financing activities	120	-120	363
Net increase/(decrease) in cash and cash equivalents	0	185	-199
Cash and cash equivalents at the beginning of the period	106	105	290
Cash and cash equivalents at the end of the period	105	290	91

Source: RHP, StoxBox

Balance Sheet (Rs. in millions)

Particulars	FY23	FY24	FY25
Assets			
Non-Current Assets			
Property, plant and equipment	36	56	565
Other Intangible Assets	1	4	7
Intangible Assets	0	161	370
Financial Assets			
Investments	202	0	83
Loans	58	16	11
Other financial assets	15	26	65
Deferred tax assets (net)	13	17	24
Total Non current assets	324	281	1,125
Current Assets			
Inventories	172	293	594
Investments	1	210	64
Trade Receivables	994	967	1507
Cash and cash equivalents	105	290	91
Other Bank Balance	133	172	260
Others financial assets	201	257	355
Loans	10	17	24
Other current assets	198	92	189
Total Current Assets	1,814	2,297	3,084
Total Assets	2,139	2,692	4,266
Equity and Liabilities			
Equity Share Capital	28	29	324
Other Equity	862	1,289	1,407
Total Equity	890	1,319	1,731
Non-Current Liabilities			
Financial Liabilities			
Borrowings	9	3	5
Lease Liabilities	1	14	266
Provisions	16	8	8
Current Liabilities			
Financial Liabilities			
Borrowings	334	96	541
Lease Liabilities	10	15	26
Trade Payable	540	651	988
Other financial liabilities	2	11	3
Current tax liabilities	0	9	59
Provisions	8	9	9
Other current liabilities	329	559	630
Total Current Liabilities	1,224	1,349	2,255
Total liabilities	1,249	1,374	2,534
Total Equity and Liabilities	2,139	2,692	4,266

Source: RHP,StoxBox

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification :

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