

M&B Engineering

IPO Note



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New Entry in PEB Sector

M&B Engineering Ltd Established in 1981, is a leading engineering solutions provider. Its business is structured into (a) Phenix division which provides comprehensive solutions for PEBs and complex structural steel components; and (b) Proflex division which provides self-supported steel roofing solutions. They offer customers comprehensive turn-key solutions which includes project design, engineering, manufacturing and erection in accordance with customer requirements across industrial and infrastructure segments.

Strengths:

- Skilled in-house team uses advanced tools to deliver customized automation solutions.
- For PEB they have installed capacity of 103,800 MTPA, one at Sanand, Gujarat and another at Cheyyar Tamil Nadu.
- They have executed 1500+ projects worldwide.
- Dedicated design and engineering in-house team and required software including STAAD PRO, STAAD PRO ADVANCED, MBS, TEKLA/ TRIMBLE, ZWCAD and BricsCAD

Risks:

- High reliance on few clients or sectors.
- Payments delays and upfront procurement costs.
- Pressure on cash flows and depend on short-term debt, increasing its interest burden or liquidity risk.

M&B engineering Ltd is executing an INR 650crore capex plan towards new Equipment, Machinery, solar roofing grid, vehicles g facility, IT software upgrades, Debt repayment. This expansion will enable them to secure new orders from existing and potential customers, capitalize on emerging market opportunities and drive revenue growth.

Industry	Construction
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Scrip Details

Listing	NSE & BSE
Open Date	July 30, 2025
Close Date	Aug 1, 2025
Price Band	INR 366 – 385
Face Value	INR 10.00
Market Lot	38 Shares
Minimum Lot	1

Issue Structure

Issue Size (INR cr)	INR 650
Issue Size (Shares)	1,68,83116
QIB Share (%)	≤ 75%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 10%

Pre Issue sh.	5,00,00,000
Post Issue sh.	5,71,42,857
Post Issue Market Cap (cr)	2200

Shareholding (%)	Pre (%)	Post (%)
Promoter	100	66.67
Public	-	33.33
TOTAL	100	100

Key Consolidated Financial Data (INR in Cr, unless specified)

YEAR	Revenue (INR)	EBITDA (INR)	Net Profit (INR)	EBITDA Margin (%)	PAT Margin (%)	EPS (INR)	ROE(%)	ROCE (%)	P/E
FY22	687.5	53.5	26.4	7.8	3.8	15.7	17.1	14.6	24.5
FY23	858.7	71.2	39.6	8.3	4.6	23.6	20.4	14.0	16.3
FY24	787.2	81.1	48.1	10.3	6.1	28.6	19.9	12.4	13.5
FY25	989.0	269.0	220.0	27.2	22.2	15.4	24.6	17.5	25.0

Source: Ventura Research & Company update

Issue Structure and Offer Details

M&B Engineering Ltd IPO is a bookbuilding of INR 650 crores. The issue is of 71,42,857 fresh shares and 97,40,259 offer for sale.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 75.00% of the Offer
NII (HNI)	Not less than 15.00% of the Offer
Retail	Not less than 10.00% of the Offer

Number of shares based on a higher price band of INR 385

Source: Company Reports

Objects of the Issue

The Company proposes utilizing Net Proceeds towards the following objects:

- 1. Funding the capital expenditure requirements for the purchase of equipment and machinery, building works, solar rooftop grid and transport vehicles at our Manufacturing Facilities -INR 138.58 cr.**
- 2. Investment in IT software upgradation by our Company – INR 5.2 cr.**
- 3. Re-payment or pre-payment of term loans, in full or in part, of certain borrowings availed by our Company-INR 58.7 cr.**
- 4. General Corporate purposes.**

Financial Summary

Fig in INR Cr (unless specified)	FY22	FY23	FY24	FY25	Fig in INR Cr (unless specified)	FY22	FY23	FY24	FY25
Income Statement					Per share data & Yields				
Revenue	687.5	858.7	787.2	989.0	Adjusted EPS (INR)	15.7	23.6	28.6	15.4
YoY Growth (%)	66.5	24.9	(8.3)	25.6	Adjusted Cash EPS (INR)	20.9	29.2	33.8	16.4
Raw Material Cost	449.7	588.3	508.7	518.0	Adjusted BVPS (INR)	91.8	115.8	143.7	186.3
RM Cost to Sales (%)	65.4	68.5	64.6	52.4	Adjusted CFO per share (INR)	23.6	20.0	(0.5)	251.6
Employee Cost	62.3	69.9	77.7	82.0	CFO Yield (%)	6.1	5.2	(0.1)	65.3
Employee Cost to Sales (%)	9.1	8.1	9.9	8.3	Adjusted FCF per share (INR)	27.7	17.8	(36.4)	188.5
Other Expenses	121.9	129.3	119.7	120.0	FCF Yield (%)	7.2	4.6	(9.5)	49.0
Other Exp to Sales (%)	17.7	15.1	15.2	12.1	Solvency Ratio (X)				
EBITDA	53.5	71.2	81.1	269.0	Total Debt to Equity	0.6	0.7	0.8	0.6
Margin (%)	7.8	8.3	10.3	27.2	Net Debt to Equity	0.0	0.1	0.5	0.6
YoY Growth (%)	88.8	33.0	13.9	231.5	Net Debt to EBITDA	0.0	0.2	1.4	0.7
Depreciation & Amortization	8.7	9.4	8.8	9.0	Return Ratios (%)				
EBIT	44.8	61.9	72.4	260.0	Return on Equity	17.1	20.4	19.9	24.6
Margin (%)	6.5	7.2	9.2	26.3	Return on Capital Employed	14.6	14.0	12.4	17.5
YoY Growth (%)	127.3	38.0	17.0	259.2	Return on Invested Capital	28.9	29.3	20.3	23.4
Other Income	5.9	8.8	13.6	8.0	Working Capital Ratios				
Bill discounting & other charges	17.8	18.5	22.9	23.0	Payable Days (Nos)	102	55	43	45
Fin Charges Coverage (X)	2.5	3.3	3.2	11.3	Inventory Days (Nos)	97	70	89	12
Exceptional Item	0.0	0.0	0.0	0.0	Receivable Days (Nos)	66	50	56	34
PBT	32.9	52.2	63.0	245.0	Net Working Capital Days (Nos)	60	64	102	1
Margin (%)	4.8	6.1	8.0	24.8	Net Working Capital to Sales (%)	16.5	17.6	27.9	2.8
YoY Growth (%)	177.6	58.4	20.8	288.7	Valuation (X)				
Tax Expense	6.6	12.5	15.0	25.0	P/E	24.5	16.3	13.5	25.0
Tax Rate (%)	19.9	24.0	23.7	10.2	P/BV	4.2	3.3	2.7	4.3
PAT	26.4	39.6	48.1	220.0	EV/EBITDA	12.1	9.3	9.4	3.1
Margin (%)	3.8	4.6	6.1	22.2	EV/Sales	0.9	0.8	1.0	0.8
YoY Growth (%)	245.9	50.3	21.3	357.7	Cash Flow Statement				
Balance Sheet					PBT	32.9	52.2	63.0	245.0
Share Capital	20.0	20.0	50.0	57.0	Adjustments	27.4	31.6	19.5	10.7
Total Reserves	134.2	174.5	191.5	256.0	Change in Working Capital	(14.1)	(37.7)	(68.4)	191.9
Shareholders Fund	154.2	194.5	241.5	313.0	Less: Tax Paid	(6.6)	(12.5)	(15.0)	(25.0)
Long Term Borrowings	65.5	88.9	42.8	43.0	Cash Flow from Operations	39.7	33.5	(0.8)	422.6
Deferred Tax Assets / Liabilities	5.3	4.9	4.4	5.0	Net Capital Expenditure	(7.3)	(17.7)	(77.8)	19.7
Other Long Term Liabilities	0.0	0.6	0.2	0.0	Change in Investments	(4.9)	1.4	5.2	106.9
Long Term Trade Payables	0.0	0.0	0.0	0.0	Cash Flow from Investing	(12.2)	(16.3)	(72.5)	126.5
Long Term Provisions	0.0	0.0	0.0	0.0	Change in Borrowings	(7.5)	48.0	62.3	(90.1)
Total Liabilities	225.0	288.9	288.8	361.0	Less: Finance Cost	(17.8)	(18.5)	(22.9)	(23.0)
Net Block	63.3	73.6	77.1	96.0	Proceeds from Equity	0.0	0.0	0.0	0.0
Capital Work in Progress	0.0	0.0	0.0	5.0	Buyback of Shares	0.0	0.0	0.0	0.0
Intangible assets under developmer	0.7	0.8	66.2	0.0	Dividend Paid	0.0	0.0	0.0	(7.7)
Non Current Investments	9.0	10.5	20.3	0.0	Cash flow from Financing	(25.3)	29.5	39.4	(120.8)
Long Term Loans & Advances	5.2	3.6	3.6	4.0	Net Cash Flow	2.1	46.7	(34.0)	428.3
Other Non Current Assets	0.0	0.0	0.0	0.0	Forex Effect	0.0	0.0	0.0	0.0
Net Current Assets	146.7	200.4	121.5	256.0	Opening Balance of Cash	48.4	50.5	97.2	63.2
Total Assets	225.0	288.9	288.8	361.0	Closing Balance of Cash	50.5	97.2	63.2	491.5

Source: Company Reports

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