

Retail Research	IPO Note
Sector: EPC - Pharma	Price Band (Rs): 181 - 191
26 <sup>th</sup> September 2025	Recommendation: NEUTRAL

## Fabtech Technologies Ltd.

### Company Overview:

**Fabtech Technologies Ltd. (FTL)** is a turnkey engineering solution provider catering to the pharmaceuticals, biotech, and healthcare sectors. The company provides extensive technical expertise and infrastructure to deliver end-to-end solutions for establishing aseptic manufacturing facilities. FTL also deliver standalone services such as equipment procurement, supply, and logistics management for both greenfield and brownfield projects. The company has footprints in more than 62 countries globally and across regions, including the Middle East, Africa, Asia, Europe, Latin America and North America. Approximately 78% of its revenue is from MENA, GCC and ECO Zone markets

### Key Highlights:

**1. Integrated asset-light business model:** FTL operates on an asset-light model by procuring most equipment from related parties (on an arm's-length basis) and third-party vendors. This reduces capital intensity and allows the company to focus on project execution, sales, and marketing, while ensuring quality and timely delivery.

**2. In-house software technology capabilities:** The company has developed proprietary software, FabAssure, a project management system that connects all project planning, development, execution, and completion activities to a central IT network. This enables real-time monitoring, efficient coordination, and faster project execution.

**3. Diversified order book:** As of March 2025, FTL reported an order book of Rs 762 crore. Its expertise spans a wide range of solutions, including granulation, isolator containment systems, injectable projects, encapsulation solutions, water treatment, cleanroom infrastructure and integration, HVAC (Heating, ventilation, and air conditioning), MEP (mechanical, electrical & plumbing), and packaging lines.

**Industry Outlook:** Global pharma capex is projected to grow at a CAGR of ~5.5%–6.2% between CY25 and CY29, reaching USD 500–550 billion. This sustained growth in pharma investments is expected to drive demand for turnkey engineering solutions.

**Key Risks:** Over the last three years, the company has won only ~11% of the proposals submitted, reflecting execution challenges in converting leads into firm orders. Given the asset-light model, reliance on related and third-party entities for equipment procurement creates risks of project delays if supply disruptions occur.

**View & Valuation:** FTL's asset-light business model, proprietary project management system, and presence across emerging markets position it well to benefit from the structural growth in global pharma capex. The healthy and diversified order book provides revenue visibility over the near term. However, low proposal conversion rates and dependence on third-party procurement remain notable risks. At the upper price band of Rs 191, the issue is valued at a P/E multiple of 29.7x and an EV/EBITDA multiple of 16.9x on post-issue capital. Between FY23-FY25, the company has delivered Revenue/EBITDA/PAT/Adj. PAT CAGR of 29.8%/29.1%/46.2%/14.7% respectively. We believe the company is fairly valued, and we assign a Neutral rating to the issue.

Issue Details	
Date of Opening	29 <sup>th</sup> September 2025
Date of Closing	01 <sup>st</sup> October 2025
Price Band (Rs)	181 - 191
Fresh Issue (No. of shares)	1,20,60,000
Issue Size (Rs cr)	~230
Face Value (Rs)	10.0
Post Issue Market Cap (Rs cr)	849
BRLMs	Unistone Capital Pvt. Ltd.
Registrar	Bigshare Services Pvt. Ltd.
Bid Lot	75 shares and in multiples thereof
QIB shares	50%
Retail shares	35%
NIB shares	15%
Employee Discount	Rs 9 per share

Objects of Issue	
	Estimated utilization from net proceeds (Rs cr)
Funding working capital requirements	127.0
Pursuing inorganic growth initiatives through acquisitions	30.0
General corporate purposes*	-
<b>Net proceeds from fresh issue*</b>	-

*\*To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	3,06,44,834	94.6
Public & Others	17,47,405	5.4
<b>Total</b>	<b>3,23,92,239</b>	<b>100.0</b>

Post Issue @Upper Price Band	No. of Shares	%
Promoter & Promoter Group	3,06,44,834	68.9
Public & Others	1,38,07,405	31.1
<b>Total</b>	<b>4,44,52,239</b>	<b>100.0</b>

Source: RHP, SSL Research

## Financial Overview

Particulars (Rs cr)	FY23	FY24	FY25	FY23-FY25 CAGR (%)
Revenue	193.8	226.1	326.7	29.8
YoY (%)	-	16.7	44.5	-
EBITDA	22.6	33.9	37.7	29.1
YoY (%)	-	49.8	11.2	-
PAT	21.7	27.2	46.5	46.2
YoY (%)	-	25.2	70.7	-
Adj PAT (Excl. Exceptional Items)	21.7	27.2	28.6	14.7
YoY (%)	-	25.2	5.1	-
EBITDA Margin (%)	11.7	15.0	11.5	-
Adj. PAT Margin (%)	11.2	12.0	8.8	-
Adj. ROE (%)	24.4	20.6	16.5	-
ROCE (%)	21.8	25.6	19.5	-
D/E (x)	0.4	0.1	0.3	-
P/E (x)	28.5	22.7	21.6	-
EV/EBITDA	38.0	24.0	23.1	-
CFO	(13.9)	60.4	(36.1)	-
CFI	1.9	(30.0)	(20.0)	-
CFF	12.0	(12.0)	36.3	-
FCF	(14.2)	59.2	(60.9)	-

Source: RHP, SSL Research

## Peer Comparison – FY25

**Fabtech Technologies Ltd does not have any listed like-to-like industry peers in India.**

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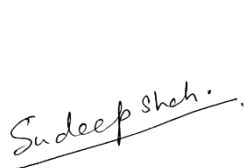
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