

Fabtech Technologies IPO

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- The company is engaged in specializing business in turnkey engineering solutions for pharma, biotech and healthcare sectors.
- It provides its all-related services under one roof to the global customers.
- Is has posted steady growth in its top and bottom lines for the reported periods.
- Based on its recent financial data, the issue appears fully priced.
- The counter may create first mover fancy post listing.
- Well-informed investors may park funds for medium to long term.

About the Company

Fabtech Technologies Ltd. (FTL) is a global company headquartered in India, specializing in turnkey engineering solutions for pharmaceuticals, biotech and healthcare companies. Its footprint spans more than 62 countries Middle East, Africa, Asia, Europe, Latin America, North America, etc. The Company has presence across some of the key emerging economies like Bangladesh, Egypt, Ethiopia, India, Kenya, Kingdom of Saudi Arabia, Morocco, Nicaragua, Nigeria, South Africa, Turkey, UAE, USA and Tanzania. (Source: CRISIL Report). The company provides extensive technical expertise and infrastructure to deliver comprehensive solutions for establishing aseptic manufacturing facilities, encompassing everything from design to certification.

The company offers comprehensive start to finish services in greenfield projects, encompassing disease identification, planning, designing, engineering, procurement, quality assurance, logistics management and installation and commissioning for a wide range of customers across various geographies, particularly key emerging economies. Additionally, it also offers some of engineering solutions, which majorly include, equipment procurement and supply and logistics management, on a standalone basis, either as part of greenfield or brownfield projects. In such projects, the feasibility study, design and engineering and other execution functions are undertaken by third party solution providers, and FTL's scope is limited to equipment supply or any other services, required by customers.

Its comprehensive solutions encompass the entire project lifecycle of customers and address the three key elements in pharmaceuticals, biotech and healthcare facilities, namely, bio clean air, clean water, and process. In addition to offering targeted solutions across the value chain, it also has an established track record in executing pharmaceutical projects across a diverse range of dosage forms, encompassing, liquids, solids, and semisolids.

FTL's turnkey engineering solutions involve an extensive range of services, viz., comprehensive market analysis that combines geographic and demographic insights to understand the current and future competitive environment, disease profiling for aligning solutions to the specific needs of the target market, designing and detailed engineering of equipment tailored to the manufacturing process and the applicable quality standards, leveraging the best technologies to enhance the efficiency, reliability, and sustainability of the projects and execution and commissioning strategy. Turnkey engineering solution providers play a key role in ensuring optimal use of resources through providing comprehensive and customized solutions as per individual projects need.

As integrated turnkey engineering solution providers manage every aspect of the project from conception to completion, they ensure seamless and streamlined integration between various stages of the project, thereby increasing the chances of successful implementation. Turnkey engineering solution providers have experienced teams that possesses extensive knowledge of various domains, which makes them more adept at handling complex challenges effectively. (Source: CRISIL Report)

The COVID-19 pandemic has bolstered the necessity of investment in resilient and self-reliant healthcare infrastructure, which has created a demand for its expertise in integrating advanced manufacturing, reliable supply chains and affordable health care for various developing nations. Thus, FTL's service portfolio of consolidating robust pharmaceutical and healthcare capabilities has offered targeted support for building infrastructure in growing economies for addressing respiratory, blood renal and oncology disorders.

Over the years, it has evolved beyond cleanroom and controlled environment design and construction to become a comprehensive turnkey engineering solutions provider for pharmaceuticals, biotechnology, and healthcare industries with capabilities including disease identification based on the geographic and demographic analysis, designing of facility and detailed engineering, ranging to detailed planning of procurement of equipment, turnkey engineering solutions, execution and commissioning strategy and culminating with training, audit and regulatory compliance. As of July 31, 2025, it had 185 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 12060000 equity shares (worth Rs. 230.35 cr. –at the upper cap). The company has announced a price band of Rs. 181 – Rs. 191 per equity shares of Rs. 10 each. The issue opens for subscription on September 29, 2025, and will close on October 01, 2025. The minimum application to be made is for 75 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 27.13% of the post-IPO paid-up equity capital. From the net proceeds of the IPO, the company will utilize Rs. 127.00 cr. for working capital, Rs. 30.00 cr. for inorganic growth through acquisitions, and the rest for general corporate purposes.

The company has reserved shares worth Rs. 1 cr. (approx. XXX equity shares) for its eligible employees and offering them as discount of Rs. 9 per share, and from the rest, it has allocated not more than 50% for QIBs, not less than 15% for HNIs and not less than 35% for Retail investors.

The sole Book Running Lead Manager (BRLM) to this issue is Unistone Capital Pvt. Ltd., while Bigshare Securities Pvt. Ltd., is the registrar to the issue. Globalworth Securities Ltd. is a syndicate member.

Having issued initial equity shares at par, the company issued further equity shares at a fixed price of Rs. 988 per share in January 2024. The company has also issued bonus shares in the ratio of 10 for 1 in April 2024. The average cost of acquisition of shares by the promoters Rs. NIL, Rs. Negligible, and Rs. 0.85 per share.

Post-IPO, its current paid-up equity capital of Rs. 32.39 cr. will stand enhanced to Rs. 44.45 cr. Based on the upper cap of the IPO price band, the company is looking for a market cap of Rs. 849.04 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted a total income/net profit, of Rs. 199.91 cr. / Rs. 21.73 cr. (FY23), Rs. 230.60 cr. / Rs. 27.22 cr. (FY24), and Rs. 335.94 cr. / Rs. 46.45 cr. (FY25). The company posted growth in its top and bottom lines for the reported periods.

For the last three fiscals, the company has posted an average EPS of Rs. 11.11 and an average RoNW of 24.37%. The issue is priced at a P/BV of 3.57 based on its NAV of Rs. 53.44 as of March 31, 2025, and at a P/BV of 2.10 based on its post-IPO NAV of Rs. 90.76 per share (at the upper cap).

If we attribute FY25 earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 18.28. Based on FY24 earnings, the P/E stands at 31.21. Thus, the issue appears fully priced.

The company has shown PAT margins of 10.87% (FY23), 11.80% (FY24), 13.83% (FY25), and RoCE margins of 29.35%, 28.76%, 24.46%, respectively for the referred periods.

Dividend Policy

The company has paid a dividend of 15% for FY25. It has already adopted a dividend policy in July 2024, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has no listed peers to compare with.

Merchant Banker's Track Record

The BRLM (Unistone Capital) associated with the offer has handled 27 public issues in the past three fiscals, out of the which 5 issues closed below the offer price on listing date.

Conclusion / Investment Strategy

FTL is engaged in specializing business in turnkey engineering solutions for pharma, biotech and healthcare sectors. It provides its all-related services under one roof to the global customers. It has posted steady growth in its top and bottom lines for the reported periods. Based on its recent financial data, the issue appears fully priced. The counter may create first mover fancy post listing. Well-informed investors may park funds for medium to long term

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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