

Retail Research	IPO Note
Sector: Capital Goods	Price Band (Rs): 216 - 227
23rd February 2026	Recommendation: SUBSCRIBE for long term

Omnitech Engineering Ltd.

Company Overview:

Omnitech Engineering Ltd. (OEL) is a manufacturer of high precision engineered components and assemblies, supplying global customers across industries such as energy (oil & gas, wind energy and power sector), motion control & automation, industrial equipment systems, metal forming, and other diversified industrial applications. Its product offerings comprise of components ranging from weight of 0.003 kg to 503.33 kg, diameter of 1.27 cm to 1 m and length of 0.2 cm to 10 m which helps the company cater to the diverse requirements of its marquee customer base. The company has a global presence with customers across 24 countries including the USA, India, Germany, Bulgaria, UK, France and others. As of Sep'25, OEL's orderbook stood at Rs ~1,765 cr.

Key Highlights:

1. Strong relationships with marquee clientele: OEL has long-standing relationship with diverse clientele across different industries such as energy, motion control & automation and industrial equipment systems, underpinned by wide product offerings, stringent quality controls, engineering capabilities and process optimization. The company has built long-term relationships with its customers with an average of around 3.8 years, based on revenue from top 20 customers during 1HFY26. Repeat customers stood at 107 in 1HFY26, showcasing a strong track record of customer retention.

2. Robust supply chain expertise: The company has the ability to service customers across various geographies enabled by its global delivery model and an understanding of customers' supply chains. Additionally, the company operates a dedicated warehouse in the USA which helps it cater to its customers in the country (~60% revenue mix in 1HFY26). OEL optimizes and mitigates risks such as disruptions and delays in product supply through planning and scheduling manufacturing operations supported by IoT 4.0 solutions, maintaining redundancy in key manufacturing operations, managing diverse sources for raw materials and a network of outsourced vendors to accommodate for unexpected demand spikes.

3. Wider manufacturing capabilities: OEL operates 3 manufacturing facilities in Gujarat (Metoda, Chhapara, Padavala) with a combined annualized machining capacity of 24,29,856 machine hours and an annualized fabrication capacity of 7,200 MTPA as of Sep'25. The manufacturing facilities' close proximity to Mundra Port facilitates efficient import of raw materials and export of finished products. The company proposed to set-up a new manufacturing facility which would take combined annualized machining capacity to 33,01,584 machine hours. Furthermore, the company has an in-house facility to carry out special processes such as phosphating (zinc and manganese), copper plating, zinc plating, electroless nickel plating and stellite welding. This enables OEL to handle a wider variety of raw materials, including carbon steel, alloy steel, titanium, aluminum, etc.

Valuation: Omnitech Engineering is a high-growth precision manufacturing company with a strong order book position of Rs 1,765 cr, thus providing strong revenue visibility for near term (5.1x of FY25 revenues). The company has demonstrated healthy CAGR in its Revenue/EBITDA/PAT of 39%/36%/17% respectively over FY23-25 period. The company's D/E is expected to reduce from 1.6x to 0.5x post issue as the company will utilize Rs 50 cr towards debt repayment aiding improved profitability. At the upper price band of Rs 227, the company is valued at FY25 PE of 64.0x on post issue capital. Underpinned by leading EBITDA margin profile of 30-35% and strong order book, we recommend investors to SUBSCRIBE for long term to the issue at cut-off price.

Issue Details	
Date of Opening	25 th February 2026
Date of Closing	27 th February 2026
Price Band (Rs)	216 – 227
Issue Size (Rs cr)	~583 @ UB
Fresh Issue (Rs cr)	~418
Offer for Sale (Rs cr)	~165 @ UB
No. of shares (@ upper band)	2,56,82,819
Face Value (Rs)	5
Post Issue Market Cap (Rs cr)	2,691 – 2,807
BRLMs	Equirus Capital Pvt. Ltd., ICICI Securities Ltd.
Registrar	MUFG Intime India Pvt. Ltd.
Bid Lot	66 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NIB shares	15%

Objects of Issue	
	Estimated utilization from net proceeds (Rs cr)
Repayment and/ or pre-payment, in full or in part, of certain outstanding borrowings	50.0
Funding towards setting up new projects	233.6
Funding towards capital expenditure for purchase and installation of solar panels on the roof-top at, and, purchase of new equipment/ machinery for existing facility	18.7
General corporate purposes*	-
Total proceeds from fresh issue*	-

**To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilised for general corporate purposes and unidentified inorganic acquisition shall not exceed 35% of the Gross Proceeds. The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.*

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	9,90,19,898	94.1
Public & Others	62,29,782	5.9
Total	10,52,49,680	100.0

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	9,17,51,176	74.2
Public & Others	3,19,12,600	25.8
Total	12,36,63,776	100.0

Source: RHP, SBICAP Securities Research

Key Financials

Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Revenue from operations	177.3	178.2	342.9	228.2
EBITDA	63.5	64.9	117.6	70.1
PAT	32.3	18.9	43.9	27.8
EBITDA Margin (%)	35.8	36.4	34.3	30.7
PAT Margin (%)	18.2	10.6	12.8	12.2
RoE (%)	53.9	23.8	21.5	-
RoCE (%)	35.9	14.8	16.1	-
P/E (x)*	74.0	126.4	54.5	-
EV/EBITDA (x)*	39.0	40.3	23.1	-

**Note: Pre-issue P/E (x) and EV/EBITDA (x) are based on upper price band;*

Source: RHP, SBICAP Securities Research

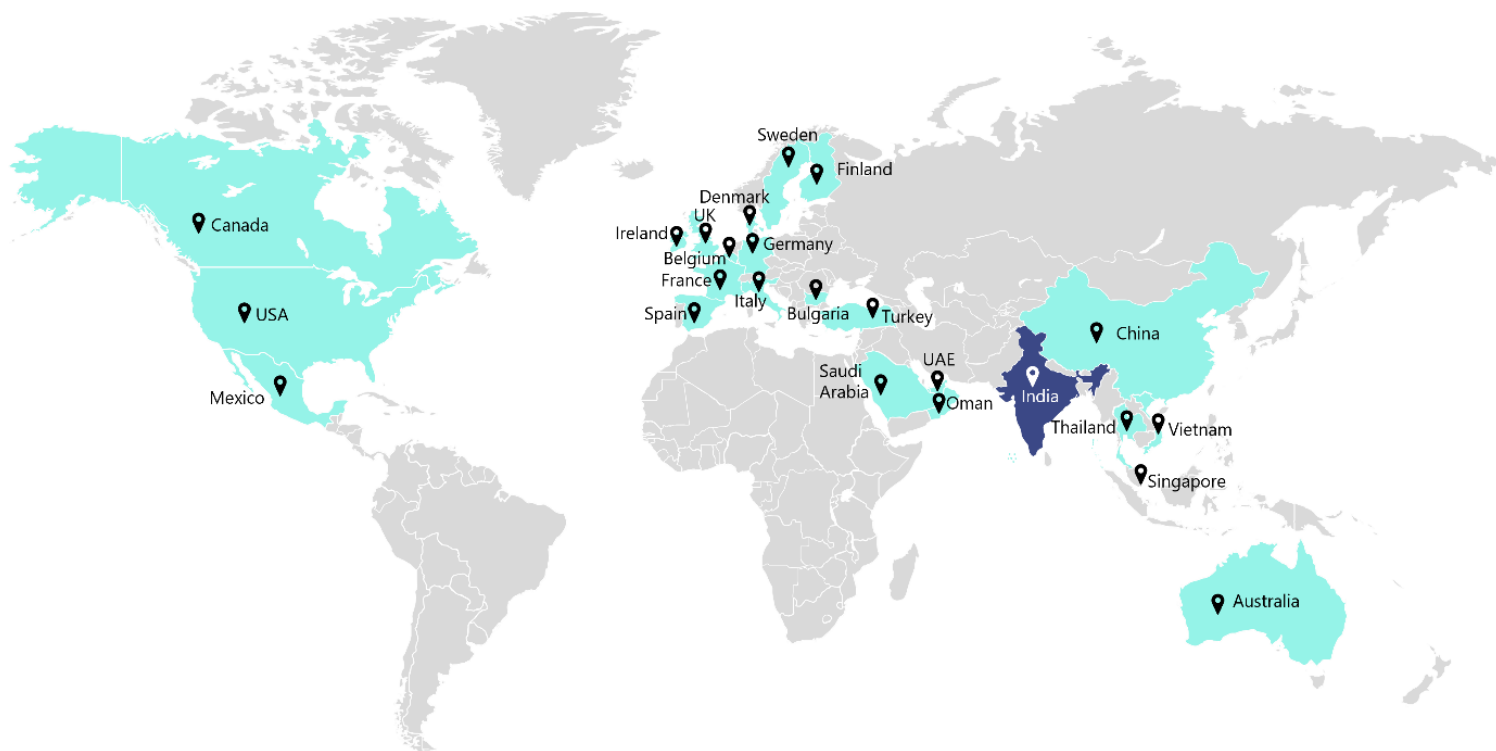
Risk Factors

- **Revenue concentration:** The company's top 10 clients contributed ~56% and ~48% to the total revenue for 1HFY26 and FY25, respectively. The loss of any such key commercial relationships could adversely affect the business.
- **Tariff-related risk:** The business may be impacted by regulatory changes, evolving customer preferences and broader market dynamics related to outsourcing of manufacturing activities. During 1HFY26 and FY25, OEL derived ~79% and 75% revenue from outside India.
- **Order-book risk:** Order book is not necessarily indicative of future growth. Further, some of the orders that constitute the current order book could be cancelled, put in abeyance, delayed, or not paid for by the customers, or indicated commitment from customers may not materialize which could adversely affect the financial condition.
- **Supply chain disruption:** Significant increases or fluctuations in prices of, or shortages of, or delays or disruptions in the supply of primary raw materials could affect the estimated costs, expenditures, sales and timelines which may have a material adverse effect on business operations.
- **Forex risk:** A significant proportion of revenue and materials purchased are denominated in foreign currencies. Any adverse fluctuations in foreign currency exchange rate may impact financial performance of the company.
- **High working capital intensity:** Net working capital days stood at 271 as of FY25, reflecting longer debtor cycles and higher inventory buffers as the business scaled rapidly. Extended working capital cycles may increase funding requirements and liquidity risk, particularly given the high-value nature of precision components and export payment terms.

Growth Strategies

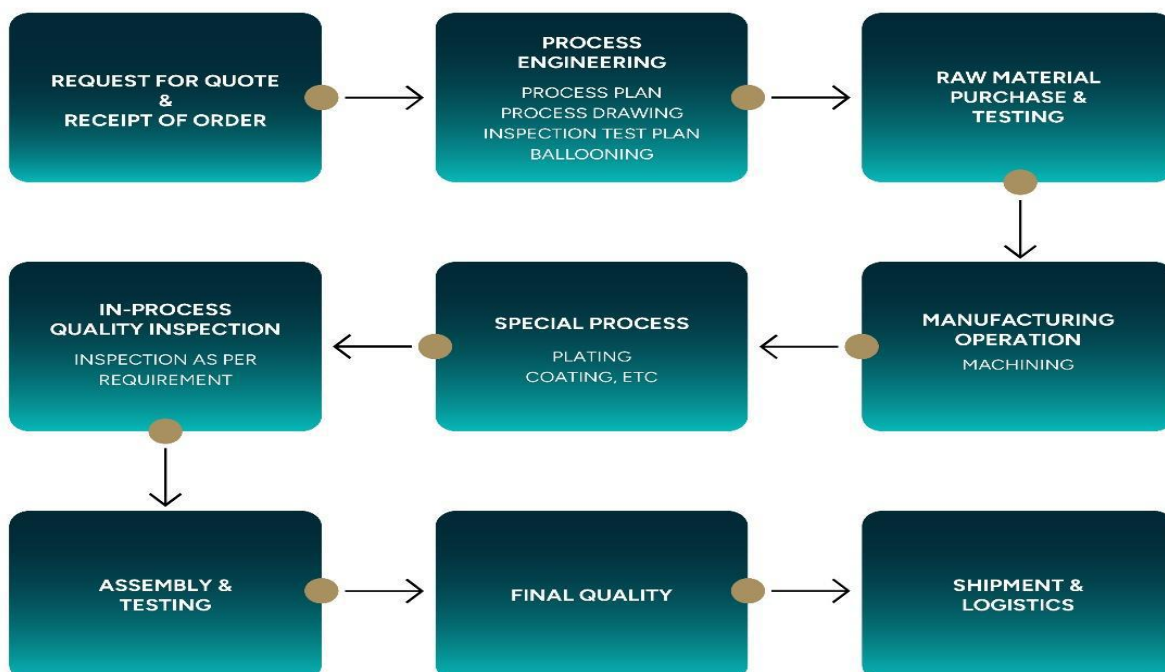
- Capitalize on growth in the precision engineering sector and deepen presence across key end-user industries.
- Expand geographical reach and establish warehouses in Europe, Middle East and another warehouse in the United States.
- Augment capacity through organic expansion.
- Inorganic acquisition for improving manufacturing capabilities, deepening presence in the end-user industries and targeting customers in existing and new geographies.

Geographical Presence



Source: RHP, SBICAP Securities Research

Business Process



Source: RHP, SBICAP Securities Research

Segment-wise Revenue Split

Particulars	FY23		FY24		FY25		1HFY26	
	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue
Energy	44	26.8	50	30.2	136	42.3	110	50.5
Motion Control and Automation	71	43.1	69	41.4	114	35.7	58	26.8
Industrial Equipment Systems	47	28.4	44	26.8	64	20.1	40	18.5
Others*	3	1.8	3	1.6	6	1.8	9	4.1
Revenue from operations**	165	100.0	166	100.0	320	100.0	217	100.0

Note: *Others includes end-user industries which are not classified into any of the industries mentioned above such as metal forming and other diversified industrial applications; **Total excludes export incentive and scrap value

Source: RHP, SBICAP Securities Research

Geography-wise Revenue Split

Particulars	FY23		FY24		FY25		1HFY26	
	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue
India	32	19.3	36	21.6	63	19.8	37	17.1
North America	99	59.8	95	57.5	190	59.2	130	59.9
Asia (ex-India)	1	0.7	2	1.0	48	15.0	39	17.9
Europe and UK	33	20.2	33	19.9	19	6.0	11	4.8
Australia	-	-	-	-	-	-	1	0.3
Revenue from operations*	165	100.0	166	100.0	320	100.0	217	100.0

Note: *Total excludes export incentive and scrap value

Source: RHP, SBICAP Securities Research

Segment-wise Order Book Split

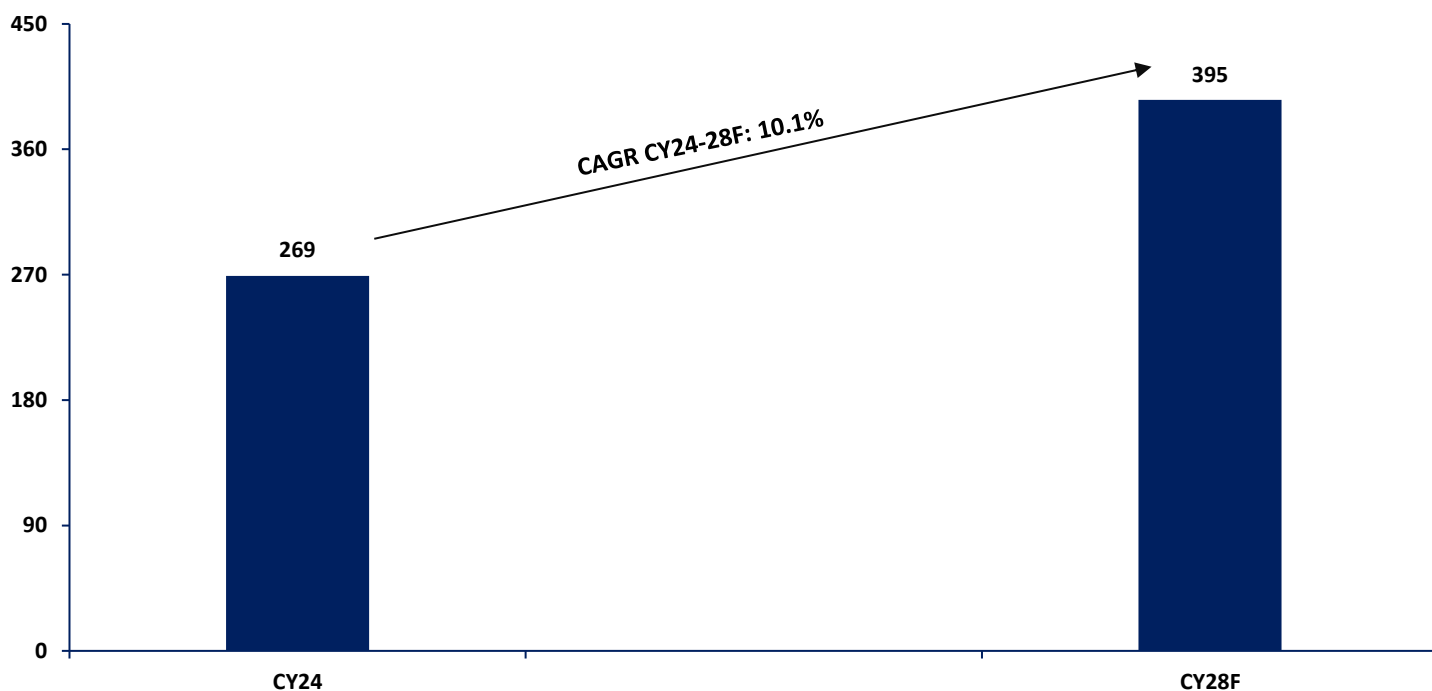
Particulars	FY23		FY24		FY25		1HFY26	
	Rs cr	as % of order book	Rs cr	as % of order book	Rs cr	as % of order book	Rs cr	as % of order book
Energy	11	18.3	30	35.4	217	76.5	1,307	74.1
Motion Control and Automation	31	54.3	31	37.2	33	11.6	65	3.7
Industrial Equipment Systems	16	27.0	22	26.1	32	11.2	376	21.3
Others*	0.2	0.4	1	1.3	2	0.8	17	0.9
Total	58	100.0	84	100.0	284	100.0	1,765	100.0

Note: *Others includes end-user industries which are not classified into any of the industries mentioned above such as metal forming and other diversified industrial applications

Source: RHP, SBICAP Securities Research

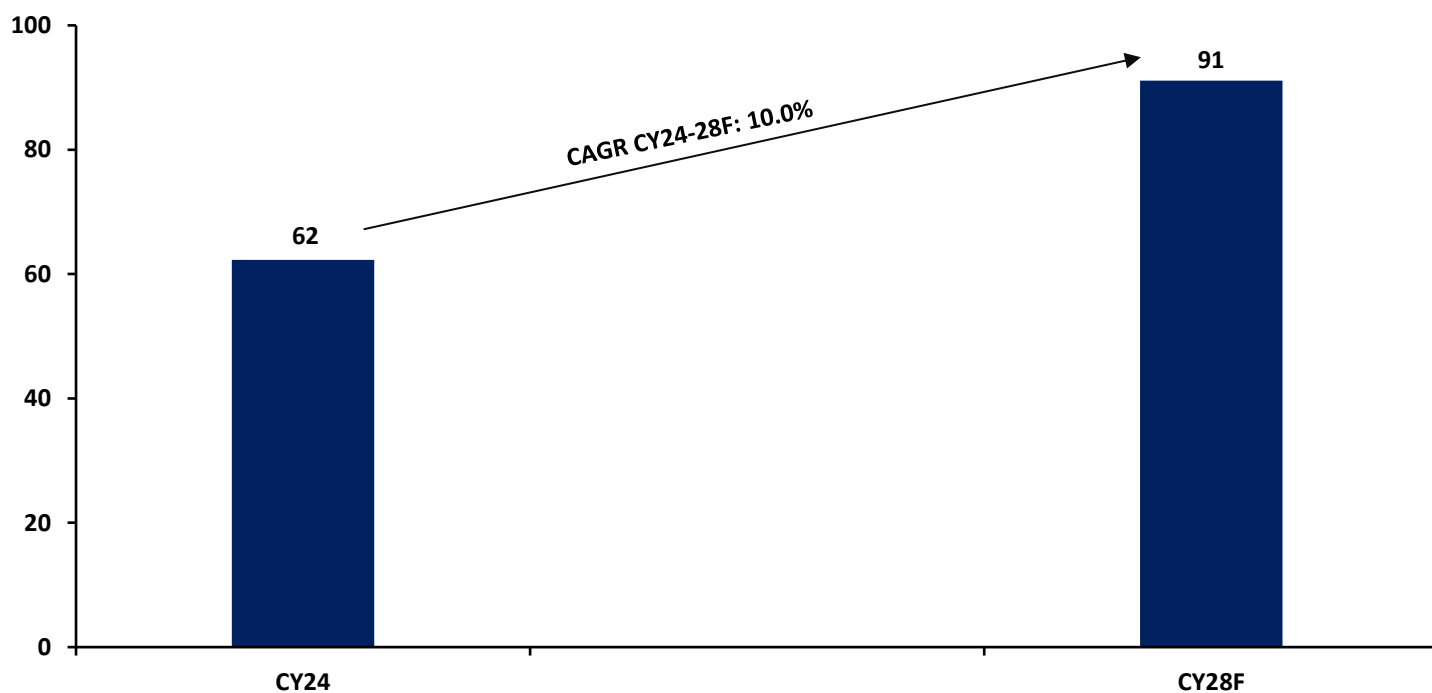
Industry Overview

Global Precision Engineered Goods Market Sales Value, CY24-28F (in USD bn)



Source: RHP, SBICAP Securities Research

Precision Engineered Goods Market in North America - Sales Value, CY24-28F (in USD bn)



Source: RHP, SBICAP Securities Research

Financial Snapshot

INCOME STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Revenue from Operations	177	178	343	228
YoY growth (%)	-	0.5%	92.5%	-
COGS (incl Stock Adj)	50	41	81	58
Gross Profit	127	137	262	170
Gross margin (%)	71.8%	76.7%	76.3%	74.6%
Employee Cost	24	26	55	37
Other Operating Expenses	40	45	89	63
EBITDA	63	65	118	70
EBITDA margins (%)	35.8%	36.4%	34.3%	30.7%
Other Income	6	4	7	9
Interest Exp.	9	14	30	20
Depreciation	17	23	39	22
PBT	44	31	56	37
Exceptional item	-	-	-	-
Tax	12	13	12	9
Share of profit of associates and JVs	-	-	-	-
Minority Interest	-	-	-	-
PAT	32	19	44	28
PAT margin (%)	18.2%	10.6%	12.8%	12.2%
EPS (Rs)	3.1	1.8	4.2	2.6

BALANCE SHEET				
Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Assets				
Net Block	53	183	204	234
Capital WIP	5	-	26	14
Right of use assets	15	36	37	47
Intangible Assets	0	0	1	1
Intangible Assets under development	0	0	1	3
Other Non-current Assets	17	17	15	18
Current Assets				
Current Investment	-	2	2	3
Inventories	54	91	179	227
Trade receivables	33	43	128	177
Cash and Bank Balances	2	2	5	5
Other Current Assets	5	11	28	38
Total Current Assets	94	151	343	450
Current Liabilities & Provisions				
Trade payables	10	30	34	81
Other current liabilities	11	13	24	29
Short-term provisions	1	1	1	2
Total Current Liabilities	22	44	59	113
Net Current Assets	72	106	283	337
Assets Classified as held for sale	-	-	-	-
Total Assets	163	343	567	654
Liabilities				
Share Capital	5	50	53	53
Reserves and Surplus	55	29	151	178
Total Shareholders' Funds	60	79	204	230
Minority Interest	-	-	0	(0)
Total Debt	89	230	331	383
Long Term Provisions	1	1	2	3
Lease Liabilities	14	31	30	38
Total Liabilities	163	343	567	654

Cash Flow Statement (Rs cr)	FY23	FY24	FY25	1HFY26
Cash flow from Operating Activities	39	21	(69)	12
Cash flow from Investing Activities	(46)	(145)	(75)	(42)
Cash flow from Financing Activities	4	124	146	29
Free Cash Flow	(7)	(122)	(144)	(30)

RATIOS			
Particulars	FY23	FY24	FY25
Profitability			
Return on Assets	17.4%	4.9%	7.0%
Return on Capital Employed	35.9%	14.8%	16.1%
Return on Equity	53.9%	23.8%	21.5%
Margin Analysis			
Gross Margin	71.8%	76.7%	76.3%
EBITDA Margin	35.8%	36.4%	34.3%
Net Profit Margin	18.2%	10.6%	12.8%
Short-Term Liquidity			
Current Ratio (x)	1.0	0.9	1.3
Quick Ratio (x)	0.4	0.3	0.6
Avg. Days Sales Outstanding	69	89	136
Avg. Days Inventory Outstanding	110	187	191
Avg. Days Payables	32	98	56
Fixed asset turnover (x)	2.6	0.8	1.4
Debt-service coverage (x)	0.5	0.2	0.2
Long-Term Solvency			
Total Debt / Equity (x)	1.5	2.9	1.6
Interest Coverage Ratio (x)	5.7	3.2	2.9
Valuation Ratios*			
EV/EBITDA (x)	39.0	40.3	23.1
P/E (x)	74.0	126.4	54.5
P/B (x)	39.9	30.1	11.7
EV/Sales (x)	14.0	14.7	7.9
P/Sales (x)	13.5	13.4	7.0

*Valuation ratios are based on pre-issue capital at the upper price band

Source: RHP, SBICAP Securities Research

Peer Comparison – FY25

Particulars (Rs cr)	Omnitech Engineering Ltd	Azad Engineering Ltd	Unimech Aerospace and Manufacturing Ltd	PTC Industries Ltd	MTAR Technologies Ltd	Dynamatic Technologies Ltd
CMP (Rs)	227	1,718	905	17,650	3,657	9,941
Mkt Cap.	2,807	11,093	4,603	26,462	11,263	6,263
Enterprise Value	2,715	10,635	4,531	26,141	11,423	6,668
Sales	343	453	243	308	676	1,404
EBITDA	118	161	92	75	121	160
Net Profit	44	89	77	61	54	43
EBITDA Margin (%)	34.3	35.5	37.9	24.4	17.9	11.4
Net Profit Margin (%)	12.8	19.6	31.7	19.8	8.0	3.1
RoE (%)	7.1	6.3	11.5	4.4	7.4	6.0
RoCE (%)	9.0	8.7	13.3	6.1	10.3	9.7
P/E (x)	64.0	124.6	59.8	433.8	208.6	145.5
EV/EBITDA (x)	23.1	66.1	49.2	348.5	94.4	41.7
EV/Sales (x)	7.9	23.5	18.6	84.9	16.9	4.7
Operational Metrics						
Order Book*	1,765	6,500	210	NA	2,395	NA

For Omnitech Engineering Ltd, the Market Cap, P/E (x), EV/EBITDA (x), EV/Sales, RoE (%) and RoCE (%) are calculated on post-issue equity share capital based on the upper price band.

CMP of peer companies is as of 20th February, 2026.

*As per latest available data; order book for PTC Industries and Dynamatic Technologies are not disclosed

Source: RHP, SBICAP Securities Research.

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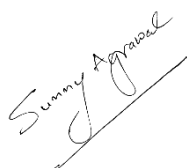
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