Fabtech

SMC Ranking

★★☆☆☆ (2/5)

Issue Highlights

Industry	**Biopharma**
Fresh Issue (Shares)	12,060,000
Net Offer to the Public	**12,060,000**
Issue Size (Rs. Cr.)	218-230.35
Price Band (Rs.)	181-191
Employee Discount (Rs.)	9
Offer Date	29-Sep-25
Close Date	1-Oct-25
Face Value	10
Lot Size	75

Issue Composition

	In shares
Total Issue for Sale	12,060,000
QIB	6,030,000
NIB	1,809,000
Retail	4,221,000

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	94.61%	68.94%
QIB	5.39%	17.50%
NIB	0.00%	4.07%
Retail	0.00%	9.50%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company Fabtech Technologies IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. The Company Fabtech Technologies IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:
2. Pursuing inorganic growth initiatives through acquisitions
3. General corporate purposes

Book Running Lead Manager

- Unistone Capital Private Limited

Name of the registrar

- Bigshare Services Private Limited

About the company

Incorporated in 2018, Fabtech Technologies Ltd is a biopharma engineering company specializing in turnkey projects. The company designs and delivers cleanroom facilities, modular systems, and customized engineering solutions, providing end-to-end services across design, engineering, manufacturing, installation, and project management. With expertise in cleanroom technology, HVAC systems, and process equipment, Fabtech serves global clients while ensuring compliance with international regulatory standards. Its offerings include start-to-finish support across the biopharma manufacturing lifecycle, clean water solutions for purified water, pure steam, and water for injections (500–50,000 LPH), and clean air solutions for industries such as life sciences, food and beverage, IT, semiconductor, and aeronautics. As of July 31, 2025, the company employed 185 permanent staff.

Strength

Comprehensive Turnkey Engineering Solutions: Fabtech Technologies Ltd is a leading turnkey engineering solutions provider in the pharmaceutical capex space, delivering end-to-end project execution from design and engineering to procurement, installation, testing, and commissioning. The company specializes in controlled environment infrastructure for pharmaceutical, biotechnological, and healthcare sectors across geographies. Its services include disease profiling to ensure facilities address prevalent health challenges, feasibility studies assessing technical and financial viability, and support for technology tie-ups and transfers. Fabtech's design and engineering teams create adaptable solutions that cater to current requirements while accommodating future expansion, ensuring compliance with local and international regulations. Through in-house and third-party equipment procurement, the company delivers integrated turnkey projects with quality and cost control. Its project management system, FabAssure, provides real-time monitoring, operational transparency, and faster execution. Since inception, Fabtech has completed over 50 international projects and maintains a healthy order book exceeding Rs. 900 crore, providing a strong competitive advantage and enabling strategic customer base expansion.

Asset-Light and Integrated Business Model: Fabtech Technologies Ltd follows a scalable, asset-light business model by sourcing equipment from related entities and third-party suppliers, avoiding heavy capital investment in manufacturing facilities. This approach allows the company to focus on project execution, sales, and marketing while maintaining strict control over equipment quality and costs. By partnering with a reliable network of suppliers, Fabtech flexibly scales resources according to project demand, achieving economies of scale and minimizing capital expenditure. Its integrated in-house model includes risk assessment, design, procurement, quality control, logistics, and project execution teams. Manufacturing facilities of related entities supply key equipment, reducing dependence on third parties and ensuring timely delivery. This integrated model allows Fabtech to capture a larger portion of the turnkey engineering value chain, offering a competitive advantage over providers with limited service offerings and higher capital requirements. Overall, this structure enhances operational efficiency, project control, and client satisfaction across diverse projects.

In-House Technology and Project Management Capabilities: Fabtech Technologies Ltd has developed in-house software, FabAssure, to manage the entire lifecycle of its projects efficiently. Under the guidance of its experienced leadership, the company integrates project planning, execution, and completion activities into a centralized system, enabling real-time tracking and timely coordination across teams. FabAssure links local

actions to project milestones, monitors roadblocks through an issue log, and escalates unresolved matters to senior management, ensuring rapid problem resolution. This technology infrastructure has modernized project execution, improving efficiency, transparency, and client trust. It allows Fabtech to deliver projects with higher productivity, better quality, and stringent operational control. By leveraging these capabilities, the company enhances project completion timelines and operational effectiveness, reinforcing its reputation as a reliable turnkey engineering solutions provider with advanced technological integration.

Diversified Order Book and Global Execution: Fabtech Technologies Ltd maintains a diversified order book across geographies, clients, and business verticals. Its projects cover granulation solutions, isolator containment systems, injectable manufacturing, encapsulation, water treatment, cleanroom infrastructure, HVAC, mechanical, electrical, plumbing, and packaging lines. The company executes projects across all pharmaceutical dosage forms, including tablets, capsules, liquids, injectables, and semisolids like ointments and inhalers. Operating in emerging economies such as Bangladesh, Egypt, Ethiopia, India, Kenya, Saudi Arabia, UAE, and others, Fabtech successfully delivers projects in challenging environments with regional conflicts, supply chain disruptions, or limited skilled labor. The company employs comprehensive risk assessment and mitigation strategies, leveraging local knowledge and presence to optimize procurement, stakeholder management, and project execution. Its global experience enables the company to navigate regulatory, logistical, and operational challenges efficiently, ensuring consistent project delivery, client satisfaction, and sustainable growth across multiple markets.

Lead Generation and Mandate Conversion: Fabtech Technologies Ltd employs a structured lead generation and conversion process to expand its revenue streams. Its sales and marketing teams identify potential opportunities from diverse sources and validate leads through client meetings, field visits, referrals, and digital communication channels. Leads are categorized as validated opportunities, parked leads, or organic leads, enabling systematic follow-up and conversion into confirmed orders. The company's strategy ensures a steady and growing order book by applying for multiple projects each financial year, monetizing negotiation skills, and leveraging local networks. Led by its senior management, including the Executive Director – International Sales and the CEO, the sales and marketing teams play a crucial role in creating business opportunities, expanding customer reach, and strengthening client relationships across geographies. This systematic approach ensures a higher mandate conversion rate, revenue stability, and long-term growth in the pharmaceutical, biotech, and healthcare sectors.

Track Record Across Dosage Forms: Fabtech Technologies Ltd has a proven track record of executing pharmaceutical projects across all major dosage forms, including liquids, solids, injectables, and semisolids such as ointments and inhalers. Its comprehensive turnkey solutions cover bio air, clean water, and process systems, enabling clients to manufacture oncology, specialty, and over-the-counter medications. The company's expertise allows it to manage both complex and straightforward projects with precision, ensuring high-quality standards. With a dedicated team of professionals experienced in pharmaceutical, biotech, and healthcare projects, Fabtech delivers projects efficiently while navigating regulatory, technical, and operational challenges. Its ability to handle diverse dosage forms positions the company as a preferred partner for clients seeking reliable execution of projects across various product types and complexities, reinforcing its market reputation and long-term client trust.

Experienced Leadership and Fabtech Group Parentage: Fabtech Technologies Ltd benefits from the experience and reputation of the Fabtech Group, which has operated in India and internationally for over two decades. Following a demerger in 2020, the company inherited ongoing orders, employees, assets, and customer relationships, strengthening its operational foundation. The leadership team, including Promoters Aasif Ahsan Khan, Hemant Mohan Anavkar, and Aarif Ahsan Khan, along with CEO Ashwani Kumar Singh, brings extensive experience in pharmaceutical engineering and project management. Supported by cross-functional professionals in senior and mid-level management, the company leverages deep sector knowledge to navigate challenges, drive innovation, and expand strategically. This experienced leadership enables Fabtech Technologies Ltd to deliver high-quality turnkey projects, maintain strong client relationships, and execute complex projects efficiently, ensuring sustainable growth and a robust market presence in

the pharmaceutical, biotechnology, and healthcare sectors.

Strategy

Expansion in Existing Regions through Subsidiaries and Joint Ventures: Fabtech Technologies Ltd is a transnational turnkey engineering solutions provider headquartered in India, with a global footprint spanning 62 countries across the Middle East, Africa, Asia, Europe, Latin America, and North America. A key advantage in executing complex projects is its established local presence, enabling effective stakeholder communication, operational coordination, and informed decision-making tailored to each region. Managing large-scale pharmaceutical projects requires synchronizing clients, suppliers, and government authorities, as well as deep knowledge of regional and industry-specific requirements. To enhance market penetration in core regions such as GCC, MENA, and ECO, Fabtech Technologies Ltd leverages its Step-Down Subsidiary, FTS Cleanrooms Systems LLC, and joint ventures with local engineering service providers. These partnerships allow the company to access a robust customer base, secure key projects, and ensure execution efficiency. Pursuant to its FTS Business Transfer Agreement, FTS Cleanrooms Systems LLC has procured 20 projects worth Rs. 137.25 crore, which Fabtech executes through its service capabilities.

Increasing Government Clientele in the African Region: Fabtech Technologies Ltd operates in 62 countries and has served 289 international customers since inception. The company has successfully executed projects in developing economies such as Egypt, Ethiopia, and Ghana, demonstrating its capability to deliver complex projects with limited resources. Recognizing the limited pharmaceutical and healthcare infrastructure in Africa, Fabtech aims to expand its presence by targeting government-driven projects and tenders. Several African governments, in collaboration with international organizations like the World Bank, AfDB, IFC, MIGA, and IBRD, are modernizing healthcare infrastructure, creating significant opportunities for turnkey engineering solution providers. Fabtech Technologies Ltd plans to competitively bid for these tenders, leveraging its proven execution capabilities to become a preferred government partner. With relatively few domestic competitors, the company expects a high success rate in tender acquisition, enabling it to expand its market share, establish a steady client base, and achieve economies of scale while supporting the development of advanced healthcare facilities across the region.

Pursuing Inorganic Growth through Strategic Acquisitions: Fabtech Technologies Ltd plans to expand its integrated operations in India, UAE, Saudi Arabia, and Egypt by building a robust supplier base and undertaking strategic acquisitions. The company's asset-light model relies on procuring equipment from related entities and third-party suppliers, avoiding heavy capital investments in manufacturing. Strategic acquisitions of manufacturers of process equipment and critical components will strengthen operational efficiency, ensure timely project execution, maintain internal quality standards, and attract premium clientele that require in-house manufacturing capabilities. Fabtech intends to utilize Rs. 30 crore from net proceeds to acquire four to five target companies, primarily in foreign geographies. The company leverages the Fabtech Group's proven acquisition track record, which includes Advantek Air Systems Private Limited and Kelvin Air Conditioning and Ventilation Systems Private Limited, as well as a 33.33% stake in Mark Maker Engineering Private Limited, enabling geographic expansion, operational synergies, and enhanced capacity for large-scale turnkey projects while maintaining cost efficiency.

Diversifying the Customer Base: Fabtech Technologies Ltd currently specializes in providing turnkey engineering solutions for pharmaceutical, biotechnology, and healthcare manufacturers. To reduce dependence on these sectors and mitigate risks associated with industry fluctuations, the company intends to expand into non-pharmaceutical domains such as nutraceuticals and GMP-certified fast-moving consumer goods (FMCG). By leveraging its deep expertise in project execution, design, and engineering, Fabtech aims to attract new customers across diverse industries, broadening its revenue streams and ensuring business resilience. Diversifying the customer base allows the company to stabilize cash flows, achieve sustainable growth, and enhance long-term operational stability. The company's strategy focuses on using its established competencies, global presence, and integrated service offerings to enter new markets efficiently, maintain high service quality, and establish long-term client relationships, thereby supporting its objective of becoming a preferred turnkey engineering solutions provider across multiple industrial sectors.

Risk Factor

- Fabtech Technologies Ltd received actual orders of less than 11% of total proposals submitted over the past three financial years. Prolonged inability to generate and convert leads into orders could adversely affect its business, financial condition, operations, prospects, and cash flows.
- With a limited operating history, Fabtech Technologies Ltd may face challenges in competing successfully, making it difficult to assess future performance based on past results.
- The company's order book may not reflect future results. Projects could be delayed, modified, or cancelled for reasons beyond its control, potentially impacting business, reputation, profitability, and operations.
- Fabtech Technologies Ltd depends on a few key projects for a substantial portion of its revenue. Cancellation of these projects could materially affect its operations and financial condition.
- The majority of the company's revenue comes from turnkey engineering solutions. Failure to secure new contracts or termination of current contracts could materially and adversely impact its financial position.

Peer Comparison

As per, the RHP there are no listed companies in India that are of comparable size, from the same industry and with similar business model as that of the Company.

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs.191, the stock is priced at pre issue P/E of 13.32x on an FY25 EPS of Rs.14.34. Post issue, the stock is priced at a P/E of 18.28x on its EPS of Rs. 10.45. Looking at the P/B ratio at Rs. 191 pre issue, book value of Rs. 53.44 of P/Bvx 3.57x. Post issue, book value of Rs.90.76 of P/Bvx 2.10x.

Considering the P/E valuation, on the lower end of the price band of Rs.181, the stock is priced at pre issue P/E of 12.62 x on FY25 EPS of Rs. 14.34. Post issue, the stock is priced at a P/E of 17.32x on its EPS of Rs.10.45. Looking at the P/B ratio at Rs.181 pre issue, book value of Rs. 53.44 of P/Bvx 3.39x. Post issue, book value of Rs.90.76 of P/Bvx 1.99x.

Industry Outlook

Cumulative capex in global pharmaceuticals industry was ~$ 370-420 billion over 2020 to 2024. During this period, capex of pharmaceuticals companies as a percentage of their revenue remained between 5.0-6.0%. However, analysis of regional capex trends reveals that the capex activities are dependent on industry dynamics as well as policy frameworks across different regions. Capex activities are also dependent on the maturity of market in terms of penetration of different medicines. In the growth stage some of the emerging markets like Latin- America and Caribbean and Asia-Pacific have seen higher capex spends compared to matured markets like the US, Europe and Canada. Global pharmaceutical capex is estimated to increase 1.3x and witness cumulative capex investments of $500-550 billion between 2025-2029 owing to sustained capex investments due to expiration of patents, increasing generic medicines usage and pricing pressures. Governments of the UAE and the KSA are increasingly focusing on local manufacturing of pharmaceuticals, which is expected to, consequently, increase capex in the space. In 2017, Pfizer Global Supply completed the construction of a new manufacturing facility in King Abdullah Economic City. The site – the first for Pfizer in the KSA – will allow patients in the country to access Pfizer medicines such as Lipitor (atorvastatin calcium), Lyrica (pregabalin) and Zithromax (azithromycin). In 2017, the KSA and Japan also set up a joint group for Saudi-Japan Vision 2030. As part of this, the KSA and Japan will collaborate on areas of medical training and research, etc.

Outlook

Fabtech Technologies Ltd's strong turnkey engineering capabilities, global presence, and integrated asset-light model position it well for growth. Strategic expansion through subsidiaries, joint ventures, and acquisitions enhances market reach, while diversified services and a robust order book mitigate sector dependence. Risks include project delays, client concentration, and geopolitical challenges, but the company's local expertise, technology-driven execution, and government tender focus in emerging markets support a resilient, opportunity-driven outlook.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	29-September-25
BID/ISSUE CLOSES ON	01-October-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	03-October-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	06-October-25
Credit of Equity Shares to Demat Accounts of Allottees	06-October-25
Commencement of trading of the Equity Shares on the Stock Exchanges	07-October-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)	Period ended 31-Mar-23 (12 Months)
Revenue from operations	326.67	226.14	193.80
Total expenditure	288.99	192.23	171.17
Operating Profit	**37.68**	**33.90**	**22.63**
OPM%	11.54	14.99	11.68
Other Income	9.27	4.47	6.11
Total Net Income	**46.96**	**38.37**	**28.74**
Interest	2.09	1.90	2.58
PBDT	**44.87**	**36.47**	**26.16**
Depreciation	2.61	2.08	1.90
Profit/ (loss) before Share of profits / (loss) in associate entity, exceptional items and tax	**42.26**	**34.39**	**24.26**
Share of profits / (loss) in associate entity	0.32	1.38	3.64
Profit/ (loss) before exceptional items and tax	**42.59**	**35.77**	**27.90**
Exceptional items	17.85	0.00	0.00
Profit/ (loss) before tax	**60.43**	**35.77**	**27.90**
Tax	13.98	8.55	6.17
Profit & Loss	**46.45**	**27.22**	**21.73**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-25	As on 31-Mar-24	As on 31-Mar-23
Non-current assets			
Property, plant and equipment	56.49	5.56	3.55
Goodwill	37.00	16.10	0.00
Other Intangible assets	0.65	0.43	0.07
Financial assets			
Investments	8.32	0.00	20.24
Loans	1.12	1.64	5.82
Other financial assets	6.51	2.61	1.49
Deferred tax asset (net)	2.43	1.75	1.27
Total non-current assets	**112.52**	**28.08**	**32.45**
Current asset			
Deferred tax asset (net)	59.42	29.27	17.24
Financial Assets			
Investments	6.43	21.00	0.05
Trade receivables	150.74	96.66	99.41
Cash and cash equivalents	9.06	28.99	10.53
Bank balances other than cash and cash equivalent	25.95	17.18	13.32
Loans	2.42	1.66	0.99
Other Financial Assets	35.50	25.75	20.07
Current Tax assets (net)	0.05	0.04	0.32
Other current assets	18.85	9.11	19.49
Total current assets	**308.41**	**229.66**	**181.42**
Assets classified as held for sale	**5.63**	**11.49**	**0.00**
Total Assets	**426.55**	**269.23**	**213.86**
Non-current liabilities			
Financial liabilities			
Borrowings	0.53	0.28	0.86
Lease Liabilities	26.62	1.36	0.13
Provisions	0.82	0.83	1.55
Total Non- Current liabilities	**27.97**	**2.46**	**2.55**
Current liabilities			
Financial Liabilities			
Borrowings	54.09	9.60	33.42
Lease Liability	2.59	1.48	1.03
Trade payables- Total outstanding dues of micro and small enterprises	18.14	13.83	4.65
Trade payables-Total outstanding dues of creditors other than micro and small enterprises	80.67	51.23	49.34
Other Financial Liabilities	0.28	1.08	0.20
Other Current Liabilities	62.95	55.85	32.93
Provisions	0.87	0.90	0.77
Current tax liabilities (net)	**5.89**	**0.92**	**0.00**
Total - Current Liabilities	**225.47**	**134.89**	**122.35**
Total Liabilities	**253.44**	**137.35**	**124.90**
Net worth represented by:			
Equity share capital	32.39	2.94	2.79
Other equity	140.72	128.94	86.18
Non-controlling Interest	0.00	0.00	0.00
Total Equity	**173.11**	**131.88**	**88.96**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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