Man Industries: Value-added Products to Boost Profitability

November 16, 2026 | CMP: INR 821 | Target Price: INR 1030

Expected Share Price Return: 25.5% | Dividend Yield: 0.0% | Expected Total Return: 25.5%

Choice Institutional Equities

BUY

Sector View: Positive

Q2FY27 Result Update

Change in Estimates	✓
Target Price Change	✓
Recommendation	✗

Company Info	
BB Code	MAN IN EQUITY
Face Value (INR)	5.0
52-wk High/Low (INR)	1,040 / 302
Mkt Cap (Bn)	INR 60.67 / $ 0.64
Shares o/s (Mn)	75.0
3M Avg. Daily Volume	11,65,853

Change in CIE Estimates

	FY27E			FY28E		
INR Bn	New	Old	Dev. (%)	New	Old	Dev. (%)
Revenue	49.8	51.2	(2.7%)	69.1	67.9	1.8%
EBITDA	7.3	7.3	0.8%	10.3	10.0	2.7%
EBITDAM %	14.7	14.2	51 bps	14.9	14.8	13 bps
PAT	3.6	3.4	4.2%	5.6	5.5	0.9%

Actual vs CIE Estimate

INR Bn	*Q2FY27A*	*CIE Est.*	*Dev.%*
Revenue	12.1	12.8	(5.1)
EBITDA	1.8	2.0	(5.8)
EBITDAM %	15.2	15.3	(11) bps
PAT	0.8	0.9	(12.5)

Key Financials

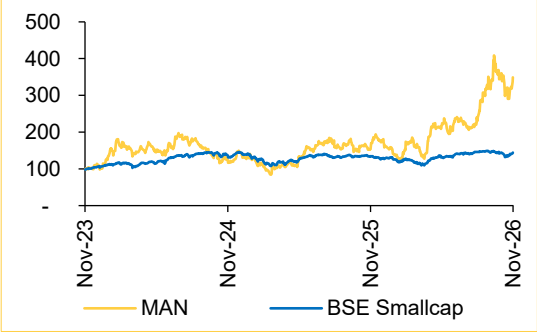
INR Bn	*FY25*	*FY26*	*FY27E*	*FY28E*	*FY29E*
Revenue	35.1	35.6	49.8	69.1	80.2
YoY (%)	11.6	1.7	39.8	38.7	16.0
EBITDA	3.4	4.4	7.3	10.3	12.5
EBITDAM %	9.6	12.3	14.7	14.9	15.6
PAT	1.5	1.7	3.6	5.6	7.2
EPS (INR)	20.4	22.7	47.9	74.5	95.4
ROE %	9.5	8.2	14.7	18.6	19.2
ROCE %	7.4	6.6	9.3	12.6	13.9
P/E(x)	13.1	40.2	17.1	11.0	8.6
EV/EBITDA	5.4	15.2	8.9	6.5	5.1

Shareholding Pattern (%)

	Sep-26	*Jun-26*	*Mar-26*
Promoters	43.21	43.21	43.21
FII	3.49	2.87	2.41
DII	1.17	1.43	1.34
Public	52.13	52.48	53.03

Relative Performance (%)

	3Y	2Y	1Y
BSE Small Cap	46.8	6.3	7.0
MAN IN	232.3	182.5	113.1



Click to read Q2FY27_Building Material Result Preview

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Note: Sector coverage transitioned to new analyst, estimates and ratings carried forward

Consolidated EBITDA Strengthens as Saudi operations stabilise

MAN posted a strong Q2FY27, with consolidated revenue and EBITDA growing by **45.1% and 51.9% YoY**, respectively. The earnings upside was largely driven by NPC's significant contribution of 40% to consolidated revenue and improved margin. MAN subsidiary National Pipe Company (NPC) reported revenue of INR 4.8 Bn this quarter as compared to INR 430 Mn in Q1FY27, with 45% capacity utilisation and an EBITDA margin of 18%. NPC is expected to deliver further robust growth in FY28E. The current order book stands at INR 35 Bn, with a bid book of INR 190 Bn.

Our positive stance is underpinned by:

1) **Strong Earnings Trajectory:** We forecast **Revenue / EBITDA / PAT** CAGR of **31% / 42% / 61%** over FY26–29E, respectively, supported by a strong **order book** and a healthy **bid pipeline**

2) **Balance Sheet Upside from Non-core Asset Monetisation:** Monetisation of Navi Mumbai land parcel is likely to generate **INR 7–8 Bn/year cash inflow** for the next 3–5 years. This strengthens MAN's liquidity position and support growth-led capital expenditure..

3) **Margin Expansion Catalysts:** We forecast a **~326-bps EBITDA margin** expansion over FY26–29E, buoyed by a higher value-added mix and increased operational leverage at higher utilisation levels.

View & Valuation

We believe MAN is poised for a strong growth trajectory over the next 3–5 years, driven by an improving business outlook, strong earnings visibility, a healthy order book, capacity expansion and higher operating leverage. We, therefore, revise our EV/EBITDA multiple upwards to 8.0x (vs 6.0x earlier) to arrive at a revised **TP of INR 1,030/share.** Our revised TP implies an upside of 25.5%, and we reiterate our 'BUY' rating on the stock.

Key Risks

Possible slowdown in conversion of bid pipeline into order book and a slow ramp-up of upcoming capacities

INR Mn	FY28E
EBITDA (INR Mn)	10,303
Target EV/EBITDA Multiple (x)	8
Target EV (INR Mn)	82,426
Net Debt (INR Mn)	5,086
Implied Market Value (INR Mn)	77,340
Target Price (INR)	**1,030**
CMP	821

Source: MAN, Choice Institutional Equities

Q2FY27: Growth Catalysts Drive Profitability

- Consolidated revenue grew by 45.1% YoY and 14.9% QoQ to INR 12,104 Mn (missing CIE estimate by 5.1%)
- EBITDA grew by 51.9% YoY and 28.3% QoQ to INR 1,840 Mn (missing CIE estimate by 5.8%), with a margin of 15.2% (+68 bps YoY, +158 bps QoQ)
- Reported PAT grew 121.7% YoY and 33.5% QoQ to INR 820 Mn
- Order Book: Robust at INR 35.0 Bn (vs. ~36.0 Bn in Q1FY27), executable over the next 6 to 12 months
- MAN plans to establish a 350,000 MTPA HSAW pipe manufacturing facility in the US through its wholly-owned subsidiary, with a proposed capex of USD 110 Mn.

MAN - INR Mn	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)
Net Revenue	12,104	8,341	45.1%	10,531	14.9%
COGS	7,900	6,020	31.2%	6,830	15.7%
Gross Profit	4,204	2,321	81.1%	3,702	13.6%
Gross Margin (%)	**34.7**	**27.8**	**690 bps**	**35.1**	**(41) bps**
EBITDA	1,840	1,211	51.9%	1,434	28.3%
EBITDA Margin (%)	**15.2**	**14.5**	**68 bps**	**13.6**	**158 bps**
Depreciation	422	222	90.3%	298	41.4%
Interest Cost	501	302	65.7%	400	25.3%
PBT	1,224	494	147.6%	854	43.3%
Tax	404	125	224.6%	240	68.2%
PAT	820	370	121.7%	614	33.5%
EPS	10.9	4.9	121.7%	8.2	33.5%

Source: MAN, Choice Institutional Equities

Management Call – Highlights

Strong bid pipeline of INR 190 Bn

FY27 consolidated revenue guidance INR ~50 Bn and 20–25% overall growth for FY28E

The Capex for H2FY27 will be INR 4,500 Mn

Gross debt is expected to peak at ~INR 17 Bn for FY27

The upcoming capacity in USA will be 3,50,000 MTPA, capex cost USD 110 Mn

Order Book and Bid Pipeline

- The **order book** stood at **INR 35.0 Bn** (vs. ~36.0 Bn in Q1FY27), to be executed in 6 to 12 months
- **Bid Pipeline:** Strong bid pipeline of **INR ~190 Bn** (vs. ~240 Bn in Q1FY27)

Guidance

- FY27 consolidated revenue guidance INR ~50 Bn
- **FY28E Guidance:** 20–25% overall growth (India + Saudi + Jammu + coating ramp-up)
- **Consolidated EBITDA margin guidance:** Management expects to maintain consolidated EBITDA margin above 15% even as new facilities (Jammu and Saudi coating) ramp up in FY28E

Key Growth Drivers Supporting FY28 Guidance

- **NPC (Saudi Arabia):** Expected to generate revenue of USD 200–250 Mn in FY28, with an EBITDA margin of 18%.
- **Jammu Stainless Steel Plant:** Targeting 25–30% capacity utilisation in the first year of operations, with peak revenue potential of INR 10–12 Bn and EBITDA margin of 18–22%.
- **Saudi Coating & Double-Jointing Facility:** Operations expected to commence in April 2027, with EBITDA margin targeted at over 15%. Revenue guidance not specified.
- **Proposed US HSAW Plant:** Planned capacity of 350,000 MTPA with a capex of USD 110 Mn; targeted PAT margin of 10–15%.

Capex & Debt

- The Capex for H2FY27 will be INR 4,500 Mn
- Gross debt is forecast to peak at ~INR 17 Bn for FY27, with strong cash flows keeping year-end net debt at a modest INR 2,000–2,500 Mn

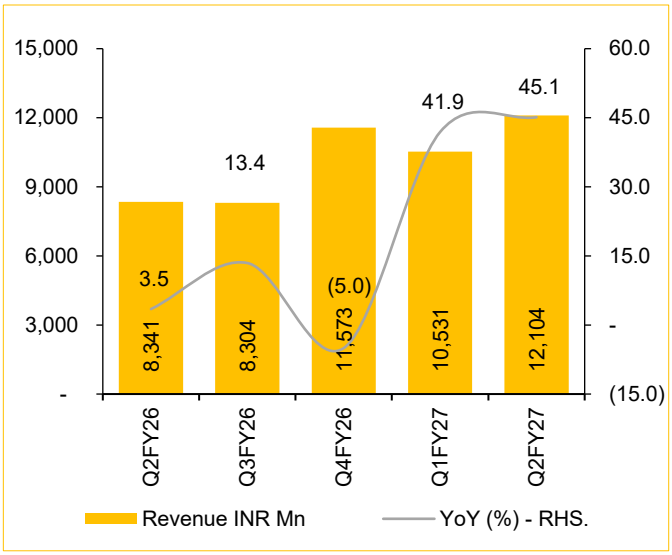
US Expansion Opportunity

- **US Expansion:** MAN board approved setting up a 350,000-MTPA pipe manufacturing facility through its wholly-owned subsidiary, with a planned capex of USD 110 Mn and commissioning targeted for Dec 27–Jan 28. At 75% utilisation, the plant is anticipated to generate revenue of INR 45–50 Bn, with targeted PAT margin of 10–15%.

Country-wise Installed Capacity:

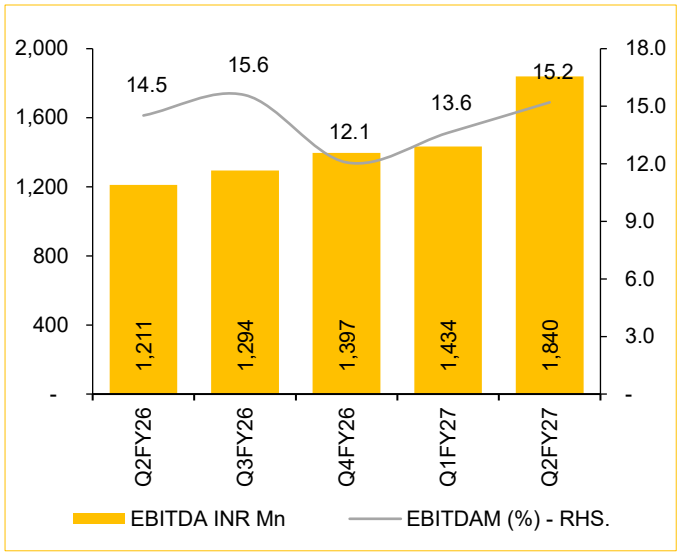
- **India:** 11,75,000 MTPA (HSAW: 5,00,000 MTPA; LSAW: 5,00,000 MTPA; ERW: 1,75,000 MTPA).
- **Saudi Arabia:** 4,30,000 MTPA (HSAW: 2,50,000 MTPA; LSAW: 1,80,000 MTPA).
- **Jammu, India (Upcoming):** 22,000 MTPA (Stainless Steel Seamless).
- **USA (Upcoming):** 350,000 MTPA (HSAW).

Q2 revenue came in at INR 12.1 Bn, up 45.1% YoY



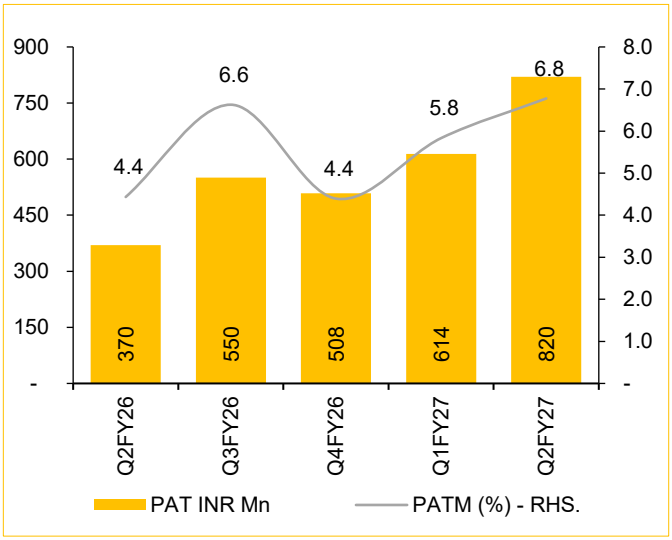
Source: MAN, Choice Institutional Equities

Driven by a better product mix, Q2 EBITDA grew by 51.9% YoY



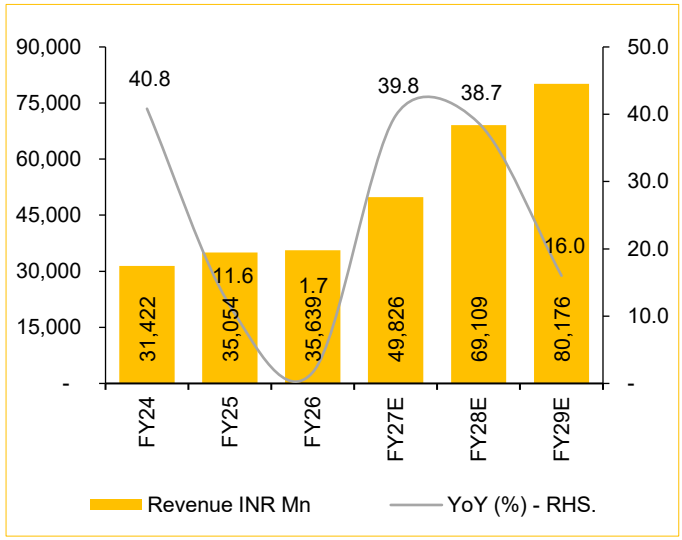
Source: MAN, Choice Institutional Equities

Q2FY27 PAT grew 121.7% YoY



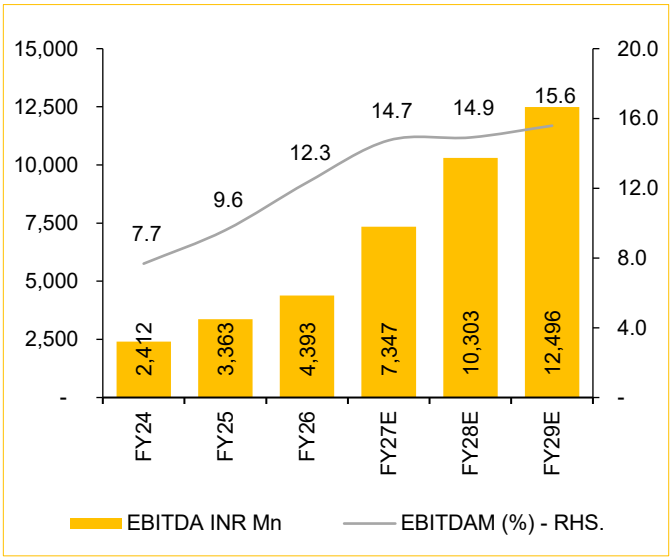
Source: MAN, Choice Institutional Equities

Revenue anticipated to grow at 31.0% CAGR over FY26–FY29E



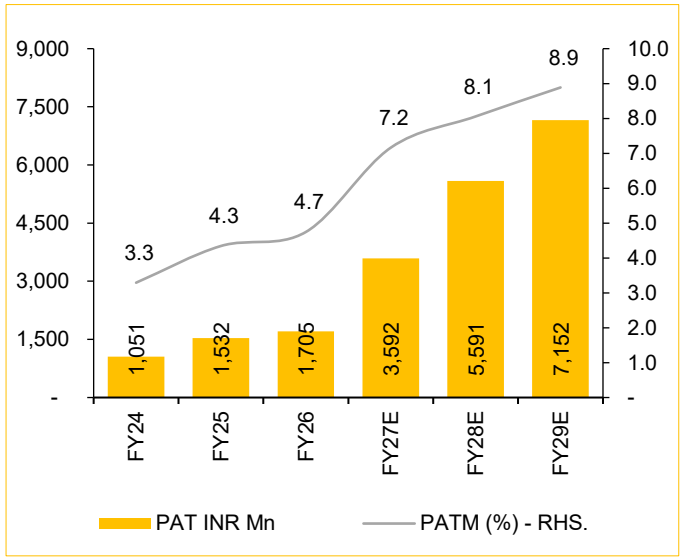
Source: MAN, Choice Institutional Equities

EBITDA CAGR of 41.7% anticipated over FY26–FY29E



Source: MAN, Choice Institutional Equities

PAT CAGR of 61.3% projected over FY26–FY29E



Source: MAN, Choice Institutional Equities

Income Statement (Consolidated in INR Mn)

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Revenue	35,054	35,639	49,826	69,109	80,176
Gross Profit	11,696	13,468	17,074	22,117	24,884
EBITDA	3,363	4,393	7,347	10,303	12,496
Depreciation	452	789	1,021	1,280	1,535
EBIT	2,911	3,604	6,326	9,024	10,961
Other Income	200	286	319	283	299
Interest Expense	1,027	1,520	1,959	1,822	1,685
PBT	2,084	2,369	4,686	7,485	9,575
PAT	1,532	1,705	3,592	5,591	7,152
EPS (INR)	20.4	22.7	47.9	74.5	95.4

Ratio Analysis	FY25	FY26	FY27E	FY28E	FY29E
Growth Ratios (%)					
Revenues	11.6	1.7	39.8	38.7	16.0
EBITDA	39.5	30.6	67.2	40.2	21.3
PAT	45.7	11.3	110.7	55.7	27.9
Margins (%)					
Gross Profit Margin	33.4	37.8	34.3	32.0	31.0
EBITDA Margin	9.6	12.3	14.7	14.9	15.6
PAT Margin	4.4	4.8	7.2	8.1	8.9
Profitability (%)					
Return On Equity	9.5	8.2	14.7	18.6	19.2
Return On Invested Capital	18.8	22.5	26.5	26.4	28.6
Return On Capital Employed	7.4	6.6	9.3	12.6	13.9
Financial leverage					
OCF / EBITDA (x)	0.2	1.1	0.4	0.3	0.6
OCF / IC (%)	4.7	29.5	12.5	9.2	18.8
Working Capital					
Inventory Days	132	157	155	152	150
Receivable Days	93	103	95	95	95
Creditor Days	125	151	145	142	140
Working Capital Days	100	110	105	105	105
Valuation Ratios					
PE (x)	13.1	40.2	17.1	11.0	8.6
EV/EBITDA (x)	5.4	15.2	8.9	6.5	5.1

Source: MAN, Choice Institutional Equities

Balance Sheet (Consolidated in INR Mn)

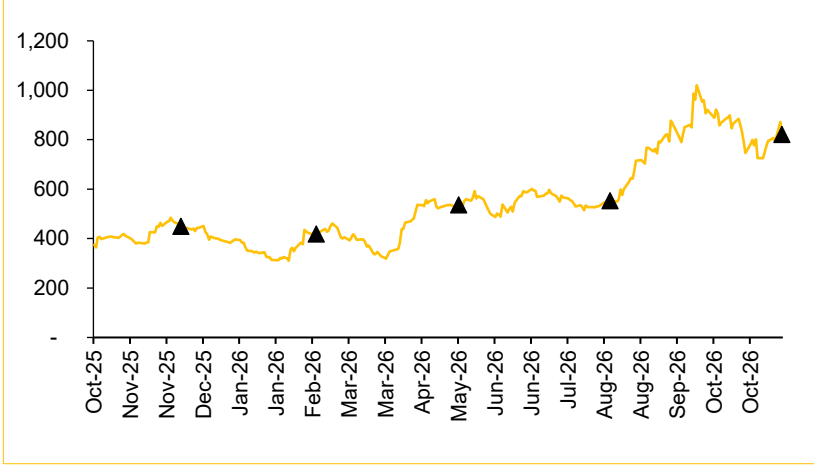
Particulars	FY25	FY26	FY27E	FY28E	FY29E
Net worth	16,073	20,865	24,457	30,048	37,201
Deferred tax	432	868	868	868	868
Total Debt	4,559	4,996	14,300	14,300	14,300
Trade Payables	12,002	14,712	19,794	26,886	30,752
Other Non-current Liabilities	73	97	97	97	97
Other Current Liabilities	4,652	8,667	8,667	8,667	8,667
Total Liabilities	**37,792**	**50,206**	**68,183**	**80,867**	**91,885**
Net Fixed Assets	5,729	7,938	12,176	16,896	17,861
Capital WIP	1,334	3,258	4,500	1,000	1,000
Goodwill on Consolidation	688	688	688	688	688
Investments	274	722	722	722	722
Cash & Bank Balance	3,792	6,572	10,390	9,214	12,217
Inventory	12,685	15,350	21,159	28,780	32,949
Sundry Debtors	8,959	10,098	12,969	17,987	20,868
Other Non-current Assets	2,520	2,977	2,977	2,977	2,977
Other Current Assets	1,811	2,603	2,603	2,603	2,603
Total Assets	**37,792**	**50,206**	**68,183**	**80,867**	**91,885**

Cash Flows (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Cash Flows from Operations	731	4,722	2,973	3,146	7,189
Cash Flows from Investing	(1,113)	(5,939)	(10,332)	(2,500)	(2,500)
Cash Flows from Financing	245	1,360	7,345	(1,822)	(1,685)

DuPont Analysis	FY25	FY26	FY27E	FY28E	FY29E
Tax Burden (%)	73.5%	72.0%	76.6%	74.7%	74.7%
Interest Burden (%)	71.6%	65.7%	74.1%	82.9%	87.4%
EBIT Margin (%)	8.3%	10.1%	12.7%	13.1%	13.7%
Asset Turnover (X)	0.9	0.7	0.7	0.9	0.9
Equity Multiplier (X)	2.4	2.4	2.8	2.7	2.5
ROE	**9.5**	**8.2**	**14.7**	**18.6**	**19.2**

Source: MAN, Choice Institutional Equities

Historical share price chart: Man Industries Limited



Date	Rating	Target Price
November 17, 2025	BUY	600
February 10, 2026	BUY	535
May 27, 2026	BUY	690
August 13, 2026	BUY	800
November 16, 2026	BUY	1030

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CHOICE RATING DISTRIBUTION & METHODOLOGY	
Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap
*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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