

A Thumbs Up from the Best on Street!: Man Industries Ltd

BUY

June 02, 2025 | CMP: INR 397 | Target Price: INR 480

Expected Share Price Return: 21% | Dividend Yield: 0.0% | Expected Total Return: 21%

Sector View: Positive

Change in Estimates	✓
Target Price Change	✓
Recommendation	✗

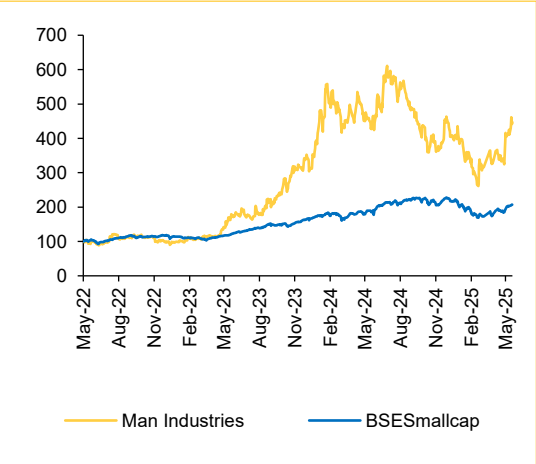
Company Info	
BB Code	MAN IN EQUITY
Face Value (INR)	5.0
52 W High/Low (INR)	513/251
Mkt Cap (Bn)	INR 21.8 / \$0.26
Shares o/s (Mn)	64.7
3M Avg. Daily Volume	7,11,711

Change in CEBPL Estimates						
	FY26E			FY27E		
INR Bn	New	Old	Dev. (%)	New	Old	Dev. (%)
Revenue	40.3	40.3	0.0	48.1	48.1	0.0
EBITDA	3.6	3.6	0.0	4.5	4.5	0.0
EBITDAM %	8.9	8.9	0.0	9.4	9.4	0.0
PAT	1.9	1.9	0.0	2.3	2.3	0.0
EPS	28.6	29.2	-2.0	34.6	35.4	-2.3

Key Financials					
INR Bn	FY24	FY25	FY26E	FY27E	FY28E
Revenue	31.4	35.1	40.3	48.1	59.4
YoY (%)	40.8	11.6	14.9	19.6	23.3
EBITDA	2.4	3.0	3.6	4.5	5.8
EBITDAM %	7.7	8.6	8.9	9.4	9.8
Adj PAT	1.1	1.5	1.9	2.3	3.2
EPS	16.2	23.7	28.6	34.6	47.4
ROE %	8.3	10.2	10.6	10.9	13.2
ROCE %	6.7	8.1	8.5	8.8	10.5
PE(x)	22.3	16.8	13.9	11.5	8.4
EV/EBITDA	10.0	8.8	7.7	6.4	5.0

Shareholding Pattern (%)			
	May-25	Mar-24	Dec-24
Promoters	48.21	46.20	46.15
FII	2.58	3.33	2.16
DII	1.03	1.03	2.64
Public	48.18	49.43	49.05

Relative Performance (%)			
YTD	3Y	2Y	1Y
BSE Small Cap	100.1	72.9	11.7
Man IN	366.1	161.8	4.6



Prashanth Kumar Kota, CFA  
Email: prashanth.kota@choiceindia.com  
Ph: +91 22 6707 9887

Bharat Kumar Kudikyala  
Email: Bharat.kudikyala@choiceindia.com  
Ph: +91 22 6707 9887

Man Industries\_Q4FY25 Result Update

Marquee Investors Repose Faith

Short Summary: MAN Board approved raising up to INR 3Bn via issue of convertible warrants to promoter and marquee non promoter allottees (EGBM to seek shareholder approval scheduled for 25 June 2025). These funds would be useful for the executing the capacity additions underway at Jammu & the Middle East. This proposed fund raise reposes investor faith in the prospects of MAN, would be viewed as a key positive by the market.

Event: On 31 May 2025 Man Industries (MAN) board has approved raising up to INR 3Bn via issue of 9.15Mn convertible warrants on a preferential basis to promoters (1.22Mn) and an other cohort of non promoter allottees (7.93Mn) at a price of INR 328/sh. Extraordinary General Meeting (EGM) is scheduled to be held on Wednesday, 25 June 2025 for seeking shareholder's approval. The list of proposed non promoter allottees includes reputed institutional and individual investors.

The proceeds from this issue are expected to be received in 2 tranches: 25% at the time of allotment and the rest 75% at the time of conversion to equity shares within 18 months from the date of allotment. Upon conversion to equity shares post receiving full money within the next 18 months, the fresh issue of equity shares will result in a dilution of 12%.

Additionally, during the week ending 01 June 2025 MAN also issued equity shares of 2.5Mn upon conversion of warrants that were issued in Dec 2023, at an issue price of INR 183.5/sh. Total amount received from this transaction is INR 459Mn, 25% of it was received in Dec 2023 and the rest 75% last week.

Valuation: We arrive at a 1 year forward TP of INR 480/share (INR 450/sh earlier) for MAN. We now value MAN on our EV/CE framework where we assign an EV/CE multiple of 1.35/ 1.35x for FY27E/28E, which we believe is conservative given strong ROCE even under reasonable operational assumptions. This valuation framework gives us the flexibility to assign a commensurate valuation multiple basis an objective assessment of the quantifiable forecast financial performance of the company. We do a sanity check of our EV/CE TP using implied EV/EBITDA, P/BV, and P/E multiples On our TP of INR 480 FY28E implied EVEBITDA/PB/PE multiples are 5.9x/1.2x/10.1x. Slow down in conversion of bid pipeline into order book and slow ramp up of upcoming capacities are risks to our BUY rating.

Source: Company, CEBPL

Exhibit 1: Introducing EV/CV Valuation Framework

INR Mn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
RoCE	14.6%	10.1%	14.6%	17.2%	14.5%	15.1%	17.5%
WACC	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%
RoCE less WACC %	1.5%	-3.1%	1.5%	4.0%	1.3%	2.0%	4.3%
EV	6,561	6,840	24,035	26,467	29,268	35,107	39,405
Capital Employed	11,763	12,934	15,852	17,942	21,680	26,005	29,189
EV/CE	0.56	0.53	1.52	1.48	1.35	1.35	1.35
Target EV/CE					1.35	1.35	1.35
Target EV					29,268	35,107	39,405
Gross Debt (INR Mn)					4,215	6,215	6,215
Cash & Equivalents (INR Mn)					2,687	3,224	2,860
Net Debt (INR Mn)					1,528	2,991	3,356
LT Provision (INR Mn)					17	23	5
EQUITY VALUE (INR Mn)					27,722	32,092	36,044
EQUITY VALUE PER SHARE (INR)					412	477	536
1 Yr forward TP (INR/sh)							480

Source: Company, CEBPL

Income statement (Consolidated in INR Mn)

Particular	FY24	FY25	FY26E	FY27E	FY28E
Revenue	31,422	35,054	40,260	48,149	59,373
Gross Profit	6,547	11,696	9,040	10,953	13,755
EBITDA	2,412	3,014	3,579	4,519	5,833
Depreciation	611	453	985	1,180	1,375
EBIT	1,801	2,562	2,593	3,339	4,458
Interest Expense	878	996	527	777	777
Other Income	521	518	550	600	650
Exceptional items	-	-	-	-	-
PBT	1,443	2,084	2,616	3,162	4,331
Reported PAT	1,051	1,532	1,924	2,325	3,184
EPS	16.2	23.7	28.6	34.6	47.4

Source: Company, CEBPL

Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios					
Revenues	40.8	11.6	14.9	19.6	23.3
EBITDA	76.1	25.0	18.7	26.3	29.1
PAT	56.8	45.7	25.6	20.9	37.0
Margins					
Gross Profit Margin	20.8	33.4	22.5	22.7	23.2
EBITDA Margin	7.7	8.6	8.9	9.4	9.8
PAT Margin	3.3	4.4	4.8	4.8	5.4
Profitability					
Return On Equity (ROE)	8.3	10.2	10.6	10.9	13.2
Return On Invested Capital (ROIC)	12.6	16.5	12.4	13.4	15.5
Return On Capital Employed (ROCE)	6.7	8.1	8.5	8.8	10.5
Financial leverage					
OCF/EBITDA (x)	1.4	0.2	0.6	0.5	0.5
OCF / IC (%)	24.2	4.4	9.6	8.5	10.8
EV/EBITDA (x)	10.0	8.8	7.7	6.4	5.0
Earnings					
EPS	16.2	23.7	28.6	34.6	47.4
Shares Outstanding	64.7	64.7	67.2	67.2	67.2
Working Capital					
Inventory Days (x)	75	132	132	132	130
Receivable Days (x)	41	93	93	93	90
Creditor Days (x)	58	125	125	125	125
Working Capital Days	58	100	100	100	95

Source: Company, CEBPL

Balance sheet (Consolidated in INR Mn)

Particular	FY24	FY25	FY26E	FY27E	FY28E
Net Worth	14,049	16,073	20,155	22,480	25,664
Deferred Tax	398	432	432	432	432
Borrowings	3,085	4,560	4,215	6,215	6,215
Other Liabilities & Provisions	42	53	53	53	53
Total Net Worth & Liabilities	17,573	21,117	24,855	29,180	32,364
Net Fixed Assets	5,397	5,729	9,744	11,563	13,188
Capital Work in Progress	305	1,334	1,000	800	500
Investments	2,294	274	274	274	274
Cash & Bank balance	2,548	3,792	2,428	2,965	2,600
Loans & Advances & Other assets	1,139	1,810	1,810	1,810	1,810
Net Current Assets	5,889	8,178	9,600	11,767	13,992
Total Assets	17,573	21,117	24,855	29,180	32,364

Source: Company, CEBPL

Cash Flows (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Cash Flows From Operations	3,449	680	2,014	2,114	3,112
Cash Flows From Investing	(2,793)	(413)	(4,666)	(2,800)	(2,700)
Cash Flows From Financing	860	296	1,288	1,223	(777)

Source: Company, CEBPL

DuPont Analysis (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Tax Burden	72.9%	73.5%	73.5%	73.5%	73.5%
Interest Burden	80.1%	81.3%	100.9%	94.7%	97.2%
EBIT Margin	5.7%	7.3%	6.4%	6.9%	7.5%
Asset Turnover	1.8	1.7	1.6	1.7	1.8
Equity Multiplier	1.3	1.3	1.2	1.3	1.3
ROE	7.5%	9.5%	9.5%	10.3%	12.4%

Source: Company, CEBPL

Historical share price chart: Man Industries Limited



Date	Rating	Target Price
January 24, 2024	OUTPERFORM	422
May 29, 2024	OUTPERFORM	459
August 13, 2024	OUTPERFORM	546
November 14, 2024	HOLD	439
February 14, 2025	BUY	409
May 13, 2025	BUY	450
June 18, 2025	BUY	480

Institutional Research Team

Utsav Verma, CFA	Head of Institutional Research	utsav.verma@choiceindia.com	+91 22 6707 9440
Prashanth Kumar Kota	Analyst – Basic Materials	prashanth.kota@choiceindia.com	+91 22 6707 9887
Mehul Mehta	Analyst – Industrials	mehul.mehta@choiceindia.com	+91 22 6707 9930
Dhanshree Jadhav	Analyst – Technology	dhanshree.jadhav@choiceindia.com	+91 22 6707 9535
Karan Kamdar	Analyst – SMID	karan.kamdar@choiceindia.com	+91 22 6707 9930
Deepika Murarka	Analyst – Healthcare	deepika.murarka@choiceindia.com	+91 22 6707 9513
Putta Ravi Kumar	Analyst – Defence	ravi.putta@choiceindia.com	+91 22 6707 9908
Maitri Sheth	Analyst – Pharmaceuticals	maitri.sheth@choiceindia.com	+91 22 6707 9511
Ashutosh Murarka	Analyst – Cement & Infrastructure	ashutosh.murarka@choiceindia.com	+91 22 6707 9887
Aayush Saboo	Associate – Real Estate	aayush.saboo@choiceindia.com	+91 22 6707 9512
Bharat Kumar Kudikyala	Associate – Building Materials and Mining	bharat.kudikyala@choiceindia.com	+91 22 6707 9887
Vinay Rawal	Associate – SMID	vinay.rawal@choiceindia.com	+91 22 6707 9887
Heet Chheda	Associate – Auto	heet.chheda@choiceindia.com	+91 22 6707 9952
Rushil Katiyar	Associate – Technology	rushil.katiyar@choiceindia.com	+91 22 6707 9887
Aryan Goyal	Associate – Auto	aryan.goyal@choiceindia.com	+91 22 6707 9517
Sumit Pandey	Executive	pandey.sumit@choiceindia.com	+91 22 6707 9887

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 stable 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

Disclaimer

**Research Disclaimer and Disclosure** inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

**Choice Equity Broking Private Limited-Research Analyst** - INH000000222. (CIN. NO.: U65999MH2010PTC198714). Reg. Add.: Sunil Patodia Tower, J B Nagar, Andheri(East), Mumbai 400099. Tel. No. 022-6707 9999

Compliance Officer--Prashant Salian, Email Id – Prashant.salian@choiceindia.com Contact no. 022- 67079999- Ext-2310

Grievance officer-Deepika Singhvi Tel.022-67079999- Ext-834. Email- ig@choiceindia.com

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

This Research Report (hereinafter referred as "Report") has been prepared by Choice Equity Broking Private Limited as a Research Entity (hereinafter referred as "CEBPL RE" Limited). The Research Analysts, strategists are principally responsible for the preparation of "CEBPL RE" research. The research analysts have received compensation based upon various factors, which may include quality of research, investor client feedback, stock picking, competitive factors and firm revenues etc.

Whilst CEBPL has taken all reasonable steps to ensure that this information is correct, CEBPL does not offer any warranty as to the accuracy or completeness of such information. Any person placing reliance on the report to undertake trading does so entirely at his or her own risk and CEBPL does not accept any liability as a result. Securities and Derivatives markets may be subject to rapid and unexpected price movements and past performance is not necessarily an indication of future performance.

**General Disclaimer:** This 'Report' is strictly meant for use by the recipient and is not for circulation. This Report does not take into account particular investment objectives, financial situations or specific needs of individual clients nor does it constitute a personal recommendation. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through CEBPL nor any solicitation or offering of any investment/trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein.

These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this "Report" should rely on information/data arising out of their own Study/investigations. It is advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This 'Report' has been prepared on the basis of publicly available information, internally developed data and other sources believed by CEBPL to be reliable. CEBPL or its directors, employees, affiliates or representatives shall not be responsible for, or warrant for the accuracy, completeness, adequacy and reliability of such information / opinions / views. Though due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of CEBPL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this report.

The price and value of the investments referred to in this Report and the income from them may tend to go down as well as up, and investors may incur losses on any investments. Past performance shall not be a guide for future performance. CEBPL does not provide tax advice to its clients, and all investors are strongly advised to take advice of their tax advisers regarding taxation aspects of any potential investment. Opinions are based on the current scenario as of the date appearing on this 'Report' only. CEBPL does not undertake to advise you as to any change of our views expressed in this "Report" may differ on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold CEBPL, its employees and associates responsible for any losses, damages of any type whatsoever.

**Disclaimers in respect of jurisdiction:** This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject "CEBPL RE" to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by "CEBPL RE" in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this 'Report' shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. "CEBPL" requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to "CEBPL". Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in Mumbai (India). Statements on ownership and material conflicts of interest, compensation - CEBPL and Associates reciprocates to the best of the knowledge and belief of CEBPL/ its Associates/ research Analyst who is preparing this report.

Disclosures of Interest (Additional):

- 1. "CEBPL", its research Analyst(s), or its associates or relatives of the Research Analyst does not have any financial interest in the company(ies) covered in this report.
- 2. "CEBPL" its research Analyst, or its associates or relatives of the research analyst affiliates collectively do not hold more than 1 of the securities of the company(ies) covered in this report as of the end of the month immediately preceding the distribution of the research report.
- 3. "CEBPL", its research analyst, his/her associate, his/her relative, do not have any other material conflict of interest at the time of publication of this research report.
- 4. "CEBPL", its research analyst, and its associates have not received compensation for investment banking or merchant banking or brokerage services or for any other products or services from the company(ies) covered in this report, in the past twelve months.
- 5. "CEBPL", its research analyst, or its associates have not managed or co-managed in the previous twelve months, a private or public offering of securities for the company (ies) covered in this report.
- 7. "CEBPL", or its associates have not received compensation or other benefits from the company(ies) covered in this report or from any third party, in connection with the research report.
- 8. CEBPL research analyst has not served as an Officer, Director, or employee of the company (ies) covered in the Research report.
- 9. "CEBPL", its research analyst has not been engaged in market making activity for the company(ies) covered in the Research report.

Details of Associates of CEBPL and Brief History of Disciplinary action by regulatory authorities are available on our website i.e. <https://choiceindia.com/research-listing>

Sr. No.	Particulars	Yes / No
1.	Whether compensation has been received from the company(ies) covered in the Research report in the past 12 months for investment banking transaction by CEBPL	No
2	Whether Research Analyst, CEBPL or its associates or relatives of the Research Analyst affiliates collectively hold more than 1 of the company(ies) covered in the Research report	No
3.	Whether compensation has been received by CEBPL or its associates from the company(ies) covered in the Research report	No
4.	CEBPL or its affiliates have managed or co-managed in the previous twelve months a private or public offering of securities for the company(ies) covered in the Research report	No
5.	CEBPL, its research analyst, his associate, or its associates have received compensation for investment banking or merchant banking or brokerage services or for any other products or services from the company(ies) covered in the Research report, in the last twelve months	No

**Copyright:** The copyright in this research report belongs exclusively to CEBPL. All rights are reserved. Any unauthorized use or disclosure is prohibited. No reprinting or reproduction, in whole or in part, is permitted without the CEBPL's prior consent, except that a recipient may reprint it for internal circulation only and only if it is reprinted in its entirety. This "Report" is for distribution only under such circumstances as may be permitted by applicable law. This "Report" has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This "Report" is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither CEBPL nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this "report" or lack of care in this report's preparation or publication, or any losses or damages which may arise from the use of this research report. Information barriers may be relied upon by CEBPL, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of CEBPL. Investing in any non-U.S. securities or related financial instruments (including ADINR) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States. The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments. Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by CEBPL with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein. No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior written consent of CEBPL and CEBPL accepts no liability whatsoever for the actions of third parties in this respect. The details of CEBPL, its research analyst and its associates pertaining to the companies covered in the Research report are given above.