Man Industries (India) Ltd

Q2FY26 Result Update

HOLD @ CMP INR 426 | **Target: INR 482 in 24 months** | **Upside Potential: 13.2%**

Result Update Q2FY26

Man Industries (India) Ltd (MAN INDIA) delivered a solid performance in Q2 FY26, driven by improved operational efficiency, better product mix, and strong export momentum. Consolidated revenue from operations stood at INR 834.1 cr, marking a 12.4% QoQ growth and a 3.5% increase YoY. The company achieved its highest-ever quarterly EBITDA margin at 12.5%, with EBITDA INR 121 cr (90% YoY, 146.6% QoQ). Total income came in at INR 814.8 crore, broadly stable compared to the previous year. Profitability showed healthy improvement, with PBT rising to INR 49.4 cr, up 29.2% QoQ and 15.5% YoY, while PAT grew 34% QoQ and 16% YoY to reach INR 36.98 cr. The EPS stood at INR 4.68, almost in line with the previous year's INR 4.74

From an order execution perspective, the company maintained a robust backlog of INR 4,750 cr as of Sep 25, providing clear visibility for the next 6-9 months. Exports continued to be the key driver, contributing 80-90% of the order book, underscoring company's growing reputation in the global markets. Management expects H2 FY26 to be the strongest half in company history, targeting revenue of around INR 2,200 cr, and reaffirmed its FY26 full-year guidance of 20% revenue growth with double-digit EBITDA margins between 11% and 12%.

The company is progressing well on two major expansion projects. The Saudi Arabia facility, strategically located near the Middle East's oil and gas hub, remains on track for Q4 FY26 commissioning and is expected to generate around INR 2,000 crore in FY27 at 50% utilization, with 12-15% EBITDA margins. In the UAE, two new step-down subsidiaries—Man Coating Complex L.L.C – S.P.C. for pipe coating and Man Overseas Investment L.L.C. for industrial and trade investments—are being set up under Man Overseas Metal DMCC.

Domestically, the Jammu stainless steel seamless tube plant is advancing as planned and will begin operations on Q1FY27. It is expected to contribute approximately INR 500 cr in its first year with strong 18-22% EBITDA margins, driven by a premium product mix.

Over FY26-28E, the company's revenue/ EBITDA/ net earnings are expected to grow at a CAGR of 26.0%/ 34.7%/ 43.2% to INR 5,911 cr/ INR 578 cr/ INR 288 cr respectively, while EBITDA margins and Net profit are expected to improve by 122 bps to 9.8% & 110 bps to 4.9% respectively.

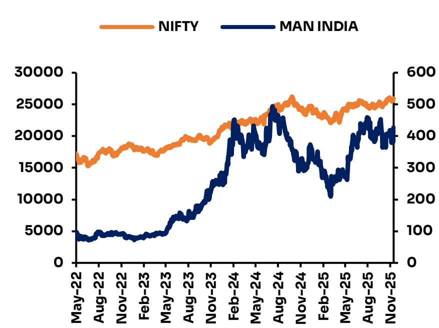
Our Take: While we remain confident in the company's fundamental growth story, we are discounting the earnings multiple due to corporate governance concerns and the pending final hearing of the SEBI case. Our internal targets are higher based on strong growth prospects, but we've downgraded the multiple to 12X FY28 P/E and set a revised price target of INR 482.

Industry	Steel Pipes

Scrip Details	
Face Value (INR)	5.00
Market Cap (INR Cr)	3,195
Price (INR)	426
No of Sh O/S (Cr)	7.5
1M Avg Vol	6,72,336
52W H/L (INR)	469/ 201
Dividend Yield (%)	0.0

Shareholding (%)	Sep 2025
Promoter	43.2
Institution	4.0
Public	52.8
TOTAL	**100.0**

Price Chart



Key consolidated financial data (INR Cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	P/E (X)	EV/EBITDA (X)
FY24	3,142.2	241.2	105.1	7.7	3.3	14.0	187.3	7.5	30.4	12.5
FY25	3,505.4	301.4	153.2	8.6	4.4	20.4	214.3	9.5	20.9	10.8
FY26E	3,725.0	318.3	140.6	8.5	3.8	18.7	233.0	8.0	22.7	12.4
FY27E	5,114.0	487.8	210.7	9.5	4.1	28.1	261.1	10.8	15.2	7.9
FY28E	5,911.4	577.5	288.2	9.8	4.9	38.4	293.8	13.1	11.1	6.5

Source: Company Reports & Ventura Research

Key concall takeaways

I. Financial Guidance and Margin Outlook

1. Management reiterated a confident and ambitious outlook for the coming quarters. For FY26, the company maintained its **20% revenue growth guidance**, supported by strong execution momentum in H2, which is expected to be the **strongest half year ever**, with revenue between **INR 2,200–2,400 crore**, representing nearly **60% of full-year execution**.
2. Looking ahead to FY27, management expects revenue to scale to **~INR 7,000 crore**, driven by contributions from the Saudi and Jammu facilities. Full-year EBITDA margins for FY26 are guided at **11–12%**, while FY27 is expected to deliver **₹800+ crore EBITDA**, translating to a blended margin of **~13%**. Segment-wise, the Saudi plant is expected to achieve **12–15% EBITDA margin**, while the Jammu seamless tube business should deliver a superior **18–22% margin**. PAT margins for FY27 are expected to improve slightly to **5–5.5%**.

II. Non-Fund Based Requirements, Cost Structure & Raw Material Management

1. The Jammu project cost is **INR 595 crore**, with equity infusion of nearly **INR 200 crore**. Peak gross borrowing is guided at **INR 1,150–1,200 crore**, with blended interest cost around **6% (Dollar debt)** and **8–9% (Rupee debt)**, translating to annual interest expenses of **INR 120–125 crore**.
2. Inventory levels have decreased from March and are expected to normalize further in Q3 and Q4 due to higher shipments. Gross margin expansion during the quarter (20% to 28% QoQ) was driven by a **favorable product mix**, improved **value-added offerings**, and **better operational synergies**.
3. As the company scales, the future financial requirements will largely be focused on **non-fund-based limits**, which include guarantees like **performance bonds**, **advance payment guarantees**, and **retention bank guarantees**.

III. Real Estate Monetization & Legal Update

1. The real estate project under Merino Shelters Pvt. Ltd. is awaiting **RERA approval**. Once launched, Man Industries expects to receive **~INR 700 crore** over five years, with no associated expenses, as the developer bears construction and marketing costs. Revenue will be recognized under **segment reporting**.
2. On the SEBI issue, the company has already obtained a **stay order**, and the matter remains sub judice.

IV. Operational Momentum and Order Book

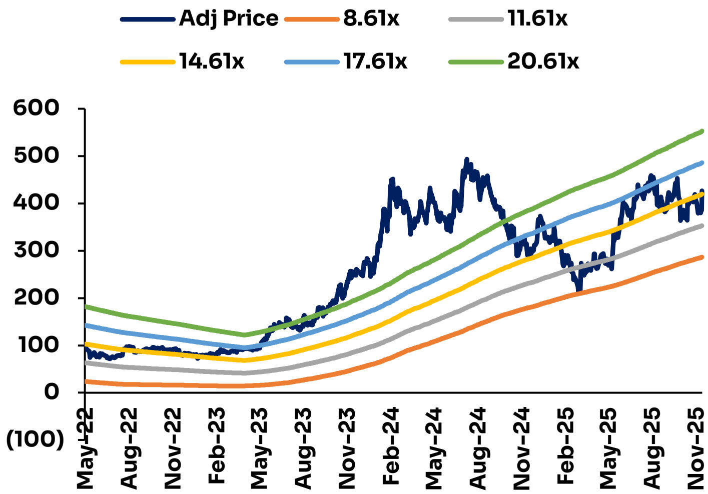
1. The unexecuted order book for Indian operations stood at **INR 4,750 crore** as of September 30, 2025, providing **6–9 months of visibility**. Exports contribute **80–90%** of the current order book, highlighting strong global demand.
2. The company's **bid pipeline exceeds INR 15,000 crore**, and management expressed confidence in securing sufficient orders, though conversion ratios were not disclosed. The slight YoY flatness in Q2 revenue was attributed to **lead time in specialized raw material procurement**, all of which is now under execution, setting the stage for strong quarters ahead.

ventura

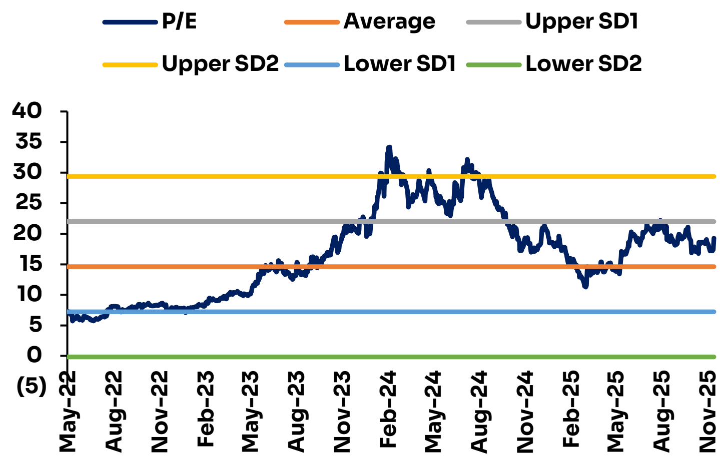
MAN Industries (India) Ltd
the line pipe people

Strong growth outlook and improving margins profile could re-rate the valuation

1 year forward P/E

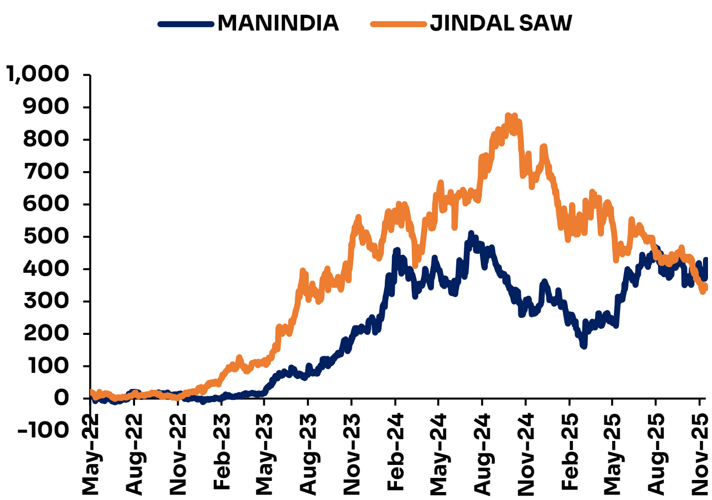


1 year forwarded P/E and its standard deviation

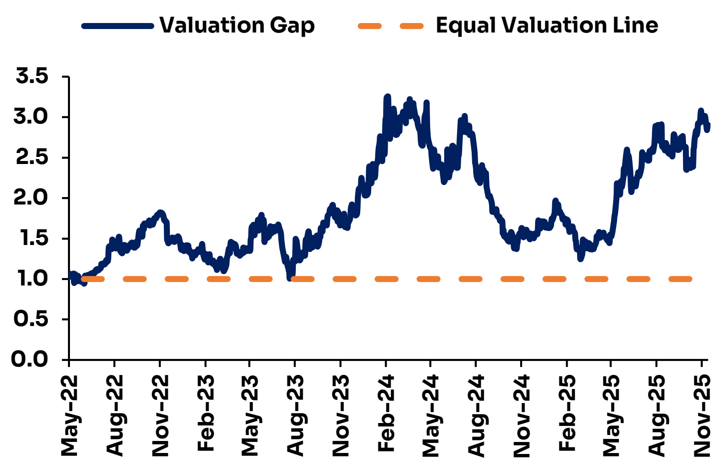


MANINDIA v/s Jindal Saw

Price performance

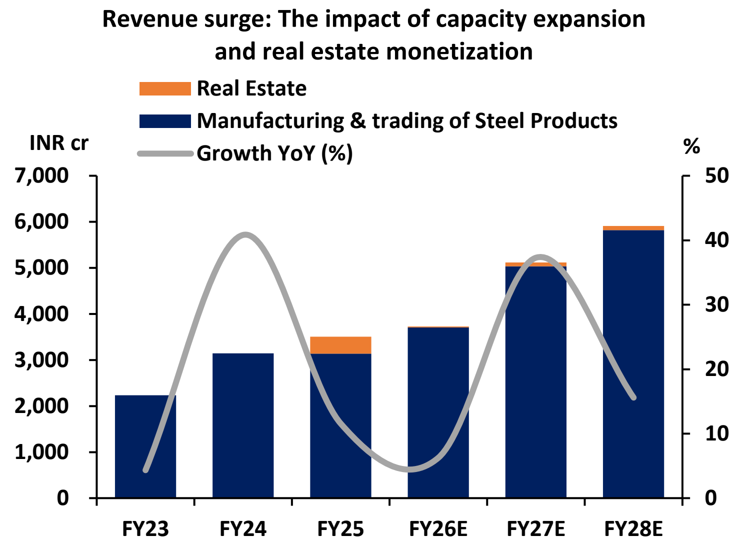


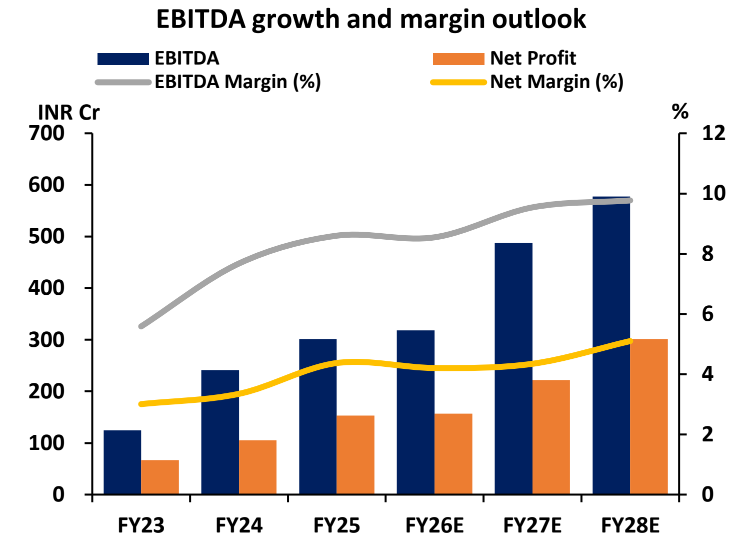
Strong growth outlook justifying its current valuation

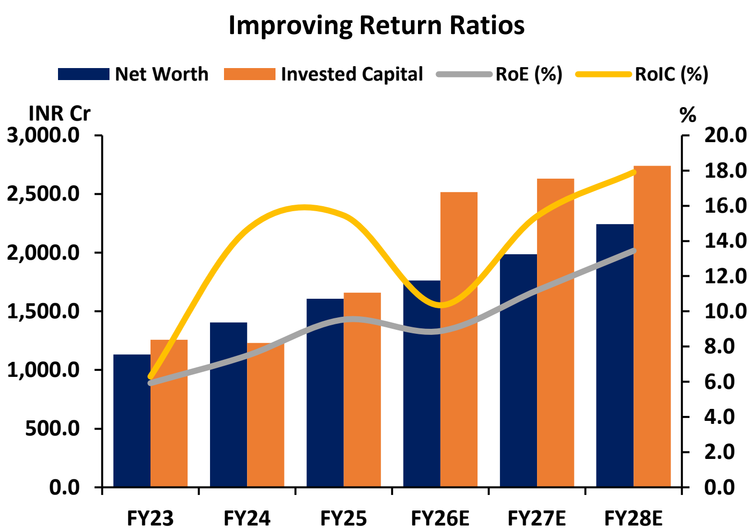


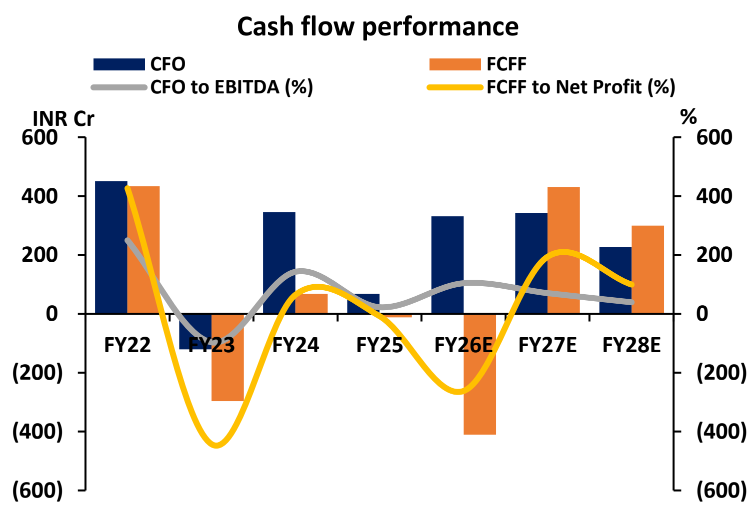
Source: ACE Equity, Company Reports & Ventura Research

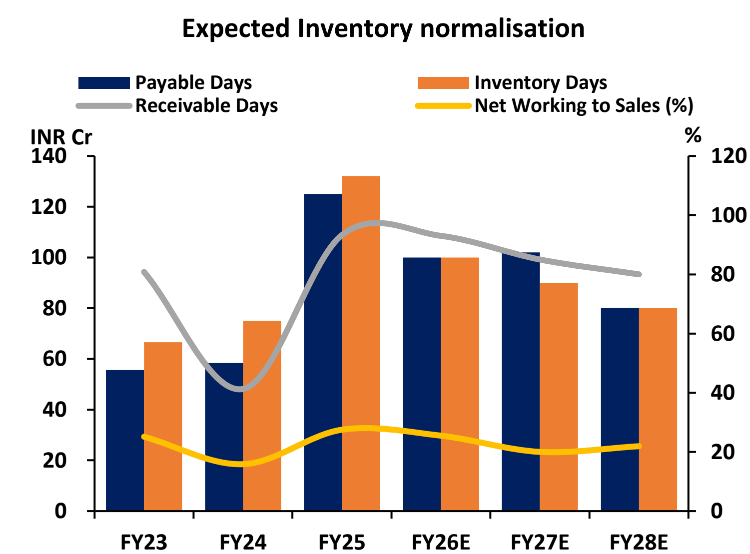
Story in Charts

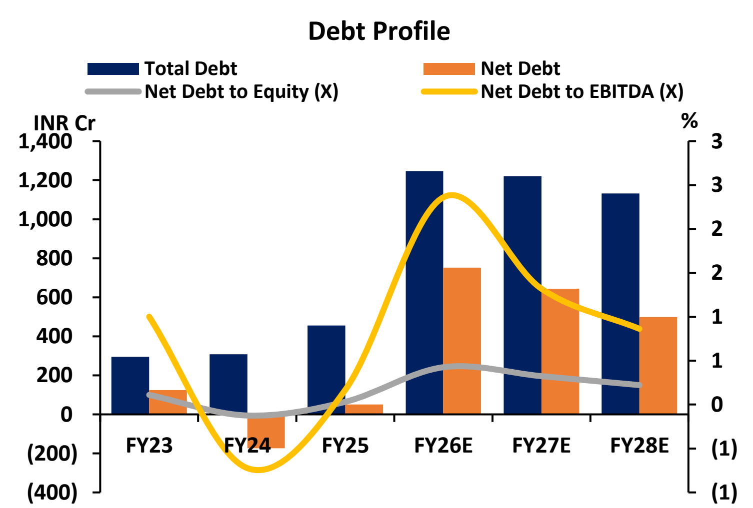












MAN INDIA's quarterly and annual performance

Fig in INR Cr (unless specified)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26	FY26E	FY27E	FY28E
Revenue from operations	490.4	1,018.0	833.0	810.7	3,142.2	748.7	806.2	731.9	1,218.5	3,505.4	742.1	834.1	3,725.0	5,114.0	5,911.4
YoY Growth (%)	*(3.9)*	*118.9*	*26.6*	*35.6*	*40.8*	*52.7*	*(20.8)*	*(12.1)*	*50.3*	*11.6*	*(0.9)*	*3.5*	*6.3*	*37.3*	*15.6*
Raw Material Cost	330.4	810.7	631.3	640.0	2,403.5	622.3	615.4	522.4	974.7	2,734.8	590.3	602.0	2,887.6	3,938.7	4,552.9
RM Cost to Sales (%)	*67.4*	*79.6*	*75.8*	*78.9*	*76.5*	*83.1*	*76.3*	*71.4*	*80.0*	*78.0*	*79.5*	*72.2*	*77.5*	*77.0*	*77.0*
Employee Cost	15.0	19.0	16.8	18.1	57.8	20.3	19.7	16.4	20.8	77.1	19.7	20.4	78.6	94.9	109.8
Employee Cost to Sales (%)	*3.1*	*1.9*	*2.0*	*2.2*	*1.8*	*2.7*	*2.4*	*2.2*	*1.7*	*2.2*	*2.7*	*2.4*	*2.1*	*1.9*	*1.9*
Other Expenses	98.3	118.8	120.2	94.3	439.7	68.3	107.4	114.4	101.9	392.1	83.0	90.6	440.5	592.6	671.2
Other Expenses to Sales (%)	*20.0*	*11.7*	*14.4*	*11.6*	*14.0*	*9.1*	*13.3*	*15.6*	*8.4*	*11.2*	*11.2*	*10.9*	*11.8*	*11.6*	*11.4*
EBITDA	46.9	69.6	64.7	58.4	241.2	37.8	63.7	78.7	121.2	301.4	49.1	121.1	318.3	487.8	577.5
EBITDA Margin (%)	*9.6*	*6.8*	*7.8*	*7.2*	*7.7*	*5.0*	*7.9*	*10.8*	*9.9*	*8.6*	*6.6*	*14.5*	*8.5*	*9.5*	*9.8*
Net Profit	11.2	39.0	30.6	24.1	105.1	19.1	31.9	34.1	68.2	153.2	27.6	37.0	140.6	210.7	288.2
Net Margin (%)	*2.3*	*3.8*	*3.7*	*3.0*	*3.3*	*2.5*	*4.0*	*4.7*	*5.6*	*4.4*	*3.7*	*4.4*	*3.8*	*4.1*	*4.9*
Adjusted EPS	1.5	5.2	4.1	3.2	14.0	2.5	4.2	4.5	9.1	20.4	3.7	4.9	18.7	28.1	38.4
P/E (X)					*30.4*					*20.9*			*22.7*	*15.2*	*11.1*
Adjusted BVPS					187.3					214.3			233.0	261.1	293.8
P/BV (X)					*2.3*					*2.0*			*1.8*	*1.6*	*1.5*
Enterprise Value					3,020.6					3,245.8			3,962.3	3,866.7	3,732.1
EV/EBITDA (X)					*12.5*					*10.8*			*12.4*	*7.9*	*6.5*
Net Worth					1,404.9					1,607.3			1,747.8	1,958.5	2,203.4
Return on Equity (%)					*7.5*					*9.5*			*8.0*	*10.8*	*13.1*
Capital Employed					1,713.3					2,063.2			2,993.8	3,179.1	3,335.7
Return on Capital Employed (%)					*7.7*					*9.3*			*6.5*	*9.5*	*11.0*
Invested Capital					1,230.5					1,658.1			2,515.1	2,630.2	2,740.6
Return on Invested Capital (%)					*14.6*					*15.4*			*10.3*	*15.4*	*17.9*
Cash Flow from Operations					344.9					68.0			315.1	332.1	213.6
Cash Flow from Investing					(279.3)					(41.3)			(905.6)	(61.8)	134.8
Cash Flow from Financing					86.0					29.6			662.4	(210.3)	(308.0)
Net Cash Flow					151.6					56.3			71.9	60.0	40.4
Free Cash Flow					68.2					(11.8)			(426.6)	419.4	286.5
FCF to Revenue (%)					*2.2*					*(0.3)*			*(11.5)*	*8.2*	*4.8*
FCF to EBITDA (%)					*28.3*					*(3.9)*			*(134.0)*	*86.0*	*49.6*
FCF to Net Profit (%)					*64.9*					*(7.7)*			*(303.5)*	*199.1*	*99.4*
FCF to Net Worth (%)					*4.9*					*(0.7)*			*(24.4)*	*21.4*	*13.0*
Total Debt					308.5					456.0			1,246.0	1,220.6	1,132.3
Net Debt					(174.4)					50.8			767.3	671.7	537.1
Net Debt to Equity (X)					*(0.1)*					*0.0*			*0.4*	*0.3*	*0.2*
Net Debt to EBITDA (X)					*(0.7)*					*0.2*			*2.4*	*1.4*	*0.9*
Interest Coverage Ratio (X)					*2.1*					*2.6*			*2.0*	*2.2*	*2.8*

Source: Company Reports & Ventura Research

MAN INDIA's consolidated financial & projections

Fig in INR Cr (unless specified)	FY24	FY25	FY26E	FY27E	FY28E
Income Statement					
Revenue	3,142.2	3,505.4	3,725.0	5,114.0	5,911.4
YoY Growth (%)	*40.8*	*11.6*	*6.3*	*37.3*	*15.6*
Raw Material Cost	2,403.5	2,734.8	2,887.6	3,938.7	4,552.9
RM Cost to Sales (%)	*76.5*	*78.0*	*77.5*	*77.0*	*77.0*
Employee Cost	57.8	77.1	78.6	94.9	109.8
Employee Cost to Sales (%)	*1.8*	*2.2*	*2.1*	*1.9*	*1.9*
Other Expenses	439.7	392.1	440.5	592.6	671.2
Other Exp to Sales (%)	*14.0*	*11.2*	*11.8*	*11.6*	*11.4*
EBITDA	241.2	301.4	318.3	487.8	577.5
Margin (%)	*7.7*	*8.6*	*8.5*	*9.5*	*9.8*
YoY Growth (%)	*93.5*	*25.0*	*5.6*	*53.3*	*18.4*
Depreciation & Amortization	61.1	45.3	58.1	82.6	86.9
EBIT	180.1	256.2	260.2	405.2	490.6
Margin (%)	*5.7*	*7.3*	*7.0*	*7.9*	*8.3*
YoY Growth (%)	*127.6*	*42.3*	*1.6*	*55.7*	*21.1*
Other Income	52.1	51.8	55.3	61.4	70.9
Interest	87.8	99.6	127.6	185.0	176.5
Fin Charges Coverage (X)	2.1	2.6	2.0	2.2	2.8
Exceptional Item	0.0	0.0	0.0	0.0	0.0
PBT	144.3	208.4	187.9	281.5	385.1
Margin (%)	*4.6*	*5.9*	*5.0*	*5.5*	*6.5*
YoY Growth (%)	*61.3*	*44.4*	*(9.8)*	*49.9*	*36.8*
Tax Expense	39.2	55.2	47.3	70.9	96.9
Tax Rate (%)	*27.1*	*26.5*	*25.2*	*25.2*	*25.2*
PAT	105.1	153.2	140.6	210.7	288.2
Margin (%)	*3.3*	*4.4*	*3.8*	*4.1*	*4.9*
YoY Growth (%)	*56.8*	*45.7*	*(8.2)*	*49.9*	*36.8*
Min Int/Sh of Assoc	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Profit	105.1	153.2	140.6	210.7	288.2
Margin (%)	*3.3*	*4.4*	*3.8*	*4.1*	*4.9*
YoY Growth (%)	*56.8*	*45.7*	*(8.2)*	*49.9*	*36.8*
Balance Sheet					
Share Capital	32.4	32.4	32.4	32.4	32.4
Total Reserves	1,372.5	1,574.9	1,715.5	1,926.1	2,171.1
Shareholders Fund	1,404.9	1,607.3	1,747.8	1,958.5	2,203.4
Long Term Borrowings	136.3	138.5	928.5	878.5	828.5
Deferred Tax Assets / Liabilities	25.8	27.6	27.6	27.6	27.6
Other Long Term Liabilities	17.7	19.3	20.5	28.1	32.5
Long Term Trade Payables	0.0	0.0	0.0	0.0	0.0
Long Term Provisions	0.5	1.6	1.7	2.0	2.3
Total Liabilities	1,585.2	1,794.2	2,726.0	2,894.7	3,094.3
Net Block	603.6	623.2	1,402.3	1,370.8	1,343.0
Capital Work in Progress	30.5	133.4	200.0	200.0	0.0
Intangible assets under develop	0.0	0.0	0.0	0.0	0.0
Non Current Investments	0.0	1.4	1.5	1.9	2.1
Long Term Loans & Advances	167.5	0.0	0.0	0.0	0.0
Other Non Current Assets	12.3	270.6	304.5	418.0	483.2
Net Current Assets	771.2	765.6	817.7	903.9	1,266.0
Total Assets	1,585.2	1,794.2	2,726.0	2,894.7	3,094.3

Fig in INR Cr (unless specified	FY24	FY25	FY26E	FY27E	FY28E
Per share data & Yields					
Adjusted EPS (INR)	14.0	20.4	18.7	28.1	38.4
Adjusted Cash EPS (INR)	22.2	26.5	26.5	39.1	50.0
Adjusted BVPS (INR)	187.3	214.3	233.0	261.1	293.8
Adjusted CFO per share (INR)	46.0	9.1	42.0	44.3	28.5
CFO Yield (%)	10.8	2.1	9.9	10.4	6.7
Adjusted FCF per share (INR)	9.1	(1.6)	(56.9)	55.9	38.2
FCF Yield (%)	2.1	(0.4)	(13.4)	13.1	9.0
Solvency Ratio (X)					
Total Debt to Equity	0.2	0.3	0.7	0.6	0.5
Net Debt to Equity	(0.1)	0.0	0.4	0.3	0.2
Net Debt to EBITDA	(0.7)	0.2	2.4	1.4	0.9
Return Ratios (%)					
Return on Equity	7.5	9.5	8.0	10.8	13.1
Return on Capital Employed	7.7	9.3	6.5	9.5	11.0
Return on Invested Capital	14.6	15.4	10.3	15.4	17.9
Working Capital Ratios					
Payable Days (Nos)	58	125	100	102	80
Inventory Days (Nos)	75	132	100	90	80
Receivable Days (Nos)	41	93	93	85	80
Net Working Capital Days (No	58	100	93	73	80
Net Working Capital to Sales (	15.8	27.5	25.5	20.0	21.9
Valuation (X)					
P/E	30.4	20.9	22.7	15.2	11.1
P/BV	2.3	2.0	1.8	1.6	1.5
EV/EBITDA	12.5	10.8	12.4	7.9	6.5
EV/Sales	1.0	0.9	1.1	0.8	0.6
Cash Flow Statement					
PBT	144.3	208.4	187.9	281.5	385.1
Adjustments	177.0	380.8	159.6	195.1	198.3
Change in Working Capital	62.8	(466.0)	14.9	(73.7)	(272.8)
Less: Tax Paid	(39.2)	(55.2)	(47.3)	(70.9)	(96.9)
Cash Flow from Operations	344.9	68.0	315.1	332.1	213.6
Net Capital Expenditure	(340.7)	(154.3)	(837.3)	(51.1)	(59.1)
Change in Investments	61.4	113.0	(68.3)	(10.7)	193.9
Cash Flow from Investing	(279.3)	(41.3)	(905.6)	(61.8)	134.8
Change in Borrowings	4.4	129.3	790.0	(25.4)	(88.3)
Less: Finance Cost	(87.8)	(99.6)	(127.6)	(185.0)	(176.5)
Proceeds from Equity	181.5	0.0	0.0	0.0	0.0
Buyback of Shares	0.0	0.0	0.0	0.0	0.0
Dividend Paid	(12.0)	0.0	0.0	0.0	(43.2)
Cash flow from Financing	86.0	29.6	662.4	(210.3)	(308.0)
Net Cash Flow	151.6	56.3	71.9	60.0	40.4
Forex Effect	0.0	0.0	0.0	0.0	0.0
Opening Balance of Cash	37.0	188.6	379.2	451.1	511.1
Closing Balance of Cash	188.6	379.2	451.1	511.1	551.4

Source: Company Reports & Ventura Research

Rating Methodology

We rate stocks on the 2 years absolute return basis.

Rating	Criteria	Definition
BUY	>= 20%	Target price is equal to or more than 20% of CMP
HOLD	>= 0% to < 20%	Target price is more than CMP but less than 20% of CMP
SELL	<= 0% (negative return)	Target price is less than CMP
NOT RATED	No recommendation	No target

x

Ventura Securities Limited - SEBI Registration No.: INH000001634

Corporate Office: I-Think Techno Campus, 8th Floor, 'B' Wing, Off Pokhran Road No 2, Eastern Express Highway, Thane (W) – 400608