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14th August, 2026

To,	To
National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	**BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
Symbol: MBEL	**Script Code: 544470**

Dear Sir/Madam,

Sub.: Compliance under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015– Transcript of Earnings Conference Call for the Quarter ended 30th June, 2026

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Conference Call for the Quarter ended 30th June, 2026 held on Monday, 10th August, 2026 at 4:00 P.M. (IST).

The aforesaid information is also being hosted on the Company's website at https://www.mbel.in/investors

You are requested to take the same on record.

Thanking you,

Yours faithfully,
for M & B ENGINEERING LIMITED

PALAK DILIPBHAI PAREKH

Digitally signed by PALAK DILIPBHAI PAREKH
Date: 2026.08.14 14:23:17 +05'30'

PALAK DILIPBHAI PAREKH
COMPANY SECRETARY &
COMPLIANCE OFFICER
(M. No. F10209)

"M&B Engineering Limited

Q1 FY27 Earnings Conference Call"

August 10, 2026

MANAGEMENT: **MR. CHIRAG PATEL – JOINT MANAGING DIRECTOR**
MR. MALAV PATEL – JOINT MANAGING DIRECTOR
MR. SANJAY MAJMUDAR – DIRECTOR
MR. KEYUR SHAH – CHIEF FINANCIAL OFFICER

MODERATOR: **MS. KRISHNA PATEL – EY**

Moderator: Ladies and gentlemen, good day and welcome to the M&B Engineering Limited Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Krishna Patel from EY. Thank you and over to you ma'am.

Krishna Patel: Thank you Avirath and good evening, everyone. Welcome you all to M&B Engineering Limited's Q1 \FY27 Earnings Conference Call. To take us through the results and to answer your questions, we have with us the management of M&B Engineering represented by Mr. Chirag Patel, the Joint Managing Director, Mr. Malav Patel, Joint Managing Director, Mr. Sanjay Majmudar, Director, and Mr. Keyur Shah, the Chief Financial Officer.

Before we begin, I would like to remind you that certain statements made during this call may constitute forward-looking statements. These statements are based on management's current expectations and are subject to risk and uncertainties that could cause actual results to differ materially from those expressed or implied.

Please also note that the audio recording and the transcript of this call are the property of the company and may not be copied, reproduced, rebroadcasted, redistributed in any form without the consent, prior consent of the company. With that, I would like to hand over the call to Mr. Malav Patel for his opening remarks. Thank you and over to you sir.

Malav Patel: Thank you, Krishna. Good evening, everyone and welcome to M&B Engineering Limited's earning conference call to discuss our performance for the first quarter of FY27. Our financial results and investor presentation have already been filed with the Stock Exchanges and uploaded on the company's website as well.

I trust you have had an opportunity to review the same. I will begin by covering the key business developments and operational highlights for the quarter, following which our CFO, Mr. Keyur Shah, will take you through the financial performance in detail.

As most of you are aware, M&B operates through two divisions, Phenix which undertakes pre-engineered buildings and heavy structural steel, and Proflex which specializes in self-supported steel roofing. I am pleased to share that both divisions continue to demonstrate strong and sustainable growth potential.

This momentum is reflected in our Q1 performance, with consolidated revenue from operations growing by approximately 23% year on year. Our order book also remained robust across two divisions. Order on hand stood at INR1,053 crores at the end of Q1FY27, representing approximately 25% year on year growth.

Proflex contributed INR216 crores or 21%, while Phenix accounted for INR837 crores or 79% of the total order book. Within the Phenix order book, export orders outstanding stood at INR278 crores, which is scheduled for execution during the current fiscal year. This export order book includes the large order that we announced in October of 2025. All necessary approvals for this order have been received in Q1 of FY27, which shall enable us to deliver the same in totality over the next three quarters.

To add, we have already dispatched about 28% of this order till date. We continue to witness healthy inquiry levels and a strong pipeline of opportunities across both domestic and international markets. We remain confident of converting several of these opportunities during the year. The strength of our order book reflects the growing adoption of pre-engineered buildings and the continuing shift from conventional construction methods towards faster, more efficient steel-based solutions.

Our Sanand facility is currently operating at optimal utilization levels. As announced earlier, the brownfield expansion of this facility involving an additional capacity of 20,000 tons per annum is at an advanced stage of implementation and is expected to be commissioned in October 2026.

This expansion will increase Sanand's PEB capacity from the current 72,000 tons per annum to 92,000 tons per annum. We expect to begin realizing the benefits of this additional capacity during Q3 and Q4 of this current financial year.

I am also pleased to announce that the board has approved an additional capacity expansion in the heavy structural steel segment at our Sanand plant.

India's data center expansion is creating a USD12 to USD14 billion addressable opportunity for steel intensive construction over the next five years, supported by approximately USD60 to USD70 billion of announced investments in our nation.

A similar opportunity is emerging in high-rise construction, where developers are increasingly adopting steel to accelerate project timelines without compromising structural strength, safety, or scalability. These projects require a hybrid construction approach that combines pre-engineered building systems with heavy structural steel. This combination brings together speed of execution, high load-bearing capacity, design flexibility, and the ability to support future expansion.

Our dual capability in PEB and heavy structural steel enables M&B to provide comprehensive end-to-end steel construction solutions. It further strengthens our positioning across data centers, high-rise buildings, and other complex heavy structural applications.

To capitalize on this structural shift, M&B is investing INR30 crores in a fully automated heavy structural steel processing line at the Sanand facility. The new line will add another 10,000 tons to our existing heavy structural capacity of 12,000 tons. It is expected to become operational by Q1 of FY28.

This investment will significantly enhance our ability to deliver complex steel structures with greater speed, precision, quality, and consistency. As demand for this application gathers momentum, the company will continue to evaluate and undertake incremental investments to remain ahead of the market.

Another important milestone during the period was the receipt of AISC certification for our South India plant which is located in Cheyyar. With this achievement, both our PEB manufacturing facilities are now AISC certified.

The certification will enable us to commence exports to the West Coast of the United States from the Cheyyar facility through the Pacific route, with shipments expected to begin from the next financial year. Capacity utilization at Cheyyar is steadily improving. We are targeting overall utilization of approximately 60% during the current fiscal.

We will also commence implementation of the brownfield expansion at Cheyyar during the current fiscal year with completion planned for Q3 of FY28. This expansion will add another 20,000 tons per annum of capacity and increase our total PEB and structural steel capacity to approximately 1,54,000 tons per annum effective Q3 of FY28.

During Q1 of FY27, we incurred capital expenditure of approximately INR27 crores. The expenditure was primarily directed towards the expansion of Phenix Sanand facility, the commissioning of two mobile manufacturing units in Proflex division, and the development of a 2.5 megawatt ground mounted solar power plant in Gujarat for captive consumption.

With the addition of the mobile manufacturing units, Proflex's installed capacity has now increased to 21 lakh square meters per annum. This expansion will further strengthen our leadership position in the Proflex division and enable us to capitalize on the significant growth opportunities emerging across the SME, railways, and agri-warehousing segments.

Let me now briefly discuss the performance of our two business divisions. During Q1 of FY27, M&B reported revenue from operations of INR291 crores. Proflex contributed INR77 crores, representing 26% of the total revenue and registering a year-on-year growth of 25%.

Phenix contributed 214 crores, accounting for 74% of revenue and growing 22% year-on-year. From a geographic perspective, domestic revenue stood at INR263 crores, contributing to 90% of the total revenue. Export revenue increased to INR28 crores, representing 10% of the overall revenue.

During the quarter, continued geopolitical tensions and uncertainty surrounding the West Asia situation led to a sharp increase in freight costs from India to the US, along with higher inland transportation costs in the US. As a result, other expenses increased by approximately 3% during the quarter, putting some pressure on our margins.

Looking ahead, we expect to benefit from the reduction of the US Section 232 sectoral duties from 50% to 25%. In addition, the anticipated increase in export revenue over the coming quarters should support a gradual improvement in margins, which we expect to become more visible during the second half of the current fiscal year.

The commissioning of the additional Sanand capacity will provide further support to our operating performance during H2 of FY27. From a growth perspective, we remain confident of delivering a revenue growth of over 25% in FY27. Our current inquiry pipeline stands robust in

Phenix as well as Proflex. Approximately INR4,000 crores in Phenix and about INR200 crores in Proflex, one of the strongest we have seen.

It gives us clear visibility into sustained order booking momentum in the coming months and reinforces our confidence in delivering on the 25% plus growth guidance given for the year. While our objective is to improve margins on a full year basis, given the continuing uncertainty on the cost front rising from the West Asia crisis, we would prefer to wait for at least one more quarter before providing specific margin guidance for the year.

I would also like to share that based on our internal medium-term business plan, we are confident of achieving over 20% CAGR over the next three to four years, along with a progressive improvement in profitability.

To conclude, M&B remains firmly focused on disciplined execution, operational excellence, and delivering high quality, technology-enabled steel construction solutions to our customers. With a strong order book, a healthy project pipeline, ongoing capacity additions, expanding export opportunities, and rising demand for steel-based construction, we are well positioned to sustain our growth momentum in the near term and strengthen our position over the medium term.

With that, I would now like to hand over the call to our CFO, Mr. Keyur Shah, who will take you through the financial performance in greater detail. Over to you, Keyur.

Keyur Shah: Thank you, Malav bhai, and good evening, everyone. A warm welcome to Q1FY27 earning conference call of M&B Engineering Limited. I shall summarize the consolidated financial highlights for the quarter ended 30th June 2026.

Revenue from operation stood at INR291 crores, showing 22.5% growth compared to INR238 crores in Q1 FY26, due to strong execution of healthy order book across both Phenix and Proflex divisions. We reported EBITDA at INR36 crores and operating EBITDA stood at INR33 crores, operating EBITDA margin being 11.4%. Profit after taxes INR22 crores, 22% growth compared to INR18 crores in Q1 FY26.

Export revenue came in at INR28 crores, representing a significant y-o-y growth. Out of the net IPO proceeds of INR259.32 crores, INR146.69 crores have been utilized so far, that is 57% of the funds have been utilized as on 30th June 2026. During the quarter, INR8.88 crores was utilized out of the IPO proceeds. That concludes with my update on financial highlights of the company. I shall now request the moderator to open the floor for question-and-answer session. Thank you.

Moderator: The first question is from the line of Saumil Mehta from Kotak Mutual Funds. Please go ahead.

Saumil Mehta: Yes, thanks for the opportunity. Sir, two questions on my side. The order inflow for the quarter looks a bit weak at about INR260 crores. I believe the pricing has also gone up, so how should one look at the order inflow given our earlier guidance of doing about INR100 crores a month?

And second question in terms of the other expenses, while you highlighted freight was a major contributor of other expenses going up, while near-term environment obviously looks a bit uncertain, but structurally how should we look at freight cost going into second half of this year and maybe early FY28?

Malav Patel: About the order intake, see year on year we have seen an increase by 25% in the order intake. in Q1. So looking at the pipeline that we have, there are certain large inquiries on hand which have taken a longer time to turn around, right?

Because the larger the order, the more time it takes in design freezing, the customer and the consultants giving clarity on the requirements of the project. So those inquiries which we have currently on hand, they have just rubber banded. We are expecting the same inquiries to be converted into in quarter two. Hence, not concerned at all about that marginal decrease what you are pointing out in the order intake as far as Q1 goes.

I think going forward with that INR4,000 crores of inquiry pipeline, we are quite confident that it will support our fiscal's guidance that we have given and with the export also, right, what project we have under execution as we speak, that shall further support the FY top line guideline that we have given to you already.

Keyur Shah: Sir, as you rightly pointed out, freight cost has currently increased by about say 3%, considering along with custom duty and all. So during the current situation, there is very difficult position to talk about freight position, looking at the overall geopolitical situation. But we hope that the position should improve soon and it should, bring back the freight cost to normal.

Sanjay Majmudar: A quick calculation, freight costs right now are at the sky high. It is almost, I would say, in the range of at least 2x than what it was normal. And we're talking of USD10,000 to USD12,000 per container. What we did, for the balance INR278 crores, at the current freight costs, assuming that nothing goes down, we still calculated that that should still give you around 15% EBITDA margins.

Now, in a good situation, it could be 16%- 17%, in the worst situation, it is 15%. We don't think this freight is sustainable You know, you must be reading today also, it was reported in papers that transshipment and getting containers, there are a lot of problems. With all this, in the worst-case scenario, we still think that we can deliver 15%.

But, let us wait and watch. As Malav said, we have another INR4,000 crores of domestic inquiries, plus export inquiries are also good. I think we should be able to show better performance going forward. But very honestly, in this scenario, freight is a headache, but let us see. Even then we are quite comfortable with this margin. This is what our calculation shows as of today.

Saumil Mehta: Just 15%, sorry to clarify it's for the export orders, right?

Sanjay Majmudar: Yes, It could have been 16%-17%, but this is what it is at today's freight cost, which is the peak.

Saumil Mehta: So fair to assume that a Delta earlier which used to be at least 800 bps to 900 bps has meaningfully come down and barely at about 200, 300 bps over the domestic orders.

Sanjay Majmudar: So, we had earlier talked about 16% to 17% and the domestic was in the range of about 11%. So today the delta is about 4% and a little higher, 5% at the current freight cost.

Saumil Mehta: Okay.

Sanjay Majmudar: The second point I want to stress, as compared to Q1 exports of INR28 crores, the balance orders are at a decent margin, partly we are benefited by this reduction in import duty to 25%.

Chirag Patel: See now the tariff under 232 sections have now been reduced from 50% to 25%, but overall freight has increased, so margin will hit to a much lesser extent which we had earlier guided to 17% to 18%, what Keyur had mentioned that it has impacted by 2% to 3%.

Saumil Mehta: Okay. And sir my last question, you mentioned about obviously the orders coming from the larger data center opportunities. A ballpark, what could be the target addressable market assuming for a INR5,000 crores or a INR10,000 crores for a data center, what would be the target for us in terms of what would be the TAM for our products which we have to supply?

Chirag Patel I would say for a INR1,000 crores of investment in a data center, about 8% to 10% will go as probably as steel construction, because there is also a lot of civil work and MEP construction also happening. But we only are will be related to the steel construction. So you can take about 8% to 10%.

Saumil Mehta: Sure. Sure, Chirag bhai. Thank you so much and all the best for subsequent quarters.

Chirag Patel: Thank you, Saumil.

Moderator: Thank you. The next question is from the line of Bhavya Dedhia Kriis PMS. Please go ahead.

Bhavya Dedhia: Sir my question was that this quarter we did INR28 crores in exports. How much is the export volume and what is the export EBITDA and PAT margin in the export business?

Malav Patel: INR28 crores was basically 1,400 metric tons which we exported, which we dispatched in quarter one.

Bhavya Dedhia: Okay. And what would be the EBITDA margin in this?

Sanjay Majmudar: See, it will be difficult to exactly work out the EBITDA margin for this particular quarter for the simple reason that there is a lot of dispatches which are in pipeline. But as I mentioned to the previous question's answer, overall, at the current costing and pricing, we were talking of about 15% sustainable export margin.

Bhavya Dedhia: Understood sir. And my second question is that in Phenix our sales realization per metric ton has declined to INR1.25 lakh per metric ton. What is the reason for the same?

Keyur Shah: In Phenix, sir, you have calculated INR1.25 lakh per ton on a basis of blended things. Domestic plus export, right?

Bhavya Dedhia: Right.

Keyur Shah: So, it has improved from INR1.19 lakhs of YoY to INR1.25 this year.

Bhavya Dedhia: But Sir quarter-on-quarter it's a dip from INR1.38 lakh to INR1.25 lakh, right?

Keyur Shah: Export contribution is less than 10%, about 10% only in this. The moment export percentage increases this per ton will increase,

Chirag Patel: And additionally, see many projects will have higher specifications and higher bought out materials that might have gone in the project. So it is, it is difficult to have a comparison exactly on per ton basis, because it will always depend on project to project.

If we have a lot of buyouts like door, windows, additional insulation material for exports, or and locally also. overall, it will differ from quarter to quarter, as well as what Keyur also said about exports as well. So this number will, is because of that and not due to any price deduction in the overall order.

Chirag Patel: So on a full year basis, it will be easily comparable, 100%.

Bhavya Dedhia: Okay, understood, yes. Thank you, thank you sir.

Moderator: Thank you. Before we take the next question, we would like to remind participants that you may press star and one to ask a question. The next question is from the line of Kanishk Gupta from SS Family Office. Please go ahead.

Kanishk Gupta: Hello sir, very good afternoon. I wanted to know that you have indicated that the company's hit rate is currently in the 12% to 15% range, whereas some of the key competitors appear to be closer to 20%. So could you help us understand how you are thinking about closing this gap and more importantly, what actions are being taken to structurally improve the hit rate over the next few years?

Malav Patel: As a policy see we also want to maintain a certain bottom line. So company's approach to the overall order booking and the overall, I would say long term strategy would definitely play a big role behind how much of an order conversion from inquiry that they would be wanting in the coming time.

So our last five years record if you see, the conversion rate as we have already, as you very well know, has remained between 12% and 15%, which helps us securing the minimum margins or the bottom line project wise that we are aiming at, right?

Sanjay Majmudar: Just to add to what Malav said another aspect is also that frankly as on today our Sanand plant is running near full capacity. 75% to 80%. There is no extra room available to take up more projects. Cheyyar is region specific, we are now reaching probably 60% this year, it can go up to 70-75%, but I can't service from Cheyyar the additional demand that I get here.

So, we are augmenting capacities of 20,000 tons in Sanand this year which will be available in Q3 and we will start becoming a little more aggressive in order booking according to the capacity available because you know you don't want to take orders and then not be able to relate in execution and have LDs and other stuff.

Similarly, Cheyyar next year will be adding capacities. In fact, in the previous calls, we have announced our team is currently exploring the location, site location for a third facility somewhere coming up in North. That project we want to become, as and when we finalize the location, we will be making announcements.

But we are a regional player in the sense that each plant has a distance limitation of 1000 to 1200 kilometers which can be serviced economically and viably. This is how PEB industry operates and we will be doing the needful.

At the same time, exports are definitely more profitable for us. Even in the worst scenario, otherwise 17% to18%. We believe the EBITDA levels to go back once the freight scenario normalizes. It's a bit early for us to say anything today because you know we are all working in that uncertainty space but it is still definitely more profitable. So, we are very conscious about it and we are working very aggressively on that front.

Kanishk Gupta: Sir what specifically needs to change to bring it closer to the 20% level seen among the peers and well the orders also align with your interest as well?

Malav Patel: To align with our interest as well as the business philosophy, , we want to give equal importance or criticality to my top line as well as my bottom line. We would not want to chase orders which is not going to support the bottom line based on the company's strategy and the long-term outlook?

So, I will not run after orders just to make my hit rate 20% by letting go of my margins. So, I am not sure whether we will be bridging that gap or looking forward to bridging that gap, I would focus on my top line guidance that I have given but at the same time supported by a fairly better bottom line than my peers.

Chirag Patel: And we also will be reaching to our optimum levels for Sanand. In fact, we have reached, but with the additional capacity also we are, because it is a brownfield, reaching the optimum capacity will be much easier in Sanand and that will happen in FY28. Cheyyar we are already reaching 60% this year. So see, in our operations...

And also I would like to make one point adding to Sanjay bhai is that see when you take an order the execution timeline varies In any order, the deliverables must be delivered within in the range of five to seven months

Sanjay Majmudar: And if my if my plant is fully loaded, I am unable to take further inquiries which are needed as per customers requirement of their deadlines. So it is a fair balance on how much inquiry we generate and what is the hit rate that we want to pursue and as Malav said, looking to our margin plan, we will be doing in the same range.

Kanishk Gupta: And sir within the existing customer base, what would our current hit rate be?

Sanjay Majmudar: We have 60% to 70% repeat customers. At least 60%. And there we are consistently getting repeat orders every year. See you have been mentioning about the peers, please understand, I need capacity first, right? we are creating capacities, if peers have larger capacities available and they want to fill up, it's a matter of that strategy. We do business as per our strategy. We don't only look at peers.

Kanishk Gupta: Sir that's definitely a point you made, but in a highly competitive industry it's also necessary for us to focus on getting orders so that would help us grow in line with the peers.

Sanjay Majmudar: Sir, please understand, I need capacity. I am completely chock-a-block full. I don't have enough capacity till I clear and create it somewhere in September-October which is going on in Brownfield. If my capacity increases by 20,000 tons, I will definitely. So last year I did 72,000 tons in PEB. This year my target is 85,000 to 90,000. That is the maximum I can do with the current capacity. I have no problem in getting orders.

But if I get orders and I can't deliver, I don't want to pay LDs. If our peers have a capacity of 2 lakh tons, they will naturally be able to take more orders.

Chirag Patel: And it is, see, 20% is based on what you have generated in your inquiry. If I generate lesser, if I tell my sales and marketing to generate less and reach 20%, they will reach 20%. It is a question of the balance. Yes, numerator and denominator both.

Kanishk Gupta: So, sir this will generally go up as we increase our capacity.

Sanjay Majmudar: Yes, 100%.

Malav Patel: But at the same time, I am repeating myself that it will not come at the cost of my bottom line or my margin targets, Meaning both have to go hand in hand, even after my capacity expansion, I will be very very cautious when it comes to order intake just to increase my hit rate, I will not be taking any orderst? It has to serve the long-term company's goal. That is our endeavour.

Kanishk Gupta: Definitely sir that's point noted. And my also I would like to ask what would be the company's current market share in the organized domestic PEB industry and when does the company expect to achieve a double-digit market share through the capacity expansion that's ongoing?

Malav Patel: See we are already at about 10% to 12% market share?. It is already, it is already in double digits. So going forward when I add my capacity, obviously that is going to add to my market share. So, 20,000 we are adding this year, which will come into effect in the last two quarters of the current fiscal.

I am adding 10,000 tons for my structural steel which will help me get into the data center and high-rise which will come into the Q1 of 2028, and my South India facility will be expanded by third quarter of 2028. So as and when this these capacities come into play, we will ensure that our market share increases from 12% to 15% and thereon. And with that our capacity will reach to about 155,000 tons in Q3 of 2028 from current 104,000 tons.

Kanishk Gupta: And sir our EBITDA margins being our top most priority, what would be the full year guidance for FY27?

Sanjay Majmudar: See currently we have, we are in the range of 11% to 11.5% operating margin, EBITDA operating EBITDA. Malav has clearly indicated that with increasing sales and exports, 25% top line guidance means we are talking of about INR1,600 crores top line in the current fiscal.

We want to improve it, however given the extremely volatile situation on the cost front, we have not given any specific guidance but we will give a specific guidance in the next quarter, but be clear the target is to improve over what we have achieved today.

Kanishk Gupta: Okay sir I'll follow up the same in the next quarter. Thank you very much and all the very best for the future.

Sanjay Majmudar: Thank you, Kanishk.

Moderator: Thank you. The next question is from the line of Aniket Madhwani from Steptrade Capital. Please go ahead.

Aniket Madhwani: Sir previously you mentioned the expansion at your Cheyyar plant for 20,000 metric tons capacity will be operational by Q1 or Q2 of FY28 and now you have mentioned that it will be planning to get the facility by Q3 of this quarter.

Malav Patel: No it's always been Q3 of '28 that the Cheyyar expanded capacity will come into play. It will become available in Q3 of 2028, this we are talking about the expansion in South India plant. So I will get an effective operating period of two quarters which is Q3 and Q4 of next fiscal.

In South India, yes. And in this fiscal, the last two quarters from the Sanand expanded capacity.

Aniket Madhwani: So Q3 and Q4 will be expected by Q3 and Q4 this year from Sanand facility?

Malav Patel: Yes.

Aniket Madhwani: And what is the current EBITDA level margins for domestic and export business?

Malav Patel: We discussed generally the blended ones, I have already indicated that exports generally in a normal situation with 25% tariff it would be 16% to 18%, however in the current extremely high freight scenario it is slightly less in the range of 15% to 16%. Domestic is around 11%. That is how we have broadly generally working on.

Aniket Madhwani: And going forward for this financial year you are expecting the same level of margins?

Malav Patel: At this point in time yes, but our endeavor is to improve it. Let us see for one more quarter.

With the increasing volume we are targeting to improve it, but worst case scenario yes, it will remain at the current levels. If you consider today's number.

Aniket Madhwani: Considering the capacity getting increased in Q3, so the margins should improve I guess?

Malav Patel: Yes.

Moderator: Thank you. The next question is from the line of Aasim from DAM Capital. Please go ahead.

Aasim: Yes, hi, good evening. So we have done about 1,400 metric tons of PEB exports in Q1. How much would that number be in the base quarter?

Sanjay Majmudar: Aasim what do you mean by base quarter?

Aasim: Q1 FY26 I just want to know is I am assuming to be negligible but in Q1 FY26 how much would it be?

Malav Patel It was INR3 crores. In Q1 of '26, it was about INR3 crores.

Sanjay Majmudar: In the remaining three quarters we should have more than 8,000 tons in the remaining three quarters of the current fiscal.

Aasim: 8,000 metric ton in the previous year balance nine months right?

Sanjay Majmudar Balance nine months more than 8,000 tons.

Aasim: Okay then in that case then domestic PEB volume growth would be about 7 odd percent in Q1 of this quarter. That is approximately how much your domestic PEB revenue has also grown. So net realization is flat despite steel prices being higher this time around. Rather why would net realization be flat this time? Is it mix? I actually just can you explain why volume growth is 7% and realization would be flat in the domestic PEB segment?

Keyur Shah: Sir domestic tonnage has increased by 6.6% approximately and revenue has increased by 7.5% to 7.6%, so there is a 1% gap in that also, revenue has increased. And on raw material front say raw material we could save half a percent in raw material cost compared to YoY basis. This why, this is the reason you are not seeing spike in the revenue realization. But it has improved 6.6% in tonnage and 7.6% in value.

Aasim: When you said you have saved raw material cost are you have you billed like older lower cost raw material, that's why on a Y-on-Y basis realization has not gone up?

KEyur Shah Sir as we earlier said see PEB consists of say primary, secondary, sheeting,. So if you see only a one quarter then that gets not averaged out because see once you are sending primary more your realization rate tend to be lower. If you are sending sheeting more, your realization rate tends to be higher.

Chirag Patel: And Aasim secondly this whatever orders that are remining executed here were all booked in Q1 where the raw material pricing were quite stable. The war scenario happened in the month of March. So current execution is happening for the orders booked in Q1 majorly.

Malav Patel: Last year.

Chirag Patel Q4 of last year

Sanjay Majmudar: The point is the spike will be seen in the subsequent quarters. Yes. Because we will book fresh orders at higher price.

Aasim: Understood got it. Okay that was all from my side. Thank you.

Moderator: Thank you. The next question is from Vishnu Agarwal from PD Wealth. Please go ahead.

Vishnu Agarwal: First of all, congratulations on a great set of numbers sir. I know these are very tough times and during a tough time, if you could provide great numbers, a big thank you to the entire team there. I have two questions sir. One question is related to the operating cash flow. We understand actually in FY26 we had to reclassify some of the IPO related fixed deposit, out of the operating activity to get proper operating cash flow number. How it is looking right now in FY27 Q1 sir?

Keyur Shah So regarding operating cash flow we are very comfortable currently and as earlier also, and we are in a position to have cash purchases also, which is only possible when there is sufficient cash flow coming in.

Malav Patel: So the operating cash flow is positive in Q1.

Vishnu Agarwal: Positive and very good. All right sir thank you. That is my first question, second question is related to sir, I know you are hesitant to give the EBITDA margin because there is so much of uncertainty related to the war and you have no idea about the phrase. But any kind of a range actually you can give, if not exact number, I mean like are we looking at anything between 11% to 13%, what kind of a range are you looking at sir, for the entire year?

Sanjay Majmudar Vishnu, as we said our endeavor is to improve. Again significant high exports are expected. Exports, in the worst scenario also there is a margin spread of around 4% between the domestic margins and the export margins.

We should definitely expect some improvement but believe me our endeavor will be to improve but today we have made it very clear that we want to wait for one more quarter to see how things stabilize, we do not want to throw a number and then not achieve it. But definitely we expect improvement it could be a decent range but let us not jump to any number at this point in time.

Vishnu Agarwal: And sir now demand is coming for new orders, where it is coming from? I mean like which sector it is actually most of the demand near to medium term coming from sir?

Chirag Patel: Currently we are serving the inquiries we have from automobiles sector. We have good robust inquiry for high rise building as well. From logistics and warehousing. defence and aviation we are also getting from data centers, as Malav earlier said that we are working on a few data centers. And obviously renewable energy is also contributing to a great numbers in the inquiry that we currently have.

In ProFlex we have robust inquiries from railways and agri warehousing along with lot of SME manufacturing units.

Vishnu Agarwal: Sir, my last question, it is on a lighter note. We saw, sir, in June, you made some promoter holdings at 275, 310 level, sir. Are you looking at increasing your promoter holdings, sir?

Sanjay Majmudar We will see. I can't speak on top of that. No.

Vishnu Agarwal: That was on a lighter note. So thank you so much sir, thank you.

Sanjay Majmudar: Thank you, Vishnu.

Moderator: Thank you. The next question is from Nirav Bhanushali from Systematix Group. Please go ahead.

Vijay Sarda: Hello. Hi Malav ji this is Vijay Sarda here from Systematix. Sir just two question. One is basically if I look at the company over last four five years, we have seen the robust growth in turnover as well as bottom line, margin has reached peak whatever 18.5% but then at that point of time you said that is not sustainable we will be around mid-teen to higher double digit. Wherever we are seeing last few quarter the margin is going down as well as our growth has been affected.

So growth has not been affected for us as well but for the industry as a whole. So how you see the scenario unfolding because when we see the growth again you are quite positive on the growth trajectory to be at 25% but I just wanted to understand what has gone wrong in last four five quarter, precisely for us as well as for the industry?

And just wanted to understand if the steel price go down, okay what kind of volume growth we are looking at because eventually the growth was function of both volume as well as the steel price moving up. Now we are seen steel price at low so if steel price move up is that August well for us because we do take fixed price contract.

So I think we thought that the positivity of that should get flowed into your number this quarter but it has not, in fact your other expense has gone up quite substantially in last two quarters, so I would like to understand also the other expense mix, one thing I think you spell out higher freight cost.

But apart from that what is going wrong because if we do understand correctly on the falling raw material price scenario since you have taken order on fixed cost basis, usually your margin should have increased rather than it has decreased. So if you can just spell out this thing. Thank you very much.

Sanjay Majmudar So I think your question I would break into three parts. One apprehension whether anything is wrong from a demand side in the industry, we do not think so. Let's be honest in both our divisions ProFlex as well as PEB we are chock-a-block in terms of the capacity utilizations and we are having that luxury of being slightly selective in picking and choosing up orders for PEB because we do not want to take order and then falter on delivery, that is point number one.

Point number two the costs have gone completely haywire. See we all in the industry, we work with a fixed price and fixed contract price scenario. So if you look at last year in Q4 the raw material costs went up by about 15% to 20% in general, steel. Now you could not pass through so whatever where the old orders had to be executed at fixed prices, it impacted the margins.

Similar trend in Q1, prices appeared to soften a little bit. Again, they have hardened. So, what we are doing, the new orders that PEB is taking, we are trying to take at a higher price to factor the cost increase in the domestic scenario. Demand continues to remain extremely robust. There is no problem anywhere.

The issue is after war because of inflation general price rises have gone across all sectors. So you would have seen the margins coming down in domestic market by 1% to 2%. This is the scenario, demand side no issue.. Now on the export front, I still maintain we are perhaps the only Indian company even currently doing systematic and significant exports in North American markets.

When we were out for the IPO and post IPO scenario there was a huge difference my peak margins in international markets were as high as 24%, 25% EBITDA in the North American market. At that time the freight was USD1400 there was no duty per container.

Today with a USD12,000 for 40 feet container and even USD13000, pass through is not happening fully, plus there is a 50% duty which was imposed for major part of last year. Now it has come down to 25%, so all earlier contracts that I had taken were at again fixed price so we had to renegotiate, how much duty you can pass and how much you can't?

After all this, we are still at 15% to 16% EBITDA. We have still USD500, USD400, USD500 arbitrage between our pricing in U.S., and the domestic pricing. So it is still much higher than what you are seeing today, I do not think war will continue forever, we do not think the freight can sustain at these prices forever.

Having said that, in today's scenario we are still very strong growth on domestic as well as export business. But from a demand standpoint I do not think there's any difficulty, even we remain very bullish in India as well as overseas. Times are tough, let us see. We should go back to a reasonable level hopefully very soon.

Vijay Sarda: Sir just one thing so if the price rise of steel from here. So basically if you can just touch base on how your order book cycle works, so average gestation of your order is around 4 to 6 months right, from 6 months to 7 months. So when you take an order how you go about booking or hedging the raw material?

And secondly just wanted to understand if raw material price grow, do you have any unhedged whereby you can get benefited like the price go down you get the, is there any scenario where we can sense some positivity coming in the price move up?

Chirag Patel:: Correct. So as a philosophy of the company and the SOP what we do is we book anywhere between 80% to 85% of our raw material at the time of booking of the order which is a standard material, right. About 15% to 20% will differ from building to building depend on the design.

But we get an heads up from our large mills on the price movement that is going to happen in two months that is going to come from the large primary mills in India will give us a heads up on how the price movement they are expecting to have, which we build in at the time of my order booking.

So about 15% to 20% would be open on both side for variation, otherwise almost 80% is fixed thereby keeping my margins intact on whatever that we had anticipated at the time of order booking rather than keeping it open for variations, it may go up, it may go down, but then it would be too much of uncertainties.

Vijay Sarda: So, just one more thing on this basically margin trajectory. So, do we sense this margin trajectory above double digit will be maintained? Basically, what we are seeing is continuous drop.

Sanjay Majmudar: 100%. Sir, we are talking of improving from 11% to 11.5%. There's no question. Blended margin, I am talking, okay?

Vijay Sarda: And, sir, just last thing on the order book. So, we have seen order book strong pipeline that is there for INR4,000 odd crores that you talked about. So how much is the basically winning rate usually we do have for the orders that we book?

Chirag Patel: See, it ranges between 10% to 12%. It can go up to 12% to 15% also depending on the kind of order. Our customer base is large corporates. The inquiry levels are also on a much larger size. So, it takes a much higher time for engineering for the customers to give us the feedback on our drawings that we have submitted, our design that we have submitted. So the inquiries are there, but many times it rubber bands to the next quarter for finalization.

So, otherwise, there is robust inflow of inquiries across all the sectors in all the zones that we are operating in.

Vijay Sarda Great, sir. Thank you very much and all the very best.

Moderator: Thank you. The next question is from Aniket Madhwani from Steptrade Capital. Please go ahead.

Sanjay Majmudar: So if you could just give me the numbers in terms of percentage or values for the increment in the price of freight charges and as well as the steel prices since this March?

Malav Patel: Freight would have gone up...

Chirag Patel: No, no international

Chirag Patel: 2 to 2.5 times.

Aniket Madhwani: Okay.

Sanjay Majmudar: For export.

Aniket Madhwani: And for the steel?

Chirag Patel: For steel, probably about 10% to 12%.

Sanjay Majmud We are talking of position March versus today. Okay.

Malav Patel: In Q1.

Aniket Madhwani: Yes. Since March. And for the domestic freight charges?

Chirag Patel: Domestic freight charges would have increased by 2% to 3%, 5% maximum. Because of the increase in diesel prices and 5% maybe.

Moderator: Thank you. The next question is from Vikas Rohira from PD Wealth. Please go ahead.

Vikas Rohira: Sir first of all congratulations on the great set of numbers. Sir, I am seeing in the call that everyone is concerned about the margins. Sir, this normal question is that right now our export order is around INR200 crores right? More than INR200 crores?

Sanjay Majmudar: INR278 crores. Yes, INR280 crores.

Vikas Rohira: Which we have to do in this year only right, in FY27?

Malav Patel: Yes. Bulk of it meaning majority of it is going to be closed in this fiscal.

Vikas Rohira: Sir, you just said that even after the skyrocket rate, you will deliver 15% margin. So, overall, if we look at it, in FY27, our margin will definitely improve. And if the situation is normal, then..

Malav Patel: We cannot put our finger on exactly what it will increase to but with the order that we have for exports as well as the volume growth that we are projecting in the last two quarters of this fiscal coming from our added capacity, of course we are certain that it will be better than where we stand today.

But because of the uncertainties in the costs we are not in a position or what we would refrain to give a particular range or a number for the long term meaning overall guidance for the current fiscal.

Malav Patel: At least for one more quarter.

Sanjay Majmudar: At least for one more quarter, in the third quarter we will have more clarity.

You see what's happening. Every day, there is a new announcement. Every day, something changes. Every day, it's a speculation Everyday the U.S. government Iran they keep on changing their stance. So the problem is costs are not under our control fully. Otherwise of course there are every strong possibilities that margin has to improve but let us see. Let us get some stability. Then we will tell you 100%.

Vikas Rohira: Okay sir, I know it's a tough time sir. Again I will say all the best for the future sir.

Moderator: Thank you. The next question is from the line of Nirav Bhanushali from Systematix Group. Please go ahead. Mr. Bhanushali your line has been unmuted please go ahead with the question.

Nirav Bhanushali: Yes, thanks for the opportunity. So my question was regarding the order book, what kind of exit order book we are looking for this quarter as well as for FY27?

Sanjay Majmudar No so in the past we have said our run rate of about INR100 crores of PEB per month we are fairly confident of maintaining.

Sanjay Majmud New order intake?

Chirag Patel: Yes.

Chirag Patel:: But as I said, we are working on few very large inquiries and it might rubber band because the customer, the engineering takes a lot of time to get it finalized, so based on that it will always depend on how but the order inquiry is there and month on month we are generating new inquiries. So there is no issue on the inquiries that are there in the market.

Sanjay Majmudar: And believe me, as we said, there is no problem of fresh order intake. We do not see any compression anywhere.

Chirag Patel: As my additional capacity is added, obviously we will improve upon our order intake.

Nirav Bhanushali: Okay. So with this addition in this Sanand plant of 20,000 ton additional capacity. So we have fair bit of confident that we will be able to ramp up the utilization in the H2.

Malav Patel: Yes.

Nirav Bhanushali: Okay. Thanks a lot sir and best of luck for the future quarters.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.

Malav Patel Yes, on behalf of the management of M&B Engineering Limited, we thank you all for joining us on our post earnings call today. We hope we have been able to address majority of your questions. You may reach out to me or our investor relations partner Ernst & Young for any further queries that you may have and would connect with you offline. Moderator, you can close the call now. Thank you. Thank you everyone.

Moderator: Thank you. On behalf of M&B Engineering Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.