



IPO NOTE

ENVIRO INFRA ENGINEERS LIMITED



Rating:

SUBSCRIBE




(FOR LONG TERM)



ISSUE OFFER

Issue Opens on	NOV 22, 2024
Issue Close on	NOV 26, 2024
Total IPO size (cr)	₹650.43
Fresh issue (cr)	₹572.46
Offer For Sale (cr)	₹77.97
Price Band (INR)	140-148
Market Lot	101
Face Value (INR)	₹10
Listing At	NSE, BSE
Market Capitalization (cr)	2597.84

ISSUE BREAK-UP (%)

QIB Portion		50%
NII Portion		15%
Retail Portion		35%

PROMOTER HOLDING %

Pre Issue	Post Issue
93.66%	70.02%

INDICATIVE TIMETABLE

Basis of Allotment	27-11-2024
Refunds/Unblocking ASBA Fund	27-11-2024
Credit of Share to Demat A/c	28-11-2024
Listing Date	29-11-2024

Enviro Infra Engineers Limited in the business of designing, construction, operation and maintenance of Water and Wastewater Treatment Plants (WWTPs) and Water Supply Scheme Projects (WSSPs) for government authorities/bodies.

OBJECTS OF THE ISSUE

- To meet the Working Capital Requirements.
- Infusion of funds in its Subsidiary.
- Payment of borrowings.

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2024	FY 2023	FY 2022
Equity Share Capital	136.8	25.6	2.4
Net Worth	290.5	126.8	71.6
ROCE %	32.34%	43.33%	56.16%
Revenue	728.9	338.1	223.5
Operating Profit Margin %	23.23%	24.16%	22.38%
Net Profit of the year	108.5	55.3	34.54

FINANCIAL RATIOS OF FY24



D/E



P/E



Asset Turnover

OUTLOOK & VALUATION

- Engaged in designing, operating, and maintaining water and wastewater treatment plants, along with water supply schemes.
- Expanding its footprint with new projects and backed by a strong order book.
- Showcasing robust growth in both revenue and profits.
- The IPO is fairly priced, offering a reasonable valuation.
- Recommended for investors with a long-term perspective.



COMPANY PROFILE

- WWTPs include Sewage Treatment Plants (STPs), Sewerage Schemes (SS) and Common Effluent Treatment Plants (CETPs).
- WSSPs include Water Treatment Plants (WTPs) alongwith pumping stations and laying of pipelines for supply of water.
- The Company bids for tenders issued by State Governments and ULBs for developing WWTPs and WSSPs on an EPC or HAM basis.
- It has successfully developed 28 WWTPs and WSSPs across India in past seven years.
- An in-house team for designing, engineering and construction which makes it self-reliant.



COMPETITIVE STRATEGIES

- Increasing the size of projects and its pre-qualification.
- Expansion of its geographical footprint.
- Plan to further bid for HAM projects..
- New initiatives towards "Waste to Energy" as a part of its projects.
- Capitalize on Government policy initiatives in WWTP and WSSP sectors.



KEY CONCERNS

- Major dependence on govt. funded projects.
- Projects are awarded through the competitive bidding process.
- Business is working capital intensive.
- It has experienced negative cash flows in the past and may continue to do so.
- Business is exposed to various implementation risk and other uncertainties.
- Water treatment or reuse and zero liquid discharge technology is subject to rapid change.



KEY STRENGTHS

- In house designing, engineering and execution team.
- Increasing presence in existing geographies with new projects.
- Diversified Order Book of projects across India.
- In-house execution capabilities.
- Use of advanced technologies in the construction and installation.
- Experienced Promoters and senior management team.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (Basic)	NAV	P/E	TOTAL INCOME (In CR.)	RONW%
Enviro Infra Engineers Limited	8.13	21.48	18.32	738.00	37.83%
Peer Group					
EMS Limited	29.38	143.73	25.92	809.07	19.09%
ION Exchange Limited	16.53	69.40	38.68	2,391.73	19.23%
Va Tech Wabag Limited	39.49	292.43	43.90	2,899.80	13.50%
Vishnu Prakash R Punglia Limited	10.95	57.85	25.31	1,482.65	16.95%



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