

Msafe Equipments Limited, founded in 2019 and based in Greater Noida, manufactures and rents access and height-safety equipment such as scaffolding and ladders, serving 2,500+ clients across multiple industries in 22 states through a mix of product sales and recurring rentals.

INDUSTRY ANALYSIS

- India's scaffolding and height-safety equipment market, tied to the ₹111 lakh crore NIP, is expected to grow at 10–12% CAGR to \$3–5 billion by 2030.
- Driven by infrastructure expansion (metros, roads, airports), urbanisation-led high-rise construction, a shift to certified metal scaffolding.
- Rising rental adoption (opex over capex), and steady demand from MEP, HVAC, warehousing, and industrial maintenance.

KEY FINANCIALS

PARTICULARS (FY25)	SHARE (%)
Revenue	₹71.6 Cr (+48% YoY)
EBITDA Margin	36.5%
PAT	₹13.0 Cr
PAT Margin	18.2%
ROE	68.0%
ROCE	34.6%

MARKET STRUCTURE

The market remains highly fragmented with a dominant unorganised segment, while organised players gain from certifications, nationwide logistics, and large EPC contracts. Aluminium scaffolding is increasingly replacing MS systems due to its lighter weight, corrosion resistance, and better on-site efficiency.

REVENUE MODEL

Dual-stream: Product Sales (49% FY25) + Equipment Rental (51% FY25). Rental has historically been the dominant driver (63% in FY23), though sales contribution is rising as in-house manufacturing scales. The rental book provides annuity-like recurring revenue, smoothing construction-cycle

INVESTMENT THESIS

- Strong tailwinds from India's ₹111 lakh Cr NIP support long-term growth (10–12% CAGR).
- A rental-led model (51% revenue) ensures recurring income, while in-house manufacturing is driving margin expansion (EBITDA 30% → 36.5%).
- High returns (ROE 68%, ROCE 35%) and strong earnings momentum (₹21 Cr FY26E vs ₹13 Cr FY25) stand out.
- IPO capex can scale revenue to ₹95–150 Cr by FY27.
- After a 26% correction, valuations offer re-rating potential.

Key risks: Rising receivables, aluminium volatility, no long-term contracts, and geographic concentration.

KEY MONITERABLES

- Rental mix (>50%), receivables/DSO trend.
- Plant commissioning timeline.
- Aluminium cost impact.
- FY26 revenue guidance, and
- Client concentration disclosures.

SWOT ANALYSIS

STRENGTHS

- High-margin rental model with recurring revenue, strong capital efficiency (FY25 ROE 68%, ROCE 35%).
- In-house manufacturing boosting margins, a 17-location pan-India warehouse network, and 53% repeat business driving customer stickiness.

WEAKNESS

- Limited operating history (since 2019), manufacturing concentrated in Greater Noida, no long-term contracts, high receivables.(41% of H1 FY26 revenue).
- Elevated debt (₹40.4 Cr), working capital intensity, and small scale limiting bargaining power with large EPC contractors.

OPPORTUNITIES

- ₹111 lakh Cr NIP drives long-term demand; rising rental adoption, sector formalisation, and growth in adjacent segments (fire safety, warehousing, HVAC, MRO).
- Support expansion, while new manufacturing capacity and the shift to aluminium scaffolding boost volumes, ASPs, and margins.

THREATS

- Exposure to construction cyclicality, aluminium price volatility impacting margins, rising competition (domestic and imports).
- Working capital risk from high receivables, geographic concentration in UP, and reliance on aluminium scaffolding (36% of revenue).