EPack Prefab Technologies Ltd. (EPAPRE)

CMP: ₹201 | Target ₹ 280 (39%) | Target Period: 12 months | BUY

November 5, 2026

RM inflation affects Q2; H2 to be better than H1

About the stock: EPack Prefab Technologies Ltd. (EPAPRE) is one of leading turnkey pre-engineered steel construction solutions (PEB's) providers in India. It commenced its operation in 1999, subsequently got listed in 2025.

- It is the 3rd largest player with PEB capacity of ~158,400 MT with a market share of ~5% in the PEB industry in India.

Q2FY27 performance: EPack Prefab reported Q2FY27 performance with revenue rising 15.5% YoY to ₹ 501 crore, driven by PEB revenue growth of 13.7% YoY to ₹ 460 crore. EBITDA grew a modest 1.2% YoY to ₹ 51 crore, while PAT remained largely flat at ₹ 30 crore. EBITDA margin moderated 143 bps YoY to 10.1% due to temporary input cost pressures, although management expects margins to normalise over the coming quarters.

Investment Rationale:

- **Management retains FY27 guidance expecting stronger H2:** Management reiterated its FY27 revenue guidance of ₹ 1,900 crore with 10-10.5% EBITDA margin, expecting H2FY27 to be better than H1 on both revenue and margins front, supported by order execution and repricing benefits. It received strong order inflows of ₹ 1124 crore (up 71% YoY) during H1FY27, achieving ~56% of the FY27 target of ₹ 2,000 crore. The company's pending order book stood at a robust ₹ 1,463 crore, providing 8-9 months of revenue visibility. Its average order ticket size is expected to be ~₹ 10-12 crore for FY27. Supported by healthy industry demand and available capacity, management aims to sustain 25%+ revenue growth over the next couple of years.
- **Capacity Expansion and Emerging growth opportunities:** The commissioning of additional PEB and sandwich panel capacities at Ghiloth, along with the upcoming Gujarat facility in Q4FY27, is expected to increase its peak revenue potential to ₹ 2,800-3,000 crore. It will be focusing on sweating these capacities, with management targeting 80-85% utilisation before further expansion. The sandwich panel business offers additional growth visibility, supported by 47-48% utilisation at Mambattu and a pending order book of over 5 lakh sq. metres. Further, entry into the data centre segment through structural steel supplies provides an incremental growth opportunity, with existing infrastructure capable of meeting current requirements without additional capex.

Rating and Target Price: We retain Buy with a revised price target of ₹ 280, downwardly revising our valuation multiple to 18x P/E on H1FY29E EPS, owing to near term cashflows and operating margin headwinds led by raw material inflation.

EPACK PREFAB
RAPID CONSTRUCTION-EXCEEDING EXPECTATIONS

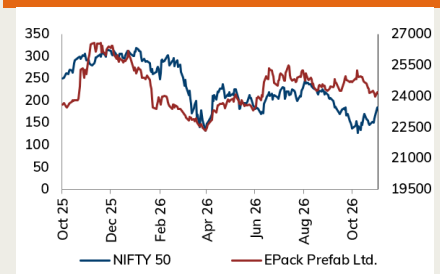
Particulars

Particular	₹ crore
Market Capitalisation	2019
Gross Debt (FY26)	108
Cash (FY26)	285
EV (₹crore)	1842
52 week H/L	344/132
Equity capital	20
Face value	2

Shareholding pattern

Particular	Dec-25	Mar-26	Jun-26	Sep-26
Promoter	65.1	65.0	65.0	65.0
FII	12.0	10.9	11.1	0.7
DII	3.8	3.2	3.1	2.8
Others	19.2	20.9	20.9	31.6

Price Chart



Key risks

(i) Dependence on end-user private sector capex

(ii) Susceptible to sharp price volatility in Steel Prices

(iii) Minimal entry barriers.

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Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

Key Financials (₹ Crore)	FY24	FY25	FY26	2 year CAGR (FY24-26)	FY27E	FY28E	FY29E	3 year CAGR (FY26-29E)
Revenues	904.9	1133.9	1525.3	29.8	1906.0	2334.4	2796.6	22.4
EBITDA	86.9	117.6	159.7	35.5	194.4	245.1	293.6	22.5
EBITDA margin (%)	9.6	10.4	10.5		10.2	10.5	10.5	
Net Profit	42.9	59.2	92.6	46.9	106.8	140.3	173.1	23.2
EPS (Rs)	4.3	5.9	9.2		10.6	14.0	17.2	
P/E (x)	49.1	35.6	22.8		19.8	15.0	12.2	
P/B (x)	9.6	4.6	2.2		1.9	1.7	1.4	
RoCE (%)	23.6	17.8	16.2		16.8	18.8	19.6	
RoE (%)	25.3	16.7	12.6		12.7	14.3	15.0	

Source: Company, ICICI Direct Research

Q2FY27 Earnings call highlights

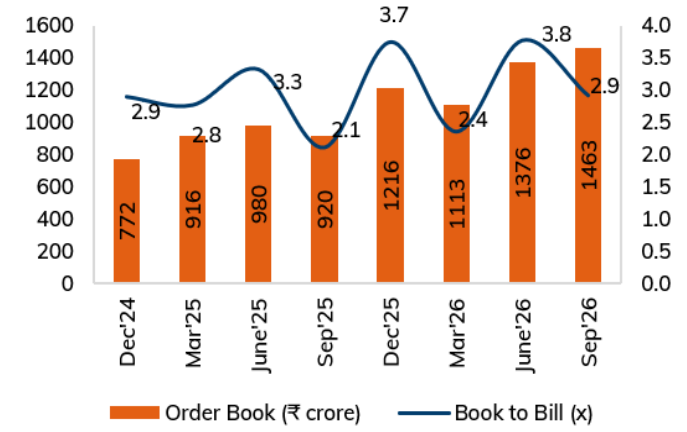
- **Guidance:** Management maintained its FY27 revenue guidance of ₹ 1,900 crore with an EBITDA margin of 10-10.5%. Management expects H2FY27 to be stronger than H1 in terms of both revenue and margins, supported by a healthy order book, repricing of orders and inventory built to protect against further steel price increases. Further, management aims to sustain 25%+ revenue growth over the next couple of years, supported by industry demand and available capacity.
- **Robust Order Pipeline:** H1FY27 order inflow increased 71% YoY to ₹ 1,124 crore, achieving ~56% of the company's FY27 order booking target of ₹ 2,000 crore. The pending order book stood at ₹ 1,463 crore, providing revenue visibility of around 8-9 months at the current execution run rate. The top five customers contribute 28-30% of the existing order book, while historically, ~60% of orders have come from new customers and 40% from existing customers.
- **Capacity Expansion:** The company commissioned 11,300 MT of additional PEB capacity at its Ghiloth greenfield facility on 28 October 2026, along with a sandwich panel line of 8,00,000 SQM capacity, catering to the Northern market. The Gujarat greenfield facility is expected to be commissioned in Q4FY27, with an initial capacity of 50,000 MT, against a designed capacity of over 80,000 MT. Following completion of the ongoing expansion, the company expects to achieve a peak revenue potential of ₹ 2,800-3,000 crore. Management indicated that FY28 would primarily focus on sweating the newly commissioned capacities, targeting 80-85% utilisation before considering further expansion.
- **Steel Price Impact:** Management highlighted that a sharp increase in steel and other input costs resulted in a nearly 2.3% decline in gross margin during H1FY27, as earlier fixed-price orders were executed before the full impact of higher input costs could be passed on. Steel prices increased by 17-18% during Q2FY27, while the company managed to improve EBITDA margin to 10.1% from 9.4% in Q1FY27, aided by price increases secured on some existing orders. Going forward, new orders are being priced at prevailing input costs, while the company is also pursuing price escalation clauses with large customers. Management also noted that HR steel prices were around ₹ 70,000/tonne and did not foresee significant further increases in the near term.
- **Data Centre Opportunity:** The company is entering the data centre segment through the supply of structural steel for heavy structures, with its first structural steel supply order in Q3FY27. Management clarified that the existing manufacturing infrastructure is capable of handling the current data centre requirements, hence, no incremental capex is required at present. The company is also evaluating a large customer opportunity through its newly incorporated data centre subsidiary, although discussions are ongoing and the timeline for conversion remains uncertain.
- **Sandwich Panel Business:** Management highlighted improving utilisation at the Mambattu sandwich panel facility, with capacity utilisation increasing to 47-48% in Q2FY27. The pending sandwich panel order book stood at over 5 lakh sq. metres, providing visibility for further ramp-up in H2. The newly commissioned Giloth sandwich panel line is expected to ramp up over the next five months, supported by the company's established customer relationships in the Northern market.

Exhibit 1: Quarterly Analysis

Particulars	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	Comments
Operating Income	**501**	**434**	**15.5**	**366**	**37.0**	PEB revenues grew 13.7% YoY to ₹ 460 crore
Other Income	4	3	27.6	4	-5.5	
Total Revenue	505	437	15.6	370	36.5	
Raw Materials Costs	343	285	20.1	247	38.8	
Employees Expenses	45	40	12.4	41	9.7	
Other Expenses	62	58	7.2	43	44.9	
Total Expenditure	451	384	17.3	331	36.0	
EBITDA	**51**	**50**	**1.2**	**34**	**46.6**	Sharp rise in steel input costs affected EBITDA margins
EBITDA Margins (%)	10.1	11.5	-143bps	9.4	66bps	
Interest	9	8	8.3	8	13.6	
Depreciation	7	6	17.5	6	4.1	
PBT	**39**	**39**	**-0.8**	**24**	**60.2**	
Tax	9	10	-4.4	6	52.5	
PAT	**30**	**29**	**0.4**	**18**	**62.8**	

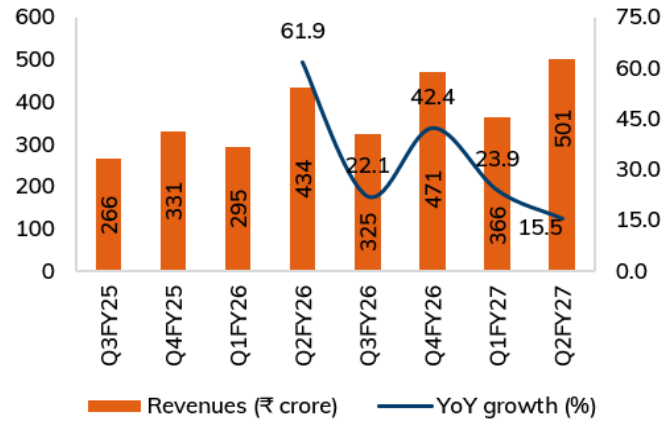
Source: Company, ICICI Direct Research

Exhibit 2: Order Book Trend



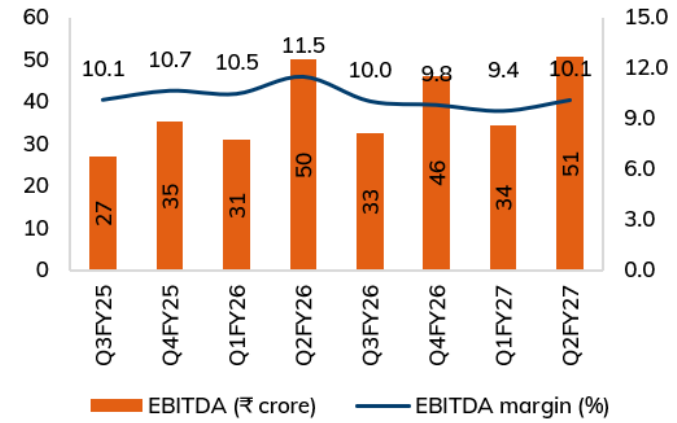
Source: Company, ICICI Direct Research

Exhibit 3: Revenue Trend



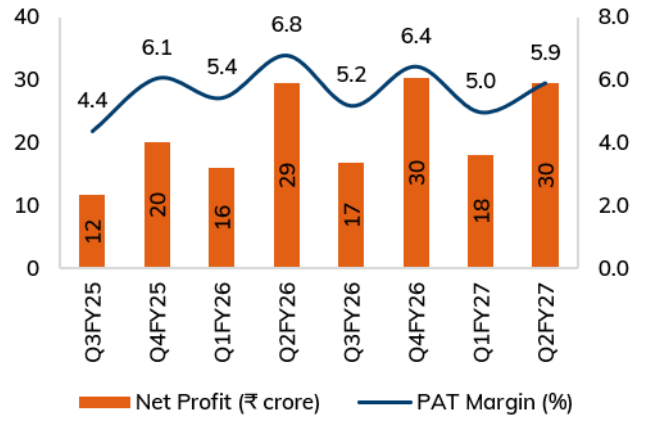
Source: Company, ICICI Direct Research

Exhibit 4: EBITDA Trend



Source: Company, ICICI Direct Research

Exhibit 5: PAT Trend



Source: Company, ICICI Direct Research

Financial summary

Exhibit 6: Profit and loss statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Revenue	**1,525**	**1,906**	**2,334**	**2,797**
% Growth	34.5	25.0	22.5	19.8
Other income	17	14	15	12
Total Revenue	1,542	1,920	2,349	2,809
% Growth	35.5	24.5	22.3	19.6
Raw Material Costs	1,016	1,296	1,541	1,846
Employee Expenses	150	181	210	252
Other expenses	200	234	338	406
Total Operating Exp.	1,366	1,712	2,089	2,503
EBITDA	**160**	**194**	**245**	**294**
% Growth	35.8	21.7	26.1	19.8
Interest	31	33	33	29
PBDT	145	176	227	277
Depreciation	23	31	36	41
PBT before Expl. Items	**122**	**145**	**191**	**236**
Total Tax	30	39	51	62
PAT before MI	93	107	140	173
PAT	**93**	**107**	**140**	**173**
% Growth	56.5	15.3	31.3	23.4
EPS	**9**	**11**	**14**	**17**

Source: Company, ICICI Direct Research

Exhibit 7: Cash flow statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Profit after Tax	93	107	140	173
Depreciation	23	31	36	41
Interest	31	33	33	29
Cash Flow before WC changes	162	209	260	306
Net Increase in Current Assets	(226)	(81)	(117)	(155)
Net Inc in Current Liabilities	233	(43)	80	114
Net CF from Operating activities	**136**	**47**	**172**	**202**
(Purchase)/Sale of Fixed Assets	(129)	(165)	(100)	(100)
Other investing cash flows	(32)	-	-	-
Net CF from Investing activities	**(161)**	**(165)**	**(100)**	**(100)**
Issue of Equity	284	0	-	-
Inc/(Dec) in loans	(70)	25	-	-
Others	(59)	(33)	(33)	(29)
Net CF from Financing Activities	**155**	**(8)**	**(33)**	**(29)**
Net Cash flow	129	(126)	38	73
Opening Cash/Cash Equivalent	156	286	160	198
Closing Cash/ Cash Equivalent	**286**	**160**	**198**	**271**

Source: Company, ICICI Direct Research

Exhibit 8: Balance sheet ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Equity Capital	20	20	20	20
Reserve and Surplus	714	821	962	1,135
Total Shareholders funds	**735**	**841**	**982**	**1,155**
Total Debt	**108**	**133**	**133**	**133**
Total Liabilities	**843**	**974**	**1,115**	**1,288**
Gross Block	431	596	696	796
Acc: Depreciation	119	150	186	227
Net Block	311	446	510	568
Capital WIP	60	60	60	60
Total Fixed Assets	**372**	**506**	**570**	**629**
Non Current Assets	75	75	75	75
Inventory	266	313	352	421
Debtors	309	339	416	498
Other Current Assets	108	111	114	117
Cash	285	160	198	271
Total Current Assets	**968**	**923**	**1,079**	**1,307**
Current Liabilities	566	523	602	716
Provisions	7	7	7	7
Total Current Liabilities	**573**	**530**	**610**	**724**
Net Current Assets	396	393	469	584
Total Assets	**843**	**974**	**1,115**	**1,288**

Source: Company, ICICI Direct Research

Exhibit 9: Key ratios

(Year-end March)	FY26	FY27E	FY28E	FY29E
Per Share Data (₹)				
EPS	9.2	10.6	14.0	17.2
Cash per Share	14.9	17.7	22.7	27.6
DPS	-	-	-	-
BV	94.8	108.6	126.7	149.0
Operating Ratios (%)				
EBITDA Margin	10.5	10.2	10.5	10.5
PAT Margin	6.1	5.6	6.0	6.2
Asset Turnover (x)	1.8	2.0	2.1	2.2
Return Ratios (%)				
RoE	12.6	12.7	14.3	15.0
RoCE	16.2	16.8	18.8	19.6
Valuation Ratios (x)				
EV / EBITDA	12.1	10.7	8.3	6.7
P/E	22.8	19.8	15.0	12.2
EV / Net Sales	1.3	1.1	0.9	0.7
Sales / Equity	2.1	2.3	2.4	2.4
Market Cap / Sales	1.4	1.1	0.9	0.8
Price to Book Value	2.2	1.9	1.7	1.4
Working Capital Management Ratios				
Inventory Days	64	60	55	55
Debtor Days	74	65	65	65
Creditor Days	95	70	70	70
Solvency Ratios				
Debt / Equity	0.1	0.2	0.1	0.1
Current Ratio	1.7	1.7	1.8	1.8
Quick Ratio	1.2	1.2	1.2	1.2

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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