CMP: ₹ 192 | Target: ₹ 240 (25%) | Target Period: 12 months | BUY

May 19, 2026

Growth momentum to sustain in FY27

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 ~147,000 MT with a market share of ~5% in the PEB industry in India.

Q4FY26 performance: EPack Prefab Technologies Limited reported a strong Q4FY26 performance with revenue rising 42% YoY to ₹ 471 crore. EBITDA/PAT increased 31%/ 51% YoY to ₹ 46/ ₹ 30 crore respectively. EBITDA margin stood at 9.8% (dip by 87 bps YoY) while PAT margin rose by 38bps to 6.4% due to improved cost absorption from higher scale. For FY26, revenue increased 35% YoY to ₹ 1,525 crore, while EBITDA grew 36% YoY to ₹ 160 crore. PAT surged 56% YoY to ₹ 93 crore with PAT margins improving to 6.1% (up by 85bps).

Investment Rationale

- **Eyeing ~26-28% YoY revenue growth for FY27 led by ~30% YoY growth in Pre-fab:** Epack Prefab achieved a strong 35% YoY consolidated revenue growth in FY26 while it has guided for ₹ 1925-1950 crore (~26-28% YoY) consolidated revenues for FY27, which would be aided by ~30% YoY growth in its pre-fab business. EBITDA margins are expected to remain flattish in FY27. It is undertaking ₹ 150 crore capex at Ghiloth (Rajasthan), Mambattu (A.P.) and Gujarat phase I (~50,000 MTPA). The same would help increase its PEB capacity to ~2,20,000 MTPA (currently 1,47,122 MTPA) and sandwich panels to ~21,10,000 SQM (currently 13,10,000 SQM) by FY27 end. Post the expansion, its peak revenue potential is expected to be ₹ 2,300-2,400 crore, comprising of ₹ 2,200-2,300 crore from PEB (1,47,000 MT) and sandwich panel (21,10,000 SQM), along with ₹ 200 crore contribution from EPS segment.
- **Order book expected to grow by 30% YoY in FY27:** Its current order book at ₹ 1113 crore was aided by ~27% YoY net order intake of ₹ 1579 crore during FY26 while it is eyeing ~30% YoY growth in order inflows during FY27. Its order pipeline for the next 2-3 quarters remain strong at ₹ 5000 crore (~15-20% win rate) while repeat orders account for 35-40% of the current order book, reflecting improving customer stickiness and execution credibility. It has emerged as the first choice in renewable energy (solar/wind) sector orders and sees a lot of opportunities in semiconductor and datacentre sectors.

Rating and Target Price

- We estimate its Revenues/EBITDA/PAT to grow at ~24%/24%/26% CAGR over FY2026-FY2028E.
- We retain BUY rating with a revised Target Price of ₹ 240/- i.e. 17x P/E on FY28E, owing to upward revision in FY28E EPS.

RAPID CONSTRUCTION·EXCEEDING EXPECTATIONS

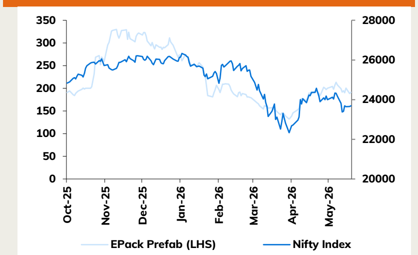
Particulars

Particular	₹ crore
Market Capitalisation	1929
Gross Debt (FY26)	108
Cash (FY26)	285
EV (₹crore)	1751
52 week H/L	344/132
Equity capital	20
Face value	2

Shareholding pattern

Particular	Oct-25	Dec-25	Mar-26
Promoter	64.5	65.1	65.0
FII	13.3	12.0	10.9
DII	8.8	3.8	3.2
Others	13.4	19.2	20.9

Price Chart



Key risks

Key Risk: 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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Key Financial Summary

Key Financials (₹ Crore)	FY24	FY25	FY26	2 year CAGR (FY24-26)	FY27E	FY28E	2 year CAGR (FY26-28E)
Revenues	904.9	1133.9	1525.3	31.3	1910.1	2351.8	24.2
EBITDA	86.9	117.6	159.7	51.7	200.6	246.9	24.4
EBITDA margin (%)	9.6	10.4	10.5		10.5	10.5	
Net Profit	42.9	59.2	92.6	56.1	114.6	146.5	25.8
EPS (Rs)	4.2	5.8	9.1		11.3	14.4	
P/E (x)	45.4	33.0	21.1		17.0	13.3	
P/B (x)	8.8	4.2	2.0		1.8	1.5	
RoCE (%)	23.6	17.8	16.2		17.5	18.9	
RoE (%)	25.3	16.7	12.6		13.5	14.7	

Source: Company, ICICI Direct Research

Recent earnings call highlights:

- **Guidance:** FY26 performance was broadly in line with management's guidance reaching ₹ 1,525 crore, driven by strong execution and healthy demand momentum. For FY27, the company expects revenue of ₹ 1,925-1,950 crore, supported by strong order inflows, capacity additions and healthy inquiry pipeline across new-age sectors. The company also expects EBITDA margin to remain 10%+ throughout the year, supported by operating leverage and stable execution.
- **Robust Order Pipeline:** The order book stood at ~₹ 1,117 crore on 31st March'26, providing visibility for the next 6-8 months. For FY27, the company expects an order inflow of ₹ 2,000 crore+ (30% growth), supported by strong order book momentum during Q1FY27. The company indicated that the overall inquiry pipeline currently stands at ₹ 5,000 crore (win rate of 15-20%), while repeat orders account for 35-40% of the order book, reflecting improving customer stickiness and execution credibility.
- **Capacity Expansion:** Mambattu Line 1 expansion, with an additional capacity of 13,200 MT, was successfully commissioned on 29th April, 2026. Management plans total FY27 capex of ₹ 150 crore, focused on fabricated steel capacity and sandwich panel expansion. The Mambattu Line 2 expansion, Ghiloth sandwich panel facility and the Gujarat greenfield PEB plant will be operational by Q2FY27, Q3FY27 and Q4FY27 respectively. The Gujarat facility will add 50,000 MT PEB capacity, targeting industrial demand from Maharashtra and Gujarat.
- **Peak Revenue potential:** Management indicated peak revenue potential of ₹ 2,300-2,400 crore, comprising of ₹ 2,200-2,300 crore from PEB (1,47,000 MT) and sandwich panel business, along with additional ₹ 200 crore contribution from EPS segment.
- **Capacity Utilisation:** Structural steel fabrication capacity utilization improved sharply during FY26, rising from 58% in Q1FY26 to 83% in Q4FY26, indicating strong demand traction and validating recent capacity expansion initiatives. The Mambattu sandwich panel line operated at only ~25% utilization during FY26. However, management expects utilization to improve significantly to 75-80% in FY27, supported by restructuring of the sales team and a current order book of ~4 lakh SQM (50% of line's capacity).
- **Margins expected to remain stable despite steel volatility:** While Q4FY26 margins were impacted by sharp steel price increase and minimum import barrier duty, management expects EBITDA margins to remain 10%+ over the medium term. The company has also received partial price pass through approvals from most customers (80%+ contracts), limiting profitability impact.
- **Future Outlook:** Renewable energy, data centres, semiconductors, EV and logistics sectors contributed 35-38% of the order book, with management expecting this share to increase further amid strong capex activity. Management also expects significant long-term opportunity in data centres and commercial multi-storey steel buildings, driven by faster execution advantages versus conventional RCC construction and increasing market acceptance of prefab structures.
- **Export Opportunity:** While India remains the primary focus market, EPack has started executing export projects in Africa, Bhutan and Nepal. Management indicated that exports could become a larger opportunity over the medium term once domestic capacity expansion stabilizes.
- **Cash Flow strength:** Management highlighted strong earnings quality with free operating cash flow generation of ₹ 135 crore, translating into 85% EBITDA-to-cash conversion, reflecting disciplined working capital management and efficient collections despite rapid growth.
- **Debt Reduction:** Management guided for a 20-25 bps reduction in finance costs in FY27, driven by the full year benefit of ₹ 107 crore debt repayment in FY26 (including term loans and working capital borrowings). Supported by lower interest costs and improving operating leverage, PAT margin is expected to expand to 6.5% from 6.1%, while the company reiterated its

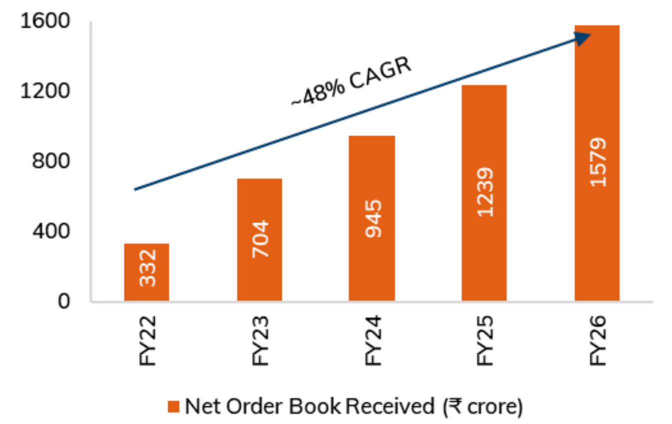
focus on deleveraging and indicated that it is on track to become debt free in the near term.

Exhibit 1: Quarterly Analysis

Particulars	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Comments
Operating Income	**471**	**331**	**42.4**	**325**	**44.8**	Strong PEB segment growth drives overall growth
Other Income	6	4	66.1	6	0.3	
Total Revenue	477	334	42.7	331	44.0	
Raw Materials Costs	325	213	52.6	212	53.6	
Employees Expenses	37	32	17.3	39	-4.3	
Other Expenses	62	50	23.4	42	48.1	
Total Expenditure	425	295	43.8	293	45.1	
EBITDA	**46**	**35**	**30.8**	**33**	**41.5**	Lower gross margins led by rise in steel prices impacted EBITDA margins
EBITDA Margins (%)	9.8	10.7	-87bps	10.0	-23bps	
Interest	8	7	20.2	8	-4.2	
Depreciation	6	4	36.6	6	0.6	
PBT	**38**	**28**	**37.0**	**24**	**57.5**	
Tax	8	8	-0.2	7	5.3	
PAT	**30**	**20**	**51.3**	**17**	**80.0**	

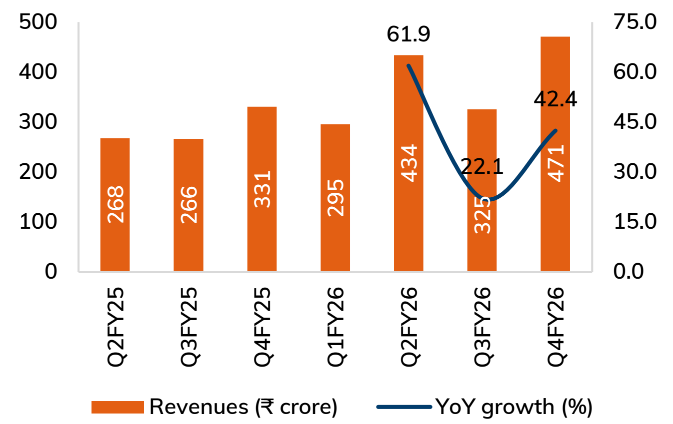
Source: Company, ICICI Direct Research

Exhibit 2: Net Order Intake Trend



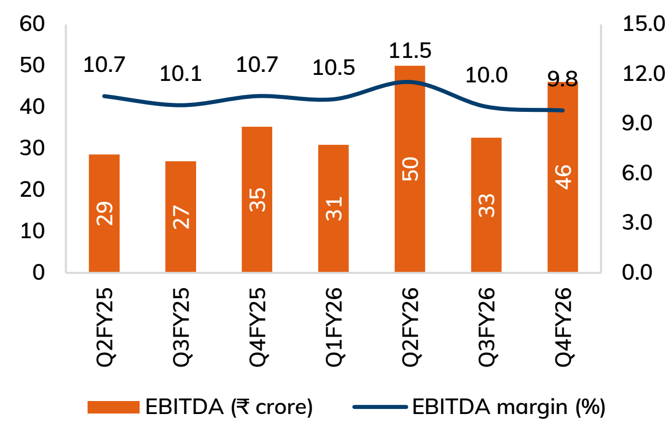
Source: Company, ICICI Direct Research

Exhibit 3: Revenue Trend



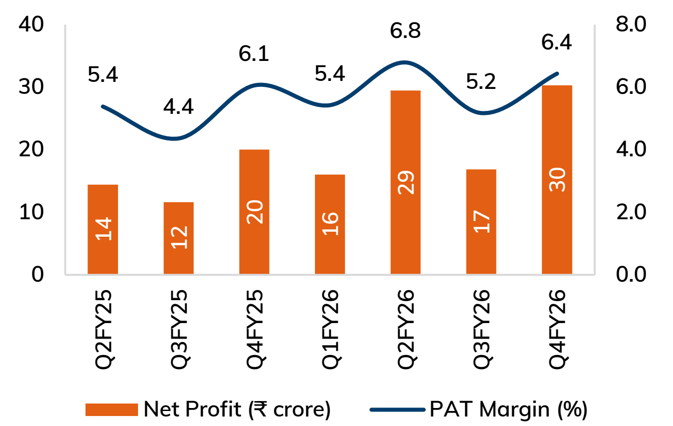
Source: Company, ICICI Direct Research

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)	FY25	FY26	FY27E	FY28E
Revenue	**1,134**	**1,525**	**1,910**	**2,352**
% Growth	25.3	34.5	25.2	23.1
Other income	5	17	12	14
Total Revenue	1,138	1,542	1,922	2,366
% Growth	25.6	35.5	24.6	23.1
Raw Material Costs	745	1,016	1,261	1,552
Employee Expenses	101	150	172	212
Other expenses	171	200	277	341
Total Operating Exp.	1,016	1,366	1,710	2,105
EBITDA	**118**	**160**	**201**	**247**
% Growth	35.3	35.8	25.6	23.1
Interest	24	31	24	24
PBDT	98	145	189	237
Depreciation	17	23	31	36
PBT before Expl. Items	**81**	**122**	**158**	**201**
Total Tax	22	30	42	53
PAT before MI	59	93	116	148
PAT	**59**	**93**	**116**	**148**
% Growth	37.8	56.5	25.3	27.5
EPS	**6**	**9**	**12**	**15**

Source: Company, ICICI Direct Research

Exhibit 7: Cash Flow Statement

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit after Tax	59	93	116	148
Depreciation	17	23	31	36
Interest	24	31	24	24
Cash Flow before WC changes	119	162	212	261
Net Increase in Current Assets	(100)	(226)	(3)	(136)
Net Inc in Current Liabilities	57	233	(42)	83
Net CF from Operating activities	**62**	**136**	**126**	**155**
(Purchase)/Sale of Fixed Assets	(87)	(129)	(165)	(100)
Other investing cash flows	0	(32)	-	-
Net CF from Investing activities	**(87)**	**(161)**	**(165)**	**(100)**
Issue of Equity	126	284	-	-
Inc/(Dec) in loans	65	(70)	-	-
Others	(24)	(59)	(24)	(24)
Net CF from Financing Activities	**167**	**155**	**(24)**	**(24)**
Net Cash flow	142	129	(63)	31
Opening Cash/Cash Equivalent	14	156	286	222
Closing Cash/ Cash Equivalent	**156**	**286**	**222**	**253**

Source: Company, ICICI Direct Research

Exhibit 8: Balance sheet — ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Equity Capital	16	20	20	20
Reserve and Surplus	339	714	830	978
Total Shareholders funds	**355**	**735**	**851**	**998**
Total Debt	**210**	**108**	**108**	**108**
Total Liabilities	**565**	**843**	**959**	**1,107**
Gross Block	300	431	596	696
Acc: Depreciation	96	119	150	186
Net Block	204	311	446	510
Capital WIP	56	60	60	60
Total Fixed Assets	**260**	**372**	**506**	**570**
Non Current Assets	40	75	75	75
Inventory	151	266	262	322
Debtors	205	309	314	387
Other Current Assets	111	108	111	114
Cash	156	285	222	253
Total Current Assets	**624**	**968**	**909**	**1,075**
Current Liabilities	348	566	524	607
Provisions	11	7	7	7
Total Current Liabilities	**359**	**573**	**531**	**614**
Net Current Assets	265	396	377	461
Total Assets	**565**	**843**	**959**	**1,107**

Source: Company, ICICI Direct Research

Exhibit 9: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per Share Data (₹)				
EPS	5.9	9.2	11.6	14.7
Cash per Share	9.9	14.9	18.9	23.7
DPS	-	-	-	-
BV	45.8	94.8	109.7	128.8
Operating Ratios (%)				
EBITDA Margin	10.4	10.5	10.5	10.5
PAT Margin	5.2	6.1	6.1	6.3
Asset Turnover (x)	2.0	1.8	2.0	2.1
Return Ratios (%)				
RoE	16.7	12.6	13.6	14.8
RoCE	17.8	16.2	17.7	19.1
Valuation Ratios (x)				
EV / EBITDA	16.8	11.0	9.0	7.2
P/E	32.6	20.8	16.6	13.0
EV / Net Sales	1.7	1.1	0.9	0.8
Sales / Equity	3.2	2.1	2.2	2.4
Market Cap / Sales	1.7	1.3	1.0	0.8
Price to Book Value	4.2	2.0	1.7	1.5
Working Capital Management Ratios				
Inventory Days	48.8	63.6	50.0	50.0
Debtor Days	66.1	73.9	60.0	60.0
Creditor Days	69.2	95.2	70.0	70.0
Solvency Ratios				
Debt / Equity	0.6	0.1	0.1	0.1
Current Ratio	1.7	1.7	1.7	1.8
Quick Ratio	1.3	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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