Investorstack Research Report

EPACK PREFAB TECHNOLOGIES LIMITED

What EPACK PREFAB TECHNOLOGIES LIMITED does

EPACK Prefab designs, manufactures, and erects pre-engineered buildings (PEB) and insulated sandwich panels for industrial, warehousing, renewable energy, data center, and commercial applications. It also produces expandable polystyrene (EPS) packaging for consumer durables. The company operates three prefab manufacturing plants in Greater Noida, Ghiloth (Rajasthan), and Mambattu (Andhra Pradesh), plus three design centers in Greater Noida, Hyderabad, and Vizag. It has a team of over 100 designers and a total structural steel fabrication capacity of 1,47,000 tons per annum, plus sandwich panel capacity of 13.1 lakh square meters per annum.

The business model is integrated: the company designs the building, manufactures all components in its factories, transports them to the customer site, and performs the erection. Most buildings are customized for each customer. The company reported revenue of INR1,525 crores in FY26, its first full year as a listed entity.

Business segments

EPACK has two reportable segments:

Prefab (PEB & Sandwich Panels) – ~90.6% of revenue. This is the core engine. It covers the design, manufacture, and erection of pre-engineered steel buildings and insulated sandwich panels (PUF/Rockwool) used for walls, roofs, cold storages, clean rooms, and data centers. End markets include manufacturing (renewable energy, semiconductor, automotive, FMCG), warehousing & logistics, data centers, commercial buildings, and defense.

Packaging (EPS) – ~8.6% of revenue. The company manufactures expandable polystyrene packaging blocks and molds that protect consumer durables and electronics during shipping. This is a smaller, stable business that generates cash but does not drive growth. LG Electronics accounts for roughly 50-60% of this division's revenue.

The management does not report sandwich panel revenue separately because many projects combine structural steel and panels into a single package. However, in FY26 the company sold about 5,18,000 square meters of sandwich panels, implying around INR65 crores of revenue from that product line.

Products and business detail

Pre-Engineered Buildings (PEB). These are custom-designed steel structures for industrial sheds, warehouses, multi-story buildings, factories, and site infrastructure. The building consists of built-up sections (columns, rafters) and cold-formed sections. Each building is designed by EPACK's in-house team. The manufacturing process involves cutting, welding, and painting steel at the company's three fabrication plants. The fabricated components are then shipped to the customer's site for erection. Typical project cycle: one month for design and approvals, two to three months for manufacturing, and two to four months for site erection. Total time from order to completion is usually six to nine months.

Insulated Sandwich Panels. These are PUF (polyurethane foam) or Rockwool insulated panels used for wall cladding, roofing, clean rooms, cold storages, and data center enclosures. The panels are produced on continuous lines. The company has two sandwich panel lines: one in Greater Noida (older, running at high utilization) and a newer one in Mambattu commissioned in June 2025, which had low utilization of around 25% in FY26. Management attributed this to a weak go-to-market strategy and has since restructured the sales team. As of May 2026, the

Mambattu line had an order book of 4 lakh square meters (50% of its capacity). A third line is being built in Ghiloth (8 lakh sq m capacity), expected commercial by Q3 FY27.

EPS Packaging. The company produces expandable polystyrene packaging blocks and custom molds for consumer durables. The raw material is polystyrene beads, which are expanded and molded into protective shapes. This business is asset-heavy but stable. The margin profile is roughly 100 basis points better than the Prefab segment, per the management.

Manufacturing and CapEx. The company's total structural steel fabrication capacity at the start of FY27 was 1,47,000 tons. A brownfield line 2 at Mambattu (14,000 tons) was commissioned in April/May 2026. A greenfield PEB plant in Gujarat (50,000 tons) is under construction, with commercial production expected by Q4 FY27. Additionally, the Ghiloth plant will add 11,000 tons of structural steel capacity alongside the sandwich panel line. Total capex for FY27 is planned at around INR150 crores, funded from IPO proceeds and internal accruals.

Design capability. The three design centers employ over 100 engineers. Each building is optimized for weight, strength, and aesthetics. The company says this optimization is a key differentiator, as it reduces steel consumption and cost for the customer.

Execution speed. The company prides itself on speed. It holds a world record for constructing 1,51,000 square feet in six days. Management states that in multiple instances, EPACK has completed buildings of the same size at the same location two to three months faster than competitors.

Customers

EPACK's customer base is entirely B2B and dominated by large corporates in manufacturing, warehousing, and renewable energy. Named customers from the concalls include:

- Premier Energies (solar cell manufacturing plant in Naidupeta, Andhra Pradesh)
- Rayzon Solar (solar module plant in Gujarat)
- Horizon Industrial Park and NDR InvIT / Rajapushpa (warehousing)
- CG Power (transformer factory)
- Technical Associates (electrical equipment)
- LG Electronics (accounts for 50-60% of packaging division revenue)
- Reliance Consumer Products (Campa Cola bottling plants)
- Defense establishments (Siachen hot spring post housing, among others)

Repeat customers constitute 35-40% of the order book as of May 2026 (40-45% as of Jan 2026). Management highlights that the renewable sector in particular generates repeat orders, as companies like Premier Energies come back for subsequent phases (module to cell to wafer/ingot). The order book from renewable, data center, EV, and semiconductor sectors stood at 35-38% as of May 2026, up from 25-28% in January 2026.

Buying decision and switching costs. Customers choose EPACK primarily for speed of execution. Many renewable energy and data center projects have tight timelines because the technology becomes obsolete quickly; a faster building means faster revenue. Management states that EPACK is often the first company customers recall when they need fast construction. Switching costs are moderate: customers could go to Interarch or M&B, but those competitors may not match EPACK's speed or integrated offering (PEB plus sandwich panels under one roof). However, pricing power is limited because steel is a commodity and the industry has only three to four large

organized players. The company competes on service, design optimization, and project management, not on price premium.

Contract structure. Typical terms: 15-20% advance payment on order, 10% on design approval, 60-65% on or before dispatch, and 5-10% after erection and handover. This structure protects cash flow. Most contracts are fixed-price with a fixed timeline (typically 6-9 months). If the customer delays (e.g., site not ready, design approvals pending), EPACK renegotiates pricing. Steel price pass-through is sometimes possible, especially when price hikes stem from government duties rather than market fluctuations. In Q4 FY26, the company achieved 80%+ price pass-through on steel increases due to import duties.

Customer concentration. The packaging division has high concentration on LG Electronics, but management treats this business as a stable cash generator, not a growth driver. The prefab division has no single large customer; the largest order in a quarter might be INR50-60 crores, but the average order size is around INR6 crores. The top 10 customers typically account for a significant but not dominant share.

Competitive landscape

The pre-engineered building industry in India is dominated by four to five organized players. EPACK's management explicitly names two listed peers: **Interarch Building Products** and **M&B**. Other unlisted players include Kirby Building Systems and Zamil Steel (India). Together, these companies serve the organized PEB market. The unorganized sector includes many smaller fabricators, but they lack the design capability, scale, and execution resources for large projects.

How EPACK wins. Management identifies three differentiators:

1. **Execution speed.** The company has systematically built a culture of fast turnaround, from order to design to manufacturing to erection. The world record is a proof point. Competitors may match the product, but they struggle to match the speed.

2. **Integrated solutions.** EPACK is one of the few players with scale in both PEB and sandwich panels under one roof. This allows customers to source the entire building package from one vendor, eliminating coordination issues between structural steel and insulation panel suppliers. As Nikhil Bothra said in the Oct 2025 concall:

> *"we are one of the only players in the country who has the scale of pre-engineered building as well as the sandwich panel under one roof"*

3. **Design optimization.** With over 100 engineers across three design centers, EPACK can optimize each building for lower steel weight, saving costs for the customer. This is particularly important in complex buildings like solar cell factories with heavy HVAC loads.

Where EPACK loses. The company competes in a commoditized product (steel structures). Margins are range-bound between 10.5% and 11.5% EBITDA, and management does not expect expansion because the strategy is market penetration, not price maximization. Market share is estimated at 5-5.5% of the organized PEB market (per Oct 2025 concall), and the goal is to reach 10%. Competitors can replicate processes over time. The management acknowledges this risk but believes its speed culture is embedded in its DNA and not easily copied.

Industry structure. The PEB market is a subset of the overall construction market, which is dominated by conventional RCC (reinforced cement concrete). Prefab currently accounts for only 3-5% of total construction (per management's estimate). This low penetration means the industry has a long runway for substitution growth beyond the capex cycle. The organized PEB segment is growing at 10-12% per CRISIL, but EPACK has consistently grown

faster (46% CAGR over FY22-FY25). Competition is intense for large projects; customers run competitive bids, and pricing pressure is constant.

Industry

Demand drivers. The primary demand drivers for PEB and sandwich panels are:

- **Renewable energy:** Solar module, cell, wafer, and ingot plants are being built rapidly under PLI schemes. These require large, fast-erected buildings. The trend is toward backward integration (module -> cell -> wafer -> ingot), which creates repeat orders for the same customer.
- **Data centers:** These require both structural steel and insulated sandwich panels (fire-rated Rockwool). Data center construction is expected to accelerate in India. EPACK already executed panel projects and is in discussions for the structural steel portion.
- **EV and battery manufacturing:** Several gigafactories are planned, requiring large PEB structures.
- **Semiconductor fabs:** The government's semiconductor push is generating demand for specialized buildings with high cleanliness standards.
- **Logistics and warehousing:** The shift to organized retail and e-commerce is driving construction of large warehouses. Time-to-market is critical for these operators.
- **Industrial capex cycle:** FMCG, automotive, and other manufacturing sectors are expanding capacity.

Prefab vs. RCC. Pre-engineered buildings offer a cost advantage of 15-20% over conventional RCC construction and can be completed in half the time. This time advantage is crucial for customers whose revenue depends on getting the factory operational quickly. The flexibility to expand or modify the building later is another benefit.

India's place in the global supply chain. Indian PEB manufacturers primarily serve the domestic market. Exports from India are small, around 1.5-2% of revenue for EPACK, mostly to SAARC nations (Bhutan, Nepal, Bangladesh). The company sees potential in the Middle East and Africa but has not aggressively pursued exports. The US market is not viable for PEB from India due to long shipping times (6-7 weeks) that defeat the purpose of fast delivery.

Regulation. The National Green Tribunal (NGT) ban on construction in Delhi NCR during winter months affects project timelines and delayed EPACK's Ghiloth expansion. The ban does not stop manufacturing, but it halts civil work at customer sites, which can push back delivery schedules. The company's diversified geographic presence mitigates this risk.

Cyclicality. The PEB industry is tied to the industrial capex cycle. During downturns, corporate investment in new factories slows. However, the substitution effect (replacing RCC with prefab) provides a structural growth cushion even if total construction spending dips. The company's order book provides 7-8 months of revenue visibility. Seasonality is predictable: Q4 (Jan-Mar) is the best quarter for execution; H2 (Oct-Mar) accounts for about 55% of annual revenue. Monsoon season (Jul-Sep) can disrupt customer site readiness, but manufacturing continues.

Steel price volatility. Steel constitutes 80-85% of raw material cost. EPACK uses fixed-price contracts, which exposes it to steel price fluctuations. The company manages this through three mechanisms: (1) a raw material inventory of 35-40 days; (2) purchase orders placed with mills for delivery over 8-10 weeks; (3) weekly order booking at current prices, which creates natural hedging. Management states that price movements of 3-5% do not materially affect margins. In the extreme case of the Russia-Ukraine war in 2022, steel prices jumped 40% and hurt one quarter's bottom line. More recently, import duties in 2026 caused a 4-5% spike, but the company achieved 80%+ price pass-through from customers. Still, this risk is inherent and cannot be fully hedged.

Market size. The organized PEB market in India is estimated to be worth around INR25,000-30,000 crores (based on CRISIL data cited in Oct 2025 concall, implying 10-12% growth). EPACK's revenue of INR1,525 crores puts its market share at roughly 5-6%. The overall construction market (including RCC) is many times larger, meaning the addressable opportunity for prefab replacement is vast.

Growth triggers

- Mambattu brownfield line 2 (14,000 tons structural steel) commissioned and operational from April/May 2026, adding immediate capacity to meet demand. (Q4 FY26 concall, May 2026)
- Ghiloth greenfield sandwich panel line (8 lakh sq m capacity) on track for commercial production in Q3 FY27 (October-November 2026), expanding insulated panel output for data centers, cold storages, and clean rooms. (Q4 FY26 concall, May 2026)
- Gujarat greenfield PEB plant (50,000 tons) – civil construction in full swing, commercial production expected by Q4 FY27 (March 2027), targeting the fast-growing industrial markets of Gujarat and Maharashtra. (Q4 FY26 concall, May 2026)
- New age sectors (renewable energy – wafer/ingot plants, data centers, EV, semiconductor) now constitute 35-38% of the order book as of May 2026, up from 25-28% in January 2026. These projects are larger, more complex, and offer repeat business as customers expand. (Q4 FY26 concall, May 2026)
- Management guided 30% revenue growth for the Prefab division in FY27, targeting INR1,920-1,950 crores, backed by a current order book of INR1,117 crores providing 6-8 months visibility. (Q4 FY26 concall, May 2026)
- The company generated INR135 crores of free operating cash flow in FY26 (85% of EBITDA conversion), demonstrating cash discipline and providing internal funding for capex. (Q4 FY26 concall, May 2026)

Key risks

- **Steel price volatility**: 80-85% of raw material cost is steel. Most contracts are fixed-price for 5-6 months. Natural hedging (inventory of 35-40 days, mill orders for 8-10 weeks, weekly order booking) covers only 3-4 months. A sudden 40% spike (as in 2022) cannot be fully absorbed and would compress margins.
- **Intense competition**: The PEB industry in India has three major organized players – Interarch, M&B, and EPACK. Pricing power is limited. Margins remain range-bound at 10.5-11.5% because customers can switch between vendors. While speed and integrated solutions differentiate EPACK, competitors can replicate.
- **Customer concentration in packaging**: The EPS packaging division (~8.6% of revenue) depends on LG Electronics for 50-60% of its revenue. Loss of this customer or a downturn in consumer durables would materially impact that segment, though the packaging business is managed as a stable cash generator.
- **Seasonality and monsoon delays**: Execution is heavily affected by customer civil work readiness. Q4 (Jan-Mar) is the best quarter; H2 accounts for ~55% of annual revenue. Unseasonal rains or extended monsoons delay customer site readiness, pushing revenue recognition to subsequent quarters.
- **Regulatory and capex delays**: The NGT ban on construction in Delhi NCR has already delayed the Ghiloth plant's civil work. Any further regulatory hurdles could push back capacity expansions, though management says existing capacity is sufficient for near-term demand.

- **Dependence on industrial capex cycle**: Customer investment decisions are discretionary and sensitive to global economic uncertainty, geopolitical events (tariffs, war), and domestic policy changes. A slowdown in renewable, data center, or manufacturing investments would reduce order inflows.

Walk the talk

Management's track record of delivering on stated commitments through FY26 is strong and builds credibility for the FY27 guidance.

In the October 2025 concall, management guided for FY26 revenue of INR1,500-1,550 crores. The result, reported in May 2026, was INR1,525 crores – right in the middle of the range.

> *"We said we will deliver, and we have delivered."*
>
> **MD, Q4 FY26 CONCALL (MAY 2026)**

On debt reduction, the October 2025 call stated a plan to repay INR70 crores of term loan from IPO proceeds. By the end of FY26, the company had paid down approximately INR107 crores, including both term loan and working capital debt. The May 2026 concall confirmed:

> *"We have paid down around INR107 crores of debt."*
>
> **MD, Q4 FY26 CONCALL (MAY 2026)**

The Mambattu brownfield line 2 (structural steel) was promised for commercial production by Q4 FY26. It was commissioned in April/May 2026, slightly delayed but essentially on track.

The Ghiloth greenfield sandwich panel line, first mentioned in October 2025 with a commercial target of Q3 FY27, remains on schedule. The May 2026 call reported civil construction in full swing with expected launch in October-November 2026.

The Gujarat greenfield PEB plant was announced in the January 2026 call as a FY27 capex. By May 2026, land had been acquired, civil construction was underway, and commercial production was guided for Q4 FY27.

On margins, management consistently guided for EBITDA margin between 10.5% and 11.5% for FY26. The outcome was 10.5%, at the lower end of the band, achieved despite a 70-80 bps impact in Q4 from steel price hikes due to import duties.

> *"Our guidance has always been that the margins would be range bound between 10.5% and 11.5%, and we continue to stand by this guidance, not only for this year, but also for the next year."*
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> **MD, Q3 FY26 CONCALL (JAN 2026)**

The only notable miss was the Mambattu sandwich panel line, inaugurated in June 2025, which ran at only ~25% capacity utilization in FY26. Management acknowledged this openly and outlined corrective actions – rebuilt sales engine, restructured team, and already booked 4 lakh sq m of orders (50% of that line's capacity) going into FY27.

Scenarios

Bull case

India's industrial capex cycle accelerates, driven by renewable energy backward integration (wafer/ingot plants), data center build-out, and EV/semiconductor investments. EPACK's speed of execution and integrated PEB-plus-sandwich-panel offering makes it the preferred vendor for these time-sensitive projects. The Mambattu and Ghiloth new lines ramp up quickly, absorbing capacity without margin dilution. The Gujarat plant comes online by Q4 FY27 and is quickly utilized, fed by strong West India demand. Repeat orders from existing customers cross 50% of the order book. EBITDA margins hold at the upper end of the 10.5-11.5% band as operating leverage kicks in on higher volumes and better sandwich panel utilization. Free cash flow remains strong, funding further capacity additions without debt. The company compounds well above industry growth and emerges as the clear market-share leader in organized PEB.

Base case

The company delivers its guided 30% Prefab revenue growth in FY27. New capacities at Mambattu and Ghiloth contribute to volume but take 12-18 months to reach optimal utilization. The sandwich panel line in Mambattu improves to 75-80% utilization as guided. Pricing remains competitive; margins stay around 10.5%, with quarterly fluctuations from steel price movements largely hedged. The order book of INR1,117 crores provides a solid foundation, and new orders flow in from renewables and data centers, maintaining the 35-38% order mix from new-age sectors. The Gujarat plant is completed on time but starts meaningful revenue contribution only in FY28. EPS packaging grows modestly as a cash cow. Debt levels remain low after the INR107 crore repayment. ROCE and ROE stay healthy but below the peaks seen in earlier years due to the higher asset base.

Bear case

Steel prices spike again (as in Q4 FY26) and this time price pass-through to customers is less successful – only 60-70% instead of 80%+, compressing EBITDA margins to 9-9.5%. The Ghiloth sandwich panel line faces further regulatory delays from NGT bans, slipping to Q4 FY27 or beyond, and the Gujarat plant is delayed similarly. Demand from renewable and data center sectors slows as global tariff uncertainty and geopolitical tensions cause customers to defer capex. Competition from Interarch and M&B intensifies on pricing, especially for large-ticket orders. The EPS packaging business sees a downturn as consumer durables demand weakens, and LG Electronics reduces offtake. Working capital days stretch beyond 40 as customers delay payments. The high fixed-cost base of new plants depresses returns. The 30% growth guidance is missed; actual growth falls to 15-18%.

Source coverage note: Only 3 of 4 concalls were readable. No annual report was available; business detail leans on concalls. This report is built from 3 concall transcript(s) (May 2026, Jan 2026, Oct 2025).