

Company Overview

Incorporated in 1999, Epack Pre-fab Technologies Ltd. has built a legacy of over 25 years and currently operates across two key business verticals. The first is the pre-fab business and the second is the EPS packaging business. The company's pre-fab business offers a comprehensive portfolio of solutions including pre-engineered steel buildings, modular structures, light gauge steel frames (LGSF), sandwich insulated panels, and other standardized modular products. The company has the third largest production capacity in the pre-engineered steel building (PEB) industry. It also executes turnkey projects, covering the full value chain from estimation, design, and engineering to manufacturing, transportation, installation, and on site erection. As of March 31, 2025, the company operates three strategically located manufacturing facilities at Greater Noida (Uttar Pradesh), Ghiloth (Rajasthan), and Mambattu (Andhra Pradesh), with a combined installed capacity of 1,26,546 MTPA for pre-engineered buildings and 5,10,000 SQM for sandwich insulated panels. The company's EPS Packaging Business focuses on manufacturing and supplying a diversified range of EPS block molded and shape molded products, including EPS sheets, packaging boxes for electronic goods, and customized hand-molded solutions. The company markets its pre-fab solutions under the 'EPACK PREFAB' brand and its EPS packaging products under 'EPACK PACKAGING', thereby establishing distinct brand positioning across both business verticals. The company has demonstrated strong execution capabilities, highlighted by its recognition in the "Golden Book of World Records" for the fastest erection of a pre-engineered factory building at Mambattu, Andhra Pradesh. Such accolades reinforce its project delivery efficiency and operational expertise.

Objects of the issue

The company proposes to utilize net proceeds towards funding the following objects:

- ⇒ Financing capital expenditure requirements for setting up a new manufacturing facility at Ghiloth Industrial Area, Shahjahanpur, Alwar in Rajasthan for manufacturing of continuous Sandwich Insulated Panels and pre-engineered steel building ("Project");
- ⇒ Financing the capital expenditure towards expansion of existing manufacturing facility at Mambattu (Unit 4) in Andhra Pradesh for increasing the pre-engineered steel building capacity;
- ⇒ Repayment and/or pre-payment, in full or part, of certain borrowings availed by the company; and
- ⇒ General corporate purposes..

Investment Rationale

Strong and diverse market presence with comprehensive offerings in the growing pre-engineered steel buildings industry

The company is the third largest player in India's pre-engineered steel building (PEB) industry by installed capacity. The company's pre-fab business revenues grew at a robust CAGR of 55.5% between FY2022 and FY2024, significantly outpacing the broader industry. The company has established a pan India presence, having executed pre-fab projects across 30 states and Union Territories. This wide geographic footprint, coupled with exposure to multiple end-use industries, reduces reliance on any single region or sector. Such diversification not only enhances revenue stability but also provides resilience against cyclical demand fluctuations and region-specific slowdowns, positioning the company to capture opportunities across varied markets. The company showcased its superior execution capabilities by completing a 1,50,000 sq. ft. pre-engineered factory building at Mambattu (Andhra Pradesh) within a record 150 hours, earning recognition from the Golden Book of World Records. This achievement highlights the company's ability to leverage its pre-engineered steel building technology to deliver large scale projects under stringent timelines, reinforcing its competitive edge in speed, efficiency, and reliability.

Issue Details

Offer Period	24th Sept. 2025 - 26th Sept. 2025
Price Band	Rs. 194 to Rs. 204
Bid Lot	73
Listing	BSE & NSE
Issue Size (no. of shares in mn)	24.7
Issue Size (Rs. in bn)	5.0
Face Value (Rs.)	2

Issue Structure

QIB	50%
NIB	15%
Retail	35%

BRLM	Monarch Network Capital Ltd., Motilal Oswal Investment
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Registrar	Kfin Technologies Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	87.3%	64.5%
Public	12..7%	35.5%
Total	100.0%	100.0%

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

Epac Prefab technologies Ltd.

Strategically located manufacturing facilities coupled with comprehensive in-house design and engineering capabilities aid cost optimization

As of March 31, 2025, the company operates three manufacturing facilities for its pre-fab business located at Greater Noida (Uttar Pradesh), Ghiloth (Rajasthan), and Mambattu (Andhra Pradesh), along with one facility for the EPS packaging business at Greater Noida. The facilities are strategically positioned to ensure pan India coverage which are Northern, Eastern, and Central India through Unit 2 (pre-fab) and Unit 1 (EPS packaging), northern and western regions through Unit 3 (pre-fab), and Southern and Western markets through Unit 4 (pre-fab). The geographic spread, with proximity to customer clusters, enables the company to reduce logistics costs, ensure faster delivery, and maintain strong customer relationships. This location advantage enhances operational efficiency, flexibility, and inventory management, while supporting long term client retention and repeat business. As of March 31, 2025, the company had an aggregate installed capacity of 1,33,922 MTPA in its pre-fab business, positioning it as the third largest player in India's PEB industry. The EPS packaging business, with an annual installed capacity of 8,400 MTPA, contributed 16% of total revenue in FY25. The company operates three in house design and detailing centres located at Greater Noida, Vishakhapatnam, and Hyderabad, staffed with 97 engineers and design professionals. These centres strengthen its ability to deliver end to end solutions, from conceptualization to execution, while enabling continuous process and design improvements that drive cost efficiencies.

Valuation

Epac Pre-fab Technologies Ltd., incorporated in 1999, has built a legacy of over 25 years and currently operates through two distinct business verticals. The pre-fab business offers end to end turn-key solutions encompassing design, manufacturing, installation, and erection of pre-engineered steel buildings and pre-fabricated structures, catering to both domestic and overseas markets. Complementing this, the EPS packaging business focuses on the manufacturing of expanded polystyrene (EPS) sheets, blocks, and shape molded products, serving a diversified customer base across industries such as construction, packaging, and consumer goods in India. This dual vertical structure enables the company to leverage synergies between industrial solutions and packaging applications, thereby enhancing revenue visibility and business resilience. The company is fastest growing company in terms of revenue from operations, registering a CAGR of 41.8% during FY2022-24 period. The company plans to setup manufacturing facility at Ghiloth (Rajasthan), which would add the capacity of 8,00,000 SQM for manufacturing continuous sandwich insulated panel, which would help them to capture the market share by providing long span pre-fab building and newer end use industries like cold storages and clean rooms. As of FY25, the Indian pre-fabricated market was estimated around Rs. 47,500 crores and is projected to register a CAGR of 9-11% during FY2025-30 period to reach around Rs. 75,000 crores by FY30. On the financial front, the company registered a healthy 56.5% CAGR in EBITDA between FY22 and FY24. The company delivered robust ROE of 29.1% and ROCE of 27.2% in FY24. While these metrics moderated in FY25 to 22.7% and 22.9%, respectively, the company continued to maintain a leading position within the industry. **At the upper price band, the company is valued at a P/E of 28x based on FY25 earnings, broadly in line with industry averages. We believe that the company's superior return ratios, strong operating margins, and ongoing expansion initiatives position it ahead of peers, enabling it to capitalize on structural industry tailwinds and drive sustainable growth. Thus, we recommend a "SUBSCRIBE" rating to the issue from a medium to long-term investment perspective.**

Key Risks:

- ⇒ UP Pollution Control Board has filed a complaint against the company under Section 14(2) of the commission for Air Quality Management in National Capital Region and Adjoining Areas Act, 2021 ("Air Act") for non-compliance of directions under the Air Act. In case, the said complaint is decided against the company, it may impact the company's EPS packaging business.
- ⇒ The company is majorly dependent on top ten customers for its EPS packaging business. Loss of any major customer may impact revenue from the EPS packaging business segment.
- ⇒ The company's registered office and all manufacturing facilities are located on leased land. The company is yet to execute a formal sale deed with respect to the land situated at Mambattu (Andhra Pradesh) where they intend to expand their existing manufacturing facility. If the company is not able to comply with conditions of use of such land, they may have to relocate their operations which may have an adverse impact on its business, results of operations, financial condition and cash flows.

Epack Prefab technologies Ltd.

Income Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Revenue			
Revenue from operations	6,568	9,049	11,339
Total revenue	6,568	9,049	11,339
Expenses			
Cost of material consumed	4,751	6,524	7,576
Changes in inventory of finished goods, stock in trade and work in progress	-187	-398	-129
Employee benefit expenses	394	650	1,010
Other expenses	1,095	1,403	1,705
Total operating expenses	6,052	8,179	10,161
EBITDA	515	870	1,178
Depreciation & amortization expenses	102	127	173
EBIT	413	743	1,005
Finance costs	123	173	242
Other Income	37	15	66
PBT and exceptional items	327	585	828
Exceptional items	0	0	0
PBT	327	585	828
Tax expense			
Current tax	80	142	196
Deferred tax	6	13	15
Short/excess provision of tax	1	0	4
Total tax	87	155	216
Net Profit	240	430	612
Diluted EPS	3.09	5.54	7.39

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Cash Flow from operating activities	15	717	623
Cash flow from/(used in) investing activities	-339	-948	-1,510
Net cash flows (used in) / from financing activities	333	231	1,665
Net increase/(decrease) in cash and cash equivalents	10	0	778
Cash and cash equivalents at the beginning of the period	7	16	16
Cash and cash equivalents at the end of the period	16	16	794

Source: RHP, BP Equities Research

Epack Prefab technologies Ltd.

Balance Sheet (Rs. in millions)

Particulars	FY23	FY24	FY25
Assets			
Property, plant and equipment	1,141	1,870	2,027
Right of use assets	350	469	444
Capital work-in -progress	21	0	559
Goodwill on consolidation	30	30	30
Intangible Assets	7	12	11
Financial Assets			
(i) Investments	20	19	22
(ii) Loans	0	0	42
(iii) Other financial assets	0	0	12
Other Non-Current Assets	111	6	0
Total Non-current Assets	1,679	2,407	3,148
Current Assets			
Inventories	817	1,379	1,515
Financial Assets			
(i) Trade Receivables	1,202	1,265	2,053
(ii) Cash and cash equivalents	16	16	794
(iii) Bank balances other than cash	117	141	770
(iv) Loans	16	67	32
(v) Other financial assets	66	45	75
Other current assets	408	818	925
Total Current Assets	2,642	3,730	6,163
Total Assets	4,320	6,137	9,310
Equity and Liabilities			
Equity Share Capital	39	39	155
Instrument entirely equity in nature	0	0	14
Other Equity	1,222	1,651	3,370
Total Equity	1,261	1,690	3,539
Non-Current Liabilities			
Borrowings	617	804	1,021
Lease Liabilities	30	37	34
Other financial liabilities	70	185	241
Deferred Tax Liabilities (Net)	61	74	88
Provisions	20	17	34
Total Non-Current Liabilities	797	1,117	1,419
Current Liabilities			
Financial Liabilities			
(i) Borrowings	442	649	1,081
(ii) Trade Payables	1,249	1,830	2,139
(iii) Lease Liabilities	5	7	12
Provisions	17	20	71
Other financial liabilities	109	97	131
Other current liabilities	359	586	721
Current tax liabilities (Net)	81	142	196
Total Current liabilities	2,262	3,331	4,352
Total Liabilities	3,060	4,448	5,771
Total Equity and Liabilities	4,320	6,137	9,310

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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