

Interarch Building Products Limited (INTERARCH)

December 20, 2025

Time Horizon – 12 Months

CMP: ₹ 2,397

Target: ₹ 3,000

ANAND RATHI
INVESTMENT SERVICES

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Key Data	
Bloomberg Code	INTERARC IN
NSE Code	INTERARCH
BSE Code	544232
Industry	Civil Construction
Face Value (₹)	10.0
BV per share (₹)	477
52 Week L/H(₹)	1,266/2,756
Market Cap. (₹ Mn.)	40,210

Shareholding Pattern (as on Sep'25)

Particulars	Dec-24	Mar-25	Jun-25	Sep-25
Promoter	59.9%	59.9%	59.9%	59.4%
Institutions	12.7%	11.2%	12.6%	12.8%
Others	27.4%	28.9%	27.5%	27.8%
Total	100.0%	100.0%	100.0%	100.0%

Source: Company, Anand Rathi Research, Bloomberg

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(In ₹ mn)	FY-24	FY-25	FY-26E	FY-27E
Net Sales	12,933	14,538	17,533	21,232
EBITDA	1,199	1,437	1,858	2,314
EBITDA Margin	9.3%	9.9%	10.6%	10.9%
PAT	863	1,078	1,394	1,737
PAT Margin	6.7%	7.4%	8.0%	8.2%
EPS (₹)	51.8	64.8	83.8	104.4
P/E (x)	46.2	37.0	28.6	23.0

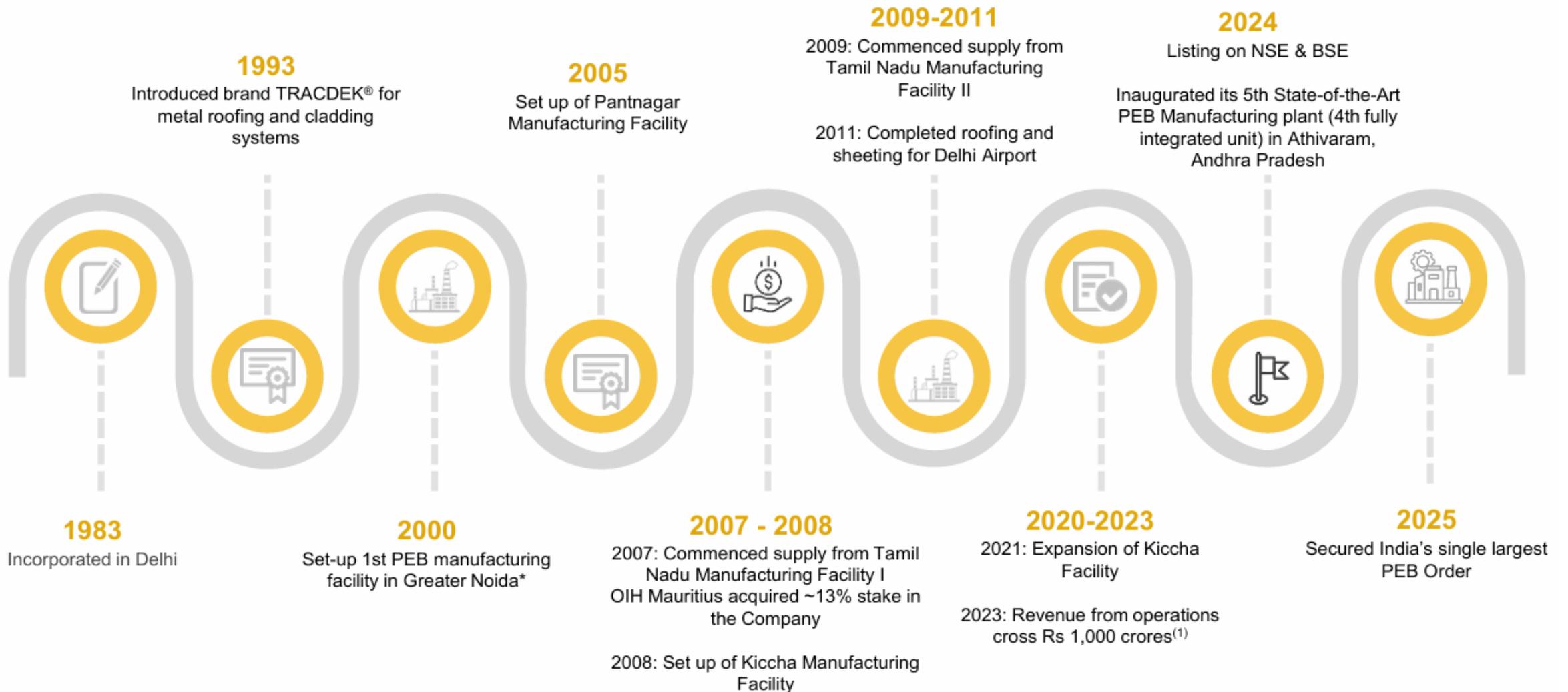
Relative stock performance (Dec'24=100)



About the Company

- ❑ Interarch Building Products is a prominent provider of turnkey pre-engineered steel construction solutions in India. The company offers integrated services, including design and engineering, manufacturing, and on-site project management for the installation and erection of pre-engineered steel buildings (PEBs) and commenced their operations in 1983.
- ❑ The company's PEB solutions are designed, engineered, and fabricated to meet customer specifications and are utilized in industrial, infrastructure, and building construction, including residential, commercial, and non-commercial applications. They have supplied PEBs for diverse projects, ranging from multi-level warehouses for e-commerce businesses to paint production facilities for paint manufacturers and manufacturing units for fast-moving consumer goods (FMCG) companies.
- ❑ Interarch offers PEBs through turnkey PEB Contracts, providing complete solutions along with on-site project management for installation and erection. Additionally, their PEB Sales segment includes the sale of pre-engineered building materials such as metal ceilings and roofing (TRAC[®], TRACDEK[®], TRACDEK[®] Bold-Rib), PEB steel structures for third-party installation (including non-industrial buildings under Interarch Life), and light gauge framing systems (LGFS).
- ❑ The company has the second-largest installed capacity among integrated PEB players in India at 2,01,000 MTPA and hold around 7% market share in the PEB industry in India. They have completed execution of 756 PEB contracts from FY15 to FY25.
- ❑ Interarch has built a broad and loyal customer base across diverse sectors. Its consistent focus on delivering high-quality PEB solutions has earned the trust of several reputed clients, driving strong repeat business. The company serves leading players across industries including Auto & Auto Ancillaries (Honda, Kia Motors, M&M, Maruti Suzuki), Aviation (GMR, Indigo, SpiceJet), Cement (Ultratech Cement, Ambuja, JK Cement), Defense (HAL, Mahindra Aerospace, L&T), E-commerce & Retail (Amazon, Flipkart, Myntra, Lenskart), Logistics & Warehousing (Adani, TCI, Indospace), Renewable Energy (Tata Power, Reliance, Exide, Amara Raja) and Paints (Asian Paints, Berger Paints, Akzo Nobel).
- ❑ The company has delivered several marquee projects, including IGI Terminal 3 in New Delhi and the Rudraksh Convention Centre in Varanasi. These landmark developments highlight its capability to execute complex, large-scale projects while maintaining a strong focus on customer-centric solutions.
- ❑ They have a robust manufacturing capabilities across Andhra Pradesh, Tamil Nadu, and Uttarakhand, with a combined installed capacity of 2,01,000 MTPA. It also plans to expand capacity by an additional 65,000 MTPA through upcoming projects in Andhra Pradesh (Heavy Steel Structures) and Gujarat (Pre-Engineered Buildings – Phase I). Its diversified manufacturing portfolio spans the full range of PEB components—including metal ceilings, corrugated roofing, and complex steel structures—each designed to integrate seamlessly into cohesive building systems.
- ❑ Management expects FY26 revenue growth to exceed the earlier 17.5% guidance, driven by faster execution and higher capacity utilization, with revenue targeted at over ₹20,000 million supported by new plants and ~20% growth over the next two years. EBITDA margins stand at 8.5% and are expected to move to double digits over the medium term, despite near-term pressure from investments in capacity, technology, and exports. We re-initiate a **“BUY”** coverage with a target price of ₹ **3,000 per share**.

Company Evolution



Company Overview

One of the Leading Turnkey pre-engineered steel construction solution providers in India with integrated facilities for design and engineering, manufacturing, on-site project management capabilities for the installation and erection of pre-engineered steel buildings ("PEB")



2nd

Largest aggregate installed capacity of 201,000 MTPA among integrated PEB players in India



2nd

Ranked among integrated PEB players in India in FY25



756

Completed execution of PEB Contracts from FY15 to FY25



5

Manufacturing facilities in Uttarakhand, Andhra Pradesh & Tamil Nadu and 1 planned facilities in Gujarat



155+

Qualified structural design engineers and detailers⁽²⁾



INR 1,454 Cr

Revenue from Operations in FY25



82%

Repeat Orders in FY25⁽³⁾

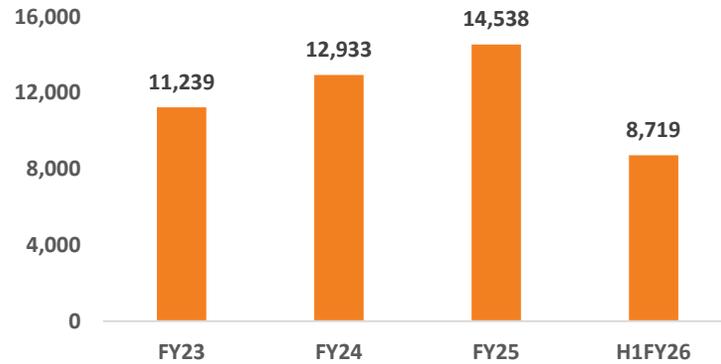


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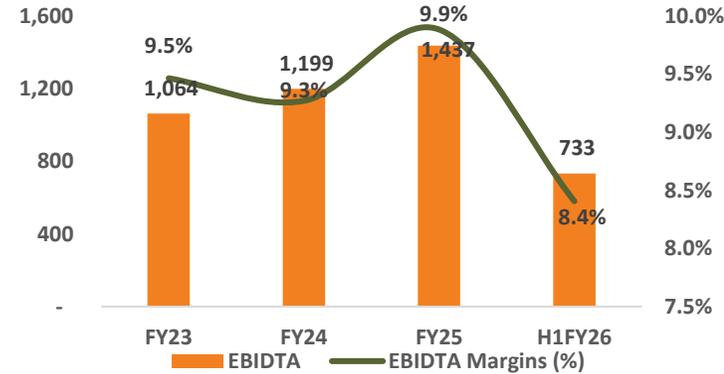
Customer Groups have been associated for over five years

Key Consolidated Financial Highlights

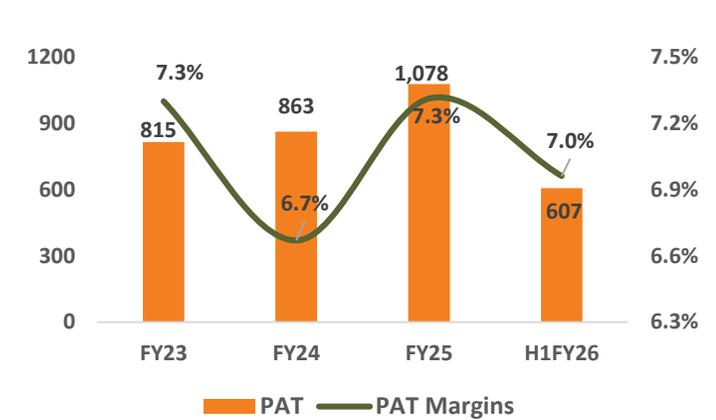
Revenue (INR Million)



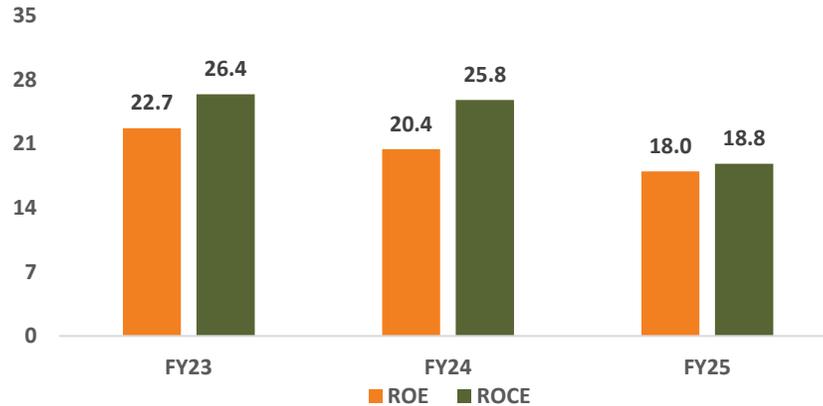
EBIDTA and EBIDTA Margins (INR million)



PAT and PAT Margins (INR million)



ROE and ROCE



Revenue from Top 5 Customer Groups (in %)

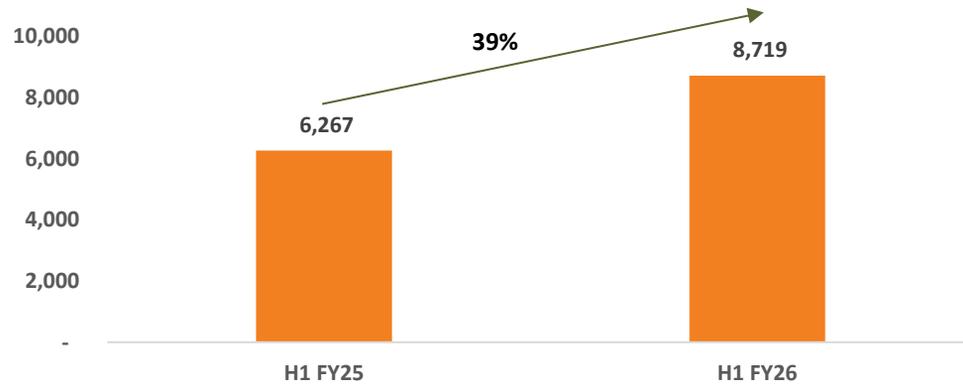


Major Highlights of Concall – Q2 FY26/H1 FY26

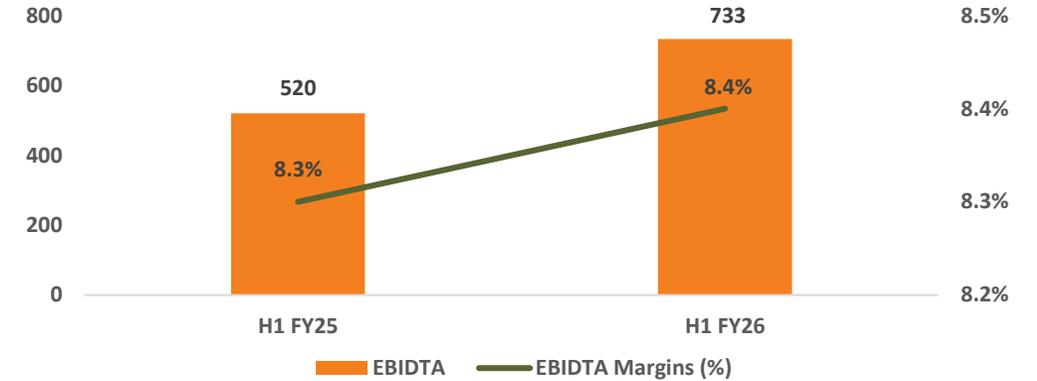
- ❑ **Strong Q2 & H1 FY26 Performance:** Interarch posted its highest-ever quarterly revenue at ₹4,911 million in Q2 FY26, growing 52% YoY, with EBITDA rising 65% YoY and PAT increasing 56% YoY. For H1 FY26, revenue stood at ₹8,719 million (+39% YoY), supported by faster execution and strong site clearances despite monsoons.
- ❑ **Capacity Expansion & Manufacturing Footprint Growth:** The commissioning of Phase 2 of the Andhra Pradesh plant increased total installed capacity to 201,000 MTPA, strengthening their position in the PEB industry. The company has also initiated groundwork for a new Gujarat PEB plant and an additional heavy steel structures unit in Andhra Pradesh, aimed at multistorey and large industrial structures.
- ❑ **Order Book Strength & Customer Mix:** The order book remains robust at ₹16,340 million as of October 2025, with ₹4,630 million of new orders secured from August–October. Importantly, 80–85% of orders are repeat business, reflecting strong customer confidence. Key wins include orders from Rungta Mines, Havells India, Techno Electric, and Jindal Stainless.
- ❑ **Guidance & Growth Outlook:** Management expects to exceed its earlier annual revenue growth guidance of 17.5% for FY26, driven by increased execution speed and capacity availability. Interarch is targeting revenue of ₹20,000 million+ in the next financial year, supported by the new plants and planned 20% annual growth for the coming two years.
- ❑ **Heavy Steel Structures & New Verticals:** The new heavy structures facility opens opportunities in power plants, oil & gas, petrochemicals, bridges, and large industrial complexes. These projects involve higher tonnage and are more commoditized, providing faster scalability. Margins in this vertical are expected to be similar to PEBs initially (around 9–10%).
- ❑ **Margins, Profitability & Internal Improvements:** EBITDA margins stood at 8.5%, with management aiming for double-digit margins in the medium term. Key levers include operational efficiencies, better purchasing, internal productivity gains, and higher contributions from large orders. However, investments in people, technology, export development, and future capacity are temporarily weighing on near-term margins.
- ❑ **Exports, Partnerships & Strategic Initiatives:** Interarch is building its presence in the US and Canada markets through partnerships like Mold-Tek Technologies, attending international exhibitions, and developing a growing inquiry pipeline. Its collaboration with JSPL aims to unlock opportunities in high-rise buildings and heavy structures, complementing its domestic expansion strategy.

Performance in Numbers (H1 FY26) -

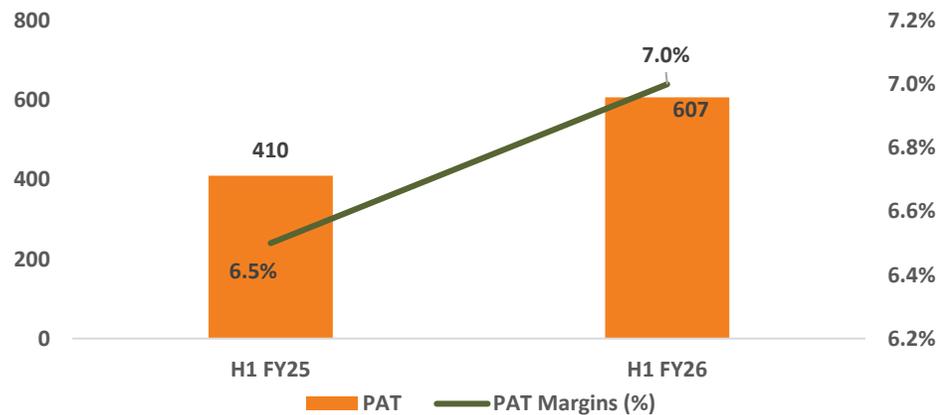
Revenue (INR Million)



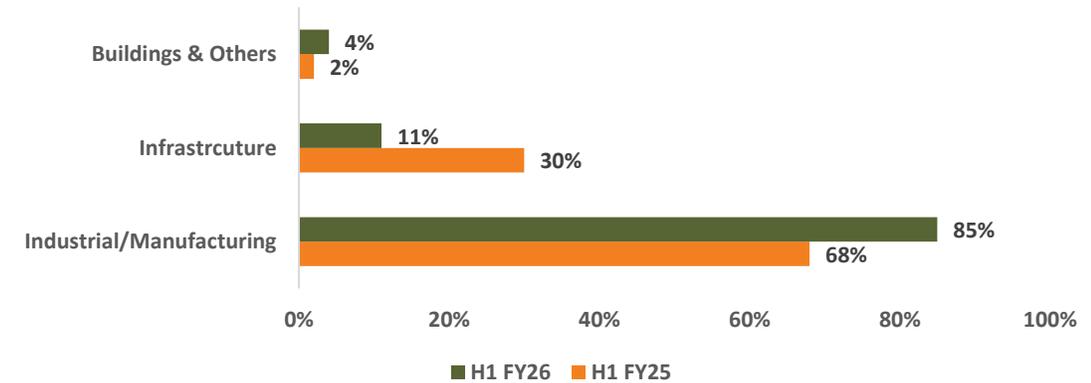
EBIDTA and EBIDTA Margins (INR Million)



PAT and PAT Margins (INR Million)



Revenue Breakup – End user Industry (%)



Recent Developments



R&D in Engineering Department

- Development of customized tools to automate various tasks being done manually.
- This will result into increased efficiencies and productivity in engineering



Capability Building in Engineering/Projects & Design

- Continual implementation of GET / PGET initiatives in inducting, training, and mentoring the fresh talent.
- This will enhance our manpower and talent pipeline, to support our future growth



New Engineering Offices in India

- Plan to set up two new engineering offices in India during the current financial year to enhance design and technical capabilities



Optimizing Logistic Operations and Costs

- Introduction of new procurement platforms like Ariba.
- Identification of new and capable logistic partners, primarily the ones having their own fleet.



Active participation to upgrade IS Codes

- Actively contributing to upgradation & revision of IS codes, for steel usage.
- IS800
 - IS801
 - National Building Code (NBC) and more



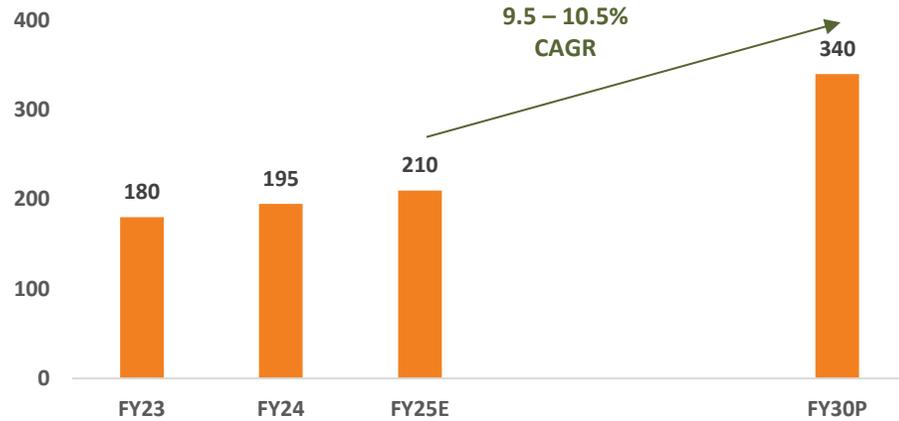
Sustainability Initiatives

- Commissioned the rooftop solar units at Andhra Pradesh, reducing power costs.
- Expect to commission similar installations at Chennai in Q3FY26.

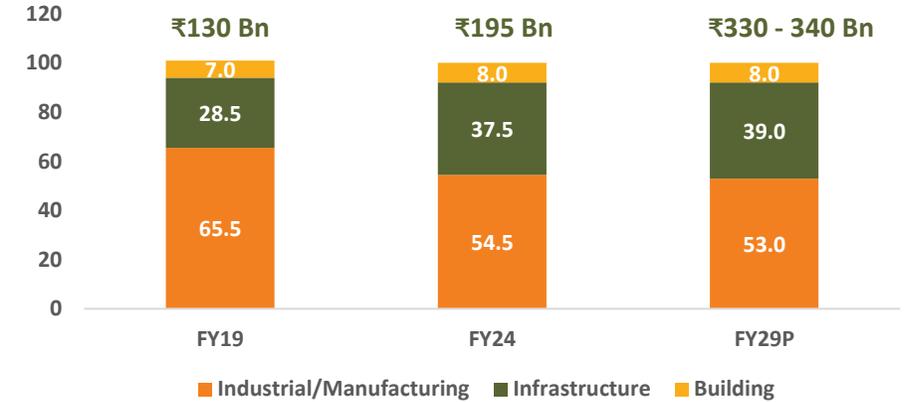
- ❑ The PEB market in India has expanded significantly, growing from approximately ₹130 billion in FY19 to about ₹195 billion in FY24. This growth is expected to continue, with the market projected to reach ₹330–340 billion by FY29. The sector's expansion is driven by strong performance across industrial, infrastructure, and building segments, with infrastructure and building expected to see the highest growth rates over the next five years.
- ❑ The top six players in the PEB industry have demonstrated stronger momentum than the broader market. Between FY19 and FY23, these leading companies recorded a CAGR of 11.4%, outperforming the overall industry growth of 8.5% and significantly surpassing the 7.0% CAGR achieved by the rest of the market participants. This indicates a clear shift toward larger, more capable players.
- ❑ The industry is experiencing a gradual but notable shift from unorganized to organised players. As of FY24, unorganized companies still account for 55–60% of the market; however, organised players have increased their presence to 40–45%. Within the organised segment, the top six companies dominate with an 80–85% market share, highlighting strong consolidation and growing customer preference for established brands.
- ❑ Organised players enjoy several advantages that strengthen their competitive positioning. Their reliable track record, maximized supply chain capabilities, and superior engineering quality help them capture a greater share of complex and large-scale projects. These strengths also enhance customer trust and support long-term engagement.
- ❑ Interarch's extensive track record, deep domain expertise, and strong brand equity position it well within the rapidly expanding PEB sector. Its integrated capabilities—from design and engineering to manufacturing and on-site project execution—enable it to deliver end-to-end solutions efficiently. This comprehensive model, combined with expertise in installation and erection of PEBs, places the company in a strong position to benefit from long-term industry growth.
- ❑ The Pre-Engineered Steel Building (PEB) market in India is broadly classified into three end-use sectors: industrial/manufacturing, infrastructure, and building (residential, commercial, and non-commercial). The industrial/manufacturing segment is expected to grow at a CAGR of 8–10%, supported by rising penetration of PEB solutions across factories and industrial facilities. The infrastructure segment is projected to expand at 10–12% CAGR, driven by the development of warehouses, cold storage units, and both urban and rural infrastructure. The building segment is expected to grow at a faster pace of 10–15% CAGR over FY25E–FY30P, reflecting increasing adoption of PEB structures in residential, commercial, and institutional applications.

Strong Market Position in India's Growing PEB Industry – In Charts

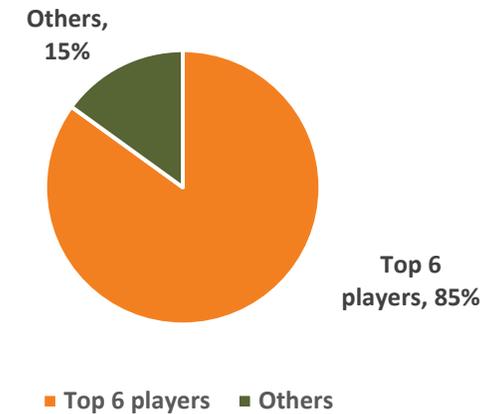
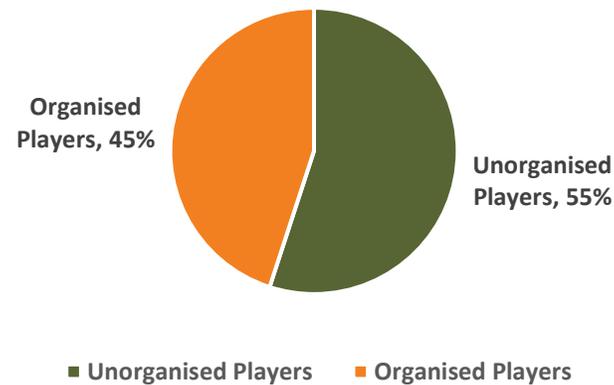
PEB Markets Size in India (in ₹ Bn)



PEB Markets in India – Segments



Growing shift towards the Organised Sector



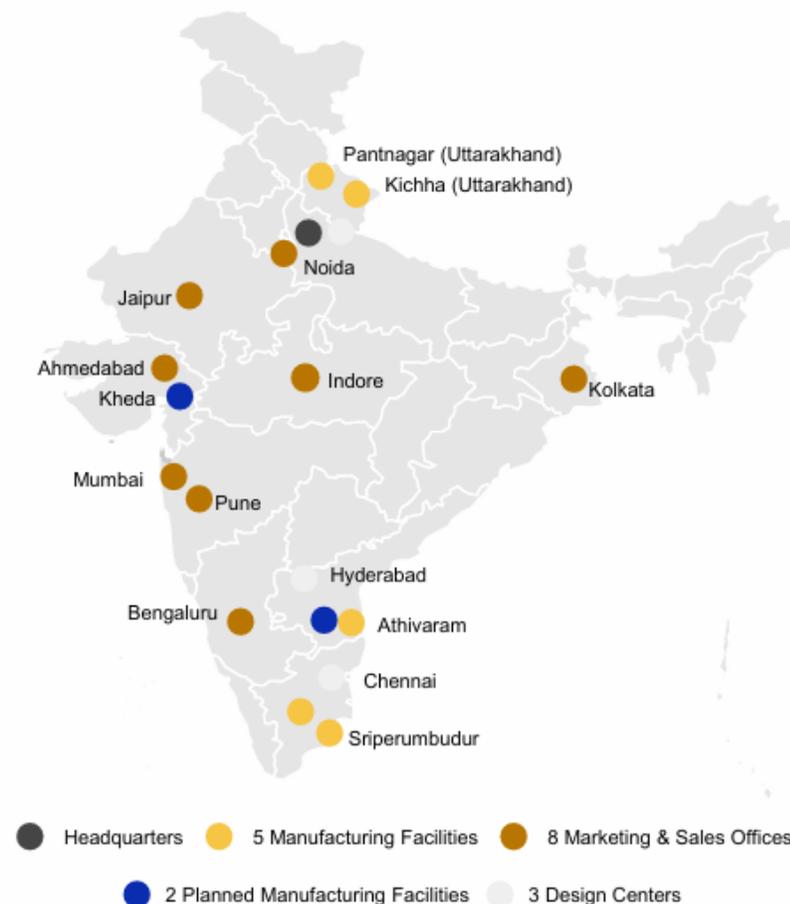
Capacity Expansion & Manufacturing Footprint Growth

- ❑ Interarch's pan-India operational footprint, comprising five existing manufacturing facilities in Pantnagar, Kichha, two in Tamil Nadu, and Andhra Pradesh Phase 1, supported by eight marketing and sales offices and three dedicated design centres in Noida, Chennai and Hyderabad.
- ❑ They are setting up two new manufacturing facilities—an Andhra Pradesh heavy steel structures plant and a PEB facility in Kheda, Gujarat—both targeted for commissioning in Q2 FY27. Their current installed capacity stands at 2,01,000 MTPA, with a utilizable capacity of 1,67,500 MTPA, and upon addition of the upcoming capacities in Andhra Pradesh and Gujarat, their total installed capacity will increase to 2,65,000 MTPA.
- ❑ They have increased their installed capacity from 1,32,000 MTPA in FY22 to 1,41,000 MTPA in FY23 and FY24, followed by a jump to 1,61,000 MTPA in FY25 reflecting a 7% CAGR over FY22 – FY25.
- ❑ The company's recently commissioned Phase 2 of their Andhra Pradesh unit marked a major milestone, establishing it as their fourth fully integrated pre-engineered steel building plant and taking their total installed capacity to 2,01,000 MTPA from their earlier capacity of 1,65,000 MTPA. This expansion further reinforces their leadership position in the PEB industry and underscores their commitment to supporting India's next phase of industrial growth.
- ❑ The groundbreaking of their Gujarat facility in Kheda marks another significant step in their growth trajectory. Strategically located in a state known for its world-class infrastructure and thriving semiconductor, EV and allied industry clusters—where Interarch already holds a strong market share—the new facility will fuel their next phase of capacity expansion and geographic diversification.
- ❑ In parallel, they commenced the groundbreaking of their new unit in Andhra Pradesh, located adjacent to their existing fully integrated plant for heavy steel structures and multistorey buildings, strengthening their position in the high-rise steel building segment. With these strategic expansions, they continue to invest in capacity, drive innovation, and contribute to shaping the future of India's EV industry.
- ❑ The speed of execution of projects has improved with the commissioning of new facilities, and even the older units are becoming more productive, resulting in an overall pickup in output. Their order book should ideally represent 9–10 months of sales, since the pre-engineered building business is not long-cycle; even large customers typically expect building supply within 10–11 months, keeping the industry average at about 8–10 months. Therefore, the order book must align with their execution capacity. As they continue to expand capacity and enhance operational efficiency, they aim to take on more business in line with their improved ability to deliver faster.

End-to-End Integrated Manufacturing and Execution Strength

- ❑ **Design & Engineering Centers** - Supported by dedicated design and engineering centers in Noida, Chennai and Hyderabad, with an in-house team of 155+ structural engineers and detailers using advanced CAD tools such as Staad Pro, MBS, FrameCad, Tekla, AutoCAD and ZWCAD.
- ❑ **Project Management** - A dedicated team of 90+ project managers supported by 65 empanelled builders/erectors, along with specialized safety and quality control teams overseeing every stage of the erection process.

Facility	Set Up Year	Installed Capacity (MTPA)	Utilizable Capacity (MTPA)
Pantnagar Manufacturing Facility	2005	31,000	~26,000
Kiccha Manufacturing Facility	2008	59,500	~50,000
Tamil Nadu Manufacturing Facility I	2007	10,000	~8,500
Tamil Nadu Manufacturing Facility II	2009	40,500	~34,000
Andhra Pradesh Phase 1	2024	20,000	~17,000
Andhra Pradesh Phase 2 + Kiccha Line (Comissioned)	2025	40,000	~32,000
Andhra Pradesh (Heavy Steel Structures)	Q2 FY27	25,000	~20,000
Kheda, Guajarat Facility (PEB)	Q2 FY27	40,000	~32,000
Total Existing Capacity		2,01,000	~1,67,000



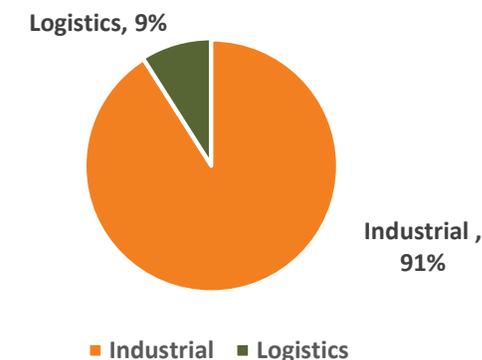
Robust Order Book Supported by a Healthy Pipeline

- ❑ The company's current order book stands at ₹16,340 million as on 31st October 2025, they received orders worth of ₹4,630 million between 1st August 2025 and 31st October 2025.
- ❑ Interarch has expanded its order book at a 25% CAGR over FY22–25, driven by a stronger brand reputation, addition of new customers, and improved pre-qualification capabilities for securing new projects. Its focus on quality, cost efficiency and timely execution has helped build long-term client relationships, resulting in repeat orders rising from 59% of revenues in FY22 to 82% in FY25. Moreover, three of its top five customer groups have been associated with the company for more than five years.
- ❑ The company received order wins from key customers during this period like Rungta Mines, Havells India, Balaji Action Buildwell, Techno Electric & Engineering, Jindal Stainless, Horizon Industrial Park, Ample Park Projects, Systematic Conscom etc.
- ❑ They remain committed to expanding their footprint by strengthening their presence in new-age industries such as semiconductors, electric vehicles, renewables, and data centers, while diversifying both geographically and across manufacturing capabilities.
- ❑ The company will be able to execute their orders at faster speed due to opening of their new facilities. Their order book is expected to reflect 9–10 months of sales, as the pre-engineered building business operates on short delivery timelines, with most customers requiring supply within 10–11 months. Since order flow must match their execution capacity, they plan to take on additional business as new capacity comes online, and their execution speed continues to improve.
- ❑ In April 2025, the company secured a major order from a leading tyre manufacturer in Gujarat, marking the largest single PEB order in the Indian industry, valued at over ₹3,000 million. Additionally, in August 2025, it received ₹900 million worth of orders from Rungta Mines Limited, to be executed within 6–8 months.
- ❑ The company also secured two new orders in December 2025: one from Shyam Sel and Power Limited worth approximately ₹840 million to be executed over 12 months, and another undisclosed order valued at around ₹700 million with an execution timeline of about 8 months, reflecting a healthy and robust order book pipeline.

Repeat Orders as Percentage of Revenue from Operations



Major Customers – End User Industry



Exports, Partnerships and Strategic Growth Initiatives

- ❑ Interarch is building its presence in the US and Canada markets through partnerships like Mold-Tek Technologies, attending international exhibitions, and developing a growing inquiry pipeline. Its collaboration with JSPL aims to unlock opportunities in high-rise buildings and heavy structures, complementing its domestic expansion strategy.
- ❑ **Collaboration with Mold Tek Technologies** - Interarch and Mold Tek Technologies (MTTL) will jointly evaluate client requirements related to building, pricing, and delivery as part of a two-year business plan, extendable by mutual consent. Interarch will pay MTTL a commission on export orders secured through MTTL's efforts, with commission rates adjustable by mutual agreement to support order conversion. Both companies will collaborate exclusively on projects sourced by MTTL, ensuring a focused and dedicated partnership for these initiatives.
- ❑ With Moldtek, the focus is on building the export business, though the partnership is still in its early stages. Both teams are participating in international events, including a current builders' exhibition in the US and a conference in Canada earlier this year, to generate inquiries and connect with potential clients. They are already seeing encouraging interest, including from a Canadian company that recently visited India. While meaningful results may take 8–12 months, they remain confident about export growth, supported by strong partnerships and active engagement in the US and Canadian markets.
- ❑ **Strategic Partnership with Jindal Steel and Power Limited** - Jindal Steel and Power is an industrial powerhouse with a dominant presence in the steel, mining, and infrastructure sectors. The partnership brings together expertise in PEB construction and advanced steel production to address rising industry demand. It integrates the company's strengths in design, engineering, manufacturing, and project management with JSPL's state-of-the-art facilities for heavy structures to deliver high-performance steel solutions. Together, they aim to drive innovation, support sustainable and efficient urban development, and expand into multistorey and heavy building structures by offering customers a comprehensive, end-to-end solution.
- ❑ They are actively collaborating with JSPL on joint marketing, leveraging JSPL's strong experience in high-rise construction. With JSPL's capacity being limited, they are setting up their own heavy-structure plant in Andhra Pradesh to support growth in this segment. Recently, both companies conducted a well-received presentation in Ahmedabad under the "Interarch Dialogues" platform, highlighting the increasing use of steel in buildings, especially high-rise structures.



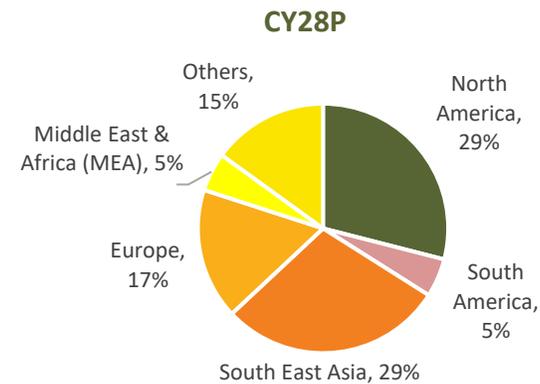
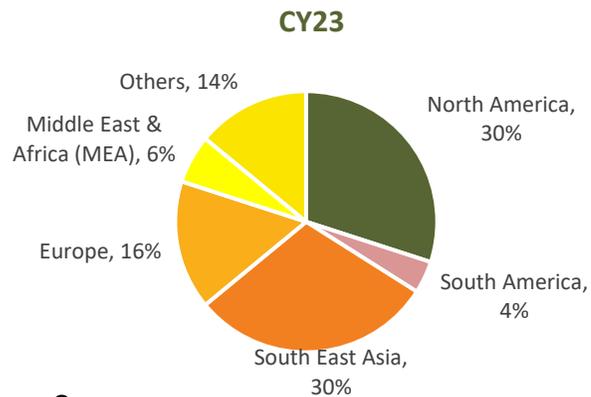
Global Pre-engineering Steel Buildings Market Overview

- ❑ **Key Growth Drivers:** The industrial and commercial sector, the mainstay global PEBs market, is expected to drive demand for pre-engineered steel buildings.
 - Increasing investments in public infrastructure, growing urbanization and increasing awareness of benefits of pre-engineered construction vis-à-vis the traditional onsite model.
 - Increasing awareness regarding modern off-site construction techniques as well as rising demand for green buildings globally.

As of 2023, Southeast Asia region had the largest share of pre-engineered steel building at 29.5 – 31.5%, followed by North America at 28.5 – 30.5%.

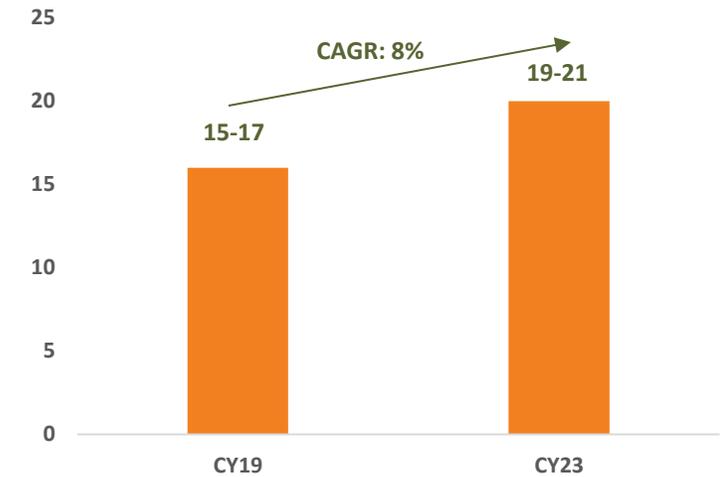
- ❑ **Key Factors:** Rapid industrialization, urbanization and the high adoption rate of advanced construction practices.
 - Tourism and ecommerce sectors are expected to boost demand for commercial and industrial structures such as warehouses, restaurants, hotels etc.

Key Geographies: Global Pre-Engineered Steel Buildings

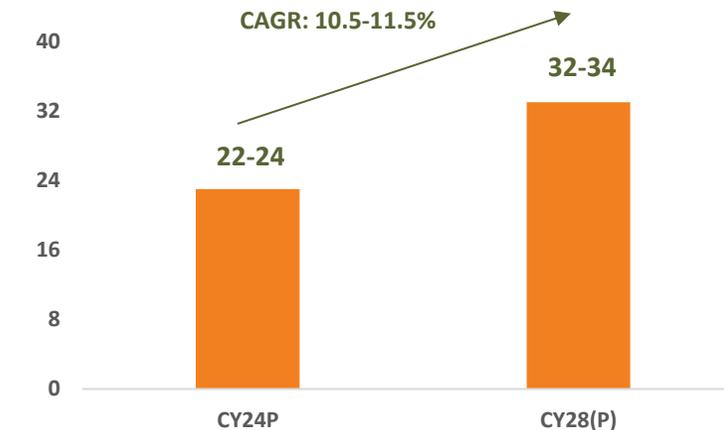


Source: Company

Global Pre-engineered Steel Buildings Market (USD Bn)



Global Pre-engineered Steel Buildings Market (USD Bn)



Indian Construction Sector - Overview

- ❑ The construction sector in India can be broadly classified into Building Construction, Industrial/ Manufacturing construction, and Infrastructure construction. Industrial/manufacturing construction includes manufacturing plants, factories, power plants, and other highly specialized facilities. Infrastructure construction includes warehouses, bridges, dams, roads, airports, canals, etc. and building construction includes constructing buildings for residential uses such as houses, residential towers, etc. as well as non-commercial buildings like hospitals, educational institutions as well as buildings for commercial use such as offices, retail malls, etc. The further classification of these verticals into conventional and unconventional construction methods has been discussed in the latter section of the report.
- ❑ Total construction investments were approximately ₹46-48 trillion during Financial Years 2020 to 2024, and this figure is projected to grow to around ₹74-76 trillion during Financial Years 2025 to 2029. Construction capital expenditure (capex) is estimated to have increased by 13% year-on-year in fiscal 2024, primarily driven by the infrastructure sector. This increase aligns with overall trends in the Indian construction industry, which covers industrial/manufacturing construction, infrastructure construction, and building construction.
- ❑ Moving forward, Construction sector is projected to grow at 7-9% in Financial Year 2025 with major contribution by infrastructure sector given the rising investments and focus by central and state government capex coupled with schemes such as NIP, NMP and Gati shakti initiatives on a rising pace.

Growth Drivers



Increased Urbanisation

- ✓ Increased demand for affordable housing
- ✓ Better public infrastructure connectivity



Smart City Mission

- ✓ Smart Cities Mission to develop 100 smart cities across India



Growing Investments in Renewable Energy

- ✓ Surge in the construction of solar & wind power projects



Increased Spending on Warehousing

- ✓ Rapid growth of the e-commerce sector, leading to a surge in demand for efficient warehousing & cold storage facilities

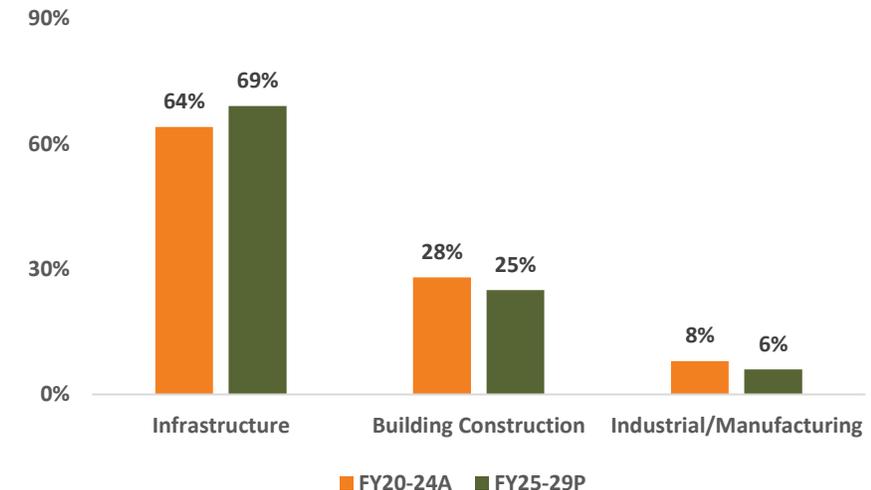


Favourable Government Initiatives

- ✓ Various initiatives have led to an increase in capex investments

Source: Company

Breakup of Domestic Construction Sector

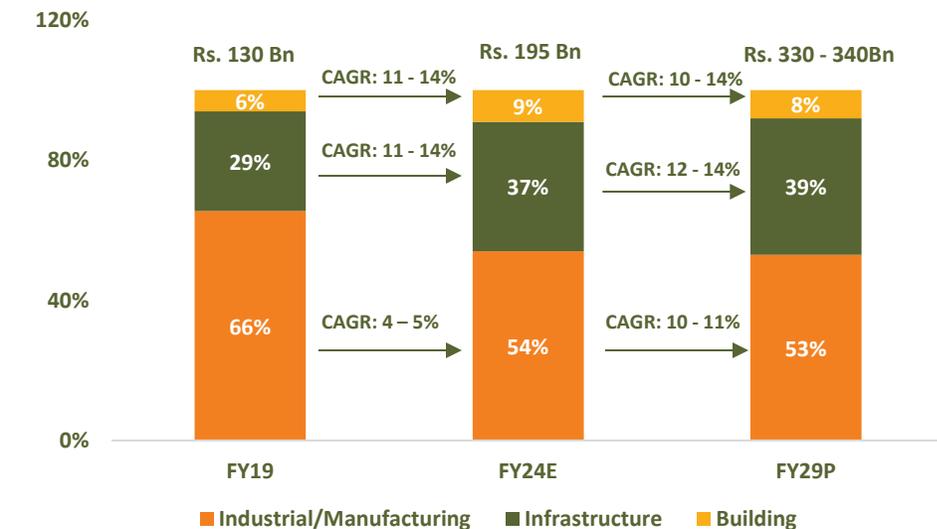


India's Pre-engineered Steel Buildings Market - Overview

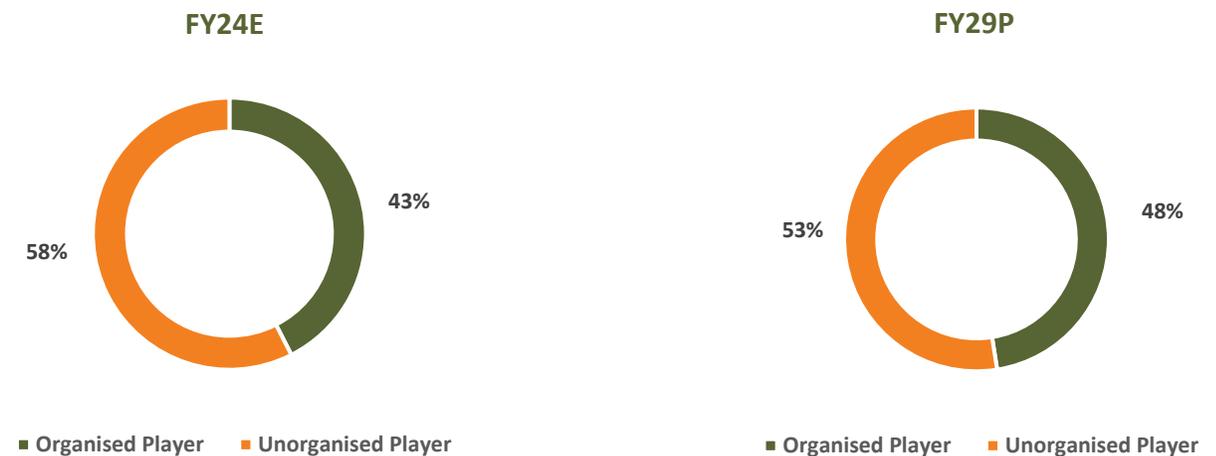
Market size of pre-engineered steel buildings in India and potential

- The industry expanded at a CAGR of ~8.0% over Financial Years 2019-2024, growing from ₹ 130 billion in Financial Years 2019 to ₹195 billion in Financial Years 2024. The medium-term outlook is optimistic, with the industry growing at a strong 11.0-12.0% CAGR between Financial Years 2024 and 2029 to ₹ 330-340 billion, supported by investments in the industrial and infrastructure sectors, such as warehouses and logistics as well as expressways (wayside amenities and toll plazas).
- Structural steel is seeing good potential and application in metro station structures, airport structures, telecommunication towers, broadcasting towers, floodlight towers, power transmission towers, among others, which is supporting growth in the pre-engineered steel buildings industry in India. The Indian government's impetus on the infrastructure investments will also drive demand for steel construction-related structures.

Pre-engineered Steel Building Industry in India



Organized Sector Remains Superior to Unorganized Sector

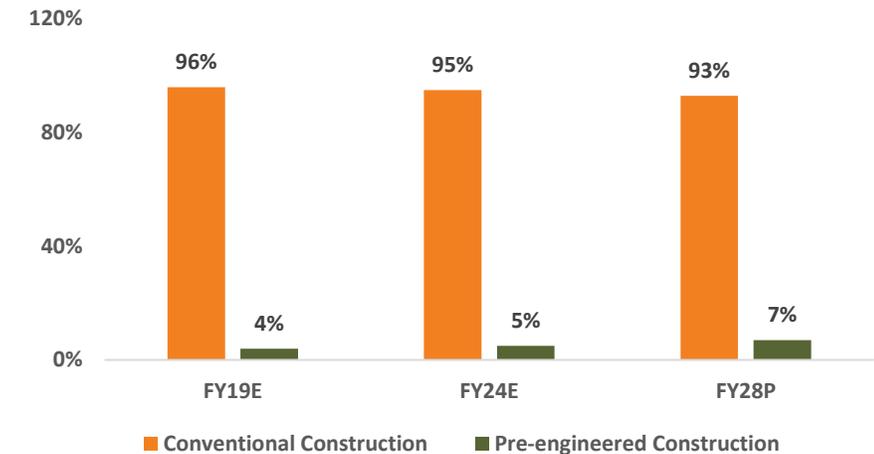


Source: Company

India's Pre-engineered Steel Buildings Market – Growth Drivers

- ❑ **Shift from RCC to PEB due to growing awareness of pre-engineered structures –**
 - Helps in expediting the project timelines and more sustainable due to less wastage.
 - Expected to serve as a catalyst for the growth of pre-engineered structures in the construction industry.
- ❑ **Increasing popularity of green and sustainable buildings-**
 - PEB's support deconstruction and reconstruction, enabling the building components to be reused or recycled.
 - Growing shift of logistics players towards green logistics.
- ❑ **Rise in Government-led innovative construction projects-**
 - Policy & regulatory factors will play a crucial role in shaping the demand, growth and adoption of prefabrication and pre-engineering in the construction sector.
- ❑ **Low Share of PEBs in India combined with the increasing of awareness of benefits of PEB buildings over RCC, provides a substantial growth potential.**

Share of pre-engineered construction in overall construction



INDUSTRIAL

-  Inclusion of the PLI scheme in the capex investments
-  Increasing popularity of green and sustainable buildings
-  Construction investments in Industrial, Oil & Gas sectors

INFRASTRUCTURE

-  Growing demand from warehouses and cold storage
-  Increase in the demand of data centres India
-  Growing focus on renewable energy capacity additions

BUILDING

-  Low share of pre-engineered construction in building construction (residential + commercial + non-commercial)
-  Increasing awareness of PEBs in India
-  Rise in government-led innovative construction projects

Source: Company

Comparison Between RCC and Pre-engineered Steel Construction

Parameter	Traditional RCC Construction	Pre-engineered Steel Construction
 MAJOR COMPONENT	✓ Concrete and reinforced steel bars	✓ Steel and metal accessories
 RAW MATERIALS USED	✓ Cement, steel, sand, bricks, etc	✓ Steel, anchors, channels, coils etc
 CONSTRUCTION LOCATION	✓ Completely on site	✓ Manufactured in controlled environments such as factories, only assembling of structures happens onsite.
 CONSTRUCTION TIME	✓ Takes more construction time than PEB construction	✓ 40%-50% lesser time than RCC as majority of components are manufactured in a controlled environment and only assembling of parts takes place on site
 MANPOWER	✓ Demands a substantial workforce since the entire construction process, including moulding and shaping concrete, occurs on-site	✓ Approximately 25% lesser than the conventional method as only assembling of the final structure happens on site
 APPLICATIONS	✓ Residential as well as industrial; even infrastructural	✓ Largely industrial and warehouse or shed requirements at infrastructure setup
 EFFECT ON ENVIRONMENT	✓ More adverse environmental impact owing to the generation of significant waste and landfill mass during on-site construction activities	✓ Owing to the streamlined nature of construction, it minimises its environmental footprint by minimising wastage, less air pollution
 MODIFICATIONS	✓ Challenges in modifications once the concrete has hardened, making alterations complex & costly	✓ Offers flexibility as modifications involve changing the assembly of prefabricated components, adjusting to make it more manageable & cost-effective
 COST EFFICIENCY	✓ highly labour-intensive work in an uncontrolled environment, which makes it more costly than PEB structures	✓ Comparatively lighter, requires less material, needs shorter construction time, less labour on-site, contributing to lower cost

Key Risks

- Lack of Availability and increase in the steel prices can adversely affect the company's operations.
- Inability to effectively utilize or expand their manufacturing capacities.
- Delay in completion of projects.
- Reduction in repeat orders can have a significant impact on their operations.

Valuation and Recommendation:

- Interarch Building Products is a leading Indian turnkey PEB player, offering end-to-end design, engineering, manufacturing, and project management services since 1983. Its custom solutions span industrial, infrastructure, and building segments, including e-commerce warehouses, FMCG and paint facilities, and emerging sectors such as semiconductors, EVs, renewables, and data centers, alongside geographic and manufacturing expansion.
- The commissioning of Phase 2 of the Andhra Pradesh plant increased total installed capacity to 200,000 MTPA, strengthening Interarch's position in the PEB industry. The company has also initiated groundwork for a new Gujarat PEB plant and an additional heavy steel structures unit in Andhra Pradesh, aimed at multistorey and large industrial structures.
- The order book stood strong at ₹16,340 million as of October 2025, with ₹4,630 million of fresh orders added during August–October. Around 80–85% of orders are from repeat customers, underscoring strong client confidence, with key wins from Rungta Mines, Havells India, Techno Electric, and Jindal Stainless.
- Interarch is strengthening its presence in the US and Canada through partnerships such as Mold-Tek Technologies, participation in international exhibitions, and a growing inquiry pipeline. Its collaboration with JSPL targets opportunities in high-rise buildings and heavy structures, while supporting its domestic expansion strategy.
- Management expects to exceed its earlier FY26 revenue growth guidance of 17.5%, driven by faster execution and improved capacity utilization. Interarch is targeting revenue of ₹20,000 million+ in the next financial year, supported by new plants and a planned 20% annual growth over the next two years. EBITDA margins are at 8.5%, with a medium-term goal of double digits, aided by efficiency gains, better sourcing, productivity improvements, and a higher share of large orders, although near-term margins are impacted by investments in people, technology, exports, and capacity. At CMP the stock is trading at 28.6x times its FY26 earnings. We re-initiate our coverage on Interarch Building Products Limited with a **BUY** rating and a target price of **₹3,000 per share**.

(In ₹ mn)	FY-24	FY-25	FY-26E	FY-27E
Net Sales	12,933	14,538	17,533	21,232
EBITDA	1,199	1,437	1,858	2,314
EBITDA Margin	9.3%	9.9%	10.6%	10.9%
PAT	863	1,078	1,394	1,737
PAT Margin	6.7%	7.4%	8.0%	8.2%
EPS (₹)	51.8	64.8	83.8	104.4
P/E (x)	46.2	37.0	28.6	23.0

(In ₹ mn)	FY-24	FY-25	FY-26E	FY-27E
Net Sales	12,933	14,538	17,533	21,232
Operating Expense	11,734	13,101	15,675	18,918
EBITDA	1,199	1,437	1,858	2,314
Other Income	130	207	249	302
Depreciation	80	118	142	172
EBIT	1,249	1,526	1,965	2,444
Interest	90	99	120	145
PBT	1,159	1,427	1,845	2,299
Tax	296	349	451	562
PAT	863	1,078	1,394	1,737
Margins	FY-24	FY-25	FY-26E	FY-27E
Sales Growth %	15.1%	12.4%	20.6%	21.1%
Operating Margin %	9.3%	9.9%	10.6%	10.9%
Net Margin %	6.7%	7.4%	8.0%	8.2%

(In ₹ mn)	FY-24	FY-25	FY-26E	FY-27E
<u>Liabilities</u>				
Equity Share Capital	144	166	166	166
Reserves & Surplus	4,302	7,348	12,550	21,435
Total Shareholder's Funds	4,446	7,514	12,716	21,601
Long - Term Liabilities	6	3	3	3
Minority Interest	337	353	371	390
Other Long-term Liabilities	57	77	104	140
Short-term Liabilities	3,002	3,523	4,122	4,823
Total	7,848	11,470	17,317	26,958
<u>Assets</u>				
Net Fixed Assets	1,785	2,313	4,274	7,533
Long-Term L&A	844	1,198	2,977	6,061
Non-Current Investments	54	359	359	359
Other Non-Current Assets	19	8	4	2
Current Asset	5,146	7,592	9,703	13,002
Total	7,848	11,470	17,317	26,958

Source: Company, Anand Rathi Research

Rating & Target Price History

Interarch rating history & price chart



NOTE: Prices are as on 20 December 2025 close.

Source: Bloomberg, Anand Rathi Research

Interarch rating details

Date	Rating	Target Price (₹)	Share Price (₹)
6-March-25	Buy	1,850	1,483
19-December-25	Buy	3,000	2,397

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