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PRIVATE CLIENT GROUP

Interarch Building Solutions Ltd. (INTERARC:IN)

Interarch raises FY28 Aspirations Amid Strong Demand Tailwinds

INDIA | SMALLCAP| RESULT UPDATE

10 August 2026

Key takeaways from Q1FY27

- Interarch Building solutions delivered mixed earnings for the quarter ended Q1FY27.
- Revenue from operations registered healthy growth of 21% YoY to Rs.460 cr driven by strong execution of the order book and healthy demand across industrial and infrastructure segments.
- Consolidated EBITDA grew by 25% YoY to Rs.39 cr while margins stood at 8.6% supported by higher revenue growth and efficient project execution, partially offset by input cost pressures.
- PAT remained broadly flat at Rs.28 cr as higher revenue growth were offset by higher operating expenses.

Major Conference call highlights:

- **Guidance: Management retained FY27 revenue guidance in the range of Rs.2150-2,200 Cr and raised FY28 revenue guidance to Rs.2700 cr from ~Rs.2,500 Cr, driven by strong demand visibility and expanding capacities. The company needs to generate nearly Rs.1700 cr revenue over the next 3 quarters implying an average quarterly run rate of Rs.570-600 cr and is confident of achieving this through execution ramp up and capacity additions.**
- **Order book and order inflows:** As on July 31, 2026, unexecuted order book stood at Rs.1,864 cr supported by robust inflows from energy, data centers, semiconductors, EVs, and industrial projects offering strong visibility over the next 12-15 months. Order inflow in Q1FY27 stood at Rs.609 cr.
- **Fund raising**: The company plans to raise Rs.250 cr through QIP to fund heavy structures (Rs.140-150 cr), Gujarat expansion (new plant – Rs.40-50 cr) and for export focused capacities (OWSJ -Rs.40-50 cr) to capitalize on strong demand environment.
- **Exports**: Export revenues remain modest at Rs.10-12 cr in Q1FY27, but management targets exports contributing nearly 10% of revenues within 1-2 years, driven by opportunities in US and Canada markets. The proposed open-web joist manufacturing JV is expected to generate Rs.70-75 cr revenue at initial capacity, with long-term revenue potential exceeding US$22 mn and EBITDA Margins above 20% significantly higher than domestic business.
- **Capacity Expansion**: Interarch successfully commissioned Phase 1 of new PEB manufacturing facility at Kheda, Gujarat in July-26, and remain on track to complete Phase 2 by Q2FY27, increasing PEB capacity to ~240,000 MTPA and revenue potential to ~Rs.3,000 crore (vs. ~Rs.1,900–2,000 cr currently). In addition, Phase 1 of Heavy Steel Structures (24000 MTPA) facility is expected to be commissioned by Q2FY27 and Phase 2 (24000 MTPA) is expected to be commissioned by Q1FY28 which adds ~Rs.500 cr incremental opportunity, taking peak revenue potential to ~Rs.3,400–3,500 cr that will take its overall capacity to 2,85,000 MTPA by FY28E.

Outlook and view:

Interarch is transforming from a traditional PEB player into a diversified steel solutions company with exposure to heavy structures, data centers, semiconductors, EVs and exports. With a record orderbook, visible capacity expansion, improving project mix and upgraded FY28 guidance, the company appears well positioned to sustain 20%+ revenue growth while maintaining margins over medium term. we have revised our estimates upward and now expect Interarch to deliver a Revenue/EBITDA/PAT CAGR of 18%/20%/22% over FY26–28E, reinforcing its position as one of the established player in the PEB segment. We maintain our BUY rating and revise the target price to Rs 2720/share (previous target - Rs 2508/Share), valuing the company at 23x FY28E EPS of Rs 118, implying an upside potential of ~53%

Key Financials: Rs. Mn

Year End (Rs. Mn)	Net sales	EBITDA	PAT	EPS, Rs	P/E (x)	EV/EBITDA	P/BV	ROE (%)	ROCE (%)
2025	14,538	1,362	1,078	65	24	17.3	3.7	14.40%	16.20%
2026	18,980	1,764	1,346	80	22	15.5	3.4	15.30%	17.90%
2027E	21,888	2,021	1,541	92	19	13.6	3.0	15.30%	18.00%
2028E	26,555	2,546	1,987	118	15	10.8	2.5	16.90%	19.40%

BUY (Maintain)

CMP Rs.1772
TARGET Rs.2720 (+53%)

COMPANY DATA

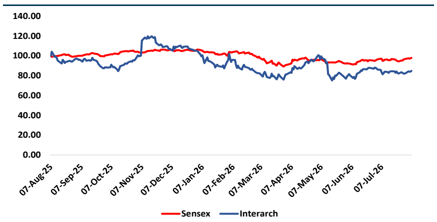
O/S SHARES (MN):	16.8
MARKET CAP (RS MN):	29770
MARKET CAP (USD MN):	30.4
52 - WK HI/LO (RS):	2763/1600
TRADING VOL. 3M (000):	4.8
PAR VALUE (RS):	10

SHARE HOLDING PATTERN, %

PROMOTERS:	59.44
FIIs / FPI:	4.86
DIIs	6.10
PUBLIC & OTHERS:	29.61

as on Mar 2026

PRICE Vs. SENSEX



Source: PhillipCapital India Research

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Quarterly Financial snapshot

Particulars (Rs. in mn)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	FY25	FY26
Net Sales	3,808	4,911	5,225	5,036	4,596	14,538	18,980
QoQ growth (%)	*(18%)*	*29%*	*6%*	*(4%)*	*(9%)*	*12%*	*31%*
Total expenditure	3,491	4,494	4,723	4,509	4,202		
Cost of raw materials	2,283	2,982	3,233	2,935	2,786	8,891	11,434
Operating expenses	803	1,071	1,060	1,152	984	2,815	4,086
Employee cost	405	441	430	422	432	1,470	1,698
EBITDA	317	417	502	527	394	1,362	1,762
QoQ growth (%)	*(35%)*	*32%*	*20%*	*5%*	*(25%)*	*62%*	*29%*
Other Income	99	60	76	51	30	207	286
Operating Profit	416	477	578	578	424	1,569	2,048
Interest	6	7	7	2	8	24	23
PBDT	410	470	571	576	416	1,545	2,025
Depreciation	32	35	38	40	41	118	144
Profit before share of JV	378	435	533	536	376	1,427	1,881
Exceptional Items	-	-	32	-	-	-	31
PBT	378	435	501	536	376	1,427	1,850
Tax expenses	94	112	128	170	93	349	505
PAT	284	323	373	366	282	1,078	1,345
QoQ (%) growth	*(26%)*	*14%*	*15%*	*(2%)*	*(23%)*	*116%*	*25%*
Equity Capital	167	167	170	170	168	170	170
Face Value (in Rs.)	10	10	10	10	10	10	10
No of shares	17	17	17	17	17	17	17
EPS (Rs.)	17.05	19.25	22.22	21.82	16.84	68.51	80.41
PL-100 (% of Net Sales)							
RM cost	60%	61%	62%	58%	61%	61%	60%
Operating cost	21%	22%	20%	23%	21%	19%	22%
Employee cost	11%	9%	8%	8%	9%	10%	9%
Total cost	87%	88%	88%	88%	91%	88%	88%
EBITDA	8.3%	8.5%	9.6%	10.5%	8.6%	9.4%	9.3%
Other Income	3%	1%	1%	1%	1%	1%	2%
Interest	0.2%	0.1%	0.1%	0.0%	0.2%	0.2%	0.1%
Depreciation	1%	1%	1%	1%	1%	1%	1%
PBT	10%	9%	10%	11%	8%	10%	10%
Tax	2%	2%	2%	3%	2%	2%	3%
PAT	7%	7%	7%	7%	6%	7%	7%
Tax rate	25%	26%	26%	32%	25%	24%	27%

Source: PhillipCapital India Research

Consolidated Financials

Income Statement

Y/E March, Rs. Mn	FY24	FY25	FY26	FY27E	FY28E
Net sales	**12,933**	**14,538**	**18,980**	**21,888**	**26,555**
Growth %	15%	12%	31%	15%	21%
Raw Material Cost	8,238	8,891	11,433	13,220	15,986
Employee cost	1,190	1,470	1,698	1,970	2,364
Other expense	2,376	2,815	4,085	4,677	5,660
Total expense	11,803	13,176	17,216	19,867	24,009
EBITDA	**1,130**	**1,362**	**1,764**	**2,021**	**2,546**
EBIDTA margin (%)	**8.7%**	**9.4%**	**9.3%**	**9.2%**	**9.6%**
Depreciation	80	118	144	186	234
EBIT	**1,050**	**1,245**	**1,620**	**1,835**	**2,312**
Finance Cost	22	24	23	38	53
Other income	130	207	286	263	398
PBT	1,159	1,427	1,883	2,060	2,657
Less: Taxation	296	349	505	519	670
Effective tax rate (%)	25.6%	24.4%	26.8%	25.2%	25.2%
PAT	**863**	**1,078**	**1,346**	**1,541**	**1,987**
Growth %	5.9%	25.0%	24.8%	14.5%	29.0%
PAT margin (%)	6.7%	7.4%	7.1%	7.0%	7.5%
Wtd. Avg. Shares (Mn	14.4	16.6	16.8	16.8	16.8

Balance Sheet

Y/E March, Rs. Mn	FY24	FY25	FY26	FY27E	FY28E
Equity capital	144	166	168	166	166
Reserves	4,302	7,348	8,643	9,914	11,594
Net worth	4,446	7,514	8,811	10,081	11,760
Non Current Liabilities	102	103	147	105	105
Current Liabilities	3,002	3,522	4,051	6,306	7,411
Total liabilities	**7,550**	**11,140**	**13,009**	**16,492**	**19,276**
Net block	1,629	2,147	2,840	4,176	5,143
CWIP	127	135	565	200	50
Total fixed asset	1,756	2,282	3,405	4,376	5,193
Intangible assets	2	4	18	4	4
Other non current ass	646	1,262	1,679	1,814	2,087
Current assets					
Investment	-	-	-	-	
Inventory	1,468	1,657	2,150	2,519	3,056
Trade Recievables	1,708	2,110	2,882	3,118	3,783
Cash & bank Balance	1,377	1,988	812	2,365	2,537
Other Current assets	593	1,837	2,063	2,296	2,617
Total assets	**7,550**	**11,140**	**13,009**	**16,492**	**19,276**

Cash Flow

Y/E March, Rs. Mn	FY24	FY25	FY26	FY27E	FY28E
PBT	1,159	1,427	1,851	2,060	2,657
Depreciation	80	118	144	186	234
Tax paid	296	349	505	519	670
Change in WC/other adjustment	(139)	1,314	962	(1,417)	418
Cash Flow from Operating activities	**1,082**	**(118)**	**528**	**3,144**	**1,804**
Capital Expenditure	231	556	1,275	1,174	1,069
Other intangible asset	31	90	7	(32)	(18)
Others	108	616	417	135	273
Cash Flow from Investing activities	**370**	**1,262**	**1,698**	**1,277**	**1,324**
Change in Equity	(409)	1,990	(49)	(271)	(308)
Change in Debt	(5)	(4)	(3)	-	-
Others	(112)	5	46	(42)	-
Cash Flow from Financing activities	**(526)**	**1,991**	**(6)**	**(313)**	**(308)**

Valuation Ratios

Y/E March, Rs. Mn	FY24	FY25	FY26	FY27E	FY28E
EPS	59.8	64.8	80.1	91.7	118.3
Book NAV / Share	308	452	524	600	700
DPS	-	12.5	16.0	18.3	23.7
Growth Ratios					
Net Sales (%)	15.1%	12.4%	30.6%	15.3%	21.3%
EBIDTA (%)	6.2%	20.6%	29.5%	14.6%	26.0%
PAT (%)	5.9%	25.0%	24.8%	14.5%	29.0%
Return Ratios					
ROE (%)	19.4%	14.4%	15.3%	15.3%	16.9%
ROCE (%)	23.1%	16.2%	18.1%	17.9%	19.4%
Turnover Ratios					
Asset Turnover (x)	1.7	1.3	1.5	1.3	1.4
Fixed asset turnover (x)	7.9	6.8	6.7	5.2	5.1
Receivable Days	48	53	52	52	50
Inventory Days	41	42	42	42	40
Payable Days	57	71	60	60	60
Liquidity Ratios					
Current Ratio (x)	1.7	2.2	2.0	1.6	1.6
Interest Cover (x)	48.6	51.4	70.4	48.3	43.5
Total Debt / Equity (x)	0.0	0.0	0.0	0.0	0.0
Valuation Ratios					
PER (x)	NA	23.8	22.1	19.3	15.0
Price / Book (x)	NA	3.7	3.4	3.0	2.5
Price / Sales (x)	NA	1.8	1.6	1.4	1.1
EV / Sales (x)	NA	1.6	1.4	1.3	1.0
EV / EBIDTA (x)	NA	17.3	15.5	13.6	10.8

Source: PhillipCapital India Research

Rating Methodology

We rate stock on absolute return basis. Our target price for the stocks has an investment horizon of one year. We have different threshold for large market capitalisation stock and Mid/small market capitalisation stock. The categorisation of stock based on market capitalisation is as per the SEBI requirement.

Large cap stocks

Rating	Criteria	Definition
BUY	>= +10%	Target price is equal to or more than 10% of current market price
NEUTRAL	-10% > to < +10%	Target price is less than +10% but more than -10%
SELL	<= -10%	Target price is less than or equal to -10%.

Mid cap and Small cap stocks

Rating	Criteria	Definition
BUY	>= +15%	Target price is equal to or more than 15% of current market price
NEUTRAL	-15% > to < +15%	Target price is less than +15% but more than -15%
SELL	<= -15%	Target price is less than or equal to -15%.

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