

Interarch Building Solutions Limited

(NSE: INTERARCH)

CMP: ₹2,048/- Buy: ₹2,055/- Target: ₹2,376/-, ₹ 2,845/-, ₹ 3,133/- Stoploss: ₹1,755/- (BSE: 544232)

Interarch Building Solutions Ltd

Research Reports & DCF Valuation Report

Rohan Mhetre

rmhetre15@gmail.com

Linkedin: <https://www.linkedin.com/in/rohanmhetre/>



Business Overview

Interarch Building Solutions Limited, formerly known as Interarch Building Products Limited, was incorporated in 1983 and is a leading provider of turnkey pre-engineered steel construction solutions in India. The company offers integrated facilities encompassing design, engineering, manufacturing, and on-site project management capabilities for the installation and erection of pre-engineered steel buildings. Interarch also provides metal ceilings, metal roofing and cladding systems, permanent metal decking and Light Gauge Framing Systems. The company aims to build strong relationships and partnerships with world-class companies. Interarch's business model involves designing and engineering the entire building, which is seen as key to their pre-engineered building approach. They use primarily three different kinds of steel: HR plate, coil, and various accessories. They manufacture components in their factories and then assemble them on-site. Interarch considers itself a capital goods company working with multinational and large Indian concerns. The company's operations are described as being industry agnostic, building agnostic, and geographically agnostic, having worked across various sectors and states in India. They have executed a wide variety of building types

Why am I given Buy View

Based on the sources and our conversation history, Interarch Building Solutions Limited is a leading player in India's organised pre-engineered steel building (PEB) sector, providing turnkey solutions from design to erection. The company recently achieved its highest-ever annual financial performance in FY25, reporting total revenue of INR 1,454 crore (a 12% increase year-on-year). This strong top-line growth translated into a 21% rise in EBITDA to INR 136.2 crore and a 25% increase in Profit After Tax (PAT) to INR 107.8 crore. Interarch also boasts a robust financial position, being a debt-free company with high cash reserves and operating with an efficient working capital cycle. They are positioned as the fastest-growing company in the organised PEB sector in India and rank 2nd overall by turnover. The company has demonstrated a strong execution track record, securing significant orders, including the largest-ever single PEB order in India valued at over Rs 300 crore, and maintaining diverse, long-standing customer relationships. Strategic capacity expansions are underway to support future growth, and they have formed partnerships, such as with JSPL for urban infrastructure and Mold-Tek Technologies for export orders

Pre-Engineered Metal Building Systems



Warehousing & Logistics



Government Project



Automotive



FMCG



Cement



Pharmaceutical & Chemical



Manufacturing



Food Process



Engineering



Power



Garment & Textiles



Aviation



Paper & Plastic



Paints



Wind Turbine



Electronic

Interarch Life - Non Industrial Buildings



Farmhouses, Villas & Cottages, Guest House & Clubs



Schools & Colleges



Office Buildings



Hospitals



Car Parkings



Airports



Stadiums & Auditoria



Transportation Buildings



Buildings in Hilly Areas



Labour Housing & Colonies



Convention & Cultural Centers



Rooftop Expansion



Restaurants & Resorts



Retail Outlets & Showrooms



Banquet Halls



Canteens

Financial Statements

Profit & Loss - INTERARCH BUILDING SOLUTIONS LTD

Rs Crs	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Sales	699	719	576	835	1,124	1,293	1,454
% Growth YOY		3%	-20%	45%	35%	15%	12%
Expenses	684	669	563	798	1,013	1,173	1,318
Material Cost (% of Sales)	64%	59%	62%	68%	66%	64%	62%
Power and Fuel	-3%	3%	-2%	1%	1%	1%	1%
Other Mfr.Exp	5%	5%	16%	13%	13%	13%	0%
Employee Cost	13%	13%	14%	11%	8%	9%	10%
Selling and Admin Cost	249%	246%	86%	85%	66%	70%	
Gross Profit	254	294	221	266	381	464	551
Gross Profit Margin	36%	41%	38%	32%	34%	36%	38%
EBITDA	15	51	14	37	111	120	136
EBITDA Margin	2%	7%	2%	4%	10%	9%	9%
Other Income	4.55	4.49	7.48	5.91	12.47	13.01	20.65
Other Income as % of Sale	1%	1%	1%	1%	1%	1%	1%
Deperciation	5	5	9	12	7	8	12
EBIT	10	45	5	25	103	112	124
EBIT Margin	1%	6%	1%	3%	9%	9%	9%
Interest	5	5	4	9	7	9	2
Interest Coverage (Times)	3	11	3	4	17	14	60
Profit Before Tax (PBT)	9	45	8	23	109	116	143
% Growth YOY		406%	-83%	187%	382%	6%	23%
PBT Margin	1%	6%	1%	3%	10%	9%	10%
Tax	2	6	1	5	27	30	35
Actual Tax	23%	13%	18%	24%	25%	26%	24%
Net Profit	7	40	6	17	81	86	108
% Growth YOY		473%	-84%	166%	375%	6%	25%
PBT Margin	1%	6%	1%	2%	7%	7%	7%
EPS	5	26	4	11	54	60	65
% Growth YOY		473%	-84%	166%	375%	10%	8%
Price to earning							55
Price	0	0	0	0	0	0	3,600
Dividend Payout	0%	0%	0%	0%	0%	0%	0%
Market Cap	0	0	0	0	0	0	5976
Retained Earnings	7	40	6	17	81	86	108

Total Revenue Annual

1,474.478 12.9% YoY Mar'25



Net Profit Annual

107.829 25.0% YoY Mar'25



Operating Revenues Qtr

463.511 20.2% YoY Mar'25



Net Profit Qtr

38.682 30.3% YoY Mar'25

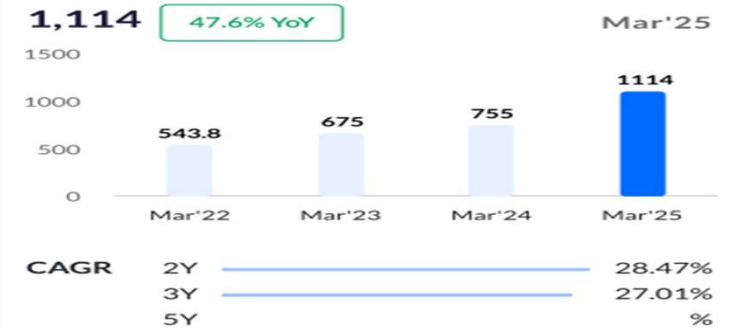


Financial Statements

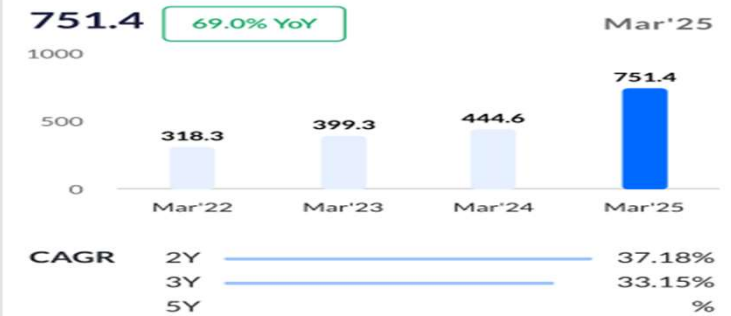
Balance Sheet - INTERARCH BUILDING SOLUTIONS LTD

Rs Crs	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Equity Share Capital	15	15	15	15	15	14	17
Reserves	177	217	285	303	384	430	735
Borrowings	40	4	6	8	18	13	20
Other Liabilities	161	179	163	218	258	297	343
Total Liabilities	393	414	469	544	675	755	1,114
Net Block	77	77	164	155	160	166	218
Capital Work in Progress	0	9	0	0	0	13	13
Investments	0	0	0	0	5	5	41
Other Assets	316	328	305	389	510	571	842
Total Assets	393	414	469	544	675	755	1,114
Working Capital	155	149	142	171	252	274	499
Debtors	100	96	69	86	159	171	211
Inventory	96	114	98	134	137	147	166
Cash & Bank	21	23	67	92	119	138	199
Key Ratio	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Debtor Days	53	49	44	37	52	48	53
Inventory Turnover	7	6	6	6	8	9	9
Net Fixed Aseet Turnover	9.1	9.3	3.5	5.4	7.0	7.8	6.7
Debt/Equity	21%	2%	2%	2%	4%	3%	3%
Return on Equity	4%	17%	2%	5%	20%	19%	14%
Return on Capital Employed	6%	21%	4%	10%	28%	27%	19%
Return on Invested Capital	3%	19%	3%	7%	27%	27%	19%

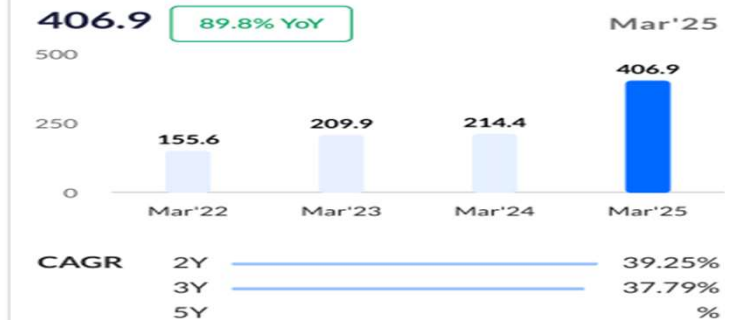
Total Assets Annual



Total ShareHolders Funds Annual



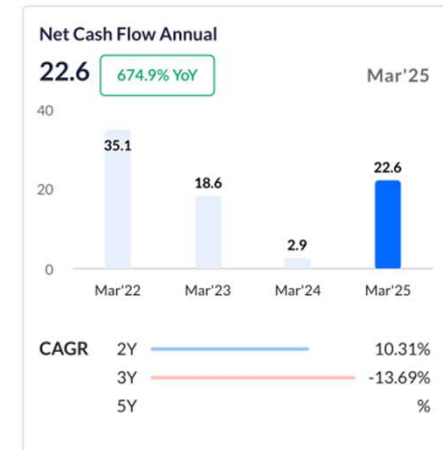
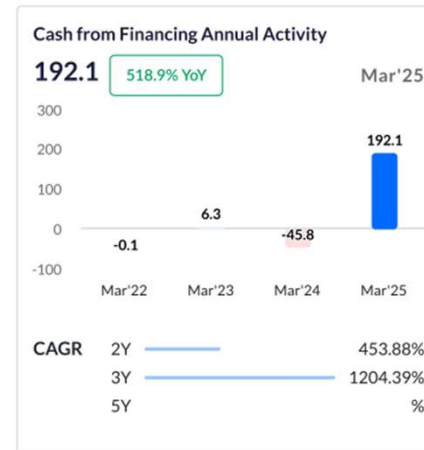
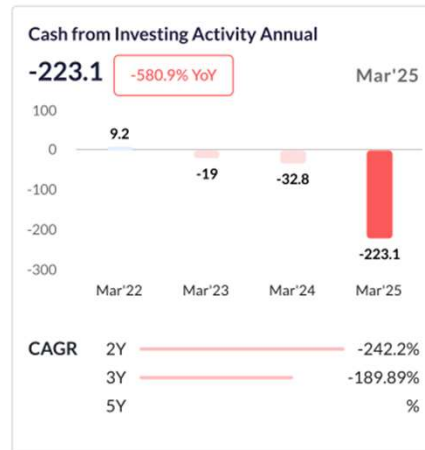
Working Capital Annual



Financial Statements

Cash Flow Statement - INTERARCH BUILDING SOLUTIONS LTD

Rs Crs	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Cash from Operating Activity (CFO)	63	39	26	31	82	54
% Growth YOY		-39%	-32%	20%	161%	-34%
Cash from Investing Activity	-31	-35	9	-19	-33	-223
Cash from Financing Activity	-40	-3	0	6	-46	192
Net Cash Flow	-7	0	35	19	3	23
CFO/Sales	9%	7%	3%	3%	6%	4%
CFO/Net Profit	160%	598%	153%	38%	95%	50%
CFO/EBIDTA	125%	285%	71%	28%	68%	39%
Capex	-14	-5	-4	-14	-25	-66
FCFF	77	44	30	45	107	120
Average FCFF (3 Year)						69
FCF Growth YOY		-44%	-31%	50%	135%	12%
FCF/Sales	11%	8%	4%	4%	8%	8%
FCF/Net Profit	195%	676%	176%	56%	123%	111%



DCF Valuation Methodology

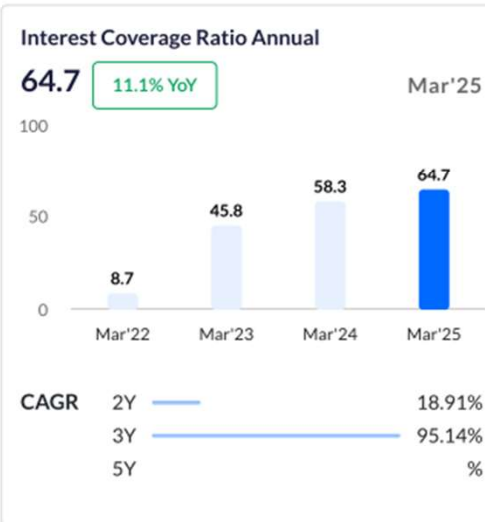
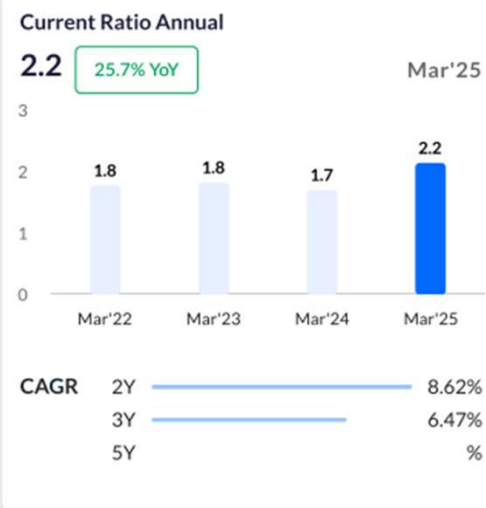
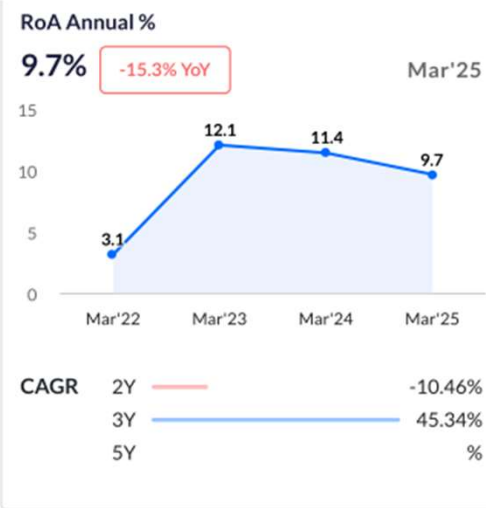
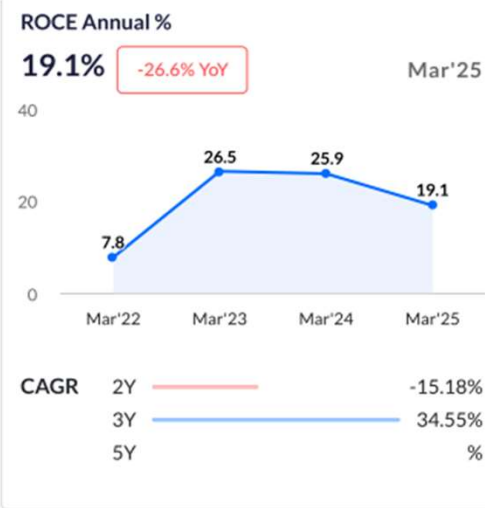
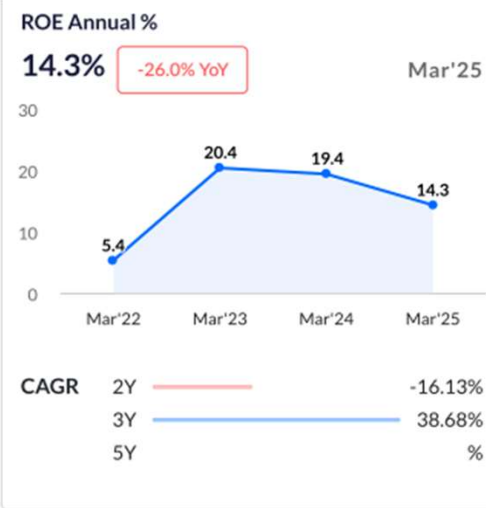
DCF Valuation- INTERARCH BUILDING SOLUTIONS LTD

INR Crores

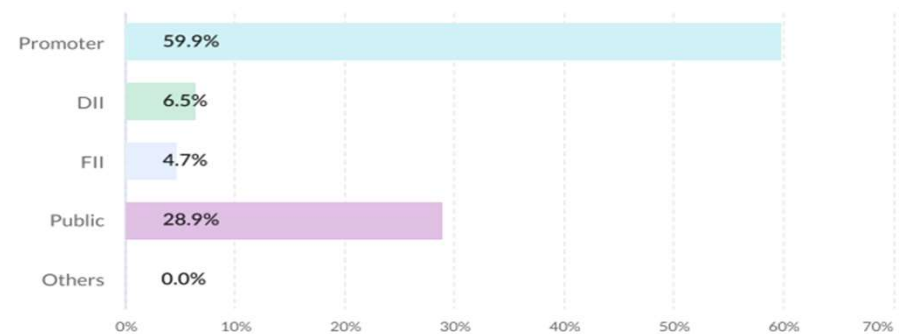
	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30
Operating Cash Flows	39	26	31	82	54	72	80	89	97	106
% Growth YOY		-32%	20%	161%	-34%	34%	12%	11%	10%	9%
Capital Expenditure	(5)	(4)	(14)	(25)	(66)	(66)	(80)	(94)	(109)	(123)
% Growth YOY		-20%	250%	79%	164%	0%	22%	18%	15%	13%
Free Cash Flow to Firm	34	22	17	57	(12)	6	0	(5)	(11)	(17)
% Growth YOY		-34%	-22%	227%	-122%	-149%	-94%	-1455%	107%	52%
Discount Period						1	2	3	4	5
PV to FCF						5	0	-(,5)	-(,11)	-(,17)
EBIDTA	14	37	111	120	136	182	215	248	280	313
% Growth YOY		174%	199%	8%	14%	34%	18%	15%	13%	12%
FCFF/EBIDTA	248%	60%	16%	47%	-9%	3%	0%	-2%	-4%	-5%

DCF Valuation	
Current Share Price	2048
Exit Multiple	10.6
WACC	12.30%
PV of Cash Flows	-(,27)
Terminal Value	3,319
PV of Terminal Value	1,655
Enterprise Value	1,627
Less : Debt	20
Add : Cash	198.78
Equity Value	1,806
No of Share	1.66
Eq Value/Share	1,085.43
Upside Value	53%
Upside Target	3133.432
Downside Target	962.5676

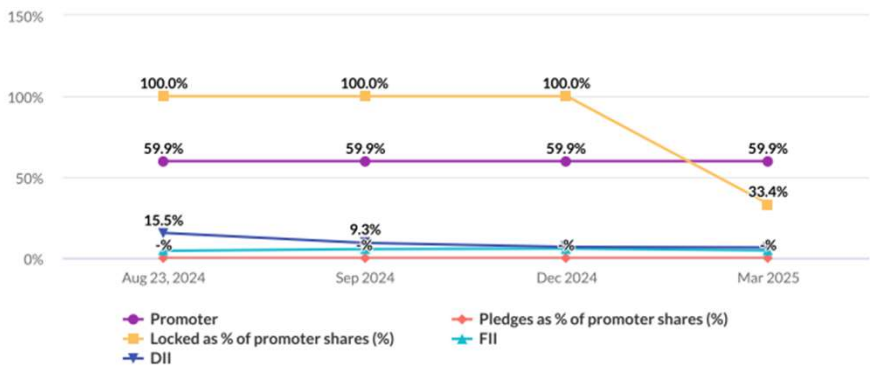
Financial Ratios



Shareholding Summary



Shareholding Trend



Mutual Fund Holding and Action

