

Inox CVA IPO TIMELINE

Events	Date
IPO Opening Date	Dec 14, 2023
IPO Closing Date	Dec 18, 2023
Allotment Date	Dec 19, 2023
Initiation of Refunds	Dec 20, 2023
Credit of Shares to Demat	Dec 20, 2023
IPO Listing Date	Dec 21, 2023

Inox CVA IPO LOT SIZE

Application	Lots	Shares	Amount
Retail (Min)	1	22	14,520
Retail (Max)	13	286	1,88,760
S-HNI (Min)	14	308	2,03,280
B-HNI (Max)	68	1496	9,87,360

Inox CVA IPO KEY DETAILS

Price Band	₹627 to ₹660
Face Value	₹2 per share
Issue Size	₹ 1459.32 crore
Reservation	QIB 20%, Retail 35%, NII 15%, Anchor 30%
Listing	BSE, NSE

FINANCIAL PERFORMANCE (Rs. Cr)

Y/E March	FY21	FY22	FY23
Revenue	594	783	966
growth (%)	-9.26%	31.82%	23.37%
EBITDA	135	168	206
EBITDA margin (%)	22.7%	21.5%	21.3%
PAT	96	130	153
growth(%)	-1.03%	35.42%	17.69%
margin (%)	16.2%	16.6%	15.8%
EPS	10.6	14.4	16.8
Total Assets	658	792	1023
Borrowings	68	55	9
Net Worth	371.5	502.2	549.5
RoE (%)	25.9	29.9	29
RoCE(%)	31.3	33.9	34.8

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INOXCVA
 INOX India Ltd.

Our Recommendation: *Inox India has a credible moat. Inox is the leading Indian cryogenic equipment manufacturer in India in terms of revenue. This industry has stringent regulatory demands and high working capital requirements. Company reported robust financial performance in last 3 years, holding orders worth Rs. 1036. Company will trade at P/E of 44x, but strong PAT margins of over 15% and high RoE in excess of 25% will justify this high valuation. Investors may subscribe this IPO for long-term gains.*

About Company: Inox India manufactures and supplies cryogenic equipment. Company business activities comprise three divisions:

Industrial Gas: The division designs, manufactures, and installs cryogenic systems for storing and distributing industrial gases, including green hydrogen and oxygen. **LNG:** The division manufactures, supplies and installs both standard and engineered equipment for LNG storage, distribution, and transportation. **Cryo Scientific:** This division manufactures equipment and turnkey solutions for scientific and industrial research in the field of cryogenic distribution with a focus on technology-intensive applications.

Business Outlook: Product portfolio comprises standard cryogenic tanks, beverage kegs, customized technology, equipment, and solutions, along with extensive turnkey projects. These find applications across diverse industries, including industrial gases, LNG, green hydrogen, energy, steel, medical, chemicals, aviation, pharmaceuticals, and construction.

Geographical Reach: As of September 2023, the company has exported products and services to 66 countries, including the United States, Saudi Arabia, the Netherlands, Brazil, Korea, the United Arab Emirates, Australia, and Bangladesh

IPO Objectives:

- Achieve the benefits of listing the Equity Shares on the Stock Exchanges.
- Carry out the Offer for Sale of up to 22,110,955 Equity Shares by the Selling Shareholders.

Financial Performance: The company's revenue has been growing since 2021. In the last 3 years, revenue has increased by 62% from Rs. 594 crores in 2021 to Rs. 966 crores in 2023. Company's net profit increased to Rs.153 crores in 2023 from 96 crores in 2021. As of September 2023, the company's order book stood at Rs. 10,366.09 million.

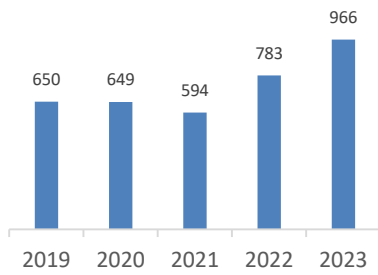
Key Strength:

- Largest Indian supplier of cryogenic equipment by revenue. In FY22, company's revenue was 4x higher than the second-largest player in segment.
- High customer retention – Repeat customer accounted for 49% of its FY23 revenue.
- Emerging as an interesting proxy for the emerging alternate energy space

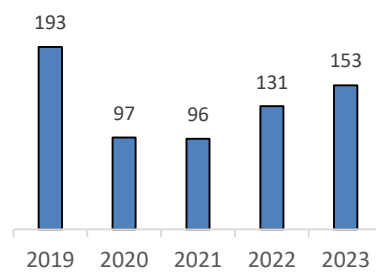
Key Weaknesses:

- Revenue concentration – In FY23, 47% of revenue came from top 10 customers.
- Company has high cash conversion cycle and requires debt for working capital.

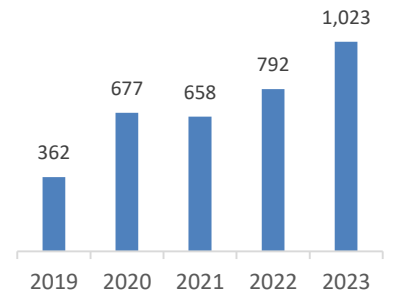
Revenues (INR Cr)



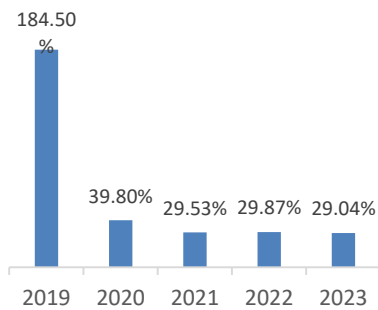
Net Profit (INR Cr)



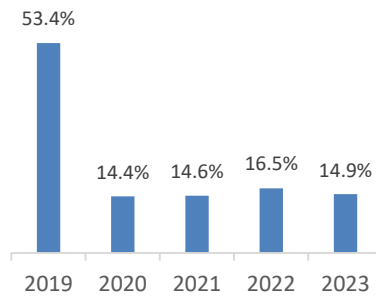
Total Assets (INR Cr)



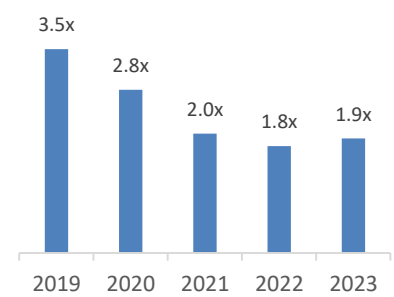
Return on Equity (%)



Return on Assets (%)



Financial Leverage



Disclosure:

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