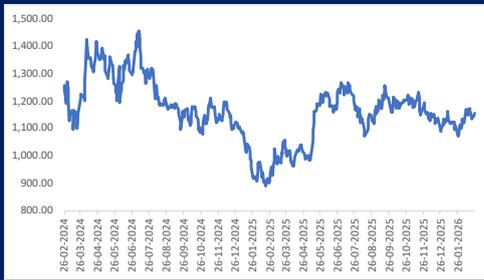


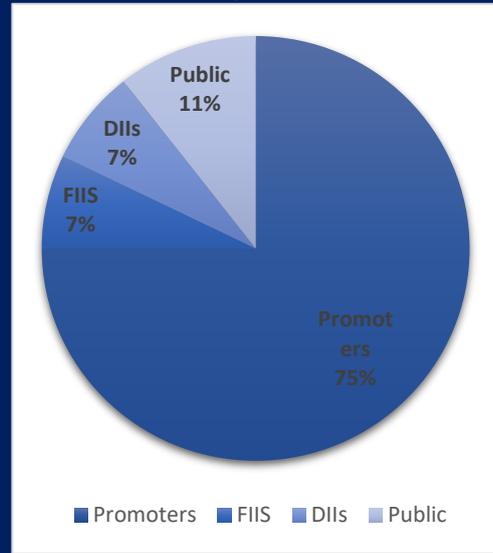
**Key Information**<sup>###</sup>

NSE Code	INOXINDIA
BSE Code	544046
Shares o/s (Cr)	9.08
FV (₹)	2
Latest EPS (TTM) ₹	27.34
Latest PE Ratios (x)	41.4
Latest BV ₹	108
51 Wk H (₹)	1288
52 Wk L (₹)	892

Price Chart\*



Shareholding Pattern Dec'25



Source: Capitaline Data Base, EFL Research, Company Investor Presentation

Inox India offers end-to-end solutions in cryogenic applications, particularly storage tanks. It specializes in the supply of cryogenic equipment, like storage tanks and delivers comprehensive solutions for handling, storing, and transporting gases at extremely low temperatures.

It exports to over 100 countries, including the United States, Saudi Arabia, the Netherlands, Brazil, South Korea, the UAE, Australia, and Bangladesh.

**Investment Rationale**

**Strong Market Position**

The company is the largest manufacturer in India’s cryogenic tank segment, commanding an estimated 70–75% market share in FY2025. It also holds leadership positions across allied product categories, including cryogenic containers (~50% market share), vaporizers, and disposable cryogenic cylinders. Additionally, it is the largest exporter of cryogenic tanks from India.

In the keg division, the company has secured approvals from leading global brewers such as Heineken, AB InBev, and Molson Coors, which together command over 40% of the global beer market. This strengthens its position in the international beverage keg segment, which is margin-accretive, as export keg margins are ~2–3% higher than domestic margins.

The business also benefits from high entry barriers, driven by deep technological expertise, stringent quality standards, and the need for specialized certifications, limiting competitive intensity and supporting its leadership position.

**Marquee Clientele**

Over the years, the company has cultivated strong, long-standing relationships with established industry leaders across both domestic and international markets, diversified across multiple end-use sectors. These enduring partnerships enhance revenue visibility, strengthen order inflows, and contribute meaningfully to overall business stability and resilience.

**Key clients include:**

- **Industrial Gases:** Air Liquide Global E&C Solutions, Gulf Cryo
- **LNG & Energy:** Shell Energy India, IRM Energy Limited
- **Engineering & Scientific Projects:** Hyundai Engineering and Construction Co Ltd, ITER
- **Space & Healthcare:** Indian Space Research Organisation
- **Beverages (Kegs):** Heineken, AB InBev, Molson Coors

These marquee associations strengthen its credibility and global positioning.

***Beneficiary of multiple structural trends***

The company is a niche leader in cryogenic capital equipment across LNG, industrial gases, and scientific applications, well positioned to benefit from LNG growth, clean energy transition, rising industrial gas demand, and expanding scientific infrastructure.

Beyond LNG, it has expanded into high-growth sectors including semiconductors, railways, healthcare, industrials, and space, with strong ties to ISRO for lunar missions, propellant tanks, and ASUs.

Its Cryo-Scientific Division supports global fusion, particle accelerator, space, and medical imaging projects through specialized cryogenic distribution systems. Partnerships with leading scientific institutions to supply advanced components highlight its strength in precision cryogenic engineering.

It also has a presence in the defence sector through its involvement in Air Independent Propulsion (AIP) systems deployed in Kalvari-class submarine. Additionally, it is developing liquid oxygen (LOX) tanks and collaborates closely with the Defence Research and Development Organisation (DRDO), reinforcing its position in strategic, high-technology defence programs.

***Growing order book provides revenue visibility***

It maintains a strong and diversified order backlog, supporting medium-term revenue visibility. It has steady order book of ₹ 1,457 cr as on 31st December 2025.

In Q3 FY26, the quarterly order inflows have grown to ₹450 cr from the previous levels of ₹350-400 cr. The management remains confident of gaining the order book growth momentum going forward. Of this, 63% is from exports and 37% from domestic market, indicating its strong global presence.

***Steady operational performance***

Over the past few years, the company has demonstrated strong operational efficiency and a solid balance sheet, reflective of disciplined management and healthy profitability metrics.

It has maintained impressive returns on capital, with ROCE around ~40% and ROE near ~25-28%, suggesting that it uses its capital and equity very effectively to generate profits— an achievement for a capital-intensive manufacturing business.

Its EBITDA margin has remained robust (~21-22%), indicating stable operating performance even amid cost pressures.

The company continues to maintain steady balance sheet position with stable interest coverage ratio. As on 30th September 2025, debt stood at ₹91 cr with cash & cash equivalents of ₹303 cr, thus making it a net debt free company.

Overall, the company's financial leverage, high interest coverage, and efficient capital deployment underpin a robust financial position and operational resilience.

**Risks**

**Rising competition**

Rising international competition is a key risk, with exports contributing ~53% of revenue amid relatively modest global scale. The company faces growing pressure from players like CIMC-Enric and Chart Industries, alongside customer insourcing that may impact its addressable market and pricing power.

Domestically, the entry of TIL Ltd into the cryogenic space (via TCPL acquisition) intensifies competition, supported by partnerships with Burckhardt Compression and Sapphire Technologies, making competitive intensity a monitorable risk.

**Macro risks**

Revenue growth remains vulnerable to delays in LNG and scientific project order inflows. Additionally, a global economic slowdown could reduce infrastructure investments, dampening demand. Any sharp increase in LNG prices may further delay LNG adoption, impacting future growth visibility.

**Valuations & Recommendation**

Inox India Ltd is a structurally advantaged niche capital goods company with strong positioning in cryogenic equipment across LNG, industrial gases, and scientific applications. The company is well placed to benefit from global megatrends including LNG adoption, hydrogen economy development, semiconductor manufacturing expansion, and increasing industrial gas consumption.

We value the company based on FY27E EPS of ₹36 and assign a forward P/E multiple of ~46x, arriving at a target price of ₹1,656.

**Financials**

	Q3 FY26	Q3 FY25	YoY	Q2 FY26	QoQ	9m HY26	9m HY25	YoY	FY25	FY26E	FY27E
Operating Revenue	429	334	28.5%	358	19.6%	1126	937	20.3%	1306	1548	1818
EBIDTA	94	69	36.5%	78	20.7%	248	203	22.2%	285	340	400
EBIDTA M	22.0%	20.7%		21.8%		22.0%	21.7%		21.8%	22.0%	22.0%
Profit for the Period	61	58	4.0%	61	-0.2%	183	161	13.8%	226	279	327
Profit Margin	14.2%	17.5%		17.0%		16.2%	17.1%		17.3%	18.0%	18.0%
EPS (Dil)	6.69	6.43	4.0%	6.70	-0.1%	20	18	13.8%	25	31	36

Sources: NSE, Mint, ET, Yahoo Finance, Investing.Com & CNBC TV18, EFL Research

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EFL's recommendation nomenclatures (12 months investment horizon)	
BUY	>15%
Accumulate	5% to 15%
Hold	5% to -5%
Reduce	-5% to 15%
Sell	< -15%
NR (Not Rated)	No specific call on the stock
UR (Under review)	Stock being reviewed – rating may change shortly

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