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Date: 14th February, 2025

Corporate Relations Department BSE Limited 1st Floor, New Trading Ring Rotunda Building, P J Towers Dalal Street, Fort Mumbai – 400 001	The Manager Listing Department National Stock Exchange of India Ltd Exchange Plaza', C-1, Block G, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051
Scrip Code: 544046	Symbol: INOXINDIA

Subject: Transcript of Conference Call with the Investors / Analysts.

Dear Sir/Madam,

The Company had organized a conference call with the Investors/Analysts on Monday, 10th February, 2025. A copy of Transcript of conference call held with the Investors/Analysts is enclosed herewith and the same is also uploaded on the Website of the Company.

You are requested to take the same on your record.

Thanking you.

Yours faithfully,

For INOX India Limited

Jaymeen Mohanbhai Patel
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INOX INDIA LIMITED (Formerly INOX India Private Limited) BARODA

Jaymeen Patel
Company Secretary & Compliance Officer

INOX India Limited Q3 2025 Earnings Conference Call

February 10, 2025

MANAGEMENT: **MR. DEEPAK ACHARYA – CHIEF EXECUTIVE OFFICER, INOX INDIA LIMITED**
MR. PAVAN LOGAR – CHIEF FINANCIAL OFFICER, INOX INDIA LIMITED
MR. SUNIL LAVATI – INVESTOR RELATIONS, INOX INDIA LIMITED

MODERATOR: **MR. MOHIT KUMAR – ICICI SECURITIES**

Moderator: Good morning, ladies and gentlemen. Welcome to the INOX India Q3 FY'25 Earnings Conference Call hosted by ICICI Securities.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mohit Kumar from ICICI Securities. Thank you, and over to you, sir.

Mohit Kumar: Thank you, Liza. Good morning. On behalf of ICICI Securities, I welcome you all to the Q3 FY '25 Earnings Call of INOX India.

Today, we have with us from the Management, Mr. Deepak Acharya – CEO; Mr. Pavan Logar – CFO; and Mr. Sunil Lavati from Investor Relations.

We will begin with opening remarks from the Management, followed by Q&A.

Thank you. And over to you, sir.

Deepak Acharya: Well, thank you, Mohit. I will continue with my comments.

Dear shareholders and investors, a very warm welcome to the earnings call for our 3rd Quarter and 9 months ended December 31, 2024. On behalf of the entire INOX India team, I would like to wish you and your families a very Happy New Year.

Our results, investor presentation and press release are available on the stock exchange as well as on our website. With the belief, you had the chance to go through it. I will go through the operational performance of the quarter in detail for all the segments. My colleague and our CFO, Pavan Logar, is with me on this call. And he will take you through financial performance, post which we will open the forum for Q&A.

There are varying perspectives on India's economic growth, with the credit rating agencies such as Fitch and CRISIL expressing confidence in a strong performance in the second half of the current financial year, despite government of India lowering the GDP growth projections for a full year, as per the first annual advance estimate released last month.

Rating agencies anticipate a revival in private sector capital expenditure, supported by inflation remaining well within the Reserve Bank of India's target range, which highlights that favourable interest rate policies and substantial infrastructure investments have created an encouraging foundation for robust corporate credit growth in Q4 FY '25 and beyond.

Despite challenges stemming up from the geopolitical uncertainty, tight monetary conditions, elevated interest rates and subdued demand, the government has responded decisively to mitigate the slowdown.

The Union Budget 2025 outlines the strategic measures to accelerate consumption, catalyze private sector investments, and reinforce public infrastructure spending, ensuring momentum toward high-growth trajectory. By stimulating demand through tax relief, bolstering capital expenditure via state allocations and maintaining fiscal discipline, the budget strikes a prudent balance between the short-term economic stimulus and long-term stability.

Building on its commitment to a sustainable energy future, the government has once again prioritized transformative initiatives, this time by opening the nuclear energy sector to private investment.

Following last year's focus on solar rooftop, this year, emphasis on nuclear energy is a commendable step toward ensuring broader energy access to the security. The INR 20,000 crore allocation for Nuclear Energy Mission, particularly for small modular reactors, is a visionary move that will accelerate the adoption of efficient and sustainable nuclear power.

At INOX India, we are proud to continue to this transformative journey through our expertise in cryogenic storage, hydrogen handling and advanced cooling technologies and robust solution, supporting SMRs and fusion energy. The budget underscores a strong commitment to energy security, and we look forward to playing a pivotal role in shaping India's clean energy future.

Amidst the contrasting views of the economic growth, the 3rd Quarter marked a strong recovery for INOX India, as was evident in our top line and bottom-line growth, which was robust from the sequential standpoint as well. Strong performance on order flow in all business segments led to the overall growth in the 3rd Quarter as we remain on track to achieve the guidance for the full year. The orders received during the quarter solidifies our position as a leader in new age energy solution provider.

For the 3rd Quarter, we reported a revenue of INR 349 crores and EBITDA of around INR 83 crores, while profit after tax stood at INR 57 crores.

Coming to the segment-wise performance, I will begin with our largest business segment. That is Industrial Gas solutions:

During the quarter, we received a significant contract from Highview Power U.K. for their upcoming liquid air energy storage facility at Carrington, Manchester, UK. Under the contract, INOX India will supply 5 vertical 690-meter-cube high-pressure EN Design vacuum-insulated cryogenic tanks for the project.

This contract makes INOX India's entry into the cutting-edge field of liquid air energy storage and represent the Company's first order for the liquid air energy storage project. This installation would be the first instance of cryogenic tanks being used at industrial scale for storage of clean energy. We have received orders from domestic customers on storage and transport equipment. And we have also secured orders for ammonia IMO containers from our group Company, slated for delivery in Q4 of this current fiscal year.

In Industrial Gas segment, the robustness of the steel industry inspires confidence as we anticipate significant expansion over the next decade, with the steel production capacity aimed to increase to 300 million tons by 2030 from the current 180 million tons.

Moving on to the LNG segment:

During the quarter, INOX India achieved a significant milestone by securing its largest-ever order in the LNG business. This prestigious contract encompasses the comprehensive turnkey design, engineering and supply of state-of-the-art Mini LNG receiving and regasification terminals located in The Bahamas.

The terminal will play a pivotal role in supplying natural gas to an advanced 60-megawatt combined-cycle power plant, operated by an independent power producer, specifically designed to provide sustainable shore power to the cruise ships at the bustling Nassau Cruise Port. This would be the largest installation of double-walled vacuum-insulated cryogenic tanks in the world and also the largest one ever made by our Company.

This is the result of 2 such projects successfully completed by the Company in the past few years: in Scotland; and second one, in Caribbean Island. Beyond its immediate operational goals, the largest mini-LNG terminal is envisioned to serve as a benchmark for LNG distribution hubs, addressing the energy needs of smaller users while fostering power generation that is critical across The Bahamas.

Notably, the facility will feature an unparalleled collective storage capacity of 15,000 metric ton of LNG, making a global first with the installation of the largest double-walled vacuum-insulated LNG storage tank. This groundbreaking project underscores INOX India's commitment to delivering innovative and scalable solution to advance the energy landscape.

The segment is experiencing a robust demand of LNG storage and transportation tanks. As manufacturers are increasingly prioritizing sustainable practices, in a significant step toward environmental stewardship, steelmakers are transitioning to LNG power trailers for the eco-friendly transportation of finished goods, significantly reducing carbon emissions and promoting cleaner logistics across the supply chain.

We are honoured to collaborate with Lloyds Metal & Energy, one of the India's leading iron ore producers and power generation companies, on a landmark project in Gadchiroli, Maharashtra. Under this collaboration, INOX India will provide a larger fleet of LNG trailers to ensure the facility demand for LNG is consistently met. The unique proposition of this is it will be the largest LNG facility in India catering to the industries without direct natural gas pipeline connectivity.

This project not only underscores the adoption of cleaner energy solutions in industrial operations, turning the manufacturing green, but also makes a meaningful societal impact. LMEL aims to use LNG as its prime source of fuel for its 4 million tons per annum pellet plant at Gadchiroli. The LMEL is transporting LNG by road, despite challenging remote locations around 1,100 kilometers from the port. This is one of the first initiatives taken by the steel companies to shift from coal to LNG as a fuel, to reduce the carbon emissions; and this will open big market to the Company in the future.

By employing trailers, the initiative is setting a precedent for sustainable practices in transportation. More importantly, the project has become a beacon of hope in the region providing new opportunities for individuals seeking a fresh start. It has positively influenced citizens impacted by the left-wing extremists, who have chosen to embrace rehabilitation and join the mainstream workforce by finding employment in this project. This transformative effort reflects the dual commitment to environment sustainability and inclusive societal development, showcasing how innovative energy solutions can drive both industrial progress and regional upliftment.

As far as progress on LNG fueling station is concerned, the commissioning of fueling station is steady. The country has seen around 40, 50 fueling station operations, so far. With the viability of LNG fueling station improving as more vehicles come onboard, the acceleration is likely to pick up. We believe prominent automotive manufacturers has a vision of launching 1 million LNG trucks by 2035 and it will be the game changer for industry and for us. INOX India has also supplied LNG fuel tanks to railways, for which demonstration and trials are going on.

Now moving to the Cryo-scientific division:

The quarter witnessed repeat maintenance orders from ITER France. We also received order from Wroclaw University of Science and Technology, Poland for feed boxes and **T** branches. Prospects of CSD division is improving, because of big science projects coming in Europe and U.S..

In the Stainless Steel Keg segment, we are pleased to report significant traction, with sample orders successfully delivered to leading breweries across Europe and United States. We are in the process of getting our facility audited by these breweries.

The result of our efforts in the past quarter will reflect in Q4 due to conducive demand environment. We are proud to announce that our keg facility has earned the prestigious FSSC 22000 certification, underscoring our unwavering commitment to Global Food and Safety Standards.

This milestone enhances our credibility and solidifies our position as a trusted partner for both domestic and international customers as FSSC 22000 certification will be the USP for our product, maybe the first in Asia for this kind of segment. And we believe it provides us with a distinct competitive advantage setting us apart in the market.

For this segment, the season starts from January to July. The major breweries have started sending requests for their renewal requirements, and we hope to convert these requests to order in next quarter.

Coming to the important quarterly business numbers:

Our order backlog on 31st December 2024 was INR 1,341 crores, with 45% coming from Industrial Gas, 36% coming from LNG and 19% coming from Cryo-Scientific division. Exports comprised of 63% of the total order backlog.

In terms of sales, 68% of the income has come from IG, 14% from LNG, 13% from Cryo-Scientific division. Total order inflows during Q3 was INR 493 crore, comprising 41% from IG, 49% from LNG and 10% from the Cryo-Scientific division.

Concluding my speech, I would like to reiterate that INOX India is well on track of achieving the guided numbers for FY '25, as we continue to see growth traction coming from conventional businesses and also reporting strong order flows from new age energy areas like liquid air storage and mini-LNG terminal, as witnessed during the current quarter. We are optimistic about the growth opportunities in this segment as LNG evolves as alternative marine fuel, enabling us to set up a new benchmark for our customers.

I'd like to thank you all for your patient hearing. I now hand over to Mr. Pavan Logar, our CFO, who will share financial numbers in detail with you. Thank you so much.

Pavan Logar*:* Thank you, Deepak. And good morning to everyone. I shall summarize financials for the quarter and 9 months ended 31 December of 2024. Let me share the numbers for Q3 and 9 months.

The total income for Q3 was INR 349 crores, which grew by 18.2% Y-o-Y. The EBITDA for Q3 was up by 17%, stood at INR 83 crores. Our quarterly PAT grew by 17.4% to INR 57 crores.

The 9-month income stood at INR 971 crores, grown by 10.7% Y-o-Y. The 9-month EBITDA grew by 8.6% to INR 235 crores. PAT grew 4.3% to INR 158 crores for 9 months. The Company has a comfortable net free cash of 293 crores as of December '24, which provides us adequate room to raise debt in the future.

That concludes my update on the financial highlights of the Company. I shall now request the moderator to open the floor for a question-and-answer session. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. Anyone wishing to ask a question may please press "*" and 1 on your touchtone telephone. If you wish to remove yourself from the question queue, you may press "*" and 2.

Participants request to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Prakash Kapadia from Spark PMS. Please go ahead.

Prakash Kapadia: A couple of questions from my end. If I look at the order book of INR 13.41 billion, what is the likely growth rate in '26? And is it right to say, based on the current order book and execution, FY '26, we should see slightly EBITDA margins which are better than what we are currently witnessing, because the backlog is more towards LNG and cryo and lesser towards Industrial Gas?

Secondly, any seasonality in Q4 we see like other capital good companies or it is more or less similar for us?

And lastly, any pipeline orders you can talk about? Are we L1? What is the submission or pipeline looking like? So, these were my 3 questions. Thank you.

Deepak Acharya: Yes. Thank you very much, Prakash. I mean if we answer question as per the sequence.

Deepak Acharya: Whatever target for the next year, we have considered, and the growth in each area. I'm not saying only LNG or CSD. But if you consider all the areas, including Industrial Gas, LNG and CSD. We are very optimistic about that we will achieve these targets, because we see a lot of opportunities. And our guidance, what we have provided is like around 18% to 20% growth year-on-year. I think we are very confident to achieve.

And another question, what you asked, about the margins: Definitely, we told you last time as well, the margins are slightly better when we go for mega projects like whatever we have received in Bahamas and many other complex projects the margins are better. So, slightly, we will see the improvement, but overall, we will still maintain whatever the projections we have given. And what was your last question?

Prakash Kapadia: Any seasonality for Q4 like Capital Goods companies?

Deepak Acharya: Yes. There is hardly any seasonality. Normally it is like, in the first 2 quarters in India, mostly you can say around 20% to 25% of revenue takes place in first and second quarter. And 3rd and 4th Quarters is slightly better than that, but overall, there is no seasonality impact on our products, because these products are used in a variety of industries. And seasonality doesn't impact our order booking. So, slightly, order booking and even the revenues are better in the third and fourth quarter.

Prakash Kapadia: So, H2 is slightly better but not much of a variance we have witnessed?

Deepak Acharya: Not much from 25%, it can be like 28% to 30% in 3rd and 4th Quarters.

Prakash Kapadia: And any pipeline orders you can talk about, sir?

Deepak Acharya: Pipeline, yes. We have very good orders for the next year now. We have almost INR 1,340 crore orders. Still, we are getting more orders, so I think the next year opening backlog for the next year should be very substantially good. And whatever numbers we have projected for next year, we are quite confident that we will achieve. The only small change this year that has happened, that more of such big project orders, we are receiving, so the period of manufacturing is slightly more into these big projects.

So, revenue generation is not that fast as we expected this year, but definitely, whatever numbers, we have expected, so next year should be very smooth for us. And the capacity expansion was also going on this year for the increased business or the increased revenue. And I think, by end of March, our capacity-building expansion, infrastructure expansion will also be over, so we don't feel any stress for the next year, looking to the targets which we have planned.

Prakash Kapadia: Understood. Thank you. That was helpful. I will join the queue for more questions.

Moderator: Thank you. The next question is from the line of Dhruv Shah from Dalal & Broacha. Please go ahead.

Dhruv Shah: Thank you for the opportunity. I hope I am audible. Sir, one question regarding your segmental revenue of 15 crores. Can you give a bifurcation as to what that caters to? Is it related to beverage kegs?

Deepak Acharya: For Quarter 3?

Dhruv Shah: Yes, Quarter 3.

Deepak Acharya: So, we got order from one of the breweries in India. Roughly around 25,000 kegs, we received the order, but that's not a substantial amount what we received. The main order which we have received is because of this Bahamas Project and Highview Power in U.K. So, these are the 2 major projects which has resulted into higher order book in the Quarter 3.

Dhruv Shah: No. Sir, my question, regarding your segmental revenue of INR 15 crores, which you stated as other revenue. What is that pertaining to?

Deepak Acharya: Other revenue...

Dhruv Shah: Yes.

Pavan Logar*:* Other revenue is especially related to the mutual funds which we have. Investment is there and scrap income is there. All these incomes are coming in other revenue.

Dhruv Shah: Okay. So, regarding your beverage kegs, what has been the revenue in Q3? And how many kegs have you sold, so far?

Deepak Acharya: In Q3, we have sold around 13,939 kegs. And still 5,000-6,000 is pending, which we will be supplying in January. We're around INR 7 crores of revenue in Q3 for beverage kegs.

Dhruv Shah: And year-to-date, what will be that number, sir?

Deepak Acharya: Total?

Dhruv Shah: Yes, total 9 months.

Deepak Acharya: Total 9 months for beverage kegs, it will be around INR 19 crores and we may end up into INR 30-35 crores by end of March but, for the Savli plant, definitely put together like the new cryo shaft and repair facility for the VVTS, we will end up into something around 200 crores revenue from the Savli plant this year.

Dhruv Shah: My next question is regarding your disposable cylinder business. What has been the revenue from disposable cylinders in Q3 and for 9 months? And how many units have you sold, so far, for Q3 and 9 months as well?

Deepak Acharya: Just hold on. Let me get there. Can you go to the next question, if you have?

Dhruv Shah: Sure, yes. Sir, just wanted to know your comment on ISRO project. So, about INR 4,000 crores worth of budget has been sanctioned. So, when do you expect significant revenue to flow through from this project since we already supplied equipment for the second launchpad?

Deepak Acharya: Yes. The third launchpad project is on now. And the total budget which is sanctioned by the government is something around INR 3,985 crores. So, this is the total budget sanctioned for the third launchpad. RFQ is in process. It will take around 5 to 6 months for making the RFQ, and then only the tender will be released. If all that goes well, only by end of the next year that is third or fourth quarter, only we can expect some order. And the revenue generation will take place around 12 to 18 months after that.

Dhruv Shah: Okay, understood, sir.

Deepak Acharya: 5 years project.

Dhruv Shah: 5-year project, okay. And sir, my last question was that regarding your quarterly order inflow. So, we used to be in the run rate of INR 300 crores, INR 310-odd crores for the past couple of quarters. That is now inching up to about INR 500-odd crores. So, do you expect to maintain this kind of quarterly run rate for order inflows?

Deepak Acharya: It's very difficult question to answer, but definitely, this quarter, I told you that we had 2 big orders, one from Highview Power and one from The Bahamas. So, that was you can say added to this big order flow. And such orders, if we continue to get in future, we will be adding around 350 crore or odd every quarter.We will have at least 15% to 20% growth every quarter now. Because we have substantial opportunities in different sectors.

Dhruv Shah: Right, sir. Thank you, sir. And just if you can just get the numbers on disposal cylinder, that will be all.

Pavan Logar: Yes, yes, yes. Disposable cylinders we sold in December was 14,77,000.. And the sale value was INR 91 crores.

Dhruv Shah: INR 91 crores, okay, okay.

Pavan Logar: Yes.

Dhruv Shah: This is for 9 months, right?

Pavan Logar: **Yes.** Against last full year, of INR 97 crores.

Dhruv Shah Understood, sir. Okay. Thank you. I will join back the queue.

Moderator: Thank you. The next question is from the line of Athreya Ramkumar from ithought PMS. Please go ahead.

Athreya Ramkumar: Thank you for the opportunity. So, my first question is on our guidance itself. So, you just stated that we are confident of achieving the 18% to 20% guidance for the current financial year, but so far, if you look at the run rate, it implies that we will probably have to hit 400 crore revenue in Q4, to achieve this growth rate for the full year. And based on history, it seems like Q3 is the best quarter, and Q3 was at INR 330 crores. So, what's giving us the confidence of Q4 being significantly better than Q3 itself, when historically that has not been the case?

Deepak Acharya: I told you in overall industry-wise in India, Q4 is the best quarter, which is normally total revenue generation is almost 30% in this quarter. And secondly, we had very good orders in hand which are under progress. And many customer-specific jobs are likely to get dispatched by end of March, and that is giving us a confidence that we already worked out for the quarter. So, 400-plus crore revenue will be minimum what we can achieve in Quarter 4. That will end up into our targeted revenue plan for FY '25.

Athreya Ramkumar: Sure, sir, got it. And secondly, I noticed also that the Company had initiated anti-dumping on the LNG fuel tanks which are imported from China, so I just wanted to understand how our products are priced in comparison with the Chinese products. And are we seeing some competition from them?

Deepak Acharya: So, you're talking about fuel tanks?

Athreya Ramkumar: Yes.

Deepak Acharya: Yes. We have put anti-dumping case for China, and mostly it is in our favor. And the discussions are still going on. Though we are in a position to manufacture to the level what they are selling, that is very marginal as of today, so by putting anti-dumping, we would like to improve our margins. That was the first important thing.

And secondly, what we have seen is like both major automotive manufacturers, they are banking upon Make in India, so that advantage will be with us. So, with putting anti-dumping as a tool and making Make in India as one of the initiatives, and a strong customer support service, because this is a new area for the automotive industry. The automotive industry has not even touched the cryogenic, so far, so we have to train their people, educate them. So, all that effort is there.

And Indian manufacturers are quite confident that the Indian supplier like INOX India can only handle such projects, so they are much dependent on us. And we are also equally excited, the way in which they have planned for next year now, the LNG fuel trucks will be more and more. You will see more than 1,000 trucks are already running now. And 50 fueling station are almost on the verge of completion, so more and more fuel stations are coming in. The movement from conventional fuel to LNG will be the reality for future.

Athreya Ramkumar: Thank you, sir. But I also noticed that one of the start-ups, Blue Energy seems to be importing LNG fuel tanks.

Deepak Acharya: That is why we have put that anti dumping case on China.

Athreya Ramkumar: Yes. So, what is the exact price differential, sir, at least in percentage terms? How much cheaper are they?

Deepak Acharya: They are cheaper by around 10% to 15%.

Athreya Ramkumar: Okay. Got it, sure, sir. And I just had a question on the overall revenue mix. I just want to understand what percentage of sales is probably some replacement of older tanks versus fresh projects or fresh demand. Do you track that internally?

Deepak Acharya: No, no, no. Normally the replacement demand is very less in the cryogenic industry, because the life of the tanks is more than 25 years. So, only a few cases, we really have the replacement demand, but majority of the infrastructure development, maybe like the steel plants, are coming up. Health care industry is moving, the Semiconductor business, the Ammonia business, Hydrogen, Helium. So, many things are coming in. And that will give us the major growth rather than the replacement, in my opinion.

Athreya Ramkumar: Great, sir. And because of the nature of the business, it's a bit lumpy as it's linked to orders being won. Are we looking at internally about as to how to improve, maybe, recurring nature of business or increasing the services part of our business?

Deepak Acharya: Yes. We are almost like whenever we get some new orders or in some new area we enter, for example, I will tell you about this small-scale LNG terminal. So, we got around 3, 4 years back, the Scotland order. So, we did that well. We got the Caribbean order. Now the Caribbean is over. We have got The Bahamas. So, there are thousands of such islands which are available in the world.

And we are targeting that how we can convert this success story to other islands, and we have got very positive response. "Yes, this will work." Similarly, on other projects as well, whenever we have something new, like suppose, for example, take the new order which we received for liquid air storage system. And this is the first of its kind in the orders.

So, far, it was only in the books in the cryogenics that such thing can happen, that you can convert everything from green for the power generation. So, if this order we execute properly and the installation is successful, I think that will change the whole industry as such, in my opinion, because it is a way of converting everything from green to power generation.

So, because the ASU plants will be running on solar and wind, and it will run the air separation plant and whatever the liquid air you will generate from this will be further expanded whenever the power shortage is there. And you can run the turbines and generate the power, so that is totally green power will be available. So, if this is a success for future, I think we can have substantial business.

Athreya Ramkumar: Sure, sir. And one final question just a bookkeeping question on the growth and other expenses. There has been close to a 30% rise, so what has led to the increase in other expenses?

Pavan Logar: Actually, we got a very big order from this ITER India for repairing of their products. And we have more than 200 crores orders with us, which is under execution, in which the material cost is very less, but the manpower cost and repairing cost is very high, which is moved in other expenses, whereas if material consumption is there, it is going to the materials side, material consumption side. And that is the basic reason. Because it's a massive work which is going on for servicing of, and maintenance of these products, all the expenses related to that is coming to other expenses. That's why other expenses are looking higher. That is the reason that my EBITDA is the same only. It is not like that my EBITDA is reduced because of these other expenses.

Athreya Ramkumar: Sure, sir. That's it from the end.

Moderator: Thank you. The next question is from the line of Sanjay Shah from Pranishta. Please go ahead.

Sanjay Shah: Yes. Thank you, sir. Just 1 question. Given the range and a variety of new opportunities opening up for the Company and just given the historic track record of around 24% CAGR in revenue, which you mentioned on the slide as well, I know this is you're talking about 18% to 20% kind of a growth. But as investors, what should we think about in terms of a 3-year looking forward kind of a growth rate Fiscal '26 and beyond?

Deepak Acharya: See, opportunity wise, there is plenty of opportunity. If really all opportunities come together, we can have huge number, you can see. But these projects, especially the big science project and other things, it doesn't happen so quickly. And the gestation period is also quite long. So, to that extent, we have to always see how we are geared up to such type of requirements. And that's why we guide for projections around 18% to 20% growth every year. And looking to this growth, even if we achieve that minimum, I can say. So, doubling will be almost like 3 and 3.5 years or 4 years max.

Sanjay Shah: And we would anticipate the similar kind of EBITDA margins, just given that the profile of business, order book, revenues is changing quite significantly?

Deepak Acharya: That is always our wish that we improve our EBITDA margins. But the consequence is the customer competition, all those things are there. But definitely, so far, we have a track record of achieving those numbers.

Pavan Logar: We have already given the range actually. Our expected EBITDA must be 21% to 25%.

Sanjay Shah: Super. Thank you, very much.

Deepak Acharya: Yes. See whenever these changes are happening, the competition is increasing. So, we have to be very careful on our operations and other aspects and try to reduce our costs to the extent possible, to see that we get maximum EBITDA margins.

Sanjay Shah: No, that's very useful. If I may just slip in, are there any additional areas that you've not spoken about, which you are thinking about venturing in or exploring?

Deepak Acharya: The growth is coming from the steel plants which are coming up, because as on today, India has around 118 million metric tons capacity, whereas by 2030 it is going to go to around 300 million metric tons. At least 10 to 12 big plants will come up. And each plant of, say, 1,000 TPD is roughly around INR 700 crores or so. So, out of that, we always get 10% of that for the cryogenic business for INOX India. So, we see around INR 4,000 crores, INR 5,000 crores new investment coming in steel plants.

Semiconductor industry is another area which we are finding that now around INR 2 lakh crore orders are already in place. So, it also requires a huge amount of industrial gases or high purity, and that high purity gases definitely require clean tanks or I can say, substantially improved variety of tanks and piping, for which already we are delivering to Micron in USA for such applications. So, semiconductor can be another area for our improvement.

Ammonia is another important area that we should concentrate, because that is the most cheapest way of transporting hydrogen in that case, because ammonia gets split into nitrogen and hydrogen, and that hydrogen can be straight away used for the other applications.

So, likewise, there are many such opportunities which are coming in. And we are tracking all such opportunities, especially on the space projects also, lot of improvements, lot of requirements are coming from the Indian Space Department as well as the big science projects, world-wide in Europe and US, many things are coming.

A lot of repair work is coming up in ITER because of so many mistakes they did in the past or whatever you can say. And they are depending on INOX India for helping them out to reinstall this equipment. So, lot of opportunities are there for us, and we are carefully evaluating the options and finding out how we can do better and better.

Sanjay Shah: That is fantastic. Thank you so much for all these insights. Really appreciate it, and all the best.

Deepak Acharya: Thank you so much.

Moderator: Thank you. The next question is from the line of Deepesh Agarwal from UTI AMC. Please go ahead.

Deepesh Agarwal: Yes. Good morning, gentlemen. My first question is you seem to be very confident on the guidance which you had given earlier, which is 20% for the year, which effectively implies almost a 50% jump in the 4Q revenue. What gives you confidence of such a sharp execution ramp-up in 4Q?

Deepak Acharya: I don't think 50% we have to achieve because so far, we have achieved around INR 971 crores and our target numbers are around INR 1,350 crores for this year. So, it's around INR 400 crores we have to do. Almost we have put out our plan for the quarter. And we are quite confident with the backlog which we have in our hand, and the supplies which we already planned in this quarter, we can achieve that. So, I don't think there is much of an issue for supplies during this fourth quarter.

Deepesh Agarwal: Sure. And sir, on the beverage kegs, I think the growth has been slower than anticipated. The scale-up has been slower than we earlier anticipated.

Deepak Acharya: I agree with you because we thought that once we had put the plant, I think the inquiries will start coming in. But somehow, the procedure in the industry is slightly different, because we were just comparing with our other products. But here for the major breweries, they take your kegs for sampling, and they keep it in their breweries for almost 3 months to see that there's no iron pickup or any degradation because of putting into those kegs.

So, that has slightly delayed. We were expecting that our approval for the major breweries will happen in Quarter 3, which is now getting shifted to Quarter 4. Maybe we have already received dates from AB InBev and Heineken for audits, and our samples are approved. That's a good sign. So, once the samples are approved, the procedure will take some time. But definitely, yes, whatever we have projected for this financial year, we may not achieve that number, but we see good progress going forward as we have received FSSC 22000 certification, which is one of the unique certifications for this industry, which talks about the quality of kegs we manufacture for the food and beverage industry.

And I'm happy to tell you this certification is the first of its kind in Asia, which we have received, with lot of our efforts and our high standard quality equipment being manufactured. So, with this as a USP for our keg plant, I see a bright future for incoming new year.

Deepesh Agarwal: How should we think about the revenue scale up from here on over next to 3 years in the kegs business?

Deepak Acharya: I think slightly it is very difficult at this moment to tell you the exact numbers, but we have put our plan for 300,000 kegs, and we should achieve that in next 1 or 2 years now.

Deepesh Agarwal: Okay. And sir, lastly, if I see the domestic order book, actually, it seems to be a little muted this time, in fact, domestic order book slipped below INR 500 crores mark. So, how have been the inquiries in domestic? And also, you can touch base where are we on the LNG refueling stations in India?

Deepak Acharya: Yes. In domestic, what you are seeing slightly low order booking as compared to perhaps last year. But again, we are seeing good growth in coming few months, and many such projects are coming in. So, we will achieve our target for the IG market for the domestic thing.

And as far as the fueling station, yes, we are also worried because government has declared 1,000 stations and now 2.5 years are over, only 50 have been commissioned so far. And I hope that speed will take place for this fueling station, and more and more fuel station will come. Because the success of this all will depend on more number of fueling stations, so that once the fueling stations are available, then the trucks and buses can come to your fueling station.

But even if there is a 50, in my opinion, it is sufficient because this Tata and Blue Energy, what you can see, they are putting tanks, which will go in 1 fill around 900 to 1,000 kilometers. So, even there is a limitation, definitely, the move will take place. And as people have seen that, the only way to reduce the carbon emission is to reduce the use of diesel, and you will see substantial improvement in the coming few months or year, because we have seen the growth of CNG in cars and other small vehicles.

And 5 years before, it was hardly 3% to 5%. But today, major companies are producing their CNG-fitted vehicles almost like 30%. So, that trend will definitely follow as even one of the major automotive manufacturer has said, that by 2035 at least 1 million trucks will be on LNG. So, if that really happens, I think there is substantial growth in this market.

Deepesh Agarwal: Thank you, and all the best.

Deepak Acharya: Thank you.

Moderator: Thank you. Ladies and gentlemen, in order to ensure that the Management is able to address questions from all participants in this conference, we request you to limit your questions to 2 per participants only. The next question is from the line of Jayesh Parekh from JMP Capital. Please go ahead.

Jayesh Parekh: My request is, you have explained very well the future possibility of growth. But for FY '26 and FY '27, can you give us guidance in terms of revenue growth and EBITDA growth, considering the order on hand of INR 1,340 crores plus expected order in next 3 to 6 months.

Deepak Acharya: I think we told you that we have a very good order book, and our next year target is almost whatever revenue we will achieve this year-end, will be at least 20% higher than what we have projected. And year-on-year, we will continue to move in that direction.

Our EBITDA range is also from 21% to 24%, we will definitely achieve. So, when backward thinking or something like that on our growth as well as the EBITDA margins. So, we have plenty of opportunities, and we are working on all front to see that how we can maximize our revenue and margins.

So, we are always working. And not only that infrastructure-wise, we have improved substantially as compared to last year. Our Savli plant for the beverage kegs is fully ready. The cryoshop is almost getting ready by end of March. We will be fully commissioning that plant. So, I think for next year, we have substantial infrastructure also ready to take care of this improved business and improved opportunities in the market.

Jayesh Parekh: Yes. And can you tell us what is the entry barrier for others to enter into the similar business?

Deepak Acharya: Yes, the entry barrier. So what we bank always upon the approvals. The approval part is very critical for this industry, because we produce the equipment which are mission critical. For example, if I want to give a tank to a hospital, he will not depend on somebody who is making 1 or 2, but someone who has been seeing this for thousands of times and we have installed so far for many hospitals. There is a word of mouth which, okay, you go and buy INOX India tank, and no problem. So, such things are happening in the market.

At the same time, it requires a very specific understanding of cryogenic as a subject. It requires application study. The designing is equally important. The R&D efforts, the new things which we have to bring in, and the approvals, because approvals is a quite lengthy process. For example, if you want to take DoT approval, it will take 1.5 years. If you want take ASME approval, it will take 1 year.

So, like that, it takes a long time, and we have got so many certifications that it is difficult for anybody to catch us, because we always expand our certification process. So, like keg plant, we did FSSC 22000, we are going for IATF for the fuel tank. So, we always expand and see whatever the new things which are coming up. And before that becomes really matured, we are into the business. So, that is the first entry into the business is always our priority.

Jayesh Parekh: Yes. So, does this give you an advantage of a higher enterprise value when you compare the current EBITDA of about INR 300 crores, plus-minus 5% for the current year. And maybe in 2 to 3 years, if you double this EBITDA to, say, INR 500 crores or INR 600 crores. So, can we say that the EBITDA multiple for enterprise value could be 20, 30x? With this advantage of entry barrier and the expected growth what you explained to us?

Pavan Logar: No, I think we keep our EBITDA to a similar level only, because the competition even if the entry barrier is there, but still, we have an international competition in the market. So, looking to the growth of the Company and looking to the international competition, we are targeting for the similar type of increase in EBITDA and PAT also.

Jayesh Parekh: Thank you very much, sir. And my best wishes for you, sir.

Pavan Logar: Thank you so much. Thank you so much, Jayesh.

Moderator: The next question is from the line of Sarthak Awasthi from Sea Funds Management India Private Limited. Please go ahead.

Sarthak Awasthi: Firstly, thanks for the opportunity. Sir, my question is on a long-term basis. Recently, the market leader has given the guidance that LNG segment should grow at a CAGR of approximately 50% globally. So, how much this tailwind will boost us and how we are looking at? And my second question is on how we are going to gain market share from the market leader?

Deepak Acharya: LNG market is a booming market, not only in India but rest of the world. And what you can see now, even U.S. is promoting LNG in a big way, which was other concentrating on hydrogen. So, I think LNG is a big mover for us, and we are concentrating on that business. As you see recently, we have received a very big order from The Bahamas for the LNG. We have already started bidding for more than 5 to 7 such projects in this quarter or in the last 6 months.

So, definitely, LNG will be big push for us. And thanks to our entire team, we have developed all products, which are required by LNG. Maybe it's a fueling station, maybe it's a LNG station, satellite stations, small-scale LNG terminals, automotive application, fuel tanks, marine fuel tanks, and so many. There is no such product which we cannot manufacture for LNG market. So, that is how we have developed ourselves, and we are hoping that we will get more and more share into the LNG business worldwide.

On the competition front. Yes, we face major competition from the U.S. manufacturer and a Chinese manufacturer. So, whenever we deal with a U.S. manufacturer, we have the advantage of our designing, getting more faster and flexibility in our designs. So, that helps us in answering all the RFQ questions by the customer very fast as compared to our U.S. competitor.

On LNG, the manufacturer from China, normally produces the standard products. They don't go for the non-standard or the custom-built products where they require a lot of engineering man hours. So, we have the upper hand over our Chinese competitor from that perspective. So, both these 2 issues, we have captured very properly in our Company. And that's why we are getting advantage and we are getting quite good orders after competing with the competitors, either from U.S. or from China.

Sarthak Awasthi: Thanks, sir. Sir, just one more question. Seeing the strong growth in this segment, do we need to incur any incremental Capex in this segment?

Deepak Acharya: Last year also, we did almost INR 100 crores. And this year also, we are doing INR 80 crores to INR 100 crores. And we are almost now ready for next 2 years from the Capex perspective and infrastructure perspective, we are now ready. If something comes up in a big way, we have full capacity to expand on the Capex, that is not at all an issue. And we will respond to it very quickly once we get the higher amount of orders.

Sarthak Awasthi: Thank you, sir. Thank you very much.

Moderator: Thank you. The next question is from the line of Divesh from Finterest Capital. Please go ahead.

Divesh Tated: Yes, sir. Sir, I have just 1 question, sir. So, I wanted to know the other income part. Sir, can you please specify what is in the other portion? And it has been rising since the last 2 quarters. So, what's the reason for that?

Pavan Logar: Yes. Divesh, the main thing of other income is that mainly 2 items are there in this. One is the scrap income, both our turnover and our production is increasing, our scrap income is also increasing. And another thing is, especially for these mutual funds, we have invested our extra funds in the mutual funds. And from the last 2 years, we are getting very good margins on this, and this is covered in other income only. And these are the basic 2 reasons of increasing our other income.

Divesh Tated: Okay, sir. So, can we assume that this will be the rate that will be going forward? INR 16 crores or INR 15 crores around per quarter.

Pavan Logar: Yes, yes.

Deepak Acharya: Around that.

Pavan Logar: Yes, around that. Yes, yes.

Divesh Tated: Thank you, sir.

Moderator: Thank you. We will be taking the last question, that is from the line of Vipin Goel from Mirabilis Investments. Please go ahead.

Vipin Goel: Yes. Thanks for the opportunity I wanted to ask a question on the LNG trailer order that we have received from the customer in India. So, just to rewind back my understanding, the trailers we were mostly doing domestic. Is this the first order that we have received? And if you could talk more about the quantum of the order and subsequently the customers…..

Deepak Acharya: So, our LNG trailers are the workhorse in India. We have supplied so far more than 200 such trailers, and the big order, which we have received from South America, and from the steel plant Company in Central India, that's a good number we are having. We are having almost backlog of 125 trailers at our place now, and we are improving our capacity to make it much faster.

So, basically, what is happening is the LNG trailers are being used where there is no pipeline. So, from the port to the station or to the point of use, they carry the liquid into the trailers, and then they put it into the storage tank and then it is used for application. This is what is normally a trend. So, wherever there is no pipeline, definitely LNG movement through virtual pipeline called through LNG trailers is a standard practice in the industry, and this is getting picked up over a period of time.

Vipin Goel: Right. And sir, would you be able to quantify the size of the order?

Deepak Acharya: It is not only the trailers, it is in totality, some tanks are there, some storage vessels are there, regasification units are there. And a substantial order, I can say. I just can't put the number.

Vipin Goel: Okay. And sir, also, if you could just quantify The Bahamas order, how big is that?

Deepak Acharya: So, Bahamas is, again, a unique opportunity for us after a successful completion of Scotland and Antigua. This is a very big project LNG terminal, you can say. There we are about 1,500 x 10 such tanks which is 15,000 metric storage facility, along with the regasification facility for the cruise ships, which come into the Bahamas station over there. And that should be completed in another 12 to 14 months, and it's also a very big order for us. One of the biggest orders we have received so far on the LNG front.

Vipin Goel: Got it. Sir, just last one on the fueling stations, and you mentioned that the ordering from the government side has slowed down from these private guys. So, in your estimate, what's the probable orders that will be tendered this year, and your market share in the coming order?

Deepak Acharya: Yes. So, far, our LNG fueling station and LCNG station, our market share is almost like 65% to 70%. That is our ratio as on today. And very recently, the GAIL, BPCL are going to release tender for additional around 15 to 20 such stations. And many private companies are also interested in putting such stations. So, definitely, maybe by next year, at least another 50 to 75 stations should come by next year.

Vipin Goel: As of now, in the current order book, there are no pending stations?

Deepak Acharya: We have some few, around 8 to 10 are pending now, because though the equipments are ready, there are slight issues on land acquisition, other issues with the customer. But hopefully, by end of March, it will be resolved.

Vipin Goel: Got it. Thank you, sir. That's it from my side. Thanks.

Deepak Acharya: Thank you so much.

Moderator: Thank you.

Moderator: The next question is from the line of Sanjeev Marwah, an Individual Investor. Please go ahead.

Sanjeev Marwah: Hi. Thank you so very much, Deepak ji First on FY '25 guidance, I just wanted to confirm that I heard it right. You were saying Q4, we will be doing at least INR 400 crores of revenues. Is that right, what I heard? I just want to confirm.

Deepak Acharya: Yes, yes.

Sanjeev Marwah: Understood. And sir, second question is, I understand like we have a significant advantage when it comes to other stand-alone cryogenic manufacturing players that we have air products, INOX Air Products also in the ecosystem, right? And that also helps in bagging the certain orders with piggybacking from them when they have to deliver to their end customers, right?

I just wanted to understand that I was reading through a couple of big wins for INOX Air Products, which was the largest air separation unit installed in Bokaro for the SAIL plant, and another was a large laughing gas, nitrous oxide plant with 99.99% purity in Manali in Chennai. So, just wanted to confirm, did we play any role in supplying the equipment to these?

Deepak Acharya: For Bokaro steel plant, we were working for the last 1.5 years now, and we have supplied or manufactured flat bottom tanks for them, storage tanks. We did a lot of interconnecting piping. At least a minimum INR 550 crores plus orders we have received from this plant.

Sanjeev Marwah: And how about this nitrous oxide plant, sir which is in Chennai?

Deepak Acharya: Nitrous oxide, we did not do anything, rather than they were having some issues with the equipment which they purchased from building perspective, where only we supported from the service point of view, but we didn't do anything for nitrous oxide.

Sanjeev Marwah: I don't know, sir, like why we not play a role there? From a customer perspective, it would help to offer a complete package than dealing with 2 different third-parties. So, just trying to understand how much of a wallet share from an equipment requirement perspective for Air Products do we have?

Deepak Acharya: Normally 8% to 10% of our total revenue, INOX Air products, we have the business.

Sanjeev Marwah: My question is the other way around, sir, INOX Air Products equipment requirement, how much does INOX India have wallet share in...

Deepak Acharya: So, whatever they buy for the cryogenic part of it, storage, distribution and this one, we always take almost 100%. So, on an average, in air separation plant, if it is INR 1,000 crores investment, we get around INR 100 crores. So, almost 10% of that.

Pavan Logar: So, they are exclusively buying from us, and we are following the transfer pricing conditions also. And they have Air Products as their partner from USA, and they are having full confidence on INOX India, and buying exclusively from us from last so many years, for more than 15, 30 years.

Moderator: The next question is from the line of Bimal Sampat, an Individual Investor.

Bimal Sampat: Yes. Good afternoon. So, 2 short questions. One is I just read somewhere that our UK buyer, Highview Power, apart from what project order they have given us, they are looking at 4 such plants, they have got orders for 4 such plants. So, are we involved in that in some way?

Deepak Acharya: We are supporting them for also their requirements. And these plants, which they're coming up is of mega size. So, what we have just got is only you can say a small amount, I can say. So, very big plants they have and we are working with them to see how we can support them for their future requirements.

Bimal Sampat: Yes. So, they have already got the orders, correct?

Deepak Acharya: They have got the order, they have floated us the inquiries and we have been giving them all chances.

Bimal Sampat: So, we have a good chance of getting that also?

Deepak Acharya: Because this is the early start advantage, we will definitely get. This is the first of its kind order in the world, I can say. So, how we serve them is important. And if that goes well, I think they'll rely us on future projects.

Bimal Sampat: And now as we are seeing LNG as a percentage of order booking, it has gone up. So, going forward, you think LNG will be 50% or more than 50% of our revenue?

Deepak Acharya: Very difficult to say that because like big projects are there, they don't come every quarter. So, they may come once in a year or twice a year. So, we are bidding for major big projects all over the world now. And this has helped us because of this IPO, our visibility in the market has grown up, so that is how we are getting the advantage for bigger projects on LNG. And as you know that now U.S. also is banking upon LNG in a big way. So, hopefully, yes, LNG will definitely give us substantial business in coming years.

Bimal Sampat: Right. Thank you very much for taking the question. Thank you once again.

Deepak Acharya: Thank you, everybody, for patient hearing, and see you some other time. Thank you so much.

Moderator: Thank you, members of the Management team. Ladies and gentlemen, on behalf of ICICI Securities, that concludes this conference call. We thank you for joining us, and you may now disconnect your lines. Thank you.