



INOX INDIA delivered in-line Q1 FY26 results with revenue increasing 15% year-on-year to ₹3,396 million, led by a robust 122% growth in the LNG segment to ₹1,020 million—the highest in the past nine quarters. Despite the top-line growth, EBITDA rose modestly by 8% YoY, reflecting a 430 basis points improvement in gross margins that was partly offset by a 39% increase in other expenses due to higher project-related costs. PAT grew 17% YoY, supported by a 136% rise in other income, driven by a ₹360 million foreign exchange gain, ₹260 million gains from mutual funds, and certain liability write-backs

Inox India is poised for robust growth in FY26, targeting an 18-20% increase in revenue driven by strong momentum across its key business segments.

The Industrial Gas Solutions division is expected to achieve 15-17% growth, fueled by innovative, high-margin products such as ultra high purity ammonia ISO containers and India's pioneering CO₂ battery storage application.

The LNG segment, accounting for nearly 30% of revenue, is set for over 20% growth supported by significant capacity expansions and favorable regulatory developments that are accelerating LNG adoption.

The Cryo Scientific division has secured a landmark ₹1.45 bn order for the ITER project's thermal shield components, further bolstering its order book. Meanwhile, the Beverage Keg division is gaining traction with global approvals and increased order volumes. Backed by a focused capex plan of ₹800 mn and emerging opportunities including ISRO's third launch pad tender, data center cooling solutions, and mini LNG terminals, Inox India demonstrates strong execution and strategic positioning for sustained, broad-based growth.

Financial Summary

Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Net sales	9,659	11,333	13,060	15,424	18,787
EBITDA	2,044	2,503	2,844	3,531	4,525
EBITDA margins	21.2	22.1	21.8	22.9	24.1
PAT	1,547	1,960	2,258	2,692	3,422
EPS	17	22	25	30	38
P/E (x)	66	52	45	38	30
P/B (x)	18	16	12	9	7
EV/EBITDA (x)	44	35	30	25	19
RoE (%)	28	30	26	24	24
ROCE (%)	38	40	33	31	31
RoIC (%)	29	31	25	24	23

Source: Dalal and Broacha

Rating	TP (Rs)	Up/Dn (%)
BUY	1,316	18

Market data

Current price	Rs	1,119
Market Cap (Rs.Bn)	(Rs Bn)	102
Market Cap (US\$ Mn)	(US\$ Mn)	1,161
Face Value	Rs	2
52 Weeks High/Low	Rs	1289 / 884.2
Average Daily Volume	('000)	89
BSE Code		532163
Bloomberg		INOXINDI.IN

Source: Bloomberg

One Year Performance



Source: Bloomberg

% Shareholding	Jun-25	Mar-25
Promoters	75.00	75.00
Public	25	25
Total	100	100

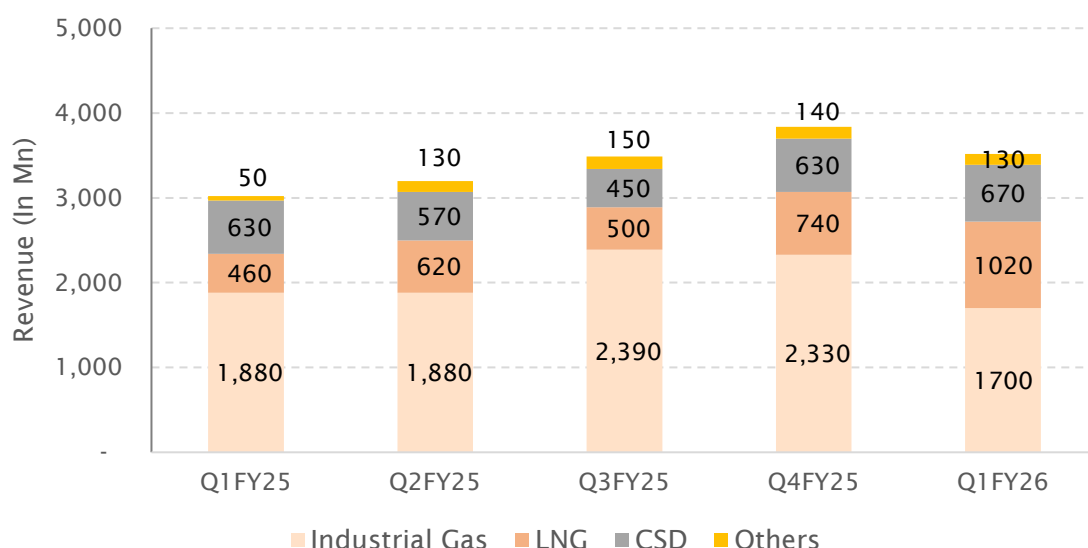
Source: BSE

Kunal Bhatia

+91 22 67141442

Kunal.bhatia@dalal-broacha.com

Segmental Highlights



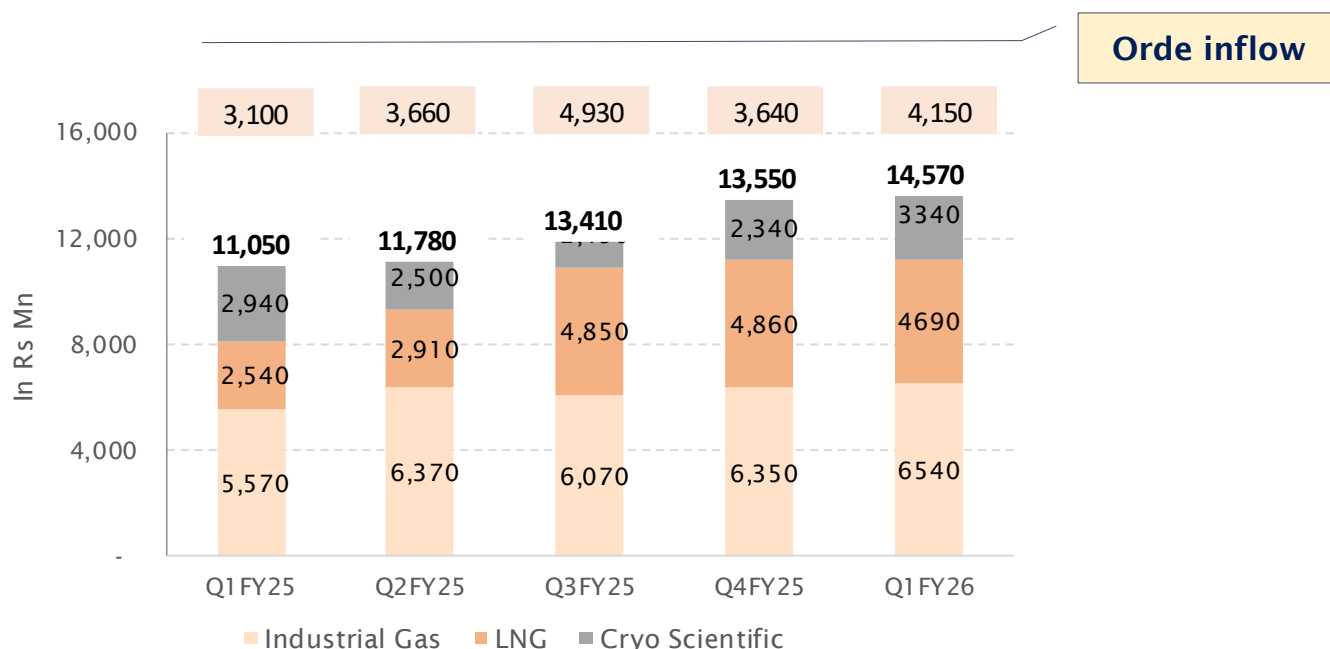
Source: Company, Dalal & Broacha Research

Quarterly Financials

Particulars (In Mn)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ(%)
Revenue from Operations	3,396	2,964	15%	3,694	-8%
COGS	1,348	1,317	2%	1,568	-14%
Gross Profit	2,049	1,647	24%	2,126	-4%
Employee Benefit Expense	339	262	30%	294	15%
Other Expenses	948	684	39%	1,021	-7%
Total Expenses	2,635	2,262	16%	2,883	-9%
EBITDA	761	702	8%	811	-6%
Other Income	127	54	136%	131	-4%
Finance Cost	7	20	-64%	12	-38%
Depreciation	76	56	35%	71	6%
Captive consumption of material	-	-	-	5	
PBT	805	679	19%	865	-7%
Exceptional Items	-	-		-	
Tax Expense	194	153	27%	210	-8%
PAT	611	526	16%	655	-7%
Adj PAT	611	526	16%	655	-7%
EPS (Reported)	6.73	5.80	16%	7.22	-7%
Margins (%)			(bps)		(bps)
Gross Margins	60.3%	55.6%	475	57.5%	277
EBITDA Margins	22.4%	23.7%	-127	22.0%	46
PAT Margins	17.3%	17.4%	-9	17.1%	22
As % of Revenue			(bps)		(bps)
Cost of Goods Sold	40%	44%	-475	42%	-277
Employee Benefit Expense	10%	9%	115	8%	202
Other Expenses	27.9%	23.1%	487	28%	30

Source: Company, Dalal & Broacha Research

Segment-wise Order Backlog & Order inflow



Source: Company, Dalal & Broacha Research

Management Concall KTAs

Segmental Highlights

- 1 Industrial Gases (~48% Revenue):** The industrial gas sector typically experiences **steady growth of around 8-10%**, with an additional 5-6% from new product introductions, aiming for a total growth of 15-17%. Q1 is usually slower due to the monsoon season affecting site work in India, with projects picking up from Q2/Q3.

Ultra High Purity Ammonia ISO Containers:

(volume opportunity in hundreds, margins higher and 1st mover advantage)

- significant milestone with the **dispatch of India's first ultra high purity ammonia ISO containers**, specifically designed for the semiconductor and solar panel sector.
- Two tanks delivered to IIPL, designed to operate at a pressure rating of 19.69 bar, 9 containers in pipeline
- Margins:** These products carry **better margins** due to their specialized, high-tech nature and stringent requirements.

CO2 Battery Storage Application breakthrough: (product margins better)

- Successful and unique development and launch of **India's first CO2 battery storage application**, the technology is for **carbon capture**, where CO2 is captured and then utilized for energy or power generation, aiming to reduce carbon emissions and provide continuous power.
- Order was received from an Italian company for a project in India.

- **Order Value/Impact:** While the initial order (26 units of 50 cubic meter tanks at 20 bar pressure) is not very large in value, its success is expected to give a significant push to the industry and lead to bigger projects in the future.

Disposable Cylinders demand from US despite tariff increase highlighting Inox's product trust: (10-12% of Revenue)

- **Refrigerant Cylinders/Stainless Steel Tanks:** Disposable cylinder sales were approximately 5-6 lakh units, translating to around ₹30 crores in Q1.
- Secured notable orders from US customers despite recent increases in import tariffs.
- **US Tariff Impact:** The increase in import tariffs primarily impacts the steel component of the cylinder cost, resulting in an effective tariff of around 14-15% on the product rather than the full 25%.
- New DOD39 approvals for A2L, and R32 gas cylinders provide an additional business opportunity, requiring 5-6 lakh additional cylinders.

2 LNG (~29% of Revenue: positive outlook for the year plus creating capacity to support 10x volumes

The company foresees **more than 20% growth** in the next 3-4 years, driven by OEM traction, marine equipment, and small-scale LNG terminals. LNG is expected to be a "winner" for the next 8-10 years as a transition fuel.

- **Pioneer in manufacturing the entire value** chain for the LNG systems, completed projects like the Bahamas, Caribbean LNG terminal and, with many new opportunities emerging in regions such as the Indonesia, Malaysia, the Philippines, Sundaman, and Andaman Nicobar, the strong track record positions INOX well as they continue to bid carefully in this sector.
- **Production:** Supplied approximately 145 tanks to major OEM manufacturers in Q1.

Capacity Expansion:

- A serial production line is established at the Kalol plant, which is being augmented to produce around **500-600 tanks** per month (5,000-6,000 units per year).
- The expansion of the existing facility involves a capital expenditure of approximately ₹5-6 crores.
- For future demand (estimated 30,000-40,000 fuel tanks in 3-5 years), the company is considering putting up an extra facility.
- An average fuel tank is sold at **₹5 lakh**.

Regulatory Support:

- The Government of India has revised regulations to allow LNG as a fuel for mobile pressure vessels in cryogenic applications, including LNG, aligning with SMTPV regulations. This is expected to accelerate LNG adoption and drive demand.
- **Fueling Stations:** Around 45 LNG fueling stations are currently operational or coming up. While new tenders from PSUs have slowed, private companies are emerging. Regulatory

changes now allow petrol pumps to be converted into fueling stations, addressing land acquisition issues (e.g., Ammani and Rani collaboration). The use of larger tanks by OEMs (990-liter, or two tanks for 2,000 km range) means fewer stations don't hamper operations. Logistic companies are also interested in setting up fueling stations at their premises.

- Cryogenic equipment and tankers are now allowed to use LNG as fuel, further boosting demand. Many companies are adopting LNG to meet carbon capture targets, comply with ESG norms, and benefit from cleaner fuel options
- Awards: Received two prestigious awards at the Financial Express Mobility Award for LNG fuel tank applications and for environmental and sustainability (recognizing work in hydrogen and clean energy).

3. CSD (~19% of Revenue):

ITER Project Success: Following successful completion of vacuum vessel thermal shield work for the ITER project, a major order for the cryostat thermal shield valued at approximately ₹145 crores has been secured.

- a. **Number of Shields:** There are around 355 cryostat thermal shields in Tokamak. Out of this, VBTS accounted for about 144-150 numbers, and CTS panels are around 200 numbers, all of which require repair

4. Beverage Kegs Division approvals received and confident of receiving orders in the coming season via tender process

- **Global Approvals:** A major milestone was securing **global approval from (AB InBev)**, the world's largest brewery. Approvals are complete with AB inBev and Henkin audit is scheduled for Carlsberg due in Sept-Oct. These approvals are expected to strengthen the case for ramping up keg volumes.
- **Distribution Expansion:** Appointed new distributors in the UK, Germany, and the US, strengthening its European and US presence.
- **Order Growth:** Received orders worth **₹6.4 crores in Q1 FY26**, up from ₹2 crores in the previous quarter, indicating growth. Also received Q2 FY26 orders for 28,000 kegs from a German company.
 - **Challenges and Outlook:** Current volumes are still below internal expectations. Targeting to sell at least **100,000 kegs this year**, with volumes expected to multiply over time once all major approvals are secured.

5 . Other KTA's

- **ISRO (Third Launch Pad):** The tender for the third launch pad is expected in December or early next year, with a three-month bidding period. Inox India anticipates securing approximately **15-20% of the total projected order** (which is close to ₹4,000 crores for the third launch), having a better chance due to its experience with the second launch pad.
- **Capex:** Total targeted capex for the current year (FY26) is around **₹80 crores**.

- **Data Center Demand:** There's a significant opportunity for Inox in the data center sector for cooling purposes (cryostats). The company is evaluating options and plans to start discussions with customers, leveraging its knowledge in technology and engineering.
- **Mini LNG Terminals:** Order flows for mini LNG terminals are expected by the beginning of next year. These are larger orders and require longer timelines for approvals, financial closures, and land acquisitions, but the company is actively discussing with most upcoming projects.

Outlook and Valuations

Inox India is targeting 18-20% revenue growth in FY26, driven primarily by its expanding LNG segment, which contributed 29% of Q1 revenue and is expected to grow over 20% in the next 3-4 years with capacity expansions and regulatory support. The Industrial Gas Solutions and Cryo Scientific divisions continue to deliver strong innovation and order inflows, including a significant ₹145 crore ITER contract. Additionally, Inox has a substantial opportunity in ISRO's Third Launch Pad project, with a potential ₹600-8,00 crore revenue share, reinforcing its position as a key partner in India's strategic infrastructure development.

With a robust ₹415 crore Q1 order inflow and a ₹1,457 crore order book, and a debt free balance sheet with liquidity of Rs 2.75bn Inox is well positioned for sustained, diversified growth

INOX INDIA Ltd @ CMP of Rs. 1,119 trades at 30x P/E on FY27E; we arrive at a target price of Rs.1,316 implying an upside of 18% from current levels. We assign BUY rating on the stock.

Financials

P&L (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Net Sales	9,659	11,333	13,060	15,424	18,787
Cost of goods sold	4,327	5,038	5,775	6,694	7,984
Employee Cost	787	1,017	1,100	1,234	1,503
Other Expenses	2,502	2,776	3,340	3,965	4,774
Operating Profit	2,044	2,503	2,844	3,531	4,525
Depreciation	-139	-181	-251	-347	-412
PBIT	1,904	2,321	2,594	3,184	4,113
Other income	202	313	407	447	492
Net Interest (Exp)/Inc	-37	-57	-85	-42	-43
Profit before tax	2,069	2,578	2,915	3,589	4,563
Exceptional Item	-	-	72	-	-
Provision for tax	-522	-618	-729	-897	-1,141
Reported PAT	1,547	1,960	2,258	2,692	3,422
Adjusted PAT	1,547	1,960	2,191	2,692	3,422

Balance Sheet (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Equity capital	182	182	182	182	182
Reserves	5,313	6,309	8,555	11,065	14,305
Net worth	5,495	6,491	8,737	11,247	14,487
MI	-	-	-	-	-
Non Current Liabilities	279	313	290	440	499
Current Liabilities	5,704	5,427	7,526	6,442	7,729
Total Equity & Liabilities	11,478	12,231	16,553	18,128	22,715
Non Current Assets	1,749	2,712	3,762	4,330	4,797
Fixed Assets	1,638	2,494	3,537	4,083	4,528
Intangible Assets	9	108	98	103	107
Investments	2	2	2	2	2
Loans	2	5	3	3	3
Other Financial Assets	18	57	58	65	73
Other Non Current Assets	80	45	64	73	84
Current Assets	9,624	9,197	10,911	13,703	17,822
Inventories	4,128	4,338	4,930	5,594	6,672
Loans	6	11	9	9	9
Current investments	2,487	2,465	2,670	2,937	3,231
Trade Receivables	1,429	1,739	2,516	2,972	3,620
Cash and Bank Balances	617	92	235	1,534	3,506
Other Financial Assets	613	54	19	19	19
Other Current Assets	318	498	531	638	765
Current Tax Assets	26	-	-	-	-
Non-Current Asset held for sale	105	108	96	96	96
TOTAL ASSETS	11,478	12,017	14,769	18,128	22,715

Cashflow (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
PBT	2,069	2,578	2,992	3,589	4,563
Depreciation	139	181	251	347	412
Net Chg in WC	-1,336	106	-1,229	-1,493	-1,532
Interest Expense	37	57	85	42	43
Taxes	-522	-618	-729	-897	-1,141
Others	1,379	-1,049	92	1,090	996
CFO	1,767	1,256	1,463	2,678	3,341
Capex	-449	-941	-1,284	-898	-860
Net Investments made	738	213	-205	-267	-294
Others	-410	447	-	-	-
CFI	-121	-281	-1,489	-1,165	-1,154
Change in Share capital	-	-	-	-	-
Change in Debts	-434	49	282	-	-
Div. & Div Tax	-1,044	-998	-	-	-
Payment & Interest on lease liability paid	-28	-31	-11	10	10
Finance Charges Paid	-31	-50	-85	-42	-43
CFF	-1,536	-1,030	186	-32	-33
Adj. on account of foreign currency translation reserve	-9	-8	-	-	-
Total Cash Generated	100	-63	160	1,481	2,155
Cash Opening Balance	12	112	92	235	1,534
Other Bank Balance	505	43	-	-	-
Cash Closing Balance + Other Bank bala	616	92	252	1,716	3,688

Ratios	FY23	FY24	FY25	FY26E	FY27E
OPM	21.2	22.1	21.8	22.9	24.1
NPM	15.7	16.8	16.8	17.0	17.8
Tax rate	25.2	24.0	25.0	25.0	25.0

Growth Ratios (%)

Net Sales	23.4	17.3	15.2	18.1	21.8
Operating Profit	21.9	22.5	13.7	24.1	28.2
PBIT	22.4	21.9	11.7	22.7	29.2
PAT	18.6	26.7	11.8	22.8	27.1

Per Share (Rs.)

Net Earnings (EPS)	17	22	25	30	38
Cash Earnings (CPS)	19	24	28	33	42
Dividend					
Book Value	61	72	96	124	160
Free Cash Flow	29	12	28	41	50

Valuation Ratios

P/E(x)	66	52	45	38	30
P/B(x)	18	16	12	9	7
EV/EBIDTA(x)	44	35	30	25	19
Div. Yield(%)	-	-	-	-	-
FCF Yield(%)	3	1	2	4	4

Return Ratios (%)

ROE	28%	30%	26%	24%	24%
ROCE	38%	40%	33%	31%	31%
RoIC	29%	31%	25%	24%	23%

Source: Dalal & Broacha Research, Company

Disclaimer

Dalal & Broacha Stock Broking Pvt Ltd, hereinafter referred to as D&B (CINU67120MH1997PTC111186) was established in 1997 and is an integrated financial services player offering an extensive range of financial solutions and services to a wide spectrum of customers with varied needs ranging from equities to mutual funds to depository services.

D&B is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE). D&B along with its affiliates offers the most comprehensive avenues for investments and is engaged in the securities businesses including stock broking (Institutional and retail), depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.dalal-broacha.com

D&B is registered as Research Analyst with SEBI bearing registration Number INH000001246 as per SEBI (Research Analysts) Regulations, 2014.

D&B hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in any time in the past. It has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on D&B for certain operational deviations in routine course of business.

D&B offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by D&B (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

D&B or its associates may have financial interest in the subject company.

D&B or its associates do not have any material conflict of interest in the subject company.

The Research Analyst or Research Entity (D&B) has not been engaged in market making activity for the subject company.

D&B or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report.

Disclosures in respect of Research Analyst:

Whether Research Analyst or his/her relatives have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report:	No
Whether the Research Analyst or his/her relative's financial interest in the subject company.	No
Whether the research Analyst has served as officer, director or employee of the subject company	No
Whether the Research Analyst has received any compensation from the subject company in the past twelve months	No
Whether the Research Analyst has managed or co-managed public offering of securities for the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation or other benefits from the subject company or third party in connection with the research report	No

D&B and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing

businesses may make investment decisions that may be inconsistent with the recommendations expressed herein.

In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject D&B or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to D&B. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of D&B. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of D&B or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Address: - 508, Maker Chambers V, 221 Nariman Point, Mumbai 400 021.

Tel: 91-22- 2282 2992, 2287 6173 | E-mail: equity.research@dalal-broacha.com