



KRN Heat Exchanger & Refrigeration Limited



About Company

KRN Heat Exchanger and Refrigeration Limited manufactures fin and tube type heat exchangers for the heat, ventilation, air conditioning and refrigeration Industry (“HVAC&R”). Heat exchangers manufactured by them are made of non-ferrous metals primarily Copper and Aluminum. Their product range includes condenser coils, evaporator units, evaporator coils, header/copper parts, fluid and steam coils and sheet metal parts. They have a state-of-the-art manufacturing facility integrated with the latest machines, tools, and technologies sourced from around the globe.



Management



Mr. Santosh Kumar Yadav

Founder and Managing Director

A Mechanical Engineer with more than 20 years of rich experience in heat exchangers and refrigeration units manufacturing.

He was deputed by Luvata / Heat Craft to their plant in Czech Republic for more than two years.

He has gathered great experience by working as the head of operations department with LLOYD Electric & Engineering LTD.

Milestone

2017

Company has established its Plant in October 2017

·Incorporation of Company as a Private Limited company

2018

·Manufacturing started from June 2018 by installation of machinery

2020

·Company expanded its plant area to 7,800 Sq. Mt. by acquiring plot no. 46 and 47.

·Company established a dedicated facility equipped with EOT cranes to manufacture larger heat exchangers

2021

·New lines added featuring 5mm tube diameter

2022

·Acquired CE certification, to meet rigorous safety regulations for the European market

·Established our internal Brazing school, a dedicated initiative to enhance the skills of our brazing staff

·Appointed a dedicated sales representative in Europe.

2023

Conversion of Company from a private limited company to a public limited company.

Customers

TROSTEN®

Godrej

Carrier®

DAIKIN
AIR CONDITIONING

Valeo

motherson



Eberspächer



KNORR-BREMSE

PRASAD
GROUP

VOLTAS

Schneider
Electric

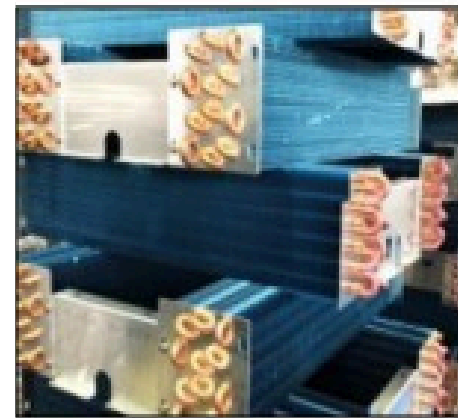
CLIMAVENETA®

Industry Analysis

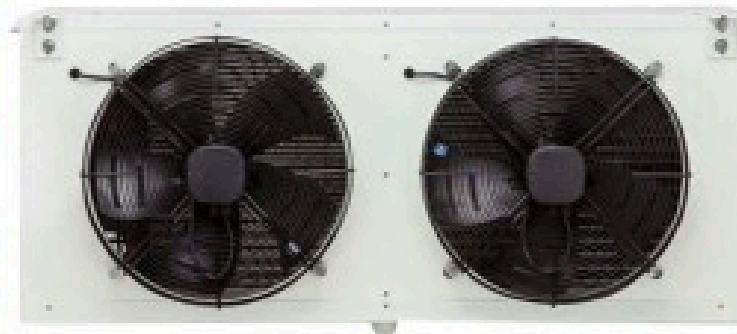
- Global heat exchanger market is valued at USD 15.6 billion , with annual turnover in the industry increasing a CAGR of 6.2% between 2019 and 2022.
- Globally, the demand for heat exchanger is driven by two key factors – increasing demand for sustainable low energy consumption as well as cost-effective solutions to achieve the same. On the one hand, industries across the world are investing in technologies & processes that are designed to reduce costs and improve operational efficiency.
- According to the Dun and Bradstreet Research Report, Indian market for heat exchanges reached USD 625 million per annum in 2022, with annual industry turnover increasing by a CAGR of 10% between 2019 and 2022. The heat exchanger industry too was impacted by the spread of Covid-19 pandemic, as annual revenue growth in the industry dropped to 6% in 2020. Demand has recovered in the subsequent years, helping the industry grew its revenue by an average of 11% per annum in 2021 and 2022.

Product Portfolio

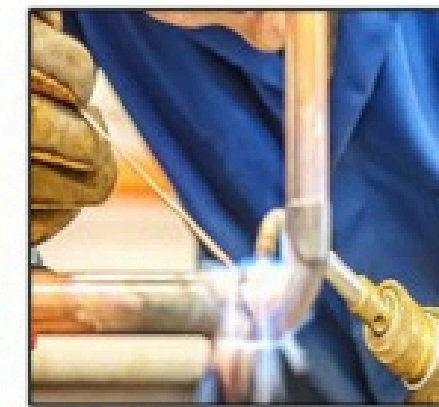
- The company mainly manufactures heat exchangers. Heat exchangers transfer thermal energy from one fluid to another, while ensuring that the fluids do not mix.
- Being an efficient source of energy saving, heat exchangers find applications across a broad range of domestic and industrial applications such as steam power plants, chemical processing plants, food processing, HVAC systems, mining, pulp & paper, metallurgy etc.
- Heat exchangers typically are suitable for deployment in areas which have ample spaces such as industrial complexes, commercial space, hospitals, educational institutes etc.



**Heat
Exchangers**



Evaporator Units



Manifolds



**Condensing
Units**

COATINGS



Nano Coating



**Powder coated with
Nano Coating**



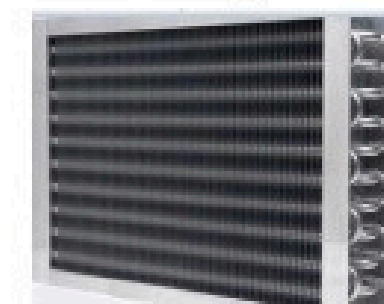
Pre Coated Blue



Heresite deep & spray Coating



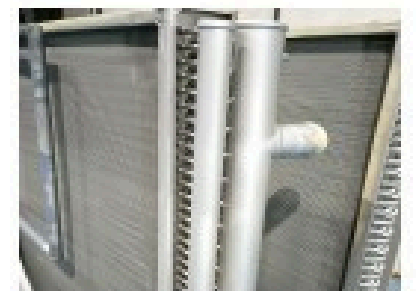
CED Coating



Tin Coating



Powder Coating



Bly Gold Coating

Financials and Margin Profile

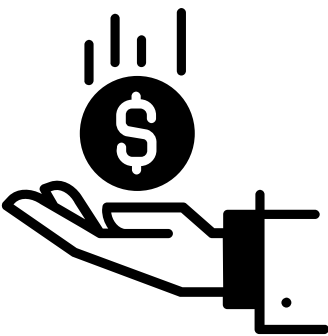
(₹ in crores)

Revenue - Company’s revenue witnessed a strong growth of 105% in FY22 AND 58% in FY23. It recorded a revenue of 160 crores in HY24

ROCE- Company had a strong ROCE ratio of 50% in FY23.

ROE- Company had a ROE of 75% in FY23.

Particulars	HY 2024	FY 2023	FY 2022	FY 2021
Revenue	160	247	156	76
PAT	19.34	32.31	10.6	2.46
EPS	4;.39	7.34	2.41	0.56
EBITDA Margin (%)	18.14%	19.93%	10.85%	7.16%
PAT Margin (%)	12.03%	13%	6.78%	3.25%



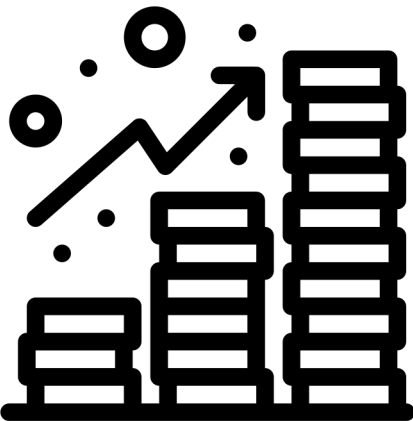
Valuations

Share Price (as on 2nd May, 2024)	400
Market Cap (in crores)	1840.83
P/E RATIO	54.5
P/S RATIO	7.44
P/B RATIO	30.88



Revenue Mix

	FY23	FY22
IMPORT	88.53%	90.35%
EXPORT	11.40%	9.57%
OTHER	0.07%	0.08%



	FY23	FY22
EVAPORATOR COIL	28.9%	32.95%
CONDENSER COIL	61.53%	63.71%
COPPER PART	0.73%	0.37%
SHEET METAL PART	0.07%	0.04%
OTHER OPERATING REVENUE	8.77%	2.93%

Peers

**Krn Heat
Exchanger**

Danfoss Power Solutions
India Private Limited

Kelvion India
Private Limited

Alfa Laval
India Private
Limited

(₹ IN CRORE)

	<div>01</div> <div>FY23</div>	<div>02</div> <div>FY23</div>	<div>03</div> <div>FY22</div>	<div>04</div> <div>FY22</div>
Net Revenue	268.58	451.72	326.14	247
EBITDA		58.79	-1.07	49.2
PAT	210.18	34.98	-7.49	32.31

Expansion Plans

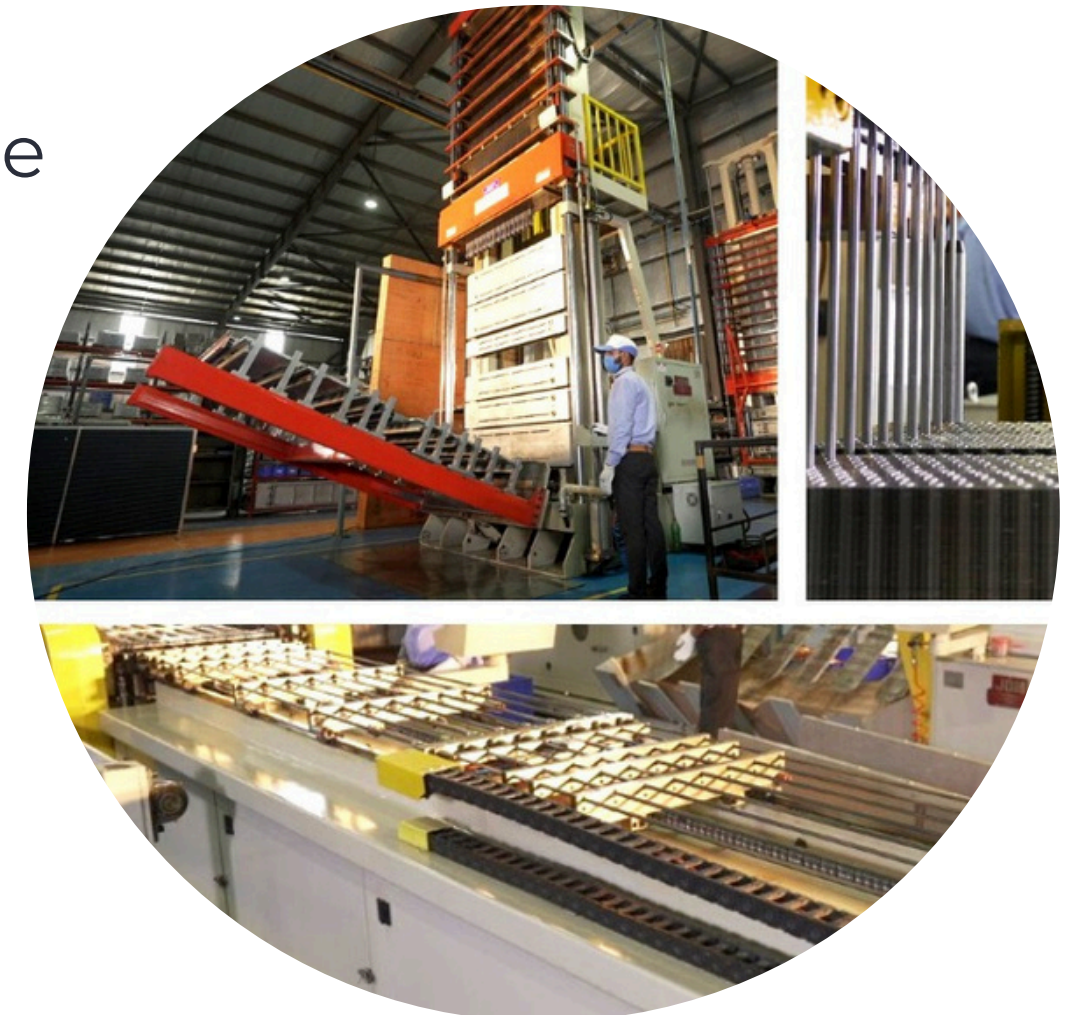
The company has proposed to use the IPO proceeds for investment in wholly owned subsidiary, **KRN HVAC Products Private Limited** for setting up a new manufacturing facility at Neemrana, Alwar, Rajasthan .

Proposed Investment – **₹226 crores**

Total land area - **71,924 square meters**. The land was allotted to the company for total purchase consideration of 39.98 crores.

The new manufacturing unit will manufacture the following products-

1. Bar & Plate Heat Exchanger
2. Oil Cooling Unit with Blower and Motor
3. Roll Bond Evaporator.



IPO Plans

DRHP filed with SEBI
on 18th January, 2024.

Complete fresh issue of
up to 1,93,05,000 Equity
Shares

IPO funds to be used
for Investment in
wholly owned
subsidiary, KRN HVAC
Products Private
Limited for setting up
a new manufacturing
facility at Alwar,
Rajasthan





Thank You!

Contact Us



Phone

+91-9038517269, +91-9830271248



Mail

info@altiusinvestech.com



Website

www.altiusinvestech.com