

Standard Glass Lining Technology Ltd

IPO Note



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Precision and Durability in Every Glass Lining Solution.

Standard Glass Lining Technology Ltd (SGLTL) is among India's leading manufacturers of specialized engineering components for the pharmaceutical and chemical sectors, ranking within the top 5 in terms of FY24 revenue.

With strong in-house capabilities across the value chain, the company excels in design, engineering, manufacturing, assembly, installation, and commissioning. SGLTL is a key player in producing glass-lined, stainless steel, and nickel alloy-based equipment, as well as PTFE-lined pipelines and fittings, ranking among the top 3 suppliers in India for these products.

The company's diversified portfolio includes over 65 products for the pharma and chemical industries, with 15 more under development. SGLTL provides customized solutions for complex, large-scale projects, utilizing alloys with thicknesses ranging from 1mm to 60mm. The company's ability to cater to tailored processes ensures it is well-positioned to serve end-users with unique requirements, solidifying its role as a key supplier in the sector.

SGLTL operates 8 manufacturing facilities across 400,000 sq. ft. in Hyderabad, capable of producing reactors, receivers, and storage tanks ranging from 30L to 40,000L.

The company can manufacture 300-350 units per month, including a dedicated facility for producing 30 Agitated Nutsche Filter Dryers (ANFD) per month. As part of its growth strategy, SGLTL is expanding capacity into the 150mm thickness segment, targeting industries like oil & gas, edible oils, and heavy engineering, offering significant growth potential.

SGLTL has established long-term relationships with 347 clients, including industry giants like Aurobindo Pharma, CCL Foods & Beverages, and Laurus Labs. The company has achieved repeat business from over 80% of its top 20 clients over the past few years, contributing to a strong and consistent revenue stream.

As of FY24, the company continues to leverage these relationships and its reputation for timely, high-quality deliveries to sustain and expand its market position.

Key Consolidated Financial Data (INR Cr, unless specified)

	Revenue	EBITDA	Net Profit	EBITDA (%)	Net profit (%)	EPS (INR)	BVPS (INR)	RoE (%)	RoCE (%)	P/E (X)	EV/EBITDA (X)
FY22	240.2	40.5	25.1	16.8	10.5	3.6	9.8	36.5	22.8	79.5	50.6
FY23	497.6	85.8	53.4	17.2	10.7	7.6	22.1	34.3	26.9	37.4	23.9
FY24	543.7	94.9	60.0	17.5	11.0	8.3	57.9	14.3	12.3	34.2	21.7

Source: Ventura Research & Company update

Industry	Chemical engineering
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Scrip Details

Listing	BSE & NSE
Open Date	Jan 06, 2025
Close Date	Jan 08, 2025
Price Band	INR 133 – 140
Face Value	INR 10
Market Lot	107 Shares
Minimum Lot	1

Issue Structure

Issue Size (INR cr)	INR 410.0
Issue Size (Shares)	29,289,367
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≤ 15%
Retail Share (%)	≥ 35%
Pre-Issue sh. (cr)	18.4
Post Issue sh. (cr)	19.9
Post Issue Market Cap (cr)	2,785

Shareholding (%)	Pre (%)	Post (%)
Promoter	72.49	59.87
Public	27.51	40.13
TOTAL	100.00	100.00

Issue Structure and Offer Details

Standard Glass Lining IPO is a book-built issue of INR 410.00 cr. The issue is a fresh issue of 1.50 cr shares aggregating to INR 210.00 cr and offer for sale of 1.42 cr shares aggregating to INR 200.05 cr.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50.00% of the Offer
NII (HNI)	Not more than 15.00% of the Offer
Retail	Not less than 35.00% of the Offer

Number of shares based on a higher price band of INR 140

Source: Company Reports

Objects of the Issue

The Company proposes to utilize the Net Proceeds towards the following objects:

1. Funding the purchase of machinery and equipment.
2. Partial/full repayment of outstanding borrowings for the company and its subsidiary, S2 Engineering.
3. Investment in S2 Engineering to fund its capital expenditure.
4. Funding strategic investments and acquisitions to drive growth.
5. corporate purposes.

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Financial Summary

Fig in INR Cr (unless specified)	FY22	FY23	FY24	Fig in INR Cr (unless specified)	FY22	FY23	FY24
Income Statement				Per share data & Yields			
Revenue	240.2	497.6	543.7	Adjusted EPS (INR)	3.6	7.6	8.3
<i>YoY Growth (%)</i>		<i>107.2</i>	<i>9.3</i>	Adjusted Cash EPS (INR)	4.2	8.7	9.6
Raw Material Cost	115.1	285.5	317.7	Adjusted BVPS (INR)	9.8	22.1	57.9
<i>RM Cost to Sales (%)</i>	<i>47.9</i>	<i>57.4</i>	<i>58.4</i>	Adjusted CFO per share (INR)	1.0	0.2	(9.2)
Employee Cost	13.5	15.8	20.8	CFO Yield (%)	0.4	0.1	(3.3)
<i>Employee Cost to Sales (%)</i>	<i>5.6</i>	<i>3.2</i>	<i>3.8</i>	Adjusted FCF per share (INR)	(1.4)	(3.0)	(12.7)
Other Expenses	71.1	110.6	110.3	FCF Yield (%)	(0.5)	(1.1)	(4.5)
<i>Other Exp to Sales (%)</i>	<i>29.6</i>	<i>22.2</i>	<i>20.3</i>	Solvency Ratio (X)			
EBITDA	40.5	85.8	94.9	Total Debt to Equity	0.7	0.4	0.3
<i>Margin (%)</i>	<i>16.8</i>	<i>17.2</i>	<i>17.5</i>	Net Debt to Equity	0.7	0.4	0.2
<i>YoY Growth (%)</i>		<i>112.0</i>	<i>10.7</i>	Net Debt to EBITDA	1.2	0.6	0.7
Depreciation & Amortization	4.2	7.7	9.3	Return Ratios (%)			
EBIT	36.2	78.1	85.6	Return on Equity	36.5	34.3	14.3
<i>Margin (%)</i>	<i>15.1</i>	<i>15.7</i>	<i>15.7</i>	Return on Capital Employed	22.8	26.9	12.3
<i>YoY Growth (%)</i>		<i>115.5</i>	<i>9.6</i>	Return on Invested Capital	30.7	37.1	18.2
Other Income	1.3	2.5	6.0	Working Capital Ratios			
Bill discounting & other charges	3.8	8.7	11.8	Payable Days (Nos)	95	55	60
Fin Charges Coverage (X)	9.6	9.0	7.3	Inventory Days (Nos)	191	105	151
Exceptional Item	0.0	0.0	0.0	Receivable Days (Nos)	125	67	104
PBT	33.8	71.9	79.8	Net Working Capital Days (Nos)	221	117	195
<i>Margin (%)</i>	<i>14.1</i>	<i>14.4</i>	<i>14.7</i>	Net Working Capital to Sales (%)	60.6	32.1	53.5
<i>YoY Growth (%)</i>		<i>112.8</i>	<i>11.1</i>	Valuation (X)			
Tax Expense	8.6	18.4	19.8	P/E	79.5	37.4	34.2
<i>Tax Rate (%)</i>	<i>25.5</i>	<i>25.6</i>	<i>24.8</i>	P/BV	29.0	12.8	4.9
PAT	25.1	53.4	60.0	EV/EBITDA	50.6	23.9	21.7
<i>Margin (%)</i>	<i>10.5</i>	<i>10.7</i>	<i>11.0</i>	EV/Sales	8.5	4.1	3.8
<i>YoY Growth (%)</i>		<i>112.5</i>	<i>12.3</i>	Cash Flow Statement			
Min Int/Sh of Assoc	0.0	0.0	(1.6)	PBT	33.8	71.9	79.8
Net Profit	25.1	53.4	58.4	Adjustments	(29.5)	(37.6)	6.1
<i>Margin (%)</i>	<i>10.5</i>	<i>10.7</i>	<i>10.7</i>	Change in Working Capital	(5.8)	(14.1)	(131.2)
<i>YoY Growth (%)</i>		<i>112.5</i>	<i>9.3</i>	Less: Tax Paid	(8.6)	(18.4)	(19.8)
Balance Sheet				Cash Flow from Operations	7.1	1.8	(65.0)
Share Capital	15.3	15.8	18.2	Net Capital Expenditure	(5.3)	(29.4)	(33.6)
Total Reserves	53.7	139.9	390.8	Change in Investments	(24.4)	0.4	(123.2)
Shareholders Fund	69.0	155.7	409.0	Cash Flow from Investing	(29.7)	(29.0)	(156.8)
Long Term Borrowings	6.8	3.0	0.6	Change in Borrowings	19.7	7.9	50.5
Deferred Tax Assets / Liabilities	0.4	0.6	0.6	Less: Finance Cost	(3.8)	(8.7)	(11.8)
Other Long Term Liabilities	18.2	18.5	12.4	Proceeds from Equity	21.1	33.4	193.2
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	1.4	2.1	0.9	Dividend Paid	0.0	0.0	0.0
Total Liabilities	95.8	179.9	423.5	Cash flow from Financing	37.0	32.6	231.9
Net Block	52.0	75.0	96.1	Net Cash Flow	14.4	5.3	10.0
Capital Work in Progress	0.7	3.3	4.5	Forex Effect	0.0	0.0	0.0
Intangible assets under developme	0.0	0.0	0.0	Opening Balance of Cash	0.0	0.1	5.4
Non Current Investments	0.0	0.0	0.0	Closing Balance of Cash	0.1	5.4	15.5
Long Term Loans & Advances	5.9	6.3	5.6				
Other Non Current Assets	2.0	0.0	0.4				
Net Current Assets	35.2	95.2	316.9				
Total Assets	95.8	179.9	423.5				

Source: Company Reports

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