



**Inflame Appliances Limited**  
**H2 & FY24 Performance Highlights**

**Revenue and EBITDA doubles at Panchkula while Hyderabad facility comes into Green**

**29<sup>th</sup> May 2024, India:** Inflame Appliances Ltd (Bloomberg Code: INFLAME IN | BSE Code: 541083) has announced its financial results for the H2FY24 and year ended FY24.

**Key Financial Performance highlights (Consolidated)**

Particulars (Rs. mn)	H2FY24	H1FY24	H2FY23
<b>Chimney Sales</b> <i>(one of the key products sold)</i>	<b>108.197</b>	<b>90,379</b>	<b>86.733</b>
Revenue from Operations	503.2	434.2	409.7
EBITDA	60.1	31.6	83.1
PBT (excl extra ord)	13.6	1.7	57.9
Net Profit (excl extra ord )	10.4	0.05	47.0
EPS (Rs) (excl extra ord)	1.42	0.01	6.41
EBITDA Margin (%)	11.9%	7.3%	20.3%
PAT Margin (%)	2.1%	0.01%	11.6%

Particulars (Rs. mn)	FY24	Panchkula	Hyderabad
<b>Chimney Sales</b> <i>(one of the key products sold)</i>	<b>198,576</b>	<b>178,463</b>	<b>20,113</b>
<b>Revenue from Operations</b>	<b>937.4</b>	<b>844.7</b>	<b>92.6</b>
<b>Expenditure</b>			
Materials consumed	686.5	617.3	69.26
Change in inventory	(19.8)	11.6	(21.4)
Employee expense	108.3	81.2	27.1
Other expenditure	70.6	54.0	16.6
<b>Total Expenditure</b>	<b>845.6</b>	<b>764.1</b>	<b>81.5</b>
<b>EBITDA</b>	<b>91.8</b>	<b>80.6</b>	<b>11.1</b>
EBITDA Margin %	9.8%	9.5%	12.0%
Depreciation	44.3	27.0	17.3
Interest	32.2	26.5	5.7
<b>Profit/ (Loss) Before Tax</b>	<b>15.3</b>	<b>27.2</b>	<b>(11.9)</b>

**Business Highlights**

- **Hyderabad production kick-started in second half of FY24 – lack of trained manpower and initial higher costs vs lower revenue in H1 impacted full year profitability**
  - Hyderabad facility started production in the latter half of H1FY24
  - Initial higher manpower cost, manpower training period & related costs due to initial 4-6 months training period needed to train unskilled manpower in the region. This contributed significantly to the high operating costs versus lower production (lower revenue) which had led to lower profitability in the unit, thereby pulling down overall profitability.
  - The entire cost in Hyderabad for the development of new products also impacted the Profit & Loss.
  - The glass processing plant was installed and handed over in Dec'2023 which contributed to the delay in production.
  - High depreciation with respect to new plant setup has also impacted PBT.

- Subsequent buyer audits expected to contribute to revenue and volume growth in FY25. 4 major buyer audits completed till date.
- **As expected significant recovery was made in H2 with improvements in sales volumes and facility turned positive at EBITDA level for the year. Higher depreciation impacted PBT**
- **Panchkula facility normalises in H2 overcoming challenges of H1**
  - In H1, our overall revenue and profitability of Panchkula were impacted due to multiple factors related to weather condition and related manpower issues as well as technical upgradation of the plant.
  - Production development for a large customer impacted overall production for the year, which has now streamlined and supplies have begun in H1FY25.
  - H2 has seen significant bounce back with **Revenue nearly doubling over H1FY24 and EBITDA more than doubling in H2FY24.**

#### **Key developments in H2FY24 and Way Forward**

- Four buyer audits completed in Hyderabad and expected to contribute to revenue growth FY25 onwards.
- Production development done for a large customer in Panchkula and regular sales to start in FY25.
- The company is working towards **expanding its product offerings** in the kitchen appliances space with new products like dish washers, ovens and built in ovens, which will be developed over the next 18–24 months.
- **OTG (Oven Toaster Grill)** commercial production started in Nov'23.
- Entered into an exclusive supplier partnership with Kaff Appliances for the supply of key products namely Refrigerators and Wine Coolers. Also entered into supplier partnership for Built-in Hobs, Built-in Ovens and Chimneys.
- **Continued focus on new customer partnerships** to increase our market share.
- Enable supplies from our zonal facilities to be **cost competitive vs imports.**

#### **Commenting on the performance, Mr. Aditya Kaushik, Managing Director, Inflamm Appliances Ltd said**

*"I am happy to share that our Hyderabad facility has come into the green at EBITDA level with increase sales from the facility. Our Panchkula facility too, was impacted in H1, has bounced back strongly doubling both our Revenue and EBITDA for the facility.*

*The improvement in performance is clear on the basis of growth on a HoH basis (H2FY24 vs H1FY24) whereby Revenue and EBITDA have grown at 16% and 90% respective while Profit before Tax has grown at nearly 7x.*

*In April 2024 we also entered into an exclusive supplier partnership with KAFF appliances to supply various kitchen appliances as well as refrigerators and wine coolers. The four new completed buyer audits at Hyderabad facility and product development completed for a large customer at Panchkula along with the KAFF partnership are expected to provide significant revenue and profit growth in FY25 and further years*

*We are confident of pacing up our production, revenue and profitability over the next 3 years led by the ramp up from both our manufacturing facilities."*

#### **About Inflamm Appliances Limited**

Setup in 2017, Inflamm Appliances Ltd today is amongst the Top 3 manufacturers of Kitchen Appliances in India engaged in the manufacturing of Electrical Chimneys, Range Hoods, Built in Hobs, LPG Gas stoves, Cooktop and OTGs (Oven Toaster Grill). The company has more than 30+ kitchen chimney models and services 18+ states.

The company has 2 facilities – one each at Panchkula, Haryana and Hyderabad, Telangana (currently under setup). Once the Hyderabad facility is fully functional, the company will have combined capacity in India to annually manufacture 600,000 units of Chimneys, 120,000 units of Hobs and 300,000 units of Gas stoves. This makes Inflamm Appliances the largest kitchen appliances manufacturer in India under one roof with the widest product range.

The company is also moving towards achieving 100% in-house manufacturing with less than 1% rejection rate. It is also moving towards adoption of 100% environmental friendly and recycled packaging.

**We aim to be a one stop kitchen appliance manufacturer for our partner brands.**

**Mission:** # Inspire Better living # Inflamm believes if the kitchen is smart, living becomes better. As one of the leading kitchen appliances manufacturers, Inflamm has been constantly innovating to inspire healthy and safe cooking, which can transpire into better living. # By blending safety in modern kitchen appliances, Inflamm has been able to deliver to the changing needs and lifestyles of the customers.

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