AEGIS VOPAK TERMINALS LIMITED

LONG TERM SUBSCRIBE

IPO Report

25th May '25

Snapshot

Company is the largest Indian third-party owner and operator of tank storage terminals for liquified petroleum gas ("**LPG**") and liquid products in terms of storage capacity, as of December 31, 2024 . Company own and operate a network of storage tank terminals having an aggregate storage capacity of approximately 1.50 million cubic meters for liquid products and 70,800 metric tons ("**MT**") of static capacity for LPG as of December 31, 2024^, and offer secure storage facilities and associated infrastructure for liquids such as petroleum, vegetable oil, lubricants, and various categories of chemicals and gases such as LPG (including propane and butane). Company have the largest storage capacity in India's LPG tank storage sector, contributing to approximately 11.50% of the total national static capacity, as of December 31, 2024.

VALUATION

Company is bringing the issue at price band of Rs 223-235 per share at p/e multiple of approx. 227x on post issue anuualized FY25E PAT basis.

Company being the largest Indian third-party owner and operator of tank storage terminals has a diversified network of terminals spread strategically across five key ports in operation on the west and east coast of India. Company has a proven track record of capacity expansion and infrastructural upgrades & operates as a joint venture between two of its Promoters, ALL, a listed Indian integrated oil, gas and chemicals logistics company, and Vopak India BV, a part of Royal Vopak .

Hence we recommend "Long term Subscribe" to this ipo.

Price Band (Rs./Share)	**223-235**
Opening date of the issue	**26th May '2025**
Closing Date of the issue	**28th May '2025**
No of shares pre issue	98,88,42,553 Eq Shares
Issue Size	Rs 2800 Cr
Fresh Issue	Rs 2800 Cr
Face Value (Rs/ share)	Rs 10/share
Bid Lot	63
BIDDING DETAILS	
QIBs (Including Anchor)	75% of the offer (Approx 9,41,70,405 Eq Shares)
Non-Institutional	15% of the offer (Approx 1,88,34,080 Eq Shares)
Retail	10% of the offer (Approx 1,25,56,053 Eq Shares)
Lead managers	ICICI Securities, BNP Paribas, IIFL Capital, Jefferies India, HDFC Bank
Registrar to the issue	MUFG Intime India Pvt Ltd

WHAT WE LIKE

India's Largest Third-Party Owner and Operator of Tank Storage Terminals for LPG and Liquid Products

Company is the largest Indian third-party owner and operator of tank storage terminals for LPG and liquid products in terms of storage capacity, as of December 31, 2024. Company have the largest storage capacity in India's LPG tank storage sector, contributing to approximately 11.52% of the total national static capacity, as of December 31, 2024

Track Record of Consistently Expanding Capabilities and Well-Equipped Storage Infrastructure

Company have a proven track record of capacity expansion and infrastructural upgrades that positions it well to cater to liquid and gas storage requirements. Company leverage one of its Promoters Aegis' experience in capacity expansion, network of cost-effective materials procurement, contracting strategy, and proven construction and project execution capabilities, to undertake expansion and upgrades of company's tank storage capacities and associated infrastructure. Company do not incur additional capital expenditure in construction of terminals where it is able to leverage Aegis' presence, providing a distinct competitive advantage

Backed by Established promoters and Supported by a Strong Management Team

Company operates as a joint venture between two of its Promoters, Aegis, a listed Indian company providing sourcing, storage and third-party logistics services in the oil, gas and chemicals sector, and Vopak India BV, a part of Royal Vopak. Company's incorporation represents its Promoters' vision of servicing the expansive LPG and liquid chemicals storage industry in India. Consequently, company is backed by its Promoters' resources, industry experience, and financial stability .

COMPANY BACKGROUND

In terms of storage of liquid products, company is the largest third-party tank storage company in India, contributing to approximately 25.53% of India's third-party liquid storage capacity as of December 31, 2024. As of December 31, 2024, company have a diversified network of terminals spread strategically across five key ports in operation on the West and East coast of India. These key ports together handle approximately 23.00% of liquid and 61.00% of total LPG import volumes in India. (*Source: CRISIL Report*) At these terminals, company own and operate facilities for different functions including product storage tanks, firefighting facilities, self-owned pipelines connected to jetty, ship loading and unloading infrastructure, as well as infrastructure for product evacuation by ship, rail, road and pipelines.

Business Segments

Company categorize its business into two key segments:

- *Gas Terminal Division*. The Gas Terminal Division primarily involves storage and handling of LPG (including propane and butane); and

- *Liquid Terminal Division*. The Liquid Terminal Division involves storage and handling of liquid products, including petroleum, chemicals, and vegetable oils. Company handle more than 30 chemicals of various classes and categories. Company also handle more than 10 products of edible oil and non-edible oil category.

During Fiscal 2024, Haldia port handled 5.09 MMT of LPG, followed by Kandla and New Mangalore ports, at 2.95 MMT and 2.39 MMT, respectively. Ports located in Gujarat have exhibited higher growth as compared to other ports in the country. Among ports with more than 0.50 MTPA throughput in Fiscal 2024, throughput at Pipavav grew at a CAGR of 13.53% from Fiscal 2020 to Fiscal 2024, followed by Kandla (CAGR of 11.44%) and Mundra (CAGR of 11.33%) from Fiscal 2020 to Fiscal 2024.

Owing to their strategic location, Kandla and Pipavav ports together handled 3.67 MMT of LPG, representing 20.10% of India's LPG imports in Fiscal 2024. Among more than 10 ports that have LPG import terminals in India, only five ports have sidings near ports with rail evacuation facilities. These include ports at Pipavav, Navi Mumbai (Jawaharlal Nehru Port Authority ("**JNPA**")), Kandla, Vishakhapatnam and New Mangalore. Of these, company's Pipavav terminal is connected to the Western Dedicated Freight Corridor at Mehsana and Ahmedabad in Gujarat, and is further connected to the northern and central railways.

To add to company's sizeable operations, its ongoing capacity expansion at New Mangalore in Karnataka and Pipavav in Gujarat is expected to increase company's LPG storage capacity by 130,000 MT during Fiscal 2026, leading to LPG storage capacity of 200,800 MT. Further, company have recently expanded its storage capacity for liquid products by approximately 101,900 cubic meters at JNPA in Navi Mumbai, Maharashtra.. In Fiscal 2022, 2023 and 2024 and nine months ended December 31, 2024, company's LPG throughput aggregated to nil, 0.86 MMTPA, 1.59 MMTPA, and 1.27 MMTPA, respectively.

Customer Base

Company have been able to utilise its infrastructure, storage capabilities and locational advantage to secure a diverse customer portfolio across multiple ports, mitigating risks relating to customer concentration. Company's client base spans various industries and sectors, including traders, manufacturers, chemicals and fuel marketing companies across private and public sectors, as well as local and international businesses. In addition, as of December 31, 2024, 47.14% of company's customers used multiple terminals to efficiently access markets in various regions. Further, company benefit from synergies with one of its Promoters, namely Aegis, who leverages company's terminal network. Aegis utilizes company's terminals for its imports, where it imports LPG in bulk thereby contributing to consistent revenue for c.company

INVESTMENT RATIONALE

Strategically Located Necklace of Terminals across the Indian Coast	As of December 31, 2024, company have a diversified network of terminals spread strategically across five key ports in operation on the West and East coast of India. These key ports together, handle approximately 23.00% of liquid and 61.00% of total LPG import volumes in India. , enabling efficient distribution and affording accessibility to company's customers. Further, as of the date, company own and operate two LPG storage terminals across two Indian ports, and 18 liquid storage terminals across six Indian ports. As per the CRISIL Report, the location of storage terminals at specific ports is a major differentiator in the terminalling business, and storage terminals at ports that are closer to major shipping routes enjoy a competitive advantage as shipping from those ports will help importers and exporters save cost. Company's terminals are located at ports which create a unique '*necklace of terminals*' that enables it to cater to storage requirements in different regions across India. Among ports with more than 0.50 MTPA throughput in Fiscal 2024, throughput at Pipavav grew at a CAGR of 13.53% from Fiscal 2020 to Fiscal 2024, followed by Kandla (CAGR of 11.44%) and Mundra (CAGR of 11.33%) from Fiscal 2020 to Fiscal 2024.
Backed by Established promoters and Supported by a Strong Management Team	Company operates as a joint venture between two of its Promoters, Aegis, a listed Indian company providing sourcing, storage and third-party logistics services in the oil, gas and chemicals sector, and Vopak India BV, a part of Royal Vopak . Company's incorporation represents its Promoters' vision of servicing the expansive LPG and liquid chemicals storage industry in India. Consequently, company is backed by its Promoters' resources, industry experience, and financial stability. Company service customers across various categories, including OMCs, MNCs, specialty chemical companies and traders. Further, company is able to learn from its Promoters' industry leading health and ESG practices. Company's Promoters' proven project execution capabilities lend company edibility in a competitive market. With over five decades of experience, Aegis is among India's key tank storage companies in terms of installed capacity as of December 31, 2024. At Mumbai port, Aegis operates a liquid terminal with a storage capacity of 275,000 cubic metres, and owns and operates a 21,000 MT cryogenic LPG terminal capable of handling a throughput of 1.5 MMTPA, as of December 31, 2024. Aegis has three distinct and complementary business segments, including (i) sourcing LPG; (ii) storing of liquids and LPG; and (iii) distribution of LPG through a network of terminals for liquid products and gas, LPG filling plants, and pipelines. Aegis is a fully integrated participant in the Indian LPG market, comprising four main segments: domestic cooking gas, industrial gas, commercial gas, and gas for transportation. It has a presence across the LPG value chain, from planning and sourcing to storing and distribution. Further, it is one of the largest importers and handlers of LPG in the private sector in India, managed through its trading arm in Singapore, a joint venture with Itochu Petroleum Corporation. (*Source: CRISIL Report*)

OBJECTS OF OFFER

Company proposes to utilise the Net Proceeds from the Issue towards the following objects:

- Repayment or prepayment of all or a portion of certain outstanding borrowings availed by Company;
- Funding capital expenditure towards contracted acquisition of the cryogenic LPG terminal at Mangalore; and
- General corporate purposes

RISKS

Company's terminal services and other operations are subject to operational risks that could adversely affect company's business, results of operations and financial condition.

Source:RHP

INDUSTRY OVERVIEW

OUTLOOK

The liquid terminal storage industry in India is poised for growth. Product-wise outlook is provided below:

CHEMICALS

Steady growth will be observed for bulk chemicals

Bulk chemicals are used as inputs for polymers/elastomers and specialty chemicals. The outlook for bulk chemical trade is also linked to the specialty chemicals industry.

In Fiscal 2024, domestic specialty chemical industry experienced a decline of approximately 1-3% due to liquidation of high-value inventories amid falling raw material prices and reduced demand for end-products, driven by recessionary pressures and significant interest rate hikes by central banks globally.

According to CRISIL Intelligence, demand for various products in discretionary applications such as dyes, pigments, additives and polymers is beginning to rebound. Although there are early signs, there is optimism for a full recovery as the year progresses. The non-discretionary segments, primarily driven by agrochemicals and pharmaceuticals, remain soft as major customers manage lean inventories due to high carrying costs and moderated demand. In fiscal 2025, the specialty chemicals industry is expected to grow by approximately 6%, reaching ₹ 2,800-2,900 billion, with a projected growth rate of 6-8% by Fiscal 2029.

Favourable government initiatives are playing a crucial role in this expansion. Programmes such as "Make in India" are designed to benefit industries by encouraging domestic production and reducing dependency on imports. In addition, the Government of India has established Petroleum, Chemical, and Petrochemical Investment Regions to support large-scale projects through public-private partnerships. These initiatives are further bolstered by the Technology Upgradation Fund Scheme, which aims to facilitate adoption of new technologies in the chemical sector. Moreover, the Government of India allows 100% foreign direct investment under the automotive route, making India an attractive destination for international investors in the chemicals space. These combined efforts are expected to sustain the growth momentum in India's chemicals market, catering to increasing domestic and global demand.

Growth in chemical industry mirrors the strong trajectory for growth in the overall manufacturing industry, where contribution to India's GDP is expected to increase from 13% in 2022 to 20% by 2030. Rising GDP and disposable income, favourable demographics, increasing preference for biofriendly alternatives and the growing diversification of global chemical supply underpin a robust outlook on the demand side.

These supply-side factors will supplement the demand from end-user industries such as automobiles, textiles, packaging, personal care, durables and construction. The corresponding growth in bulk chemicals trade is expected to be around 3% over the next five years.

The runway for growth in the liquid and gas transportation and logistics business is strong, given the pick-up in economic growth and focus on offering clean energy solutions. Traditional products will continue to experience growth, driven by India's expanding economy and industrial activities. In addition, India is poised to play a pivotal role in the global energy transition through various strategic initiatives. One such initiative is the establishment of a manufacturing hub for green hydrogen and its derivatives such as green ammonia and green methanol. As these new energy sources gain traction, the demand for specialised storage facilities will increase significantly.

Consolidated Financials (Rs in Mn)

Financials	FY22	FY23	FY24	9M FY 2025
Total Revenue (A)	0.00	3533.32	5617.61	4641.81
Total Expenditure (B)	5.75	1240.30	1642.24	1227.89
EBIDTA	-5.75	2293.02	3975.37	3413.92
EBIDTA Margin	---	64.90	70.77	73.55
Other Income	0.03	26.59	83.60	119.68
Depreciation		912.02	1139.91	946.02
EBIT	-5.72	1407.59	2919.06	2587.58
Interest	5.20	1381.62	1708.88	1447.68
PBT	-10.92	25.97	1210.18	1139.90
Share of profit in Asso	0.00	0.00	0.00	0.00
PBIT	-10.92	25.97	1210.18	1139.90
Exceptional	0.00	0.00	0.00	0.00
PBT	-10.92	25.97	1210.18	1139.90
Tax	0.00	26.72	344.74	280.99
PAT	-10.92	-0.75	865.44	858.91
NPM	--	-0.02	15.41	18.50
ROE%	--	-0.01	7.51	4.22
EPS	-0.03	0.00	1.00	0.92
Eq Cap	5.10	10.00	10.00	9,888.43
Net Worth	**18.89**	**9,530.91**	**9,971.65**	**18,828.34**

(Source: RHP)

Peer Comparison

Company Name	Face Value	EPS	P/E	ROE %	NAV
Aegis Vopak Terminals Limited*	***10.00***	***1.00***	--	***7.51***	***13.27***
Peers					
Adani Ports and Special Economic Zone Limited	2.00	37.55	37.48	15.32	245.10
JSW Infrastructure Limited	2.00	6.01	49.02	14.40	41.77

(Source: RHP)

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