ANANDRATHI

Aegis Vopak Terminals Limited

26-May-25

SUBSCRIBE for LONG TERM

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Issue Details

Issue Details	
Issue Size (Value in ` million, Upper Band)	28000
Fresh Issue (No. of Shares in Lakhs)	1,191
Offer for Sale (No. of Shares in Lakhs)	-
Bid/Issue opens on	26-May-25
Bid/Issue closes on	28-May-25
Face Value	Rs. 10
Price Band	223-235
Minimum Lot	63

Objects of the Issue

- Repayment or prepayment of all or portion of o/s borrowings.
- Funding capex towards the contracted acquisition of the cryogenic LPG terminal at Mangalore & General purpose

- **Fresh issue: ₹ 28,000 million**
- **Offer for sale: NIL**

Book Running Lead Managers
ICICI Securities Ltd, BNP Paribas, IIFL Securities Ltd, Jefferies India Private Ltd, HDFC Bank Ltd
Registrar to the Offer
MUFG Intime India Private Limited

Capital Structure (` Million)	Aggregate Value
Authorized share Capital	15,000.0
Subscribed paid up Capital (Pre-Offer)	9,888.4
Paid up capital (Post - Offer)	11,079.9

Share Holding Pattern %	Pre Issue	Post Issue
Promoters & Promoter group	97.4%	86.9%
Public & Others	2.6%	13.1%
Total	100.0%	100.0%

Financials

Particulars (Rs. In Million)	Q3 FY25	Q3 FY24	FY24	FY23
Revenue from operations	**4,641.8**	**3,754.1**	**5,617.6**	**3,533.3**
Operating expenses	1,227.9	1,237.5	1,642.3	1,240.3
EBITDA	**3,413.9**	**2,516.6**	**3,975.3**	**2,293.0**
Other Income	119.6	52.3	83.6	26.5
Depreciation	946.0	848.0	1,139.9	912.0
EBIT	**2,587.5**	**1,720.9**	**2,919.0**	**1,407.5**
Interest	1,447.6	1,247.4	1,708.8	1,381.6
PBT	**1,139.9**	**473.5**	**1,210.2**	**25.9**
Tax	280.9	136.6	344.7	26.7
Consolidated PAT	**859.0**	**336.9**	**865.5**	**(0.8)**
EPS	0.8	0.3	0.8	(0.0)
Ratio	**Q3 FY25**	**Q3 FY24**	**FY24**	**FY23**
EBITDAM	73.5%	67.0%	70.8%	64.9%
PATM	18.5%	9.0%	15.4%	0.0%
Sales growth		23.6%	59.0%	

Company description

Established in 2020, Aegis Vopak terminals as a joint venture between Aegis Logistics Ltd and Vopak India BV (part of Royal Vopak, a Netherlands-based leading global tank storage company). The 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.

The company owns and operates 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).

As of December 31, 2024, the company holds the largest storage capacity in India's LPG tank storage sector, accounting for approximately 11.50% of the country's total static LPG capacity. In the liquid products segment, it is the largest third-party tank storage operator in India, representing around 25.53% of the nation's total third-party liquid storage capacity.

Aegis Vopak operates a diversified network of terminals strategically located across 5 major ports along India's West and East coasts. These ports collectively manage approximately 23% of the country's liquid imports and 61% of total LPG import volumes. The company owns and operates comprehensive infrastructure at these terminals, including product storage tanks, firefighting systems, proprietary pipelines connecting to jetties, and facilities for ship loading and unloading. Additionally, it maintains extensive evacuation infrastructure enabling product transport via ship, rail, road, and pipeline.

The company's liquid storage capacity has grown from 0.55 mn m^3 in Nov 2021 to 1.50 mn m^3, with an additional 0.17 mn m^3 planned post-December 2024. LPG capacity has increased from 67,000 MT in Nov 2021 to 70,800 MT, with plans to expand to 200,800 MT in FY26. Holding a 100% market share in gas storage at Pipavav and ~77% and ~88% in liquid storage at Kandla and Kochi, respectively

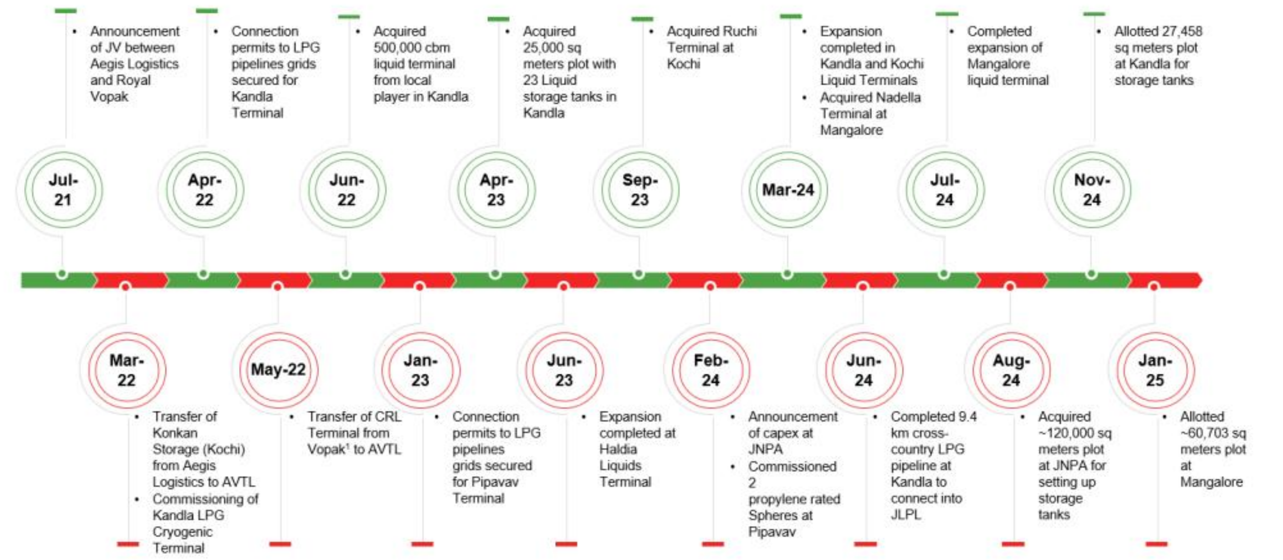
Valuation & outlook

Aegis Vopak terminals India's largest independent operator of storage tanks at major ports which has good growth potential and dominance with its core competency to maintain the storage of gas and high value products at desired properties. It currently manages around 25.53% of India's third-party liquid storage capacities. With strong promoter backing (Aegis & Royal Vopak), strategic port presence, high operational efficiency, and robust financial growth, the company is well-placed to benefit from rising energy demand and infrastructure expansion. The company's current capital expenditures are fully financed, and the planned debt repayment of ₹2,016 crore is expected to enhance profitability in the future. Additionally, with new capacities set to become operational in FY26, the company is well-positioned for strong growth.

On valuation parse, based on annualised FY25 it is seeking PE of 235 times and EV/EBITDA nearly 57 times, for FY24 earnings PE stands at 301x times and post issue market cap comes at Rs 2,60,378 Mn with this the issue is extravagantly priced. Therefore, we believe that company's aggressive capacity additions justify the steep valuation however, it has also able to achieve lowest capex per MT while delivering the highest throughput and tank turns among peers, underscoring its operational excellence. Thus, we recommend the issue can only be consider as "**SUBSCRIBE for LONG TERM**".

Company's Operations

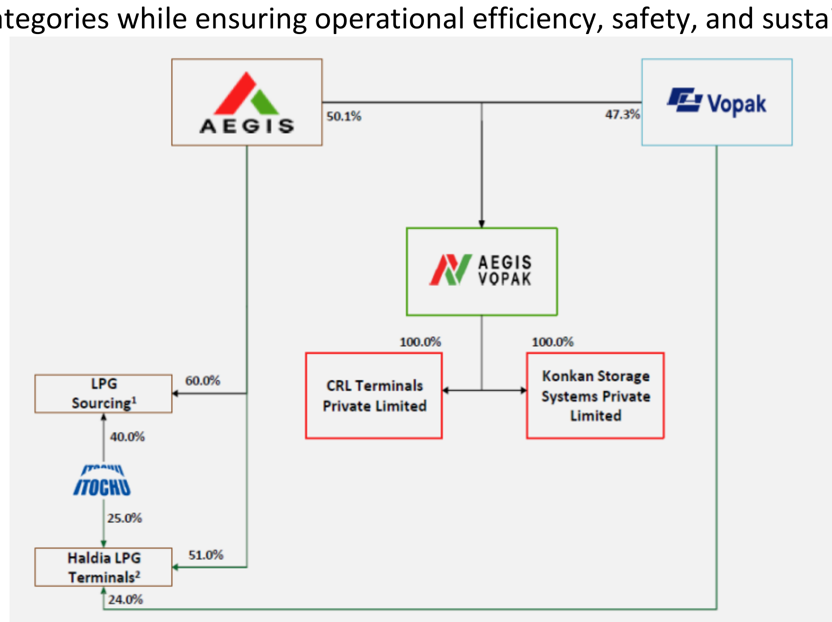
Aegis Vopak Terminals is the **largest third-party owner and operator of tank storage terminals in India** for **liquefied petroleum gas (LPG)** and **liquid products**, based on total storage capacity. They operate a network of strategically located terminals with an **aggregate liquid storage capacity of approximately 1.50 million cubic meters** and a **static LPG storage capacity of 70,800 metric tons**. Their facilities support a range of products including petroleum derivatives, vegetable oils, lubricants, specialty chemicals, and gases such as propane and butane. In the LPG segment, they command the **largest share of India's total static tank storage capacity**, accounting for **approximately 11.50%** as of December 31, 2024. In the third-party liquid storage segment, we hold a leading position with **approximately 25.53%** market share. Its Infrastructure spans **5 key ports** on both the East and West coasts of India, which collectively handle around **23.00% of the country's liquid imports** and **61.00% of LPG import volumes**. Each terminal is equipped with integrated facilities including product storage tanks, firefighting systems, proprietary pipelines connected to jetties, ship loading/unloading platforms, and multi-modal evacuation infrastructure (via ship, rail, road, and pipelines).



JLPL – Jamnagar Loni Pipeline; Notes: (1) Vopak refers to Vopak (India) B.V., Vopak Asia Pte Ltd and Vopak Asia Pacific B.V.

Promoters

Our Company was established as a joint venture between **Aegis Logistics Limited** ("Aegis") and **Vopak India BV**, a subsidiary of **Royal Vopak**. **Aegis**, a listed Indian conglomerate, is India's largest third-party LPG handler, managing over **20% of national LPG imports** as of December 31, 2024. It also operates a **275,000 CBM liquid terminal** and a **21,000 MT cryogenic LPG terminal** in Mumbai with a throughput capacity of **1.5 MMTPA**. **Vopak India BV** is part of **Royal Vopak**, a Netherlands-based global leader in tank storage with over **400 years of industry experience**. As of December 31, 2024, Royal Vopak operates **77 terminals in 23 countries**, with a total capacity of **35.40 million CBM**. Its global portfolio includes storage for LPG, ammonia, crude oil, chemicals, and biofuels. Backed by Promoters, company benefit from strong industry expertise, global client networks, and infrastructure support. This enables them to expand into new product categories while ensuring operational efficiency, safety, and sustainability.



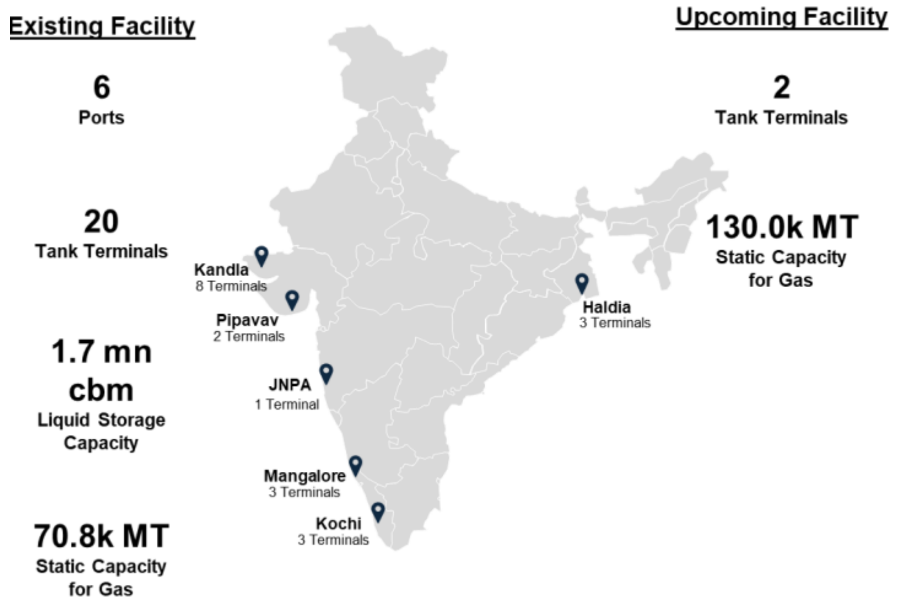
Business Segments

The company categorize business into two 2 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. The company handle more than 30 chemicals of various classes and categories. They also handle more than 10 products of edible oil and non-edible oil category.

Revenue Mix – Segment wise										
Particulars	9M FY ended December 31,2024		9M FY ended December 31,2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(in million)	(%)	(in million)	(%)	(in million)	(%)	(in million)	(%)	(in million)	(%)
Gas Terminal Division	2,118.4	45.6%	1,444.5	38.4%	2,053.0	36.5%	1,113.5	31.5%	-	-
Liquid Terminal Division	2,523.3	54.3%	2,309.6	61.5%	3,564.5	63.4%	2,419.7	68.4%	-	-

Terminals and Storage Capabilities

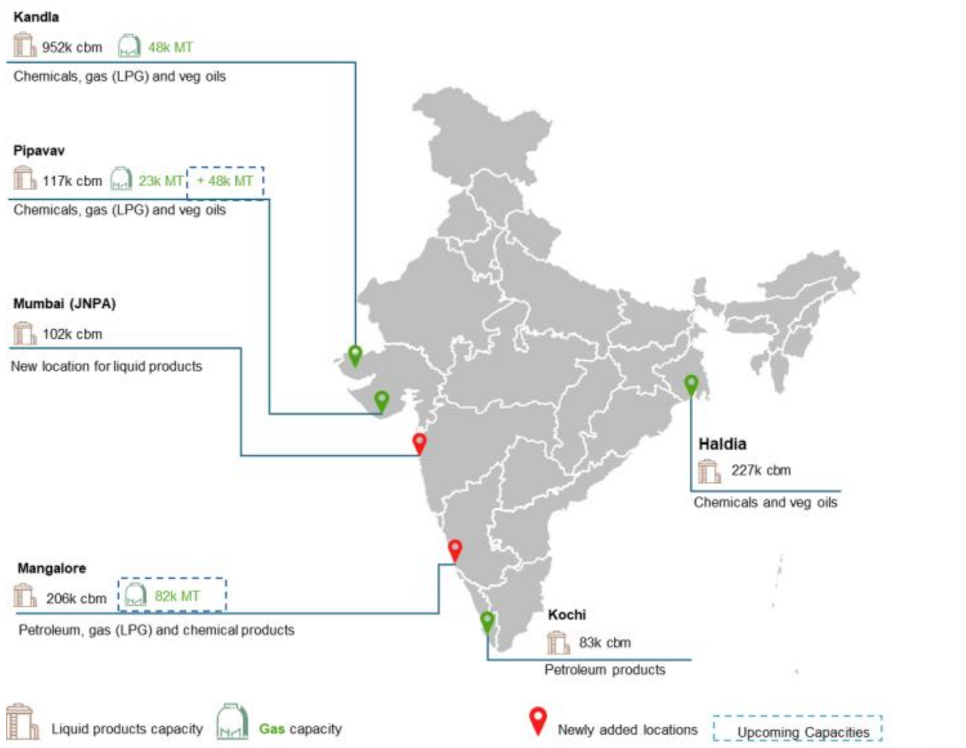
The company own and operate **2 LPG storage terminals** and **18 liquid storage terminals** across **6 major Indian ports**, supporting both coastal and international trade. Its terminals are located at **Haldia**, **Kochi**, **Mangalore**, **Pipavav**, **Kandla**, and **Navi Mumbai (JNPA)**, with a total storage capacity of **~1.68 million cubic meters for liquids** and **70,800 MT for LPG.**



(Map not to scale)

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.

Due to their strategic locations, **Kandla and Pipavav ports** handled **3.67 MMT of LPG**, accounting for **20.10% of India's LPG imports in FY24**. Out of over 10 LPG import ports in India, only five—including **Pipavav, JNPA (Navi Mumbai), Kandla, Vishakhapatnam**, and **New Mangalore**—have **rail-linked evacuation facilities**. Their **Pipavav terminal** is connected to the **Western Dedicated Freight Corridor** via **Mehsana and Ahmedabad**, with links to northern and central railways. The company is expanding their LPG capacity by **130,000 MT** at **Pipavav** and **New Mangalore**, targeting a total of **200,800 MT by FY26**. Additionally, they recently added **~101,900 CBM** of liquid storage at **JNPA, Navi Mumbai**. In Fiscal 2022, 2023 and 2024 and nine months ended December 31, 2024, our LPG throughput aggregated to nil, 0.86 MMTPA, 1.59 MMTPA, and 1.27 MMTPA, respectively.



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Capacity & Capacity Utilization										
Particulars	9M FY ended December 31,2024		9M FY ended December 31,2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Average Storage Capacity (Metric tons)	Revenue Per Metric ton (₹)	Average Storage Capacity (Metric tons)	Revenue Per Metric ton (₹)	Average Storage Capacity (Metric tons)	Revenue Per Metric ton (₹)	Average Storage Capacity (Metric tons)	Revenue Per Metric ton (₹)	Average Storage Capacity (Metric tons)	Revenue Per Metric ton (₹)
Gas Terminal Division	70,800	1,667.6	67,100	1,285.1	67,717	1,292.2	67,100	1,297.2	-	-
Liquid Terminal Division	1,497,483	3,221	1,382,718	3,126	1,440,185	3,399.0	1,343,012	3,012.0	-	-

Customer Base

The company is able to utilize their infrastructure, storage capabilities and locational advantage to secure a diverse customer portfolio across multiple ports, mitigating risks relating to customer concentration. Their 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 customers used multiple terminals to efficiently access markets in various regions. Further, they benefit from synergies with one of their Promoters, namely Aegis, who leverages their terminal network. Aegis utilizes their terminals for its imports, where it imports LPG in bulk thereby contributing to consistent revenue for them.

Strengths

- **India's largest third-party owner & operator of tank storage terminals for LPG and Liquid products**

The company has firmly established itself as India's largest third-party tank storage operator for LPG and liquid products, based on storage capacity. As of December 31, 2024, it holds approximately 11.5% of the country's static LPG capacity and 25.5% of third-party liquid storage capacity, highlighting its leadership in the bulk storage infrastructure sector. Its terminal network spans ~1.50 million cubic meters for liquids and 70,800 MT for LPG, supporting long-term, secure storage with tank infrastructure designed for a ~40-year service life. The facilities handle over 40 types of complex products, including petrochemicals, specialty chemicals, lubricants, and LPG—providing strong product diversification. The company owns 2 LPG terminals and 18 liquid terminals across 6 key Indian ports, equipped with advanced infrastructure like firefighting systems, jetty-linked pipelines, and multimodal evacuation routes (road, rail, ship, and pipeline). Its strategic port locations enable access to major trade routes and market demand hubs. Recent capacity expansions, including those post-December 2024, will further strengthen its storage footprint. The company's ability to quickly scale niche, high-margin product segments reflects operational agility and is expected to support sustained financial growth in the medium to long term.

- **Strategically Located Necklace of Terminals across the Indian Coast**

Aegis Vopak Terminals has established a strong national footprint with operations across five major Indian ports, enabling it to play a critical role in the country's energy and chemical supply chain. As of FY24, the company handled approximately 23% of India's total liquid imports and a significant 61% of the country's LPG imports, underscoring its strategic importance in bulk logistics and infrastructure.

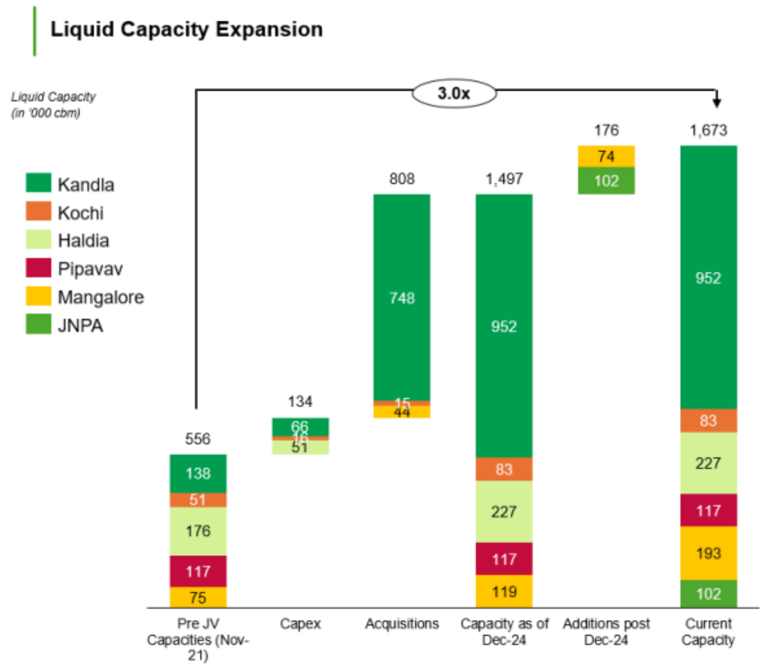
The company's two key LPG terminals, located at Kandla and Pipavav, processed 3.67 million metric tons (MMT) of LPG in FY24, which accounted for over 20% of India's total LPG imports for the year. These terminals are equipped with multimodal logistics capabilities, including pipeline, road, and rail connectivity. Notably, the Pipavav terminal is directly linked to the Western Dedicated Freight Corridor via Mehsana and Ahmedabad, allowing seamless access to central and northern India for faster and cost-efficient distribution. On the liquid storage front, Aegis Vopak operates terminals at Haldia (West Bengal), Kochi (Kerala), Mangalore (Karnataka), Pipavav (Gujarat), and Kandla (Gujarat). This diversified geographical presence ensures broad coverage across India's eastern and western coastlines, supporting pan-India product distribution. The combination of port-side infrastructure and inland evacuation capabilities enables efficient handling of both coastal and international trade flows, while also meeting the growing demand for specialized chemical and petroleum product storage.

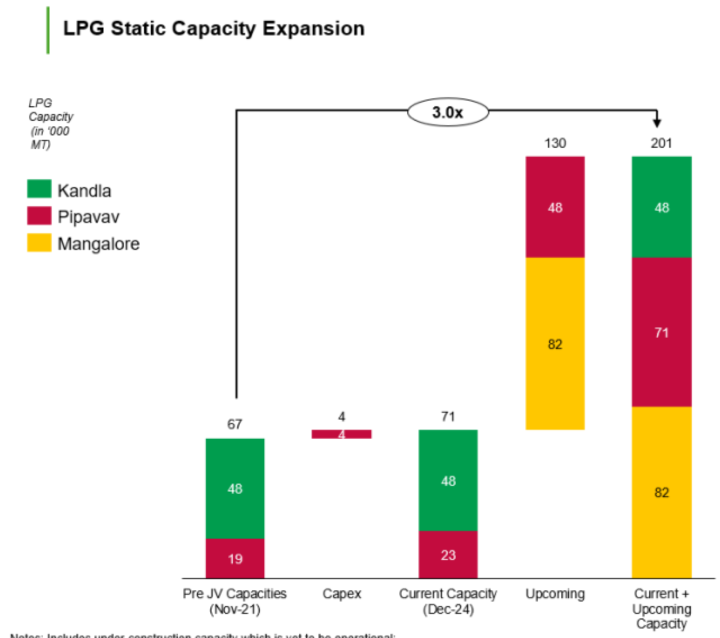
- **Track Record of Consistently Expanding Capabilities and Well-Equipped Storage Infrastructure**

Aegis Vopak has consistently expanded its storage capacity and infrastructure, solidifying its leadership in India's bulk liquid and gas storage sector. Leveraging the project execution strength of promoter Aegis Logistics, the company benefits from cost-effective construction, material procurement, and timely project delivery. Aegis handles construction at arm's length, allowing Aegis Vopak to focus purely on efficient terminal operations—ensuring capital efficiency and operational excellence.Over the last 3–4 years, the company has invested around ₹47 billion in infrastructure upgrades, highlighting its commitment to capacity growth, automation, and safety. Its LPG assets include:

- Kandla Terminal: 48,000 MT static capacity; >4 MMTPA throughput
- Pipavav Terminal: 22,800 MT pressurized storage; >2 MMTPA throughput

In FY24, it handled 5.43 MMT of bulk liquids, supported by high-spec facilities including stainless-steel tanks, specialized pipelines, internal coatings, temperature control systems, nitrogen blanketing, and vapor recovery units. These features enable safe, efficient handling of hazardous and sensitive products. Its terminals also offer extensive evacuation infrastructure—jetty-connected pipelines, rail gantries, 100+ loading bays, and a dedicated rail siding at Kandla for vegetable oil dispatch—ensuring seamless logistics. The company's diverse handling capability and continued infrastructure investment position it well to meet India's growing need for reliable storage in the energy and chemicals sectors.

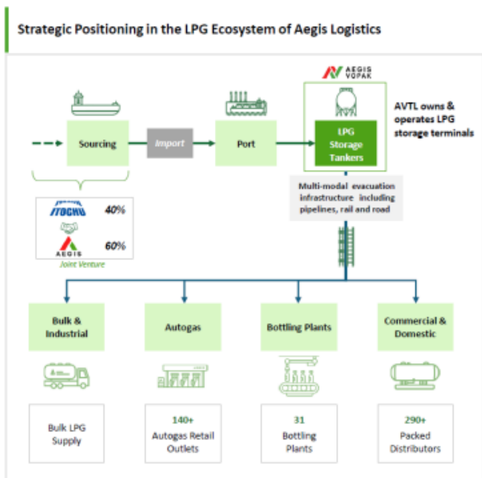


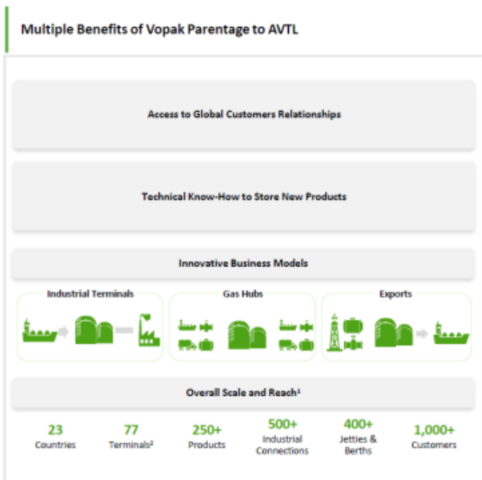


Notes: Includes under-construction capacity which is yet to be operational;

- **Backed by Established promoters and Supported by a Strong Management Team**

Aegis Vopak Terminals Limited is a joint venture between Aegis (India) and Vopak India BV, a subsidiary of Royal Vopak (Netherlands). The company benefits from the combined strengths of its promoters—Aegis, with over 50 years of experience in LPG sourcing, storage, and distribution in India, and Vopak, which operates a global network of 77 terminals in 23 countries. By leveraging this deep industry expertise and global best practices, Aegis Vopak serves a wide range of clients, including oil marketing companies (OMCs), multinational corporations (MNCs), and chemical manufacturers. Supported by an experienced leadership team, the company is well-positioned for long-term growth, with a strong emphasis on safety, reliability, and customer service.





- **Relationships with Diversified Customer Base**

Relationships with Diversified Customer Base Aegis Vopak Terminals Limited has built strong relationships with a diverse customer base, leveraging the extensive operational history of its promoter, Aegis, which has over five decades of experience. The Company has inherited these longstanding relationships, enabling it to develop its own broad clientele. Its strategically located terminals, which complement Aegis' offerings, allow it to serve many of Aegis' customers. As of December 31, 2024, Aegis Vopak Terminals Limited serves more than 400 customers, including major national oil marketing companies (OMCs), traders, manufacturers, end users, and fuel marketing companies from both private and public sectors, as well as local and international businesses.

Note: Number of years of relationship indicate the relationship duration with our Promoter, Aegis.

This diverse customer base reduces concentration risk. Through its promoters, the Company's operations extend to 23 countries, with 77 terminals, 250 products, 500 industrial connections, and 400 jetties and berths. The contributions of its top five and top ten customers to revenue demonstrate low dependency on any single client. Additionally, 47.14% of customers utilized multiple terminals during the nine months ended December 31, 2024, reflecting the geographical spread and flexibility of Aegis Vopak's operations. Customer loyalty is strong, supported by repeat business. Aegis Vopak

Terminals Limited attributes its long-term customer relationships to its focus on quality, advanced and safe infrastructure, and well-connected terminal locations.

Top 5 and Top 10 customers Revenue										
Particulars	9M FY ended December 31,2024		9M FY ended December 31,2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(in million)	(%)	(in million)	(%)	(in million)	(%)	(in million)	(%)	(in million)	(%)
Top 5	1,595.9	34.3%	1,405.2	37.4%	1,981.1	30.7%	1085.9	30.7%	-	-
Top 10	2,077.5	44.7%	1,772.0	47.2%	2,503.4	44.5%	1487.4	42.0%	-	-
Revenue from repeat customers	4,359.1	93.9%	3,675.8	97.9%	4,891.4	87.0%	-	-	-	-

- **Focus on Sustainability and Health and Safety**

Aegis Vopak Terminals Limited is strongly aligned with ESG (Environmental, Social, and Governance) principles, focusing on sustainable growth, environmental care, and community engagement. Backed by its promoters' ESG vision, the company adheres to international standards and holds key certifications such as MSCI ESG AA, ISO 45001, ISO 14001, and ISO 9001. It actively pursues green initiatives, prioritizes employee safety and training, and upholds transparent governance with strong internal controls. The company ensures high safety standards through advanced risk assessments, modern firefighting systems, and emergency response protocols, while on-site surveillance and security patrols help maintain safe and secure terminal operations.

- **Strong Financial Metrics with a Growing Margin Profile and Return Metrics**

Aegis Vopak Terminals Limited has shown steady growth, backed by strong financial performance and rising profitability. As of December 31, 2024, the company achieved a design throughput turn of ~84.75x, indicating high operational efficiency. Its Kandla terminal stands out for having one of the lowest capital costs per unit of designed LPG throughput in the industry. Revenue grew from ₹353.33 crore in FY23 to ₹561.76 crore in FY24, while EBITDA rose from ₹231.96 crore to ₹405.90 crore during the same period. The company also recorded improved EBITDA margins, reaching 71.19% in FY24 and 74.21% in the nine months ending December 2024—highlighting efficient cost management and strong earnings potential.

Strategies:

- **Expanding Terminal Network to Meet India's Growing Energy Needs**

India's LPG demand is projected to reach 36–37 MMTPA by FY2029, growing at a CAGR of 3–4%, driven by rising household and industrial consumption. Aegis Vopak Terminals Limited (AVTL) is well-positioned to meet this demand through strategic infrastructure expansion. In FY2023, AVTL began building a greenfield cryogenic LPG terminal at New Mangalore Port with a static capacity of 82,000 MT. It is also expanding the Pipavav Terminal by adding 48,000 MT of cryogenic storage. Together, these facilities will support a combined throughput of up to 10 MMTPA. Once operational, AVTL's total LPG storage capacity will increase to 200,800 MT, with a throughput capacity of 15.6 MMTPA. To support the growing liquid segment, AVTL has commissioned a new liquid terminal at JNPA in Navi Mumbai with 101,900 CBM of capacity. The company is also working with port authorities to allow VLGC (Very Large Gas Carrier) berthing and plans to build a cryogenic ammonia tank, strengthening its role in India's energy logistics sector.

- **Enhancing customer value through Infrastructure upgrades**

Aegis Vopak continues to strengthen its customer value proposition by expanding and upgrading infrastructure at existing terminal locations. Through its promoter Aegis, the company is developing critical support systems such as pipeline connectivity to jetties, product evacuation mechanisms, rail loading facilities, and high-capacity pumps. These enhancements will enable the company to handle larger product volumes and support a wider array of customer needs across multiple product categories, while creating operational efficiencies and scale benefits

- **Invest in Capabilities to Address Alternative Energies**

In alignment with the sustainability agenda of its promoters, AVTL is committed to supporting the global energy transition. The company is actively exploring infrastructure solutions for low-carbon and renewable hydrogen (including ammonia and liquid organic hydrogen carriers), sustainable fuels and feedstocks, carbon dioxide, and long-duration energy storage. AVTL intends to leverage the global experience of its promoters in operating infrastructure for cleaner fuels such as LPG, LNG, and grey ammonia. In the initial phase, AVTL aims to develop storage for sustainable feedstocks and ammonia by repurposing or establishing new infrastructure at existing and new locations. The company is also exploring carbon capture and storage (CCS) infrastructure, which includes the capture of CO_2 from industrial processes, its transportation, and permanent underground storage, contributing to emission reduction and climate goals.

Project GATI – Gateway Access to India: To support India's evolving energy landscape, AVTL has launched Project GATI (Gateway Access to India), a strategic initiative aimed at expanding storage infrastructure for both traditional and renewable energy products. Under this initiative, AVTL's Board has approved expansion projects with a total capital outlay of approximately Rs.22.17 billion, as part of a broader Rs.90.00 billion investment plan envisioned by its promoters by 2030. These projects include the development of an additional 130,000 MT of LPG static storage, 176,290 cubic metres of liquid storage capacity, and integrated LPG bottling plants at port locations. Project GATI positions AVTLto play a vital role in strengthening India's energy infrastructure and sustainability objectives.

- **Pursuing Inorganic Growth Opportunities**

Aegis Vopak Terminals aims to expand its terminal network and service offerings through inorganic growth, including mergers and acquisitions. The company has a track record of acquiring strategic assets, such as:

- Friends Group terminals in Kandla (545,713 CBM),
- Nadella Agrotech's terminal in Mangalore (44,170 CBM), and
- Ruchi Infrastructure's terminal in Kochi (15,000+ CBM).

The company plans to pursue further acquisitions that support market consolidation, operational efficiencies, geographic reach, and improved returns. While no specific deals have been finalized as of the date of this Red Herring Prospectus, the company intends to build on its successful acquisition history to fuel future growth.

- **Venture into Establishing Industrial Terminals**

The company is also evaluating opportunities in the industrial terminal segment, which typically serves multiple plants within manufacturing clusters under long term contracts. These terminals provide customized storage solutions for facilities such as petrochemical crackers, chemical plants, and refineries, and are integrated via pipelines for inbound and outbound flows. With the backing of Royal Vopak's global expertise—spanning 77 terminals across 23 countries. It plans to explore industrial terminal projects in port-based clusters and government-designated petroleum and petrochemical investment regions in India.

- **Strategically Develop Inland Depots**

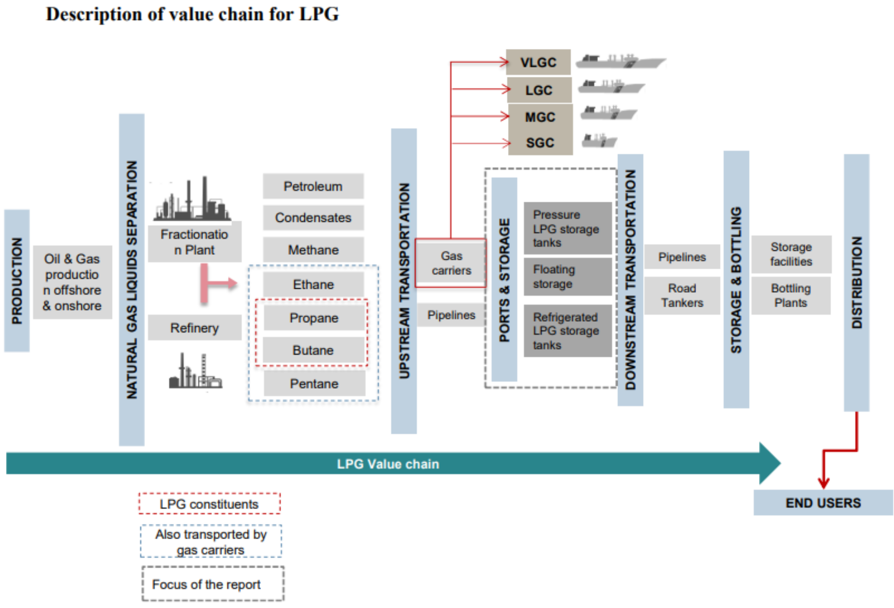
Aegis Vopak is actively exploring the development of Inland Container Depots (ICDs), or dry ports, for LPG and liquid products at key inland locations. These depots serve as crucial links between port-based terminals and end consumption markets, providing customers with integrated, reliable, and safe storage solutions. Leveraging the operational experience of Aegis in running LPG bottling plants across India. The company aims to establish a robust network of inland depots that enhance its end-to-end energy logistics capabilities.

Industry Snapshot

- **Indian Gas Terminal Market**

Value chain for LPG consumption and trade Liquefied petroleum gas (LPG) is a flammable hydrocarbon gas mixture comprising primarily propane (C_3H_8) and butane (C_4H_{10}). LPG transforms into a liquid, when subjected to moderate pressure or lower temperature, making it easy to store and transport. LPG is widely used as a fuel for heating, cooking and automotive applications, due to its high energy content, clean burning and ease of usage. 150 The LPG (liquefied petroleum gas) value chain involves production, shipping, import terminals, and domestic distribution.

Description of value chain for LPG

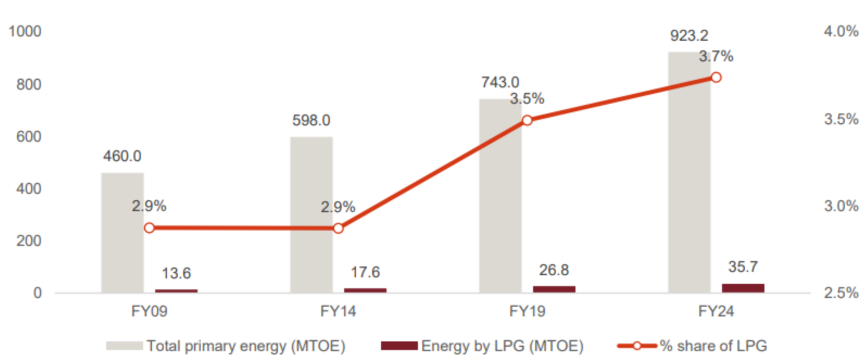


This report focuses on the Port & Storage part of the LPG value chain.
Source: Industry, CRISIL Intelligence

- **Share of LPG in overall energy basket has improved over the long term**

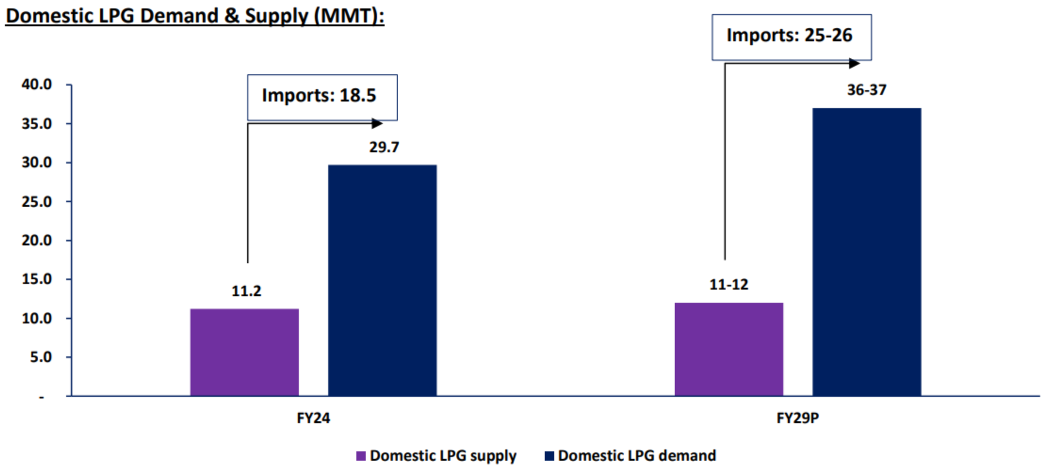
The share of LPG in India's energy basket is estimated to have increased 80 bps between Fiscals 2014 and 2024, reaching 3.7% from 2.9%. This can be attributed to increased use of LPG vis-à-vis other fuels. During the period, LPG consumption logged a 7.3% CAGR, while overall primary energy consumption is estimated to have registered 4.4% CAGR.

Share of LPG in overall energy basket (estimated)



The share of LPG in India's energy basket is estimated to have increased 80 bps between FY14 and FY24, reaching 3.7% from 2.9%. This can be attributed to increased use of LPG vis-à-vis other fuels. In addition to the robust and growing demand for LPG from the domestic cooking segment, adoption of LPG is expected to increase for industrial applications, driven by the Government's strong push to reduce carbon dioxide emission from liquid fuels. Household segment and robust industrial consumption are expected to raise overall LPG demand to 36-37 MMTPA by FY29, at a CAGR of 3%-4% (FY24-FY29P). The demand will largely be met through imports, as domestic supply is unlikely to keep pace with the projected demand. LPG imports are also expected to contribute to more than 60% of the overall LPG demand in the country during FY24 to FY29, growing at a CAGR of 6%-8%. Supply of LPG from domestic refineries and fractionators is expected to remain flattish at 11-12 MMT during FY24-FY29.

Domestic LPG Demand & Supply (MMT):



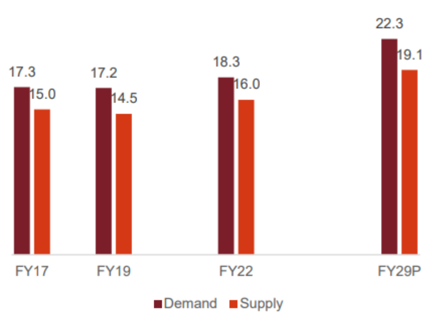
➢ **Ammonia, LPG and Liquid Chemicals Imports**

LPG imports are also expected to contribute to more than 60% of the overall LPG demand in the country during fiscal 2024-29 period, growing with a CAGR of 6-8%. Supply of LPG from domestic refineries and fractionators is expected to remain flattish at 11-12 MMT over fiscals 2024-2029.

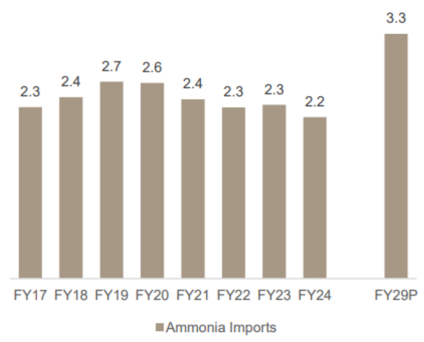
India is the third-largest consumer and second-largest importer of ammonia. Imports account for approximately 15.00% of India's demand. About 98% of ammonia is consumed by the fertilizer industry and the remaining is used by industrial sectors such as mining, textile and refrigeration.

The Indian chemicals industry has significant demand potential with limited access to feedstock. As of June 2024, this has resulted in a wide trade deficit for the sector since most of the intermediary chemicals need to be imported, India is, therefore, expected to remain highly dependent on imports of intermediary chemicals such as methanol, toluene, monomers, polyol, glycol, acids, among others.

Ammonia demand-supply (MMT)



Ammonia imports (MMT)



Source: DGCIS, industry, CRISIL Intelligence

➢ **Chemicals**

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. Additionally, the Government of India has established Petroleum, Chemical, and Petrochemical Investment Regions to support large-scale projects through public-private partnerships. The Technology Upgradation Fund further bolsters these initiatives with the aim of facilitating the adoption of new technologies within the chemical sector.

➢ **Port-wise infrastructure**

AVTL, Ganesh Benzoplast, and IMC are key multi-location players having liquid tank farms across ports in the country. Indo Nippon, ATS, are GCPL are a few other players having presence at single locations. Among key upcoming liquid storage terminals, AVTL's JNPA terminal will be located at the largest major port in terms of container traffic. Provided below are locations of key players:

Key tank farm operators at key chemical ports

Port	Hinterland catered to	Key players	Third-party capacity (million cbm)
Kandla	Gujarat, Rajasthan, NCR, Punjab, Haryana, Himachal, Madhya Pradesh	AVTL, Indo Nippon Chemicals, IMC, Ahir Salt	1.15
Pipavav	Gujarat, Rajasthan, NCR, Punjab, Haryana, Himachal, Madhya Pradesh	AVTL, IMC, Gulf Petrochem	0.45
JNPA	Maharashtra, Hyderabad, Silvassa, Gujarat	GBL, IMC, AVTL (Upcoming as of December 31, 2024)	0.44
Dahej	Gujarat, Rajasthan, NCR, Punjab, Haryana, Himachal, Madhya Pradesh	GCPL	0.39
Haldia	West Bengal, Bihar, Northeast and Nepal	AVTL, IFB Agro, IMC	0.38
Mumbai	Maharashtra, Hyderabad, Silvassa, Gujarat	ALL	0.30
Ennore	Tamil Nadu, Karnataka, Andhra Pradesh	IMC	0.25
New Mangalore	Karnataka	AVTL, IMC, ATS	0.21
Vizag	Andhra Pradesh, Telangana, Karnataka, Odisha, Chhattigarh	IMC, HPCL, EIPPL	0.15
Cochin	Kerala	AVTL, IMC, GBL	0.08
Chennai	Tamil Nadu, Karnataka, Andhra Pradesh	IMC	0.06
Kolkata	West Bengal, Bihar, Northeast and Nepal	IMC	0.05
Mormugao	Maharashtra, Hyderabad, Karnataka	GBL, IMC	0.05

- **Industrial Growth Outlook**

The global economy is approaching pre-pandemic activity levels, demonstrating resilience despite a challenging environment. Energy and food prices have significantly declined from their geopolitical peaks, contributing to faster-than-expected easing of global inflation. Financial instability following recent banking sector turmoil has been largely contained due to swift intervention by U.S. and Swiss authorities. Nevertheless, geopolitical uncertainties and aggressive monetary tightening to curb inflation continue to pose major challenges. These pressures, along with structural constraints, are slowing the recovery of many emerging and developing economies. In contrast, India has maintained strong growth momentum, driven by robust investments and thriving sectors such as information technology, services, agriculture, and manufacturing. In the terminaling industry, location is a critical differentiator. Terminals situated at ports near major shipping routes offer a strategic edge. Well-connected facilities enhance operational efficiency by enabling faster evacuation through pipelines, rail, and road, reducing last-mile costs and improving delivery timelines.

Comparison with listed entity

Name of Company	Mcap(₹ million)	Face Value Per Share (₹)	Total Income for Fiscal 2024 (₹ million)	EPS	P/E	EV/EBIDTA	NAV per equity share (₹)	P/BV
Aegis Vopak Chemicals Ltd	2,60,378	10	56,176	1.0	227.4	57.4	13.2	18.1
Peer Group								
Adani Port & SEZ Ltd	29,74,510	2	3,10,790	37.5	26.8	17.7	245.1	6.3
JSW Infrastructure Ltd	6,05,330	2	44,760	6.0	40.2	27.7	41.7	7.1

*P/E & P/B ratio based on closing market price as of 23rd May 2025, at the upper price and of IPO, Other financial details consolidated audited results as of FY24.

Key Risks

- Company's terminal services and other operations are subject to operational risks that could adversely affect our business, results of operations and financial condition.
- Company's significantly benefit from relationship with Promoters. Any decline in this relationship could have an adverse effect on our business, results of operations, financial condition and cash flows.
- They operate as a joint venture between Aegis Logistics Limited and Vopak India BV and any conflicts between our Promoters could result in potential disruption in our business and operations, which may adversely affect our business, results of operations, financial condition and cash flows.
- The majority of terminals are situated across the west coast of India. They generated 91.61%, 92.28%, 91.31% and 92.82% in Fiscal 2023 and 2024 and in the nine months ended December 31, 2023 and 2024, respectively. Any adverse developments affecting operations in such region, could have an adverse impact on business, financial condition, results of operations and cash flows
- The company's operations are closely linked to activity and investment levels in the oil and gas sector, which accounted for 36.36%, 37.81%, 42.02%, and 45.06% of its revenue in the respective reporting periods. A downturn or adverse developments in this sector could negatively affect its financial performance and cash generation.

Valuation & Outlook

Aegis Vopak terminals India's largest independent operator of storage tanks at major ports which has good growth potential and dominance with its core competency to maintain the storage of gas and high value products at desired properties. It currently manages around 25.53% of India's third-party liquid storage capacities. With strong promoter backing (Aegis & Royal Vopak), strategic port presence, high operational efficiency, and robust financial growth, the company is well-placed to benefit from rising energy demand and infrastructure expansion. The company's current capital expenditures are fully financed, and the planned debt repayment of ₹2,016 crore is expected to enhance profitability in the future. Additionally, with new capacities set to become operational in FY26, the company is well-positioned for strong growth.

On valuation parse, based on annualised FY25 it is seeking PE of 235 times and EV/EBITDA nearly 57 times, for FY24 earnings PE stands at 301x times and post issue market cap comes at Rs 2,60,378 Mn with this the issue is extravagantly priced. Therefore, we believe that company's aggressive capacity additions justify the steep valuation however, it has also able to achieve lowest capex per MT while delivering the highest throughput and tank turns among peers, underscoring its operational excellence. Thus, we recommend the issue can only be consider as "**SUBSCRIBE for LONG TERM**".

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Mid Caps (101st-250th company)	>20%	0-20%	<0%
Small Caps (251st company onwards)	>25%	0-25%	<0%

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