

Retail Research – IPO Note	23 rd May 2025
Sector: Logistics	Price Band (Rs): 223 – 235
Listing Gain: Likely to be muted	Recommendation: Subscribe for Long term

Aegis Vopak Terminals Ltd

Company Overview:

Aegis Vopak Terminals Ltd (AVTL) was established in 2013 as a joint venture between Aegis Logistics Ltd and Vopak India BV (part of Royal Vopak, a Netherlands-based leading global tank storage company). AVTL provides tank storage and handling services for various types of liquids and LPG gases and is India's largest third-party owner and operator of tank storage terminals for LPG and Liquid products. The company offers secure storage and associated infrastructure for products like petroleum, chemicals, lubricants, vegetable oil and LPG.

Key Highlights:

1. India's largest third-party owner & operator of tank storage terminals for LPG and Liquid products: The company's LPG tank storage capacity contributes ~11.5% to the country's total static LPG capacity, making it the largest in India. While in terms of storage of liquid products, AVTL accounts for ~25.5% of the national third-party storage capacity. It owns and operates a network of ~1.5 mn cubic meters (cbm) of storage capacity for liquid products and 70,800 metric tonnes (MT) of static capacity for LPG. These storage systems are accompanied by tanks having designed life of ~40 years which can store and handle more than 40 different complex and critical products such as specialized chemicals, petrochemicals and LPG.

2. Strategically located chain of terminals: The company houses a diversified network of terminals spread strategically across 5 key ports on the Western and Eastern coasts of India, which in-turn handle ~23.0% of liquid and ~61.0% of the total LPG import volumes in India. Overall, the company owns and operates 20 tank terminals in India (2 LPG storage terminals across 2 ports in Gujarat and 18 Liquid storage terminals across 6 ports in the country).

3. Expanding operations through capacity expansion: With a view to cater to the future storage infrastructure demand for gas, AVTL is in process of establishing two new LPG terminals at Karnataka and Gujarat with a cryogenic static storage capacity of 82,000 MT/48,000 MT respectively. These terminals will handle a maximum throughput of 6 MMTPA/4 MMTPA respectively and will increase the company's total static storage capacity by 3x to 2,00,800 MT (with a maximum throughput capability of 15.6 MMTPA). The capex is fully funded (through IPO proceeds and cash in hand) and is expected to reap benefits in the coming 2-3 years.

Valuation: The business model of the company is capex driven and its core competency is to maintain the storage of gas and high value products at desired properties. The company's ongoing capex is fully funded and the repayment of debt to the tune of Rs 2,016 cr should help boost the profitability going ahead. Moreover, as the new capacities commercialize during FY26, the company has potential to report robust growth during the FY25E-FY27E period. At upper price band of Rs 235, the company is valued at EV/EBITDA and EV/Sales multiple of 56.5x and 41.6x respectively based on its 9MFY25 annualized earnings. We believe that the industry outlook is strong and AVTL being the largest player by capacity could be a key beneficiary of industry tailwinds. Long-term investors with high-risk appetite may SUBSCRIBE to the issue, however listing gains are likely to be muted.

Issue Details	
Date of Opening	26 th May 2025
Date of Closing	28 th May 2025
Price Band (Rs)	223 – 235
Offer for sale (Rs cr)	-
Fresh Issue (Rs cr)	2,800.0
Issue Size (Rs cr)	2,800.0
No. of shares	11,91,48,936 @upper price band
Face Value (Rs)	10
Post Issue Market Cap (Rs cr)	24,851 – 26,038
BRLMs	ICICI Securities Ltd, BNP Paribas, IIFL Capital Services Ltd, Jefferies India Pvt Ltd, HDFC Bank Ltd
Registrar	MUFG Intime India Pvt Ltd
Bid Lot	63 shares and in multiple thereof
QIB shares	75%
Retail shares	10%
NII shares	15%

Objects of Issue	
Particulars	Estimated utilization from net proceeds (Rs cr)
Repayment or prepayment of all or a portion of certain outstanding borrowings availed by the Company	2,016.0
Funding capital expenditure towards contracted acquisition of the cryogenic LPG terminal at Mangalore	671.3
General Corporate Purposes*	-
Total proceeds from fresh issue	2,800.0

**To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue, in accordance with the SEBI ICDR Regulations*

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	96,32,25,957	97.4
Public & Others	2,56,16,596	2.6
Total	98,88,42,553	100.0

Post Issue @ Lower Price Band	No. of Shares	%
Promoter & Promoter Group	96,32,25,957	86.4
Public & Others	15,11,77,134	13.6
Total	1,11,44,03,091	100.0

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	96,32,25,957	86.9
Public & Others	14,47,65,532	13.1
Total	1,10,79,91,489	100.0

Source: RHP, SSL Research

Key Financials

Particulars (Rs cr)	FY22	FY23	FY24	9MFY25
Revenue from operations	-	353.3	561.8	464.2
EBITDA	(0.6)	229.3	397.5	341.4
PAT	(1.1)	(0.1)	86.5	85.9
EBITDA Margin (%)	-	64.9	70.8	73.5
PAT Margin (%)	-	-	15.4	18.5
RoE (%)	-	-	8.7	-
RoCE (%)	-	5.2	8.1	-
P/E (x)*	-	-	268.5	-

**Note: Pre-issue P/E based on upper price band*

Source: RHP, SSL Research

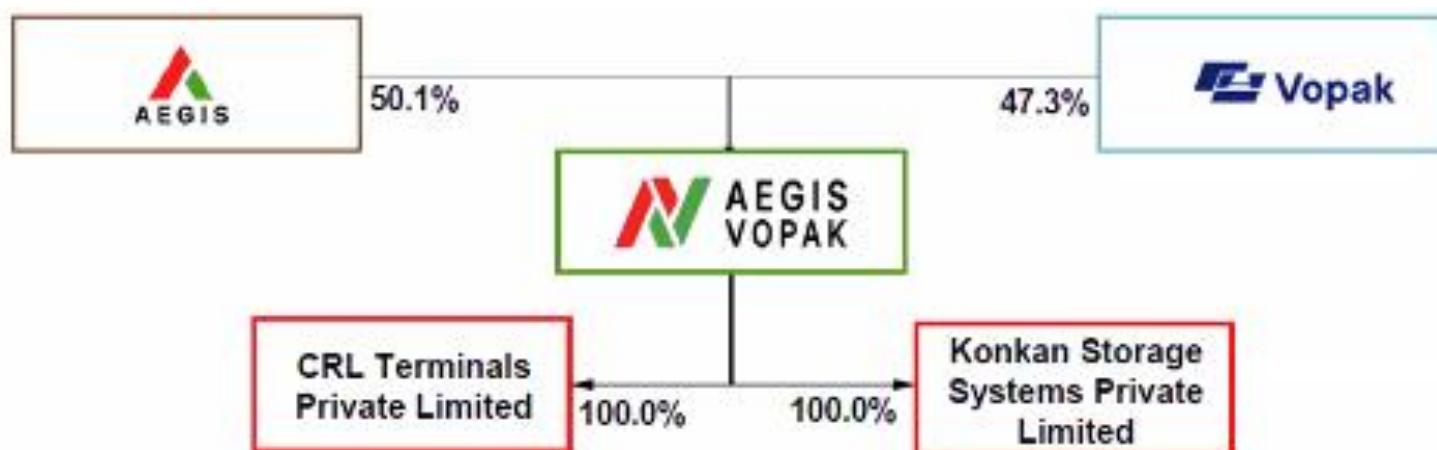
Risk Factors

- **Capital intensive business:** The company operates a capital-intensive business which requires a substantial level of funding. The company may look to meet its capital expenditure plans via issuance of debt/equity which could drain its internal accruals or compel it to raise additional capital in case of inability to service the obligations or in the case of insufficient raising of capital.
- **Customer concentration risk:** As of 9MFY25, the company derived ~34.4% of its revenue from its top-5 customers. This exposes the company to risks specific to these customers with respect to any deterioration in their business or substantial reduction in their dealings with the company.
- **Operational risk:** Improper operations, machinery breakdown or other incidents at the company's terminals may result in accidents or damage to products stored, which may involve serious injuries or monetary losses to its customers. Failure to exercise sufficient caution on safe operations may lead to an adverse effect on the company's business and operational condition.

Growth Strategies

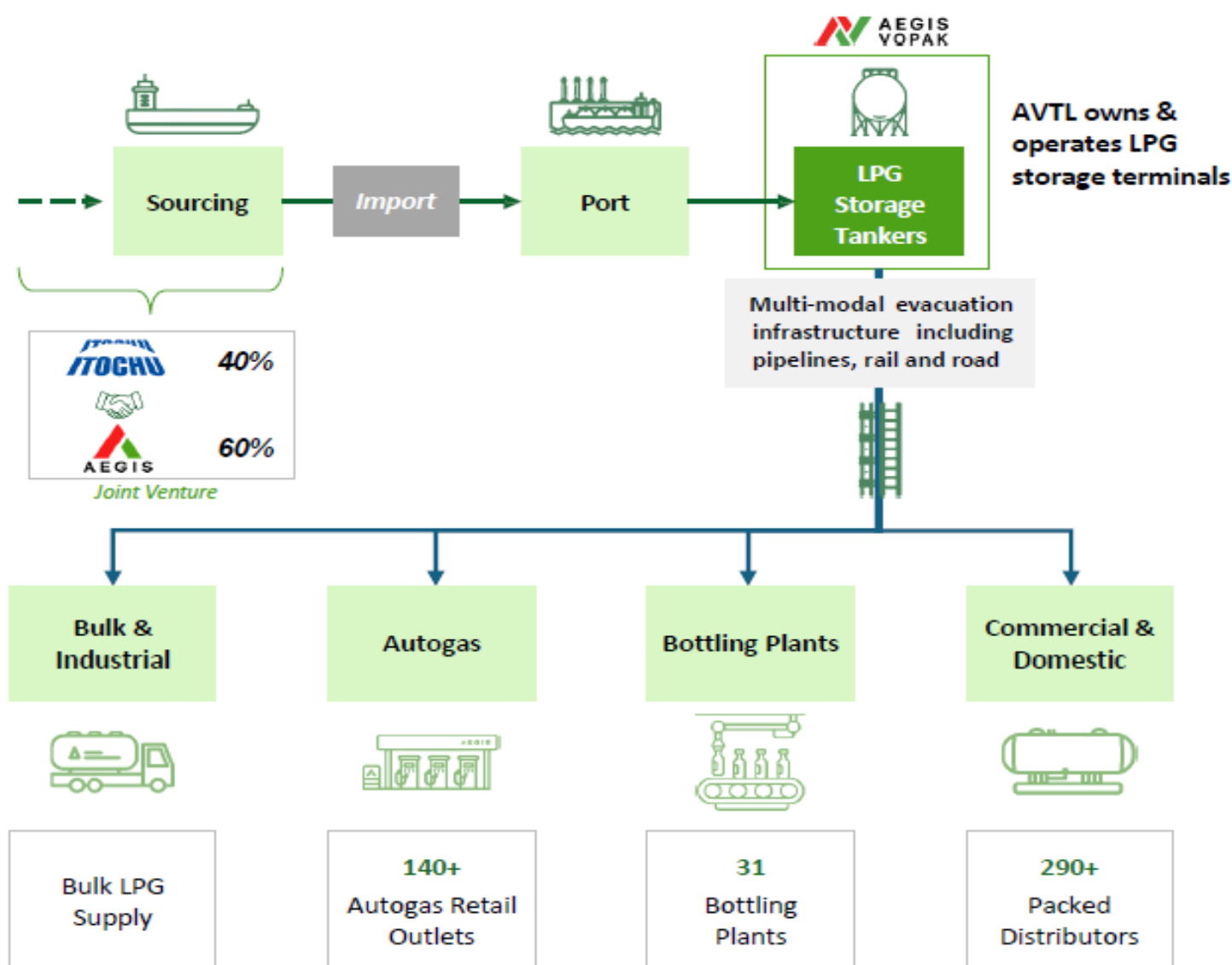
- Strategically expanding terminal network at existing locations and adding new locations
- To invest in capabilities to address Alternative energies
- To pursue inorganic growth opportunities
- Venturing into establishing industrial terminals
- Strategically developing inland depots

Joint Venture Structure



Source: RHP, SSL Research

Business Model



Source: RHP, SSL Research

Revenue Mix Trend

Services	FY22		FY23		FY24		9MFY25	
	Rs cr	% of TR*	Rs cr	% of TR	Rs cr	% of TR	Rs cr	% of TR
Gas storage and handling	-	-	111.4	31.5%	205.3	36.5%	211.8	45.6%
Liquid storage and handling	-	-	242.0	68.5%	356.5	63.5%	252.3	54.4%
Total revenue from operations	-	-	353.3	100.0%	561.8	100.0%	464.2	100.0%

*TR = Total Revenue

Source: RHP, SSL Research

Geographical Presence

Existing Facility

Upcoming Facility

6
Ports

2
Tank Terminals

20
Tank Terminals

130.0k MT
Static Capacity
for Gas

1.7 mn
cbm
Liquid Storage
Capacity

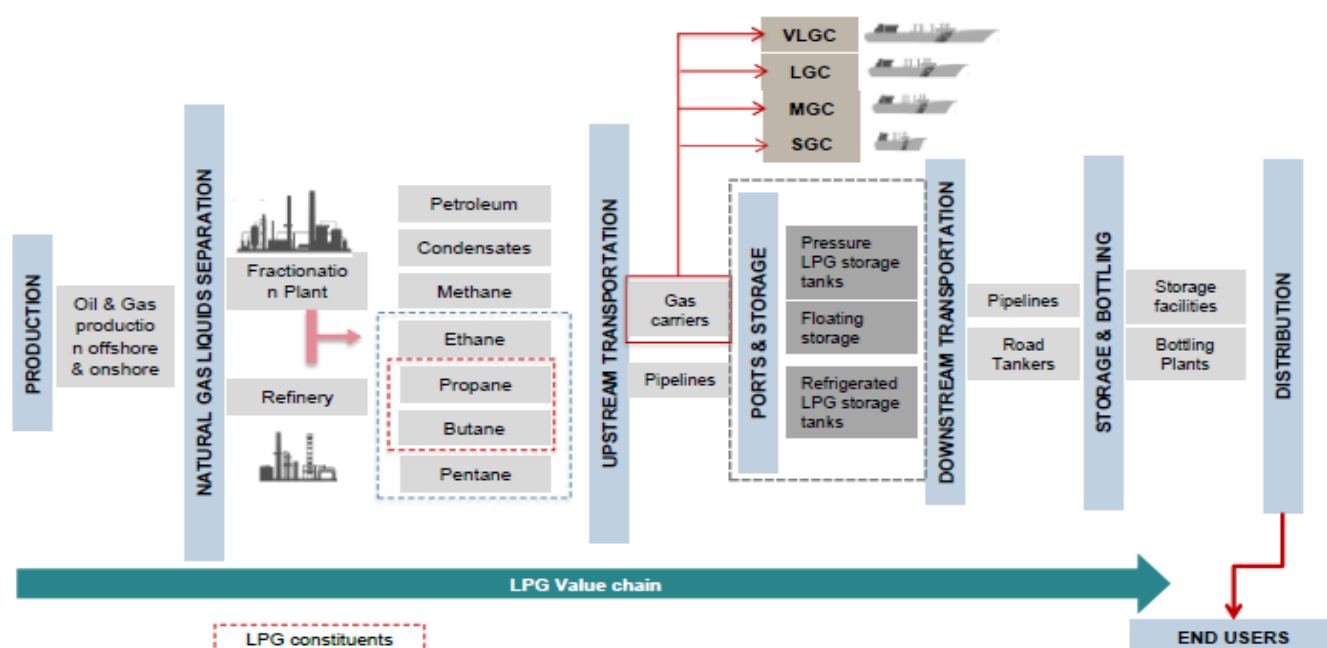
70.8k MT
Static Capacity
for Gas



Source: RHP, SSL Research

Industry Overview

Liquefied Petroleum Gas (LPG) Value Chain:

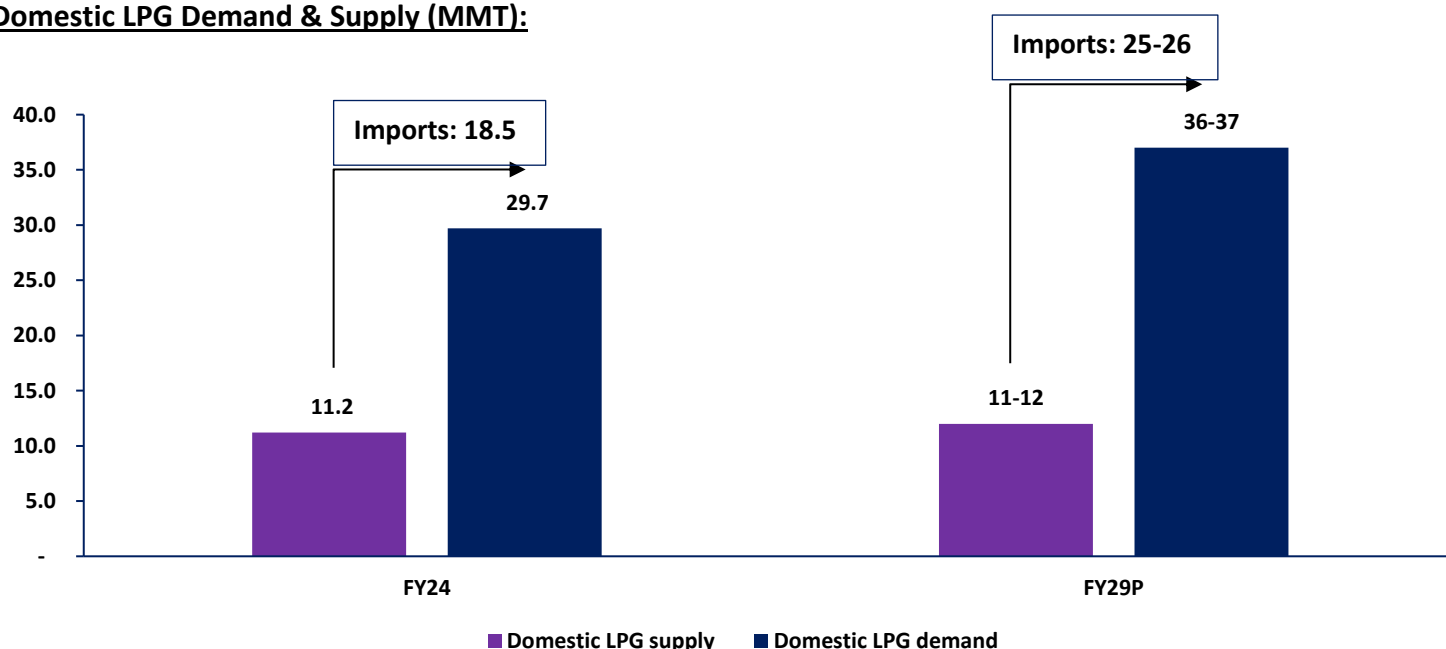


Source: RHP, SSL Research

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 MMT 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):



Source: RHP, SSL Research

Financial Snapshot

INCOME STATEMENT				
(Rs cr)	FY22	FY23	FY24	9MFY25
Revenue from Operations	-	353	562	464
YoY growth (%)	-	-	59.0%	-
Cost Of Revenues (incl Stock Adj)	-	-	-	-
Gross Profit	-	353	562	464
Gross margins (%)	-	100.0%	100.0%	100.0%
Employee Cost	-	31	44	33
Other Operating Expenses	1	93	120	89
EBITDA	(1)	229	398	341
EBITDA margins (%)	-	64.9%	70.8%	73.5%
Other Income	-	3	8	12
Interest Exp.	1	138	171	145
Depreciation	-	91	114	95
PBT	(1)	3	121	114
Exceptional item	-	-	-	-
Tax	-	3	34	28
PAT	(1)	(0)	87	86
PAT margin (%)	-	-	15.4%	18.5%
EPS (Rs)	-	-	0.9	0.9
Adj. PAT	(1)	(0)	87	86
Adj. PAT margin (%)	-	-	15.4%	18.5%
Adj. EPS	-	-	0.9	0.9

BALANCE SHEET				
(Rs cr)	FY22	FY23	FY24	9MFY25
Assets				
Net Block	20	3,017	3,477	4,045
Capital WIP	8	152	53	141
Intangible Assets	-	14	14	14
Other Non-current Assets	65	119	612	648
Current Assets				
Inventories	-	8	6	7
Trade receivables	2	70	131	112
Cash and Bank Balances	7	24	106	768
Other Current Assets	-	78	124	120
Total Current Assets	9	180	368	1,008
Current Liabilities & Provisions				
Trade payables	-	27	14	11
Other current liabilities	2	48	141	39
Short-term provisions	-	4	3	4
Total Current Liabilities	2	79	158	53
Net Current Assets	7	101	210	954
Total Assets	100	3,403	4,365	5,802
Liabilities				
Share Capital	1	1	1	989
Reserves and Surplus	1	952	996	894
Total Shareholders Funds	2	953	997	1,883
Total Debt	98	1,745	2,586	2,486
Long Term Provisions	-	4	6	7
Lease Liabilities	-	629	687	1,299
Net Deferred Tax Liability	-	72	89	128
Total Liabilities	100	3,403	4,365	5,802

Cash Flow Statement (Rs cr)	FY22	FY23	FY24
Cash flow from Operating Activities	1	172	337
Cash flow from Investing Activities	(92)	(1,786)	(857)
Cash flow from Financing Activities	99	1,629	603
Free Cash Flow	(64)	(6)	(326)

RATIOS			
	FY22	FY23	FY24
Profitability			
Return on Capital Employed	-	5.2%	8.1%
Return on Equity	-	-	8.7%
Margin Analysis			
EBITDA Margin	-	64.9%	70.8%
Net Profit Margin	-	-	15.4%
Short-Term Liquidity			
Current Ratio (x)	4.3	2.3	2.3
Quick Ratio (x)	4.2	2.2	2.3
Avg. Days Sales Outstanding	-	72	85
Avg. Days Inventory Outstanding	-	-	-
Avg. Days Payables	215	80	32
Fixed asset turnover (x)	-	0.1	0.2
Debt-service coverage (x)	-	0.1	0.1
Long-Term Solvency			
Total Debt / Equity (x)	51.9	1.8	2.6
Interest Coverage Ratio (x)	-	1.0	1.7
Valuation Ratios*			
EV/EBITDA (x)	-	108.8	64.7
P/E (x)	-	-	268.5
P/B (x)	-	24.4	23.3
EV/Sales (x)	-	70.6	45.8
P/Sales (x)	-	65.8	41.4

**Valuation ratios are based on pre-issue capital at the upper price band*

Source: RHP, SSL Research

Peer Comparison – FY25

Particulars (Rs cr)	Aegis Vopak Terminals Ltd*	Adani Ports & SEZ Ltd	JSW Infrastructure Ltd
CMP	235.0	1,377.0	288.0
Sales	618.9	31,079.0	4,476.0
EBITDA	455.2	19,025.0	2,262.0
Net Profit	114.5	11,061.0	1,521.0
Mkt Cap.	26,037.8	2,97,451.0	60,533.0
Enterprise Value	25,717.8	3,36,655.0	62,710.0
EBITDA Margin (%)	73.5	61.2	50.5
Net Profit Margin (%)	18.5	35.6	34.0
PE (x)	227.4	26.8	40.2
EV/EBITDA (x)	56.5	17.7	27.7
RoE (%)	6.1	17.7	15.7
RoCE (%)	7.5	13.5	11.9
EV/Sales	41.6	10.8	14.0

**Annualized 9MFY25 numbers*

For Aegis Vopak Terminals Ltd, the Market Cap, P/E (x), Enterprise Value, EV/EBITDA (x) and EV/Sales (x) are calculated on post-issue equity share capital based on the upper price band.

RoE and RoCE calculated on Pre-issue capital

CMP of peer companies is as of 22nd May, 2025. Aegis Vopak Terminals Ltd does not have any listed like to like industry peers in India. We have chosen the above companies as peers based on the disclosure made by company in RHP.

Source: RHP, SSL Research

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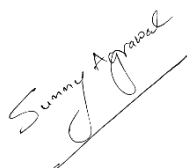
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