

23rd May 2025

LEVERAGING PARENTS EXPERTISE FOR BUSINESS EXCELLENCE & EXPANSION

Aegis Vopak Terminals Ltd. (AVTL) is a joint venture between Aegis Logistics Limited and Royal Vopak, is India's leading third-party owner and operator of tank storage terminals for LPG and liquid products. The company has presence over both East and West coasts of India & intends to expand its footprint along the coastal necklace of India. AVTL caters to marquee names across sectors including traders, manufacturers, chemicals and fuel marketing companies across private and public sectors, as well as local and international businesses.

Market domination makes AVTL a critical player in India's energy logistics

AVTL is India's foremost third-party operator of tank storage terminals, commanding the largest storage capacity for LPG and liquid products as of December 31, 2024. With a total capacity of approximately 1.50 mn m³ for liquid products and 70,800MT for LPG, the company captures 11.5% of India's total LPG static capacity and 25.5% of the nation's third-party liquid storage capacity. These storage systems have a 40-year lifespan & handle over 40 complex products, including specialized chemicals, petrochemicals, and LPG.

Strategically located assets with access to central evacuation infrastructure

AVTL operates two LPG storage terminals and 18 liquid storage terminals across six ports on both East & West coasts, managing a ~23% of India's liquid imports and ~61% of total LPG import volumes. Of these, five ports have rail evacuation facilities, with the Pipavav terminal uniquely connected to the Western Dedicated Freight Corridor at Mehsana and Ahmedabad, linking to northern and central railways. This strategic connectivity enhances evacuation speed, reduces last-mile delivery costs, improves delivery times, and mitigates risks associated with LPG road transport.

Aggressive capacity additions with best-in-class efficiency & strong parentage

AVTL's liquid storage capacity has grown from 0.55 mn m³ in Nov 2021 to 1.50 mn m³, with an additional 0.17 mn m³ 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, AVTL achieves the lowest capex per MT while delivering the highest throughput and tank turns among peers, underscoring its operational excellence.

AVTL's promoters- Aegis Logistics Limited, is a leading Indian company with over 50 years of experience in oil, gas, and chemicals logistics, and Vopak India BV, part of Royal Vopak, a global tank storage leader with over 400 years of expertise and 77 terminals across 23 countries. Backed by their resources and financial stability, the company dominates India's LPG and liquid storage markets, with Aegis being a major LPG importer via its Singapore trading arm and Royal Vopak managing 35.49 mn m³ globally as of December 31, 2024.

Risks- 1) Slow down in India's Oil & Gas Industry. 2.) Damage to assets owing to natural calamities or any other reasons. 3.) Non-compliance of safety or legal regulations applicable to the business. 4.) Promoters are involved in similar businesses.

Opinion- The company plans to raise Rs. 2,800 cr. with objective of loan repayment of ~Rs. 2,016 cr. & balance for funding expansion capex. At upper price-band of Rs. 235, the issue is priced at a ~57x FY25 EV/EBITDA. The aggressive expansion and strong parentage instil confidence in the company, we recommend '**SUBSCRIBE FOR LONG -TERM**' to the issue.

Particulars	FY23	FY24	9MFY24	9MFY25
Operating Revenue	353	562	375	464
EBITDA	229	398	252	341
EBITDA Margins	64.9%	70.8%	67.0%	73.5%
Net Profit/ (Loss)	(0.1)	87	34	86
Net Worth	953	997	945	1,883
Net Debt	1,722	2,481	2,302	1,622
Net Debt/ Equity	1.8	2.5	2.4	0.9
ROE	0%	9%	5%	6%

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Rating	Subscribe for long-term	
Issue Details		
Issue Opens	26-May-25	
Issue Closes	28-May-25	
Face Value (₹)	10	
Price Band (₹)	223-235	
Bid Lot	63	
Issue Size at higher price band (₹ Cr)	2,800	
Market cap. @ upper price band (₹ cr)	26,038	
Listing	NSE/BSE	
BRLMs	ICICI Sec., BNP Paribas, IIFL Capital, Jefferies, HDFC Bank	
Registrar	MUFG Intime India Pvt. Ltd.	
Shareholding Pattern (%)		
	Pre-Issue	Post Issue
Promoter	97.4	85.9
Others	2.6	14.1
Issue Structure (In cr. no. of shares)		
Issue size (100% Fresh)	11.91	
Break-up of net issue to public (%):		
QIB's portion	75%	
Non-Institutional portion	15%	
Retail Portion	10%	

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