

Company Overview

Aegis Vopak Terminals 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 (Source: CRISIL Report). The company is critical in India's oil, gas, and chemical logistics ecosystem by offering integrated and secure storage solutions for various products, including petroleum derivatives, vegetable oils, lubricants, chemicals, and gases such as LPG (propane and butane). The company operates a robust network of tank terminals with an aggregate storage capacity of ~1.50 mn cubic meters for liquid products and 70,800 MT of static capacity for LPG. Within the LPG storage segment, Aegis Vopak Terminals accounts for ~11.5% of India's total national static LPG storage capacity, making it the largest player in the country. It commands a ~25.53% share of India's third-party liquid storage capacity in the liquid storage domain, reinforcing its market leadership. The company's strategically located terminals span five key ports on India's east and west coasts. These ports collectively handle ~23% of the country's liquid import volumes and a significant ~61% of LPG import volumes, underscoring the importance of Aegis Vopak's infrastructure in supporting national energy logistics. Each terminal has advanced infrastructure, including product storage tanks, jetty-connected self-owned pipelines, firefighting systems, ship loading/unloading capabilities, and multimodal evacuation systems via rail, road, ship, and pipelines. This end-to-end setup ensures efficient and safe handling of products across the supply chain. Aegis Vopak Terminals is a JV between Aegis Logistics Ltd., a listed Indian conglomerate, and Vopak India BV, a subsidiary of Royal Vopak, a global leader in tank storage. Aegis brings strong domestic capabilities and is India's largest third-party LPG handler, accounting for over 20% of India's LPG imports as of December 31, 2024. It also operates a 275,000 cubic metre liquid terminal and a 21,000 MT cryogenic LPG terminal in Mumbai, capable of handling 1.5 MMTPA —the JV benefits from both promoters' deep domain expertise and global best practices. Aegis Vopak's strategic vision is anchored in safety and reliable execution, enabling it to grow through diversification into emerging product categories, such as new gases and specialty chemicals.

Objects of the issue

The 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 the company;
- ⇒ Funding capital expenditure towards the contracted acquisition of the cryogenic LPG terminal at Mangalore; and
- ⇒ General corporate purposes.

Investment Rationale

Dominant third-party owner with tank storage terminals for LPG and liquid products

The company has established itself as the largest third-party owner and operator of tank storage terminals for LPG and liquid products in India, both in terms of storage capacity. As of December 31, 2024, the company commands ~11.5% of the country's total static LPG storage capacity and 25.5% of India's third-party liquid storage capacity, underscoring its dominant position in the bulk storage infrastructure space. The company operates an extensive network of terminals with an aggregate storage capacity of ~1.50 million cubic meters for liquid products and 70,800 metric tons for LPG. These assets offer secure, long-term storage infrastructure with tanks designed for a service life of ~40 years. The facilities are capable of handling more than 40 different complex and critical products, including petrochemicals, specialized chemicals, lubricants, and LPG, offering substantial diversification benefits. They own and operate two LPG storage terminals across two Indian ports and 18 liquid storage terminals across six Indian ports. These terminals have robust infrastructure such as firefighting systems, jetty-connected pipelines, ship loading and unloading platforms, and multimodal evacuation facilities via road, rail, ship, and pipelines. Aegis Vopak's strategic locations provide the advantage of leveraging market opportunities to store LPG and liquid products. Furthermore, recent additions to terminal capacity post-December 2024 are expected to enhance the company's overall storage footprint, positioning it for further growth. Developing niche product portfolios in a short span also reflects operational agility and a sharp focus on high-margin segments, likely to support healthy financial performance in the medium to long term.

Issue Details

Offer Period	26 th May, 2025 - 28 th May, 2025
Price Band	Rs. 223 to Rs. 235
Bid Lot	63
Listing	BSE & NSE
Issue Size (no. of shares in mn)	119.1
Issue Size (Rs. in bn)	28
Face Value (Rs.)	10

Issue Structure

QIB	75%
NIB	15%
Retail	10%

BRLM	ICICI Securities Limited Ltd., BNP Paribas, IIFL Capital Services Ltd., Jefferies India Private Ltd., HDFC Bank Ltd.
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Registrar	MUFG Intime India Private Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	97.4	86.9
Public	2.6	13.1
Total	100.00	100.00

(Assuming issue subscribed at higher band)

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Aegis Vopak Terminals Ltd.

Proven track record of capacity expansion with upgrading infrastructure

The company has demonstrated a consistent track record of expanding its storage capacity and advanced infrastructure, reinforcing its position as a leading player in India's bulk liquid and gas storage sector. The company leverages the strong project execution capabilities of one of its promoters, Aegis Logistics, which brings significant expertise in cost-effective material procurement, construction strategy, and timely execution of tank terminal projects. Aegis assumes responsibility for construction activities executed at arm's length, allowing Aegis Vopak to avoid construction-related risks and focus entirely on efficient terminal operations. This model ensures capital efficiency and operational focus while maintaining a high-quality asset base. The company's infrastructure growth has been supported by cumulative capital expenditure of ~ Rs. 47 bn over the past 3-4 years. These investments reflect the company's commitment to enhancing capacity and automation while maintaining safety and efficiency standards. The company's LPG infrastructure consists of the Kandla Terminal, with a static capacity of 48,000 MT, capable of handling a throughput of over 4 MMTPA, and the Pipavav Terminal, with a pressurized storage capacity of 22,800 MT and throughput capability of over 2 MMTPA. On the liquid storage front, the company handled 5.43 MMT of bulk liquids in FY24, aided by high-grade infrastructure such as stainless-steel tanks, specialized jetty pipelines, inner tank coatings, tank heating and chilling systems, nitrogen blanketing, and vapour treatment facilities. These systems enable safe and loss-minimized storage of hazardous, flammable, volatile, and viscous products. Aegis Vopak has developed extensive infrastructure to ensure seamless evacuation and logistics, including jetty-connected pipelines, rail gantries, over 100 loading bays, and a dedicated rail siding at the Kandla terminal for dispatching vegetable oils. The company's ability to handle a broad range of critical products, aided by continuous infrastructure enhancement, positions it to capitalize on the growing demand for secure, reliable storage solutions in India's expanding energy and chemicals sector.

Valuation

Aegis Vopak Terminals Ltd., a JV between India's Aegis Logistics and Netherlands-based Royal Vopak, is India's largest third-party operator of tank storage terminals for LPG and liquid products. With a diversified portfolio spanning key coastal locations and a strategic focus on safety, sustainability, and scalability, the company plays a vital role in India's energy and chemical logistics infrastructure. The company has also leveraged its promoter Aegis' five decades of industry expertise to inherit and expand long-standing customer relationships, building a diverse base of over 400 clients, including major national OMCs. With strategic locations complementing Aegis, the company continues serving inherited clients while securing new business across traders, end users, manufacturers, and fuel marketing firms in private, public, and international sectors. This broad diversification strengthens market flexibility and fuels long-term growth in India's evolving energy and chemical storage industry. The company's proven track record in capacity expansion and infrastructure upgrades positions it well to meet the changing liquid and gas storage needs. Leveraging the expertise of promoter Aegis, the company benefits from a cost-effective procurement network, strategic contracting, and robust construction and execution capabilities to expand and enhance its tank storage capacity. On the financial front, the company has demonstrated stable financial performance over the last three financial years, aided by its annuity-like business model and long-term customer contracts. The company has managed debt levels, indicating strong financial flexibility to support its expansion plans under project GATI. The company's asset-heavy model and predictable cash flows from storage contracts provide visibility in earnings, making it well-positioned for future growth. **The issue is valued at a P/E of 198.0x on the upper price band based on FY25 earnings. Therefore, we recommend a SUBSCRIBE rating for the issue.**

Key Risks

- ⇒ The company operates in a highly regulated sector involving hazardous and flammable materials like LPG and chemicals. Any change in environmental laws, safety norms, or port regulations could increase compliance costs. Delays or inability to obtain environmental and port approvals may affect project execution timelines.
- ⇒ As a joint venture between Aegis Logistics and Royal Vopak, the company's strategic decisions rely on coordination. Any changes in the promoter relationship or conflicting strategic interests could impact decision-making and long-term plans.
- ⇒ The company derives much of its revenue from a few major clients. Any termination, non-renewal, or renegotiation of these long-term contracts could adversely affect the company's cash flows and profitability.

Aegis Vopak Terminals Ltd.

Income Statement (Rs. in millions)

Particulars	FY22	FY23	FY24	9MFY25
Revenue				
Revenue from Operations	0	3,533	5,618	4,642
Total Revenue	0	3,533	5,618	4,642
Expenses				
Cost of raw materials consumed	-	-	-	-
Employee benefit expenses	0	305	438	333
Other expenses	6	935	1,204	894
Total Operating Expenses	6	1,240	1,642	1,228
EBITDA	-6	2,293	3,975	3,414
Depreciation and Amortization expenses	0	912	1,140	946
Other income	0	27	84	120
EBIT	-6	1,408	2,919	2,588
Finance costs	5	1,382	1,709	1,448
Exceptional Item	-	-	-	-
PBT	-11	26	1,210	1,140
Total tax	0	27	345	281
PAT	-11	-1	865	859
Diluted EPS	0.0	0.0	0.9	0.9

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in millions)

Particulars	FY22	FY23	FY24	9MFY25
Cash Flow from operating activities	5	1,725	3,372	3,306
Cash flow from investing activities	-923	-17,856	-8,575	-1,136
Cash flow from financing activities	986	16,292	6,029	4,452
Net increase/(decrease) in cash and cash equivalents	68	160	827	6622
Cash and cash equivalents at the beginning of the period	0	69	229	1,056
Cash and cash equivalents at the end of the period	69	229	1,056	7,678

Source: RHP, BP Equities Research

Aegis Vopak Terminals Ltd.

Balance Sheet (Rs. in millions)

Particulars	FY22	FY23	FY24	9MFY25
Assets				
Non-Current Assets				
Property, plant and equipment	195	30,167	34,769	40,453
Capital work in Progress	85	1,524	531	1,414
Right of Use assets	0	136	136	136
Other non current assets	0	0	0	0
(ii) Other financial assets	4	50	55	57
Non-Current Tax Assets	2	60	12	223
Deferred tax assets (net)	0	23	0	0
Other non current assets	644	1,057	6,052	6,197
Total Non current assets	931	33,017	41,556	48,480
Investments	2	80	60	73
Inventory	20	699	1,314	1,117
(i) Trade Receivables	69	229	1,056	7,678
(ii) Cash and cash equivalents	0	8	8	6
(iii) Other Bank Balance				
(iv) Other Current Financial Assets	0	246	361	509
Other current assets	4	535	879	693
Total Current Assets	95	1,798	3,678	10,076
Total Assets	1,026	34,815	45,234	58,556
Equity and Liabilities				
Equity Share Capital	5	10	10	9,888
Other Equity	14	9,521	9,962	8,940
Total Equity	19	9,531	9,972	18,828
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	981	17,452	25,864	23,893
(ii) Lease Liabilities	1	5,800	6,314	11,983
Provisions	3	37	57	67
Other financial liabilities	0	0	0	0
Deferred tax liabilities (net)	0	719	895	1,279
Other non-current liabilities	0	0	0	0
Current Liabilities				
Financial Liabilities				
(i) Borrowings	0	0	0	964
(ii) Lease Liabilities	0	487	551	1,008
(iii) Trade Payable	3	271	143	111
(iv) Other financial liabilities	15	336	984	207
Current tax liabilities	0	0	160	12
Provisions	1	40	31	35
Other current liabilities	3	143	265	168
Total Current Liabilities	22	1,276	2,132	2,505
Total liabilities	1,007	25,284	35,262	39,728
Total Equity and Liabilities	1,026	34,815	45,234	58,556

Source: RHP, BP Equities Research

Disclaimer Appendix**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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