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Issue Offer

Fresh Issue of 11,91,48,936 equity shares amounting to INR 28,000 Mn, and No Offer for sale of equity shares aggregating up to total of INR 28,000 Mn.

Issue Summary

Price Band INR	223-235
Face Value INR	10
Implied Market Cap INR Mn.	2,60,378
Market Lot	63
Issue Opens on	May 26, 2025
Issue Close on	May 28, 2025
No. of share pre-issue	98,88,42,553
No. of share post issue	11,07,99,14,89
Listing	NSE, BSE

Issue Break-up %

QIB Portion	≥ 75
Retail Portion	≤ 10
NII Portion	≤ 15

Registrar

MUFG Intime India Private Limited

Book Running Lead Managers

ICICI Securities Limited, BNP Paribas, IIFL Securities Ltd, Jefferies India Private Limited, HDFC Bank Limited

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	97.4%	85.9%
Public & Others	2.6%	14.1%

Objects of the issue

- Repayment or prepayment of all or a portion of certain o/s borrowings availed.
- Funding capex towards the contracted acquisition of the cryogenic LPG terminal at Mangalore.
- General corporate purposes.

Aegis Vopak Terminals Ltd (AVTL), a joint venture between Aegis Logistics (50.1%) and Vopak India BV (47.3%), is India's top third-party operator of tank storage terminals for liquid and gas products like LPG, chemicals, and oils. Strategically located across six key ports—Kandla, Pipavav, Kochi, Mangalore, and others. AVTL serves high-demand industrial and commercial zones, efficiently handling imports and domestic needs. As a non-owner of the products it stores, AVTL avoids direct raw material risks and can flexibly adjust its product mix to maximize revenue through varied pricing. Backed by Royal Vopak, a global leader with 77 terminals in 23 countries and 35.4 Mn CBM of storage capacity, AVTL has years of expertise. However, its port-centric operations face potential challenges from regional regulations and port-specific risks.

Investment Rationale:

Leading Market Position in India's Energy Logistics

AVTL is a dominant player in India's energy logistics, holding the largest third-party tank storage capacity for LPG and liquid products like petroleum, chemicals, and vegetable oils. As of Dec-24, AVTL manages 1.50 Mn m3 of liquid storage (25.5% of India's third-party liquid capacity) and 70.8k tons of LPG storage (11.5% of national LPG static capacity). These facilities, designed to handle over 40 complex products with a 40-year lifespan, position AVTL as a critical player in meeting India's growing energy and chemical storage needs.

Strategic Port Locations with Efficient Connectivity

The company's network of 20 terminals across six key ports—Kandla, Pipavav, Kochi, Mangalore, and others—handles 23% of India's liquid imports and 61% of LPG import volumes. Located along major shipping routes on both coasts, these ports form a "necklace of terminals" that optimizes distribution to industrial hubs. Five ports feature rail evacuation facilities, with Pipavav's terminal uniquely linked to the Western Dedicated Freight Corridor, boosting delivery speed, cutting last-mile costs, and reducing risks associated with road transport. This strategic setup gives AVTL a competitive edge in accessibility and efficiency.

Robust Expansion and Strong Promoter Backing

AVTL is actively expanding, with plans to increase liquid storage by 176k m3 and LPG capacity by 130k tons by FY26, supported by INR 10.22 Bn in capex since FY23. Backed by Aegis Logistics, a leading Indian logistics firm with decades of experience, and Royal Vopak, AVTL benefits from proven expertise and risk-free construction managed by Aegis. A planned INR 28 Bn IPO will reduce debt and fund projects like green ammonia storage, aligning with India's 2030 green hydrogen goals, ensuring sustained growth and financial stability.

Valuation and View:

AVTL is set to grow in India's energy logistics market, with steady demand for LPG and liquid storage. Its expansion plans, adding 176k m3 of liquid storage and 130k tons of LPG capacity by FY26, plus future green ammonia projects, promise solid growth. It handles 23% of India's liquid imports and 61% of LPG imports. **At the upper price band of INR 235, the issue has a P/E ratio of 227.36x, based on FY25E EPS of INR 1.03. We suggest "SUBSCRIBE" for this issue.**

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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