

Steamhouse India Ltd. – IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
9 September 2026	11 September 2026	₹77-81	Subscribe

Investment Summary

Steamhouse India Limited is an industrial gas company engaged in the generation and centralized distribution of industrial gases, primarily steam and nitrogen, through its dedicated pipeline network. The company and its Promoters are pioneers of the community boiler system in India, with steam generation and distribution remaining its primary business. As of July 31, 2026, Steamhouse operated **seven community steam boilers with an aggregate installed capacity of 345 TPH**, supported by an **operational pipeline network of 60,151 metres**. The company served 202 customers in FY26 across sectors including pharmaceuticals, chemicals, agro-chemicals, textiles, tyres, dyes and pigments and polymers. In FY26, Steamhouse reported **revenue from operations of ₹491.51 Cr, EBITDA of ₹83.49 Cr and PAT of ₹38.64 Cr**, with EBITDA and PAT margins of **16.99% and 7.81%**, respectively. Revenue grew 24.40% YoY, while the company has also diversified into nitrogen distribution, which commenced in February 2025. The company is expanding its footprint through additional steam facilities and purchase-and-distribution arrangements, with proposed expansion expected to increase steam capacity from 345 TPH to 705 TPH. The IPO comprises a fresh issue of ₹353 Cr and an OFS of ₹61 Cr, aggregating to approximately ₹414 Cr. Fresh issue proceeds are proposed to be utilised towards ₹180 Cr for repayment/prepayment of borrowings, capacity expansion at the Ankleshwar and Panoli facilities, setting up a steam generation facility at Dahej GIDC and general corporate purposes. Going forward, the company intends to expand its industrial gas capacity, diversify beyond steam and strengthen its presence across industrial clusters. However, investors should monitor capacity utilisation, execution of expansion projects, debt levels and dependence on industrial demand. Considering its established pipeline network, expanding capacity and diversified industrial gas offering, the IPO presents a growth opportunity, while execution and leverage remain key monitorable.

Company Overview

Steamhouse India Limited is a Gujarat-based company engaged in the generation and centralized distribution of industrial gases, primarily steam and nitrogen, through its integrated pipeline network. The company and its Promoters are pioneers of the community boiler system in India, which was introduced in 2014, offering industrial customers an alternative to maintaining individual gas-generation infrastructure. The company's core operations include generation and distribution of steam, purchase and distribution of steam, and separation, compression and distribution of nitrogen. It also undertakes coal trading to meet the fuel requirements of its industrial gas operations. Steam generation and distribution remained the largest revenue contributor in FY26 at 52.14% of revenue from operations, followed by coal trading at 26.92% and purchase and distribution of steam at 17.70%. Steamhouse operates seven community steam boilers across Gujarat, with an aggregate installed capacity of 345 TPH, equivalent to 2.19 million TPA, as of July 31, 2026. It also operates a nitrogen generation facility at Ankleshwar with a capacity of 350 NM³/hour, while its operational pipeline network extends to 60,151 metres. The company has entered into five-year steam purchase agreements for the Dahej SEZ and Haldia, with operations expected to commence within the next 12 months from the RHP date. The company served 202 customers in FY26, up from 173 in FY25 and 125 in FY24, across industries including pharmaceuticals, chemicals, agro-chemicals, textiles, tyres, dyes and pigments, polymers and paints. Its facilities are strategically located near customer clusters and ports in Gujarat, while its exclusive pipeline network and established presence within industrial clusters create barriers for new entrants. With an established community boiler platform, expanding pipeline infrastructure, entry into nitrogen distribution and planned capacity expansion at Ankleshwar and Panoli, Steamhouse is focused on scaling its industrial gas generation and distribution business while expanding into additional industrial clusters.

Business Model

Steamhouse India Limited operates an integrated industrial gas generation and distribution business, primarily supplying steam and nitrogen to industrial customers through its dedicated pipeline network. Its business comprises generation and distribution of steam, purchase and distribution of steam, and nitrogen generation and distribution, with coal trading also

undertaken to support its fuel requirements. The company operates seven community steam boilers across Gujarat with an aggregate capacity of 345 TPH, along with a nitrogen generation facility at Ankleshwar. Its pipeline network connects its facilities directly to customer premises, enabling centralized supply of industrial gases. The company also has five-year steam purchase agreements for the Dahej SEZ and Haldia, supporting further expansion of its distribution network. Steamhouse serves customers across pharmaceuticals, chemicals, textiles, agro-chemicals, tyres, dyes and pigments, polymers and paints, with revenue primarily driven by steam-related operations.

Investment Rationale

Leading Position in Community Industrial Gas Distribution: Steamhouse India is a key player in the generation and centralized distribution of industrial gases, with its community boiler model providing an alternative to individual customer infrastructure. The company and its Promoters are pioneers of the community boiler system in India, while its established pipeline network creates barriers to entry for new competitors.

Established Infrastructure and Strategic Locations: The company operates seven community steam boilers across Gujarat with an aggregate installed capacity of 345 TPH, supported by an operational pipeline network of 60,151 metres. Its facilities are strategically located near industrial customer clusters and ports, supporting efficient distribution and procurement.

Strong Customer Base and Diversified Industrial Exposure: Steamhouse served 202 customers in FY26, compared with 173 in FY25 and 125 in FY24, across pharmaceuticals, chemicals, textiles, agro-chemicals, tyres, dyes and pigments, polymers and paints. This diversified industrial customer base provides multiple avenues for business growth.

Capacity Expansion and Geographical Growth: The company plans to expand its steam distribution capacity from 345 TPH to 705 TPH through proposed facilities across industrial clusters. It is also pursuing lower-capital-intensity purchase-and-distribution arrangements with industrial units and has entered five-year steam purchase agreements for Dahej SEZ and Haldia.

Diversification into Nitrogen Distribution: Steamhouse has expanded beyond steam into nitrogen supply through a distributed pipeline network, with its Ankleshwar nitrogen facility commencing commercial operations in February 2025. This diversification provides an additional avenue for expanding its industrial gas offering.

Key Risk Factors

High Customer Concentration and Dependence on Repeat Orders: The company's top 10 customers contributed 47.87% of revenue from operations in FY26, while the largest customer contributed 18.36%. Further, 90.72% of FY26 revenue came from repeat customers. Loss of key customers or a reduction in their purchases could adversely affect business performance and cash flows.

Raw Material Price and Supply Risk: Coal is the primary fuel used for steam generation and is predominantly sourced through Indian importers who procure it from overseas markets, particularly Indonesia. Disruptions in imports, transportation, tariffs or international coal prices could increase costs or lead to shortages.

Geographical Concentration in Gujarat: The company's steam generation and nitrogen facilities are concentrated in Gujarat, while 100% of revenue from industrial gas sales was generated from customers in Gujarat during FY24-FY26. Any social, economic, seasonal or natural disruption in the region could adversely affect operations.

Dependence on Industrial Cycles and Customer Demand: The company is exposed to business cycles in the industries it serves, which can directly impact customers' operations and their steam requirements. Customers may also reduce offtake or terminate contracts, while invoice-based customers can restrict or stop purchases without contractual obligations.

Competition and Expansion Risks: While the company currently identifies itself as the primary steam producing and supplying company in India, it may face increasing competition from other steam and industrial gas producers. At the same time, planned capacity and geographical expansion will require effective execution and operational management.

Dependence on Imported Coal and Supply Chain: The company generally does not enter into long-term supply contracts for raw materials and typically purchases them through purchase orders. Supplier disruptions or sudden increases in raw-material prices could therefore impact operating costs and profitability.

Financial Snapshot

Metric	In Cr		
	FY24	FY25	FY26
Revenue from Operations	291.71	395.11	491.51
EBITDA	68.41	69.32	83.49
EBITDA Margin	23.45%	17.54%	16.99%
Profit After Tax (PAT)	27.19	31.16	38.64
PAT Margin	9.27%	7.82%	7.81%
Basic EPS (₹)	1.17	1.34	1.65

IPO Details and Use of Proceeds

Parameter	Details
Issuer	Steamhouse India Limited
IPO Issue Size	5,11,11,110 shares (agg. up to ₹414 Cr) Fresh Issue 4,35,80,246 shares (agg. up to ₹353 Cr) Offer for Sale 75,30,864 shares of ₹2 (agg. up to ₹61 Cr)
Price Band	₹77 – ₹81 per share
Face Value	₹2 per share
IPO Opening Date	9 September 2026
IPO Closing Date	11 September 2026
Listing	NSE / BSE
Promoter Holding (Pre/Post)	Pre-IPO: ~96.59% → Post-IPO: ~78.63%
Book Running Lead Managers	Equirus Capital Limited.
Use of Proceeds	• ₹180 Cr towards repayment/prepayment of outstanding borrowings, • ₹75.95 Cr towards capacity expansion at Ankleshwar and Panoli facilities, • ₹38.17 Cr towards setting up a steam generation facility at Dahej GIDC, • Balance towards General Corporate Purposes.

Valuation and Outlook

At the upper price band of ₹81, Steamhouse India Limited is valued at a **P/E of ~57.9x**, based on its **post-issue EPS of ₹1.40**, implying a **post-issue market capitalization of approximately ₹2,239 Cr**. Compared with the listed peers, **Linde India Limited (99.17x)** and **Ellenbarrie Industrial Gases Limited (42.74x)**, the company is valued at a discount to Linde India but at a premium to Ellenbarrie on a P/E basis. Considering the company's planned capacity expansion at the Ankleshwar and Panoli facilities and the proposed Dahej GIDC steam generation facility, the IPO offers growth potential; however, the valuation leaves limited room for execution-related setbacks. **We recommend a Subscribe for Medium Term stance**, while investors should monitor capacity utilisation, execution of expansion plans and profitability going forward.

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