

Retail Research	IPO Note
Sector: Industrial Gases	Price Band (Rs): 77 – 81
08th September 2026	Recommendation: SUBSCRIBE

Steamhouse India Ltd.

Company Overview:

Steamhouse India Ltd. (SHIL) specializes in the generation & distribution of steam through its own pipeline network. The company and its promoters are pioneers of the community boiler system in India which was first introduced in 2014. Through its community boilers, the company generates and distributes steam to industrial customers from a pipeline network, providing an alternative to customers from housing a captive boiler system. SHIL currently operates 7 community steam boilers (6 owned and 1 leased) in Gujarat. As of Jul'26, the company's combined annual installed plant capacity for steam stands at 21,85,920 TPA; alongside a 60,151 meters operational pipeline system. The company has an established industrial customer base across key sectors (pharma, chemicals, agro-chemicals, etc) with marquee customers including Aether Industries, Anupam Rasayan, Globe Enviro Care, Gujarat Polysol Chemicals, among others.

Key Highlights:

1. Business model: SHIL's primary business offering consists of generation & distribution of steam through its community boiler system. The boilers are installed on land parcels which the company leases/sub-leases, which then generate steam through the use of coal, textile waste and refuse-derived fuel. The generated steam is distributed through its network of pipelines to industrial customers. Further, the company extracts nitrogen from atmospheric air using pressure swing adsorption (PSA) nitrogen generators. The purified nitrogen is then supplied through thermal insulated inlet and outlet nitrogen pipelines. SHIL is the only company in India that supplies nitrogen using a distributed pipeline network (versus the common practice of supplying in cryogenic tanks and onsite nitrogen generation). In addition to the generation & distribution business, the company purchases steam from third-party industrial units (generally a by-product of their industrial processes) and distributes it to customers through its own pipeline network.

2. Manufacturing capabilities: The 7 community steam boilers are established at Vapi (Phase 1), Vapi WTE unit, Ankleshwar (Phase 1), Ankleshwar (Phase 2), Sarigam, Nandesari and Panoli, all of which are strategically located near Indian ports and near customer clusters in Gujarat. Further, the company has 1 nitrogen generation and distribution facility, which is located in Ankleshwar with a capacity of 350 NM³/hour. In addition, the company distributes steam that it purchases in Dahej GIDC (Phase 1) and Sachin GIDC. In Apr'26, SHIL entered into steam purchase agreements with 2 chemical companies to purchase and distribute steam for a term of 5 years in the Dahej SEZ and Haldia (West Bengal). Operations are expected to commence in the next 12 months in both Dahej SEZ and Haldia.

3. Expansion plans: Going ahead, the company intends to set up new community industrial gas facilities at Nandesari (Phase 2), Jhagadia, Vapi (Phase 3), Ankleshwar (Phase 3), Pirana (Ahmedabad), Panoli (Phase 2), Tarapur (Maharashtra) and Dahej GIDC (Phase 2). Among these planned facilities of Nandesari (Phase 2), Vapi (Phase 3) and Pirana (Ahmedabad) are expected to use non-fossil fuel for generation of steam. These proposed expansions are expected to increase SHIL's annual steam distribution capacity from 21,85,920 TPA currently to 44,66,880 TPA. Further, the company plans to explore 'purchase and distribution arrangements', under which it will look to partner with third-party industrial units that have unused steam generation capacity, either as a primary output or as a by-product of their industrial processes. Thus, instead of setting up an entirely new boiler plant, SHIL will procure steam from such partners and distribute it through its own pipeline infrastructure to industrial consumers, thereby reducing upfront capital investment.

View & Valuation: SHIL is an established player in the business of steam generation & distribution, with operations concentrated in the state of Gujarat. Historically, the company has recorded Revenue/EBITDA/PAT CAGR of 29.8%/10.5%/19.2% respectively over the FY24-FY26 period. Going ahead, the company intends to utilize Rs 180 cr of the fresh proceeds to repay its borrowings, which shall significantly de-leverage its balance sheet (D/E ratio of 0.2x post-repayment versus FY26 D/E of 1.6x) and improve profitability by reducing interest cost. Further, we believe the company stands to be a key beneficiary of the recent recovery seen in capacity utilization levels across chemical companies, given that it derived ~26% of its FY26 revenue from the chemical sector. At the upper price band of Rs 81, the issue is valued at FY26 P/E multiple of 57.9x based on post-issue capital. We recommend investors to SUBSCRIBE to the issue.

Issue Details

Date of Opening	09 th September 2026
Date of Closing	11 th September 2026
Price Band (Rs)	77 – 81
Issue Size (Rs cr)	414
Fresh Issue (Rs cr)	353
Offer for sale (Rs cr)	61
Total issue size	5,11,11,111 shares @UB
Face Value (Rs)	2
Post Issue Market Cap (Rs cr)	2,239 @upper price band
BRLMs	Equirus Capital Ltd
Registrar	KFin Technologies Ltd
Bid Lot	185 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NII shares	15%

Objects of Issue

Particulars	Estimated utilization from net proceeds (Rs cr)
Repayment or pre-payment, in full or in part, of certain of outstanding borrowings availed by the company	180
Funding capacity expansion of the Ankleshwar Facility (Phase 3)	38
Funding capacity expansion of the Panoli Facility (Phase 2)	38
Funding capex for setting up a steam generation facility at Dahej GIDC (Phase 2)	38
General corporate purposes*	-
Net proceeds from fresh issue*	-

*The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Shareholding Pattern

Pre-Issue	No. of Shares	%
Promoter & Promoter Group	22,30,13,075	95.8
Public & Others	98,12,990	4.2
Total	23,28,26,065	100.0

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	21,54,82,211	78.0
Public & Others	6,09,24,101	22.0
Total	27,64,06,312	100.0

Selling shareholder via OFS	Classification	Rs cr
Vishal Sanwarprasad Budhia	Promoter	61.0
Total		61.0

Source: RHP, SBICAP Securities Research

Key Financials & KPIs

Particulars (Rs cr)	FY24	FY25	FY26
Revenue from operations	292	395	492
EBITDA	68	69	83
EBITDA Margin (%)	23.5	17.5	17.0
PAT	27	31	39
PAT Margin (%)	9.3	7.9	7.9
EPS (Rs)	1.2	1.3	1.7
RoE (%)	26.3	23.5	22.4
RoCE (%)	20.2	17.2	16.1
P/E (x)*	69.4	60.5	48.8
Pipeline installed (in meters)	41,539	47,526	57,041
Distribution capacity of industrial gases (lakh TPA)	19.2	21.1	25.7
Capacity utilization (%)	42.9	45.6	41.5

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

Source: RHP, SBICAP Securities Research

Risk Factors

- **Raw material risk:** The company's primary raw material is coal and the business is substantially dependent on the availability of coal for steam production. For FY26, coal purchases accounted for ~77% of the company's total purchases.
- **Related party risk:** During FY26, the company entered into related party transactions worth ~Rs 362 cr with its group companies, which translates into ~74% of the total revenue. SHIL's group company, Sanjoo Dyeing, was one of its top ten customers in FY26 and FY25 and was one of the top ten suppliers in FY26, FY25 and FY24. Another group company, Sanjoo Prints, was one of SHIL's top ten customers and top ten suppliers in FY24.
- **Pirana facility arrangement:** The company was awarded a work order for the Pirana facility through a tender by the Ahmedabad Municipal Corporation (AMC) for a term of 10 years, under which the AMC will provide half of the capex and land. As per the work order, SHIL is required to pay a royalty of Rs 17.5 lakh per month from the commercial operation date or 3% of the revenue from the facility, whichever is higher.

Further, operations of the facility were to commence within 9 months (excluding the rainy season) which would have required commencement by 30th Apr'25. Under the conditions, AMC has the right to charge Rs 1 lakh per day for delay of commencement. As of Jul'26, the facility is not operational and the company has made a request for extension of time period until Jun'27. The same has been acknowledged by AMC and no penalty has been raised by the authorities till Jul'26. If AMC were in the future to claim contractual penalties and interest in respect of delays, SHIL's financial condition could be adversely affected.

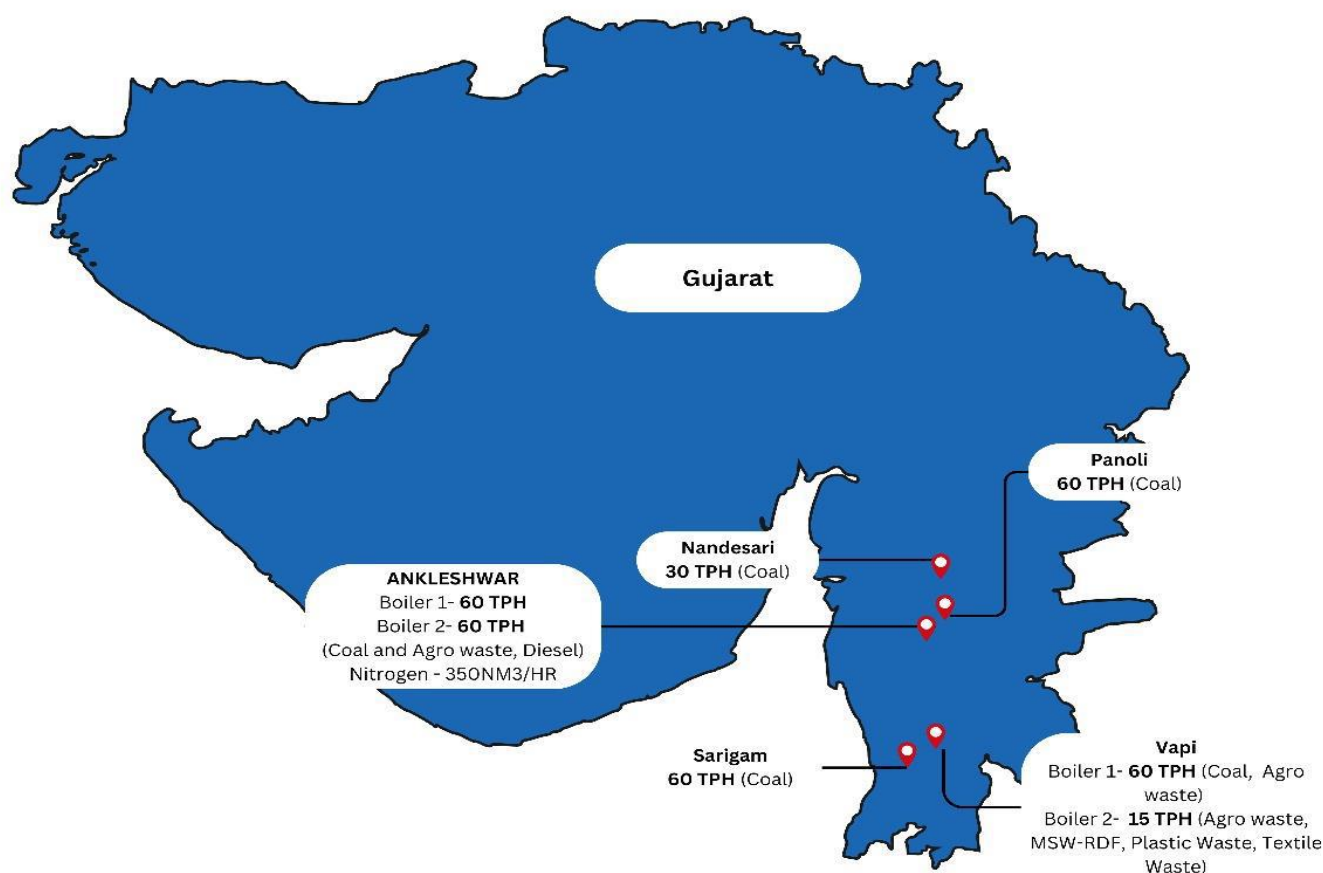
Additionally, the work order is valid for 10 years (Apr'35), after which AMC may take over the plant, renew work order with SHIL for a further 5 years, or retender the operation of the plant. Thus, if SHIL fails to recover its investment or expected project rate of return for the facility and the work order is not renewed, its business may be adversely impacted.

- **Steam purchase agreement:** If the company is unable to receive and purchase steam from the seller under a steam purchase agreement w.r.t the Dahej SEZ, it would be required to pay the seller 12% interest per annum on the capex deployed by the seller.

Growth Strategies

- Expanding capacity by setting up new facilities in and outside Gujarat.
- Diversify business offerings.
- Improve debt profile.

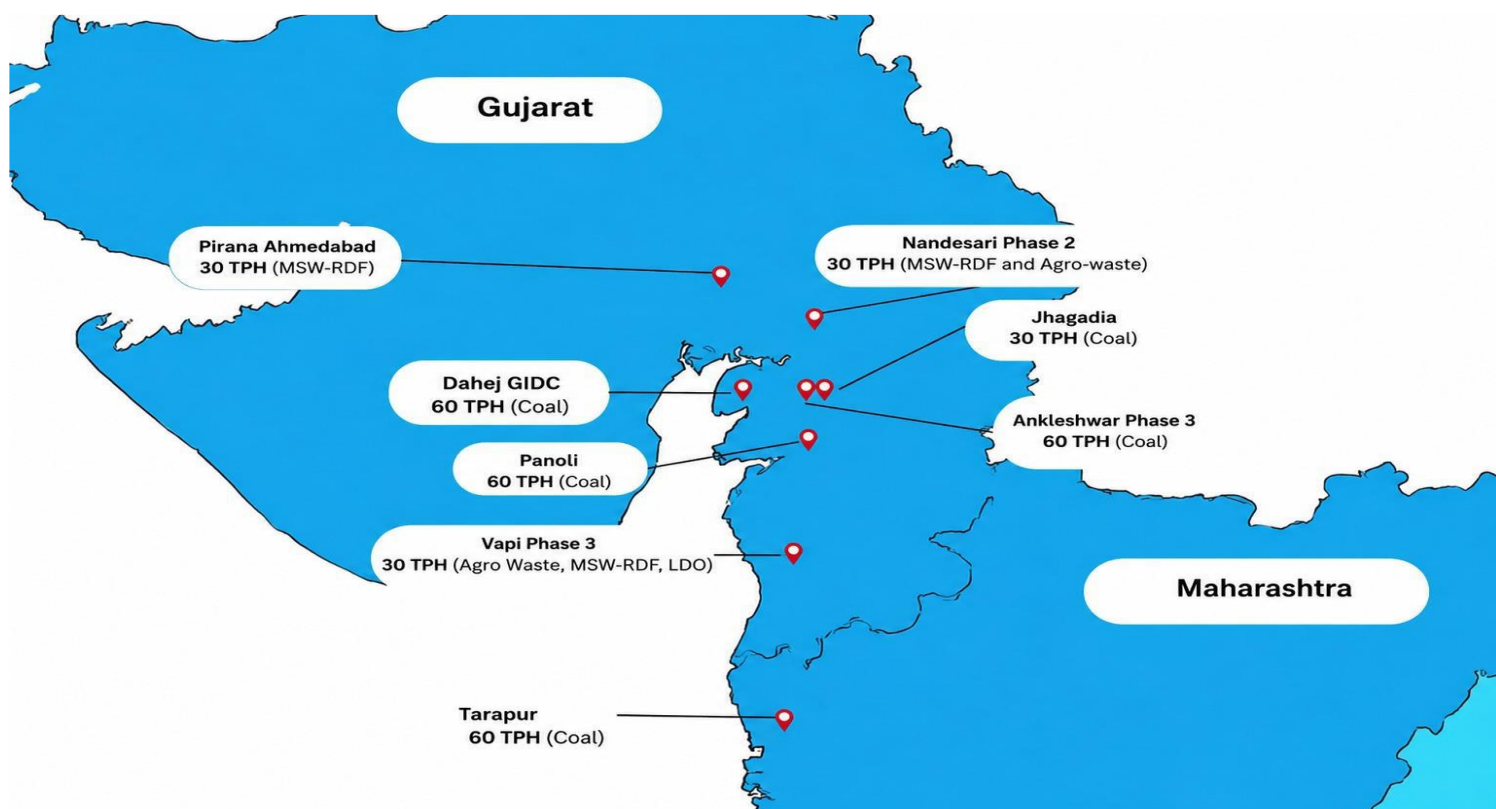
Operational Boiler Facilities



Steamhouse India Limited - Operational Plants

Source: RHP, SBICAP Securities Research

Proposed New Boiler Facilities



Source: RHP, SBICAP Securities Research

Revenue Mix - Segments

Particulars	FY24		FY25		FY26	
	Rs cr	% of TR	Rs cr	% of TR	Rs cr	% of TR
Generation and distribution of steam	289	99.2%	239	60.6%	256	52.1%
Purchase and distribution of steam	0	0.0%	78	19.7%	87	17.7%
Coal trading	0	0.0%	76	19.3%	132	26.9%
Generation and distribution of nitrogen	-	-	0	0.0%	1	0.1%
Others*	2	0.8%	2	0.4%	15	3.1%
Total Revenue (TR)	292	100.0%	395	100.0%	492	100.0%

*Includes sales of flow meters, scrap, other components and revenue from construction services (revenue recognized in respect of the funding received from the Ahmedabad Municipal Corporation for Pirana project and includes the right to charge for services provided under the project)

Source: RHP, SBICAP Securities Research

Revenue Mix – End-user Industry

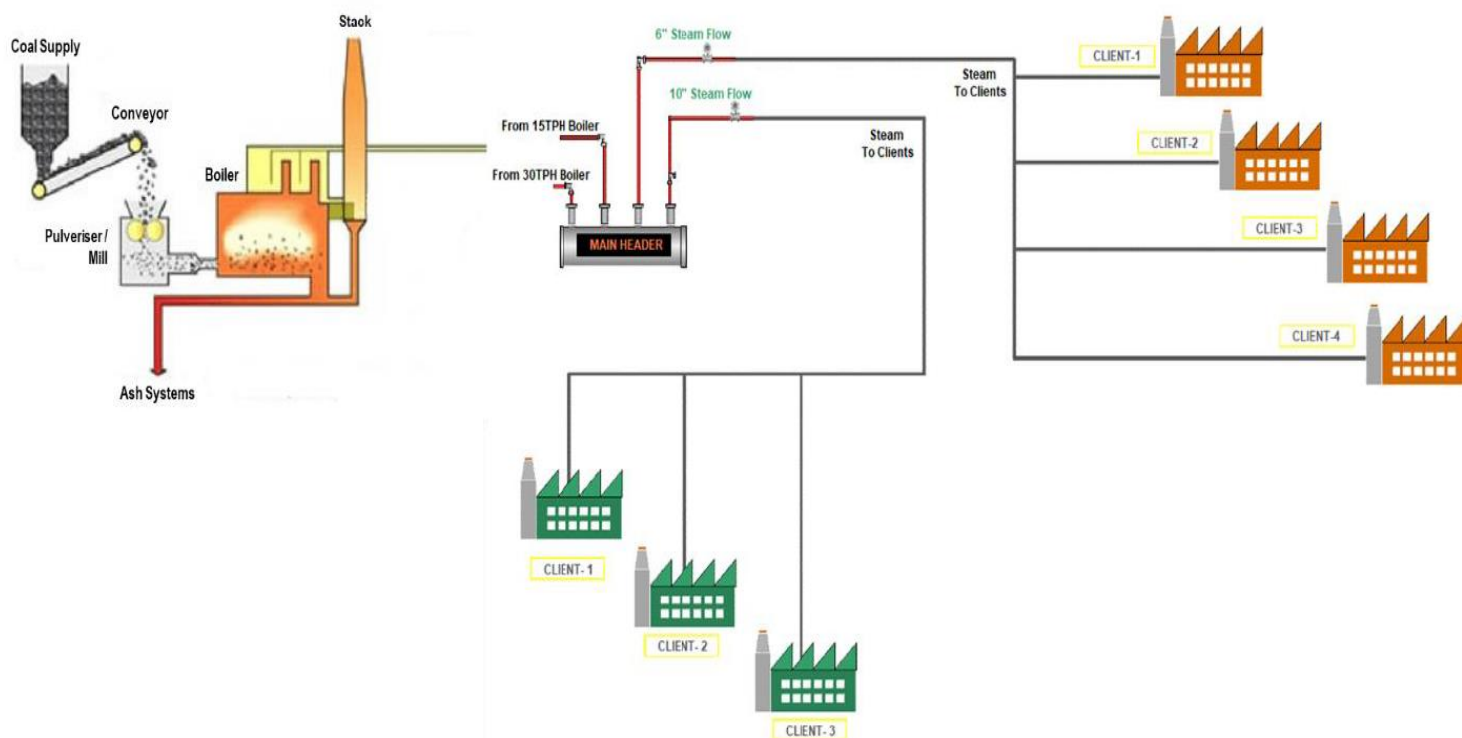
Particulars	FY24		FY25		FY26	
	Rs cr	% of TR	Rs cr	% of TR	Rs cr	% of TR
Pharmaceuticals	116	39.8%	105	26.7%	90	18.4%
Chemicals	84	28.6%	97	24.6%	128	26.0%
Textiles	22	7.4%	75	19.0%	109	22.2%
Agrochemicals	42	14.3%	46	11.6%	51	10.3%
Tyres	-	-	22	5.6%	24	4.9%
Dyes & Pigments	7	2.4%	15	3.7%	18	3.7%
Polymers	5	1.7%	10	2.7%	12	2.5%
Paints	2	0.6%	2	0.5%	2	0.4%
Coal Trading	-	-	8	2.1%	28	5.7%
Others*	15	5.2%	14	3.6%	29	5.9%
Total Revenue (TR)	292	100.0%	395	100.0%	492	100.0%

*Includes waste recyclers, manufacturers of industrial products, and providers of effluent treatment services.

Source: RHP, SBICAP Securities Research

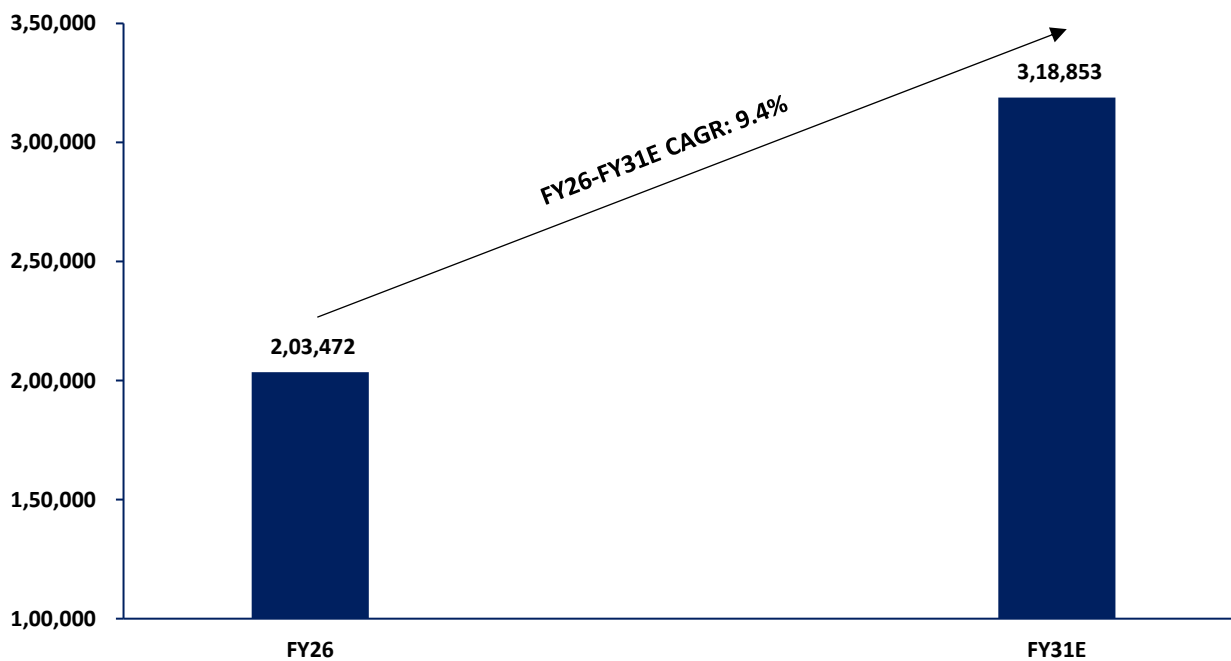
Industry Overview

Layout of a steam distribution system



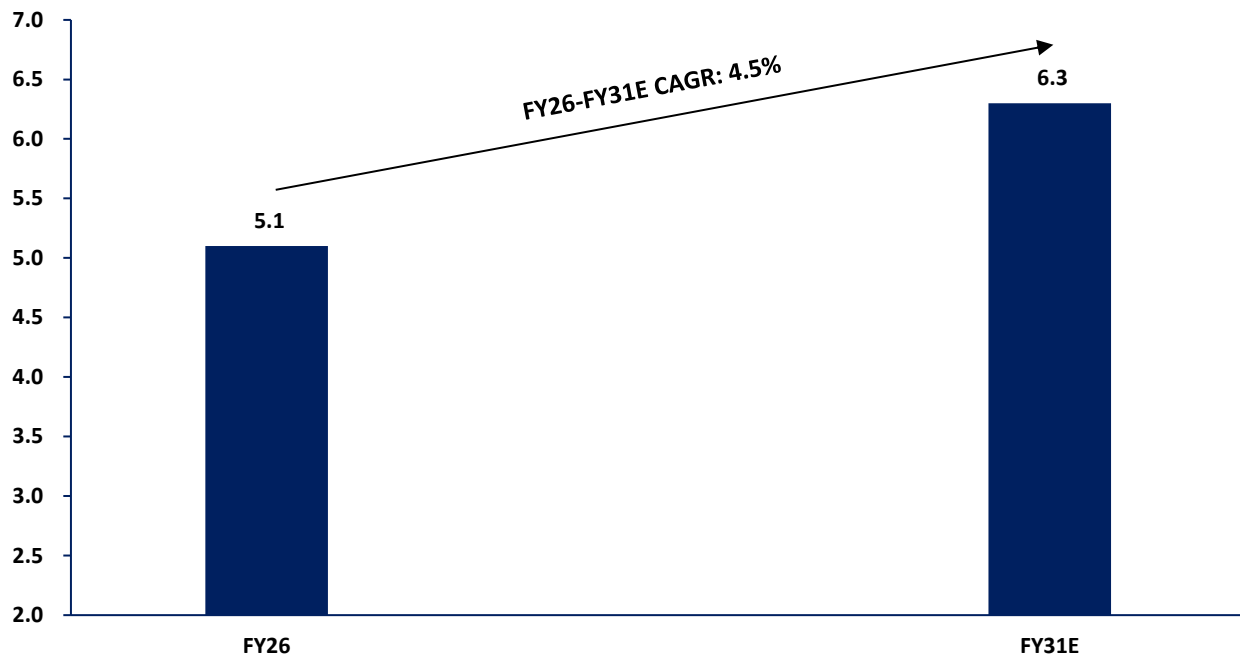
Source: RHP, SBICAP Securities Research

India - Steam as a Service Addressable Market by volume (TPH)



Source: RHP, SBICAP Securities Research

India - Nitrogen Market by volume (mnt)



Source: RHP, SBICAP Securities Research

Peer Comparison – FY26

Particulars (Rs cr)	Steamhouse India	Linde India	Ellenbarrie Industrial Gases
CMP (Rs)	81	6,314	330
Mkt Cap.	2,239	53,848	4,650
Enterprise Value	2,157	53,736	4,758
Revenue from Operations	492	2,531	342
EBITDA	83	909	116
EBITDA Margin (%)	17.0	35.9	33.9
PAT	39	548	104
PAT Margin (%)	7.9	21.7	30.4
RoE (%)	22.4	12.8	10.6
RoCE (%)	16.1	17.5	12.5
P/E (x)	57.9	98.3	44.7
EV/EBITDA (x)	25.8	59.1	41.0
EV/Sales (x)	4.4	21.2	13.9

For Steamhouse India Limited, the Market Cap, P/E(x), EV/EBITDA (x), and EV/Sales (x) are calculated on post-issue equity share capital based on the upper price band.

CMP for peer companies is live price as of 07th September, 2026

Source: RHP, Exchange Filings, SSL Research

Financial Snapshot

INCOME STATEMENT			
Particulars (Rs cr)	FY24	FY25	FY26
Revenue from Operations	292	395	492
<i>YoY growth (%)</i>	-	35.4%	24.4%
COGS (incl Stock Adj)	180	284	355
Gross Profit	112	111	136
Gross margin (%)	38.4%	28.2%	27.7%
Employee Cost	8	10	13
Other Operating Expenses	36	32	39
EBITDA	68	69	83
EBITDA margins (%)	23.5%	17.5%	17.0%
Other Income	1	3	3
Interest Exp.	19	22	22
Depreciation	8	12	14
PBT	43	39	51
Tax	16	8	13
PAT	27	31	39
PAT margin (%)	9.3%	7.9%	7.9%
EPS (Rs)	1.2	1.3	1.7

BALANCE SHEET			
Particulars (Rs cr)	FY24	FY25	FY26
Assets			
Net Block	172	214	285
Capital WIP	64	115	158
Right of use assets	37	73	79
Intangible Assets	1	1	1
Other Non-current Assets	29	25	29
Current Assets			
Inventories	46	46	41
Trade receivables	23	30	39
Cash and Bank Balances	20	8	11
Short-term loans and advances	-	0	0
Other Current Assets	31	31	31
Total Current Assets	120	115	122
Current Liabilities & Provisions			
Trade payables	36	78	93
Other current liabilities	31	39	48
Short-term provisions	1	2	2
Total Current Liabilities	69	118	144
Net Current Assets	51	(3)	(22)
Total Assets	353	425	536
Liabilities			
Share Capital	45	45	45
Reserves and Surplus	58	87	128
Total Shareholders Funds	104	132	173
Total Debt	203	223	282
Lease Liabilities	27	49	54
Other Long Term Liabilities	8	8	11
Net Deferred Tax Liability	12	13	17
Total Liabilities	353	425	536

CASH FLOW STATEMENT			
Particulars (Rs cr)	FY24	FY25	FY26
Cash flow from Operating Activities	21	107	100
Cash flow from Investing Activities	(126)	(123)	(145)
Cash flow from Financing Activities	104	12	48
Free Cash Flow	(79)	(33)	(39)

RATIOS			
Particulars	FY24	FY25	FY26
Profitability			
Return on Capital Employed	20.2%	17.2%	16.1%
Return on Equity	26.3%	23.5%	22.4%
Margin Analysis			
Gross Margin	38.4%	28.2%	27.7%
EBITDA Margin	23.5%	17.5%	17.0%
Net Profit Margin	9.3%	7.9%	7.9%
Short-Term Liquidity			
Current Ratio (x)	0.7	0.5	0.4
Quick Ratio (x)	0.4	0.3	0.2
Days Sales Outstanding	29	28	29
Days Inventory Outstanding	58	43	31
Days Payables	46	72	69
Fixed asset turnover (x)	1.4	1.4	1.4
Debt-service coverage (x)	0.3	0.2	0.2
Long-Term Solvency			
Total Debt / Equity (x)	2.0	1.7	1.6
Interest Coverage Ratio (x)	3.3	2.8	3.4
Valuation Ratios*			
EV/EBITDA (x)	30.2	30.3	25.8
P/E (x)	69.4	60.5	48.8
P/B (x)	18.2	14.2	10.9
EV/Sales (x)	7.1	5.3	4.4
Market Cap/Sales (x)	6.5	4.8	3.8

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

Source: RHP, SBICAP Securities Research

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- (a) do not have any financial interests in the subject company mentioned in this Report; (b) do not own 1 or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the Report.

The Analysts engaged in preparation of this Report:-

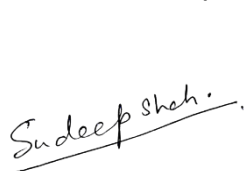
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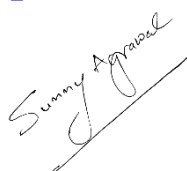
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