



# **Aegis Logistics Limited**

January 2015

# Safe Harbour

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# Key Highlights

- ✓ Joint Venture with ITOCHU Petroleum Co., (Singapore) Pte Ltd
- ✓ Phase I of Pipavav commissioned 3 months ahead of Schedule
  - Liquid : 120,120 KL
  - Gas : 2,700 MT
- ✓ Railway Siding Infrastructure commissioned in record time of 3 months
  - For the First Time Liquid Cargo to be evacuated through Railways from Pipavav Port
- ✓ Crossed 159 Distributors/Dealers
  - 101 Auto Gas Stations
  - 58 Commercial & Industrial Distributors spread across 42 cities in 7 States
- ✓ Two Interim Dividends
  - First Interim Dividend : 25%
  - Second Interim Dividend : 25%

# Railway Siding Infrastructure at Pipavav



# Railway Siding Infrastructure at Pipavav

- Siding Infrastructure Commissioned in record time of 3 months
- Connects Aegis Terminals to vast Indian Railways network
- For the First Time Liquid Cargo to be evacuated through Railways from Pipavav Port
- Quick Turnaround of Bulk Liquid Cargo



**We Connect : Ships, Rails & Roads**

# Business Overview

## Liquid Division

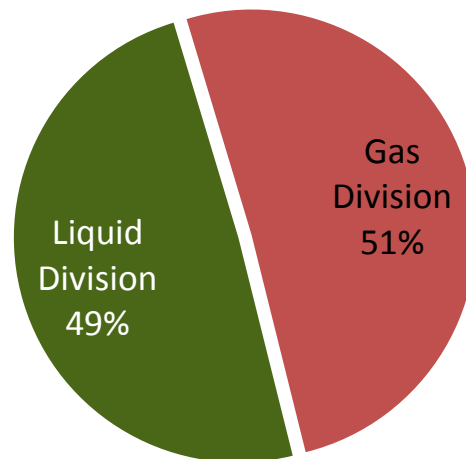
### Business

- Third Party Liquid Logistics (3PL)
- O&M Services

### Revenue Model

- Fee based Revenue Model for Liquid Logistics
- Handling and Other Service Charges
- O&M fees

**9M FY2015 EBITDA**  
Rs 130 Cr



## Gas Division

### Business

- Third Party Gas Logistics (3PL)
- Auto Gas Retailing and Packed LPG Cylinders for Commercial Segment
- Industrial Gas Distribution
- Gas Sourcing
- Marine Products Distribution (Bunkering)

### Revenue Model

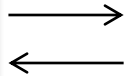
- Fee based Revenue Model for Gas Logistics
- Handling and Other Service Charges
- Retail Margin for Gas Distribution
- Fees for Sourcing Business

# Liquid Logistics and O&M Services

## Liquid Logistics (3PL)



*Shipping*

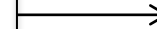


*Terminalling*

## O&M Services



*O&M*



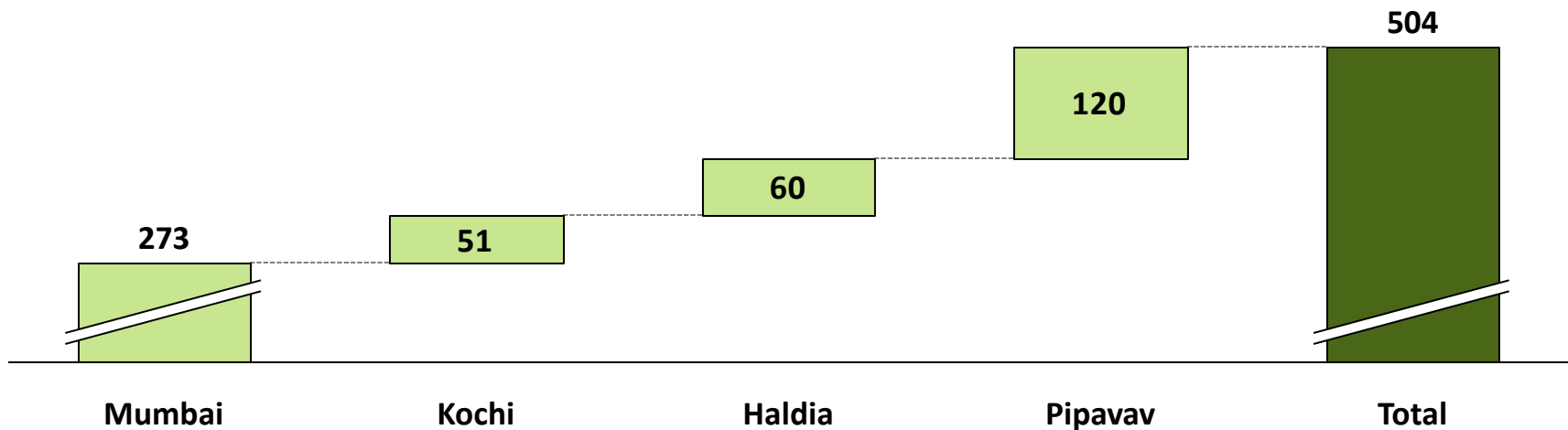
*Facilities*

Segment	Activity	Revenue Stream
Liquid Logistics	Terminalling	Storage and Throughput Fees, Handling & Value Addition Service Charges
O&M Services	Operations & Maintenance	O&M Fees

# Liquid Terminal Facilities

Existing Facilities	Port	Capacity (KL)
Trombay	Mumbai	198,000
Ambapada	Mumbai	75,000
Willingdon Island	Kochi	51,000
Chiranjibpur	Haldia	60,190
Pipavav	Gujarat	1,20,120

## Built up of Capacities



Total capacity : ~ 500,000 KL



# Update on Capacity Expansion

## New Project: 60,190 KL at Haldia

- **New Project: 60,190 KL at Haldia (Greenfield)**
  - Final Project Cost Rs. 51 Cr
  - Debt : Rs. 30 Cr; Internal Accruals : Rs. 21 Cr
  - Full Capacity 60,190 KL completed and commissioned



**~25% of the Capacity booked for Long Term**

## Expansion: 120,120 KL at Pipavav

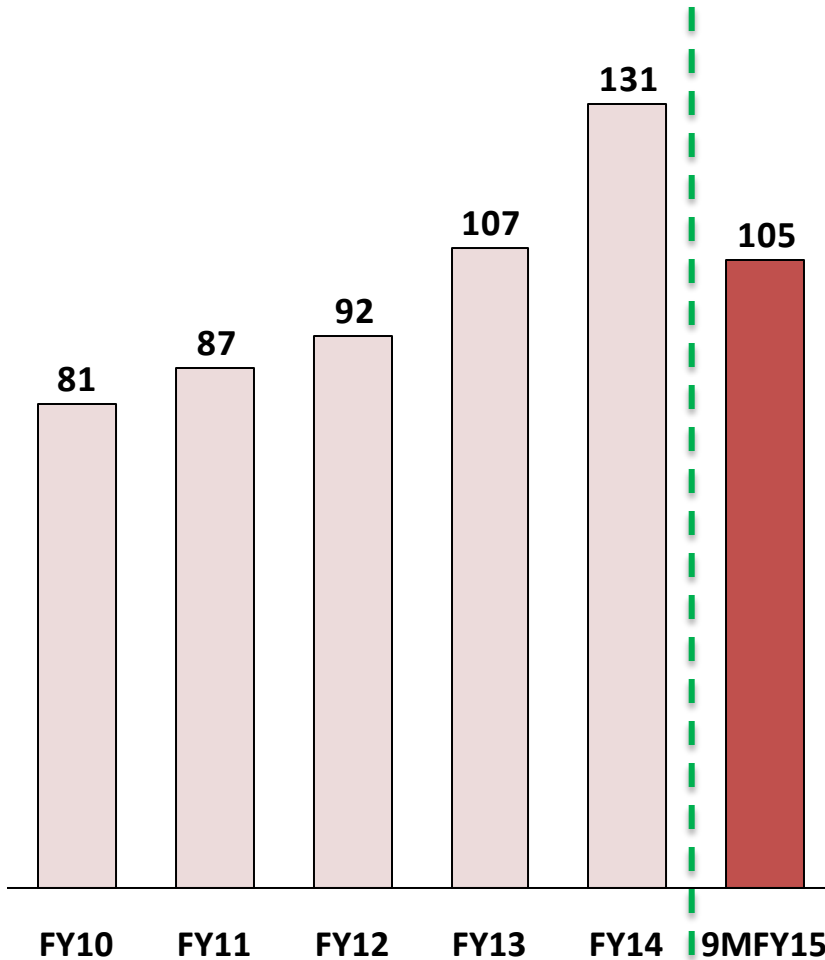
- **Expansion: 120,120 KL at Pipavav**
  - Final Project Cost ~Rs. 90 Cr
  - Full Capacity Commissioned



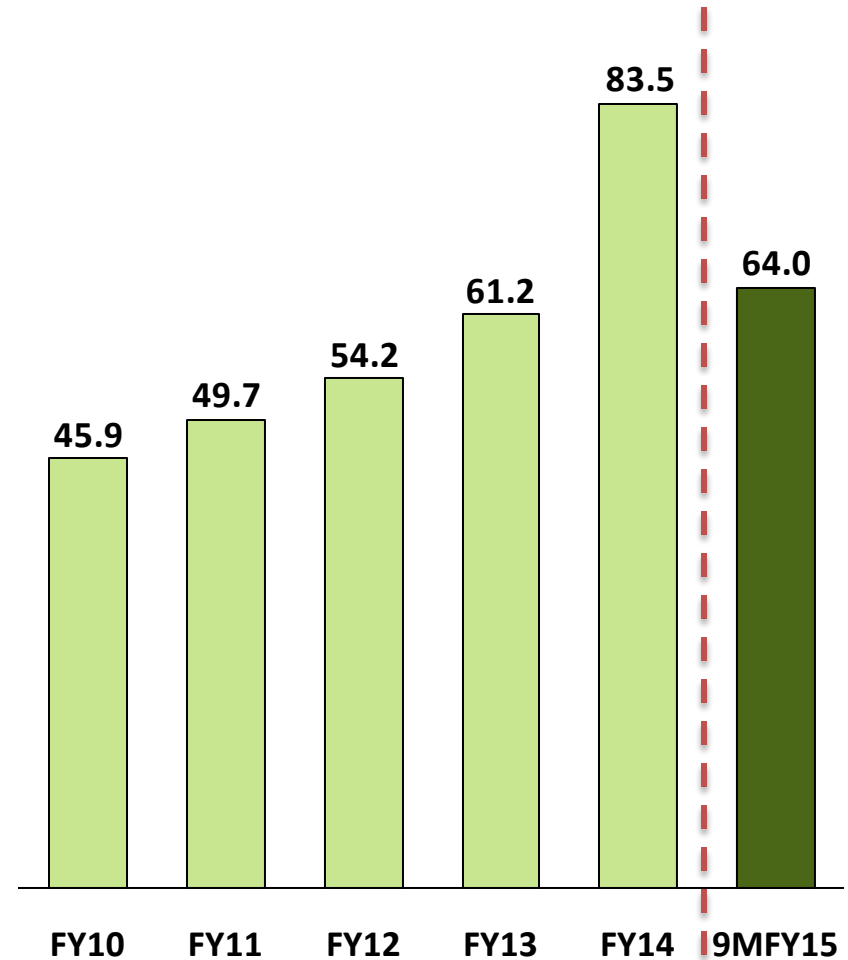
**Commissioning 3 months  
Before Schedule**

# Liquid Division Performance

## Revenue (Rs. Crs.)

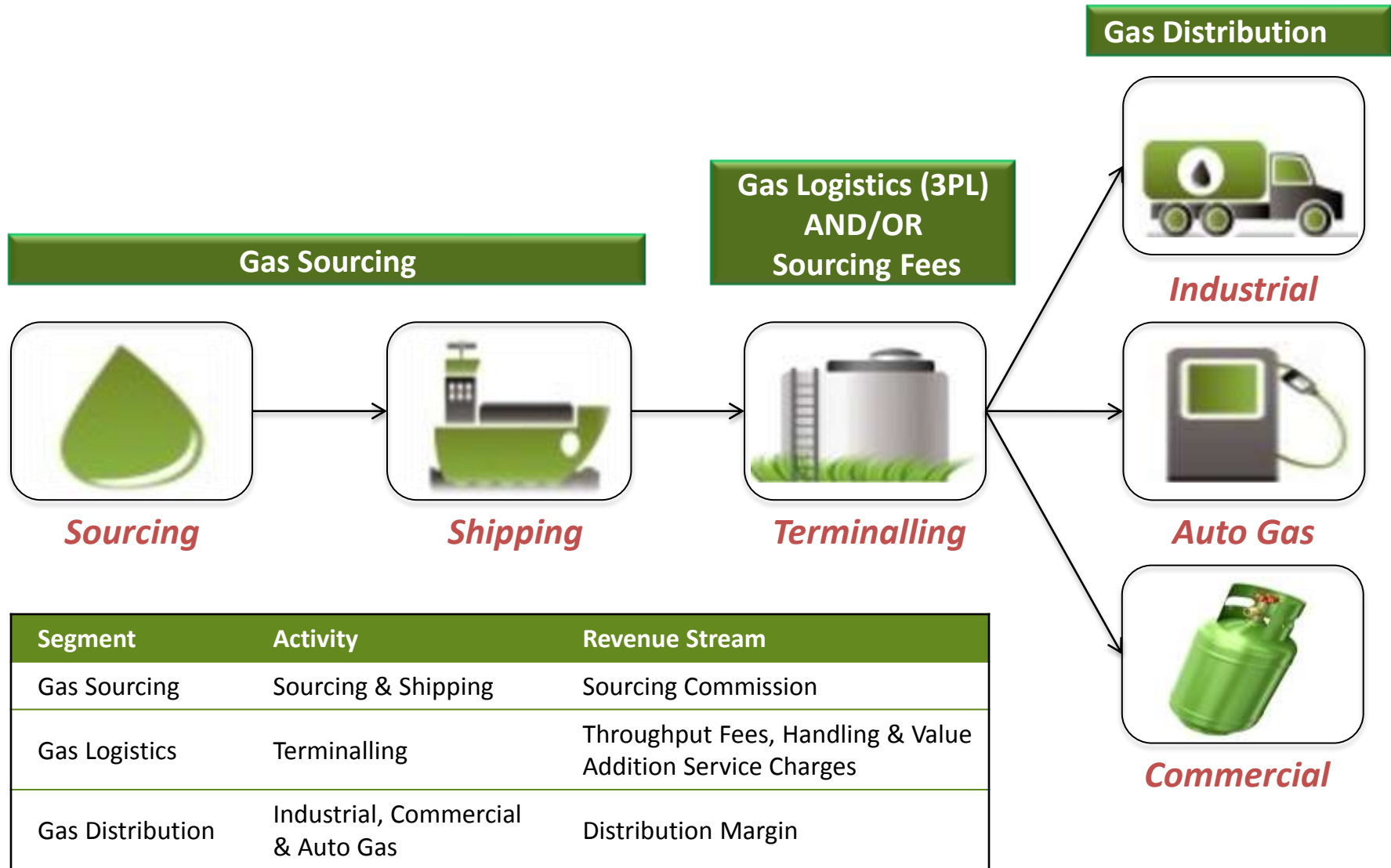


## Normalized EBITDA (Rs. Crs.) \*



\* - Normalized EBITDA – Before Forex, Hedging Related Expenses

# Capturing Complete LPG Value Chain



# Update on Capacity Expansion

## Expansion: 2,700 MT at Pipavav

- **Commissioned : 2,700 MT at Pipavav**
  - Final Project Cost ~Rs. 20 Cr
  - Commercial operations started
  - 3 months ahead of schedule



**Post expansion :  
Total Handling Capacity to reach ~ 850,000 KL**

## Distribution Business

- **Crossed 159 Distributors/Dealers**
  - 101 Auto Gas Stations
  - 58 Commercial & Industrial Distributors spread across 42 cities in 7 States
  - 3 Bottling Plants in Gujarat & Karnataka



**Crossed 159 Distributors / Dealers spread over  
42 Cities in 7 States**

# Gas Distribution Network

## B2C



- **Auto Gas Retailing:** Distribute LPG as Auto Fuel through Gas Station Network
- 101 Auto Gas Stations across 7 States

## B2B

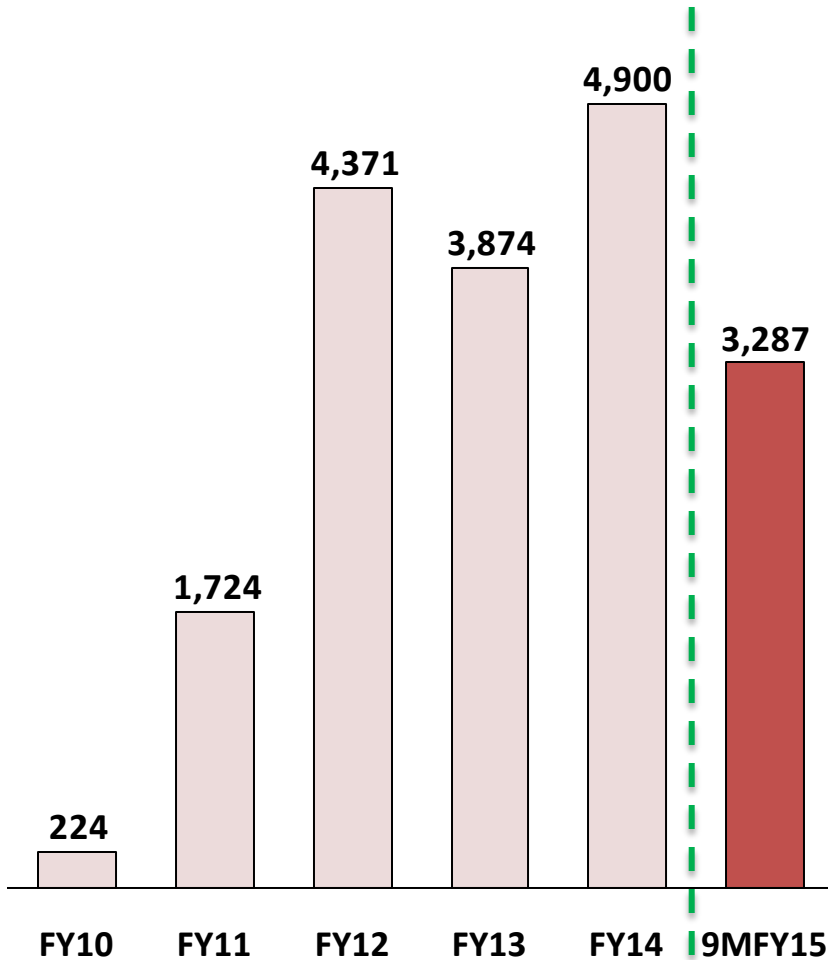
- **Bulk Industrial Distribution:** Distribute LPG through road tankers to Auto, Steel, Ceramic Industries etc



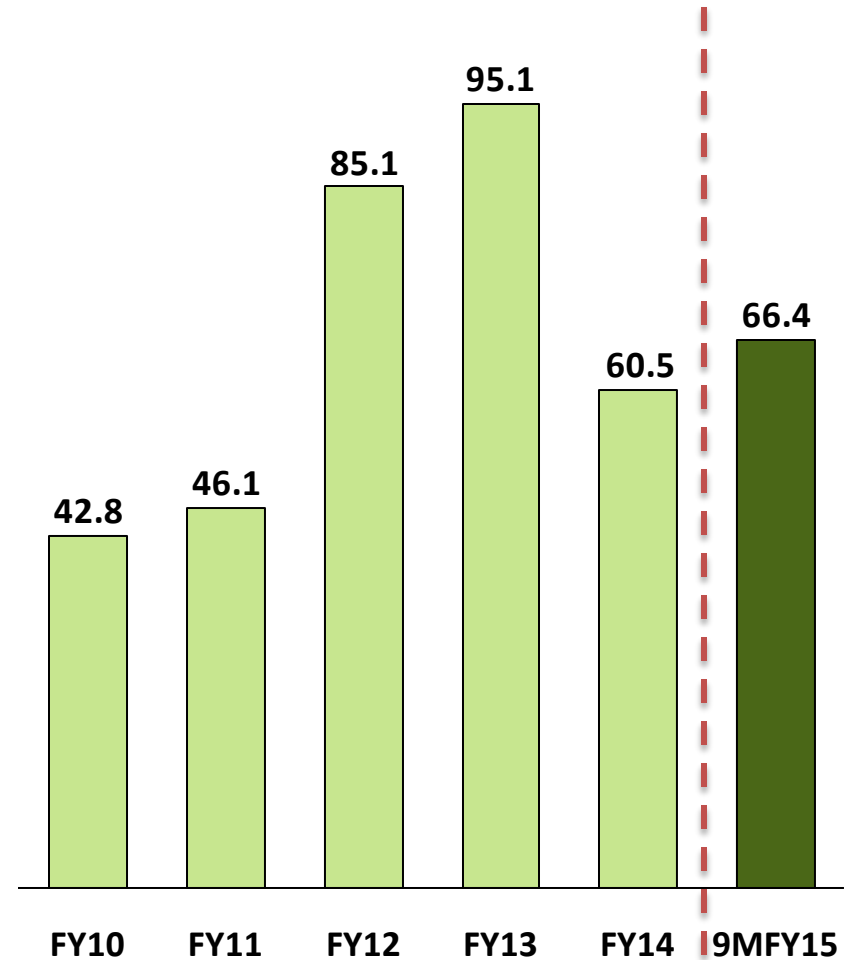
- **Commercial LPG:** Distribute Packed Cylinders for Commercial and Industrial users
- 58 Commercial Distributors spread across 42 Cities in 7 states

# Gas Division Performance

## Revenue (Rs. Crs.)



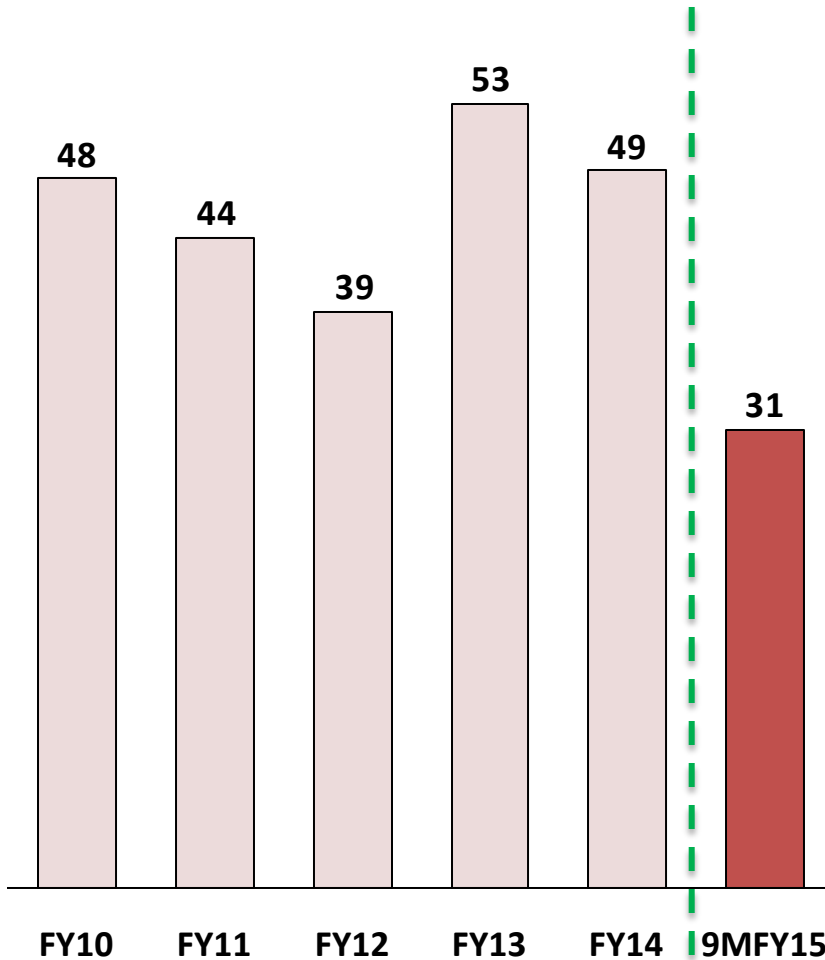
## Normalized EBITDA (Rs. Crs.) \*



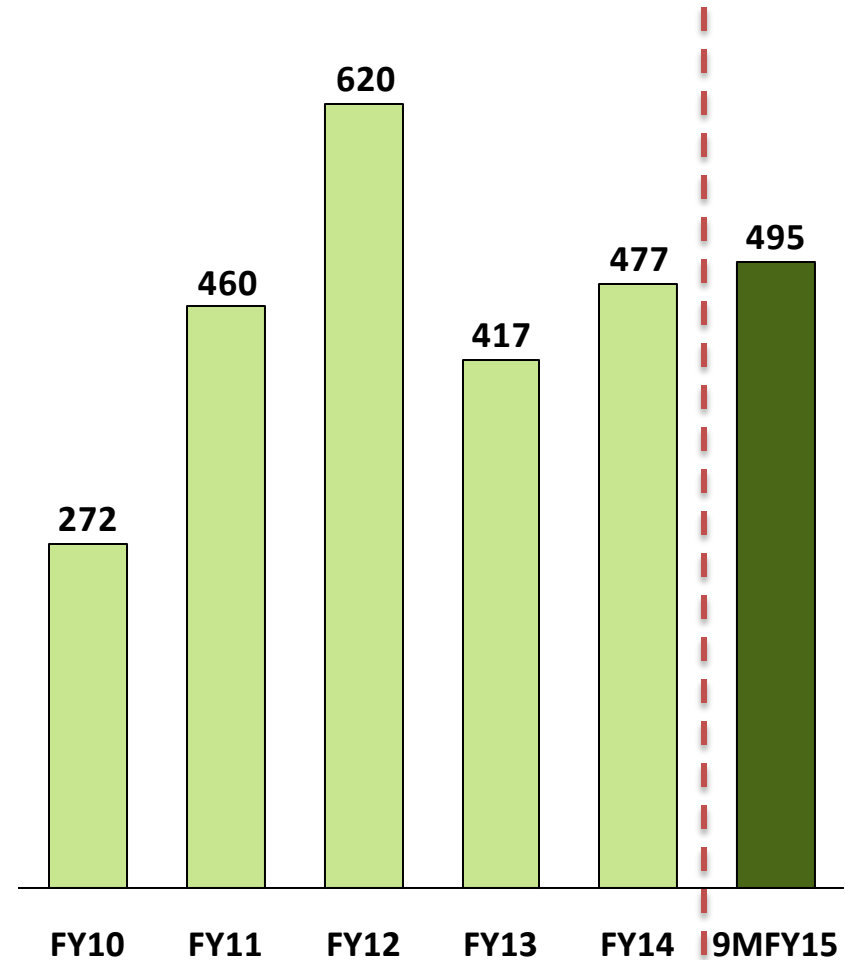
\* - Normalized EBITDA – Before Forex, Hedging Related Expenses

# LPG Volume Break-up

## Distribution ('000 MT)



## Logistics ('000 MT)



***Aegis enters into a Joint Venture for its  
Singapore based LPG Sourcing and Supply Business  
with  
ITOCHU Petroleum Co., (Singapore) Pte Ltd***





# Powerful Partners...



- Aegis Group International Pte. Ltd (AGI) is a sourcing and trading subsidiary of Aegis Logistics Limited, leading Oil, Gas & Chemical Logistics Company
- Aegis Logistics has five distinct but related business segments, and operates a national network of Liquid Terminals, LPG Terminals, Filling Plants, Pipelines and Gas Stations to deliver products and services



- ITOCHU Petroleum Co., (Singapore) Pte Ltd is a wholly owned subsidiary of ITOCHU Corporation, a Japanese multinational trading group specializing in oil & gas, metals and other commodities
- ITOCHU Corporation is
  - Third-largest Japanese Sogo Shosha (general trading Company)  
One of the largest global LPG Companies by sales volumes

...coming together...

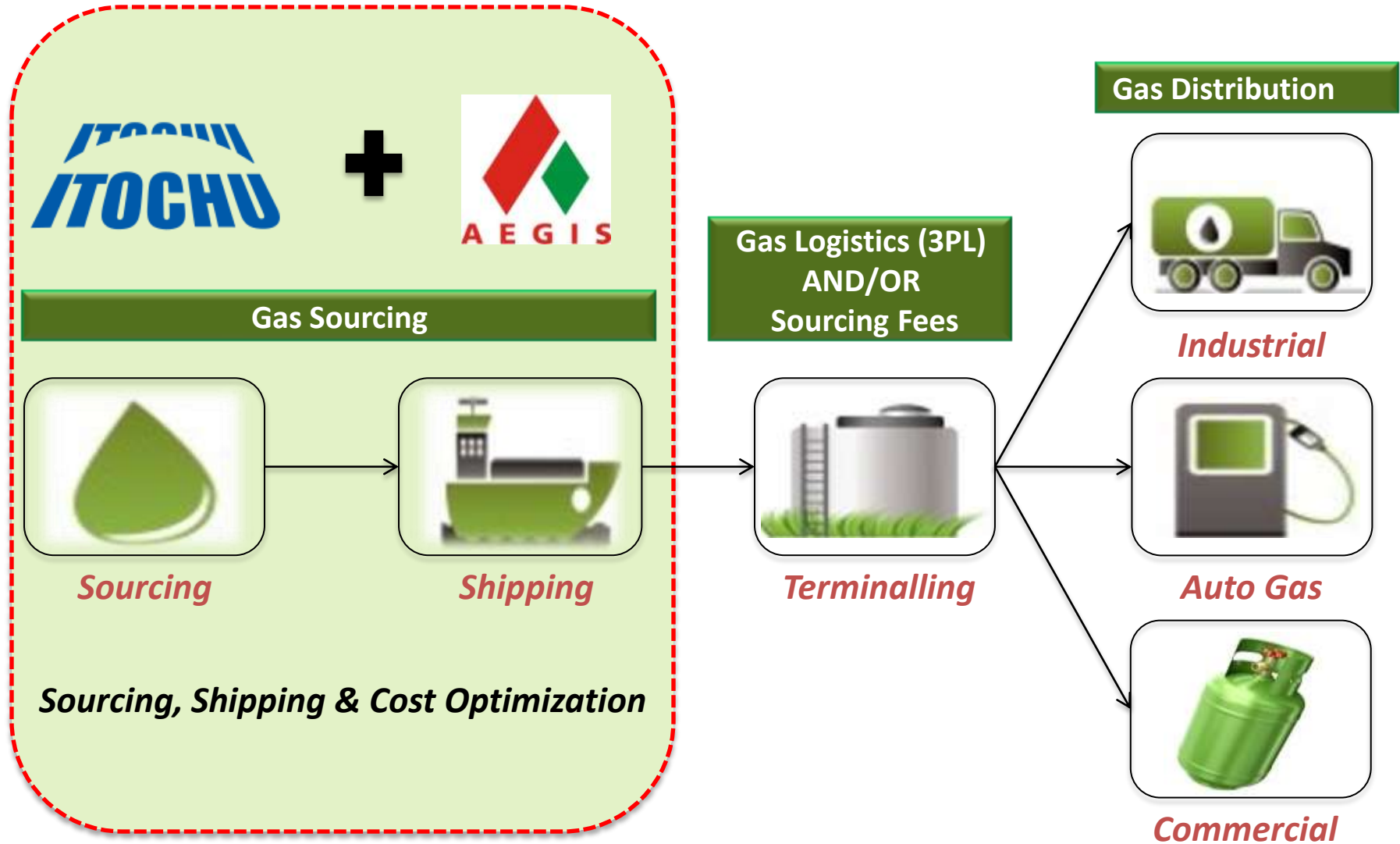
# ...Creating 'Leading LPG Sourcing Player in India'

*Aegis Logistics Limited sold 40% of its equity ownership in its wholly owned subsidiary, Aegis Group International Pte. Ltd. Singapore, to ITOCHU Petroleum Co., (Singapore) Pte Ltd., a wholly owned subsidiary of ITOCHU Corporation for a total consideration of \$ 5.85 million*



**Attaining Cost Leadership in the LPG import market**  
**Lowering the delivered price to most Competitive levels**

... through 'Vertical Integration Strategy'



# JV : Best of both Worlds

## Aegis

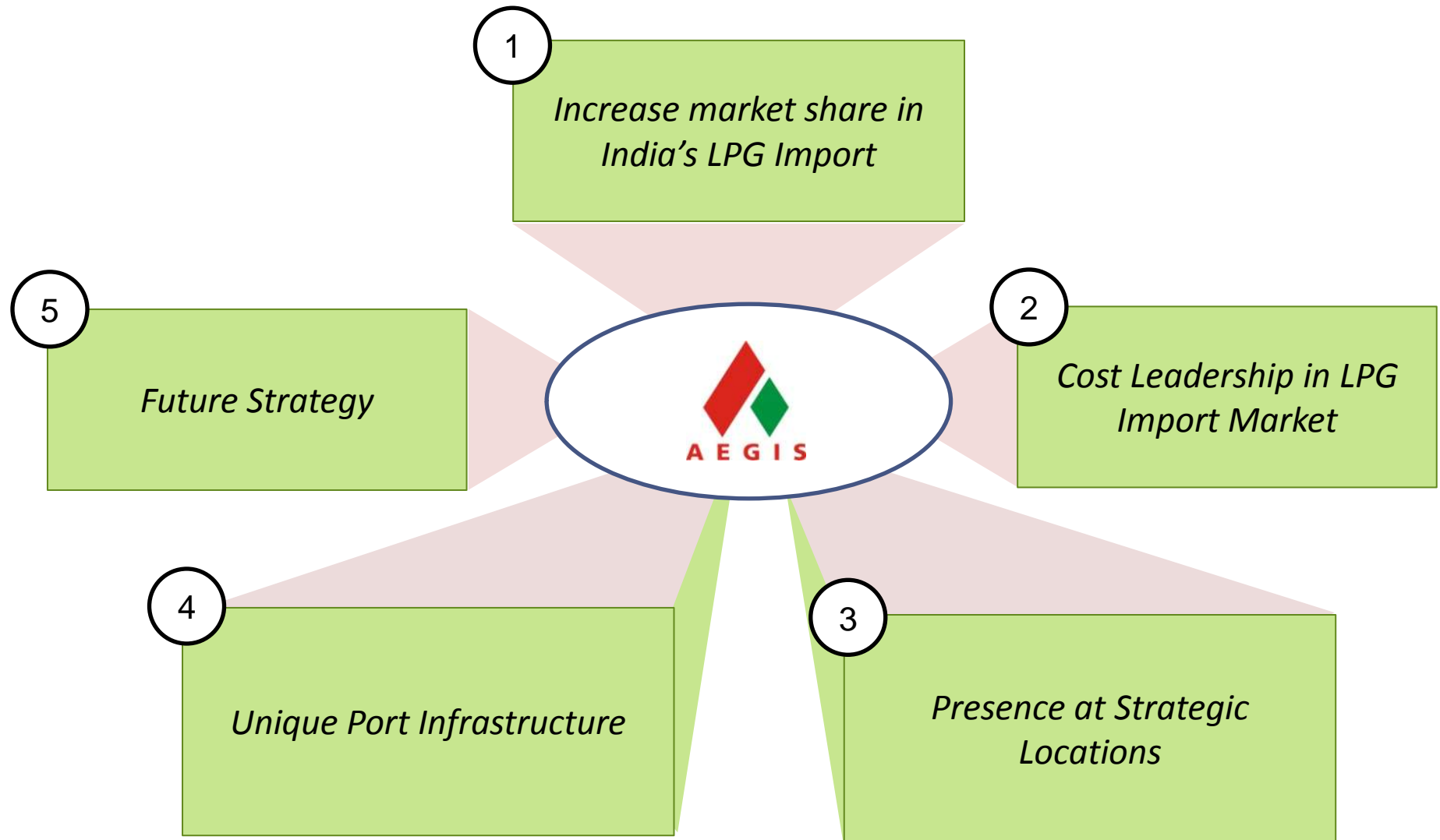
- ✓ Growing LPG Market in India
- ✓ 0.85 mn MT p.a. throughput capacity at Mumbai and Pipavav Port
- ✓ Strong Customer Relationships with Large Oil Companies
- ✓ Setting up of New LPG Terminals

## ITOCHU

- ✓ Large Volume of LPG Sourcing
- ✓ Efficient and Cost Effective Shipping for High Volumes
- ✓ Strong Negotiating Power
- ✓ Financial Muscle

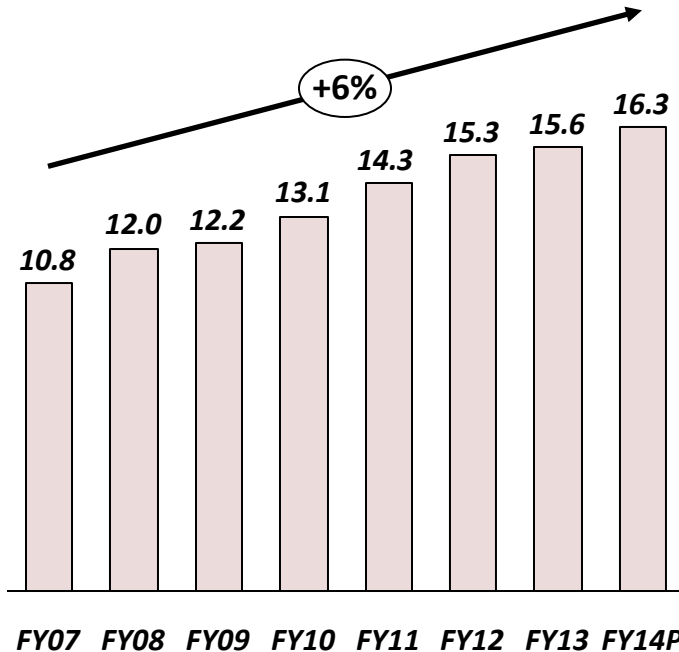
**Market Share of 20-25% with 2.5 mn MT of sales volume in 5 years**

# Strategic Rationale for JV

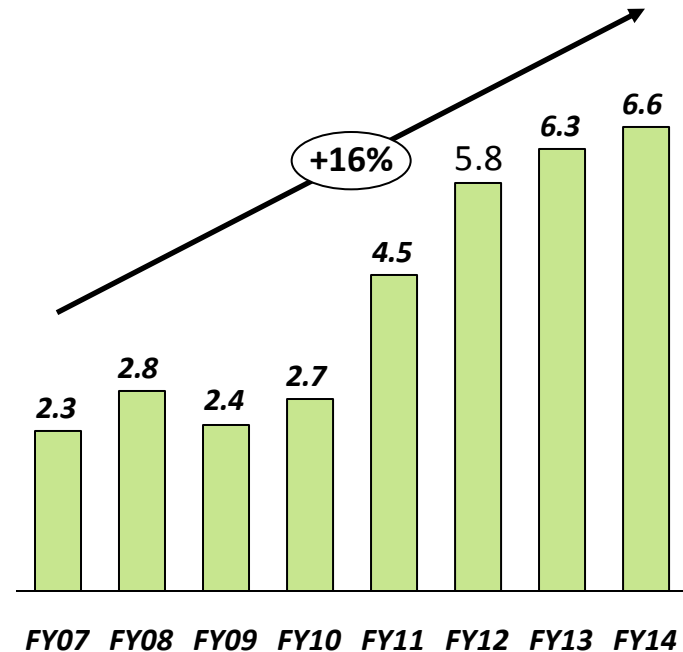


# ① Increase market share in India's LPG Import

Consumptions of LPG in India (mn MT)



Imports of LPG in India (mn MT)



Aegis sourced 0.8mn MT of LPG in FY14 - a market share of close to 12%

Partnership Strengths

Market Share of 20-25% with 2.5 mn MT of sales volume in 5 years

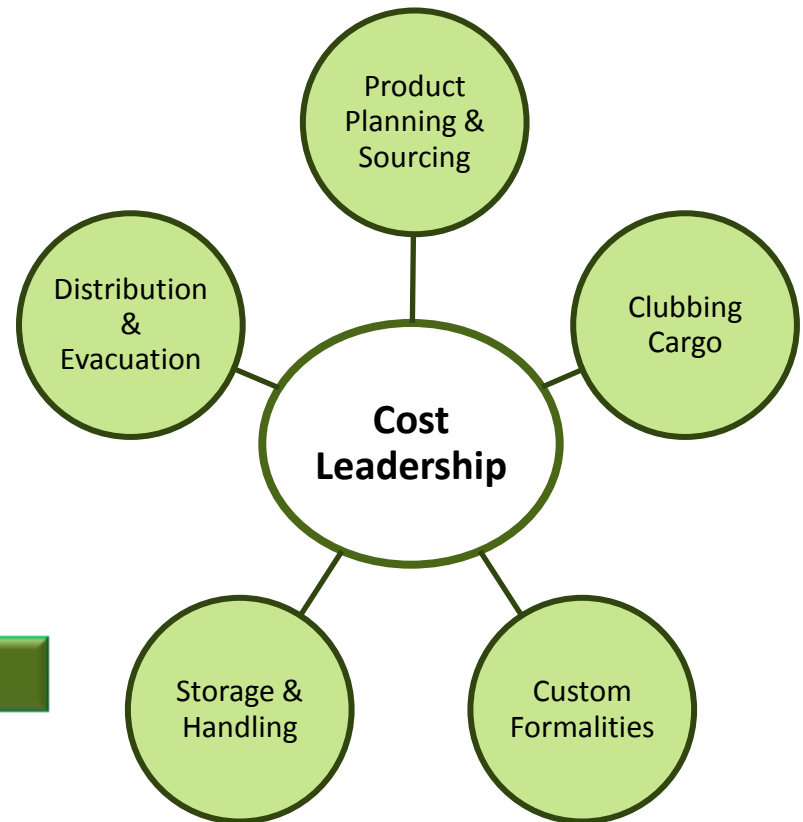
## 2 Cost Leadership in LPG Import Market

### ITOCHU

- **Negotiating Power**
  - World wide linkages with Global Oil Companies
  - Large Volume of LPG Sourcing
- **Efficient Shipping & Supplies**
  - Fleet of VLGCs
  - Optimizing Shipping & Supply System
  - Lower Freight Cost

### Aegis

- **Infrastructure Development**
  - Building new refrigerated terminals
  - Improving evacuation and delivery of the LPG by laying pipelines and rail connectivity



# Presence at Strategic Locations

## Aegis – Gas Terminal Facilities

- **Own & Operate 22,700 MT Gas Terminal with Throughput Capacity of 0.85 mn MT**
  - Mumbai Port – Owned Land (Mumbai Port Trust)
  - Pipavav Port – Lease with GPPL
- **Expanding Pipavav Gas Capacity from 2,700 MT to 5,400 MT (0.1 mn MT throughput capacity)**
- **Mumbai Port**
  - Major Port in Western India
- **Gujarat Pipavav Port**
  - Private port managed by AP Moller Group



Map not to scale



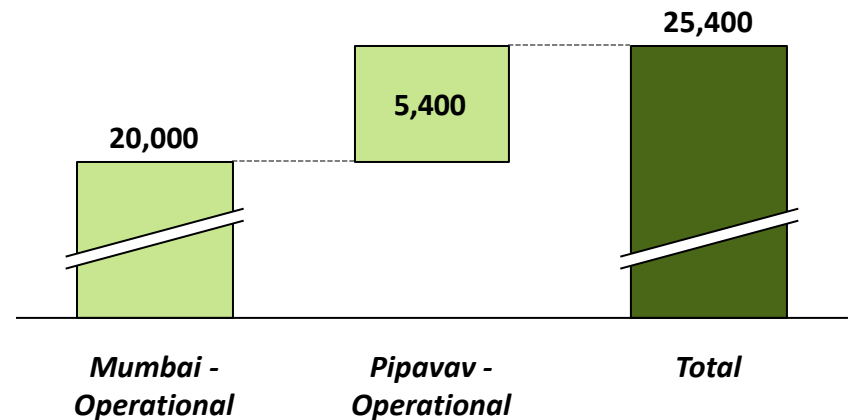
# 4 Unique Port Infrastructure

## Aegis - Gas Infrastructure

- Owns and Operates Refrigerated Gas Terminal in Mumbai and Spherical Pressurized Gas Terminal in Pipavav along with Jetty pipeline
- Direct pipeline connectivity to Large Customers
- Ability to handle ~850,000 MT of LPG throughput p.a. at Owned Terminals
- SAP ECC6 R3 structure including IS Oil module adopted by Refineries
- ISO 9001, 14001 and 18001 Certification

Terminal Facilities	Port	Capacity (MT)
Existing - Trombay	Mumbai	20,000
Existing – Pipavav	Gujarat	5,400

## Built up of Capacities



**Post Expansion : Ability to handle 850,000 MT of LPG per annum at Owned Terminals**

# Future Strategy

**Target : Market Share of 20-25% with 2.5 mn MT of sales volume in 5 years**

- **New LPG import terminals required to cater to the growing LPG imports**
- **Our next phase of growth in LPG business will come from investments in Port Infrastructure for LPG imports**
  - **LPG terminals at ports with capability to handle VLGCs**
  - **Increasing evacuation facility through Pipelines/ Rail connectivity**
- **Plans to add three LPG terminals in next 5 years**
- **ITOCHU has right to buy upto 40% stake in Gas Terminals**
- **ITOCHU's participation will reduce potential capital expenditure requirements**

# Multiple Growth Drivers

## Capacity Expansion

- Haldia & Pipavav Fully Operational in FY15
- Pipavav Terminal Facility : 1,20,000 KL Liquid & 5,400 MT Gas
- Strengthening Distribution Network for Commercial Packed Cylinders
- Expanding Auto Gas Station network in Tier I & II cities

## Government Reforms

- Cap on Supply increased to Twelve Cylinders
- Direct Benefit Transfer (DBT)
- Diesel Price Increase
- Natural Gas Price Increase

## Newer Businesses

- O&M Services: O&M / BOO of Oil & Gas storage installations
- Marine Products : Supply of Bunker fuel to ships

# Consolidated Profitability Statement

Rs Crs	Q3FY15	Q3FY14	Y-o-Y %
Revenue	955	1,562	-39%
Cost of Sales	886	1,502	
Others	24	21	
<b>Normalized EBITDA (Segment) *</b>	<b>45</b>	<b>39</b>	<b>15%</b>
Finance, Hedging & Forex related Expenses (Net)	5	7	
Depreciation	6	5	
Unallocated Expenses	9	7	
<b>Profit Before Tax</b>	<b>25</b>	<b>20</b>	<b>27%</b>
Capital Gains on Divestment	31	0	
Tax on Capital Gains	8	0	
Tax	6	3	
<b>Profit after Tax</b>	<b>42</b>	<b>17</b>	
<b>Profit after Tax excluding Capital Gains</b>	<b>19</b>	<b>17</b>	<b>14%</b>

\* - Normalized EBITDA – Before Forex Hedging Related expenses

# Consolidated Profitability Statement

Rs Crs	9MFY15	9MFY14	Y-o-Y %	FY14
Revenue	3,393	3,931	-14%	5,031
Cost of Sales	3,190	3,760		4,804
Others	73	60		83
<b>Normalized EBITDA (Segment) *</b>	<b>130</b>	<b>111</b>	<b>17%</b>	<b>144</b>
Finance, Hedging & Forex related Expenses (Net)	14	11		19
Depreciation	16	16		21
Unallocated Expenses	21	19		25
<b>Profit Before Tax</b>	<b>79</b>	<b>65</b>	<b>22%</b>	<b>79</b>
Capital Gains on Divestment	31	0		0
Tax on Capital Gains	8	0		0
Tax	13	10		11
<b>Profit after Tax</b>	<b>89</b>	<b>55</b>		<b>68</b>
<b>Profit after Tax excluding Capital Gains</b>	<b>66</b>	<b>55</b>	<b>21%</b>	<b>68</b>

\* - Normalized EBITDA – Before Forex Hedging Related expenses

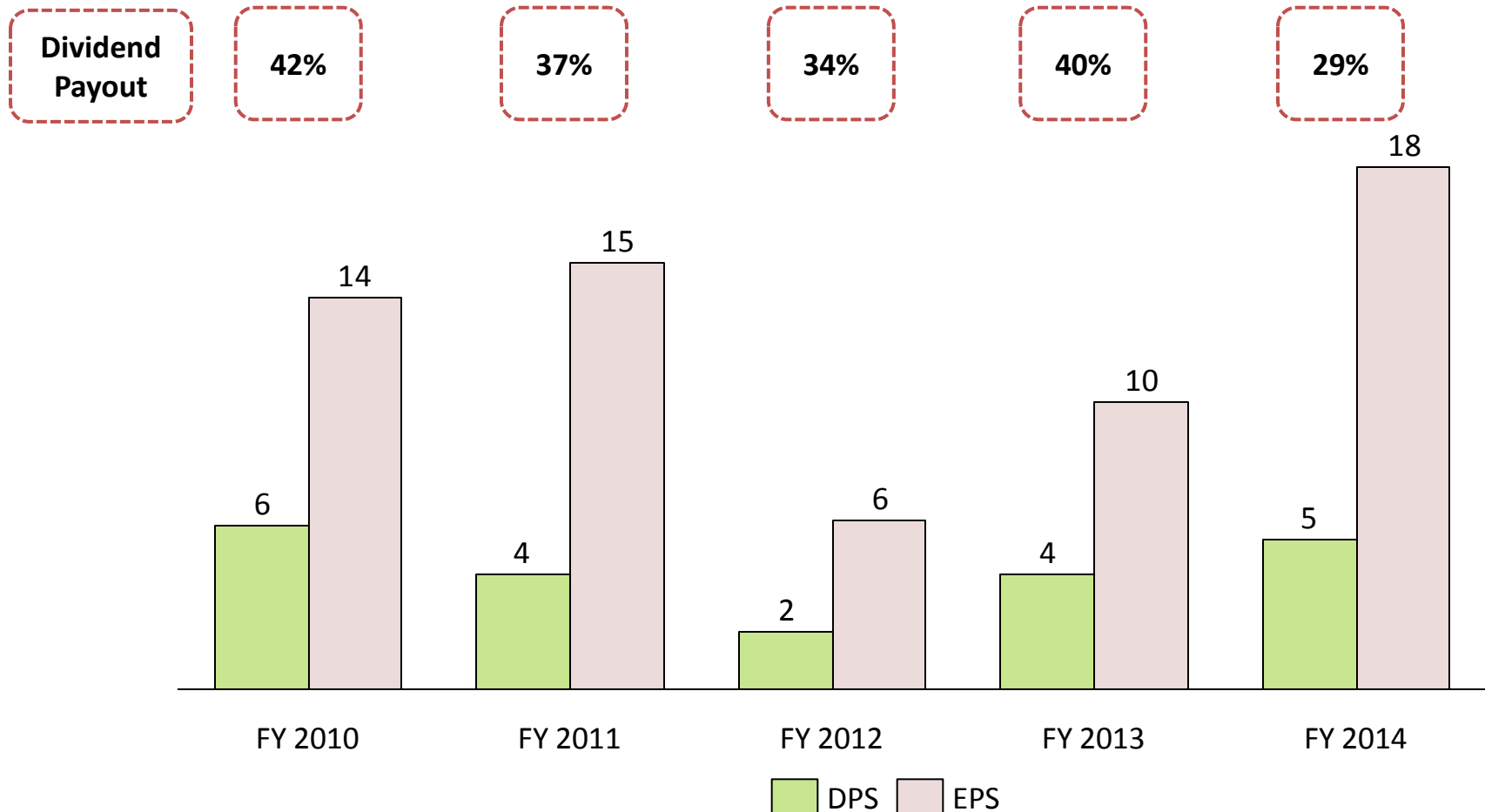
# Consolidated Balance Sheet

Rs. Crs	Sept-14	Mar-14
<b>Shareholder's Fund</b>	<b>390</b>	<b>349</b>
ShareCapital	33	33
Reserves & Surplus	357	316
<b>Minority Interest</b>	<b>16</b>	<b>13</b>
<b>Non-Current Liabilities</b>	<b>153</b>	<b>147</b>
Long Term Borrowings	116	109
Other Non Current Liabilities	37	38
<b>Current Liabilities</b>	<b>526</b>	<b>380</b>
Short Term Borrowings / Buyers Credit	90	116
Trade Payables	389	191
Other Current Liabilities	47	72
<b>Total Liabilities</b>	<b>1085</b>	<b>889</b>

Rs. Crs	Sept-14	Mar-14
<b>Non-Current Assets</b>	<b>550</b>	<b>552</b>
Fixed Assets *	476	462
Non-Current Investments	3	10
Other Non-Current Assets	71	80
<b>Current Assets</b>	<b>535</b>	<b>337</b>
Inventories	16	25
Trade Receivables	416	206
Cash and Bank Balances	68	73
Other Current Assets	35	33
<b>Total Assets</b>	<b>1085</b>	<b>889</b>

\* - Including Goodwill on Consolidation

# Dividend Track Record



***Second Interim Dividend for FY2015 of Rs 2.5 per share***  
***Cumulative Interim Dividend for FY 2015 of Rs. 5.0 per share till date***

## For further information, please contact:

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### Company :

**Aegis Logistics Limited**  
CIN: L63090GJ1956PLC001032

Mr. Murad Moledina, CFO  
[murad@aegisindia.com](mailto:murad@aegisindia.com)

[www.aegisindia.com](http://www.aegisindia.com)

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### Investor Relations Advisors :

**Strategic Growth Advisors Pvt. Ltd.**  
CIN: U74140MH2010PTC204285

Ms. Payal Dave / Mr. Jigar Kavaiya  
[dpayal@sgapl.net](mailto:dpayal@sgapl.net) / [kjigar@sgapl.net](mailto:kjigar@sgapl.net)

[www.sgapl.net](http://www.sgapl.net)