



# AEGIS LOGISTICS LIMITED

**Major JV with Royal Vopak**  
Presentation - July 2021



**Aegis and Vopak joining forces for LPG and Chemical storage in India**

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# Major JV for LPG and Chemical Terminals in India

Aegis and Vopak have decided to join forces in India with the aim to grow together in the LPG, chemicals storage and handling business



# Formation of JV – Aegis Vopak Terminals Ltd



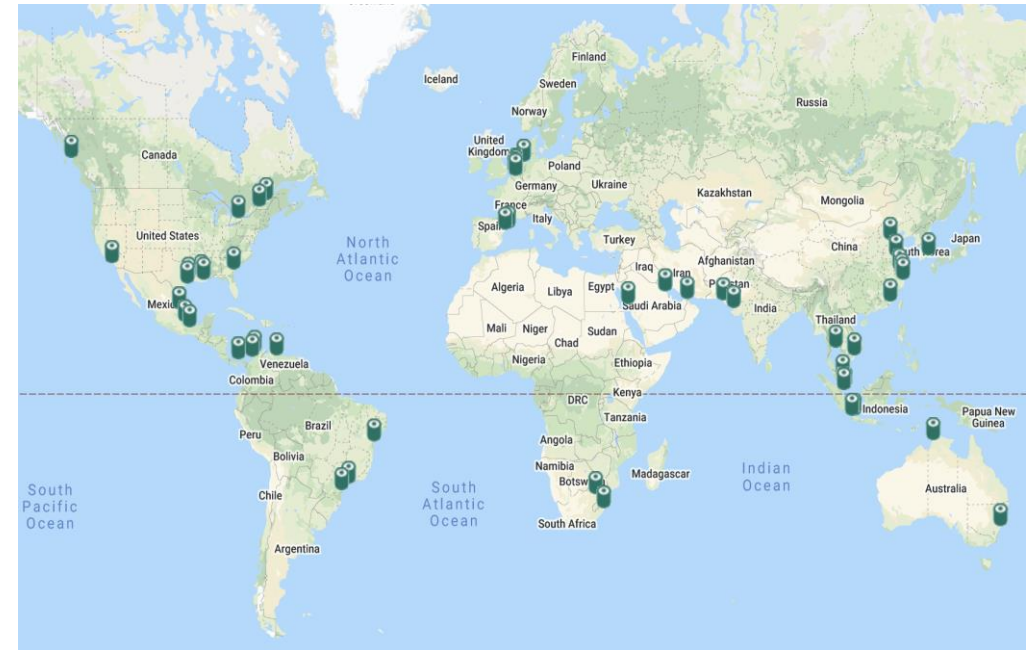
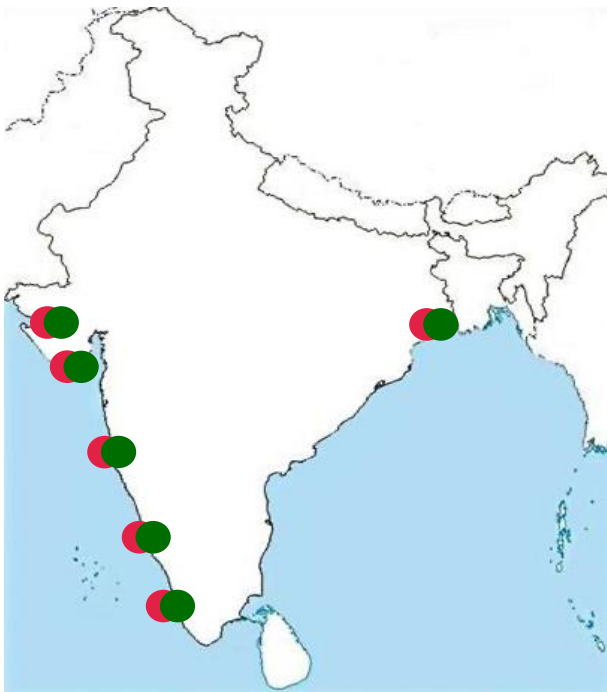
Aegis is India's leading liquid and LPG tank terminal owner and operator



Vopak is the world's leading independent tank storage company, storing oil, chemicals, gases, biofuels and edible oils

- Aegis and Vopak propose to form a JV to take advantage of the numerous growth opportunities in the field of oil, gas and chemical logistics in India
- JV co to be named **Aegis Vopak Terminals Ltd (AVTL)** will be **51% owned by Aegis and 49% by Vopak**
- **Win-Win proposition for both companies:**
  - ✓ Aegis brings Indian market leadership, superb execution capabilities and portfolio of profitable assets.
  - ✓ Vopak brings global expertise and standards, new product capabilities and global customers.

# JV between leaders in the Tank Terminal Industry



# Profile of Royal Vopak

## New energy & feedstocks



Vopak actively pursues opportunities in new energies and sustainable feedstocks. We aim to develop infrastructure solutions for the world's changing energy and feedstock systems. Our strategy for new energies is to facilitate new supply chains for hydrogen, CO<sub>2</sub> and new feedstocks, as well as develop flow batteries. Vopak has made first investments in hydrogen and is exploring further opportunities in Europe and beyond. In Asia, we are exploring the potential of low-carbon ammonia and flow batteries.

## Gas terminals



Vopak is expanding its gas storage – in response to increased demand from petrochemicals, gas-fired power plants and transport. Vopak continues to contribute to the energy transition by introducing new infrastructure for cleaner fuels like LPG and LNG. We own and operate LPG terminals in the Netherlands, China and Singapore; we have LNG facilities in Colombia, Mexico, the Netherlands and Pakistan.

## Industrial terminals



Petrochemical clusters are becoming larger and more complex, making logistics integration even more crucial. Industrial terminals have a single operator, typically serving multiple plants at the same time. This makes optimizing terminal logistics easier. Many petrochemical clusters adopt this model because of the size and complexity of their operations. Industrial terminals typically have long-term customer contracts – since terminals are integrated into the customer's facility. We operate industrial terminals in the US, Europe, Middle East, Asia and China.

## Chemical terminals



Demand for chemicals storage is growing. Vopak operates a global network of chemicals terminals; in particular, we have a strong presence in key hub locations, including Antwerp, Rotterdam, Singapore and Houston. Besides growth opportunities, we are also looking at ways of operating our terminals more efficiently and further strengthening customer service.

## Oil terminals



Vopak operates oil hub terminals located strategically along major shipping routes, where suppliers, customers and traders are active. These include Rotterdam, Fujairah and the Singapore Strait. We also play an important role in ensuring countries with structural oil supply deficits have adequate access to energy imports.

Market Cap  
Euro 5 Bn

EBITDA FY 2020  
Euro 792m

Terminals  
70

Countries  
23

Capacity  
35.6m cbm

(Y/E 2020)

# Strategic Context of Terminals Business Unit

Aegis has been executing its “necklace of terminals” strategy since 2010

From a single location (Mumbai), Aegis is now present in all the major ports of western India and one port in the East.

Size, scale and complexity of projects must increase in order to maintain growth rate.

To deliver the next phase of growth in Terminals, Aegis needs to plan for new opportunities:

- new products,
- larger terminals
- deliver lower costs and better services to customer
- better inland logistics capabilities
- new ports and inland locations

Increasing competitive threats. Need for strengthened brand position

*Began search for international partners in 2019 ...*

# Background of Deal

Aegis management initiated discussions with a number of strategic and financial partners from 2019


Vopak emerged as the preferred partner during this process.

Transaction approved by Aegis and Vopak Boards.




# Transactional Highlights

51%



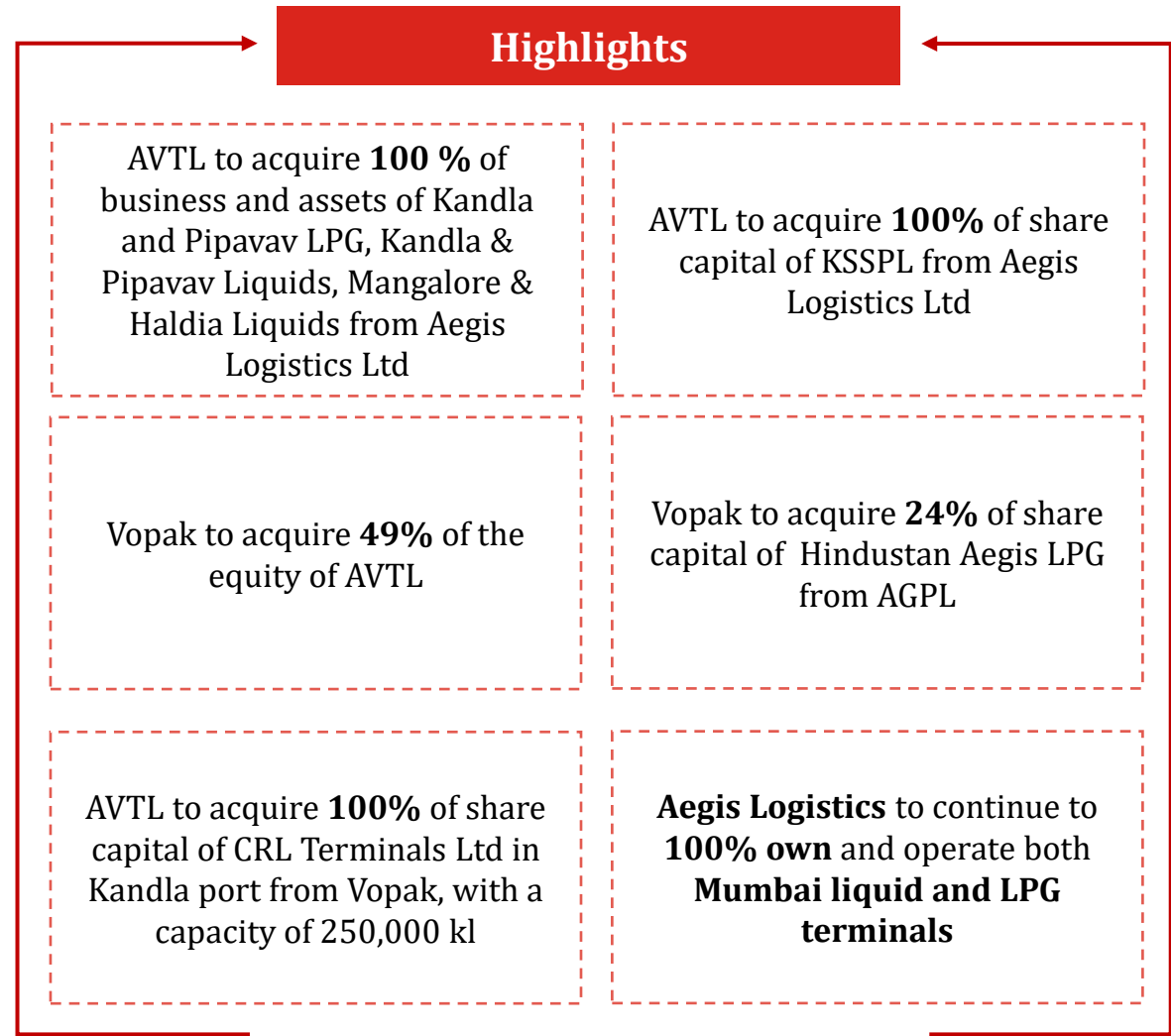
+

49%

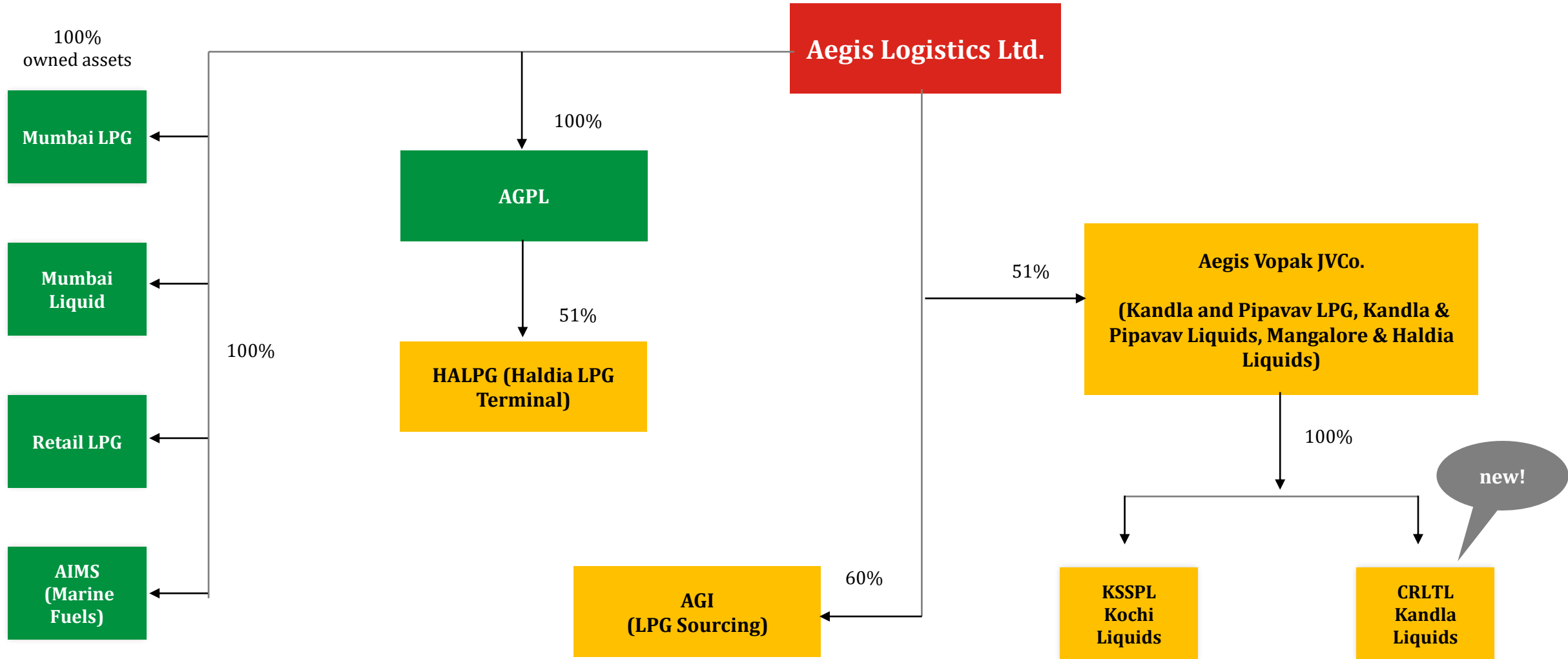


**Proposed name: Aegis Vopak Terminals Ltd. (AVTL)**

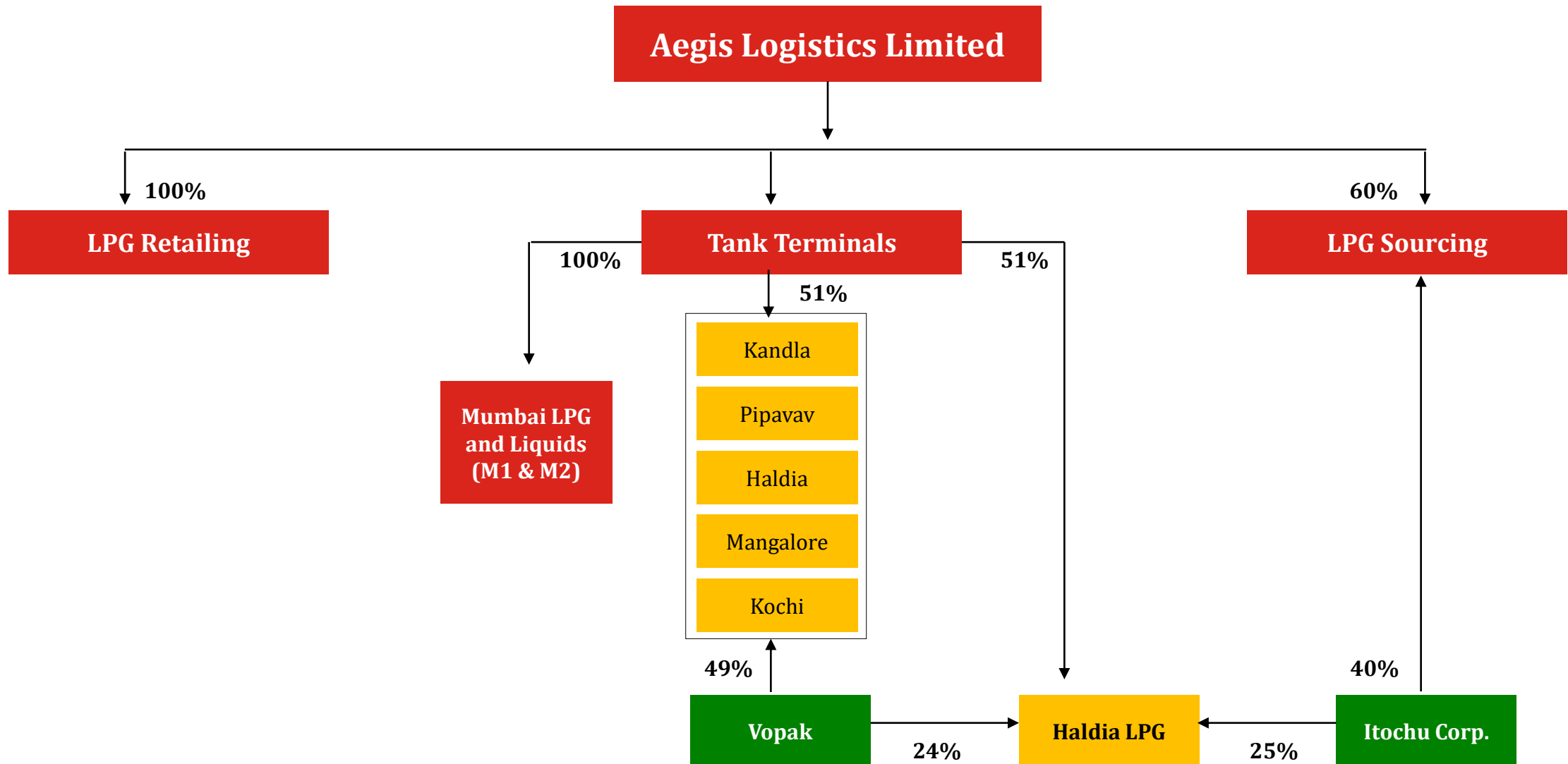
- Aegis and Vopak propose to combine their existing tank terminals business in India into a Joint Venture Company
- Combined business will initially have a storage capacity of 960,000 cbm



# Transaction Details



# Aegis Business Structure (Post Transaction)



# Financial Details of the Deal

**Rs. 2,568 Crs**

Payment to Aegis

Total pre-tax cash consideration to Aegis Logistics Ltd. for stake sale of 49% in the Aegis terminals, 24% stake sale in HALPG business after purchase of CRL Terminals

+

**Rs. 198 Crs**

Payment to Aegis

To be paid to Aegis by Vopak in year 3 of up to 198 crores on **achievement of revenue projections**

=

**Rs. 2,568 Crs -  
Rs. 2,766 Crs**

Total pre-tax cash consideration to Aegis

Taxes to be paid by Aegis as applicable on the transaction

AVTL to assume external debt following conservative leverage and debt service ratios agreed between the parties going forward

Future capital expenditure of AVTL to be funded by a mix of free cash flows of the AVTL, additional project debt and cash injection by both shareholders as required

**Board approval by both  
Vopak Supervisory  
Board and Aegis Board  
received**



**Special resolution by  
Aegis shareholders  
through a postal ballot**





**Subject to regulatory  
approvals, transfer of  
licenses and permits**



**Expected Completion  
before March 31,  
2022**

# Proposed Board Organization

 Nominated by Vopak  
 Nominated by Aegis

**Chairman**

**Board Member**

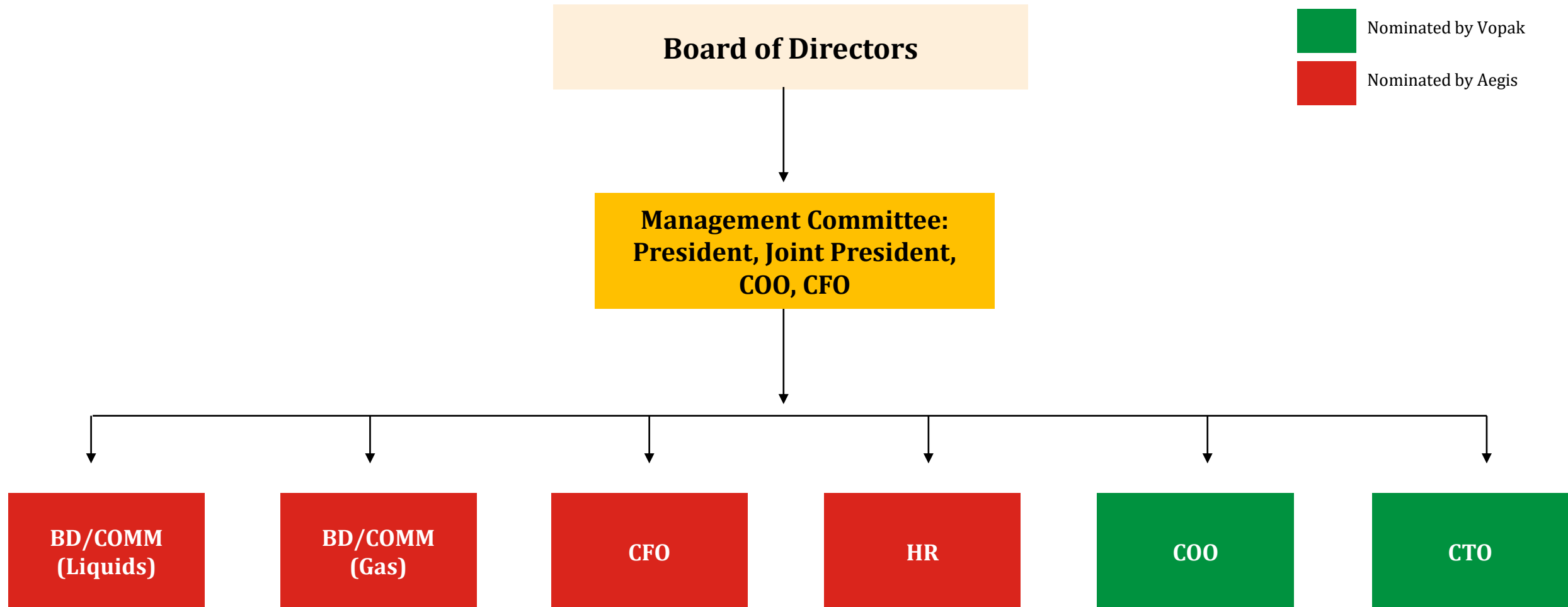
**Board Member**

**Board Member**

**Board Member**

**Board Member**

# Management Organization



# Win-Win partnership for Aegis and Vopak

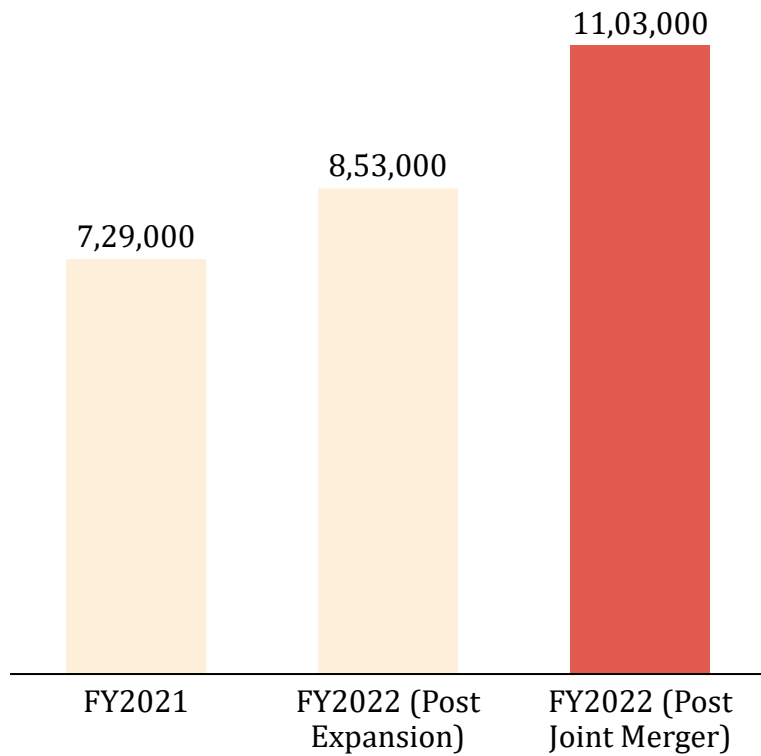


- 1 Co-branded terminals in India under the Aegis Vopak brand name
- 2 Servicing the customers of both companies, including national oil companies, MNC's, speciality chemical companies and traders
- 3 Pan India footprint
- 4 Access to global best practices for environmental standards, sustainability and safety
- 5 Potential for consolidation in the Indian market and increased market share by the Aegis - Vopak brand
- 6 Further diversification of customer base for both companies
- 7 Access to global know-how for handling of oil, gas and chemicals and new products
- 8 Proven project execution capability in India for new projects
- 9 Potential diversification into storage of new gases and renewables

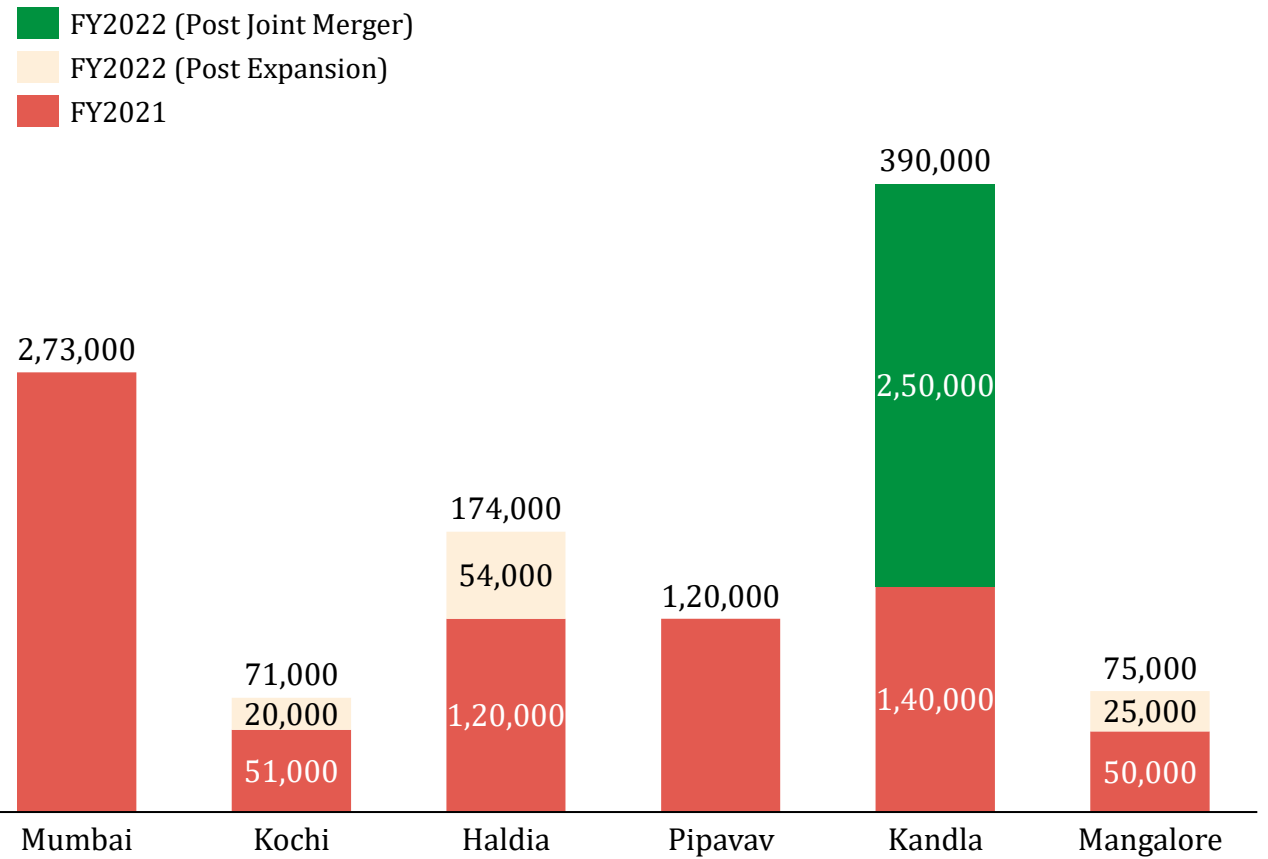


# Aegis Controlled Liquid Terminal Capacity Increase

**Total Storage Capacity (KL)**



**Total Storage Capacity (KL)**



# AVTL Business Plans - 1

India's energy demand will likely increase more than those of any other major economy over the next two decades.

The country's fossil fuel imports are expected to **TRIPLE** over the next two decades due to higher energy demand plus the decommissioning of old Indian refineries

660mn Indians still rely on solid biomass such as firewood for cooking fuel instead of LPG as an efficient clean alternative fuel (source FT) - LPG imports will massively increase over the next 20 years in India; therefore, more LPG import terminals, capacity and throughput will be required. AVTL will lead this push in India as the No 1 player in the market

This will require the construction of new import infrastructure

Execute a number of key strategic connectivity projects over the next 3-5 years to produce a step change in the throughput volumes of **all its LPG terminals towards full capacity utilization.**

Accelerate timetable for **roll out of these and other new projects in 5 years FY2023-2027** using the combined managerial resources of both Aegis and Vopak.

# AVTL Business Plans - 2

1

**Investing in VLGC compliant jetties** - to enable large ships and cheaper shipping costs for customers

2

Further **expansion** of LPG and liquid tanks capacity **at existing terminals**

3

**Multi-modal transport infrastructure for LPG** (incl. rail, barge and pipeline) connectivity projects to reduce significantly the delivered cost of imported LPG to the customer.

**Goal:** To make the AVTL LPG terminals the most competitive in India

4

**Inland depots** for LPG to improve logistics for the national oil cos

5

**New LPG terminal(s)** in the south

6

Storage of **other types of gases**

7

**Greenfield liquid terminals** to serve dedicated industrial clients

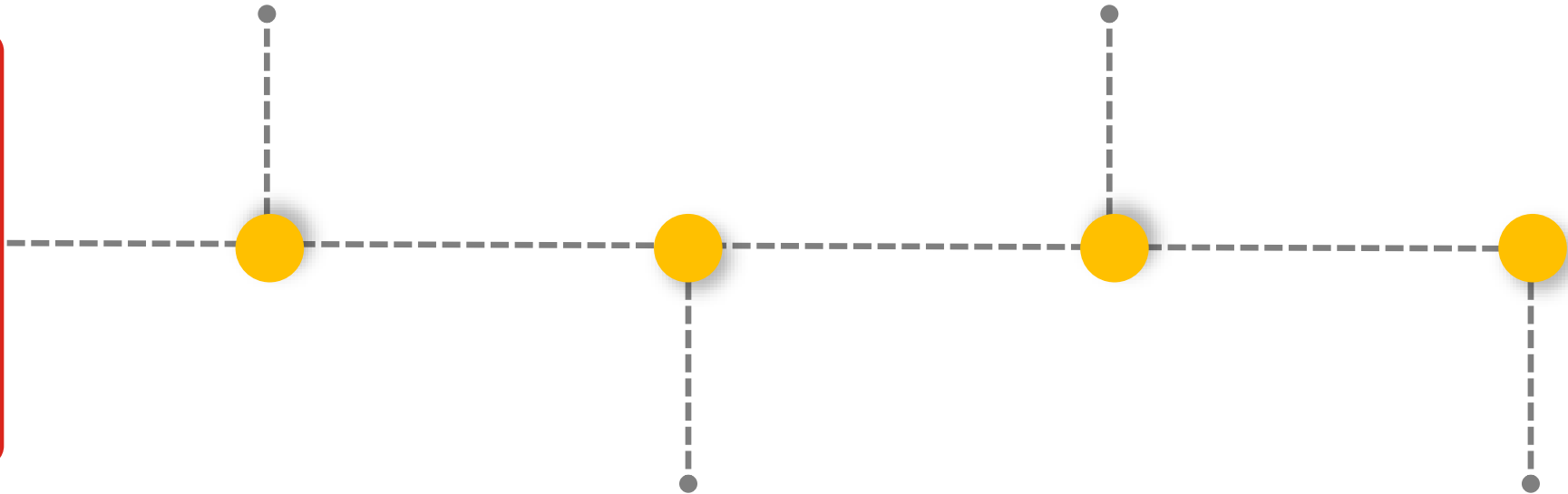
Financed by mix of internally generated cashflows and debt in the JV company

Cash injection by both shareholders if required

# Future Co-operation with Vopak

Aegis and Vopak have agreed to co-operate on larger projects in India

Ownership structure of these new projects to be assessed project by project



Examples:

- Other gases.
- explore renewable energy projects.
- Explore new greenfield liquid terminals in other ports

Both companies to finance larger projects using a mixture of project finance, parent company equity injection and/or induction of other consortium partners

# Enhancing Stakeholders Value

## Benefits from the Deal

- Scale up its **Liquid and LPG Terminals** business on an accelerated basis
- Pool financial, management and technical resources for diversification into **other types of gas and other products storage by combining with the global leader Vopak**
- Explore new growth opportunities in **Renewable and Sustainable Energy**



## Existing Business of Aegis

- 100% owned **Mumbai liquid and LPG terminals**
- 100% owned **Retail Business**
- **Dividend** flows from HALPG
- **Dividend** income from AVTL



## Way Forward

Core Principles of **Strong Balance Sheet & Free Cash Flows**

Focus on **scaling up the Retail Business**

Significantly enhanced forecast EPS growth post-deal, due to **accelerated growth plans of Terminals business and potential growth opportunities beyond LPG**

# Future Direction

## Aegis Logistics Limited



### Fuel Retailing

- Build a National distribution retail network
- Focus on brand building:
- “Chota Cikander” “Aegis Puregas” “Aegis Autogas”



### Tank Terminals

- Liquids
- LPG
- Other gases



### New Business

- Logistics Infrastructure  
Explore projects in renewables and sustainable energy

# Thank You



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