

# Aegis Logistics Limited

“Positioned for growth”

Investor Presentation

November 2016



AEGIS

T130  
10000KL



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# Consistent Performance to continue

*“We are pleased to announce the expansion at our Mangalore Port. With the completion of this expansion of 25,000 KL by Q1 FY18 our Liquid Terminal Capacity will reach ~6,50,000 KL.*

*In the Liquid division we are confident of the long term business prospects and our decision for expansion is based on the interest received from our customers. Our Gas Business continue to perform and has delivered 28% increase in volumes. We are confident of meeting our full year targets. I'm happy to announce the Board has declared an interim dividend of 35% which shows the Board's confidence in the prospects of the business. ”*

*Mr. Anish Chandaria, MD & CEO*

## September 2016

# 18%

ROCE- Liquid Division

# 60%

ROCE- Gas Division

# 0.08x

Net Debt to Equity

# Current Business Break-up

## Liquid Division

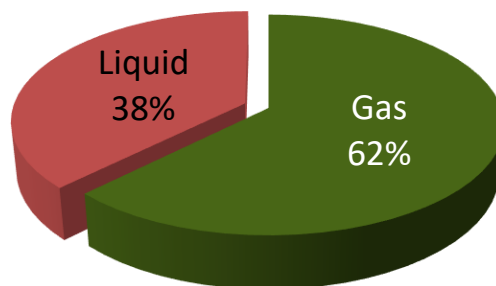
### ■ Business

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

### ■ Revenue Model

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

**H1 FY17 EBITDA**  
**Rs. 112 Cr**



## Gas Division

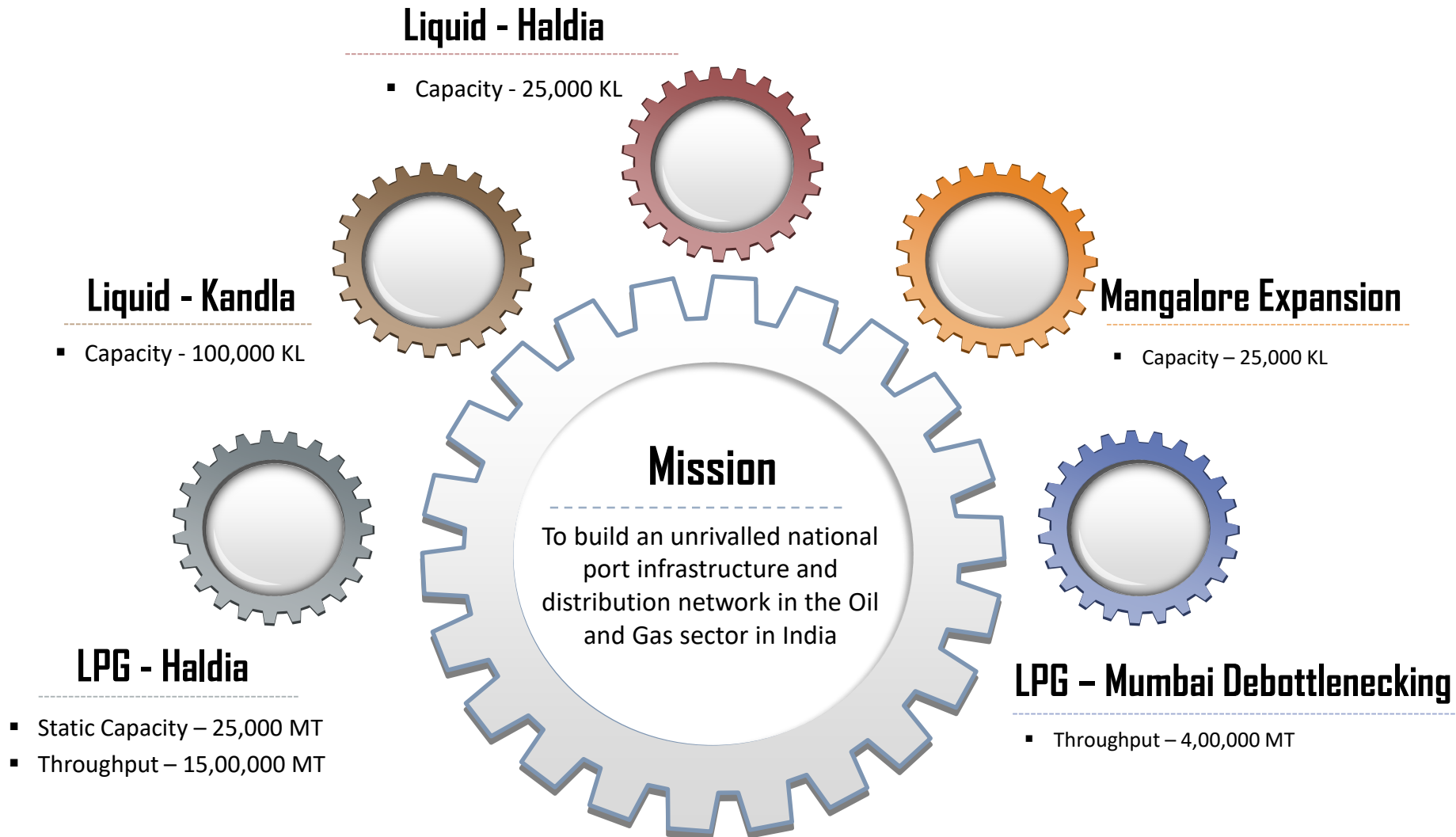
### ■ Business

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

### ■ Revenue Model

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

# Major ongoing Expansion Projects

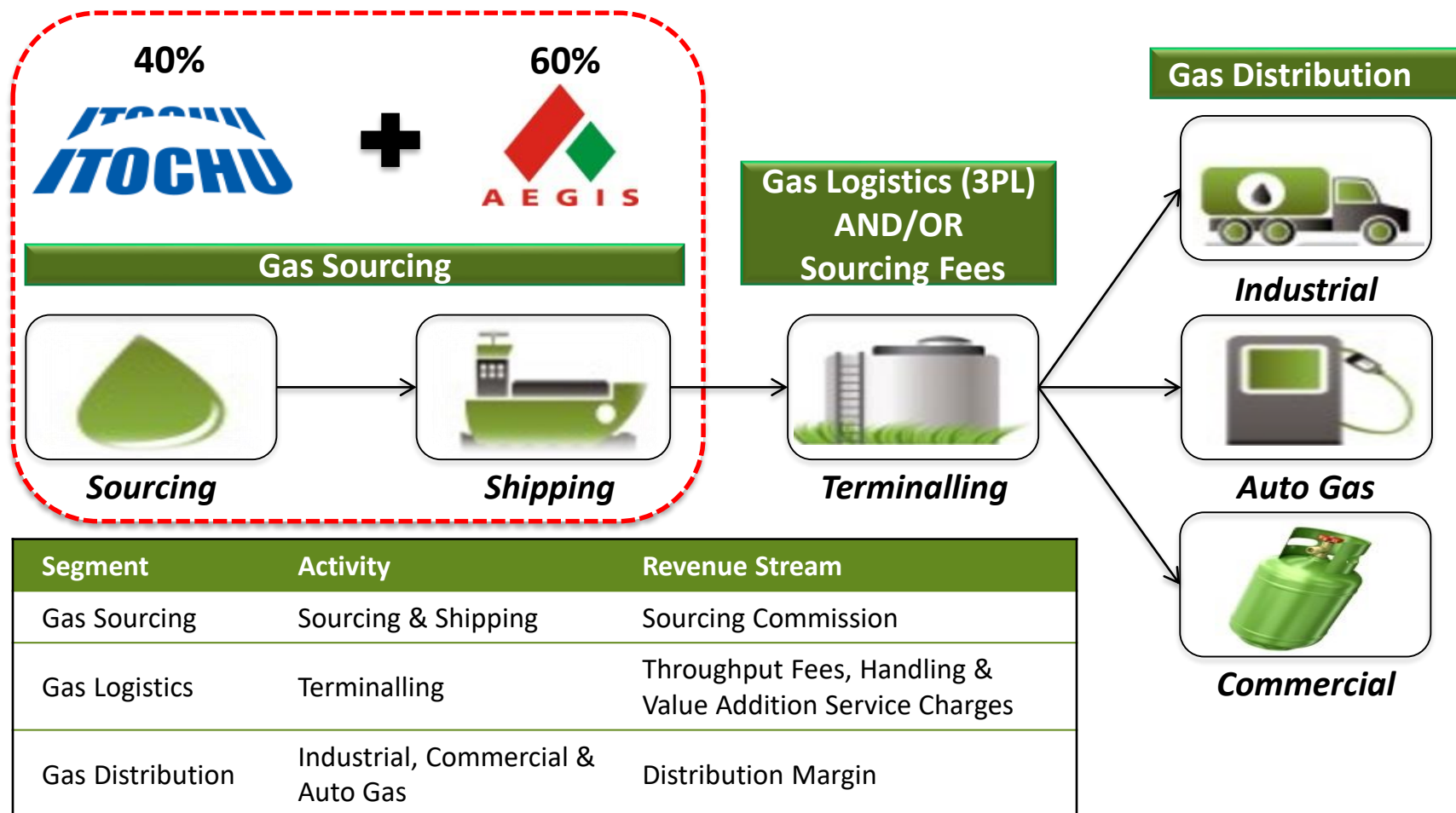




## Gas Logistics



# Gas Logistics - Capturing Complete Value Chain

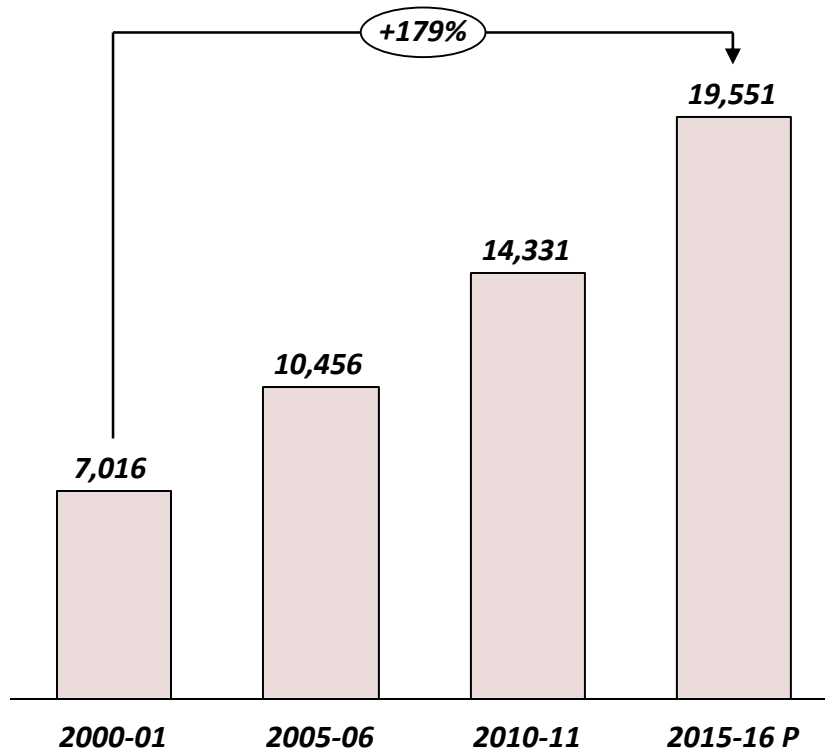


**Creating 'Leading LPG Sourcing Player in India' through Vertical Integration Strategy**

# Demand Supply Gap exists for LPG in India...

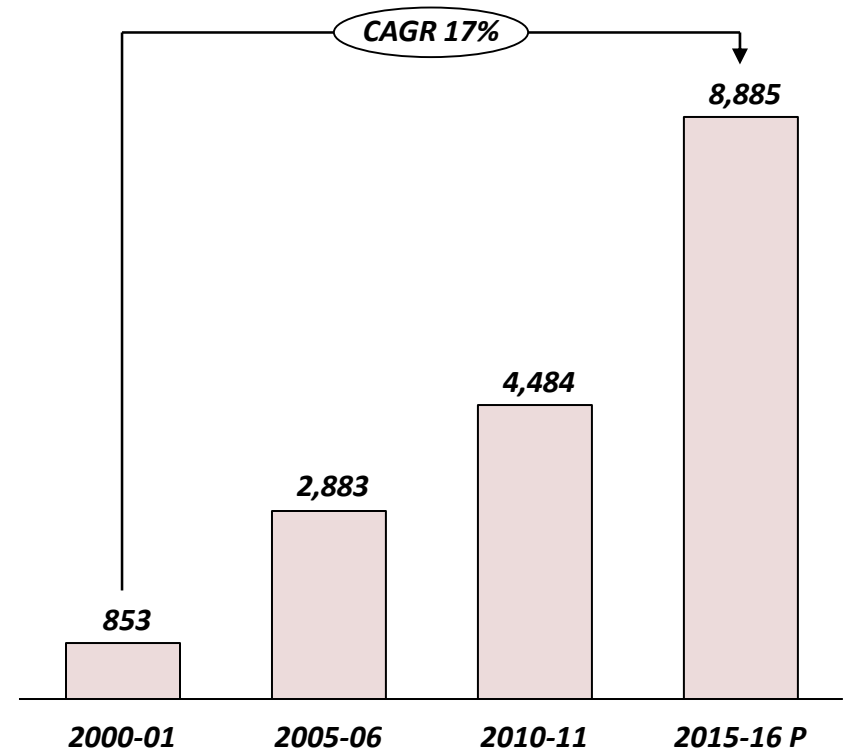
## Consumption of LPG in India

'000 MT



## Imports of LPG in India

'000 MT

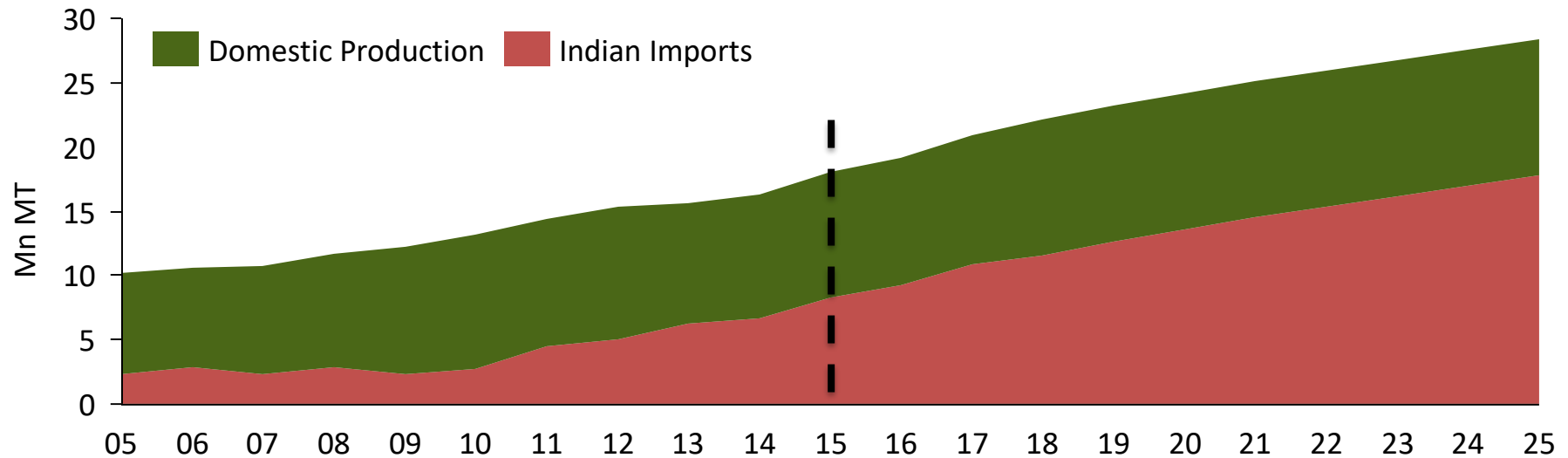


## Incremental Demand in LPG met through Imports

•Source: PPAC



# ...LPG Import Terminal Capacity has a Shortfall



Figures in MT	2014/15	2020/21	Comments
Static Import Capacity	312,800	312,800*	Aegis capacity in 2015 is 25,400
Import Throughput	8,300,000	14,576,000	
# of Turns	<b>26.5</b>	<b>46</b>	High demurrage costs
Optimum Turns	24	24	

\* Assuming no new build up

Source: PPAC/IOC and Management Estimates

# To Capitalize on this Opportunity

## *Leading LPG Logistics Player in India*



- ✓ Efficient and Cost Effective Shipping for High Volumes
- ✓ Strong Negotiating Power
- ✓ Financial Muscle

JV with ITOCHU

Expansion -  
Terminaling Capacity



- ✓ Growing LPG Market in India
- ✓ Strong Customer Relationship
- ✓ Terminaling Capacity

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

*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**

# Greenfield Capacity Expansion at Haldia

## ✓ Static Capacity

- 25,000 MT – 2 Fully Refrigerated Tanks of 12,500 MT each

## ✓ Throughput Capacity

- 15,00,000 MT at full utilization

## ✓ Project Cost

- Rs 250 crs

## ✓ Means of Finance

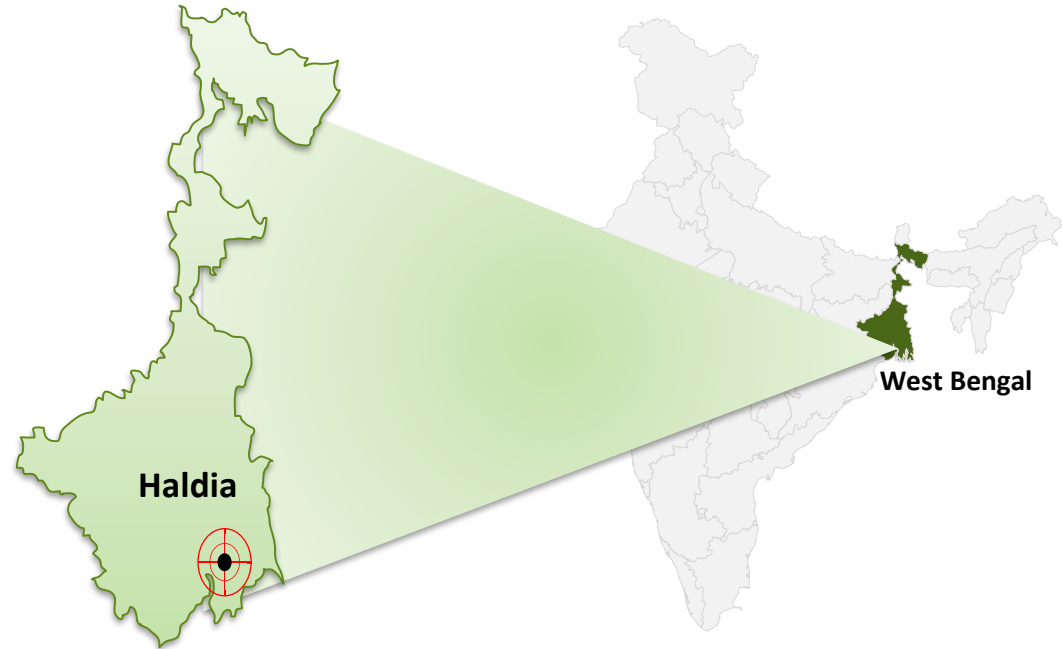
- Internal Accrual

## ✓ Project Completion Date

- Q1 FY17-18

## ✓ Pipeline Connectivity

- Paradip -Durgapur Pipeline passes through Haldia



***Signed 20 years of MOU with  
a Large PSU as Anchor Customer  
at the Current Market Throughput Rates***

# Debottlenecking of LPG Terminals at Mumbai

- ✓ **Static Capacity to remain same**
  - 20,000 MT
- ✓ **Throughput Capacity**
  - 11,00,000 MT (incremental 4,00,000 MT)
- ✓ **Project Cost**
  - Rs 15 crs
- ✓ **Means of Finance**
  - Internal Accrual
- ✓ **Project Completion Date**
  - Q1 FY17-18
- ✓ **Pipeline Connectivity**
  - Uran – Chakan / Shikrapur LPG Pipeline passes through Mumbai



## *Project would include addition of :*

- Intake Pumps
- Internal Pipeline
- Connectivity of Mumbai Terminal to Uran – Chakan Pipeline Grid

# Brownfield Capacity Expansion at Pipavav

- ✓ **Static Capacity**
  - 2700 MT
- ✓ **Throughput Capacity**
  - 2,00,000 MT at full utilization
- ✓ **Project Cost**
  - Rs 15 crs
- ✓ **Means of Finance**
  - Internal Accrual
- ✓ **Project Completion Date**
  - Q1 FY16-17



***Throughput volumes for LPG handled in Pipavav  
expected to grow***

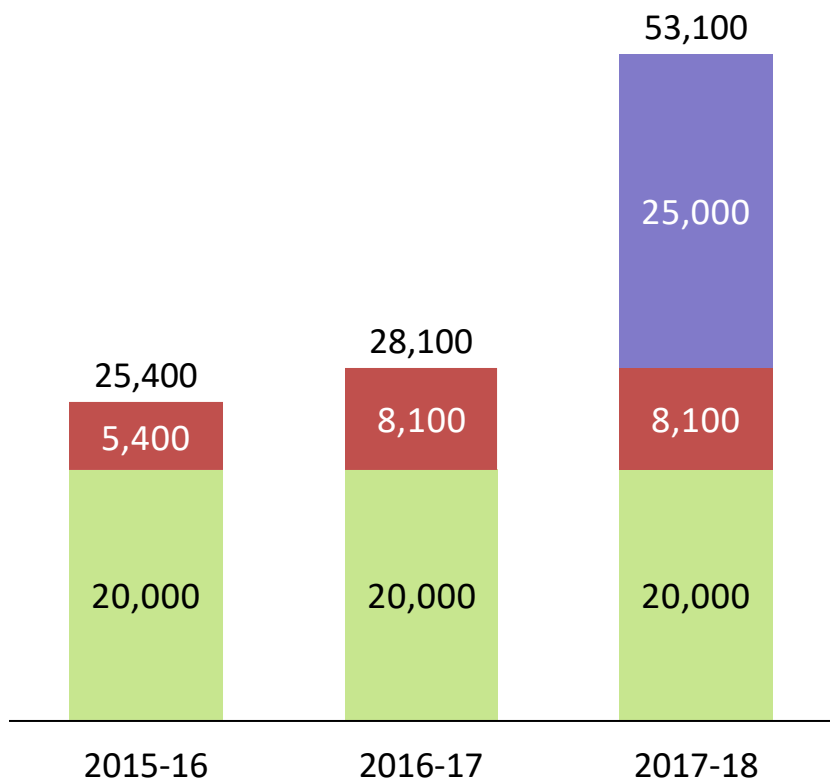
***through***

***existing and new customer relationships***



# LPG Capacity Post Expansion

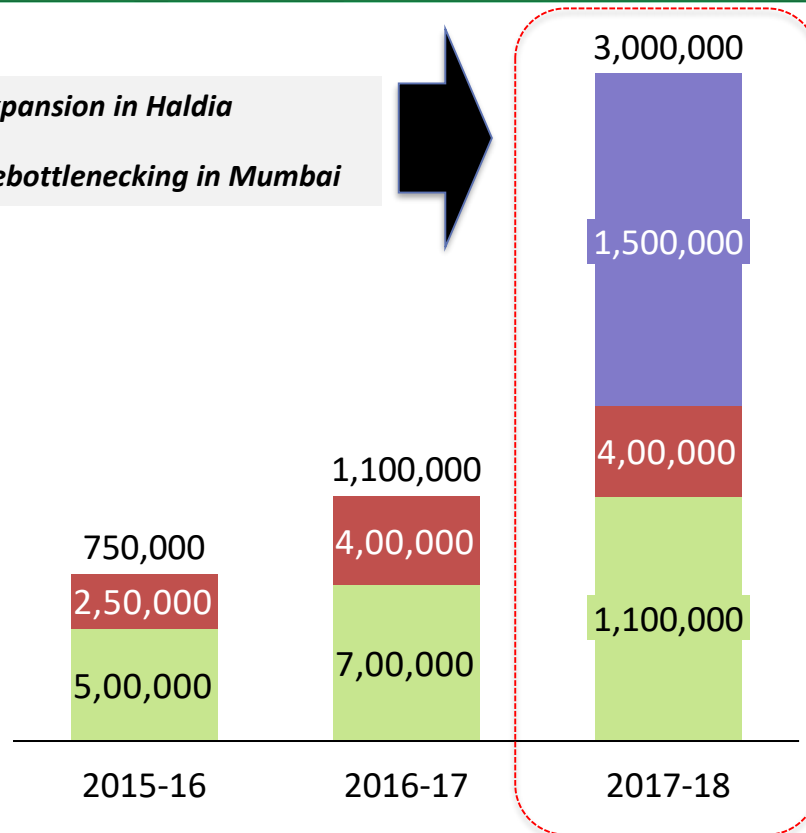
Static Capacity MT



Throughput Capacity MT

*Expansion in Haldia*

*Debottlenecking in Mumbai*



 Haldia  Pipavav  Mumbai

# Our Gas Distribution Network

## B2C



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

## B2B

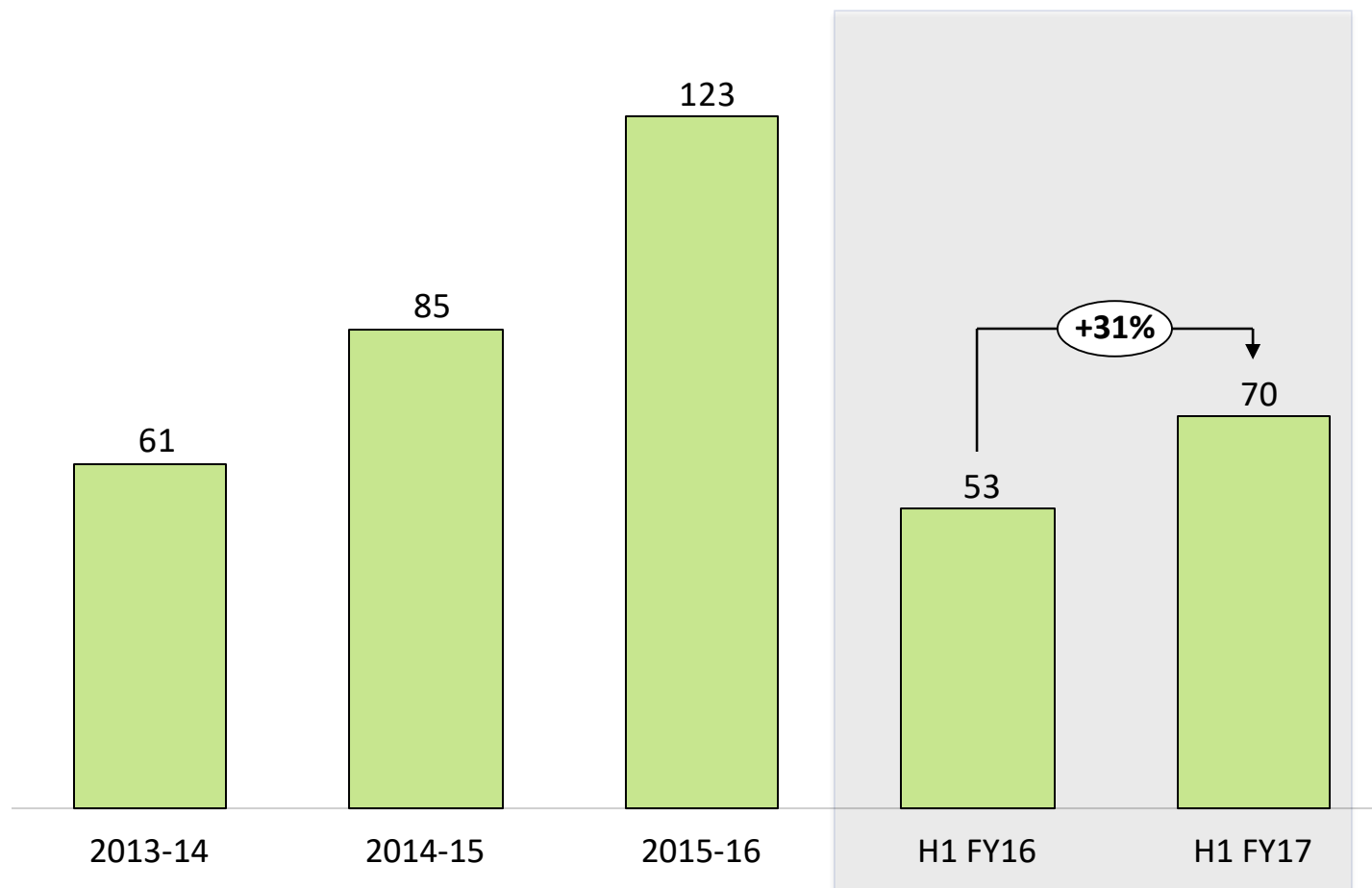
- **Bulk Industrial Distribution:** Distribute LPG through road tankers to Auto, Steel, Ceramic Industries etc



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

# Gas Division Performance EBITDA\*

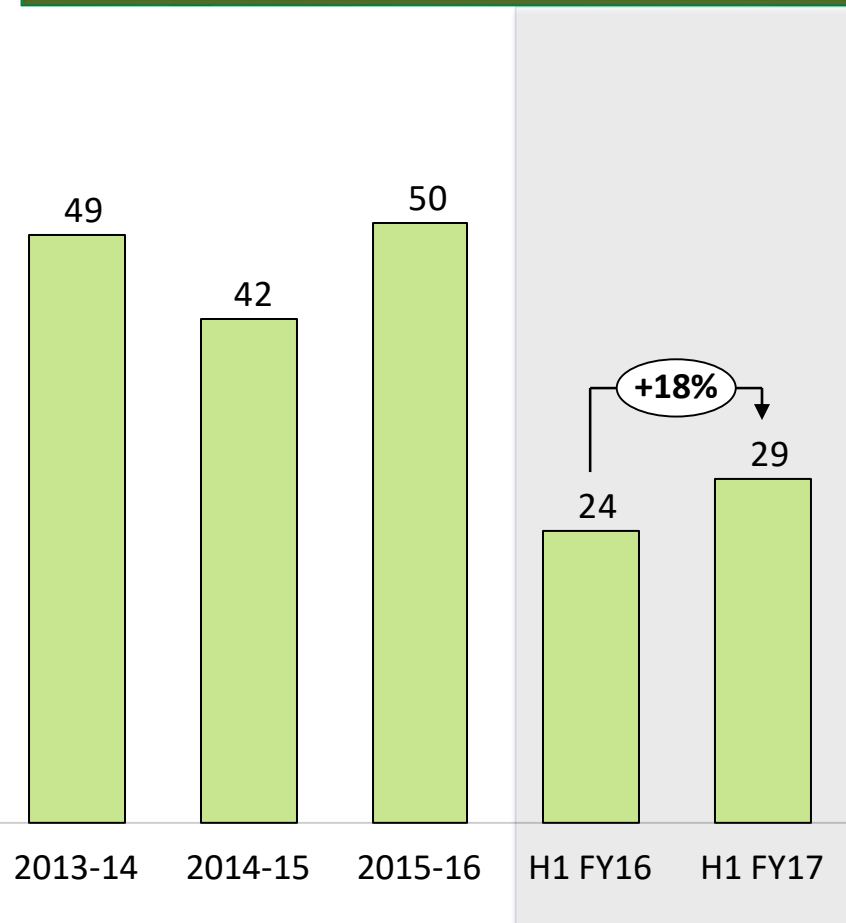
Rs. in Cr.



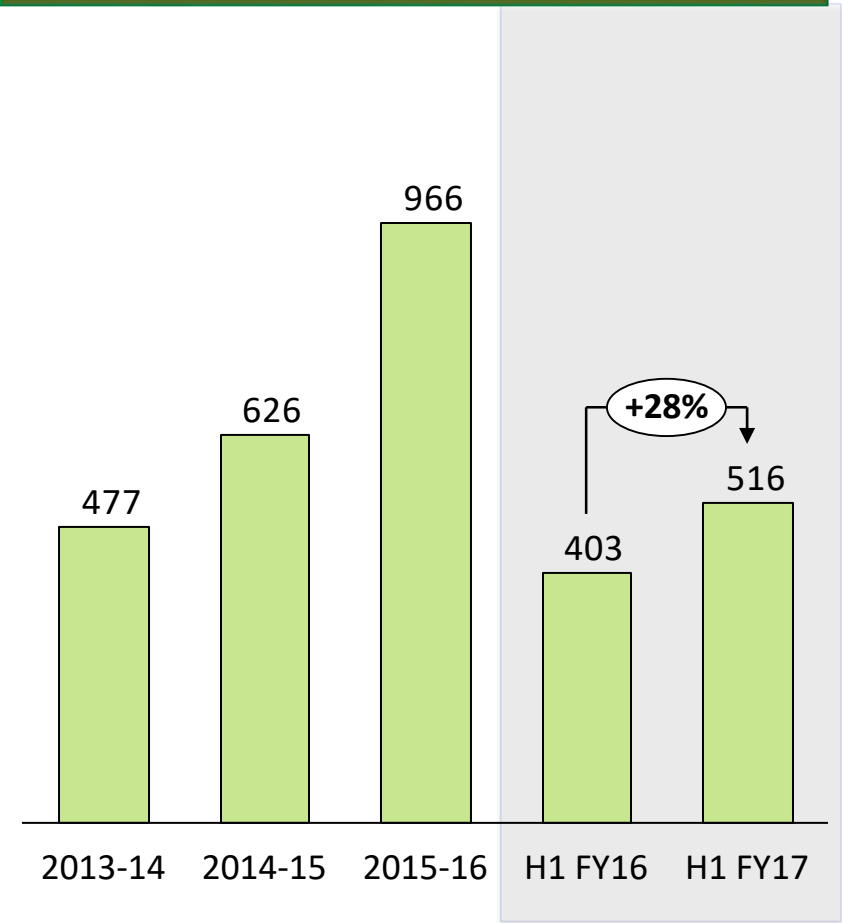
\* Normalized EBITDA – Before Forex, Hedging Related Expenses

# LPG Volume

## Distribution ('000 MT)



## Logistics ('000 MT)



# New Growth Drivers

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- Throughput volumes for LPG handled in Pipavav and Mumbai Terminals expected to grow 30-40% on YoY basis through existing and new customer relationships
- Commissioning of second chemical berth in Mumbai Port which will result in additional port handling capacity of 2.5 mn MT per year
- An agreement has been reached with ESSAR to sell ESSAR branded petrol and diesel in up-to 60 existing auto gas stations and potentially all new sites
- Order Book for LPG sourcing of FY 2017 is the highest in the history of Aegis Group International PTE Ltd



## Liquid Logistics



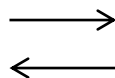
# Liquid Logistics and EPC Services

## Liquid Logistics (3PL)

## O&M Services



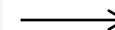
***Shipping***



***Logistics***



***O&M***



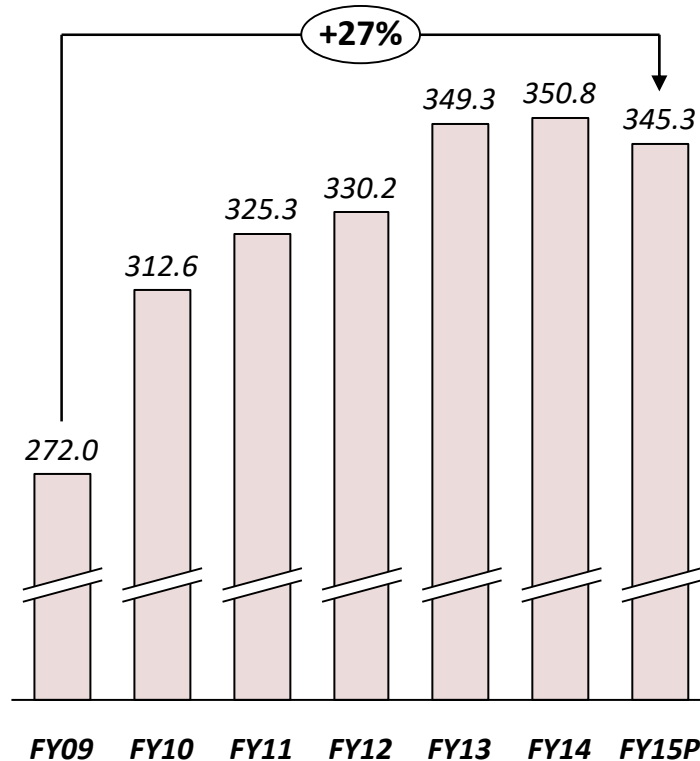
***Facilities***

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

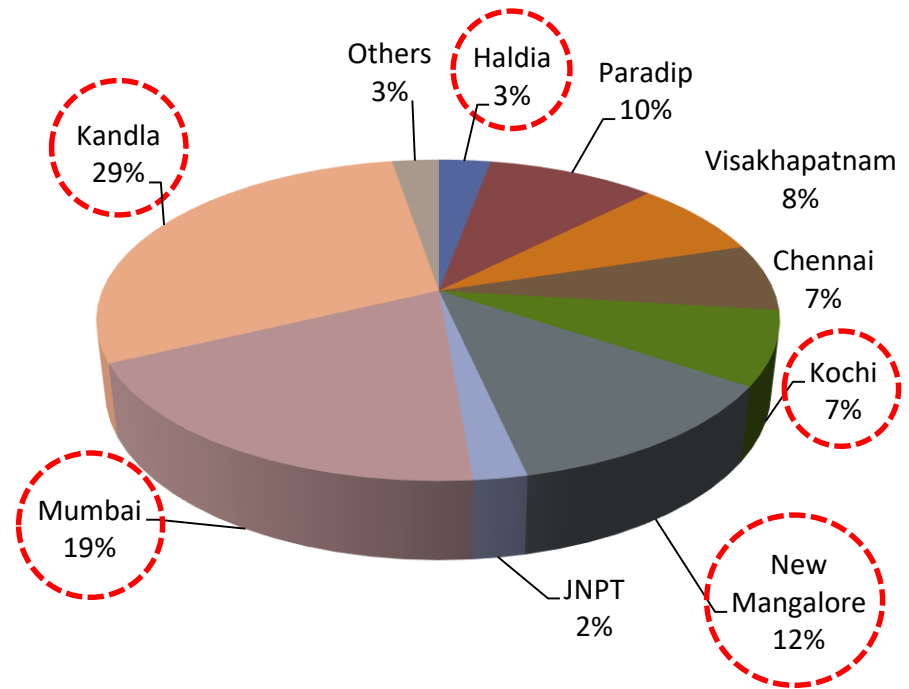
# Liquid\* Traffic at Indian Ports

## POL Traffic Growth at Indian Ports

mn MT



## POL Traffic at Major Ports in FY 2015P



**Mumbai, Kochi, Haldia, Kandla and Mangalore handle ~70% of the traffic at Major Ports**

# Greenfield Liquid Terminal Expansion

## Greenfield Liquid Terminal Expansion at Kandla Port – 100,000 KL



### ✓ Project Cost

- Rs 75 crs

### ✓ Means of Finance

- Internal Accruals

### ✓ Project Completion Date

- Q1 FY17-18

## Greenfield Liquid Terminal Expansion at Mangalore Port – 25,000 KL



### ✓ Project Cost

- Rs 18 crs

### ✓ Means of Finance

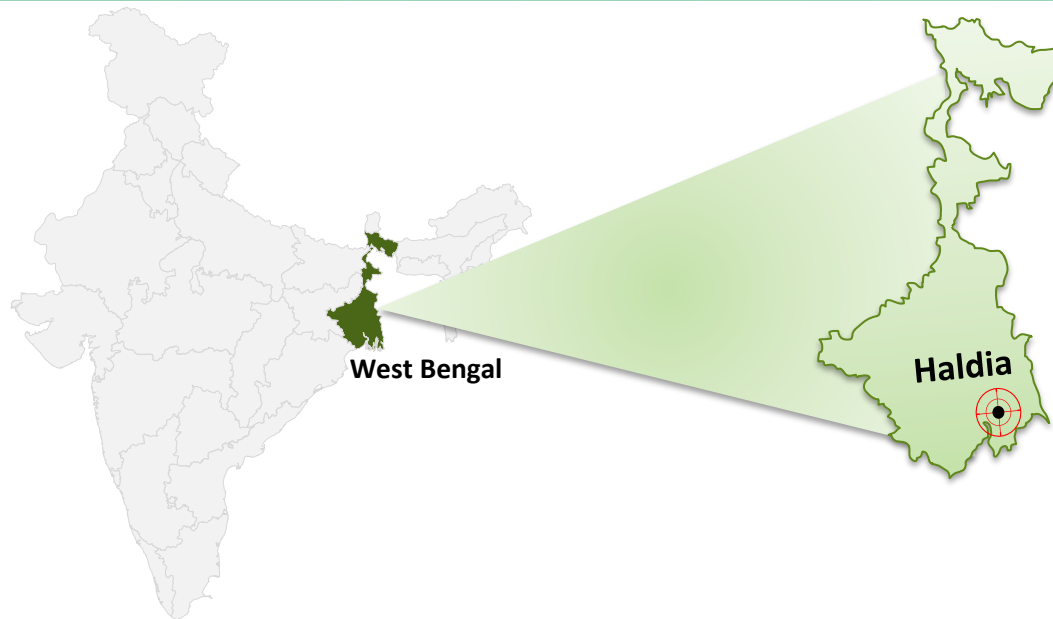
- Internal Accruals

### ✓ Project Completion Date

- Q1 FY17 - 18

# Brownfield Liquid Terminal Expansion

## Liquid Terminal Expansion at Haldia Port – 25,000 KL



### Project Cost

- Rs 15 crs



### Means of Finance

- Internal Accruals



### Project Completion Date

- Q4 FY16 - 17

# Liquid Capacity Post Expansion

## 01 Mumbai

✓ Existing – 273,000 KL

## 02 Kochi

✓ Existing – 51,000

## 03 Haldia

✓ Expansion – 25,000 KL

✓ Existing – 60,190

## 04 Pipavav

✓ Existing – 120,120

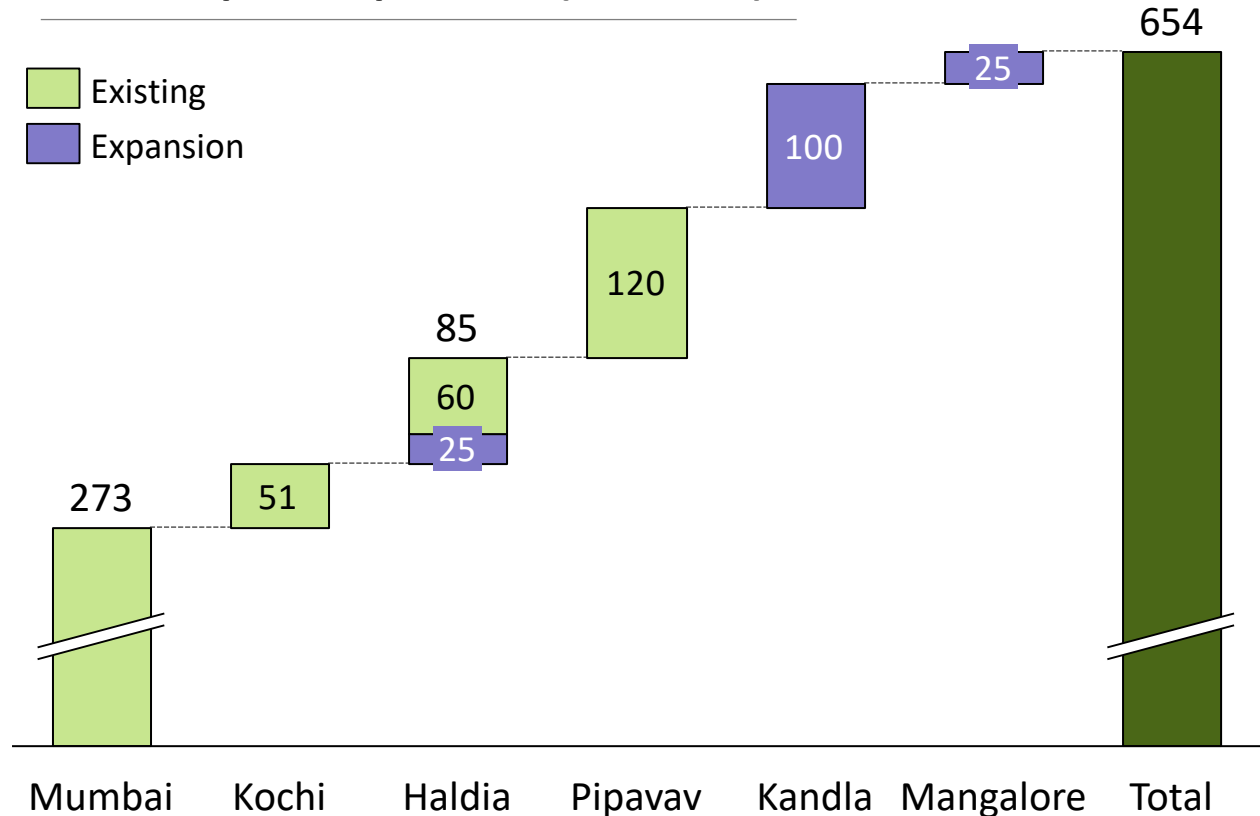
## 05 Kandla

✓ Existing – 51,000

## 06 Mangalore

✓ Expansion – 25,000 KL

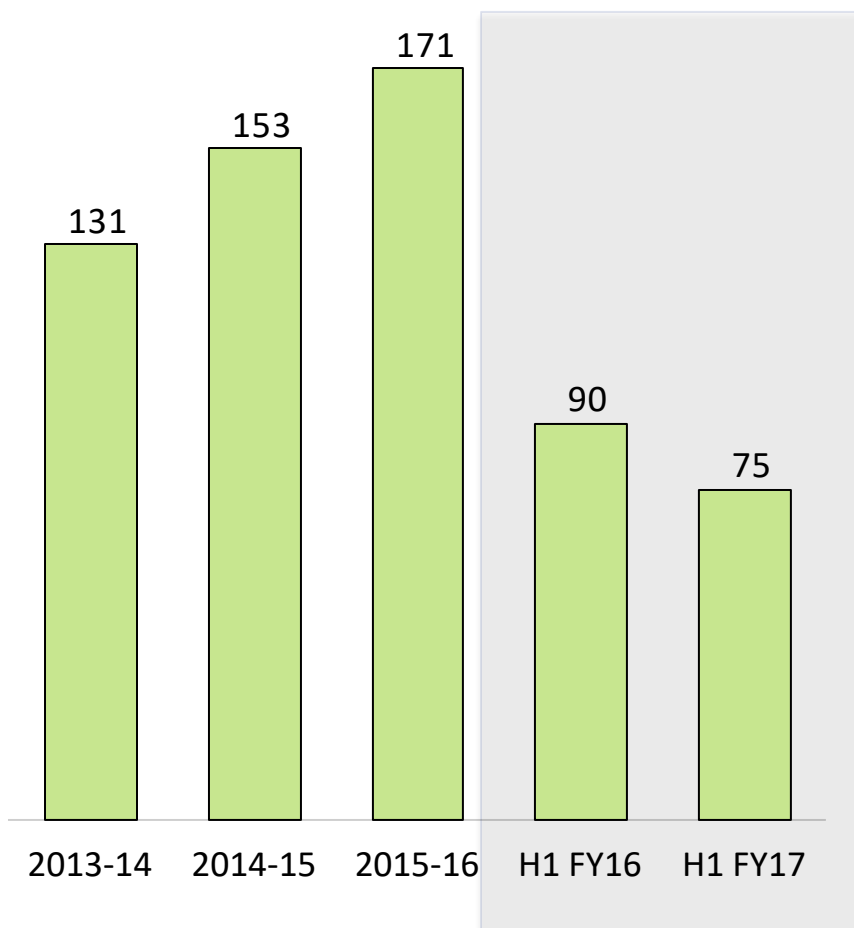
### Built up of Capacities ('000s KL)



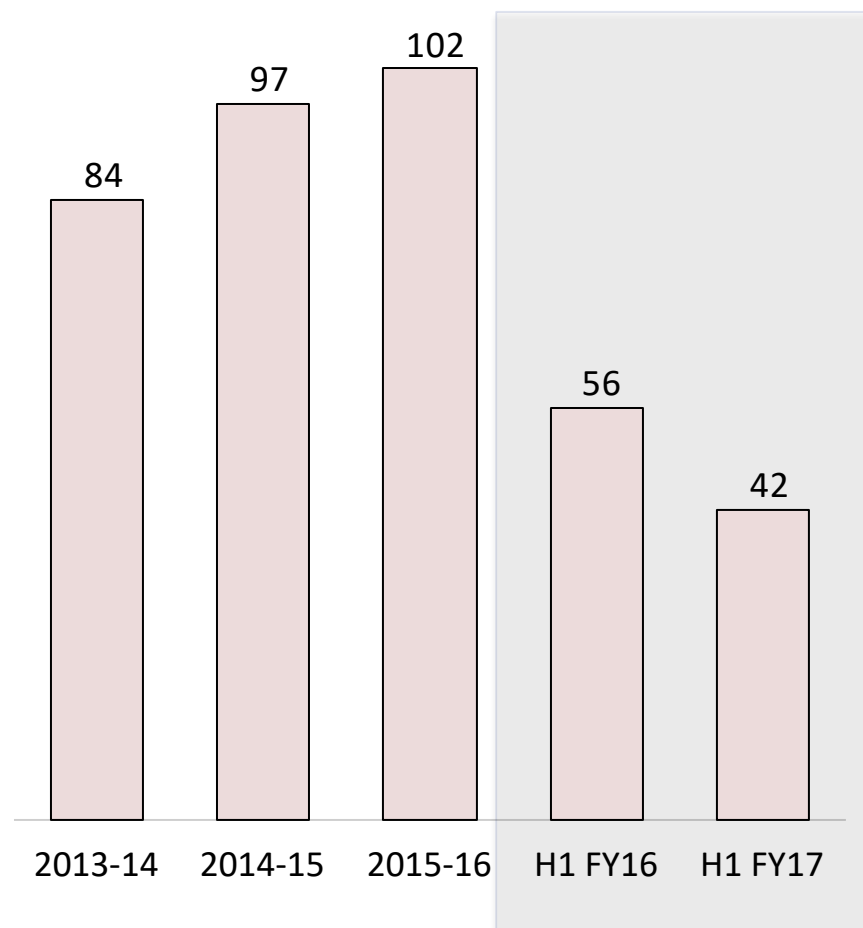
**Total Capacity post expansion at Kandla & Haldia : ~ 654,000 KL**

# Liquid Division Performance

Revenue (Rs. In Cr.)



Normalized EBITDA (Rs. In Cr.)





# We are leading provider of logistics and supply chain services to India's oil, gas and chemical industry

Strategic port locations



Storage terminals



Rail connectivity



Pipelines



# Unique Infrastructure

## Liquids

- Terminals at key ports- Mumbai, Kochi, Haldia, Pipavav
- Jetty Pipelines
- Multiple tank sizes
- Coated , Stainless Steel and Heated tanks
- Road, Rail and Pipeline connectivity

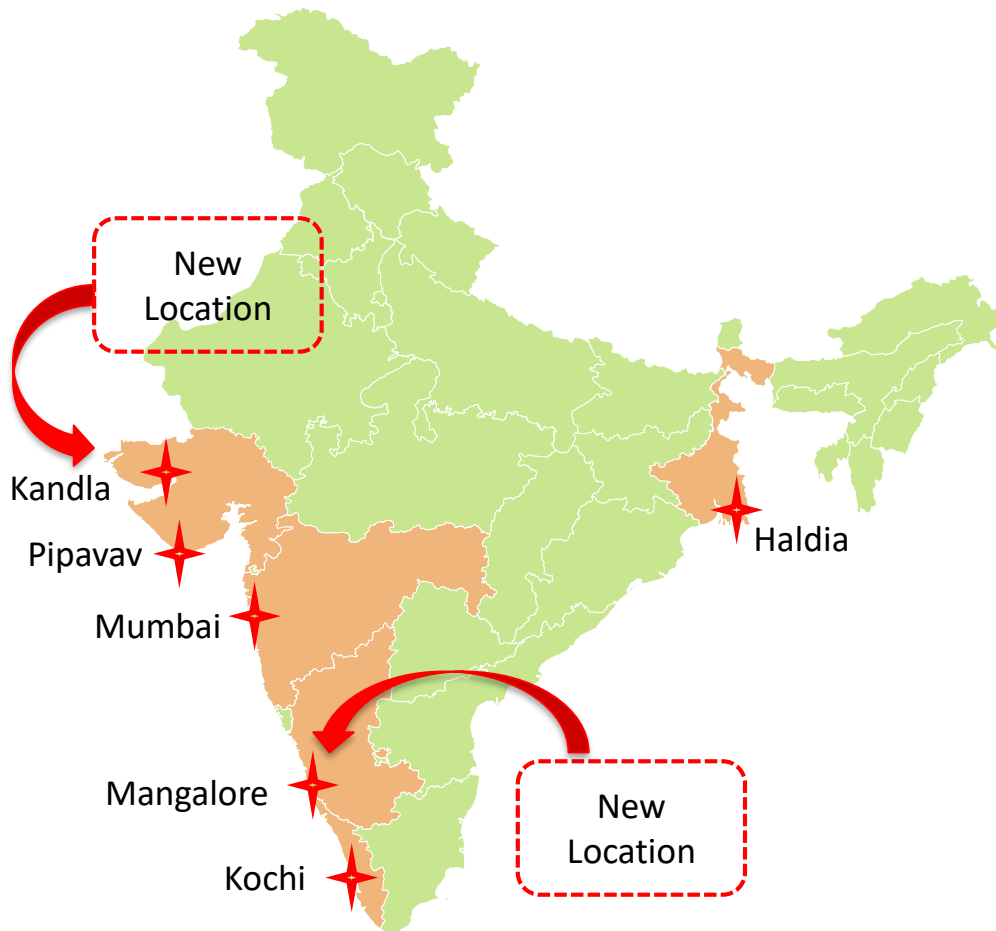
## LPG

- Refrigerated Gas Terminal in Mumbai
- Pressurized Gas Terminal in Pipavav
- Pipeline connectivity to Petchem plant
- Network of 104 Autogas stations in 7 states
- Network of 89 commercial distributors
- LPG Sourcing JV with Itochu in Singapore



**Integrated Supply Chain Management**

# Our Strategy : Building a Necklace of Terminals around the coastline of India



## ✓ VLGC

- All Ports are Deep Water Ports to accommodate VLGC

## ✓ Pipelines

- Pipeline Facilities for Larger Customers

## ✓ Railways

- Railways available at Pipavav and can be set up at all ports except Mumbai

## ✓ Roadways

- Well developed Infrastructure to enable connectivity to the customers

# Strong Industry Partners



# Management Team

**Raj Chandaria**

Vice Chairman & MD



**Anish Chandaria**

MD & CEO



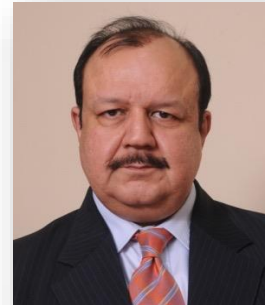
**Sudhir Malhotra**

Group President & COO



**Rajiv Chohan**

President -Business Development



**Murad Moledina**

Chief Financial Officer



**K. S. Sawant**

President - Operations & Projects





## Solid Foundations





# Consolidated Profitability Statement

Rs. In Cr.	Q2 FY17	Q2 FY16	Y-o-Y %	H1 FY17	H1 FY16	Y-o-Y %	FY16
<b>Revenue</b>	<b>677</b>	<b>496</b>	<b>36%</b>	<b>1,417</b>	<b>1,247</b>	<b>14%</b>	<b>2,213</b>
Cost of Sales	590	413		1,245	1,083		1,874
Others	31	27		60	55		114
<b>Normalized EBITDA (Segment) *</b>	<b>56</b>	<b>56</b>	<b>0%</b>	<b>112</b>	<b>109</b>	<b>3%</b>	<b>225</b>
Finance, Hedging & Forex related Expenses (Net)	4	4		8	8		16
Depreciation	6	6		12	11		22
Unallocated Expenses	7	8		15	16		34
<b>Profit Before Tax</b>	<b>39</b>	<b>38</b>	<b>3%</b>	<b>77</b>	<b>74</b>	<b>4%</b>	<b>153</b>
Tax	9	8		17	15		27
<b>Profit after Tax</b>	<b>30</b>	<b>30</b>	<b>0%</b>	<b>60</b>	<b>59</b>	<b>2%</b>	<b>126</b>

\* Normalized EBITDA – Before Forex Hedging Related expenses

# Consolidated Balance Sheet

Rs. In Cr.	Sep-16	Mar-16
<b>Shareholder's Fund</b>	<b>561</b>	<b>504</b>
Share Capital	33	33
Reserves & Surplus	528	471
<b>Minority Interest</b>	<b>27</b>	<b>39</b>
<b>Non-Current Liabilities</b>	<b>126</b>	<b>154</b>
Long Term Borrowings	80	109
Other Non Current Liabilities	45	45
<b>Current Liabilities</b>	<b>458</b>	<b>202</b>
Short Term Borrowings / Buyers Credit	57	47
Trade Payables	301	77
Other Current Liabilities	100	78
<b>Total Liabilities</b>	<b>1,172</b>	<b>899</b>

Rs. In Cr.	Sep-16	Mar-16
<b>Non-Current Assets</b>	<b>708</b>	<b>651</b>
Fixed Assets *	600	545
Non-Current Investments	0	0
Other Non-Current Assets	108	106
<b>Current Assets</b>	<b>464</b>	<b>248</b>
Inventories	17	12
Trade Receivables	305	97
Cash and Bank Balances	91	97
Other Current Assets	51	42
<b>Total Assets</b>	<b>1,172</b>	<b>899</b>

\* Including Goodwill on Consolidation

# Annual Consolidated Profitability Statement

Rs. In Cr.	FY16	FY15	Y-o-Y %
<b>Revenue</b>	<b>2,213</b>	<b>3,916</b>	<b>-43%</b>
Cost of Sales	1,874	3,635	
Others	114	99	
<b>Normalized EBITDA (Segment) *</b>	<b>225</b>	<b>182</b>	<b>24%</b>
Finance, Hedging & Forex related Expenses (Net)	16	19	
Depreciation	22	22	
Unallocated Expenses	34	30	
<b>Profit Before Tax</b>	<b>153</b>	<b>111</b>	<b>38%</b>
Capital Gains on Divestment	0	31	
Tax on Capital Gains	0	8	
Tax	27	22	
<b>Profit after Tax</b>	<b>126</b>	<b>112</b>	
<b>Profit after Tax excluding Capital Gains</b>	<b>126</b>	<b>89</b>	<b>42%</b>

\* Normalized EBITDA – Before Forex Hedging Related expenses

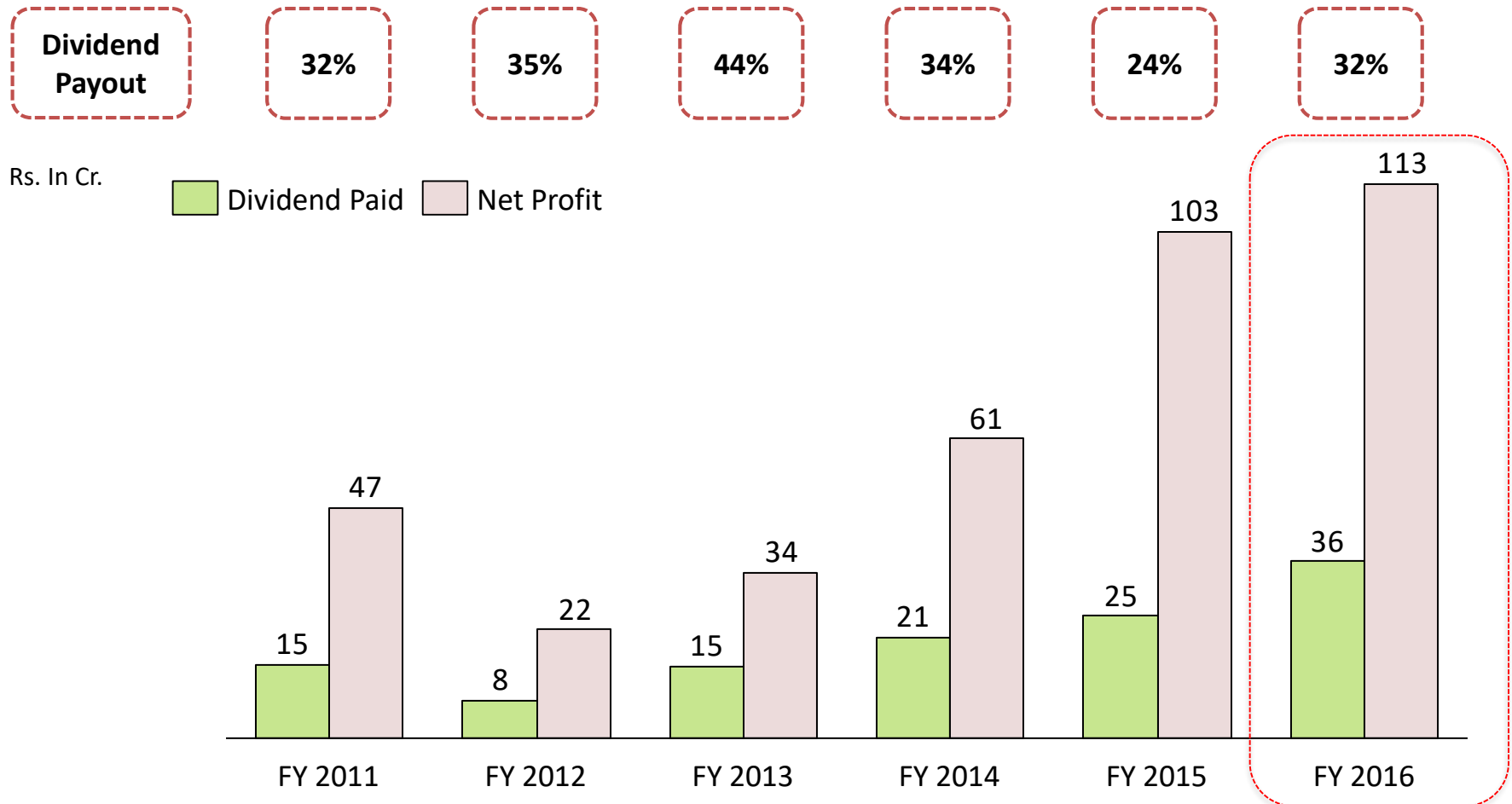
# Consolidated Balance Sheet

Rs. In Cr.	Mar-16	Mar-15
<b>Shareholder's Fund</b>	<b>504</b>	<b>427</b>
Share Capital	33	33
Reserves & Surplus	471	394
<b>Minority Interest</b>	<b>39</b>	<b>26</b>
<b>Non-Current Liabilities</b>	<b>154</b>	<b>170</b>
Long Term Borrowings	109	132
Other Non Current Liabilities	45	38
<b>Current Liabilities</b>	<b>202</b>	<b>314</b>
Short Term Borrowings / Buyers Credit	47	63
Trade Payables	77	192
Other Current Liabilities	78	59
<b>Total Liabilities</b>	<b>899</b>	<b>937</b>

Rs. In Cr.	Mar-16	Mar-15
<b>Non-Current Assets</b>	<b>651</b>	<b>558</b>
Fixed Assets *	545	488
Non-Current Investments	0	3
Other Non-Current Assets	106	67
<b>Current Assets</b>	<b>248</b>	<b>379</b>
Inventories	12	20
Trade Receivables	97	201
Cash and Bank Balances	97	125
Other Current Assets	42	33
<b>Total Assets</b>	<b>899</b>	<b>937</b>

\* Including Goodwill on Consolidation

# Profit & Dividend Track Record



**First Interim Dividend for FY17 of Rs. 0.35 per share**

## For further information, please contact:

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CIN: L63090GJ1956PLC001032

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

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CIN: U74140MH2010PTC204285

Ms. Payal Dave / Mr. Jigar Kavaiya

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