Aegis Logistics Ltd.	
No. of shares (m)	339.66
Mkt cap (Rs crs/$m)	6034/851.0
Current price (Rs/$)	178/2.5
Price target (Rs/$)	222/3.1
52 W H/L (Rs.)	242/170
Book Value (Rs/$)	42/0.6
Beta	0.5
Daily volume (avg. monthly)	137990
P/BV (FY20e/21e)	3.9/3.3
EV/EBITDA (FY20e/21e)	13.0/11.3
P/E (FY20e/21e)	22.3/19.2
EPS growth (FY19/20e/21e)	11.9/20.1/16.4
OPM (FY19/20e/21e)	6.6/6.6/6.6
ROE (FY19/20e/21e)	17.5/18.5/18.6
ROCE(FY19/20e/21e)	17.0/18.1/18.1
D/E ratio (FY19/20e/21e)	0.2/0.1/0.1
BSE Code	500003
NSE Code	AEGISCHEM
Bloomberg	AGIS IN
Reuters	AEGS.NS

Shareholding pattern	**%**
Promoters	60.6
MFs / Banks / FIIs/FIs	2.4
Foreign Portfolio Investors	12.7
Govt. Holding	-
Public & Others	24.4
Total	**100.0**

As on June 30, 2019

Recommendation

BUY

Phone: + 91 (33) 4488 0055

E- mail: research@cdequi.com

Quarterly Highlights

- According to industry reports, global LPG market is expected to grow at a CAGR of 3.1% between 2019 and 2025 and reach USD 359 bn by 2025 from USD 278 bn in 2018. Asia Pacific is the leader in terms of revenue and is projected to sustain its dominance over the forecast time period with the highest growth rate. Increasing government support for LPG adoption such as Pradhan Mantri Ujjwala Scheme (PMUY) by GOI, which recently met its target of providing free cooking gas to 80 mn poor families seven months ahead of schedule, are fuelling the LPG market in the region.
- Topline witnessed an uptick of 92.3% (yoy) last quarter, the highest growth in recent years, driven by 96.2% (yoy) and 8.8% (yoy) growth in gas division and liquid division respectively. Although operating profit was up 18.0% (yoy), OPM declined to 5.2% vs 8.5% a year ago. With PBT up by 21.6% (yoy), higher taxes restricted post tax earnings growth to 10.3% (yoy).
- Throughput volume in gas division grew by mere 2.0% (yoy), partially due to delay in approval for BPCL cargoes in Haldia (although permission for contract renewal has been received in July). Sourcing volume witnessed an uptick of 2.1x due to new IOC contracts won by Aegis Group International, driving the overall volume growth of gas division to 32.3% (yoy).
- The stock currently trades at 22.3x FY20e EPS of Rs 7.96 and 19.2x FY21e EPS of Rs 9.27. Strong push by GOI under the Pradhan Mantri Ujjwala Scheme would boost LPG demand in India. Planned capacity expansions (as mentioned) along with liquid and gas terminals operating at improved capacity utilization would help it post revenue growth at a CAGR of 16.5% in two years ending FY21, though Pipavav liquid terminal is still underperforming at 25% to 30% capacity utilization on account of less chemical traffic.
- With modest improvement in margins of both liquid and gas division in FY20 and FY21owing to shift to higher value chemicals and petrochemicals (especially in Kandla and Mangalore ports) and higher volumes in gas division, we expect net profits to post CAGR growth of 19.2% in two years ending FY21. However, any unfavorable changes in government policy with regards to subsidized pricing of LPG could impact its gas business. Inadequate port infrastructure (like insufficient berthing facilities, improper material handling equipment, etc) and geo-political instability could lead to uncertainty on pricing, impacting customers for the liquid logistics business. On balance, we assign 'buy' rating on the stock with target price of Rs 222 (previous target Rs 254) based on 24x FY21e EPS of Rs 9.27.

Consolidated (Rs crs)	**FY17**	**FY18**	**FY19**	**FY20e**	**FY21e**
Income from operations	3930.29	4790.96	5615.82	6621.91	7621.17
Other Income	5.72	8.35	8.19	10.29	12.02
EBITDA (other income included)	209.29	274.36	379.06	448.62	518.23
PAT after MI and EO	119.22	197.81	221.38	270.33	314.75
EPS(Rs)	3.57	5.92	6.63	7.96	9.27
EPS growth (%)	5.2	65.9	11.9	20.1	16.4

Outlook & Recommendation

Indian Logistics Industry

The global logistics market is estimated to grow at a CAGR of 7.4% during 2018-2026. As per a recent report on global logistics industry, emergence of e-commerce retail market has resulted into fast paced expansion in the overall size and value of the industry and has also been a catalyst in driving the growth in overall global market."The rising popularity of online shopping globally serves as one of the major factors driving the demand for logistics services," stated the Transparency Market Research report.

World Bank Top 10 LPI Economies, 2018

Economy	2018	
	Rank	Score
Germany	1	4.20
Sweden	2	4.05
Belgium	3	4.04
Austria	4	4.03
Japan	5	4.03
Netherlands	6	4.02
Singapore	7	4.00
Denmark	8	3.99
United Kingdom	9	3.99
Finalnd	10	3.97

Source: PHD Research Bureau, data compiled from Logistics Performance Index 2018

World Bank Top performing lower middle income economies , 2018

Economy	2018	
	Rank	Score
Vietnam	39	3.27
India	44	3.18
Indonesia	46	3.15
Cote d'Ivoire	50	3.08
Philippines	60	2.90
Ukraine	66	2.83
Egypt, Arab Rep	67	2.82
Kenya	68	2.81
Lao PDR	82	2.70
Jordan	84	2.69

Source: PHD Research Bureau, data compiled from Logistics Performance Index 2018

The Asia-Pacific region, which currently accounts for the largest share in the logistics market, is expected to grow at a CAGR of over 13% during the forecast period on back of growing middle-class population, rising disposable income and increasing adoption of internet and mobile services, all of which contribute to a significant growth of the region's e-commerce sales. The key players in the region are entering into M&A to diversify their portfolio and increase their global presence. New trade corridors between Asia and Africa, Asia and South America and within Asia are expected to re-chart global supply chains. Trade volumes would shift towards emerging markets and least developed countries would take their first steps into the global marketplace. However, poor infrastructure, dearth of skilled manpower and technology backwardness are some of the challenges that might dent growth of logistics market, particularly in developing markets.

Indian logistics sector is expected to clock a CAGR growth of 10.4% and reach market size of $215 bn by 2020 from $160 bn in 2017, employing ~40 mn people across the country (~22 mn in 2017). The presence of highly unorganized players in Indian logistics leaves the industry fragmented with organized players accounting for just ~10% of total market share. With the consumer base of the sector encompassing a wide range of industries including retail, automobile, telecom, pharmaceuticals and heavy industries, logistics industry has been increasingly attracting investments in the last decade and is poised to receive investments of $500 bn by 2025.

Key reform measures and policy interventions like GST, relaxed FDI regulations and granting of infra status have boosted the core competencies of the Indian logistics industry. It laid the foundation for setting up of large multi-format logistics parks, dedicated freight corridors, free trade warehousing zones and container freight stations with the objective of identifying and ironing out the existing bottlenecks and gaps in the industry. Growth is also backed by improvement in retail, e-commerce, manufacturing and various other sectors. E-commerce logistics has arisen as a key focus area and given the integral part that logistics plays in the e-commerce value chain, many established players and specialized start-ups have entered this space.

India's logistics industry is expected to grow, though not without challenges such as inadequate infrastructure, fragmented warehousing, multiple regulatory and policy making bodies, lack of seamless movement of goods across modes, minimal integrated IT infrastructure, etc. In order to develop this sector, focus on new technology, improved investment, skilling, removing bottlenecks, improving inter-modal transportation, automation, single window system for giving clearances, and simplifying processes would be required.

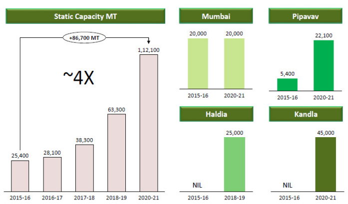
Expansion Plans

Gas Terminal Division

In view of increasing demand for LPG, Aegis has envisaged a plan of setting up a new LPG terminal with a capacity of 45,000 MT - 2 fully refrigerated tanks of 22,500 MT each - at Kandla, which is in progress and is expected to be completed by H1FY21, involving capex of Rs 350 crs. It has also approved brownfield capacity expansion for LPG at Pipavav port by 3,800 MT by adding 2 new spheres over and above the existing 18,300 MT and setting up of LPG railway gantry, costing Rs 75 crs. The expansion is expected to be completed by next fiscal and would be funded by internal accruals.

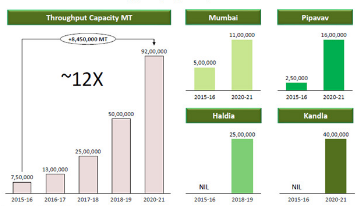
Total static and throughput LPG capacity post expansion would be 112,100 MT (existing capacity 63,300 MT) and 92m MT (existing capacity 50m MT) respectively. It completed all major capacity expansions (almost timely) in gas division in FY18. It finished implementation of two fully refrigerated tanks of static storage capacity of 25,000 MT with a throughput capacity of 2.5m MT and an LPG bottling plant at Haldia at a total project cost of Rs 250 crs and Rs 25 crs respectively in Q3FY18 (earlier expected to be completed in H1FY18). Brownfield capacity expansion at Pipavav involving a capex of Rs 75 crs (static capacity and throughput capacity pegged at 10200 MT and ~0.8m MT respectively) was also wrapped up in Q3FY18 (original expected time of completion was H1FY18).

LPG Static Capacity Post Expansion



Source: Aegis Logistics Ltd.

LPG Throughput Capacity Post Expansion



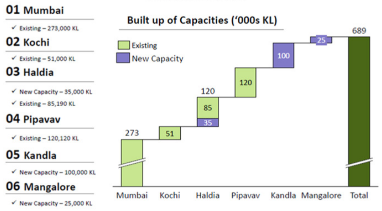
Source: Aegis Logistics Ltd.

Liquid Terminal Division

Aegis plans to set up an additional liquid terminal with storage capacity of 40,000 KL (current capacity 100,000 KL) at Kandla port involving a capex of Rs 25 crs, slated to be completed in H2FY20. Another expansion of 20,000 KL of bulk liquid storage beyond the existing 51,000 KL at Kochi port with capex of Rs 15 crs is expected to be completed by Q4FY20. It has also approved setting up of an additional storage capacity of 50,000 KL (existing capacity of 25,000 KL) at Mangalore port costing Rs 35 crs, which is scheduled to be completed next fiscal.

Total liquid capacity post expansion would be ~799,000 KL (existing capacity of 689,000 KL) and all would be funded by internal accruals. Yet, it is exposed to risk of delays in expansion plans. As witnessed in the past, greenfield expansion of 25,000 KL at Mangalore plant, earlier slated to be completed in FY18, was completed in H1FY19.

Liquid Capacity Post Expansion

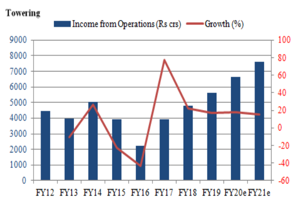


Total Capacity post expansion at Kandla & Haldia : ~ 689,000 KL

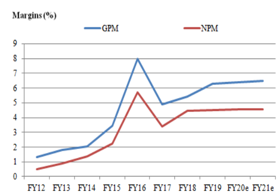
Source: Aegis Logistics Ltd.

Financials & Valuations

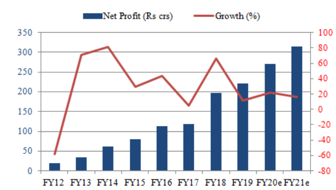
Aegis has posted not subdued revenue CAGR of 9.4% during FY15-19 period. Sales grew by 17.2% (yoy) last fiscal, mainly driven by revenue growth in gas terminal division (revenue up 17.5% yoy). Better than expected performance of its new LPG terminal at Haldia - it produced above 1m MT in FY19 - with capacity of 2.5m MT and successful addition of Indian Oil as a key customer led to higher volumes (up by 29.0% yoy). With Mumbai terminal functioning at full capacity and commissioning of additional capacities at Mangalore, Kandla and Haldia, liquid division witnessed topline uptick of 8.6% (yoy).



Sources: Aegis Logistics Ltd., CD Equisearch

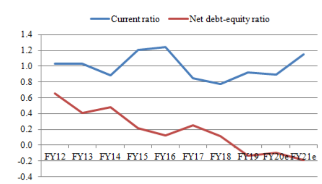


Sources: Aegis Logistics Ltd., CD Equisearch

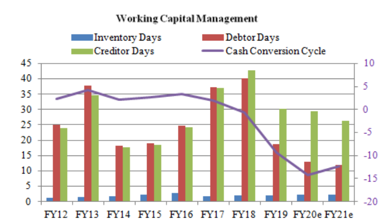


Sources: Aegis Logistics Ltd., CD Equisearch

Successful implementation of PMUY scheme in rural areas has increased LPG demand and with upcoming capacity additions in gas terminal division as mentioned earlier (total throughput LPG capacity post expansion would be 92m MT; existing capacity of 50m MT), we expect the segment's revenue to grow not modestly over the next two years; revenue growth of 17.7% and 15.2% estimated for FY20 and FY21 respectively, aided by average volume growth of 14.8% during FY19-21 period. Improved capacity utilization at Haldia, Kandla, Mangalore and Kochi, as well as further capacity additions at these ports (total liquid capacity post expansion would be ~799,000 KL; existing capacity 689,000 KL) would help liquid segment to report revenue growth at a CAGR of 17.8% in two years ending FY21.

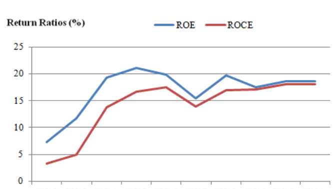


Sources: Aegis Logistics Ltd., CD Equisearch

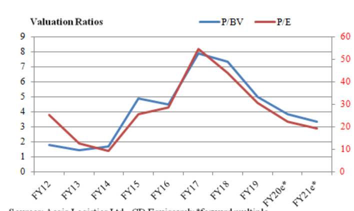


Sources: Aegis Logistics Ltd., CD Equisearch

The fortunes of Indian logistics industry are closely tied with those of the automobile sector. Logistics sector has been impacted by slowdown in auto sector as well as loan defaults by fleet operators who purchased new trucks. With an overall weak economy, demand for other types of freight has also fallen, severely impacting the financial health of transporters and truck drivers. Many have deferred their purchase of heavy duty trucks, impacting sales of CV makers like Tata Motors, Ashok Leyland, to name a few, as well as their component suppliers.



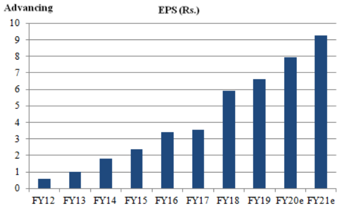
Sources: Aegis Logistics Ltd., CD Equisearch



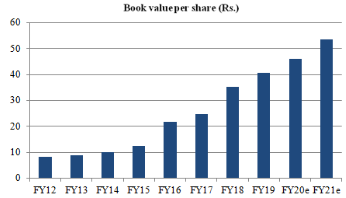
Sources: Aegis Logistics Ltd., CD Equisearch; *forward multiple

The stock currently trades at 22.3x FY20e EPS of Rs 7.96 and 19.2x FY21e EPS of Rs 9.27. The Indian logistics industry is poised to grow remarkably due to Government initiatives like the E-way bill, GST, the National Logistic Policy amongst many others, which might also improve India's Logistic Policy Index (LPI) ranking, where India is currently ranked at number 44. The government is also focusing on bringing down the logistics costs to 10% of India's GDP in next four years (which currently stands at 14.4%). Yet, it faces numerous challenges in new technological applications, underdeveloped material handling infrastructure, little awareness about using proper modes of transport for different uses, etc. GOI's strong push for cleaner fuels and the commitment to 100% LPG penetration would continue to boost demand for LPG. Yet, increasing penetration of electric vehicles and government' effort to promote electricity as cooking fuel demand scrutiny; the Ministry of New and Renewable Energy (MNRE) has requested the Ministry of Petroleum and Natural Gas to divert a part of the cooking gas and kerosene subsidy (~ Rs 25,000 crore/year) towards solar photovolataic (PV) cooking. In view of Aegis' expansion plans and its recent performance, we have marginally revised our current fiscal's EPS (Rs 7.96 vs Rs 7.70 earlier). Given the recent performance, we assign 'buy' rating on the stock with target price of Rs 222 (previous target Rs 254) based on 24x FY21e EPS of Rs 9.27. For more information, refer to our November 2018 report.

Advancing



Sources: Aegis Logistics Ltd., CD Equisearch



Sources: Aegis Logistics Ltd., CD Equisearch

Cross Sectional Analysis

Company	Equity	CMP	MCAP*	Sales*	Profit*	OPM (%)	NPM (%)	Int Cov	ROE (%)	Mcap/ Sales	P/BV	P/E
Aegis Log.	34	178	6034	6554	227	5.9	3.9	12.3	17.2	0.9	4.3	26.6
Gati Ltd.	22	57	617	1866	14	5.0	1.0	1.7	4.7	0.3	2.1	44.9
Transport Corp	15	284	2184	2788	149	9.2	5.4	5.0	17.3	0.8	2.4	14.6
Allcargo Log.	49	110	2690	7084	242	6.9	3.5	10.2	14.1	0.4	1.5	11.1
Container Corp	305	619	37688	7014	1215	25.7	16.4	87.9	12.8	5.4	3.8	31.0

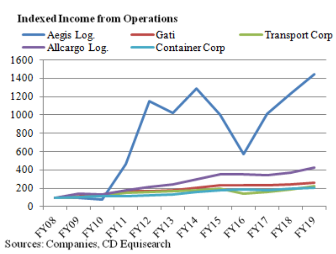
*figures in crores; calculations on ttm basis; consolidated data as available on June 30, 2019.
Businesses of companies mentioned in exhibit are not truly comparable.

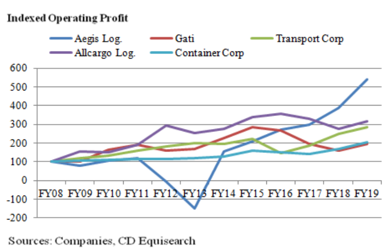
Gati posted flat topline growth last quarter, as key customer verticals namely automobile & ancillaries, healthcare & pharma, electronics, heavy engineering, ecommerce & telecom amongst others demonstrated either sluggish growth or a de-growth in Q1FY20. Operating margins declined marginally and stood at 4.6% vs 4.8% a year ago, with net profit after MI down by abysmal 85.8% (yoy) to Rs 0.72 crs. It exited its loss making rail business last quarter to improve profitability. Going forward, it aims to increase its customer reach on the back of its strong logistics capabilities to enhance its competitive edge in the market.

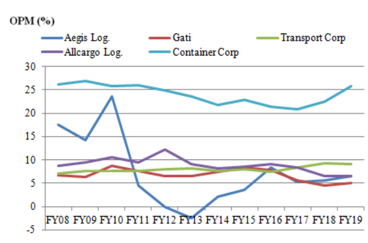
Owing to a challenging operating environment, TCI recorded revenue growth of 5.5% (yoy) last quarter. Although operating profit was up 11.5% (yoy), OPMs increased marginally to 8.9% (8.4% in Q1FY19). To capture growing opportunities in logistics sector, it aims to invest more in technology and leverage infrastructure capabilities to scale up its business and has planned capex of Rs 275 crs for current fiscal, 65% to be financed by debt (Rs 130.20 crs incurred in Q1FY20; Rs 151.53 crs in FY19). Driven by government initiatives to stimulate the economy, it expects recovery in demand and plans to manage its business through operational efficiencies and consistent growth.

Allcargo's revenue from operations grew by 11.7% (yoy) in Q1FY20, mainly on account of volume and revenue growth in multimodal transport operations (constituting 88.1% of revenue), both up by 5.9% (yoy) and 9.9% (yoy) respectively. The segment continued to gain global market share and growth in full container load services. Compared to its peers, Allcargo's performance at operating level improved not so modestly, with operating profits up by 36.7% (yoy) and OPM of 7.7% vs 6.3% a year ago. Although PBT witnessed an uptick of 35.0% (yoy), higher taxes restricted post tax earnings to grow by 18.7% (yoy).

Despite being the largest container rail transporter in India, CONCOR recorded topline growth of mere 3.6% (yoy) with volume de-growth of 0.9% in Q1FY20, reflecting weak economic conditions. With operating profit up by 2.7% (yoy), OPMs were flat at 24.4% (vs 24.7% in Q1FY19). Higher finance cost dented net profit growth last quarter (down by 5.7% yoy). It has recently signed a MoU with BHEL for jointly setting up rail based logistic terminal at Haridwar (which would be soon developed into a multi modal logistics facility) to take advantage of BHEL's strategic location and CONCOR's expertise in logistics. It will have state of the art logistics facility to cater to the needs of EXIM and domestic trade in Uttarakhand and would work as a private freight terminal, facilitating the handling of railway wagons also.







Note: Graphs on consolidated data.

Financials

Consolidated Quarterly Results

Figures in Rs crs

	Q1FY20	Q1FY19	% chg.	FY19	FY18	% chg.
Income From Operations	**1955.28**	**1016.85**	**92.3**	**5615.82**	**4790.96**	**17.2**
Other Income	6.22	1.17	431.6	8.19	8.35	-2.0
Total Income	**1961.50**	**1018.02**	**92.7**	**5624.01**	**4799.31**	**17.2**
Total Expenditure	1853.27	930.42	99.2	5244.95	4524.96	15.9
EBITDA (other income included)	**108.23**	**87.60**	**23.6**	**379.06**	**274.35**	**38.2**
Interest	8.49	6.53	30.0	26.19	15.23	72.0
Depreciation	15.89	12.09	31.4	50.54	34.31	47.3
PBT	**83.85**	**68.98**	**21.6**	**302.33**	**224.82**	**34.5**
Tax	21.53	9.81	119.5	50.22	11.01	356.1
PAT	**62.32**	**59.17**	**5.3**	**252.11**	**213.80**	**17.9**
Minority Interest	5.37	7.53	-28.7	30.72	16.00	92.0
PAT after MI	**56.95**	**51.64**	**10.3**	**221.39**	**197.81**	**11.9**
EO	-	-	-	0.01	-	-
Adjusted Net Profit	**56.95**	**51.64**	**10.3**	**221.38**	**197.81**	**11.9**
EPS(Rs)	1.71	1.55	10.3	6.63	5.92	11.9

Consolidated Segment Results

Figures in Rs crs

	Q1FY20	Q1FY19	% chg.	FY19	FY18	% chg.
Segment Revenue						
Liquid Terminal Division	49.46	45.45	8.8	182.80	168.28	8.6
Gas Terminal Division	1905.82	971.40	96.2	5433.02	4622.68	17.5
Segment Revenue	**1955.28**	**1016.85**	**92.3**	**5615.82**	**4790.96**	**17.2**
Segment EBIT						
Liquid Terminal Division	24.22	22.96	5.5	78.33	84.80	-7.6
Gas Terminal Division	73.77	58.59	25.9	286.90	184.36	55.6
Sub Total	**97.99**	**81.55**	**20.2**	**365.23**	**269.16**	**35.7**
Interest	8.49	6.53	30.0	26.19	15.23	72.0
Other Unallocable Exp. (net)	5.65	6.04	-6.5	36.72	29.12	26.1
PBT	**83.85**	**68.98**	**21.6**	**302.33**	**224.82**	**34.5**

Financials

Consolidated Income Statement

Figures in Rs crs

	FY17	FY18	FY19	FY20e	FY21e
Income From Operations	**3930.29**	**4790.96**	**5615.82**	**6621.91**	**7621.17**
Growth (%)	77.6	21.9	17.2	17.9	15.1
Other Income	5.72	8.35	8.19	10.29	12.02
Total Income	**3936.01**	**4799.31**	**5624.01**	**6632.20**	**7633.18**
Total Expenditure	3726.72	4524.96	5244.95	6183.58	7114.95
EBITDA (other income included)	**209.29**	**274.35**	**379.06**	**448.62**	**518.23**
Interest	16.34	15.23	26.19	24.16	23.37
Depreciation	23.81	34.31	50.54	62.02	76.85
PBT	**169.13**	**224.82**	**302.33**	**362.44**	**418.01**
Tax	36.16	11.01	50.22	61.61	71.06
PAT	**132.97**	**213.80**	**252.11**	**300.83**	**346.95**
Minority Interest	13.74	16.00	30.72	30.50	32.20
PAT after MI	**119.23**	**197.81**	**221.39**	**270.33**	**314.75**
EO	0.01	-	0.01	-	-
Adjusted Net Profit	**119.22**	**197.81**	**221.38**	**270.33**	**314.75**
EPS (Rs)	3.57	5.92	6.63	7.96	9.27

Segment Results

Figures in Rs crs

	FY17	FY18	FY19	FY20e	FY21e
Segment Revenue					
Liquid Terminal Division	153.88	168.28	182.80	227.56	253.57
Gas Terminal Division	3776.41	4622.68	5433.02	6394.35	7367.60
Segment Revenue	**3930.29**	**4790.96**	**5615.82**	**6621.91**	**7621.17**
Segment EBIT					
Liquid Terminal Division	72.97	84.80	78.33	109.23	121.71
Gas Terminal Division	139.73	184.36	286.90	319.72	368.38
Sub Total	**212.70**	**269.16**	**365.23**	**428.95**	**490.09**
Interest	16.34	15.23	26.19	24.16	23.37
Other Unallocable Exp. (net)	27.22	29.12	36.72	42.35	48.71
PBT	**169.13**	**224.82**	**302.33**	**362.44**	**418.01**

Consolidated Balance Sheet

Figures in Rs crs

	FY17	FY18	FY19	FY20e	FY21e
Sources of Funds					
Share Capital	33.40	33.40	33.40	33.97	33.97
Reserves	803.78	1173.87	1357.87	1571.48	1824.80
Total Shareholders' Funds	**837.19**	**1207.28**	**1391.28**	**1605.44**	**1858.77**
Minority Interest	29.24	69.70	74.81	105.31	137.51
Long Term Debt	77.37	61.96	56.57	55.32	54.08
Total Liabilities	**943.80**	**1338.94**	**1522.66**	**1766.08**	**2050.36**
Application of Funds					
Gross Block	761.62	1330.01	1426.67	1587.34	1997.34
Less: Accumulated Depreciation	13.32	47.63	97.93	159.94	236.79
Net Block	**748.31**	**1282.38**	**1328.75**	**1427.40**	**1760.54**
Capital Work in Progress	312.71	125.58	120.66	292.50	50.00
Investments	0.19	0.02	10.44	10.44	10.44
Current Assets, Loans and Advances					
Inventory	21.77	26.00	33.80	40.56	48.67
Trade receivables	705.86	346.94	228.52	239.95	251.95
Cash and Bank	62.28	161.99	412.92	368.46	575.94
Other current assets	53.47	92.05	72.69	79.28	83.87
Total CA	**843.38**	**626.98**	**747.94**	**728.25**	**960.43**
Current Liabilities	977.68	775.76	785.95	781.50	792.37
Provisions-Short term	1.35	2.91	2.90	3.52	4.27
Total Current Liabilities	**979.03**	**778.66**	**788.85**	**785.03**	**796.64**
Net Current Assets	-135.64	-151.68	-40.91	-56.78	163.79
Net Deferred Tax Liability	-46.75	-5.50	11.91	1.19	-28.39
Net long term assets (net of liabilities)	64.98	88.13	91.81	91.34	93.97
Total Assets	**943.80**	**1338.94**	**1522.66**	**1766.08**	**2050.36**

Key Financial Ratios

	FY17	FY18	FY19	FY20e	FY21e
Growth Ratios(%)					
Revenue	77.6	21.9	17.2	17.9	15.1
EBITDA	8.0	31.1	38.2	18.4	15.5
Net Profit	5.2	65.9	11.9	22.1	16.4
EPS	5.2	65.9	11.9	20.1	16.4
Margins (%)					
Operating Profit Margin	5.2	5.6	6.6	6.6	6.6
Gross profit Margin	4.9	5.4	6.3	6.4	6.5
Net Profit Margin	3.4	4.5	4.5	4.5	4.6
Return (%)					
ROCE	13.9	17.0	17.0	18.1	18.1
ROE	15.4	19.8	17.5	18.5	18.6
Valuations					
Market Cap/ Sales	1.7	1.8	1.2	0.9	0.8
EV/EBITDA	32.1	32.1	17.4	13.0	11.3
P/E	54.5	43.8	30.7	22.3	19.2
P/BV	7.9	7.4	5.0	3.9	3.3
Other Ratios					
Interest Coverage	11.3	15.8	12.5	16.0	18.9
Debt Equity	0.3	0.2	0.2	0.1	0.1
Net Debt-Equity Ratio	0.3	0.1	-0.1	-0.1	-0.2
Current Ratio	0.9	0.8	0.9	0.9	1.2
Turnover Ratios					
Fixed Asset Turnover	5.2	4.7	4.3	4.8	4.8
Total Asset Turnover	4.4	4.3	4.0	4.1	4.1
Inventory Turnover	223.9	189.5	175.4	166.3	159.5
Debtors Turnover	9.8	9.1	19.5	28.3	31.0
Creditor Turnover	9.9	8.6	12.1	12.4	13.8
WC Ratios					
Inventory Days	1.6	1.9	2.1	2.2	2.3
Debtor Days	37.3	40.1	18.7	12.9	11.8
Creditor Days	37.0	42.6	30.1	29.4	26.4
Cash Conversion Cycle	2.0	-0.6	-9.3	-14.3	-12.3

Cumulative Financial Data

Figures in Rs crs	FY10-12	FY13-15	FY16-18	FY19-21e
Liquid Terminal Division	260	392	493	664
Gas Terminal Division	6320	12537	10442	19195
Income from operations**	6580	12929	10934	19859
Operating profit	150	151	655	1315
EBIT	219	343	596	1156
PBT	157	244	547	1083
PAT after MI	109	174	430	806
Dividends	35	59	121	183
OPM (%)	2.3	1.2	6.0	6.6
NPM (%)	1.7	1.5	4.3	4.5
ROE (%)	16.8	16.7	18.0	18.0
ROCE (%)	3.8	5.8	15.5	17.2
Interest Coverage	3.5	3.5	12.1	15.7
Debt Equity*	7.5	0.5	0.2	0.1
Fixed asset turnover	10.1	13.0	4.2	4.4
Debtors turnover	8.0	11.9	13.3	22.1
Inventory turnover	238.2	263.2	147.8	165.6
Creditors turnover	8.2	12.5	12.0	13.8
Debtor days	45.7	30.7	27.4	16.5
Inventory days	1.5	1.4	2.5	2.2
Creditor days	44.6	29.3	30.4	26.5
Cash conversion	2.7	2.8	-0.5	-7.8
Dividend payout ratio (%)	32.4	29.8	28.2	22.7

FY10-12 implies three year period ending fiscal 12;*as on terminal year; ** includes other operating income

Aegis posted cumulative topline growth of 2.0x during FY13-15 period, mainly driven by growth in gas terminal division, which improved largely due to higher offtake by national oil companies during FY14. Cumulative operating margins however failed to improve – 1.2% during FY13-15 period vs 2.3% during FY10-12 period – due to amortization of premium on forward and currency option contracts in FY13. Decline in international LPG prices in FY16 and delay in the registration of AGI as an international vendor affected cumulative revenues during FY16-18 period (see table). But improvement of overall volume due to sharp increase in LPG demand, commissioning of an additional 2700 MT of LPG storage capacity at Pipavav in FY17 and the operational debottlenecking at the Mumbai LPG terminal, improved overall margins during FY16-18 period (see table).

With expansions undertaken in the recent past and rise in LPG consumption, we expect Aegis to post revenue growth of 81.6% during three year period ending FY21. With most of the capex funded through internal accruals, debt/equity further would improve to 0.1. Rise in earnings and reduced interest cost would result in interest coverage of 15.7. Higher capacity utilization would perk up margins (see table). Return ratios – ROE and ROCE – would stand at 18.0% and 17.2% respectively during FY19-21 period.

Financial Summary- US Dollar denominated

million $	FY17	FY18	FY19	FY20e	FY21e
Equity capital	5.2	5.1	4.8	4.8	4.8
Shareholders' funds	127.1	181.19	195.7	220.5	255.6
Total debt	44.2	46.7	34.5	30.4	30.6
Net fixed assets (incl. CWIP)	163.4	216.3	209.4	242.4	255.2
Investments	0.0	0.0	1.5	1.5	1.5
Net current assets	-22.8	-27.6	-11.2	-13.8	16.7
Total assets	143.5	201.4	214.7	243.1	282.7
Revenues	585.8	743.4	803.5	934.0	1074.9
EBITDA	31.2	42.6	54.2	63.3	73.1
EBDT	28.8	40.2	50.5	59.9	69.8
PBT	25.2	34.9	43.3	51.1	59.0
PAT	17.8	30.7	31.7	38.1	44.4
EPS($)	0.05	0.09	0.09	0.11	0.13
Book value ($)	0.38	0.54	0.59	0.65	0.75

Income statement figures translated at average rates; balance sheet at year end rates; projections at current rates (Rs 70.90/$).
All dollar denominated figures are adjusted for extraordinary items.

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buy: >20%	accumulate: >10% to ≤20%	hold: ≥-10% to ≤10%	reduce: ≥-20% to <-10%	sell: <-20%

Exchange Rates Used- Indicative

Rs/$	FY16	FY17	FY18	FY19
Average	65.46	67.09	64.45	69.89
Year end	66.33	64.84	65.04	69.17

All $ values mentioned in the write-up translated at the average rate of the respective quarter/ year as applicable. Projections converted at current exchange rate. Cumulative dollar figure is the sum of respective yearly dollar value.