

Aegis Logistics

14 August 2026

Operator: Ladies and gentlemen, good day and welcome to the Q1 FY27 earnings conference call of Aegis Logistics Ltd. Before we begin, a short disclaimer: this conference call may contain forward-looking statements about the company based on the beliefs, opinions, and expectations of the company as of the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I would now hand the conference over to Mr. Raj Chandaria from Aegis Logistics Ltd. Thank you, and over to you, sir.

Raj Chandaria: Thank you very much. Good afternoon. I am joined today by our CFO, Mr. Murad Moledina, and Ms. Payal Dave from our investor relations team.

Let me start with our Q1 FY27 performance. We delivered a record quarter, crossing the significant milestone of 500 crores of profit after tax in the first quarter of this fiscal year, compared to 175 crores in Q1 FY26, reflecting exceptional year-on-year growth of 212%.

We reported normalized EBITDA of 727 crores in Q1, compared to 256 crores in Q1 FY26, delivering robust year-on-year growth of 184%. Earnings per share for the quarter stood at 13.80 rupees, which is approximately {? 54% ?} of the full-year EPS delivered in FY26. This reflects the strong operating performance and earnings momentum that we have carried into the new fiscal year.

Our liquids division delivered its highest-ever Q1 EBITDA performance and has now recorded 5 consecutive quarters of EBITDA growth. As we have emphasized in the past, this division remains a well-diversified and stable cash-generating business for the company. We continue to invest in capacity expansion within this segment, enabling us to capitalize on growth opportunities while further strengthening its contribution to our overall portfolio.

Turning to our gas division, I would particularly like to emphasize the exceptional performance delivered during the quarter. The division reported its highest-ever EBITDA, registering a remarkable year-on-year growth of 296%. What makes this achievement more notable is that it was delivered amid a very challenging global backdrop marked by ongoing geopolitical tensions and disruptions arising from the war in the Middle East, and it demonstrates the resilience of our logistics business.

Further, LPG sourcing volumes also remained stable and recorded marginal year-on-year growth of 1%, highlighting the strength and reliability of our sourcing capabilities. Our gas distribution business continued its strong growth trajectory during the quarter, delivering a year-on-year increase in volumes of 91% compared to Q1 FY26 and sequential growth of 19% over Q4 FY26. This performance was driven by robust demand across customer segments and the continued expansion of our customer base.

Over the last year, we have successfully added multiple private-sector customers, and I am pleased to share that this momentum has continued into the current fiscal year as well. The ability to consistently onboard new customers and scale volumes is a direct outcome of our vertically

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Aegis Logistics

14 August 2026

integrated business model.

What differentiates us is our presence across the entire value chain, from sourcing and logistics to storage and distribution. This deep integration provides us with supply reliability, operational flexibility, and a stronger value proposition for customers. It has enabled us to respond efficiently to market opportunities while ensuring uninterrupted service levels.

In fact, the volume growth we are witnessing today would have been difficult to achieve without a well-integrated business model. The seamless coordination across our sourcing, storage, and distribution operations continues to be a key competitive advantage and an important driver of our growth in the gas business.

To summarize, the sharp increase in the EBITDA of the gas business was driven by 2 key factors. First, the resilience of our logistics and sourcing business, which maintained stable volumes despite the challenging global environment. Second, the outstanding performance of our distribution business, which achieved record volumes along with healthy margin expansion.

If I can switch to the port-by-port operational performance, Mumbai port continues to operate at a high utilization level. In order to further strengthen our capacity and cater to future growth, we are developing an additional 64,000 cubic meters of liquid storage at an investment of approximately 125 crores. I am pleased to share that progress is proceeding as scheduled, with commissioning targeted during the first half of this fiscal year.

Historically, this has been a high-demand port, benefiting from its important location and strong customer franchise. Based on customer interest and existing demand trends, we are confident that this new capacity will ramp up utilization quickly once it becomes operational.

To remind everyone, Mumbai port currently comprises 334,000 cubic meters of liquid storage capacity and 21,000 metric tonnes of static LPG storage capacity.

As far as JNPA port is concerned, for the benefit of everyone, JNPA in Maharashtra emerged as India's highest revenue-generating major port in FY26. At JNPT, or JNPA, current liquid storage stands at 101,900 cubic meters. We are executing a major expansion comprising approximately 318,100 cubic meters of additional liquid storage, 77,236 metric tonnes of LPG capacity, and an LPG bottling plant with annual capacity of 35,000 metric tonnes, with a total capital outlay of approximately 1,675 crores.

The first phase of this liquid storage expansion, comprising approximately 100,000 cubic meters, is expected to be commissioned in Q3 FY27 and will start contributing as soon as the capacity becomes operational.

As we mentioned during the last quarter, we were evaluating the addition of new LPG storage capacity at this port to further strengthen our infrastructure. I am pleased to share that the Board of Directors, at its recent meeting, approved the development of a 52,000-metric-tonne refrigerated, double-walled steel LPG tank at JNPA.

This expansion represents a significant strategic investment and will further enhance our gas-handling capabilities on the west coast. The capex reinforces our commitment to building

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Aegis Logistics

world-class infrastructure, deepening our presence at the port, and further consolidating our position as the leading logistics player in India.

As far as Haldia is concerned, we operate an approximately 25,000-metric-tonne LPG terminal at Haldia. Importantly, this asset is backed by an exclusive terminaling agreement with HPCL extending through 2038, which provides strong long-term revenue visibility from this asset.

In addition to this LPG infrastructure, which we believe will be a key driver of volume growth at our Kandla and Pipavav terminals going forward, I am happy to share that, finally, the Jamnagar-Loni LPG pipeline is now complete and operational.

In addition, the Kandla-Gorakhpur LPG pipeline is progressing well, and we expect it to be connected during the first half of this fiscal year. These pipeline connections will enhance evacuation infrastructure, enable faster turnaround and better capacity utilization, and support the handling of higher volumes at both Kandla and Pipavav.

At Pipavav, we commissioned a 48,000-metric-tonne LPG terminal in June 2025, taking the total LPG capacity to 70,800 metric tonnes, and the ramp-up is progressing well.

This year is expected to be a transformational year for our Pipavav terminal, with several important infrastructure improvements that will significantly strengthen the evacuation ecosystem. This is a critical enabler for handling higher volumes and improving overall terminal efficiency.

There are 3 key developments worth noting. First is the jetty. APM Terminals, which manages the port, is developing a VLGC-compliant liquids jetty, which is expected to be completed during the year. This will enhance vessel-handling capabilities and support larger cargo movements at the port.

Secondly, the rail gantry. We are developing an additional liquid rail gantry and have already secured a 15-year take-or-pay agreement with a leading conglomerate for petroleum products. The committed volumes under this agreement exceed {? 0.5 million ?} metric tonnes per annum, with operations expected to commence by the end of the year.

Thirdly, pipeline connectivity. The Kandla-Gorakhpur pipeline, as I mentioned, is now expected to be connected during this year. Once operational, it will definitely enable more efficient evacuation and distribution of LPG from this terminal, enhancing our throughput.

With these developments, Pipavav is evolving into another highly integrated logistics platform comprising VLGC handling, liquid and LPG storage, a bottling plant, LPG rail...

Raj Gupta: ...loading facilities, 16 truck-loading bays, and pipeline connectivity into central India. This is really going to materially improve operational efficiency at the port and strengthen its competitive positioning for Aegis Logistics Ltd.

I would like to provide an update on the ammonia terminal that was under development at Pipavav Port. I am pleased to announce the commissioning of our specialized ammonia storage and terminaling facility at Pipavav Port, with static storage capacity of 36,000 metric tonnes.

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Aegis Logistics

14 August 2026

This marks a significant milestone in our infrastructure expansion journey. This state-of-the-art terminal strengthens our position in the specialized chemicals and gas logistics sector, enhances India's ammonia-handling capabilities, and provides critical infrastructure to support growing demand from the fertilizer, industrial, and emerging clean-energy value chains.

The successful commissioning underscores our commitment to developing world-class logistics assets and creates a robust platform for future growth in ammonia and related energy-transition opportunities.

In this context, we have signed a 15-year take-or-pay agreement with Hindustan Zinc to service part of the capacity of its upcoming DAP, or diammonium phosphate, plant. This provides long-term revenue visibility and a strong foundation for the asset from day one.

However, what excites us most about this opportunity is that the ammonia terminal is not just a storage asset. Much like our LPG business, it creates an opportunity for us to participate in the distribution of ammonia to industrial customers, enabling us to move further along the value chain and capture margins that are significantly higher than traditional storage revenues.

We believe this project has the potential to create a new growth platform for the company, leveraging our expertise in sourcing, logistics, and distribution while expanding our presence into an adjacent and strategically important product segment.

The attractiveness of this opportunity is also reflected in the confidence shown by our strategic partner, Itochu Corporation, which has acquired a 10% stake in Aegis Terminal Pipavav Limited. Representatives of Itochu have joined the board with a long-term strategic vision, and they have expressed their intention to increase their stake to 25% over the next 3 years.

This partnership brings together the strengths of a leading Japanese global trading house and our integrated infrastructure platform, further validating the long-term potential of this Pipavav asset and the opportunities that lie ahead.

If I turn to Kochi Port next, at the Kochi Terminal we operate 82,545 cubic meters of liquid storage. As I mentioned during our previous call, we were evaluating the development of additional storage capacity on newly allotted land at this port.

I am pleased to share that the Board has now approved this expansion and the construction of an additional 49,577 cubic meters of storage capacity at this site. This new capacity is expected to be commissioned early in the next financial year. Upon completion, our total capacity at Kochi will increase to 132,122 cubic meters.

At Mangalore Port, we commissioned an 82,000-metric-tonne LPG terminal last year, in June 2025. We are developing an LPG rail-loading gantry and bottling-plant infrastructure there, with an investment of 52.5 crores.

Furthermore, the 75,000 cubic meters of liquid capacity that was added last year is now fully operational at full utilization, bringing the total liquid storage to 193 cubic meters of capacity. I am pleased to say that we have secured additional land and are evaluating a further addition of 60,000 cubic meters of liquids here as well.

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Aegis Logistics

As far as new ports are concerned, you are aware that we have signed a non-binding memorandum of understanding to participate in the development of Vadhvan Port, with a potential investment of approximately 20,000 crores, subject to the necessary approvals, land allocation, and other regulatory clearances.

This opportunity aligns well with our long-term vision of building large-scale, world-class infrastructure assets across India's energy and logistics value chain. If taken forward, the project would enable us to develop modern liquid and gas-handling facilities and significantly expand our infrastructure platform and presence on the west coast.

In my closing remarks, I would say that over the last 5 years, we have delivered a strong and consistent growth trajectory, with earnings per share compounding at over 30% annually while maintaining a healthy and consistent dividend track record.

This reflects not only the quality of our asset base but also our disciplined approach to capital allocation and execution.

Overall, at the company level, the strong start to FY27 and our performance in the first quarter reinforce our confidence in the growth trajectory of the business over the coming years. We continue to see multiple growth drivers taking shape.

The investments we have made over the years, coupled with the capacity expansions currently underway, position us well to capitalize on increasing demand and deliver sustainable growth. We remain confident in our growth trajectory and committed to creating long-term value for all our stakeholders.

That concludes my remarks. I would now like to hand over to Mr. Murad Moledina, our CFO, who will take you through the financial performance for the quarter in greater detail. Thank you, Murad.

Murad Moledina – CFO: Thank you very much. As Mr. Raj highlighted earlier, we began FY27 on a very strong footing, delivering record financial performance across all key metrics.

Revenue from operations for the quarter stood at 2,357 crores, registering healthy year-on-year growth of 37%. Our operating performance was even stronger, with normalized EBITDA increasing 184% year-on-year to 727 crores, reflecting the benefits of higher volumes and better margins.

Profit after tax for the quarter grew by 212% to 545 crores, compared to 175 crores in the corresponding quarter of the previous year. As a result, earnings per share increased to 13.80 rupees, as against 3.74 rupees in Q1 FY26, underscoring the significant improvement in profitability and value creation for our shareholders.

Let me give you a segment-wise breakdown of the performance. The LPG segment reported EBITDA of 591 crores, representing exceptional year-on-year growth of 296% compared to Q1 FY26. On a sequential basis as well, EBITDA grew by a healthy 8%, despite the already strong performance in the previous quarter.

Let me briefly touch upon the volumes across the segment. Our distribution business achieved a record volume of 2.77 lakh metric tonnes, registering an increase of 91% over Q1 FY26 and growth

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Aegis Logistics

14 August 2026

of 19% compared to Q4 FY26.

This strong performance was driven by robust demand and continued customer additions across the market. In the logistics business, throughput volumes remained resilient at 1.124 million metric tonnes despite the geopolitical challenges and disruptions arising from global war-related uncertainties. This demonstrates the strength of our infrastructure platform and the reliability of our operations.

Meanwhile, our sourcing business continued to maintain stable performance, with volumes increasing marginally year-on-year to 1.21 lakh metric tonnes.

Let us move on to liquid division volumes. Turning to the liquid segment, we delivered another quarter of strong and consistent growth. Revenue for Q1 FY27 stood at 178 crores, representing a year-on-year increase of 24%. The segment reported EBITDA of 136 crores, up 28% compared to the corresponding quarter last year.

As I have consistently emphasized in our earlier interactions, I would like to reiterate that cumulative capex is expected to reach approximately 1.2 billion in this fiscal year, reflecting the pace of expansion across our port network.

Looking further ahead, we have identified a capex pipeline of approximately 5 billion through financial year 2030–31. Investments are aligned with both traditional energy infrastructure and emerging energy-transition value chains.

We will pursue this growth with disciplined funding through a balanced mix of equity, internal accruals, and debt, targeting a gearing ratio of approximately 0.6. Low leverage, strong cash generation, and a resilient fortress balance sheet give us the financial flexibility to move quickly on opportunities.

Thank you. I will now request the moderator to open the floor for the question-and-answer session.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on the touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Please, ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Vaibhav Dusad from JP Morgan. Please go ahead.

Vaibhav Dusad – JP Morgan: Yes, hi. Thank you for the opportunity, and congratulations on a very strong performance.

My first question is on the distribution segment. You mentioned multiple customer signings. The broader question is whether the volume growth is surpassing your own expectations. Obviously, there is some disruption due to the war, but do you think these volumes and customer contracts are sticky? How do you see growth now from the 280 KT level that we saw in this quarter? Thank you.

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Aegis Logistics

Raj Gupta: Vaibhav, what I can tell you is that we have always aimed to reach 2 million tonnes in distribution in the coming years. That is not because of the war, but because of the infrastructure layout that we are executing in the LPG business.

Last year, we commissioned 2 very large cryogenic terminals: Pipavav with 48,000 metric tonnes and Mangalore with 82,000 metric tonnes. This gives us the flexibility and the {? allege ?} to undertake distribution business in addition to catering to our customers and handling our customers' products.

If you have {? allege ?} and more locations, your distribution geography increases. New customers come on board because there is product that you can make available to the industry.

Of course, it helped that geopolitics made things more difficult. We were poised with our partnership and our presence across the entire chain, vertically integrated from sourcing, shipping, terminals, and the distribution network. We were able to reach products when times were really difficult for the industry.

I am sure that the fact that we have increased our geographic presence, the fact that we delivered when it mattered most to the industries, and the fact that there will be an increase in industrial usage year-on-year are all important.

I think all 3 factors—increased demand, delivering when it mattered, and our {? allege ?} and infrastructure layout...

Management: ...that we are consistently developing across the geography of India will always take us ahead in this distribution business, enabling us to deliver and grow healthy volumes year-on-year.

The fact that we have also commissioned our ammonia terminal adds one more product to the gas business that we can now handle, as we have the infrastructure to support this distribution business. We are very excited and positive about this business going forward.

Vaibhav Dusad – JP Morgan: Understood. It is great to know. I have a follow-up question. Is it fair to say that profitability in terms of EBITDA per tonne peaked in this quarter? You were just giving the commentary that, going forward, Pipavav will become VLGC-compliant this year. Therefore, there should be considerable freight-cost savings as well.

You mentioned that 6,000 to 7,000 rupees is a comfortable level. How do you think about profitability on a near-term basis and in terms of the medium-term strategy? Thank you.

Management: I think the 4,000-rupee margin that we were earning until 24-25 is history. We have already said that the blended margin should not be viewed quarter-to-quarter. It has to be viewed for the year as a whole, as a blended rate.

We believe that a margin of 7,000 rupees looks sustainable. Of course, in 25-26, it was driven by the geopolitics, uncertainty, and difficulties that arose in this business.

Aegis Logistics

Because we are vertically integrated and present across the entire value chain, we have been able to deliver this kind of margin, up from 4,000 rupees, which in the past was the standard margin in the distribution business.

Going forward from 27-28, because of the volume ramp-up and the factors you just mentioned, such as the VLGC jetty, multimodal evacuation, and the {? ledge ?} that we are creating, we will be able to achieve procurement efficiencies.

I personally believe that this will lead to a more stable margin of around 7,000 rupees and above. We delivered that in 25-26, and based on the performance we have delivered in Q1, it appears highly certain for 26-27.

Therefore, we should now expect the distribution margin to be in the range of 7,000 rupees and above going forward.

Vaibhav Dusad – JP Morgan: Understood. My second question is on the logistics segment, related to the KGPL pipeline that you were discussing. How should we think about throughput enhancement in basic terms? If your throughput is, say, 70 to 80 turns, how much faster can evacuation happen in terms of turns or volume guidance? Which metric gives a better sense of its utilization potential?

Management: What we do is put the enablers in place. We complete the pipeline hook-up, try multimodal evacuation by filling lorries and rail wagons, try to connect to the cross-country pipeline, and work toward VLGC-compliant jetties. We do multiple things, and these are enablers.

However, the logistics business involves storing products for others. The distribution division is one customer, but there are other customers who then have to use these facilities.

We believe that year-on-year, even in the worst-case scenario, we would always achieve logistics-volume growth of around 25%. If these enablers perform and deliver because customers use them, there would probably be a step-up in growth when customers start using these enablers, assuming that normalcy returns and the geopolitical situation normalizes.

I believe this is very exciting for us. I cannot tell you for sure what we will achieve, but the enablers are what we can put in place, and they will deliver step-up growth.

That step-up growth would be higher than the normal 25% that we always push hard to achieve year after year.

Vaibhav Dusad – JP Morgan: Great, sir. Congratulations, and all the best. Thank you.

Management: Thank you.

Operator: Thank you. The next question is from the line of Yash Desai from Dalal & Broacha. Please go ahead.

Yash Desai – Dalal & Broacha: Hi, sir. Thank you very much for the opportunity.

Aegis Logistics

14 August 2026

Could you give us the full-year FY26 per-unit margins for the sourcing, logistics, and distribution businesses? I understand that you just mentioned that the distribution business is currently at approximately 7,000 rupees. I wanted to compare that with last year. Also, in the case of the liquid business, how much would the per-unit EBITDA margin be? Then I have a follow-up question.

Management: Liquid is very simple. You divide the EBITDA by the capacity that we have, which is 2 million. You will get the per-CBM EBITDA margin as far as liquid is concerned.

For LPG EBITDA, it is standard that the throughput, or logistics volumes, that we handle deliver close to 1,000 rupees of EBITDA. Then, for the amount that is left, you divide it by the distribution volume to arrive at the EBITDA margin for the distribution business. Sourcing hardly matters as far as EBITDA is concerned because it is a very low contributor.

Yash Desai – Dalal & Broacha: For sourcing, I believe we used to mention a range of 85 to 90 dollars. Is that still fine to work with?

Management: Yes, that is still fine. You can use that.

Yash Desai – Dalal & Broacha: You mentioned that the current distribution margin of approximately 7,000 rupees is sustainable. This quarter was strong, and in the last quarter you had mentioned approximately 5,000 rupees, if I am not mistaken, which was an outcome of the geopolitical situation. Going forward, what gives you confidence in the 7,000-rupee figure over the short to medium term?

Management: We did not deliver a 5,000-rupee margin in Q4 and Q1. It was 3 times what you just stated.

When you look at the whole year, the margin gets blended, and then you arrive at 7,000 rupees. We feel that because we delivered much more in Q1 than we delivered in Q4 of last year, the blended margin will definitely be around 7,000 rupees and above.

I am not saying 7,000 rupees; I am saying 7,000 rupees and above. Let us see how we end the year.

We believe that this 7,000-rupee margin, which is an upgrade from the 4,000 rupees we were achieving up to 24-25, is likely to sustain in the years ahead because of the volume growth in the distribution business.

That volume growth brings procurement efficiencies through shipping and through the rates at which we procure. Therefore, we believe that the uncertainty and difficulty-related margin that we achieved in Q4 and Q1 of 26-27 will be replaced by procurement-efficiency profits that we will be able to generate from the volume ramp-up that has occurred over the 24-month period from 24-25 to 26-27.

Yash Desai – Dalal & Broacha: Good to hear that, sir. This year, you mentioned overall volume growth of 25%. What kind of upside do we see to that number? Is that an upper limit, or how should we view it?

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Aegis Logistics

Management: If you are talking about volume, we have already said that 25% is the benchmark that we always try to push and achieve. Anything above that would be a step-up resulting from the enablers that we are making and putting in place.

Let us see how much these enablers help us achieve in terms of step-up growth over and above the 25% that we always strive for.

As far as EPS is concerned, despite the larger base, we have already grown from 6 rupees of EPS to 26 rupees of EPS. Even from this larger base of 26 rupees of EPS, we expect to continue the CAGR growth that we have delivered over the last 10 years, which is 25% and above.

We remain positive on that account and would like to perform and deliver this year and every year in the coming period.

Yash Desai – Dalal & Broacha: Fingers crossed. All the best to you, sir.

Management: Thank you. Thank you, sir.

Operator: Thank you. The next question is from the line of {? Vineet Jain ?} from {? Siby Capital ?}. Please go ahead.

{? Vineet Jain ?} – {? Siby Capital ?}: Hi. Thank you. My first question is on ammonia distribution. When will you start distribution of ammonia, what will be your EBITDA per tonne on that, and what are the means of delivering ammonia?

Management: Immediately. We have commissioned the facility, so we will start. It might take weeks, and we would start distribution. Distribution of ammonia will initially happen through industrial distribution. We will not pack it in cylinders, nor will we set up gas stations for it.

It will initially be industrial distribution, and we expect to start as soon as possible. Margins are likely to start within a certain range, but I do not think I should say anything about that yet. Let us start, and then we will discuss the margins we are delivering once we enter the business.

Wait for a quarter, and you will see some action on that.

{? Vineet Jain ?} – {? Siby Capital ?}: Great, sir. Staying with distribution, has Morbi recently started with LPG distribution, or has it still not started? I am just asking.

Management: We continue to deliver to Morbi wherever we bring value for them. However, Morbi is not the be-all and end-all for Aegis Logistics Ltd. The market is much larger, and the geography is the whole of India.

We are now delivering all over the country. I think it is now life beyond Morbi. Let us get on with life and not keep talking about Morbi all the time.

{? Vineet Jain ?} – {? Siby Capital ?}: I thought the reason for asking was that it was a very large market and had been completely closed for a period. How is the market now?

Aegis Logistics

14 August 2026

Management: It has started, but they will also work on which form of energy they can obtain at the cheapest rate. They are doing great work and competing globally, so they have to deliver value.

Whenever we deliver value, they buy from us or from our counterparts, whether national oil companies or other LPG players. Whenever it provides value for them to work with natural gas, they do so.

The energy market is large, it is widespread, and there is room for everything and everyone. We focus on our customers and on the value we deliver to them. We remain very positive about this business.

{? Vineet Jain ?} – {? Siby Capital ?}: My next question is on EBITDA per tonne, which you said is very large and much higher than 7,000 rupees. I understand which figure you are referring to.

As things settle down, perhaps 3 or 6 months from now, we do not know when the geopolitical situation will normalize. Do you think 7,000 rupees is the normal EBITDA? You said that we should take the average for the year, but what will be the normal EBITDA? We are targeting 2 million tonnes of volume, but I want to understand the normal EBITDA. We understand all the factors involved.

Management: I have already said that until 24–25, this was a very standard business with an EBITDA margin of approximately 4,000 rupees.

However, over the subsequent 24 months, an uncertainty-related margin has come in. That has taken the blended rate for the year to 7,000 rupees.

We expect this 7,000 rupees not to come down to 4,000 rupees again when everything normalizes, perhaps from 27–28 onward. We expect the 4,000 rupees to be topped up by procurement-efficiency profits that we will be able to generate from the volume ramp-up that has occurred over the 24-month period from 24–25 to 26–27.

Management: The gain and margin addition that we will have from better shipping costs will result from the increase in volumes. Instead of receiving the product on a medium gas carrier, which may have freight of 50 dollars, we would receive it on a very large gas carrier with freight of, say, 15 dollars.

This difference of approximately 35 dollars—I am quoting approximate numbers, so please do not take those numbers as exact—would provide an additional top-up of 3,000 rupees. Therefore, we believe that the 7,000-rupee margin will also be sustained next year, riding on the increased volumes achieved through greater geographic reach, more customers, and more terminals commissioned for distribution from all our facilities.

{? Vineet Jain ?} – {? Siby Capital ?}: Would you be able to give the distribution split between supplies to industrial customers and supplies to HoReCa? What percentage do you supply to HoReCa?

Management: We do not provide that split. We provide logistics volumes, sourcing volumes, and distribution volumes, all put together.

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{? Vineet Jain ?} – {? Siby Capital ?}: One last question. You said that India at the national level is still at a deficit of 15–20% compared to pre-war levels in terms of LPG. Since throughput is much higher than what you are currently doing, what stops Aegis from filling the tanks more? You have Itochu as a partner, which can do a great deal. What stops you from doing more?

Management: We do not want to be driven by greed, and we do not want to become traders. It is not about greed, but about our position.

We can fill the tanks and try to sell the product, but this is an industry that is very volatile. We cannot take positions where, if we are left-footed, we could end up taking a very big fall.

We are distributors. We operate month-on-month. We are not generating inventory gains on which we are riding. We are doing hardcore distribution every month.

The cargoes do not arrive 6 months in advance and remain stored simply because we have a {? ledge ?}, with the intention of taking advantage of a price movement that may or may not occur.

To repeat, we are not global traders like Trafigura, Glencore, or Vitol. We are distributors. We obtain material where we see demand and then distribute it or reach out to those customers.

We are not taking positions on inventory, price, or anything else.

{? Vineet Jain ?} – {? Siby Capital ?}: One more question on the Mumbai port. You have LPG storage that is not cryogenic and is much smaller. Is there a future plan to replace it with larger cryogenic storage?

Management: We already have cryogenic storage in Mumbai. That was the first cryogenic terminal in India, built in 1997.

{? Vineet Jain ?} – {? Siby Capital ?}: Is expansion possible?

Management: Expansion is always possible if we find the land. If we are able to find the land, it is always a possibility. Never say no to anything. Thank you.

Operator: Thank you. The next question is from the line of Chirag Vakharia from Budhani Finance Limited. Please go ahead.

Chirag Vakharia – Budhani Finance Limited: I wanted to get your perspective on the distribution segment. Given the way volumes are moving, do you not think that 25% growth is conservative?

Management: No, I have never said 25% for distribution. That was for logistics.

Chirag Vakharia – Budhani Finance Limited: On the throughput side, you said that volumes could grow by 20–25%. Should growth not be higher on the distribution side?

Management: Absolutely, it will be higher.

Chirag Vakharia – Budhani Finance Limited: Can you provide some insight into what the growth could be and where it would come from?

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Aegis Logistics

14 August 2026

Management: We cannot disclose that here, but I have already said that it will definitely be more than 25%.

We have said that we want to reach 2 million tonnes, probably next year or the year after. We are aiming high.

As I mentioned, we increased volumes from 500,000 tonnes to 750,000 tonnes last year. This year, we expect to cross 1 million tonnes. Next year, we may cross 1.5 million tonnes.

Therefore, the rate is definitely more than 25%. It may be closer to 50%, which is what we are targeting.

Chirag Vakharia – Budhani Finance Limited: This will happen by increasing our presence in industrial distribution, correct?

Management: Yes, you can say that.

Chirag Vakharia – Budhani Finance Limited: Thank you, sir.

Operator: Thank you. The next question is from the line of Kunal Mehta from Incred Equity. Please go ahead.

Kunal Mehta – Incred Equity: Hi, sir. Good evening.

In the presentation, you mentioned liquidity reserves in excess of 5,940 crores. I went through the financial statements of different Aegis subsidiaries. On a standalone basis, there is cash of 2,700 crores; at Vopak, there is 410 crores; Aegis Gas, which is the packed-cylinder business, has 840 crores; and Aegis International has approximately 306 crores.

How are we going to use this cash reserve for the capex that we have planned, given that it is held in different entities?

Management: Aegis Vopak is self-funded. Aegis Vopak has its own funding through equity. We have already decided and agreed to dilute so that the funding can take place and the capex can be executed.

When the equity comes in, you are also eligible to borrow more, and then you undertake your journey toward 5 billion dollars. That is one aspect.

We also like to maintain a fortress balance sheet. This is a difficult business, and we like to maintain a very healthy cash balance. That is why you can see 5,940 crores. We have also indicated exactly where this is placed on the balance sheet on a consolidated basis.

Obviously, you will not see this cash balance in AVTL, where the capex is taking place.

By maintaining this cash balance, we are also looking at ways and means to deploy it, but we are never in a rush. It is not that we will simply use it. We like growth, but we like growth that results in profits because we are a very bottom-line-driven company.

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Aegis Logistics

As and when we receive opportunities, whether organic or inorganic, other than AVTL, because AVTL already has its sources of funds, we will deploy the cash. Otherwise, we will hold it.

This is what we believe in: a fortress balance sheet that enables you to do things that are truly big, significant, and remarkable.

Kunal Mehta – Incred Equity: Thank you, sir. Is there any capex in the downstream segment, particularly in gas stations or in expanding distribution, given that Aegis Gas has approximately 840 crores of cash on its balance sheet?

Management: The best part is that the distribution business is a franchise-driven business, so the distribution assets are financed by the franchisee.

The beauty is that there is no capex, or hardly any capex, in the distribution business, and there is also very low working capital.

Wherever it is required, we will of course add capacity. We have enough firepower by way of cash to do so, but the opportunity has to arise.

Kunal Mehta – Incred Equity: What was the 897 crores of “other” in the 870 crores of other income in Aegis Gas for FY26?

Management: The 870 crores of other income arose because Aegis Gas had sold its holding in Hindustan Aegis, probably resulting in capital gains. However, that gets eliminated on a consolidated basis.

Kunal Mehta – Incred Equity: I read an article in June stating that India's imports from the US had almost reached 1 million metric tonnes. This shows that there is a shift toward long-haul VLGCs, and I think Aegis is also moving in that direction by making every port compliant. Does this help us gain market share in terminaling volumes?

Management: Yes, you have made a very good point. When product comes from the US, it comes on very large ships. When it comes from the Middle East, it comes on both very large ships and small ships.

There are terminals in India that can handle only small ships because their static capacity is lower. However, we have very large-capacity terminals, especially at Mangalore and Pipavav, and even at Kandla, where we can unload an entire ship in one operation.

Obviously, this helps because it reduces the waiting time for the ship, reduces demurrage, and reduces freight costs. All of this adds to the customer's subsidy bill when the efficiencies are not taken into consideration.

Kunal Mehta – Incred Equity: This year, Aegis International also had EBITDA of 40 crores, whereas it is usually in the single digits. Was this probably because of better sourcing and the geopolitical situation? Going forward, should we maintain it at around 4 or 5 crores?

Management: Do not go overboard. Just assume standard Aegis performance.

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14 August 2026

Kunal Mehta – Incred Equity: How much revenue does the Mumbai terminal generate from liquid and LPG, if you can provide an approximate number or the terms? This would help us understand the Mumbai terminal. I know it is operating at 95% utilization, but what is the current tariff or the current terms that we receive there?

Management: The tariff is the same everywhere. We do not provide splits, and we maintain that policy.

Kunal Mehta – Incred Equity: Is it approximately 70 tons?

Management: No. Historically, it has been 95, or 90-plus tons.

Kunal Mehta – Incred Equity: Thank you very much.

Operator: Thank you. As that was the last question for the day, on behalf of MUFG India, I conclude this conference. Thank you for joining us. You may now disconnect the line. Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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