



Aegis Logistics Limited

November 2014

Safe Harbour

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Gas Business

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Business Overview

Liquid Division

Business

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

Revenue Model

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

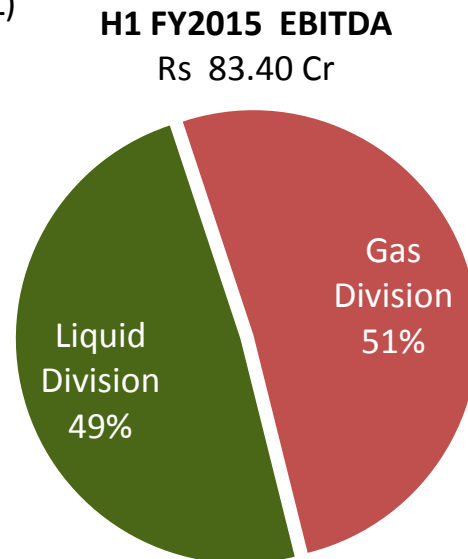
Gas Division

Business

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

Revenue Model

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



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



Powerful Partners...



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



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

...coming together...

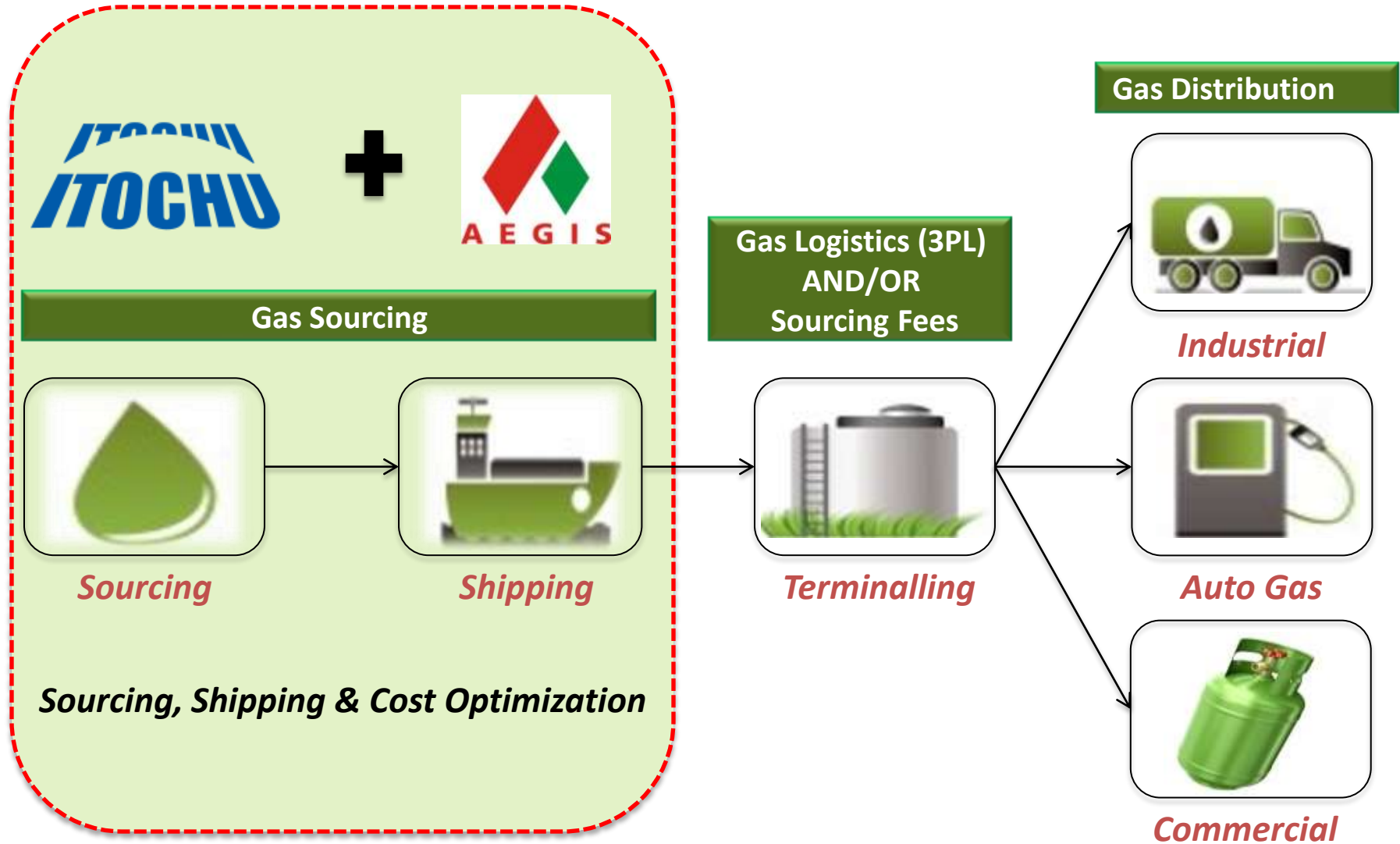
...Creating 'Leading LPG Sourcing Player in India'

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



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

... through 'Vertical Integration Strategy'



JV : Best of both Worlds

Aegis

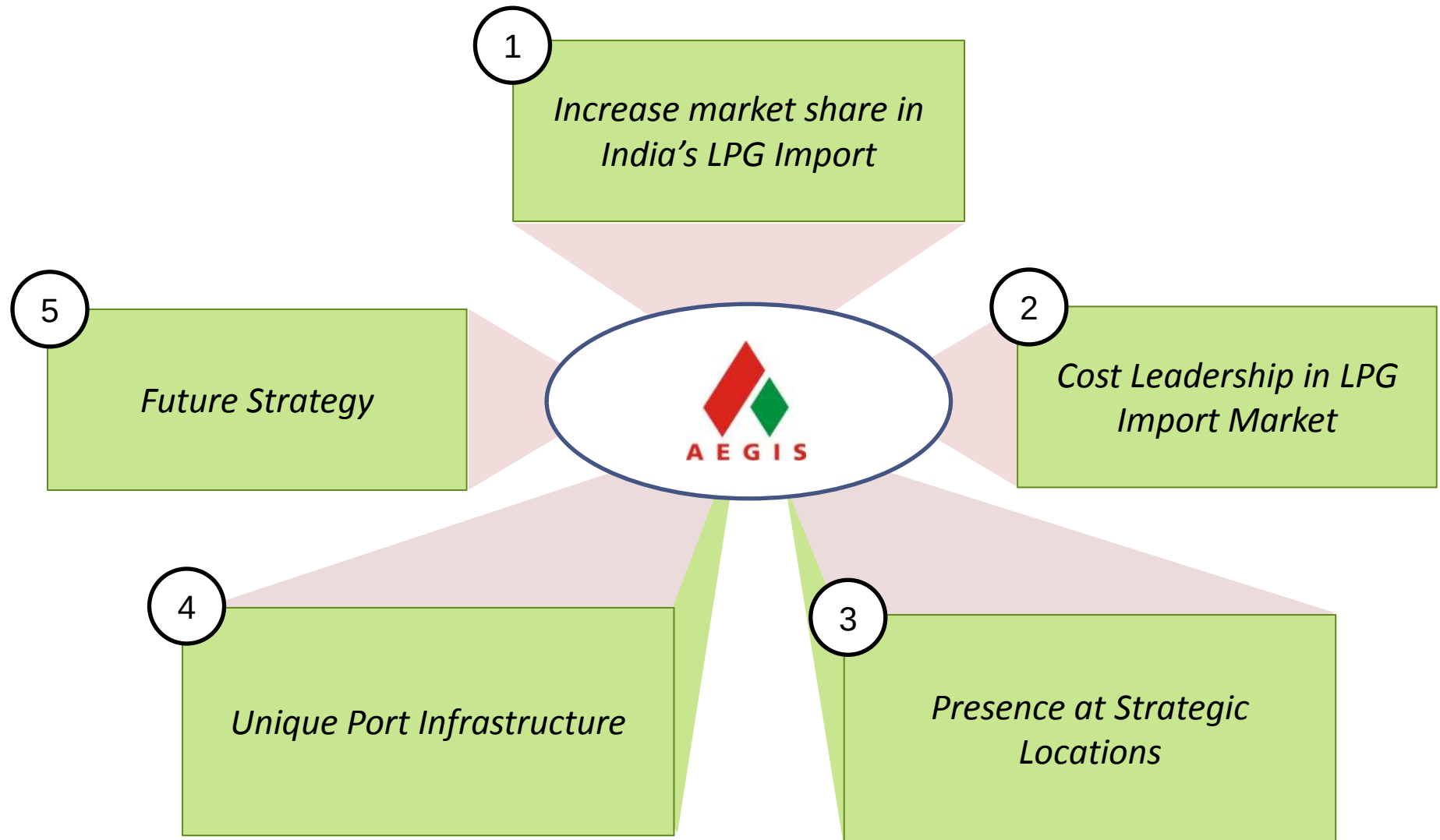
- ✓ Growing LPG Market in India
- ✓ 0.85 mn MT p.a. throughput capacity at Mumbai and Pipavav Port
- ✓ Strong Customer Relationships with Large Oil Companies
- ✓ Setting up of New LPG Terminals

ITOCHU

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

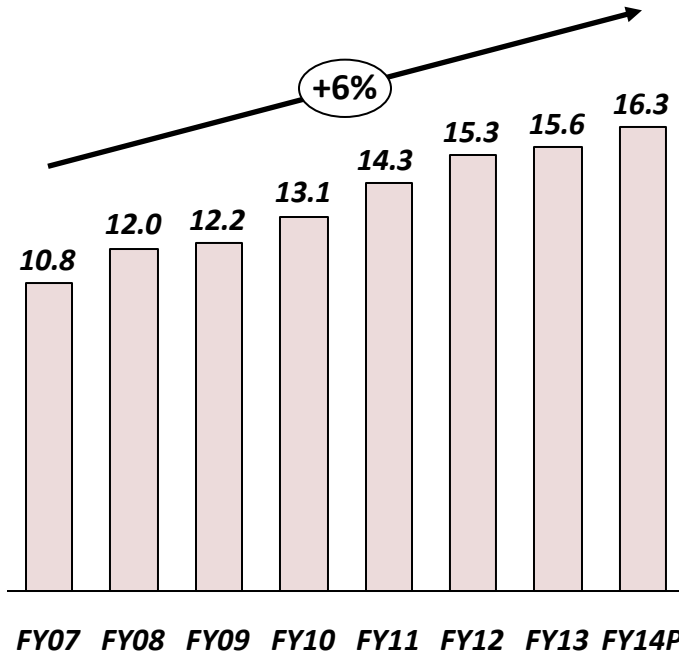
Market Share of 20-25% with 2.5 mn MT of sales volume in 5 years

Strategic Rationale for JV

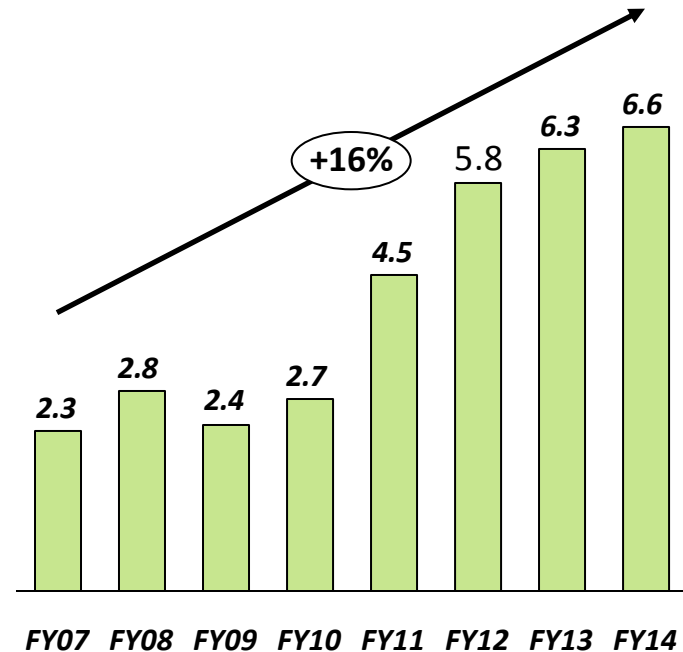


1 Increase market share in India's LPG Import

Consumptions of LPG in India (mn MT)



Imports of LPG in India (mn MT)



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

Partnership Strengths

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

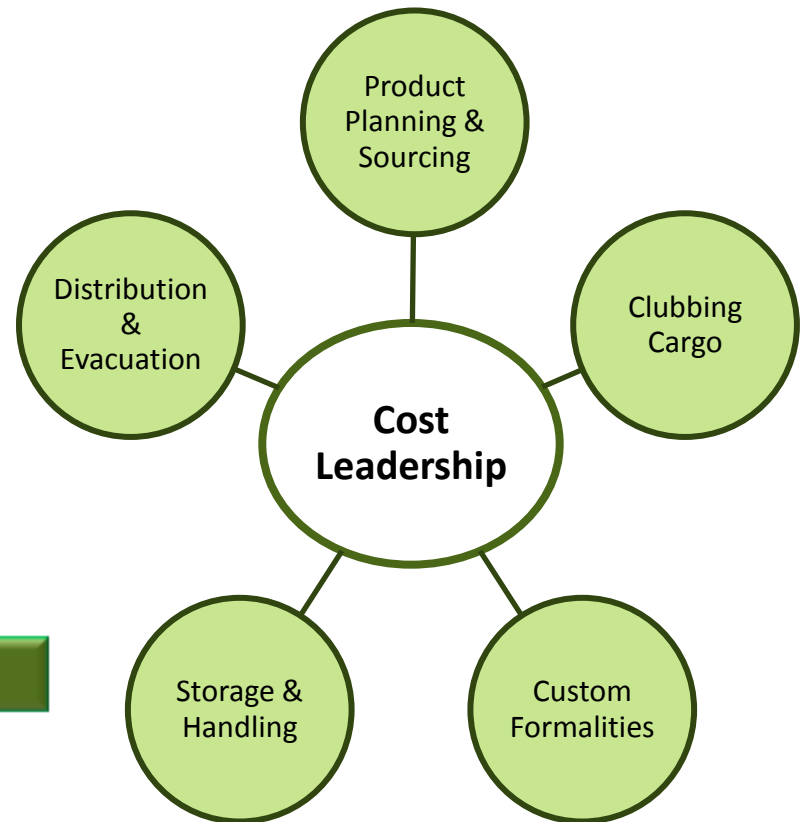
2 Cost Leadership in LPG Import Market

ITOCHU

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

Aegis

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



Presence at Strategic Locations

Aegis – Gas Terminal Facilities

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



Map not to scale

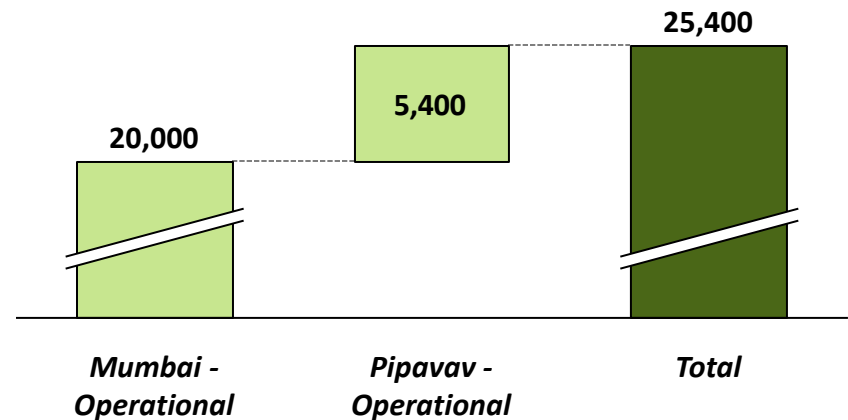
4 Unique Port Infrastructure

Aegis - Gas Infrastructure

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

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

Built up of Capacities



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

Future Strategy

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

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

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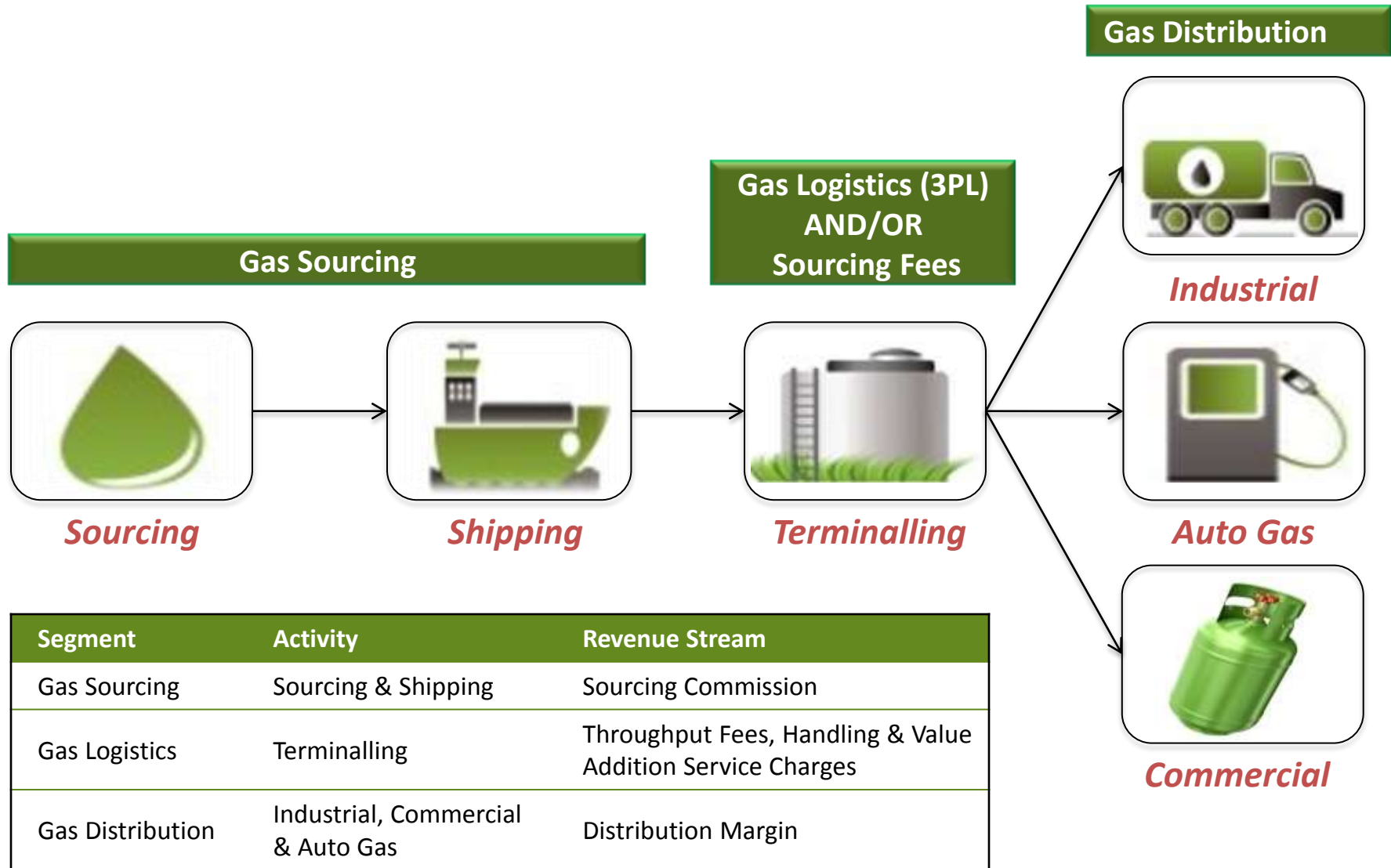
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Capturing Complete LPG Value Chain



Update on Capacity Expansion

Expansion: 2,700 MT at Pipavav

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



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

Distribution Business

- **Crossed 154 Distributors/Dealers**
 - 100 Auto Gas Stations
 - 54 Commercial & Industrial Distributors spread across 42 cities in 7 States
 - 3 Bottling Plants in Gujarat & Karnataka



**Crossed 154 Distributors / Dealers spread over
42 Cities in 7 States**

Gas Distribution Network

B2C



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

B2B

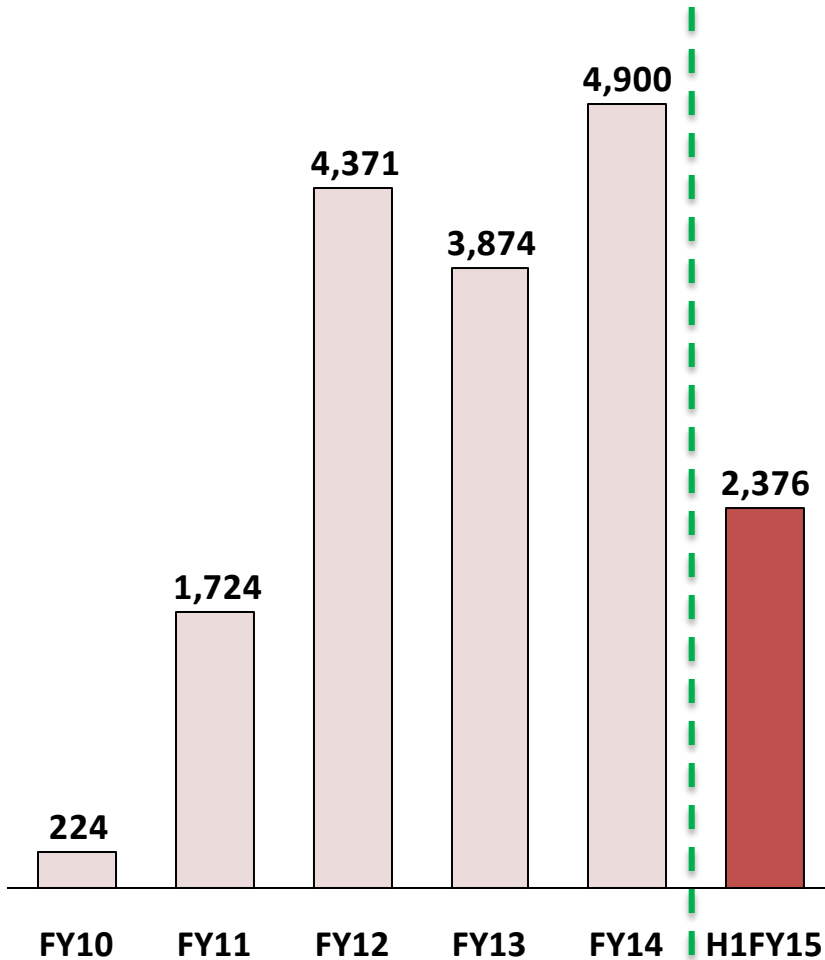
- **Bulk Industrial Distribution:** Distribute LPG through road tankers to Auto, Steel, Ceramic Industries etc



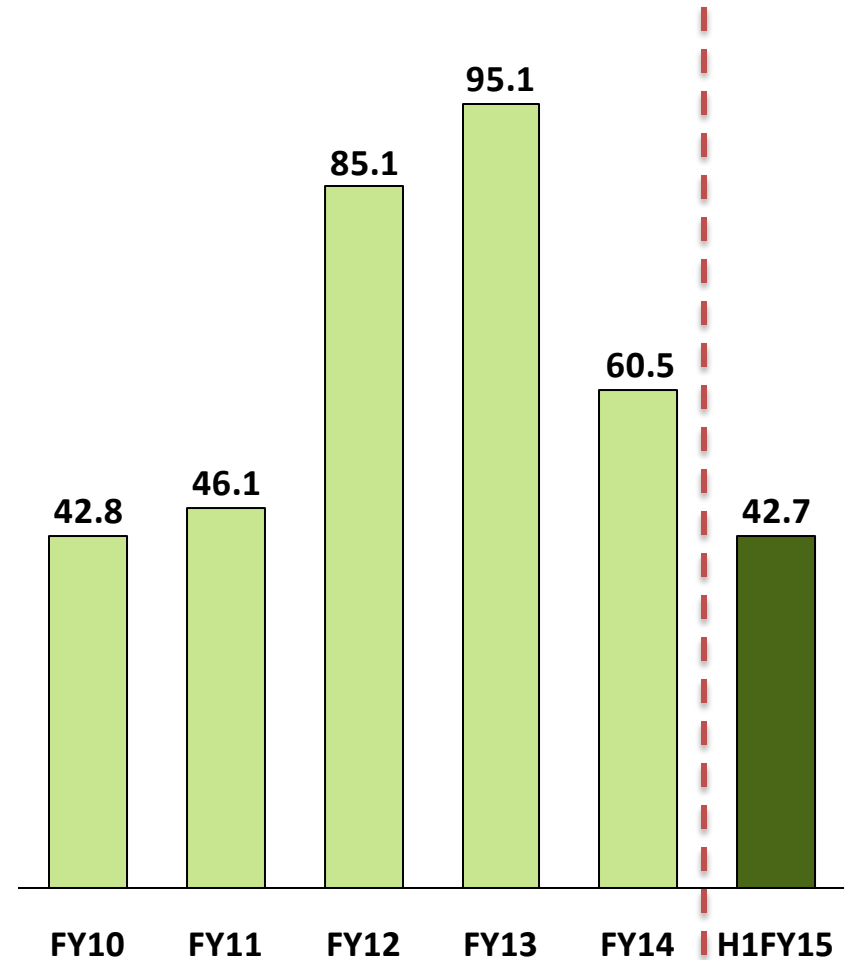
- **Commercial LPG:** Distribute Packed Cylinders for Commercial and Industrial users
- 54 Commercial Distributors spread across 42 Cities in 7 states

Gas Division Performance

Revenue (Rs. Crs.)



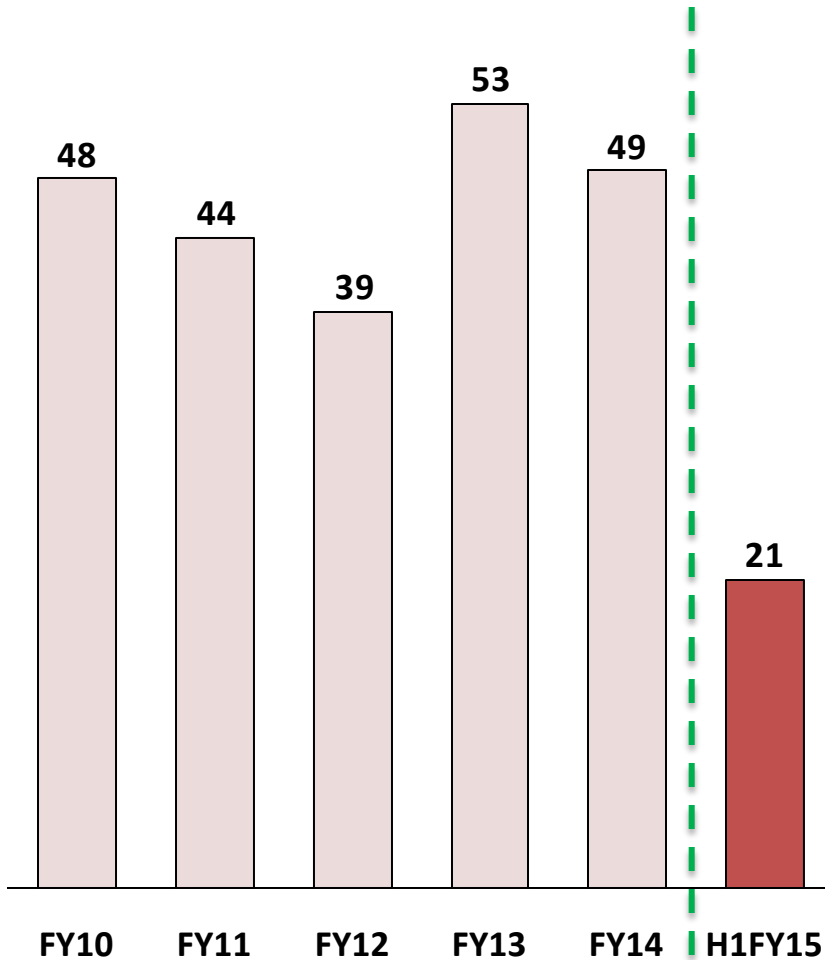
Normalized EBITDA (Rs. Crs.) *



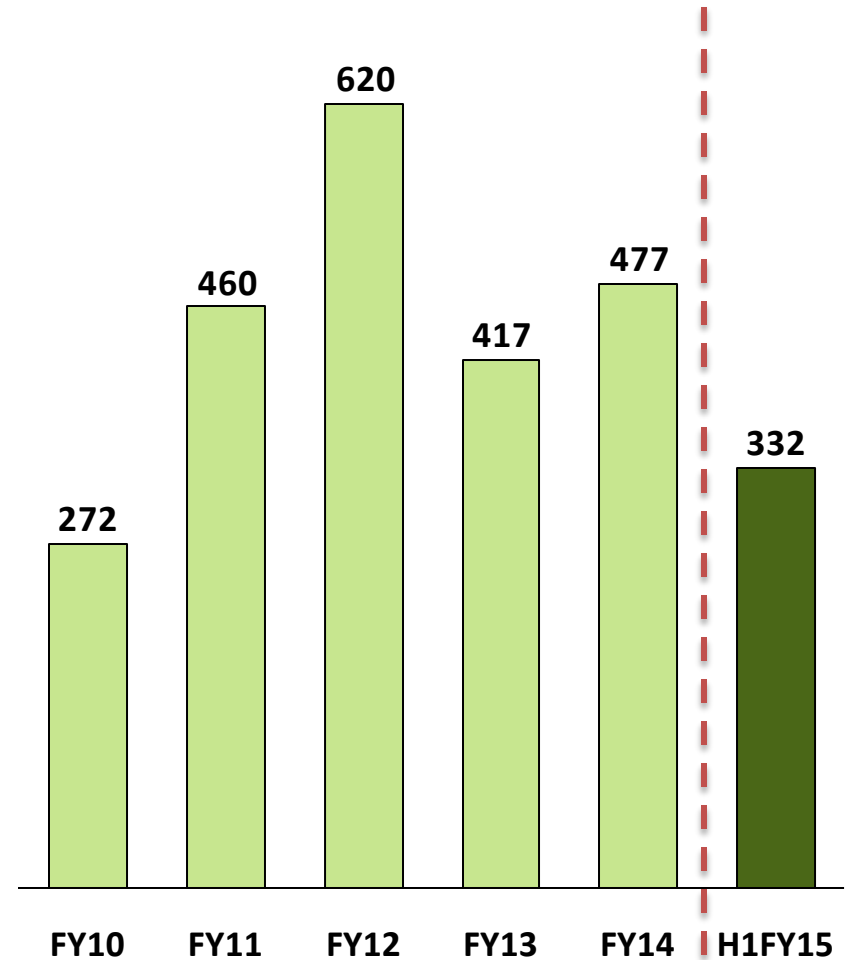
* - Normalized EBITDA – Before Forex, Hedging Related Expenses

LPG Volume Break-up

Distribution ('000 MT)



Logistics ('000 MT)



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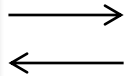
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Liquid Logistics and O&M Services

Liquid Logistics (3PL)



Shipping

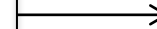


Terminalling

O&M Services



O&M



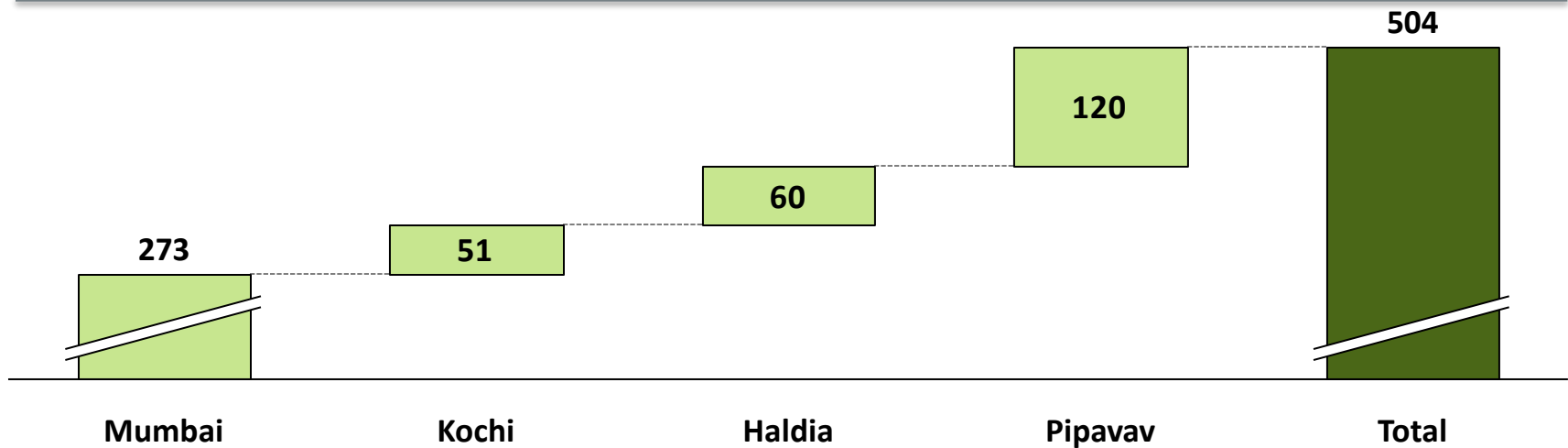
Facilities

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

Liquid Terminal Facilities

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

Built up of Capacities



Total capacity : ~ 500,000 KL

Update on Capacity Expansion

New Project: 60,190 KL at Haldia

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

COMPLETED

~25% of the Capacity booked for Long Term

Expansion: 120,000 KL at Pipavav

- **Expansion: 120,000 KL at Pipavav**
 - Final Project Cost ~Rs. 90 Cr
 - Full Capacity Commissioned

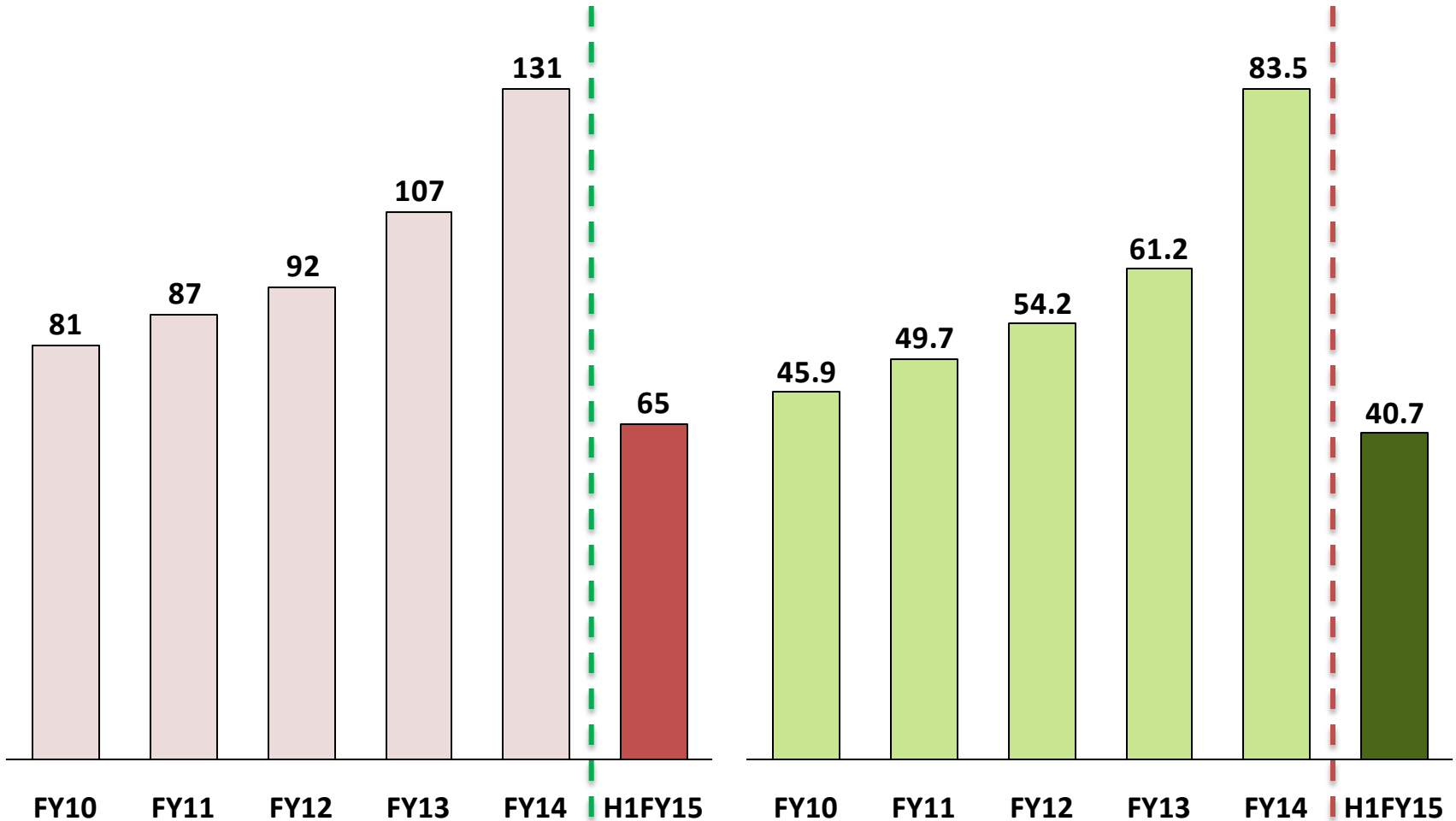
COMPLETED

**Commissioning 3 months
Before Schedule**

Liquid Division Performance

Revenue (Rs. Crs.)

Normalized EBITDA (Rs. Crs.) *



* - Normalized EBITDA – Before Forex, Hedging Related Expenses

Multiple Growth Drivers

Capacity Expansion

- Haldia Fully Operational in FY15 & Pipavav Partially Operational
- Pipavav Terminal Facility Expansion: 50,000 KL Liquid & 2,700 MT Gas
- Strengthening Distribution Network for Commercial Packed Cylinders
- Expanding Auto Gas Station network in Tier I & II cities

Government Reforms

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

Newer Businesses

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

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Consolidated Profitability Statement

Rs Crs	Q2FY15	Q2FY14	Y-o-Y %	Q1FY15	Q-o-Q %
Revenue	1489	1,563	-5%	949	57%
Cost of Sales	1414	1,506		890	
Others	30	19		21	
Normalized EBITDA (Segment) *	45	38	19%	38	19%
Finance, Hedging & Forex related Expenses (Net)	3	1		6	
Depreciation	6	6		5	
Unallocated Expenses	5	6		6	
Profit Before Tax	32	25	29%	21	53%
Tax	5	3		2	
Profit after Tax	27	22	24%	19	43%

* - Normalized EBITDA – Before Forex Hedging Related expenses

Consolidated Profitability Statement

Rs Crs	H1FY15	H1FY14	Y-o-Y %	FY14
Revenue	2438	2,369	3%	5,031
Cost of Sales	2304	2258		4,804
Others	51	39		83
Normalized EBITDA (Segment) *	83	72	16%	144
Finance, Hedging & Forex related Expenses (Net)	9	4		19
Depreciation	11	11		21
Unallocated Expenses	11	12		25
Profit Before Tax	53	45	18%	80
Tax	7	7		11
Profit after Tax	46	38	22%	69

* - Normalized EBITDA – Before Forex Hedging Related expenses

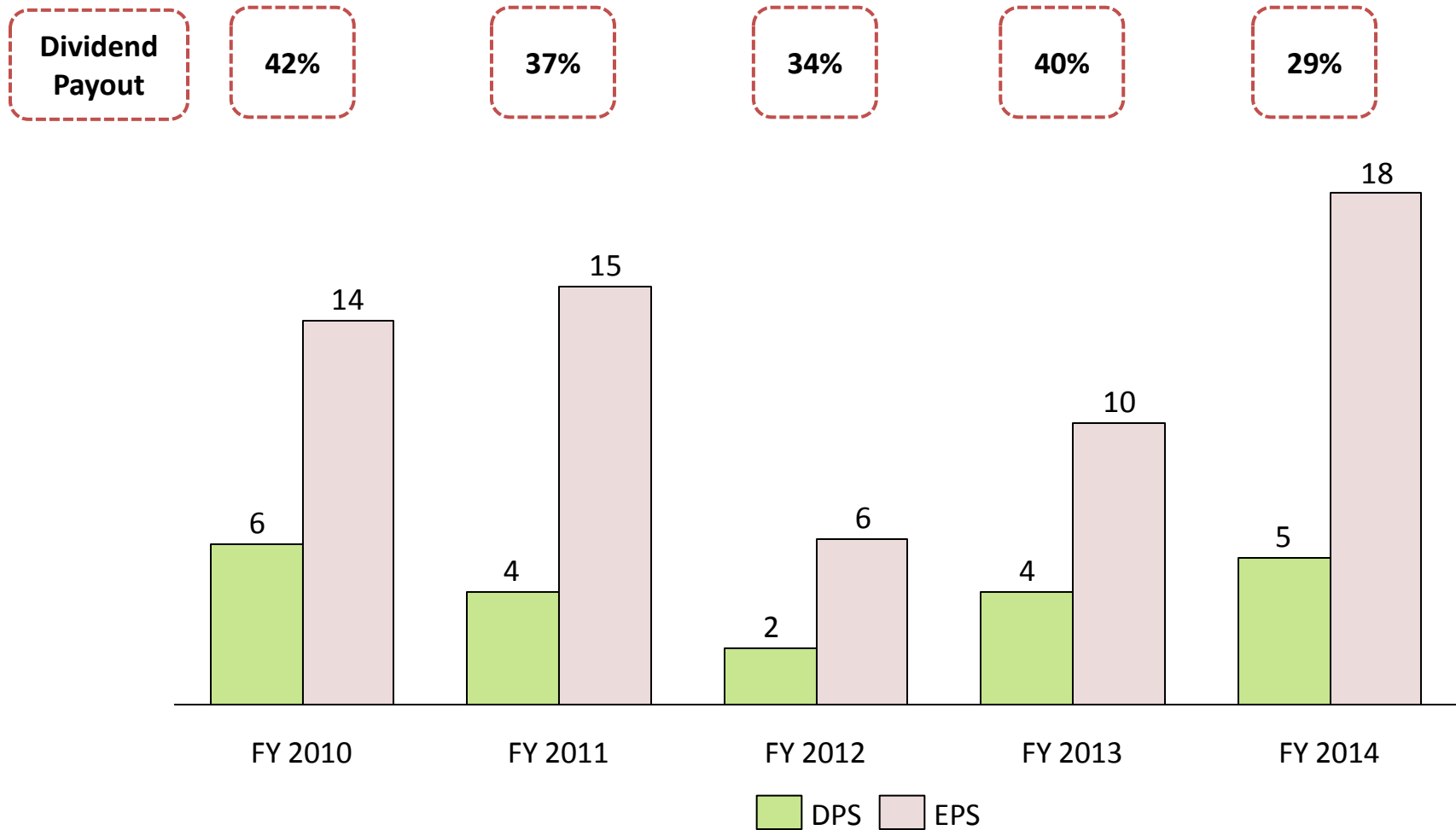
Consolidated Balance Sheet

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

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

* - Including Goodwill on Consolidation

Dividend Track Record



Interim Dividend for FY2015 of Rs 2.5 per share

For further information, please contact:

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