Aegis Logistics Ltd.	
No. of shares (m)	334.0
Mkt cap (Rs crs/$m)	7007/1006.0
Current price (Rs/$)	210/3.0
Price target (Rs/$)	254/3.6
52 W H/L (Rs.)	300/175
Book Value (Rs/$)	38/0.5
Beta	0.8
Daily volume (avg. monthly)	100960
P/BV (FY19e/20e)	5.3/4.6
EV/EBITDA (FY19e/20e)	18.7/16.0
P/E (FY19e/20e)	33.4/27.3
EPS growth (FY18/19e/20e)	65.9/5.9/22.7
OPM (FY18/19e/20e)	5.6/6.6/6.8
ROE (FY18/19e/20e)	19.8/16.7/18.0
ROCE(FY18/19e/20e)	17.0/16.5/17.5
D/E ratio (FY18/19e/20e)	0.2/0.2/0.2
BSE Code	500003
NSE Code	AEGISCHEM
Bloomberg	AGIS IN
Reuters	AEGS.NS

Shareholding pattern	%
Promoters	60.6
MFs / Banks / FIIs/FIs	2.6
Foreign Portfolio Investors	11.7
Govt. Holding	-
Public & Others	25.1
Total	**100.0**

As on Sept 30, 2018

Recommendation

BUY

Phone: + 91 (33) 4488 0055

E- mail: research@cdequi.com

Quarterly Highlights

- According to Stratistics MRC, a leading global market research company, global LPG market – accounting for 285.9 mn tons in 2015- is expected to reach 390.13 mn tons by 2022, growing at a CAGR of 4.5% during the forecast period (2015-2022). Consumption of LPG is surging across the globe, majorly on account of rise in number of vehicles using auto gas and increasing government initiatives to boost LPG consumption, surging LPG demand as a cooking fuel, especially in Asia-Pacific region, owing to the region's huge and expanding population base. Rising LPG imports and augmenting demand for cleaner fuel is expected to fuel LPG consumption, globally.
- In the last quarter, Aegis's income from operations grew by 14.9% (yoy), with gas terminal division growing by 15.1% and liquid terminal division up by 9.0%. Uptick in gas division was witnessed due to an impressive increase in logistics volume (rise of 50% yoy to ~664,000 MT), mainly driven by strong business in Haldia LPG terminal. With ramp up in Haldia logistics volume, we expect the gas division to report stronger volumes going forward.
- OPM expanded by 75 bps (yoy) and stood at 6.2% in Q2FY19. Profits of liquid terminal division dropped drastically due to higher lease cost in Kandla port with no revenue generation until last quarter. Even though PBT was up 19.4% (yoy), PAT de-grew by 6.1% (yoy) due to higher tax provision.
- The stock currently trades at 33.4x FY19e EPS of Rs 6.27 and 27.3x FY20e EPS of Rs 7.70. Being a niche player in gas logistics and distribution network, Aegis is well positioned to take advantage of oil and gas logistics business in India, owing to its incessant capacity expansion, and a nationwide port infrastructure and distribution network. Its complete logistics value chain in the gas division, starting from sourcing, terminalling to retail distribution of LPG along with third party liquid logistics services for handling and storage as well as providing operations and maintenance services, should bolster its revenue growth in the next two years – expected to grow at CAGR of 15.4%. However, slow adoption of new technologies has been a big constraint in the Indian logistics industry. Inadequate port infrastructure and any changes in government policies on coastal regulations pose a threat to liquid terminalling business. Changes in government policy with regards to subsidized pricing of LPG and its substitutes may have a dampening impact on gas division's performance. We assign 'buy' rating on the stock with target price of Rs 254 (previous target Rs 286) based on 33x FY20e EPS of Rs 7.70.

Consolidated (Rs crs)	FY16	FY17	FY18	FY19e	FY20e
Income from operations	2213.22	3930.29	4790.96	5562.33	6377.98
Other Income	8.44	5.72	8.35	8.28	10.12
EBITDA (other income included)	193.78	209.29	274.36	378.14	443.55
PAT after MI and EO	113.33	119.22	197.81	209.56	257.12
EPS(Rs)	3.39	3.57	5.92	6.27	7.70
EPS growth (%)	43.4	5.2	65.9	5.9	22.7

Outlook & Recommendation

Indian Logistics Industry

According to the Economic Survey of India 2017-18, Indian logistics sector is expected to reach USD 215 bn by 2020 from the current worth of USD 160 bn, thanks to the towering needs of businesses to transport goods and services with best-in-class infrastructure and effective logistics management system. With increased plan outlay of the government, improved infrastructure facilities and greater access to global markets, the GOI aims to improve India's ranking from 44 in World Bank Logistics Performance Index.

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 Economic Survey reckons logistics would employ over 40 million people by 2020 (currently over 22 million people). In order to build a more robust logistics network in the country, GOI has framed a dedicated IT backbone for this industry. Upgradation of the import-export system has enabled reduction in cargo release time to only 2 or 3 days. A separate logistics division has been established in the department of commerce for integrated development of the industry in both domestic and international domains. A proposal has also been put forward by the Ministry of Commerce and Industry (MoCI) for setting up a unique dedicated online portal to accentuate logistics services in the country and bringing together the buyers, logistics service providers, and the related government agencies. The Ministry of Transport is also playing a key role in strengthening the logistics sectors by strengthening the land connectivity through various programs like 'Sagarmala' project.

Implementation of GST has bettered the prospects of the logistics sector. The Central Board of Indirect Taxes and Customs (CBIC) under the Ministry of Finance also has brought new provision under CSB IV and CSB V to the Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010 providing people 100% GST refunds in the logistics services. Many start-ups and established enterprises have also entered the market equipped with the latest technology, quality warehousing, and functional transport facility to provide world-class services in the Indian market.

Indian companies are also supporting customers by offering return management, fulfillment, warehousing and 3PL (third-party logistics) services in all major ecommerce markets like USA, Europe, Australia and Middle East countries through their worldwide network, helping Indian sellers to sell their products globally with a competitive edge. Also, now Indian logistics companies are creating opportunities for other countries sellers to sell their products in India by providing seamless custom clearance and distribution across the country. Therefore Indian logistic industry is shaping up a favorable outlook going forward.

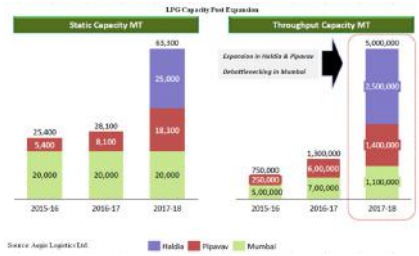
Yet, multiple challenges of infrastructural deficiency, lack of skilled manpower and slow adoption of technology continue to weigh down the improvement in this sector. Additional workforce is required to meet the growing demand of logistics. A wide customer base has led to demanding expectation, including personalized solutions. There is little awareness about using proper modes of transport for different uses and about environmental concerns. In the absence of a systematic and holistic approach, the use of different modes of transportation has remained skewed and inefficient.

Expansion Plans

Gas Terminal Division

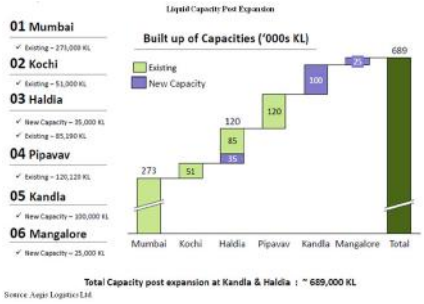
Aegis has completed all major capacity expansions in gas division last fiscal, though not without delays – greenfield capacity expansion with 2 fully refrigerated tanks of static storage capacity of 12,500 mt each (total throughput capacity of 2.5m mt) and an LPG bottlenecking plant at Haldia, entailing capex of Rs 250 crs and Rs 25 crs respectively. The expansions, which were completed in Q3FY18, should benefit from Paradip-Durgapur pipeline connectivity passing through Haldia, being built by IOCL. Aegis has signed a 20 year MOU with a large PSU as the anchor customer at the current market throughput rates for use of this terminal. Debottlenecking of LPG terminals at Mumbai with static and throughput capacity of 20,000 mt and 1.1m mt respectively, was also completed in Q3FY18 (initial time of completion H1FY18) with a total project cost of Rs 15 crs. Brownfield capacity expansion at Pipavav with static and throughput capacity of 10,200 mt and ~0.8m mt respectively, was completed in Q3 of last fiscal.

Its pipeline connectivity of Uran-Chakan passing through Mumbai is in final stage of construction by HPCL and is expected to be completed in 6-9 months. Aegis has no major additional capex as of now. Total LPG capacity post expansion has reached static capacity and throughput capacity of 63,300 mt and 5m mt.



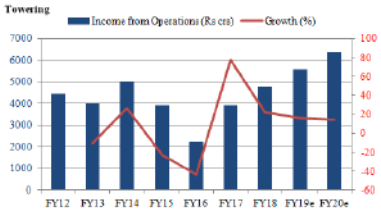
Liquid Terminal Division

Aegis completed greenfield liquid terminal expansion at Kandla Port of 100,000 KL at a cost of Rs 75 crs last fiscal. Another greenfield expansion of 25,000 KL at Mangalore Port – earlier slated to be completed in FY18 – was completed in H1FY19 (but still awaiting final permit to start). Phase II of brownfield liquid terminal expansion at Haldia Port of 35,000 KL involving capex of Rs 35 crs also got completed in H1FY19 (Phase I of 25,000 KL completed in Q1FY18 as per schedule). Post expansion, total liquid capacity has reached ~689,000 KL.

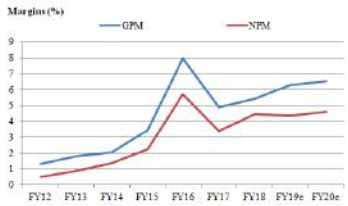


Financials & Valuations

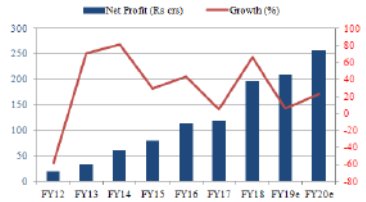
Aegis recorded revenue growth of 16.5% (yoy) in H1FY19, led by 16.9% (yoy) growth in gas division and 7.7% (yoy) growth in liquid terminal division. GOI's thrust on boosting LPG consumption through various initiatives and commissioning of new capacities at Pipavav and Haldia contributed to 30.2% yoy rise in total gas volume in H1FY19 (up by 22.3% yoy in FY18). Improved capacity utilization at liquid terminals (though Pipavav liquid terminal still remained underutilized at ~20-25%) and addition of new capacities – 100,000 KL at Kandla port and 35,000 KL at Haldia port – boosted liquid division's topline.



Sources: Aegis Logistics Ltd., CD Equisearch

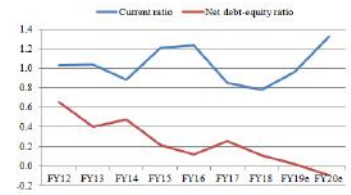


Sources: Aegis Logistics Ltd., CD Equisearch

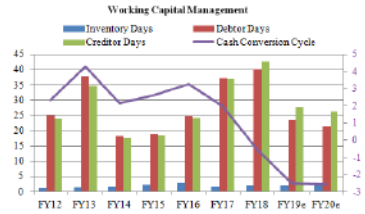


Sources: Aegis Logistics Ltd., CD Equisearch

Being a fully integrated player in logistics chain with 111 auto-gas stations across 7 states, Aegis witnessed increase in sourcing volume – up by 12.8% in FY18 (yoy) – due to uptick in demand owing to GOI's implementation of LPG subsidy Pradhan Mantri Ujjwala Yojana Scheme in rural areas, increasing gas throughput volumes at Mumbai and Pipavav. However, no sale to BPCL in current fiscal has led to 17.1% (yoy) decline in LPG sourcing volumes in H1FY19. It has won two tenders from IOC for sourcing of 1.5 MT of LPG for 2019, but tenders from HPCL and BPCL are still awaited. Going forward, gas division should witness an increase of 33.9% and 8.2% in total volumes in FY19 and FY20 respectively with revenue growth at a CAGR of 15.5% in next two years.

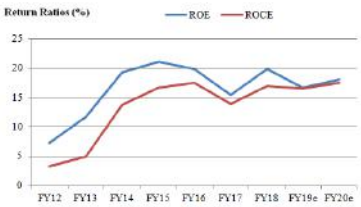


Sources: Aegis Logistics Ltd., CD Equisearch

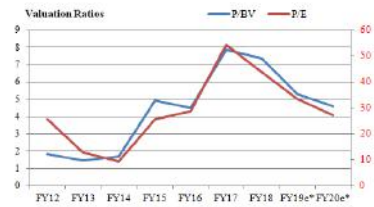


Sources: Aegis Logistics Ltd., CD Equisearch

Additional capacities at its Haldia liquid terminal and higher capacity utilization at major terminals – Mumbai terminal continues to operate at full capacity - spurred margins of liquid terminal division- 50.4% last fiscal vs 47.4% in FY17. Ramp-up of the Haldia terminal (expansion of 35,000 KL), newly commissioned project at Kandla (100,000 KL) and expansion of Mangalore port (25,000 KL) should drive the growth for the liquid division in the coming years. We expect the division's topline to grow by 11.9% and 12.5% in FY19 and FY20 respectively, with margins at 39.8% and 43.0% in current and next fiscal (H1FY19 margin 41.8% vs 56.2% in the same period last year).

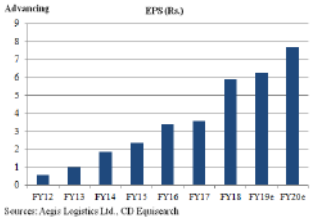


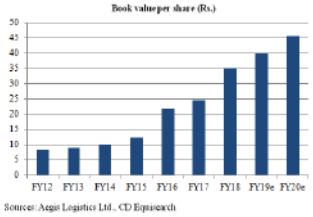
Sources: Aegis Logistics Ltd., CD Equisearch



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

The stock currently trades at 33.4x FY19e EPS of Rs 6.27 and 27.3x FY20e EPS of Rs 7.70. Increased focus on LPG usage, coupled with widening demand-supply gap, should support volume growth – expected to grow at a CAGR of 20.4%- for gas division in two years ending FY20. Its joint venture with ITOCHU Petroleum Co. , (Singapore) Pte Ltd, for its Singapore based LPG sourcing and supply business, should help it in attaining cost leadership in LPG import market. Yet, continued underperformance of Pipavav liquid terminal – its negotiations with Gujarat Pipavav Port Ltd. for resurrecting capacity utilization at the terminal - and setbacks in boosting capacity utilization at Haldia gas terminal division may trigger downside risk to its earnings. Its post tax earnings should rise by 14.0% on an average over the next two years. In view of its recent performance, we have reduced our current fiscal's EPS by 12.1% (Rs 6.27 vs Rs 7.14 earlier). Given the recent drop in stock price, we assign 'buy' rating on the stock with target price of Rs 254 (previous target Rs 286) based on 33x FY20e EPS of Rs 7.70. For more information, refer to our March 2018 report.





Cross Sectional Analysis

Company	Equity	CMP	MCAP*	Sales*	Profit*	OPM (%)	NPM (%)	Int Cov	ROE (%)	Mcap/ Sales	P/BV	P/E
Aegis Log.	33	210	7007	5137	202	6.2	4.4	12.5	18.5	1.4	5.5	34.6
Gati Ltd.	22	87	946	1826	16	4.6	1.2	1.7	6.6	0.5	3.2	58.4
Transport Corp	15	285	2182	2362	118	9.2	5.0	5.7	17.3	0.9	2.9	18.5
Allcargo Log.	49	105	2570	6378	172	6.3	2.6	8.8	10.3	0.4	1.5	14.9
Container Corp	244	676	32973	6635	1160	26.0	17.5	19837.8	12.3	5.0	3.4	28.4

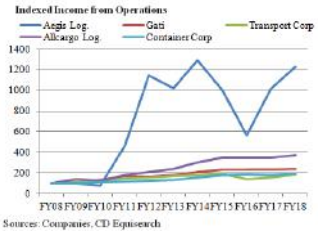
*figures in crores; calculations on ttm basis; standalone or consolidated data as available on Sept 30, 2018.
Businesses of companies mentioned in exhibit are not comparable.

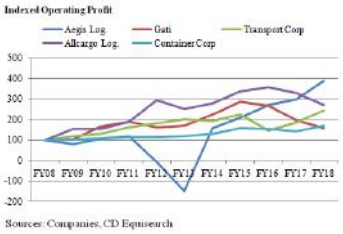
Despite an improvement of 15.2% (yoy) in its revenue from operations in Q2FY19, Gati has failed to witness any expansion in its operating margins – flat at 4.8% (yoy) and (qoq). Although operating profits were up by 15.6%, PAT de-grew by 87.4% (yoy) due to high other income in Q2FY18 (Rs 28.37 crs vs Rs 1.17 crs) owing to foreign currency exchange gain and premium on redemption of FCCBs. Gati's vast portfolio covering warehousing solutions, e-commerce operations, value added transportation, freight forwarding, cold chain solutions and trade inventory management has helped it grow into an organization with more than 1800 routes in cold chain across India. Its presence in fast growing e-commerce and cold chain sector is expected to drive its business in the coming years.

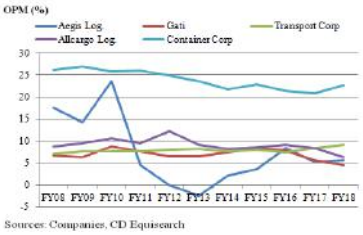
TCI's topline grew by 19.2% (yoy) in Q2FY19, mainly on account of 27.2% (yoy) and 9.1% (yoy) uptick in 'freight' and 'supply chain solutions' divisions respectively (both collectively constituting ~87% of TCI's revenue). Growth in SME/MSME customers and increase in both volume and price led to 27.2% (yoy) growth in 'freight division' last quarter. However, operating margins were impacted (8.6% vs 9.6% a year ago) due to higher 'operating expenses'. Higher interest and depreciation cost (up by 23.5% and 8.9% respectively) further restrained net profit growth by only 1.3% (yoy) in Q2FY19. With proposed capital expenditure of Rs 250 crs (Rs 113 crs incurred in H1FY19) and increased focus on multimodal logistics, it aims to tap the enormous potential in logistics sector.

Allcargo posted revenue growth of 12.3% (yoy) in Q2FY19, aided by revenue growth of 11.0% and 19.7% in 'multimodal transport operations' business and 'container freight station operations' business respectively, with 22% (yoy) volume growth in both the segments. 'Multimodal transport operations' recorded such a growth from key markets despite challenging trade and freight condition. 22% volume growth in 'container freight station operations' was driven by Kolkata operations and increase in its share of DPD volumes at JNPT. Through its 62% stake in JV 'Avvashya CCI Logistics Pvt Ltd', Allcargo is one of the key players in the highly competitive sectors of chemicals, pharma, auto, food, retail and e-commerce.

Higher volumes and realizations across its EXIM and domestic business segments enabled Container Corp to report topline and bottomline growth of 26.1% (yoy) and 46.8% (yoy) last quarter. EXIM volumes last quarter were up 12.7% (yoy), while domestic volumes grew by 18.8% (yoy). It has entered into an agreement with Kribhco Infrastructure Ltd. (KRIL) wherein Concor will operate and manage the bonded area at KRIL's terminal at Modinagar, Uttar Pradesh, for handling of EXIM traffic.







Note: Graphs on consolidated data.

Financials

Consolidated Quarterly Results

Figures in Rs crs

	Q2FY19	Q2FY18	% chg.	H1FY19	H1FY18	% chg.
Income From Operations	**1425.87**	**1240.93**	**14.9**	**2442.72**	**2096.96**	**16.5**
Other Income	2.12	1.39	52.5	3.29	3.00	9.7
Total Income	**1427.99**	**1242.32**	**14.9**	**2446.01**	**2099.96**	**16.5**
Total Expenditure	1337.15	1173.08	14.0	2267.57	1972.54	15.0
EBITDA (other income included)	**90.84**	**69.24**	**31.2**	**178.44**	**127.42**	**40.0**
Interest	7.34	3.44	113.4	13.87	6.80	104.0
Depreciation	12.46	6.28	98.4	24.55	12.00	104.6
PBT	**71.04**	**59.52**	**19.4**	**140.02**	**108.62**	**28.9**
Tax	13.52	3.56	279.8	23.33	5.83	300.2
PAT	**57.52**	**55.96**	**2.8**	**116.69**	**102.79**	**13.5**
Minority Interest	8.62	3.90	121.0	16.15	6.77	138.6
PAT after MI	**48.90**	**52.06**	**-6.1**	**100.54**	**96.03**	**4.7**
EO	-	-	-	-	-	-
Adjusted Net Profit	**48.90**	**52.06**	**-6.1**	**100.54**	**96.03**	**4.7**
EPS(Rs)	1.46	1.56	-6.1	3.01	2.87	4.7

Consolidated Segment Results

Figures in Rs crs

	Q2FY19	Q2FY18	% chg.	H1FY19	H1FY18	% chg.
Segment Revenue						
Liquid Terminal Division	44.46	40.79	9.0	89.91	83.48	7.7
Gas Terminal Division	1381.41	1200.14	15.1	2352.81	2013.48	16.9
Segment Revenue	**1425.87**	**1240.93**	**14.9**	**2442.72**	**2096.96**	**16.5**
Segment EBIT						
Liquid Terminal Division	14.62	22.83	-36.0	37.58	46.88	-19.8
Gas Terminal Division	73.33	47.15	55.5	131.92	83.90	57.2
Sub Total	**87.95**	**69.98**	**25.7**	**169.50**	**130.78**	**29.6**
Interest	7.34	3.44	113.4	13.87	6.80	104.0
Other Unallocable Exp. (net)	9.57	7.02	36.3	15.61	15.36	1.6
PBT	**71.04**	**59.52**	**19.4**	**140.02**	**108.62**	**28.9**

Financials

Consolidated Income Statement

Figures in Rs crs

	FY16	FY17	FY18	FY19e	FY20e
Income From Operations	**2213.22**	**3930.29**	**4790.96**	**5562.33**	**6377.98**
Growth (%)	-43.5	77.6	21.9	16.1	14.7
Other Income	8.44	5.72	8.35	8.28	10.12
Total Income	**2221.65**	**3936.01**	**4799.31**	**5570.61**	**6388.10**
Total Expenditure	2027.88	3726.72	4524.96	5192.48	5944.55
EBITDA (other income included)	**193.78**	**209.29**	**274.36**	**378.14**	**443.55**
Interest	17.68	16.34	15.23	28.02	26.12
Depreciation	23.42	23.81	34.31	53.54	58.56
PBT	**152.67**	**169.13**	**224.82**	**296.58**	**358.87**
Tax	26.53	36.16	11.01	54.87	66.39
PAT	**126.14**	**132.97**	**213.81**	**241.71**	**292.48**
Minority Interest	12.81	13.74	16.00	32.15	35.37
PAT after MI	**113.33**	**119.23**	**197.81**	**209.56**	**257.12**
EO	-	0.01	-	-	-
Adjusted Net Profit	**113.33**	**119.22**	**197.81**	**209.56**	**257.12**
EPS (Rs)	3.39	3.57	5.92	6.27	7.70

Segment Results

Figures in Rs crs

	FY16	FY17	FY18	FY19e	FY20e
Segment Revenue					
Liquid Terminal Division	170.60	153.88	168.28	188.36	211.85
Gas Terminal Division	2042.62	3776.41	4622.68	5373.98	6166.13
Segment Revenue	**2213.22**	**3930.29**	**4790.96**	**5562.33**	**6377.98**
Segment EBIT					
Liquid Terminal Division	86.50	72.97	84.80	74.99	91.10
Gas Terminal Division	112.30	139.73	184.36	289.02	339.14
Sub Total	**198.80**	**212.70**	**269.16**	**364.01**	**430.23**
Interest	17.68	16.34	15.23	28.02	26.12
Other Unallocable Exp. (net)	28.45	27.22	29.12	39.42	45.24
PBT	**152.67**	**169.13**	**224.82**	**296.58**	**358.87**

Consolidated Balance Sheet

Figures in Rs crs

	FY16	FY17	FY18	FY19e	FY20e
Sources of Funds					
Share Capital	33.40	33.40	33.40	33.40	33.40
Reserves	705.94	803.78	1173.87	1327.05	1523.76
Total Shareholders' Funds	**739.35**	**837.19**	**1207.28**	**1360.46**	**1557.16**
Minority Interest	41.44	29.24	69.70	101.85	137.22
Long Term Debt	109.00	77.37	61.96	77.69	97.80
Total Liabilities	**889.78**	**943.80**	**1338.94**	**1540.00**	**1792.18**
Application of Funds					
Gross Block	767.43	761.62	1330.01	1440.59	1530.59
Less: Accumulated Depreciation	-	13.32	47.63	101.17	159.73
Net Block	**767.43**	**748.31**	**1282.38**	**1339.42**	**1370.86**
Capital Work in Progress	73.23	312.71	125.58	90.00	50.00
Investments	0.36	0.19	0.02	0.01	0.01
Current Assets, Loans and Advances					
Inventory	11.53	21.77	26.00	33.80	40.56
Trade receivables	97.21	705.86	346.94	364.29	382.50
Cash and Bank	98.44	62.28	161.99	189.04	419.24
Other current assets	43.73	53.47	92.05	98.72	104.37
Total CA	**250.91**	**843.38**	**626.98**	**685.84**	**946.67**
Current Liabilities	200.81	977.68	775.76	673.97	679.62
Provisions-Short term	1.79	1.35	2.91	3.34	3.83
Total Current Liabilities	**202.60**	**979.03**	**778.66**	**677.30**	**683.45**
Net Current Assets	48.31	-135.64	-151.68	8.54	263.23
Net Deferred Tax Liability	-55.69	-46.75	-5.50	5.16	5.16
Net long term assets (net of liabilities)	56.14	64.98	88.13	96.86	102.92
Total Assets	**889.78**	**943.80**	**1338.94**	**1540.00**	**1792.18**

Key Financial Ratios

	FY16	FY17	FY18	FY19e	FY20e
Growth Ratios(%)					
Revenue	-43.5	77.6	21.9	16.1	14.7
EBITDA	25.2	8.0	31.1	37.8	17.3
Net Profit	43.4	5.2	65.9	5.9	22.7
EPS	43.4	5.2	65.9	5.9	22.7
Margins (%)					
Operating Profit Margin	8.4	5.2	5.6	6.6	6.8
Gross profit Margin	8.0	4.9	5.4	6.3	6.5
Net Profit Margin	5.7	3.4	4.5	4.3	4.6
Return (%)					
ROCE	17.4	13.9	17.0	16.5	17.5
ROE	19.9	15.4	19.8	16.7	18.0
Valuations					
Market Cap/ Sales	1.5	1.7	1.8	1.3	1.1
EV/EBITDA	17.2	32.1	32.1	18.7	16.0
P/E	28.7	54.5	43.8	33.4	27.3
P/BV	4.5	7.9	7.4	5.3	4.6
Other Ratios					
Interest Coverage	9.6	11.3	15.8	11.6	14.7
Debt Equity	0.2	0.3	0.2	0.2	0.2
Net Debt-Equity Ratio	0.1	0.3	0.1	0.0	-0.1
Current Ratio	1.2	0.9	0.8	1.0	1.3
Turnover Ratios					
Fixed Asset Turnover	3.7	5.2	4.7	4.2	4.7
Total Asset Turnover	3.1	4.4	4.3	4.0	3.9
Inventory Turnover	127.2	223.9	189.5	173.7	159.9
Debtors Turnover	14.8	9.8	9.1	15.6	17.1
Creditor Turnover	15.1	9.9	8.6	13.1	13.9
WC Ratios					
Inventory Days	2.9	1.6	1.9	2.1	2.3
Debtor Days	24.6	37.3	40.1	23.3	21.4
Creditor Days	24.2	37.0	42.6	28.0	26.2
Cash Conversion Cycle	3.3	2.0	-0.6	-2.5	-2.6

Cumulative Financial Data

	FY09-11	FY12-14	FY15-17	FY18-20e
Liquid Terminal Division	239	331	478	568
Gas Terminal Division	2264	13146	9582	16163
Income from operations**	2503	13476	10060	16731
Operating profit	209	4	532	1069
EBIT	180	294	488	950
PBT	150	174	433	880
PAT after MI	117	114	312	664
Dividends	39	43	99	166
OPM (%)	8.3	0.0	5.3	6.4
NPM (%)	4.7	0.9	3.4	4.5
ROE (%)	19.1	12.7	17.9	18.9
ROCE (%)	14.8	13.9	15.1	17.5
Interest Coverage	6.0	2.4	8.9	13.7
Debt Equity*	0.5	0.7	0.3	0.2
Fixed asset turnover	3.7	14.1	5.8	5.3
Debtors turnover	12.8	30.4	7.4	10.2
Inventory turnover	53.3	220.2	136.2	167.5
Creditors turnover	12.3	31.5	7.3	9.4
Debtor days	28.6	12.0	49.6	35.6
Inventory days	6.9	1.7	2.7	2.2
Creditor days	29.6	11.6	49.9	39.0
Cash conversion	5.9	2.1	2.4	-1.2
Dividend payout ratio (%)	33.1	37.6	29.4	25.0

FY09-11 implies three year period ending fiscal 11;*as on terminal year; ** includes other operating income

Topline was up 5.4x in FY12-14 period compared to that in previous three year period ending FY11, mainly driven by 5.8x growth in gas terminal division. Yet, the company posted an operating loss of Rs 3.79 crs ($0.8m) and Rs 100 crs ($18.4m) in FY12 and FY13 respectively, due to loss on foreign exchange fluctuation and amortization of premium on forward and currency contract options. However, gas division sales slowed down in the subsequent years, thanks to fall in international LPG prices and decline in distribution volume due to illegal diversion of subsidized LPG to the gas sector in FY15. Further, delays in registration of AGI as an approved international vendor impacted the gas sourcing volume in FY16, leading to a 27% drop in gas division's sales in FY15-17 period from FY12-14 period.

With gamut of recent expansions undertakings and increased focus on LPG penetration, we expect Aegis to post 1.7x topline growth during FY18-20 period. Reduction of finance cost and improved earnings helped interest coverage ratio improve to 8.9 in FY15-17 from 2.4 in FY12-14 period. With most of the capex funded through internal accruals, debt equity reduced to 0.3 in FY17, and with no major capex expected in the coming years, we expect it to further decline to 0.2. Improved capacity utilization of gas terminal division at Haldia and of liquid terminal division at Haldia, Kandla and Mangalore ports, should buoy margins (see table). Return ratios should improve – ROE and ROCE of 18.9% and 17.5% respectively during FY18-20 period.

Financial Summary- US Dollar denominated

million $	FY16	FY17	FY18	FY19e	FY20e
Equity capital	5.0	5.2	5.1	4.8	4.8
Shareholders' funds	109.4	127.1	180.8	190.8	219.0
Total debt	28.4	44.2	46.7	31.9	37.7
Net fixed assets (incl. CWIP)	124.7	163.4	216.3	205.0	203.8
Investments	0.1	0.0	0.0	0.0	0.0
Net current assets	7.3	-22.8	-28.0	-3.1	33.5
Total assets	132.1	143.5	201.0	216.6	252.8
Revenues	338.1	585.8	743.4	798.5	915.6
EBITDA	29.6	31.2	42.6	54.3	63.7
EBDT	26.9	28.8	40.2	50.3	59.9
PBT	23.3	25.2	34.9	42.6	51.5
PAT	17.3	17.8	30.7	30.1	36.9
EPS($)	0.05	0.05	0.09	0.09	0.11
Book value ($)	0.33	0.38	0.54	0.57	0.66

Income statement figures translated at average rates; balance sheet at year end rates; projections at current rates (Rs 69.66/$).
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/$	FY15	FY16	FY17	FY18
Average	61.15	65.46	67.09	64.45
Year end	62.59	66.33	64.84	65.04

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.