Aegis Logistics Ltd.	
No. of shares (m)	339.66
Mkt cap (Rscrs/$m)	4463/588.6
Current price (Rs/$)	131/1.7
Price target (Rs/$)	184/2.4
52 W H/L (Rs.)	267/107
Book Value (Rs/$)	45/0.6
Beta	0.8
Daily volume (avg. monthly)	262160
P/BV (FY20e/21e)	2.8/2.3
EV/EBITDA (FY20e/21e)	15.4/9.4
P/E (FY20e/21e)	35.3/18.6
EPS growth (FY19/20e/21e)	11.9/-40.4/78.7
OPM (FY19/20e/21e)	6.6/3.6/5.1
ROE (FY19/20e/21e)	17.5/8.9/13.4
ROCE(FY19/20e/21e)	17.0/9.9/12.9
D/E ratio (FY19/20e/21e)	0.2/0.3/0.2
BSE Code	500003
NSE Code	AEGISCHEM
Bloomberg	AGIS IN
Reuters	AEGS.NS

Shareholding pattern%	
Promoters	59.6
MFs / Banks / FIIs/FIs	2.4
Foreign Portfolio Investors	12.5
Govt. Holding	-
Public& Others	25.6
Total	**100.0**

As on Dec 30, 2019

Recommendation

BUY

Phone: + 91 (33) 4488 0055

E- mail: research@cdequi.com

Quarterly Highlights

- As per Zion Market Research, the LPG market was USD 278 bn in 2018 and is expected to reach USD 359 bn by 2025, witnessing a CAGR of 3.1% between 2019-25. Rapid urbanization in emerging countries has triggered the growth of LPG market. The industrial sector, especially the petrochemical industry, has escalated the growth of LPG. Asia Pacific dominates the market in terms of revenue significantly due to widespread acceptance of LPG for cooking. Increasing government support by means of new demand initiatives and subsidies would boost the LPG market.
- Aegis' revenue grew by an impressive 64.2% (yoy) in the third quarter of the current fiscal partly due to revenues from the gas terminal division surging by an eye popping higher 65.9%. If it was not for expenses related to employee stock purchase plan of Rs. 42.14 cr, operating profit would have accelerated from Rs 92.59 cr to Rs 151.75 cr (up by 63.9%). Consequently, earnings before tax would have gone up by 71.2% (yoy).
- The gas terminal division, which accounted for some 80% of the overall EBIT, posted topline growth of 65.9% (yoy) accruing on account of higher volumes which advanced by 64%. LPG logistics volumes grew by a blistering 67.5% due to record volumes at its Haldia and Mumbai and Pipavav terminals. Healthy imports by IOC, HPCL and BPCL galvanized overall volumes, much like Q2, last quarter. LPG distribution volumes rose by a barely modest 22% to 41000 MT last quarter driven by 22% rise in auto gas volumes and 14% in bulk industrial sales. Modest volume share of distribution business did little to stymie overall growth of gas terminal division volumes. Sourcing volumes surged by a scarcely disquieting 61.6%.
- The company currently trades at 33.3x FY20e EPS of Rs 3.95 and 18.6x FY21e EPS of Rs 7.06. Strong government initiatives like the PMUY scheme would boost demand for LPG in India. Capacity expansions at its gas terminals in Kandla and Pipavav in FY20 would have little forbearance to disrupt its supply chains (temporary though) brought forth by corona virus scare. Thence, gas terminal revenue is projected to rise by a moderate 10.6% in FY21 on decent volumes. Yet, post tax earnings would barely constrict (expected to increase over 80%) not least due to modest debiting of employee stock purchase plan related expenses. (a trifle below two-fifth of FY20's). On balance, we assign buy rating on the stock with a target price of Rs 184 (previous target of Rs 222) based on 26x FY21e EPS of Rs 7.06 (average 3 year TTM P/E: 36.6x).

Consolidated (Rs crs)	FY17	FY18	FY19	FY20e	FY21e
Income from operations	3930.29	4790.96	5615.82	8104.73	8950.39
Other Income	5.72	8.35	8.19	16.78	21.70
EBITDA (other income included)*	209.29	274.35	379.06	308.12	474.71
PAT after MI and EO	119.22	197.81	221.38	134.24	243.90
EPS(Rs)	3.57	5.92	6.63	3.95	7.06
EPS growth (%)	5.2	65.9	11.9	-40.4	78.7

*includes effect of employee stock purchase plan initiated in Q2 (Rs. 238 cr in FY20 and Rs. 93 cr in FY21)

Outlook & Recommendation

Indian Logistics Industry

According to the latest report published by ICRA, the Indian logistics sector is set to grow at 8-10 per cent over the medium term with the outlook remaining largely stable; the ensuing demand momentum will lead to higher freight volumes in the second half of FY2021 despite weak macroeconomic scenario. Being the backbone of the economy, the Indian logistics industry ranking jumped from 54 in 2014 to 44 in 2018. One of the officials of ICRA Ratings reckon "We expect the sector to continue to outpace the GDP growth over the medium-term, which apart from demand side factors would also be supported by supply-side positives like emergence of integrated logistics players, investments in infrastructure development- warehouse & inter-modal transport hubs."

The government of India has reiterated its firm commitment on modernizing the functionalities of Indian logistics with a key focus on infrastructure development. Development projects have been rolled out to improve supply chain efficiencies and enhance connectivity to help logistics players tap rural markets. By some estimate, investment expenditure in logistics would touch USD 500 bn annually by 2025, to heighten efficiency. This phenomenal growth will be driven by ecommerce retailers foraying in Tier II cities, and the entry of more multinational companies in the FMCG segment. This would further foster rapid growth of retail channels which require efficient inventory management and warehousing solutions. The emergence of new technologies like artificial intelligence, internet and machine learning will disrupt the conventional working of the logistics sector and thereby enhance productivity and boost efficiencies of supply network.

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

Revolutionary policies and reforms like the unveiling of the GST, relaxing of FDI regulations and granting of infra status has boosted the core competencies of the Indian logistics industry. With the onset of GST, the logistics industry shifted towards multi-modals and large format logistics parks along key consumption and industrial centers which can function as freight aggregation and distribution hubs. Asia Pacific has accounted for the largest share of the global market, followed by North America and Europe due to increased adoption of outsourced logistics services along with rising imports and exports with the onset of urbanization.

The Indian logistics industry is highly fragmented and unorganized, with the organized players accounting to approximately 10%. Logistics costs in India exceed those in other countries- 14% vs 10-11% for BRIC countries and 8-9% for developing nations, thereby stifling growth. Future cooperation between countries is likely to reduce logistics cost and the advancement of e-commerce would soon reach a new high, resulting in more opportunities for the logistics industry.

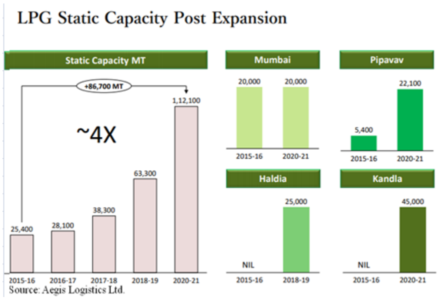
Logistics costs have a significant bearing on Indian exports and thus slashing them by 10% would widen exports by 5-8%. The industry is perceptible to challenges like under developed material handling infrastructure; fragmented warehousing etc. and is thus focusing on removing bottlenecks, and improving inter-modal transportation etc.

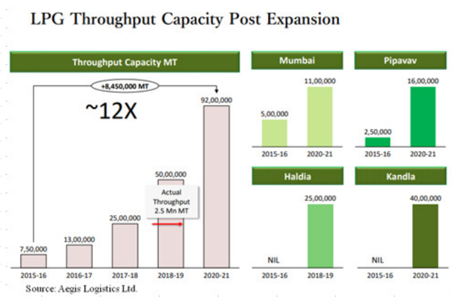
Expansion Plans

Gas Terminal Division

Owing to rising LPG demand, Aegis has earmarked a capex of Rs 350 cr for expansion of static LPG capacity at Kandla port of 45,000 MT, involving 2 fully refrigerated tanks of 22,500 MT each with a total throughput capacity of 4 million MT, anticipated to be completed by Q3FY21. Another brownfield capacity expansion at Pipavav of 3,800 MT and setting up of railway gantry has been approved which is to be commissioned by Q2FY21, entailing a capex of Rs 75 cr. Throughput for LPG handled in Pipavav is expected to grow from 1.4m MT to 1.6m MT through existing and new customer relationships. The Uran - Chakan LPG pipeline, with potential volumes of 0.5m MT per year, would contribute meaningfully in FY21.

It completed major capacity expansions in FY18. It commissioned greenfield capacity expansion at Haldia of two fully refrigerated tanks of 12,500 MT each with a throughput capacity of 2.5m MT with a capex of Rs 250cr and debottlenecking of LPG terminals at Mumbai with a static capacity of 20,000 Mt, with a cost of Rs 15 cr was also concluded.

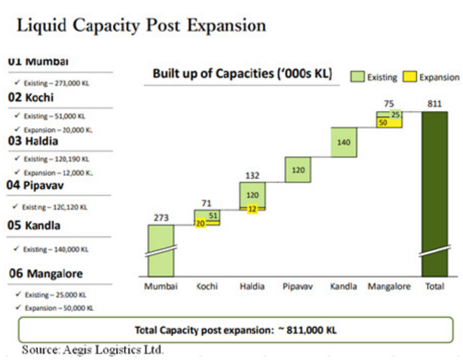




Liquid Terminal Division

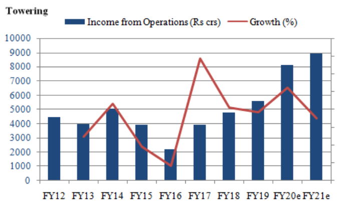
Aegis operates six liquid terminals that are strategically located at Mumbai, Kochi, Haldia, Pipavav, Kandla and Mangalore with an existing total capacity of 729,000 KL. It completed the capacity expansion of 40,000 KL (current capacity of 100,000KL) at Kandla, involving a capex of Rs 25cr in Q2FY20- earlier slated to be completed in H2FY20. It plans to increase the capacity at Haldia from existing 120,000 KL to 132,000 Kl, incurring a capex of Rs 10 cr which is expected to be completed by H1FY21. It has also approved setting up of additional storage capacity at the Mangalore port of 50,000 Kl (existing capacity of 25,000) with a project cost of Rs 35 cr, scheduled to be completed next fiscal.

Another ramping up of capacity of 20,000 Kl beyond the current 51,000 Kl at the Kochi port costing Rs 15 cr is now revised to be completed by H1FY21 from earlier Q4FY20. The total capacity post expansion would be 811,000 Kl (see chart) and would be funded by internal accruals. The new capacity built in Kandla, Mangalore and Haldia are performing with full terminals and is quite profitable.

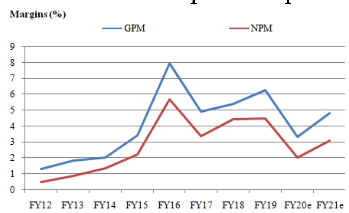


Financials & Valuation

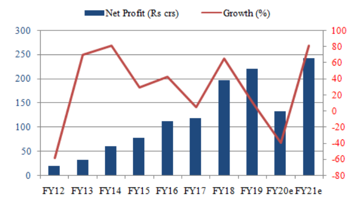
Increasing domestic consumption of LPG and GOI's push towards a gas based economy is expected to unravel new opportunities for Aegis. India became the second largest LPG consumer after its demand showed robust growth boosted by the PMUY (Pradhan Mantri Ujjwala Yojna) scheme. The scheme boosted India's LPG consumption to a record high in FY19, where consumption crossed more than 24 million tons. These developments present an opportunity for the oil & gas sector and directly benefits Aegis.



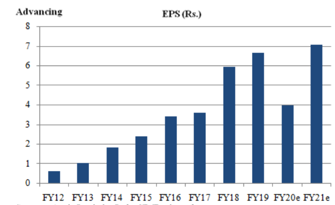
Sources: Aegis Logistics Ltd., CD Equisearch



Sources: Aegis Logistics Ltd., CD Equisearch

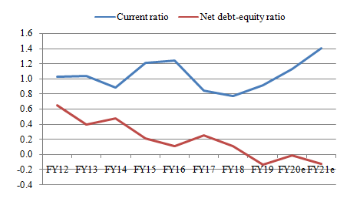


Sources: Aegis Logistics Ltd., CD Equisearch

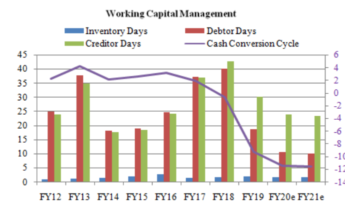


Sources: Aegis Logistics Ltd., CD Equisearch

It posted a topline growth of 57.9% in the first nine months of the current fiscal mainly on account of excellent volume growth across LPG division. Higher throughput at its Haldia, Pipavav and Mumbai terminals aided volumes which grew by an impressive 45% y-o-y. With the benefit of railway connectivity in Pipavav and the Uran – Chakan pipeline, higher throughput is expected. Despite increase in liquid capacity to some 811 thousand KL from 729 thousand KL in FY21, we expect an overall revenue growth of 10.4% on the back of growth in LPG logistics volumes of a modest 13.4% for FY21which in 9MFY20 grew by 26.8%.

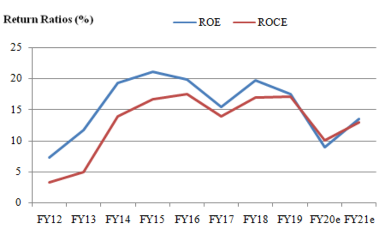


Sources: Aegis Logistics Ltd., CD Equisearch

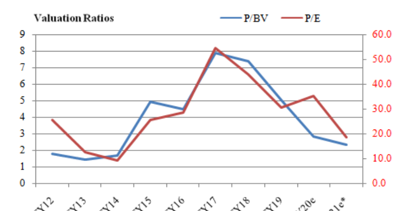


Sources: Aegis Logistics Ltd., CD Equisearch

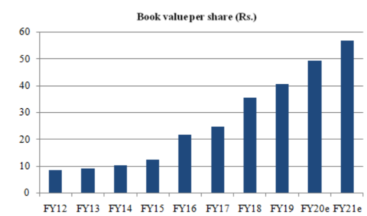
Excellent sales contributed to 47.5% growth in profit before tax (by adding back expenses relating to ESOPs of Rs. 197 cr). The company has set aside approximately Rs 500 cr for its new gas terminal at Kandla as well as ramping up liquid terminal capacity, besides others. Though the future outlook remains slightly optimistic, Aegis faces some threats. Changes in government policy with regards to subsidized price of LPG, inadequate infrastructure as well as geo political instability would impact the logistics business. Though the logistics industry in India is critical to economic growth, the sector still lacks optimal utilization of resources. Higher logistics cost than Russia and China along with challenges in application of new technologies plague the industry.



Sources: Aegis Logistics Ltd., CD Equisearch



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



Sources: Aegis Logistics Ltd., CD Equisearch

The company currently trades at 33.3x FY20e EPS of Rs 3.95 and 18.6x FY21e EPS of Rs 7.06. As per ICRA, the domestic logistics sector is set to grow at 8-10% over the medium term with industry capex towards capacity augmentation estimated at Rs 9-11 bn annually. The LPG industry is on the track to foresee rising demand with increased cooking fuel and auto gas consumption. Yet, business disruption resulting from corona virus scare could barely keep gas terminal division volumes steady in FY21 resulting in lukewarm 10.4% overall revenue growth. Post tax earnings, though, would increase by some 80% all thanks to relatively modest debiting of ESOP related cost. On the backdrop of recent drop in stock prices, we recommend buying the stock with a target price of Rs 184 (previous target of Rs 222) based on 26x FY21e EPS of Rs. 7.06. For more information, refer to our September 2019 report.

Cross Sectional Analysis

Company	Equity	CMP	MCAP*	Sales*	Profit*	OPM (%)	NPM (%)	Int Cov	ROE (%)	Mcap/ Sales	P/BV	P/E
Aegis Log.	34	131	4463	7794	127	3.7	2.0	7.4	8.8	0.6	2.9	35.1
Gati Ltd.	22	46	503	1801	-7	4.5	-0.2	1.1	-	0.3	1.9	-
Transport Corp	15	170	1303	2793	164	9.3	5.0	5.6	17.8	0.5	1.3	7.9
Allcargo Log.	49	59	1447	7203	221	7.0	3.2	7.0	12.2	0.2	0.8	6.6
Container Corp	305	305	18553	6804	1312	24.8	18.5	41.9	13.3	2.7	1.9	14.1

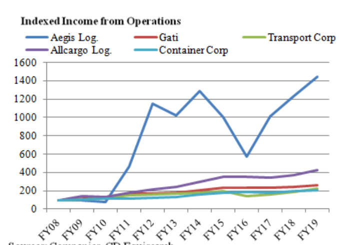
*figures in crores; calculations on ttm basis; consolidated data as available on December 31, 2019.
Businesses of companies mentioned in exhibit are not truly comparable.

Gati posted revenue de growth of 4.4% (yoy) in the first nine months of the current fiscal due to not so robust demand from its business verticals including e-commerce, heavy engineering, automobile and ancillary, telecom and others. On account of tepid revenues, margins declined as well- OPM stood at 4% vs 4.9% a year ago. It reported loss before tax of Rs 8.95 cr compared to profit of Rs 20.52 cr last year; the impact can also be seen on the flagship express distribution and supply chain segment whose margin shrunk from 4.4% to 2.3% over the same period last year.

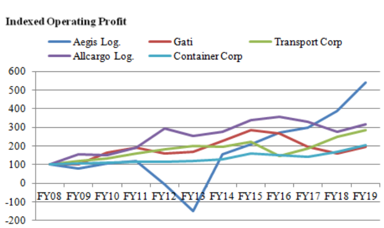
TCI reported a meager topline growth of 1.9% in 9MFY20 amid lower volumes and spiraling downward trends in automotive sector. Yet, this had marginal impact on PBT, which witnessed an uptick of 7.4% (yoy) to Rs 107.71 cr. Better cost management aided OPM to rise imperceptibly- 8.9% vs 8.4% a year ago with operating profit rising to Rs 181.97 cr from an earlier Rs 170.85 cr (up by 6.5%). To expand its presence in the logistics sector, it had earmarked a capex of Rs 275 cr for the current fiscal which has now been revised to Rs 130 cr (Rs 109 cr incurred in 9MFY20)- to be funded through debt and internal accruals.

Allcargo witnessed a revenue growth of 6% during the nine months of the current fiscal, mainly attributed by volume and revenue growth in the multimodal transport operations segment (constituting ~90% of total revenue). The segment continued gaining global market share while demand wasshowed considerable traction in segments like container freight station. Impacted by lower utilization, PBT was suppressed by 5.2% (yoy) and OPM stood at 7.25% vs 6.6% in the same period last year.

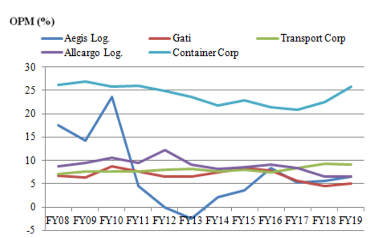
CONCOR- the largest container rail transporter in India, topline reported degrowth of almost 3% in the current nine months of this fiscal, on account of subdued overall volumes. With imports as well as exports down due to the economic situation, PBT suffered a de growth of 18.4% (yoy). Operating profit fell by 8.1%, yet it was somehow able to maintain its margin; OPM of 24.5% vs 25.9%. CONCOR has set aside a capex o Rs 1000 cr of which Rs 260 cr has been incurred up till now, mainly for the purpose of transportation of commodity in bulk using containers as warehouse and facilitating the handling of high capacity railway wagons.



Sources: Companies, CD Equisearch



Sources: Companies, CD Equisearch



Sources: Companies, CD Equisearch

Note: Graphs on consolidated data.

Financials

Consolidated Quarterly Results

Figures in Rs crs

	Q3FY20	Q3FY19	% chg.	9MFY20	9MFY19	% chg.
Income From Operations	**2168.63**	**1320.46**	**64.2**	**5941.60**	**3763.18**	**57.9**
Other Income	4.60	1.24	271.0	13.37	4.53	195.1
Total Income	**2173.23**	**1321.70**	**64.4**	**5954.97**	**3767.71**	**58.1**
Total Expenditure	2059.02	1227.87	67.7	5758.09	3495.44	64.7
EBITDA (other income included)*	**114.21**	**93.83**	**21.7**	**196.88**	**272.27**	**-27.7**
Interest	9.41	5.13	83.4	25.26	19.00	32.9
Depreciation	17.19	12.91	33.2	50.03	37.46	33.6
PBT	**87.61**	**75.79**	**15.6**	**121.59**	**215.81**	**-43.7**
Tax	28.38	10.58	168.2	34.20	33.91	0.9
PAT	**59.23**	**65.21**	**-9.2**	**87.39**	**181.90**	**-52.0**
Minority Interest	9.33	6.06	54.0	21.91	22.21	-1.4
PAT after MI	**49.90**	**59.15**	**-15.6**	**65.48**	**159.69**	**-59.0**
EO	-	-	-	-	-	-
Adjusted Net Profit	**49.90**	**59.15**	**-15.6**	**65.48**	**159.69**	**-59.0**
EPS(Rs)	1.47	1.77	-17.0	1.93	4.78	-59.7

*includes effect of employee stock purchase plan initiated in Q2 (Rs. 196.65 cr in 9MFY20)

Consolidated Segment Results

Figures in Rs crs

	Q3FY20	Q3FY19	% chg.	9MFY20	9MFY19	% chg.
Segment Revenue						
Liquid Terminal Division	54.75	46.05	18.9	154.23	135.96	13.4
Gas Terminal Division	2113.88	1274.41	65.9	5787.37	3627.22	59.6
Segment Revenue	**2168.63**	**1320.46**	**64.2**	**5941.60**	**3763.18**	**57.9**
Segment EBIT						
Liquid Terminal Division	29.63	18.10	63.7	78.05	55.68	40.2
Gas Terminal Division	114.70	71.96	59.4	282.63	203.88	38.6
Sub Total	**144.33**	**90.06**	**60.3**	**360.68**	**259.56**	**39.0**
Interest	9.41	5.13	83.4	25.26	19.00	32.9
Other Unallocable Exp. (net)	47.31	9.14	417.6	213.83	24.75	764.0
PBT	**87.61**	**75.79**	**15.6**	**121.59**	**215.81**	**-43.7**

Financials

Consolidated Income Statement

Figures in Rs crs

	FY17	FY18	FY19	FY20e	FY21e
Income From Operations	**3930.29**	**4790.96**	**5615.82**	**8104.73**	**8950.39**
Growth (%)	77.6	21.9	17.2	44.3	10.4
Other Income	5.72	8.35	8.19	16.78	21.70
Total Income	**3936.01**	**4799.31**	**5624.01**	**8121.51**	**8972.09**
Total Expenditure	3726.72	4524.96	5244.95	7813.39	8497.38
EBITDA (other income included)	**209.29**	**274.35**	**379.06**	**308.12**	**474.71**
Interest	16.34	15.23	26.19	36.41	42.28
Depreciation	23.81	34.31	50.54	68.33	87.30
PBT	**169.13**	**224.82**	**302.33**	**203.38**	**345.13**
Tax	36.16	11.01	50.22	38.64	69.03
PAT	**132.97**	**213.80**	**252.11**	**164.74**	**276.10**
Minority Interest	13.74	16.00	30.72	30.50	32.20
PAT after MI	**119.23**	**197.81**	**221.39**	**134.24**	**243.90**
EO	0.01	0.00	0.01	-	-
Adjusted Net Profit	**119.22**	**197.81**	**221.38**	**134.24**	**243.90**
EPS (Rs)	3.57	5.92	6.63	3.95	7.06

*includes effect of employee stock purchase plan initiated in Q2 (Rs. 238 cr in FY20 and Rs. 93 cr in FY21)

Segment Results

Figures in Rs crs

	FY17	FY18	FY19	FY20e	FY21e
Segment Revenue					
Liquid Terminal Division	153.88	168.28	182.80	205.00	211.91
Gas Terminal Division	3776.41	4622.68	5433.02	7899.73	8738.48
Segment Revenue	**3930.29**	**4790.96**	**5615.82**	**8104.73**	**8950.39**
Segment EBIT					
Liquid Terminal Division	72.97	84.80	78.33	103.44	101.72
Gas Terminal Division	139.73	184.36	286.90	394.59	419.45
Sub Total	**212.70**	**269.16**	**365.23**	**498.02**	**521.16**
Interest	16.34	15.23	26.19	36.41	42.28
Other Unallocable Exp. (net)	27.22	29.12	36.72	258.23	133.75
PBT	**169.13**	**224.82**	**302.33**	**203.38**	**345.13**

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	34.53
Reserves	803.78	1173.87	1357.87	1673.39	1962.45
Total Shareholders' Funds	**837.19**	**1207.28**	**1391.28**	**1707.35**	**1996.99**
Minority Interest	29.24	69.70	74.81	105.31	137.51
Long Term Debt	77.37	61.96	56.57	365.32*	364.08*
Total Liabilities	**943.80**	**1338.94**	**1522.66**	**2177.99**	**2498.57**
Application of Funds					
Gross Block	761.62	1330.01	1426.67	1830.34	2290.34
Less: Accumulated Depreciation	13.32	47.63	97.93	166.26	253.56
Net Block	**748.31**	**1282.38**	**1328.75**	**1664.08**	**2036.78**
Capital Work in Progress	312.71	125.58	120.66	280.00	-
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	46.64
Trade receivables	705.86	346.94	228.52	239.95	251.95
Cash and Bank	62.28	161.99	412.92	452.79	697.14
Other current assets	53.47	92.05	72.69	143.69	146.33
Total CA	**843.38**	**626.98**	**747.94**	**876.99**	**1142.06**
Current Liabilities	977.68	775.76	785.95	750.41	783.80
Provisions-Short term	1.35	2.91	2.90	3.09	3.40
Total Current Liabilities	**979.03**	**778.66**	**788.85**	**753.50**	**787.20**
Net Current Assets	-135.64	-151.68	-40.91	123.49	354.85
Net Deferred Tax Liability	-46.75	-5.50	11.91	54.22	54.22
Net long term assets (net of liabilities)	64.98	88.13	91.81	45.76	42.28
Total Assets	**943.80**	**1338.94**	**1522.66**	**2177.99**	**2498.57**

*Includes other financial liabilities classified as long term debt FY20 onwards due to accounting change

Key Financial Ratios

	FY17	FY18	FY19	FY20e	FY21e
Growth Ratios(%)					
Revenue	77.6	21.9	17.2	44.3	10.4
EBITDA	8.0	31.1	38.2	-18.7	54.1
Net Profit	5.2	65.9	11.9	-39.4	81.7
EPS	5.2	65.9	11.9	-40.4	78.7
Margins (%)					
Operating Profit Margin	5.2	5.6	6.6	3.6	5.1
Operating Profit Margin (Ex. ESOP)*	5.2	5.6	6.6	6.5	6.1
Gross profit Margin	4.9	5.4	6.3	3.4	4.8
Net Profit Margin	3.4	4.5	4.5	2.0	3.1
Return (%)					
ROCE	13.9	17.0	17.0	9.9	12.9
ROE	15.4	19.8	17.5	8.9	13.4
Valuations					
Market Cap/ Sales	1.7	1.8	1.2	0.6	0.5
EV/EBITDA	32.1	32.1	17.4	15.4	9.4
P/E	54.5	43.8	30.7	35.3	18.6
P/BV	7.9	7.4	5.0	2.8	2.3
Other Ratios					
Interest Coverage	11.3	15.8	12.5	6.6	9.2
Debt Equity	0.3	0.2	0.2	0.3	0.2
Net Debt-Equity Ratio	0.3	0.1	-0.1	0.0	-0.1
Current Ratio	0.9	0.8	0.9	1.1	1.4
Turnover Ratios					
Fixed Asset Turnover	5.2	4.7	4.3	5.4	4.8
Total Asset Turnover	4.4	4.3	4.0	4.5	3.9
Inventory Turnover	223.9	189.5	175.4	210.2	194.9
Debtors Turnover	9.8	9.1	19.5	34.6	36.4
Creditor Turnover	9.9	8.6	12.1	15.3	15.5
WC Ratios					
Inventory Days	1.6	1.9	2.1	1.7	1.9
Debtor Days	37.3	40.1	18.7	10.5	10.0
Creditor Days	37.0	42.6	30.1	23.8	23.5
Cash Conversion Cycle	2.0	-0.6	-9.3	-11.5	-11.6

*OPM down in FY20 due to the inclusion of employee stock purchase plan initiated in Q2 (Rs. 238 cr in FY20 and Rs. 93 cr in FY21)

Cumulative Financial Data

Figures in Rs crs	FY10-12	FY13-15	FY16-18	FY19-21e
Liquid Terminal Division	260	392	493	600
Gas Terminal Division	6320	12537	10442	22071
Income from operations**	6580	12929	10934	22671
Operating profit	150	151	655	1115
EBIT	219	343	596	956
PBT	157	244	547	851
PAT after MI	109	174	430	600
Dividends	35	59	121	159
OPM (%)	2.3	1.2	6.0	4.9
NPM (%)	1.7	1.5	4.3	3.1
ROE (%)	16.8	16.7	18.0	12.7
ROCE (%)	3.8	5.8	15.5	12.6
Interest Coverage	3.5	3.5	12.1	9.1
Debt Equity*	7.5	0.5	0.2	0.2
Fixed asset turnover	10.1	13.0	4.2	4.6
Debtors turnover	8.0	11.9	13.3	25.2
Inventory turnover	238.2	263.2	147.8	197.8
Creditors turnover	8.2	12.5	12.0	15.3
Debtor days	45.7	30.7	27.4	14.5
Inventory days	1.5	1.4	2.5	1.8
Creditor days	44.6	29.3	30.4	23.9
Cash conversion	2.7	2.8	-0.5	-7.6
Dividend payout ratio (%)	32.4	29.8	28.2	26.6

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

Aegis' revenue growth shot up to 2x times during the period FY13-15, with the gas division contributing major share at ~97%. However the growth was not sustainable as cumulative topline declined in FY16-18 due to decline in international LPG prices. Rising LPG demand contributed to higher operating margins in the cumulative three year period FY16-18 (6.0% vs 1.2%). Increase in overall volumes along with major capacity expansion plans being wrapped up in FY18 (Haldia with a throughput capacity of 2.5m MT and Mumbai with a static capacity of 20,000MT) also contributed to improvement in margins.

With gas terminals at Mumbai and Pipavav operating at higher throughput, we expect no smallish growth in volumes – gas terminal division cumulative revenues expected to more than double in FY19-21e period. Higher offtake from key customers like IOC, BPCL and HPCL, along with government initiatives would boost LPG demand, which would prop up earnings by almost 40% during FY19-21e, though recent fall in crude oil prices could act as a dampener for liquid terminal division. Surge in earnings would contribute to high interest coverage of 9.1 and debt equity would remain at 0.2 as capex would be funded through internal accruals. Faster conversion of receivables (debtor days estimated to slid to 14.5 from 27.4 in FY16-18 period) would further propel the cash conversion cycle to -8 days (see table).

Financial Summary- US Dollar denominated

million $	FY17	FY18	FY19	FY20e	FY21e
Equity capital	5.2	5.1	4.8	4.5	4.6
Shareholders' funds	127.1	181.2	195.7	222.3	258.6
Total debt	44.2	46.7	34.5	60.7	60.9
Net fixed assets (incl. CWIP)	163.4	216.3	209.4	257.7	268.4
Investments	0.0	0.0	1.5	1.4	1.4
Net current assets	-22.8	-27.6	-11.2	12.3	42.2
Total assets	143.5	201.4	214.7	284.7	324.8
Revenues	585.8	743.4	803.5	1143.5	1180.4
EBITDA	31.2	42.6	54.2	43.5	62.6
EBDT	28.8	40.2	50.5	38.3	57.0
PBT	25.2	34.9	43.3	28.7	45.5
PAT	17.8	30.7	31.7	18.9	32.2
EPS($)	0.05	0.09	0.09	0.06	0.09
Book value ($)	0.38	0.54	0.59	0.65	0.75

Income statement figures translated at average rates; balance sheet at year end rates; FY21 at current rate (Rs 75.83/$).
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/$	FY17	FY18	FY19	FY20
Average	67.09	64.45	69.89	70.88
Year end	64.84	65.04	69.17	75.39

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.