

AEGIS LOGISTICS LTD.

RECOMMENDATION : BUY

MARKET PRICE : Rs.343.45 (As on 7th June 2023)

TARGET PRICE : Rs.430.00

FACE VALUE : Re.1

BSE CODE : 500003

NSE CODE : AEGISCHEM





LARGEST IMPORTER & HANDLER OF LPG

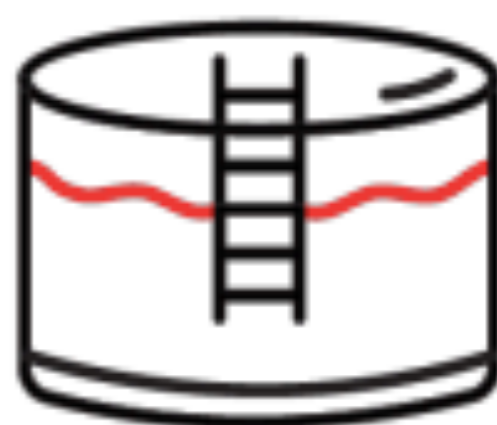


Aegis Logistics Ltd. is India's leading integrated Oil, Gas & Chemical Logistics company and one of India's top Importers and Handlers of LPG amongst private players. The Company operates through its state-of-the-art Necklace of Liquid & Gas terminals across major ports of India having a storage capacity of 15,70,000 KL for Chemicals & POL and 1,14,000 MT of static capacity for LPG.

ABOUT THE COMPANY

Headquartered in Mumbai, Aegis Logistics Ltd. is a dominant parallel marketer of Liquefied Petroleum Gas (LPG), Aegis has a robust presence in India. The Company has a strong spread of Auto-gas dispensing Retail Outlets along with a wide network of distributors who sell LPG Cylinders and Appliances to Domestic, Commercial, and Industrial customers. Aegis also provides LPG Installation and Inter-fuel services that maximise the efficiency and cost benefits of LPG to large industries looking to transition from other fuels to LPG. Aegis LPG is known and respected for its commitment to quality, reliability, safety and assured supplies at all times.

Aegis at a Glance



Liquid Division

Third Party Liquid Logistics (3PL)

EPC Services



Gas Division

Third Party Gas Logistics (3PL)

Gas Distribution

Gas Sourcing

FY23: Robust Profit Growth

LIQUIDS DIVISION

New capacity from acquisitions, volume and revenue growth, and capacity expansion

GAS DIVISION

Record distribution volumes and growing gas logistics volumes

EARNINGS PER SHARE

Rs. 13.19

29% GROWTH

PROFIT BEFORE TAX

Rs. 645 Cr.

37% GROWTH

EBITDA

Rs. 804 Cr.

37% GROWTH

PROFIT AFTER TAX

Rs. 511 Cr.

33% GROWTH

FY23: Key Events

1. Completed Aegis-Vopak Joint Venture
2. Executed important acquisition of 550,000 KL of Liquids capacity at Kandla port
3. Kandla LPG terminal fully operational
4. Entry into JNPT port with 110,000 KL Liquids Terminal as first step
5. Connection to LPG pipelines (KGPL and JLPL) secured for Pipavav & Kandla terminals
6. Haldia Liquids expansion completed
7. Additional LPG Pipelines installed at Jetties in Haldia and Mumbai
8. Pipavav LPG bottling plant completed
9. Largest Capex implementation in Aegis' history underway
10. Pipavav Jetty upgraded to handle VLGC's



Pipavav Jetty infrastructure upgrade

Diverse Business Relationships



Key Joint Venture Partners



Global knowledge of gas sourcing
and shipping

Experienced board members on
Subsidiary Boards



Additional management bandwidth

Technical expertise on new products

Global customer relationships

Necklace of Terminals

Build, own, and operate India's leading network of tank terminals and distribution facilities, incorporating the highest safety and environmental standards.

	Liquid Terminals	Gas Terminals
Kandla	✓	✓
Pipavav	✓	✓
Mumbai	✓	✓
Mangalore	✓	Under construction
Kochi	✓	
Haldia	✓	✓
JNPT	Under construction	



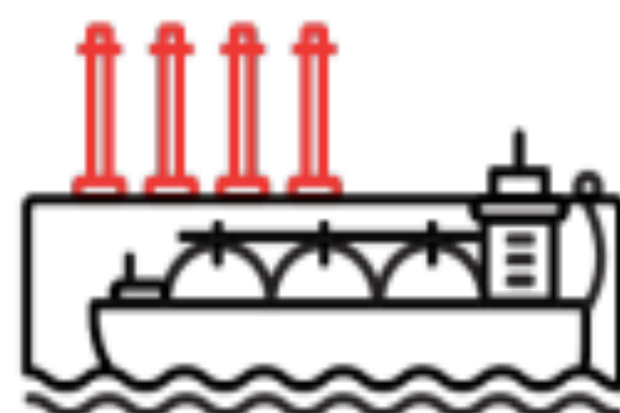
Integrated LPG Supply Chain

Our integrated logistics services include sourcing, storing, moving, and distributing products.



LPG Sourcing

LPG Sourcing JV with Itochu in Singapore



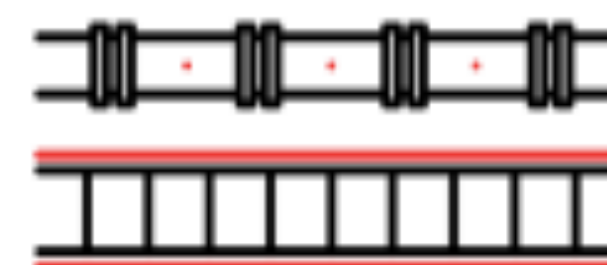
Strategic Port Location

Key gateway ports: Mumbai, Haldia, Pipavav, and Kandla



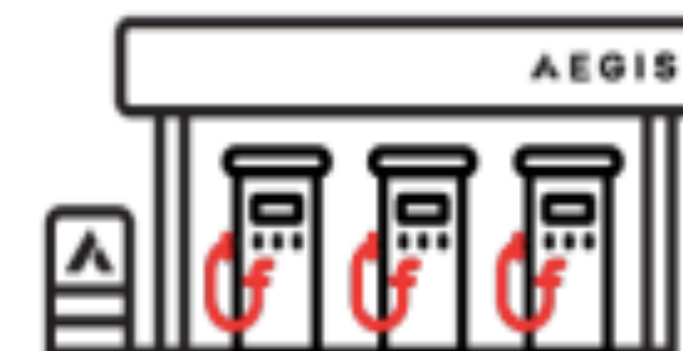
Storage Terminals

Refrigerated gas terminal in Mumbai, Haldia and Kandla, and pressurised gas terminal in Pipavav



Pipelines & Rail Connectivity

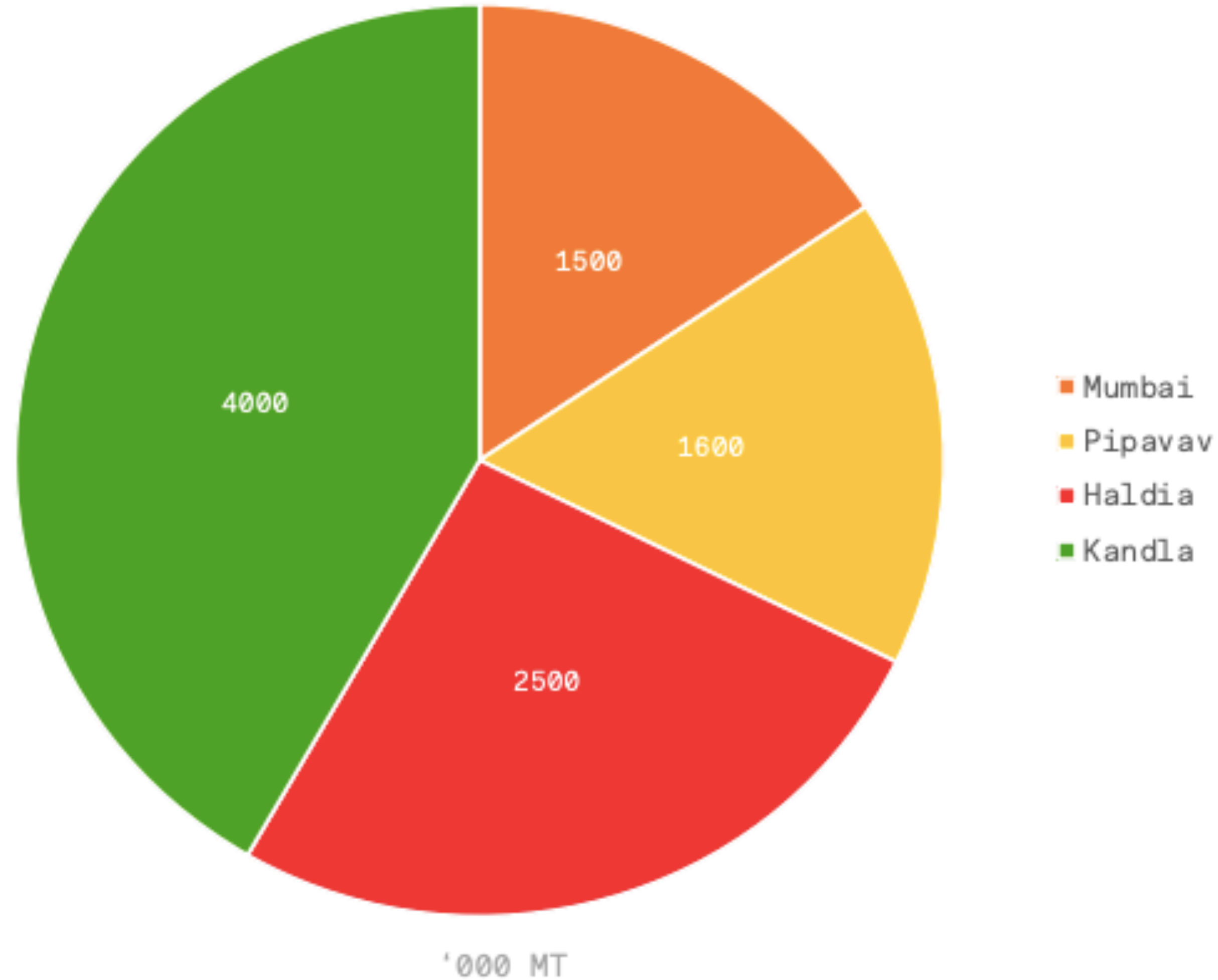
Pipelines, road, and rail connectivity



Autogas, Commercial & Industrial Distribution

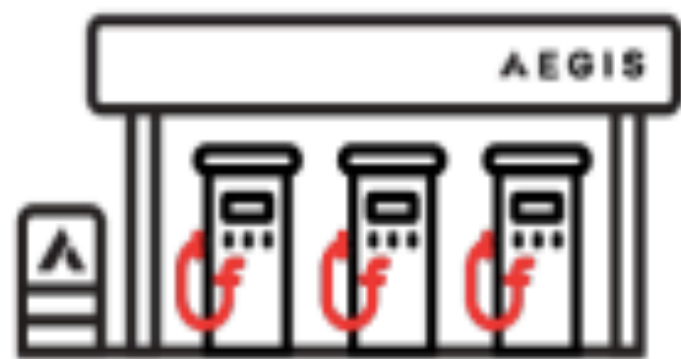
Network of 142 Autogas stations in 10 states, and 290 LPG distributors across 140 cities in 15 states

LPG Throughput Capacity by Port



LPG Distribution System

We have a national network of LPG terminals and cylinder filling plants serving these segments.



Autogas

142 stations over 10 states dispensing autogas, petrol, and diesel, growing to a planned 200 stations over 20 states



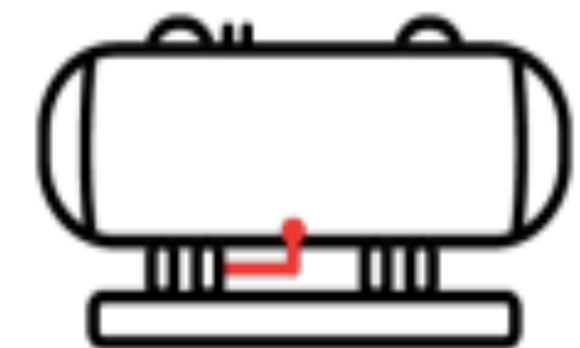
Commercial

Expansion into a national distribution network for hotels, restaurants, and industry under Aegis Puregas & Magna brands



Domestic

Tier 1, 2 & 3 urban cities with distributors and POS under Aegis Chota Cikander 2kg, 4kg, 12kg & 19kg products, supplied from a network of LPG bottling plants



Industrial

Serving industrial clusters with reliable supply from our four LPG terminals

Growing Liquids Footprint

1. New capacity expansion at Haldia commissioned
2. New 110,000 KL liquids terminal expansion at JNPT (expected commissioning mid-2024)
3. Additional Liquids capacity at Mangalore, Kochi, and JNPT under construction
4. M&A opportunities



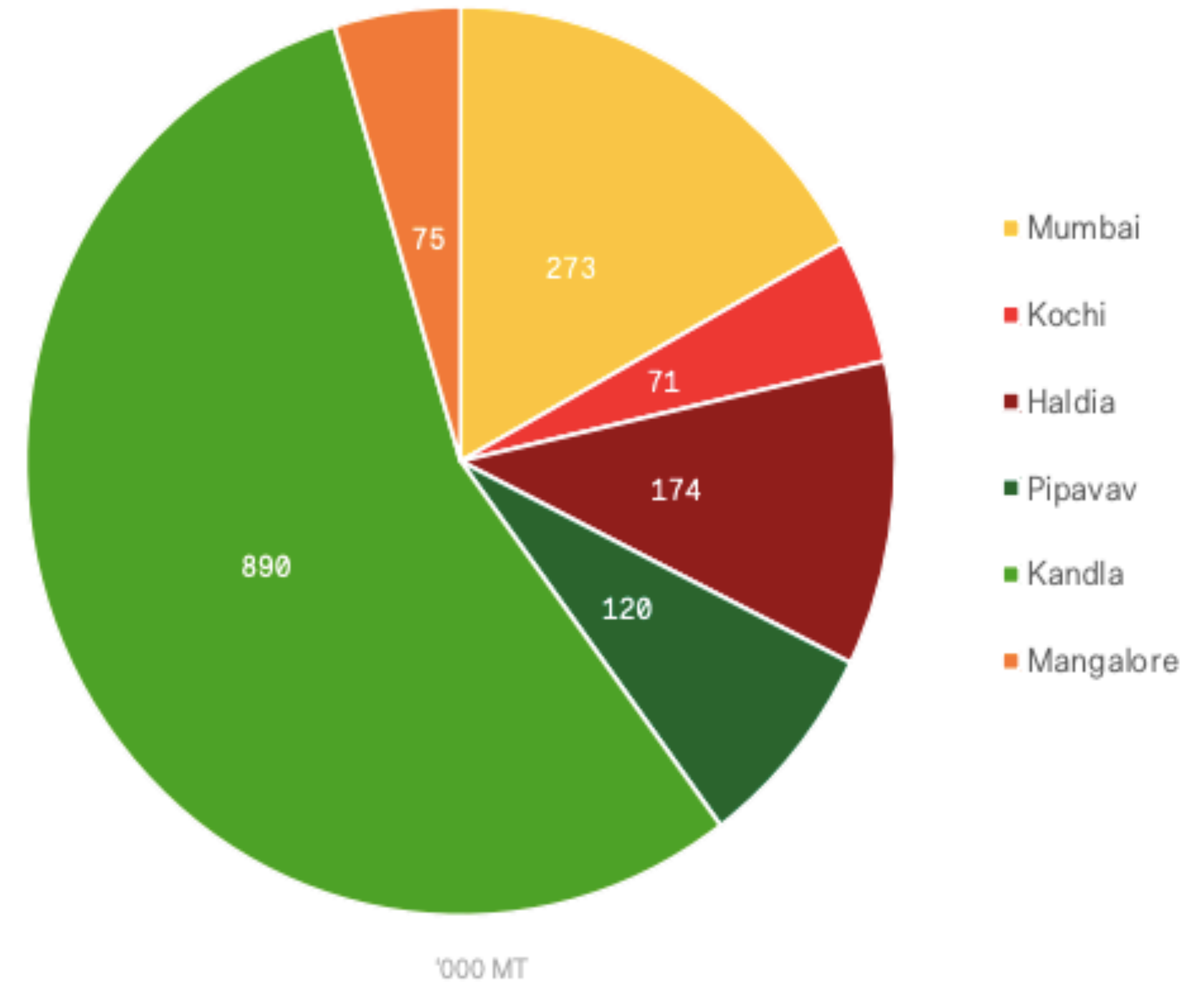
Terminal Capabilities & Capacities

Provides import, export, storage, and logistics services, handling Class A, B, and C products, chemicals, POL products and vegetable oils

Tanks includes MS, SS, Epoxy Coated, IFR

Heated and cooled tanks

Connected to Jetty via MS and SS Pipelines



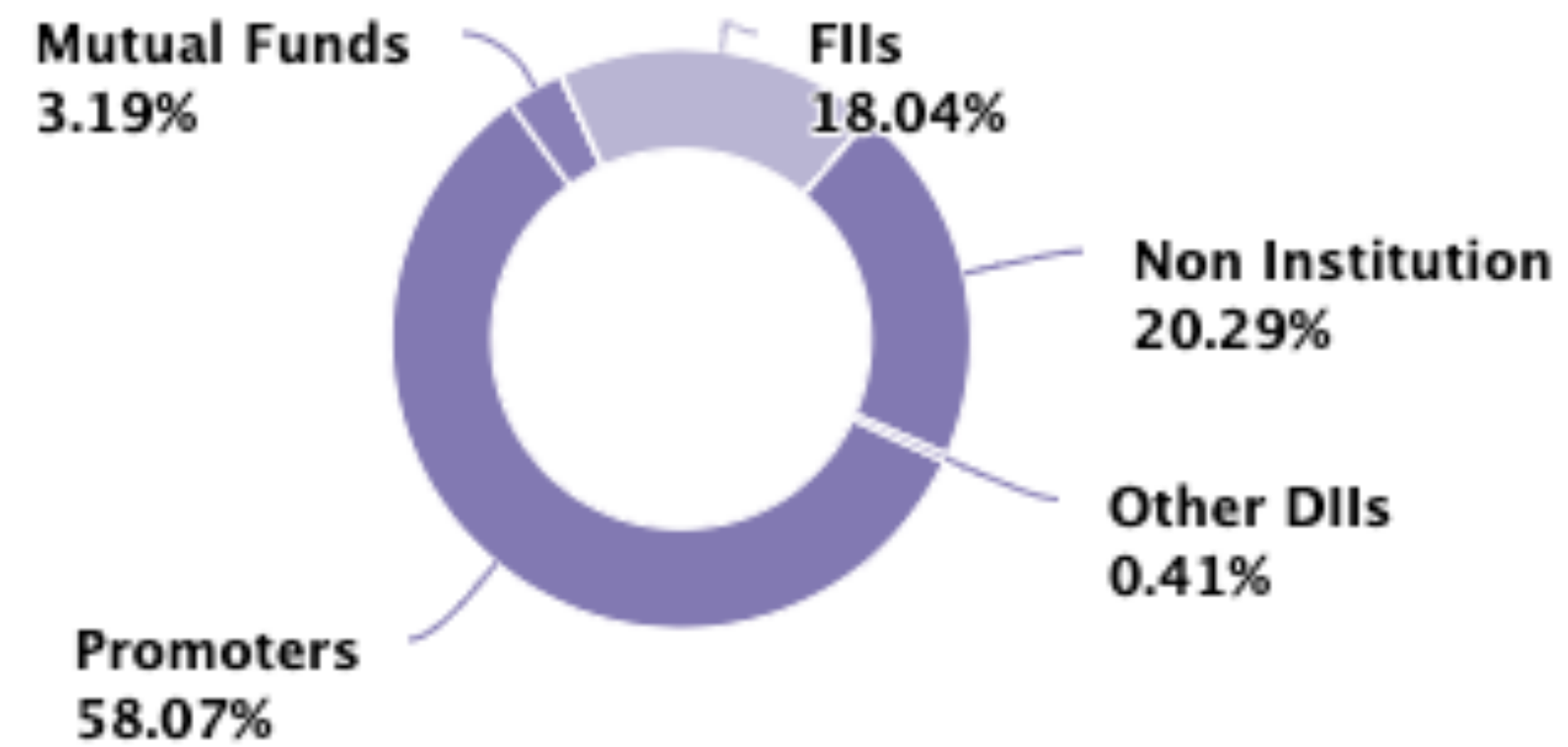
Yearly Results

YEARLY RESULTS OF AEGIS LOGISTICS (in Rs. Cr.)	MAR '23	MAR '22	MAR '21	MAR '20	MAR '19
Net Sales/Income from operations	8,627.21	4,630.98	3,843.46	7,183.25	5,615.82
Total Income From Operations	8,627.21	4,630.98	3,843.46	7,183.25	5,615.82
EXPENDITURE					
Purchase of Traded Goods	7,632.29	3,913.29	3,177.32	6,475.69	5,046.00
Increase/Decrease in Stocks	-51.01	-31.27	-10.98	-3.78	-8.03
Employees Cost	82.52	66.19	46.37	51.24	51.53
Depreciation	125.80	79.36	71.60	68.71	50.54
Other Expenses	291.62	148.41	243.11	383.55	155.45
P/L Before Other Inc., Int., Excpt. Items & Tax	545.99	455.00	316.04	207.84	320.33
Other Income	186.99	38.74	36.87	32.84	8.19
P/L Before Int., Excpt. Items & Tax	732.98	493.74	352.91	240.68	328.52
Interest	88.23	21.75	17.31	33.12	26.19
P/L Before Exceptional Items & Tax	644.75	471.99	335.60	207.56	302.33
P/L Before Tax	644.75	471.99	335.60	207.56	302.33
Tax	134.05	87.05	86.38	73.59	50.22
P/L After Tax from Ordinary Activities	510.70	384.94	249.22	133.97	252.11
Net Profit/(Loss) For the Period	510.70	384.94	249.22	133.97	252.11
Minority Interest	-47.74	-27.42	-25.84	-34.38	-30.72
Net P/L After M.I & Associates	462.96	357.52	223.38	99.59	221.39
Equity Share Capital	35.10	35.10	35.10	33.97	33.40
Reserves Excluding Revaluation Reserves	3,497.24	2,144.69	1,901.37	1,620.64	1,357.87
EPS BEFORE EXTRA ORDINARY					
Basic EPS	13.19	10.19	6.49	2.94	7.55
Diluted EPS	13.19	10.19	6.36	2.84	7.55
EPS AFTER EXTRA ORDINARY					
Basic EPS.	13.19	10.19	6.49	2.94	7.55
Diluted EPS.	13.19	10.19	6.36	2.84	7.55

Key Financial Ratios

KEY FINANCIAL RATIOS OF AEGIS LOGISTICS (in Rs. Cr.)	MAR 23	MAR 22	MAR 21	MAR 20	MAR 19
PER SHARE RATIOS					
Basic EPS (Rs.)	13.19	10.19	6.49	2.94	7.55
Diluted EPS (Rs.)	13.19	10.19	6.36	2.84	7.55
Cash EPS (Rs.)	18.13	13.23	9.14	5.97	9.06
Book Value [ExclRevalReserve]/Share (Rs.)	115.29	64.45	58.27	51.37	43.89
Book Value [InclRevalReserve]/Share (Rs.)	115.29	64.45	58.27	51.37	43.89
Revenue from Operations/Share (Rs.)	245.79	131.92	109.49	211.45	168.12
PBDIT/Share (Rs.)	24.47	16.33	12.09	9.11	11.35
PBIT/Share (Rs.)	20.88	14.06	10.05	7.08	9.83
PBT/Share (Rs.)	18.37	13.45	9.56	6.11	9.05
Net Profit/Share (Rs.)	14.55	10.97	7.10	3.94	7.55
NP After MI And SOA / Share (Rs.)	13.19	10.18	6.36	2.93	6.63
PROFITABILITY RATIOS					
PBDIT Margin (%)	9.95	12.37	11.04	4.30	6.74
PBIT Margin (%)	8.49	10.66	9.18	3.35	5.84
PBT Margin (%)	7.47	10.19	8.73	2.88	5.38
Net Profit Margin (%)	5.91	8.31	6.48	1.86	4.48
NP After MI And SOA Margin (%)	5.36	7.72	5.81	1.38	3.94
Return on Networth/Equity (%)	13.10	16.40	11.53	6.01	15.91
Return on Capital Employed (%)	12.15	17.22	13.69	11.16	20.03
Return on Assets (%)	6.46	8.86	7.24	3.40	9.11
Total Debt/Equity (X)	0.28	0.18	0.18	0.13	0.13
Asset Turnover Ratio (%)	1.79	0.44	124.70	245.94	231.22
LIQUIDITY RATIOS					
Current Ratio (X)	2.46	1.01	1.19	1.11	0.96
Quick Ratio (X)	2.33	0.94	1.09	1.06	0.92
Inventory Turnover Ratio (X)	0.00	0.00	73.37	170.58	166.15
Dividend Payout Ratio (NP) (%)	0.00	0.00	0.00	0.00	18.98
Dividend Payout Ratio (CP) (%)	0.00	0.00	0.00	0.00	15.45
Earnings Retention Ratio (%)	0.00	0.00	0.00	0.00	81.02
Cash Earnings Retention Ratio (%)	0.00	0.00	0.00	0.00	84.55
COVERAGE RATIOS					
Interest Coverage Ratios (%)	9.73	26.35	20.39	7.27	12.54
Interest Coverage Ratios (Post Tax) (%)	9.73	26.35	20.39	7.27	12.54
VALUATION RATIOS					
Enterprise Value (Cr.)	13,545.88	7,529.06	10,568.79	4,774.90	6,627.86
EV/Net Operating Revenue (X)	1.57	1.63	2.75	0.66	1.18
EV/EBITDA (X)	15.77	13.14	24.90	15.43	17.49
MarketCap/Net Operating Revenue (X)	1.54	1.56	2.72	0.66	1.21
Retention Ratios (%)	0.00	0.00	0.00	0.00	81.01
Price/BV (X)	3.77	3.31	5.40	2.86	4.87
Price/Net Operating Revenue	1.54	1.56	2.72	0.66	1.21
Earnings Yield	0.03	0.05	0.02	0.02	0.03

Shareholding Pattern an on Mar'23



Summary

- ❖ With deliverance of sound performance in Q4 of FY'23, the Company's Net Sales grew up by 2.41% i.e. Rs.2154.47 crs in Mar'23 versus Rs.2103.58 crs in Mar'22. However, the Net Profits increased by 48.66% i.e. Rs.140.86 crs in Mar'23 as compared to Rs.94.75 crs in Mar'22.
- ❖ As per fine financials and fair fundamentals, the Company is available at a good price of Rs.343.35 with its 52 week low at Rs.197.55 and its 52 week high at Rs.410.50.
- ❖ Since the Promoters are holding majority stake around 58.07% as well as its robust valuations, it is fair to assume that the Management is committed to growth of the Company.
- ❖ In Public Shareholding as on Mar'23, the FIIs and the Other DIIs collectively stood with 18.45% stake. Whilst, the Mutual Fund Houses own 3.19% holdings.
- ❖ As a fact of reassurance, Aegis Logistics Ltd. is held by HSBC MF, QUANT MF and a few more.
- ❖ On consolidated basis, the Company registered Return on Equity (ROE) and Return on Capital Employed (ROCE) around 13.10% & 12.15% respectively as on Mar'23.
- ❖ For the year ending, Mar'23, Aegis Logistics Ltd. has declared an equity dividend of 575.00% i.e. Rs.5.75 per equity share. The Company has a good dividend track report and has consistently declared dividends for the last 5 years.

Disclosure

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