



November 23, 2024

To,
The Secretary,
Market Operations Dept.,
The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 023.

Capital Market Operations
The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Fl., Plot No.C/1,
G Block, Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400 051.

Scrip Code: 500003

Scrip Code: AEGISLOG

Dear Sir/Madam,

Sub. : Transcript of the earnings conference call

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call held on Tuesday, November 19, 2024 at 5.00 p.m. (IST), for your information and records.

The above communication is also available on the website of the Company at www.aegisindia.com.

Request you to kindly take the same on record.

Thanking you.

Yours faithfully,
For AEGIS LOGISTICS LIMITED

RAJ CHANDARIA
CHAIRMAN & MANAGING DIRECTOR
DIN: 00037518

Encl.: as above



“Aegis Logistics Limited Q2 & H1 FY25 Earnings
Conference Call”

November 19, 2024



**MANAGEMENT: MR. RAJ CHANDARIA – CHAIRMAN & MANAGING
DIRECTOR, AEGIS LOGISTICS LIMITED
MR. MURAD MOLEDINA – CFO, AEGIS LOGISTICS
LIMITED
MS. PAYAL DAVE - INVESTOR RELATION**



*Aegis Logistics Limited
November 19, 2024*

Moderator: Ladies and gentlemen, good day and welcome to the Aegis Logistics Limited Q2 & H1 FY25 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

Before we begin the call, I would like to give a short disclaimer:

This call may contain some forward-looking statements which are completely based upon our beliefs and expectations as of today. The statements are not to guarantee a future performance and involve unforeseen risks and uncertainties.

With this, I would now like to hand the conference over to Mr. Raj Chandaria for his “Opening Remarks”. Over to you, sir.

Raj Chandaria: Thank you very much and welcome to this slightly belated Q2 Conference Call. We obviously had the Diwali break. This evening I am joined by our CFO – Mr. Murad Moledina and Ms. Payal Dave from our Investor Relations team. And we will be presenting the performance for the first half ended on September 24.

I would like to announce that we have achieved a record consolidated, normalized EBITDA of Rs. 487 crores in the first half of FY25, making our highest ever half-yearly performance to date. Both divisions contributed to this performance. Liquids reported an operating EBITDA of Rs. 201 crores, while the LPG division delivered Rs. 286 crores and our profits for the first half exceeded Rs. 300 crores and the earnings per share stood at 7.33.

Now the primary drivers behind this performance have been the sustained growth in volumes at our Kandla terminal, along with the expansion in the liquid business, through the addition of new capacity and high utilization of recently commissioned tanks and we did also achieve the highest ever logistics volume for gas in the first half. As I noted previously, Aegis’ purpose is to support India’s transition towards a more sustainable future. And consistent with that vision, we had announced the capacity expansion at our first ammonia terminal of 25,000 metric tonnes capacity, which will be located in the state of Gujarat. And we expect to commence construction soon, but of course, after receiving all the necessary permits from the regulatory authority. And I am really pleased to announce that we have already received a commitment from an anchor customer. So, that bodes well for the future of this business and we expect to build more ammonia terminals as this business matures and our endeavor in this business will be to become

vertically integrated just like we are in the LPG business. India is an important economy market and we expect to leverage our skill set in building and operating cryogenic gas terminals.

In the LPG division:

Our ongoing capacity expansion at New Mangalore in Karnataka and Pipavav in Gujarat is expected to increase our LPG storage capacity by 130,000 metric tonnes by the end of fiscal 2025. In the liquid division, our ongoing greenfield expansion at JNPT in Navi Mumbai aims to increase our storage capacity by about 101,900 cubic meters, almost complete. And I think by the time we have our next call; we should be able to announce these partial commissioning. We're also excited to announce that we have been allocated land by the port in Mumbai for further expansion and we plan to build a storage terminal with capacity of approximately 150,000 kL on this site with an estimated project cost of around Rs. 250 crores.

The performance in the first half, H1, and the commissioning of the new projects in both the Greenfield and Brownfield currently underway really strengthens our confidence in meeting our guidance that we have given in achieving 25% CAGR over the next three years. And in the last call, we have given you an update on the capital expenditure program of Aegis. Let me repeat that. Out of the total capital expenditure program of Rs. 4,500 crores by FY27, approximately already 50% is complete and or currently in progress and we anticipate that the Pipavav and Mangalore projects will be commissioned soon with the revenue expected to start in Q1 of FY26. The pace of capital spending is expected to persist beyond FY27 as we explore further opportunities which are in our pipeline.

Before I hand over the call to our CFO to brief you on the "Financial Performance" of the company in more detail, let me update you on the developments at Aegis-Vopak Terminals Limited subsidiary. Yesterday, let me announce that this company has filed a DRHP for an IPO and the document has been uploaded on the SEBI website and it's also available on the website of Aegis-Vopak Terminals Limited. The capital raise in AVTL will help the company reduce a certain portion of the outstanding debt and also some portion helped fund other general corporate purposes.

So, to summarize, the coming year should see higher revenues and profitability led by the additional capacities which are already under construction and set to come online in phases by the end of FY25-26. The continuing ramp up of the Kandla LPG terminal along with the improved utilization at our existing terminals and leveraging the terminals and supporting infrastructure to increase our distribution business. So, with that, I would like to hand over the line to Mr. Murad Moledina, our CFO, to present the financial performance in more detail. Murad, over to you.

Murad Moledina: Yes, thank you, sir. Good evening. Both of our divisions have performed very well for the half year ending September 2024. We achieved another record-breaking quarter with the highest EBITDA ever recorded in H1 of FY25. Our H1 FY25 profitability also crossed Rs. 300 crore that is Rs. 310 crores. So, for the group EBITDA for H1 FY25 stood at Rs. 487 crores, an increase of 10% year-on-year. Profit after tax increased also by 10% to Rs. 310 crores for the half year FY25 versus Rs. 283 crores in H1 FY24. Earnings per share 7.33 in H1 FY25 as compared to 6.92 for H1 FY24.

I would now like to provide you with some more details on the individual segments. Beginning with liquids business, H1 FY25 revenue from liquid segments stood at Rs. 273 crores as compared to Rs. 232 crores in H1 FY24, an increase of 18% YoY. We delivered the highest ever H1 EBITDA Rs. 201 crores versus Rs. 158 crores in the previous year same period which is an increase of 27%. This improved performance can be attributed to the new capacities coming online as well as acquisitions at Kandla, Kochi and Mangalore.

LPG Business; in H1 FY25, the EBITDA from LPG was Rs. 286 crores. We again delivered the highest ever H1 EBITDA for gas, which was also slightly above H1 FY24.

Now let me give you volume details of each sub-segment, logistics volume. Throughput volumes in H1 FY25, the LPG volume handled at all our four terminals Mumbai, Haldia, Kandla, and Pipavav was 2.08 million metric tonnes versus 1.90 million metric tonnes in H1 FY24, that is an increase of 9%. The distribution volumes of auto, commercial and industrial bulk segment handled 2.58 lakh metric tonnes in H1 FY25 against 2.9 lakh metric tonnes in H1 FY24. However, the volumes for Q2 FY25 were in line with Q1 FY25 distribution volumes. The sales volume of sourcing business, Q1 FY25, was 318,000 metric tonnes versus 400,000 metric tonnes in the same quarter last year. The financial position of the company remains robust with low debt, strong cash flows and a solid balance sheet.

With this, I now hand over this line to the moderator to start the question and answer session. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question comes from Vikram Suryavanshi from PhillipCapital. Please go ahead.

Vikram Suryavanshi: Just to confirm that Mumbai liquid storage capacity which will be built for Rs. 250 crores. Will it be part of the JV or standalone?

Murad Moledina: Will be standalone.

Vikram Suryavanshi: Even JNPT also?

- Murad Moledina:** No, JNPT will be in the JV.
- Vikram Suryavanshi:** What is the status? I think I just want to re-confirm this liquid capacity expansion of Kandla 25000, then Bangalore 71 and Kochi?
- Murad Moledina:** Mangalore is ready and it should be commissioned any moment. Kandla is in progress and Kochi is already completed.
- Vikram Suryavanshi:** And Kandla when it is expected?
- Murad Moledina:** Kandla should also happen by this FY25.
- Vikram Suryavanshi:** You gave an update about Mangalore and Pipavav already by FY25?
- Murad Moledina:** Correct, Yes.
- Vikram Suryavanshi:** That's perfect. And in case of ammonia, how is the asset turn compared to gas business and does it require special approval process just to get more idea on the business?
- Murad Moledina:** No, the permits are similar. Of course, the infrastructure does have additional equipment to cater to the specific requirements of ammonia. The turnaround is not as much as LPG but the rates are higher for the throughput. So, it is more like liquid business where it is more based on static capacity and the rates generally are 2.5x to 3x the rate of LPG throughput.
- Vikram Suryavanshi:** And last question from my side is about we have opportunity of retailing in LPG, but are there similar opportunities for ammonia or it will be more like institutional sales?
- Murad Moledina:** We are exploring, so it's too early to say anything on that but we are exploring. You cannot say retailing but industrial distribution kind of volumes maybe possible.
- Moderator:** Thank you. The next question comes from Kumar Saurabh from Scientific Investing. Please go ahead.
- Kumar Saurabh:** So, my question is regarding the DRHP which has been filed. If you can highlight how is going to be the structure and won't the current company will become more of a holdco because bulk of the business will go to this JV which will get listed. So, from current shareholders of Aegis Logistics perspective, how do you see the transaction if you can elaborate on it?
- Murad Moledina:** We have just filed the DRHP today and we will discuss more in the coming quarter as far as DRHP is concerned. We have already said earlier that the equity infusion into the JV will be

value accrued into the holdco because we are eliminating interest cost which is a very high cost for infrastructure companies. So, even though minority interest might increase, it will be compensated by the decrease in interest cost as these funds will be used to pay the debts. So, the holdco in that case will remain unaffected therefore because the debts are going, will go off the books.

Kumar Saurabh: And one bookkeeping question, how the profit from this JV currently flows into Aegis Logistics? That is question one. And second, a request, once we have spent, let's say one week, all of us can go through DRHP, we can have a call just to discuss that and then nuances of that like you discussed one when we had the Vopak JV that would be great?

Murad Moledina: So, the JV consolidation happens line by line on account of it being a subsidiary. Even after the IPO as and when it happens, we will have management control and it will still get consolidated line by line. So, there will be no change whatsoever. Secondly, DRHP, we are very near because this time we did earnings call a little late on account of Diwali and certain we were also a little occupied. So, we will have our next call very soon and I think that will be end of January. So, we'll discuss more at that time.

Kumar Saurabh: Yes. Sure. So, last question, I think you have also recently filed for expansion in the hydrogen capacity. Any details about that? How much capacity? When it will go live? All of that.

Murad Moledina: We have not filed anything on hydrogen as yet. So, I am not sure.

Moderator: Thank you. The next question comes from Rajit Aggarwal from Atharva Investment Managers. Please go ahead.

Rajit Aggarwal: It's a pleasure to interact with you. I just had some quick questions regarding the liquid capacity. If you can just help me with the location-wise capacity and what is the expansion. I somehow keep missing the total capacity and the expansion being planned. I can quickly say out the capacities loud and you can confirm it's the correct one?

Murad Moledina: I think it is better that you look at the specific slide which is in our investor presentation which gives port wise capacities in the pie chart. So, there cannot be anything different than that. It will be much easier if you look at our H1 FY25 investor presentation.

Rajit Aggarwal: Is that the one which has been uploaded, I am sorry I am missing that pie chart in that presentation.

- Murad Moledina:** Or what you can do is this time there was some restrain on us on account of this DRHP file. You can look at Q1 FY25 where you will definitely find it and it is very clearly the splits have been given in case of gas as well as liquid, port wise capacity.
- Rajit Aggarwal:** Alright, sir. I have the presentation also in front of me.
- Murad Moledina:** Slide 48.
- Rajit Aggarwal:** Right. Thank you. It's the same, right? Whatever there is, it's the same?
- Murad Moledina:** Yes. It will not change.
- Rajit Aggarwal:** And the expansions?
- Murad Moledina:** Expansions also given in the slide. If you look at the investor presentation, the expansions have also been mentioned. The expansion is in JNPT, which is 100,000 approximately. There is 71,000 odd in Mangalore, 25,000 odd in Kandla. And Mumbai we have just said 150,000 is yet to begin. These are the current expansions which are happening in liquid.
- Rajit Aggarwal:** And the ammonia one you mentioned, 25,000 as well, right?
- Murad Moledina:** Yes, in Pipavav, Yes.
- Moderator:** Thank you. The next question comes from Rajesh Agarwal from Moneyore. Please go ahead.
- Rajesh Agarwal:** Sir, recently the allocation of natural gas APM mechanism was introduced by the Government of India. So, if the CNG prices goes up, will it benefit our distribution volumes?
- Murad Moledina:** There is always competition between fuels. So, problem for one fuel is always an advantage to the other fuel. But in spite of that, LPG has always been cheaper than natural gas but this will make it more attractive. Time will tell how this affects our volume and contributions.
- Rajesh Agarwal:** Currently, how much it is lower by from CNG, LPG?
- Murad Moledina:** It keeps changing but it is generally between 10% to 20% difference, it will always be there.
- Rajesh Agarwal:** Always be there.
- Murad Moledina:** Because of the calorific value which it has more than natural gas by 25%.

- Moderator:** Thank you. Our next question comes from Amit Vora from Homeopathic Clinic. Please go ahead.
- Amit Vora:** I am an individual investor and thank you to everyone for giving me the chance. My question is sir regarding are we confident that this year also this current FY25 will achieve 25% growth as compared to FY24?
- Murad Moledina:** We will try our best. So, what we have always given a guidance is that in the 5-year period, average CAGR growth will be 25%. So, it is not necessary that it will be exactly 25% every year, but we are very confident that in the five years period from FY22 to FY27, because of the infrastructure that we are undertaking, we would be in a position to achieve an average CAGR growth of 25%.
- Amit Vora:** Sir, one more question about AVTL as an individual investor, we don't have the technical knowledge like an analyst or something. If you can as an individual investor make us understand something about AVTL?
- Murad Moledina:** Look at the website which is gone live and you will be able to get the details.
- Moderator:** Thank you. Our next follow up question comes from Vikram Suryavanshi from PhillipCapital. Please go ahead.
- Vikram Suryavanshi:** So, basically this Mumbai capacity which is coming will it be part of Sea Lord Container facility which already have the subsidy?
- Murad Moledina:** Aegis Logistics Limited.
- Vikram Suryavanshi:** And that Rs. 250 crores will be expansion including land and everything or will it be land will be leased from the port?
- Murad Moledina:** Land is leased from the port.
- Vikram Suryavanshi:** Okay, so basically Rs. 250 crores will be more on the asset side only and the land will be leased.
- Murad Moledina:** Yes.
- Moderator:** Thank you. The next question comes from Kumar Saurabh from Scientific Investing, please go ahead.

- Kumar Saurabh:** Sir, my question was on ammonia. I am sorry, it was not hydrogen. For ammonia, you've done a filing and it says it will go live by FY26. So, what is the asset turn and what is the kind of margin expected out of that business?
- Murad Moledina:** We have just stepped into ammonia business, including the terminaling. So, like I have already said, that it is more like liquid business, which works on the static capacity. And the revenue rates are generally 2.5x to 3x the revenue rate of LPG. EBITDA margins are similar, around 90%. And that is the way it is.
- Kumar Saurabh:** And sir, what is the opportunity size in this business? Like I am not asking for one or two year, but in terms of long run, based on your study, what is the opportunity size for you?
- Murad Moledina:** 45% of India's energy needs are by unprocessed biomass. So, there is something called energy transition that is happening. It depends on the pace at which there is a transition from dirty fuel to clean fuel. Ammonia is a clean fuel. It is non-fossil. It is also a carrier of hydrogen. So, it has got lots and lots of pluses, which makes us believe that there will be a growth in this sector. But we are not in a hurry. As the market will mature, we will undertake development of these ammonia terminals at various ports.
- Moderator:** Thank you. The next question comes from Kunal Bhatia from Dalal & Broacha Stock Broking Limited. Please go ahead.
- Kunal Bhatia:** So, I just wanted to know what's your outlook on the sourcing volume because this time it was slightly below expectations. So, what's your outlook on the sourcing volume? I will ask a follow up later.
- Murad Moledina:** Yes, sourcing volumes do not move my EBITDA needle. The margins are very, very slim as far as sourcing business is concerned. We do sourcing business to provide value addition to our customers as and when they need. So, the business does not depend, the profits do not depend on sourcing business. So, we only do that and it is always back to back. So, when we are able to get value for our customers, we source LPG for them. These are very big customers like the national oil companies and other big companies. So, wherever and whenever we are able to provide them value, we do that, but it has not a great significant contributor to our EBITDA.
- Kunal Bhatia:** And my second question was in regards to this IPO which we have planned. So, post this IPO, could you give us some sense on how much would be our stake in the new entity which is listed and how will it affect the current shareholders of Aegis Logistics?
- Murad Moledina:** Like we said, we have just filed it today. So, you can look at the DRHP and next time when we meet on an earnings call, you would have absorbed a lot of data and we would be in a position

to talk in more detail. So, our upcoming earnings call will be sometime in January. I think that's a better time to talk about this. We have just about filed it a few hours ago.

Kunal Bhatia: I understand the filing has happened today, but obviously the planning of this would have happened since a long period of time because if the current shareholder...

Murad Moledina: We are not at liberty to talk as of now. So, let's just give us some time. Next time, like I said, we'll be able to talk. But I've already explained that this IPO proceeds will be used to pay the debt and therefore interest will go down, which will compensate the minority interest increase that is going to happen. And the dilution both the partners would be doing equally. So, all of it will not come to any one partner, the dilution. And we would obviously be doing in two phases equity issue. So, all of it is not going to happen in the first phase itself. I think I will limit myself to this now when we discuss more in the coming earnings call.

Moderator: Thank you. The next question comes from Vinith Jain from Siddh Capital. Please go ahead.

Vinith Jain: My first question is, is there any further update on the Kandla-Gorakhpur pipeline?

Murad Moledina: It is progressing well and I think sometime mid of next year it should be commissioned.

Vinith Jain: Q3, can we expect some business to flow through that?

Murad Moledina: No, we hope so. Let us see.

Vinith Jain: Sir, one clarification, the ammonia site is in the JV or the standalone, sir?

Murad Moledina: Ammonia will be in the JV.

Vinith Jain: And post the IPO of Aegis Vopak, the standalone will be left with a lot of cash. So, what do you plan and have you already planned anything or can you give some idea over here?

Murad Moledina: Yes, we are always holding a lot of cash for a lot of opportunities that we believe are there. As and when these opportunities crystallize and we are ready to undertake, we will do the disclosures and talk about it. But there are always opportunities that we look at, but only when they mature and we are ready to undertake, we then disclose and discuss with our investors. As of now, whatever we have disclosed, the CAPEX coming up are the ones that we are doing.

Moderator: Thank you. Ladies and gentlemen, we would take that as our last question for today. I would now like to hand the conference over to the management for closing comments.



*Aegis Logistics Limited
November 19, 2024*

Raj Chandaria:

Thank you for all those interesting questions. I hope we were able to answer them. And of course, we will have another opportunity in a short period of time once in January. We're quite optimistic about the direction of the company's future. We continue to see the possibility to improve utilization and favorable product mix. And we will keep you updated every quarter. So, thank you very much for joining our call and we'll speak next time. Thank you.

Moderator:

Thank you. On behalf of Aegis Logistics Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.