

MNB RESEARCH

INSTITUTIONAL EQUITY RESEARCH

# Aegis Logistics

*India's largest private LPG import & terminal operator*

An investment thesis on contracted infrastructure compounding with India's energy demand

RECOMMENDATION

**BUY**


Long-term · Coverage initiation

*Illustrative research piece · Figures are indicative ranges — verify against latest annual report*

# Executive summary & recommendation

## The thesis in one line

Aegis owns scarce, hard-to-replicate LPG import terminals at India's busiest ports — toll-like infrastructure that compounds as the country's LPG consumption keeps outrunning domestic production.

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**Structural demand** — LPG demand growth + rising import dependence drives multi-year terminal throughput.
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**Asset-backed moat** — Coastal terminal capacity + port access + contracted volumes = high replacement-cost barriers.
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**Capital-light economics** — Logistics segment earns stable, fee-based margins with strong returns on capital.
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**Optionality** — Capacity expansions, clean-fuel pivot, and distribution scale-up extend the runway.

RATING

# BUY

Stance **Constructive**Horizon **3-5 years**

## #1

private LPG  
terminal operator

## ~90%

of LPG demand  
met via imports\*

## 20

target  
EBITD

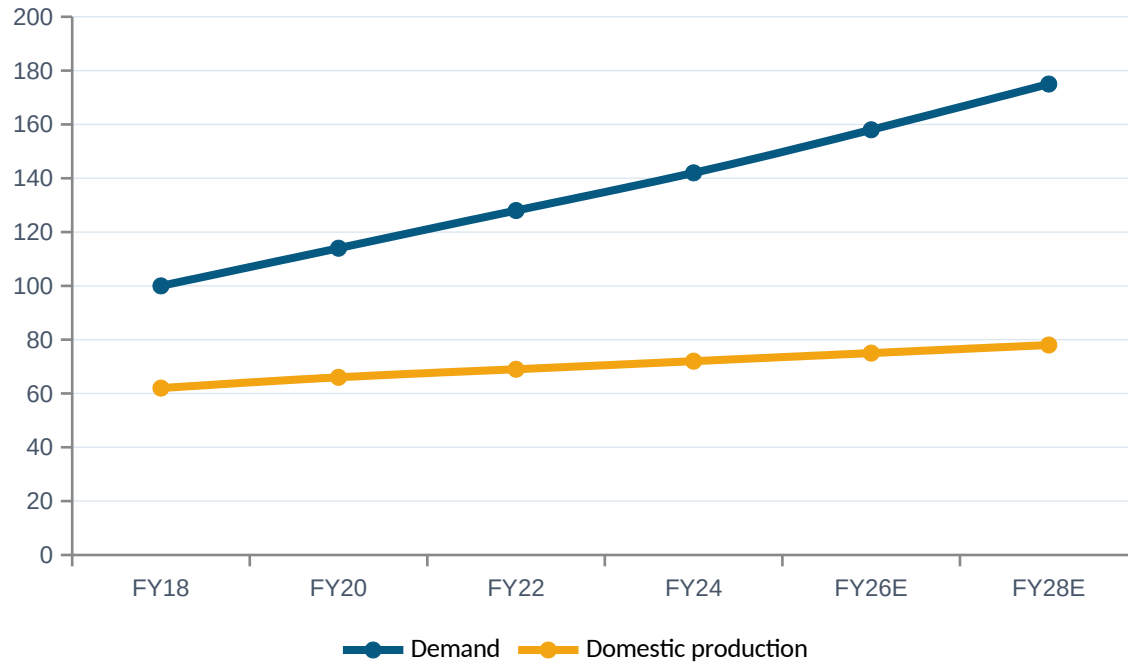
*Bottom line: a scarce-asset infrastructure compounder leveraged to a structural Indian energy theme — initiate at BUY.*

*\*Illustrative / indicative figures.*

# Industry sizing — India's LPG import infrastructure

Demand is structurally outpacing domestic production — the gap is filled by imports landing through coastal terminals.

Illustrative LPG demand vs. domestic production (index)



## Clean-cooking backbone

LPG remains India's dominant household cooking fuel, with penetration still climbing across rural districts.



## Rising import dependence

Domestic output covers only part of demand; the structural shortfall (~90% of incremental needs\*) is imported.



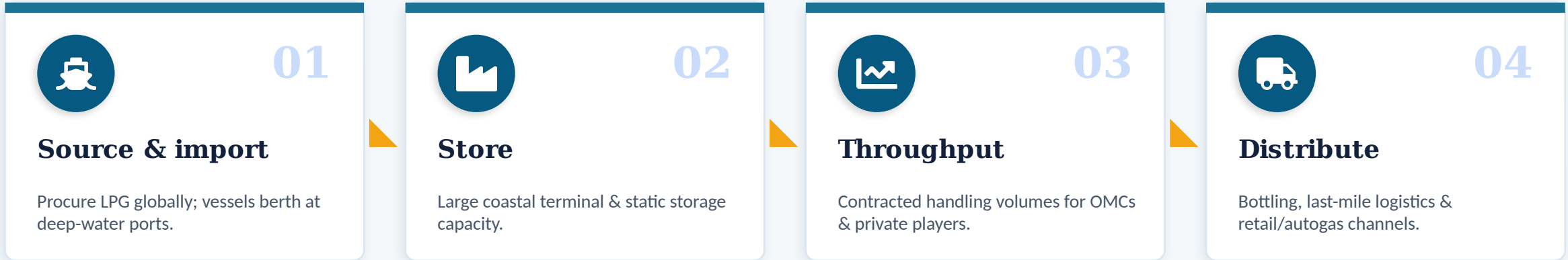
## Coastal terminals are the gateway

Imported LPG must transit through deep-water terminal infrastructure — the choke point Aegis controls.

\*Illustrative — directional, verify against latest official energy statistics.

# Business model – import, store, throughput, distribute

The value chain: a fee earned at every stage



## Two reportable engines

**Sourcing & Marketing**  
Bulk LPG procurement and onward sale. Higher revenue, thinner unit margin, more sensitive to commodity spreads and volumes.

**Logistics (Terminalling)**  
Storage, terminalling & throughput fees. Capital-light, annuity-like, higher-margin — the quality core of the franchise.

# Competitive moat — scarce coastal infrastructure

*Why a new entrant cannot simply replicate Aegis*



## Terminal capacity

Among the largest private LPG storage footprints in India — capacity that takes years and heavy capex to build.



## Port access

Strategic deep-water berths at key ports; coastline permits for new terminals are scarce and slow.



## Contracted throughput

Long-tenor handling arrangements with oil marketing companies anchor utilisation and cash flows.



## Replacement-cost barrier

Land, permits, marine works and storage make greenfield economics prohibitive for challengers.



## Network density

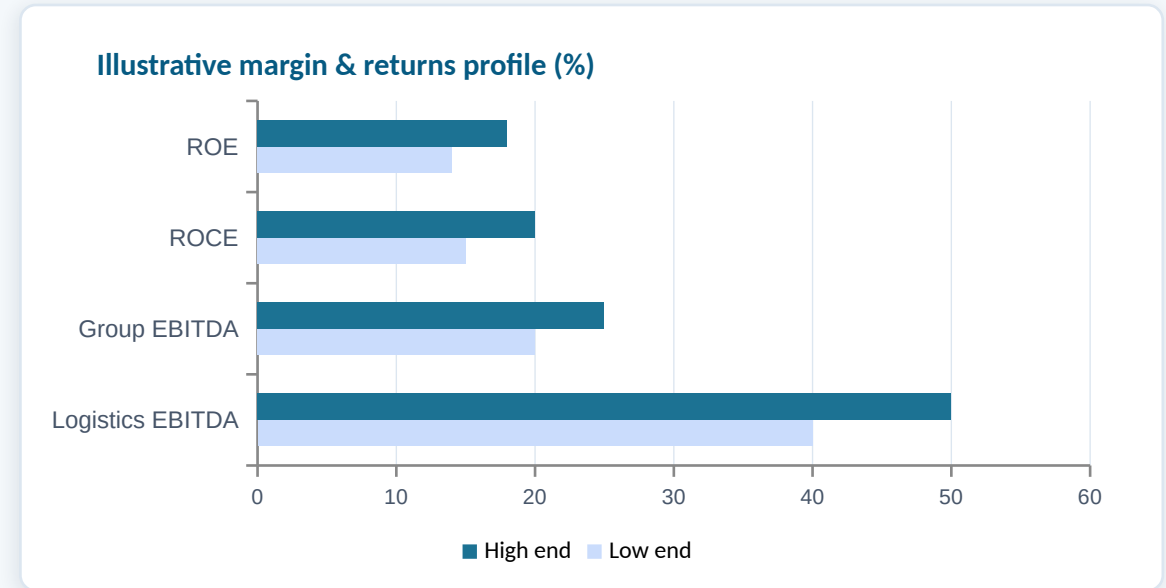
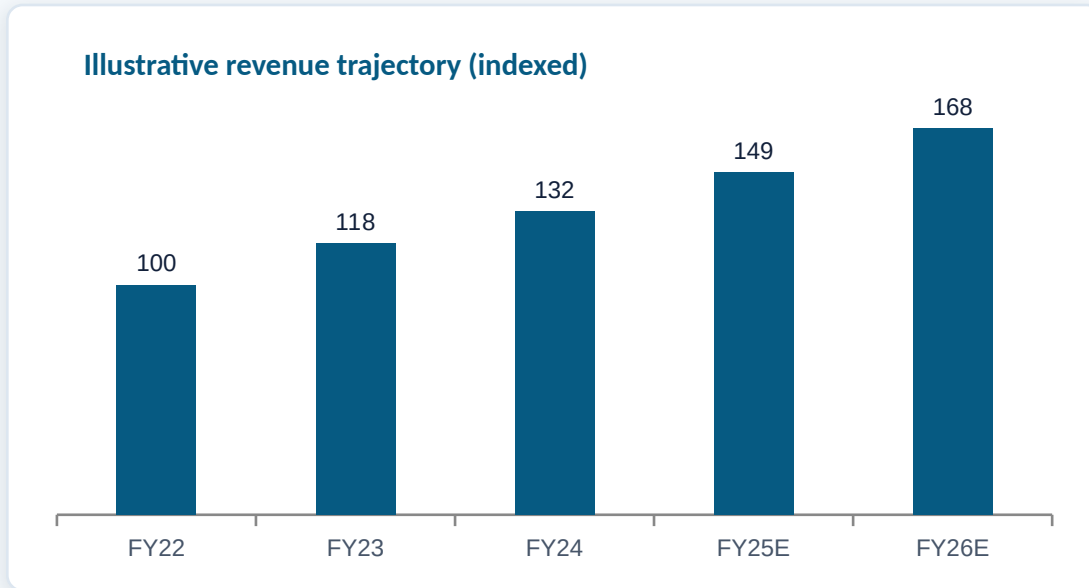
Multi-port presence creates routing flexibility and customer switching costs.



## Operating know-how

Decades of safe LPG handling — a regulatory and reputational asset that compounds.

# Financial profile (illustrative ranges)



**~12-16%\***  
Revenue CAGR

**40-50%\***  
Logistics EBITDA

**20-25%\***  
Group EBITDA

**15%+\***  
ROCE

**⚠ Illustrative figures — verify against latest annual report.** All revenue, margin and return values shown are indicative ranges for demonstration only and should be reconciled to Aegis Logistics' filed financial statements before use.

# Valuation & global peer comparison

Benchmarked against listed terminal & midstream infrastructure operators

Company	Business	Region	EV/EBITDA*	Profile
<b>Aegis Logistics</b>	LPG import, storage & logistics	India	~12-16x	Growth + scarce assets
<b>Royal Vopak</b>	Independent tank storage terminals	Global / NL	~8-11x	Mature, global network
<b>Kinder Morgan</b>	Midstream pipelines & terminals	USA	~9-11x	Yield, large-cap
<i>Aegis (peer-implied)</i>	<i>Apply peer multiple to Aegis EBITDA</i>	—	derive	Cross-check on output

\*Illustrative multiple ranges for demonstration — not investment advice. Verify against current market data.

## Why Aegis can warrant a premium to global peers

Faster **volume growth** from a structurally short Indian market, **scarcer assets** (limited coastal terminal sites), and **expansion optionality** support a higher multiple than mature, ex-growth Western operators.

## Triangulated approach

- EV/EBITDA peer multiple
- DCF on contracted throughput
- Replacement-cost floor

# Risks & catalysts

## Key risks

- **Commodity & spread volatility** — Sourcing margins move with global LPG prices and freight.
- **Regulatory / policy** — Subsidy regime, port tariffs and energy-transition policy shifts.
- **Customer concentration** — Reliance on a few large oil marketing companies for throughput.
- **Capex & execution** — New terminal projects carry build and ramp-up risk.
- **Energy transition** — Long-run substitution toward electrification of cooking.

## Catalysts

- **Capacity expansion** — New / expanded terminals lifting contracted throughput.
- **Rising import dependence** — Structural demand-supply gap feeding volume growth.
- **Distribution scale-up** — Autogas, bottling and retail extending the fee base.
- **Clean-fuel optionality** — Ammonia / new-energy terminalling as future growth vector.
- **Operating leverage** — Throughput growth on a fixed asset base lifts margins.

## RECOMMENDATION

# Initiate at BUY

Aegis Logistics offers exposure to a structural Indian energy theme through scarce, contracted, replacement-cost-protected infrastructure — the kind of toll-like asset base that compounds quietly over cycles.



### Quality

Scarce coastal terminals; high replacement-cost moat.



### Growth

Import dependence + capacity expansion drive throughput.



### Value

Premium to ex-growth global peers is defensible.

RATING **BUY**

Horizon 3–5 years · Coverage initiation