Initiating Coverage | 7 March 2017
Sector: Logistics

Aegis Logistics

The Giant Kelp

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Aegis Logistics

BSE Sensex	S&P CNX
33,033	10,154

CMP: INR229 **TP: INR303 (+32%)** **Buy**

Aegis Logistics (AGIS) is India's leading oil, gas and chemical logistics company. It primarily operates under two businesses: Gas and Liquids. The company operates three gas terminals and six liquid terminals across the country. It is engaged in the handling of oil & LPG products, as well as the sourcing, retailing and distribution of LPG.

The Giant Kelp

Attractive play on India's rising LPG consumption; Initiating coverage with Buy

- **Given the various promising perspectives in AGIS' journey, we liken it to the Giant Kelp – one of the fastest growing organisms in the world and found in the waters of the Americas, South Africa, New Zealand and Southern Australia.**
- **The company's market cap has already grown ~25x over the last decade. However, we continue believing in AGIS' structural growth story with a clear focus and strong execution in a niche market. Thus, we see further upside potential led by its planned expansions.**
- **Over FY17-20, we expect AGIS to witness LPG throughput CAGR of 51%, much higher than India's estimated LPG import CAGR of 22%. Gas division EBITDA is expected to grow at 41% CAGR over FY17-20.**
- **For AGIS, we expect liquids throughput CAGR of 16% over FY17-20. Liquids division EBITDA CAGR is estimated at 22% over the same period.**
- **EBITDA/EPS is expected to grow at 42%/51% CAGR over FY17-20E. We value AGIS using DCF at INR303/share, implying 32% upside. We initiate coverage with a Buy rating.**

India's secular LPG consumption growth story

- For years, India has aimed to promote an alternative for cheaper but dirtier cooking fuels. Post 2014, favorable macros have enabled the Indian government to increase the penetration of LPG through various schemes. This resulted in higher LPG consumption CAGR of 10% over FY14-17 compared to 7% over FY07-14. We estimate LPG consumption CAGR of 15% over FY17-20, led by 17% CAGR in new household LPG connections over the same period.
- India's LPG penetration increased to ~78% in October 2017 from less than 60% in January 2016. Region-wise, LPG penetration for southern and northern India stands at more than 88%, while that in western and eastern India (the focus areas of AGIS) lags behind at 72% and 60%, respectively.
- We expect LPG import CAGR of 22% over FY17-20, as domestic production continues to lag demand.

Stock Info

Bloomberg	AGIS IN
Equity Shares (m)	334.0
52-Week Range (INR)	300 / 170
1, 6, 12 Rel. Per (%)	-9/2/2
M.Cap. (INR b)	76.2
M.Cap. (USD b)	1.2
Avg Val, INRm	104.0
Free float (%)	39.5

Financial Snapshot (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	47.7	69.1	89.3
EBITDA	3.0	4.8	6.0
NP	2.2	3.3	4.2
EPS (INR)	6.5	9.7	12.5
EPS Gr.%	80.4	50.1	28.0
BV/Share	23.1	30.6	40.3
P/E (x)	35.1	23.4	18.3
P/BV (x)	9.9	7.4	5.7
RoE (x)	31.6	36.3	35.2
RoCE (x)	25.4	30.6	31.5
EV/EBITDA (x)	25.8	15.6	12.0
EV/Sales (x)	1.6	1.1	0.8

Shareholding pattern (%)

As On	Dec-17	Sep-17	Dec-16
Promoter	60.5	60.5	61.5
DII	2.8	2.7	3.6
FII	11.3	12.0	12.5
Others	25.5	24.8	22.4

FII Includes depository receipts

Aegis Logistics

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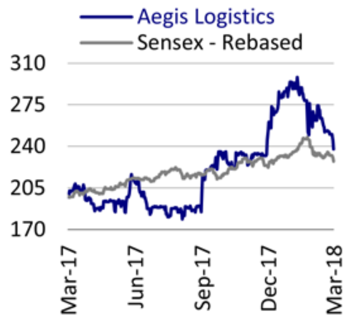
Please click here for Video Link

Stock Performance (1-year)



All the way up for the LPG segment!

- AGIS is a fully integrated player in the LPG logistics chain, with operations ranging from sourcing, shipping, terminals and distribution across the industrial, commercial and auto gas segments.
- AGIS, the largest private importer, is expected to be the biggest beneficiary of rising LPG imports in the country. It operates three LPG terminals at key ports in India, with a static capacity of ~63kmt and a throughput capacity of 5mmtpa (45% of total import in FY17). Ramp-up of the recently commissioned Haldia and Pipavav terminals would result in 51% CAGR in LPG throughput over FY17-20E.
- We expect LPG logistics EBITDA CAGR of 62% over FY17-20. Sourcing and Retailing & Distribution EBITDA CAGR are estimated at 2% and 21%, respectively, over FY17-20. Thus, we expect Gas division EBITDA CAGR of 41% over the same period.

Liquids division remains a cash cow

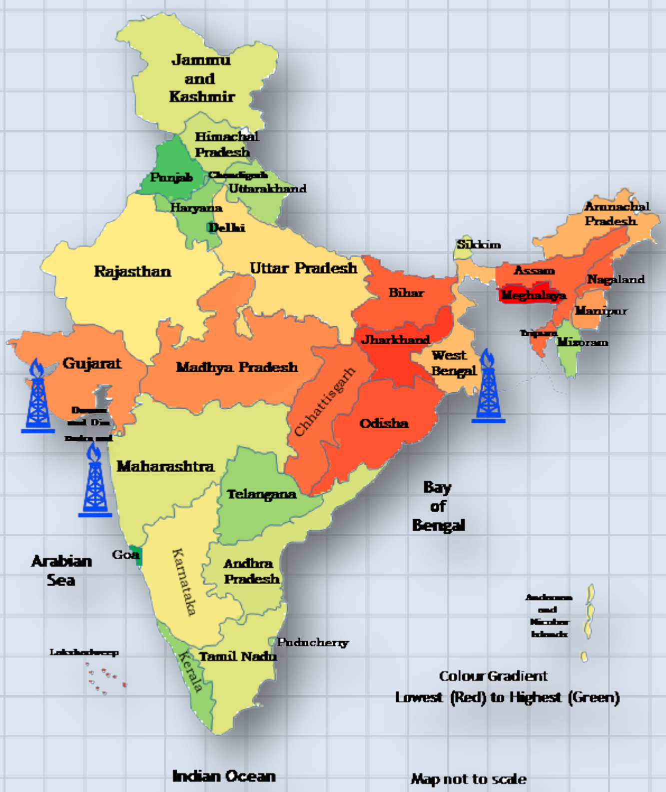
- AGIS is also a leading liquid terminal operator, providing a complete range of services like shipping, O&M and logistics. The company operates four liquids terminals which are strategically located at the Mumbai, Pipavav, Kochi and Haldia ports, with total capacity of 529,310 KL.
- Locational advantage and strong customer relationships have enabled higher utilization for the Mumbai, Kochi and Pipavav ports. These liquids terminals are well connected to major refineries and petrochemical companies through pipelines, with the oil marketing companies (OMCs) being the major clients.
- Ramp-up of the Hadia terminal (brownfield expansion), and commissioning of the Kandla (100,000kl greenfield, 4QFY18) and Mangalore (25,000kl greenfield, 1QFY19) terminals are expected to drive the next leg of growth for the liquids division. We expect liquids throughput CAGR of 16% over FY17-20, led by capacity expansion and higher utilization. Liquids division EBITDA CAGR is estimated at 22% during the same period.

Initiating coverage with Buy

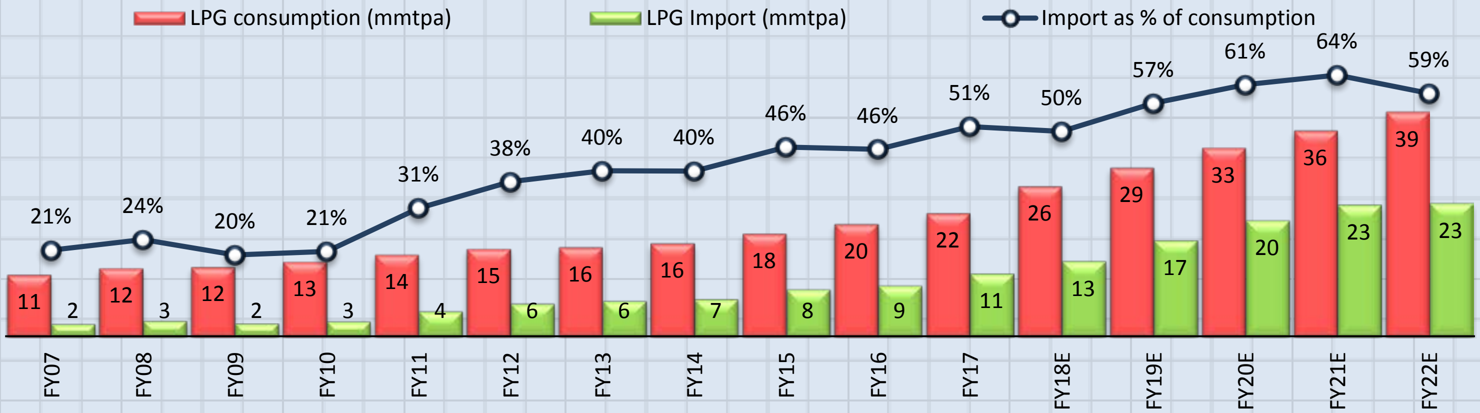
- Increased focus on penetration of LPG, combined with the widening demand-supply gap, is expected to support volume growth for AGIS. Over FY17-20, we expect CAGR of 42% in EBITDA and 51% in EPS, led by debt repayment.
- With major capex behind, we expect strong free cash flow generation of INR10b over FY18-20. RoE/RoCE is expected to improve sharply from 22%/19% in FY17 to 35%/31% in FY20.
- While management is expected to announce a new gas terminal in the coming days, we are not factoring in capacity expansion until FY20E in our numbers. Further capacity expansion before FY20 can pose an upside risk to our earnings estimates.
- We value AGIS using the DCF methodology, with WACC of 11% and terminal growth of 3.5%, to arrive at a fair value of INR303/share, implying 32% upside. The stock trades at 18.3x FY20E EPS of INR12.5 and 12x FY20E EV/EBITDA. We initiate coverage on AGIS with a **Buy** rating.

Aegis Logistics – A play on India's LPG consumption

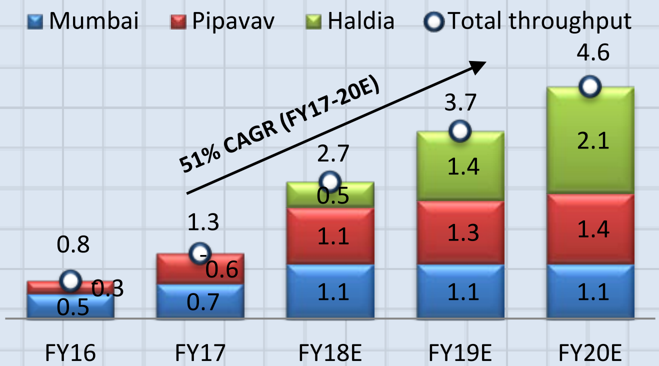
Low LPG penetration level in the eastern and western India offers huge growth potential for AGIS



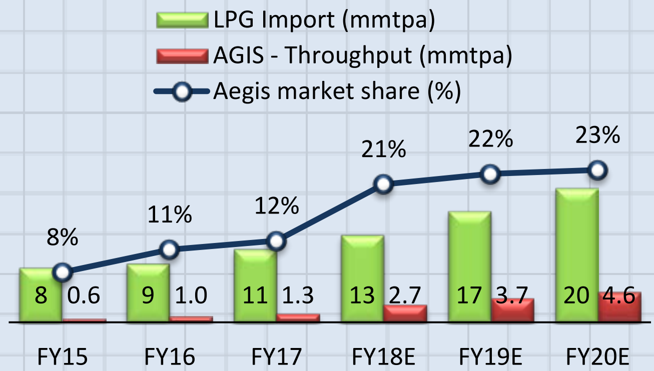
Slower domestic LPG production would increase LPG import share going ahead; expect LPG imports to grow at 22% CAGR over FY17-20E



We expect throughput to grow at 51% CAGR over FY17-20, led by ramp-up of Haldia and Pipavav terminal

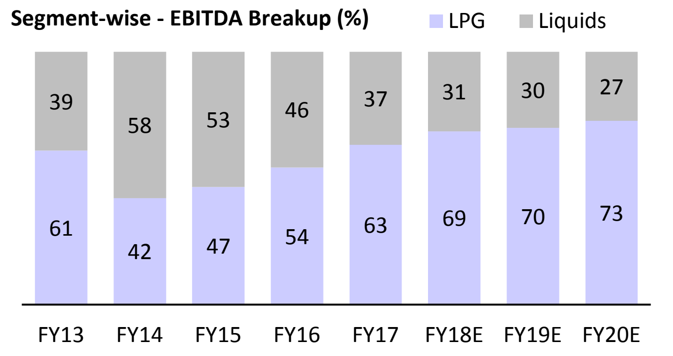


AGIS to gain market share led by commissioning of Haldia terminal and ramp-up of Pipavav terminal



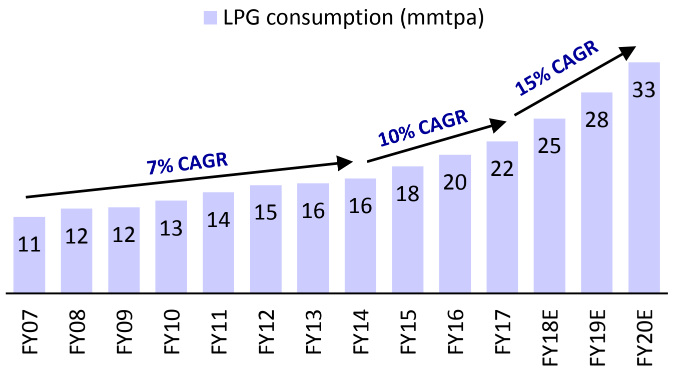
Story in charts

Exhibit 1: AGIS' LPG terminal division to contribute ~70% of total EBITDA



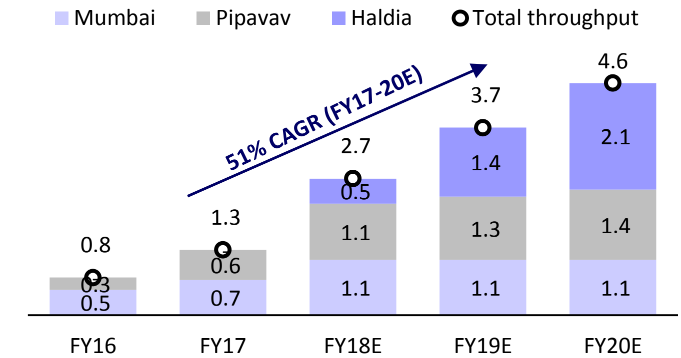
Source: Company, MOSL

Exhibit 2: India's LPG consumption rate has increased post FY14; expect a 15% CAGR over FY17-20



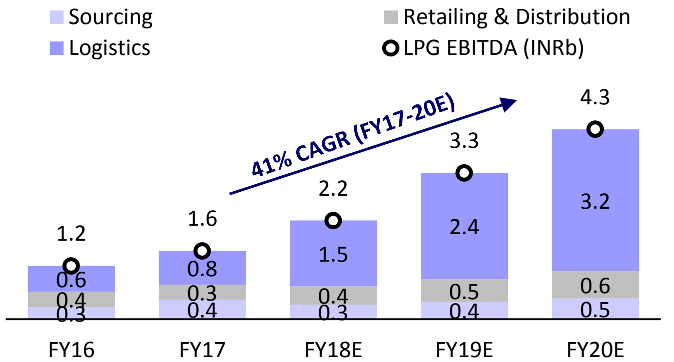
Source: PPAC, MOSL

Exhibit 3: We expect throughput CAGR of 51% over FY17-20, led by ramp-up of Haldia and Pipavav terminals



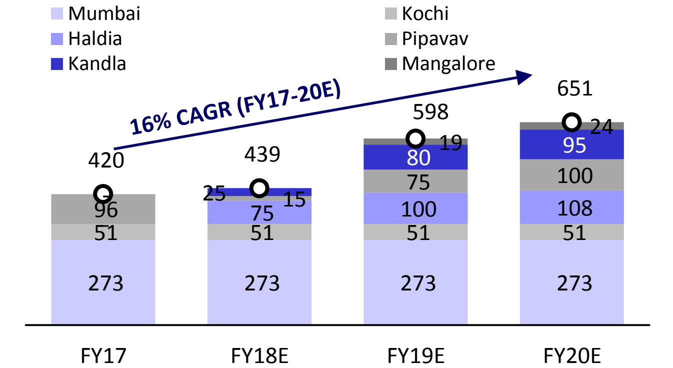
Source: Company, MOSL

Exhibit 4: LPG division EBITDA to grow at 41% CAGR over FY17-20E led by logistics segment (INRb)



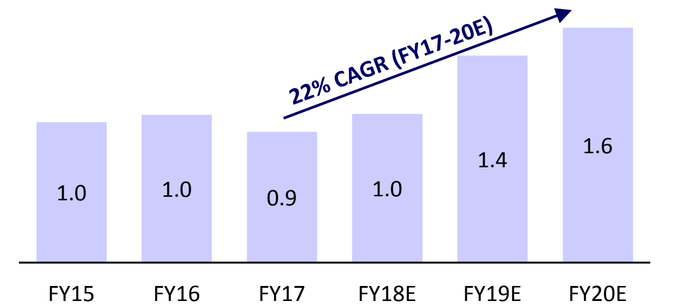
Source: Company, MOSL

Exhibit 5: Liquid throughput to grow at 16% CAGR over FY17-20 led by capacity expansion and higher utilization



Source: Company, MOSL

Exhibit 6: Liquid division EBITDA to grow at 22% CAGR over FY17-20E (INR b)



Source: Company, MOSL

India's secular LPG consumption growth story

Domestic production shortage to result in higher imports

- **Post 2014, favorable macros have enabled the Indian government to increase the penetration of LPG through various schemes, replacing the usage of cheaper but dirtier cooking fuels. This resulted in higher LPG consumption CAGR of 10% over FY14-17 compared to 7% over FY07-14. We expect LPG consumption CAGR of 15% over FY17-20, led by 17% CAGR in the number of LPG customer households during the same period.**
- **India's LPG penetration increased to ~78% in October 2017 from less than 60% in January 2016. LPG penetration for southern and northern India stands at more than 88%, while that in western and eastern India (the focus areas of AGIS) lags behind at 72% and 59%, respectively.**
- **We expect LPG import CAGR of 22% over FY17-20, as domestic production continues to lag demand.**

Government thrust on LPG consumption

- India has always promoted LPG as a cooking fuel by taking multiple policy initiatives. However, a sharp decline in LPG prices enabled the current government to aggressively promote LPG as cooking fuel post 2014.
- The new government successfully launched the Ujjwala scheme to increase LPG penetration. By 2020, the government intends to increase LPG penetration in the country to 95% from the current level of 78%.

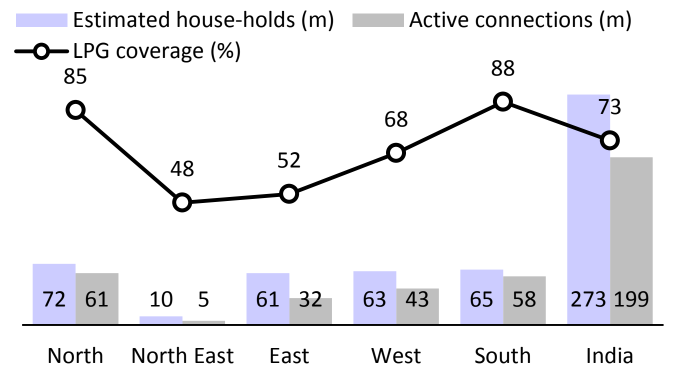
Exhibit 7: Government's focus to deepen the usage of LPG is visible in various initiatives taken

Year	Government policies/schemes	Description
2009	Rajiv Gandhi Gramin LPG Vitaran Yojana (RGGLV)	❖ To set up small-size LPG distribution agencies ❖ Provided one-time financial assistance to the BPL category for new LPG connection
2012	Kerosene Free Delhi	❖ Free gas connections, along with LPG filled cylinders, two burner gas stove, regulator and Suraksha (safety) pipe were issued to the Jhuggi Ration Card (JRC), Below Poverty Line (BPL) and Antodaya Ann Yojana (AAY) Ration Card holders who were using kerosene oil for cooking
2013	PAHAL (DBTL)	❖ Government introduced a well-targeted system of subsidy delivery to LPG consumers through PAHAL (Direct Benefit Transfer) scheme ❖ It was aimed at rationalizing subsidies based on approach to cut subsidy leakages, but not subsidies themselves ❖ Applicable subsidy is directly transferred into the bank account of the beneficiaries ❖ PAHAL has helped in identifying 'ghost' accounts, multiple accounts and inactive accounts. This has helped in curbing diversion of subsidized LPG for commercial purposes
2016	GiveItUp Campaign	❖ As a part of subsidy management, Prime Minister gave call to well-off LPG consumers to voluntarily surrender their subsidy by launching 'GiveItUp' campaign ❖ GiveItUp campaign has evoked huge response from socially committed individuals, and resulted in more than 1.05 crore consumers giving up their subsidy voluntarily
2016	Unified Guidelines for Selection of LPG Distributorships 2016	❖ Under this scheme, all Indian citizens, including unemployed youth, are eligible for applying for LPG distributorships
2016	Pradhan Mantri Ujjwala Yojana (PMUY)	❖ The Government has launched "Pradhan Mantri Ujjwala Yojana"(PMUY) for providing LPG connections to 5 crore women belonging to the Below Poverty Line (BPL) families over a period of 3 years starting from FY17 ❖ Objective of the scheme is to provide clean cooking fuel solution to poor households, especially in rural areas

Source: PPAC, MOSL

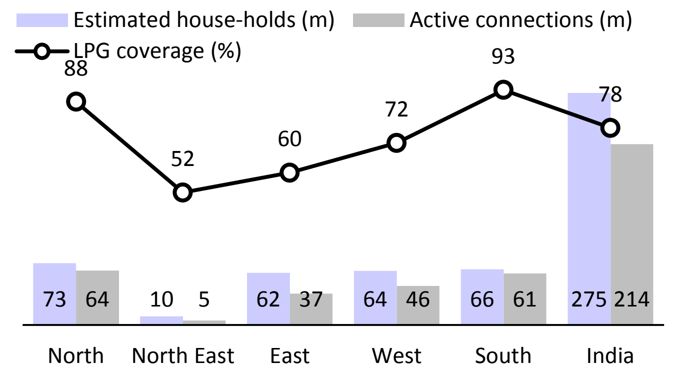
- To achieve its aim of 95% LPG penetration, the government, in our view, needs to add 140m new household connections, resulting in incremental LPG consumption of 11mmt over FY17-20, ~53% of total consumption in FY17.
- Government's various initiatives to (i) increase LPG penetration in areas/states where the usage is low, and (ii) popularize LPG as a medium of cooking have been extremely successful. It has surpassed its target of achieving 160m connections in FY15 (as mentioned in the 'Vision – 2015' document published on June 2009). Hence, we believe that the target of increasing the penetration to 95% by 2020 is achievable.
- India's LPG consumption increased to 22mmtpa in FY17 v/s 16mmtpa in FY14, growing at a 10% CAGR. LPG consumption over FY14-17 grew at a higher rate than over FY07-14. Households consume ~90% of the country's total LPG – a preferred fuel for cooking.
- LPG penetration level has been rising rapidly across country; ~15m LPG connections have been added in the first half of FY18. LPG penetration level increased to ~78% in September 2017 from ~60% in January 2016 and ~58% in June 2015. We believe that higher penetration of 95% would result in 15% LPG consumption CAGR over FY17-20E.

Exhibit 8: LPG coverage at the start of FY18



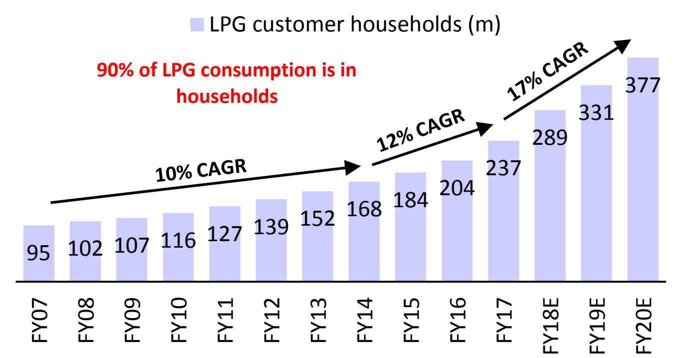
Source: PPAC, MOSL

Exhibit 9: LPG coverage at the end of 1HFY18



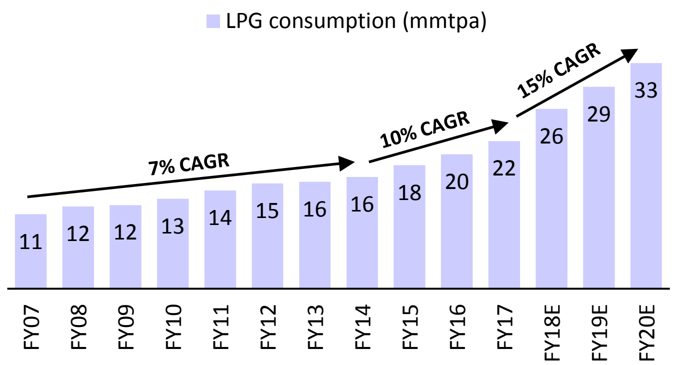
Source: PPAC, MOSL

Exhibit 10: LPG customer households to grow at 17% CAGR over FY17-20 to reach 95% penetration level



Source: PPAC, MOSL

Exhibit 11: LPG consumption to grow at 15% over FY17-20 led by increase in customer households

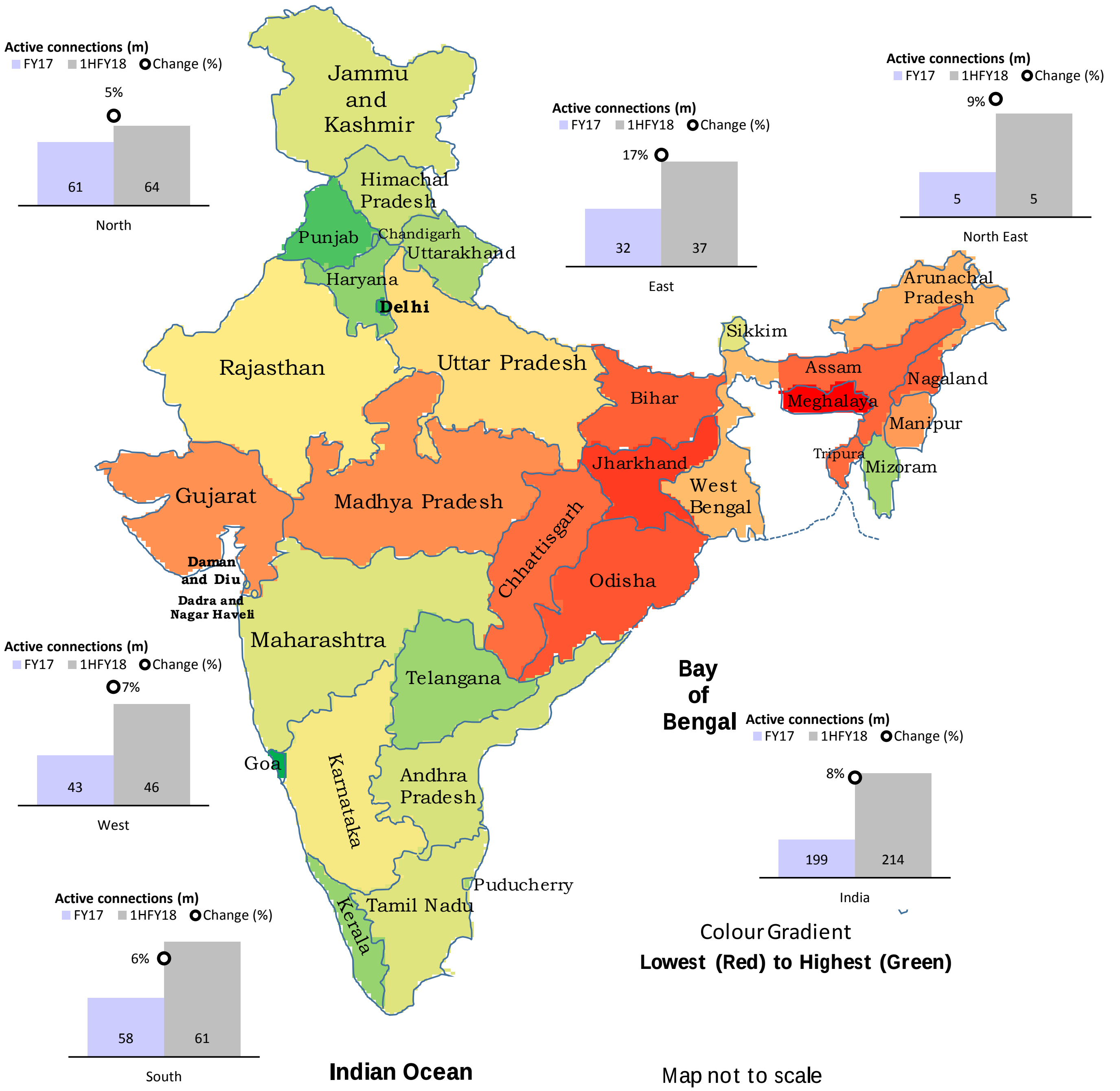


Source: PPAC, MOSL

AGIS' strategic presence offers huge potential

- LPG penetration level has improved across regions. While southern and northern India have impressive penetration levels, western and eastern India have lagged in this regard.
- We believe lower LPG penetration level in western and eastern India is indicative of high untapped demand for this fuel. Eastern states like Odisha, Jharkhand and Bihar, and western states like Madhya Pradesh, Chhattisgarh and Gujarat, are expected to witness higher LPG consumption growth going ahead.

Exhibit 12: Due to low penetration level, eastern and western India to witness higher growth in LPG consumption



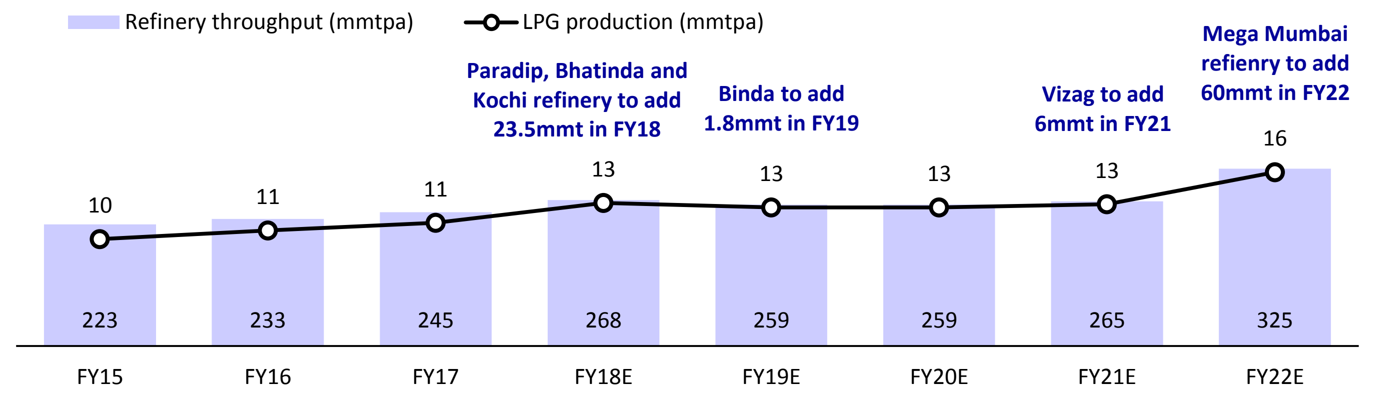
*Data as on 31st March 2017

Source: PPAC, MOSL

Domestic production shortage to result in higher imports

- India's dependency on LPG imports has been rising consistently due to domestic LPG production not rising at the same pace. Share of imports has risen to 51% in FY17 from 40% in FY14.
- Even in a very optimistic scenario, refining capacity may only rise from 234mmtpa in FY17 to 325mmtpa by FY22. However, with LPG yield being inherently low, we expect domestic LPG production to grow at meager ~4% CAGR v/s consumption CAGR of 15%, implying 22% CAGR in LPG imports over FY17-20E.

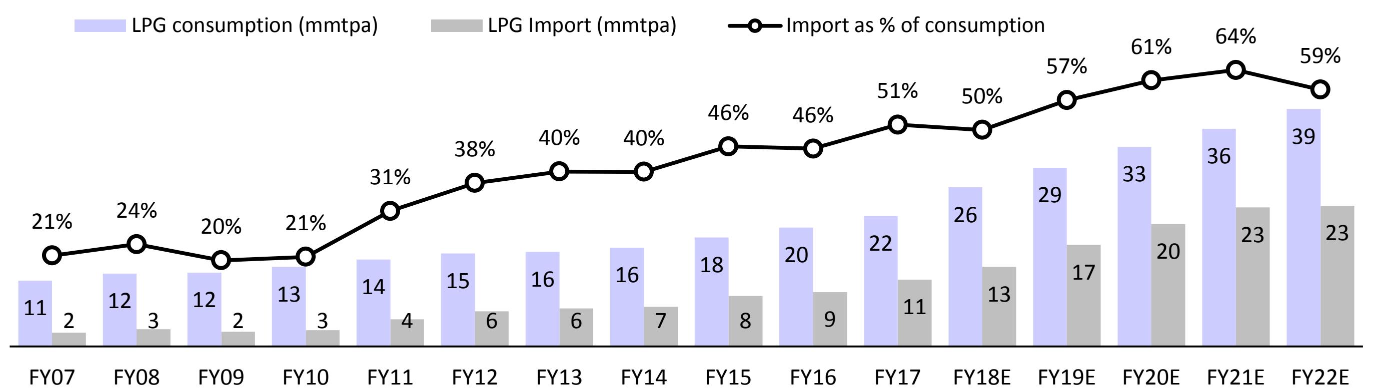
Exhibit 13: Domestic LPG production to grow at ~4% CAGR over FY17-20E



Note: Assumed 100% refinery utilization for FY19-23

Source: PPAC, MOSL

Exhibit 14: Slower domestic LPG production would increase LPG import share going ahead; expect LPG imports to grow at 22% CAGR over FY17-20E



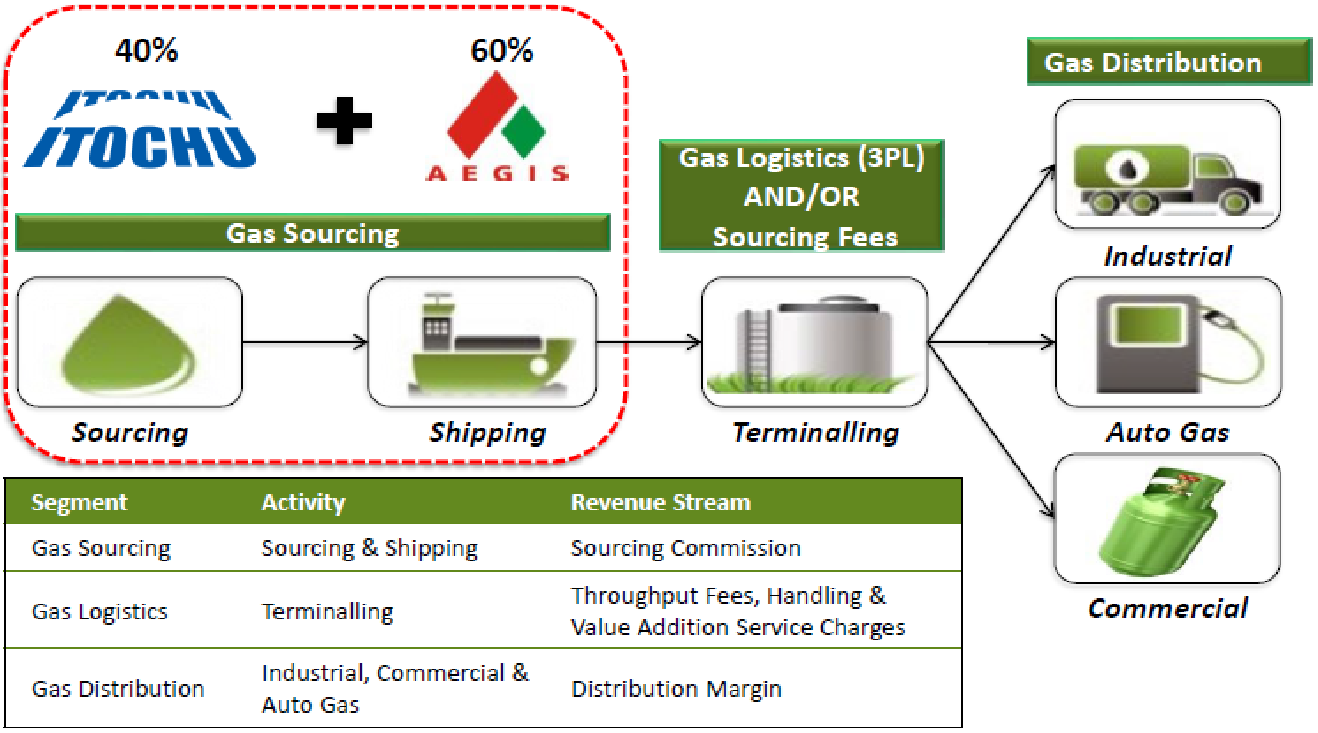
Source: PPAC, MOSL

All the way up for the LPG segment!

Ramp-up of Haldia and Pipavav terminals to drive throughput

- **AGIS is a fully integrated player in the LPG logistics chain, with operations ranging from sourcing, shipping, terminals and distribution across the industrial, commercial and auto gas segments.**
- **AGIS, the largest private importer, is expected to be the biggest beneficiary of rising LPG imports in the country. It operates three LPG terminals at key ports in India, with static capacity of ~63kmt and throughput capacity of 5mmtpa (45% of total import in FY17). Ramp-up of the recently commissioned Haldia and Pipavav terminals would result in 51% CAGR in LPG throughput over FY17-20E.**
- **We expect LPG logistics EBITDA CAGR of 62% over FY17-20. Sourcing and Retailing & Distribution EBITDA CAGR is estimated at 2% and 21%, respectively, over FY17-20. Thus, Gas division EBITDA is expected to grow at 41% CAGR over the same period.**

Exhibit 15: AGIS to be the biggest beneficiary of rising LPG imports as it captures the complete LPG value chain



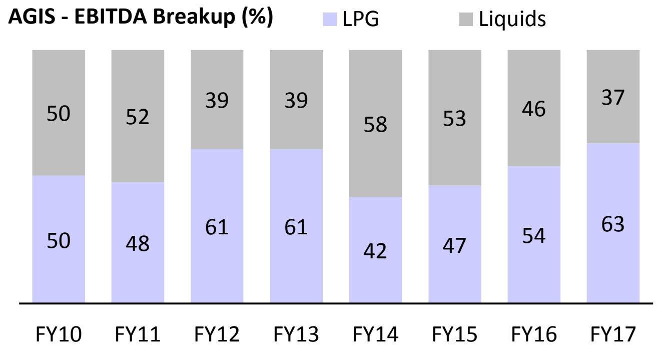
Segment	Activity	Revenue Stream
Gas Sourcing	Sourcing & Shipping	Sourcing Commission
Gas Logistics	Terminalling	Throughput Fees, Handling & Value Addition Service Charges
Gas Distribution	Industrial, Commercial & Auto Gas	Distribution Margin

Source: Company, MOSL

Well placed to benefit from rising LPG imports

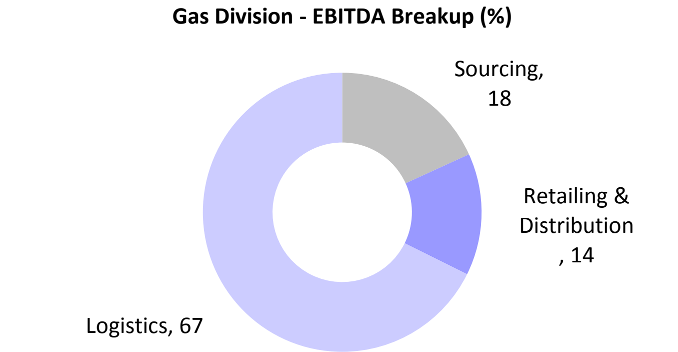
- Apart from LPG, AGIS also deals with relatively small volume of propane (both combined being termed as the gas division). The contribution of gas division to total EBITDA rose to 63% in FY17 from 42% in FY14.
- The logistics segment was the highest contributor (~67%) of the gas division's EBITDA in FY17, followed by sourcing (18%) and retail & distribution (14%).

Exhibit 16: Gas division share has increased rapidly over last four years; it contributed 63% of AGIS' EBITDA in FY17



Source: Company, MOSL

Exhibit 17: Logistics segment is a major contributor to the gas division's EBITDA; ~67% in FY17

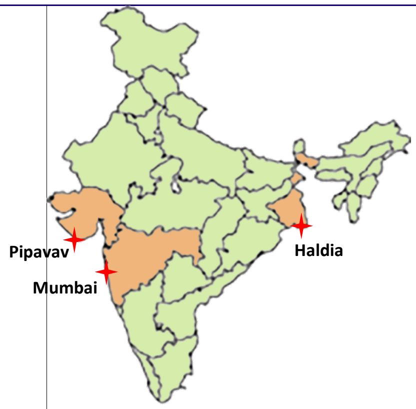


Source: Company, MOSL

Gas logistics offers 51% volume CAGR over FY17-20

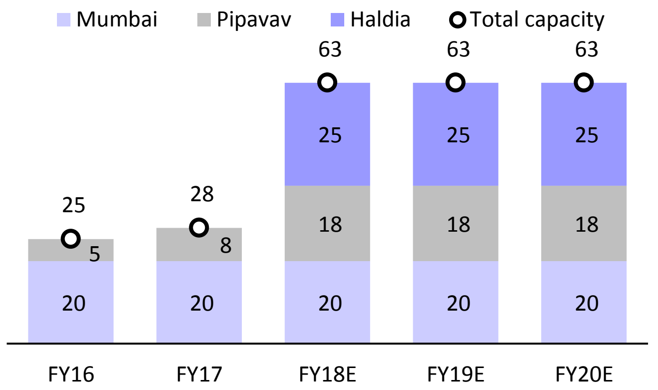
- AGIS is one of the largest private sector players in the LPG logistics (terminal) business. The company derives revenue through throughput fees, handling and value-addition services for providing terminalling activity. It operates three gas terminals located at Mumbai, Pipavav and Haldia, with a static capacity of ~63kmt and throughput capacity of 5mmtpa.
- Mumbai has a static capacity of 2x10kmt, one tank is used for LPG storage and the other one for supplying propane to Reliance Industries. Throughput capacity stands at 1.1mmtpa. Pipavav has a static capacity of 18.3kmt post expansion in 1QFY18 and a throughput capacity of 1.4mmtpa. The recently commissioned INR2.5b greenfield Haldia LPG terminal has a static capacity of 25kmt and a throughput capacity of 2.5mmtpa.

Exhibit 18: Gas terminal on key ports in India



Source: Company, MOSL

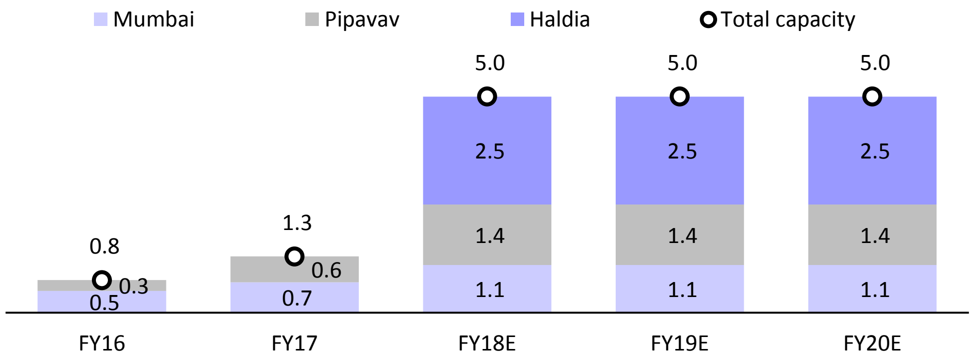
Exhibit 19: AGIS has three LPG terminals at key major ports in India with static capacity of ~63,000mt ('000mt)



Source: Company, MOSL

- **Evacuation infrastructure defines throughput capacity:** Throughput capacity of a gas terminal, depending upon the pace of the evacuation, can range from 25x - 100x of the static capacity. AGIS' throughput capacity stood at 46x of static capacity in FY17. Pipeline is the fastest way of evacuation, and pipeline connectivity can exponentially increase the throughput capacity of the gas terminal.

Exhibit 20: Throughput depends on the pace of evacuation; AGIS has a throughput capacity of 5mmtpa (mmtpa)



Source: Company, MOSL

Ramp-up of Haldia and Pipavav terminals to drive throughput

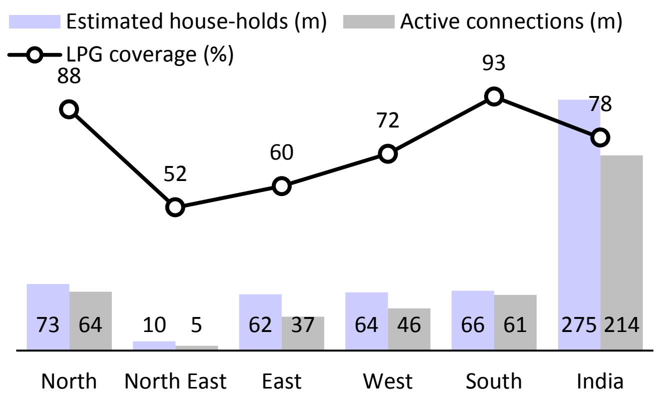
- AGIS commissioned its INR2.5b greenfield Haldia terminal with static capacity of 25kmt in September 2017. Throughput capacity stands at 2.5mmtpa. Lower LPG penetration and limited competition in the eastern region should help the Haldia terminal to ramp up exponentially, in our view. We expect the terminal to achieve 100% utilization in FY20.

Exhibit 21: Haldia stands to benefit from lower LPG terminal capacity in eastern region

Company	Ports	Static capacity ('000 mt)
AGIS	Mumbai	20
AGIS	Pipavav	18
IOCL	Kandla	30
BPCL	JNPT	16
Reliance	Sikka	30
GCPTCL	Dahej	30
West		**144**
AGIS	Haldia	25
IPPL	Haldia	32
East		**57**
HPCL, TOTAL	Mangalore	17
SALPG, EIPL	Vizag	60
IPPL	Ennore	30
SHV	Tuticorin	8
SHV	Porbandar	8
South		**123**

Source: IOCL, MOSL

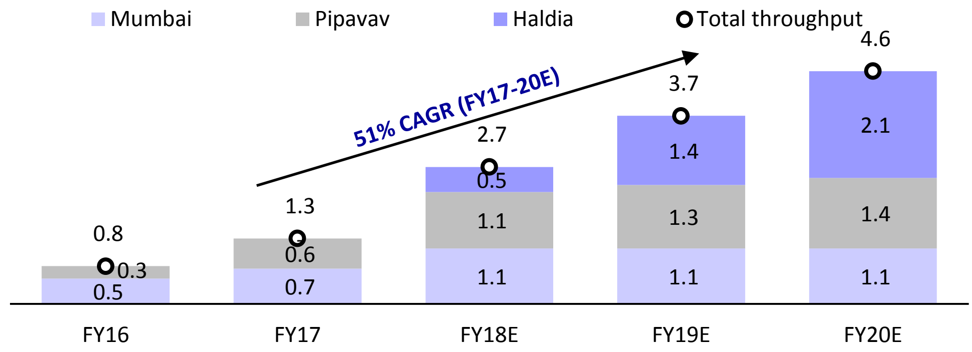
Exhibit 22: Haldia terminal to witness higher utilization level due to low LPG coverage in eastern India



Source: PPAC, MOSL

- **Pipavav to ramp-up gradually:** AGIS' brownfield capacity expansion from 8.1kmt to 18.3kmt at the Pipavav LPG terminal was completed in 1QFY18. Throughput capacity is expected to rise to 1.4mmtpa from 0.6mmtpa. We expect the Pipavav LPG terminal to reach full utilization by FY20, based on existing and new customer relationships.
- **Mumbai to expand its throughput capacity:** HPCL is expected to complete its existing Uran-Chakan LPG pipeline by Mar'18. AGIS's Mumbai LPG terminal is already connected to Uran LPG pipeline. Post completion of the Uran-Chakan leg by HPCL, the Mumbai LPG terminal's throughput capacity would increase to 1.5mmtpa from 1.1mmtpa, according to the company. We are not factoring in expanded throughput capacity in our numbers.

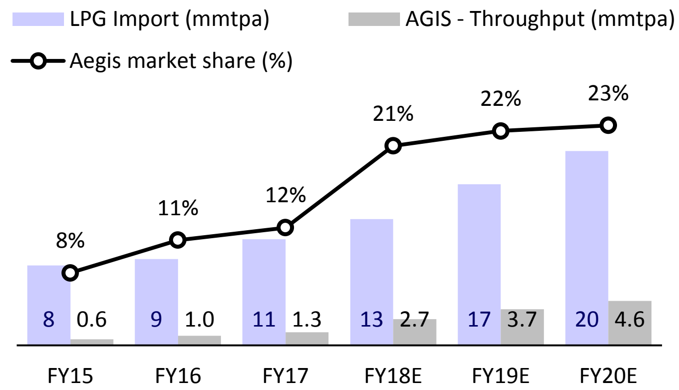
Exhibit 23: We expect throughput to grow at 51% CAGR over FY17-20, led by ramp-up of Haldia and Pipavav terminal



Source: Company, MOSL

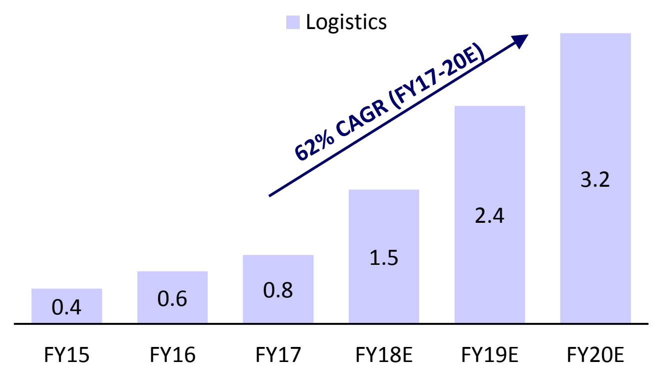
- While we expect India's LPG imports to grow at 22% CAGR over FY17-20, AGIS is expected to increase its LPG throughput at 51% CAGR during the same time, led by the ramp-up of the Haldia and Pipavav terminals. Thus, we expect AGIS' market share to increase from 12% in FY17 to 23% in FY20E.
- We expect logistics segment EBITDA to grow at 62% CAGR over FY17-20E led by 51% CAGR increase in LPG throughput.

Exhibit 24: AGIS to gain market share led by commissioning of Haldia terminal and ramp-up of Pipavav terminal



Source: PPAC, MOSL

Exhibit 25: Logistics segment EBTIDA to grow at 62% CAGR over FY17-20, led by throughput ramp-up (INRb)

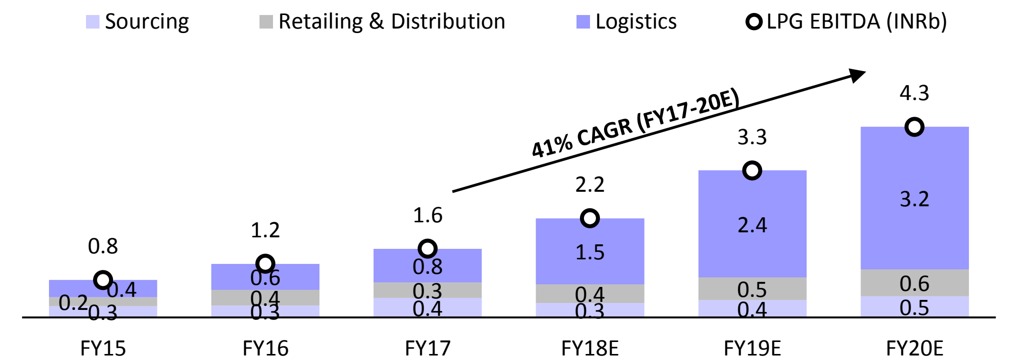


Source: Company, MOSL

Gas sourcing and retail & distribution segment to grow at steady pace

- **Gas sourcing:** In order to strengthen its sourcing capabilities, the company entered into a joint venture with one of the largest sourcing companies in the world – ITOCHU (Japan) – through its Singapore subsidiary in 2012. The JV helps AGIS to use ITOCHU's expertise for sourcing LPG at competitive rates. With ~9% market share in LPG imports in FY17, it emerged as one of the largest private players in LPG sourcing in India.
- AGIS earns a commission fee for providing this activity. Since the company has its own terminals, it derives revenue through storage and handling charges as well. In the gas sourcing business, the company gets a spread on USD3-5/MT. We expect sourcing volumes to grow at 20% CAGR and assume a spread of USD4/MT over FY17-20. We expect EBITDA to grow at 2% CAGR over FY17-20E.
- **Gas retailing and distribution:** AGIS is also present in the industrial, commercial and auto gas distribution business through a diversified network. The company has ~100 distributors in 45 cities across eight states, which distribute commercial LPG cylinders under the brand 'Aegis Puregas'. Auto gas is sold under the brand 'Aegis Autogas' through 107 auto gas stations. Bulk LPG is transported by road tankers to industries including autos, steel and ceramics. We expect retailing and distribution EBITDA to grow at 21% CAGR over F17-2E on account of strong demand.

Exhibit 26: LPG division EBITDA to grow at 41% CAGR over FY17-20E led by logistics segment (INRb)



Source: Company, MOSL

- AGIS is also expected to announce two large LPG terminals in the coming months – one of which would be the largest LPG terminal. Management has received environmental clearance for one of the proposed terminals and is currently negotiating commercial terms. We believe strong LPG throughput and capacity expansion plans should re-rate the stock further.
- We are not factoring in any capacity expansion for LPG terminals until FY20 and expect new capacities to be operational post FY20. Any preponement of capacity addition is an upside risk to our earnings estimates.

Liquids division remains a cash cow

Capacity expansion to generate steady growth

- **AGIS is also a leading liquid terminal operator and provides complete services like shipping, O&M and logistics. The company operates four liquid terminals strategically located at the Mumbai, Pipavav, Kochi and Haldia ports.**
- **Locational advantage and strong customer relationships have enabled higher utilization for Mumbai, Kochi and Pipavav. OMCs are the major clients.**
- **Ramp-up of the Hadia terminal (brownfield expansion), and commissioning of the Kandla (100,000kl greenfield, 4QFY18) and Mangalore (25,000kl greenfield, 1QFY19) terminals are expected to drive the next leg of growth for the liquids division.**
- **We expect liquids throughput CAGR of 16% over FY17-20, led by capacity expansion and higher utilization. Liquids division EBITDA CAGR is estimated at 22% during the same period.**

Leading liquid terminal operator

- AGIS is a leading liquid terminal operator and provides complete services like shipping, O&M and logistics. The company handles POL (petroleum) and other chemicals at its liquid terminals. It operates four liquid terminals that are strategically located at Mumbai, Pipavav, Kochi and Haldia, with a total capacity of 529,310 KL. These liquid terminals are well connected to the major refineries and petrochemical companies through pipelines. OMCs are the major clients. Liquid terminals are offered on long-term and spot contracts. The company earns higher margins in spot contracts.

Exhibit 27: AGIS offers shipping, O&M and logistics services for liquids

Segment	Activity	Revenue Stream
Liquid Logistics	Logistics	Throughput Fees, Handling & Value Addition Charges
O&M Services	Operations & Maintenance	O&M Fees

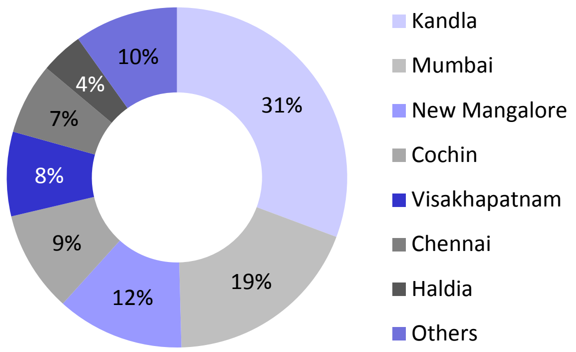
Source: Company, MOSL

- AGIS is in the final stage of expansion of its green field terminal at the Kandla and Mangalore ports, and brownfield expansion of the Haldia terminal. All these terminals are located near major refining and petrochemical complexes. With petrochemical industry growing at ~9-10%, this business continues to provide stable cash flows for the company.

Exhibit 28: Strategically located terminals; plans to build a necklace of terminals around the coastline of India

Source: Company, MOSL

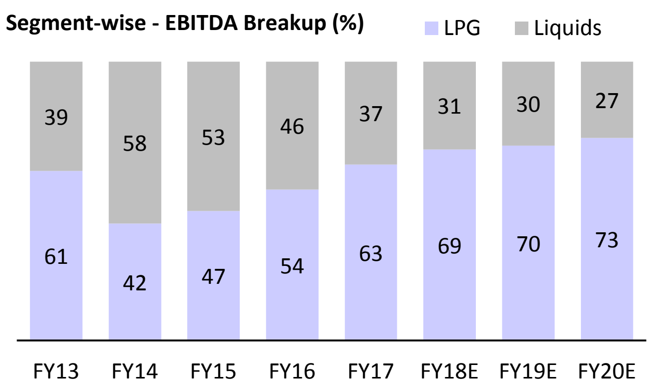
Exhibit 29: Mumbai, Kochi, Haldia, Kandla and Mangalore handle ~75% of the POL traffic at major ports (April-November 2017)



Source: IPA, MOSL

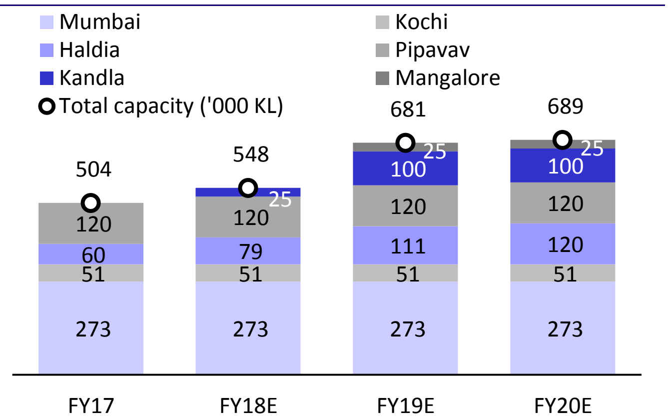
- The liquid division contributes ~35% of overall EBITDA. EBITDA contribution from the division has declined over the past five years due to high growth of the gas division. We expect the liquid division's EBITDA contribution to remain around 27% over FY18-20E.

Exhibit 30: AGIS' liquid terminal division to contribute ~27% of total EBITDA



Source: Company, MOSL

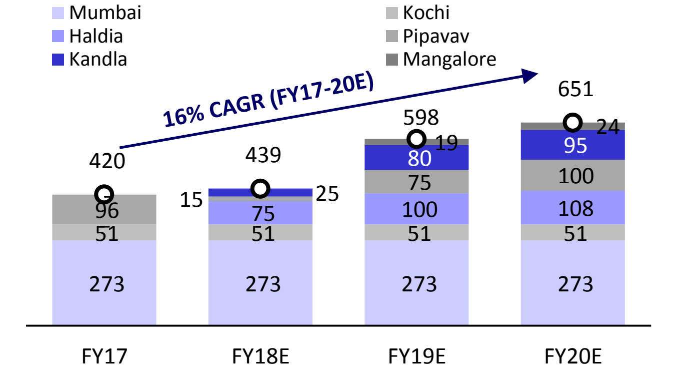
Exhibit 31: AGIS has six liquid terminal at key ports in India, with total capacity of 689,000 KL



Source: Company, MOSL

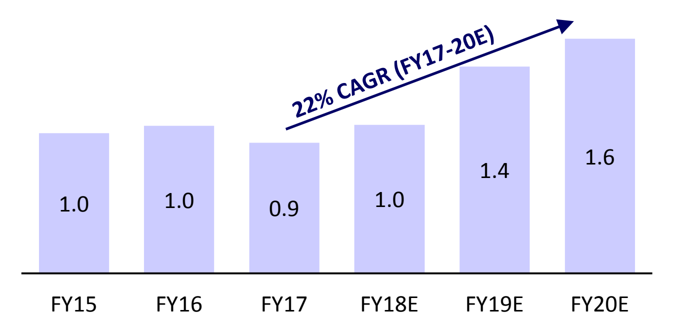
- Locational advantage and strong customer relationships have enabled higher utilization for the Mumbai, Kochi and Pipavav ports. We expect utilization to remain at similar levels in future as well.
- Ramp-up of the Hadia terminal (brownfield expansion) and the commissioning of Mangalore/Kandla terminals (greenfield expansion) are expected to bring the next leg of growth for the liquids division. While the Kandla terminal (100,000 KL) is expected to come on stream in 4QFY18, the Mangalore terminal (25,000 KL) should become operational in 1QFY19.
- We expect liquid throughput to grow at 16% CAGR over FY17-20, led by capacity expansion and higher utilization. Liquid division EBITDA is expected to grow at 22% CAGR during the same period.

Exhibit 32: Liquid throughput to grow at 16% CAGR over FY17-20 led by capacity expansion and higher utilization



Source: Company, MOSL

Exhibit 33: Liquid division EBITDA to grow at 22% CAGR over FY17-20E (INRb)



Source: Company, MOSL

Valuation and view

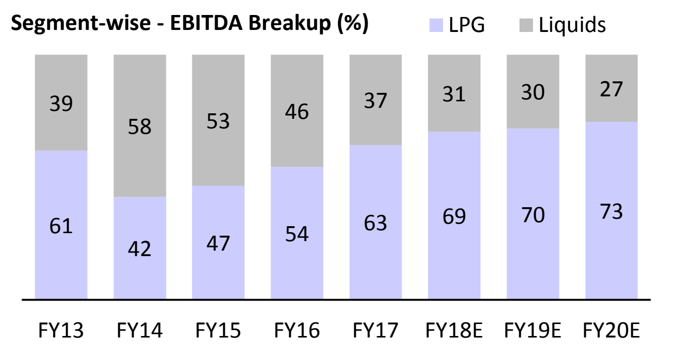
Initiate coverage with a Buy; TP of INR303

- **AGIS has been a key beneficiary of the government's thrust on increasing penetration of LPG. We expect a CAGR of 42% in EBITDA and 51% in EPS over FY17-20, led by debt repayment.**
- **With major capex behind, we expect strong free cash flow generation of ~INR10b over FY18-20. Return ratios are expected to improve, going ahead: RoE is likely to improve from 22% in FY17 to 35% in FY20, while RoCE is expected to improve from 19% to 31% over the same period.**
- **In our view, the significant re-rating of AGIS' stock price over FY14-17 can be attributed to the pick-up in LPG throughput and greenfield expansion plans of the Haldia LPG terminal.**
- **While management is expected to announce a new gas terminal in the coming days, we are not factoring in capacity expansion until FY20E in our numbers. Further capacity expansion before FY20 can pose an upside risk to our earnings estimates.**
- **We value AGIS using the DCF methodology with WACC of 11% and terminal growth of 3.5% to arrive at fair value of INR303/share, implying 32% upside. The stock trades at 18.3x FY20E EPS of INR12.5 and 12x FY20E EV/EBITDA. We initiate coverage with a Buy rating.**

LPG division to drive the next leg of growth

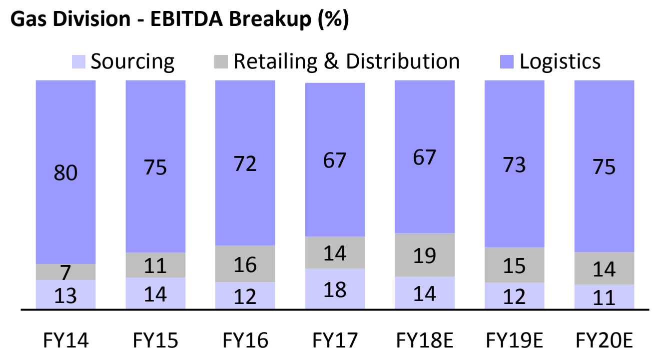
- AGIS' liquids division EBITDA contribution has been declining due to high growth of the gas division. Rising LPG imports and recent expansion of AGIS' LPG terminal capacity would lead to higher EBITDA growth in the LPG division compared to the liquids division.
- We expect LPG division EBITDA contribution to remain above 70% over FY18-20. Logistics segment EBITDA is expected to remain a major contributor to gas division EBTIDA over FY17-20, led by strong growth in LPG throughput for the company.

Exhibit 34: Gas division contribution to increase



Source: Company, MOSL

Exhibit 35: Logistics segment to lead gas division

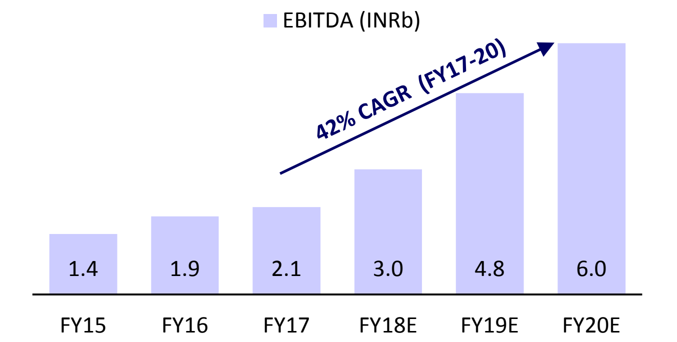


Source: Company, MOSL

Strong profitability to continue

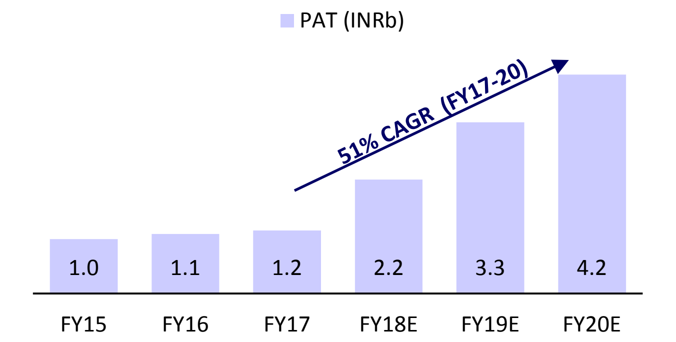
- We expect significant growth in EBITDA and PAT, led by strong growth in the gas logistics segment. We expect AGIS' EBITDA to grow at 42% CAGR over FY17-20 and PAT to grow at 51% CAGR due debt repayment.

Exhibit 36: We expect AGIS' EBITDA to grow at 42% CAGR over FY17-20, led by strong growth of LPG division



Source: Company, MOSL

Exhibit 37: PAT to grow at 51% CAGR over FY17-20, ahead of EBITDA due to repayment of debt

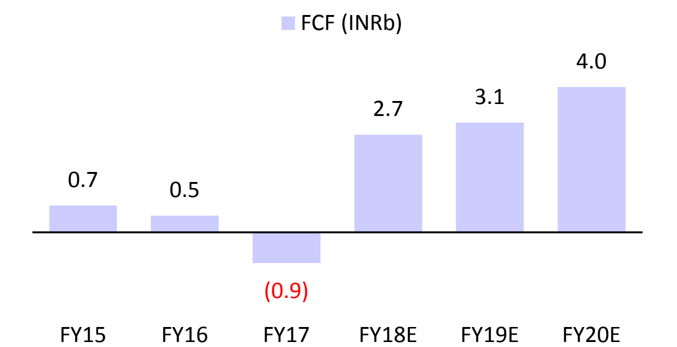


Source: Company, MOSL

Strong cash flow generation; return ratios to improve further

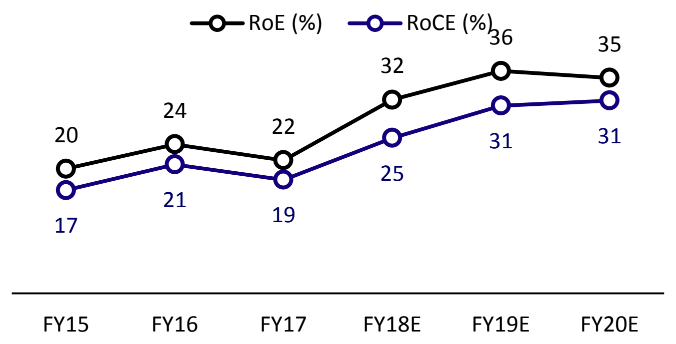
- AGIS has recently completed its Pipavav LPG terminal expansion (brownfield) and Haldia LPG terminal expansion (greenfield). The company's future capex will be incurred on the upcoming liquids terminals at Kandla and Mangalore port for expansion of liquids capacity. Also management is expected to announce new LPG terminals at the western ports, which will lead to further capex.
- Given healthy operating profits and cash flows, we expect most of the capex to be funded by internal accruals. We expect AGIS to generate free cash flow of ~INR10b over FY18-20.
- We believe that the return ratios for AGIS will improve, led by an improvement in the operating margins and higher utilization at its new/existing terminals. We expect RoE to increase to 35% in FY20 from 22% in FY17, and RoCE to improve to 31% in FY20 from 19% in FY17.

Exhibit 38: Major capex is behind, and we expect AGIS to generate FCF of INR10b over FY18-20



Source: Company, MOSL

Exhibit 39: Return ratios to improve further; RoE/RoCE to hover above 30%



Source: Company, MOSL

DCF – based valuation

- While management is expected to announce two large LPG terminals in the coming months – one of which would be the largest LPG terminal. For our for forecast, we assume first LPG terminal with 3mmtpa capacity to come online in FY21 and second LPG terminal with 2mmtpa capacity to come online in FY24.
- We value AGIS using DCF methodology, with WACC of 11% and terminal growth of 3.5% to arrive at a fair value of INR303/share, implying 32% upside.

Exhibit 40: DCF summary

AGIS - DCF Valuation	FY18E	FY19E	FY20E	FY21E	FY22E	FY23E	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
AGIS EBITDA (INRm)	**3,148**	**4,612**	**5,764**	**7,018**	**8,302**	**9,305**	**10,527**	**11,674**	**13,004**	**14,652**	**15,918**	**17,147**	**18,650**
Depreciation	296	359	386	487	589	589	725	725	725	725	725	725	725
EBIT	**2,853**	**4,252**	**5,378**	**6,530**	**7,713**	**8,716**	**9,802**	**10,950**	**12,279**	**13,927**	**15,194**	**16,422**	**17,925**
Tax rate (%)	11	22	22	22	22	22	22	22	22	22	22	22	22
Capital expenditure	500	500	500	1,500	1,000	1,000	1,000	300	300	300	300	300	300
Change in WC	-531	261	193	193	169	208	254	309	371	557	552	588	577
FCFF (INRm)	**2,869**	**2,915**	**3,888**	**3,888**	**5,436**	**6,180**	**7,117**	**8,656**	**9,631**	**10,731**	**11,723**	**12,646**	**13,829**
Year		1	2	3	4	5	6	7	8	9	10	11	
Discount factor		0.90	0.81	0.73	0.66	0.59	0.54	0.48	0.43	0.39	0.35	0.32	
PV(FCFF)		**2,627**	**3,157**	**2,845**	**3,585**	**3,672**	**3,811**	**4,177**	**4,188**	**4,205**	**4,139**	**4,024**	

Source: Company, MOSL

Exhibit 41: WACC of 11% and TGR of 3.5%

WACC Calculation	
Debt/Equity	34%
Tax rate	27%
Risk free rate	6.5%
Beta	0.87
Market risk premium	13.5%
Cost of equity	12.6%
Cost of debt	8.5%
WACC	**11.0%**

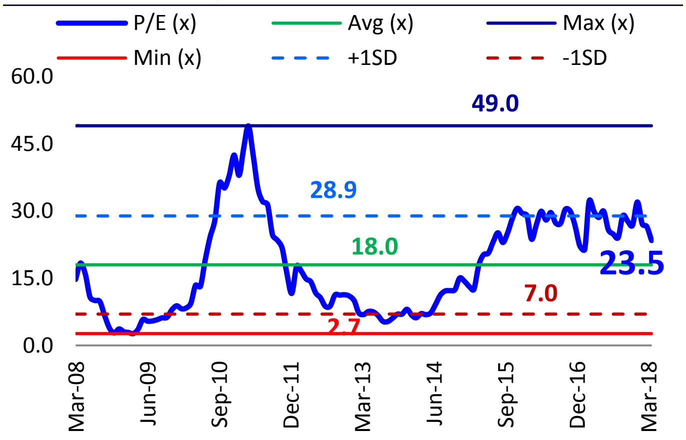
Source: Company, MOSL

Exhibit 42: We arrive at a fair value of INR303/share

DCF Valuation - Valued at the end of FY18	
Terminal cash flow (INRm)	13,829
Terminal growth rate	3.5%
Terminal value (INRm)	191,560
PV (Terminal Value)	60,949
PV (CF over FY19-23E)	40,428
Enterprise value (INRm)	101,377
Net debt (INRm)	248
Equity value (INRm)	101,129
Equity Shares (m)	334
Target price (INR)	**303**

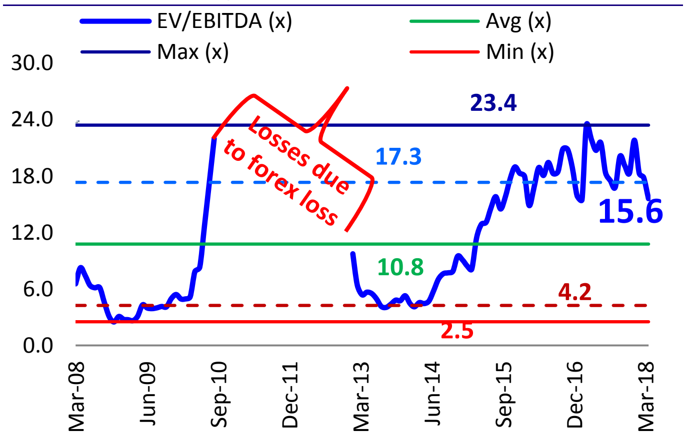
Source: Company, MOSL

Exhibit 43: AGIS 1-year forward P/E



Source: Company, MOSL

Exhibit 44: AGIS 1- year forward EV/EBITDA



Source: Company, MOSL

Bull & Bear case

Bull Case

- ☑ In our bull case, we assume 4th LPG terminal (3mmtpa) to come online in FY20 (v/s FY21 in base case) and 5th LPG terminal (2mmtpa) to come online in FY23 (v/s FY24 in base case). We also expect higher utilization rate at existing LPG terminals.
- ☑ Expect gas throughput CAGR of 63% v/s 51% in our base case, leading to 77% EBTIDA CAGR in the logistics segment over FY17-20E.
- ☑ We expect an improvement in EBTIDA CAGR for the sourcing & distribution division, led by higher volumes.
- ☑ We also expect rapid ramp-up of the upcoming liquids terminal, leading to higher EBITDA CAGR of 23% v/s 22% in our base case for the liquids division over FY17-20E.
- ☑ Based on the above assumptions, EBITDA is expected to grow at 49% CAGR v/s 42% in our base case over FY17-20. Using DCF methodology, with WACC of 11% and TGR of 3.5% we arrive at a fair value of INR342/share, implying 50% upside.

Bear Case

- ☑ In our bear case, we assume only one LPG terminal (3mmtpa) to come online in FY22 (v/s FY21 in base case). We don't expect further LPG terminal capacity addition to happen.
- ☑ Expect gas throughput CAGR of 51%, leading to 62% EBTIDA CAGR in the logistics segment over FY17-20E.
- ☑ We expect steady growth in EBTIDA CAGR for the sourcing & distribution division, led by higher volumes.
- ☑ We also expect steady utilization of the upcoming liquids terminal, leading to higher EBITDA CAGR of 22% for the liquids division over FY17-20E.
- ☑ Based on the above assumptions, EBITDA is expected to grow at 32% CAGR v/s 42% in our base case over FY17-20. Using DCF methodology, with WACC of 11% and TGR of 5% we arrive at a fair value of INR245/share, implying 7% upside.

Exhibit 45: Scenario Analysis – Bull Case

DCF Valuation - Valued at the end of FY18	
Terminal cash flow (INRm)	15,564
Terminal growth rate	3.5%
Terminal value (INRm)	215,590
PV (Terminal Value)	68,594
PV (CF over FY19-23E)	45,806
Enterprise value (INRm)	114,400
Net debt (INRm)	248
Equity value (INRm)	114,152
Equity Shares (m)	334
Target price (INR)	**342**

Source: Company, MOSL

Exhibit 46: Scenario Analysis – Bear Case

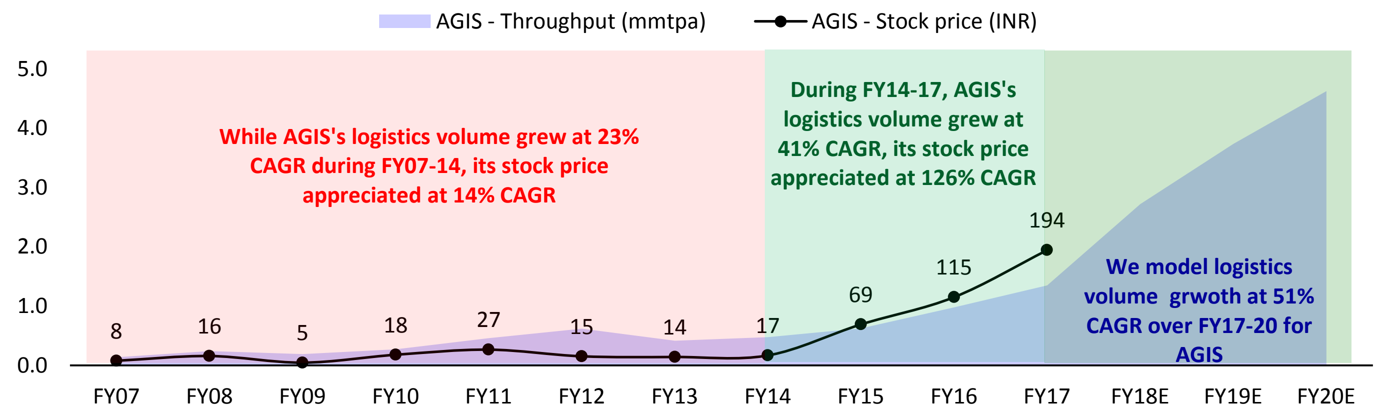
DCF Valuation - Valued at the end of FY18	
Terminal cash flow (INRm)	10,587
Terminal growth rate	3.5%
Terminal value (INRm)	146,651
PV (Terminal Value)	46,660
PV (CF over FY19-23E)	35,353
Enterprise value (INRm)	82,012
Net debt (INRm)	248
Equity value (INRm)	81,764
Equity Shares (m)	334
Target price (INR)	**245**

Source: Company, MOSL

Significant re-rating possible

- AGIS' stock price has witnessed a re-rating over FY14-17 on account of a sharp pick-up in LPG throughput (41% CAGR) and greenfield expansion plan of the Haldia LPG terminal. While LPG throughput increased 2.8x (41% CAGR), the stock price rose 11.5x (126% CAGR) over FY14-17.
- AGIS is also expected to announce two large LPG terminals in the coming months – one of which would be the largest LPG terminal. Management has received environmental clearance for one of the proposed terminals and is currently negotiating commercial terms. We believe strong LPG throughput and capacity expansion plans should re-rate the stock further.

Exhibit 47: LPG throughput has been the growth driver for AGIS in the past; we expect LPG throughput to grow at 51% CAGR over FY17-20E



Source: Company, MOSL

Key risks to our investment thesis

- **Change in favorable macros:** LPG consumption growth has benefited from sustained low crude oil prices. However, any rise in LPG price could hurt domestic demand.
- **Change in government policy:** LPG consumption growth has been driven by government's push. Change in government or change in government policies could impact LPG consumption in the country.
- **Shift in consumer preference:** LPG is the cheapest and most feasible cooking fuel for the majority of the Indian population. However, a shift in consumer preference toward alternative fuels like piped natural gas instead of LPG could impact LPG consumption in the country.
- **Dependence on OMCs:** AGIS is heavily dependent on OMCs for both gas and liquids divisions' growth and profitability. Any adverse change in relationship with OMCs or increased competition from OMCs LPG terminal could impact AGIS's growth prospects.
- **Delay in project expansion:** AGIS's future growth prospects are highly dependent on timely expansion of new projects. Any delay or cancellation would hamper its growth potential.

SWOT analysis

Strength

- Presence in entire value chain in gas business
- Steady cash flow from liquid division
- Economies of scale in bulk sourcing
- Strategic terminal locations
- Strong customer relationships
- JV with one of the largest global trading company

Weaknesses

- Gas business contributes majority of EBITDA
- Majority of gas business dependent on B2B clients
- Dependence on OMCs for large part of the LPG business

Opportunities

- Expanding market size of B2C business i.e. autogas and commercial cylinders
- Expand LPG terminal capacity to tap rising demand

Threats

- Government policies
- Exchange rate volatility
- High LPG prices can hurt demand
- OMCs expanding their LPG terminal capacities

Company background

Aegis Logistics (AGIS) is India's leading oil, gas and chemical logistics company. Its business can be primarily divided in to two divisions – Gas and Liquids. The company operates three gas terminals and six liquid terminals across the country. It is engaged in the handling of oil & LPG products, and the sourcing, retailing and distribution of LPG.

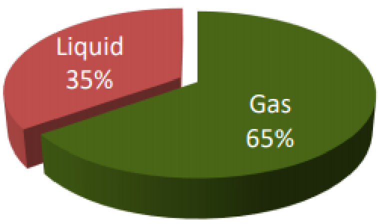
Company's strategy is of building a necklace of port terminals around India's coast line from Pipavav to Haldia to Kochi, inland oil terminals on a "build, own, operate" basis to service the National Oil Companies (NOCs) and developing a Retail Distribution Network for the LPG business. Its client base includes many leading industrial companies in India as well as retail outlets and customers who are served through distributors and Aegis Autogas stations. AGIS also operates internationally through its sourcing and trading subsidiaries. The company entered into a joint venture with ITOCHU Corporation of Japan which is world's second largest general trading groups in Japan.

Exhibit 48: AGIS business division

Liquid Division

- **Business**
  - Third Party Liquid Logistics (3PL)
  - O&M Services
- **Revenue Model**
  - Fee based Revenue Model
  - Handling and Other Service Charges
  - O&M fees

9MFY18 EBITDA
Rs. 228 Cr



Gas Division

- **Business**
  - Third Party Gas Logistics (3PL)
  - Auto Gas Retailing and Packed LPG Cylinders for Commercial segment
  - Industrial Gas Distribution
  - Marine Products Distribution (Bunkering)
  - Gas Sourcing
- **Revenue Model**
  - Fee based Revenue Model for Gas Logistics
  - Fees for Sourcing Business
  - Retail Margin for Gas Distribution
  - Handling and Other Service Charges

Source: Company, MOSL

Key management team

Raj Chandaria, *Chairman & MD*

- B.Sc (Economics) and an MBA from Boston University
- Over the last 30 years he has led the business through the next stage of growth in the Gas and Petroleum Distribution Business

Anish Chandaria, *Vice Chairman & MD*

- B.A. (Economics) and an MBA from Wharton Business School
- Over the last 22 years he spearheaded company's entry in Autogas Business and has rich experience in Oil & Gas Industry

Sudhir Malhotra, *Group President & COO*

- A Chemical Engineer and a Post Graduate in Marketing Management
- With over 20 years of hands on commercial experience in Oil, Gas & Chemical Industry
- Associated since 1990

Rajiv Chohan, *President (Business Development)*

- A Post Graduate in Business Administration
- With over 25 years' experience in downstream Oil Industry in PSUs & MNCs
- Handled B2B & B2C Marketing of Retail Fuels, Lubricants, LPG and Fuel Oil in India

Murad Moledina*: CFO*

- An FCA with 30 years of experience in Corporate Finance, Accounts & Taxation
- Instrumental in various Corporate Restructuring actions including Acquisitions, Demerger, Buyback, etc.

K. S. Sawant: *President (Ops. & Projects)*

- A Chemical Engineer with over 30 years of experience in operations of Liquid & Gas Terminals
- Experience of setting up Liquid & Gas Terminals at different Ports

Exhibit 49: Evolution of AGIS - Key events

Year	Key events
1956	Year of establishment
1967	Entry into Specialty Chemicals
1977	Entry into Liquid Logistics
1978	Maiden IPO & Listing
1995	Entry into LPG Business
2003	Divestment of Specialty Chemicals
2005	Foray into Retail of Autogas
2006	Launch of O&M Business
2007	Acquisition: Sealord Containers (Mumbail) & Konkan Storage (Kochi)
2009	Established LPG Sourcing in Singapore
2010	Acquisition: Shell India LPG Business (Pipavav)
2012	Launch of Marine Products Distribution
2012	Greenfield expansion at Pipavav and Haldia liquids terminal
2013	Haldia liquid terminal construction complete
2014	Joint Venture with ITOCHU through Singapore subsidiary
2015	Land acquired at Kandla and Mangalore
2016	Announced new LPG terminal at Haldia
2016	Greenfield liquid terminal expansion at Kandla port
2016	Brownfield gas terminal expansion at Pipavav port
2017	Sold 19.7% stake in HALPG to ITOCHU
2017	Pipavav LPG terminal expansion completed

Source: Company, MOSL

Financials and Valuations

Consolidated - Income Statement (INR Million)

Y/E March	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Total Income from Operations	**50,309**	**39,160**	**22,132**	**39,328**	**47,687**	**69,105**	**89,277**
Change (%)	26.4	-22.2	-43.5	77.7	21.3	44.9	29.2
Purchases of Stock-in-Trade	48,038	36,352	18,739	35,669	43,054	60,812	78,564
Employees Cost	350	409	469	462	419	449	480
Other Expenses	844	964	1,071	1,128	1,246	3,075	4,280
Total Expenditure	**49,232**	**37,725**	**20,279**	**37,259**	**44,720**	**64,336**	**83,324**
% of Sales	97.9	96.3	91.6	94.7	93.8	93.1	93.3
EBITDA	**1,077**	**1,435**	**1,853**	**2,069**	**2,967**	**4,769**	**5,953**
Margin (%)	2.1	3.7	8.4	5.3	6.2	6.9	6.7
Depreciation	222	230	234	243	296	359	386
EBIT	**855**	**1,205**	**1,619**	**1,826**	**2,671**	**4,409**	**5,568**
Int. and Finance Charges	185	205	177	161	186	169	152
Other Income	129	114	85	52	63	91	118
PBT bef. EO Exp.	**799**	**1,114**	**1,527**	**1,717**	**2,547**	**4,331**	**5,533**
EO Items	0	309	0	0	0	0	0
PBT after EO Exp.	**799**	**1,422**	**1,527**	**1,717**	**2,547**	**4,331**	**5,533**
Total Tax	112	299	265	377	277	953	1,217
Tax Rate (%)	14.1	21.0	17.4	22.0	10.9	22.0	22.0
Minority Interest	76	89	128	137	101	123	148
Reported PAT	**611**	**1,034**	**1,133**	**1,203**	**2,169**	**3,256**	**4,168**
Adjusted PAT	**611**	**790**	**1,133**	**1,203**	**2,169**	**3,256**	**4,168**
Change (%)	81.7	29.5	43.4	6.1	80.4	50.1	28.0
Margin (%)	1.2	2.0	5.1	3.1	4.5	4.7	4.7

Consolidated - Balance Sheet (INR Million)

Y/E March	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Equity Share Capital	334	334	334	334	334	334	334
Total Reserves	3,168	3,940	4,711	5,687	7,371	9,898	13,134
Net Worth	**3,502**	**4,274**	**5,045**	**6,021**	**7,705**	**10,232**	**13,468**
Minority Interest	126	264	393	285	285	285	285
Total Loans	2,410	2,181	1,883	2,866	2,616	2,366	2,116
Deferred Tax Liabilities	164	189	229	276	276	276	276
Capital Employed	**6,202**	**6,908**	**7,550**	**9,448**	**10,882**	**13,159**	**16,145**
Gross Block	6,003	6,540	6,951	7,291	10,057	11,010	11,600
Less: Accum. Deprn.	1,879	2,139	2,371	2,610	2,906	3,266	3,652
Net Fixed Assets	**4,124**	**4,401**	**4,580**	**4,681**	**7,150**	**7,744**	**7,949**
Goodwill on Consolidation	137	137	137	13	13	13	13
Capital WIP	354	339	734	3,144	879	426	335
Total Investments	**113**	**213**	**4**	**2**	**2**	**2**	**2**
Curr. Assets, Loans&Adv.	**4,134**	**4,276**	**3,537**	**9,537**	**8,553**	**13,205**	**18,501**
Inventory	249	204	115	218	261	376	487
Account Receivables	2,058	2,012	972	7,059	3,919	5,680	7,338
Cash and Bank Balance	726	1,054	967	605	2,366	4,241	6,919
Loans and Advances	1,102	1,007	1,482	1,655	2,007	2,908	3,757
Curr. Liability & Prov.	**2,660**	**2,459**	**1,442**	**7,928**	**5,714**	**8,230**	**10,655**
Account Payables	2,096	1,979	894	7,257	4,901	7,051	9,131
Other Current Liabilities	366	379	402	457	554	802	1,037
Provisions	198	101	145	214	260	377	486
Net Current Assets	**1,474**	**1,817**	**2,095**	**1,609**	**2,839**	**4,975**	**7,846**
Appl. of Funds	**6,201**	**6,908**	**7,550**	**9,448**	**10,882**	**13,159**	**16,145**

E: MOSL Estimates

Financials and Valuations

Ratios

Y/E March	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Basic (INR)							
EPS	**1.8**	**2.4**	**3.4**	**3.6**	**6.5**	**9.7**	**12.5**
Cash EPS	2.5	3.1	4.1	4.3	7.4	10.8	13.6
BV/Share	10.5	12.8	15.1	18.0	23.1	30.6	40.3
DPS	0.5	0.8	0.9	0.7	1.3	1.9	2.4
Payout (%)	33.6	24.5	31.9	22.4	22.4	22.4	22.4
Valuation (x)							
P/E		96.3	67.2	63.3	35.1	23.4	18.3
Cash P/E		74.7	55.7	52.7	30.9	21.1	16.7
P/BV		17.8	15.1	12.6	9.9	7.4	5.7
EV/Sales		2.0	3.5	2.0	1.6	1.1	0.8
EV/EBITDA		53.9	41.6	37.9	25.8	15.6	12.0
Dividend Yield (%)	0.2	0.3	0.4	0.3	0.6	0.8	1.1
FCF per share	2.6	2.2	1.4	-2.6	8.1	9.1	12.1
Return Ratios (%)							
RoE	18.5	20.3	24.3	21.7	31.6	36.3	35.2
RoCE	13.7	16.8	21.0	18.5	25.4	30.6	31.5
RoIC	17.0	18.5	24.0	24.7	35.7	42.7	50.0
Working Capital Ratios							
Fixed Asset Turnover (x)	8.4	6.0	3.2	5.4	4.7	6.3	7.7
Asset Turnover (x)	8.1	5.7	2.9	4.2	4.4	5.3	5.5
Inventory (Days)	2	2	2	2	2	2	2
Debtor (Days)	15	19	16	66	30	30	30
Creditor (Days)	15	18	15	67	38	37	37
Leverage Ratio (x)							
Current Ratio	1.6	1.7	2.5	1.2	1.5	1.6	1.7
Interest Cover Ratio	4.6	5.9	9.2	11.3	14.3	26.0	36.6
Net Debt/Equity	0.4	0.2	0.2	0.4	0.0	-0.2	-0.4

Consolidated - Cash Flow Statement **(INR Million)**

Y/E March	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
OP/(Loss) before Tax	799	1,422	1,527	1,717	2,547	4,331	5,533
Depreciation	222	230	234	243	296	359	386
Interest & Finance Charges	88	123	122	135	123	78	34
Direct Taxes Paid	-225	-110	-405	-287	-277	-953	-1,217
(Inc)/Dec in WC	4	-118	-76	-250	531	-261	-193
CF from Operations	**888**	**1,547**	**1,402**	**1,558**	**3,220**	**3,555**	**4,543**
Others	-9	-324	-18	-14	0	0	0
CF from Operating incl EO	**879**	**1,223**	**1,384**	**1,544**	**3,220**	**3,555**	**4,543**
(Inc)/Dec in FA	0	-474	-916	-2,401	-500	-500	-500
Free Cash Flow	**879**	**750**	**468**	**-858**	**2,720**	**3,055**	**4,043**
(Pur)/Sale of Investments	43	260	215	5	0	0	0
Others	-960	85	60	24	63	91	118
CF from Investments	**-917**	**-128**	**-641**	**-2,372**	**-437**	**-409**	**-382**
Issue of Shares	0	0	0	0	0	0	0
Inc/(Dec) in Debt	-909	-229	-298	982	-250	-250	-250
Interest Paid	-190	-199	-177	-205	-186	-169	-152
Dividend Paid	-183	-339	-356	-311	-485	-729	-933
Others	0	0	0	0	-101	-123	-148
CF from Fin. Activity	**-1,282**	**-767**	**-831**	**467**	**-1,022**	**-1,271**	**-1,483**
Inc/Dec of Cash	**-1,320**	**329**	**-87**	**-362**	**1,760**	**1,875**	**2,678**
Opening Balance	2,045	725	1,054	967	605	2,366	4,241
Closing Balance	**725**	**1,054**	**967**	**605**	**2,366**	**4,241**	**6,919**

N O T E S

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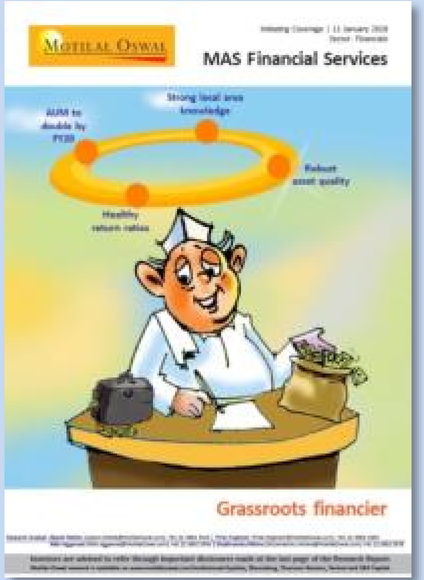

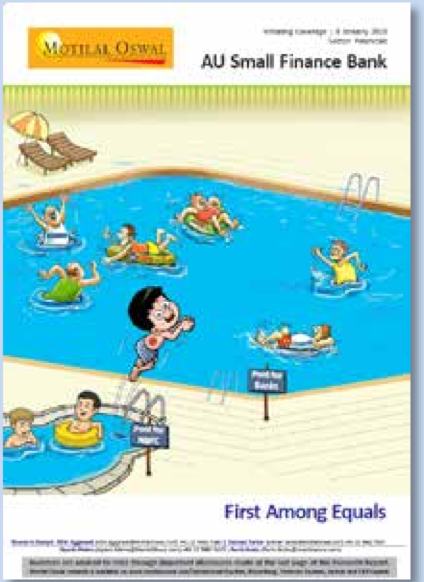

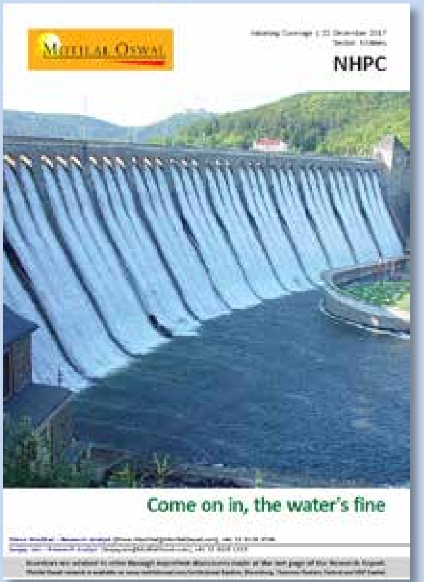

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