Ports and Logistics

LPG import dislocation: Aegis, AVTL to feel the heat

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Media reports suggest that the Strait of Hormuz (Persian Gulf) has been closed and there are disruptions to the route via the Red Sea as well. India imports ~65% of its LPG, of which 90%+ comes from by the Middle East. The logistical chokehold due to blocking of the Strait of Hormuz/Red Sea is likely to hurt India' LPG imports in the near term (~one month), which would have knock-on effects on throughput volumes for AVTL's and Aegis' LPG logistics assets. Over medium term (> one month) though, we expect LPG import disruptions to partially alleviate led by propane supplies from the US—given supply contract was signed. We assume the geographic sourcing of LPG imports at AVTL's terminals mirrors India's overall LPG import sources, and that disruptions shall persist for 1–1.5 months. All in all, we are cutting FY26E/27E EBITDA for AVTL by 5–6% factoring in weaker LPG logistics volumes. The GoI has prioritised LPG supply to residential consumers while restricting industrial usage. This could benefit the distribution segment of Aegis Logistics. Even so, our estimates for ALL edge down by 2% each for FY26E and FY27E as the distribution segment partially compensates for the downward revisions to logistics estimates for the gas segment.

- **Near-term disruptions due to constraints in supply from the Middle East, medium term, LPG supplies from the US could provide some support**: We assume the geographic sourcing of LPG imports at AVTL's terminals mirrors India's overall LPG import sources. In CY25, India sourced ~50% of its LPG from Qatar, Kuwait and Saudi Arabia; those supplies have been disrupted either due to operational issues at refineries or logistics constraints as ship movement via the Strait of Hormuz has come to a halt. Our channel checks suggest that partial LPG supplies from the UAE, which accounted for 40% of India's LPG imports, continue via the Fujairah terminal (Exhibit 1:Exhibit 1:). We expect these disruptions to persist in the very near term (~one month). Over medium term (>one month), we expect some supplies from the US to flow into India. India has inked an LPG supply contract with the US for supply of 2mmtpa of LPG (~10% of India's FY25 import volumes). Propane inventory levels at the US are at significantly elevated versus their 5Y average. This could cushion some of the disruption to supplies from the Middle East.

- **Mangalore LPG volumes remain weak:** AVTL's 3QFY26 gas segment EBIT was adversely impacted by low utilisation and start-up costs in Mangalore. LPG volumes at the Mangalore terminal remained weak in Jan'26 and Feb'26 with average monthly run rate lower than that in 3QFY26 as well.

- **Liquid volume estimates unchanged:** Our discussion with AVTL/ALL management suggests that liquid terminals are currently running at optimal utilisation levels. Furthermore, supply chain disruptions could lead to companies maintaining higher storage levels of petchem at ports. This could benefit liquid segment for ALL/AVTL over FY27E/28E, leading to some upside risk to our estimates.

- **Restrictions to industrial supplies could benefit distribution segment for Aegis Logistics:** According to media reports , there have been disruptions to propane supplies to industrial clusters in Morbi. The government asked OMCs to prioritise LPG/propane to domestic customers over industrial usage. Industrial PNG supply is also restricted. This supply crunch of propane and PNG could benefit the distribution segment margins for Aegis Logistics.

- **Revising down AVTL's FY26E/27E EBITDA by 3–4%, driving down EPS estimates by 5–6%:** Incorporating disruptions to LPG supply, we are cutting FY26E/27E LPG volumes by 8–9%. Our estimates for liquids EBITDA remain unchanged in the near term. They could benefit in the medium term as storage requirements for petrochemicals increase led by supply chain constraints. All in all, we are cutting FY26E/27E consolidated EBITDA by 3–4%, driving down EPS estimates by 5–6%.

- **Revising down ALL's FY26E and FY27E EBITDA by ~2% each:** We are cutting LPG volume throughput volume estimates for ALL to incorporate near-term LPG import supply disruptions and slower-than-expected volume ramp-up at the Mangalore LPG terminal. However, we are raising estimates for the distribution segment partially offsetting the downward revision in estimates for LPG logistics. Our estimates for liquids EBITDA remain unchanged in the near term.

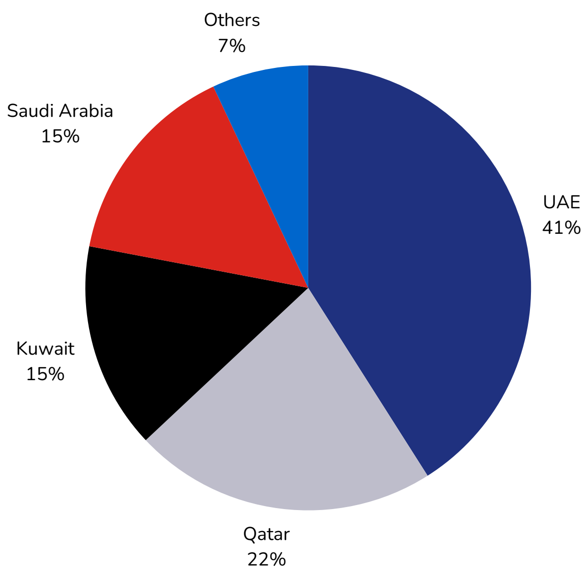
LPG disruptions to impact near-term EBITDA

Near-term disruptions due to constraints in supply from Middle East

In CY25, India sourced ~50% of its LPG from Qatar, Kuwait and Saudi Arabia. These supplies have been disrupted either due to operational issues at refineries or logistics chokehold as ship movement via the Strait of Hormuz has stopped.

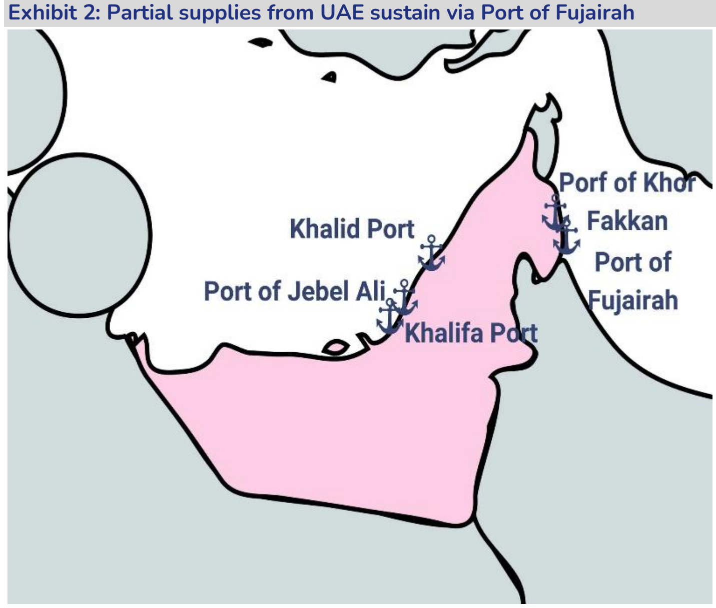
Our channel checks suggest that partial LPG supplies from the UAE, which accounted for 40% of India's LPG imports, continue via the Fujairah terminal. We expect these disruptions to persist at least in the very near term (1–1.5 months). These supply disruptions have already started impacting LPG supply in India. OMCs have raised the time gap between delivery of the next cylinder to a customer to 21 days (versus 15 days earlier). Furthermore, the government has prioritised **LPG/propane supply to domestic customers over industrial usage. According to media reports, there have been disruptions to propane supplies to industrial clusters in Morbi.**

Exhibit 1: India's LPG imports have significant exposure to ME (FY25)



Source: Industry, JM Financial

Exhibit 2: Partial supplies from UAE sustain via Port of Fujairah



Source: Industry, JM Financial

LPG prices could increase even as Saudi CP prices retained flat in March versus February

Propane supplies from Saudi Arabia, Qatar and Kuwait could be restricted due to closure of the Strait of Hormuz (Persian Gulf) and disruptions to the Bab El-Mandab sea route via the Red Sea. Thus, propane supplies to India could come partially from the UAE and a smaller proportion from the US.

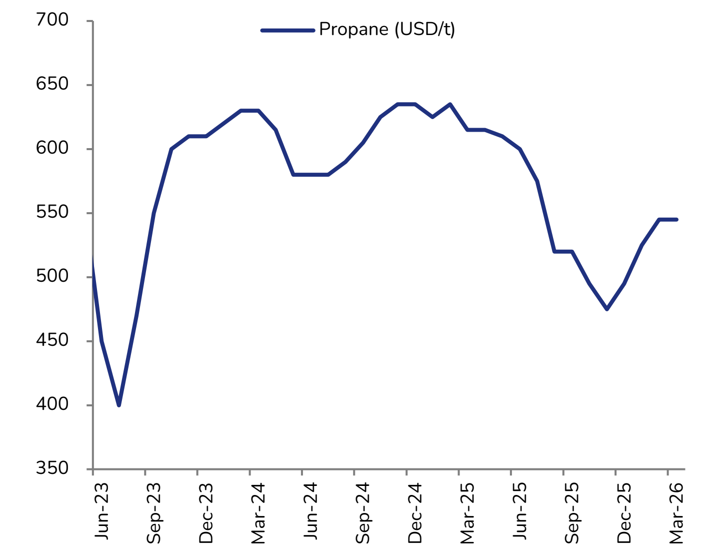
However, over the last year, US exports have shifted out of China to other economies (including India) while China has increased sourcing from the Middle East. China's propane imports have risen driven by the rise in propane dehydrogenation (PDH) capacity. Hence, there could be increased competition for propane volumes out of the UAE.

Furthermore, while India has inked a propane supply contract with the US, that could cushion the impact somewhat, but delivery of these supplies could take longer. Thus, while Saudi CP prices have been retained in Mar'26 versus Feb'26, prices or propane delivered to India could rise.

The Argus Propane Far East Index Futures Index (Mar'26 expiry) is benchmarked against Argus Propane Far East Index (AFEI) which is the global benchmark price for large LPG cargoes delivered to major North Asian ports, including Japan, South Korea and China. This futures index has spiked, indicating that the landed cost of propane in India could be higher.

Meanwhile, the government has already raised domestic cylinder prices by INR60 and commercial cylinder prices by INR114.5. Subsidy of INR300 per domestic cylinder has been continued for OMUY beneficiaries.

Exhibit 3: While Saudi CP prices have remained flat…



Source: Industry, JM Financial

Exhibit 4: …AFEI futures (Mar'26) have risen sharply

Source: Industry, JM Financial

Exhibit 5: Potential impact on LPG supplies due to shipping disruptions according to Drewry

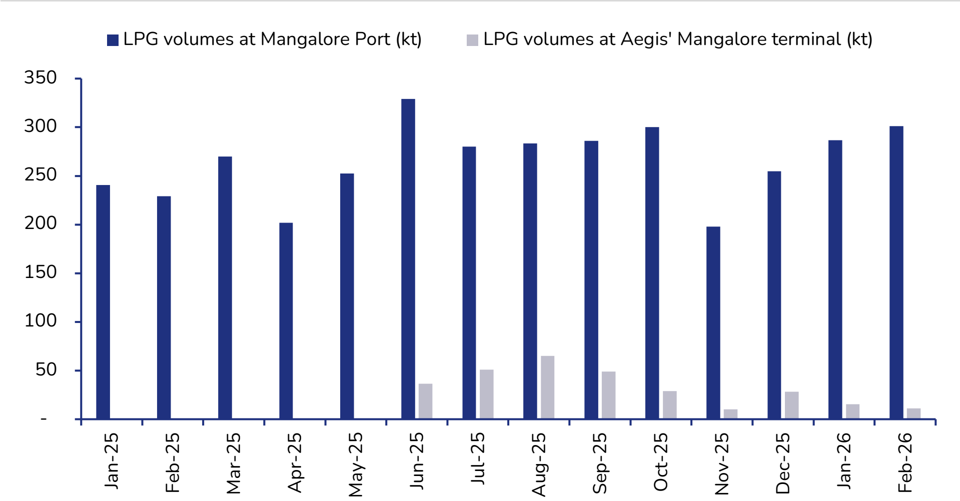
Duration of closure	in near term: 1 week	Short-term: 1 month
Impact on LPG shipping	No loading in the Middle East, vessels turning away from the Strait of Hormuz	Idle fleet adds to available supply amid limited cargo demand
Vessel movement	Vessels to idle in the Persian Gulf, near Gulf of Oman and the Arabian Sea	Vessel repositioning towards USGC via COGH
LPG prices	Spike in global LPG prices	Further rise expected
Trade changes	US exports to Asia are expected to increase, partially substituting lost Middle East supplies	Petchem demand to suffer amid feedstock price hike and negative margins
Alternative sources available	US, supported by new terminal capacity, robust NGL production	Flexible US export capacity not enough to replace Middle East cargoes; supply issues to begin
Impacted LPG supply	About 400kt of LPG supply per week	8mnt over March–April 2026
LPG shipping rates	US–Japan to boost; AG–Japan to crash	US–Japan stable as fleet repositioning continues; AG–Japan to keep declining

Source: Drewry, JM Financial

Mangalore LPG volumes trending lower

LPG volumes at the Mangalore terminal remained weak in Jan'26 and Feb'26 with average monthly run rate lower than that in 3QFY26 as well.

Exhibit 6: Volumes at AVTL's Mangalore LPG terminal have remained weak in Jan'26 and Feb'26

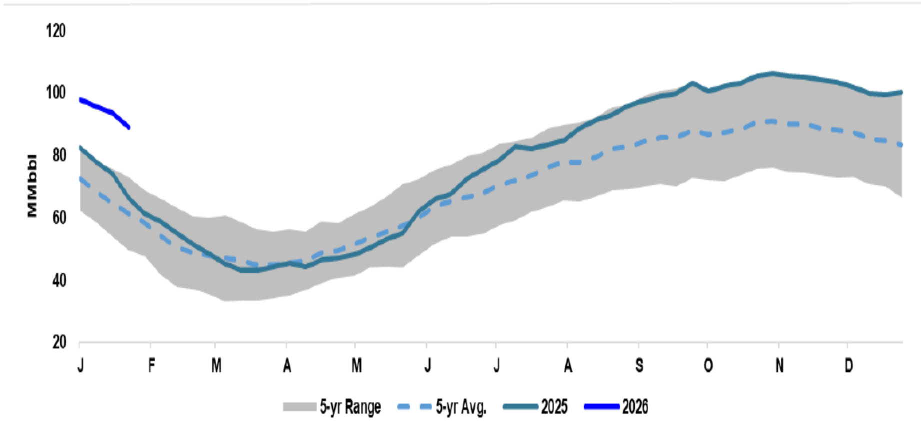


Source: Industry, JM Financial

Over medium term, US could increase supplies

India has inked an LPG supply contract with the US for supply of 2mmtpa of LPG (10% of India's annual imports). Propane inventory levels at the US are at significantly elevated levels versus their 5Y average. This could cushion some of the disruption to supplies from the Middle East. However, the transit time from US to India has risen by 10–15 days as ships must travel via the Cape of Good Hope rather than the Strait of Hormuz.

Exhibit 7: US propane inventory levels elevated, could support near-term propane exports



Source: Industry, JM Financial

Aegis Vopak Terminals | BUY

LPG import disruptions impact near-term EBITDA

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Geopolitical disruption-led constraints to LPG import supply could adversely affect LPG throughput volumes for AVTL in the near term. On top of it, volume ramp-up at the Mangalore LPG terminal remains slower than expected. Modelling in these, we are cutting FY26E/27E LPG volumes by 8–9%. Our estimates for liquids EBITDA remain unchanged in the near term. They could, however, benefit over medium term as storage requirements for petrochemicals increase led by supply chain constraints. All in all, we are cutting FY26E/27E consolidated EBITDA by 3–4%, driving down EPS estimates by 5–6%. We value AVTL at 30x FY30E EPS of INR 13.6 (down from INR13.9) and discount that back to FY27E, yielding a revised TP of INR 330 (earlier INR 335). The stock has corrected 15% since the war started and largely factors in the headwinds.

- **Near-term disruptions due to constraints in supply from Middle East; over medium term, LPG supplies from US could lend support**: We assume the geographic sourcing of LPG imports at AVTL's terminals mirrors India's overall LPG import sources. In CY25, India sourced ~50% of its LPG from Qatar, Kuwait and Saudi Arabia; those supplies have been disrupted either due to operational issues at refineries or logistics constraints as ship movement via the Strait of Hormuz has stopped. Our channel checks suggest that partial LPG supplies from the UAE, which accounted for 40% of India's LPG imports in CY25, continue via the Fujairah terminal. We expect these disruptions to persist in the very near term (~one month). Over medium term (>one month), we expect some supplies from the US to flow to India. India has inked an LPG supply contract with the US for supply of 2mmtpa of LPG (~10% of India's overall imports in FY25). Propane inventory in the US is at significantly elevated levels versus 5Y average. This could somewhat cushion the disruption to supplies from the Middle East.

- **Mangalore LPG volumes remain weak:** AVTL's 3QFY26 gas segment EBIT was adversely impacted by low utilisation and start-up costs in Mangalore. LPG volumes at the Mangalore terminal remained weak in Jan'26 and Feb'26 with average monthly run rate lower than 3QFY26.

- **Liquid volume estimates unchanged:** Our discussion with AVTL management suggests that liquid terminals are currently running at optimal utilisation levels. Furthermore, supply chain disruptions could lead to companies maintaining higher storage levels of petchem at ports. This could benefit AVTL's liquid segment over FY27E/28E, implying some upside risk to our estimates.

- **Revising down FY26E/27E EBITDA by 3–4%, driving down EPS by 5–6%:** Incorporating disruptions to LPG supply, we are cutting FY26E/27E LPG volumes by 8–9%. Our estimates for liquids EBITDA remain unchanged in the near term. They could benefit over medium term as storage requirements for petrochemicals increase in the wake of the supply chain constraints. All in all, we are cutting FY26E/27E consolidated EBITDA by 3–4%, driving down EPS by 5–6% each.

- **Maintain BUY with a lower TP of INR330 (factoring in near-term weakness)**: We value AVTL at 30x FY30E EPS of INR 13.6 (earlier INR13.9) and discount that back to FY27E, yielding a revised TP of INR 335 (earlier INR 330). Our TP implies FY28E P/E of 42x (versus 25x on CMP). The stock has corrected 15% since the war broke out, largely factoring in the headwinds.

Recommendation and Price Target	
Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	330
Upside/(Downside)	71.0%
Previous Price Target	335
Change	-1.5%

Key Data – AEGISVOP IN	
Current Market Price	INR193
Market cap (bn)	INR214.1/US$2.3
Free Float (%)	12.7
Shares in issue (mn)	1,108.0
Diluted shares (mn)	1,108.0
3-mon avg daily val (mn)	INR261.3/US$2.9
52-week range	INR302/184
Sensex/Nifty	76,864/23,867
INR/US$	92.0

Price Performance

%	1M	6M	12M
Absolute	-11.8	-22.6	0.0
Relative*	-4.0	-17.5	0.0

*To the NSE Nifty 50

Financial Summary (INR mn)

Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	5,618	6,211	8,209	13,853	20,470
Sales Growth (%)	59.0	10.6	32.2	68.8	47.8
EBITDA	3,975	4,577	6,108	10,306	15,591
EBITDA Margin (%)	70.8	73.7	74.4	74.4	76.2
Adjusted Net Profit	865	1,272	2,559	4,906	8,632
Diluted EPS (INR)	0.8	1.1	2.3	4.4	7.8
Diluted EPS Growth (%)	-	47.0	101.2	91.7	75.9
ROIC (%)	6.6	7.0	6.7	9.2	13.0
ROE (%)	8.9	8.7	8.4	11.1	16.9
P/E (x)	248.5	169.0	84.0	43.8	24.9
P/B (x)	21.6	11.2	5.2	4.6	3.9
EV/EBITDA (x)	60.3	51.1	38.1	23.7	15.4
Dividend Yield (x)	-	-	-	-	-

Source: Company data, JM Financial. Note: Valuations as of March 11, 2026

Changes in estimates

We are cutting LPG volume estimates by 8–9% for FY26E/27E. Our estimates for liquids EBITDA remain unchanged in the near term. They could benefit over medium term though as storage requirements for petrochemicals increase in the wake of supply chain constraints. Hence, we are cutting FY26E/27E consolidated EBITDA by 3–4%, driving down EPS by 5–6%.

Exhibit 1: Changes in estimates

INR mn	New			Old			% change		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
Revenue	8,209	13,853	20,470	8,330	14,368	21,047	-1%	-4%	-3%
EBITDA	6,108	10,306	15,591	6,281	10,749	16,090	-3%	-4%	-3%
PAT	2,559	4,906	8,632	2,694	5,230	9,010	-5%	-6%	-4%

Source: Company, JM Financial

Exhibit 2: Summary of key operational estimates

INR bn unless mentioned otherwise	FY26E	FY27E	FY28E
Gas segment			
LPG throughput volumes (mnt)	2.8	4.9	7.6
EBITDA from LPG	3.2	5.4	8.4
EBITDA from ammonia	-	0.25	1.15
Liquids segment			
EBITDA	3.23	5.11	6.75
EBITDA margin (%)	72%	74%	78%
Consolidated			
EBITDA	6.11	10.31	15.59
PAT	2.56	4.91	8.63
EPS (INR)	2.3	4.4	7.8

Source: Company, JM Financial

Maintain BUY with TP of INR 330 (earlier INR 335)

AVTL's closest peer Aegis Logistics (its parentco) trades at a 3Y rolling average 12-month forward PE of 30x. However, AVTL is in a strong growth phase and is still expanding its LPG, ammonia and liquids capacities. By FY30E, we expect AVTL to attain a relatively similar mix of mature and growth assets as its parentco Aegis Logistics.

We value AVTL at 30x FY30E EPS of INR 13.6 (versus INR13.9 earlier) and discount that back to FY27E, yielding a revised TP of INR 330 (earlier INR 335). The stock has corrected 15% since 27th Feb'26, largely factoring in the headwinds.

Exhibit 3: AVTL: Maintain BUY with a revised TP of INR 330

PE based valuation		
FY30 EPS	13.6	INR
Rf	6.6%	
Beta	1.0	
MRP	5%	
Cost of Equity	11.6%	
Target PE at FY29	30	Same as Aegis Logistics
Value at FY29	411	INR
Target price (INR)	**330**	**FY27E**

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	5,618	6,211	8,209	13,853	20,470
Sales Growth (%)	59.0	10.6	32.2	68.8	47.8
Other Operating Income	-	-	-	-	-
Total Revenue	**5,618**	**6,211**	**8,209**	**13,853**	**20,470**
Cost of Goods Sold/Op. Exp	-	-	-	-	-
Personnel Cost	438	437	513	539	566
Other Expenses	1,204	1,197	1,587	3,008	4,313
EBITDA	**3,975**	**4,577**	**6,108**	**10,306**	**15,591**
EBITDA Margin (%)	70.8	73.7	74.4	74.4	76.2
EBITDA Growth (%)	73.4	15.1	33.5	68.7	51.3
Depn. & Amort.	1,140	1,262	1,886	2,295	2,471
EBIT	2,835	3,315	4,223	8,011	13,120
Other Income	84	262	166	165	92
Finance Cost	1,709	1,927	975	1,425	1,600
PBT before Excep. & Forex	1,210	1,650	3,414	6,751	11,612
Excep. & Forex Inc./Loss(-)	-	-	-	-	-
PBT	1,210	1,650	3,414	6,751	11,612
Taxes	345	378	783	1,548	2,664
Extraordinary Inc./Loss(-)	-	-	-	-	-
Assoc. Profit/Min. Int.(-)	-	-	72	296	317
Reported Net Profit	865	1,272	2,559	4,906	8,632
Adjusted Net Profit	**865**	**1,272**	**2,559**	**4,906**	**8,632**
Net Margin (%)	15.4	20.5	31.2	35.4	42.2
Diluted Share Cap. (mn)	1,108	1,108	1,108	1,108	1,108
Diluted EPS (INR)	**0.8**	**1.1**	**2.3**	**4.4**	**7.8**
Diluted EPS Growth (%)	-	47.0	101.2	91.7	75.9
Total Dividend + Tax	-	-	-	-	-
Dividend Per Share (INR)	-	-	-	-	-

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders Fund	9,972	19,198	41,757	46,663	55,295
Share Capital	10	9,888	29,888	29,888	29,888
Reserves & Surplus	9,962	9,310	11,869	16,775	25,406
Preference Share Capital	-	-	-	-	-
Minority Interest	-	-	-	-	-
Total Loans	25,864	24,842	19,842	29,842	29,842
Def. Tax Liab. / Assets (-)	838	1,287	1,287	1,287	1,287
Other non-current liabilities / Lease Liabilities	6,314	14,114	14,114	14,114	14,114
Total - Equity & Liab.	**42,150**	**58,154**	**75,713**	**90,619**	**99,251**
Net Fixed Assets	35,436	47,573	69,250	85,144	90,479
Gross Fixed Assets	34,769	45,865	67,543	83,437	88,772
Intangible Assets	136	136	136	136	136
Less: Depn. & Amort.	-	-	-	-	-
Capital WIP	531	1,571	1,571	1,571	1,571
Investments	-	-	-	-	-
Current Assets	9,798	13,653	9,652	8,789	12,286
Inventories	1,314	1,195	1,051	1,092	1,373
Sundry Debtors	60	93	93	93	93
Cash & Bank Balances	1,064	5,923	2,066	1,161	4,379
Loans & Advances	-	-	-	-	-
Other Current Assets	7,360	6,442	6,442	6,442	6,442
Current Liab. & Prov.	2,189	1,731	1,847	1,973	2,174
Current Liabilities	6,262	5,514	5,630	5,756	5,957
Provisions & Others	-4,073	-3,783	-3,783	-3,783	-3,783
Net Current Assets	1,489	6,517	2,399	1,410	4,708
Other Non Current Assets/ROU Assets	6,119	5,405	5,405	5,405	5,405
Total - Assets	**42,150**	**58,154**	**75,713**	**90,619**	**99,251**

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	865	1,272	2,559	4,906	8,632
Depn. & Amort.	1,140	1,262	1,886	2,295	2,471
Net Interest Exp. / Inc. (-)	1,625	1,664	809	1,260	1,508
Inc (-) / Dec in WCap.	-582	394	261	84	-80
Others	323	187	-	-	-
Taxes Paid	-	-	-	-	-
Operating Cash Flow	**3,372**	**4,780**	**5,515**	**8,546**	**12,530**
Capex	-8,593	-3,978	-23,563	-18,190	-7,805
Free Cash Flow	-5,221	802	-18,048	-9,644	4,725
Inc (-) / Dec in Investments	-	-	-	-	-
Others	18	196	166	165	92
Investing Cash Flow	**-8,575**	**-3,783**	**-23,397**	**-18,025**	**-7,713**
Inc / Dec (-) in Capital	-	8,000	20,000	-	-
Dividend + Tax thereon	-329	-	-	-	-
Inc / Dec (-) in Loans	8,991	7,364	-5,000	10,000	-
Others	-2,633	-11,503	-975	-1,425	-1,600
Financing Cash Flow	**6,029**	**3,862**	**14,025**	**8,575**	**-1,600**
Inc / Dec (-) in Cash	**826**	**4,859**	**-3,857**	**-905**	**3,217**
Opening Cash Balance	238	1,064	5,923	2,066	1,161
Closing Cash Balance	1,064	5,923	2,066	1,161	4,379

Source: Company, JM Financial

Dupont Analysis					
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin (%)	15.4	20.5	31.2	35.4	42.2
Asset Turnover (x)	0.1	0.1	0.1	0.2	0.2
Leverage Factor (x)	3.9	3.5	2.2	1.9	1.9
RoE (%)	8.9	8.7	8.4	11.1	16.9

Source: Company, JM Financial

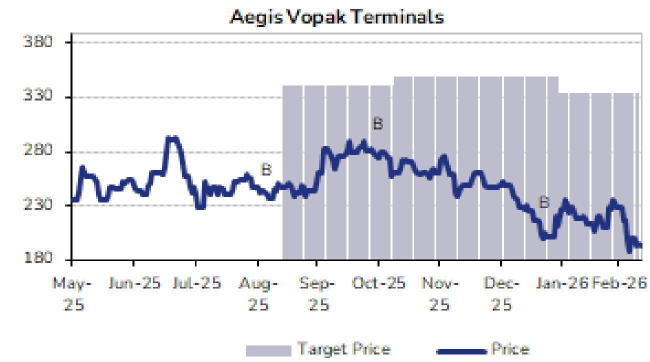
Key Ratios					
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	9.0	17.3	37.7	42.1	49.9
ROIC (%)	6.6	7.0	6.7	9.2	13.0
ROE (%)	8.9	8.7	8.4	11.1	16.9
Net Debt/Equity (x)	2.5	1.0	0.4	0.6	0.5
P/E (x)	248.5	169.0	84.0	43.8	24.9
P/B (x)	21.6	11.2	5.2	4.6	3.9
EV/EBITDA (x)	60.3	51.1	38.1	23.7	15.4
EV/Sales (x)	42.7	37.7	28.4	17.6	11.8
Debtor days	4	5	4	2	2
Inventory days	85	70	47	29	24
Creditor days	32	24	39	36	41

Source: Company, JM Financial

Recommendation History Table

Date	Recommendation	Target Price	% Chg.
31-Jan-26	Buy	335	-4.2
9-Nov-25	Buy	350	2.8
14-Sep-25	Buy	340	

Recommendation History Chart



March 11, 2026 India | Ports and Logistics | Company Update

Aegis Logistics | BUY

LPG logistics reel from supply issues; distribution supports

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Geopolitical disruption-led constraints to LPG import supply chain could adversely affect LPG throughput volumes for ALL in the near term. However, with OMCs prioritising LPG supply to domestic consumers and industrial PNG supplies also restricted, distribution margins for Aegis Logistics could benefit in the near term. Over medium term, we expect LPG import disruptions to be alleviated led by propane supplies from the US, with which India has already inked a supply contract. Our estimates for liquids EBITDA remain unchanged in the near term. They could benefit over medium term though as storage requirements for petrochemicals increase led by supply chain constraints. Thus, we are cutting FY26E/27E LPG Logistics EBITDA, but this is partially offset by higher distribution margins. Overall, our FY26E/27E consolidated EBITDA stands revised down by ~2% each, driving down EPS by 1–3% each. We value the stock at 30x FY28E EPS of INR31, yielding a TP of INR 935; maintain BUY.

- **Near-term disruptions due to constraints in supply from Middle East; over medium term, LPG supplies from US could lend some support**: India imports ~65% of its LPG, of which 90%+ is supplied by the Middle East. The logistics constraint due to blocking of the Strait of Hormuz/Red Sea is likely to adversely impact a significant part of India' LPG imports in the near term (~one month), in turn impacting throughput volumes for Aegis's LPG logistics assets. Furthermore, LPG volumes at the Mangalore terminal remained weak in Jan'26 and Feb'26 with average monthly run rate lower than 3QFY26's. Thus, we anticipate headwinds to near-term volume growth.

- **Distribution margins could benefit from industrial PNG and propane shortage:** Our channel checks suggest that propane accounts for 70% of fuel requirements for the Morbi industrial cluster**.** The GoI has asked OMCs to prioritise propane supply for LPG supply to domestic customers. Industrial PNG supplies also remain disrupted as Gujarat Gas has restricted industrial supplies. Our channel checks suggest Gujarat gas may not be able to supply PNG to the Morbi cluster after 15th March. ***Thus, Aegis Logistics may be able to supply propane to industrial customers at elevated prices, which would benefit its distribution margins***.

- **Liquid volume estimates unchanged:** Our discussion with Aegis management suggests that its liquid terminals are currently running at optimal utilisation levels. Furthermore, supply chain disruptions could lead to companies maintaining higher storage levels of petchem at ports. This could benefit its liquid segment over FY27E/28E, leading to some upside risk to our estimates.

- **Revising down FY26E and FY27E EBITDA by 2% each, driving down EPS by 1–3% each**: Incorporating disruptions to LPG supply, we are cutting FY26E/27E LPG volumes, but are raising distribution margin estimates. Our estimates for liquids EBITDA remain unchanged in the near term. Thus, we are cutting FY26E and FY27E EBITDA by 2% each, driving down EPS estimates by 1–3%.

- **Maintain BUY with TP of INR 935**: We value ALL at 30x FY28E EPS of INR31/share to arrive at our revised TP of INR 935; maintain BUY.

Recommendation and Price Target	
Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	935
Upside/(Downside)	51.5%
Previous Price Target	945
Change	-1.0%

Key Data – AEGISLOG IN	
Current Market Price	INR617
Market cap (bn)	INR216.4/US$2.4
Free Float (%)	33.8
Shares in issue (mn)	351.0
Diluted share (mn)	351.0
3-mon avg daily val (mn)	INR440.5/US$4.8
52-week range	INR947/614
Sensex/Nifty	76,864/23,867
INR/US$	92.0

Price Performance			
%	1M	6M	12M
Absolute	-13.9	-13.8	-13.4
Relative*	-6.3	-8.1	-16.6

*To the NSE Nifty 50

Financial Summary					(INR mn)
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	70,459	67,638	77,102	95,288	104,811
Sales Growth (%)	-18.3	-4.0	14.0	23.6	10.0
EBITDA	9,228	10,980	11,425	16,852	22,346
EBITDA Margin (%)	13.1	16.2	14.8	17.7	21.3
Adjusted Net Profit	5,692	6,634	6,732	8,871	10,896
Diluted EPS (INR)	16.2	18.9	19.2	25.3	31.0
Diluted EPS Growth (%)	22.9	16.5	1.5	31.8	22.8
ROIC (%)	16.5	16.5	13.0	16.7	20.0
ROE (%)	15.3	15.6	14.3	18.1	21.9
P/E (x)	39.9	34.2	33.7	25.6	20.8
P/B (x)	5.8	4.9	4.7	4.6	4.6
EV/EBITDA (x)	25.1	21.4	21.4	15.2	11.7
Dividend Yield (x)	-	-	-	-	-

Source: Company data, JM Financial. Note: Valuations as of March 11, 2026

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ

Changes in estimates

We are cutting LPG volume estimates but raising distribution margin estimates. Our estimates for liquids EBITDA remain unchanged in the near term. Thus, we are cutting EBITDA estimates by 2% each for FY26E and FY27E, driving down EPS estimates by 1–3%.

Exhibit 1: Changes in estimates

	New			Old			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
EBITDA (INR m)	11,448	16,852	22,346	11,662	17,164	22,700	-2%	-2%	-2%
PAT (INR m)	6,756	8,871	10,896	6,970	8,953	10,977	-3%	-1%	-1%

Source: Company, JM Financial

Exhibit 2: Summary of key operational estimates

	FY26E	FY27E	FY28E
Gas segment			
LPG Logistics volumes (mmt)	5.31	6.42	9.12
LPG Distribution volumes (kt)	690	950	1,045
Gas EBITDA (INR bn)	7.91	10.51	14.69
Liquids segment			
Liquids EBITDA (INR bn)	4.84	7.49	9.18
EBITDA Margin (%)	76%	78%	80%

Source: Company, Company, JM Financial

Maintain BUY with TP of INR 935 (earlier INR 945)

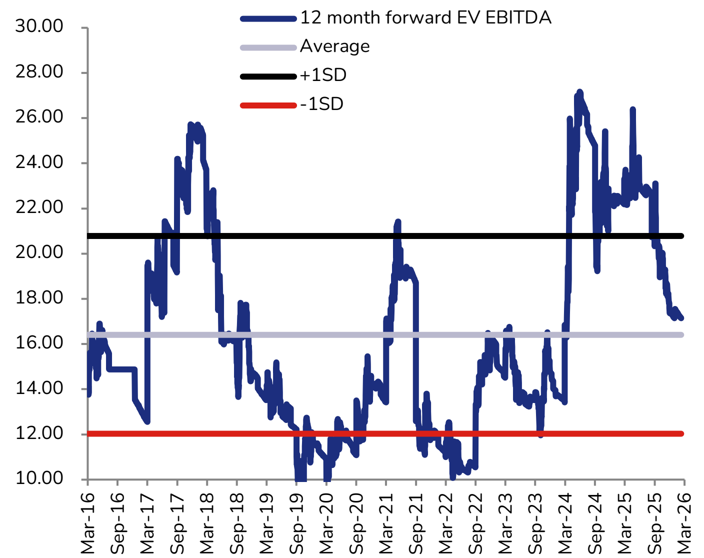
We value Aegis at its current 3Y rolling PE of 30x on FY28E EPS of INR 31, yielding a revised target price of INR 935 (earlier INR 945). We expect ALL to sustain EPS growth momentum over the next two years, similar to the cycle over FY22–25. We estimate a 27% EPS CAGR over FY26–28E similar to the growth over FY22–25.

Exhibit 3: ALL: Maintain BUY with TP of INR 935

PE-based valuation			
Target PE multiple	30	x	Rolling 3-year average
FY28 EPS	31.0	INR	
Target price	**935**	**INR**	

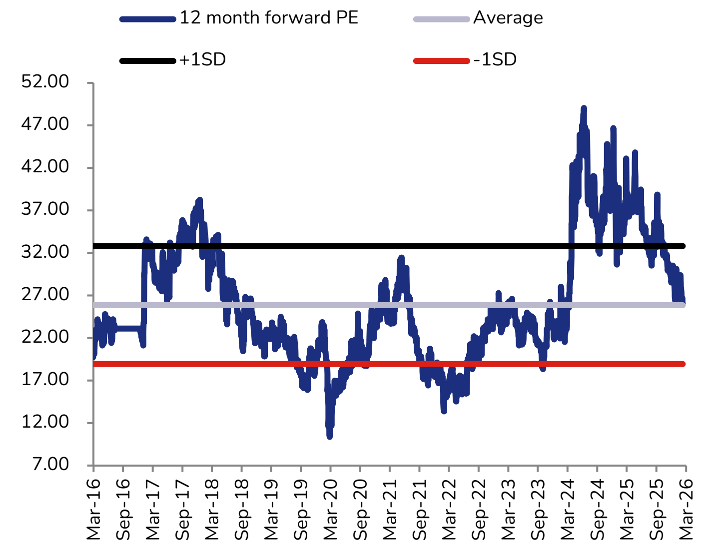
Source: Company, JM Financial

Exhibit 4: ALL: 12M forward EV/EBITDA at historical average



Source: Company, JM Financial

Exhibit 5: ALL: 12M forward PE close to historical average



Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	70,459	67,638	77,102	95,288	104,811
Sales Growth (%)	-18.3	-4.0	14.0	23.6	10.0
Other Operating Income	-	-	-	-	-
Total Revenue	**70,459**	**67,638**	**77,102**	**95,288**	**104,811**
Cost of Goods Sold/Op. Exp	57,691	52,970	61,785	75,278	79,044
Personnel Cost	1,012	963	1,029	1,062	1,115
Other Expenses	2,529	2,725	2,863	2,096	2,306
EBITDA	**9,228**	**10,980**	**11,425**	**16,852**	**22,346**
EBITDA Margin (%)	13.1	16.2	14.8	17.7	21.3
EBITDA Growth (%)	37.4	19.0	4.1	47.5	32.6
Depn. & Amort.	1,158	1,522	2,016	2,377	2,704
EBIT	8,070	9,457	9,408	14,475	19,642
Other Income	1,896	2,084	3,199	2,685	2,800
Finance Cost	1,353	1,653	1,128	1,437	1,591
PBT before Excep. & Forex	8,613	9,888	11,480	15,722	20,851
Excep. & Forex Inc./Loss(-)	-	-	-	-	-
PBT	8,613	9,888	11,480	15,722	20,851
Taxes	1,891	2,014	2,547	3,202	4,247
Extraordinary Inc./Loss(-)	-	-	-	-	-
Assoc. Profit/Min. Int.(-)	1,030	1,240	2,200	3,649	5,709
Reported Net Profit	5,692	6,634	6,732	8,871	10,896
Adjusted Net Profit	**5,692**	**6,634**	**6,732**	**8,871**	**10,896**
Net Margin (%)	8.1	9.8	8.7	9.3	10.4
Diluted Share Cap. (mn)	351	351	351	351	351
Diluted EPS (INR)	**16.2**	**18.9**	**19.2**	**25.3**	**31.0**
Diluted EPS Growth (%)	22.9	16.5	1.5	31.8	22.8
Total Dividend + Tax	-	-	-	-	-
Dividend Per Share (INR)	-	-	-	-	-

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders Fund	44,619	57,215	61,284	66,399	72,313
Share Capital	351	351	351	351	351
Reserves & Surplus	38,593	45,957	47,826	49,292	49,497
Preference Share Capital	-	-	-	-	-
Minority Interest	5,675	10,907	13,107	16,756	22,464
Total Loans	16,632	28,844	23,844	33,844	33,844
Def. Tax Liab. / Assets (-)	-154	-168	-168	-168	-168
Other non-current liabilities / Lease Liabilities	9,765	16,465	16,548	16,706	16,789
Total - Equity & Liab.	**71,017**	**102,524**	**101,675**	**116,949**	**122,947**
Net Fixed Assets	48,364	63,940	75,254	87,929	91,969
Gross Fixed Assets	48,364	63,940	75,254	87,929	91,969
Intangible Assets	-	-	-	-	-
Less: Depn. & Amort.	-	-	-	-	-
Capital WIP	-	-	-	-	-
Investments	10,197	21,226	11,226	6,226	6,226
Current Assets	22,167	27,162	25,164	33,659	36,309
Inventories	636	1,845	1,269	1,511	1,754
Sundry Debtors	5,134	6,933	7,266	8,654	10,045
Cash & Bank Balances	10,323	14,108	12,025	18,260	18,946
Loans & Advances	3,501	960	1,094	1,352	1,487
Other Current Assets	2,574	3,316	3,510	3,881	4,076
Current Liab. & Prov.	9,712	9,804	9,968	10,864	11,557
Current Liabilities	5,446	6,378	6,543	7,439	8,132
Provisions & Others	4,267	3,425	3,425	3,425	3,425
Net Current Assets	11,361	15,424	13,262	20,861	22,818
Other Non Current Assets/ROU Assets	1,094	1,934	1,934	1,934	1,934
Total - Assets	**71,017**	**102,524**	**101,675**	**116,949**	**122,947**

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	5,692	6,634	6,732	8,871	10,896
Depn. & Amort.	1,158	1,522	2,016	2,377	2,704
Net Interest Exp. / Inc. (-)	1,353	1,653	1,128	1,437	1,591
Inc (-) / Dec in WCap.	-703	-3,497	162	-1,205	-1,187
Others	-944	-730	-3,176	-2,685	-2,800
Taxes Paid	-	-	-	-	-
Operating Cash Flow	**6,555**	**5,582**	**6,863**	**8,795**	**11,203**
Capex	-6,136	-9,438	-13,330	-15,052	-6,744
Free Cash Flow	420	-3,856	-6,468	-6,257	4,459
Inc (-) / Dec in Investments	731	1,800	10,000	5,000	-
Others	-1,717	-6,992	3,199	2,685	2,800
Investing Cash Flow	**-7,122**	**-14,630**	**-131**	**-7,367**	**-3,944**
Inc / Dec (-) in Capital	-	0	-	-	-
Dividend + Tax thereon	-2,381	-1,348	-2,687	-3,756	-4,981
Inc / Dec (-) in Loans	6,679	12,212	-5,000	10,000	-
Others	-1,734	1,969	-1,128	-1,437	-1,591
Financing Cash Flow	**2,564**	**12,833**	**-8,815**	**4,807**	**-6,572**
Inc / Dec (-) in Cash	**1,998**	**3,785**	**-2,083**	**6,235**	**687**
Opening Cash Balance	8,325	10,323	14,108	12,025	18,260
Closing Cash Balance	10,323	14,108	12,025	18,260	18,946

Source: Company, JM Financial

Dupont Analysis					
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin (%)	8.1	9.8	8.7	9.3	10.4
Asset Turnover (x)	1.1	0.8	0.8	0.9	0.9
Leverage Factor (x)	1.8	2.0	2.2	2.2	2.4
RoE (%)	15.3	15.6	14.3	18.1	21.9

Source: Company, JM Financial

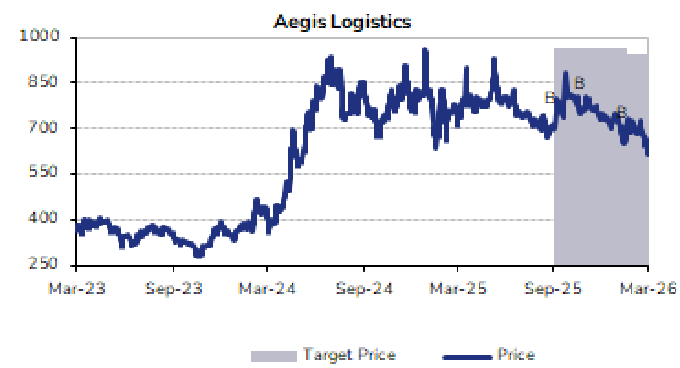
Key Ratios					
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	111.0	131.9	137.3	141.4	142.0
ROIC (%)	16.5	16.5	13.0	16.7	20.0
ROE (%)	15.3	15.6	14.3	18.1	21.9
Net Debt/Equity (x)	0.0	-0.1	0.1	0.2	0.2
P/E (x)	39.9	34.2	33.7	25.6	20.8
P/B (x)	5.8	4.9	4.7	4.6	4.6
EV/EBITDA (x)	25.1	21.4	21.4	15.2	11.7
EV/Sales (x)	3.3	3.5	3.2	2.7	2.5
Debtor days	27	37	34	33	35
Inventory days	3	10	6	6	6
Creditor days	26	29	26	26	27

Source: Company, JM Financial

Recommendation History Table

Date	Recommendation	Target Price	% Chg.
31-Jan-26	Buy	945	-2.0
9-Nov-25	Buy	965	0.0
14-Sep-25	Buy	965	

Recommendation History Chart



APPENDIX I

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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Rating System: Definition of ratings	
Rating	**Meaning**
BUY	Expected return >= 15% over the next twelve months.
ADD	Expected return >= 5% and < 15% over the next twelve months.
REDUCE	Expected return >= -10% and < 5% over the next twelve months.
SELL	Expected return < -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

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