

# Gujarat Pipavav Port Limited



HARD HAT AREA



# Agenda

Parentage & Port overview

Current Infrastructure

Advantage Pipavav

Expansion

Financial Performance

Environment & CSR

Board & Management Team

# Maersk Group

## Marquee Parentage



**Maersk Line**



**Maersk Oil**



**APM Terminals**



**Maersk Drilling**



**Services & Other Shipping**

- ❑ **Global Fortune 500**
- ❑ **Maersk Group activities include**
  - Container shipping & Logistics;
  - Ports & terminal operations;
  - Oil and gas;
  - Drilling ;
  - Services & Other Shipping
- ❑ **Group revenue in CY 2013 – US\$ 47.0 Bn**
- ❑ **Largest container shipping line**
- ❑ **Leading independent terminal operator**



**MAERSK**

**APM TERMINALS**

# Promoter APM Terminals

One of the largest container terminal operators



**State-of-the-art technology**



**APMT Head quarters - Netherlands**

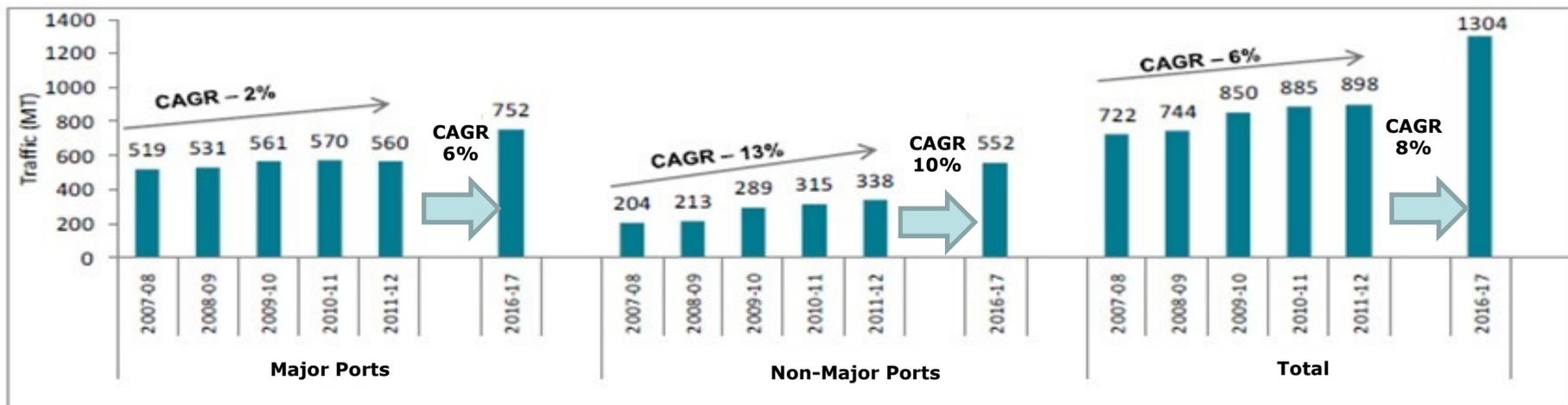
- ❑ 70 Ports & Terminals and over 160 Inland Terminal locations operating in 67 countries
- ❑ Provides integrated Port, Terminals & Inland Services management and operational expertise to over 60 Container shipping lines
- ❑ CY 2013 revenue of US\$ 4.3 Bn.; 20,300 employees
- ❑ Winner of International Terminal Operator of 2013 by *Containerization International*
- ❑ World's only geographically balanced global port, terminal & inland services network to have a presence in the US market.

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# Port sector

## Gateway to international trade

- India has a long coastline of ~7,500 Km with 13 major ports/176 non-major ports
- Sea-borne trade accounts for 90-95% by volumes (70% by value) of international trade
- India's foreign trade estimated at USD 763 Bn.
- Estimated investments of USD 11.8 Bn by major ports and USD 19.2 Bn by non-major ports as per Maritime Agenda estimates
- Outlook on traffic at India ports



- Typically , port traffic grows at 1.5-2x of GDP. Between 2011-2013, cargo grew ~6% CAGR
- Cargo estimated to grow ~8% in short to medium term driven by increasing coal imports and healthy container traffic driven by consumption

# Major ports vs Non-major ports

## Non-major ports growing faster

### Major ports

#### Major ports

- Many ports operating at 80-130% of designed capacity
- Capacity buildup slow; delays in project award, financial & environmental constraints.

#### Policy & regulatory issues

- Tariff regulated at major ports (TAMP)
- Long lead time in obtaining clearances for key projects
- Cabotage holding back huge coastal traffic potential

#### Inadequate infrastructure and poor connectivity

- Shipping trends moving to larger vessels - higher drafts, better cranes & mechanization
- Capacity and quality of existing road/rail connectivity - congestion; time and cost escalation for shippers.
- Rail congestion, double stacking capabilities

### Non-Major ports

#### State Concession

- Pricing freedom and ability to scale
- Deep water draught to accommodate larger vessels

#### Eco-System

- Congestion free - away from urban areas
- Proximity to cargo generating areas

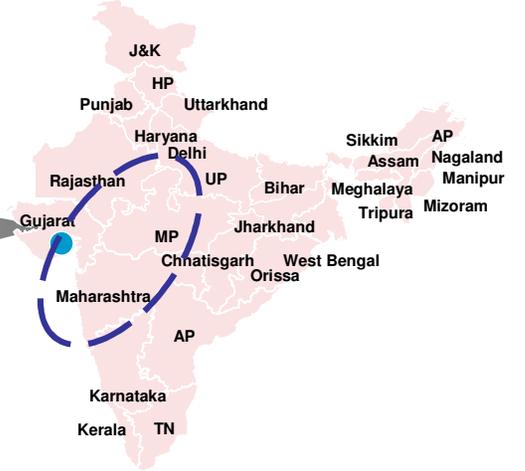
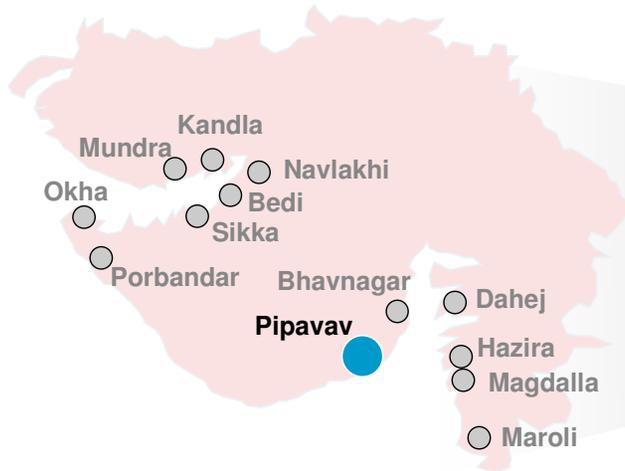
#### Service levels & Efficiency

- Faster turnaround, Superior moves per hour
- Optimum Dwell time

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# APM Terminals Pipavav

## Gateway to the Indian Northwest



Map not to scale

Map not to scale

### Concession & Infrastructure

- ❑ 30 year concession agreement with Gujarat Maritime Board and Government of Gujarat till September, 2028
- ❑ All weather port
  - Existing berth length of 1,140 mtrs (5 berths) including LPG berth (65 mtrs)
  - Draught- 14.5 meter at high tide
  - Capacity
    - 0.85 Mn TEUs capacity for containers
    - 4-5 Mn Tons for bulk cargo
    - 2 Mn Tons for liquid cargo
  - 1,561 acres of land

### Connectivity

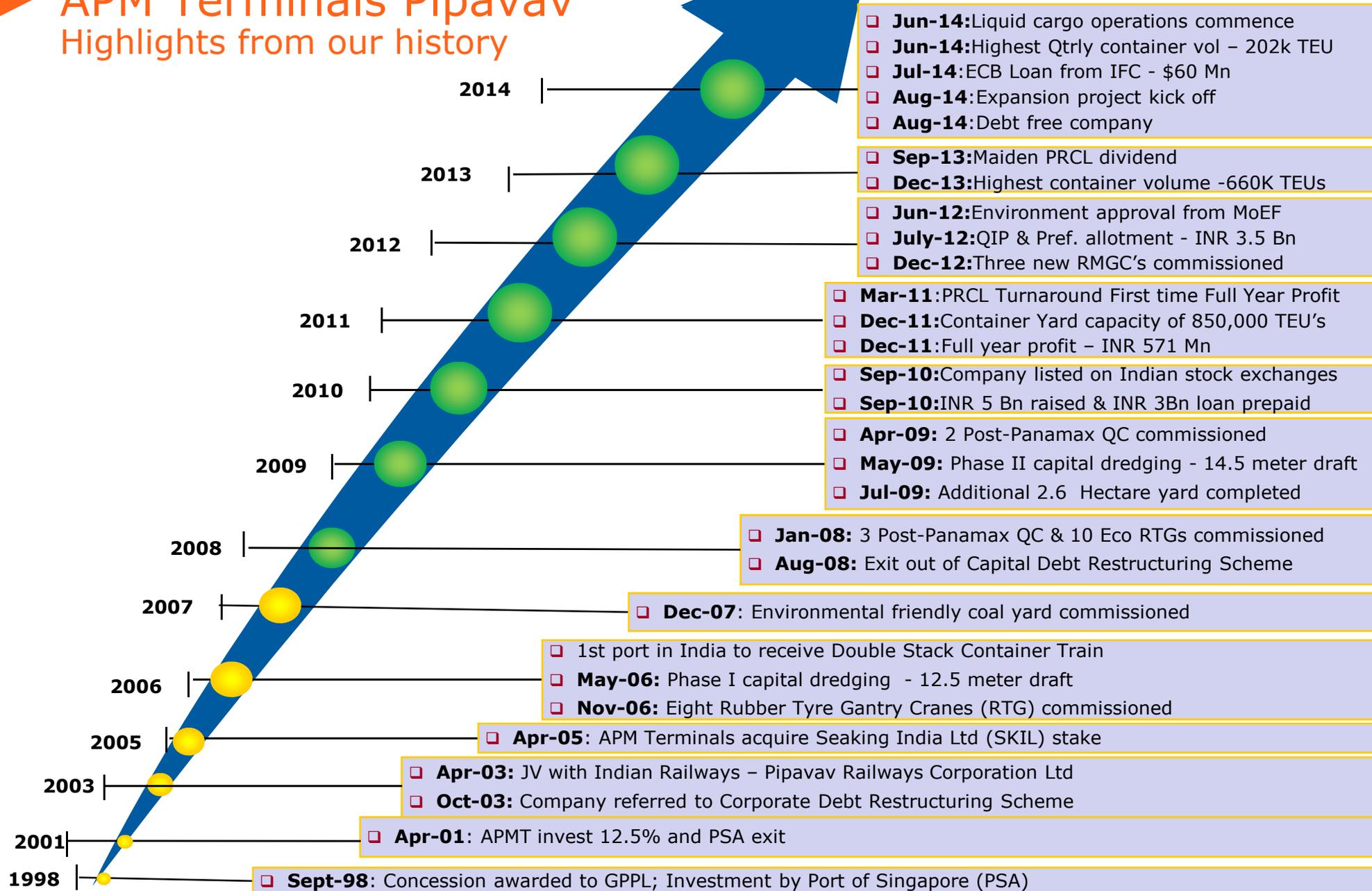
- ❑ Rail
  - Connected to the Indian Railways network through dedicated broad gauge railway link (approx. 269 Km)
- ❑ Road
  - Connected to the NH8E through a four lane road link (approx. 10 km)
- ❑ Airport
  - Bhavnagar - 120 Km
  - Diu - 90 Km

### Location

- ❑ Connected to Northern and North Western hinterlands
- ❑ ~ 150 nautical miles from ports in and around Mumbai
- ❑ Close to the main maritime trade routes linking Europe & Middle East with Asia

# APM Terminals Pipavav

## Highlights from our history



# Container Business

## Global APMT standards and best practices

- 8 Quay Cranes (5 Post Panamax and 3 Panamax)
- 18 Rubber Tyred Gantry Cranes (RTGs) of which
  - 10 are Eco RTGs with fuel savings up to 45%
- 3 Rail Mounted Gantry Cranes (RMGC) for rail evacuation
- 2 Reach Stackers and 3 Empty Handlers
- Existing Container Yard capacity of 850,000 TEUs
- Navis N4 – Terminal Operating System
- CFS within Port limits
- 525 powered ground slots for Reefer Cargo



# Bulk Business

## Mainly Coal & Fertilizers

- 3 Bulk Cargo handling cranes
- Handling Coal / Fertilizer / Minerals/Agri products
- 1,200 meters long conveyer system for coal handling
- Coal & Mineral storage yards with capacity of 1 MMT
- State of the art storage yard with connected Railway line
- Bagging units in the storage area for Fertilizer cargo
- Automatic wagon loaders
- Paved railway sidings
- Environment friendly coal yard



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# Liquid Business

## Potential game changer

- Land leased out to 3 tank farm owners to construct storage tank facilities of 450,000 KL (Phase 1)
- **Aegis** : Commenced- LPG; Butane handled
- **IMC** : Ready for operations
- **Gulf Petrochem** : commencement Q1 2015
- Volumes expected to ramp up in 2015





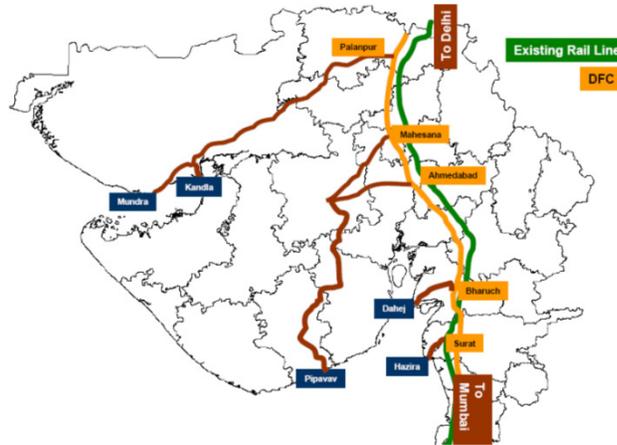
# Advantage Pipavav

Location, scalability and connectivity

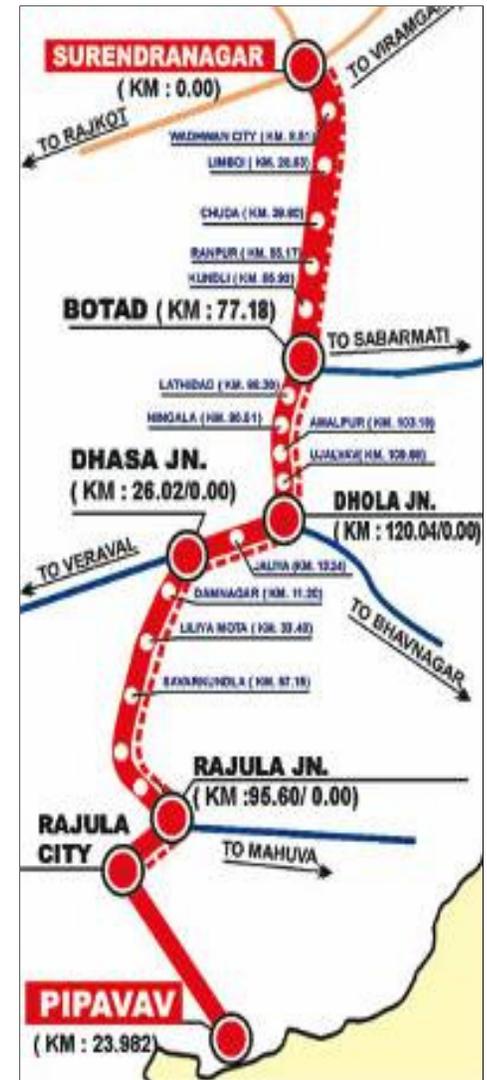
- **Adequate waterfront:** Natural harbor, 24/7 operations
- **Commercial presence in key Northwest India markets:** Direct interaction with cargo owners
- **Dedicated Freight Corridor & Industrial Parks:** Gateway port for Dholera
- **Adequate Land:** Expanding storage facilities, CFSs, warehouses, rail & road infrastructure
- **Scalable rail capacity:** Seamless evacuation & connectivity to ICDs, Double stack high cube
- **Reefer market:** Access to largest seafood export belt in India
- **Pure port operator:** Efficient cargo handling; no intermixing of cargo
- **Parentage :** APMT brand; Global reach

# Pipavav Rail Corporation Limited

## Good Rail Connectivity to Northern Hinterland



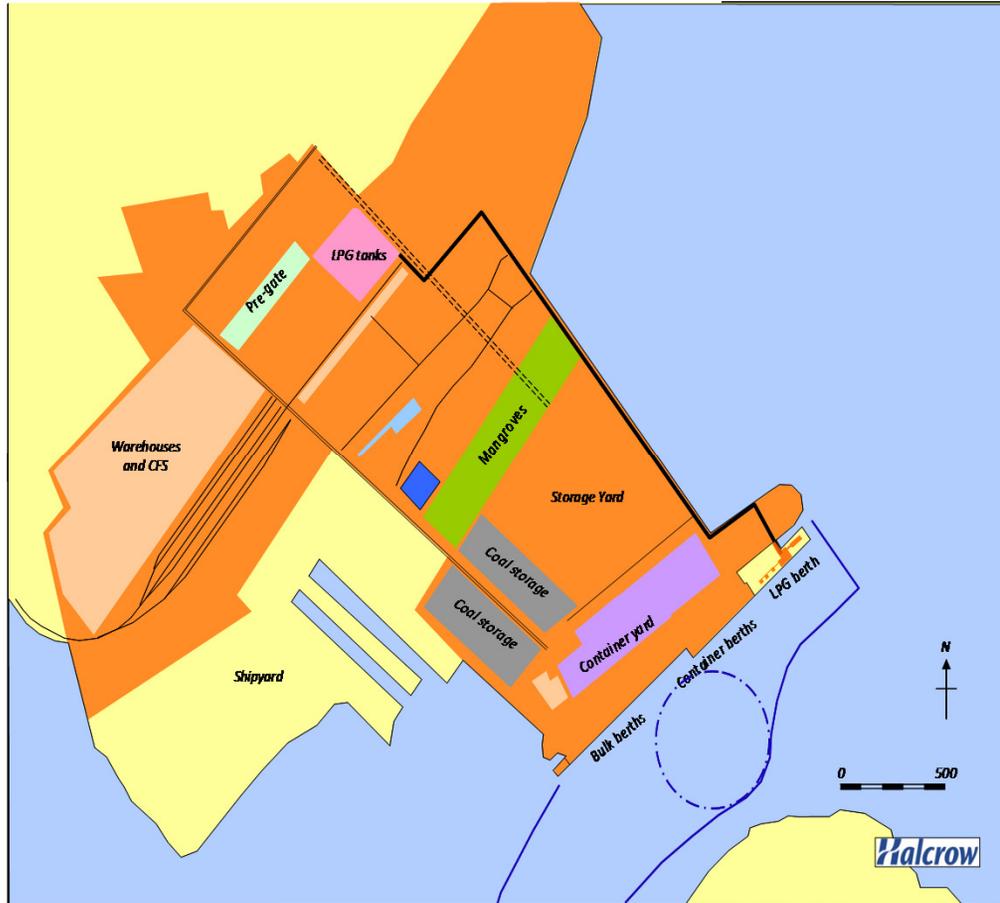
- ❑ India's first JV Rail Company
- ❑ Equity partnership between the Company & Ministry of Railways
  - Pipavav stake 38.8% - has 3 board seats
- ❑ In operation since 2003
- ❑ Connects Pipavav to the ICD network
- ❑ Capacity to handle 22 trains each way in a day
- ❑ Ability to carry high cube double stack containers
- ❑ Connectivity to Dedicated Freight Corridor (DFC)
- ❑ Profit for 2013-14 at INR 808 Mn.
- ❑ Debt-free, Dividend paying Company



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# Existing Layout

## Ability to scale



### Growth drivers

- **Waterfront** : 3x current capacity
  - Containers: ~ 4.5 Mn TEUs
  - Bulk : ~15 to 20 Mn Tons
  - Liquid: ~4 Mn Tons
- **Rail capacity**: 22 trains a day (50% utilized)
- **Land**: 423 hectares (60% utilized)
  - Additional reclamation possible
- **Multi product facility**
- **CFS/Tankages/Warehouses**
  - Synergies with broader scope of services
- **Cater to growing industrial activity**
  - Power plants, auto hubs, refineries



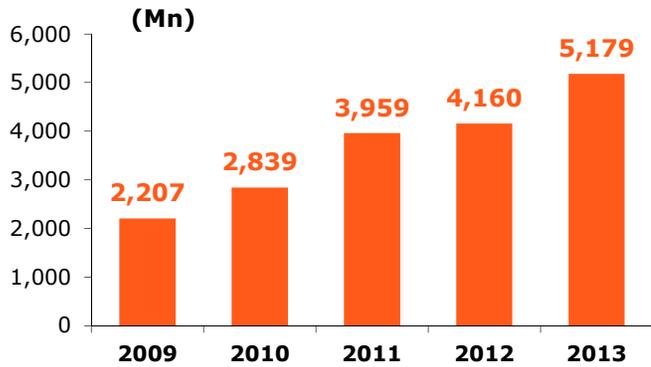
## Expansion 2014-15

### Container capacity enhancement

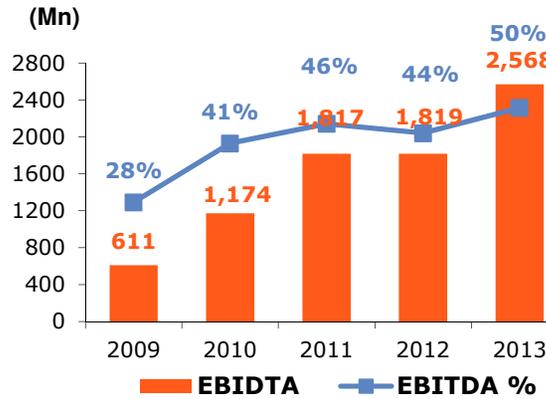
- **Container cargo: 0.85 Mn TEUs to 1.35 Mn TEUs**
- **Project Cost - ~ INR 4,600 Mn (~ USD 76 Mn) mainly consists:**
  - Purchase of 3 Post Panamax cranes with spreaders to replace existing old cranes
  - Strengthen existing Berth #3
  - Dredging at berth pockets
  - Purchase of 4 Rubber Tyre Gantry (RTG) cranes with Spreaders
  - Phased development of container yard
  - Internal roads & Gate complex
  - Electrical and other related works
- **Timeline - Q1 2016**

# Financials

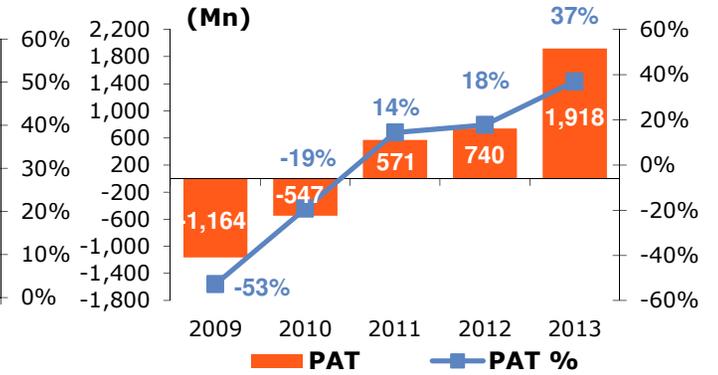
## Revenue



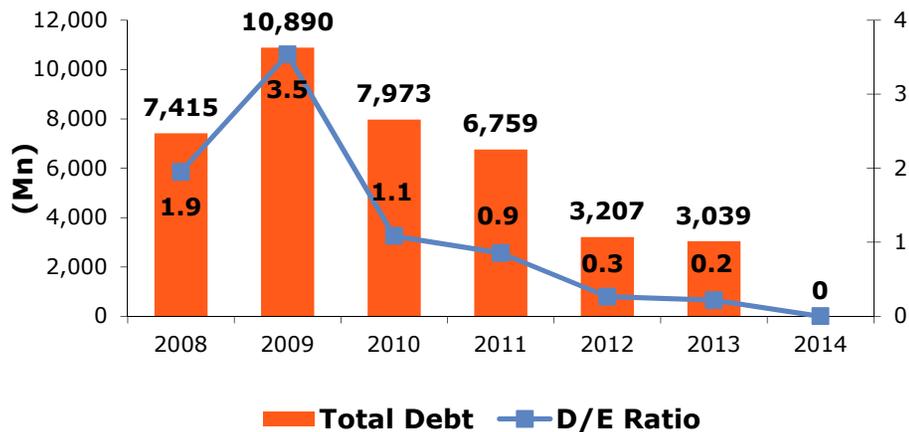
## EBITDA



## PAT

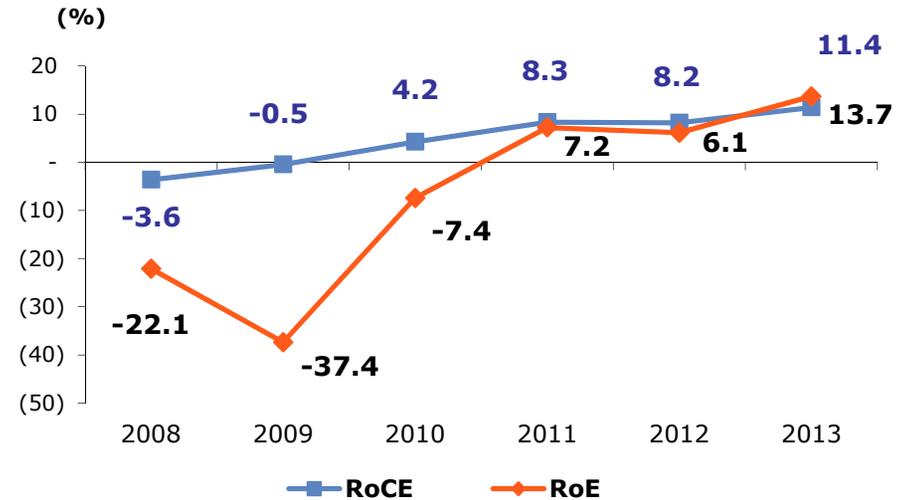


## Total Debt & D/E Ratio\*



\*Debt free as of Aug 2014

## RoE & RoCE



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# Profit & Loss

## Quarter on Quarter

INR Mn

Particulars	Quarter Ended							
	30-Sep-12	31-Dec-12	31-Mar-13	30-Jun-13	30-Sep-13	31-Dec-13	31-Mar-14	30-Jun-14
Income from Operations	865	1,076	1,141	1,131	1,180	1,285	1,441	1,558
Other Operating Income	79	112	104	89	83	167	121	125
<b>Total Income</b>	<b>943</b>	<b>1,188</b>	<b>1,245</b>	<b>1,220</b>	<b>1,262</b>	<b>1,452</b>	<b>1,562</b>	<b>1,683</b>
<b>Expenditure</b>								
Operating Expenses	290	359	374	334	302	310	294	330
Employees' Cost	91	95	101	109	112	98	131	131
Administrative & Other Exp.	226	166	199	228	234	209	221	233
<b>Total Expenditure</b>	<b>606</b>	<b>620</b>	<b>675</b>	<b>670</b>	<b>648</b>	<b>617</b>	<b>647</b>	<b>694</b>
<b>EBITDA</b>	<b>337</b>	<b>568</b>	<b>570</b>	<b>549</b>	<b>614</b>	<b>835</b>	<b>916</b>	<b>989</b>
<b>%</b>	<b>35.72%</b>	<b>47.81%</b>	<b>45.77%</b>	<b>45.04%</b>	<b>48.65%</b>	<b>57.49%</b>	<b>58.61%</b>	<b>58.77%</b>
Depreciation	137	138	140	151	149	168	174	171
<b>EBIT</b>	<b>200</b>	<b>430</b>	<b>430</b>	<b>399</b>	<b>465</b>	<b>667</b>	<b>742</b>	<b>818</b>
Other Income	(58)	(28)	(19)	(49)	(74)	(27)	(55)	(70)
Finance Cost	177	98	95	95	98	87	84	83
Exceptional Item	-	-	-	-	-	(164)	102	-
<b>Profit before tax</b>	<b>82</b>	<b>360</b>	<b>354</b>	<b>352</b>	<b>441</b>	<b>771</b>	<b>610</b>	<b>805</b>
Tax expense	-	-	-	-	-	-	-	-
<b>Net Profit</b>	<b>82</b>	<b>360</b>	<b>354</b>	<b>352</b>	<b>441</b>	<b>771</b>	<b>610</b>	<b>805</b>

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# Safety & Sustainability

## License to operate

- **Safety**

- Uniform adoption of global best practices into daily operations
- Continuous monitoring & training for employees and contractors

- **Eco-Efficiency**

- Sewage treatment plant re-uses the treated water for gardening; residue is used for plants
- 500 hectares of mangroves planted within and around the port premises

- **Social Impact**

- Continuous engagement with local community in education, solid waste management, health & hygiene and emergency support

- **Focus on Sustainability**

- Low Carbon Innovation: Handling equipment that ran on diesel converted into electric

# Corporate Social Responsibility

## Engagement with local community

Education



Teaching equipment for Deaf & Dumb

Health & Environment sustainability



Health camps for women & children

Socio Economic development



Sanitation blocks for schools & villages

Women Empowerment



Programs dedicated to education & economic opportunity

Social Business Projects



Road connectivity for villages

Environment care



Mangrove plantations

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# Board Of Directors

Director	Designation	Brief Biography
<b>Mr. Tejpreet S. Chopra</b>	<i>Independent Director (Chairman)</i>	Founder, President & CEO of Bharat Light & Power. 18 years of global management experience. Former President & CEO of General Electric India.
<b>Mr. Pravin Laheri IAS (Retd.)</b>	<i>Independent Director</i>	Ex - Executive Director at NIFT, Principal Secretary to five Chief Ministers of Gujarat State, Retd. as Chief Secretary, Govt. of Gujarat in 2005
<b>Mr. Pradeep Mallick</b>	<i>Independent Director</i>	MD of Wartsila India. Former Chairman of Confederation of Indian Industry and Bombay Chamber of Commerce. Strategic advisor and Executive Coach.
<b>Ms. Hina Shah</b>	<i>Independent Director</i>	Established International & Centre for Entrepreneurship & Career Development (ICECD) for women from low income groups. Worked as Advisor/training faculty for World Bank & various UN affiliations.
<b>Mr. A.K.Rakesh</b>	<i>Nominee, GMB (Non executive Director)</i>	Vice Chairman & CEO of GMB. Held various positions in Gujarat Government. Also holds the charge of development commissioner of Gujarat State.
<b>Mr. Julian M Bevis</b>	<i>Nominee, APMT (Non executive Director)</i>	Sr. Director Group Relations, South Asia for Maersk group. 4 decades of global shipping industry experience. Held various senior management positions in UK, Europe, Middle East, New Zealand & India. Holds Masters degree from Oxford.
<b>Mr. Henrik L. Pedersen</b>	<i>Nominee, APMT (Non executive Director)</i>	CEO of APMT APAC Region. Previously VP-Business Development for APMT Latin American region & also CFO for Damco China.
<b>Mr. Jan Damgaard Sorensen</b>	<i>Nominee, APMT (Non executive Director)</i>	CFO of APMT APAC Region. Previously CFO-Suez Canal Container Terminal in Egypt.
<b>Mr. Prakash Tulsiani</b>	<i>Managing Director</i>	Managing Director of the Company. Previously COO of Gateway Terminal in JNPT, various positions with APMM Group in Indonesia & India

# Management Team

Personnel, Designation	Brief Biography
 <p><b>Mr. Prakash Tulsiani</b> <i>Managing Director</i></p>	<ul style="list-style-type: none"> <li>• Joined our Company in 2009.</li> <li>• With the A P Moller Maersk Group since 1993 in several management positions until 2005. Headed Gateway Terminals in Mumbai as COO from 2005-2009 and was instrumental in its success from project stage to commercial operations before joining APM Terminals Pipavav. Started his career in Thailand with a trading and shipping company. Certified Chartered Accountant, Company Secretary &amp; Degree in Law and Commerce</li> </ul>
 <p><b>Mr. Hariharan Iyer</b> <i>Chief Financial Officer</i></p>	<ul style="list-style-type: none"> <li>• Joined our Company in 2009.</li> <li>• Over 25 years of experience in various aspects of finance, both in India and overseas with the A P Moller Maersk Group including Sealand Service Inc. Held various positions in finance and information technology in UAE, India and Denmark, lately as the CFO for Maersk Line – India and South Asia. Certified Chartered &amp; Cost Accountant &amp; Certified Management Accountant (CIMA), London</li> </ul>
 <p><b>Mr. Ravi Gaitonde</b> <i>Chief Operating Officer</i></p>	<ul style="list-style-type: none"> <li>• Joined our Company in 2008.</li> <li>• Over 28 years of experience in the shipping industry. Started his career in shipping and has worked with M/s Gokak Patel Volkart (erstwhile agents of Maersk Line), Maersk India Private Limited (AGM, responsible for UAE and Qatar operations), Star Track Terminals Private Limited, M/s Hastings Trading e- Servicos Lda, Portugal</li> </ul>
 <p><b>Mr. C K Rajan</b> <i>Container Business Head</i></p>	<ul style="list-style-type: none"> <li>• Joined our Company in 2010.</li> <li>• Over 25 years of experience in the shipping industry. Held various leadership positions in India and abroad, including Regional Head of APL in South &amp; Western India, Sales Director with APL in Indonesia and Managing Director for APL Egypt</li> </ul>
 <p><b>Capt. Dinesh Lokapure</b> <i>Bulk Business Head</i></p>	<ul style="list-style-type: none"> <li>• Joined our Company in 2010.</li> <li>• Worked with Gujarat Maritime Board (GMB) for approximately 8 years. Prior to joining our Company, worked with J.M.Baxi &amp; Co as bulk business head at Mumbai, heading all India bulk operations. Certified master mariner, has sailed and commanded bulk carriers for approximately 20 years</li> </ul>
 <p><b>Dr. Rajkumar V P</b> <i>Human Resources Head</i></p>	<ul style="list-style-type: none"> <li>• Joined our Company in 2014.</li> <li>• Over 16 years experience in HR &amp; Business Services. Prior to joining our Company, he was the Head of HR for Royal Vopak India. Has been part of 5 Greenfield / Startup Organizations and also handled 2 M&amp;A transitions. He was the co-founder of an IT/BPO and consulting companies. He has a doctorate in Outsourcing/HR. Passionate about training &amp; HR technology.</li> </ul>

# Rail Mounted Gantry Cranes



© Sudhir Nimje

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# Double Stack High Cube operations



# Liquid Tank Farms

**IMC**



**Aegis Logistics**



**Gulf Petrochem**



# Connectivity



# Awards



**Outstanding contribution in Ports & Shipping- EPC World Award 2010**



**Emerging Gateway Port of the Year – EXIM Award 2011**



**Fastest growing Port - MALA Award 2011**



**CNBC Infrastructure Excellence Awards 2012**



**CSR Award - Maritime And Logistics Awards (MALA) 2012**



**HSSE Award - Maritime And Logistics Awards (MALA) 2013**



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Thank You