

adani

Ports and
Logistics

Corporate Day - Key Messaging

Adani Ports and SEZ Limited

August, 2019





Investment Thesis



Roadmap 2025



Finance Strategy

APSEZ : Investment thesis

Leading Port Utility and Integrated Logistics company with pan-India footprint driven by customer centricity through technology and best in class talent, with sustainable parameters and governance practices.

Unique operating model with sustained high and diversified growth having low risk

Market leader in the fastest growing region across the globe with 60-70% hinterland presence

Benign regulatory environment with stable outlook

Assets with enhanced capacity utilization and operating leverage

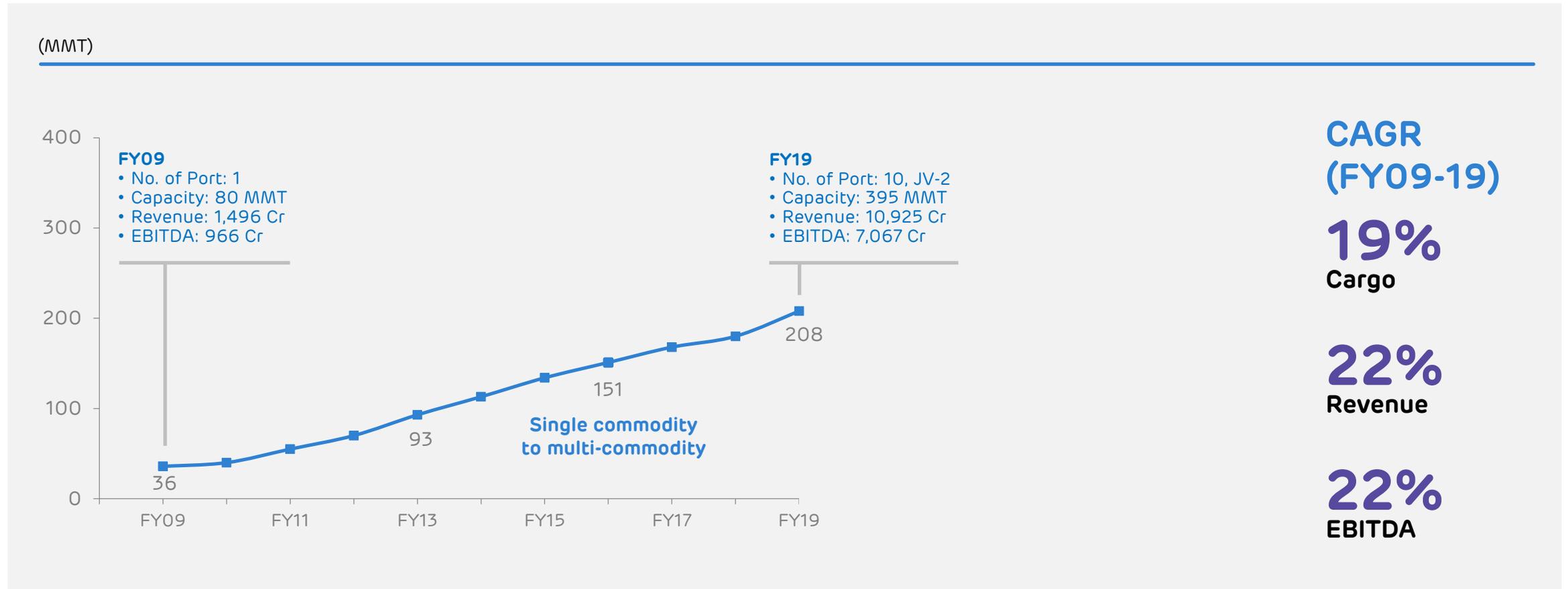
One-point transport utility with integrated logistics

Emphasis on environment, sustainability and corporate governance

World-class technology and people

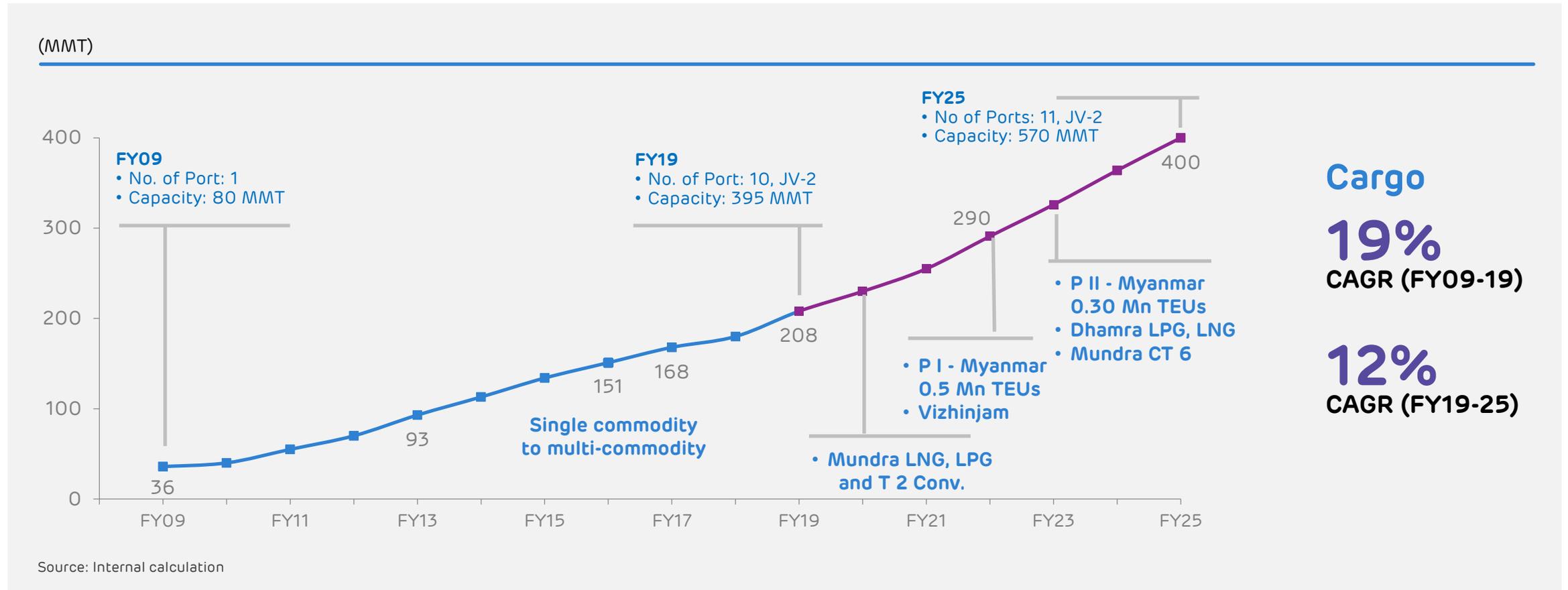
Sustained profitability and enhanced balance sheet strength

Crossed key milestone of 200 MMT in FY19



APSEZ is among the top 5 fastest growing port players in the world

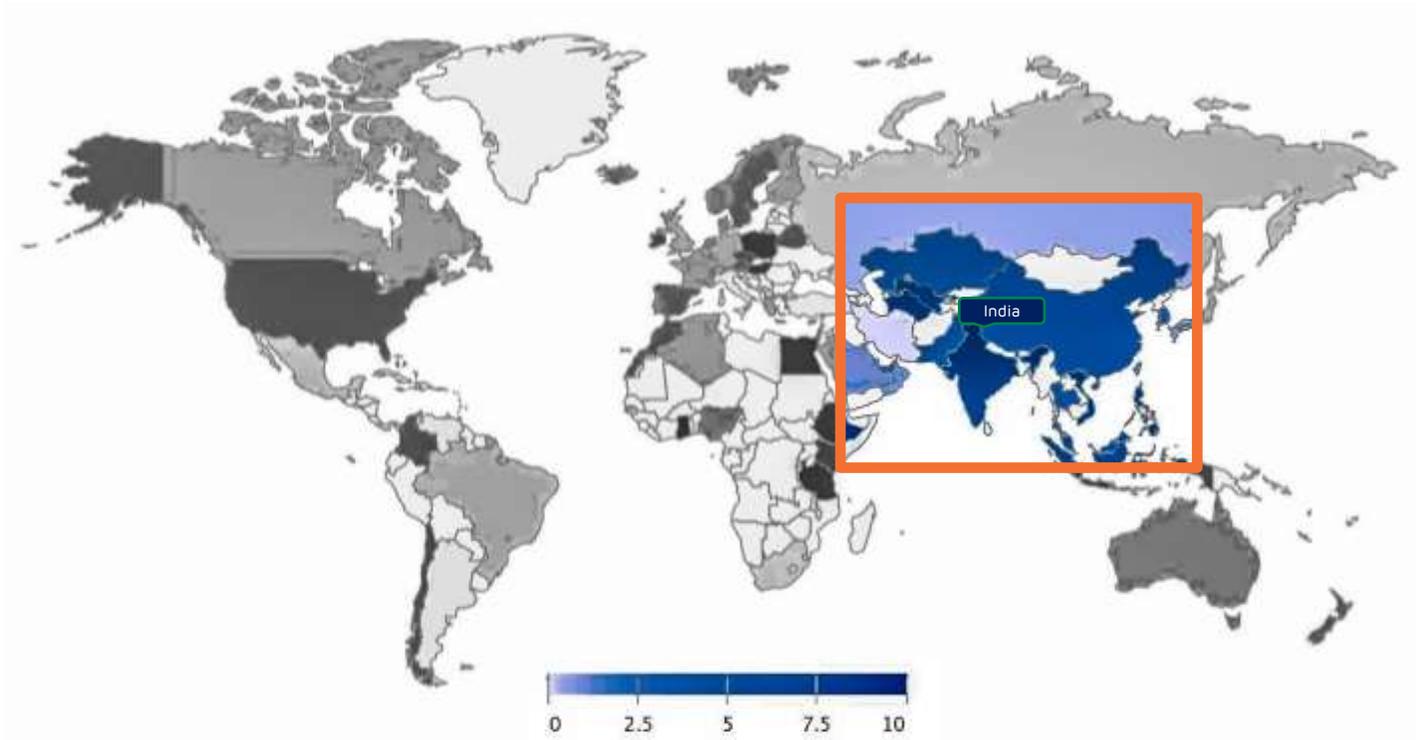
Next 200 MMT to be achieved in 6 years



APSEZ is among the top 5 fastest growing port players in the world

Our business hinterland will remain growth engine of the world

Global outlook for Gross Domestic Product Growth rates, 2018-2028



India to be a US\$ 5 trillion economy by 2025

INR **2.7** trillion
FY2019 nominal GDP

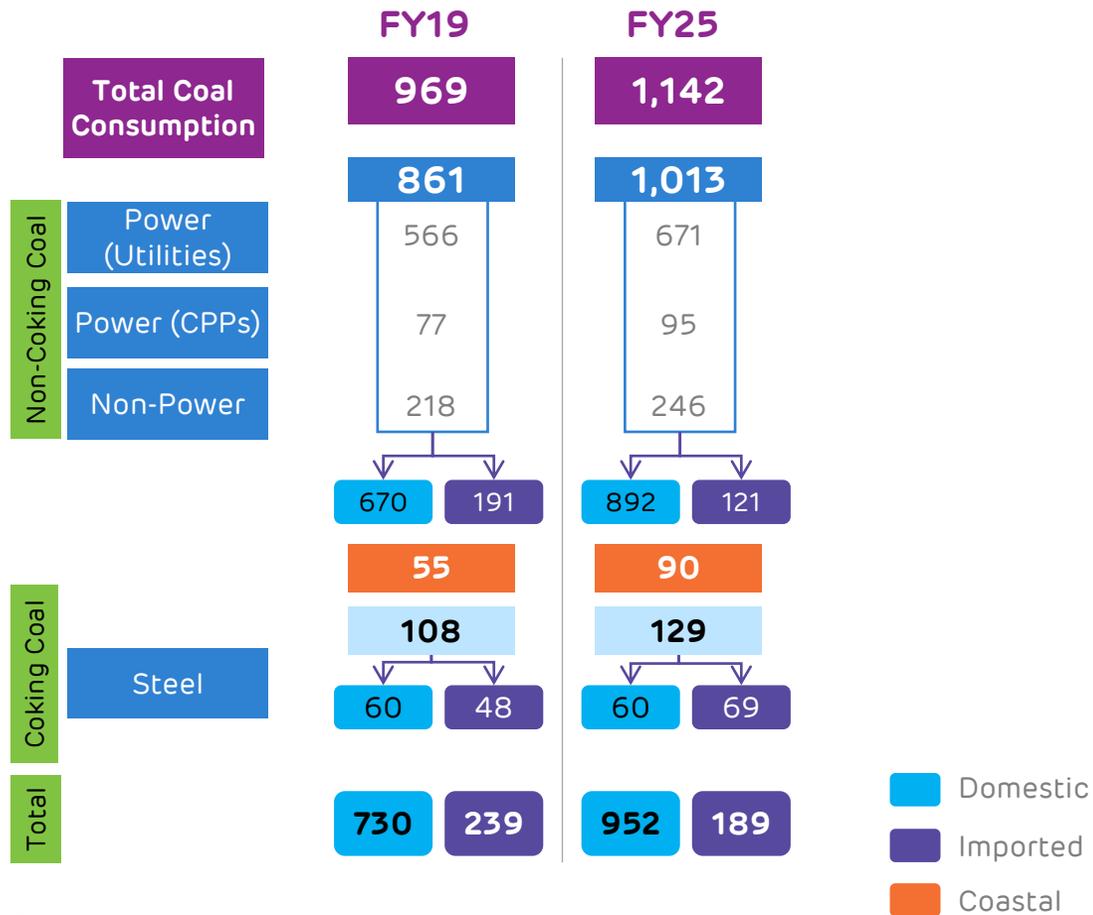
INR **2.5** trillion
Incremental GDP by FY2025

Notes: Colour ramp is based on GDP growth rates in 2019.
Source: The Conference Board Economic Outlook 2019, July 2019 update.

Note: Average real GDP projected for 2019-25 is 7.5%
Average nominal GDP estimated at 11.6%
USD-INR exchange rate is projected at 70

Coal Consumption to increase

(MMT)



Source: Internal calculations

Assumptions:

Demand Side

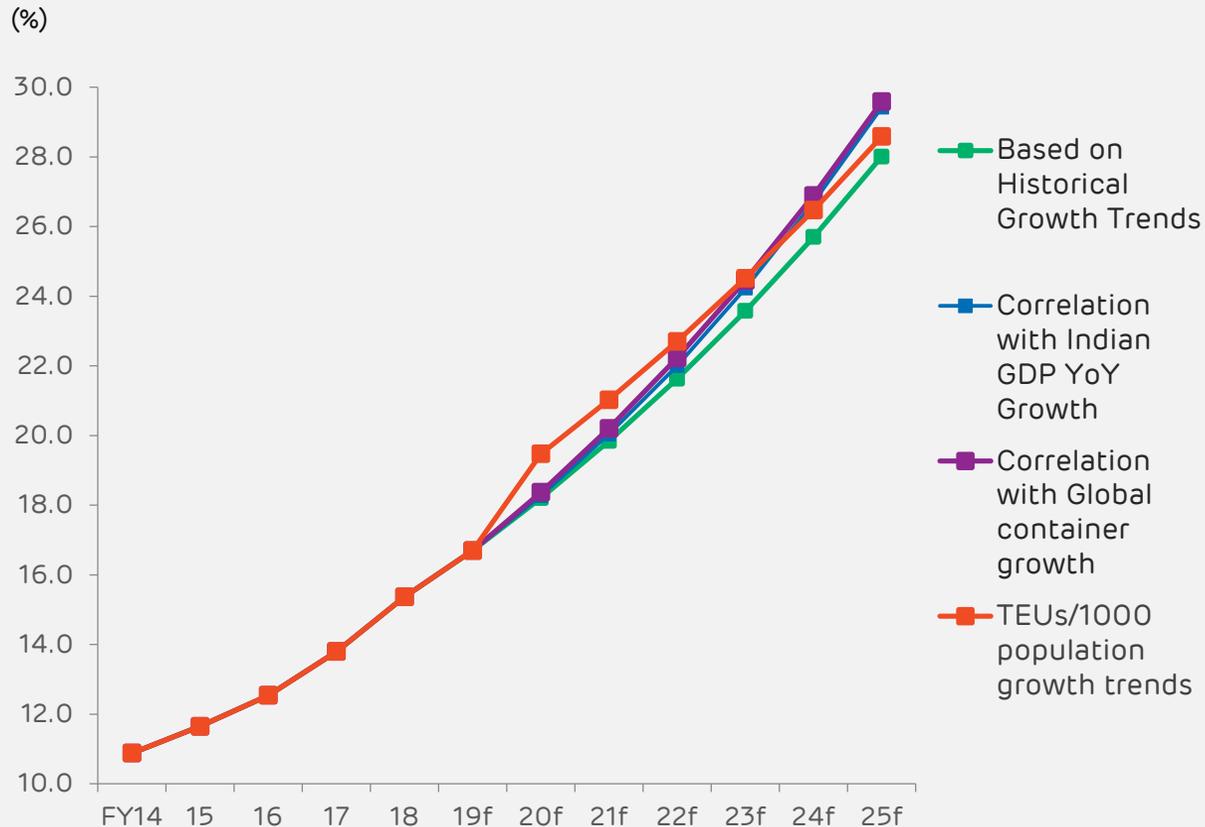
1. Power demand assumed to grow at 5% through FY25
2. By FY25,
 - Coal power requirement (Adj for RE and other non-thermal) is 1,200 BU (1000 BU in FY19)
 - Coal PLF seen to rise to 67%
 - Thermal coal requirement for utilities ~670 MMT (570 MMT in FY19), Captive power ~100 MMT (80 MMT in FY19), Cement and other industries ~250 MMT (220 MMT in FY19)

Supply Side

1. CIL dispatches to grow by 800 MMT (80% of CIL stated target 1,000 MMT), ramp-up assumed in ECL, CCL, NCL, SECL, and MCL
2. Major lines up for opening and unclogging capacities include Shivpur-Kathua in CCL (+20 MMT), Jharsuguda-Barapalli-Sardega (+35MT, Phase II +60MT), Kharsia-Dharamjaigarh in SECL (+80MT) and Tori-Shivpur in CCL (+80 MMT).
3. Other public and private miners will ramp-up to 65 MMT

Opportunity in containers handling: 1.7X rise in all India volumes

Containers handling (MTEUs) forecasts



Source: Internal calculations

Drivers

1. Economy doubling in size over 2025, consumption led demand will hold as rising disposal income and premiumisation of consumption will mean demand of imported goods.
2. Transshipments volumes at selective ports, especially at Mundra & Vizhinjam.
3. Growth(minor volumes) in regional landlocked country container demand: Nepal & Bhutan
4. Inorganic support in form of cargo containerisation from current levels of 65% (benchmark 85 to 90 %).
5. Long term impact of make in India and high growth in manufacturing Gross Value Added

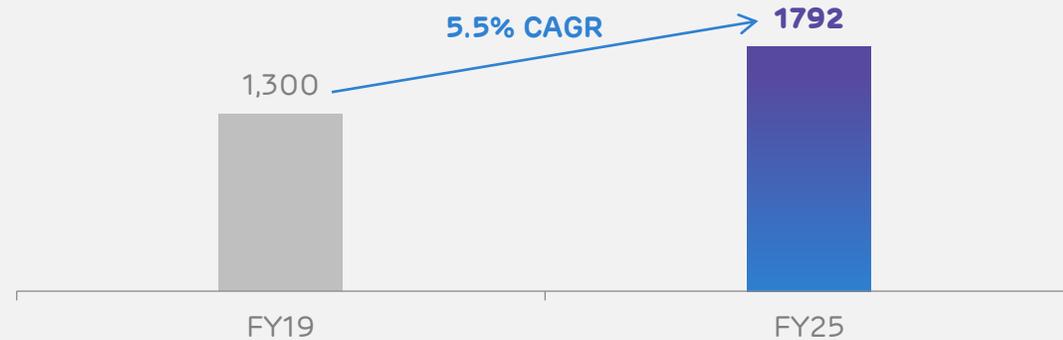
Forecast of regional container volume (mTEUs)

Years	All India	West	East	South
2018-19	17	11	1	4
2024-25e	28	19	2	7
Growth	65%	73%	100%	75%

APSEZ will continue to outpace India's cargo growth by 2X

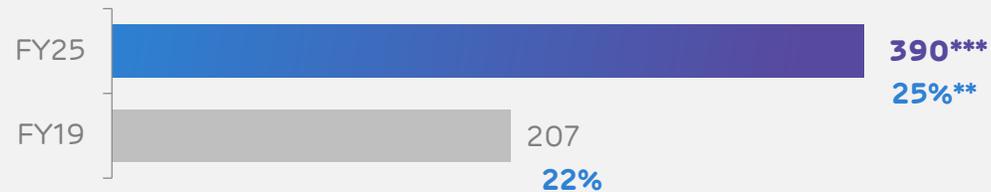
India's Port handling by 2025

(Cargo Volume in MMT)



APSEZ market share gains

(MMT)



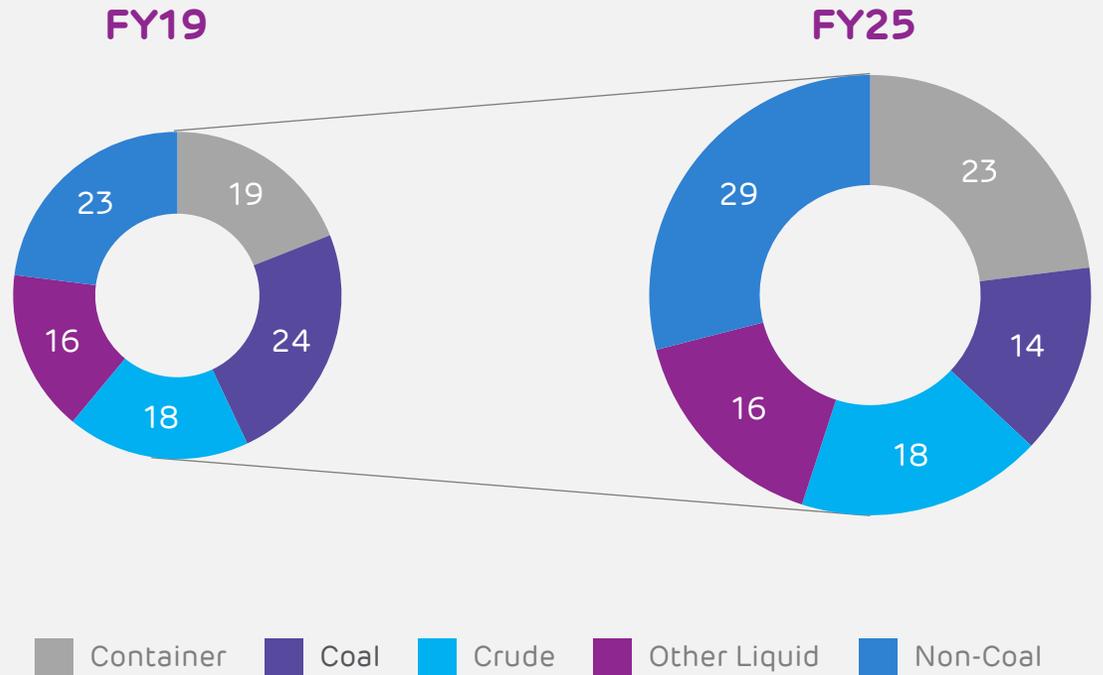
**ex of coastal volumes

*** 390 MMT excludes Myanmar Operations

Source: Internal calculations

India Cargo commodity basket

(%)

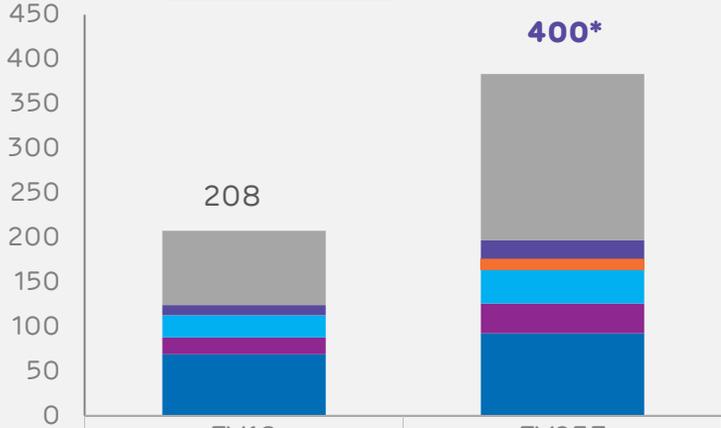


APSEZ cargo diversification will continue

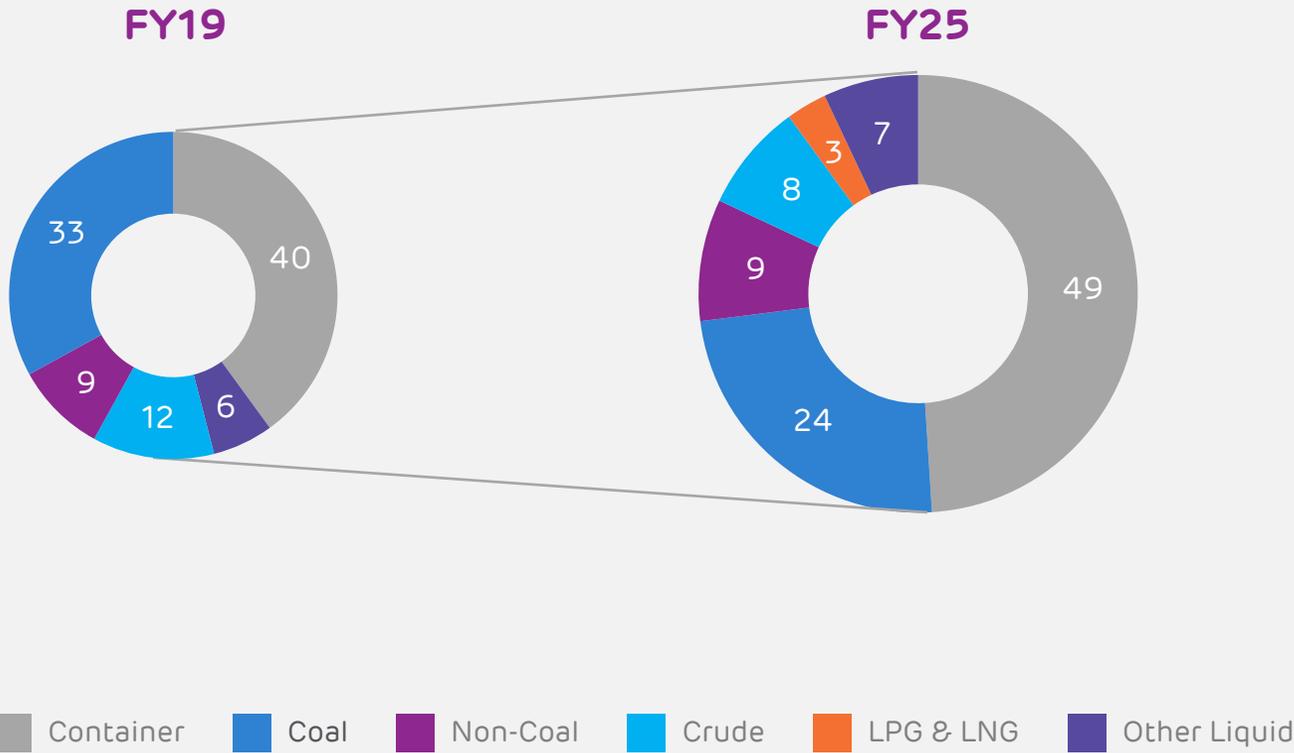
APSEZ Cargo Profile

(MMT)

CAGR 11.5%



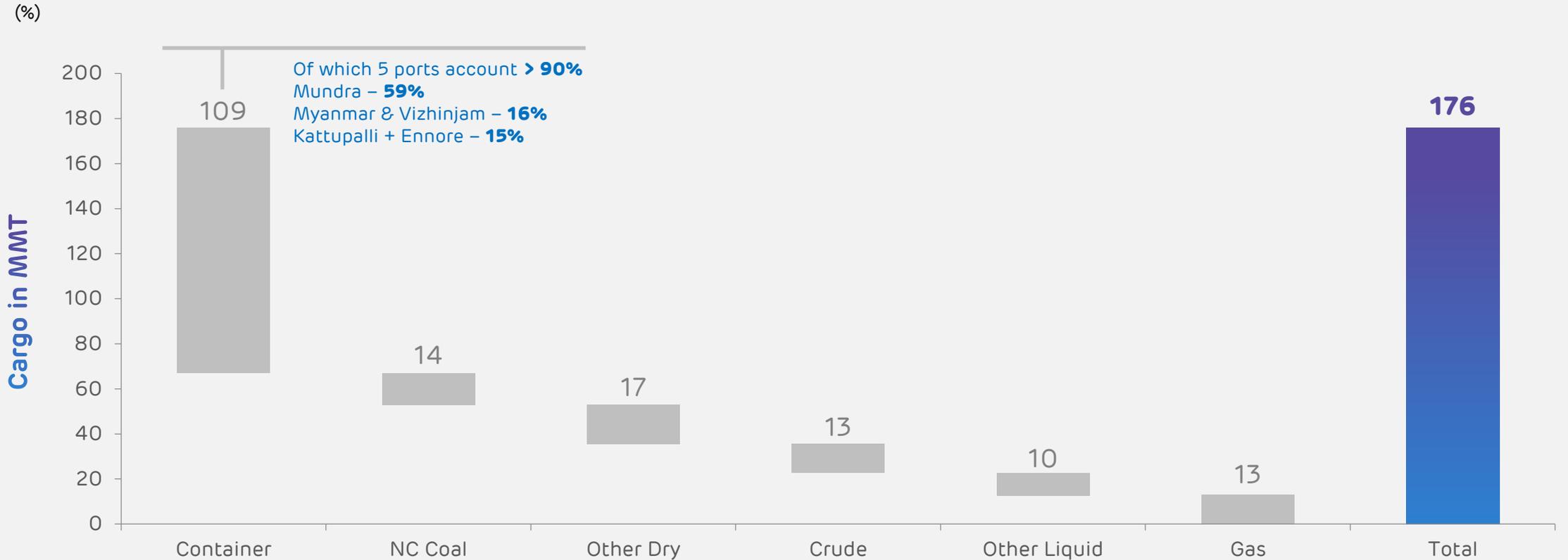
	FY19	FY25E
Containers	83	187
Other Liquid	11	21
LPG & LNG	0	13
Crude	25	38
Non-Coal	19	33
Coal	69	93



* Includes 16 MMT cargo from inorganic growth

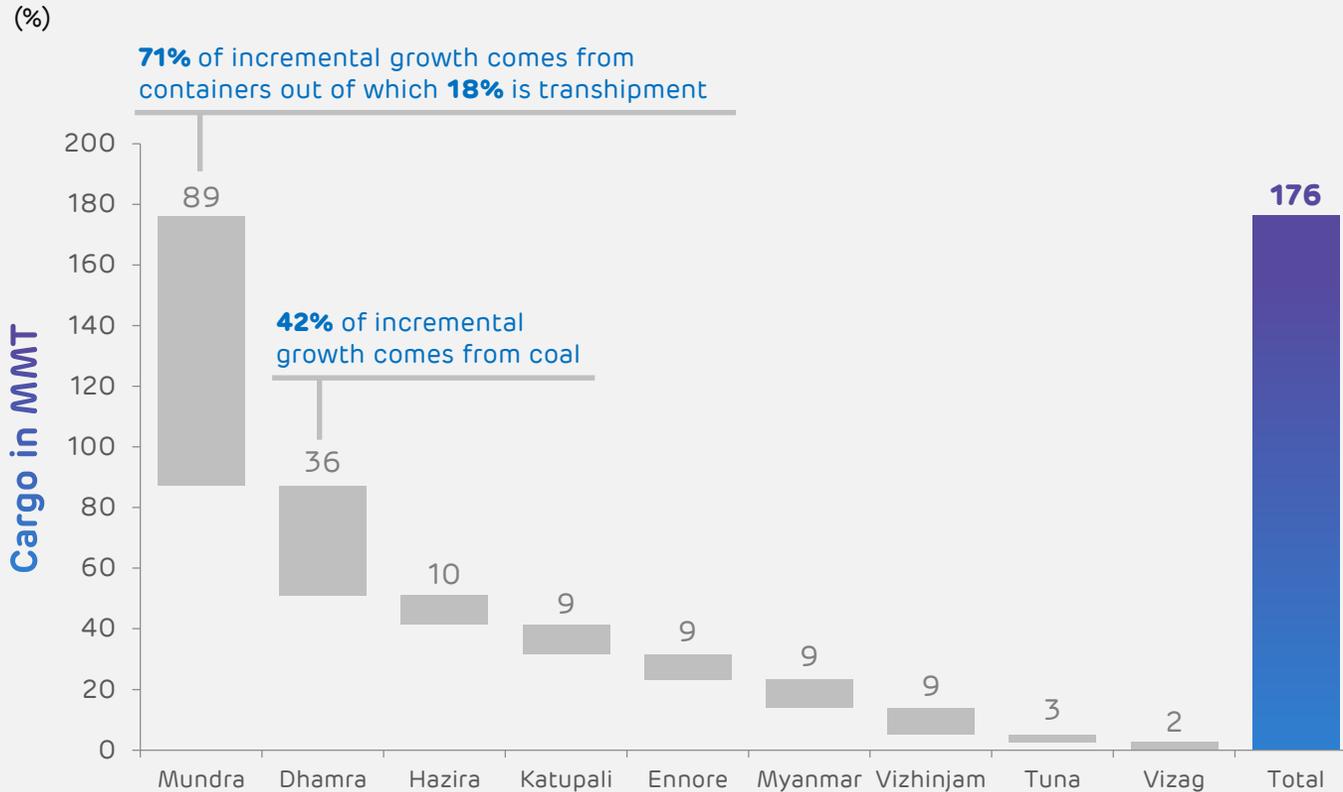
Containers to contribute 62% to incremental volume

APSEZ Incremental Volume from FY 19 to FY25 (MMT) - Commodity wise
(excluding inorganic growth)



APSEZ port wise incremental cargo volume by FY25

APSEZ Incremental Volume from FY 19 to FY25 (MMT) - Port wise (excluding inorganic growth)



APSEZ ports commodity wise market share in India

(%)

Commodity	FY 19	FY 25
Containers	34	48
Coal	29	51
Crude + POL	8	9
Gas (LPG + LNG)	0	19
Other Liquid	15	19
Total	22	25

Focused capital allocation based on harnessing existing capacities

Port ⁽¹⁾	Current State: FY19		FY 25: Investment in key infrastructural projects	Expected in FY25	
	Installed Capacity	Utilisation ⁽²⁾	Key identified infrastructure projects for capacity addition	Installed Capacity	Utilisation
Mundra	252 MMT	137 MMT (55%)	<ul style="list-style-type: none"> • Container terminal capacity – CT 2 and CT6 • Liquid cargo storage tanks • LPG and LNG 	325 MMT	227 MMT (70%)
Hazira	30 MMT	20 MMT (65%)	<ul style="list-style-type: none"> • Rail linkage to Hazira port • Liquid terminal • Warehouse and open cargo storage yards 	43 MMT	29 MMT (68%)
Dhamra	45 MMT	21 MMT (46%)	<ul style="list-style-type: none"> • New multipurpose cargo berth • Doubling of railway line • Container infrastructure • LPG and LNG 	83 MMT	58 MMT (70%)
Kattu-palli	18 MMT	9 MMT (51%)	<ul style="list-style-type: none"> • Rail connectivity to Kattu-palli port • Multipurpose berth and liquid terminal Facility 	26 MMT	18 MMT (69%)

Notes: (1) Does not include Dahej, Ennore, Tuna, Goa, Kandla and Vizag ports / terminals

(2) Actual cargo volumes in FY19, and percentage utilisation: calculated as actual volumes in FY19 / installed capacity

Focused capital allocation based on harnessing existing capacities

Port ⁽¹⁾	Current State: FY19		FY 25: Investment in key infrastructural projects	Expected in FY25	
	Installed Capacity	Utilisation ⁽²⁾	Key identified infrastructure projects for capacity addition	Installed Capacity	Utilisation
Vizhinjam	Under Construction		<ul style="list-style-type: none"> Container transshipment hub 	18 MMT	9 MMT (50%)
Myanmar	Under Construction		<ul style="list-style-type: none"> Phase I – 0.5 Mn Installed Capacity (expected cost of USD 220 – 230 Mn) Phase II – 0.3 Mn Installed Capacity (expected cost of USD 55 – 60 Mn) 	12 MMT	8 MMT (67%)
Logistics	<ul style="list-style-type: none"> 4 Logistic park/ICDs 49+ rakes ⁽³⁾ Warehouse: 0.4Mn Sq. Ft. 		<ul style="list-style-type: none"> Investment in an additional 12 + Multimodal logistics parks Investment in additional 180+ Rakes (Bulk + Container Trains + Auto Trains) Additional 4.5 Mn Sq. Ft + Warehouse Space development 	<ul style="list-style-type: none"> 15+ Multi-modal Logistics Parks 200+ rakes Warehouse: 5 Mn SqFt. 1.5 MMT+ Silo Capacity 2 Mn Sqft Cold Storage 	

Estimated Capex of INR 17,500 Crs. to create ~170 MMT of capacity+Logistics Expansion

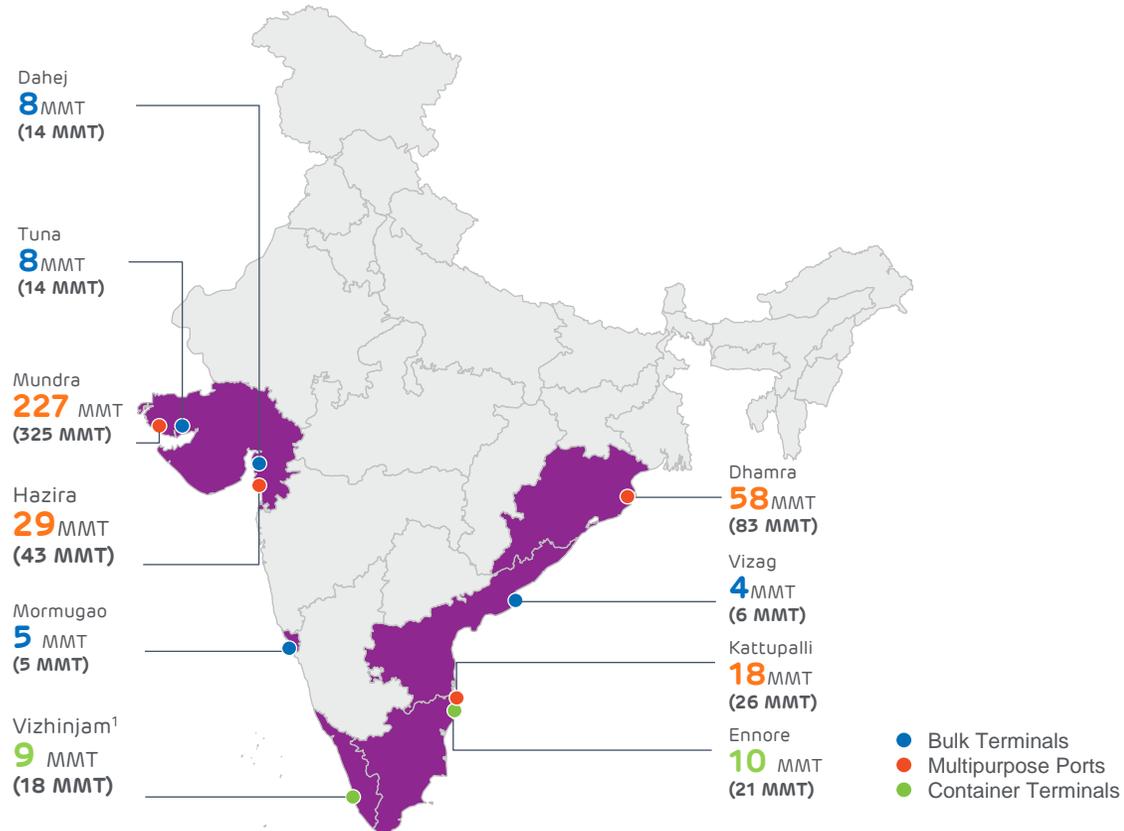
Notes: (1) Does not include Dahej Ennore, Tuna, Goa, Kandla and Vizag ports / terminals

(2) Actual cargo volumes in FY19, and percentage utilisation: calculated as actual volumes in FY19 / installed capacity

(3) Number of rakes is as on 20-Aug-2019

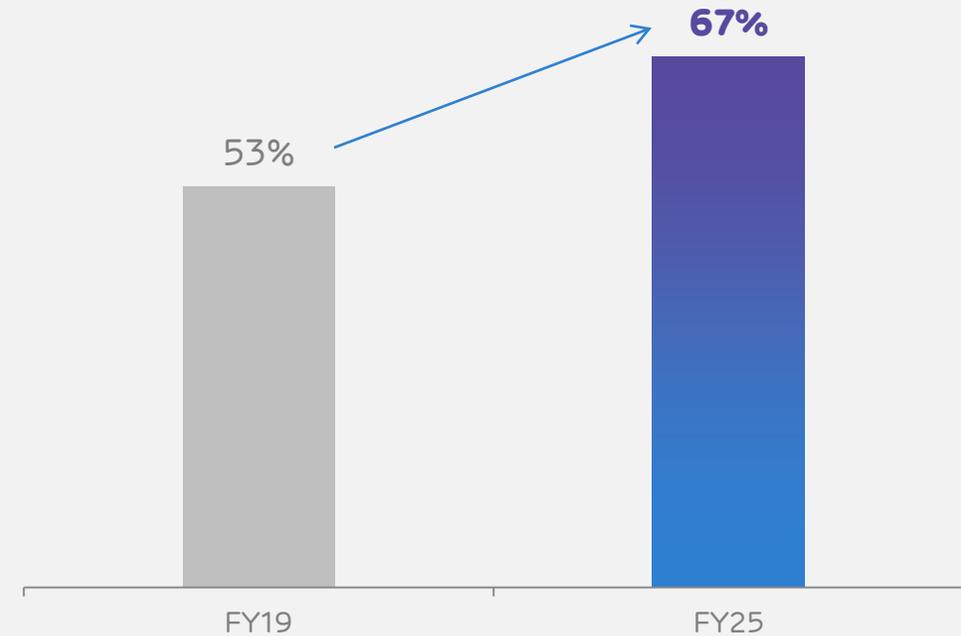
Enhanced capacity utilisation with operating leverage

Strong Growth in existing Ports (Projected FY25 Volumes, FY25 Capacity)



Notes: (1) Under development
 (2) Percentage of the total export and import cargo handled at all ports in India

At 400 MMT, APSEZ ports will have improved capacity utilisation levels by 14%



Source: Internal calculations

Key Pillars of Finance Strategy

1. Consistent disclosures to increase predictability

- Information efficiency
- Timely and quality disclosure
- Reliable earnings

2. Reduce cost of capital

- Maintain Investment Grade Rating
- Desired level of Net Debt/EBITDA 3.0x to 3.5x

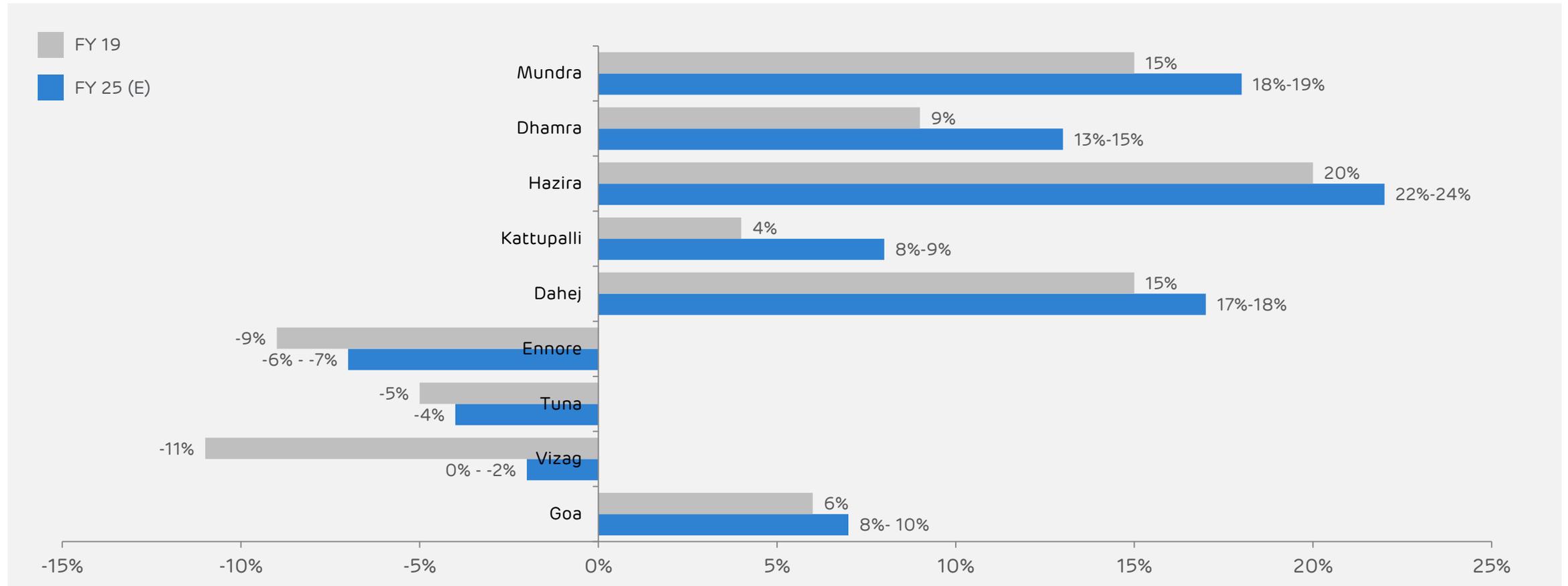
3. Robust capital allocation policy

- Board approved capital allocation policy –Project pre tax IRR of 16%
- Rationalization of assets for further improvement of ROCE

4. Enhancement in Shareholder Return Policy

- Dividend enhanced to 20% - 25% of Profit After Tax

ROCE of portfolio of existing ports



Consolidated ROCE to increase from 13.5% in FY19 to over 16% in FY25 due to higher capacity utilisation

APSEZ well placed to capture future growth

Why Invest with us?

- Sustained high and diversified growth with low-risk and unique operating model
- Sustained profitability and enhanced balance sheet strength
- One-point transport utility across port and hinterland with integrated logistics presence
- Enhanced capacity utilisation with operating leverage
- World-class technology and people with focus on environment, sustainability and governance

APSEZ: FY25



25%

All India Market Share



20k Cr+

Revenue



13k Cr+

EBITDA



16%+

ROCE

Disclaimer

Certain statements made in this presentation may not be based on historical information or facts and may be "forward-looking statements," including those relating to general business plans and strategy of Adani Ports and Special Economic Zone Limited ("APSEZL"), the future outlook and growth prospects, and future developments of the business and the competitive and regulatory environment, and statements which contain words or phrases such as 'will', 'expected to', etc., or similar expressions or variations of such expressions. Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in their business, their competitive environment, their ability to implement their strategies and initiatives and respond to technological changes and political, economic, regulatory and social conditions in India. This presentation does not constitute a prospectus, offering circular or offering memorandum or an offer, or a solicitation of any offer, to purchase or sell, any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of APSEZL's shares. Neither this presentation nor any other documentation or information (or any part thereof) delivered or supplied under or in relation to the shares shall be deemed to constitute an offer of or an invitation by or on behalf of APSEZL.

APSEZL, as such, makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information or opinions contained herein. The information contained in this presentation, unless otherwise specified is only current as of the date of this presentation. APSEZL assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events, or otherwise. Unless otherwise stated in this document, the information contained herein is based on management information and estimates. The information contained herein is subject to change without notice and past performance is not indicative of future results. APSEZL may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revision or changes.

No person is authorised to give any information or to make any representation not contained in and not consistent with this presentation and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of APSEZL.

This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of its should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration therefrom.

Investor Relations Team :

MR. D. BALASUBRAMANYAM

Head - Investor Relations

✉ d.balasubramanyam@adani.com

☎ +91 79 2555 9332

MR. SATYA PRAKASH MISHRA

Senior Manager - Investor Relations

✉ Satyaprakash.mishra@adani.com

☎ +91 79 2555 6016

adani

Ports and
Logistics

Thank You

