

Adani Ports and SEZ Ltd.

Investor Presentation – Jun'23



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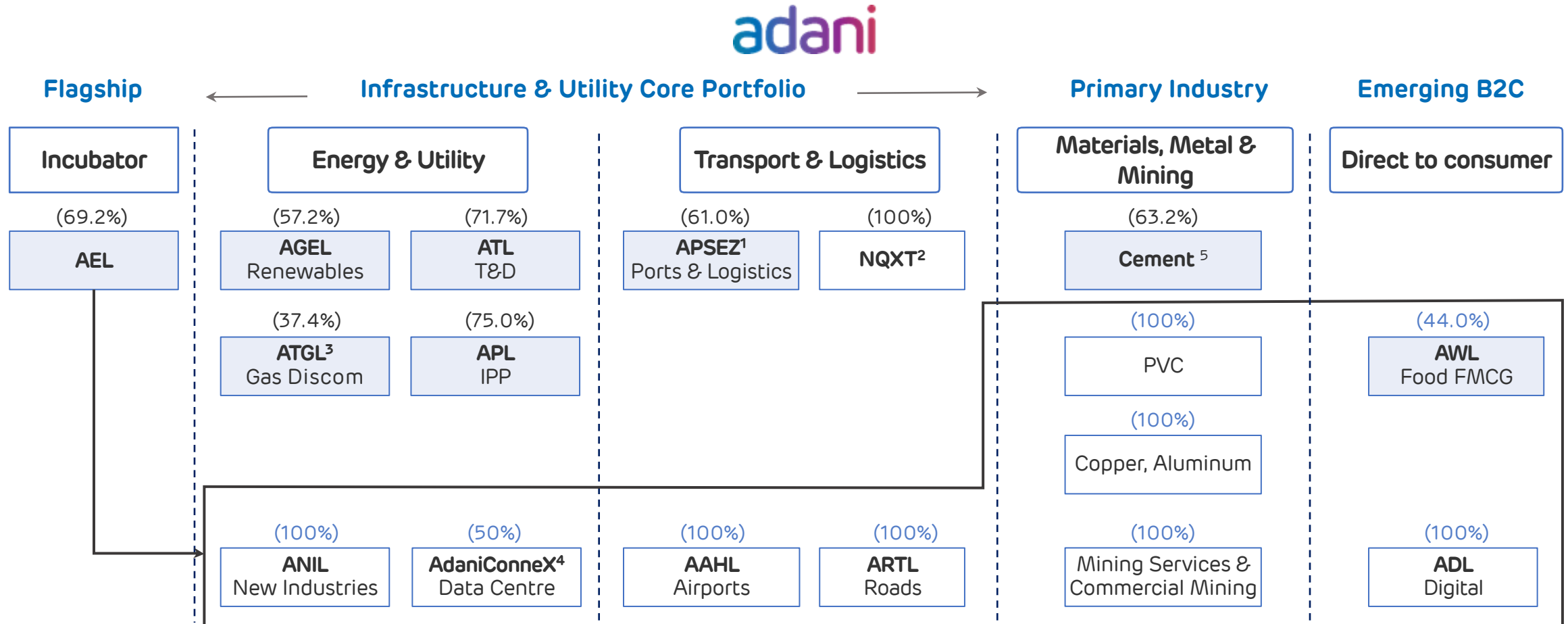
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Ports and  
Logistics

A

Group Profile

# Adani: A World Class Infrastructure & Utility Portfolio



(%): Promoter equity stake in Adani Portfolio companies (%) : AEL equity stake in its subsidiaries

Adani Portfolio's Listed Entities

## A multi-decade story of high growth centered around infrastructure & utility core

1. Gangavaram Port acquisition completed and consolidated 2. **NQXT**: North Queensland Export Terminal | 3. **ATGL**: Adani Total Gas Ltd, JV with Total Energies | 4. Data center, JV with EdgeConnex, **AEL**: Adani Enterprises Limited; **APSEZ**: Adani Ports and Special Economic Zone Limited; **ATL**: Adani Transmission Limited; **T&D**: Transmission & Distribution; **APL**: Adani Power Limited; **AGEL**: Adani Green Energy Limited; **AAHL**: Adani Airport Holdings Limited; **ARTL**: Adani Roads Transport Limited; **ANIL**: Adani New Industries Limited; **AWL**: Adani Wilmar Limited; **ADL**: Adani Digital Limited; **IPP**: Independent Power Producer  
5. Cement business includes 63.15% stake in Ambuja Cement which in turn owns 50.05% in ACC Limited. Adani directly owns 6.64% stake in ACC Limited

# Adani Portfolio: Decades long track record of industry best growth with national footprint

## Secular growth with world leading efficiency

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Ports and  
Logistics

**Growth 3x**

**EBITDA 70%** <sup>1,2</sup>

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Renewables

**Growth 5x**

**EBITDA 92%** <sup>1,4</sup>

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Transmission

**Growth 3x**

**EBITDA 92%** <sup>1,3,5</sup>

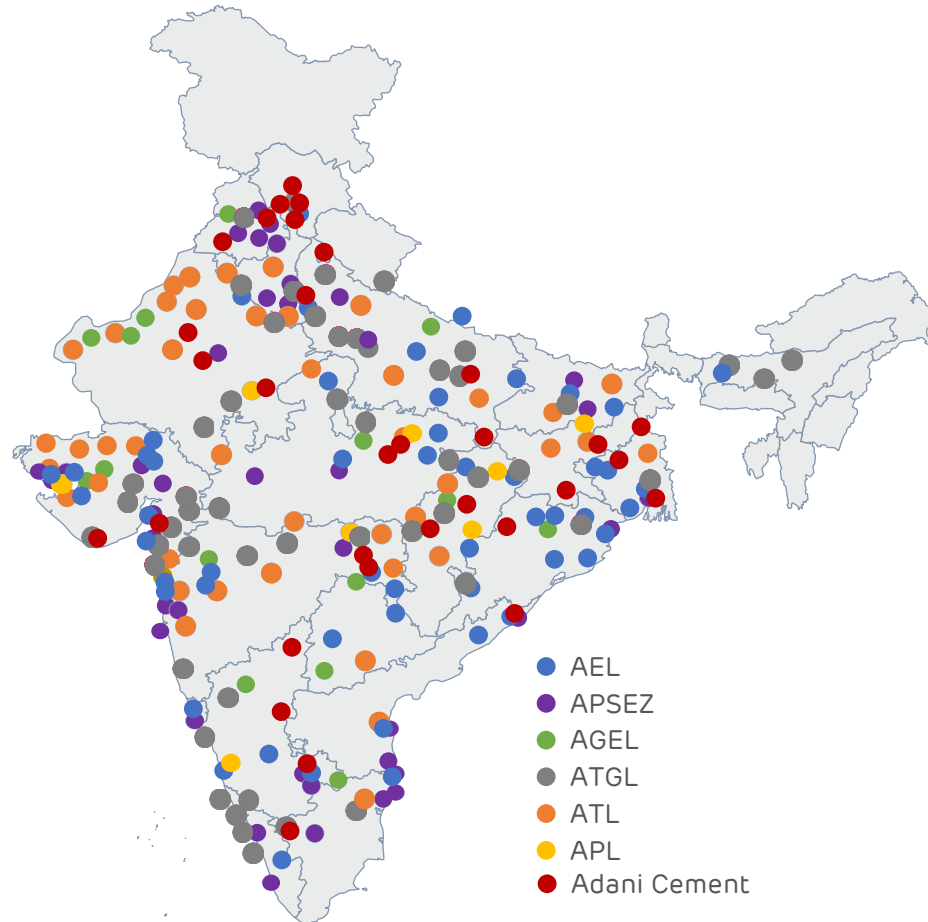
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Gas

**Growth 1.4x**

**EBITDA 25%** <sup>1,3</sup>

## National footprint with deep coverage



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**Core Portfolio**

**Utility 92%**

**Transport 85%**

**Consumers Served ~400 mn**

Note: 1. Data for FY22; 2. Margin for ports business only, Excludes forex gains/losses; 3. EBITDA = PBT + Depreciation + Net Finance Costs – Other Income; 4. EBITDA Margin represents EBITDA earned from power supply; 5. Operating EBITDA margin of transmission business only, does not include distribution business.

# Adani Portfolio: Repeatable, robust & proven transformative model of investment

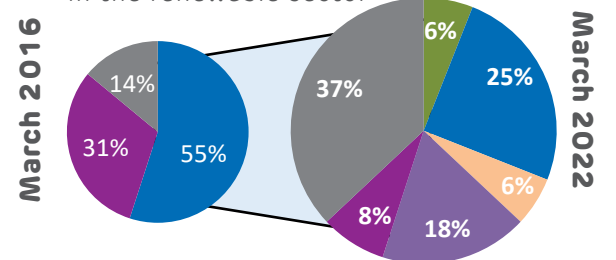


	Origination	Site Development	Construction	Operation	Capital Mgmt
Activity	<ul style="list-style-type: none"> <li>Analysis &amp; market intelligence</li> <li>Viability analysis</li> <li><b>Strategic value</b></li> </ul>	<ul style="list-style-type: none"> <li>Site acquisition</li> <li>Concessions &amp; regulatory agreements</li> <li><b>Investment case development</b></li> </ul>	<ul style="list-style-type: none"> <li>Engineering &amp; design</li> <li>Sourcing &amp; quality levels</li> <li><b>Equity &amp; debt funding at project</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Life cycle O&amp;M planning</b></li> <li>Asset Management plan</li> </ul>	<ul style="list-style-type: none"> <li>Redesigning <b>capital structure</b> of assets</li> <li><b>Operational phase funding consistent with asset life</b></li> </ul>

	Phase	Development	Construction	Operations
Performance	<p>India's Largest Commercial Port (at Mundra)</p> <p>▼</p> <p>Highest Margin among Peers</p>	<p>Longest Private HVDC Line in Asia (Mundra - Mohindergarh)</p> <p>▼</p> <p>Highest line availability</p>	<p>648 MW Ultra Mega Solar Power Plant (at Kamuthi, TamilNadu)</p> <p>▼</p> <p>Constructed and Commissioned in nine months</p>	<p>Energy Network Operation Center (ENOC)</p> <p>▼</p> <p>Centralized continuous monitoring of plants across India on a single cloud based platform</p>



- First ever GMTN of USD 2 bn by an energy utility player in India - an SLB in line with COP26 goals - at AEML
- AGEL's tied up "Diversified Growth Capital" with revolving facility of USD 1.35 bn - will fully fund its entire project pipeline
- Issuance of 20- & 10-years dual tranche bond of USD 750 mn - APSEZ the only infrastructure company to do so
- Green bond issuance of USD 750 mn establishes AGEL as India's leading credit in the renewable sector



● PSU 
 ● Pvt. Banks 
 ● Bonds 
 ● DII 
 ● Global Int. Banks 
 ● PSU - Capex LC

O&M: Operations & Maintenance, HVDC: High voltage, direct current, PSU: Public Sector Undertaking (Public Banks in India), GMTN: Global Medium-Term Notes SLB: Sustainability Linked Bonds, AEML: Adani Electricity Mumbai Ltd. IG: Investment Grade, LC: Letter of Credit, DII: Domestic Institutional Investors, COP26: 2021 United Nations Climate Change Conference; AGEL: Adani Green Energy Ltd.

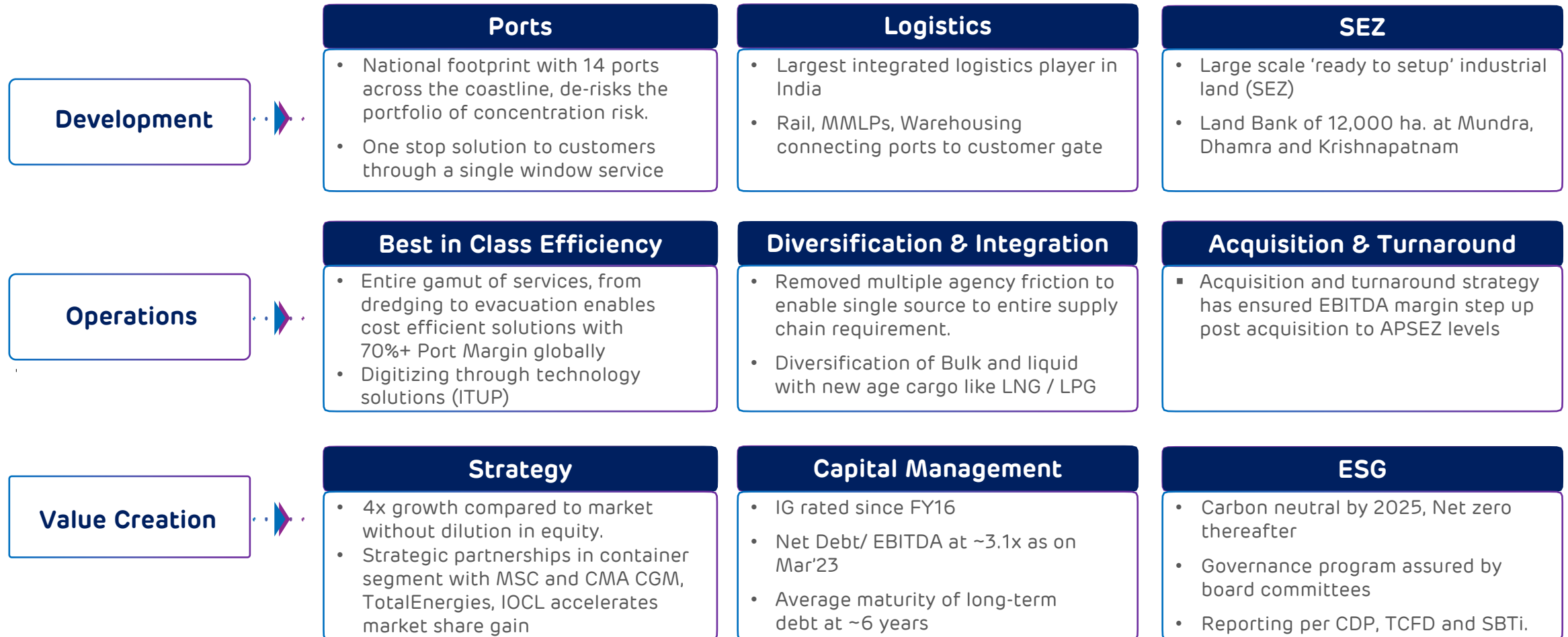
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Logistics

**B**

**APSEZ: Company Profile**

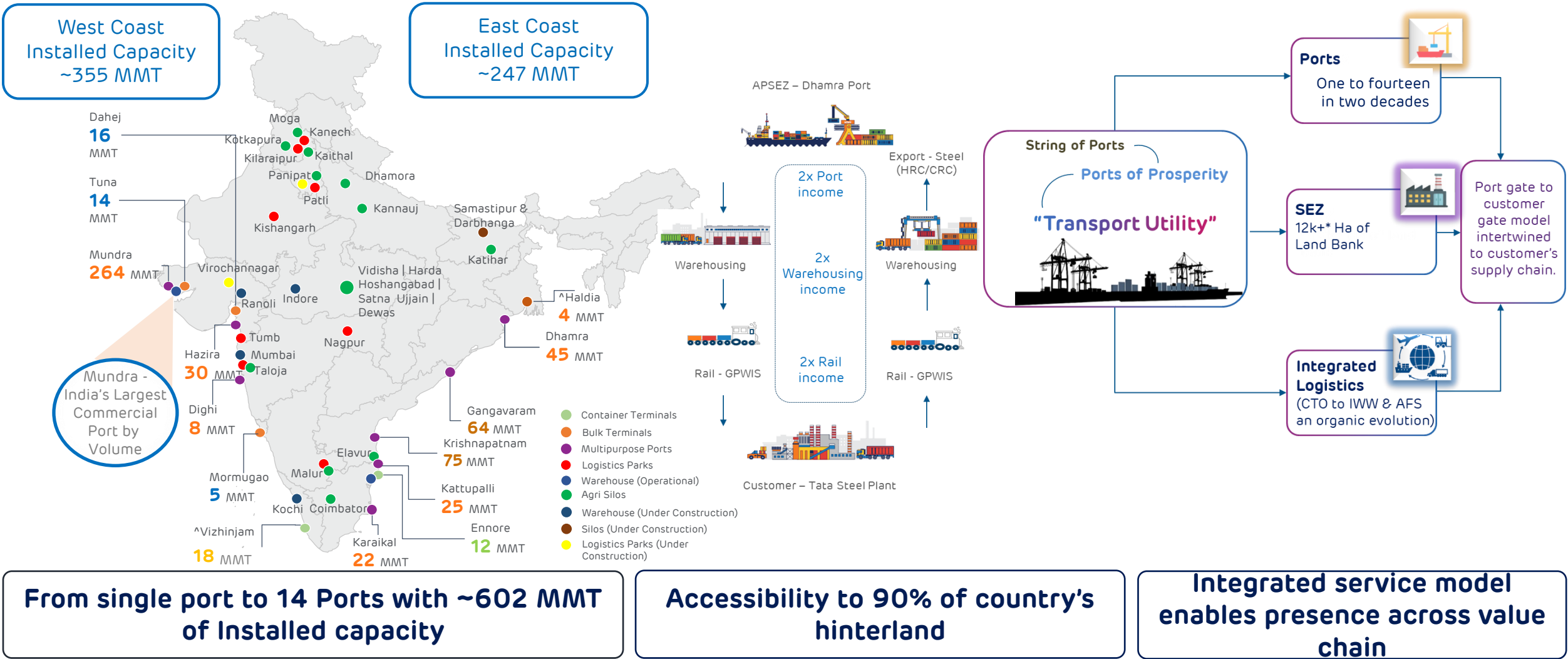
# APSEZ: Transformational Business Model



**Growth in non Mundra Ports, traffic parity in coasts and reaching customer gate builds the largest Transport Utility**









# APSEZ: A transport utility with string of ports and integrated logistics network



\*Includes both SEZ and non SEZ land | SEZ : Special economic zone

GPWIS - General Purpose Wagon Investment Scheme | CTO - Container Train Operator | IWW - Inland Water Ways | AFS - Air Freight Stations | HRC : Hot Rolled Coil | CRC : Cold Rolled Coil | MMT : Million Metric Ton

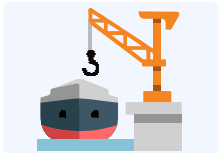
# APSEZ: Logistics to provide growth impetus & help reaching customer's gate

Assets	Trains	MMLPs	Grain Silos	Ware-housing	Rail Tracks	Marine Flotila*
						
FY20	58 Trains	5 MMLP	0.88 MMT	0.4 mn Sq. ft.	540 KMs	26
FY23	87 Trains	9 MMLP	1.1 MMT	1.5 mn Sq. ft.	620 KMs	110
	2.5X	1.5X	2.5X	40X	3X	1.1X
FY26	200+Trains (Largest Private Player)	15 MMLP (Covering all key market)	2.5+ MMT (market leader with 40% of Capacity)	60 mn Sq. ft. (15% of mkt capacity)	2000+ KMs (Largest Private rail network)	120 (Largest marine services)

**Integrated logistics allows for a single window service for the customer**

# APSEZ: Digital platform ITUP - building end-to-end connectivity

- With end-to-end connectivity, the platform will measure productivity of activities and record deviations in real-time
- Marketplace for customers and suppliers, with visibility on consignment movement, logistics cost options, delivery time and carbon footprint
- Launch in the current financial year in phases starting with modules for Marine first, followed by Bulk (liquid, and dry) cargo; and Container module thereafter



## Marine Module



Caters to all marine activities  
Vessel Arrival to Vessel Departure.



The Vessel Agents can use this system for any services required for timely updates on the service completion statuses.



Maintains the digital compliance of the Voyages at various locations based on government norms.



## Cargo Module



Gives visibility to customers on their inventory at the port and other storage locations



Track delivery requests of them import and export jobs through the system.



The Stock and Truck Dashboard further allows customers to check real-time inventory with notifications.



Port Users can plan their resources and forecast blockage due to high load.

## APSEZ: Targeting ESG leadership

- **Moody's**
  - **APSEZ ranked 1st** in the Transport & Logistics sector globally across all the Emerging Markets for its ESG performance in 2022 by Moody's
  - **APSEZ ranked 1st** among 59 Indian companies and 9th among 844 companies globally across sectors in Emerging Markets for their ESG performance in 2022 by Moody's
- **S&P**
  - **APSEZ ranked amongst top 10** of the 300+ companies in the Transport & Transport Infra sector globally for its ESG performance in 2022 by S&P (DJSI)
- **Sustainalytics**
  - **APSEZ classified as 'low ESG risk company'** with a score of 12.6 out of 100 by Sustainalytics in 2022 (a low score reflects healthy performance on ESG risks management)
- APSEZ is targeting Carbon Neutrality and working on its net zero plan

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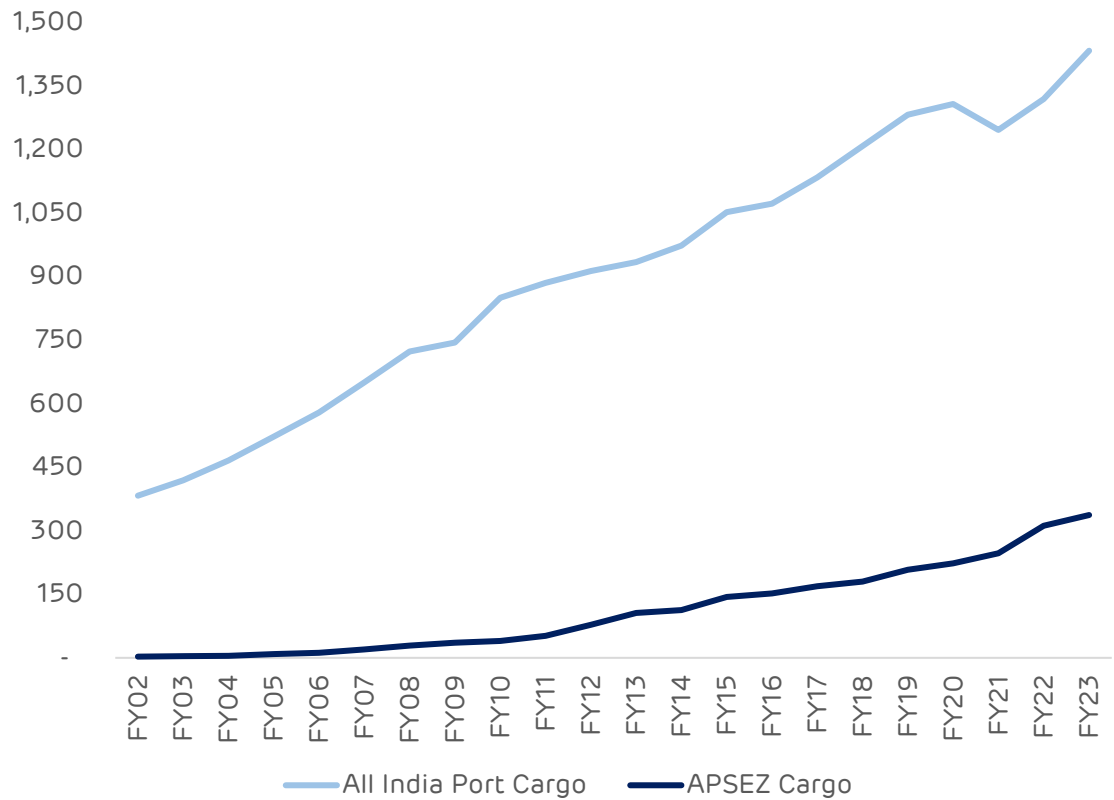
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Market leadership

# APSEZ: Long term growth way ahead of the industry

## Cargo Volumes (MMT)



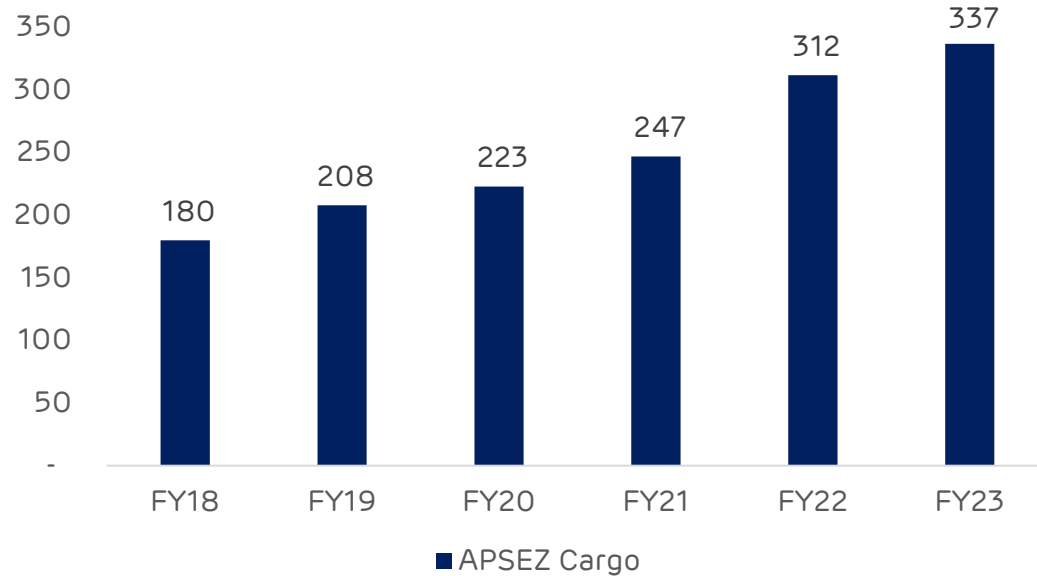
## Top 10 ports of India

FY07	FY12	FY17	FY23
Vizag	Kandla	Sikka	<b>Mundra</b>
Chennai	Vizag	<b>Mundra</b>	Kandla
Kandla	JNPT	Kandla	Paradip
Mumbai	<b>Mundra</b>	Paradip	Sikka
JNPT	Chennai	Mumbai	JNPA
Haldia	Paradip	JNPA	Vizag
Paradip	Mumbai	Vizag	Kolkata
Mormugao	Mormugao	Kolkata	Mumbai
Mangalore	Haldia	Chennai	Chennai
<b>Mundra</b>	Mangalore	New Mangalore	<b>Krishnapatnam</b>

- APSEZ volumes have grown at a CAGR of 25% (4 times the growth of industry volumes at 6%)
- Two of our ports feature in top 10 ports of India

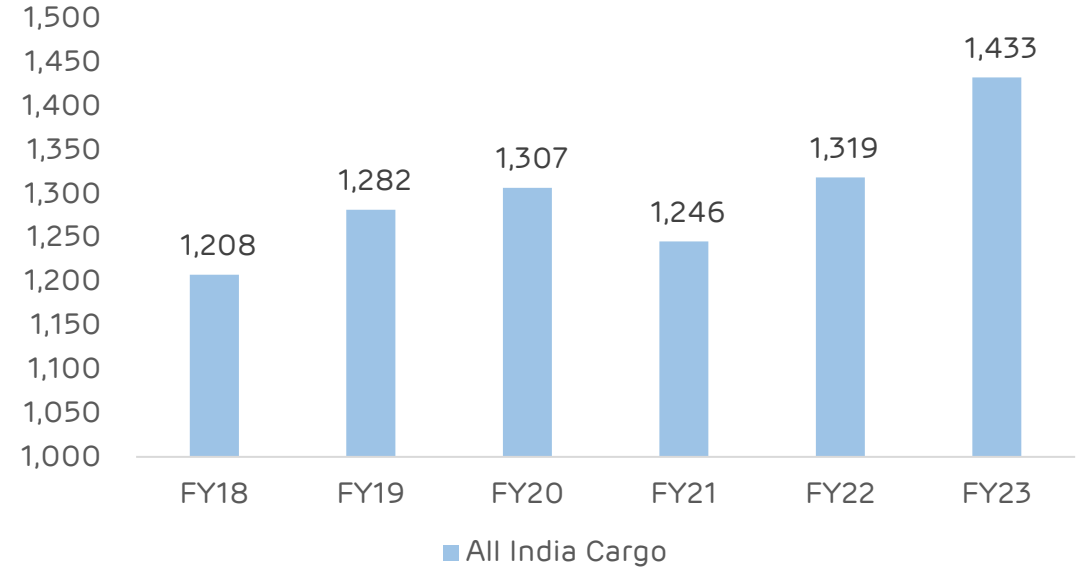
# APSEZ: Cargo growth beats industry

## APSEZ Cargo Throughput\*



**APSEZ CAGR – 13%**

## All India Cargo Throughput



**All India CAGR – 3%**

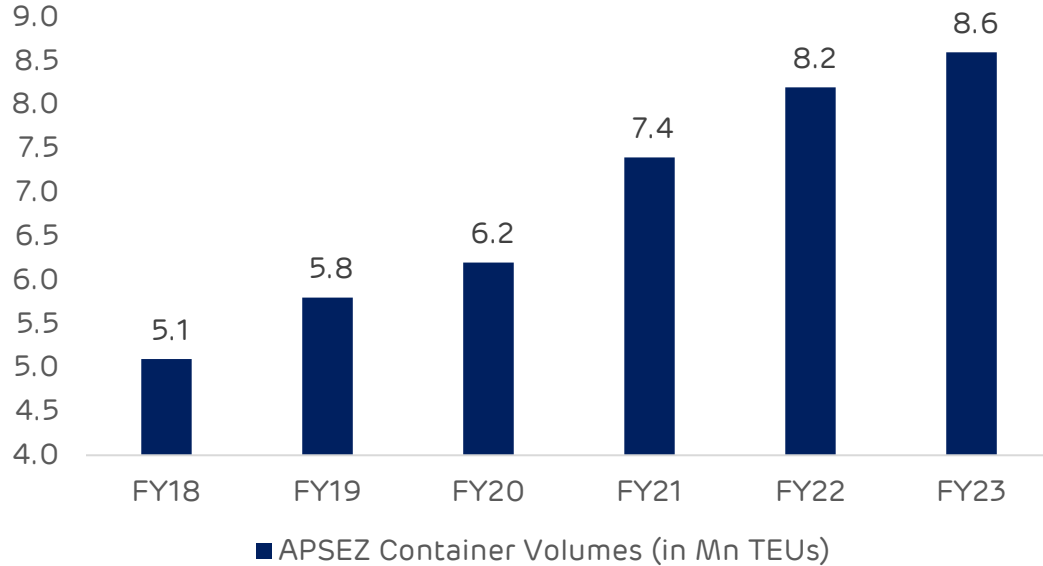
**~4x growth**

**Achieved a CAGR of 13% based on capacity addition ahead of demand, cargo & geographical diversification**

\* Indicates only domestic cargo volumes (excl. Haifa)

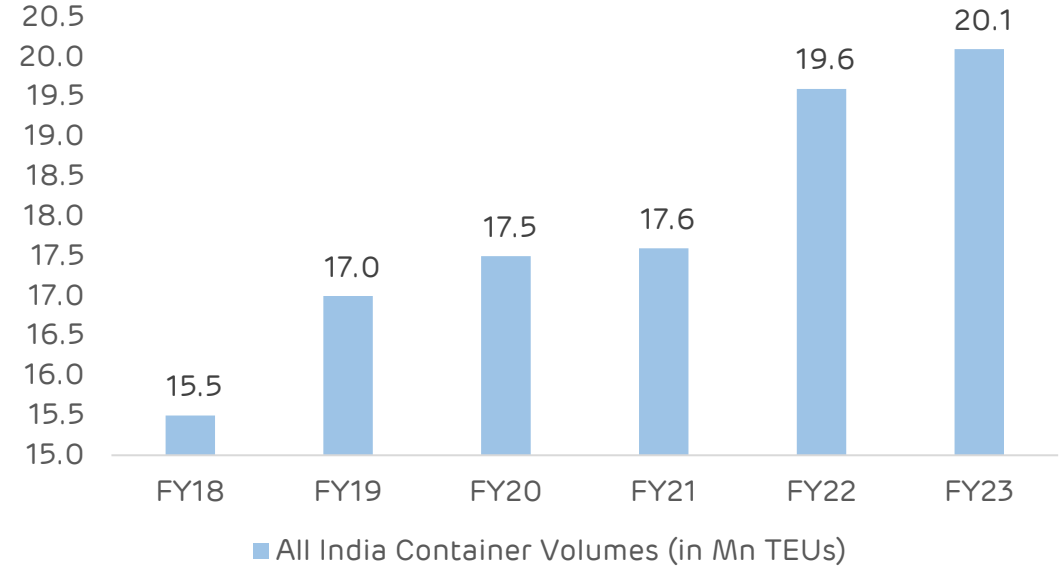
# APSEZ: Largest container terminal operator

## APSEZ Container Throughput\*



**APSEZ CAGR – 11%**

## All India Container Throughput



**All India CAGR – 5%**

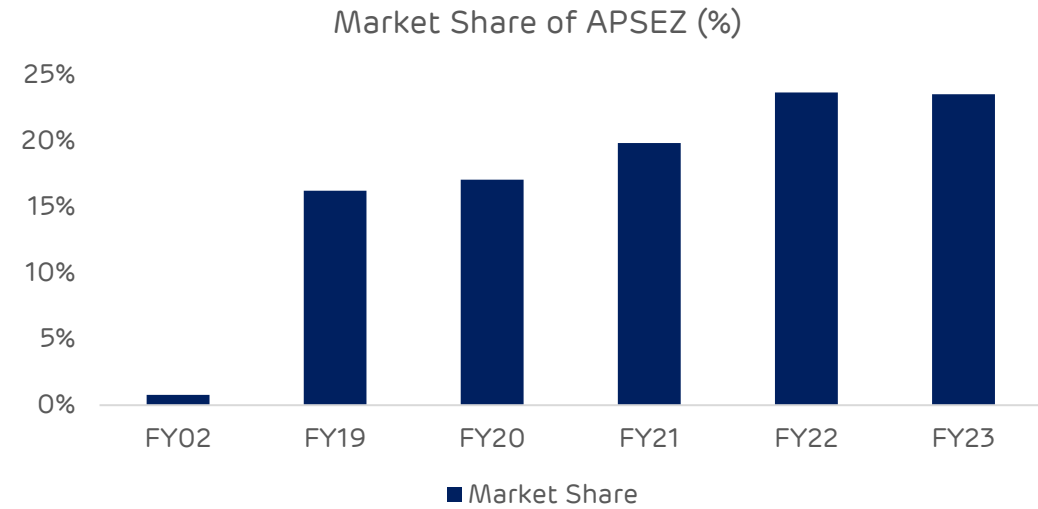
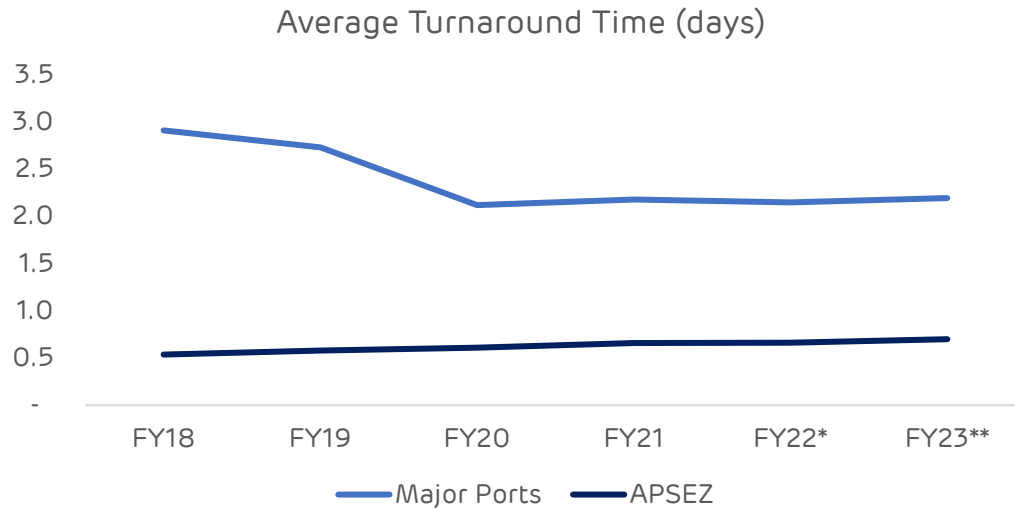
**~2x growth**

- **Mundra continues to be the largest container handling port in India with throughput of 6.6 Mn TEUs in FY23**
- **APSEZ is continuing to gain market share y-o-y with 42.5% market share in FY23**

\* Indicates only domestic cargo volumes (excl. Haifa)

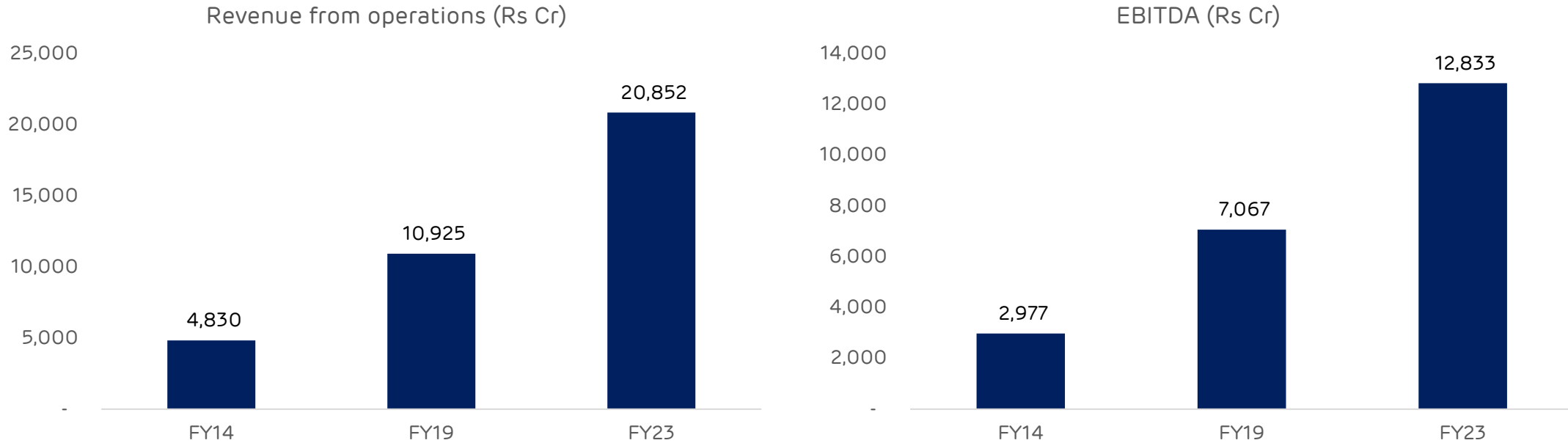


# APSEZ: Changing the landscape of India's port sector



- APSEZ with ~25% of India's port handling capacity, is driving transformation of India's port sector
- APSEZ's industry leading average turnaround time (TAT) for ships at ~0.7 days has guided major ports to improve their TAT from ~5 days in 2011 to ~2 days currently.
- APSEZ Market share growth from 1% in FY02 to 24% in FY23 is driven by its focus on operational excellence and its strategy of
  1. Geographical diversification
  2. Cargo mix diversification and
  3. Business model transition to a transport utility is enabling robust growth

## APSEZ: Strong cashflow generation



- Revenue and EBITDA almost doubling every five year (CAGR of 16%-18% in the last 5 years and 18% in the last 10 years)
- Best in class operational efficiencies have ensured that the growth in revenue and EBITDA remains in-line
- With 70% port EBITDA margins, APSEZ is one of the most profitable port operator globally
- Average transformation of EBITDA to operating cashflows is healthy at over 70%

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Operational, Strategic, and Financial Highlights

## APSEZ: FY23 Operational & Strategic Highlights – Ports

- APSEZ handled ~24% of India's total cargo volumes during FY23 and recorded its highest ever port cargo volumes at 339 MMT (+9% Y-o-Y), led by dry cargo (+11%) and containers (+7%)
- Several initiatives taken during the year that have helped boost cargo volumes include commissioning of a container terminal at Gangavaram, commissioning of liquid storage tanks at Katuppalli, and mechanization of berth no.6 at Krishnapatnam
- Added new cargo types at some of our ports, for example, Krishnapatnam Port successfully added soybean, sulphar and sugar; while Dhamra Port managed its first rice export to Bangladesh and added wheat and CR coils to its cargo portfolio.
- Mundra and Krishnapatnam Ports saw the arrival of the largest ships while seven ports/terminals handled the largest parcel size vessels of their lifetime in FY23
- Key acquisitions/stake purchase during the year – 1) Haifa Port Company, 2) Indian Oiltanking Limited (IOTL) 3) Gangavaram Port, 4) Ocean Sparkle Ltd, and 5) Karaikal Port
- Bids won during the year – 1) Signed a concession agreement for mechanization of 4 MMT Berth at Haldia Dock complex in West Bengal and 2) Signed a Lol for greenfield construction of Tajpur Port, West Bengal's first deep-sea port

## APSEZ: FY23 Operational & Strategic Highlights – Logistics

- Record cargo volumes through sweating of assets – 500,446 TEUs (+24% Y-o-Y), Bulk: 14.35 MMT (+63% Y-o-Y)
- Terminal volumes of 358,863 TEUs reflect 19% Y-o-Y growth
- During FY23, 3 MMLPs were commissioned including the acquired ICD Tumb taking the total count of MMLPs to 9
- Total Rakes during the year increased to **93** (Container – 43, GPWIS – 40, Agri – 7, AFTO - 3).
- Order already placed for 14 GPWIS wagons and 24 container rakes which is expected to arrive in the coming quarters
- Added warehousing facilities with 0.8 Mn Sqft during the year taking the total warehousing capacity to 1.5 mn sq.ft.
- Total agri silo capacity during the year increased to 1.1 MMT with commissioning of new facilities at four locations.
- Key acquisition during the year - ICD Tumb, one of largest ICD in India with a capacity of 0.5 MTEUs
- Bids won during the year – 1) Won the contract for building Grain Silos at 70 locations (8 States) with proposed capacity of ~ 2.8 MMT and 2) H1 bidder for two MMLPs (Loni ICD near NCR and Valvada ICD near Gujarat-Maharashtra border)

# APSEZ: Financial performance in last 3 years

(in INR Cr) (YoY)

**FY21  
vs  
FY22**

Revenue

36% ↑

12,550



17,119

EBITDA\*

32% ↑

8,063



10,607

Capex

95%

1,954



3,814

**FY22  
vs  
FY23**

Revenue

22% ↑

17,119



20,852

EBITDA\*

21% ↑

10,607



12,833

Capex

139%

3,814



9,125

\*EBITDA excludes forex and one time transaction costs

# APSEZ: Financial performance – FY23

(in INR Cr)

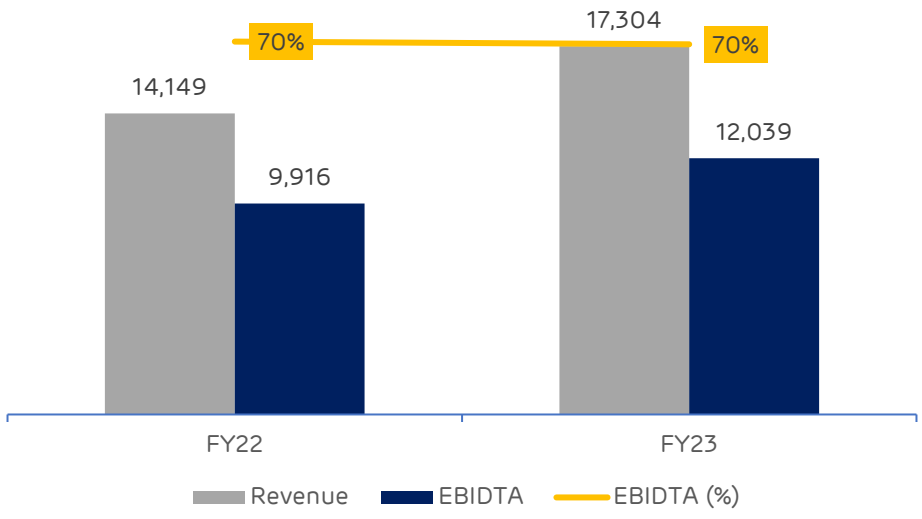
Particulars	FY22			FY23		
	Revenue	EBITDA <sup>^</sup>	PAT	Revenue	EBITDA <sup>^</sup>	PAT
<b>APSEZ Consolidated</b>	<b>17,119</b>	<b>10,607</b>	<b>4,953</b>	<b>20,852</b>	<b>12,833</b>	<b>5,393*</b>
<b>JVs</b>						
<i>AICTPL (CT-3), JV with MSC</i>	<b>1,355</b>	<b>732</b>	<b>258</b>	<b>1,527</b>	<b>821</b>	<b>262</b>
<i>ACMTPL (CT-4), JV with CMA-CGM</i>	<b>620</b>	<b>353</b>	<b>92</b>	<b>739</b>	<b>428</b>	<b>91</b>
<b>Total</b>	<b>19,094</b>	<b>11,692</b>	<b>5,303</b>	<b>23,118</b>	<b>14,082</b>	<b>5,746</b>

\* FY23 PAT factors write-off of Rs 1,273 Cr on account of sale of Myanmar asset; <sup>^</sup>EBITDA excludes forex loss of INR 1,886 cr. in FY23 vs. forex loss of INR 872 cr. in FY22; FY 22 EBITDA excludes INR 210 Crore of SRCPL/GPL transaction cost

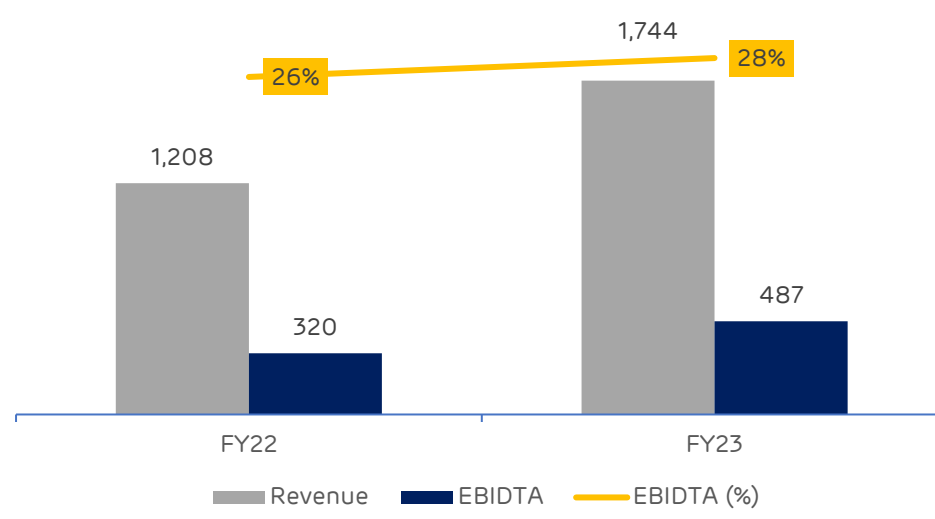
# APSEZ: Key segment wise Operating revenue & EBITDA – FY23

(YoY, in INR Cr)

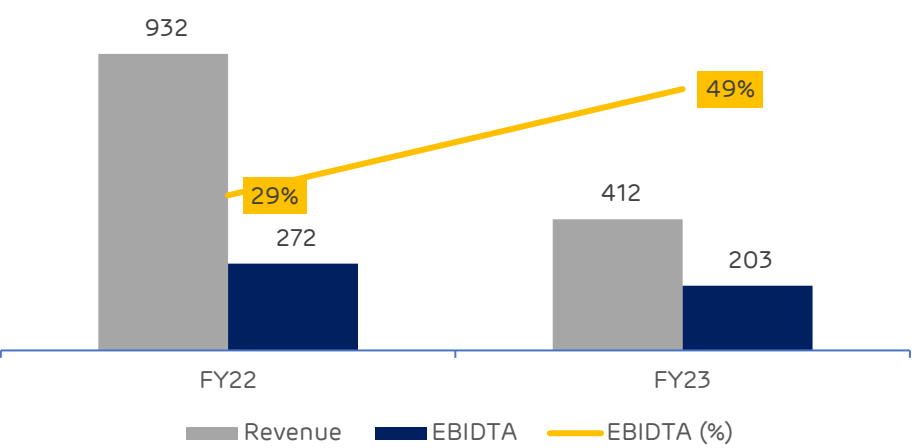
## Ports



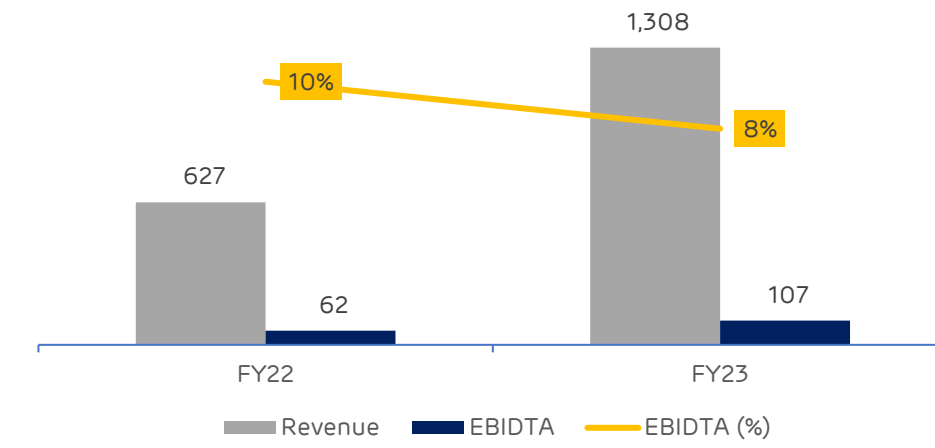
## Logistics



## SEZ & Port Development



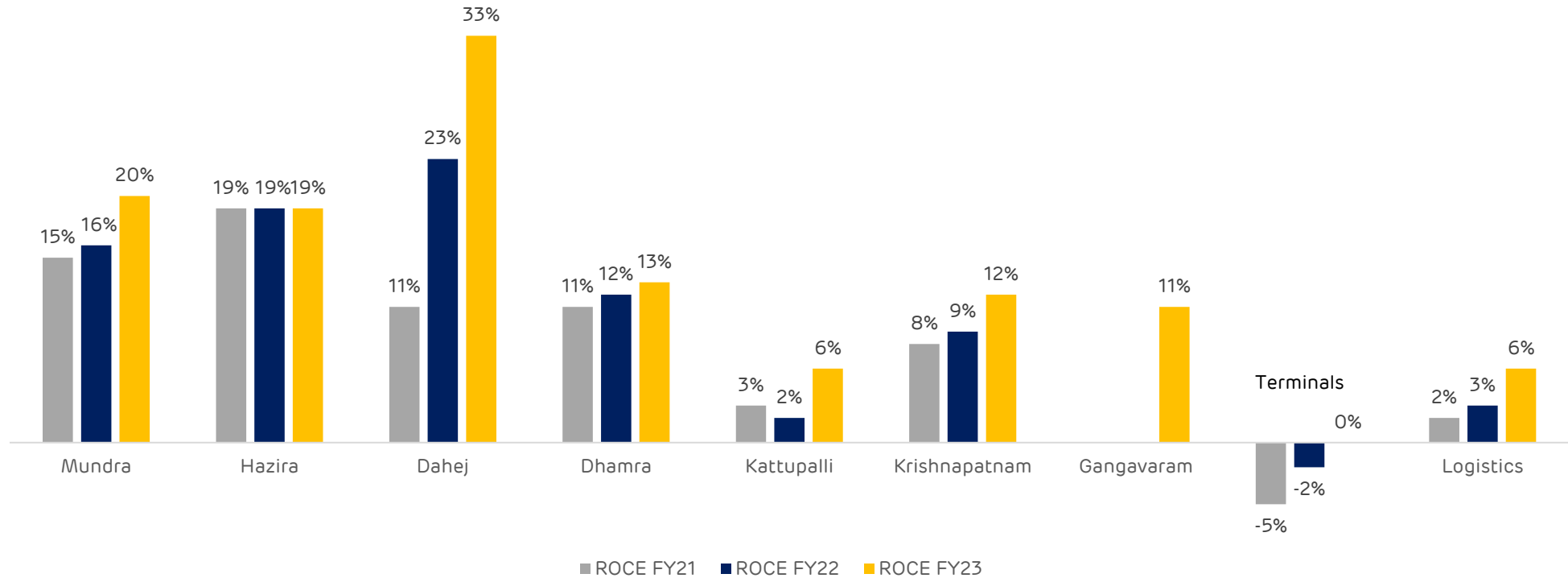
## International Ports



^EBITDA excludes forex loss of INR 1,886 cr. in FY23 vs. forex loss of INR 872 cr. in FY22;



# APSEZ: Port wise returns

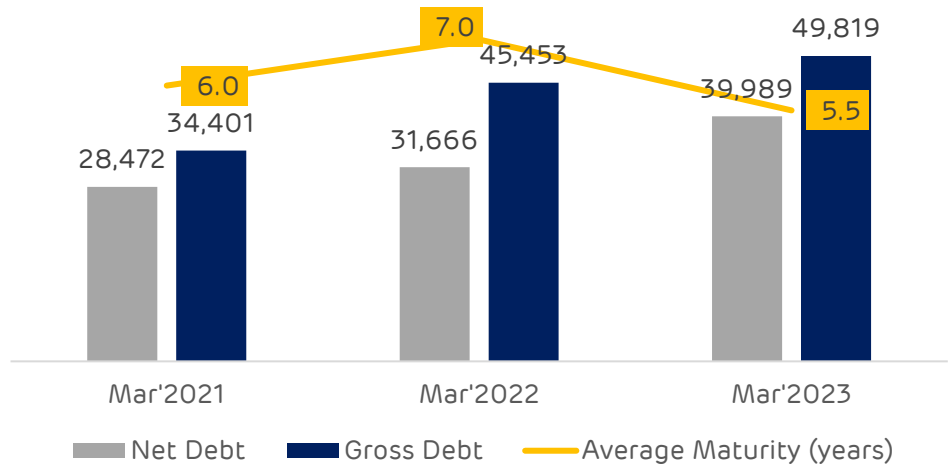


- ROCE continuously improving at matured ports with better capacity utilization and given the focus on efficiency
- ROCE of logistics business doubled vs. FY22
- Operational ramp up at ports acquired in the last few years will drive their ROCE to ~20%

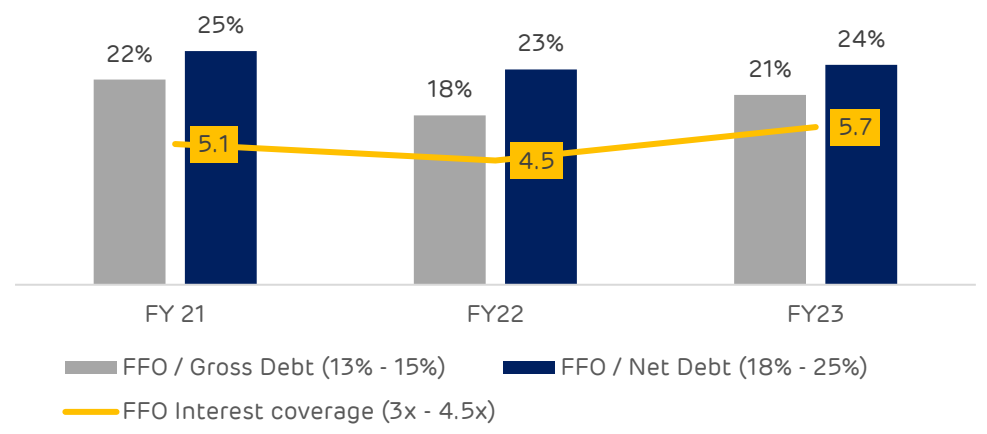
# APSEZ: Debt Ratios

(YoY, in INR Cr)

## Gross Debt, Net Debt & Average Maturity

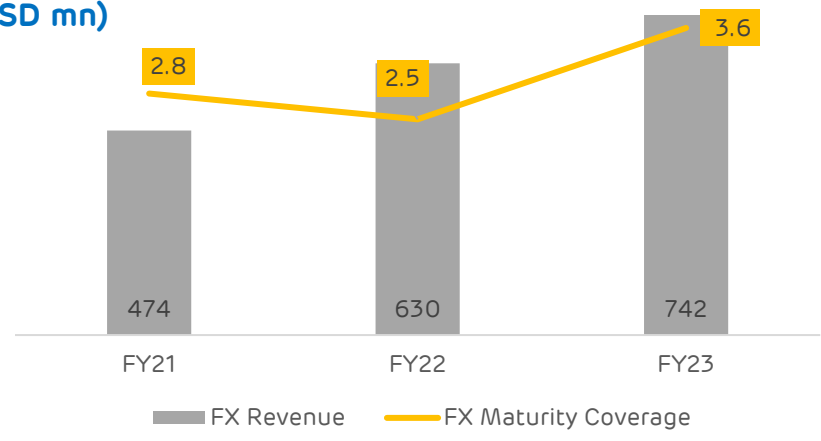


## Rating Ratios\*

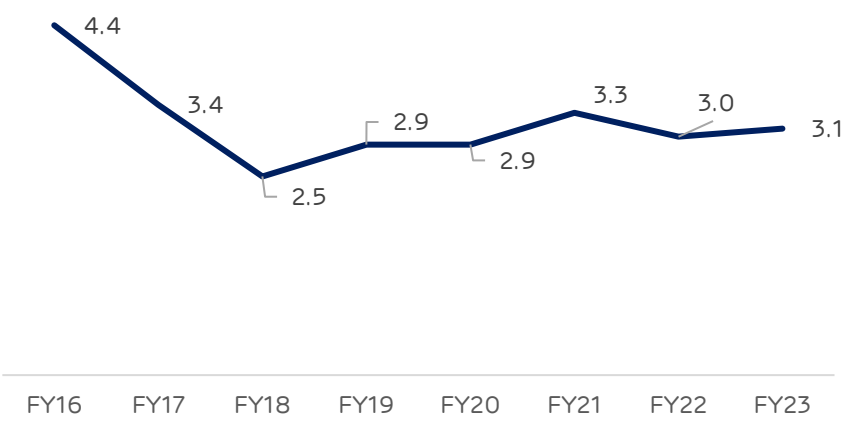


## FX Revenue and FX Debt Coverage

(in USD mn)

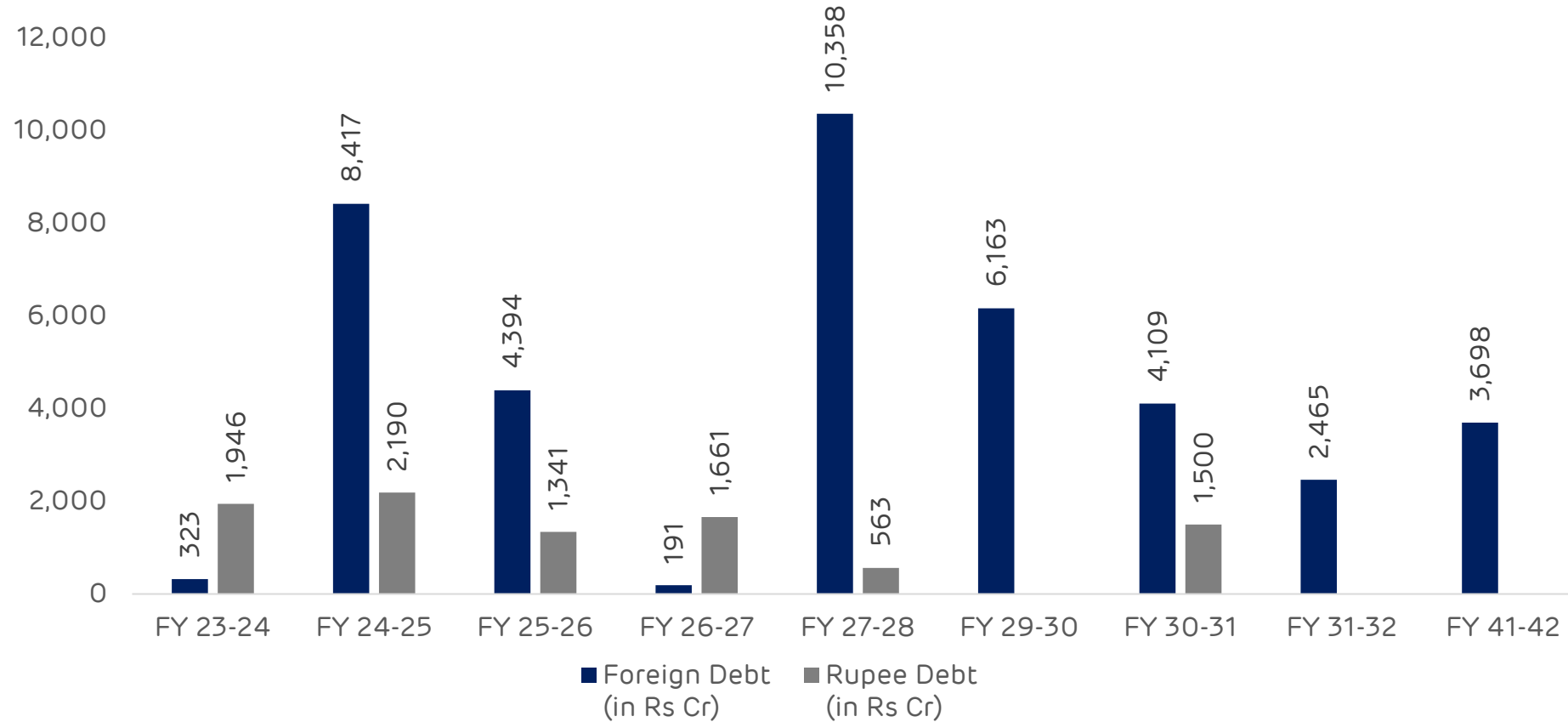


## Net Debt to EBITDA



\*FFO (Funds from operation) : EBITDA – Interest and Tax paid in cash + Interest received in cash |

# APSEZ: Long Term Debt Maturity Profile as on 31<sup>st</sup> Mar'23



**Total Long-Term Debt as on 31<sup>st</sup> Mar'23 stands at Rs 49,317 Cr**

# APSEZ: Credit Ratings

## International

Company	Rating
APSEZ	BBB- (S&P, Fitch) / Baa3 (Moody's)
Adani International Container Terminal Private Limited (AICTPL)	BBB- (S&P, Fitch) / Baa3 (Moody's)

## Domestic Ratings

Company	Domestic Rating Agency	INR Ratings
APSEZ	ICRA	AA+/Stable
APSEZ	India Ratings	AA+/Stable

### Moody's: Baa3 (Sovereign Equivalent)

The affirmation of APSEZ's issuer ratings considers the company's strong market position as the largest port developer and operator in India by cargo volume and its strong liquidity and financial profile. The stable outlook on the ratings reflects Moody's expectation that APSEZ would continue to generate relatively steady cash flow over the next 12-18 months and would be able to realign its capital spending plans in the event of a liquidity squeeze.

### S&P: BBB- with negative outlook

We believe the Adani companies we rate have long-established infrastructure assets with strong fundamentals and cash flows. This rating action does not impact the rated debt issued by Adani International Container Terminal Pte. Ltd. (BBB-/Stable). These debts are fully secured and have cash flow waterfalls that prioritize operating expenditure and debt service over distributions. Given the ring-fenced assets, in our view the structure of these financings currently sufficiently protects investors.

### Fitch: BBB- (Sovereign Equivalent)

We continue to assess APSEZ's underlying credit profile at 'BBB'. APSEZ's underlying credit profile reflects its status as India's largest commercial port operator, with best-in-class operational efficiency.

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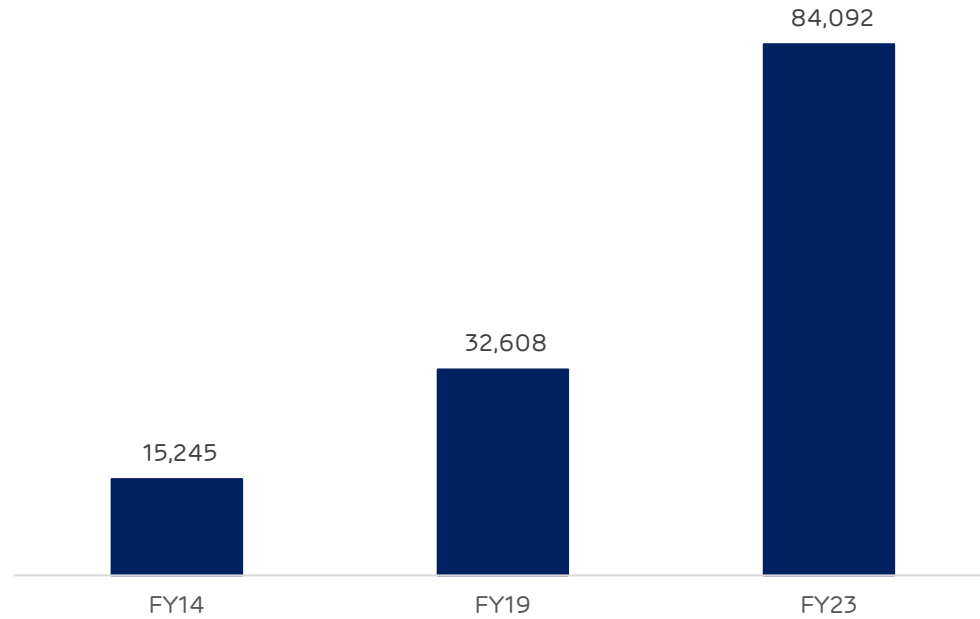
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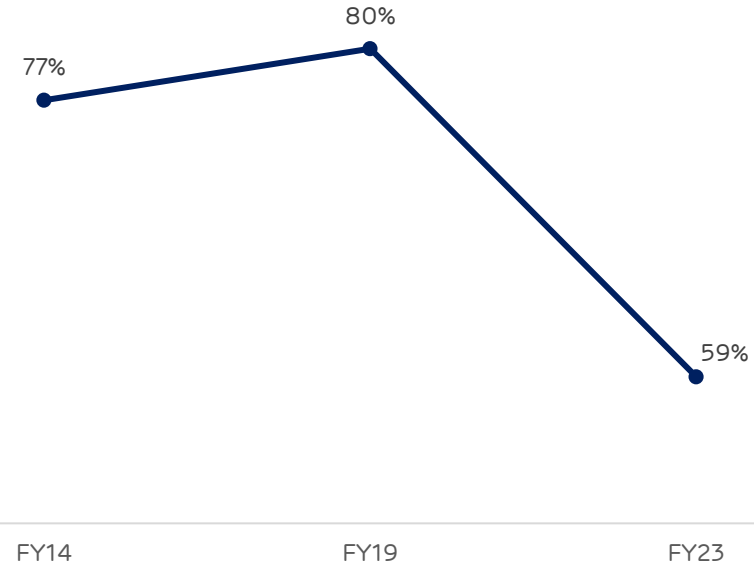
Investment Summary

# APSEZ: Asset creation supported by internal accruals

Fixed asset base (Rs Cr)



Gross debt as a % of fixed asset base



- Asset addition in last 5 years funded through debt and internal accruals in a ratio of 1:1
- Net asset base increased by ~Rs 51,500 Cr while the absolute debt increased by only ~Rs 23,750 Cr
- Despite record investments of over Rs 42,000 Cr in last 2 years, gross debt to fixed asset base ratio reduced from 80% in FY19 to 59% in FY23

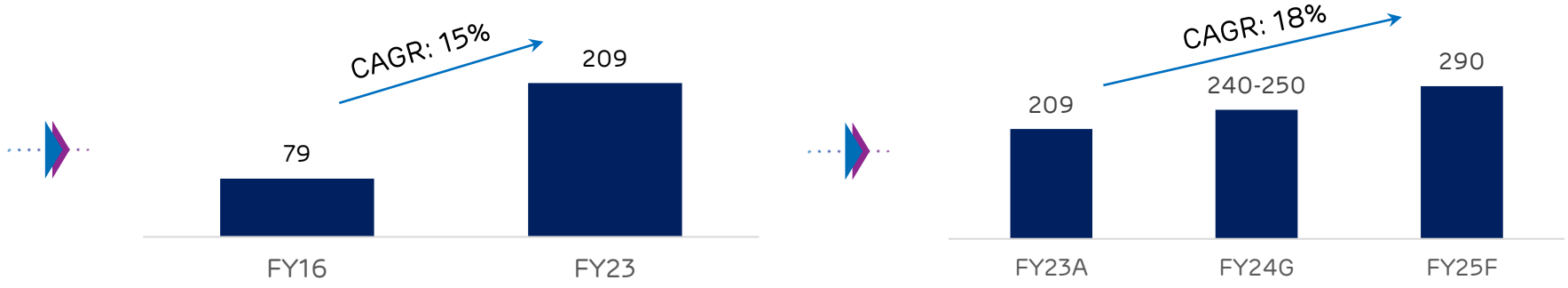
FY24 Guidance	
Cargo	370 MMT – 390 MMT
Revenue	Rs 24,000 Cr – Rs 25,000 Cr
EBITDA	Rs 14,500 Cr – Rs 15,000 Cr
Net Debt to EBITDA	~2.5x
Capex	Rs 4,000 Cr – Rs 4,500 Cr

# APSEZ: Growth to accelerate

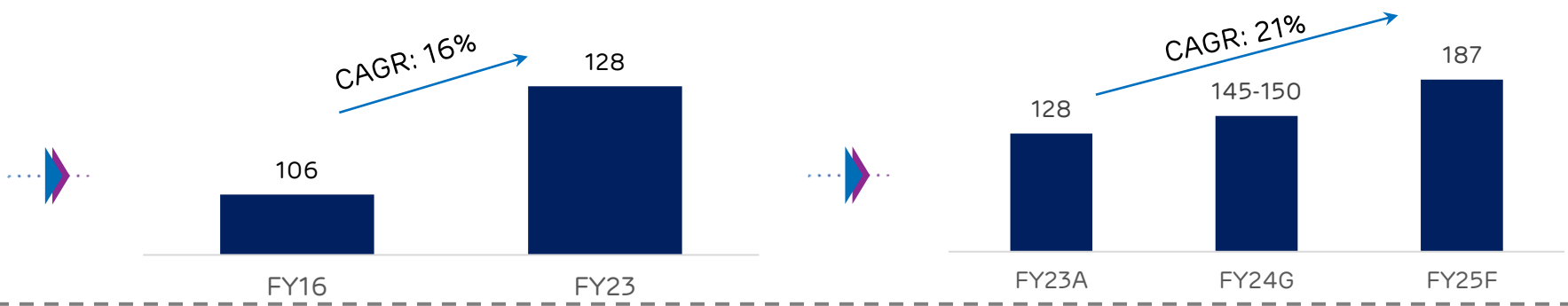
## Historical track record

## Growth momentum to continue

**Revenue (INR bn)**



**EBITDA (INR bn)**



**Accelerated growth to continue resulting in significant increase in earnings**



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