



Ports and
Logistics

Ref No: APSEZL/SECT/2018-19/121

March 7, 2019

BSE Limited
Floor 25, P J Towers,
Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Scrip Code: 532921

Scrip Code: ADANIPORTS

Sub: Intimation of Analysts / Institutional Investor Meeting

Dear Sir,

This is in reference to our letter dated March 4, 2019 on the captioned matter.

In this connection, we are enclosing herewith the presentation which is being shared ahead of tomorrow's meet. The same is being uploaded on our website.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

For Adani Ports and Special Economic Zone Limited

Kamlesh Bhagia
Company Secretary



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adani

Ports and
Logistics



Presentation – CIO Meet Mumbai 8th March 2019

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Financials and Future Outlook

Annexures (AALL, 9M FY 19 Results, CSR, Sustainability)

APSEZ - Proxy to India's Growth Story

- Largest commercial port developer and operator :

9 Ports in operation and 1 under construction

- Deft Management Experience in regulated environment :

Operating ports since 2001

- Operational Excellence with productivity, low-cost operations :

Highest EBITDA margins amongst peers

- Successful Track Record of integrating acquisitions :

Dhamra in FY 2015 and Kattupalli in FY 2016

- Investment grade ratings by International rating agencies :

(S&P: BBB- Stable / Fitch: BBB- Stable / Moody's: Baa3 Stable)⁽¹⁾

Market Cap:
US\$9.9bn⁽²⁾

Revenue:
US\$1.8bn⁽³⁾

Total Assets:
US\$7.0bn⁽⁴⁾

Note:

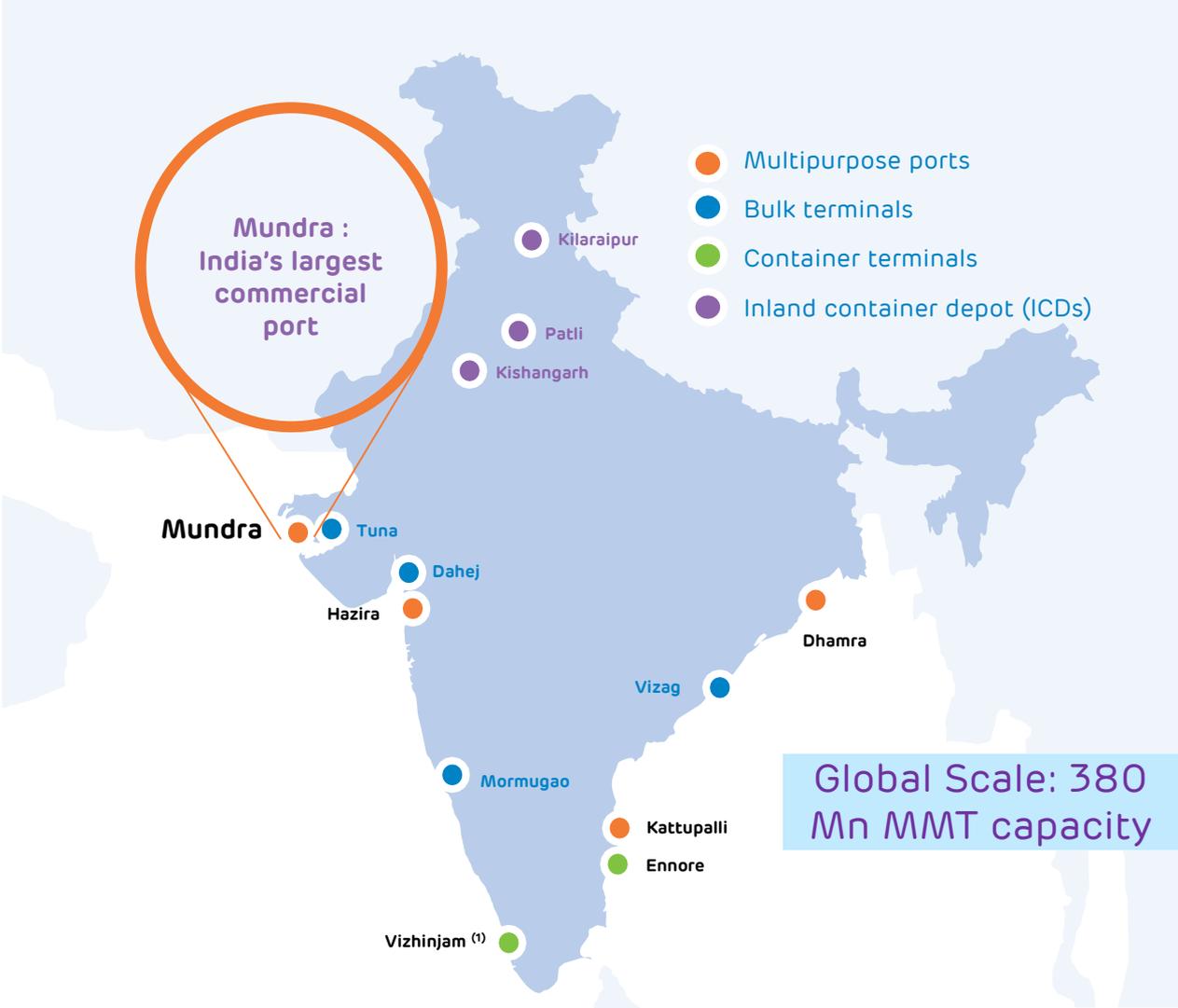
(1)Source: S&P press release dated December 29, 2017. Moody's press release dated June 18, 2018. Fitch press release dated September 27, 2018

(2)Market Cap on 31st Jan, 2019. Reserve Bank of India USD / INR exchange rate on 31st Jan, 2019 was 71.03.

(3)Revenue for the financial year ended March 31, 2018. Revenue refers to the total revenue from APSEZ operations minus other income. Average USD/INR exchange rate of 64.4474 for Fiscal Year 2018.

(4)Total Assets as on Sept 30, 2018. Exch Rate as on 30th Sep 2018 is Rs. 72.49

APSEZ: India's Largest Integrated Port And Logistics Player



Ten strategically-located "string of ports" along Indian coastline

On 31st Mar 2014 – 6 ports

In FY 2015 – Acquisition of Dhamra

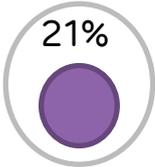
In FY 2016 – Operations at Kattupalli .
Awarded Vizhinjam Port

In FY 2018 – Kattupalli acquired
Ennore completed

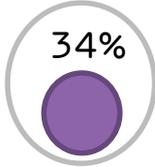
1st Jan 2019 – Operating 9 Ports +
Developing 1.

All India Share*

in Total Cargo



in Container



Note:
1. Under construction.
* As of 31.12.2018 (Source : Internal Estimate, Excluding non Adani and coastal LNG, LPG Volume)

Unique integrated operating model across the value chain

Ports



- Concession assets with free pricing*
- Handling multi and complex cargo
- JV model with ship liners for two container terminals at Mundra

Logistics



- 20 year license to operate Rails
- Operating three ICDs
- Enhancing connectivity between ports and origin / destination of cargo

SEZ (At Mundra)

- Land bank of over 8,000 hectares
- Integration between land bank and port
- Developing industry cluster
- Regular revenue stream through annual rentals & upfront premium

Infrastructure

Marine



Quay



Handling



Storage



Logistics

- | | | | | |
|---------------|----------------|--------------------|---------------------------------|-------------------------------------|
| - 19 dredgers | - 14+KM length | - 105 cranes | - 3.7 MN sq. mtrs. | - 400,000 Sq. ft of Warehouse Space |
| - 26 tugs | - 48 berths | - 140 RTGs | - 0.9 MN KL tankages | - 3 Logistics Parks |
| | - 18 terminals | - 100 KM conveyors | - 43,832 container ground slots | - 17 rakes |

* At Non Major Ports

Strategy – Ports

Existing Port Operations :

- Ensure port operations continue to be resilient and handle all types of cargo.
- Handle LNG/LPG at Mundra and Dhamra ports.
- Handle Transshipment volume at Vizhinjam.
- Develop additional need based capacities at our ports :

Mundra : Additional container terminal.

Hazira : Expand liquid terminal facility.

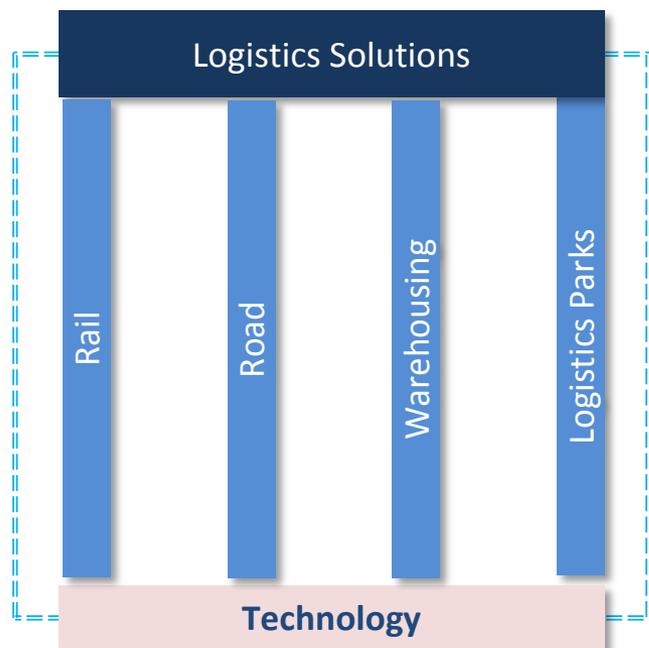
Dhamra : Enhancement of Capacity to 60 MMT, Investment in rakes, launch. Container and improving road connectivity.

Kattupalli : Enhance railway connectivity, develop as multi commodity port.

Inorganic growth in Ports:

- Increase regional footprint – Container Terminals being identified at Bangladesh, Indonesia, Myanmar most facilities in and around India.
- Increase presence in certain Indian states – Maharashtra, Andhra Pradesh, Karnataka. West Bengal.

Strategy - Adani Logistics



Will handle both Exim and Domestic Cargo for all commodities. (Containers, Bulk, Agri, Liquid and Auto)

Expanding logistics foot print across India :

Multimodal logistics parks, warehousing, rail network and distribution.

- **Trains :**

Operating 18 container trains, 16 more to be added to the fleet by Mar '20.

- **Logistics Park :**

Operating 3 Logistics parks, will increase to 5 by Q2 FY20. (Bengaluru, Nagpur)

- **Warehouses (5 being developed):**

Mundra (Operational in Q2 FY20)
Kattupalli (Operational in Q3 FY20)
Kathuwas, Taloja & Deoli (Operational in Q4 FY20)

Acquisition of Adani Agri Logistics to bring in synergies and scale.

Financial Policy :

1. Cash flow to be used for growth opportunities within the Capital Allocation Policy, which requires 16% pre tax Project IRR.
2. Rewarding share holders with increased payout as per Dividend Policy linked to PAT - Currently up to 15%.
3. Net Debt to EBITDA to be maintained within 3x.
4. Maintain international investment grade rating.

Operations



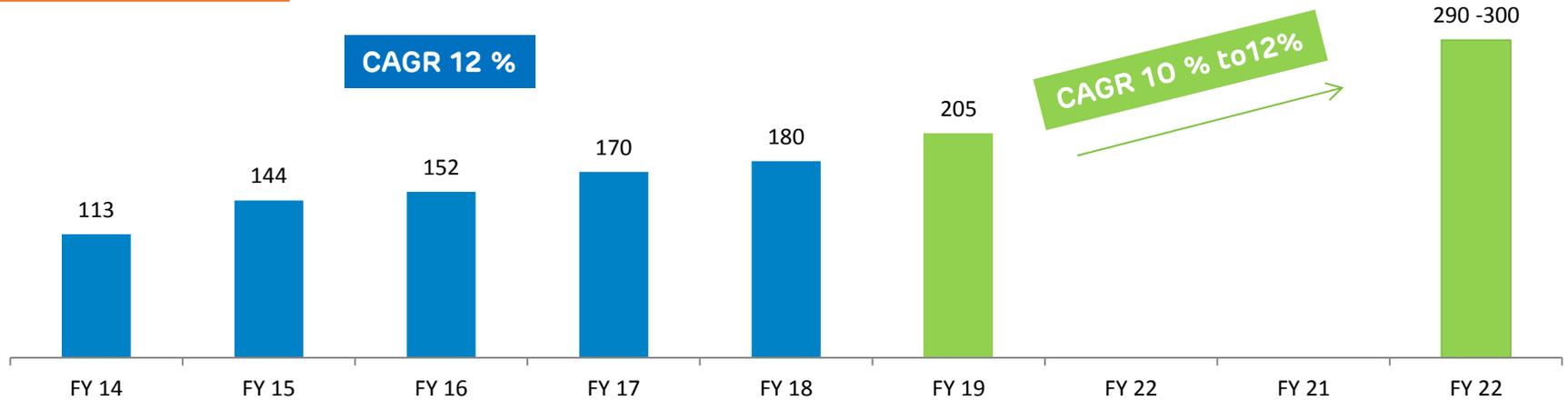
Operations Outlook – FY19 to FY22

- Cargo volume CAGR of 11% , Container Volume CAGR of 15%-18%
- Mundra to grow in high single digit.
- Dhamra, Kattupalli, Hazira to grow in the range of 20%-25% per annum.
- Twin Ports in Chennai, Vizhinjam, and Dhamra will lead container growth.
- Commence LNG & LPG Operations at Mundra in FY 20 and in Dhamra from FY 22.
- Coal Volume to be resilient – Coastal movement and Long term contracts.
- Logistics to grow exponentially - Higher rake availability and new logistics parks.
- Recurring SEZ /Port development income (LNG & LPG terminals at Mundra & Dhamra).

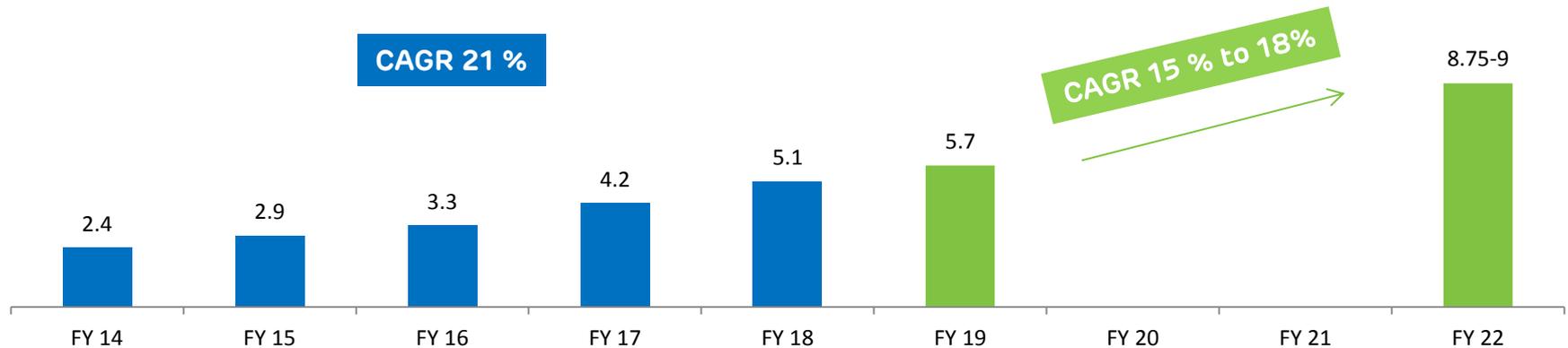
Will continue to gain market share...

APSEZ – Cargo Volume

Total Cargo



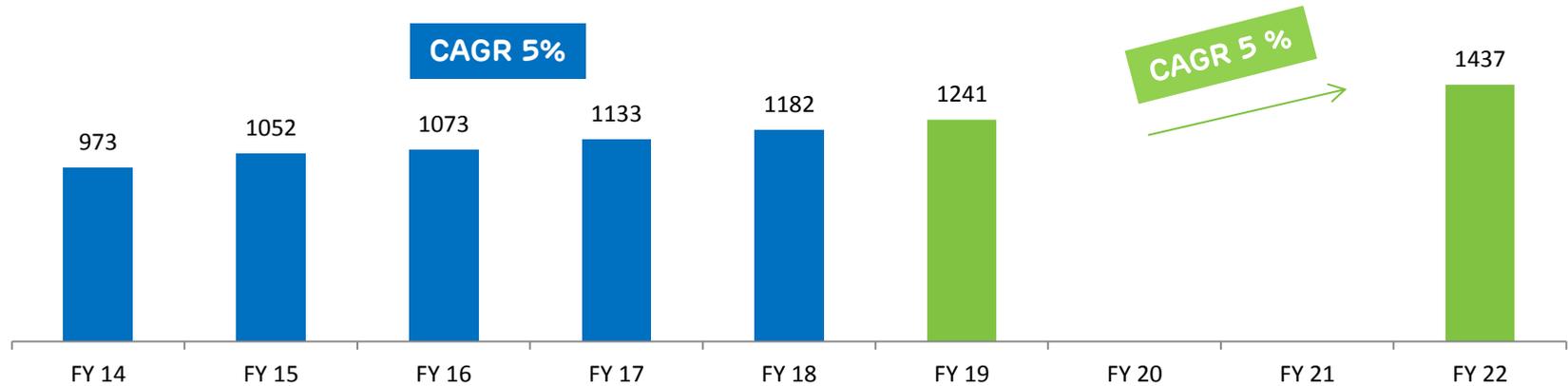
Container volume



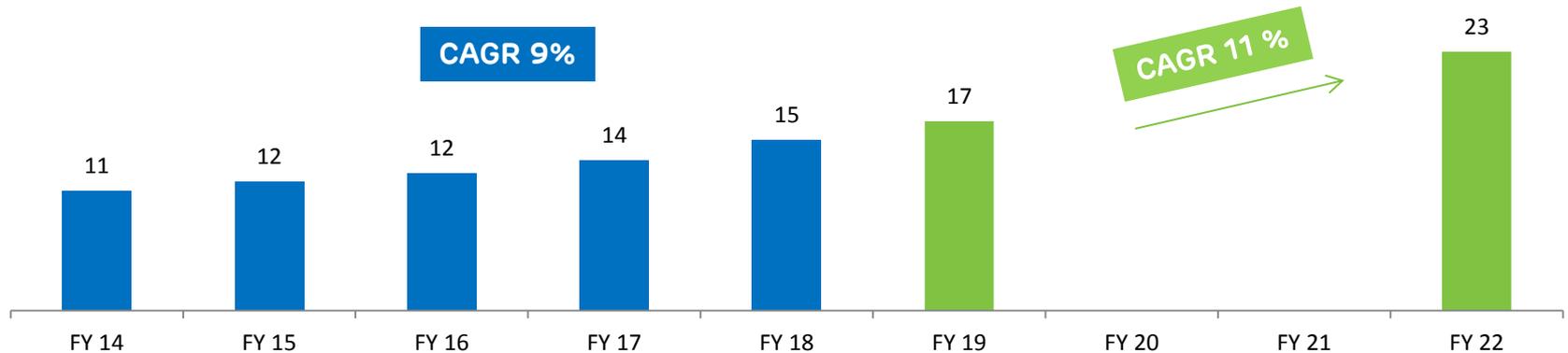
Cargo in Mn MMT and Container volume in Mn Teu's

All India Cargo Volume*

*All India cargo



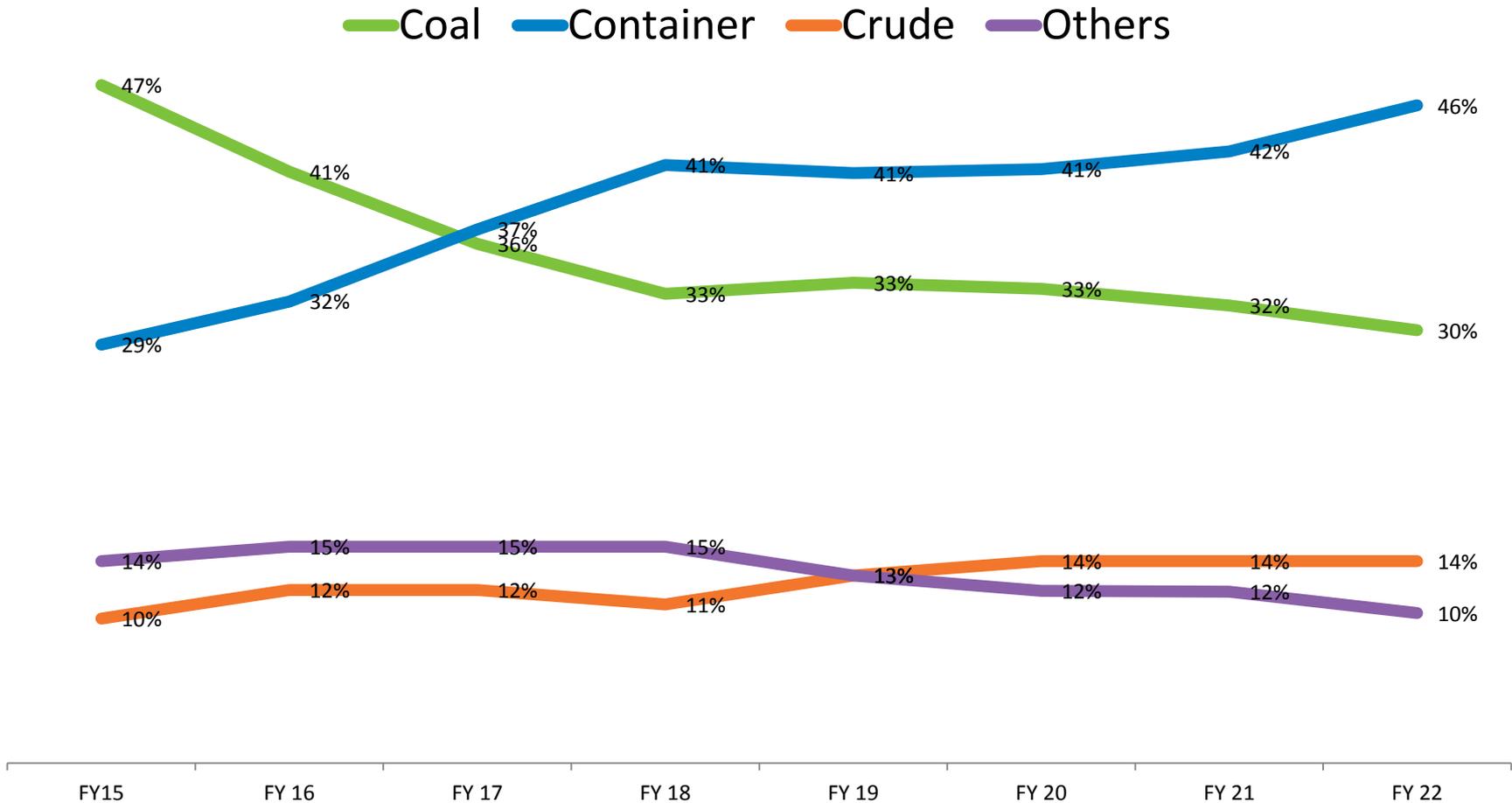
*All India Container



Cargo in Mn MMT and Container volume in Mn Teu's

*As per internal estimates

Cargo Composition



Balanced Cargo Mix Container to drive growth...



Motherhood statement on APSEY from a 3 year prospective

Financial Outlook – FY19 to FY22

- Consolidated revenue CAGR of 14%.
- Consolidated EBITDA CAGR of 14%.
- Port Revenue CAGR of 14% and Port EBITDA CAGR of 14%.
- SEZ Port led development income of Rs 800-1000 Cr every year. (LNG and LPG terminals at Mundra and Dhamra)
- Capex to be around Rs.2500 cr. every year. (excluding acquisitions and assets held for sale)
- Effective Tax rate to be at in the range of 25% to 26%.
- 4x growth in free cash flow (from Rs 1260 cr in FY 18 to Rs 5000 cr in FY 22).

Robust financial performance to lead to further strengthening of BS.

Thank You

Annexures

Recent Acquisition of Adani Agri Logistics Ltd. by ALL

AALL – Creates Value Chain in increasing our logistics footprint

- Pioneer in providing efficient storage through silos and transportation by rail
- 1.58 MMT fully contracted capacity
- Seven trains & Twenty Eight storage & handling infrastructure facilities across 10 States
- Significant opportunity to leverage combined infrastructure for handling multiple commodities and transportation and further enhance hinterland connectivity

AALL –Market Leader Long Term Contracts and a High Margin business

- India's largest player with 45% market share in modern agri storage infrastructure
- Long term (20-30 year) contracts on use or pay basis.
- 70%+ EBITDA margins
- 12.5 MMT infrastructure opportunity; (6.5 MMT in medium term out of which 3.5 MMT in cy 19*)
- Tenders all ready floated for 0.55 MMT

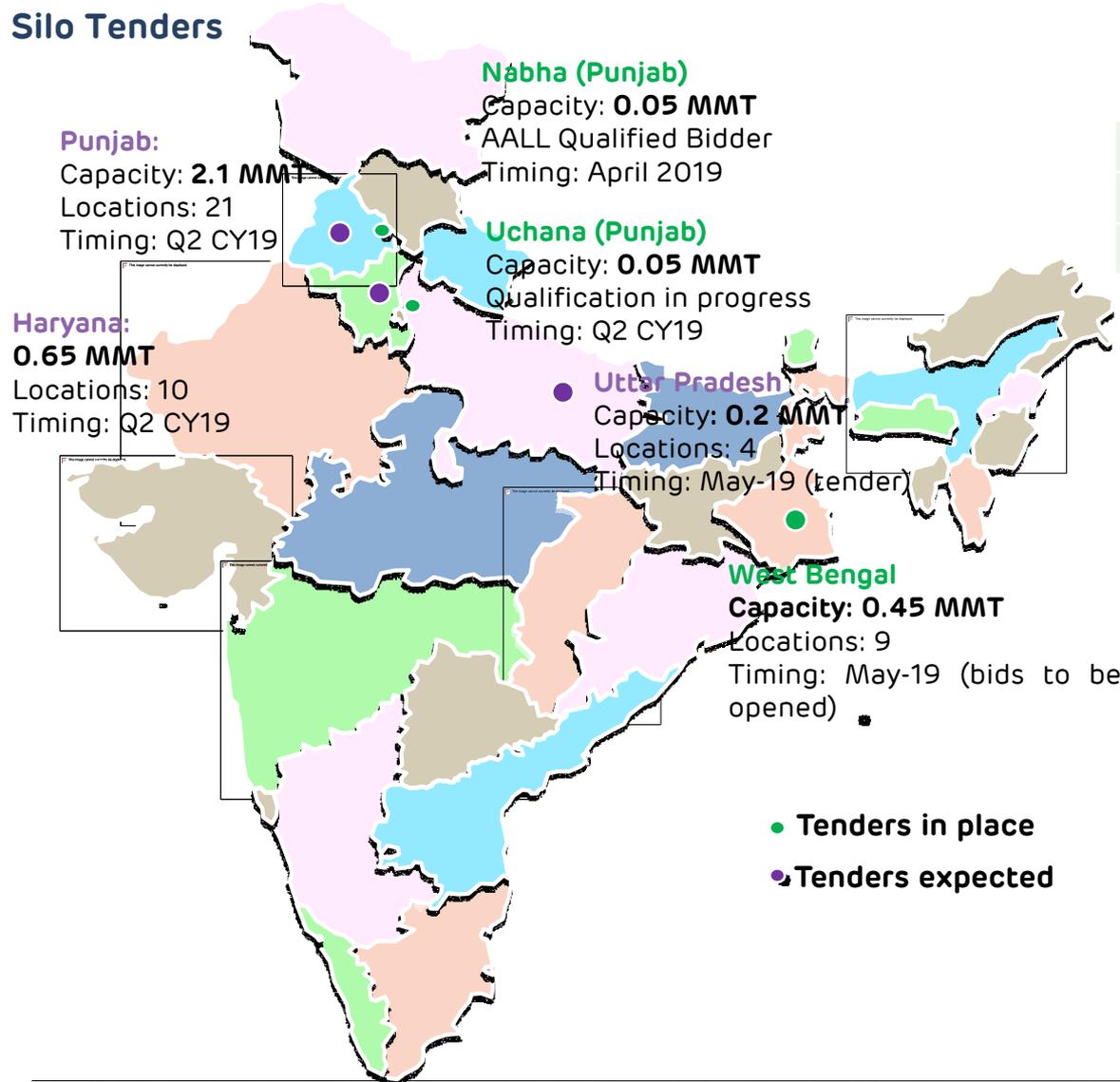
Adani Logistics – Combined Business Potential

- ALL is a leading player in India providing infrastructure and services across Container, Bulk, Break-bulk & Liquids
- Long term opportunities from
 - i) Conventional storage conversion
 - ii) Silos at consumption / production centers and
 - iii) conversion of transport mode provides sustainable high growth
- Speedier implementation and quick ramp up of logistics vertical

* Details in Annexure

India Agri Logistics – Visible Pipeline of Opportunities

Silo Tenders



Tenders in Place	0.55 MMT
Tenders expected by Q2 CY 19	2.95 MMT
Total	3.50 MMT

FCI study underway for storage deficit in consumption states and identification of silo locations to come up with next round of tenders

Bulk Rakes Tenders

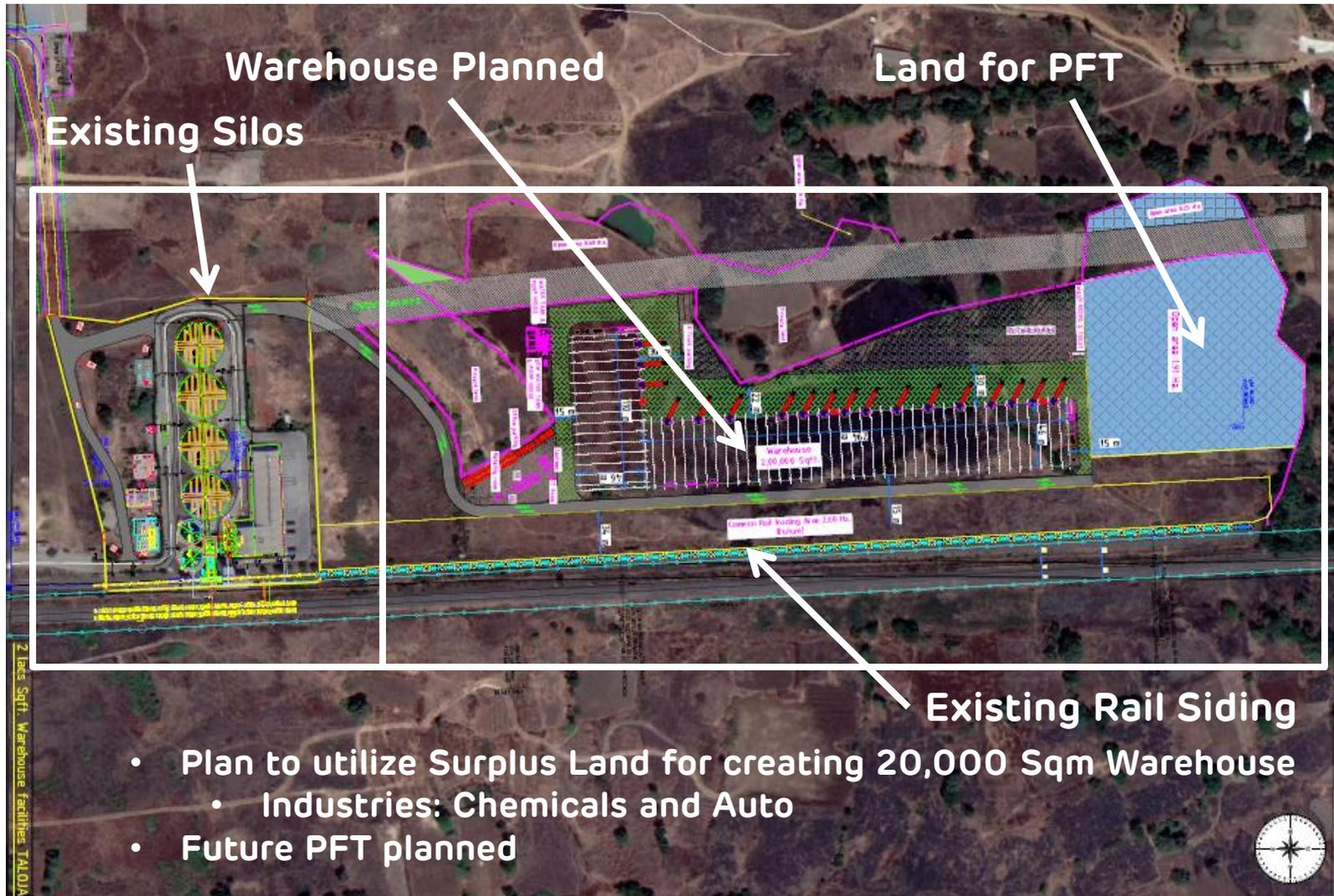
- Tendering Agency: FCI
- Rakes: 6 (Initial)
- Rakes: 21 (Phased)
- Objective: Facilitate bulk movement from Procuring States Silos to Consuming states
- Timing: March 2019

Near Term Synergy Potential for next 2-3 years

		FY21/FY22 Capex Savings	Incremental FY21 EBITDA
Leverage Rail Sidings for PFT	<ul style="list-style-type: none"> • ALL to leverage rail sidings for PFTs# • 5 potential sites identified – 20% of ALL’s target for next few years • Use sidings to handle 3rd party cargo 	75-100 Cr	
Utilize Land for New Business	<ul style="list-style-type: none"> • Additionally Land at AALL to be utilized for Logistics Parks / warehousing • Existing Logistics Park facilities to be utilized for grain silos (e.g. Kilaraipur) 	125 -150 Cr\$	
Leverage Combined Capabilities	<ul style="list-style-type: none"> • Bring forward PFTs / Silos Cash flows by leveraging existing sites by 2 years • Enhance ALL business by adding 10 grain rakes 		15-20 Cr
Growth Synergies	<ul style="list-style-type: none"> • Utilize future sites for all product offerings (20+ under evaluation) • New silos for private sector / farms • Port based grain silos • Expansion at existing site a lower cost 	✓	✓

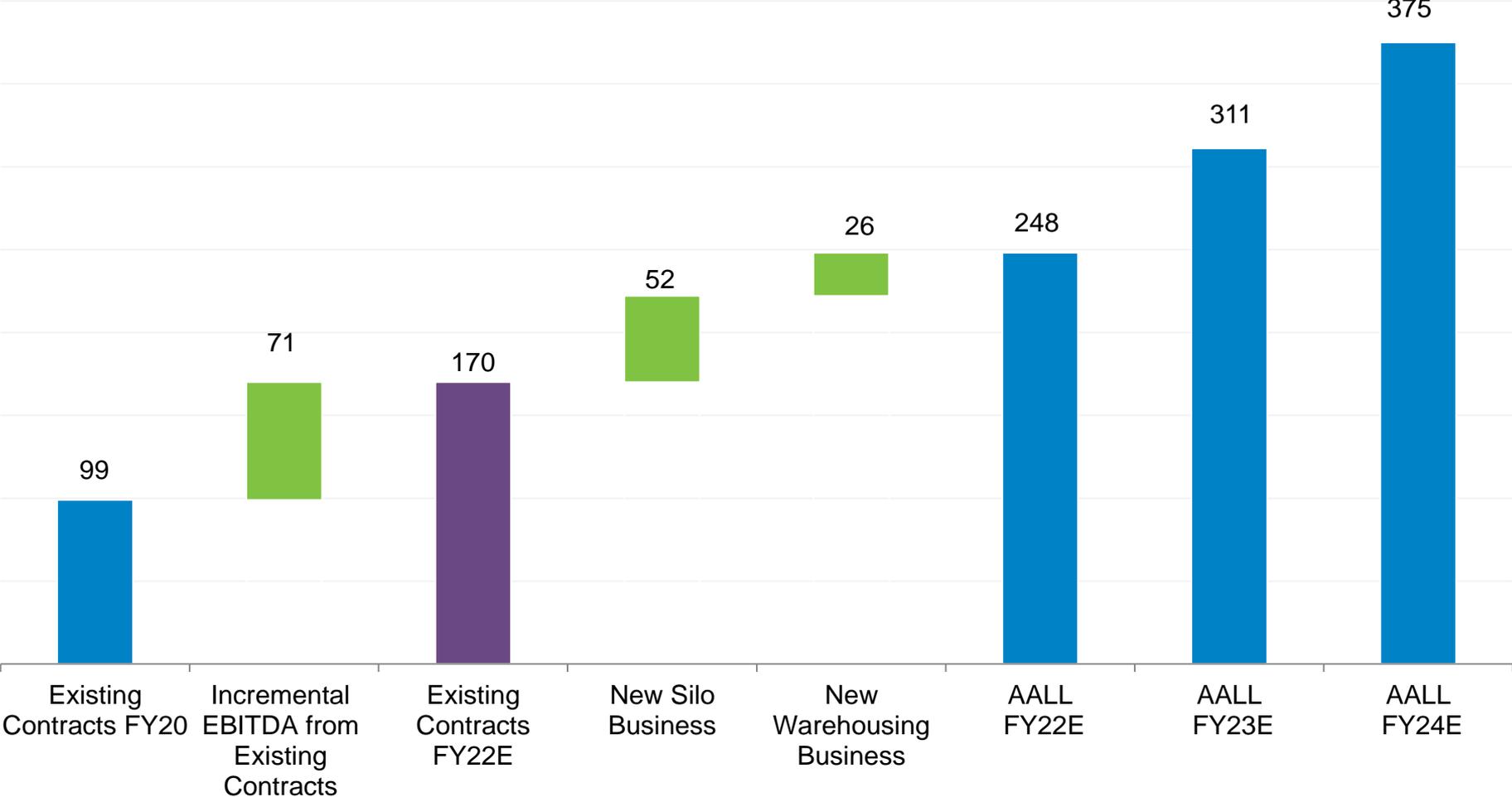
Above savings are for next 2-3 years only – additional synergy with new expansions not considered

Realizing Synergies – Taloja (Navi Mumbai)



Combined Business Potential – EBITDA Progression

(INR Crores)

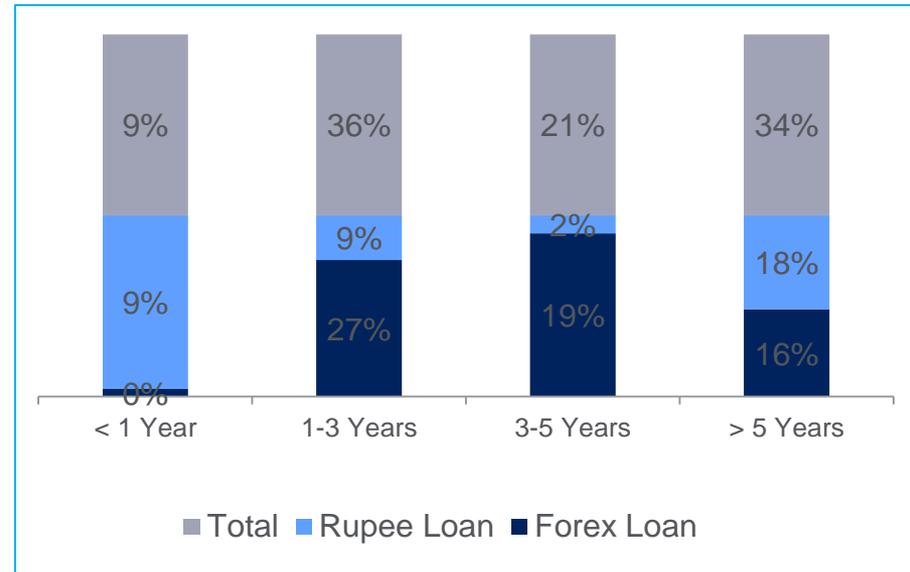


Debt Position – As on 30th September 2018

Net Debt

Description	Sept'2018	Mar'2018	Var
Long Term Borrowings	20,452	20,629	(176)
Short Term Borrowings	2,374	1	2,372
Current Portion of Long Term Borrowings	1,659	802	857
Gross Debt	24,485	21,432	3,054
Less Cash and Bank Balances	4,419	2,968	1,452
Less Current Investments	802	520	282
Total Cash & Cash equivalent	5,221	3,487	1,734
Net Debt	19,264	17,945	1,319

Debt Maturity profile



- Gross debt has increased on account of recasting due to rupee depreciation of 11% (Rs. 1460 cr)
- LNG and LPG assets will be transferred to a JV in next 12 months and hence being financed by short term debt.

Net Debt/EBITDA at 2.75x continues to be below desired level of 3x

9M FY 19 Operational and Financial Highlights



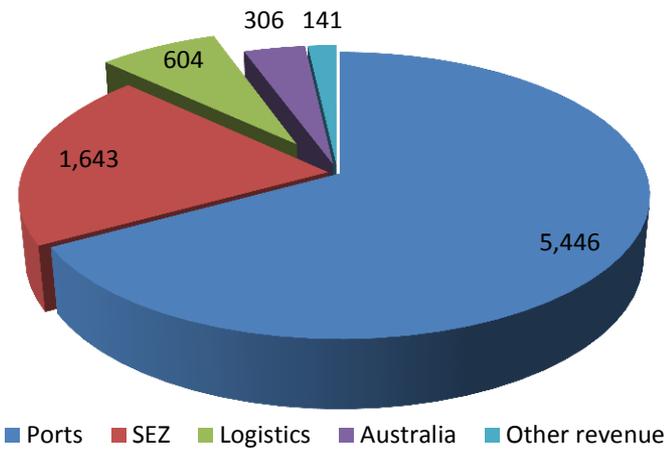
- Throughput volume of 154 MMT.
- Cargo Volume growth of 14% against All India Ports growth of 5% and Major ports growth of 4% .
- Growth **across all ports, regions** and **segments of cargo**.
- Western ports grew by 15 % - Mundra the flag ship port grew by 10% achieves more than 100 MMT of throughput.
- Southern ports grew by 24 % - Kattupalli grew by 18%.
- Terminals at Major ports (viz., Tuna , Goa, Ennore and Vizag) handles 9 MMT of cargo.
- Coal volume up 12 % & Container up 13%
- Composition of cargo Coal 33%, Container 41%, Crude 13%, Others 13%

Record Throughput for 9M Period.....

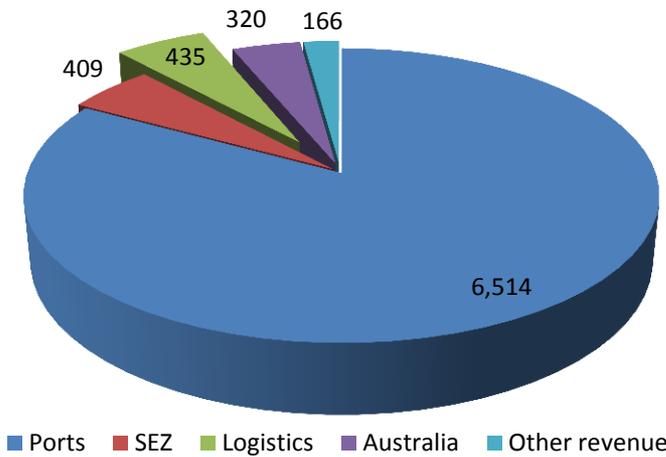
Revenue – Segment Wise Break up 9M FY19

(Rs. In Cr.)

9M FY 18



9M FY 19



Total Revenue – Rs. 8,140 cr

Port Revenue – Rs. 5,446 cr

Total Revenue – Rs. 7,843 cr

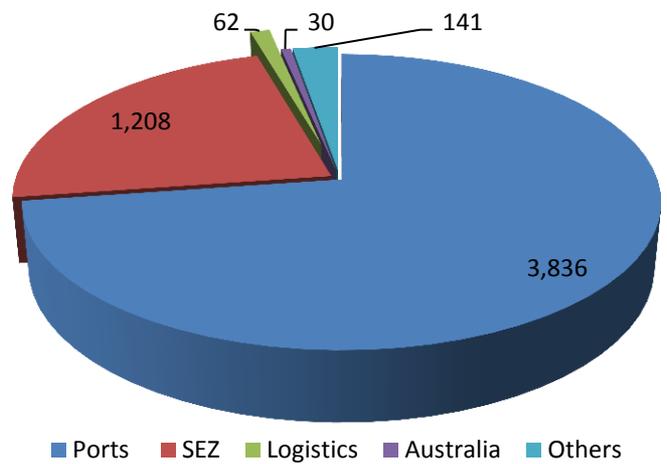
Port Revenue – Rs. 6,514 cr

Total Revenue	-4%
Ports Revenue	Up 20%

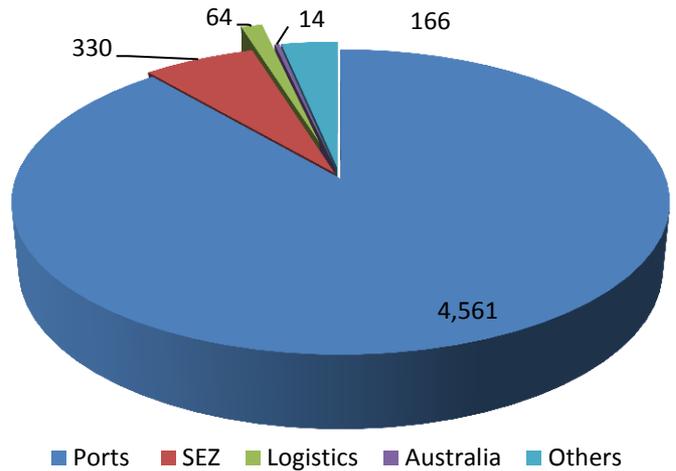
EBIDTA* - Segment Wise Break up 9M FY19

(Rs. In Cr.)

9M FY 18



9M FY 19



Total EBIDTA – Rs. 5,214 cr

Port EBIDTA – Rs. 3,836 cr

Total EBIDTA – Rs. 5,135 cr

Port EBIDTA – Rs. 4,561 cr

Total EBIDTA	-2%
Ports EBIDTA	Up 19%

Key Ports & Logistic Vertical Performance 9M FY19 (P) (Rs. In Cr.)

Particulars	Mundra		Hazira		Dahej		Dhamra		Kattupalli / MIDPL	
	9M'19	9M'18	9M'19	9M'18	9M'19	9M'18	9M'19	9M'18	9M'19	9M'18
Cargo (MMT)	101.21	91.94	14.87	12.39	6.92	5.34	14.92	15.65	6.53	5.56
Operating Revenue	3,742	4,589	827	704	318	255	667	701	156	129
Expenses	1,067	1,291	224	200	105	81	340	280	66	107
EBIDTA	2,675	3,299	603	504	213	174	327	421	91	22
EBIDTA %	71%	72%	73%	72%	67%	68%	49%	60%	58%	17%

Particulars	Harbour		Logistics		Others		Elimination		Consol	
	9M'19	9M'18	9M'19	9M'18	9M'19	9M'18	9M'19	9M'18	9M'19	9M'18
Cargo (MMT)					9.08	3.68			153.54	134.56
Operating Revenue	956	777	435	604	1,020	659	-279	-278	7,843	8,140
Expenses	97	78	370	542	748	559	-309	-212	2,708	2,926
EBIDTA	860	699	64	62	272	99	31	-66	5,135	5,214
EBIDTA %	90%	90%	15%	10%	-33%	142%	-11%	24%	65%	64%

Mundra -: SEZ income is reported under Mundra. (SEZ EBITDA 330cr vs Rs. 1208 cr 9M FY 18)

Dhamra - EBITDA lower due to pre-monsoon dredging of Rs. 42 cr. Same gets eliminated in consolidated financial statement as work was done by wholly owned subsidiary of APSEZ namely Shanti Sagar International Dredging Pvt. Ltd. Normalized EBITDA is 55%

*Others includes Goa, Tuna, Vizag, Shanti Sagar International Dredging, Australia, Ennore, Aviation and Utilities
Kattupalli EBITDA not comparable as it was acquired in June 2018

Consolidated Financial Performance –SEBI Format

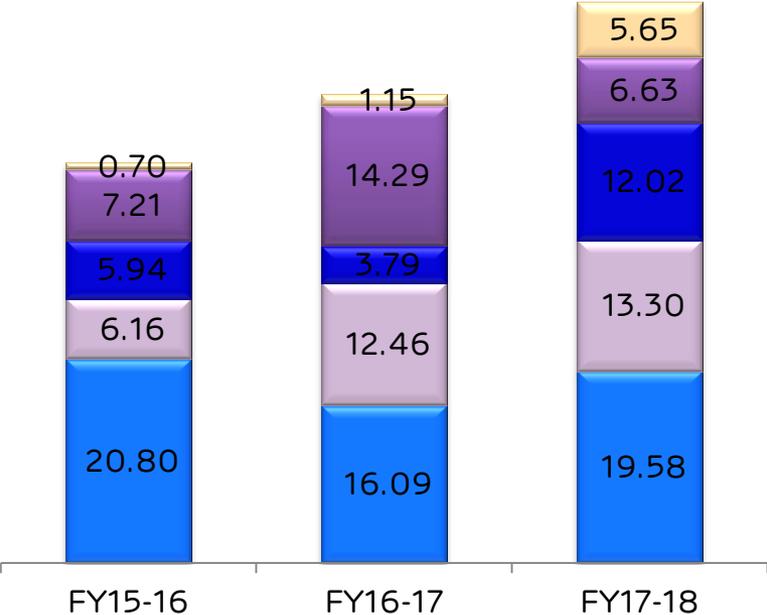
(Rs. In Cr)

Sr No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
		Unaudited			Unaudited		Audited
1	Income						
	a. Revenue from Operations	2,823.91	2,608.01	2,688.85	7,842.95	8,140.10	11,322.96
	b. Other Income	344.97	314.31	236.00	952.11	706.50	1,010.93
	Total Income	3,168.88	2,922.32	2,924.85	8,795.06	8,846.60	12,333.89
2	Expenditure						
	a. Operating Expenses	706.50	640.90	683.87	1,927.73	2,264.96	3,231.83
	b. Employee Benefits Expense	117.83	131.12	107.03	367.85	327.76	447.32
	c. Depreciation and Amortisation Expense	342.90	351.99	293.65	1,017.39	889.45	1,188.37
	d. Foreign Exchange (Gain) / Loss (net)	(367.97)	570.48	(183.24)	585.03	(136.51)	83.29
	e. Finance Costs						
	- Interest and Bank Charges	352.15	347.77	303.29	1,020.52	927.76	1,257.35
	- Derivative Loss / (Gain) (net)	40.44	(52.00)	12.53	(78.34)	175.68	238.02
	f. Other Expenses	156.12	132.51	113.73	412.02	333.38	498.40
	Total Expenditure	1,347.97	2,122.77	1,330.86	5,252.20	4,782.48	6,944.58
3	Profit before share of profit/(loss) from joint ventures, exceptional items and tax (1-2)	1,820.91	799.55	1,593.99	3,542.86	4,064.12	5,389.31
4	Add/(Less):- Exceptional items (Refer Note 5(a))	-	-	(155.18)	-	(155.18)	(155.18)
5	Profit before share of profit/(loss) from joint ventures and tax (3+4)	1,820.91	799.55	1,438.81	3,542.86	3,908.94	5,234.13
6	Tax Expense (net) (Refer Note 10)	401.95	185.32	437.81	812.27	1,148.05	1,544.18
	- Current Tax	191.56	189.37	429.95	613.72	1,130.91	1,546.39
	- Deferred Tax	215.81	24.38	24.29	259.06	60.18	92.83
	- Tax (credit) under Minimum Alternate Tax (MAT)	(5.42)	(28.43)	(16.43)	(60.51)	(43.04)	(95.04)
7	Profit after tax and before share of profit/(loss) from joint ventures (5-6)	1,418.96	614.23	1,001.00	2,730.59	2,760.89	3,689.95
8	Share of Profit/(loss) from joint ventures	(0.03)	-	-	(0.03)	-	-
9	Profit for the period / year (7+8)	1,418.93	614.23	1,001.00	2,730.56	2,760.89	3,689.95
	Attributable to:						
	Equity holders of the parent	1,408.60	605.50	994.07	2,704.84	2,746.85	3,673.62
	Non-controlling interests	10.33	8.73	6.93	25.72	14.04	16.33
10	Other Comprehensive Income						
	Items that will not be reclassified to profit or loss						
	- Re-measurement gains / (losses) on defined benefit plans (net of tax)	0.30	0.81	(0.26)	1.24	(0.75)	0.59
	- Net Gains on FVTOCI Equity Securities (net of tax)	-	-	-	-	-	10.00
	Items that will be reclassified to profit or loss						
	- Exchange differences on translation of foreign operations	0.87	(0.57)	0.12	0.13	(0.74)	(0.74)
	Total Other Comprehensive Income (net of tax)	1.17	0.24	(0.14)	1.37	(1.49)	9.85
	Attributable to:						
	Equity holders of the parent	1.17	0.24	(0.14)	1.37	(1.49)	9.40
	Non-controlling interests	-	-	-	-	-	0.45
11	Total Comprehensive Income for the period/year	1,420.10	614.47	1,000.86	2,731.93	2,759.40	3,699.80
	Attributable to:						
	Equity holders of the parent	1,409.77	605.74	993.93	2,706.21	2,745.36	3,683.02
	Non-controlling interests	10.33	8.73	6.93	25.72	14.04	16.78

Corporate Social Responsibility & Sustainability Initiatives



APSEZ - CSR Initiatives



- Environment / Disaster Management / Sports
- Rural Infrastructure Development
- Sustainable Livelihood Development
- Community Health
- Education



Corporate Social Responsibility – Major Initiatives

1) SAKSHAM:

- Aims to make 3 lakh Indian youth skilled by 2022. ASDC has more than 30 centres across the nation for facilitating skill development through various courses. 5027 aspirants enrolled under various ASDC courses, new projects

2) Udaan:

- Inspiration based plant visit for schools and college students at 3 port locations (Mundra, Dhamra and Hazira).

3) Swachhagraha:

- Inculcating Culture of Cleanliness in 3 port locations and covering 48 town/ cities across 17 states programme as whole.

4) SuPoshan:

- Curbing Malnutrition & Anaemia with Community based approach at 5 port locations. Activities includes Anthropometric measurement process of children of age group 0-5 years, H.B. screening process undertaken by Sangini for the adolescents, pregnant and lactating mothers.

Corporate Social Responsibility



Truck carrying Kerala Flood Relief material flagged-off by Minister for Ports Sh. Ramachandran Kadannapally at Vizhinjam



Cheque for Kerala Flood Relief and Rehabilitation being handed over to the Chief Minister of Kerala, Pinarayi Vijayan



State Finance & Excise Minister Shri Shashi Bhusan Behera handing over the award to Adani Foundation, Dhamra Port for its contribution in the field of Education in the rural areas at Odisha CSR Forum on September 8

Our Sustainability Initiatives

Released 3rd Sustainability Report for FY 2017-18

https://www.adaniports.com/docs/APSEZ_Sustainability_Report_FY_2017-18

Continued focus on emission, cleaner energy and bio-diversity.

Emission: - CDP registration for APSEZ and subsidiaries

Energy: - Initiated for renewable energy projects :-

- 12 MW wind turbines at Mundra and will be in operation by March 19
- 4 MW solar panels at Dhamara and will be in operation by March 19

Biodiversity : - Reduce fresh water withdrawal for AHPPL, Hazira by 70% replacing with other industries treated wastewater.

Installation of Bio-gas plant 40 m³/day capacity for converting horticulture waste to gas at Mundra location which reduced consumption of 29.4 kg LPG Gas per day.

Disclaimer

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