









**Adani Ports and Special Economic Zone Limited**

**Analyst Meet - Mumbai**

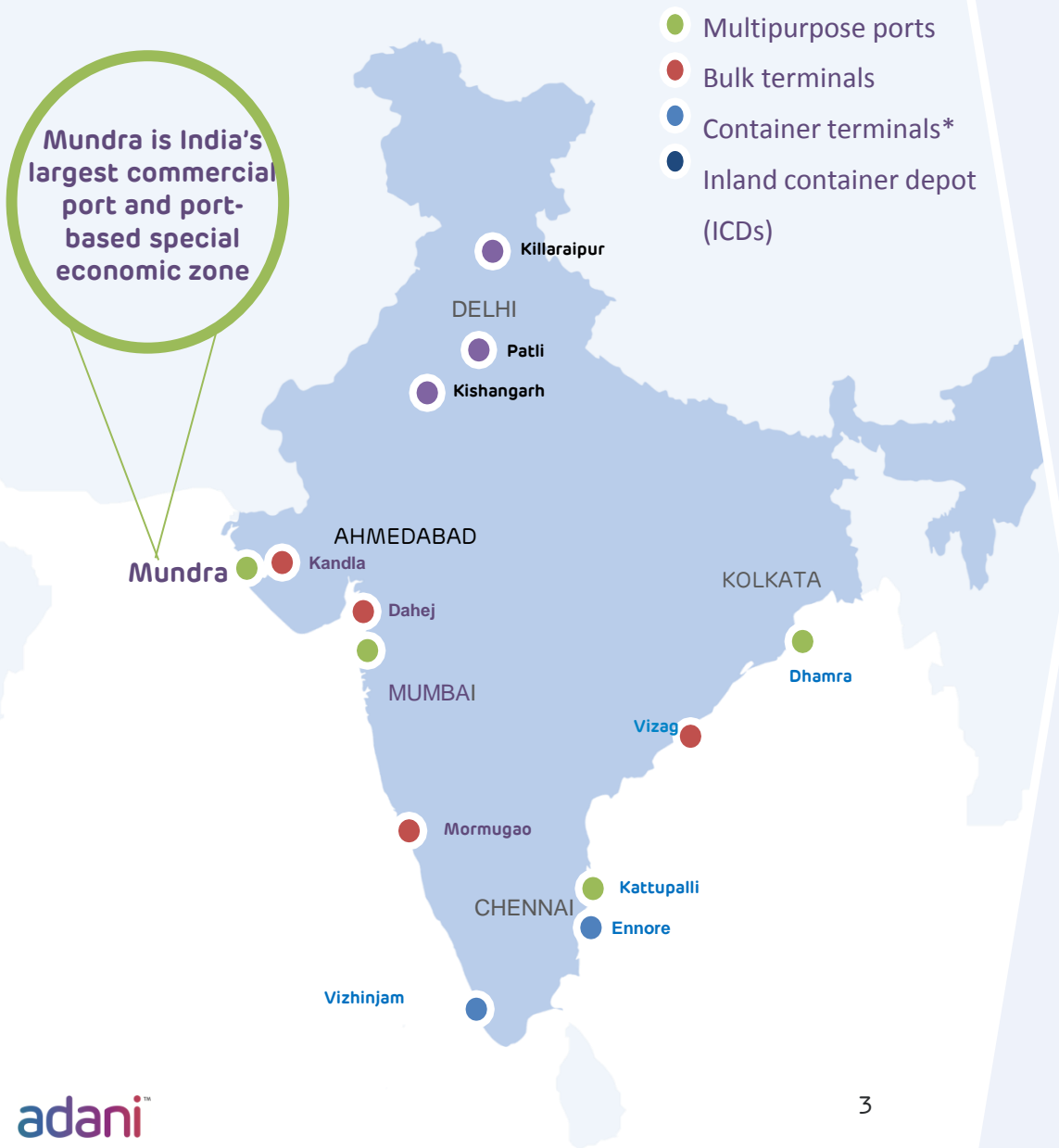
**Operational & Financial Highlights – FY17**

# Contents

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-  **Company Profile**
-  **Operational Highlights**
-  **Financial Highlights**
-  **Business Strategy**
-  **Guidance**
-  **CSR & Sustainability**

# India's largest port operator and integrated logistics player



- 10 strategically-located ports
- Unique multi-cargo, multi-location footprint
- Infrastructure connects to 90% of economic hinterland
- Integrated logistics providing door-to-door services to domestic as well as multinational customers
- Market cap of 11.4 USD Billion

# APSEZ Today: Unique integrated business and operating model across the value chain



## Ports



## Logistics



## SEZ

- Concession assets in a supportive regulatory environment with commercially negotiated free pricing\*
- Weighted average concession period of 30 years
- Handling multi and complex cargo

- Container rail operations across all Indian ports; 20 year license
- Three inland container depots for warehousing
- Enhancing connectivity between ports and origin / destination of cargo

- Land bank of over 8,000 hectares
- Services integrated between land bank and port
- Focus on developing industry cluster in a transport and logistics hub
- Revenue from upfront premium and recurring, annual lease rentals

## Marine

- 19 dredgers#
- 24 tugs

## Port development

- 12.9KM quay length
- 45 berths
- 19 terminals

## Handling

- 85 cranes
- 118 RTGs
- 100KM conveyors

## Storage

- 3.2 MN sq. mtrs bulk storage
- 0.9 MN KL tankages
- 37,800 container ground slots

## Logistics

- 303KM rail length
- 13 locomotives
- 3 ICDs
- 24 rakes

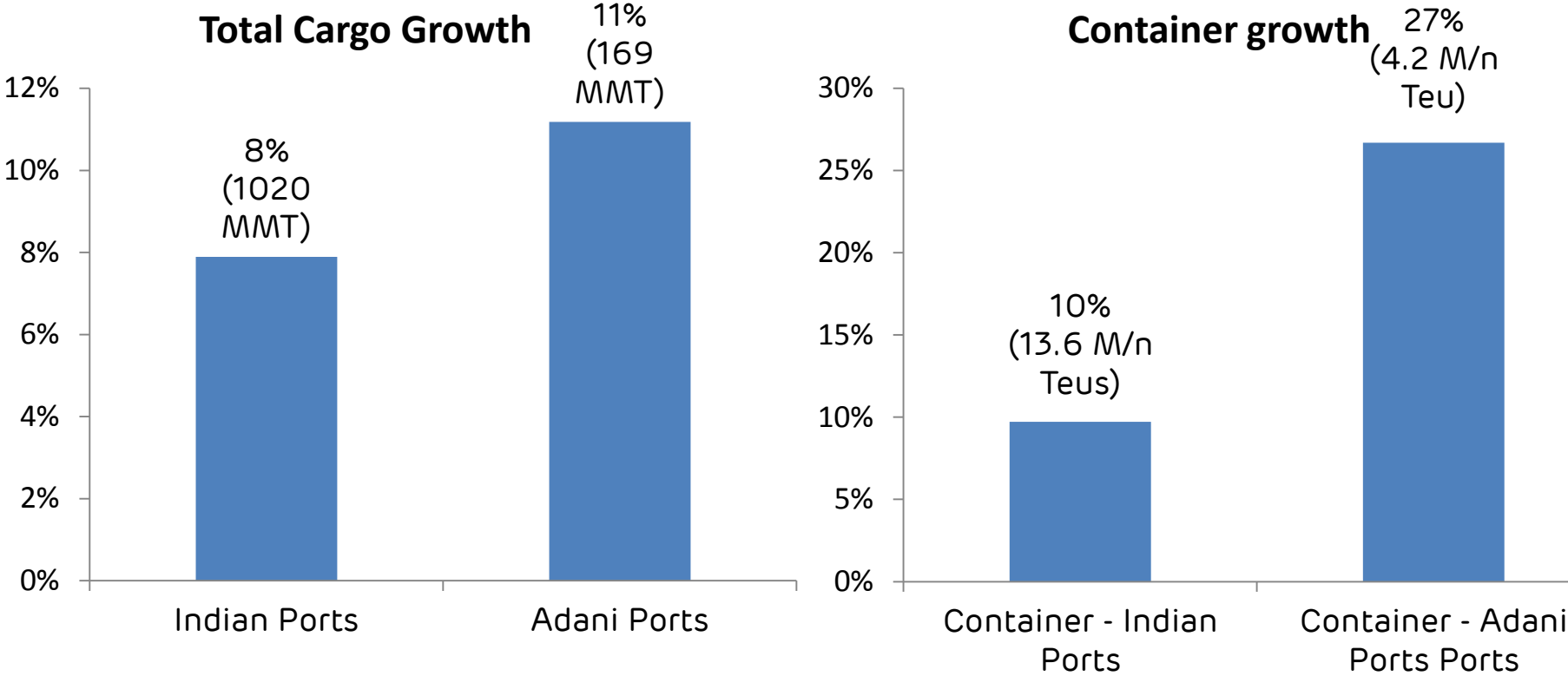
#Including 2 ordered

# Outstanding overall Performance....

- Cargo volumes - 11% YOY growth @ 169MMT - **outpaced all India growth of 8%**
- Container Volume cross **4 Mn TEUs for the first time clocking 4.24 M/n TEUs** – growth of 27%
- ALL continues to be the **largest private Rail Operator**, Rail volumes grew by 57% to 1.8 lac TEUs and terminal volumes grow by 26 % to 3 lac TEUs.
- Port Operation Services of ABPO commenced from 1<sup>st</sup> Oct, 2016. Revenue of Rs. 166 Cr.

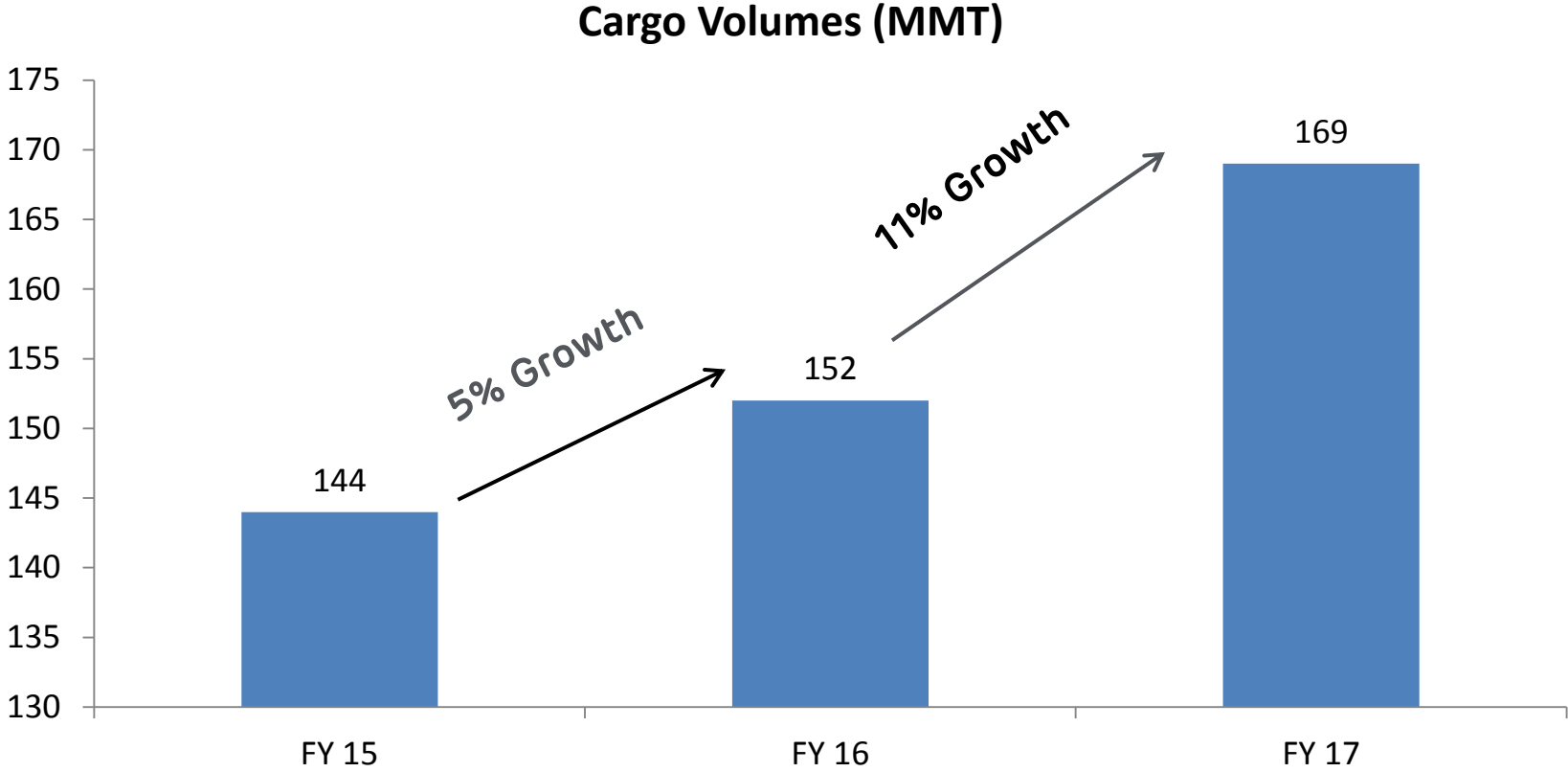
**APSEZ - Operational Excellence Continues**

# Cargo Volume FY17 : Adani Ports vs All Indian Ports



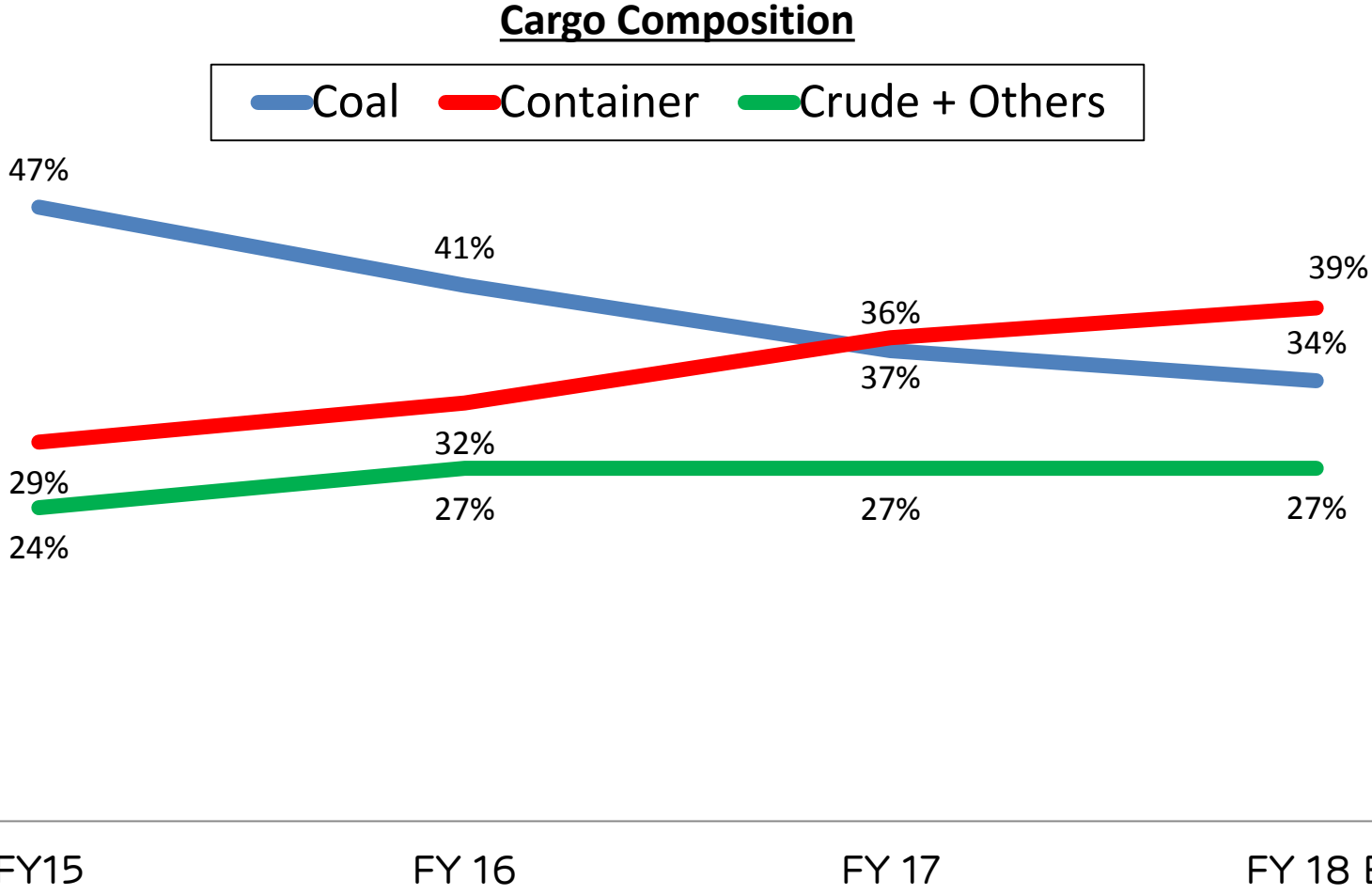
**APSEZ Outperformance Continues**

# Cargo Volumes back to double digit growth.....



Volume growth as per guidance given at the beginning of FY16

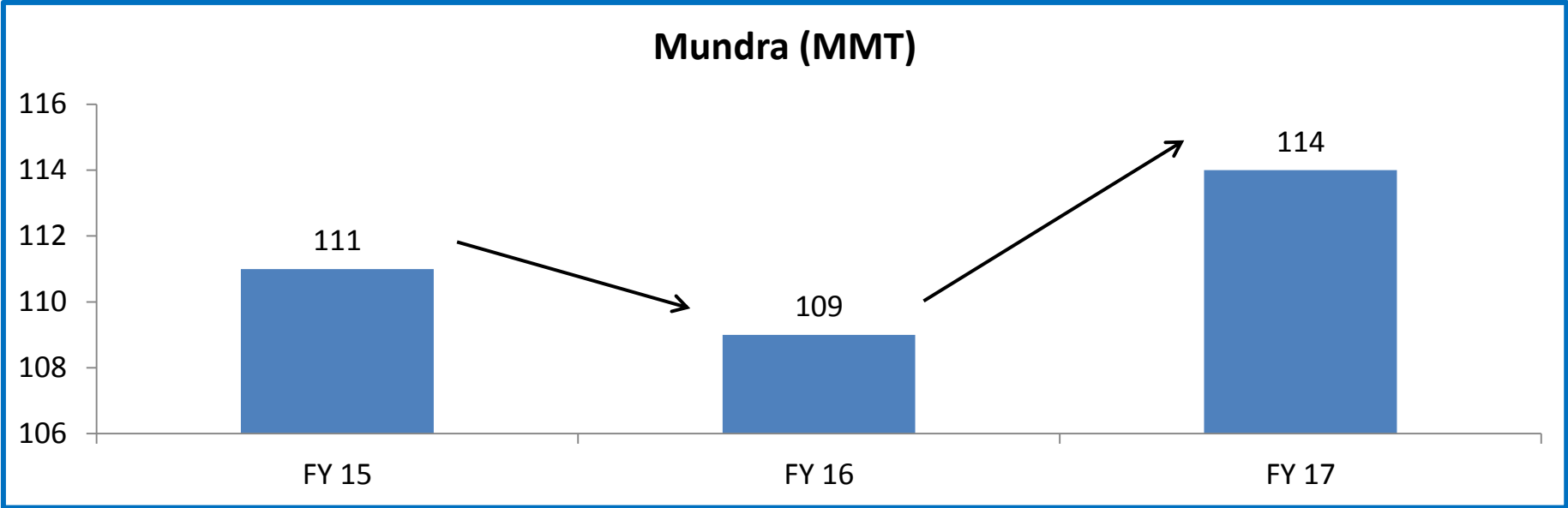
# Cargo Composition - Strategy To Diversify Delivers Result



**Shift towards Container and Other High Value Cargo continues.....**



# Mundra Back On Growth Trajectory



## Commodities Handled at Mundra

- Coal
- Container
- Crude
- Fertilizers
- Steel & Project Cargo
- Minerals
- Others( Agri etc.)

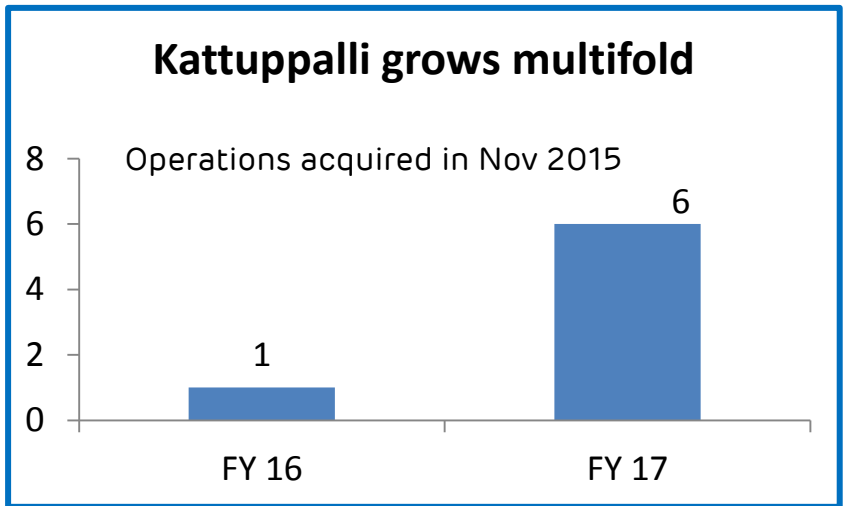
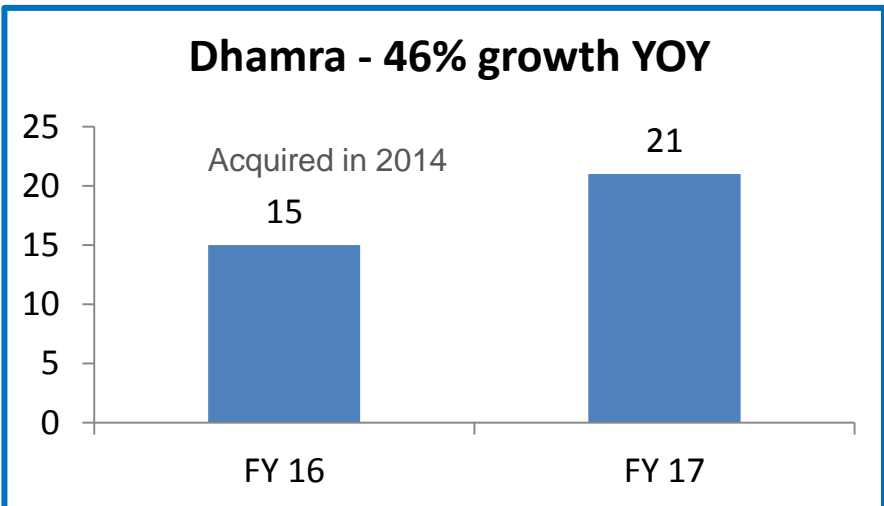
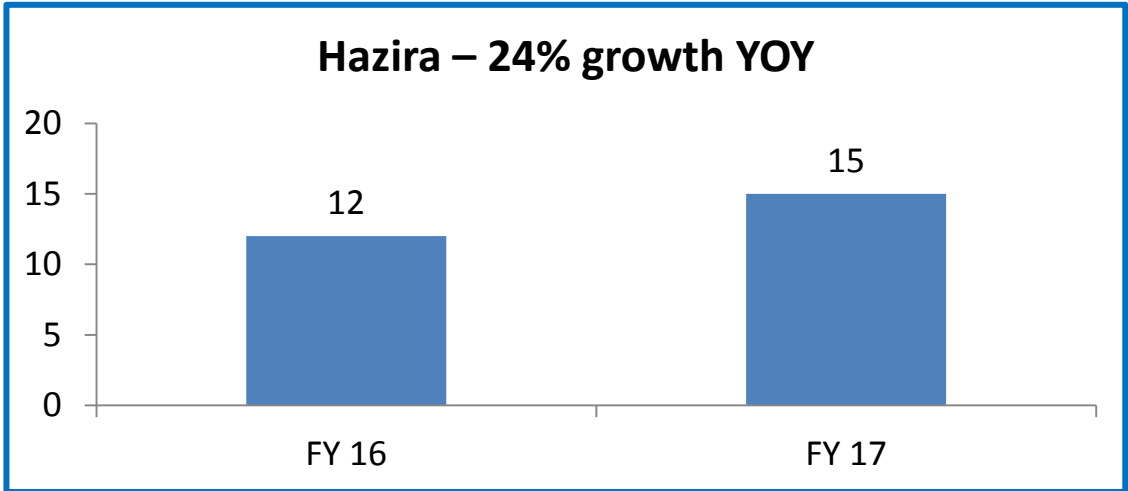
## Operating Modal of CT3 and CT4

- CT3 – 50/50 JV Between Adani & MSC
- CT 4 – 50/50 JV between Adani & CMA CGM
- CT1 leased out to DP world @ 10% royalty pay-out

## Operating Modal Crude SPM

- Dedicated SPM for HMEL and IOCL

# Other Ports Propel Incremental Volumes (MMT)



These ports would continue to grow in the range of 25% to 35%.

## Outstanding Overall Financial Performance...

- ✓ Operating Revenue grew by **19% YOY** (from Rs. 7,109 Cr. to Rs. 8,439 Cr.)
- ✓ Overall EBIDTA Margin improves by **300 basis** points from 64% to 67%
- ✓ Port EBITDA margins improves by **200 basis** points From 67% to 69%
- ✓ PAT grew by **35% YOY growth** (From Rs. 2,914 to Rs. 3,920 Cr.)

(driven by diversification of cargo, operational efficiencies, cost control and reduction in borrowing cost.)

- ✓ Reduction in net debt by Rs. 1827 Cr. in spite of Kattupalli pay-out of Rs 1450 Cr.
- ✓ There are no outstanding related party loans, advances and deposits. We have received back entire amount of Rs. 3500 Cr.

**APSEZ - Operational Excellence Continues**

# Key Ratios & Guidance for FY 18

✓ Key Ratios reflect our excellent performance

Ratios	FY 17	FY 16
ROCE	13.05%	11.45%
ROE	24.88%	22.64%
ROA	12.93%	11.36%
Net debt/EBIDTA	3.24	4.45

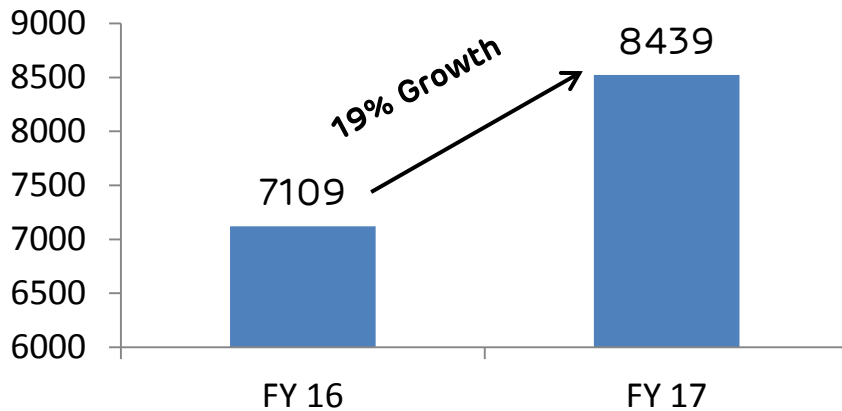
✓ Guidance for FY 18

- Cargo – 12% to 14% growth
- Revenue – 16% to 17%
- Capex – Rs. 2,500 Cr. to Rs. 2,800 cr

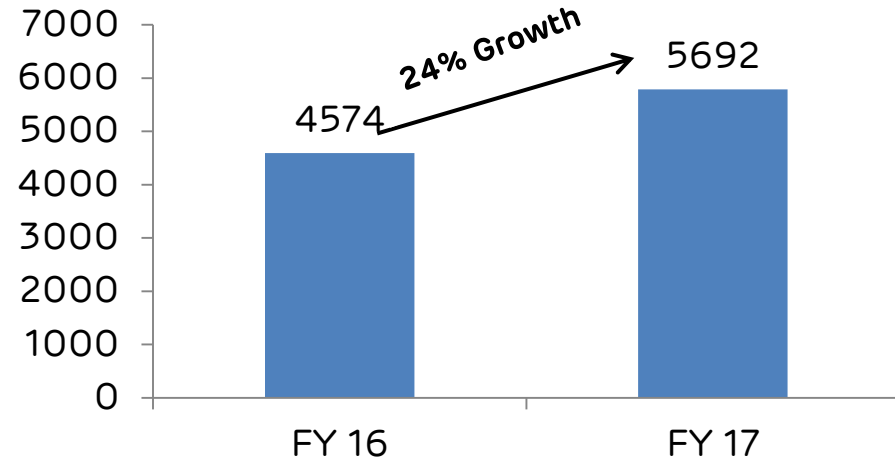
**APSEZ - Operational Excellence Continues**

# Stellar operating and financial performance

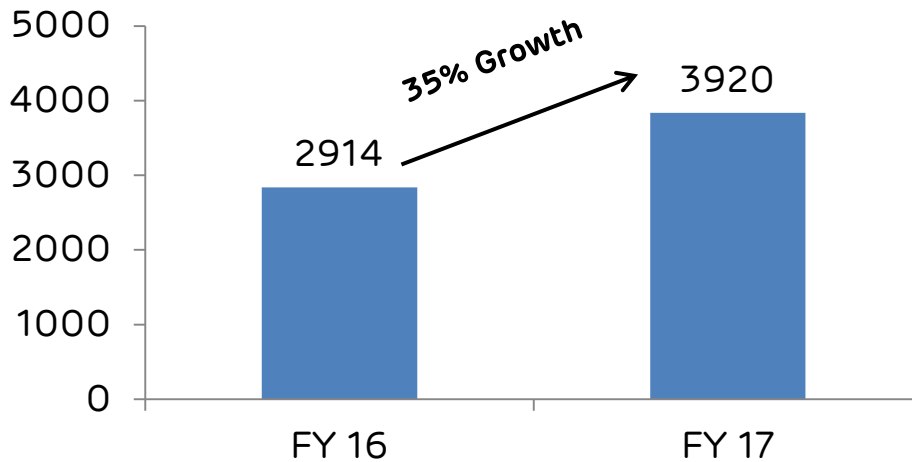
### Operating Revenue (Rs. In Cr.)



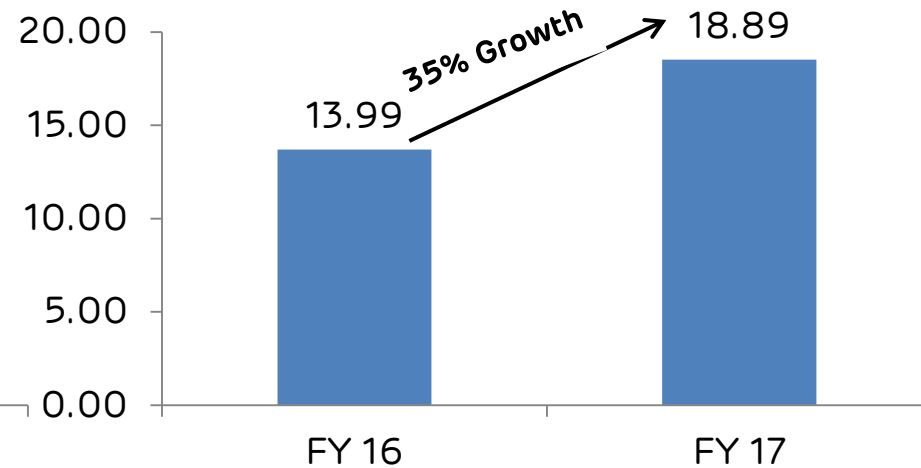
### EBIDTA (Rs. In Cr.)



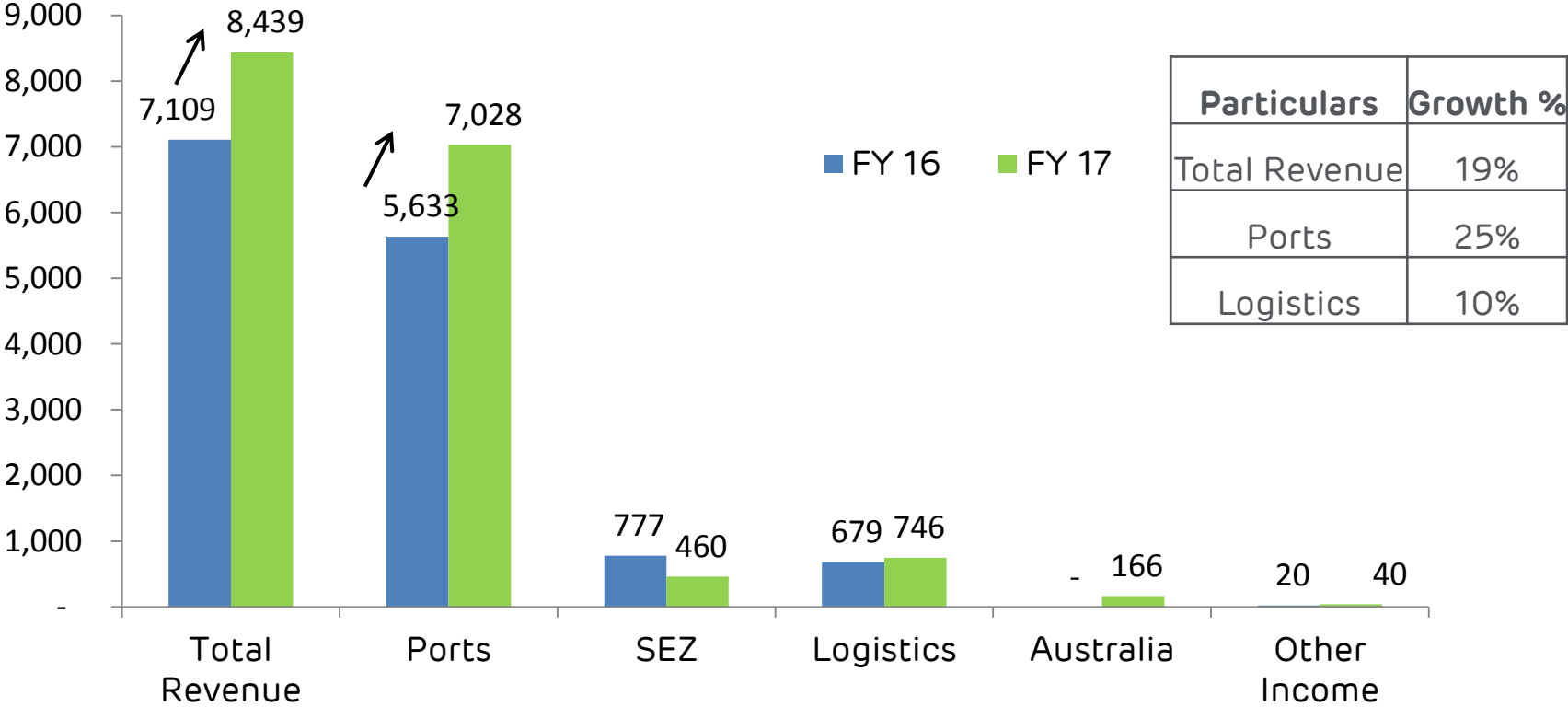
### PAT (Rs. In Cr.)



### EPS (Rs./Share)

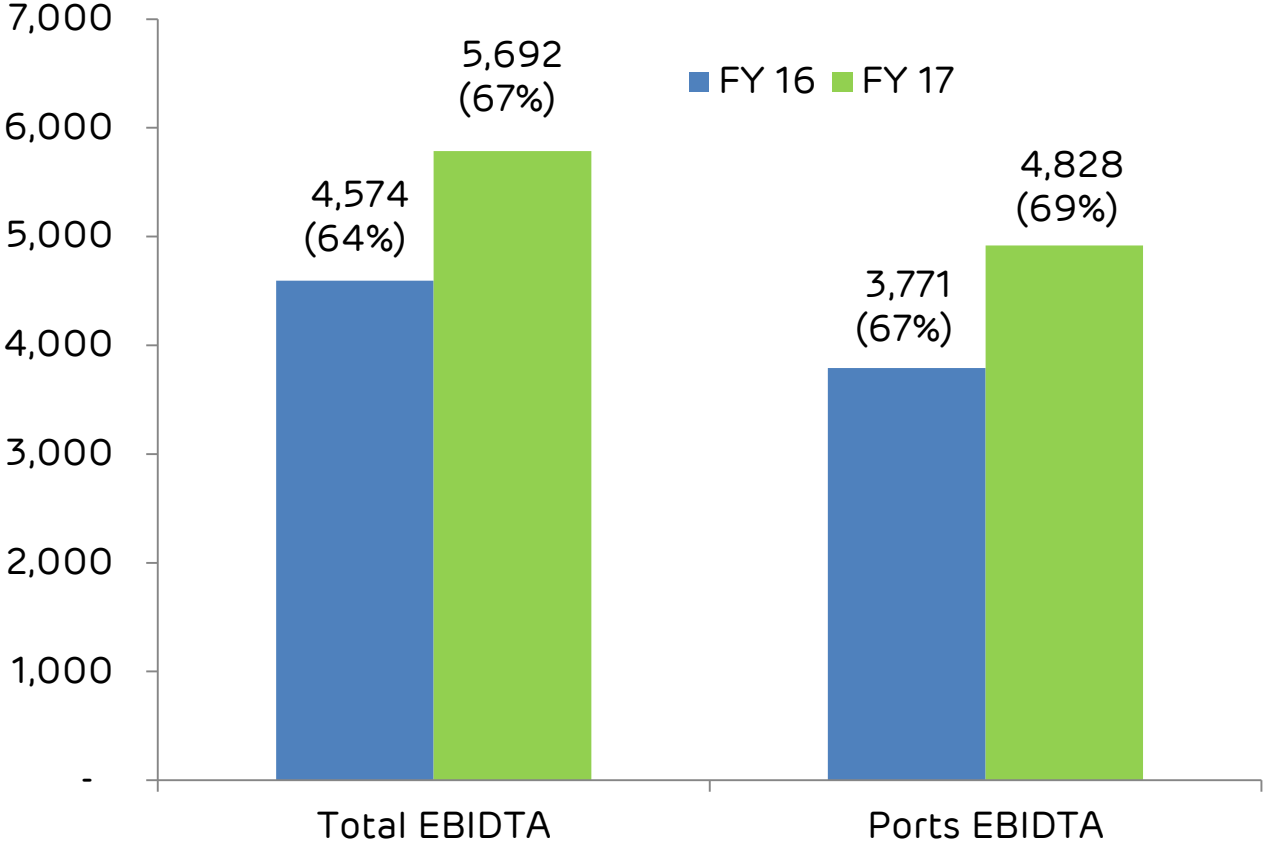


# Break Up of Revenue (Rs. In Cr.)



**APSEZ Operational excellence continues**

# Break Up of EBIDTA (Rs. In Cr.)



Particulars	Growth %
Total EBIDTA	24%
Ports EBIDTA	28%

Port EBIDTA above excludes Forex income/Loss

**APSEZ Operational excellence continues**

# Key Ports & Logistic Vertical Performance

FY 17

Particulars	Cargo (mmt)	Cargo Growth	Revenue	EBITDA	EBITDA Margin
Mundra	113.72	4%	4,879	3,547	73%
Dhamra	21.41	46%	1,127	759	67%
Hazira	15.30	24%	1,037	768	74%
Dahej	6.34	-23%	325	217	67%
Logistics	1,79,936	57%	747	80	11%

Above is based on standalone financials



## Key Financial Summary – FY 2017 (Rs. In Cr.)

Particulars	FY 17	FY 16	Variance(%)
<b><u>Operating Revenue</u></b>			
Ports	7029	5633	25%
Logistics	746	679	10%
SEZ	460	777	-41%
ABPO - Australia	166	-	
Other Income	40	20	103%
<b>Total Operating Income</b>	<b>8439</b>	<b>7109</b>	<b>19%</b>
<b>Total EBITDA</b>	<b>5692</b>	<b>4574</b>	<b>24%</b>
<b>EBITDA Margin(%)</b>	<b>67%</b>	<b>64%</b>	<b>300 BPS</b>
<b>Port EBITDA</b>	<b>4828</b>	<b>3771</b>	<b>28%</b>
<b>Port EBITDA Margin(%)</b>	<b>69%</b>	<b>67%</b>	<b>200 BPS</b>
Net Finance Cost	323	460	-25%
<b>PAT</b>	<b>3920</b>	<b>2914</b>	<b>35%</b>

# Consolidated Financial Performance –SEBI Format (Rs. In Cr)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
1	a. Revenue from Operations	2,231.46	2,208.67	1,898.71	8,439.35	7,108.65
	b. Other Income	323.26	220.90	238.16	1,040.11	732.67
	<b>Total Income</b>	<b>2,554.72</b>	<b>2,429.57</b>	<b>2,136.87</b>	<b>9,479.46</b>	<b>7,841.32</b>
<b>2</b>	<b>Expenditure</b>					
	a. Operating Expenses	606.66	552.30	508.92	2,167.89	1,835.30
	b. Employees Cost	113.49	111.82	73.00	383.14	275.81
	c. Depreciation / Amortisation	295.88	296.60	256.26	1,160.19	1,062.96
	d. Foreign Exchange (Gain) / Loss (net)	(304.04)	69.93	(29.64)	(277.44)	50.30
	e. Finance Cost	-	-	-	-	-
	Finance Cost	395.55	300.54	273.89	1,281.24	1,190.98
	Derivative (Gain)/Loss	96.21	(1.52)	(54.22)	111.94	(69.31)
	f. Other Expenses	177.79	131.00	102.37	473.63	367.20
	<b>Total Expenditure</b>	<b>1,381.54</b>	<b>1,460.67</b>	<b>1,130.58</b>	<b>5,300.59</b>	<b>4,713.24</b>
<b>3</b>	<b>Profit from Operations before Tax (1-2)</b>	<b>1,173.18</b>	<b>968.90</b>	<b>1,006.29</b>	<b>4,178.87</b>	<b>3,128.08</b>
4	Tax Expense (net)	11.86	131.59	106.99	286.63	282.81
<b>5</b>	<b>Net Profit from ordinary activities (3-4)</b>	<b>1,161.32</b>	<b>837.31</b>	<b>899.30</b>	<b>3,892.24</b>	<b>2,845.27</b>
6	Share of profit from Joint Ventures	2.75	0.27	11.00	9.26	19.27
<b>7</b>	<b>Net Profit for the Year (5+6)</b>	<b>1,164.07</b>	<b>837.58</b>	<b>901.66</b>	<b>3,901.50</b>	<b>2,855.90</b>
	<b>Attributable to</b>					
	a. Equity holders of the parent	1,166.90	847.47	910.10	3,911.52	2,897.16
	b. Non-controlling interests	(2.84)	(9.88)	(8.44)	(10.02)	(41.26)
8	Other Comprehensive Income (net of tax) ("OCI")	10.64	(6.03)	18.64	6.67	16.98
<b>9</b>	<b>Net Profit for the Period (7-8)</b>	<b>1,174.71</b>	<b>831.55</b>	<b>920.30</b>	<b>3,908.17</b>	<b>2,872.88</b>
	<b>Attributable to</b>					
	a. Equity holders of the parent	<b>1,179.29</b>	<b>841.44</b>	<b>928.32</b>	<b>3,919.94</b>	<b>2,913.72</b>
	b. Non-controlling interests	(4.59)	(9.88)	(8.02)	(11.77)	(40.84)

# Net Debt (Rs. In Cr)

Description	Mar'2017	Mar'2016	Var
Long Term Borrowings	17,993	15,820	2,174
Short Term Borrowings	2,534	3,134	(600)
Current Portion of Long Term Borrowings	959	2,889	(1,930)
<b>Gross Debt</b>	<b>21,486</b>	<b>21,842</b>	<b>(356)</b>
Less Cash and Bank Balances	1,977	1,278	699
Less Current Investments (Invst. in Market Securities)	909	137	772
<b>Total Cash &amp; Cash equivalent</b>	<b>2,886</b>	<b>1,415</b>	<b>1,471</b>
<b>Net Debt</b>	<b>18,600</b>	<b>20,427</b>	<b>(1,827)</b>

# Key Focus Areas for the next 3 to 5 years

1. Capacity utilization to grow from 50% to 65% - To achieve 300 MMT by 2021.
2. To add LNG and LNG terminals at Mundra and Dhamra, Transshipment at Vizhinjam.
3. To look at strategic opportunities in South East Asia, East Africa, Middle East and Bangladesh.
4. Cargo volume to grow 12% to 14% - Containers and high value cargo to lead growth
5. Cargo composition – Containers to be 40%, Coal to be reduced to 30%.
6. Port EBIDTA to increase progressively from 69% to 73% - Use of technology, higher utilization, operational efficiency and cost control would help in higher port EBIDTA.
7. To Focus on two key verticals –
  - Logistics (to grow by 35%), Provide end-to-end logistics service through expansion of network on asset light model.
  - Dredging – To undertake commercial dredging operations
8. Free cash flow in FY 18 and beyond - to be used for higher dividend payout, reducing net debt to EBIDTA to 2 to 2.5

# Adani Ports: CSR Initiatives



## Education – Spent Rs. 16 Cr. in FY 17 and Rs. 23 Cr. FY 16

- Underprivileged Children
- Training volunteers for teaching
- Girl Child Education
- Adani Vidyamandir



## Health – Spent Rs. 13 Cr. in FY 17 and Rs. 5 Cr in FY 16

- Mobile dispensary
- Immunization for kids
- Teaching sanitation in rural area
- HIV /AIDS awareness campaign



## Livelihood Development - Spent Rs. 4 Cr. in FY 17 and Rs. 6 Cr. in FY 16

- Vocational training
- Animal Husbandry
- Cattle vaccination
- Skill upgradation



## Rural Infrastructure Development - Spent Rs. 15 Cr. in FY 17 and Rs. 8 Cr. in FY 16

- Pond deepening
- Village drainage system
- Check dam construction
- Roads, drinking water, power etc.

# Sustainability

1. APSEZ released its first report in October 2016 – 1<sup>st</sup> Indian Company in the Port sector to do so.
2. APSEZ conducted green house gas study (Carbon Foot print) – At Mundra & Hazira.
3. Similar study will now be conducted at Mundra, Hazira, Tuna, Dahej, Dhamra & Goa
4. APSEZ initiated stakeholder engagement – Perception study
5. APSEZ enters into renewable energy projects to reduce thermal energy use.
  - 1.5 MW rooftop Solar Plant at Mundra Commissioned
  - 6 MW windmill project at Rajmol District. Jasdan Gujarat (Once commissioned Dahej, Hazira and Tuna will use 2 MWs each.

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**Thank You**

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