

Adani Ports and SEZ Ltd.

Investor Presentation – Jan'24



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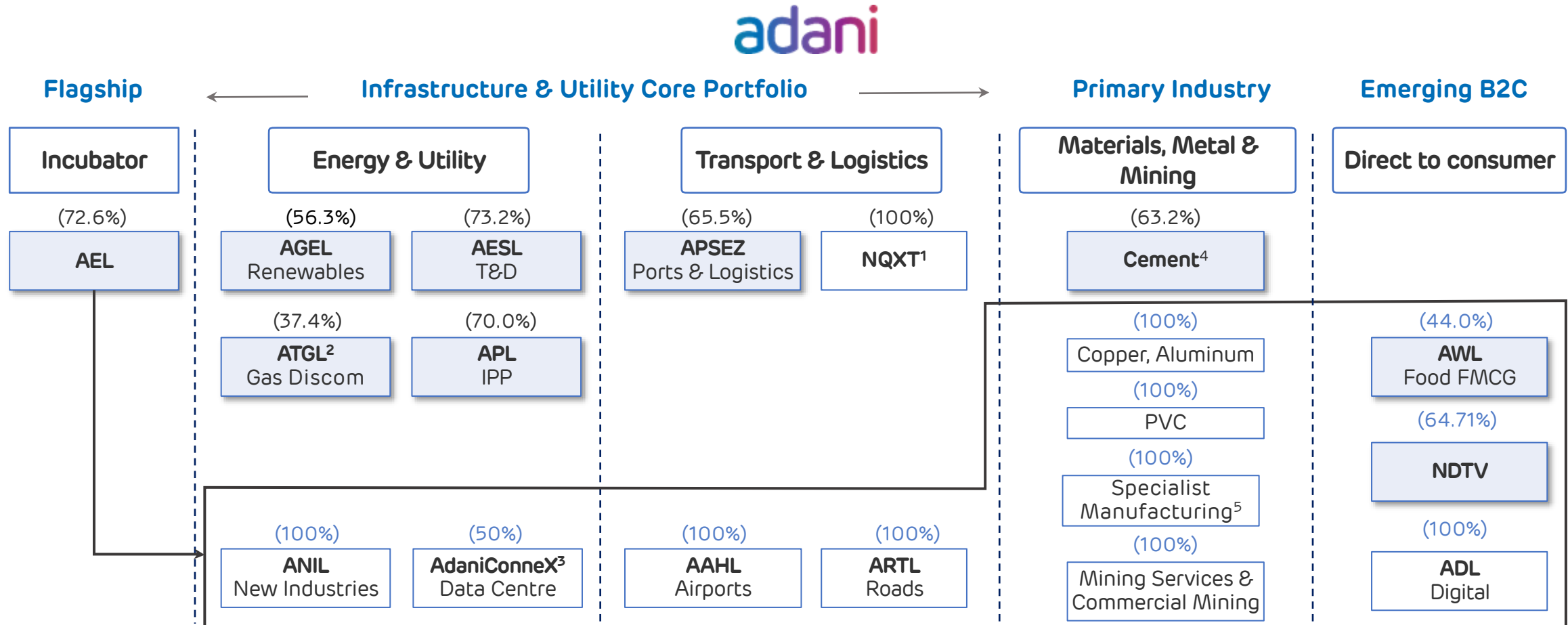
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Logistics

A

Group Profile

# Adani Portfolio: A World class infrastructure & utility portfolio



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

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

1. NQXT: North Queensland Export Terminal | 2. ATGL: Adani Total Gas Ltd, JV with Total Energies | 3. Data center, JV with EdgeConnex, AEL: Adani Enterprises Limited; APSEZ: Adani Ports and Special Economic Zone Limited; AESL: Adani Energy Solutions 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 | NDTV: New Delhi Television Ltd | PVC: Polyvinyl Chloride | 4. Cement business includes 63.19% stake in Ambuja Cement which in turn owns 50.05% in ACC Limited. Adani directly owns 6.64% stake in ACC Limited | 5. Includes the manufacturing of Defense and Aerospace Equipment | Promoters holding are as on 30<sup>th</sup> September,2023

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

## Secular growth with world leading efficiency

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Growth 3x<sup>6</sup>

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

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Renewables

Growth 4x<sup>6</sup>

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

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Energy Solutions

Growth 3x<sup>6</sup>

EBITDA 91%<sup>1,3,5</sup>

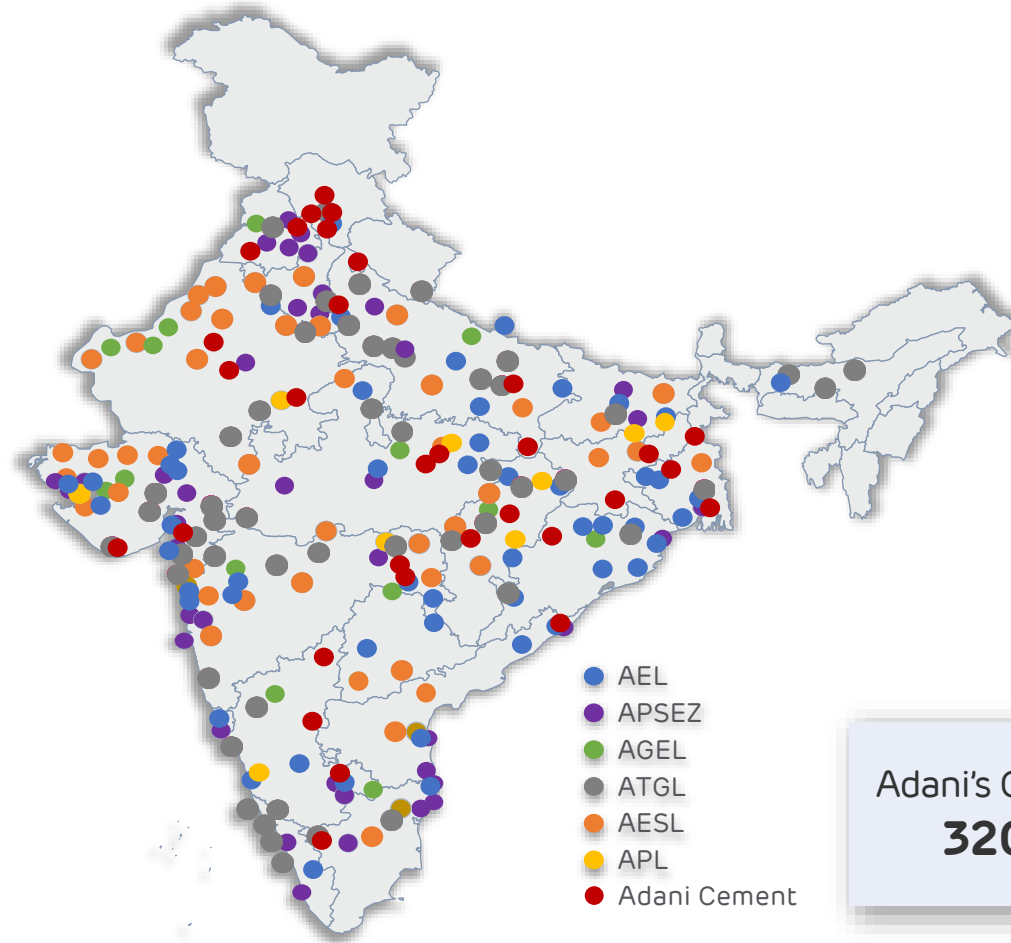
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Gas

Growth 1.4x<sup>6</sup>

EBITDA 19%<sup>1,3</sup>

## National footprint with deep coverage



Adani's Core Infra. Platform –  
**320 Mn** Userbase

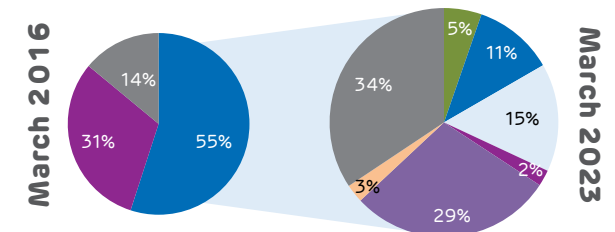
Note: 1. Data for FY23; 2. Margin for indian ports business only, Excludes forex gains/losses; 3. EBITDA = PBT + Depreciation + Net Finance Costs – Other Income; 4. EBITDA Margin represents EBITDA earned from power supply 5. Operating EBITDA margin of transmission business only, does not include distribution business, PBT- Profit before tax, ATGL-Adani Total Gas Limited, AEL: Adani Enterprises Limited, APSEZ: Adani Ports and Special Economic Zone Limited, AESL: Adani Energy Solutions Limited, APL: Adani Power Limited, AGEL: Adani Green Energy Limited | Growth represents the comparison with respective industry segment. 6. Growth pertains to expansion and development aligned with market growth. Growth of respective Adani portfolio company vs. Industry growth is as follows: **APSEZ's** cargo volume surged from 113 MMT to 339 MMT (13%) between 2014 and 2023, outpacing the industry's growth from 972 MMT to 1433 MMT (4%). **AGEL's** operational capacity expanded from 0.3 GW to 8.1 GW (60%) between 2016 and 2023, surpassing the industry's growth from 46 GW to 125 GW (15%). **AESL's** transmission length increased from 6,950 ckm to 19,779 ckm (16%) between 2016 and 2023, surpassing the industry's growth from 3,41,551 ckm to 4,71,341 ckm (5%). **ATGL** expanded its geographical areas from 6 to 52 (31%) between 2015 and 2023, outperforming the industry's growth from 62 to 293 (21%).

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



Activity	Origination	Site Development	Construction	Operation	Capital Mgmt
	<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 capital structure of assets</li> <li><b>Operational phase funding consistent with asset life</b></li> </ul>

Performance	India's Largest Commercial Port (at Mundra)	Longest Private HVDC Line in Asia (Mundra - Mohindergarh)	2,140 MW Hybrid cluster operationalized in Rajasthan in FY23	Energy Network Operation Center (ENOC)	(ABEX -Adani Business Excellence)
	Highest Margin among Peers	Highest line availability	India's first and World's largest solar-wind hybrid cluster	Centralized continuous monitoring of plants across India on a single cloud based platform	<ul style="list-style-type: none"> <li><b>Duration Risk Matching</b></li> <li><b>Forex Currency Risk Management</b></li> <li><b>Interest Rate Risk management</b></li> <li><b>Governance &amp; Assurance</b></li> </ul>



Note 1 Adani Environmental Resource Management Services Ltd. (additional company is being proposed)  
 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., AIMSL : Adani Infra Mgt Services Pvt Ltd, IG: Investment Grade, LC: Letter of Credit, DII: Domestic Institutional Investors, COP26: 2021 United Nations Climate Change Conference; AGEL: Adani Green Energy Ltd . ,NBFC: Non-Banking Financial Company

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APSEZ Company Profile

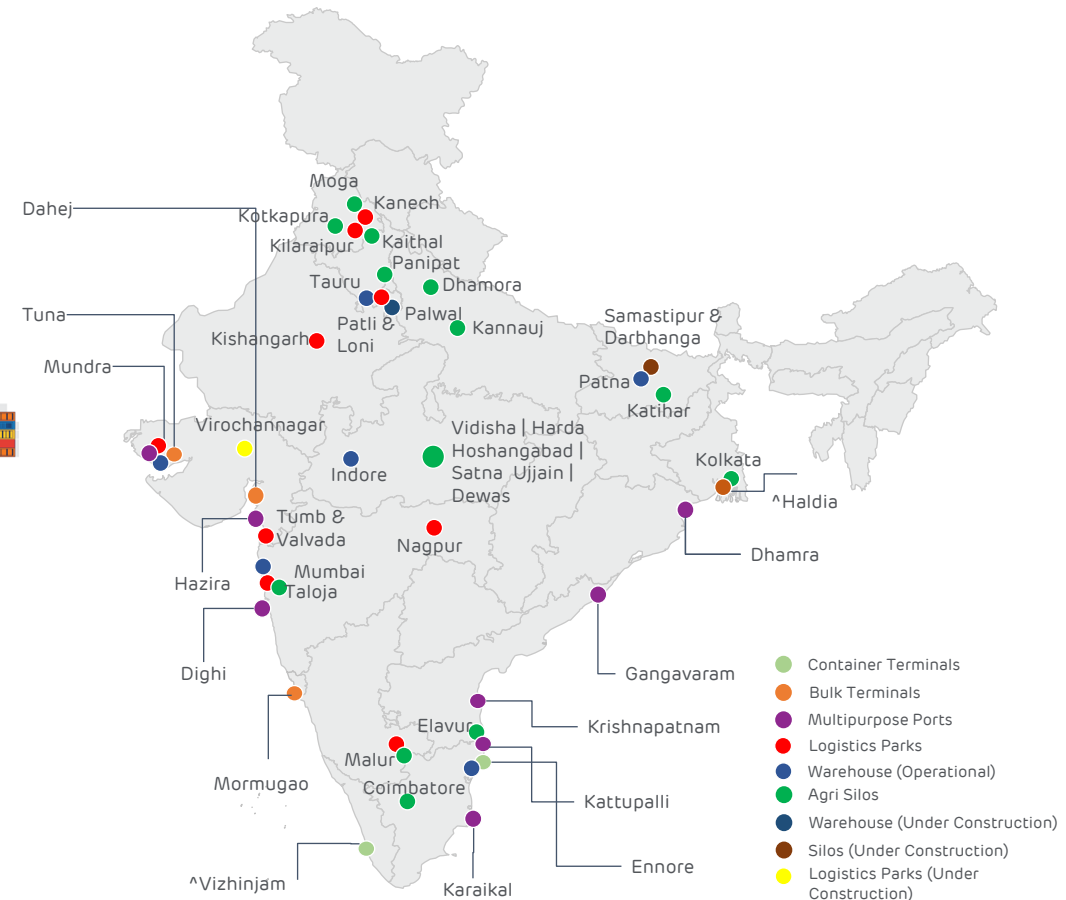
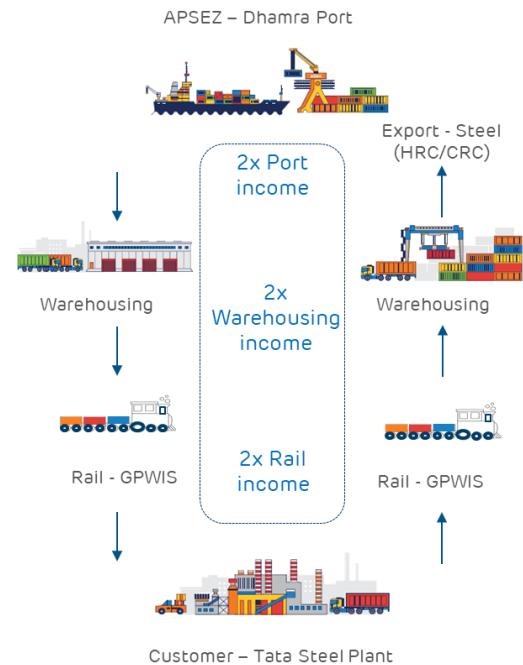
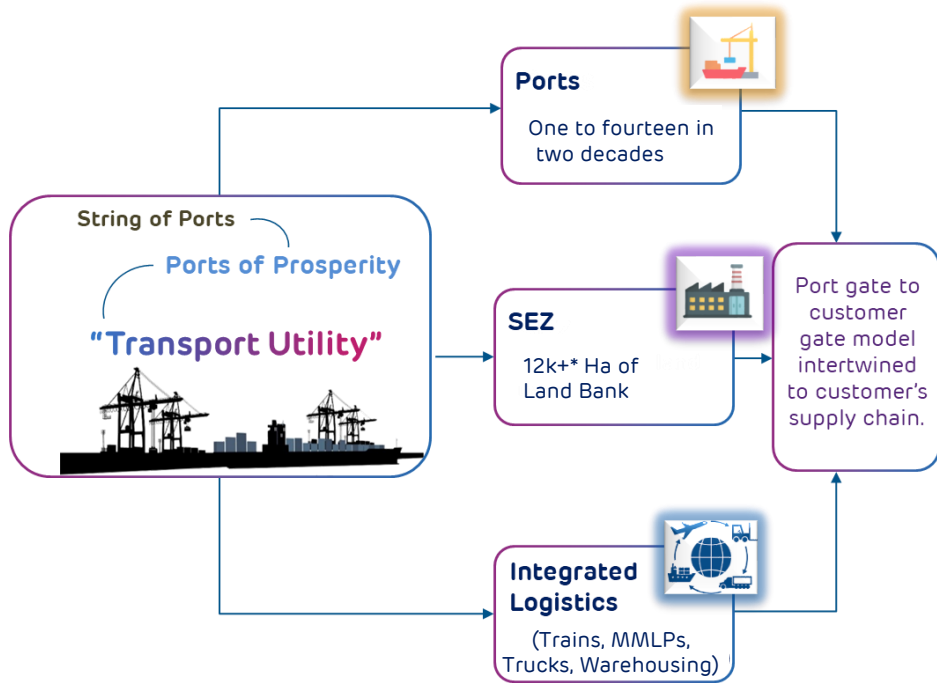
# APSEZ: Transformational Business Model



**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



Presence across value chain

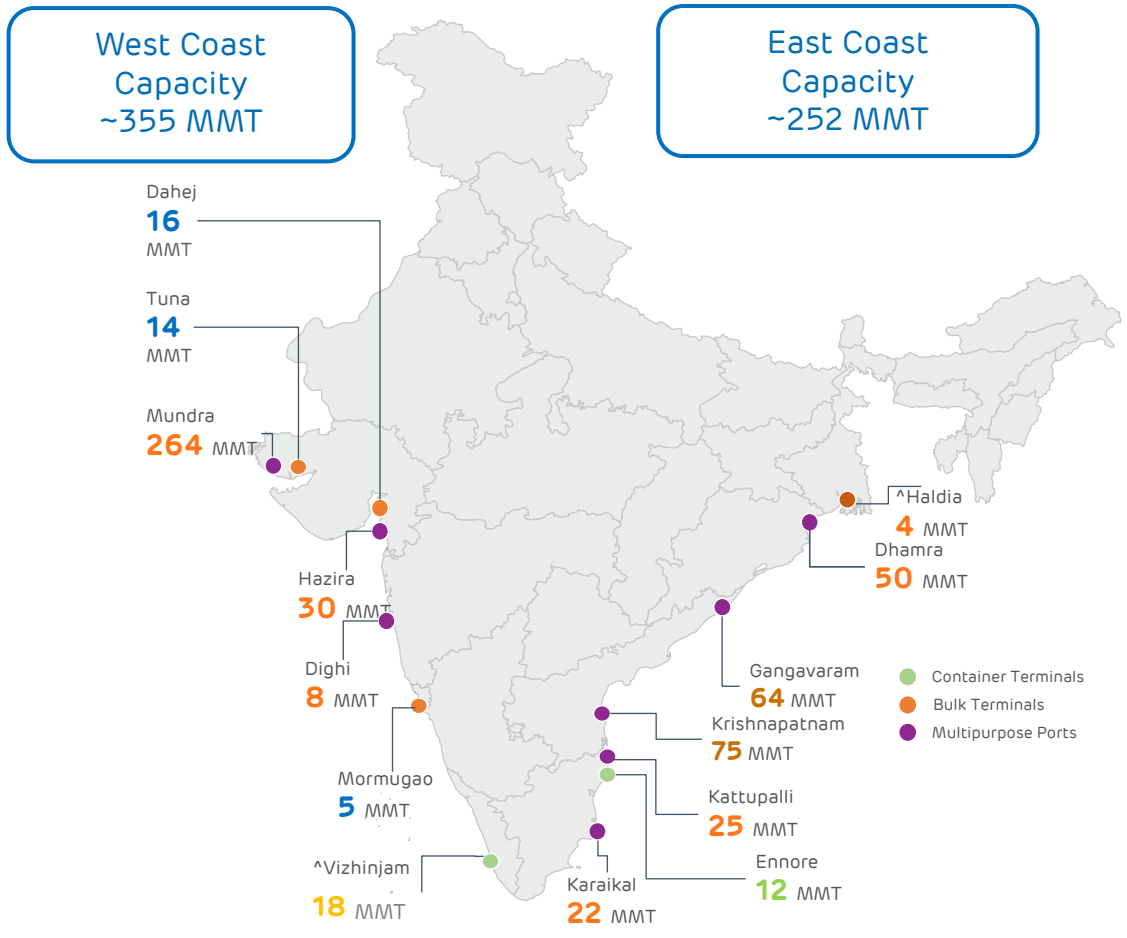
End-to-end solution

Accessibility to 90% of country's hinterland

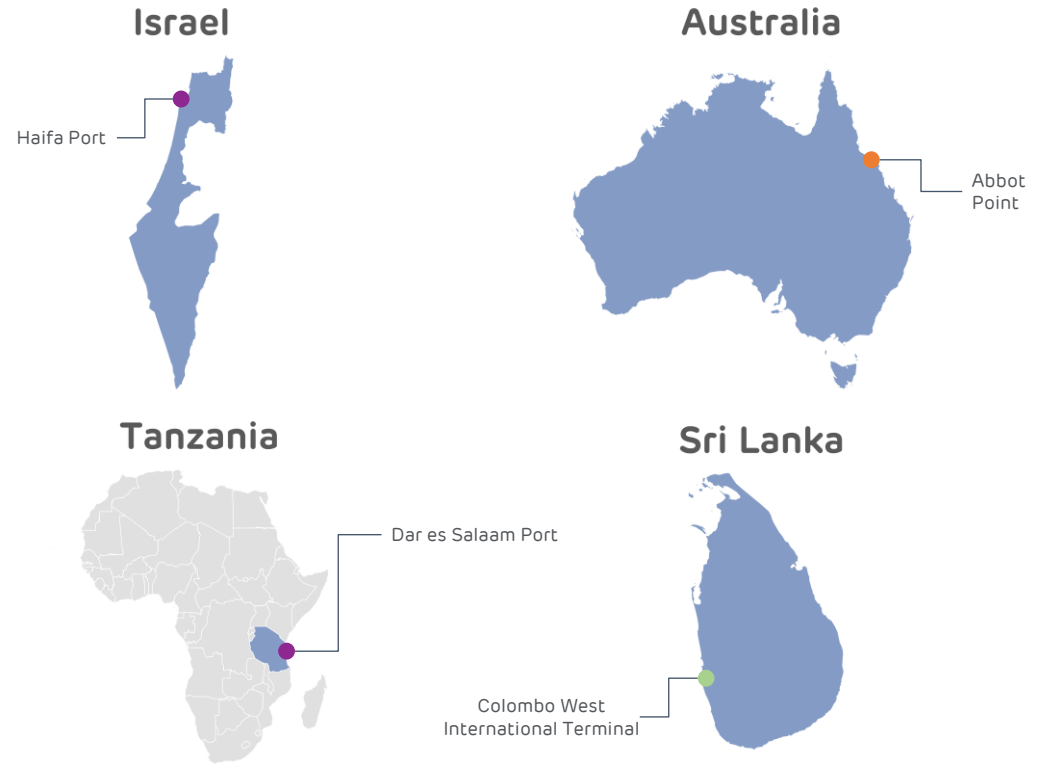
\*Includes both SEZ and non SEZ land | SEZ : Special economic zone; ^ Under Construction

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: India's largest private port player, building global presence



14 ports with capacity of ~607 MMT  
Achieving east-west coast parity



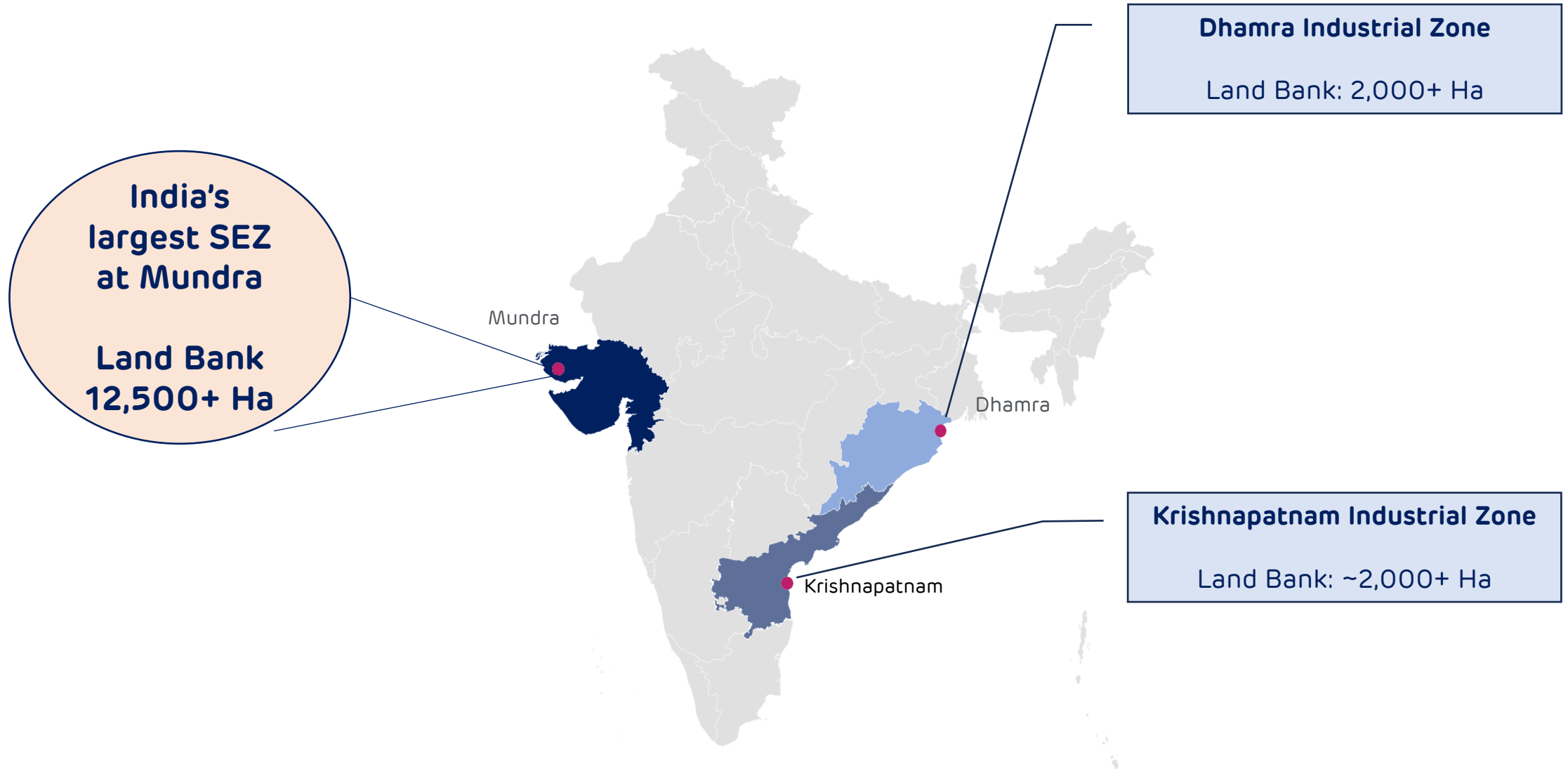
Operating Israel's largest port, Haifa Port, handling 50% of the country's total cargo

O&M contracts at ports in Australia and Tanzania

Building a container terminal at Colombo, Sri Lanka

^ Under Construction | MMT : Million Metric Ton

# APSEZ: SEZ business supporting industry growth in backyard of the ports



# APSEZ: Most diversified logistics player in the country

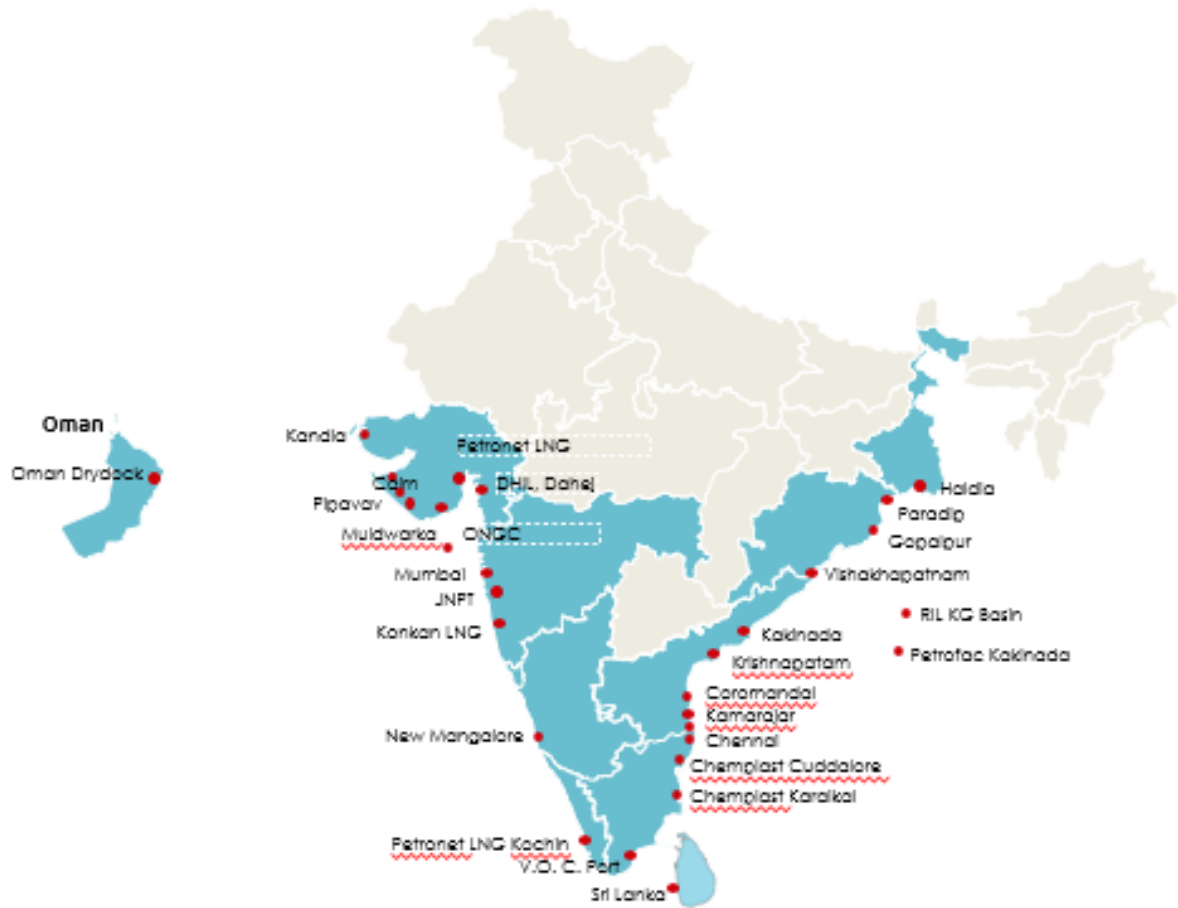
Assets	Marine Flotila*	Trains	MMLPs	Ware-housing	Grain Silos	Rail Tracks
FY20	26	58 Trains	5 MMLP	0.4 mn Sq. ft.	0.88 MMT	540 KMs
H1 FY24	112	104 Trains	10 MMLP	2.4 mn Sq. ft.	1.1 MMT	620 KMs
	1.1X	1.9X	1.5X	25X	3.6X	3X
FY26	120	200+ Trains	15 MMLP	60 mn Sq. ft.	4.0 MMT	2000+ KMs

Integrated logistics allows for a single window service for the customer

MMLP – Multi Modal Logistics Park | MMT – Million Metric Tonne, IFT – Inland Freight Terminals;

# APSEZ: India's largest marine services provider foraying into global waters

## Presence across all the major ports



- Largest third-party marine services provider in the country with 112 tugs
- Currently operating in Sri Lanka and Oman
- Pre-qualified for contracts with Saudi Aramco and in Oman, Kuwait, and Qatar
- Seventh largest in the world on tug count

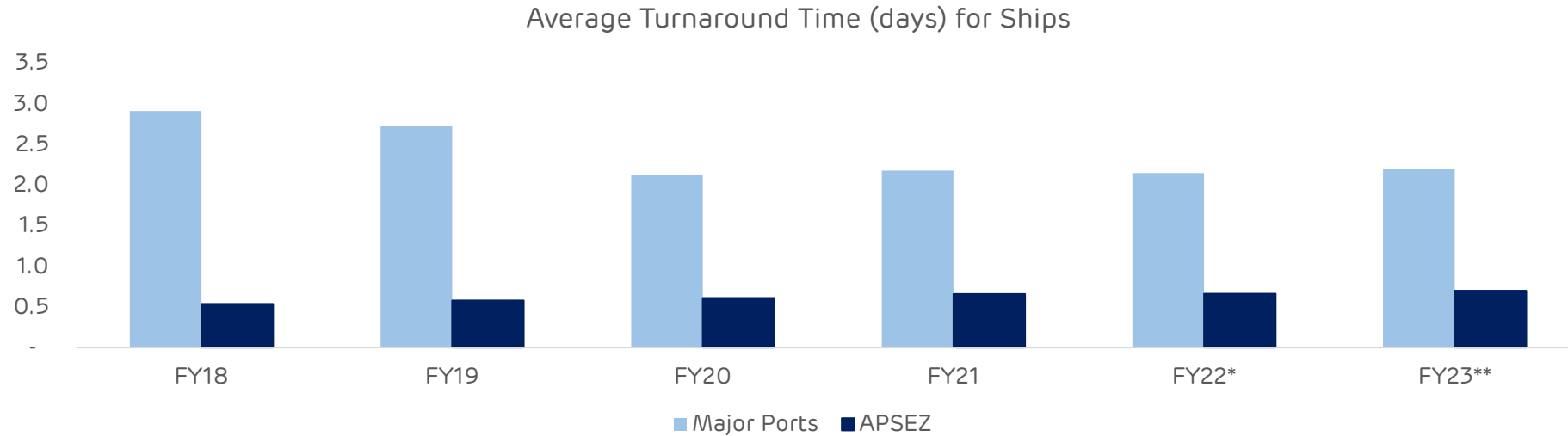
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Catalysts Driving Market leadership Position

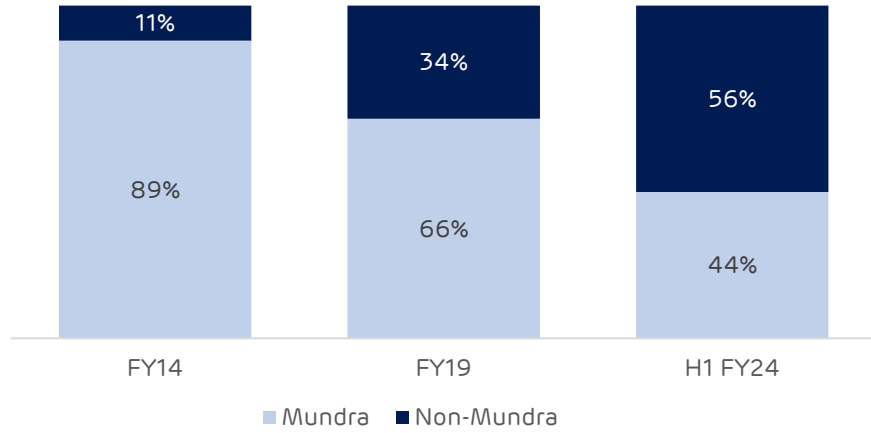
# APSEZ: Establishing new benchmarks on operational efficiency



- APSEZ has been driving transformation of India's port sector by establishing new operational benchmarks; currently, our average turnaround time (TAT) for ships at ~0.7 days
- APSEZ has been guiding major ports in India to improve their TAT; Indian ports have managed to bring down their TAT to ~2 days from ~5 days in 2011

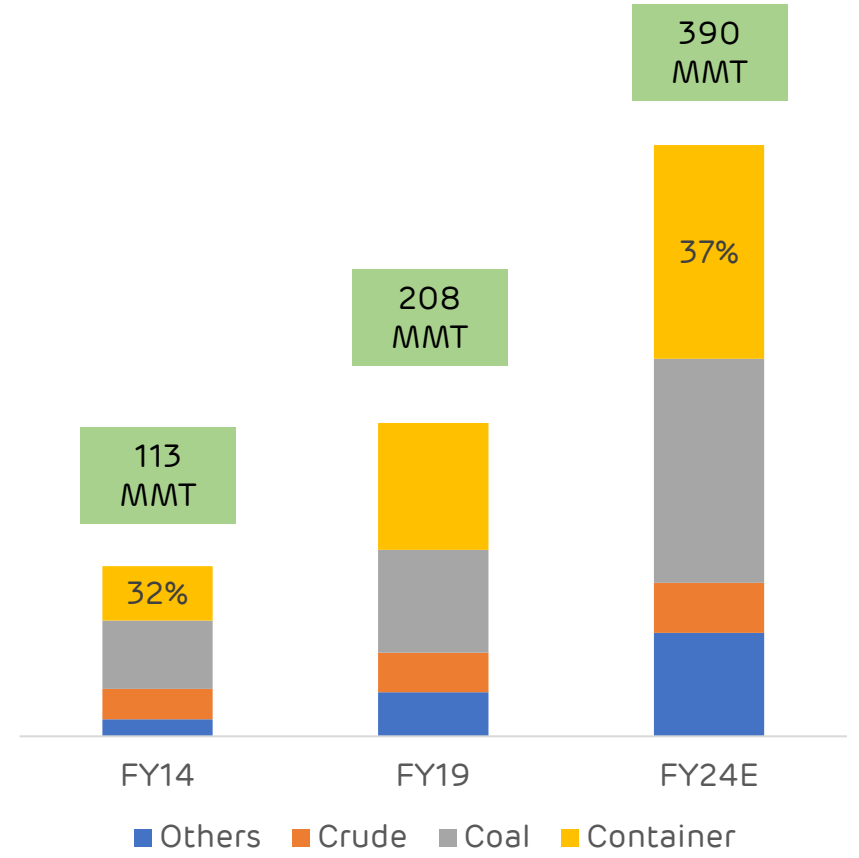
# APSEZ: Geographical & cargo diversification

## Growing share of non Mundra Cargo

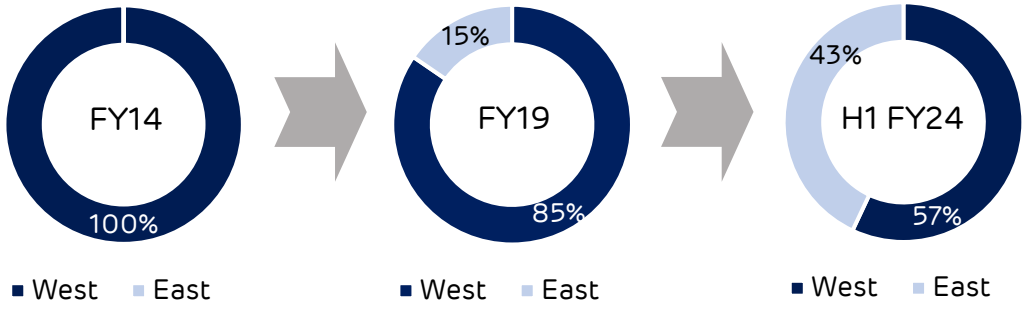


Non Mundra ports volume CAGR 34% from FY14

## Domestic Cargo Diversification



## East Coast – West Coast Parity



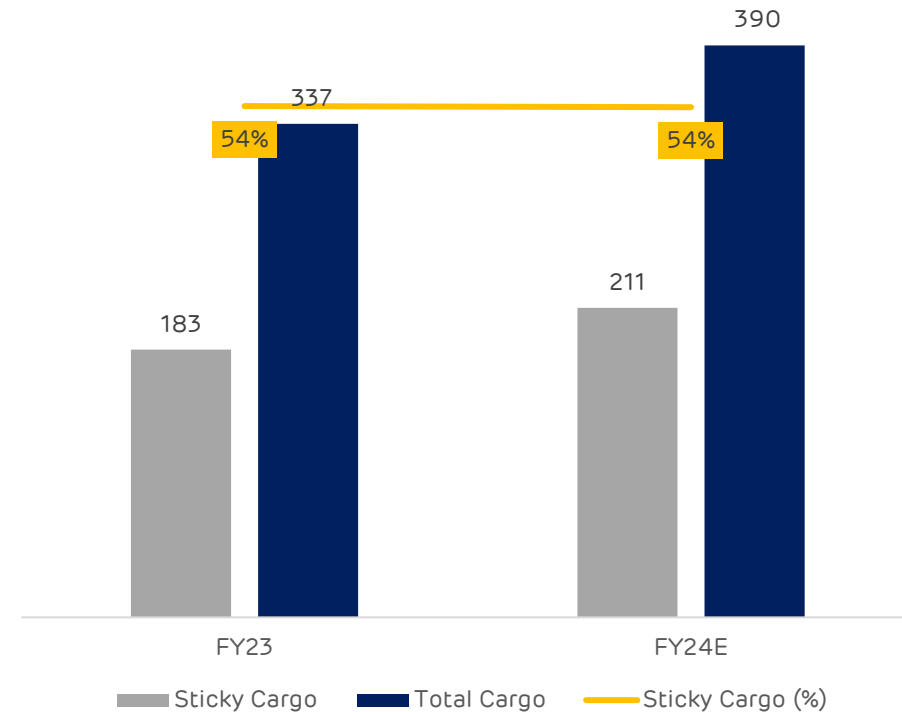
The above data pertains to APSEZ domestic cargo volumes. Our guidance of over 400 MMT for FY24 also includes international operations. E indicates projection based on guidance provided



# APSEZ: Strategic partnerships & proximity to customers

Strategic Partnerships		
Year	Company Name	Partner & Stake
2011	Adani International Container Terminal Pvt Ltd	MSC (50%)
2014	Adani CMA Mundra Terminal Pvt Ltd	CMA-CGM (50%)
2019	Dhamra LNG Terminal Pvt Ltd	Total Energies (50%)
2022	Colombo West International Terminal (Pvt) Ltd	John Keells & Sri Lanka Port Authority (34% & 15%)
2022	Haifa Port Company	Gadot Group (30%)
2022	Indian Oiltanking Ltd	IOCL (49%)

## Sticky Cargo Share



# APSEZ: Quality assets

## Top 10 ports of India include Mundra & Krishnapatnam

FY05	FY13	FY23	H1 FY24
Vizag	Kandla	Mundra	Mundra
Chennai	Mundra	Kandla	Paradip
Kandla	Vizag	Paradip	Sikka
Haldia	JNPT	Sikka	Kandla
Mumbai	Chennai	JNPA	JNPA
Mangalore	Paradip	Vizag	Vizag
JNPT	Mumbai	Kolkata	Mumbai
Mormugao	Mormugao	Mumbai	Kolkata
Paradip	Haldia	Chennai	Krishnapatnam
Cochin	Mangalore	Krishnapatnam	Chennai

## Key characteristics of Mundra & Krishnapatnam

- Mundra & Krishnapatnam are some of the deep draft water ports (17-18m depth) in the APSEZ portfolio
- In 2023, Mundra Port berthed one of the longest vessel ever, MV MSC Hamburg, (399 meters long and 54 meters wide vessel) with a carrying capacity of 15,908 TEU.
- In 2023, Krishnapatnam berthed its largest vessel measuring 335.94 m LOA and 42.94 m beam
- Mundra Port is the largest commercial port and container port of India

## APSEZ: Digital platforms providing end-to-end connectivity

- Our Integrated Transport Utility Platform (ITUP) has improved efficiency across different segments of port operations
- Our Control and Command Center for the logistics business is enabling volume growth and improved EBITDA margins (from 16% in FY19 to 29% in H1 FY24) through optimal asset utilization
- We continue to invest in digitization and automation for further efficiency improvements and cost reductions



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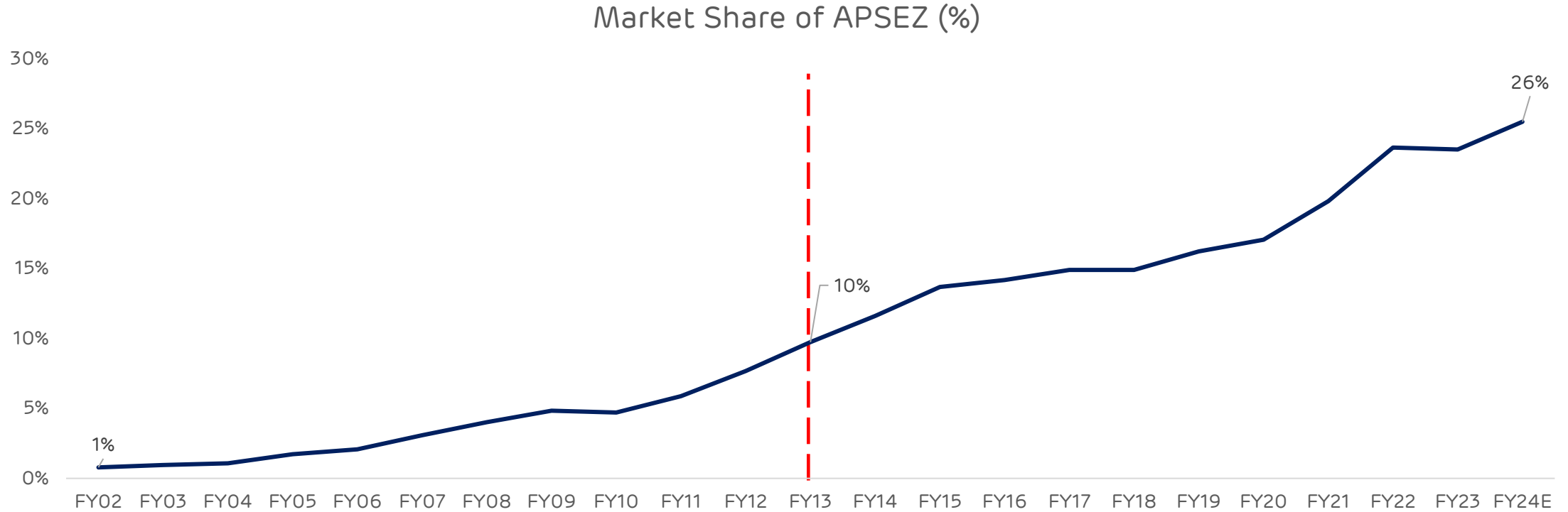
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Investment Summary

# APSEZ: Growing market share

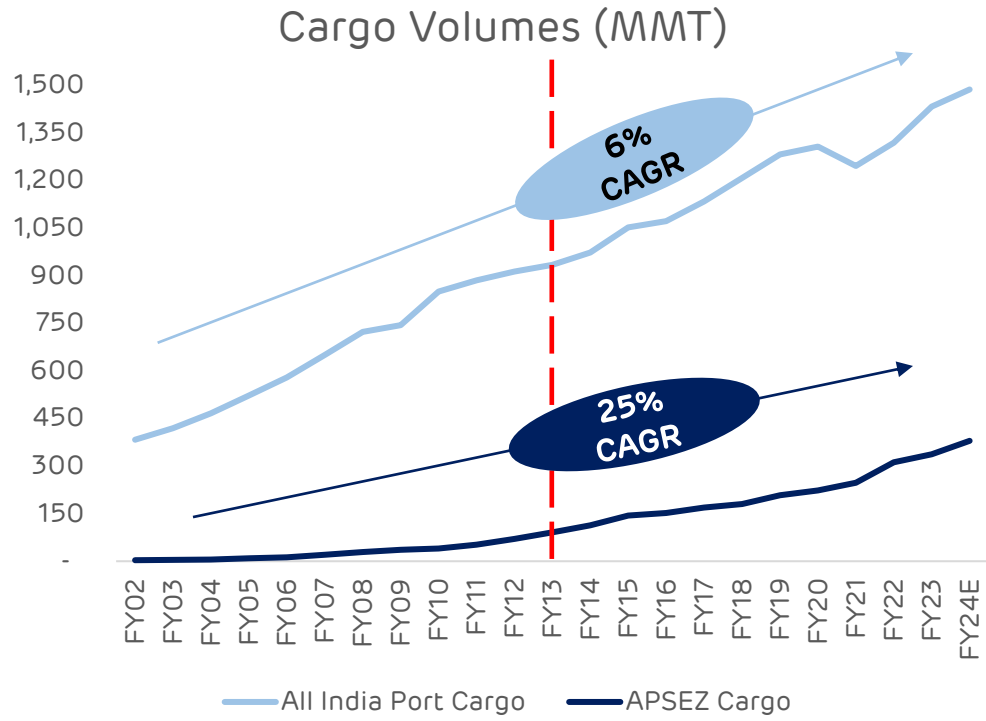
## All India and APSEZ Cargo Volumes



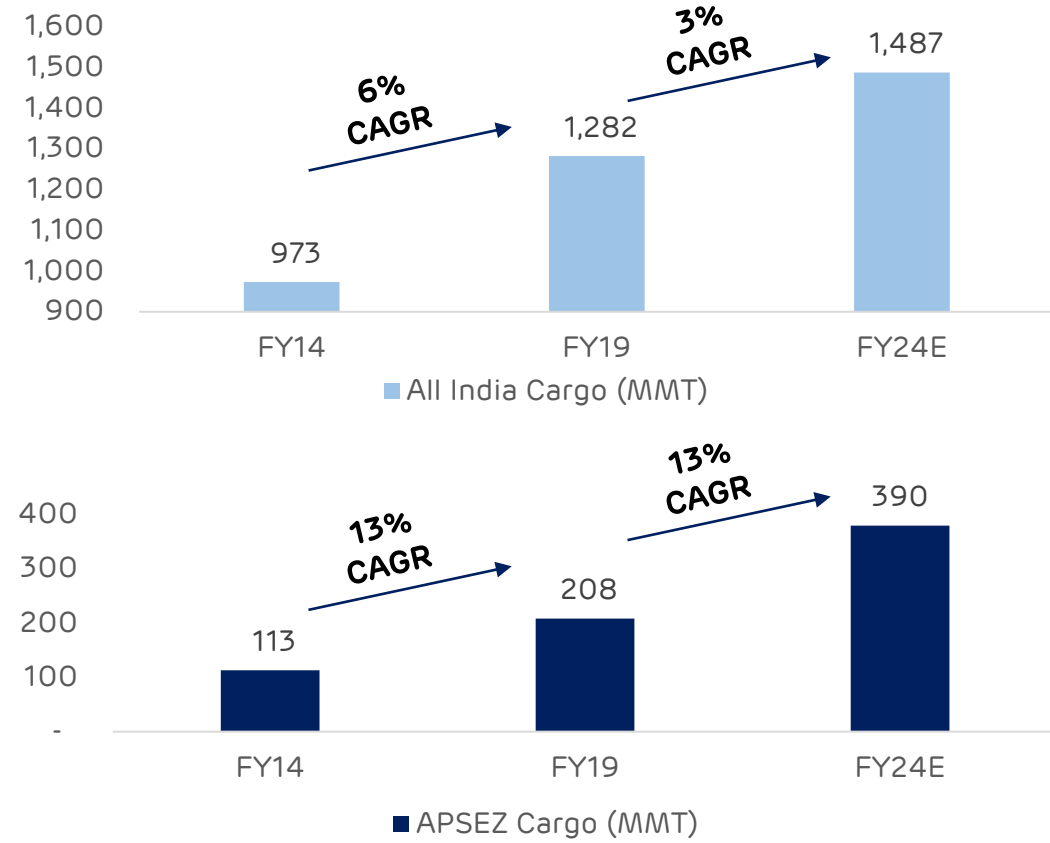
**Market share growth driven by operational excellence, cargo diversification and business model transformation**

# APSEZ: Long term growth way ahead of the industry

## All India Cargo Throughput



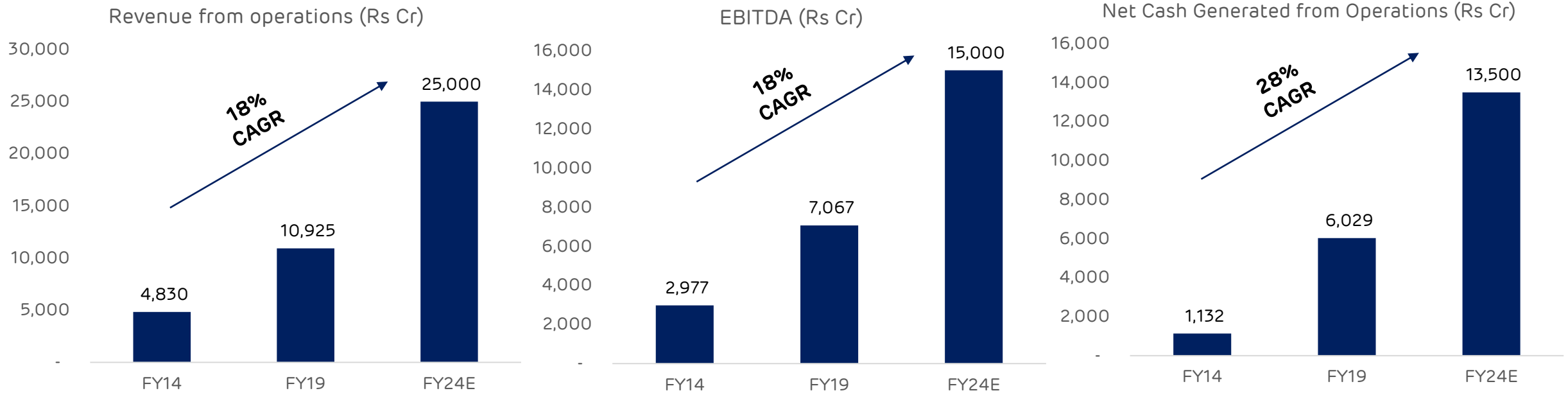
## All India and APSEZ Domestic Cargo Volumes



**APSEZ cargo volumes CAGR over FY14-FY24E at 13% is 3x the industry volumes growth rate (4%)**

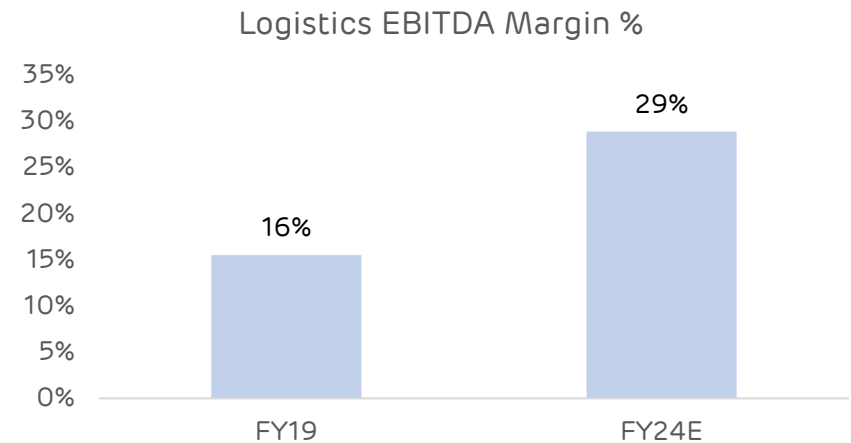
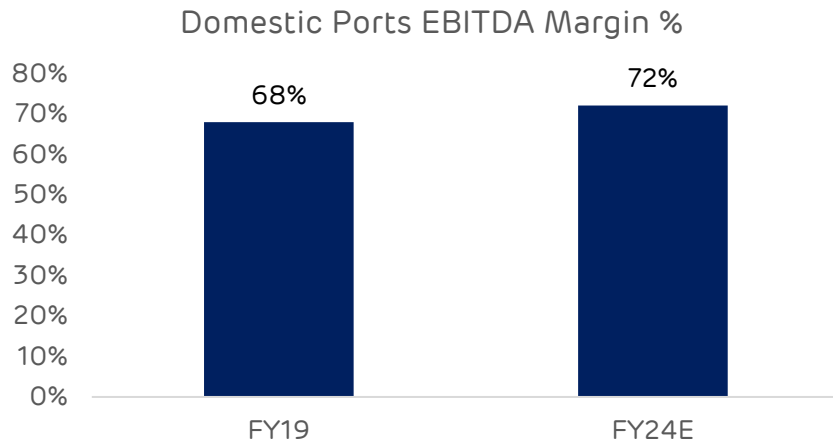
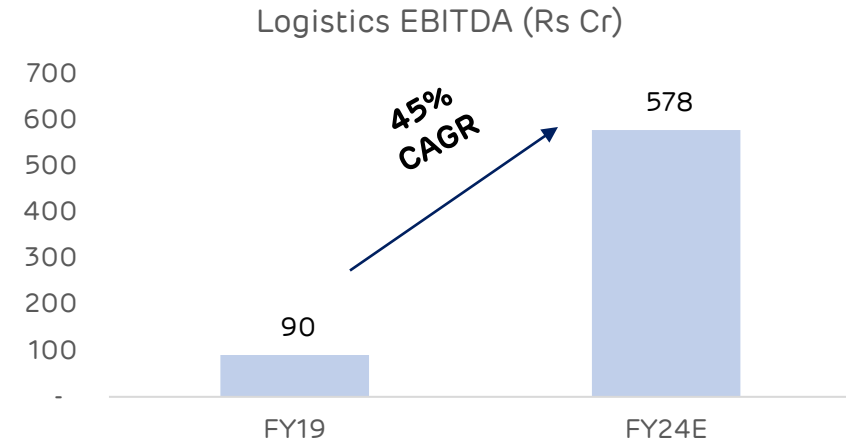
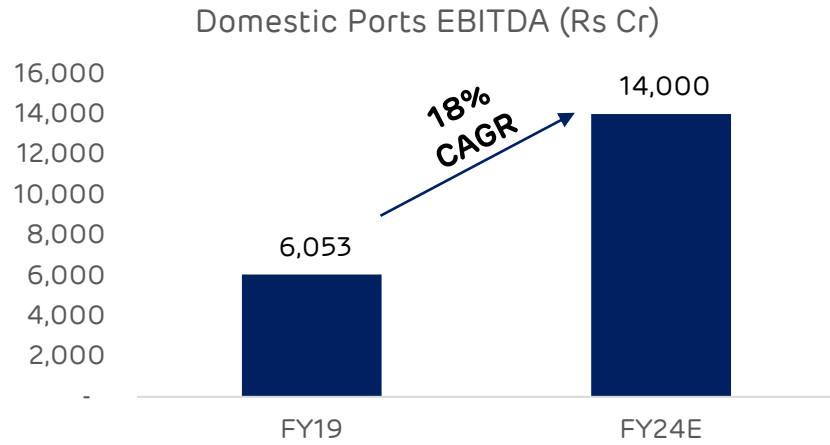
The above data pertains to APSEZ domestic cargo volumes. Our guidance of over 400 MMT for FY24 also includes international operations. E indicates projection based on guidance provided

# APSEZ: Strong cashflow generation



- Revenue and EBITDA growing almost 2-3x every five years
- Average transformation of EBITDA to operating cashflows is healthy at over 70%
- With 70% domestic port EBITDA margins, APSEZ is one of the most profitable port operator globally

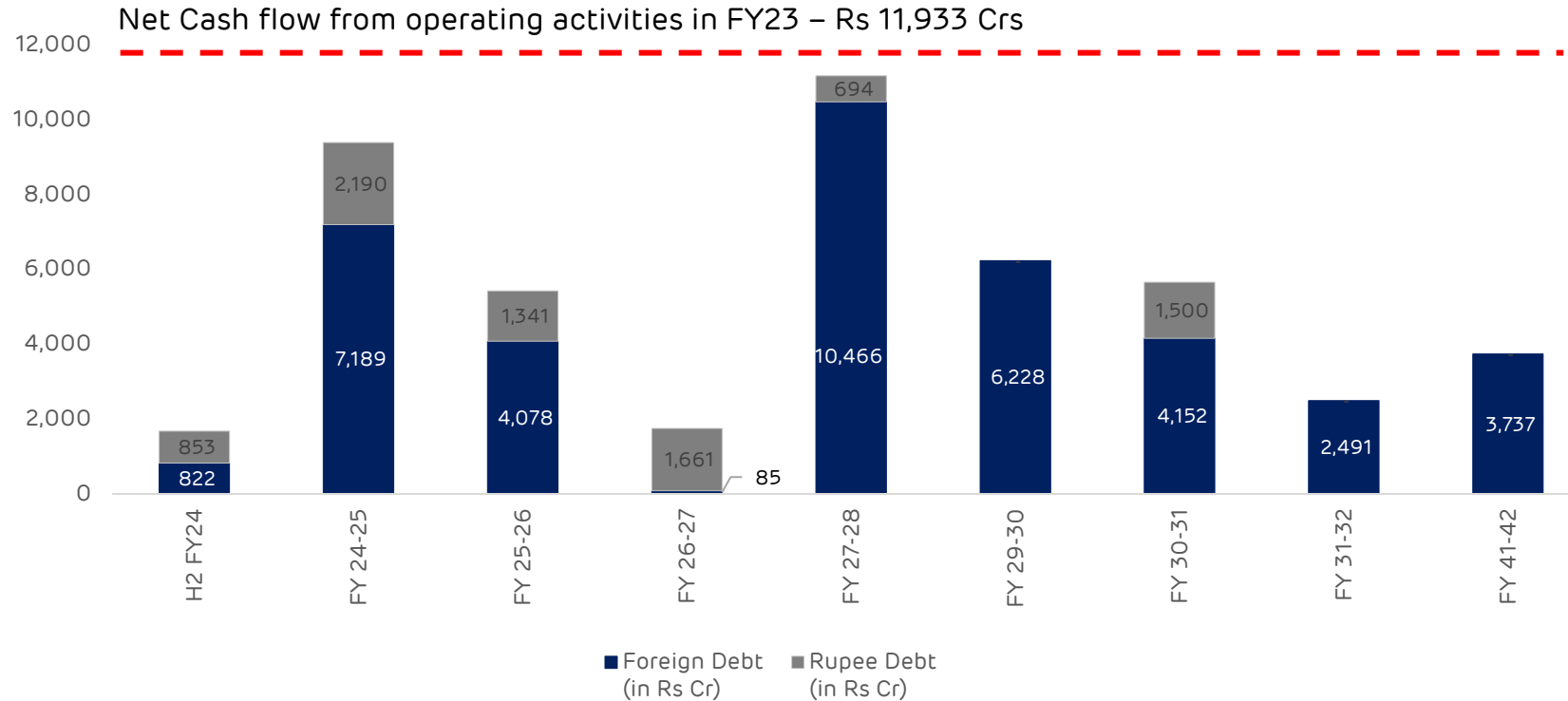
# APSEZ: Margin expansion across both ports and logistics business



- Ports EBITDA has grown at 18% CAGR during the past 5 years, with EBITDA margin expansion of 400 bps
- Logistics EBITDA has increased at CAGR of 45% during past 5 years, with EBITDA margin expansion of ~13%



# APSEZ: Debt Maturity Profile as on 30<sup>th</sup> Sep'23



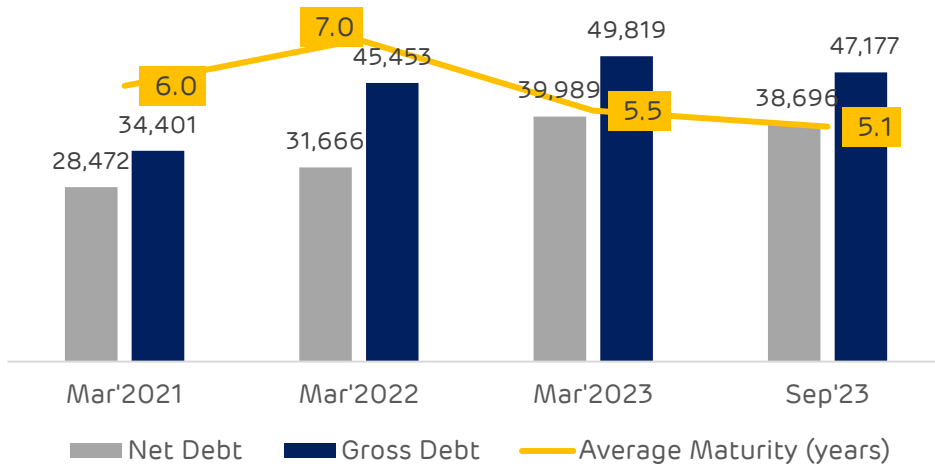
**Of the Rs 7,189 Crs Foreign Debt repayment due in FY25, Rs 1,616 Crs (USD 194.65 Mn) was repaid in Oct-23**



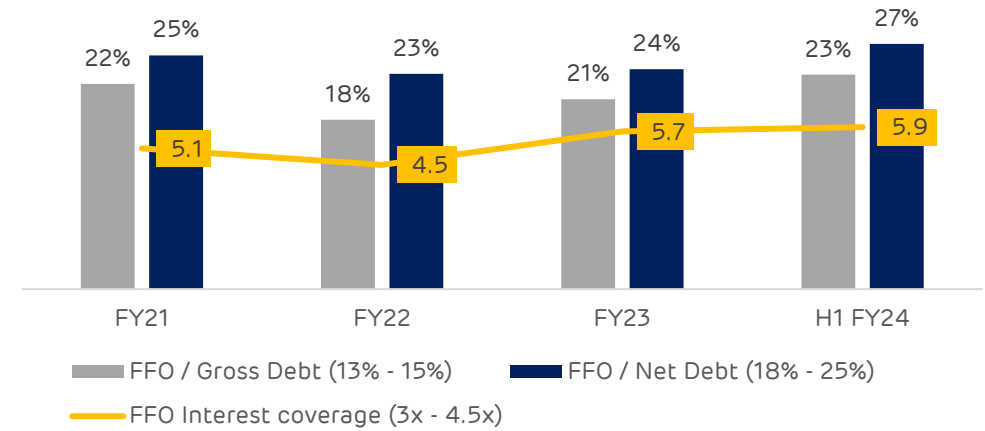
# APSEZ: Leverage ratios

(YoY, in INR Cr)

## Gross Debt, Net Debt & Average Maturity

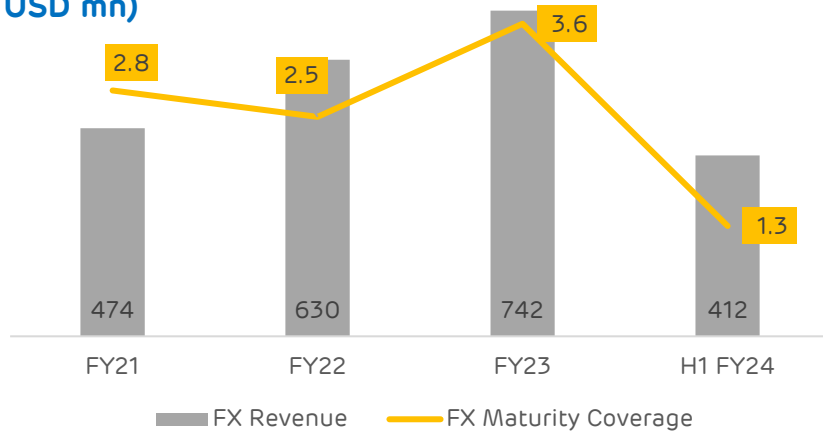


## Rating Ratios\*

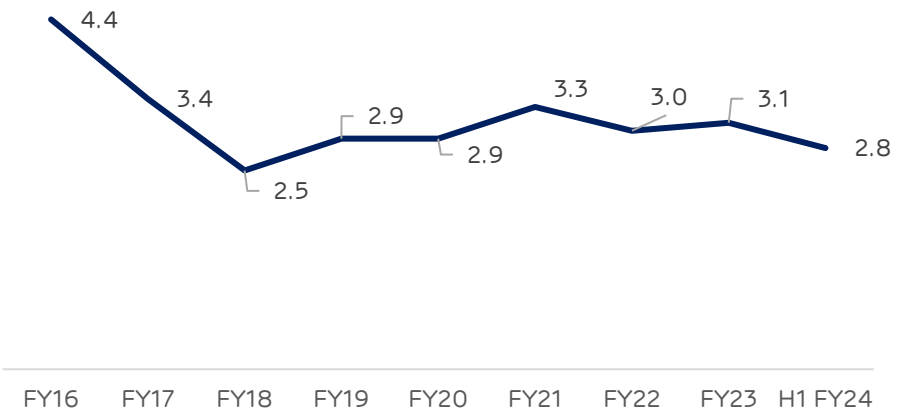


## FX Revenue and FX Debt Coverage

(in USD mn)



## Net Debt to EBITDA



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

# APSEZ: 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	Long Term Ratings
APSEZ	ICRA	AA+/Negative
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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ESG Performance

# APSEZ: ESG Ratings



Dow Jones  
Sustainability Indexes

- Ranked amongst top-15 with 96 percentile score in the Transportation and Transportation Infrastructure out of 314 companies assessed
- Achieved the highest score of 90/100 on the Environmental pillar amongst the 314 companies assessed



- Overall placed in top 96 percentile among companies across all the sectors globally
- Received low ESG risk rating (score: 12.6) given strong management of ESG risks

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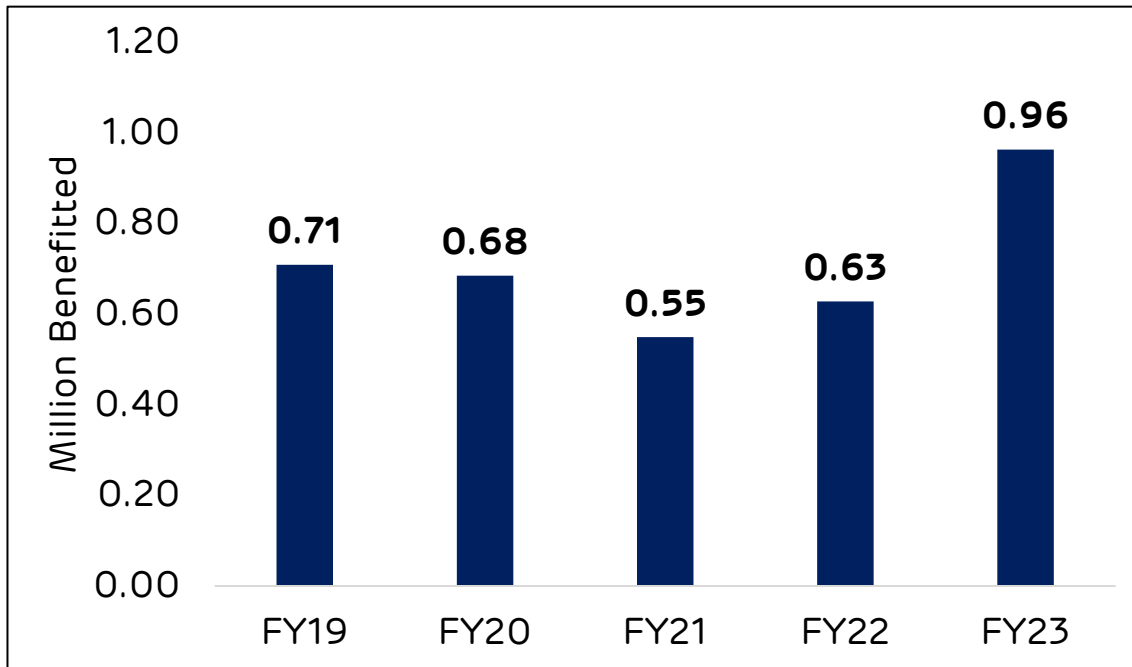
- APSEZ ranked 1st globally in Transport & Logistics Emerging Markets with overall score of 63 (Oct-22)
- APSEZ ranked 1st among the Indian companies across all sectors
- APSEZ has been ranked 1st among 59 Indian companies and 9th among 844 companies in the Emerging Markets globally across all sectors



- Achieved the Management level in Climate Change & Water Security assessment of 2022

# APSEZ: Growth with Goodness

- **0.96 Millions** benefitted through our CSR initiatives
- **Spent around Rs 300 crores** in the last 5 years on signature programs of the CSR Initiatives



## Key areas for CSR initiatives (Beneficiaries) till Q1 FY24



Education – 27,678



Sustainable Livelihood – 3,72,454



Women & Youth Empowerment – 27,405



Agriculture – 1,58,288



Sports – 4,837



Skill Development – 868



Health & Nutrition – 2,73,367



Community Infrastructure – 65,622



Community Engagement – 10,000+



Water Resource – 589

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Annexure

# APSEZ: Operational & Financial Highlights – H1 FY24

## Operational

- APSEZ domestic cargo growth during H1 FY24 was 2x the industry cargo volumes (11% vs 5%)
- Achieved 200 MMT mark for cargo volumes in 181 days vs 212 days in FY23
- Eight ports recorded their highest ever half yearly cargo volumes
  - Mundra, Tuna, Dighi, Hazira, Ennore, Dhamra, Krishnapatnam and Gangavaram
- Four ports handled their largest parcel sizes during H1 FY24
  - Mundra, Dahej, Kattupalli, and Krishnapatnam
- Integration of Karaikal Port and Haifa Port achieved
- ALL recorded highest ever half yearly Rail and GPWIS volumes in H1 FY24 at 279,177 TEUs and 8.92 MMT
- ALL added 11 rakes, 1 MMLP (Loni), and 2 warehouses (Mumbai and Indore) to its portfolio
- In the next 6-12 months, Vizinjham Port to commence commercial operations, Phase-1 of West Coast terminal in Sri Lanka to be commissioned and container capacity expansion at Mundra of 0.8 MTEUs



# APSEZ: Operational & Financial Highlights – H1 FY24

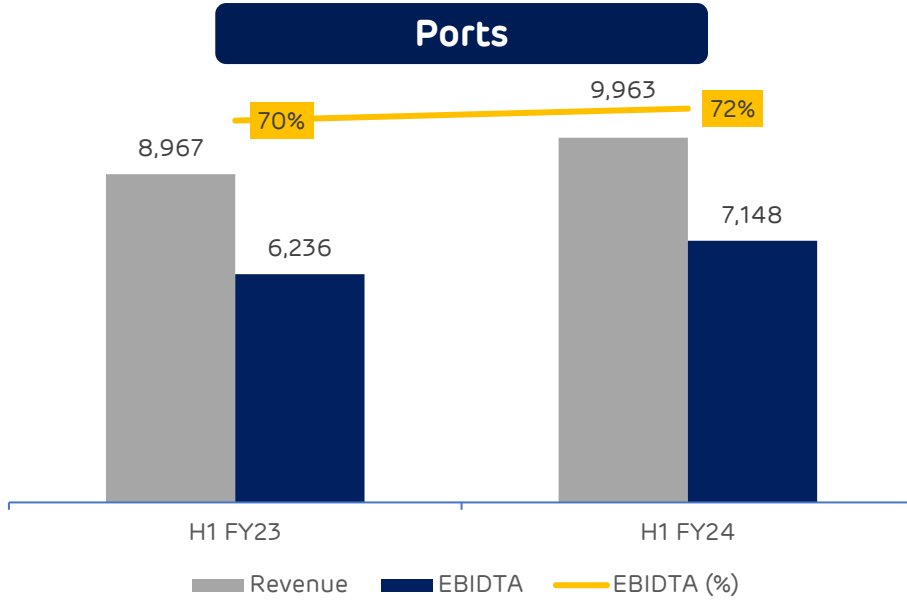
## Financial

- Op. Revenue jumped by 26% Y-o-Y to Rs 12,894 Crs & EBITDA (excl. forex) increased by 17% to Rs 7,634 Crs
- Port EBITDA margin expanded by 220 bps Y-o-Y to 72%, while logistics EBITDA margin remains strong at 29%
- Net cash generated from operating activities increased by 20% in H1 FY24 to Rs 7,290 Crs
- APSEZ has concluded buy-back of two tranches of USD denominated bonds totaling USD 325 Mn, representing 50% of the principal repayment due in July 24.
- Net Debt to EBITDA for TTM Sep'23 improved to 2.8x vs 3.1x for FY23
- West Coast terminal in Sri Lanka has received funding commitment of USD 553Mn from the US DFC

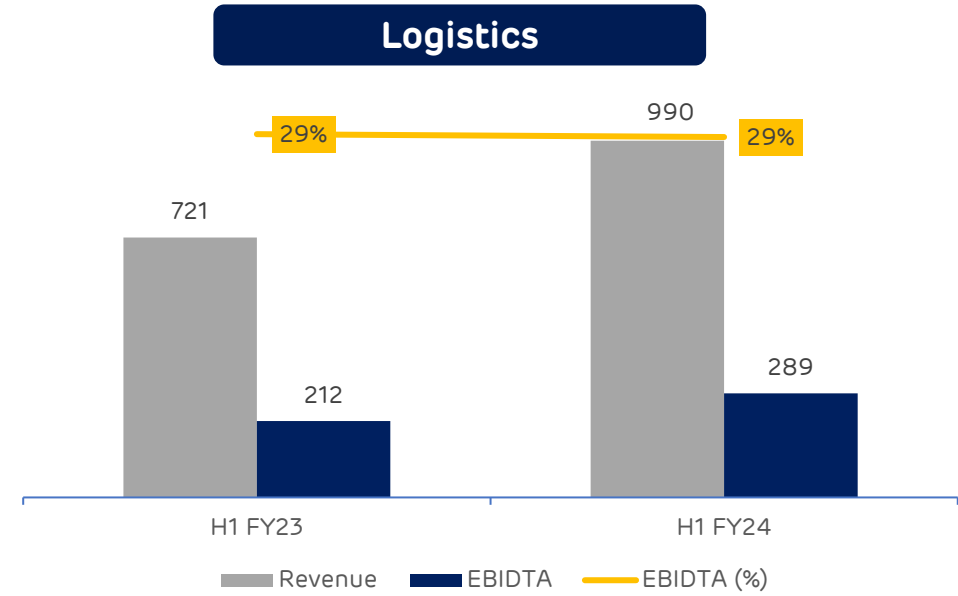
# APSEZ: Key segment wise Operating revenue & EBITDA – H1 FY24

(YoY, in INR Cr)

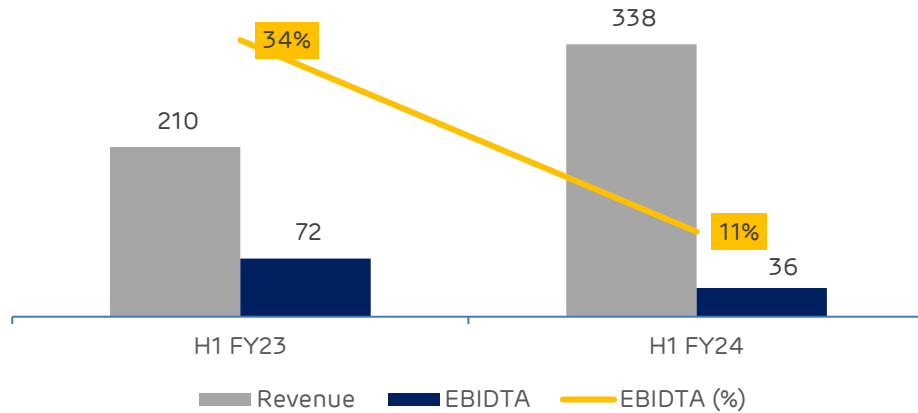
## Ports



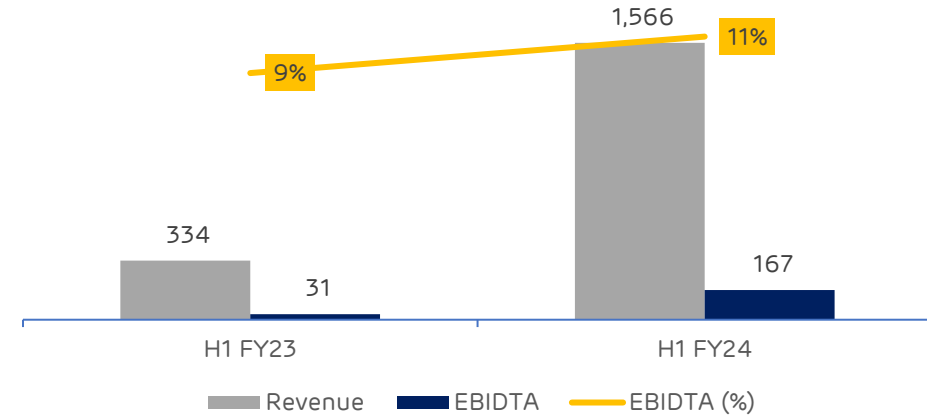
## Logistics



## SEZ & Port Development

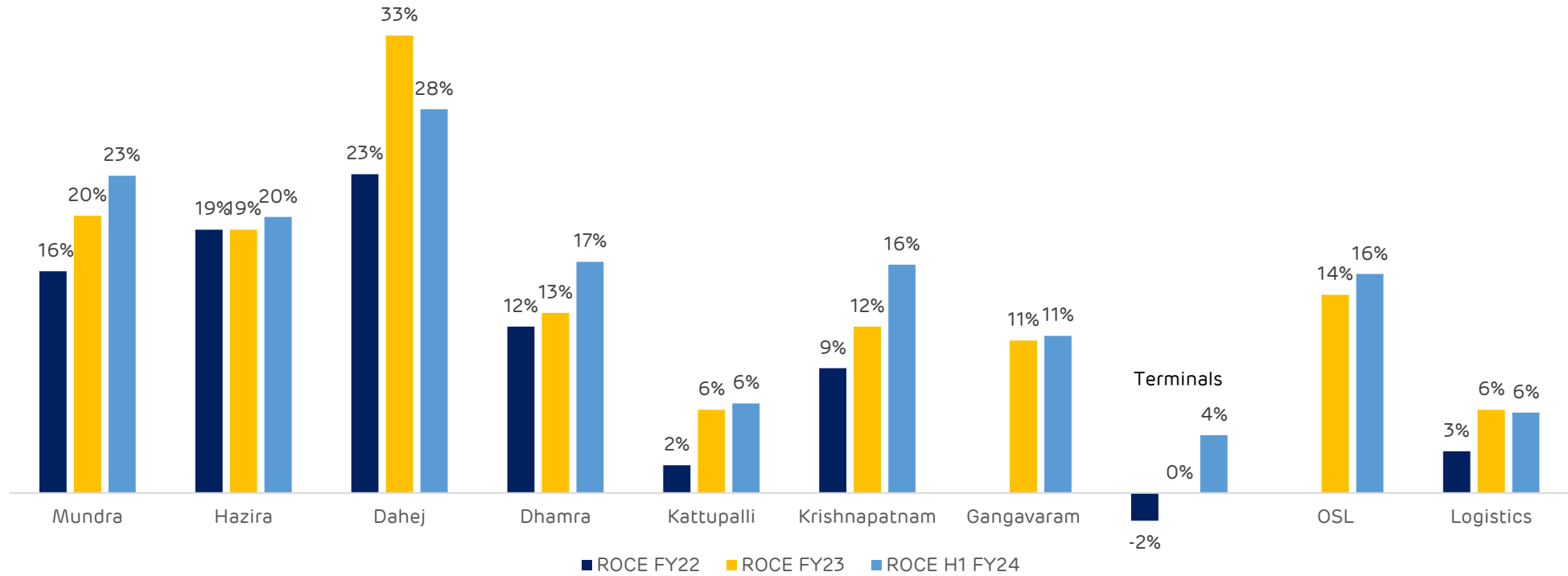


## International Ports



EBITDA excludes forex loss of INR 206 cr. in H1 FY24 vs. forex loss of INR 1,571 cr. in H1 FY23;

# APSEZ: Port wise returns



- ROCE 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%

# Disclaimer

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