Adani Ports Revenue And EBITDA Jumps Over 20% In FY23 Record Investments During The Year To Drive Growth

- **Revenue for the year increased by 22% Y-o-Y to Rs 20,852 Cr**
- **EBITDA for the year increased by 21% Y-o-Y to Rs 12,833 Cr**
- **Record investments of ~Rs 27,000 Cr in FY23 primarily funded through internal accruals and the cash and cash equivalents with the company**

Ahmedabad, 30 May 2023: Adani Ports and Special Economic Zone Ltd ("APSEZ"), today announced its results for the fourth quarter and year ended 31 March 2023.

(Amounts in Rs Cr)

Particulars	Q4 FY23	Q4 FY22	Y-o-Y Change	FY23	FY22	Y-o-Y Change
Cargo (MMT)	86.3	78.1	11%	339.2	312.4	9%
Revenue	5,797	4,140	40%	20,852	17,119	22%
EBITDA#	3,271	2,581	27%	12,833	10,607	21%
PAT	1,141*	1,112	3%	5,393*	4,953	9%

** FY23 and Q4 FY23 PAT factors a write-off of Rs 1,273 Cr on account of sale of Myanmar asset; # EBITDA excludes the impact of forex mark-to-market gain or loss and FY22 EBITDA also excludes one time transaction cost of Rs 210 Cr for SRCPL/GPL*

FY23 has been a stellar year for APSEZ in operational as well as financial performance. The company has overachieved against its highest-ever revenue and EBITDA guidance provided at the beginning of the year. Our strategy of geographical diversification, cargo mix diversification, and business model transition to a transport utility is enabling robust growth, said **Mr. Karan Adani, CEO and Whole Time Director of Adani Ports and Special Economic Zone.**

Over the last 5 years, APSEZ's revenue and EBITDA have grown at a CAGR of 16-18%, while the company's domestic market share jumped 800bps to ~24% in FY23. APSEZ did record investments of around Rs 27,000 Cr in FY23, which includes six major acquisitions totaling around Rs 18,000 Cr and organic capex of around Rs 9,000 Crs. These investments were primarily financed through internal accruals and the cash and cash equivalents held with the company. As a result, gross debt to fixed asset ratio has declined sharply from 80% in FY19 to around 60% in FY23. The investments made along with the five bid wins during the year, will enable APSEZ to achieve its targeted cargo volumes of 500 MMT in 2025 and speed up the transition of the business model to a transport utility" **added Mr. Karan Adani.**

- Two of APSEZ's ports (Mundra and Krishnapatnam) are featured in the top 10 ports of India for their annual cargo volumes
- Mundra continues to be the largest commercial port of India with cargo volumes of 155 MMT (150 MMT achieved in record 355 days vs 365 days in FY22)
- Mundra continues to be the largest container handling port with 6.64 Mn TEUs in FY23 (10% higher than its closest competitor)
- Logistics rail volumes crossed a milestone of 500,000 TEUs during the year
- GPWIS cargo volumes grew by 63% Y-o-Y to 14.35 MMT
- 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

Transforming India's port sector: With industry leading average turnaround time (TAT) for ships at ~0.7 days, APSEZ has been a benchmark for other Indian ports and have driven the improvement in the TAT of major ports from ~5 days in 2011 to ~2 days currently.

Record investments during the year: ASPEZ completed six acquisitions (Haifa Port Company, Gangavaram Port, Karaikal Port, IOTL, Ocean Sparkle, and ICD Tumb) during the year implying an investment of around to Rs 18,000 Cr. The total capex during the year was around to Rs 9,000 Cr.

Net Debt to EBITDA ratio well within the guided range: Despite a record annual investment of around Rs 27,000 Cr (highest ever in the company's lifetime), APSEZ has managed to maintain the net debt to EBITDA ratio at 3.1x (guided range of 3-3.5x). In Apr'23, APSEZ also announced the launch of the bond buyback program. The first tranche of buyback of USD 130 Mn notes which are due in Jun'24 is already completed. More such buybacks are likely in the coming quarters.

Five bids won: A total of five bids were won during the year including two in ports business (mechanization of Berth 2 at Haldia Port and greenfield construction of Tajpur Port) and three in logistics business (Loni ICD, Valvada ICD and 70 agri silos with cumulative capacity of 2.8 MMT).

Pledge reduced significantly: The promoters have pre-paid the fund-based loans raised through pledging of APSEZ shares, resulting in reduction of pledged shares to 4.66% as on 31st Mar'23 vs 17.31% as on 31st Dec'22.

Dividend declared: For FY23, the APSEZ Board has recommended a dividend of Rs.5 per share, in line with our capital allocation policy. This implies a payout of around Rs 1,080 Cr for the company.

Guidance for FY24: Cargo volumes expected at 370-390 MMT resulting in a revenue of Rs 24,000-25,000 Cr and EBITDA of Rs 14,500-15,000 Cr. Total capex during the year is expected to be Rs 4,000-4,500 Cr.

KEY BUSINESS HIGHLIGHTS – FY23 (YoY)

Operational Highlights

Ports Business

- APSEZ handled 339.2 MMT of cargo which is 9% Y-o-Y growth
- The growth in cargo volume was led by coal (+19%), containers (+7%) and liquids excl. crude (+7%). The automobile segment, though a small proportion of overall volumes, saw an 11% jump in volumes
- The non-Mundra ports volumes grew at 12% Y-o-Y while Mundra growth rate was 3%; the share of non-Mundra ports increased to 54% in the cargo basket from 52% during FY22
- Acquired control of Haifa Port in Q4 FY23
- Pursuant to our 4th May announcement on Myanmar asset sale, APSEZ has received the sale consideration of USD 30 Mn from the buyer.

- The GPWIS cargo volumes grew by 63% Y-o-Y to 14.35 MMT
- Three new MMLPs were added during the year, including the acquired ICD Tumb
- Total Rakes during the year increased to 93 (Container – 43, GPWIS – 40, Agri – 7, AFTO - 3)
- Total agri silo capacity increased to 1.1 MMT from 0.9 MMT in FY22
- Warehousing space increased to 1.6 mn sq.ft. from 0.8 mn sq.ft. in FY22

Bids Won

- Mechanization of Berth 2 at Haldia Dock Complex
- LOA from the Food Corporation of India (FCI) to build 70 agri silos, which would take our total agri silo capacity to 4 MMT
- H1 bidder for Loni ICD in NCR and Valvada ICD near Gujarat-Maharashtra border
- LOI to develop a deep-sea port at Tajpur, West Bengal

Financial Highlights

- Consolidated operating revenue grew by 22% Y-o-Y to Rs 20,852 Cr.
- Consolidated EBITDA grew by 21% to Rs 12,833 Cr on the back of revenue growth for the Ports and Logistics business and operational efficiency measures.
- Logistics business EBIDTA margin expanded by ~150 bps to 28% aided by increase in cargo volumes and sweating of assets.

APSEZ's Forex Risk Management Approach

- During the second quarter, the Company had reassessed its risk management approach towards foreign currency exposure.
- The Company has natural hedge i.e., sufficient future dollar linked revenue to meet the maturity date cash flows on debt in a financial year.
- The Company has applied (i) active hedging and (ii) designation of the bonds against natural hedge from future revenues.
- Pursuant to hedge designation, the company has recorded a part of the MTM FX losses amounting to around Rs 548.5 Cr (net of tax) directly in the Other Comprehensive Income, which will be moved to income statement in the year the designated forecasted sales occur.

Guidance for FY2024

- Cargo volumes during the period to be 370-390 MMT
- Revenue for the period to be Rs 24,000-25,000 Cr
- EBIDTA for the period to be Rs 14,500-15,000 Cr
- Net Debt to EBITDA to be reduced to ~2.5x
- Capex for the period to be Rs 4,000-4,500 Cr

ESG Highlights

- **Moody's ESG solutions** has accorded first position to APSEZ in the global rankings for "Transport & Logistics" sector among emerging markets (Oct-22).
- APSEZ's ranks 1st among 59 Indian companies, and 9th rank among 844 companies in the Emerging Markets globally across all sectors/ industries, in Moody's ESG assessment(Oct-22)
- APSEZ was ranked amongst top 10 from 297 companies in the Global Transportation & Transportation Infra sector in the **S&P Global Corporate Sustainability Assessment**(Oct-22)
- **Sustainalytics** has ranked APSEZ 4th among 45 companies in marine port sector globally. Overall, APSEZ is placed in top 96 percentile among companies across all the sectors globally
- **Intensity improvements:** In FY23, emission intensity reduction of 47% and water intensity reduction of 60% from the base year FY2016. The renewable electricity share of electricity in FY23 is around 14%.

- **Net-zero planning process:** We are formulating our net zero plan for submission to the Science Based Target initiative (SBTi).

Other Business Updates

Completed the following acquisitions/stake purchases:

- Haifa Port Company, Israel's largest port operator
- Ocean Sparkle, India's leading third-party marine services provider
- Gangavaram Port, India's third largest non-major port
- Indian Oiltanking Limited, one of the India's largest third-party liquid tank storage players
- ICD Tumb, one of India's largest ICDs with a capacity of 0.5 MTEUs
- Karaikal Port, a deep-sea all-weather port, post NCLT approval

Awards

- APSEZ won the Global Port Forum Award for 'Port of the Year – Indian Subcontinent 2022'.
- Adani Logistics has been awarded the 'Best Rail Freight Service Provider' and 'Best Logistics Infrastructure and Service provider' by the Government of India during the first-ever National Logistics Excellence Awards to private sector companies for its contribution in driving change and innovation in the logistics sector.
- Mundra Port received the Sea Port of the Year (for Northern India) award at the 'Northern India Multimodal Logistics Awards'.
- Mundra Port honoured with the 'Non Major Port of the Year' & 'Terminal of the Year' titles at the 9th edition of the International Samudra Manthan Awards 2022.
- Mundra Port awarded the 'Best Port of the Year (Containerised & Non-Containerised in Private Sector) and the 'Best Container Terminal of the Year (Volume)' in the 6th edition of the India Maritime Awards 2022.
- Four Ports (Mundra, Krishnapatnam, Gangavaram, and Dhamra) received the 5S certificate from NPC INDIA for improving processes within the ports.