

# ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

May 31, 2023



**Current Price:** ₹ 734.30

## STOCK DATA

BSE Code	532921
NSE Symbol	ADANIPTS
Reuters	APSE.BO
Bloomberg	ADSEZ IN

## VALUE PARAMETERS

52 W H/L(Rs)	987.90/394.95
Mkt. Cap.(Rs Cr)	158619
Latest Equity(Subscribed)	432.03
Latest Reserve (cons.)	42971.32
Latest EPS (cons.) -Unit Curr.	23.96
Latest P/E Ratio -cons	30.65
Latest Bookvalue (cons.) -Unit Curr.	200.93
Latest P/BV - cons	3.65
Dividend Yield -%	0.67
Face Value	2.00

## SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/03/2023
Foreign	18.15
Institutions	13.03
Non Promoter Corp. Hold.	2.13
Promoters	61.03
Public & Others	5.66

## Consolidated Financials Results

In Cr.

Particulars	Qtr Ending	Qtr Ending	Var. (%)
	Mar. 23	Mar. 22	
Total Income	5796.85	4140.76	40
OPM (%)	34.45	49.68	-1523bps
OP	1997.30	2057.07	-3
Other income	389.62	608.49	-36
PBIDT	2386.92	2665.56	-10
Net Finance Charges	622.56	649.48	-4
PBDT	1764.36	2016.08	-12
Depreciation	844.89	764.32	11
PBT	919.47	1251.76	-27
Tax expense	-221.50	140.13	
PAT	1140.97	1111.63	3
Minority Interest	-17.91	9.02	
Profit after Minority Interest and Share of profit of Associates	1160.20	1102.61	5
EPS (Rs)	10.64	5.22	

## Adani Ports & Special Economic Zone Q4 FY23 result, Sales up 40%, net up 5%, in line with estimates

Revenue from operations surged 40% year on year to Rs 5,796.85 crore in the quarter ended 31 March 2023. Profit before tax was at Rs 919 crore in Q4 FY23, registering a de growth of 27% from Rs 1,251.76 crore reported in Q4 FY22. PAT increased by 5% Y-o-Y to Rs 1,160 Cr. FY23 and Q4 FY23 but operating margins decline. The company reported an impairment of Rs 1,273.38 crore during the quarter on account of sale of Myanmar assets, declared as exceptional items. Cargo volumes grew by 11% to 86.3 MMT in Q4 FY23 as compared to 78.1 MMT recorded in the corresponding quarter previous year.

For the full year, the company's consolidated net profit rose 8.7% to Rs 5,310.18 crore on 21.8% increase in revenue to Rs 20,851.91 crore in FY23 over FY22. Consolidated EBITDA grew by 21% to Rs 12,833 crore on the back of revenue growth for the Ports and Logistics business and operational efficiency measures.

APSEZ recorded its highest-ever port cargo volumes at 339.2 MMT in FY23, recording a growth of 9% YoY. APSEZ said that it handled 300 MMT of cargo in just 329 days, surpassing the previous benchmark of 354 days in FY22.

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.

Mundra continues to be the largest container handling port with 6.64 million twenty-foot equivalent units (TEUs) in FY23 (10% higher than its closest competitor). The non-Mundra ports volumes grew at 12% YoY while Mundra growth rate was 3%; the share of non-Mundra ports increased to 54% in the cargo basket from 52% during Fy22.

In Logistics business, Adani Logistics registered a 24% YoY growth in rail volume to 500,446 TEUs and a 19% YoY growth in terminal volume to 358,863 TEUs. The GPWIS cargo volumes grew by 63% YoY to 14.35 MMT. Logistics rail volumes crossed a milestone of 500,000 TEUs during the year. Logistics business EBITDA margin expanded by around 150 bps to 28% aided by increase in cargo volumes and sweating of assets.

Despite a record annual investment of around Rs 27,000 crore, APSEZ has managed to maintain the net debt to EBITDA ratio at 3.1x (guided range of 3-3.5x). In April 2023, APSEZ also announced the launch of the bond buyback program. The first tranche of buyback of \$130 million notes which are due in June 2024 is already completed. More such buybacks are likely in the coming quarters, the company stated.

Further, the company's board has recommended a dividend Rs 5 per equity share for FY23, subject to the approval of shareholder at the ensuing AGM

### Management Comment

**Karan Adani, CEO and whole time director of APSEZ, said,** "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.

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 around 24% in FY23. APSEZ did record investments of around Rs 27,000 crore in FY23, which includes six major acquisitions totaling around Rs 18,000 crore and organic capex of around Rs 9,000 crore.

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."

### Guidance

Explaining the guidance for FY2024, APSEZ said that the cargo volumes will be expected at 370-390 MMT resulting in a revenue of Rs 24,000-25,000 crore and EBITDA of Rs 14,500-15,000 crore. Total capex during the year is expected to be Rs 4,000-4,500 crore.

Meanwhile, Adani Ports stated that 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 31 March 2023 as against 17.31% as on 31 December 2022.

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