

Earnings Call for Q3FY25
Adani Ports & Special Economic Zone Limited

– **Moderator - PL Capital Limited:**

- Ladies and gentlemen, good day and welcome to the Adani Ports & Special Economic Zone Limited, Q3 FY25 Conference Call hosted by PL Capital. As a reminder, all participant lines will be in the 'listen only' mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal the operator by pressing * and then zero on your touch screen phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Tushar Chaudhari from PL Capital. Thank you and over to you Sir.

– **Mr. Tushar Chaudhari – Equity Research Analyst, PL Capital Limited:**

- Thank you Dorwin. Good evening and a very warm welcome to everyone. On behalf of PL Capital, I am pleased to welcome you all on the earnings call of Adani Ports & SEZ for Q3 FY25. We are happy to have the management with us here today for the next 1 hour. Management is represented by Mr. Ashwani Gupta, Whole Time Director and CEO, Adani Ports, Mr. D. Muthukumaran, CFO, Adani Ports, Mr. Pranav Choudhary, CEO, Ports Business, Mr. Divij Taneja, CEO, Adani Logistics and Mr. Rahul Agarwal, Head of IR and ESG. We will begin with the opening remarks from the management followed by an interactive Q&A Session. With this, I hand over the call to Mr. Rahul Agarwal. Over to you Sir.

– **Mr. Rahul Agarwal - Head ESG & IR, Adani Ports & Special Economic Zone Limited:**

- Thank you Tushar. Hello everyone and a warm welcome to the earnings call for the 3rd quarter FY25. We are about to begin the call. I will request Ashwani for his opening remarks followed by the Q&A session.

– **Mr. Ashwani Gupta - Whole Time Director & CEO, Adani Ports & Special Economic Zone Limited:**

- Thank you. Good evening and welcome to APSEZ 9 months FY25 earnings conference call. APSEZ delivered all-round growth during the first 9 months of FY25. Revenue was up by 14%, EBITDA increased by 19% and PAT grew by 32% year on year. EBITDA margin increased to 62% from 60% last year. We continued to maintain excellent financial discipline. Our net debt to EBITDA was at 2.1 versus 2.3 in FY24. The momentum in our business is being driven by strong execution across 3 key areas - market share gains coupled with volume price, price mix increase, traction in logistics verticals and

operational efficiency along with technology led gains. Driven by this momentum, we are upgrading our FY25 guidance to Rs.18,800 to 18,900 crores from the previous guidance of Rs.17,000 to 18,000 crores. We have closed significant business initiatives including Astro Offshore, Gopalpur, Tanzania, Ennore divestment and ensure smooth commissioning of our Vizhinjam Port. We continue to be on track to commission our Colombo Port. We also launched a new Trucking Management Solution. This platform acts as a transformation marketplace and fulfillment solution as well to streamline trucking supply chain for our customers. With that, we now open the forum for Q&A.

Q&A Session begins:

- Moderator - PL Capital Limited:

- Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press * and 1 on their touch phone telephone. If you wish to withdraw yourself from the question queue, you may press * & 2. Participants are requested to please use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We have the 1st question from the line of Alok Deora from Motilal Oswal. Please go ahead.

- Mr. Alok Deora - Motilal Oswal Financial Services Ltd:

- Hi, good evening and congratulations on the decent set of numbers. So, the first question was actually on the EBITDA upgrade or guidance. We have enhanced the guidance now for FY25. So just wanted to understand the rationale there. Are we also looking to do higher volumes than what we were estimating because the EBITDA number has been kind of revised upwards?

- Mr. Ashwani Gupta - Whole Time Director & CEO, Adani Ports & Special Economic Zone Limited:

- Well, thank you and great to hear you. Ashwani here. You know, we have been positioning APSEZ as not only a port volume company but a truly integrated transport solution company and that's why you know, when it comes to the cargo volume, though we saw a mixed reaction in the different commodities, in terms of the overall trade of the country but when we looked at our performance vis a vis the total trade, we have gained the market share and the biggest thing which we have done is of course the container business where we have grown 14.9% with respect to last year. So, all I would say the plus and minuses, minus is coming from the all India trade down especially the import export was highly compensated and converted into the growth factors using container, steel and other commodities. So that's why, if there is a plus and minus of volumes in the cargo, it doesn't anymore impact a bit on our financials because our businesses, especially marine and now the newly acquired Astro and the other businesses are contributing to the financials. So that's why, we see APSEZ as a whole, a truly integrated transport solutions

company which of course is dependent on the cargo volume but getting away with the sensitivity only linked to cargo volumes.

– **Mr. Alok Deora - Motilal Oswal Financial Services Ltd:**

- Thanks for that explanation. Also, just one more question on that – so now our competitor in the private sector space has announced a big Capex in the logistics business which is to the tune of almost 9-10 thousand crores in the next 5 years. So, they are also talking about big numbers in the logistics side. So just wanted to understand from the industry perspective and not really any comment on the competitor maybe. But from the industry perspective size, is there really any that kind of big appetite for the logistic business to scale that kind of opportunity for.....because we are also having big plans and now even other players are kicking in. So would there be any challenge for us to kind of scale up in the next 5 years?

– **Mr. Ashwani Gupta - Whole Time Director & CEO, Adani Ports & Special Economic Zone Limited:**

- Thank you. I think in the next 5 years, what we want to do, we want to on one side increase the market share as our ports because we already have 15, am pretty sure, if something adds, it will not be substantial. Now what we want to do is use the port's network to increase the market share of our inland logistics and this is where, we are going to focus on capex, on the logistic business and capex in logistic business is about ICD's....you know, we have just started delivering. We will be starting other ICDs also in the near future and then in addition to the ICDs, we are investing in warehousing and most important, we started the trucking business. We started the trucking business which is going on well and we want to expand it. So comparing with our competitor, who is no.1 today and we are no.2, we have the strength of having a port network and the trucking and the warehousing in addition to the ICDs and that is where, we want to focus on and spend the capex significantly on the logistics.

– **Mr. Alok Deora - Motilal Oswal Financial Services Ltd:**

- Sir, just last question from my side. Since we are already in January now and towards the end of this financial year, any cargo volume guidance for FY26?

– **Mr. D. Muthukumar – CFO, Adani Ports & Special Economic Zone Limited:**

- Ya, hi! So I will answer that question but i do want to rephrase by referring back to the 1st question you asked. What's the significance of cargo and vis a vis the EBITDA of the company? I am sure you will notice that actually we have upped our EBITDA and you know, cargo for this year as we actually stand, we are sticking to our guidance. If there is any marginal plus or minus, it will be very marginal. But our EBITDA which is where we wanted to bring the focus back to because you know, the last several years, the company

has delivered what it has embarked on, which is delivering the transport utility. So, you know, cargo doesn't fully represent the profitability and the profit margin which we actually get. So therefore, you know, we are trying to re-orient to the EBITDA number. And within logistics, from our point of view, logistics is one word that actually encompasses multiple businesses. If you compare us with the competition and starting this quarter, we are trying to give a little more granular information on logistics itself. We have started giving subsegment on logistics. We will see that on page number 45, we have given information on the truck management system which again Ashwani spoke about in the beginning. It's actually a very important milestone in the logistic business of the company and that has been done in this quarter. So, volume is important, but I would actually appeal to you to look at more comprehensive analysis where we actually start looking at EBITDA.

- **Mr. Alok Deora - Motilal Oswal Financial Services Ltd:**

- Sure, my last question was on the volume guidance for FY26, if any at this point?

- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**

- So, volume guidance for 26, as you know, we normally give when we actually give the results for the full year, which will be sometime in May.

- **Mr. Alok Deora - Motilal Oswal Financial Services Ltd:**

- Sure, sure! That's all from my side. Thank you and all the best Sir.

- **Management - Adani Ports & Special Economic Zone Limited:**

- Thank you.

- **Moderator - PL Capital Limited:**

- Thank you. Ladies and gentlemen, in order that the management is able to address questions from all participants in the queue, we request you to please restrict yourself to 2 questions per participant. You may rejoin the queue for follow-up questions. We have the next question from the line of Ankita Shah from Elara Capital. Please go ahead.

- **Ms. Ankita Shah – Elara Capital:**

- Ya, hi, thank you. Sir, how are you expecting the volumes to rank up in the 4th quarter?

- **Mr. Ashwani Gupta - Whole Time Director & CEO, Adani Ports & Special Economic Zone Limited:**

- How are we....sorry? Ankita, you are not very clear.
- **Ms. Ankita Shah – Elara Capital:**
- To achieve the guided range of the volume numbers that you have mentioned, there is an expectation of a pick-up in the 4th quarter in cargo volumes. So, what can drive this growth in volumes in the 4th quarter?
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- So, 2 buckets Ankita. First one is actually, you know, the trial volumes of Colombo, the full volumes of Vizhinjam and the full volume of sort of Tanzania, Gopalpur. Although Tanzania and Gopalpur have been there with us in the last quarter, we expect some volume pick-ups. So, these are, let's put them in the bucket of new and upcoming ports and we also expect that actually, you know sort of volume pick-up in currently operating stabilized ports as well. So, you know, Mundra for example or Hazira, so we expect a pickup of volumes in some of these ports as well.
- **Ms. Ankita Shah – Elara Capital:**
- Also you are expecting coal volumes to pick-up?
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- No, there isn't anything in particular that we wanted to talk about coal volume to be here for pick-up. We are not banking on coal to be self-increasing in volume.
- **Ms. Ankita Shah – Elara Capital:**
- Ok. My 2nd question is on the realization growth in the port's business. So, volume has grown by 3.5% but there is a 8% growth in the revenue. So where has this growth come from, realization growth has picked in which port?
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- Our realization across ports has gone up, which is contributed by some foreign exchange increase as well as price increase that we have taken. So to that extent actually, we have seen price increase and realization increase in all ports.

- **Ms. Ankita Shah – Elara Capital:**
- Ok and last one Sir, you have spoken about the growth trajectory, long term growth trajectory in ports and logistics business. If you can also highlight your thought on the international business. How that will span out over the next 2-3 years? That will be helpful. Thank you.
- **Mr. Ashwani Gupta - Whole Time Director & CEO, Adani Ports & Special Economic Zone Limited:**
- Thank you Ankita and thank you for asking that question. We discussed that when we had the investor meet in Vizhinjam. We are sticking to those ambitions and for the port volume that we talked about, the domestic, we continue to grow like this and we should land in 2029/30 around 1bn, that's our ambition, out of which 820 to 850 should come from domestic which is a normal growth, which we have. But the most important is the 2nd part, which is 140 to 150 comes from international, which speaks for our mix which at that time should be 85/15, which is today, roughly 95 or 94 and 6. So which are the ports which will bring a significant contribution as you would have seen that Haifa is doing good for us on the growth path. 50% of Israel's trade goes through the Haifa Port. So now as we see Israel growing, definitely our port is growing and will grow. 2nd Tanzania, with the traffic which we are capturing and with the plan that we have to expand another Tanzania Port to ease our catchment area around Tanzania, including 5 countries that will contribute to the growth and last but the most important, which is Sri Lanka. After the great success of Vizhinjam, we see a lot of opportunities once we start Colombo. Colombo is on track. We plan to start in April and definitely that will also bring the things up. With these 3 ports mainly and 1 or 2 coming up which we are of course studying, definitely we see to have an ambition of 85/15 by 2029/2030.
- **Moderator - PL Capital Limited:**
- Ankita, do you have any further questions?
- **Ms. Ankita Shah – Elara Capital:**
- Thank you, thank you.
- **Moderator - PL Capital Limited:**
- Thank you. So the next question is from the line of Achal Lohade from Nuvama Institutional Equities. Please go ahead.
- **Mr. Achal Lohade - Nuvama Institutional Equities:**

- Ya, good evening Sir. Thank you for the opportunity. Sir, just an extension. You said that 1 or 2 coming up, is it in relation to domestic or international? Because you were talking about international. Were you talking about 1 or 2 incremental international port?
- **Mr. Ashwani Gupta - Whole Time Director & CEO, Adani Ports & Special Economic Zone Limited:**
 - See, we are always on the lookout for that. I think we are studying international because in domestic we have nothing left today but if something comes up, we will definitely fight for it and as you know, Vadhavan is the one where we will fight to get it. I am not sure if it will be coming before 2028 but as I said, we are always on hunt for great opportunities which will increase our topline and will also increase our bottom-line. To start with, of course, international but I am pretty sure that domestic new ports will also come up after 3-4-5 years in the mid-to-long-term plan.
- **Mr. Achal Lohade - Nuvama Institutional Equities:**
 - Understood! The 2nd question I had is with respect to the logistic business. If you could give some more sense how do you see it evolving over the next 4-5 years? What kind of contribution? Which particular sub-segment within that will drive? More elaboration on that will be very helpful Sir.
- **Mr. Divij Taneja - CEO, Adani Logistics:**
 - Ya, good evening! Divij this side. So as far as looking at APSEZ as an integrated transport place, we are in the process of redesigning our circuit. So that there is true integration. So we have a lot of tech coming into play. That tech will manage indents both on rail and on the trucking side, and if you look at the trucking numbers, there is almost a 92% growth year on year and almost a 152% growth on a quarter on quarter basis, if I look at last year and this year. Now as we strategically align and we put tech into the mix, the idea is to get into not just assets, in terms of physical asset but also virtual assets. There will be some value props, some fulfillment also coming in. So apart from the traditional capex that we are going for, there will be a lot of tech and a lot of end to end customer play making us into a truly ITUP thought process.
- **Mr. Achal Lohade - Nuvama Institutional Equities:**
 - Right! Any quantification with respect to what kind of revenue contribution we can look at?
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**

- Ya. While talking to you, I am trying to actually go to the page which is there in the presentation. There are 2 sets of information which will be useful to you to answer this question. The first one is actually, if you look at page no. 9, we have given what was various asset profile and sub-segments or in logistic business, which is actually sort of MMLPs, warehouse, trucks etc....and we have also given, what is actually the size - expected in FY25 and finally, the growth in five years for now. So you can see that actually our investment in rakes are substantial. In MMLPs, we are expecting to scale up from 12 to 20 and in warehousing, we are expecting from 3mn to 20mn, trucks we are expecting from 936 currently to 5000 and in railway tracks, we have guided that we will do up to 2000kms. So we have given actually sub-segment wise details of what is the growth that we are anticipating.
- **Mr. Achal Lohade - Nuvama Institutional Equities:**
- Understood and just one clarification if I may ask in your 3Q numbers – is it one-off income or expenses which needs to be called out Sir across the entities?
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- No, nothing much. All of them are operating.
- **Mr. Achal Lohade - Nuvama Institutional Equities:**
- Understood. I will call back later.
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- Sorry, once again.
- **Mr. Achal Lohade - Nuvama Institutional Equities:**
- Are you talking about income or expenditure?
- **Mr. Achal Lohade - Nuvama Institutional Equities:**
- Both sides actually, ya.
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- Expenditure we have called out, exactly there is an expenditure but income, there is none.
- **Mr. Achal Lohade - Nuvama Institutional Equities:**

- Got it. Thank you. I will come back in the queue for a follow-up. Thank you Sir.
- **Moderator - PL Capital Limited:**
- Thank you. The next question is from the line of Priyankar Biswas from BNP Paribas. Please go ahead.
- **Mr. Priyankar Biswas – BNP Paribas:**
- Thanks for the opportunity Sir. My first question is regarding the EBITDA. So I understand that, in the 9 months you have already done something like 140bn and if we let's say take the Q3 and itself what you are doing, so you should broadly be able to achieve 188-189 billion. So if this momentum is to continue, so what sort of EBITDA should we be able to achieve in FY26? Should 220 billion be a fair ask?
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- Priyankar, unfortunately we have to wait till we tell you the quarter 4 number because that's when we give you specific guidance for the next year. It would be little too early for me to actually comment on FY26 right now. But one thing I can tell you without getting into any numbers, we expect year on year growth to be in the region of 20% +/- broadly without getting into details.
- **Mr. Priyankar Biswas – BNP Paribas:**
- Yes Sir, that's very helpful on that front. The other question is Sir, what we are seeing is that the margins especially at Gangavaram and Krishnapatnam this time is unusually low. Can you just tell out, what are the issues we are facing at these two particular ports?
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- See, Gangavaram actually, both of them by and large is because of the coal volume but within that, Gangavaram is also because actually we are still ramping back and we expect that to come back to normalcy in a quarter or 2. So this is a passing cloud.
- **Mr. Priyankar Biswas – BNP Paribas:**
- And should we see a similar thing happening in Krishnapatnam as well?
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- Ya, ya, Krishnapatnam as well.

– **Mr. Priyankar Biswas – BNP Paribas:**

– Sir, in the Gopalpur I see that you did roughly around 1.3 million tonnes of volumes for the quarter and if I look at the revenues, the realization seems pretty high, something like 96%. Is there some additional income over there and how do we look at it in the subsequent quarters?

– **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**

– Ya, ya, I mean what you are seeing is somewhat representative. Not somewhat, it is representative. So you will find it actually coming in same levels.

– **Mr. Priyankar Biswas – BNP Paribas:**

– Ok Sir, last question from my side. Mundra Port is already for quite some time now connected to that WDFC. So ideally they should have led to more growth in logistic business, so as to speak. But what we are seeing is that, the run rate has been broadly at around 48,000 TEUs or something like that and it's not really increasing. So why are the WDFC benefits not really showing up in this logistics space?

– **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**

– Have you understood the question or seek clarification? Would you mind just asking that again in a slightly different way. I am not sure, we have got the question.

– **Mr. Priyankar Biswas – BNP Paribas:**

– Sir, what I was saying was, so Mundra Port has been connected to the western DFC for some time now, I mean quite some time, for a few quarters. So ideally that should have led to significant growth in our container volumes handled by your logistics business. But it seems that, for the past couple of quarters, it seems to have stagnated. So what exactly is happening here?

– **Mr. Divij Taneja - CEO, Adani Logistics:**

– Alright! So I will give you some clarity here. The connection to the Western DFC opens up infra for me but it doesn't open up mindset as yet. Cargo, which has to move quickly still moves by truck because additionally unless a full load is there, the train doesn't move. So we are seeing changing patterns in the buyers. We are getting them more acquainted with the rail and you will see a change in the pattern because we are also redesigning the circuit to that effect. So we may not necessarily run a full rake load in future, so we can complete and leverage the infra but you will see an increase in volumes in the upcoming quarters.

- **Mr. Priyankar Biswas – BNP Paribas:**
- Okay, Sir, that's all from my side.
- **Mr. Divij Taneja - CEO, Adani Logistics:**
- Thank you.
- **Moderator - PL Capital Limited:**
- Thank you. The next question is from the line of Sumit Kishore from Access Capital, please go ahead.
- **Mr. Sumit Kishore - Axis Capital:**
- Hi, good evening. Thanks for the opportunity. Two questions. It was good to see the EBITDA margins for international have improved quite significantly on a year-on-year basis. Absolute EBITDA for International is more than Logistic, actually, for the quarter. What has been driving this- is Tanzania, the main reason? And is this a sticky margin profile that we should be looking at or even better than this?
- **Mr. Ashwani Gupta - Whole Time Director & CEO, Adani Ports & Special Economic Zone Limited:**
- Yeah, so as we have always demonstrated that we took roughly 1-2 years to bring back any port we acquire or we build to the best-in-class performance. We have demonstrated that in every port we did in India, so same thing, the same DNA we have applied it for Tanzania and Haifa. And Tanzania for sure but Haifa like even if the country is going through tough challenges but our teams over there are able to improve the operational efficiency in addition to the revenue catchment. So, yes, your observation is correct they are really incorporating the DNA which we have in that. So, yeah, you can see. Remember, in the previous calls we were always talking about it.
- **Mr. Sumit Kishore - Axis Capital:**
- 18% EBITDA margin, is this close to normal levels or can this go to 25%, 30%? So, what is the roadmap for International EBITDA margins?
- **Mr. D. Muthukumarán – CFO, Adani Ports & Special Economic Zone Limited:**

- Yeah. So, yes, it will go towards 30% mark as far as the international operations are concerned and it will ramp up, And actually Haifa, Tanzania, all of them will get to that level individually.
- **Mr. Sumit Kishore - Axis Capital:**
- And this will be over the next couple of years or longer?
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- Oh! Yeah-yeah, couple of years, within a couple of years.
- **Mr. Ashwani Gupta - Whole Time Director & CEO, Adani Ports & Special Economic Zone Limited:**
- And once again I am pretty sure, before you ask the next question, we have to see that in dollar terms, otherwise if we start comparing with the Indian ports then it is not apple to apple.
- **Mr. Sumit Kishore - Axis Capital:**
- Sure. Meaning if there is some element of help that optically numbers are showing because of the rupee depreciation?
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- No-no, the actual realization, billing realization.
- **Mr. Sumit Kishore - Axis Capital:**
- Actual realization, obviously. Yeah, so it is much higher in international, so the EBITDA margins are lower as compared to the Indian ports?
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- No-no, see, I mean, probably we have to get into slightly more detail here. International business is a combination of many things. Haifa, and as of now Colombo is not even there in the current quarters number, Tanzania, Astro, Australia, so everything. So, you wouldn't be able to actually get realization per TEU of our international business from the information that is already published in the IR deck. But what we can tell you, again without actually getting into details that we don't disclose but directionally we can tell you that Colombo realization and equivalent realization, let's say Vizhinjam or anywhere else, is in the same ballpark. So, one is not significantly higher or lower than the other.

- **Mr. Sumit Kishore - Axis Capital:**
- Yeah, Colombo, Vizhinjam makes sense. My second question is on your CapEx over the 9-months, if you could spell out that figure maybe separately across ports and logistics given that you're doing CapEx. And the second part of this is, if you could comment on...
- **Management - Adani Ports & Special Economic Zone Limited:**
- Sorry to interrupt you, Sumit, but you were not clear just now.
- **Mr. Sumit Kishore - Axis Capital:**
- Sorry, I was asking for the 9-month capex number for ports and logistics. And maybe for logistics giving a breakup for trucking and other logistics, if you could spell out what has been the total capital employed in trucking and the other logistics businesses so far and what sort of ROCE are we looking at in these two segments? Thanks.
- **Mr. D. Muthukumar – CFO, Adani Ports & Special Economic Zone Limited:**
- See, the total capital expenditure of the company for 9-months is ₹7500 crores. This obviously excludes M&A but this is company as a whole. At the moment, in trucking business we are not investing in capex because basically it is a service model. It's extremely important for us to reiterate here that what has been launched in this quarter is what we spoke about in the beginning of the year, which is actually the Truck Management Solution. Truck Management Solution is a digitized platform for both marketplace and fulfillment of services. It is not capital intensive. It is actually getting into sort of more of the services to be rendered for the customer, to have more control over the cargo, to actually become a transport utility or in the direction of being a transport utility as we have laid out. So, capex is not so relevant for truck management business for this quarter.
- **Mr. Sumit Kishore - Axis Capital:**
- Okay.
- **Mr. Divij Taneja - CEO, Adani Logistics:**
- Sumit, does it answer your question?
- **Mr. Sumit Kishore - Access Capital:**
- Yeah, I mean for the other logistics businesses put together what is your total capital employed as of...?

- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- So, it's roughly about 20% in sort of non-ports investment, 80% is ports of this 7500.
- **Mr. Sumit Kishore - Axis Capital:**
- Okay, sure. I'll take more questions offline. Thank you.
- **Management - Adani Ports & Special Economic Zone Limited:**
- Thank you.
- **Moderator - PL Capital Limited:**
- Thank you. The next question is from the line of Shivang from Barclays, please go ahead.
- **Mr. Shivang - Barclays:**
- Hi, thank you for the opportunity. I just wanted to know if you could provide Gross Debt and cash balance.
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- Okay. I mean, I can tell you the number. Just give me one second, if you don't mind. Sorry, can you go to the next question while I pull up, if you have one more question?
- **Mr. Shivang - Barclays:**
- Yeah, if you can tell Gross Debt breakup for short term and long term, that'll be really helpful.
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- Sorry, didn't hear that. Could you repeat that, please?
- **Mr. Shivang - Barclays:**
- Yeah, for the Gross Debt if you could provide further breakup - short term and long-term.
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**

- Okay. So, first, let me tell you Gross Debt as of December'2024 is ₹45,650 crores and it was ₹44,060 crores as of September'2024, the last quarter end. Net Debt is ₹38,000 crores, round number, as of December and as of September it is ₹35,200 crores.
- **Mr. Shivang - Barclays:**
- Thank you, noted. If you could help me get the short term and long term, that if you have the figures.
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- See, frankly, we have about ₹2,000 crores of short term debt, everything else is long term. 2300 let's say.
- **Mr. Shivang - Barclays:**
- Got it, thank you. That's all from my side and all the best. Thank you.
- **Management - Adani Ports & Special Economic Zone Limited:**
- Thank you.
- **Moderator - PL Capital Limited:**
- Thank you. The next question is from the line of Aditya Mongia from Kotak Securities, please go ahead.
- **Mr. Aditya Mongia - Kotak Securities:**
- Yeah, thank you for the opportunity and on fairly good set of results. So, congratulations on the same. The first question that I had was more on this thesis that you can add to the growth that ports can provide you with in your overall revenues and EBITDA, is there some way of thinking through how much can this be growth boost? Let's say, in this quarter I think logistics would have given you a 2% boost to overall revenues, can we think through a 5% number happening at some point of time?
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- Yes-yes, logistics actually is the first step get to 5% contribution and then the next step eventually 10% contribution to the company.
- **Mr. Ashwani Gupta - Whole Time Director & CEO, Adani Ports & Special Economic Zone Limited:**

- Whenever we look at any new thing we started, of course, there are always challenges but challenges exist because there are opportunities. When we look at logistics business today in India, 13%-14% of the GDP is the logistics cost which is as compared to 8%-9% in around the world. So, which means there's a huge inefficiency in the pipeline which creates the low margins for anyone, right. Now the point is, there are only two things which are important to make margins, especially trucking business as we have also this time incorporated that strategy as Truck Management Solution (TMS) in our investor deck. One is a technology platform which we have already developed and the second is the utilization of the truck using the trained controllable drivers. So, with that, if a fragmented truck business is running one trip a day, with this platform we can do 3 trips a day and definitely the margin becomes triple.
- So, our view of logistics business is to first attack all the inefficiencies which exist in the system and get the margins from there. Similarly, we started our Marine business which is highly profitable today, similarly we started each and every port which is highly profitable today. And with that DNA in our culture, definitely logistics will go up to 10% contribution.
- **Mr. Aditya Mongia - Kotak Securities:**
- Understood. Yeah, so that's heartening to know and we'll keep on kind of questioning you about that because I think this is important. But just to move on other questions, could you give us a sense of these three assets - Tanzania, Gopalpur, and Vizhinjam? How much would have been the aggregate contribution in the third quarter? And what is the run rate that you're seeing on a monthly basis right now? I'm just trying to get a sense of the boost that can come in as you see a full quarter effect coming in the fourth quarter.
- **Mr. D. Muthukumar – CFO, Adani Ports & Special Economic Zone Limited:**
- On the EBITDA, right? Is that correct?
- **Mr. Aditya Mongia - Kotak Securities:**
- Volumes more than anything else. So, let's say Tanzania, what was the number in the third quarter? And if you could give us a monthly run rate?
- **Mr. D. Muthukumar – CFO, Adani Ports & Special Economic Zone Limited:**
- If you ask me, the exact number is there but the round number is 1 million each. 1 million in Tanzania and a little less than 1 million in Gopalpur. 0.8, 0.9 in Gopalpur.
- **Mr. Aditya Mongia - Kotak Securities:**

- Is this the monthly run rate that you are talking about right now? Just clarify.
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- Yeah-yeah, in January onwards we're expecting that we will have this run rate.
- **Mr. Aditya Mongia - Kotak Securities:**
- Understood, that clarifies. The third aspect is that at an overall level, obviously, our domestic volume growth has been 1% and if I take away these add-ons it's probably a small decline. Is it more to do with the high base that was created in the last quarter for the country as a whole or do you see some kind of worrying signs and the slow down kind of continuing at a country level on trade?
- **Mr. Pranav Choudhary - CEO, Ports Business, Adani Ports & Special Economic Zone Limited:**
- Hi, thank you. No. So, I think, from a container perspective, the volumes are rampant, and rampantly for us we've taken on additional Market Share. All India level, we've seen about 11% growth in the container volume but we've been able to garner about 15% growth in our portfolio Ports. On the dry bulk case, I think in spite of reduction in the coal import volumes where domestically Coal India has been producing more railways revenue and more rakes, we've been able to steady state the Market Share. So, about 4% drop on major ports side on the volume side. On YTD basis between the two years, same for us, about 4% drop for us. But we've been able to compensate that more in terms of our incremental market share in the container. And the same story we would expect to continue running in the next few years well.
- **Mr. Ashwani Gupta - Whole Time Director & CEO, Adani Ports & Special Economic Zone Limited:**
- Yeah. No, I think very important to know that as we have been repeating that with the port mix we have West, South and East coast and the product mix we have from containers to dry to liquid we are able to absorb the risk in the trade but on the other side we are able to maximize the opportunities which we have in the trade. So, that's why at country level one or two commodities may be a risk but at our level we just nullify that risk with other opportunities in the product mix.
- **Mr. Aditya Mongia - Kotak Securities:**
- Sure. Maybe just a last question from my side and then I'll get back in the queue. The uptick in EBITDA that you have shared as a guidance number for this year, does it have

any lumpy components that you may end up booking in the fourth quarter? Just trying to kind of double check on that, so that will be my final question.

- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- No-no, as one of the participants in the call said, current run rate actually will take us there, so there isn't actually any lumpy or abnormal...
- **Mr. Aditya Mongia - Kotak Securities:**
- Yeah, seasonality is against in the fourth quarter, that was the genesis of the question.
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- Sorry?
- **Mr. Aditya Mongia - Kotak Securities:**
- Seasonality typically is against you in third quarter, fourth quarter. So, that.
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- Yeah-yeah, that is true. That is being considered when actually giving this guidance. So, whatever we can see now, clearly we can achieve the new guidance that we have given without any one-off.
- **Mr. Aditya Mongia - Kotak Securities:**
- Perfect. Thank you for the response. Sir, those were my questions.
- **Moderator - PL Capital Limited:**
- Thank you. The next question is from the line of Bharani from Avendus Spark, please go ahead.
- **Mr. Bharani - Avendus Spark:**
- Yeah. Can you give the port wise split off the third quarter's volume, that 6 million ton?
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- See, Page number 53 onward.

- **Mr. Rahul Agarwal – Head ESG & IR, APSEZ**
- Bharani ji, annexure in the presentation has the port wise split for both 9-months and Q3.
- **Mr. Bharani - Avendus Spark:**
- Okay, I'll go through that. And the 9-month international volume of around 13.6 million tons, would this be largely only containers?
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- Sorry, can you repeat the question?
- **Mr. Bharani - Avendus Spark:**
- The international volume for 9 months, which is 13.6 million tons, will it be largely only containers?
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- Yeah-yeah, Tanzania and Haifa.
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- Yeah-yeah. In Haifa there is a little bit of non-container business. It was about 30%, 40%. But, yeah. By and large, Tanzania is more or less a container and Haifa there is both container and non-container.
- **Mr. Bharani - Avendus Spark:**
- Okay. And given the strong performance, both international and domestic, on containers front, in fact, if I were to see 9-month delta between last year's 300 odd million tons to this year 330 million tons, the delta is all largely containers. So, does this good performance on containers is expected to continue even on the domestic side given kind of the economic slowdown that we are seeing? And if so, what are the reasons for our ports doing better than the market, especially on containers?
- **Mr. Ashwani Gupta - Whole Time Director & CEO, Adani Ports & Special Economic Zone Limited:**
- Yeah, before we get into the container, I think, you may be seeing the economic slowdown but for me that was just a correction in the month of November and October and November was for sure low but from December we already saw the trade picking up

and there could be, I would say, nothing to do with economic slowdown or economic impact. For example, the imported coal has gone down but on the other side it is replaced by coastal coal. On the other side when we look at steel, it has gone up significantly. The liquid has gone up, not significantly but has gone up. Fertilizers, which we started with, no tender, no policy have opened up and especially recently the agriculture products, especially rice and now we see sugar, opening up. So, which means we don't believe that there is economic slowdown. We see the trade growing and in that growing trade we are maximizing the container growth because of our strength. And I request Pranav, he will explain you the strategy how he's growing the container business in this economy.

- **Mr. Pranav Choudhary - CEO, Ports Business, Adani Ports & Special Economic Zone Limited:**

- So, we just mentioned, in this year we've actually taken up the market share from 44% to 45%. So, All-India volumes grew by 11% but we've been able to maintain our portfolio growth at 15%. And so far as any downturn in the economy or slowdown is to be concerned, I think Ashwani ji mentioned, it was momentary. We have got a healthy mix of import and export, about 51% and 49% of import and export mix. So, we ride the cycle either way given the portfolio present that is across in the country - South India, Mundra feeding the entire Northern India corridor and Hazira and Mundra feeding Northwest corridor. So, there's a healthy mix of the portfolio. There is a manufacturing growth happening in the Central India, North India and South India to be very robust. So, I think, we're rightly built to cater to this, to take the incremental market share on the growth. We continue to invest into the capex to ramp up our capacity and drive this wave. So, the growth will continue to come to us next year as well.

- **Mr. Bharani - Avendus Spark:**

- Okay-okay. (Audio cracked) business we have seen a different...

- **Management - Adani Ports & Special Economic Zone Limited:**

- Bharani, you are not clearly audible.

- **Mr. Bharani - Avendus Spark:**

- Yeah, just wanted to check why there is a difference...

- **Management - Adani Ports & Special Economic Zone Limited:**

- No, we've lost your audio again, Bharani.

- **Management - Adani Ports & Special Economic Zone Limited:**

- Sorry, we didn't hear you correctly.
- **Mr. Bharani - Avendus Spark:**
- There's a drop in margins, could you explain the reason?
- **Management - Adani Ports & Special Economic Zone Limited:**
- The drop in which margins?
- **Management - Adani Ports & Special Economic Zone Limited:**
- Which margins, Bharani.
- **Mr. Bharani - Avendus Spark:**
- Logistics.
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- See, logistics, actually if you go to Page number 45 and while talking to you I'm going to flip. Yeah, so the total business has come down from 28% to 23%. Probably, that is what you're referring to. You know, we have been trying to actually sort of explain that logistics itself comprises of multiple sub segments. Starting this quarter we will actually give more details and more breakups. So, if you see, trucking is expected to be in and around 10% margin, which is what actually we have shown there, and we will add more line of business in quarters to come. So, we will give more details of that as well as we go forward.
- Generally, the traditional logistics business that we used to have, if you remove the newly launched business, we are in and around the same margin.
- **Mr. Bharani - Avendus Spark:**
- Okay, sure. Thank you so much.
- **Moderator - PL Capital Limited:**
- Thank you. Ladies and gentlemen, if you wish to ask questions, you may please press star and 1. We have the next question from the line of Vikram Vilas Suryavanshi from PhillipCapital (India) Pvt Limited, please go ahead.

- **Mr. Vikram Vilas Suryavanshi - PhillipCapital (India) Pvt Limited:**
- Yeah. Good evening, Sir. Sir, Haifa also continue to do around like 1 million tons per month kind of selling now?
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- Yes.
- **Mr. Vikram Vilas Suryavanshi - PhillipCapital (India) Pvt Limited:**
- Okay. And in terms of Gangavaram Port, how is the possibility to ramp up the container volume there?
- **Mr. Pranav Choudhary - CEO, Ports Business, Adani Ports & Special Economic Zone Limited:**
-
- Gangavaram, we have a container terminal but the volumes are very miniscule, so it's not a needle mover for us there.
- **Mr. Vikram Vilas Suryavanshi - PhillipCapital (India) Pvt Limited:**
- Okay. Are they like a transshipment volume or how basically you want to...? Or it will be...?
- **Mr. Pranav Choudhary - CEO, Ports Business, Adani Ports & Special Economic Zone Limited:**
- It's a mix of both OD and transshipment.
- **Mr. Vikram Vilas Suryavanshi - PhillipCapital (India) Pvt Limited:**
- Okay. And lastly, Sir, on Trucking Management Solution, that platform what we are talking is only for hiring our own cargo requirement or is it like an independent platform as a revenue model where independently cargo owner and truckers can bid for it or exclusively for our requirement only?
- **Mr. Divij Taneja - CEO, Adani Logistics:**
- Alright. So, it is both marketplace and fulfillment. So, that is the fundamental DNA of it. In what phases we will open it up to what marketplace will be in the next couple of quarters but it is actually going to be a platform where the market can interact, the difference being that we will be responsible for the fulfillment. So, it's not just a purely aggregator model, it is an aggregator plus fulfillment model.

- **Mr. Vikram Vilas Suryavanshi - PhillipCapital (India) Pvt Limited:**
- Understood, understood. So, it can become a revenue model rather than just a backend to our logistic operation?
- **Mr. Divij Taneja - CEO, Adani Logistics:**
- 100%. Definitely.
- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**
- It already is. That is why we are actually giving the breakout. I refer you back to Page number 45 please, wherein we have said...
- **Mr. Vikram Vilas Suryavanshi - PhillipCapital (India) Pvt Limited:**
- Yeah, I saw it. Understood.
- **Mr. Ashwani Gupta - Whole Time Director & CEO, Adani Ports & Special Economic Zone Limited:**
- We don't do any business which does not both bring topline and bottom line.
- **Mr. Vikram Vilas Suryavanshi - PhillipCapital (India) Pvt Limited:**
- Got it, Sir, yeah. Thank you.
- **Moderator - PL Capital Limited:**
- Thank you. The next question is from the line of Jinesh Kothari from Elara Capital, please go ahead.
- **Mr. Jinesh Kothari - Elara Capital:**
- Yeah, hi. So, just wanted to check on one thing, we have seen the Mundra port margins substantially rising both year-on-year and quarter-on-quarter basis. So, is this probably attributable to the change in mix of containers and how sustainable are these going forward?
- **Mr. Ashwani Gupta - Whole Time Director & CEO, Adani Ports & Special Economic Zone Limited:**

- What you're seeing, I think it's a combination of we build the capacity in advance because we anticipate the business opportunity and I think it is going to go like this and that's why, as we shared, we already decided further to invest in CT 5 in the Mundra. So, we keep on investing in the infrastructure and the equipment because we believe that this port has much more opportunities than it is today. So, that's why, as Pranav said before, we do believe that container business will grow in the same way it has been grown so far.

- **Mr. Jinesh Kothari - Elara Capital:**

- Sure. So, the 7500 trajectory, we can assume that this can be continued, right.

- **Mr. Ashwani Gupta - Whole Time Director & CEO, Adani Ports & Special Economic Zone Limited:**

- Thank you.

- **Mr. Jinesh Kothari - Elara Capital:**

- Yeah.

- **Moderator - PL Capital Limited:**

- Thank you. Ladies and gentlemen, I would now like to hand the conference over to the management for closing comments. Over to you, gentlemen.

- **Mr. D. Muthukumaran – CFO, Adani Ports & Special Economic Zone Limited:**

- Yeah, hi. Thank you very much for the time. We appreciate the questions that are being asked and we particularly appreciate the fact that actually we're able to highlight the significant achievements that we have done in this quarter. We are on track to not only achieve our EBITDA, we have upped our EBITDA for the full financial year and this year actually we closed a couple of deals and also actually nearing completion for Colombo and launched Vizhinjam or commenced Vizhinjam. So, it's been actually an eventful quarter. Look forward to seeing you in the next Analyst Meet. And we continue to be available. Rahul Agarwal is available for any queries that you may have and we're also available sort of for a discussion, if you would like.

- **Moderator - PL Capital Limited:**

- Thank you. On behalf of PL Capital, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.

END OF TRANSCRIPT