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Adani Portfolio Equity Note

February 2024



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Adani Portfolio: Key Equity Theme

1

Unmatched Scale & Size

INR 448k+ Cr

Asset Base
(as on 30-Sept-23)

~INR 79k Cr

EBITDA
(Dec'23 TTM)

27% CAGR

(FY19- Dec' 23 TTM)

- **90%+ asset base as Core Infra asset**
- **Sectoral Diversification with high quality asset base**
- Providing high growth opportunity in **core infrastructure space** across the spectrum with **long-term contracted cashflow profile**
- Coupled with high growth rate, Adani Portfolio provides **majority contracted EBITDA** linked to Infra asset

2

Outperforming domestic & global indices and peers

3x
Growth rate
over global peers

- **Outpaced domestic and global indices** demonstrating superior EBITDA growth
- **Outperformed global utility peers** in terms of EBITDA growth, credit, consumer franchise and ESG performance
- Registered multiples of sector specific growth rate **demonstrating Industry beating growth**

3

Expanding investor base

6x
the Shareholder
base of FY19

- **6.8 Mn shareholders** - 6x the shareholder base vs FY19 (1.1 Mn)
- **Raised c. USD 10.8 Bn** from long term strategic marquee investors

Sector leading Growth coupled with Scale and best-in-class performance to provide superior returns to its shareholders

Adani Portfolio: Indian Indices - Comp Analysis

		Adani Portfolio ¹	NIFTY 50 ²	NIFTY FMCG ²	NIFTY IT ²
EBITDA (Latest Available TTM) ^{2A}	(INR '000Cr)	79	1,305	67	160
EBITDA (FY19)	(INR '000Cr)	25	843	43	97
CAGR ^{2B}	%	27%	10%	10%	12%
EV/EBITDA (as on 29/12/23)	x	19.2x	20.2x ^{2C}	36.8x	18.7x
Market Cap (as on 29/12/23)	(INR '000Cr)	1,330	17,111	2,435	3,186

Adani portfolio EBITDA as a % of respective Index

	NIFTY 50 ²	NIFTY FMCG ²	NIFTY IT ²
FY19	3%	58%	26%
	▼	▼	▼
Latest Available TTM^{1A}	6%	118%	49%

Adani Portfolio in comparison to NIFTY Indices

	NIFTY FMCG Index Comparison		NIFTY IT Index Comparison	
	As-is	Growth Adjusted ³	As-is	Growth Adjusted ³
EV / EBIDTA (x)	36.8x	96.8x	18.7x	43.7x
Adani Portfolio Market Cap ⁴ (INR '000 Crs)	2,722	7,446	1,297	3,267
Potential Upside (x)	2.0x	5.6x	1.0x	2.5x

**Adani Portfolio
~320 Mn
User Interface**

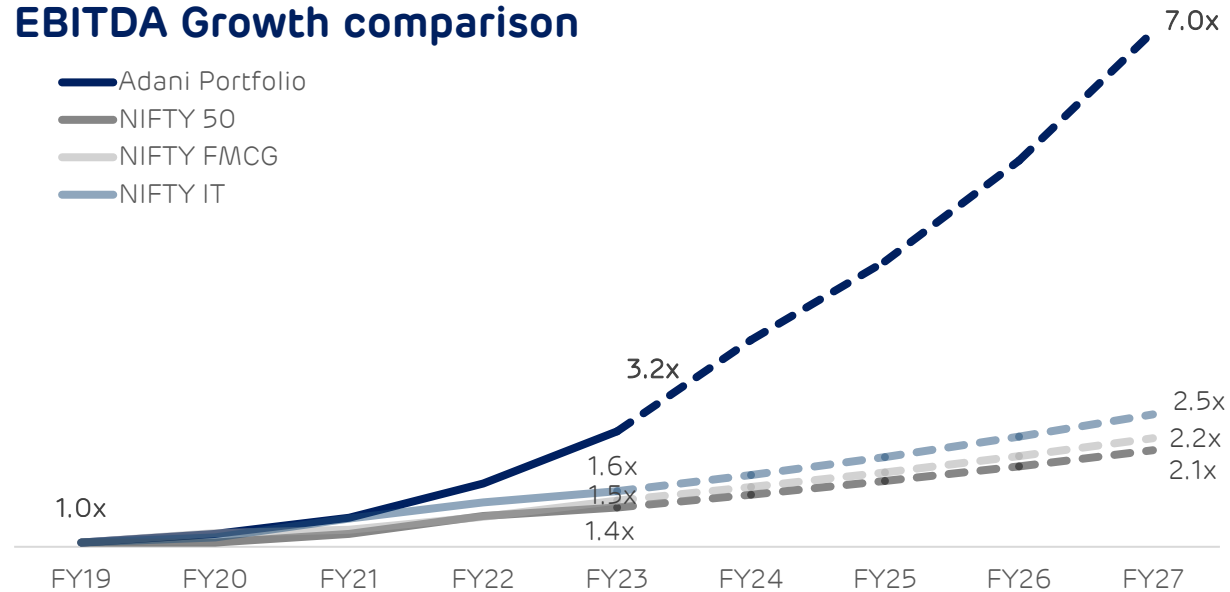
Adani Portfolio demonstrating superior growth with scale vis-à-vis Indian indices on sustained basis

1. **Adani Portfolio:** Aggregate EBITDA: PAT + Share of profit from JV + Tax + Deferred Tax + Depreciation + Finance Cost + Unrealized Forex Loss / (Gain) + Exceptional Items | EV= Market capitalization+ Net Debt | Net debt = Gross debt less Cash Balances | Cash Balances includes cash & cash equivalents, bank balances, current investments, market value of marketable securities (non-current investments), balances held as margin money & deposit for more than 12 months | Debt figures excludes INDAS adjustments. | Aggregate EBITDA of AEL, APSEZ, AGEL, AESL, APL, ATGL, ACL | For EV / EBIDTA & aggregate EBITDA Calculation of FY19 in Adani Portfolio; AEL, AGEL, APL, APSEZ, AESL & ATGL have been Considered; in FY19 Ambuja Cements Limited (ACL) was not part of Adani Portfolio.
2. **Indices:** EBITDA (Aggregate of all Index Member) based on Operating Income + Depreciation & Amortization + Cost of Capitalized Operating Leases and for EBIDTA calculation of NIFTY 50 Index; operating income is considered for Banks and financial services companies. | Enterprise value (EV)= Market Capitalization + EV Components | EV Components = Preferred Equity + Minority Interest + Net Debt – Nominal Amount of Debt included in Price – Other Enterprise Value Adjustments | Indices info sourced from Bloomberg

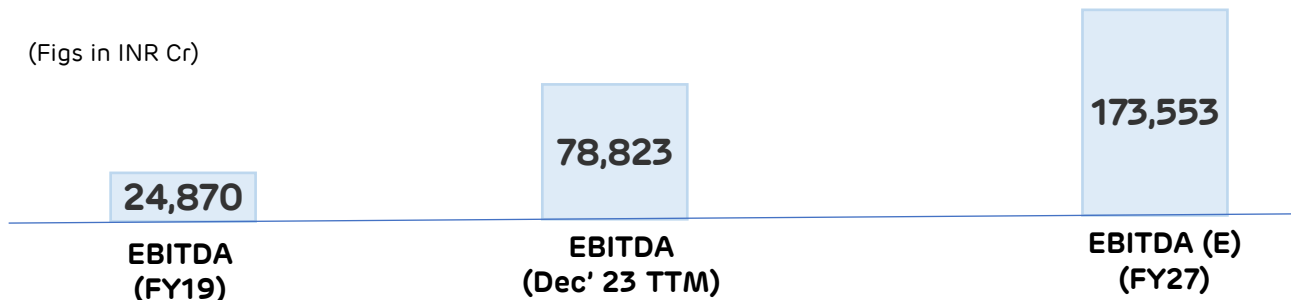
2A **Latest Available TTM:** Latest Available Trailing Twelve Months - for indices: Sept'23 TTM; for Adani Portfolio: Dec'23 TTM
2B CAGR for FY19 to Latest Available TTM
2C For NIFTY 50 Index, EV/EBIT has been considered
2D Derived by adjusting Index EV/EBITDA with corresponding CAGR demonstrated for last 4 years by Adani Portfolio. Formula: (As is EV/EBITDA of respective indices / CAGR for corresponding period of respective index)* CAGR for corresponding period of Adani portfolio
3. Market cap has been calculated by using Growth Adjusted EV less Net Debt (excludes INDAS adjustment) as on 30-09-2023 which is INR 180,371 Cr.
4. **EBITDA:** Earning before Interest Tax Depreciation & Amortization | **FY:** Year ending on 31st March of respective year | **CAGR** for corresponding period

Adani Portfolio: Indian Indices - Comp Analysis

EBITDA Growth comparison



(Figs in INR Cr)



- Adani Portfolio EBITDA has increased from INR 24,870 Cr in FY19 to INR 78,823 Cr in Dec' 23 TTM – 27% CAGR
 - Dec' 23 TTM EBITDA **surpassed NIFTY FMCG index** EBITDA (base Sept' 23)
 - Poised to catchup to **NIFTY IT index** EBITDA (base Sept' 23) post FY27
- Growth is largely achieved by the Rate of Return on Assets (RoA), driven by user driven capex
 - Considering the EBITDA CAGR achieved since FY19
 - Adani Portfolio EBITDA would increase by **~7x** from FY19 to FY27
 - In comparison, EBITDA for the NIFTY 50, FMCG and IT shall increase only between **2.0x to 2.5x**

Adani Portfolio demonstrating superior growth compared to major Indian indices

1. **Indices:** EBITDA (Aggregate of all Index Member) based on Operating Income + Depreciation & Amortization + Cost of Capitalized Operating Leases and for EBIDTA calculation of NIFTY 50 Index; operating income is considered for Banks and financial services companies | Indices info sourced from Bloomberg

2. **Adani Portfolio:** EBITDA: PAT + Share of profit from JV + Tax + Deferred Tax + Depreciation + Finance Cost + Unrealized Forex Loss / (Gain) + Exceptional Item | Aggregate EBIDTA of AEL, APSEZ, AGEL, AESL, APL, ATGL, ACL | Aggregate EBIDTA of AEL, APSEZ, AGEL, AESL, APL, ATGL, ACL | For EV / EBITDA & aggregate EBIDTA Calculation of FY19 in Adani Portfolio; AEL, AGEL, APL, APSEZ, AESL & ATGL have been Considered; in FY19 Ambuja Cements Limited (ACL) is not part of Adani Portfolio.

3. Derived by adjusting Index EV/EBITDA with corresponding CAGR demonstrated for last 4.5 years

EBITDA (E): Extrapolated EBITDA based on historical growth of EBITDA for FY19 to FY23 (Dec 23 TTM in case of Adani Portfolio & Sept 23 TTM in case of Indices) | **TTM** – Trailing Twelve Months | **CAGR** for corresponding period

FY: Year ending on 31st March of respective year

Adani Utilities: Global Utility Indices - Comp Analysis

	Adani Utilities ¹		MSCI World Utilities Index ²		MSCI USA Utilities Index ²		MSCI Europe Utilities Index ²	
	Sept'23	FY19	Sept'23	FY19	Sept'23	FY19	Sept'23	FY19
EBITDA per unit of share (USD)	2.1	0.9	23.6	20.8	26.8	20.5	28.1	25.5
CAGR EBITDA per unit of share (over Period) (%)	21.0% (USD) 26.0% (INR)		2.8%		6.1%		2.2%	
EV/EBITDA (x)	20.6	9.6	11.0x	11.5x	12.5x	14.2x	8.9x	8.1x
Dividend Yield (Dec'23 TTM) (%)	-		4.2%		3.7%		5.4%	
Market Cap (as on 29-Dec-23) (USD Bn)	82		1,805		952		628	

Adani portfolio EBITDA as a % of respective Index

FY 19	4.5%	4.6%	3.7%
	▼	▼	▼
Sept'23	8.9%	7.9%	7.5%

~3x
Growth Rate

Growth in EBITDA of Adani Utilities **outpacing the Global Utility Indices**

- **~3x** against **USA Utilities Index**
- Whereas **European and World Utilities Indices** provides **negligible growth** – the return is predominantly governed through **multiple re-rating**

Adani Utilities demonstrating superlative growth profile vis-à-vis Global Utility Indices

1. **Adani Utilities** includes Adani Energy Solution Ltd (AESL), Adani Green Energy Ltd (AGEL), Adani Total Gas Ltd (ATGL) and Adani Power Ltd (APL) | Aggregate EBITDA of Adani Utilities has been considered for calculation of EBITDA per unit of share determination to arrive at CAGR | EBITDA= PAT (excluding other income) + Profit/(loss) from JV + Current Tax + Deferred Tax + Depreciation + Finance cost + Unrealized FX loss/(gain) + Exceptional item| EV= Market capitalization+ Net Debt | Net debt = Gross debt - Cash Balances | Cash Balances includes cash & cash equivalents, bank balances, current investments, market value of marketable securities (non-current investments), balances held as margin money & deposit for more than 12 months | Debt figures excludes INDAS adjustments.
2. **Indices** :EBITDA = (EBITDA value for each equity * respective number of shares in the index * FX Rate) / (Index Divisor * Coverage Factor) | Enterprise value (EV)= Market Capitalization + EV Components | EV Components = Preferred Equity + Minority Interest + Net Debt – Nominal Amount of Debt included in Price – Other Enterprise Value Adjustments | Dividend Yield is based on TTM data | Source: Bloomberg
3. Exchange Rates: USD-INR = 83.2125 (31-Dec-23), USD-INR = 83.0450 (30-Sept-23), 82.1700 (31-Mar-23) , 69.1550 (31-Mar-19)
MSCI: Morgan Stanley Capital International; **CAGR**: Compounded Annual Growth Rate (FY19 to Sept'23); **TTM**: Trailing Twelve Months; **FY**: Year ending on 31st March of respective year

Adani Utilities: Global Comp analysis

Parameters		Adani Utilities ¹	Global Comp 1 ²	Global Comp 2 ²	Global Comp 3 ²	Global Comp 4 ²	Global Comp 5 ²
Consumer Base	Mn	13	12	9	8	6	7
Market Cap (A)	USD Bn	81.8	122.9	76.5	74.8	41.8	39.3
Net Debt (B)	USD Bn	11.7	71.8	60.6	79.1	42.2	41.8
Enterprise Value (EV) (C)	USD Bn	93.5	204.1	141.1	158.7	84.1	82.9
EBITDA TTM (D)	USD Bn	4.5	15.3	10.0	12.6	6.6	6.2
EV/EBITDA (C/D)	x	20.6x	13.3x	14.0x	12.6x	12.8x	13.3x
EBITDA Growth (4.5 yrs.) ³	%	21%	14%	-0.1%	6%	5%	6%
Net Debt EBITDA (B/D)	x	3x	5x	6x	6x	6x	7x
CFO/Debt ⁴	%	25%	13%	11%	10%	10%	15%
Portfolio Ratings ⁵		BBB-/Baa3/BBB-	A-/Baa1/A-	BBB+/Baa2/BBB+	-- /Baa2/ BBB+	BBB/Baa2/BBB+	BBB+/Baa2/BBB+
ESG Risk Ratings-Sustainalytics ⁷	Score	AGEL - 14.4 (LR) ATGL - 23.9 (MR) AESL - 31.5 (HR) APL - 36.6 (HR)	23.1 (MR)	29.1 (MR)	28.3 (MR)	23.9 (MR)	29.0 (MR)

Adani Utility Portfolio has demonstrated high growth, low leverage and fast-growing consumer base

- Adani Utility** companies includes Adani Green Energy Ltd (AGEL), Adani Energy Solution Ltd (AESL), Adani Power Ltd (APL) and Adani Total Gas Ltd (ATGL) | Data as on 30-09-2023 except EBITDA which is Dec'23 TTM | Market Cap Data as on 29-12-2023 | **EBITDA**= PAT + Profit/(loss) from JV + Current Tax + Deferred Tax + Depreciation + Finance cost + Unrealized FX loss/(gain) + Exceptional item | Net Debt= Debt - Cash balances (cash balances include cash and bank balances, current investments, market value of quoted instruments and government, balances held as margin money & deposit for more than 12 months) | **CFO**: Cash Flow from Operations as per consolidated statement of Cash flows | **Interest coverage**= EBITDA / Interest (Interest includes interest actually paid net of capitalized cost and related party) | Exchange Rates: USD-INR = 83.2125 (31-Dec-23), USD-INR = 83.045 (30-09-2023), 82.1700 (31-03-2023) and 69.1550 (31-03-2019) [Source: FEDAI] | For consumer base respective annual reports considered. | Debt figures excludes INDAS adjustments.
- Global Utilities** - Source: Bloomberg | Data as on 30-09-2023 | (B) Net Debt= Sum of long term and short term debt less cash and cash equivalents | For consumer base respective annual reports considered | (C) EV= A + B + Preferred and other equity | (D) EBITDA TTM as per Bloomberg | Market Cap Data as on 29-12-2023. **3.** EBITDA Growth CAGR (in USD terms) for FY19-Sept'23 TTM has been considered, **4.** For calculation of CFO/Debt, gross debt has been considered, **5.** F/M/S - Fitch / Moody's/ S&P, **6.** Highest rating with ring-fenced asset structure, **7.** Source- Sustainalytics : [Company ESG Risk Rating - Sustainalytics](#) | TTM - Trailing 12 month | LR/MR/HR: Low Risk/Medium Risk/High Risk

Adani Portfolio : Building blocks of High Growth Engine

1 Market Float¹ of Adani Portfolio
~ INR 469k Crores (USD 56 Bn)

~ Market Cap of 10th Largest Company²

1.2x the market float of **2nd Largest Company²**

2 Demonstrated capability for capital raise
from long term marquee strategic equity investors

c. USD 10.8 Bn
raised from strategic partners
since 2019

3 Widening shareholder base of Adani Portfolio
~ 6.83 Mn Shareholders

6x
shareholder base of
Adani Portfolio
in FY19
(FY19- 1.1 Mn Shareholders)

4 EBITDA growth delivered
without material dilution

EBITDA CAGR
27%
(FY 19 to Dec'23 TTM)
without material dilution
of minority shareholder stake
(<2%)

Most promising wealth creation story of next 30 years is underway

1. Notes: Market Float = Market capitalization of Adani Portfolio - value of Adani promoter and promoter group holding | Figures as on 29-Dec-23
2. Largest Company by market capitalization, Listed in India

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