

adani Adani Enterprises Ltd

Update Jan 2023

DNA for growth



Kyon ki bhaiya, sabse bada rupaiya.

BUY @ CMP INR 3,641
Target: INR 5,999 in 24 months
Upside Potential: 64.8%

DNA for growth

Since our previous update on Adani Enterprises Ltd (AEL) dated 23rd Sept 2022, the stock has rallied 15% to INR 4,190, before closing flat at INR 3,641. The all-time high of INR 4,190 was just short of our previous target of INR 4,310. We are updating our outlook on AEL given the substantial business developments that have taken place. We update our 24-month SOTP based price target to INR 5,999, which represents an upside of 64.8% from the CMP of INR 3,641. Our renewed optimism stems from the following –

ANIL – Large integrated platform with de-risked capex

The turbulence in the energy market (post the Russia-Ukraine war) and climate change issues have necessitated a rapid switch to alternative clean fuel sources. Green H2 has the most potential and Adani has made rapid progress to harness this opportunity.

Adani has put in place a green energy platform ANIL, which is end-to-end self-sufficient providing fuel security and is expected to start production (0.29 MTPA) from early FY26 scaling to 3.0 MTPA by FY30 (79.1% CAGR).

Of the entire eco-system of renewable energy required – solar (10 GW p.a.) and wind (3 GW p.a.), 50% would be used to cater to external sales, while the rest would be used for internal consumption. Apart from green H2, ANIL will also be manufacturing value added products viz green ammonia (16.8 MTPA) and urea (8.4 MTPA) for which there is adequate requirement not only within the group but also for exports.

This US\$ 50 bn capex plan is expected to be funded in the ratio of 70% debt and 30% equity. TotalEnergies will be subscribing to 25% of the equity requirement while AEL will be infusing the rest over a period of 10 years. We believe that ANIL's platform design can be utilized to execute similar projects in other renewable rich geographies (of the Middle East, North Africa and Central America) while using the existing spare capacity for manufacture of solar panels and WTG.

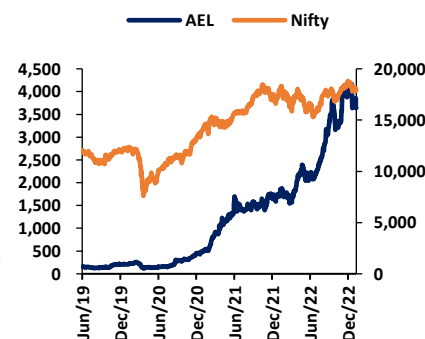
Industry Diversified

Scrip Details

Face Value (INR)	1.0
Market Cap (INR Cr)	4,15,217
Price (INR)	3,641
No of Sh O/S (Cr)	114
3M Avg Vol (000)	336
52W H/L (INR)	4,190/1,529
Dividend Yield (%)	0.03

Shareholding (%) Sep 2022

Promoter	72.6
Institution	20.9
Public	6.5
TOTAL	100.0

Price Chart

Key Consolidated Financial Data (INR Cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net (%)	Adj EPS (₹)	Adj BPS (₹)	RoE (%)	RoIC (%)	P/E (X)	P/BV (X)	EV/EBITDA (X)
FY21	39,537	2,505	923	6.3	2.3	7.7	158.0	4.9	6.3	472.4	23.0	179.6
FY22	69,420	3,713	777	5.3	1.1	6.5	225.0	2.9	4.2	561.2	16.2	127.3
FY23E	1,49,680	9,314	4,201	6.2	2.8	35.1	359.2	9.8	6.6	103.8	10.1	54.2
FY24E	96,623	14,165	6,300	14.7	6.5	52.6	510.3	10.3	6.4	69.2	7.1	39.3
FY25E	1,10,822	25,373	9,220	22.9	8.3	77.0	595.6	12.9	8.0	47.3	6.1	24.4

Airport business growth is now on autopilot

The recovery in the passenger traffic above that of the pre-COVID levels augurs well for the airports business. With focus on growing non-aero revenues and on streamlining the Navi Mumbai airport by Dec 2024 provides strong visibility for robust revenue growth and profitability. We expect value unlocking to take place with the introduction of a strategic investor in the near term and to be listed in the medium term.

Roads business is now on fast lane

ARTL is well on track to achieve 6,316 lane kms of road construction by FY25. With 3 road projects having commenced toll collections and the Ganga Expressway (2,785 lane kms, 44% of total lane kms) achieving financial closure, fast tracking of toll revenues is on course.

Cloud high aspirations

The AdaniConneX data centers have set an ambitious target of 1 GW installed capacity (25% market share) by FY30. The five major locations where the data centers are coming up are progressing quite nicely. With the 17 MW Chennai facility clocking its 1st revenue in Q3FY23 and Noida (50 MW) and Hyderabad (48 MW) are expected to be operational by Q3FY24. AdaniConneX is also putting up edge data centers / far edge facilities (4 cities) thus creating a highly distributed national platform to help bring cloud, content and data closer to Indian businesses and consumers.

'Adani One' going slow to be No.1

Unlike its peers, Adani's Super App launch is not going to be a blitzkrieg event. Currently an 'Alpha' launch has been rolled out with access to employees across the group and has been made available to public on popular app stores which has already crossed more than 1 lakh downloads. Related entities (Cleartrip) and Adani Group have a large number of consumer facing businesses that serve as a repository for understanding consumer preferences. Applying data analytics new disruptive digital revenue streams can be rolled out to this captive consumer base of 400 mn across Adani's consumer facing businesses like, electricity, CGD, FMCG, etc. In addition, the same app can be used to provide B2B services to the existing base of vendors (20,000 to 25,000) and corporate/SME clientele.

Coal business mining handsome profits

The global energy disruptions emanating from the geopolitical turmoil have resulted in elevated energy prices, including that of coal. Further, India's coal demand is expected grow at a fast clip of 4.6% CAGR to 1,511 MMT by FY30. Both these factors augur well for the robust growth of the IRM, MDO and commercial mining segments. Carmichael mine is also expected to scale up to 10 MMTPA by FY24 from the current 8 MMTPA.

All-round improvement in financial metrics

Over the period of FY22-25E, we are expecting AEL's revenue/ EBITDA/ net profit to grow at a CAGR of 16.9%/ 89.8%/ 128.1% to INR 1,10,822 cr/ INR 25,373 cr/ INR 9,220 cr respectively. EBITDA and net margins are expected to improve by 1755bps to 22.9% and 720bps to 8.3% respectively by FY25. Subsequently, return ratios – RoE and RoIC – to improve by 1187bps to 15.4% and 386bps to 8.0% respectively by FY25.

Valuation

We value AEL on a SOTP basis for a price target of INR 5,999 per share and recommend a BUY at the CMP of INR 3,640, for a potential upside of 64.8% over the next 24 months.

AEL valuation summary

Particulars	Valuation method	Mar 2025 Value (INR Cr)	AEL Stake (%)	AEL Stake Value (INR Cr)	Conglomerate Discount (%)	Equity value attributable to AEL (INR Cr)	Attributable value per share (INR)
Existing Businesses							
Airports	DCF	248,662	100	248,662	15	211,363	1,766
Road Construction	DCF	38,514	100	38,514	15	32,737	273
FMCG	DCF	123,357	44	54,277	15	46,136	385
Coal (Carmichael + IRM & MDO)	DCF	30,787	100	30,787	15	26,169	219
Defence	EV/EBITDA	9,112	100	9,112	15	7,745	65
Value from existing businesses						324,150	2,708
Future Businesses							
Green Hydrogen	DCF	549,966	75	412,475	15	350,603	2,929
Data Centers	DCF	32,228	50	16,114	15	13,697	114
Copper	DCF	20,272	100	20,272	15	17,231	144
Petrochemicals	DCF	14,656	100	14,656	15	12,457	104
Value from future businesses						393,989	3,291
Consolidated Value of AEL						718,138	5,999
Current Market Value of AEL							3,641
Upside Potential (%)							64.8

Source: Ventura Research

Our intrinsic value calculation is based on the assumption that the FPO of INR 20,000 cr is on offer at INR 3,500 per share. At different price scenarios of the FPO offer, the intrinsic value would be as follows

AEL intrinsic value at different scenarios

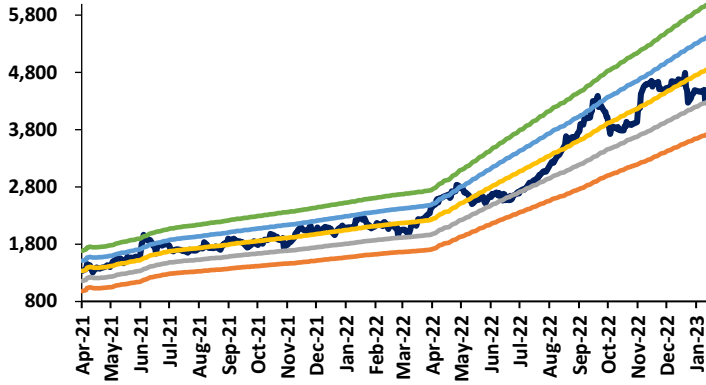
FPO amount (INR cr)	20,000										
	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900	4,000
Offer price (INR)	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900	4,000
No of incremental shares (cr)	6.7	6.5	6.3	6.1	5.9	5.7	5.6	5.4	5.3	5.1	5.0
Equity dilution (%)	5.8	5.7	5.5	5.3	5.2	5.0	4.9	4.7	4.6	4.5	4.4
Promoter stake (%)	68.6	68.7	68.9	69.0	69.1	69.2	69.3	69.3	69.4	69.5	69.6
Post FPO total shares o/s (cr)	120.7	120.5	120.3	120.1	119.9	119.7	119.6	119.4	119.3	119.1	119.0
Intrinsic value per share (INR)	5,951	5,962	5,972	5,981	5,990	5,999	6,007	6,014	6,021	6,028	6,035

Source: Ventura Research

Our proprietary valuation bands indicates that the current pricing is at an attractive valuations

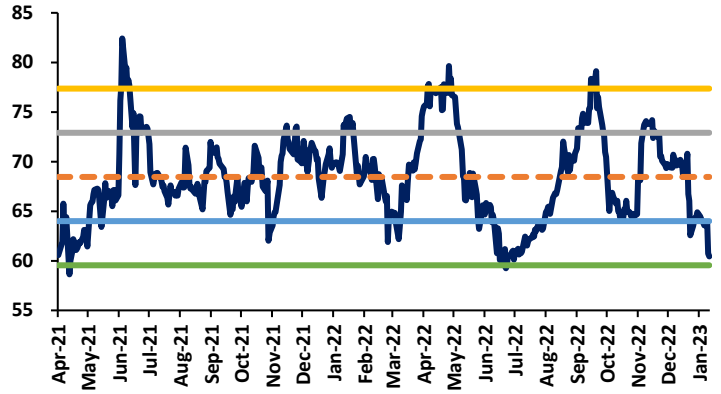
1 year forward EV/EBITDA band chart

EV per sh — 52.45x — 60.45x
 68.45x — 76.45x — 84.45x



EV/EBITDA and Std Deviation

EV/EBITDA — Average — Upper SD1
 Upper SD2 — Lower SD1 — Lower SD2



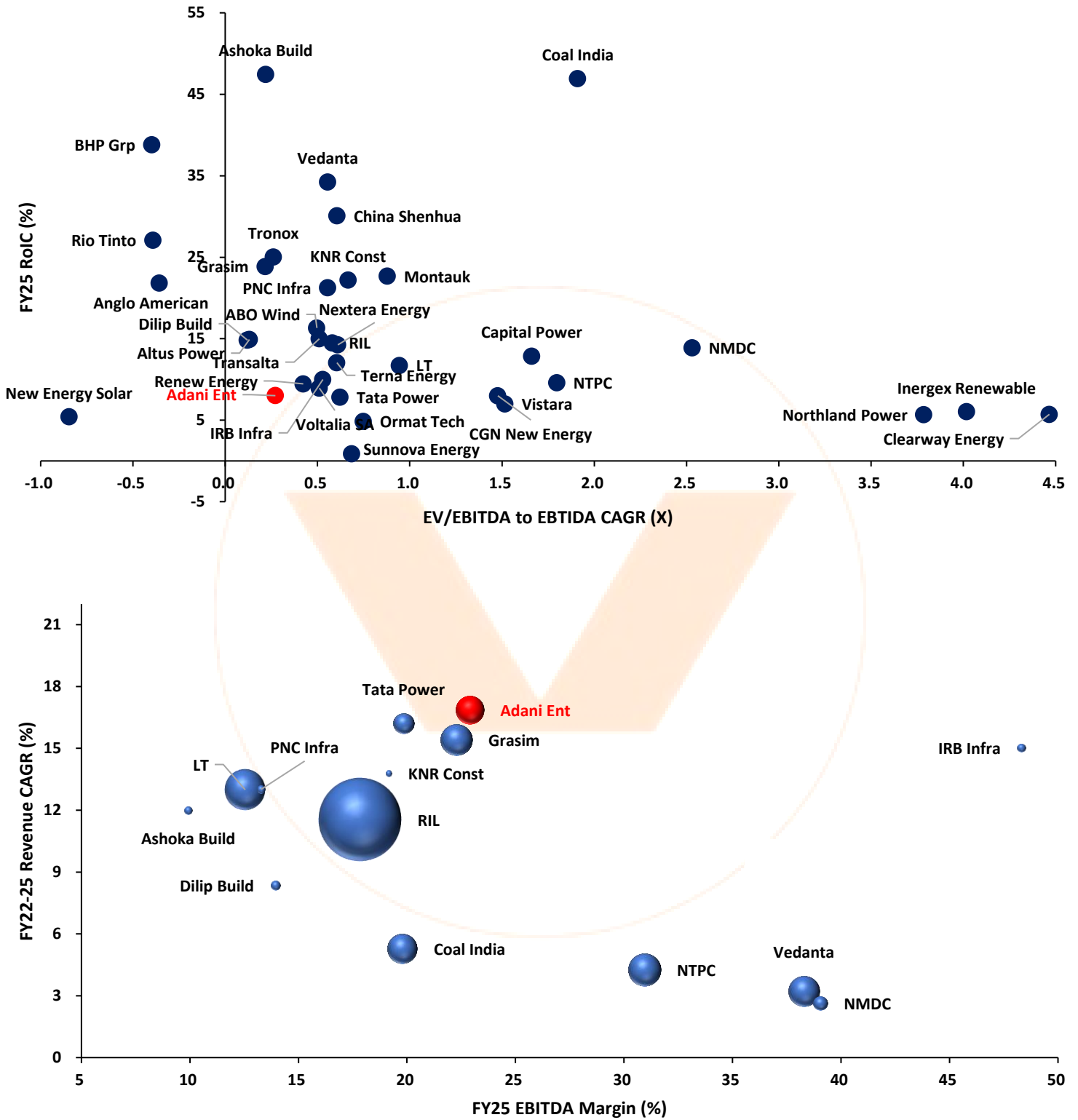
Source: Ventura Research



Valuation and comparable metric of domestic and global companies

Company Name	Mkt Cap	Price	PEG 2025	P/E (X)				P/B (X)				EV/EBITDA (X)				RoE (%)				RoIC (%)				Sales				EBITDA Margin (%)				Net Margin (%)			
				2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Domestic Peers (fig in INR cr, unless specified)																																			
Adani Enterprise Ltd	415,074	3,641.0	0.4	561.2	103.8	69.2	47.3	19.6	12.1	8.4	7.3	127.3	54.2	39.3	24.4	3.5	11.7	12.2	15.4	4.2	6.6	6.4	8.0	69,420	149,680	96,623	110,822	5.3	6.2	14.7	22.9	1.1	2.8	6.5	8.3
Reliance Industries Ltd	1,671,141	2,470.1	1.1	27.4	20.3	18.2	17.3	2.1	1.9	1.8	1.6	15.8	12.0	10.5	9.1	7.7	9.5	9.7	9.2	9.4	11.8	12.5	14.5	694,803	867,101	906,712	964,233	16.0	17.0	18.0	17.8	8.8	9.5	10.1	10.0
Grasim Industries Ltd	108,175	1,643.0	0.3	15.8	15.4	10.9	7.4	1.5	1.3	1.2	1.0	7.6	7.3	5.6	3.6	9.3	8.6	10.7	13.5	2.2	14.0	18.4	23.9	88,958	113,715	123,494	136,713	21.6	19.2	21.6	22.3	7.7	6.2	8.0	10.8
ITC Ltd	409,544	330.0	1.9	26.9	23.9	21.7	20.0	6.5	6.3	6.1	6.0	20.3	18.1	16.0	14.0	24.2	26.5	27.9	30.2	31.6	36.2	45.9	58.5	57,495	64,056	69,209	76,141	34.7	34.8	35.5	36.2	26.5	26.8	27.3	26.9
Larsen & Toubro Ltd	303,840	2,162.0	1.0	32.8	27.0	22.3	19.3	3.7	3.4	3.1	2.8	21.8	18.7	16.1	14.4	11.3	12.5	13.8	14.5	8.7	9.8	11.0	11.7	157,184	179,192	202,283	226,755	11.8	12.0	12.4	12.5	5.9	6.3	6.7	6.9
Vedanta Ltd	117,389	315.8	0.6	6.1	4.8	5.1	4.9	1.7	1.6	1.5	1.4	3.3	2.8	2.8	2.6	28.7	34.0	28.8	28.1	37.1	44.7	40.6	34.2	121,482	137,566	134,007	133,594	36.7	37.4	36.6	38.3	16.0	17.7	17.1	18.1
Tata Power Ltd	65,536	205.1	1.4	29.1	24.5	22.6	19.5	3.0	2.7	2.4	2.1	14.3	12.5	11.2	9.9	10.2	10.9	10.6	11.0	7.3	8.5	9.1	7.8	37,975	47,625	51,555	59,598	20.0	18.6	19.3	19.8	5.9	5.6	5.6	5.6
NTPC Ltd	161,159	166.2	1.1	10.3	9.0	7.6	8.4	1.2	1.1	1.0	1.0	8.8	5.7	5.1	7.0	11.6	12.1	13.0	11.8	8.0	13.1	13.9	9.6	130,493	143,628	154,096	147,879	31.3	31.5	31.9	30.9	12.0	12.5	13.7	13.0
Coal India Ltd	131,543	213.8	0.4	8.1	7.1	5.6	3.2	2.7	2.4	2.0	5.0	4.2	4.2	3.8	39.3	38.5	33.5	34.8	51.4	50.6	45.6	46.9	105,598	117,009	121,209	123,162	21.8	22.4	22.0	19.8	15.4	15.9	15.2	19.1	
NMDC Ltd	37,482	127.9	1.8	3.9	4.1	3.8	3.7	1.1	1.0	1.0	0.9	3.0	3.3	3.2	3.0	27.5	24.8	25.7	25.2	41.8	24.3	21.8	13.9	26,191	25,281	25,737	28,310	40.7	39.2	40.7	39.0	36.9	36.2	38.1	36.3
IRB Infrastructure Ltd	18,044	298.8	0.2	56.8	29.1	18.6	13.3	1.5	1.4	1.3	1.2	9.9	9.6	8.0	7.8	2.6	4.7	7.0	9.2	9.4	9.2	10.7	10.0	5,906	6,752	7,771	8,989	48.6	46.9	47.6	48.3	5.4	9.2	12.5	15.1
KNR Construction Ltd	7,297	259.5	0.9	20.8	15.5	14.0	13.8	3.1	2.6	2.3	2.0	10.8	9.3	8.3	7.7	15.0	16.9	16.4	14.5	26.8	23.2	25.0	22.2	3,200	3,900	4,471	4,716	20.3	19.5	18.8	19.2	10.9	12.1	11.7	11.2
Dilip Buildcon Ltd	3,208	219.4	1.4	10.0	10.5	9.2	8.4	0.8	0.7	0.7	0.6	7.4	3.9	3.6	3.3	7.5	6.4	7.1	7.2	8.0	14.5	14.2	14.8	9,303	10,408	10,755	11,831	8.6	13.9	13.9	13.9	3.5	2.9	3.2	3.2
Ashoka Buildcon Ltd	2,494	88.9	0.1	7.5	4.7	3.6	3.3	2.6	1.3	1.0	0.7	5.4	4.4	3.6	3.2	34.6	27.9	26.3	22.4	59.6	52.9	51.3	47.4	5,587	6,273	7,133	7,846	9.2	9.7	9.9	9.9	5.9	8.5	9.6	9.6
PNC Infratech Ltd	8,336	325.0	1.0	17.5	14.6	12.8	12.4	2.5	2.1	1.9	1.7	9.6	8.3	7.5	6.9	14.1	14.7	14.5	13.6	23.8	25.4	23.0	21.2	6,085	7,225	8,134	8,784	13.5	13.1	13.3	13.3	7.8	7.9	8.0	7.7
Global Peers (fig in USD mn, unless specified)																																			
BHP Group Ltd (Australia)	150,503	29.7	-0.7	6.9	8.0	11.1	13.0	2.8	2.8	2.8	2.4	3.6	3.9	5.0	5.0	41.1	35.3	25.3	18.6	64.8	60.1	44.6	38.8	66,558	61,556	52,468	51,392	63.8	62.3	57.0	55.0	32.9	30.6	25.8	22.6
Rio Tinto (Australia)	110,919	74.8	-0.6	5.8	7.8	9.2	10.9	2.1	2.1	1.9	1.9	3.3	4.1	4.5	4.7	36.4	26.6	21.1	17.6	55.6	39.7	32.5	27.1	59,507	52,548	49,406	45,498	56.4	52.0	49.9	50.4	31.9	27.2	24.4	22.3
China Shenhua Energy (China)	90,870	4.9	1.4	8.9	8.7	8.4	7.6	1.6	1.6	1.5	1.3	4.1	4.1	3.9	3.6	17.9	17.9	17.9	16.5	41.2	35.8	34.6	30.1	50,708	51,783	52,861	58,147	35.0	35.7	36.3	36.3	20.0	20.2	20.6	20.6
Anglo American PLC (UK)	51,974	42.4	-0.6	6.1	7.6	9.2	13.2	1.6	1.4	1.3	1.2	2.9	3.2	3.6	3.7	26.7	19.1	14.5	9.1	46.4	34.4	27.0	21.8	41,743	39,124	36,994	33,518	46.4	43.4	40.7	41.7	20.3	17.6	15.3	11.8
Tronox Holdings PLC (USA)	2,492	16.0	0.3	4.9	4.3	4.1	3.4	1.1	0.9	0.8	0.6	4.4	3.8	3.5	2.2	21.7	20.9	19.4	19.0	17.2	18.2	17.7	25.0	3,992	4,130	4,203	4,443	27.0	28.1	28.6	30.9	12.8	14.0	14.4	16.5
Renew Energy PLC (USA)	2,361	5.9	0.2	78.7	54.4	41.4	12.8	1.6	1.6	1.4	1.3	9.6	9.0	8.8	7.4	2.1	2.8	3.4	10.0	8.3	8.0	8.0	9.5	797	1,125	1,336	1,471	88.5	80.3	82.9	77.8	3.8	3.9	4.3	12.6
Montauk Renewables (USA)	2,039	14.2	0.7	39.0	27.6	22.0	19.0	8.6	6.5	5.0	4.0	22.0	19.2	15.6	14.1	22.0	23.7	22.9	21.0	25.6	27.0	25.5	22.7	204	224	269	303	45.9	48.2	49.3	48.3	25.6	33.1	34.4	35.4
Transalta Corp (Canada)	2,968	11.0	-1.8	15.5	42.8	62.6	73.2	4.6	4.4	4.4	6.1	8.7	6.4	6.1	5.8	29.6	10.3	7.0	8.4	16.9	12.8	12.7	15.0	1,832	1,665	1,588	1,562	33.7	51.2	54.3	54.7	10.5	4.2	3.0	2.6
Ormat Technologies (USA)	4,128	73.6	1.3	55.4	37.0	32.8	29.8	2.0	2.0	1.8	1.7	14.0	11.7	10.6	9.6	3.6	5.3	5.5	5.7	5.2	6.8	8.3	4.8	722	872	942	955	59.5	59.7	59.6	64.6	10.3	12.8	13.4	14.5
Capital Power Corp (Canada)	4,115	33.9	3.1	16.7	21.5	17.8	14.6	2.3	2.3	2.4	2.8	8.7	7.7	7.7	7.5	13.9	10.9	13.7	19.2	10.7	9.3	11.3	12.9	1,547	1,534	1,569	1,539	49.0	56.4	55.7	56.2	15.9	12.5	14.7	18.3
Vistara Corp (USA)	9,725	22.5	19.5	13.3	7.4	12.1	13.0	1.8	1.8	1.8	3.0	5.8	5.0	5.4	5.4	13.7	24.1	14.8	23.2	9.3	15.7	9.7	7.0	14,972	15,037	13,796	12,124	21.1	23.7	25.9	28.9	4.9	8.7	5.8	6.2
Northland Power (Canada)	6,541	28.3	2.5	19.9	21.4	20.0	16.4	4.1	4.0	4.5	2.7	11.7	11.3	11.9	13.6	20.4	18.6	22.2	16.3	10.9	11.1	9.2	5.7	1,699	1,747	1,762	1,811	57.7	58.5	59.6	60.2	19.4	17.5	18.5	22.0
Clearway Energy Inc (USA)	6,125	28.7	1.6	38.0	25.6	26.0	24.6	1.8	1.8	1.7	1.6	10.0	9.6	9.6	9.3	4.8	6.9	6.5	6.5	4.1	5.0	4.9	5.7	1,367	1,325	1,333	1,373	90.2	96.9	94.7	95.5	11.8	18.1	17.6	18.2
Nextera Energy (USA)	5,638	67.2	1.8	28.2	24.0	24.2	20.4	2.7	1.4	3.1	7.6	6.5	6.0	5.8	5.4	9.4	5.7	12.7	37.2	7.8	7.2	10.5	14.2	1,741	1,968	2,142	2,291	97.8	96.0	96.8	95.7	11.5	11.9	10.9	12.1
Inergex Renewable (Canada)	2,690	13.2	0.2	126.6	46.5	31.7	19.3	3.6	3.9	5.0	3.7	13.0	12.3	12.8	12.7	2.9	8.4	15.9	19.1	5.2	5.9	6.3	6.0	683	721	751	762	75.9	75.5	74.4	74.6	3.1	8.0	11.3	18.3
Sunnova Energy Int. (USA)	2,012	17.6	0.2	33.5	#####	72.5	10.0	1.2	0.8	1.4	1.2	54.5	43.1	37.8	31.7	3.4	-0.7	1.9	12.2	-1.0	-0.0	0.3	0.9	353	509	657	849	34.5	38.1	41.6	44.8	17.0	-3.5	4.2	23.6
Altus Power (USA)	1,186	7.7	-1.8	18.4	90.3	42.0	38.1	3.2	3.0	2.8	2.6	24.7	12.4	7.6	6.9	17.2	3.4	6.7	6.9	7.9	8.7	14.2	14.9	104	179	284	312	54.8	63.1	65.0	65.0	61.9	7.3	10.0	10.0
Terna Energy SA (Greece)	2,148																																		

AEL is in a high growth phase, which could reduce its RoIC, however, it is well-positioned for decadal growth



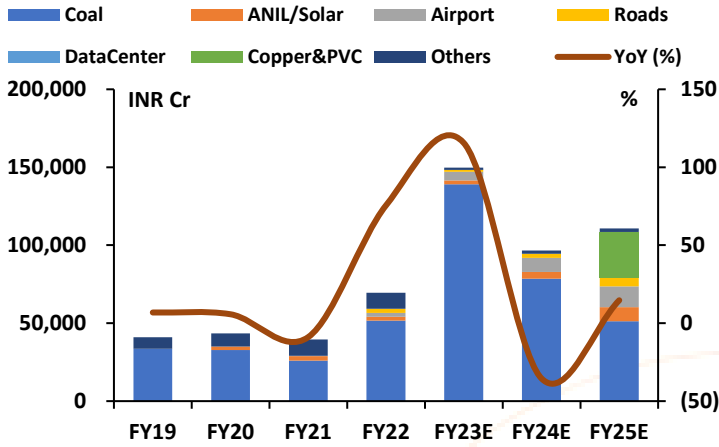
Source: Ventura Research, ACE Equity & Bloomberg

AEL Consolidated Financial Summary

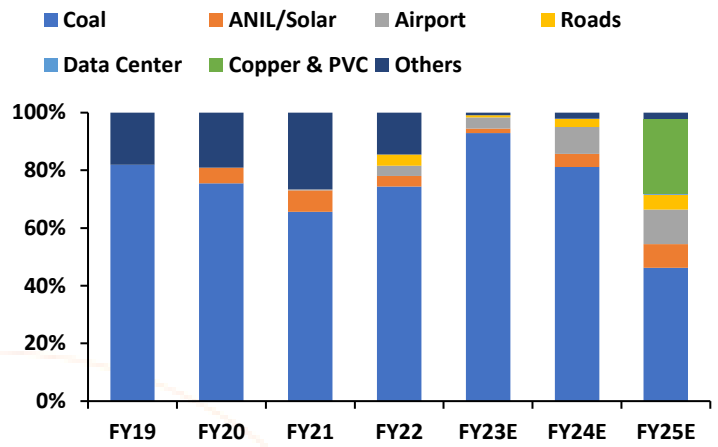
Fig in INR Cr (unless specified)	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E
Revenue from operations	41,056	43,403	39,537	69,420	149,680	96,623	110,822	134,664	160,366	209,239	234,548	250,191	255,007	260,056
YoY Growth (%)	6.9	5.7	(8.9)	75.6	115.6	(35.4)	14.7	21.5	19.1	30.5	12.1	6.7	1.9	2.0
RM Cost and Opex	38,914	41,118	37,032	65,707	140,366	82,458	85,449	93,770	98,126	123,325	127,196	129,474	131,750	133,688
Expenses to Sales (%)	94.8	94.7	93.7	94.7	93.8	85.3	77.1	69.6	61.2	58.9	54.2	51.8	51.7	51.4
EBITDA	2,143	2,284	2,505	3,713	9,314	14,165	25,373	40,895	62,240	85,914	107,352	120,716	123,257	126,368
EBITDA Margin (%)	5.2	5.3	6.3	5.3	6.2	14.7	22.9	30.4	38.8	41.1	45.8	48.2	48.3	48.6
YoY Growth (%)	(34.2)	6.6	9.7	48.2	150.8	52.1	79.1	61.2	52.2	38.0	25.0	12.4	2.1	2.5
Depreciation	416	472	537	1,248	2,380	3,140	5,856	10,561	14,203	18,021	20,954	21,392	21,518	21,711
EBIT	1,726	1,812	1,968	2,465	6,934	11,025	19,517	30,334	48,037	67,892	86,398	99,324	101,739	104,657
EBIT Margin (%)	4.2	4.2	5.0	3.6	4.6	11.4	17.6	22.5	30.0	32.4	36.8	39.7	39.9	40.2
YoY Growth (%)	(45.2)	5.0	8.6	25.3	181.2	59.0	77.0	55.4	58.4	41.3	27.3	15.0	2.4	2.9
Other Income	580	684	754	1,013	640	1,212	373	505	686	1,146	1,971	3,195	651	1,612
Finance Cost	1,637	1,572	1,377	2,526	2,553	4,954	9,141	14,121	20,561	27,181	32,623	34,645	35,595	34,923
Exceptional Items	(158)	199	(259)	0	0	0	0	0	0	0	0	0	0	0
PBT	511	1,122	1,086	952	5,022	7,283	10,749	16,718	28,163	41,857	55,746	67,874	66,795	71,347
PBT Margin (%)	1.2	2.6	2.7	1.4	3.4	7.5	9.7	12.4	17.6	20.0	23.8	27.1	26.2	27.4
YoY Growth (%)	(82.3)	119.7	(3.2)	(12.3)	427.5	45.0	47.6	55.5	68.5	48.6	33.2	21.8	(1.6)	6.8
Tax Expense	194	324	340	477	1,269	1,587	2,256	3,042	4,919	7,347	9,990	12,136	8,089	8,756
PAT	317	798	746	475	3,752	5,696	8,493	13,675	23,243	34,510	45,755	55,738	58,706	62,591
PAT Margin (%)	0.8	1.8	1.9	0.7	2.5	5.9	7.7	10.2	14.5	16.5	19.5	22.3	23.0	24.1
YoY Growth (%)	(88.5)	152.1	(6.5)	(36.3)	689.3	51.8	49.1	61.0	70.0	48.5	32.6	21.8	5.3	6.6
Min Int/Sh of Associates	401	340	176	301	448	604	727	859	1,051	1,270	1,583	1,998	2,198	2,418
Net Profit	717	1,138	923	777	4,201	6,300	9,220	14,534	24,294	35,779	47,338	57,736	60,904	65,008
Net Margin (%)	1.7	2.6	2.3	1.1	2.8	6.5	8.3	10.8	15.1	17.1	20.2	23.1	23.9	25.0
YoY Growth (%)	(5.3)	58.7	(18.9)	(15.8)	440.9	50.0	46.4	57.6	67.2	47.3	32.3	22.0	5.5	6.7
Adjusted EPS	6	10	8	6	35	53	77	121	203	299	395	482	509	543
P/E (X)	607.7	382.9	472.4	561.2	103.8	69.2	47.3	30.0	17.9	12.2	9.2	7.5	7.2	6.7
Adjusted BVPS	123	142	143	186	301	432	501	611	793	1,062	1,418	1,852	2,310	2,799
P/BV (X)	29.5	25.7	25.4	19.6	12.1	8.4	7.3	6.0	4.6	3.4	2.6	2.0	1.6	1.3
Enterprise Value	445,359	444,815	449,989	472,868	504,793	556,174	619,366	710,160	809,495	898,073	943,042	897,119	843,652	784,411
EV/EBITDA (X)	207.8	194.7	179.6	127.3	54.2	39.3	24.4	17.4	13.0	10.5	8.8	7.4	6.8	6.2
Net Worth	14,756	16,947	17,159	22,261	36,047	51,716	60,015	73,095	94,960	127,162	169,766	221,729	276,542	335,050
ROE (%)	4.9	6.7	5.4	3.5	11.7	12.2	15.4	19.9	25.6	28.1	27.9	26.0	22.0	19.4
Capital Employed	25,999	29,366	33,160	63,284	105,334	176,933	264,535	398,694	557,659	720,933	837,623	870,907	924,832	982,018
ROCE (%)	4.1	4.4	4.1	1.9	4.9	4.9	5.8	6.2	7.1	7.8	8.5	9.4	9.7	9.3
Invested Capital	24,287	25,934	31,319	59,301	105,012	172,063	243,553	347,428	468,627	589,407	676,981	683,019	684,367	683,634
ROIC (%)	7.1	7.0	6.3	4.2	6.6	6.4	8.0	8.7	10.3	11.5	12.8	14.5	14.9	15.3
ROIIC (%)	4.1	5.2	2.9	1.8	9.8	6.1	11.9	10.4	14.6	16.4	21.1	24.6	28.1	31.6
Cash Flow from Operations	3,327	2,454	4,043	1,385	(3,253)	22,745	24,307	32,727	51,839	67,006	93,503	109,135	116,581	120,133
Cash Flow from Investing	1,809	(2,323)	(7,902)	(17,487)	(35,771)	(78,493)	(77,449)	(107,969)	(128,207)	(124,870)	(101,138)	(22,806)	(21,433)	(19,473)
Cash Flow from Financing	(6,158)	(221)	3,109	15,901	35,291	60,345	69,241	105,504	114,110	100,313	36,728	(59,097)	(42,574)	(42,746)
Net Cash Flow	(1,023)	(90)	(750)	(201)	(3,733)	4,596	16,099	30,262	37,742	42,449	29,093	27,232	52,574	57,914
Free Cash Flow	929	612	441	(11,582)	(39,153)	(58,153)	(55,235)	(72,105)	(73,706)	(50,363)	(8,079)	81,906	91,627	96,390
CFO to EBITDA (%)	155.3	107.4	161.4	37.3	(34.9)	160.6	95.8	(53.5)	(46.0)	(24.1)	(3.4)	32.7	35.9	37.1
FCF to EBITDA (%)	43.3	26.8	17.6	(311.9)	(420.4)	(410.5)	(217.7)	(176.3)	(118.4)	(58.6)	(7.5)	67.8	74.3	76.3
FCF to Net Profit (%)	129.5	53.8	47.8	(1,491.5)	(932.1)	(923.1)	(599.1)	(496.1)	(303.4)	(140.8)	(17.1)	141.9	150.4	148.3
FCF to Net Worth (%)	6.3	3.6	2.6	(52.0)	(108.6)	(112.4)	(92.0)	(98.6)	(77.6)	(39.6)	(4.8)	36.9	33.1	28.8
Net Capex	1,765	2,722	3,359	13,493	33,611	76,334	75,683	105,726	125,790	120,273	98,757	21,335	20,980	18,998
Net Capex to Revenue (%)	4.3	6.3	8.5	19.4	22.5	79.0	68.3	78.5	78.4	57.5	42.1	8.5	8.2	7.3
Total Debt	11,243	12,419	16,001	41,024	69,287	125,217	204,521	325,599	462,699	593,771	667,856	649,178	648,290	646,967
Net Debt	9,531	8,988	14,161	37,041	68,965	120,346	183,538	274,332	373,667	462,246	507,215	461,291	407,825	348,584
Net Debt to Equity (X)	0.6	0.5	0.8	1.7	1.9	2.3	3.1	3.8	3.9	3.6	3.0	2.1	1.5	1.0
Net Debt to EBITDA (X)	4.4	3.9	5.7	10.0	7.4	8.5	7.2	6.7	6.0	5.4	4.7	3.8	3.3	2.8
Interest Coverage Ratio (X)	1.1	1.2	1.4	1.0	2.7	2.2	2.1	2.1	2.3	2.5	2.6	2.9	2.9	3.0
Piotroski F-score (higher is better)	7.0	8.0	5.0	3.0	5.0	6.0	7.0	7.0	7.0	9.0	8.0	9.0	7.0	8.0
Altman Z-score (higher is better)	4.2	3.1	3.6	4.8	5.2	4.7	4.7	4.7	4.7	4.7	4.7	4.8	4.8	4.7

Source: Company Reports & Ventura Research

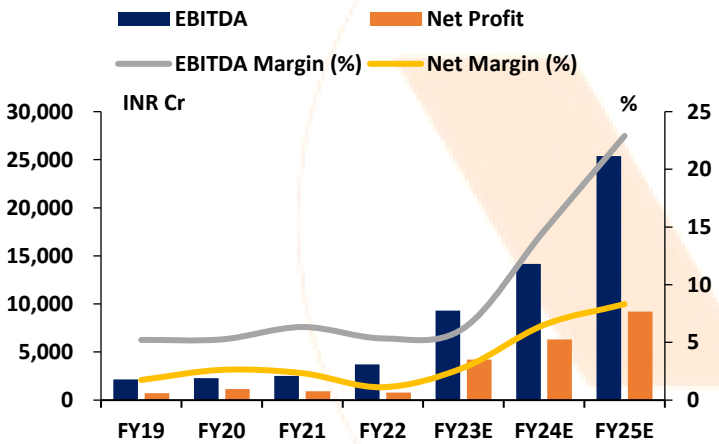
Entry in new segments to accelerate revenue growth in the coming years



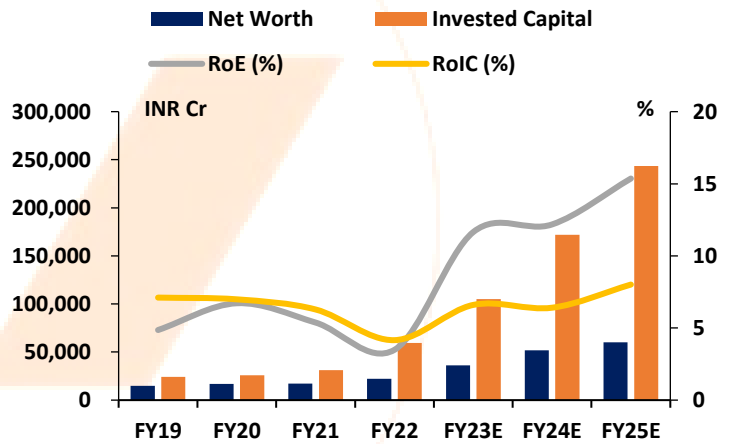
Revenue share of coal to decline as new businesses evolve



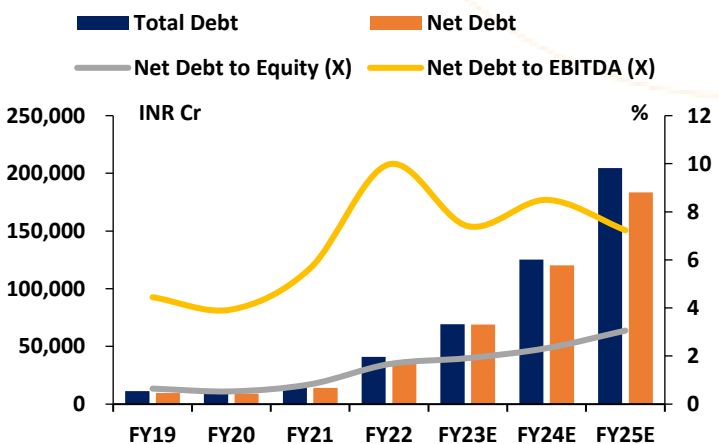
Additional earnings from the new businesses to drive profitability



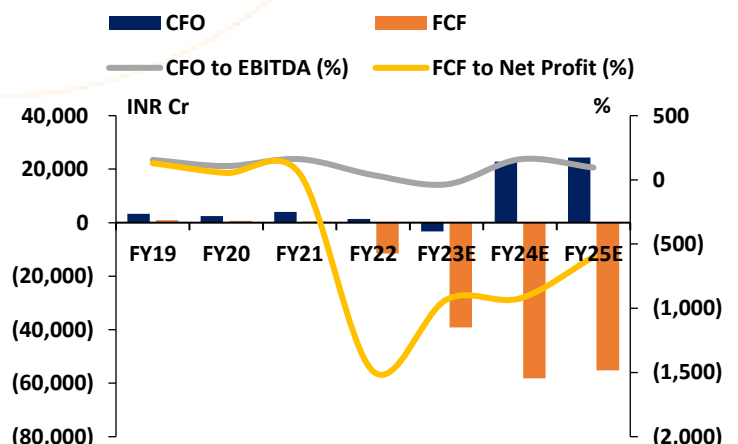
Return ratios to follow the operating performance in the coming years



Initial capex in the new businesses to increase debt on the balance sheet



Initial capex on ANIL to dent operating cash flow and FCF performance

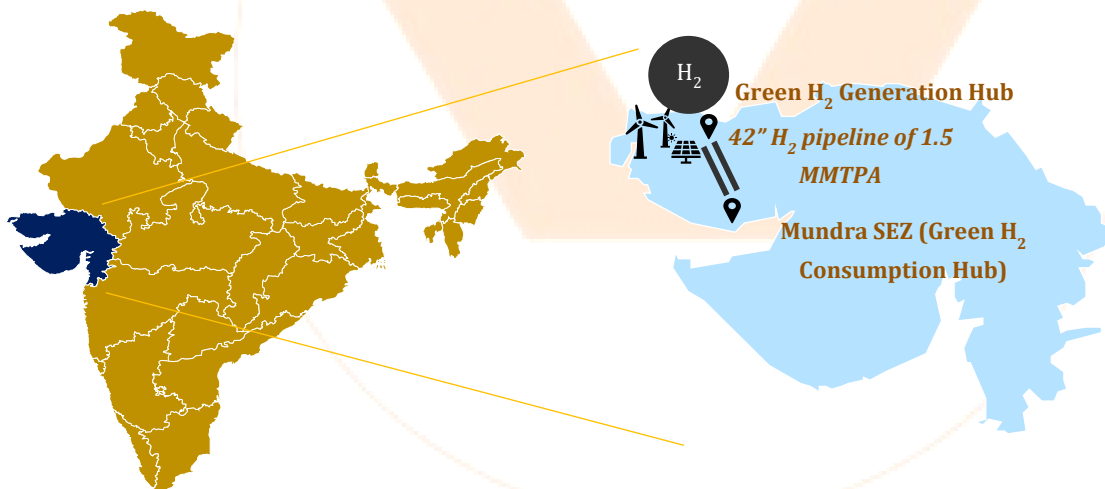


Source: Company Reports & Ventura Research

ANIL is now a global platform for the green hydrogen ecosystem

- ANIL has potential to emerge as a truly global platform with end-to-end sufficiency. The green H₂ manufactured (3 MMTPA by FY30) will be powered using renewable energy namely wind turbine (WTG) and solar panels. The renewable energy generation will be done at a high resource wind and solar site located in Gujarat – Rajasthan. This has the potential to generate 20 GWs of green power.
- The entire capability for green H₂ manufacture is being in-sourced, both for solar panels (10,000 MW capacity) and wind turbines (3,000 MW capacity). At 50% capacity utilization, the entire current requirement of solar panels & WTG will be met. The incremental capacity will be used not only for sales of solar panels and WTG to external customers, but also cater to future green H₂ expansion needs.
- External sales at 50% capacity are expected to scale to INR 19,890 cr (Solar INR 13,309 cr and WTG INR 6,581 cr) by FY30. The China+1 policy of the western world provides India with a promising export potential for solar and WTG with margins better or on par with those of Chinese manufacturers.
- India’s 1st & largest WTG prototype of 5.2 MW is installed at Mundra for which the testing & certification is ongoing. In the manufacture of turbine, nacelle & rotor blades, technology partnership with renowned global players are already in place.

Green H₂ supply chain



Supply Chain Products Manufacturing

- Manufacture key components and materials for RE projects

Solar – Polysilicon

Solar – Ingot, wafer, cell, modules

WTG

Electrolysers

Ancillary: Tracker, Glass etc.

Green Hydrogen Generation

Integrated RE and H₂ Electrolyser Projects

- Renewable Power generation to power H₂ electrolyser
- Part of H₂ will go into

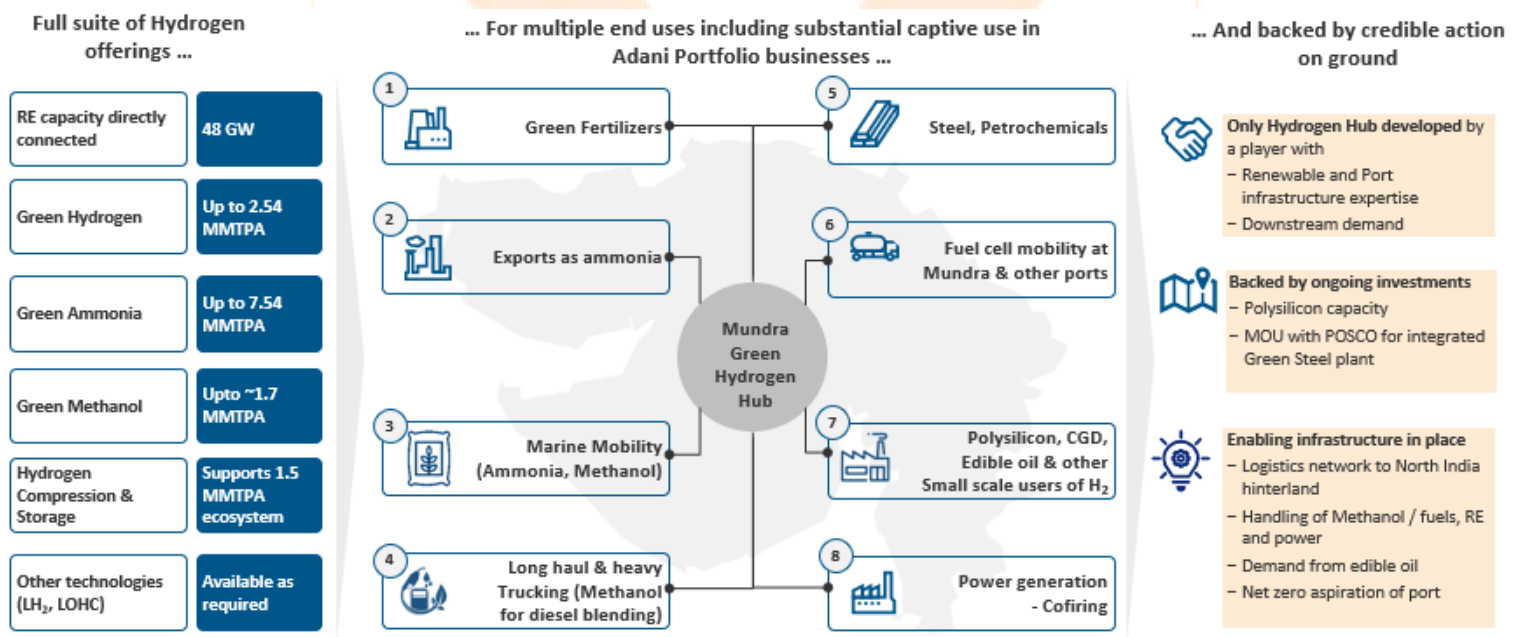
Downstream Products

Large scale downstream anchor projects at Mundra SEZ

Source: Company Reports

- For the manufacture of solar panels and WTG, upstream production capacities, which includes solar panels, polysilicon, ingot wafers, cell and modules manufacturing (high efficiency future TOPCon and HJT technologies) are already in place. Other ancillary units like tracker, EVA sheets, glass production, etc., have already been catered to.
- For converting this renewable energy to green H2, ANIL has planned to set up an in-house state-of-the-art alkaline and PEM electrolysers manufacturing facility (15,000 MW) at Mundra SEZ. This facility is sufficient to take care of the entire green H2 requirements of the company. Focus is on reducing the electrolyzer production cost from the current US\$ 250 per KW to US\$ 100 per KW at which ANIL will be one of the lowest cost producers.
- The green H2 generation plant is being setup near the renewable energy cluster and the H2 produced will be transported via a pipeline (42-inch diameter pipeline) to Mundra SEZ. Landed cost of green H2 at Mundra will be lowest thereby providing economies of scale.
- At Mundra, green H2 is to be further processed to manufacture value added products – ammonia (16.8 MTPA) and urea (8.4 MTPA). This ammonia and urea along with green H2 will command premium pricing being produced 100% from sustainable sources.

An integrated green H2 hub of ANIL



Source: Company Reports & Ventura Research

- The company has enhanced its target of FY30 green H2 production to 3.0 MMT from the earlier 2.5 MMT. The first green H2 production is expected in early FY26.
- ANIL's vision is to be the lowest cost producer of green H2 and in partnership with TotalEnergies, we expect this platform to be extended to the global theatre in the forthcoming future. This partnership could consider duplicating the existing green

H2 platform design across the geographies of the Middle East, North Africa and Central America, which are abundant solar energy recipients.

- On the lines of ENOC, established at Ahmedabad in Adani Green Energy Ltd, an analytics driven O&M platform with AI based technology to maximize generation and performance predictive maintenance is also on the cards.
- The final share purchase agreement between AEL and TotalEnergies is in process, the valuation of which is to be announced shortly.
- Green H2 is expected to replace a significant portion of India's crude oil imports which is currently at 89% of the total consumption. It could also create an export market for India's green H2 supplies to Europe and Japan, where the crude oil dependency is 96% and 99% respectively. Besides, these geographies don't have similar topographies essential for solar energy generation, the crucial raw material for the production of green H2.
- The green H2 being produced will find substantial captive usage across all Adani portfolio businesses which include fertilizer, petrochemicals, export of ammonia, power generation (co-firing), fuel cell mobility at Mundra (and other ports) and other small scale uses (polysilicon, CGD, edible oil). The company is contemplating undertaking long term guaranteed offtake contracts. This provides for significant revenue visibility.
- Several production-linked and capex linked initiatives from green H2 ecosystem increase the attractiveness of the project.

ANIL financial summary

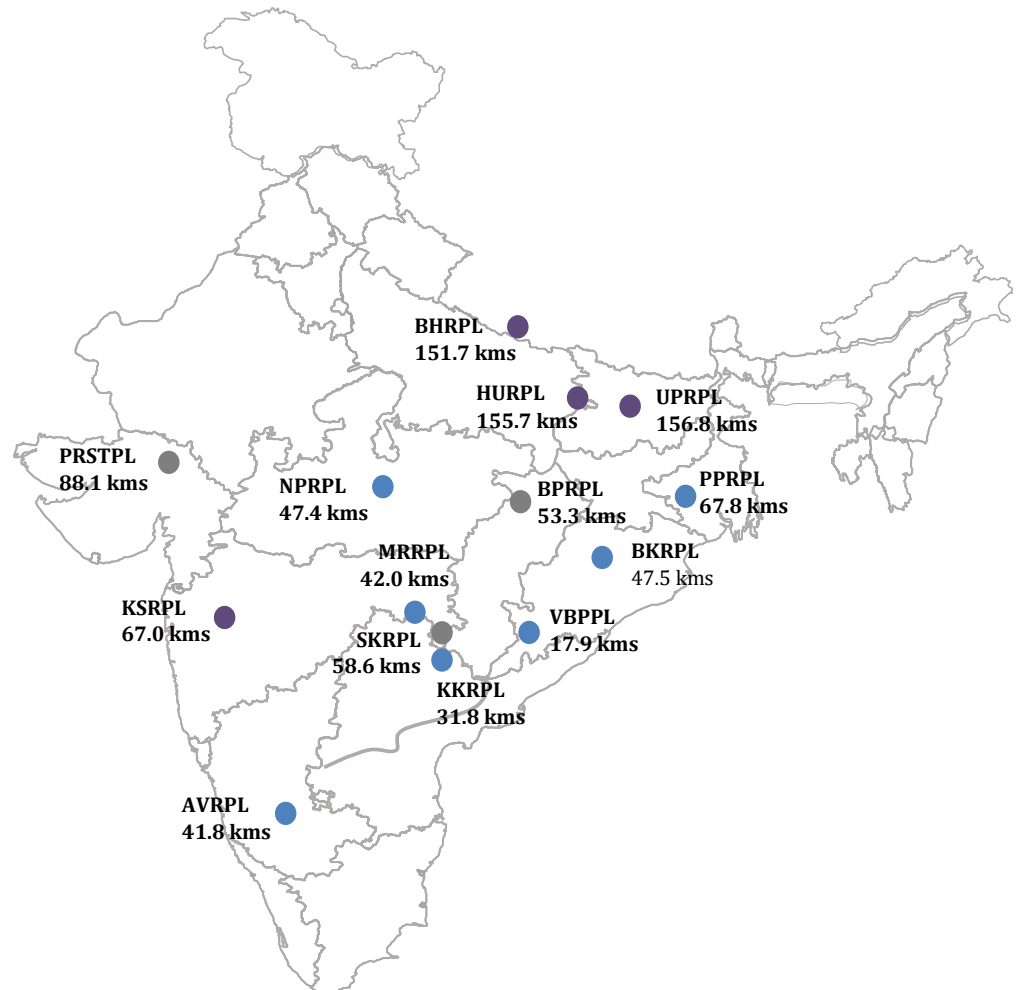
Fig in INR cr (unless specified)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Revenue by external sales										
WTG	0	750	3,038	4,050	4,050	4,050	4,050	4,050	4,050	4,050
Solar	3,197	5,069	9,080	9,506	8,652	8,652	8,652	8,652	8,652	8,652
H2	0	0	0	1,956	4,223	5,237	6,188	5,900	4,870	4,194
Ammonia	0	0	0	4,851	13,950	27,341	40,773	45,277	45,488	46,605
Urea	0	0	0	0	7,318	14,343	21,085	27,551	27,000	27,000
Renewable Power	0	0	0	0	159	530	963	1,411	1,637	1,637
Total Revenue	3,197	5,819	12,118	20,363	38,351	60,154	81,712	92,841	91,697	92,138
YoY Growth (%)		82.0	108.3	68.0	88.3	56.9	35.8	13.6	(1.2)	0.5
EBITDA	474	1,699	4,550	13,350	32,207	54,163	75,903	89,262	86,899	86,973
EBITDA margin (%)	14.8	29.2	37.5	65.6	84.0	90.0	92.9	96.1	94.8	94.4
PAT	276	709	1,335	3,405	10,862	20,660	32,121	42,806	43,385	46,022
PAT margin (%)	8.6	12.2	11.0	16.7	28.3	34.3	39.3	46.1	47.3	49.9
Networth	1,839	9,874	24,429	53,560	97,963	151,968	210,909	253,715	297,101	343,122
RoE (%)	15.0	7.2	5.5	6.4	11.1	13.6	15.2	16.9	14.6	13.4
Capital Employed	3,401	18,763	56,862	160,040	300,393	445,676	572,695	599,069	626,816	657,200
RoCE (%)	11.1	7.2	6.4	6.7	8.6	9.7	10.6	11.9	11.1	10.6

Source: Company Reports & Ventura Research

Road vertical on track to double its lane kms

- As per our last update on AEL dated 23rd Sept 2022, Adani Road Transport Ltd (ARTL) is well on path to achieve its target of 6,316 lane km by FY25.
- Currently it has a portfolio of 14 projects with road length in excess of 5,351 lane kms.

ARTL's operational, under construction and under development projects



Source: Company Reports

- One important milestone is that the Ganga Expressway, the largest project in its portfolio (2,785 lane kms) has achieved financial closure.
- 3 toll projects are now operational
 - BPRPL (HAM project)
 - SKRPL (HAM project)
 - PRSTPL (TOT project)
- MRRPL project is 81% complete and we expect it to be fully operational by Q1FY24.
- ARTL's project portfolio has a healthy mix of traffic (60%) and annuity (40%) assets. The concession period of annuity assets (15 years) and traffic assets (20-30 years)

provides for long term revenue visibility. There is significant contractual risk mitigation as toll price is linked to inflation and concession period to traffic.

ARTL's road projects and their completion status

Project Name	Lane km	Counterparty	Completion Status
HAM (Annuity assets)			
BPRPL	213	NHAI	PCOD Received
SKRPL	235	NHAI	PCOD Received
MRRPL	168	NHAI	81%
VBPPL	107	NHAI	33%
NPRPL	190	NHAI	31%
AVRPL	245	NHAI	7%
BKRPL	285	NHAI	7%
KKRPL	127	NHAI	21%
Total	1,570		
BOT (Traffic assets)			
PPRPL	407	NHAI	8%
Ganga Expressway	2,785	UPEIDA	Financial closure secured
KSRPL	391	NHAI	CA Signed
Total	3,583		
Others			
MBCPNL	NA	MH Govt	18 BCPs in Operation
PRSTPL	198	NHAI	Toll collection started
Overall Total	5,351		

Source: Company Reports

ARTL financial summary

Fig in INR cr (unless specified)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Lane Kms	1,631	6,223	9,561	13,347	15,347	17,347	19,347	21,147	22,947	24,747
Share of HAM projects (%)	27.5	26.4	26.9	21.1	21.6	22.0	22.3	23.3	24.1	24.7
Share of BOT projects (%)	72.5	73.6	73.1	78.9	78.4	78.0	77.7	76.7	75.9	75.3
Revenue	1,229	2,685	5,653	6,665	8,393	9,547	10,647	11,890	13,059	13,666
YoY Growth (%)		118.6	110.5	17.9	25.9	13.8	11.5	11.7	9.8	4.7
EBITDA	1,036	2,299	4,856	5,675	7,208	8,252	9,162	10,266	11,259	11,695
EBITDA Margin (%)	84.3	85.6	85.9	85.1	85.9	86.4	86.1	86.3	86.2	85.6
PAT	167	251	769	18	468	664	788	1,298	1,934	2,120
PAT Margin (%)	13.6	9.3	13.6	0.3	5.6	7.0	7.4	10.9	14.8	15.5
Networth	7,202	12,126	21,803	26,576	29,882	31,412	32,175	33,429	35,274	37,273
RoE (%)	2.3	2.1	3.5	0.1	1.6	2.1	2.4	3.9	5.5	5.7
Capital Employed	12,877	37,394	56,133	61,999	68,536	73,470	77,480	81,375	85,845	90,459
RoCE (%)	6.4	4.9	6.9	7.3	8.4	9.0	9.5	10.1	10.5	10.3

Source: Company Reports & Ventura Research

Adani ConneX connection to exponential profit growth

- AdaniConneX is a 50:50 JV with US based EdgeConneX, a leading global data center franchise.

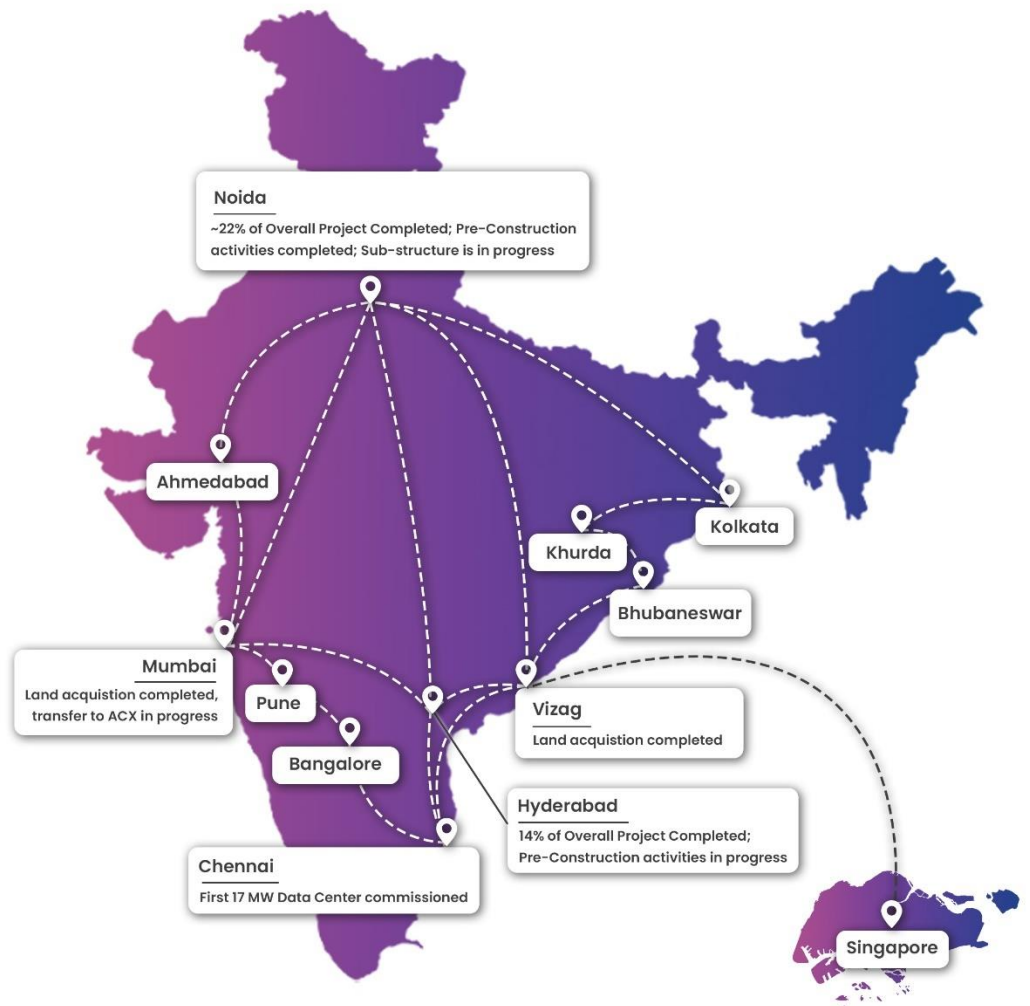
AEL and Edge ConneX brings significant synergies to the JV

Adani Enterprises Ltd	EdgeConneX
Largest private infrastructure & energy provider	US based global data center company
Ability to acquire strategic land bank and land parcels	Hyperscale to hyperlocal expertise
Local knowledge and relationships	Design and operations capabilities
Prospects for onboarding to data centers	Proven customer relationships and contacts
Local regulatory experience	Global footprint

Source: Company Reports & Ventura Research

- The JV is targeting 1 GW of capacity (25% market share) by FY30 with potential to achieve 300 MW of tie-ups by FY26 itself. Already the 17 MW Chennai data center is operational.

A well connected network of data centers of AdaniConneX



Source: Company Reports & Ventura Research

- NOIDA (50 MW capacity) and Hyderabad (48 MW capacity) are expected to be revenue accretive by Q3FY24. Two large global clients have been onboarded. The land bank acquired at both these locations is adequate to cater to even double the capacity.
- Land acquisition at Navi Mumbai and Vizag has already been completed. Vizag is a large scale DC campus with potential for submarine connectivity.
- Data centers will be backed by the renewable power sources.

Experience and proven capabilities of Adani and Edge ConneX

Renewable Power
Powered with Green energy & offering carbon neutral solutions.

Resilient Fiber Connectivity
Diverse cable path, carrier neutral connectivity

Proximate Locales
Real Estate located near power centers, network and industry.

Hyperscale Campuses: 20+MWs
Large data center campuses in key Indian markets that can support major Cloud requirements.

Edge Data Centers: 2-20MWs
Rapidly deliver scalable data center capacity in secondary Edge markets across India

Far Edge Facilities: <2MWs
Small, modular data centers solutions to support hyperlocal metro requirements.

Source: Company Reports

- As part its hyper local strategy, the company is looking to setup Edge data centers/ Far Edge facilities at Kolkata, Bhubaneshwar, Pune and Khruda. The plan is to create a highly distributed national platform that will bring cloud, content and data closer to Indian businesses and consumers alike.
- Due to cheap data charges India has emerged as one of the largest data guzzlers globally. However, the data centre capacity lags the demand by far when compared with US and China. Additionally, the laws around data localization are expected to lead to increased internet usage given the reduced latency and increased response speed thus setting up a virtuous circle.
- Adani is best placed to benefit from this space given its aggressive expansion plans and easier access to renewable power capacities which is vital for marketing of these facilities.

AdaniConneX financial summary

Fig in INR cr (unless specified)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Data Center capacity (MW)	56	226	398	536	675	858	1,024	1,051	1,057	1,057
Revenue	44	140	3,332	8,844	17,536	28,524	37,455	40,042	40,735	41,209
YoY Growth (%)		219.3	2,286.1	165.4	98.3	62.7	31.3	6.9	1.7	1.2
EBITDA	5	17	416	1,105	2,192	3,565	4,682	5,005	5,092	5,151
EBITDA Margin (%)	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
PAT	(27)	(331)	(486)	(371)	117	899	1,671	1,947	1,981	2,007
PAT Margin (%)	(62.7)	(237.3)	(14.6)	(4.2)	0.7	3.2	4.5	4.9	4.9	4.9
Networth	565	1,062	1,246	1,291	1,561	2,589	4,260	6,207	8,187	10,194
RoE (%)	(4.9)	(31.2)	(39.0)	(28.7)	7.5	34.7	39.2	31.4	24.2	19.7
Capital Employed	1,761	5,355	12,110	16,899	24,225	30,688	33,506	35,612	37,592	39,599
RoCE (%)	0.2	0.3	2.8	5.2	7.2	9.3	11.2	11.2	10.8	10.4

Source: Company Reports & Ventura Research

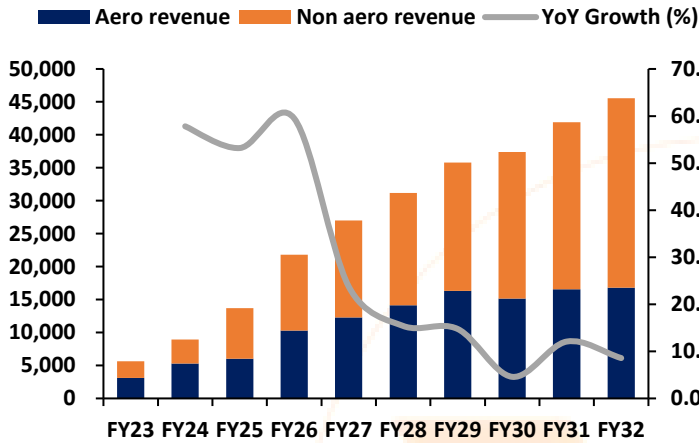


Airport business growth is now on autopilot

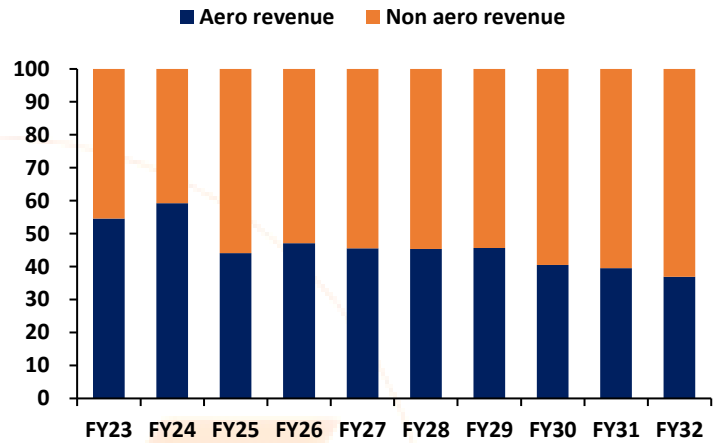
- Adani Airports Holdings Ltd (AAHL) is performing exceptionally well with traffic almost recovering to pre-COVID levels and increased focus on non-aero revenues.

AAHL is comparatively best placed in domestic and international flights

Non aero revenue to drive the overall revenue performance of the segment



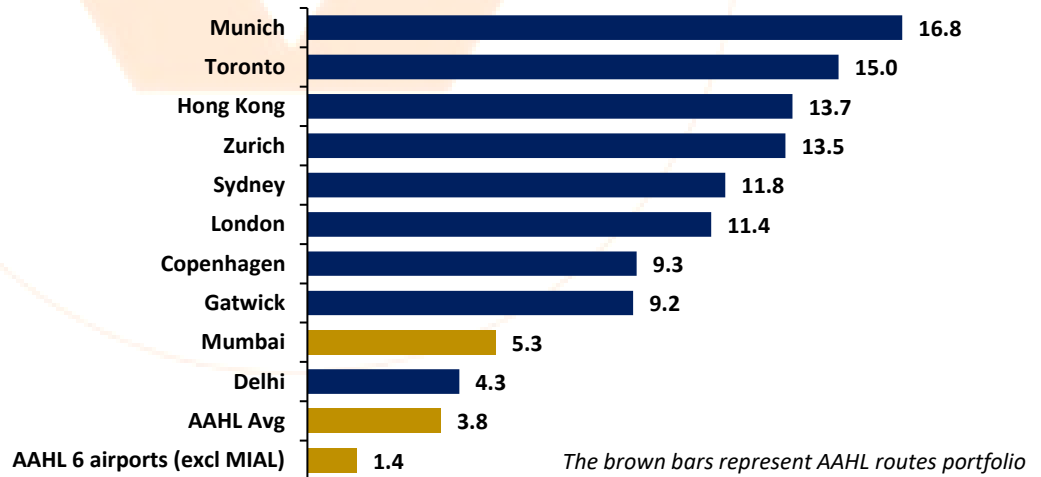
Non aero revenue share to improve in the coming years



Source: Company Reports & Ventura Research

Non aero spend per pax lower in India amongst other global airports

Non-Aero Revenue per passenger (USD)

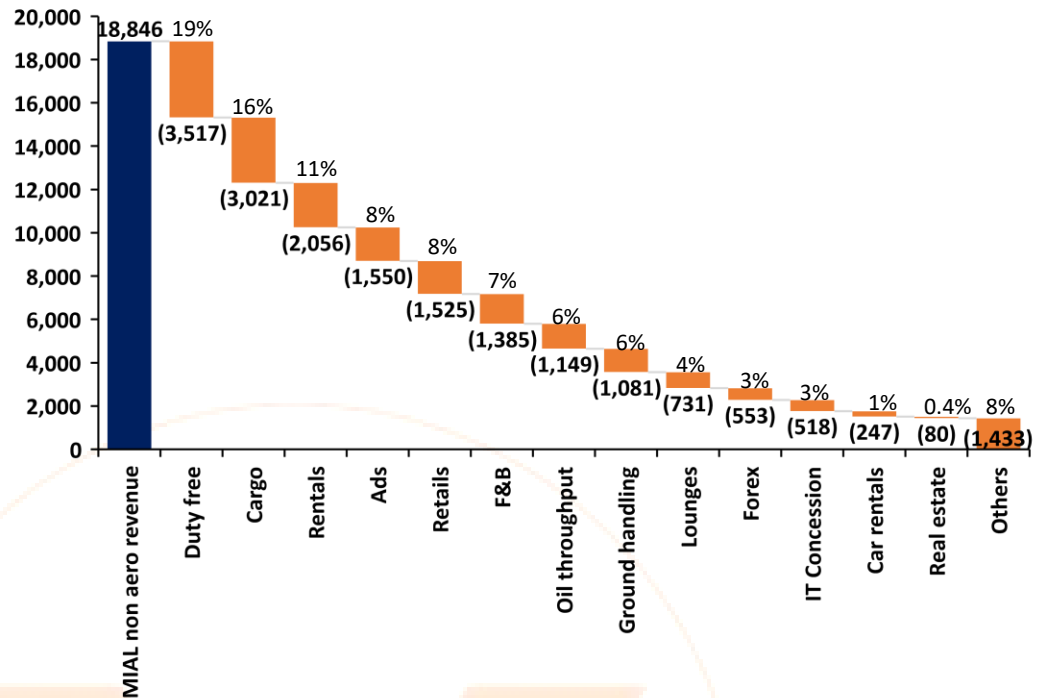


Source: Company Reports & Ventura Research

F&B, Advertisement, Retail, Rentals, Duty Free, have been growing at a faster rate, and are expected to be future drivers of Non Aero revenues

Non-Aero spend per pax in India is lower by 2x - 3x as compared to international peers, MIAL highest in India, higher than second highest airport by 24%

Non aero spend per pax lower in India amongst other global airports



Source: Company Reports & Ventura Research

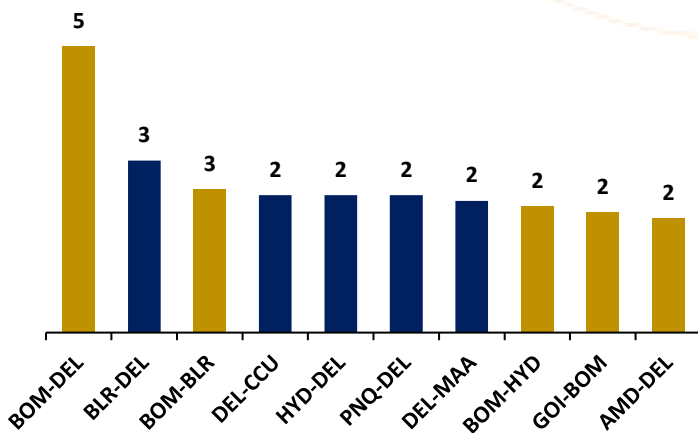
- Currently the AAHL portfolio consists of 7 operational airports viz Mumbai, Jaipur, Ahmedabad, Lucknow, Mangaluru, Guwahati and Trivendrum. The under construction Navi Mumbai airport has achieved financial closure and is expected to be operational by Dec 2024.

These 8 airports account for 23% of Indian air traffic while catering to 200 mn consumers (which includes 120 mn non air passengers). These airports also account for the over 50% top 10 domestic routes.

AAHL is comparatively best placed in domestic and international flights

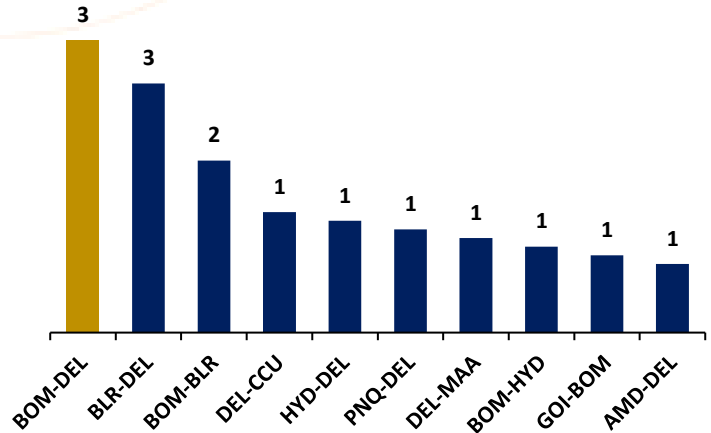
Share of airports in domestic flights in India (%)

The brown bars represent AAHL routes portfolio



Share of airports in International flights (%)

The brown bars represent AAHL routes portfolio



Source: Company Reports & Ventura Research

- Apart from aero and non aero revenue, another driver for the AAHL's revenue is the city side development. The key components of which are –
 - Hotel developments
 - Conference & convention centers
 - Entertainment destinations
 - Shopping centers and shopping malls
 - Duty free retail
 - Office space and co-working space
 - Cultural centers & museums
 - Mixed use developments (shop, work, play, stay)
 - Post-secondary education facilities (specifically aerospace related)
 - Urban distribution centers
 - Intermodal platforms for passengers and cargo
- Development of new industrial corridors (DMIC, AKIC, BMEC, VCIC & CBIC), China+1 (manufacturing setup by Foxconn, Samsung, etc) and FDIs by marquee companies are expected to accelerate business travel and pax volumes at Indian airports. Being the largest private operator of airports in India, AAHL is well positioned to benefit from the upcoming opportunity.
- Expansion of investor base of AAHL will not only help in lowering the gearing but will also result in value unlocking and paving the road for future public listing.

Adani Airport financial summary

Fig in INR cr (unless specified)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Aero revenue	3,089	5,290	6,033	10,292	12,311	14,145	16,328	15,153	16,575	16,821
Non aero revenue	2,571	3,642	7,651	11,532	14,703	17,029	19,444	22,262	25,360	28,710
Total Revenue	5,660	8,932	13,684	21,824	27,013	31,173	35,772	37,415	41,935	45,531
YoY Growth (%)		57.8	53.2	59.5	23.8	15.4	14.8	4.6	12.1	8.6
EBITDA	2,032	5,285	8,818	12,520	15,292	17,136	18,617	20,254	22,251	23,671
EBITDA Margin (%)	35.9	59.2	64.4	57.4	56.6	55.0	52.0	54.1	53.1	52.0
PAT	(160)	2,111	3,561	5,604	7,217	8,142	9,618	10,083	11,321	12,393
PAT Margin (%)	(2.8)	23.6	26.0	25.7	26.7	26.1	26.9	27.0	27.0	27.2
Networth	2,495	4,607	8,167	13,772	20,989	29,131	33,940	38,981	44,642	50,839
RoE (%)	(6.4)	45.8	43.6	40.7	34.4	27.9	28.3	25.9	25.4	24.4
Capital Employed	16,826	29,235	44,667	62,818	74,657	87,647	96,514	105,374	114,489	122,852
RoCE (%)	9.7	14.5	15.8	15.9	16.4	15.6	15.4	15.4	15.5	15.4

Source: Company Reports & Ventura Research

Coal volumes and pricing to remain robust given the geopolitical situation

- FY23 is expected to close on a resounding note given the robust coal prices in the aftermath of the geopolitical turbulence linked to the Russia-Ukraine war. On the back of the elevated coal prices, we expect IRM revenues to clock INR 130,000 cr (100 MMT revised forecast compared to our earlier 110 MMT) in FY23. FY24 onwards, we expect an improvement in domestic coal supplies along with softening of coal prices.
- AEL's Carmichael coal mine (Australia) operations have stabilized. While the company is aiming to extract 8 MMT in FY23, stable production of 10 MMT is expected to be achieved by FY25. The recent FTA with Australia while not having any impact on incremental volumes is expected to be marginally positive for the import price given the zero duty (due to FTA).
- In the MDO space, AEL has a presence in 70% of the mineral belt with 50% market share (84% coal and 16% iron ore). 51 MMT MDO projects are operational and 53 MMT is under development. Most of the mining concessions are for 30 years with tariff escalation clauses built in.
- AEL has also acquired 6 domestic commercial mines viz 5.0 MMTPA Dhirauli (MP), 4.0 MMTPA Gondulpara (Jharkhand), Jhigdor & Khargao (Chhattisgarh) while it is an L1 bidder for Bijahan (Odisha) and Gondbahera Ujheni East (MP). The company is hopeful of starting maiden production by FY26.
- The existing coal ecosystem (captive mines and IRM) has favourable tailwinds which will endure in the already appreciated energy pricing.
- India's growing appetite for coal is set to increase coal consumption to 1,511 MMT by FY30 (CAGR of 4.6%). This augurs well for demand and hence revenue visibility.

Adani coal financial summary

Fig in INR cr (unless specified)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
IRM Volumes (MMT)	100.0	80.0	65.0	66.3	67.6	69.0	70.4	71.8	73.2	74.7
IRM revenue	129,656	67,064	38,219	37,664	37,118	36,584	36,060	35,545	35,042	34,549
Carmichael Volumes (MMT)	8.0	14.4	14.5	14.9	15.1	15.0	14.9	14.9	14.8	15.3
Carmichael mine revenue	5,443	6,794	7,218	7,456	7,863	7,759	8,012	8,361	8,577	9,138
MDO Volumes (MMT)	50.9	58.3	72.1	82.1	90.3	99.3	106.7	114.7	124.9	132.9
MDO revenue	3,975	4,608	5,749	7,009	8,088	8,897	9,564	10,281	11,188	11,905
Total coal revenue	139,074	78,466	51,187	52,129	53,070	53,240	53,636	54,187	54,808	55,592
YoY Growth (%)		(43.6)	(34.8)	1.8	1.8	0.3	0.7	1.0	1.1	1.4
EBITDA	5,631	4,796	4,963	5,427	6,332	6,892	7,631	8,232	8,706	9,189
EBITDA Margin (%)	4.0	6.1	9.7	10.4	11.9	12.9	14.2	15.2	15.9	16.5
PAT	3,510	2,749	2,678	3,094	3,808	4,229	4,830	5,321	5,563	5,878
PAT Margin (%)	2.5	3.5	5.2	5.9	7.2	7.9	9.0	9.8	10.1	10.6
Networth	25,957	27,190	28,979	31,664	33,093	34,633	35,918	37,249	40,030	42,969
RoE (%)	13.5	10.1	9.2	9.8	11.5	12.2	13.4	14.3	13.9	13.7
Capital Employed	39,205	41,197	43,799	46,603	47,185	48,019	48,318	48,666	45,032	47,851
ROCE (%)	11.5	9.3	9.1	9.3	10.7	11.5	12.6	13.5	15.5	15.4

Source: Company Reports & Ventura Research

Adani Digital – A one stop integrated network for group companies

- Adani Group’s portfolio has a large number of consumer facing businesses viz electricity, airports, CGD, edible oil, consumer staples and FMCG. It also has key partnerships for consumer identification and services with Cleartrip (flights, hotels and holiday bookings) and Biocub (enablement of identification methods, service enablement and dynamic promotions).
- Via these B2C businesses Adani expects to cover a large Indian consumer base by FY25 and build a repository for understanding consumer preferences. This can be used for building new disruptive digital revenue streams. Adani’s Super-App (integrated digital platform) is an attempt in the same direction.
- Adani is not going all out with a hyper launch of the app. Rather, learning from its peers’ challenges, the digital team has rolled out an alpha version which is being piloted across employees of the group. Once the product market fit is arrived at, a beta version aimed at the consumer is expected to happen.

Adani digital business	
Customer acquisition	Adani’s B2C business expected to cover large consumer base by 2025 Focus on data analytics & catering to consumer preferences Significant user additions on Adani Super App over coming years
Strategic partnerships	Strategic business partnerships for key platform components (mobile apps, chat bots, APIs, etc.)
Adani B2B businesses	Re-utilization of Digital Platform for Adani B2B businesses Focus on Corporate Business & SME enablement and distributors / agents / partners experience

Adani B2C Businesses



Source: Company Reports & Ventura Research

- The company also has a go-to-market plan for the B2B segment mining the existing base of vendor and corporate/SME clientele.
- Applying data analytics new disruptive digital revenue streams can be rolled out to this captive consumer base of 400 mn. This provides a large number of touch points across businesses offering significant SEO capital. Some of the digital transactions that can be transacted through the Adani One app

- Airline ticketing
 - Data monetization (Email, SMS, Push notifications and Affiliate partnerships)
 - F&B, retail and duty free
 - Airport services (Pre-book services like Cabs, Parking, WiFi, Wheelchair, etc.)
 - Targeted sampling
 - Utility bill payments
 - Food & FMCG (Adani Willmar, through digital channels)
 - Loyalty programs
 - Others
- In addition, the same app can be used to provide B2B services to existing base of vendors (20,000 to 25,000) and corporate/SME clientele.

Fledgling businesses – defence and MRO – on the cusp of take off

- AEL's other incubating businesses such as defence and MRO are on the verge of gaining traction and should be value accretive in the short to medium term.
- The increase in sourcing of UAVs and drones from surveillance and modernization of the Indian army with automatic guns/machine guns have improved the business prospects for the defence vertical, while an increased focus on cost-effective MRO services in India for public airlines and fighter aircraft have opened a significant new opportunity.

Adani defence & MRO financial summary

Fig in INR cr (unless specified)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Revenue	1,268	2,042	2,392	2,668	2,988	3,308	3,628	3,948	4,268	4,588
<i>YoY Growth (%)</i>		<i>61.1</i>	<i>17.1</i>	<i>11.5</i>	<i>12.0</i>	<i>10.7</i>	<i>9.7</i>	<i>8.8</i>	<i>8.1</i>	<i>7.5</i>
EBITDA	258	507	601	672	752	833	913	994	1,075	1,155
<i>EBITDA Margin (%)</i>	<i>20.4</i>	<i>24.8</i>	<i>25.1</i>	<i>25.2</i>	<i>25.2</i>	<i>25.2</i>	<i>25.2</i>	<i>25.2</i>	<i>25.2</i>	<i>25.2</i>
PAT	41	219	268	288	329	364	399	434	469	505
<i>PAT Margin (%)</i>	<i>3.3</i>	<i>10.7</i>	<i>11.2</i>	<i>10.8</i>	<i>11.0</i>	<i>11.0</i>	<i>11.0</i>	<i>11.0</i>	<i>11.0</i>	<i>11.0</i>
Networth	1,335	1,646	2,039	2,326	2,589	2,880	3,199	3,547	3,922	4,326
<i>RoE (%)</i>	<i>3.1</i>	<i>13.3</i>	<i>13.1</i>	<i>12.4</i>	<i>12.7</i>	<i>12.6</i>	<i>12.5</i>	<i>12.2</i>	<i>12.0</i>	<i>11.7</i>
Capital Employed	1,943	2,263	2,668	2,915	2,589	2,880	3,199	3,547	3,922	4,326
<i>RoCE (%)</i>	<i>10.6</i>	<i>17.9</i>	<i>18.0</i>	<i>18.4</i>	<i>23.2</i>	<i>23.1</i>	<i>22.8</i>	<i>22.4</i>	<i>21.9</i>	<i>21.4</i>

Source: Company Reports & Ventura Research

The new copper refinery at Mundra SEZ will be an import substitute. To be operational by FY25

- AEL is setting up a greenfield copper refinery plant at Mundra SEZ which is expected to commence commercial production of copper cathodes & rods by FY25.
- The initial capacity will be 500 KTPA in FY25 and the company has plans to ramp up to 1000 KTPA by FY30. The planned capex of INR 15,000 cr is expected to be funded in the ratio of 70:30 debt to equity.
- The plant will also produce gold (25 TPA), silver (250 TPA), sulphuric acid (1,500 TPA) and phosphoric acid (250 TPA) as byproducts of copper production.
- India's copper consumption is estimated to 7,10,000 tonnes and it is expected to double in the next 10 years due to its extensive usage in electronics, capital goods and EVs. India's import dependency on copper is 20-25% and it is expected to grow 3X in the next 10 years. The key drivers for this growth are EVs (~35% CAGR), renewable energy (>10% CAGR), construction (>8% CAGR), total electric consumption (>6% CAGR); and telecommunications markets.
- AEL's upcoming copper refinery is expected to reduce import dependency, promote domestic manufacturing in line with GOI's Atmanirbhar Initiative.

Adani copper financial summary

Fig in INR cr (unless specified)	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Copper Cathode	320,000	337,500	350,000	645,000	637,500	625,000	575,000	550,000
Copper Rods	80,000	112,500	150,000	255,000	312,500	375,000	425,000	450,000
Gold	8	10	11	11	11	11	11	11
Silver	169	192	214	214	214	214	214	214
Total revenue	25,492	28,758	32,043	57,599	60,929	64,279	64,408	64,472
YoY Growth (%)		12.8	11.4	79.8	5.8	5.5	0.2	0.1
EBITDA	1,812	2,243	2,715	4,559	5,037	5,605	5,667	5,739
EBITDA Margin (%)	7.1	7.8	8.5	7.9	8.3	8.7	8.8	8.9
PAT	874	1,157	1,422	2,880	3,018	3,546	3,693	3,829
PAT Margin (%)	3.4	4.0	4.4	5.0	5.0	5.5	5.7	5.9
Networth	16,720	17,877	19,299	22,178	24,593	27,430	30,384	33,447
RoE (%)	5.2	6.5	7.4	13.0	12.3	12.9	12.2	11.4
Capital Employed	60,931	74,744	94,125	96,561	92,827	88,285	82,632	75,858
RoCE (%)	2.4	2.4	2.3	3.8	4.3	5.1	5.5	6.1

Source: Company Reports & Ventura Research

Coal to PVC – a cleaner process compared to crude oil to PVC. To be operational by FY25

- AEL is setting up a 2.0 MMTPA (1.0 MMPTA by FY25 and another 1.0 MMTPA by FY30) coal to PVC project at Mundra SEZ with an estimated investment of INR 18,500 cr (expected to be funded in the ratio of 70:30 debt to equity).
- PVC grades such as suspension PVC(Resin), Chlorinated PVC (CPVC) and Emulsion PVC (paste) would be produced along with several byproducts such as Caustic Soda (1.3 MMTPA), Caustic Potash (130 KTPA), Sodium Hypochlorite (16 KTPA), Tar (9 KTPA), Crude Benzene (26 KTPA), Ammonium Sulphate (2.7 KTPA) and Hydrated lime (3300 KTPA) are expected to be generated.
- The main raw materials for the proposed project (of 2.0 MMTPA) are Salt (2.0 MMTPA), Limestone (5.0 MMTPA), Coal/Coke (3.1 MMTPA), and potassium Chloride (180 KTPA). Coal and Coke required for the project would be imported or sourced indigenously. The limestone required for the project will be sourced from a group company which has secured a limestone mine through bidding in Gujarat and from other domestic sources. Salt required for the project would be sourced from salt manufacturing units in Gujarat. Potassium Chloride required for the project would be imported.
- AEL will use renewable energy to produce PVC which will further make the entire process low carbon intensive.
- India currently imports more than 50% of its PVC requirements and these imports are expected to rise further with no recent new capacity additions. PVC produced from AEL's new facility will cater to the domestic market and will replace imports.

Adani PVC financial summary

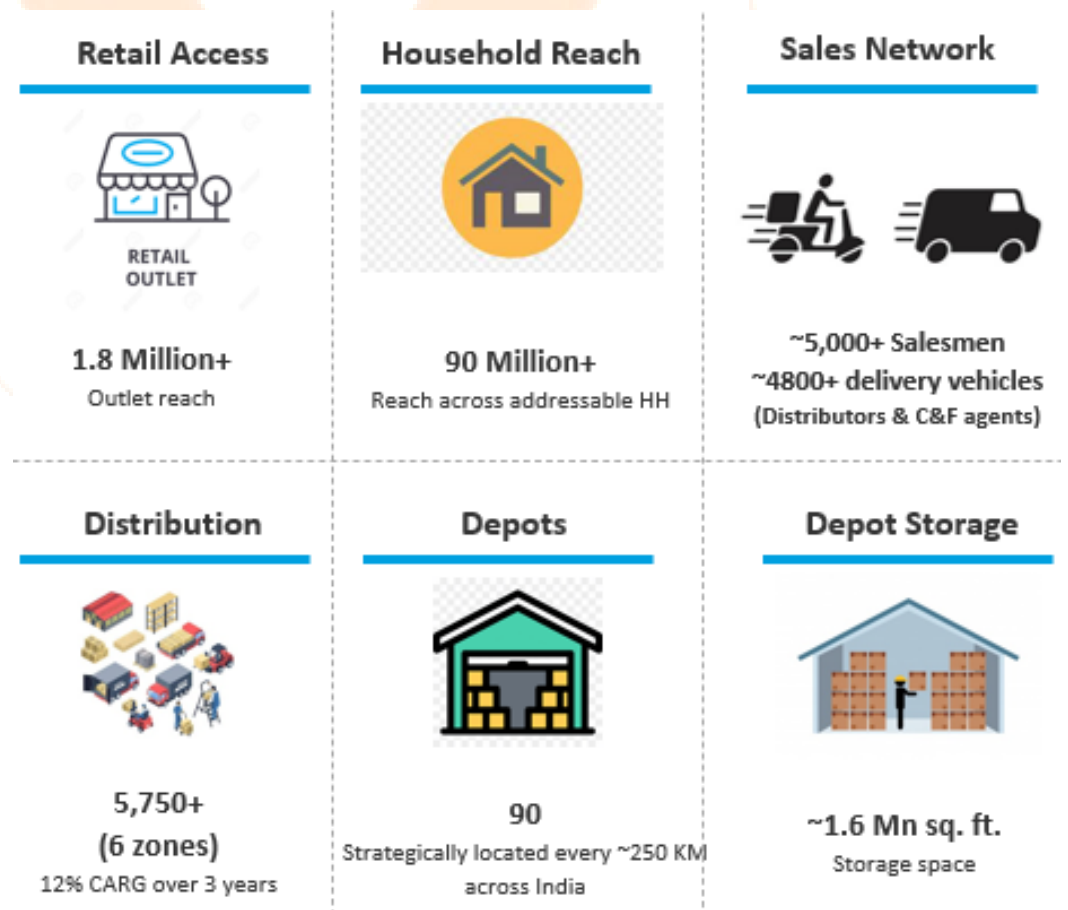
Fig in INR cr (unless specified)	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Revenue	3,352	9,085	10,388	11,732	11,926	12,124	12,325	12,530
<i>YoY Growth (%)</i>		<i>171.0</i>	<i>14.3</i>	<i>12.9</i>	<i>1.7</i>	<i>1.7</i>	<i>1.7</i>	<i>1.7</i>
EBITDA	1,225	3,607	4,224	4,867	4,967	4,682	4,786	4,892
<i>EBITDA Margin (%)</i>	<i>36.5</i>	<i>39.7</i>	<i>40.7</i>	<i>41.5</i>	<i>41.6</i>	<i>38.6</i>	<i>38.8</i>	<i>39.0</i>
PAT	(413)	1,146	1,807	2,303	2,191	1,990	2,203	2,340
<i>PAT Margin (%)</i>	<i>(12.3)</i>	<i>12.6</i>	<i>17.4</i>	<i>19.6</i>	<i>18.4</i>	<i>16.4</i>	<i>17.9</i>	<i>18.7</i>
Networth	5,529	6,674	8,482	10,785	12,976	14,965	17,168	19,508
<i>RoE (%)</i>	<i>(7.5)</i>	<i>17.2</i>	<i>21.3</i>	<i>21.4</i>	<i>16.9</i>	<i>13.3</i>	<i>12.8</i>	<i>12.0</i>
Capital Employed	13,057	19,062	20,508	21,563	22,568	23,431	24,565	25,892
<i>RoCE (%)</i>	<i>7.5</i>	<i>15.1</i>	<i>16.5</i>	<i>18.1</i>	<i>17.6</i>	<i>16.0</i>	<i>15.6</i>	<i>15.1</i>

Source: Company Reports & Ventura Research

Adani Wilmar – Proxy play to the high growth packaged food market

- After a lull period of FY21 and FY22 due to COVID pandemic, the demand for edible oil rebounded in FY23. Despite higher volumes, the company may not be able to sustain the revenue performance in H2FY23 as commodity prices have declined materially, which will reduce the average realization of AWL’s edible oil business.
- India’s per capita edible oil consumption is only 17 litres per year, which is significantly lower than nearby countries – Sri Lanka (28 litres), China (27 litres) and Pakistan (25 litres). This represents a significant upside for edible oil consumption in India in the coming years.
- In the food business, AWL is focused on gaining market share and hence we expect price undercutting and higher promotional expenses to restrict the EBITDA margin expansion.
- The company has started supplying food to HoReCa segment, which is expected to accelerate non-edible oil food volumes in the coming years.
- The company’s 2nd plant of oleochemicals has become operational in Q1FY23 and started the production with an initial capacity utilization of 30%, which will be further increased to 60% by the end of FY23. Oleochemicals are natural fit for AWL as it is extracted from palm oil.

A well connected network of data centers of AdaniConneX



Source: Company Reports & Ventura Research

Adani Wilmar financial summary

Fig in INR cr (unless specified)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Segmental revenue										
Edible oil	49,033	52,955	56,927	60,912	64,871	68,764	72,546	76,354	80,172	83,980
FMCG	3,670	5,064	6,837	8,956	11,374	14,218	17,488	21,160	25,181	29,462
Industry essentials	8,359	10,448	12,747	15,169	17,596	19,883	22,070	24,057	25,741	27,028
Total revenue	61,061	68,468	76,511	85,037	93,841	102,865	112,104	121,571	131,093	140,469
YoY Growth (%)		12.1	11.7	11.1	10.4	9.6	9.0	8.4	7.8	7.2
EBITDA	2,125	2,511	2,919	3,368	3,931	4,709	5,644	6,748	8,029	9,486
EBITDA Margin (%)	3.5	3.7	3.8	4.0	4.2	4.6	5.0	5.6	6.1	6.8
PAT	1,064	1,608	2,026	2,448	2,943	3,617	4,438	5,412	6,559	7,888
PAT Margin (%)	1.7	2.3	2.6	2.9	3.1	3.5	4.0	4.5	5.0	5.6
Networth	8,695	10,331	12,387	14,869	17,848	21,505	25,988	31,449	38,061	46,008
RoE (%)	12.2	15.6	16.4	16.5	16.5	16.8	17.1	17.2	17.2	17.1
Capital Employed	10,643	10,937	12,941	15,532	18,629	22,404	27,017	32,610	39,356	47,434
RoCE (%)	12.2	14.2	14.2	13.8	13.7	13.8	13.9	14.0	13.9	13.8

Source: Company Reports & Ventura Research



AEL's Quarterly Analysis

Fig in INR Cr (unless specified)	FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	FY22	Q1FY23	Q2FY23	FY23E	FY24E	FY25E
Revenue from operations	39,537	12,579	13,218	18,758	24,866	69,420	40,844	38,175	149,680	96,623	110,822
<i>YoY Growth (%)</i>	<i>-8.9</i>	<i>138.9</i>	<i>44.8</i>	<i>61.4</i>	<i>83.8</i>	<i>75.6</i>	<i>224.7</i>	<i>188.8</i>	<i>115.6</i>	<i>-35.4</i>	<i>14.7</i>
RM Cost and Opex	37,032	11,782	12,335	17,986	23,603	65,707	39,102	36,306	140,366	82,458	85,449
<i>Expenses to Sales (%)</i>	<i>93.7</i>	<i>93.7</i>	<i>93.3</i>	<i>95.9</i>	<i>94.9</i>	<i>94.7</i>	<i>95.7</i>	<i>95.1</i>	<i>93.8</i>	<i>85.3</i>	<i>77.1</i>
EBITDA	2,505	796	883	772	1,262	3,713	1,742	1,869	9,314	14,165	25,373
<i>EBITDA Margin (%)</i>	<i>6.3</i>	<i>6.3</i>	<i>6.7</i>	<i>4.1</i>	<i>5.1</i>	<i>5.3</i>	<i>4.3</i>	<i>4.9</i>	<i>6.2</i>	<i>14.7</i>	<i>22.9</i>
<i>YoY Growth (%)</i>						<i>48.2</i>	<i>118.8</i>	<i>111.8</i>	<i>150.8</i>	<i>52.1</i>	<i>79.1</i>
Depreciation	537	126	320	354	449	1,248	417	531	2,380	3,140	5,856
EBIT	1,968	671	563	418	814	2,465	1,325	1,338	6,934	11,025	19,517
<i>EBIT Margin (%)</i>	<i>5.0</i>	<i>5.3</i>	<i>4.3</i>	<i>2.2</i>	<i>3.3</i>	<i>3.6</i>	<i>3.2</i>	<i>3.5</i>	<i>4.6</i>	<i>11.4</i>	<i>17.6</i>
<i>YoY Growth (%)</i>						<i>25.3</i>	<i>97.6</i>	<i>137.6</i>	<i>181.2</i>	<i>59.0</i>	<i>77.0</i>
Other Income	754	152	379	206	276	1,013	222	266	640	1,212	373
Finance Cost	1,377	443	754	708	622	2,526	915	934	2,553	4,954	9,141
Exceptional Items	(259)	0	0	0	0	0	0	0	0	0	0
PBT	1,086	380	189	-84	468	952	632	670	5,022	7,283	10,749
<i>PBT Margin (%)</i>	<i>2.7</i>	<i>3.0</i>	<i>1.4</i>	<i>-0.4</i>	<i>1.9</i>	<i>1.4</i>	<i>1.5</i>	<i>1.8</i>	<i>3.4</i>	<i>7.5</i>	<i>9.7</i>
<i>YoY Growth (%)</i>						<i>-12.3</i>	<i>66.6</i>	<i>255.4</i>	<i>427.5</i>	<i>45.0</i>	<i>47.6</i>
Tax Expense	340	183	67	14	213	477	222	231	1,269	1,587	2,256
PAT	746	197	122	-98	255	475	411	439	3,752	5,696	8,493
<i>PAT Margin (%)</i>	<i>1.9</i>	<i>1.6</i>	<i>0.9</i>	<i>-0.5</i>	<i>1.0</i>	<i>0.7</i>	<i>1.0</i>	<i>1.1</i>	<i>2.5</i>	<i>5.9</i>	<i>7.7</i>
<i>YoY Growth (%)</i>						<i>-36.3</i>	<i>108.7</i>	<i>260.5</i>	<i>689.3</i>	<i>51.8</i>	<i>49.1</i>
Min Int/Sh of Associates	176	75	91	87	49	301	59	22	448	604	727
Net Profit	923	271	212	-12	304	777	469	461	4,201	6,300	9,220
<i>Net Margin (%)</i>	<i>2.3</i>	<i>2.2</i>	<i>1.6</i>	<i>-0.1</i>	<i>1.2</i>	<i>1.1</i>	<i>1.1</i>	<i>1.2</i>	<i>2.8</i>	<i>6.5</i>	<i>8.3</i>
<i>YoY Growth (%)</i>						<i>-15.8</i>	<i>72.9</i>	<i>117.0</i>	<i>440.9</i>	<i>50.0</i>	<i>46.4</i>
Adjusted EPS	7.7	2.3	1.8	-0.1	2.5	6.5	3.9	3.9	35.1	52.6	77.0
<i>P/E (X)</i>	<i>472.4</i>					<i>561.2</i>			<i>103.8</i>	<i>69.2</i>	<i>47.3</i>
Adjusted BVPS	143.3					186.0			301.1	432.1	501.4
<i>P/BV (X)</i>	<i>25.4</i>					<i>19.6</i>			<i>12.1</i>	<i>8.4</i>	<i>7.3</i>
Enterprise Value	449,989					472,868			504,793	556,174	619,366
<i>EV/EBITDA (X)</i>	<i>179.6</i>					<i>127.3</i>			<i>54.2</i>	<i>39.3</i>	<i>24.4</i>
Net Worth	17,159					22,261			36,047	51,716	60,015
<i>ROE (%)</i>	<i>5.4</i>					<i>3.5</i>			<i>11.7</i>	<i>12.2</i>	<i>15.4</i>
Capital Employed	33,160					63,284			105,334	176,933	264,535
<i>ROCE (%)</i>	<i>4.1</i>					<i>1.9</i>			<i>4.9</i>	<i>4.9</i>	<i>5.8</i>
Invested Capital	31,319					59,301			105,012	172,063	243,553
<i>ROIC (%)</i>	<i>6.3</i>					<i>4.2</i>			<i>6.6</i>	<i>6.4</i>	<i>8.0</i>
<i>ROIIC (%)</i>	<i>2.9</i>					<i>1.8</i>			<i>9.8</i>	<i>6.1</i>	<i>11.9</i>
Cash Flow from Operations	4,043					1,385			-3,253	22,745	24,307
Cash Flow from Investing	(7,902)					(17,487)			(35,771)	(78,493)	(77,449)
Cash Flow from Financing	3,109					15,901			35,291	60,345	69,241
Net Cash Flow	-750					-201			-3,733	4,596	16,099
Free Cash Flow	441					-11,582			-39,153	-58,153	-55,235
<i>CFO to EBITDA (%)</i>	<i>161.4</i>					<i>37.3</i>			<i>(34.9)</i>	<i>160.6</i>	<i>95.8</i>
<i>FCF to EBITDA (%)</i>	<i>17.6</i>					<i>(311.9)</i>			<i>(420.4)</i>	<i>(410.5)</i>	<i>(217.7)</i>
<i>FCF to Net Profit (%)</i>	<i>47.8</i>					<i>(1,491.5)</i>			<i>(932.1)</i>	<i>(923.1)</i>	<i>(599.1)</i>
<i>FCF to Net Worth (%)</i>	<i>2.6</i>					<i>(52.0)</i>			<i>(108.6)</i>	<i>(112.4)</i>	<i>(92.0)</i>
Net Capex	3,359					13,493			33,611	76,334	75,683
<i>Net Capex to Revenue (%)</i>	<i>8.5</i>					<i>19.4</i>			<i>22.5</i>	<i>79.0</i>	<i>68.3</i>
Total Debt	16,001					41,024			69,287	125,217	204,521
Net Debt	14,161					37,041			68,965	120,346	183,538
<i>Net Debt to Equity (X)</i>	<i>0.8</i>					<i>1.7</i>			<i>1.9</i>	<i>2.3</i>	<i>3.1</i>
<i>Net Debt to EBITDA (X)</i>	<i>5.7</i>					<i>10.0</i>			<i>7.4</i>	<i>8.5</i>	<i>7.2</i>
<i>Interest Coverage Ratio (X)</i>	<i>1.4</i>					<i>1.0</i>			<i>2.7</i>	<i>2.2</i>	<i>2.1</i>

AEL's Financial Analysis & Projections

Fig in INR Cr (unless specified)	FY21	FY22	FY23E	FY24E	FY25E	Fig in INR Cr (unless specified)	FY21	FY22	FY23E	FY24E	FY25E
Income Statement						Per share data & Yields					
Revenue	39,537	69,420	149,680	96,623	110,822	Adjusted EPS (INR)	7.7	6.5	35.1	52.6	77.0
YoY Growth (%)	-8.9	75.6	115.6	-35.4	14.7	Adjusted Cash EPS (INR)	12.2	16.9	55.0	78.9	125.9
Operating Expenses	37,032	65,707	140,366	82,458	85,449	Adjusted BVPS (INR)	158.0	225.0	359.2	510.3	595.6
Other Exp to Sales (%)	93.7	94.7	93.8	85.3	77.1	Adjusted CFO per share (INR)	33.8	11.6	-27.2	190.0	203.1
EBITDA	2,505	3,713	9,314	14,165	25,373	CFO Yield (%)	0.9	0.3	-0.7	5.2	5.6
Margin (%)	6.3	5.3	6.2	14.7	22.9	Solvency Ratio (X)					
YoY Growth (%)	9.7	48.2	150.8	52.1	79.1	Total Debt to Equity	0.8	1.5	1.6	2.1	2.9
Depreciation & Amortization	537	1,248	2,380	3,140	5,856	Net Debt to Equity	0.7	1.4	1.6	2.0	2.6
EBIT	1,968	2,465	6,934	11,025	19,517	Net Debt to EBITDA	5.7	10.0	7.4	8.5	7.2
Margin (%)	5.0	3.6	4.6	11.4	17.6	Return Ratios (%)					
YoY Growth (%)	8.6	25.3	181.2	59.0	77.0	Return on Equity	4.9	2.9	9.8	10.3	12.9
Other Income	754	1,013	640	1,212	373	Return on Capital Employed	4.1	1.9	4.9	4.9	5.8
Finance Cost	1,377	2,526	2,553	4,954	9,141	Return on Invested Capital	6.3	4.2	6.6	6.4	8.0
Interest Coverage (X)	1.4	1.0	2.7	2.2	2.1	Working Capital Ratios					
Exceptional Item	-259	0	0	0	0	Payable Days (Nos)	109	93	80	80	80
PBT	1,086	952	5,022	7,283	10,749	Inventory Days (Nos)	16	36	40	40	40
Margin (%)	2.7	1.4	3.4	7.5	9.7	Receivable Days (Nos)	111	72	80	80	80
YoY Growth (%)	-3.2	-12.3	427.5	45.0	47.6	Net Working Capital Days (Nos)	18	15	40	40	40
Tax Expense	340	477	1,269	1,587	2,256	Net Working Capital to Sales (%)	5.0	4.1	11.0	11.0	11.0
Tax Rate (%)	31.3	50.1	25.3	21.8	21.0	Valuation (X)					
PAT	746	475	3,752	5,696	8,493	P/E	472.4	561.2	103.8	69.2	47.3
Margin (%)	1.9	0.7	2.5	5.9	7.7	P/BV	23.0	16.2	10.1	7.1	6.1
YoY Growth (%)	-6.5	-36.3	689.3	51.8	49.1	EV/EBITDA	179.6	127.3	54.2	39.3	24.4
Min Int/Sh of Assoc	176	301	448	604	727	EV/Sales	11.4	6.8	3.4	5.8	5.6
Net Profit	923	777	4,201	6,300	9,220	Cash Flow Statement					
Margin (%)	2.3	1.1	2.8	6.5	8.3	PBT	1,086	952	5,022	7,283	10,749
YoY Growth (%)	-18.9	-15.8	440.9	50.0	46.4	Adjustments	1,385	1,779	6,546	11,234	17,370
Balance Sheet						Change in Working Capital	1,912	-869	-13,551	5,814	-1,556
Share Capital	110	114	120	120	120	Less: Tax Paid	-340	-477	-1,269	-1,587	-2,256
Total Reserves (incl Min Int)	18,800	26,818	42,879	60,961	71,174	Cash Flow from Operations	4,043	1,385	-3,253	22,745	24,307
Shareholders Fund	18,910	26,932	42,999	61,081	71,294	Net Capital Expenditure	-3,359	-13,493	-33,611	-76,334	-75,683
Long Term Borrowings	9,523	20,803	31,560	75,449	121,936	Change in Investments	-4,543	-3,994	-2,160	-2,159	-1,766
Deferred Tax Liabilities	409	2,606	5,620	3,628	4,161	Cash Flow from Investing	-7,902	-17,487	-35,771	-78,493	-77,449
Other Long Term Liabilities	1,624	7,293	11,509	9,470	10,165	Change in Borrowings	4,486	18,505	38,264	65,929	79,304
Long Term Provisions	77	279	531	297	288	Less: Finance Cost	-1,377	-2,526	-2,553	-4,954	-9,141
Total Liabilities	30,543	57,914	92,218	149,924	207,844	Dividend Paid	0	-78	-420	-630	-922
Net Block	10,838	30,076	61,307	134,501	204,329	Cash flow from Financing	3,109	15,901	35,291	60,345	69,241
Capital Work in Progress	8,686	19,564	19,564	19,564	19,564	Net Cash Flow	-750	-201	-3,733	4,596	16,099
Intangible assets under developmen	139	3,980	3,980	3,980	3,980	Forex Effect	-708	3,455	-1	0	0
Non Current Investments	5,473	4,276	6,363	8,570	10,323	Opening Balance of Cash	2,125	666	3,920	186	4,783
Long Term Loans & Advances	5,201	9,209	14,533	11,957	12,836	Closing Balance of Cash	666	3,920	186	4,783	20,882
Other Non Current Assets	1,265	3,535	5,579	4,590	4,927						
Deferred Tax Assets	459	174	375	242	278						
Net Current Assets	-1,520	-12,900	-19,483	-33,482	-48,393						
Total Assets	30,543	57,914	92,218	149,924	207,844						

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