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Adani Portfolio Equity Note

November 2023



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Adani Portfolio: Key Equity Theme

<p>1</p> <p>Adani Portfolio - as a High-Growth Engine</p>	<p>26% CAGR over past 4.5 years (FY19- Sept 23 TTM)</p>	<ul style="list-style-type: none"> Adani Portfolio provides high growth opportunity in core infrastructure space across the spectrum with long-term contracted cashflow profile All portfolio companies have registered multiples of sector specific growth rate demonstrating Industry beating growth
<p>2</p> <p>Majority Contracted EBITDA</p>	<p>INR 71,253 Cr EBITDA (Sept 23 TTM)</p>	<ul style="list-style-type: none"> Coupled with high growth rate, Adani Portfolio provides majority contracted EBITDA Adani Portfolio is poised to surpass various Indian indices (e.g. Adani Portfolio EBITDA has surpassed NIFTY FMCG Index EBITDA)
<p>3</p> <p>Adani Utility Portfolio Outperformed Global Peers</p>	<p>3x Growth rate over global peers in past 4 years (FY19-FY23)</p>	<ul style="list-style-type: none"> Adani Utility companies has outpaced its Global Peers EBITDA growth rate of Adani Utilities companies stands at-least 3x of Global Utility Indices which suffers from sluggish growth profile and only provides 3-5% dividend returns to its shareholders

Sector leading Growth coupled with Scale and best-in-class operational & financial metrics to provide superior returns to its shareholders

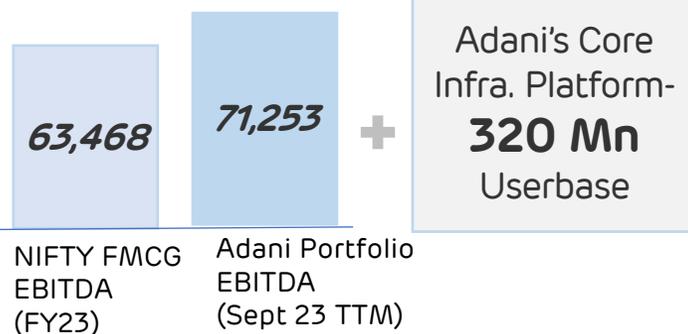
Adani Portfolio: Indian Indices - Comp Analysis

Key highlights basis financial performance of major Indian indices & Adani Portfolio :

Particulars		Nifty 50 ¹	NIFTY IT ¹	NIFTY FMCG ¹	Adani Portfolio ²
EBITDA FY23	INR Cr	11,91,605	1,55,001	63,468	71,253 (Sept 23 TTM)
EBITDA FY19	INR Cr	8,43,411	96,761	42,569	24,870
4 year CAGR	%	9%	13%	11%	26% ^{1A}
EV/ EBITDA (as on 30-Sept-23)	x	18.8 ^{1B}	17.5	33.3	16.5
Market Cap	INR Cr	153,95,320	28,76,587	22,03,015	9,97,556 (As on 30/09/23)

Adani Portfolio EBITDA surpasses NIFTY FMCG EBITDA

(Figs in INR Cr)



Adani portfolio has grown from 3% of NIFTY 50 EBITDA in FY19 to ~6% as of 30 Sep 2023

Adani portfolio has grown from 26% of NIFTY IT EBITDA in FY19 to ~46% as of 30 Sep 2023

Adani portfolio has grown from 58% of FMCG Index EBITDA in FY19 to ~112% as of 30 Sep 2023

Adani Portfolio in comparison to NIFTY Indices

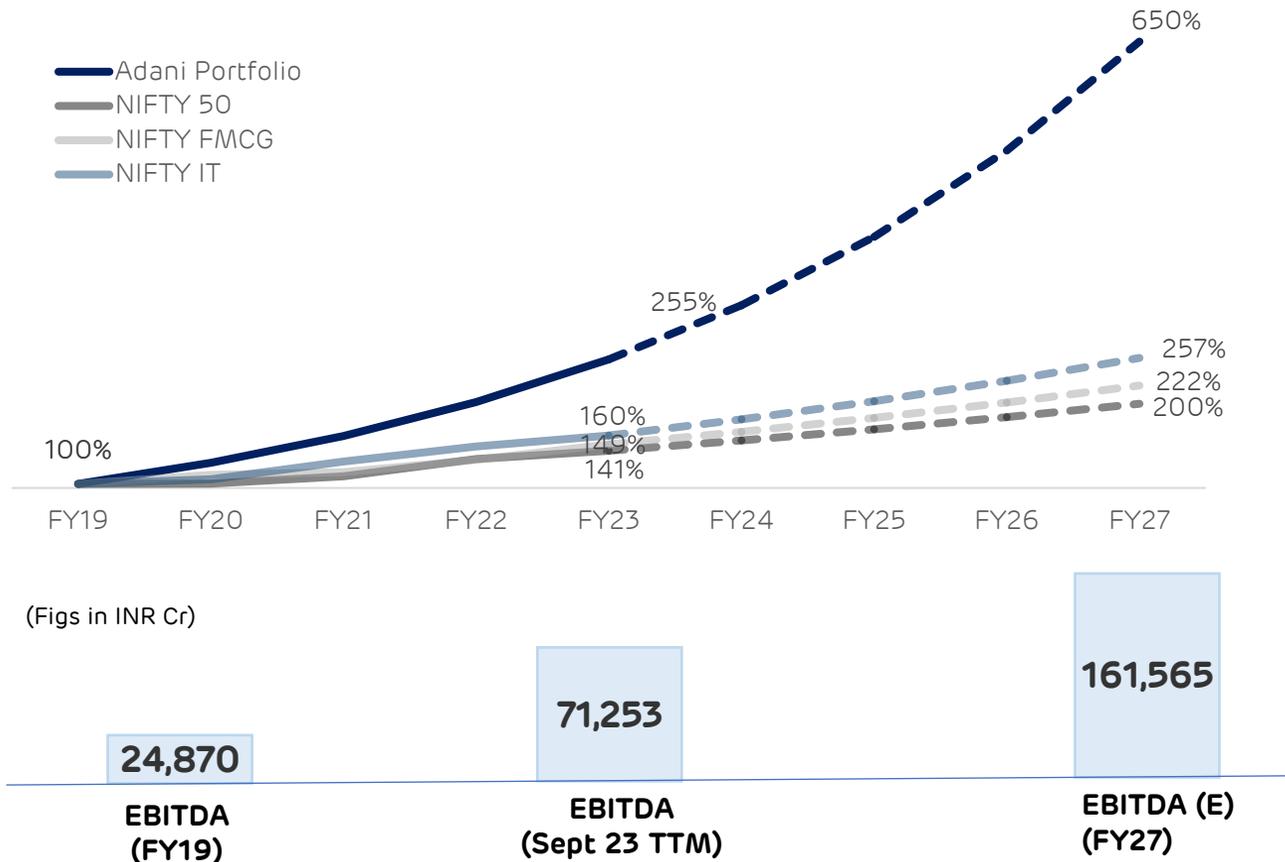
Particulars		NIFTY FMCG Index Comparison		NIFTY IT Index Comparison	
		As-is	Growth adjusted ³	As-is	Growth adjusted ³
EV / EBITDA	(x)	33.3	83.5	17.5	36.8
Adani Portfolio Market Cap ⁴	INR cr	21,91,812	57,72,748	10,63,870	24,42,448
Upside (Times 30-Sep-23 Market Cap)	(x)	2.2	5.8	1.1	2.4

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

- 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| **1A:** 4.5 years CAGR| **1B:** For NIFTY 50 Index, EV/EBIT has been considered.
- 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 EBIDTA of AEL, APSEZ, AGEL, AESL, APL, ATGL, ACL | For EV / EBIDTA & aggregate EBIDTA 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.
- Derived by adjusting Index EV/EBITDA with corresponding CAGR demonstrated for last 4 years by Adani Portfolio
- 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.
- EBITDA:** Earning before Interest Tax Depreciation & Amortization | **TTM:** Trailing Twelve Months

Adani Portfolio: Indian Indices - Comp Analysis

EBITDA Growth comparison



- Growth is largely driven by the Rate of Return on Assets (RoA), driven by user driven capex
 - Reflecting the above RoA profile,
 - Adani Portfolio EBITDA would increase by **6.5x** from FY19 to FY27
 - In comparison, the NIFTY indices shall increase only between **2.0x to 2.6x**
- Adani Portfolio EBITDA has increased from INR 24,870 Cr in FY19 to INR 71,253 Cr in Sept 23 TTM – 26.3% CAGR
 - Sept 23 TTM EBITDA **surpassed NIFTY FMCG index** EBITDA (base FY23)
 - Poised to catchup to **NIFTY IT index** EBITDA (base FY23) post FY27

Adani Portfolio demonstrating superior growth compared to major Indian indices

- 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
- 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 / EBIDTA & 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.
- Derived by adjusting Index EV/EBITDA with corresponding CAGR demonstrated for last 4.5 years by Adani Portfolio
EBITDA (E): Extrapolated EBITDA based on historical growth of EBITDA for FY19 to FY23 (Sept 23 TTM in case of Adani Portfolio)

Adani Utilities: Global Utility Indices - Comp Analysis

Key highlights basis financial performance of major global utility indices & Adani Portfolio :

Particulars		MSCI World Utilities Sector Index ¹	MSCI USA Utilities Index ¹	MSCI Europe Utilities Index ¹	Adani Utilities ²
EBITDA/unit of share (FY23)	USD	21	25	23	1.7
EBITDA /unit of share (FY19)	USD	21	21	25	0.9
CAGR	%	0.1%	5.2%	-2.0%	15.2% (USD terms); 20.3% (INR terms)
EV/ EBITDA (FY23)	(x)	13.0	14.1	10.3	18.8
EV/ EBITDA (FY19)	(x)	11.5	14.2	8.1	9.6
CAGR	%	3.1%	-0.3%	6.2%	18.3%
Dividend Yield (as on 30-Sept-23)	%	4.2%	3.7%	5.4%	-
Market Cap (as on 30-Sept-23)	USD Bn	1,633	883	547	55

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. **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
2. **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 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.
3. Exchange Rates: USD-INR = 83.0450 (30-Sept-23), 82.1700 (31-Mar-23) , 69.1550 (31-Mar-19) ; EUR-USD = 1.0885 (31-Mar-23), 1.1232 (31-Mar-19) | Source: FEDAI
MSCI: Morgan Stanley Capital International; CAGR: Compounded Annual Growth Rate; TTM: Trailing Twelve Months

Adani Utilities: Global Comp analysis

Parameters ¹		NEXTERA ENERGY	Southern Company	DUKE ENERGY	adani Utility businesses ²	AMERICAN ELECTRIC POWER	Dominion Energy
Consumer Base	Mn	12	9	8	13	6	7
Market Cap (A)	USD Bn	117.6	70.7	68.0	55.4	39.5	37.4
Net Debt (B)	USD Bn	71.8	60.6	79.1	11.7	42.2	40.9
Enterprise Value (EV) (C)	USD Bn	198.8	131.3	151.9	67.1	81.8	80.0
EBITDA TTM (D)	USD Bn	15.3	9.9	12.6	4.5	6.6	6.2
EV / EBITDA (C/D)	X	13.0x	13.3x	12.1x	14.8x	12.4x	12.9x
EBITDA Growth (4 year) ³	%	10%	0.1%	6%	15%	5%	3%
Net Debt/EBITDA (B/D)	X	5x	6x	6x	3x	6x	7x
CFO / Debt ⁴	%	13%	11%	8%	25%	10%	15%
Portfolio Ratings ⁵		A-/Baa1/A-	BBB+/Baa2/BBB+	-- / Baa2/ BBB+	BBB-/Baa3/BBB- ⁶	BBB/Baa2/BBB+	BBB+/Baa2/BBB+
ESG Risk Rating- Sustainalytics ⁷	Score	23.1 (Medium Risk)	33.4 (High Risk)	28.3 (Medium Risk)	AGEL - 14.4 (Low Risk) ATGL - 23.9 (Medium Risk) AESL - 31.5 (High Risk) APL - 36.6 (High Risk)	23.6 (Medium Risk)	28.8 (Medium Risk)

Adani Utility Portfolio is high growth, low leverage, with underlying consumer base growing fast

1. **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

2. **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 | 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 = 83.045 (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. 3. EBITDA Growth CAGR (in USD terms) for FY19-23 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](#)

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