

BUY**TP: Rs 1,750 | ▲ 29%****ADANI PORTS**

| Logistics

| 06 August 2025

Beats estimates; non-ports biz drive growth, guidance intact

- **Q1 revenue/EBITDA was 7%/15% above estimates; revenue grew 31% YoY/8% QoQ led by significant growth non-ports business**
- **Domestics ports revenue grew 14% YoY, led by 6%/ 8% YoY growth in volume/ realisation. Domestic ports EBITDA grew 17% YoY**
- **Tweak estimates 1-2%, ascribe 16x June-27E EBITDA multiple to arrive at June'26 TP of Rs 1,750**

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Non-ports business drive growth: ADSEZ Q1 print was ahead of our estimates, revenue/EBITDA came 7%/15% above estimates. Revenue was up 31% YoY, led by 14%/22% growth in domestic/international ports. Logistics revenue grew 105% YoY (13% QoQ), while that of marine services jumped to Rs 5.4 bn vs Rs 1.9 bn YoY, led by the Astro offshore acquisition. Adjusted for Rs 3bn forex gain, EBITDA stood at Rs 54.9bn, up 29% YoY. Adjusted EBITDA margin contracted 80bps YoY to 60.2%.

Domestic ports revenue grew 14% YoY, led by ~6%/8% YoY growth in volumes/realisations: Domestic ports revenue grew 14% YoY driven by 8% higher realisations and 6% volume growth, on the back of other cargo (+4.1 MMT) - ex of coal and containers. Coal volume declined by 2% YoY (+3% QoQ) due to lower imported coal as thermal power generation declined during the quarter. Decline in Mundra Port volume (-6% YoY/ QoQ) was offset by ramp up in Gangavaram, Krishnapatnam and Karaikal volume growth. Mundra operations impacted due to geopolitical tensions. Core domestic ports volume growth (excluding new operations) was flat YoY/QoQ to 107MMT.

Logistics business sustains growth momentum: Logistics revenue grew 105% YoY in Q1, driven by capacity additions (trucks, rakes, warehouses) and the launch of a new freight forwarding business. Going ahead, management guides to achieve 3x-4x revenue growth in the trucking business from the base of FY25 revenue of Rs 4.3bn, further on profitability management is confident of achieving 35-40% EBITDA margin over next 3-4 years.

Marine services, another growth driver (targets 2x revenue in FY26E): Marine services revenue grew 188% YoY to Rs 5.4bn (+50% QoQ). The company has started reporting marine services separately. During FY25, the company reported marine revenue of Rs 11bn respectively. The company expects to 2x its marine revenue by FY26 and 3-4x by FY29 on FY25 base.

Key changes

Target	Rating
▲	◀ ▶

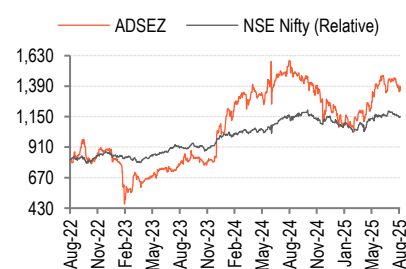
Ticker/Price	ADSEZ IN/Rs 1,358
Market cap	US\$ 33.4bn
Free float	34%
3M ADV	US\$ 31.8mn
52wk high/low	Rs 1,556/Rs 996
Promoter/FPI/DII	66%/14%/14%

Source: NSE | Price as of 5 Aug 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	3,10,786	3,65,175	4,15,116
EBITDA (Rs mn)	1,87,438	2,13,480	2,45,990
Adj. net profit (Rs mn)	1,19,437	1,27,419	1,49,057
Adj. EPS (Rs)	55.3	59.0	69.0
Consensus EPS (Rs)	0.0	0.0	0.0
Adj. ROAE (%)	20.7	18.9	19.0
Adj. P/E (x)	24.6	23.0	19.7
EV/EBITDA (x)	18.1	15.8	13.5
Adj. EPS growth (%)	34.7	6.7	17.0

Source: Company, Bloomberg, BOBCAPS Research

Stock performance

Source: NSE



Despite weakness in Q1 volume, maintains its target to achieve cargo volume of 505-515mnt in FY26: Going ahead, the company has guided to achieve: a) volume in the 505-515mnt range, implying volume growth of 14% YoY on the upper range b) revenue in the Rs 360-380bn range, implying 22% revenue growth on the upper range c) EBITDA in the Rs 210-220bn range, implying 16% EBITDA growth and implied EBITDA margin of ~58%.

Tweak estimates, maintain BUY: We have marginally revised our EBITDA estimates downwards for FY26–27E by 1–2% to reflect the weakness in domestic volume growth, strong growth at new ports (Vizinjham and Gopalpur) and international ports. We make gradual improvement in the remaining quarters. We factor in strong growth from non-ports segments (logistics and marine), albeit with lower profitability than the core portfolio. We introduce FY28E and ascribe 16x June-27E EBITDA, arriving at a June-26 TP of Rs 1,750

Fig 1 – Quarterly Performance

Particulars (Rs mn)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Q1FY26E	Var (%)
Revenue	91,261	69,563	31	84,884	8	85,406	7
Domestic Port Revenue	61,370	53,780	14	60,620	1	63,642	(4)
Volume (mnt)	113	107	6	112	1	115	(2)
Realisation (Rs/t)	544	504	8	542	0	552	(1)
International Ports	9,734	7,950	22	9,010	8	9,000	8
Others	19,528	5,950	228	15,254	28	12,763	53
EBITDA	58,191	42,133	38	49,128	18	50,416	15
EBITDA Margin (%)	63.8	60.6	319bps	57.9	590bps	59.0	470bps
Depreciation	12,549	10,119		11,847		13,400	
Other Income	2,960	4,946		2,812		5,000	
EBIT	48,602	36,960	31	40,093	21.2	42,016	16
Finance Costs	7,827	6,554		6,754		7,300	
PBT	36,903	36,698	1	33,631	10	34,716	6
Tax	5,370	4,854		5,088		5,902	
Adjusted PAT	31,156	25,496	22	28,445	10	28,814	8
Adj. PAT Margin (%)	34.1	36.7	(251bps)	33.5	60bps	33.7	40bps
EPS (Rs)	14.4	11.8	22	13.2	10	13.3	

Source: Company, BOBCAPS Research

Fig 2 – ADSEZ Volume & mix snapshot

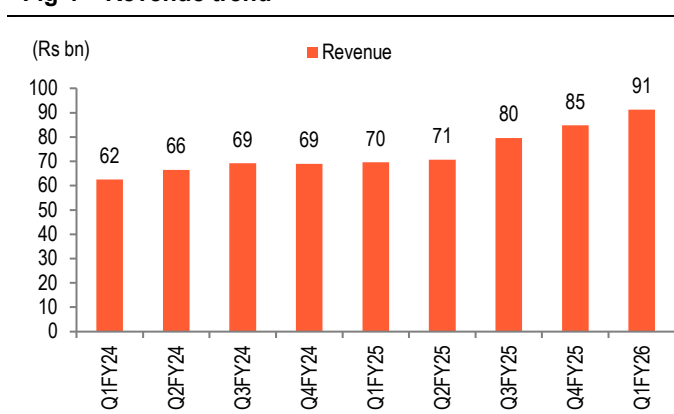
(mn tonnes)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Q1FY26E	Var (%)
Volume Mix (%)							
Container	39	39	46bps	38	180bps	43	(360bps)
Coal	35	38	(285bps)	34	80bps	33	210bps
Others	26	23	239bps	28	(260bps)	24	150bps
India Port Volume (mnt)	112.9	106.8	6	111.9	1	115.4	(2)
Port volume (excluding Viz & Gopalpur)	106.9	106.8	0	106.5	0	108.3	(1)
Mundra	47.9	51.1	(6)	50.7	(6)	51.5	(7)
Hazira	6.9	6.8	1	6.5	6	6.7	4
Dahej	2.4	2.8	(15)	2.5	(4)	2.7	(11)
Dhamra	12.1	12.0	1	11.3	7	12.3	(2)
Krishnapatnam	16.5	15.4	7	13.0	27	13.8	20
Kattupalli	3.2	3.6	(11)	3.7	(14)	3.3	(3)
Gangavaram	8.1	4.6	75	8.0	1	8.2	(1)
Karaikal	4.0	3.3	23	3.7	8	3.5	14
Gopalpur	1.3	NA	NA	1.3	0	1.5	(13)
Vizhinjam	4.7	NA	NA	4.1	15	5.6	(15)
Others	5.8	7.2	(20)	7.1	(19)	6.4	(10)
Port Volume Mix (%)							
Mundra	42	48	(548bps)	45	(290bps)	45	(220bps)
Hazira	6	6	(28bps)	6	30bps	6	30 bps
Dahej	2	3	(51bps)	2	(10bps)	2	(20 bps)
Dhamra	11	11	(48bps)	10	60bps	11	0 bps
Krishnapatnam	15	14	23bps	12	300bps	12	270 bps
Kattupalli	3	3	(53bps)	3	(50bps)	3	0 bps
Gangavaram	7	4	284bps	7	0bps	7	10 bps
Others	4	3	49bps	3	20bps	3	50 bps

Source: Company, BOBCAPS Research

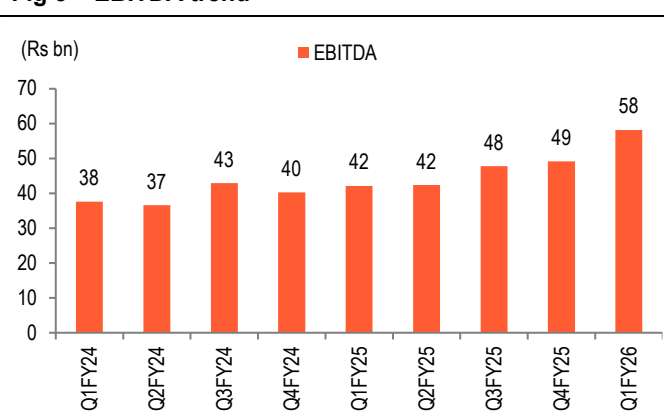
Fig 3 – Segmental performance

Particulars (Rs mn)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Revenue	91,261	69,563	31	84,884	8
Domestic ports	61,370	53,780	14	60,620	1
International ports	9,734	7,950	22	9,010	8
Logistics	11,690	5,710	105	10,300	13
Marine services	5,408	1,880	188	3,594	50
Sez, port and infra dev	2,430	240	913	1,360	79
% of Revenue					
Domestic ports	67	77	(1006bps)	71	(420bps)
International ports	11	11	(76bps)	11	10bps
Logistics	13	8	460bps	12	70bps
Marine services	6	3	NA	4	170bps
Sez, port and infra dev	3	0	232bps	2	110bps
EBITDA					
Total EBITDA (excl forex)	54,953	42,445	29	50,060	10
Domestic ports	45,800	39,000	17	43,540	5
International ports	2,050	1,020	101	1,310	56
Logistics	2,120	1,440	47	1,810	17
Marine services	2,970	750	296	2,590	15
Sez, port and infra dev	1,440	240	500	800	80
EBITDA margin					
Domestic ports	74.6	72.5	211bps	71.8	280bps
International ports	21.1	12.8	823bps	14.5	650bps
Logistics	18.1	25.2	(708bps)	17.6	60bps
Marine services	54.9	39.9	1502bps	72.1	(1,710bps)
Sez, port and infra dev	59.3	100.0	(4074bps)	58.8	40bps

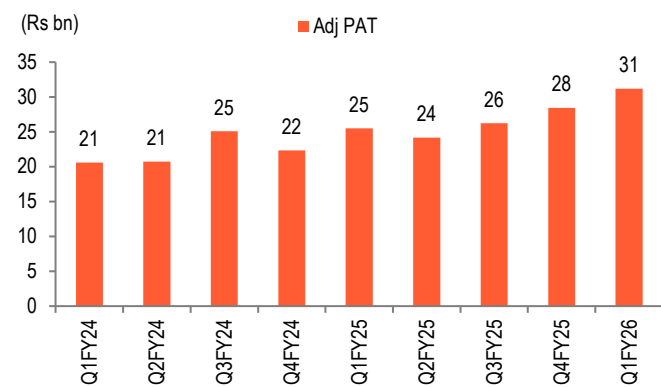
Source: Company, BOBCAPS Research

Fig 4 – Revenue trend

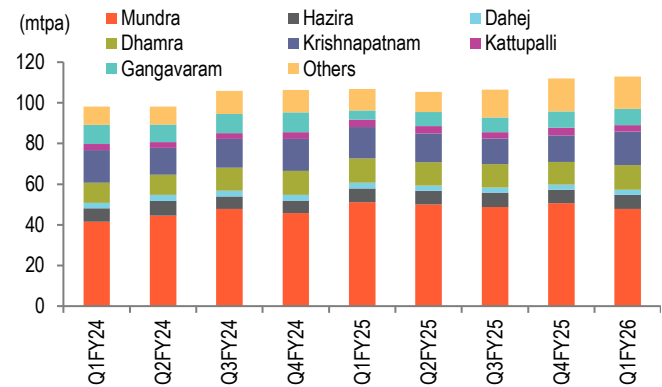
Source: Company, BOBCAPS Research

Fig 5 – EBITDA trend

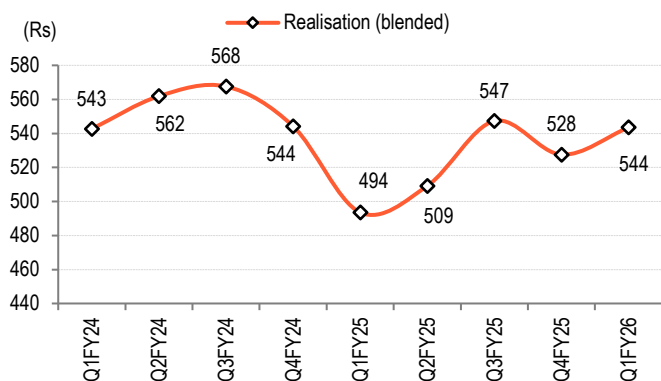
Source: Company, BOBCAPS Research

Fig 6 – Profit trend

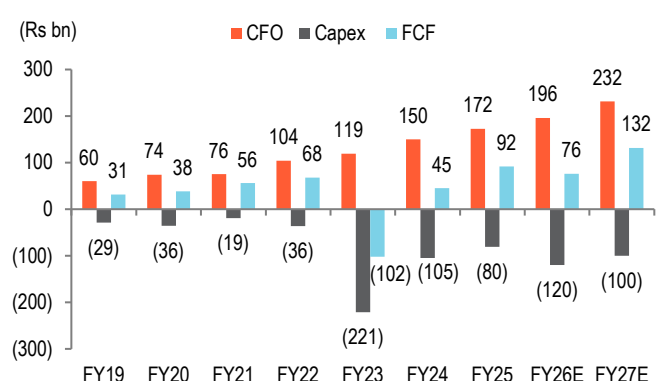
Source: Company, BOBCAPS Research

Fig 7 – Portwise volumes

Source: Company, BOBCAPS Research

Fig 8 – Realisation (blended)

Source: Company, BOBCAPS Research

Fig 9 – Cash flow trends

Source: Company, BOBCAPS Research

Earnings Call Highlights

- Management highlighted that Q1FY26 cargo volumes rose 11% YoY to 121 MMT, lifting domestic market share to 27.8% (+60 bps YoY) and holding container market share at 45.2%.
- Haifa reported 29% YoY volume growth and its highest-ever quarterly EBITDA since acquisition.
- Logistics revenue doubled YoY to Rs 11.7 bn, supported by Trucking and International Freight Network growth; container rail volumes rose 15% YoY to 179,479 TEUs and GPWIS volumes grew 9% YoY to 6.05 MMT.
- Marine revenue surged 188% YoY to Rs 5.4 bn, with EBITDA margin improving to 55% (vs. 40%) following the Astro Offshore acquisition and 16 new vessel additions, taking fleet size to 118 vessels (76 opening, +26 acquired, +16 purchased).
- The company noted that Mundra volumes were impacted in Q1 by early monsoon (lower thermal coal demand) and geopolitical disruptions in transshipment cargo; July showed recovery, with container volumes up 10% MoM.

- Dhamra margins contracted due to lower iron ore cargo, partly offset by higher coastal coal; fertilizer cargo delays are expected to normalize in Q2.
- Operational records included 3,234 TEUs handled in a single day at Mundra (highest ever for an Indian port) and 23 double-stack container rakes loaded in one day.
- Colombo West International Terminal began operations; Vizhinjam achieved 100% utilization within nine months of launch, with Phase 2 construction underway.
- EXIM approvals were secured for ICDs at Virochannagar, Kishangarh, and Malur, along with the launch of double-stack container rake services between ICD Tumb and ICD Patli.
- Management reiterated its long-term target of 1 bn metric ton cargo by 2030 (850 MMT domestic, 150 MMT international) and reaffirmed commitment to the integrated transport utility model from port gate to customer gate.
- FY26 capital priorities include container capacity expansion, rail-sea-rail coastal coal handling, liquid terminal growth, high-ROCE marine assets, and selective brownfield/low-capex international acquisitions.
- The company's Net debt/EBITDA remains at 1.8x, with a cash balance of Rs 169.2 bn, underscoring strong liquidity.

Valuation methodology

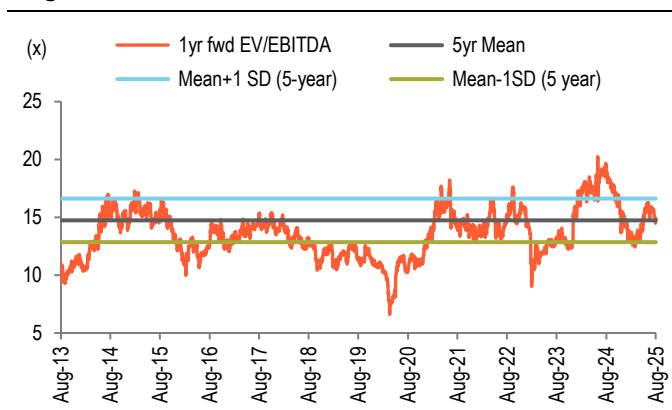
We have marginally revised our EBITDA estimates downwards for FY26–27E by 1–2% to reflect the weakness in domestic volume growth, strong growth at new ports (Vizinjham and Gopalpur) and international ports. We make gradual improvement in the remaining quarters. We factor in strong growth from non-ports segments (logistics and marine), albeit with lower profitability than the core portfolio. We introduce FY28E and ascribe 16x June-27E EBITDA, arriving at a June-26 TP of Rs 1,750.

Fig 10 – Revised estimates

(Rs mn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Volume	504	508	586	500	548	NA	1	0	NA
Revenue	3,65,175	4,15,116	4,62,488	3,70,503	4,24,580	NA	(1)	(2)	NA
EBITDA	2,13,480	2,45,990	2,78,375	2,16,474	2,51,025	NA	(1)	(2)	NA
margin (%)	58.5	59.3	60.2	58.4	59.1	NA	4bps	13bps	NA
PAT	1,27,419	1,49,057	1,70,404	1,29,177	1,52,175	NA	(1)	(2)	NA

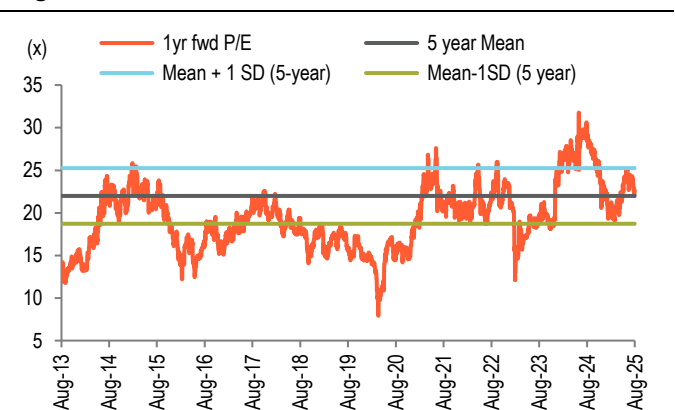
Source: BOBCAPS Research

Fig 11 – ADSEZ 1YF EV/EBITDA



Source: Company, BOBCAPS Research

Fig 12 – ADSEZ 1YF P/E



Source: Company, BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	2,67,106	3,10,786	3,65,175	4,15,116	4,62,488
EBITDA	1,57,511	1,87,438	2,13,480	2,45,990	2,78,375
Depreciation	38,885	43,789	52,547	58,853	64,738
EBIT	1,18,626	1,43,649	1,60,933	1,87,137	2,13,637
Net interest inc./(exp.)	(27,844)	(27,780)	(29,725)	(31,508)	(28,357)
Other inc./(exp.)	14,994	19,078	20,604	22,252	20,027
Exceptional items	(515)	(2,462)	0	0	0
EBT	1,06,291	1,37,408	1,51,812	1,77,881	2,05,307
Income taxes	15,346	19,684	25,808	30,240	34,902
Extraordinary items	8,289	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	81,040	1,19,140	1,27,419	1,49,057	1,70,404
Adjustments	(7,617)	(297)	0	0	0
Adjusted net profit	88,657	1,19,437	1,27,419	1,49,057	1,70,404

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	21,674	27,205	30,014	34,119	31,677
Other current liabilities	5	6	7	8	9
Provisions	48,723	59,637	65,031	73,925	82,361
Debt funds	4,62,792	4,58,100	3,78,100	2,88,100	2,18,100
Other liabilities	68,861	1,12,114	1,20,414	1,26,585	1,32,914
Equity capital	4,320	4,320	4,320	4,320	4,320
Reserves & surplus	5,41,110	6,45,413	7,46,911	8,66,156	10,02,480
Shareholders' fund	5,45,430	6,49,733	7,51,231	8,70,476	10,06,800
Total liab. and equities	11,47,485	13,06,796	13,44,798	13,93,214	14,71,862
Cash and cash eq.	76,319	82,395	52,457	60,561	81,364
Accounts receivables	36,669	44,324	55,026	62,552	69,690
Inventories	4,375	5,218	6,131	6,970	7,765
Other current assets	1,48,903	1,61,567	1,56,029	1,51,944	1,49,804
Investments	56,340	61,186	61,667	63,667	63,667
Net fixed assets	7,38,025	8,81,572	10,26,085	10,67,233	11,22,495
CWIP	1,09,361	1,17,061	40,000	40,000	45,000
Intangible assets	5	6	7	8	9
Deferred tax assets, net	(22,512)	(46,533)	(52,605)	(59,720)	(67,933)
Other assets	0	0	0	0	0
Total assets	11,47,485	13,06,796	13,44,798	13,93,214	14,71,862

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	1,50,176	1,72,263	1,95,870	2,31,585	2,51,885
Capital expenditures	(1,04,913)	(80,489)	(1,20,000)	(1,00,000)	(1,25,000)
Change in investments	35,448	(17,384)	(481)	(2,000)	0
Other investing cash flows	11	12	13	14	15
Cash flow from investing	(69,466)	(97,873)	(99,878)	(79,748)	(1,04,973)
Equities issued/Others	10,130	0	0	0	0
Debt raised/repaid	(41,290)	(24,741)	(80,000)	(90,000)	(70,000)
Interest expenses	11	12	13	14	15
Dividends paid	(10,797)	(13,363)	(25,922)	(29,811)	(34,081)
Other financing cash flows	11	12	13	14	15
Cash flow from financing	(78,001)	(69,155)	(1,35,646)	(1,51,319)	(1,32,438)
Chg in cash & cash eq.	2,709	5,235	(39,654)	518	14,474
Closing cash & cash eq.	15,757	20,992	42,740	52,974	75,035

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	37.5	55.2	59.0	69.0	78.9
Adjusted EPS	41.0	55.3	59.0	69.0	78.9
Dividend per share	8.0	10.0	12.0	13.8	15.8
Book value per share	245.1	289.0	336.0	391.2	454.3

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	12.6	10.9	9.2	8.0	7.0
EV/EBITDA	21.3	18.1	15.8	13.5	11.6
Adjusted P/E	33.1	24.6	23.0	19.7	17.2
P/BV	5.5	4.7	4.0	3.5	3.0

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	82.7	86.7	83.9	83.8	83.0
Interest burden (PBT/EBIT)	82.6	95.7	94.3	95.1	96.1
EBIT margin (EBIT/Revenue)	44.4	46.2	44.1	45.1	46.2
Asset turnover (Rev./Avg TA)	25.3	27.1	29.6	32.8	35.0
Leverage (Avg TA/Avg Equity)	2.2	2.1	1.9	1.7	1.5
Adjusted ROAE	16.5	20.7	18.9	19.0	18.7

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	28.1	16.4	17.5	13.7	11.4
EBITDA	43.9	19.0	13.9	15.2	13.2
Adjusted EPS	27.7	34.7	6.7	17.0	14.3

Profitability & Return ratios (%)

EBITDA margin	59.4	61.2	58.5	59.3	60.2
EBIT margin	44.4	46.2	44.1	45.1	46.2
Adjusted profit margin	33.2	38.4	34.9	35.9	36.8
Adjusted ROAE	16.5	20.7	18.9	19.0	18.7
ROCE	11.6	13.4	13.8	15.5	16.6

Working capital days (days)

Receivables	50	52	55	55	55
Inventory	6	6	6	6	6
Payables	30	32	30	30	25

Ratios (x)

Gross asset turnover	0.3	0.3	0.3	0.3	0.3
Current ratio	3.8	3.4	2.8	2.6	2.7
Net interest coverage ratio	5.7	6.7	7.2	7.8	9.8
Adjusted debt/equity	0.8	0.7	0.5	0.3	0.2

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**

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BUY – Expected return >+15%

HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): ADANI PORTS (ADSEZ IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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