

BUY

TP: Rs 1,490 | ▲ 22%

ADANI PORTS

| Logistics

| 02 May 2025

Broadly in line; diversification to drive growth

- Q4 revenue/EBITDA was broadly in line; revenue grew 23% YoY, led by significant growth non-ports business (logistics and marine services)
- Domestic ports revenue grew 14% YoY, led by 5%/ 8% YoY growth in volume/ realisation. Adj. EBITDA margin expands 30bps YoY
- Revise EBITDA estimates upwards 1-2%, ascribe 14x FY27E EBITDA multiple to arrive at Mar'26 TP of Rs 1,490 (unchanged)

Robust performance; meets FY25 EBITDA guidance: ADSEZ delivered a strong Q4FY25 performance with revenue up 23% YoY, led by 14%/30% growth in domestic/international ports. Logistics revenue grew 84% YoY (49% QoQ), while that of marine services jumped to Rs 3.6 bn vs Rs 1.6 bn YoY, led by the Astro offshore acquisition. Operating expenses grew 28% YoY/8% QoQ, but gains from operating leverage led to a 30bps YoY expansion in the adjusted EBITDA margin. Adjusted for Rs 931 mn forex loss, EBITDA stood at Rs 50 bn. For FY25, adjusted EBITDA reached Rs 190 bn, exceeding the company's guidance of Rs 185 bn.

Domestic ports revenue grew 14% YoY, led by ~5%/8% YoY growth in volumes/realisations: Domestic ports revenue grew 14% YoY in Q4 driven by 8% higher realisations and 5% volume growth, on the back of strong container volumes (+9.1 MMT) partly offset by a decline in EXIM coal (-3.5 MMT). Mundra Port remained the key growth driver with 11% YoY volume growth, while non-Mundra Ports grew 1%. For FY25, ADSEZ handled 450 MMT of cargo (+7% YoY), led by a 20% surge in container volumes. Mundra became the first Indian port to handle over 200 MMT in a year, reaffirming leadership in both total and container cargo. ADSEZ's market share rose to 27% in the overall cargo and 45.5% in container traffic (vs 44% in FY24).

Logistics revenue growth led by capacity addition and new service offering (freight forwarding): Logistics revenue grew 84% YoY in Q4, driven by capacity additions (trucks, rakes, warehouses) and the launch of a new freight forwarding business, which contributed Rs 2.6 bn. For FY25, the segment revenue grew 39% YoY. However, margins contracted by 100 bps in Q4 and 400 bps for the full year. Going ahead, management guides to achieve 3x-4x revenue growth in the trucking business from the base of FY25 revenue of Rs 4.3bn.

Marine services, another growth driver (targets 3x revenue by FY27E): The company has started reporting marine services separately. During Q4 and FY25, the company reported marine revenue of Rs 3.6 and Rs 11bn respectively. The company expects to 3x its marine revenue by FY27.

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Key changes

Target	Rating
◀ ▶	◀ ▶

Ticker/Price	ADSEZ IN/Rs 1,217
Market cap	US\$ 31.1bn
Free float	34%
3M ADV	US\$ 36.8mn
52wk high/low	Rs 1,621/Rs 996
Promoter/FPI/DII	66%/14%/14%

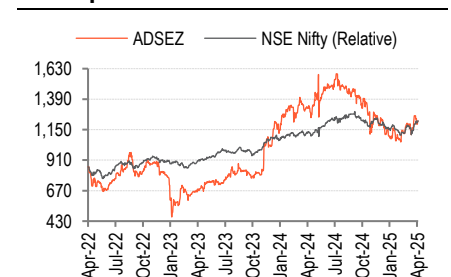
Source: NSE | Price as of 30 Apr 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	3,10,786	3,70,523	4,24,580
EBITDA (Rs mn)	1,87,438	2,16,474	2,51,025
Adj. net profit (Rs mn)	1,19,437	1,29,177	1,52,175
Adj. EPS (Rs)	55.3	59.8	70.4
Consensus EPS (Rs)	0.0	0.0	0.0
Adj. ROAE (%)	20.7	19.1	19.3
Adj. P/E (x)	22.0	20.3	17.3
EV/EBITDA (x)	16.5	14.2	12.0
Adj. EPS growth (%)	34.7	8.2	17.8

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Capex guidance of Rs 120bn in FY26: The company has guided for a capex of Rs 120bn to be spent towards – a) Rs 60bn towards capacity enhancements at domestic ports b) Rs 20bn towards international ports c) Rs 6.2bn towards marine services d) Rs 20bn towards logistics business setting up ICDs, logistics parks, warehousing, trucking- mix of diesel and electric vehicles e) Rs 13-14bn towards ESG goals.

Targets 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%.

Revise estimates, maintain BUY: We have marginally revised our EBITDA estimates for FY26–27E by 1–2% to align with the company's guidance, factoring in strong growth from new business segments, albeit with lower profitability than the core portfolio. We maintain our valuation multiple at 14x FY27E EBITDA, arriving at an unchanged Mar'26 TP of Rs 1,490.

Fig 1 – Quarterly Performance

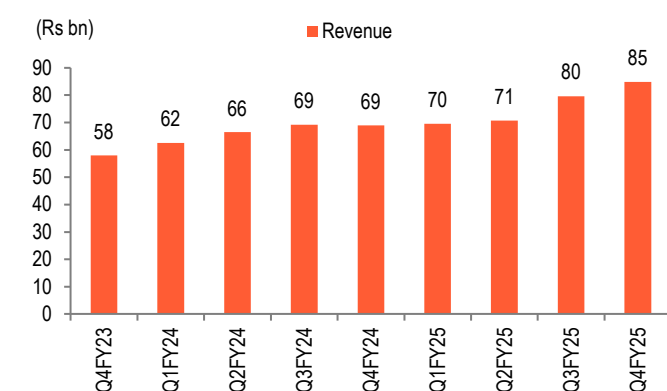
Particulars (Rs mn)	Q4FY25	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	FY25	FY24	YoY (%)	Q4FY25E	Var (%)
Revenue	84,884	68,965	23	79,636	7	3,10,786	2,67,106	16	83,584	2
India Port Revenue	60,620	53,150	14	59,940	1	2,27,400	2,03,430	12	63,203	(4)
Volume (mnt)	112	106	5	107	5	431	408	6	117	
Realisation (Rs/t)	542	500	8	563	(4)	528	498	6	542	
Others	24,264	15,815		19,696		83,386	63,676		20,381	
Logistics	10,300	5,600		6,930		28,810	20,790		7,471	
SEZ and Port Development	1,360	510		1,540		9,330	4,130		1,106	
International Ports and others	12,604	9,705		11,226		45,246	38,756		11,804	
EBITDA	49,128	40,293	22	47,777	3	1,87,438	1,57,511	19	50,261	(2)
EBITDA Margin (%)	57.9	58.4	(55bps)	60.0	(210bps)	60.3	59.0	130bps	60.1	(230bps)
Depreciation	11,847	9,791		11,058		43,789	38,885		11,220	
Other Income	2,812	3,034		2,234		19,078	14,994		(1,271)	
EBIT	40,093	33,537	20	38,952	2.9	1,62,726	1,33,621	21.8	37,770	6
Finance Costs	6,754	6,766		7,587		27,780	27,844		7,375	
PBT	33,631	23,757	42	29,685	13	1,34,913	98,003	38	30,720	9
Tax	5,088	3,262		5,015		19,684	15,346		6,819	
Adjusted PAT	28,445	22,341	27	26,236	8	1,14,336	88,731	29	25,228	13
Adj. PAT Margin (%)	33.5	32.4	112bps	32.9	60bps	36.8	33.2	360bps	30.2	330bps
EPS (Rs)	13.2	10.3	27	12.1	8	52.9	42.0	26	11.7	

Source: Company, BOBCAPS Research

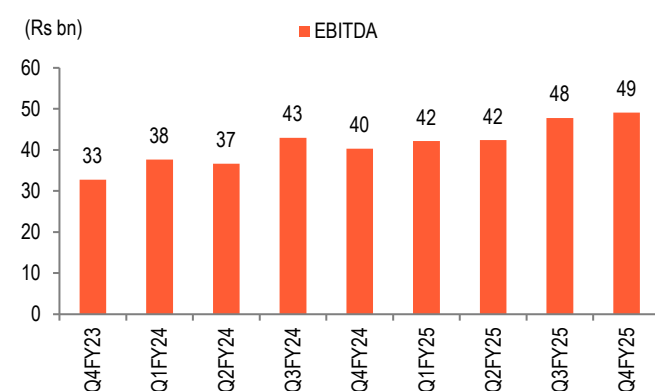
Fig 2 – ADSEZ Volume & mix snapshot

mn tonnes	Q4FY25	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	FY25	FY24	YoY (%)	Q4FY25E	Var (%)
Volume Mix (%)										
Container	38	38	0	38	(2)	38	36	5	31	620bps
Coal	34	36	(6)	31	9	35	38	(8)	38	(390bps)
Others	28	26	8	31	(7)	27	26	5	31	(220bps)
India Port Volume (mnt)										
Mundra	50.7	45.8	11	48.8	4	200.5	179.6	12	42.8	18
Hazira	6.5	6.2	5	7.1	(8)	27.4	26.4	4	6.6	(2)
Dahej	2.5	2.8	(12)	2.5	0	10.3	11.2	(8)	3.2	(23)
Dhamra	11.3	11.7	(4)	11.4	(1)	46.1	42.8	8	12.2	(7)
Krishnapatnam	13.0	15.7	(17)	12.6	3	55.0	59.2	(7)	20.4	(36)
Kattupalli	3.7	3.3	11	3.1	19	14.1	11.9	18	2.6	45
Gangavaram	8.0	9.7	(18)	7.3	10	26.8	37.2	(28)	11.2	(29)
Others	16.2	11.0	47	13.7	18	50.8	40.1	27	17.5	(7)
Port Volume Mix (%)										
Mundra	45	43	5	46	(1)	47	44	6	37	23 bps
Hazira	6	6	0	7	(13)	6	6	(2)	6	2 bps
Dahej	2	3	(16)	2	(5)	2	3	(13)	3	(20 bps)
Dhamra	10	11	(8)	11	(6)	11	10	2	10	(3 bps)
Krishnapatnam	12	15	(21)	12	(2)	13	14	(12)	18	(34 bps)
Kattupalli	3	3	5	3	14	3	3	12	2	51 bps
Gangavaram	7	9	(22)	7	4	6	9	(32)	10	(26 bps)
Others	14	10	40	13	13	12	10	20	15	(3 bps)

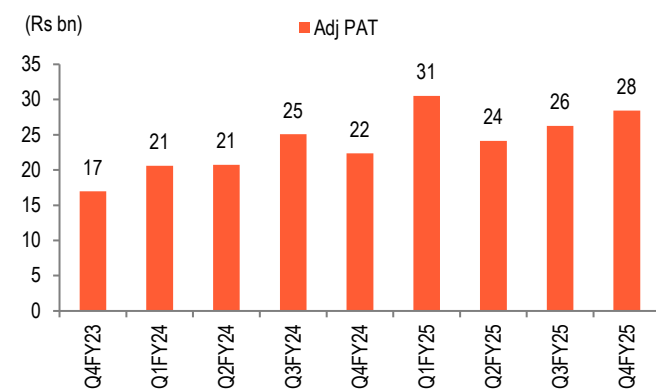
Source: Company, BOBCAPS Research

Fig 3 – Revenue trend

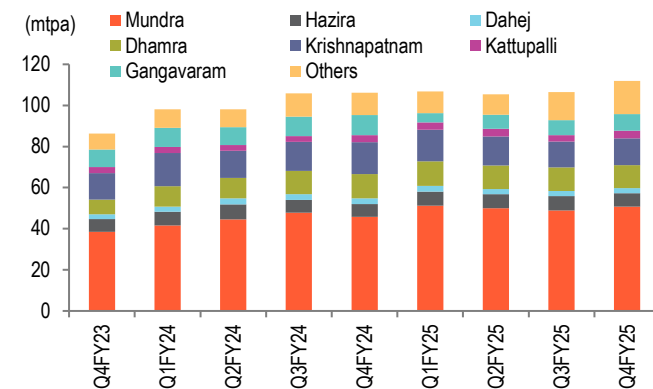
Source: Company, BOBCAPS Research

Fig 4 – EBITDA trend

Source: Company, BOBCAPS Research

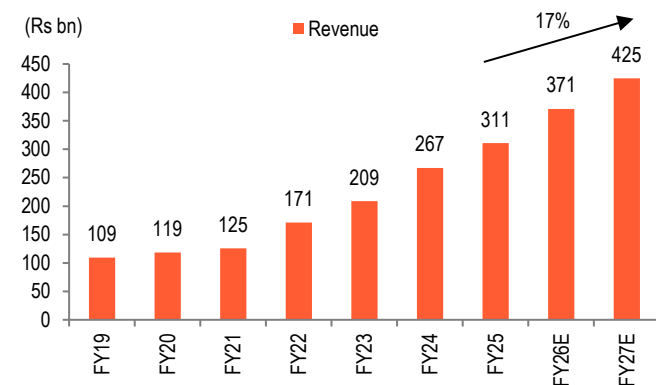
Fig 5 – Profit trend

Source: Company, BOBCAPS Research

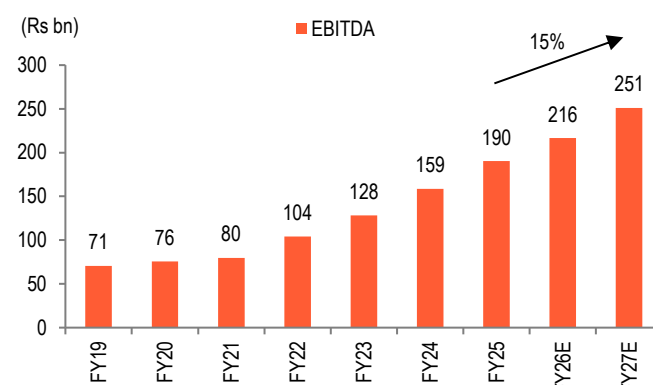
Fig 6 – Port wise volumes

Source: Company, BOBCAPS Research

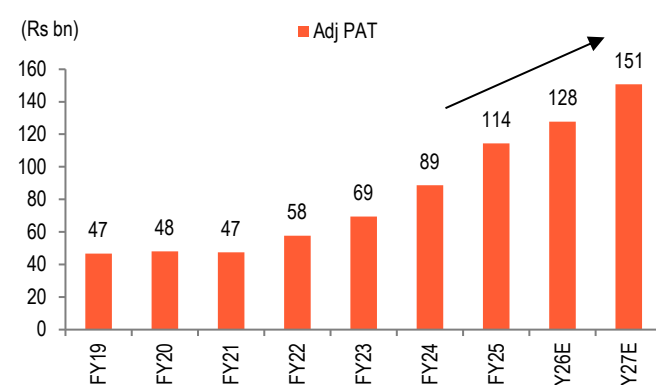
Annual Charts

Fig 7 – Revenue trend

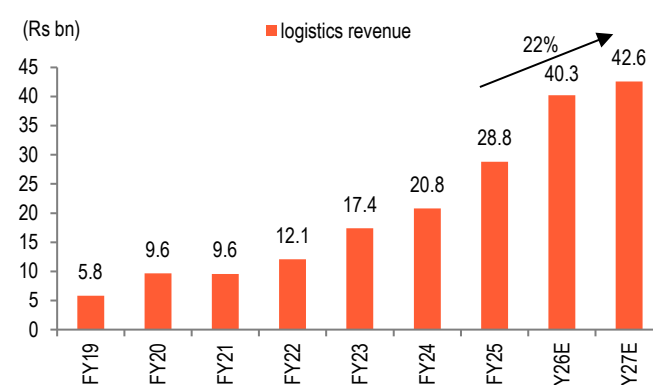
Source: Company, BOBCAPS Research

Fig 8 – EBITDA (excl. forex loss)

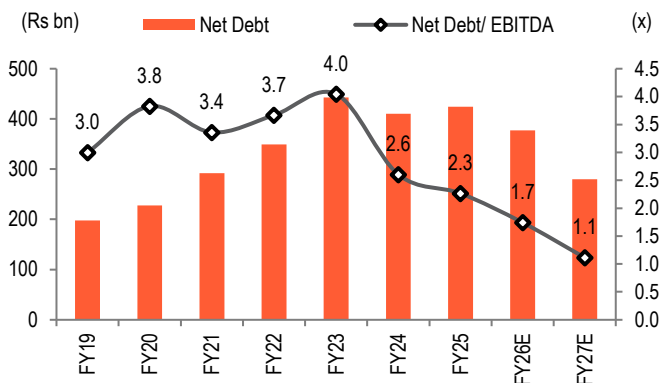
Source: Company, BOBCAPS Research

Fig 9 – Profit trend

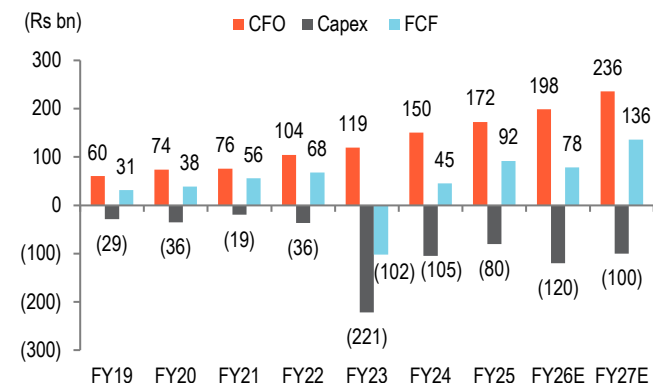
Source: Company, BOBCAPS Research

Fig 10 – Logistics revenue

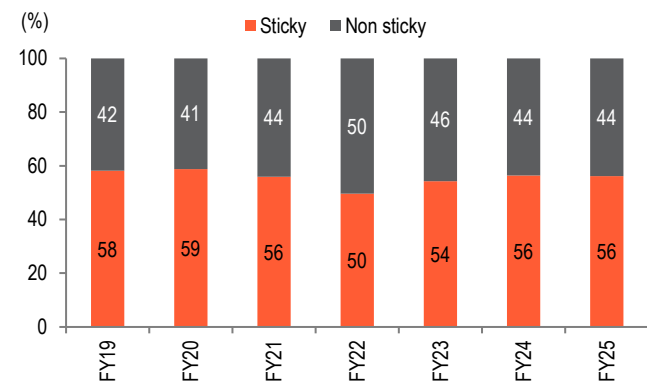
Source: Company, BOBCAPS Research

Fig 11 – Net Debt to EBITDA

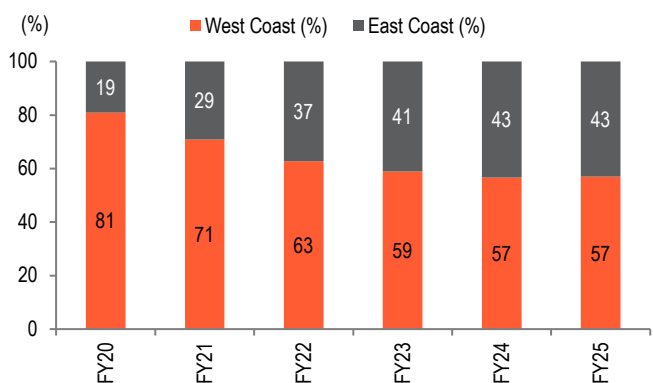
Source: Company, BOBCAPS Research

Fig 12 – Cash flow trends

Source: Company, BOBCAPS Research

Fig 13 – Growing share of sticky cargo

Source: Company, BOBCAPS Research

Fig 14 – Evolving Cargo Mix by Coast

Source: Company, BOBCAPS Research

Valuation Methodology

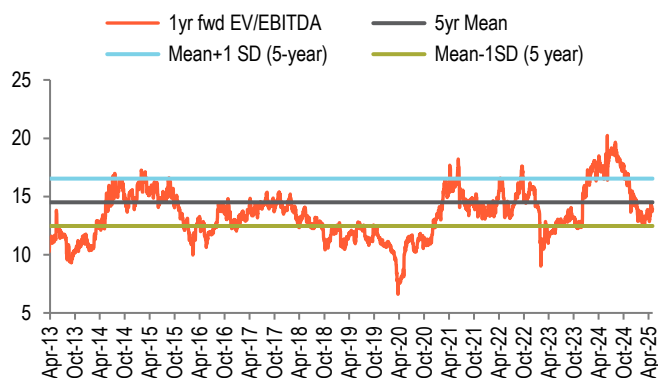
We have marginally revised our EBITDA estimates for FY26–27E by 1–2% to align with the company's guidance, factoring in strong growth from new business segments, albeit with lower profitability than the core portfolio. We maintain our valuation multiple at 14x FY27E EBITDA, arriving at an unchanged Mar'26 TP of Rs 1,490.

Fig 15 – Revised Estimates

(Rs mn)	New		Old		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Volume	500	548	520	572	(4)	(4)
Revenue	370,523	424,580	351,769	397,162	5	7
EBITDA	216,474	251,025	214,751	246,687	1	2
PAT	129,177	152,175	123,276	143,827	5	6

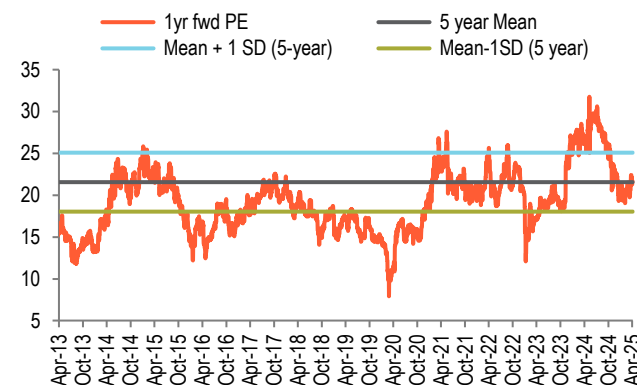
Source: Company, BOBCAPS Research

Fig 16 – ADSEZ 1YF EV/EBITDA



Source: Company, BOBCAPS Research

Fig 17 – ADSEZ 1YF P/E



Source: Company, BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25A	FY26E	FY27E
Total revenue	2,08,519	2,67,106	3,10,786	3,70,523	4,24,580
EBITDA	1,09,471	1,57,511	1,87,438	2,16,474	2,51,025
Depreciation	34,247	38,885	43,789	53,423	59,834
EBIT	75,224	1,18,626	1,43,649	1,63,051	1,91,191
Net interest inc./(exp.)	(25,936)	(27,844)	(27,780)	(29,725)	(31,805)
Other inc./(exp.)	15,527	14,994	19,078	20,604	22,252
Exceptional items	(2,310)	(515)	(2,462)	0	0
EBT	67,125	1,06,291	1,37,408	1,53,930	1,81,638
Income taxes	960	15,346	19,684	26,168	30,878
Extraordinary items	0	8,289	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	66,642	81,040	1,19,140	1,29,177	1,52,175
Adjustments	(2,811)	(7,617)	(297)	0	0
Adjusted net profit	69,453	88,657	1,19,437	1,29,177	1,52,175

Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25A	FY26E	FY27E
Accounts payables	22,960	21,674	27,205	30,454	34,897
Other current liabilities	4	5	6	7	8
Provisions	57,871	48,723	59,637	65,984	75,610
Debt funds	4,98,193	4,62,792	4,58,100	3,78,100	2,88,100
Other liabilities	65,191	68,861	1,12,114	1,20,414	1,26,585
Equity capital	4,320	4,320	4,320	4,320	4,320
Reserves & surplus	4,64,850	5,41,110	6,45,413	7,48,669	8,70,409
Shareholders' fund	4,69,170	5,45,430	6,49,733	7,52,989	8,74,729
Total liab. and equities	11,13,389	11,47,485	13,06,796	13,47,948	13,99,930
Cash and cash eq.	43,343	76,319	82,395	54,885	68,440
Accounts receivables	39,571	36,669	44,324	55,832	63,978
Inventories	4,520	4,375	5,218	6,221	7,129
Other current assets	1,75,277	1,48,903	1,61,567	1,56,816	1,53,288
Investments	87,339	56,340	61,186	61,667	61,667
Net fixed assets	7,09,215	7,38,025	8,81,572	10,25,210	10,65,376
CWIP	66,368	1,09,361	1,17,061	40,000	40,000
Intangible assets	4	5	6	7	8
Deferred tax assets, net	(12,247)	(22,512)	(46,533)	(52,690)	(59,955)
Other assets	0	0	0	0	0
Total assets	11,13,389	11,47,485	13,06,796	13,47,948	13,99,930

Cash Flows

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash flow from operations	1,19,333	1,50,176	1,72,263	1,98,298	2,35,957
Capital expenditures	(2,21,431)	(1,04,913)	(80,489)	(1,20,000)	(1,00,000)
Change in investments	24,824	35,448	(17,384)	(481)	0
Other investing cash flows	10	11	12	13	14
Cash flow from investing	(1,96,036)	(69,466)	(97,873)	(99,878)	(77,748)
Equities issued/Others	9,455	10,130	0	0	0
Debt raised/repaid	(20,257)	(41,290)	(24,741)	(80,000)	(90,000)
Interest expenses	10	11	12	13	14
Dividends paid	(10,929)	(10,797)	(13,363)	(25,922)	(30,435)
Other financing cash flows	10	11	12	13	14
Cash flow from financing	(27,338)	(78,001)	(69,155)	(1,35,646)	(1,52,240)
Chg in cash & cash eq.	(1,04,042)	2,709	5,235	(37,226)	5,968
Closing cash & cash eq.	9,367	15,757	20,992	45,169	60,853

Per Share

Y/E 31 Mar (Rs)	FY23A	FY24A	FY25A	FY26E	FY27E
Reported EPS	30.9	37.5	55.2	59.8	70.4
Adjusted EPS	32.2	41.0	55.3	59.8	70.4
Dividend per share	6.0	8.0	10.0	12.0	14.1
Book value per share	210.9	245.1	289.0	336.8	393.2

Valuations Ratios

Y/E 31 Mar (x)	FY23A	FY24A	FY25A	FY26E	FY27E
EV/Sales	14.2	11.4	10.0	8.3	7.1
EV/EBITDA	27.1	19.4	16.5	14.2	12.0
Adjusted P/E	37.8	29.6	22.0	20.3	17.3
P/BV	5.8	5.0	4.2	3.6	3.1

DuPont Analysis

Y/E 31 Mar (%)	FY23A	FY24A	FY25A	FY26E	FY27E
Tax burden (Net profit/PBT)	99.3	82.7	86.7	83.9	83.8
Interest burden (PBT/EBIT)	89.2	82.6	95.7	94.4	95.0
EBIT margin (EBIT/Revenue)	36.1	44.4	46.2	44.0	45.0
Asset turnover (Rev./Avg TA)	21.8	25.3	27.1	30.0	33.4
Leverage (Avg TA/Avg Equity)	2.3	2.2	2.1	1.9	1.7
Adjusted ROAE	15.9	16.5	20.7	19.1	19.3

Ratio Analysis

Y/E 31 Mar	FY23A	FY24A	FY25A	FY26E	FY27E
YoY growth (%)					
Revenue	21.8	28.1	16.4	19.2	14.6
EBITDA	14.9	43.9	19.0	15.5	16.0
Adjusted EPS	17.5	27.7	34.7	8.2	17.8

Profitability & Return ratios (%)

EBITDA margin	61.5	59.4	61.2	58.4	59.1
EBIT margin	36.1	44.4	46.2	44.0	45.0
Adjusted profit margin	33.3	33.2	38.4	34.9	35.8
Adjusted ROAE	15.9	16.5	20.7	19.1	19.3
ROCE	10.0	11.6	13.4	13.9	15.8

Working capital days (days)

Receivables	69	50	52	55	55
Inventory	8	6	6	6	6
Payables	40	30	32	30	30

Ratios (x)

Gross asset turnover	0.2	0.3	0.3	0.3	0.3
Current ratio	3.3	3.8	3.4	2.8	2.6
Net interest coverage ratio	4.2	5.7	6.7	7.3	7.9
Adjusted debt/equity	1.1	0.8	0.7	0.5	0.3

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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Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

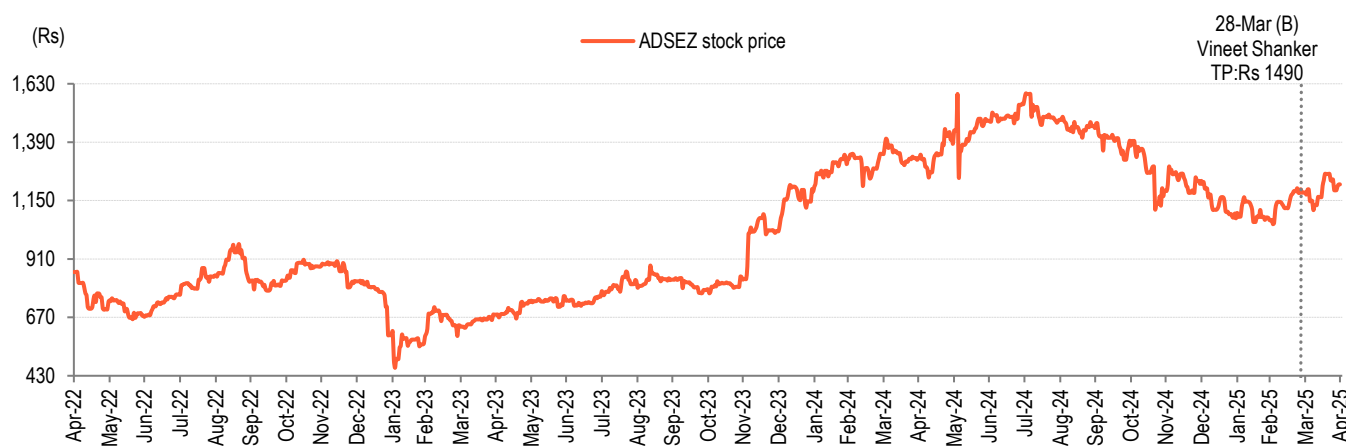
HOLD – Expected return from -6% to +15%

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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