

was impacted due to higher commodity prices and disruptions in the supply chain. Coal volume in Q4 FY22 is likely to improve due to increasing power demand and softening of prices Globally.

"APSEZ had shown tremendous resilience all through the pandemic period," said **Mr Karan Adani, Chief Executive Officer and Whole Time Director of APSEZ**. "Our learnings in 2020 helped us weather the storm and our operational expertise allowed us to continue our expansion. The addition of two ports in 2021 – Krishnapatnam and Gangavaram in Andhra Pradesh on the east coast of India – to the ones on the west coast continued to tighten our pan-India presence. Our under-construction port of Vizhinjam in Kerala, along with our new terminal in Colombo, Sri Lanka, will act as a new transshipment hub in southeast Asia."

"Our carbon offsetting, mangrove afforestation and terrestrial plantation, as well as our extensive focus on the use of renewable energies, have meant that APSEZ is well on the road to achieving carbon neutrality by 2025 and becoming the world's most sustainable ports company," added **Mr Karan Adani**.

The Adani Group's progress in firming up its Transport Utility model is a recognition that transport infrastructure performs as essential a function as electricity. This transport utility model was further augmented by the expansion in the rail network and Grade-A warehousing capacity, as well as by further investments in logistics capabilities. The Adani Group will continue to invest in new technologies, automation and digitization, to provide further impetus for growth.

## KEY BUSINESS HIGHLIGHTS – 9M / FY22 (YoY)

### Operational Highlights

#### Port Business

- ❖ APSEZ continues to outperform all India cargo volume growth. During 9M of FY22, it handled 212 MMT of cargo compared to 174 MMT in 9M FY21 thus registering a growth of 22% compared to 7% growth registered by all India cargo volume. As a result, market share of APSEZ in all India cargo volume has increased by 350 bps to 28.1%
- ❖ Gangavaram Port (GPL) handled cargo volume of 22.35 MMT which is not consolidated in the above cargo numbers as the process of acquisition is underway and we expect the same to be completed by Q4 FY22 (Post NCLT approval) **which will enable us to consolidate Gangavaram Port in our books retrospectively from 1 April 2021.**

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- ❖ The growth in cargo volume was led by containers which grew by 25%, dry cargo by 21%, & liquids (including crude) by 22%.
- ❖ In the container segment, APSEZ continues to gain market share in India. In 9M FY22 market share in the container segment grew by 189 bps to 42.2%.
- ❖ In 9M FY22, it handled 6.2 Mn TEUs a growth of 25% against as against 19% growth achieved at all India container volume.
- ❖ APSEZ is focused on achieving east coast west coast parity. Ports on the east coast grew by 58% and those on the west coast grew by 10% thus improving parity between the west coast and east coast to 69:31 from 76:24.
- ❖ Non-Mundra ports in the portfolio are growing faster and have contributed 47% to the cargo basket which is a growth of 7 percentage points.
- ❖ Mundra continues to be the largest container handling port with 4.9 Mn TEUs which is 0.72 Mn TEUs higher than JNPT.

## Logistics Business

- ❖ Adani Logistics (ALL), the largest and most diversified private rail operator in India, registered a 25% growth in rail volume to 284,477 TEUs and a 13% growth in terminal volume to 211,679 TEUs.
- ❖ Adani Logistics has expanded its rolling stock and added 11 new bulk rakes under the GPWIS scheme, taking the total number of rakes to 72.
- ❖ In the warehousing segment, ALL added 0.43 mn sqft during the period which is a growth of 108%

## Financial Highlights

### Revenue

- ❖ Consolidated revenue grew by 35%, from Rs.8,942 Cr in 9M / FY21 to Rs.12,089 Cr. on the back of all-around growth registered in all three key segments of Port, Logistics and SEZ revenue and addition of SRCPL.
- ❖ Cargo volume growth of 22%, addition of SRCPL and higher realization ensured Port revenue to increase by 27% to Rs.9,706 Cr.
- ❖ Revenue from the logistics business stood at Rs.845 Cr, a growth of 22% on account of improving container and terminal traffic along with improvement in rolling stock both for container and bulk cargo movement.

### EBITDA

- ❖ Consolidated EBITDA\* grew by 29% from Rs.5,776 Cr in 9M FY21 to Rs.7,428 Cr on the back of 35% growth in revenue.

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- ❖ Port EBITDA\* grew by 27% from Rs.5,394 Cr in 9M FY21 to Rs.6,876 Cr in 9M FY22, due to both increase in cargo volume, the addition of SRCPL and operational excellence.
- ❖ In the logistics business, diversification by adding Bulk cargo, elimination of loss- making routes and operational efficiency resulted in a significant increase in EBITDA and margins. While Logistics business EBITDA grew by 32% to Rs.214Cr. its EBITDA margin expanded by 179 bps to 25%.

#### **Note on Consolidation of Revenue and EBITDA on account of recent acquisition**

- ❖ Gangavaram Port, which is under the process of acquisition, reported revenue of Rs.899 Cr and EBITDA of Rs.598 Cr in 9M FY22. These numbers are not currently consolidated in APSEZ results. However, the **Gangavaram Port acquisition will be completed in Q4 FY22 thus enabling APSEZ to retrospectively consolidate these numbers from 1 April 2021 (FY22).**

#### **ESG Highlights**

- ❖ The APSEZ team continues to action the plan for achieving carbon neutrality by 2025. Some actions already undertaken /in progress include electrification of RTGs, electrification of Mobile Harbor Cranes, purchase of electric ITVs, and the ongoing Mangrove plantations.
- ❖ APSEZ has scaled up its ambition for renewable electricity beyond the earlier announced 100MW generation capacity. The company is now discussing tie-up of around 300 MW with a renewable developer.
- ❖ APSEZ has significantly enhanced its ambition for Mangrove plantation beyond its earlier announced target of additional 1000 hectares.
- ❖ As of the end of December 2021, APSEZ has managed to improve its energy intensity by 31% and reduce its carbon intensity by 29% from the 2016 base levels. Alongside, the company is successfully implementing low-carbon solutions in its logistics business segment to reduce the emission profile of its customers. All ceramic goods transferred from Morbi in Gujarat are now transported through rail versus road earlier. The GHG emission reduction from this transition is estimated at over 50,000 tons in 2025, implying taking 20,000 cars off the road.
- ❖ The company is now formulating its net zero plan, which will be announced in the 2<sup>nd</sup> half of this year. This is in line with the commitment made to the Science Based Target Initiative (SBTi).
- ❖ We have now completed the Climate Risk Vulnerability Assessment of 13 ports to ascertain their exposure and sensitivity to changing climate so as to

guide the development of an adaptation plan for individual ports, particularly the ones with high sensitivity.

## Other Business Updates

### Sarguja Rail (SRCPL) acquisition completed:

- ❖ APSEZ holds a rail portfolio of 620 km. With the acquisition of Sarguja Rail from another Adani Group company which has 70 Kms of Rail line through a composite scheme of arrangement which was first approved by 92% of minority shareholders and then filed to NCLT for their approval.
- ❖ **Having since received approval from NCLT SRCPL is now consolidated in APSEZ books (all rail assets will now be in one entity of Adani Track Management Services), with retrospective effect from 1 April 2021.**

### Update on Gangavaram Port (GPL)

- ❖ Acquisition likely to be completed in all aspects in Q4 FY22
- ❖ APSEZ till now has acquired 31.5% of GPL from Warbug Pincus on 3 March 2021 and further acquired 10.4% from Govt. of Andhra Pradesh on 22 September 2021. With that APSEZ currently holds a 41.9% stake in GPL and consolidates it as an associate company. With the aim to acquire a 100% stake, APSEZ signed an agreement for acquiring the balance 58.1% stake held by DVS Raju and Family.
- ❖ **Post-approval from NCLT, GPL will be consolidated retrospectively from 1 April 2021 which will add Revenue of approximately Rs.1,200 Cr and EBITDA of Rs.800 Cr for the full year of FY22.**

## Awards

- ❖ Mundra port won the "Non - Major Port of the Year" award in the 8th edition of the International Samudra Manthan Awards on Dec 2021.
- ❖ APSEZ, Mundra awarded by Platinum Award by Sustainability Foundation under the "Environmental Preservation" category.

### **About Adani Ports & Special Economic Zone Ltd**

Adani Ports and Special Economic Zone Ltd (APSEZ), a part of the globally diversified Adani Group has evolved from a port company to an Integrated Transport Utility providing an end-to-end solution from its port gate to customer gate. It is the largest port developer and operator in India with 6 strategically located ports and terminals on the west coast (Mundra, Dahej, Tuna and Hazira in Gujarat, Mormugao in Goa and Dighi in Maharashtra) and 6 ports and terminals



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on the East coast of India (Dhamra in Odisha, Gangavaram, Visakhapatnam and Krishnapatnam in Andhra Pradesh, and Kattupalli and Ennore in Chennai) representing 24% of the country's total port capacity, thus providing capabilities to handle vast amounts of cargo from both coastal areas and the hinterland. The company is also developing two transshipment ports at Vizhinjam, Kerala and Colombo, Sri Lanka. Our Ports to Logistics Platform comprising port facilities, integrated logistics capabilities including multimodal logistics parks, Grade A warehouses, and industrial economic zones, puts us in an advantageous position as India stands to benefit from an impending overhaul in global supply chains. Our vision is to be the largest ports and logistics platform in the world in the next decade. With a vision to turn carbon neutral by 2025, APSEZ was the first Indian port and third in the world to sign up for the Science-Based Targets Initiative (SBTi) committing to emission reduction targets to control global warming at 1.5°C above pre-industrial levels. For more information, please visit [www.adaniports.com](http://www.adaniports.com)

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