



# Converging strength with sustainability



**adani**  
Ports and  
Logistics



Adani Ports and Special Economic Zone Limited  
Annual Report 2018-19



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## 291 Notice

FY19 consolidated highlights

CROSSED THE  
MILESTONE OF  
HANDLING **200  
MILLION METRIC  
TONNES** (MMT) OF  
CARGO IN A YEAR

EBITDA MARGINS  
IMPROVED  
BY **200 bps** TO **65%**

ACHIEVED PAT OF  
OVER **₹ 4,000 CRORE**  
FOR THE FIRST TIME



Our strengths are our unique, customer-focused and integrated portfolio of ports infrastructure and services across India, adequate capacity to leverage growth opportunities, financial acumen and high level of operational efficiency powered by digital technologies.

These capabilities converge with our sustainability priorities that primarily focus on building leadership capabilities for our people, health and safety for all stakeholders, climate change and energy and water and effluents

management. Our citizenship initiatives are also integral to our commitment to sustainable and holistic growth.

With the adoption of industry 4.0 technologies and determined teamwork, we are managing seamless integration of all our businesses in a dynamic operating environment. Our capacity and capabilities enable us to remain at the vanguard of opportunities to cater to aspirations, touch more lives and contribute meaningfully towards India's socio-economic wellbeing.





## Introducing APSEZ

# A sustainable blueprint for growth

Adani Ports and Special Economic Zone Limited (APSEZ) is India's largest commercial port operator and integrated logistics player.

We belong to the distinguished Adani Group with integrated business interests, spanning resources (coal mining and trading), logistics (ports and rail), energy (renewable, thermal power generation and transmission), agricultural commodities and ancillary industries.

Our 10 domestic ports provide us the unique advantage of being present in

six maritime states, namely Gujarat, Goa, Andhra Pradesh, Tamil Nadu, Kerala and Odisha. Our operational facilities are equipped with advanced cargo handling capabilities, which are state-of-the-art and can handle large vessels calling at Indian ports.

At APSEZ, we manage the complete logistics chain – from vessels management to anchorage pilotage, tug pulling, berthing, goods handling, internal transport, storage and handling, processing and final evacuation by road or rail.

Over the years, we have evolved from a port-focused organisation to a customer-facing integrated port infrastructure services, fostering alliances with leading Indian

businesses to provide comprehensive logistics solutions.

With expertise in providing end-to-end logistics solutions, operational excellence, low-cost operations and synergies through its acquisitions, our Company is backed by a young and dynamic workforce.

### Competitive advantages

- **Largest commercial port operator in India**
- **Deft management experience**
- **Operational excellence with low cost**
- **Successful track record of integrating acquisitions**

## WE ARE COLLECTIVELY PROPELLING INCLUSIVE AND SUSTAINABLE GROWTH FOR NEW INDIA.

### VISION

**To be a world class leader in businesses that enrich lives and contribute to nations in building infrastructure through sustainable value creation.**

### VALUES

#### Courage

- We shall embrace new ideas and businesses
- Take calculated risks in pursuing new and big business opportunities
- Dare to achieve
- Own up to our decisions

#### Trust

- We shall believe in our employees and other stakeholders
- Show faith in the capability of our employees
- Empower our employees to go beyond the call of duty to deliver results

- Encourage employees to turn disappointments into learning opportunities
- Listen to and include the perspectives of our vendors, investors and other stakeholders

#### Commitment

- We shall stand by our promises and adhere to high standards of business
- Be Reliable – 'Do what you say' and 'Say what you will do'
- Consistently deliver on business goals and targets
- Consistently demonstrate high standards of professionalism



## CULTURE

### **Passion**

Performing with enthusiasm and energy

### **Results**

Consistently achieving goals

### **Integration**

Working across functions and businesses to create synergies

### **Dedication**

Working with commitment in the pursuit of our aims

### **Entrepreneurship**

Seizing new opportunities with initiative and ownership



## Business Overview

# Deepening integration across businesses

For over three decades, we at APSEZ, have built, acquired and developed an integrated and unique portfolio of ports infrastructure and services across India, for India. Our strategically located ports and terminals, industrial land and logistics business demonstrate our commitment to grow sustainably in step with the nation.



Ports

- Concession assets with free pricing\*
- JV model with ship liners for two container terminals at Mundra
- Handling multi and complex cargo

Revenue contribution

**81%**



Logistics

- 20-year license to operate rails
- Operating three logistics parks and two more parks are under development (Nagpur, Mallur)
- Enhancing connectivity between ports and origin / destination of cargo

Revenue contribution

**5%**



SEZ

- Land bank of 8,000+ hectares
- Integration between land bank and port
- Developing industry cluster
- Regular revenue stream through annual rentals and upfront premium

Revenue contribution

**7%**

\* at non major ports (i.e. Mundra, Hazira, Dahej, Kattupalli and Dhamra)



## FY19 Port Performance

### Mundra



- India's largest and APSEZ's flagship port
- The cargo volume grew by 13%
- Container volume, excluding CT 1 grew by 23%
- Crude volume grew higher due to HMEL and IOCL customer

- Hazira port has excellent multimodal connectivity adjoining industrial areas
- Container – One new service liner ('FIVE') added during the year
- Coal – Higher coal handled due to long term contracts
- Liquid – Higher volume on account of new customers

### Hazira



- Double digit growth in all types of cargo handled
- Focus on handling various types of new cargo – slag, salt, fertilizer, gypsum and many more

### Dahej



- Our gateway to southern India
- Continues to gain market share and registered 18% growth
- Achieved highest ever monthly container volume of 57,047 TEUs in September 2018

### Kattupalli



- Strategised to handle new types of cargo namely clinker, slag, fertilizer, gypsum resulting in higher EBIDTA
- Ship-to-ship Operation commenced
- Evacuation issues are getting resolved. Ordered new rakes under GPWIS\* to improve rake availability

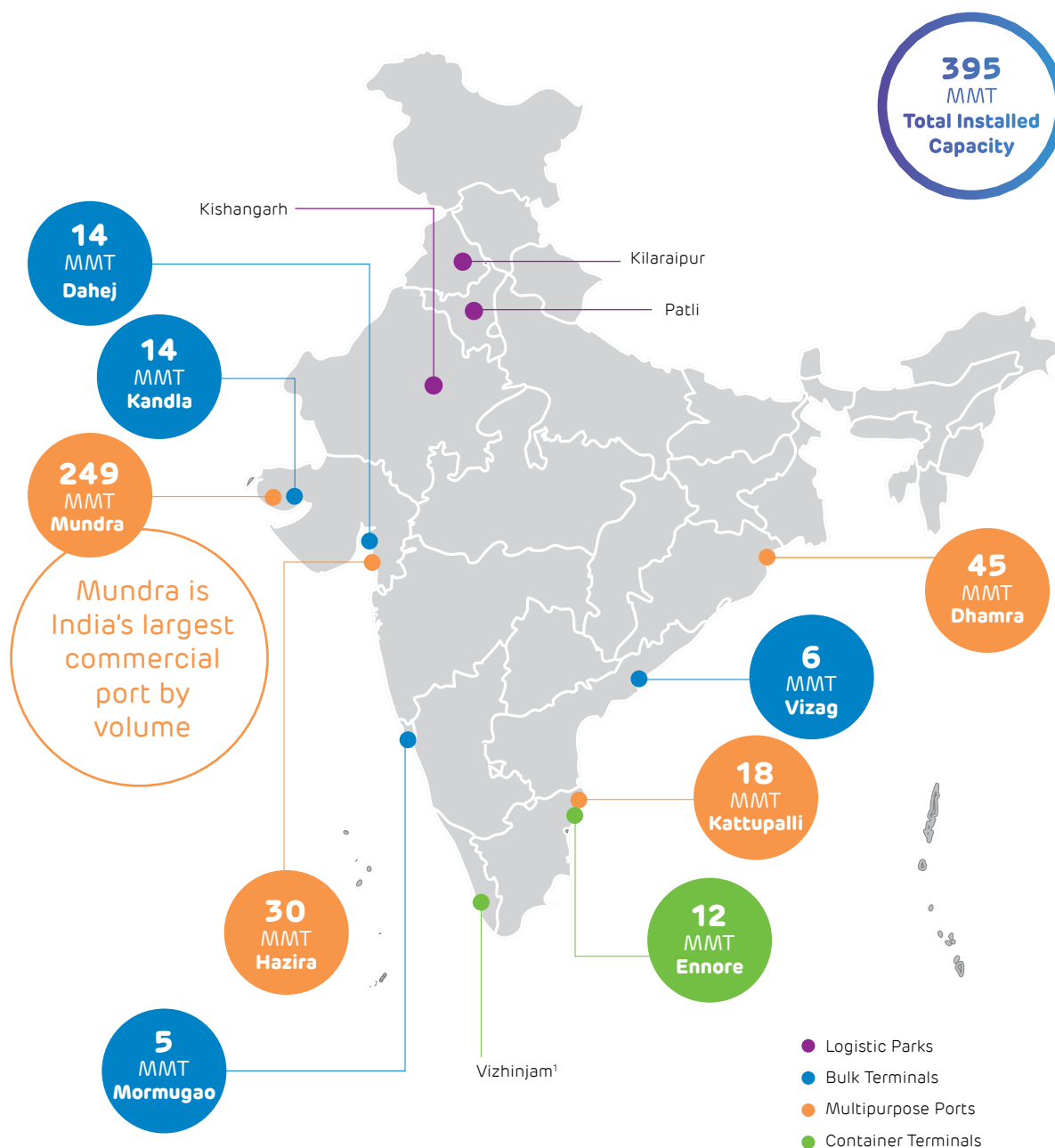
### Dhamra



\*General Purpose Wagon Investment Scheme

## National Presence

# Reaching farther with focus and agility



**Note:**

1. Under development

MMT: million metric tonnes



## Key facts

**208 MMT**

Total throughput

**15% ↑**

Throughput growth

**5.67 MN**

TEUs

**13% ↑**

Rise in container volume

**65%**

Consolidated EBITDA margin

**US \$10.8 BN**

Market capitalisation

(As of 31.03.2019)

## Ratings

**S&P: BBB-STABLE**

**FITCH: BBB-STABLE**

**MOODY'S: Baa3 STABLE**



## Investment Case

# What makes us robust and resilient?



### Unique and integrated business model

We are the leading commercial port operator and integrated logistics player in the country. We have a dominant market position among the port sector in India. Our presence across 10 domestic ports represent a strategic 'string of ports' along the Indian coastline. We are rated Investment grade by three international rating agencies (Moody's, Fitch and S&P).

**Leading commercial port operator and integrated logistics player.**

### Adequate capacity to capture growth

At APSEZ, we benefit from our presence across the West and East coasts of India, with a capacity of 395 MTPA, which would be around one-fourth of India's capacity. We have delivered a CAGR of 13% throughput in the last five years. Our market share has now increased progressively to 21% of all India cargo volume.

Our ports handle diverse cargo, including containers, coal, crude, minerals, chemicals and agri-commodities. The cargo volume continue to surpass the industry growth rate, primarily on account of geographically diversified presence, segmented cargo profile, highly integrated operations and long-term customer contracts.

## 18%

**CAGR revenues over the last five years.**

### Operational efficiency

We have strong operational efficiency, as reflected in superior average turnaround time and lower pre-berthing time, comparable with India and international ports. We are blessed with natural deep draft, 14-18 metres at our ports. This allows super cape size, very large container carriers to dock, thereby reducing cost for the end consumer. Besides, we have reliable rail, road, and air connectivity. Our operational efficiency translates to robust profitability, as reflected in an operating margin of 65% in FY19 vis-à-vis 63% in FY18.

**The strong operating efficiency results in strong profitability, as reflected in operating margin of 65% in FY19 vis-à-vis 63% in FY18.**