

ADANI POWER LTD

Financial Model Report

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Table of Contents

- 1 Historical Financial Statements
 - 2 Common Size Statements
 - 3 Ratio Analysis
 - 4 Forecasting
 - 5 WACC
 - 6 Regression Beta
 - 7 Intrinsic growth
 - 8 DCF
 - 9 Company Comparable
 - 10 Dupont Analysis
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adani
Power

Historical Financial Statements											
Years	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	LTM

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Historical Financial Statements - ADANI POWER LTD





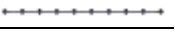


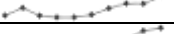
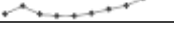










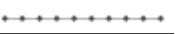



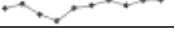
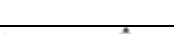

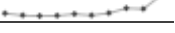

Years	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Balance Sheet										
Equity Share Capital	₹ 2,871.9	₹ 3,333.9	₹ 3,856.9	₹ 3,856.9	₹ 3,856.9	₹ 3,856.9	₹ 3,856.9	₹ 3,856.9	₹ 3,856.9	₹ 3,856.9
Reserves	₹ 2,852.7	₹ 4,133.9	(₹ -857.4)	(₹ -2,967.6)	₹ 3,855.4	₹ 2,623.5	₹ 9,255.7	₹ 14,600.0	₹ 26,018.7	₹ 39,288.1
Borrowings	₹ 44,742.0	₹ 52,729.3	₹ 52,484.4	₹ 52,834.8	₹ 46,979.7	₹ 55,198.8	₹ 52,518.7	₹ 49,145.0	₹ 42,349.5	₹ 34,615.6
Other Liabilities	₹ 8,007.6	₹ 15,597.0	₹ 16,027.1	₹ 15,803.9	₹ 13,292.6	₹ 13,345.8	₹ 13,174.6	₹ 14,379.2	₹ 13,596.1	₹ 14,248.4
Total Liabilities	₹ 58,474.2	₹ 75,794.2	₹ 71,511.1	₹ 69,528.1	₹ 67,984.6	₹ 75,025.0	₹ 78,805.9	₹ 81,981.0	₹ 85,821.3	₹ 92,009.0
Fixed Assets Net Block	₹ 45,079.7	₹ 56,941.2	₹ 54,390.9	₹ 52,137.1	₹ 50,418.8	₹ 55,845.8	₹ 52,851.3	₹ 53,274.2	₹ 51,451.4	₹ 63,015.9
Capital Work in Progress	₹ 191.3	₹ 87.9	₹ 124.6	₹ 119.9	₹ 350.1	₹ 2,346.8	₹ 6,439.4	₹ 10,269.7	₹ 12,879.5	₹ 925.1
Investments	₹ 357.3	₹ 0.1	₹ 164.3	₹ 0.0	₹ 2.7	₹ 2.8	₹ 20.1	₹ 183.3	₹ 654.1	₹ 373.5
Other Assets	₹ 6,871.1	₹ 3,800.5	₹ 6,762.3	₹ 9,470.7	₹ 6,522.1	₹ 3,961.1	₹ 4,023.4	₹ 4,070.0	₹ 4,358.1	₹ 4,663.2
Total Non Current Assets	₹ 52,499.4	₹ 60,829.7	₹ 61,442.1	₹ 61,727.7	₹ 57,293.7	₹ 62,156.5	₹ 63,334.2	₹ 67,797.2	₹ 69,343.1	₹ 68,977.6
Recievables	₹ 3,489.5	₹ 12,476.6	₹ 7,704.3	₹ 6,069.8	₹ 8,551.0	₹ 8,366.5	₹ 11,839.3	₹ 9,560.9	₹ 11,529.4	₹ 11,677.5
Inventory	₹ 1,629.1	₹ 1,619.2	₹ 1,760.4	₹ 874.0	₹ 1,224.1	₹ 2,522.8	₹ 2,025.1	₹ 2,258.3	₹ 3,075.2	₹ 4,142.1
Cash And Bank	₹ 856.3	₹ 868.7	₹ 604.2	₹ 856.6	₹ 915.9	₹ 1,979.3	₹ 1,607.3	₹ 2,364.7	₹ 1,873.7	₹ 7,211.8
Total Current Assets	₹ 5,974.8	₹ 14,964.5	₹ 10,068.9	₹ 7,800.4	₹ 10,691.0	₹ 12,868.6	₹ 15,471.7	₹ 14,183.9	₹ 16,478.2	₹ 23,031.3
Total Assets	₹ 58,474.2	₹ 75,794.2	₹ 71,511.1	₹ 69,528.1	₹ 67,984.6	₹ 75,025.0	₹ 78,805.9	₹ 81,981.0	₹ 85,821.3	₹ 92,009.0
Cash Flow Statements										
Cash from Operating Acti	₹ 5,823.5	₹ 5,257.2	₹ 4,725.2	₹ 5,101.2	₹ 5,610.4	₹ 5,597.6	₹ 7,014.4	₹ 10,232.7	₹ 8,430.5	₹ 14,170.2
Cash from Investing Activ	(₹ -4,737.1)	(₹ -2,692.1)	(₹ -1,212.0)	(₹ -520.4)	(₹ -984.0)	(₹ -2,303.8)	(₹ -2,187.6)	₹ 774.5	₹ 1,544.8	₹ 3,480.9
Cash from Investing Activ	(₹ -1,144.0)	(₹ -2,713.0)	(₹ -3,538.9)	(₹ -4,600.1)	(₹ -4,663.4)	(₹ -2,377.2)	(₹ -5,654.8)	(₹ -10,337.9)	(₹ -10,408.5)	(₹ -16,864.0)
Net Cash Flow	(₹ -57.5)	(₹ -147.9)	(₹ -25.8)	(₹ -19.4)	(₹ -37.1)	₹ 916.6	(₹ -828.1)	₹ 669.3	(₹ -433.1)	₹ 787.0

Common Size Income Statement

Particulars	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Raw Material Cost	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Change in Inventory	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Power and Fuel	62.19%	58.10%	64.69%	61.74%	66.79%	66.45%	56.37%	53.27%	65.72%	56.51%
Other Mfr. Exp	6.00%	4.04%	5.57%	7.64%	7.04%	7.02%	7.01%	7.46%	4.43%	3.69%
Employee Cost	1.71%	1.49%	1.60%	1.74%	1.52%	1.61%	1.65%	1.70%	1.47%	1.28%
Selling and admin	2.74%	2.01%	1.36%	1.11%	0.93%	1.87%	1.07%	0.84%	1.14%	0.90%
Other Expenses	2.33%	-0.33%	0.34%	1.00%	2.85%	1.38%	0.77%	1.07%	1.20%	1.42%
Other Income	6.36%	-0.79%	-16.21%	3.71%	10.25%	1.22%	7.28%	14.10%	10.87%	19.63%
Depreciation	9.73%	10.50%	11.82%	13.29%	11.52%	11.36%	12.21%	11.25%	8.52%	7.81%
Interest	26.03%	21.91%	26.10%	27.43%	23.68%	20.08%	19.47%	14.78%	8.60%	6.73%
Profit before tax	-4.37%	1.48%	-27.68%	-10.24%	-4.09%	-8.56%	8.73%	23.73%	19.79%	41.29%
Tax	0.00%	-0.69%	-0.38%	-0.03%	0.04%	0.04%	3.89%	6.01%	-7.87%	-0.07%
Net profit	-4.37%	2.17%	-27.30%	-10.36%	-4.12%	-8.59%	4.84%	17.72%	27.67%	41.37%
Dividend Amount	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
Effective Tax Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
EBITDA	25.04%	34.69%	26.44%	26.77%	20.86%	21.66%	33.13%	35.66%	26.04%	36.20%

Common Size Balance Sheet

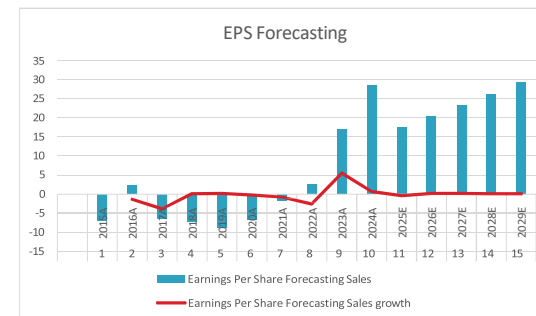
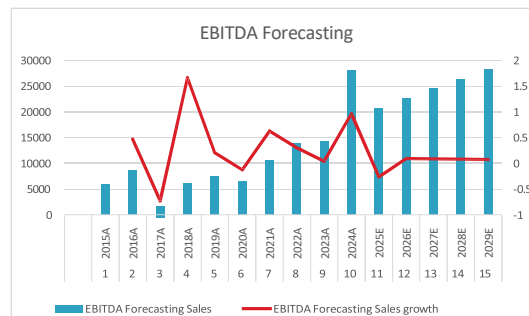
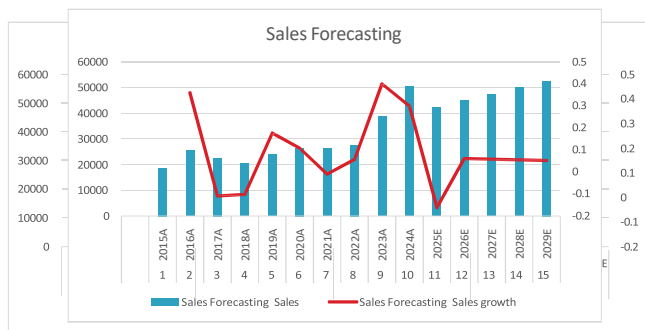
Particulars	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Total Liabilities	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Equity Share Capital	4.91%	4.40%	5.39%	5.55%	5.67%	5.14%	4.89%	4.70%	4.49%	4.19%
Reserves	4.88%	5.45%	-1.20%	-4.27%	5.67%	3.50%	11.74%	17.81%	30.32%	42.70%
Borrowings	76.52%	69.57%	73.39%	75.99%	69.10%	73.57%	66.64%	59.95%	49.35%	37.62%
Other Liabilities	13.69%	20.58%	22.41%	22.73%	19.55%	17.79%	16.72%	17.54%	15.84%	15.49%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Net Block	77.09%	75.13%	76.06%	74.99%	74.16%	74.44%	67.07%	64.98%	59.95%	68.49%
Capital Work in Progress	0.33%	0.12%	0.17%	0.17%	0.51%	3.13%	8.17%	12.53%	15.01%	1.01%
Investments	0.61%	0.00%	0.28%	0.00%	0.00%	0.00%	0.03%	0.31%	1.12%	0.64%
Other Assets	11.75%	6.50%	11.56%	16.20%	11.15%	6.77%	6.88%	6.96%	7.45%	7.97%
Recievables	5.97%	16.46%	10.77%	8.73%	12.58%	11.15%	15.02%	11.66%	13.43%	12.69%
Inventory	2.79%	2.14%	2.46%	1.26%	1.80%	3.36%	2.57%	2.75%	3.58%	4.50%
Cash And Bank	1.46%	1.15%	0.84%	1.23%	1.35%	2.64%	2.04%	2.88%	2.18%	7.84%

Year	Ratio Analysis -										Trend
	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	
Sales Growth	0.00%	35.83%	-10.88%	-10.22%	17.63%	10.82%	-0.93%	5.68%	39.92%	29.86%	
EBITDA Growth	88.17%	88.17%	-32.06%	-9.10%	-8.32%	15.05%	51.53%	13.73%	2.18%	80.54%	
EBT Growth		-128.75%	-550.29%	9.21%	20.85%	-24.42%	-114.69%	602.06%	29.60%	215.34%	
Net Profit Growth	0.00%	-137.53%	-433.43%	12.75%	21.37%	-24.32%	-75.42%	-257.15%	548.81%	68.10%	
Dividend Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Gross Margin	30.10%	36.36%	28.14%	28.88%	24.65%	24.91%	34.97%	37.57%	28.38%	38.52%	
EBITDA Margin	25.04%	34.69%	26.44%	26.77%	20.86%	21.66%	33.13%	35.66%	26.04%	36.20%	
EBT Margin	-10.73%	2.27%	-11.47%	-13.95%	-14.33%	-9.78%	1.45%	9.63%	8.92%	21.66%	
Net Profit Margin	-10.73%	2.96%	-11.09%	-13.93%	-14.37%	-9.81%	-2.44%	3.62%	16.79%	21.74%	
SalesExpenses%Sales	5.06%	1.68%	1.70%	2.10%	3.79%	3.25%	1.84%	1.91%	2.34%	2.32%	
Depreciation%Sales	9.73%	10.50%	11.82%	13.29%	11.52%	11.36%	12.21%	11.25%	8.52%	7.81%	
Return on Capital Employed	0.0567	0.1072608	0.059	0.0639387	0.0863462	0.0524168	0.1161738	0.160199	0.1574545	0.3224252	
Retained Earnings%	0	100	0	0	0	0	0	100	0	0	
Return on Equity%	-35.01	10.07	-83.61	-317.98	-44.5	-40.08	-4.87	5.44	21.79	25.37	
Self Sustained Growth Rate	0	10.07	0	0	0	0	0	5.44	21.79	25.37	
Interest Coverage Ratio	0.59x	1.10x	0.56x	0.49x	0.39x	0.51x	1.07x	1.65x	2.04x	4.22x	
Debtor Turnover Ratio	5.35x	2.03x	2.94x	3.35x	2.79x	3.16x	2.21x	2.90x	3.36x	4.31x	
Creditor Turnover Ratio	2.33x	1.63x	1.41x	1.28x	1.80x	1.98x	1.99x	1.93x	2.85x	3.53x	
Inventory Turnover	11.47x	15.67x	12.58x	23.23x	19.51x	10.49x	12.95x	12.27x	12.61x	12.61x	
Fixed Asset Turnover	0.41x	0.45x	0.42x	0.39x	0.47x	0.47x	0.50x	0.52x	0.75x	0.81x	
Capital Turnover Ratio	3.26x	3.40x	7.54x	22.83x	3.10x	4.08x	1.50x	1.50x	1.30x	1.17x	
Debtor Days	68.17	179.45	124.34	109.11	130.68	115.38	164.80	125.93	108.53	84.65	
Payable Days	152	224	259	284	203	184	183	189	128	103	
Inventory Days	32	23	28	16	19	35	28	30	29	30	
Cash Conversion Cycle (in days)	-56	-22	-106	-159	-54	-34	10	-34	9	11	
CFO/Sales	31.17	20.72	20.89	25.12	23.49	21.15	26.75	36.93	21.74	28.14	
CFO/Total Assets	9.96	6.94	6.61	7.34	8.25	7.46	8.9	12.48	9.82	15.4	
CFO/Total Debt	13.02	9.97	9	9.65	11.94	10.14	13.36	20.82	19.91	40.94	

Sales Forecasting			
Year Weight	Year	Sales	Sales growth
1	2015A	18683.21	
2	2016A	25377.33	35.83%
3	2017A	22615.51	-10.88%
4	2018A	20304.28	-10.22%
5	2019A	23884.18	17.63%
6	2020A	26467.72	10.82%
7	2021A	26221.48	-0.93%
8	2022A	27711.18	5.68%
9	2023A	38773.3	39.92%
10	2024A	50351.25	29.86%
11	2025E	42192.20	-16.20%
12	2026E	44765.52	6.10%
13	2027E	47338.84	5.75%
14	2028E	49912.16	5.44%
15	2029E	52485.47	5.16%

EBITDA Forecasting			
Year Weight	Year	Sales	Sales growth
1	2015A	5866.1	
2	2016A	8600.8	46.62%
3	2017A	2313.9	-73.10%
4	2018A	6160.9	166.26%
5	2019A	7431.3	20.62%
6	2020A	6506.4	-12.45%
7	2021A	10596.7	62.87%
8	2022A	13789.5	30.13%
9	2023A	14311.9	3.79%
10	2024A	28110.9	96.42%
11	2025E	20700.22	-26.36%
12	2026E	22578.65273	9.07%
13	2027E	24457.08545	8.32%
14	2028E	26335.51818	7.68%
15	2029E	28213.95091	7.13%

Earnings Per Share Forecasting			
Year Weight	Year	Sales	Sales growth
1	2015A	-7.0	
2	2016A	2.3	-132.86%
3	2017A	-6.5	-382.61%
4	2018A	-7.3	12.31%
5	2019A	-8.9	21.92%
6	2020A	-6.7	-24.72%
7	2021A	-1.7	-74.63%
8	2022A	2.6	-252.94%
9	2023A	16.9	550.00%
10	2024A	28.4	68.05%
11	2025E	17.4	-38.78%
12	2026E	20.3	16.92%
13	2027E	23.3	14.47%
14	2028E	26.2	12.64%
15	2029E	29.2	11.22%



Weighted Average Cost of Capital

Peer Competition

Name	Country	Total Debt	Total Equity	Tax Rate	Debt/Equity	Debt/Capital	Levered Beta	Unlevered Beta
JSW Energy	India	30853.06	127936.65	30%	24.12%	19%	1.46	1.25
Tata Power Co.	India	58313.94	129299.41	30%	45.10%	31.08%	1.57	1.19
Adani Power	India	37704.97	211784.52	30%	17.80%	15.11%	1.26	1.12
Power Grid Corp	India	122567.5	290271.85	30%	42.23%	29.69%	1.03	0.8
NTPC	India	242009.49	361200.81	30%	67.00%	40.12%	1.05	0.71
				Average	30.00%	39.25%	1.27	1.01
				Median	30.00%	42.23%	1.26	1.12

Cost Of Debt

Pre-tax Cost of Debt	8.58%
Tax rate	30.00%
After Tax Cost of Debt	6.01%

Cost of Equity

Risk free Rate	6.82%
Equity Risk premium	8.79%
Levered Beta 4	1.41
Cost of Equity	19.20%

Capital Structure

	Current	Target
Total Debt	15.11%	27.09%
Market Capitalozation	84.89%	72.91%
Total Capitalization	100.00%	100.00%
Debt/Equity	17.80%	37.15%

Levered Beta

Comps Median Unlevered Beta	1.12
Target Debt/ Equity	37.15%
Tax rate	30.00%
Levered Beta	1.41

Weighted Average Cost of Capital

Cost of Equity	19.20%
Equity Weight	72.91%
Cost of Debt	6.01%
Debt Weight	27.09%
WACC	15.62%

- 1. Tax Rate considered as Marginal Tax Rate for the country
- 2. Levered Beta is based on 5 year monthly data
- 3. Unlevered Beta = Levered Beta/(1+(1-Tax Rate) x Debt/Equity)
- 4. Levered Beta = Unlevered Beta*(1+(1-Tax Rate) x Debt/Equity)

Regression Beta - 2Years Weekly

Weekly Returns

Date	Closing Price	Return
17-11-2024	460.45	
10-11-2024	549.1	19.25%
03-11-2024	589	7.27%
27-10-2024	597.35	1.42%
20-10-2024	592.3	-0.85%
13-10-2024	611.4	3.22%
06-10-2024	642.3	5.05%
29-09-2024	642.1	-0.03%
22-09-2024	654.3	1.90%
15-09-2024	665.15	1.66%
08-09-2024	633.45	-4.77%
01-09-2024	634.7	0.20%
25-08-2024	632.05	-0.42%
18-08-2024	675.8	6.92%
11-08-2024	697.4	3.20%
04-08-2024	695.4	-0.29%
28-07-2024	726.35	4.45%
21-07-2024	712.65	-1.89%
14-07-2024	694.5	-2.55%
07-07-2024	709.95	2.22%
30-06-2024	708.9	-0.15%
23-06-2024	718.6	1.37%
16-06-2024	733.65	2.09%
09-06-2024	746.75	1.79%
02-06-2024	767.05	2.72%
26-05-2024	755.8	-1.47%
19-05-2024	707	-6.46%
12-05-2024	635.95	-10.05%
05-05-2024	603.1	-5.17%
28-04-2024	604.7	0.27%
21-04-2024	591.6	-2.17%
14-04-2024	594.55	0.50%
07-04-2024	595.2	0.11%
31-03-2024	626.7	5.29%
24-03-2024	533.8	-14.82%
17-03-2024	531.05	-0.52%
10-03-2024	530.4	-0.12%
03-03-2024	566.85	6.87%
25-02-2024	554.15	-2.24%
18-02-2024	559.05	0.88%
11-02-2024	563.75	0.84%
04-02-2024	569.5	1.02%
28-01-2024	559.4	-1.77%
21-01-2024	543.3	-2.88%
14-01-2024	516.75	-4.89%
07-01-2024	541.15	4.72%
31-12-2023	551.1	1.84%
24-12-2023	525.15	-4.71%
17-12-2023	512.55	-2.40%
10-12-2023	538.85	5.13%
03-12-2023	533.8	-0.94%
26-11-2023	440.4	-17.50%

Index Returns

Closing Price	Return
23,907.25	
23,532.70	-1.57%
24,148.20	2.62%
24,304.35	0.65%
24,180.80	-0.51%
24,854.05	2.78%
24,964.25	0.44%
25,014.60	0.20%
26,178.95	4.65%
25,790.95	-1.48%
25,356.50	-1.68%
24,852.15	-1.99%
25,235.90	1.54%
24,823.15	-1.64%
24,541.15	-1.14%
24,367.50	-0.71%
24,717.70	1.44%
24,834.85	0.47%
24,530.90	-1.22%
24,502.15	-0.12%
24,323.85	-0.73%
24,010.60	-1.29%
23,501.10	-2.12%
23,465.60	-0.15%
23,290.15	-0.75%
22,530.70	-3.26%
22,957.10	1.89%
22,466.10	-2.14%
22,055.20	-1.83%
22,475.85	1.91%
22,419.95	-0.25%
22,147.00	-1.22%
22,519.40	1.68%
22,513.70	-0.03%
22,326.90	-0.83%
22,096.75	-1.03%
22,023.35	-0.33%
22,493.55	2.14%
22,338.75	-0.69%
22,212.70	-0.56%
22,040.70	-0.77%
21,782.50	-1.17%
21,853.80	0.33%
21,352.60	-2.29%
21,622.40	1.26%
21,894.55	1.26%
21,710.80	-0.84%
21,731.40	0.09%
21,349.40	-1.76%
21,456.65	0.50%
20,969.40	-2.27%
20,267.90	-3.35%

Beta Drifting

Levered Raw Beta	0.95
Raw Beta Weight	75%
Market Beta	1.00
Market Beta Weight	25%
Adjusted Beta	0.96
Beta	0.9466
Average Return	15.61%
Dividend Yield	1.27%
Total Market Return	16.88%
Year	Annual
2000	-14.65%
2001	-16.18%
2002	3.25%
2003	71.90%
2004	10.68%
2005	36.34%
2006	39.83%
2007	54.77%
2008	-51.79%
2009	75.76%
2010	17.95%
2011	-24.62%
2012	27.70%
2013	6.76%
2014	31.39%
2015	-4.06%
2016	3.01%
2017	28.65%
2018	3.15%
2019	12.02%
2020	14.90%
2021	24.12%
2022	4.32%
2023	19.42%

Intrinsic Growth

Calculation of ROIC	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Current Assets					
Inventories	2522.77	2025.11	2258.27	3075.2	4142.1
Trade Recievables	8366.47	11839.28	9560.92	11529.36	11677.48
Loans and Advances	0	0	0	4	4
Other Asset Items	2568	4944	6871	3796	6578
Total Current Assets	13457.24	18808.39	18690.19	18404.56	22401.58
Current Liabilities					
Trade Payables	5,596	3,803	3,508	3,079	3,636
Advance from Customers	38	753	53	33	5
Other Liability items	7,712	8,619	10,818	10,484	10,607
Total Current Liabilities	13,346	13,175	14,379	13,596	14,248
Net Working Capital	111	5,633	4,311	4,809	8,154
Non Current Assets					
Land	797	874	1,017	1,990	2,076
Building	2,415	1,725	1,633	1,901	2,158
Plant Machinery	65,724	66,252	69,592	69,793	85,315
Equipments	49	56	69	86	104
Computers	33	39	45	67	79
Furniture and Fittings	32	34	36	35	40
Railway Sidings	255	474	479	480	675
Vehicles	18	23	25	32	34
Intangible Assets	191	191	191	191	191
Other Fixed Assets	763	797	857	754	38
Gross Block	70277	70465	73944	75329	90710
Accumulated Depreciation	14,431.00	17,613.00	20,671.00	23,878.00	27,693.00
Net Non Current Assets	55,846	52,852	53,273	51,451	63,017
Invested Capital	55,957	58484	57585	56259	71349
EBIT	2727.14	5846	6763	6792	14296
ROIC	4.87%	9.38%	11.75%	12.07%	20.04%

Calculation of Reinvestment Rate	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Capex	2220	3608	3434	3243	2601
Change in Working Capital		5522	-1322	497	3525
EBIT	2727.1	5486.5	6763.9	6792.7	14296.3
Marginal Tax Rate	25%	25%	25%	25%	25%
EBIT(1-T)	2045.4	4114.9	5072.9	5094.5	10722.2
Reinvestment		9130	2112	3740	6126
Reinvestment rate		221.88%	41.63%	73.41%	57.13%

4 Year Average	98.51%
4 year Median	65.27%

Calculation of Growth rate					
Reinvestment rate		221.88%	41.63%	73.41%	57.13%
ROIC		9.38%	11.75%	12.07%	20.04%
Intrinsic Growth		20.81%	4.89%	8.86%	11.45%

4 Year Average	11.50%
4 year Median	10.16%

Discounted Cash Flow

Calculation of PV of FCFF	Mar-24 A	Mar-25 E	Mar-26 E	Mar-27 E	Mar-28 E	Mar-29 E
EBIT	24179.6	26307.4	28622.46	31141.23	33881.66	36863.25
Tax Rate	25%	25%	25%	25%	25%	25%
EBIT(1-T)	18134.7	19730.55	21466.84	23355.92	25411.25	27647.44
Less: Reinvestment Rate	65.27%	95.05%	124.83%	154.60%	184.38%	184.38%
Free Cash Flow to Firm (FCFF)	6297.61	976.69	-5329.48	-12753.1	-21442.01	-23328.91
Mid Year Convention		0.5	1.5	2.5	3.5	4.5
Discounting Factor		0.93	0.804	0.696	0.602	0.52
PV of FCFF		908.31	-4286.67	-8871.72	-12900.74	-12139.48

Expected Growth	8.80%
Terminal Growth	7.20%
WACC	15.62%

Calculation of Terminal value

FCFF(n+1)	-25381.85
WACC	15.62%
Terminal Growth rate	7.20%
Terminal value	-301350.13

Sensitivity Analysis

	13.00%	15.62%	17.00%	19.00%
5.00%	-2,02,387.30	-1,61,657.10	-1,47,355.00	-1,31,631.40
6.00%	-2,25,972.60	-1,74,585.10	-1,57,360.80	-1,38,888.40
7.20%	-2,65,010.30	-1,94,152.00	-1,72,063.30	-1,49,220.50
8.00%	-3,01,445.50	-2,10,620.50	-1,84,043.20	-1,57,360.80
9.00%	-3,67,484.30	-2,36,803.30	-2,02,387.30	-1,69,367.90

Calculation of Equity value

PV of FCFF	-37,290.30
PV of Terminal Value	-156811.25
Value of Operating Assets	-194101.55

Add: Cash	7211.76
Less: Debt	34457
Value of Equity	-221346.79
No. Of Shares	385.69
Equity Value Per Share	-573.89

Share price	527
Discount/ Premium	-0.92

Company Comparable Valuation

Market Data						Financials			Valuation		
Company	Share Price	Shares Outstanding	Equity Value	Net Debt	Enterprise value	Revenue	EBITDA	Net Income	EV/Revenue	EV/EBITDA	P/E
1 Adani Power	533	385.69	205727	30493	237312	54650	23085	12686	4.3x	10.3x	16.2x
2 Tata Power Co	413	319.53	131870	49162	180967	63489	14870	4403	2.9x	12.2x	29.9x
3 JSW Energy	709	174.78	123919	26646	150858	11416	6030	1988	13.2x	25.0x	62.3x
4 Power Grid Co	318	930.06	295480	115072	409092	45812	41115	15712	8.9x	10.0x	18.8x
5 NTPC	369	969.67	357954	235162	592140	183659	58802	22585	3.2x	10.1x	15.8x
High									13.2x	25.0x	62.3x
75th Percentile									8.9x	12.2x	29.9x
Average									6.5x	13.5x	28.6x
Median									4.3x	10.3x	18.8x
25th Percentile									3.2x	10.1x	16.2x
Low									2.9x	10.0x	15.8x

Adani Power Comparable Valuation

						EV/Revenue	EV/EBITDA	P/E
Implied Enterprise Value						237312	100245	269064
Net Debt						30493	30493	30493
Implied Market Value						206819	69751	238571
Shares Outstanding						385.69	385.69	385.69
Implied Value per share						536.2	180.8	618.6

Undervalued Overvalued Undervalued

Dupont Analysis - Return on Equity & Return on Asset

	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	-2,103.0	-984.4	-2,274.8	1,270.0	4,911.6	10,726.6	20,828.8
Average Shareholder Equity	1,944.4	4,300.8	7,096.4	9,796.5	15,784.7	24,166.3	36,510.3
Return on Equity	-108.2%	-22.9%	-32.1%	13.0%	31.1%	44.4%	57.0%

	ROE - Dup						
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	-2,103.0	-984.4	-2,274.8	1,270.0	4,911.6	10,726.6	20,828.8
Revenue	20,304.3	23,884.2	26,467.7	26,221.5	27,711.2	38,773.3	50,351.3
Net Profit Margin (A)	-10.4%	-4.1%	-8.6%	4.8%	17.7%	27.7%	41.4%
Revenue	20,304.3	23,884.2	26,467.7	26,221.5	27,711.2	38,773.3	50,351.3
Average Total Asset	70,519.6	68,756.3	71,504.8	76,915.5	80,393.5	83,901.1	88,915.1
Asset Turnover Ratio (B)	0.3x	0.3x	0.4x	0.3x	0.3x	0.5x	0.6x
Average Total Asset	70,519.6	68,756.3	71,504.8	76,915.5	80,393.5	83,901.1	88,915.1
Average Shareholder Equity	1,944.4	4,300.8	7,096.4	9,796.5	15,784.7	24,166.3	36,510.3
Equity Multiplier (C)	36.27x	15.99x	10.08x	7.85x	5.09x	3.47x	2.44x
Return on Equity (A*B*C)	-108.2%	-22.9%	-32.1%	13.0%	31.1%	44.4%	57.0%

	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	-2,103.0	-984.4	-2,274.8	1,270.0	4,911.6	10,726.6	20,828.8
Average Total Asset	70,519.6	68,756.3	71,504.8	76,915.5	80,393.5	83,901.1	88,915.1
Return on Asset	-3.0%	-1.4%	-3.2%	1.7%	6.1%	12.8%	23.4%
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	-2,103.0	-984.4	-2,274.8	1,270.0	4,911.6	10,726.6	20,828.8
Revenue	20,304.3	23,884.2	26,467.7	26,221.5	27,711.2	38,773.3	50,351.3
Net Profit Margin (A)	-10.36%	-4.12%	-8.59%	4.84%	17.72%	27.67%	41.37%
Revenue	20,304.3	23,884.2	26,467.7	26,221.5	27,711.2	38,773.3	50,351.3
Average Total Asset	70,519.6	68,756.3	71,504.8	76,915.5	80,393.5	83,901.1	88,915.1
Asset Turnover Ratio (B)	0.3x	0.3x	0.4x	0.3x	0.3x	0.5x	0.6x
Return on Asset (A*B)	-2.98%	-1.43%	-3.18%	1.65%	6.11%	12.78%	23.43%

Dupont Summary

- ROE of Adani Power has been decreased to -32.1% during COVID and made a low of -108.2% in FY2018 which now has rose to 57% as of 31 March 2024.
- ROE has been Increased significantly in past 7 years from -108.2% to 57%.The company has able to increase the net margins from -10.36% in FY2018 to 5.41.37% in FY24. Although asset efficiency has dropped, the sharp rise in ROE indicates the company has become much better at generating profits, likely through improved profitability and smarter financial strategies, leading to stronger returns for shareholders.
- ROA of AdaniPower has been increased from -3% in FY2018 to 23.4% in FY2024

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