

Moderator

Good evening, ladies and gentlemen. I am Pelsia, moderator for the conference call. Welcome to Adani Enterprises Q4 FY24 Earnings Conference Call. We have with us today Mr. Dhananjay Mishra from Sunidhi Securities, along with the management of Adani Enterprises Limited. As a reminder, all participants will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing * and then 0 on your touchtone telephone. Please note this conference is recorded. I would now like to hand over the floor to Mr. Dhananjay Mishra of Sunidhi Securities Limited. Over to you.

Dhananjay Mishra

Good evening all of you. On behalf of Sunidhi Securities, we welcome you all for Q4 FY24 earnings con-call of Adani Enterprises Limited. We thank the management for giving this opportunity. From the management, we have Mr. Vinay Prakash, Director of AEL and CEO of Natural Resource division; Mr. Robbie Singh, CFO; Mr. Saurabh Shah, Deputy CFO; and Mr. Manan Vakharia, Investor Relations. Now I hand over the call to the management to give the initial remarks then we will have Q&A session. Over to you sir.

Saurabh Shah

Good evening all. We welcome you to the earnings call to discuss Adani Enterprises Q4 and FY24 results. Adani Enterprises' new emerging core infra businesses under its incubation portfolio of energy and utility and transport and logistics vertical that is Adani New Industries (ANIL) Ecosystem, Airports and Roads are making significant strides in their operational and financial performance. The contribution of these assets to the overall EBITDA is now at 45% for FY24 as compared to 40% in FY23. We are delighted to share that the integrated manufacturing division under ANIL has commissioned India's first large sized monocrystalline ingot and wafer unit of 2 GW capacity compatible for both wafer thickness of 182 mm and 210 mm.

During FY24, the new emerging businesses under Adani Enterprises incubation portfolio demonstrated significant growth. ANIL Green Hydrogen Ecosystem revenue increased by 145% to INR 8,741 crores and EBITDA increased by 4.6x to INR 2,296 crores. The Airports business' revenue grew by 35% to INR 8,062 crores and the EBITDA grew by 45% to INR 2,437 crore. Total income of incubating businesses increased sharply by over 66% to INR 24,510 crores and the total EBITDA increased by 47% to INR 5,942 crore. The PBT increased by 104% to INR 2,643 crore. The consistent higher contribution of these emerging businesses boosted the overall profit of Adani Enterprises. The consolidated EBITDA for FY24 increased by 32% to INR 13,237 crore while PBT rose by 56% to INR 5,640 crore. Consolidated income stood at INR 98,282 crore.

Now coming to the project and operational updates on the major businesses;

In our Adani New Industries green hydrogen ecosystem, our target of 10 GW green hydrogen integrated manufacturing ecosystem is progressing well. Validating the backward manufacturing integration, we have successfully commissioned India's first ingot and wafer plant with capacity of 2 GW, which will go in already established solar module manufacturing capacity of 4 GW. This will not only reduce dependency on imports, but also enhance better control on module production and prices.

ANIL's wind manufacturing division's order book stands at 254 sets during the first full quarter of operations, the division had supplied 47 sets. We have received the provisional type certification from WindGuard Germany for prototype 2 using our own ANIL's blades. Further, we are happy to inform that the India's largest 5.2 MW turbine which we produced, is recognized as the bronze winner among 5.6 MW capacity by Windpower Monthly which is UK based and validates the quality and performance of our products globally.

Now moving to the Airports portfolio. We have inaugurated the first phase of the world class terminal of Lucknow airport which can cater up to 8 million passengers per annum with elevated pathways separating the arrival and departure flows. During the quarter, 10 new routes, 7 new airlines and 18 new flights have been added across all the 7 operational airports. The passenger movement at our airports increased by 19% to 88.6 million. The eagerly awaited greenfield Navi Mumbai project is on track for completion in FY25. Mumbai airport won the Cargo Airport of the Year India award which demonstrates the quality of service and performance.

Finally, in our Roads portfolio, 4 out of the 10 projects are more than 70% completed in line with the target schedule and the greenfield Ganga Expressway project is progressing well. This leaves Adani Enterprises well poised to develop its incubating portfolio eventually as independent listed verticals in their own right.

Thank you and now I will hand over to Mr Vinay Prakash, who will take you through the highlights of primary industry portfolio. Over to you, Vinay sir.

Vinay Prakash

Thanks Saurabh. Good afternoon to everyone. As regards Mining Services, Adani Enterprises Limited is the pioneer of MDO concept in India with integrated business model that expands across developing mines as well as the entire upstream and downstream activities. It provides the full-service range right from seeking various approvals, land acquisition, R&R, developing required infrastructure, mining, beneficiation on site and transport to designated consumption points. Our success is underpinned by a commitment to excellent risk management and sustainable mining practices. The company is MDO for 8 coal blocks and 1 iron ore block. These projects are located in the state of Chhattisgarh, MP and Odisha.

The company has serviced its contracts and the quantities delivered in the quarter were as per the schedule. In the current FY24, Suliyari mine has achieved its peak rated capacity of 5 million metric tone per annum in the second year itself of its full-fledged operation. The production volume during FY24 increased to 32.5 million metric ton. During FY 23-24, the revenue for mining services was INR 2,361 crores and EBITDA was INR 830 crores.

Coming to IRM business i.e. Integrated Resource Management business, we have continued to develop business relationships with diversified customers across various end user industries. We remain number one player in India and endeavor to maintain this leadership position going forward. Over the past couple of years, the IRM business has been exploring ways to tap into the newer market segment through initiatives like flagship e-portal which is Adani IRM portal for the online trading of natural resources. By leveraging technology for faster and more reliable supplies, the portal has ensured ease of doing business for our retail customers leading to a large market share for AEL. IRM continues to target a balanced customer mix of retail and public sector enterprises customers. The volume during FY24 stood at 82.1 million metric tons. EBITDA for FY24 was INR 5,173 crore on account of improved relation on YoY basis.

Under commercial mining, we have one running mine in Australia which is Carmichael mine. The Carmichael mine production increased by 47% to 11.2 million metric ton and the shipment increased by 52% to 11.2 million metric ton during FY24. The company is also having 6 domestic commercial mine blocks of coal and 2 domestic commercial bauxite mines which are in project phase. The projects are in the state of Maharashtra, Chhattisgarh, MP, Jharkhand and Odisha.

In our primary industry incubation portfolio, we have a subsidiary company called Kutch Copper Limited where we are putting up a 0.5 million ton plant at Mundra and the plant has started its operations. We have produced and dispatched our first batch of copper production to customers in March 2024. The commissioning of this first unit of its greenfield copper refinery project showcases the Adani group's ability to plan and execute large scale projects in record time.

Yes, over to Saurabh.

Saurabh Shah

Thank you. We are ready for Q&A, please.

Q&A

Moderator

Thank you sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press * and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing * and 1 again. Ladies and gentlemen, if you have any questions please press * and 1 on your telephone keypad. First question comes from Prateek Kumar from Jefferies. Please go ahead.

Prateek Kumar

Good evening. Congrats for good results. A few questions. Firstly, on CapEx outlook, can you highlight like how do you see now FY25 in terms of overall CapEx and maybe segmentation of the CapEx in terms of various divisions that you will incur in FY25?

Saurabh Shah

Thank you, Prateek. So, from the CapEx perspective, we are looking at a CapEx of about INR 80,000 crores in FY25, out of which major part of CapEx will go in ANIL and Airports business which take up about INR 50,000 crores of CapEx. Then the third would be in Roads, which, because of Ganga Expressway, will be CapEx of INR 12,000 crores and rest put together in other businesses. Because we are also starting our PVC project, so there will be a CapEx of about INR 10,000 crores in PVC business, while remaining would be in data center at about INR 5,000 crores.

Prateek Kumar

And what would be the expected capacity in various segments, like for example in ANIL, what would be the expected capacity you are looking at in wind and solar and parks?

Saurabh Shah

Yeah. So see, as we have informed that the overall capacity will grow to 10 GW in the module integrated manufacturing, right from poly-silica to modules, and in wind also, we will have a capacity of 3 GW. So, this CapEx is going into that direction. For FY26, the other CapEx would be for the initial requirements that we have to meet for our green hydrogen business, which will be as a kickstart for our green hydrogen as well as downstream products.