“Adani Enterprises Limited

Q2 FY27 Earnings Conference Call”

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MANAGEMENT: **MR. ARUN BANSAL – CHIEF EXECUTIVE OFFICER – ADANI AIRPORT HOLDINGS LIMITED**
MR. MURALEE KRISHNAN – CHIEF EXECUTIVE OFFICER – ADANI NEW INDUSTRIES (SOLAR MANUFACTURING)
MR. RAJESH PODDAR – CHIEF FINANCIAL OFFICER – ADANI AIRPORT HOLDINGS LIMITED
MR. MANAN VAKHARIA – HEAD FINANCE – ADANI ENTERPRISES LIMITED
MR. JITENDRA KHYALIA – INVESTOR RELATIONS – ADANI ENTERPRISES LIMITED

MODERATOR: **MR. ALOK DEORA – MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Adani Enterprises Q2 FY27 Earnings Conference Call hosted by Motilal Oswal Financial Services Limited. As a reminder, all participant lines 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 an operator by pressing star and then zero on your touch-tone phone.

I now hand the conference over to Mr. Alok Deora from Motilal Oswal Financial Services Limited. Thank you, and over to you.

Alok Deora: Thank you. Good evening, everyone. On behalf of Motilal Oswal, I welcome you all to the Q2 FY27 earnings call of Adani Enterprises. We have with us the senior management from the company led by Mr. Arun Bansal, Chief Executive Officer-Adani Airport Holdings; Mr. Muralee Krishnan, Chief Executive Officer-Adani New Industries (Solar Manufacturing); Mr. Rajesh Poddar, Chief Financial Officer-Adani Airport Holdings; Mr. Manan Vakharia, Head of Finance-Adani Enterprises; and Mr. Jitendra Khyalia, Investor Relations at Adani Enterprises.

So I would now hand over the call to Mr. Arun Bansal to provide opening remarks, and then we can take up the Q&A. Thank you, and over to you, sir.

Arun Bansal: Thanks, Alok. Good evening, everyone. Thank you for joining us today for Adani Enterprises Earnings Call for the quarter and half year ended September 30, 2026. AEL's portfolio comprises primarily of infrastructure-focused businesses, which spans across energy & utilities, transport & logistics, and primary industry.

It is my pleasure to inform you that AEL achieved credit rating upgrade to AA / stable by CARE during the first week of October 2026, its highest ever long-term rating in its credit history. This upgrade serves as an independent validation of AEL's disciplined capital management and tight fiscal prudence.

As we informed in our earlier discussions, AEL's current fiscal results will reflect value unlock from investments made over the last few years and moving progressively from build-out phase to value realization phase.

AEL has reported its highest ever half yearly EBITDA of INR11,958 crores. The strong EBITDA delivered is testimony of incubation business model and strength of our diversified business platform. Backed by strong operating fundamentals, increasing asset maturity and the ramp-up of newly commissioned Adani New Industries module line capabilities, AEL is now well positioned to sustain this growth trajectory going forward.

Moving to our half yearly financial performance;

On a consolidated basis,

- Total income increased to INR71,569 crores, an increase of 62% Y-o-Y
- EBITDA increased to INR11,958 crores, an increase of 56% Y-o-Y
- Continuing profit before tax increased to INR3,297 crores, an increase of 45% Y-o-Y
- Adani Airport Holdings Limited EBITDA reported growth of 52% Y-o-Y to INR3,275 crores.

- Kutch Copper reported EBITDA of INR2,033 crores.

Now let me move to business-wise updates;

On our data center business;

- AdaniConneX has signed up a new hyperscale contract of 240 MW capacity, taking cumulative contracted capacity to 1.2+ GW
- During the quarter, we handed over additional 29.2 MW data center to customers, taking operational capacity to 94.6 MW

Moving to Airport business;

Adani Airport is one of India's largest private airport platforms, operating a portfolio of eight airports, including the greenfield Navi Mumbai International Airport, and contributing approximately 23% of India's passenger traffic and 29% of country's air cargo volume, underscoring our scale and strategic importance in India's aviation ecosystem.

Adani Airport delivered a resilient performance during first half of this fiscal and achieved highest ever half yearly EBITDA of INR3,275 crores, which is close to full year EBITDA of FY25. This growth is achieved despite industry headwinds like elevated fuel prices and airspace disturbances, which have weighed negatively on passenger traffic. The effort put in over the last few years in developing non-aero strategy and ecosystem have provided resilience in this atmosphere.

Our greenfield development of Navi Mumbai International Airport commenced its international operations w.e.f. 15th July '26. Indian domestic airlines: IndiGo, Air India and Akasa have recently announced their operational plans to commence international operations and progressively expand from Navi Mumbai Airport.

Moving on to financial and operational performance during Q2 FY27

- We handled passenger traffic of 21.3 million passengers;
- Total income of INR3,786 crores, up by 20% Y-o-Y;
- EBITDA of INR1,641 crores, up by 55% Y-o-Y;
- Aero and non-aero revenue delivered Y-o-Y growth of 9% and 57%, respectively.
- During the quarter, we added 8 new routes and 4 new airlines.

On Mining Services portfolio;

During the quarter,

- Dispatch volume stood at 10.7 MMT,
- Revenue stands at INR998 crores and EBITDA of INR407 crores.

In Integrated Resource Management business portfolio;

During the quarter,

- Trading volume stood at 7.4 MMT
- Revenue stood at INR7,169 crores and EBITDA of INR654 crores.

In Copper business, we are now seeing capacity ramp-up;

During the quarter,

- Copper sales volume of 80.6 KT with capacity utilization increased to 64%.
- Revenue increased to INR14,843 crores
- EBITDA increased to INR1,283 crores.

With this, now I hand over the call to my colleague, Muralee Krishnan, CEO of Adani Solar. Over to you, Muralee.

Muralee Krishnan: Thank you, Arun. Good evening, ladies and gentlemen. Adani New Energy Ecosystem is developing an end-to-end integrated ecosystem for manufacturing solar modules and wind equipments. As all of you know, Adani Solar has featured in the elite list of top 10 global solar module manufacturing and Adani Wind became the only Indian company in top 15 global wind turbine manufacturers.

I'm happy to inform you that we have commissioned the remaining module line capacity of 4.3 GW on 31st of August 2026, completing our expansion to 10 GW module line capacity. We are on schedule to commission the solar cell lines of 6 GW by end of this financial year.

During the quarter, domestic module sales have increased to 1,478 MW, up by 35 % Y-o-Y basis. This demonstrates strong demand of Adani Solar modules in domestic market, which has fully absorbed the export intake.

Now moving into the financials and operational performance of Q2 FY27.

- The module sales was 1,478 MW, up by 35% Y-o-Y
- Wind turbine sales was 35 sets, up by 25% Y-o-Y
- Total income stood at INR3,669 crores
- EBITDA at INR1,094 crores.

Now the session is open for question-and-answer.

Moderator: Thank you. We will now begin the question-and-answer-session. We have the first question from the line of Manish Somaiya from Cantor.

Manish Somaiya: Can you hear me?

Moderator: Yes, we can hear you, Manish.

Manish Somaiya: I wanted to ask my first question on the airport business, specifically on Navi Mumbai. Perhaps if Arun can talk about the key traffic yield and cost milestones over the next 12, 15 months that we should be thinking about as that airport ramps up? And what are some of the meaningful contributions to profitability and cash flow that we should think about?

Arun Bansal: Thanks for your question. So at NMIAL, as I said in my commentary, we started the commercial international operations from 15th of July. As you might have seen recently, together with Indian carriers: IndiGo, Akasa and Air India, we have announced the new international routes.

IndiGo has announced 12 new routes from Navi Mumbai, starting from December up to April, summer schedule '27. Air India Group has announced 7 international routes from Navi Mumbai and Akasa has announced one additional route. That makes 19 international routes. One is already existing from Navi Mumbai.

In domestic also, we see proportionate growth. Our guidance is that we will exit next financial year with full capacity at Navi Mumbai. As you know, the capacity we can handle at Navi Mumbai is maximum 20 million, which is 5 million international and 15 million domestic. And we will exit next financial year, i.e., Q1 2028 running with a run rate of 5 million per quarter.

Manish Somaiya: That's helpful. And then on data centers, it's obviously great to see the tie-up with a new hyperscaler. The capacity is now 1.2 GW plus. If you guys can help us understand how we should think about the commissioning schedule and what level of equity and capex we should be kind of baking in as we think about that?

Arun Bansal: Manan, over to you.

Manan Vakharia: In terms of data center, we will stick to what we discussed during our Q1 earnings call discussion. We are expecting operational capacity in the range of 120 to 150 MW when we exit FY27, the current fiscal. And over the next 12 to 18 months, we will significantly ramp up all the remaining projects, and we should be expecting close to 500 MW of operational capacity, which we will start billing to the customers.

In terms of the capex and equity requirement, we expect this project to be funded in approximately 20/80 to 30/70 kind of scenario. And we will have the same capex numbers as are generally there for any other players because we are primarily in the core and shell, MEP and all the structure and are not a full-scale player where we install our servers also because that is in the scope of customers.

Manish Somaiya: Okay. And then just lastly on roads for me. Now that Ganga Expressway is operational, how should we think about the recurring toll and annuity income becoming sort of the dominant force when it comes to earnings because that's something that I think we are yet to see. So I'm hoping you can help us with some of the key milestones we should be watching for over the next few quarters?

Manan Vakharia: Starting last quarter, we have fairly entered into an area where the numbers in the P&L or the reported numbers reflect the annuity income as well as ongoing toll income. What we should expect going forward is the increase or the optimum utilization of the roads where the toll income is to be generated. So as the traffic grows and picks up across the lines of newly commissioned toll roads, including Ganga Expressway, you will see those ramp-up numbers coming in. But when you compare year-on-year, because of how the Ind AS accounting works for the service concession accounting, you will see some kind of variability in the revenue numbers.

I understand that is pretty much your question. Otherwise, you will notice that normalization has already happened, and you will see this continue for a few quarters in the next period. But as the construction starts for the new projects, you will see that is again reflected in the P&L.

Moderator: We have the next question from the line of Mohit Kumar from ICICI Securities.

Mohit Kumar: My first question is on the Bangalore tunnel project, where I think we are L1. Is there any update on that project, which you can share?

Manan Vakharia: It is at the same level. What we know from the authorities is that we are L1. There is no further development there as of now.

Mohit Kumar: Understood. Coming back, one suggestion for the road EBITDA. Of course, we understand that we are doing service concession accounting. Is it possible to share the operational EBITDA going forward given that our last 3 projects have got operational for Ganga Expressway? Is it possible to share the operational EBITDA going forward in the PPT? That will be helpful for us.

Manan Vakharia: Sure, Mohit. We can include this. But for your reference and for the benefit of everybody, we will share the numbers over the call as well. So, our EBITDA for roads business for Q2 is INR354 crores and Q1 was INR288 crores. So that takes us to a half yearly number of around INR642 crores of EBITDA for roads.

Mohit Kumar: Understood. Going back to the airport business, I think we are expecting to commence the work on Phase 2 of Navi Mumbai. Can you just update us on that? Given that the traffic is below par, are we postponing that capex?

And the second question on the airport business is last year, if you look at the non-aero business, I think we took over the ground handling, I think somewhere in Q1 FY26, right? And that particular revenue is not present in the base quarter, while you see that number is present in the Q1 and Q2 FY27. Can you help us understand that line item?

Arun Bansal: Arun here. I'll take the first question and then Rajesh will help you with the second question on exact numbers. So, Phase 2 of Navi Mumbai has already kicked off. We have already onboarded the international consultant and the design work is ongoing. We are also in the process of finalizing the DC contractor, which will be onboarded very soon. So for Phase 2 of Terminal 2 of Navi Mumbai, the actual work will start in the month of November this year.

Mohit Kumar: Understood. And on the ground handling, sir?

Rajesh Poddar: Rajesh here, In case of ground handling, we had commenced operations at Mumbai, Ahmedabad and Navi Mumbai through our 100% subsidiary, AGHPort. And during this particular H1, we have earned a revenue of around INR339 crores for the 6-month period.

Mohit Kumar: So this was not present last fiscal completely. Is it right?

Rajesh Poddar: Yes, it was not.

Manan Vakharia: Mohit, the entity was acquired and in-sourced somewhere in the middle of November last year. So it was present for approximately 3 or 4 months in the last financial year. So yes, if you look at the half year number, it was not materially there.

Mohit Kumar: Understood. My next question is on the solar and wind. On this particular quarter, do you have any idea how much is sold in the rooftop? And are you thinking about setting up ingot and wafer now?

Muralee Krishnan: So, there are 2 questions. One is that on the rooftop, actually 56% of our sales was into the rooftop. And in terms of ingot-wafer, I would say that we already have 2.2 GW of ingot-wafer capacity and the balance capacity will come up by 2028, which we are already working on. The basic engineering work has already started. So that will well align with the ALMM policy.

Mohit Kumar: So you've commenced work on the balance 8 GW of ingot wafer. Is that understanding correct, sir?

Muralee Krishnan: Yes, it will actually be a bit more than that because technically, the yield factor is approximately around 87-88% of the nameplate capacity world over. So accordingly, the capacity installed will be slightly higher than the cell capacity that we already have in hand.

Mohit Kumar: Understood. So is it possible to share the solar order book and the wind order book at the end of Q2?

Muralee Krishnan: In general, I can only say that our capacity is already booked, both for wind as well as solar. We will not be in a position to give you the exact numbers at this point in time, but I can assure you that the order book is already full.

Mohit Kumar: Understood, sir. The last question, sir, how much of capex was done in H1? And is it possible to give us the broad segment-wise breakup of the capex?

Manan Vakharia: Mohit, what we have done is we have included standard FAQs as a part of our earnings presentation, where we have included a full breakup of the capex incurred in the appendix.

Mohit Kumar: Sure, sir. Understood. And sir, one more question, if I may ask. In your PPT for data center, I think there was a contract reservation, right, which was 1.2 GW. I think it was shared at the end of FY26. Do we have similar a number for the end of Q2 FY27?

Manan Vakharia: Sorry, come again.

Mohit Kumar: Sir, in your investor PPT, which you had shared earlier, there was a data center capacity of 1.2 GW, which was under contract reservation. Can you help us understand the definition of contract reservation? And what is that number at the end of Q2 FY27?

Manan Vakharia: You can refer to the data center slide that we have included as a part of our earnings presentation. We are constructing data centers of 1.4 GW of capacity, which are at various stages. Out of this, the capacity of 1.2 GW is already tied up and is at different levels of implementation and project construction. The remaining capacity is open and can be taken up by anybody.

Moderator: We have the next question from the line of Prateek Kumar from Jefferies.

Prateek Kumar: Congratulations on a great set of results. My first question is on airport business. Sir, can you discuss the progress on real estate capex and any specific milestones you are looking at by end of FY27, FY28 for city-side development?

Arun Bansal: On city-side development, we have signed the contracts, the HMA for all the hotels we are building basically with our partners. That work is ongoing at 5 assets: Mumbai, Navi Mumbai, Ahmedabad, Lucknow and Guwahati, and the work at Jaipur will start very soon.

Phase 1, as I call it, will be live at Ahmedabad by October 2029 and Mumbai and Navi Mumbai by March 2030. We are also undertaking some major capex projects on the aeronautical side. As I said before, we are building a completely new terminal, Terminal 2 at Navi Mumbai. We are doing a redevelopment of Terminal 1 at MIAL, which will start from Q1 next year.

We are building a completely new integrated terminal at Ahmedabad in line with the Commonwealth Games, which Ahmedabad City will host in October 2030. That terminal will be ready by then. And we are doing some minor additions of capacity at Terminal 2 in MIAL, building additional capacity at Trivandrum and a new terminal at Jaipur. So there are a lot of heavy capex items, which will be work in progress from now until 2029-30.

Prateek Kumar: Sure. In the data center business, can you discuss the recent joint venture, Adani-Jabil partnership and what is the scope of the business? Is this a new capex the company is envisaging? The other question on data center is that we read a about the positioning for data center setup, particularly in Vizag and Navi Mumbai, where we are looking to set up large projects. Can you discuss the status of land acquisition, or whatever else is required for these projects, which suggests that our projects are on time and we are looking at 2 GW capacity by probably FY30?

Manan Vakharia: Prateek, you have 2 parts to your data center question. I'll take Jabil first. The present joint venture, which is with EdgeConneX, is completely a data center play, in that it builds and constructs the data centers, core and shell, MEP solutions and other related stuff, which you know about. And what goes inside the data center is generally within the scope of the customers.

Now what we seek to do with Jabil is a completely new development, different and separate from AdaniConneX, where Adani Enterprises and Jabil are looking to manufacture the AI racks and related equipment, and the manufacturing facility will be set up in the country. It is still at an MOU stage, and we are looking to finalize the definitive agreement over the next few months. And once we have signed those, we will come up with the proper disclosure in line with the regulatory requirement and we'll have the details included in our capex and other segments. So that was part one of your question.

On part 2, for the various data center locations which we have defined in our earnings presentation, we have access to the majority of those lands, which are either already acquired or at a very advanced stage of completing the acquisition. So, we are very confident that these projects will be completed as planned and as envisaged.

Prateek Kumar: And just to confirm, you said operational capacity moves from current 95 MW to 125-150 MW by FY27 and 500 MW by FY28. Is that the number you said?

Manan Vakharia: 500 MW over the next 18 months. So practically, yes.

Prateek Kumar: Sure. On the road segment, the performance or progress or the ramp-up at the new projects seems a bit slow. Is that underwhelming versus company's own estimates? And how do you see kind of progressing on a quarterly basis?

Manan Vakharia: It is progressing well, but the numbers are slightly off the mark from where we would otherwise like them to be in terms of the capacity ramp-up at the toll projects. But practically, Q2 is seasonally the rainy season, plus there were floods in the northern part of the country. So, we will discount that. As we speak today, we are seeing good progress towards what we are expecting the numbers to be. So yes, it's slightly off the mark currently, but yes, we will catch up in the next 2 quarters.

Prateek Kumar: Last 2 questions. First on ANIL, we have commissioned new module capacity. What is the run rate of volumes over the next few quarters, with the significant increase in capacity which we have now?

Muralee Krishnan: We are expecting about 2 GW for the next quarter, and that should be the run rate going forward with the new capacity coming in.

Prateek Kumar: And what is the mix of volumes, like rooftop or captive volumes? Will sales to Adani Green significantly increase? Or how do you expect to sell these volumes?

Muralee Krishnan: As I have already mentioned previously, that the cell capacity is expected to be commissioned towards the back end of this financial year. As the cell capacity comes in, the DCR content will increase, and that will increase rooftop sales because rooftop requires DCR modules. We will also have OCR capacity, which will be used considerably for captive in the next 2 quarters.

Prateek Kumar: Sure, last question on Mining Services and IRM. These 2 segments have also seen slower volumes recently. How should we look at the annual volumes for these segments?

Manan Vakharia: Seasonally, these 2 quarters are comparatively lower, but we expect them to grow from here in the remaining 2 quarters. For Mining Services particularly, we should be at least 10% to 15% higher than where we ended last year. Coal trading, i.e. IRM., is typically more of a market-driven thing. So, it will be difficult to give you any outlook given the coal shortage situation in the country.

Moderator: We have the next question from the line of Biplab Debbarma from Emkay Global.

Biplab Debbarma: Congratulations on the excellent numbers. My first question is on the non-aero revenue that saw significant Y-o-Y jump. So could you please highlight what led to such significant jump in non-aero revenue?

Arun Bansal: Thanks for the question. On non-aero, our strategy has basically been threefold. Number one, we are heavily investing in digitization. So, we are working with the AdaniOne app, which we

have revamped to focus only on airports. And hence, we are able to increase the penetration Y-o-Y. This quarter, almost 25% of our non-aero transactions happened over digital. As a result of that, we are able to increase the average transaction value per passenger and the penetration.

And the third thing is that we have been able to premiumize most of our shops. We have brought in new lounges on board. And of course, Navi Mumbai initial ramp-up also helped because in Navi Mumbai, there was no non-aero revenue last year. So, combination of all these has helped and partly also the ground handling services; as one of the colleagues asked, there was no ground handling last year, which got incorporated this year. So multiple factors contributed to a strong non-aero growth.

Biplab Debbarma: Now...

Moderator: Mr. Biplab, request you to come kindly closer to the microphone as we are unable to hear you very clearly.

Biplab Debbarma: Hello, is it okay now?

Moderator: This is much better, yes.

Biplab Debbarma: My second question is on the capex commitment. You have quite significant capex expected in airports, data centers and, I think even in defense. So, could you give us some color on the capex commitment over the next 3 to 5 years? And which business segment will have significant capex? That's my second question.

Manan Vakharia: We have given the capex, which is already incurred during H1 as a part of our standard FAQs in the presentation itself. In terms of the outlook, we will stick to what we outlined in our Q1 earnings call. We expect to do capex at a run rate of around INR40,000 crores. So, we may be somewhere in the range of INR35,000 crores to INR40,000 crores, which is the rate we expect to continue over the next couple of years, and the heavy lifting will be done by airports, data center and PVC.

Biplab Debbarma: That's fair. Sir, you had an excellent result. And what kind of EBITDA do you think in FY27 we will end up with and the kind of margin that we think that we will do in FY27 and FY28?

Manan Vakharia: Biplab, we refrain from giving any specific financial guidance. So, my apologies for not being able to answer this.

Moderator: We have the next question from the line of Alok Deora.

Alok Deora: Congratulations on a decent set of numbers. Sir, I just had a couple of questions. The copper business has seen significant traction. So, do we see this run rate continuing or would we see an even better run rate in the coming quarters? That is question one.

The second question is that we have been seeing airlines being a little hesitant to move from the T1, T2 airport to Navi Mumbai. What kind of implications can it have on us if you can just throw some light on that? Or is there any impact at all?

Arun Bansal: Let me answer the airline question, and then my colleague Manan will answer the copper question. With airlines, of course, this is a very consultative and long-drawn process where we need to gain the confidence of the airlines that infrastructure is ready at Navi Mumbai, and this always happens whenever new infrastructure comes in. As you would have seen, on this Sunday and Monday, we have announced, together with 3 domestic carriers, the movement of 18 international flights from existing Mumbai airports to Navi Mumbai that caters a yearly volume of roughly 3 million.

We are in discussion with more airlines to move their traffic for us to be able to redevelop the T1. And we are fairly confident, as I said earlier, that we will end financial year FY2728 with a run rate of 20 million, which is the peak capacity of Navi Mumbai. Over to you, Manan, for copper question.

Manan Vakharia: Alok, we had 2 very good quarters , and Q2 has been very good. If you look at the margins that we made on revenue, i.e. EBITDA as a percentage of revenue, it has been in the range of around 7% to 8.5% during this period. This is a commoditized business, and the prices of some of the by-products like sulphuric acid have ramped up. So that is something which has contributed to the good set of numbers.

But on a long-term basis, yes, our plant utilization will increase from 64% in Q2 to around 80% to 85% as we close this current financial year. So, the absolute number will definitely increase, and our operating margin range for the current fiscal will be slightly higher. But yes, on a long-term basis, it will be in the range of around 4% to 6%where we expect to operate. . However, as we increase our plant utilization, the absolute number can be around the same level where we are.

Alok Deora: Got it, sir. Sir, just one follow-up on the airlines answer, which you had given. So just wanted to understand if there is any delay in the remaining airlines for shifting their operations. So, does it have any implication on us or it really does not change anything as far as we as an airport operator is concerned?

Arun Bansal: No. The timeline to start the redevelopment or demolition of of T1 is fixed. We will start from the summer schedule, which is April 2027. So, airlines will have to make a choice, certain airlines, not all, either they move to Navi Mumbai or temporarily stop flying to Mumbai. I'm mainly talking about international airlines.

But there are very few discussions left, and I'm fairly confident that collaboratively in next 1 month, we would be able to come to a conclusion with those airlines also. There might be 1 or 2 airlines who decide not to operate from Mumbai for a couple of years, but that will have almost no impact on the overall passenger count.

Moderator: We have the next question from the line of Prateek Singh from IIFL Capital.

Prateek Singh: The first question is on the solar business. Just looking at it, it looks like realizations have fallen on a Q-o-Q basis, but EBITDA margins or EBITDA per unit have gone up. So, what are the key 2 to 3 parameters which are driving it?

Muralee Krishnan: Yes. So, if you look at the Q1 results what we have given as well as in the earnings call, we mentioned that we had closed some of the advance authorizations, which had an impact of approximately around INR89 crores. So that is one of the main reason for this Q2 increase. Does that answer your question?

Prateek Singh: Yes. Understood. Now second, on the data center business, as you are incrementally signing pre-lease contracts with multiple hyper-scalers sequentially every quarter, I understand it might be difficult, but on a like-to-like basis, are you seeing an increase in rental rates over time in dollar terms?

Manan Vakharia: So, we can get you the specific details and come back on this. But broadly, there has been some increase in the rates over the last 6 months, but it is not material in terms of where we are looking at those numbers. So broadly, the ROCE, or the return on capital we were making earlier, is stable in terms of the data center for our scope of work in AdaniConneX.

Prateek Singh: I understand. But given that we lock in capital of INR60 crores to INR80 crores per MW and we have seen commodity price inflation and there is a tightness in equipment supply as well. So, there might be a risk that capex per megawatt would be going above what we earlier thought maybe 6 to 7 months back. So is this something when we negotiate with hyper-scalers, and do they agree to higher rates? Or are we still in the process where we want to lock in as much capacity as possible and at slightly higher rates than needed?

Manan Vakharia: When I answered you earlier, what I meant was we protect our return on capital employed that we want to make as a part of this business. So, wherever we are seeing the increased capex, that will be factored in when the billing is considered for the new sign-up of the project which we are doing. So, discounting for that, the rates are more or less stable, in the same broad range where we were operating earlier.

Prateek Singh: Understood. My third question is on the copper business. So, we have been hearing a lot that TC/RCs are negative, and the availability of concentrate is very tight globally. Have you been facing any issues sequentially in procuring supply or things are fine right now and we are able to procure supply at decent costs?

Manan Vakharia: So far as the procurement of raw material is concerned, we have not seen any significant challenge in terms of what we are hearing otherwise in the market because we have some of the long-term contracts tied up to a significant part of our requirement. That insulates us from such variations in the market. So as of now, we have not seen any situations where we are not able to procure the copper.

Prateek Singh: Just 2 bookkeeping questions very quickly. Your investments in JVs and associates is around INR2,400 crores in the first half, a similar level which we did in the entire FY26. So is it safe to assume it's largely data center?

Manan Vakharia: It's primarily data center, yes. You are referring to equity accounted investments, right?

Prateek Singh: Correct.

Manan Vakharia: Yes. So that is the data center.

Prateek Singh: Okay. And the last question, I can take it offline also. So, the other expenses line item in our P&L at INR6,500 crores this quarter is the lowest in 3 years. What exactly is driving it?

Manan Vakharia: So that will boil down, again, to the Ind AS accounting of the service concession contracts where the construction of road activities are generally passed through P&L. That's why you see the P&L bloated to the extent of revenue and expenses both because the construction expenses are passed through your P&L. And that is something which is causing the variation in the other expense side.

Moderator: We have the next question from the line of Kartik Kohli from Kotak Securities.

Kartik Kohli: My question is more on the non-aero part of the business which has seen very strong growth. Is there an element of fixed portion of this non-aero revenue be accounted for which is related to new shops being opened at Navi Mumbai Airport or the newly renovated shops opened at Mumbai Airport? Is there a fixed element in this which is contributing to the growth on a Y-o-Y basis? That will be my first question.

Arun Bansal: Thanks for the question. So, there is one element which was specific to Q2, and that is the new hangar sale we have done at Navi Mumbai, which got recorded in Q2 financials. Rest all, the new opening of shops, new lounges, everything is a recurring business, which will continue.

Kartik Kohli: My second question is on data centers. So it is more on the broader business, right? We wanted to understand that since you're signing up hyperscaler partners...

Manan Vakharia: Kartik, you are not clearly audible.

Moderator: Mr. Kartik, request you to kindly come closer to the microphone so that we can hear you loud and clear.

Kartik Kohli: Sure. Is this better?

Moderator: Yes, we can hear you now.

Kartik Kohli: So last thing on data center. I wanted to understand from a broader business perspective, now that you are signing contracts with a lot of hyperscalers across the globe and a lot of these players have undertaken a lot of debt. So is there an onus of fail safe in your agreement with such hyperscalers in terms of take-or-pay agreements or any such protections that would allow you to recoup at least part of the revenues if such hyperscaler customers end up not taking up capacity, at least when their individual finances are not working out. Is there a fail safe for that?

Manan Vakharia: I think it is there as a part of normal contractual commitment. It is always there. There are safeguards and the guardrails which are built out in any agreement and those general contractual guardrails are there, but on specifics of take-or-pay, I think we will have to check and come back after the contract and the legal review.

Kartik Kohli: Okay. Understood. Secondly, on the services business within AdaniConneX, I just wanted to understand what sort of services are being envisaged there and what sort of contribution to overall margins that can come from there? Is there a sense we can get here?

Manan Vakharia: You said AdaniConneX, right?

Kartik Kohli: Yes. So within the business, there is a managed service element and O&M element. I just wanted to get a sense of what sort of EBITDA contribution or at least on a margin contribution that can come from that?

Manan Vakharia: We have not yet publicly disclosed as a part of our earnings presentation, the data center number yet, which we plan to do somewhere towards the end of the year. So, we will have the financial disclosure coming up there. I think that is where we will try to include those breakups as well. But largely, the majority part of the revenue and the EBITDA will flow from the lease rental kind of mechanism where the offtake is taken up by the hyperscalers.

Kartik Kohli: Understood. Just to slip in one last question because you mentioned on copper that a major chunk of your raw material is already taken care of. Could you specify to what degree that you have a contract in place for your capacity utilization?

Manan Vakharia: In terms of offtake or the procurement?

Kartik Kohli: Both, offtake or procurement, whatever numbers that can be provided.

Manan Vakharia: In terms of offtake, if you really look at, we have 2 joint ventures which are in-house in terms of the copper tube. So that gives us assurance of the offtake for around 12% to 15% of our capacity. Excluding that, copper is something which gets imported in the country. So, we are always demand-heavy country against the supply available in the country. So that's where we are not very much worried about the offtake.

In terms of procurement, we have already tied up approximately 50% to 60% of our requirement on a long-term basis. And on a short-term basis, another 20% is already contracted. We expect the plant to continue to operate towards the end of the year by 80%-85%, as I highlighted earlier. So t in that sense, we are fully secured from the supply chain economics as well as the offtake requirements.

Moderator: We have the next question from the line of Prateek Kumar from Jefferies.

Prateek Kumar: I have just one question. We had acquired the Jaypee assets via NCLT route earlier this year. New cement business and power business were directed to the company. Hotels, F1 and the big land parcel in Greater Noida, all remained with Adani Enterprises. What are the plans for all these assets? Will the F1 restart happen in Adani Enterprises itself or in a separate entity?

Manan Vakharia: Prateek, so you are right. The bidding entity was Adani Enterprises, but the implementing agency was not Adani Enterprises, it was a private entity called Adani Infra (India) Limited. So, nothing of the JAL acquisition remains with us and is completely off the table for AEL.

Prateek Kumar: So, the hotel projects and the land parcel all is now off the company. Okay.

Manan Vakharia: Yes and we have not contributed any equity or any funding also in the project. So it is completely off AEL.

Moderator: We have the next question from the line of Deval Shah from RBSA Investment Managers. Deval, we're not able to hear you very well. Request you to kindly come closer to the microphone.

Deval Shah: Hello. Is it audible now? Hello?

Moderator: Yes, we can hear you now.

Deval Shah: Yes. So, I just wanted to get some more insight on the primary industry. I see that we have significantly increased our EBITDA, and this includes the metals, mining, IRM and the specialist manufacturing. A significant part would probably be contributed by the copper, but I would just like to get some more insight into this INR5,000 crores of EBITDA.

Manan Vakharia: So, you are right. Primarily, the increase which you see on the first slide or the second slide of the presentation has come from the copper. Apart from that, the major contributor is Integrated Resource Management for which we disclose the results and the segmental numbers separately.

And one more part, which is part of the primary industry is Carmichael mine. And that is where against the last year, because of the coal prices are good and the mine is running at an optimum capacity, the EBITDA has started flowing from that mine as well. For the quarter 2, we have done an EBITDA of around INR470 crores. And cumulatively for the half year, the EBITDA has been at INR840 crores, which was generally our expected annual run rate. So, because of the coal prices, those numbers have come out good. And that is what I think will make up for the remaining part which you are looking at.

Deval Shah: Okay. And about the specialist manufacturing. So, can you please give some more insight into it, what sort of capital we are committing and the size which probably we are thinking of in terms of the revenue and the EBITDA?

Manan Vakharia: The specialist manufacturing is primarily defense that we refer to. And in terms of the overall numbers that we are presenting, those are not very significant and that's why they do not pass the criteria of segment reporting. And hence, those are not separately reported. But yes, we are doing meaningful work there, but nothing which can be reported as of now.

Deval Shah: Okay. I've seen that about 18% to 20% of our capital has gone into PVC. So, can you please give us more insight on the timelines about the PVC business and where we are, some more insight into the entire segment?

Manan Vakharia: Yes. We are constructing 1 MMTPA capacity plant at Mundra where we are building approximately INR26,000 crores capex plant. Out of which, I think we have already closed 60% mark in terms of the project spend as well as the construction on ground.

So as per timeline, the first part of the overall capex is expected to get commissioned in the next fiscal. So, that's where you will see some kind of numbers coming out of this plant. And after it gets fully commissioned over a period of next 6 to 9 months, the plant will get stabilized and

we'll see full numbers flowing in. That's where we are in the PVC; the plant construction is progressing well and on schedule.

Deval Shah: Okay. So to our understanding that we only have a plan for manufacturing the PVC, right? So is there anything else on the PVC line or it's just the PVC or anything else on the chlor-alkali?

Manan Vakharia: So yes, the chlor-alkali is also there. PVC and related chemicals and the material around it.

Moderator: Ladies and gentlemen, that was the last question. I now hand the conference over to the management for closing comments.

Muralee Krishnan: Thank you so much for all the questions, and with this, we close this session. Thank you so much.

Moderator: On behalf of Adani Enterprises, this concludes the conference. Thank you for joining us, and you may now disconnect your lines.

Note: *This document has been edited to improve readability.*