



“Adani Enterprises Limited
Q2 & H1 FY '26 Earnings Conference Call”
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MODERATOR: **MR. SABRI HAZARIKA – EMKAY GLOBAL**

Moderator:

Ladies and gentlemen, good day and welcome to the Adani Enterprises Limited Q2 and H1 FY26 Conference Call hosted by Emkay Global 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 then zero on your touchtone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Sabri Hazarika from Emkay Global. Thank you and over to you, sir.

Sabri Hazarika:

Thank you. Yes, on behalf of Emkay Global, I welcome you all to the Q2 and H1 FY26 post-earnings conference call of Adani Enterprises Limited. We have with us the senior management of Adani Enterprises led by Mr. Robbie Singh, CFO - Adani Enterprises Limited, Mr. Arun Bansal, CEO - Adani Airport Holdings Limited, Mr. Rajesh Poddar, CFO - Adani Airport Holdings Limited, Mr. Manan Vakharia, Head of Finance - Adani Enterprises Limited, and Mr. Jitendra Khyalia, Investor Relations, Adani Enterprises Limited.

So, today's session will be brief on the results by management followed by the question and answer round. So, without any further delay, I request management for their opening remarks. Over to you, sir.

Robbie Singh:

Good evening, everyone. Thank you for joining. I'm Robbie here, CFO of Adani Enterprises. Thank you for joining the earnings call for the quarter and half year ended 30th September 2025. As you all know, AEL's portfolio is categorized into incubating and established businesses, spanning energy and utilities, transport and logistics, consumer services, and primary industries.

The key incubating businesses include Adani New Industries Ecosystem, Airports, Roads, and Data Center. And the established segment consists of primary industries verticals, which includes mining services, metals and materials, and commercial mining.

Over the next five years, Adani Enterprises is in a deep investment phase. The first set of assets of this phase have now been completed. Those assets are:

- Navi Mumbai airport,
- Wind turbine capacity has increased to 2.25 GW with new WTG models of 3.0 and 3.3 MW.
- Kutch Copper, with capacity of 500 KTPA is fully commissioned and is ramping up.
- Seven of our road projects are now complete. The seventh one completed last quarter.
- MDO service contract for Parsa Block with a peak capacity of 5.0 MMTPA is now operational.

There is a significant asset pool which is still work in progress.

- In the road business, Ganga Expressway, which is now almost 90% complete.
- There's a new terminal at Guwahati Airport, which is nearing completion. There's additional 6 GW of module and cell line, which is on fast track.
- PVC project of 1 MMTPA is progressing as per schedule.

- And further, 10 MDO contracts are under development.

Additionally, there are new set of locked-in investment plans.

- We have received LOA for five new projects in road and water vertical with a cumulative order book of ~INR20,000 crores. These have a concession period ranging from 15 to 29 years.
- AdaniConneX has partnered with Google to develop India's largest AI data center campus in Andhra, which will be undertaken as a part of our data center vertical housed in AdaniConneX under AEL.

Now moving to the financial performance of this half year; the financial results reflect the stabilization phase of incubating businesses. And we will see significant EBITDA unlock from the assets that have been completed and assets that are near completion. The completed assets that will start adding to the EBITDA are the Navi Mumbai Airport, the Kutch Copper plant, and Ganga Express moving forward.

AEL has a major business in relation to trading of commodities. This business is cyclical in nature, and some of the financial results of this half year were impacted on account of the trade and price volatility in this vertical due to certain geopolitical issues.

The consolidated results for the half year are with a total income of INR44,281 crores, EBITDA of INR7,688 crores, profit before tax of INR5,864 crores. On a continuing basis, profit before tax of INR2,281 crores, INR3,583 crores is one of exceptional items.

The pleasing part in this result is that the EBITDA from incubating business now contributes over 70%, as against 60% in the comparative last half year.

In line with the capital management plan and annual equity program, AEL Board has approved today a partly paid rights issue of equity shares for an amount of upto INR25,000 crores. This issue will strengthen AEL's balance sheet for the next phase of incubation while allowing existing shareholders to participate in growth story of our core incubating infrastructure and energy transition assets.

We expect the next period of 10 years to be the most exciting with our current startup phase with assets like Adani GCC, key metals and materials reaching the initial investment phase. AEL is well placed as an organization with balance sheet and technical capability to deliver on the promises.

Moving to our segments; in the mining services portfolio, Adani Enterprises Limited is a pioneer of Mine Developer and Operator concept in India with an integrated business model that spans across developing mines as well as entire upstream and downstream activities. We have a portfolio of 16 MDO service agreements with a total peak capacity of 140 MMTPA.

We currently operate at a run rate of around 50 MMTPA from six contracts, which is approximately 36% capacity of the contracted potential of this business. Thus, a long runway is available for growth in this part of our business. During the half-year, MDO business achieved

a dispatch volume of 22.6 MMT, which is up 29%, a revenue of INR2,247 crores, which is an increase of 35%, an EBITDA of INR1,019 crores with an increase of 37% on YoY basis. And all these numbers are with the MDO business operating at roughly around 36% capacity.

In our trading business with integrated resource management, the volume stood at 24.1 MMT, revenue at INR14,899 crores and EBITDA at INR1,331 crores. Under commercial mining during this half-year, Carmichael Mine shipped a volume of 6.2 MMT in line with its capacity.

As we informed in the last quarter, we are introducing for the first time our airport vertical as a standalone vertical. We have our airport management team also present with us today. They will take you to the results of our airport business.

And it is my great pleasure to hand over to Mr. Arun Bansal, CEO of Adani Airports. Over to you, Arun.

Arun Bansal:

Thank you, Robbie. Thank you for the introduction. Good evening, ladies and gentlemen. Thanks for joining. As my colleague Robbie talked about, Adani Airports is India's largest private platform in airport business, with a portfolio of eight airports, including recently inaugurated Greenfield Navi Mumbai Airport. Adani Airports contribute roughly 23% of India's passenger traffic and almost 29% of the air cargo volume.

The first half FY26 results of airport business reflect consistent and strong momentum in both aeronautical and non-aeronautical business, backed by both tariff revisions of four airports and also continued growth in non-aero income driven by digital initiatives. So, coming to our half yearly performance, Adani Airports serviced 46 million passengers with a growth of 2%. Total revenue clocked at INR5,882 crores with an increase of 32% and EBITDA of INR2,157 crores with an increase of 51%. Adani Airports is now running at a run rate EBITDA of INR1,000+ crores per quarter.

Then dwelling into aero yield per passenger, that stands at INR485, which is up by 20%. Non-aero income per passenger stands at INR614, which is up 34% on year-over-year basis. We also started operating seven new routes during Q2, eight new flights and onboarded one new airline.

The Greenfield Navi Mumbai Airport is expected to commence its operation in the current quarter, in Q3, and of course will boost further financial performance of Adani Airports. We are also in process of commissioning a new terminal in Guwahati during this fiscal, which will further add to consumer experience and passenger services using Guwahati Airport.

Last week, we also closed a strategic deal with AIONOS for Agentic AI solution, which shall not only provide consistent engagement experience across all airports, but also connect with passengers to offer personalized multilingual support.

With that, I open the call for Q&A.

Moderator:

Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Manish Somaiya from Cantor. Please go ahead.

- Manish Somaiya:** Thank you so much. Good afternoon. A couple of questions for the team. First on the Google announcement, can you help us understand, when that comes online, how should we think about revenues and profitability as we sort of build out our models?
- Robbie Singh:** Manish, thank you. The Google contract is part of, as mentioned in my opening comment, is part of a comprehensive AI data campus in Andhra. It's one of the campus participants. We will currently, due to various confidential, both being public companies, as you know, we are constrained as to how we are going to outlay the development plan of that specific contract.
- But we hope to be able to discuss that in more detail with the investors post or around our annual presentations, by which time both parties would have agreed to the rollout plans for the specific project that Google and AdaniConneX have executed. At this stage, we were not able to build that out. That's why in our opening comment, we just simply mentioned that we have executed that and we will be outlining that over the next six months as we clarify the development plans.
- Manish Somaiya:** Okay, wonderful. I appreciate that clarification. My second question is on the solar modules sales. If I look at the second quarter, those were down –I'm just looking at my numbers. They were up year over year, but down sequentially by about 20%. I was hoping you could provide some context as to what's happening in the marketplace.
- Robbie Singh:** See, the sales, the total income from Q2 '25 and Q2 '26 is broadly the same if you do the similar quarter-to-quarter comparison. But if you do half yearly to half yearly comparison, you see a small change in the revenue line of roughly around about 5%, and you have correspondingly, because of the operating nature of this business, you have a slightly higher impact on the EBITDA, which is negative 14% in the EBITDA line.
- That's largely explained, fully explained by the uncertainty around the tariff announcements from the U.S., and consequently, the pricing rationalization that we had to implement to deal with the tariff structures. And this changeover will wash over the next 18 months or so, and then you will see the numbers normalize, even if the tariffs were not to change.
- Manish Somaiya:** I see. So, okay. So, we should have an 18-month perspective on that particular business.
- Robbie Singh:** Because if you see the underlying sales are not changing, it is purely a tariff-linked impact on the conversion of the sales to revenue. And that we will adjust to the new reality, but it will not be an issue over the medium term at all. We will adjust, even if the tariffs were not to change.
- Manish Somaiya:** Okay. The other question I had pertains to cash flow from operations. I see it was down fairly significantly vis-a-vis last year's first half. So, maybe if you can just help us understand how we should think about cash flow from operations, free cash flow, leverage by the end of fiscal '26, and then more importantly, how should we think about the rights issue in terms of timing, in terms of stages of issuance? Will it all be in one big scoop or will it be over a multi-year period? And then if you can help us understand the use of proceeds?
- Robbie Singh:** As you know, Manish, what has happened is that during this quarter, the copper plant went from work-in-progress to operations. Now, as it went into operations, the entirety of the change is explained by the way you would record inventories and the way you would record now in an

operational setting the working capital. So, adjusted for those two changes, just for those two items, there is not much change in the operating cash flow at all.

And you can see this from the point of view of the fact that if you look at the operating cash prior to working capital movements, it was INR7,661 crore in the same period last year, and it is ~INR7,250 crore this year. So, this is this one-of adjustment that has occurred due to the coming online of an asset that requires you to make these changes, and then it will normalize back to the normal situation once the operations stabilize.

So, for this quarter, it will be – or for this half-year, it will be better to look at operating profit before working capital changes. That gives you a more accurate picture of the underlying.

Manish Somaiya:

Okay. That's helpful. And then how should we think about leverage and rights issue, timing, use of proceeds? If you can just help us understand that, please?

Robbie Singh:

So, basically, fundamentally speaking, if you see in our results first, if I would take you to the presentation, which is there, where we go through the total liabilities of the group outstanding, I'll just give you the page number. Page number 26 of the presentation, you will see that there's an item there which is called we say gross debt, and below that, shareholders' loan, and you will see the number there at roughly around INR20,000-odd crores, for which some are just inter-entity.

But our main objective is that as a major shareholder, those loans have been provided by the families holding -- and families' company to Adani Enterprises for growth. We don't seek to have that, as we've always indicated over the last 5 years or so. They don't seek to recover that. They are comfortable to participate in the right issue, and the effective nature of that will be that the loan that the shareholders have provided will become equity, and consequently, the excess rights exercised by non-promoter shareholders, that will be the growth capital that will be used primarily for the airports business, and some of it for the roads and Adani new industries business.

So the use of proceeds will be that you will see a very significant change in the gross debt number post this, giving us significantly a higher capacity to grow and grow faster. It funds the airport requirements over the next 12 months, and also certain other smaller requirements in roads etc., in line with our capital management plan.

Manish Somaiya:

Okay, Robbie. Thank you so much for that clarification. I'm going to get back in the queue and follow up with any questions. Thank you so much.

Moderator:

Thank you. Our next question comes from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar:

Yes, good evening, and thank you for the opportunity. My first question is on the capital expenditure, what are the capital expenditures for H1, and what is the target for FY '26, and is it possible to get a broad breakup of the capex target for FY '26 across various businesses?

- Robbie Singh:** Yes, so Mohit, the H1 capex was roughly around INR16,300 crores, and for the full year, we expect it to be around about INR36,000 crores.
- Mohit Kumar:** Any breakups that are possible?
- Robbie Singh:** Yes, so broadly in line, of this number, about 10,500 is in airports, about 6,000 in roads, about 9,000 in materials, which is petrochemicals. And so those are the three big ones, and then metals and mining, about 3,500, and Adani new industries, about 5,500. So that's the big headline numbers.
- Mohit Kumar:** Understood. My second question is on the airport business. Of course, we are nearing the first phase of capex in Navi Mumbai. Do you expect to start the second phase of capex, especially in Mumbai, over the next couple of years? And what could be the quantum?
- Robbie Singh:** Arun, would you like to take that?
- Arun Bansal:** Yes, I can take it, Robbie. Thanks, Mohit. So as Robbie said, we will do the commercial operation of Phase 1 already this quarter now, and actually Phase 2, we are already starting, and we will accelerate the capex already from next financial year, considering the pent-up demand is much higher than 20 million, the capacity we are building. So we will not wait for 2 years. We will restart, and it will be in the tune of INR30,000 crores.
- Mohit Kumar:** Understood. Do you see, what could be the timeline for getting the final tariff order for Navi Mumbai Airport in opening year?
- Arun Bansal:** So Navi Mumbai interim tariff order has already been given by AERA. The final tariff order, normally they take 3 to 6 months, so it should come anytime. But interim tariff is there, which allows us to start charging the airlines.
- Mohit Kumar:** Understood. Thank you, sir. My last question is on the solar manufacturing business. What is the order book at the end of H1, and what is the progress of 6 GW gigawatt solar module capacity? Are we on target to commission this capacity by June '26?
- Robbie Singh:** We are pretty confident of finishing around that time, so June '26. And the order book is pretty much full on the quarterly capacities that we have. So the run rate would be around 1.2 GW per quarter.
- Mohit Kumar:** Is it fair to expect that the mix of domestic and exports will be the same as what you reported in this quarter, or do you think export will pick up?
- Robbie Singh:** It is likely to remain the same, because of the fundamental nature of the way the trade discussions, etc., and geopolitics is going on. We just have to have a much more comprehensive and deeper planning in terms of markets. So you can expect that the revised mix is likely to remain. It might episodically change based on market conditions and all, but it will now remain the same because that gives us a much more defensive capability against something like this in the future.

- Mohit Kumar:** And one more question on the wind side. Are we participating in the third-party order? And have you received any third-party order during the quarter? And what is the volume, you think, which you can execute in FY26?
- Robbie Singh:** Currently, it's a limited third-party order, roughly around 300 MW, so about 100 sets.
- Mohit Kumar:** And are you participating in the PSU tenders?
- Robbie Singh:** No. We are full up on capacity for ourselves.
- Mohit Kumar:** Thank you, and all the best, sir. Thank you.
- Moderator:** The next question comes from the line of Deval Shah from RBSA Investment Managers. Please go ahead.
- Deval Shah:** Hello. Good evening. I have two sorts of questions. First is to Robbie. I just want a little bit more insight on our defence and aero business. I think just a broad overview where we are and where we want to be after five years, just a broad brush on that side of the business?
- And my second question is to Mr. Arun. Regarding that, I understand that, sir, we had some bottleneck with respect to availability of labour in developing our CSD. Is that been resolved or we are still in the process and we are on timeline in developing our CSD plans for Navi Mumbai?
- Robbie Singh:** Arun, you can go first, please.
- Arun Bansal:** Yes. Thanks, Robbie. So, thanks, Deval. It was not related to the labour per se here. There were some issues, as you might know very well, in Mumbai, there were restrictions because of the EC clearance and pending Supreme Court case. That got cleared now and we are in full speed.
- Bearing that, the work that we could start, we have already started. So, Mumbai and Navi Mumbai excavation work has already started and now we are on track to bring all the CSD properties live in 2029-2030 timeframe.
- Deval Shah:** Okay.
- Robbie Singh:** In relation to your first question on the technology and defence business, it is currently still sort of like close to the INR500 crores EBITDA from the total. So, we are not yet reporting it as a significant independent segment. We are just reporting it in Others segment. And from a capex also, because it is currently even less than 3%-4% of our capex, it is not ramping up. But as soon as that business ramps up sufficiently, we will be a very simple mechanism by which it will come into our segmental reporting.
- So, it is still some time away for it to mature because the best way to imagine this, to give you an idea, that it is a technology business which provides services and the product side is less important than the services contract. So those things take a long time to develop and a long time to get into the services side of the businesses.

So as the level of service contracts and the technology platforms ramp up for the defence purpose, like we did with airports this time, once the business reaches a certain level, we will bring that into the segmental reporting. But currently, it is not in the segmental reporting. So, if I would disclose anything more than this, then we will actually have to change everything that we disclose beyond the numbers that we outlined.

Deval Shah: Okay, understood. Yes, I was looking at more on the qualitative remarks only. I was not looking for any specific numbers.

Robbie Singh: Qualitative wise business is going well, the services contracts are going well, the technology platforms are maturing and increasingly we are being recognized as a reliable technology partner for defence purposes. So, fundamentally, it is in very good shape. So, it is just that at the moment, it is not of sufficient size for us to put that into segmental reporting.

Deval Shah: Understood, understood. Thank you.

Moderator: Thank you. The next question comes from the line of Nirav Shah from GeeCee Holdings. Please go ahead.

Nirav Shah: Yes, good evening, sir. And thanks for the opportunity. So, the first question is on our ANIL business. So, for the second consecutive quarter, sir, we have operated at above 100% utilization. I mean, in the first quarter, we did around 135% utilization in the current quarter. Hello. Hello, sir. Am I audible?

Moderator: Yes, sir. You are audible. Sure, sir.

Nirav Shah: So, my question is on the modules business. I mean, so for the last two quarters, we have operated at above 100% capacity. Any particular reason the producible capacity is slightly more than what the rated capacity is?

Robbie Singh: No, it's part of that. Also, it's more reported module sales and module exports. So what happens is that over the year, we are operating close to about 1.093 GW. So, roughly around 100% of the capacity, but in a quarter what can happen is the sales might be reported particularly in a given quarter.

So, it might be that like, for example, the quarter before the sales were 990 MW and then the higher number got reported the following quarter and before that was 893 MW. And so it's sometimes the sales might be reported in a quarter, but we are operating close to about 100% capacity, which is basically 1.093 GW.

Nirav Shah: Got it, sir. So, the second question is on our airports. I mean, we mentioned the capex in the current year is approximately INR10,500 crores. So, just want to break up that, I mean, between airports and city side. Is city side also part of this INR10,500 crores capex or we'll do it separately? And if separately, what is that likely spent for the next two, three years that budgeting?

Robbie Singh: Yes, it is in the reported aggregate number, but Arun go ahead in detail, please.

- Arun Bansal:** Thanks Robbie. So, Nirav, in this year, this INR10,500 crores, we talked about, has very minimal part of CSD. As I said the CSD initially is now all the approvals are in place, excavation is started. The real capex for CSD will start from next financial year.
- Nirav Shah:** And any number you would like to put for two years because or when will the first revenue generation stream will be seeing that?
- Arun Bansal:** Revenue generation for city side will start FY 29-30.
- Nirav Shah:** And any outgoing number that we would like to share?
- Arun Bansal:** So, the total capex outlay for the city side we have is around INR20,000 crores.
- Nirav Shah:** Okay. Got it, sir. That's it from my side. Thank you, sir.
- Moderator:** Thank you. Our next question comes from the line of Sabri Hazarika from Emkay Global. Please go ahead, sir.
- Sabri Hazarika:** Yes, good evening. So, my question pertains to ANIL and the green hydrogen part. So, of course, we don't have much of an update from large players. But if we look into the SECI ammonia tender in particular, I think it has been like quite healthy given the participation and the rate which has been like achieved, I think, INR50 per kg of green ammonia. So, that number also seems quite competitive. So, any color on that? What are your thoughts on that? And what about your own plans with respect to green hydrogen?
- Robbie Singh:** Thanks. See, for us we will complete; first what we want to do is complete is our testing of the electrolyzers because our scale is quite large. So, till we complete that we are not specifically commenting on anything. Once we have that, we will take a formal investment decision planning, etc. as to how we execute.
- We have all the basic ingredients lined up, which is resource capacity, the completion of our cell module line and wind turbine facilities in ANIL, all the ancillary industry set up in Mundra, which is EVA, back-sheet, glass, etc., the land, the corridor for pipelines and transmission. So, all of that is set.
- Mundra is already there, so we don't need anything for evacuation. So, consequently, we are prepared, but as we highlighted in the previous comment, we are just currently testing. Our electrolyzers are under pilot stage. We should have the pilot results, start getting pilot results towards the middle of next year, i.e. calendar year or the second quarter. And based on that, we would expect that we will then be able to give a much clearer investment horizon.
- Sabri Hazarika:** Right. And anything you would want to share on the efficiencies or the metrics with respect to the electrolyzers, as in like per kilowatt hour or anything of that sort, or is it too premature?
- Robbie Singh:** No, we will have the results and the curves by middle of next year. So, that will be the best time to share.
- Sabri Hazarika:** Got it. Thank you so much and all the best.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.

Robbie Singh: So, I just would firstly thank you so much to Emkay for organizing a call and for participants for the Q&A. And if there are any further questions anybody has, please reach out to our team and they will respond back in writing. Thank you.

Moderator: On behalf of Emkay Global, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.