



“Adani Enterprises Limited
Q3 FY '26 Earnings Conference Call”
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MANAGEMENT: **MR. ROBBIE SINGH – CHIEF FINANCIAL OFFICER – ADANI ENTERPRISES LIMITED**
MR. RAJESH PODDAR – CHIEF FINANCIAL OFFICER – ADANI AIRPORT HOLDINGS LIMITED
MR. MANAN VAKHARIA – HEAD OF FINANCE – ADANI ENTERPRISES LIMITED
MR. JITENDRA KHYALIA – INVESTOR RELATIONS – ADANI ENTERPRISES LIMITED

MODERATOR: **MR. MOHIT KUMAR – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Adani Enterprises Limited Q3 FY '26 Earnings Conference Call hosted by ICICI Securities Limited. As a reminder, all participant line will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation conclude. 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. Mohit Kumar from ICICI Securities. Thank you, and over to you, sir.

Mohit Kumar: Thanks, Danish. Good evening. On behalf of ICICI Securities, I would like to welcome you on the Earnings Call of Adani Enterprises Limited for Q3 FY '26. Today, we have with us from the senior management, Mr. Robbie Singh, Chief Financial Officer, Adani Enterprises Limited; Mr. Rajesh Poddar, Chief Financial Officer, Adani Airport Holdings Limited; Mr. Manan Vakharia, Head of Finance, Adani Enterprises Limited; and Mr. Jitendra Khyalia, Investor Relations, Adani Enterprises Limited.

We will start with a brief opening remarks, which will be followed by Q&A. Thank you, and over to you, sir.

Robbie Singh: Thank you so much, Mohit. Welcome. Good evening, everyone. Thank you for joining us today for Adani Enterprises Earning Call. As you all know now, AEL's portfolio is categorized into our incubating portfolio spread across energy & utilities, transport & logistics and our established businesses which is traditional mining services, trading and now metals.

Straight off, I'm very pleased to share with you all that Adani Solar, which is part of Adani New Industries, was recognized as world's top 10 solar manufacturers. It's the only Indian company in the top 10 in the world. This feat was achieved on the back of more than 15 GW cumulative shipments, excellent vertical integration and maintaining a high capacity utilization.

Furthermore, over the last 9 months, as you would have seen in the various press release and announcements over the period of time, our Aerospace, Technology & Defense business is taking shape. You would have seen 2 recent announcements on the development of regional civilian transport with Embraer and helicopter ecosystem within India with Leonardo.

Over the coming few years, we will continue to inform the market on the development in the Aerospace, Technology & Defense area. And now that business has taken certain shape, we will also, from mid this year, have a section in it to update you on the status of that business as we go forward.

In addition to Defense, we've also set up Adani's Global Capability Center within AEL, GCC, which we call Adani Capability Center. And over the coming period, you would see additional development in that space including and not limited to the development of activities within GCC, which pertain to artificial intelligence and the changeover into agentic workforce model.

Now coming back to this quarter. The key aspect has been the core strength of project execution and operations for AEL. During the quarter gone, Adani Airport commissioned Navi Mumbai Airport and also the integrated new terminal at Guwahati. The Navi Mumbai Airport is of immense strategic importance for Mumbai as a second airport. And for Adani Airports, this is a significant addition to its regulatory asset base.

The Road business completed 2 more HAM projects and takes operational road projects to 9. More importantly though, the largest road project that we have in the portfolio, which is Ganga Expressway, is set to go live in this quarter. Ganga Expressway is roughly INR18,000 crores asset and is a traffic risk project. So it would add significantly to Adani Roads revenue and EBITDA.

In ANIL, module sales continue to track over 1 GW per quarter despite the turbulence in global markets. As we had flagged in the last month, there's a small variation on realization you have. But nevertheless, the robustness of the business continues. The Wind division has started shipping the 3.3 MW wind turbine.

On to financial performance. In the coming period, first, AEL will unlock EBITDA from Navi Mumbai, Kutch Copper and Ganga Expressway. Post stabilization, these 3 assets are expected to add well over INR3,000 crores to EBITDA.

The consolidated results for nine months are:

- Total income at INR69,756 crores
- EBITDA at INR11,985 crores and
- Profit before tax at INR3,581 crore, this excludes one of gain on sale of assets of INR9,215 crores.
- Incubating businesses EBITDA had growth of 7% Y-o-Y to INR8,224 crores.

On capital management, positioning AEL's balance sheet for the next phase of growth, we completed the rights issue raising INR24,930 crores. Additionally, in January, we also further issued INR1,000 crores of NCDs, this was third in series of NCDs.

Now as a showcase, given the scale of Airport business, which is now already tracking over INR5,200 crores of EBITDA annually. This is without counting Navi Mumbai's assets that will come online this year. The Airport now contribute about 23% to India's passenger traffic and roughly 29% of the air cargo volumes. This just underscores the key scale and strategic importance that this asset represents to India and its aviation industry.

Key financial and operational performance for the last 9 months. Passenger traffic tracks at about 71 million passengers, which is close to we expect around number just short of 100 million for the year, income is up 31% to INR9,652 crores and EBITDA has already surpassed the full year FY'25 EBITDA and for the 9 months is at INR3,724 crores.

As I mentioned before, on 25th of December 2025, greenfield Navi Mumbai Airport commenced operations, which we expect will be meaningfully change the overall financial performance of Adani Airports going forward. It's a regulatory asset base provisionally in the high teens and the expected rate of return on assets of this type is in the range of 12% to 14%.

On the strategic front, Adani Airports acquired 100% stake in AGHPort Aviation Services. This acquisition provides Adani Airports with full operational control and strengthen our presence in the airport ground handling.

Overall, these strong operating metrics, strategic initiatives and infrastructure additions position Adani Airports for sustained growth and value creation over the years ahead.

Within our core traditional businesses, we have a portfolio of 17 MDO service agreements with a peak capacity of 143 MT per annum.

We are currently operating at a run rate of 45 MT from 6 contracts, which is approximately 31% of the potential of this business. The 6 operating contracts, which are currently operating at 45 MT, have a notional capacity of 63 MT. So the additional and further ramp-up in this business will continue.

During the nine months, the dispatch volume of the business is up 14% to 33.3 MT and revenue is up 29%. And consequently, EBITDA is up 29% to INR 1,424 crores.

Our integrated resource management portfolio, the volume stood at 35.3 MT with an EBITDA of INR 2,069 crores.

With this, we will end our initial briefing, and we are open for questions. Thank you.

Moderator: Thank you so much, sir. Ladies and gentlemen, we'll begin with the question and answer session. Our first question comes from the line of Mahesh from ICICI Securities.

Mahesh: My first question is on the Defense side. Is it possible to help with the top line and the investment we have done till date in Defense?

Robbie Singh: As I said, I think we will -- thank you for the question. As I said, we will update on Defense.

Moderator: I'm sorry to interrupt you, sir, but there's a disturbance from your line.

Robbie Singh: I said in the -- on the Defense side, we will update fully as a segment in detail from the first half of next year. So post the September results.

Mahesh: Okay. And sir, on the 6 GW cell and module line, when do we expect the commissioning of this line?

Robbie Singh: The new lines would be expected to be ready by 30th September this year.

Mahesh: Okay. And sir, on the gains that we have booked in this quarter, what is the tax impact for the gain?

Robbie Singh: It will be taxed at 15%.

Mahesh: Okay. And sir, lastly, on the Airport business, so can you help us with the commission assets in the last 12 months in our Airport business?

Robbie Singh: Can you please repeat the question?

Mahesh: The assets commissioned in the Airports business over the last 12 months.

Robbie Singh: There are no commissioning as such on Airports. Airports, the only asset we added was Navi Mumbai Airport

Mahesh: Okay. And sir, for this Navi Mumbai Airport, right, for FY '27, aero and non-aero side, how one should model for this? And related question is, do you expect losses in the interim till the traffic picks up in this airport?

Robbie Singh: No. Airport is a regulatory asset, so there is no question of any losses. On the aero side, the way to model it is to take the regulatory asset base. Provisionally, it will be high teens close to INR 20,000 crores. And on the regulatory asset, the weighted average rate of return is expected to be around 12% to 14%. And that return is calculated in the following way. The RAB works in the following way.

If you take the operating cost efficiently incurred, then capital return, which is depreciation and amortization, then weighted average cost of capital, plus notional tax to be paid will give rate of return on the regulatory asset. Tax obviously gets paid, cost goes into running of the airport and what you are left with is a small capital return plus the rate of return on the asset. So on a regulatory asset, until and unless there is a serious issue, there is not a question of a loss.

Moderator: Our next question comes from the line of Manish Somaiya from Cantor.

Manish Somaiya: I just had a question on the Airport business. I see that the growth slowed from the second quarter to the third quarter, maybe if you can just talk about that. And then also just touch on when we should start seeing any improvements in the integrated resource management, mining, some of the legacy businesses, which obviously have been under pressure.

So maybe if you can just give us some context around airports, what happened in 3Q? Obviously, we all know about the Indigo fiasco. I don't know if it had anything to do with that. And then also, if you can just switch to the legacy businesses and help us understand when we should mark an improvement?

Robbie Singh: No. Actually, the growth is well over 30%. It's just that the numbers that we mentioned, we have taken out a onetime element. There's no specific issue regarding Indigo in relation to the Airports business.

Even if you look at segmental part of airport, if you look at individual growth in relation to our presentation deck on Page 23 of the presentation, you'll see that it's gone from INR1,100 crores on a quarterly basis to INR1,568 crores. And the underlying, even if you look at the non-aero, aero breakdowns, they're all plus 25% growth, and we expect that to continue in the Airports.

Manish Somaiya: What I was looking at was the sequential growth. So when I look at the Airport revenues that you had in the second quarter, it had Y-o-Y growth of 43%. We're at 32%. Of course, we're dealing with perhaps a law of large numbers as growth increases, the growth rate will come down. But again, I'm just going to reconcile if there's anything we should take away from the sequential portion, the 42% in 2Q '26 versus 32% in 3Q?

Robbie Singh: No. I think what you will see is that actually that number will again accelerate only because it's a timing of various accounting of regulatory assets. So as the regulatory assets kick in, you will see that you will have the revenue from those regulatory assets come in at different times. And there can be small changes in terms of mid-period determination of regulatory rate of return because currently, aero is still a big part of the portfolio.

And so you can see some of those changes because various regulatory assets come online at different times. So for example, the determination, if you look at the effective date of regulatory determinations, the periods are different. So somewhere where we filed a mid review, it's in December and so on and so forth.

So some we have filed in January this year itself. So those assets will make a difference. But we don't see the overall. You can have at a very large number, like 40% growth number where the growth will moderate to some degree. It is not likely that a 40% growth continues at 40%. But we will have jumps.

Navi Mumbai Airport itself will add on a regulatory basis, a regulatory aero-side EBITDA itself of once we fully account for the timing difference. But on a normalized run rate basis, of about just over INR2,000 crores to the EBITDA line itself against our current EBITDA of around annualized EBITDA of around INR5,200 crores. So just one asset will add about 40%.

Manish Somaiya: Right. And then switching to the legacy businesses. Maybe if you can just help us understand the pluses and minuses of what's going on in those businesses?

Robbie Singh: The main thing there is that, as you know, that we flagged it last time also, a slight delay in the ramp-up of Kutch Copper. But we expect that now the full utilization should start over the next 2 to 3 months. So you'll start seeing the numbers in the first quarter of the following financial year, which you haven't seen an impact in this quarter.

But we can share with you that we will see the numbers showing for Kutch Copper in the very first quarter of next financial year. And at various utilization rates, say, if it is 70%, then it will add roughly INR2,800 crores of EBITDA; if it is 80%, around INR3,100 crores. And then there's a further refining element to it, where the EBITDA can go up by another 20%. But assuming that secondary refining is not there, then we are confident of utilization rates of between 70% to 80%. So that should give a high INR2,000 crores EBITDA addition in that business.

The main variability for us in that business always remains the Integrated Resource Management given the continuing sort of global/domestic interplays. And that part of core IRM business overall this year is around 11% less than what we were last year. But as we've always flagged that there is an inherent, it's a profitable business by itself, but there is an inherent variation, fluctuation in that business by the very nature.

Otherwise, our MDO business is on track. It's grown to 25-odd percent. In its current contract, it has a capacity to grow by another 25%. And then from where we are because of the existing contract that has not yet activated, it has got a growth potential of another 31%.

So we expect that business to keep ramping up. And as MDO and mining itself become a bigger part and metals become a bigger part of this business. The variability element that is now outsized because of the IRM being a bigger EBITDA contributor to the business will become less and less. So we expect the variability itself as a percentage to decline as we go forward.

Manish Somaiya: Okay. And if you can just touch on the data center partnership with Google. I believe on the last call, we had talked about the partnership. And I think you had mentioned that you would give more details around spending and other metrics, hopefully, on this call?

Robbie Singh: It's a little bit too early at this point. Just to give you an idea, we are just currently working through with the relevant agreements, and so there's nothing that we can share which will be complete.

And naturally, we have to also work jointly with the counterparty in that case. But we expect to have a much clearer rollout and take up planning from the likes of Google and other partners. There are others also.

Probably, I think given their timelines and what we are aware of, probably say it's about another quarter to 4 months away before we will be able to publicly share the rollout plans.

Manish Somaiya: Okay. That's helpful. And then just lastly, you've been very busy on the capital markets front. If you can just give us a sense of what else we should be expecting? And then I think what would be helpful is to have a proforma capital structure. I think you gave the figures for 12/31, but just to understand even with the current financing that was just completed in the last week or so, if you can just give us a sense of what the debt stack looks like at this point?

Robbie Singh: Yes, we will actually provide a lot more detail, but just basically, our incremental total external debt now is roughly around over INR36,000 crores (that is allocated to our incubating businesses). And overall, just to give you a basic long-term debt number, the gross long-term debt is about INR78,000 crores.

So give or take, just under \$9 billion. We have some -- still some shareholder loan outstanding of about just under \$2 billion. So the external debt of that would be ~INR 62,000 crores. So ~INR 78,000 crores being the total debt, ~INR 16,000 crores being shareholder loans, giving us a total external debt of about ~INR 62,000 crores.

Of this INR62,000 crores, majority, INR 37,000 crores is just allocated to the -- is actually Airports, Roads, Kutch Copper and the current PVC under construction. What we can do is we can give you a pro forma also post results. We can actually -- we'll note down the question. We'll provide that publicly, and we can put it on the website itself.

Manish Somaiya: Okay. No, that will be super helpful just so that we have a better sense of what we should have in our models?

Robbie Singh: Look at debt, you can always look at Page 26. But if you have anything further, you can please reach out. We will put further details if required.

Moderator: Our next question comes from the line of Prateek Kumar from Jefferies.

Prateek Kumar: I have a few questions. Firstly, can you discuss like this Airport segment EBITDA grew like 40% year-on-year. There's a mention of nonrecurring items also in that number related to lease income. What is that number?

Robbie Singh: INR 220 crores, one-off.

Prateek Kumar: And this will be related to leasing what?

Robbie Singh: Non-recurring. This is largely for the specialist hangar development and advance received against that. So that's how it gets accounted for.

Prateek Kumar: Okay. So next quarter, we will have, let's say, INR 220 crores lesser than current quarter plus additional business from the new airport, which is Navi Mumbai Airport as a new run rate?

Robbie Singh: Correct.

Prateek Kumar: Right. Also on Navi Mumbai Airport, we started like 25th of December in terms of ATMs and daily flights and probably it will move to like a 24-hour airport sooner. Earlier, we were doing like, I think, in the start, 5,000 passengers per day. How has the run rate of passengers improved because there seems to be like a challenge on constrained capacity environment at this point? And how are you looking at FY '27 in terms of volumes for Mumbai and Navi Mumbai combined airports?

Robbie Singh: The volume details and movement, we will confirm and we'll provide between the two airports as part of our annual results. But just to give you an idea, the second phase construction will start just after the monsoons this year itself, 2026. Already the slots are fully taken up by the airlines at Navi Mumbai Airport. So in fact, Phase 2 construction will start.

But in terms of the overall system-wide traffic impacts and everything, we will provide much more detailed and clear outlines as part of the annual results because we have a couple of steps to do in relation to capitalization of the asset, in relation to the provision of RAB, which we will do this quarter.

Prateek Kumar: Okay. And just to revisit, are you expecting some shift of traffic from Mumbai to Navi Mumbai Airport here? And also a related question, I know that we had like pushed out the Mumbai Airport renovation of Terminal 1 to later date. Is there any update on that?

Robbie Singh: No, not on that. Our first priority is to stabilize the two airport operations from operations perspective, which we expect to do and start the second phase construction at Navi Mumbai, and then we will look at Terminal 1 post that.

Prateek Kumar: Moving on to other segment, like Road segment has been doing EBITDA of like INR1,500 crores to INR2,000 crores in like past 2 years. With the commissioning of Ganga Expressway soon, how do we expect this business to ramp up in FY '27?

Robbie Singh: Basically, Ganga Expressway should just double the size of EBITDA of this business, which is currently INR1,500 crores EBITDA that is sort of run rate.

Prateek Kumar: Sure. And you talked about Adani GCC. Is this for like internal businesses of the Adani group? And is this going to be a meaningful revenue or profit contributor to the business or just a support business for the group? And what are we -- I mean you talked about AI and Agnetic AI, we are like looking to develop capability.

Robbie Singh: So it is currently internal to the group and because it will become the lab through which the agentic AI will get deployed across the group.

Prateek Kumar: Okay. And last question on your coal to PVC timelines. Can you discuss where is that project? How much is the capital employed till now? What is the total project capex and the timeline?

Robbie Singh: I think from a revenue perspective, we should look at calendar year '28. And completion point of view, base completion towards end of this year and then ramp up, which will continue in that business, you can estimate roughly 6 to 9 months. obviously, we'll provide a lot more detail closer to the event. But currently, our capex that has already been expensed on that business is in the vicinity of about INR9,000 crores, so just over one-third of the capex.

Prateek Kumar: Sorry, one last question on your total capex target for FY '26 and how much has been incurred till -- in first 9 months?

Robbie Singh: So our total target that we had outlined was roughly INR36,000 crores, and we have already done just about INR25,200 crores.

Moderator: Our next question comes from the line of Dhananjay Mishra from Sunidhi Securities.

Dhananjay Mishra: Sir, are we expecting any contribution from copper side in Q4 as well? Or it will only start from Q1 next year?

Robbie Singh: Q1 next year.

Dhananjay Mishra: Okay. And Ganga Expressway, this provisional completion certificate will come in next 2 months itself?

Robbie Singh: It will come in the next month itself.

Dhananjay Mishra: Okay. So I mean, in terms of toll collection and all, it will start from Q1 only, not material in Q4?

Robbie Singh: Not material at all in Q4.

Dhananjay Mishra: Okay. And just lastly, the 6 GW cell and module capacity, which is going to be completed by June as your last timeline. So what is the capex required for this?

Robbie Singh: The total capex for this project is around INR10,000 crores and it is on schedule completion. So we expect it to be ready and producing by September 2026.

Dhananjay Mishra: And do we have enough order once we have this 10 gigawatt capacity because currently, run rate is about 4 GW. So for at least FY '27...

Robbie Singh: It depends on capacity only, we have enough orders.

Dhananjay Mishra: Okay. So we can supply -- once we have the capacity, run rate could be 2,000 megawatts per quarter?

Robbie Singh: Yes.

Moderator: Ladies and gentlemen, that was the last question for today. I would like to hand the conference over to the management for the closing comments. Thank you, and over to you.

Robbie Singh: Thank you so much. And Mohit, thank you so much for organizing the call and everyone who participated. And if there's any further questions, you please reach out to the team, our Investor Relations team, and they will respond. And we've noted one question, based on Cantor, which we'll put on the website, and you can always look at that answer on that question. Thank you.

Moderator: Thank you so much. Ladies and gentlemen, on behalf of ICICI Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.