

ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED

February 15, 2019



Current Price: ₹ 349.10

STOCK DATA

BSE Code	532921
NSE Symbol	ADANIPTS
Reuters	APSE.BO
Bloomberg	ADSEZ IN

VALUE PARAMETERS

52 W H/L(Rs)	423.85/293.95
Mkt. Cap.(Rs Cr)	72296.93
Latest Equity(Subscribed)	414.19
Latest Reserve (cons.)	20488.76
Latest EPS (cons.) -Unit Curr.	17.54
Latest P/E Ratio -cons	19.91
Latest Bookvalue (cons.) -Unit Curr.	104.59
Latest P/BV - cons	3.34
Dividend Yield -%	0.57
Face Value	2

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2018
Foreign	21.94
Institutions	12.52
Govt Holding	0.08
Non Promoter Corp. Hold.	0.73
Promoters	62.30
Public & Others	2.43

Financial Results

In Cr.

Particulars	Qtr Ending Dec. 18	Qtr Ending Dec. 17	Var. (%)
Sales	2823.91	2688.85	5
OPM (%)	78.30	73.20	
OP	2211.43	1967.46	12
Other income	344.97	236.00	46
PBIDT	2556.40	2203.46	16
Interest Exp	392.59	315.82	24
PBDT	2163.81	1887.64	15
Depreciation	342.90	293.65	17
PBT before EO Exp	1820.91	1593.99	14
EO Exp/Prior Period Items	0.00	-155.18	
PBT	1820.91	1438.81	27
Current tax	401.95	437.81	-8
PAT	1418.96	1001.00	42
Share of profit from JV	-0.03	0.00	
Net Profit	1418.93	1001.00	42
Minority Interest	10.33	6.93	49
Net profit	1408.60	994.07	42
Other Comprehensive Income (net of tax)- attributable to owners	1.17	-0.14	LP
Total Other Comprehensive Income (net of tax)- attributable to owners	1409.77	993.93	42
EPS (Rs.)	6.80	5.32	

Adani Ports and Special Economic Zone Ltd.'s Q3FY19 profit in line with estimates

Adani Port and Special Economic Zone has registered 5% growth in consolidated sales for the quarter ended Dec 2018 to Rs 2823.91 crore. Higher sales together with 510 bps expansion in operating profit margin to 78.3% has resulted in 12% growth in operating profit to Rs 2211.43 crore. Spurred further by higher other income (up 46% to Rs 344.97 crore), the PBIDT was up by 16% to Rs 2556.40 crore. However as interest and depreciation cost as % of operating profit stand higher, the growth at PBT (before EO) was restricted at 14% to Rs 1820.91 crore. EO for the quarter was nil compared to and expense of Rs 155.18 crore in corresponding previous period. Thus on deflated base, the PBT after EO was up by 27% to Rs 1820.91 crore. The current tax was down by 8% to Rs 401.95 crore and thus gained by lower tax, the growth at PAT was higher by sharp 42% to Rs 1418.96 crore.

After accounting for share of loss from JV (Rs 0.03 crore compared to nil in corresponding previous quarter) and higher minority interest (up 49% to Rs 10.33 crore) the net profit (before other comprehensive income) was up by 42% to Rs 1408.60 crore. The other comprehensive income (net of tax) attributable to owners was an income of Rs 1.17 crore compared to an expense of Rs 0.14 crore. And thus the total comprehensive income attributable to owners was up by 42% to Rs 1409.77 crore.

- Sales were higher by modest 5% to Rs 2824 crore. However excluding the lumpy SEZ revenue, the operating revenue was up by 13% to Rs 2578 crore. Upside in revenue was largely due to higher revenue from Ports. While port revenue was up by 17% to Rs 2273

crore, that of logistics and SEZ was down by sharp 35% (to Rs 128 crore) and 39% (to Rs 246 crore) respectively. The revenue of ABPO Australia was up by 7% to Rs 106 crore and that of other operating income was up by 48% to Rs 71 crore.

- The operating profit (excluding forex gain/loss) was up by 3% to Rs 1843 crore largely due to higher operating revenue as operating margin (excluding forex impact) contract by 110 bps to 65.3% from 66.4% in corresponding previous period.
- Upside in operating profit (excluding forex gain/loss) was largely due to higher profit from Ports. The operating profit of ports was up by 16% to Rs 1585 crore largely facilitated by higher sales as its margin decline by 70 bps to 69.7%. However despite sharp fall in sales, the profit of logistics was down by modest 5% to Rs 18 crore as its segment margin expands by 450 bps to 14.1%. But the profit of SEZ was down by 52% to Rs 167 crore hit by both lower sales as well as 1890 bps fall in margin to 67.9%. ABPO Australia registered a profit of Rs 2, up 0%.
- Forex gain more than doubled (up 101%) to Rs 367.97 crore compared to Rs 183.24 crore in corresponding previous period. Including Forex gain/loss the operating profit margin expanded by 510 bps to 78.3% and the operating profit was up by 12% to Rs 2211.43 crore.
- The other income was up by 46% to Rs 344.97 crore. The interest cost was up by 24% to Rs 392.59 crore and depreciation was up by 17% to Rs 342.90 crore. Thus the PBT was up by 14% to Rs 1820.91 crore.

Nine month performance

Sale was down by 4% to Rs 7842.95 crore hit by lower SEZ and logistics revenue. While port revenue was up by 20% to Rs 6514 crore, the revenue of SEZ and logistics was down by 75% and 28% respectively to Rs 409 crore and Rs 435 crore. Operating profit (excluding Forex loss/gain) was down by 2% to Rs 5135.35 crore hit largely by lower profit from SEZ which was down by sharp 73% to Rs 330 crore from Rs 1208 crore in the corresponding previous period. However including forex loss/gain, the operating profit was down by 15% to Rs 4550.32 crore with OPM contract by 770 bps to 58%. After accounting for higher other income, interest and depreciation cost, the PBT before EO was down by 13% to Rs 3542.86 crore. The EO was nil for the period against an expense of Rs 155.18 crore in the corresponding previous period. Thus on deflated base the PBT after EO was down by 9% to Rs 3542.86 crore. Eventually the PAT was down by 1% to Rs 2730.59 crore with tax down by 29% to Rs 812.27 crore. After accounting for share of profit from JV, minority interest and other comprehensive income (net of tax), the other comprehensive income was down by 1% to Rs 2706.21 crore.

Management Comment

Karan Adani, Chief Executive Officer and Whole Time Director of APSEZ said, "The Results once again proves our capability to be resilient, register incremental growth and gain market share. In fact all types of cargo namely coal, container, crude and other bulk have shown double digit growth in 9MFY19. We will continue our strategy to diversify cargo mix and continuously add economic hinterland reach. The trend registered in Q3FY19 is likely to continue and we are set to exceed our earlier guided cargo volume of 200 MMT in FY19. Sweating of our existing capacities, change in cargo mix, automation and technology up gradation will further improve our EBITDA and free cash flows. We believe sustainable development as a core value for our future business proofing. We will continue to protect our environment, use safe operational practices and adopt best corporate policies".

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