BUY
TP: Rs 2,060 | ▲ 17%

ADANI PORTS

| Logistics | 29 October 2026

Guidance raised as non-ports business scale-up

- **Revenue/EBITDA up 24%/23% YoY, 4% above estimates; international ports contributed half of EBITDA growth**
- **Domestic cargo up 4% with realisation up 9%; growth concentrated at Mundra as non-Mundra volumes stayed flat**
- **Roll forward to Sep-28E; ascribe 16x EV/EBITDA to arrive at Sep'27 TP of Rs 2,060, upgrade to BUY**

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Operating beat; PAT growth trails EBITDA: ADSEZ's Q2FY27 revenue/EBITDA of Rs 113.4bn/68.1bn rose 24%/23% YoY, both 4% ahead of our estimates. Margin after forex rose 72bps YoY to 59.0%, including a Rs 1.2bn forex loss. Depreciation rose 36% and finance cost 23%, while other income fell to Rs 2.7bn from Rs 8.4bn. Adj. PAT (ex-JV) rose 6% to Rs 35.4bn, 2% below estimate. Reported PAT rose 18% to Rs 36.8bn, aided by a Rs 1.4bn JV profit (a Rs 2.1bn loss in Q2FY26).

Domestic growth came from price, not volume: Cargo grew 4% YoY to 118.2 MMT. Revenue rose 13% to Rs 71.8bn on a 9% higher realisation of Rs 607/t. The company attributes this to "anniversary rate revisions and currency impact". Growth stayed concentrated at Mundra, up 8% to 53.5 MMT, while non-Mundra was flat. Gangavaram fell 23% and Dahej 7%, against a 19% gain at Vizhinjam while coal fell 6% and containers rose 7%. All-India share slipped to 27.3% from 28.1%.

International margin doubles on Colombo and NQXT: International revenue rose 71% YoY to Rs 18.4bn (2% ahead), and EBITDA rose 3.4x to Rs 8.8bn. That took margin to 47.7% from 24.2%, which the company ties to "higher margin Australia and Colombo operations". Volume rose 147% to 24.0 MMT. Excluding NQXT's 10.1 MMT, growth was 43% to 13.9 MMT: Colombo rose 91% to 7.6 MMT and Tanzania 18%, while Haifa fell 4%. Realisation fell 31% to Rs 766/t, which reflects NQXT's lower-yield coal tonnage.

Logistics grows at lower margin; marine stalls: Logistics revenue rose 21% YoY to Rs 12.7bn but EBITDA only 8%. Trucking (+28%) and the International Freight Network (IFN; 2.1x) earn 8-10% margins and rose to 55% of segment revenue from 44%. Rail TEUs fell 6% YoY. Marine revenue/EBITDA rose 57%/32%. Its 44.4% margin was down 835bps YoY, even though the fleet grew to 138 vessels from 127.

Estimates raised; upgrade to BUY: We raise FY27E/FY28E/FY29E EBITDA by 4%/1%/3% and PAT by 6%/1%/5%, for a 16% FY26–29E EBITDA CAGR. Rolling forward to Sep-28E at an unchanged 16x EV/EBITDA, our TP rises to Rs 2,060, which offers 17% upside. Upgrade to BUY.

Key changes

Target	Rating
▲	▲

Ticker/Price	ADSEZ IN/Rs 1,761
Market cap	US$ 42.7bn
Free float	34%
3M ADV	US$ 46.3mn
52wk high/low	Rs 1,891/Rs 1,292
Promoter/FPI/DII	66%/14%/14%

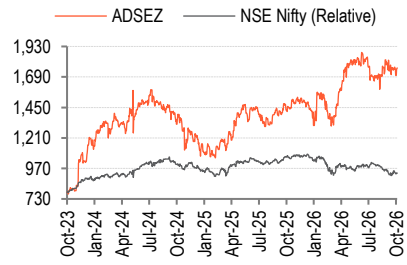
Source: NSE | Price as of 28 Oct 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	3,87,358	4,38,441	5,02,290
EBITDA (Rs mn)	2,28,425	2,66,138	3,04,062
Adj. net profit (Rs mn)	1,28,062	1,43,779	1,69,313
Adj. EPS (Rs)	55.6	62.4	73.5
Consensus EPS (Rs)	0.0	0.0	0.0
Adj. ROAE (%)	16.2	14.0	14.6
Adj. P/E (x)	31.7	28.2	24.0
EV/EBITDA (x)	15.9	13.5	11.9
Adj. EPS growth (%)	22.1	12.3	17.8

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Q2FY27 & H1FY27 financial snapshot

Particulars (Rs mn)	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	H1FY27	H1FY26	YoY (%)	Q2FY27E	Var %
Revenue	**1,13,404**	**91,675**	**24**	**1,08,208**	**5**	**2,21,612**	**1,82,936**	**21**	**1,09,460**	**4**
Domestic Port Revenue	**71,770**	**63,510**	**13**	**63,670**	**13**	**1,35,440**	**1,20,530**	**12**	**69,299**	**4**
Volume (mnt)	118	114	4	115	3	233	227	3	119	(1)
Blended Realisation (Rs/t)	607	558	9	552	10	580	532	9	582	4
International Ports revenue	**18,390**	**10,770**	**71**	**17,470**	**5**	**35,860**	**20,500**	**75**	**18,096**	**2**
Volume (mnt)	24	10	147	23	5	47	17	169	23	3
Blended Realisation (Rs/t)	766	1,110	(31)	766	0	766	1,178	(35)	780	(2)
Adjusted volume (ex-NQXT)	24	10	147	12	103	36	17	106		
Total port (domestic + international)	142	124	15	138	3	280	244	15		
Ex-NQXT	142	124	15	127	12	269	244	10		
Non - port revenue	**22,800**	**16,962**	**34**	**20,740**	**10**	**43,540**	**34,062**	**28**	**21,600**	**6**
Logistics	12,730	10,554	21	11,730	9	24,460	22,244	10	12,500	2
Marine services	10,070	6,408	57	9,010	12	19,080	11,818	61	9,100	11
Others	440	7,845	(94)	9,670	(95)	10,110	16,321	(38)	9,414	(95)
EBITDA	**68,070**	**61,070**	**11**	**65,410**	**4**	**1,33,480**	**1,16,024**	**15**	**65,519**	**4**
EBITDA Margin (%)	59.0	58.2	72bps	62.9	(397bps)	60.2	63.4	(319bps)	59.9	(91bps)
Depreciation	17,130	12,635		17,113		34,242	25,184		17,500	
Other Income	2,694	8,366		8,529		11,223	11,326		5,500	
EBIT	49,722	40,746	22	50,972	(2)	1,00,694	86,388	17	48,019	4
Finance Costs	10,337	8,379		9,947		20,285	16,206		10,000	
Derivatives Loss/(Gain)	(1,492)	1,728		3,603		2,112	5,601		0	
Extraordinary expense/(income)	308	0		0		308	0		0	
PBT	43,263	39,005	11	45,951	(6)	1,00,694	86,388	17	43,519	(1)
Tax	7,833	5,701		6,578		14,411	11,071		7,398	
Adjusted PAT	**35,429**	**33,304**	**6**	**39,373**	**(10)**	**74,802**	**64,837**	**15**	**36,121**	**(2)**
Adj. PAT Margin (%)	31.2	36.3	(509bps)	36.4	(514bps)	33.8	35.4	(169bps)	33.0	(176bps)
EPS (Rs)	15.4	15.4	0	17.1	(10)	32.5	30.0	8	15.7	

Source: Company, BOBCAPS Research

Fig 2 – ADSEZ Volume & mix snapshot

mn tonnes	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	H1FY27	H1FY26	YoY (%)	Q2FY27E	Var %
India Port Volume (mnt)	**118.2**	**113.9**	**4**	**115.3**	**3**	**233.5**	**226.8**	**3**	**119.0**	**(0.7)**
Port volume (excluding Viz & Gopalpur)	111.5	108.0	3	109.2	2	220.7	214.8	3	112.6	(1.0)
Mundra	53.5	49.4	8	51.2	4	104.7	97.3	8	53.1	0.7
Krishnapatnam	16.0	15.0	6	13.4	19	29.4	31.5	(7)	13.4	19.4
Hazira	7.1	7.6	(6)	6.5	9	13.6	14.5	(6)	7.8	(8.4)
Dahej	2.5	2.7	(7)	2.6	(4)	5.1	5.1	0	2.8	(10.2)
Dhamra	11.3	11.2	1	13.0	(13)	24.3	23.3	4	13.0	(12.9)
Kattupalli	3.3	3.5	(6)	3.1	6	6.4	6.7	(4)	3.5	(6.5)
Gangavaram	7.7	10.0	(23)	9.6	(20)	17.3	18.1	(5)	8.8	(12.5)
Karaikal	2.9	2.8	4	3.1	(6)	6.0	6.8	(12)	3.3	(12.5)
Gopalpur	1.1	1.2	(8)	0.9	22	2.0	2.5	(20)	1.4	(18.5)
Vizinjham	5.6	4.7	19	5.2	8	10.8	9.4	15	5.1	9.5
Others	7.2	5.8	24	6.6	9	13.8	11.5	20	6.9	4.2
India Port Volume Mix (%)										
Mundra	45	43	188bps	44	83bps	45	43	194bps	45	65bps
Krishnapatnam	14	13	34bps	12	191bps	13	14	(130bps)	11	228bps
Hazira	6	7	(63bps)	6	34bps	6	6	(54bps)	7	(51bps)
Dahej	2	2	(26bps)	2	(14bps)	2	2	(6bps)	2	(22bps)
Dhamra	10	10	(27bps)	11	(172bps)	10	10	13bps	11	(134bps)
Kattupalli	3	3	(28bps)	3	10bps	3	3	(21bps)	3	(17bps)
Gangavaram	7	9	(227bps)	8	(182bps)	7	8	(59bps)	7	(88bps)
Karaikal	2	2	0bps	3	(23bps)	3	3	(42bps)	3	(33bps)
Vizinjham	5	4	61bps	5	23bps	5	4	47bps	4	44bps
Others	6	5	100bps	6	34bps	6	5	83bps	6	28bps

Source: Company, BOBCAPS Research

Fig 3 – Segmental performance

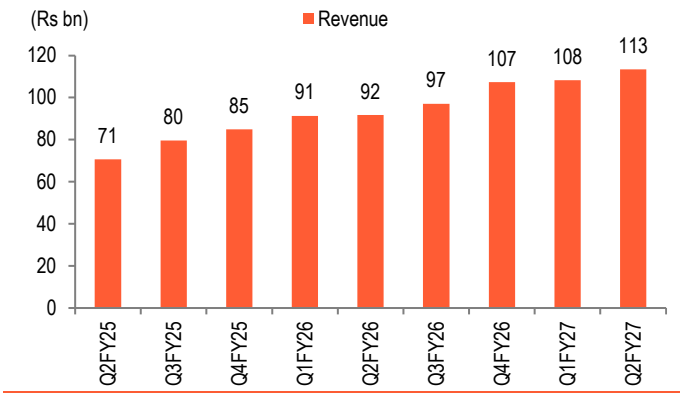
Particulars (Rs mn)	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)
Revenue	**1,13,404**	**91,675**	**24**	**1,08,208**	**5**
Domestic ports	71,770	63,510	13	63,670	13
International ports	18,390	10,770	71	17,470	5
Logistics	12,730	10,554	21	11,730	9
Marine services	10,070	6,408	57	9,010	12
% of Revenue					
Domestic ports	63	69	(599bps)	59	445bps
International ports	16	12	447bps	16	7bps
Logistics	11	12	(29bps)	11	39bps
Marine services	9	7	189bps	8	55bps
EBITDA					
Total EBITDA	68,070	61,070	11	65,410	4
Domestic ports	52,010	46,880	11	44,280	17
International ports	8,780	2,610	236	7,300	20
Logistics	2,370	2,200	8	2,190	8
Marine services	4,470	3,380	32	4,040	11
EBITDA margin					
Domestic ports	72.5	73.8	(135bps)	69.5	292bps
International ports	47.7	24.2	2351bps	41.8	596bps
Logistics	18.6	20.8	(223bps)	18.7	(5bps)
Marine services	44.4	52.7	(835bps)	44.8	(45bps)

Source: Company, BOBCAPS Research

Earnings Call Highlights

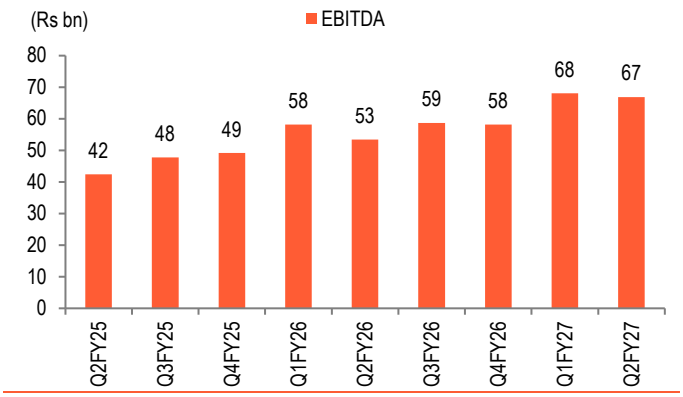
- **Guidance raise leaves an undemanding H2:** FY27 revenue and EBITDA guidance each rose Rs 10bn, to Rs 440–460bn and Rs 260–270bn. With H1 EBITDA at Rs 133.5bn, H2 needs Rs 126.5–136.5bn. That is 7–16% YoY growth at a 57–58% margin, against 60.2% in H1. Management declined to guide on margin.
- **H2 rests on three capacity additions:** Management named Mundra CT5, Colombo Phase II and Vizhinjam as the main H2 contributors. CT5 starts within weeks; Mundra ran at 90–92% utilisation in H1. Colombo Phase II doubled capacity to 3.2mn TEUs from 1 October. CGPL was shut in Q3–Q4FY26, so Mundra faces an easy base. CT5 timing is the main execution risk.
- **Domestic recovery claim to be tested in Q3:** Management said domestic volume was growing at double digits as of 20 October. It described the H1 weakness as temporary: West Asia disruption, an iron ore export ban at Dhamra and coastal coal shifts. It attributes the market-share loss to one-off STS (ship-to-ship) cargo inflating the all-India base.
- **Vessel idling hit marine; no recovery date given:** Management linked the margin to 7–8 offshore vessels idle in July–August that could not transit the Strait of Hormuz. War-risk insurance and fixed costs were recovered at cost, with no margin. Utilisation improved from September.
- **No international margin guidance until Colombo settles:** Management will not guide a normalised international margin for one to two quarters. It expects Australia's margin to stay within 1–2% of current levels and Haifa to hold. It flagged Tanzania volume variance during a 100m berth extension. One NQXT contract has been repriced and others are under negotiation, a potential upside to Australian realisation.
- **Logistics margin likely capped near current levels:** Management expects IFN margins to hold because its costs are mostly manpower. With the mix shifting towards IFN, we see limited room for segment margin expansion. Rail volumes are being helped by ramp-ups at the Virochannagar and Malur ICDs. Mundra's 120-acre empty container yard is full, and 200 more acres are planned.
- **Capex up Rs 30bn; leverage headroom intact:** FY27 capex guidance rises to Rs 150–170bn from Rs 120–140bn, against H1 spend of Rs 105.2bn. None of the increase is international; it goes mainly to Mundra, Dhamra, Hazira and Vizhinjam. Net debt/EBITDA of 1.8x is within the 2.5x policy ceiling. Vizhinjam Phase II completion is still targeted for December 2028.
- **M&A screen held; ABP passed over on returns:** Management is evaluating about 20 overseas assets, mainly container and liquid terminals in developed markets. Each faces four tests: growth at or above ADSEZ's average, geopolitical risk, local financing and partner quality. Associated British Ports was evaluated and dropped because returns fell short. The new Oman subsidiary is for feasibility work only.

Fig 4 – Revenue trend



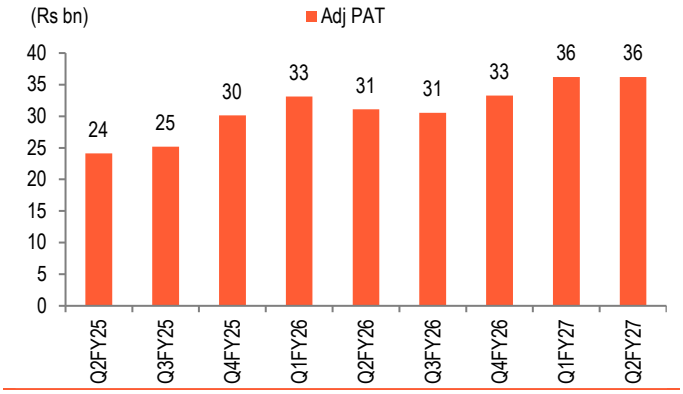
Source: Company, BOBCAPS Research

Fig 5 – EBITDA trend



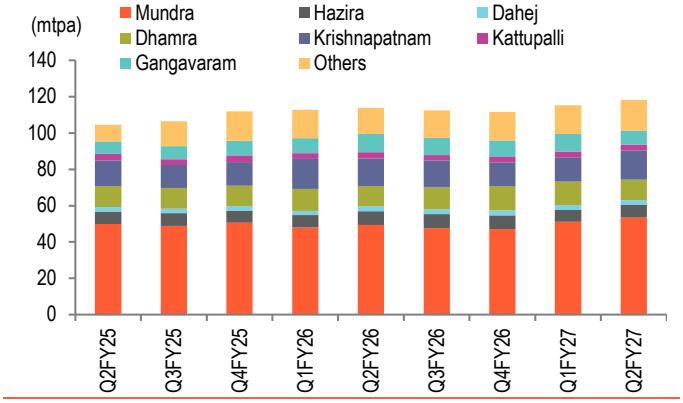
Source: Company, BOBCAPS Research

Fig 6 – Profit trend



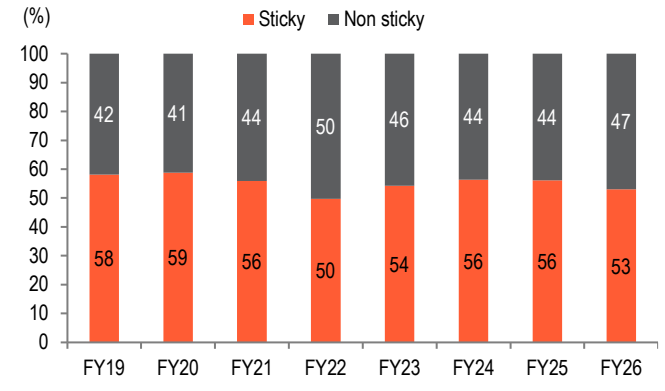
Source: Company, BOBCAPS Research

Fig 7 – Port-wise volumes



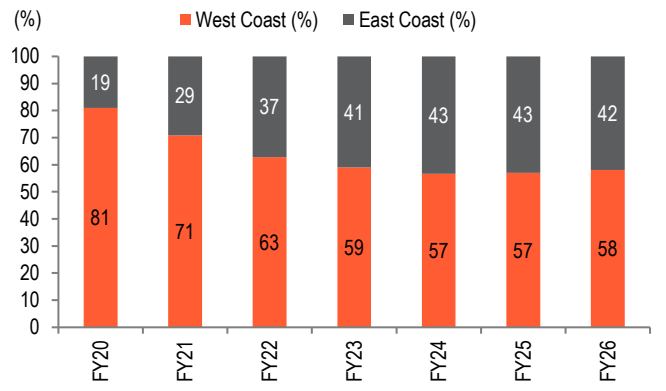
Source: Company, BOBCAPS Research

Fig 8 – Share of sticky cargo



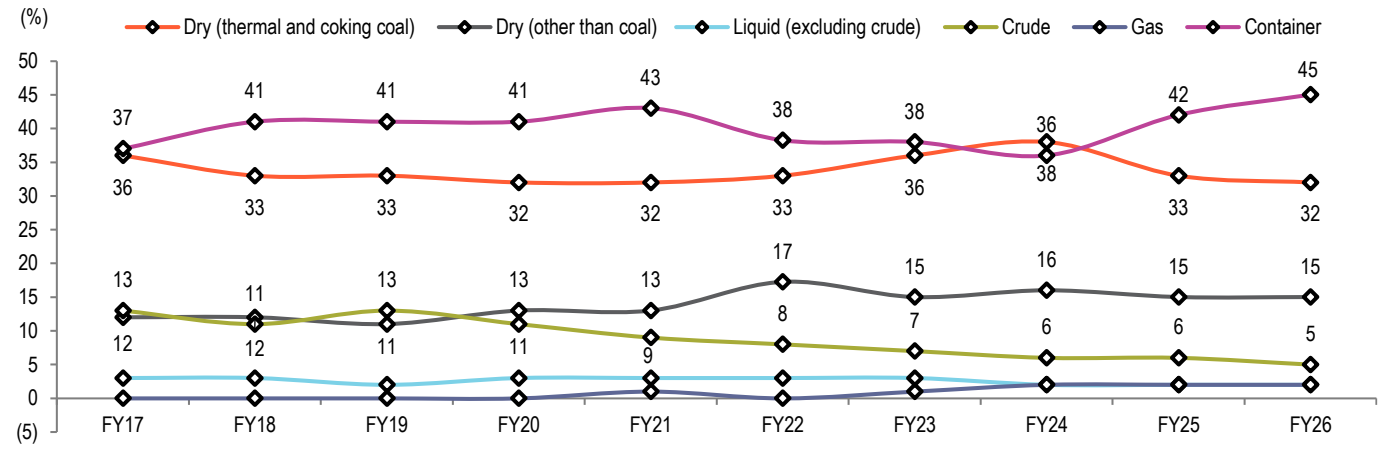
Source: Company, BOBCAPS Research

Fig 9 – Evolving Cargo Mix by Coast



Source: Company, BOBCAPS Research

Fig 10 – Commodity mix over the years

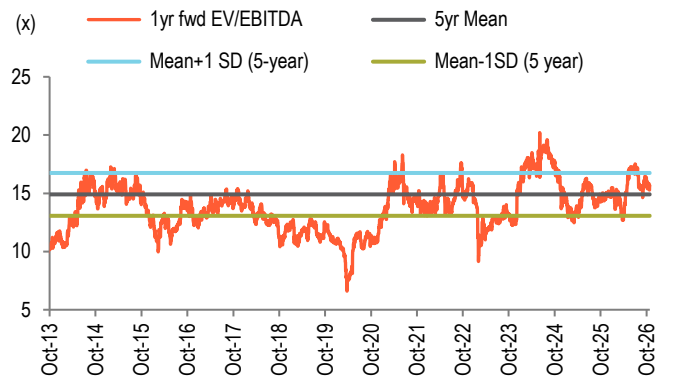


Source: Company, BOBCAPS Research

Valuation methodology

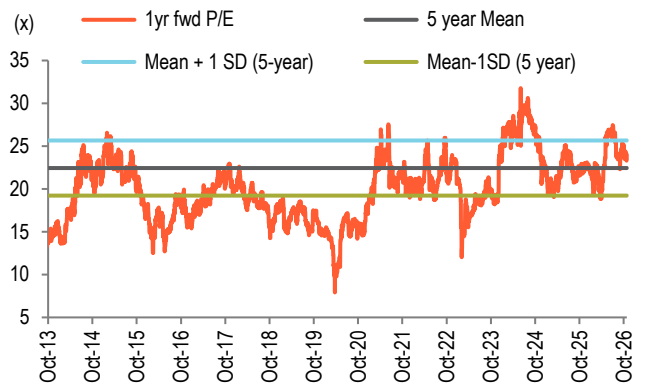
We raise FY27E/FY28E/FY29E volume by 4%/2%/4% and EBITDA by 4%/1%/3%, mainly on higher international margins and the raised FY27 guidance. Revenue rises 1%/1%/2% and PAT 6%/1%/5%. We roll forward to Sep-28E EBITDA and keep our 16x 1YF EV/EBITDA multiple. After deducting Sep-28E net debt of Rs 381bn, we arrive at a Sep'27 TP of Rs 2,060 (from Rs 1,900). That is 17% upside at the current price of Rs 1,761 so we upgrade to BUY.

Fig 11 – ADSEZ 1YF EV/EBITDA



Source: Company, BOBCAPS Research

Fig 12 – ADSEZ 1YF P/E



Source: Company, BOBCAPS Research

Fig 13 – Revised estimates

Particulars (Rs mn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Volume	575	642	742	553	627	715	4	2	4
Revenue	4,38,441	5,02,290	5,86,307	4,34,906	4,97,411	5,74,299	1	1	2
EBITDA	2,66,138	3,04,062	3,59,729	2,56,329	3,00,415	3,50,891	4	1	3
EBITDA Margin (%)	60.7	60.5	61.4	58.9	60.4	61.1	176bps	14bps	26bps
PAT	1,43,779	1,69,313	1,96,591	1,35,638	1,68,444	1,86,350	6	1	5

Source: BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**3,04,753**	**3,87,358**	**4,38,441**	**5,02,290**	**5,51,534**
EBITDA	1,81,405	2,28,425	2,66,138	3,04,062	3,37,472
Depreciation	43,789	55,174	79,375	89,575	1,01,575
EBIT	1,37,616	1,73,251	1,86,763	2,14,487	2,35,897
Net interest inc./(exp.)	(27,780)	(38,327)	(36,386)	(32,924)	(27,033)
Other inc./(exp.)	13,045	21,186	20,127	19,724	19,330
Exceptional items	(2,462)	8,123	0	0	0
EBT	1,22,848	1,45,909	1,70,504	2,01,286	2,28,193
Income taxes	19,684	20,665	28,986	34,219	38,793
Extraordinary items	(6,033)	0	0	0	0
Min. int./Inc. from assoc.	311	242	(315)	(331)	(331)
Reported net profit	**1,10,923**	**1,28,062**	**1,43,779**	**1,69,313**	**1,91,646**
Adjustments	(6,033)	0	0	0	0
Adjusted net profit	**1,04,890**	**1,28,062**	**1,43,779**	**1,69,313**	**1,91,646**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	27,205	27,362	30,030	34,403	37,776
Other current liabilities	59,637	83,453	83,453	83,453	83,453
Provisions	0	0	0	0	0
Debt funds	4,58,100	5,51,030	5,19,800	4,70,350	3,86,190
Other liabilities	1,12,114	2,01,488	2,01,488	2,01,488	2,01,488
Equity capital	4,320	4,608	4,608	4,608	4,608
Reserves & surplus	6,45,413	9,85,207	11,10,239	12,60,790	14,33,673
Shareholders' fund	6,49,733	9,89,815	11,14,847	12,65,397	14,38,280
Total liab. and equities	**13,06,790**	**18,53,148**	**19,49,618**	**20,55,091**	**21,47,187**
Cash and cash eq.	82,395	84,835	55,390	27,869	65,949
Accounts receivables	44,324	63,825	78,079	89,449	98,218
Inventories	5,218	6,850	7,207	8,257	9,066
Other current assets	1,61,567	64,238	64,357	64,506	64,621
Investments	61,186	41,940	41,940	41,940	41,940
Net fixed assets	8,10,636	10,38,630	11,29,816	12,40,241	13,38,666
CWIP	1,17,061	1,26,721	1,26,721	1,26,721	1,26,721
Intangible assets	70,936	2,78,064	2,98,064	3,08,064	3,18,064
Deferred tax assets, net	(46,533)	22,162	22,162	22,162	22,162
Other assets	0	1,25,882	1,25,882	1,25,882	1,25,882
Total assets	**13,06,790**	**18,53,148**	**19,49,618**	**20,55,091**	**22,11,289**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**1,72,263**	**2,03,563**	**2,25,091**	**2,61,648**	**2,92,358**
Capital expenditures	(80,489)	(1,52,446)	(1,70,000)	(2,00,000)	(2,00,000)
Change in investments	(17,384)	10,568	0	0	0
Other investing cash flows	0	9,972	40,127	29,724	29,330
Cash flow from investing	**(97,873)**	**(1,31,907)**	**(1,29,873)**	**(1,70,276)**	**(1,70,670)**
Equities issued/Others	0	441	0	0	0
Debt raised/repaid	(24,741)	3,815	(31,230)	(49,450)	(84,160)
Interest expenses	0	0	0	0	0
Dividends paid	0	0	0	0	0
Other financing cash flows	(44,414)	(59,089)	(54,818)	(51,356)	(45,465)
Cash flow from financing	**(69,155)**	**(54,834)**	**(86,048)**	**(1,00,806)**	**(1,29,625)**
Chg in cash & cash eq.	**5,235**	**16,822**	**9,170**	**(9,435)**	**(7,938)**
Closing cash & cash eq.	**82,395**	**84,835**	**55,390**	**27,869**	**65,949**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	48.1	55.6	62.4	73.5	83.2
Adjusted EPS	45.5	55.6	62.4	73.5	83.2
Dividend per share	10.0	7.5	8.0	8.0	8.0
Book value per share	271.0	417.2	471.6	537.1	612.3

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	12.1	9.4	8.2	7.2	6.7
EV/EBITDA	20.3	15.9	13.5	11.9	10.9
Adjusted P/E	38.7	31.7	28.2	24.0	21.2
P/BV	6.5	4.2	3.7	3.3	2.9

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	90.3	87.8	84.3	84.1	84.0
Interest burden (PBT/EBIT)	89.3	84.2	91.3	93.8	96.7
EBIT margin (EBIT/Revenue)	45.2	44.7	42.6	42.7	42.8
Asset turnover (Rev./Avg TA)	24.8	24.5	23.1	25.1	26.2
Leverage (Avg TA/Avg Equity)	2.1	2.0	1.9	1.7	1.6
Adjusted ROAE	18.2	16.2	14.0	14.6	14.5

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	14.1	27.1	13.2	14.6	9.8
EBITDA	15.2	25.9	16.5	14.2	11.0
Adjusted EPS	10.1	22.1	12.3	17.8	13.2
Profitability & Return ratios (%)					
EBITDA margin	59.5	59.0	60.7	60.5	61.2
EBIT margin	45.2	44.7	42.6	42.7	42.8
Adjusted profit margin	34.4	33.1	32.8	33.7	34.7
Adjusted ROAE	18.2	16.2	14.0	14.6	14.5
ROCE	12.2	12.9	11.0	11.7	12.1
Working capital days (days)					
Receivables	53	60	65	65	65
Inventory	6	6	6	6	6
Payables	33	26	25	25	25
Ratios (x)					
Gross asset turnover	0.3	0.3	0.3	0.3	0.3
Current ratio	3.4	2.0	1.8	1.6	2.0
Net interest coverage ratio	5.0	4.5	5.1	6.5	8.7
Adjusted debt/equity	0.6	0.5	0.4	0.4	0.2

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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BUY – Expected return >+15%

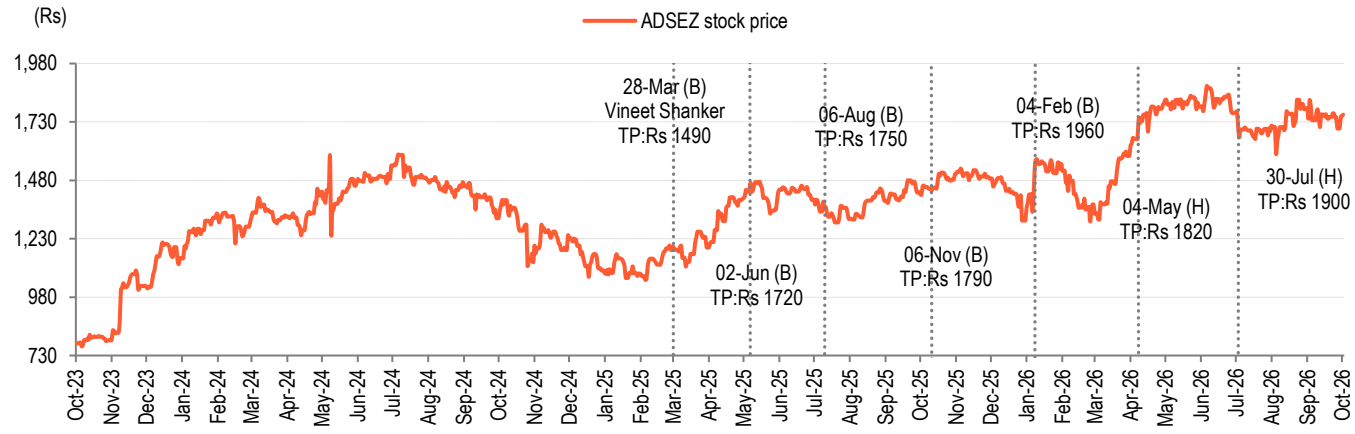
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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Ratings and Target Price (3-year history): ADANI PORTS (ADSEZ IN)



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