CMP: ₹ 1660 | Target ₹ 2050 (23%) | Target Period: 12 months | BUY

July 31, 2026

Weathering global crisis effectively…

About the stock: Adani Ports & SEZ ltd (APSEZ) is the largest commercial port operator in the country, handling more than 27% of the total cargo volume as on FY26. It owns more than 15 Ports & Terminals, with a combined capacity of 653 MTPA, across seven states. Its other businesses include logistics and marine.

Q1FY27 performance: Adani Ports reported healthy consolidated revenue growth of 19% YoY at ₹ 10,820 crore for Q1FY27 aided by strong revenue growth in international ports (+80% YoY) and marine business (+67% YoY) verticals in Q1FY27. On a segmental basis Domestic Ports/ International Ports /Logistics /Marine – Up 12%/80%/0.3%/67% YoY at ₹ 6964 /₹ 1747 /₹ 1173 /₹ 901 crore respectively. International Ports revenues were driven by cargo volume of 22.8 MMT vs 7.7 MMT in Q1FY26 driven by addition of NQXT, Australia and ramp up in Columbo. Marine operations growth driven by ongoing vessel additions (135 vessels vs 118 vessels in Q1FY26). All India cargo market share at 27.6% vs 27.8% in Q1FY26. Consolidated EBITDA was up 19% YoY at ₹ 6540 crore (EBITDA margins up 23 bps YoY to 60.4%). Notably, International ports/ Marine EBITDA margins improved to 42%/45% vs 21%/27% in Q1FY26. Overall, its consolidated PAT grew by 10% YoY to ₹ 3649 crore PAT margins down 388 bps YoY (+247 bps QoQ) to 31%.

Investment Rationale:

- **International ports and Marine boost revenues and EBITDA:** International ports and Marine business registered strong revenue growth of 80%/ 67% YoY while international ports reported over 20 ppts YoY rise in EBITDA margins to 41.8%. Consolidation of NQXT Australia (from Q4FY26) and ramp-up at Colombo drove overall international revenues and EBITDA margin expansion. Domestic volumes (up 2% YoY) stayed affected by middle-east conflict although higher realisations (up 11% YoY) led by cargo mix, premium service charges for containers and associate business services drove domestic ports revenues (up 12% YoY). APSEZ retained its FY27 guidance for revenues of ₹ 43000-45000 crore (+11-16% YoY) and EBITDA of ₹ 25000-26000 crore (+9-14% YoY).
- **Retains ₹ 90,000-1,00,000 crore capex over FY27-FY31:** It reiterated its FY31 vision to achieve 1 billion metric tonne (FY26 – 500 MMT) while scaling up its network across Marine (136 to 200+ vessels), Trains & Tracks (132 to 200 rakes), Multi-Modal Logistics Parks (12 to 16 MMLPs), Warehouses (3.1 msf to 12 msf) and Trucks (937 to 2000 owned trucks). APSEZ targets to grow its revenues/EBITDA/Net CFO at a CAGR of 19%/18%/18% over FY26-FY31 led by strong growth envisaged across Ports (17%/18% CAGR in revenue/EBITDA), Logistics (34%/27%) and Marine (17%/19%). It would be incurring capex of ₹ 90,000-1,00,000 lakh crore over FY27-FY31 across Domestic ports (₹ 60,000-63,000 crore), International Ports (₹ 6000-7000 crore), Logistics (₹ 7000-9000 crore), Marine (₹ 11000-13000 crore) and Others (₹ 6000-8000 crore).

Rating and Target Price:

- We retain our BUY rating with an unchanged Target Price of ₹ 2050/- i.e. 17x EV/EBITDA on FY28E

adani Ports and Logistics

Result Update

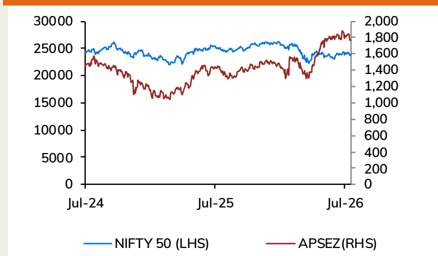
Market data

Particulars	Rs. in crore
Market Capitalisation	3,83,079
Debt (FY26)	47,969
Cash (FY26)	12,151
EV	4,18,897
52 Week H/L (Rs.)	1892/1548
Equity Capital	461
Face Value (Rs.)	2

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoter	65.9	68.0	68.0	66.0
FII	13.6	13.1	13.3	15.6
DII	15.0	13.9	13.9	13.6
Others	5.5	5.0	4.9	4.8

Price Chart



Key risks

(i) Lower than anticipated Cargo volume growth & slower economy growth

(ii) Inability to scale up its logistics & marine businesses

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ICICI Securities – Retail Equity Research

Key Financial Summary

Particulars (₹ crore)	FY23	FY24	FY25	FY26	3-year CAGR (FY23-26)	FY27E	FY28E	2-year CAGR (FY26-28E)
Revenues	20,852	26,711	31,078	38,736	23%	45,083	51,521	15%
EBIDTA	12,833	15,864	19,024	22,851	21%	26,337	29,712	14%
EBIDTA Margins (%)	61.5	59.4	61.2	59.0%		58.4%	57.7%	
Adjusted PAT	5,391	8,111	11,058	12,805	33%	15,606	18,475	20%
EPS (Rs.)	24.6	37.5	48.0	55.5		67.6	80.1	
EV to EBIDTA (x)	33.7	26.9	22.4	18.8		16.3	14.3	
RoNW (%)	11.6	15.3	17.7	13.4		14.2	14.7	
RoCE (%)	11.0	12.8	13.8	12.3		13.1	13.5	

Source: Company, ICICI Direct Research

Q1FY27 – Earnings call summary

- **Guidance**: The company has maintained its Revenue and EBITDA guidance of ₹ 43000 - ₹ 45000 crore and ₹ 25000 - ₹ 26000 crore for FY27 on unstable geopolitical environment despite healthy performance in Q1FY27. Company plans to undertake capital expenditure of ₹ 12000 - ₹ 14000 crore.
- **Financial & Operational Performance (Port Segment):**
  - Domestic Ports revenue for Q1FY27 increased by 12% YoY to ₹ 6964 crore led by better product mix (increase in liquid cargo) and associated port services. Domestic ports EBITDA margin stood at 74% for Q1FY27 (vs. 74.8% in Q1FY26). Domestic ports capacity at 653 MMT.
  - International Ports revenue for Q1FY27 increased 80% YoY to ₹ 1747 crore driven by NQXT acquisition and Colombo operations ramp up. International volumes jumped 2.96x YoY to 22.8 MMT. International EBITDA for Q1FY27 jumped 2.6x to ₹ 730 crore and EBITDA margins at 42% (Q1FY26 at 21%).
  - Handled 138.1 MMT (+14.5% YoY) cargo volume in Q1FY27 vs (120.6 MMT in Q1FY26).
  - All-India cargo market share at 27.6% vs 27.8% in Q1FY26. All India Container market share at 44.8% versus 45.2% in Q1FY26.
- **Marine Segment:**
  - Revenue reported strong 67% YoY growth in revenues to ₹ 901 crore, driven by vessel acquisitions.
  - Total vessel counts stands at 135 in Q1FY27 vs 118 in Q1FY26.
  - EBITDA grew 181% YoY to ₹ 404 crore, EBITDA margins at 45% in Q1FY27.
- **Logistics Segment:**
  - Revenue for Q1FY27 marginally up 0.3% YoY to ₹ 1173 crore as TEU rail volumes were impacted due to middle east crisis. EBITDA grew 3.3% YoY to ₹ 219 crore
  - Handled 145,310 TEUs of container rail volume (vs 179479 for Q1FY26)
- **Mergers and acquisitions:**
  - Management is actively exploring international expansion opportunities, driven by a strong balance sheet and future cash flow for inorganic growth. Company emphasized that long-term value creation through ensuring opportunities qualify specific criteria such as: location on key route (eg: east to west), offer development of comprehensive port ecosystem, contributing to both top-line & bottom-line, being financed in local currency and generating returns at or above the APSEZ average after adjusting for financial parameters.

Exhibit 1: Valuation mix

Particulars	Q1FY27	Q1FY26	YoY (Chg %)	Q4FY26	QoQ (Chg %)	Comments
Revenue from Operations	**10,820**	**9,126**	**19%**	**9,705**	**11.5%**	Healthy revenue growth led by international ports and Marine Segment
Operating Expenses	3,018	2,526	19%	2,880	4.8%	
Employee Expenses	682	569	20%	563	21.0%	
Other Expenditure	581	535	9%	475	22.3%	
Total Expense	4,280	3,631	18%	3,919	9.2%	
EBITDA	**6,540**	**5,495**	**19%**	**5,786**	**13.0%**	
EBITDA Margin (%)	60.4%	60.2%	23bps	59.6%	82bps	EBITDA margins improved marginally on better product mix
Foreign Exchange (Gain)/Loss	(268)	(324)	-17%	(82)	228.2%	
Depreciation	1,711	1,255	36%	1,384	23.6%	
Interest	1,087	846	28%	980	11.0%	
Other Income	853	296	188%	234	264.4%	
Less: Exceptional Items	-	-	-	(146)	-	
PBT	**4,307**	**3,848**	**12%**	**3,611**	**19.3%**	
Total Tax	658	537	22%	568	15.9%	
Reported PAT	**3,620**	**3,311**	**9%**	**3,043**	**19.0%**	

Source: Company, ICICI Direct Research

Financial summary

Exhibit 2: Profit and loss statement				₹ crore
(Year-end March)	FY25	FY26	FY27E	FY28E
Total Operating Income	**31077.8**	**38735.8**	**45083.3**	**51520.7**
Growth (%)	16.4%	24.6%	16.4%	14.3%
Operating Expenses	8069.8	11234.3	12172.5	13910.6
Gross Profit	23008.1	27501.4	32910.8	37610.1
Gross Profit Margins (%)	74.2%	73.0%	73.0%	73.0%
Total Operating Expenditure	12054.0	15884.4	18746.1	21808.5
EBITDA	**19023.9**	**22851.4**	**26337.2**	**29712.2**
Growth (%)	19.9%	20.1%	15.3%	12.8%
Foreign Exchange Gain/(Loss)	280.9	9.0	0.0	0.0
Interest	2778.0	3832.7	3719.9	3409.7
Depreciation	4378.9	5517.4	5972.9	6428.5
Other Income	1304.5	2117.8	1892.4	2162.6
PBT before Exceptional item	**13278.3**	**15055.5**	**18794.4**	**22294.2**
Total tax	1968.4	2066.5	3420.4	4050.3
PAT before minority interest	11060.5	12781.2	15581.7	18451.5
Minority interest	-28.0	-23.8	-23.8	-23.8
Profit from associates	141.6	257.6	257.6	257.6
PAT	**11058.0**	**12805.1**	**15605.5**	**18475.4**
Growth (%)	36.3%	15.8%	21.9%	18.4%
EPS (Adjusted)	**48.0**	**55.5**	**67.6**	**80.1**

Source: Company, ICICI Direct Research

Exhibit 3: Cash flow statement				₹ crore
(Year-end March)	FY25	FY26	FY27E	FY28E
Profit/loss after taxation	11565	13334	15606	18475
Add: Depreciation & Amortization	4379	5517	5973	6428
Add: Interest Paid	2778	3833	3720	3410
Net Increase in current assets	-1343	-2654	-1414	-1443
Net Increase in current Liabilities	972	-348	771	784
Others	-1125	674	0	0
CF from operating activities	**17226**	**20356**	**24655**	**27654**
(Purchase)/Sale of Fixed Assets	-7998	-15245	-12000	-12000
Long term Loans & Advances	72	-209	233	0
Investments	-71	-467	0	0
Others	-3339	2926	0	0
CF from Investing activities	**-11337**	**-12995**	**-11647**	**-11878**
Inc /(Dec) in Loan	-2861	381	-8285	-3514
Dividend	-1336	-1535	-2119	-2509
Less: Interest Paid	-2579	-3139	-3720	-3410
Others	-527	-1235	0	0
CF from Financing activities	**-7302**	**-5527**	**-14124**	**-9433**
Net Cash Flow	-1026	1878	-1115	6343
Cash and Cash Equivalent	7632	6606	8484	7368

Source: Company, ICICI Direct Research

Exhibit 4: Balance sheet				₹ crore
(Year-end March)	FY25	FY26	FY27E	FY28E
Equity Capital	432	461	461	461
Reserve and Surplus	62003	95665	109151	125117
Total Shareholders funds	**62435**	**96125**	**109612**	**125578**
Minority Interest	2538	2856	2880	2904
Total Debt	**45810**	**55103**	**46818**	**43305**
Deferred Tax Liability	4653	7564	7564	7564
Long-Term Provisions	1149	1454	1483	1513
Other Non Current Liabilities	2350	3345	3412	3480
Total Liabilities	**118936**	**166447**	**171768**	**184342**
Gross Block - Fixed Assets	100428	145340	157340	169340
Accumulated Depreciation	17906	23423	29396	35824
Net Block	82523	121917	127944	133515
Capital WIP	11706	12689	12689	12689
Fixed Assets	**94229**	**134606**	**140633**	**146204**
Goodwill & Other intangible assets	7094	9736	9736	9736
Investments	4659	5449	5449	5449
Other non-Current Assets	11158	14804	14571	14571
Inventory	522	685	797	911
Debtors	4432	6383	7428	8489
Other Current Assets	6272	5079	5333	5599
Loans & Advances	360	90	92	94
Cash	6606	8484	7368	13711
Total Current Assets	**18192**	**20720**	**21019**	**28805**
Creditors	2721	2736	3185	3639
Provisions	237	139	141	144
Other Current Liabilities	13439	15993	16313	16639
Total Current Liabilities	**16396**	**18868**	**19639**	**20423**
Net Current Assets	1796	1852	1380	8382
Application of Funds	**118936**	**166447**	**171768**	**184342**

Source: Company, ICICI Direct Research

Exhibit 5: Key ratios				
(Year-end March)	FY25	FY26	FY27E	FY28E
Per share data (₹)				
Adjusted EPS	48.0	55.6	67.7	80.2
Cash EPS	41.5	48.1	58.5	69.3
BV per share	271.0	415.2	475.8	545.1
Cash per Share	28.7	36.8	32.0	59.5
Dividend per share	6.5	7.5	9.2	10.9
Operating Ratios (%)				
Gross Profit Margins	74.0	71.0	73.0	73.0
Operating EBIDTA margins (%)	61.2	59.0	58.4	57.7
(Adjusted) PAT Margins	35.6	33.1	34.6	35.9
Cash Conversion Cycle	6	6	6	6
Fixed asset turnover (x)	0.27	0.25	0.27	0.27
Return Ratios (%)				
RoE	17.7	13.4	14.2	14.7
RoCE	13.8	12.3	13.1	13.5
RoIC	15.3	12.9	13.8	14.6
Valuation Ratios (x)				
P/E	37.5	32.4	26.6	22.5
EV / EBITDA	22.4	18.8	16.3	14.3
EV / Net Sales	13.7	11.1	9.5	8.3
Market Cap / Sales	12.5	10.0	8.6	7.5
Price to Book Value	6.6	4.3	3.8	3.3
Solvency Ratios				
Debt / EBITDA	2.4	2.3	1.9	1.8
Debt / Equity	0.7	0.5	0.5	0.4

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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