

December 24, 2025

Event Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	1,876		1,777	
Sales (Rs. m)	4,50,817	5,27,080	4,29,731	4,99,682
% Chng.	4.9	5.5		
EBITDA (Rs. m)	2,64,433	3,05,794	2,50,970	2,88,492
% Chng.	5.4	6.0		
EPS (Rs.)	74.8	89.8	74.3	88.7
% Chng.	0.7	1.3		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	3,10,786	3,90,716	4,50,817	5,27,080
EBITDA (Rs. m)	1,87,438	2,31,946	2,64,433	3,05,794
Margin (%)	60.3	59.4	58.7	58.0
PAT (Rs. m)	1,13,037	1,44,490	1,72,410	2,06,856
EPS (Rs.)	52.3	62.7	74.8	89.8
Gr. (%)	34.4	19.8	19.3	20.0
DPS (Rs.)	7.0	8.0	9.0	10.0
Yield (%)	0.5	0.5	0.6	0.7
RoE (%)	19.6	21.0	20.9	20.8
RoCE (%)	13.8	16.1	17.1	18.1
EV/Sales (x)	11.5	9.6	8.1	6.6
EV/EBITDA (x)	19.1	16.1	13.8	11.4
PE (x)	28.5	23.8	20.0	16.6
P/BV (x)	5.2	4.6	3.8	3.2

Key Data

APSE.BO | ADSEZ IN

52-W High / Low	Rs.1,549 / Rs.1,011
Sensex / Nifty	85,525 / 26,177
Market Cap	Rs.3,226bn / \$ 35,985m
Shares Outstanding	2,160m
3M Avg. Daily Value	Rs.3181.33m

Shareholding Pattern (%)

Promoter's	65.89
Foreign	13.61
Domestic Institution	15.03
Public & Others	5.47
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	0.9	10.2	25.3
Relative	0.6	5.6	15.1

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NQXT in, strong volume & EBITDA/t continue

Quick Pointers:

- Adds a high-margin (~65%+ EBITDA), long-life (~85 years) NQXT port with stable, dollar-linked cash flows.
- Acquired at ~17x FY25 EV/EBITDA, strengthening ADSEZ's East-West trade corridor presence and long-term growth profile.

Adani Ports & SEZ (ADSEZ) has completed the acquisition of North Queensland Export Terminal (NQXT), marking a key milestone in its international expansion strategy and strengthening its long-duration, dollar-linked cash flow base. The acquisition adds a high-quality, cash-generative export terminal with take-or-pay contracts, a long remaining lease life (~85 years) and strong growth visibility, while remaining largely balance-sheet neutral given the equity-funded structure. Strategically located along the East-West trade corridor, NQXT meaningfully enhances ADSEZ's international portfolio and is expected to drive a higher contribution from overseas assets toward incremental growth. With EBITDA margins of ~65%+, NQXT is margin-accretive and should aid a steady improvement in international ports EBITDA margins as the overseas portfolio scales up.

Although we had assumed consummation of NQXT in FY26, we had built in conservative volume numbers at few other ports and logistics business considering overall uncertainty led by US tariffs and few issues at domestic ports. Seeing ADSEZ's monthly volume run-rate and H1 profitability, we have raised our FY26/27/28E estimates by ~5-6%; as a) we raise volumes at KP & Gangavaram ports, b) adjust margins as per H1 run-rate for few others and c) increase revenue run-rate for its Harbour and logistics businesses considering ADSEZ's elevated focus on these businesses. INR has depreciated 5% since Apr'25 against AUD which would aid NQXT consolidation. We maintain 'Buy' with revised TP of Rs1,876 (earlier Rs1,777) valuing at 18x EV of Sep'27E EBITDA. At CMP, the stock is trading at EV of 13.8x/11.4x FY27/28E EBITDA. Maintain Buy.

- **Balance-sheet neutral, equity-funded transaction:** The acquisition has been executed via preferential allotment of equity shares, with no cash outflow at the APSEZ level. While NQXT's existing net debt is consolidated, it is fully reflected in the transaction EV and supported by stable contracted cash flows. Management has also indicated monetisation of non-core assets and liabilities at the acquired entity, keeping consolidated leverage broadly stable post-acquisition. Board Approved 153 equity shares of ADSEZ for 1000 shares of APPH which will lead to issuance of new 143.8mn equity shares (6.7% dilution).
- **High quality with strong earnings visibility:** NQXT is a 50mtpa natural deep-water export terminal, with ~40mtpa already tied up under long-term take-or-pay contracts, providing high revenue and EBITDA visibility. The asset delivered ~AUD228mn EBITDA in FY25 and is expected to scale EBITDA to ~AUD400mn over the next 4 years, driven by higher contracted capacity, renewals and operating leverage. This implies an attractive ~10x EV/EBITDA on FY29E, which we view as competitive for a long-life, infrastructure asset with dollar-denominated cash flows.

Exhibit 1: NQXT Financials

Particulars	FY12	FY13	FY24	FY25
Contracted Capacity: (mtpa)	24.5	31.6	38.2	39.7
Throughput (mt)	13.3	15.7	34.7	35.0
Total Income (AUD mn)	114	190	315	349
EBITDA (AUD mn)	63	124	214	228
Avg AUD/INR rate	50.03	56.11	54.47	55.15
EBITDA (Rs mn)	3,152	6,958	11,657	12,574

Source: Company, PL; INR depreciated 5% to 59.86 today

Exhibit 2: Transaction Valuation

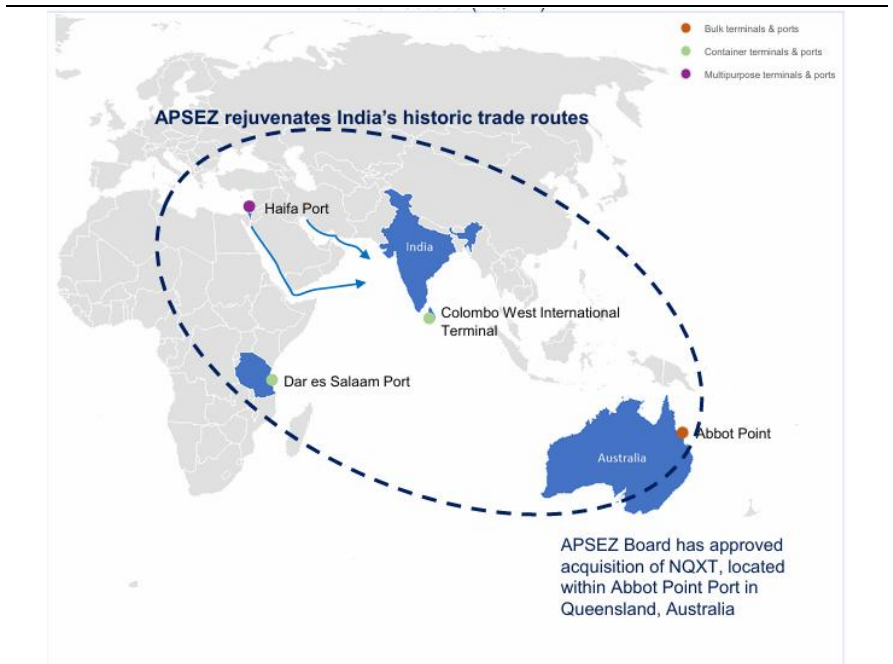
Transaction Overview	AUD mn	USD mn	INR mn
Enterprise Value of NQXT	3,975	2,504	2,19,221
Net Debt and others	819	516	45,168
Equity Value of NQXT	3,156	1,988	1,74,053
EBITDA	228	144	12,574

EV/EBITDA (x) 17.4x

Source: Company, PL

- **Strategic fit strengthens international platform:** NQXT enhances APSEZ's presence across the East–West trade corridor, adding to its international ports portfolio of Haifa, Colombo and Tanzania, while adding exposure to resource-rich Queensland with strong demand linkages to Asian markets. Over the medium term, the asset provides optionality for capacity expansion and diversification into new export streams, supporting APSEZ's long-term international growth roadmap. The transaction values NQXT at an enterprise value of ~AUD3.975bn, implying ~17x FY25 EBITDA and ~10x EV/EBITDA on FY29E EBITDA, which we view as attractive relative to comparable international port transactions.

Exhibit 3: Well diversified international port portfolio



Source: Company, PL

Exhibit 4: NQXT Port - Overview

NQXT, is a natural deep-water, **multi-user export terminal** with a nameplate capacity of 50 MTPA

NQXT is Australia's northernmost resources export terminal. It is located in the Port of Abbot Point, approximately 25 km north of Bowen, in North Queensland on Australia's east coast.

NQXT is under a long-term lease from the Queensland Government and is a critical infrastructure asset supporting Australia's significant resource industry.

The **lease expires in year 2110**. Long remaining lease life is 85 years.

NQXT provides strategic access to users under long term "take or pay" contracts. For FY25, contracted capacity stood at 40 MMT.

The terminal features **state-of-the-art equipment** and has delivered excellent **environmental and safety standards**

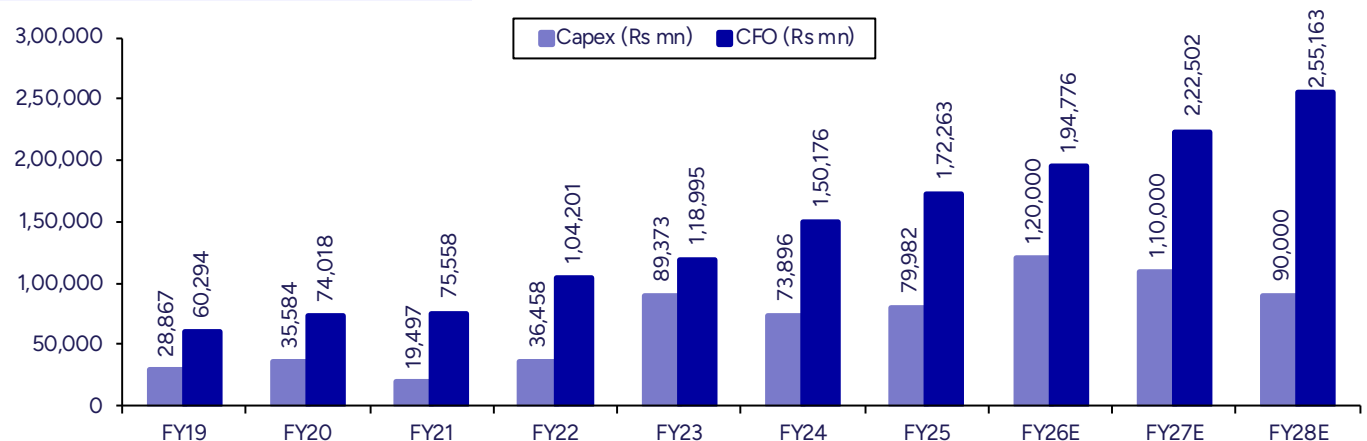
NQXT has an identified pathway and capability to grow throughput up to 120 MTPA to meet the global demand for Queensland's high-quality resources including for potential green hydrogen exports



Source: Company, PL

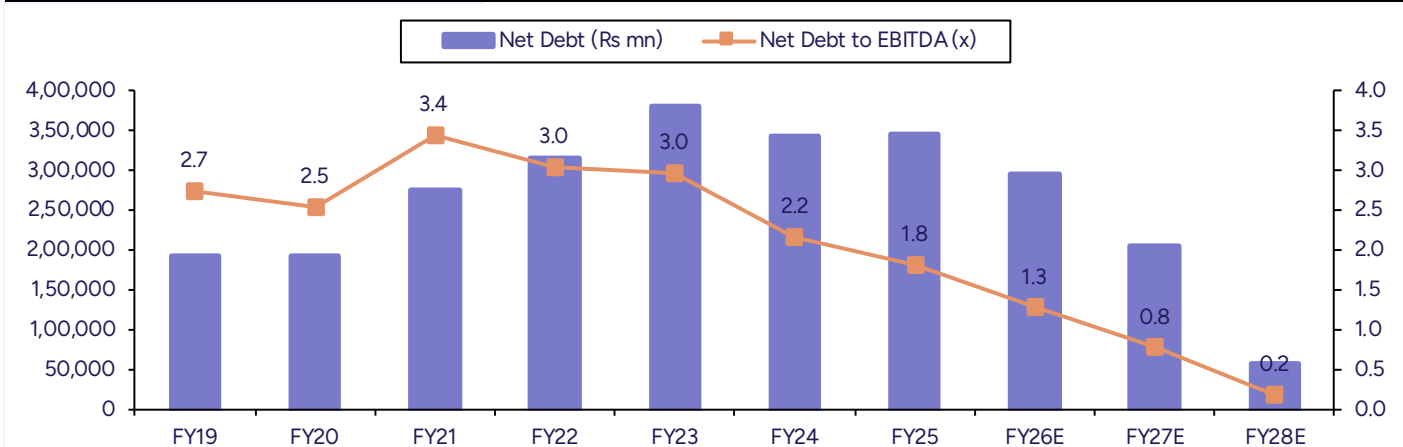
- Strong CFO generation to support capex; leverage to remain comfortable:**
 Despite an elevated capex cycle, ADSEZ is expected to continue generating robust operating cash flows, led by steady 8-10% volume growth at domestic ports, rising containerization, higher-margin marine services, rapid scale-up in logistics, and improving contribution from international ports. This strong CFO profile provides headroom to fund growth while keeping leverage in check, with net debt/EBITDA expected to remain below the company's guided ceiling of 2.5x, preserving balance-sheet flexibility.

Exhibit 5: Robust Cash flow generation to support capex



Source: Company, PL

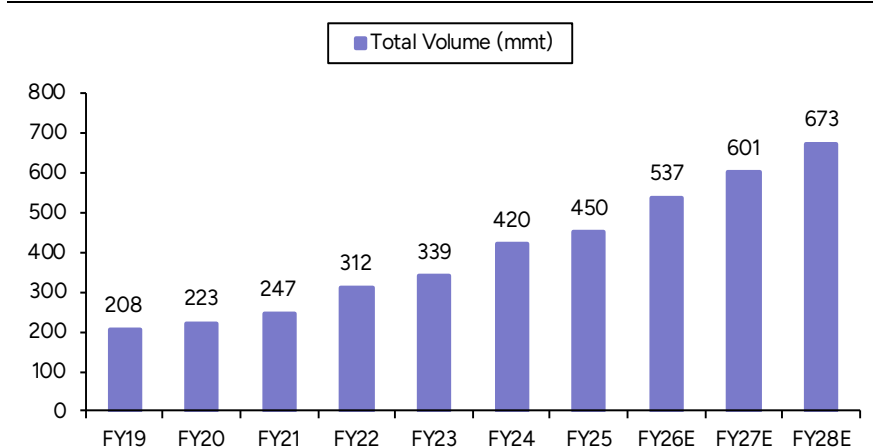
Exhibit 6: Deleveraging to continue led by robust cash flow generation assuming no inorganic expansion



Source: Company, PL

- Improvement in volume growth visibility:** The acquisition of NQXT is expected to drive incremental volume growth for ADSEZ, strengthening the international contribution alongside steady domestic port ramp-up. Reflecting this, management has raised its FY26 cargo volume guidance to 545–555mmt (from 505–515mmt earlier), underpinned by good demand across domestic ports, improving container throughput and the addition of international volumes. We believe this provides better medium-term visibility on volumes and supports ADSEZ's path toward its 1bn-tonne target by 2030.

Exhibit 7: Total volumes to grow at 14% CAGR over FY25-28E (incl NQXT)



Source: Company, PL

Exhibit 8: Target Price Calculation

	Sept'27E EBITDA	Valuation basis	Target multiple (x)	Targeted value (Rs mn)	Value/Share
Ports	2,23,116	EV/EBITDA	18	40,16,080	1,743
JV Terminals	2,131	EV/EBITDA	18	38,350	17
Logistics and others	47,893	EV/EBITDA	10	4,78,928	208
Land bank				11,000	5
Less: Net Debt				2,04,031	89
Less: Minority interest				19,175	8
Equity value/share					1,876

Source: PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	3,10,786	3,90,716	4,50,817	5,27,080
YoY gr. (%)	16.4	25.7	15.4	16.9
Cost of Goods Sold	80,698	1,10,032	1,30,113	1,55,813
Gross Profit	2,30,089	2,80,684	3,20,704	3,71,267
Margin (%)	74.0	71.8	71.1	70.4
Employee Cost	20,087	23,536	27,192	31,475
Other Expenses	22,564	25,202	29,079	33,998
EBITDA	1,87,438	2,31,946	2,64,433	3,05,794
YoY gr. (%)	19.0	23.7	14.0	15.6
Margin (%)	60.3	59.4	58.7	58.0
Depreciation and Amortization	43,789	50,370	55,491	60,819
EBIT	1,43,649	1,81,576	2,08,942	2,44,975
Margin (%)	46.2	46.5	46.3	46.5
Net Interest	25,318	24,576	22,530	20,499
Other Income	13,045	17,582	22,541	26,354
Profit Before Tax	1,28,881	1,74,583	2,08,953	2,50,829
Margin (%)	41.5	44.7	46.3	47.6
Total Tax	19,684	31,425	37,611	45,149
Effective tax rate (%)	15.3	18.0	18.0	18.0
Profit after tax	1,09,197	1,43,158	1,71,341	2,05,680
Minority interest	(311)	(342)	(376)	(413)
Share Profit from Associate	1,416	991	694	763
Adjusted PAT	1,13,037	1,44,490	1,72,410	2,06,856
YoY gr. (%)	34.4	27.8	19.3	20.0
Margin (%)	36.4	37.0	38.2	39.2
Extra Ord. Income / (Exp)	(2,114)	-	-	-
Reported PAT	1,10,923	1,44,490	1,72,410	2,06,856
YoY gr. (%)	36.8	30.3	19.3	20.0
Margin (%)	35.7	37.0	38.2	39.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,10,923	1,44,490	1,72,410	2,06,856
Equity Shares O/s (m)	2,160	2,304	2,304	2,304
EPS (Rs)	52.3	62.7	74.8	89.8

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	10,27,763	11,27,763	12,27,763	13,17,763
Tangibles	8,75,140	9,75,140	10,75,140	11,65,140
Intangibles	1,52,623	1,52,623	1,52,623	1,52,623
Acc: Dep / Amortization	2,15,989	2,66,358	3,21,849	3,82,668
Tangibles	1,89,420	2,39,790	2,95,281	3,56,099
Intangibles	26,568	26,568	26,568	26,568
Net fixed assets	8,11,775	8,61,405	9,05,914	9,35,096
Tangibles	6,85,720	7,35,350	7,79,859	8,09,041
Intangibles	1,26,055	1,26,055	1,26,055	1,26,055
Capital Work In Progress	1,15,922	1,35,922	1,45,922	1,45,922
Goodwill	70,936	70,936	70,936	70,936
Non-Current Investments	21,873	21,873	21,873	21,873
Net Deferred tax assets	(27,637)	(27,637)	(27,637)	(27,637)
Other Non-Current Assets	85,404	85,404	85,404	85,404
Current Assets				
Investments	46,595	46,595	46,595	46,595
Inventories	5,218	6,560	7,569	8,850
Trade receivables	44,324	55,723	64,294	75,171
Cash & Bank Balance	66,060	75,698	1,27,475	2,35,453
Other Current Assets	64,589	64,589	64,589	64,589
Total Assets	13,53,322	14,45,333	15,61,199	17,10,515
Equity				
Equity Share Capital	4,320	4,608	4,608	4,608
Other Equity	6,20,034	7,45,101	8,96,082	10,79,136
Total Network	6,24,354	7,49,709	9,00,690	10,83,744
Non-Current Liabilities				
Long Term borrowings	3,58,307	3,18,307	2,78,307	2,38,307
Provisions	11,494	11,494	11,494	11,494
Other non current liabilities	77,396	77,396	77,396	77,396
Current Liabilities				
ST Debt / Current of LT Debt	99,794	99,794	99,794	99,794
Trade payables	27,205	34,202	39,463	46,139
Other current liabilities	82,861	82,861	82,861	82,861
Total Equity & Liabilities	13,53,322	14,45,333	15,61,199	17,10,515

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	1,30,296	1,74,583	2,08,953	2,50,829
Add. Depreciation	43,789	50,370	55,491	60,819
Add. Interest	27,780	24,576	22,530	20,499
Less Financial Other Income	13,045	17,582	22,541	26,354
Add. Other	(11,248)	(17,582)	(22,541)	(26,354)
Op. profit before WC changes	1,90,618	2,31,946	2,64,433	3,05,794
Net Changes-WC	(3,705)	(5,745)	(4,319)	(5,481)
Direct tax	(14,650)	(31,425)	(37,611)	(45,149)
Net cash from Op. activities	1,72,263	1,94,776	2,22,502	2,55,163
Capital expenditures	(79,982)	(1,20,000)	(1,10,000)	(90,000)
Interest / Dividend Income	-	-	-	-
Others	(17,891)	17,582	22,541	26,354
Net Cash from Invt. activities	(97,873)	(1,02,418)	(87,459)	(63,646)
Issue of share cap. / premium	3,865	288	-	-
Debt changes	(28,606)	(40,000)	(40,000)	(40,000)
Dividend paid	(13,363)	(18,432)	(20,736)	(23,040)
Interest paid	(25,785)	(24,576)	(22,530)	(20,499)
Others	7,805	-	-	-
Net cash from Fin. activities	(56,084)	(82,720)	(83,266)	(83,539)
Net change in cash	18,306	9,639	51,777	1,07,978
Free Cash Flow	92,281	74,776	1,12,502	1,65,163

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	52.3	62.7	74.8	89.8
CEPS	72.6	84.6	98.9	116.2
BVPS	289.0	325.4	390.9	470.4
FCF	42.7	32.5	48.8	71.7
DPS	7.0	8.0	9.0	10.0
Return Ratio(%)				
RoCE	13.8	16.1	17.1	18.1
ROIC	13.2	14.8	16.3	18.8
RoE	19.6	21.0	20.9	20.8
Balance Sheet				
Net Debt : Equity (x)	0.6	0.4	0.2	0.1
Net Working Capital (Days)	26	26	26	26
Valuation(x)				
PER	28.5	23.8	20.0	16.6
P/B	5.2	4.6	3.8	3.2
P/CEPS	20.6	17.7	15.1	12.9
EV/EBITDA	19.1	16.1	13.8	11.4
EV/Sales	11.5	9.6	8.1	6.6
Dividend Yield (%)	0.5	0.5	0.6	0.7

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	79,636	84,884	91,261	91,675
YoY gr. (%)	15.1	23.1	31.2	29.7
Raw Material Expenses	21,325	23,079	25,263	24,964
Gross Profit	58,311	61,806	65,999	66,711
Margin (%)	73.2	72.8	72.3	72.8
EBITDA	48,021	50,060	54,953	57,624
YoY gr. (%)	14.7	23.8	29.5	31.9
Margin (%)	60.3	59.0	60.2	62.9
Depreciation / Depletion	11,058	11,847	12,549	12,635
EBIT	36,963	38,212	42,404	44,989
Margin (%)	46.4	45.0	46.5	49.1
Net Interest	9,233	7,149	8,462	12,229
Other Income	2,234	2,812	2,960	8,366
Profit before Tax	29,685	33,631	36,903	41,126
Margin (%)	37.3	39.6	40.4	44.9
Total Tax	5,015	5,088	5,370	5,701
Effective tax rate (%)	16.9	15.1	14.6	13.9
Profit after Tax	24,670	28,543	31,533	35,426
Minority interest	(19)	89	(40)	112
Share Profit from Associates	514	1,688	1,573	(2,102)
Adjusted PAT	25,434	30,349	33,146	33,212
YoY gr. (%)	15.2	28.5	2.3	33.5
Margin (%)	31.9	35.8	36.3	36.2
Extra Ord. Income / (Exp)	(231)	(207)	-	-
Reported PAT	25,203	30,142	33,146	33,212
YoY gr. (%)	14.1	47.8	6.5	35.8
Margin (%)	31.6	35.5	36.3	36.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	25,203	30,142	33,146	33,212
Avg. Shares O/s (m)	2,160	2,160	2,160	2,160
EPS (Rs)	11.8	14.0	15.3	15.4

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	05-Nov-25	BUY	1,777	1,444
2	07-Oct-25	BUY	1,777	1,400
3	05-Aug-25	BUY	1,777	1,358
4	18-Jul-25	BUY	1,777	1,453

Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,374	1,882
2	Adani Port & SEZ	BUY	1,777	1,444
3	Ambuja Cement	BUY	718	577
4	Dalmia Bharat	Accumulate	2,263	2,024
5	Hindalco Industries	Accumulate	846	790
6	Jindal Stainless	Hold	748	743
7	Jindal Steel	Accumulate	1,151	1,071
8	JSW Infrastructure	BUY	336	265
9	JSW Steel	Hold	1,118	1,166
10	National Aluminium Co.	BUY	281	235
11	NMDC	Accumulate	86	77
12	Nuvoco Vistas Corporation	Accumulate	459	412
13	Shree Cement	Accumulate	29,850	26,100
14	Steel Authority of India	Hold	143	137
15	Tata Steel	Accumulate	188	166
16	Ultratech Cement	BUY	13,625	11,461

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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