



Adani Transmission  
Limited

Debt Presentation

MAY 2020

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04-07

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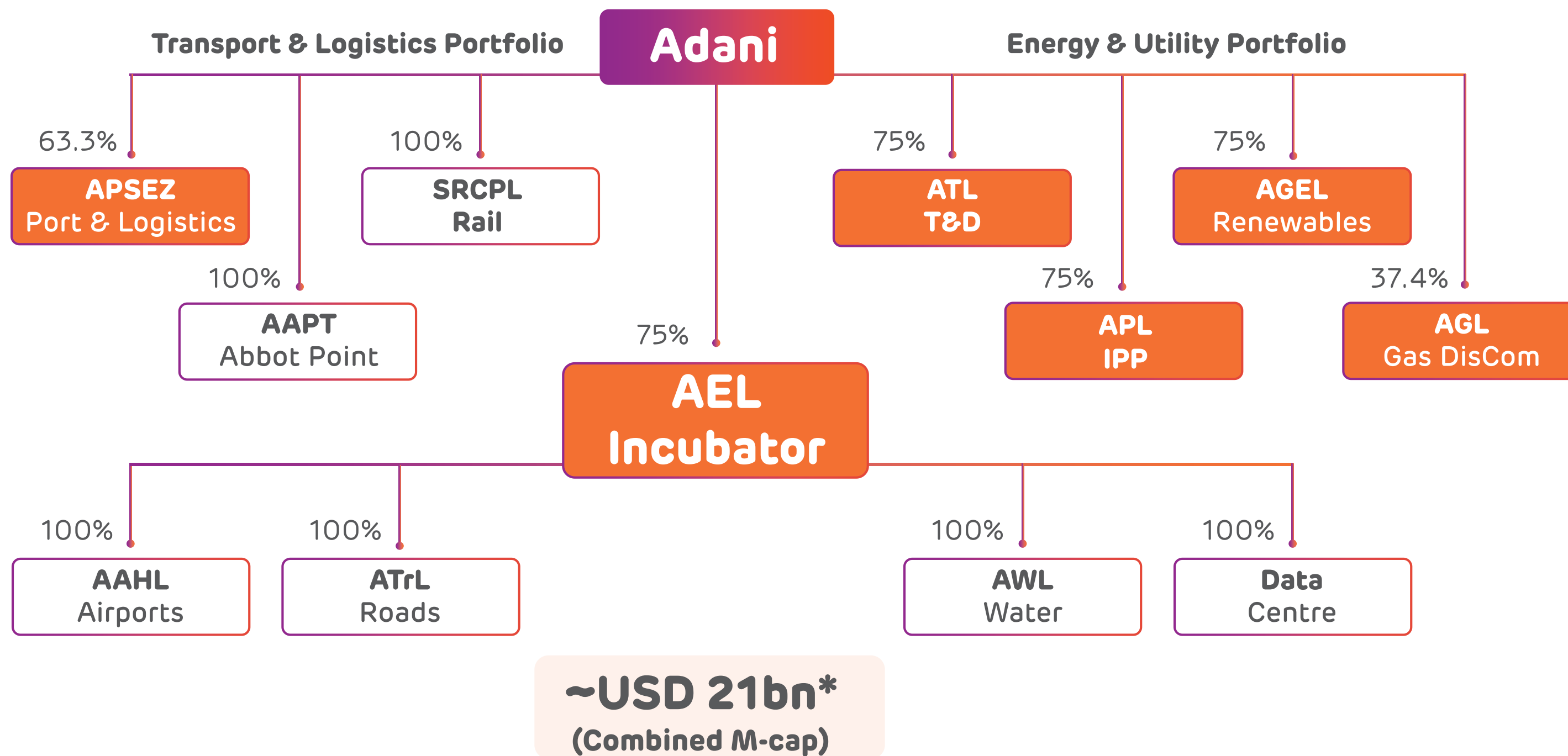
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**adani**  
Transmission

**Adani Group**

# Adani: World class infrastructure & utility portfolio



## Adani

### Philosophical shift from B2B to B2C businesses –

**AGL** – Gas distribution network to serve key geographies across India

**AEML** – Electricity distribution network that powers the financial capital of India

**Adani Airports** – To operate, manage and develop six airports in the country

### Locked in Growth 2020 –





Transport & Logistics - Airports and Roads

Energy & Utility – Water and Data Centre

• Orange colour represent public traded listed vertical | Percentages denote promoter holding

• \* As on April 30, 2020, USD/INR = 75.1

# Adani: Repeatable, robust & proven model to deliver RoE

Phase	Development			Operations	Post Operations
	Origination	Site Development	Construction	Operation	Capital Mgmt
Activity	<ul style="list-style-type: none"> <li>Analysis &amp; market intelligence</li> <li>Viability analysis</li> <li><b>Strategic value</b></li> </ul>	<ul style="list-style-type: none"> <li>Site acquisition</li> <li>Concessions and regulatory agreements</li> <li><b>Investment case development</b></li> </ul>	<ul style="list-style-type: none"> <li>Engineering &amp; design</li> <li>Sourcing &amp; quality levels</li> <li><b>Equity &amp; debt funding at project</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Life cycle O&amp;M planning</b></li> <li>Asset Management plan</li> </ul>	<ul style="list-style-type: none"> <li>Redesigning the <b>capital structure</b> of the asset</li> <li><b>Operational phase funding consistent with asset life</b></li> </ul>
Performance	<ul style="list-style-type: none"> <li>Redefining the space e.g. <b>Mundra Port</b></li> </ul> 	<ul style="list-style-type: none"> <li>Envisaging evolution of sector e.g. <b>Adani Transmission</b></li> </ul> 	<ul style="list-style-type: none"> <li>Complex developments on time &amp; budget e.g. <b>APL</b></li> </ul> 	<ul style="list-style-type: none"> <li><b>O&amp;M optimisations e.g. Solar plants</b></li> </ul> 	<p>Successfully placed seven issuances totalling ~USD 4Bn in FY20</p> <p><b>All listed entities maintain liquidity cover of 1.2x- 1.8x for FY21</b></p> <p><b>Focus on liquidity planning ensures remaining stress free</b></p>

**Low capital cost, time bound & quality completion providing long term stable cashflow & enhanced RoE**

# Adani: Repeatable, robust business model applied consistently to drive value

## Successfully applied across Infrastructure & utility platform

### Key Business Model Attributes

Development at large scale & within time and budget



India's Largest Commercial Port (at Mundra)



Longest Private HVDC Line in Asia (Mundra – Dehgam)



648 MW Ultra Mega Solar Power Plant (at Kamuthi, Tamil Nadu)



Largest Single Location Private Thermal IPP (at Mundra)

Excellence in O&M – benchmarked to global standards

**APSEZ**

Highest Margin among Peers in the World  
**EBITDA margin: 65%**<sup>1,2</sup>

**ATL**

Highest availability among Peers  
**EBITDA margin: 91%**<sup>1,3</sup>

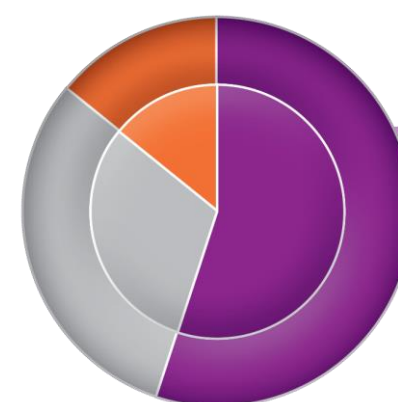
**AGEL**

Constructed and Commissioned 9 months  
**EBITDA margin: 90%**<sup>1,4</sup>

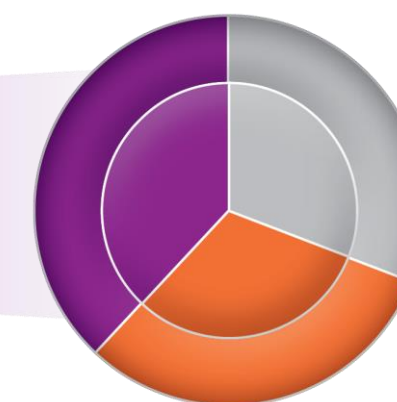
**APL**

High Availability  
**Built availability of 89%**<sup>5</sup>

Diverse financing sources – only Indian infrastructure portfolio with four (4) Investment Grade (IG) issuers



March 2016

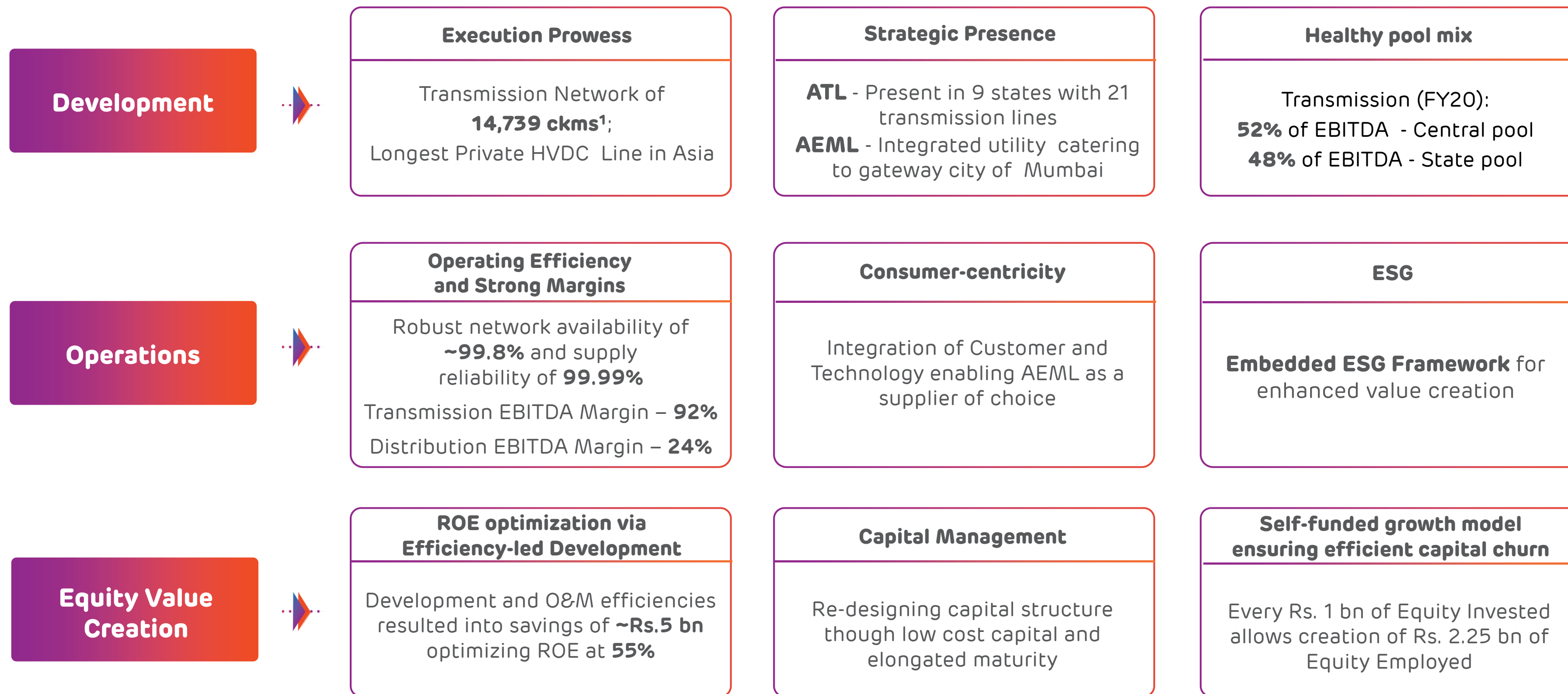


September 2019

- Private Banks **31%**
- Bonds **31%**
- PSU **38%**

**Note:** <sup>1</sup> Data for FY19; <sup>2</sup> Excludes forex gains/losses; <sup>3</sup> EBITDA = PBT + Depreciation + Net Finance Costs – Other Income; <sup>4</sup> EBITDA Margin represents EBITDA earned from power sales and exclude other items; <sup>5</sup> H1 FY20 Data; Include listed Group companies

# ATL: A platform well-positioned to leverage growth opportunities in T&D business













Note: 1) Transmission network of 14,739 ckt kms include operational, under-construction; 2) FY20 - Availability, Margin and Supply reliability

# ATL – Profile

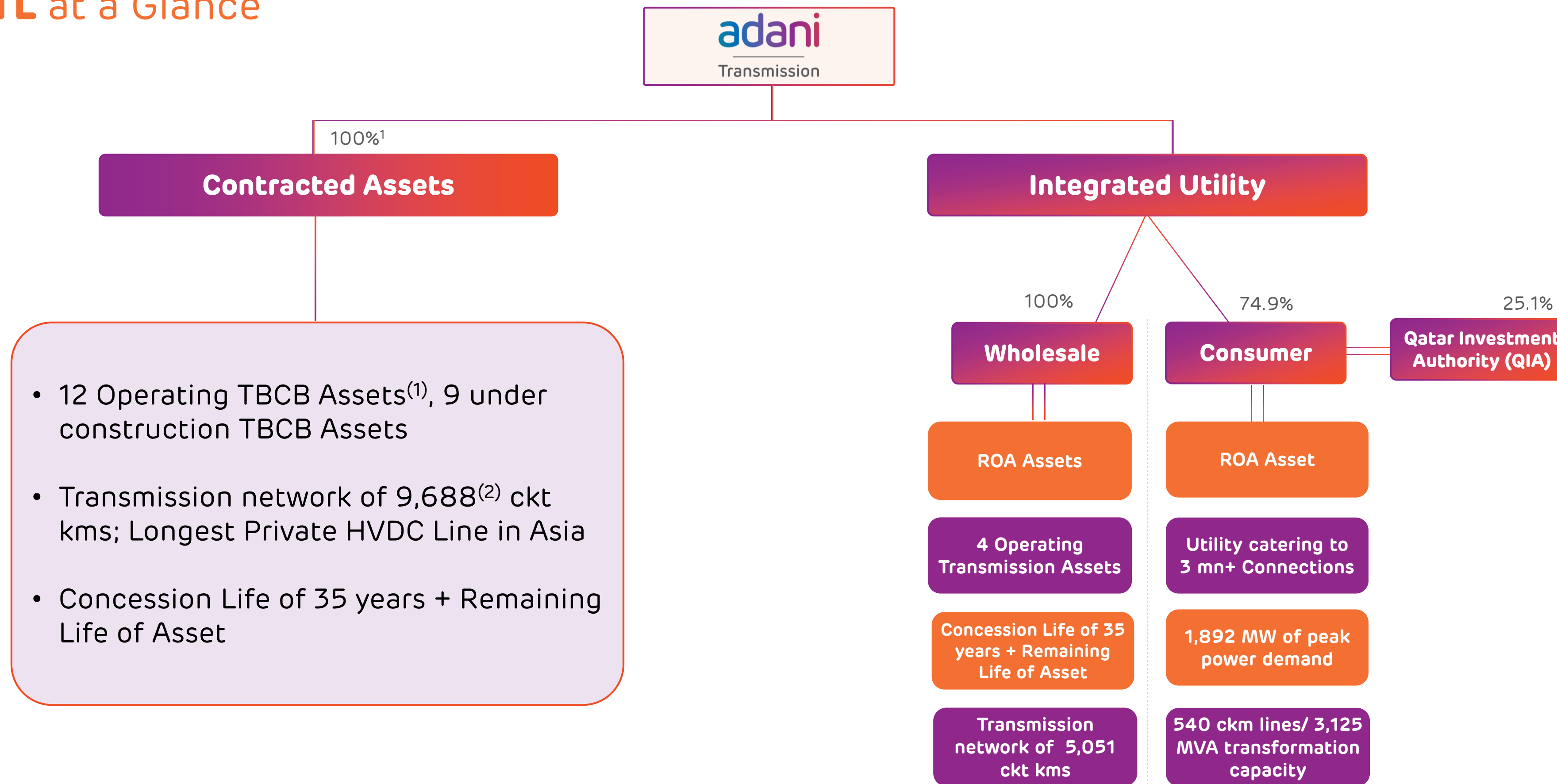


# ATL: Manifesting Adani's Infrastructure Excellence in T&D business

<p><b>Execution Strength and Pan India Presence</b></p>	 <p>Pan-India network &amp; only private sector co. to operate 500 KV HVDC in S-E Asia</p>	 <p><b>AEML</b> - One of the best-run 93-year old integrated utility catering to gateway city of Mumbai</p>	 <p><b>3 million+</b> Retail Electricity Households</p>
<p><b>Predictable and Annuity Returns</b></p>	 <p><b>INR 300 Bn/ US\$ 4.3Bn</b> Total Regulated Asset base<sup>(1)</sup> (Fully built)</p>	 <p><b>31 years/ 17 years</b> Avg. Residual Concession Life (Transmission/ Distribution)<sup>(4,5)</sup></p>	 <p><b>54%/ 46%</b> ROA / TBCB<sup>(2)</sup></p>
<p><b>Robust Financial performance and strong Balance Sheet</b></p>	 <p><b>92% (Transmission) 24% (Distribution)</b> EBITDA Margin (FY20)</p>  <p><b>~99.76 %</b> Availability (FY20)</p>	 <p><b>INR 117 bn / US\$ 1.7 bn</b> Approved Tariff Order (Fully Built)<sup>(1)</sup></p>	 <p><b>BBB- / Baa3</b> International Investment Grade Rating<sup>(5)</sup></p>

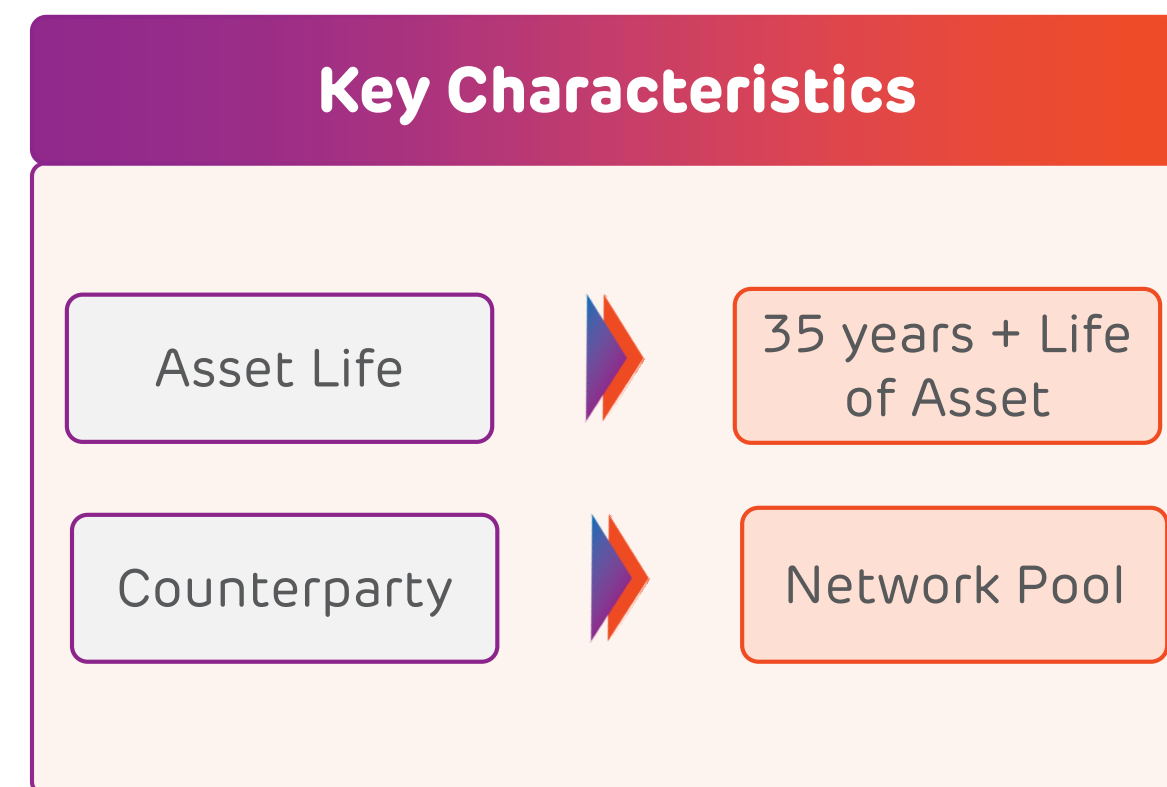
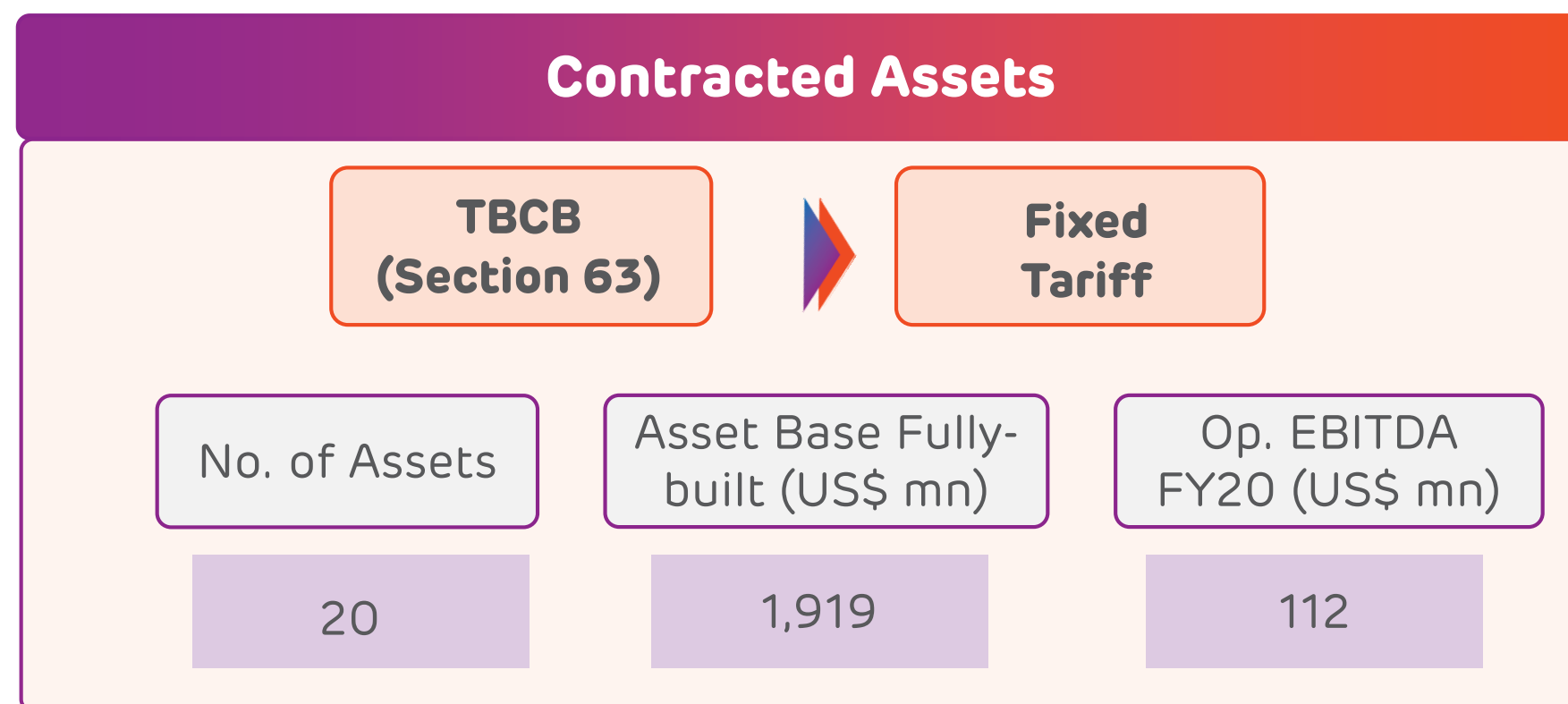
Note: US\$/INR: 70; (1) Fully built estimate based on regulatory approved tariff and bid based tariff profile of operational, under-construction and under-acquisition projects of Transmission and Distribution business. This excludes HVDC project. No upsides have been assumed on account of operational efficiencies; (2) Including under-construction and under-acquisition assets on project cost basis and existing assets on book value basis; RTM – Regulated Tariff Mechanism; (3) S&P: BBB- / Fitch: BBB- / Moody's: Baa3; (4) Average residual concession life for Transmission assets is as of FY19; (5) Operational History of 93 years; TBCB: Tariff Based Competitive Bidding

# ATL at a Glance



Notes: 1) % denotes shareholding; 74% in Aravalli Transmission Service Company Limited; 2) Network includes operational, under construction as of 31st March, 2020

# Contracted Assets at a Glance



- ### Stable Business Parameters
- Steady stream of cash flows
  - No throughput risk in Transmission sector
  - Payment pooling mechanism thus no counterparty risk
  - Mature Regulatory bodies (EA 2003)

- ### Growth levers
- 100% organic growth with robust under-construction pipeline
  - Project hit-rate of 37% in FY20 with IRR threshold offers high growth potential in TBCB allocations

**Note: 1)** Regulated Asset Base (RAB) for ROA is Rs. 107.3 bn and TBCB projects on a fully built-up basis is Rs. 137 billion, out of which Rs. 80 billion is for under-construction assets;  
 2) EBITDA for ROA assets is Rs. 16.8 bn and TBCB assets is Rs. 8 bn; 3) ROA: Return on Assets; TBCB: Tariff based Competitive Bidding; Reference rate of 71.36 is being taken

# Integrated Utility at a Glance

## Wholesale Utility

### Wholesale Utility - Key Characteristics

**Return on Assets (ROA -Section 62)**

Counterparty

➔

Network pool

Asset Life

➔

35 years + Life of asset

No. of Assets  
**4**

Asset Base (US\$ mn)  
**1499**

Op. EBITDA FY20 (US\$ mn)  
**235**

### Consumer Utility Asset (RAB and EBITDA)

(US\$ mn)

	Generation	Transmission	Wires	Retail	Total
RAB FY20	114.3	173.5	565.7	26.8	880.3
EBITDA FY20	39.5	35.3	179.2	8.5	262.5

## Consumer Utility

Qatar Investment Authority (QIA)

### Key Characteristics

Consumer base

➔

3.04 million

Counterparty

➔

Consumers

Type of Asset

➔

Regulated Asset (Sec. 62)

Asset Life

➔

Perpetual business

- ### Stable Business Parameters
- Rate of Return Asset (the asset being the RAB) with no-to-minimal throughput risk (only Retail)
  - 93-year old business** with predictable and mature regulatory framework serving **3 mn+** consumers in Gateway City of India
  - Business with **inverse regulated capital structure** supported by revenue true-up and cost pass-through mechanisms
  - Guided by three pillars of **Reliability** (Supply), **Affordability** (Power) and **Sustainability** (Aiming for 50% RE power by 2025)

Growth levers

➔

**Capex-led growth in Regulated Asset Base and growing customer-base to drive future growth**

Note: RAB: Regulated Asset Base; ROA: Return on Assets; TBCB: Tariff based Competitive Bidding; Reference rate of 71.36 is being taken.



# ATL Credit Story

## ATL: Key Highlights and Objectives of Capital Management Program

### Development De-risking

- Significantly reduced green-field risk (mature asset operator)
- Lower gestation period of 2-3 years and construction efficiencies offering efficient capital churn thus higher returns
- Value creation through replicable model

### Capital Conservation

- Refinancing risk significantly minimized with debt maturity (>5 year) shifting from 12% in FY16 to 88% in FY20
- Weighted avg. cost of debt has come down from 10.9% in FY16 to 9.3% in FY20
- Stitched fully-funded capex program

### De-risking to drive lower risk premia and cost of capital

Significantly lowered its risk profile:

- High visibility of cash flows
- Robust growth pipeline through organic and in-organic route
- Commitment to maintain investment-grade rating
- 2% of total debt profile with short-term maturity (<1 year)
- Fully tied-up capex program for long-term growth

### Strategic Goals

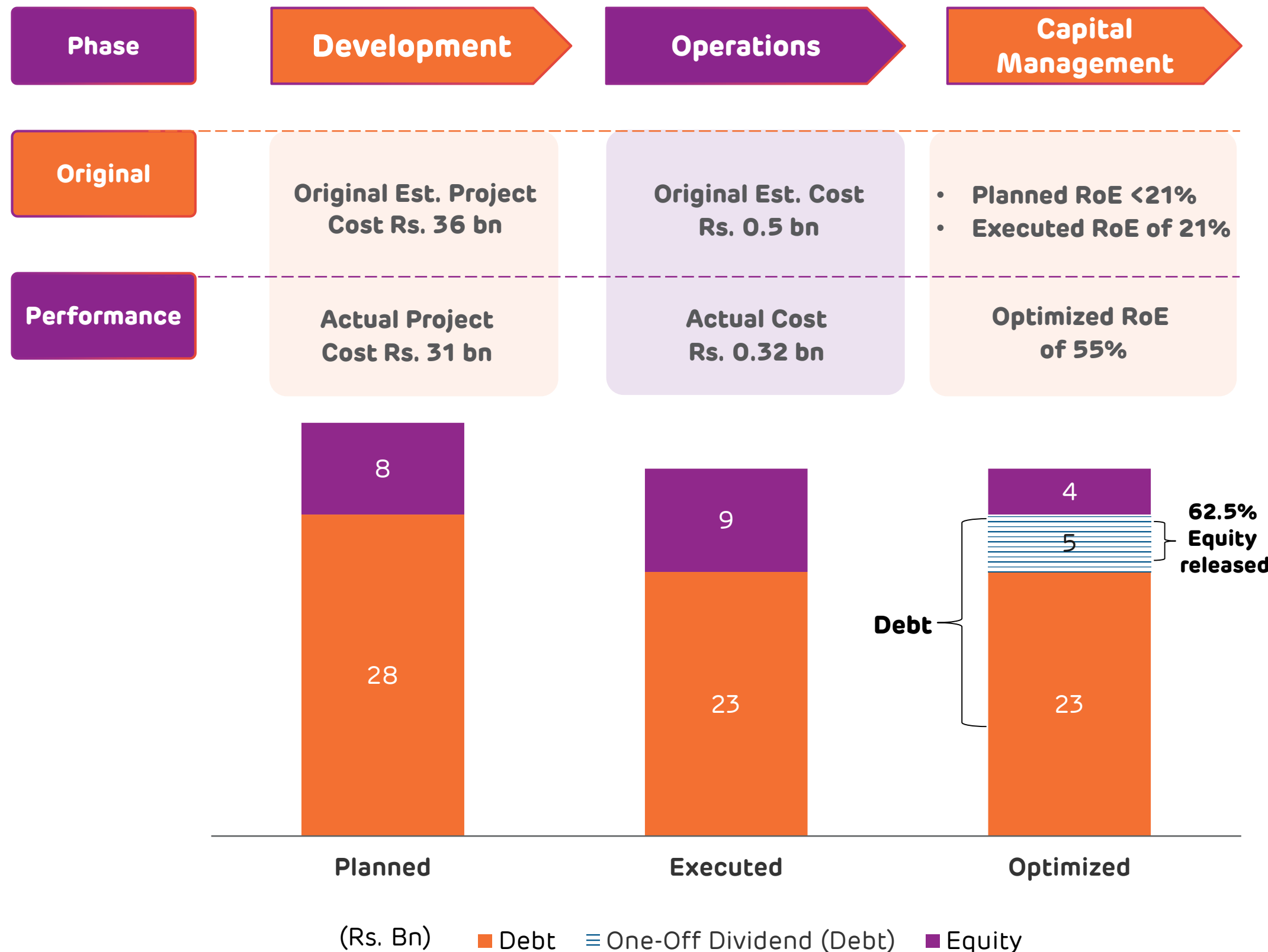
- On-boarded QIA as a strategic partner emboldening the governance and value creation path
- Deleveraging and Capital De-risking through equity dilution
- Stepping towards sustainable growth through RE power (from 3% to 30% by FY23)

### Credit Quality

- Consistently maintained investment grade rating since 2016
- Steady performance on various credit metrics like Net Debt/EBITDA, debt service coverage, etc.
- Earnings growth and free cash flow generation to secure coverages

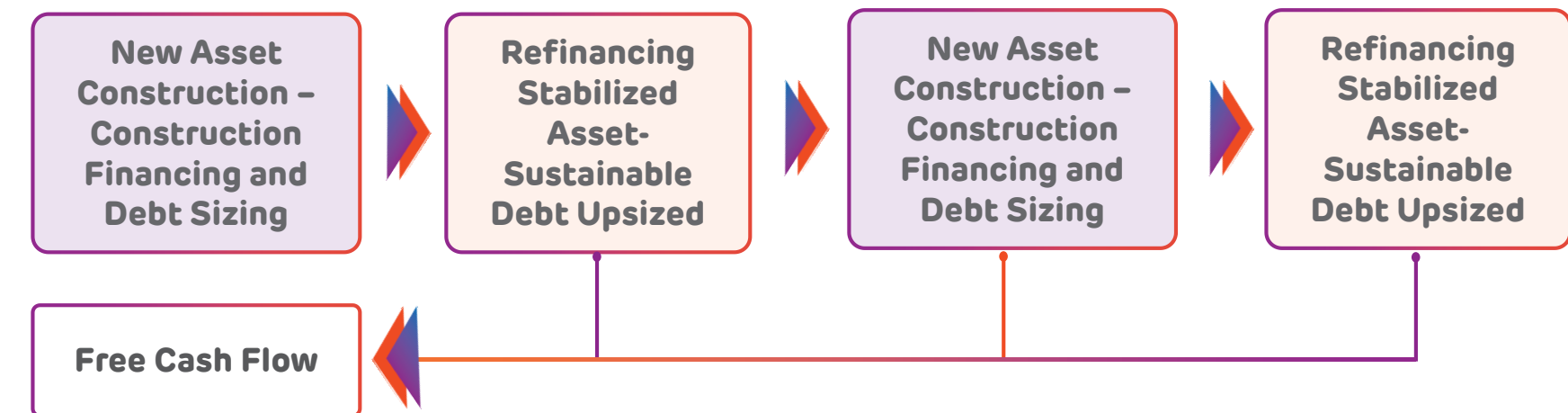
# Case Study: Development, O&M Efficiencies and Capital Management to create immense shareholder value

## Fully funded Value Creation by Capital Management releasing Equity for Growth

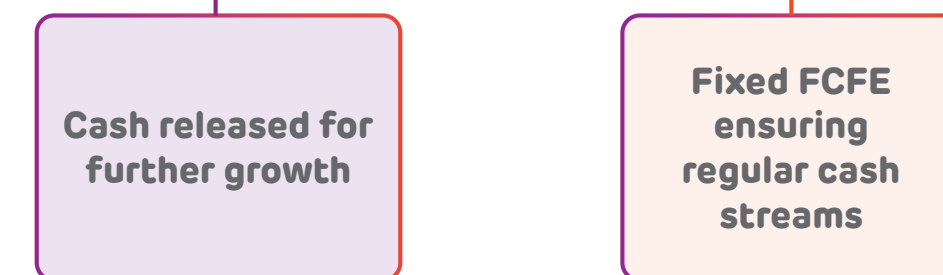


## Case study USPP: Future of ATL Capital Management Program

### Enabling Assets to Ensure Efficient Capital Churn Cycle at ATL

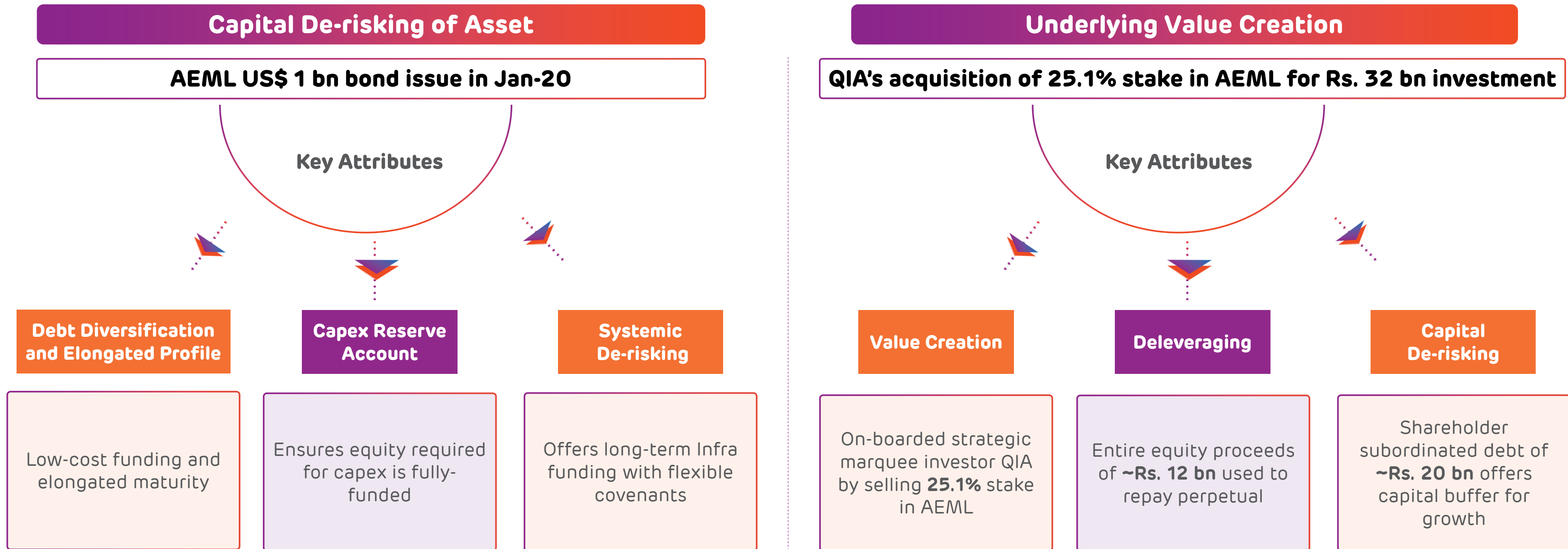


### Value Creation through Replicability and Reinvestment Demonstrated in USPP Pool



Every Rs. 1 bn of Equity Invested allows creation of Rs. 2.25 bn of Equity Employed

# AEML (Integrated Utility): Significant De-risking through Capital Management

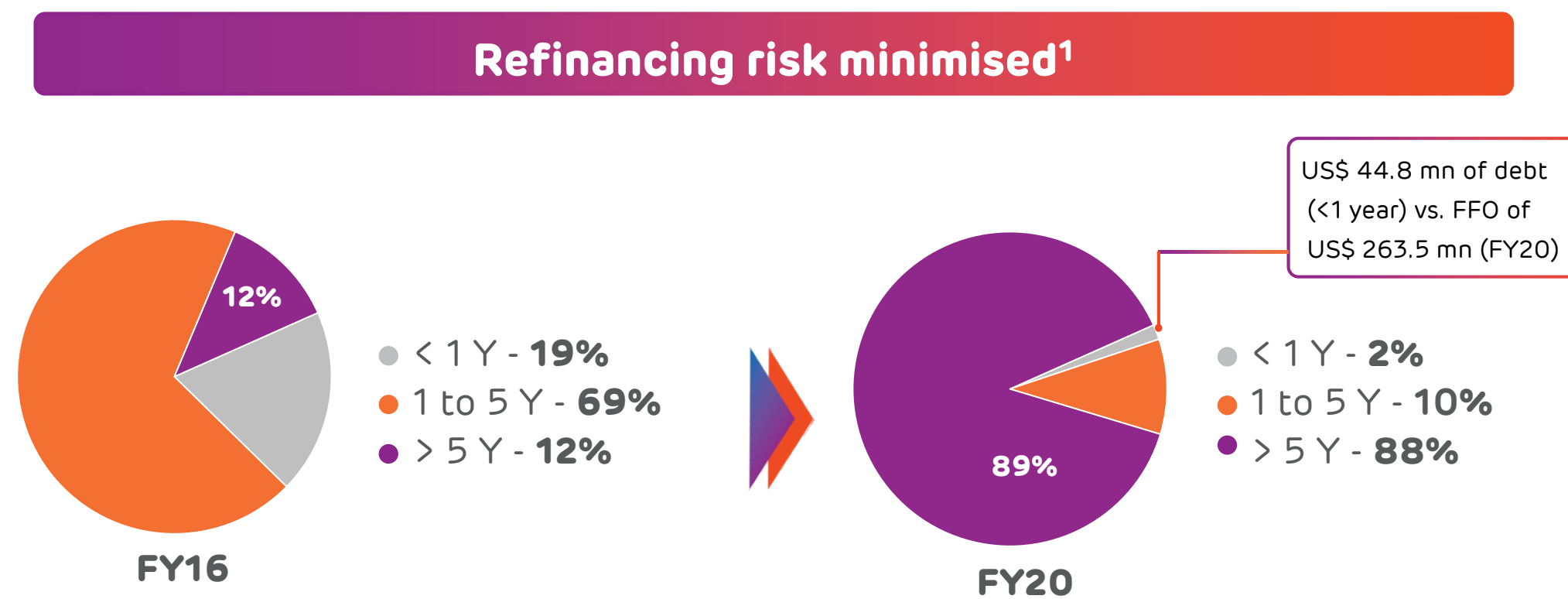


**Rolling capex facility of \$400mn fully-suffice capex plan for 10 years ensuring smooth execution path**



# ATL's Capital Management Program brings diversity and elongated maturity to firm's debt profile

	As of 31st Mar 16	As of 31st Mar 20
Consolidated Net Debt	US\$ 1,191 mn	US\$ 2,130 mn
Cost of Debt (weighted) %	10.9%	9.3%
Average debt maturity for LT debt	5.8 years	10.2 years
Average door to door tenure for LT debt	9.5 years	20.2 years



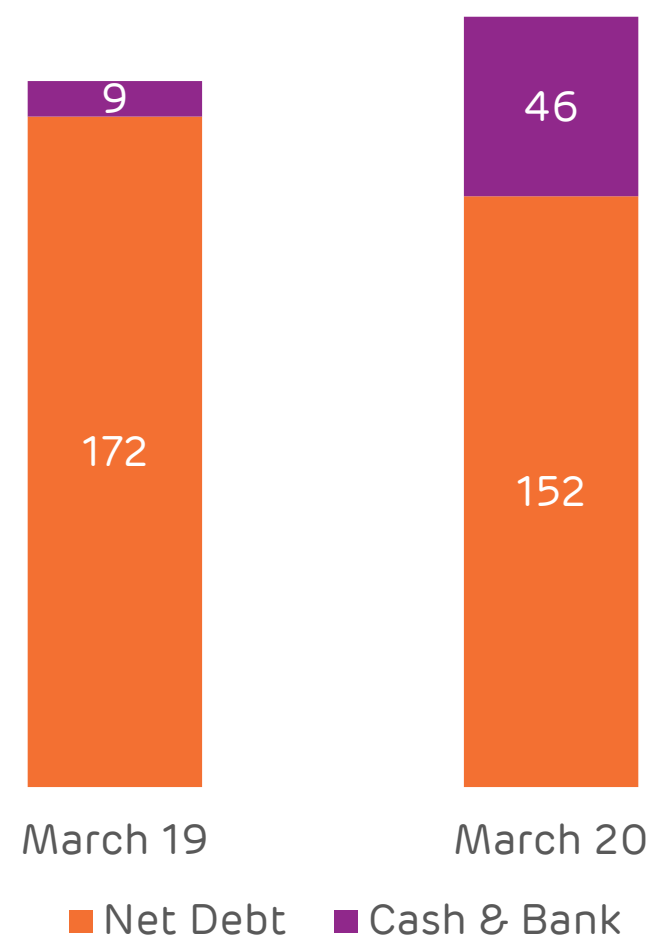
**On a consolidated net debt of US\$ 2,130 mn the refinancing program on completion yielded a saving of US\$ 34 mn per annum**

Notes: 1) Performa debt profile after USPP and AEML bond; 2) Debt excludes perpetual equity; 3) Reference rate of 71.36 is being taken.

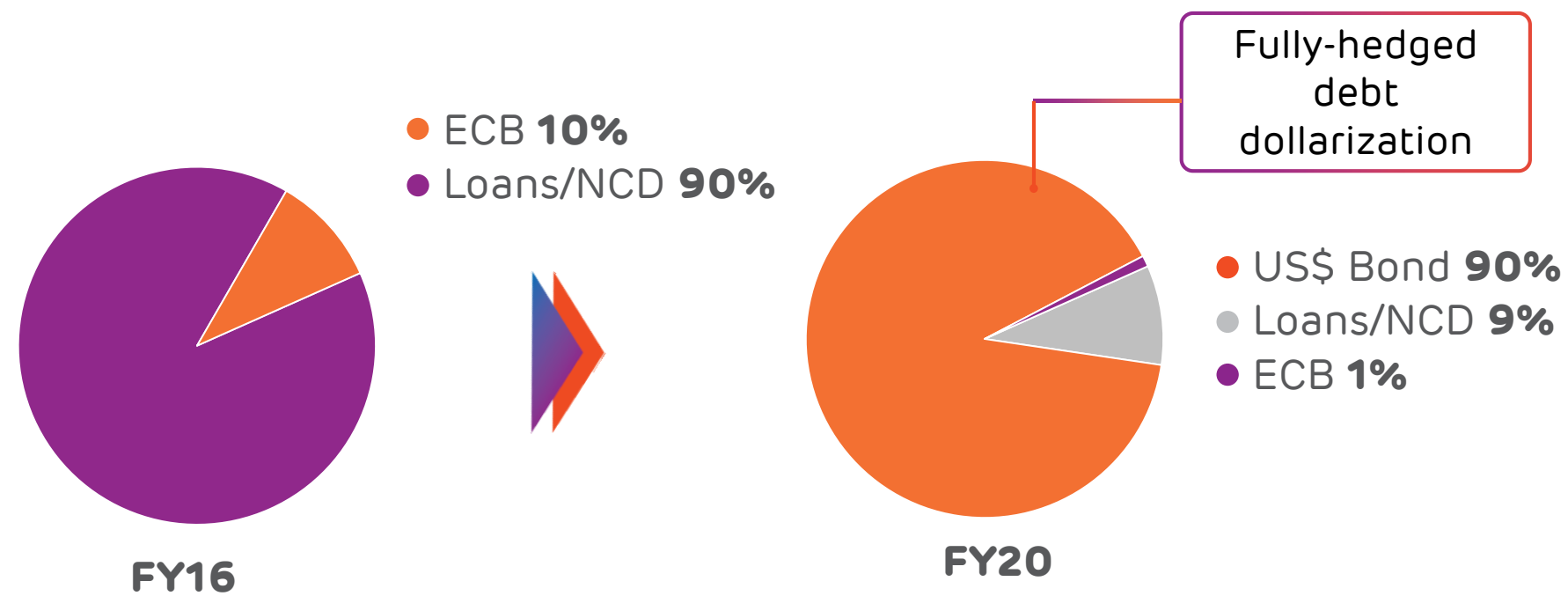
# ATL: Debt Evolution and Key Ratios

## Net Debt<sup>(1)</sup>

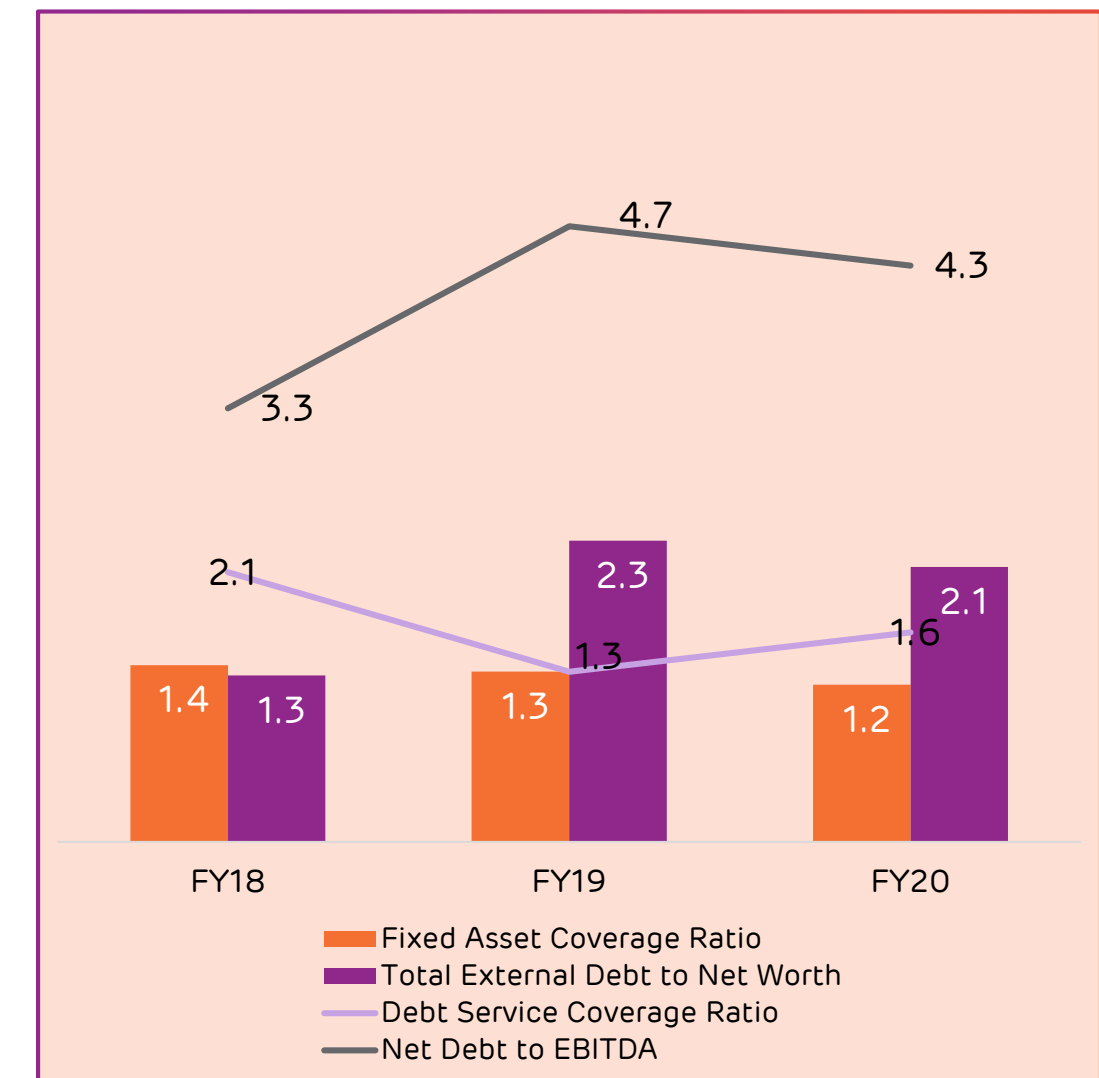
(Rs. Bn)



## Debt composition<sup>1</sup>



## Key Ratios



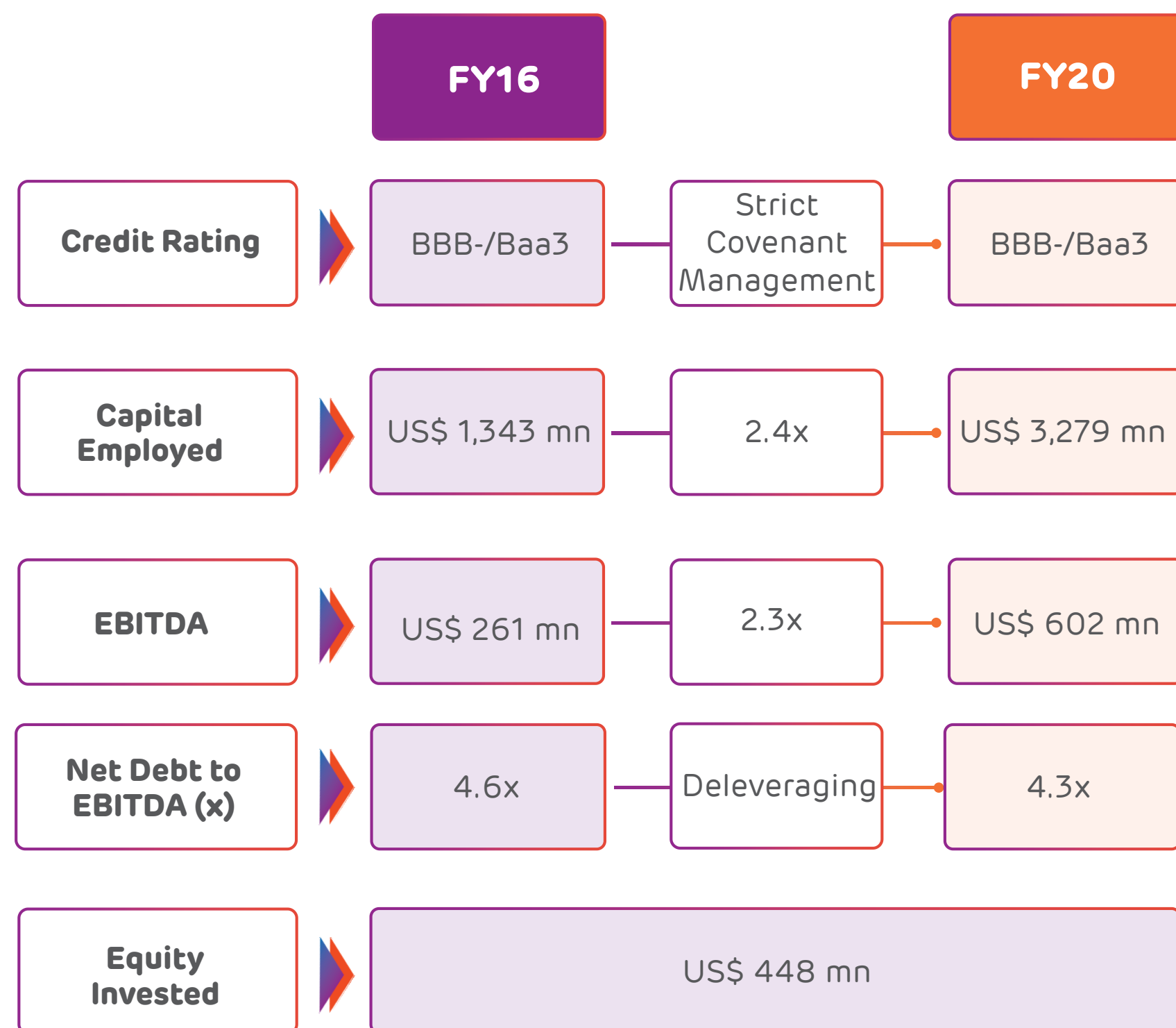
**Declining Debt Cost on the back of Robust Capital Management Program**

**Improving Debt Service Coverage and Net-debt to EBITDA Ratio**

1. Net debt does not include unsecured sub-debt from shareholder Rs. 2,134 Crs. and working capital of Rs.1,181 Cr.in FY20 and Rs. 659 Cr. in FY19. RAUA Loan is nil in FY20 and was Rs. 770 Cr. in FY19. NCD of Rs. 375 Cr. against 100% cash margin available.  
 2. Cash & Bank includes Investment in liquid mutual fund and Balances held as Margin Money or security against borrowings and market investment. Excludes Rs. 375 Cr. cash against NCD.  
 3. Mark-to-market is an accounting entry; Forex exposure is fully hedged  
 4. Net Debt to EBITDA calculated basis entire debt on balance sheet Rs. 19,536 Crs. as on 31<sup>st</sup> March stands at 4.3x.

# ATL: Reduced Development and Capex risk with High Credit Discipline and no Equity Dilution

## Self-funded contracted growth model with low capital risk



## Significant Reduction in Greenfield Risk

	FY16	FY19
<b>Operating EBITDA</b>	US\$ 282 mn	US\$ 401 mn
<b>Greenfield EBITDA</b>	US\$ 77 mn	US\$ 81 mn
<b>% Greenfield EBITDA</b>	22%	17%

Notes: 1) Reference rate of 71.36 is being taken.

# Update on Covid-19

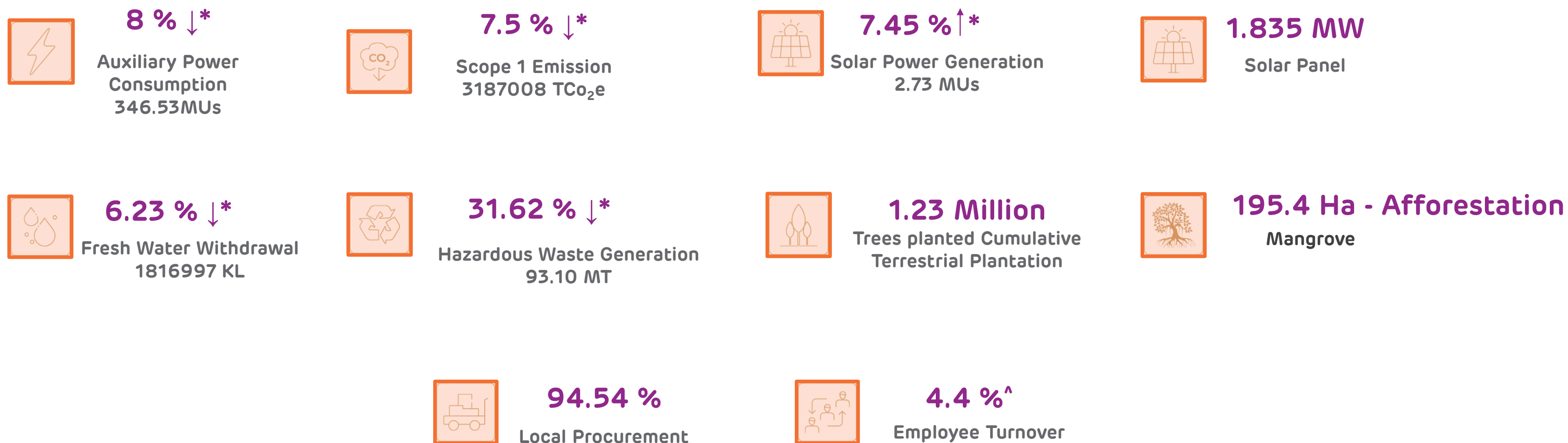
## ATL: Update on Covid-19, its impact on operations and key initiatives

- Power Transmission and Electricity Distribution is classified as an **'essential service'** requiring all our operations to be **fully-functional** with minimum staff required.
- As a **'must-run business'** ATL ensured **high line availability** and AEML ensured **highest supply reliability** in Mumbai despite huge challenges
- Announced **Force Majeure to LTTC's** in order to mitigate the risks of line construction
- Implementing **Govt. of India specified operating procedures** at all our business units, sub-stations and customer centers with **safety of the workforce as a top priority**
- Operational **staff quarantined at sub-stations** with all arrangements for safe work environment
- **Hygiene, sanitization of workplaces & sites** ensured, enabled 100% thermal scanning
- Majority of our employees are **working from home**
- Regularly issuing updated **preventive measures, guidelines & communication** to employees
- Working closely with our associates & service partners through **digital means to ensure continuity of their services** and necessary supply of equipment's for minimal business-level disruption
- Undertaken multiple **CSR initiatives to lend a helping hand** to needy

**ESG**



# ATL: ESG Performance



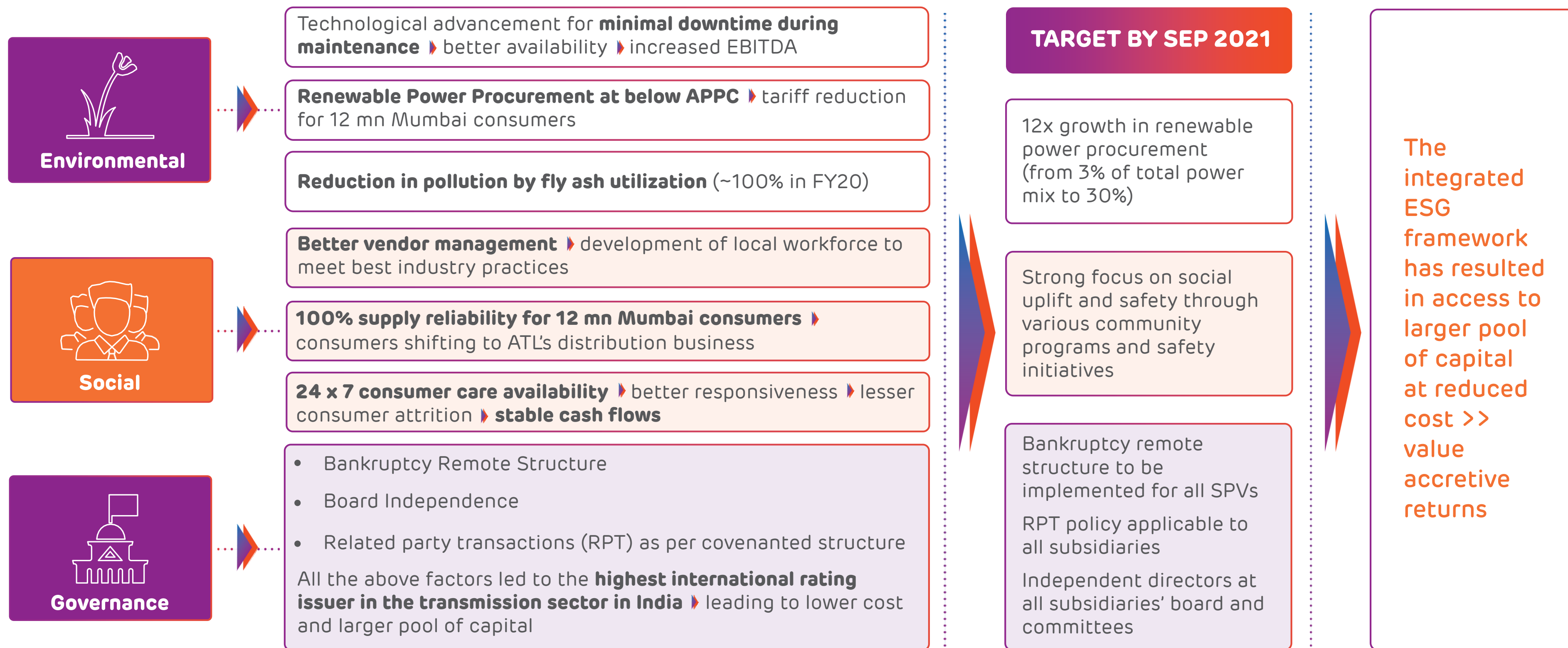
**ESG Standing**

Engaging with S&P on extensive ESG Evaluation at ATL for Global ESG rating

- ESG Focus Area**
- Efficient use of water and energy from cleaner sources
  - Reduction of emission levels
  - Zero tolerance for fatalities

Note: \*Compared to FY19; #Current Capacity; ^Excludes AIMSL

# ATL: Integrated ESG Framework for enhanced value creation



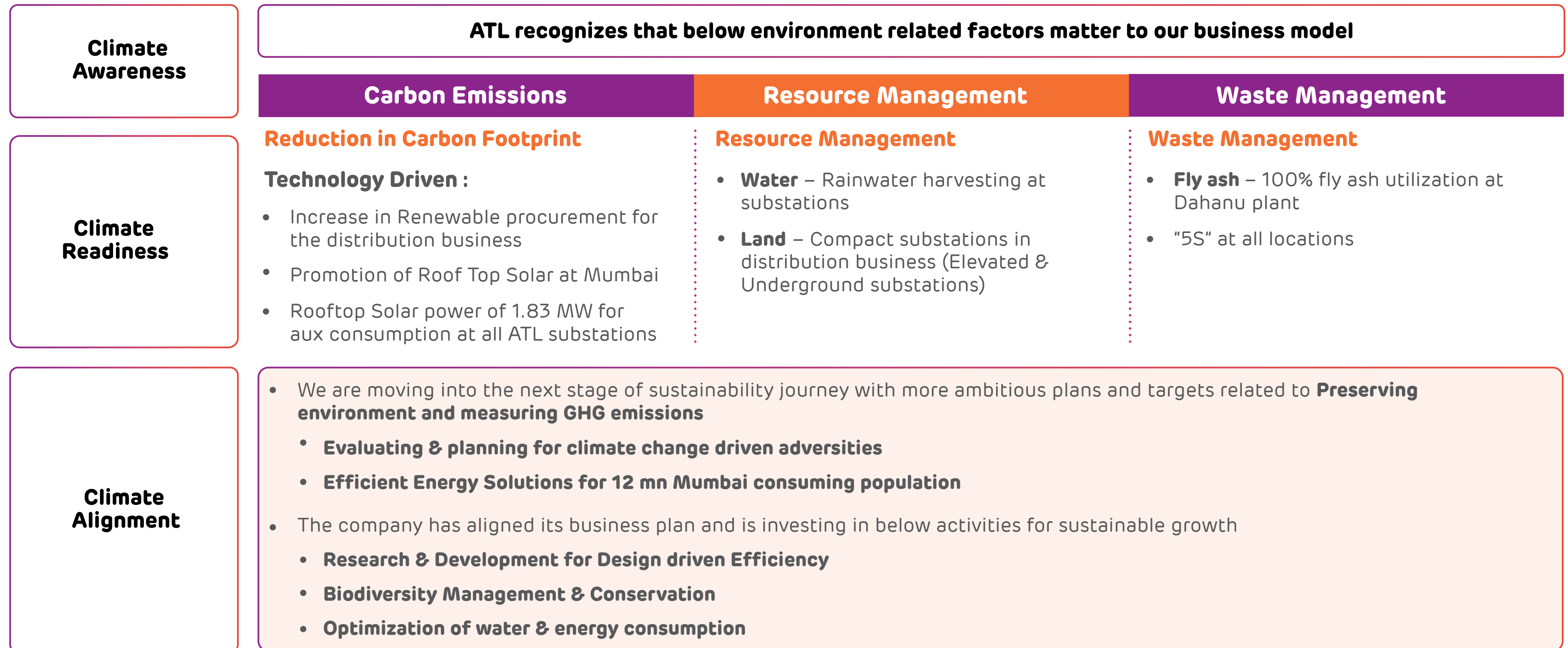


# ATL: Key ESG Metrics and Initiatives

<h2>Environment</h2>	<h3>CO2 emissions</h3> <ul style="list-style-type: none"> <li>• Scope 1 (TCO2e): 31,87,008</li> <li>• Scope 2 (TCO2e): 24,509</li> </ul>	<h3>Water</h3> <ul style="list-style-type: none"> <li>• Fresh Water (KL): 18,16,997</li> <li>• Water recycled (KL): 2,04,494</li> </ul>	<h3>Waste</h3> <ul style="list-style-type: none"> <li>• ~40 KL Waste generated of used oil</li> <li>• 100% fly ash utilization at Dahanu</li> </ul>	<h3>Land use (AEML - Dahanu)</h3> <ul style="list-style-type: none"> <li>• ~148 hectares of green belt</li> <li>• Planted 2 Cr mangroves</li> <li>• Afforestation of ~283 hectares</li> </ul>
<h2>Social</h2>	<h3>Workforce and diversity</h3> <ul style="list-style-type: none"> <li>• Employee diversity</li> <li>• 98,001 man-hours of training</li> </ul>	<h3>Safety management</h3> <ul style="list-style-type: none"> <li>• Over 57,236 man-hours safety training</li> <li>• Zero Accident Vision</li> <li>• SafeEye, SafeConnect, SafeAlert</li> </ul>	<h3>Customer engagement (AEML)</h3> <ul style="list-style-type: none"> <li>• Concessional tariff during religious festivals / community prayers</li> <li>• 25 Payment options available</li> <li>• Multilingual (4) service offerings</li> <li>• 99.99% supply reliability</li> <li>• Adoption of advanced technologies like SCADA, DMS, OMS and GIS</li> </ul>	<h3>Communities</h3> <ul style="list-style-type: none"> <li>• Skilling for needy women through National Skill Training Institute (Women)</li> <li>• Providing subsidized education</li> <li>• Nurture women leaders from the community, who then become change makers</li> </ul>
<h2>Governance</h2>	<h3>Structure and oversight</h3> <ul style="list-style-type: none"> <li>• Independent board</li> <li>• Business Responsibility Policy</li> </ul>	<h3>Code and values</h3> <ul style="list-style-type: none"> <li>• Code of conduct</li> <li>• Whistle blower policy</li> <li>• Anti-bribery and anti-slavery policy</li> <li>• Remuneration policy</li> </ul>	<h3>Transparency and reporting</h3> <ul style="list-style-type: none"> <li>• Material events policy</li> <li>• Related Party Transactions</li> <li>• Integrated Reporting framework</li> </ul>	<h3>Cyber risks and systems</h3> <ul style="list-style-type: none"> <li>• Customer data protection</li> <li>• Data privacy audit</li> </ul>

Notes: TCO2e: Ton CO2 Equivalent

# ATL: Environment awareness and Initiatives

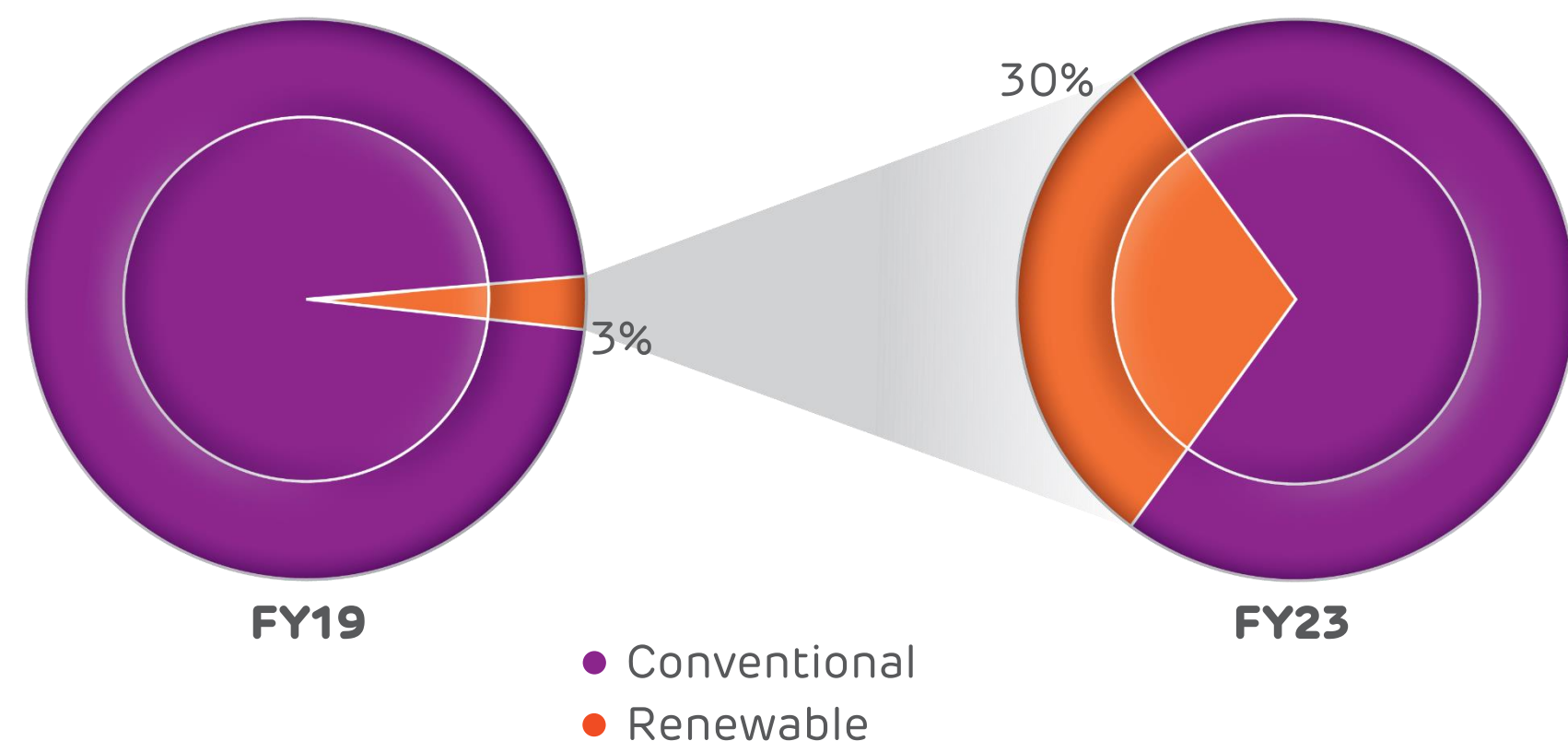


# AEML: Initiatives towards reduction of carbon footprint

## Renewable Power

- Targeted 30% of consumption from Renewable sources
- Committed to increasing share of renewable power procurement from current 3% to 30% by 2023 and 50% by 2025
- AEML has signed a hybrid (solar + wind) 700 MW PPA (approved by MERC)

% Power Procurement from different sources



## Climate Awareness

### Environmentally compliant generation at ADTPS

- 100%** Fly ash utilization
- 95%** Decarbonisation Capex at AEML in FY20
- FGD** 1st FGD installed in India
- Washed Coal** 100% mix of higher quality and cleaner washed coal
- Oil Type RMU's** AEML-D's Oil Type RMU Replacement approved by MERC

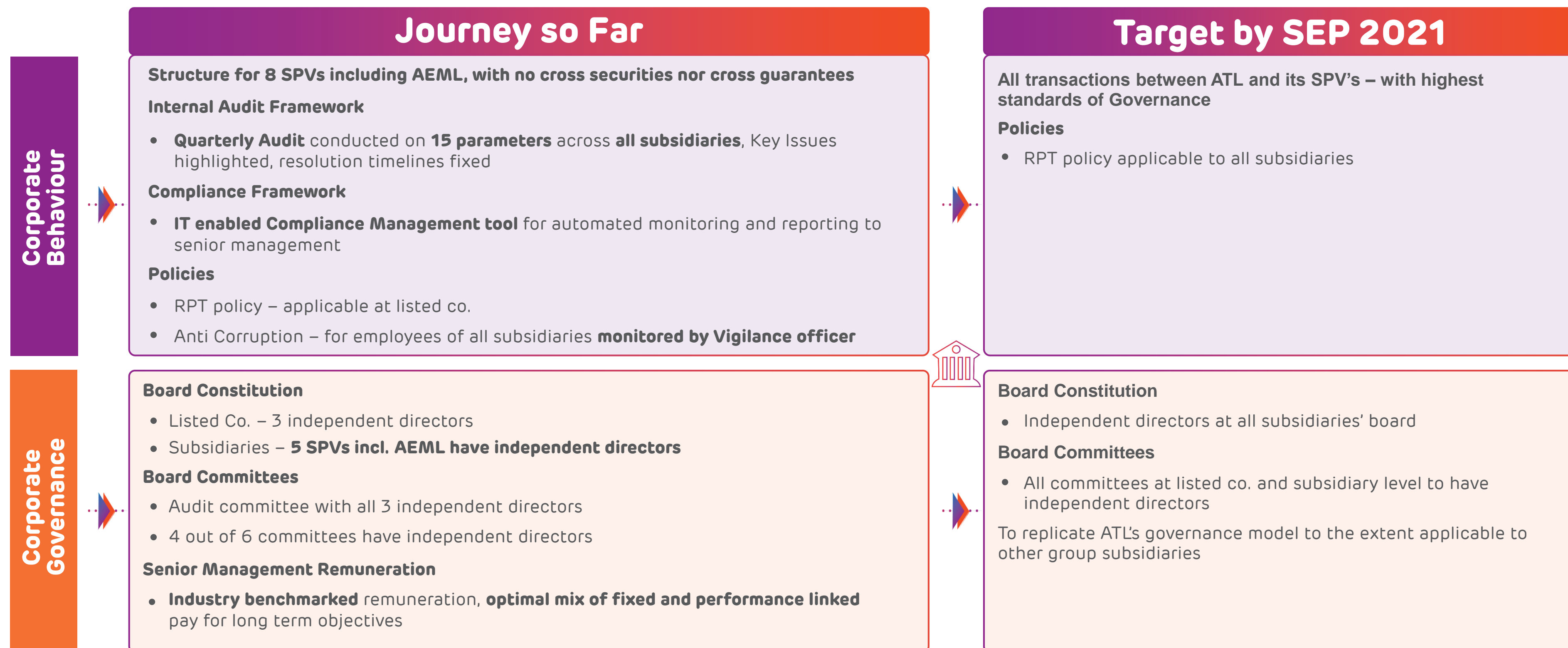
### Transmission and Distribution

- Ester** Environment friendly Ester filled transformers
- Switch gears** Oil Type Switch gears replaced by dry type maintenance free switch gears
- LED** LED lamps for street lights reducing carbon footprint

Note: FGD – Flue Gas Desulphurization, MU – Million Units. DTPS – Dahanu Thermal Power Station; Source – Hybrid PPA

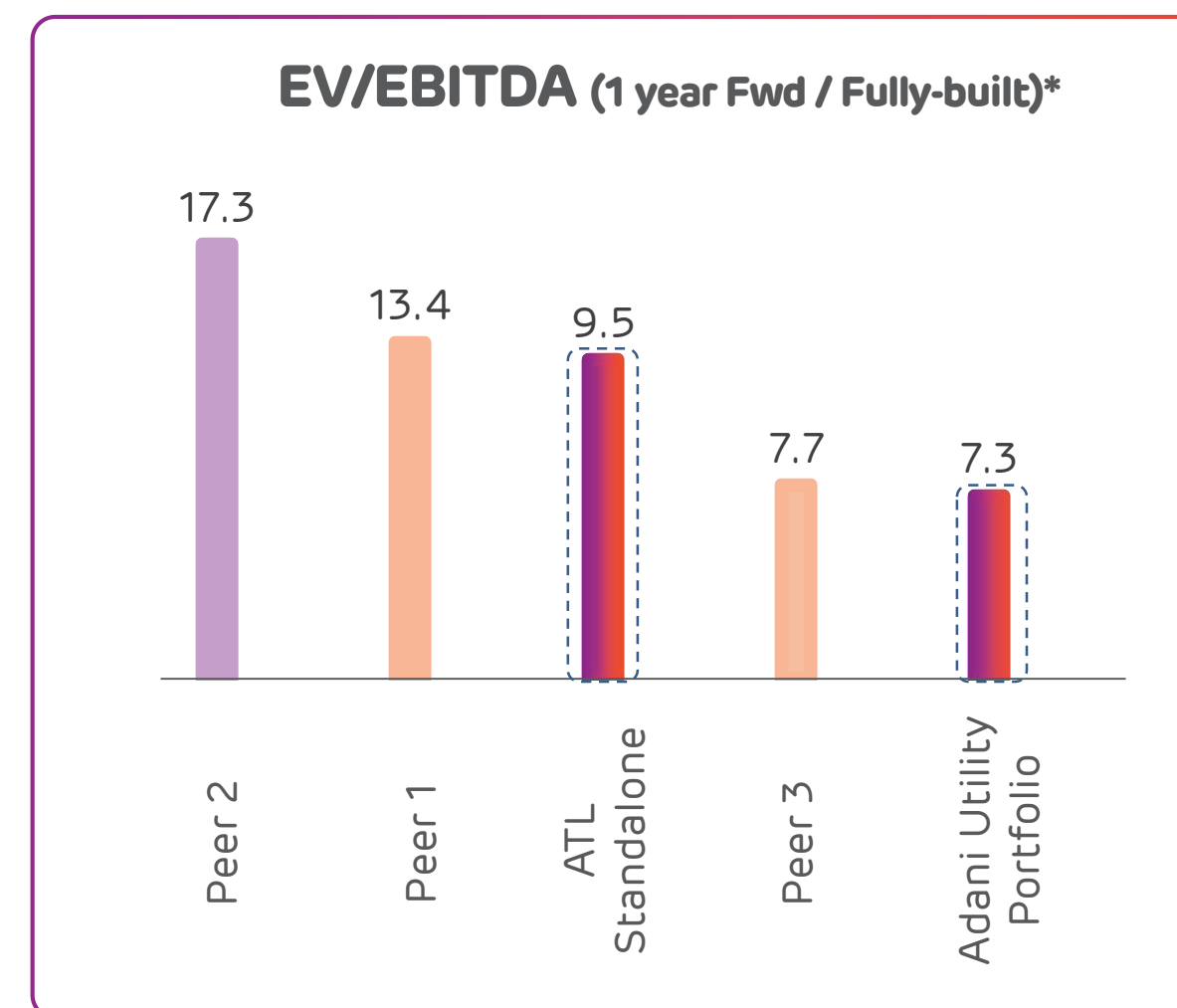
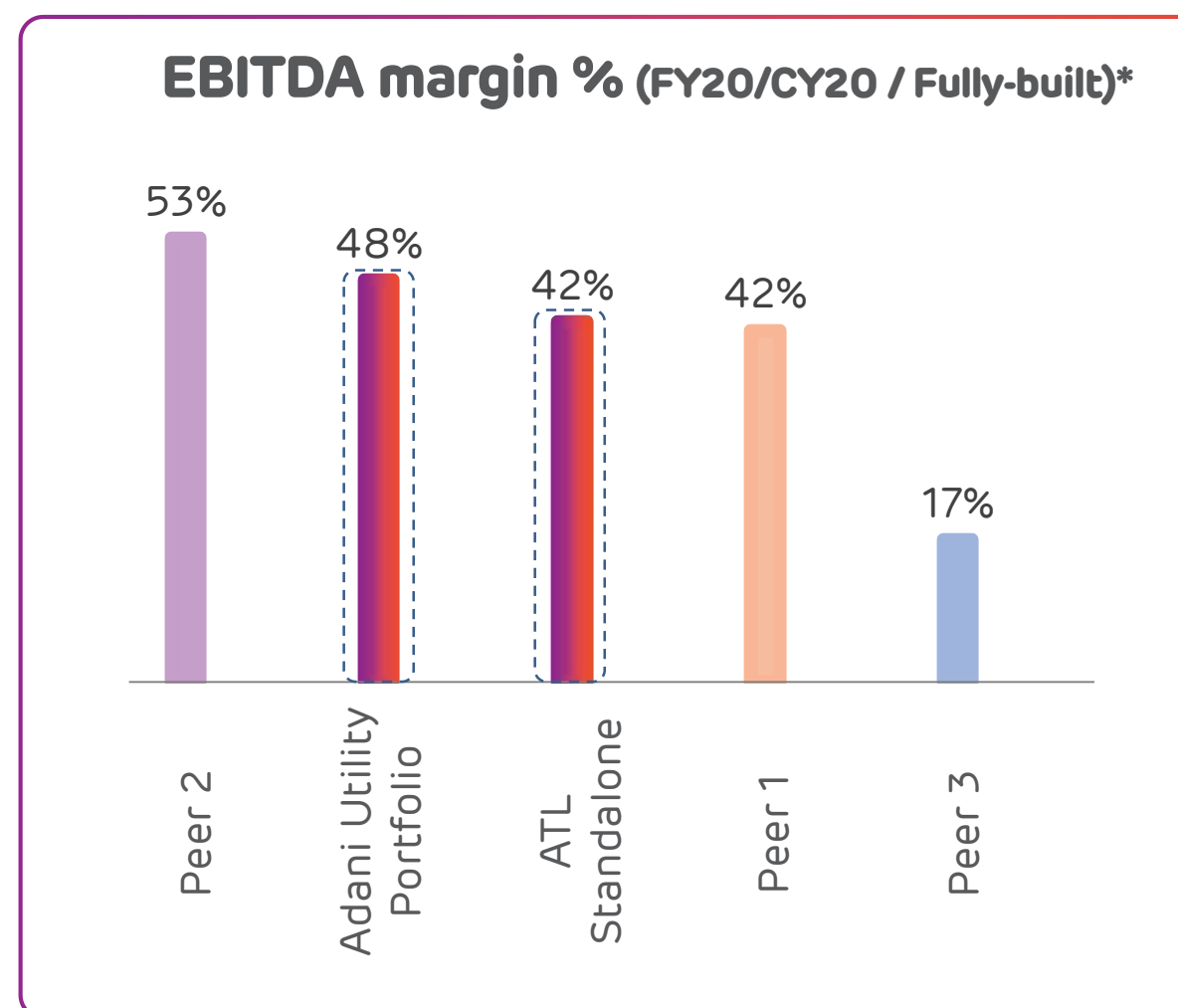
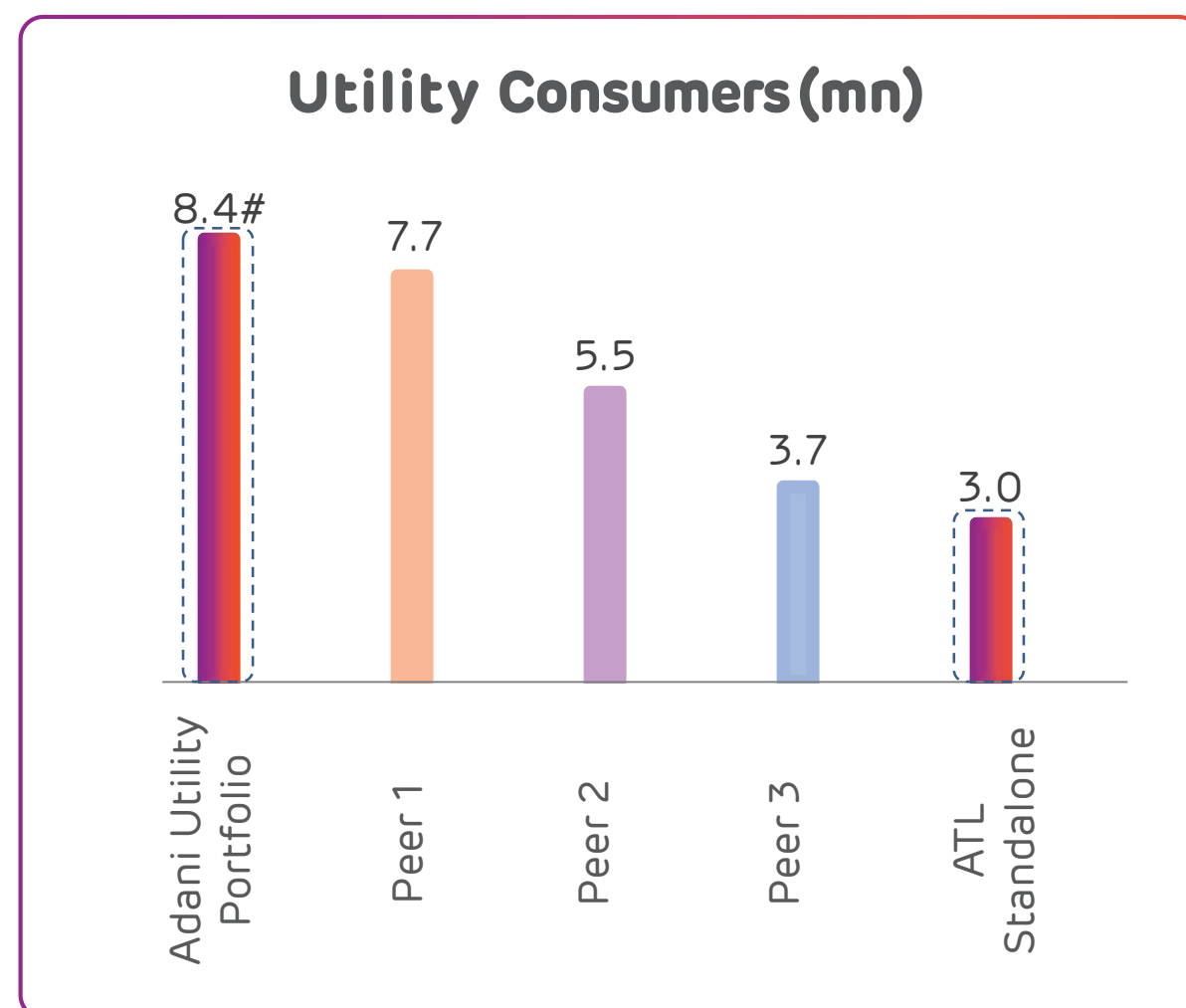
# ATL: Governance – Journey so far and future glide path

We have charted a glide path to internalise global best practices of governance by September 2021



# Global Benchmarking: Adani Utility Portfolio vs. Global Utility peers

ATL and Adani Utility portfolio fares in line or better on various metrics with global peers



Company	Credit Rating	ESG Rating (MSCI)
Peer 2	Baa2/BBB/BBB	AAA
Peer 1	Baa1/BBB+/BBB+	BBB
Peer 3	Baa2	BBB
<b>ATL</b>	Baa2/BBB-/BBB-	A

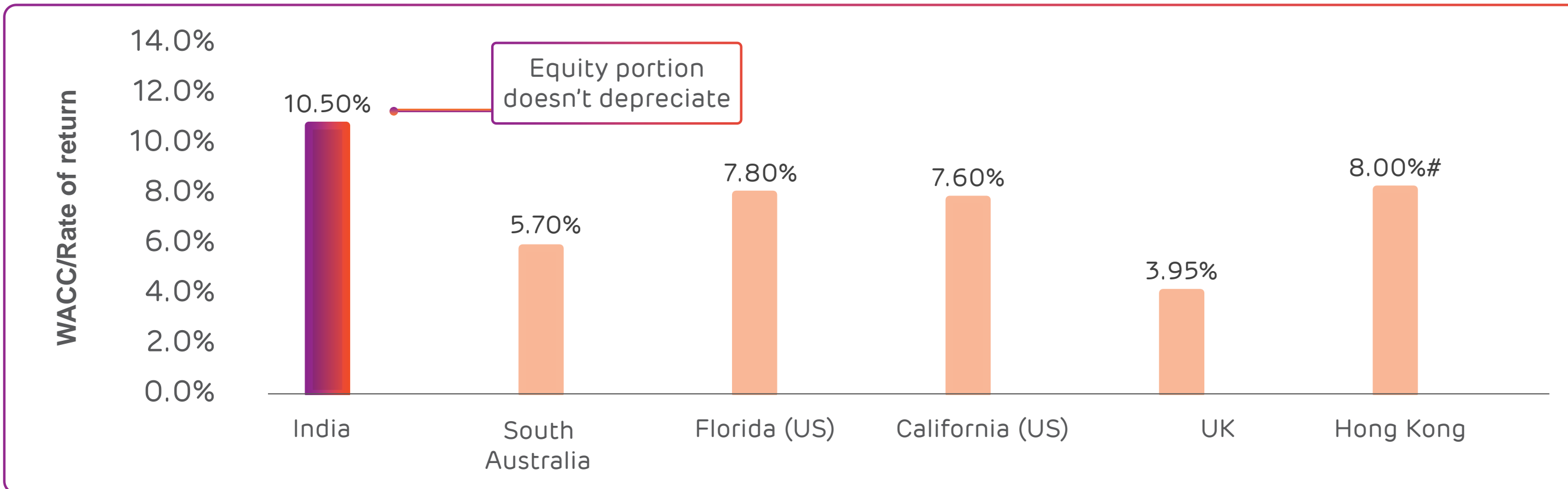
**Notes:** 1) We have taken NextEra, Duke Energy, AGL Energy as peers for benchmarking analysis. ;  
 2) Benchmarking as per internal analysis ; 3) Above comparison includes Adani Transmission, Adani Green, Adani Gas and Adani Power as a Integrated Utility; 4) Credit Ratings: NextEra: NEE 5.65 05/01/2019; Duke: DUK 3.4 06/14/2019; AGL Energy: AGLAU 5.28 09/08/2019; ATL: USPP Issue

#Assuming 50% of addressable market (10mn consumers) of Adani Gas will be tapped;

\*EV/EBITDA and EBITDA margin % for Adani Integrated Utility is on fully-built discounted basis; EBITDA margin for ATL is FY20 and Peer group is CY19.

# Global Benchmarking: Regulatory Framework

Regulatory return (ROA) framework for transmission players across geographies



## Key Highlights

- ATL's rate of return will normalize over the period as our assets mature
- Our financing plan/capital management structure neutralizes a fall in equity returns through covenant structure like backstop, PLCR etc.
- Incentive/penalty over and above regulated return to encourage network efficiency
  - AEML: 1.5%
  - ATL: ~1.2%

<b>Depreciation O&amp;M Tax</b>	<b>Pass through</b>					
<b>D/E Ratio (Gearing)</b>	70/30	60/40	60/40	50/50	60/40*	NA
<b>Regulated tariff period</b>	5 years	5 years	Annual	3 years	8 years	15 years

**Note:** ATL return has been taken to represent India; Notional gearing for UK; #Based on ROA – Return on Average Net Fixed Assets irrespective of how they are financed; PLCR: Project Life Cover Ratio  
**Source:** Australian Energy Regulator, Florida Public Service Commission, California Public Utilities Commission, Ofgem (UK), Scheme of Control Agreement Hong Kong

# ATL: Compelling Investment Case

## Why Invest in Adani Transmission?

### Stable & predictable cash-flows



- Predictable cash flow with contracted and regulated business
- Long term concession life (~35 years); ~52% sovereign-rated counterparties as of FY20

### World-class O&M practice



- High and predictable line availability and supply reliability
- Lower cost through predictive maintenance and usage of technology

### Robust Growth Opportunity



- ATL well positioned to capture significant portion of this growth opportunity
- Access to large opportunity pool in T&D space through greenfield, acquisitions, franchise opportunities etc.

### Disciplined Capital Allocation



- Disciplined approach towards new project bidding
- Strong focus on returns
- Commitment to maintain strong credit profile

### ESG Focus



- Strong focus on environment, safety, communities and creating value for all stakeholders
- Robust governance and disclosures

### Infrastructure lineage



- Pedigree of Adani Group: leader in infrastructure –transport, logistics, energy and utility space
- Proven track record of excellence in development & construction

# Annexure



# Adani: World-class Credit Portfolio Attracting Global Investors

## Energy & Utility Portfolio

Company	Issue date	Issue Size (USD Mn.)	Coupon	Average Maturity	DTD	Debt structure	Ratings
<b>Transmission &amp; Distribution</b>							
AEML	Jan,20	1000	3.95%	10	10	Bullet	BBB- (Fitch) / Baa3 (Moody's)
ATL-USPP	Mar,20	310	5.20%	16.35	30	Amortizing	BBB- (Fitch) / Baa2 (Moody's)
ATL – Obligor1	Nov,19	500	4.25%	10	16.5	Amortizing	BBB- (S&P, Fitch) / Baa3 (Moody's)
ATL – Obligor2	Aug,16	500	4.00%	10	10	Bullet	BBB- (S&P, Fitch) / Baa3 (Moody's)
<b>Renewable</b>							
AGEL	Oct,19	362.5	4.625	13.5	20	Amortizing	BBB- (S&P, Fitch) / Baa3 (Moody's)
	June,19	500	6.25%	5.5	5.5	Bullet	BB+ (S&P, Fitch)

## Transport & Logistics Portfolio

Company	Issue date	Issue Size (USD Mn.)	Coupon	Average Maturity	DTD	Debt structure	Ratings
APSEZ	Jul,19	650	3.38%	5	5	Bullet	BBB- (S&P, Fitch) / Baa3 (Moody's)
	June,19	750	4.38%	10	10	Bullet	BBB- (S&P, Fitch) / Baa3 (Moody's)
	June,17	500	4.00%	10	10	Bullet	BBB- (S&P, Fitch) / Baa3 (Moody's)
	Jan,17	500	3.95%	5	5	Bullet	BBB- (S&P, Fitch) / Baa3 (Moody's)

- Successfully raised ~USD 4 Bn in last one year and ~USD 6.2 bn in total
- The Group now offers bonds in entire yield curve (tenor ranging from 5 years to 30 years)
- All bonds are trading in the money

Note: \*As on 14th May, 2020

## ATL: Capital Management Program Demonstrating Global Excellence

Highlights	Obligor 1	Obligor 2	USPP	AEML
Asset	ATIL MEGPTCL		STL, ATRL, CWRTL, RRWTL, PPP-8,9,10	AEML
FY20 Operational EBITDA (USD mn)	237		84	255
Tenor	10 year	16.5 year	30 year	10 year
Issue size (USD mn)	US\$ 500 mn	US\$ 500 mn	US\$ 310 mn	US\$ 1000 mn
Refinance Risk / Bond Structure	Bullet debt Structure	Amortizing debt structure	Amortizing debt structure	Bullet debt structure
Counterparty Risk / Quality of earnings Risk	EBITDA: 45% from Central projects 55% from State projects		EBITDA: 78% from Central projects; 22% from State projects	End users
International Credit Rating	BBB- (S&P, Fitch)/ Baa3 (Moody's)	BBB- (S&P, Fitch)/ Baa3 (Moody's)	BBB- (Fitch)/ Baa2 (Moody's)	BBB- (Fitch)/ Baa3 (Moody's)
Robust Structural Protections	Standard project finance features Clean first ranking security Unique covenants linked to EBITDA performance providing credit quality protection over project life Detailed reporting covenants			

Notes: Average Reference Rate 70.879 used for FY20.

# ATL: Emulating Group's Core Infra Philosophy at every phase

Phase	Development		Operations		Post Operations
	Origination	Construction	O&M and Technology	Consumer Engagement	Capital Mgmt
Activity	<ul style="list-style-type: none"> <li>Return based <b>disciplined bidding</b> strategy</li> <li>Healthy <b>off-taker mix</b></li> <li>Moving towards <b>benign fuel mix</b></li> </ul>	<ul style="list-style-type: none"> <li>In-house <b>tailor-made design</b> capabilities</li> <li>Strong vendor engagement</li> </ul>	<ul style="list-style-type: none"> <li><b>Remote operation of pan-India assets</b> in progress for enhanced efficiency and higher availability</li> <li>High focus on supply reliability demonstrated by <b>SAIDI, SAIFI</b> and distribution losses</li> </ul>	<ul style="list-style-type: none"> <li><b>Time-bound Consumer Redressal Mechanism</b></li> <li><b>Consumer Data Analytics</b> to improve process efficiency by <b>integrating Consumer Service</b> through Web, Chat-bot, Mobile App and Social Media</li> </ul>	<ul style="list-style-type: none"> <li><b>No Liquidity Risk:</b> Tenor in line with concession period</li> <li><b>No Interest Rate Risk:</b> Fixed Interest Rate for the full tenor</li> <li><b>Forex Risk:</b> Foreign currency debt servicing to be fully hedged</li> </ul>
Performance	<ul style="list-style-type: none"> <li>~52% of total Transmission portfolio <b>EBITDA with high quality sovereign equivalent off-takers</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Longest Private HVDC Line</b> (± 500 DC) in Asia ~ 1,980 ckms from Mundra-Mohindergarh</li> </ul>	<ul style="list-style-type: none"> <li><b>Availability</b> higher than national avg. and AT&amp;C losses well below national avg.</li> <li><b>Consistent improvement in AT&amp;C losses, SAIDI and SAIFI metrics resulting into lower outage</b></li> </ul>	<ul style="list-style-type: none"> <li>AEML emerging as a <b>'supplier of choice'</b> for consumers</li> <li>AEML a significant <b>power off-taker</b> under parallel licensing in Mumbai</li> </ul>	<ul style="list-style-type: none"> <li>Ops phase funding consistent with asset life</li> </ul> <p><b>ATL only private sector transmission and distribution company in India with International IG Rating</b></p>

**Efficient project execution, high quality asset management, consumer-centricity translating to enhanced RoE & lower cost of capital**

Notes: SAIDI - System Average Interruption Duration Index, SAIFI - System Average Interruption Frequency Index, M&D – Monitoring and Diagnostics center; IG: Investment Grade

## ATL is rated Investment Grade from FY16 and beyond

### International- Obligor Group

Rating Agency	Facility	Rating/Outlook
Fitch	Dollar Bond	BBB-/Stable
S&P	Dollar Bond	BBB-/Stable
Moody's	Dollar Bond	Baa3/Stable

### International - USPP

Rating Agency	Facility	Rating/Outlook	Rating/Outlook
Fitch	Dollar Bond	BBB-/Stable	BBB
Moody's	Dollar Bond	Baa2/Negative	Baa2

### Domestic

Rating Agency	Facility	Rating/Outlook
India Ratings	NCD	IND AA+/stable

### SPV Ratings - Domestic

Company	Rating Agency	Rating	Outlook
ATL	CARE, India Rating	AA+	Stable
AEML	CARE	AA	Stable
RRWTL	Brickwork	A-	Stable
STL	CARE	A+	Positive
CWRTL	CARE	A+	Positive
ATRL	Brickwork	A-	Stable
HPTSL	CARE	A-	Stable
BPTSL	CARE	A-	Stable
TPTSL	CARE	A-	Stable
WTGL	India Ratings	AA+	Stable
WTPL	India Ratings	AA+	Stable
MTSCL	CARE	A	Stable
ATSCL	CARE	A	Stable
ATBSPL*	India Ratings	AA-	Stable
FBTL	CARE	A-	Stable
NKTL*	Brickwork	A-	Stable

Notes: USPP: Unites States Private Placement; NKTL and ATBSPL rating is provisional



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# Outlook

## ATL: Outlook

### Economic Outlook

- Situation expected to improve progressively from May onwards as lockdown will be lifted in phases
- Indian annual GDP growth rate for FY21 to be flattish and various agencies are predicting a zero growth
- Power being an essential commodity may likely to see sharp rebound in demand
- GOI announcing several measures to reduce the stress in power sector
- GOI expected to announce stimulus to revive MSME and industrial production
- RBI will continue to focus on ensuring ample liquidity and flow of credit to industries

### Operations Outlook

- No major deviation in relation to guidance given by ATL and AEML with regards to financial and operational performance
- Consistent performance across assets with ~ 99.8% availability in FY20. Focus on incentive maximization.
- Distribution loss was as low as 7.4% for FY20 and we expect it to be even lower for future due to network upgradation
- Maintaining Reliability of Power Supply in Mumbai Distribution business to ensure “No Supply complaints”
- Continue to maintain Operational EBITDA margin of more than 91% in Transmission business and 22% in Distribution Business
- No Capex deferment and curtailment in expansion plan
- No overdue on the receivable from the counterparty and also not expecting any major delay in days ahead

## ATL: Key Focus Areas FY21 and Beyond

### Liquidity Management

- Focus on maintaining adequate liquidity cover to swiftly mitigate current uncertainties and any unpredictable scenario
- Fully covered in-terms of debt servicing for next 12 months by ensuring liquidity cover of >1.25x
- Sufficient cash balance and working capital lines tied-up
- CTU/STU Pooling mechanism is in place so don't see major delay in receivables on Transmission side.
- GOI has clarified in its recent order that Discoms continue to remain obligated to pay for power within 45 days of billing

### Capital Management

- ATL continues to focus on freeing up its equity, reducing cost of debt and bringing in marquee partners to set global corporate practices.
- Continue to add diversity and elongated maturity to firm's debt profile
- Strong thrust on maintenance of IG rating by constantly improving liquidity ratios ensuring credit quality

### Growth

- ATL well placed to capture future growth through multiple avenues:
  - Robust under-construction pipeline worth Rs. 15,000 Crs. (including Mumbai-HVDC project)
  - Strong growth potential through TBCB transmission projects
  - Acquisition, New License, Franchise and PPP Opportunities in T&D space
  - Capex plan of Rs. 9,523 Crs. to grow RAB at AEML by FY25

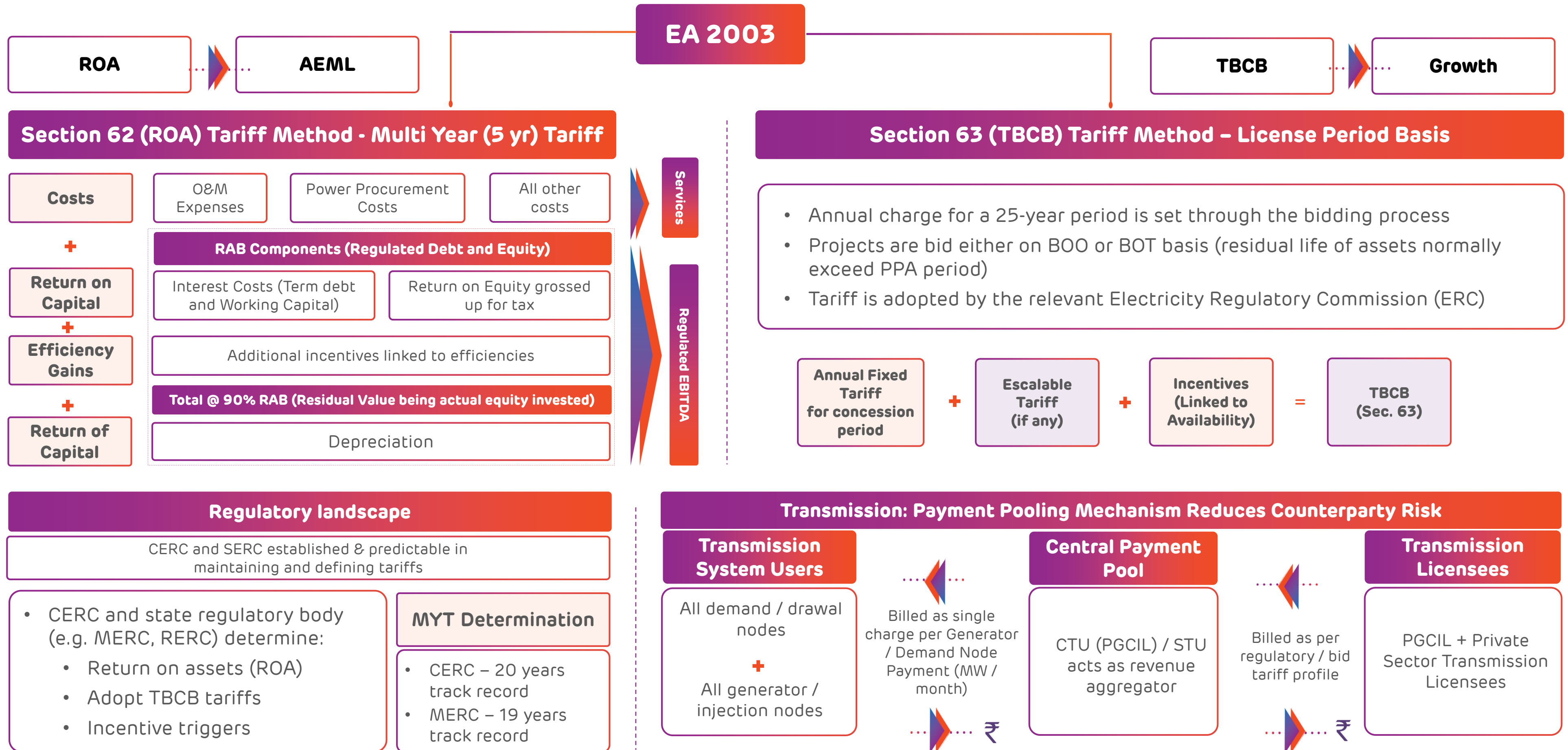
### ESG Focus

- Continue to maintain ESG focus and follow defined glide path
- Ensure Climate Awareness, Climate Readiness & Climate Alignment
- AEML has signed a hybrid (solar + wind) 700 MW PPA which has been approved by MERC
- Committed to increasing share of renewable power procurement from current 3% to 30% by 2023 and 50% by 2025 at AEML

# Regulatory Landscape



# ATL: Regulatory Framework

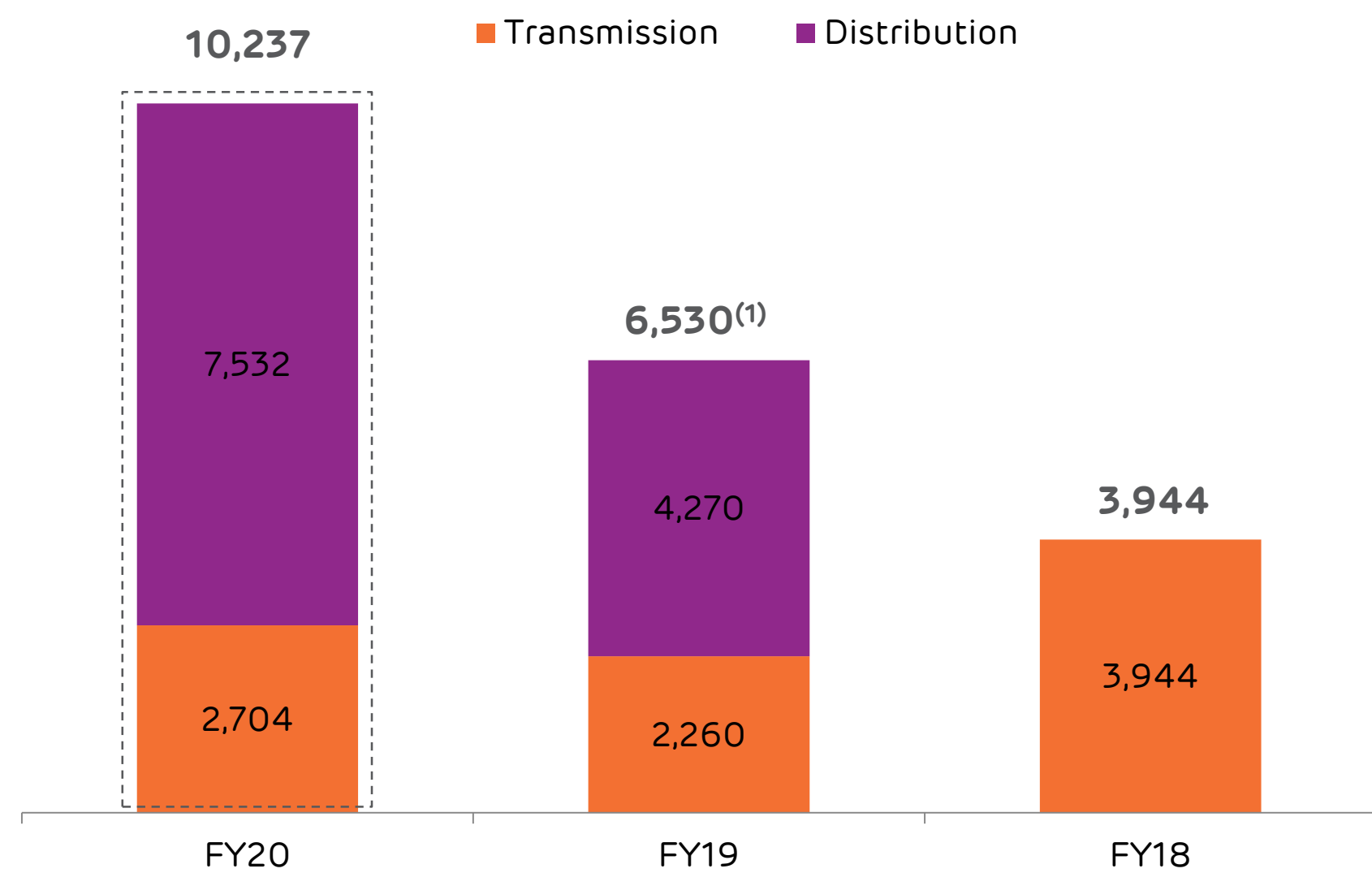


1) MYT – Multi Year Tariff; CTU – Central Transmission Utility; STU – State Transmission Utility; CERC – Central Electricity Regulatory Commission, MERC – Maharashtra Electricity Regulatory Commission, RERC - Rajasthan Electricity Regulatory Commission; BOOM – Build, Own, Operate and Maintain, PPA – Power Purchase Arrangement, BOO – Build, Own and Operate, BOT – Build Operate and Transfer

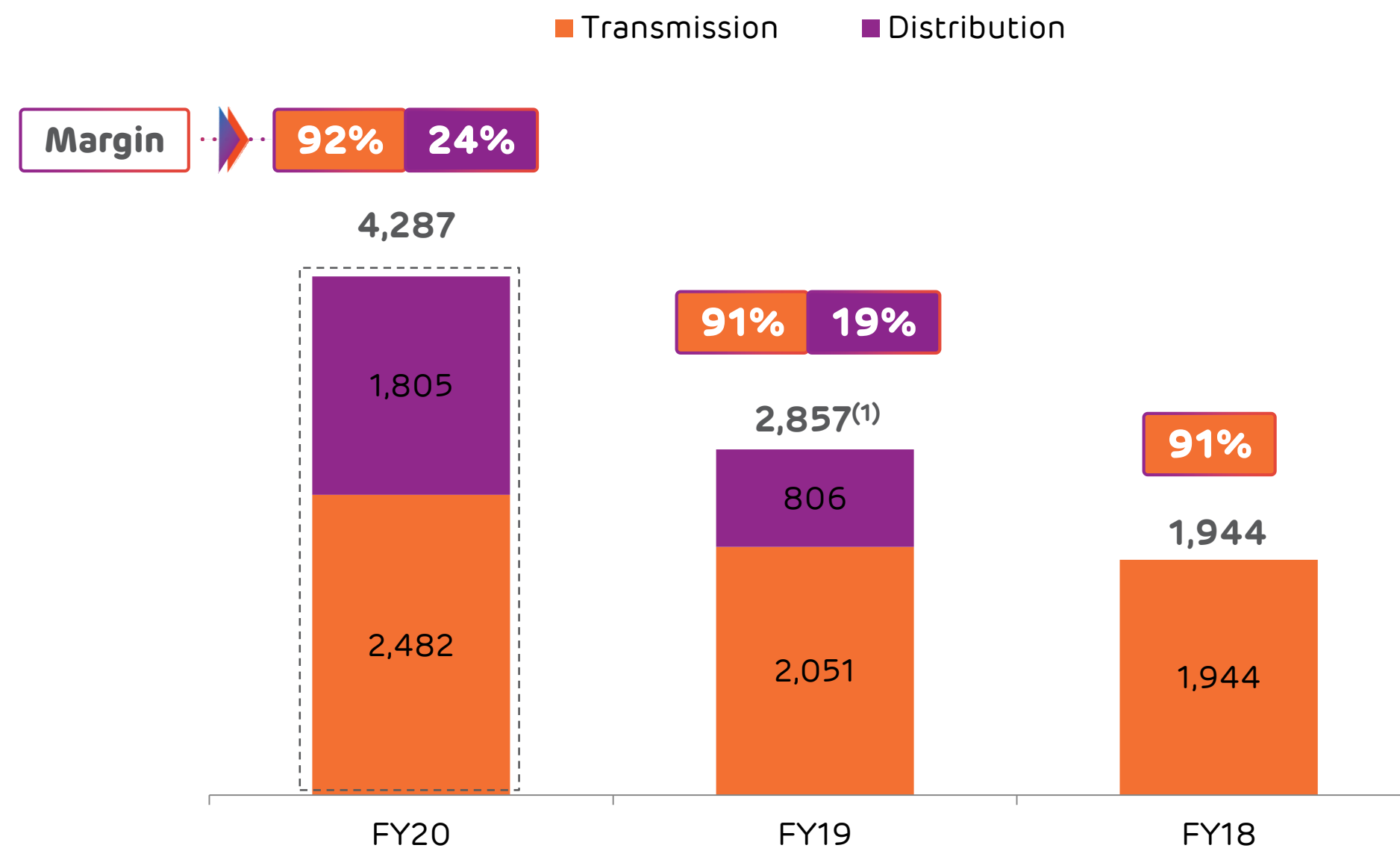
# ATL – Financial Highlights and Asset Portfolio

# ATL: Revenue and EBITDA trend

**Operating Revenue performance**



**Operating EBITDA performance**



**Continue to deliver strong EBITDA performance**

Notes: 1) AEML was acquired w.e.f. Aug-2018 so numbers are not fully comparable on yoy basis.

## ATL OG - Profit and Loss Summary

Particulars (US\$ mn)	FY20	FY19	FY18	FY17
Revenue from Operations	281	264	451	311
Revenue from sale of traded goods	121	119	127	113
Other Income	37	32	21	12
Finance Costs	112	106	126	139
Depreciation & Amortization	80	80	87	84
Purchase of stock-in-trade	121	118	127	113
Operating and Other Expenses	34	29	28	19
Profit (Loss) Before Tax	93	81	231	81
Tax Expense	16	18	50	17
Net Profit (Loss)	77	64	181	63
Operational EBITDA <sup>(1)</sup>	250	250	266	280
Operational EBITDA Margin <sup>(1)</sup>	88.93%	90.3%	91.6%	94.0%

**Notes:** Average Reference Rates of 67.067, 64.461, 69.916 and 70.879 used for FY17, FY18, FY19 and FY20 respectively; 1. Operational EBITDA is defined for any period as Total Revenue excluding trading revenue, one time income/reversal and other income, deducting Employee Benefit Expense, Operating and Other Expenses excluding CSR for such period.

## ATL OG - Balance Sheet

Particulars (US\$ mn)	FY20	FY19	FY18	FY17
Tangible Assets	1,071	1,158	1,341	1,371
Long-Term Loans and Advances	20	23	19	17
Other Non-current Assets	797	884	699	87
Cash and Bank Balances	167	29	88	56
Other Current Assets	357	236	174	235
<b>Total Assets</b>	<b>2,412</b>	<b>2,330</b>	<b>2,321</b>	<b>1,766</b>
<b>Shareholders' Funds</b>	1,098	1,086	913	442
<b>Long Term Borrowings</b>	1,108	902	1,053	1,052
<b>Other Long Term Liabilities</b>	132	126	143	59
<b>Short Term Borrowings</b>	28	158	157	137
<b>Trade Payables</b>	21	8	5	4
<b>Other Current Liabilities</b>	24	50	50	72
<b>Total Equity and Liabilities</b>	<b>2,412</b>	<b>2,330</b>	<b>2,321</b>	<b>1,766</b>

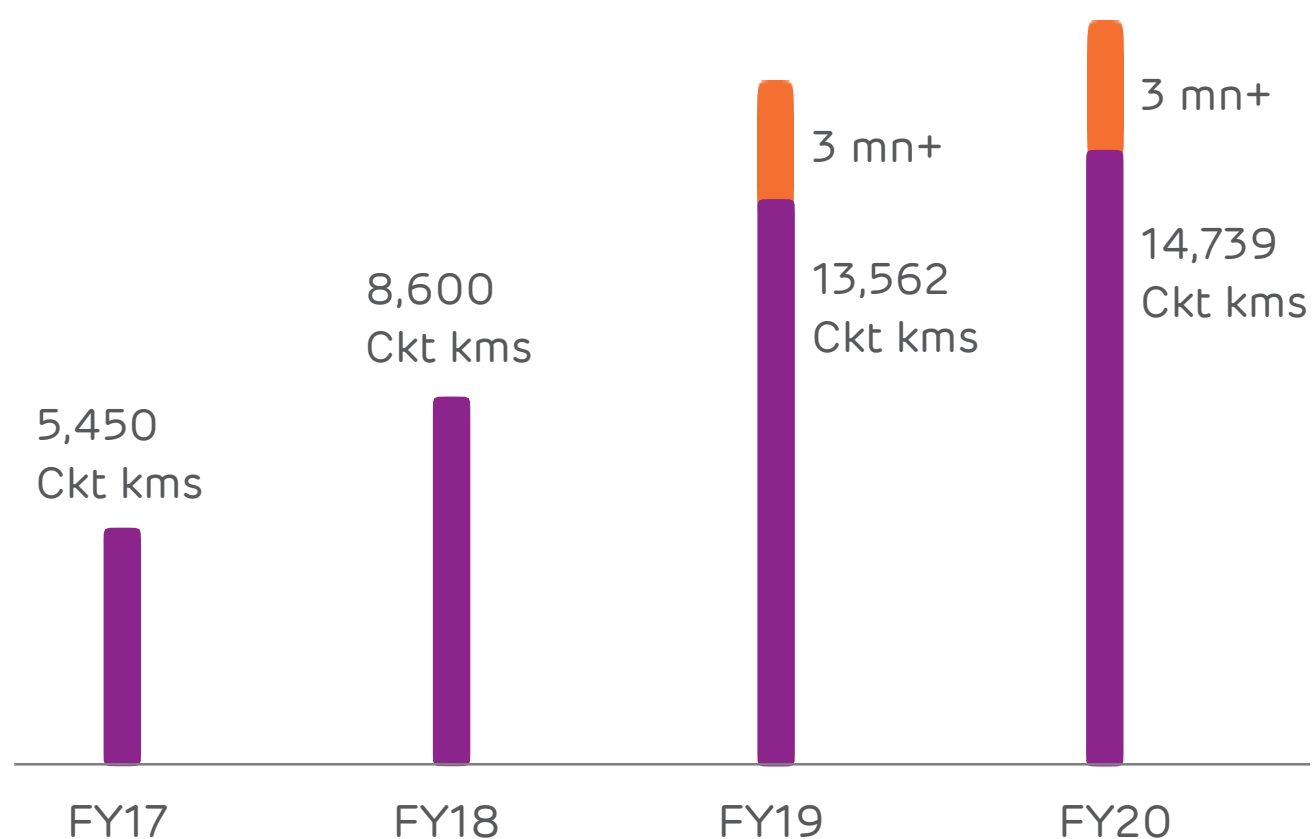
Notes: Average Reference Rates of 67.067, 64.461, 69.916 and 70.879 used for FY17, FY18, FY19 and FY20 respectively.

# ATL's Evolution and Operational Portfolio

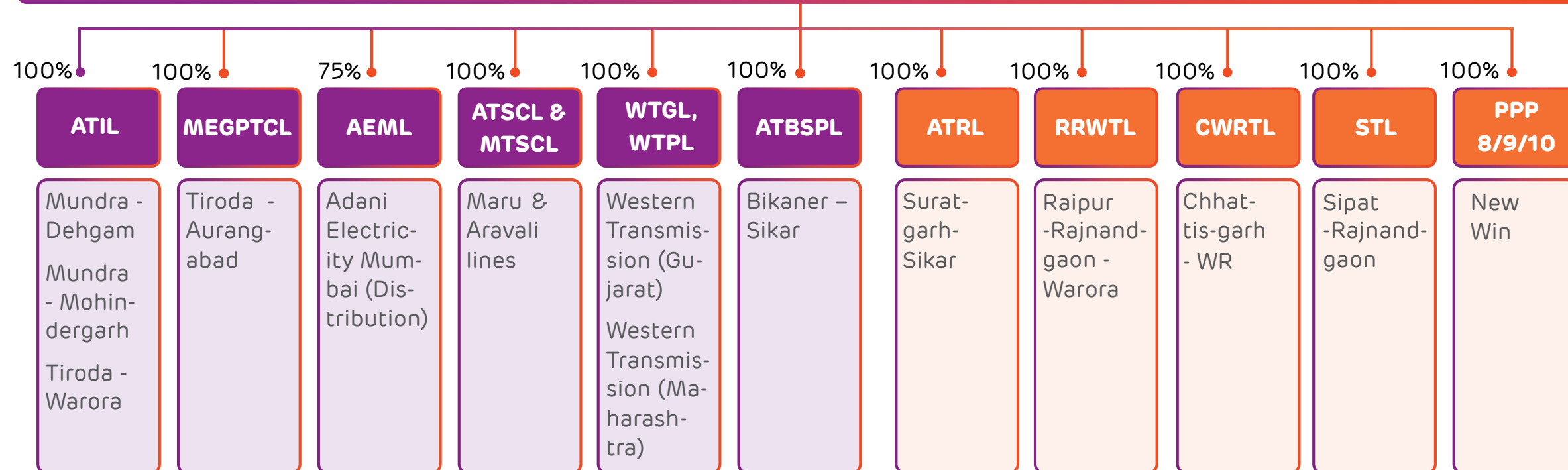
**ATL's Transmission Network (ckt km) has grown 2.7x in 3 years; and Distribution business acquired in FY19**

## ATL's "Grid-to-Switch" Integrated Platform

- Transmission Line (Ckt kms)
- Distribution Customers (mn)



## Adani Transmission Limited



### Operating Assets

3,834 ckms	1,217 ckms	566 ckms	397 ckms	3,063 ckms	343 ckms
6,630 MVA	6,000 MVA	3,125 MVA	1,360 MVA	-	-
c. 28 years	c. 31 years	c. 18 years	c. 30 years	c. 31 years	c. 41 years
Regulated return	Regulated return	Regulated return	Fixed tariff	Fixed tariff	Fixed tariff
Centre / State	State	State	State	Centre	State
INR 49.6 Bn	INR 57.7 Bn	INR 55.7 Bn	INR 3.9 Bn	INR 18.2 Bn	INR 2.2 Bn

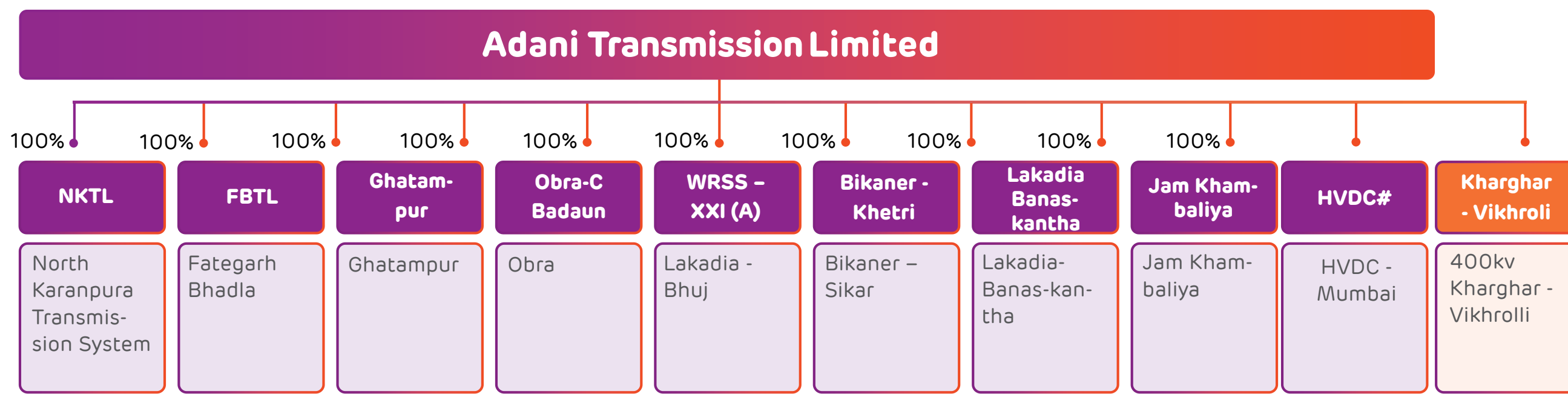
### Recently Commissioned Operating Assets

278 ckms	611 ckms	434 ckms	348 ckms	413 ckms
-	-	630 MVA	-	585 MVA
c. 34 years	c. 35 years	c. 35 years	c. 35 years	c. 35 years
Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff
State	Centre	Centre	Centre	State
INR 1.3 Bn	INR 12.1 Bn	INR 9.5 Bn	INR 5.4 Bn	INR 4.4 Bn

- A** Transmission line length
- B** Transformation capacity
- C** Residual concession life
- D** Contract
- E** Pool
- F** Asset base<sup>(2)</sup>

**Notes:** Route length (ckt-kms) as of 31st March 2020; ATIL - Adani Transmission (India) Limited; MEGPTCL - Maharashtra Eastern Grid Power Transmission Co. Limited; AEML - Adani Electricity Mumbai Limited (Distribution business); ATBSPL - Adani Transmission Bikaner Sikar Private Limited; STL - Sipat Transmission Limited; RRWTL - Raipur Rajnandgaon Warora Transmission Limited; CWTL - Chhattisgarh WR Transmission Limited; ATRL - Adani Transmission (Rajasthan) Limited; ATSC - Aravali Transmission Service Company Limited; MTSC - Maru Transmission Service Company Limited, WRSS M - Western Region System Strengthening Scheme Maharashtra, WRSS G - Western Region System Strengthening Scheme Gujarat, (1) 74% in ATSC with an option to acquire balance 26% in a manner consistent with Transmission Service Agreement and applicable consents; (2) Asset base for operational assets as of July-2019; Mumbai GTD / BSES - as per proposed funding plan.

# ATL: Locked-in Growth from Under-construction TBCB Projects



400 kV pooling station work at Fatehgarh 2 (FBTL Line)



765kV Ghatampur TPS-Agra SC line

	Under Construction									LOI
<b>A</b>	299 ckms	291 ckms	897 ckms	624 ckms	290 ckms	472 ckms	351 ckms	38 ckms	160 ckms	74 ckms
<b>B</b>	1,000 MVA	-	-	950 MVA	3000 MVA	-	-	2500 MVA	1,000 MW	1500 MVA
<b>C</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>D</b>	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Fixed tariff	Regulated Return	Fixed tariff
<b>E</b>	Centre	Centre	State	State	Centre	Centre	Centre	Centre	State	State
<b>F</b>	INR 6.7 Bn	INR 5.5 Bn	INR 18.2 Bn	INR 7.4 Bn	INR 8.1 Bn	INR 8.5 Bn	INR 7.0 Bn	INR 3.2 Bn	INR 70 bn	INR 18.9 Bn



Completion of tower foundation work at North Karanpura-Chandwa (NKTL)



160 MVA ICT-2 foundation work at Badaun Sub-station (Obra line)

**A** Transmission line length    **B** Transformation capacity    **C** Residual concession life    **D** Contract type    **E** Pool    **F** Asset base<sup>(1)</sup>

Notes: #HVDC project SPV will be 100% subsidiary of AEML (Adani Electricity)

NKTL – North Karanpura Transco Limited; FBTL – Fategarh Bhadla Transmission Limited; 1) Asset base for under-construction assets – as per the estimated project cost; 2) SPV acquisition awaited for Kharghar-Vikhroli project.



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**Thank You**





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