

Media Release

Adani Energy Solutions continues robust growth

Revenue at Rs 3,615 crore, up 19% YoY

Operational EBITDA at Rs 1,454 crore, up 10% YoY

Q3 Comparable PAT at Rs 281 crore, grew by 1%

During the quarter, the company posted robust Cash Profit of Rs 786 crore

Editor's Synopsis

- Revenue growth of 19%, boosted by newly commissioned transmission lines and rise in energy consumption in the Mumbai distribution business
- Fully commissioned Kharghar Vikhroli line (KVTL), establishing a first ever double circuit 400 KV grid at Mumbai, enabling the much-needed redundancy and stability to power supply in Mumbai. In addition, the company also commissioned the 765 KV Khavda Bhuj line of 217 ckm during the quarter, which is the first interconnection with Khavda RE park
- Within the transmission segment, received a letter of intent for newly won projects, Khavda Phase-III Part-A and KPS - 1 (Khavda Pooling Station) Augmentation bolstering the order book to Rs 17,000 crores for transmission projects
- Energy demand (units sold) in Adani Electricity Mumbai in Q3 grew by 14.8% YoY to 2,489 million units, on account of strong demand
- AEML's renewable mix at 35% as of December 2023 (baseline of 3% in 2019) positioned Mumbai among top megacities in the world for RE share in power mix
- Under the smart metering business segment, the order book has rapidly grown to 21.1 million smart meters, with a contract value of over Rs. 25,000 crores. The smart metering deployment is underway
- Long term strategic tie-ups with Airtel, Esyasoft, AdaniConnex will strengthen AESL's smart metering platform and enable the smooth roll-out

Ahmedabad, 29 January 2024:

Adani Energy Solutions Limited ("AESL"), part of the globally diversified Adani portfolio and the largest private transmission and distribution company in India with a growing smart metering portfolio, today announced its financial and operational performance for the quarter ended December 31, 2023.

"Our growing portfolio with newly commissioned lines, coupled with favorable energy demand, continues to drive our growth. We are proud of our contribution to developing national transmission infrastructure, which is very critical to facilitate renewable evacuation, especially from the Khavda region. With humility, we welcomed the prestigious Global recognition in the form of Sustainability Leadership Award 2023 from the World Sustainability Congress, demonstrating our outstanding leadership, commitment to reduce environmental impact, and dedication to promote sustainable practices," said **Anil Sardana, MD, Adani Energy Solutions**.

"We are very excited about opportunities in all lines of business in AESL. The smart metering segment is consistently growing besides our existing T and D established industry position. To offer smart and tech enabled smart metering solutions, our partnership with Airtel, Esyasoft, AdaniConnex will be very fruitful and will immensely augment our offering," said **Kandarp Patel, CEO, Adani Energy Solutions**.

Q3 FY24 Highlights:

Consolidated Financial Performance

(Rs crore)

Particulars	Q3 FY24	Q3 FY23	YoY %	9M FY24	9M FY23	YoY%
Revenue	3,615	3,037	19.0%	10,657	9,117	16.9%
Total EBITDA	1,732	1,708	1.4%	4,553	4,395	3.6%
Operating EBITDA	1,454	1,318	10.4%	4,077	3,772	8.1%
Net Profit	348 [^]	478 [#]	-27.2%	815 [^]	841 [#]	-3.1%
Comparable PAT (ex one-time)	281	280	0.6%	812	642	26.3%
Cash Profit (ex one-time)	786	757	3.9%	2,257	2,235	1.0%

(Note: Total EBITDA = Operating EBITDA plus other income, one-time regulatory income, adjusted for CSR exp.; Cash profit calculated as PAT + Depreciation + Deferred Tax + MTM option loss;) [#]Includes one-time regulatory income of Rs 240 crores (Rs 198 crores net-off tax); [^]Includes a miscellaneous income of Rs 136 crore on account of the \$ 120 million bond buy-back

Revenue: Revenues witnessed a double-digit growth of 19% on account of the newly commissioned transmission projects and higher energy consumption in the distribution business.

- Key transmission projects that made progress and were commissioned in Q3:
 - ✓ The 765 KV KBTL (Khavda Bhuj line), with 217 circuit kilometers got charged during the quarter. This line, once fully commissioned, will help evacuate about 3 GW of renewable energy from Khavda, Gujarat. The project will help shape one of the country's largest solar and wind farms.
 - ✓ Commissioned 400 KV Kharghar-Vikhroli double circuit transmission line, establishing the first-ever high voltage 400 KV connection in Mumbai. This will enable an additional 1,000 MW power to be brought into Mumbai, thus meeting the city's fast growing electricity demand.
- Robust system availability of 99.7% in the transmission business.
- AEML, the Mumbai distribution business witnessed an increase in the energy consumed by 14.8%. It saw one of the lowest distribution losses of 5.46% and added new consumers, reaching 3.16 million on the back of reliable and affordable power supply.

EBITDA:

- The operational EBITDA increased by 10.4% to Rs 1,454 crore for the quarter, with incremental revenue contribution from Warora-Kurnool, Karur, Kharghar-Vikhroli and MP-II lines and continuous EBITDA growth with expansion in the asset base in AEML. The transmission business continues to maintain the industry leading EBITDA margin of 92%.
- The total EBITDA of Rs 1,732 crore includes a miscellaneous income of Rs 136 crore on account of the \$ 120 million bond buy-back at a discount in the Mumbai distribution business.

PAT: Comparable PAT of Rs 281 crore was 1% higher, supported by miscellaneous income of Rs 136 crore and lower finance cost in AEML. The comparable PAT in Distribution increased by 100%

Segment-wise Financial Highlights

(Rs crore)

Segment	Particulars	Q3 FY24	Q3 FY23	YoY %	9M FY24	9M FY23	YoY%
Transmission	Op Revenue	1,056	933	13.2%	2,881	2,637	9.2%
	Op EBITDA	967	859	12.6%	2,628	2,412	9.0%
	Comparable PAT	246	262	-6.0%	732	735	-0.5%
Distribution	Op Revenue	2,559	2,104	21.6%	7,777	6,480	20.0%
	Op EBITDA	487	459	6.1%	1,448	1,360	6.5%
	Comparable PAT	35	18	99.9%	80	-93	186.4%

Segment-wise Key Operational Highlights:

Particulars	Q3 FY24	Q3 FY23	Change
Transmission business			
Average Availability (%)	99.7%	99.7%	In line
Transmission Network Added (ckm)	302	371	In line
Total Transmission Network (ckm)	20,422	18,795	Higher
Distribution business (AEML)			
Supply reliability (%)	99.99%	99.99%	In line
Distribution loss (%)	5.46%	5.60%	Lower
Units sold (MU's)	2,489	2,169	Higher

Transmission:

- On operational parameters, it was a strong quarter with an average system availability of over 99.7%.
- The business added 302 circuit kilometers during the quarter and ended with a transmission network of 20,422 circuit kilometers.

Distribution business (AEML):

- Sold 2,489 million units vs. 2,169 million units last year on account of an uptick in energy demand primarily driven by higher industrial share.
- Distribution loss has been improving consistently and stands at 5.46% in Q3FY24 and maintained supply reliability at over 99.9%.

Segment-wise Progress and Outlook:

Transmission:

- Robust under-construction transmission pipeline worth Rs. 17,000 crores is well on track from the execution point of view.
- The company is on track to commission the MP-II package (partial), the Khavda-Bhuj (partial), and the WRSR lines in the coming quarters.
- The near term (12-24 months), tendering pipeline for the industry is buoyant and upwards of Rs. 1.10 lakh crore under various stages of bidding.

Distribution:

- The distribution business continues to show a steady performance with double digit growth and consistently increasing RAB (regulatory asset base), supported by internal accruals. Total RAB for the distribution business has now reached Rs. 7,823 crores from Rs. 5,532 crores at the time of acquisition in 2018.
- AESL is exploring several areas and have applied for parallel distribution license in several geographies like Navi Mumbai in Maharashtra, Greater Noida (Gautam Buddha Nagar) in UP, and Mundra subdistrict in Gujarat.
- AEML, on a YTD basis, did capital expenditure of over Rs. 800 crores and reduced its long-term debt by Rs 855 crores through a bond buyback program.

Smart Meters:

- The new business segment is evolving well and will become sizeable in terms of contribution to AESL's overall growth and profitability. It offers strong synergies to the distribution business.
- During the quarter, AESL received LOA (letter of award) for Phase-2 smart metering contracts from Andhra Pradesh discoms and a new contract from the Uttarakhand discom. Total contracts awarded in Q3 aggregate to 2 million smart meters with a contract value of ~Rs. 2,300 crores.
- The under-implementation pipeline now stands at 21.1 million smart meters, comprising nine projects with a contract value of over Rs. 25,000 crores.
- The untapped market comprises 135 million smart meters, as the government's official target is 250 million by 2026.

ESG Updates:

- Adani Electricity Mumbai successfully increased its renewable energy share in the overall electricity mix to an impressive 35%. AESL being the largest distributor in Mumbai, this achievement now positions the city as one of the world's highest procurers of renewable power (solar and wind) in the total mix, surpassing major global megacities. The share was only 3% in FY21. This noteworthy accomplishment underscores Adani Electricity Mumbai's commitment to sustainability and decarbonization of the grid. AESL remains committed to its target of 60% renewable share by FY27.
- AESL won the Global Sustainability Leadership Award 2023 from the World Sustainability Congress for outstanding leadership, commitment to reducing environmental impact, and dedication to promoting sustainable practices.
- AESL won the prestigious Golden Peacock Award in Environment Management (GPEMA). This underscores the company's commitment to sustainable practices.

Achievements and Awards:

- AEML received the Confederation of Indian Industry 2023 DX Award in the Best Practices category as the Most Innovative Company for its unwavering commitment to innovation and excellence.
- Received "Excellence in Procurement Innovation" and "Outstanding Leader in Procurement" award at the 8th ISM-India Conference & CPO Awards 2023.
- Awarded "Excellence in Road Safety" and "Excellence in Innovation in Safety Technology" at the OSH India Awards.
- "Platinum Award" for Occupational Health and Safety under the 8th Apex India Occupational Health and Safety Award 2023 by Apex India Foundation.
- Adani Electricity Mumbai made history on November 12, 2023, during the festival of Diwali by powering the city of Mumbai with 100 percent renewable electricity for four hours.

About Adani Energy Solutions Limited (AESL):

AESL, part of the Adani portfolio, is a multidimensional organization with presence in various facets of the energy domain, namely power transmission, distribution, smart metering, and cooling solutions. AESL is the country's largest private transmission company, with a presence across 17 states of India and a cumulative transmission network of 20,422 ckm and 54,661 MVA transformation capacity. In its distribution business, AESL serves more than 12 million consumers in metropolitan Mumbai and the industrial hub of Mundra SEZ. AESL is ramping up its smart metering business and is on course to become India's leading smart metering integrator with an order book of over 20 million meters. AESL, with its integrated offering through the expansion of its distribution network through parallel licenses and competitive and tailored retail solutions, including a significant share of green power, is revolutionizing the way energy is delivered to the end consumer. AESL is a catalyst for transforming the energy landscape in the most reliable, affordable, and sustainable way.

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