

Media Release

Adani Energy Solutions reports strong growth in Q2 FY25

PAT at Rs 773 crore, up 172% YoY

Adjusted PAT at Rs 459 crore excluding deferred tax reversal (MAT entitlement) of Rs 314 crore, up 61.6% YoY

EBITDA at Rs 1,891 crore, up 31% YoY

The company, in line with its ESG commitment, has concluded the divestment of Dahanu plant in Q2FY25. The financial numbers in 1HFY25 are accordingly adjusted for the resulting exceptional item.

Editor's Synopsis

- Raised Rs 8,373 crore via QIP, making it the largest fundraise in the Indian power sector
- Robust growth of 69% in total income is driven by the contribution from the recently commissioned Kharghar-Vikhroli, Warora-Kurnool, Khavda-Bhuj lines, acquired Mahan-Sipat line, higher energy sales in Mumbai and Mundra utilities and contribution from smart metering
- EBITDA increased by 31% to Rs 1,891 crore for the quarter translating from strong revenue growth, EPC income in transmission, treasury income and steady regulated EBITDA in AEML
- PAT saw a steep growth of 172% YoY, translating from higher EBITDA and aided by deferred tax reversal (MAT entitlement of previous years) of Rs 314 crore
- Secured three new transmission projects - NES in Jamnagar Gujarat, NES in Navinal (Mundra), and Khavda Phase IVA, thereby adding 2,059 ckm to under construction network
- With three new project wins, the under-construction project pipeline has increased from Rs 17,000 crore in Q1FY25 to ~Rs 27,300 crore in Q2FY25
- In line with the robust power demand trends, energy demand (units sold) in Adani Electricity Mumbai (AEML) in Q2 ended 7% higher YoY to 2,609 million units and increased 50% YoY in Mundra Utility (MUL) to 234 million units
- The leverage position is healthy, with net debt to EBITDA metric at 3.1x in 1HFY25
- The capex as of 1HFY25 was Rs 4,400 crore, as against Rs 2,622 crore in 1HFY24
- The company has secured approval from CERC for transferring the inter-state energy trading license from Adani Enterprises. This license will enable AESL to provide customized power solutions to C&I customers

Ahmedabad, 22 October 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 and half year ended September 30, 2024.

"We are pleased to have delivered another quarter with robust operating and financial performance. The company remains focused on timely project commissioning as well as achieving operating efficiencies. The power demand trends in both utilities and new transmission project wins are very encouraging and we are making progress with the installation of smart meters in all our contracts. Our credible steps of successfully divesting the Dahanu thermal plant in line with our commitment and achieving an all-time high share of 39% renewable power penetration in Mumbai strengthens our position as true energy transition leader in India. We are also pleased to share that prestigious business magazine Businessworld has recognized AESL as one of the India's Most Sustainable Companies with a 2nd position in the Energy and Mining Sector and 23rd in the overall list. This demonstrates our unwavering dedication to reduce our carbon footprint and promote sustainable business practices," said **Kandarp Patel, CEO, Adani Energy Solutions.**

Q2 FY25 Highlights:

Consolidated Financial Performance

(Rs crore)

Particulars	Q2 FY25	Q2 FY24	YoY %	1H FY25	1H FY24	YoY %
Total Income	6,360	3,766	68.9	11,850	7,539	57.2
Operational Revenue	4,217	3,421	23.3	8,768	7,042	24.5
Total EBITDA	1,891	1,443	31.0	3,653	2,821	29.5
Operating EBITDA	1,626	1,368	18.9	3,235	2,622	23.4
PAT	773 [^]	284	172.2	1,088 [#]	466	133.4
Adjusted PAT	459 [*]	284	61.6	774 [*]	466	66.1
Cash profit	1,026 [^]	757	35.4	1,934 [#]	1,406	37.5

(Note: Total Income = Operational revenue + income from SCA/EPC/traded goods + One time income/expense + Other Income; Total EBITDA = Operating EBITDA plus other income, one-time regulatory income, adjusted for CSR exp.; Cash profit calculated as PAT + Depreciation and amortization expenses + Deferred Tax + MTM option loss); [#]Adjusted for an exceptional item due to carve-out of the Dahanu power plant of Rs 1,506 crore; [^]Includes deferred tax reversal (MAT entitlement of previous years) of Rs 314 crore in Q2FY25; ^{*}Adjusted for one-time deferred tax reversal (MAT entitlement of previous years) of Rs 314 crore

Income: Total income witnessed robust growth of 69% on account of the contribution of the newly operationalized transmission assets (KVTL, KBTL, WKTL lines), partial completion of lines at under-construction projects (MP-II) and an increase in energy sales because of strong demand growth in distribution business at Mumbai and Mundra and growing contribution from smart metering business

- Strong transmission system availability of 99.7% at the portfolio level
- AEML, the Mumbai distribution business, witnessed an increase in the energy consumed by 7%. Its distribution losses of 4.85% remain low and the utility added new consumers, reaching 3.17 million on the back of reliable and affordable power supply

EBITDA:

- EBITDA increased by 31% to Rs 1,891 crore for the quarter translating from strong revenue growth across all segments, EPC income in transmission, treasury income and steadily regulated EBITDA from the Distribution business
- The operational EBITDA of Rs 1,626 crore in Q2 ended 19% higher. The transmission business continues to maintain the industry's leading operating EBITDA margin of 92%

PAT: PAT of Rs 773 crore in Q2FY25 was 172% higher YoY, translating from a strong EBITDA growth and boosted by deferred tax reversal (MAT entitlement of previous years) of Rs 314 crore

Segment-wise Financial Highlights:

(Rs crore)

Segment	Particulars	Q2 FY25	Q2 FY24	YoY %	1H FY25	1H FY24	YoY%
Transmission	Op Revenue	1,197	941	27.2	2,372	1,825	30.0
	EBITDA	1,278	907	40.9	2,426	1,769	37.2
	PAT	364	259	40.2	614	421	45.8
	Cash Profit	690	501	37.7	1,261	918	37.3
Distribution (AEML and MUL)	Op Revenue	3,014	2,480	21.5	6,386	5,217	22.4
	EBITDA	588	536	9.8	[#] 1,180	1052	12.2
	PAT	398	25	1518.8	[#] 449	45	898.1
	Cash Profit	323	256	25.9	[#] 643	488	31.7

Note: [#]Adjusted for an exceptional item because of carve-out of the Dahanu power plant in line with Ind AS 105 of Rs 1,506 crore. KVTL – Kharghar Vikhroli, KBTL – Khavda Bhuj, WKTL: Warora Kurnool, MP-II: MP Package II

Segment-wise Key Operational Highlights:

Particulars	Q2 FY25	Q2 FY24	Change
Transmission business			
Average Availability (%)	99.7%	99.7%	In line
Transmission Network Added (ckm)	140	219	Lower
Total Transmission Network (ckm)	23,269	19,862	Higher
Distribution business (AEML)			
Supply reliability (%)	99.99%	99.99%	In line
Distribution loss (%)	4.85%	5.81%	Higher
Units sold (MU's)	2,609	2,446	Higher
Distribution business (MUL)			
Units sold (MU's)	234	156	Higher

Transmission business:

- On operational parameters, it was a strong quarter, with an average system availability of over 99.7%. Robust line availability resulted in an incentive income of Rs 35 crore in Q2FY25
- During the quarter, the company won three new transmission projects with a project cost of ~Rs. 10,300 crore - NES in Jamnagar Gujarat, NES in Navinal (Mundra), Khavda Phase IVA adding 2,059 ckm to under construction network
- Added 140 circuit kilometers during the quarter and ended with a total transmission network of 23,269 circuit kilometers

Distribution business (AEML Mumbai and MUL Mundra):

- Sold 2,609 million units in AEML vs. 2,446 million units YoY on account of an uptick in energy demand
- The distribution loss at AEML has been improving consistently and stands at 4.85% in Q2FY25. Maintained supply reliability at over 99.9%
- The units sold in MUL (Mundra) utility was 234 MUs in Q2FY25 as against 156 MUs on the back of strong industrial demand

Segment-wise Progress and Outlook:

Transmission:

- Robust under construction project pipeline of 12 projects worth ~Rs 27,300 crores are currently under the execution phase
- We expect to fully commission the MP-II package, Sangod, NKTL (North Karanpura), Khavda Phase-II, Part-A and the WRSR (Narendra-Pune) lines in the current fiscal year
- The near-term tendering pipeline for the industry is solid and upwards of Rs 59,000 crore

Distribution:

- The distribution business continues to show a steady performance with double digit revenue growth and expansion of RAB (regulatory asset base). Total RAB for the AEML business, including GTD divisions, stands at Rs 8,405 crores as of 1HFY25

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 will offer massive synergies to the distribution business
- Project set-up and meter deployment is progressing well across all the regions
- The under-implementation pipeline stands at 22.8 million smart meters, comprising nine projects with a contract value of over Rs 27,195 crore

ESG Updates:

- AESL concluded the divestment of 500 MW of Adani Dahanu Thermal Power Station in line with its ESG philosophy. This landmark step places AESL closer to its aspiration to be amongst the top 20 global companies in ESG ratings amongst the global utility industry
- Adani Electricity Mumbai successfully increased its renewable energy share in the overall electricity mix to an all-time high of 39% at the end of September 2024
- Scored 97% in the World Disclosure Initiative (WDI) survey, by Thomson Reuters Foundation well above the energy sector and country averages of 76% and 60% respectively
- Awarded one of the India's Most Sustainable Companies by Business World in 2024. The Company has secured 2nd position in the Energy and Mining Sector and ranked 23rd in the overall list, up from 45th position in 2023
- Adani Electricity and Adani Foundation, through their CSR initiative 'Swabhimaan Project,' has empowered over 4,000 underprivileged women, providing them with skill development training and opportunities to earn a sustainable livelihood



Achievements:

- Economic Times HR, and the prestigious Brandon Hall HCM (Human Capital Management) has awarded Adani Marvels, a leadership development program at AEML, the "Best Leadership Development Program" in the USA
- The Mumbai utility received eight awards in various categories at 10th National Conclave on 5S organized by the Quality Circle Forum of India (QCFI), demonstrating its unparalleled commitment to operational excellence
- AEML has been awarded the Gold Award for Best Learning Culture in an Organization - Large Scale Enterprises by ET HRWORLD from The Economic Times

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 16 states of India and a cumulative transmission network of 23,269 ckm and 70,686 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 22.8 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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