Adani Enterprises

Operator: Ladies and gentlemen, good day and welcome to the Adani Enterprises Ltd. Q2 FY27 earnings conference call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star, then zero on your touchtone phone. I now hand the conference over to Mr. Alok Deora. Thank you, and over to you, sir.

Alok Deora – Motilal Oswal: Thank you. Good evening, everyone. On behalf of Motilal Oswal, I welcome you all to the Q2 FY27 earnings call of Adani Enterprises Ltd. We have with us the senior management from the company, led by Mr. Arun Bansal, Chief Executive Officer, Adani Airport Holdings; Mr. Murali Krishnan, Chief Executive Officer, Adani New Industries, Solar Manufacturing; Mr. {? Rajesh Khoda ?}, CFO, Adani Airport Holdings; Mr. Manan Vakharia, Head of Finance at Adani Enterprises Ltd.; and Mr. {? Jiten Chhadva ?}, Investor Relations at Adani Enterprises Ltd. I will now hand over the call to Mr. Arun Bansal to provide the opening remarks, and then we can take up the Q&A. Thank you, and over to you, sir.

Arun Bansal – Chief Executive Officer, Adani Airport Holdings: Thank you, Alok. Good evening, everyone. Thank you for joining us today for the Adani Enterprises Ltd. earnings call for the quarter and half-year ended September 30, 2026.

AEL's portfolio comprises primarily infrastructure-focused businesses spanning energy and utilities, transport and logistics, and primary industry.

It is my pleasure to inform you that AEL received a credit rating upgrade to {? triple-- ?} AA+ Stable by CARE during the first week of October 2026, its highest-ever long-term rating in its credit history. This upgrade serves as an independent validation of AEL's disciplined capital management and tight fiscal prudence.

As we informed you in our earlier discussions, AEL's current fiscal results will reflect value unlocked from investments made over the last few years as we progressively move from the build-out phase to the value-realization phase.

AEL has reported its highest-ever half-yearly EBITDA of Rs. 11,958 crore. The strong EBITDA delivered is a testament to our incubating business model and the strength of our diversified business play. Reflecting on this, increasing asset sweating, and the ramp-up of the newly commissioned Adani New Industries module line capability, AEL is now well positioned to sustain this growth trajectory going forward.

Moving to our half-yearly financial performance on a consolidated basis, total income increased to Rs. 71,569 crore, an increase of 62% year-over-year. EBITDA increased to Rs. 11,958 crore, an increase of 56% year-over-year. Continuing profit before tax increased to Rs. 3,297 crore, an increase of 45% year-over-year. Adani Airport Holdings Limited reported EBITDA growth of 62% year-over-year to Rs. 3,275 crore. KCL Copper reported EBITDA of Rs. 2,033 crore.

Now let me move to the business-wise update.

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Our data center business, AdaniConneX, has signed a new hyperscale contract of 240-megawatt capacity, taking cumulative contracted capacity to 1.2-plus gigawatts. During the quarter, we handed over an additional 29.2-megawatt data center to customers, taking operational capacity to 94.6 megawatts.

Moving to the airport business, Adani Airport is one of India's largest private airport platforms, operating a portfolio of eight airports, including the greenfield Navi Mumbai International Airport, and contributing approximately 23% of India's passenger traffic and 29% of the country's air cargo volume, underscoring our scale and strategic importance in India's aviation ecosystem.

Adani Airport delivered a resilient performance during the first half of this fiscal year and achieved its highest-ever half-yearly EBITDA of Rs. 3,275 crore, which is close to the full-year EBITDA of FY25. This growth was achieved despite industry headwinds such as elevated fuel prices and airspace disturbances, which have weighed negatively on passenger traffic. The effort put in over the last few years to develop the non-aero strategy and ecosystem has provided resilience in this environment.

Our greenfield development of Navi Mumbai International Airport commenced international operations effective July 15, 2026. Indian domestic airlines IndiGo, Air India, and Akasa have recently announced their operational plans to commence international operations and progressively expand from Navi Mumbai Airport.

Moving on to financial and operational {? part ?} performance during Q2 FY27, we handled passenger traffic of 21.3 million passengers, total income of Rs. 3,786 crore, up by 20% year-over-year, and EBITDA of Rs. 1,641 crore, up by 55% year-over-year. Aero and non-aero revenue delivered year-over-year growth of 9% and 57%, respectively. During the quarter, we added eight new routes and four new airlines.

Moving to our mining services portfolio, the dispatched volume stood at 10.7 million metric tonnes, while revenue stood at Rs. 998 crore and EBITDA at Rs. 407 crore.

In the integrated resource management business portfolio, trading volume stood at 7.4 million metric tonnes, revenue stood at Rs. 7,169 crore, and EBITDA stood at Rs. 654 crore.

In the copper business, we are now seeing capacity ramp-up. During the quarter, copper sales volume was 80.6 kilotonnes, with capacity utilization increasing to 64%. Revenue increased to Rs. 14,843 crore and EBITDA increased to Rs. 1,283 crore.

With this, I now hand over the call to my colleague Murali Krishnan, CEO of Adani Solar. Over to you, Murali.

Murali Krishnan – CEO, Adani Solar: Thank you, Arun. Good evening, ladies and gentlemen. The Adani New Energy ecosystem is developing an end-to-end integrated ecosystem for manufacturing solar modules and wind equipment. As all of you know, Adani Solar has featured in the elite list of the top 10 global solar module manufacturers, and Adani Wind became the only Indian company in the top 15 global wind turbine manufacturers.

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I am happy to inform you that we commissioned the remaining module line capacity of 4.3 gigawatts on August 31, 2026, completing our expansion to 10 gigawatts of module line capacity. We are on schedule to commission the solar cell line of 6 gigawatts by the end of this financial year.

During the quarter, domestic module sales increased to 1,478 megawatts, up by 35% year-on-year. This demonstrates strong demand for Adani Solar modules in the domestic market, which has fully absorbed the export intake.

Now moving into the financial and operational performance for Q2 FY27, module sales were 1,478 megawatts, up by 35% year-on-year. Wind turbine sales were 35 sets, up by 25% year-on-year. Total income stood at Rs. 3,669 crore, with EBITDA at Rs. 1,094 crore.

The session is now open for questions and answers.

Operator: Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

We have the first question from the line of Manish A. Somaiya from Cantor. Please go ahead.

Manish A. Somaiya – Cantor: Good evening. Can you hear me?

Operator: Yes, we can hear you, Manish.

Manish A. Somaiya – Cantor: Okay, wonderful. I wanted to ask my first question on the airport business, specifically on Navi Mumbai. Perhaps Arun can talk about the key traffic, yield, and cost milestones over the next 12-15 months that we should be thinking about as that airport ramps up. What are some of the meaningful contributions to profitability and cash flow that we should think about?

Arun Bansal – Chief Executive Officer, Adani Airport Holdings: Thank you for your question. As I said in my commentary, NMIA started commercial international operations on July 26. As you might have seen, recently, together with Indian carriers IndiGo, Akasa, and Air India, we announced the new international routes. IndiGo has announced 12 new routes from Navi Mumbai starting from December through the April summer schedule of 2027. Air India Group has announced seven international routes from Navi Mumbai, and Akasa has announced one additional route. That makes 19 international routes. One route is already operating from Navi Mumbai.

We also see proportionate growth in domestic operations. Our guidance is that we will exit the next financial year with full capacity at Navi Mumbai. As you know, Navi Mumbai can handle a maximum capacity of 20 million passengers, comprising 5 million international and 15 million domestic passengers. We will exit the next financial year, that is, Q1 2028, running at a rate of 5 million passengers per quarter.

Manish A. Somaiya – Cantor: Okay, that is helpful. On data centers, it is obviously great to see the tie-up with a new hyperscaler. The capacity is now 1.2 gigawatts-plus. If you can help us understand

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how we should think about the commissioning schedule and what level of equity and capex we should be factoring in as we think about that.

Arun Bansal – Chief Executive Officer, Adani Airport Holdings: [pause] Hi, Manish. Manan...

Management – {? Manan ?}: Yes. So [cut off]

Manish A. Somaiya – Cantor: Okay, thank you, Manan. Lastly, on roads, now that Ganga Expressway is operational, how should we think about recurring toll and annuity income becoming the dominant force when it comes to earnings? That is something that I think we have yet to see, so I am hoping you can help us with some of the key milestones we should be watching for over the next few quarters.

Management – {? Manan ?}: I think, starting last quarter, we entered an area where the numbers in the P&L, all the reported numbers, reflect annuity income as well as {? tollway toll income ?}. What we should expect going forward is an increase in the optimum utilization of the roads where toll income is generated. As traffic grows and picks up across the newly commissioned toll roads, including Ganga Expressway, you will see those ramp-up numbers coming in. However, when we compare year-on-year, because of how Ind AS accounting works for service concession accounting, you will see some variability in the revenue numbers. I understand that this largely answers your questions; otherwise, you will see that the normalized numbers have already come through. You will see this continue for a few more quarters in the next period. As construction starts for the new projects, you will see that again being reflected in the P&L.

Manish A. Somaiya – Cantor: Okay, that is very helpful. I will get back in the queue, and I appreciate the time. Thank you.

Management – {? Manan ?}: Thank you.

Operator: We have the next question from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar – ICICI Securities: Good evening, and thank you for taking my question. My first question is on the Bangalore tunnel project. I think we are L1. Is there any update on that project that you can share?

Management – {? Manan ?}: No. It is at the same level. What we know from the authorities is that we are L1, and there has been no further development as of now.

Mohit Kumar – ICICI Securities: Understood. Coming back to road EBITDA, and of course, we understand the Ind AS accounting, is it possible to share the operational EBITDA going forward, given that, of course, four more, our large three projects, have become operational, including Ganga Expressway? Is it possible to share the operational EBITDA going forward in the presentation? That could be helpful for us.

Management – {? Manan ?}: Sure, Mohit. We can include it. For your reference and for the benefit of everybody, we will share the numbers in the transcript and on the call as well. Our EBITDA for the roads business for Q2 was Rs. 354 crore, and Q1 was Rs. 288 crore. That takes us to a half-yearly

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EBITDA of around Rs. 642 crore for roads.

Mohit Kumar – ICICI Securities: Understood. Going back to the airport business, are we expecting to commence work on Phase 2 of Navi Mumbai? Can you give us an update on that? Given that traffic is below par, are we postponing that capex? My second question on the airport business is regarding last year. If you look at the non-aero business, I think we took over ground handling somewhere in Q1 FY26, right? That revenue was not present in the base quarter, whereas that number is present in Q1 and Q2 FY27. Can you help us understand that part?

Arun: I will take the first question, Arun here, and then Rajesh will help you with the second question on that exact number. Phase 2 of Navi Mumbai has already commenced. We have already onboarded the international consultant, and the design work is ongoing. We are also in the process of finalizing the EPC contractor, which will be onboarded very soon. For Phase 2 of Terminal 2 at Navi Mumbai, the actual work will start within November this year.

Mohit Kumar – ICICI Securities: Understood. And on ground handling, sir?

Rajesh: Yes, Mohit. Rajesh here. In the case of ground handling, we commenced operations at Mumbai, Ahmedabad, and Navi Mumbai through our 100% subsidiary, {? AGH Port ?}. During this particular first half, we earned revenue of around Rs. 339 crore for the 6-month period.

Mohit Kumar – ICICI Securities: So, this was not present at all in the last fiscal year. Is that correct?

Rajesh: Yes, it was. Actually, not as such, {? [unclear] ?}.

Management – {? Manan ?}: Mohit, the entity was acquired and became part of the group around the middle of November. It was therefore present for approximately three or four months in the last financial year. So, if you look at the half-year number, it was not particularly there.

Mohit Kumar – ICICI Securities: Understood. My other question is on solar and wind. In this particular quarter, do you have any idea how much was sold in the rooftop segment? Also, are we thinking about setting up ingot and wafer capacity now?

Management: There are two questions. On the rooftop segment, 56% of our sales went into rooftop.

Mohit Kumar – ICICI Securities: Right, sir.

Management: In terms of ingot and wafer, we already have 2.2 gigawatts of ingot and wafer capacity, and the balance capacity will come up by 2028, which we are already working on. The engineering work has already started. This will align well with the ALMM 3 policy.

Mohit Kumar – ICICI Securities: So, is the understanding correct that capex will be incurred toward the balance 8 gigawatts of ingot and wafer capacity?

Management: It will actually be a bit more than 6 gigawatts because, technically, the yield factor is approximately 87% to 88% of the nameplate capacity. Accordingly, the quantity installed will be slightly higher than the capacity that we already have in hand.

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Mohit Kumar – ICICI Securities: Understood. Is it possible to share the solar order book and the wind order book at the end of Q2?

Management: In general, I can only say that our capacity is already booked, both for wind and solar. We will not be in a position to give you the exact numbers at this point in time, but I can assure you that the order book is already full.

Mohit Kumar – ICICI Securities: Understood, sir. My last question is, how much capex was incurred in H1 on a segment-wise basis?

Management – {? Manan ?}: Mohit, that is included on a segment-wise basis as part of our earnings presentation. There is a breakdown of the exact capex there.

Mohit Kumar – ICICI Securities: Sure. Just one more question regarding data center capacity. I think there was a contract reservation of 1.2 gigawatts that was shared by the end of FY26. Do you have a similar number for [trails off]

Management – {? Manan ?}: So, that [cut off]

Mohit Kumar – ICICI Securities: The number shared earlier was data center capacity of 1.2 gigawatts under contract reservation. Can you help us understand the definition of contract reservation, and what that number was at the end of Q2 FY27?

Management – {? Manan ?}: You can refer to the data center slide included as part of the earnings presentation. We are constructing data centers with an overall capacity of 1.4 gigawatts. These are at various stages. Of this 1.4 gigawatts, capacity of 1.2 gigawatts is already tied up and is at different levels of implementation and project construction. The remaining capacity is open and can be taken up by anybody.

Mohit Kumar – ICICI Securities: Understood. I will take it offline. I will speak to {? [unclear] ?} offline. Thank you for answering my questions. Thank you. Bye-bye.

Management – {? Manan ?}: Thank you.

Operator: We have the next question from the line of Prateek Kumar from Jefferies. Please go ahead.

Prateek Kumar – Jefferies: Good evening, and congratulations on the great set of results. My first question is on the airport business. Can you discuss progress on real estate capex and any specific milestones we are looking at by the end of FY27 and FY28 for city-side development?

Arun: On city-side development, we have signed the SMA contract for all the hotels we are building with our partner. Work is ongoing at five assets: Mumbai, Navi Mumbai, Ahmedabad, Lucknow, and Guwahati. The work at Jaipur will start very soon. The Phase 1 developments will be live at Ahmedabad by October 2029 and at Mumbai and Navi Mumbai by March 2030.

We are also undertaking some major capex projects on the aeronautical side. As I said before, we are building a completely new Terminal 2 at Navi Mumbai. We are redeveloping Terminal 1 at MIAL, which will start from Q1 next year. We are building a completely new integrated terminal at

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Ahmedabad in line with the Commonwealth Games, which Ahmedabad city will host in October 2036, so that terminal will be ready. We are also making some minor additions to capacity at Terminal 2 in MIAL, building additional capacity at Trivandrum, and constructing a new terminal at Jaipur. There are a lot of heavy capex items that are work in progress from now until 2029-2030.

Prateek Kumar – Jefferies: In the data center business, can you discuss the recent joint venture, the Jabil-Adani Jabil partnership, and the scope of that business? Is this new capex for the company? Also, we read about a lot of positions for data center setups, particularly in Vizag and Navi Mumbai, where we are looking to set up large projects. Can you discuss the status of land acquisition or whatever else is required for these projects, which would suggest that our projects are on time and that we are looking at 2 gigawatts of capacity by probably FY30?

Management – {? Manan ?}: You have two parts to your data center question. I will first address Jabil. The present joint venture with AdaniConneX is completely a data center business in terms of building and constructing the data center, core and shell, MEP solutions, and other related work. What goes inside the data center is generally within the scope of the customers.

What we seek to do with Jabil is a completely new development, different and separate from AdaniConneX, where Adani Enterprises Ltd. and Jabil are looking to manufacture AI racks, data servers, and related equipment. The manufacturing facility will be set up in the country. It is still at the MoU stage, and we are looking to finalize the definitive agreement over the next few months. Once we have signed those agreements, we will make the proper disclosure in line with the regulatory requirements, and that will include the details in our capex and other segments. That was the first part of your question.

On the second part, regarding the various data center locations defined in our earnings presentation, we have access to the majority of those lands. They have either already been acquired or are at a very advanced stage of completing the acquisition. We are very confident that these projects will be completed as planned and envisaged.

Prateek Kumar – Jefferies: Just to confirm, you said operational capacity moves from the current 95 megawatts to 125-150 megawatts by FY27, and to 500 megawatts by FY28. Was there another number that you mentioned?

Management – {? Manan ?}: 500 megawatts over the next 18 months. So, practically, yes.

Prateek Kumar – Jefferies: On the road segment, the performance, progress, or ramp-up at the new project seems a bit slow. Is that under review versus the company's own estimates, and how do we see the progression on a quarterly basis? [cut off]

Management: I think it is progressing well, but it is slightly off the mark from where we would otherwise like the numbers to be in terms of capacity ramp-up at the toll roads. This is primarily due to the rainy season, heavy floods, and the situation in the northern part of the country. We will discount that, but as we speak today, we are seeing good progress toward the numbers we are expecting. So, it is slightly off the mark currently, but we will catch up in the next two quarters.

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Prateek Kumar – Jefferies: Lastly, quickly on ANIL, we have commissioned new module capacity. What is the run rate of volumes with the significant increase in capacity that we now have over the next few quarters?

Management: We are expecting about 2 GW for the next quarter. That will be the run rate we should achieve with the new capacity coming in.

Prateek Kumar – Jefferies: Thank you, sir. What will be the mix of volumes between rooftop and captive volumes? Will sales to Adani Green increase significantly, or how do you expect to sell these volumes?

Management: As I have already mentioned, the cell capacity is expected to be commissioned during this financial year, toward the end of this financial year. As the cell capacity comes in, the DCR content will increase, and that will increase the rooftop business because it requires DCR compliance. We will also have non-DCR capacity, which will be used for captive requirements in the next two quarters to a considerable extent.

Prateek Kumar – Jefferies: My last question is on mining services and iron. These two segments have also seen lower volumes recently. How should we look at their annual volumes for these two segments?

Management: These two quarters are seasonally comparatively lower, but we expect them to grow from here in the remaining two quarters. We should be at least 10% to 15% higher than where we ended last year.

Prateek Kumar – Jefferies: Sure, thank you for answering all my questions.

Management: Both mining services, particularly, and coal trading, or IRM, are typically market-driven businesses. It will therefore be difficult to provide an outlook, given the coal shortage situation in the country.

Prateek Kumar – Jefferies: Thank you all. That is all from my side.

Management: Thank you.

Operator: Participants who wish to ask a question may press star and one on your touchtone telephone. We have the next question on the line of Biplab Debbarma from Emkay Global. Please go ahead.

Biplab Debbarma – Emkay Global: Good evening, everyone, and congratulations on the excellent numbers. My first question is on non-aero revenue, which saw a significant year-on-year jump. Could you please highlight what led to such a significant jump in non-aero revenue?

Management: Thank you for the question. Our non-aero strategy has basically been threefold. Number one, we are heavily investing in digitization. We are working with the Adani One app, which we have revamped to focus only on airports, and hence we are able to increase penetration year-over-year. This quarter, almost 25% of our non-aero transactions took place digitally. As a result, we are able to increase the average transaction value per passenger. We are also able to

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increase penetration. The third thing is that we are able to premiumize most of our shops. We have brought lounges on board. Of course, the initial ramp-up at Navi Mumbai also helped, because Navi Mumbai had no non-aero revenue last year. The combination of all these factors has helped, and ground handling services also contributed, as one of our colleagues asked. There was no ground handling last year, and it was incorporated this year. Multiple factors therefore contributed to strong non-aero growth.

Biplab Debbarma – Emkay Global: Yes. Now—

Operator: Mr. Biplab, we request you to come closer to the microphone, as we are unable to hear you very clearly.

Biplab Debbarma – Emkay Global: Okay. Hello, is it okay now?

Operator: This is much better, yes.

Biplab Debbarma – Emkay Global: Thank you. My second question is on the capex commitment. You have significant capex expected in airports, data centers, and even defense. Could you give us some color on the capex commitment over the next 3-5 years, and which business segments will have significant capex?

Management: Hi, Biplab. We have provided the capex already incurred as part of the standard details in the presentation itself. In terms of the outlook, we will stick to the outlook we provided during Q1. We expect capex in the range of around Rs. 50,000 crore. We will perhaps be somewhere in the range of Rs. 35,000 crore to Rs. 40,000 crore, and we expect this to continue for the next couple of years.

Biplab Debbarma – Emkay Global: Okay.

Management: Yes, Rs. 35,000 crore to Rs. 40,000 crore. The heavy lifting will obviously be done by airports, data centers, and PVC.

Biplab Debbarma – Emkay Global: Okay, that is all. Just one more question. You had excellent results. What kind of EBITDA do you think we will end up with in FY27, and what kind of margin do you expect in FY27?

Management: Biplab, we refrain from giving any specific financial guidance, so I apologize for not being able to respond to this question.

Biplab Debbarma – Emkay Global: That is fantastic. Thank you, and all the best. Congratulations, sir.

Management: Thank you.

Operator: Thank you. We have the next question on the line of Alok Deora. Please go ahead.

Alok Deora – Motilal Oswal: Good evening, and congratulations on the decent numbers. I have a couple of questions. The first question has seen significant traction. Do we see this run rate continuing, or could we see even better run rates in the coming quarters? That is question one. My second question is that we have been seeing airlines being somewhat hesitant to move from T1 to

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Navi Mumbai. What kind of deviation could that cause for us, or can you throw some light on that? Is there any impact at all?

Management: I will answer the airline question, and then one of my colleagues will answer the copper question. Airlines require a long-drawn process in which we need to gain their confidence that the infrastructure is ready at Navi Mumbai. This always happens when new infrastructure comes in. As you would have seen, on Sunday and Monday, between three domestic carriers, we announced the movement of 18 international flights from the existing Mumbai airport to Navi Mumbai. That caters to roughly 3 million passengers annually, and we are in discussions with more airlines to move traffic so that we can reach at least T1. We are fairly confident, as I said earlier, that we will end FY27-28 with the peak planned capacity of 20 million passengers. I will hand over to one of my colleagues for the copper question.

Management: Thank you, sir. Hi, Alok. Copper has had two very good quarters in terms of Q1 and Q2, and Q2 was very good. If you look at the margin we make on our revenue, EBITDA as a percentage of overall revenue has been in the range of 7% to 8.5% during this period. On a long-term basis, our estimate is that, because this is a highly commoditized business and the prices of by-products such as sulfuric acid have picked up, this has contributed to the good set of numbers. On a long-term basis, our utilization of the plant and the ramp-up will increase from 64% in Q2 to around 80% to 85% as we close the current financial year. The absolute number will definitely increase in terms of revenue, but our operating range for the current fiscal year may be slightly higher. On a long-term basis, it will be in the range of 4% to 6% as a margin. As we increase plant utilization, the absolute number can be around the same in the current financial year.

Alok Deora – Motilal Oswal: Understood, sir. I have one follow-up on the airline answer you gave. If there is any delay in the remaining airlines agreeing to shift their operations, would that have any implication for us, or would it not change anything for us as an airport operator?

Management: The timeline to start the redevelopment, including the demolition of T1, is fixed. This will start from the summer schedule in April 2027. Airlines will have to make a choice—certain airlines, not all of them, will either move to Navi Mumbai or temporarily stop flying to Mumbai. I am mainly referring to international airlines. There are very few discussions left, and I am fairly confident that collaboratively, within the next month, we will be able to reach a conclusion with those airlines as well. There might be one or two airlines that decide not to operate from Mumbai for a couple of years, but that will have almost no impact on overall passenger traffic.

Alok Deora – Motilal Oswal: Got it, sir. That is very helpful. Thank you, and all the best.

Management: Thank you.

Operator: Thank you. We have the next question on the line of Pratik Singh from {? ISL Capital ?}. Please go ahead.

Pratik Singh – {? ISL Capital ?}: Hi, good evening. Thank you for the opportunity. My first question is on the solar business. It looks like realization has fallen on a quarter-on-quarter basis, but EBITDA margins, or EBITDA per megawatt, have increased. What are the key 2-3 parameters we can track here?

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Management: [pause] If you look at the Q1 results we provided during the last call, we mentioned that we had sourced some advance authorization, which had an impact of approximately Rs. 89 crore. That is one of the main reasons for this impact. Does that answer your question?

Pratik Singh – {? ISL Capital ?}: Yes, understood. My second question is on the data center business. As you are incrementally signing pre-lease contracts with multiple hyperscalers sequentially every quarter, I understand that a like-for-like comparison might be difficult, but on a like-for-like basis, are you seeing an increase in rental rates over time in dollar terms?

Management: [pause] We can provide the specific details and come back on this. Broadly, there has been some increase in rates over the last 6 months, but it is not material in terms of the levels we are looking at. Broadly, the ROCE, or the return on capital, that we were making earlier remains stable in the data center business, which is our core focus at AdaniConneX.

Pratik Singh – {? ISL Capital ?}: Understood. Given that we lock in capital of Rs. 60 crore to Rs. 80 crore per megawatt and are seeing commodity price inflation, there is also tightness in equipment supply. There might therefore be a risk that capex per megawatt could go above what we thought 6-7 months ago. When we negotiate with hyperscalers, do they agree to add-ons, or are we in a process where we want to lock in as much capacity as possible at slightly higher rates than we need?

Management: When I answered you earlier, what I meant was that we protect the return on capital employed that we want to make as part of this business. Wherever we see increased capex, that will be factored in when the business is considered for a new sign-up or a new project sign-up. Even after factoring in that increase, the rates are more or less stable and in broadly the same range in which we were operating earlier.

Pratik Singh – {? ISL Capital ?}: Understood. My third question is on the copper business. We have been hearing that domestic TC/RCs are negative and that the availability of concentrate is very tight globally. Have you been facing any sequential issues in procuring supply, or are things fine right now and you are able to secure supply at a reasonable cost?

Management: As far as procurement of raw material is concerned, we have not seen any significant challenge compared with what we are hearing in the market, because we have long-term contracts tied up for a significant part of our requirement. This insulates us from such tighter variations in the market. As of now, we do not foresee a situation where we are unable to procure [cut off]

Pratik Singh – {? ISL Capital ?}: Okay, and thanks. I have two bookkeeping questions. Investments in JVs and associates are around Rs. 2,400 crore in the first half, with a similar level expected for the entire FY27. Is it safe to assume that this is largely driven by data centers?

Management: That would be data centers, basically. You are including investments accounted for under the equity method as well, right?

Pratik Singh – {? ISL Capital ?}: Correct.

Management: Yes, that is data center investment.

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Pratik Singh – {? ISL Capital ?}: My last question can also be taken offline. The other expenses line item in our P&L at Rs. 6,200 crore is quite a bit lower than it has been in the last 3 years. What exactly is driving it?

Management: That will again boil down to the Ind AS accounting for service concession contracts, where road construction activities are generally passed through the P&L. That is why you see the P&L bloated to that extent, with both revenue and expense being reflected. Construction expenses are passed through the P&L, and that is causing higher variation on the other expenses side.

Pratik Singh – {? ISL Capital ?}: That explains it very well. Thanks a lot, and all the best.

Management: Yes.

Operator: Thank you. We have the next question from the line of Kartik Kohli from Kotak Securities. Please go ahead.

Kartik Kohli – Kotak Securities: Hi, sir. Good afternoon. Thank you for taking my question. My question is more on the airports business. Given that we have seen very strong growth, is there a fixed component of this non-aero revenue related to new shopping at Navi Mumbai Airport, as well as at other airports? Is there a fixed element in the total contract linked to non-aero revenue per passenger?

Management: Thank you for the question. There is one element that is specific to Q2, and that is the hangar space we have in Navi Mumbai, which was recorded in the Q2 financials. All the new shop openings, new lounges, and everything else are recurring businesses that will continue.

Kartik Kohli – Kotak Securities: Understood. My second question is on data centers. It is more of a broader discussion. I wanted to understand that since you are signing up—

Management: Hello? Kartik, you are not audible. Hello?

Operator: Kartik, you are not clearly audible. Mr. Kartik, kindly come closer to the microphone so that we can hear you clearly.

Kartik Kohli – Kotak Securities: Sure. Is this better?

Operator: Yes, we can hear you now.

Kartik Kohli – Kotak Securities: Sorry. On data centers, we wanted to understand from a broader business perspective: now that you are signing contracts with a lot of hyperscalers across the globe, and many of these players have undertaken significant debt, is there a broad fail-safe in your agreements with such hyperscalers in terms of take-or-pay agreements and similar protections that would allow you to recoup at least part of the revenues if a hyperscaler customer ultimately does not take up capacity because its financing is not working out? Is there a safeguard for that?

Management: [pause] I think that is part of normal contracts, where the commitment is full. The safeguard is that these provisions are built into the standard agreements. However, for the specific scope of take-or-pay provisions, we will have to check and come back after cross-checking with the legal team.

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Kartik Kohli – Kotak Securities: Understood. Secondly, on the services business within AdaniConneX, what sort of services are being envisaged, and what sort of contribution to overall margins can come from them? Is there a sense we can get here?

Management: You said AdaniConneX, right?

Kartik Kohli – Kotak Securities: Yes. Within the business, there is a managed services element and an O&M element. I wanted to get a sense of what sort of EBITDA contribution or margin contribution can come from them.

Management: We have not yet publicly disclosed this as part of our presentation data center deck, which is expected toward the end of the year. We will disclose the entire set of information for AdaniConneX, and we will try to include those metrics as well. However, the majority of the revenue and EBITDA will largely flow from lease rentals, where take-off is provided by the hyperscalers.

Kartik Kohli – Kotak Securities: Understood. Just one last question. You mentioned that a major portion of the raw material requirement for the copper business has already been taken care of. Could you specify to what degree you have contracts in place for capacity utilization?

Management: In terms of off-take or procurement?

Kartik Kohli – Kotak Securities: Both—off-take and procurement—whatever numbers can be shared.

Management: In terms of off-take, we have two joint ventures in-house for tubes. These provide external off-take for around 12% to 15% of our capacity. Excluding that, copper is imported into the country, and demand in the country is essentially the supply available in the country. Therefore, we are not very concerned about off-take. In terms of procurement, we have already tied up approximately 50% to 60% of our requirement on a long-term basis, and another 20% is already contracted on a short-term basis. We expect the plant to continue operating at 80% to 85% toward the end of the year, as I indicated earlier. In that sense, we are fully secured from both supply-chain and off-take perspectives.

Kartik Kohli – Kotak Securities: Understood, sir. Thank you so much for the comments.

Management: Thank you.

Operator: Participants who wish to ask a question may press star and one on their touchtone telephone. We have the next question from the line of Prateek Kumar from Jefferies. Please go ahead.

Prateek Kumar – Jefferies: Thanks for the opportunity again. Just one question. We acquired the Jaypee assets through the NCLT route earlier this year. The cement business and power business were divested to other companies. The hotels, F1, and the large land parcel in Greater Noida all seemed to remain on the Adani Enterprises Ltd. side. What are the plans for all these assets? When will they start being incorporated into the Adani Enterprises Ltd. platform, and how will the entity be consolidated?

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Management: Hi, Prateek. You are right that the bidding entity was Adani Enterprises Ltd., but the implementing agency was not Adani Enterprises Ltd. It was a private entity under Adani Properties Private Limited. Nothing from the Jaypee acquisition remains with us; it is completely off the balance sheet of Adani Enterprises Ltd.

Prateek Kumar – Jefferies: So, the hotel projects and the land parcel are all now outside the company. Understood.

Management: Yes.

Prateek Kumar – Jefferies: Thank you for clarifying.

Management: We have also not contributed any equity or provided any funding to the project. It is completely outside AEL.

Prateek Kumar – Jefferies: Sure. Thank you.

Operator: Thank you. We have the next question from the line of Dhaval Shah from {? RDSA Investment Managers ?}. Please go ahead.

Dhaval Shah – {? RDSA Investment Managers ?}: Hello? Am I audible?

Operator: Dhaval, we are not able to hear you very well. We request you to kindly come closer to the microphone.

Dhaval Shah – {? RDSA Investment Managers ?}: Hello. Is it audible now?

Operator: Yes, we can hear you now.

Dhaval Shah – {? RDSA Investment Managers ?}: I wanted to get more insight into primary industry. I see that we have significantly increased our EBITDA, including metals, mining, IRM, and specialist manufacturing. The increase was probably contributed significantly by copper, but I would like to get more insight into this Rs. 5,000 crore of EBITDA.

Management: You are right. Primarily, the increase that you see on the first or second slide of the presentation is coming from copper. Apart from that, the major contributors are integrated resource management and mining services, for which we disclose the results separately in the segmental numbers. Another part of primary industries is Carmichael Mine. Compared with last year, coal prices are good and the mine is running at optimum capacity, so EBITDA has started flowing from that mine as well. For Q2, we delivered EBITDA of around Rs. 470 crore, and cumulatively for the half-year, EBITDA was Rs. 840 crore, which was generally our expected annual run rate. Because of the good prices, those numbers have come out well, and that would make up the remaining part if you are looking at the overall number.

Dhaval Shah – {? RDSA Investment Managers ?}: Regarding specialist manufacturing, can you please provide more insight into what portion of capital we are committing and the size we are considering in terms of revenue and EBITDA?

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Management: Specialist manufacturing primarily refers to defense. In terms of the overall numbers we are presenting, those businesses are not very significant, and therefore they do not meet the criteria for segment reporting and are not separately reported. However, we are doing meaningful work there, but nothing can be reported as of now.

Dhaval Shah – {? RDSA Investment Managers ?}: My second-last question is about PVC. I see that almost 18% to 20% of our capital has gone into PVC. Can you provide more insight into the timelines for the PVC business and where we stand in the segment?

Management: We are constructing a 1 million metric tonne capacity plant at Mundra, involving approximately Rs. 26,000 crore of capex. We have already crossed 60% in terms of both project spend and construction on the ground. As per the timelines, the first part of the overall capex is expected to be commissioned in the next fiscal year. That is when you will see some numbers coming in. After it is commissioned, the plant will stabilize over the next 6–9 months, and we will see the numbers flowing in. That is where we stand on PVC. The plant is progressing well and is on schedule.

Dhaval Shah – {? RDSA Investment Managers ?}: Do I understand correctly that we only have a plan for manufacturing PVC? Apart from that, is there anything else on the PVC line, or is it only PVC? Is there anything else on chlor-alkali?

Management: Chlor-alkali is also included, so it is PVC and related chemicals.

Dhaval Shah – {? RDSA Investment Managers ?}: Thank you.

Operator: Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to the management for closing comments.

Management: Thank you so much for all the questions. We will close the session. Thank you so much.

Operator: Thank you. On behalf of Adani Enterprises Ltd., that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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