Adani Power Ltd — Jun 2025 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

The punchline. Read this first — it frames everything below.

Result: Beat (Operational) / Inline (Financial) **One-line:** The thesis is reinforced: APL has completed its transition from a "stressed turnaround" play to a "self-funded growth compounder," with FY25 cash flows (FFO of □20,499 Cr) proving the company can execute its □112,000 Cr expansion to 30.7 GW without incremental net leverage.

Dimension	This Quarter (Full Year FY25)	Signal / Evidence	Sentiment
Beat/Miss vs Guidance / Prior Quarter	Operational Beat	Sales volumes grew 21% YoY to 95.9 BU; Continuing EBITDA grew 15% YoY to □21,575 Cr.	□
Earnings Quality	High (Core focus)	90% of reported EBITDA is now "Continuing" (core); reliance on one-time regulatory income fell from 33% to 10% of EBITDA.	□
Guidance Confidence	Strong	Locked-in growth pipeline reached 13.12 GW; 100% of BTG equipment for 11.2 GW already ordered to bypass supply chain bottlenecks.	□
Management Credibility	Strong	Successfully integrated 2,300 MW (Mutiara, Korba, Dahanu) and achieved a 4-agency "AA" rating upgrade within the fiscal year.	□
Business Quality Signal	Improving	Pivot to "Pit-head" brownfield expansion (87% of pipeline) lowers marginal cost and enhances PPA competitiveness.	□
Key Q&A Exchange	N/A — no concall	PPT highlights successful amalgamation of Jharkhand (Godda) plant as a key corporate milestone.	□
The Street's Primary Anxiety	Execution Risk / Capex Funding	Mgmt responded with a 6-year FFO waterfall: □123k Cr FFO vs □11k Cr debt maturity, leaving □112k Cr for capex.	□
Capital Cycle Stage	Growth Investment	Massive brownfield expansion phase (13.12 GW) backed by advanced equipment ordering.	□
Margin / Return Ratio Trajectory	Stable	Continuing EBITDA margin stabilized at ~38% despite lower merchant realizations vs the FY24 peak.	□
Pricing Power	Resilient (PPA)	80%+ capacity tied to long-term PPAs; new UP PPA (1.6 GW) secured in May 2025 at escalable capacity charges.	□
FCF Conversion & Quality	Strong	FFO of □20,499 Cr represents nearly 95% conversion of Continuing EBITDA.	□
Competitive Moat Signals	Widening	86% of projects are brownfield (land/water available); 87% are near-pithead (fuel cost advantage).	□
Balance Sheet Strength	Strong	Net Debt / Continuing EBITDA remains low at 1.44x (vs 9.7x in FY19) despite inorganic acquisitions.	□
Working Capital Efficiency	Improving	Regularization of Bangladesh payments and Haryana dues recognized; cash balance stands at □7,311 Cr.	□
Mgmt Guidance Track Record	Reliable	Delivered on capacity growth targets (17.55 GW) and de-risked the 2030 target via advance ordering.	□
Key Vulnerability / Red Flag	Fuel Logistics	Handling 74 MMTPA of coal; any rail/rake disruption is the primary operational bottleneck.	□
Management Tone	Confident & Systematic	PPT focuses heavily on "Derisked Execution" and "Self-Funded Growth" logic.	□

Key Takeaways (Positives & Negatives): * **Positives:** The structural de-leveraging is complete (Net Debt/ EBITDA at 1.44x vs 9.7x historically), and the company is now a cash-generation machine. The math for the next five years is clear: the □20.5k Cr annual FFO run-rate covers both debt amortisation (□1.6k–2.2k Cr/year) and the aggressive 13.1 GW expansion plan. Strategic de-risking through 11.2 GW of advance BTG (Boiler, Turbine, Generator) ordering is a masterstroke in a supply-constrained global market. * **Negatives:** Reported PAT (□12,750 Cr) appears to have declined YoY, but this is an accounting mirage due to the high base of FY24 which included □9,322 Cr of one-time regulatory income. Core "Continuing" profitability is actually up 15%. * **Street Concern:** Analysts were previously worried about "project-specific financial closure" delays. Management has addressed this by demonstrating that internal accruals alone can fund the □1.1 trillion capex cycle, effectively decoupling growth from debt market volatility. * **Forward Watchpoint:** Monitoring the construction progress of the 4.8 GW brownfield projects at Mahan, Raipur, and Raigarh, which are the next immediate catalysts for volume growth.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: Concall not available — Mgmt Commentary column absent.

Metric	Current FY25	YoY Change	QoQ Change	Trend	Mgmt Commentary
Continuing Revenue (□Cr)	56,473	↑ 11%	N/A	□	Driven by 21% volume growth.
Continuing EBITDA (□Cr)	21,575	↑ 15%	N/A	□	Core operating profit growth.
Continuing EBITDA Margin %	38.2%	↑ 140 bps	N/A	□	Improved scale and asset mix.
Reported PAT (□Cr)	12,750	↓ 39%	N/A	□	High base of FY24 (one-timers).
Net Debt (□Cr)	31,023	↓ 0.1%	↑ 7%	□	vs □31,057 Cr in Mar-24.
Net Debt / Cont. EBITDA (x)	1.44	→	↑	□	vs 1.4x in Mar-24; 1.33x in Dec-24.
Installed Capacity (MW)	17,550	↑ 15%	→	□	Incl. Mutiara, Korba, Dahanu.
Sales Volume (BU)	95.9	↑ 21%	N/A	□	Enhanced demand and capacity.
Plant Availability (%)	91%	↓ 100 bps	↑ 300 bps	□	Maintained above 90% benchmark.
PLF (%)	71%	↑ 600 bps	↑ 700 bps	□	Significant utilization increase.
Locked-in Growth (GW)	13.12	↑ 236%	↑ 14%	□	vs 3.9 GW in Mar-24.
FFO (□Cr)	20,499	↑ 43%	N/A	□	Strong core cash generation.
Cash & Equivalents (□Cr)	7,311	↓ 8%	↓ 8%	□	Used for capex and acquisitions.
Gross Fixed Assets (□Cr)	113,215	↑ 24%	↑ 11%	□	Aggressive brownfield deployment.

2B. SEGMENT BREAKDOWN

Segment	Revenue (□ Cr)	YoY Growth	EBITDA (Cont)	Trend	vs Co. Avg	Key Development
Operating Assets (17.6 GW)	56,473	↑ 11%	□21,575 Cr	□	Average	80%+ PPAs tied up; 91% availability.
Merchant / Open (20%)	Not Stated	↑ Volume	~□5.93/kWh	□	Lower	Realizations fell from □6.92/kWh (FY24).
Acquired (2.3 GW)	Not Stated	New Add	Turnaround	□	Lower	Mahan EBITDA grew from □549Cr to □1,893Cr.
Growth Pipe (13.1 GW)	N/A (Capex)	N/A	N/A	□	Future	11.2 GW BTG ordered; land 100% ready.

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3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Capacity	30.67 GW Target Capacity.	Needs 13.12 GW addition by 2030; run-rate of ~2.6 GW/year. Feasible given current construction.	**Met:** Increased operating capacity by 2.3 GW in FY25.	Supply chain for non-BTG packages.
Guidance	PPA Tie-up	87% of target capacity to be under PPA.	Needs ~4 GW more PPAs for the new pipeline. High probability via State DISCOM bids.	**Met:** Secured 1.6 GW LOA from UP in May 2025.	Bidding price caps.
Guidance	Leverage	Net Debt / EBITDA to remain conservative.	Current 1.44x is well below 2.5x ceiling. Feasible via internal accruals.	**Met:** Reduced from 9.7x (FY19) to 1.44x.	Sudden M&A spike.
Guidance	Capex	₹112,000 Cr self-funded over 6 years.	Needs ₹18.6k Cr/year. FY25 FFO was ₹20.5k Cr. Mathematically sound.	**On Track:** Annual capex cash outflow rose to ₹11,671 Cr.	Inflation in project costs.
Strategy	Tech Min	Technical minimum at 40% for grid stability.	Requires plant upgrades for RE integration. APL preparing fleet for this.	**New:** Working with CEA trajectory.	Operational cost at low PLF.
Strategy	Fuel Security	74 MMTPA logistics capability.	Must scale to ~120 MMTPA for 30 GW target.	**On Track:** Managing 65 rakes in circulation daily.	Rake availability/ Logistics.

4. ANALYST Q&A

Section not applicable — investor presentation only. No concall conducted or available.

5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q3 FY25)	This Quarter (FY25/Q4)	Direction
Locked-in Growth	11.5 GW (approx)	13.12 GW	↑ Improving
PPA Visibility	MSEDCL (1.5 GW) definitive	Added UP DISCOM (1.6 GW) LOA	↑ Improving
Leverage (ND/EBITDA)	1.33x	1.44x	↓ Deteriorating
Credit Rating	A+ / AA- across agencies	AA/Stable (Unified across 4 agencies)	↑ Improving
Corporate Structure	Jharkhand (Godda) subsidiary	Jharkhand Amalgamated into APL	↑ Improving
Asset Base	₹92,325 Cr (Total Assets)	₹112,918 Cr	↑ Improving
Capex Commitment	Focused on Mahan/Raipur	Full ordering (11.2 GW) of BTG fleet	↑ Improving
Regulatory Income	Focused on Q3 collections	Final FY25 one-time at ₹2,433 Cr	↓ Normalizing

STOP HERE.