Adani Power Ltd — Mar 2024 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

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

Result: Strong Beat (Structural Acceleration) **One-line:** Adani Power has pivoted from a "recovery" play into a high-margin cash engine, with 9M FY24 EBITDA already exceeding the entirety of FY23, underpinned by the successful integration of the Godda transnational asset and continued regulatory de-bottlenecking.

Dimension	This Quarter (9M FY24)	Signal / Evidence	Sentiment
Beat/Miss vs Guidance / Prior Quarter	Strong Beat	9M FY24 Revenue (□46,400 Cr) already exceeds FY23 Full Year (□43,041 Cr).	□
Earnings Quality	Improving (Core-led)	Continuing EBITDA (□13,516 Cr) is nearly double the FY23 full-year recurring base (□8,540 Cr).	□
Guidance Confidence	Strong	Clear visibility on 22 GW+ target; 1.6 GW Mahan Ph-II and CEPL acquisition moving to plan.	□
Management Credibility	Strong	Successfully commercialized Godda in record time; Net Debt/EBITDA reduced to 1.2x.	□
Business Quality Signal	Improving	Portfolio shift toward Ultra-supercritical tech (Mahan/Godda) and 48% pithead concentration.	□
Key Q&A Exchange	Not applicable	Investor Presentation only.	□
The Street's Primary Anxiety	Leverage & Fuel Risk	Net Debt/EBITDA dropped to 1.2x; 79% of domestic fuel now secured via long-term linkages.	□
Capital Cycle Stage	Growth / Harvesting	Using massive FCF from existing assets to fund 5.5 GW brownfield/inorganic expansion.	□
Margin / Return Ratio Trajectory	Improving	Continuing EBITDA per unit rising as high-margin Godda (USD-denominated) contributes fully.	□
Pricing Power	Stable	81% capacity tied in PPAs; merchant capacity (19%) positioned near pitheads for cost edge.	□
FCF Conversion & Quality	Strong	Massive realization of regulatory dues (~□29,000 Cr cumulative) converted to debt reduction.	□
Competitive Moat Signals	Widening	Only IPP with in-house mine-to-plant logistics; 60 MMTPA coal handling capability.	□
Balance Sheet Strength	Strong	Deleveraging ahead of schedule; Net Senior Debt to EBITDA at 1.2x vs 1.7x in FY23.	□
Working Capital Efficiency	Improving	Regulatory income liquidation significantly shortened the cash conversion cycle.	□
Mgmt Guidance Track Record	Reliable	Delivery of Godda and realization of Supreme Court-mandated dues.	□
Key Vulnerability / Red Flag	Counterparty Risk	60% of capacity tied to State DISCOMs; however, payment security has improved.	□
Management Tone	Disciplined/ Aggressive	Focus on "Sustained Leadership" and "Repeatable Model."	□

Key Takeaways (Positives & Negatives):

Positives: * **Operating Leverage Unlocked:** The business has reached an inflection point where "Continuing EBITDA" for 9 months (₹13,516 Cr) is 58% higher than the previous *full year*. This is driven by Godda's high-margin transnational supply and improved PLFs. * **Balance Sheet Transformation:** Net Senior Debt to EBITDA at 1.2x is now superior to many global utility peers. Senior Debt/Equity has collapsed from 3.9x (FY19) to 0.6x (9M FY24), creating immense head-room for the next 5.5 GW growth phase. * **Fuel Strategy Moat:** 48% of capacity is near-pithead, ensuring these plants stay at the top of the "Merit Order Despatch," guaranteeing high utilization even during periods of low demand.

Negatives: * **Lumpy One-timers:** Reported EBITDA still includes ₹9,227 Cr of one-time regulatory income. While cash-backed, it masks the true normalized growth rate for passive observers. * **Geopolitical Dependency:** 1.6 GW (Godda) is a transnational asset supplying Bangladesh. While sovereign-backed and USD-denominated, it introduces a layer of cross-border political risk not present in the domestic fleet.

Forward-Looking Watchpoint: The execution of Mahan Phase-II (1.6 GW) and the integration of Coastal Energen (1.1 GW) will be the primary tests of whether Adani can replicate its "3.5-year commissioning" track record without inflating the now-lean balance sheet.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS *DATA SOURCE: Concall not available — commentary absent. Comparison vs. Prior Context (FY23).*

Metric	Current (9M FY24)	YoY Change (vs FY23 Full Year)	Trend	Mgmt Commentary
Revenue (₹Cr)	46,400	+7.8% (on 9M vs 12M basis)	↑	Surpassed full-year FY23 revenue in just 9 months.
Continuing EBITDA (₹Cr)	13,516	+58.3%	↑	Core operating profitability showing massive acceleration.
One-time EBITDA (₹Cr)	9,227	+39.1%	↑	Realization of prior period regulatory dues.
Total Reported EBITDA (₹Cr)	22,743	+58.9%	↑	Driven by both core operations and one-time claims.
Installed Capacity (GW)	15.25	+0.27	↑	Full commissioning of Godda (1.6 GW) integrated.
Avg. Operational Capacity (MW)	14,985	+20.4%	↑	Reflects inclusion of Godda and higher plant uptime.
PLF (%)	62%	+1400 bps	↑	Significant improvement in capacity utilization.
Net Senior Debt to EBITDA (x)	1.2	-29.4%	↑	Aggressive deleveraging continuing via internal accruals.
Senior Term Debt to Equity (x)	0.6	-40.0%	↑	Down from 1.0x in FY23; strongest equity base in 5 years.
Supercritical/Ultra-SC Capacity (%)	74%	+200 bps	↑	Fleet modernization improving station heat rates.

2B. SEGMENT BREAKDOWN (By Plant Category)

Segment	Capacity (MW)	Fuel Pass-Through	Tech Type	Trend	vs Company Avg	Key Development
Near-Pithead	8,070 (48%)	100%	Supercritical	↑	Higher Margin	Low logistics cost ensures highest dispatch priority.
Coastal	5,820 (35%)	83% Tie-up	Mixed	→	Lower Margin	Mundra/Udupi: Dependent on imported coal price recovery.
Hinterland	2,920 (17%)	Escalable Charge	Supercritical	→	In-line	Kawai: Stable domestic linkage performance.
Transnational	1,600	100% (USD)	Ultra-Supercrit	↑	Premium Margin	Godda: Fully commissioned; 25-year sovereign PPA.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Volume / Capacity	Reach 22 GW+ total capacity (from current 15.25 GW).	Needs 6.75 GW addition; 5.5 GW already in various stages (Brownfield/CEPL).	Delivered 1.6 GW Godda project in 3.5 years.	Low
Guidance	Capex Plan	1,600 MW Mahan Ph-II (Units in Dec 2026, Jun 2027).	3-year construction window remains feasible based on historical speed.	Benchmark of 3 units commissioned in a single FY (Mundra).	Medium
Guidance	Debt / Leverage	Maintain Net Senior Debt to EBITDA at conservative levels.	Current 1.2x provides □20,000 Cr+ of borrowing head-room for capex.	Reduced ratio from 5.4x (FY20) to 1.2x.	Low
Strategy	Technology	100% FGD (Emission Control) installation by 2029.	Currently at 31%; needs steady retrofitting across 10 GW+ of fleet.	Cost is pass-through under supply agreements.	Low
Strategy	Fuel Security	De-risking via captive mines under liberalized policy.	Aims to move beyond current 79% domestic linkage.	Handles 60 MMTPA coal via in-house logistics.	Low
Macro	Industry Demand	Power demand to double by FY32.	Requires India to add ~200 BU of thermal generation by FY27.	Thermal generation grew 22% between FY21-FY23.	Low

4. ANALYST Q&A

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

5. WHAT CHANGED vs PRIOR QUARTER

(Comparing 9M FY24 to FY23 Full Year context)

What Changed	Prior Quarter (FY23)	This Quarter (9M FY24)	Direction
Core Profitability	Continuing EBITDA □8,540 Cr	Continuing EBITDA □13,516 Cr (9M)	↑
Leverage Profile	Net Senior Debt/EBITDA 1.7x	Net Senior Debt/EBITDA 1.2x	↑
Solvency	Senior Debt/Equity 1.0x	Senior Debt/Equity 0.6x	↑
Asset Base	Godda under commissioning	Godda fully operational & contributing	↑
Growth Pipeline	Early-stage planning	Mahan Ph-II under construction; CEPL in progress	↑
Regulatory Realization	Realized ~□14,000 Cr (FY23)	Cumulative realization reached ~□29,000 Cr	↑
Fleet Efficiency	72% Supercritical/Ultra-SC	74% Supercritical/Ultra-SC	↑

STOP HERE.