

Profit in line; FY26E capex guidance largely maintained

Sep-Qtr EBITDA was 4% above estimates on better operational performance in the transmission segment. Management reiterated FY26E capex guidance of Rs160-180 bn vs Rs60 bn done in 1H and maintained Rs150 bn transmission capitalization guidance vs our Rs116 bn estimate. Smart metering is a new high-growth area, and we expect overall 30% EBITDA CAGR in FY25-28E on execution-backed growth. Buy.

Transmission bid pipeline up 63% YoY: Adani Energy Solutions' (AESL) management on the call reiterated that the outlook for transmission remains robust and pipeline rose to Rs964 bn vs Rs590 bn YoY and Rs900 bn QoQ. Between Adani group's financial consolidation and tad aggressive transmission sector bidding in FY24, AESL saw some market share loss. However, post QIP fundraising in FY25, company won a Rs250 bn sizeable HVDC project and has regained its lost share. FY25 market share was 25% vs 8% in FY24. Company has a material Rs70 bn Mumbai HVDC project that is coming up in Dec. 2025/Jan. 2026 for commissioning, which is important for FY26E Rs116 bn capitalisation and earnings expectations. Currently, the company is executing Rs600 bn transmission projects which is up 2.2x YoY.

Smart Meters (SMT) ramping up well - quarterly run rate 2.1 mn vs 0.3 mn YoY: Smart Metering remains an exciting opportunity, as bidding of 100+ mn smart meters is still left of the government's 250 mn target by 2026. AESL is executing smart meter projects worth Rs295 bn (i.e., around 24.6 mn meters). 3 mn meters were added in FY25 and plan was to more than double it to 7 mn in FY26E, though 1H run rate suggests it should cross 8 mn. Our FY26E-28E assumptions budget a ramp-up to 11 mn SMT eventually, which will need the company to win an additional 8 mn SMTs in the next 12-18 months. Mumbai distribution (AEML) business saw 2% YoY rise in 2QFY26 power sales. Distribution losses declined 49 bps YoY to 4.36% on stable collection efficiency.

Buy for strong medium-term growth: We maintain our Rs1,100 PT based on 15x EV/EBITDA Sept 27E. This is a premium to our implied 10x target EV/EBITDA multiple for Power Grid (PWGR IN, Rs291, Buy), given the much higher growth in AESL vs Power Grid's 7% PAT CAGR in FY25-28E. Downside risks include 1) inability to maintain interest rate and 2) market share loss.

Exhibit 1 - AESL: Financial Summary

(Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	95,403	109,335	125,345	166,074	236,191	313,143	351,878	404,027
EBITDA	42,411	45,360	47,991	57,074	69,444	92,679	119,429	152,114
EBITDA (%)	44.5	41.5	38.3	34.4	29.4	29.6	33.9	37.6
Adjusted PAT	9,336	9,651	8,591	10,454	15,809	26,218	29,633	37,597
EPS (Rs)	7.8	8.0	7.2	8.7	13.2	21.8	24.7	31.3
EPS Growth (%)	25.9	3.4	(11.0)	21.7	51.2	65.8	13.0	26.9
ROCE (%)	10.4	10.2	9.5	9.0	8.3	10.6	10.3	10.7
RONW (%)	10.7	10.2	8.0	8.6	9.1	11.2	11.1	12.4
PE (x)*	118.6	114.7	128.9	105.9	70.0	42.2	37.4	29.5
PBV (x)*	12.4	11.2	9.5	8.8	5.0	4.4	3.9	3.4
EV/EBITDA (x)*	31.8	30.6	29.6	25.4	20.8	17.0	14.6	12.5

Source: Company data, Jefferies estimates

FY (Mar)	2025A	2026E	2027E	2028E
Rev. (MM)	236,191	313,143	351,878	404,027
EBITA (MM)	69,443.5	92,679.0	119,429.0	152,114.0
Net Profit	15,809.1	26,218.0	29,633.0	37,597.0
BV/Share	183.71	207.70	234.80	269.20

COMPANY UPDATE

RATING	BUY
PRICE	INR946.00*
PRICE TARGET % TO PT	INR1,100 +16%
52W HIGH-LOW	INR1,090.65 - INR588.25
FLOAT (%) ADV MM (USD)	25.5% 2,318.75
MARKET CAP	INR1.1T \$12.9B
TICKER	ADANIENS IN

*Prior trading day's closing price unless otherwise noted.

FY (Mar)	CHANGE TO JEF		JEF vs CONS	
	2026	2027	2026	2027
REV	NA	NA	NA	NA
EPS	NA	NA	NA	NA

2026 (INR)	Q1	Q2	Q3	Q4	FY
EPS	--	--	--	--	21.80
PREV					

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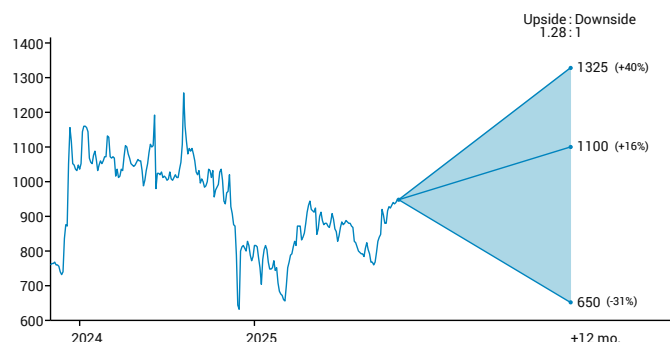
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The Long View: Adani Energy Solutions Ltd

Investment Thesis / Where We Differ

- Established competence in commissioning enduring transmission line networks below budgeted costs and tenures.
- Expanding B2C revenues by providing additional durable sales services to consumers on distribution.

Risk/Reward - 12 Month View



Base Case, INR1100, +16%

- 20% Revenue and 30% EBITDA CAGR in FY25-28E.
- 22% Market share in TBCB.
- Transmission projects worth Rs600+ bn are expected to commercialise in coming years.
- PT of Rs1,100 is based on 15x EV/EBITDA FY27E.

Upside Scenario, INR1325, +40%

- Key beneficiary of the Distribution Amendment Act.
- Additional project wins under TBCB.
- PT of Rs1,325 is based on 17x EV/EBITDA Sept 27E

Downside Scenario, INR650, -31%

- Reduction in TBCB market share.
- Delay in commissioning of projects.
- PT of Rs650 is based on 11x EV/EBITDA Sept 27E

Sustainability Matters

Top Material Issues: 1) **Grid Resilience** - Adani Energy Solutions is implementing projects that will strengthen the transmission system to overcome the technical constraints of the renewable energy interface into the grid, ensuring grid stability and integration of green energy. 2) **Employee Health & Safety** - Higher rate of employee accidents/injuries directly impact longer-term contributions in contingent and pension liabilities. Adani Energy Solutions reported zero fatalities in FY22.

Company Targets: 1) Increase in Renewable procurement for the distribution business. 2) Promotion of Roof Top Solar at Mumbai. 3) Target of 50% renewable power procurement by FY25.

Qs to Mgmt: 1) What are the steps being undertaken to accelerate energy intensity reduction? 2) How has the company aligned its business plan for sustainable growth?

ESG Sector Integration: India Utilities

Catalysts

- Upside: Vendor arrangements to limit commodity price change impact.
- Downside: Inability to maintain interest rate.
- Downside: Losing market share to competitors.

Table 1 - 2QFY26 EBITDA was 4% above our estimates

Particulars	2QFY25	2QFY26	Growth YoY (%)	2QFY26E	v/s Expectation
Sales	61,837	65,958	6.7	72,870	-9.5
EBITDA	17,154	19,543	13.9	18,838	3.7
EBITDA margin (%)	27.7	29.6		25.9	
Adjusted PAT	3,610	5,340	47.9	5,231	2.1

Source: Company data, Jefferies estimates

Exhibit 2 - AESL: Quarterly Income Statement

(Rs mn)	3QFY24	3QFY25	% chg	4QFY24	4QFY25	% chg	1QFY25	1QFY26	% chg	2QFY25	2QFY26	% chg
Total Income	45,627	58,303	28	47,069	62,266	32	53,786	68,193	27	61,837	65,958	7
Expenditure	30,923	41,697	35	30,878	43,075	40	37,293	50,106	34	44,683	46,415	4
EBITDA	14,704	16,606	13	16,191	19,191	19	16,493	18,087	10	17,154	19,543	14
EBITDA margin (%)	32.2	28.5		34.4	30.8		30.7	26.5		27.7	29.6	
Other income	1,253	1,701	36	1,483	2,218	50	1,114	2,062	85	1,761	1,713	-3
Interest	7,600	8,091	6	7,500	8,262	10	8,109	8,940	10	8,129	8,717	7
Depreciation	4,576	4,624	1	4,675	4,617	-1	4,979	4,648	-7	4,841	5,094	5
Extraordinary items	1,364	1,850		0	1,480		-15,060	0		3,140	0	
PBT	5,144	7,442	45	5,499	10,011	82	-10,541	6,561	NM	9,085	7,445	-18
Tax	1,662	1,189	-28	1,686	2,874	70	1,366	1,171	-14	1,351	1,874	39
Tax rate %	32.3	16.0		30.7	28.7		-13.0	17.9		14.9	25.2	
Reported PAT	3,483	6,253	80	3,813	7,137	87	-11,907	5,389	NM	7,734	5,571	-28
Less: Minority interest	234	635	172	199	665	235	-3,667	265	NM	984	231	-77
% of Reported PAT	6.7	10.2		5.2	9.3		30.8	4.9		12.7	4.2	
Reported PAT after MI	3,249	5,618	73	3,614	6,472	79	-8,239	5,125	NM	6,750	5,340	-21
Adjusted PAT after MI	2,325	3,768	62	3,614	5,416	50	3,154	5,125	63	3,610	5,340	48
NPM	5.1	6.5		7.7	8.7		5.9	7.5		5.8	8.1	

Source: Company data, Jefferies

Exhibit 3 - AESL: Quarterly Expenditure

(Rs mn)	3QFY24	3QFY25	% chg	4QFY24	4QFY25	% chg	1QFY25	1QFY26	% chg	2QFY25	2QFY26	% chg
Cost of power purchased	11,865	14,757	24	10,247	13,329	30	13,462	17,237	28	14,294	16,005	12
as a % of sales	26.0	25.3		21.8	21.4		25.0	25.3		23.1	24.3	
Cost fuel	2,810	0	NM	2,434	0	NM	2,919	0	NM	3,316	0	NM
as a % of sales	6.2	0.0		5.2	0.0		5.4	0.0		5.4	0.0	
Purchase of Stock-in-Trade	7,375	3,438	-53	1,147	3,659	219	1,659	1,920	16	4,902	1,895	-61
as a % of sales	16.2	5.9		2.4	5.9		3.1	2.8		7.9	2.9	
Employee cost	2,595	2,299	-11	1,794	2,339	30	2,762	2,312	-16	2,929	2,363	-19
as a % of sales	5.7	3.9		3.8	3.8		5.1	3.4		4.7	3.6	
Other expenses	5,709	16,556	190	15,791	21,911	39	10,541	23,578	124	18,527	22,805	23
as a % of sales	12.5	28.4		33.5	35.2		19.6	34.6		30.0	34.6	
Net movement in RDA balances	569	4,647	716	-535	1,837	NM	5,950	5,059	-15	715	3,348	369
as a % of sales	1.2	8.0		-1.1	3.0		11.1	7.4		1.2	5.1	
Total	30,923	41,697	35	30,878	43,075	40	37,293	50,106	34	44,683	46,415	4
% of sales	67.8	71.5		65.6	69.2		69.3	73.5		72.3	70.4	

Source: Company data, Jefferies

Exhibit 4 - AESL: Quarterly Segment Revenue

(Rs mn)	3QFY24	3QFY25	% chg	4QFY24	4QFY25	% chg	1QFY25	1QFY26	% chg	2QFY25	2QFY26	% chg
Transmission	11,189	20,348	82	16,468	20,987	27	17,462	21,882	25	23,030	23,720	3
% of sales	24.5	34.9		35.0	33.7		32.5	32.1		37.2	36.0	
Mumbai GTD	25,599	29,724	16	23,955	29,072	21	33,729	33,598	0	30,140	31,179	3
% of sales	56.1	51.0		50.9	46.7		62.7	49.3		48.7	47.3	
Others/Smart Meters	1,457	4,785	228	5,501	8,424	53	765	9,756	1,175	2,432	8,151	235
% of sales	3.2	8.2		11.7	13.5		1.4	14.3		3.9	12.4	
Trading/Others	7,383	3,446	-53	1,144	3,783	231	1,829	2,957	62	6,236	2,908	-53
% of sales	16.2	5.9		2.4	6.1		3.4	4.3		10.1	4.4	
Overall	45,627	58,303	28	47,069	62,266	32	53,786	68,193	27	61,837	65,958	7

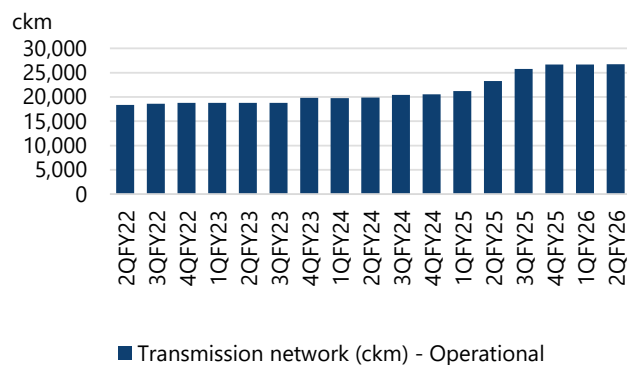
Source: Company data, Jefferies

Exhibit 5 - AESL: Quarterly Segment PBIT

(Rs mn)	3QFY24	3QFY25	% chg	4QFY24	4QFY25	% chg	1QFY25	1QFY26	% chg	2QFY25	2QFY26	% chg
Transmission	7,055	8,657	23	7,772	9,200	18	8,062	9,272	15	8,368	10,458	25
PBIT margin (%)	63.1	42.5		47.2	43.8		46.2	42.4		36.3	44.1	
% of PBIT	69.6	72.2		67.4	58.3		69.9	68.9		68.0	72.3	
Mumbai GTD	2,855	2,959	4	3,535	5,730	62	3,239	3,028	-7	3,324	2,609	-22
PBIT margin (%)	11.2	10.0		14.8	19.7		9.6	9.0		11.0	8.4	
% of PBIT	28.2	24.7		30.6	36.3		28.1	30.0		27.0	30.0	
Others/Smart Meters	212	360	70	232	734	217	213	898	322	248	1,161	369
PBIT margin (%)	14.5	7.5		4.2	8.7		27.8	9.2		10.2	14.2	
% of PBIT	2.1	3.0		2.0	4.6		1.8	6.7		2.0	8.0	
Trading/Others	8	8	-2	-3	119	NM	15	261	1,690	372	233	-37
PBIT margin (%)	0.1	0.2		-0.3	3.1		0.8	8.8		6.0	8.0	
% of PBIT	0.1	0.0		0.0	0.0		0.1	1.9		3.0	1.6	
Overall	10,130	11,984	18	11,536	15,783	37	11,528	13,459	17	12,311	14,460	17

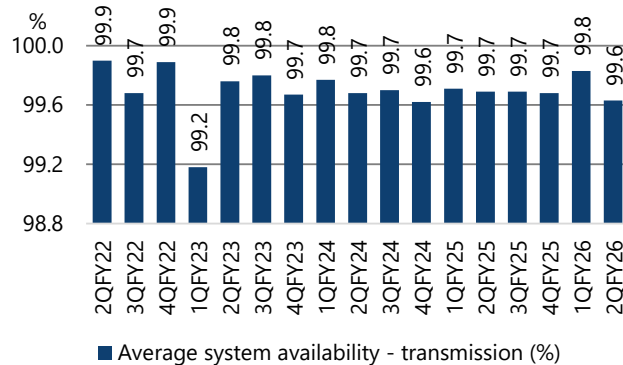
Source: Company data, Jefferies

Exhibit 6 - Transmission network up 15% YoY to 26,705 ckm in 2QFY26



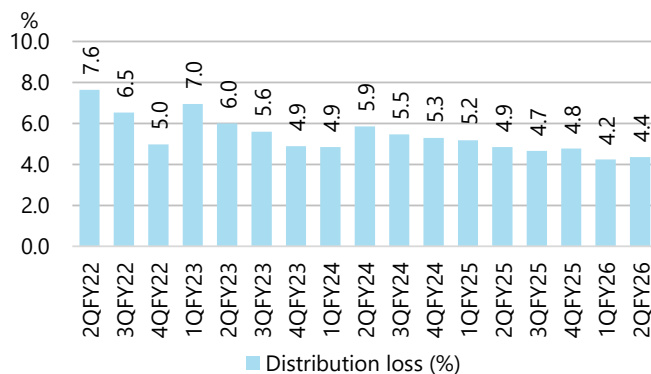
Source: Company data, Jefferies

Exhibit 7 - Transmission system availability robust at 99.6%



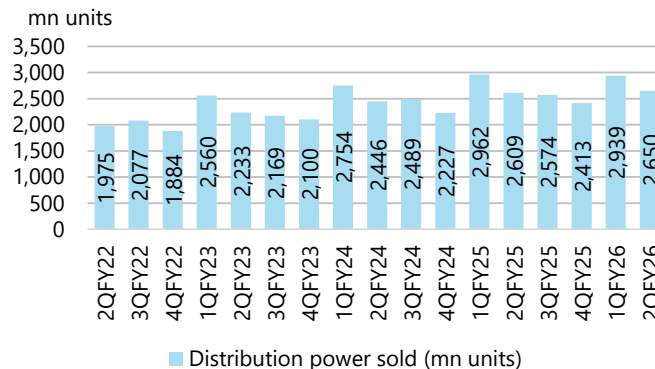
Source: Company data, Jefferies

Exhibit 8 - Distribution losses reduced to 4.4% in 2QFY26 vs 4.9% YoY



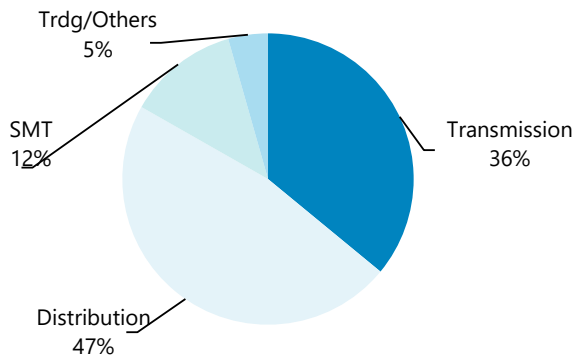
Source: Company data, Jefferies

Exhibit 9 - AEML sales rose 2% YoY in 2QFY26



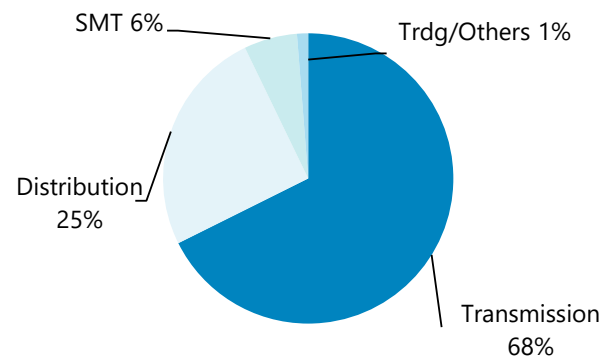
Source: Company data, Jefferies

Exhibit 10 - Transmission contributed 36% to 2QFY26 revenue...



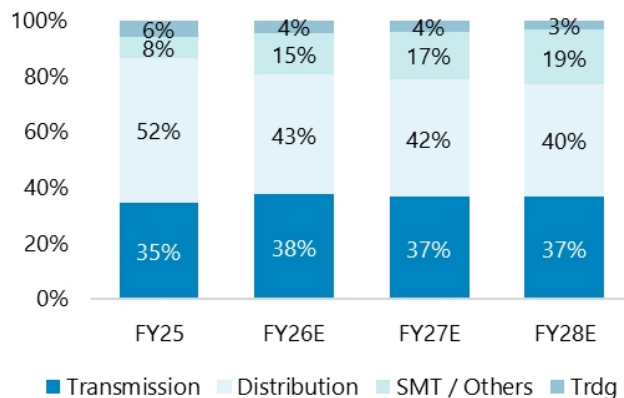
Source: Company data, Jefferies

Exhibit 11 - ... and 68% to 2QFY26 EBITDA



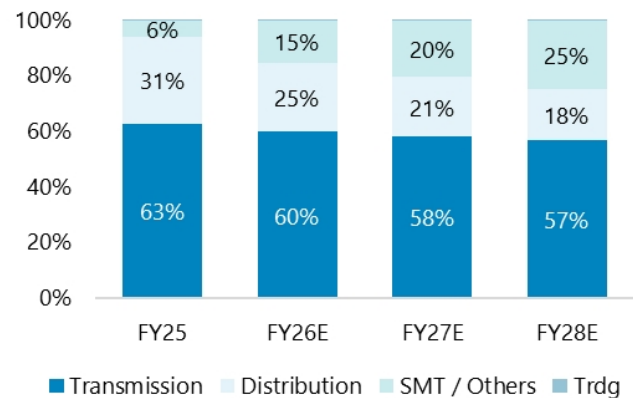
Source: Company data, Jefferies

Exhibit 12 - We expect SMT/Others share to rise to 19% of revenue...



Source: Company data, Jefferies estimates

Exhibit 13 - ... and 25% of EBITDA in FY28E



Source: Company Data, Jefferies estimates

Exhibit 14 - AESL: Key Assumptions

Parameters	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Transmission Revenue (Rs mn)	31,221	34,693	39,452	46,704	81,826	117,664	129,380	148,770
Distribution Revenue (Rs mn)	60,476	69,663	85,919	101,728	122,665	134,931	148,424	163,267
Smart Meters/Others Revenue (Rs mn)	-	-	-	7,346	17,896	46,743	60,269	78,186
Trading Revenue (Rs mn)	7,566	8,219	7,557	10,296	13,804	13,804	13,804	13,804
Total Revenue (Rs mn)	95,403	109,335	125,345	166,074	236,191	313,143	351,878	404,027
Revenue Growth (%)	(16)	15	15	32	42	33	12	15
Transmission EBITDA (Rs mn)				36,880	43,660	55,711	69,772	86,777
Distribution EBITDA (Rs mn)				20,070	21,750	22,938	25,232	27,755
Smart Meters/Others EBITDA (Rs mn)				117	3,891	13,891	24,287	37,443
Trading EBITDA (Rs mn)				6	142	138	138	138
Total EBITDA (Rs mn)	42,411	45,360	47,991	57,074	69,444	92,679	119,429	152,114
EBITDA Margin (%)	44.5	41.5	38.3	34.4	29.4	29.6	33.9	37.6
EBITDA Growth (%)	(3.5)	7.0	5.8	18.9	21.7	33.5	28.9	27.4
PAT (Rs mn)	9,336	9,651	8,591	10,454	15,809	26,218	29,633	37,597
EPS (Rs)	7.8	8.0	7.2	8.7	13.2	21.8	24.7	31.3
EPS Growth (%)	25.9	3.4	(11.0)	21.7	51.2	65.8	13.0	26.9
Capex (Rs mn)	63,981	45,186	50,285	81,026	91,687	186,847	233,975	244,771
Debt (Rs mn)	259,093	299,018	342,700	370,697	402,753	575,281	720,881	870,401
RoE (%)	10.7	10.2	8.0	8.6	9.1	11.2	11.1	12.4
RoCE (%)	10.4	10.2	9.5	9.0	8.3	10.6	10.3	10.7
net D:E	2.7	2.8	2.7	2.7	1.5	1.9	2.3	2.5
net Debt/EBITDA	5.7	6.1	6.5	6.0	4.9	5.1	5.3	5.2
PE (x)	118.6	114.7	128.9	105.9	70.0	42.2	37.4	29.5
PB (x)	12.4	11.2	9.5	8.8	5.0	4.4	3.9	3.4
EV/EBITDA (x)	31.8	30.6	29.6	25.4	20.8	17.0	14.6	12.5

Source: Company data, Jefferies estimates

Exhibit 15 - AESL: Income Statement

Rs mn	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Income from operations	95,403	109,335	125,345	166,074	236,191	313,143	351,878	404,027
Cost of power purchased	19,145	27,789	38,400	43,403	55,841	68,892	70,376	80,805
as a % of sales	20	25	31	26	24	22	20	20
Cost fuel	9,726	10,660	13,842	11,191	6,235	8,267	9,290	10,666
as a % of sales	10	10	11	7	3	3	3	3
Purchase of Stock-in-Trade	7,559	8,212	7,551	10,290	13,657	13,657	13,657	13,657
as a % of sales	8	8	6	6	6	6	6	6
Employee cost	9,308	8,851	9,867	9,517	10,329	13,695	15,389	17,669
as a % of sales	10	8	8	6	4	4	4	4
Other expenses	14,023	15,002	18,092	29,961	67,535	109,380	120,450	127,471
as a % of sales	15	14	14	18	29	35	34	32
Net movement in RDA balances	-6,767	-6,538	-10,398	4,638	13,149	6,575	3,287	1,644
Total Expenditure	52,993	63,976	77,353	109,000	166,747	220,465	232,449	251,913
EBITDA	42,411	45,360	47,991	57,074	69,444	92,679	119,429	152,114
Other non-operational income	5,326	6,040	5,477	4,745	6,795	7,862	7,000	6,000
Interest expense	21,170	23,650	25,965	27,665	32,592	38,632	51,846	63,651
Depreciation & amortisation	13,289	14,272	16,077	17,761	19,060	20,749	28,063	35,441
Extraordinary income/expense	3,860	3,240	5,733	1,364	-8,590	0	0	0
PBT	17,138	16,718	17,159	17,757	15,997	41,159	46,520	59,022
Tax	4,242	4,361	4,353	5,801	6,780	12,348	13,956	17,707
Tax rate%	25	26	25	33	42	30	30	30
PAT	12,896	12,358	12,806	11,956	9,217	28,811	32,564	41,315
PAT (Adjusted)	9,336	9,651	8,591	10,454	15,809	26,218	29,633	37,597

Source: Company data, Jefferies estimates

Exhibit 16 - AESL: Balance Sheet

Rs mn	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	10,998	10,998	11,155	11,155	12,013	12,013	12,013	12,013
Unsecured Perpetual Equity Instrument	28,297	30,557	0	0	0	0	0	0
Reserves & surplus	49,898	57,574	105,470	115,261	208,669	237,481	270,044	311,360
Networth	89,193	99,128	116,624	126,416	220,682	249,493	282,057	323,373
Minority Interest	11,036	10,937	10,976	10,616	9,431	12,024	14,954	18,673
Total loan funds	259,093	299,018	342,700	370,697	402,753	575,281	720,881	870,401
Deferred tax	11,864	14,145	15,401	16,123	16,959	21,075	25,727	31,629
Sources of funds	371,185	423,228	485,701	523,851	649,825	857,873	1,043,619	1,244,075
Fixed assets	320,086	367,221	406,103	498,126	522,751	697,791	905,791	1,119,391
Less: Depreciation/amortisation	50,220	64,503	79,652	98,608	109,488	130,237	158,300	193,740
CWIP	52,551	50,602	62,004	51,008	118,070	129,877	155,853	187,023
Net block	322,417	353,319	388,456	450,526	531,334	697,432	903,344	1,112,674
Investments	2,672	5,605	13,697	7,665	26,384	26,384	26,384	26,384
Liquid Investments	2,672	5,605	13,697	7,665	26,384	26,384	26,384	26,384
Current Assets	107,246	115,717	137,165	127,193	181,305	238,481	230,722	238,449
Inventories	2,337	2,501	1,519	2,553	6,252	5,837	6,559	7,531
Sundry debtors	22,798	18,905	31,569	39,462	43,242	54,825	61,606	70,736
Cash & bank balance	14,647	14,926	17,041	22,281	36,187	80,276	58,677	49,553
Loans and advances	10,983	11,364	5,033	4,303	223	234	246	258
Other current assets	56,481	68,022	82,003	58,594	95,401	97,309	103,634	110,370
Current liabilities & provisions	61,151	51,414	53,616	61,533	89,198	104,424	116,831	133,432
Advances from customers	716	905	977	1,963	1,470	3,131	3,519	4,040
Other Liabilities	53,972	43,625	46,170	52,282	81,137	94,372	106,045	121,762
Provision for tax	6,464	6,884	6,470	7,287	6,591	6,920	7,266	7,630
Net current assets	46,095	64,303	83,549	65,661	92,107	134,057	113,891	105,017
Intangibles	0	0	0	0	0	0	0	0
Application of funds	371,185	423,228	485,701	523,851	649,825	857,873	1,043,619	1,244,075

Source: Company data, Jefferies estimates

Exhibit 17 - AESL: Cash Flow Statement

Rs mn	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
PBIT	38,308	40,368	43,124	45,423	48,588	79,791	98,366	122,673
Add: depreciation	13,289	14,272	16,077	17,761	19,060	20,749	28,063	35,441
Less: other income	-5,326	-6,040	-5,477	-4,745	-6,795	-7,862	-7,000	-6,000
Working capital changes	30,589	-18,350	-16,716	22,311	-11,844	1,810	-1,780	-613
Less: tax	1,214	-2,022	-3,023	-2,169	-2,647	-7,902	-8,958	-11,441
Others	-40,230	12,738	3,785	-18,204	40,590	0	0	0
Net cash from operations (a)	37,843	40,966	37,770	60,376	86,952	86,586	108,691	140,060
Change in fixed assets	-63,981	-45,186	-50,285	-81,026	-91,687	-186,847	-233,975	-244,771
Change in investments	-2,672	-2,933	-8,092	6,032	-18,719	0	0	0
Add: other income	5,326	6,040	5,477	4,745	6,795	7,862	7,000	6,000
Others	21,075	2,599	5,912	20,819	-48,664	0	0	0
Cash flow from inv. (b)	-40,253	-39,480	-46,987	-49,430	-152,276	-178,985	-226,975	-238,771
Proceeds from issue of equity	0	0	38,500	0	83,731	0	0	0
Change in borrowings	1,837	39,925	43,682	27,997	32,056	172,528	145,600	149,520
Dividends paid + dividend tax	0	0	0	0	0	0	0	0
Interest paid	-21,170	-23,650	-25,965	-27,665	-32,592	-38,632	-51,846	-63,651
Others	14,792	-19,742	-14,328	-43,300	-3,966	2,593	2,931	3,718
Financial cash flow (c)	-9,039	-1,207	11,333	-5,706	79,229	136,489	96,684	89,587
Net inc/dec in cash (a+b+c)	-11,448	279	2,116	5,240	13,905	44,090	-21,600	-9,124
Add: opening cash balance	26,095	14,647	14,926	17,041	22,281	36,187	80,276	58,677
Closing cash balance	14,647	14,926	17,041	22,281	36,187	80,276	58,677	49,553

Source: Company data, Jefferies estimates

Exhibit 18 - AESL: Key Ratios

Particulars	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net debt:equity	2.7	2.8	2.7	2.7	1.5	1.9	2.3	2.5
Diluted EPS (Rs)	7.8	8.0	7.2	8.7	13.2	21.8	24.7	31.3
BVPS (Rs)	74.2	82.5	97.1	105.2	183.7	207.7	234.8	269.2
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend payout	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)								
Diluted PE	118.6	114.7	128.9	105.9	70.0	42.2	37.4	29.5
Diluted EV/EBITDA	31.8	30.6	29.6	25.4	20.8	17.0	14.6	12.5
Diluted PSR	11.6	10.1	8.8	6.7	4.7	3.5	3.1	2.7
PBV	12.4	11.2	9.5	8.8	5.0	4.4	3.9	3.4
Profitability Ratios								
ROCE %	10.4	10.2	9.5	9.0	8.3	10.6	10.3	10.7
ROE%	10.7	10.2	8.0	8.6	9.1	11.2	11.1	12.4
Turnover Ratios								
Inventory in days	15	8	6	4	7	7	7	7
Debtor days	84	70	73	78	64	64	64	64
Creditors turnover	161	163	131	108	103	110	110	110
Wkg. Capital cycle	-62	-85	-51	-26	-32	-39	-39	-39

Source: Company data, Jefferies estimates

We would like to thank Darshan Parmar, employee of Evalueserve Inc., for providing research support services to our preparation of this report.

Company Description

Adani Energy Solutions Ltd

Adani Energy Solutions Ltd (ATL) headquartered at Ahmedabad in Gujarat is one of the largest private sector power transmission companies in India, with 14,000+ power transmission length and 23,000+ transformation capacity and presence across all the regions of India.

Company Valuation/Risks

Adani Energy Solutions Ltd

PT Rs1,100 is based on 15x EV/EBITDA Sept 27E. Downside risks include inability to maintain interest rate and loss of market share to competitors.

Power Grid Corporation of India Limited

Price target of Rs325 values PGCIL at 2.8x consol P/B Sept 27E. Downside risks: 1) PGCIL losing share sharply in TBCB. 2) Stance change in Invit monetisation policy or use of proceeds.

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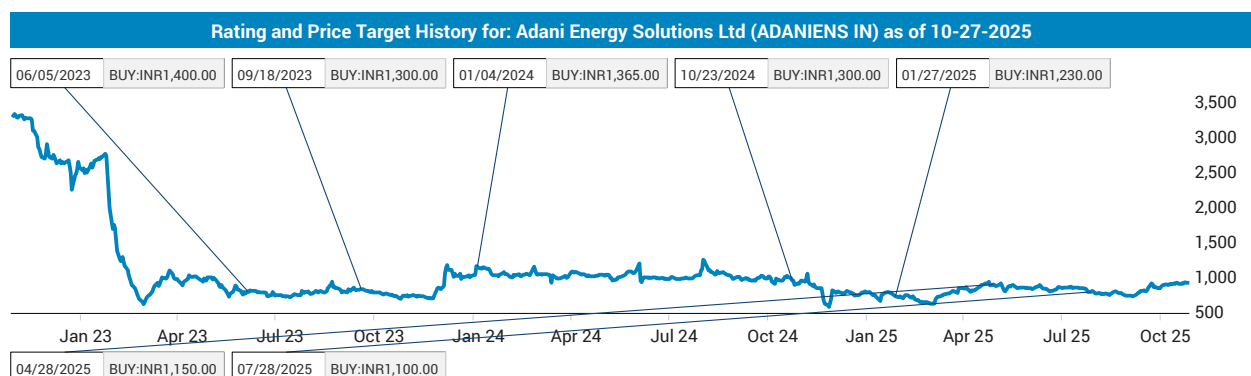
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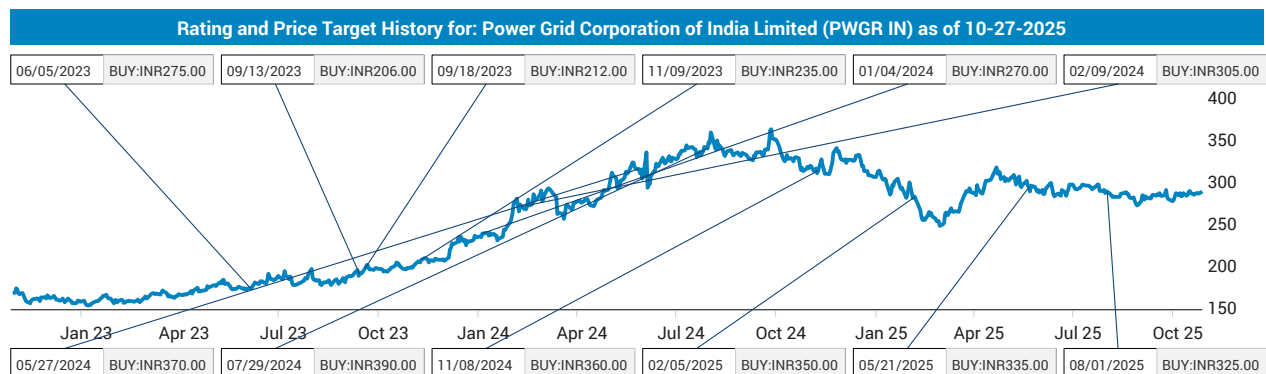
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- Power Grid Corporation of India Limited (PWGR IN: INR291.10, BUY)





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D: Dropped Coverage

B: Buy

H: Hold

UP: Underperform

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