kotak Securities

Dated: 6th November 2025

Adani Port and SEZ (APSEZ)-BUY

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.1444	**Rs.1900**

Rationale:

- ADSEZ reported a strong 27% EBITDA growth (2% miss).
- There was contained leverage in spite of an uptick in growth investments.
- It continues to leverage pockets of good growth in an otherwise weakening overall industry growth in ports.
- It is adding growth on top by entry into new markets and scale-up in its marine and logistics business.
- RoCE improved at an overall level as well as at the logistics and international operations level.
- APSEZ expecting meaningful improvements in both over time.
- We expect earnings to grow by 15.9% in FY27E & grow by 18.6% in FY28E.
- Stock is currently trading at valuation of 16.3x P/E FY28E EPS.

Positives:

- ADSEZ reported a strong 27-30% growth in revenues/EBITDA/PAT.
- It is important to highlight that 17% growth in domestic ports portfolio is leveraging up an 8% volume growth.
- Leverage at 1.8X improved marginally qoq, while APSEZ scaled up capex 1.7X yoy in 1H.
- It generated >Rs3000 cr in FCF over this period.

Negatives:

- There was 2% miss on EBIDTA.

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
RS	–	**Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.
NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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