“Adani Total Gas Limited

Q2 FY '27 Earnings Conference Call”

October 23, 2026

MANAGEMENT: MR. SANJAY PANDITA – CHIEF EXECUTIVE OFFICER – ADANI TOTAL GAS LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Adani Total Gas Limited Q2 FY '27 Earnings Conference Call. As a reminder, all participant lines will be in the 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 an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sanjay Pandita, Chief Executive Officer from Adani Total Gas Limited. Thank you, and over to you, sir.

Sanjay Pandita: Thank you, ma'am. Good morning, everyone. Good afternoon. A warm welcome to all our investors, analysts, fund representatives joining us today to discuss the results of Adani Total Gas Limited for the quarter and half year ended 30th September 2026. Let me take this opportunity to briefly share the current business operating environment. ATGL closed second quarter and half year with strong operational performance with Q2 FY '27 volumes growing 12% year-on-year to 315 MMSCM and EBITDA increasing 12% to INR340 crores. For half year ended 30th September 2026, volumes grew 13% to 618 MMSCM and EBITDA rose 3% to INR621 crores, reflecting a resilient execution despite a challenging global energy environment.

Our growth continues to be supported by deeper market penetration and disciplined network expansion. In Q2 FY '27, CNG volume increased 17% year-on-year to 223 MMSCM while PNG volumes grew 3% to 92 MMSCM. Volume mix of new geographical areas improved to 41% from 35% in Q2 FY '26 on Y-o-Y basis. We added 16 new CNG stations during the quarter, taking the network to 723 CNG stations, connected 39,574 new household connections, taking PNG household connections to 11.81 lakhs, expanded our steel pipeline network to 16,305 inch-kilometers.

We have seen a strong momentum in the industrial and commercial connections, added approximately 900 customers in H1 FY '27, taking that base to 10,864. That is approximately 1.4x the numbers added during the entire FY '26. Q2 FY '27 witnessed significant gas cost pressures with natural gas costs increasing 43% year-on-year amid higher Brent and LNG prices, currency depreciation and change in the domestic gas availability.

Through portfolio diversification, agile sourcing and calibrated pricing, we navigated these pressures while delivering 12% year-on-year EBITDA growth. Our capital allocation remains disciplined and focused on strengthening the core CGD network while scaling adjacent clean energy businesses.

During HY FY '27, we expanded the steel network by 732 inch-kilometers, added 21 CNG stations and connected 77,870 new households. In e-mobility, we have installed 5,513 EV charging points across 26 states and union territories, covering 225 cities with installed capacity of 63 megawatts. We continue balancing growth investments with financial discipline and long-term stakeholder value creation.

Our performance demonstrates the resilience of our business model and strength of our execution. Q2 FY '27 revenue increased 34% year-on-year to INR2,102 crores. EBITDA rose 12% year-on-year to INR340 crores and PAT increased 3% year-on-year to INR167 crores. For H1 FY '27, revenue grew 31% to INR3,999 crores and EBITDA increased 3% to INR621 crores. Our sustainability performance also improved with NSE Sustainability and SES score reaching 75 out of 100, reinforcing our commitment to governance, transparency and responsible growth.

Along with our joint venture partner, IOAGPL, our Pan-India network reaches 1,185 CNG stations, 14.31 lakh PNG household connections, 12,925 industrial and commercial connections, which are connected with a strong pipeline network of 29,156 inch-kilometer. We are complementing this scale through new clean energy business. The integrated approach positions us to support India's energy transition and create sustainable long-term value.

ATGL's performance this quarter demonstrates the true resilience of our business model, even as we navigate an incredibly challenging global energy landscape where a 43% year-on-year surge in natural gas costs was driven by higher Brent crude, domestic gas availability shifts and withdrawal of pooled gas support, we did not just hold our ground, we accelerated.

By leveraging diversified sourcing and flexible procurement, we achieved a stellar 12% year-on-year increase in quarterly volumes to 315 MMSCM and matching 12% increase in EBITDA to INR340 crores. We are successfully pivoting from traditional city gas distribution company into an integrated energy platform with 5,513 EV charging points active across 225 cities and rapidly growing footprint in cleaner fuels, we are proving that financial discipline, aggressive infrastructure expansion and India's green energy transition can go hand in hand.

We remain deeply committed to deliver affordable, reliable and sustainable energy while creating secure long-term value for our shareholders, customers and communities. Thank you so much.

Moderator: Thank you very much. The first question is from the line of Vivekanand Subbaraman from AMBIT Capital. Please go ahead.

Vivekanand S.: Two questions. Number one is on the pricing front with respect to CNG. So what we see is that you have taken regular price hikes in important markets like Ahmedabad in June, July, August. Just to understand now from the perspective of pass-through of increased input costs to consumers, have you -- is that now taking care of your increased input costs such that you are back to the pre-war margin levels in markets where you have taken price hikes consistently till, let's say, August?

Because here, the magnitude seems to be like around INR11, INR12 per kilogram. That is question one. Secondly, can you talk a little bit more about the sourcing and the gas availability, both domestic as well as your portfolio of contracts? And what is the current status there?

Sanjay Pandita: Yes, sure. Thank you so much for your question. On this CNG price revisions, while we don't pass on the entire cost to customers, we do take a calibrated approach. Whenever there is any

pressure on the gas cost because of the current situation, whether it is war situation, whether it is the fluctuation in the crude or Brent or LNG prices, we do evaluate from time to time.

And these markets like Ahmedabad, Faridabad, they are very important markets for us, and we do consider all the factors while passing on increase. Now in terms of the gas supply, we did a long-term contract, which has helped us to manage and not pass on the entire cost to the consumers. And we keep on exploring the gas supply scenarios given the current situations vis-a-vis our long-term growth, what we are projecting from time to time.

Vivekanand S.: Can you quantify a little bit on what is the proportion of supply of APM this quarter versus previous quarter? Because you have given on the presentation, you have given 25% APM. Is that consistent across the quarter towards the end of the quarter also? Is there any more change? Just trying to understand if there is a further change in the allocation? And secondly, can you talk about the 75% other source, right? Can you elaborate a bit on how that 75% is decomposed?

Sanjay Pandita: Yes. There is slight reduction in the APM and there are other domestic gases also, which keeps on fluctuating, right? We have something called new well gas. We have something called HPHT gases, which keep on fluctuating from time to time. ~15% of ATGL overall portfolio was on spot prior to signing the Term agreement, currently same is 7-8%. So we keep on evaluating basis what is happening on the global scenario and Indian context right now. That is how do we evaluate from time to time.

Moderator: The next question is from the line of Arya Patel from Emkay Global.

Arya Patel: Congrats on a good set of numbers. So just continuing to the last question, can you give us a percentage breakdown or sourcing mix as to 25% was APM? And what percentage was NWG, HPHT spot and the long-term contracts, so whether it was HH or that is my first question. And second -- I'm sorry, I'll continue with the second question as well. So second question was on -- so you've mentioned that after the pooled gas mechanism was removed, the government has come up with some additional sourcing or supply of HPHT for CGD. Can you throw some further light on that? Those are my 2 questions.

Sanjay Pandita: Out of this 70%, around 40% is linked to various markers like Henry Hub, like Brent-linked contracts, which includes spot also. That is the answer to your first. On HPHT, it keeps on varying. While government is supporting us in terms of offering that gas to CGD sector, that keeps on varying depending upon the production cycle for HPHT because it is a high-pressure, high-temperature gas well where production fluctuates from time to time.

So basis that, they calibrate and accordingly allocate the gas volumes to all the CGS sectors. And we also get that volume, and it keeps varying from month-to-month, fortnight to fortnight. And variation is to the tune of 5% to 10% in that range.

Moderator: The next question is from the line of Varatharajan Sivasankaran from Antique Limited.

Varatharajan S.: Two questions. One on the number of outlets you are adding and what is the visibility for the next 2 quarters and probably like if you can give some idea in FY '28 as well, what is the kind

of number you are looking at? Secondly, overall capex, like what is the number in the current year and next year? And what is it going towards primarily? Is it pipelines or more like outlets or any kind of other infrastructure you're looking at?

Sanjay Pandita: So our CNG stations, last year, we added some 68 CNG stations. This time, we are targeting close to 80 to 90 CNG stations. We are very much into our execution plan in terms of investment and in terms of all the procurement activities. That's very well on target side. For '28, we are looking for similar kind of numbers with a calibrated approach in terms of which are the volume-driven growth areas, which are the new virgin areas where we need to focus and which are under conventional GAs.

So we do evaluate that and based on that, we will take a decision for 2028. But more or less, it will be in the similar or more aggressive manner, which is under discussion for next year planning.

Then on capex part, we do -- are aggressively focused on capex or the expansion part of it. As you must have seen our Q2 performance in terms of number of households. We are almost 70,000 households have been connected in H1. Our industrial connections and commercial connections has also almost doubled. Then our CNG stations, almost 21 CNG stations added. So we are aggressively working on our growth, infrastructure development also across all our GAs.

Varatharajan S.: Yes. Any number in terms of repeat growth, sir, what is the current outlay and next year outlay?

Sanjay Pandita: So this year, we are talking about close to around 70,000 households have been connected in H1. 900 new commercial and industries have been connected and 21 CNG stations have been added in H1. And there is a construction of around 70 CNG stations right now, which is under advanced stage where the equipment procurement has already been started. Pipeline laying work is already going on. So for next year, we are looking for similar kind of growth prospects for infrastructure expansion.

Moderator: The next question is from the line of Sridhar Chandran from Prasidh Capital.

Sridhar Chandran: Congratulations on solid numbers. I have 2 questions. First question on EBITDA margin recovery and the gas allocation. So if you take 3, 4 years back, so EBITDA margin was above over 23% whereas Q2 FY '27 is approximately around 16.2%, the revenue grew by 34% this quarter, but EBITDA has increased to 12% and PAT was just 3%. If geopolitical disruption risk and domestic gas allocation improved, can ATGL realistically return to its historical margin levels? And what specific measures within management control? And what time line would be to achieve this recovery? So this is my first question.

And the second question on EV charging expansion. So if I could remember in 2023, when the Chairman announced the target to install 75,000 EV charging stations by 2030. So based on the presentation, so I could see only until now 5, 513 charging points were installed and operationally around 4,809. And what utilization levels are currently being achieved and how much additional capital investment is to reach the target? And when does management expect

EV charging to make a meaningful contribution to EBITDA and returns? Those were my two questions.

Sanjay Pandita: Sure, sure, sir. On your first question on the EBITDA margin pressure. So if you see our sales growth, which is very much within our control in terms of the expansion, which we are doing versus how we are getting the returns by adding the new stations and adding new volumes. So CNG volumes, industrial volumes, all the volumes are growing and most of them are in double digits. So we are very much -- what is happening in the industry is growing at around 20%. We are very close to growing at 17% to 18% in CNG. So that is within our control.

Now these temporary issues, whether it is West Asia crisis, whether it is volatility in the Brent or all other markers, so these are temporary in nature. So that is why we are engaging into getting into long-term contracts wherever we see it makes sense for us to have better EBITDA margins. And we try to calibrate it from time to time in terms of managing our opex, capex, then other such issues, which can help us to maintain or achieve higher EBITDA margins. So that is how we work on EBITDA as well as volume growth. That is question number one.

On question number two, on the EV growth, right, one of the major, as an industry concern is in terms of the utilization of the EV chargers. So our key focus right now is to increase our penetration on B2B charging infrastructure and increase the utilization level.

So we have tied up multiple B2B customers, including our group captive like Adani Cement, like Adani Ports, Adani Logistics, where we will be building the infrastructure for charging for these trucks which will be playing on certain routes. So that will give us more revenue and higher utilization compared to what is happening in the B2C. So that is how we are evaluating that on the EV side.

Moderator: The next question is from the line of Vivekanand Subbaraman from AMBIT Capital.

Vivekanand S.: I want you to discuss a bit more on the CBG business and your plans in that and how the recently announced GOBARdhan scheme will have a play there. So one in terms of the expansion that you are planning there and also in terms of the economics as much as you can talk about it, that will be very helpful?

Sanjay Pandita: Yes, sure. See, if you see CBG as a country perspective, it is one of the best schemes which government has come. If you see we as a country, one was to show and demonstrate the resilience during that crisis or the war times, which India and as an industry has demonstrated that. Now we are at a stage where we need to be self-sufficient. That is so-called Atmanirbhar Bharat, right?

We need to focus on developing or generating our own energy. So biogas is one of such initiatives from the government. Now with respect to ATGL, a few of the challenges are with respect to feedstock availability or right kind of feedstock availability and then the technology. We have developed one CBG plant. We are into expansion of that existing CBG plant.

Currently, we are producing around 5 to 6 tons, which we are taking it to double in next 5 to 6 months. Investment is already being committed. And even the technology tie-up has already been taken care. So we are working towards that.

In addition to that, we have a few more projects in pipeline, but we are evaluating that and taking slightly lower steps in terms of the growth perspective. As soon as we have a visibility and very confidence on the technology and the feedstock, we will certainly be keen to move forward and develop those -- that vertical as a whole in a business perspective. That's how we are working towards CBG plant.

Vivekanand S.: Okay. Sir, can you elaborate a bit on these 2 aspects, the technology tie-ups, what are the major feedstock areas that you're looking at in specific geographies of focus? I believe you have the big operational facility for you, I think, is in UP, right, Barsana, right? So where are you expanding this business? And who are the technical partners here? What are the challenges? And secondly, what are the feedstocks that you're working on? If you can elaborate on this, it would be great.

Sanjay Pandita: Currently, it is cow dung. It's a mix of cow dung and paddy straw in Barsana. And our partner over there is Thermax. And with respect to other feedstocks, we keep on evaluating. It is like starting from energy plantation that is energy plantation and then the mix of multiple feedstocks. It can be municipal waste, it can be paddy straw, it can be agricultural waste, chicken litter. It varies by location.

And overall value chain, availability of land, availability of feedstock, availability of selling this product, whether it's bio-manure and biogas. So you have to evaluate all the things in parallel because huge requirement of land, huge requirement of feedstock, huge requirement of setting the plant. All the line items has to tick mark in terms of making a sensible decision for that part. So that is where we keep on evaluating them.

Moderator: The next question is from the line of Sridhar Chandran from Prasidh Capital.

Sridhar Chandran: The last question on the PNG household connection growth and the execution. So despite government support and the expansion of the city gas infrastructure, so I could see ATGL has added approximately 40,000 domestic PNG household connections in this quarter. And I would like to understand what is preventing faster conversion of the existing network into active household connections? Can management comment on specific connection targets for the next 12 to 24 months with the milestones to demonstrate how this expansion will translate into incremental revenue and EBITDA growth?

Sanjay Pandita: No, we are very much focused on increasing the domestic penetration, and we are aiming at closing more than 2 lakh connections this year. That is a very sizeable number, if you see. And in terms of volume growth, per capita on an average is around 0.4 SCMD of the volume. So any new connection, which is added will offer us close to around 0.4 SCMD of gas volume addition. That is a growth potential. And we are very much keen and we are very much focused in terms of development of PNG for households and our key areas as well as our new GAs. That is the basic priority all across in terms of adding more and more households.

Moderator: As there are no questions from participants, with that, we conclude today's conference call. Ladies and gentlemen, on behalf of Adani Total Gas Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.