

Gujarat Pipavav Port Limited
Q4 FY 2025 Earnings Conference Call
30th May 2025

Manish Agnihotri:

Good morning, everyone, and welcome to the Q4FY25 earnings call of Gujarat Pipavav Port Limited. This is Manish Agnihotri, Company Secretary and I'm joined with Mr Girish Agarwal, Managing Director and Mr Santosh Breed, CFO.

I'll hand over to Girish for his opening remarks and then we will open the floor for Q&A. Meanwhile, I would request everyone to keep yourself on mute and only when you are asked for a question then you will be unmuted. Over to you Girish.

Girish Aggarwal:

Thank you, Manish. Good morning, Good afternoon everyone.

Quick update on the quarter. Our quarter on quarter performance remained strong. We delivered a net profit of Rs. 1090 million, which is higher by 57% over the same quarter last year, but that was also more due to a one off provision of the previous year. Our EBITDA margins and EBIT for the quarter were at par with the previous year. Revenue was marginally higher at 1%. In terms of volumes, RORO business continued to deliver strong performance with the volume of 49,000 cars and a growth of 42%. Liquid business delivered a volume growth of 4% with 402,000 metric tonnes. Both of these businesses delivered their highest ever quarter volumes in Q425.

Overall container volumes continued to be muted, but low by 9% due to various geopolitical situations, which I guess most of you are aware of. Bulk remained. The bulk was lower by about 8%, largely due to lower minerals imports, partially offset by increased fertiliser volumes. In terms of the full year financials, RORO in terms of volumes, again RORO and liquid business continued their strong performance. RORO increased by 70% and liquid business increased by 14% year on year. Overall, container volumes was lower by 14%, again largely due to various geopolitical situations also, due to lower trans shipment volume, which we have spoken about in our previous calls.

In terms of revenue, the overall revenue for the year was at par with the previous year. EBITDA and EBIT were higher by 1% and EBITDA margins were maintained or slightly higher at 58.5%.

Overall, again Net Profit was higher by 13% at Rs. 3984 million, but also largely due to one off provision, the legal case in the previous year.

In terms of outlook, we believe liquid volumes will continue its strong performance and expect the growth of five to 7%. Rural volumes are expected to continue its strong growth performance. We expect to grow by about 40%. Dry Bulk will be flat and in terms of Container, it's very difficult to at this stage really predict an outlook, but we believe on the container market, we still look at a three to 5% growth, but we'll provide more detailed updates in the coming quarter.

A tariff increase was taken of 5% was implemented effective January considering various commercial contracts with our customers. We expect this to have an overall revenue increase of two to 3%.

Apart from this, the Board of directors has proposed a dividend of rupees 4.2 per share for shareholders' approval. In the AGM this is over and above the Interim Dividend that was announced in November of Rupees four per share. I'll pause here and we will now take questions.

Manish Agnihotri:

Thank you, Girish. Ms. Nidhi Shah you can unmute yourself please.

Nidhi Shah (ICICI Securities):

Hi am I audible now?

Manish Agnihotri:

Yes.

Nidhi Shah (ICICI Securities):

Yes. So my first question would be on the progress of the LPG Terminal by AVTL. How is it on that and what are things in terms of volumes for FY26?

Manish Agnihotri:

Can you repeat your question again please?

Nidhi Shah (ICICI Securities):

Yeah, I wanted to ask you on the progress of the AVTL Terminal. How is that going and what are the volumes that you can expect for FY26?

Girish Aggarwal:

It's all, I guess. Let me answer this in two parts. One part is the new liquid jetty that we are building. We are progressing well in terms of various regulatory approvals. We expect to start work sometimes in Q2 this year and expect go live of the new liquid jetty in Q3 next financial year. That's the current expectation. The second part that I want to answer is AVTL is also in the process of commissioning two large cryogenic tanks which is under progress. We expect those to be completed in the coming quarter.

Nidhi Shah (ICICI Securities):

All right. And what kind of volumes can we expect from this expansion?

Girish Aggarwal:

So our overall new liquid jetty, which we spoke about earlier, has a capacity of 3.2 million metric tonnes, so you know as it gets commissioned, we don't expect it to have any impact this financial year. In terms of growth, as I was saying, we do expect a 5 to 7% incremental growth on the liquid volumes, but the full force of this expansion will only happen once the new liquid jetty is available.

Nidhi Shah (ICICI Securities):

Alright, thank you so much. And my last question would be that so in for the containers in the base quarter, we would have the Maersk service, right?

Girish Aggarwal:

No. You mean the jade service are you referring to the jade service?

Nidhi Shah (ICICI Securities):

Yes, yes.

Santosh Breed:

So this same quarter last year, it was not there.

Nidhi Shah (ICICI Securities):

OK. All right. Thank you so much. Yeah.

Manish Agnihotri:

Thank you, Mr. Deepak Maurya, please go ahead.

Deepak MAURYA:

Hi, good morning. Thank you very much for taking my questions. The first question was for if you could give us some colour on the realisations as you do every quarter by the by the cargo categories, that will be helpful. And the second question which I had was on the container outlook, we are now seeing renewed push for front loading on the Trans-pacific and carriers pulling capacity from every route possible. So does this mean that we could still see the kind of disruptions which we saw during the Red Sea diversions which hurt your demand? If any colour is possible on that maybe. Thank you.

Girish Aggarwal:

Maybe I'll take the geopolitical question and you're right. What we have seen first in April, may period where both on the Asia, West Coast and Asia East Coast, there was considerable decline in the capacity by over 25 to 30% by multiple blank sailings that the various carriers did. But after the tariff pause announced recently, I think there's a significant uptake. Now we are seeing at least on the Trans Pacific, we haven't completely seen that on the East Coast, but it's only a matter of time that we see it, I think. I would, I would say it is possible. I think the pause today, my expectation is that the pause is around mid August, which means the sailings from China should happen between now and mid-July at best, unless there is a further pause announced by the US, but at least, at least at this point, that's what we are seeing. But there's also the other problem because of the blank sailings in capacity drop in the April May period, the empty repositioning is also a bit of a challenge. So it's not as simple as as as this, but you will see how that develops and that's why we are also a little bit cautious in terms of any outlook that we want to give on the container volume, we are, you know, watching the situation as of now on an immediate basis, we haven't seen any immediate impact.

In the month of April, May also, with the filings that we have for June, but we'll see how how that progresses. I think it'll be better answered as we talk the next quarter.

Deepak MAURYA:

OK. Maybe if I can follow up on the same. We were seeing that the after the exit of the jade service right now we've had full four quarters of X jade quarters, right. So the volumes are around 175, one eighty on an average per quarter. So all else equal, should this be the new base from which growth should have rebounded if nothing else on the geopolitical or on the service?

Girish Aggarwal:

Yeah, yeah.

Deepak MAURYA:

Rejigging had had to happen.

Girish Aggarwal:

Agreed, you're right.

Deepak MAURYA:

OK, OK. And on the same point, there have been some news as well about the Red Sea resumption, particularly by CMA CGM right and there is little interest, of course, that that might be few more carriers who might go that path. Now I know that this is a war-torn area and it's very difficult to pinpoint when the services would resume, but just wanted to understand when and as and when the services resumed via the Red Sea. How does that impact capacity going through Gujarat Pipavav.

Girish Aggarwal:

No. So I think if that happens capacity clearly gets unlocked which you know could be put in the other trades. Currently because of the Red Sea issue, there is a capacity outflow into that trade, which gets unlocked. Some of that capacity unlocking will help Gujarat Pipavav, especially on some of the COSCO OOCL vessels. But again, I mean we have to, we have to look at the timing, right? There is this whole as you all rightly called out, the capacity increase on the Trans-pacific, we haven't seen any on the east side at least, but I'm I'm very sure on the East Coast also the same thing will happen.

Deepak MAURYA:

Yeah. OK. And on the realisation front.

Santosh Breed:

Yeah. So the realisation for container is in the range of around 9000 to 9400 per TEU. For Dry Bulk, it is in the range of Rs. 550 to 650 per metric tonne and for liquid it is in the range of Rs. 600 to 650 per metric tonne.

Deepak MAURYA:

Thank you. And any possible guidance or colour on how what kind of margin level you should be expecting for the upcoming year?

Girish Aggarwal:

So essentially this full year was 58.5, but there was a few one offs. I think our underlying margins are more around 59- 59.5%. I would still argue that our margin numbers for this year should be in the range of 59 to 60%, EBITDA margins.

Deepak MAURYA:

OK. OK. That's really helpful. Thank you. I'll fall back in the queue if I have any further questions. Thank you very much. Have a good day.

Manish Agnihotri:

OK. Thank you, Deepak. Mr Bhavesh Patel, please go ahead with your question.

Bhavesh Patel:

Thank you for the opportunity and great update, Girish as well. I wanted to know about the progress on strategic CapEx plans that we are having in addition to the cryogenic storage you talked about and the second question is will do we see any competitive landscape change with the Wadhwa port 2030 timeline? Anything that you know if at all we are considering? Though it's a long term short, but again from our strategy planning perspective.

Girish Aggarwal:

In terms of investments, I just want to be clear, the cryogenic tanks is an investment by Aegis Vopak and not by us. So just so that that is clear. Our investment is more on the waterfront, which is the jetty that we are building. So as of now, that's the stated expansion plans that we

have. Apart from that, there are minor CapEx that continue within the port for variety of reasons. So apart from that, there is no further announced CapEx. In terms of Wadhwan as you also said that this is a little bit of a long shot. But I would still argue that there is enough and more local cargo in the port of Pipavav and hence we stand on our own and that cargo cannot go anywhere. Also, as I think probably in you know, other discussions, North India is landlocked and between us and Mundra we continue to be the cheapest hinterland connected ports visa via Wadhwan or Nhava Sheva.

Bhavesht Patel:

Great. Thanks. Yeah, that helps. Thank you. I'll fall back in line.

Manish Agnihotri:

Thank you. Mr Patel. Mr Parimal Mithani, please go ahead with your question.

Parimal Mithani:

Thank you. Can you hear me?

Manish Agnihotri:

Yes.

Parimal Mithani:

If you can give update on the Liquid Jetty. Are we on track for the timeline. And secondly, in terms of Red Sea do we see the worse is over?

Girish Aggarwal:

So on the 1st question, I'll go live with expected Q3 next financial year for the liquid jetty, I couldn't hear your second question, Kunal.

Parimal Mithani:

Sorry in terms of the Red Sea crisis, is the worst over or we still have an impact on that.

Girish Aggarwal:

No, no. So the, I mean the vessels are still not going through the Red Sea. Most of them are still doing the routing to Africa under Africa, right?

Parimal Mithani:

OK. OK. Thank you.

Manish Agnihotri:

OK. Thank you, Mr Mitani. Mr Kunal Tokas, please go ahead.

Kunal Tokas:

Am I audible.

Girish Aggarwal:

Yes Kunal.

Kunal Tokas:

Just one quick question. If you can talk about the models here for the port and if there has been any good initiatives from the regulatory side or if there has been any good situations or something hurdles encountered in the past year? Thank you.

Girish Aggarwal:

Sorry, which update model Deepak.

Kunal Tokas:

Railing code.

Manish Agnihotri:

Sorry, can you repeat your question? Kunal. Kunal.

Kunal Tokas:

My question was on the modal share of rail and road.

Girish Aggarwal:

Oh, OK. Yeah, it's it's broadly similar. I mean, we continue to have anywhere between 60 to and 65% of our movement of cargo by rail, which is broadly stable. There's a in general, two or three percent variation, but nothing fundamentally has changed.

Kunal Tokas:

OK. Thank you. Very good Sir. Have a good day.

Manish Agnihotri:

Thank you, Kunal. Deepak, please go ahead with your question.

Deepak MAURYA:

Yeah. Hi. Sorry. I had a follow up. You mentioned about someone offs. I recall that in third quarter you did mention something in the range of 117 million towards repairs and maintenance and one time IT and employee benefits. I think if I recall whether any one offs during this quarter? The fourth quarter?

Santosh Breed:

No, no, there no, no major one offs in this quarter.

Deepak MAURYA:

OK, understood. And if you could also remind us if there are any one off kind of events such as the dredging expenses, et cetera, which are due in the next financial year that is in the fiscal year 26?

Santosh Breed:

No plans as of now.

Girish Aggarwal:

Yeah, but we still continue to evaluate at least at this point in time. Post the monsoons we will do the evaluation and then we'll come to a conclusion on the maintenance. But we'll have to do that post monsoons.

Deepak MAURYA:

OK, OK. OK, understood. Thank you very much.

Manish Agnihotri:

Thank you, Deepak. Mr Bhavesh Patel, you have a question.

Bhavesb Patel:

Yes, thank you. So again, just checking on the Gujarat Maritime Board approval for our licence renewal. I'm aware it's 2028 is the time frame and you've been saying everything on track. But at the latest, when do we expect and the second question is around the CapEx for liquid berth. Will we be doing any debt raising or if at all it'll be like internal accrual itself? Thank you.

Girish Aggarwal:

One liquid is all internal across. There is no debt raising that we are going to do.

Bhavesb Patel:

OK.

Girish Aggarwal:

In terms of GMB, again I can again say the same thing. Everything's all OK. There's no red flags, but the final call timelines are decided by GMB. We are in no position to give a timeline.

Bhavesb Patel:

OK, thanks for the response. Thank you.

Manish Agnihotri:

Thank you. Mr. Patel, Mr. Ryan Bhushan can you please go ahead with your question? Mr. Ryan Bhushan.

Rayaan Bhushan:

Sorry, am I audible?

Manish Agnihotri:

Yes you are. Please go ahead.

Rayaan Bhushan:

OK, OK, perfect. I apologise if this question has already been asked before. I'm just looking for some data points.

What are the realisations for containers, dry bulk, liquid and RORO for the full year of 20 for the full year of FY24?

Santosh Breed:

So the current realisations are Rs. 9000 to 9500 per TEU for Bulk it is Rs. 550 to 650 per metric tonne and for liquid it is Rs. 600 to 650 per metric tonne. For RORO of course we don't give any realisation as of now. These are only three business streams that we share.

Rayaan Bhushan:

OK. Thank you.

Manish Agnihotri:

Sorry, you're not audible if you're speaking, Mr Bhushan.

Rayaan Bhushan:

Can you hear me?

Manish Agnihotri:

Now we can hear you. Please go ahead.

Rayaan Bhushan:

OK, that's it. That's it. That's all I wanted to know. Thank you very much.

Manish Agnihotri:

OK. Thank you, Mr Dhiraj Kripalani.

Dheeraj Kripalani:

Yeah, am I audible?

Manish Agnihotri:

Yes you are. Please go ahead.

Dheeraj Kripalani:

So what was our market share in FY24 or FY25? Sorry.

Girish Aggarwal:

Overall, India market share is in the region of 4%.

Dheeraj Kripalani:

OK, sir in containers if you could give me.

Girish Aggarwal:

Containers only I'm talking.

Dheeraj Kripalani:

OK. OK answer. Last quarter we were talking about concession extension, so any update on that?

Girish Aggarwal:

No further update, Mr Kripalani essentially we continue to be engaged with the GMB we continue to be engaged with the GMB and we await their decision. But as I said before, there's no Red flags, at least from what I know of at this point in time.

Dheeraj Kripalani:

OK. OK, OK, Sir. Thank you.

Manish Agnihotri:

OK, thank you. Anybody has any other follow up questions? Doesn't seem to be the case, so thank you very much for. Oh, sorry. Yes, Mr Kunal Tokas, please go ahead.

Kunal Tokas:

Just one question, can I know what your dividend policy is? Is it to maintain a consistent absolute number or does it follow your profits?

Girish Aggarwal:

We follow our profits.

Kunal Tokas:

Alright. And in in case of a, say a heavy CapEx investment, is it possible your dividends will go down?

Girish Aggarwal:

It is possible.

Kunal Tokas:

OK. Thank you.

Manish Agnihotri:

Thank you Mr Vipul Kumar Shah. Please go ahead. Mr Vipul Kumar Shah, you are on mute. You're not audible, Mr Shah, if you're speaking. Maybe we get Mr Parimal Mithani.

Parimal Mithani:

Hello, can you hear me, Sir?

Manish Agnihotri:

Yeah, please go ahead.

Parimal Mithani:

Ok sir recently in one of the business dailies the pink paper, it was mentioned Maersk plans to invest close to 5 billion in India and it mentioned Pipavav as well. On opening the approval from the board. Any further update on terms of what is the parents position on that? So if you can highlight.

Girish Aggarwal:

Yeah. No, I won't be able to articulate on the overall 5 billion number that you've talked about. I think that's more for the parent to clarify. But from a GPPL perspective, you know there is, you know overall plan that that you already have seen is vision document of about \$2 billion subject to concession approval. We'll we can only talk about details as we move forward post the concession extension.

Parimal Mithani:

OK. OK. Thank you.

Manish Agnihotri:

Thank you Mr Vipul Kumar Shah. I think we've lost connection with him. Mr. Ryan Bhushan, please go ahead.

Rayaan Bhushan:

Hi. Sorry once again just looking for some data points. Previously I asked for the the fiscal year of 24. Could you give me the realisations for the same categories, containers, dry bulk liquid for Q4FY25 and full year FY25?

Santosh Breed:

Oh, sorry the realisation, which I which I mentioned to you was for Q4FY25. This is our current realisation which was shared with you as well. As far as the full year is concerned it was in the range of around Rs. 8500 to 8800 for container and dry bulk and liquid continue to be overall in the same range.

Rayaan Bhushan:

OK. And do you have the same metrics for the fiscal year 24?

Santosh Breed:

Fiscal year 24. It was in the range of around Rs. 8000 to 8500 for container and for liquid and dry bulk in the range of around Rs. 450 to 600.

Rayaan Bhushan:

OK. Thank you.

Manish Agnihotri:

Thank you. You have your hand raised. You have any? OK, thank you, Mr Shah. Are you still connected? Type of transfer yes, in the chat.

So Mr Shah's question is what type of revenue we will be getting from Aegis Vopak?

Santosh Breed:

So the revenue from Aegis Vopak is is more toward our marine services what we provide them. So that's what we get.

Manish Agnihotri:

Do you have any other question, Mr Shah?

Mr Mithani, please go ahead. You have your hand raised.

Parimal Mithani:

So I just wanted to have a follow up any other further hikes in services in current year/ the quarter. I think we had increase of two to 3%. Any further hike this year so?

Girish Aggarwal:

Currently, there's no hike planned, but we'll see how we move forward, right. But currently there's no hike planned.

Manish Agnihotri:

Mr Shah is asking can you quantify the revenue from Aegis Vopak?

Girish Aggarwal:

No, no, that is not possible. That's more commercial information, Mr Shah.

Manish Agnihotri:

Mr Bharat Gupta, please go ahead.

Bharat Gupta:

Hi sir thanks for the opportunity. Just a quick question, Sir. How much client addition we were able to do like during the quarter and also with respect to the maritime service was there any relation to our client port?

Girish Aggarwal:

In terms of maritime service, sorry Mr Gupta.

Bharat Gupta:

I think APM we are dependent near about 30 odd percent. So other than APM where we be able to onboard other clients as well.

Girish Aggarwal:

For this quarter in the container business all clients remain the same that were there in the previous quarter.

Bharat Gupta:

And for the next year fiscal year, are you expecting something like? In terms of addition or like in terms of approaching to the clients?

Girish Aggarwal:

So of course I mean, there's an ongoing exercise, Mr Gupta, that we continue engaging with various customers at various levels. So if there is anything that fructifies you will get to know.

Bharat Gupta:

With respect to the Gorakhpur Kandla pipeline, so I think we'll be commissioning with respect to Q3 FY 27. So is it in line with the Q3FY27 with respect to liquid jetty for the addition, one with respect to the with respect to the pipeline. So like the incremental value addition which will happen will be primarily coming out from the new liquidity addition only.

Girish Aggarwal:

Our current liquidity has a capacity which we've spoken about, right. So we can do anywhere between depending on what commodities you're handle, but you know 1.4 million to 1.6 million and we are there about right. So yes, there is a clear Kandla Gorakhpur pipeline that is coming up which will potentially have the incremental capacity expansion for us. But in this specific liquid jetty, our capacity is constrained to about 1.6 million at most. So that's what we can handle. So any new volume coming in can happen in two ways. One new jetty, which is a work in process, or B increase of throughput.

On the jetty, it and that can happen either through different commodities or types of liquids that we handle B for example, cryogenic tanks that have now been put up. So there's potential that the cryogenic tanks increases the throughput, but it is also important for you to understand that you know our current jetty cannot handle a fully loaded VLGC. So we only can handle partially loaded VLGC. So that's also another constraint which gets rectified as a new jetty comes in. So you know from our perspective, we only estimate an incremental improvement of five to 7% in our liquid volumes this financial year.

Bharat Gupta:

Right, Sir. And Sir, our last question, like we were reading about some news article related to the Pipavav getting connected to the Expressway that has been decided by Gujarat government. So do you foresee substantial amount because currently we are heavy on the rail side. Going forward, do you think the road side to pick up and particularly like we have a JV with the railways also. So do we see a drop with respect to the freight rates going forward as a move for? Loading the containers out through train. Like, how do you see it playing out?

Girish Aggarwal:

Alright, now we don't see a drop in overall rail volume, I think Rail will continue to be the absolute best Connected connectivity to the hinterland especially in the Northern India. With this new Expressway that you talked about, which I'm unsure, when it's getting started, but not within this fiscal year will help us get more road cargo to us, which currently doesn't come to us and goes to competing ports because they are closer.

Bharat Gupta:

Thanks for answering my question.

Manish Agnihotri:

Thank you. We have a question from Mr Bhavesh Patel.

Girish Aggarwal:

Yes, that is correct. Bhavesh December 2026.

Manish Agnihotri:

Mr Shah, you have your hand raised. Do you have any further questions? Anybody else? Anybody else has any follow up questions? Doesn't seem to be the case, so thank you very much everyone for joining and have a great day and a good weekend. Thank you.

Girish Aggarwal:

Thank you everyone.

Santosh Breed:

Thank you.