

GMR Infrastructure Limited

Business Highlights

Update on Demerger to Unlock Value

We filed the composite scheme of Amalgamation and Arrangement amongst GMR Power Infra Limited and GMR Infrastructure Limited and GMR Power and Urban Infra Limited and their respective shareholders with the National Company Law Tribunal (NCLT) on March 5, 2021 for taking the Scheme forward. We have already received consent of the Stock Exchanges and SEBI and are awaiting schedule for hearing from NCLT. **Simultaneously, process for obtaining requisite approvals from the relevant stakeholders, especially financial & operational creditors is at an advanced stage of completion as we have received in-principle approvals for demerger from majority of the financial creditors.**

The Scheme involves vertical split demerger of the Non-Airport Business (Energy, EPC, Urban Infrastructure, etc.) of GIL into GMR Power and Urban Infra Limited (GPUIL), as a going concern, along-side amalgamation of GMR Power Infra Limited (GPIL) with GIL, as a step preceding demerger.

Groupe ADP and GMR Execute Industrial Partnership

Groupe ADP and GMR announced the execution of Industrial Partnership, demonstrating intent to cooperate with each other and a shared global vision for the airport sector. It is a significant step into building the world's largest airport alliance to welcome passengers and leverage both groups' expertise to continuously improve operations.

Delhi Airport's completed issuance of INR 3,257 Cr NCDs

Delhi Airport successfully completed the issuance of Non-Convertible Debentures (NCD's) for INR 3,257 Cr priced at an interest rate of 10.96 % p.a and subscribed by FPI's. The proceeds from the NCD's will be utilized to refinance the outstanding debt of around USD 289 Mn due in FY22 and to partly finance the Phase 3A expansion. This shows the confidence of investor in our projects & businesses and reflects our continued effort to create value for our investors.

Completed Divestment of Kakinada SEZ Limited

We have received first tranche considerations of ~INR 1692 Cr out of the total consideration of INR 2719 Cr towards divestment of entire stake in Kakinada SEZ Limited. Additionally, ~INR 1027 Cr is to be received in next 2 - 3 years which is contingent upon certain agreed milestones. As part of the agreement, 51% equity stake held in Kakinada SEZ Ltd through GMR SEZ and Port Holding Limited is divested to Aurobindo Realty and Infrastructure Private Limited (ARIPL).

APTEL Order on Kamalanga Plant's Change in Law appeal against Bihar Discom

As per the APTEL order passed on August 6, 2021, all the amounts due and payable to GMR Kamalanga Energy Limited (GKEL) by the Bihar Discom under various change in law events shall be paid along with carrying costs in accordance with law within six weeks from August 6, 2021. GKEL is entitled to recover expenditure involved in procurement of alternate coal due to shortfall in domestic coal supply corresponding to scheduled generation pertaining to Bihar PPA thereby restoring GKEL to the same economic position as before as if no change in law event has occurred.

Boston Living signed definitive agreements with GMR Hyderabad Aero City

Boston Living, an incubation venture of INCOR Group, signed definitive agreements with GMR Hyderabad Aero City to develop co-living and serviced residences. The new project will be named "The Landing by Boston Living". As part of the agreement, GMR Hyderabad Aero City will lease land to Boston Living to develop 0.5 million sq. ft. space.

Business recovery

Airport Business

- Post relaxation of restrictions since May 2020, our Airports saw a significant traction in traffic till February 2021. However, the growth was stalled due to the onset of second Covid wave resulting in a decline in traffic during April 2021– May 2021.
- However, traffic rebounded quickly from last week of May 2021 and is on a fast pace recovery path than initially anticipated. This is encouraging considering Govt. of India imposed curb on the capacity for the airlines at 50% from June 1, 2021 which was later revised to 65% from July 5, 2021. On August 13, 2021, it has been further increased to 72.5%. Passenger confidence to travel is on the rise with the decline in Covid cases.

Our Airports have witnessed increase in traffic post Second Wave				
% of pre-Covid level	1st Week (25-31 May 2020)	39th Week (15-21 Feb 2020 (Peak))	52nd Week (17-23 May 2021 (Trough – Second Wave))	63rd Week (2-8 Aug 2021)
Delhi Airport				
Average Daily Pax	12%	64%	13%	53%
Daily Average ATM	23%	69%	26%	58%
Hyderabad Airport				
Average Daily Pax	7%	66%	12%	56%
Daily Average ATM	12%	65%	22%	58%
Cargo Traffic remains resilient				
	May 2020	Feb 2021	May 2021	July 2021
Delhi Airport	31%	95%	92%	91%
Hyderabad Airport	41%	95%	87%	93%

Note: 1. Non-adjusted gross numbers

2. Pre-Covid benchmark to average daily traffic for the entire FY20 (excluding March 2020).

3. Govt had allowed 33% capacity for the airlines till Jun 25, 2020 and increased to 45% till Sep 2, 2020, 60% till Nov 11, 2020, 70% till Dec 3, 2020 and 80% till May 31, 2021. Jun 1, 2021 onwards cap reduced to 50% and revised to 65% w.e.f July 5, 2021

- We expect traffic to gain further momentum with the reducing trend in Covid cases, lifting of government restrictions on airline capacity and the increased pace of vaccination.
 - India's daily new Covid cases remain stable and low while vaccination is picking up pace. 51.9 Cr vaccine doses administered as of August 11, 2021 in India
 - Metro cities, which are core to our business, have recorded much higher vaccine coverage than India average

- Government of India is working on vaccinating all citizens by December 2021
 - Globally too, countries have resorted to fast vaccination measures to unlock the economy which will provide further boost to international traffic. Globally, ~ 450 Cr vaccine doses has been administered
 - Air Bubbles' arrangement will continue for next few months aiding recovery of international traffic. Currently Air Bubbles' arrangement is with 28 nations - USA, UK, Canada, Germany, France, UAE, Qatar, Maldives, Afghanistan, Bahrain, Bhutan, Iraq, Japan, Nigeria, Oman, Kenya, Ukraine, Bangladesh, Rwanda, Tanzania, Netherlands, Ethiopia, Nepal, Kuwait, Russia, Seychelles, Sri Lanka & Uzbekistan
 - Fleet addition by major Indian airlines and entry of new airlines including Jet Airways to aid expansion of operating capacity
- We anticipate a return to the pre-Covid traffic level in our Indian Airports by end FY22 driven by domestic segment.

Energy Business

Power demand and coal supply are improving as the lockdown is easing up resulting in higher PLFs

PLF (%)	FY20	FY21	Q1FY22	July 2021
Kamalanga	64%	77%	83%	77%
Warora	82%	75%	54%*	67%

Note: *impacted by lower supply of linkage coal from mines, lower exchange rates and delayed realization from Discoms

Highway Business

Hyderabad Vijayawada expressway

- Traffic increased by 61% YoY to 8.4 Mn during April 2021 - Jun 2021 period.
- However, per day avg. traffic volume decreased by 36% MoM in May'21 due to lockdown but increased by 30% MoM in June 2021 and 24% MoM in July 2021 as the lockdown eased.

Ambala Chandigarh expressway

- Toll has been suspended since Oct 12, 2020 due to farmer's agitation

PT Gems

PT Gems was able to showcase its strength despite Covid by reporting a Sales growth of 4% YoY and EBITDA margin of USD 14.6 per ton for Q1FY22 driven by 16% YoY increase in realization. Per ton costs reduced by 11% YoY to USD 26.5/ton in Q1FY22. Q1FY22 has been significant due to the following:

- Best quarter in PT Gems history in terms of PBT - \$129 Mn.
- Highest Q1 coal production since inception despite adverse weather conditions
- Robust EBITDA margins of \$136 Mn (\$14.6 per ton)
- Final dividend for CY2020 of USD 75 Mn declared in May'21. Additionally, an interim dividend for CY2021 of USD 75 Mn declared in Apr'21

Q1FY22 Performance Highlights

Airport Sector

Delhi Airport

- Traffic improved by 4.2x YoY from 1.23 Mn in Q1FY21 to 5.13 Mn in Q1FY22. On a QoQ basis, traffic declined 47% in Q1FY22
- Gross Revenue increased by 79% YoY from INR 348 Cr in Q1FY21 to INR 622 Cr in Q1FY22. On a QoQ basis, revenue declined by 46% in Q1FY22
- EBITDA improved from a loss of INR 69 Cr in Q1FY21 to INR 315 Cr in Q1FY22. On a QoQ basis, EBITDA declined by 54% in Q1FY22
- Capex to increase capacity from 66 Mn pax to 100 Mn pax - achieved 45.3% completion as of June 30, 2021. As on July 31, 2021, overall progress achieved is 46.6%
- Pre-second wave of Covid, 77 domestic destinations were connected against 72 in Mar'20. Total connected domestic destinations now stand at 67 post moderation of second wave of Covid

ESG Initiatives, Recognition and Awards

- Received the Platinum Recognition in the Green Airports Recognition run by ACI Asia Pacific in over 25 Mn passenger category
- Adjudged as the 'Best Regional Airport in India and Central Asia' for the third consecutive year in 2021 by Skytrax
- Improved its Skytrax global ranking, moving from 50th in 2020 to number 45th in the 2021
- Bestowed with the 'COVID-19 Airport Excellence Award' for providing exemplary safety protocols during the global pandemic, making it the only airport in India to be ascribed in this category
- Fifth consecutive year where DIAL's sustainability initiatives have been recognized

Hyderabad Airport

- Traffic improved by 4.7x YoY from 0.33 Mn in Q1FY21 to 1.53 Mn in Q1FY22. On a QoQ basis, traffic declined 54% in Q1FY22
- Gross revenue increased by 2.3x YoY from 44 Cr in Q1FY21 to INR 102 Cr in Q1FY22. On a QoQ basis, revenue declined 44% in Q1FY22
- EBITDA improved from a loss of INR 52 Cr in Q1FY21 to INR 3 Cr in Q1FY22. On a QoQ basis, EBITDA fell by 96% in Q1FY22
- Capex to increase capacity from 12 Mn pax to 34 Mn pax - achieved 60.4% completion as on June 30, 2021. As on July 31, 2021, overall progress achieved is 61.9%
- Pre-second wave of Covid, 58 domestic destinations were connected against 55 in Mar'20. Total connected domestic destinations now stand at 53 post moderation of second wave of Covid; including 12 domestic destinations which were discontinued by airlines during May-Jun'21 but restarted

ESG Initiatives, Recognition and Awards

- Received ACI Asia-Pacific Green Airports Gold Recognition 2021

- Adjudged the 'Best Regional Airport in India and Central Asia' by Skytrax; global ranking improved from 71st position in 2020 to 64th in 2021
- Bagged 3rd rank in the 'Cleanest Airport in India and Central Asia' category, 4th rank in 'Best Airport Staff in India and Central Asia' category and 6th rank in the 'Best Regional Airports in Asia' category by Skytrax
- Commissioned its second 5 MW solar power plant in July'21

Goa Airport

- Work is in progress at site with physical activities being carried out simultaneously at multiple sites of the project including Runway, Earthwork, ATC etc.
- Achieved Milestone III in terms of both financial and physical progress within the agreed timelines as defined in Concession Agreement and have achieved physical progress of 34.24% as of June 30, 2021. As on July 31, 2021, overall progress achieved 35.22%
- Land acquisition for the expressway (NH166S) connecting NH 66 to MOPA Airport is nearing completion & expressway is expected to be operational by COD of the airport

Cebu Airport

- Traffic declined by 91% YoY from ~2.4 Mn in Q1FY21 to ~0.21 Mn in Q1FY22. On a QoQ basis, traffic improved 41% in Q1FY22
- Revenue declined by 85% YoY from INR 111.4 Cr in Q1FY21 to INR 16.3 Cr in Q1FY22. On a QoQ basis, revenue improved 2% in Q1FY22
- With the election campaigning expected to begin in August-September 2021, we expect rapid increase in domestic traffic

Crete

- Earthworks are progressing in multiple fronts of runway, taxiway, apron, terminal building, external access roads
- ~5.5% financial progress is achieved with completion of ~31% of earthworks in Airport area and ~19.15% of earthworks in access Roads as of June 30, 2021
- As on July 31, 2021, ~6.2% financial progress is achieved with completion of ~41.5% of earthworks in Airport area and 21% of earthworks in access roads

Bhogapuram

- Land acquisition and R&R works in progress. ~1650 acres of land out of ~2200 acres has been handed over
- Preliminary works and design in progress.

Energy Sector

Kamalanga Power Project

- PLF at 83.0% in Q1FY22 as against 58.0% in Q1FY21
- Revenue increased by 36% YoY to INR 573 Cr in Q1FY22
- Generated Cash Profit of INR 78 Cr in Q1FY22 as against INR 37 Cr in Q1FY21

ESG Initiatives, Recognition and Awards

- Environment Quality (Ambient Air, Noise, PM) is within norms
- Water quality STP, ETP outlet is within norms
- Safety Performance Highlights for Q1FY22 - Lost Time Injury Frequency Rate (LTIFR) and Lost Time Injury Severity Rate (LTISR) is 0.00 in Q1FY21
- Planted 0.39 Mn sapling covering 357 acres till Q1FY22

Warora Power Project

- PLF at 53.6% in Q1FY22 as against 48.7% in Q1FY21
- Revenue at INR 258 Cr in Q1FY22 as against INR 358 Cr in Q1FY21
- Generated cash loss at INR 31 Cr in Q1FY22 vs cash profit of INR 71 Cr in Q1FY21

ESG Initiatives, Recognition and Awards

- During the Second wave, operated Health clinics in 10 villages and also operated Mobile Medicare unit in 22 villages.
- Continued the help & support to old people of local community by providing monthly rations
- Environment Quality (Ambient Air, Noise, PM) is within norms
- Water quality STP, ETP outlet is within norms
- Safety performance highlights - LTIFR and LTISR is 0.00 in Q1FY22

Bajoli Holi

- More than 98% overall project completed - COD during FY22

Indonesia Coal Mine (PT GEMS)

- Sales volume increased by 4% YoY to 9.3 Mn tons in Q1FY22 from 8.9 Mn tons in Q1FY21
- Revenue at INR 2,790 Cr in Q1FY22 vs INR 2,314 Cr in Q1FY21 mainly due to higher realization
- Realisation up 16% YoY to USD 41.1/ton in Q1FY22 from USD 35.5/ton in Q1FY21, mainly because of the improvement in the global market prices
- EBITDA at INR 992 Cr in Q1FY22 vs INR 377 Cr in Q1FY21
- Reduced Per ton Costs by 11% YoY to USD 26.5/ton in Q1FY21
- PAT at INR 735 Cr in Q1FY22 vs INR 247 Cr in Q1FY21
- Cash balance is at INR 1,932 Cr at the end of Q1FY22

ESG Initiatives

- PTGEMS Corporate Social and Environmental Responsibility (CSER) programs are constantly aligned with the 7 core subjects of ISO 26000 and support the UN Sustainable Development Goals (SDGs)
- PTGEMS through its subsidiaries has won several awards/certifications in the field of environmental management i.e.:
 - GREEN rating for PROPER to PT Borneo Indobara from the Ministry of Environment and Forestry for the achievement and performance in the field of management and monitoring of mining environment of Subsidiaries for 2018-2020;
 - BLUE rating for PROPER to PT Kuansing Inti Makmur from the Ministry of Environment and Forestry for the achievement and performance in the field of management and monitoring of mining environment of Subsidiaries for 2018-2020.
- During 2020, PTGEMS Subsidiary BIB has won following 2 prestigious awards at the TOP CSR Awards 2020 event:
 - TOP CSR Award 2020 – Star 5 (Outstanding) and
 - TOP Leader on CSR Commitment 2020
- PTGEMS has incurred the total expenditure of USD 2.3 Mn in 2020 on CSR initiatives

Highways

Hyderabad – Vijayawada

- Traffic increased by 61% YoY to 8.4 Mn in Q1FY22 from 5.2 Mn in Q1FY21
- Gross revenue increased by 78% YoY to INR 75 Cr in Q1FY22 from INR 42 Cr in Q1FY21
- EBITDA at INR 36 Cr in Q1FY22 vs INR 19 Cr in Q1FY21

Ambala – Chandigarh

- Revenues and Traffic during the quarter impacted due to farmer's agitation
- EBITDA loss at INR 5 Cr in Q1FY22 vs profit of INR 2 Cr in Q1FY21

Chennai Outer Ring Roads

- Revenue declined by 9% YoY to INR 21 Cr in Q1FY22 from INR 23 Cr in Q1FY21
- EBITDA at INR 15 Cr in Q1FY22 vs INR 18 Cr in Q1FY21

Pochanpalli Expressways [on NH-7, Andhra Pradesh]

- Revenue increased 79% YoY to INR 26 Cr in Q1FY22 from INR 14 Cr in Q1FY21
- EBITDA declined by 3% YoY to INR 8 Cr in Q1FY22

Dedicated Freight Corridor Project

- GMR along with the partner SEW Infra has been executing contract to construct a part of the eastern corridor:
 - Mughalsarai to New Karchana (UP) - 181 Kms
 - New Karchana to New Bhaupur (UP) - 236 Kms

- Construction work is picking up pace - ~74% of package 201 and ~80% of package 202 completed

Consolidated Financial Highlights

[INR Cr]

Particulars	Quarter ended		
	Q1 Jun'21	Q4 Mar'21	Q1 Jun'20
Gross Revenue	1,776	2,321	1,134
Net Revenue	1,658	2,071	1,088
EBITDA	422	844	(19)
PBT (Before excep. items & share of JVs)	(434)	46	(973)
Share of Profit / (loss) from JVs / associates	77	(226)	(12)
Exceptional Item	-	(585)	-
PBT	(357)	(766)	(985)
Profit After Tax (from continuing operations)	(318)	(725)	(834)

About GMR Infrastructure Limited:

GMR Infrastructure Limited, a leading global infrastructure conglomerate with interests in Airport, Energy, Transportation and Urban Infrastructure, is listed on Indian Stock Exchanges.

GMR Group's Airport portfolio has around 172 Mn passenger capacity in operation and under development, comprising of India's busiest Indira Gandhi International Airport in New Delhi, Hyderabad's Rajiv Gandhi International Airport, Mactan Cebu International Airport in partnership with Megawide in Philippines. While greenfield projects under development includes Airport at Mopa in Goa and Airport at Heraklion, Crete, Greece in partnership with GEK Terna. The GMR-Megawide consortium has won the Clark International Airport's EPC project, the second project in Philippines. The Group has recently signed the Concession Agreement for the development and operation of a greenfield airport at Bhogapuram in Andhra Pradesh. The group recently signed concession agreement to commission, operationalize and maintain the Civilian Enclave at the Bidar Airport in North Karnataka. GMR Group is developing very unique airport cities on the commercial land available around its airports in Delhi, Hyderabad and Goa.

The Group's Energy business has a diversified portfolio of around 4,995 MW, of which ~3,040 MWs of Coal, Gas and Renewable power plants are operational and around ~1,955 MWs of power projects are under various stages of construction and development. The group also has coal mines in Indonesia, where it has partnered with a large local player.

Transportation and Urban Infrastructure division of the Group has four operating highways project spanning over 1,820 lane km. The Group has a large EPC order book of railway track construction including Government of India's marquee Dedicated Freight Corridor project. It is also developing multi-product Special Investment Regions spread across ~2500 acres at Krishnagiri in Tamil Nadu and 10,400 acres at Kakinada in Andhra Pradesh.

GMR Group, through its Corporate Social Responsibility arm, GMR Varalakshmi Foundation carries out community based development initiatives at 24 different locations across India.

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