



## **GMR Airports Infrastructure Limited**

**Pax Traffic increased by 69% YoY to 92.8 mn in FY23**

**Gross Revenue increased by 45% YoY to INR 6,693 Cr in FY23**

**EBITDA at INR 1,724 Cr in FY23 vs INR 2,103 Cr in FY22**

**Hyderabad Airport reported PAT of INR 33Cr in FY23**

### **Key Developments**

#### ***Merger of GMR Airports Ltd (GAL) with GMR Airports Infrastructure Ltd (Formerly known as GMR Infrastructure Limited) (GIL)***

With an objective to enhance shareholder value by simplifying the corporate structure and bringing public shareholders closer to the airport assets, GMR announced the execution of the Agreement and Scheme of Merger of GAL with GIL. As part of the process, GIL and Groupe ADP will settle the cash earnouts to GIL at INR 550 Cr and also the equity earnouts to GIL. GIL raised ~EUR 331 mn (~INR 2,900 Cr) from Groupe ADP through a 10-year 6.76% p.a. coupon (Simple Interest) FCCBs due in 2033. Immediately upon completion of the merger, GMR Group will remain as the single largest shareholder of GIL, with GMR Group owning 33.7%, Groupe ADP holding 32.3% and Public holding 34.0% respectively of the paid up equity share capital. The entire merger process is expected to be completed within FY24. So far, CCI approval for merger has been received and application has been filed with Stock exchanges and Reserve Bank of India (RBI)

#### ***Mopa (Goa) Airport commenced commercial operation***

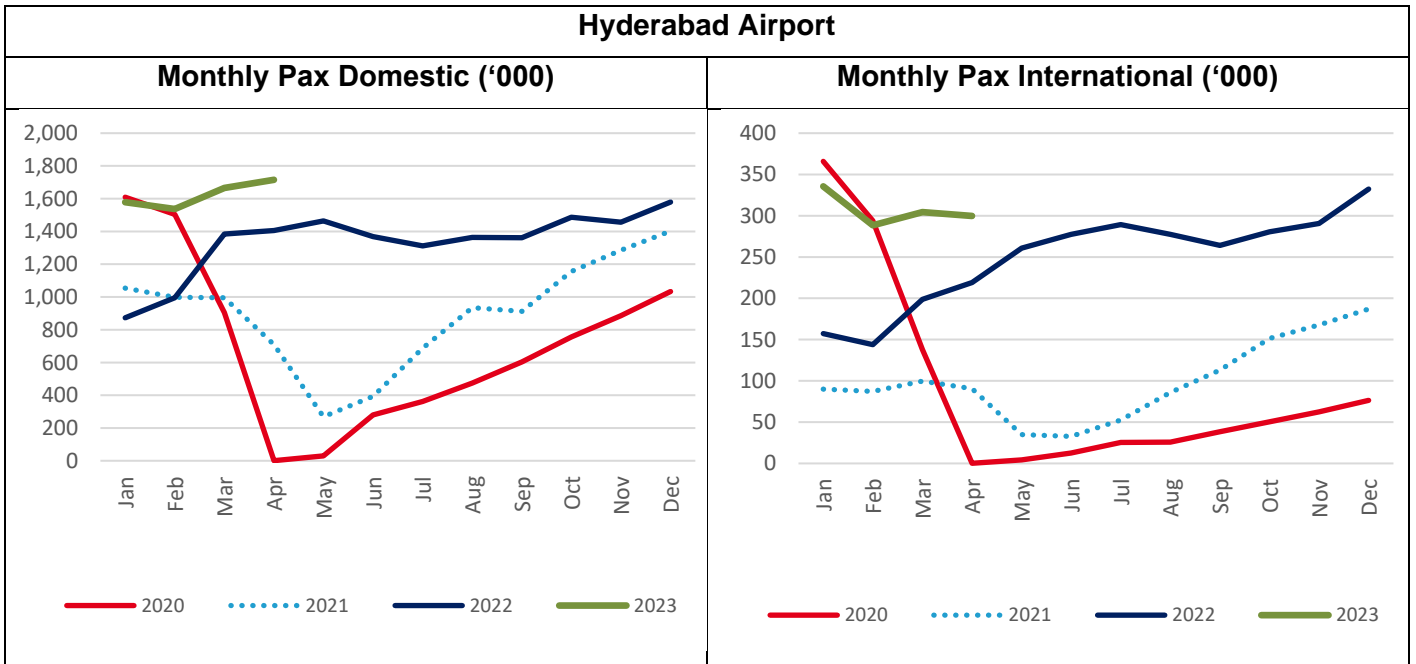
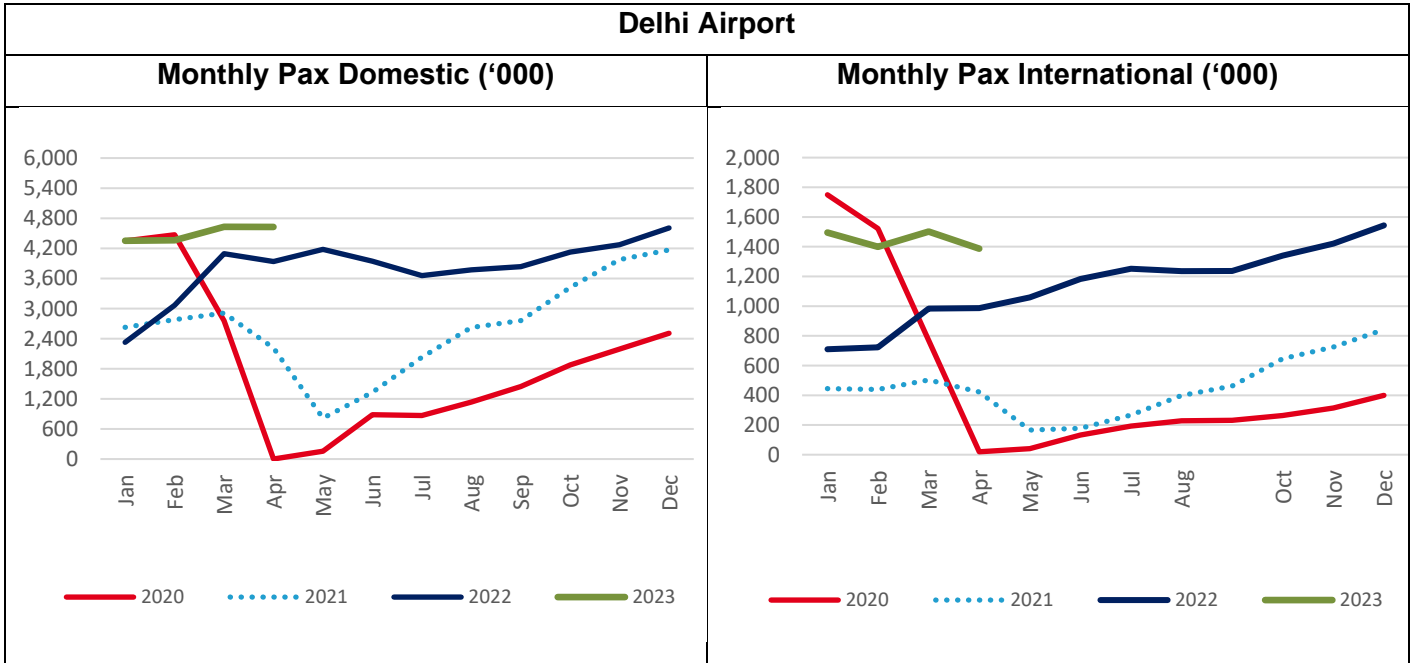
COD achieved and domestic operations at Mopa Airport commenced from January 5, 2023. IndiGo, Akasa, GoAir, Spicejet and Vistara are operational

#### ***Received INR 631 Cr from NIIF Partnership in Mopa (Goa) Airport***

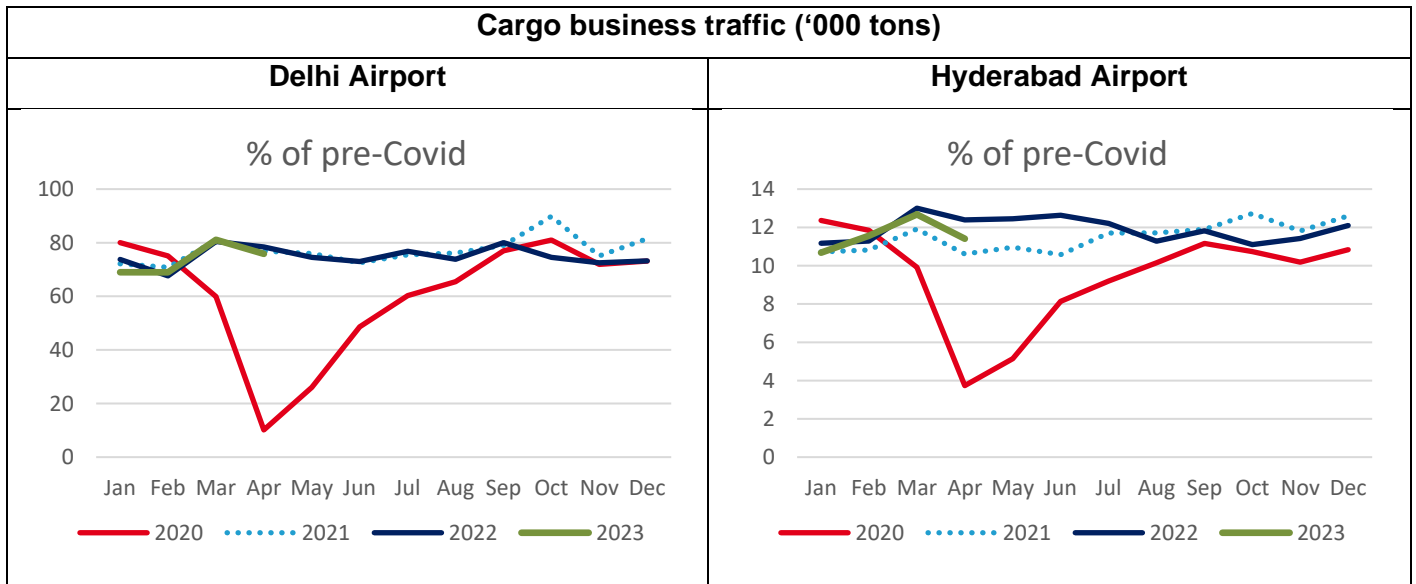
GMR Goa International Airport Limited (GGIAL) has received INR 631 Cr from National Investment and Infrastructure Fund (NIIF) towards subscription of Compulsory Convertible Debentures (CCDs) of GGIAL. In December 2022, GMR and NIIF announced a financial partnership for NIIF to invest in the equity capital of three airport projects including Mopa (Goa) and Bhogapuram (Vishakhapatnam, Andhra Pradesh) airports

**Traffic**

Passenger traffic continues to maintain strong momentum.



*Note: 1. 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 31 May 2021. Jun 1, 2021 onwards cap reduced to 50% and revised to 65% in Jul 5, 2021, 72.5% in Aug 12, 2021. Restrictions for domestic flight lifted on Oct 18, 2021. Scheduled International Operations began on March 27, 2022.*



Near term traffic may face some headwinds from supply side constraints including bankruptcy of GoFirst airline and engine issues. However, traffic is expected to gain further momentum in the medium to long term from

1. Increase in airline capacity
  - ✓ Air India signed agreements to purchase 250 Airbus planes and 220 Boeing aircrafts
  - ✓ Indigo targets to double its fleet size by 2030
2. Addition of airline routes
  - ✓ Air India recently commenced/resumed non-stop flights to New York, Paris, Frankfurt, Copenhagen, Vienna, Milan and Amsterdam
  - ✓ Indigo partnered with Turkish airlines to expand reach to Europe and enhanced code share agreement with Virgin Atlantic to increase number of destinations from 16 to 34
3. Increased connectivity to Tier 2 and Tier 3 cities
  - ✓ Ministry of Civil Aviation (MoCA) has launched 5<sup>th</sup> round of the Regional Connectivity Scheme to further enhance the connectivity to remote and regional areas of the country. It aims to connect 54 new destinations. ~70 airports already operationalized under phases 1 to 4

## Q4FY23 Performance Highlights

### Domestic Airports

#### Delhi

- Pax traffic improved by 49% YoY from 11.9 mn in Q4FY22 to 17.7 mn in Q4FY23. On a QoQ basis, traffic increased by 2% in Q4FY23
- Gross Revenue increased by 36% YoY from INR 801 Cr in Q4FY22 to INR 1086 Cr in Q4FY23. On a QoQ basis, revenue increased by 3% in Q4FY23

- EBITDA decreased by 49% YoY from INR 471 Cr in Q4FY22 to INR 241 Cr in Q4FY23 primarily due to commencement of revenue share payment to AAI from April 2022. On a QoQ basis, EBITDA declined by 19% in Q3FY23
- Capex to increase capacity from 66 to 100 mn pax – 86.1% completed as of March 31, 2023. As of April 30, 2023, 88% progress has been achieved
- Raised INR 1,200 Cr through issuance of 7 years Non-Convertible Debentures (NCDs) priced @ 9.75% p.a.
- 80 domestic destinations connected (vs. 77 in March 2022). On international, 62 destinations are connected (vs. 49 in March 2022)

#### Recognition and Awards

- “Best Airport in India and South Asia” in the World Airport Awards by Skytrax, for 5<sup>th</sup> year in a row
- ASQ score for Q4FY23 maintained at 5

#### **Hyderabad**

- Pax traffic increased by 52% YoY from 3.8 mn in Q4FY22 to 5.7 mn in Q4FY23. On a QoQ basis, traffic increased by 5% in Q4FY23
- Gross revenue increased by 81% YoY from INR 193 Cr in Q4FY22 to INR 350 Cr in Q4FY23. On a QoQ basis, revenue increased by 7% in Q4FY23
- EBITDA decreased from INR 59 Cr in Q4FY22 to INR 57 Cr in Q4FY23. On a QoQ basis, EBITDA decreased by 59% in Q4FY23. Adjusted EBITDA after eliminating the one-offs, increased from INR 59 Cr in Q4FY22 to INR 150 Cr in Q4FY23. On a QoQ basis, Adjusted EBITDA decreased by 25% in Q4FY23
- Capex to increase capacity from 12 to 34 mn pax - ~85% completed as on March 31, 2023. As of April 30, 2023, ~86% progress has been achieved
- Raised INR 840 Cr through issuance of 10 years Redeemable, Secured Non-Convertible Debentures (NCDs) priced @ 8.71% p.a.
- 66 domestic destinations connected (vs. 70 in March 2022). 18 International destinations connected (vs. 16 in March 2022)

#### Recognition and Awards

- Ranked 65<sup>th</sup> at the 2023 Skytrax World Airport Awards
- Recognized as most punctual airport in the world - recorded 90.43% On-Time Performance (OTP), for the month of March 2023 in 25 to 40 mn passengers category
- ASQ score for Q4FY23 maintained at 5

#### **Mopa (Goa)**

- COD achieved and domestic operations at Mopa Airport commenced from January 5, 2023
- IndiGo, Akasa, GoAir, Spicejet and Vistara are already operational
- International operation expected to start from June/ July 2023
- Traffic at 0.7 mn pax in Q4FY2023; Cumulative traffic crossed 1 mn mark on May 1, 2023

- Gross revenue at INR 27 Cr in Q4FY2023
- EBITDA loss of INR 29 Cr in Q4FY2023
- Multi Year Tariff Proposals for first control period filed with AERA; AERA extended applicability of Ad-hoc tariff for 6 months ending Sep 30, 2023 or till determination of tariff whichever is earlier
- Currently, 21 domestic destinations connected
- Received primary investment of INR 6.31 bn in the form of CCDs from NIIF

#### **Bhogapuram (Visakhapatnam, Andhra Pradesh)**

- Foundation stone laid by State Chief Minister on May 3, 2023
- Tender process is on for selection of EPC contractor
- Pre-cursor to land handover process; joint survey of land is underway
- Financial closure is underway

#### **Nagpur**

- Supreme Court (SC) upheld Bombay High Court's judgement granting of concession rights of Nagpur Airport to GMR Airport
- Review Petition was filed by MoCA in SC challenging the earlier SC order. However, the petition was dismissed by the SC in its order dated May 11, 2023

#### **International Airports**

##### **Medan (Indonesia)**

- Started operating the Airport from July 7, 2022; Pax traffic increased 11% QoQ to 1.73 mn in Q4FY23
- Revenue increased from INR 85 Cr in Q3FY23 to INR 110 Cr in Q4FY23
- EBITDA declined from INR 30 Cr in Q3FY23 to INR 15 Cr in Q4FY23 mainly due to increase in expenses on account of ramp up of operations
- 18 domestic and 6 International destinations connected; ~75% of routes stopped during the pandemic have been restored

##### **Crete (Greece)**

- Project is fully funded mainly through State Grant which is already received and Airport Modernisation & Development Tax. It is a debt free project
- Overall progress of 19.86% achieved as of March 31, 2023
- Terminal building foundation works completed; work progressing on multiple fronts

**Cebu (Philippines) – Equity divested; to operate as Technical Services Provider till Dec'2026**

- Pax traffic increased 233% YoY from 0.56 mn in Q4FY22 to 1.87 mn in Q4FY23. On a QoQ basis, traffic improved 20% in Q4FY23
- 27 domestic and 10 International destinations connected

**Consolidated Financial Highlights**

[INR Cr]

Particulars	Quarter ended			Year Ended	
	Q4 Mar'23	Q3 Dec'22	Q4 Mar'22	12MFY 2022-23	12MFY 2021-22
Gross Revenue	1,895	1,766	1,284	6,693	4,601
Net Revenue	1,370	1,253	1,263	4,779	4,377
<b>EBITDA</b>	<b>259</b>	<b>530</b>	<b>534</b>	<b>1,724</b>	<b>2,103</b>
<b>PBT (Before excep. items &amp; share of JVs)</b>	<b>(609)</b>	<b>(168)</b>	<b>(150)</b>	<b>(1,066)</b>	<b>(447)</b>
Share of Profit / (loss) from JVs / associates	46	2	42	86	71
Exceptional Item	(38)	293	(63)	254	(388)
<b>PBT</b>	<b>(600)</b>	<b>127</b>	<b>(171)</b>	<b>(726)</b>	<b>(765)</b>
<b>Profit After Tax (from continuing operations)</b>	<b>(637)</b>	<b>105</b>	<b>(129)</b>	<b>(840)</b>	<b>(752)</b>



## **About GMR Group**

GMR Group is a leading global infrastructure conglomerate with unparalleled expertise in designing, building, and operating airports. It also has a significant presence in sectors like Energy, Transportation, and Urban Infrastructure.

GMR Airports is the largest private airport operator in Asia and 2<sup>nd</sup> largest in the world with a passenger handling capacity of over 189 million annually. GMR Airports Limited, a subsidiary of GMR Airports Infrastructure Limited [formerly known as GMR Infrastructure Limited] (GIL) has Groupe ADP as its strategic partner, which is holding a 49 percent stake. GMR Airports operates the iconic Delhi Airport, which is the largest and fastest-growing airport in India. It also runs Hyderabad Airport, a pioneering greenfield airport known for several technological innovations. The company also operates New Goa Airport which is India's first destination Airport. The airport offers everything a tourist looks for i.e. liveliness in the serene lap of nature, making it a perfect destination for leisure and holistic tourism. Expanding its overseas footprint, the company is developing and operating Kualanamu International Airport in Medan, Indonesia, in collaboration with Angkasa Pura II (AP II). GMR Airports is also providing technical services to the architecturally renowned and the second busiest airport in the Philippines, Mactan Cebu International Airport in Cebu. The Group is currently developing two major greenfield airport projects in India and Greece. Bhogapuram airport in India is poised to transform the economy and landscape of the surrounding areas when ready. Crete airport in Greece will similarly play a significant role in the local economy of the region. GMR Aero Technic (GAT) is India's largest integrated world-class third-party MRO; a part of GMR Hyderabad International Airport Limited (GHIAL). GAT provides complete technical support to aircraft operators, with utmost quality and reliability to ensure that its customers meet their operational requirements. GAT has been constantly upgrading its capabilities and expanding its service offerings to meet the growing maintenance needs of airline operators within and outside India, with a vision to be a lead MRO in the Asia Pacific region. As a pioneer in implementing the path-breaking Aerotropolis concept in India, GMR Airports is developing unique airport cities on commercial lands available around its airports in Delhi, Hyderabad, and Goa. GMR Delhi Aerocity is a landmark business, leisure, and experiential district. Similarly, GMR Hyderabad Aerocity is coming up as a new-age smart business hub.

GMR's energy businesses have an installed capacity of over 3,000 MW capacity. With a significant focus on green energy, the company is working towards creating a more sustainable environment by harnessing the power of wind, water, and sun for energy generation. It has a balanced mix in its energy generation portfolio. Around 1,000 MW of clean energy projects of GMR are under various stages of development in India and Nepal. The Transportation and Urban Infrastructure division focuses on surface transport projects including Roads, Railways, and Airstrips/ Runways in both DBFOT (under GMR Highways) and EPC (under GIL – EPC) segments. The Group has four operating highway assets spanning over 1,824 lane kilometers. Group's EPC business is working on the design and construction of the prestigious Eastern Dedicated Freight Corridor project of DFCCI (Dedicated Freight Corridor Corporation of India). GMR Group is also developing multi-focus Special Investment Regions in India.

GMR Group's underlying philosophy is to work closely with and support the local communities wherever it is present. Towards this, GMR Varalakshmi Foundation (GMRVF), the CSR arm of the Group, focuses on improving the quality of life of people by enhancing skills, providing education, and developing healthcare infrastructure and services.

For further information about GMR Group, visit <http://www.gmrgroup.in/index.html>.