



# GMR Airports Infrastructure Ltd.

(formerly GMR Infrastructure Ltd.)

## Investor Presentation

February 2024



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# Poised for breakout growth as a pure airport player



Notes: (1) Boeing projections.

## Company overview & relative positioning

# Leading global airports platform with end to end capabilities across the airport value chain



## One of the largest airports platform...



## ...with significant international experience

### Global partnerships have helped develop capabilities across the value chain

	Indonesia	Greece	Philippines	Maldives	Turkey	Middle East
Overview	<ul style="list-style-type: none"> <li>◆ <b>Early mover in Indonesia (Medan)</b> when government started privatising local airports</li> <li>◆ Amongst top two bidder in duty free for Bali but decided against taking up the concession</li> </ul>	<ul style="list-style-type: none"> <li>◆ <b>1st Indian operator in Europe</b></li> <li>◆ Develop, operate and manage the upcoming airport in Crete</li> </ul>	<ul style="list-style-type: none"> <li>◆ <b>1st project under hybrid PPP model (Cebu)<sup>6</sup></b></li> <li>◆ Successfully completed the construction and handover of the terminal at the Clark airport</li> </ul>	<ul style="list-style-type: none"> <li>◆ Involved in the modernisation of the Ibrahim Nasir International Airport, Male</li> <li>◆ One of the largest investments in Maldives</li> </ul>	<ul style="list-style-type: none"> <li>◆ GIL's <b>1st international airport project</b></li> <li>◆ Lucrative 2.3x MoM<sup>7</sup> exit in Dec'13</li> <li>◆ In collaboration with Limak focused on development, financing, commercial strategy</li> </ul>	<ul style="list-style-type: none"> <li>◆ Recently won IT infra bid for Kuwait airport (operational readiness &amp; transfer services)</li> <li>◆ Provided testing support of specialised airport system equipment's in Muscat / Oman</li> </ul>
Key partner						

1) GMR Airports is the 2<sup>nd</sup> largest private airport operator in the world based on 2023 passengers; 2) Apr'22-Mar'23 data including DIAL, GHIAL, Goa, Medan, Cebu; Nagpur Airport traffic and capacity is not considered since it is currently handled by AAI 3) ACI: Airport Council International; 4) Includes DIAL (230 acres), GHIAL (1,500 acres), Goa (232 acres), Bhogapuram (294 acres), Nagpur (247 acres), Cebu (11 acres), Greece (~10 acres); 5) Only includes operational Indian airports in GMR Airports Infrastructure Ltd. (GIL) portfolio in CY23 – DIAL, GHIAL and Mopa (Goa); 6) Includes Cebu - Business divested but will operate as the Technical Services Provider until Dec'26; 7) Multiple of money

# World's 2<sup>nd</sup> largest private airport operator...



	VINCI AIRPORTS	GAR	ferrovial airports	AVIALLIANCE	Grupo Aeroportuario del Pacífico	Atlantia
No. of Assets <sup>3</sup>	71	9 <sup>1</sup>	6	5	12	5
Traffic Split by Geography <sup>2</sup>	<p>29% Emerging economies, 71% Developed economies</p>	<p>100% Emerging economies</p>	<p>100% Developed economies</p>	<p>13% Emerging economies, 87% Developed economies</p>	<p>100% Emerging economies</p>	<p>100% Developed economies</p>
2023 passengers (m pax)	267	118 <sup>4</sup>	96 <sup>5</sup>	88	63	45 <sup>6</sup>
Geographic presence <sup>3</sup>	Europe, Asia and Americas	Asia and Europe	Europe and America	Europe and Latin America	Latin America	Europe
Asset portfolio <sup>3</sup>	<p>71 airports in 13 countries</p>	<p>9 airports in 4 countries</p>	<p>6 airports in 3 countries</p>	<p>5 airports in 4 countries</p>	<p>12 airports in Latin America</p>	<p>5 airports in 2 countries</p>

**Presence across the most lucrative and fast growing aviation markets in the world**



**Long remaining concession period across the portfolio with ultimate capacity of 394m passengers, positions the business to capitalize on robust traffic growth outlook**



**Amongst few airport operators that have successfully penetrated emerging economies across Asia and EMEA**



Source: Company information

Notes: (1) Includes Cebu - Business divested but will operate as the Technical Services Provider until Dec'26. (2) Economy classification as per UN classification; Economy in transition considered as developed. (3) Asset portfolio as of Dec'23. (4) CY-2023 traffic for Delhi, Hyderabad, Mopa (Goa), Cebu and Medan. (5) Estimated based on guidance and 9M23 runrate. (6) CY2022 Passengers

## GIL is India's only listed airport operator with an uniquely crafted story

	Airport operating experience	Number of Indian Assets	FY2023 Passengers (m pax)	Private Operator Market Share (%) <sup>4</sup>	Proportion of International pax (%)	Number of International Assets	International development experience	Greenfield development experience
	15+ years	6 <sup>2</sup>	87.0 <sup>3,7</sup>	45.0%	21.9% <sup>8</sup>	3 <sup>5</sup>	Cebu <sup>5</sup> , Clark, Crete, Maldives, Istanbul <sup>6</sup>	Hyderabad, Goa, Bhogapuram, Crete, Cebu <sup>5</sup> , Clark
	~3 years	7	74.4	38.5%	22.0%	0	-	Navi Mumbai
	5+ years <sup>1</sup>	1	31.9	16.5%	11.9%	0	-	-



Marquee gateway assets with significant growth and hub potential



Strategic partnership with a renowned global operator and a reputed financial investor driving value creation



Operating synergies arising from network of asset in India and internationally



Long operating history allows capitalizing on opportunities across the aviation value-chain



Platform with unique international experience of operations and development



Best positioned to benefit from pipeline of privatization in the region

**With a market share of ~45%<sup>4,7</sup> in India, GIL has demonstrated the scalability of the platform which has wide ranging capabilities across the airport value chain, developed over years of experience**

Source: Factset, company information, AAI, CAPA

Note:

1. Corresponds to Fairfax

2. Including Nagpur

3. Nagpur passenger numbers not consolidated as it is still operated by AAI

4. Airport operated by private players only; Excludes Cochin and Kannur

5. Includes Cebu - Business divested but will operate as the Technical Services Provider until Dec'26

6. Istanbul's Sabiha Gökçen International Airport; Business divested

7. For GMR, includes Delhi, Hyderabad and Goa airports (Goa airport commenced full fledged domestic operations from 5 Jan'23)

8. Goa International operations started from 21 Jul'23

# Global portfolio of marquee assets



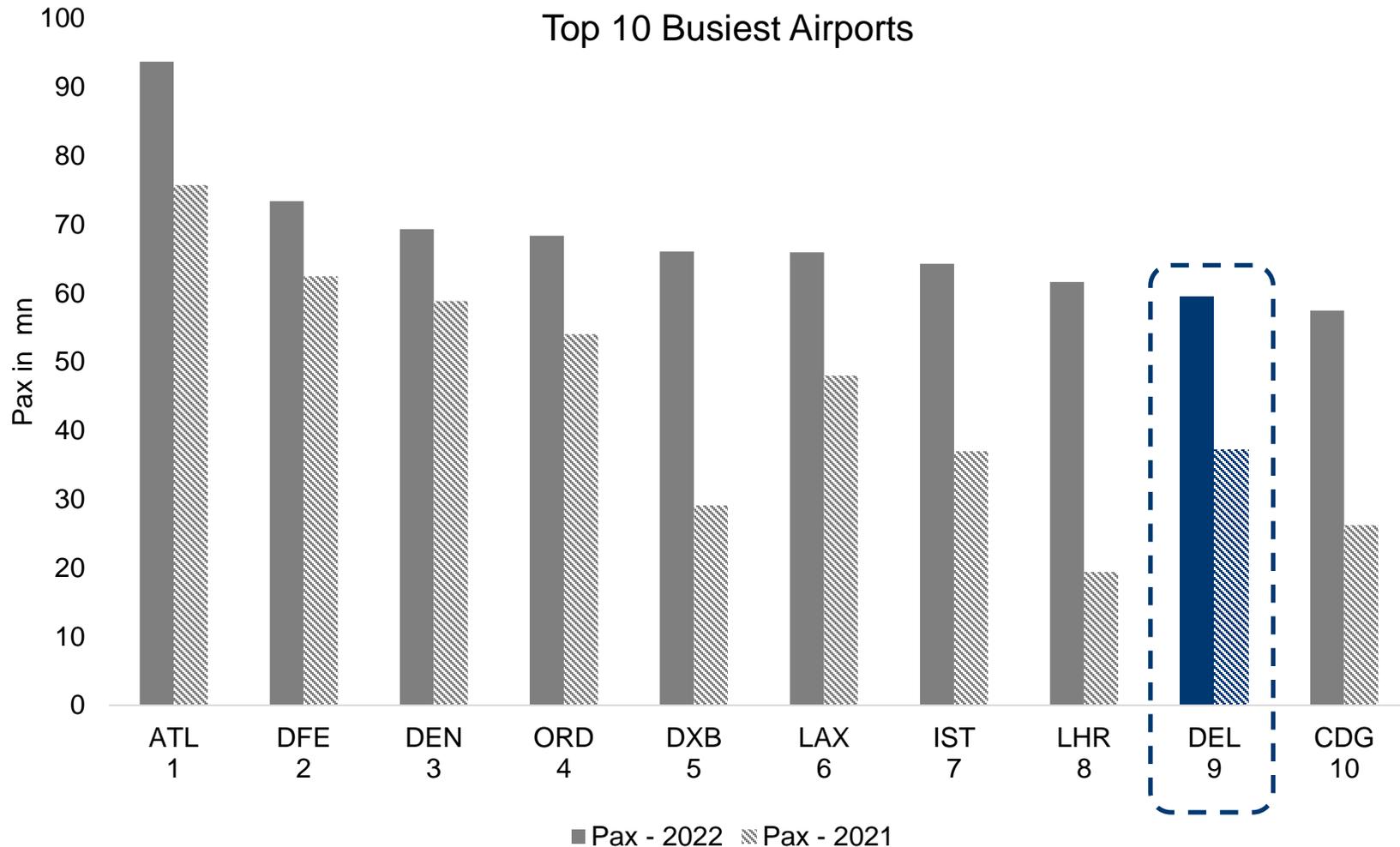
Faster ramp-up expected given old airports with existing traffic to be closed post COD of new airports

									
<b>Airport / % GAL stake</b>	<b>DIAL (64%)</b>	<b>GHIAL (74%)<sup>8</sup></b>	<b>MOPA (100%)<sup>6</sup></b>	<b>Medan (49%)</b>	<b>Mactan Cebu (33.3%)<sup>5</sup></b>	<b>Bidar (n/a%)<sup>1</sup></b>	<b>Nagpur (100%)<sup>2</sup></b>	<b>Bhogapuram (100%)</b>	<b>Crete (21.6%)</b>
<b>Base city</b>	Delhi	Hyderabad	Goa	Medan	Cebu	Bidar	Nagpur	Visakhapatnam	Kastelli
<b>FY2023 Pax (mn)</b>	65.3	21.0	n/a	7.4 <sup>(3)</sup>	7.1 <sup>5.1</sup>	n/a	2.6	n/a	n/a
<b>10 Years<sup>7</sup> Pax CAGR</b>	6.6%	9.7%	n/a	n/a	n/a	n/a	7.3%	n/a	n/a
<b>10 Years<sup>7</sup> Cargo CAGR</b>	5.1%	5.9%	n/a	n/a	n/a	n/a	5.8%	n/a	n/a
<b>Concession awarded year</b>	2006	2008	2016	2021	2014	2020	2018	2020	2017
<b>Remaining life (assuming renewal of concession)</b>	43y	45y	55y	24y	17y	10y	n/a	38y	30y from COD
<b>Max capacity (mpax)</b>	119	80	33	n/a	28	n/a	n/a	24	15
<b>Land available</b>	230 acres	1,500 acres	232 acres	n/a	11 acres	n/a	n/a	294 acres	10 acres
<b>% revenue sharing / concession fee</b>	45.99%	4.0%	36.99%; <b>2 year moratorium</b>	19% gross revenue share + 2.5% of aero revenue + US\$207m over 8 years	Upfront fees of US\$320m + VAT	Cost plus	14.49%	FY35 domestic <sup>4</sup> - INR303 / pax; FY35 international <sup>4</sup> - INR606 / pax; <b>10 year moratorium</b>	n/a

- Note
- Contracted by GHIAL
  - Supreme Court upholds Bombay High Court's judgement granting of concession rights of Nagpur Airport to GMR
  - Traffic for CY2023
  - Moratorium till FY35, FY35 base figures provided and inflation adjusted fee from FY36
  - Business has been divested with 6.67% already been transferred and the remaining 33.33% to be transferred by Oct'24. GMR will continue to operate as the Technical Services Provider until Dec'26; 5.1 Traffic data from Apr'22 to Mar'23
  - To change basis equity conversion of NIIF's current investment which is in the form of CCDs and can be converted into equity of up to 49% stake
  - FY13-FY23 CAGR
  - Post acquisition of 11% stake from MAHB Group (per 25 Oct'23 press release)

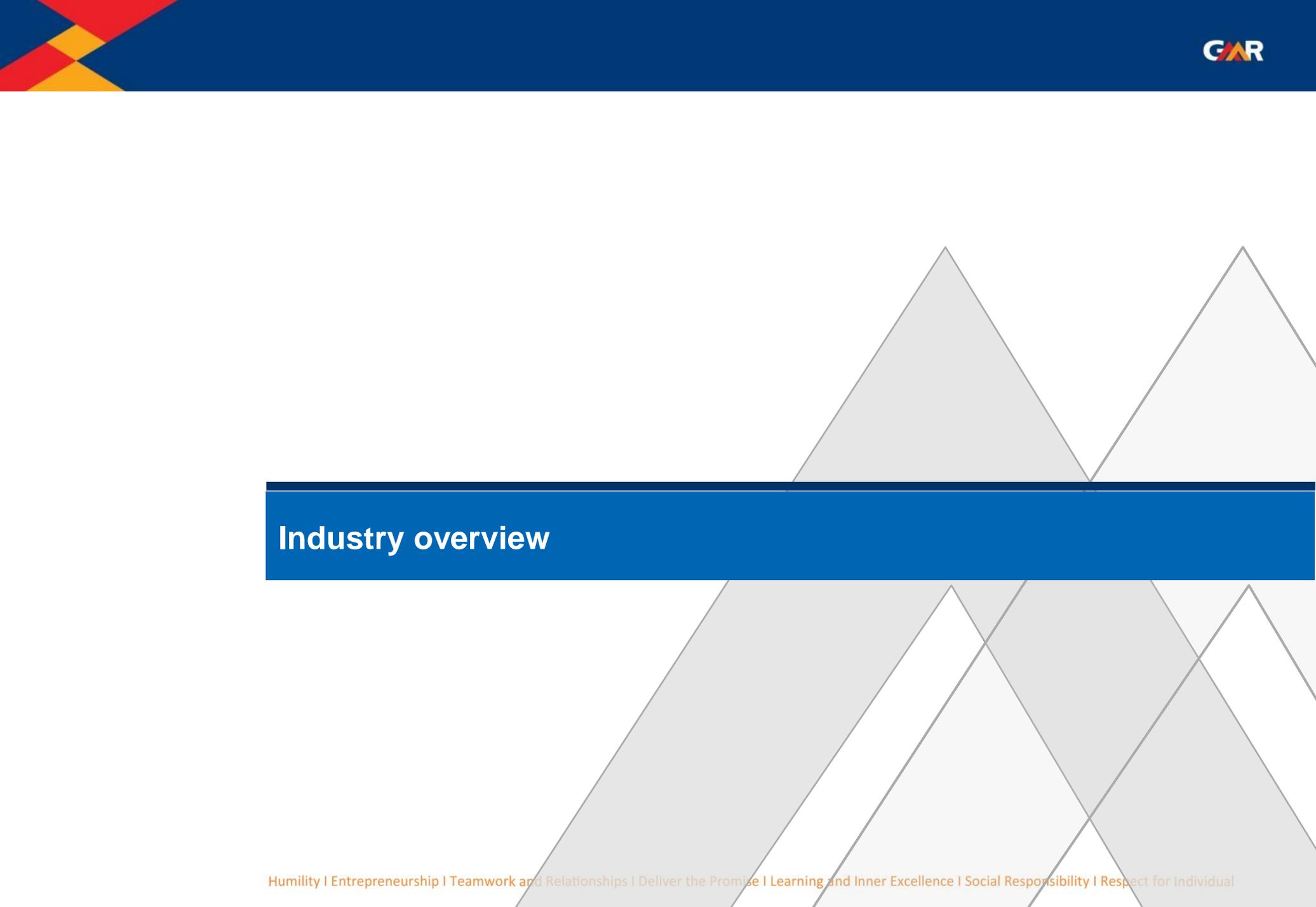
■ Operational 
 ■ Under development 
  Brownfield projects

# Delhi airport (DIAL) was the 9<sup>th</sup> busiest airport in 2022



**Delhi Airport moved up 4 ranks from 13<sup>th</sup> in 2021 to 9<sup>th</sup> in 2022 and given the pax growth coupled with the expansion almost completed, should keep moving up the rank**

Source: ACI World

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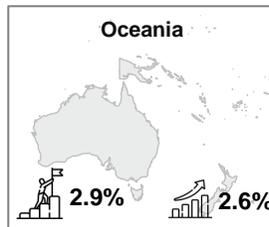
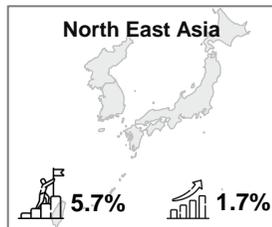
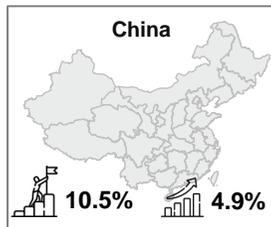
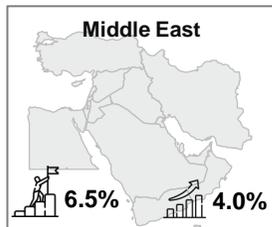
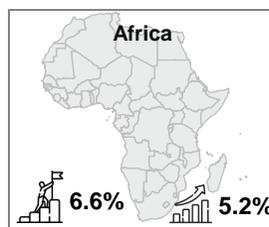
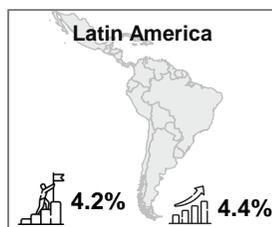
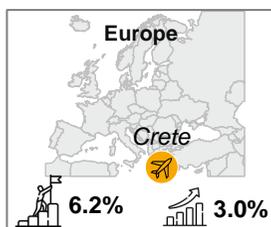
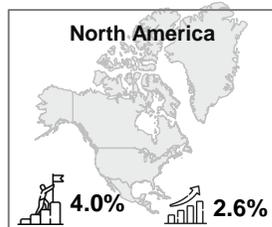
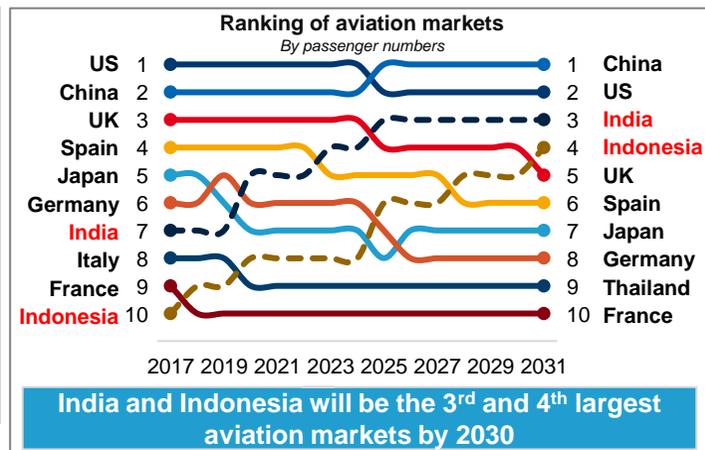
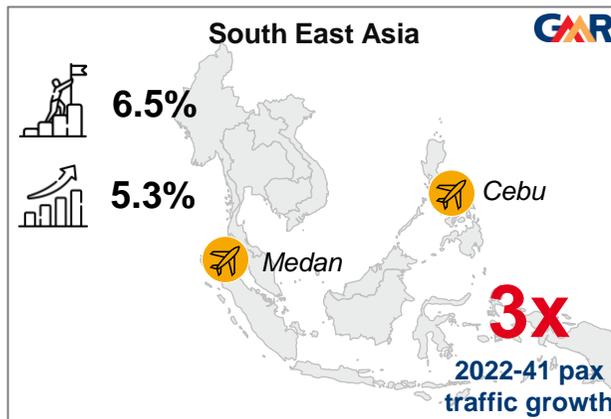
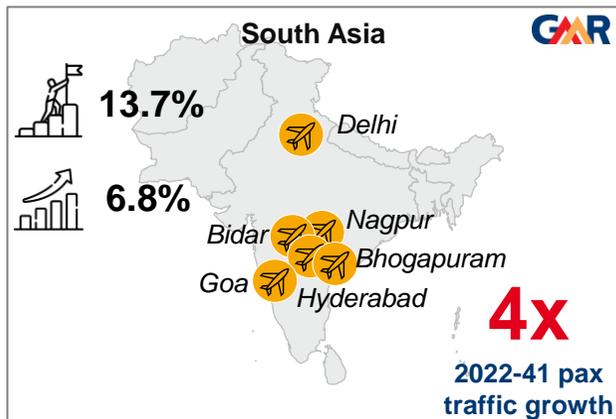
## Industry overview

# GIL has exposure to some of the fastest growing and attractive emerging markets (India and South East Asia)

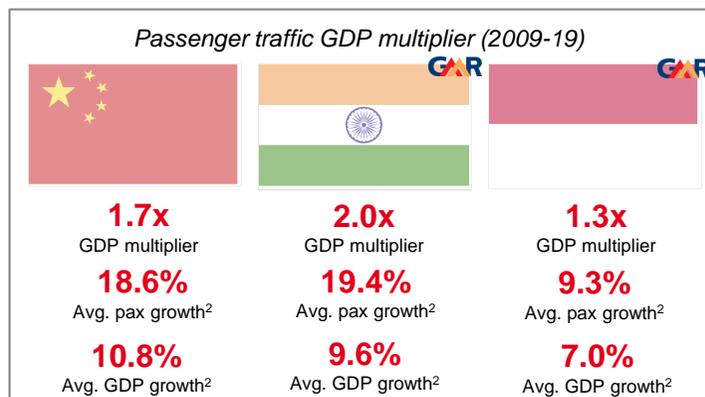


GIL's core markets expected to have the highest growth rate among all regions globally

Centre of gravity continues to shift towards east



**Emerging market passenger traffic has grown significantly faster than GDP**



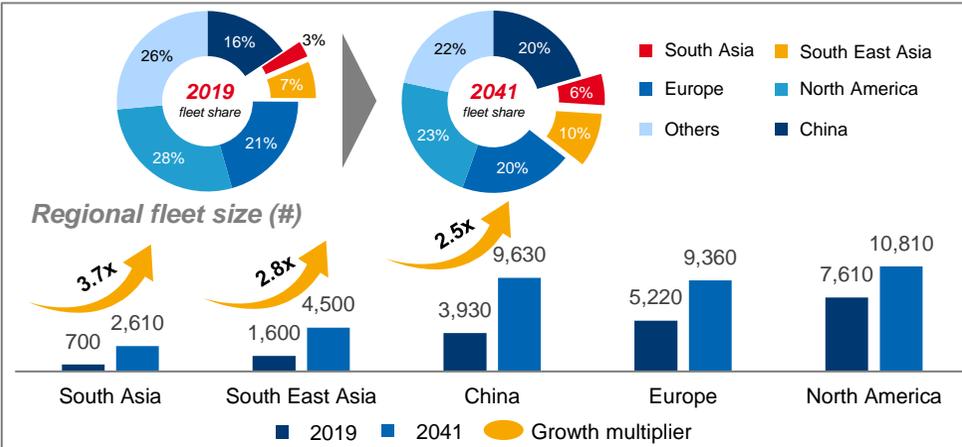
Sources: ACI, Boeing, IHS, IATA, ICAO, The World Bank, Sabre GDD, Airbus, EIU, World Bank, CAPA

Notes:

1. World bank data by country; Excludes smaller countries with limited data coverage
2. Average y-o-y GDP and passenger traffic growth from 2009-2019

# Asian aviation market is poised to grow substantially on the back of attractive sector dynamics

## Aggressive fleet expansion by low cost carriers (LCC) in South Asia and South East Asia (SEA) to support rising demand



## Strong fleet order pipeline coupled with emergence of new carriers, as airlines look to capitalize on booming demand in the region

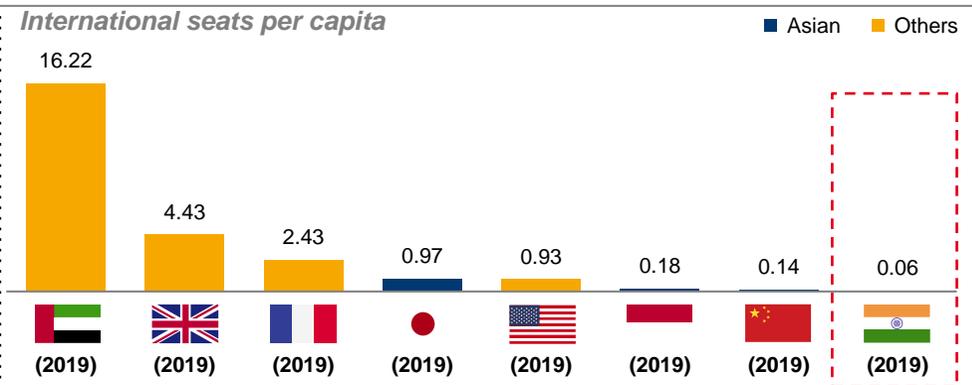
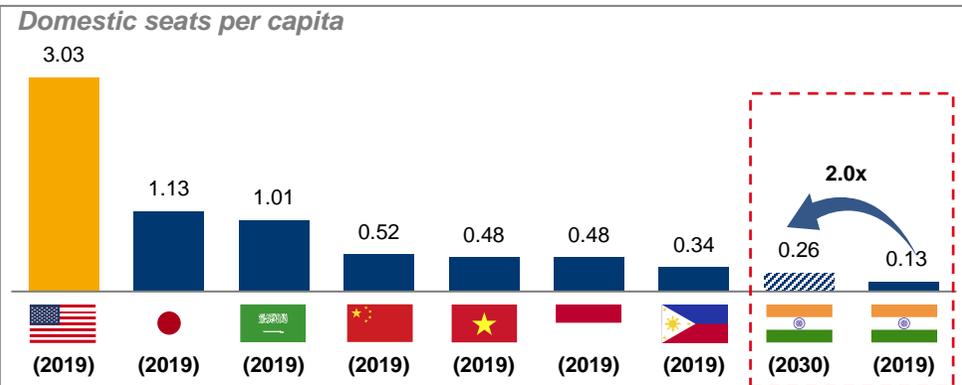
### Order pipeline by major carriers in the region

Airline	Country	Current fleet size	Fleet on order
Air India	India	130	470
IndiGo	India	361	970
Lion Air	Indonesia	366	425
Garuda Indonesia	Indonesia	73	43
airasia	Malaysia	238	397
Singapore Airlines	Singapore	161	95

### Recently launched airlines in South Asia and SEA



## Asian aviation markets are highly under penetrated, with India expected to double by 2030



By 2030, India domestic seats per capita expected to double, however it will still remain below the other large markets

India's international seat per capita capacity was less than 50% of China's capacity in 2019 with significant headroom to grow

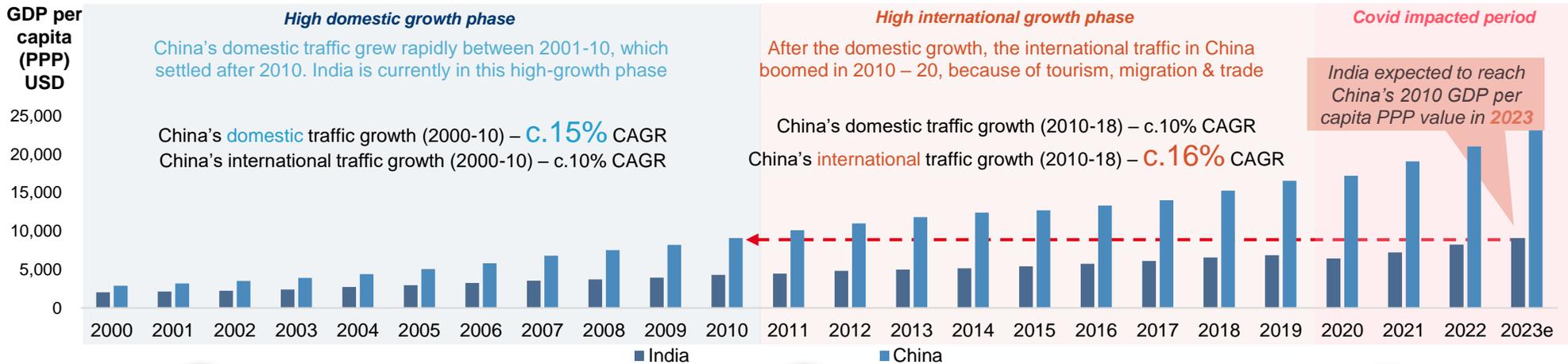
Source: Oxford Economics, IHS Economics, Airbus GME, EIU, Fitch, IATA, Planespotters, Company Information, News articles

Notes: 1. Joint venture between AirAsia Group and Cambodian local enterprise Sivilay Asia 2. Luxury airline providing private jet management and air charter services, launched by Vietnam based Sun group

# India, GIL's core market, is at an inflection point, offering massive potential for future growth

## China case study

**Benchmarking with China suggests that India can expect a boost in International Outbound Traffic in the next decade supported by tourism, migration & trade**



India's current economic growth phase is similar to China's growth post 2010 driven by wave of privatization, FDI & JV based knowledge transfer and labour force growth



Rapid growth in domestic outbound traffic was followed by spurt in international traffic for China due to tourism, migration, trade

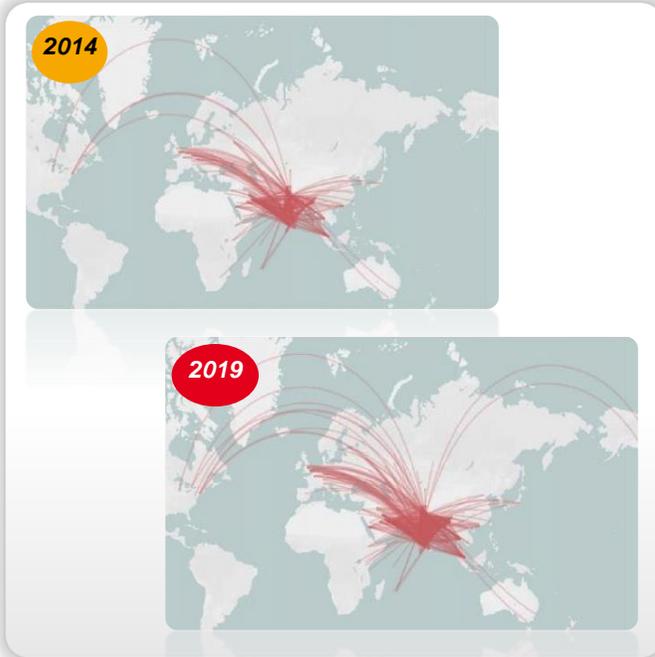
- Economic growth of country propelled through tourism & other means
- Employment opportunities increase and quality of employment improves
- Citizens have more disposable cash with them. After routine spends, they are left with more cash for discretionary spend
- Increase in tourism share of wallet leading to flourishing of both domestic & international tourism



Having recorded impressive growth in domestic traffic during 2014-19 similar to growth China recorded in 2001-10, India is likely to witness sharp growth in international outbound traffic as well in medium term

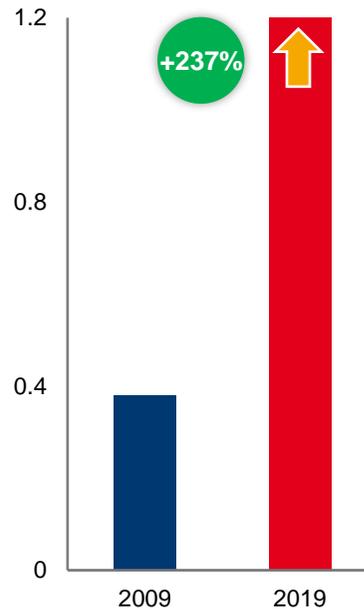
# India and Indonesia's air connectivity rose significantly over 2009 to 2019

## India's network of direct flights in 2014 and 2019



## India's air connectivity growth (2009 to 2019)

Destination-weighted seats<sup>2</sup> (m)



Source: IATA

- ✓ India's air connectivity has grown by 237% over 2009-19
- ✓ India's air connectivity position went up to 4<sup>th</sup> place, jumping ahead of United Kingdom, Indonesia and Germany
- ✓ India's connections to Asia-Pacific have grown the fastest over 2014-2019
- ✓ Connectivity growth was driven by several factors such as demographics, domestic market demand and policy environment

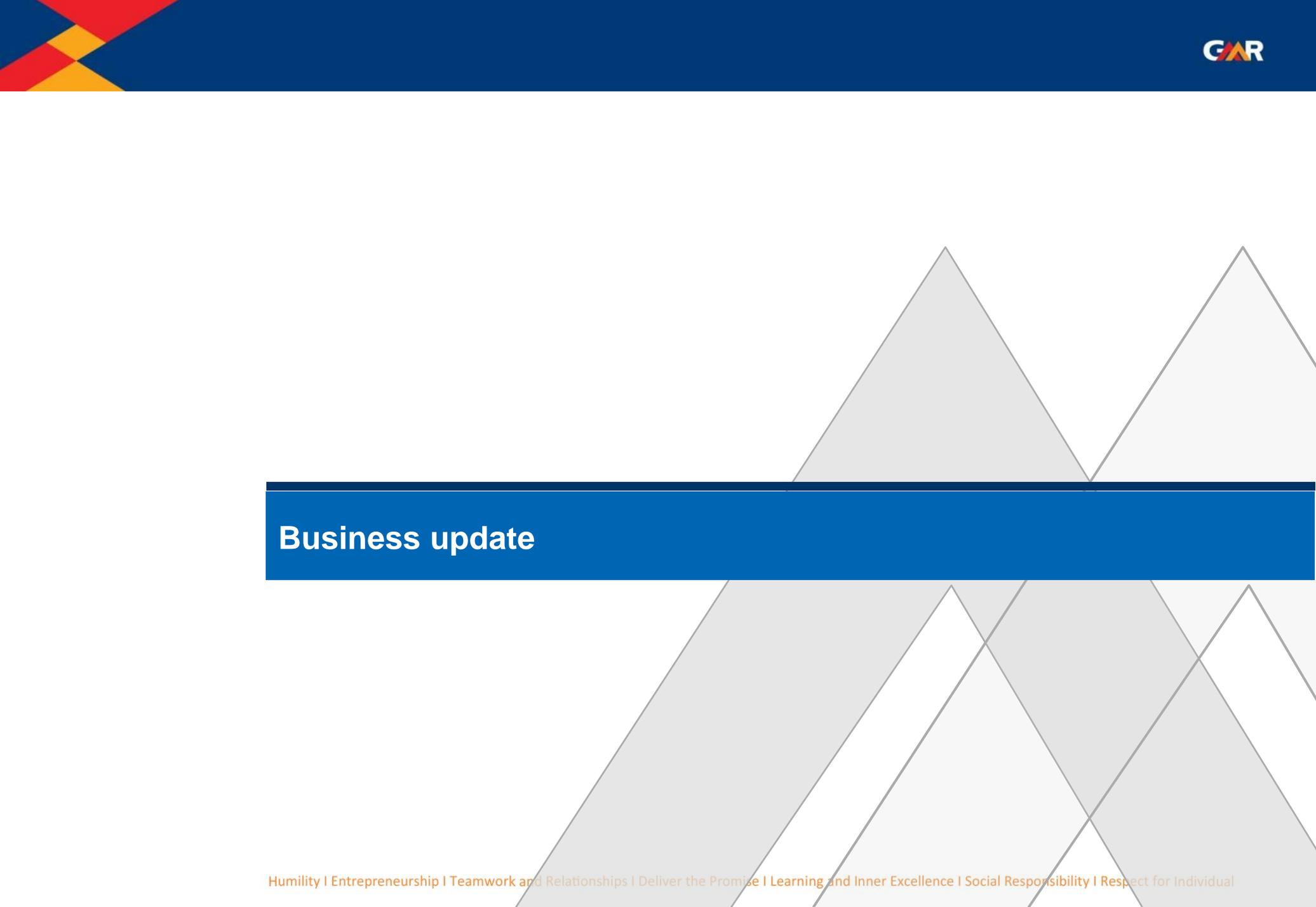
## Air connectivity scores for countries

Economy	IATA air connectivity ranking <sup>1</sup>					
	Global Ranking 2009	Global Ranking 2014	Global Ranking 2019	Change in ranking (2009-19)	Growth 2009-2019	Growth 2014-2019
USA	1	1	1	No change ==	34%	26%
China	2	2	2	No change ==	208%	62%
Japan	3	3	3	No change ==	33%	1%
India	9	7	4	+5 ▲	237%	89%
Germany	5	5	5	No change ==	53%	24%
UK	4	6	6	-2 ▼	51%	28%
Indonesia	13	4	7	+6 ▲	236%	9%
Spain	6	9	8	-2 ▼	42%	56%
Thailand	15	13	9	+6 ▲	205%	62%
Italy	7	12	10	-3 ▼	46%	40%

Notes:

1. IATA has developed a connectivity indicator to measure the degree of integration of a country into the global air transport network

2. Composite measure reflecting the number and economic importance of the destinations served from a country's major airports and the number of onward connections available from each destination

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## Business update

## Steady Progress on Merger of GAL with GIL

- ❖ Merger scheme received approval from majority of equity shareholders of GIL at the NCLT<sup>1</sup> convened meeting held on 2 Dec'23
- ❖ Application submitted before the Hon'ble NCLT for approval of the scheme

## Regulatory updates

- ❖ Delhi Airport (DIAL) received favorable award<sup>2</sup> for arbitration invoked against Airports Authority of India (AAI) seeking certain reliefs on account of the occurrence of Force Majeure event (Covid-19 period). Key aspects are:
  - ✓ Excused from making payment of Monthly Annual Fee ("MAF") for the period from 19 Mar'20 to 28 Feb'22
  - ✓ Extension of the term of OMDA<sup>5</sup> (i.e the concession period) for 1 year and 11 months i.e., the period excused under force majeure
  - ✓ The award can be challenged by AAI
- ❖ AERA<sup>3</sup> issued the tariff order for Mopa (Goa) Airport for CP1<sup>4</sup> effective from 1 Jan.'24

## Business Development

- ❖ GMR consortium submitted bid for Manila (Philippines) Airport (Ninoy Aquino International Airport) PPP project on 27 Dec'23
- ❖ Completed acquisition of 11% stake of GHIAL from MAHB Group, taking GAL's ownership to 74%<sup>6</sup>

## Traffic at GMR's operational airports

- ❖ Domestic and International pax traffic of airports up 14% YoY and 23% YoY
- ❖ International pax traffic at 24% of total pax traffic in Q3FY24
- ❖ DIAL, GHIAL & Mopa (Goa) airports cumulatively handled ~23% domestic and 35% international passengers of the total India air traffic

<sup>1</sup> National Company Law Tribunal. <sup>2</sup> Release dated 7 Jan'24 ([link](#)). <sup>3</sup> Airport Economic Regulatory Authority; <sup>4</sup> Release dated 8 Dec'23 ([link](#)); <sup>5</sup> Operation, Management and Development Agreement; <sup>6</sup> Release dated 26 Jan'23 ([link](#))

## Fund Raise and Refinance

### ❖ Group level (GAL):

- ✓ Raised INR 1,950 Crs through a 3-year senior unsecured bonds - used proceeds to refinance existing debt. The gross debt in GAL was INR 4,681 Crs as on 31 Dec'23
- ✓ Raised INR 800 Crs in unsecured, listed, rated Non-Convertible Debentures (NCDs) in Dec'23

### ❖ Mopa (Goa):

- ✓ Raised INR 2,475 Crs through NCDs listed on BSE - used proceeds to refinance existing project finance debt and fund expansion capex

### ❖ Bhogapuram:

- ✓ Received approval from project finance lenders for debt of INR 3,215 Crs with a tenure of 18 years<sup>1</sup>
- ✓ NIIF<sup>2</sup> to invest up to INR 675 Crs in form of CCDs<sup>3</sup>

## Adjacencies businesses at GAL Platform

### ❖ Hyderabad Airport (GHIAL)

- ✓ Inaugurated exclusive courier terminal for import shipments
- ✓ GMR Hospitality Limited (GHL) awarded the concession for F&B business by GHIAL
- ✓ Construction of Transit Lounge at Hyderabad Airport completed and commercial operations in the process of commencement

### ❖ Mopa (Goa)

- ✓ Awarded Duty Free contract to GAL and executed on 16 Nov'23

<sup>1</sup> Release dated 9 Dec'23 ([link](#)); <sup>2</sup>National Investment and Infrastructure Fund; <sup>3</sup> Release dated 21 Dec'23 ([link](#))

## Capex Updates

- ❖ **Mopa (Goa) Airport fully operational**
  - Pax capacity to increase from 4.4mn to ~8mn - expansion program in progress
  - ~ 81% of work completed on expressway connectivity and expected to finish within FY24
- ❖ **Bhogapuram Airport:** Bhumi Pujan ritual performed in Nov. 2023. Agreement for EPC works signed with L&T on 1 Nov'23 and notice to proceed issued on 7 Dec'23
- ❖ Delhi, Hyderabad and Crete Airports expansion works progressing as per schedule (97.2%, 98.7% and 29.7% progress has been achieved respectively as of 31 Dec'23) <sup>1</sup>

## Awards and Recognition

- ❖ **GMR Group** honored with 6 prestigious awards at Wings India Awards 2024
- ❖ **Delhi Airport**
  - ✓ Won “The Airport Experience Award” at International Airport Summit held in London on 14 Nov'23
  - ✓ Won the CII (Confederation of Indian Industries) award under Gold Category for Business Excellence Maturity Assessment Program 2023
- ❖ **Hyderabad Airport** ranked 2<sup>nd</sup> best performing airport for “On-Time Performance” amongst the Global Airports as well as Large Airports categories in 2023<sup>3</sup>

<sup>1</sup> Delhi and Hyderabad airports capex completion targeted for Q4FY24; <sup>2</sup> Ministry of Civil Aviation; <sup>3</sup> As per Cirium release dated 2 Jan'24

# Merger of GAL with GIL: Key transaction highlights



## Earnouts settled

Settlement of equity earnouts increasing GIL's stake in GAL to **55%** (pre-merger) from 51%

Additionally, GIL to receive **INR5,500m** as part of settlement of the cash earnouts by Groupe ADP

## Merger underway

GMR group to remain<sup>1</sup> the **single largest shareholders** in GIL

GMR group continue to **retain management control** in GIL

Merger expected to be **completed by FY24<sup>3</sup>**

## Partnership With ADP strengthened

GIL to issue **ordinary shares and OCRPS<sup>2</sup>** to Groupe ADP on merger

Ratio of GMR to Groupe ADP shareholding to be maintained at **51:49**

Groupe ADP to be **co-promoters** of GIL having commensurate Board representation

## FCCBs issued to ADP

GIL raised **~INR29bn** from Groupe ADP through 10-year FCCBs with 6.76% p.a. simple interest

**Conversion price** for FCCBs is INR43.67, **10% premium** to the issue price

Coupon to be **accrued** over the tenure of instrument

### Note:

1. Immediately upon completion of merger on % of paid-up share capital
2. OCRPS – Optionally Convertible Redeemable Preference Shares
3. Subject to customary Closing conditions and approvals from regulatory & statutory authorities and respective shareholders and creditors. Received CCI approval for merger; received NoC to the merger from RBI and Stock exchanges. Received approval from majority of equity shareholders of GIL at the NCLT1 convened meeting held on 2 Dec'23

## Strengthening of Relationship

- ✓ Strengthening the strategic relationship with Groupe ADP by bringing them at the listed company level
- ✓ Fresh issuance of FCCBs to Groupe ADP will result in reducing cost of capital

## Strengthening of Balance Sheet

- ✓ Deleverage GIL's balance sheet by repaying corporate debt and settling majority of contingent liabilities related to GPUIL<sup>1</sup>
- ✓ Improved balance sheet will facilitate greater access to growth capital at lower cost

## Financial Efficiencies

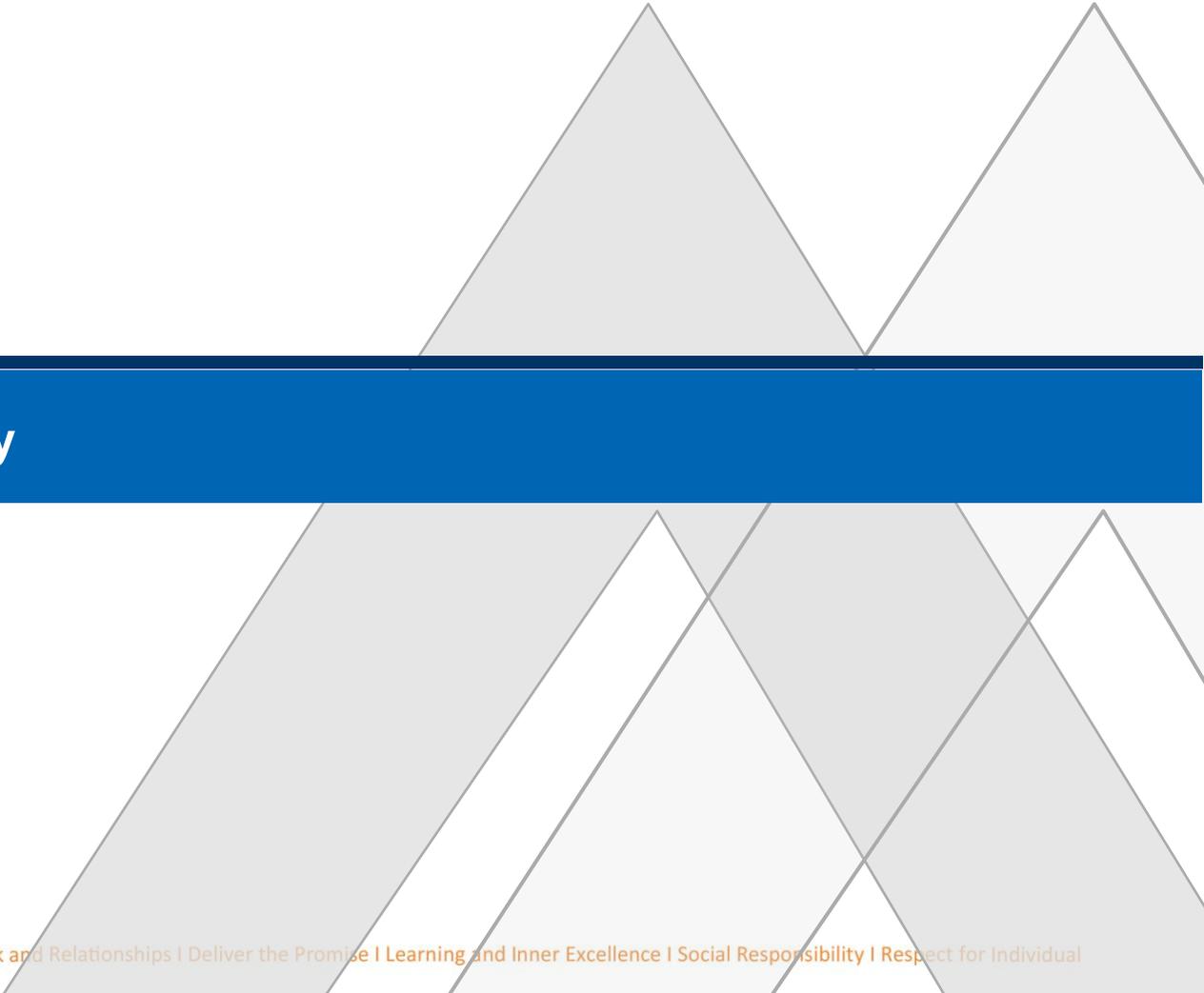
- ✓ Greater financial efficiencies by improving the mechanism for upstreaming of free cashflows
- ✓ Optimise cost by eliminating additional corporate layers

## Simplify Corporate Structure

- ✓ Minority shareholders of the listed entity to move closer to the airport assets and cash flows
- ✓ Eliminates HoldCo discount usually assigned by the capital markets



1. GPUIL – GMR Power and Urban Infra Ltd

A decorative graphic consisting of several overlapping triangles in shades of gray and white, arranged in a pattern that resembles a mountain range or a series of peaks. A dark blue horizontal bar is overlaid on the middle of these triangles.

## Growth strategy

# Transitioned into a full service airports operator with well-defined strategies in place

GIL has mastered both organic + inorganic growth strategy

- ◆ **Capacity in place** to meet increase in pax demand
- ◆ Capitalize on **non-aero** portion of revenues
- ◆ Meeting incremental demands through smart aero-cities / existing IT infra

1 Tap existing infrastructure

2 Continue to add new assets

- ◆ Bidding for **new airport concessions** in key emerging markets
- ◆ **Strong track record** of winning new airport concessions in India
- ◆ Ability to win **new concessions** as part of government's NMP<sup>1</sup>



- ◆ Proven track record of **monetising high quality assets** with marquee client base
- ◆ **Healthy mix** of development vs rental portfolio
- ◆ **Own vs 3<sup>rd</sup> party JV** land development

4 Monetize real estate

3 Build a full service platform

- ◆ **Strengthen agencies** across the airports value chain
- ◆ **Scale the platform** across owned and network opportunities

Focused on building its platform play model and monetising its real estate assets

Note:

1) National monetization pipeline

# Substantial headroom for growth in key airports with a potential to serve as a regional hub

## Delhi airport – creating an international hub

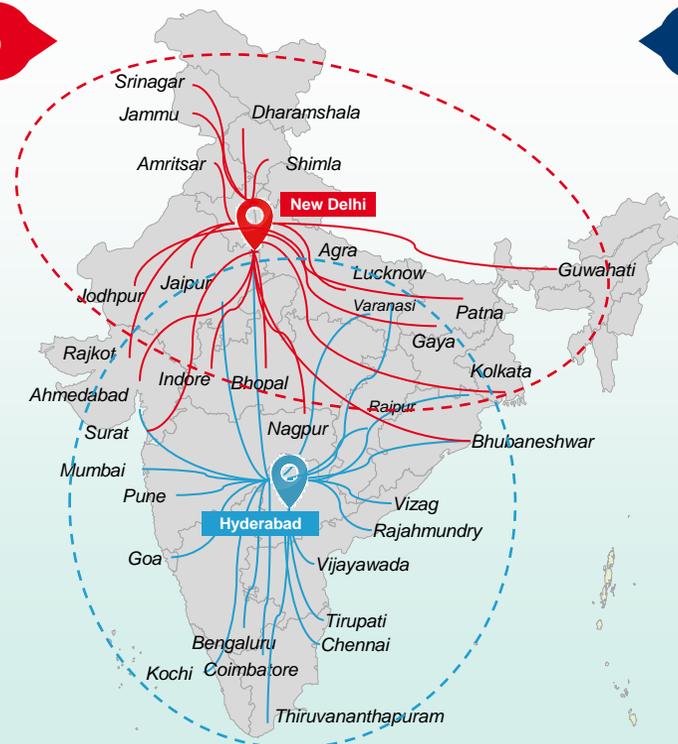
## Hyderabad airport – almost in central India

70% of Indian airports fall under Delhi's catchment and can be reached within 60-90mins by air

Delhi airport connects 79 domestic and 67 international destinations

Consistently ranked India's #1 airport for international traffic

Air India & Indigo – India's aircraft powerhouses each has a hub strategy in their future plan



Hyderabad airport connects 66 domestic and 19 international destinations

Connects south / central India with the rest of the world

Helps airlines optimize aircraft utilization in the domestic sector

High urban population mix in Telangana, AP coupled with strong economic growth

## Goa airport – Cater to large inbound tourism

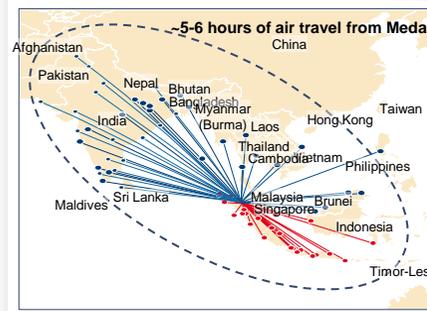
Already catering to ~15,000 pax/day

Attracting incumbent airlines to move to Mopa airport

Proximity to popular tourist destinations accounting for 70% of the market

Promoting new international airlines

## Medan airport – Attract LCCs to create a hub



Proximity to 3 regional hubs - Bangkok / Singapore / KL

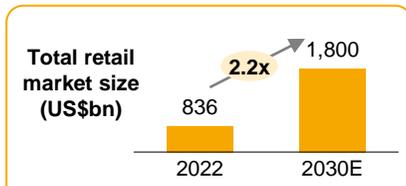
Air Asia to start flights to Langkawi, Malaysia from Mar'24

Sources: AAI, CAPA

# Non-aero future upside driven by strong consumption story and customized theme based initiatives

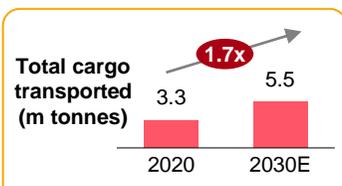
## Promising growth fueled by favorable demographic and consumer factors<sup>1</sup>

- ◆ Increasing purchasing power
- ◆ Easily available credit
- ◆ Large scale entry of international brands



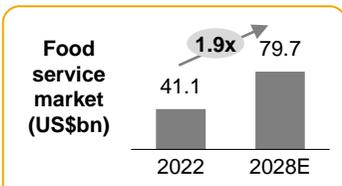
Source: Kearney Research

- ◆ Rapid economic growth in India
- ◆ Improving infrastructure
- ◆ Favourable Govt initiatives



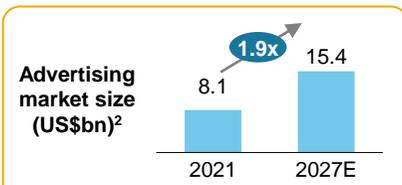
Source: CAPA

- ◆ Increasing proportion of young population
- ◆ Rising disposable income
- ◆ Exposure to international lifestyle

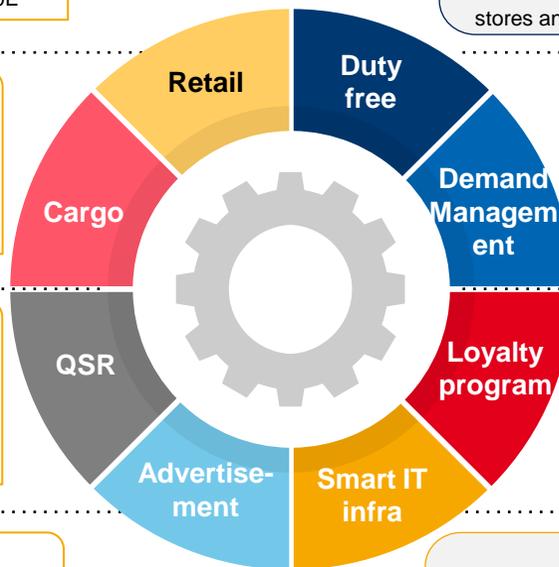


Source: Francorp

- ◆ Increasing focus to improve customer retention and acquisition
- ◆ Widespread use of smartphones



Source: IMARC



## Several Non-Aeronautical initiatives to capture demand

- ◆ Terminal 1 at DIAL witnessed **15% SPP growth in retail** between 2014 - 2016 before & after the retail refresh
- ◆ F&B ordering through app for **delivery at gates** for passengers
- ◆ **Key initiatives:** Wifi enabled proximity marketing, 360 degree virtual stores and digital catalogues

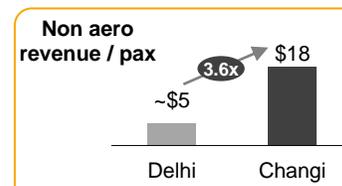
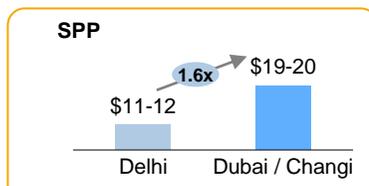
- ◆ Crowd management initiatives for dealing with peak / off peak demand
- ◆ **E-boarding, smart trolley, biometric scanning, crowd behavior analytics, retail store heat maps**

- ◆ **Advanced customer data analytics** will help identify new opportunities
- ◆ Customer loyalty programs designed to entice customer and **enhance their spending across the platform**

- ◆ Airport smart IT infrastructure like **Bots and IoT / AI** to provide value additive advantage in order to serve a larger pax without further capex
- ◆ **Key enablers:** sensor networks, data hub, data lake, integrated transportation

### Significant headroom vs international markets

- #### Duty Free
- ◆ Exclusive operator of large duty free space at Delhi airport
  - ◆ Emergence of Delhi airport as a south Asia hub



- #### Non Aero Revenue
- ◆ Rising international tourism
  - ◆ Growing demographic of young, aspirational, middle class population in India

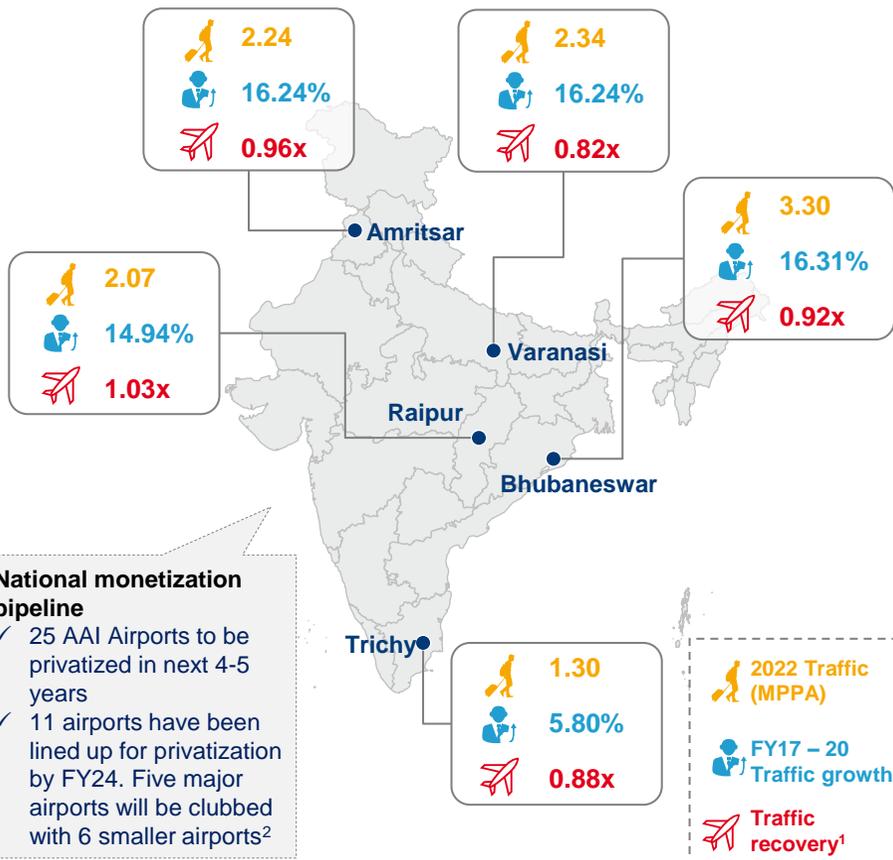
SPP – Spend per pax

Note: 1) All data points relate to India market; 2) Exchange rate: US\$1 = INR82.5

# Proven track record and ADP partnership position GIL favourably to win new airport bids across India and other emerging markets



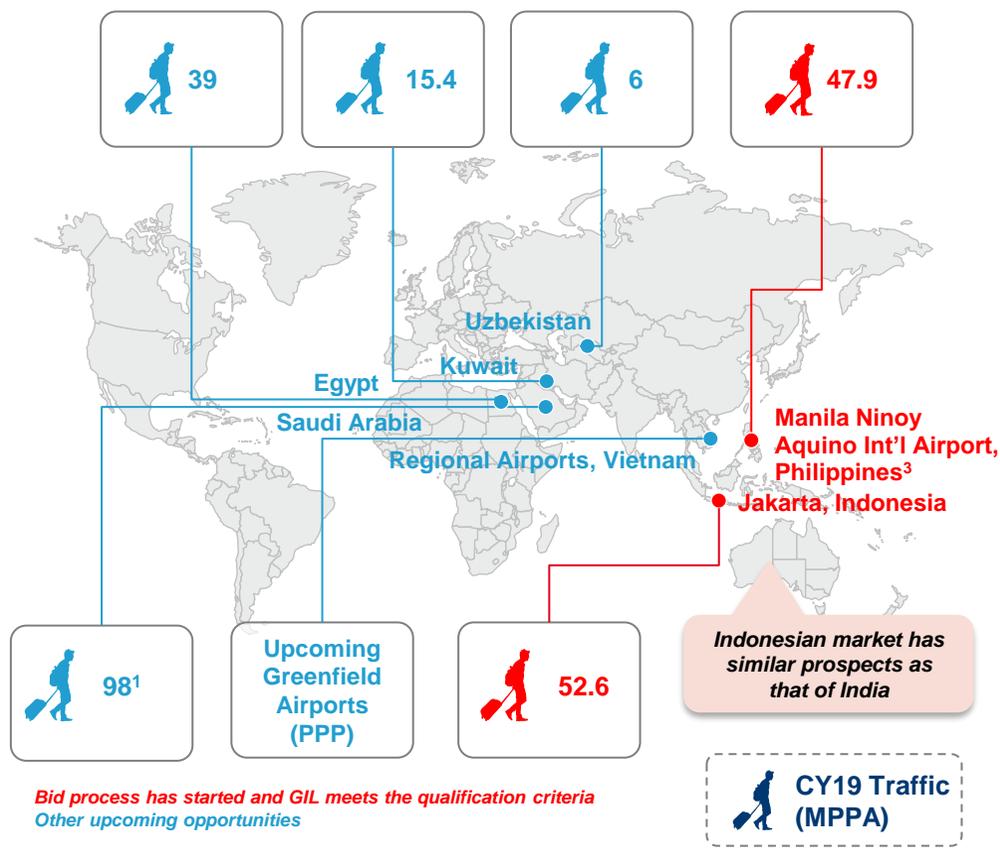
## Immediately available growth opportunities in India



**Immediate growth pipeline of 15+ m passenger capacity through some of the fastest growing airports in India**

Note:  
 1. Total capacity across multiple airports in 2018  
 2. 6 smaller airports are - Jharsuguda, Gaya, Kushinagar, Kangra, Tirupati and Jhalgaon

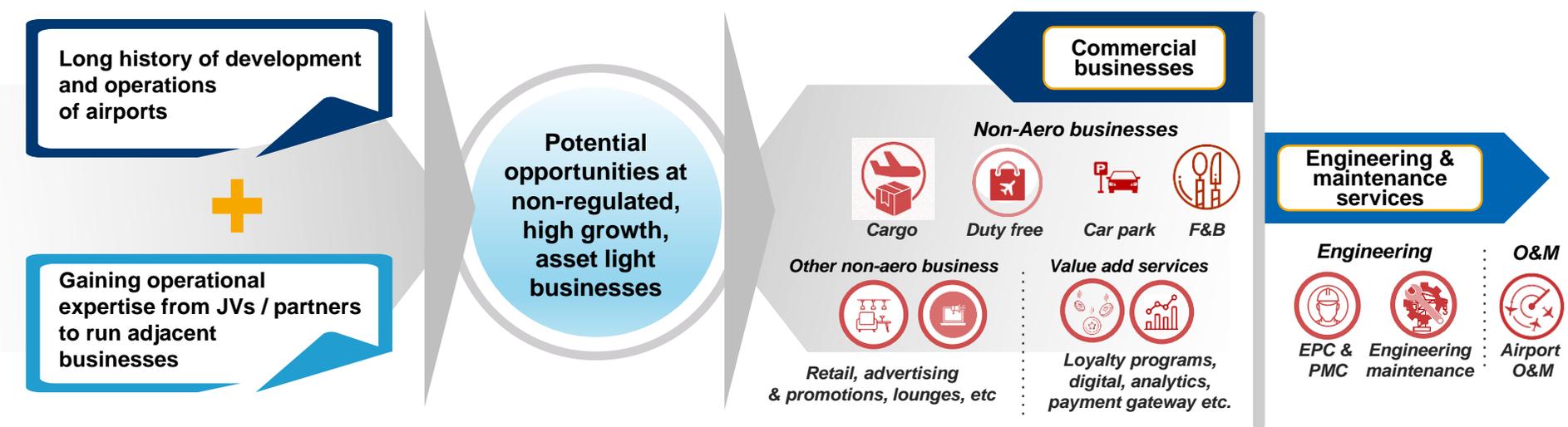
## International opportunities with focus on fast growing emerging markets



**Strong operating and development track record coupled with ADP's partnership expected to give significant boost to qualification scores**

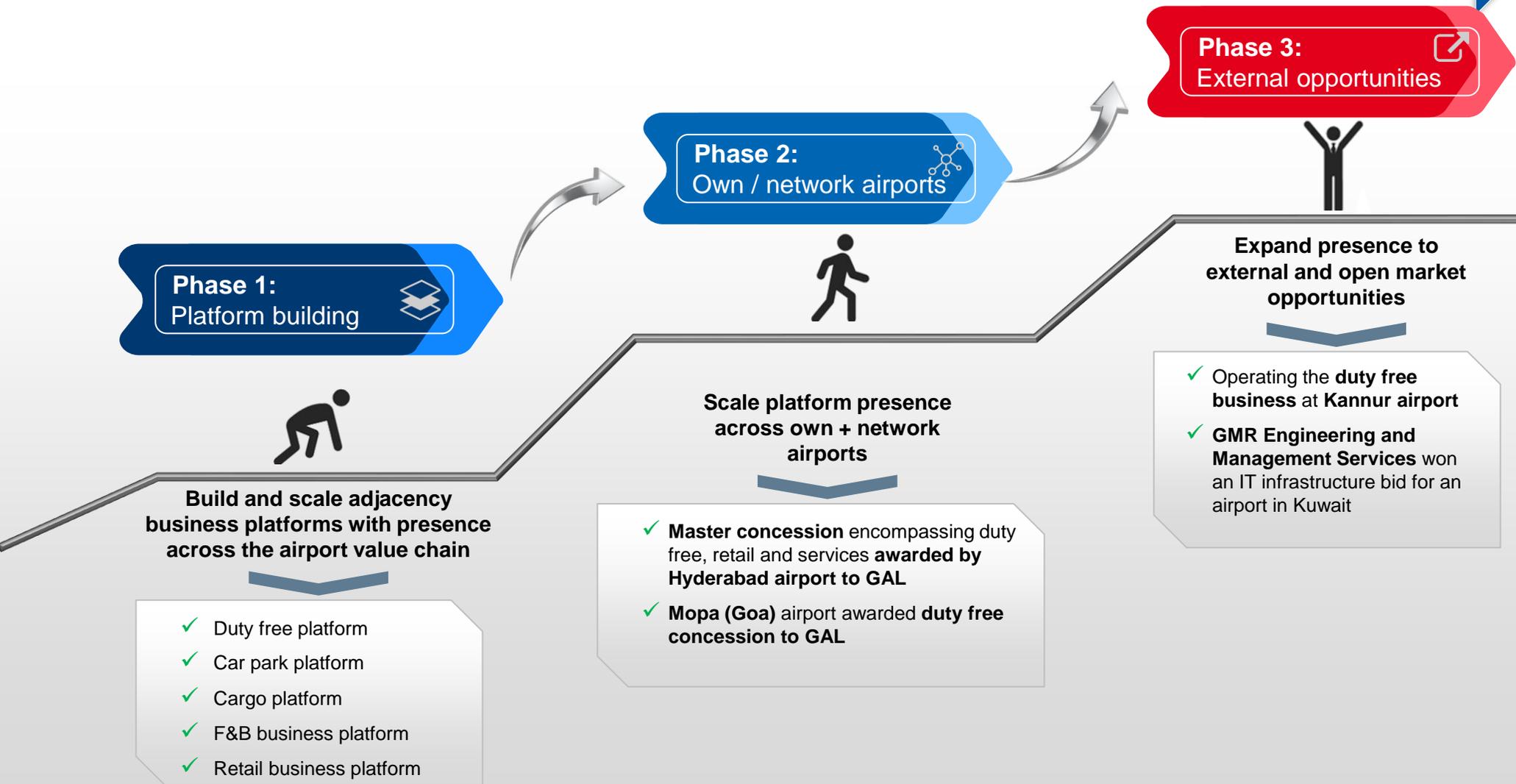
3. Bid process underway, concession to be awarded soon. GMR is one of the three qualified bidders

# To expand presence across value chain, GIL is creating an asset light adjacency business platform

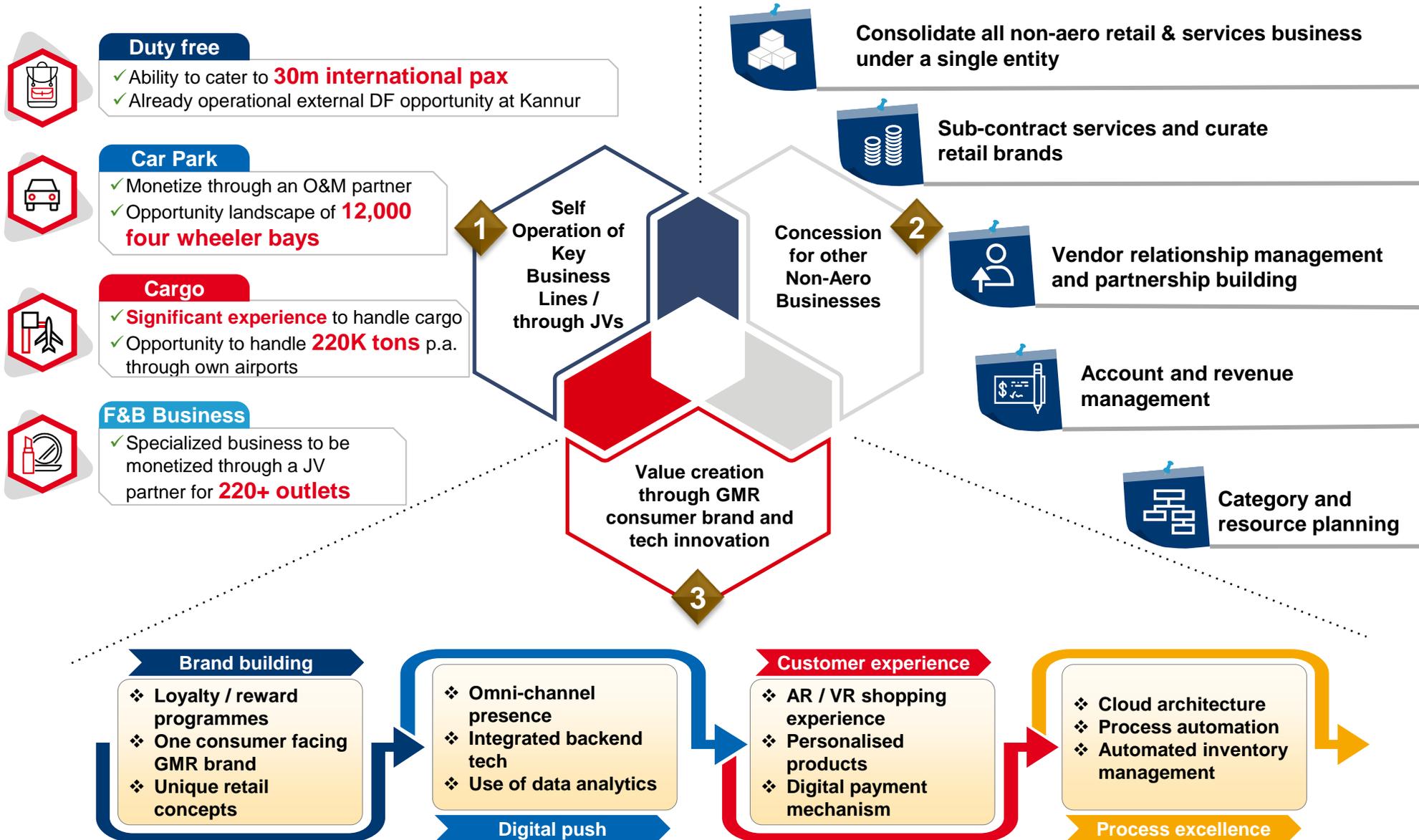


**With strong consumer focus, these businesses have an ability to become large, standalone global businesses in the near future**

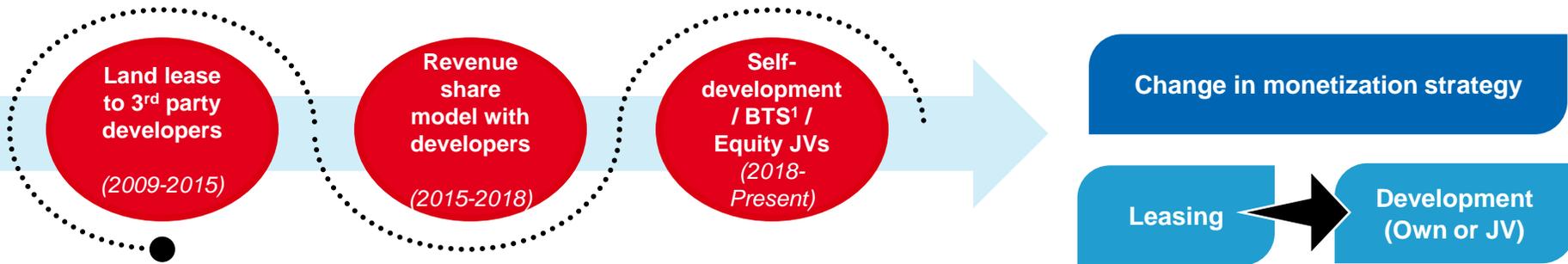
## GIL platform growth strategy – significant progress made across all 3 phases



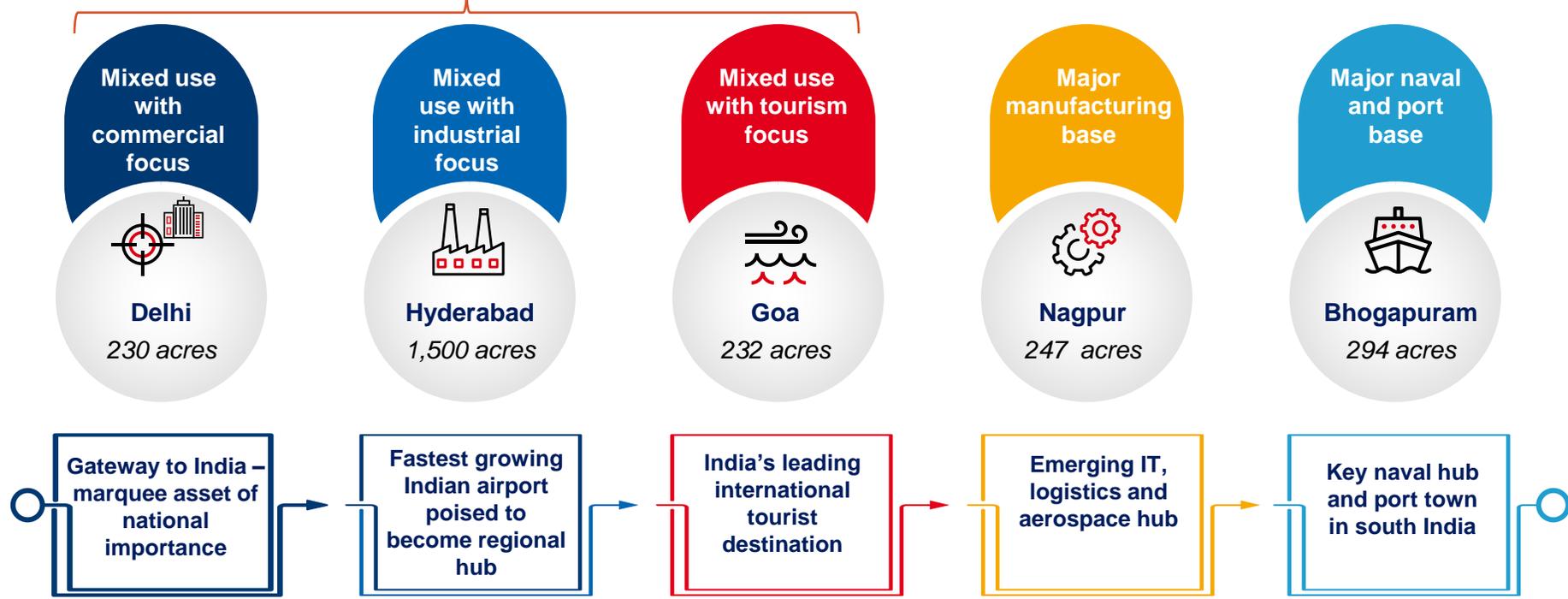
# Massive value optimization from commercial business lines through a combination of models



# Harness the potential of prime airport commercial land through thematic monetization (healthy mix of leasing and development)



Demonstrated track record of RE land monetization in recent times despite COVID impact on overall RE market



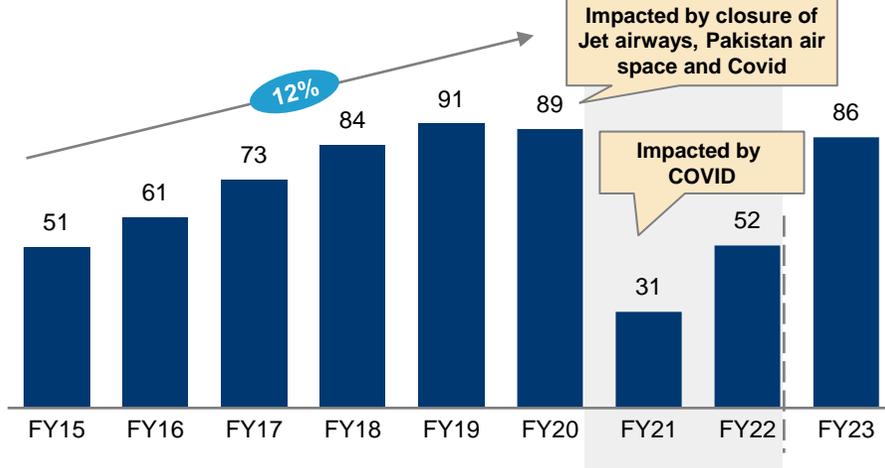
**Focus on partial self-development to minimise risk and participate in future value maximization**

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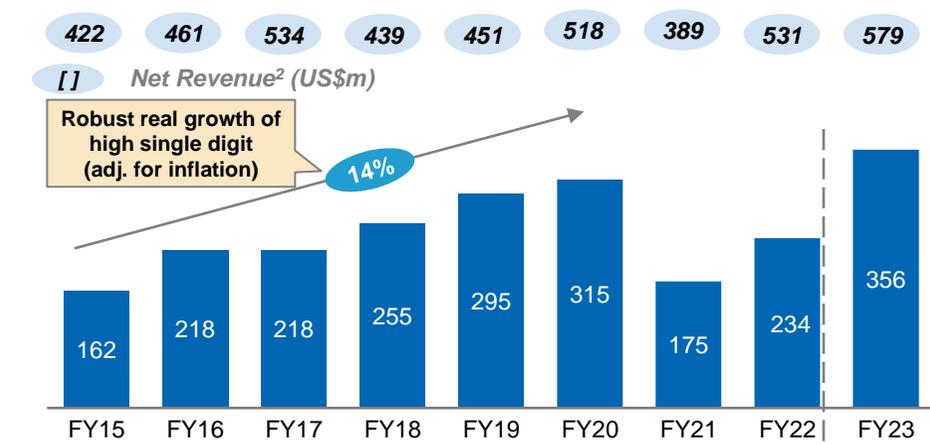
## Key financials

# Robust track record of financial performance with positive signs of recovery post Covid impact

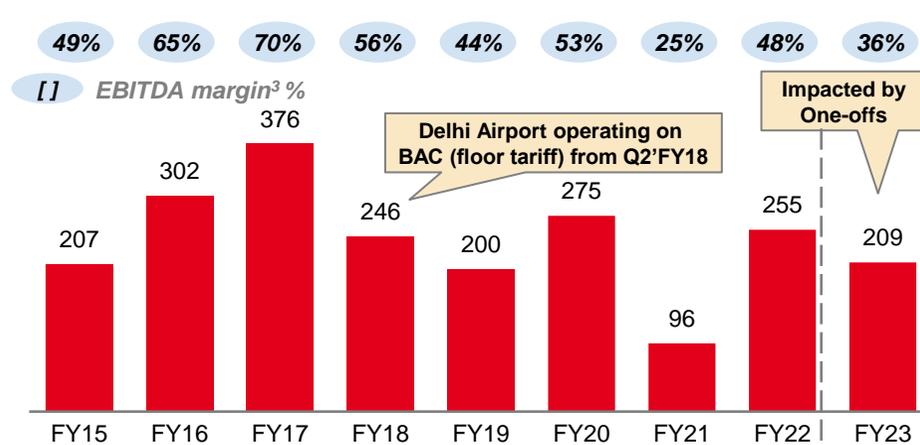
## Consolidated Indian airports pax (m)<sup>1</sup>



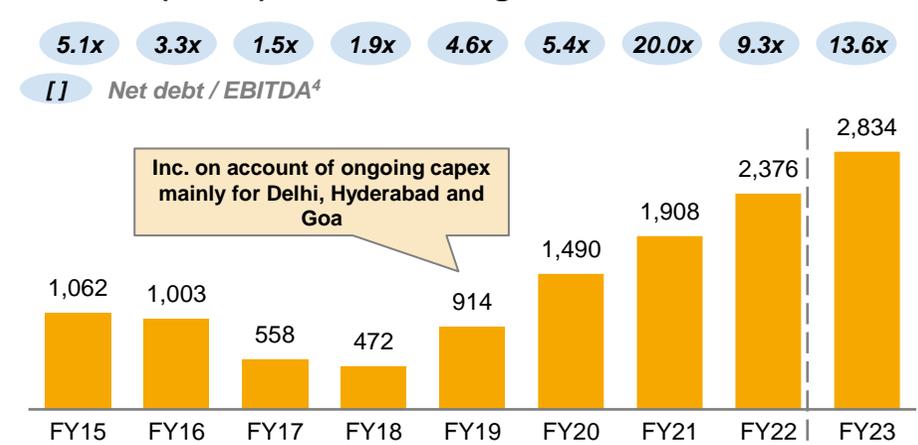
## DIAL & GHIAL non aeronautical revenue (US\$m)



## EBITDA (US\$m)



## Net debt (US\$m) and net leverage



[ ] FY15-20 CAGR

Source: AAI, company information

Note: Fx rate 1US\$ = INR82.5

1. Includes Delhi and Hyderabad

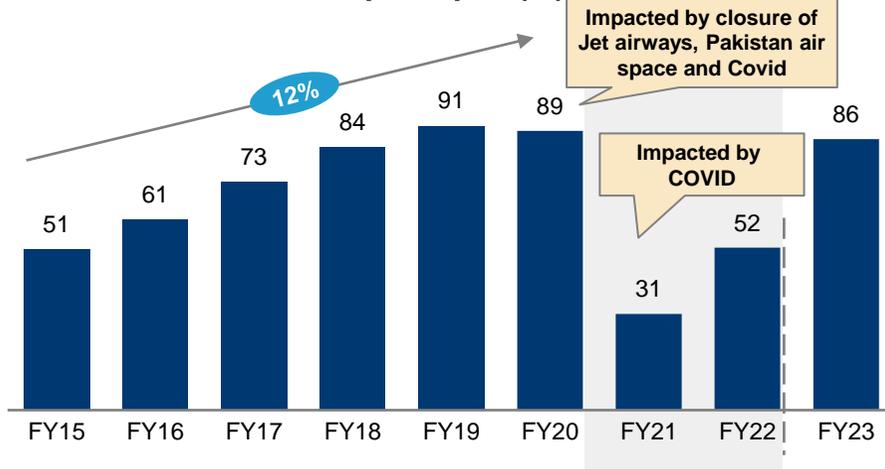
2. Net revenue after accounting for revenue share obligations; FY15-20 airport segment financials reported by GIL; FY21-22 onwards for GIL

3. EBITDA margin calculated over net revenue

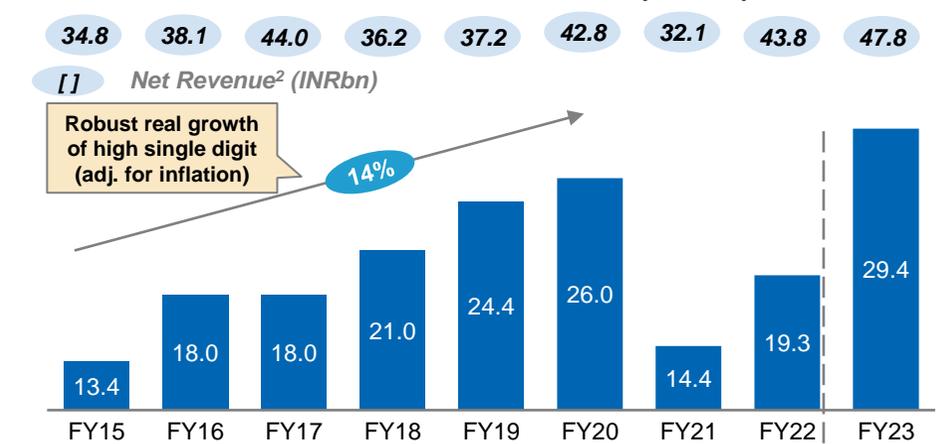
4. Excluding corporate debt at GIL

# Robust track record of financial performance with positive signs of recovery post Covid impact

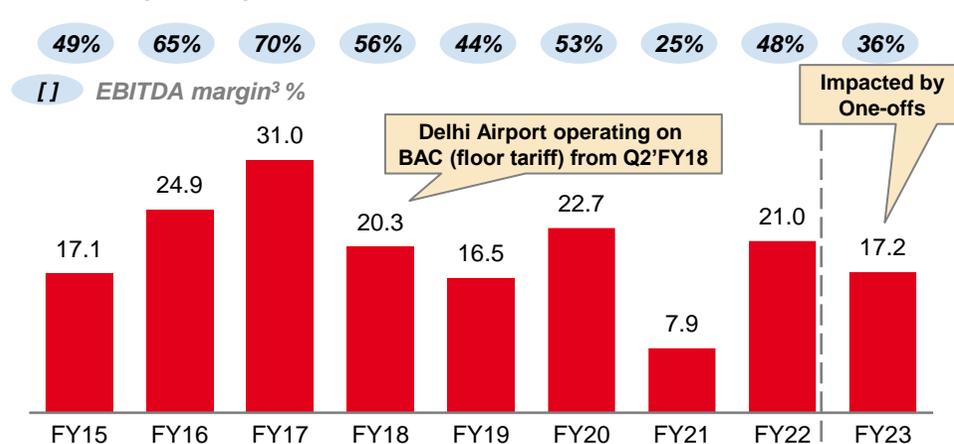
## Consolidated Indian airports pax (m)<sup>1</sup>



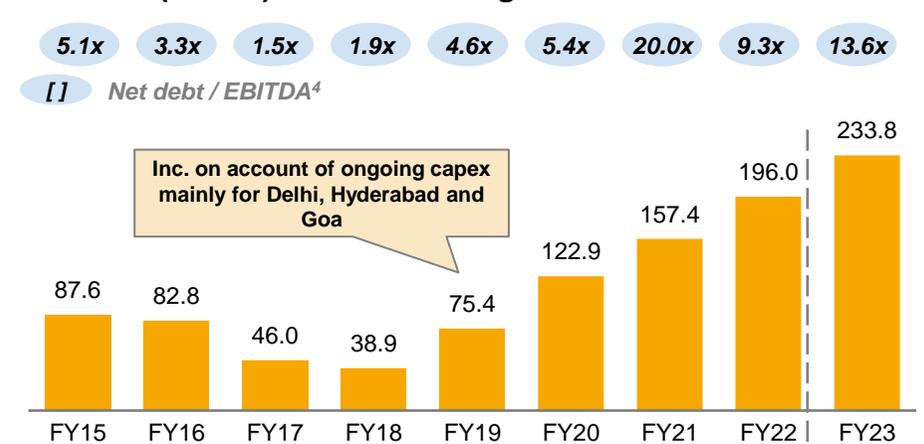
## DIAL & GHIAL non aeronautical revenue (INRbn)



## EBITDA (INRbn)



## Net debt (INRbn) and net leverage



Source: AAI, company information

Note:

1. Includes Delhi and Hyderabad
2. Net revenue after accounting for revenue share obligations; FY15-20 airport segment financials reported by GIL; FY21-22 onwards for GIL
3. EBITDA margin calculated over net revenue
4. Excluding corporate debt at GIL

[ ] FY15-20 CAGR

## Pax Traffic<sup>1</sup>



81.7mn

▲ 27% YoY

## ATMs ('000)<sup>1</sup>



515.4

▲ 18% YoY

## Aero YPP<sup>2</sup>



INR 233

▲ 17% YoY

## Non-Aero IPP<sup>3</sup>



INR 354

▲ 5% YoY

## Total Income



INR 66.4bn

▲ 25% YoY

## EBITDA



INR 24.8bn

▲ 28% YoY

## Net Debt<sup>4</sup>



INR 254bn

▲ 2% YoY

## Capex Progress<sup>5</sup>



Delhi – 97.2%  
Hyd – 98.7%  
Crete – 29.7%

<sup>1</sup>Includes Delhi, Hyderabad, Goa and Medan. For comparison purpose considered Medan's operation for full quarter. ATMs are passenger ATMs

<sup>2</sup>Aero Yield Per Pax = Aero Revenue of Delhi and Hyderabad ÷ Pax of Delhi and Hyderabad

<sup>3</sup>Non-Aero Income Per Pax = Non-aero Revenue of Delhi and Hyderabad ÷ Pax of Delhi and Hyderabad; <sup>4&5</sup> As of 31 Dec'23

# Continued focus on strengthening balance sheet with stable leverage levels through fund raises, stake sales and divestments



Stake sold	41-49% <sup>1</sup>
Entity	GMR Airports
Size	US\$1.3bn
Date	Feb'20

- ✓ Creation of a world class airport development and management platform with a strategic airport operator

1



Equity fund raise at platform and asset level

Partnership with NIIF <sup>2</sup>	
Entity	Goa and Bhogapuram Airport
Size	Goa: INR 6.31bn (~US\$76mn); Bhogapuram: INR 6.75bn (~US\$81mn)
Date	Dec'22 (Goa); Dec'23 (Bhogapuram)

- ✓ Financial partnership to inject primary growth capital in 3 international greenfield airport projects



Continuously exploring options to optimize funding costs with an aim to create value for the shareholders

3

Focus on efficient refinancing and lowering the cost of capital

- ✓ Issuance of NCDs of INR8.4bn by GHIAL in Mar'23 priced at 8.71% p.a.<sup>5</sup>
- ✓ Issuance of NCDs of INR11.5bn by GHIAL in Dec'22 at 8.805% coupon<sup>5</sup>
- ✓ Coupon of 9.75% for DIAL INR12bn NCD issuance in Apr'23
- ✓ Coupon of 9.75% for DIAL INR7.44bn NCD issuance in Aug'23



Capital recycling through sale of stake in operating airport assets

2

- ✓ In line with GMR Airport's strategy to focus on deleveraging and redeploying capital in high growth areas
- ✓ Track record and ability to derive value through divestment, e.g. exited Istanbul Sabiha Gokcen International Airport at lucrative 2.3x MoM<sup>3</sup> in Dec'13



Divestment of 40% stake <sup>4</sup>	
Entity	Cebu Airport
Size	US\$160m (~3x MoM <sup>3</sup> )
Date	Sept'22

Source: Company information

Note:

- The stake will undergo change post achievement of milestones
- Equity stake to change basis equity conversion of NIIF's current investment which is in the form of CCDs and can be converted into an equity stake of up to 49% stake
- MoM – Multiple of money
- 6.67% has been transferred and the remaining 33.33% to be transferred by Oct'24
- The coupon to be reset after 5 years

The background features a series of overlapping triangles in shades of blue, grey, and white, creating a geometric pattern. A dark blue horizontal bar is positioned across the middle of the page, containing the main title.

## Partnership, leadership and ESG

# Proven track record of strategic partnerships with global majors to create synergistic advantages



## Strategic partnership with majority French government owned and Paris based Groupe ADP

### About Groupe ADP

One of the largest airport groups in Europe based out of Paris (France)

Operating 27 international airports<sup>2</sup> across geographies



Handled<sup>1</sup> 229 m passengers (excluding GMR Airports)

### Investment Merits

Creation of world-class Airport Development and Management platform in partnership with strategic airport operator

Strong partner to capitalize on future growth opportunities

### Strategic Rationale

#### Leverage Expertise

- ◆ Building strong partnerships by leveraging expertise through systematic best practices implementation
- ◆ Sharing knowledge and best practices across airports

#### Strategic partnership

- ◆ Market access for service companies
- ◆ Route development
- ◆ Retail and passenger experience, IT/Innovation, engineering etc.



### Other Marquee Partnerships



- ✓ India's first infrastructure fund (AUM over US\$4.9bn)
- ✓ Financial partnership in Goa and Bhogapuram Airport



- ✓ Europe's 2<sup>nd</sup> largest passenger airport
- ✓ Minority investor in Delhi Airport since 2006



- ✓ Operator of 40 airports
- ✓ Minority investor in Hyderabad Airport until 2023<sup>3</sup>



- ✓ Real estate conglomerate in Greece
- ✓ Building Crete Airport in a JV with GMR



- ✓ Sovereign wealth fund with AUM of US\$600bn
- ✓ Subscribed to US\$300m, 60y FCCB issued by GIL in 2015



- ✓ 2<sup>nd</sup> largest EPC player in Philippines
- ✓ Executed EPC contract in Clark Airport with GMR

Note:

1. In 2023
2. In 2022
3. MAHB Group divested stake in Hyderabad Airport as per 25-Oct-23 press release

# Best-in-class management team with strong corporate governance standards enhanced by Groupe ADP partnership



## Group Directors on GIL Board



**GM Rao**  
Group Chairman



**Srinivas Bommidala**  
Chairman, Energy & International Airports



**GBS Raju**  
Chairman, Airports



**G Kiran Kumar**  
Corporate Chairman & Managing Director



**BVN Rao**  
Chairman, Transportation & Urban Infra

## Independent panel of eminent industry leaders

- ◆ Consists of eminent people from diverse backgrounds
- ◆ Quarterly meetings with a view to advise on business strategy and future positioning
- ◆ Provides the benefit of an outside-in view of the business
- ◆ Ensures highest standards of governance and professionalism

## Key management and Board of Directors for Airports



**Prabhakararao Indana**  
CEO – Airports Construction, GAL



**Antoine Crombez<sup>1</sup>**  
Director, GAL



**GRK Babu**  
CFO – Airports Sector, GAL



**P. Sripathy**  
CEO – Airports International (Philippines), GAL



**Philippe Pascal<sup>1</sup>**  
Non – Executive Director, GAL



**Augustin De Romanet De Beaune<sup>1</sup>**  
Non-Executive Director, GAL



**Saurabh Chawla**  
Executive Director – Finance & Strategy, GIL

## Reaps benefits from Groupe ADP partnership

- ◆ Groupe ADP's involvement at management level ensures highest standards of corporate governance at a global level
- ◆ Exchange programs between senior management at GIL and ADP
  - allows for sharing of knowledge and transfer of best practices
  - helps provide international exposure and propels strategic thinking

**Post merger, GMR and Groupe ADP will have equal representation on the Board with the Chairman being appointed by GMR**

Note:

1) Nominated by Groupe ADP

# GMR Groups' strong commitment to future sustainability through ESG framework



- ◆ Both DIAL and GHIAL are now ACI Level 4+ accredited Airports (Highest Level)
- ◆ Both the airports have adopted **green building standards** in the existing as well as upcoming infrastructures
- ◆ Both the airports have adopted **low emission processes** and have installed **solar plants (Renewable Energy)** <sup>(2)</sup>
- ◆ **DIAL** was the first airport in India to run **entirely on hydro and solar** power and was the first airport globally to achieve **ISO 50001 for energy management**



## Learning and Development

- ◆ 98 business organized training / corporate trainings conducted in Q3FY24
- ◆ 32,144 work hours of training in Q3FY24
- ◆ DIAL has joined hands with the Hidden Disabilities Sunflower Network, taking another step towards inclusivity along with 215 other global airports



## CSR Thrust Areas



Health

Education

Empowerment and livelihoods

Community Development



**CSR Spend (Q3FY24) - INR 31 m**  
**Total beneficiaries over 20,000**



- ◆ Strict **governance principles** through guided values of the organization and all the **secretarial compliances** in place
- ◆ **Internal audits, MAG audits** keep processes very transparent
- ◆ Regular **Board meetings** conducted to keep Board updated on all aspects

- ◆ Periodic **training of employees** on the CoC <sup>(3)</sup> guidelines
- ◆ **Risk management framework** and **governance process**, including SOPs around risk assessment and mitigation

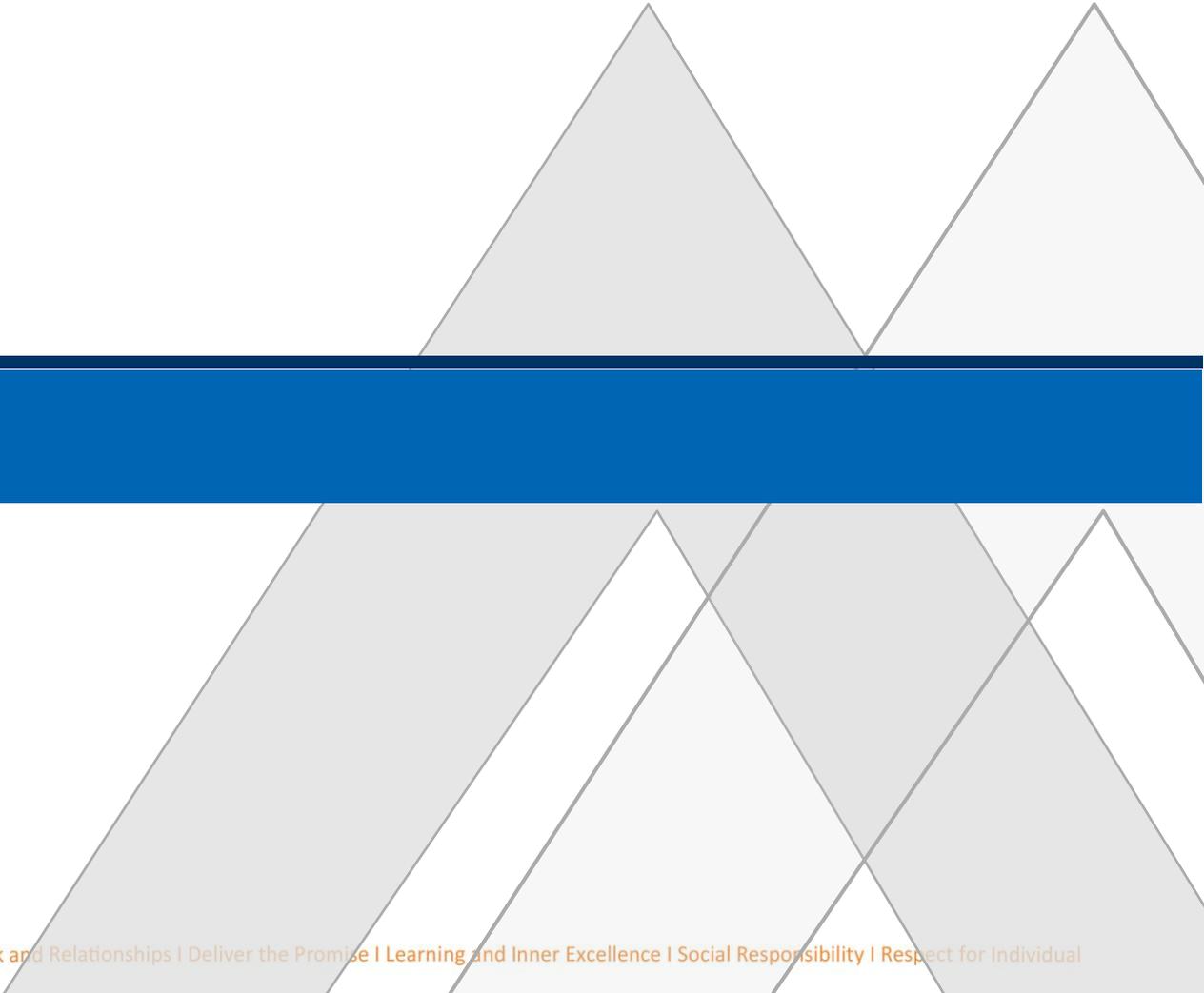
Source: Company data

(1) ACA – Airport Carbon Accreditation

(2) Recently inaugurated Eastern Cross Taxiway at DIAL will help in reduction of 55,000 tonnes of CO<sub>2</sub> emissions annually/ GHIAL transitioned to 100% sustainable green energy will reduce ~9300 tons CO<sub>2</sub> emissions annually

(3) COC – Code of Conduct

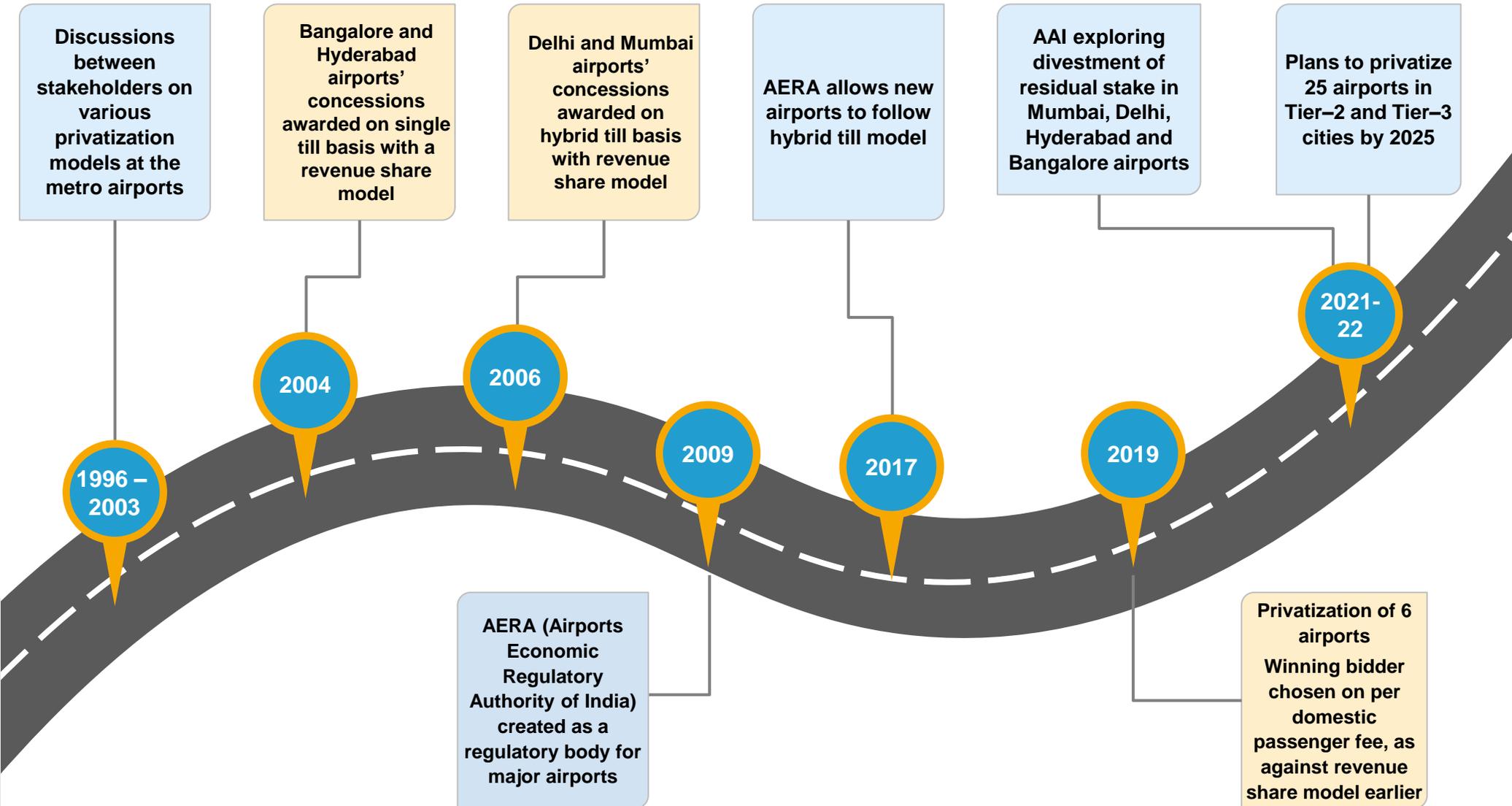
**Humility | Entrepreneurship | Teamwork and Relationships | Deliver the Promise | Learning and Inner Excellence | Social Responsibility | Respect for Individual**

A series of overlapping triangles in shades of gray and white, forming a mountain-like silhouette that spans the width of the slide. A dark blue horizontal bar is overlaid on the middle of these triangles.

**Thank You**

# Annexures

# Evolution of the highly successful airport PPP model in India

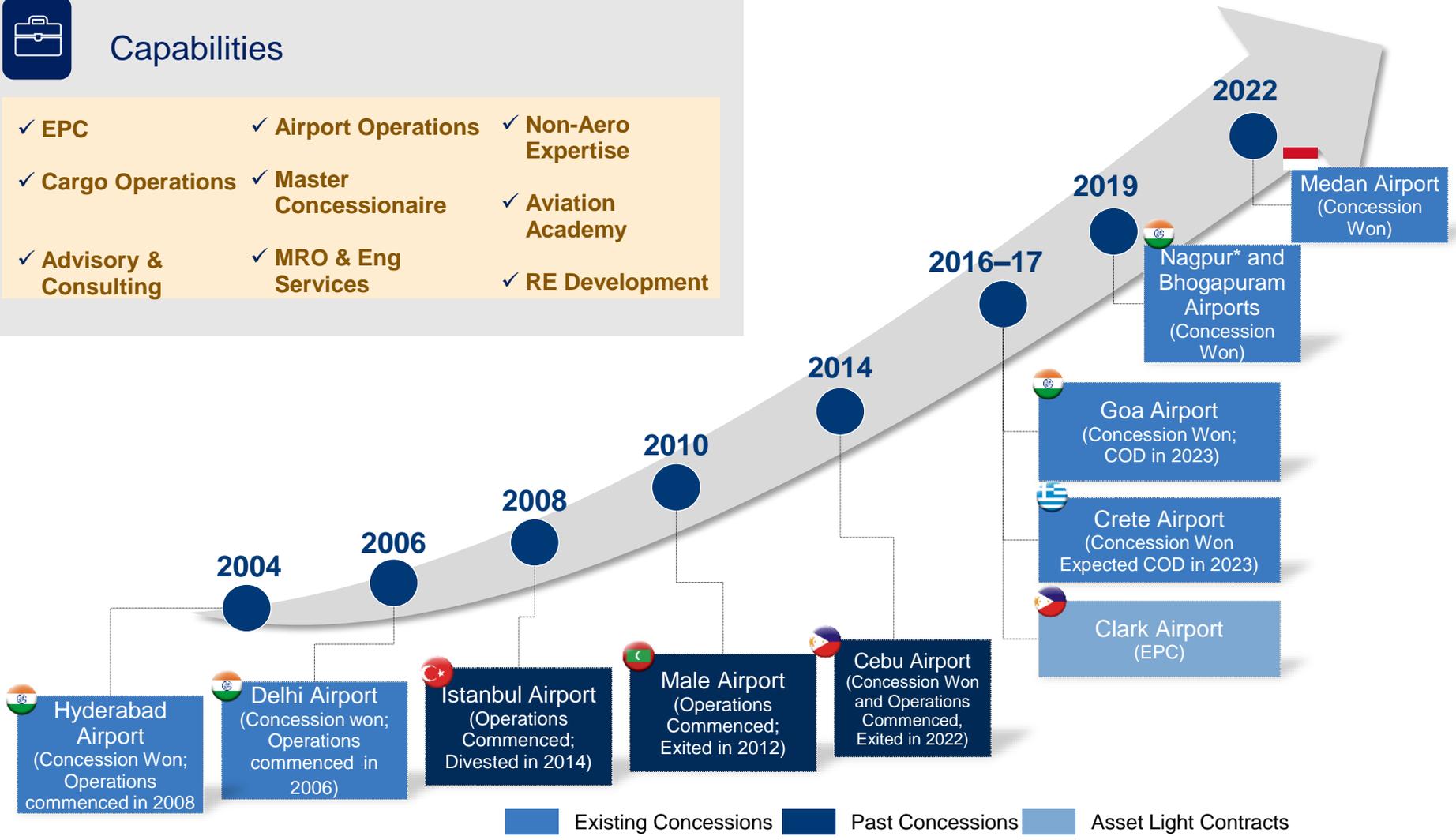


# Two decades experience of constructing and operating airports in various parts of the world



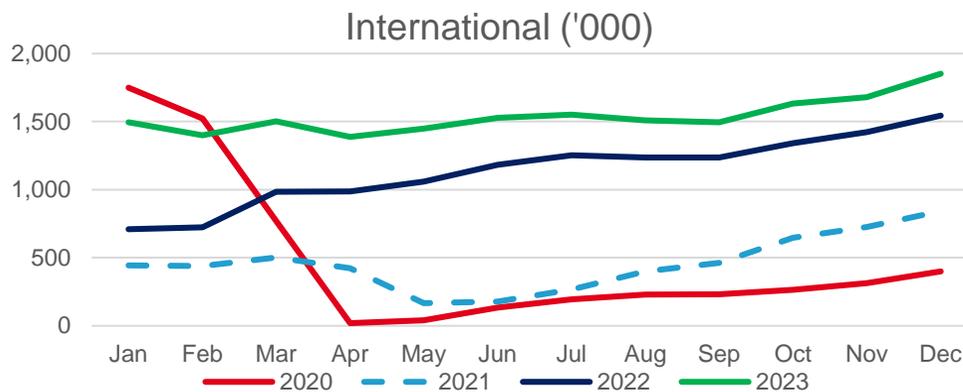
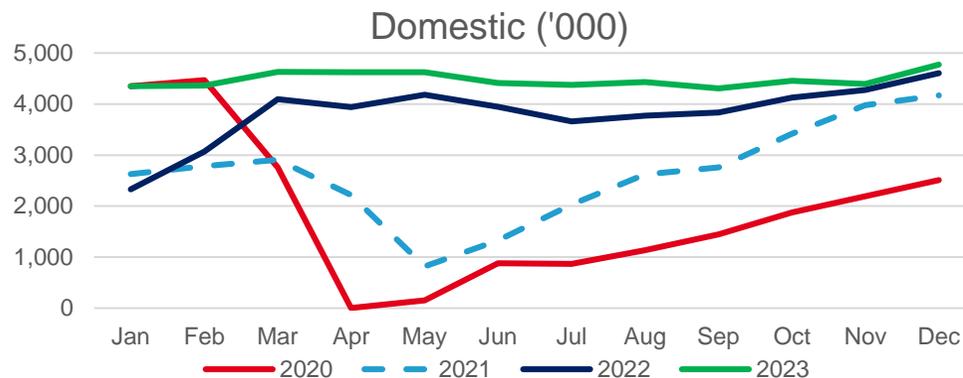
## Capabilities

<ul style="list-style-type: none"> <li>✓ EPC</li> <li>✓ Cargo Operations</li> <li>✓ Advisory &amp; Consulting</li> </ul>	<ul style="list-style-type: none"> <li>✓ Airport Operations</li> <li>✓ Master Concessionaire</li> <li>✓ MRO &amp; Eng Services</li> </ul>	<ul style="list-style-type: none"> <li>✓ Non-Aero Expertise</li> <li>✓ Aviation Academy</li> <li>✓ RE Development</li> </ul>
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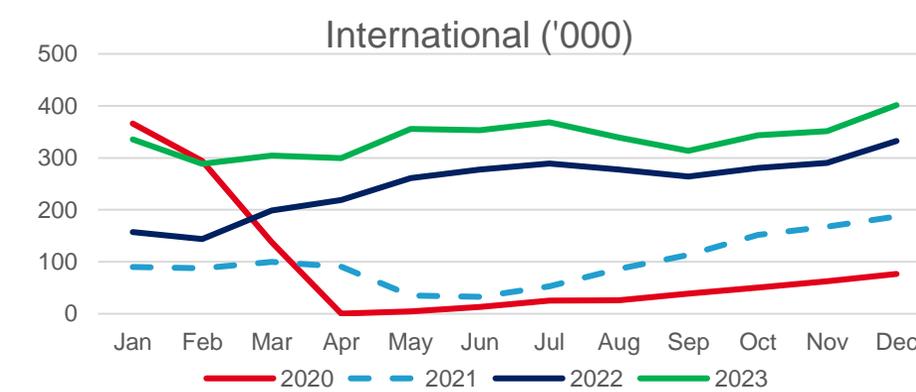
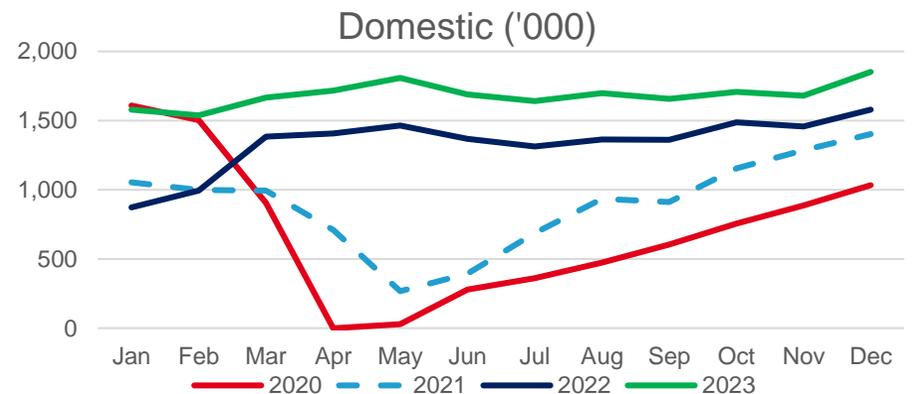


\*GMR won the arbitration in May'22

## Delhi Airport Monthly Pax



## Hyderabad Airport Monthly Pax

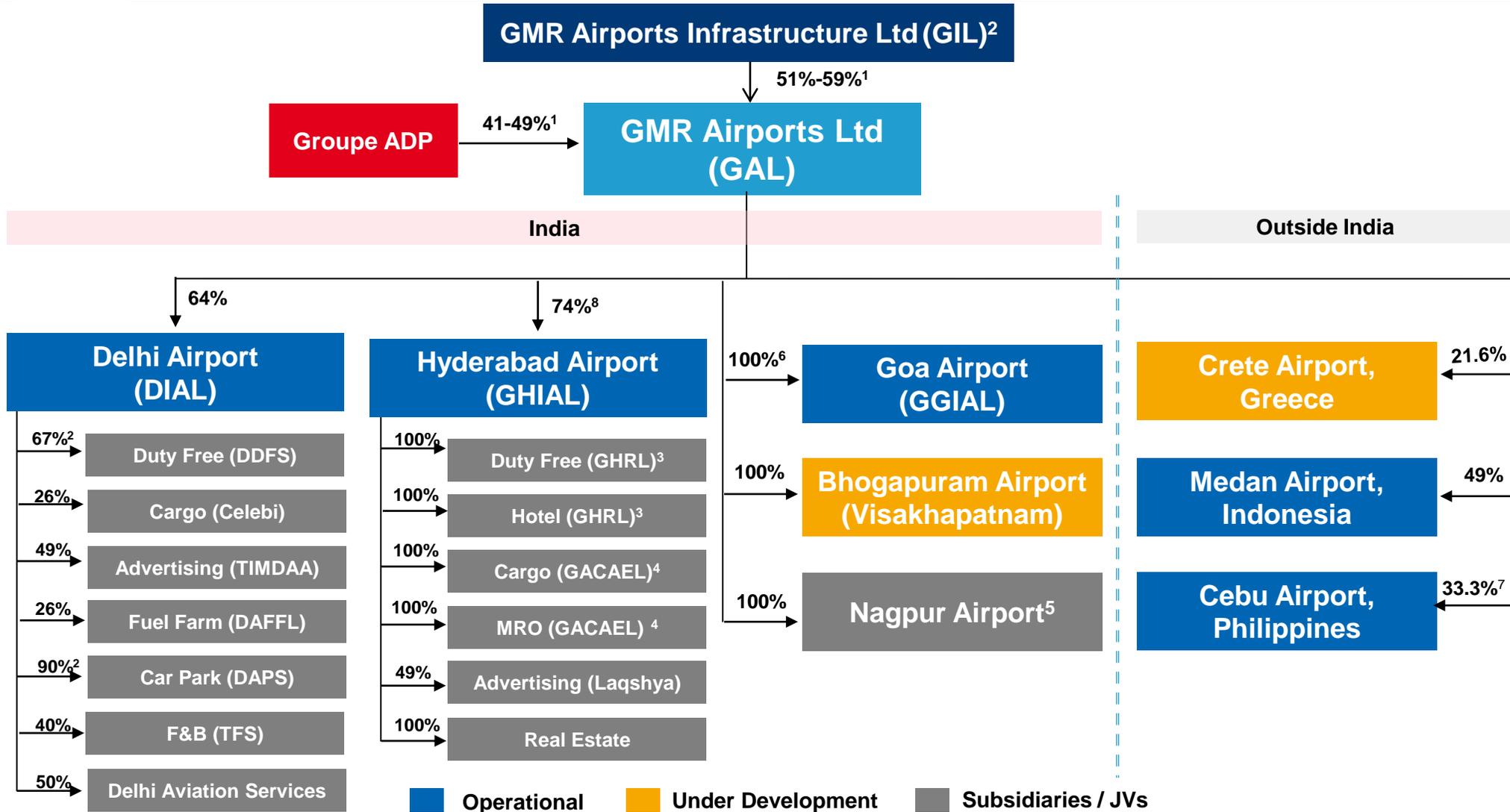


- Impact of 3<sup>rd</sup> wave was limited – international traffic was not affected and domestic traffic recovered strongly from January lows of 56-58% pre COVID lows
- Passenger Profile: Increased passenger travel from Tier 2/ Tier 3 cities vs Metro; Friends & family/ Leisure travel vs Corporate travel

### Traffic has gained momentum with lifting curbs in flight capacity, addition of routes

- Scheduled international operations began on 27 Mar'22
- More international airlines resume pre-COVID flights with India
- Takeover of Air India by Tata; Fleet addition by major Indian airlines including Indigo & Air India; entry of new airlines including Akasa Air to boost passenger traffic

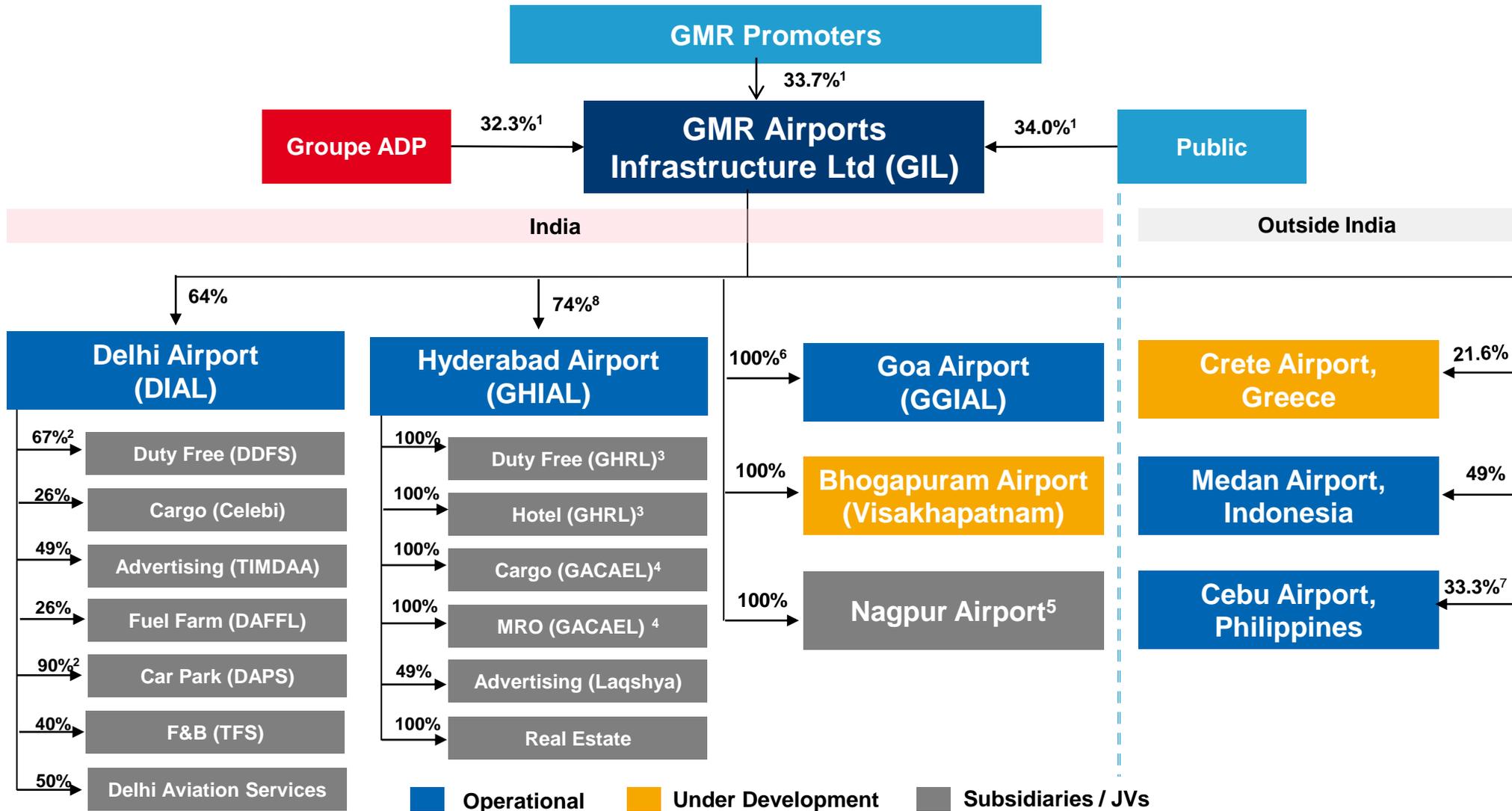
# Detailed Corporate Structure Pre-Merger



Notes:

1. Direct and indirect holding and post transfer of 49% to Groupe ADP and the stake will undergo change post achievement of milestones
2. Includes both direct & indirect holding
3. Duty Free business merged with GHRL
4. wholly owned by GHIAL w.e.f Nov'18 (post buying stake from JV partner) and Cargo business is merged with MRO w.e.f Aug'19
5. Supreme Court upheld Bombay High Court order that had quashed the award cancellation letter by MIHAN and directed MIHAN to sign Concession Agreement
6. To change basis equity conversion of NIIF's current investment which is in the form of CCDs and can be converted into an equity stake of up to 49%
7. Business has been divested with 6.67% stake already transferred and remaining 33.33% to be transferred by Oct'24. GMR will continue to operate as the Technical Services Provider until Dec'26
8. Post acquisition of 11% stake from MAHB Group (per 25 Oct'23 press release)

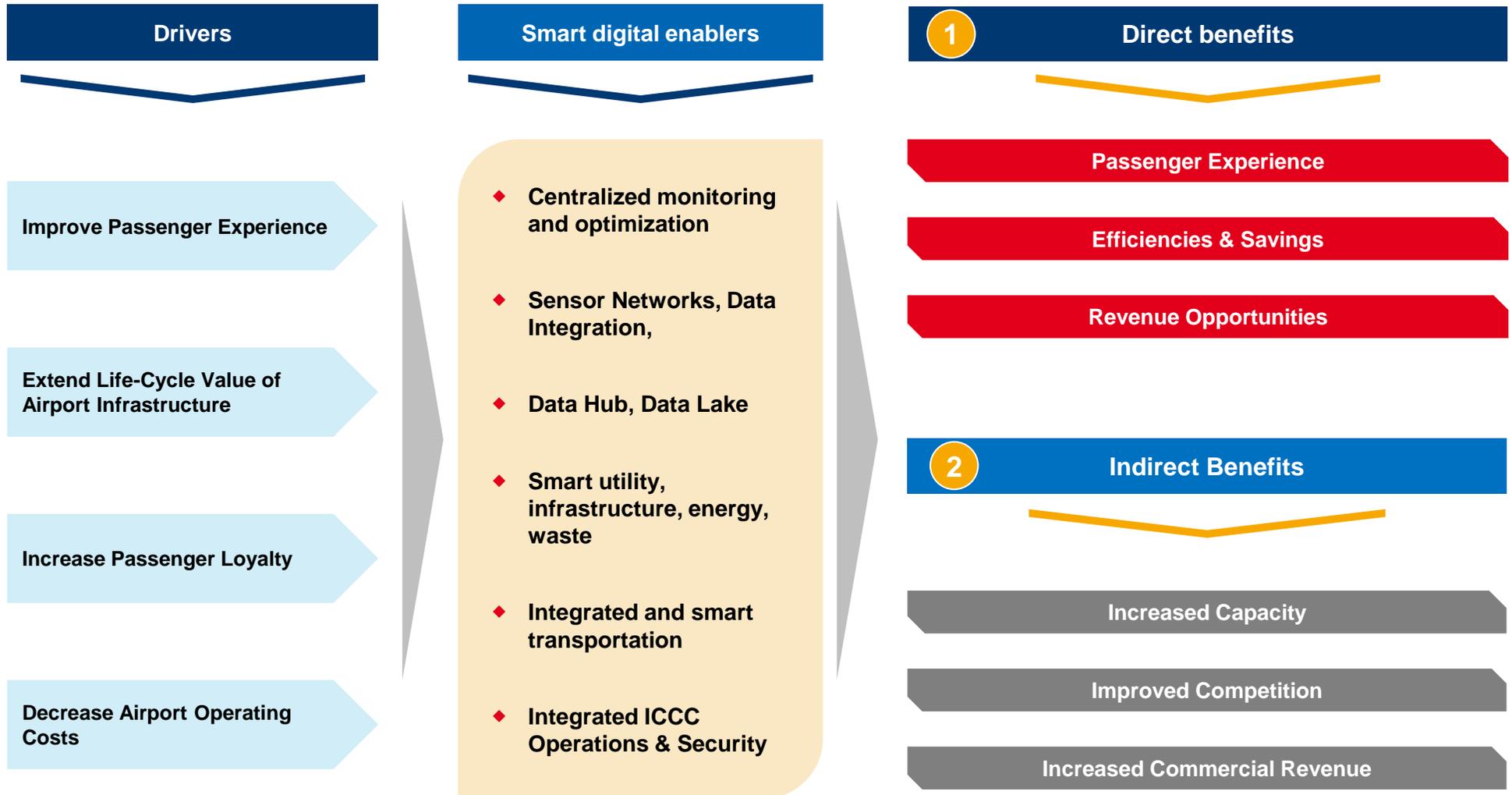
# Detailed Corporate Structure Post-Merger



**Notes:**

- % of paid-up equity share capital and immediately post merger
- Includes both direct & indirect holding
- Duty Free business merged with GHRL
- wholly owned byf GHIAL w.e.f Nov'18 (post buying stake from JV partner) and Cargo business is merged with MRO w.e.f Aug'19
- Supreme Court upheld Bombay High Court order that had quashed the award cancellation letter by MIHAN and directed MIHAN to sign Concession Agreement
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# Smart city IT solutions augment operations and boost underlying profitability



Airport smart IT infrastructure initiatives like Bots and IoT / AI provide value additive advantage in terms of efficiently managing traffic, optimizing area allocation, maximizing ATM movements etc. in order to serve a much larger pax capacity without further capex

# GIL has been a pioneer in adopting cutting edge IT / digital solutions and is in the league of renowned global airport operators



## Initiatives at GIL



### Passenger Experience

- ✓ E-Boarding
- ✓ Smarty Trolley
- ✓ Smart Washroom
- ✓ Self Bag Drop
- ✓ Baggage Track
- ✓ Automated Tray Retrieval
- ✓ Biometric based PAX Screening



### New Age Technology

- ✓ New E-POS & Concessionaire Management Platform
- ✓ Automation settlement UDF & ASF
- ✓ Smart Airside
- ✓ Crowd Behavior Analytics



### Duty Free Vertical

- ✓ 360 Degree Virtual Store
- ✓ Retail Store Heat Map
- ✓ Wi-Fi Enabled Proximity Marketing
- ✓ Digital mirror for product display



### Aircraft MRO

- ✓ AR / VR for remote guidance and certification
- ✓ RFID based tools
- ✓ Tracking System
- ✓ Robotic Process Automation



### Cargo Vertical

- ✓ Track & Trace of shipments using BLE technology
- ✓ Safety Video Analytics using CCTV feed
- ✓ Blockchain based ERP & Vaccine Ledger



### Covid -19 Measures

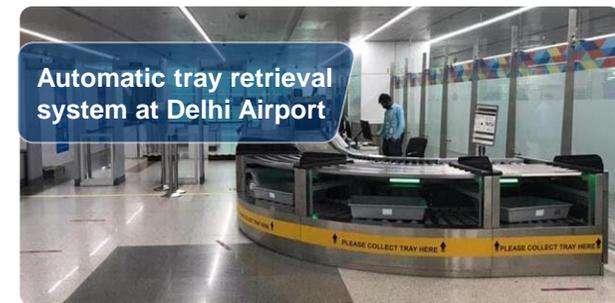
- ✓ Touchless CUSS
- ✓ Virtual Helpdesk
- ✓ Social Distancing CCTV Analytics
- ✓ Thermal Imaging
- ✓ UV Baggage Disinfectants



Thermal Imaging at Delhi Airport



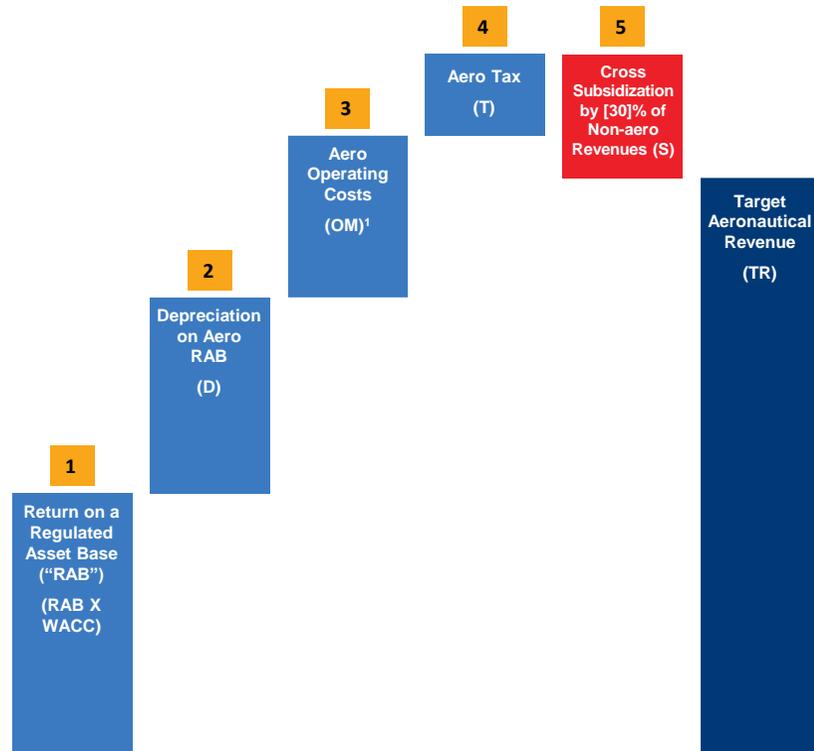
Remote Screening at Delhi Airport



Automatic tray retrieval system at Delhi Airport

## Hybrid-Till Regulatory Building Blocks

$$RAB \times WACC + D + OM + T - S = TR$$



- 1 RAB**  
 Opening project cost of airport determined by AERA with future capex attributed to aeronautical development
- 1 WACC**  
 Fair rate of return calculated to include cost of equity and actual cost of debt
- 2 Depreciation on Aero RAB**  
 Depreciated based on rates in the Companies Act such that it matches accounting depreciation rates
- 3 Operating Costs**  
 Operating and maintenance costs are pass through with difference in forecast and actuals adjusted every period
- 4 Aero Tax**  
 Corporate Taxes pertaining to aeronautical services
- 5 Hybrid Till**  
 Cross subsidization of 30% of non-aero revenues

Note: 1. In case of Hyderabad 4% revenue share paid on Aero revenues is a pass through