

GMR Infrastructure Limited

Business Highlights

Strategic Group Restructuring to Unlock Value & Simplify Corporate Holding Structure

With an objective to create India's only Pure-Play Listed Airports Company, GMR Infrastructure (GIL) is undertaking a composite Scheme of Arrangement ("Scheme") involving 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.

This restructuring is a step in right direction to unlock value of GIL through separate listing of both the Airport Business and Non-Airport Business and simplifying the corporate holding structure.

The vertical demerger will facilitate better understanding of the Airport Business independently as compared to other various business verticals within the group and also pave the way for focused growth and sustained value creation for all stakeholders over a period of time.

Businesses on a recovery path despite Covid

GMR's businesses which have been impacted by the lockdown measures is gradually showing signs of recovery.

Airport Business

- Restrictions on operation of domestic flights were lifted from May 25, 2020. The airports were closed from March 25, 2020 to May 24, 2020 except for cargo and evacuation/ rescue flights for passengers. Regular international flights are however suspended till August 31, 2020.
- Foreign carriers started operating to and from India under 'Air Bubbles' arrangement. Currently, India has air bubbles arrangement with USA, UK, Canada, Germany, France, UAE, Kuwait.
- In Hyderabad airport, domestic traffic has consistently crossed 100,000 passengers/ week.

Our Airports have witnessed increase in traffic post their opening on 25th May 2020				
% of pre-Covid level	Delhi Airport		Hyderabad Airport	
	<i>1st Week (25-31 May)</i>	<i>13th Week (17-23 August)</i>	<i>1st Week (25-31 May)</i>	<i>13th Week (17-23 August)</i>
Average Daily Pax				
<i>Domestic</i>	15%	26%	8%	31%
<i>International</i>	3%	15%	2%	8%
Daily Average ATM				
<i>Domestic</i>	29%	37%	12%	38%
<i>International</i>	5%	19%	12%	15%
Cargo				
<i>Domestic</i>	17%	47%	8%	60%
<i>International</i>	47%	71%	65%	71%

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 June 25, 2020 post which has been increased to 45%

Energy Business

During the initial period of Q1FY21 quarter, power demand contracted because of lockdown. However, gradually, power demand is improving as the lockdown is easing up.

PLF (%)	April 2020	August 2020 ¹
Kamalanga	52%	89%
Warora	49%	83%

Note: 1. Till 24th August

Highway Business

Hyderabad Vijayawada and Ambala Chandigarh expressways have reached 84% and 78% traffic as compared to pre-Covid levels in August 2020.

GMR Infrastructure as a group is continuously adapting to the situation and have focused on the following measures to mitigate the challenges:

- Cash conservation through rescheduling of our Capex plan.
- Consolidation of infrastructures to adapt to the nature of traffic and reduce operating costs. For instance, we have closed Terminal 1 & 2 and is now operating from only Terminal 3 at Delhi Airport for both international and domestic flights.
- Reviewed all budgets which has resulted in reducing operating expenses significantly
- Ensuring maximum security & safety to our customers to restore their confidence such as adapting to effective hygiene standard at our assets/ facilities

Completion of Strategic Partnership transaction with Groupe ADP for Airports Business

We have successfully completed the previously announced strategic partnership with Groupe ADP even under an unprecedented times of COVID-19 pandemic. We had received the first tranche of INR 5,248 Cr from Groupe ADP on February 26, 2020 for an effective transfer of ownership of 24.99% in GMR Airports Limited (GAL). The second tranche of the investment for 24.01% of GAL was structured in two parts:- (a) INR 4,565 Cr including INR 1000 Cr primary equity infusion at GAL which we received on July 7, 2020 and b) Earnouts of INR 1,060 Cr, subject to achievements of certain performance targets by GAL upto 2024. These are over-an-above of initial Earnouts of INR 4,480 Cr.

Original Proponent Status (OPS) for developing the Ninoy Aquino International Airport.

The Manila International Airport Authority (MIAA) – the project implementing agency has granted the GMR Megawide Consortium (comprising of Megawide Construction Corporation 60% and GMR Group 40%), the Original Proponent Status (OPS) for developing the Ninoy Aquino International Airport. As per the applicable Build Operate Transfer (BOT) Law, the next steps prior to potentially awarding the project include NEDA Board Approval, Negotiations and Swiss Challenge.

Q1FY21 Performance Highlights

Government of India imposed the countrywide lockdown with effect from March 25, 2020 which got extended till June 30, 2020. The lockdown had an impact on Group businesses – Airports, Energy and Highways.

Airport Sector

Closure of scheduled operations till May 24, 2020 and subsequent lower capacity deployment on account of COVID-19, significantly impacted the quarterly results.

Delhi Airport

- Traffic decreased 92% YoY to 1.23 Mn in Q1FY21
- Net revenues fell by 61% YoY to INR 190 Cr in Q1FY21 from INR 488 Cr in Q1FY20
- EBITDA loss of INR 69 Cr in Q1FY21 vs. gain of INR 204 Cr in Q1FY20
- Capacity expansion work of increasing the capacity from 66 mn to 100 mn PAX is progressing with current focus only on essential capex to complete the work started in pre-Covid period. The construction work has resumed post restrictions were lifted.
- Delhi Airport has once again emerged as Best Airport in the >40 Mn passengers p.a. (MPPA) category in Asia Pacific region by ACI in the Airport Service Quality Programme (ASQ) 2019 rankings
- Delhi Airport is voted as the Best Airport in India and Central Asia at the 2020 World Airport Awards by Skytrax.

Hyderabad Airport

- Traffic declined 95% YoY to 0.3 Mn in Q4FY21 from 5.6 Mn in Q1FY20
- Net revenues fell by 89% YoY to INR 41 Cr in Q1FY21 from INR 365 Cr in Q1FY20
- EBITDA loss of INR 53 Cr in Q1FY21 vs. INR 258 Cr in Q1FY20
- Expansion work of increasing the capacity from 12 mn to 34 mn Pax is progressing with current focus only on essential capex to complete the work started in pre-Covid period. The construction work has resumed post restrictions were lifted.
- Received the Green Airports Recognition 2020 – Platinum trophy from ACI for the best water management at RGIA

Cebu Airport

- Traffic declined by 20% YoY to 2.4 Mn in Q1FY21 from 3.1 Mn in Q1FY20
- Revenue fell by 7% YoY to INR 111 Cr in Q1FY21 from INR 120 Cr in Q1FY20
- Cash Profit at INR 15 Cr in Q1FY21 vs INR 47 Cr in Q1FY20

Energy Sector

Kamalanga Power Project

- PLF including alternate power at 58.0% in Q1FY21 as against 76.0% in Q1FY20
- Revenue at INR 420 Cr in Q1FY21 vs INR 554 Cr in Q1FY20
- Generated Cash Profit of INR 37 Cr in Q1FY21 as against INR 44 Cr in Q1FY20

Warora Power Project

- PLF including alternate power at 48.7% in Q1FY21 as against 87.5% in Q1FY20
- Revenue at INR 358 Cr in Q1FY21 as against INR 473 Cr in Q1FY20
- Generated Cash Profit of INR 71 Cr in Q1FY21 as against INR 38 Cr in Q1FY20

Indonesia Coal Mine (PT GEMS)

- Sales volume grew by 21% YoY to 8.9 Mn tons in Q1FY21 from 7.4 Mn tons in Q1FY20
- Revenue at INR 2,314 Cr in Q1FY21 vs INR 1,898 Cr in Q1FY20
- EBITDA at INR 377 Cr in Q1FY21 vs INR 253 Cr in Q1FY20
- PAT at INR 247 Cr in Q1FY21 vs INR 154 Cr in Q1FY20

Highways

Hyderabad - Vijaywada

- Traffic declined by 46% YoY to 5.2 Mn in Q1FY21 from 9.6 Mn in Q1FY20
- Revenue fell by 49% YoY to INR 26 Cr in Q1FY21 from INR 50 Cr in Q1FY20
- EBITDA at INR 19 Cr in Q1FY21 vs INR 43 Cr in Q1FY20

Ambala - Chandigarh

- Traffic declined by 61% YoY to 1.7 Mn in Q1FY21 from 4.4 Mn in Q1FY20
- Revenue fell by 57% YoY to INR 6 Cr in Q1FY21 from INR 15 Cr in Q1FY20

- EBITDA at INR 2 Cr in Q1FY21 vs INR 10 Cr in Q1FY20

Chennai ORR

- Revenue fell by 9% YoY to INR 23 Cr in Q1FY21 from INR 26 Cr in Q1FY20
- EBITDA at INR 18 Cr in Q1FY21 vs INR 19 Cr in Q1FY20

Pochanpalli Expressways

- Revenue fell by 4% YoY to INR 14 Cr in Q1FY21 from INR 15 Cr in Q1FY20
- EBITDA remained flat YoY at INR 9 Cr in Q1FY21

Consolidated Financial Highlights

[INR Cr]

Particulars	Quarter ended		
	Q1 Jun'20	Q4 Mar'20	Q1 Jun'19
Gross Revenue	1,134	2,349	1,992
Net Revenue	957	1,813	1,505
EBITDA	(19)	655	599
PBT (Before excep. items & share of JVs)	(973)	(485)	(260)
Share of Profit / (loss) from JVs / associates	(12)	(132)	(19)
Exceptional Item	-	(681)	-
PBT	(985)	(1,298)	(279)
Profit After Tax (from continuing operations)	(834)	(1,127)	(335)

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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