



TERMINAL 3 टर्मिनल 3



GMR INFRASTRUCTURE LTD

Financial Presentation

for the year ended Mar 31, 2017

Particulars	Pg. No.
❖ Consolidated Financial Performance	2
❖ Airports Sector	7
❖ Energy Sector	17
❖ Highways Sector	22
❖ Balance Sheet Analysis	25

Disclaimer:

Totals in some columns / rows may not agree due to rounding off.



Consolidated Financial Performance

Checklist of Companies – Ind AS Consolidation

Segment	Companies	In Profit & Loss Statement	In Balance Sheet
Airports	Delhi Airport	Yes	Yes
	Hyderabad Airport	Yes	Yes
	Mactan – Cebu Airport	No	No
	Goa Airport	Yes	Yes
	DIAL JVs	No	No
	GHIAL JVs	No	No
	GMR Airports Ltd	Yes	Yes
Energy	GMR Energy Ltd (Standalone)	Yes; till 4 th Nov 2016	No
	Projects under GMR Energy Ltd post Tenaga investment - Warora, Vemagiri, Solar, Hydro projects	Yes; till 4 th Nov 2016	No
	Kamalanga	No	No
	Chhattisgarh	Yes; till 23 rd Feb 2017	No
	Rajahmundry	Yes; till 12 th May 2016	No
	Indonesian Coal Mines	Yes; till 4 th Nov 2016	No
Highways	GMR Highways Ltd	Yes	Yes
	All road projects	Yes	Yes

- ❖ Financial results are presented under the newly adopted Ind AS standards
- ❖ Significant reduction in Debt leading to improvement in leverage & coverage ratios
 - Gross Debt reduces from Rs 375 bn in FY16 to Rs 198 bn in FY17
 - Net Debt reduces from Rs 318 bn in FY16 to Rs 145 bn in FY17
 - Net Debt to Equity improves from 5.1x in FY16 to 1.5x in FY17
 - Net Debt to EBITDA improves from 10.3x in FY16 to 4.2x in FY17
- ❖ EBITDA increased from Rs 31 bn to Rs 35 bn, growth of 12% YoY
- ❖ Raised USD 300mn from Tenaga Nasional Berhad for a 30% stake in GMR Energy Ltd
- ❖ For the first time, Delhi Airport (6.5%) and Hyderabad Airport (25%) proposed dividends
- ❖ Strategic Debt Restructuring (SDR) Scheme adopted for Chhattisgarh & Rajahmundry power projects
 - Debt reduction of Rs 44 bn due to conversion of debt to equity to the lenders
 - These companies now being classified as 'Associate Company', debt of Rs 82 bn is not consolidated in GIL
- ❖ Divestments over last 12-15 months - Release of equity (Rs 7.4 bn) and Reduction of debt (Rs 16.7 bn)
 - Transmission assets divested to Adani Transmission Ltd
 - Divestment of 51% stake in Hungund-Hospet and remaining 26% stake in Jadcherla & Ulurdurpet project
 - Signed share purchase agreement for divestment of PT BSL coal mine in Indonesia

Profitability Statement (Consolidated)



	Rs mn		
	FY2017	FY2016	FY2016
	Ind AS	Ind AS	IGAAP
Gross Revenue	109,993	106,814	133,577
Less: Revenue Share	27,629	24,123	24,123
Net Revenue	82,363	82,691	109,454
Total Expenditure	47,843	51,915	66,813
EBITDA	34,520	30,776	42,641
<i>EBITDA margin</i>	42%	37%	39%
Other Income	6,326	5,525	4,349
Interest & Finance Charges	39,115	41,359	40,577
Depreciation	15,435	18,204	22,662
PBT before exceptional items	(13,704)	(23,261)	(16,249)
Exceptional Income/(Expense)	21,229	(1,498)	(1,498)
PBT	7,525	(24,759)	(17,747)
Tax	7,437	1,884	2,242
Profit after Tax (PAT)	88	(26,644)	(19,989)
Less: Minority Interest	2,103	(368)	1,621
Add: Share in Profit / (Loss) of JVs / Associates	(3,731)	(849)	
PAT (After Minority Interest & share in JVS/Associates)	(5,746)	(27,125)	(21,610)
Other Comprehensive Income (OCI)	223	(1,173)	n.a.
Total Income (Including Comprehensive Income)	(5,523)	(28,298)	(21,610)

Variation in Financials (IGAAP vs Ind AS)

- Deconsolidation of the following
 - GMR Energy & its subsidiaries
 - Airport JVs
 - Cebu Airport, Philippines
- Accounting treatment for
 - Refundable Security Deposit
 - Advance Development Charges
 - Service Concession Agreement (Highways)
 - Useful Life of Energy Assets

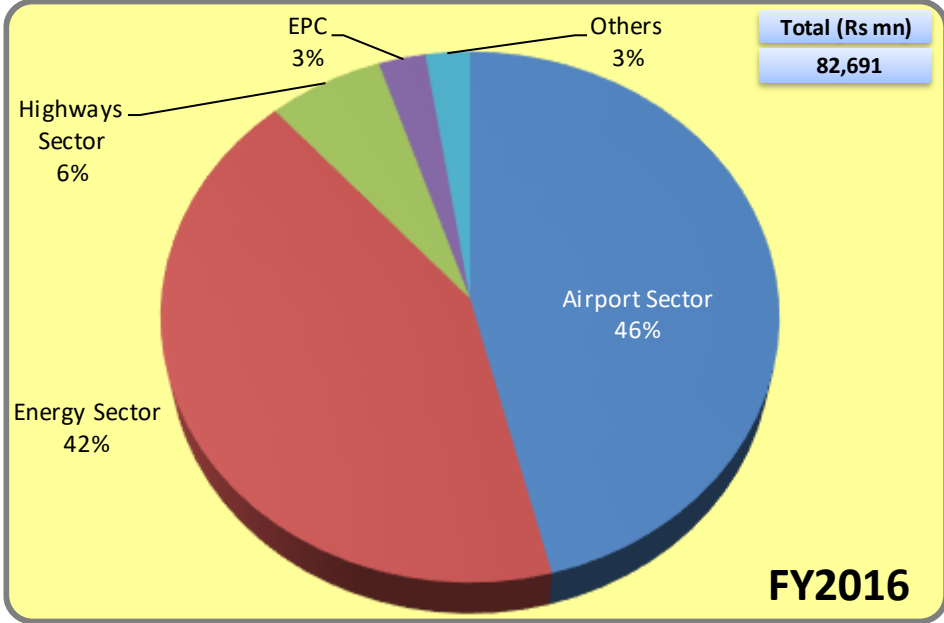
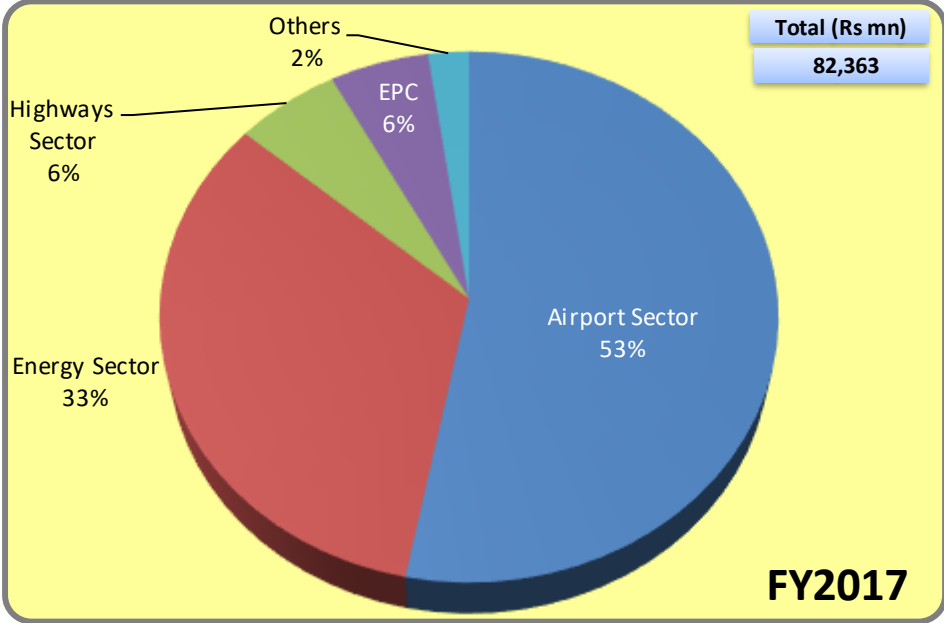
Variation in Financials (FY17 vs FY16)

- Increase in Tax Expenses
 - Deferred tax liability increased due to reduction in carried forward losses & unabsorbed depreciation

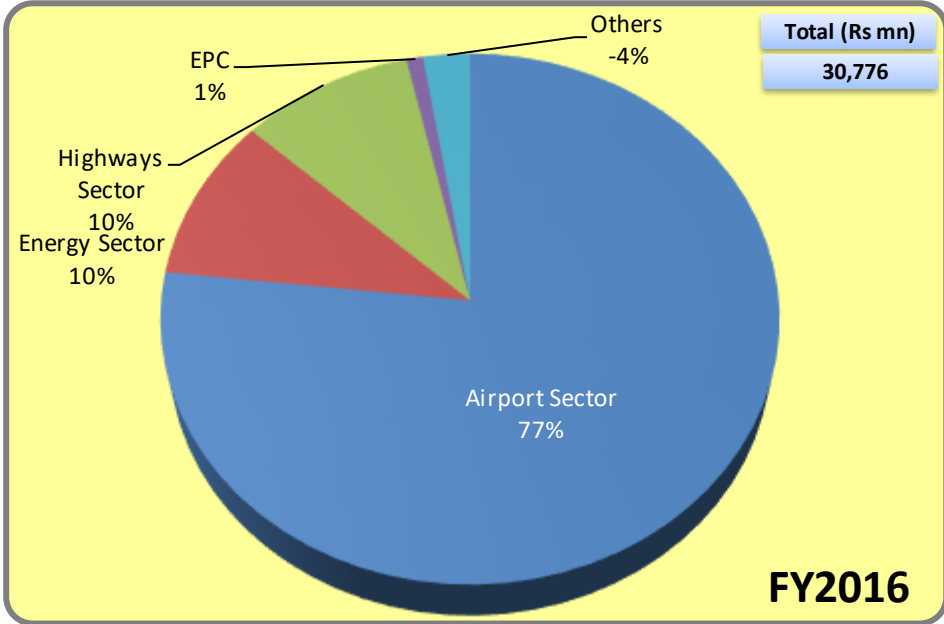
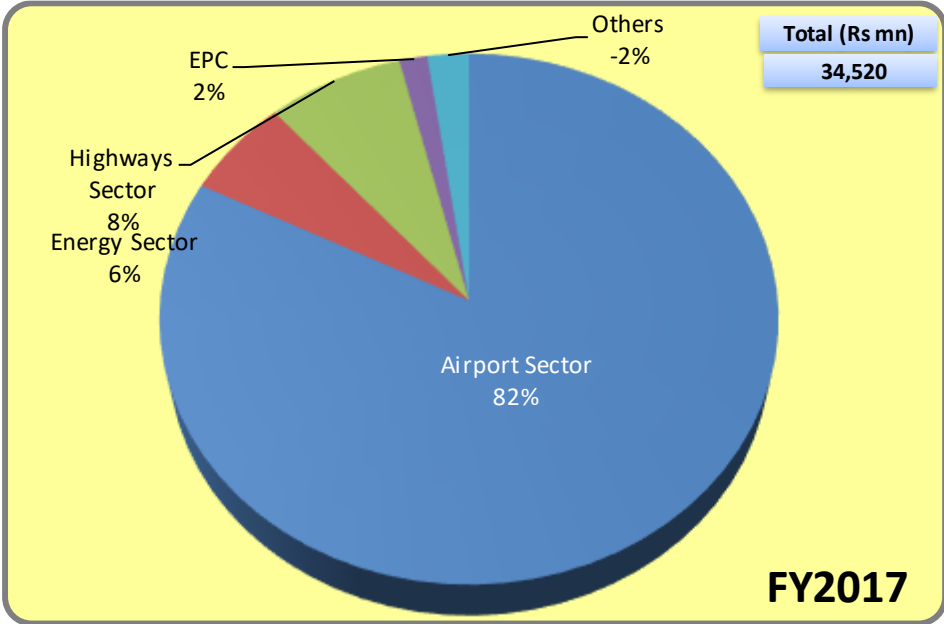
Key Indicators



Net Revenue



EBITDA





Airports Sector

Delhi Airport (DIAL)

- ❖ For the first time, DIAL proposed a dividend of 6.5%
- ❖ Gross revenues - Rs 56.2 bn, growth of 9% YoY; EBITDA margins improved by 500bps YoY to 68%
- ❖ Passenger traffic - 57.7mn; growth of 19% YoY
- ❖ Issued USD 523mn to refinance the existing INR debt; DIAL is the only infra project to be entirely funded by USD bond

Hyderabad Airport (GHIAL)

- ❖ For the first time, GHIAL proposed a dividend of 25%
- ❖ Gross revenues - Rs 11.1 bn, growth of 79% YoY; EBITDA – Rs 8 bn, growth of 120% YoY
- ❖ Passenger traffic - 15.2mn; growth of 22% YoY
- ❖ Regained World no. 1 ASQ ranking in 5-15 mn passenger category; also ranked no. 13 on a global level

Mopa Airport, Goa

- ❖ Won Mopa Airport in North Goa; Concession period of 40 years extendable by 20 years
- ❖ Estimated capex of ~Rs 19 bn with a capacity of 7.7mn passengers in Phase 1
- ❖ Land of 232 acres available for commercial development

Cebu Airport, Philippines

- ❖ Passenger traffic - 8.9 mn, growth of 12% YoY
- ❖ Revenues and EBITDA improved 26% YoY and 34% YoY during the year
- ❖ Construction of the new terminal is on-stream to be commission by Jun'18

Male Airport

- ❖ International Arbitration panel announced its final decision in Oct'16, awarding a claim of US\$ 271mn to GMR
- ❖ Compensation covers (a) Debt including carrying cost, (b) Equity invested plus return of 17% p.a. (c) Termination payments and (d) Legal costs

	Rs mn		
	FY2017	FY2016	FY2016
	Ind AS	Ind AS	IGAAP
Aero Revenue	46,379	36,951	37,492
Non Aero Revenue	21,975	22,695	27,068
CPD Rentals	1,828	1,709	1,001
Gross Revenue	70,182	61,859	65,561
Less: Revenue Share	26,464	23,804	23,299
Net Revenue	43,717	38,055	42,262
Operating Expenditure	13,891	13,140	18,389
EBITDA	29,827	24,915	23,873
EBITDA margin	68%	65%	56%
Other Income	3,040	2,805	2,325
Interest & Finance Charges	10,130	9,533	9,302
Depreciation	8,987	9,633	9,291
Exceptional Income/(Expense)	2,168	-	-
PBT	15,917	8,554	7,605
Tax	7,226	1,515	2,251
Profit after Tax (PAT)	8,690	7,039	5,353

Variation in Financials (IGAAP vs Ind AS)

- Deconsolidation of the following
 - DIAL – All JVs
 - GHIAL – Advertising & Cargo JVs
 - Cebu Airport, Philippines
- Accounting treatment for
 - Refundable Security Deposit
 - Advance Development Charges

Variation in Financials (FY17 vs FY16)

- Increase in Tax Expenses
 - Deferred tax liability increased due to reduction in carried forward losses & unabsorbed depreciation

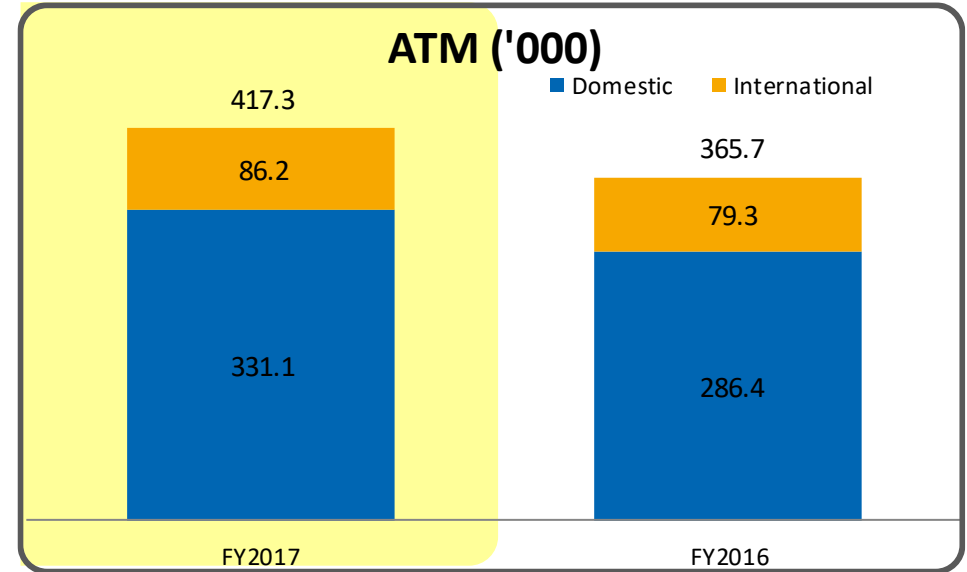
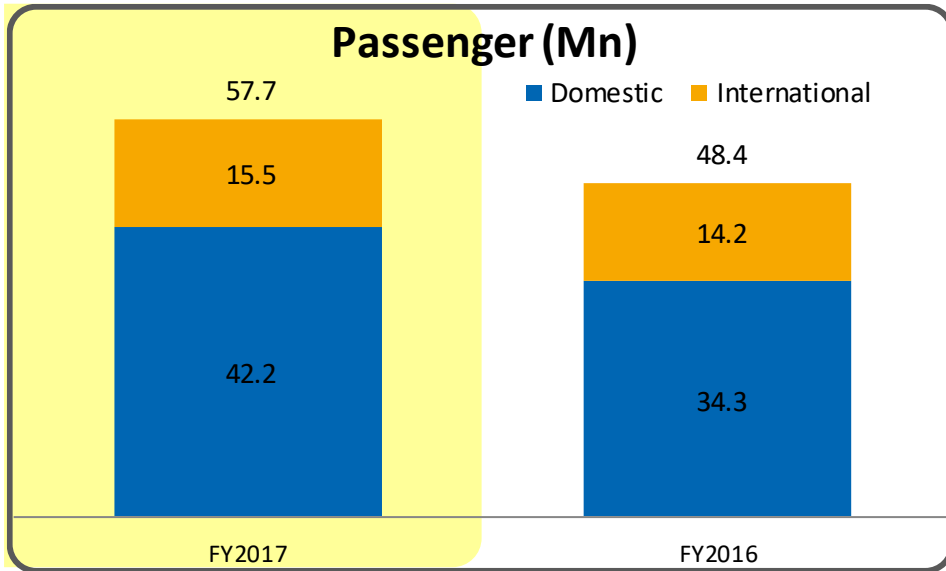
Delhi Airport : Financial Performance (Standalone)



Rs mn			
Particulars	FY2017	FY2016	FY2016
	Ind AS	Ind AS	IGAAP
Aero Revenue	39,315	34,076	34,076
Non Aero Revenue	15,285	15,795	13,573
CPD Rentals	1,642	1,649	941
Gross Revenue	56,242	51,520	48,590
Less: Revenue Share	26,348	23,042	23,042
Net Revenue	29,894	28,479	25,548
Operating Expenditure	9,638	10,485	8,255
EBITDA	20,256	17,993	17,293
<i>EBITDA margin</i>	68%	63%	68%
Other Income	3,070	1,614	1,570
Interest & Finance Charges	5,273	6,322	5,712
Depreciation	6,380	7,036	6,470
Exceptional Income/(Expense) *	(408)	-	-
PBT	11,265	6,249	6,681
Tax	5,405	1,207	1,593
Profit after Tax (PAT)	5,860	5,043	5,089
Other Comprehensive Income (OCI)	(176)	1	-
Total Income (Including OCI)	5,684	5,044	5,089

- **Non-Aero revenue** - Adjusting for one time income of Rs 2.2 bn in FY16 due to Ind AS adoption, revenues grew 9% YoY
- **CPD revenue increased in FY16 (Ind AS)**
 - Construction income - Rs 450 mn
 - Discounting of Security Deposit – Rs 258 mn
- **Total Expenditure in FY16 (Ind AS) is higher due to**
 - Unrealised exchange loss - Rs 1,380 mn
 - Construction expenses – Rs 450mn
- **Interest expenses**
 - FY16 (Ind AS) is higher compared to FY16 (IGAAP) due to notional interest on Security Deposit - Rs 450mn
 - FY16 (Ind AS) is higher compared to FY17 (Ind AS) due to One-time expense on DF loans - Rs 640 mn
- **Tax expenses increased in FY17**
 - Deferred tax liability increased due to reduction in carried forward losses & unabsorbed depreciation

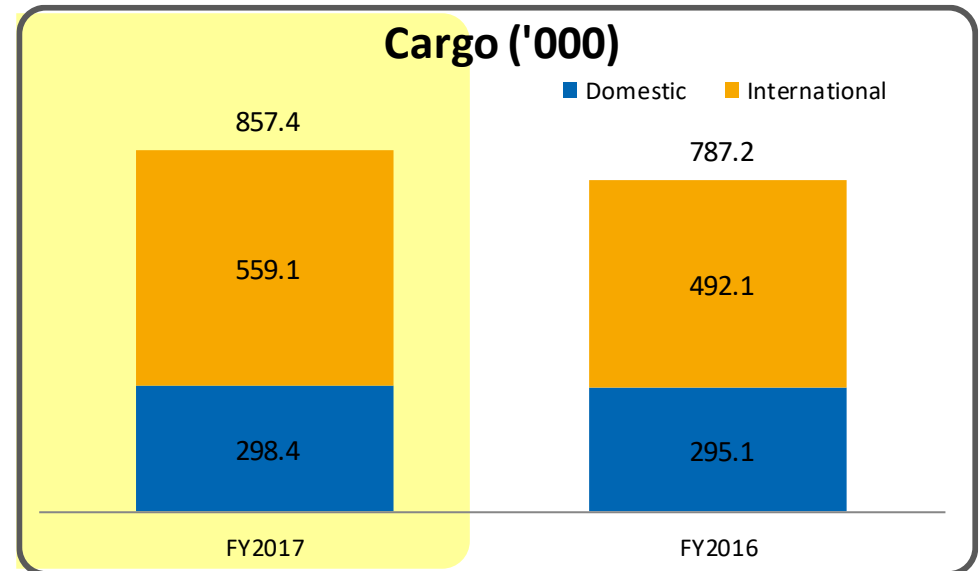
* Refinancing cost for RTL loans and ECB borrowing



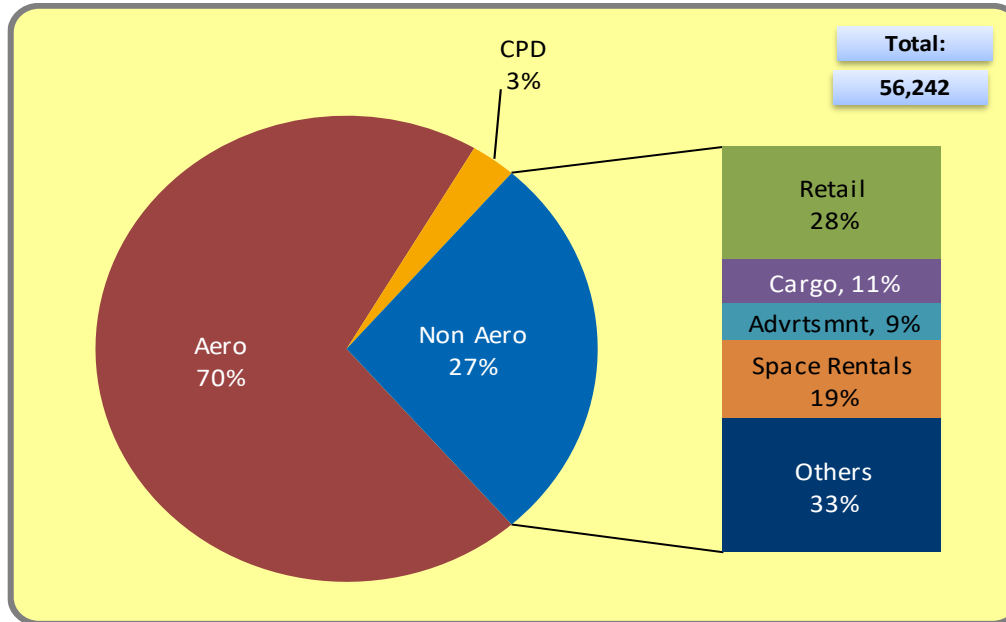
Passenger traffic grew 19% YoY

ATMs grew 14% YoY

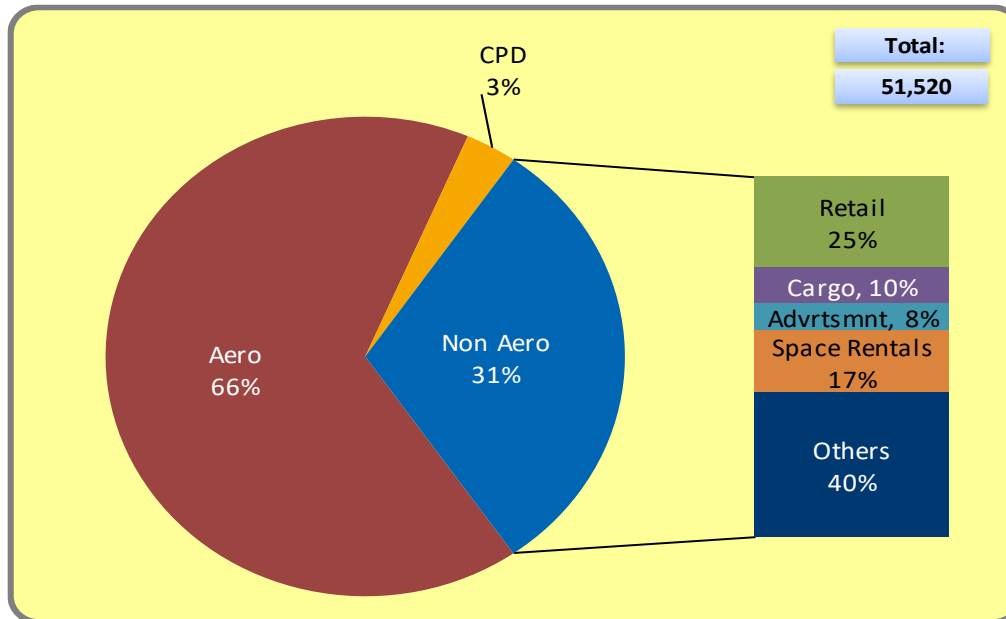
Cargo volume grew 9% YoY



FY2017



FY2016



Aero Revenues

- Grew 15% YoY led by passenger growth of 19% YoY

Non-Aero Revenues

- **Retail** : Revenues increased by 8% to Rs 4,286 mn
 - Duty Free revenues in overall Retail is 78%
 - SPP (duty free business) stood at USD 9.6/pax
- **Cargo** : Revenues stood at Rs 1.6 bn
 - Cargo volumes – 0.86 mn tons, growth of 9% YoY
- **Advertisement** : Revenues increased 18% YoY to Rs 1.4 bn
 - Occupancy improved from 71% to 74%

CPD

- Revenues stood at Rs 1,642 mn
 - Lease rentals (Phase 1) – Rs 952 mn
 - Construction income – Rs 450 mn
 - Discounting of Security Deposit – Rs 258 mn

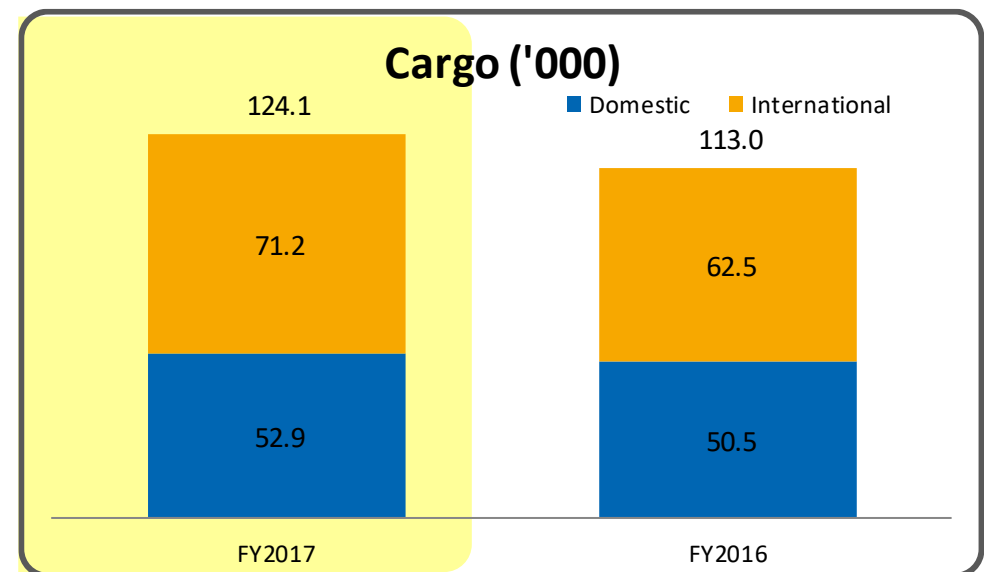
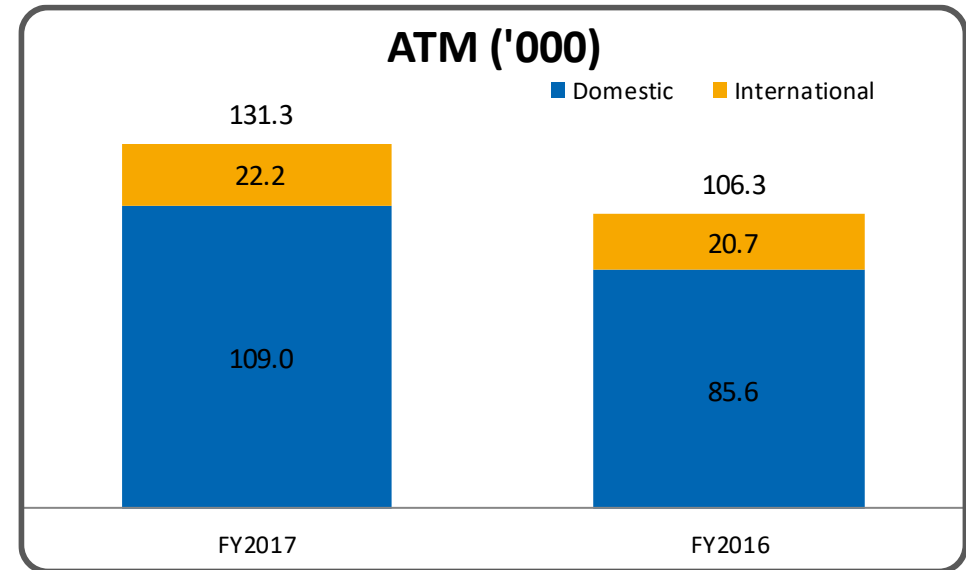
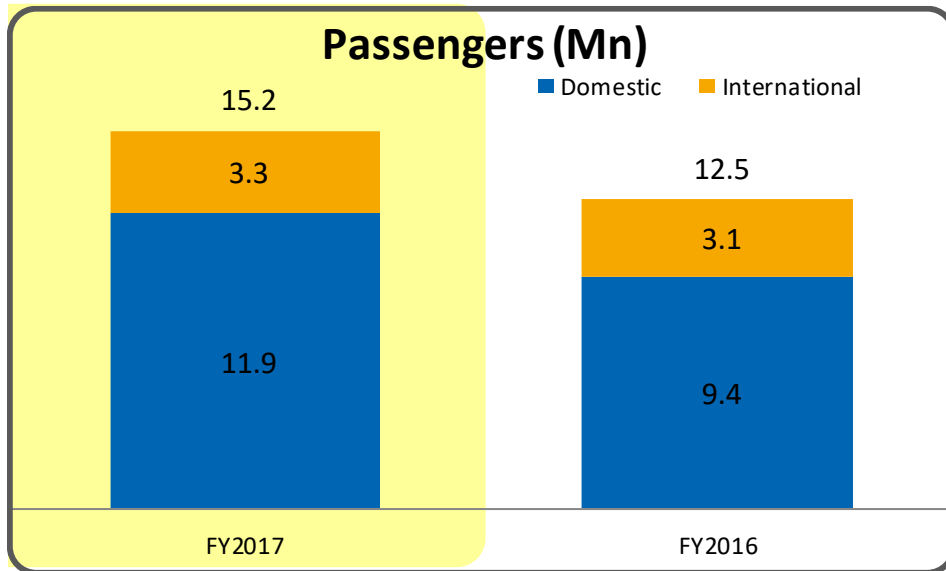
Hyderabad Airport : Financial Performance (Standalone)



	Rs mn		
	FY2017	FY2016	FY2016
	Ind AS	Ind AS	IGAAP
Aero Revenue	7,083	2,876	2,876
Non Aero Revenue	3,971	3,289	3,279
Gross Revenue	11,054	6,165	6,155
Less: Revenue Share	462	258	258
Net Revenue	10,592	5,907	5,897
Operating Expenditure	2,570	2,269	2,247
EBITDA	8,022	3,638	3,650
<i>EBITDA margin</i>	76%	62%	62%
Other Income	1,027	420	301
Interest & Finance Charges	2,011	1,908	1,882
Depreciation	2,038	2,058	2,058
Exceptional Income/(Expense) *	858	(4)	-
PBT	5,857	88	12
Tax	1,510	26	(391)
Profit after Tax (PAT)	4,348	62	403
Other Comprehensive Income (OCI)	(5)	-	-
Total Income (Including OCI)	4,343	62	403

- No major changes in **Aero & Non-Aero** revenues due to Ind AS adoption
- **Aero revenues improved 146% YoY**
 - UDF collection restored from 05 Nov 2015
- **Other income increased 145% YoY**
 - Gain on fair valuation of IRS - Rs 347 mn
 - Profit on sale of current investments - Rs 189 mn
- **Interest expense in FY17 is higher mainly due to**
 - One-time fee for refinancing - Rs 88 mn
- **Tax expenses increased in FY17**
 - Deferred tax liability increased due to reduction in carried forward losses & unabsorbed depreciation

* Provision for impairment of investments in subsidiary written back

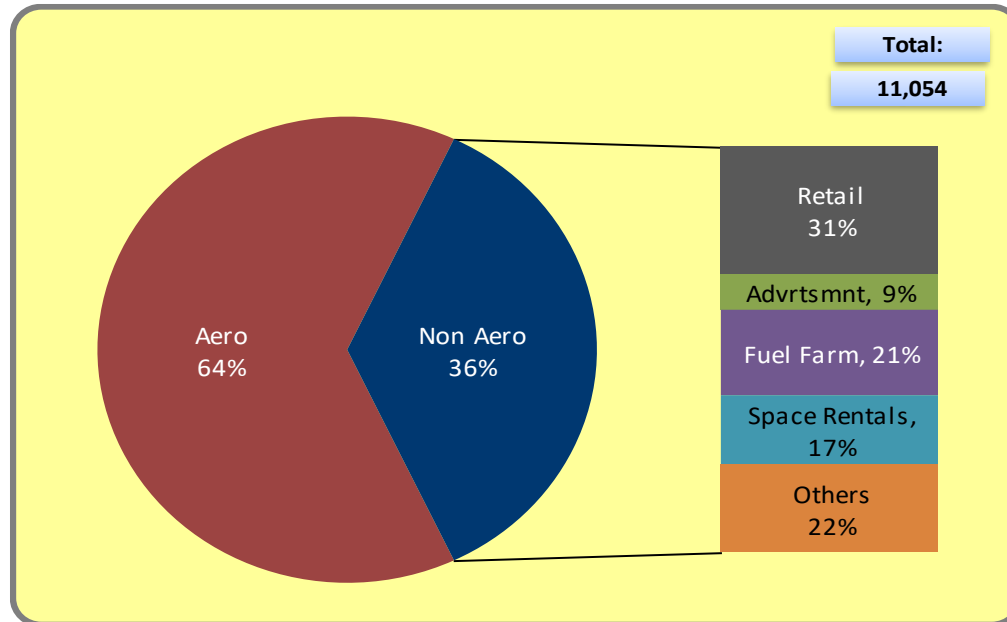


Passenger traffic grew 22% YoY

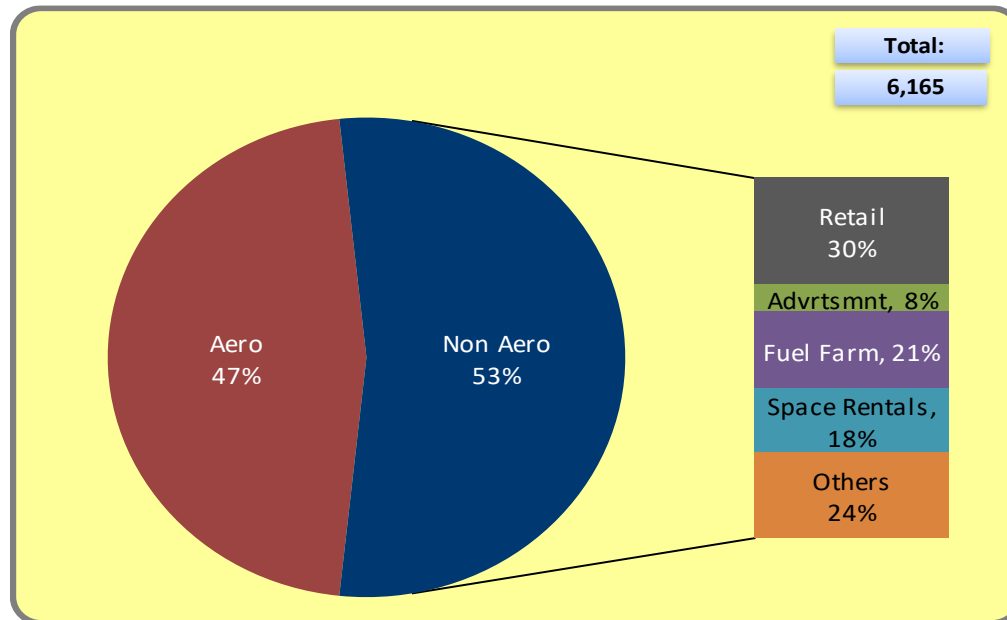
ATMs grew 23% YoY

Cargo volume grew 10% YoY

FY2017



FY2016



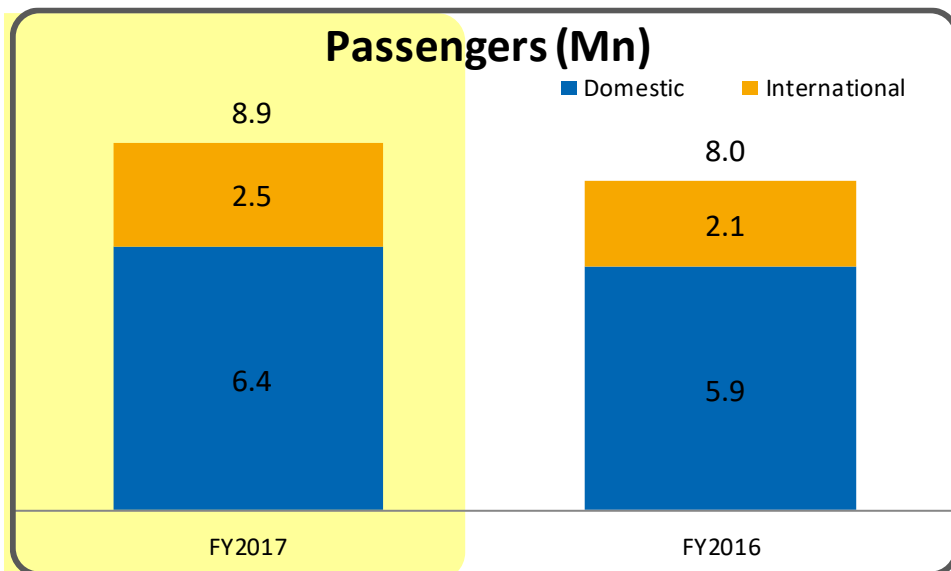
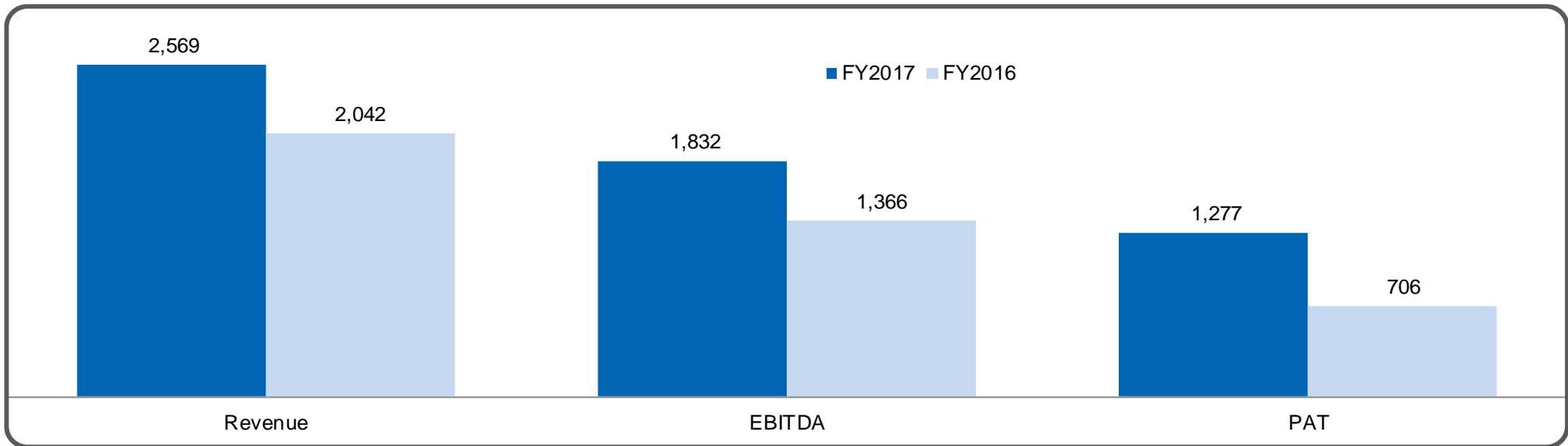
Aero revenues

- **Grew 146% YoY to Rs 7.1 bn**
 - Led by passenger growth of 22% YoY
 - Restoration of UDF from Nov'15

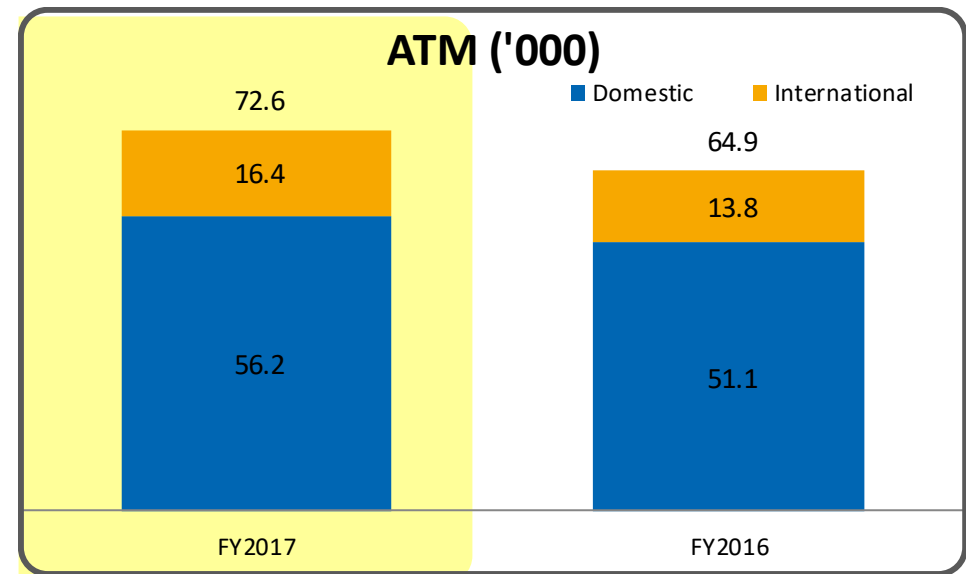
Non-Aero revenues

- **Grew 21% YoY to Rs 4.0 bn**
- **Retail** : Revenues increased by 27% YoY to Rs 1,238mn
 - Duty Free revenues in overall Retail is 25%
 - SPP (duty free business) at USD 4.8/pax vs USD 4.0/pax in FY16
- **Fuel Farm** : Revenues increased 20% YoY to Rs 833 mn
 - ATMs grew 23%
- **Advertisement** : Revenues increased by 40% YoY to Rs 356 mn
 - Occupancy improved from 78% to 81%
 - New clients in Telecom, Banking & Automobile sectors

(Rs mn)



Passenger traffic grew 12% YoY



ATMs grew 12% YoY

Note: Financials are at 100% level



Energy Sector

- ❖ **Tenaga Nasional Berhad invests USD 300mn for a 30% equity stake in GMR Energy Ltd**
 - Induction of a strong strategic partner to provide renewed impetus to Energy business
 - Investment to result in strengthening of balance sheet through reduction of corporate debt

- ❖ **Warora power project (600 MW) turns profitable for the first time – PAT of Rs 1.4 bn**

- ❖ **Strategic Debt Restructuring (SDR) scheme adopted for Chhattisgarh & Rajahmundry power projects**
 - **Chhattisgarh (Coal - 1,370 MW)** : Converted INR 29.9 bn of debt to equity, consortium lenders hold 52% stake
 - **Rajahmundry (Gas - 768 MW)** : Converted INR 14.1 bn of debt to equity, consortium lenders hold 55% stake

- ❖ **GEL and TNB REMACO has setup JV (50:50) in India for O&M of power plants**
 - JV plans to setup a refurbishment/ maintenance facility in India

- ❖ **Divestment of non-core Assets**
 - Sold 74% in Maru project and 49% in Aravali project to Adani Transmission Limited (ATL) for Rs 1.0 bn
 - Signed Share Purchase Agreement for 100% divestment of PT BSL (Indonesian coal mine) for ~USD 66mn

	Rs mn		
	FY2017	FY2016	FY2016
	Ind AS	Ind AS	IGAAP
Gross Revenue	27,371	35,066	55,226
Operating Expenditure	25,176	31,813	43,620
EBITDA	2,195	3,253	11,606
<i>EBITDA margin</i>	8%	9%	21%
Other Income	2,229	2,170	1,242
Interest & Fin Charges	22,909	23,978	24,986
Depreciation	5,269	7,363	10,608
Exceptional Income/(Expense)	29,718	(1,129)	(1,129)
PBT	5,965	(27,046)	(23,875)
Taxes	27	99	(315)
Profit after Tax (PAT)	5,938	(27,146)	(23,560)

Variation in Financials (IGAAP vs Ind AS)

- Deconsolidation of the following
 - GMR Energy Ltd & its subsidiaries
 - GMR Chhattisgarh
 - GMR Rajahmundry
 - PT GEMS (Indonesian Coal Mine)

Variation in Financials (FY17 vs FY16)

- Revenues & Expenditure reduced as GMR Energy & its subsidiaries was consolidated till 4 Nov'16
- Depreciation has reduced due to change in the assumption of useful life of the asset

Warora & Kamalanga : Financial Analysis



Rs mn						
Particulars	GMR Warora Energy Ltd			GMR Kamalanga Energy Ltd		
	FY12017 Ind As	FY2016 Ind As	FY2016 IGAAP	FY12017 Ind As	FY2016 Ind As	FY2016 IGAAP
Total Revenue	16,766	13,677	13,826	19,155	19,598	19,608
Fuel - Consumption	7,170	7,833	7,833	9,019	9,830	9,830
Other Expenses	2,423	1,835	1,984	3,769	2,659	2,743
EBITDA	7,173	4,008	4,009	6,368	7,110	7,035
<i>EBITDA margin</i>	<i>43%</i>	<i>29%</i>	<i>29%</i>	<i>33%</i>	<i>36%</i>	<i>36%</i>
Other Income	400	162	159	556	328	79
Interest & Finance Charges	4,929	4,703	4,612	6,942	6,539	6,750
Depreciation	1,213	1,663	1,651	2,991	3,279	3,061
Exceptional Income/(Expense)	-	514	514	-	-	-
PBT	1,431	(1,682)	(1,580)	(3,009)	(2,381)	(2,697)
Taxes	1	970	-	(28)	(139)	-
PAT	1,430	(2,653)	(1,580)	(2,981)	(2,242)	(2,697)
Other Comprehensive Income (OCI)	(3)	(0)	n.a	(3)	(0)	n.a
Total Income (Including OCI)	1,427	(2,653)	n.a.	(2,984)	(2,242)	n.a.
Plant Load Factor (PLF)	70.5%	75.9%		64.5%	67.5%	

	Rs mn	
Particulars	FY2017	FY2016
Production (mn tons)	9.5	8.7
Sales Volumes (mn tons)	11.0	9.5
Gross Revenue	26,031	22,957
Total Expenditure	20,597	20,627
EBITDA	5,434	2,330
<i>EBITDA margin</i>	<i>21%</i>	<i>10%</i>
Interest & Finance Charges	652	416
Depreciation	1,445	1,751
PBT	3,336	163
Taxes	967	27
PAT	2,369	136

Note: Financials are at 100% level

- **Realisation was at USD 35 / ton, down 6.2% YoY**
 - Realization was lower due to lag in pricing increase
 - Benefit of higher pricing is getting realized from the last six months onwards
- **EBITDA improved 133% to Rs 5.4 bn**
 - EBITDA/ton increased from USD 3.8 to USD 7.3



Highways Sector

- ❖ **Signed a Share Purchase Agreement to divest entire 51% equity stake in the Hungund Hospet road project**
 - 15% stake has been transferred to JV partner; balance stake to be transferred post receiving all approvals
 - Divestment has reduced Rs 10.8 bn of debt and would create Rs 850mn of liquidity

- ❖ **Divested remaining 26% equity stake in GMR Ulundurpet and GMR Jadcherla projects during FY17**
 - Stake transferred post receipt of all approvals
 - Divestment created a liquidity of ~Rs 1,045mn

- ❖ **Toll suspension for 23 days post ‘Demonetization’ resulted in toll revenues reducing by Rs 130 mn**

Performance of Toll Projects

Particulars	Revenues (Rs mn)			Traffic PCU (mn)		
	FY2017	FY2016	YoY %	FY2017	FY2016	YoY %
Hyderabad-Vijayawada	2,261	2,338	(3.3)	33.7	32.5	3.7
Ambala-Chandigarh	415	408	1.9	14.6	13.6	7.0

	Rs mn		
	FY2017	FY2016	FY2016
	Ind AS	Ind AS	IGAAP
Gross Revenue	5,651	6,172	8,065
Less: Revenue Share	819	824	824
Net Revenue	4,832	5,349	7,242
Operating Expenses	2,063	2,190	2,137
EBITDA	2,769	3,158	5,105
<i>EBITDA margin</i>	<i>57%</i>	<i>59%</i>	<i>70%</i>
Other Income	712	432	346
Interest & Finance Charges	5,318	5,806	5,786
Depreciation	615	564	2,142
Exceptional Income/(Expense)	(6,991)	(231)	(369)
PBT	(9,443)	(3,010)	(2,847)
Taxes	163	78	79
Profit after Tax (PAT)	(9,605)	(3,089)	(2,926)

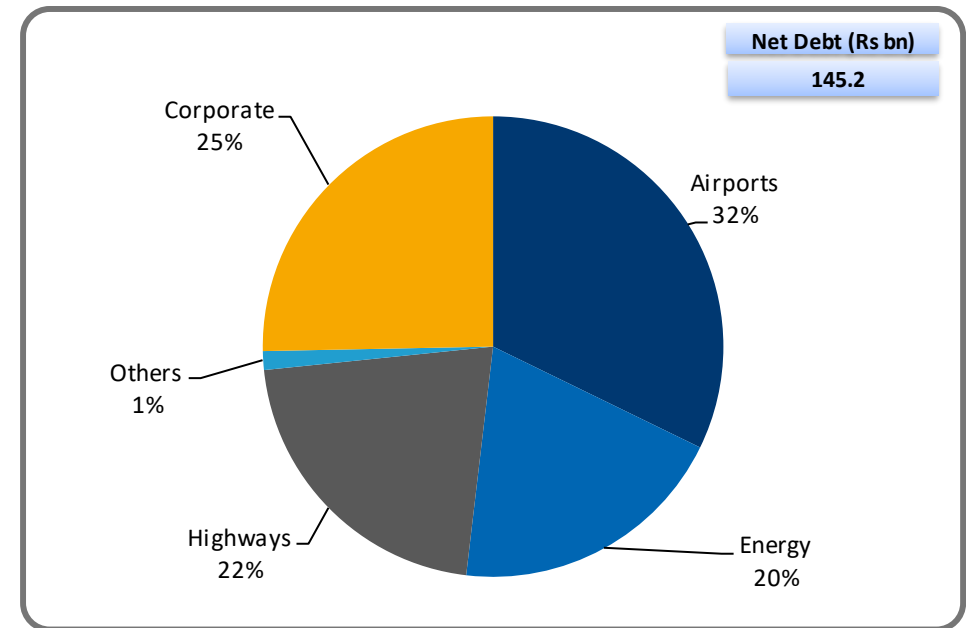
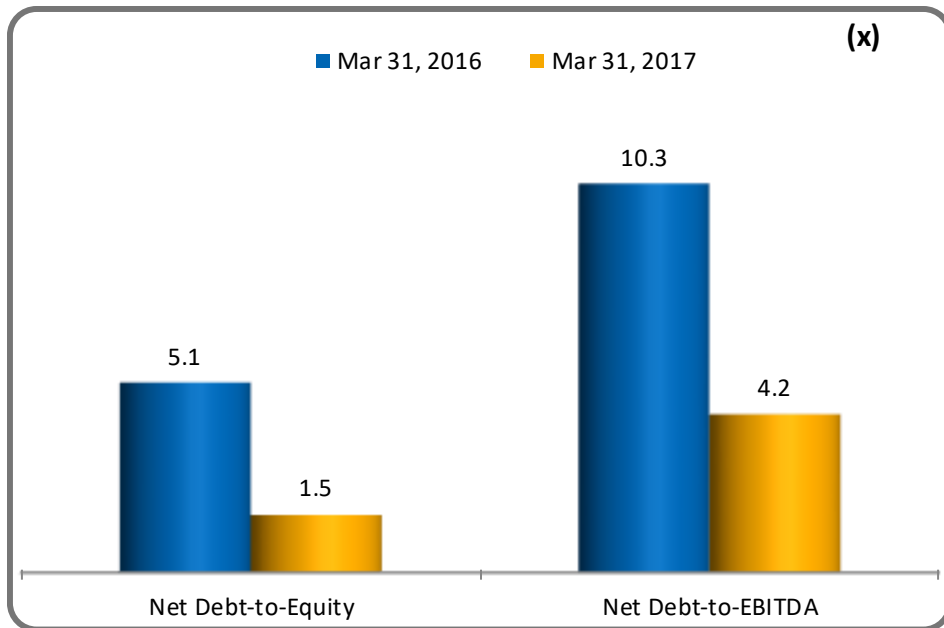
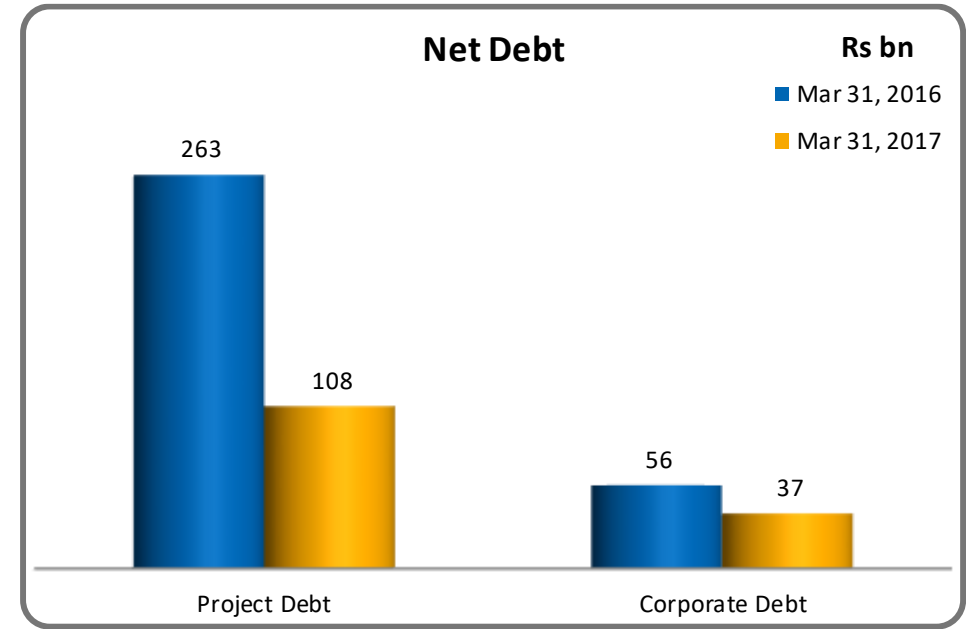
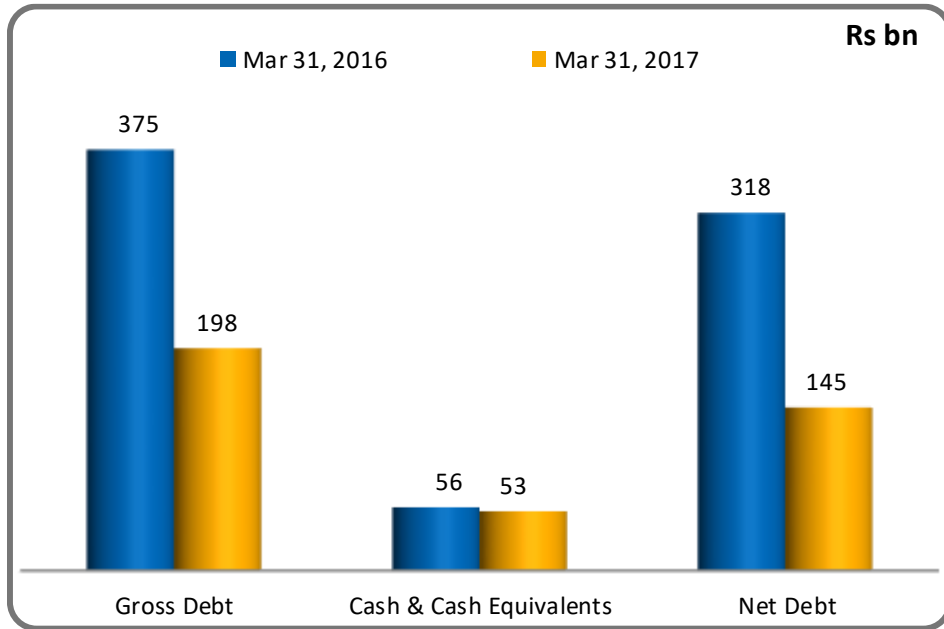
- **Impact due to adoption of Service concession Agreement**

- Annuity projects treated as Financial Assets
- Construction revenues adjusted against assets leading to lower revenues
- Toll Projects treated as intangible assets



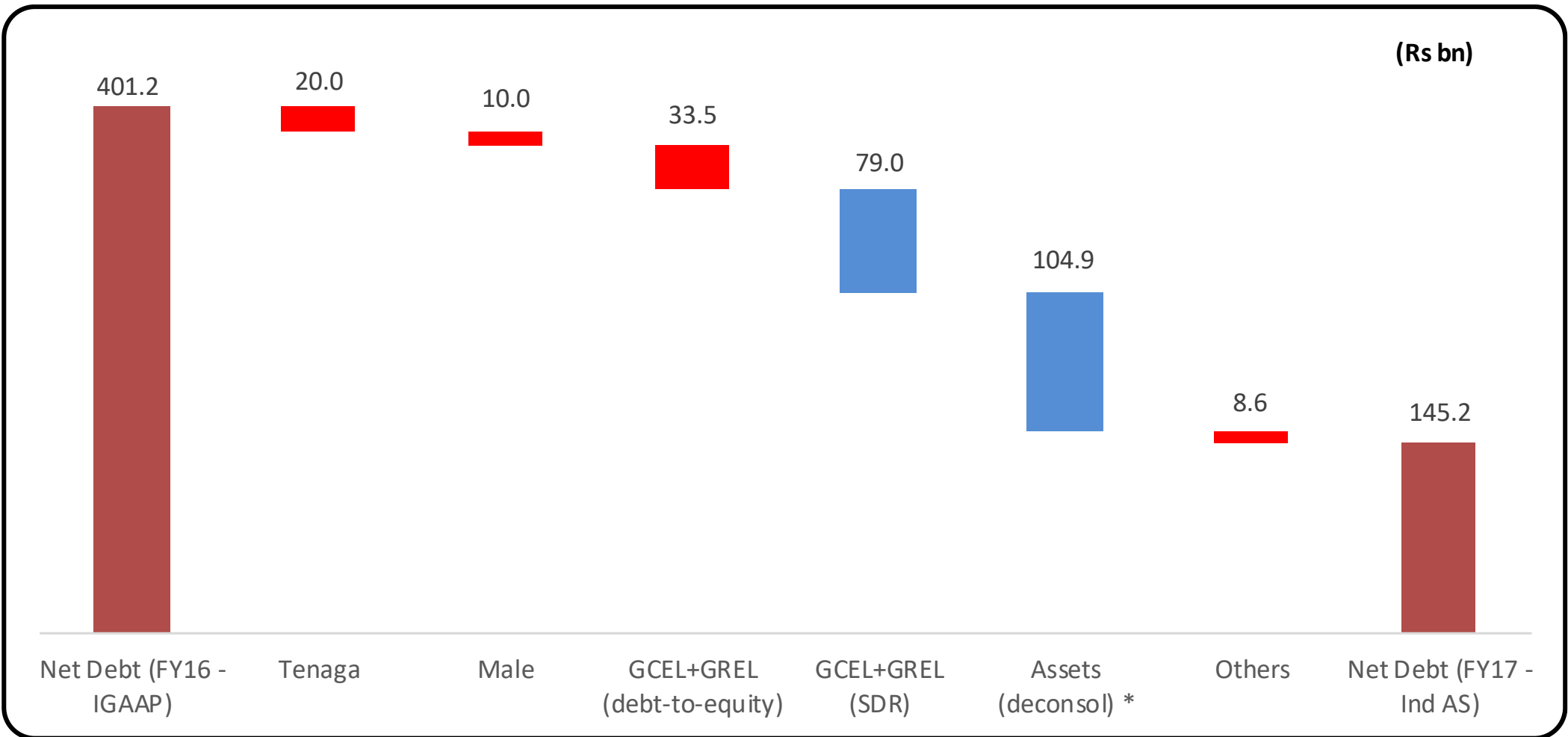
Balance Sheet Analysis

Debt Analysis



Note: FCCB being quasi-equity in nature & thus has not been included in Gross & Net Debt
: Equity includes Minority Interest & FCCB

Net Debt Reconciliation



- Debt reduction due to deconsolidation
- Actual debt reduction

* Assets (deconsol) – GMR Energy, Airport JVs and Cebu
 GEL – GMR Energy Ltd (portfolio with Tenaga), GCEL – Chhattishgarh power plant, GREL – Rajahmundry power plant
 GCEL + GREL (deconsol) – Debt not consolidated due to these projects ceasing to be Subsidiaries
 GCEL + GREL (debt-to-equity) – Debt converted to equity on account of SDR



Thank You

For further information, please visit

Website: www.gmrgroup.in or

Contact: investor.relations@gmrgroup.in