



**GMR Airports
Infrastructure Limited**
(GIL - formerly know as
GMR Infrastructure Ltd.)

**Merger of
GMR Airports Ltd with GIL**

Investor Presentation

March 2023



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Our Journey of Creating a Pure Airport Play

- Strategic Partnership with Groupe ADP in early 2020 to create a world class airport platform whereby Groupe ADP agreed to purchase 49% stake in GMR Airports Ltd (GAL)
- At the time of the transaction, Groupe ADP had pegged equity earnouts of ~8% of GAL and cash earnouts of INR 1,060 Cr to GIL
- Post the above and in line with our stated objective of unlocking value for shareholders, we successfully completed the demerger of the non-airport business of GIL into GMR Power and Urban Infra Limited (GPUIL) with effect from December 31, 2021
- This resulted in GIL becoming a pure play 2nd largest private airport operator in the world

Strategic Objective of Merger

- Earlier and full settlement of the earnouts which were adversely impacted for 2 years due to Covid conditions
- With the subscription of FCCB's by Groupe ADP, GIL will be further deleveraged by repaying corporate debt and also settling most of the contingent liabilities related to GPUIL

Significant Step towards further Strengthening of Balance Sheet to capitalize on Upcoming Growth Opportunities

Transaction

- GAL, the existing unlisted Airport Platform entity will merge with GIL, the listed company. GIL will continue as the listed public entity, post completion of the Merger
- GMR Promoters to remain as the single largest shareholders, immediately upon completion of merger¹

Settlement

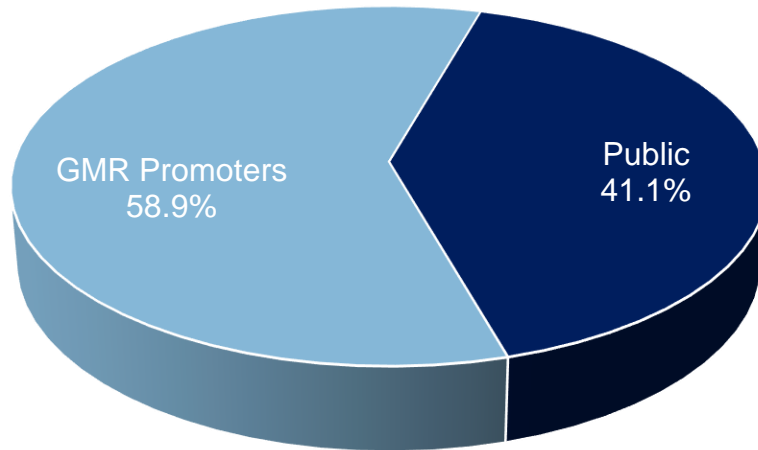
- GIL and Groupe ADP will settle the cash earnouts to GIL at INR 550 Cr and the equity earnouts whereby GIL's stake in GAL increases to 55% (pre-merger) from 51%

FCCB

- GIL will raise ~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. Conversion price is INR 43.67/-
- Coupon will be accrued till the end of the tenure

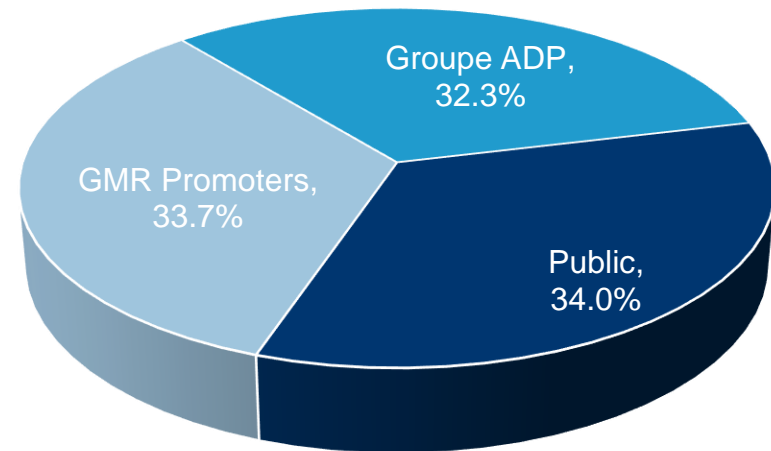
Note: 1) on % of paid-up share capital

Existing Shareholding Pattern



Shareholding Pattern Immediately Post-Merger

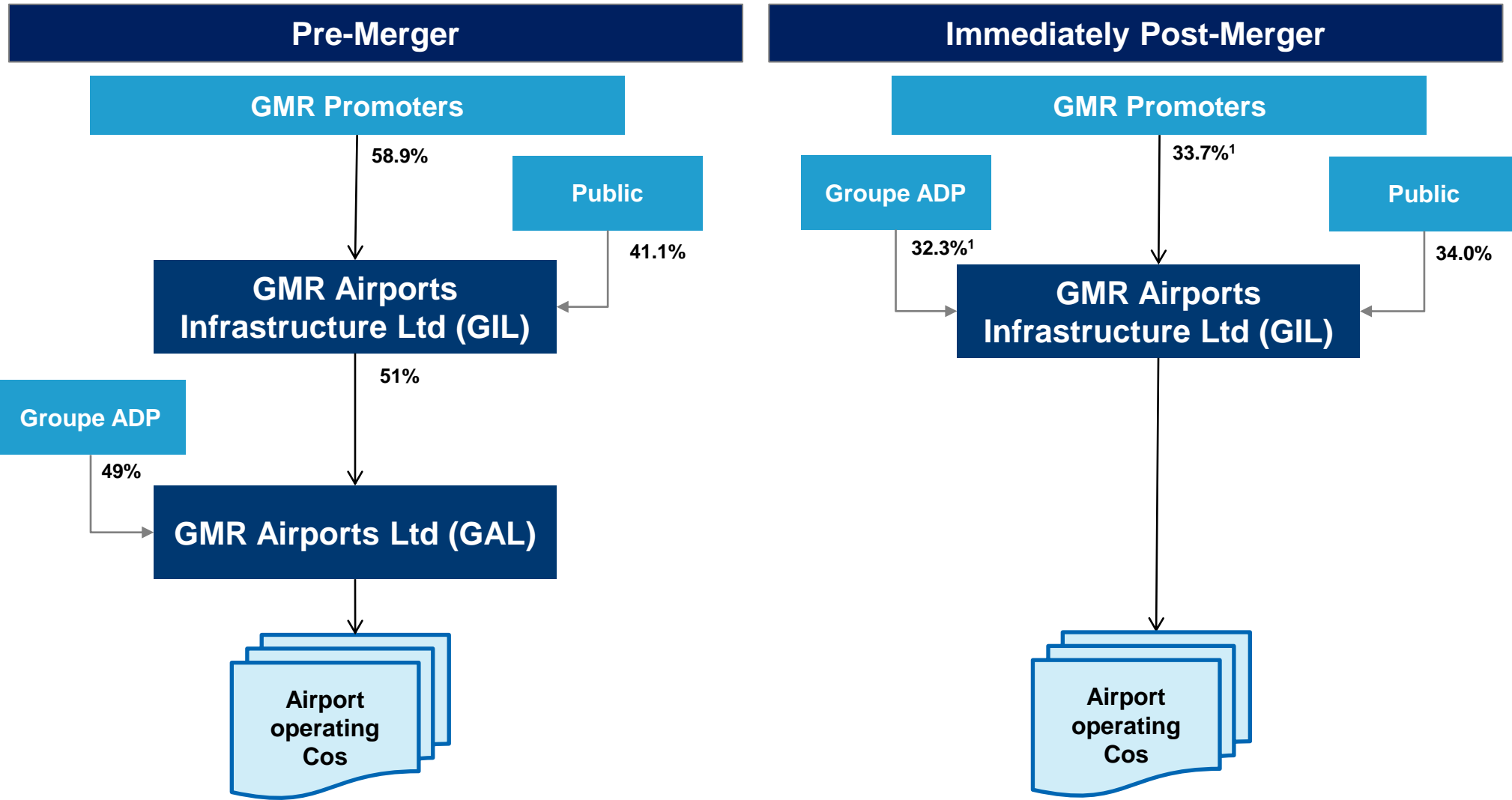
% of paid-up share capital



- GMR Promoters to remain as the **single largest shareholders**¹, immediately upon completion of the merger and will **continue to retain management control** over GIL
- As part of the merger, **Optionally Convertible Redeemable Preference Shares (OCRPS)** will be held by Groupe ADP without any voting rights
- Groupe ADP will be categorized as co-promoters of GIL and will have commensurate Board representation

Note: 1) on % of paid-up share capital

% of paid-up share capital



Minority shareholders of GIL to move closer to the Airport Assets & Cash Flows

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 Balance Sheet by repaying corporate debt and settling majority of contingent liabilities related to GPUIL¹
- ✓ Improved Balance Sheet will facilitate greater access to growth capital at lower cost

Simplified Structure

- ✓ Collapsing the corporate structure will enable minority shareholders of the listed entity to move closer to the airport assets and cash flows
- ✓ Thereby, eliminating HoldCo/Subsidiary discount usually assigned by the capital markets

Financial Efficiencies

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

- The Merger is subject to customary Closing conditions and receipt of requisite approvals from:
 - ✓ Stock Exchanges
 - ✓ Securities and Exchange Board of India
 - ✓ National Company Law Tribunal
 - ✓ Other statutory and regulatory authorities under applicable laws, and
 - ✓ Respective shareholders and creditors

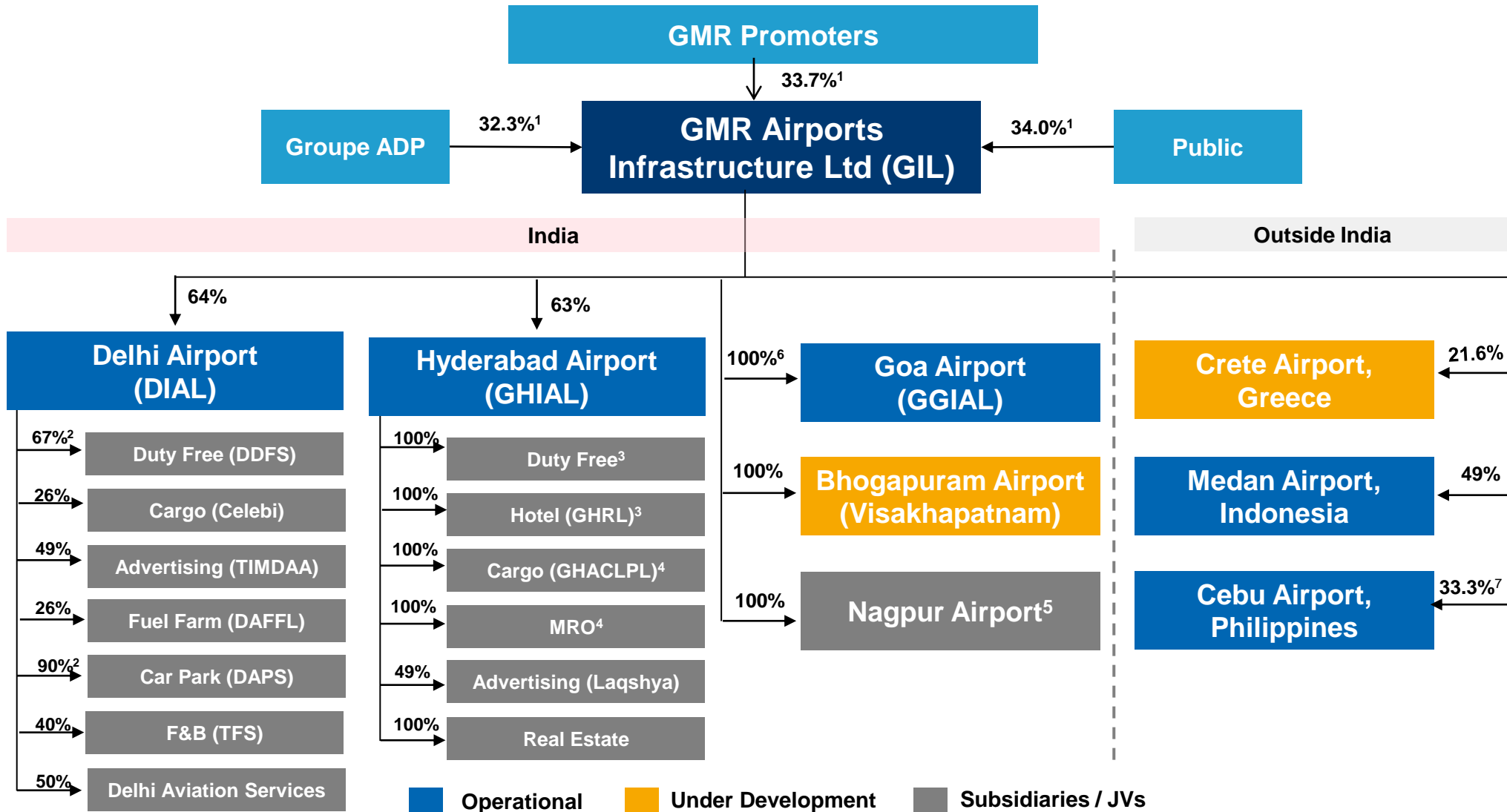
Merger is expected to be completed within FY24

SI No.	Advisors	Remarks
1	Morgan Stanley India	Financial advisors to GIL solely for the purpose of providing a Fairness Opinion on the merger exchange ratio
2	Ernst & Young	Valuer appointed by GIL for carrying out valuation and merger exchange ratio
3	KPMG	Valuer appointed by GAL for carrying out valuation and merger exchange ratio
4	ICICI Securities	Financial advisors to GAL solely for the purpose of providing a Fairness Opinion on the merger exchange ratio
5	Shardul Amarchand Mangaldas & Co	Acted as the legal advisors

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Thank You

Detailed Corporate Structure Post-Merger



- Notes:
1. % of paid-up equity share capital and immediately post merger
 2. Includes both direct & indirect holding
 3. Duty Free business merged with GHRL
 4. Wholly owned subsidiary of GHIAL w.e.f Nov'18 and MRO business is merged with cargo 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 divested but will operate as the Technical Services Provider until Dec 2026