

**Price:** 82.2

**Recommendation:** Buy

**Industry:** Transport

**Sector:** Services

**Report Date:** 07-Apr-2025

GMR Airports Infrastructure Limited has recently completed a significant merger, marking a new chapter as a unified entity. The company is optimistic about the travel sector's growth, supported by projections from global institutions like the World Bank and RBI, which foresee India as the fastest-growing major economy. GMR Airports is strategically positioned within the Nifty Tourism India Index, holding a substantial weightage. The company is accelerating the development of aviation infrastructure, including new airports.

Sales		Profit & Loss		Profitability Matrix	
Current Year	1053 Cr	Operating Profit(Year)	421 Cr	Operating Profit Margin	40.0 %
Previous Year	623 Cr	Operating Profit(Quarter)	121 Cr	EBITDA Margin	34.38 %
Current Quarter	271 Cr	PAT (Year)	-537 Cr	Net Profit Margin	-65.3 %
Previous Quarter	282 Cr	PAT (Quarter)	-49.4 Cr	EPS	-0.60
Revenue (QYoY)	197 Cr				
Valuation Matrix		Growth(YoY)		Growth(QoQ)	
Trailing P/E		Sales Growth	139 %	Sales Growth	-3.9 %
PEG Ratio		PAT Growth	-0.0 %	Sales Growth QYoY	37.56 %
EV/EBITDA	219	EPS Growth	33.33 %	PAT Growth	-70.94 %
P/B	1.82	Dividend Yield	0.00	PAT Growth QYoY	-74.54 %
Capital Allocation		Holdings		Leverage	
RoE	-1.23 %	Promoter	66.1 %	Debt/Equity	0.16
RoA	-0.82 %	FII	14.9 %	Debt	7744 Cr
RoCE	0.67 %	DII	4.32 %	Market Cap	86784 Cr
RoIC	68.1 %	Public	14.7 %	Enterprise value	94459 Cr
		No of Shares	1056 Cr	Cash Equivalents	68.1 Cr

source : Company filings

## Company's Overview Based on Recent Concall and Performance:

GMR Airports Infrastructure Limited has recently completed a significant merger, marking a new chapter as a unified entity. The company is optimistic about the travel sector's growth, supported by projections from global institutions like the World Bank and RBI, which foresee India as the fastest-growing major economy. The company is strategically positioned within the Nifty Tourism India Index, holding a substantial weightage. To meet the anticipated demand, the company is accelerating the development of aviation infrastructure, including new airports. The focus remains on establishing India as a global hub, with data showing a rise in point-to-point travel and increased international spending by Indian travelers.

The company has launched several initiatives to enhance passenger experience, such as biometric kiosks and metro check-in facilities at Delhi Airport. Financially, GMR Airports reported a 19% year-on-year increase in total income for Q1 FY25, driven by traffic growth, resulting in an 18% rise in EBITDA. However, higher finance costs and depreciation led to a loss from continuing operations. The company is managing a consolidated net debt of INR 280 billion, with strategic borrowings for ongoing projects like Bhogapuram Airport. Passenger traffic has shown robust growth across major airports, with Delhi and Hyderabad achieving record numbers.

GMR Airports is actively pursuing diversification through airport adjacencies, with new retail and F&B outlets at Hyderabad and Goa airports. The company is also exploring international opportunities, focusing on asset-light contracts in the Middle East. The expansion of Delhi and Hyderabad airports is complete, with new terminals set to commence operations. The company is committed to ESG principles, aiming for net-zero emissions by 2030 and maintaining high ASQ scores. The merger has streamlined corporate governance, enhancing the company's readiness for future growth.

Looking ahead, GMR Airports is focused on cash flow generation and balance sheet strength, with plans to leverage its expanded capacity for future opportunities. The company is targeting free cash flow generation at Delhi Airport in the next 3-4 years, with expectations of significant cash contributions once new tariffs are implemented. While the company is well-positioned for growth, challenges remain, such as managing high operational expenses and ensuring non-aero revenue growth. The company's strategic initiatives and strong market position provide a solid foundation for future expansion and shareholder value creation.