

OPERATING AND FINANCIAL REVIEW

For the Three Months Period Ended June 30, 2024 compared to the Three Months Period Ended June 30, 2023

The financial information presented below has been prepared with respect to the financial statements for the Three Months period Ended June 30, 2024, compared to the Three Months period Ended June 30, 2023. The financial statements have been prepared and presented under Ind-AS on a consolidated basis.

Operating Performance:

Operating Parameters	For the Three Months period Ended June 30, 2024	For the Three Months period Ended June 30, 2023
Total passengers (in millions of persons)	6.81	6.22
International passengers	1.15	1.01
Domestic passengers	5.66	5.21
Total Air Traffic Movements (ATMs)	47,457	42,689
International ATMs	7,343	6,765
Domestic ATMs	40,114	35,924
Total Cargo (in metric tons)	40,750	36,047
International Cargo	24,109	19,213
Domestic Cargo	16,641	16,834

Passenger and aircraft traffic at the Airport are the key drivers in generation of revenues from aeronautical and non-aeronautical operations. There has been a significant increase in the passenger and aircraft traffic volumes at Hyderabad Airport during the Three Months period Ended June 30, 2024. Total passenger traffic at the Airport was 6.81 million for the Three Months period Ended June 30, 2024, 9.5% increase as compared to 6.22 million for the Three Months period Ended June 30, 2023. The international traffic increased by 13.5% while the domestic passenger traffic increased by 8.7%. The increase was due to economic growth.

For the Three Months period Ended June 30, 2024, total ATMs at the Airport were 47,457, resulting into a 11% increase as compared to 42,689 for Three Months period Ended June 30, 2023. Cargo tonnage increased by 13% from 36,047 tons during the Three Months period Ended June 30, 2023, to 40,750 tones for the Three Months period Ended June 30, 2024.

Financial Performance

INR Million

Particulars	For the Three Months period Ended June 30, 2024	For the Three Months period Ended June 30, 2023
Revenue from operations	8,192.1	5,976.0
Other income	653.3	489.8
Total Revenues	8,845.4	6,465.8
Concession fee	226.0	184.3
Purchase of traded goods	307.9	97.6
Increase/(decrease) in traded goods	13.8	149.4
Employee benefits expenses	916.5	715.8
Other expenses	2,609.8	1,525.2
Finance Cost	1,803.2	1,179.8
Depreciation	1,355.3	1,003.7
Loss on settlement of derivative financial instruments		
Total Expenses	7,232.5	4,855.8
Exceptional item-Profit on sale of investment in GHAAL		746.8
Profit Before Tax (Before Share of Profit/Loss of Associates and Joint Ventures)	1,612.9	2,356.8
Share of Profit / loss of an Associate and Joint Ventures	6.2	(21.6)
Profit Before Tax	1,619.1	2,335.2
Tax	270.7	857.2
Profit After Tax	1,348.4	1,478.0
<i>Adjusted EBITDA</i>	52%	56%

1. *Adjusted EBITDA is calculated as earnings before interest (excluding finance income), tax expense, depreciation and amortization and share of profit of joint ventures*

Total Revenue

Total revenue was Rs.8,845.4 million for the Three Months period Ended June 30, 2024, a 37% increase from Rs.6,465.8 million for the Three Months period Ended June 30, 2023.

Revenue from operations:

Revenue from operations was Rs.8,192.1 million for the Three Months period Ended June 30, 2024 , a 37% increase from Rs.5,976.0 million for the Three Months period Ended June 30, 2023 as a result of increase in aeronautical and non-aeronautical revenues on account of increased traffic and also due to higher tariffs as applicable in the current period. Detailed analysis of same as below :

INR Million

Revenue from operations	For the Three Months period Ended June 30, 2024	For the Three Months period Ended June 30, 2023	Variance	Variance%	Details
Aeronautical (A)	4,123.4	3,207.5	915.9	29%	
User Development Fee (UDF)	2,426.9	1,983.5	443.4	22%	Due to increase in Traffic & Tariff
Landing & Parking charges	726.0	549.4	176.6	32%	Due to increase in ATMs & Parking hours
Cargo	503.7	277.5	226.2	82%	Increased on account of increase in Cargo volumes and tariff
Ground handling	136.0	94.0	42.0	45%	Increased with respect to increase in ATMs
Fuel farm	263.7	224.1	39.6	18%	Increased with respect to increase in ATMs and fuel upliftment
ICT & Others	67.1	79.0	(11.9)	(15%)	Decreased on account of other revenues.
Non Aeronautical (B)	3,652.1	2,396.3	1,255.8	52%	
Duty Free	1,042.0	656.4	385.6	59%	Increase is majorly on account of increase in international passenger traffic by 13.5% and per pax spent
Retail	191.5	202.0	(10.5)	(5%)	Decreased due to non-operating of some stores on account of renovation at terminal.
Food and beverages	169.5	147.4	22.1	15%	Increase in revenue is due to increase in total passenger traffic
Parking	310.4	226.0	84.4	37%	
Advertisement	263.0	258.8	4.2	2%	
Land and space - Rentals	124.8	110.5	14.3	13%	Due to land & Space rental increment
MRO services and others	1,550.9	795.2	755.7	95%	Increase in revenue due to increase in number of checks
Revenue from sale of services (A+B)	7,775.5	5,603.8	2,171.7	39%	
Revenue from commercial property development	205.6	189.1	16.5	9%	Due to new contracts
Revenue from hospitality services	211.0	183.1	27.9	15%	Owing to an increase in occupancy and average room revenue.
Revenue from non-airport services (C)	416.6	372.2	44.4	12%	
Revenue from contracts with customers (D=A+B+C)	8,192.1	5,976.0	2,216.1	37%	

Other Income

Other income was Rs. 653.3 million in Three Months period Ended June 30, 2024 , an increase of 33% from Rs.489.8 million in Three Months period Ended June 30, 2023. This was primarily on account of service tax refund amount.

Total Expenses

Total expenses were Rs.7,232.5 million for the Three Months period Ended June 30, 2024 , an increase of Rs.2,376.7 million i.e. 49%, from Rs.4,855.8 million for the Three Months period Ended June 30, 2023 detailed as below :

INR Million

Particulars – Rs Mn.	For the Three Months period Ended June 30, 2024	For the Three Months period Ended June 30, 2023	Variance	Variance %	Narration
Concession fee	226.0	184.3	41.7	23%	Increased on account of increase in gross revenue.
Purchase of stock-in-trade	307.9	97.6	210.3	215%	Increase in consumption of goods on account of increase in Duty Free business.
Changes in inventory of stock-in-trade	13.8	149.4	(135.6)	(91%)	
Employee benefit expense	916.5	715.8	200.7	28%	Increase is due to annual increments & increase in manpower count.
Other expenses	2,609.8	1,525.2	1,084.6	71%	Increase majorly on account of R&M, utility charges, house keeping on account of expansion.
Finance Cost	1,803.2	1,179.8	623.4	53%	Increased on account of capitalization of expansion assets resulting in higher depreciation and interest charged to profit & loss account.
Depreciation and Amortization Expenses	1,355.3	1,003.7	351.6	35%	
Total Expenses	7,232.5	4,855.8	2,376.7	49%	
Share of Profit / loss of an Associate and Joint Ventures	6.2	(21.6)	27.8	129%	As JVs performance improved compared to the previous period.
Tax Expenses	270.7	857.2	(586.5)	(68%)	Notional tax expenses on account of Profit for the period.

Profit for the Year

As a result of the factors described above, the company made a profit of Rs.1,348.4 million for the Three Months period Ended June 30, 2024 as compared to the profit of Rs.1,478.0 million for the Three Months period Ended June 30, 2023.

Adjusted EBITDA/Total Revenue

Adjusted EBITDA to Total Revenue has decreased to 52% for the Three Months period Ended June 30, 2024 from 56% for the Three Months period Ended June 30, 2023 on account of increase in expenses due to expansion.

Cash Flows

The following table sets forth a summary of our cash flows for the given periods.

INR Million

Cash Flow Statement Data	For the Three Months period Ended June 30, 2024	For the Three Months period Ended June 30, 2023
Net cash flow from operating activities	2,891.9	2,201.1
Net cash flow used in investing activities	(1,150.6)	(632.3)
Net cash flow from (used in) financing activities	(7,349.3)	(2,489.6)

In the Three Months period Ended June 30, 2024 , our net cash flows from operating activities were Rs.2,891.9 million due to revived revenue generation in the business. For comparison the net cash flows from operating activities were Rs.2,201.1 million in the Three Months period Ended June 30, 2023.

In the Three Months period Ended June 30, 2024 , our net cash flows used in investing activities were Rs.(1,150.6) million compared to net cash flow of Rs. (632.3) million in the Three Months period Ended June 30, 2023. The increase in net cash flow in investing activities is due to movement of funds between cash and cash equivalents to liquid investments, consumption of cash towards purchase of property, Plant & Equipment due to expansion.

In the Three Months period Ended June 30, 2024 , our net cash flows from financing activities were Rs. (7,349.3) million as compared to net cash flows from financing activities of Rs. (2,489.6) million during the Three Months period Ended June 30, 2023. The increase in net cash flow in financing activities is majorly on account of repayment of Bond-2024 on due date.

Other Material Development:

Airports Economic Regulatory Authority of India (“AERA” or “the Regulator”) has issued Tariff Order for the third control period (01.04.2021 – 31.03.2026) for GMR Hyderabad International Airport Limited on August 31, 2021. Refer link; <https://aera.gov.in/uploads/airports/16466584108771.pdf>.

Further AERA appeal number 4/2021 filed by GHIAL has been allowed partially by TDSAT wide its judgement dated 14-02-2024. And Civil Appeal was filed by AERA against the Order passed by TDSAT on 11th May, 2024.