

OPERATING AND FINANCIAL REVIEW

For the Six Months Period Ended September 30, 2024 compared to the Six Months Period Ended September 30, 2023

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

Operating Performance:

Operating Parameters	For the six months ended Sep 30, 2024	For the six months ended Sep 30, 2023	% Change
Total passengers (in millions)	13.67	12.23	11.71%
International passengers (in millions)	2.28	2.03	12.50%
Domestic passengers (in millions)	11.38	10.20	11.55%
Total Air Traffic Movements (ATMs)	96592	85314	13.22%
International ATMs	15050	13608	10.60%
Domestic ATMs	81542	71706	13.72%
Total Cargo (in metric tons)	83,868	72,686	15.38%
International Cargo	48,213	38,441	25.42%
Domestic Cargo	35,655	34,245	4.12%

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 Six Months period Ended September 30, 2024. Total passenger traffic at the Airport was 13.67 million for the Six Months period Ended September 30, 2024, 11.71% increase as compared to 12.23 million for the Six Months period Ended September 30, 2023. The international traffic increased by 12.5% while the domestic passenger traffic increased by 11.55%. The increase was due to economic growth.

For the Six Months period Ended September 30, 2024, total ATMs at the Airport were 96,592, resulting into a 13.22% increase as compared to 85,314 for Six Months period Ended September 30, 2023. Cargo tonnage increased by 15.38% from 72,686 metric tons during the Six Months period Ended September 30, 2023, to 83,868 metric tons for the Six Months period Ended September 30, 2024.

Financial Performance

INR Million

Particulars	For the six months ended Sep 30, 2024	For the six months ended Sep 30, 2023
Revenue from operations	16,872.2	12,476.8
Other income	1,083.2	1,000.2
Finance Income		
Total Revenues	17,955.4	13,477.0
Concession fee	455.7	383.3
Purchase of traded goods	717.7	487.3
Increase/(decrease) in traded goods	(57.9)	10.4
Employee benefits expense	1,975.2	1,505.0
Other expenses	5,368.8	3,305.7
Finance Cost	3,642.2	2,484.1
Depreciation	2,760.9	2,296.3
Loss on settlement of derivative financial instruments		
Total Expenses	14,862.6	10,472.1
Exceptional item-Profit on sale of investment in GHAAL		746.8
Profit Before Tax (Before Share of Profit/Loss of Associates and Joint Ventures)	3,092.8	3,751.7
Share of Profit / loss of an Associate and Joint Ventures	(16.9)	(36.6)
Profit Before Tax	3,075.9	3,715.1
Tax	574.5	1,299.8
Profit After Tax	2,501.4	2,415.3
<i>Adjusted EBITDA</i>	51%	55%

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. 17,955.4 million for the Six Months period Ended September 30, 2024, a 33% increase from Rs. 13,477.0 million for the Six Months period Ended September 30, 2023.

Revenue from operations:

Revenue from operations was Rs. 16,872.2 million for the Six Months period Ended September 30, 2024, a 35% increase from Rs. 12,476.8 million for the Six Months period Ended September 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 Six Months period Ended September 30, 2024	For the Six Months period Ended September 30, 2023	Variance	Variance%	Details
Aeronautical (A)	8,459.1	6,626.9	1,832.2	28%	
User Development Fee (UDF)	5,012.7	4,102.3	910.4	22%	Due to increase in Traffic & Tariff
Landing & Parking charges	1,518.7	1,093.8	424.9	39%	Due to increase in ATMs & Parking hours
Cargo	1,016.4	632.0	384.4	61%	Increase on account of increase in Cargo volumes and tariff
Ground handling	260.7	211.7	49.0	23%	Increased on account of increase in ATMs
Fuel farm	513.4	446.5	66.9	15%	Increase on account of increase in ATMs and fuel upliftment
ICT & Others	137.2	140.6	(3.4)	-2%	
Non-Aeronautical (B)	7,531.7	4,856.1	2,675.6	55%	
Duty Free	2,212.3	1,357.0	855.3	63%	Increase is majorly on account of increase in international passenger traffic and per pax spent
Retail	361.6	412.4	(50.8)	-12%	Decreased due to the non-operating of some stores on account of renovation at terminal.
Advertisement	360.2	300.4	59.8	20%	Increase on account of increase in advertising revenue
Food and beverages	597.7	450.7	147.0	33%	Increase in revenue is due to increase in total passenger traffic
Parking	466.6	534.6	(68.0)	-13%	Decreased due to lesser parking hours
Land and space - Rentals	270.0	249.4	20.6	8%	Due to land & Space rental increment
MRO services and others	3,263.3	1,551.6	1,711.7	110%	Increase in revenue due to increase in number of checks
Revenue from sale of services (C=A+B)	15,990.8	11,483.0	4,507.8	39%	
Revenue from commercial property development	443.0	613.0	(170.0)	-28%	Decrease due to one-time revenue received in H1 of FY24
Revenue from hospitality services	438.4	380.8	57.6	15%	Owing to increase in occupancy and average room revenue
Revenue from non-airport services (C)	881.4	993.8	(112.4)	-11%	

Revenue from contracts with customers (D=A+B+C)	16,872.2	12,476.8	4,395.4	35%	
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Other Income

Other income was Rs. 1,083.2.3 million in Six Months period Ended September 30, 2024, an increase of 8% from Rs. 1,000.2 million in Six Months period Ended June 30, 2023. This was primarily on account of service tax refund amount.

Total Expenses

Total expenses were Rs. 14,862.6 million for the Six Months period Ended September 30, 2024 , an increase of Rs. 4,390.5 million i.e. 42%, from Rs. 10,472.1 million for the Six Months period Ended September 30, 2023 detailed as below:

INR Million

Particulars – Rs Mn.	For the six months ended Sep 30, 2024	For the six months ended Sep 30, 2023	Variance	Variance %	Narration
Concession fee	455.7	383.3	72.4	19%	Increased on account of increase in revenue
Purchase of stock-in-trade	717.7	487.3	230.4	47%	Increase in consumption of goods on account of increase in Duty Free business.
Changes in inventory of stock-in-trade	(57.9)	10.4	(68.3)	-657%	
Employee benefit expense	1,975.2	1,505.0	470.2	31%	Increase is due to annual increments and man power count & increase in MRO due to increase in business
Other expenses	5,368.8	3,305.7	2,063.1	62%	Increase is due to duty free concession fee reclassification.
Finance Cost	3,642.2	2,484.1	1,158.1	47%	Increased on account of capitalization of expansion assets resulting in higher depreciation and interest charged to profit & loss account.
Depreciation and Amortization Expenses	2,760.9	2,296.3	464.6	20%	
Total Expenses	14,862.6	10,472.1	4,390.5	42%	
Share of Profit / loss of an Associate and Joint Ventures	(16.9)	(36.6)	19.7	54%	As JVs performance improved compared to the previous period.
Tax Expenses	574.5	1,299.8	(725.3)	-56%	

Profit for the Year

As a result of the factors described above, the company made a profit of Rs. 2,501.4 million for the Six Months period Ended September 30, 2024 as compared to the profit of Rs. 2,415.3 million for the Six Months period Ended September 30, 2023.

Adjusted EBITDA/Total Revenue

Adjusted EBITDA to Total Revenue has decreased to 51% for the Six Months period Ended September 30, 2024 from 55% for the Six Months period Ended September 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 six months ended Sep 30, 2024	For the six months ended Sep 30, 2023
Net cash flow from operating activities	6,589.6	7,033.8
Net cash flow used in investing activities	(3,319.2)	(3,271.6)
Net cash flow from (used in) financing activities	(8,890.3)	(3,761.3)

In the Six Months period Ended September 30, 2024 , our net cash flows from operating activities were Rs. 6,589.6 million.. For comparison the net cash flows from operating activities were Rs. 7,033.8 million in the Six Months period Ended September 30, 2023.

In the Six Months period Ended September 30, 2024 , our net cash flows used in investing activities were Rs. (3,319.2) million compared to net cash flow of Rs. (3,271.6) million in the Six Months period Ended September 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 Six Months period Ended September 30, 2024 , our net cash flows from financing activities were Rs. (8,890.3) million as compared to net cash flows from financing activities of Rs. (3,761.3) million during the Six Months period Ended September 30, 2023.

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.