Operator: Ladies and gentlemen, good day and welcome to GMR Airports Ltd. conference call to discuss Q2 FY27 results. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. We have with us today Mr. Saurabh Chawla, Executive Director, Finance and Strategy. Before we begin, I would like to state that some of the statements made in today's discussion may be forward-looking in nature and may involve risks and uncertainties. Also, recording or transcribing this call without prior permission from management is strictly prohibited. I now hand the conference over to Mr. Saurabh Chawla for his opening remarks. Thank you, and over to you, sir.

Saurabh Chawla – Executive Director, Finance and Strategy: Thank you, Michelle, and good morning, everyone. Q2 was characterized by a mixed operating environment. While passenger traffic growth remained soft, as we had been indicating since May 2026, reflecting short-term industry challenges, our conviction in the long-term outlook for Indian aviation remains unchanged.

The structural drivers of growth continue to strengthen, from fleet expansion and international network development to rising mobility demand and the emergence of India as a global aviation hub.

Very recently, Lufthansa Group announced that it would increase flight frequencies to key Indian cities, including Delhi, Bengaluru, Hyderabad, and Chennai, as part of its largest summer network expansion since 2020. Air India is also expanding its network. It will introduce flights between New Delhi and Osaka in Japan, making Air India the only airline operating the Delhi-Osaka route. Simultaneously, it is also enhancing frequencies to Australia. IndiGo's new aircraft deliveries have crossed 40 for 2026, and it is adding more routes and frequencies.

Boeing has now secured certification for its 737 MAX 10, the largest member of its 737 MAX family, clearing a major hurdle for the American aircraft manufacturer and bringing an aircraft that had been delayed for years closer to service. This will support airlines such as Akasa and Air India in furthering their offerings and increasing capacities.

Emirates has also expanded its premium economy offering to all flights to and from Delhi and Kolkata. It is also introducing its flagship Airbus A380 aircraft for the first time on one of its four daily frequencies from Delhi. According to the airline, the Indian market has matured and there is extremely high demand for travel. As such, our medium- and long-term confidence remains intact.

What is particularly encouraging is the resilience of our business model, which extends well beyond passenger volumes. During the quarter, we continued to see healthy performance in non-aeronautical revenues. Cargo throughput at both Delhi and Hyderabad reached record levels for the first half of FY27, underscoring the growing importance of cargo as a strategic growth engine. I will discuss developments on our consumer platform in greater detail later during my opening remarks.

We are also progressing on our third revenue stream, which is real estate. Our own self-development projects as well as third-party projects are witnessing a good pace of execution.

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These trends demonstrate that while passenger traffic may experience periods of moderation, the broader airport ecosystem continues to create value through multiple avenues of growth.

On that note, let me now delve deeper into Q2 performance. Momentum in total income continued, with Q2 at INR 41.9 billion, up 12% year-on-year. EBITDA for the quarter grew 2% year-on-year to INR 15.7 billion. PAT for the quarter came in at INR 654 million versus INR 351 million in Q2 FY26. Reported quarterly PAT has remained positive for the fifth consecutive quarter. This demonstrates the strength of our business model, as our financial performance has demonstrated growth even in this challenging global macro environment.

Consolidated net debt, which excludes the FCCBs of INR 29.1 billion that are deep in the money, remained unchanged versus the last quarter as well as versus Q2 FY27 at INR 340 billion. As we have been guiding, net debt has peaked with the completion of the Vizag, or Bhogapuram, airport.

On the operational front, traffic at GAL-operated airports rose 1% year-on-year in Q2 FY27, reaching 28 million passengers. This excludes Cebu but includes Nagpur and Vizag from their dates of operationalization. For the first half of FY27 as well, traffic was up 1% year-on-year to 58.4 million passengers, despite traffic for India as a whole declining 3%.

Total income at Delhi airport rose 13% year-on-year to INR 20.8 billion in Q2. Aero revenues rose 5% year-on-year, and non-aero revenues increased 20% year-on-year. For the first half of FY27, total income was up 15% year-on-year to INR 41.5 billion. Aero yield per passenger and non-aero IPP for Q2 FY27 were the highest in five years. EBITDA for Q2 was up 12% year-on-year to INR 7.6 billion and was up 12% for the first half to INR 14.6 billion. The airport reported a profit of INR 1.2 billion for Q2 FY27, the sixth consecutive quarter of positive PAT.

At Hyderabad, total income for Q2 was INR 6.3 billion, down 6% year-on-year, as aero revenues fell 8% year-on-year on lower traffic. However, non-aero revenues increased by approximately 5% year-on-year, and the airport achieved a record non-aero IPP of INR 330 in Q2 FY27. Total income for the first half stood at INR 12.6 billion, down 3% year-on-year. EBITDA for Q2 was down 7% year-on-year at INR 4 billion, and was down 3.5% to INR 7.9 billion for the first half. PAT for the quarter was INR 907 million, down 9% year-on-year.

Here again, I want to highlight one aspect: non-aero has really picked up, and the consumer platform is now thriving despite some softness in airline passenger growth.

Mopa, or Goa airport, reported total income of INR 1 billion in Q2, up 25% year-on-year, and INR 2.3 billion in the first half of FY27, up 24%. Aero revenues increased 35% year-on-year as tariffs reverted to normal following the discontinuation of the special initiative plan. Non-aero revenues decreased by 5% year-on-year; however, non-aero IPP was up 25% year-on-year to INR 22,228. EBITDA doubled year-on-year in Q2, reaching INR 244 million.

Notable achievements during the quarter include the following. Combined aero yield per passenger, or YPP, in Q2 FY27 was INR 497 for Delhi, Hyderabad, Mopa, Vizag, and Nagpur. Non-aero income per passenger, or IPP, was INR 772. This includes revenues from non-aero businesses adjusted for the revenue share they pay to the respective airports, as well as non-aero revenues reported by Indian airport entities. To clarify, MRO and Hyderabad hospitality, which predominantly comprises

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the hotel, are not part of the above IPP number. Non-aero and aero performance improved sequentially despite muted traffic.

Coming to our non-aero adjacency businesses, GMR Hospitality Limited, a 70% subsidiary of GAL that operates the F&B business, won the concession to operate the F&B outlets at Delhi Airport Terminal 3. This was earlier being operated by a joint venture in which GAL's stake was 40%. GAL's consolidated financials will start reflecting this from Q3. GAL, as the master concessionaire, also started operationalizing non-aero concessions at Vizag Airport.

In cargo, GMR Cargo & Logistics Limited entered into a licensing agreement with FedEx for the operation of an express cargo terminal at Cargo City in Delhi Airport, while Hyderabad Airport signed an MoU with Brussels Airport to strengthen air cargo connectivity between Hyderabad and Europe.

Construction on multiple airport land development projects is underway, and details are available in the results presentation. FY27 will see the handover of DIAL's first self-development commercial building at Delhi Aerocity, where pre-leasing discussions are already underway. The indicative rentals are in excess of INR 250 per square foot per month. I have just been informed that one tenant will be signing a deal at approximately INR 270 per square foot per month.

The build-to-suit terminal hotel, Taj Delhi International, with 380 keys, is also planned to start partial operations from Q4. We have also begun work on the self-development hotel, which will have approximately 500 keys at Delhi Aerocity and will be operated under the Hilton and Waldorf brands. Again, I want to highlight that the premiumization of the land parcel now reflects the type of brands that are being attracted. Waldorf Astoria is coming to Aerocity, Delhi.

At Vizag Bhogapuram, the hotel under the Vivanta brand, with approximately 150 keys, is expected to be handed over in phases within FY27.

During the quarter, we saw multiple credit rating upgrades. Standard & Poor's upgraded Delhi Airport's credit rating on senior secured notes to BB+ from BB. At Hyderabad, S&P and Fitch both upgraded the ratings to BBB-, taking them to international investment grade. Even at GAL, the listed entity, ratings were upgraded to AA- by CRISIL and CARE.

Regarding refinancing activities, Delhi Airport raised INR 35 billion through 15-year non-convertible debentures at 8.7%, against an effective cost of 9%, to refinance the USD 522 million notes, which had an effective cost of 10.9%. GAL also raised INR 15 billion in the form of non-convertible debentures at 9.56% and used the proceeds to refinance existing debt bearing interest at 10.75%. In summary, the cost of all refinancings is on a downward trajectory.

On the regulatory front, Hyderabad Airport implemented a new tariff issued by AERA for the fourth control period. Weighted average YPP for five years has been maintained at INR 538, assuming no expansion [cut off]

Management: Capex. And it increases to 640, including expansion capex. For Vizag Airport, AERA has issued a consultation paper pertaining to the tariff order for the first control period. Also, TDSAT, the appellate tribunal, issued a favorable judgment on all issues pertaining to the Delhi

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Airport CP4 tariff order issued by AERA that were appealed against by us, including the appeal pertaining to the non-implementation of the previous TDSAT order. AERA has three months to implement this unless it prefers to appeal.

During the quarter, DIAL issued 102 million equity shares to a Group ADP subsidiary following the notice of conversion of 2.5 million optionally convertible redeemable preference shares, or OCRPS. These were issued in accordance with the terms of the merger of the erstwhile airport holding company with the listed entity, where the conversion ratio was agreed at 1:40. The merger scheme entailed ADP converting part of its voting equity into OCRPS. As of now, ADP has sold part of its equity, representing 3.4%, to the GMR family. It has decided to convert part of its OCRPS holding into equity to maintain the ratio between the two promoters, GMR and ADP, at 51:49. On a fully diluted basis, the total equity issued and converted remains the same.

At GMR, we firmly believe that integrating ESG principles is crucial for airport operators to build resilient operations, mitigate risks, and secure a license to grow within evolving regulatory and community expectations. The ESG achievements highlighted in our investor presentation reflect our commitment to responsible growth while maintaining the highest standards of governance, safety, and operational excellence.

In closing, I would like to reiterate that our business performance has shown resilience despite the temporarily muted traffic numbers. Our debt has peaked, and we maintain our outlook for free cash generation at our two largest airports and the listed entity in the medium term. The presentation containing all financial numbers is already available to you. If not, you can download it from the investor relations section of our website. We are available to respond to your questions on this call, online, and offline. Now, I would like to open the forum for queries that may be addressed by my colleagues from the corporate and business teams. Thank you so much.

Operator: Thank you very much, sir. Ladies and gentlemen, we will now begin the question-and-answer session. Anyone who wishes to ask questions may please press star and one on their touchtone phone. If you wish to withdraw yourself from the question queue, you may press star and two. Participants are requested to use only handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Prateek Kumar from Jefferies. Please go ahead.

Prateek Kumar – Jefferies: Good morning, sir. I have two or three questions. Firstly, congratulations on the strong non-aero performance and execution. Your overall revenue performance has not flowed through to EBITDA. Your total revenue is higher by around 12%, but EBITDA is almost flat. I know traffic was weak, but your non-aero revenue performance has not been reflected in EBITDA performance. What are the key reasons for this? Your SPVs, particularly the airport SPVs, seem to be doing better, but your platform-level performance is lower year-on-year. Can you discuss this question?

Management: Sure, Prateek.

Management: Because traffic has been lower, aeronautical revenue is lower, whereas expenses have remained the same, while non-aero has still grown. Of course, at the EBITDA level, there is not

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much growth because of the lower traffic.

Prateek Kumar – Jefferies: No, but your total revenue is still higher, right? Revenue is higher, and non-aero is much higher. Your platform performance, after stripping out SPV performance, seems flat to lower year-on-year, and it is dragging down the overall performance at the consolidated level.

Management: Prateek, you have to take into account that Vizag was added during the quarter. Obviously, that will have some impact on the EBITDA numbers. If you were to exclude the Vizag consolidation, then you would see fairly decent growth in the EBITDA numbers as well. You have to take that into account.

The second point is Goa. Both Vizag and Goa will have some downward impact on the EBITDA numbers.

Prateek Kumar – Jefferies: My other question is regarding aero YPP, which has been very high both at Delhi and Hyderabad versus your earlier expected blended YPP at these two airports of 360 and 540. What would be the key reasons for this?

Management: In the case of Delhi, the YPP of 365 that the regulator had given has gone up to more than 440, mainly because we introduced dynamic pricing for parking. The first 4 hours are fixed, and thereafter the charge keeps doubling every 4 hours. So, it becomes 5 times by 24 hours. Most airlines that park their aircraft for more than 2 hours have to pay more. The parking charges have contributed a substantial amount, which has helped us improve our yield per passenger.

In the case of Hyderabad Airport, the transfer passenger count had been assumed at a higher level, but the transfer passenger count has come down, whereas the overall passenger number has been maintained. This has helped us improve the yield per passenger in Hyderabad as well.

These are the two major reasons.

Prateek Kumar – Jefferies: Is it 5 times in Delhi? Should we assume this run rate for the remaining period of this control period, or...

Management: We cannot assume it for the entire control period because the airlines are also realizing that they are paying more. They are gradually trying to turn around the aircraft much faster. So, perhaps the run rate may continue for another year, but after that it will decline and return to the normal rate.

Prateek Kumar – Jefferies: Will this be counted as over-recovery for the next control period for tariff determination?

Management: You are absolutely right.

Prateek Kumar – Jefferies: Lastly, regarding your interest expense, it seems to have gone up by 6-7%. Your debt has been flat, and the companies have improved their credit ratings, but interest expense has still increased. Where do you see this settling despite broadly flat debt?

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Management: At your level, the interest expense has gone up mainly because of the capitalization of the Vizag airport, which started operations on August 17. Until that date, the interest was being capitalized. Now it is hitting the P&L account. That is why the interest expense has gone up.

Prateek Kumar – Jefferies: Will that settle next year, as the annualized interest outflow for the company?

Management: It should. Over a period of time, assuming the rate remains the same.

Management: Primarily, Prateek, as the debt comes down, as we have said that debt has peaked, and as the principal amount starts getting paid and the debt comes down, the interest amount will begin to decline. We are not taking on any significant fresh debt for major expansion at any airport right now.

Management: The next 2 quarters will reflect the full interest expense of the Vizag airport. Thereafter, it will stabilize.

Prateek Kumar – Jefferies: Thank you. I have more questions; I will get back into the queue.

Operator: Thank you. We will take the next question from the line of Shubham Borade from ICICI Securities. Please go ahead.

Shubham Borade – ICICI Securities: Thanks for the opportunity. I have two questions. First, can you please help us with the profit for Bhogapuram and Nagpur separately during the quarter? The second question is about the development of 1 million square feet at Delhi. Can you please help us with the timeline for leasing the total space? Thank you.

Management: Vizag Airport has just started operations, so it posted a loss of INR 82 crores in Q2. As far as Nagpur Airport is concerned, it represents a full-quarter performance. We posted PAT of approximately INR 8 crores.

Shubham Borade – ICICI Securities: Bhogapuram, which is Vizag Airport, {? that is because of current tariffs ?}?

Management: The loss of INR 82 crores that we posted is because of the ad hoc tariff. As you know, the consultation paper is already out. We expect the full tariff to be issued by January, and thereafter the loss will taper down. In Q3 as well, we are likely to see the same loss.

Shubham Borade – ICICI Securities: My second question was regarding the timeline for leasing the 1 million square feet of space at Delhi Airport.

Management: The leasing momentum is very strong. Completion of the project is slated for the end of FY27, in Q4 FY27. We have recently concluded a transaction for approximately 80,000 square feet at INR 270 per square foot. The pipeline looks very strong. We expect to complete the leasing within 6 to 9 months into the next financial year.

Shubham Borade – ICICI Securities: Thank you, sir.

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Operator: Thank you. We will take the next question from the line of Achal Kumar from HSBC. Please go ahead.

Achal Kumar – HSBC: Thank you for taking my questions. I have two questions. First, you mentioned on slide 16 that traffic is stronger in the second half. What gives you that confidence? Is it simply because of the festive season, or do you see traffic being affected because fuel prices have increased further and fares could also increase further? How do you see traffic developing?

Second, what plans do you have for the GHPL business going forward? You won the bid to operate F&B at Delhi Airport. What other plans do you have to build the GHPL business? Thank you.

Management: You must understand that we have seasonality in our business. The second half of every fiscal year is much stronger than the first half. It is the busy season, it is also the festive season, and a significant amount of international traffic from friends and family flows in during December and January. That is the first aspect that gives us confidence that the second half will be much stronger than the first half.

Second, we get insight into airline slot requests. People do not simply fly from one place to another; flights have to be planned well in advance. Airlines request certain slots, and based on those slots and the outlook, we provide an outlook to the market regarding how the second half is expected to perform. That is how we provide the guidance. We had given the guidance in May that the first half would be very soft, because that was the feedback from the airlines, and the first half is also slightly weaker from a seasonality perspective. Our outlook for the second half is now much stronger, as we have highlighted every year. Slot demand from the airlines also continues to be quite robust.

An interesting aspect is that this is also reflected in Delhi Airport's performance. Delhi Airport, being the hub airport of the country, has a significant proportion of international traffic, and international traffic has grown quite well. We see much better momentum in international traffic, with more international airlines, especially European airlines, requesting more slots at Delhi Airport.

Management: On the F&B part, {? Saurabh ?}...

Management: GHPL is our vehicle for carrying out all our F&B businesses. Currently, it operates in Delhi, Goa, Hyderabad, and Vizag.

Management: They were not present in Delhi. Therefore, this addition of 50 outlets in Delhi is significant. Any further concession that comes up for re-concessioning, or any new concession at any of the airports, GHL will definitely consider participating in those bidding opportunities. That is the way forward for GHL.

Achal Kumar – HSBC: Going back to my first question, can you also guide us on the kind of growth you are envisaging for the second half versus the first half or perhaps year-on-year, given the increased slot demand?

Management: In the second half, we are expecting approximately 10% growth over the first half. Overall, the full year will be up by approximately 3-4% on a year-on-year basis. In the second half, we are seeing good growth in Goa, Hyderabad, and Delhi, and some growth in Nagpur, while Vizag will be relatively stable. Delhi and Hyderabad, in particular, have received good slot requests from

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the airlines, and Goa is also expected to deliver better numbers.

Achal Kumar – HSBC: Perfect. Thank you so much.

Operator: Thank you. The next question is from the line of Bibhab Debbarma from Emkay Global. Please go ahead.

Bibhab Debbarma – Emkay Global: Good morning, everyone. My first question is on non-aero IPP, where we witnessed healthy growth in Q2. What are the reasons attributable to this growth? Is it because GAL took over operations in duty-free last year, or are passengers generally spending more? Do you think this healthy non-aero growth is sustainable? I am trying to understand that aspect.

Management: As we have been explaining in the past, we look at spend growth of approximately 7-8% as the minimum spend growth, and that is also reflected in IPP. What has further added to the growth of more than 12% in this period is the full operationalization impact of the new Terminal 1 in Delhi. In Hyderabad, it is the full impact of the expanded terminal. In addition, the Hyderabad duty-free departure store was expanded, which led to increased offerings there. This is a combination of those factors. There were also a few outlets in Delhi that were not operating earlier, and those also became operational. Therefore, it is a combination of the general growth of 7-8% that I mentioned, plus the additional areas added to our commercial areas.

Bibhab Debbarma – Emkay Global: So, 7-8% is the normal growth that will continue, and these one-off events may have contributed an additional 3-4% on a year-on-year basis. Is that correct?

Management: That is correct. When I say 7-8%, I am referring to spend growth. Our non-aero growth, as we have been articulating, is in the range of 15-17%. That is what we expect from period to period.

Bibhab Debbarma – Emkay Global: Recently, you announced the self-development of a hotel in Delhi. Can you give us some more details and insight?

Management: [pause] One more moment.

Management: [pause] DIAL has started developing a hotel project in Aerocity. It is a dual-branded hotel comprising a Hilton hotel and a Waldorf Astoria. The exact size in terms of rooms is still being finalized. Development is scheduled to start in January 2027.

Bibhab Debbarma – Emkay Global: I know that, based on slots and seasonality, you have given healthy guidance, which is encouraging given the current scenario. However, we have seen a sharp increase in airfares. Whenever airfares increase, we assume that passenger traffic will be affected because people reduce their travel. How do you reconcile that with your expectation that the second half will be very robust? What is happening there? Any insight would be helpful.

Management: [pause] You need to distinguish between metro air travel and tier-2 and tier-3 air travel. The broad number of 5% growth or -5% growth also includes tier-2 and tier-3 traffic. Our routes are predominantly concentrated in metros. Within this environment, Delhi has performed well.

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Second, we have a good mix of international traffic at our airports. Delhi has a predominant position on the international side, and demand for international travel is very inelastic. People who have to return to India to meet friends and family will not postpone their travel merely because ticket prices have increased by $100 or $200. They plan their trips months in advance and book months in advance to travel to India. The same applies to tourist groups that come to India.

This is also how airlines seek slots from us. It is a bottom-up approach. The airlines see the demand, and based on the demand they request slots from us. That is how we provide guidance to the market. Broadly, this gives us the confidence to tell you that second-half traffic, on an overall basis, will grow by approximately 10% over the first half.

Management: We also monitor the bookings for the slots filed by the airlines very closely. Sometimes they file slots but do not start bookings. However, in the case of Delhi and Hyderabad, we have seen that all the slots they filed have already been opened for bookings, and ticket bookings are taking place for the next 2 to 3 months. In the case of Goa as well, more than 90% of the bookings have been opened, and bookings are taking place. Based on this, we are forming our expectations.

Bibhab Debbarma – Emkay Global: Thank you, sir, and all the best.

Operator: Thank you. The next question is from the line of Anshu from Macquarie. Please go ahead.

Anshu – Macquarie: Good morning, everyone. I have one question on the TDSAT ruling. What would be the timelines? Although the ruling specifies that AERA is mandated to follow it within three months, from the appellate tribunal perspective, and considering the possibility of a further challenge, what is the timeline for the final decision that we are looking at? What would be the impact in terms of EBITDA? News articles were showing a figure of INR 1,500 crores that could come as EBITDA accretion. Would this benefit come through in the final settlement? I wanted to understand the potential EBITDA benefit from the TDSAT ruling and the timeline for it.

Management: [pause] The order in the case of CP4 of DIAL made it very clear to the regulator that all orders passed by TDSAT have to be implemented, which AERA had been avoiding. They have now made it very clear and given a period of 3 months. However, AERA has already filed an appeal before the Supreme Court. This time, unless AERA obtains a stay from the Supreme Court, it is likely that AERA will have to implement the order. That is our expectation. There is no doubt that AERA will appeal. The TDSAT judgments that have already been issued, including matters already filed before the Supreme Court, will be implemented if the Supreme Court does not grant a stay. We will wait and see over the next 3-4 months. If AERA is unable to obtain a stay, we will insist on implementation.

Management: Most likely, it will be in the next fiscal year.

Anshu – Macquarie: What is the quantum of benefit that could come to EBITDA from this?

Management: [pause] We would not like to highlight our estimate of the EBITDA impact. The matter is still sub judice, and the discussions should take place in court. We will, of course, make our claims based on our calculations, but at this stage we would not like to speculate or guide the market

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regarding what our claims would be.

Anshu – Macquarie: Lastly, regarding the hypothetical asset, what would be the progress on that situation and case as we speak?

Management: [pause] Hearings have taken place before the Supreme Court, and we expect that it should reach finality within the next 3 months.

Anshu – Macquarie: Three months. Thank you very much.

Operator: Thank you. The next question is from the line of Aditya Mongia from Kotak Securities. Please go ahead.

Aditya Mongia – Kotak Securities: Thank you for the opportunity, and congratulations on the strong set of numbers reported by the company. I have a few questions. First, has any amount out of the INR 2,500 crores given to GMR Power come back? There is a mention of approximately INR 200 crores in the cash flow statement.

Management: [pause] We have already received INR 200 crores during the financial year. In particular, they paid the money to Hyderabad Airport, which had lent INR 200 crores. That money has already been paid. We expect to receive the balance by March.

Aditya Mongia – Kotak Securities: There is a INR 520 crore component.

Management: It is only 30% of INR 2,400 crores, which is approximately INR 720 crores payable during the year. Of that, INR 200 crores has already been received, and only INR 520 crores remains to be received, which we expect by March.

Management: Aditya, there was a payment plan based on annual payments, and the power entity is paying according to that plan. This was agreed at the time of demerger of the erstwhile GMR Infrastructure Limited. Therefore, it is being paid according to that plan. This year, the balance payment is approximately INR 500 crores. We still have another 2.5 years for the remaining payments to come in.

Aditya Mongia – Kotak Securities: The second question is regarding the non-aero per-passenger numbers. The top 3 airports appear to have shown handsome quarter-on-quarter growth, but the same was not reflected in GAL's standalone numbers. My understanding was that these numbers should have been broadly reflected because GAL earns from these 3 assets. Could you explain why this divergence is occurring?

Management: [pause] The first point is that you are right. SPP and IPP growth has been healthy. That reflects spend per passenger and income per passenger. However, its translation into the absolute non-aero revenue number depends on traffic. As you would have seen, Hyderabad traffic was negative during this period. Therefore, we could not see the full reflection of that growth in the revenues that are part of GAL. However, regarding spend, what is reflected at the airport is also reflected in our non-aero businesses at the GAL level.

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Aditya Mongia – Kotak Securities: The non-aero per-passenger figure for the top 3 airports, on a per-passenger basis, has shown perhaps 15-20%, or approximately 15%, quarter-on-quarter growth. It seems that non-aero per passenger for standalone GAL has declined quarter-on-quarter, or has grown only in the single digits at best.

Management: At the GAL level, we have reported and discussed 12% growth in IPP, which is approximately INR 772, and that is healthy growth of 12%. I do not know which number you are referring to...

Aditya Mongia – Kotak Securities: [overlap] GAL standalone, GAL standalone...

Management: No, he is talking about the P&L.

Management: At the GAL standalone level, we operate duty-free, cargo, car parking, and retail, with 50% under PACT. When you look at income per passenger at the airport level, in addition to these 4 verticals, there are several other non-aeronautical verticals. The airport takes its entire non-aeronautical revenue and divides it by the passenger count to calculate income per passenger at the airport level. At GAL, there are only 4 verticals. Therefore, the income per passenger at the airport level is different from the income at the GAL level.

Aditya Mongia – Kotak Securities: I understand. The growth trends were very different, which is why I was asking about it. That is one part...

Management: Very simply put, if you see, there is a [cut off]

Management: de-growth at Hyderabad Airport from a passenger throughput perspective. That has an impact on your GAL standalone P&L. While IPP has gone up, the lower throughput automatically has some downward [cut off]

Management: Revenue de-growth will have a downward impact there.

Management: Correct. That is correct.

Aditya Mongia – Kotak Securities: I have a couple more questions. First, cash at the consolidated level has seen a meaningful boost of INR 4,000 crores and is now almost INR 9,000 crores. What is the end goal here? Will this eventually lead to debt levels coming down, or will the company use this cash for whatever purposes it considers appropriate?

Management: Aditya, one one-off item is the INR 3,500 crores raised by DIAL on September 29, whereas that entire amount was used to repay the USD 522 million notes on October 26. That is why there is a cash boost of approximately INR 4,000 crores. Otherwise, our total cash would be approximately INR 4,500-5,000 crores.

Aditya Mongia – Kotak Securities: Understood. Those were my questions. Thank you for the response.

Operator: Thank you. The next question is from the line of Karthik Chellappa from Indus Capital Advisors, Hong Kong Limited. Please go ahead.

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Karthik Chellappa – Indus Capital Advisors: Thank you for the opportunity. I have 3 questions. First, if I take your consolidated EBITDA and build up the EBITDA attributable to Delhi, Hyderabad, and Goa, that has seen a sharper decline than the EBITDA of the individual airports. You mentioned that the Bhogapuram loss this quarter was approximately INR 820 million. Apart from that, are there any other adjustments that have impacted EBITDA outside the 3 airports?

Management: [pause] No, nothing else.

Karthik Chellappa – Indus Capital Advisors: That is the main adjustment?

Management: Yes, that is the main adjustment. There will also be some downward impact from Goa, but the main impact is as stated.

Karthik Chellappa – Indus Capital Advisors: On the gross debt figure, there was a quarter-on-quarter increase of approximately INR 3,900 crores. Which SPV would this be attributable to?

Management: This is what we explained. DIAL raised INR 3,500 crores on September 29, whereas that amount was used only on October 26 to repay the USD 522 million bond. There was a gap of 25 days. That is why debt was showing higher as of September 30, but by October 31 it had been fully repaid.

Management: Under Indian regulations, you have to keep cash before you pay off the debt. I will not comment on the rationale for that, but that created a negative carry on my books over a period of 20 days.

Management: We had negative carry for 25 days, yes.

Karthik Chellappa – Indus Capital Advisors: My last question is regarding the non-aero revenue of Delhi and Hyderabad. If we further distill it into duty-free and F&B alone on a year-on-year basis, which drove the larger part of the growth? Was it increasing penetration among passengers, or increased spend per passenger in F&B and duty-free specifically?

Management: When we talk about spend, spend takes penetration into consideration for any business we discuss. Coming back to your question about the major contributor to growth, the growth in the F&B business in terms of spend has been higher than the growth we have seen in duty-free in Delhi. In Hyderabad, duty-free growth has been a good double-digit number. Overall, the non-aero revenue growth is a combination of growth across all these segments. However, in comparative terms, hospitality, including F&B, has grown more than duty-free.

Karthik Chellappa – Indus Capital Advisors: If I heard you correctly, in Delhi, F&B grew faster than duty-free, whereas in Hyderabad, duty-free grew faster than F&B. Is that correct?

Management: Yes, yes, yes, yes.

Karthik Chellappa – Indus Capital Advisors: That is all from my side. I wish the team all the best for the rest of the year. Thank you very much.

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Operator: Thank you. We will take the next question from the line of Kshitij Chunawat from Citicorp Securities. Please go ahead.

Kshitij Chunawat – Citicorp Securities: Good morning. Thank you for your time. I have 3 housekeeping questions. First, to recap, the Bhogapuram loss this quarter is INR 850 million, and what was the profit or loss of Nagpur this quarter? Second, regarding depreciation and amortization, given that the 2 new airports have entered operations, what will be the run rate from now? Is the current INR 4.9 billion a good run rate, or should we plan for the low INR 5 billion range? The last question is regarding minorities. I noticed an increase from INR 570 million last quarter to INR 800 million this quarter. What are the key drivers? Thank you.

Operator: I am sorry, sir, your voice is breaking. Mr. Chunawat, your voice is breaking. I would request you to...

Kshitij Chunawat – Citicorp Securities: Can you hear me now?

Operator: Yes, I can hear you. Please proceed.

Kshitij Chunawat – Citicorp Securities: Thank you. I have 3 housekeeping questions. First, to recap, the Bhogapuram loss this quarter is INR 850 million, and what was the profit or loss of Nagpur this quarter? Second, regarding depreciation and amortization, given that the 2 new airports have entered operations, what will be the run rate from now? Is the current INR 4.9 billion a good run rate, or should we plan for the low INR 5 billion range? The last question is regarding minorities. I noticed an increase from INR 570 million last quarter to INR 800 million this quarter. What are the key drivers? Thank you.

Management: As far as Nagpur is concerned, it reported a profit of INR 80 million for Q2. The depreciation run rate expected for Vizag Airport, which is also called Bhogapuram, will be approximately INR 240 million per annum. That is approximately INR 24 crores.

Kshitij Chunawat – Citicorp Securities: Thank you. Lastly, regarding the increase in minorities, what is the reason?

Management: Sir, INR 240 crores, sorry. It is 2, not 24: INR 240 crores.

Management: This is based on the ad hoc tariff at present.

Management: Depreciation, of course, is different, but from a loss perspective, it is still based on the ad hoc tariff.

Management: That is correct.

Kshitij Chunawat – Citicorp Securities: Thank you. My last question is regarding the quarter-on-quarter increase in minorities.

Management: [off-mic discussion] Sir, the reason for the increase in minorities is that there is a profit in DIAL and GHIAL. That is why minorities have increased. For all the other entities, GAL holds 100% of the shareholding, so those losses come into the GAL account.

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Kshitij Chunawat – Citicorp Securities: Just to recap the number, you mentioned that Nagpur's loss is 18 million crore, right? Is that correct?

Management: Nagpur is in profit. INR 80 million is the profit for Q2.

Kshitij Chunawat – Citicorp Securities: INR 80 million, 8 million profit at Nagpur. Okay.

Management: 8-0. 8-0. 8-0 million.

Management: 8-0, yes.

Kshitij Chunawat – Citicorp Securities: Thank you. That is very clear.

Operator: Thank you. We will take the next question from the line of Achal Kumar from HSBC. Please go ahead.

Achal Kumar – HSBC: Thanks for taking my follow-up question. Just one clarification. You mentioned that your F&B business, GHPL, will grow wherever there is an opportunity. I understand that the Kolkata and Chennai F&B concessions are coming up for renewal. Do you think GHPL would bid for airports outside GMR, or will it remain focused on GMR airports? What will be the strategy?

Management: At this stage, we have been focusing only on our own airports. As part of our extended strategy, we may start looking at opportunities outside our own airports, but not at this stage.

Achal Kumar – HSBC: Perfect. Thank you so much.

Management: To emphasize this further, the strategy is first to acquire the GMR airport businesses, stabilize and grow those businesses, and then use this as a platform. It allows us to bid for other airports as well, and we will do so. We have demonstrated this in the past in duty-free. There is no reason why we would not demonstrate the same approach in cargo, F&B, and other non-aero businesses.

We are creating a consumer platform. I want to highlight that it is now showing results. If you look at the revenue of the platform, it is almost equivalent to that of Hyderabad, and the EBITDA is also in a similar range. We are in the process of transitioning from a pure utility company to a utility and consumer company.

I can assure you that over the next 3-4 years, once we begin significant development on the real estate side and start monetizing the real estate portions through a REIT, or selling those commercial assets to pension funds or sovereign funds that seek yield, you will see a larger increase on the real estate side as well.

That is the strategy: to convert a pure utility company into a utility and consumer company, and then from a utility and consumer company into a utility and real estate company. That is the entire journey of GMR. We are not a pure utility company.

Achal Kumar – HSBC: Understood. Perfect. Thank you.

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Operator: Thank you. The next question is from the line of Prateek Kumar from Jefferies. Please go ahead.

Prateek Kumar – Jefferies: Thank you for taking my question again. I have one question on capex. We incurred INR 1,600 crores of capex in the first half. We were expecting INR 2,000–2,500 crores of capex for FY27. How are we looking at that number now?

Management: The capex incurred comprises Bhogapuram capitalization, which is one aspect, and operational capex, which is the other aspect. Going forward, we are not incurring any airport expansion capex. Only operational capex will be incurred, which could be in the range of INR 1,000–1,500 crores across all the airports together.

Prateek Kumar – Jefferies: Are we raising the capex guidance for this year to INR 3,000 crores now from...

Management: No, no.

Management: What we are saying is that the Bhogapuram capex is complete. Therefore, there is no additional capex for any airport expansion. We will incur only operational capex across all the airports together, between INR 1,000–1,500 crores per annum. There will be no more expansion capex and no more new airport capex.

Prateek Kumar – Jefferies: What is the capex guidance for FY27? The first half of FY27 was INR 1,600 crores.

Management: The balance period will be approximately INR 1,000 crores.

Prateek Kumar – Jefferies: That was all my questions. Thank you.

Management: Right.

Operator: Thank you. The next question is from the line of Biplab Debbarma from Antique Global. Please go ahead.

Biplab Debbarma – Antique Global: I have one small question. I think I missed it. Why has there been significant de-growth in passenger traffic in Hyderabad?

Management: Primarily, there are 2 reasons. One is route rationalization by IndiGo, which began in January 2024. It has now been fully rationalized, and we are seeing growth start to return in that region.

The second factor is that the initial de-growth was also due to geopolitical events in the Middle East. Hyderabad's international traffic was more heavily skewed toward the Middle East, and that affected Hyderabad. International traffic has recovered completely. We should start seeing better international growth in Hyderabad in the second half. There is also more connectivity to Europe from Hyderabad, so we should see better traction on the international side.

However, on the domestic side, the remaining impact of IndiGo's route rationalization will continue from the first half into the second half. We believe that by next year, this issue should also be behind

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Biplab Debbarma – Antique Global: Thank you.

Operator: Thank you. The next question is from the line of {? Samay Pavniss ?} from Helios Capital. Please go ahead.

Samay Pavniss – Helios Capital: I have one question. The Delhi car park operator is now a 100% subsidiary, but the stake in that subsidiary has been reduced to 50.1%. Could you explain the reasons for that?

Management: The Delhi car park company is held 49% by DIAL and 51% by GAL. Therefore, it is a subsidiary of GAL with a 51% holding, but GAL holds 100% through DIAL.

Samay Pavniss – Helios Capital: If I am correct, in the previous quarter your stake in this subsidiary was 100%, not 50.1%. Is that right?

Management: No, it is the same. GAL holds 50.1%, and DIAL holds 49.9%. This has always been the case. At the GAL level, it automatically becomes 100% because I hold the 49.9% through DIAL.

Management: From a GMR Group perspective, the holding is 100%. The 100% holding is divided into 51% held by GAL and 49% held by Delhi Airport. It is that simple.

Samay Pavniss – Helios Capital: Thank you, sir.

Operator: Thank you. The next question is from the line of Aditya Mongia from Kotak Securities. Please go ahead.

Aditya Mongia – Kotak Securities: Thank you for the opportunity again. My first question is about a comparison of non-aero per passenger at the portfolio level between yourselves and your key peers. There is still a difference of approximately INR 300, with you at approximately INR 770. I understand that some aspects are specific to the respective companies and cannot be replicated, but are there things that you believe can be implemented? For example, the app used by your peer is generating fairly good gains. What is your sense of what additional steps GMR can take to increase the number from INR 770 to higher levels, such as INR 1,000?

Management: Aditya, first of all, we will not be able to comment on our competitors' numbers, how they are calculating them, or the basis for those calculations. We can discuss our own numbers. As you would have seen, we have achieved very healthy growth in our non-aero IPP on a global basis. We are talking about INR 772 for this period.

Regarding what we are doing, the digital market space is definitely one area. We have our own app, which is now gaining traction. We have set targets for the amount of digital sales that should come through the app, and we are taking steps in that direction.

We have expanded our own duty-free area. We are also looking at how to redesign some of the spaces available in T3I. All of this will form part of the exponential non-aero IPP or income growth that we are targeting. At this stage, I can only tell you that this is what we are looking at. We will not be able to comment on comparisons with peers at this stage.

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Aditya Mongia – Kotak Securities: I understand that point. I also wanted to get a sense of the significance within the INR 770 or so of IPP of consumers who are not passengers but visitors to the airport. Is that a number you track, and is it becoming meaningful? Where could it reach over time?

Management: Aditya, what you are saying is the right strategy. When we talk about spend, it has 2 components. One is penetration, and the second is ATV, or average ticket value. Our strategy for growing non-aero revenue focuses on penetration as well, and that will lead to the kind of growth we are targeting. When we say that our non-aero revenue growth will be 15-17%, that growth is also dependent on the penetration strategy.

Aditya Mongia – Kotak Securities: I was also trying to understand whether consumers who are not passengers but visitors, such as people who come to receive others, are becoming a material component of the IPP number.

Management: As we expand what we call the curbside area, which is for people who are not travelers but who also come to the airport as meet-and-greet visitors or for other reasons, this will become increasingly relevant. You have seen this in the form of Aeroplaza in Hyderabad. Similarly, we have seen it in Goa, and you will now see it in Vizag and Delhi going forward. Therefore, this is definitely another important component of overall non-aero revenue growth.

Aditya Mongia – Kotak Securities: For the 2 assets that have been added, Bhogapuram and Vizag, could you also give us the revenue and EBITDA numbers? So far, you have given the bottom-line number.

Management: One second, Aditya. For Vizag Airport, the top line was approximately INR 42 crores for the quarter, with EBITDA negative by approximately INR 4.2 crores and a loss of approximately INR 82 crores. This was for 46 days.

Aditya Mongia – Kotak Securities: For Nagpur, what would the quarterly number be?

Management: One second, Nagpur.

Management: For Nagpur, the top line was approximately INR 42 crores, EBITDA was INR 8.53 crores, and PAT was INR 8.08 crores.

Aditya Mongia – Kotak Securities: Understood. So, the net effect on EBITDA was a small positive boost in this quarter.

Management: Yes, it was a small positive at the consolidated level.

Aditya Mongia – Kotak Securities: Thank you, sir. That was my last question.

Operator: Thank you. The next question is from the line of Karthik Chellappa from Indus Capital Advisors, Hong Kong Limited. Please go ahead.

Karthik Chellappa – Indus Capital Advisors Hong Kong Limited: I have one clarification. There was an increase of approximately INR 100 crores in other expenses at the consolidated level this quarter. Were there any one-offs, and what explains the INR 100 crore increase?

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Management: These are mainly Vizag and Nagpur expenditure grouped under that head.

Karthik Chellappa – Indus Capital Advisors Hong Kong Limited: Does that mean a similar amount should be reflected in the next quarter as well? Should INR 875–900 crores be considered the normal run rate?

Management: Yes, mostly.

Karthik Chellappa – Indus Capital Advisors Hong Kong Limited: Thank you, sir. That is all from my side.

Operator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the floor back to Mr. Saurabh Chawla for his closing comments. Thank you, and over to you, sir.

Management: Thank you. I wanted to clarify the EBITDA numbers in response to Prateek's first question. He asked how there could be momentum and growth on the revenue side while EBITDA remained flat. The reason is that if you look at Delhi and Hyderabad, EBITDA has grown. The negative impact is mainly from Goa and Vizag. That is the reason. Several questions during the call covered this point. I want to make it clear that this is solely because Vizag was added to our portfolio in this quarter. Delhi and Hyderabad EBITDA margins have also expanded in Q2 this year.

Management: The message is that both Delhi and Hyderabad have shown resilience despite soft airline traffic. Margins have expanded, and if traffic had also remained normal as expected, the numbers would surely have been much better, with significantly better operating leverage visibility at these 2 airports. The negative impact is solely due to the consolidation of Bhogapuram, or Vizag, and some softness at the operating level in Goa. That is the broad message.

On the non-aero side, performance is very strong, and debt has peaked. Regarding non-aero growth momentum, we would again like to guide that growth will continue at approximately 15% on a secular basis, around that number. Non-aero consolidated EBITDA margins should be above approximately 20%. That is the business, and that is how you should look at it.

Thank you, everyone, for your participation on the call and for your patience. For those whom we could not include on the call due to lack of time, the investor relations team is available to answer your questions offline through calls or emails. Thank you, everyone. Have a good day.

Operator: Thank you, sir. Thank you to the members of management. On behalf of GMR Airports Ltd., that concludes this conference. We thank you for joining us, and you may now disconnect your lines. Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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