



# Completion of the merger of GIL & GAL

25<sup>th</sup> July 2024

# Objectives of the presentation

- 01** REMIND THE STRUCTURE OF THE GLOBAL OPERATION AND THE RESULTING CORPORATE GOVERNANCE OF GMR AIRPORTS
- 02** GIVE DETAILS ON THE FINANCIAL IMPACTS OF THE TRANSACTION FOR GROUPE ADP
- 03** PUT THE SPOTLIGHT ON THE VALUE OF OUR STAKE IN GMR AIRPORTS
- 04** TO CONCLUDE: REAFFIRM THE LONG-TERM VALUE CREATION POTENTIAL OF GROUPE ADP'S INTERNATIONAL STRATEGY

# Merger of GAL into GIL, to form an airport holding listed on Indian exchanges

Summarized timeline



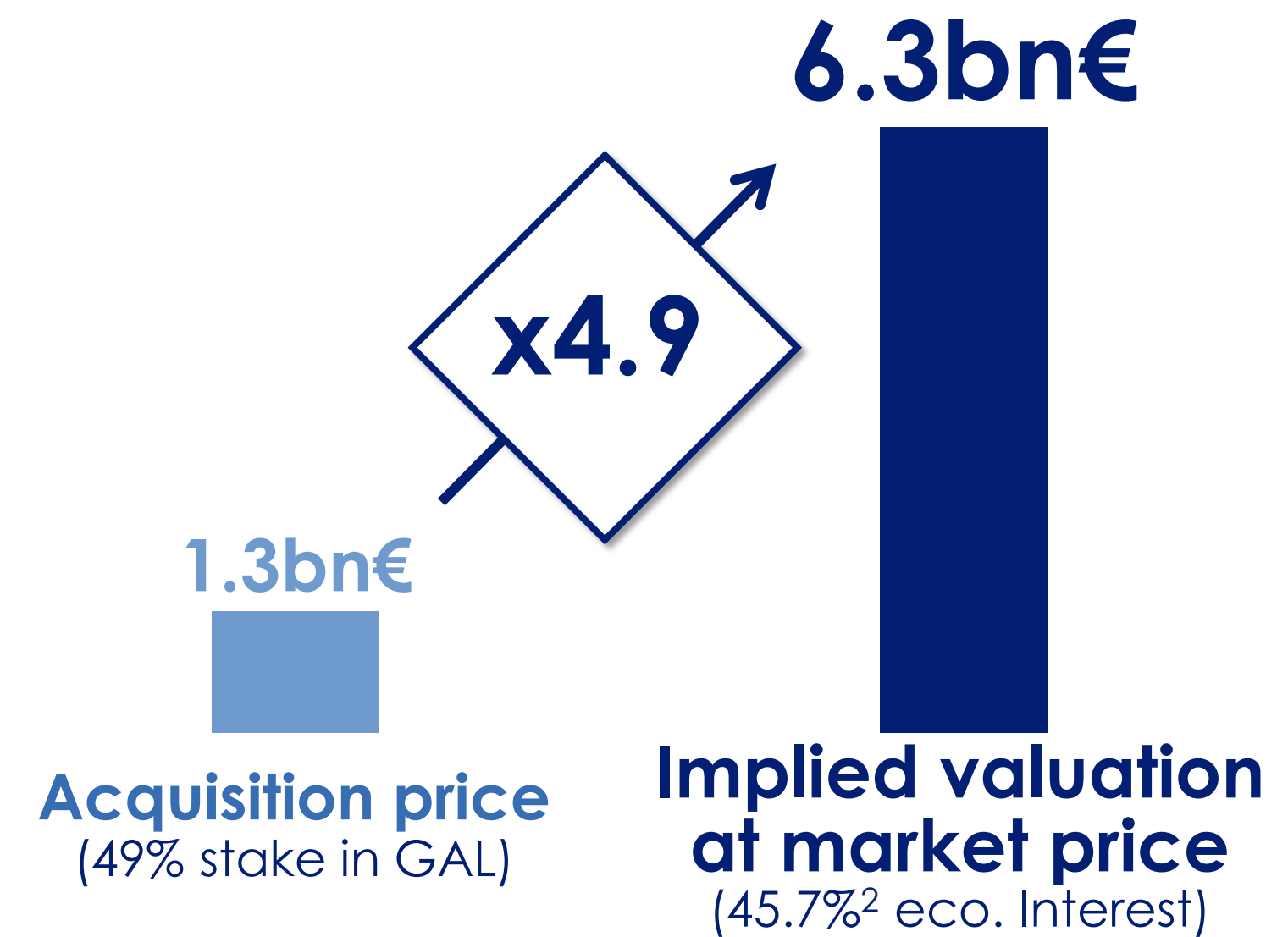
## Merger to achieve **3 benefits...**

**Simplify & clarify the capital structure** of the airport holding company

**Reveal the value** and **provide liquidity** to Groupe ADP's stake

Form a **more agile platform** to capture **new growth opportunities**

## ...and reveal an **outstanding rise in valuation<sup>1</sup>**



1. Acquisition price as of the purchase of the 49%-stake in GAL (excl. earnouts) vs. valuation of ADP's ordinary equity shares and OCRPS Preference Shares at GIL share price as of July 24<sup>th</sup>, 2024 after market.  
 2. 45.7% economic interest in New GIL consisting of 3,410,614,011 ordinary equity shares and 65,111,022 OCRPS Preference Shares, conditionally convertible into 2,604,440,880 ordinary equity shares. - Excluding impact from potential FCCBs conversion (c.5-8% of capital if converted)

# Post-merger structure and governance of New GIL

1.



# A strong partnership with GMR, in line with Groupe ADP's multi-local approach

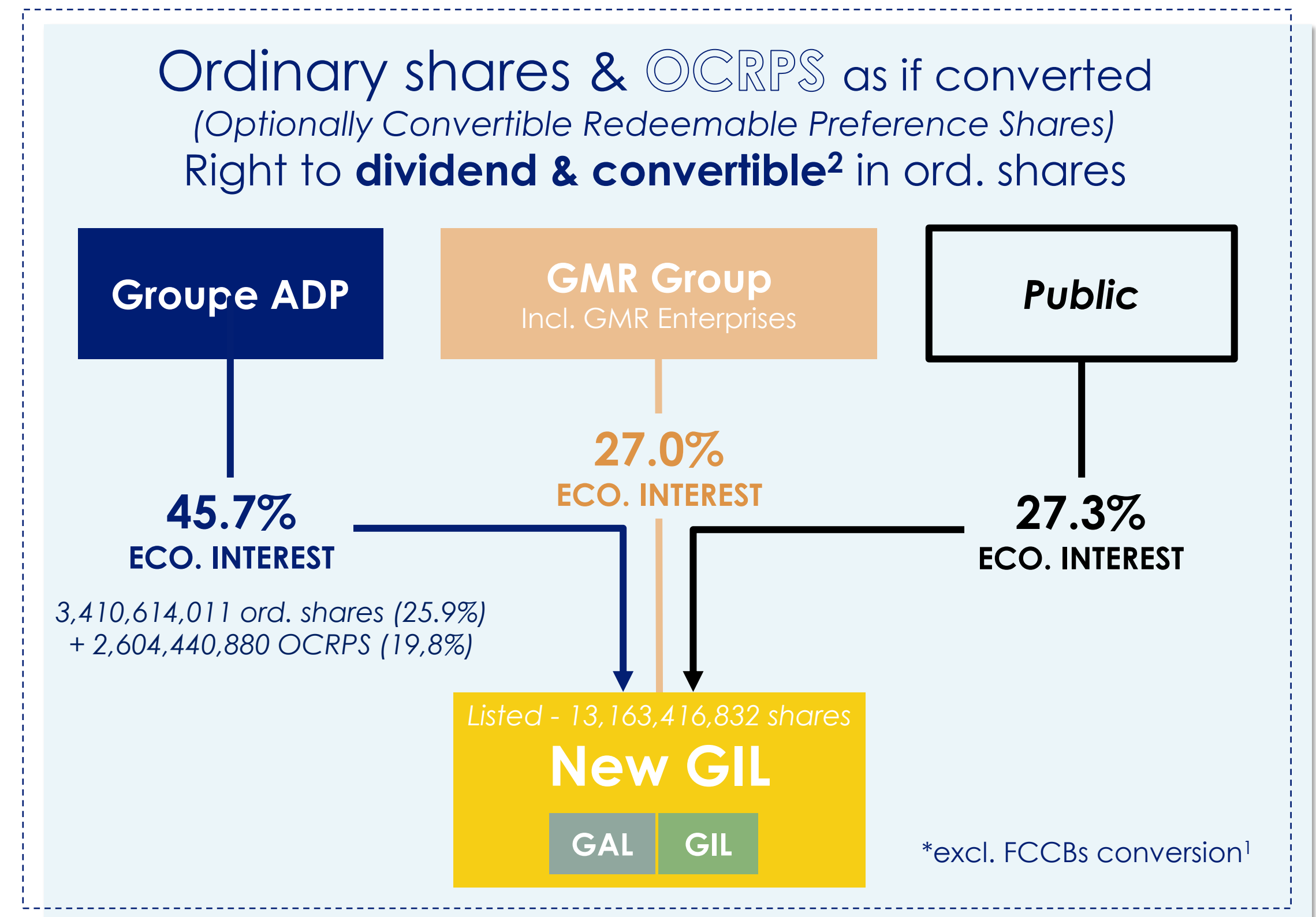
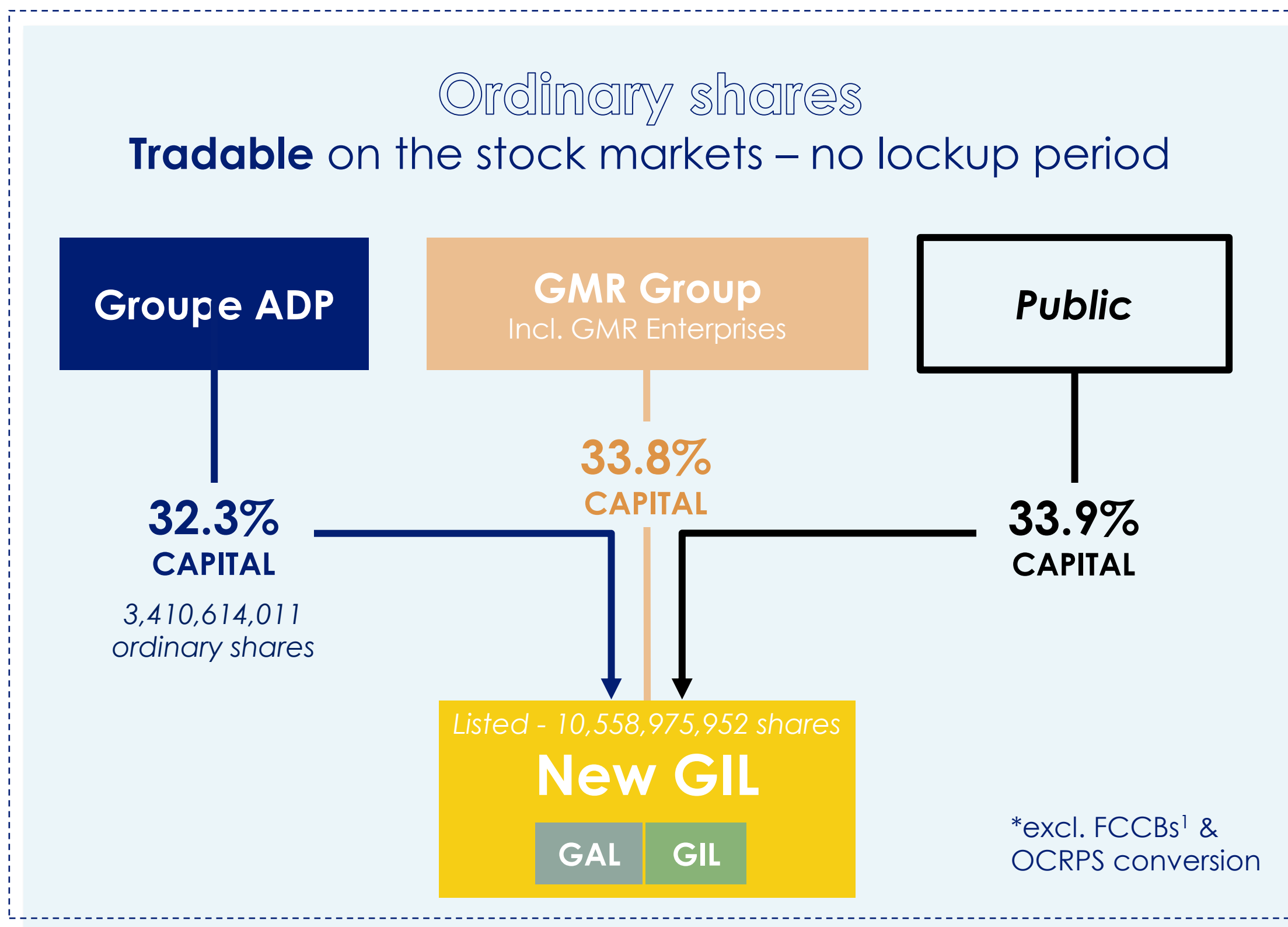
Our stake is structured in **two types of instruments** : Ordinary shares & Preference shares (OCRPS)

Positioning our partner GMR Group as the **largest single shareholder in management control...**

... while maintaining Groupe ADP's **substantial economic interest (45.7%)**

## POST MERGER **SHARE CAPITAL STRUCTURE\***

## POST MERGER **ECONOMIC INTEREST\***



# A balanced and independent Board structure



- Significant influence in corporate **policy** strategic **decisions**
- Critical role in governance structures & in regulatory processes
- Status **safeguarding stakeholders' interests**

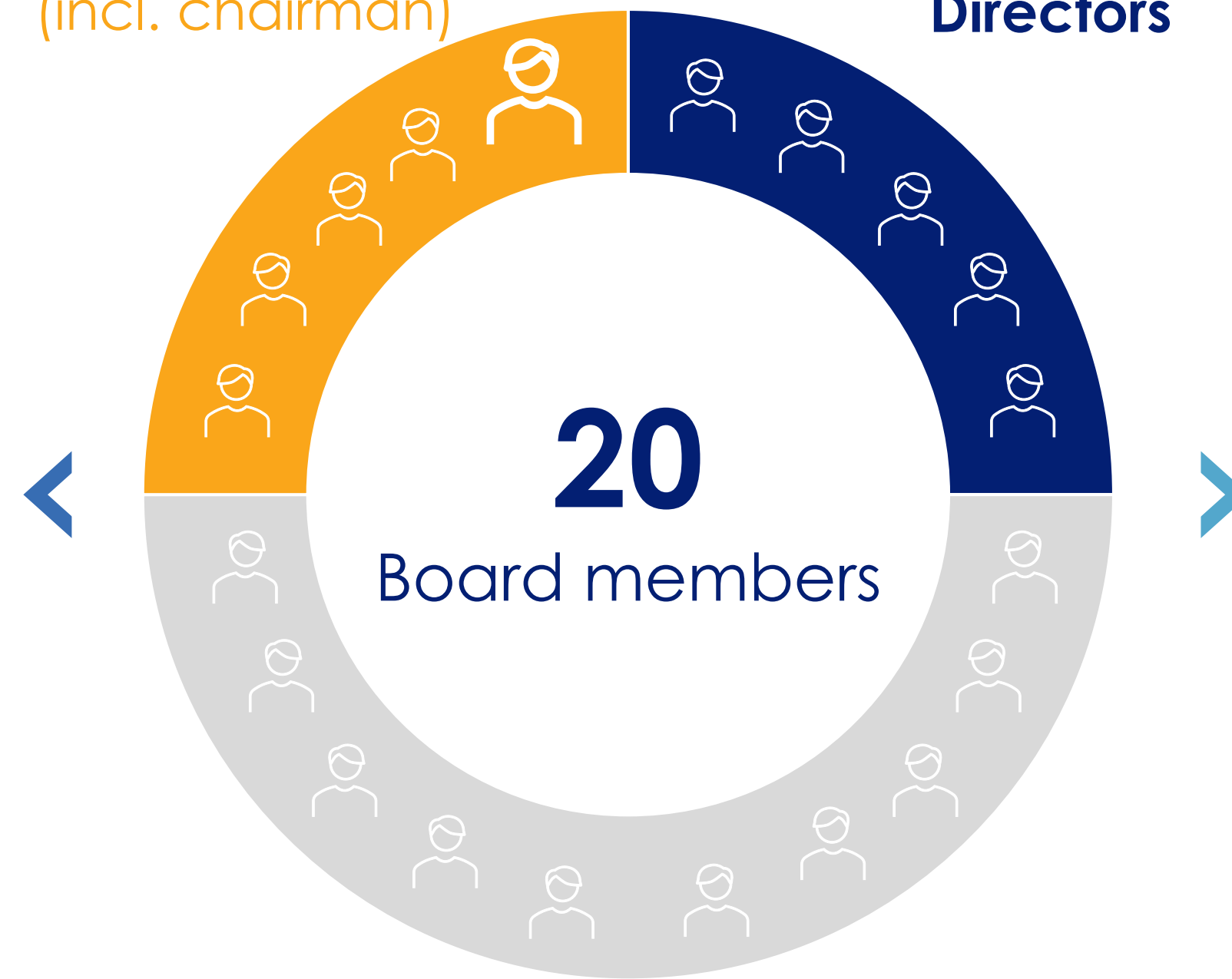
## Equal representation of co-promoters at the Board and Committees Level

Directors with broad set of experiences & skills



GMR Group Directors (incl. chairman)

Groupe ADP Directors



6 Committees of the board to oversee specific matters

- ◆ Risk management committee
- ◆ Audit committee
- ◆ Nomination and remuneration comm.
- ◆ ESG committee
- ◆ CSR committee
- ◆ Stakeholders relationship committee

Independent Directors

**Other skills present at the board:**  
*Networking, general attributes, entrepreneurship, interpersonal communication skills, leadership skills, soundness of judgment, people & process oriented actions, information technology, governance consciousness*

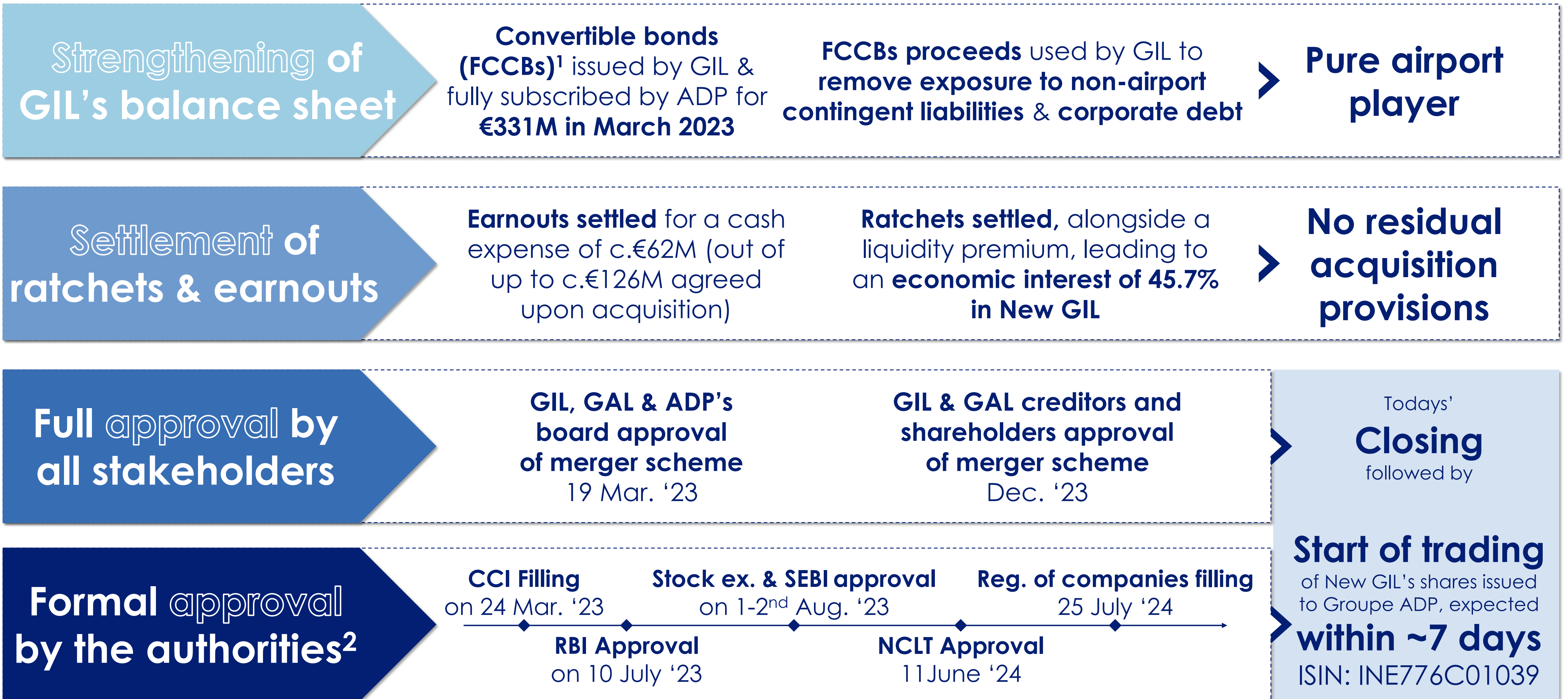
# Financial impacts of the transaction

# 2.



# What happened since march 2023 announcement?

See slide 21 in appendix, regarding transaction-specific financial instruments

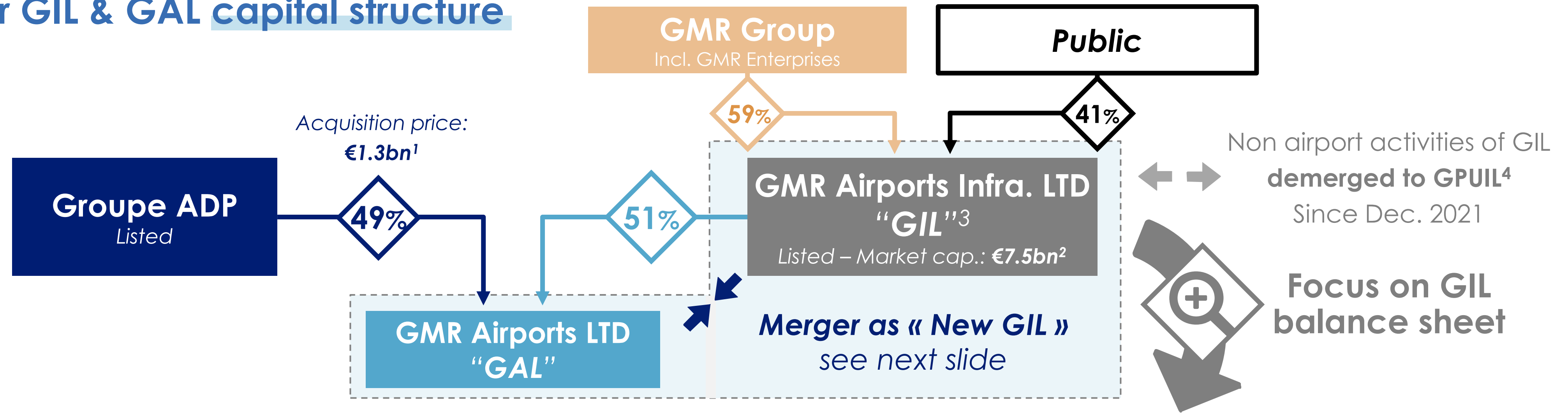


1. *FCCBs* : Foreign Currency Convertible Bonds  
 2. *CCI* : Competition Commission of India ; *RBI* : Reserve Bank of India ; *Stock exchanges* : BSE Limited et au National Stock Exchange of India Limited ; *SEBI* : Securities and Exchange Board of India ; *NCLT* : National Company Law Tribunal

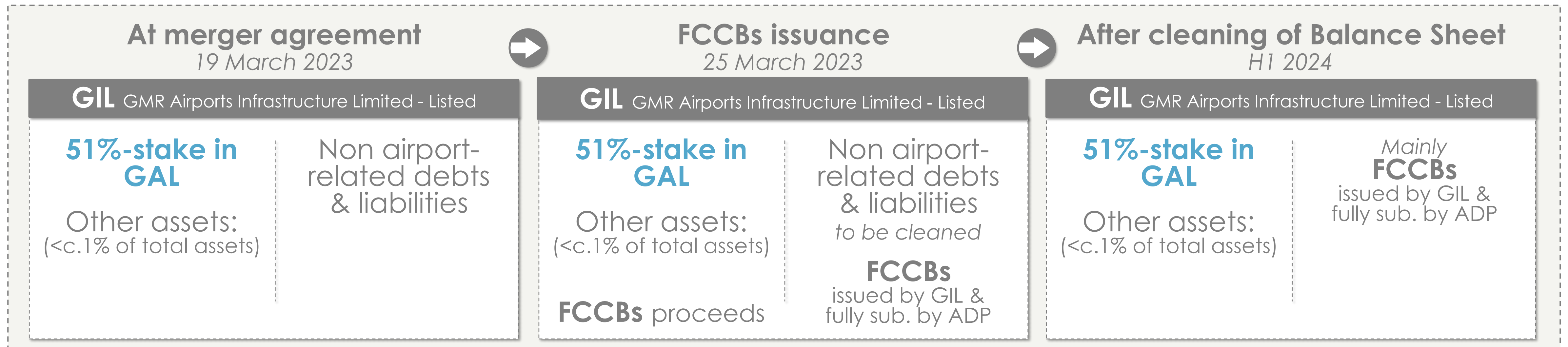


# Proceeds of FCCBs have been used to clear GIL's balance sheet

## Pre-merger GIL & GAL capital structure



## GIL simplified balance sheet evolution (illustration)



1. Acquisition price as of the purchase of the 49%-sake in GAL (excl. earnouts)  
 2. As of July 24<sup>th</sup>, 2024  
 3. Formerly known as GMR Infrastructure Limited or "GIL"  
 4. All non airport assets previously held by GIL have been demerged as a new listed company: GMR Power and Urban Infra Ltd.

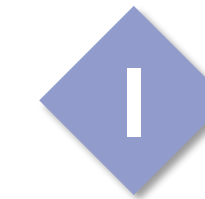
# Groupe ADP becomes a shareholder in New GIL, a pure airport player

Simplified balance sheet of New GIL  
Illustration



**45.7%<sup>1</sup> economic interest**

vs. **49%-stake** in GAL before merger, including ratchet settlement & liquidity premium



## New GIL

GMR Airports Infrastructure Ltd – ISIN INE776C01039

100% of assets & liab. of GAL

**Delhi** (DIAL ; 64%-stake)  
**Hyderabad** (GHIAL ; 74%-stake)  
**Goa** (GGIAL ; c.100%-stake)  
**Medan** (49%-stake)  
...

**Debts & liabilities**  
related to airport assets

**Direct ownership** of airport assets by the listed structure (vs. through holding structure in-between previously)

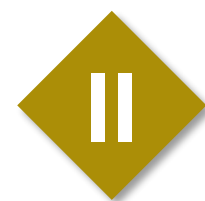
**Significant reduction<sup>2</sup>** of non-airport liab. (vs. contingent liabilities to non-airport assets previously)

Assets & liab. of **GIL excl. GAL to be integrated**

Other assets: (<c.1% of total assets)

mainly **FCCBs**  
(accounted at fair value – c.5-8% of capital if converted)

**Net assets of GIL excl. GAL are negative**



**I**  
Change in economic interest

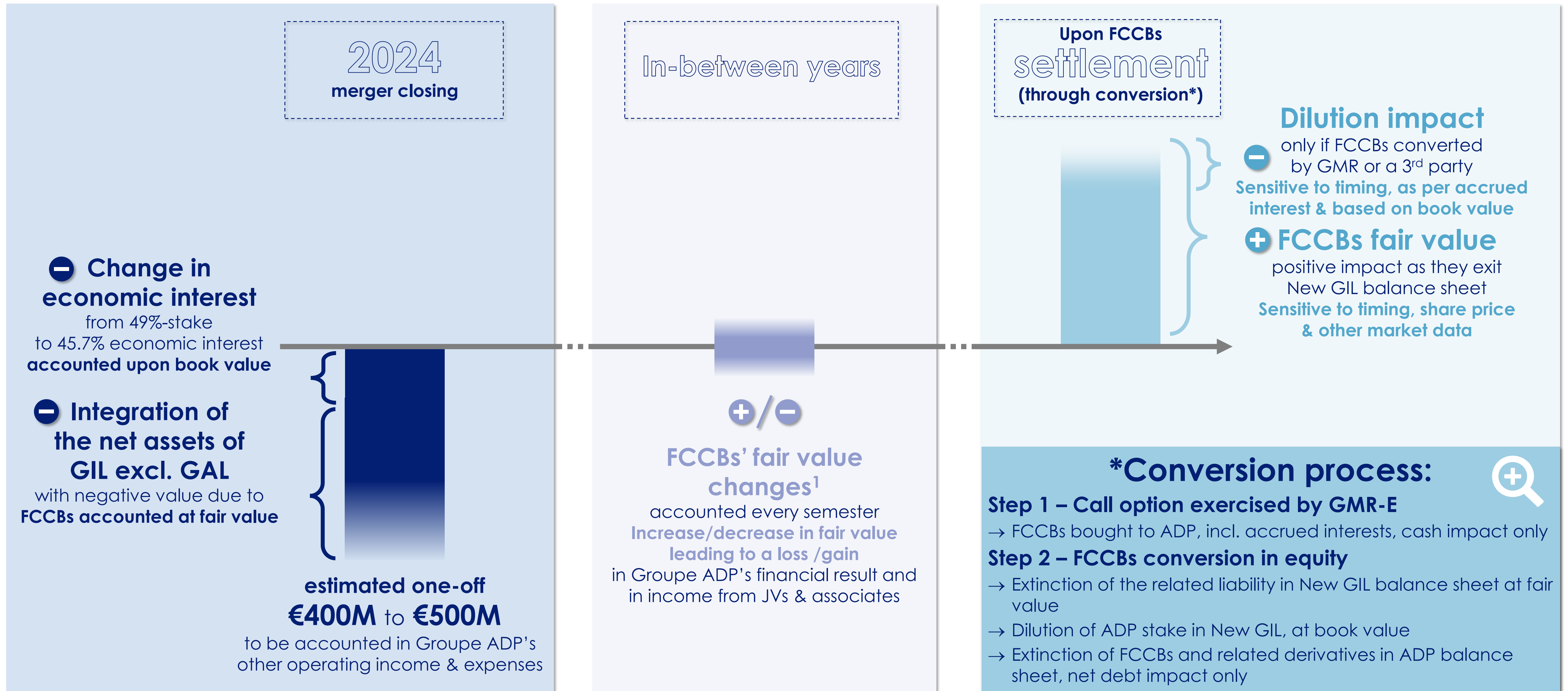


**II**  
Integration of the net assets of GIL excl. GAL



Leading to **non-cash one-offs at merger completion**, and upon **FCCBs extinction** (see next slide)

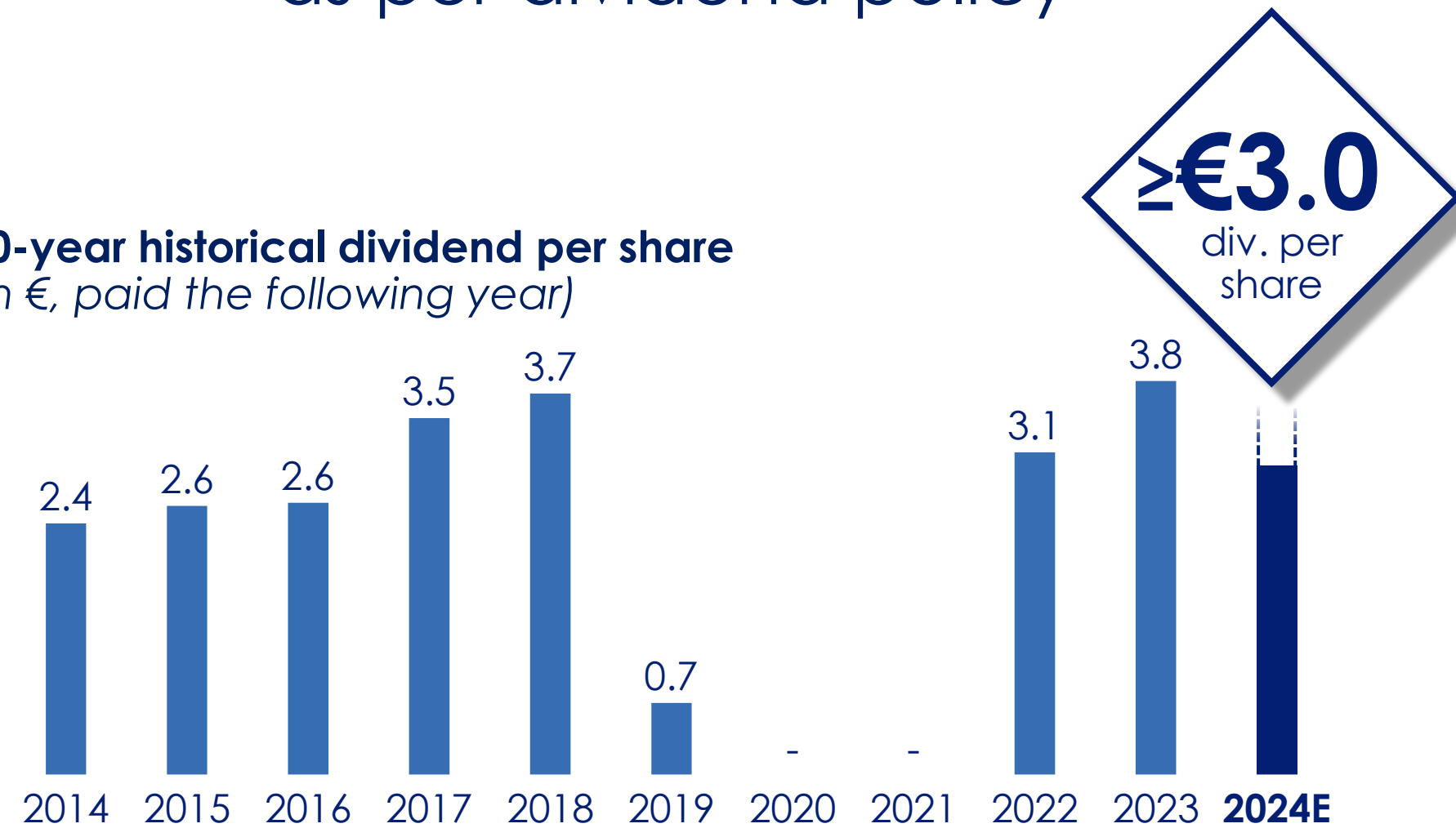
# 2024 non-cash impact on our P&L, to be broadly offset upon FCCBs settlement



# Key financial takeaways

## 2024 dividend is secured as per dividend policy

10-year historical dividend per share  
(in €, paid the following year)



### Unchanged financial outlook:

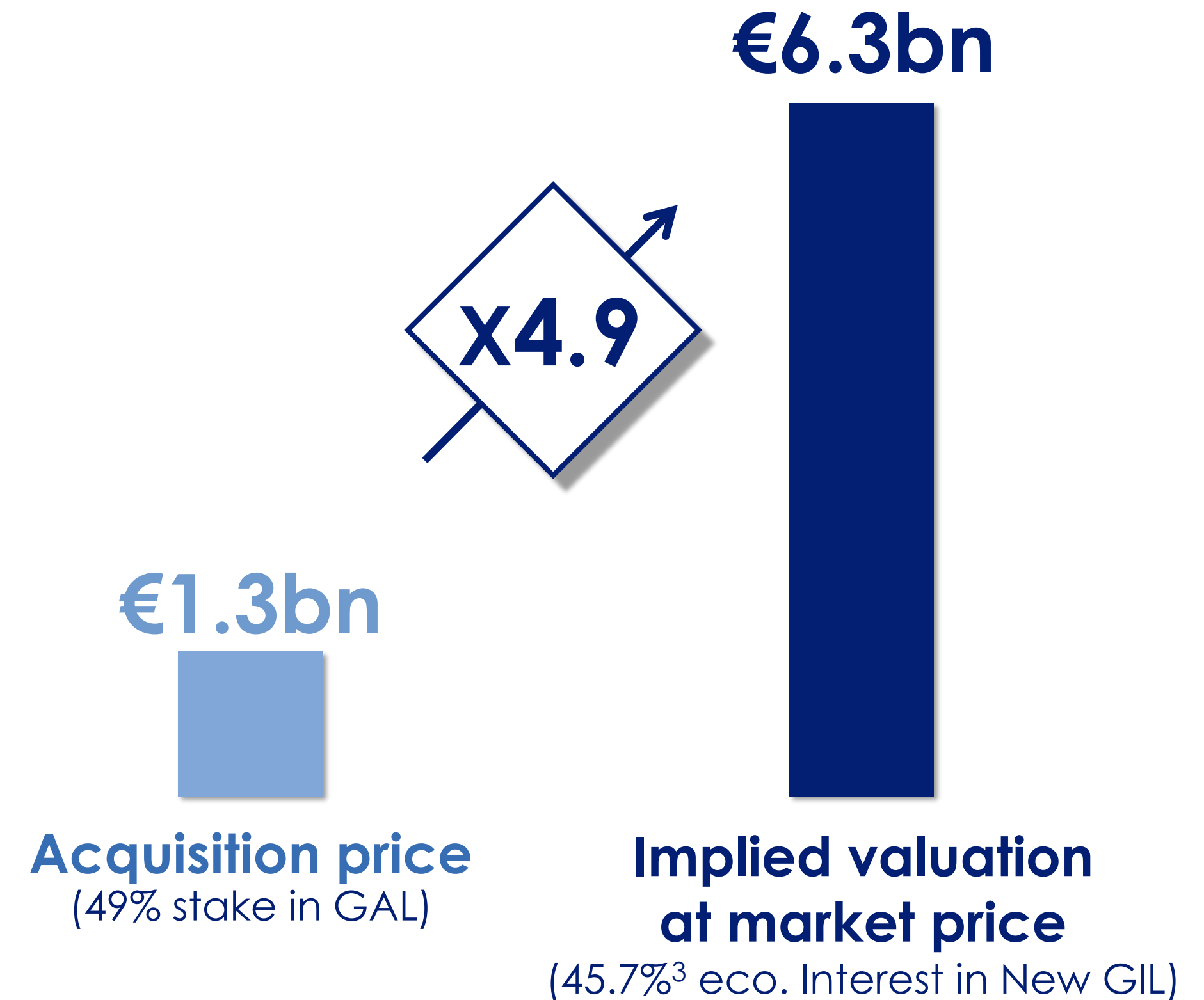
#### DIVIDEND POLICY:

60% NRAG<sup>2</sup> payout ratio with a **minimum of €3.0 per share** for **2024-2025**

#### NET DEBT / EBITDA TARGET:

**3.5x to 4.0x in 2025** incl. potential new intl. growth projects

## Value accretive transaction<sup>2</sup>



1. Net result attributable to the group  
 2. Acquisition price as of the purchase of the 49%-sake in GAL (excl. earnouts) vs. valuation of the 45,7%-economic interest in New GIL, based on GIL's market capitalization as of July 24<sup>th</sup>.  
 3. 45.7% economic interest consisting of 3,410,614,011 ordinary equity shares and 65,111,022 OCRPS Preference Shares, conditionally convertible into 2,604,440,880 ordinary equity shares. - Excluding impact from potential FCCBs conversion (c.5-8% of capital if converted)

# GMR Airports

3.

# Indian air travel industry is thriving

## Rising air travel demand

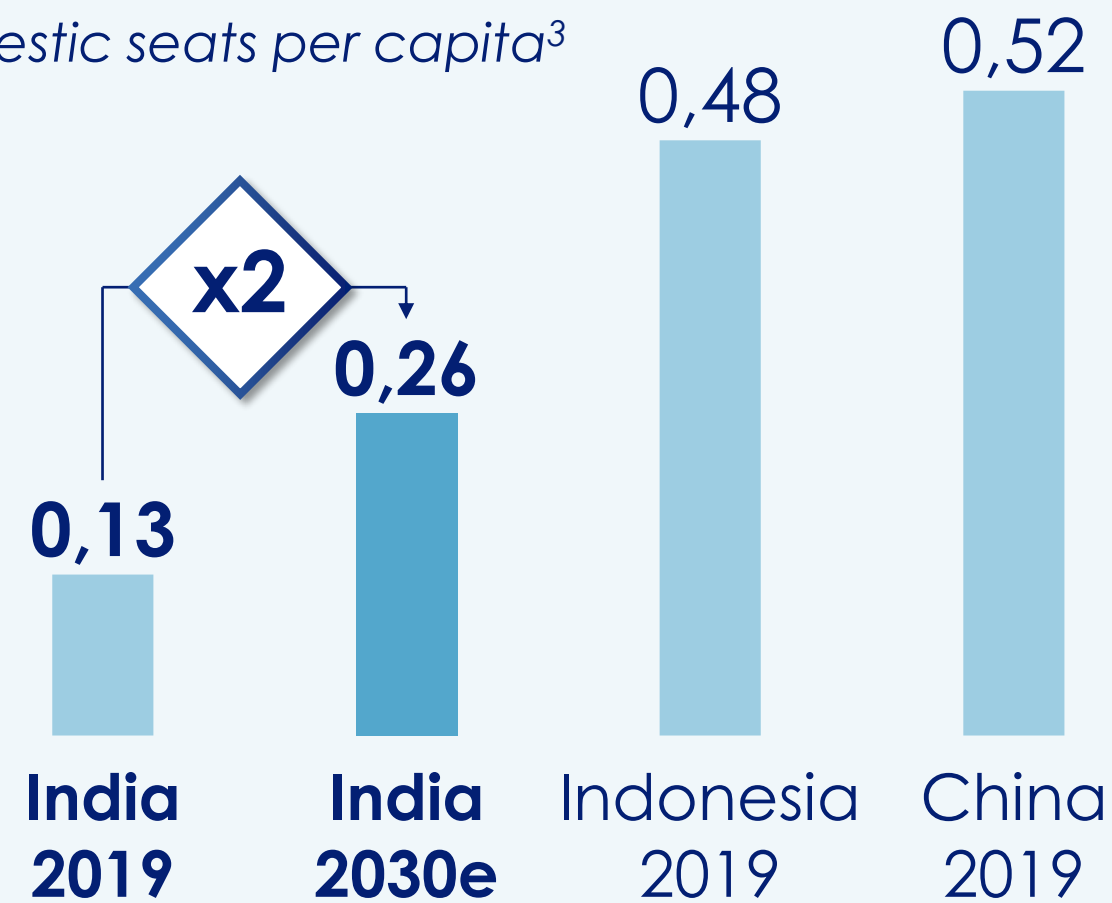
**+8.5%**

CAGR dom. **pax growth**<sup>1</sup> in 2013-2023

India is the world's  
**3<sup>rd</sup> domestic aviation market**<sup>2</sup>  
per domestic seats

**Large upside in flight penetration**  
in India to catchup with regional peers

Domestic seats per capita<sup>3</sup>



## Dynamic airlines

**x3**

**IATA Air Connectivity**<sup>4</sup> in 2009-2019

Massive c.1,700 aircrafts ordered by  
Indian carriers to pursue growth

**THE ECONOMIC TIMES**  
Akasa Air, IndiGo, Air India place orders for 1,120  
planes in less than one year

**Reuters** Air India firms up order with Airbus,  
Boeing for 470 planes

**Business Standard**  
IndiGo places \$5 billion order for 30 A350-900  
widebody aircraft

**THE HINDU**  
Akasa Air places order for 150  
Boeing 737 Max planes

## Growing infrastructure

**+66 New airports**

since 2016 & +c.90 expected by  
next decade

**25 Airports** to be conceded<sup>5</sup>  
in the next few years as part of **National  
monetization pipeline**

**Greenfield** airports

increasingly being developed by private  
investors (Mumbai, Noida, **Bhogapuram...**)

1. Directorate General of Civil Aviation (DGCA)
2. Official Airline Guide (OAG) India
3. CAPA India
4. IATA connectivity indicator, measuring the degree of integration of a country into the global air transport network
5. Ministry of Civil Aviation of India

# GMR's Indian airports are under a clear regulation framework

**Regulator:**



**AERA**

Airports Economic Regulatory Authority (AERA)

## Core characteristics

### Regulator approving tariffs

considering airport's regulated asset base, depreciations, expenditure and revenue projections over a **5-year "Control period"**

### Hybrid till regulatory model

30% **cross-subsidy** from non-aero. revenues to **support revenues from aeronautical** regulated till revenue

### True up mechanism

Any excess or shortfall in tariff profitability is **offset by true up** by adjusting tariffs for the **subsequent control period**



Ensuring **fair remuneration** on aeronautical activities



Incentivizing **growth & development** in non-aeronautical activities



Providing **stability** over the long term

# GMR Airports is a leading pure-play, positioned to capture growth sustainably

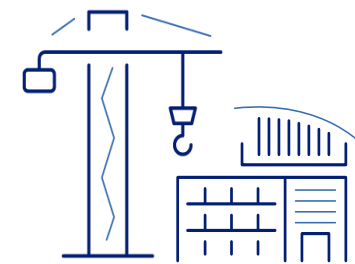
## Present all across the airport value chain...



**7 airports**  
of which **4 operating airports**  
and 3 under development



**High retail potential**  
to be leveraged by increasing retail  
areas and improving offering & brands



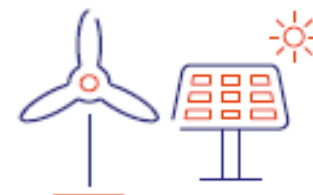
**Prime real estate portfolio**  
with c.2,520 acres to monetize  
near airports



## ...and with strong environmental & social ambitions



**Delhi & Hyderabad**



Level **4+** Transition in **Airport Carbon Accreditation** Program

**100%** energy consumption from **renewables**



**GMR Varalakshmi Foundation**  
working across 17 locations in India



# GMR Airports strategic priorities and capital allocation philosophy



## Seize growth opportunities

### **Grow organically**

with and within current portfolio, through planned and efficient investments

**Select value accretive external growth projects** in and outside India

**Develop commercial activities across the value chain** and maximize revenue generation directly at New GIL level



## Increase performance

### **Traffic**

Leverage international traffic growth and hub strategy

### **Passenger experience**

Keep improving passenger satisfaction through innovation and connectivity

### **Industrial partnership**

Leverage the ADP/GMR partnership to develop joint expertise and projects on core and innovative fields



## Focus on cash generation

### **Deleverage the company**

**Upstream the cash flows from the assets to New GIL**

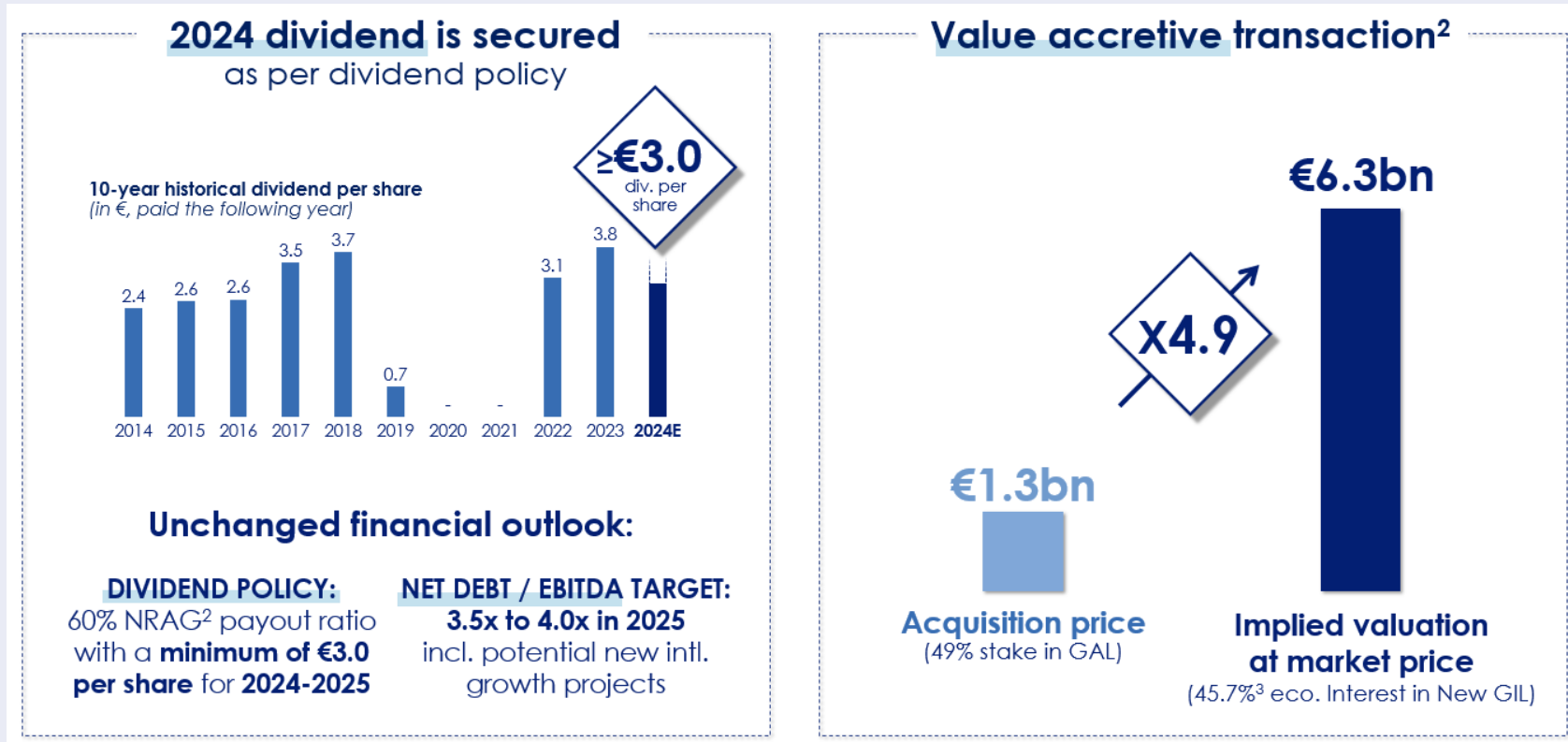
**Deliver positive free cash flow to equity at the New GIL towards the end of the decade**

# CONCLUSION

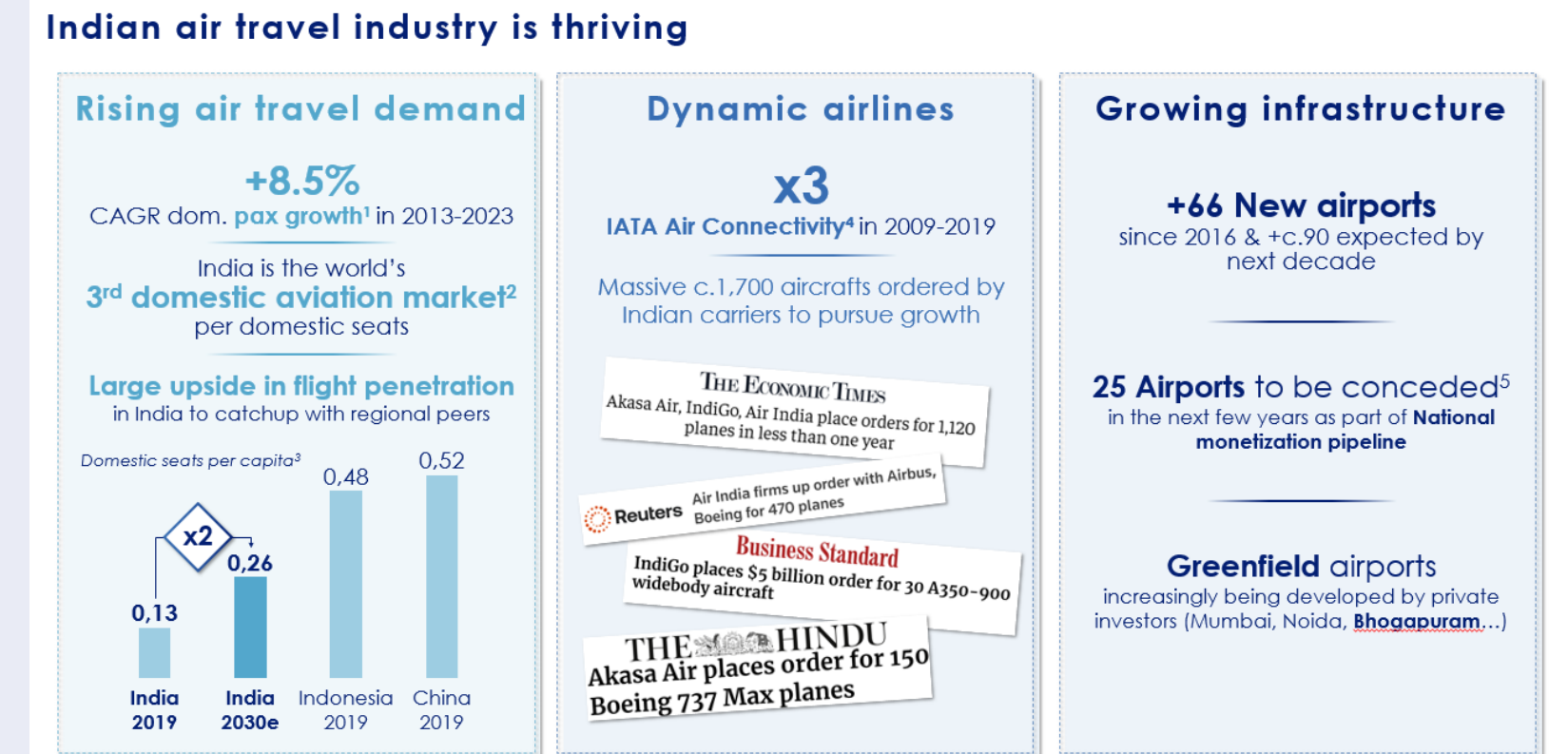


# Wrap-up

## A value accretive transaction...



## ... and a strategic positioning in a fast growing region...



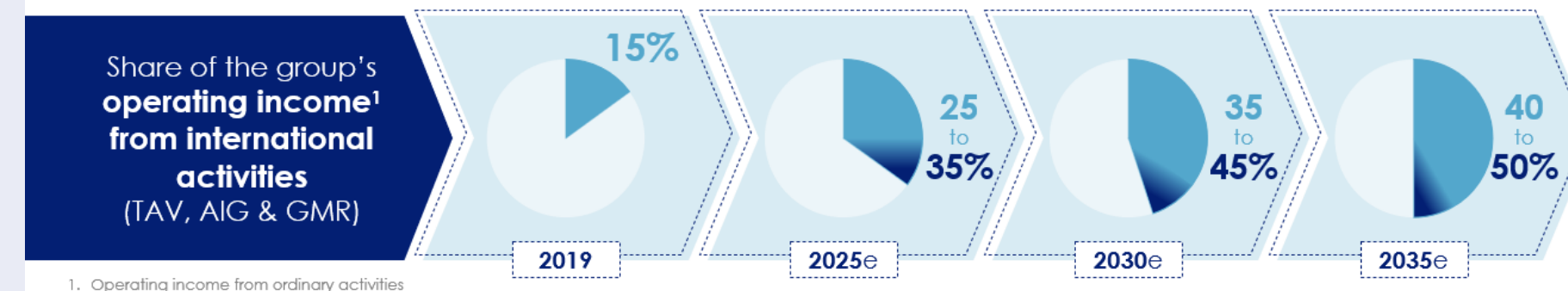
## ...fitting our international strategy

### Reinforcing our unique international footprint

Three listed & complementary entities in terms of geography and exposure to growth



GMR Airports is key to the group's **international footprint**



# APPENDICES



# Overview of the transaction-specific financial instruments

## FCCBs - Convertible bonds

*Foreign Currency Convertible Bonds*

**Loan granted to GIL** in March 2023 to **accelerate the reorganization** of its liabilities ahead of the merger (condition precedent).

Proceeds used by GIL to **clear its balance sheet** from non-airport contingent liabilities<sup>1</sup> & of corporate debt

## Derivative instruments on FCCBs

**protecting the repayment** of the loan to ADP.

Call option: enabling GMR-E to purchase FCCBs at any time

Put option: enabling ADP to monetize FCCBs upon certain conditions and from the fifth year (i.e 2028)

- ◆ **FCCBs** issued by GIL & subscribed by Groupe ADP for **€331M**:
    - ◆ **10-year** maturity (i.e. 2033)
    - ◆ Carrying an **interest rate of 6.76%<sup>2</sup>**;
    - ◆ Accounted for as **non-current financial assets**, at fair value in Groupe ADP's balance sheet (**1,082M€** as of June 30<sup>th</sup>, 2024);
    - ◆ Accounted as **liability in New GIL's** balance sheet (integrated from GIL, at merger).
  - ◆ **Call option** held by GMR-E enabling them to purchase FCCBs at any time. Accounted as **derivative liability** in Groupe ADP's balance sheet at fair value
  - ◆ **Put option** held by Groupe ADP and accounted as **derivative asset** in Groupe ADP's balance sheet at fair value
- **Both included in ADP's Net Debt at fair value (-709M€** as of June 30<sup>th</sup>, 2024)

## OCRPS - Preferred Shares

*Optionally Convertible Redeemable Preferred Shares*

**Allows to maintain substantial economic interest while preserving local nature of GMR Airports :**

GMR Enterprises to remain controlling shareholder and largest holder of ordinary shares

Groupe ADP's to hold a 45.7%<sup>3</sup> economic interest considering both ordinary shares & OCRPS

- ◆ OCRPS give right to:
  - ◆ **A dividend equivalent to ordinary shares**
  - ◆ **No voting rights** except regarding OCRPS rights
- ◆ **OCRPS are convertible into ordinary shares** upon certain conditions
- ◆ **Corresponds to c.19.8%<sup>3</sup> of capital** if converted in ord. shares
- ◆ Accounted for as "Investments in associates" in Groupe ADP's balance sheet, combined with ordinary shares at book value value
- ◆ New GIL to be consolidated under the **equity method at 45.7%-stake** – as independently assessed

1. By repayment or hedging of material cash liabilities to reduce exposure to non-airports items

2. no cash coupon, interest capitalized over principal for 5 years, thereafter paid in cash, with deferral option

3. Excluding impact from potential FCCBs conversion (c.5-8% of capital if converted)

# GMR Airports - ASSETS PORTFOLIO & MAIN METRICS

- Passagers CY<sup>1</sup> 2023 (Mpax)**
- \* For non operational airports or airports partially opened in FY23, total traffic of current airport*
- Current capacity / max (Mpax)**
- Ownership percentage of GAL**
- Total revenues FY<sup>2</sup> 2024 (standalone)**

**Assets under development**

**Operating asset**

### DIAL, New Delhi, India

- 72.2** ♦ Asset of national importance
- 100** ♦ Gateway to India, serving one of the world's largest urban areas
- 64%**
- 4,920 Cr** ♦ Skytrax: 37th worldwide (1st for the India-Central Asia region)  
~€541M

### GADL, GMR Airport Developers Limited

- 100%** ♦ 3 main businesses
- ♦ Project Management & Consultancy (PMC)
- n.c.** ♦ Engineering & Maintenance (EM)
- ♦ Bridge Mounted Equipment (BME)

### GMCAC, Mactan Cebu, Philippines

- 10** ♦ Major gateway to the Philippines
- 16**
- n.a.** ♦ Stake sold in 2022, pending closing of the transaction
- n.a.**

### GGIAL, Goa, India

- 3.7\*** ♦ Goa is a fast-growing tourist destination
- 8** ♦ Strong international traffic and non-aero revenue potential.
- c.100%**
- 276 Cr** ♦ Goa's second airport  
~€30M

### Heraklion, Crete, Greece

- 9\*** ♦ New greenfield airport (15m pax capacity) – the current airport will be replaced
- 10**
- 22%**
- n.a.** ♦ Operations starting date : February 2027

### GHIAL, Hyderabad, India

- 24.3** ♦ Skytrax ranked 63rd worldwide (2nd regional)
- 34** ♦ One of India's fastest-growing airports
- 74%** ♦ Destined to become a regional hub
- 2,021Cr** ♦ In October 2023, GAL acquired MAHB shares (11%)  
~€222M

### APA, Medan, Indonesia

- 7.4** ♦ Airport in operation, built in 2013, serving Indonesia's 4th largest city
- 10**
- 49%**
- 702 Cr** ♦ Concession obtained by GMR in 2021  
~€77M

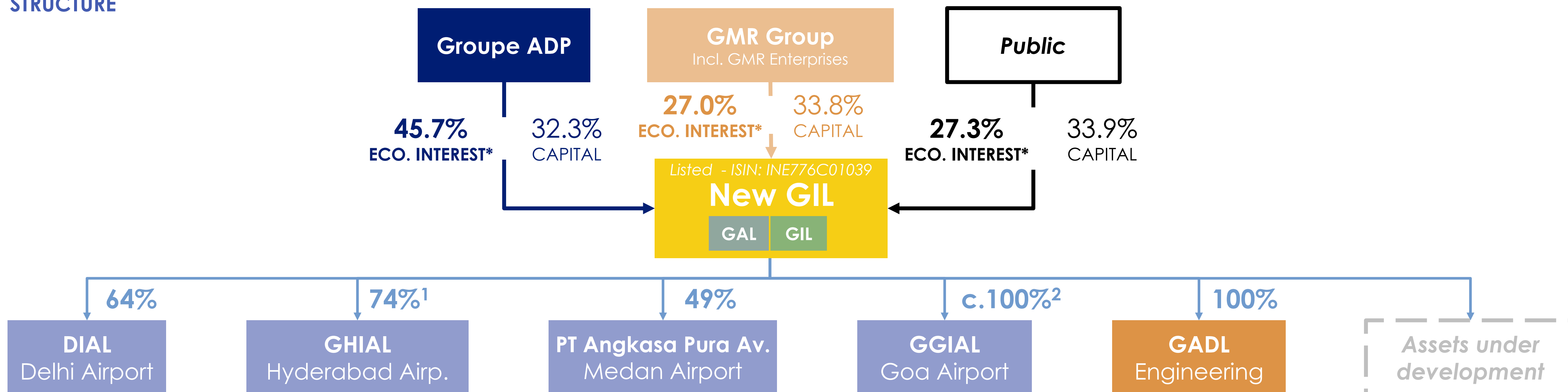
### GVIAl, Visakhapatnam, India

- 3** ♦ Concession obtained in 2018
- 6** ♦ Greenfield airport, replacement of existing airport
- 100%**
- n.a.** ♦ Operations starting date : September 2026

1. Civil Year : 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023  
2. Full-Year : 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024

# GMR Airports' main assets & subsidiaries

## STRUCTURE



\* incl. OCRPS Preference Shares, convertible in ordinary shares and giving right to dividend

## MAIN ASSETS

Company	Activity	2023 Traffic	Ownership (New GIL)	Consolidation method (by GAL)	Functional Currency <sup>(1)</sup>	Capacity	End of concession
<b>Delhi International Airport Ltd. (DIAL)</b>	Delhi airport management	72 Mpax	64%	Full consolidation	INR	100 Mpax	2036+30y
<b>Hyderabad International Airport Ltd. (GHIAL)</b>	Hyderabad airport management	24 Mpax	74%	Full consolidation	INR	34 Mpax	2068
<b>PT Angkasa Pura Aviasi</b>	Medan airport management	7 Mpax	49%	Equity accounting	IDR	10 Mpax	2047
<b>GMR Airport Developers Limited (GADL)</b>	Airport project management	-	100%	Full consolidation	INR		
<b>GMR Goa International Airport Limited (GGIAL)</b>	Goa airport management	4 Mpax	c.100%*	Full consolidation	INR	8 Mpax	2059

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## About Groupe ADP

Groupe ADP develops and manages airports, including Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget. In 2023, the group handled through its brand Paris Aéroport 99.7 million passengers at Paris-Charles de Gaulle and Paris-Orly, and nearly 336.4 million passengers in airports abroad. Boasting an exceptional geographic location and a major catchment area, the Group is pursuing its strategy of adapting and modernizing its terminal facilities and upgrading quality of services; the group also intends to develop its retail and real estate businesses. In 2023, group revenue stood at €5,495 million and net income at €631 million

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