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Trade View Report-



Published Date	April 27th, 2026
Rating	BUY
Trade Type	Long Term
Stock Name	GMRAIRPORT
Entry Price	96
Target	120
Stop Loss Price	85
Target%	25%
SL%	12%

Rationale-

GMR Airports Limited (GAL)—formerly known as GMR Airports Infrastructure Limited—is a leading global aviation conglomerate and currently Asia's largest private airport operator. Following a significant corporate restructuring in 2024, the company has consolidated its entire airport portfolio under a single listed entity.

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Following is the latest pointwise rationale, financial data, and project status for **GMR Airports Limited (GAL)** as of April 2026.

1. Key Financials (Q3 FY26 vs Q3 FY25)

- **Total Income:** ₹4,083 Cr (Up **49%** YoY).
- **EBITDA:** ₹1,789 Cr (Up **65%** YoY) — hitting new record highs.
- **EBITDA Margin:** **55%** (compared to 52% in Q3 FY25).
- **Net Profit (PAT):** ₹174 Cr (Turnaround from a loss of ₹243 Cr in some segments; first positive consolidated PAT since de-merger).
- **Passenger Traffic:** Handled a record **31.9 million** passengers in Q3 FY26.
- **Debt Status:** Net debt is expected to peak in **FY26** and begin a downward trajectory from FY27.

2. Investment Rationale

- **Tariff-Led Growth:** Revenue at Delhi Airport (DIAL) surged **173%** following the implementation of revised aeronautical tariffs.
- **Non-Aero Monetization:** Strategic focus on high-margin "adjacencies" like Duty-Free, Cargo, and F&B. Both Delhi and Hyderabad recorded their highest-ever monthly Duty-Free sales in December 2025.
- **Transition Phase:** Moving from a capital-intensive "construction" phase to a "cash-generation" phase as major expansions conclude.
- **Operational Leverage:** EBITDA growth (65%) is significantly outpacing revenue growth (49%), showing improved efficiency.
- **Refinancing Success:** Successfully raised ₹2,100 Cr via 15-year NCDs at **7.6%** to replace high-cost dollar debt, saving ~150 bps in interest costs.

3. Growth Drivers

- **International Hub Status:** Delhi Airport is seeing a **34% YoY increase** in East-West transit passengers, positioning it as a key global transfer point between Asia and Europe.
- **Land Development:** Monetization of a **2,500-acre land bank**; currently developing 1 million sq. ft. of office space and a 380-key hotel at Delhi Airport.
- **Sustainability Leadership:** Delhi and Hyderabad airports now operate on **100% clean electricity**, improving ESG ratings and attracting green financing.
- **Market Dominance:** Captured ~47% market share of Goa's air traffic system through the new Mopa Airport.

4. Upcoming Projects & Status

- **Bhogapuram Airport (Visakhapatnam):**
 - **Status:** ~96% physical progress; validation flight successfully completed in January 2026.
 - **Timeline:** Targeted for commercial operations by **June 30, 2026** (ahead of original schedule).
- **Crete Airport (Greece):** * **Status:** ~65% complete as of early 2026; work progressing on the terminal and airside.
- **Hyderabad Airport (Phase 2):** * **Plan:** Massive expansion (₹12,000–₹13,000 Cr) slated to begin in **FY28** to increase capacity beyond 34 million passengers.
- **Medan Airport (Indonesia):** * **Focus:** Scaling international transit traffic to tap into the Southeast Asia-Europe corridor.

5. Key Risks to Monitor

- **Regulatory Complexity:** Revenue is highly sensitive to "Control Period" tariff orders from AERA.
- **Geopolitical Factors:** Recent fluctuations in international traffic (down 1.3% in some months) due to Middle East tensions.
- **Debt Volume:** While refinancing is helping, the total debt remains high and requires disciplined deleveraging.

Beyond the standard financial metrics, here are the most critical "Alpha" points regarding GMR Airports (GAL) based on recent FY26 performance and strategic shifts.

1. The "Transit Hub" Strategy

- **East-West-East Corridor:** Delhi Airport (DIAL) has successfully positioned itself as a global transit point between Asia and Europe, seeing a **34% YoY increase** in international transit passengers.
- **Direct Connectivity Records:** DIAL now connects to **159 destinations** (84 domestic, 75 international), its highest connectivity level to date, including the resumption of direct flights to Shanghai and Guangzhou.
- **Global Benchmarking:** The Delhi-Mumbai route remained the **8th busiest air route globally** in 2025, ensuring a consistent base of high-frequency traffic.

2. Advanced Land Monetization (Aerocity)

- **Mixed-Use Development:** GMR is no longer just an airport operator but a real estate developer. Current active construction includes:
 - **Delhi:** A ~1 million sq. ft. commercial office building and a ~380-key luxury hotel (~0.6 million sq. ft.).
 - **Hyderabad:** "GMR Interchange," a **0.77 million sq. ft. retail and entertainment destination** (GAL's first dedicated retail project).
 - **Goa (Mopa):** Four third-party hotel projects (~1,000 keys) are currently in various stages of approval/construction.

3. Adjacency Businesses (GAL Platform)

- **MRO Dominance:** The Safran MRO facility at Hyderabad (0.46 million sq. ft.) is now operational. GMR Aero Technic was recently named "Best MRO Services" at Wings India 2026.
- **Retail Evolution:** Non-aero revenue is being boosted by "sole-operator" status in Duty-Free. In December 2025, both Delhi and Hyderabad achieved their **highest-ever monthly sales**.
- **Cargo Growth:** Delhi Cargo Terminal handled record monthly volumes (~0.86 million tonnes YTD FY26), with new infrastructure like "Cargo City" under development.

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4. Accelerated Project Timelines

- **Bhogapuram (Vizag):** Physical progress has hit **98.7%**. Airside works are 100% complete. Operationalization is now targeted for **June 30, 2026**, significantly ahead of the original December 2026 deadline.
- **Crete (Greece):** Overall progress is at **~65%** (as of Dec 2025). This remains a **debt-free project** for GMR, funded via state grants and modernization taxes.
- **Phased Capex:** Management indicates that consolidated net debt will **peak in FY26** and begin a downward trajectory in FY27 as major construction ends and "yield" phase begins.

5. ESG & Financial Engineering

- **Net Zero Milestones:** DIAL became the first Indian airport to receive the **IGBC Net Zero Waste to Landfill Platinum Certification**.
- **Refinancing Gains:** By switching dollar debt to 15-year NCDs at 7.6%, GMR has locked in long-term capital while reducing interest costs by over **150 bps**.
- **Dividends:** Signalling financial health, the Hyderabad Airport (GHIAL) board declared an interim dividend of **₹7.5/share** in early 2026.

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Intraday- Not more than one day

Short term – 0-15 days

Medium term – 1- 3 months

Long term – more than a Year

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