**Adani Airports**

Business Presentation

13th April 2023

# Section-I : Adani Airports Overview

# Table of Content

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# Adani Airports : Part of Transport & Logistics Portfolio of Adani group

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| Flagship | Infrastructure & Utility Core Portfolio | | | | Primary Industry | Emerging B2C |

| Incubator | Energy & Utility | | Transport & Logistics | | Materials, Metal & Mining | Direct to consumer |
|---|---|---|---|---|---|---|
| (69.2%) | (57.3%) | (71.6%) | (61.0%) | (100%) | (63.2%) | |
| **AEL** | **AGEL** Renewables | **ATL** T&D | **APSEZ** Ports & Logistics | **NQXT**[2] | **Cement**[5] | |
| | (37.4%) | (75.0%) | | | (100%) | (44.0%) |
| | **ATGL** Gas Discom | **APL** IPP | | | PVC | **AWL** Food FMCG |
| | | | | | (100%) | |
| | | | | | Copper, Aluminum | |
| | (100%) | (50%) | (100%) | (100%) | (100%) | (100%) |
| | **ANIL** New Industries | **AdaniConneX**[4] Data Centre | **AAHL** Airports | **ARTL** Roads | Mining Services & Commercial Mining | **ADL** Digital |

(%): Promoter equity stake in Adani Portfolio companies     (%): AEL equity stake in its subsidiaries

**A multi-decade story of high growth centered around infrastructure & utility core**

1. B2C: Business to Customer | 2. **NQXT**: North Queensland Export Terminal  | 3. **ATGL**: Adani Total Gas Ltd, JV with Total Energies | 4. Data center, JV with EdgeConnex, **AEL**: Adani Enterprises Limited; **APSEZ**: Adani Ports and Special Economic Zone Limited; **ATL**: Adani Transmission Limited; **T&D**: Transmission & Distribution; **APL**: Adani Power Limited; **AGEL**: Adani Green Energy Limited; **AAHL**: Adani Airport Holdings Limited; **ARTL**: Adani Roads Transport Limited; **ANIL**: Adani New Industries Limited; **AWL**: Adani Wilmar Limited; **ADL**: Adani Digital Limited; **IPP**: Independent Power Producer 5. Cement business includes 63.15% stake in Ambuja Cement which in turn owns 50.05% in ACC Limited. Adani directly owns 6.64% stake in ACC Limited

# Indian Aviation Industry

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## Airports in India

**Total Airports : 153**

- PPP Airports : 14
- Govt : 139

- Domestic : 111
- International : 42

**Air Travel Penetration: (Seat per capita)**

Domestic : 0.12
International : 0.06

**Indian Airline Fleet:**

Current : ~ 700 Aircrafts
Order Book: ~ 700 Aircrafts

[FY 2024 Net Additions approx. 130]

## Privatization

- Recently, Govt. privatized 6 Tier II Airports in FY 2019-2020. (Adani Airports won all 6 Airports)

- Govt. has identified New 25 Airports to be privatized in near future.

- Govt. of India announced to sale residual stake in the JV Airports.

## Non-Aero Potential

**Non-Aero Revenue (NAR) Share: (% of Total Revenue)**

- AAI Airports : ~15%
- Private Airports : ~ 40%

Airports like Delhi & Mumbai has 55% - 60% as Non-Aero Revenue.
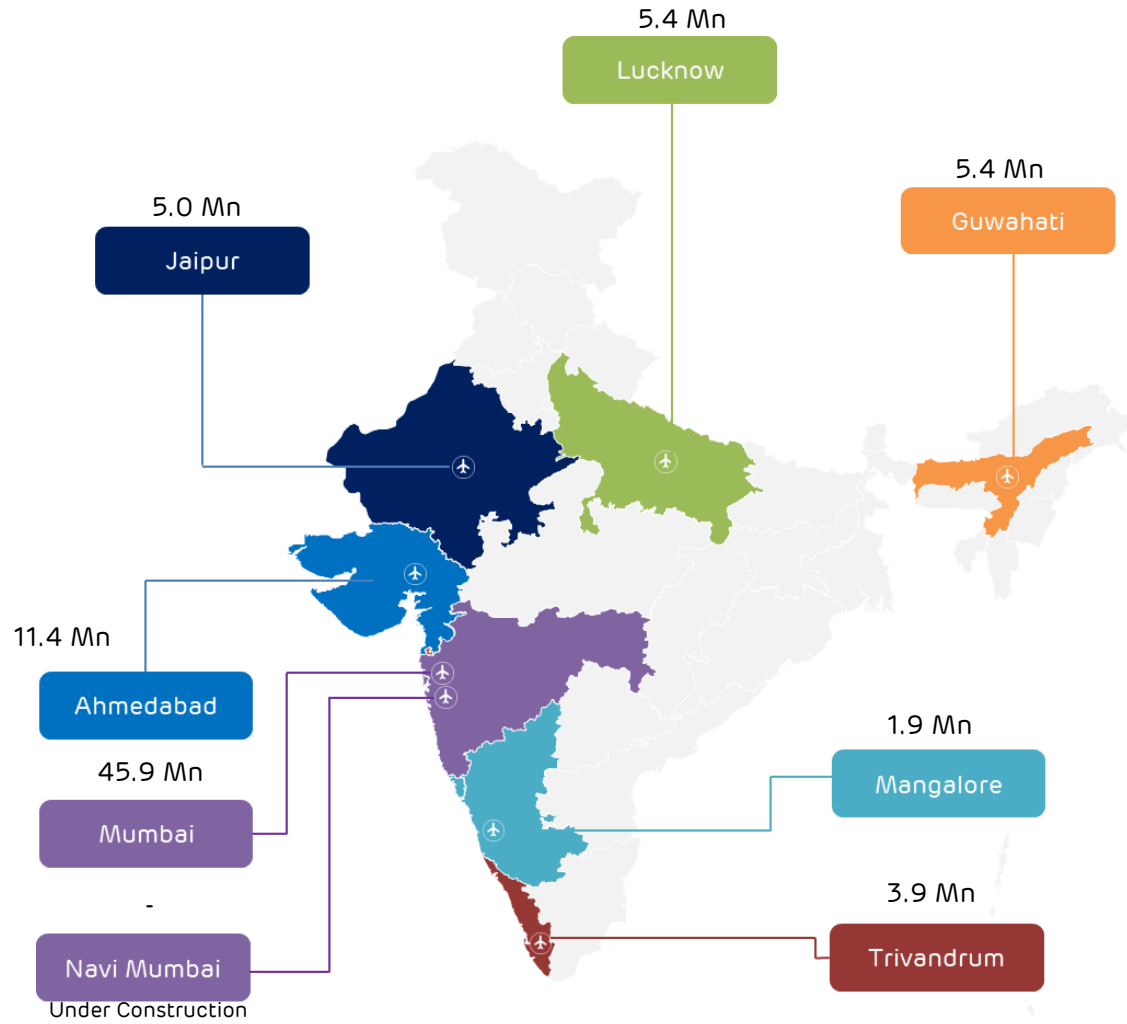
Global Developed Airports : ~ 60%

City Cide Development (CSD): True CSD Potential yet to unleash.

[Adani Airports : ~657 Acre land for CSD]
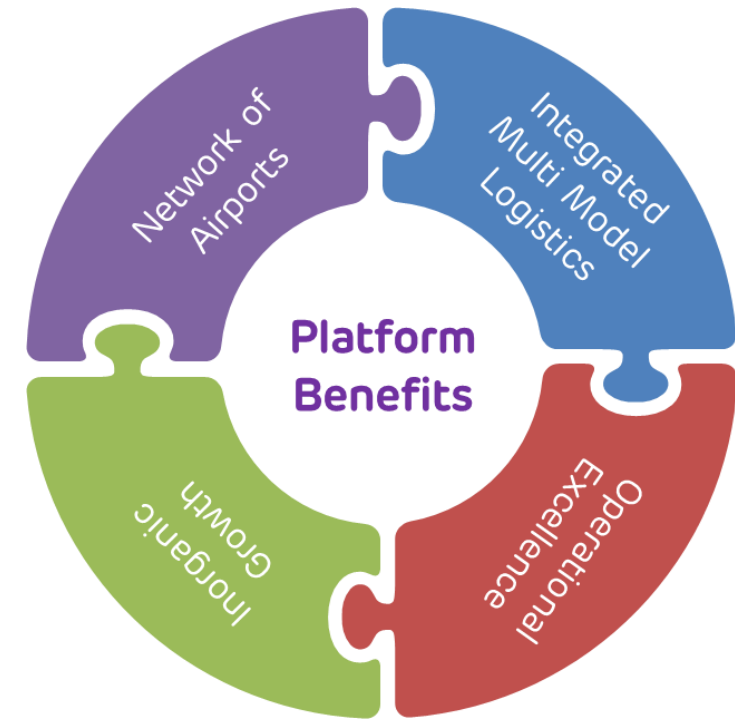
## Factors Driving Indian Aviation:

- Rising Middle Class & Urbanization in India.

- Connectivity beyond Tier I and II Cities through UDAN-RCS Scheme.

- India is one of the fastest growing aviation market in the world.(Currently **3rd largest** in the world)

- 100% FDI in Greenfield Airports  Projects.

- Privatization of Air India and Open Service ASAs.

*Note : UDAN-RCS : Ude Desh Ka Aam Nagrik – Regional Connectivity Scheme, FDI : Foreign Direct Investment, ASA: Air Service Agreement, PPP : Public Private Partnership*

# AAHL : India's Largest Private Airport Platform



**5.4 Mn** Lucknow

**5.4 Mn** Guwahati

**5.0 Mn** Jaipur

**11.4 Mn** Ahmedabad

**45.9 Mn** Mumbai

**-** Navi Mumbai
Under Construction

**1.9 Mn** Mangalore

**3.9 Mn** Trivandrum

- Airports Spread in States contributing to ~45% of India's GDP
- Unique Combination of Regional & International Gateways.
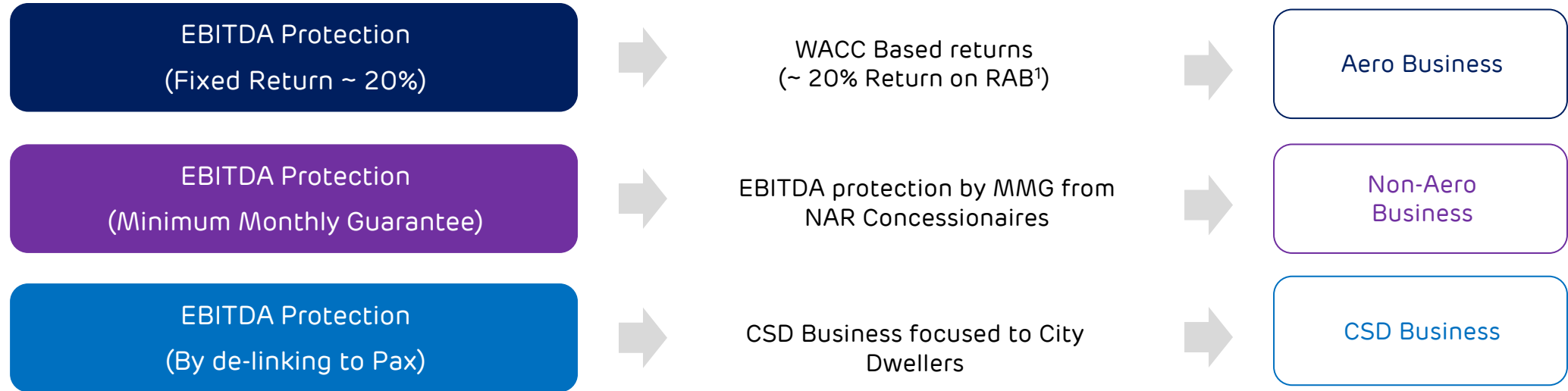- AAHL as an Airport Platform :



Platform Benefits

Network of Airports

Integrated Multi Model Logistics

Operational Excellence

Inorganic Growth

**Serving 300 Mn + Consumer Base**

**Total 8 Airports under fold, 7 Airports are Brownfield and Navi Mumbai is Greenfield.**

**Unique Combination of Infra Play & Consumer Play**

Pax Numbers are FY 2020 (Pre-Covid Numbers). 2. Airport Passengers : 80 Mn, Meet/Greeters : 160 Mn (2X of Pax) and CSD – 60 Mn (Both as per design)

# Revenue Structure at Airport

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## Traditional Business Model:

| EBITDA Protection (Fixed Return ~ 20%) | → | WACC Based returns (~ 20% Return on RAB[1]) | → | Aero Business |

| EBITDA Protection (Minimum Monthly Guarantee) | → | EBITDA protection by MMG from NAR Concessionaires | → | Non-Aero Business |

| EBITDA Protection (By de-linking to Pax) | → | CSD Business focused to City Dwellers | → | CSD Business |

## Additional Upside:

| Aero Operational Excellence | Economies of Scale & global best practices | e.g. | RSSL (Cargo business) and SISL (Fuel Farm Business) |

| Untapped Non-Aero Services | Meet & Greet Service with huge Cross Selling Opportunity | e.g. | **Pranaam** Meet and Greet Service — Bundle of Services across the Network |

1. Return on RAB and Average Depreciation.

# Airport Business as a Combination of Infra Play and Consumer Play

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| **Infra Play** | **+** | **Consumer Play** | **+** | **Startup Ecosystem** |

| World Class Airport Construction | Tech Enabled Airports | Aero Business | Non-Aero Business | City Side Development |

⌄ ⌄ ⌄ ⌄ ⌄

| Construction of New Age Megastructures | Digitization of Activities | WACC based returns | Consumer Excellence | Creation of Destination Magnets |

Inhouse PMO & Operations

Startup Mindset

Utility Business

F&B, Retail, Lounge, Advertisement etc.

Building & Operating Hotels & Conventions, Theme parks, Shopping Malls etc. for City Dwellers

# Airport Business Strategy – Aero Business

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### Capacity Creation

- De-bottlenecking and **capacity expansion**.

- Focus on **smart planning** of airside and terminal

- Leveraging Adani Group's **execution excellence**

### Asset Utilization & Route Development

- Shifting of Peak Hour by **"Head & Shoulder Strategy"**

- Tech enabled Operations

- **Premiumization** of Route Mix

- Leveraging Platform network strength

### Consumer Experience

- Sharp focus on ensuring highest **operating metrics**

- Tech enabled maintenance to ensure maximum uptime

- Creating transparency amongst customers

## Adjacent Aero Services/Businesses:

**Air Cargo**
- Focus on AFS, E-Commerce and Supply Chain Management
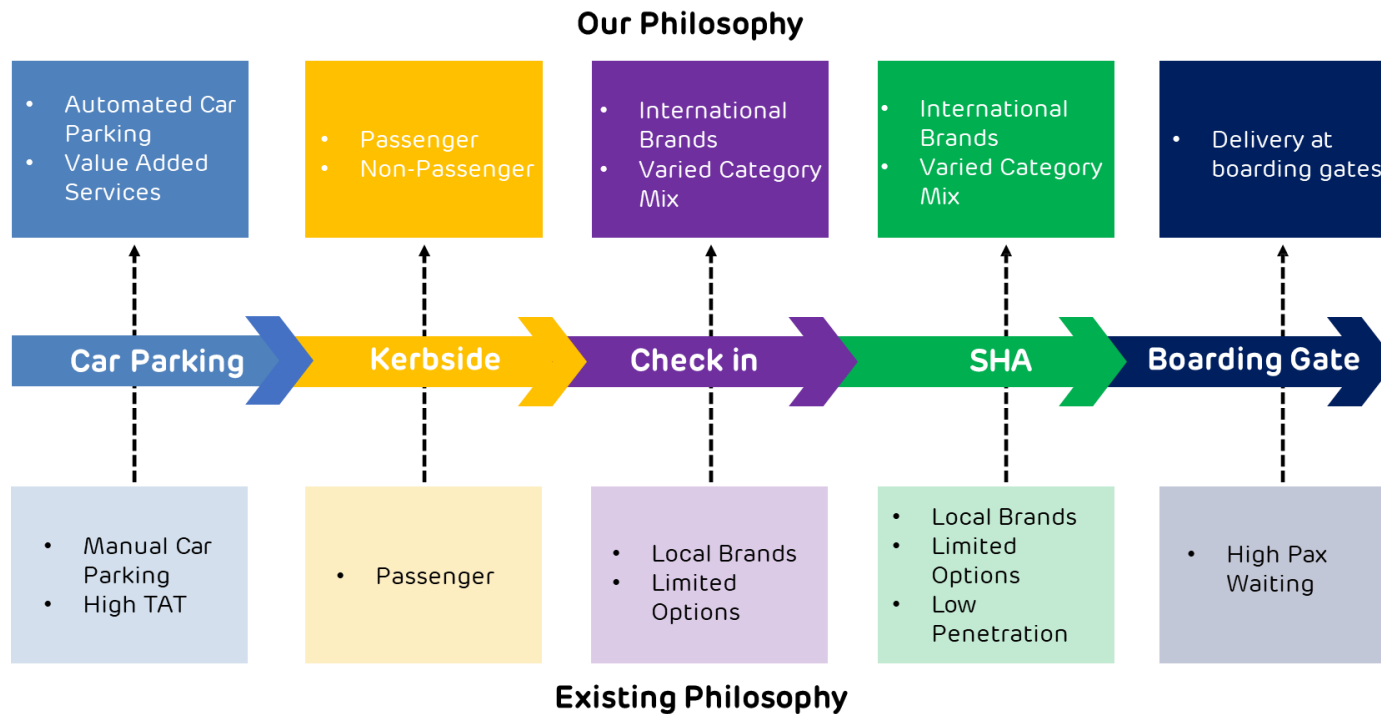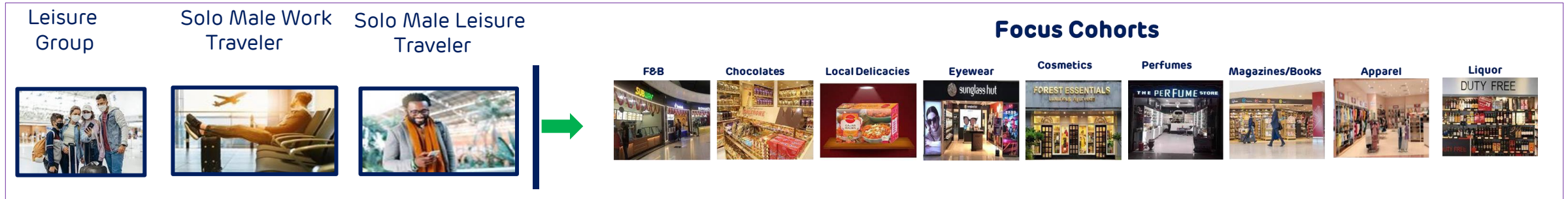- Integrated IT Solutions & CRDC

**Fuel farm**
- Open Access Facility across the Network
- Implementation of Hydrant Refueling System across the network

**Ground Handling**
- Adani Airports to manage Ground Handling by FY 2026 (across network)
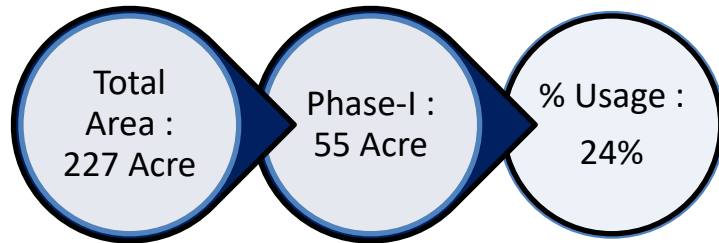- Long Term – Offering Services globally.

*Note : AFS : Air Freight Stations, CRDC : Centralized Receiving & Distribution Center, SCM : Supply Chain Management*

# Non-Aero Business Strategy

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## Focus Cohorts

Leisure Group

Solo Male Work Traveler

Solo Male Leisure Traveler

| F&B | Chocolates | Local Delicacies | Eyewear | Cosmetics | Perfumes | Magazines/Books | Apparel | Liquor |

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**Our Philosophy**

| Car Parking | Kerbside | Check in | SHA | Boarding Gate |
|---|---|---|---|---|
| • Automated Car Parking<br>• Value Added Services | • Passenger<br>• Non-Passenger | • International Brands<br>• Varied Category Mix | • International Brands<br>• Varied Category Mix | • Delivery at boarding gates |

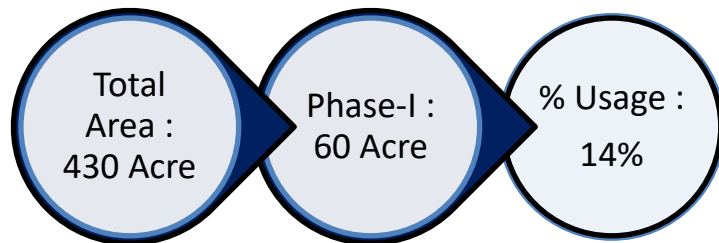| Car Parking | Kerbside | Check in | SHA | Boarding Gate |
|---|---|---|---|---|
| • Manual Car Parking<br>• High TAT | • Passenger | • Local Brands<br>• Limited Options | • Local Brands<br>• Limited Options<br>• Low Penetration | • High Pax Waiting |

**Existing Philosophy**

## Non-Aero Growth Levers:

- ✈ New Area Monetization
- ✈ Internalization of High Margin Businesses
- ✈ Digital Channel
- ✈ Unique Brand & Category Mix
- ✈ Marketing Initiatives
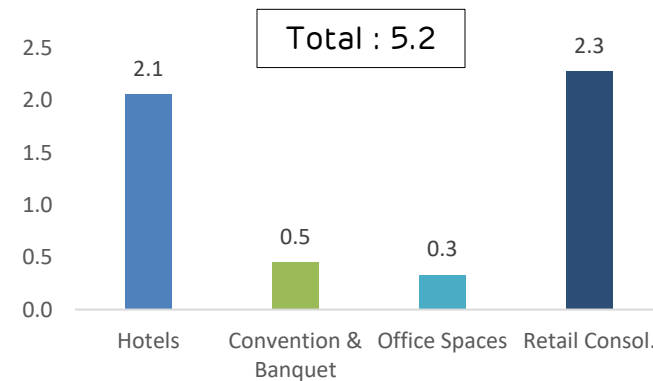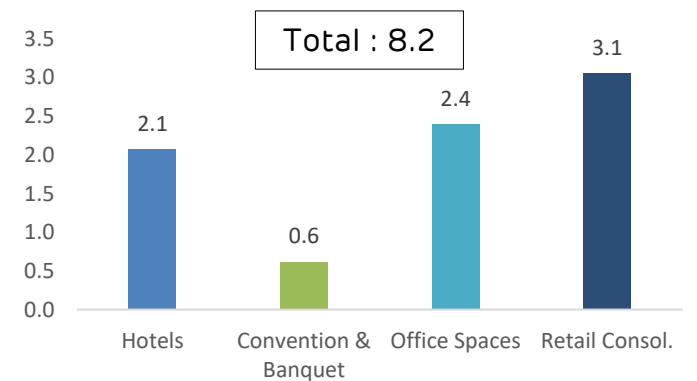- ✈ Focus on Non-Pax Consumers

# City Side Development Plan

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## A. Six Airports

Total Area: 227 Acre → Phase-I: 55 Acre → % Usage: 24%



Themed Restaurant · Family Entertainment · High Street · VR Parks · Super Buildings · Legoland · Madame Tussauds LONDON · India's largest & most advanced · Experienced Studio · Iconic World Trade Center · Worlds best technology driven Golf Range · Hospitality driven by Top Hotel Brands · Rain Forest Cafe

## B. MIAL & NMIAL

Total Area: 430 Acre → Phase-I: 60 Acre → % Usage: 14%

Mn Sq. Ft

**Total : 5.2**

| | Hotels | Convention & Banquet | Office Spaces | Retail Consol. |
|---|---|---|---|---|
| Six Airports | 2.1 | 0.5 | 0.3 | 2.3 |

**Six Airports**

**Total : 8.2**

| | Hotels | Convention & Banquet | Office Spaces | Retail Consol. |
|---|---|---|---|---|
| MIAL & NMIAL | 2.1 | 0.6 | 2.4 | 3.1 |

**MIAL & NMIAL**

# CSD Business Model

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| | | | |
|---|---|---|---|
| **Design brief**<br>**AAHL** | → | **Partnership with**<br>**Business Operator** | **Conceptualization & final design**<br>**Architect or Specialized firm** | → | **Development**<br>**AAHL** |

adani Airports          e.g  TAJ          e.g  BENOY    E D I F I C E          adani Airports

## Revenue Mechanism

| Segments | Operations By | Revenue for AAHL | Revenue for Operator |
|---|---|---|---|
| **Hotel** | Hotel Brand Operator | Hotel Revenues | Management / Marketing fees hotel brand operator |
| **Banquet/Convention Centre** | Brand operator & external agency *(for lead generation)* | Lease rent and F&B income | Management fees to operator, marketing fees to external agency |
| **Retail & F&B** | Tenant & AAHL | Rental Income & Revenue share | Utilisation of space rented |
| **Family Entertainment** *(Aquarium, etc.)* | Initially brand / IP owner, AAHL to takeover post stabilisation | Ticket and F&B revenues | Management fees |
| **Multiplex** | Tenant & AAHL | Rental Income | Utilisation of space rented |
| **Office** | Tenant & AAHL | Rental Income | Utilisation of space rented |

# Adani Airports : Digital Strategy through Adani One App



Book a cab to the airport

Collect booked products and board flight

Check Real-Time flight information

Book a cab to the destination

Book flight ticket, Airport services on our app

Book a hotel for stay

Book a cab to the Airport

Book Airport services

Collect booked products at Arrivals

Book a cab to Reach home

**Greater Convenience**

**Planned Travel** eliminating apprehensions leading to more **Engagement at Airport**

SPECIAL OFFER

**USPs/Offers** for each L.O.B

# Section-II : Navi Mumbai Airport

# Mumbai : Commercial Capital of India and an International Gateway

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## Mumbai : India's Commercial Capital
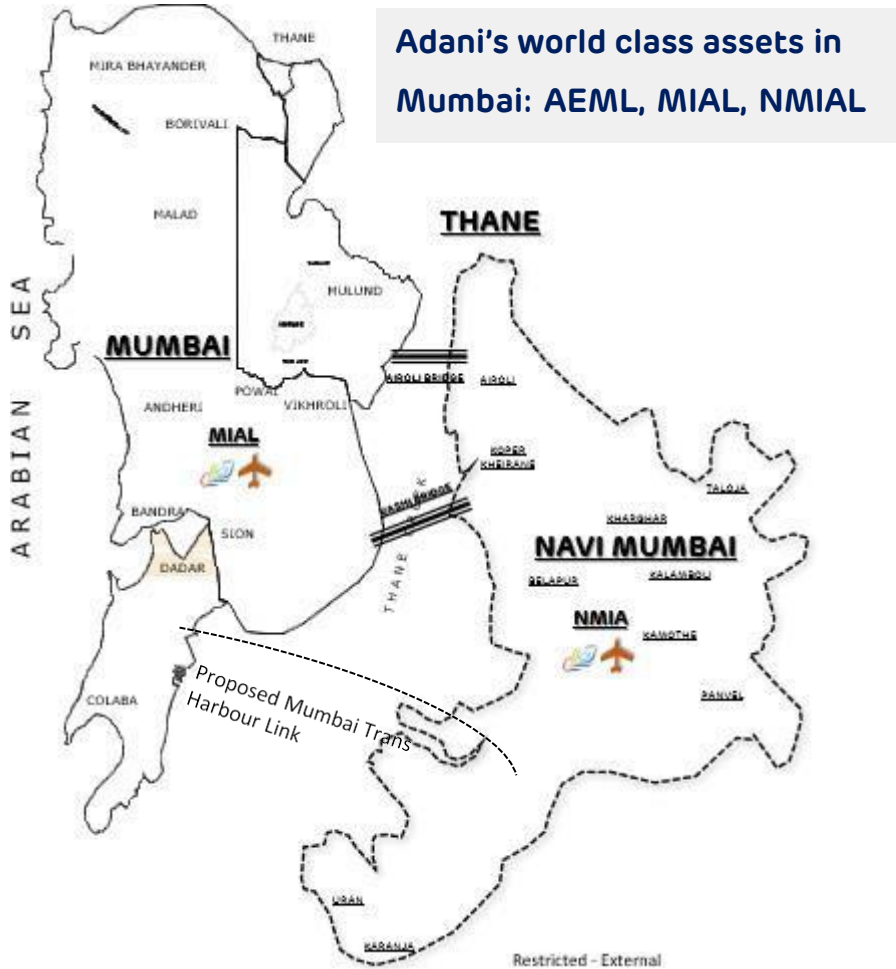


**Adani's world class assets in Mumbai: AEML, MIAL, NMIAL**

## India's Largest City

- ✈ **20.4mn** population;
- ✈ **4th** most populous city in the world
- ✈ World' Largest Metropolis by **2050**
- ✈ World' **biggest urban agglomeration**

## Proximity to strategic Infrastructure projects

- ✈ Delhi Mumbai Industrial Corridor
- ✈ Western Dedicated Freight Corridor
- ✈ Mumbai Pune Express Way
- ✈ Nhava Sheva, Jawaharlal Nehru Port (India's 2nd largest container port)

## India's Commercial & Financial Capital

- ✈ **8%+** of India's real GDP (Equivalent to Quarter of Spain, Half of Sweden and equal to Chile and Finland)
- ✈ **24th** Richest City in world based on GDP
- ✈ **2.2x** Per Capita Income of India
- ✈ **>1/3rd** Of Indian Foreign Trade

## India's Entertainment Capital

- ✈ **US$ 2.3bn** Bollywood Industry
- ✈ **1,600+** films per year; Largest film Industry in world
- ✈ **2.6bn+** tickets sold worldwide every year

## Strategic Location Driving Sustainable Advantage

# NMIAL: Driving Force for New Airport

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## Mumbai Airport Capacity
**Capacity Constraint due to....**

**Mumbai :** City Center Airport in congested area of Mumbai

No Further Scope of Capacity Enhancement beyond 60 million Pax/Year

**Single Runway Airport:**

2 Runways but crossing each other, hence 1 runway can be used at a time

**Growing Pax Footfalls**

Pax (Mn)

| | | | | |
|---|---|---|---|---|
| 41.7 | 45.2 | 48.5 | 48.8 | 45.9 |
| FY 16 | FY 17 | FY 18 | FY 19 | FY 20 |

**Effectively No New Slots Available for Airlines**

## MMR traffic
**Further, MMR traffic potential necessitates a new Airport for India's Commercial Capital..**

**2022**
64 mn

→ MMR traffic to increase by 1.8x

**2030**
116 mn

## Idea of New Airport
**Navi Mumbai Airport....**

90 Mn Pax Capacity (Phase I : 20 Mn)

Cargo : 2.5 MMT (Phase I : 0.80 MMT)

Runway(Nos) : 2 (Phase I : 1)

Terminal(Nos): 4 (Phase I : 1)

Phase-I Commercial Operation Date :Dec 2024

# NMIAL & MIAL Twin Airport Strategy

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## Optimizing Airline Flow

- Currently, Mumbai has 2 major airlines with domestic as well as international operations : 1) Indigo and 2) Air India.

- One Airline can be optimized to NMIAL which will release gridlock at MIAL.

- The airline will have benefit of prime slots at NMIAL.

- Efficient and economical for airline, since shifting of only spillover will result into extra initial set up cost to the airline.

## Decongestion of Mumbai Airport

- Initially ATRs will be shifted to NMIAL (since Mumbai Airport is already saturated and ATRs generally eats up the runway capacity)

- Then, Shifting of one block of airline to NMIAL will also help to decongest MIAL and released capacity at MIAL will be utilized for creation of transit hub at MIAL.

## Twin Airport System



MIAL          NMIAL
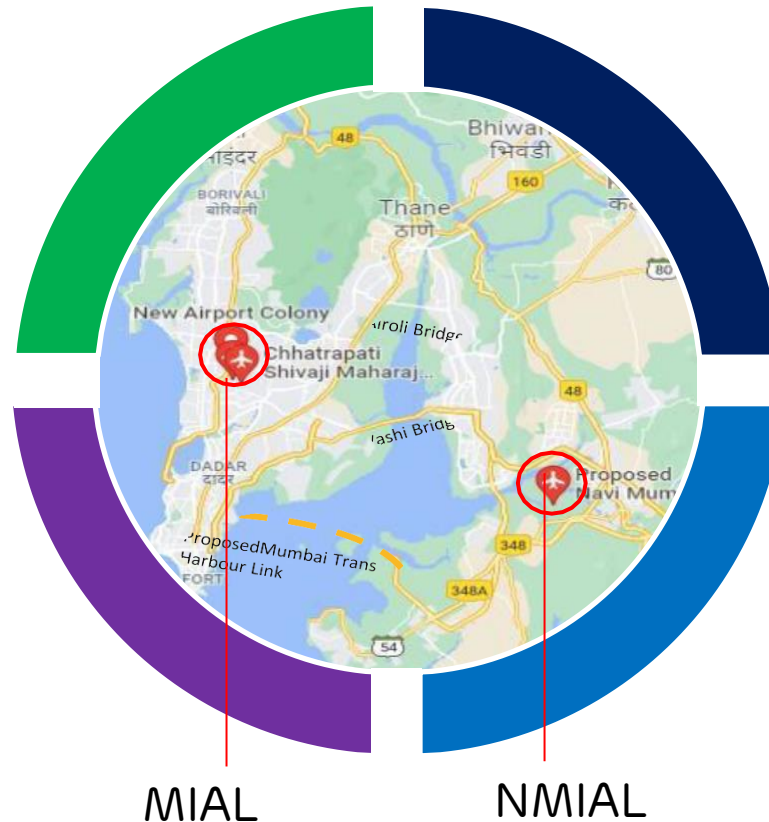
## Hub & Spoke Strategy

- Beginning the operations by NMIAL, both airports will have 2 runways combined with 3 terminals.

- Further, the enhanced capacity at airports will also help to airlines to create hub and spoke model.

- **Hub and spoke model :** International traffic is supplemented by demand of extended catchment area and hence MIAL and NMIAL will act as hub and other airports including platform airports will be spoke.

## Onboarding Alliance Airlines

Currently MIAL being commercial hub of the country, only has 19% share in international seats.

As a part of route development strategy:

- Targeting airlines with higher imbalances (e.g UAE)
- Airlines with alliances[1] will be given priority.
- Route Development (mix of long and short haul)

## Both Airport under common control to bring synergy to Ecosystem

[1] Star alliance, one world etc

# Benefits of Twin Airports

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Easing Congestion
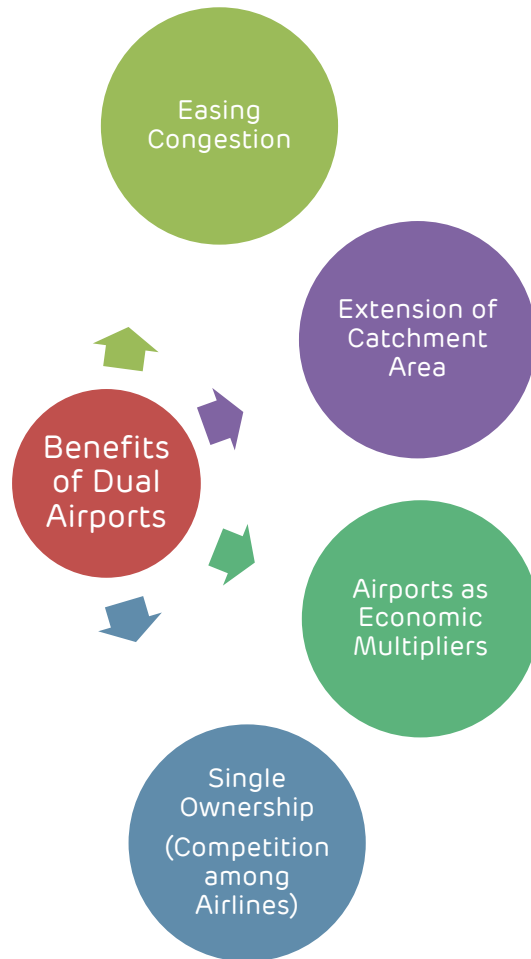
- Mumbai Airport's capacity is already saturated (rated capacity 45 mn vs 49 mn actual pax in FY 2019).
- Virtually there is no new slot available for new airline/route.
- New Airport at Navi Mumbai will ease out the congestion at Mumbai Airport.

Extension of Catchment Area

- Dual Airport in a big city like Mumbai will help to enhance the catchment area to MMR and beyond. (MMR traffic is expected to be 116 mn in FY 2030)
- Enhanced catchment area will also lead to avenues of Hub and Spoke Model between Big Airports.

Benefits of Dual Airports

Airports as Economic Multipliers

- Airports help in growing the transport network, integrated with the surrounding support areas that generate economic impact to larger communities e.g. employment generation etc.
- Airports also help to increase the adjacent industry development in nearby area.

Single Ownership (Competition among Airlines)

- Dual Airport System at Mumbai and Navi Mumbai Airport will be working as 3 Terminals with 2 runways post phase-1 of Navi Mumbai Airport.
- Single Ownership of these Airports will lead to competition amongst the airlines as compared to airports with dual ownership whereby airport compete with each other.
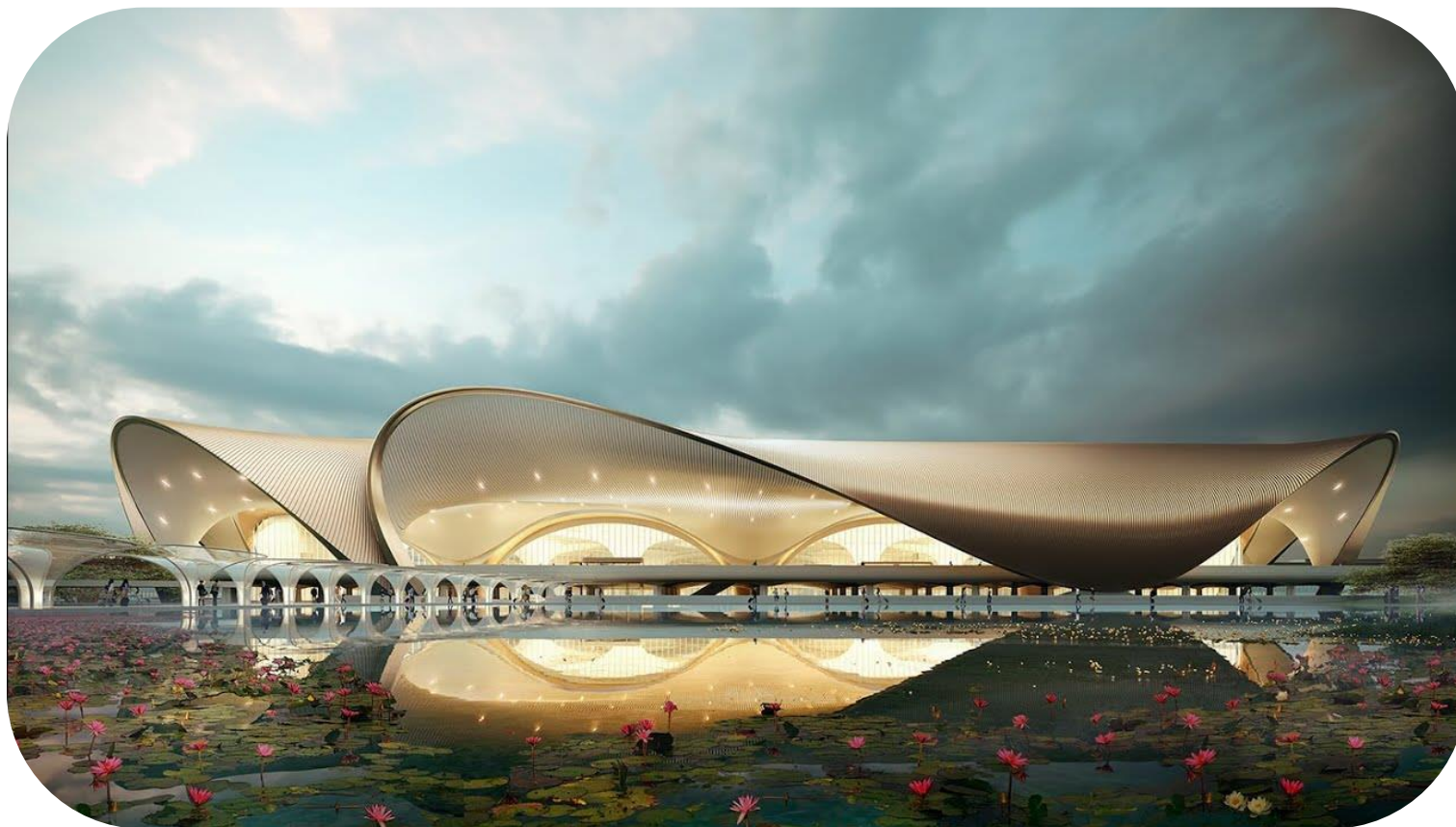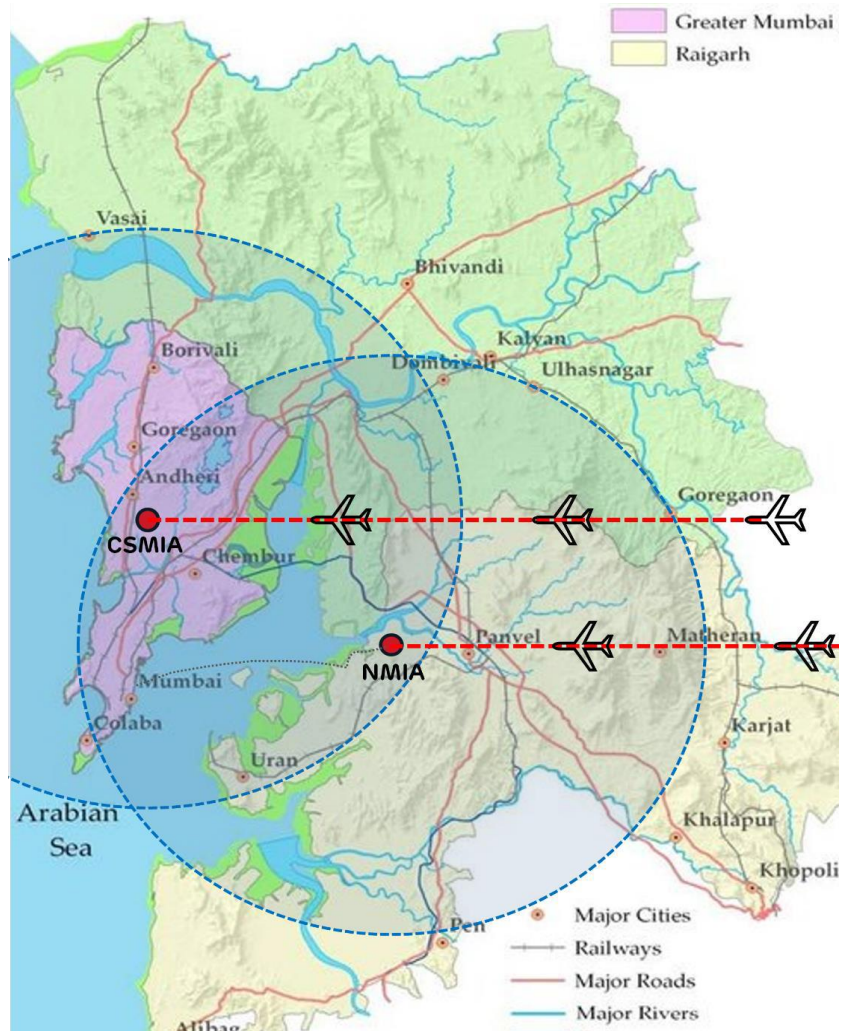
# Navi Mumbai Airport

Project Details and Construction Status

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# NMIAL : Project Site and Location



- NMIA is located in center of Mumbai Metropolitan Region (MMR) in Navi Mumbai, 35 km from Mumbai Airport (CSMIA)

- Joint Airspace Operations are being planned by AAI for Dual Airport System for Mumbai

- Airport Connectivity to Mumbai city is critical.

- MTHL, Coastal Road, other road projects , Metro Lines, Water Transport planned / being implemented for connecting NMIA to Mumbai
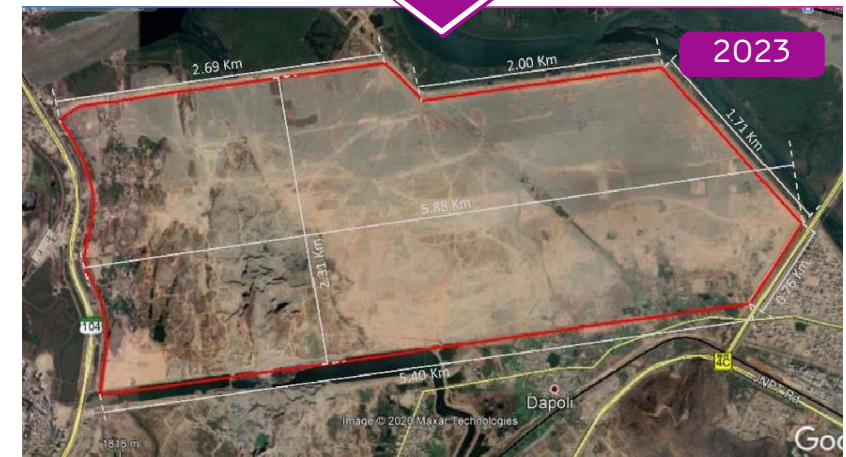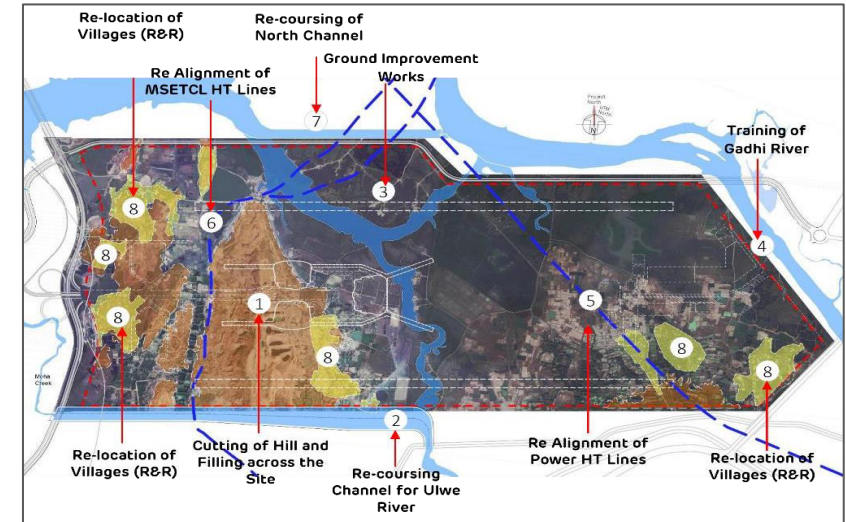
# NMIAL : Master Plan (Phase 1 & 2)



**Phase 1&2 Capacity:**
20 MPPA and 0.8 M Tonnes of Cargo per annum

**Domestic Annual Passengers**
17.7 MPPA

**International Annual Passengers**
2.9 MPPA

**DOM Peak Hour Pax**
2556 Pax

**INT Peak Hour Pax**
962 Pax

**Check-In Counters**
60 DOM + 54 INT
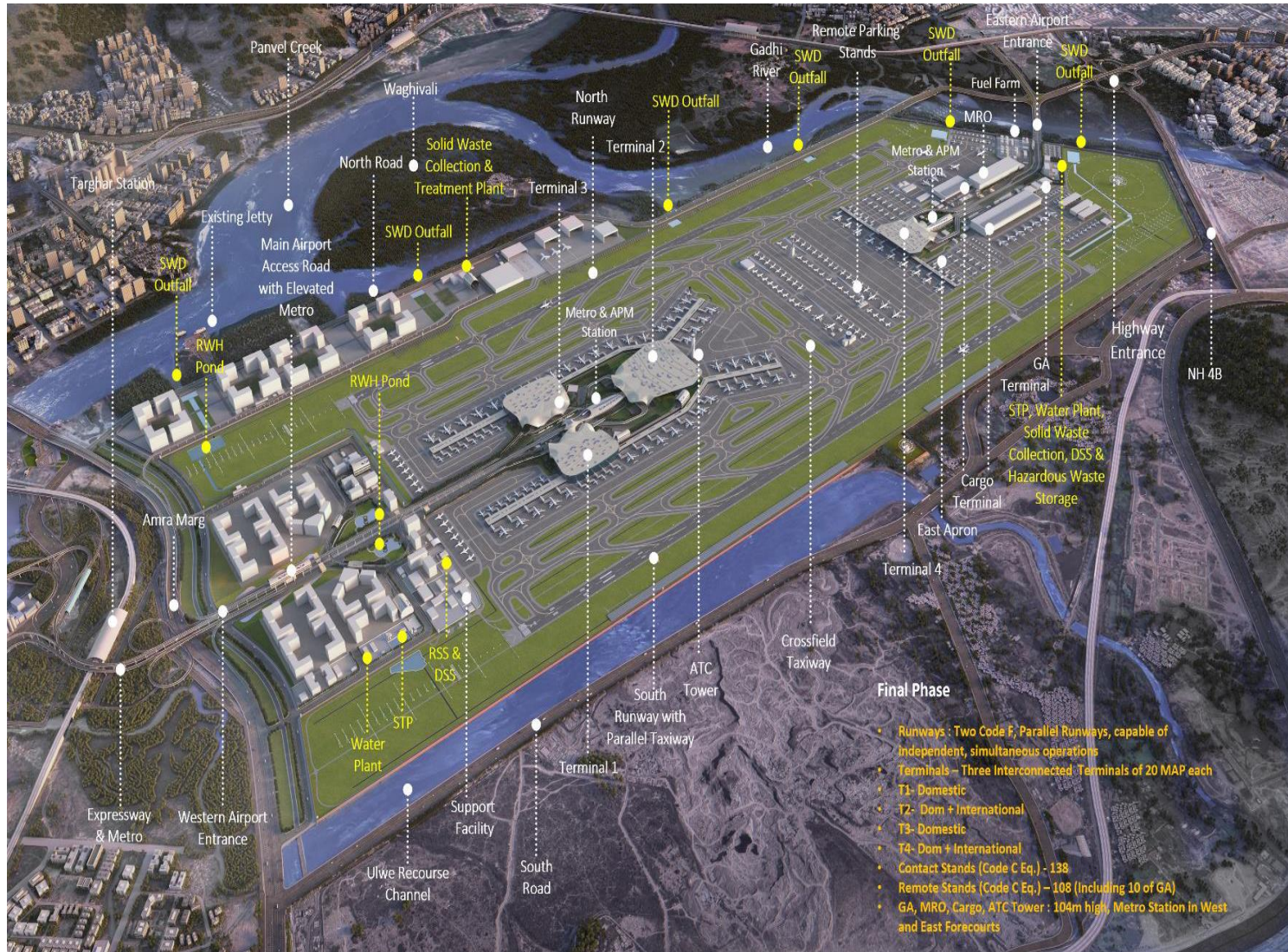
**Emigration Counters**
28 DEP + 46 ARR

**Contact Stands**
29
(13 Code C & 8 MARS Stands)

**Remote Stands**
13
(including 1 Code F)

3700 M South Runway (600M Displacement), Full Length Dual Parallel Taxiways

**Phase 2 : 20 MAP**

- Phase 2 of NMIA continues in Southern half of the Site
- Runways : Code F South Runway
- Terminals : One Integrated Terminal of 20 MAP Capacity, with West & East Piers
- T1- Dom + International & MLCP- 1200 car parks
- Contact Stands (Code C Eq.) - 29
- Remote Stands (Code C Eq.) - 13 (Including 1 Code F)
- GA, MRO, Cargo, ATC Tower : Part of ARFF

# NMIAL : Master Plan (Final Phase)

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**Final Capacity:**
90 MPPA and 2.5 M Tonnes of Cargo per annum

**Passenger Terminals:**
4 Nos. (T1,T2,T3,T4)

**Runway**
3700 M South Runway (600M Displacement), 3700 M North Runway (20M Displacement), Full Length Dual Parallel Taxiways, all Code F Compliant

**Aircraft Stands**
256 Aircraft Stands (138 Contact & 108 Remote)

**APM System**
introduced with 4 Airside & 8 Landside APM Stns.

**ATF Storage**
73,000 KL

**Green Power**
50 MW Solar Electricity Generation

**3 Metro Stations within the Airport**

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**Map labels:**

Panvel Creek · Waghivali · Targhar Station · Existing Jetty · North Road · Solid Waste Collection & Treatment Plant · SWD Outfall · Main Airport Access Road with Elevated Metro · Terminal 3 · North Runway · Terminal 2 · SWD Outfall · Gadhi River · Remote Parking Stands · SWD Outfall · SWD Outfall · Eastern Airport Entrance · SWD Outfall · Fuel Farm · MRO · Metro & APM Station · RWH Pond · RWH Pond · Metro & APM Station · GA Terminal · Highway Entrance · NH 4B · STP, Water Plant, Solid Waste Collection, DSS & Hazardous Waste Storage · Cargo Terminal · East Apron · Terminal 4 · Amra Marg · RSS & DSS · STP · Water Plant · Support Facility · Crossfield Taxiway · ATC Tower · South Runway with Parallel Taxiway · Expressway & Metro · Western Airport Entrance · Ulwe Recourse Channel · Terminal 1 · South Road

**Final Phase**
- Runways : Two Code F, Parallel Runways, capable of independent, simultaneous operations
- Terminals – Three Interconnected Terminals of 20 MAP each
- T1- Domestic
- T2- Dom + International
- T3- Domestic
- T4- Dom + International
- Contact Stands (Code C Eq.) - 138
- Remote Stands (Code C Eq.) – 108 (Including 10 of GA)
- GA, MRO, Cargo, ATC Tower : 104m high, Metro Station in West and East Forecourts

# NMIAL : Key Features



India's most efficient airport with Pax capacity of 90 MPPA with 256 Code C Eq. stands & more than 2.5 MT of Cargo on limited site area of 1160 Ha

(in terms of annual pax / ha , I.e ratio of airport capacity to airport site area )

**1st**

4 Pax Terminals, All inter- connected- on airside & landside for Hubbing Operations

Phased yet integrated Terminal Development

**1st**

Planned as one of the most energy efficient & environmentally sustainable airport in the world

India's 1st Airport with dedicated SAF Storage & Re- Fuelling

Dedicated ATF Supply lines to NMIA

50 MW of Solar Power Generation

**1st**

Passenger Terminals designed with most convenient walking distances, from check-in to boarding gates

**best**

India's 1st true multi-modal aviation & transportation hub providing air, road, suburban rail, metro rail, APM , High Speed Rail & waterway connectivity

Mass Public Transport as priority

**1st**

All Terminals inter-connected on airside & landside with 10KM long APM system to serve as an integrated aviation Hub , offering full flexibility to passengers & airlines

**1st**

Planned with India's largest General Aviation facility, with more 64 GA aircrafts stands

Planned with Separate Heliport Operations

**1st**

Digital Art Program offering vivid experience of local & regional cultural heritage

New age digital technology exhibiting heritage & culture of India & Maharashtra
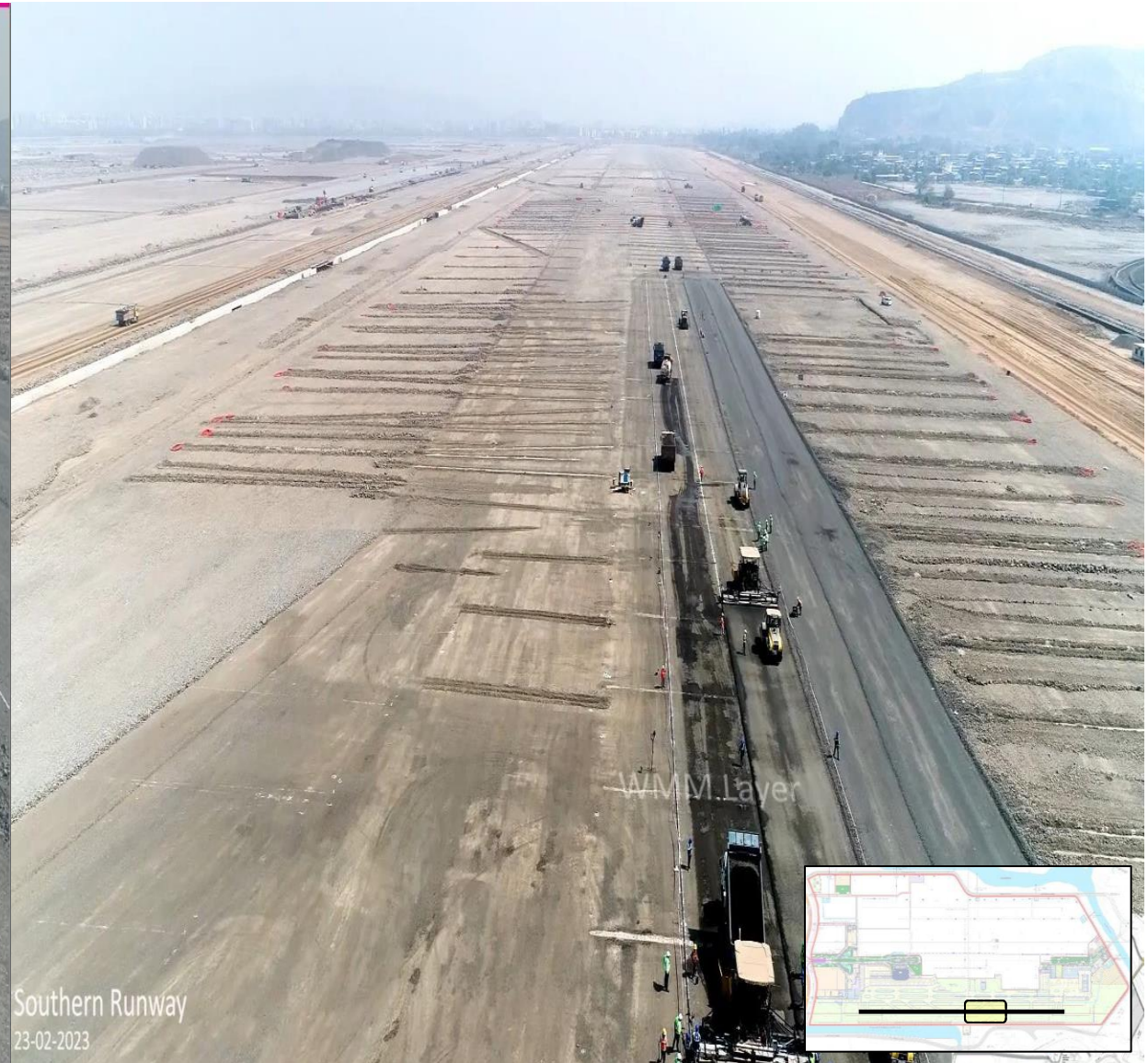
**best**

Terminal Design inspired by India's national flower : Lotus

Unique fusion of traditional Indian ambience with futuristic elegance & functionality

**best**

Airside Southern Runway Sub-base Works

Southern Runway
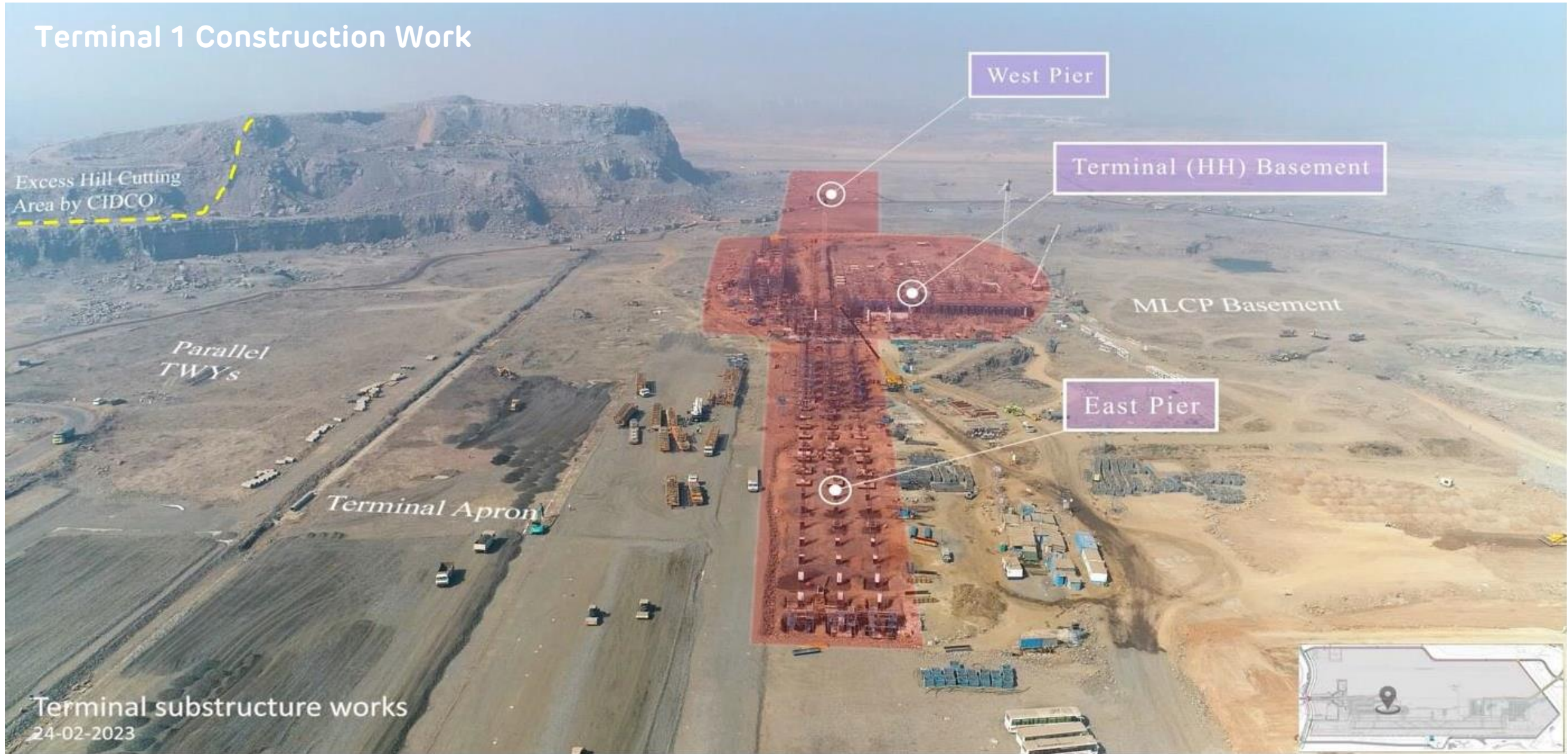23-02-2023

Airside Parallel Taxiway and Drain Work

Sub-base works for Parallel Taxiways
23-02-2023

Terminal 1 Construction Work

West Pier

Terminal (HH) Basement

MLCP Basement

East Pier

Excess Hill Cutting Area by CIDCO

Parallel TWYs

Terminal Apron

Terminal substructure works
24-02-2023

Terminal 1
Construction Work

Terminal substructure works
24-02-2023

# Thank You