

INDIAN AIRPORT INFRASTRUCTURE

Overall passenger traffic is expected to witness growth of around 12-14% to reach 365-368 million and cross pre-Covid levels in FY2024

MARCH 2023



Supported by strong rebound and healthy momentum in domestic traffic and the uptick in international passenger traffic, overall passenger traffic is expected to witness growth of around 12-14% in FY2024 to reach 365-368 million and cross pre-Covid levels.



- The outlook on the airport infrastructure sector is Stable. With strong rebound and healthy momentum in domestic passenger traffic and the uptick in international passenger traffic, overall passenger traffic is expected to witness growth of around 12-14% in FY2024 and is likely to reach 365-368 million and is expected to cross pre-Covid levels (vs FY2020 traffic levels).
- The international passenger traffic steadily increased in the past 12 months and is expected to reach 85%-86% of pre-Covid levels by end-FY2023. Domestic traffic recovered to 100% of pre-Covid levels from Dec 2022 and is expected to reach more than 98% of pre-Covid levels in FY2023. Overall passenger traffic is expected to recover to 95-96% of pre-Covid levels to reach 324-327 million in FY2023.



- The revenues for the ICRA sample set* is expected to grow by ~19-21% in FY2024 on the back of increase in passenger traffic growth, ramp-up of non-aero revenues, and increase in tariffs at some of the major airports. Although the operating margins are expected to improve to 39% in FY2024, the coverage metrics are expected to moderate marginally with interest coverage and DSCR at 3.5x and 2.9x in FY2024 respectively compared to 3.6x and 2.9x respectively during FY2023E. Till FY2023, the interest expense is capitalised due to the ongoing capex which will start reflecting in the P&L from FY2024 onwards. On-balance sheet liquidity continues to remain strong.



- The total cargo volumes handled by the airports in India has been stable at around 3.2-3.5 million over the past six years (barring FY2021, where cargo volumes were impacted due to Covid-19). International cargo accounts for 60% of overall cargo traffic. Recent slowdown in the global economy and Covid restrictions in China impacted volume in FY2023, however, it is expected to grow by 2-3% in FY2024.



- Over Rs. 70,000 crore capex is in the pipeline for airport infrastructure in India during FY2023 – FY2027. This includes ongoing capacity expansion at major private airports, investments by the Airports Authority of India (AAI) of Rs. 25,000 crore for development of AAI-operated airports, around Rs. 35,000-40,000 crore for 21 new greenfield airports across the country and around Rs. 17,000 crore by the Adani Group towards development of six airports acquired from the AAI.

1 Industry Outlook



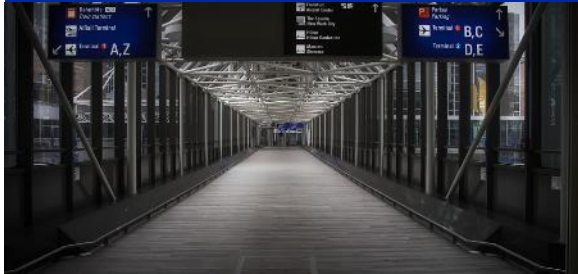
2 Traffic Updates



3 Cargo Traffic



4 Capacity Addition at Airports



5 UDAN – Regional Connectivity Scheme



6 ICRA Ratings in the Sector





ICRA

Analytical Contact Details



Rajeshwar Burla

Ashish Modani

Vinay Kumar G

M Rajashekar Reddy

Group Head

Co-Group Head

Sector Head

Senior Analyst



rajeshwar.burla@icraindia.com

ashish.modani@icraindia.com

vinay.g@icraindia.com

m.rajashekarreddy@icraindia.com



040- 4547 4829

020- 6606 9912

040- 4547 4225

040- 4547 4224





ICRA

Business Development/Media Contact Details



L. Shivakumar

Executive Vice-President

Jayanta Chatterjee

Executive Vice-President

Naznin Prodhani

Head Media & Communications



shivakumar@icraindia.com

jayantac@icraindia.com

communications@icraindia.com



022- 6169 3304

080- 4332 6401

0124- 4545 860





© Copyright, 2023 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



ICRA

Thank You!