



Pick of the week

GMR Infrastructure (GMRI)

Recommendation: **BUY**

Current Price: ₹41

Potential Upside: **17.1%**

Dated: **31st Jan 2022**

Time Period: **12 Month**

Target Price: ₹48

Why invest?

- GMR Airports is uniquely placed in India in terms of capabilities across (1) commercial property development, (2) MRO operations for aircraft, (3) duty-free sales, (4) advertising and (5) cargo handling.
- GMR Airports' partnership with Groupe ADP has enhanced its capabilities in retail. It is among the select few that have constructed airports in Asia outside their home country.
- The past decade has helped GMR Airports take out regulatory dependence and build key capabilities. The next decade would see the company take out business risks and financial leverage of its existing portfolio, with 35 years of concession remaining.
- The stage is set for GMR Airports to add new concessions as it leverages the current momentum towards airport privatization in South-east Asia.
- We initiate on GMRI (after demerger) with sum of the parts (SoTP) based fair value (FV) of Rs48, including a 10% add-on platform value.