



CIAL RESEARCH REPORT

Cochin International Airport Limited



Cochin International Airport Limited (CIAL)

Comprehensive Business Analysis

Key Research Findings from FY24-25

- Record-breaking FY 2024-25 with revenue crossing ₹1,309.95 crore (12.62% YoY growth) and highest profit after tax of ₹515.54 crore.
- India's first PPP airport model with diversified revenue streams and strong government backing
- Post-pandemic robust recovery with passenger traffic surpassing 1.1 cr in FY 2024-25
- The substantial revenue growth is attributed to the collection of User Development Fees (UDF), and the increase in aeronautical tariffs as approved by the Airports Economic Regulatory Authority (AERA).

FY2024-25 Revenue

₹1,309.95 Cr

↑ 12.62% YoY

PAT FY2024-25

₹515.54 Cr

↑ 15.1% YoY

PE Ratio

46x

At current pricing

Investment Outlook

CIAL demonstrates strong financial position with recurring dividend yield (50% proposed for FY25), but moderate near-term growth due to capacity constraints and regional competition. Seven mega expansion projects could unlock new revenue streams if executed efficiently.

Report Highlights

-  1.12Cr Passengers (FY25)
-  World's 1st fully solar-powered airport
-  ₹239.11 Cr Dividend proposed
-  ₹22,000 Cr market valuation

Key Investment Metrics

-  50% Dividend Payout Ratio
-  Kerala Govt: 33.38% Stake
-  Green Airports Recognition 2025

CIAL: New Projects & Initiatives FY2024-25

Key developments, expansions, and strategic achievements at Cochin International Airport Limited



MRO Business Growth

New Airline Clients Added

- ✈ Thai Airways, Thai Lion Air, Singapore Airlines
- ✈ Malindo Air & Malaysia Airlines added to portfolio

Facilities Enhancement

Partnership with Airworks India for two DGCA & EASA certified narrow body hangars for A320 and B737 C-checks

Expanded capability for Line Maintenance and Base Maintenance operations



Infrastructure Development

CIASL Business Park Project

- > 33,500 sq ft facility commenced September 2024
- > Co-working space, aviation classrooms, seminar hall
- > Expected completion: December 2025
- > Designed for aviation industry startups and service providers

Energy & Tourism Projects

- ⚙ 50 MWp solar power capacity commissioned across airport premises
- 🌊 4.5 MW Arippara hydroelectric plant operational at full capacity
- 🚢 Electric-boat light & sound show in Chilakkoor Waterway launched



Strategic Partnerships

Training & Certification Initiatives

- ✓ MoU with National Academy of Customs for X-ray screening certification programs
- ✓ DGCA-approved dangerous goods program with Tentacle Aerologist
- ✓ Accredited by Airports Council International as official training partner
- ✓ Cochin University recognition for aviation diplomas and specialized courses



Awards & New Routes

Green Airports Recognition 2025

International award by ACI Asia-Pacific & Middle East for terrain-based solar plant implementation and sustainability practices (6-15M passengers category)

Route Expansion

AirAsia launched direct flight service between Kochi and Phuket, Thailand

Discussions underway for additional international routes to Australia and East Asia

Business Model Analysis

Cochin International Airport Limited's unique operational framework and value creation



PPP Framework

First of its kind: India's first airport built under the Public-Private Partnership model (1994)

- Government of Kerala holds 33.38% stake (largest shareholder)
- Other key shareholders: Financial institutions, NRIs, airport service providers
- Pioneering model that has been replicated across Indian airports
- Board representation from government & private stakeholders for balanced governance



Core Operations

Aeronautical Services

- ✓ Landing & parking fees
- ✓ User development fee
- ✓ Aerobridge charges
- ✓ CUTE & in-line screening

Non-Aeronautical

- ✓ Duty-free retail & F&B
- ✓ Rental & leasing income
- ✓ Cargo handling services
- ✓ Trade fair & golf facilities



Subsidiary Businesses

Subsidiary	Core Business	Contribution
CIASL (Cochin Int'l Aviation Services)	Aircraft MRO, aviation training	Technical expertise, revenue diversification
CIL (CIAL Infrastructures)	Renewable energy (solar, hydro)	Power self-sufficiency, additional income
CDRSL (CIAL Dutyfree & Retail)	Duty-free operations, retail	High-margin revenue stream
AKISL (Air Kerala Int'l Services)	Planned airline operations	Future vertical integration



Sustainability Initiatives

World's first fully solar-powered airport

Generates more electricity than its consumption, selling surplus to Kerala grid

Revenue Model Deep Dive

CIAL's revenue streams and financial breakdown (FY 2024-25)



Indian Airport Industry Analysis

Market dynamics, competitive landscape, and CIAL's position in India's aviation sector



Market Growth & Outlook

3rd largest aviation market globally with 41.8 cr passengers in 2025

- Domestic passenger traffic to reach 60 cr by 2030
- Aviation market to grow at 10% CAGR (2025-30)
- Government targeting 350 operational airports by 2047

Competitive Landscape

Airport Operator Market Share (% of Passenger Traffic)



Source: H1 FY2024 Passenger Traffic Data

Major Players

Operator	Key Airports	Market Share
AAI	140+ airports nationwide	36.4%
GMR Group	Delhi, Hyderabad, Goa	28.2%
Adani Group	Mumbai, Ahmedabad, Lucknow + 4 others	22.9%

CIAL's Market Position

Competes with three other international airports in Kerala (Trivandrum, Calicut, Kannur)

CIAL's Share of Kerala Traffic (FY 2023-24):



Strong position as Kerala's dominant airport despite competition



CIAL 3-Year Financial Performance

Consolidated results FY2023-FY2025



Financial Summary (₹ Crores)

Parameter	FY 2023	FY 2024	FY 2025
Total Income	954.83	1,233.51	1,309.95
Profit After Tax	292.76	447.75	515.54
EPS (₹)	7.57	9.52	10.78
Dividend (%)	35%	45%	50%*

*Proposed

Revenue & Profit Growth (₹ Crores)



Operational Performance

Parameter	FY 2023	FY 2024	FY 2025	Growth
Passenger Traffic (lakhs)	89.29	105.30	111.96	+25.4%
Aircraft Movements	61,232	70,203	76,068	+24.2%

Passenger & Aircraft Movement Trends



Financial Highlights

- Revenue growth: +37.2% (3Y)
- PAT growth: +76.1% (3Y)
- EPS improvement: ₹7.57 → ₹10.78

Revenue Composition FY25

- Aero revenue: 55.7%
- Non-aero revenue: 44.3%

Capacity Constraints

Infrastructure Limitations

- Single runway operation with limited expansion options
- Terminal capacity approaching limits (current utilization: 88%)
- Land acquisition challenges for further expansion

- ### Operational Challenges

Peak hour capacity:	85% utilized
Parking bay availability:	92% utilized

Operational Challenges

Peak hour capacity:	85% utilized
Parking bay availability:	92% utilized

Operational Challenges

Peak hour capacity:	85% utilized
Parking bay availability:	92% utilized

Operational Challenges

Peak hour capacity:	85% utilized
Parking bay availability:	92% utilized

- Capacity ceiling:** Current design capacity: ~15M passengers annually (FY25: 1.1M)

Competitive Pressures

Regional Airport Density

Kerala has 4 international airports within 300km radius

Trivandrum 170km south 4.5M passengers/year	Calicut 200km north 3.6M passengers/year
Kannur 300km north 1.8M passengers/year	Bengaluru 520km east 34M passengers/year

Regional Airport Density

Kerala has 4 international airports within 300km radius

Trivandrum 170km south 4.5M passengers/year	Calicut 200km north 3.6M passengers/year
Kannur 300km north 1.8M passengers/year	Bengaluru 520km east 34M passengers/year

Regional Airport Density

Kerala has 4 international airports within 300km radius

Trivandrum 170km south 4.5M passengers/year	Calicut 200km north 3.6M passengers/year
Kannur 300km north 1.8M passengers/year	Bengaluru 520km east 34M passengers/year

Regional Airport Density

Kerala has 4 international airports within 300km radius

Trivandrum 170km south 4.5M passengers/year	Calicut 200km north 3.6M passengers/year
Kannur 300km north 1.8M passengers/year	Bengaluru 520km east 34M passengers/year

Regional Airport Density

Kerala has 4 international airports within 300km radius

Trivandrum 170km south 4.5M passengers/year	Calicut 200km north 3.6M passengers/year
Kannur 300km north 1.8M passengers/year	Bengaluru 520km east 34M passengers/year

Regional Airport Density

Kerala has 4 international airports within 300km radius

Trivandrum 170km south 4.5M passengers/year	Calicut 200km north 3.6M passengers/year
Kannur 300km north 1.8M passengers/year	Bengaluru 520km east 34M passengers/year

Regional Airport Density

Kerala has 4 international airports within 300km radius

Trivandrum 170km south 4.5M passengers/year	Calicut 200km north 3.6M passengers/year
Kannur 300km north 1.8M passengers/year	Bengaluru 520km east 34M passengers/year

Regional Airport Density

Kerala has 4 international airports within 300km radius

Trivandrum 170km south 4.5M passengers/year	Calicut 200km north 3.6M passengers/year
Kannur 300km north 1.8M passengers/year	Bengaluru 520km east 34M passengers/year

Regional Airport Density

Kerala has 4 international airports within 300km radius

Trivandrum 170km south 4.5M passengers/year	Calicut 200km north 3.6M passengers/year
Kannur 300km north 1.8M passengers/year	Bengaluru 520km east 34M passengers/year

Regional Airport Density

Kerala has 4 international airports within 300km radius

Trivandrum 170km south 4.5M passengers/year	Calicut 200km north 3.6M passengers/year
Kannur 300km north 1.8M passengers/year	Bengaluru 520km east 34M passengers/year

Market Share Challenges

- Catchment area overlap reduces exclusivity
- Gulf carriers split operations across Kerala airports
- Competition for cargo traffic from nearby ports

- ## Market Share Challenges
- Catchment area overlap reduces exclusivity
 - Gulf carriers split operations across Kerala airports
 - Competition for cargo traffic from nearby ports

Competitive Position Impact: **MEDIUM**

Regulatory & Financial

AERA Tariff Regulation Impact

- Limited pricing flexibility due to regulated tariffs
- Return on investment capped at 15-20%
- Fixed 5-year tariff control periods limit adaptability

- ## AERA Tariff Regulation Impact
- Limited pricing flexibility due to regulated tariffs
 - Return on investment capped at 15-20%
 - Fixed 5-year tariff control periods limit adaptability

The diagram is titled "Financial Balancing Challenges" in a green font. It features two light green rounded rectangular boxes. The left box contains a green pie chart icon, the text "Dividend Payout", and "50% of profits". The right box contains a green wrench icon, the text "CAPEX Needs", and "₹260+ crores".

Financial Balancing Challenges

- Dividend Payout**
50% of profits
- CAPEX Needs**
₹260+ crores

The diagram is titled "Financial Balancing Challenges" in a green font. It features two light green rounded rectangular boxes. The left box contains a green pie chart icon, the text "Dividend Payout", and "50% of profits". The right box contains a green wrench icon, the text "CAPEX Needs", and "₹260+ crores".

Financial Balancing Challenges

- Dividend Payout**
50% of profits
- CAPEX Needs**
₹260+ crores

The diagram is titled "Financial Balancing Challenges" in a green font. It features two light green rounded rectangular boxes. The left box contains a green pie chart icon, the text "Dividend Payout", and "50% of profits". The right box contains a green wrench icon, the text "CAPEX Needs", and "₹260+ crores".

Financial Balancing Challenges

- Dividend Payout**
50% of profits
- CAPEX Needs**
₹260+ crores

The diagram is titled "Financial Balancing Challenges" in a green font. It features two light green rounded rectangular boxes. The left box contains a green pie chart icon, the text "Dividend Payout", and "50% of profits". The right box contains a green wrench icon, the text "CAPEX Needs", and "₹260+ crores".

Financial Balancing Challenges

- Dividend Payout**
50% of profits
- CAPEX Needs**
₹260+ crores

The diagram is titled "Financial Balancing Challenges" in a green font. It features two light green rounded rectangular boxes. The left box contains a green pie chart icon, the text "Dividend Payout", and "50% of profits". The right box contains a green wrench icon, the text "CAPEX Needs", and "₹260+ crores".

Financial Balancing Challenges

- Dividend Payout**
50% of profits
- CAPEX Needs**
₹260+ crores

The diagram is titled "Financial Balancing Challenges" in a green font. It features two light green rounded rectangular boxes. The left box contains a green pie chart icon, the text "Dividend Payout", and "50% of profits". The right box contains a green wrench icon, the text "CAPEX Needs", and "₹260+ crores".

Financial Balancing Challenges

- Dividend Payout**
50% of profits
- CAPEX Needs**
₹260+ crores

Environmental Regulations

- Strict noise pollution regulations limiting night operations
- Wetland conservation requirements for expansion

- ## Environmental Regulations
- Strict noise pollution regulations limiting night operations
 - Wetland conservation requirements for expansion

Regulatory Impact Level: **HIGH**

Short-term Impact

- Limited slot availability affecting new route development and airline partnerships

Short-term Impact

- Limited slot availability affecting new route development and airline partnerships

Medium-term Impact

Growth rate moderation expected as capacity utilization approaches ceiling; tariff regulation limiting revenue maximization

Medium-term Impact

Growth rate moderation expected as capacity utilization approaches ceiling; tariff regulation limiting revenue maximization

Long-term Strategy

- Diversification into non-aeronautical revenue streams and operational efficiency improvements to mitigate growth constraints

Long-term Strategy

- Diversification into non-aeronautical revenue streams and operational efficiency improvements to mitigate growth constraints

CIAL Business Model Risks

Key challenges and vulnerabilities in CIAL's operational framework



Regulatory Risks

AERA Rate Control

Limited pricing freedom with aeronautical tariffs regulated by Airport Economic Regulatory Authority, restricting revenue growth potential

Hybrid Till Model

Cross-subsidization restrictions limit revenue flexibility and affect profitability optimization strategies

Environmental Compliance

Increasing costs to meet carbon neutrality and emissions standards mandated by government

Demand Volatility

Pandemic Risk

COVID-19 demonstrated vulnerability to health crises, with traffic falling 65% during peak pandemic

Airline Distress

Financial health of carriers impacts routes and traffic volume at CIAL

Fuel Sensitivity

Aviation demand affected by jet fuel costs

Fixed Costs

Limited flexibility during economic downturns

Competitive Threats

Regional Competition: Kerala has 4 international airports competing for the same traffic catchment area

Airport	Distance	Threat
Calicut Int'l	180 km	Medium
Trivandrum Int'l	220 km	Medium
Kannur Int'l	250 km	Low

Operational Challenges

Infrastructure

- Limited slot availability during peak
- Seasonal monsoon flooding risks

Financial

- Rising debt servicing costs
- High fixed cost structure

Risk Impact Assessment

High Impact Medium Impact Low Impact

CIAL Peer Comparison & Valuation

Comparative analysis with major Indian airport operators (FY2024-25)



Peer Financial Comparison

Airport Operator	Revenue (₹ Cr)	EBITDA (₹ Cr)	PAT (₹ Cr)
CIAL	1,310	727	516
BIAL	3,732	2,300	510
GMR Airports	10,414	4,025	(817)
AAHL (Adani)	10,771	3,251	N/A

Note: AAHL showed 51% YoY revenue growth in FY25



Peer Comparison Visualization



CIAL Valuation Metrics

Current Valuation

Market Cap	₹22,000 Crores
Share Price	₹490-510 per share
P/E Ratio	42.7x
P/B Ratio	8.2x

Peer Market Cap

GMR Airports	₹91,000 Crores
AAHL (Adani)	Not Available
BIAL	Not Available



Market Positioning

CIAL's Strengths

- Highest profitability (PAT margin) among peers
- Strong PAT of ₹516 Cr despite smaller revenue
- First fully solar-powered airport globally

Trading Status

CIAL shares trade in unlisted markets only

52-week price range: ₹500 per share

Investment Recommendation

Analysis of CIAL's investment potential and investment thesis



SWOT Analysis

Strengths

- ✓ PPP model with government backing
- ✓ World's first fully solar-powered airport
- ✓ Low debt-to-equity ratio (0.22)
- ✓ Strong operating margins (60%)
- ✓ Diversified revenue streams

Weaknesses

- ⚠ Limited international connectivity
- ⚠ High P/E ratio (~42.7x)
- ⚠ Limited trading liquidity
- ⚠ Geographic concentration risks

Opportunities

- 💡 Terminal expansion (15 lakh sq ft)
- 💡 Taj Group 5-star hotel (112 rooms)
- 💡 MRO business expansion with new clients
- 💡 New international routes to Australia

Threats

- ! Competition from nearby airports
- ! Aviation industry volatility
- ! Economic downturns affecting travel
- ! Regulatory changes affecting tariffs



Target Investor Profile

Ideal for:

- ✓ Long-term income investors
- ✓ ESG-conscious portfolios
- ✓ Kerala NRI investors
- ✓ Infrastructure sector allocation

Less suitable for:

- ✗ High-growth expectations
- ✗ Short-term traders
- ✗ High-liquidity requirements
- ✗ Momentum-driven strategies



Investment Thesis

Core Value Proposition

CIAL represents a stable infrastructure asset with consistent income potential, backed by government stakeholders with sustainable operations and proven dividend history.

Strong Financial Performance

- 📈 60% operating margin with consistent cash flows
- 📈 Growing non-aeronautical revenue streams (31% of total)
- 📈 PAT increased by 15% YoY to ₹515.54 crores

Dividend History

- 💰 Resumed dividend at 45% for FY2023-24
- 💰 Potential 1.5-2% dividend yield
- 💰 Sustainable dividend policy

ESG Leadership

- 🌱 World's first fully solar-powered airport
- 🌱 Carbon neutral operations
- 🌱 Green Airports Recognition 2025

Strategic Location

- 📍 Gateway to Kerala tourism
- 📍 Significant NRI traffic hub
- 📍 Regional connectivity advantages

Growth Initiatives

- 🚀 CIASL Business Park development
- 🚀 New MRO airline partnerships
- 🚀 Expanded training programs

Key Takeaways

Critical insights, strategic recommendations, and investment assessment of CIAL



Critical Insights

- ✓ **Strong Growth:** Revenue increased 84.12% in FY23 and 31.6% in FY24, with PAT growth of 15% in FY25
- ✓ **Unique PPP Model:** Successful government & private partnership with 26.2% Kerala government stake
- ✓ **Sustainability Pioneer:** World's first fully solar-powered airport with 50 MWp capacity
- ✓ **Operational Excellence:** Highest profitability margin (39.4% PAT/Revenue) among peers
- ✓ **Dividend History:** Consistent 25-30% dividend over last 5 years with strong shareholder returns



Strategic Recommendations

Priority Business Actions

- Accelerate International Terminal expansion to accommodate growing international passenger traffic
- Develop commercial zone to increase non-aero revenue and diversify income streams
- Position as Kerala's transit hub with stronger connectivity to key international destinations
- Expand MRO business partnerships to capture growing maintenance services market in Asia
- Enhance cargo operations capacity to support Kerala's export-oriented businesses



Investment Assessment

Strengths

- + Strong dividend policy (45-50%)
- + Diversified revenue streams
- + Low debt-to-equity ratio (0.22)
- + Consistently growing passenger traffic
- + Superior EBITDA margins vs. peers

Concerns

- Premium valuation (P/E ~42.7x)
- Limited physical expansion capacity
- Regulatory pricing constraints
- Limited unlisted market liquidity
- Competition from nearby airports

Industry Outlook & Positioning

Short-term (1-2 years)

- Passenger traffic recovery
- Focus on operational efficiency
- International route expansion

Medium-term (3-5 years)

- MRO business development
- Commercial diversification
- Possible IPO consideration

Appendix: Detailed Financials

Three-year consolidated financial performance of CIAL (FY2023 to FY2025)



Consolidated Financial Summary (₹ in Crores)

Particulars	FY2023	FY2024	FY2025	CAGR
Total Revenue	954.83	1,233.51	1,309.95	17.1%
Operating Profit (EBITDA)	391.71	598.79	654.64	29.3%
Profit Before Tax	391.70	598.47	654.94	29.4%
Profit After Tax	292.76	447.75	515.54	32.8%
Earnings Per Share (₹)	7.57	9.52	10.78	19.3%
Dividend Declared (%)	35%	45%	50%	N/A
Dividend Payout (₹ Cr)	167.38	215.20	239.11	19.5%

Key Financial Ratios

Ratio	FY2023	FY2024	FY2025
EBITDA Margin (%)	41.0%	48.5%	50.0%
Net Profit Margin (%)	30.7%	36.3%	39.4%
Return on Equity (%)	15.8%	22.5%	23.7%
Debt-Equity Ratio	0.23	0.22	0.19

Operational Metrics

Particulars	FY2023	FY2024	FY2025	Growth (FY23-25)
Passenger Traffic (lakhs)	89.29	105.30	111.96	25.4%
- International	42.14	49.31	52.70	25.1%
- Domestic	47.15	55.99	59.26	25.7%
Aircraft Movements	61,232	70,203	76,068	24.2%

Operational Efficiency Metrics

Metric	FY2023	FY2024	FY2025
Revenue per Passenger (₹)	1,069.36	1,171.43	1,169.97
PAT per Passenger (₹)	327.88	425.21	460.45
Revenue per Aircraft Movement (₹ lakhs)	1.56	1.76	1.72

Key Financial Insights

- Strong Growth Trajectory:** CIAL achieved 17.1% revenue CAGR over FY23-25
- Improving Profitability:** PAT margin increased from 30.7% to 39.4%
- Operational Excellence:** 25.4% passenger traffic growth with consistent yield



Appendix: Segment-wise Revenue Analysis

Detailed revenue breakdown by aeronautical and non-aeronautical components (FY2023-FY2025)



Aeronautical Revenue Breakdown (₹ in Crores)

Revenue Component	FY2023	FY2024	FY2025	% of Total (FY25)
Landing Fee	140	160.36	179.92	13.7%
User Development Fee	114	189.78	231.78	17.7%
Parking & Housing Fee	3.75	1.80	2.24	0.2%
Aerobridge Charges	11.77	14.85	15.69	1.2%
CUTE Charges	40.61	48.08	50.85	3.9%
Inline X-Ray Screening	40.46	50.28	57.04	4.4%
Cargo Operations	36.75	43.48	47.94	3.7%
Royalty (Aero)	88.93	112	119.85	9.1%
Other Aero Services	15.13	17.86	24.94	1.9%
Total Aeronautical Revenue	493	638	730	55.7%

Non-Aeronautical Revenue Breakdown (₹ in Crores)

Revenue Component	FY2023	FY2024	FY2025	% of Total (FY25)
Duty-Free Revenue	251	271	291	22.38%
Rent & Services	157	208	240	18.3%
Security Training Fees	1.14	1.35	1.52	0.1%
Public Admission Fees	0.22	0.24	0.25	0.0%
Trade Fair Centre	2.93	3.73	3.74	0.3%
Golf Course & Related	3.05	3.37	3.34	0.3%
Sale of Power	12.25	10.49	8.93	0.7%
Other Non-Aero	5.86	6.20	6.76	0.5%
Total Non-Aeronautical Revenue	431	502	557	44.3%

Aeronautical Revenue Breakdown FY2025



- Landing Fee
- User Development Fee
- CUTE Charges
- Inline X-Ray
- Cargo Ops
- Royalty
- Other Aero

Revenue Mix Composition & Growth



Disclaimer



This report has been prepared solely for educational and informational purposes and is intended only for the recipient. The information presented herein is compiled from publicly available data and sources believed to be reliable. However, we do not claim, warrant, or guarantee the accuracy, completeness, or authenticity of the content.

We are not registered with the Securities and Exchange Board of India (SEBI) as investment advisers or analysts. Nothing contained in this report should be construed as investment advice, recommendation, or solicitation to buy, sell, or hold any securities.

Readers are strongly advised to consult their own financial, legal, and tax advisers before making any investment or financial decisions. The creators of this report shall not be responsible or liable for any losses, damages, or consequences arising from the use of this information.



Important: The information contained in this research report is meant for general information purposes only and should not be relied upon for making specific investment decisions.