

IRB Infrastructure Developers Limited
Q2 and H1 FY26 Earnings Conference Call
November 14, 2025

Moderator:

Ladies and gentlemen, good evening. Welcome to the IRB Infrastructure Developers Limited Conference Call for discussing the financial results for quarter and half year ended September 30, 2025, along with the recent developments. We have with us on the call today, Mr. Virendra Mhaskar, Mr. S.S. Rana, Mr. Anil Yadav, Mr. Mehul Patel, Ms. Poonam Nishal and Mr. Tushar Kawedia.

As a reminder, all participant lines will be in the listen only mode and after the opening remarks by the management, there will be a question and answer session.

Please note that the duration of the call will be 45 minutes and any query left unanswered after the call can be subsequently mailed to the management for adequate response and resolution. Please note that this conference is being recorded.

I now request Mr. Yadav to give you an overview of significant developments during the quarter. Thank you, and over to you, sir.

Anil Yadav:

Good evening, everyone. I extend warm welcome to all investors and analysts joining us for the Earnings Call to discuss the Q2 results of Financial Year 2025-26. I trust you have reviewed the detailed financial and accompanying presentation. I will briefly highlight the key development during the quarter.

Our Private InvIT reported a per-day toll collection of ₹11.23 crore for the quarter ended September 2025, compared to ₹9.94 crore per day in the same quarter last year — a growth of 13%, driven by healthy traffic momentum and tariff revisions.

The combined Private InvIT + IRB portfolio achieved per-day toll collections of ₹18.13 crore, up from ₹16.34 crore last year, reflecting an 11% year-on-year growth, supported by both traffic growth and tariff revisions.

During the quarter, the IRB InvIT Fund (Public InvIT) successfully completed the acquisition of three revenue-generating highway assets with a combined enterprise value of ₹8,436 crore. The acquisition was backed by robust participation from marquee global and domestic investors infusing ₹4,250 crore into the Fund.

This transaction marks a significant milestone for the Group, strengthening our InvIT platforms and unlocking a capital of ₹4,905 crore for IRB. The proceeds

will enable us to pursue upcoming opportunities worth over ₹15,000 crore, aligning with our vision to achieve a development portfolio of ₹1,40,000 crore over the next three years. The acquired assets have also enhanced our O&M order book meaningfully.

The strong investor's participation underscores the trust and the credibility of IRB Group built over the past three decades and reaffirms the strength of our InvIT framework as a transparent, scalable, and reliable platform for long-term infrastructure growth & investment. This win-win transaction, positions both InvITs to expand their portfolios, enhance distributions, and continue creating sustainable long-term value for their stakeholders.

We are also pleased to share that VM7 Expressway Private Limited has achieved Provisional COD for its 8-lane Gandeva-Ena Expressway Project in Gujarat, a key stretch of the Delhi-Mumbai Greenfield Expressway, implemented under the Hybrid Annuity Mode (HAM). With this, the project becomes eligible for bi-annual annuity payments from NHAI for the next 15 years, generating approximately ₹180 crore annually as a stable annuity revenue. The project has been executed with a strong focus on sustainability, including water conservation and reuse under the Sujalam Sufalam initiative, making it a water-positive project.

The company has declared 2nd Interim dividend resulting in payout of ~ ₹42 crores to the shareholders in line with the dividend policy.

The Private InvIT has declared a distribution of approximately ₹54 crore, contributing proportionately to IRB's cash flows based on its 51% holding.

Public InvIT has declared a distribution of approximately ₹192 crore for Q2 FY26. Based on its 17% holding, IRB is expected to receive around ₹32 crore in cash flows.

Our total order book now stands at around ₹32,000 crore, including an EPC order book of ₹1,500 crore.

We also continue to evaluate upcoming opportunities — including new BOT and TOT projects — with a clear bidding pipeline expected over the next 30 days.

Now, I will request Tushar to cover the financial highlights for Q2FY26. Over to you, Tushar,

Tushar Kawedia:

Thank you, sir. Now I will take you through the Financial Analysis for Q2 FY26 versus Q2 FY25.

The total consolidated income for Q2 FY26 has increased to ₹1,800 crores from ₹1,752 crores, registering a growth of 3%.

The income from InvIT and related segment for Q2 FY26 has increased to ₹303 crores from ₹129 crores, registering a growth of 135%.

The income from BOT segment for Q2 FY26 has increased to ₹627 crores from ₹581 crores, registering a growth of 8%.

Income from construction segment for Q2 FY26 has decreased to ₹820 crores from ₹1,005 crores, down by 18%.

The other income for Q2 FY26 have increased to ₹49 crores from ₹37 crores, increased by 34%.

EBITDA increased to ₹974 crores from ₹933 crores, an increase of 4%.

The interest cost increased to ₹451 crores from ₹434 crores, an increase of 4%.

Depreciation cost increased to ₹262 crores in Q2 FY26 from ₹231 crores, an increase of 13%.

PBT has decreased to ₹261 crores from ₹267 crores, a decrease of 2%.

PAT has increased to ₹141 crores from ₹100 crores (post share of JV loss of ₹84 crores), an increase of 41% for the quarter.

I would request now the moderator to open the session for question and answer.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from Mr. Alok Deora from Motilal Oswal. Please go ahead.

Alok Deora: Just had a couple of questions. One is on the awarding. I believe we have not received any new orders in this quarter and even YTD NHAI awarding has been very weak at around 500 kilometers. So, what is the sense which we are getting now for the remaining 4 to 5 months of this financial year? Because would it be another year where awarding is weak? Or could there be some revival here?

Management: I think, Alok, even historically, project awards from the authority have typically come toward the end of the year, and we are now beginning to see some traction. In terms of the bid pipeline, there are about six TOT projects — TOT 18 to TOT 22 — expected to be bid out over the next month, covering roughly 680 km. There are also around eight BOT projects, including six from NHAI and a couple from MSRDC, worth about ₹30,000 crore, which are also

slated for bidding within the same period. So, there is clearly a healthy pipeline visible over the next month. We believe the award activity will pick up as we move toward the fag end of the year.

Alok Deora:

Sure. So, sir, based on the current run rate, what kind of construction revenue we are expecting because the growth has been primarily driven by the toll revenues, right? So, the core construction, what can be the growth outlook for this year and even the next year, considering the current order backlog and assuming the orders we win some orders in the remaining part of this year?

Management:

So, Alok, based on the order book in hand, we estimate revenue to be around ₹4,000 crore for FY26. This includes both EPC and O&M. Our total order book stands at ₹32,000 crore, of which the executable portion over the next 1 to 1.5 years is about ₹4,000 crore.

To add, we are gradually moving towards higher O&M execution. The O&M order book for the next 10–12 years is around ₹30,000 crore. Given the 20-year weighted average concession life across Public InvIT, Private InvIT, and other portfolios, the 20-year O&M order book will be in the range of ₹60,000–₹70,000 crore. As O&M execution increases, a larger share of revenue will come from this segment. From earlier levels of 8–10%, O&M now contributes 25–30%, and we expect this to gradually increase to around 50%. This will provide steady, visible, long-term revenue.

Once we transition fully to O&M, the revenue visibility will extend 15–20 years, with stable margins. Naturally, overall margins will improve compared to EPC revenue. That said, as mentioned earlier, there are ₹30,000 crore worth of BOT projects expected to be bid out in the next month. Wherever opportunities are viable, we will evaluate them. However, over time, we see EPC increasingly shifting towards supporting O&M activities, rather than focusing solely on pure-play EPC where order visibility needs to be refreshed every two years.

Alok Deora:

Got it. Just last question. Now after this sale of assets from Private InvIT to Public InvIT, there is obviously release of capital. So, how we are positioning InvIT and how we are looking to best use it for our future bidding? Are we also looking at other sectors or any because this equity release is a much required thing and so how we look to utilize that? That would be my last question.

Management:

I think, Alok, as you mentioned, there are about six TOT projects lined up for bidding over the next month, with an overall size of around ₹20,000 crore to ₹25,000 crore. As we have already communicated, the ₹5,000 crore of proceeds will be deployed toward upcoming opportunities, which can support approximately ₹14,000 crore to ₹15,000 crore of additional projects. Considering the available pipeline, there is ample opportunity in the sector.

We are not looking to move out of the sector, and given the strong pipeline, we should be well-positioned to secure projects.

Moderator: Thank you. The next question is from the line of Mr. Aditya Sahu from HDFC Securities. Please go ahead.

Aditya Sahu: Yes, sure. So, as you mentioned about the pipeline, so ₹30,000 crores would be the BOT bid pipeline that we have and ₹25,000 crores would be the TOT bid pipeline. So, overall ₹55,000 crores would be the overall bid pipeline that we have right now?

Management: Yes, Aditya. So, that is a bid which is lined up over the period of next 1 month.

Aditya Sahu: Understood, sir. and since you have mentioned that you are targeting a revenue of about ₹4,500 crores from EPC and O&M. Any sense if you can provide on what sort of margin levels are you looking at?

Management: So, margin levels will be in the range of 20% to 23% for the O&M order book. There will be a steady stream of O&M revenue. Even if we execute around ₹2,000–₹3,000 crore of order book, the EBITDA contribution from O&M alone would be roughly ₹700–₹750 crore, as we gradually move towards 50%–60% of our total execution coming from O&M.

Moderator: Thank you. The next question is from the line of Mr. Bhavik Shah from Invexa Capital. Please go ahead.

Bhavik Shah: Sir, my first question is when we look at the half yearly balance sheet, our net debt comes to ₹12,805 crores. But in the investor presentation, the number is different. Can you help us understand what is included and what is not, one? And second, sir, can you help us provide the breakup of the debt, how much is the private InvIT debt? And how much is the debt on the books for EPC projects? And how much is the debt on the books for BOT and HAM projects?

Management: Yes, Tushar will provide the detailed debt breakup for each segment. Broadly, if you look at the financial disclosures, the deferred premium is included as part of total liabilities. If you remove the deferred premium in the case of Ahmedabad–Vadodara, the numbers in the presentation and the financials will reconcile. If you need the detailed debt breakup, we can share it—it is also disclosed in the financial statements.

Primarily, our debt is at the Mumbai–Pune level, Ahmedabad–Vadodara, and three HAM projects (Overall debt at HAM level is not significant) and at the HoldCo level. At the Private InvIT, there has total project cost of around ₹63,500 crore, of which about ₹23,000–₹25,000 crore is debt—around 40%

leverage. For the Public InvIT, based on September financials, debt is around 25–28%. Tushar will provide the detailed breakup for IRB.

Management: Yes. So, if you see for SPV, the debt would be around ₹76 billion for the SPV of IRB, which is Mumbai-Pune, Ahmedabad-Vadodara and the other 3 HAM assets. The debt is close to ₹ 80 billion for IRB and MRM, which is the executing arm.

Bhavik Shah: Understood sir and sir, what is our debt given to private InvIT.

Management: So, there is no loan given to Private InvIT from IRB. It's like the receivables are on account of certain claims, which are filed with NHAI. So, there is no loans given separately to the Private InvIT.

Bhavik Shah: Okay. So, what is the quantum of that?

Management: Quantum would be somewhere around ₹35 billion to ₹40 billion.

Bhavik Shah: How are you receiving? What are the terms?

Management: Yes. So, in terms, once the SPV of the Private InvIT will receive those amounts, they will escalate to the IRB level.

Bhavik Shah: When are we going to receive the same?

Management: I think that is expected to be received in the next 2 to 3 years and just to share with you, whenever the claim is awarded, that is awarded along with the interest. So, there is no such any kind of loss to the IRB.

Moderator: Thank you. The next question is from the line of Mr. Vishal Periwal from Antique Stockbroking. Please go ahead.

Vishal Periwal: Sir, first is on construction segment, which you generally provide in the PPT. So, it has reported almost like ₹820 odd crores kind of revenue in this quarter. Okay. So, now if one has to understand a breakup between O&M and EPC, so the EPC order book has fallen by almost like ₹600 odd crores this year. So, is it fair to say ₹220- odd crores is coming from the O&M and that is kind of quarterly run rate that we could have?

Management: Yes.

Vishal Periwal: Right. So, which means probably in the second half, I mean, like we execute everything on EPC side, incrementally total revenue in the second half from the construction could be in the range of ₹1,900 crores to ₹2,000-odd crores. That's fair to understand?

Management: Also, second half construction revenue expected in similar range i.e.1600 to 1800 crores.

Vishal Periwal: Got it, sir. And second, sir, there was a media report which talked about like we have won a big order in TOT 17 or maybe like we are L1 in the TOT 17. Can you give some update what is the status out there? And by when I mean, the complete formalities and when we can get a revenue and how we plan to fund it?

Management: I think we are awaiting the official communication from NHAI, and once we receive it, we will be able to share further details. Having said that, I can speak about the broad yardsticks. If you look at the merit of the project and compare it with the past TOT awards from about 1 to 1.5 years ago, those projects were typically awarded at around a 12–12.5x revenue multiple. Our bid is also in a similar range. Additionally, over the past 1–1.5 years, there has been a savings of nearly 100 basis points in interest costs, which is another favourable parameter. Once we receive the official communication, we will share more details.

Vishal Periwal: Okay. Sure, sir. We will wait for that. Maybe one last thing. You did mention there has been, I mean, like after the sale of assets from private to public and then I mean, private has cash in the books for the growth plan. So, going ahead, the TOT or maybe any BOT, I mean, like if you are planning, so directly Private InvIT can do the acquisitions or I mean, how it will be structured?

Management: Yes, you are right. The proceeds that have been received from sale of these 3 assets are very much available at the private InvIT end for deployment on to new assets. And as we explained earlier, the TOT opportunity looks to be very promising. And certainly, these proceeds will come in very handy to take care of those equity requirements.

Vishal Periwal: Okay and then this TOT 17, I mean, so this is with the Private InvIT or it is by the IRB?

Management: Yes. We have been bidding all the TOT projects through the Private InvIT platform. Because the earlier TOT 12 and 13 were also bid through the Private InvIT platform.

Moderator: Ladies and gentlemen, that was the last question for today. We have reached to the end of the question-and-answer session. I now hand the conference over to the management for the closing comments.

Anil Yadav: Thank you very much for joining this call. Thank you.

Moderator:

Thank you. Thank you, sir. Ladies and gentlemen, this concludes this conference. We thank you for your participation and for using Research bytes Conference services. You may please disconnect your lines now. Thank you. Have a great evening ahead.