IRB Infrastructure Developers Limited
Q1 FY26 Earnings Conference Call
August 14, 2025

Moderator: Good evening, ladies and gentlemen. Welcome to IRB Infrastructure Developers Limited Conference Call for discussing the financial results for the quarter ended June 30, 2025, along with the recent developments. We have with us on the call today, Mr. Virendra Mhaiskar; 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 there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing "*" then "0" on your touch-tone phone. Please note that this conference is being recorded.

Please note that the duration for the call would be 45 minutes, and any queries 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 the significant developments during the quarter. Thank you, and over to you, sir.

Anil Yadav: Good evening, everyone. I welcome all investors and analysts to our earnings call for Q1 results of Financial Year 2025-26. I trust you have reviewed our detailed numbers and presentation. I will briefly highlight the key points for the quarter.

Private InvIT per-day toll collection rose to ₹11.26 crore, compared to ₹10.25 crore per day in Q1 FY25, registering a 10% growth, driven by traffic growth and revision in tariff.

Private InvIT + IRB per-day toll collection increased to ₹18.46 crore, up from ₹17.09 crore per day in Q1 FY25, reflecting an 8% growth, supported by traffic growth and tariff revisions.

Private InvIT declared a distribution of approximately ₹52 crore, contributing proportionately to IRB's cash flow in proportion to its 51% holding.

Public InvIT unitholders have approved the acquisition of 100% equity share capital of three SPVs — Kishangarh Gulabpura, Kaithal Tollway, and Hapur Moradabad — from the Private InvIT (IRB Infrastructure Trust) for an enterprise value of ~₹8,450 crore, with overwhelming majority support. This transaction is expected to release ₹4,905 crore in cash. Applying the standard 70:30 debt-to-equity funding model, this equity release enhances our financial capacity to bid for new projects valued at approximately ₹15,000 crore. This asset's rotation will raise the Sponsor's O&M order book by approximately ₹3,100 crore, taking the total O&M order book to approximately ₹33,600 crore post-acquisition.

The Palsit Dankuni BOT project (NH19, West Bengal) has received COD for 61.3 km out of the total 63.83 km length for the 4-to-6 laning work. Consequently, toll rates will increase by ~47%, and the SPV will collect toll at these revised rates. Based on Q1 FY25 trends, this is expected to boost annual toll collections by approximately ₹100 crore.
As of now, our total order book stands at approximately ₹30,000 crore, including an EPC order book of approximately ₹2,100 crore. The next two years executable order book, including EPC and O&M, is close to ₹4,300 crore.

The company has declared an interim dividend of 7%, amounting to approximately ₹ 43 crores in line with our dividend policy.

Now I will request Tushar to cover the financial highlights for Q1 of FY26. Over to you, Tushar.

Tushar Kawedia: Yes. Thank you, sir. I will take you through the financial analysis for Q1 FY26 versus Q1FY25.

The total consolidated income for Q1 FY26 has increased to ₹ 2,165 crores from ₹ 1,972 crores for Q1FY25, up by 10%.

The income from InvIT and related assets segment for Q1FY26 has increased to ₹ 233 crores from ₹ 80 crores for Q1FY25, increased by 191%.

The income from BOT segment for Q1 FY26 have increased to ₹ 646 crores from ₹ 614 crores for Q1FY25, registering a growth of 5%.

The income from construction segment for Q1FY26 has decreased to ₹ 1,220 crores from ₹ 1,239 crores for Q1FY25, down by 2%.

EBITDA for Q1 FY26 increased to ₹ 1,018 crores from ₹ 976 crores for Q1FY25, up by 4%.

Interest cost increased to ₹ 462 crores in Q1FY26 from ₹ 439 crores in Q1FY25, increased by 5%.

Depreciation cost has increased to ₹ 269 crores in Q1FY26 from ₹ 255 crores in Q1FY25, increased by 6%.

PBT has increased to ₹ 286 crores in Q1FY26 from ₹ 282 crores, an increase of 2%.

PAT has increased to ₹ 202 crores in Q1FY26 from ₹ 140 crores, an increase of 45%.

Now I request moderator to open the session for question and answers.

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

Alok Deora: Just had a couple of questions. First is on the construction segment. So, the margins have come down even if we look at Q-o-Q or even Y-o-Y, the adjusted margin due to some regrouping of last year. So, just any thoughts here? How do we see these margins coming in subsequent quarters now? And is it like the new normal margin or could it improve from here?

Management: Yes. So, Alok, for this quarter, we have seen a dip in the construction margin mainly due to certain construction-related revenue from the COS and utility shifting work, which was close to ₹150 crores for the quarter. This was a major reason for the dip in construction margin, as these works carry lower margins. The second reason is that a few projects are nearing completion, which has also led to some reduction in margins. Overall, what we see from here is that margins should remain in a similar range, and as and when we add new assets, we will update you on the revised margins going forward.

Alok Deora: Sure. Just for the understanding, we have few of the projects near completion. So, typically, in some of the other names, actually, we have seen margins improving for that particular period because the companies tend to book a little conservative margin. And once the completion is near, they are more clear about actual margin profile. So, then the margin sees a temporary increase. So, just if you could indicate on that?

Management: I think, Alok, there are two key points. First, the COS and utility works, which carry hardly any margin, impacted the overall margins this quarter. Second, as projects get completed, the mix is also changing—typically, BOT projects have slightly higher margins, whereas HAM projects have lower margins. We have just completed Palsit–Dankuni, which was a BOT project, and the Ganga project is also on the verge of completion. As a result, the proportion of HAM execution will increase, and margins are expected to remain in the range of 18% to 20%.

Additionally, on your specific question - based on accounting standards, margins must be provided in line with the percentage-of-completion method. So, the company has no flexibility in deciding how much margin to book upfront and how much later. Overall, margins remain broadly in line with expectations given the change in project mix.

Alok Deora: Got it. Just one last question. So, can you provide some details on the ordering and tender pipeline, because till date, only 180-odd kilometers have been awarded by NHAI. We understand that this is 7-8 months is very low awarding time at the industry level. But just some tender pipeline has always been there, but what we are seeing at the ground, if you can just highlight on that?

Management: Yes. So, I think in terms of tenders, as you rightly mentioned, the government has been providing various deadlines for bidding, but many of these have been getting extended. We did see a few BOT projects awarded till Q4 of FY 25, and there are some BOT and TOT projects lined up for bidding in the coming months. So, we expect a few opportunities to materialize. However, as you rightly pointed out, the overall award activity remains quite low. While the government has identified opportunities, the awarding momentum has not yet picked.

Moderator: Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Management: I thank all the investors and analysts for joining this call, and we look forward to interacting with you again in our next quarterly concall. Thank you very much.

Moderator: Thank you, sir. Ladies and gentlemen, this concludes your conference for today. We thank you for your participation and using Researchbytes Conferencing Services. You may please disconnect your lines now. Thank you and have a great evening ahead.