IRB Infrastructure Developers Limited
Q4 FY'26 Earnings Conference Call
May 21, 2026

Moderator: Good morning ladies and gentlemen. Welcome to IRB Infrastructure Developers Conference Call for discussing the Financial Results for the Quarter and Year Ended March 31, 2026, along with the recent developments.

We have with us on this call today, Mr. Virendra Mhaiskar, Mr. Amitabh Murarka, Mr. S.S. Rana, Mr. Anil Yadav, Mr. Tushar Kawedia, Ms. Poonam Nishal and Mr. Mehul Patel.

As a reminder, all participants' line should 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 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 morning, and a Warm welcome to all investors and analysts joining us for our earnings call to discuss the results for Q4 of Financial Year 2025–26.

I trust you have had the opportunity to review our detailed financial results and the accompanying investor presentation. Let me briefly walk you through the key developments during the quarter.

The quarter has been particularly significant for us, marked by financial closures, commencement of tolling operations, and continued growth in toll collections across our portfolio. These developments further strengthen our platform strategy and enhance long-term cash flow visibility.

Let me begin with key business updates.

We have started toll collection on TOT 18 from April 1, 2026. We have already published the numbers for April 2026, the toll collection on the project is better than anticipated.

Toll collection on the Ganga Expressway also commenced on May 17, 2026. With this, all our projects across private InvIT are now fully operational.

In terms of financial year 2026:

This has been an eventful and transformative year for IRB. We have successfully executed our B.E.S.T. (Build–Execute–Stabilise–Transfer) strategy, monetising mature road assets through our Public InvIT.

- Assets worth approximately ₹8,400 crores were monetized.
- Unlocking equity capital of about ₹4,900 crores.
- Added projects worth ₹14,000 crores.

As a result, our asset base expanded from ₹80,000 crores to ₹94,000 crores.

We remain on track to scale our asset base to approximately ₹1,40,000 crores over the next three years.

We have also transferred one HAM asset from IRB to the Public InvIT and realized an equity value of approximately ₹500 crore.

The capital unlocked through monetisation has been redeployed into higher return growth opportunities.

On the operational front:

- Our Private InvIT reported average daily toll collections of ₹11.79 crores for the quarter ended March 2026, compared to ₹9.10 crore in the corresponding quarter last year, reflecting a growth of approximately 30%, driven by healthy traffic momentum and the addition of TOT-17.

- On a YoY basis for Q4 FY26, gross toll collections for the Mumbai–Pune Project and Ahmedabad–Vadodara Project increased by 6% and 23%, respectively, resulting in an overall growth of 11%.
- The combined Private InvIT and IRB portfolio achieved average daily toll collections of ₹19.80 crores, compared to ₹16.31 crores in the previous year, representing a 21% year-on-year growth.

Moving to distributions:

- The **Private InvIT declared a distribution of ~ ₹199 crores** for Q4FY26.IRB's 51% share amounts to **~₹101 crores** which contributes meaningfully to the Company's cash flows and strengthens overall financial flexibility.
- Similarly, **the Public InvIT declared a distribution of ~ ₹205 crores for Q4 FY26.** Based on IRB's effective holding of approximately 17%, the Company is expected to receive nearly ₹34 crores as its share of distributions.
- For Q4FY26, the company has declared Interim Dividend of **~ ₹60 crores** taking total dividend of **INR 187 crores for FY26.**

Our total order book now stands at **~ ₹45,000 crores**, including an EPC order book of **₹2,100** crores.

Overall, we remain optimistic about the sector outlook. Traffic growth across the portfolio continues to be stable and encouraging, supported by strong economic activity, increasing freight movement, and continued infrastructure focus by the Government, along with growth in passenger vehicles. We believe our diversified portfolio and strong execution capabilities position us well for sustainable long-term growth.

With that, I conclude my opening remarks, and I will request Tushar to cover the financial highlights for Q4FY26. Over to you, Tushar,

Tushar Kawedia: Thank you sir. Now I will take you to the financial analysis of Q4 FY26 versus Q4 FY25:

The Total Consolidated Income for Q4FY26 has decreased to Rs.1,977 crores from Rs.2,218 crores for Q4FY25, declined by 11%.

The Income from InvIT & related Assets Segment for Q4FY26 have increased to Rs.401 crores from Rs.307 crores for Q4FY25, registering growth of 31%.

The Income from BOT Segment for Q4FY26 have increased to Rs.712 crores from Rs.641 crores for Q4FY25, registering growth of 11%.

The Income from Construction Segment for Q4FY26 have decreased to Rs.815 crores from Rs.1,202 crores in Q4FY25, down by 32%.

The Other Income for Q4FY26 have decreased to Rs.50 crores from Rs.69 crores in Q4FY25, down by 27%.

EBITDA for Q4FY26 increased to Rs.1,133 crores from Rs.1,066 crores in Q4FY25, registering growth of 6%.

Interest cost decreased to Rs.406 crores in Q4FY26 from Rs.458 crores in Q4FY25, decreased by 11%.

Depreciation cost increased to Rs.321 crores in Q4FY26 from Rs.286 crores in Q4FY25, increased by 12%.

PBT has increased to Rs.406 crores in Q4FY26 from Rs.323 crores in Q4FY25, increased by 26%.

PAT has increased to Rs.296 crores in Q4FY26 from profit of Rs.215 crores in Q4FY25, Increased by 38%.

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

Moderator: Thank you very much sir. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question comes from the line of Alok Deora with Motilal Oswal. Please go ahead.

Alok Deora: Hi, good morning. So, just had couple of questions. So, first is on the TOTs which you are looking to bid. So, any traction there and have you bid for any projects where we are expecting the projects to be opened in near term? Because during the last interaction, we had not made any bids. I mean, those projects were not up for bidding. So, what is the status there if you could just highlight on that?

Management: Alok, while the list looks very robust, we have already given a detailed presentation slide where we have talked about the TOT pipeline which NHAI has put out on its website. We have actually not seen any bid going down the hammer in this quarter. Going by my last year's experience, I would say that the maximum traction on actual submission of bids will happen somewhere, maybe another 3-4 months down the line and then they try to conclude them before end of the calendar year or before end of the financial year. This has been our experience for last 2-3 years now and in fact, we want to make actually good use of this period to put in order our asset rotation strategy and be ready with the cash for deployment as the ordering traction picks up.

Alok Deora: Sure and likewise, if you can also highlight on the EPC portion, I mean, if you look at the BOT toll projects or HAM projects, so if you can just highlight on those projects, how have you seen the traction, any competitive intensity changed over the last few months and how do we see that moving ahead or at this point of time, the status remains that it's a highly competitive segment and we would be very slick.

Management: So, you have predicted it right. It remains the way you just said.

Alok Deora: And plus, overall ordering also, we are not expecting to improve in terms of HAM or BOT.

Management: See, I mean, I do not know their exact strategy, how much they want to tender out. But my guess is that if you look at how things have been in the past, I do not see any meaningful change coming through and I think monetization is the area which to my mind will be key for them to keep going because the prior period annuities are catching up. So, my guess is that the bidding intensity will remain elevated for EPC. And few BOTs may also get bid out. The major

action to my mind will be the monetization piece where we are keenly positioned to see that we are able to move towards our stated target of asset additions that we have decided for ourselves for next 3-4 years and that is the area where we remain focused.

Alok, we have also provided the list which is available from NHAI - almost 1400 km of BOT, total capital outlay of INR 34,500 crores for FY27 which is based on the pipeline available on the NHAI's website.

Alok Deora: This you are talking about TOT, right?

Management: This is BOT, sir

Alok Deora: Sir, actually, in your presentation, in the last few times, you have been highlighting and even more talking about the BOT pipeline that nearly INR 2 lakh crore projects will be coming up. But we have hardly seen any traction there and I think now even from your side, the sense which is coming more is that it will be more TOT than, even on the BOT side, we won't see too much traction. Because the pipeline has been robust, but we are not really seeing any movement there, unfortunately.

Management: I tend to agree with you that our focus will definitely remain more on the asset monetization side and we will be unleashing the asset rotation strategy to grow our portfolio and that will remain our forte. Yes, we will selectively bid on BOTs wherever we see value. But certainly, the growth of the asset portfolio will primarily come from the TOT side.

Alok Deora: Got it and just a last couple of small questions. So, in your presentation, there is a slide on TOT, new opportunity of around 1800 km. So, these would be given out as separate projects or these would be bundled also in some cases?

Management: You are right, these are likely to be bundled together. Now, they have not yet formed up. We have picked up this name from the NHAI website itself. So, as per our interactions, they will be suitably bundling it to make a bundle size of anywhere between INR 2,000 crores – INR 4,000 crores.

Alok Deora: Okay, and there is some revenue figure mentioned here of INR 2700 crores. So, what is that figure actually?

Management: So, these are all corridors which are already under tolling and the present toll revenue that they have mentioned on their slide, that whatever was the last one-year revenue that they have seen on these corridors, that is the number that we have demonstrated there. Going by the TOT multiple, it will give you some sense of what the TOT pipeline can be.

Alok Deora: Absolutely. Just one last question. Now that the year has ended, any guidance you can give on the construction revenue growth in FY27? Because at the end of the year, typically you start guiding for the next year.

Management: So, if we look at the balance EPC book, which also includes significant amount of change of scope work that have come in as a part of the existing portfolio, plus the one year O&M that we will be receiving for servicing all the projects across IRB's wholly-owned subsidiaries, Private InvIT and Public InvIT. I think we should comfortably be able to cross the INR 3,000 crore mark on the construction piece and that's the visibility, we definitely have at this point in time.

Alok Deora: Sure and on the toll revenue growth, that continues to be robust. So, that momentum should kind of continue.

Management: So, if we look at our April numbers, April numbers included all projects barring Ganga in terms of revenue. Now May numbers for the partial month, you will see Ganga numbers coming in and then onwards, I think all projects continue to remain operational. So, with around 10% growth rate, you can assume definitely the kind of toll revenue that we should be able to collect. So, we are hopeful that we should be able to touch a 5-digit gross revenue number for FY27.

Management: I think in the absolute terms we will have excellent growth in the toll business, both IRB and Private InvIT put together. In terms of Profit guidance, we have already stated in our corporate presentation that profit will grow at 25% CAGR over the relevant forecast period.

Alok Deora: Got it. That's all from my side. Thank you and all the best.

Moderator: Thank you. A reminder to all the participants that you may press star and 1 to ask a question. Next question comes from the line of Vivek Surekha, an Individual Investor. Please go ahead.

Vivek Surekha: So, sir, a couple of questions. Since we are moving to the B.E.S.T. strategy right now, and I see we have given an objective of being debt-free company till 2030. So, do we see any need of capital raise and what would be our dividend distribution strategy over this next 4-5 years?

Management: So, I will take the question in two parts. You are absolutely right that we are definitely on a path to a net debt zero situation in next 5 years. And if you see, we are moving confidently towards that. We do not see any capital raising requirement at the IRB simply because if you look at our strategy of asset rotation, the growth is primarily going to come by unlocking capital by moving assets from Private InvIT to the Public InvIT. And redeploying that capital into newer assets to grow the portfolio as a whole. So, from an IRB's perspective, I would say that our operating leverage as we roll forward will now significantly start going up. And that will drive the profitability for the company and the growth will come from churning of assets between private and public InvIT and that's how we intend to grow from here on. So, yes, no capital raising at IRB. Regarding the distribution, we have a stated policy of dividend distribution of +20%. If you look at this year also, we have received almost close to INR 3 billion of distribution from both our InvITs put together and against that, if you see, the total dividend distribution was around INR 1.8 billion. So, as the distribution keeps going up, the commensurate profit distribution is also bound to increase.

With respect to achieving a net-debt zero position, as you may have observed, our interest cost during this quarter has reduced by almost INR 50 crores. Further, since the benefit of debt reduction will have a full-year impact in the next financial year, we expect an additional reduction of around INR 150 crores to INR 200 crores in interest cost going forward.

Vivek Surekha: Thanks for that. I appreciate that response. Another question is in terms of churning, our objective is to move the operational assets from Private InvIT to Public InvIT. So, for this year, do we have any target for the number of assets which will be moving from Private InvIT to Public InvIT? Because that's when you will release the capital and then you will invest in the new project is what I understand from your stated objective.

Management: So, Vivek, if you have read the disclosures that the company has come out with, we have already initiated the process for transferring two more assets from Private InvIT to the Public InvITand that includes Solapur-Yedeshi and Chittorgarh-Gulabpura project. Both put together an EV of roughly INR 4500 crores. So, that process has already been triggered and we are now working on unlocking the capital by virtue of transfer of these assets.

Vivek Surekha: Okay. Thanks for your response and all the best. These are really excellent results. I am looking forward to execution of the BEST strategy and it is quite interesting. Thank you.

Moderator: Thank you. The next question comes on the line of Parikshit Khandpal with HDFC Securities. Please go ahead.

Parikshit Khandpal: Yes, sir. My question is on the current geopolitical and the impact on crude prices. So, just want to understand how is the interplay now between if these get passed on, there is the inflation element and how does interest rates impacts when both the things plays out? So, how does it impact our hours of valuation on the asset side?

Management: Look, you are right that the fuel cost, some impact the government has transferred to the users. But if I have to stick my neck out and give you my thoughts on the whole unlocking of this geopolitical situation. My take is as under:

On the raw material costs, while the bitumen, diesel prices, cement price, steel price can go up, we have a very minimal, I would say, CAPEX balance at this point in time which can have a potential to dent the margins. On the HAM project, the escalation is a pass through. So, we do not see any meaningful hit

or anything coming on account of that. In terms of interest rates, my sense is that while there may not be any further cuts, the interest rates will stay where they are and we have already locked the interest rates for majority of our projects. So, our sense on the interest rate is that we have handled the interest rate locking part. So, we do not foresee any rate cycle moving up for us, definitely not for the next two to three years. It may not be further cut down by RBI, but we do not foresee any interest rate hike as far as our present situation is concerned given the locking of interest rates that we have done. Now coming to the inflation part, we have already seen the WPI hitting (+8%) and my sense is that inflation is likely to stay sticky and in that scenario, what we expect is when we roll over for the tariff revision come 1st April 2027, the December WPI number which matters the most for us is likely to remain on an elevated level and that can actually help us get a significantly higher tariff growth for the next financial year. We have seen such situations in the past and we expect the tariff revision to be more robust for the coming year. While it is true that it's a good hedge for slowing down of traffic, I don't expect the traffic growth to moderate for one simple reason that the government spending hasn't come off. So, if the government spending continues at the level where it is today, the economic activity is bound to keep the traffic moving in a very strong manner because it's a very inward-looking domestic consumption story that we are playing and that will keep the traffic at a robust level. With the improved tariff, you will actually have a Goldilocks situation in the next two years where you might experience high traffic growth, high tariff improvement and a low interest cost and this is going to be a very interesting next two to three years that we might get to see.

Parikshit Khandpal: So, that was what I was coming to, sir. So, typically, I think post-COVID, we had seen one major inflation reset. So, typically in such scenarios, how does the fair value move for both the Private and Public InvIT? You can help us through some sensitivities like every 100 basis points if the inflation increases so how does the fair value move and also your own assumptions, I think typically we expect almost 5%-6% of real growth and then 4%-5% inflation. So, do you think that maybe in the next couple of years, this growth can actually be mid-teens or something like that given how the inflation is

interplaying and demand I think still continues to remain quite robust on your monthly reporting which you are doing on the toll side.

Management: Yes. So, on the fair value part, Parikshit, if you see the valuations what has been there for the Private InvIT, the factor growth is somewhere around 9%-9.5% which includes both tariff and traffic.

I think without giving a much more robust picture on what the fair value increase can be, if we can go to our presentation itself where we have given a graph of the life cycle of the BOT or TOT project slide 38, you would see that a roll forward will give you at least 6%-8% value growth on the fair value of that asset as we roll forward with the leverage expansion coming in, debt moving downwards and traffic moving upwards. So, on a life-to-life basis on an asset, assuming 8-10% of revenue growth, the rollover effect should be minimum 6%-7% and that is on Slide #38. So, we have actually mapped the answer for your question that this is what it is likely to see on it. This is a like-to-like asset rollover effect that can come in on any of the assets**.** Just to add what matters most to the unit holder, if there is an increase by 100 basis point in the revenue, that will directly flow to the payout and it will improve the IRR because our O&M is fixed and whatever additional increase will be there that will flow to the payout and that will improve the IRR.

Parikshit Khandpal: But sir, what is the expectation of next year growth of the overall total revenues? Do you think it can outperform your 9%, 10% or 11% of projections which you have built in?

Management: As of now, what are the projections we are talking about we are talking about 9% to 9.5% of growth, if the inflation remains higher, then there will be additional growth which will be coming in.

Parikshit Khandpal: And just the last question, for next one to three years, so how much enterprise value we are looking to transfer from Private to Public InvIT? So, what kind of monetization we are looking at in the next two, three years?

Management: So, let's look at it in a very simplistic manner. If you look at the first initial 9-10 projects that we have transferred to the Private InvIT, we have already

transferred 3, we are in the process of transferring 2 more. So, another 5 assets continue at the private end which have an EV of roughly INR 30,000 crores – INR 35,000 crores which will be migrated to the Public InvIT platform over next 2-3 years. That is the potential with regard to the immediate visibility I would say.

There is also some indication from the Public InvIT. From INR 8,000 crores EV at the beginning of the last financial year, they have already reached INR 18,000 crores EV and they aim to reach around INR 40,000 crores AUM in next 2-3 years.

Parikshit Khandpal: So, in this year, how much we are planning to do this year? I think we have already announced INR 4,500 crores. So, beyond this, anything else coming up in the rest of the year? No, it will move to the next year.

Management: See, Parikshit, you will appreciate that as we keep rolling forward, the value of the asset keeps going up. So, we have not hurriedly taken 3 or 4 assets in one go. Presently, we have already moved the motion to move 2 of the assets which as you rightly said is around INR 4,500 crores EV. We expect that to culminate in the first half of this fiscal year and then depending on the employment visibility, we will initiate the next action in this regard.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, we have reached the end of the question-and-answer session. I now hand the conference over to Mr. Virendra Mhaiskar for closing comments.

Virendra Mhaiskar: Thank you everyone for being on the call and we look forward to catch up with you soon on the next Earning Calls as we move forward. Wish you a great week ahead.

Moderator: Thank you, sir. Ladies and gentlemen, this concludes the conference for today. We thank you for your participation and for using ResearchBytes conferencing services. You may please disconnect your lines now. Thank you and have a great day ahead.

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