IRB Infrastructure Developers Ltd

Update Note November 2023

Constructing with a profitable growth

For any further query, please email us on research@ventura1.com

BUY @ CMP INR 34.5 | **Target: INR 94.5 in 24 months** | **Upside Potential: 173.9%**

Constructing with a profitable growth

Since we initiated coverage on IRB Infrastructure Developers Ltd (IRB) on Oct 14, 2022, the stock has surged 67.4% to reach its record high of INR 36 per share, attributed to enhanced cash flows from ongoing projects and robust cash flows from private InvIT distribution.

Given the substantial business developments that have taken place over the past 12 months, we reinitiate coverage on IRB as a buy with the recommended price target of INR 94.5 per share (FY26 P/E of 37.7X). This represents an upside potential of 173.9% from the CMP of INR 34.5 over the next 24 months.

Our optimism stems from the fact that over the period FY23-26, IRB's revenue/ EBITDA/ net earnings are expected to grow at a CAGR of 13.9%/ 11.5%/ 28.1% to INR 9,456.7 cr/ INR 4,485.7 cr/ INR 1,402.3 cr respectively, while the company's net margins are expected to improve by 476bps to 16.0% by FY26E. Consequently, the company's RoE is expected to increase by 384bps, reaching 9.2%, and RoIC is expected to rise by 142bps, reaching 10.5% by FY26E.

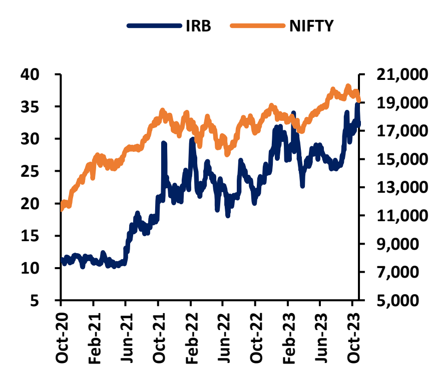
Going ahead the outlook for the industry is extremely buoyant given that NHAI plans to award INR 854 bn worth of priority category road projects in FY24, with INR 400 bn specifically designated for BOT road projects, where the competitive intensity is lower. IRB's partnership with GIC, in the ratio of 51:49 in the private InvIT provides a strong developmental platform to bid for BOT and TOT projects. This augurs very well for IRB.

Industry	Infrastructure

Issue Details	
Face Value (INR)	1.0
Mkt Cap (INR cr)	20,823
Price (INR)	34.5
Shares O/S (cr)	603.9
3M Avg Vol (mn)	3.9
51 Wk H/L (INR)	37.0/22.5
Dividend yield (%)	0.63

Shareholding (%)	Sep 2023
Promoters	34.4
Institution	54.7
Public	10.9
Total	**100.0**

Price Chart



Key Consolidated Financial Data (INR Cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net (%)	Adj EPS (₹)	Adj BPS (₹)	RoE (%)	RoIC (%)	P/E (X)	P/BV (X)	EV/EBITDA (X)
FY22	5,803.7	2,800.9	361.4	48.3	6.2	0.6	20.8	2.9	8.1	57.6	1.7	12.3
FY23	6,401.6	3,235.6	720.0	50.5	11.2	1.2	22.2	5.4	9.1	28.9	1.6	10.5
FY24E	8,170.1	3,762.7	921.0	46.1	11.3	1.5	23.4	6.3	9.3	23.5	1.5	10.0
FY25E	9,055.3	4,175.9	1,166.9	46.1	12.9	1.9	25.0	8.3	10.2	16.5	1.4	8.8
FY26E	9,456.7	4,485.7	1,402.3	47.4	14.8	2.3	27.0	9.2	10.5	13.8	1.3	8.3

Q2 & H1FY24 performance

In Q2FY24, IRB's revenue grew at a YoY rate of 29.9% to INR 1,745 cr due to 36.1% YoY growth in construction/EPC revenue to INR 1,171 cr. Strong growth of 62.7% YoY in order book to INR 32,666 cr and improvement in order execution rate enhanced the construction/EPC revenue performance of the company.

BOT/TOT revenue grew at a YoY rate of 19.0% to INR 567 cr due to strong traffic growth on account of the rise in truck movements on the national highways. The company's daily toll collection on BOT/TOT projects increased from INR 51.8 mn in Q2FY23 to INR 61.7 mn in Q2FY24, out of which Mumbai-Pune Expressway toll collection increased from INR 36.4 mn in Q2FY23 to INR 44.6 mn in Q2FY24.

Higher growth in EPC revenue compared to BOT/TOT impacted the EBITDA margins

IRB's EBITDA grew at a YoY rate of 19.5% to INR 795 cr, while EBITDA margins declined by 399bps to 45.5% in Q2FY24. Strong growth in EPC revenue (EBITDA margin of ~30%) compared to BOT revenue (EBITDA margin of ~90%) impacted the operating profitability. In the same line, the company's net earnings grew at a YoY rate of 12.3% to INR 96 cr and net margins declined by 86bps to 5.5% in Q2FY24.

Increase in net debt to fund recently secured projects impacted the key metrics

The company's net debt stood at INR 11,902 cr as on 30th Sep 2023, which was higher compared to INR 10,074 cr as on 31st Mar 2023 and INR 10,524 cr as on 30th Sep 2022. Debt increased to fund the recently acquired projects. As a result, net debt to equity increased from 0.81X to 0.88X over the past 12 months. Consequently, RoE and RoIC declined by 166bps to 3.7% and 130bps to 7.3% respectively in Q2FY24.

In the past 5 years, IRB has successfully monetized road assets through various channels, including public InvIT and private InvIT, and has also partnered with Cintra and GIC, collectively owning a 45% stake in the IRB listed company. With a consolidated net debt to equity ratio of 1.2X, IRB is well-positioned to raise funds for new BOT projects without facing any obstacles.

Our renewed optimism stems from the following –

New road projects offer significant revenue and cash flow growth visibility for IRB

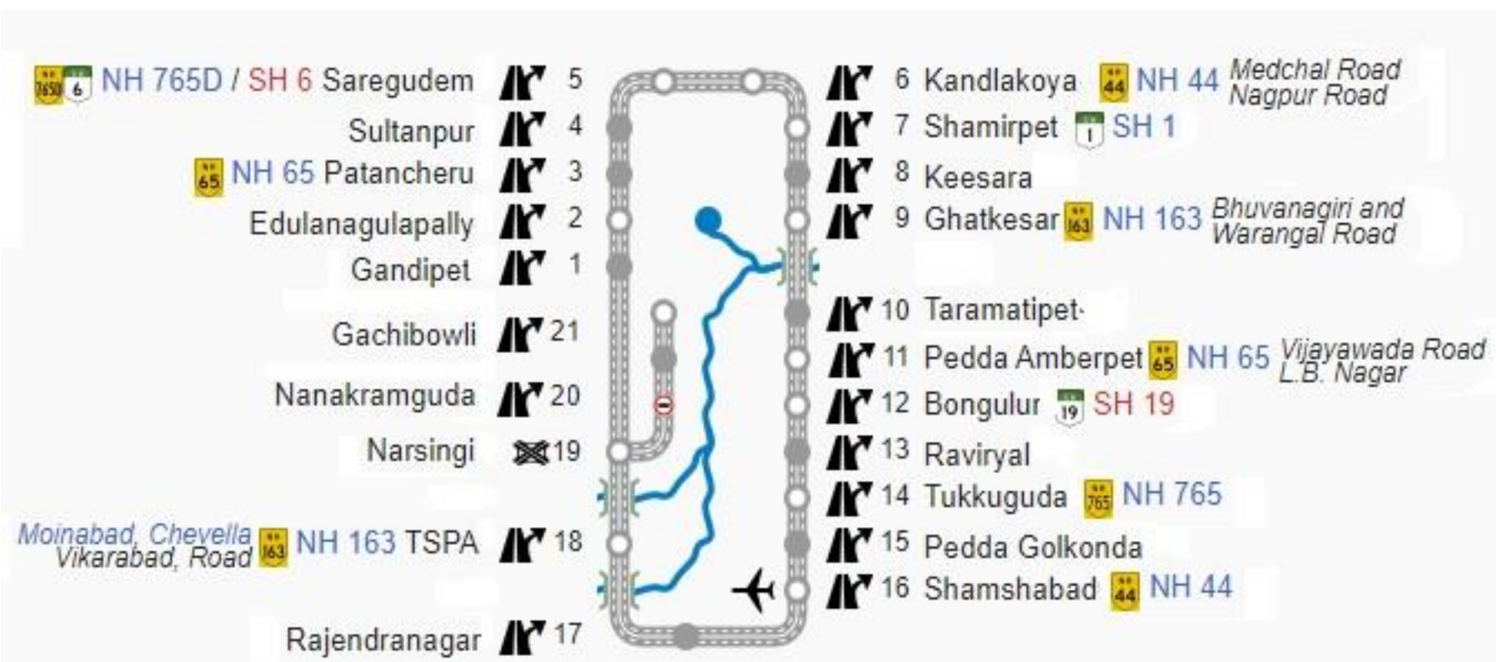
IRB secured three BOT/TOT road projects that are set to commence revenue generation between FY24-26, providing substantial growth opportunities for the company:

- **Hyderabad Outer Ring Road (ORR) TOT project**
- **Ganga Expressway BOT project**
- **Samakhiyali Tollway BOT project**

Hyderabad Outer Ring Road (ORR) TOT to significantly accelerate cash flow generation

IRB bagged 158 km Hyderabad ORR ToT project with an upfront payment of INR 7,380 cr in Apr 2023. It is a revenue-linked asset available to IRB for a concession period of 30 years. This ORR is an 8-lane expressway encircling Hyderabad (with 21 operational interchanges) and its large part of around 124 km covers urban areas like Hi-Tech City, Nanakramguda Financial District, Rajiv Gandhi International Airport, Singapore Financial District, IKP Knowledge Park, Hardware Park, Telangana Police Academy and Game Village.

Hyderabad ORR – A strategic and well-connected road asset with significant traffic growth



Source: Company Reports

Moreover, this ORR gives easy connectivity between prominent national highways (NH 44, NH 65, NH 161, NH 765 and NH 163) from Hyderabad to

Vijayawada and Warangal as well as state highways leading to Vikarabad Nagarjuna Sagar and Karimnagar /Mancherial.

Hyderabad ORR – A strategic and well-connected road asset with significant traffic growth


Source: Company Reports

According to the concession agreement, IRB has the authority to raise toll rates annually. Given its excellent connectivity of the ORR with urban residential & office hubs, airport, and national/state highways, we anticipate a __% CAGR in the overall traffic.

Ganga Expressway – A backbone of connectivity for existing and upcoming industrial corridors in Uttar Pradesh

The Ganga Expressway, spanning 1,047 km, will be an access-controlled 6-lane expressway (expandable to 8-lanes) following the course of the Ganga River in Uttar Pradesh. This extensive road network will link Greater Noida to Ballia, establishing high-speed connectivity between the Eastern and Western borders of Uttar Pradesh.

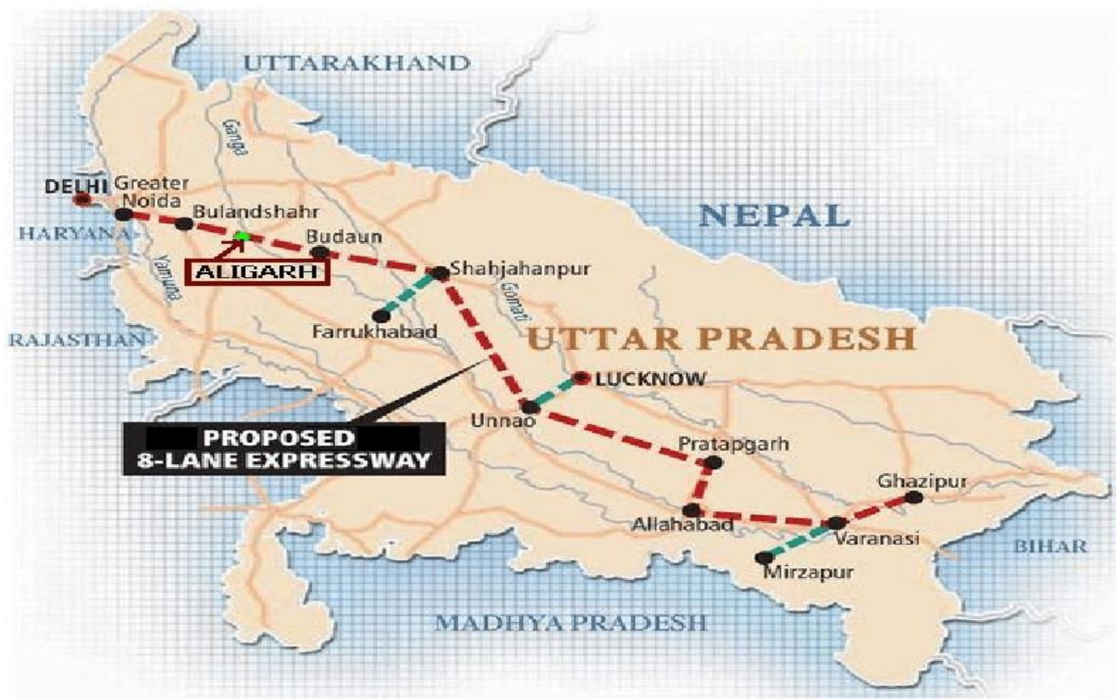
To capitalize on this strategic infrastructure, the government plans to develop new industrial corridors along the expressway before its scheduled operation in FY26. This initiative aims to significantly boost vehicular traffic and enhance seamless transportation within the state.

IRB is constructing 130 km segment of the Ganga Expressway, divided into two phases:

- **49 km stretch from Meerut to Hapur in Western UP and**
- **81 km stretch from Mirzapur to Budaun in Eastern UP.**

The remaining portion of 917 km section is under construction by Adani Enterprises Ltd.

Ganga Expressway

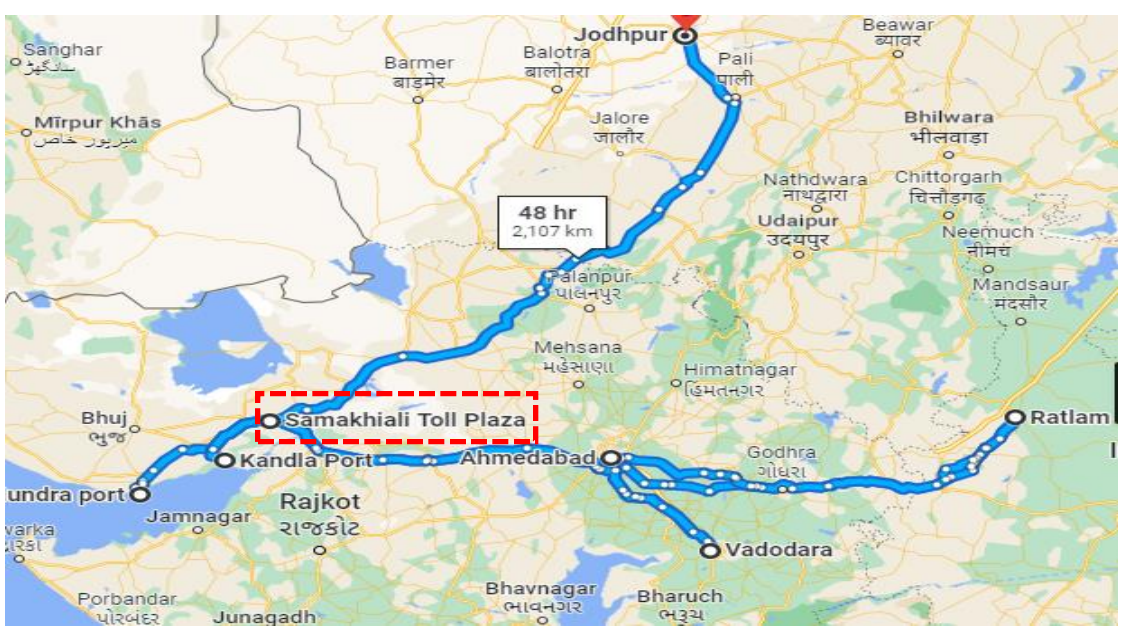


Source: Industry Reports

Samakhiyali Tollway

The Samakhiyali Tollway, extending over 91 kilometers, is set to become an access-controlled 8-lane highway linking the crucial ports of Kandla and Mundra to the national highways of Rajasthan, Maharashtra and Madhya Pradesh. This road initiative, integrated into the Delhi-Mumbai Industrial Corridor (DMIC), anticipates substantial traffic increase right from its first year of operation.

Samakhiyali Tollway

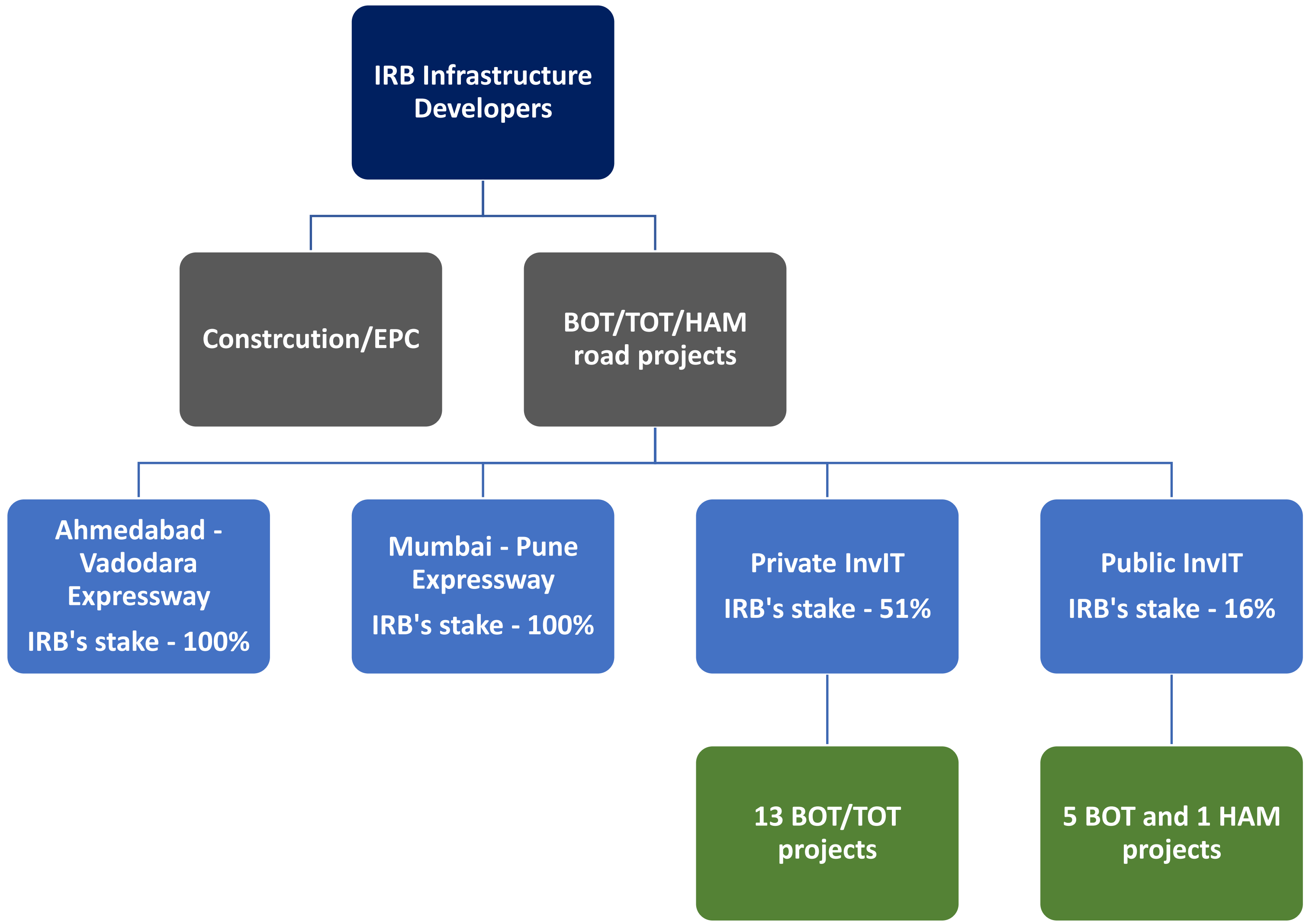


Source: Industry Reports

Well capitalized product portfolio reduces burden on balance sheet

IRB possesses a diversified range of BOT/TOT/HAM projects, with a significant portion financed through dynamic InvIT structures.

IRB's business structure



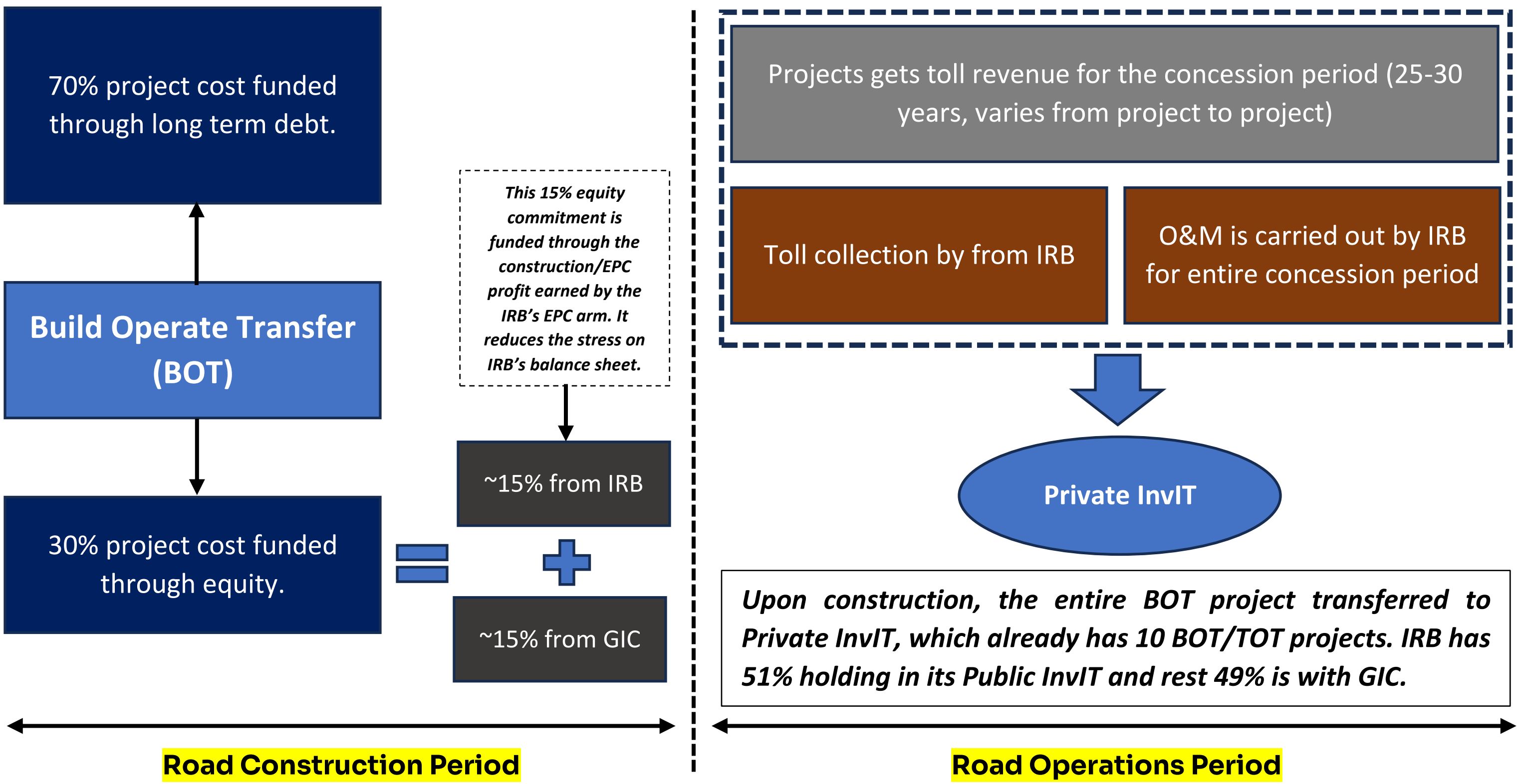
Source: Company Reports

How private InvIT funding structure helps in a BOT/TOT road project

IRB obtains BOT projects from NHAI and typically funds them with 70% debt and 30% equity. The projects are executed through a private InvIT owned by IRB and GIC in a 51:49 ratio. Approx. 15% of the equity comes from IRB's construction arm's profits, reducing IRB's capital investment, while the remaining ~15% is funded by GIC.

On the other hand, InvITs offers an opportunity for global funds to invest into a long-term yield instrument in the infrastructure space and helps bring higher standards of governance into the sector.

BOT road project working and its transfer to Private InvIT upon completion



Source: Company Reports

SEBI has recently given the green light to decrease the minimum application value for InvITs from INR 10,000 to INR 15,000, along with reducing the trading lot size for InvITs to just one unit. This change enables the trading of these units on exchanges without any specified minimum investment requirements or lock-in periods.

Due to the road asset's readiness, securing capital from global funds and investors (including sovereign wealth funds) for a TOT project is simpler. While the funding follows the same 70:30 debt-equity ratio, IRB invests ~15% and leaves the remaining ~15% open for the global funds and investors (in case of IRB, the investor is GIC).

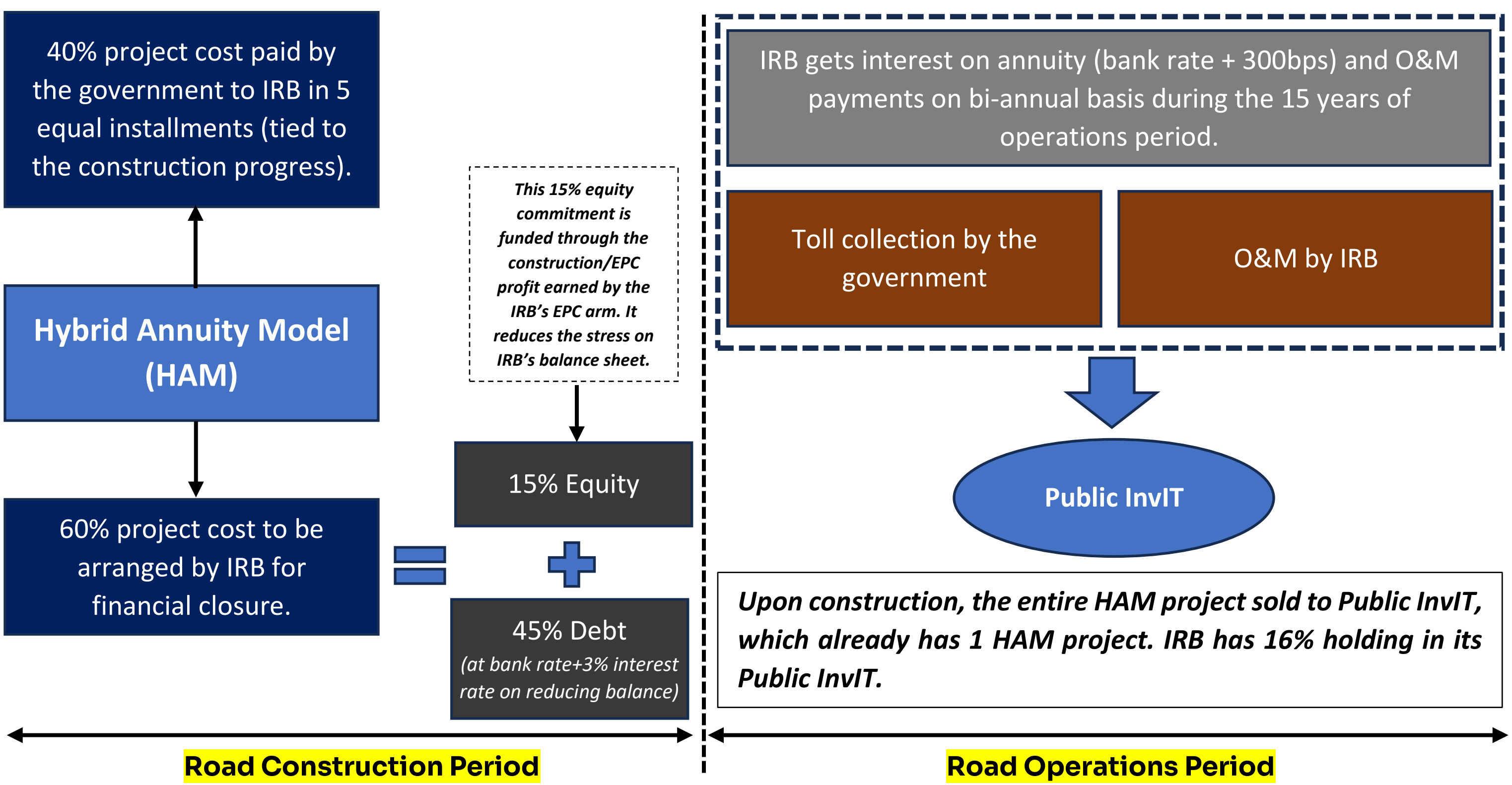
How public InvIT structure helps in a HAM project monetization

In HAM projects, the government has streamlined payment procedures. Approximately 40% of the project funds are paid to IRB in five equal installments, tied to the project's physical progress.

Initially, IRB covers the remaining 60% of the project cost using the 70:30 debt-to-equity ratio. Once the project is completed, the government collects tolls and provides IRB with a fixed annuity and covers O&M costs. This arrangement not only decreases capital commitments but also guarantees investors a stable cash flow for 10-15 years.

As per the strategy of IRB, once HAM assets are completed, they are offered to a public InvIT, facilitating capital turnover. In the case of the last project, VK1, it was sold to a public InvIT at 1.2X the P/B ratio, resulting in IRB receiving INR 342 cr.

HAM road project working and its transfer to Public InvIT upon completion



Source: Company Reports

From the perspective of stakeholders, the InvITs offer various benefits:

- **Developers: Enable the monetization of operational assets, freeing up capital for new asset development.**
- **Lenders: Provide an opportunity to diversify exposure by investing in high-rated infrastructure assets.**
- **Investors: Offer stable and predictable returns through a portfolio of operational assets.**
- **Government: Facilitate monetization, creating space for additional infrastructure development initiatives.**

Cashflows from all three entities – IRB, Private InvIT and Public InvIT

- **<u>IRB and its wholly subsidiaries:</u> IRB construction business plus its 100% owned subsidiaries will generate significant amount of cash surplus post repayment of Debt.**
- **<u>Private InvIT:</u> Most of assets of Private InvIT got completed in FY23. Further, robust cashflow from operations and debt optimization, will lead regular distribution from Private InvIT.**

The board of the Private InvIT has approved maiden distribution of Rs. 155 crores for half year ended Sep 2023 for FY24. Further, the management expect another distribution of Rs.450 cr in second of FY24.

- **<u>Public InvIT:</u> Public InvIT is regularly distributing surplus cashflow to its unitholders. This is also platform for monetization of HAM assets.**

IRB's projected cash flows

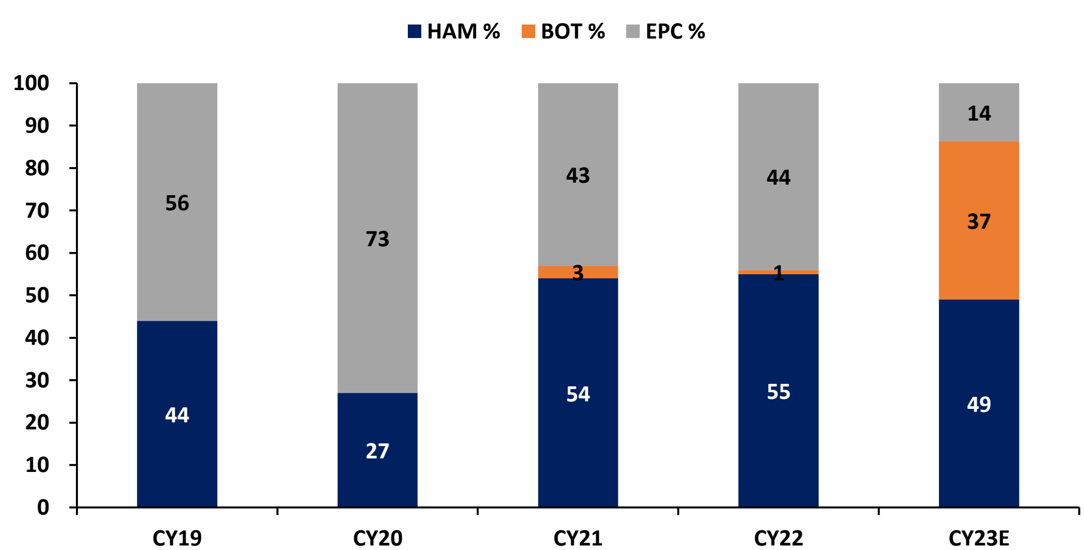
Particulars	FY24	FY25	FY26	FY27	FY28	Total
Surplus from IRB and its 100% Subsidiaries (Post debt servicing)	800	1,000	1,125	1,300	1,419	5,644
Distribution from Private Invit (IRB's share)	200	389	426	541	429	1,985
Distribution from Public Invit (IRB's share)	80	90	90	90	90	440
Cash Surplus available for Growth or Distribution	1,080	1,479	1,641	1,931	1,938	8,069

Source: Company Reports

The renewed focus of NHAI on BOT/TOT to benefit IRB in the long run

Most of the road projects tendered before 2014 were allocated on BOT basis. However, aggressive bidding, financial crisis, land acquisition (prior to new land bill, earlier it was 1.0X of circle rate and now it is 3.0X of circle rate) and delay in road project completion increased the mismanagement and stalled many of these projects. Banks laden with bad loans also turned wary of lending to these projects, where the private entity arranges all finances.
Under the new government in 2014, the Ministry of Road, Transport & Highways (MoRTH) began issuing orders for pending and partially constructed road projects. Consequently, road development primarily proceeded through EPC or HAM, with a reduced emphasis on BOT projects.

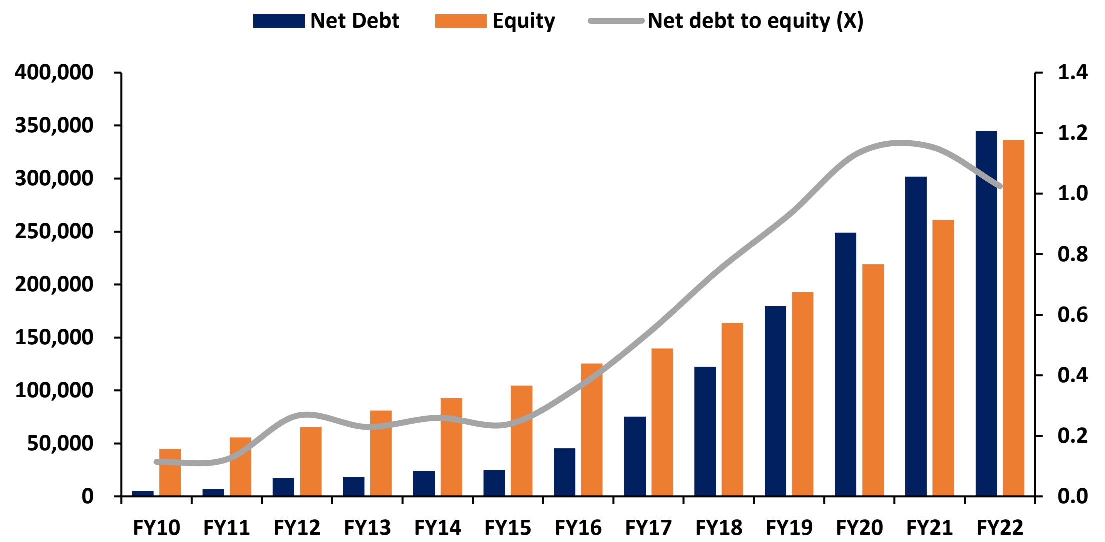
Breakup of new road projects (in %) in terms of road length



Source: Company Presentation & Industry Reports

Also, aggressive road development meant that fund requirements were also elevated. This blitzkrieg road asset development was funded via the debt leveraging NHAI balance sheet.

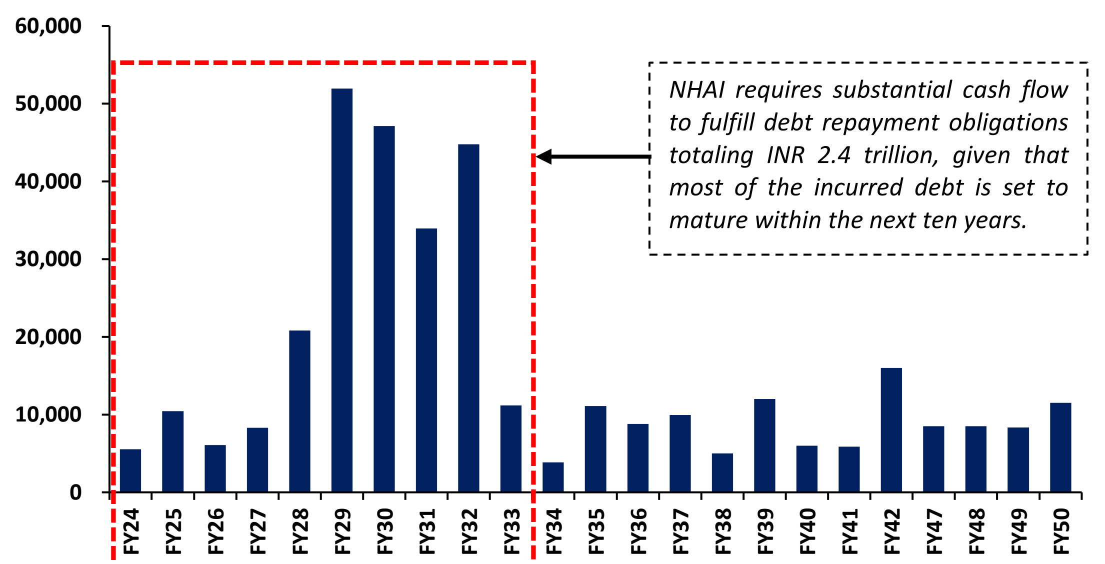
Infusion of own funds by NHAI on EPC projects lead to increase in its net debt to equity from 0.3X in FY12 to 1.0X in FY22



Source: NHAI Annual Reports

With the government's share of spending on road projects hitting all-time highs of ~80% (compared to 50-70% between FY10-13), NHAI's net debt to equity ratio increased from 0.1X in FY14 to 1.0X in FY23. Moreover, NHAI requires substantial cash flow to fulfill debt repayment obligations totaling INR 2.4 trillion, given that most of the incurred debt is set to mature within the next ten years.

Annual maturities of NHAI's debt



Source: CARE Report & Ventura Research

With the recent flagging of the debt situation of NHAI by PMO, there is a shift expected in the ministry's policy with the increase in awarding towards BOT/TOT to enhance private participation. Moreover, the roads built through BOT contracts tend to exhibit higher quality when compared to those constructed under EPC contracts. This is due to the extended duration of the BOT contracts, typically spanning 25-30 years. In the case of BOT projects, the contracting company is compelled to ensure a superior road quality as they are responsible for both construction and long-term O&M of the road network for the duration of the contract. Conversely, with EPC contracts, there is no obligation for ongoing O&M, which may result in a lesser emphasis on construction quality.

We believe that with asset ownership being an increasingly favourable awarding methodology, IRB is well placed to benefit from this trend given its strong balance sheet/access to global capital.

Valuation

We value IRB on a SOTP basis for a price target of INR 94.5 per share and recommend a BUY at a CMP of INR 34.5 per share, representing an upside potential of 173.9% over the next 24 months.

IRB's SOTP based valuation

Particulars		Valuation	PV Factor	Present Value	Debt (net)	Net Value	IRB's Share	Value (IRB)	Remarks
EPC Business & concesions	Terminal	41,387	0.64	26,302	396	25,906	100%	25,906	Total EBIDTA*12 (less MP and AV and PVT Invit interest)
PVT Invit + Ganga EV Multiple+ Hyd ORR Multiple + SS Multiple	Terminal for Pvt Invit	58,793	0.64	37,364	19,713	17,652	51%	9,002	EBIDTA for FY31*12
PVT Invit - DCF till FY 30	DCF for PVT	10,684	1.00	10,684		10,684	51%	5,449	DCF of FCFF
IRBAV - AV DCF till FY30	DCF till FY30	12,290	1.00	12,290	8,438	3,852	100%	3,852	DCF of FCFF
IRB MP - DCF till FY31	DCF till end of FY31	8,200	1.00	8,200	4,318	3,882	100%	3,882	DCF of FCFF
Ganga - DCF till FY30		1,624	1.00	1,624		1,624	51%	828	DCF of FCFF
Hyd ORR - DCF till FY30		2,906	1.00	2,906		2,906	51%	1,482	DCF of FCFF
SS - DCF till FY30		750	1.00	750		750	51%	383	DCF of FCFF
HAM - Equity investment Balance in FY31		690	0.64	439	-	439	100%	439	Remaining Investment in HAM in FY31 and PV of the same for FY25
Equity Investment in BOT (New projects IRB share)		3,383	1.00	3,383		3,383	100%	3,383	Investment in BOT till FY31 and PV of the same for FY25
Cash Surplus in FY31		3,867	0.64	2,457		2,457	100%	2,457	Gross cash surplus less (Cash surplus of MP, distribution from Private Invit as same considered in DCF, Investment in new BOT assets)
Total Value		144,574			32,864	73,535		57,064	
No. of shares								603.9	
Value per share								94.5	

Source: Ventura Research

Although we have evaluated all road projects using DCF method, the concession period for the Mumbai-Pune Expressway project ends in Aug 2031. As a result, this project is valued using DCF only until fiscal year 2031. IRB initially acquired this TOT project in 2004 for a 15-year period until 2019 and secured it again in 2020 for another 10 years.

Consensus vs Ventura Estimates

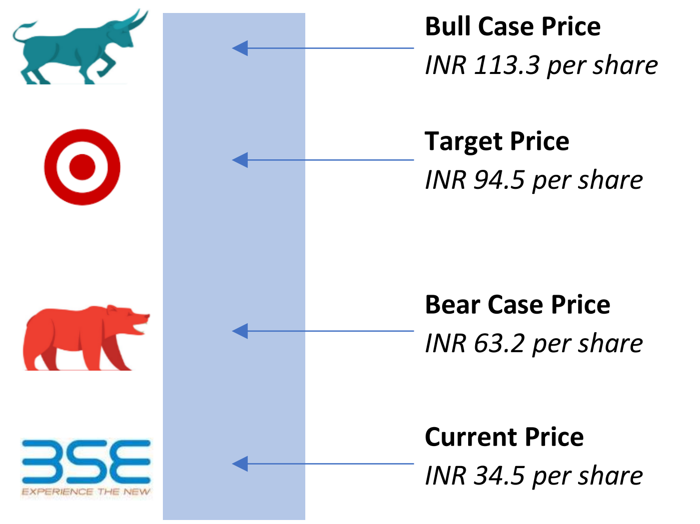
IRB: Consensus vs Ventura estimates					
Consensus vs Ventura Estimates	FY23	FY24E	FY25E	FY26E	FY23-26E CAGR (%)
Revenue (INR cr)					
Consensus	6,401.6	7,278.8	8,042.3	8,667.1	*7.9*
YoY Growth (%)	*10.3*	*13.7*	*10.5*	*7.8*	
Ventura Estimates	6,401.6	8,170.1	9,055.3	9,456.7	*10.2*
YoY Growth (%)	*10.3*	*27.6*	*10.8*	*4.4*	
EBITDA (INR cr) & EBITDA margin (%)					
Consensus	3,235.6	3,539.4	3,872.0	3,966.1	*5.2*
Consensus Margin (%)	*50.5*	*48.6*	*48.1*	*45.8*	
Ventura Estimates	3,235.6	3,762.7	4,175.9	4,485.7	*8.5*
Ventura Margin (%)	*50.5*	*46.1*	*46.1*	*47.4*	
Net Profit (INR cr) & Net margin (%)					
Consensus	720.0	766.0	999.8	1,018.6	*9.1*
Consensus Margin (%)	*11.2*	*10.5*	*12.4*	*11.8*	
Ventura Estimates	720.0	887.5	1,265.8	1,513.9	*20.4*
Ventura Margin (%)	*11.2*	*10.9*	*14.0*	*16.0*	
Valuation					
P/E Ratio (X)					
Consensus	27.7	26.1	20.0	19.6	
Ventura Estimates	27.7	22.5	15.8	13.2	

Source: Ventura Research & Bloomberg

Our Bull and Bear Case Scenarios

We have prepared likely Bull and Bear case scenarios for FY26 price, based on revenue growth, EBITDA margins and EV/EBITDA multiples.

Bull & Bear Case Scenario



Source: BSE & Ventura Research

Investment triggers

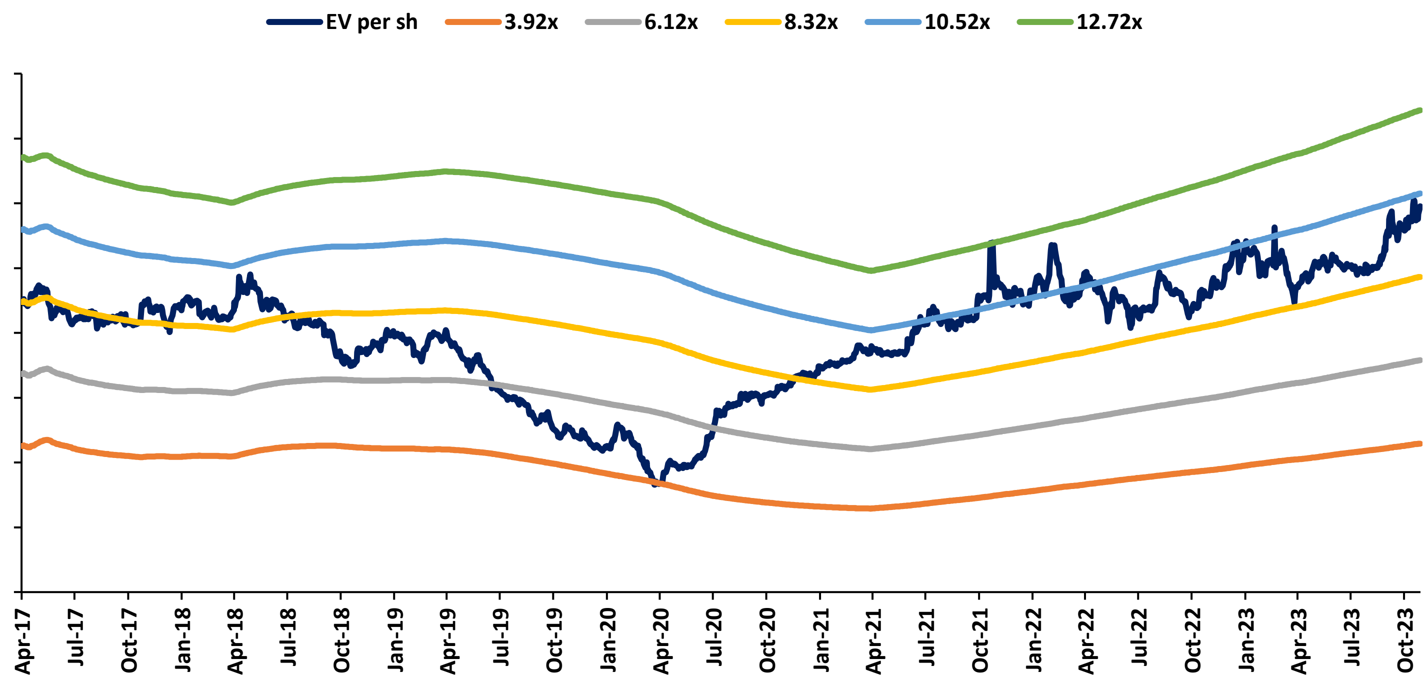
- With GIC as a partner and access to global best practices in the road BOT business with Cintra, IRB has a strong financial firepower and is thus uniquely positioned to capitalize on government’s projects – National Infrastructure Pipeline, Gati Shakti, Asset Monetization Plan, etc.
- Strong balance sheet is expected to benefit IRB with the government’s push for private investments in the road construction sector.

Catalysts

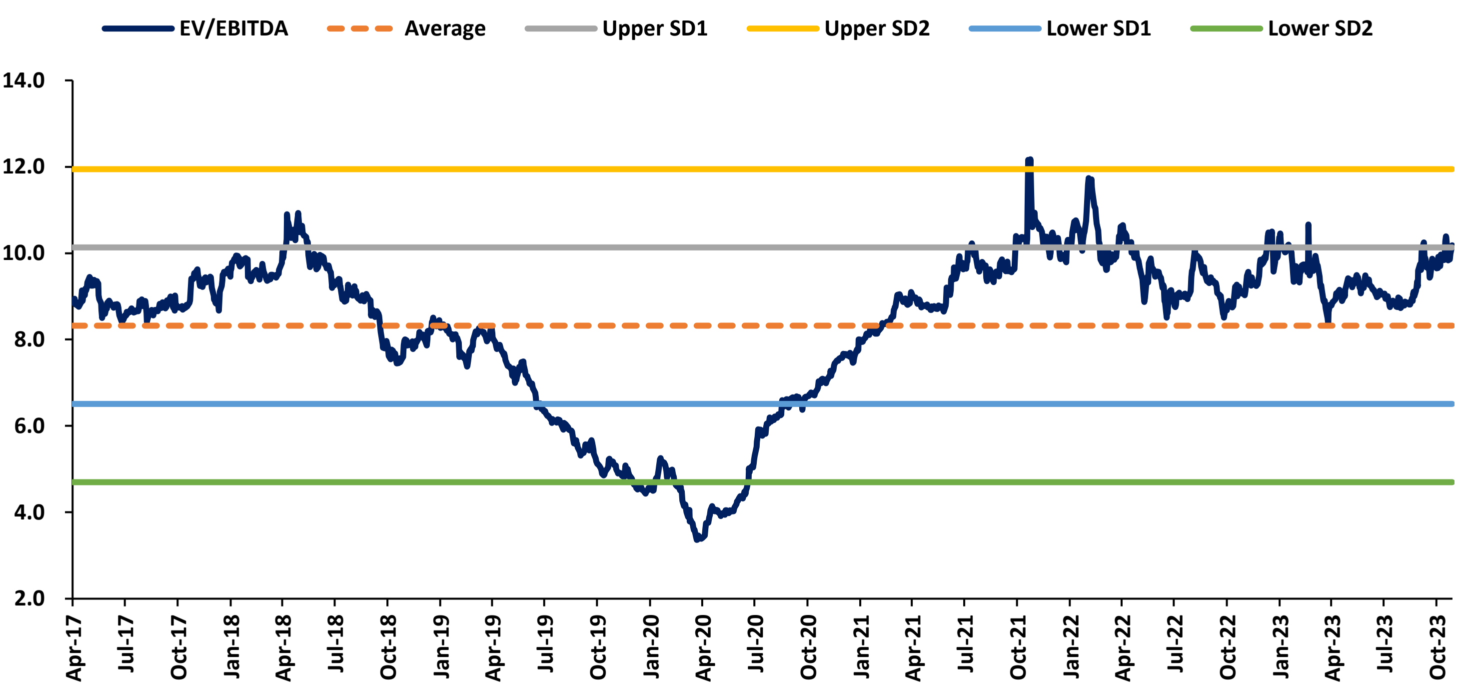
- Faster than expected traffic growth.
- IRB has a compelling track record of bagging meaningful claims and while we have not taken any contribution of the same in the valuation, it will remain a significant trigger on an ongoing basis.

Valuation band charts

1 year forward EV/EBITDA



EV/EBITDA standard deviation



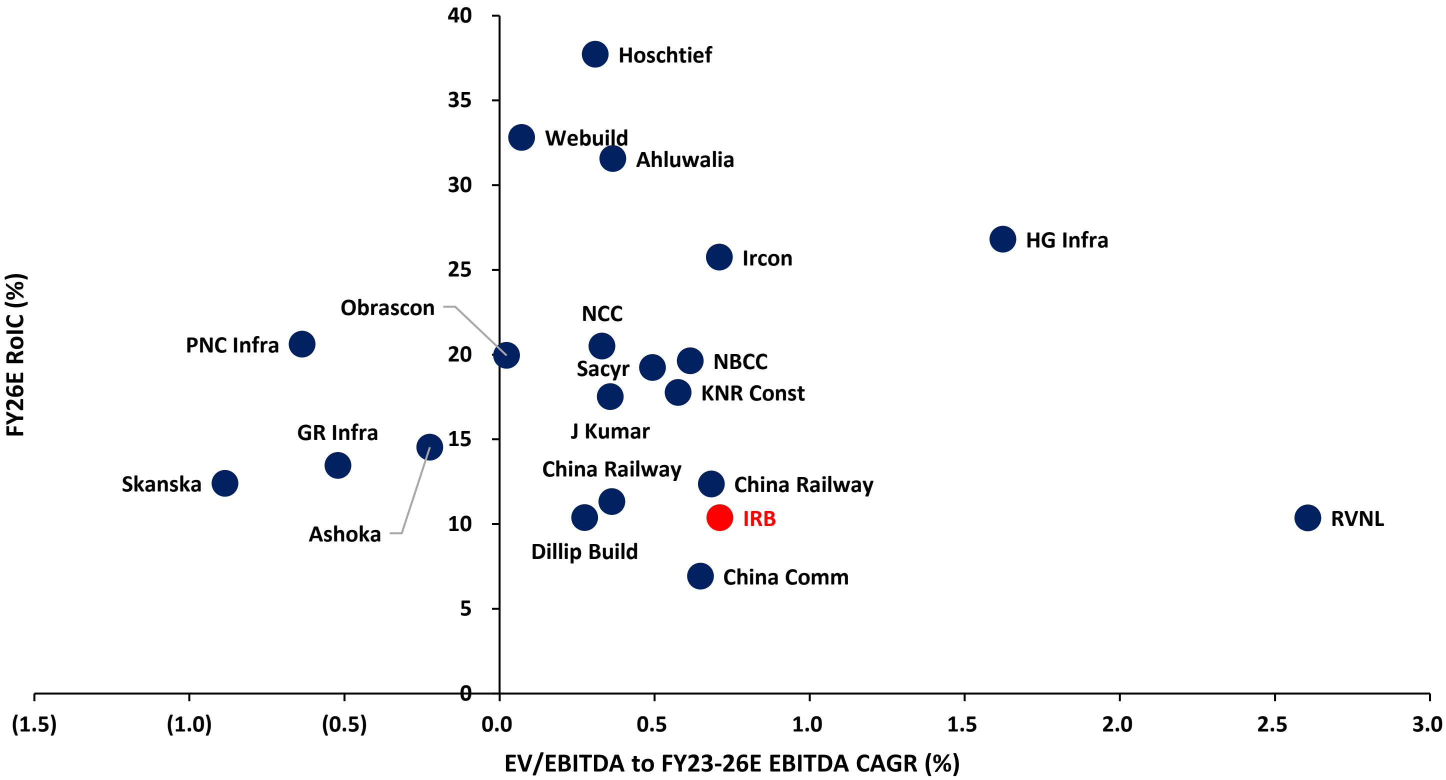
Source: Ventura Research

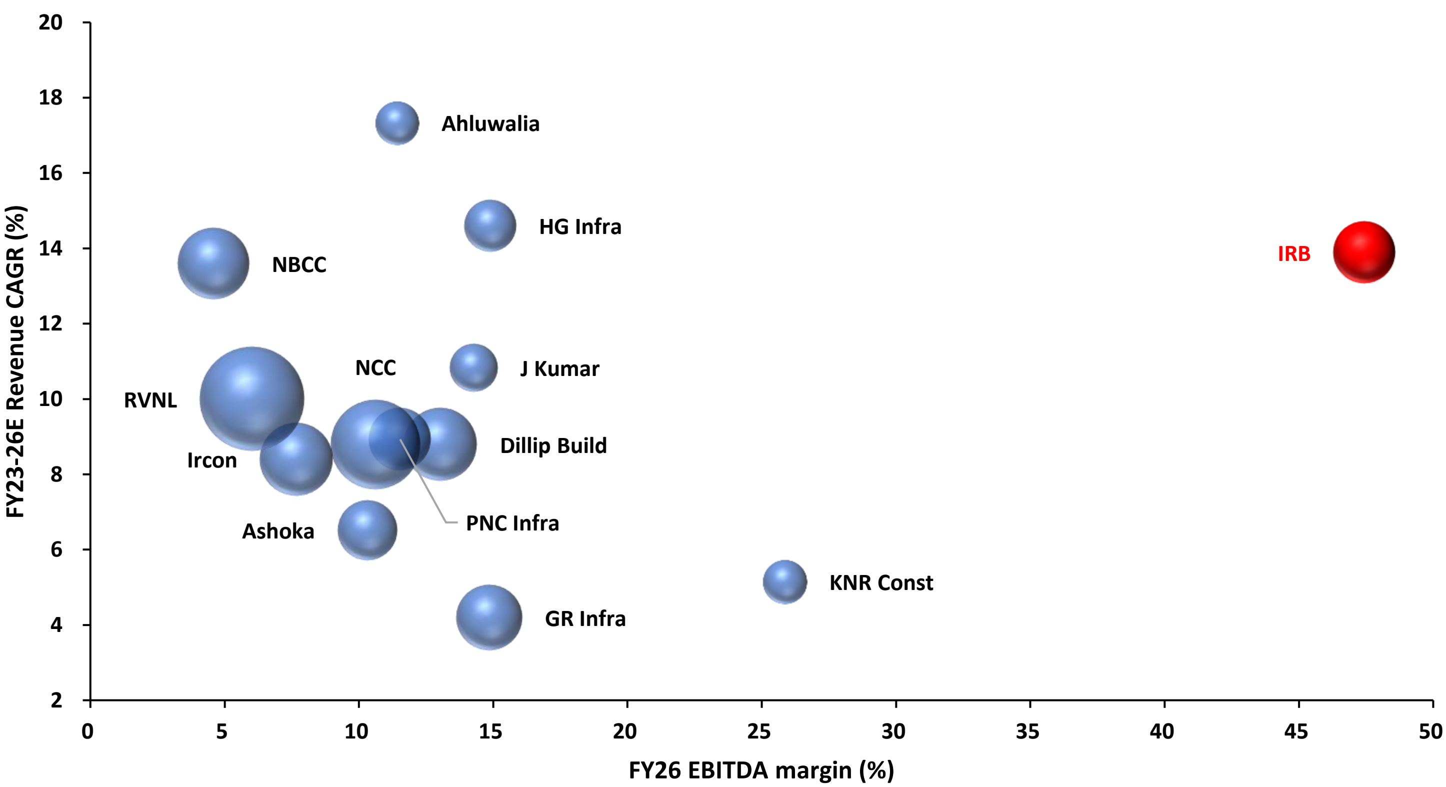
Valuation and comparable metric of domestic and global companies

Company Name	Mkt Cap	Price	EV/EBITDA by	P/E (X)			EV/Sales (X)			EV/EBIDTA (X)			RoE (%)			RoIC (%)			Sales			EBITDA Margin (%)			Net Margin (%)		
			EBITDA gr (X)	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026
Domestic Peers (fig in INR cr, unless specified)																											
IRB Infrastructure	20,822.5	34.5	0.7	23.5	16.5	13.8	4.6	4.1	4.0	10.0	9.0	8.4	6.3	8.3	9.2	9.3	9.9	10.4	8,170	9,055	9,457	46.1	46.1	47.4	10.9	14.0	16.0
Dilip Buildcon Ltd	4,450.1	304.4	0.3	13.9	11.7	8.8	1.0	0.9	0.8	8.1	7.2	6.2	6.6	7.3	8.8	8.4	9.1	10.4	10,800	11,880	13,306	12.3	12.5	13.0	3.0	3.2	3.8
KNR Consctruction Ltd	7,423.2	264.0	0.6	14.7	13.4	12.2	1.7	1.6	1.5	7.1	6.3	5.8	15.3	14.5	14.7	26.5	22.8	17.8	4,240	4,436	4,723	23.8	25.0	25.9	11.9	12.5	12.9
PNC Infratech Ltd	8,571.0	334.1	-0.6	13.1	11.1	10.4	1.0	0.9	0.8	7.9	6.9	7.4	14.3	14.4	13.5	21.8	21.0	20.6	7,895	8,943	9,595	13.2	13.5	11.5	8.3	8.6	8.6
HG Infra Engineering Ltd	5,825.6	893.9	1.6	12.0	10.8	10.2	1.1	1.0	0.8	7.3	6.5	5.6	21.0	19.3	17.0	27.6	25.2	26.8	5,319	6,080	6,656	15.6	14.9	14.9	9.1	8.9	8.6
Ashoka Buildcon Ltd	3,648.0	130.0	-0.2	11.7	8.7	7.4	0.6	0.6	0.5	7.8	6.5	5.0	8.2	9.9	11.1	10.3	11.8	14.5	7,136	7,924	8,886	8.0	9.2	10.3	4.4	5.3	5.6
Ahluwalia Contracts Ltd	4,552.1	679.6	0.4	19.5	15.6	13.7	1.2	1.0	0.8	10.6	8.5	7.3	16.0	16.6	15.2	38.6	36.5	31.6	3,403	4,108	4,585	11.0	11.3	11.4	6.9	7.1	7.2
NCC Ltd	9,069.2	144.5	0.3	11.1	8.9	8.5	0.5	0.4	0.5	5.9	5.1	4.4	11.7	12.7	12.2	24.9	26.2	20.5	18,664	22,024	20,024	8.7	8.5	10.6	4.4	4.6	5.3
Ircon International Ltd	13,049.7	138.8	0.7	16.5	15.5	14.4	0.9	0.8	0.7	11.5	10.3	9.2	13.4	12.6	12.0	36.0	29.8	25.8	10,913	12,005	13,205	7.5	7.6	7.7	7.2	7.0	6.9
J Kumar Infraprojects Ltd	3,047.0	402.7	0.4	10.0	8.8	8.1	0.7	0.6	0.6	4.8	4.2	3.9	11.6	11.8	11.2	19.6	20.0	17.5	4,699	5,349	5,721	14.3	14.3	14.3	6.5	6.5	6.6
Rail Vikas Nigam Ltd	32,140.6	154.2	2.6	24.5	22.3	20.2	1.6	1.5	1.4	27.3	24.8	22.6	15.7	15.1	14.7	10.1	10.3	10.4	22,310	24,541	26,995	6.0	6.0	6.0	5.9	5.9	5.9
GR Infraprojects Ltd	10,830.6	1,120.2	-0.5	13.1	11.5	10.8	1.3	1.1	1.1	8.6	7.7	7.6	13.6	13.5	12.2	16.1	15.7	13.5	8,760	9,951	10,724	14.8	14.8	14.9	9.4	9.5	9.4
NBCC Ltd	11,808.0	65.6	0.6	28.5	27.1	21.3	0.9	0.6	0.5	18.4	17.1	11.8	18.1	16.6	18.1	19.6	18.1	19.6	7,655	11,339	12,677	4.9	3.5	4.6	5.4	3.8	4.4
Global Peers (fig in USD mn, unless specified)																											
China Comm Construction	15,146.1	1.1	0.6	5.2	4.7	4.2	0.6	0.5	0.5	9.1	8.2	7.5	8.8	9.1	9.5	5.8	6.3	6.9	106,577	116,850	128,400	6.6	6.6	6.6	2.7	2.8	2.8
Hoschtief AG	8,000.4	103.0	0.3	14.1	13.3	12.3	0.3	0.2	0.2	5.7	5.5	5.0	40.8	37.2	34.7	43.8	40.2	37.7	29,278	30,281	31,016	4.5	4.4	4.5	1.9	2.0	2.1
Sacyr SA	1,950.7	2.9	0.5	15.2	13.8	12.6	1.9	1.9	1.9	5.7	5.4	4.9	17.0	14.1	13.7	17.3	17.9	19.2	5,245	5,283	5,413	33.0	36.0	38.6	2.4	2.7	2.9
China Railway Const Corp	13,807.1	1.1	0.7	3.5	3.1	2.8	0.2	0.2	0.1	3.2	2.7	2.3	9.8	10.1	10.5	10.7	11.4	12.4	162,744	177,786	193,417	5.4	5.6	5.6	2.4	2.5	2.5
Skanska AB	6,270.2	14.9	-0.9	13.5	11.0	10.1	0.4	0.4	0.4	8.1	6.7	6.7	8.8	10.2	10.5	10.7	13.0	12.4	14,543	15,501	16,227	5.0	5.6	5.8	3.2	3.7	3.8
Webuild SPA	1,835.4	1.8	0.1	11.1	9.2	7.4	0.1	0.1	0.1	1.9	1.8	1.5	9.0	10.4	12.1	29.4	29.8	32.8	9,964	10,730	11,328	7.7	7.8	8.7	1.7	1.9	2.2
China Railway Group	18,974.0	0.8	0.4	3.9	3.5	3.1	0.3	0.2	0.2	5.0	4.5	3.9	11.7	12.0	12.3	10.0	10.5	11.3	173,844	191,675	210,858	5.2	5.3	5.4	2.8	2.8	2.9
Obrascon Huarte Lain SA	244.8	0.4	0.0	-26.8	-90.5	78.8	0.0	0.0	0.0	0.1	0.1	0.0	-1.6	-0.5	0.6	14.2	16.8	20.0	3,516	3,607	3,719	3.6	3.7	3.8	-0.3	-0.1	0.1

Source: Ventura Research & Bloomberg

IRB is in a high growth phase, which could reduce its RoIC





Source: Ventura Research, ACE Equity & Bloomberg

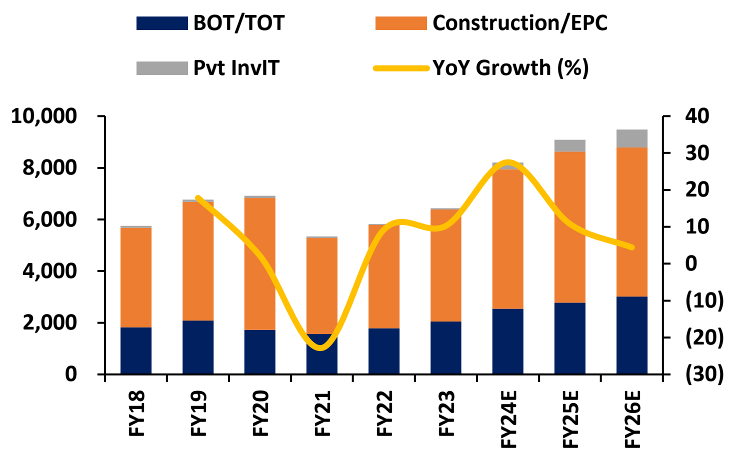
IRB consolidated financial summary

Fig in INR Cr (unless specified)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
BOT/TOT revenue	1,820.7	2,084.8	1,723.2	1,559.4	1,787.5	2,043.3	2,547.4	2,775.5	3,010.2	3,320.5	3,617.2	3,903.4	4,277.1
YoY Growth (%)	*(22.6)*	*14.5*	*(17.3)*	*(9.5)*	*14.6*	*14.3*	*24.7*	*9.0*	*8.5*	*10.3*	*8.9*	*7.9*	*9.6*
Share in total revenue (%)	*31.7*	*30.8*	*24.9*	*29.2*	*30.6*	*31.8*	*31.1*	*30.5*	*31.7*	*32.3*	*31.5*	*31.1*	*31.1*
EPC/Construction revenue	3,855.6	4,601.9	5,110.2	3,725.5	3,995.9	4,338.2	5,393.0	5,850.7	5,781.1	6,123.1	6,970.8	7,667.9	8,434.7
YoY Growth (%)	*10.6*	*19.4*	*11.0*	*(27.1)*	*7.3*	*8.6*	*24.3*	*8.5*	*(1.2)*	*5.9*	*13.8*	*10.0*	*10.0*
Share in total revenue (%)	*67.1*	*68.0*	*73.9*	*69.8*	*68.5*	*67.5*	*65.8*	*64.4*	*60.9*	*59.5*	*60.6*	*61.2*	*61.3*
Income from units of InvITs	70.6	85.4	83.2	53.8	49.1	50.1	259.7	459.1	695.4	840.8	912.9	964.4	1,038.5
YoY Growth (%)	*17.6*	*21.0*	*(2.7)*	*(35.3)*	*(8.6)*	*1.9*	*418.7*	*76.8*	*51.5*	*20.9*	*8.6*	*5.6*	*7.7*
Share in total revenue (%)	*1.2*	*1.3*	*1.2*	*1.0*	*0.8*	*0.8*	*3.2*	*5.1*	*7.3*	*8.2*	*7.9*	*7.7*	*7.6*
Less: Intersegment revenue	(52.8)	(65.0)	(64.4)	(40.0)	(28.8)	(29.9)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)
Revenue from operations	5,694.1	6,707.0	6,852.2	5,298.6	5,803.7	6,401.6	8,170.1	9,055.3	9,456.7	10,254.4	11,470.9	12,505.7	13,720.3
YoY Growth (%)	*(2.6)*	*17.8*	*2.2*	*(22.7)*	*9.5*	*10.3*	*27.6*	*10.8*	*4.4*	*8.4*	*11.9*	*9.0*	*9.7*
Raw Material Cost	73.0	323.1	436.8	399.1	470.1	418.8	408.5	452.8	472.8	512.7	573.5	625.3	686.0
RM Cost to Sales (%)	*1.3*	*4.8*	*6.4*	*7.5*	*8.1*	*6.5*	*5.0*	*5.0*	*5.0*	*5.0*	*5.0*	*5.0*	*5.0*
Employee Cost	291.5	286.2	287.4	261.9	287.3	346.2	377.9	448.5	508.1	547.4	597.4	663.6	734.1
Employee Cost to Sales (%)	*5.1*	*4.3*	*4.2*	*4.9*	*5.0*	*5.4*	*4.6*	*5.0*	*5.4*	*5.3*	*5.2*	*5.3*	*5.4*
Other Expenses	2,640.9	3,154.2	3,147.4	2,120.2	2,245.3	2,401.1	3,621.0	3,978.2	3,990.1	4,129.1	4,396.2	4,929.1	5,233.4
Other Expenses to Sales (%)	*46.4*	*47.0*	*45.9*	*40.0*	*38.7*	*37.5*	*44.3*	*43.9*	*42.2*	*40.3*	*38.3*	*39.4*	*38.1*
EBITDA	2,688.7	2,943.5	2,980.7	2,517.5	2,800.9	3,235.6	3,762.7	4,175.9	4,485.7	5,065.3	5,903.7	6,287.7	7,066.8
EBITDA Margin (%)	*47.2*	*43.9*	*43.5*	*47.5*	*48.3*	*50.5*	*46.1*	*46.1*	*47.4*	*49.4*	*51.5*	*50.3*	*51.5*
Depreciation	544.0	539.5	468.3	581.7	682.8	832.1	882.7	1,007.2	1,049.4	1,134.4	1,216.8	1,294.4	1,419.9
EBIT	2,144.7	2,404.0	2,512.4	1,935.8	2,118.1	2,403.5	2,880.0	3,168.7	3,436.3	3,930.9	4,686.9	4,993.3	5,646.9
EBIT Margin (%)	*37.7*	*35.8*	*36.7*	*36.5*	*36.5*	*37.5*	*35.3*	*35.0*	*36.3*	*38.3*	*40.9*	*39.9*	*41.2*
Other Income	168.7	195.6	195.0	188.9	551.7	301.7	508.5	693.9	762.4	796.5	859.3	954.1	1,036.0
Finance Cost	976.0	1,126.3	1,573.6	1,697.3	1,894.0	1,521.2	1,715.8	1,836.9	1,841.5	1,875.3	1,865.4	1,880.5	1,975.8
Exceptional Item	126.7	0.0	57.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT	1,464.0	1,473.3	1,191.1	427.4	775.8	1,184.0	1,672.8	2,025.7	2,357.2	2,852.0	3,680.8	4,066.9	4,707.1
PBT Margin (%)	*25.7*	*22.0*	*17.4*	*8.1*	*13.4*	*18.5*	*20.5*	*22.4*	*24.9*	*27.8*	*32.1*	*32.5*	*34.3*
Tax	544.4	623.4	454.4	144.5	188.2	356.9	535.3	509.9	593.3	717.9	926.5	1,023.6	1,184.8
Tax Rate (%)	*37.2*	*42.3*	*38.1*	*33.8*	*24.3*	*30.1*	*32.0*	*25.2*	*25.2*	*25.2*	*25.2*	*25.2*	*25.2*
PAT	919.7	850.0	736.7	282.9	587.6	827.0	1,137.5	1,515.8	1,763.9	2,134.2	2,754.3	3,043.2	3,522.3
PAT Margin (%)	*16.2*	*12.7*	*10.8*	*5.3*	*10.1*	*12.9*	*13.9*	*16.7*	*18.7*	*20.8*	*24.0*	*24.3*	*25.7*
Net Profit	919.7	850.0	720.9	117.1	361.4	720.0	887.5	1,265.8	1,513.9	1,884.2	2,504.3	2,793.2	3,272.3
Net Margin (%)	*16.2*	*12.7*	*10.5*	*2.2*	*6.2*	*11.2*	*10.9*	*14.0*	*16.0*	*18.4*	*21.8*	*22.3*	*23.9*
Adjusted EPS	1.5	1.4	1.2	0.2	0.6	1.2	1.5	2.1	2.5	3.1	4.1	4.6	5.4
P/E (X)	*22.6*	*24.5*	*28.9*	*177.7*	*57.6*	*28.9*	*23.5*	*16.5*	*13.8*	*11.1*	*8.3*	*7.5*	*6.4*
Adjusted BVPS	9.4	10.5	11.1	11.4	20.8	22.2	23.4	25.1	27.2	29.8	33.2	37.1	41.6
P/BV (X)	*3.7*	*3.3*	*3.1*	*3.0*	*1.7*	*1.6*	*1.5*	*1.4*	*1.3*	*1.2*	*1.0*	*0.9*	*0.8*
Enterprise Value	33,202.3	35,829.3	27,731.5	36,753.3	34,545.0	33,951.7	37,520.0	36,869.4	37,156.0	37,077.8	36,344.2	36,677.8	37,504.9
EV/EBITDA (X)	*12.3*	*12.2*	*9.3*	*14.6*	*12.3*	*10.5*	*10.0*	*8.8*	*8.3*	*7.3*	*6.2*	*5.8*	*5.3*
Net Worth	5,692.5	6,315.2	6,682.9	6,900.8	12,565.6	13,378.9	14,115.5	15,166.2	16,422.7	17,986.5	20,065.1	22,383.5	25,099.5
Return on Equity (%)	*16.2*	*13.5*	*10.8*	*1.7*	*2.9*	*5.4*	*6.3*	*8.3*	*9.2*	*10.5*	*12.5*	*12.5*	*13.0*
Capital Employed	19,524.0	22,914.6	15,875.4	25,482.8	28,495.5	29,121.0	32,688.5	33,331.9	35,086.8	36,828.3	38,530.7	41,528.3	45,470.6
Return on Capital Employed (%)	*6.9*	*6.1*	*9.8*	*5.0*	*5.6*	*5.8*	*6.0*	*7.1*	*7.3*	*8.0*	*9.1*	*9.0*	*9.3*
Invested Capital	18,072.4	21,322.0	13,591.9	22,831.6	26,288.1	26,508.2	30,813.1	31,213.1	32,756.2	34,241.9	35,586.8	38,238.8	41,782.0
Return on Invested Capital (%)	*11.9*	*11.3*	*18.5*	*8.5*	*8.1*	*9.1*	*9.3*	*10.2*	*10.5*	*11.5*	*13.2*	*13.1*	*13.5*
Cash Flow from Operations	2,132.3	2,709.9	3,709.2	866.8	364.1	1,764.1	6,556.1	5,114.5	4,884.2	5,778.3	6,926.5	7,128.5	8,023.7
Cash Flow from Investing	(2,621.5)	(4,081.4)	(4,905.3)	(8,176.1)	(1,553.4)	(650.3)	(7,069.0)	(2,413.8)	(3,072.8)	(3,506.3)	(3,904.5)	(5,109.1)	(6,321.5)
Cash Flow from Financing	410.2	1,437.6	1,387.8	7,519.9	588.6	(860.5)	2,069.1	(2,459.3)	(1,600.4)	(2,018.0)	(2,667.3)	(1,676.2)	(1,305.8)
Net Cash Flow	(79.0)	66.1	191.7	210.6	(600.8)	253.3	1,556.3	241.4	210.9	254.0	354.7	343.2	396.4
Free Cash Flow	(1,224.7)	(857.5)	(518.7)	(5,800.3)	424.3	2,416.6	3,987.5	5,223.7	3,710.0	4,710.2	5,995.9	4,769.0	4,756.3
FCF to Revenue (%)	*(21.5)*	*(12.8)*	*(7.6)*	*(109.5)*	*7.3*	*37.7*	*48.8*	*57.7*	*39.2*	*45.9*	*52.3*	*38.1*	*34.7*
FCF to EBITDA (%)	*(45.6)*	*(29.1)*	*(17.4)*	*(230.4)*	*15.1*	*74.7*	*106.0*	*125.1*	*82.7*	*93.0*	*101.6*	*75.8*	*67.3*
FCF to Net Profit (%)	*(133.2)*	*(100.9)*	*(72.0)*	*(4,951.3)*	*117.4*	*335.6*	*449.3*	*412.7*	*245.1*	*250.0*	*239.4*	*170.7*	*145.4*
FCF to Net Worth (%)	*(21.5)*	*(13.6)*	*(7.8)*	*(84.1)*	*3.4*	*18.1*	*28.2*	*34.4*	*22.6*	*26.2*	*29.9*	*21.3*	*18.9*
Total Debt	13,832	16,599	9,192	18,582	15,930	15,742	18,573	18,166	18,664	18,842	18,466	19,145	20,371
Net Debt	12,380	15,007	6,909	15,931	13,722	13,129	16,698	16,047	16,334	16,255	15,522	15,855	16,682
Net Debt to Equity (X)	*2.2*	*2.4*	*1.0*	*2.3*	*1.1*	*1.0*	*1.2*	*1.1*	*1.0*	*0.9*	*0.8*	*0.7*	*0.7*
Net Debt to EBITDA (X)	*4.6*	*5.1*	*2.3*	*6.3*	*4.9*	*4.1*	*4.4*	*3.8*	*3.6*	*3.2*	*2.6*	*2.5*	*2.4*
Interest Coverage Ratio (X)	*2.2*	*2.1*	*1.6*	*1.1*	*1.1*	*1.6*	*1.7*	*1.7*	*1.9*	*2.1*	*2.5*	*2.7*	*2.9*
Fundamental scores													
Altman Z Score	0.4	0.4	0.4	0.3	0.3	0.5	0.7	0.7	0.7	0.7	0.8	0.8	0.7
Piotroski F-score	6.0	5.0	5.0	4.0	7.0	7.0	6.0	6.0	5.0	6.0	6.0	6.0	6.0
Beneish M-score	(1.5)	(2.7)	(0.1)	(2.6)	(0.5)	(1.9)	(2.9)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.4)

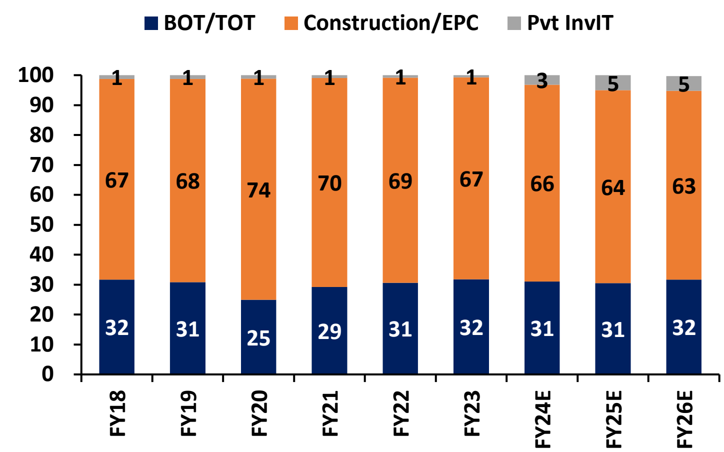
Source: Company Reports & Ventura Research

Net debt includes the deferred premium of NHAI

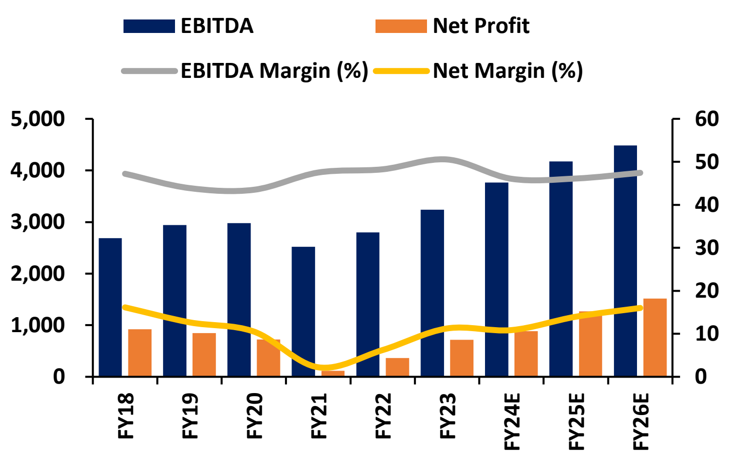
Strong visibility for BOT projects in India is expected to accelerate IRB's revenue



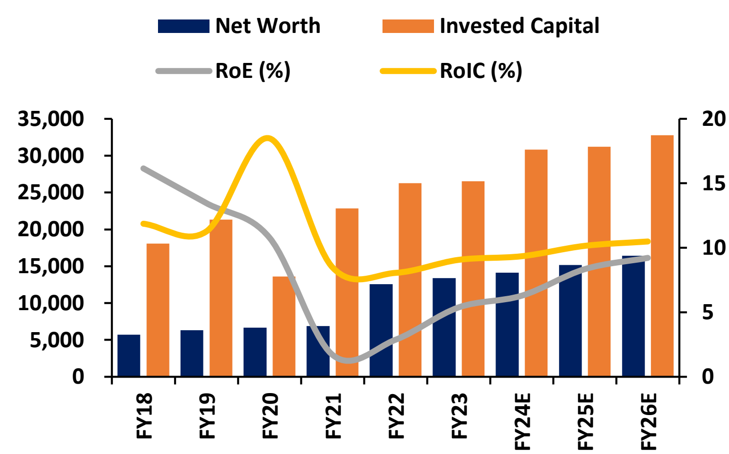
Distribution from InvIT is expected to improve in the coming years



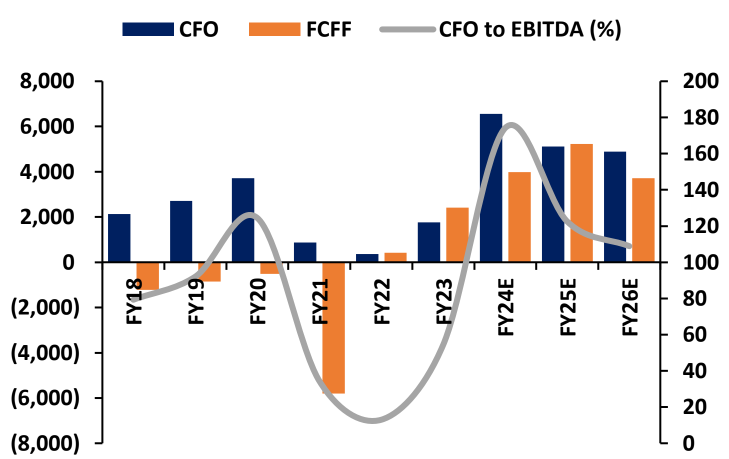
Capital unlocking through InvITs and strong toll collection through Fastage to improve margins



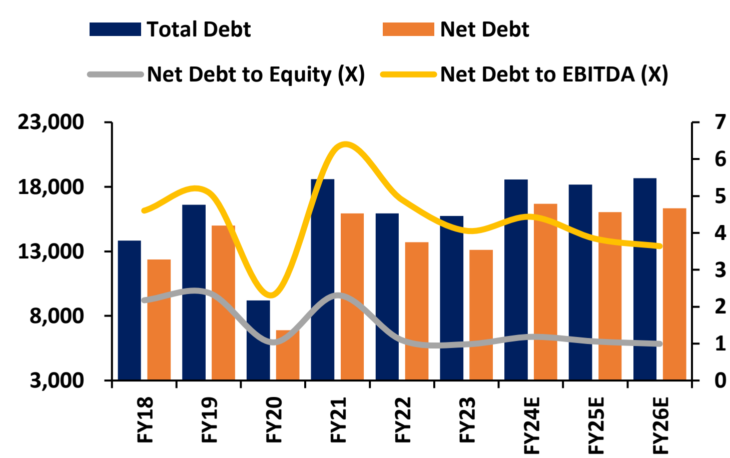
Strong profitability and lower capital requirements to enhance return ratios



Strong revenue growth and Improvement in profitability to increase cash flow



Improvement in cash flow to gradually reduce the debt burden on balance sheet



Source: Company Reports & Ventura Research

For any further query, please email us on research@venturasecurities.com

Ventura Business Quality Score			
Key Criteria	**Score**	**Risk**	**Comments**
Management & Leadership			
Management Quality	9	Low	The management is of high quality. It has been able to deliver on its guidance; investor-friendly with timely updates on developments
Promoters Holding Pledge	5	Medium	The promoter holding stands at 34.4% and there is no pledge against this holding as of 30th Sep 2023. Though the promoters' stake is less than 50%, it has improved from 34% in Dec 2021. Moreover, the promoter has given non-disposal undertaking to other partners – GIC and Cintra, that he will not reduce his holdings.
Board of Directors Profile	8	Low	The average experience of directors is >30 years with significant experience in their respective sectors. The board consists of 2 directors from promoters, 2 directors from Cintra, 4 independent directors and 1 observer from GIC.
Industry Consideration			
Industry Growth	8	Low	Enhancing highway connectivity has been a key priority of NDA government. Following the initial phase of EPC contracts, the government has shifted its focus to BOT road projects to alleviate the debt burden on the NHAI. IRB has a strong hold in BOT and playing a significant role in this domain.
Regulatory Environment or Risk	6	Medium	Though BOT/TOT/HAM is a partially regulated market, the inflation linked toll rates provides flexibility and hedge against interest rates.
Entry Barriers / Competition	8	Low	Highway projects are national assets and their operations requires local experience and experties. It is a very strong entry barrier.
Business Prospects			
New Business / Client Potential	6	Medium	IRB has been managing strategic national highways across India and the management sees significant growth opportunities in the coming years.
Business Diversification	6	Medium	IRB has been acquiring new road projects across India to enhance geographic diversification.
Market Share Potential	8	Low	IRB's toll collection rate has significantly outpaced the industry growth, leading to the consistent improvement in IRB's market share.
Margin Expansion Potential	8	Low	Toll collection has been transformed from cash to Fastage which has significantly improved the collection efficiency and operating performance of the company.
Earnings Growth	8	Low	Market share gain along with margin expansion is expected grow EBITDA and PAT at a faster rate.
Valuation and Risk			
Balance Sheet Strength	6	Medium	IRB has a net debt of INR 11,902 cr, as on 30th Sep 2023 (net debt to equity of 0.88X). Despite business expansion and new road projects, IRB is expected to sustain its debt levels due to higher cash flows, equity funding to SPVs from construction profit and innovative InvIT structure.
Return Ratios	5	Medium	IRB return ratios are less than 10% due to continues requirement of capital for new projects. This is the industry standard for BOT companies.
FCF Generation	8	Low	Equity funding for new projects through construction profit and creation of InvITs have reduced the capital requirements of the company, which is gradually improving the FCF.
Dividend Policy	8	Low	IRB have been paying dividend in the range of 25-30%
Total Score	**107**	**Low**	**The overall risk profile of the company is good and we consider it a LOW-risk company for investments**
Ventura Score (%)	**71.3**		

Source: Company Reports & Ventura Research

FY23 annual report analysis

We analysed the FY23 report of IRB and our key observations are as follows:

Key takeaways

Strong growth in toll collection

Gross toll collection across India for FY23 was ~INR 48,000 cr. The toll revenue that IRB group has collected across the listed company and two InvITs was close to ~INR 5,000 cr, which is around 11% market share of the total toll revenue collected across India. This number is growing at robust pace with increasing traffic, tariffs and addition of new assets. For IRB, inflation linked tariff revision acts as a natural hedge against interest rate hikes.

Addition of new BOT/TOT projects

The company successfully achieved completion for all the nine projects that were transferred to the Private InvIT in the initial phase. As most of the assets of Private InvIT have achieved completion, we expect to receive regular payout from Private InvIT to IRB from FY24. The company bagged two projects during FY23 –

- The upgradation project for 6 laning of NH27 from Samakhiyali to Santalpur having a project cost of INR 2,132 cr and concession life of 20 years on BOT basis from NHAI in the state of Gujarat. The project will be funded by debt of ~INR 1,450 cr and balance through equity and internal accruals (IRB's share of equity is less than INR 300 cr).
- TOT project for the Hyderabad ORR project comprising an 8-lane highway, starting from Narsingi junction and ending at Gachibowli (158 km) in Hyderabad on upfront payment of INR 7,380 cr for a concession period of 30 years. The total capex will be INR 8,362 cr which will be funded by debt of INR 5,500 cr and balance through equity of INR 2,862 cr. Since the project is to be executed through the Private InvIT, IRB's share will be close to INR 1,500 cr and the remainder will be contributed by GIC.

Diversified order book

The total order book of the company as on Jun 2023 was INR 33,708 cr including the Hyderabad ORR project. EPC order book was close to INR 8,423 cr providing good revenue visibility for the next 2-3 years for the construction segment and further bolstered by a 3 years' executable O&M order which is close to INR 2,500 cr to INR 3,000 cr.

Improvement in credit rating

Following the raising of growth capital in the prior years, the company repaid debt and significantly reduced leverage. On a consolidated basis, the debt-equity ratio is less than 0.8X which is one of the best for asset developers in the sector. Further, CRISIL has upgraded the rating of IRB by a couple of notches. This has led to a change in the long term rating from A to AA-.

InvIT reduced the debt and provided funding for new projects

Leveraging the strengthened financial position and improved rating, in line with the company's return optimization strategy, IRB refinanced 3 BOT project SPVs i.e. Solapur-Yedeshi, Yedeshi-Aurangabad and Udaipur-Shamlaji of the Private InvIT, reducing/fixing the rates for 5 years. The company will be saving an additional cash surplus of INR 550 cr over the period of 5 years.

As part of the strategy to monetise HAM assets upon completion, the company has successfully transferred the VK1 HAM project to the Public InvIT in FY23. The company received a consideration of INR 342 cr which is close to 1.2X of the book value. The Public InvIT received an good response from its unitholders for the acquisition of the VK1 HAM project. For IRB, the consolidated debt reduced by INR 955 cr with debt for this project also getting transferred to the buyer.

Details of the board members

Name	FY19	FY20	FY21	FY22	FY23
Virendra D Mhaiskar	Chairman & MD	Chairman & MD	Chairman & MD	Chairman & MD	Chairman & MD
Chandrashekhar S Kaptan	Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir
Heena Raja	Ind Non Exec Dir	Ind Non Exec Dir			
Sandeep J Shah	Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir
Sunil Talati	Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir
Sunil Tandon	Ind Non Exec Dir				
Mukeshlal Gupta	Joint MD	Joint MD			
Sudhir Rao Hoshing	Joint MD	Joint MD			
Deepali V Mhaiskar	Whole Time Director	Whole Time Director	Whole Time Director	Whole Time Director	Whole Time Director
Priti Savla			Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir
Jose Angel Tamariz Martel Goncer			Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir

Source: Company Reports

The majority of IRB's contingent liabilities are related to guarantees issued for its JVs, associate companies, and subsidiaries. This practice is commonplace and necessary in the road construction industry, given the existence of SPVs associated with road projects.

Contingent liabilities

Fig in INR cr, unless specified	FY19	FY20	FY21	FY22	FY23
Guarantees given to banks for loans to subsidiaries	673.1	666.3	680.9	271.1	629.2
Guarantees given to others for subsidiary	535.1	509.6	385.2	375.6	236.7
Guarantees on behalf of subsidiaries	540.8	309.6	215.9	425.6	134.1
Guarantees on behalf of JV	0.0	87.3	46.0	0.0	292.2
Bank guarantees towards bids/tenders/ etc	94.6	66.8	46.1	41.3	192.3
Total contingent liabilities	1,843.6	1,639.6	1,374.2	1,113.6	1,484.5
Contingent liabilities as % of net worth	*29.2*	*24.5*	*19.9*	*8.9*	*11.1*

Source: Company Reports

Auditors comment and qualifications

Gokhle & Sathe and MSKA & Associates were the auditors and there was no qualifications/emphasis of matters highlighted by them in the FY23 Annual Report.

Management Team

Key Person	Designation	Details
Virendra D. Mhaiskar	Chairman and Managing Director	He holds a diploma in civil engineering from Shriram Polytechnic, Navi Mumbai. He has an experience of 30+ years in the construction and infrastructure industry. He is responsible for developing new business, executing road construction and BOT projects.
Sudhir Hoshing	CEO- Execution	He holds a Graduate degree in Civil Engineering and is a Management Graduate from ICFAI (Institute of Chartered Financial Analysts of India). He has an experience of 36+ years.
Dhanajay K Joshi	CEO- Corporate	He holds a Bachelor’s degree in Commerce and a Bachelor’s degree in Law from Mumbai University. He has a work experience of over seventeen years in the field of Operations Management. Mr. Joshi has worked in various capacities with the IRB group of companies.
Anil D Yadav	Director- Investor Relations	He is a member of the Institute of Chartered Accountants of India, completed senior management program from IIM Ahmedabad and also holds a Master’s degree in commerce from University of Mumbai. He has approx 20 years of experience in the fields of finance and consultancy and has been with IRB for more than 16 years.
Tushar Kawedia	Group CFO	He holds a Bachelor's Degree in Commerce and is a qualified Chartered Accountant (ICAI). He has more than 20 years of experience in the fields of Accounts, Audit, Finance, Taxation and business reorganisation.
Rajpaul Sharma	Head-Project Monitoring and Evaluation	He is responsible for evaluation and budgeting of new projects, finalizing contracts and ensuring completion of projects within approved budgets He holds a Bachelor’s degree in Civil Engineering from Amravati University, Amravati. Mr. Sharma has an overall experience of approximately 28 years in the construction industry.
Amitabh Murarka	Chief Revenue officer	He has 20 years of wide experience in the field of accounts, contracts, taxation, logistics and business development. He is working with IRB since 2016. Prior to joining IRB, he was associated with Tatva Global Environment Ltd.

Source: Company Reports

Key Risks & Concerns

- Competition risk: Attractive growth opportunities exist in the road construction sector, especially with the government going full throttle on infrastructure development. This may increase the number of players operating in the industry.
- Availability of capital and interest rate risk: Infrastructure projects are typically capital intensive and require high levels of long-term debt financing. IRB intends to pursue a strategy of continued investments in infrastructure development projects. In the past, it has been able to infuse equity and arrange for debt financing on acceptable terms for the projects. However, future capital requirements and arrangements depend on various factors like timing and internal accruals, timing and size of the projects awarded, credit availability from banks and financial institutions, and the success of its current infrastructure development projects.
- Traffic growth risk: Toll revenue is a function of toll rates and traffic growth. For toll rates, the government plans to link toll rate increases to changes in the Wholesale Price Index (WPI).

- Toll rates of the IRB's projects awarded after 2008 are decided based on a formula, which is 3% fixed plus 40% of WPI. On 4 to 6 lanning projects, toll collection starts from the appointed date with a 75% tariff and rate revision happens on completion of the asset.

  The company's other projects including state highway projects have annual revision linked with WPI or periodical increase clause in their concession agreement. Traffic growth is mostly related with economic activity and hence can fluctuate in the medium term.

- Input cost risk: Raw materials, such as bitumen, stone aggregates, cement and steel need to be supplied continuously to complete projects. There is also a risk of cost escalations or raw material shortages.
- Labour risk: Timely availability of skilled and technical personnel is one of the key challenge for the industry.

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IRB INFRASTRUCTURE DEVELOPERS LTD

IRB's Quarterly Analaysis

Fig in INR Cr (unless specified)	FY18	FY19	FY20	FY21	FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	FY23	Q1FY24	Q2FY24	FY24E	FY25E	FY26E
BOT/TOT revenue	1,820.7	2,084.8	1,723.2	1,559.4	1,787.5	512.2	476.7	532.7	521.6	2,043.3	585.6	567.3	2,547.4	2,775.5	3,010.2
YoY Growth (%)	*(22.6)*	*14.5*	*(17.3)*	*(9.5)*	*14.6*					*14.3*	*14.3*	*19.0*	*24.7*	*9.0*	*8.5*
Share in total revenue (%)	*31.7*	*30.8*	*24.9*	*29.2*	*30.6*	*26.7*	*35.6*	*35.3*	*32.3*	*31.8*	*36.0*	*32.6*	*31.1*	*30.5*	*31.7*
BOT/TOT revenue	3,855.6	4,601.9	5,110.2	3,725.5	3,995.9	1,405.6	861.0	977.6	1,094.0	4,338.2	1,042.8	1,171.5	5,393.0	5,850.7	5,781.1
YoY Growth (%)	*10.6*	*19.4*	*11.0*	*(27.1)*	*7.3*					*8.6*	*(25.8)*	*36.1*	*451.7*	*8.5*	*(1.2)*
Share in total revenue (%)	*67.1*	*68.0*	*73.9*	*69.8*	*68.5*	*73.3*	*64.4*	*64.7*	*67.7*	*67.5*	*64.0*	*67.4*	*65.8*	*64.4*	*60.9*
Income from units of InvITs	70.6	85.4	83.2	53.8	49.1					50.1			259.7	459.1	695.4
YoY Growth (%)	*17.6*	*21.0*	*(2.7)*	*(35.3)*	*(8.6)*					*1.9*			*418.7*	*76.8*	*51.5*
Share in total revenue (%)	*1.2*	*1.3*	*1.2*	*1.0*	*0.8*					*0.8*			*3.2*	*5.1*	*7.3*
Less: Intersegment revenue	(52.8)	(65.0)	(64.4)	(40.0)	(28.8)					(29.9)			(30.0)	(30.0)	(30.0)
Revenue from operations	5,694.1	6,707.0	6,852.2	5,298.6	5,803.7	1,924.6	1,343.0	1,514.1	1,620.0	6,401.6	1,634.2	1,745.0	8,170.1	9,055.3	9,456.7
YoY Growth (%)	*(2.6)*	*17.8*	*2.2*	*(22.7)*	*9.5*	*18.4*	*(8.3)*	*18.4*	*13.0*	*10.3*	*(15.1)*	*29.9*	*27.6*	*10.8*	*4.4*
Raw Material Cost	73.0	323.1	436.8	399.1	470.1	180.9	51.7	75.4	110.8	418.8	82.7	82.4	408.5	452.8	472.8
RM Cost to Sales (%)	*1.3*	*4.8*	*6.4*	*7.5*	*8.1*	*9.4*	*3.8*	*5.0*	*6.8*	*6.5*	*5.1*	*4.7*	*5.0*	*5.0*	*5.0*
Employee Cost	291.5	286.2	287.4	261.9	287.3	82.8	84.0	97.9	81.5	346.2	83.7	108.0	377.9	448.5	508.1
Employee Cost to Sales (%)	*5.1*	*4.3*	*4.2*	*4.9*	*5.0*	*4.3*	*6.3*	*6.5*	*5.0*	*5.4*	*5.1*	*6.2*	*4.6*	*5.0*	*5.4*
Other Expenses	2,640.9	3,154.2	3,147.4	2,120.2	2,245.3	600.3	542.2	596.3	668.9	2,401.1	690.0	759.9	3,621.0	3,978.2	3,990.1
Other Expenses to Sales (%)	*46.4*	*47.0*	*45.9*	*40.0*	*38.7*	*31.2*	*40.4*	*39.4*	*41.3*	*37.5*	*42.2*	*43.5*	*44.3*	*43.9*	*42.2*
EBITDA	2,688.7	2,943.5	2,980.7	2,517.5	2,800.9	1,060.6	665.1	744.6	758.7	3,235.6	777.8	794.6	3,762.7	4,175.9	4,485.7
EBITDA Margin (%)	*47.2*	*43.9*	*43.5*	*47.5*	*48.3*	*55.1*	*49.5*	*49.2*	*46.8*	*50.5*	*47.6*	*45.5*	*46.1*	*46.1*	*47.4*
Depreciation	544.0	539.5	468.3	581.7	682.8	203.1	191.9	215.0	222.1	832.1	236.7	232.7	882.7	1,007.2	1,049.4
EBIT	2,144.7	2,404.0	2,512.4	1,935.8	2,118.1	857.5	473.2	529.6	536.6	2,403.5	541.1	561.9	2,880.0	3,168.7	3,436.3
EBIT Margin (%)	*37.7*	*35.8*	*36.7*	*36.5*	*36.5*	*44.6*	*35.2*	*35.0*	*33.1*	*37.5*	*33.1*	*32.2*	*35.3*	*35.0*	*36.3*
Other Income	168.7	195.6	195.0	188.9	551.7	70.8	95.9	56.1	78.9	301.7	111.3	129.5	508.5	693.9	762.4
Finance Cost	976.0	1,126.3	1,573.6	1,697.3	1,894.0	385.0	389.3	367.1	373.3	1,521.2	381.5	434.6	1,715.8	1,836.9	1,841.5
Exceptional Item	126.7	0.0	57.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT	1,464.0	1,473.3	1,191.1	427.4	775.8	543.4	179.8	218.5	242.3	1,184.0	270.9	256.9	1,672.8	2,025.7	2,357.2
PBT Margin (%)	*25.7*	*22.0*	*17.4*	*8.1*	*13.4*	*28.2*	*13.4*	*14.4*	*15.0*	*18.5*	*16.6*	*14.7*	*20.5*	*22.4*	*24.9*
Tax	544.4	623.4	454.4	144.5	188.2	146.8	70.2	64.6	75.4	356.9	83.6	85.8	535.3	509.9	593.3
Tax Rate (%)	*37.2*	*42.3*	*38.1*	*33.8*	*24.3*	*27.0*	*39.0*	*29.6*	*31.1*	*30.1*	*30.9*	*33.4*	*32.0*	*25.2*	*25.2*
PAT	919.7	850.0	736.7	282.9	587.6	396.6	109.7	153.8	166.9	827.0	187.3	171.1	1,137.5	1,515.8	1,763.9
PAT Margin (%)	*16.2*	*12.7*	*10.8*	*5.3*	*10.1*	*20.6*	*8.2*	*10.2*	*10.3*	*12.9*	*11.5*	*9.8*	*13.9*	*16.7*	*18.7*
Net Profit	919.7	850.0	720.9	117.1	361.4	363.2	85.3	141.4	130.2	720.0	133.8	95.8	887.5	1,265.8	1,513.9
Net Margin (%)	*16.2*	*12.7*	*10.5*	*2.2*	*6.2*	*18.9*	*6.4*	*9.3*	*8.0*	*11.2*	*8.2*	*5.5*	*10.9*	*14.0*	*16.0*
Adjusted EPS	1.5	1.4	1.2	0.2	0.6					1.2			1.5	2.1	2.5
P/E (X)	*22.6*	*24.5*	*28.9*	*177.7*	*57.6*					*28.9*			*23.5*	*16.5*	*13.8*
Adjusted BVPS	9.4	10.5	11.1	11.4	20.8					22.2			23.4	25.1	27.2
P/BV (X)	*3.7*	*3.3*	*3.1*	*3.0*	*1.7*					*1.6*			*1.5*	*1.4*	*1.3*
Enterprise Value	33,202.3	35,829.3	27,731.5	36,753.3	34,545.0					33,951.7			37,520.0	36,869.4	37,156.0
EV/EBITDA (X)	*12.3*	*12.2*	*9.3*	*14.6*	*12.3*					*10.5*			*10.0*	*8.8*	*8.3*
Net Worth	5,692.5	6,315.2	6,682.9	6,900.8	12,565.6					13,378.9			14,115.5	15,166.2	16,422.7
Return on Equity (%)	*16.2*	*13.5*	*10.8*	*1.7*	*2.9*					*5.4*			*6.3*	*8.3*	*9.2*
Capital Employed	19,524.0	22,914.6	15,875.4	25,482.8	28,495.5					29,121.0			32,688.5	33,331.9	35,086.8
Return on Capital Employed (%)	*6.9*	*6.1*	*9.8*	*5.0*	*5.6*					*5.8*			*6.0*	*7.1*	*7.3*
Invested Capital	18,072.4	21,322.0	13,591.9	22,831.6	26,288.1					26,508.2			30,813.1	31,213.1	32,756.2
Return on Invested Capital (%)	*11.9*	*11.3*	*18.5*	*8.5*	*8.1*					*9.1*			*9.3*	*10.2*	*10.5*
Cash Flow from Operations	2,132.3	2,709.9	3,709.2	866.8	364.1					1,764.1			6,556.1	5,114.5	4,884.2
Cash Flow from Investing	(2,621.5)	(4,081.4)	(4,905.3)	(8,176.1)	(1,553.4)					(650.3)			(7,069.0)	(2,413.8)	(3,072.8)
Cash Flow from Financing	410.2	1,437.6	1,387.8	7,519.9	588.6					(860.5)			2,069.1	(2,459.3)	(1,600.4)
Net Cash Flow	(79.0)	66.1	191.7	210.6	(600.8)					253.3			1,556.3	241.4	210.9
Free Cash Flow	(1,224.7)	(857.5)	(518.7)	(5,800.3)	424.3					2,416.6			3,987.5	5,223.7	3,710.0
FCF to Revenue (%)	*(21.5)*	*(12.8)*	*(7.6)*	*(109.5)*	*7.3*					*37.7*			*48.8*	*57.7*	*39.2*
FCF to EBITDA (%)	*(45.6)*	*(29.1)*	*(17.4)*	*(230.4)*	*15.1*					*74.7*			*106.0*	*125.1*	*82.7*
FCF to Net Profit (%)	*(133.2)*	*(100.9)*	*(72.0)*	*(4,951.3)*	*117.4*					*335.6*			*449.3*	*412.7*	*245.1*
FCF to Net Worth (%)	*(21.5)*	*(13.6)*	*(7.8)*	*(84.1)*	*3.4*					*18.1*			*28.2*	*34.4*	*22.6*
Total Debt	13,832	16,599	9,192	18,582	15,930					15,742			18,573	18,166	18,664
Net Debt	12,380	15,007	6,909	15,931	13,722					13,129			16,698	16,047	16,334
Net Debt to Equity (X)	*2.2*	*2.4*	*1.0*	*2.3*	*1.1*					*1.0*			*1.2*	*1.1*	*1.0*
Net Debt to EBITDA (X)	*4.6*	*5.1*	*2.3*	*6.3*	*4.9*					*4.1*			*4.4*	*3.8*	*3.6*
Interest Coverage Ratio (X)	*2.2*	*2.1*	*1.6*	*1.1*	*1.1*					*1.6*			*1.7*	*1.7*	*1.9*
Fundamental scores															
Altman Z Score	0.4	0.4	0.4	0.3	0.3					0.5			0.7	0.7	0.7
Piotroski F-score	6.0	5.0	5.0	4.0	7.0					7.0			6.0	6.0	5.0
Beneish M-score	(1.5)	(2.7)	(0.1)	(2.6)	(0.5)					(1.9)			(2.9)	(2.5)	(2.5)

Source: Company Reports & Ventura Research

Summary of management commentary and quarterly performance over the last few quarters

Key Criteria	Risk	Comments
Q3FY23		
Business Performance	**Positive**	Revenue grew at a YoY rate of 18.4% to INR 1514 cr. BOT revenue grew at a YoY rate of 9.5% to INR 533 cr, while construction/EPC revenue grew at a YoY rate of 24.0% to INR 978 cr. EBITDA grew at a YoY rate of 0.8% to INR 745 cr, while EBITDA margins declined by 855 bps to 49.2%. Strong growth in EPC revenue (EBITDA margin of ~30%) compared to BOT revenue (EBITDA margin of ~90%) impacted the operating profitability. Net profit grew at a YoY rate of 94.5% to INR 141 cr, while net margins improved by 365 bps to 9.3%. Decline in finance cost by 32.9% to INR 367 cr improved the bottom line.
Outlook & Strategy	**Positive**	The management guided for order inflow of INR 60-80 bn for Q4FY23 and construction revenue of INR 4,500 cr for the full year FY23. This provides strong revenue visibility for both EPC and toll businesses.
Q4FY23		
Business Performance	**Neutral**	Revenue grew at a YoY rate of 13.4% to INR 1620 cr. BOT revenue grew at a YoY rate of 7.3% to INR 522 cr, while construction/EPC revenue grew at a YoY rate of 16.1% to INR 1,094 cr. EBITDA grew at a YoY rate of 18.3% to INR 759 cr, while EBITDA margins improved by 208 bps to 46.8%. Faster execution and strong toll collection improved the asset sweating and support operating profitability. Net profit declined at a YoY rate of 25.4% to INR 130 cr, while net margins declined by 414 bps to 8.0%. Decline in other income by 68.3% to INR 79 cr and increase in depreciation by 17.6% to INR 222 cr impacted the bottom line.
Outlook & Strategy	**Positive**	The management guided for order inflow of INR 100 bn and construction revenue/EBITDA margins of INR 5,000 cr/25% respectively for FY24.
Q1FY24		
Business Performance	**Positive**	Adjusted revenue grew at a YoY rate of 8.6% to INR 1,634 cr. BOT revenue grew at a YoY rate of 14.3% to INR 586 cr, while adjusted construction/EPC revenue grew at a YoY rate of 5.8% to INR 1,043 cr (adjusted to a one time gain of INR 420 cr in EPC business). Adjusted EBITDA grew at a YoY rate of 17.2% to INR 889 cr (adjusted for an exceptional gain on INR 373 cr in Q1FY23), while adjusted EBITDA margins improved by 400 bps to 54.4%. Adjusted net profit grew at a YoY rate of 58.5% to INR 134 cr, while net margins improved from 5.6% in Q1FY23 to 8.2% in Q1FY24.

Outlook & Strategy	**Positive**	The management guided for order inflow of INR 100 bn and construction revenue/EBITDA margins of INR 5,000 cr/25% respectively for FY24.
Q2FY24		
Business Performance	**Positive**	Revenue grew at a YoY rate of 29.9% to INR 1745 cr. BOT revenue grew at a YoY rate of 19.0% to INR 567 cr, while construction/EPC revenue grew at a YoY rate of 36.1% to INR 1171 cr. EBITDA grew at a YoY rate of 19.5% to INR 795 cr, while EBITDA margins declined by 399 bps to 45.5%. Overhead expenses of new road projects impacted the operating profitability. Net profit grew at a YoY rate of 12.3% to INR 96 cr, while net margins declined by 86 bps to 5.5%. Weak operating performance impacted the bottom line.
Outlook & Strategy	**Positive**	The management guided for order inflow of INR 100 bn and construction revenue/EBITDA margins of INR 5,000 cr/25% respectively for FY24.

Source: Company Reports & Ventura Research

IRB's Financial Analysis & Projections

Fig in INR Cr (unless specified)	FY22	FY23	FY24E	FY25E	FY26E
Income Statement					
Revenue	5,803.7	6,401.6	8,170.1	9,055.3	9,456.7
YoY Growth (%)	*9.5*	*10.3*	*27.6*	*10.8*	*4.4*
Raw Material Cost	470.1	418.8	408.5	452.8	472.8
RM Cost to Sales (%)	*8.1*	*6.5*	*5.0*	*5.0*	*5.0*
Employee Cost	287.3	346.2	377.9	448.5	508.1
Employee Cost to Sales (%)	*5.0*	*5.4*	*4.6*	*5.0*	*5.4*
Other Expenses	2,245.3	2,401.1	3,621.0	3,978.2	3,990.1
Other Exp to Sales (%)	*38.7*	*37.5*	*44.3*	*43.9*	*42.2*
EBITDA	2,800.9	3,235.6	3,762.7	4,175.9	4,485.7
Margin (%)	*48.3*	*50.5*	*46.1*	*46.1*	*47.4*
YoY Growth (%)	*11.3*	*15.5*	*16.3*	*11.0*	*7.4*
Depreciation & Amortization	682.8	832.1	882.7	1,007.2	1,049.4
EBIT	2,118.1	2,403.5	2,880.0	3,168.7	3,436.3
Margin (%)	*36.5*	*37.5*	*35.3*	*35.0*	*36.3*
YoY Growth (%)	*9.4*	*13.5*	*19.8*	*10.0*	*8.4*
Other Income	551.7	301.7	508.5	693.9	762.4
Finance Cost	1,894.0	1,521.2	1,715.8	1,836.9	1,841.5
Interest Coverage (X)	1.1	1.6	1.7	1.7	1.9
Exceptional Item	0.0	0.0	0.0	0.0	0.0
PBT	775.8	1,184.0	1,672.8	2,025.7	2,357.2
Margin (%)	*13.4*	*18.5*	*20.5*	*22.4*	*24.9*
YoY Growth (%)	*81.5*	*52.6*	*41.3*	*21.1*	*16.4*
Tax Expense	188.2	356.9	535.3	509.9	593.3
Tax Rate (%)	*24.3*	*30.1*	*32.0*	*25.2*	*25.2*
PAT	587.6	827.0	1,137.5	1,515.8	1,763.9
Margin (%)	*10.1*	*12.9*	*13.9*	*16.7*	*18.7*
YoY Growth (%)	*107.7*	*40.7*	*37.5*	*33.3*	*16.4*
Min Int/Sh of Assoc	(226.2)	(107.0)	(250.0)	(250.0)	(250.0)
Net Profit	361.4	720.0	887.5	1,265.8	1,513.9
Margin (%)	*6.2*	*11.2*	*10.9*	*14.0*	*16.0*
YoY Growth (%)	*208.5*	*99.2*	*23.3*	*42.6*	*19.6*
Balance Sheet					
Share Capital	603.9	603.9	603.9	603.9	603.9
Total Reserves	11,961.7	12,775.0	13,511.6	14,562.3	15,818.8
Shareholders Fund	12,565.6	13,378.9	14,115.5	15,166.2	16,422.7
Long Term Borrowings	14,764.6	13,298.1	13,272.9	11,665.7	11,164.2
Deferred Tax Assets / Liabilities	(43.5)	63.7	63.7	63.7	63.7
Other Long Term Liabilities	12,221.6	11,603.6	14,809.1	16,413.6	17,141.1
Long Term Trade Payables	0.0	0.0	0.0	0.0	0.0
Long Term Provisions	52.0	53.8	58.7	69.6	78.9
Total Liabilities	39,560.3	38,398.0	42,319.9	43,378.8	44,870.5
Net Block	27,271.1	26,480.1	29,332.8	29,591.1	31,093.9
Capital Work in Progress	26.8	7.5	0.0	0.0	0.0
Intangible assets under developme	35.8	0.0	0.0	0.0	0.0
Non Current Investments	4,440.7	4,945.2	10,580.2	11,726.5	12,246.2
Long Term Loans & Advances	609.0	141.5	180.5	200.1	209.0
Other Non Current Assets	4,926.9	4,163.1	5,313.2	5,888.8	6,149.8
Net Current Assets	2,250.1	2,660.6	(3,086.7)	(4,027.7)	(4,828.4)
Total Assets	39,560.3	38,398.0	42,319.9	43,378.8	44,870.5

Fig in INR Cr (unless specified)	FY22	FY23	FY24E	FY25E	FY26E
Per share data & Yields					
Adjusted EPS (INR)	0.6	1.2	1.5	2.1	2.5
Adjusted Cash EPS (INR)	1.7	2.6	2.9	3.8	4.2
Adjusted BVPS (INR)	20.8	22.2	23.4	25.1	27.2
Adjusted CFO per share (INR)	0.6	2.9	10.9	8.5	8.1
CFO Yield (%)	1.7	8.5	31.5	24.6	23.5
Adjusted FCF per share (INR)	0.7	4.0	6.6	8.6	6.1
FCF Yield (%)	2.0	11.6	19.1	25.1	17.8
Solvency Ratio (X)					
Total Debt to Equity	1.3	1.2	1.3	1.2	1.1
Net Debt to Equity	1.1	1.0	1.2	1.1	1.0
Net Debt to EBITDA	4.9	4.1	4.4	3.8	3.6
Return Ratios (%)					
Return on Equity	2.9	5.4	6.3	8.3	9.2
Return on Capital Employed	5.6	5.8	6.0	7.1	7.3
Return on Invested Capital	8.1	9.1	9.3	10.2	10.5
Working Capital Ratios					
Payable Days (Nos)	24	29	23	23	23
Inventory Days (Nos)	20	17	19	19	19
Receivable Days (Nos)	62	93	49	49	49
Net Working Capital Days (Nos)	58	82	44	44	44
Net Working Capital to Sales (%)	16.0	22.4	12.2	12.2	12.2
Valuation (X)					
P/E	57.6	28.9	23.5	16.5	13.8
P/BV	1.7	1.6	1.5	1.4	1.3
EV/EBITDA	12.3	10.5	10.0	8.8	8.3
EV/Sales	6.0	5.3	4.6	4.1	3.9
Cash Flow Statement					
PBT	775.8	1,184.0	1,672.8	2,025.7	2,357.2
Adjustments	758.4	1,439.8	4,979.7	3,706.3	3,169.1
Change in Working Capital	(981.9)	(502.7)	438.9	(107.6)	(48.8)
Less: Tax Paid	(188.2)	(356.9)	(535.3)	(509.9)	(593.3)
Cash Flow from Operations	364.1	1,764.1	6,556.1	5,114.5	4,884.2
Net Capital Expenditure	(1,374.3)	(410.1)	(3,735.3)	(1,265.5)	(2,552.2)
Change in Investments	(179.1)	(240.2)	(3,333.6)	(1,148.3)	(520.6)
Cash Flow from Investing	(1,553.4)	(650.3)	(7,069.0)	(2,413.8)	(3,072.8)
Change in Borrowings	(2,804.1)	736.2	3,935.8	(407.2)	498.5
Less: Finance Cost	(1,894.0)	(1,521.2)	(1,715.8)	(1,836.9)	(1,841.5)
Proceeds from Equity	5,286.7	0.0	0.0	0.0	0.0
Buyback of Shares	0.0	0.0	0.0	0.0	0.0
Dividend Paid	0.0	(75.5)	(150.9)	(215.2)	(257.4)
Cash flow from Financing	588.6	(860.5)	2,069.1	(2,459.3)	(1,600.4)
Net Cash Flow	(600.8)	253.3	1,556.3	241.4	210.9
Forex Effect	0.0	0.0	0.0	0.0	0.0
Opening Balance of Cash	648.0	47.3	300.6	1,856.8	2,098.3
Closing Balance of Cash	47.3	300.6	1,856.8	2,098.3	2,309.2

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