

GPTINFRA/CS/SE/2024-25

February 8, 2025

**The Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai - 400001**

**National Stock Exchange of India Ltd.,
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051**

Dear Sir/Madam,

Sub: Update on Conference Call held on February 5, 2025 - Call Transcript

Ref.: Scrip Code - 533761, Scrip ID - GPTINFRA

In compliance with Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith transcript of Conference Call held on **Wednesday, February 5, 2025**. Kindly take the aforesaid information on record and oblige.

Thanking you,

Yours sincerely,

For GPT Infraprojects Limited

**Atul Tantia
Executive Director & CFO
DIN:00001238**

Encl: As above



"GPT Infraprojects Ltd Q3 & 9MFY25 Earnings Conference
Call"

February 05, 2025



**MANAGEMENT: MR. ATUL TANTIA – EXECUTIVE DIRECTOR & CHIEF
FINANCIAL OFFICER, GPT INFRAPROJECTS LIMITED**



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Moderator: Ladies and gentlemen, good day and welcome to GPT Infraprojects Limited Q3 & Nine Months FY'25 Earnings Conference Call.

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 the conference call, please signal an operator by pressing the "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Atul Tantia – Executive Director and CFO. Thank you. And over to you, sir.

Atul Tantia: Thank you. Good afternoon, everyone and a warm welcome to the GPT Infraprojects Limited Conference call for the 3rd Quarter ended 31st December 2024.

I hope you all had the opportunity to review the financials as well as the presentation uploaded on our website and the websites of the stock exchanges yesterday.

I will briefly cover the “Key Highlights for the Quarter.” Joining us on the call today is also Stellar IR, our Investor Relations Advisors.

“Some of the Significant Milestones Achieved during the Quarter and the Nine Months ended December 31st, 2024.” The external long-term credit rating of the company has been upgraded by CRISIL ‘A Stable’ from ‘A - Stable.’ This is a very significant milestone because it allows the company a lot of comfort in terms of banking facilities that it enjoys and also allows the company to reduce its cost of funds.

In line with this and in line with our earlier commitment, the consortium members have also released part pledge of the shares with the promoters which were pledged towards the working capital of the company from 51% to 35% of the total shares. We are in talks with them to gradually bring this down further.

The order book backlog stands at a healthy Rs.3,332 crores with an order inflow of Rs.1,040 crores during the year, including incremental orders from existing contracts. We are on track to achieve a 15% to 18% kind of growth in FY'25.

For the nine months ended FY'25, we have achieved the highest ever revenue as well as profits in the company's history.

The management has also announced second interim dividend with the record date of February 10th, 2025.



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Now, moving ahead to our “Financial Performance for the 3rd Quarter and Nine Months ended 31st December 2024.” Our revenues for Q3 FY'25 stood at Rs.273 crores on a standalone basis which compared to Rs.246 crores last year, representing a growth of 11% YoY.

On a consolidated basis, the revenue stood at Rs.278 crores compared to Rs.254 crores for the last year, representing a growth of 10%. On nine months basis, the revenue were at 790 crores on a standalone basis, which was higher by 13% YoY as compared to Rs.702 crores last year and on a consolidated basis, the revenue stood at Rs.807 crores compared to Rs.723 crores last year, which is a growth of 12%.

In both the standalone and consolidated numbers, we have set a revenue target growth of 15% to 18% for the current fiscal, which should be achieved. This growth will be majorly driven by significant execution in the infrastructure segment, which accounts for close to 93% to 94% of our total revenues.

Our standalone EBITDA for the quarter stood at Rs.36 crores compared to Rs.32 crores, representing a growth of 13% YoY, and EBITDA for the nine months was at Rs.110 crores compared to Rs.91 crores, that is growth of approximately 21%.

In terms of consolidated EBITDA, the same came in at Rs.36 crores for the quarter compared to Rs.30 crores last year, representing a growth of 18% and EBITDA for the nine months stood at Rs.103 crores compared to Rs.92 crores which is a growth of 11%.

As I said earlier, the company has declared second interim dividend of Re.1 per share. The record date for the same has been fixed as February 10, 2025, maintaining our dividend policy.

We are confident of maintaining a long-term EBITDA hurdle rate of 13% which has been a historical guidance by us as well.

With the improvement in revenue, the operational efficiencies have kicked in which has helped us to ensure that the long-term EBITDA is maintained, and we look at slightly improvement from there as well.

The cash flows also continue to be strong with the reduction in interest cost. There has been growth in the profit exceptionally for the consolidated PAT at Rs.21 crores for the quarter-ended 31st December 2024, growing by 44% from 15 crores last year.

Standalone PAT for Q3 FY'25 was at Rs.22 crores, that is rising by 45% from 15 crores last year.

In terms of our “Segment,” the infrastructure segment contributes to almost 93% of our business and reported revenues of 748 crores for the nine months ended 31st December 2024.



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The key contracts continue to perform well like NHAI Ganga Bridge, RVNL Pune Expressway, Mathura-Jhansi, Majerhat, Mumbai, etc., This segment has an order backlog of Rs.3,115 crores.

The Sleeper segment has generated revenues of Rs.60 crores during the nine months ended December 31st, 2025, driven majorly by outstanding performance of the domestic business as well as some contribution from the South African business. The Ghana factory is also about to start shortly post the elections there.

With a thriving order book and reduced debt positions, we are well positioned to navigate the dynamic landscape and continue to see good cash flows from our customers.

As we move forward, we are confident in our ability to capitalize on the positive momentum generated by these factors. Our focus on maintaining a robust and healthy order book coupled with our continuous efforts to optimize our financial structure, these are good foundation for our growth.

The order book of Rs3,332 crores represent almost 3.3x of our FY'24 numbers which is a healthy order book giving good representation to the management for the future projections.

With this, I would like to open the floor for any questions and answers and I will request the moderator to kindly queue the questions, please. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press “*” and “1” on their touchtone telephone. If you wish to remove yourself from the question queue, you may press “*” and “2”. Participants are requested to use handset while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. First question is from the line of Darshil Pandya from Finterest Capital. Please go ahead.

Darshil Pandya:

Hi, good evening. So, just want to know what are the current debt levels as of December and what would be the future interest cost that would we be paying -- will it be similar to as what we paid for this quarter or how is it, because we guided for around 20 crores of interest cost going forward post the QIP is done, so just want to understand that?

Atul Tantia:

Sure. The debt level is currently about 100 crores, which includes long term and short term debt post the QIP. In terms of interest cost for the nine months, we have incurred interest cost of almost 19.5 crores. Obviously, the first half was pre-QIP, the second half is including the QIP numbers. So, we are still firm on the number of 20 crores annual interest cost, which will be for FY'26 or slightly lower. Honestly, what has also happened is with the improvement in the credit rating, our interest cost like I said earlier has also come down. So, average borrowing cost is below 9% now.

- Darshil Pandya:** Alright, alright, got it. And since post-QIP you've been saying that, we could bid for big orders for more than 1,000 crores as well. So, since then, how have we bid for any projects or are there any pipelines of bidding?
- Atul Tantia:** We have written almost seven or eight contracts recently which the prices have not opened because of the budget. Now, that the budget going by, the prices will be open, and then once we are L1, then only we will get to know of the outcome.
- Darshil Pandya:** Ghana's elections going to be completed in Africa region because Ghana facility we have been hearing it for a while now that -
- Atul Tantia:** So, elections in Ghana have been recently completed. They are in line with the US elections. So, we should get the factory there up and running in the next couple of months.
- Darshil Pandya:** Final question would be on since we have reduced the guidance now from 20% - 25% to 15% - 18% odd. Just want to understand what led to this lowering the guidance or is it execution issue or what is the issue currently?
- Atul Tantia:** So, it's not actually lowering the guidance. What has happened is because of this Kumbh Mela, Prayagraj and UP area, lot of restrictions were there. So, that is why a slight dip in the operations there. But we are still on track to achieve an 18% kind of a number for the year, which is a good number.
- Darshil Pandya:** Of course, it's a good number. And for the next two to three years, what we have been saying is that impact because of this?
- Atul Tantia:** Yes. For the Kumbh Mela, it was almost a two-month kind of effect on that. Going forward, it should be there. However, the profit guidance would remain what we had given earlier.
- Darshil Pandya:** Correct. Got it, got it. I have a few more questions I will get back in the queue. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Hardik Gori from Alpha Plus Capital Associates. Please go ahead.
- Hardik Gori:** Thanks for taking my question. Sir, with lower budget allocation towards road infrastructure projects, so do you foresee a slowdown in new order inflows?
- Atul Tantia:** So, there's not I would say significantly lower allocations. The allocations aren't increased. So, it's almost at a 2.5 lakh crores number which was there last year as well. So, we don't expect a slowdown in the order inflow. We expect order inflow for us to be around 2004 mark going forward as well, 1,000 plus.

- Hardik Gori:** Got it, got it. And could you also provide an update on the current bid pipeline and how many projects are in the tendering stage and how many are in we are aligned L1?
- Atul Tantia:** L1, we will announce as and when it is done. Like I said to the previous gentleman, we have bid for some seven or eight large contracts recently. However, due to the elections, the prices were not opened and we expect that to happen shortly.
- Hardik Gori:** Got it, got it, got it. Thanks. That's all from my side.
- Moderator:** Thank you. Before we take the next question, we would like to remind participants that you may press “*” and “1” to ask a question. The next question is from the line of Atharva from Shiledar. Please go ahead.
- Atharva:** Sir, actually I want to ask you about H1 FY25 cash flow result. Your net cash flow from operation is negative 20 crores. So, can you explain, sir?
- Atul Tantia:** Where...how do you get that number?
- Atharva:** Sir, in September column, that PDF sir.
- Atul Tantia:** We made cash from operations, not negative. So, net cash flow from operations is negative, because we made a lot of payments. We had answered this in the last quarter itself with respect to the trade payables, we reduced that a lot post the QIP. So, that is why from operations it becomes negative temporarily.
- Atharva:** Okay, okay, Yes, sir. I am talking only September 2024 quarter.
- Atul Tantia:** Correct. So, if you see the trade payables and other adjustments were reduced by almost 90 crores, which is despite the increase in the operations. This is because of the QIP we were able to reduce the other payables.
- Atharva:** And second question is what about your CFO-to-PAT conversion for FY'25 because first half is negative 20 crores, so can you give guidance on that?
- Atul Tantia:** No, no, no, it is positive CFO-to-PAT would be close to 80%.
- Atharva:** Okay. That's a good number, yes. Okay sir. Thank you, sir.
- Atul Tantia:** Thank you.

Moderator: Participants wish to ask a question may press “*” and “1”. The next question is from the line of Bhavik Bajwa, an individual investor. Please go ahead.

Bhavik Bajwa: Hello, sir. So, first of all, congratulations for a really good set of numbers. Sir, I have a couple of questions. The first question is with respect to the order book. So, as you said that the government's focus on this project has not been primarily towards the CAPEX. So, are we confident of maintaining our order book which is 3x to 3.5x of revenues? And I am asking this question because in the first-year order book is concentrated towards mainly RVNL and NHAI and the spending has slowed down a bit, and also in the last two quarters we've not had significant order wins, and our executable order book has been on decline since then especially in the last two quarters. So, wanted some update on that?

Atul Tantia: So, we have bid for certain large contracts like I said earlier. These contracts are around the 800 to 1,000 crores mark. There are seven to eight such contracts. We expect them to open shortly and hopefully in one or two of them, we should get an L1 status and then convert that to order. So, in terms of the order inflows or the execution from the government, we don't expect a slowdown. This is a sector which is a key focus of the government and overall CAPEX if you look at it has been announced in the budget at 11 lakh crores, which was what it was last year as well. So, the government has not reduced its outlay on CAPEX for the country.

Bhavik Bajwa: Correct, correct. Sir, my second question is that after QIP we had significantly reduced our debt. So, in future maybe in the next couple of years, is there a plan to make GPT Infra debt-free or maybe something like that or do we continue to hold 100 crores of debt on the balance sheet always?

Atul Tantia: So, we have 100 crores as of now, which includes equipment finance and another long term debt as well. We are reducing the debt every quarter and we expect I would not say debt-free, but I think we have a target by FY'26, we should bring it down below 75 crores.

Bhavik Bajwa: Okay, okay, that's great. And sir, my last question is that the market sentiment has not been good and even the stock has corrected by more than 40%. So, are we thinking of lifting the sentiment maybe in the form of buyback, because we still have room to increase the holding to 75% like after the QIP I think the promoter holding is now down below 70%, so, is there any such thought by the board?

Atul Tantia: I think we have done recently QIP, so I am not sure whether the SEBI (LODR) allows you to do that or not. Anyways, the board doesn't have any such proposal on its table right now.

Bhavik Bajwa: Right, because despite good quarters and despite highest ever profit, the stock has not been doing that well. So, I just wanted some guidance on this?

Atul Tantia: I cannot comment on the stock price. That is up to the market.



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- Bhavik Bajwa:** Right, right. Right. No, I understand. Thank sir, you answered all the questions and wish you all the best.
- Atul Tantia:** Thank you.
- Moderator:** Ladies and gentlemen, if you wish to ask a question to the management, you may press “*” and “1”. The next question is from the line of Hiten Boricha from Sequent Investments. Please go ahead.
- Hiten Boricha:** Yes. Good evening, sir. Thanks for the opportunity. Sir, my question is on the revision of the guidance. You mentioned largely it is because of the Kumbh Mela. So, if you can give the breakup of the order book like what percentage of our order is in the Central Region or maybe UP specific regions which has impacted our guidance?
- Atul Tantia:** Out of 3,300 crores, close to 1,500 crores is from that region, so almost 45%.
- Hiten Boricha:** From UP particularly, right?
- Atul Tantia:** Yes.
- Hiten Boricha:** Okay. Okay. And also you can throw some light on sir order inflow which we are targeting in FY'25, what kind of tender which is going to come next year and what is the order inflow target for next year?
- Atul Tantia:** Like I said, close to 2,000 crores is the target for next year.
- Hiten Boricha:** 2,000 crores of inflow for next year?
- Atul Tantia:** Correct.
- Hiten Boricha:** And out of what tender size, sir?
- Atul Tantia:** So, typically it is 300 crores plus. There would be one or two large contracts close to 1,000 and the balance would be 300-plus.
- Hiten Boricha:** Understood. Understood. Yes, that's all from my side. Thank you.
- Moderator:** The next question is from the line of Atharva from Shiledar. Please go ahead.
- Atharva:** Sir, actually I want to ask you about pledge. So, how much pledges reduced from the banks?
- Atul Tantia:** Like I said in my earlier remarks, from 51% of the total shares to now 34% of the total shares.



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- Atharva:** Okay, okay. And sir, when it will be lien sir, that you said, going forward?
- Atul Tantia:** Pardon. I can't hear you.
- Atharva:** Sir, you said that I just want to completely finish place going forward. So, what is the time horizon?
- Atul Tantia:** So, like I said, with the improvement in the ratings, we are in talks with the banks to also reduce it further. I will just like to clarify here that the pledge is only for the working capital of the company and no other borrowings by the promoters. It is in a continuous discussion of the bank, so further go down from the current levels.
- Atharva:** Okay, sir. And. Final question is, are you on track to achieve the 2,000 crores guidance for FY'27?
- Atul Tantia:** Yes, we should be close to 2,000 crores by FY'27.
- Atharva:** Thank you.
- Atul Tantia:** Thank you.
- Moderator:** The next question is from the line of Taha from Tara Capital. Please go ahead.
- Taha:** Hello! Thanks for taking my question. The first thing is, sir, with the recent rating upgrade and repayment of debt, what kind of improvement can we see in FY'26 PAT? Currently, it is around 7.5% for the nine months. So, what kind of margin can we see in FY'26.
- Atul Tantia:** I think 7.5% - 8% is a good number for an EPC company and we expect PAT to be around 8% - 8.5%, not higher.
- Taha:** Okay, 8% - 8.5%. Got it. On the working capital side, are we on track to achieve the target of I guess you said around something 70 to 90 days.
- Atul Tantia:** So, I said 90 days in the last call. I think we're on track to do that.
- Taha:** Okay. Thank you.
- Atul Tantia:** Thank you.
- Moderator:** The next question is from the line of Shivom from VS Revanker. Please go ahead.
- Shivom:** Yes, Atul, correct me if I am wrong, but I mean this is more sort of a clarification, the first one. When we did the QIP, I think we raised about 175 crores and about 125 crores went to debt repayment and



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that time the debt levels are about 190. So, I just heard that the current debt levels are at about 100 crores. Were there any new borrowings?

Atul Tantia: There was some equipment finance borrowings, but very less, and also we had repaid that much, but temporarily some working capital limit might have been utilized, but that again has again come down as on date. So, as the end of the quarter, it might be temporary utilized, which is why it was at 100 crores at that time.

Shivom: Okay, okay, okay. And the second question I had was you just mentioned there's some six, seven large contracts that the company has been bidding for so. So, can you throw some light on like when you say large, are these like 1,000 plus crores projects?

Atul Tantia: They are between 750 to 1,100.

Shivom: Okay, okay. And on last call you'd also mentioned after QIP that the bidding capacity will also go up to 1,600 crores now on an individual GPT level. So, are you also looking at that or have there been any obstacles from the government side you're not finding such opportunities, how's the outlook?

Atul Tantia: No, we are looking at similar opportunities, as on date also the management is evaluating certain opportunities. As and when we are successful in becoming L1, we will come back to the investors and announce that as well.

Shivom: Okay, okay, okay, thank you. That's all from my side.

Atul Tantia: Thank you.

Moderator: The next question is from the line of Darshil Pandya from Finterest Capital. Please go ahead.

Darshil Pandya: Hi, sir. Can you just please confirm what is the EBITDA margins for railways business and our normal business?

Atul Tantia: EBITDA margins for both of the business is almost similar; so it is 13%-odd.

Darshil Pandya: I just want to confirm. Since we are now bidding for bigger projects, so does this come with better margins, maybe 14%, 15% or 16%?

Atul Tantia: No. This kind of industry I think that kind of margin is unheard of and I don't think no one reports that kind of margins.

Darshil Pandya: Just want to confirm, is Ghana facility once it slides, should it do around what, 20%, 25% of margins? I guess a few quarters ago we had this discussion.

- Atul Tantia:** Ghana should do about 25%-odd kind of a margin.
- Darshil Pandya:** Ghana facility, right?
- Atul Tantia:** Yes.
- Darshil Pandya:** Got it. Got it. Thank you so much. All the best.
- Moderator:** Participants who wish to ask a question may press “*” and “1” at this time. The next question is from the line of Bhavik Bajwa, an individual investor. Please go ahead.
- Bhavik Bajwa:** Yes, sir, I just wanted to ask one more question that currently we are bidding for projects that achieve 13% - 13.5% EBITDA margins. So, is there any plan going forward to bid for certain complex projects that can give us slightly higher EBITDA margins?
- Atul Tantia:** Honestly, I think none of our peers or none of the contracts that are in the market, especially with government contracts, give you a margin of 14%, 15% or beyond. So, whether it is complex or not. Anyway, we are doing bridges which has a lot of value addition in terms of engineering skills. That is why we are able to attract the kind of margins; 13% to 14% is a very good decent number for this sector.
- Bhavik Bajwa:** Right. And for a longer-term perspective, I just wanted to understand like we started our business with concrete sleeper and then in early 2000 we started into influence, so is there any plan to maybe venture out into some different segments to diversify the revenue pool maybe into water EPC or something like that?
- Atul Tantia:** We are looking at certain contracts like tunneling, etc., but once we get that, then only we can announce that we are diversified.
- Bhavik Bajwa:** Got it, got it. Okay, sir. Thanks a lot.
- Atul Tantia:** Thank you.
- Moderator:** The next question is from the line of Shivom. Please go ahead.
- Shivom:** Hi Atul, it's Shivom again. So, I quite agree with you and impressive really to see that GPT is doing about 13% - 13.5% and it's quite commendable, nobody else is able to really achieve that. That said, like given the political complexities and difficulties that exist in the African countries that we operate in, what's the management stake there, like are we still looking at continuing these concrete sleeper operations or are there any plans of divestment?



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Atul Tantia: So, the Africa business gives us a higher EBITDA margin of 20%-plus. Like I said earlier, Ghana would give about 25%. There is no plan to divest it because it is giving good returns on the investment. And we have been in South Africa for now more than 15 years and we have no plans to exit.

Shivom: I ask because the infrastructure business has quite disproportionately grown compared to your concrete sleeper operations. So, if you are looking at continuing your operations in Africa in the concrete sleeper, so are there any plans to move your funds from the profit that you're making in infrastructure to perhaps expand the operations there, something like that?

Atul Tantia: So, we've done recently, like I said, like I am sure of it, last year itself, we set up a factory in Ghana. So, we've used internal accruals to set up a factory. There's no debt on the balance sheet in Ghana. So, that is something that we already done last year. Obviously, Africa, decision-making there is quite slow, so you can't invest overnight, and you need to find good bankable projects as well, otherwise you can get stuck with lot of debtors and trade receivables, which is not desirable.

Shivom: Would it be practical for us to assume the ratio say 7 to 93 that is currently for infrastructure and concrete to remain same in the near future or do you expect that to change?

Atul Tantia: Maybe 90:10. That is a broader number that we do expect going forward as well.

Shivom: Okay. Fantastic. Thank you so much.

Atul Tantia: Thank you.

Moderator: A reminder to all participants that you may press "*" and "1" to ask a question. Ladies and gentlemen, if you wish to ask a question to the management, you may press "*" and "1" at this time. As there are no further questions from the participants, I now hand the conference over to Mr. Atul for his closing comments.

Atul Tantia: Thank you, everyone for attending the conference call for Q3 and Nine Months ended December 31st, 2024 for GPT Infraprojects Limited. I hope we have been able to successfully answer most of your queries. In case you have any other further questions, please do get in touch with us directly or with Stellar IR, our IR advisors. Thank you and have a great day.

Moderator: On behalf of GPT Infraprojects Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.