Vertis Infrastructure Trust
Q1 FY27 Earnings Conference Call
August 20, 2026

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY27 Conference Call of Vertis Infrastructure Trust.

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 "*" and then "0" on your touchtone phone.

This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions, and expectations of the company as on date of this call. The statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict.

Today, from the Management side, we have with us Joint CEO – Mr. Gaurav Chandna and CFO – Mr. Abhishek Chhajer.

I would now like to hand over the call to CFO – Mr. Abhishek Chhajer for his opening remarks and business updates. Thank you and over to you, sir.

Abhishek Chhajer: Thank you, Sagar. Good afternoon, everyone. Welcome to Q1 FY27 Earnings Call of Vertis Infrastructure Trust.

I trust you have had an opportunity to review or look at the presentation which we have uploaded on the website a few days back. As part of this call, I would like to take you through the key performance during the quarter covering operational and financial performance, distribution, and other updates.

Let me begin with key highlights of the quarter:

Q1 was a very strong quarter for Vertis in spite of geopolitical headwinds. Portfolio traffic grew at 9.1% year-on-year compared to projected growth of 4.1%. Growth in total revenue was 16.4%, demonstrating the operating momentum across the portfolio. Please note the revenue growth includes the NTEPL toll rate increase for Toll Plaza 5, Manoharabad as per the concession agreement, which was scheduled to be effective from January '26, subject to completion of ongoing six-laning works.

Since the six-laning work is still underway, we have been compensated by authority for resultant revenue loss in accordance with concession provisions.

Operating revenue for the quarter was Rs. 11.46 billion with EBITDA of approximately Rs. 10.15 billion, representing EBITDA margin of 89%.

Our annuity assets continued to perform in line with expectations, with nine annuity payments aggregating Rs. 4.36 billion received during the quarter. Importantly, these payments were received on an average 6.1 weighted days ahead of their scheduled dates. This continued to demonstrate assurance with respect to predictability of annuity cash flows. At GRICL, the Government of Gujarat has awarded tender for eight-laning of Ahmedabad-Mehsana Road AMRP from existing four-laning.

The existing concession remains operational during the transition and GRICL will continue to collect the toll for balance of its concession period up to March '38, while the widening works are undertaken by HAM Concessioner. We have also undertaken a prudent decision to defer the planned major maintenance works to H2 FY27 given the uncertainty around availability and pricing of bitumen arising due to the Middle East conflict.

We declared a quarterly distribution of Rs. 3.25 per unit. Cumulative distribution since inception of the InvIT stands at Rs. 60.34 per unit.

On the regulatory side, there is important positive resolution on WPI linking factor. NHAI had proposed a reduction in linking factor for translating from series 2011-12 to 2004-05 used for toll rate computation. Following the representation from the industry, the matter has been resolved in favor of concessioner.

With existing linking factor continuing to apply, this removes what could otherwise have been an adverse impact on future toll revenues.

From an operational perspective, we are pleased to receive recognition from authorities for improvement in maintenance, safety and overall operating performance at MN and BN projects.

Slide #6 – Portfolio Snapshot:

Coming to the portfolio, Vertis continues to operate a scaled and balanced portfolio consisting of 28 assets across 9 states with an AUM of Rs. 273 billion or Rs. 27,000 crores. Portfolio consists of 40% of toll assets, 31% of downside protected toll assets which is TOT 16 and 29% Annuity assets based on AUM.

Net debt to AUM stands at 40.65% which provides adequate headroom for future acquisition.

Moving to #Slide 7 – Traffic and Revenue Performance:

Turning to traffic and revenue performance, quarter demonstrated continued strength in underlying portfolio. AUM weighted traffic growth was 9.1% against 4.1% projected in valuation report. The performance was broad-based with several of our larger assets recording healthy traffic growth. NTEPL, GEPL, UTPL, GRICL Ahmedabad-Mehsana and Bareilly Nainital were among the assets that performed strongly during the quarter.

At the same time, some portfolio assets faced headwinds. At DBCPL, Dewas-Bhopal, commercial vehicle traffic was impacted in April and May due to weaker industrial activity in the Pithampur region, partly linked to the Middle East conflict. However, recovery began in June and continued in July on this stretch.

At GRICL-VH, traffic was affected by divergence following the commissioning of Delhi-Mumbai Expressway in April'26. While this impact was already part of the valuation assumptions, but the impact and magnitude of divergence have resulted in up-fronting of the impact. Similarly, STPL-NI has experienced divergence following the commissioning of Suryapet – Khammam – Devarapalli Greenfield highway in April'26. Again, the impact was incorporated in valuation assumptions. Overall, we remain comfortable with our operating performance and believe 1st Quarter traffic output provides positive start to the year.

Moving to the next slide, HAM realization status:

As mentioned in the highlights, during the Quarter 1, we received 9 annuity payments aggregating to Rs. 4.36 billion ahead of schedule by 6.1 days. This performance is particularly encouraging given the significant expansion of our HAM portfolio following the acquisition of 11 HAM assets in FY25-26. The ability of these assets to realize contracted cash flow in a timely manner remains an important contributor to overall stability of the Vertis' distribution profile.

Now, I will move to balance sheet and debt position Slide #9:

As on June 30, Vertis has a gross debt of Rs. 114 billion with net debt-to-AUM ratio of 40.65%. The average cost of debt was approximately 7.3%, which continues to remain lowest among scaled InvIT's. During the quarter, we raised Rs. 7 billion loan from International Bank Credit Agricole at a very competitive rate to refinance existing facilities, which resulted in reduction of overall cost of debt by 3 bps. This is also an important factor in further diversifying our funding sources.

Going forward, our approach will continue to focus on diversifying funding sources, managing the cost of debt while ensuring adequate liquidity and debt headroom for future acquisitions.

Moving to the next slide on distribution:

The Trust declared distribution to the tune of Rs. 3.25 per unit, equivalent to Rs. 4.91 billion for Q1. This cumulative distribution stands at Rs. 60.34 per unit.

Now, before concluding, let me also brief upon few important industry and regulatory developments:

NHAI Monetization Program continues to provide potential avenue for future growth. Under NMP-2, NHAI has identified 16 assets aggregating 1,631 km that may be offered through TOT route or to NHIT during FY27. On Multi-Lane Free Flow tolling (MLFF), NHAI has commenced the pilot implementation at 5 toll plazas, with a total of 25 toll plazas to be implemented for FY26.

At this stage, actual performance data is not yet available. Therefore, financial and operational implications for tolling operations remain to be assessed for MLFF.

On regulatory side, there has been amendment to NDCF framework relating to debt-funded major maintenance expenditure released on August 14, 2026.

Currently, the major maintenance expenditure funded through external borrowings is not eligible to be added back in NDCF calculations. The proposed change would provide greater flexibility in funding the major maintenance requirement while reducing the impact on distributable cash flows.

To conclude:

Q1 FY27 has been a strong quarter for Vertis. We delivered traffic growth of 9.1%. Our annuity portfolio continued to deliver contracted cash flows ahead of schedule. We further diversified our debt profile by optimizing the cost of debt by 3 bps. Importantly, we continued to maintain a diversified portfolio across the toll, downside protected toll and annuity assets supported by strong operating platform and disciplined financial management. We remain grateful for trust placed in us and are committed to compounding infrastructure capital responsibly over long term.

With that, I would like to thank all the investors for their continued confidence in Vertis.

Now, I am happy to take any questions.

Moderator: Thank you. We will now begin with the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

Abhishek Chhajer: Sir, can we conclude the call?

Moderator: Sure. As there are no further questions from the participants, I now hand the conference over to the management for the closing remarks.

Abhishek Chhajer: Thank you, everyone, for joining this call. For any further questions you want to ask, please feel free to get in touch with us. Thank you very much.

Moderator: Thank you, members of the Management. On behalf of Vertis Infrastructure Trust, that concludes this conference. Thank you, everyone, for joining us and you may now disconnect your lines. Thank you.