Afcons targets Europe as Africa growth slows

In 2023, it had expanded into Middle East with a 90:10 JV in Saudi Arabia

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Leading infrastructure player Afcons Infrastructure Ltd is exploring opportunities in the Eastern European and Balkan regions to offset a slowdown in business from its conventional overseas markets, including Africa and India's neighbouring countries.

The Shapoorji Pallonji Group company had taken a similar call earlier this year to increase its presence in the lucrative Middle Eastern market, albeit with local partners. It had so far limited its exposure to the region, citing unfavourable contract terms.

Afcons is the most bullish on Saudi Arabia and the United Arab Emirates in the Middle East. In Saudi Arabia, it established a 90:10 joint venture company with a local partner in July 2023, called Afcons Contracting Co., to handle local projects.

In July, Afcons emerged as the lowest bidder for three projects in Croatia, which are cumulatively worth over ₹11,300 crore and are to be executed over 42-72 months. The company has yet to be formally awarded the contracts, which it expects to receive before December.

These include the development of a railway line and the construction of two stretches of a highway project.

The company will be competing with key European, American and Turkish contractors active in the region.

For context, Afcons' FY25 revenue was ₹12,548 crore with a profit of ₹487 crore.

"As a global EPC company, we consistently explore new geographies to support growth and risk mitigation," said Hitesh Singh, vice president and head, corporate strategy, Afcons Infrastructure Ltd.

"Historically, our key international business has been in Africa and neighbouring regions. As part of our overseas strategy, amid some uncertainties in neighbouring areas and funding slowdowns in Africa, we continue pursuing opportunities across areas like Eastern Europe and the Balkans, as well as select prospects in the Middle East."

The company's three bids in Croatia were part of this approach, he added.

Afcons' international business has slowed in recent years, affected by political turmoil in India's neighbourhood and weaker demand in Africa.

OVERSEAS PUSH

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CROATIAN projects include a railway line and two highways; to be executed over next 42–72 months

EYES 30% share in FY26 overseas orders, with a third of its ₹3.4 tn pipeline from global projects

Afcons got about 30% of its business from overseas. However, its share of international business dipped in recent years amid a slowdown in business from Africa. The political turmoil in India's neighbourhood—with governments being toppled in Bangladesh and Nepal and an economic slowdown in Sri Lanka—has also reduced business visibility in these regions.

Paramasivan Srinivasan, managing director Afcons, said in an earnings call on 8 August that the orders from Croatia and a few more international orders will take the overseas share of the company's pending order book to the stated guidance of 30% by the end of FY26.

As of June 2025, only 12% of the firm's ₹35,311 crore orderbook was from overseas. It is seeking new business opportunities overseas. A third of its ₹3.4 trillion addressable project pipeline for the next two years was from global orders, Srinivasan said during the call. An addressable pipeline refers to projects that the company plans to bid on.

"Afcons is on track for a stronger H2FY26, supported by conversion of large L1 wins and ramp-up in fast-track projects," analysts at Elara Capital led by Ankita Shah noted on 9 August.

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