

Date: 8th May 2026

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai – 400 001
[Scrip Code: 517146]

The Manager
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra
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[Symbol: USHAMART]

Societe de la Bourse de
Luxembourg
35A Boulevard Joseph II
L-1840, Luxembourg
[Scrip Code: US9173002042]

Dear Sir/Madam,

Sub.: Transcript of Earnings Conference Call – Q4 & FY26

In continuation to our letters dated 23rd April 2026 and 30th April 2026 and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Conference Call for Q4 & FY26 held on 30th April 2026 at 4:30 PM (IST).

The same is uploaded on the website of the Company and can be accessed through the following weblink [TranscriptQ4&FY26](#).

Further, please take note that no unpublished price sensitive information (UPSI) was discussed/shared during the call.

This is for your information and records.

Thanking you,

Yours faithfully,

For Usha Martin Limited

Manish Agarwal
Company Secretary & Compliance Officer

Enclosed: As above



USHA MARTIN LIMITED

Q4 & FY26 Earnings Conference Call Transcript

April 30, 2026

Moderator: Ladies and gentlemen, good day, and welcome to the earnings conference call of Usha Martin Limited. 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 'star' then 'zero' on the touchtone telephone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Devrishi Singh of CDR India. Thank you, and over to you, sir.

Devrishi Singh: Thank you, Rutuja. Good evening, everyone and thank you for joining us on Usha Martin's Q4 FY26 earnings conference call. We have with us Mr. Rajeev Jhavar – Managing Director of the Company; Mr. Abhijit Paul – Chief Financial Officer; and Ms. Shreya Jhavar from the Strategy and Growth team of the Company.

We hope all of you have had the opportunity to refer to the earnings documents that we shared with you earlier. We will initiate the call with opening remarks from the management, following which we will open the forum for Q&A session.

Before we begin, I would like to point out that some statements made in today's call may be forward-looking in nature, and a disclaimer to this effect has been included in the earnings presentation. I would now like to invite Mr. Rajeev Jhavar to make his opening remarks. Thank you, and over to you, sir.

Rajeev Jhavar: Good afternoon, everyone. On behalf of the Usha Martin management team, welcome to our earnings call for the fourth quarter and full year ended March 31, 2026. I will start with the financial results, cover the key drivers behind them and also share our outlook for the year FY27.

We closed FY26 with consolidated revenue of INR 3,691 crore. Operating EBITDA grew from INR 597 crore last year to INR 705 crore this year, reflecting a margin of 19.1%. Operating cash flow conversion was healthy at 104% of the operating EBITDA. We ended the year with a net cash position of INR 332 crore compared to a net debt of INR 63 crore in the previous year.

In Q4, revenue stood at INR 979 crore, up 9.3% year-on-year. Operating EBITDA was INR 212 crore, the highest since the sale of the steel business with margins at 21.6% and EBITDA per ton at approximately INR 39,500 per metric ton.

So, what drove these numbers? Our international rope business performed well, especially in Europe and the Americas. Segments like cranes, elevator and mining saw good traction.

Over the past few years, we have invested in expanding capacity and deepening our technical capabilities of high-performance ropes in India. That groundwork is paying off. With Ranchi's upgraded manufacturing capability and Brunton Shaw's brand integrated together, we are executing larger, more complex projects for global OEMs and end users.

During the quarter, we executed a landmark Oceanmax project at our Ranchi facility, including the largest single reel rope production ever undertaken in our Ranchi plant. This is a tangible example of the capability our recent capital investments have created.

Alongside this, our 'One Usha Martin' program continues to drive efficiency across the group. So, our cost base has become structurally leaner, while revenue is shifting towards higher-value products, geographies and applications, giving us clear operating leverage.

Having said that, the operating environment did pose some challenges this quarter. The ongoing conflict in the Middle East led to slower customer activity and project delays in both Dubai and the Saudi Arabian markets. Supply chain in this region were also disruptive, affecting the timing of some shipments. Volumes in the Middle East came in below normal levels. The broader geopolitical situation also created tightness in raw material availability, putting pressures on input costs. However, we were able to manage through this effectively.

First, we proactively built additional raw material inventory to ensure continuity of supply with no disruptions to production at all. Second, in wire and LRPC, we passed through the input cost increases, so margins were not impacted. Third, in rope, a better product mix with a favorable shift towards higher value-added applications, improved realizations and margins while also helping manage volatility in rod and gas prices. Fourth, while the Middle East was softer, we continued to see healthy demand in other markets, which more than compensated. And fifth, faster decision-making meant we stayed ahead of the situation rather than reacting to it.

All in all, the way we navigated this quarter gives us confidence in the resilience of our business model, which is very diversified across products, end-industries and geographies.

Looking ahead, growth remains a key priority. There are 3 areas that give us confidence about this financial year ahead. The first area is value-added rope applications - oil and offshore, elevators, port cranes and mining. We have built references and field performance data in these segments over time, and the track record now lets us approach a wider set of customers. We are

already seeing this play out with growing order book from new customers for H1 this financial year.

In oil and offshore, specifically, there is an added tailwind. More countries are prioritizing energy security and that is driving demand that we are well positioned to capture. Beyond core rope, some of our newer business verticals are maturing well. Oceanfibre synthetic business and plasticated LRPC are two examples where the time we put to product development, technology work and customer approvals has created platforms that are ready for the next stage of growth. We expect meaningful scale up in FY'27 and beyond.

And finally, from a capital allocation standpoint, with strong operating cash flows and a positive net cash position, we have the bandwidth to invest from internal accruals. We will continue targeted capital expenditure where demand visibility is clear, and we are also evaluating selective organic and inorganic opportunities in markets where our footprint is still limited.

In summary, we enter FY'27 from a place of strength, a healthy balance sheet, a richer product mix and growth engines that are beginning to deliver. The hard work of building the foundation is largely done. Now it is about execution and scaling up.

With this, I would now like to invite our CFO, Mr. Abhijit Paul, to take you through the financial highlights for the quarter and the year ended. Thank you.

Abhijit Paul:

I will now provide a brief overview of the company's operating and financial performance for the quarter and full year ended 31st March '26.

Starting with the fourth quarter, consolidated revenue was INR 979 crore, up by 9.3% year-on-year. Rope revenues grew by about 14.8%. Wire revenues saw a notable 31.2% increase while LRPC was lower by 20.4%.

Operating EBITDA for the quarter came in at INR 212 crore, up 52% with margins expanding to 21.6% and EBITDA per ton of nearly INR 39,500 in a challenging macro environment marked by supply chain disruption and elevated input costs. PAT from continuing operations stood at INR 155 crore.

For the full year FY '26, consolidated revenue was INR 3,691 crore, up 6.2%. Performance during the year continued to be led by our core businesses. Wire Rope revenues grew by approximately 8% for the full year, while Wire segment saw strong revenue growth of around 24%. International revenues now account for 57% of total topline, up from 55% last year, reflecting good traction across global markets.

Operating EBITDA grew by 18% to INR 705 crore with margins improving to 19.1% from 17.2%. Operating EBITDA per ton also improved to approximately INR 34,100 for the year compared to around INR 30,100 last year. PAT from

continuing operations increased to INR 491 crore compared to INR 406 crore last year.

We have made meaningful improvement on the cost side this year. Our 'One Usha Martin' program is now showing up clearly in the numbers. Fixed employee costs came down 3% and administrative expenses declined by over 7% year-on-year, even as we grew the topline by 6%. Our finance costs came down by around INR 10 crore as we repaid our debt amounting to INR 192 crore.

The progress during the year is best reflected in the strength of our cash generation. Operating cash flow stood at INR 736 crore, translating into a conversion of approximately 104% of operating EBITDA. After funding capex of INR 198 crore, free cash flow stood at INR 457 crore. This was achieved despite consciously building inventory buffers to manage supply chain disruption due to the ongoing geopolitical situation.

Even then net working capital days improved to 194 days from 199 days last year and ROCE improved to 20.6% from 19.3%. As a result, we closed the year with a consolidated net cash position of INR 332 crore and with standalone operations now entirely debt free. This is an important milestone for the Company. Over the last few years, we have moved from a phase of deleveraging to a position of balance sheet strength.

This gives us the ability to fund growth through internal accruals, remain resilient in volatile markets and maintain discipline in capital allocation. To conclude, FY26 has given us solid foundation to support the next phase of growth. We will continue to invest with a clear focus on returns, cash generation and long-term value creation.

This brings me to the end of my address. I will now request the operator to open the line for the question-and-answer session.

Moderator: We will now begin the question-and-answer session. The first question is from the line of Aman Kr Sonthalia from A K Securities.

Aman Kr Sonthalia: Congratulations to the management on delivering a strong set of results along with an attractive dividend payout. I have few questions regarding this quarterly result. First, - though the profit is excellent, the margins are very good, but as far as volume is concerned, it is still concerning. I think the volume has not picked up. What is the reason behind that?

Shreya Jhavar: Thank you for the question. So, in terms of volume growth for this quarter, volume growth in ropes was at about 5%. Like we mentioned, the focus has increasingly for us moved towards specialized and high-performance rope applications. And in those categories, tonnage growth is not always linear, but we do have better quality of revenue with stronger realizations and healthier margins.

That being said, in this quarter, the rope volumes came in lower than our expectations as in the Middle East, because of the crisis, we did see demand being impacted because of the overall geopolitical situation. So that did have an impact of about 900 ton or so for this particular quarter. If we had that, we would have been at about 8% growth in ropes for the quarter.

But that being said, in FY '27, the priority is volume growth while at the same time, maintaining the quality of mix. And with the groundwork that we have done over the past few quarters and over the past year in terms of market development with the capacities being commissioned in Ranchi as well, we are confident of stronger volume growth in the upcoming year.

Aman Kr Sonthalia: Okay. The ongoing crisis in the Middle East, the war between Iran and other countries, I think it is not going to last very long. So, whenever the war ends, I think the sanctions on Iran will come to an end. And since there is a lot of disruption in Middle East due to this war, I think a huge market will be created. So how is the Company positioned to benefit from this situation?

Rajeev Jhavar: You are absolutely correct. Of course, we all are hoping and expecting that this will not continue and will come to an end soon. If that happens, definitely, we will see a huge opportunity, both from reconstruction as well as from the production of oil & offshore and all the reconstruction activities. And we are well poised to take advantage of that situation.

Also, as Shreya mentioned that the demand has been affected in the fourth quarter because of this ongoing conflict, but I am happy to say that our plant operations are normal, and everything is safe. And once the situation improves, I think we should be able to get substantial benefit from the opportunities arising there.

Aman Kr Sonthalia: Okay. And the margin for the quarter was excellent. It was very, very healthy. But right now, the steel prices are going up and at the same time, the gas prices are going up, logistic costs are going up. So, whether we will be able to maintain the same margin or even improve it?

Shreya Jhavar: Yes, you are right, steel prices, gas prices, they have been on an increasing trend since January. We are happy to say that so far, we have been able to pass on the increase for the wire segment, LRPC segment, and that would continue. Similarly, for Wire Ropes also, we, on one hand, have been able to pass on a large part of the increases combined with better product mix. So, as you said, we have been able to expand our margins even in this situation where prices have been increasing. Our endeavor would be to continue to do the same in the coming quarters.

Rajeev Jhavar: And earlier what we have been saying that to be between 18% to 19%, we feel that with the product mix and everything, at least we should be able to look at a minimum of 20% operating margin. And as we have been mentioning, our focus would always be to improve the overall absolute EBITDA numbers. And these can change because of the product mix changing in a particular quarter.

But overall, we are pretty optimistic that we should be able to improve our margins.

Aman Kr Sonthalia: Okay. And one more question related to synthetic slings and plasticated LRPC. So, any breakthrough or any meaningful growth can we see in this ongoing financial year?

Rajeev Jhavar: Yes. On the plasticated LRPC, we have been working with a few customers for their approvals, and I am happy to say that we have progressed well on those. It takes some time to get those approvals. So, we are working with a few of the global players, and we are very close to achieving that. And once that is done in the next few weeks, we see the opportunity of getting into both in domestic and export markets.

So, we are expecting a healthy growth in the plasticated LRPC once these approvals are in place in the next few weeks. Also, on the synthetic sling, in the very first year, we have been able to get some very good traction with approvals from customers and repeat orders. And we expect this also to significantly grow in this year and in the coming years.

Aman Kr Sonthalia: Sir, the last one is how the European and U.S. markets are looking for us?

Shreya Jhavar: So, the European market is, as you know, is a very important market for us. It is about 26% of our topline. It performed well in this financial year, and the outlook is positive for the next year as well. All of the changes we made in terms of the integrated model between the Ranchi manufacturing and the Brunton Shaw brand, have started giving us dividends and are working well for us. It has helped us increase our share with the premium customers, both the OEM and [Audio Distortion at 00:22:09 min.] especially in the high-performance segments like cranes and mining.

Second, [Audio Distortion from 00:22:16 min. to 00:22:21 min.] in Europe. So that is helping us work more closely with the customers and we are providing them value-added services instead of just the standard products. So that [Audio Distortion from 00:22:30 min. to 00:22:32 min.] and increases the stickiness that we have with customers as well. And going forward as well, the order book pickup is looking strong, which gives us good visibility going into H1 FY27. [Audio Distortion from 00:23:09 min. to 00:23:12 min.]

Aman Kr Sonthalia: And what is for U.S. market?

Shreya Jhavar: In terms of the growth, it went from 7% of our topline to 9% of our topline for this year. So even though on the ground, it has its share of challenges around tariffs, trade uncertainties, etc., we do see good opportunities. It is a high value market. So, you know elevator ropes, again, crane ropes, mining ropes, the work that we have done over the last few years did support us to navigate these challenging times. So going forward as well, still our market share in the U.S. is sub 5%. So, there is tremendous opportunity for growth.

- Moderator:** The next question is from the line of Vinit Thakur from Plus91 AMC.
- Vinit Thakur:** Congratulations on the recovering margin and the great results. I had a couple of questions regarding this: there is an increase in our other income and reduction in debt, interest as well up, even though the debt reduction is not that great. And we have also seen a higher realization quite a bit. So, would you expect a similar realization going forward? Or would it be the same?
- Abhijit Paul:** So, the other income for this current quarter includes the refund on which we have got interest, so that interest component of INR 19 crore is included in other income. So that is one. And on the interest cost, yes, there has been a substantial reduction compared to last year. So, we have repaid around INR 193 crore in borrowings, and we are debt-free across all the geographies, except one. So, that is the reason behind the decrease and decline in the interest cost.
- Rajeev Jhavar:** And in terms of the realization, as we mentioned in our opening remarks, we have been able to develop certain products in our international market and built up certain good customer base for oil, offshore, crane and mining. And we have a fairly healthy order book in the first half of this year in H1. We hope the realizations would continue to be healthy.
- Vinit Thakur:** And for margins, can we do more than 19% going forward?
- Shreya Jhavar:** Yes. I mean, for this year, it was above 19%. And this quarter, we did close to 22%. And as we mentioned that we are confident of sustaining margins at the 20% range because of the overall better mix and the high-performance rope segment that we are targeting.
- Vinit Thakur:** And we have mentioned that we are going to scale down LRPC and focus on the plasticated LRPC, as mentioned by the previous participant as well. So, the traditional LRPC is going to be reduced by what time, like by what time would we assume that traditional LRPC contribution will be negligible? Because we have been reducing it on a quarter-on-quarter basis.
- Shreya Jhavar:** Yes. I mean, in terms of plasticated LRPC, first thing is that some of the major approvals are within a couple of weeks, which should be done. So that will help ramp up the volumes, both in the domestic as well as the international market. As those approvals come in and then also obviously, because it is a project-dependent market, as the projects materialize as well, we would gradually convert the black LRPC into plasticated. We have a capacity of 6,000 tons per annum of plasticated LRPC. So, to the tune of that, we would aim to convert over a period of time.
- Rajeev Jhavar:** And the black LRPC, we will continue, and we expect even this year to do around 48,000 tons, similar to what we did last year, and the plasticated LRPC of close to 5,000 to 6,000 tons as the approvals convert into orders.
- Vinit Thakur:** Okay. And what are the capex guidance for next 3 to 4 years?

Rajeev Jhawar: In next 2 years, we intend to spend close to INR 300 crore to increase our manufacturing capacity for elevator ropes and some more opportunities where we see for some specialized wires and also increasing our capacity of plasticated LRPC. So, in next 2 years, we see a capex of close to INR 300 crore. In addition to this, as we mentioned in our opening remarks that we would also look at opportunities of some inorganic growth in areas where we want to expand our presence globally, particularly in the value-added and rigging and helping us to get close to the customers.

Vinit Thakur: Thank you sir so much.

Moderator: The next question is from the line of Pranav Iyer from PL Capital.

Pranav Iyer: You just said capex of around INR 300 crore, so that will be mainly for Wire Ropes and how much capacity will it add from the current levels?

Rajeev Jhawar: So, we are planning to increase our rope capacity by close to 6,000 tons with this and almost 70% 75% of the capex would be going to expand this capacity. And the balance 30% would be used to augment the capacity of specialized wires, as well as further increasing the capacity by addition of few equipment and testing facilities for plasticated LRPC.

Pranav Iyer: And plasticated LRPC, you said we can sell around 6,000, 7,000 tons per annum. Am I right on this number?

Rajeev Jhawar: Yes, our current capacity is around 6,000 tons. So, we should be able to, but once all the approvals are in place, we will also be able to access the export market for these products. So, once we are close to utilizing this capacity, we would take steps to further augment our capacity to 8,000 to 9,000 tons, but all those will come in steps. And those costs are included in the capex, which we intend to do over the next 2 years.

Pranav Iyer: And can you also give some color on how is the demand in India for next, let us say, 1 or 2 years, apart from whatever is going on globally in the rest of the markets like Europe and the U.S? Do you expect any disruption in demand in next year?

Rajeev Jhawar: No. As we mentioned, our demand from Europe and America is pretty strong, particularly in the segments of oil & offshore, crane and wind energy. So, in these areas, we are seeing strong demand, because most of these countries are wanting to have their own energy security. So, we are seeing a fairly strong demand and order book, and there are a lot of projects in the pipeline and inquiries also in the pipeline, and we are having some good orders for H1. We do not see any pushback in demand from these markets.

As far as India is concerned, we are growing at 6%, 7%, 8% overall, and we have a fairly large market share in India. And we would continue to grow based on how the country grows. We should be able to hopefully maintain and slightly increase our market share, particularly in segments like elevator

and ports, which are growing at a much faster pace. And we are building up capacities to ensure that we are ahead of the curve to take care of these demands.

Pranav Iyer: Okay.

Moderator: The next question is from the line of Shraddha Kapadia from SMIFS.

Shraddha Kapadia: Congratulations on the good set of numbers. So, if you could help me with the current capacity utilization across the different plants?

Shreya Jhavar: In terms of capacity, the total rope capacity now is about 140,000 tons, out of which we are, say, at about 75% utilization. And in terms of wires, we are at about an 80,000 tons capacity also around 75% to 78% utilization. And LRPC, if we break it down, the normal LRPC is about 60,000 odd tons and the plasticated is about 6,000 tons. And even there, we are at about 70% or so utilization.

Shraddha Kapadia: Okay. Also, if you could help or throw some light on the 'One Usha Martin' initiative, the benefits which we have realized till now and the future expectations?

Shreya Jhavar: So, in terms of 'One Usha Martin', like we mentioned in the opening remarks that the benefits of that, we are already seeing on the cost side; - where fixed costs, fixed employee costs as well as the admin costs have come down substantially this year. That is on the cost side. And we feel that now we have a much stronger overall cost discipline in the organization as well and that is very well embedded both in India as well as our subsidiaries.

Then on the revenue side as well; so, as we are working as One Usha Martin, we have better working between India and the subsidiaries across all the high-value segments. So global references from one location is helping us build market in the others like we mentioned. So, as we are working more closely, sharing references, sharing performance data, which really is helping us. So on the cost side, we have been able to get significant fixed costs about 3%, admin cost about 7%, so, all the cost savings we have taken at 'One Usha Martin', we have seen over the last 18 months, about INR 65 crore to INR 70 crore of cost savings that we have been able to make.

Shraddha Kapadia: Sure. If you could help with any future numbers or future guidance, that would be great, with regards to the 'One Usha Martin'?

Shreya Jhavar: Yes, I think we answered the question on One Usha Martin. So, if there is any further questions, we will be happy to take that.

Shraddha Kapadia: Also, if you could just help with any future guidance or future plans which you have with regards to this only, any quantifiable numbers or anything if you could help in terms of Usha Martin only, 'One Usha Martin'?

Rajeev Jhavar: This has become a discipline in our DNA, and we will continue to work on getting more back-office services to India, further optimizing our costs. So, this has become a part of our DNA, and this will be a continuous way to look at efficiency.

Shraddha Kapadia: Okay.

Moderator: The next question is from the line of Kartikeya Pandey from 360 ONE Capital.

Kartikeya Pandey: So my first question would be on the LPG cost. So, can you quantify what was the quantum as a percentage of sales and what is the inflation on that? And are there any production disruptions that can happen if the crisis persists for some time, even after April?

Rajeev Jhavar: We use about close to 250 to 300 tons depending on LPG. So, a few steps we have taken. Of course, the cost has gone up from the earlier level of INR 60,000 per ton to around INR 120,000 to INR 130,000 per ton. We have been able to take a few steps. One is we have a line very close to our plant, which has just been completed, and we are shifting part of our requirement to natural gas. The line is very close to our plant and 25% of our requirement, we will shift to natural gas, which is available in this part of the country. And the cost, whatever the increase has been there is close to about INR 2.5 crore to INR 3 crore a month because of the increased price of LPG and propane. We have been able to pass on the cost, as a part of our product pricing to the customers. And we have taken advanced steps, as we mentioned in our opening remarks, that we created enough buffer in our system and the supply chain management to book at the right time, even at these costs to ensure that there is no disruption, and we do not expect any disruption on account of gas shortage.

Kartikeya Pandey: Okay. Could you just help me understand, - this is 250 ton of LPG on per ton, - how should I model this if I want to understand?

Rajeev Jhavar: No, you see there is nothing called per ton because LRPC does not require it, or certain wires do not require it. So, our total consumption is between 250 to 300 tons a month, and that is across all our furnaces. So, we cannot attribute it to any single product. So, it is a total requirement. And if I look at it, our total cost is about INR 4.5 crore to INR 5 crore even at these inflated prices today. So, it cannot be attributed to per ton of rope or per ton of particular wire. It is used in a variety of furnaces. So, we look at it as our total cost of 250 to 300 tons every month.

Kartikeya Pandey: Okay. So, like you just mentioned previously, you were looking at 18% to 19% stable operating margins. Now you are saying that this can inch up to 20% due to a better product mix. So, if I am not wrong, with the product mix that we are looking at, is that not going to affect our volumes in general for the Wire Rope business? So, what I want to understand is what is the volume growth that you are looking at? Is it the same 10% to 12% that you mentioned last quarter? Or is there any change that you are looking at?

- Rajeev Jhavar:** No, we are looking at overall, between our product mix, growth of between 10% to 12% that would continue, as well as our endeavor to move more and more towards specialized products would also continue. So, it is going to be a mix of volume growth as well as a continued focus on building higher value-added ropes. So, both are independent and to some extent, interlinked. Both the targets are being simultaneously focused by us. And we would continue and barring some major geopolitical issues, we should be able to achieve the 10% to 12% volume growth and constantly push the value proposition also.
- Kartikeya Pandey:** Okay. But like if I am not wrong, you had mentioned some output drop if you venture high-quality ropes like elevator, crane and mining applications. So that is why I was just trying to connect the pieces?
- Rajeev Jhavar:** See you are right when it comes to certain compacted and high-quality ropes or some ropes which are running on the machine at lower diameter, because the number of SKUs are pretty large in a plant like ours or in the rope industry. But the kind of capacities which we have built in our plant now and the new capex, which has been implemented, we have the flexibility to push higher value-added products as well as scale up our volume. So, it is not a very simple calculation. But based on whatever infrastructure we have created in our facility, we feel confident that we will be able to manage both the value-added sector as well, while at the same time, pushing our volume. So, both will happen.
- Kartikeya Pandey:** Okay. What is your international market share as of FY '26, specifically in U.S., Europe and the Middle East as compared to FY '25?
- Shreya Jhavar:** Overall, like we said, in the U.S. market, it is sub-5% share. In Europe, it would be higher with our service centres as well as our factory present about 10% to 12%. And Middle East, again is a combination, there is a lot of general-purpose ropes as well an unorganized market, but we are the only manufacturer of Wire Ropes in the GCC region. So that does give us a benefit, and we probably have a larger share over there.
- Moderator:** The next question is from the line of Kamlesh Bagmar from Lotus Asset Managers.
- Kamlesh Bagmar:** A very strong performance on the margins as well as a very good articulation of the outlook and the prospects ahead. Just one question, going forward, can we assume 6% to 7% volume growth on a CAGR basis for next 2 to 3 years or can we march ahead of that? Because honestly, we have performed very well on the execution side. But going forward, can we assume the growth will remain at 5%, 7%, given the fact that these are the industries where our product goes, the growth would remain at similar levels?
- Rajeev Jhavar:** It is a very good question. 6% to 7% growth is the normal growth for this industry globally, 6% to 7%. But as Shreya mentioned, our share, particularly when you talk about Europe or talk about the U.S., our base and market share in those markets are very low. And once we have built our capacity as well as

based on the various capex, which we have already done and we have been able to make in-roads, which has taken time for us to get into new customer approvals, new OEM approvals, even some of the new end user customers we have been able to develop over the last 3 or 4 years, we have been able to build that kind of capability now and also newer markets.

We hope that both with a lower base and these product approvals and the markets which we have developed and the capability from the plant, we should be able to get to overall, of course, this includes Wire Rope as well as some specialized wires and plasticated LRPC in the entire basket, we hope to be able to get to that 10% to 12% volume growth for the next 2 to 3 years.

Kamlesh Bagmar: Great. And second, as we ramp up our volumes, will our margins remain at these levels or because we want to capture higher volumes, will we have to take some hit on the margins, or will the product mix will take care of the higher volumes? How would things be on the margin part?

Shreya Jhavar: Yes, as you rightly said, as the product mix is also getting better, we should be able to sustain at the 20% margin level. And our goal would be to continue to drive better mix and improve the margins going forward.

Kamlesh Bagmar: Great. And once again, sir, a lot of appreciation, the way we have transformed our Company since that exit of direct steel business, and wish you best of luck.

Moderator: The next question is from the line of Deeya from Sapphire Capital.

Deeya: Can you share your current order book and also provide a break-up of the order book?

Rajeev Jhavar: You see, for the specialized projects, as I mentioned, we have a fairly healthy order book. We generally do not talk about any specific volumes, but we do have a good visibility for these higher value-added products, and a good visibility for our value-added products for H1. 85% of our business comes through the replacement market. And we have a very strong dealer network in India as well as our own distribution arms and subsidiaries. So, the kind of order book and the feedback based on all the inquiries, I think we have a fairly strong order book and visibility for the rope demand for the next 6 months at least.

Deeya: Sir, can you please quantify it?

Rajeev Jhavar: No, sorry, we generally do not quantify these numbers.

Moderator: The next question is from the line of Pawan from Viansh Ventures.

Pawan: Congratulations on the result. I just wanted to understand the margin mix. Basically, we have been talking about increasing the value-added products. But if you see the value-added products from FY'25 to FY'26, it is pretty much the same at 53% in the oil & offshore, crane and other value-added product

lines that we highlighted. And still we have got a margin improvement, and the gross profit per kg is largely the same in the last 2 years. So, the margin improvement that we have seen is only due to 'One Usha Martin'? I mean, where can we see the contribution of value-added products coming in margins?

Rajeev Jhawar:

No. You see, even in Q4, we have seen the impact of the better product mix and our Wire Rope prices in the international market because of a better product mix, you can see it is over INR 300,000 per ton for the first time. This is as a result of a fairly healthy product mix.

And the gross margins have also improved over the last couple of years. And also, the impact of cost efficiency as a part of 'One Usha Martin', that has also helped us to improve our cost structure. So, it is a combination of the 'One Usha Martin' where we have tried to optimize our costs between all our various subsidiaries and the parent Company. And we have been able to also ensure that we have gradually moved to the value-added products. And in our export market, revenue which used to be around 55% from the international business, that has also gone up to 57%.

So, a combination of all this has helped us to improve the margins to the levels that we are achieving now and hopefully, we should be able to maintain this. Of course, it depends also on the product mix on a month-to-month and a quarter-to-quarter basis. But as Shreya mentioned, over 20% is the new benchmark we would like to hold for ourselves and try to see how we can continue to improve upon that.

Shreya Jhawar:

And what you mentioned, the 53%, even if you look at within the value-added products, it is not that all of them would be at the same level. Fishing, for example, the share of fishing has decreased over a period of time, which is a specialized product, but it is lower value than, say, crane or mining or elevator, which has increased over time. Even within elevators, there are some which are more higher value realization products, there are some lower. Looking at this 53% in isolation probably is not the right way to look at it.

Rajeev Jhawar:

So our focus is continuously to improving within the value-added through a better product mix. And our endeavor would be to continue to improve our margins, as well as, at the same time, volumes are equally important. So, it is going to be a balance between volume and value. And hopefully, we should be able to continue this journey as we have done in the last 2 to 3 years.

Pawan:

Understood. And sir, just one more clarification on the margins since Q4 is now the benchmark of, say, around 22% margins. And going forward, we are seeing healthy growth in volumes. We are anticipating healthy growth in volumes. We are anticipating easy pass-throughs. We have 'One Usha Martin' which should continuously drive improvement. Why are we not expecting growth in margins? Why are we expecting a decrease from 22% to 20%? What is the link that I am missing?

Rajeev Jhawar: No, we are not saying that we are expecting to reduce it from 22% to 20%. Say for example, between last year and this year and even Q4 of last year to Q4 of this year, our LRPC sales are down by 20%. So, if the LRPC, which is the lowest margin part of our business, has seen volumes down by 20% that also improves the average of the EBITDA percentage or EBITDA per ton.

So, our endeavour would always be like we used to say earlier that we would like to see that we are between 18% and 19%. We would like to see that, of course, we would be happy if it continues at 20%, but it is not a straight line because it also depends on the mix between wires, LRPC and within rope also, how much is of those big projects with value-added or of the different categories of rope.

So, our endeavour would not be to bring it down, we would rather like to see it keep growing. But our minimum benchmark would be that we would like to see that push from 18% to 19%, at least to a minimum of 20%. And we would also like that we have a large capacity in the plant, we have put a large capex, so that our absolute EBITDA numbers also keep improving. It is just not the EBITDA per ton with the lower volume. We would like to also see that with all the fixed assets and the plants which we have created, the absolute EBITDA numbers also keep on improving. And that is something which we would also be also focusing on.

Pawan: Understood. I was just looking at the realization of each of the subsegments, - Wire Rope, Wire & Strand and LRPC, - and correlating it to the steel prices reported by the Company. The value add really seems to have only been in the Wire Rope segment. The wire strand is almost 1.5x of the steel prices, in terms of realization. So, is it the right understanding to think that most of the value-add going is also expected in the Wire Rope segment?

Rajeev Jhawar: You are right. In the normal Wire and LRPC, we are able to pass on the increase of steel and maintain that ratio that you mentioned. But within the LRPC, we are looking at developing more and more plasticated LRPC where the delta would be much higher and different. As well as on the Wire side, the zinc aluminium wires, GALSTAR, those products are also at a higher value. But overall, most of the value addition comes from the rope side.

Pawan: Understood.

Moderator: The next question is from the line of Aman Kr Sonthalia from A K Securities.

Aman Kr Sonthalia: One question relating to Thailand. So, what is the update on that plant? And what are the products we will make there after the completion of modernization and expansion?

Rajeev Jhawar: The Thailand plant, we are in the process. As we mentioned, the Thailand plant is fully integrated plant starting from Wire rod, unlike Dubai and the UK, where we start from Wire and Strands. So, we have similar plants in Ranchi and Hoshiarpur. So, we are in the process of modernizing that plant and also

have increased capacity for some very specialized cords and for specialized elevator ropes.

So that would be our area of focus as well as focusing on getting more and more into the value-added products like fine cords for gondola ropes and for elevators and for port crane ropes. So, this process has started. I would say over the next 18 months, we will see a significant improvement in the operations of our Thailand plant.

Aman Kr Sonthalia: Okay.

Moderator: The next question is from the line of Kartikeya Pandey from 360 One Capital.

Kartikeya Pandey: I just wanted to understand, what is the current run rate of our sling segment and plasticated LRPC? And when you say 10% to 12% volume growth, is it including the Parvatmala project or are we keeping it aside as a potential positive surprise from that side in terms of volume?

Rajeev Jhavar: You see, when we talk about 10% to 12%, it is across all segments, whether it is increase in plasticated LRPC or increase in our GALSTAR or some projects on Parvatmala. For the Parvatmala project, there are a lot of activities going on. But I think the actual, real rope demand from this will come in probably 2 to 3 years, as the projects move to the final stages of implementation. So when we talk about 10% to 12%, it encompasses and covers all the different segments of our products. And overall, we look at the volume growth.

Kartikeya Pandey: The point I wanted to understand, is the quantum of extra demand that we can see, because addressable market, I know you had mentioned a few quarters back. But in terms of volume, will we be making a significant capex to address that because you mentioned that we are, I think, the only player with the certification that is required for such?

Rajeev Jhavar: See, as far as plasticated LRPC, currently, we do around 2,500 tons a year. That will, based on the various approvals, we are hoping to get soon, enable us to double our quantity of plasticated LRPC from 2,500 to 4,000, 4,500 tons. The capacity is there. We need to ensure that those orders come through, as these are project-based orders, but assuming those happen in the coming weeks, we should be able to push the volumes to almost double from the current level of 2,500 tons. And we have the capacity and capability created for that.

Similarly, on Parvatmala, I told you, that we have the capacity, we have the capability, but the execution of those orders, when those will be completed because those are all projects which take 6 to 7 years before we see these projects start getting commissioned. And the Wire Rope is the last part of the project. So those will happen, but it will take maybe a few years. And also, there are some delays as we talk to the various customers in terms of their approvals. So definitely, our capability is there. When these inquiries get

converted and then supply comes, those will all add on to the volume of business.

Kartikeya Pandey: So you mentioned 12% market share in Europe. So, what I understand is that a large chunk of European market is for general purpose rope. So, in the market that you compete in, what is the market share in that segment like in the elevator, mining?

Rajeev Jhawar: Every market, whether it is Europe or US, there is a general-purpose rope market, there is a market for fishing ropes, for ports, for elevators, for oil & offshore for these bigger projects that we do. Our presence, as far as our Company is concerned, is more and more on the higher end of the products where we compete with companies like Bridon, Teufelberger, WireCo. And those are the markets which we want to expand and grow.

On the GP rope, we are present there and those volumes are also there. But mostly, we try to sell those through our own rigging shops, which are using these ropes to finish this. So, our increase in market share is more coming from those more premium sectors where we have worked over the last 2 to 3 years to build up capability, build up markets, get OEM approvals as well as new customers. So that is the area we want to grow. And there we see a fairly strong demand, and we expect that growth to be seen in the coming few quarters.

Kartikeya Pandey: Okay.

Moderator: Ladies and gentlemen, I would now hand the conference over to management for closing comments.

Rajeev Jhawar: First of all, my apologies for the disruption and inconvenience caused to all of you. We will make sure that it does not happen in the future. I would like to thank everyone for attending this call and showing interest in Usha Martin Limited. I hope we have been able to answer all your questions.

The Company is dedicated to creating value for all its stakeholders in a sustainable manner. Should you need any further clarification or would you like to know more about the Company, please feel free to reach out to us or to CDR India. Thank you once again for taking the time to join us on this call and see you all in the next quarter.

Moderator: Ladies and gentlemen, on behalf of Usha Martin Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Disclaimer: This is a transcription and may contain transcription errors. The transcript has been edited for clarity. The Company takes no responsibility of such errors, although an effort has been made to ensure high level of accuracy.