

24.05.2026

To,
 The Manager - DCS
BSE Limited
 PhirozeJeejeebhoy Towers,
 Dalal Street,
 Mumbai - 400 001
Scrip Code: 523828

To,
 The Manager - Listing Department
National Stock Exchange of India Limited
 Exchange Plaza, BandraKurla Complex
 Bandra (East),
 Mumbai- 400051
Symbol: MENONBE

Subject :Disclosure of Information pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Outcome of Schedule of Analyst / Institutional Investor Meeting - Transcript of Earnings Call

Dear Sir / Ma'am,

Pursuant to the relevant provisions of Regulation 30 (6) read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we would like to inform you that the officials of the Company had an earnings conference call relating to the Audited Standalone & Consolidated Financial Results of the Company for the quarter and financial year ended 31st March, 2026 for the Investors/Analysts (Participants) which was held as per the details below.

Date & Time	Type of Interaction
19 th May, 2026 at 2.00 p.m. IST	Earnings Conference Call

The Transcript of the earnings conference call is enclosed herewith and has been uploaded on the website of the Company i.e. www.menonbearings.in .

Kindly take the same on your record.

Thanking you,

Yours faithfully,
For Menon Bearings Limited

Siddheshwar Kadane
Company Secretary and Compliance Officer
Membership No : A72775



Menon Bearings Limited

Q4 & FY26 POST EARNINGS CONFERENCE CALL

May 19, 2026 2:00 PM IST

Management Team

Mr. Arun Aradhye - Whole Time Director and CFO
Mr. Aditya Menon - Promoter Group
Mr. Anshul Menon - Promoter Group

Call Coordinator



Strategy & Investor Relations Consulting

Menon Bearings Limited
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Presentation

Vinay Pandit:

Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the Q4 and FY26 Post Earnings Conference Call of Menon Bearings Limited. Today on the call from the management team we have with us Mr. Arun Aradhya, Managing Director, Mr. Aditya Menon, part of the Promoter Group and Mr. Anshul Menon, again part of the promoter group.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to brief us about the business and performance highlights for the period ended March 2026, the growth plan and vision for the coming year, post which we will open the floor for Q&A. Over to the management team.

Arun Aradhya:

Hello everybody, good afternoon. Thank you for joining us to discuss Menon Bearings Limited audited financial results for the quarter and full year ended 31 March, 2026. This has been a landmark year for the company. We have achieved significant growth across all key financial metrics, reflecting our strong position in auto component segment.

So, total income growth, our consolidated total income for '25-'26 reached INR 300 plus crores, a robust 23.16% increase over the previous year. So, far as profitability is concerned, our PAT for the full year stands at INR 38.25 crores, representing a growth of 53.41%, which is really phenomenal. So, far as quarterly performance is concerned, the fourth quarter was particularly too strong. On a consolidated basis, our PAT for quarter 4, '25-26 was upped by a remarkable 108.55% over last year, that is year-on-year. So, earnings per share has also gone up from INR4.45 to INR6.83 per share.

Now, coming to operational excellence and strategic updates, so, we have the performance overall driven by increased operational efficiencies and a focused approach to market expansion. We continue to operate within our primary segment of auto components where we are seeing sustained demand. Now, as a legal compliance, so the new labour code has been introduced by the government and the regulations have been issued in the month of April '25. However, we have taken proactive measures to see that the impact of the same is already taken care of and has been accounted for in the previous year, so, there is no

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further liability in this regard will be arising for the past years. That care has been already taken. So, far as gratuity and basic and bonus and all components are concerned, that has been already taken care of.

So, asset management is concerned, you see, our total assets stand at INR 267 crores. So, the asset turn is almost 1.5. So, far as bearings is concerned, asset turn is 2. Alkop it is 1.5, and brakes, it is almost 1, which is likely to be -- are targeting about 2 in the next year, including this year.

Looking ahead at '26-'27, we are extremely optimistic. Our new development parts pipeline is robust with 51 new parts across major customers like John Deere for India domestic and exports as well. Eaton, Taco Prestolite and Mayekawa representing a business value of almost INR 30 crores within this year and next year. Most of the items are under development. Some of them have been already approved by the customer. Some are in the commercial discussions.

With this, apart from this, in Bi-Metal division also, we are having a robust pipeline of more than INR 50 crores. And that for the breaks, it is almost INR 10 crores for the next two years. With this, we hope that there will be a question in your mind that whether we can sustain the performance that we have given in the last quarter. I am 100% sure with the business in pipeline and so many actions that we have taken in the past so far as material consumption is here raw material prices are going up, we were successful in passing on that burden of raw material to the customers to the larger extent. Maybe one or two customers are left and that will be completed during this quarter also. And again, we will be sustaining this because of increase in the overall turnover which we are targeting at a rate of 25% year-on-year for next few years. And you can calculate as to which volumes we can reach by 2028.

To be optimistic, we have in our mind estimate which depends upon the overall geopolitical situation and all these things. We should consider that. But we are very optimistic to see that. And we will take all-out efforts to see how we can reach INR500 crores by '28. So, there are several other customers and in conclusion, Menon Bearings is entering in the new financial year with strong momentum and healthy order book and a solid financial foundation.

I again assure you that considering the present situation going forward, we will be able to maintain EBITDA more than 20% and it should be about between 20% to 22% during next two years. We remain committed to delivering sustainable value to our shareholders.

Now, we will now open the floor for questions. Thank you very much.

Moderator: Thank you, sir. We'll now begin the question and answer session. All those who wish to ask a question, please use the option of raise hand and we will invite you to ask a question. You can also put your question in the chat box or in Q&A box. . We will take the first question from Agastya Dave. Please go ahead.

Agastya Dave: Am I audible?

Moderator: Yes.

Agastya Dave: Thank you very much, sir. Sir, congratulations on amazing performance, sir. Very, very well done, sir. And also, I would like to thank you for starting the concalls and appointing an IR agency, sir, putting up the presentations. It's very, very useful, sir. I really appreciate it. I've been tracking your company for more than 10 years. And I was a shareholder a long, long time back. And again, I'm a shareholder again. So, even in that time, you guys did very well, Sir. Even now you're doing very well. So, congratulations, sir.

Sir, one request. In the quarterly numbers which have come out, they don't quite tally with the format in the annual report. There are slight changes, reclassifications, especially in the employee expenses and the other expenses. It's difficult to tally if the two formats are very different. So, I would request, sir, for 2026 annual report and the subsequent quarters, if we can stick with one particular format, which is consistent across annual reports and also in the quarterly results so that we can tally individual line items. That would be of great help, sir.

Arun Aradhya: I know what is your observation that I also object and we have given a particular note in the presentation that has been submitted on website as well as uploaded on the BSE, NSE website also. We have given a precise note as to why there is a change. Last year the tooling cost so far as tooling manufacturing is concerned was shown under operating expenses. Now, it has been shown in the actually raw material consumption and that's why there is a difference and that note has been already given.

Agastya Dave: So, apart from that, there is one on employees also.

Arun Aradhya: So, that goes on varying. So, that we will be giving details in the AGM.

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- Agastya Dave:** Okay, perfect. It's a small thing, sir. I just wanted to make sure that I put that point across. Sir, given the new segments that you're working on and what has been written in the presentation about the new components that you're developing and the trials which are happening. After that, sir, how do you see the margin profile of the company changing? So, one is the operating leverage which will come in because you are growing volumes. Second is the mix change that you are undergoing. So, how do you see the margin, the gross margins and the EBITDA margins changing, sir?
- Arun Aradhya:** You see, so far as the new developments are concerned, more than 50% of the new business in the pipeline is exports.
- Agastya Dave:** Okay.
- Arun Aradhya:** That is for exports, where margins are always better than aftermarket or OEM. So, considering that we are 100% sure that we will not be only able to sustain the margin, but the margin should further improve.
- Agastya Dave:** So, this will be like 50 basis points every year or will there be a bigger jump because the other divisions will now start contributing quite meaningfully, right?
- Arun Aradhya:** You see, it depends upon exactly how the -- at what time the business starts. So, far as exports are concerned, because you see, we have already explained in so many meetings that once we received an inquiry, the total time for testing, validation, preparation of samples, submission and actual production, it takes a lot of time that is between six months to one year. So, depending upon when the actually the business of export starts, it is productionized. Depending upon that 15 basis points or even more than that, we can definitely, and I'm sure that it goes above 15 in the next year.
- Agastya Dave:** Great, sir. Sir, what is the planned CapEx for the coming year?
- Arun Aradhya:** Planned CapEx for Menon Bearings, it is a bearing division, it is a Bi-Metal division, INR25 crores for next two years. And for Alkop, it is INR7 crores and brakes, it is INR3 crores.
- Agastya Dave:** So, INR25 crores each for two years for Bi-Metal?
- Arun Aradhya:** For two years.
- Aditya Menon:** Combined together, two years.

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- Arun Aradhya:** So, INR12.5 crores, INR12.5 crores, and then INR7 crores.
- Arun Aradhya:** Maybe INR20 crores and plus INR5 crores, but taken together, it is INR25 crores for two years.
- Agastya Dave:** And sir, for the brake division?
- Arun Aradhya:** Brake division, it is INR3 crores.
- Agastya Dave:** INR3 crores, okay, perfect. One final question, sir. The one thing which is sticking out is the high interest expenses. Is there a particular reason for that, sir? Is there a way to control that? Any commentary on that part would be of great help.
- Arun Aradhya:** You see, since we have started the business and our exports have gone up, particularly in USA, the total turnaround time of debtors is more than 180 days. And the exports have increased substantially. So, increase in exports is more than INR3 crores. And if the turnover time of 180 days is there, so obviously the debtors, you can see from the balance sheet and this is one-off, and it is obvious. But at the same time, what we have done, since the interest subvention on exports is available by the government, they have made it available on our request, particularly on our company's request, Honourable Prime Minister has considered that, our Ministry of Commerce has considered, and they are now offering 2.75% subvention on export subsidy. Okay.
- So, we are going with PCFC limits, and we already talked, we have taken INR6 crores of loan from the bank so far as PCFC is concerned, which is available at the rate of 4% now, 4.70%,. So, over a period of time, when the total limits we are availing from the bankers is to the tune of INR25 crores so far as PCFC limits are concerned, so that the total cost at the rate of 4.70% instead of 8%, blocking will be higher because of debtors. So, we can bring down that total working capital limit, and at the same time, we'll be saving about 4% on working capital limit so that interest part of it will come down and whatever capex is that we are going to do that most of it will be financed with internal accruals.
- Agastya Dave:** Great, sir. Sir, I have other questions as well, but I'll go back in the queue and come back again. Thank you very much, sir.
- Aditya Menon:** Thank you.

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Moderator: Thank you. All those who wish to ask the question, please use the option of raise hand We'll take the next question from Garvit Goyal. Please go ahead.

Garvit Goyal: Hi, am I audible?

Moderator: Yes, Garvit.

Garvit Goyal: Hi, thanks for the opportunity. I'm a bit new to the company. So, just trying to understand what kind of new products are we currently working on? What are the sectors that they cater to?

Aditya Menon: So, primarily our main customers are in the tractor, HCV, LCV division, then generators, earth moving. In the recent three years, we've moved towards a little bit EV. We're making parts for -- we are like tier two supplier for Tesla through concentric pumps. We do -- we give parts to Eaton Transmission. They do parts for Porsche e-mobility. We also started supplying to Taco Prestolite, Tata Motors for their electric cars. So, we shifted a little towards EV. We entered new products that -- like new product, like Mr. Aradhye said, we've entered into the friction material. So, we're doing HCV, LCV, two wheelers now. Now, we entered new products into three wheelers. We're exploring railway. So, from August or like by end of this year, railway business would have been started.

In aluminium, we are diversifying into oil and gas, house automation. So, there's a different area of products which we are doing now.

Garvit Goyal: You mentioned about EV. What percentage of your revenue right now is coming from EV, sir?

Aditya Menon: So, aluminium division around 10% is coming from EV.

Garvit Goyal: Okay. And are we planning to enter into apart from the automotive sector, like the ones railway you mentioned, but again, it is into the mobility part of it, right? So do we have any plan to enter into precision manufacturing for aerospace or something like that? Do we have any kind of adjacent capabilities in that area, sir?

Aditya Menon: We are doing high-end technology. We can do aerospace parts. We have also entered aerospace. We're doing some parts for Honeywell for airport and aerospace solutions, but we have not entered it largely yet. But our company capability is there to do aerospace and we are exploring options, but we are doing few parts for aerospace.

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- Arun Aradhya:** Our capability is entering into aerospace, but what we are concentrating as in the initial discussion and in the speech, I told you that we are concentrating more on auto components. We're auto components focus industry and manufacturers.
- Garvit Goyal:** Understood. And so, what kind of demand scenario are we seeing in particularly in US market right now from the CV side of it?
- Arun Aradhya:** So far as USA market is concerned, our exports have gone up by almost 50% over last year so far as USA market is concerned and there is a lot of opportunities we are looking for. Apart from USA, we are targeting now European countries as well. Since European countries are looking to divert their volumes and businesses from China to India and they are tapping our doors and we'll be very happy to see that they come into our fold from the next year.
- Aditya Menon:** And as Menon Bearings has a good brand name, we are doing high-value parts for the last 30 years. Like Mr. Aradhya said, as Europe is looking for new vendors, new suppliers in India, touch wood last six months, we have got so many inquiries, we are getting overwhelmed by so much RFQs that are coming towards us. So Europe business also will start in the future. Today, out of the whole pie chart, we are doing around 35%. Out of 100, we are doing export and around 80% of export goes to Europe, but now we are seeing a lot of European demand and European inquiries coming. Maybe in the next 2, 3 years, Europe and - Europe also will have a good share in our export. Europe market will have a good share in Menon Bearings export. Thank you.
- Garvit Goyal:** And in Europe also like entirely we will be focusing on auto parts, right?
- Aditya Menon:** Yes, all our components, Bi-Metal division, aluminium division and brakes division.
- Garvit Goyal:** Good. That's it from my side, sir. Thank you.
- Moderator:** Thank you. We will take the next question from Akshay Jawahar. Please go ahead.
- Akshay Jawahar:** Hi. Thank you for the opportunity. I just want to confirm the margin guidance. So for FY26, you have done 22% and for '27-'28, we are basically estimating that each year there will be a minimum increase of at least 50 basis points, right?

- Arun Aradhya:** Right.
- Akshay Jawahar:** Okay. Thank you.
- Arun Aradhya:** We will certain that afterwards.
- Moderator:** Thank you. We will take the next question from Himanshu Upadhyay. Please go ahead.
- Himanshu Upadhyay:** Yeah. Hi. Good afternoon. Congrats on good set of numbers. See one - - hello. Am I audible?
- Arun Aradhya:** Yeah, yeah. Please go ahead.
- Himanshu Upadhyay:** Yeah. So one thing, one place which has still not done well for us has been Alkop. Okay. So in last 2-3 years, the expectation was this will grow at a much faster pace than our bearings business because it is at a very nascent stage and a lot of new product deliveries were to happen and development. But if you look at '24, it was around INR64 crores, INR65 crores and FY26 has shown some growth but the way the business was expected to grow, it has been slower and bearings has been the positive surprise for us. So bearings has done pretty well. So can you elaborate on what is the reason for that?
- Aditya Menon:** Last 2 years, if you say Alkop result, there has been growth but not as, what do you say, exponential growth as Menon Bearings. But this year, like how we mentioned, we have developed parts in the aluminium segment for various OEMs and different customers. If you see last quarter from January, you have seen there has been significant growth per month or quarterly growth in Alkop also.
- Arun Aradhya:** Particularly, if you refer to the fourth quarter of this year for aluminium, Menon Alkop is concerned, you can see there is a growth quarter-on-quarter to the extent of almost 25% and we are assuming a growth in Alkop for the next 2 years at the rate of 29%.
- Aditya Menon:** Actually, because of the war, a lot of delays were happening. A lot of aluminium parts which we made were new engines. So last 3 months have been quite, what do you say, the export routes have been taking delays. Customers have, last 6, 8 months because of war and raw material prices increased, Donald Trump's tariffs, so customers have been a little bit slow. So when our samples had to be delivered in January, they were okay for March. Because all customers could -- we

make small parts of one engine where customers require around 800 parts from different customers.

So that was taking time. But last quarter and this quarter, what all parts we have been developing, we are seeing that come into production. And last quarter and this quarter also, you will see a much significant growth for Menon Alkop also. And the next 2 years, Menon Alkop will be contributing as much as Menon Bearing in the whole pie chart.

Himanshu Upadhyay: Okay. And in the Bi-Metals, have you added many new customers because of which we are seeing so very good growth or it is the existing customers and the very good growth what we have seen?

Arun Aradhya: That is a mix of both, new customers as well as the existing customers of whom the business has grown substantially. And again, I repeat here that Alkop for next 2 years will grow at a rate of 29%. I am 100% sure because most of the items have been-- samples have been already approved. We are just waiting. In tranches, they will start issuing the orders so far as procurement is concerned. The only thing is that we are waiting for the orders now and it will be completed over a period of 2 years. And as I told you that there is a pipeline, assured pipeline of INR30 crores that can be completed within 2 years from now. As such, there will be a growth of, you see, I can tell you, we can reach more than INR120 crores in next 2 years so far as Alkop is concerned.

Himanshu Upadhyay: In braking business, the dynamometer, has it settled down and are the testing for the railways and NCV which were pending? What is the progress there?

Arun Aradhya: That is under production and we will be receiving it by the end of August and thereafter we will take up the business not only of railways but OEMs business also will be in our fold, I am sure. We had a meeting today morning itself. So far as railway business is concerned, we are already tied up with them. They are already inspected. They are just waiting for the arrival of dynamometer. After that, we will get the registration and vendor code number and we will start the business. May not be a large scale to start with but slowly we can take up with railways as well as OEMs.

Himanshu Upadhyay: And any specific reason so much delay in dynamometer because I think it was to have come last year by August?

Arun Aradhya: You see, , we actually ordered this machine or testing machine for (from) two other manufacturers but unfortunately they could not

complete because of certain reasons which cannot be explained here but now that is in progress and we are 100% sure that it will be completed by August.

Aditya Menon:

See, dynamometer is not an easy testing equipment. It is very expensive first of all and there are very few players in India who do it. And what technical specification Menon Brakes were demanding, few of the customers couldn't achieve it. So finally, we found a partner which is delivering the specifications which we want which can do even high-end railway parts like Vande Bharat and the new age trains. We just didn't want, if you are investing so much money, we wanted to have a technology that can help us for the next 10 years. So, a lot of back and forth with many companies and engineers and consultants and finally, we reached on a party which is delivering our requirements and that is coming in. At the same time, we developed new parts in brakes.

We entered a two-wheeler segment, three-wheeler segment. We have also submitted samples for OEMs and the dynamometer also is coming in August. And we are also, like Mr. Aradhye said, today we had a very positive meeting with the railway segment. So, that business also is looking forward. So, brakes also has a good future lining up.

Moderator:

Thank you, sir.

Himanshu Upadhyay:

Thanks.

Moderator:

Thank you. We will take the next question from Pritesh Chheda. Please go ahead.

Pritesh Chheda:

Yeah. Hello, sir. Sir, on the Bi-Metal bearing side, what is the dependence on CV and what is the dependence on factors in our business line, if you could share that mix? And second is, these material cost increase because I am assuming Bi-Metal means copper will also be a part of the raw material. So -- and there is a lot of inflation, this base metal. So, how do we handle the Bi-Metal bearing in terms of the growth next year and also the margin outlook considering the metal price being up?

Arun Aradhye:

Okay. There are two things that you firstly asked as to what are the segment wise revenue. Percentage, tractor it is 35% of the total revenue and HCV-LCV it is between 20% to 25%. Secondly...

Pritesh Chheda:

So, then what is the balance? 25% and 35%.

- Arun Aradhya:** So, brakes is 20%, transmission is 15% and other engineering goods and electricals, etc., that is 10%.
- Pritesh Chheda:** So brakes will then be a part of some auto, right?
- Arun Aradhya:** Brakes, , braking system, not brake liners. This is our Bi-Metal, we are telling you.
- Aditya Menon:** Bushes go wherever rotation is there, but it goes in HCV, LCV, brakes India gives to all segments. But as primary OEM, 35% is tractors, 25% is HCV, LCV, then 25% is brakes usage, 15% transmission, we give to Allison Transmission, Magna Transmission, and rest is 10% is electrical application and other industrial application where we give our products. So, that's the whole application pie chart.
- Pritesh Chheda:** So, I am assuming that this brakes and transmission where you are secondary supplier in turn goes to auto. So, auto will be like 90%, right? And in that, if one has to look at in that 90%, how much is HCV and tractor, will it be similar as you are a primary in turn secondary also will come out to be a same breakup?
- Aditya Menon:** Similar breakup, I would say, not same.
- Pritesh Chheda:** Okay, done. Yeah. Similar. Okay, no problem, sir.
- Arun Aradhya:** Yeah. So, as far as raw material is concerned, you can see raw material prices are not increasing now only. Since October, they have been increasing like anything and we have already passed on that burden to the customers. We are having pre-decided formulas, RM indexing is there, raw material indexing is there. And accordingly, we are passing on that burden to customers, not to worry about the margin.
- Aditya Menon:** For your better understanding, before we used to have a delta. So, three months, the prices have increased, we bear it. The whole in one, one and a half year is equal out. Some three months the customer bears it, some we bear it. But now as prices are more volatile and increasing significantly, every day the management, our marketing teams are having chats with the customer, how we can reduce this delta from three months to per monthly basis or how we can reduce the burden which is bear by the company even more. But whatever raw material increase happens, the customer bears it because we are supplying high-end technology parts to them. And we are their partners. If our products don't reach, their assembly lines stop. So, they have a bigger cost if that

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happens. So, customers and us, we have a very good relation. We work in tandem and they give us raw material price increase. But as Menon Bearings, as management, we are trying to make this gap as small as possible.

Pritesh Chheda: Okay. And the growth outlook in the Bi-Metal Bearing, considering FY26 was one of the best years for tractors and HCVs?

Arun Aradhya: So, we could not get your question.

Aditya Menon: Growth this year also for Menon Bearings has been significant. Next year alone also, we are growing at 25% -- 23% next year also. But I would like to clarify one more thing. I have always said it in our investor meetings. Our top management or our company philosophy is growing sustainably. If you look for the last 10 years, 15 years, our EBITDA margins have remained the same. Our top line must have not grown so aggressively, but our profit margins and EBITDA margins have remained the same.

So, when we are talking about growth, our policy, our philosophy of our company is to have the same margins. So, tomorrow when Mr. Aradhya says we will reach 500, we are going to maintain similar EBITDA and profit margins. So, we take different policy matters to grow sustainably. So, we don't get greedy behind growth or top line or one customer, we get big business. So, no customer has more than 15%.

Arun Aradhya: As you said, we are not after volumes. We are balancing between volumes as well as margins, so that we are certain in that over a period of pattern. And we will certain it in future as well.

Aditya Menon: None of our customers has more than 15% market share, like share of the company. So, we are not dependent on one customer or like you might say like auto is a big margin. So, we have a good diversification of tractor companies we give to, good diversification of import and export. So even if one cycle is down, we are not affected as a company as a whole in a bigger picture. So, we take care of all of that and take decisions accordingly.

Pritesh Chheda: Okay. So, just one last question on Alkop. We are at 2,000 tonne capacity, right?

Arun Aradhya: That is actually 1,450 tons capacity, but we are having another spare holding furnace. So, we can double that capacity at any time

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considering the volumes and future that we will have to install that capacity as well and start production on that.

Aditya Menon: So, more than 2,000 tonnes if required. Currently we are operating at 1,500 tonne.

Pritesh Chheda: So, 1,500 tonnes per annum, right?

Arun Aradhya: Yes. Yes.

Pritesh Chheda: 1,500 tons per annum and what is the utilization?

Arun Aradhya: Utilization as of now is 65% and it is likely to go up to 90% by the end of this year so that we will have to engage another furnace next year.

Pritesh Chheda: Okay. Thank you very much, sir.

Aditya Menon: Yeah. And Mr. Chheda, I would like to like, if aluminium for at least Menon Alkop, don't try to calculate by tonnage. Because if you see any of our competitors in the market, basically I will say before price increase, aluminium was for INR200 a kilo. Average realization if you see competitors, even big players, they do around INR450, INR500 is higher end. Average realization of value addition is INR200 or INR250 more, where Alkop's average realization is INR750, INR700. So, we are focusing on very critical high value parts. So, tonnage calculation won't give you correct, like, if you go try to reverse calculate, it won't give you, you won't come to our figures.

Arun Aradhya: So what we are telling you that we are not after volumes, we are balancing both the games, you see, volumes to the certain extent, which can fetch us margins which are sustainable.

Aditya Menon: And even if you see in the aluminium division, big companies, I don't want to take my competitor's name, they are working at 6% and 8% margins, where in the aluminium division also we are working at around 20% margins. So, that's the difference between Menon Alkop and other players in the market.

Pritesh Chheda: Okay. Yeah.

Moderator: Thank you, sir. We'll take the next question from Raghav Maheswari. Please go ahead.

Raghav Maheswari: Hi, am I audible?

- Arun Aradhya:** Yes.
- Raghav Maheswari:** Yeah. Hi, sir. Thanks for the opportunity and congratulations on a great result and great FY26. So, sir, first of all, I wanted to understand, like you mentioned repeatedly that you were able to pass on the raw material price hikes to the customers, but just wanted to understand a little bit, what's going on in the industry? How much of the price hike were you able to see? Like, I know you have passed it on, but how much was the raw material inflection?
- Aditya Menon:** It was significantly high this year. Aluminium also, we used different alloys and different grades technically, but some grades that cost INR 240 a kilo went to INR 280. Copper rate, everyone knows.
- Arun Aradhya:** Last month it was INR 1,210, now it has risen to INR 1,275. So it is fluctuating according to the geopolitical situation and market. So, they are very volatile. We cannot say if it has gone up to INR 1,275, maybe in the next week it will go down to INR 1,215 as well.
- Aditya Menon:** But this price around one year back was INR 900. So, if you see, there has been a significant jump, but we have to buy, we do buy every month or quarterly. So, these prices have been very volatile, but customers, because we are doing high value addition and our customers are OEMs, we are not doing any, like, I don't want to say riff-raff, but all our customers are A-grade customers. They also appreciate our effort and they give us, we have a very good relation for the last 30 years and they support us for this price increase.
- Raghav Maheswari:** And any difficulties or challenges you are facing or you might face in sourcing the raw material apart from the price hike?
- Aditya Menon:** No, sourcing is not an issue. Pricing is the issue. But there are some logistic issues now because of the war, logistic lines are taking a little longer. So, now because of that, we have to be proactive, be in touch with the logistic partners more often, try to get the best routes. So, from that end, we are spending more energy and time making sure all that happens on time, where before the war it was more smooth situation.
- Arun Aradhya:** That is more or less true so far as exports are concerned. Most of the raw material required, we are procuring it domestically. So, the war like situation and geopolitical situation doesn't affect much so far as our industries are concerned, except for Alkop some imports we have to do.

So, we have to take a little more effort so far as certain material is concerned, but overall situation is normal for us.

Aditya Menon: We have to be more proactive and monitor the situation better.

Raghav Maheswari: Understood sir, that helps. And sir, in the last con call, you said that exports, you are targeting almost 90% to 95% of exports, you want to build it ex-works. So, how far are we in that?

Aditya Menon: We are working, most of our export orders are getting converted to ex-works. Around 80% of our orders are ex-works, remaining 20% we are in talks. So, it's not very easy. Some customers are...

Arun Aradhya: What happens, you know, when we are discussing and negotiating with such customers where our quantum of business is too high and where our terms are DDP that is delivery duty paid. So, we are talking to them and at the same time they are asking for reduction to the extent that we cannot afford. So instead of that, better we continue with DDP terms. That is what is happening. But when, like I am visiting USA next month, maybe Canada next month and USA month, then we will have talks with them and we will see what best we can do. Whether it can be from 80% we can move it to 90%, let us see.

Aditya Menon: But majority of our exports still out of 100%, 80% is ex-works. So, that is still very, we are in a very good position where we are not letting a third party like a war or a third -- so, external factors affect our quality and delivery timings. So, what 80% is left, we are still negotiating and trying our way how we can get ex-works.

Raghav Maheswari: And that is yet to reflect in the trade receivables?

Arun Aradhya: Yes, yes.

Raghav Maheswari: Understood, sir. And sir, also second thing...

Moderator: Raghav, may I request you to rejoin the queue. There are other participants.

Raghav Maheswari: Sure, sir.

Moderator: Thank you. We will take the next question from Murtaza and I would request the participants to limit their questions to two per participants.

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- Murtaza:** Hi, sir. Good afternoon. Thank you for the opportunity and congratulations on a good set of numbers. I had a questions. So, firstly, just continuing the previous participant, like what is the time lag we have in terms of passing on the cost? Is it a month or a quarter? How do we do it?
- Arun Aradhya:** Quarterly.
- Murtaza:** Okay, quarterly. And sir, secondly, earlier we had mentioned that we are trying to improve our asset turns to somewhere around 2 to 2.5. So, like what sort of timeline, and are we on track and what are the key changes or steps we are taking in?
- Arun Aradhya:** So, we are right on track. You see, for the next two years, what I already told you that there is a growth of 25% envisage year-on-year. With that, we will be able to on overall consolidated basis, we should be able to reach asset turnover of 2. By '28, we should be reaching that 100%.
- Aditya Menon:** And you mean by efforts, we take efforts on a daily basis, we are doing daily monitoring, there is technology upgradation, training of our teams. So, a lot of effort taken by the management to make sure that we are achieving these set of numbers.
- Murtaza:** I appreciate that effort. And lastly, just also wanted to understand earlier in last quarter concall regarding the PTFE bush opportunities for the EVs, we had sent some samples. So, I just wanted to know, like how is the -- have we received the approvals? How has it been, needed some commentary if you can?
- Arun Aradhya:** You see, total inquiry process, PTFE bushes is for seven parts. Out of that one part, they were initially asking us to provide the samples which has been approved by the European country. And their Vice President is visiting Pune office, Pune manufacturing facilities of that customer by 26, where our marketing manager will visit them. And we'll take it forward. And for once that approval that they have, orally they have received the communication that the sample is approved. Now, that Vice President will put up another inquiry for remaining six parts so far as PTFE is concerned, and those all will be manufactured by us, samples will be sent to European countries. And once that is approved, then maybe for so far as one lakh of bushes per month is concerned, we will be getting that order within a month or two. And for rest of the items, those samples will be sent to them. And we are likely to get that order to be productionized by this year. And that quantum will be about six lakhs of pieces per month.

Aditya Menon: And there is significant growth in the PTFE industry also like the newer age engines will be moving towards PTFE and new coatings and new technology. And last three, four years, Menon Bearings, we have, as a team working very hard on this technology. And finally, we have perfected it, I would say. So moving ahead, lot of growth will be there in this segment. Because the newer age engines required this. And that's why like Mr. Aradhya said, European companies are interested now and we are submitting our samples. So in the next two years, you will see a growth in this PTFE market also. The last three, four years of R&D and research in PTFE is benefiting us now.

Murtaza: Sure, sure. Thank you very much. Just one final question. I guess earlier in the investor presentation, we were exporting South Africa via our Dubai distributor. So I just wanted to know because of the disruption of the West Asia war. So have we changed our path to it? And how are we planning on doing it?

Aditya Menon: No, we still are doing export through Middle East only. Because we have not -- we had past a bad experience directly working in Africa during payment conditions and all. So this merchant exporter gives advance payment which goes to Africa. So now the time period is longer, the consignments are going. Before it went three times a month, is going once a month, because of congestion in the Dubai ports and Middle East ports. But work is happening through Middle East only. We are -- we want to be safe. We are doing -- we have certain payment terms and conditions which we are focusing on. And we don't deviate from that.

Arun Aradhya: I think you're targeting the question is actually the material that we are sending to African countries through Dubai?

Murtaza: Yes, yes.

Arun Aradhya: So what has happened so far as Dubai is concerned, they export to African countries through Dubai. For last three months, we have -- that export is halted. That has affected to the extent of almost INR2 crores of business that we have lost during last three months. However, at the same time, that has been compensated by customer for African countries. We have got orders of almost INR6 crores for the entire year. And here the merchant exporter is lifting the material from us and sending directly to African countries. And from the merchant exporter, we are getting the payment in advance. So overall, there is no impact on our sales or volumes as such.

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- Murtaza:** Sure, sure, sir. Thank you very much. All the best for the future.
- Aditya Menon:** Thank you.
- Moderator:** Thank you. We'll take the next question from Ajay Sharma. Please go ahead.
- Ajay Sharma:** Yeah, I just want to check for Alkop. You have mentioned that almost INR50 crore to INR60 crore revenue will come from just one single customer. Is that correct?
- Aditya Menon:** Not one single customer. There's John Deere, there's Honeywell, there's Taco Prestolite, there's Eaton, there are many customers. But we developed a lot of export parts. Like when I say John Deere, there's John Deere plant in Mexico, there's a John Deere plant in USA, there's a John Deere plant in Europe. So it's not one plant like and that one plant does INR2,000 crore turnover. So if you see that there are 10 different customers, which we are developing parts for. So the next two years growth, there are different segments. So John Deere is one of the larger players, but we are developing parts for Honeywell, Concentric, Taco Prestolite.
- Arun Aradhya:** In the initial speech, what I told you, that I will repeat it again. New development parts pipeline is robust with 51 new parts across major customers like John Deere for domestic as well as for exports. Then Eaton, Taco Prestolite and Mayekawa representing the business value of more than INR29.69 crores so far as aluminium business is concerned. And that all will be productionized in this year as well as some part of it will be in the next year. So overall INR30 crores business pipeline in Alkop is pending and will be completed during these two years. Okay?
- Ajay Sharma:** Yeah, got it. And for Bi-Metal, I guess you're targeting 23% growth, right? And so where is the additional growth coming from?
- Arun Aradhya:** There are so many customers and pipeline is very large, you see. So entire page is there, almost more than 28 to 30 customers are in pipeline. We have received RFQs, not only received RFQs, some of the commercials have been already finalized. Some of the samples have been already sent. Some of the samples have been already approved and we are getting orders from them one by one by one. And during next two years, including this year, I hope that the new addition into Bi-Metal business will be more than INR50 crores.

Aditya Menon: Like Mr. Aradhya said, today's meeting that happened for new business, that business will get actualized after 2.5 years. So what growth we are seeing today is last two years' effort. So today what new business we're looking at because it's an engineering and very technical product. There's a lot of time that goes in developing the parts, then testing validation. Then they have to get all the new engine parts from all their suppliers. Then six months testing, then they start business in a small way. If the order is 10,000 pieces, first month they don't do 10,000 pieces, they start with 2,000 pieces, then 4,000, then 8,000. So the quantity increases. So it takes a little bit more time.

So in the Bi-Metal bearing, it takes around nine months from start to order. Maybe in the aluminium division, it takes a little longer time, around 12 to 14 months from start, from the day we get RFQ till we (the) start of business happens. And these external factors like the war and et cetera doesn't help in the situation.

Ajay Sharma: Okay. Thank you very much.

Aditya Menon: Thank you.

Moderator: Thank you. We'll take the next question from Divyansh Gupta. Please go ahead.

Divyansh Gupta: Hi, I just have one question. In the revenue split that we have given, right? So there is OEM replacement and aftermarket, OEM, aftermarket and exports, but there's also another line others. So what is this others?

Arun Aradhya: That is industrial, industrial, generators, compressors, fans, coolers, et cetera.

Aditya Menon: A lot of air conditioning, our bushes go for a lot of air conditioning applications. Air conditioning, industrial fridge, those go in hotel industry.

Arun Aradhya: In compressors, generators, yeah.

Divyansh Gupta: And how do we see the growth of this segment? Because let's say now with all the power demand, both on consumer side and on industrial side.

Arun Aradhya: You see, we are already issued RFQs from compressor division like Mayekawa, they are into -- Japanese companies, they are into

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compressors. Similarly, we have got inquiries from Mahindra for their generator sets and that will be completed within this year itself.

Aditya Menon: So from the auto segment also, we are looking at other options to diversify and grow also. Like how real estate boom is happening in India, everywhere electricity is required, almost all buildings, restaurants need a generator. So this growth is going to get bigger and bigger in the future. So we are looking at different companies, different applications where we can help and support.

Arun Aradhya: And apart from that, we are already supplying to PICL that you said -- Mr. Aditya told you regarding air conditioning. That is a huge business we are receiving and it is increasing, every month that is increasing. Apart from that, so many compressors and generator sets, we are receiving the inquiries like we are already into Cummins, then into Mahindra, then other, Mayekawa is also there so far as compressors are concerned. And those inquiries are being floated to us and we will take care of.

Divyansh Gupta: Got it. And this 10% revenue in this, 11%, 12% roughly in this.

Arun Aradhya: What happens when this revenue also goes up, at the same time, domestic and export is also increasing. So that it remains.

Aditya Menon: The pie chart stays same. If you see the pie chart for last 10 years is similar, but now we have reached INR300 crores, but the others also remain same, similar percentage.

Arun Aradhya: When you see the pie chart, our aftermarket is almost stagnant, 8% over last 4, 5 years. But the business has gone up from INR10 crores to now INR16 crores over last 4 years.

Aditya Menon: And we are targeting even more.

Arun Aradhya: Pie will remain same.

Divyansh Gupta: The overall pie is going up. So that's why. So the question that I follow up is that this, let's say 8% or 9% for this year, this is completely in Bi-Metals business or it's also split across?

Arun Aradhya: No, no, that is so far as Bi-Metals is concerned.

Aditya Menon: In aluminium division, we don't have any aftermarket.

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- Divyansh Gupta:** No, no, I meant for this others business.
- Arun Aradhya:** Other business that is so far as Bi-Metal is going.
- Divyansh Gupta:** Got it.
- Moderator:** Thank you. Sir, we'll take questions from the chat. Sukanya Tripathi has a few questions. First of all, what's our current order book and what size of orders are we looking to close over the next three to six months?
- Arun Aradhya:** You see, our current order position is more than INR32 crores. Out of that, we'll be serving almost more than between INR30 crores to INR31 crores on a consolidated basis. Going forward, what we feel that we'll be targeting almost INR190 crores for first six months.
- Moderator:** Okay. Her next question is what would be the industry mix in this product mix?
- Arun Aradhya:** Sorry?
- Aditya Menon:** Industry mix?
- Moderator:** What will be the industry mix? How much would be auto, how much aerospace, how much railways?
- Aditya Menon:** All the three divisions have different applications. Like Bi-Metal, like you mentioned before, tractor is 35%, 25% will be LCV.
- Moderator:** She's specifically asking regarding the order book. So, how much will be auto, how much aerospace and how much railways?
- Arun Aradhya:** Truly speaking, we are not bifurcating order book solution into auto and HCV/LCV.
- Aditya Menon:** Once the sale happens, then only we consider it.
- Arun Aradhya:** But overall, Mr. Aditya will tell how much will be the auto, what will be the home applications, what is the pipeline business, tractor business. He will let you know accordingly and it will remain more or less constant. Okay.
- Aditya Menon:** Roughly, I'll give you an idea about our order book. Out of 100% of our order book, around 60% is export, 40% is domestic. So, you can get a better understanding on that. 60% export, 40% domestic. Majority of it

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is from the auto industry. We are doing like tractor, we are doing HCV, LCV and a lot of transmission work. So, that is one. We are also doing around 10% of the new order book is from EV. Like you mentioned, we are giving parts to Tesla Motors, to Porsche e-mobility.

Now, we entered Tata Motors for Tata electric vehicle parts. So we have entered this as a new client to Taco Prestolite two years ago. We were only doing two parts with them. Now, we do more than four parts with them. We've gotten more four RFQs with them. So, in the near future, even the EV presence of Menon Alkop will increase. So, this is like a basic. Once railway start -- we're doing zero business till now for railway. So, we are finished our registration with railway. Railway people visited our plant for audits. So in the near future, even railway business will start from like 5%, 10%. But we are looking for railway business in the future also to increase.

Arun Aradhya: Overall, on a consolidated basis, auto will be 75% and 25% will be rest on a consolidated basis.

Moderator: Okay, sir. She further asks, you had earlier guided for INR 350 crore revenues in FY27. Are we maintaining the same or is there a material upside to this number?

Arun Aradhya: What I feel that we should be exceeding that target.

Aditya Menon: I just want to say now we are with Kaptify also for the last 3-4 years. Two years ago, we had submitted. I don't know who all are following the company for a long time. We had given a figure of INR 275 crore for this year that we have already achieved.

Arun Aradhya: And which were subsequently revised to INR 290 crores.

Aditya Menon: Our management, everything working together, we have exceeded the number by INR 25 crore. So, if number is INR 350 crore, I am pretty confident. Mr. Aradhya was saying we will surpass that number. By how much that we have to see next year? But we will be surpassing that number also.

Arun Aradhya: Precisely, what we have estimated is more than INR 360 crores.

Moderator: Okay, sir. And her last question is, I understand that we will maintain EBITDA margins about 20% now. However, we did 25% in Q4. So, suffice to say that depending on the export mix in that quarter, our

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profitability number may move in a range of 22%, 25%. Is that correct, sir?

Aditya Menon: Yeah, that is correct. Depending on what kind of high volume products come.

Arun Aradhya: You see, sometimes what happens that raw material goes up and we can pass on that burden in the next quarter. In the meantime, we have to sustain that burden. And maybe temporarily it can come down and subsequently it can go up again. But overall, we can tell that we will be able to sustain EBITDA margins to the extent of 20% to 22% overall for the entire year on a safer side or on a conservative side.

Aditya Menon: If the environment, the external factors are in our favour, it should be higher.

Arun Aradhya: You see, electricity is going up. Labour cost is going up. New labour code has been implemented. All these costs need to be considered while calculating the EBITDA margin so that on a conservative basis we can say that -- we can certain between 20% to 22%.

Moderator: Thank you, sir. We'll take the next question from Manas Jain. Please go ahead.

Manas Jain: Hello. Just I mean, coming to the same question of EBITDA margin, I just wanted to understand this quarter is purely there is no one-off. It's just pure operating leverage coming out just for academic purpose.

Arun Aradhya: So that is, you see, our production capacity is something during the previous quarters, you will see the utilization. Utilization was about 60% to 70% or maybe about 75%. Now we are up to the production targets and capacity utilization to the extent of 85% in Bi-Metal. In aluminium, we incur capacity utilization gone up from 45% to 60%. Similarly, in brakes also, we increase the capacity by almost 1 lakh of pieces per month and that capacity utilization also has gone up. What happens, when the production capacity utilization goes up, the productivity increase. The expenses related variable expenses to some extent increase, but the fixed cost remain the same. So the total cost of production goes down and because of that, we get sustained margins or overall margins are increased.

So overall, when the production volumes are high, sales volume is high, then we can have better margins as compared to the corresponding period of last year or previous month.

- Manas Jain:** Got it. So it's operating leverage basically.
- Aditya Menon:** It's operating leverage, but all different parameters.
- Arun Aradhya:** I explained as to how we achieve that.
- Manas Jain:** Okay, perfect. Thank you.
- Moderator:** Thank you. Sir, since that was the last question, would you like to give any closing comments?
- Arun Aradhya:** So in conclusion, Menon Bearing is entering the new financial year with strong momentum, a healthy order book and a solid financial foundation. We remain committed to delivering sustainable value to our stakeholders, shareholders. And I thank you for both the promoters to be present in the meeting and guiding you people as well as imparting the information they have got.
- There is good progress [ph](58:16) here so far as the performance of the company is there. And overall, I'm sure with support of all of you, by the grace of God, whatever we have decided to grow at the rate of 25% and our optimistic target, if something doesn't go wrong, we should be able to reach INR500 crores. And with this, I thank you once again for participating in the meeting and then asking us some leading questions so that we can think upon that. Wherever improvements are required, we will definitely improve. And in the next meeting, whatever the questions you have left, those will be answered in the next meeting. Thank you very much. Have a good day.
- Aditya Menon:** Thank you. Thank you so much.
- Moderator:** Thank you to the management team and thank you to all the participants for joining on this call. This brings us to the end of this conference call. Thank you.
- Arun Aradhya:** Thank you. Bye-bye.