



USHA MARTIN LIMITED

Q2 & H1 FY26 Earnings Conference Call Transcript

November 10, 2025

Moderator: Good morning, ladies and gentlemen, and welcome to the earnings conference call of Usha Martin Limited. As a reminder, all participant clients will be in the listen only mode. 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 your touchstone phone. Please note that, this conference is being recorded.

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

Devrishi Singh: Good morning, everyone, and thank you for joining us on Usha Martin's Q2 and H1 FY '26 earnings conference call. We have with us Mr. Rajeev Jhawar – Managing Director of the Company; Mr. Abhijit Paul – Chief Financial Officer; and Ms. Shreya Jhawar 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 have the forum open for a 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 Jhawar to make his opening remarks.

Rajeev Jhawar: Good morning, everyone. On behalf of the management team of Usha Martin, I would like to welcome you all to our earnings conference call. I will begin by sharing some updates on our operations and strategy, following which our CFO, Mr. Abhijit Paul, will take you through the key financial highlights.

We are pleased to share that Q2 FY '26 reflected steady financial progress and disciplined operational execution. Consolidated revenues for the quarter stood at INR 908 crore. The Wire Rope business continued to deliver a steady performance, recording a 2.6% year-on-year growth in revenues, driven by healthy contributions from the elevator and crane rope segments.

The Wires segment delivered a 14.2% year-on-year revenue increase, reflecting sustained demand and momentum. Meanwhile, the LRPC division reported a 26% year-on-year decline.

The operating EBITDA for the quarter stood at INR 173 crore, with a margin of 19.1% and EBITDA per ton stood at approximately INR 35,000 per metric ton. The improvement was aided by a favourable mix and ongoing cost efficiency. Margin percentage was further supported by temporarily lower LRPC volumes. As LRPC volumes recover in the coming quarters, margins may moderate from Q2 levels. However, absolute EBITDA is expected to increase on higher throughput.

With regards to the balance sheet, we continue to strengthen our financial position. During the first half of the year, we repaid INR 157 crore of debt, fully funded through internal accruals. Operating cash flows before tax stood at INR 390 crore, translating to a robust 123% conversion of operating EBITDA to cash flow. As a result, we closed the quarter with net cash position of INR 111 crore and a healthy ROCE of 20.3%.

These metrics also reflect the early impact of our One Usha Martin transformation journey. Over the past year, the initiative has evolved into an integral way of working, aligning our global teams and operations under a unified vision and driving sharper execution and stronger financial discipline. While we had earlier indicated that benefits of this transformation would become visible from second half of FY '26, we are encouraged to note that, early signs have already emerged in Q2.

That said, an area where we believe there was room for improvement this quarter was in volume performance. Volume growth during the quarter was below our expectations, particularly in the rope and the LRPC segments.

Looking at rope first, this was driven by a few key factors. Number one, this quarter, our rope portfolio tilted more towards high performance and value-added ropes. These products command stronger realizations and profitability, though they inherently yield lower output given their specialized manufacturing processes. While there were opportunities to scale up general purpose rope volumes, we chose to maintain our focus on an upgraded product mix.

Number two, while most of our capex is complete, a few machines for high-performance ropes, which were expected to come online during quarter 2, faced slight delays in commissioning, which impacted volumes. These are now expected to be operational in Q3 and will help further optimize product mix and throughput in quarter 4.

Number three, the domestic market volumes in rope were relatively subdued during the quarter versus last year's strong Q2 base, partly due to delayed monsoon and a softer demand environment. We are, however, beginning to see a gradual pickup as post monsoon activity resumes.

Number fourth, demand in Saudi Arabia, which we have identified as a key volume growth driver is improving, but at a slower-than-expected pace. Our teams are actively engaging with key stakeholders to accelerate traction and

ensure we are very well positioned in this market, as project activity scales up and oil and offshore segment recovers.

Now on the LRPC front, volumes were impacted by the extended monsoon, which slowed down infrastructure activity during the quarter. On the positive side, we are in the final stages of approval with a key customer for our value-added LRPC range. This milestone will enable us to expand our presence, both in India and export markets in the coming quarters.

Overall, Q2 volumes were softer than expected due to short-term operational and market factors, and we expect higher throughput and growth in the second half.

In conclusion, the progress we have made across capacity expansion, product development, market diversification and One Usha Martin continues to strengthen our growth foundation. These initiatives are helping Usha Martin reinforce our leadership in the Wire Rope industry. With a strong balance sheet and a clear strategic direction, we remain confident in our ability to deliver sustainable and profitable growth in the coming years ahead.

With this, I would like to now invite our CFO, Mr. Abhijit Paul, to present the financial highlights for the quarter. Thank you.

Abhijit Paul:

Thank you, and a very good morning to everyone. I will now provide a brief overview of Company's operating and financial performance for the quarter and half year ended 30th September 2025.

In Q2 of FY '26, our consolidated net revenue from operations stood at INR 908 crore as against INR 891 crore in Q2 of FY '25. This performance was driven by a healthy 14.2% year-on-year growth in the wire segment, while Wire Rope segment, which accounted for around 74% of total revenues, registered a stable 2.6% growth on a year-on-year basis.

Operating EBITDA at INR 173 crore compared to INR 161 crore in the same quarter last year, with margins improving to 19.1% from 18%. Net profit from continuing operations for Q2 FY '26 stood at INR 128 crore, up from INR 109 crore in Q2 of FY '25.

For the half year, revenue from operations was INR 1,795 crore as against INR 1,718 crore in H1 FY '25, registering a 4.5% year-on-year growth. Operating EBITDA rose to INR 318 crore compared to INR 315 crore in the same period last year, while PAT from continued operations improved to INR 228 crore versus INR 213 crore in H1 of FY '25.

During the quarter, we recognized an expense of INR 17.8 crore towards additional expenditure, likely to be incurred related to transfer of certain land parcels to Tata Steel relating to erstwhile sale of Steel division. The same has been reported under discontinued operations. We would like to mention that our operating cash flow will not be impacted due to this as we have amount receivable from Tata on this account.

We would like to highlight that overall fixed expenses have reduced significantly compared to last year, driven by various initiatives under the One Usha Martin program. These include the establishment of a shared back office in India, optimization of treasury operations across group companies, centralized negotiations with vendors and an increased focus on cost awareness across the organization. As a result of these efforts, we are able to reduce our fixed expenses by more than 10% compared to FY '25.

On the balance sheet front, overall net working capital has reduced by over INR 108 crore from the peak of December '24 due to improved net working capital management. While the absolute level has come down, working capital days have increased primarily due to higher base in September '24 as the metric is calculated using average net working capital over the past 12 months.

Free cash flow for H1 FY '26 was INR 229 crore, which helped us to reduce our debt significantly. Gross debt decreased from INR 338 crore in March '25 to INR 181 crore, as on September '25. This has helped in meaningful reduction of finance cost.

To conclude, the strategic groundwork laid under One Usha Martin transformation, together with our disciplined financial approach, continues to strengthen the Company's foundation for sustainable growth. With steady demand across key markets, improving cost competitiveness and robust balance sheet, we are confident of delivering a stronger performance in second half of FY '26. Thank you and over to you.

Moderator: We will now begin the question-and-answer session. The first question is from the line of Balasubramanian from Arihant Capital.

Balasubramanian A: My first question, - we have delivered an impressive 19.1% margin, majorly led by lower sales in the lower margin LRPC segment. So when the LRPC sales normalizes, what is the sustainable EBITDA margin for the core business? And how much of the recent margin expansion is structural, especially from the product mix and cost savings versus cyclical in terms of raw material prices?

I think earlier you had guided 18% margin in FY '26 and 19% to 20% margin in FY '27; could elaborate more on in terms of product mix shift, operational leverage from new capacities, gross cost savings and the net impact of geographic mix in terms of contribution?

Rajeev Jhavar: Thank you for your question. As we mentioned in our opening remarks, our performance is expected to improve in the coming quarters. So, our overall EBITDA will definitely go up, whereas the absolute numbers per ton may reduce. This is a consistent line from our previous quarters as well. This is point number one.

Point number two, as our CFO mentioned, the INR 35,000 per metric ton or 19.1% is a result also of the One Usha Martin initiatives, which has helped us to reduce our fixed cost by approximately 10% over the previous year. So, that

has also contributed. So, it is a mix of the LRPC, as well as advantages gained from One Usha Martin cost optimization that is definitely helping us.

Going forward, as we see the volumes ramped up in the Wire Rope segment, including product mix improvement, which is part of our constant endeavour, we should be able to meet our earlier projections of maintaining the EBITDA levels you articulated. So, we are on line to achieve those numbers even in the coming quarter.

Balasubramanian A: Okay. My second question; - the share of international business has increased to 58%. Which specific geographies, - like Europe, Americas or APAC are driving this growth? And which are the key target markets for the future? Also, are you seeing any signs of demand softness in your key international markets?

And secondly, you mentioned about flexibility to shift production to the UK to mitigate US tariffs. But right now, it does not seem cost effective. What is the EBITDA margin differential between supplying the US from India and Thailand versus from the UK? And what level of tariff or change in cost structure would make the shift to UK production happening maybe in the future?

Shreya Jhavar: Thank you for your question. In terms of the international market, which now contributes 58% of the total topline, the growth has been driven primarily by Europe and US. Europe accounts for 28% of our total topline and the Americas, including US, Canada, and Latin America, together make up 9%. Both have contributed to our growth.

Firstly, with regard to the US market, our performance both in terms of topline and bottom line has been better one compared to the last year. In terms of tariffs, shifting production to the UK is something that we have not done, and it is not something that is in our pipeline right now. The tariffs have largely been passed through to the end customers. So, what is happening in the end market is, the overall price levels have gone up, but it has minimally impacted our margins. So, little or no impact, I would say.

Secondly, in the US, in terms of the demand momentum, what you asked, we have won some new customers as well as contracts, which we were able to secure earlier this year, because of that, we have quite a good and stable order flow in the region. And like I said, US is one part where, of course, there is still uncertainty. So far, we have managed it well. But our goal is that in the Americas, we also look at Canada and Latin America, whether it is Brazil, Chile, Peru, Mexico, as these are important markets as well, which will help us grow our overall share in that region.

Secondly, when it comes to the European market, as you mentioned, the integration and the model changes at Brunton Shaw that happened over the last year have helped us. The direct shipments from India, from our Ranchi facility to Brunton Shaw have started. That has made us more competitive and helped us reduce our lead time as well, which is translating into overall better

order flow and helping us win new customers as well as serve our existing customers.

The demand momentum is fairly stable to positive, I would say, we are seeing demand pick up in certain regions, whether it is the industrial sectors, crane and offshore is stable. Our target now in the European market going forward is that right now, through our service centers in De Ruiter in Netherlands, we have a strong presence in that market as well as in the Aberdeen North Sea area with EMM as a service center, but we feel that Europe is a big market and each of these countries is a market in itself, and there is a lot of scope and opportunity for further expansion in the European market.

Balasubramanian A: Okay, my last question; - as new competition has been coming from mining tenders and high-value wires beyond R&D and customer engagements, what are our strategy areas such as product, margins and market share? And what are the strategies to tackle this competition? Also, is there any risk to margins, especially in the high-value wire segment, because of this competition?

Rajeev Jhawar: Competition will always be there, and I think it is healthy competition where each one of us in the global market continues to upgrade our products and our offerings for the market. And we are constantly working with our team in Europe as well as our team in India to constantly upgrade and improve our product mix and the life and performance of our ropes as per the customer requirements. We are happy to say that we are making steady progress on this.

On the various product lines, whether in mining, crane or elevators, we are constantly upgrading our products based on customer needs. This is helping us to ensure that we stay ahead of competition and keep on meeting the higher standards and expectations of the customers.

Balasubramanian A: Got it, sir. Thank you.

Moderator: The next question is from the line of Aman Kumar from AK Securities.

Aman Kumar: First of all, I would like to congratulate the management for delivering steady numbers this quarter despite the heavy rainfall in most parts of the country and a very challenging international business environment. Secondly, I want to congratulate the management for generating very high cash flow, and for the Company becoming a net cash positive organization, which is really very commendable.

Sir, regarding the previous person who had asked the question, I would like to understand, - are we indeed seeing very good traction in the U.S. market despite these tariffs. And previously, the European market was challenging. So, are we now seeing good traction in the European market as well, because that is a very big market for us?

Shreya Jhawar: Yes. As we mentioned, in both the Europe and U.S. markets, we have been able to see topline growth as well as bottom line growth in both of these markets. In the U.S., in particular, even though with the tariffs, there are tariff headwinds

and there is still some uncertainty, but we are quite sure that with our healthy order book for H2, we are confident that this is a market in the near term that we will continue to do well.

And for the long term, we are constantly working on areas such as new OEM approvals, strengthening our mining presence and trying to secure more contracts. We are constantly working on to ensure that even in these high-value segments of mining, elevator, etc., we continue to keep increasing our market share in the U.S.

Aman Kumar: So, my next question is; - in the plasticated LRPC, I think we have not got much success so far in terms of volume. So, when we can start seeing noticeable volume growth in the plasticated LRPC segment?

Rajeev Jhavar: It is a good question, thank you. Basically, plasticated LRPC's process of approval with customers takes a lot of time. So, out of the 5 or 6 global players, we have received approval with almost all of them, but a couple of them we are working, which should happen in the coming quarters. And that should result in an increase in volumes not only in India, but even in the international market. To answer specifically, I feel that Q4 and Q1 onwards next year, we should see significant growth of plasticated LRPC from these customers as well.

Secondly, while we have orders from our other customers, but the projects were significantly delayed due to the extended monsoon. And those should start getting delivered from the quarter 3 and quarter 4 onwards. So, the existing orders should also start picking up from a delivery perspective. So, overall, I think quarter 4 and quarter 1 onwards, we should start seeing a significant improvement in production and delivery.

Aman Kumar: My next question is about LRPC, the margins are quite muted. I think it is a very thin margin business. We are competing with a lot of players who have entered in this segment. So, we are making any profit in LRPC, and are we getting some very high margin or good value orders in the normal LRPC category?

Rajeev Jhavar: You see, LRPC is a very competitive commodity product, and while there is lot of demand, there is also strong competition and supply from other players. The margins have definitely come down, but I would say that still it is profitable. And we expect these volumes to continue perform better in the coming quarters with a positive margin, not the high margins of earlier, but it continues to be profitable.

Aman Kumar: And sir, one more question regarding this Galfan line. So, are we getting good volume growth and good orders in the Galfan Wire?

Rajeev Jhavar: I am happy to say that the Galfan or the GALSTAR line, - as our product is named as Galstar, has received approvals from most of our customers. Again the approval process is fairly long as the samples are supplied, trial supplies are made and delivered to different parts of the world, and then we start getting repeat orders.

I am happy to say that the development process has gone well, and we have got good response from our customers for our initial supplies. And we expect to start ramping up the capacity from quarter 4 onwards, and we expect to get to our levels of 5,000 to 6,000 tons a year what we had projected earlier from quarter 1 onwards of the next financial year.

Aman Kumar: And one last question, - how is the synthetic sling business performing? Are there any notable developments, new customers or growth opportunities in this segment?

Shreya Jhavar: Thanks for your question. Yes, the synthetic sling business is a new business for us and it continues to perform steadily. We have received a couple of high-value orders both from the European and Latin American markets. And I am happy to say that, though it is a new business for us, it is already a profitable business. While it remains a small part of the overall portfolio, it definitely, it can become an independent vertical for us going forward. And since it is a complementary product to our ropes and a lot of the end customers are actually similar, it can be a very good complement and value-added offering to our rope market.

Aman Kumar: And last question, - is the Company planning to introduce new products that are related to our existing business lines and catering to a similar customer base?

Rajeev Jhavar: Yes, of course, in most of our product lines, we are constantly looking at new opportunities to expand. Like the wire, we have begun exploring how to expand into the value-added wires. Of course, our focus would always be on the niche value-added wire, and that is a constant process. So, that is definitely helping us identify new products and new customers, and that is helping us to gradually increase our volume of higher value-added wires in the market.

Similarly, on the ropes, of course, we are present in mostly all these segments, but we are constantly looking at upgrading our portfolio within these segments and trying to introduce new variants for the customers, be it mining, be it elevator, be it the crane ropes for different applications. And this is a constant part of our activity because it is the only way we can continue to increase the share of our value-added products and stay ahead of competition.

And I am happy to say that, in most of these areas, we have been able to constantly improve our mix and thereby helping us to continuously increase the share of specialized ropes within our Wire Rope portfolio.

Aman Kumar: Thank you, sir.

Moderator: The next question is from the line of Mayank Bhandari from Asian Markets.

Mayank Bhandari: My question is particular to the steel wire segment. So, what is your current EBITDA per ton in the steel wire segment?

Shreya Jhavar: So, you know, if we look at our EBITDA per ton on an overall basis, we don't really break it up between Rope, Wire and LRPC, since a lot of the capacities

are fungible. But if we have to give a ballpark, we would say around INR 10,000 per ton, whereas for ropes, the value-added is much higher, - upwards of INR 55,000 per ton.

Mayank Bhandari: So, is the EBITDA per ton in the wire segment improving over the last 2, 3 years? Could you highlight some of the key trends?

Rajeev Jhawar: I think it is more of a focus to maintain the EBITDA per ton in this segment and try to keep on increasing our portfolio and volumes. So, I think the focus is to, at least, keep maintaining this at INR 10,000 or around that range and to keep on increasing the volume, which we have seen in the previous few quarters. And this trend would continue going forward, the increase in trend and growth of these value-added products. But I do not think we are expecting to see that INR 10,000 move dramatically up or down. It would remain at more stable levels.

Mayank Bhandari: Sir, when you say value-added product, could you highlight on which sectors these value-added products will cater to increasingly?

Rajeev Jhawar: Yes. Like GALSTAR is there. There are certain higher spring wires for the auto sector, some wires for the transmission line business, and some non-roping and roping wires for our international divisions as well. So, these are the various sectors in which we generally operate as far as the wire segment is concerned.

Mayank Bhandari: Okay. And if I were to talk about volume growth, what is your target for volume growth in this wire business, particularly?

Rajeev Jhawar: In the wire business as we mentioned earlier, our objective is to increase it gradually up to 100,000 tons over the next 2 to 3 years. And that is something we are constantly working on, and we should hopefully be able to achieve as per plan.

Mayank Bhandari: Sir, lastly, could you highlight a bit about the competition in this wire segment? I mean, how is the competition behaving in this segment, is the capacity increasing within the industry? How is the pricing power playing out?

Rajeev Jhawar: Wire segment is a much larger segment compared to the rope business globally. It could be 10x, 15x compared to the rope business. And there are quite a few different players, both in the domestic and international market. Some work on high-volume, low-margin business, some work on niche products with decent margins and where the volumes may not be very high, but these require higher quality, not the commercial quality.

So, Usha Martin wants to focus, - I can only talk about where Usha Martin wants to focus. We want to focus on the range where customers have some technical special needs and requirements, which could ultimately help us achieve better realization rather than looking at pure commercial products, which could have higher volumes and practically very low margins. So, we would like to operate in this market. And the competition will always be there like we have in the wire business also globally as well. And each one of us wants to maximize in that

way. So, I can only talk about ourselves, - we are on course to upgrade our volumes and increase our volumes in this and at the margin levels that we indicated earlier.

Mayank Bhandari: Sure, sir. Thank you very much.

Moderator: The next question is from the line of Sahil Doshi from Thingwise.

Sahil Doshi: Firstly sir, I would like to say that you have done a fabulous job on the balance sheet and the cash flow side. Just taking that forward, sir, I just wanted to understand, - incrementally as we have become debt free and started generating significant amount of cash flow, how should we think about the cash flow utilization over the next 2 to 3 years?

Rajeev Jhavar: Good question. I think first of all, our focus as One Usha Martin has been to constantly improve the balance sheet and the cash flows of the Company. The entire team has worked to achieve the numbers that you have seen. Going forward, we will continue with our growth plans and are further expanding our rope making capacity, particularly in certain segments where demands is expected to grow, like elevator and crane ropes in the coming years. We also plan to further increase our capex to increase our wire production in order to achieve the 100,000 tons level over a period of next 2 to 3 years.

Apart from this, we would also be looking at further expanding our reach in the international markets by further increasing the capacity of our distribution and service business internationally. So, all these requirements would require cash, which we hope to achieve mostly out of our internal accruals. Apart from this, if the Company continues to perform well, which we are confident, we would definitely look at further improving our payout to the shareholders.

Sahil Doshi: Sure, sir, that helps. Broadly, sir, would you have any ballpark capex estimate for all of these things for the next 2 to 3 years?

Rajeev Jhavar: Yes. Our capex including our maintenance capex, would be close to INR 300 crore to INR 350 crore a year. That is something we feel would definitely be needed to consistently maintain our volume growth estimate, and that is something we have planned. This is based solely on organic growth. If some inorganic growth comes in, that could be additional.

Sahil Doshi: Just wanted to understand, in terms of plasticated LRPC, what would be the volume in H1? And similarly, for Saudi, how much have we done this year?

Rajeev Jhavar: Yes. In Saudi, we do not look at individual sectors, because Saudi is part of our Middle East operations. As we mentioned, the supplies and the demand has have remained fairly muted in the last two quarters. This forms part of our consolidated BW - our Brunton wire business, which is expected to grow in the coming quarters.

Our LRPC plasticated has been an average of just around 200 tons a month, which is fairly low, because of the extended monsoon, although we have orders

in hand. And let us see how the projects work on site, only then do we receive delivery orders and we are able to supply. So, these are highly dependent on how fast the projects are getting executed. It is not a standard LRPC product, which gets fairly, it is project-specific based. So, we hope that in the coming quarters, we see an uptick in the demand from the projects which were slowing down due to monsoon.

Sahil Doshi: Sure, sir. And just lastly, wanted to check, - we used to guide for 12% to 15% sustainable volume growth. It has been around 8, 10 quarters where we have not seen this kind of a number. So, when do we see that kind of the environment coming back?

Rajeev Jhavar: As mentioned to you earlier that based in my opening remarks that based on the various projects that have been completed, and the balance getting completed in this quarter, we expect volumes to start growing from H2 of this financial year. And hopefully, with all these in place and also depends on how global markets demand continue, I think capability-wise, the factory will be able to push higher volumes, but a lot of it also depends on how the global markets pan out in the coming quarters. We are optimistic but let us see as the global situation improves. We are ready to push up the volumes, should there be a little improvement in the uptake from the international markets.

Sahil Doshi: Sure, sir. Thank you.

Moderator: The next question is from the line of Rajesh Majumdar from 360 One B&K.

Rajesh Majumdar: I just wanted to ask you a couple of questions. One was on the Kedarnath Ropeway project and the other Ropeway projects that are coming online now. What is our status in terms of the tenders there, because we had got some approval status recently in the domestic Ropeway projects. Are we seeing any traction there? Or are we going to get any chunk of these Ropeway projects?

Rajeev Jhavar: These projects have just started, - they have just been awarded the contract. We are working on a couple of projects where we hope that we should be able to get some orders which are in advanced stages of implementation. But some of these projects are still a few years away and Wire Rope is probably the last leg of the requirement. Like the Kedarnath project, takes 7 to 8 years to get operational. So, Wire Rope would be in the last stages. Of course, we are in touch with all the various project owners, and we are constantly in dialogue with them to see how we could become a part of their project.

Rajesh Majumdar: Okay. So, these are still some time away in terms of giving any meaningful contribution for us?

Rajeev Jhavar: Absolutely.

Rajesh Majumdar: Secondly, sir, do you see any acquisition opportunities because by the end of this year, we will be net cash Company, and there will be a lot of free cash flows. We are almost at the end of our capex program in Ranchi and Bangkok. So, do

you see any kind of acquisition opportunities globally? Are they available? Are we studying them? Yes, that was my question.

Rajeev Jhavar: Yes, of course, we are already a net cash Company as of September, and that would continue to improve. As mentioned, there is a pipeline of capex, both at our Ranchi plant as well as our other manufacturing facilities, which are ongoing and some more are expected to basically take care of the increased demand from certain sectors, whether it is value-added wires, value-added LRPC, whether it is the elevator crane ropes. So, that is something which will be ongoing, and we would continue as our brownfield expansion in our various facilities. Apart from this, we would definitely look at opportunities to further increase our presence in the international markets for value-added offerings. But nothing is on the table at the moment. But definitely there is an endeavour to look at an opportunity. And if and when it comes, we would definitely be keen to expand our presence in the international market for our value-added products and services.

Rajesh Majumdar: And my last question is, though you highlighted a better product mix. If you look at the realization per ton in Wire Ropes, it is still lower compared to Q1 and Q2, but probably slightly higher than last year. Is that a concern? I mean, is there a price war still going on in Europe, etc., which, you know, can lead to realizations being low in the Wire Rope business?

Abhijit Paul: Overall, if you see the realization for Wire Rope has increased from Q1, both in international and in domestic market, right? So, there is no reduction in the realization for Wire Rope.

Rajesh Majumdar: So, if you look per ton basis, it is INR 2,42,000 compared to INR 2,51,000 in 1Q?

Abhijit Paul: No. So, we can share with the numbers to you separately. So, as per calculations, both has increased, both domestic and international from Q1.

Moderator: The next question is from the line of Aditya Arora from P4 Capital.

Aditya Arora: Firstly, congratulations on an amazing performance despite all the headwinds, especially on the balance sheet and margin front. I just had two questions. One was a follow-on question to the previous participant. How are you seeing the competitive intensity in Europe?

And the second was in terms of, you know, with the many initiatives being taken by the Government of India on shipbuilding. Just wanted to understand how are we positioned in marine shipyard segment in terms of being able to capture new shipyards, port expansion, inland waterways segment, both in terms of product itself and approvals?

Rajeev Jhavar: Good question. As far as the shipyards are concerned, Usha Martin is very strong in our product portfolio of shipping, not only across all the continents, and we are supplying to quite a large amount of the shipping liners through our various subsidiaries and through our dealers in India. And that is something which we will continue to do so. We are in touch with all the various shipyards

in the country as well as the new shipyards coming in different parts. And we are not only in the shipyards, but also in the ports where we consider these two as part of a common group of portfolio of products. And we are fully geared with all the approvals as well as the entire product offerings to be able to serve to these customers. As these projects starts coming up, we are well positioned to take our share in this market. As far as the European market is concerned, the demand is stable and slightly positive in certain sectors. The competition is equally there with all the European and the Korean players. We all work in the same market. And the intensity is always there. I am happy to say with our One Usha Martin approach of working with our Usha Martin India plant and the BSUK plant and the product offerings through this route directly to the customers, we are not only competitive, but are able to offer much quicker delivery schedules, which is helping us to continuously increase our market share in the European market.

Aditya Arora: Thank you, sir.

Moderator: The next question is from the line of Rajesh Agarwal from Moneyore.

Rajesh Agarwal: What is the size of opportunity when the Ropeway order comes for the Kedarnath and Rudraprayag and all? Or could you quantify in terms of kilometer, - what would be the value of the orders?

Rajeev Jhavar: The Wire Rope is a very small part of the entire project cost. It would be less than 1% or 2% of the project cost. As mentioned earlier in one of the questions, it takes almost 7 to 8 years for each of these projects take to get commissioned, and the Wire Rope comes as one of the last part of the project. So, it comes only after 5 or 6 years. So, most of these big projects, particularly, I can talk about Kedarnath, they are talking the execution time between 7 to sometimes even 8 to 9 years for these. And the rope part of project cost would not be more than 1% to 1.5% of the total cost.

Rajesh Agarwal: Sir, then the domestic growth will come from which sectors?

Rajeev Jhavar: Elevator is one sector which is growing well. Ports, mining, construction and cranes are the other sectors showing growth. These are the four sectors which should do well, though all of them depend on how the economy grows and how the industrial production grows. But assuming that those continue to grow at current levels, these are the four sectors in which we expect growth coming here.

Rajesh Agarwal: And sir, the last question is on working capital. Again, the working capital has increased. Any particular reason for this quarter where it has gone up?

Abhijit Paul: As we mentioned in our opening remarks, that working capital is calculated based on last 12 months average. Since we had a higher base in September '24, the average working capital has gone up. But if we take September as the exit and calculate based on September numbers, it will be down by 5 to 6 days. So, it will be similar too.

Rajesh Agarwal: Thank you, sir.

Moderator: The next question is from the line of Aman Kumar from AK Securities.

Aman Kumar: One last question is regarding the cable bridges over the rivers. So, how big is the opportunity? I think it is a big opportunity going forward.

Rajeev Jhawar: Yes. These are all project-related businesses. And as India is expanding its river connectivity as well as some of these big metro cities are connecting the coastal roadways networks, this is a good opportunity, and we are well positioned for any upcoming locked coil bridges, LRPC plasticated projects, or suspension bridges, - essentially any rope-related applications - and we are well positioned to serve them. But while we expect the demand to be good, it is equally important to understand how these projects get implemented in the country. And we are ready to be part of any of these projects, and we have mostly all the approvals, except a couple of plasticated LRPC customers where we are in the process of final stages of approval.

Aman Kumar: Thank you.

Moderator: Ladies and gentlemen, for the participants, that was the last question for today. I now hand the conference back to the management for closing comments.

Rajeev Jhawar: 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. Thank you.

Moderator: On behalf of Usha Martin Limited, that concludes this conference. Thank you for joining us today, 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.*