



# USHA MARTIN LIMITED

## Q4 & FY25 Earnings Conference Call Transcript May 13, 2025

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**Moderator:** Ladies and gentlemen, good day, and welcome to the Usha Martin Limited earnings conference call. As a reminder, all participants' lines will remain in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing "\*" then "0", on your touch tone telephone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anoop Poojari of CDR India.

**Anoop Poojari:** Good afternoon, everyone, and thank you for joining us on Usha Martin's Q4 and FY25 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 trust you have reviewed the earnings documents shared earlier. To begin, we will initiate the call with opening remarks from the management following which we will have the forum open for a question-and-answer session. Before we start, 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 shared with you earlier.

I would now like to invite Mr. Rajeev Jhawar to make his opening remarks.

**Rajeev Jhawar:** Good afternoon, 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 operations and strategies, following which our CFO – Mr. Abhijit Paul will run you through the key financial highlights.

We are pleased to share that FY25 ended on a steady note with revenue reaching INR 3,474 crore, a growth of 7.7% year-on-year, driven by 9.5% increase in volumes across our core segments. The Wire Rope division performed well, recording a 9.3% year-on-year revenue growth, while the Wire segment registered a robust 19.7% increase over the same period. Within the Wire Rope segment, the value-added products accounted for 71% of revenue in FY25 with encouraging contributions from the Oil and Offshore, and the Elevator sectors. International markets contributed 55% to total revenues during the year.

In Q4 FY25, EBITDA margins were at 15.6%, primarily due to a higher share of LRPC sales during the quarter. As part of our measures to optimize the business model in our international locations, we have taken a provision of onetime redundancy cost of INR 4 crore during the quarter. Excluding this one-time cost, the EBITDA margin stands at 16%. Looking ahead, we remain focused on cost control, operating discipline and enhancing the share of value-added offerings to support margin expansion.

As shared previously, “One Usha Martin” is our Company-wide transformation program, aimed at operating as a unified enterprise, moving away from regional silos. This strategic shift is yielding gains in cost optimization. It will also help us become more competitive and strengthen our position to gain further market share. The initiative is now firmly embedded in our culture, and way of working.

I would like to share a few key developments under the “One Usha Martin” approach; - Number one, as a part of this initiative, the restructuring at our Brunton Shaw UK business is progressing very well. Under the new model, Brunton Shaw will operate as a specialized hub, focused exclusively on manufacturing critical large diameter ropes for the Oil and Offshore sector.

For other key value-added sectors, such as Fishing, Elevator, Crane and Mining, we have commenced direct exports from India to the European customers, enabling improved service levels, and enhanced cost efficiency. The full transition is on track and set to be completed by September of 2025. This integration of Ranchi and Brunton Shaw has also played a significant role in reducing inventory requirements at BSUK, thereby contributing to better working capital management.

In parallel, we are implementing best practices in procurement, logistics and back-end operations across regions, with a focus on driving leaner and more efficient administrative structure.

We anticipate that the benefits of these enhancements will start delivering measurable value from the second half of the year FY25-FY26. We are also making significant progress in our digitalization efforts.

During the year, the implementation of SAP S/4 HANA was successfully completed for our operations in Singapore, Australia, Vietnam, Indonesia, United States and Thailand, with the upgradation of our European entities currently in progress. Moving everyone on a single unified digital platform is a key enabler of the “One Usha Martin” vision, facilitating stronger process controls and ensuring the successful integration of our back-office operations.

With these initiatives underway, we are starting to see early results across key metrics and expected further improvement as the programs mature. We have begun to see improvement in working capital efficiency, because of this

integrated approach. Working capital days improved from 209 in September of 2024 to 199 days in March 2025, reversing the earlier trends.

Additionally, we generated INR 141 crore of operating cash flows from international operations in H2 of FY25, helping strengthen our balance sheet. As a result, even after undertaking INR 245 crore of CAPEX during the year, we brought down the consolidated net debt to INR 63 crore, while our standalone India operations turned into net cash positive. With these improvements in place, we are confident of sustaining this trajectory and maintaining tighter control over working capital in the quarters ahead.

Looking forward, our strategic focus for the upcoming year will center around the following priorities:

1. Continue to pursue value-led volume growth through completing the capacity expansion at our Ranchi plant. We expect volume ramp-ups in the value-added Wire Rope segment to support our margin expansion in the quarters ahead.
2. Focus on value-added services for customers through our dedicated rigging shops in Europe, Middle East, Southeast Asia, thereby also improving customer stickiness and margins.
3. In the domestic market, the continued growth in infrastructure activity, port expansion and advancement of Tier-2 and Tier-3 cities is expected to drive demand for our products, particularly in segments such as Elevator and Crane Ropes. We are working closely with our channel partners' network to grow our market share in India.
4. We will continue to focus on our 'Gal Star' product line, which offers aluminum zinc-coated wires for rock fall barrier protection. This initiative is part of our broader strategy to pursue high-value products, even within the Wire segment, both in the domestic and the international markets.

Our commercial production of ocean fiber has begun, making our entry into the synthetic sling space for offshore lifting. Though at a nascent stage, at the moment, the venture reflects our long-term commitment to product innovation and global relevance.

To conclude, we remain committed to long-term value creation through consistent investments in value-added segments, product diversification and operational resilience. While there are uncertainties globally and ongoing geopolitical tensions, our disciplined approach to execution and financial prudence will continue to support sustained performance in the quarters ahead.

With this, I would now like to invite our CFO – Mr. Abhijit Paul to present you the financial highlights for the quarter ended 31<sup>st</sup> March '25. Thank you, and over to you, Abhijit.

**Abhijit Paul:**

Thank you, and a very good afternoon to everyone. I will now provide a brief overview of the Company's operating and financial performance for the quarter and year ended 31<sup>st</sup> March '25.

In Q4 of FY25, our consolidated net revenue from operations stood at INR 896 crore, reflecting a year-on-year growth of 8% over INR 829 crore in Q4 of FY '24. This revenue growth was led by strong performance of our Wire & Strand segment, which grew by 36.5% year-on-year, and LRPC segment, which saw 18% year-on-year increase. The core Wire Rope segment remained at the same level on a Y-o-Y basis and is expected to gain momentum in FY26, supported by a recovery in demand, and the ongoing “One Usha Martin” initiative. These efforts are aimed at enhancing our competitiveness in international markets, which in turn will drive growth and margin improvement.

Operating EBITDA for the quarter stood at INR 140 crore, compared to INR 152 crore in the corresponding period last year. Excluding onetime redundancy provision, EBITDA margin stood at 16% for Q4 of FY25. That said, as highlighted earlier, our focus on driving operational efficiencies remains firm and we expect this to support margin recovery going forward. Net profit for the quarter stood at INR 101 crore compared to INR 106 crore in Q4 FY24.

On a full year basis, FY25 consolidated net revenue increased by 7.7% year-on-year to INR 3,474 crore, compared to INR 3,225 crore in FY24. The Wire Rope segment remained our key contributor, accounting for 72% of total revenue. Operating EBITDA for the year was INR 597 crore, largely stable compared to INR 599 crore in FY24. Profit before tax stood at INR 527 crore as against INR 550 crore in FY24. PBT was impacted by higher depreciation costs resulting from capitalization of assets worth INR 303 crore.

On the balance sheet front, I am pleased to report a notable improvement in our financial position. As of 31<sup>st</sup> March '25, our consolidated net debt reduced to INR 63 crore, down significantly from INR 124 crore a year ago. Correspondingly, our net debt-to-equity ratio improved to 0.02x, down from 0.05x as of March '24. Our prudent capital allocation ensures that ongoing and planned growth investments remain comfortably funded.

From a cash flow standpoint, we delivered a solid improvement. Cash flow from operations before tax in FY25 stood at INR 541 crore, representing 91% of operating EBITDA, compared to INR 200 crore, which was 63% of the operating EBITDA in H1 FY25. These robust cash flows, coupled with adequate working capital headroom provide a strong foundation for future investments and capital deployment.

In closing, I would like to reiterate our confidence in “One Usha Martin’s” long-term growth trajectory. We expect continued momentum across both volume-led and value-led drivers, supported by strategic initiatives such as “One Usha Martin” transformation and ongoing investments in digitalizations and customer engagement. We remain committed to delivering sustained performance improvements and long-term value creation for all stakeholders.

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

**Moderator:** Ladies and gentlemen, we will now begin the question-and-answer session. The first question comes from the line of Aman Sonthalia from AK Securities.

**Aman Sonthalia:** I have few questions regarding the performance and future direction of the Company. Firstly, what is the reason behind the dip in margin, and when can we expect margin improvement?

**Shreya Jhavar:** So as we mentioned in our opening remarks, there was a one-time redundancy cost of INR 4 crore this quarter, which did impact our margin percentage. Secondly, the margin percentage was also impacted during this quarter because of the LRPC mix. The volumes of LRPC in this particular quarter were about 15,000 metric tons compared to Q3, where it was about 13,000 metric tons. So, this LRPC mix, if we think about how this accounted for the overall margin percentage, it would be approximately a 1% margin reduction on account of this mix.

And thirdly, another reason is also the higher cost in large European entities, which we had mentioned in the last call as well. These continued to impact our margin, and for that, we have taken certain initiatives, especially in our BSUK facility. Based on these restructuring initiatives of the BSUK business, which we are implementing, we do expect further margin improvement, especially starting Q2 of this next financial year.

**Aman Sonthalia:** Okay. Next question is - for the last few years, I think our volume in Wire Rope is almost stagnant. So from when we can expect noticeable volume growth in the Wire Rope segment.

**Rajeev Jhavar:** As I had mentioned in the opening remarks, our volume has been growing by about 10% year-on-year as far as Wire Rope is concerned. The new CAPEX is already in place, and we have the capability to increase our volumes. As the markets keep on improving, and as we are targeting newer markets in Saudi Arabia and also different sectors, even further consolidating our markets in India, we are now geared up to increase our volumes. I expect quarter-on-quarter, we should be able to see growth in our volumes as we move forward.

**Aman Sonthalia:** Okay. And what is the latest update on galvanized wireline, plasticated LRPC, and business in Saudi Arabia?

**Rajeev Jhawar:** The 'Gal Star' line is now started to produce, and we have got trial orders as well as some commercial orders from our customers. I am happy to say that the samples produced have been accepted in terms of quality. We are now expecting the ramp-up of volumes to take place. We expect to gradually ramp up the volumes in the next two quarters to come close to 400-450 tons a month, and by the end of this year, to reach almost 80%, 85% of our capacity.

On the plasticated LRPC, our plant is capable of producing 500 tons a month. As of now, we are doing close to 200 to 250 tons a month. This largely depends on the various projects we have quoted for. Depending on the demand from these projects and as the schedules come in, we should be able to ramp up.

We would say that in the next 3 to 4 quarters, based on the projected demand and the projects under the pipeline, we feel there's an opportunity that towards the end of the year, we see the volume offtake come closer to our capacity.

**Aman Sonthalia:** Okay. And how is the European and U.S. market?

**Rajeev Jhawar:** The European market is fairly stable, I would say, with demand from Oil and Offshore continuing to be strong with good inquiries. I think the order book should get better in the coming months. Even the Elevator business is stable.

As far as the U.S. market is concerned, the markets are a little confused at the moment with the various tariff issues happening on a day-to-day basis. But based on our team, we expect that the business should ultimately be stable, as the U.S. does not have the manufacturing capability of the additional volumes. And with a fairly good product mix and customer base established already there, we should expect the business to be as usual, and hopefully, better as things stabilize.

**Aman Sonthalia:** Sir, there may be a chance of peace between Ukraine and Russia in near future. This could present a significant opportunity for our product in Ukraine. So how prepared are we to capitalize on this potential, if it happens?

**Rajeev Jhawar:** First of all, if it happens, that would be very good for the overall geopolitical situation. I think this would lead to a big reconstruction of whatever happened during the destruction in the war. So a lot of reconstruction activity will happen, thereby increasing the demand for crane ropes as well as elevator ropes, particularly in these two areas. And I feel that that could result into a big opportunity coming up. But that always depends if and when it happens. And the Company, with its expansion, has enough capacity to be able to take care of these demands, if and when they come.

**Aman Sonthalia:** Okay, thanks a lot.

**Moderator:** The next question comes from the line of Rajesh Majumdar from B&K Securities.

**Rajesh Majumdar:** I had a question - our Wire Rope quarterly volumes were about 28 kt in Q2 FY25, and from there it has fallen to 25 kt. Can we attribute this entirely to the European business, and the fact that there is some short-term restructuring going on? Or is there some slackening in the demand as well?

**Shreya Jhavar:** See in the European market, while the demand is healthy, there have been certain margin pressures which have impacted the performance, and there are some competitive pressures in the market. So part of it would be attributed to the European market, as you mentioned. But overall, globally as well, in Q4, there was a slight slowdown on account of the uncertainties around policies and tariffs. That's why the Rope performance was largely flat compared to Q4 of the previous year.

At the same time, in terms of the domestic market as well as the Middle East, certain project execution was slightly slower than anticipated. But we see some early signs, and we think it should pick up in the upcoming year.

As we mentioned before, our focus will now be to optimize our costs in order to tackle some of these pressures that we are seeing in the European market as well as globally. At the same time, we will focus on value-added Rope product, as well as our rigging business in Europe, the Middle East, and South-East Asia, in order to grow volumes as well as our margins.

**Rajesh Majumdar:** Okay. And secondly, on your outlook for margins - we have seen ~16% for the two consecutive quarters. So, you have a long-term guidance of 18% to 20%. So, will we see that in Q2 FY26, or even later than Q2, when will that margin profile return for the Company?

**Shreya Jhavar:** So, quarter-on-quarter, obviously, depending on the mix, the margin can change. But I would say that over the next year, we expect an overall margin of 18% at minimum, which is what we are targeting, with stronger progress towards the second half as some of our "One Usha Martin" initiatives are in full swing. So, on an overall year basis, we still maintain that a minimum of 18% is our target.

**Rajesh Majumdar:** Okay, thank you.

**Moderator:** The next question comes from the line of Krupanshu from ThinQwise Wealth Managers LLP.

**Krupanshu Shah:** So just on the Wire Rope volumes - earlier, we had some visibility from the Saudi Arabia market, we were targeting 4,000 metric tons, in a year. Similarly, for Elevator Rope, we were targeting around 12,000 tons. So, how is the visibility now that we have entered FY26? And are there new opportunities from the U.K.-India free trade agreement? Just on the volume side, if you can give me some visibility.

**Rajeev Jhavar:**

So, on the Elevator volumes, I think we are on target, and we expect a strong demand, both from the international markets where we are operating as well as in the domestic market, with the growth in the Tier-2, Tier-3 cities. We expect demand to be fairly strong, and we are on target to achieve the numbers we had projected.

In terms of the Saudi market, we have started doing between 150 to 200 tons a month, which is on an annual rate of close to 2,500 tons. We expect that gradually, because we have just started few months ago, with initial supplies made and some repeat orders coming, we are fairly optimistic to achieve these numbers - maybe a quarter here or there. But ultimately, the demand traction is fairly strong, and we expect to be around an exit rate of 4,000 tons, which we should be able to achieve.

**Krupanshu Shah:**

And on the U.K.-India agreement, does it open any opportunities for us?

**Rajeev Jhavar:**

The U.K.-India, I don't think ([Audio Distortion from 27:17 min. to 27.27 min.](#)). Our demand between India and the U.K. through our BSUK continues to be stable, and we expect that these volumes should continue. I don't see a big increase because our new model, which we have built up, where we now supply directly from India to European companies instead of through BSUK plant, so there may not be direct supplies to BSUK, but overall, our volumes in the European market under the BSUK brand should be fairly stable to becoming better.

**Krupanshu Shah:**

Understood. And on the gross margin - this quarter, we have obviously seen significant compression. Can we attribute it entirely to the product mix change? And if assuming the wire rope mix improves, then is a 50% margin reasonable?

**Shreya Jhavar:**

Yes, as anticipated, it was primarily due to the mix of LRPC, which impacted the gross margins. If we look at our usual mix from the last couple of quarters, it would be at similar levels.

**Krupanshu Shah:**

Understood. And my last question would be - our Wire & Strands volume growth has been very encouraging. So where is the growth coming from exactly? If you can give us the type of orders also, please?

**Rajeev Jhavar:**

Mainly, from the Auto segment and some of the Specialized Spring requirements. This includes supplies to both the domestic market as well as to customers who are exporting. So it's mainly coming from the Auto and the Specialized Spring segment.

As far as the Strand is concerned, it is the LRPC, which is driven by demand from the construction sector, and the plasticated LRPC would be going into the big bridge construction. So, these would be the sectors where we expect the growth coming from.

- Krupanshu Shah:** Okay, thank you.
- Moderator:** The next question comes from the line of Prolin Nandu from Edelweiss Public Alternatives.
- Prolin Nandu:** The first question is slightly on the margin pressure that you alluded to - not just in this quarter, but couple of quarters back as well; - you have also clarified that there is heightened competition. So, my question is – with, let's say, this tariff settling, and maybe the Ukraine issue also solving, should we expect to see some easing of competitive-intensive-led margin pressure in the coming quarters? Any color on this aspect of margin pressure that we have alluded to in the past. Any change there that you see in the near term? Or this margin pressure is something which you think is going to continue?
- Rajeev Jhavar:** As we mentioned, the margin pressure is because of two reasons. One is because of competition, which is always going to be there. And secondly, because we are going through a change in the business model. With our European subsidiary, BSUK, now focusing only on higher value-added products, and direct shipments from the new capacities built in India, this would result in a reduction in our fixed costs.
- Additionally, as part of the “One Usha Martin” initiatives, we are focusing on shifting a lot of back-office work to India, thereby optimizing our costs and focusing on the logistics, procurement, and related areas. All these initiatives are actively being pursued.
- We expect for the whole year, as Shreya mentioned, to be at a minimum 18% EBITDA margins, from the current levels of 16%. Overall, with these initiatives and improvement in product mix and increase in volumes, all coming together, we should expect to be around 18% for the year, at a minimum.
- Prolin Nandu:** I understand. So, what I am trying to understand is that this is not assuming any change in competition, right, or any change in the intensity of competition. Am I correct in assuming that?
- Rajeev Jhavar:** Yes, this is assuming business as usual at our current level. Yes, that's what we are assuming as the state of business today.
- Prolin Nandu:** Understood. And on this restructuring, you have spent INR 4 crore as a one-off, in Q4 FY25. How much more do we intend to spend on restructuring? And do you think that the benefit might start accruing from Q1 onwards, or this would be back-ended even in FY26?
- Shreya Jhavar:** Yes. So in terms of the BSUK restructuring, as part of our overall plan, we are reducing manpower at BSUK by about 50%. And that entire provision of INR 4 crore for that restructuring largely was on account of this manpower reduction, which is a one-time cost, and we don't expect any further provisions to be taken

in the upcoming quarter. So, this was the major cost related to restructuring that we see when it comes to this initiative.

At the same time, we are also looking at optimizing other fixed costs, like we mentioned, around the back-office operations (**Audio Distortion from 0:34:36 min. to 0:34:38 min.**). So, costs would reduce, but we don't expect any further provisions in terms of restructuring to be taken.

**Rajeev Jhavar:** And the other question is when we expect the benefit of this to start reflecting; - I would say, once all this is completed, we'll see the effect on the overall cost and improvement in margins from Q2 of this financial year.

**Prolin Nandu:** Okay, that's it from my side.

**Moderator:** The next question comes from the line of Aryan Sharma from B&K Securities.

**Aryan Sharma:** Just a couple of questions regarding the guidance. So could you just guide me through - like you mentioned previously - that we can expect sequential volume growth. But could you just guide me through some numbers as to what you are expecting for FY26 and FY27?

**Shreya Jhavar:** Overall, in terms of both volume and topline, we expect, about a 12% to 15% growth overall across the Wire Rope as well as Wire segment. LRPC again is up and down, depending on competitive pressures. So within that, our focus will be primarily on plasticated LRPC, growing as much we can grow within our capacity of 500 tons a month.

**Aryan Sharma:** And like what will be our value-add share then, like what we are expecting in value-add share?

**Shreya Jhavar:** Within Wire Ropes, our value-add share right now, in terms of revenue is 71%. The goal is to maintain that at a minimum. And with the new capacities that have come on stream, and certain OEM approvals that we are targeting, hopefully, that should grow gradually as well. But we, at minimum, will maintain that share.

**Aryan Sharma:** Okay. And just one final question with regards to the restructuring being undertaken currently. So, is there any quantifiable number which you guys have worked out - like how much we are expecting in EBITDA margin just because of this restructuring, over the normalized EBITDA.

**Abhijit Paul:** So, once this entire restructuring exercise is done in the European facilities and across global entities, we are looking at the cost side for all the entities, wherever we have scope. So this will have an impact of 1% to 1.5% on the margin. So, the cost impact will be around 1% to 1.5%, up to a maximum of 2% of the margin that we are targeting.

**Aryan Sharma:** Okay, That's it from my side.

- Moderator:** The next question comes from the line of Shraddha Kapadia from SMIFS.
- Shraddha Kapadia:** So my question is regarding the international market. Currently, they contribute approximately 55% of our revenues. So, for the future or the next leg of expansion, which are the major markets which we would be targeting?
- Shreya Jhavar:** In terms of the international market, as previously mentioned, Saudi Arabia will be one of the major markets we are targeting. There are lot of construction projects as well as in the Oil and Gas and port sector in Saudi Arabia that would boost the demand for our crane ropes as well as slings. So, that is one of the markets we are targeting.
- Secondly, the Offshore Wind sector in the U.K. and the North Sea area is another key demand driver, because we are seeing certain projects in the pipeline for the upcoming years. Thirdly, in UAE, Oil and Gas projects are gaining some traction now. So, if some of those projects materialize, we would see growing demand for our Oil and Offshore ropes in the UAE as well.
- And then, in the Americas, of course, the market was a bit uncertain over the last couple of quarters. But now, with things stabilizing a bit, we hope that the mining, port and elevator markets that have been strong in the U.S., will continue as well.
- That being said, while international market share has grown and now is at ~55% of the total topline for the last few quarters, we think this would maintain at the same level. In the domestic market as well, we are seeing a lot of traction. While it was slow in terms of project execution in the last few quarters, hopefully, with the demand in the elevator sector, crane ropes, and the construction sector, we see growth in the domestic market as well. So overall, the mix would largely be at the 55%, 56% range for international and 45% for India.
- Shraddha Kapadia:** Thank you so much for such a detailed answer; my next question was somewhat related to this. So, if we take a look, infra spending is picking up in India and Europe. How do you look at this going forward for FY26?
- Rajeev Jhavar:** Yes, infra growth has started picking up in India. And also, if the geopolitical situation gets better, as we discussed earlier, this should bring a big opportunity growth in the infra sector, and that would enable demand for crane ropes and elevator ropes to be fairly strong, both in the domestic and international markets. With infra growth, these are the two sectors where we see good demand coming in. So, hopefully, it should get better in the coming quarters if the infra growth trend continues.
- Shraddha Kapadia:** Thank you so much for answering my question.
- Moderator:** The next question comes from the line of Pritesh Chheda from Lucky Investments.

**Pritesh Chheda:** Can you give a bridge on the capacity utilization in wire ropes that you have, across all the capacity? And how much is the expanded capacity addition that we have done?

**Abhijit Paul:** So, our capacity utilization for the current year is around 80% to 85%. And with the additional capacity coming in, our wire rope capacity will be around 1,50,000 tons. The current volume is around 1,04,000. So we have headroom for growth for the next 3 to 4 years. So that is the current situation.

**Pritesh Chheda:** So, at 1,04,000, you are 85% utilization. So you are basically adding about 30,000 tons.

**Abhijit Paul:** No. So 1,04,000 is the current volume on a capacity of 1,25,000. We are adding another 20,000 to 25,000 tons in rope capacity, so we will reach around 1,50,000 by the end of this quarter. On that basis, what we are saying is that for the next 2 to 3 years, with a 10% volume growth, we are quite covered.

**Pritesh Chheda:** Okay. What is your market share in U.S. and Europe in Wire Ropes?

**Shreya Jhavar:** In Wire Ropes, our market share in U.S. would be 3% to 4% overall. So, we are at a low base right now. In terms of our overall topline, about 5% to 6% comes from the U.S. market. So, we are at a fairly low base in terms of market share and even the mix of U.S. business in the total revenue.

But with certain traction in Mining, Elevator Ropes, as well as certain Port contracts that we are looking at, hopefully, that is something that we can build on. But again, the U.S. is something where there is a little bit of uncertainty. So apart from our U.S. operations, we are also looking at Canada as well as Latin America as opportunities for growth. So that's something that we are looking to pursue more aggressively over this financial year.

**Pritesh Chheda:** In Europe?

**Shreya Jhavar:** In Europe, again, in different sectors, it would be different. In the Fishing Rope segment, for example, it would be less than 5%, while in Oil and Offshore, our market share is more with the OceanMAX brand. But overall, I would say it's still between 8% to 9% market share even in Europe. The competition is obviously more intense in the European market with regional players and a couple of regional players in the high-performance sector.

But I think with the new model - again, back to the new Brunton Shaw model that we have with supplies from India - we think that the European market is an area where we can get a lot of growth, because the customers have shown positive signs and acceptance of supplies from our Ranchi facility that have already started. So with the reduced cost being more competitive in the market as well as with the acceptance of our products from India, I think the combination of that should help us increase the market share in Europe.

**Pritesh Chheda:** And lastly, what is the differential EBITDA per kg between wire ropes and wire and strands?

**Shreya Jhavar:** Overall, as you know, our EBITDA per ton has been about INR 30,000 per ton for the year. We don't usually separate it out between wire rope and wires, because a lot of the capacities are fungible. But if I have to give you a ballpark, wire rope will be INR 55,000 to INR 60,000 per ton, whereas wires would be between INR 12,000 to INR 15,000 per ton.

**Pritesh Chheda:** You were not audible. Wire ropes is how much?

**Shreya Jhavar:** Wire ropes would be between INR 55,000 to INR 60,000 per ton, whereas wires 12,000 to 15,000, but these are indicative.

**Pritesh Chheda:** Thank you very much.

**Moderator:** The next question comes from the line of Jathin from Investsavvy Portfolio Management.

**Jathin Kaithavalappil:** Would like to know what are the top 2 opportunities and top 2 risks that you see for the Company, especially in light of all the global uncertainties that have emerged?

**Rajeev Jhavar:** I would say the opportunities would always be in the infrastructure and Oil and Offshore, which continues to be fairly robust, with most countries still trying to be energy self-sufficient. That has been a growth area for us in the last year as well, and it continues to be strong.

The Elevator Rope business also continues to be fairly strong, particularly in the domestic market, with extensive growth in Tier-2, Tier-3 cities driven by the real estate business with multistory buildings. So, that is an area where we feel growth would continue to be very strong.

On the risk side, the top risk is, of course, the uncertainty on the U.S. tariff, which hopefully should not be a major issue for us. But definitely, with new policy changes coming every day, uncertainties remains in the minds of customers - what happens if they import and prices are higher, and then the tariffs come down? They could get stuck with higher inventory. All these uncertainties could definitely be one of the risk factors.

The other risk factors could be if the geopolitical situation gets worse globally, it could again destabilize logistics and the market. So, these could be the potential risks we see in front of us.

**Jathin Kaithavalappil:** Now the fact that China's tariff has more or less been frozen at 30%, and India currently is at 26%, which could go down, would that be an opportunity for you?

- Shreya Jhavar:** For us, when it comes to tariffs, we are under Section 232. So it's almost a level playing field of 25% for all countries. China is a bit higher, I think, at about 35% for our sector, in particular. We don't see that changing. This has been effective since March 12. Before that, there was a bit of uncertainty. But since then, I think this has stabilized. In the future, we don't know what might happen, but as of now, this is what it is. So, for all other countries except China, it's a 25% level playing field.
- Jathin Kaithavalappil:** And the U.K. treaty has also not changed that for U.K. The U.S.-U.K. treaty, the agreement between U.S. and U.K., which was just signed, has also not changed that for U.K.
- Rajeev Jhavar:** Nothing for us. So those changes are not having any impact on us.
- Jathin Kaithavalappil:** Okay.
- Moderator:** Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the Management for their closing comments.
- Rajeev Jhavar:** I would like to thank everyone for attending the 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 the call and see you all in the next quarter.
- Moderator:** On behalf of Usha Martin Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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