

Date: 19<sup>th</sup> August 2025

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

The Manager  
National Stock Exchange of India Ltd.  
Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra  
Mumbai – 400 051  
[Symbol: USHAMART]

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

Dear Sir/Madam,

**Sub.: Transcript of Earnings Conference Call – Q1 FY26**

In continuation to our letters dated 5<sup>th</sup> August 2025 and 13<sup>th</sup> August 2025 and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Conference Call for Q1 FY26 held on 13<sup>th</sup> August 2025 at 11:00 AM (IST).

The same is uploaded on the website of the Company and can be accessed through the following weblink [TranscriptQ1FY26](#).

Further, please take note that no unpublished price sensitive information (UPSI) was discussed/shared during the call.

This is for your information and records.

Thanking you,

Yours faithfully,

For Usha Martin Limited

Manish Agarwal  
Company Secretary & Compliance Officer

Enclosed: As above



# USHA MARTIN LIMITED

## Q1 FY26 Earnings Conference Call Transcript

August 13, 2025

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**Moderator:** Ladies and gentlemen, good day, and welcome to the earnings conference call of Usha Martin Limited. As a reminder, all participants' lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal the operator by pressing "\*" then "0", on your touch tone 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 Q1 FY26 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. Thank you and over to you, sir.

**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 the operations and strategy, following which our CFO – Mr. Abhijit Paul, will run you through the key financial highlights.

We are pleased to report a stable start to FY26, with the consolidated revenues of Rs. 887 crore, driven by a year-on-year volume growth of 10.4% across our key segments. The Wire segment registered a strong 32.3% year-on-year revenue growth, while the wire rope division continues to perform steadily, with a 7.9% increase in revenues, supported by encouraging contributions from the crane and elevator rope segments. The LRPC segment continues to face certain

headwinds and recorded a 3.4% year-on-year decline, though strategic initiatives are underway to address these challenges.

Operating EBITDA for the quarter stood at Rs. 145 crore, with a margin of 16.3% and an EBITDA per ton of Rs. 28,502 per ton.

Early gains from the “One Usha Martin” transformation supported profitability amid market-specific and global uncertainties. While the foundational phase of our initiative is largely complete, we expect more tangible benefits to emerge in H2 FY26, as mentioned on our previous concall. A key measure of success will be our ability to scale while keeping costs in check, thereby driving better operating leverage going forward.

Some of the key growth drivers for the business which will enable us to scale are:

1. The new CAPEX at our Ranchi plant is now operating at a much more stable level, with 70% commissioning complete and stabilized as of Q1. We are meticulously planning both factory and on-ground sales efforts to strengthen our product mix for this capacity. Progress is being closely monitored on a daily basis to ensure we capture high-value opportunities which will drive EBITDA margin improvement.
2. With the CAPEX on-stream, we have also successfully increased direct shipments of high-value segments from India to the European customers, which demonstrates acceptance of our products in these quality-conscious markets. It is encouraging to see that we have already started to get repeat orders, reinforcing our confidence in this model as a sustainable growth driver.
3. Even with some uncertainty in the US market due to tariffs, we are confident of our position in the US market. Our focus has been on retaining and even growing our market share. We have secured a sizable tender that provides strong order visibility for the rest of the year alongside our regular business in the US.
4. Our synthetic sling solution, Oceanfibre, has gained faster-than-expected traction, with strong brand acceptance in a short period of time. The enquiry pipeline is robust across offshore, subsea, and heavy-lifting applications, and our sales teams are actively working with potential customers to move these enquiries towards orders. Early trials and feedback have been extremely positive, and we are already seeing promising signs that Oceanfibre will become a meaningful contributor to our high-value product portfolio in due course.

While these growth drivers strengthen our topline, we are equally focused on disciplined cost management to enhance margins. As a group, we are examining every cost line with the aim of improving efficiency and profitability.

Some initiatives are already delivering results, while others will yield benefits in the coming quarters. For example, employee costs have reduced from an average of Rs. 118.6 crore per quarter in FY25 to Rs. 113.2 crore in Q1 FY26, with further savings expected as we expand our shared services back office in India.

Another example is on our finance costs. We have repaid the entire US\$3.4 million loan in Singapore and plan to fully repay €2 million loan in Netherlands, with the impact of these actions expected to reflect from Q2 onwards.

All of these initiatives have led to strengthened balance sheet. Inventory levels have come down meaningfully from FY25 peak, driving strong cash conversion. Operating cash flow stood at 95% of operating EBITDA in Q1 FY26. Our balance sheet has also strengthened with the net debt-free position at both standalone and consolidated levels, giving us greater flexibility to fund future growth without leverage constraints.

Looking ahead, while Q1 FY26 reflects a steady operational performance, a stronger growth trajectory is expected in the second half as the benefits of transformation initiatives and capacity expansion gather pace.

Better demand visibility, supported by improved competitiveness across global markets, positions the Company to pursue market share gains even amid prevailing macro geopolitical uncertainties. This approach is expected to strengthen leadership in core segments and deliver sustainable value for all our stakeholders.

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

**Abhijit Paul:**

Thank you and a very good morning to everyone. I will now provide a brief overview of the Company's operating and financial performance for the quarter ended 30<sup>th</sup> June 2025.

In Q1 of FY26, our consolidated net revenue from operations stood at Rs. 887 crore, reflecting a year-on-year growth of 7.4% over Rs. 826 crore in Q1 of FY25. This revenue growth was led by strong performance of our wire segment, which grew by 32.3% year-on-year.

The core wire rope segment, which continued to be the largest contributor with 72% share of the total revenue, registered stable performance with 7.9% growth on a year-on-year basis and is expected to gain momentum from H2 of FY26, supported by recovery in demand and the ongoing "One Usha Martin" initiative.

Operating EBITDA for the quarter stood at Rs. 145 crore as against Rs. 154 crore in the same period last year. While margins were impacted by market-led pressures, our continued focus on operational efficiencies is expected to aid

recovery in the coming quarter. Net profit for Q1 FY26 stood at Rs. 101 crore compared to Rs. 104 crore in Q1 of FY25.

On the balance sheet front, I am pleased to report a significant strengthening in our financial position. As of 30<sup>th</sup> June 2025, we have achieved a consolidated net cash position of Rs. 14 crore compared to a net debt of Rs. 63 crore on March '25. Our disciplined capital allocation approach ensures that both ongoing and planned growth initiatives remain well-funded.

From a cash flow standpoint, we recorded a healthy improvement. Operating cash flow before tax for Q1 FY26 stood at Rs. 137 crore translating to approximately 95% of operating EBITDA compared to Rs. 102 crore or 66% of EBITDA in Q1 FY25. This improvement reflects our tighter operational controls and sharper working capital management. These strong cash flows supported by adequate working capital headroom provide a strong foundation for future investment and disciplined capital deployment.

To conclude, we remain confident that strategic groundwork laid under “One Usha Martin” initiative combined with disciplined financial approach positions the Company well for the next phase of growth. Steady traction across markets, a sharper focus on operational agility, and a continued strength in the balance sheet cash flows act and working capital management provide a solid foundation for improved performance going forward.

**Moderator:** Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from Aman Kumar Sonthalia from A K Securities.

**Aman K. Sonthalia:** My question is related to U.S. market. There is a significant hike in the duty in the U.S. market. So, how will we grow there and maintain our business?

**Shreya Jhavar:** So, with regard to the U.S. market for steel wire rope, which fall under the Sec. 232, the tariffs are 50% across the board. So, the reciprocal tariff is separate and this 50% tariff for our particular product category is different and applies to all countries except UK, which is at 25%. For us, so far, in terms of the impact of these tariffs, we have not seen a major issue because for most of our high value products like elevator ropes and mining ropes, which we sell in the U.S. In most cases, we have been able to pass on a large part of the tariff increase to our distributors or to our end customers. And in some cases where we cannot do that, we have to take a judgment call of how to proceed.

But our major focus has been that we do not want to give up our market share in the U.S. because we want to ensure that we do not lose our customers in the U.S. in the long term. And in fact, because we have a warehouse in Houston, with our inventory on the ground for our GT ropes, we have been able to actually get a better realization for our products and actually gain share in some cases.

And one of the other positive developments has been that we recently won a tender in the U.S., which is a sizable tender, which gives us a good order visibility and a consistent order book for FY26.

So, all in all, while the environment still remains uncertain, we do not know how things will evolve overall in terms of the tariff environment. Things change every day. But as of now, we are feeling cautiously optimistic.

**Aman K. Sonthalia:** My next question is related to European market. I think there is a huge geopolitical tension going on. So, how do we see our European business going forward?

**Rajeev Jhavar:** We are very positive on our European business. With our integration between India and the BSUK facility, we have now started supplying the BSUK brand directly from our Indian plant to the European market. Supplies are going well, and we are also receiving repeat orders. This is helping us become more competitive in that market, and we are able to ensure faster deliveries to our customers. Demand remains fairly strong across wind energy, renewable energy, oil & offshore, and the crane and elevator segments. We expect to see decent growth in Europe in this financial year.

**Aman K. Sonthalia:** I have seen a decrease in the manpower cost. But at the same time, I have seen that there is an increase in the other expenses. So, can we expect a further reduction come down in manpower costs? And what is the reason for the sudden spike in other expenses?

**Shreya Jhavar:** That is a good question. So, if we look at our other expenses, for this quarter, it was about Rs. 166 crore, and if we compare it to the quarterly average for FY25, it was about Rs. 163 crore. As you said, there is a slight increase; there is a Rs. 3 crore increase. But if we break that down further, the other expenses can be seen as fixed as well as the variable expenses. So, the fixed expenses have actually decreased from the Rs. 37 crore level to about Rs. 34 crore through all of the initiatives which we have been talking about under 'One Usha Martin'. What has increased is the variable expenses, which has increased from about Rs. 126 crore to Rs. 132 crore. But a large part of that increase is the freight component of Rs. 6 crore, largely for Europe orders, which is actually recovered from end customers.

And the second part you mentioned, which was the employee expenses. The employee expenses have decreased actually from Rs. 125 crore in Q1. But that was slightly higher level, on average if we see of FY25, it was Rs. 118 crore for quarter, which has decreased to Rs. 113 crore this quarter, which is on an annualized basis, a Rs. 20 crore decrease, which we do expect will further reduce with all of the initiatives and the back office that we are setting up in India. So, as more of these 'One Usha Martin' initiatives materialize, we will see expenses across the board come down. But the most important part is we have to do that without compromising on our growth, which we are confident of, and that is what will give us better operating leverage.

- Aman K. Sonthalia:** As sir has said in the initial remark that we are seeing a very good traction in the synthetic sling business. So, can you shed some light on that business?
- Shreya Jhavar:** So, as we mentioned in the opening remarks, the Oceanfibre brand, which is our Synthetic Sling brand, that has picked up really well. We are getting repeat orders from our customers for that product in Latin America, even in Europe. And we thought that it would take a while to build track record and go into this heavy lift synthetic sling market. But it has been great to see that we have already got success there and we will be supplying heavy lift sling for the critical offshore wind market, which is a high value, high margin product, and we have already secured the order, and we will be supplying it in the upcoming quarters. While it is still early days and we do not want to put a number to it, we definitely think that in 18 to 24 months, it will become a meaningful, sizable, independent vertical for our next level of growth that we are targeting.
- Aman K. Sonthalia:** Okay, thanks.
- Moderator:** The next question is from the line of Pratim Roy from B&K Securities.
- Pratim Roy:** Congratulations on the good set of numbers. I have just two questions. First of all, in the last quarter, there was a one-off. So, is there any one-off in this quarter as well?
- Rajeev Jhavar:** No, there are no one-off expenses in this quarter.
- Pratim Roy:** Okay. Secondly, when can we expect that the 800 to 100 million cost optimization strategy that we have will be reflected in our books?
- Rajeev Jhavar:** It should reflect from quarter 2, but we should be able to see full advantage from quarter 3 onwards.
- Pratim Roy:** You said that the U.S. tariff impact is not that much as we can easily pass through the tariff to the end customer. But in some cases, Shreya ma'am mentioned where we are unable to do so, we have to take some other steps. So, if you can quantify any number, what kind of impact we can expect from the U.S. tariff overall. Any ballpark number on that side?
- Rajeev Jhavar:** I think we are cautiously optimistic. We should be able to not only retain our market share and protect our margins, but also, in some cases, increase our market share. However, since tariffs continue to change fairly frequently, we remain cautiously optimistic. If the current status quo is maintained going forward, we believe we should be able to sustain both our margins and volumes in the U.S. market.
- Pratim Roy:** Okay, thank you.
- Moderator:** The next question is from Prolin Nandu from Edelweiss.



**Prolin Nandu:**

I continue with the last participant's question on tariff, right. Now, 50% is a very large number, and despite that you are confident of maintaining the market share as well as margin. Can you help us understand how you plan to achieve this? I understand that domestic producers do not have enough capacity to supply, but with 50% differential, maybe they can also put up the capacity.

And the larger question is that, let us say, for example, you were aware of the tariff before you thought about this restructuring from the U.K. to India, - would your decision change? And can you keep some capacity operational at the U.K. plant so that between India and U.K., you can take advantage of some of the tariff differential, when it comes to some markets like U.S.? So, this is the first question that I had.

**Shreya Jhavar:**

While 50% is the tariff, it is the same for others as well. We compete with the Koreans and we compete with other people in the India market. So, for everyone, it is 50% as opposed to the reciprocal tariff, where it is different tariff for different countries, right; so, in that way, it is a level-playing field.

Secondly, when it comes to the U.S. market, the domestic market versus export, that is looked at very differently because the domestic prices, even with the 50% tariff in a lot of the major categories, will still be at higher levels, they do command a premium. So, in that way, we are still overall competitive.

Thirdly, your point around, will the domestic producers set up any capacity; - with the environment being so dynamic right now and uncertainty for them as well in the market as there are changes happening on a daily basis. Based on our initial analysis, they are also not feeling like it makes sense to put in more capacity because if things change in a couple of years, then they would be stuck with that additional capacity and there might be an oversupply at that point. So, while they do not have production capacity right now to meet the demand, import will always be a factor. We do not see any major CAPEX plans for the major producers over there.

And then to your last point, for the BSUK part, we still have our machines in BSUK. We have reduced our manpower and we have reduced our production over there. But we do have the flexibility where if we feel that this environment continues or changes and in some cases the unit economics makes sense for us to produce in BSUK for the US market, we have the flexibility to do that.

**Prolin Nandu:**

That is very encouraging to hear. My second question would be on the domestic market. Can you just help us understand what the competitive environment looks like, because there are some other players who seem to have received approvals in some of the mining tenders, and some domestic players are also putting up capacity for high value-add wires.

So, compared to a few years ago, has our competitive position in the domestic market taken a hit, or how should one think about competition in the domestic market?



**Rajeev Jhawar:** Good question. In the domestic wire rope segment, Usha Martin holds about 65% to 70% market share. We have a very strong dealer network and a highly capable technical team that supports customer service along with our dealers. This strength has helped us consistently maintain and in some cases even grow our market share.

Domestic prices have improved slightly, mainly due to a better product mix. We expect to maintain our strong position going forward, with continued support from both our dealers and customers.

Competition exists across all segments, and we are focused on continuous improvement, enhancing our products with the help of our global design center and R&D facility in India. This close collaboration with customers allows us to keep upgrading our products and improving technical performance, which in turn helps us maintain our market share.

On the wire business side, we recorded a 30% year-on-year growth. Our focus is on increasing the production of high-value-added wire, which boosts overall sales while keeping us away from the low-margin commercial wire segment. That's not a space we operate in. We're focused on a niche market and expect to continue growing within it.

**Prolin Nandu:** Thank you.

**Moderator:** The next question is from the line of Jasdeep Walia from Clockvine Capital.

**Jasdeep Walia:** So with respect to products that you supply to US, are these being supplied by your India facility or the UK facility? And if the tariff were to remain at current levels, would it be possible for you to shift the entire production for your US market to the UK plant?

**Rajeev Jhawar:** Most of the supplies are currently taking place from our India and Thailand plants, and we will continue with this arrangement. As Shreya mentioned earlier, if an opportunity arises to supply from the UK, we can definitely shift 10% to 15% of the volume through our UK plant. However, we do not foresee that situation occurring in the near term. That said, we have ensured flexibility, especially on the manpower front and should the situation change, we will be well-positioned to make that shift.

**Jasdeep Walia:** Got it, and with respect to this flexibility that you mentioned, is it that the UK plant will require some manufacturing investments or modifications to be able to cater to US volumes, or is the plant ready and, whenever you feel the time is right, the production could be comfortably moved to the UK plant?

**Rajeev Jhawar:** No, we do not require any further fixed asset investment there. Our plant and machinery in the UK are in good shape, and we have retained all the equipment, nothing has been moved out. Should the need arise, we can quickly resume production from that facility.

- Jasdeep Walia:** I am just curious, given the fact that there is a large duty differential between UK and other manufacturing locations of almost 25%, why aren't you already shifting the US volumes to the UK plant because it will add a significant amount of margin to your US sales?
- Rajeev Jhavar:** Anything that goes from the UK plant, wires and strands, must first be shipped from India or Thailand to the UK. The cost of manufacturing in the UK is also not low, primarily due to higher labor costs. Then there's the added logistics cost: first sending material to the UK, converting it there, and then shipping it again to the US. Considering all of this, it still remains more competitive to supply directly from India and Thailand.
- Shreya Jhavar:** And in most cases, the distributors, end customers are taking on a large part of the price increase. So, that is something that is also helping us retain our share.
- Jasdeep Walia:** Got it. thank you.
- Moderator:** The next question is from Rajesh Agarwal from Moneyore Capital.
- Rajesh Agarwal:** We are seeing a traction in which elevator or locally domestic in that segment, specifically in the domestic market? Because I read an article that the elevator segment is growing by double digit. This is my first question.
- Rajeev Jhavar:** The elevator segment is definitely growing fairly fast in the domestic market. With the construction of multi-storied buildings in tier two and tier three cities, we are seeing a lot of demand coming up. Elevators are one segment witnessing strong growth, in addition to the crane market, which is also linked to construction activities such as piling, mobile cranes, and even ports. So, these are the two segments showing fairly strong growth in India.
- Rajesh Agarwal:** And the second question, is there a possibility of further reduction in working capital, and what do we plan to do to increase the margin to the guided level of 18%? How will the margins improve, and how will the working capital improve?
- Shreya Jhavar:** So, definitely the working capital will reduce going forward. In September last year it was at 209 days at its peak and now it has come down to 196 days as of this last quarter. We are confident that this positive trajectory will continue.
- The second part is the EBITDA margin growth. Yes, we definitely expect it to grow from the current 13.3% levels to an average of 18% for the full year and we are quite confident of that both in the domestic and international market. So, first in terms of the domestic market, we do expect better product mix and realizations going forward and we have seen already early signs of that from our order pipeline with our dealer network. So, overall from Q2 there we expect the margins to go up. And then when it comes to the international business one of the reasons the margin was also subdued was because in the Middle East in the past quarter, we did see certain pricing pressures with GP rope but even

there our focus is more on the high value products now in elevators, piling like we were talking about even in the Middle East market. So, with that it might take a little bit more time, but in H2 we do expect the recovery to come in, and then of course with the European business initiatives which we have already talked about, that would also lead to further better margin improvement. So, all of this gives us confidence that H2 should be at a much better level.

**Rajesh Agarwal:** This mitigates any increase in steel prices also?

**Rajeev Jhavar:** No, the steel prices have been fairly stable and in fact we saw last two months a slight reduction in prices and with the feedback what we have, we do not see a major increase coming up on steel. So, it is more or less stable I would say.

**Rajesh Agarwal:** What will be the maintenance CAPEX this year?

**Rajeev Jhavar:** Maintenance CAPEX would be close to Rs. 25 to Rs. 30 crore.

**Rajesh Agarwal:** Okay and fresh CAPEX?

**Rajeev Jhavar:** The maintenance CAPEX is expected to be Rs. 25 to Rs. 30 crore and the total CAPEX to be around Rs. 150 crore.

**Rajesh Agarwal:** Okay.

**Moderator:** The next question is from the line of Shreyansh Shah from Fort Capital.

**Shreyansh Shah:** Congratulations on a decent set of numbers. Basically, I have two questions. One is in the wire segment you reported a 32% year-on-year growth. So, I just wanted to understand, is it driven by structural demand or short-term orders seen this quarter? And the second question is the LRPC segment - volumes fell, so was this due to temporary project delays, price competition or a structural slowdown in the segment?

**Rajeev Jhavar:** On the first question, the wire business as we mentioned in our previous calls, we have started focusing on increasing our presence in the auto sector as well as on some niche products like door springs, etc. So, this market is one we have been consistently focusing on, and we expect this trend to continue going forward.

Coming to the LRPC market, yes, the monsoon period as well as the demand and price pressures have been significant. As mentioned in our opening remarks, both the volume as well as the margins are under pressure. Our focus would be to keep on increasing our focus on the plasticated LRPC business, which would help us to get a better margin for our product. So, this trend of pressure on the general LRPC is expected to continue more so on the margin front. Volumes may get better once the monsoon is over and the project activity starts.

- Shreyansh Shah:** Just a follow up question on the LRPC that you mentioned. So, going forward do you think that the revenue contribution from the LRPC segment would be declining from here on?
- Rajeev Jhavar:** Yes, we expect it to be at similar levels or would be declining, and the plasticated LRPC which is the value added should gradually be going up. So, that is what we expect. We do not see this as a very business which can add significantly to our growth going forward, the general LRPC.
- Shreyansh Shah:** Okay, understood. Post your Ranchi expansion how much incremental capacity in metric tons will you add, and how quickly can it be ramped up for sudden orders that may come in?
- Abhijit Paul:** So, regarding the Ranchi capacity, as mentioned in the last concall, we have an overall capacity increase of around 40,000, out of which rope capacity is around 20,000. As of now, we have already installed about 70% of the capacity and the remaining 30% installation will be completed by end of Q2, around October. Within this increased capacity, we have developed new products, plasticated ropes are part of this additional capacity. So, expansion will help us generate good volumes going forward.
- Shreyansh Shah:** Okay sir, thank you.
- Moderator:** The next question is from Shraddha Kapadia from SMIFS Capital.
- Shraddha Kapadia:** So, just continuing with the question by the earlier participant, I would just like a brief overview, - could you share the new CAPEX plans beyond Ranchi for the future?
- Rajeev Jhavar:** For the future, we have a Rs. 60 crore investment plan in Thailand which is under implementation. At our Ranchi plant, once this phase is completed, as our CFO mentioned, by Q2, we would definitely look at opportunities to grow, particularly in our elevator rope and crane rope segments, because that is an area where we are seeing a lot of traction coming from both domestic and international markets. As and when we see demand growing, we would take proactive steps to increase our capacity, which could be at the Ranchi plant, or we could also add new capacity at our Hoshiarpur plant to cater to this increasing demand.
- Shraddha Kapadia:** We have seen a good growth in the wire strands segment. How sustainable is this growth? Is it driven by new customer acquisitions or increased industrial demand, - could you help us understand that?
- Rajeev Jhavar:** It's a good question. We are acquiring new customers as well as increasing volumes with our existing ones. Having identified this as an important vertical for us, we've been working on it over the last few quarters and have successfully developed the business. This is not a one-off growth, we expect it to continue steadily, with volumes growing quarter after quarter.

The key areas we are focusing on include the auto sector, which is performing fairly well. We are also working on door springs, as one example, and zinc-aluminum wires, which are used for rockfall barriers and certain critical spring applications. These areas are our focus, and we believe this will continue to be an important vertical going forward.

**Shraddha Kapadia:** Thank you so much for your detailed answer.

**Moderator:** The next question is from Sanjay from ithought PMS.

**Sanjay Kumar:** I have a question on margins and EBITDA per ton. We reported Rs. 28,500 as EBITDA per ton in Q1. Is it possible to break this up into wire rope domestic and export segments within the wire rope business?

**Abhijit Paul:** We do not specifically mention the EBITDA per ton. But if we do a rough calculation for wire ropes, it will be in the range of Rs. 55,000 to Rs. 60,000 per ton, as most of the fixed cost is allocated to the wire ropes. For the wire segment, EBITDA per ton will be between Rs. 12,000 to Rs. 15,000, and for LRPC, it will be on the lower side, around Rs. 2,000 to Rs. 3,000 per ton.

**Sanjay Kumar:** The reason I was asking is because I was looking at the wire rope realizations in the U.S., which are as high as \$8,000 - \$8,500 per ton. With wire rope doing a 12% EBITDA margin, it seems like they are doing \$900-\$1,000 EBITDA per ton, translating to Rs. 85,000 per ton. Are we also in a similar ballpark for our U.S. exports? And does it imply that as our share of U.S. goes up, our margins could increase going forward.

**Shreya Jhavar:** So, wire rope, like Abhijit said, is on average Rs. 55,000 to 60,000 per ton, but export and international markets, definitely you get a better EBITDA margin compared to domestic. We do not separate it out and share those numbers, but it would definitely be on higher levels. And if we increase our share in our international markets, whether it is U.S. or direct export to Europe from India, it would definitely improve the EBITDA per ton going forward.

**Sanjay Kumar:** Okay. So, post all the cost initiatives, like the 'One Usha Martin' initiative, what kind of EBITDA margins target do we have let us say for FY27 at the consol level?

**Rajeev Jhavar:** As Shreya mentioned earlier, we should be able to achieve 18% on an annualized basis for this financial year, based on the various cost initiatives we have undertaken, most of which are under implementation and expected to be completed by Q2 of this year. We will begin seeing the benefits of these initiatives thereafter.

Secondly, with the new CAPEX now implemented, we expect volumes to improve from these additions. Alongside this, our marketing efforts for the expanded capacity have also gained traction. If we are expecting 18% for the full year, we are confident that next year this will improve further and believe margins in the range of 19% to 20% are achievable going forward.

- Sanjay Kumar:** Got it. Sorry to keep going back to the tariff issue, but given that Bridon-Bekaert is based out of UK, they might have a better advantage over us, and even WireCo which is based out of USA, - can we still compete with them despite manufacturing in India or Thailand? Do we see any weakness in WireCo, especially since some credit rating reports have indicated they've been struggling over the last two to three years?
- Rajeev Jhavar:** Yes, we've also heard that WireCo has been facing some challenges, though I don't have detailed information on that. What I can say is that our team is fairly confident and we too are confident that we should be able to maintain and grow our market in that region. This confidence stems from our local presence, our own distribution and warehouse setup, and our close engagement with customers.
- We have also recently won a large contract, which strengthens our position in that market. Among the international players including Korean, Turkish, and ourselves, the tariff levels are fairly similar. Chinese competitors, in fact, face slightly higher tariffs. So overall, we remain cautiously optimistic about our position in the U.S. market as of now.
- Sanjay Kumar:** Got it.
- Moderator:** The next question is from Jayshree Bajaj from Trinetra Asset Managers.
- Jayshree Bajaj:** As you mentioned in Q1 that the Company is nearing completion of the foundational phase of the transformation, could you please provide some specific, measurable operational KPIs that you expect to improve by the end of the second quarter? Also, what percentage of cost savings or efficiency gains has been realized so far?
- Shreya Jhavar:** Yes, so in terms of the measurable KPIs, of course, we talked about in terms of cost reduction, the employee cost as well as other expenses and we expect decrease in that which would help us get at least 18%. The other is the working capital reduction which came down to 166 days this quarter. Even the inventory came down to 175 days this quarter. We are tracking both of these, and we hope to reduce this further by at least 10 days over the few quarters. That is another KPI we are targeting. Third is looking at our cash conversion. So, we converted about 95% of the operating EBITDA to cash and by the end of the year we are targeting to take this even more than 100% levels which we are confident of achieving through overall better financial discipline and working capital management. These are some of the KPIs that we are targeting. In terms of how far we are with this, we started this in around September, October of last year and from Q3 we expect to see the full benefits of it.
- Jayshree Bajaj:** Okay, so there are no numbers you can share right now? Are there any numbers I can get that shows how it has helped in cost savings so far?

- Rajeev Jhawar:** You will start seeing the full benefits of what has been articulated begin to reflect in our numbers from the coming quarters. Some of the figures have already been shared by her, the rest are still a work in progress and should start showing from Q2 onwards.
- Moderator:** That will be the last question for today. I will now hand the conference over to the management for closing comments.
- Rajeev Jhawar:** I would like to thank everyone for attending this call and showing interest to 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 CDR India. Thank you once again for taking the time to join us on this call and see you all in the next quarter.
- Moderator:** Thank you very much. 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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