Date: 19th November 2026

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

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

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

Dear Sir/Madam,

**Sub.: Transcript of Earnings Conference Call – Q2 H1 FY27**

In continuation to our letters dated 7th November 2026 and 13th November 2026 and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Conference Call for Q2 H1 FY27 held on 13th November 2026 at 5:00 PM (IST).

The same is uploaded on the website of the Company and can be accessed through the following weblink TranscriptQ2H1FY27.

Further, please take note that no unpublished price sensitive information (UPSI) was discussed/shared during the call.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
Digitally signed by MANISH AGARWAL
Date: 2026.11.19 22:06:05 +05'30'

Manish Agarwal
Company Secretary & Compliance Officer

Enclosed: As above

# USHA MARTIN LIMITED

## Q2 FY27 Earnings Conference Call Transcript

### November 13, 2026

**Moderator:** Ladies and gentlemen, good day and welcome to the earnings conference call of Usha Martin Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the call, please signal an operator by pressing 'star' then 'zero' on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Devrishi Singh of CDR India. Thank you, and over to you, sir.

**Devrishi Singh:** Good evening, everyone, and thank you for joining us on Usha Martin's Q2 FY27 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 - Director of the Company.

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 may involve certain risks and uncertainties.

I would now like to invite Mr. Rajeev Jhawar to make his opening remarks. Thank you, and over to you, sir.

**Rajeev Jhawar:** Good evening, everyone, and thank you for joining us for the Usha Martin Q2 FY27 earnings conference call. I will begin with an overview of our business performance and key operational developments during the quarter, following which our CFO, Abhijit, will take you through the financial results in a greater detail.

We delivered a healthy performance during Q2 and H1 FY27, with continued growth in revenues, sustained operating margins, and strong cash generation. For Q2, consolidated revenue stood at INR 1,000 crore, representing growth of 12.4% year-on-year. Operating EBITDA increased by approximately 17% to INR 202 crore, with margins at 20.2%.

For H1, revenue grew by approximately 15% to INR 2,021 crore, while operating EBITDA increased by 28.5% to INR 410 crore. EBITDA per ton remained healthy at approximately INR 40,700 per metric ton, supported by improved realizations and product mix. Our wire rope business delivered revenue growth

of approximately 13% year-on-year during the quarter, while volumes remained marginally lower.

One of the encouraging developments during the quarter has been the performance of our domestic business. Demand for wire ropes has remained healthy across key applications, and we recorded volumes of 12,700 metric ton in Q2, despite the monsoon season, an increase of 14% from the same period last year. We have also seen an improvement in realizations by 12%, supported by the evolving product mix and market conditions.

Internationally, volumes in the Middle East remained soft, although profitability stayed intact. Geopolitical uncertainty, higher freight costs, and cautious stocking by distributors affected demand, particularly for the general-purpose ropes. We focused on end customers served through our own rigging shops and service network.

In Europe and U.S., we have continued to focus on improving our product mix with a greater emphasis on specialized and higher-value rope applications. This has supported better value growth across both markets. While wire rope revenues have grown well, volumes have remained broadly flat during the first half. Improving volume growth remains an important priority for us, and we will continue to invest in expanding our capabilities in segments where we see strong demand potential.

During H1, we invested approximately INR 143 crore in capital expenditure. Our elevator rope expansion at Ranchi is now being commissioned, and we expect the full incremental capacity of 500 metric tons per month of elevator rope to be operational by Q1 of the next financial year. We are seeing encouraging demand from our dealer network as well as our OEM, which give us confidence in growth potential of this segment.

We also commissioned new capacity of mining ropes of approximately 100 tons per month of higher value-added products, where we see opportunities to strengthen our presence internationally.

The wires business had another strong quarter with volumes up 21.7% and revenue up 35% year-on-year. Domestic demand was healthy, and export relationships and approvals are building steadily in higher-value applications.

Conventional LRPC volumes remain under pressure. The long-term direction, as we have mentioned is plasticated LRPC, project activity has picked up in this segment, and we are quoting on several large opportunities, both in the domestic and export markets. From a capacity standpoint, we are preparing to support higher volumes as these projects convert into orders.

Beyond the quarterly performance, we have also made progress on two important initiatives aimed at sharpening our business focus and improving operational competitiveness. First, during our last call, we had mentioned that cables is not a core business and that we were evaluating different options for the UM Cables division. During the quarter, we entered into an agreement for

its divestment and have since received INR 77 crore in consideration, and further working capital adjustments should happen, resulting in the final payment to happen within the next 30 days. This is in line with our strategy of focusing on businesses where we have stronger competitive advantages. The cables business had limited scale and pricing power, and further growth would have required additional capital that we believe is better deployed in our core business of steel wire ropes.

Second, we have launched a comprehensive turnaround program for our Thailand facility, where profitability remains significantly below the group's average. The program has two aims: lower the cost base and improve the product mix.

On mix, while we have made strong progress globally, we see considerable opportunity in Southeast Asia, particularly in ports, elevators, piling, and construction. We have strengthened our commercial team to develop these segments, with Thailand positioned as our primary manufacturing hub for this region.

On the cost side, we are integrating Thailand more closely with Ranchi, moving certain upstream processes to India where costs are lower, while retaining significant manufacturing in Thailand to stay close to customers. We are rationalizing manpower and overheads, modernizing older machinery, and selectively investing in new rope finishing equipment to support the higher-value products these segments require. Together, these initiatives are expected to improve Thailand's cost competitiveness and profitability over the next 18 months. Importantly, we continue to pursue these growth and operational improvement initiatives from a position of financial strength.

During H1 FY27, we generated operating cash flow before tax of INR 413 crore, representing 101% conversion of operating EBITDA into cash. We closed September with a net cash position of INR 415 crore, even after dividend payments and the capex spent during the quarter. This provides us with financial flexibility to continue investing in our growth initiatives.

On our outlook for FY27, we remain confident of achieving our financial targets of 15% revenue growth, operating EBITDA margins of around 20%, and cash conversion of approximately 100%. We expect volume growth to improve during the second half, although the external environment remains uncertain.

Looking ahead, our priorities are clear: strengthening our position in specialized wire rope, expanding global customer relationships, and enhancing operational efficiencies across the group. With our ongoing investments in capacity, a diversified geographic presence, and a strong balance sheet, we believe Usha Martin is well-positioned to deliver a profitable growth.

With that, I would now like to invite our CFO, Mr. Abhijit Paul, to take you through the financial performance for the quarter in greater detail.

**Abhijit Paul:** Thank you, and a very good evening to everyone. I will now provide an overview of the company's operating and financial performance for the quarter and half year ended 30th September 2026.

Starting with the second quarter, our consolidated revenue from operations stood at INR 1,000 crore compared to INR 890 crore in Q2 of FY26, registering a growth of 12.4% year-on-year.

Operating EBITDA increased by 16.5% year-on-year to INR 202 crore, compared with INR 173 crore in the corresponding quarter last year. Operating EBITDA margin improved to 20.2% from 19.5%, an expansion of approximately 70 basis points year-on-year. Profit after tax from continuing operations stood at INR 136 crore compared with INR 128 crore in Q2 of FY26. The PAT of last financial year, Q2 FY26, included one-time exceptional income of INR 16 crore. Excluding this, our PAT during this quarter has grown by 10% year-on-year.

The growth in operating EBITDA translated into stronger profitability on a per-ton basis. Operating EBITDA per ton stood at INR 40,680 per ton, compared with INR 40,580 in Q1 FY27 and INR 34,915 in Q2 of FY26.

For the first half of FY27, consolidated revenue from operations stood at INR 2,021 crore compared with INR 1,760 crore in H1 of FY26, registering a growth of 14.8% year-on-year. Operating EBITDA increased to INR 410 crore from INR 319 crore in corresponding period last year, with margins improving to 20.3% from 18.1%.

PAT from continuing operations stood at INR 278 crore compared with INR 230 crore in H1 FY26, which included one-time income of INR 24 crore. We have restated previous year's numbers by excluding UM Cables as the same has been shifted to discontinued operations held for sale.

An important highlight of our performance during the first half of the year has been the strength in cash generation. Consolidated operating cash flow before income tax stood at INR 413 crore during the half year ended FY27, translating into a cash conversion of approximately 101% of operating EBITDA.

We also made progress in improving working capital efficiency. Consolidated net working capital days reduced to 185 days from 194 days in March 2026, supported primarily by better inventory management. Inventory days declined to 166 days from 176 days over the same period, while maintaining adequate inventory levels to support our international operations and customer requirements.

We have generated a free cash flow of INR 186 crore during H1 of FY27. Return on capital employed also improved to approximately 21.6% compared with 20.6% in the end of FY26.

During the quarter, we also took advantage of the One-Time Settlement Scheme introduced by the Punjab Government and settled old entry tax disputes by paying INR 4 crore. This reduces our contingent liability by about INR 37 crore and removes a long pending legacy issue.

Looking ahead, our financial priorities remain focused on sustaining healthy operating margins, maintaining strong cash conversion, and efficiently deploying capital towards our growth initiatives. Our strong financial positions provides us with the flexibility to pursue these opportunities while continuing to generate long-term value for our stakeholders.

This brings me to the end of my remarks. I would now request the operator to open the floor for question-and-answer session.

**Moderator:** We will now begin the question-and-answer session. The first question is from Aman Kumar Sonthalia from AK Securities.

**Aman Sonthalia:** First of all, congratulations on the satisfactory results under a very challenging international scenario. I have a few questions related to this quarterly result. Number one, why were the rope volumes relatively flat this quarter? Has the Gulf war played a role in this?

**Shreya Jhawar:** Thank you for your question. Yes, volumes for rope were flattish for the quarter. But first and foremost, I want to say that volume growth does remain a very important priority for us, particularly in the specialized wire rope segment.

Having said that, as you mentioned, I think it is also important to look at the broader geopolitical environment over the last six months, which has been quite challenging. The situation in the Middle East did impact the demand sentiment in the region, which led to lower volumes, particularly in a market like the Middle East, where we had significant growth ambitions planned for the year. But even at these lower volumes, we were able to protect the profitability in the region through the business model that we have there and the improved product mix.

Along with that, we have also seen significant disruptions on the logistics front as a result of the war. Just to put things in perspective, compared to February this year, freight rates to our key markets like the U.S., Europe, and the Middle East increased by as much as 4x-6x at the peak in September, from February to September, and the transit times also increased. So, this obviously affected the pace of the order execution and volume growth.

But more recently, we are seeing an easing of some disruptions in the Red Sea, which is starting to give some relief to freight costs in U.S. and Europe, which should help us in H2 with volumes as well. But on the other hand, there have

been positives on the volume front also. As we mentioned in the opening remarks, the domestic business has performed well during the period, both in terms of volume and value, which supported our topline growth and profitability. And even in terms of overall volume efforts, increasing our coverage in various markets, that has stayed intact. We have made good progress in securing some long-term contracts and consignment arrangements; particularly in the Southeast Asian and the U.S. regions, which are going to support our volume growth going forward. Just to give you an example, recently we secured a three-year port contract with one of our large port operators in Southeast Asia, where we have been able to meaningfully increase our share of wallet. These are the kinds of opportunities we are actively pursuing, because they will give us better visibility into our volumes going forward and a more recurring base of business.

So, yes, like you said, while the Gulf war and the external environment have impacted volumes, we are quite confident about the opportunities ahead, and we will focus on driving more profitable volume growth with the right mix and healthy margins.

**Aman Sonthalia:** The next question is, how did the European and U.S. markets perform in the last quarter, and what is the outlook for these market going forward?

**Shreya Jhawar:** Both the U.S. market and the Europe market had strong quarters in the first half. For the U.S. market, last quarter, we saw both volume and value growth. In fact, in H1, we saw approximately a 12% growth in volume and 22% growth in revenue for the U.S. entity. But we still feel that the potential in the U.S. market is massive, and we have not really scratched the surface yet. So this is a market definitely that we are going to aggressively pursue going forward. We are also looking to build our frontline team there to expand coverage for the key high-value segments like mining, elevator ropes, but also for crane ropes where we feel, we are still a drop in the ocean compared to what the market size is.

So, we just got into, in fact, a framework agreement with one of the customers in the U.S. to expand our crane rope presence, and we feel that will be an important stepping stone for us to grow in the next two to three years in that market. And on the European side, from the various entities that we have in Europe and also the direct exports from India to Europe that we do, altogether our sales increased by about 11% in the first half. The growth primarily came from the service part of the business and a better product mix.

But like we said, because the freight rates have been elevated for Europe almost 4x since February, the demand for GP ropes has gone down quite a bit as the big distributors are not looking to stock materials at such high rates.

Like I said, that has eased a bit since September, so in H2, it should pick up. But our focus in the Europe market will continue to be the premium customer segment where we sell more high-performance ropes, and we will look to build our service capability further in the Europe market.

**Aman Sonthalia:** And what is the current update on the Thailand business? Can we expect topline and bottom-line growth going forward?

**Rajeev Jhawar:** See, the Thailand business, as I mentioned, like what we had done in Europe, a complete review of our business model. We have now started a similar exercise in Thailand, as I mentioned in my opening remarks, and that should help us improve our volumes; also improve the product mix, as we would be focusing more on the value-added products like elevators, cranes, piling and port ropes in those markets, which have a fairly strong demand in the Southeast Asian market. And with the integration of our upstream facilities with Ranchi, we will be able to be much more competitive in terms of our conversion cost and operating cost as a group as a whole, and this will help us to enhance our EBITDA margins and profitability.

Overall, we expect this to improve our EBITDA margins, which are at 6%-7% to close to 14%-15%, whereas it should also come with an increased volume of 10%-15%. So, over the next 18 months, it should have a very strong bearing on our overall performance and profitability and should help us improve the profitability and the EBITDA margins for the whole group as a whole.

**Aman Sonthalia:** And sir, one last question is, we are sitting on a substantial cash reserve, and we are also generating good cash every quarter. So, are we planning any acquisition, and are any concrete discussions underway?

**Shreya Jhawar:** Yes, so we are continuing to look at inorganic opportunities that can help us accelerate our growth, especially in terms of access to new markets and increasing our high-value products. And we feel that this will be important to take our growth to the next level.

In terms of specifics, there is nothing specific to share at this stage, but our approach, like we said before, is quite clear, looking for medium-sized, good-quality businesses that integrate well with, complement our existing business, and that will help us deliver incremental ROCE for the whole group without, of course, straining our balance sheet. As and when these develop, we will make the necessary disclosures if there is a material development.

**Rajeev Jhawar:** Just to add, we are seriously pursuing this.

**Aman Sonthalia:** Okay, sir. Thanks a lot.

**Moderator:** The next question is from Varun Jain from Dolat Capital.

**Varun Jain:** So, a couple of questions. Firstly, on the volumes part, there is a big divergence in wire rope volume and wire and strand volume. I mean, one is growing ~22%, and the other is down minus 2.1%. So, the factors which are affecting them should be affecting both of them, right?

**Shreya Jhawar:** Yes. So, if we look at the wire rope and the wire business; the wire business for us is primarily right now on the domestic side. Export is something that we are developing. But some of the broader geopolitical factors, logistics, etc., that

have impacted the wire rope business, particularly the GP rope part of the wire rope business in the international market, have not impacted the wire part of the business.

Wire is something that we have seen grow at ~20% on a half-year basis in terms of volumes. Wire rope has stayed mostly flat, but the product mix, of course, as he mentioned in the wire rope part of the business, has improved significantly. And a large part of the reason it is flat, is the Middle East as well as the GP rope part of the business, which was affected by logistics.

**Varun Jain:** Okay. The domestic part of wire rope, if that is growing, then there should be like a 3%, 4% growth, right? Because some 20%, 30% or 40% is still domestic even in wire rope also, right? Why is that not growing?

**Shreya Jhawar:** No, of course, the domestic side has grown, like we mentioned in our opening remarks, in both the quarters. In the most recent quarter, we did almost 13,000 tons. But in the Middle East, which is also a significant part of our business, the volumes were down 30%. So that had a significant impact, though we are seeing a little bit better volumes in H2, but the environment still remains uncertain.

On the U.S. side also, as I mentioned, we did see a 12% growth in terms of volume, and value grew more than that. Europe, if I look at it, volumes were more on the flattish side, but because of our service as well as our product mix, our value increased. So it has been a balance where the U.S. and the domestic markets have shown us growth. The Middle East has been down, and it is a significant part, whereas Europe has stayed flat in terms of volume, but the mix has improved. The balance of all these factors led to a more sort of flattish performance in the first half.

In the second half, we hope to do better, but again, the environment remains uncertain. Our focus will be to ensure that the 15% topline growth, 20% EBITDA margins, and the 100%+ cash conversion, those are some things we are very confident of meeting even in this uncertain environments.

**Varun Jain:** Sure. And secondly, we have been also saying that in the elevator market, there is a lot of demand, and we were not able to supply because of capacity. Now that we will get the 6,000 metric tons of capacity, in FY28, is it fair to assume that we will at least sell 5,000 metric tons, and assuming an INR 300 per kg kind of realization, there will be an incremental INR 150 crore in revenue, and at 30% EBITDA margins, INR 45 crore in EBITDA for FY28 from this capacity? Is that a fair assumption?

**Rajeev Jhawar:** On the volume front, yes, the domestic demand is fairly strong and is expected to grow. The elevator industry is growing by at least 20%-25% every year on the back of new developments, in the Tier 2, Tier 3 cities, the way they are expanding the multi-story buildings as well as the replacement market. And we are unable to meet the current demand for the elevator rope in our

domestic market. So this entire capacity, we feel that we should be able to sell in the domestic market.

In addition to that, there is an opportunity because of the current strong demand, we are unable to meet the demand from all our international clients, and there are opportunities to build volumes there as well. That should also help us. The price is between INR 230,000-INR 240,000 a ton. Sometimes it could be higher in the international market. Altogether, this is the topline we should be able to add, around INR 130 crore to INR 150 crore because of this elevator rope capacity coming in. And of course, the EBITDA margins should be what you mentioned, should be around similar numbers.

**Varun Jain:** Sure, sir. And what is the capex outlook for FY28, and where will that capex go?

**Rajeev Jhawar:** The capex, this is the ongoing capex, so we are, as we had mentioned even earlier, our capex would be close to between INR 200 crore-INR 250 crore a year. So, one is the completion of this elevator rope project. Then we are looking at expanding our specialized ropes, particularly the mining rope, a part of which has just been commissioned.

And also, further expanding our plasticated LRPC capacity, as well as increasing the specialized wire capacity where we are developing markets, as I mentioned in the opening remarks, internationally.

So, our capex for our organic growth would be close to INR 200 crore-INR 250 crore every year. And that should help us to continuously keep on improving the capacity of our ropes for the areas where we see demand coming up.

**Varun Jain:** Sure, sir. Just the last one. What is the revised volume and realization guidance for FY27, now that H1 has been quite flat?

**Shreya Jhawar:** Yes, I mean, when you look at the first half, volumes have stayed flat at 101,000 metric tons. Ropes have stayed flat, but wires have increased. LRPC is what has been down by about 17% from, say, 23,000 to 19,000. For H2, we see, like we said, stronger volumes both on a sequential basis as well as on a year-on-year basis, and our target and ambition both for the core, rope segment and the wire segment remain intact. But of course, in the first half, there was a little bit of a setback. But overall, for rope and wires, we still have that ambition. LRPC is what has caused a major drag of about 4,000 tons in the first half. We do not want to sell LRPC at a loss. The normal black LRPC has become such a commoditized product that it is a fast-moving product in the sense that from production to conversion to cash is fast. We have the capacities. We are continuing to be in that market, but we do not want to do volumes at the cost of margins and sell it at a loss. So that is something that we will play by ear.

But the focus is on plasticated LRPC, like we said, and we do see projects that we are quoting for Q4, large projects both in the export and domestic markets, which if they materialize, and we do have the approvals in place, they

can meaningfully boost volumes. But since that is project-based, we cannot commit to a specific number on that right now.

**Varun Jain:** If you keep your earlier target for wire rope of, say, 10%, in H1, you are at minus ~1%, so that would bring you to an H2 required growth rate of 20%-22% in that range. Are you confident that this can be achieved in H2, and in October and mid-November, has that kind of a rate been seen?

**Rajeev Jhawar:** You see, increasing the volume is going to be our focus on a continued basis. However, as I mentioned in our previous calls also, while volume is important, more important for us is to ensure that our value, which is the value-added products, and the wire ropes with higher value addition, whether it is the crane rope, elevator rope, mining rope, which give us a much higher EBITDA margin and contribution per ton. So that we want to protect at any cost, and that we have been able to successfully do, and we would continue to strive for that. But the volume also depends on how the geopolitical situation emerges, how the logistics costs evolve, particularly for the GP rope, where we are not able to pass on the price increase, or the customers are not ready to take a higher price. So those are the challenges we are facing.

So, in a nutshell, I can tell you, our priority is to keep on increasing the volume. We are hopeful that we should be able to come close to our target. But more important for us, and where we are more confident, is to ensure our revenue growth while protecting our margins, and overall profitability growth over last year. That is something we are more confident about.

**Varun Jain:** Okay, thank you, and all the best.

**Moderator:** The next question is from Parthiv Jhonsa from Anand Rathi.

**Parthiv Jhonsa:** Just wanted to quickly check up on a couple of queries. Actually, I am sorry, I joined in late. If you have repeated these, I would really feel sorry for that. Quickly, just wanted to check on a couple of things. Number one, as ma'am mentioned, the LRPC volume is low. So, does this volume actually consider anything from the plasticated LRPC or is it purely black LRPC as of now?

**Rajeev Jhawar:** It was mainly the black LRPC volumes that were down because of, A, the monsoon, as well as the extremely low prices and margins in the domestic market. So that was low. Plasticated LRPC is going as per our target, and we expect this to continue to grow in the coming quarters. All the approvals are in place. We have quoted for certain very good projects, both in India as well as overseas.

We made the first shipment of plasticated LRPC to a Southeast Asian customer, and that has been accepted well. Now we are hoping to grow that part of the business. Our focus would be to reduce the black LRPC as much as possible, because it may add volume, but there is not much of value addition coming out of it. And I would say in the next two years, our focus would be to really build a very strong portfolio of the plasticated LRPC. Wherever we have

supplied, it has got good acceptance, and we are hoping to get significant orders in the coming quarters.

**Parthiv Jhonsa:** Okay, perfect, sir. My second question is particularly for the U.S. I just wanted to quickly check what was the amount that you have spent on the tariff and the U.S. customs, along with, if you can just give some broad breakup of the raw material across your services and all. So that would be actually helpful.

**Rajeev Jhawar:** Sorry, can you come again?

**Parthiv Jhonsa:** Can you just help us out with the tariff amount that you have spent for the volume you would have exported to the U.S.?

**Abhijit Paul:** Tariffs on U.S. imports is around 50%. So, on a turnover around INR 250 crore in a year, so the tariff will be; so, for the last year, it was around INR 40 crore. So this year's number, we will share in detail once we have that detail with us.

**Parthiv Jhonsa:** Sure, no problem. We will connect on this later also. Thank you so much.

**Moderator:** The next question is from Kartikeya Pandey from 360 ONE Capital.

**Kartikeya Pandey:** I just have two-three questions. Firstly, how do you see the Middle East conditions evolving, like right now? Secondly, if you could just give me the capacity utilization numbers across the product segments, broadly?

**Rajeev Jhawar:** In the Middle East, as Shreya mentioned, our volumes, we were expecting growth with our expansion in Saudi Arabia. We were expecting to grow there significantly. Unfortunately, since February, when this geopolitical problem started, the volumes have dropped. We have seen a drop of almost 30% in volume vis-à-vis what we did last year.

Instead of growth, there was a de-growth. In terms of absolute volume, we lost in the first six months close to 2,500 tons compared to the same period last year. So, that is approximately 30% lower volume than last year. The good part is that while the volumes have come down, we have been able to improve our product mix by getting into higher value-added products, as well as service, you know, the cut to length and service to the end industry and have been able to improve our margins. Our freight costs also, we have been able to pass on to customers.

And even though the volumes were down by 30%, we could maintain our profitability at similar levels as last year. So, that has been on the positive side in the Middle East.

**Kartikeya Pandey:** And if you could just give me the capacity utilization numbers?

**Shreya Jhawar:** Yes, the capacity utilizations across the board are about 70%-75%. Again, that depends on the product mix. For LRPC, it is obviously lower because we are only producing as and when we are getting the right floor price, setting on it. On the plasticated LRPC front, currently we have a capacity of about 6,000

tons. This year, we are on track to deliver about 3,500 tons. So, that is something where we still have room for expansion, and in fact, we are increasing our capacities in that as well.

**Kartikeya Pandey:** Okay, thank you.

**Moderator:** The next question is from Sahil Doshi from Thinqwise.

**Sahil Doshi:** Just want to recheck on the volume guidance. You know, post Q1, we had called out that adjusted for the Middle East, our volume growth was flat. I would assume that it is the same case in Q2 as well. Our guidance was that assuming the Middle East situation remains the same, we would do 10% kind of growth for the full year. So just want to understand what really transpired over the same course of time. Have some other geographies de-grown or are they not working out to our expectations? Or can you just qualitatively call out what is really happening?

**Shreya Jhawar:** Yes, I think one of the main thing is that consistently we have seen, like you mentioned, the logistics cost increasing as well as the transit times also increasing quite a lot, which has impacted the order execution.

For the U.S., for example, though we did 12% volume growth, there was more potential, but the freight costs were so high that at that point, a lot of the distributors and stockists were not willing to build up stock at those higher freight rates, assuming that they would come down over the next few quarters, which we have seen it ease down from the peak level. It has eased over the last month and a half. So, I think that was one of the major issues.

One of the other issues was in Southeast Asia, where we were quoting quite a few projects in Singapore. The ultimate destination for those projects, the fabrication was to be done in Singapore, but the ultimate market for that was also the Middle East. So, even though Middle East demand is down, it has, to some extent, a trickle effect on project activity in some of the other regions. Though these projects are not cancelled, they are just delayed.

So, we are still actively working with those rigging shops and fabricators, who ultimately will supply to these projects. We are in continuous touch and hope that these projects do get executed. So, I would not say it is lost demand. It is more sort of delayed, and in the second half and early next year, we hope these projects get executed in due course and we are able to recover the volumes.

**Rajeev Jhawar:** And also, you see, while the value-added products, where the prices are good, the margins are good, and those are project-based, we are able to still push those volumes. But for products, particularly the general-purpose ropes, whether it is the Middle East, whether it is the U.S., whether it is Europe, where the customer, the distributor stocks material, and the freight costs have actually gone up, not double, but went up to 4x-6x; so, passing of those entire increases in prices was a challenge. Slowly, it is settling down, and hopefully, once that happens, we have the capacity, and we can push up those volumes.

But let us see how things emerge. Things have softened significantly in the last one month. Let us hope with the Red Sea and this current situation, things improve and we are able to push volumes. We have the capacity, but we have to also ensure that we protect our margins while we are pushing these volumes.

**Sahil Doshi:** Sure, that really helps. Just on elevator ropes, I understand that supply is a constraint rather than demand at this point of time. As the new capacity ramp-up goes through, are we really confident that we should start seeing the benefit from Q4, at least in that segment, and that should really support the volume growth for the next couple of years at least?

**Rajeev Jhawar:** Yes, you are right. The project is going as per target, and we should start getting the benefit from Q4. The full project should get commissioned by March, April, and we should be able to get the full volume benefit. The demand is very strong. We are unable to meet the demand of the existing customers even at the current level, and the market for elevator ropes is growing by 20%-25%.

The new build is growing by 20%-25%. So that should definitely help us meet the entire shortage in the market. Also, because the demand is so strong in the domestic market, we are also not accepting orders from some of the international markets, because we do not want to lose our turf in the domestic market.

So we do not see any problem in selling the entire quantity of 6,000 tons, at an average price of INR 2.30 lakh-INR 2.50 lakh a ton. So that should increase the volume and the top line also for the next financial year, with a decent margin.

**Sahil Doshi:** And just lastly on plasticated LRPC. I understand the approvals were one of the constraints. Have there been any delays there? Also, regarding the outlook, meaning you were thinking at some point in time you may look at expanding the facility or the capacity here. At what point or what juncture would you consider that?

**Rajeev Jhawar:** You see, the LRPC plasticated approvals are all in place now. All the customers with whom we have also got the approval have now started quoting with our products. We are in active negotiations of some for our contracts, both in India and overseas with them. However, it is all project-based, and hopefully these are all in the final stages and will materialize in the next two, three quarters.

Within the next two quarters, we should have a significant order book both in the domestic and export markets from some of these approvals as well as our existing approvals. We have also taken steps to expand our capacity from the current 6,000 tons to 11,000 tons-12,000 tons per annum, which should be getting completed by June next year. So on the volume front, 3,500 tons we expect to complete, or achieve, this year. Next year, we expect to be close to

7,000 tons-8,000 tons. Of course, this is subject to these projects getting commissioned and we get the orders and we are able to get the delivery schedule. But we are reasonably confident of doing about 7,000 tons-8,000 tons next year and close to about 10,000 tons the year after. So, plasticated LRPC is on track, and we hope that there are no delays in these projects, and we should be able to get decent volumes, as I mentioned, in the coming quarters and coming years.

**Sahil Doshi:** Perfect. Thank you so much, and best wishes for the rest of the year.

**Moderator:** The next question is from Prolin Nandu from Edelweiss Public Alternatives.

**Prolin Nandu:** My question is again on the volumes in wire rope. Now, if I look at the trend for the last three years, - FY25, you were at 104,000 tons and in FY26, you were at 106,000 tons. And in the presentation, you have mentioned that in wire rope, the value-add segment is already 71%, right, in H1 FY27. So, while you continue to mention that value-add is your focus, I am sure there is a ceiling to it, right? To what extent can you take the value-add within the overall mix. At some point in time, we will have to think about volume growth as well, right? In some sense, maybe at the cost of sacrificing the margin as well or maybe think about new markets wherein we can sell. So, what are our thoughts, right?

While we completely appreciate the fact that the focus is on margin and on value-add, there is a ceiling which you will hit at some point in time wherein the shift has to come back to the volume, in some sense. So, what are your thoughts on it? Because, again, as a previous participant also mentioned, it sounded very confident for the full year we will do a double-digit volume growth, even if there is a Middle East crisis, and now we are not very sure about that number as well. So, what is our long-term strategy on volume growth in the wire rope segment?

**Rajeev Jhawar:** I think we have mentioned, we had quite a few questions on this, and we tried to answer them, and I think I would again repeat my answer, that volume is our priority. Geopolitical situations have been there, and I think, which have not only impacted the demand, but also, affected the freight rates, which have gone up by 4x-6x.

So, for value-added products, where the prices are at $4,000, $3,500, $5,000 a ton, it is easier for us to adjust with the customer and manage it. But when the products are at $1,400, $1,500 a ton, the GP ropes, not being able to pass on the increase to the customers means basically supplying the products at variable cost plus a little margin, which would completely impact the profitability and margins.

Number two, the customers are not ready to even stock, seeing the freight rates going from, say, $150 to $800 a ton going into the European market for a product which is priced at $1,500 or $1,400 per ton. They are waiting for the prices to come down for them to be able to place the orders with us. So, it is not a very simplistic calculation.

The capacity, yes, we have the capacity, but it depends on the willingness of the customers to be able to take the products at these prices where there is at least a meaningful margin. I am not saying the margins of 20% that we achieve, but there has to be a meaningful margin. One has to take a calculated view, and we personally feel that we do not expect this current situation to last forever. We have already seen in the last one month that the freight rates have started coming down. At the end of the day, it is the willingness of the customer to buy at these prices or to share the freight cost increase or for the freight prices to come down for them to conclude business. It is not a straightforward calculation or a straightforward thing, but the endeavour is to increase the volume, but at a decent price or at least at a margin.

We do not want to keep on building volumes and tomorrow see that the margins come down to 15%. So that itself will have a completely different impact on the business. It is a balance which we are trying to maintain. I can tell you the global situation is not the same for our value-added products when we are competing with Europeans and all. You know, it is a niche market which we are building and increasing our stake in, and it is still doing well, and we expect to increase our presence over there. But in general, the overall environment internationally, and I am sure that all of us, we know that it is not very strong with the challenges, which we all know. But hopefully, things get better. Our plant is ready, and we will be able to push the volumes.

But one thing is very clear, we would not like to push volumes at marginal cost, with the kind of challenges we face right now. Also, we need to be sure that by pushing volumes, we should be able to get paid for our products and not end up with oversupply and delayed payments or even losing our debtors. All this in the current global environment, we weigh everything. Our endeavour is to push volumes, and we will do that. But with some of these challenges, we would see how to build volumes with safety built into our system.

**Prolin Nandu:** Sure, thank you for the detailed answer. Last point on that. Is there a room to increase the value-add segment within wire rope to upwards of 75% or even to 80% based on the capacity as well as the demand?

**Shreya Jhawar:** Yes, definitely. That 70% plus number is in terms of value. In terms of volume, it is still lower than 60%. So, as the volumes increase and we get better realizations and a better mix, definitely it is possible to push it up beyond those levels that you mentioned.

**Prolin Nandu:** Okay. And if I look at your margins, right, they have been very healthy, right? In H1 at 20.3% and on an EBITDA per ton basis of INR 40,600-odd. Is there any element of any kind of premium on the margin or on realization because of these disruptions?

So, what I am trying to understand is that, while we have lost a little bit on volume because of whatever is going on in the Middle East or whatever freight issues that we have already discussed extensively on the call, are we gaining

some bit on margins, which means that when the volumes come back, maybe we can see some decrease in margins?

**Shreya Jhawar:** No, we are quite confident of maintaining the margins at this level because the margins are primarily being driven by an overall better mix that we have seen within wire rope. Overall, if you see, wire rope as a percentage of our top line has also increased. I think for the first half, almost 75% of our topline comes from the wire rope part of the business, and LRPC has decreased.

So that also overall has contributed to better margins. So, we are quite confident of maintaining them at these levels. And this has come even though all the input costs, etcetera, have increased. Like we said, freight costs have increased. To a large extent, on the value-added side, because we were able to pass on the input cost increase as well as the freight cost increase, we have been able to hold our margins where they are right now.

**Prolin Nandu:** Thank you so much. All the very best.

**Moderator:** The next question is from Shraddha Kapadia from SMIFS.

**Shraddha Kapadia:** So, if we take a look basically at the wire business, it has delivered strong growth with revenue increasing approximately 35% and volumes growing 25%. If you could just help us understand the product categories or the sectors or the geographies which are driving the growth for the wire business?

**Rajeev Jhawar:** So the wire business, the auto sector is one of our prime markets, which we focus on both in the domestic and international markets. Predominantly, 90% of our wires are sold currently in the domestic market. And our share is also fairly low in our domestic market, so we have an opportunity to increase our share in the domestic market.

So, the first sector which is one of the important sectors we are supplying to is the auto sector, then there are the springs, door springs being another important market, and the power sector, basically the transmission line towers and electrification related products, that is also important.

And finally, the zinc aluminium wires, which have applications in rockfall barriers as well as demand in export markets for various applications of springs as well as gabion wires. So those are the applications where we are focusing. And one of the reasons is that, our percentage share of the market is fairly low, and we have focused on this over the last three years. So, we expect similar healthy growth in the coming years as we are focusing on these products and markets.

**Shraddha Kapadia:** That was quite helpful. So, in these wires only, if you could help us bifurcate for the value added, would that be possible? How much would be the value-added products and how much would be the conventional products?

**Rajeev Jhawar:** We can answer this question offline. We can go into the details. So anytime in next one or two days, we can connect with you.

**Shraddha Kapadia:** Sure, not a problem. Just one more question from my side. So, if we take a look at wire rope, then the revenue has grown approximately 13%, but the volume has declined. So, there is an increase in the realization. If you could help me understand how much of this would be because of the product mix and how much would be because of the pricing?

**Rajeev Jhawar:** I would say most of it is the product mix. Pricing is basically, as our focus on more value-added products is there, pricing has been fairly stable in the international market. So, it is mainly getting more and more into the value-added products, which is leading to the better mix and ultimately resulting in better realization.

**Shraddha Kapadia:** Okay, thank you so much for answering my questions, and all the best.

**Moderator:** I would now like to hand the conference over to the management team 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 its stakeholders in a sustainable manner. Should you need any further clarification or would you like to know more about the company, please feel free to reach out to us or to CDR India. Thank you once again for taking the time to join us on this call and see you all in the next quarter.

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