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2 June, 2025

The Secretary
The National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G-Block, Bandra- Kurla Complex,
Bandra (E),
Mumbai- 400051.

NSE Symbol - TIMKEN

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai- 400 001.

Scrip Code- 522113

Dear Sir/Madam,

Sub: Transcript of Conference Call

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attach herewith transcript of Conference Call for the quarter ended Q4 FY'25 – held on 27 May, 2025. A copy of the same is also available on the website of the Company at below link:

<https://www.timken.com/en-in/investors/statutory-compliances/>

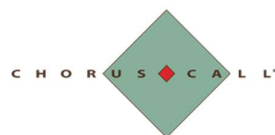
Thanking you,

Yours faithfully,
For **TIMKEN INDIA LIMITED**

Mandar Vasmatkar
Company Secretary
& Chief - Compliance



“Timken India Limited
Q4 FY '25 Post Results Conference Call”
May 27, 2025



MANAGEMENT: **MR. SANJAY KOUL – CHAIRMAN AND MANAGING
DIRECTOR – TIMKEN INDIA LIMITED**
**MR. AVISHRANT KESHAVA – WHOLE-TIME DIRECTOR
– TIMKEN INDIA LIMITED**
**MR. SUJIT KUMAR PATTANAİK – CHIEF FINANCIAL
OFFICER – TIMKEN INDIA LIMITED**

MODERATOR: **MR. MUKESH SARAF – AVENDUS SPARK**

Moderator: Ladies and gentlemen, good day, and welcome to Timken India Q4 FY '25 Post Results Conference Call hosted by Avendus Spark. 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 conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mukesh Saraf. Thank you, and over to you, sir.

Mukesh Saraf: Thank you, Sasha. Good evening, everyone. Mukesh Saraf here from Avendus Spark. Appreciate everybody logging in. From the management team, I'm pleased to host Mr. Sanjay Koul, Chairman and Managing Director; Mr. Avishrant Keshava, Whole-Time Director; Mr. Sujit Kumar Pattanaik, Chief Financial Officer.

I'll now hand over the call to Mr. Koul for his opening remark, post which we'll begin with the Q&A. Over to you, sir.

Sanjay Koul: Thank you, Mukesh. Thank you very much. Thanks, everybody for joining so first is that, obviously, today, we have both Avishrant and Sujit Pattanaik is our new CFO, and Avishrant has moved to some other senior responsibilities, and he remains our Whole-Time Director.

And I'm pleased to say that the sales for the Q4 was INR940 crores, which was almost 4.7% more versus the same period last year. And the previous quarter was a little bit sluggish. So it was 40% over the last quarter so we regained our piece there. And the profit before tax grew 8% Y-o-Y and almost doubled versus the last quarter. And margin also improved almost 70 basis points Y-o-Y. And they were almost 7% favorable to the last quarter.

So overall, our January, February, March of 2025 was pretty good. I should say we can always do more. But overall, it was pretty good. Also I'm happy to announce that we've been discussing about it. We have discussed the GGB, which the Timken Company took over, and we have started the TIL will start investing in the first line for the plain bearings in the composite material, which is alternate material called FRP.

So that line will start investing in that. And previously, also, you must have seen that we are expanding our way as well. So very happy with these due diligences to cater to more global and local markets and depending on the success of this plain bearing, which is of composite material, one step at a time will lead to further steps.

So with that, I would start directly for the questions and catch up with some more remarks later on.

Moderator: The first question is from the line of Abhishek Jain from AlfAccurate Advisors Private Limited.

Abhishek Jain: Thanks for opportunity and congrats Congrats for strong set of numbers. Sir, my first question on the segment-wise revenue in FY '25, if you can give the numbers of the mobile distribution and process and export numbers in FY '25.

- Sanjay Koul:** So Mr. Jain, you want for the quarter or you want for the whole year?
- Abhishek Jain:** Full year.
- Sanjay Koul:** So full year. So full year, as you must have seen the results, we did INR3,147 crores, and rail was 24.5% of that. And the mobile was 18.5% of That, distribution was 18.7% of that. Process stationary equipment 19.3%. And then the exports were 18.6%, and there was a little bit of export incentives, small portion, less than 1% there.
- So that comprised of the INR3,148 crore for FY '24-'25. Now the compare to '23-'24, it was almost 8.2% Y-o-Y growth. And rail grew by 17%, mobile, almost 1%, distribution by 11%, process by 8% and intercompany, which is exports by almost 3%. So that was a jump of 8% over the previous financial year '23-24. And from INR2,909 crores, we went to INR3,148 crores.
- Mukesh Saraf:** Okay, sir. And in the area segment, basically in this quarter, we have also seen a growth despite the higher deals. So just wanted to understand how is the order book right now? And how do you see the growth in FY '26 in the rail segment.
- Sanjay Koul:** So rail, we always think that there is going to be a steady, solid growth. It won't be like the hockey stick. But if you keep on growing. As you know that the rolling stock is also introducing heavy haul a little bit more. So that is going on. And the order book, generally, the market order book, I'm not talking about Timken, the market order book in this segment of freight, locomotive, metro passenger is pretty decent.
- So -- and obviously, we are the leaders in the rail and is okay. So obviously, we are pretty much happy and on the front foot for the rail. So we are running 6-days, 3 shifts on our rail lines. And as I previously also announced, we are expanding with some state-of-art, high-tech European machines for further enhancing the capacity for our rail for both Indian Railway and exports.
- Abhishek Jain:** So sir, growth was around 17%. So can you expect the double-digit growth going ahead in the rail in FY '26?
- Sanjay Koul:** So we always aspire and work hard to the best possible growth. The market is not giving us any bad signal here. Exactly what could be the growth quarter-on-quarter, we'll see. But currently, it is not a hockey stick, and we are obviously providing solutions and further technology enhancements in this area. So overall, I think we are not worried about rails.
- Abhishek Jain:** Okay. And in export, there was a slowdown in the last couple of quarters. How is the progress right now? And how will be the outlook in FY '26?
- Sanjay Koul:** In general, if you look at the global market, Europe is sluggish. U.S. market is also -- the North American market is okay on rail, but not on the other areas. South America market is okay. Australian market is a little bit better. South African market is good. Mining is picking up there. China, we saw that in April, it bounced back, and we'll see how they go.

So there is pretty much a good wave to reap fruits in China market. ASEAN is down. So overall, exports will remain still not very, very buoyant. Some markets, small markets are good, large markets are sluggish. So we'll have to wait and see. But the -- but those large markets are not very buoyant currently.

We'll have to see. And we don't need to discuss the (inaudible), but there is obviously everybody -- Apple guys are shipping 4x what they could keep in these 90 days. Others have a different story. So we'll have to wait and see, but I would say the mix bag, small markets are showing promise. Large market is not still showing a lot of promise.

Moderator: The next question is from the line of Viraj from SIMPL Innovative Brands Private Limited.

Viraj: First is, can you just repeat -- sorry for the repetition, but if you can just repeat the percentage of revenue mix for segment and the growth rates.

Sanjay Koul: So yes, no problem. So this is '24, '25 -- FY '24, '25 over FY '23, '24. We did a rail of INR770 crores. And mobile we did INR584 crores, distribution INR587 crores. Process -- I'm talking crores, process INR606 crores and exports of INR585 crores. This is the whole year.

And in terms of growth over the previous year, rail grew by 17%. Mobile was flattish. Distribution grew well at 11%. Process grew by 8-point-something, and exports grew by 2.8%. And export incentives in minor, which went down. So overall from INR2,909 crores, we went up to INR3,147.8 which was 8.2% growth Y-o-Y.

Viraj: And in terms of rail, can you probably give some more color in terms of the tendering activity, what you're seeing in India and exports? And similarly, on granularity in terms of the competitive landscape, any color on that?

Sanjay Koul: Rail is never going to be hockey stick. So slow and steady growth will be there. So passenger, obviously, with Vande Bharat introduction, getting rid of all Schlieren bogeys, so that will remain there. Classe Es are getting more and more into the dedicated freight corridors. Old rolling stock is getting changed. And the metro is obviously not a big ticket item, but many cities are introducing metros, including now the Bangalore, Indore, Bombay, all that is happening.

Locomotives, we are also starting to produce locomotive bearings for electric locomotives for their suspension unit. So I would say that rail is on a nice path, but it is not a hockey stick. So - - and then spending has to... it is also government driven. So, it is all about how much government wants to spend more and more in this.

And it is -- the current trends are pretty much okay. The tendering from the railway board is also happening. And similarly, from the private wagon builders is also happening. So rail is pretty much okay.

On export, as I said earlier that there are -- big markets are sluggish, I would say America is a little bit up is now up-ish. Europe is down. South America is up-ish. Australia is a little bit up-

ish. South Africa is up-ish. ASEAN is down. China overall was down until March, April was showing some good signs.

So export for us, I would say, that is not going to be for anybody, and everybody is not going to be that buoyant. Manufacturing PMI last month, you saw that it went down a little bit. And for exports are going to be a little bit of a challenge until the world settles down a little bit.

So these geo-politic activities settle down, and the business is ready to invest money. The tariff wars settle down. So all that is there. So export, I'm not buoyant about export. But domestic is pretty much okay, and there are good pockets of real exports happening. So they are okay.

So overall, the Indian market, I would say, we need to grow at 6%, everybody knows. And then this rail export, which is a little bit better than the small bearings, but exports overall would be sluggish for sure.

Viraj: Just two questions. On the competitive intensity part for -- can you elaborate -- we talked about leadership position for us. But if you can just give some colour on what kind of market share we have in different segments? And whether any new player has entered the space?

Sanjay Koul: The competition is always there. They were already there. And we have all the three large players, international players. One domestic player is very much there. They were always there, and they will be always there.

And we have been -- we have devised the supply chain now 30 years back. And we have invested in time for expansion. I think last year as we have further expanded in the rail, and we are very careful with our investments, and we make sure that there is return on investment.

So competition is there, and we have both the technology and the sunk cost and the depreciated and the world-class supply chain, and we are introducing further tech products into the system. And with the plain bearings, there are a lot of application in railways, which will look very closely. So good competition is always good. It will keep on pushing you to further enhance your technology capability. So I'm not losing any sleep on rail competition currently.

Viraj: Just last question. On this renewable, please, a couple of years back, the parent had acquired Cone Drive and even GGB Bearing technology. What we hear a lot of other players getting orders for solutions for, in addition to rail. Any color you can give for Timken, is there any place for us?

Sanjay Koul: GGB is the plain bearings, who do plain bearing with both alternate materials and other steel. It is a high-tech -- high technology company. And these plain bearings go in very varied applications, both automotive, electrical, EV and industrial as well.

So we are investing as approved in this Board meeting, we started the first step -- the first line of plain bearing in alternative material composite material. We'll be installing hopefully by the end of this year or maybe early next year. So we have started doing that.

And on the Cone Drive side, the technology is available for us. We started assembling product in our Bharuch. And we have started supplying to Tata Solar, for example. So we are testing those markets. And we are working closely on that, how to leverage that technology.

And I think we did some sale of 300, 400 units. It's not a big number, but a small number. But to your point, yes, it is a market where now India also needs to make sure that the solar, the sun is harnessed properly, that means you cannot use the fixed panels. They need to be little bit rotating that where the Cone Drive comes into picture.

And we have the technology, and it is similar to making engineered products. And as I said, that we already assembled 300, 400 sets and sold to a Tata Solar Power, and we are looking at that. So yes, so we are moving ahead in both these roll-on technology implementation and the first line for the plain bearings with composite materials in India.

Viraj: How large is our market in India and globally? And just last question, I'll come back in queue.

Sanjay Koul: The plain bearing market is more than US\$100 million market. So it is a pretty decent market. It also has application in wind. It has an application in some of the first stage gear can use plain bearings. It has application in railways. It has application in automotive, EV.

So, it's a 100 million market in the whole kind of set-up. Now it is a technology product where a lot of people use simple bushing currently, which is obviously not the right solution. So it's a nice market, but it's a diverse and a very fragmented market. So it needs a lot of value sales.

Moderator: The next question is from the line of Vimal Gohil from Alchemy Capital Management.

Vimal Gohil: So just wanted to check on if you can just give us some update on the Bharuch, how is the ramp up? What is the -- what kind of utilization levels have we reached in this quarter?

Sanjay Koul: Yes. So we are going to capitalize these lines by the end of the the first quarter of this financial year. So by the end of June, we'll start really producing. Currently, we have installed the CRB lines. We have installed the small SRB lines, large SRB lines and still on the sea. And hopefully, we are there by July.

So PPAPs are happening. In fact, today, we shipped the first (inaudible) to the customer. So utilization, the demand is there. I think at the end of this year, we should -- at the end of this year, ramp up, PPAPs, all that, we should be able -- at the end of this year, we should be able to reach around 45-odd percent of capacity utilization. And then from next year calendar year, it would become -- every month will become better than the previous month.

Vimal Gohil: Fair enough. Sir, just in terms of demand for commercial vehicles, what are you seeing? I think OEMs are indicating and various agencies are indicating a mid-single-digit kind of growth. So if you can give your outlook on the pure automotive business domestic.

Sanjay Koul: Yes. So on the commercial vehicle, it is going to be 4-odd percent growth. Commercial vehicles will go at that. And there is a diverse, there is a little bit of these Big Bosses, and all that might

go -- the spoke might go a little bit more. And there is some heavy vehicle demand, also tipper *looks okay*. But it will be -- the commercial vehicle would grow at the same 4%, 5%. On the off-highway, tractor had a good sale in April. Actually, tractor had a nice sale in April in India. So let us see, but it is not going to be 2018 on commercial vehicle yet.

Vimal Gohil: Understood. And sir, just coming back to Bharuch, you mentioned 45% utilization levels for FY '26 end. Could you help me -- give me some sense on this incremental utilization or the incremental sales from this plant, how much of it will be domestic and how much will be used for exports? Do we have a visibility of 100% domestic?

Sanjay Koul: So no, we are going to cater to both export and domestic currently. My sense is that it would be 50-50 by the end of the -- this financial year. But exports, as you know, the markets, some of them are sluggish. Some of the markets are going to be where we have not played, for example, in ASEAN market. We have some application where we have not played before, and we'll like to play with this investment, those markets of ASEAN.

So my feel and target is that we should be doing 50-50, but now with export being so tight of Dice, with trade wars, we don't know what is going to happen. All of a sudden, there's a 50%. Then it is paused. There is something else. So for some time, that clarity as it comes in.

But overall, our target is going to be both domestic, and this -- and there are a lot of domestic applications, which demand these bearing. So we are working pretty much to mitigate if there is an export risk, how to push more domestic, which will be good either ways.

Vimal Gohil: Domestic, which applications are we talking about majorly for CRB and SRB?

Sanjay Koul: So these go to -- from the, say, lift to material handling to auxiliary equipment to railway applications like CRB, motor suspension unit, the motor itself has a bearing. So SRB, CRBs are used in many varied applications. So material handling is a large piece of it. Sugar mills use it a lot. Paper mills use it a lot. As they said, railways also use it all out. So, *there is no shortage of applications*.

Vimal Gohil: But we'll be able to supply to most of them. I mean, we are not targeting any specific segments so to say?

Sanjay Koul: We wanted anti-friction bearing solutions. Wherever there is a rolling element to be put in, we'll be standing there.

Moderator: The next question is from the line of Abhas Verma from East Green Advisors.

Abhas Verma: I just have one question. So assuming your existing manufacturing facilities are currently operating at or near full capacity. So is there any headroom for incremental volume growth from these plants? Like is there a need for debottlenecking? Can you just guide on that?

Sanjay Koul: So obviously, this is a question which everyday manufacturing managers and plant managers look at the tat times and then look at the bottlenecks and see how we can improve it. As I said

that we are working six days three shifts. And we want to make sure that the maintenance is taken care and not preventive now -- we have all moved to predictive and all that.

So coming back to the headroom, obviously, there are many ways to do that. One is obviously put more capex in, which for rail we are doing. But otherwise, there are other ways to utilize, say, for example, rough grind to do at a vendor place. So we are looking at all those possibilities. And we have a good plan in order to boost the productivity with the same set-up by outsourcing some critical roughing elements.

So we are looking at that. And then also, if we feel that there's a need to invest quickly, we have grind lines available across the globe, and we can always buy them and install them quickly. So that is also there.

But yes, the risk mitigation to ride the wave, we look at that. And there is no direct question to the headroom. These are all different solutions and different cost factors to manufacturing, which we are looking at, which we discuss every week, actually. So this is our bread and butter to produce more business.

Abhas Verma: Yes, absolutely. I appreciate that. But I just wanted to have a sense that incrementally, could we see any sort of nominal growth rates coming from the...

Sanjay Koul: The current setup, I can -- when I'm working six days three shifts, you have to whip it and produce the 10%, 15% more out of those assets is possible. Beyond that, we'll have to invest.

Abhas Verma: Sorry, could you please repeat the numbers again?

Sanjay Koul: I said that if we have to whip these assets currently running at six days three shifts, we have to whip them further, we can -- with further solutions produce another 15-odd percent. Beyond that, we'll have...

Abhas Verma: Understood, understood. 15-odd percent you can do more.

Sanjay Koul: Thank you. We can take one more question.

Moderator: The next question is from the line of Rajakumar Vaidyanathan from RK Investments.

Rajakumar Vaidyanathan: Sir, my question is on the financials. So if I just see the notes that you have given in the financial statement, there is a note in the, note number 5 where it dictates 275 million is on account of bilateral APA that was signed. So if -- I mean that kind of gaining upside here this quarter because your revenue and bottom line has gone up to the same number, right? And to see the real profitability, we need to just kind of back that out. So if a back that out, then when I compare your current Q4 vis-a-vis the previous Q4, the numbers are actually coming down. So your PBT margin drops from 21% to 19%?

Sanjay Koul: That is absolutely right, Rajakumar.

Rajakumar Vaidyanathan: Yes. And just one more minute, sir. So I also read through you are parent companies con-call transcript, where they are talking about the EBITDA bridge. They mentioned \$10 million have been incurred towards ramp-related costs for Mexico and India entities. So I just want to know whether this 2% drop is representing the ramp-related cost. Or is there anything more to it?

Sanjay Koul: I'm not aware of this. The statement you are making, I'm not aware of this.

Rajakumar Vaidyanathan: No, it is there in the public domain, Sir, you can go through that, it is there. So basically, my question is why the margin has dropped from 21% to 19%. So the question is why -- the reason for the drop. And are there any ramp-related costs you included?

Sanjay Koul: No, it is not there. So that what I say that it is not there, that is not very much there. And our depreciation also not started for the new plant. So it is not there. Mexico versus parent, I'm not aware. I obviously don't look after that territory why I'm not aware what is there.

And regarding this 19% with this is absolutely right. And you have to see what was the last quarter, even if you take that out, and that is the fact. Last was 14.6%. So 14.6% to 19-point something, plus this base. So look at it in a positive manner, Rajakumarji.

Rajakumar Vaidyanathan: Yes, yes. I understand, sir, but you have a substantial turnover. So you'll have the operating leverage, right? So it's not correct. It's not the right comparison?

Sanjay Koul: That is right.

Rajakumar Vaidyanathan: I'm sorry. Sorry to be blunt here.

Sanjay Koul: Industries are really -- I always learn more from these question-answer sessions every time. So, I'm indebted to these questions because they teach you a lot. So the next time I look at my notes, even more well to be prepared because you guys look at -- for many companies, the depth of knowledge you bring to the table is immense. We are so much blinkered. We are like horses only looking at one piece. And you guys are like open ocean. So there is always so much to learn.

Rajakumar Vaidyanathan: Sir, just one more question, sir, if you permit, please. Yes. And that is a tax-related reversal also in this quarter. So I [inaudible 0:29:22]

Sanjay Koul: So this is tax-related very much there. I think this is related to the M&A. This is the old M&A reversal, which we have provided for.

Rajakumar Vaidyanathan: Okay. Okay, sir. Thanks a lot, sir.

Sanjay Koul: Okay. Thank you very much. Thanks a lot. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, that was the last question. On behalf of Avendus Spark, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.