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February 20, 2026

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Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Earnings Call Transcript

Dear: Sir/Madam,

This is further to our intimation dated January 30, 2026 w.r.t Earnings Conference call with Analysts/Investors on the Unaudited Standalone and Consolidated Financial Results of the Company for Q3 FY 2025-26 scheduled on Friday, February 13, 2026 at 15:00 hrs., IST.

Pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Earnings Conference Call Transcript held with Analysts/Investors.

Copy of the same is also being made available on the website of the Company at <https://www.nrbbearings.com/>

Please take the same on record.

Thanking you,
For NRB BEARINGS LIMITED

Khyati Danani
Company Secretary & Compliance Officer
Membership no. A21844



**“NRB Bearings Limited
Q3 FY '26 Earnings Conference Call”
February 13, 2026**



**MANAGEMENT: Ms. HARSHBEENA ZAVERI – VICE CHAIRMAN AND
MANAGING DIRECTOR – NRB BEARINGS LIMITED**

**MODERATOR: MR. AJIT MISHRA – ERNST & YOUNG, INVESTOR
RELATIONS**

Moderator: Ladies and gentlemen, good day and welcome to the NRB Bearings Limited Q3 FY '26 Earnings Conference Call. 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.

I now hand the conference over to Mr. Ajit Mishra from Ernst & Young, Investor Relations. Thank you and over to you, sir.

Ajit Mishra: Thank you. Good afternoon to all the participants on this call. Before we proceed to the call, let me remind you that the discussion may contain forward-looking statements that may involve known or unknown risks, uncertainties and other factors. It must be viewed in conjunction with our business risks that could cause future result performance or achievement to differ significantly from what it expressed or implied by such forward-looking statements.

Please note that we have mailed the Q3 FY '26 results, press release and the same are available on the company's website. In case, if you have not received the same, you can write to us and we will be happy to send the same over to you.

To take us through the results, long-term strategy and initiatives that have already been taken in the right direction, we have the top management of NRB Bearings Limited represented by Harshbeena Zaveri, Vice Chairman and Managing Director. We will start the call with a brief overview of the quarter gone past, and then conduct Q&A session.

With that said, I now hand over the call to Harshbeena Zaveri. Over to you, ma'am. Thank you.

Harshbeena Zaveri: Thank you so much. Good afternoon, everyone. Thank you for joining us today for NRB Bearings' Q3 FY '26 earnings conference call. It's always been a pleasure to connect with all of you, and I truly appreciate the continued interest and engagement that you bring into these conversations.

Over the last few quarters, we have been focused on building a stronger, more diversified and more resilient NRB. Today, I am very pleased to share with you the progress that we've made in this direction.

Let me please begin with our performance for the quarter. In Q3 FY '26, our revenue from operations grew 18% year-on-year. It has now reached INR328 crores for this quarter. NRB's EBITDA increased by 26% Y-o-Y to INR64 crores, and our EBITDA margin improved by over 19%, compared with approximately 17% to 18%, the same period last year. Profit after tax before exceptional items rose by 44% year-on-year to INR38 crores.

For the nine-month period as well, the momentum remains strong. Revenue for nine-month FY 2026 was INR963 crores, up 11%. EBITDA grew to INR193 crores, which is a 20% increase. EBITDA margins rose to 19.5% year-on-year, and profit after tax before exceptional items stood at INR112 crores. INR112 crores shows a 27% increase year-on-year.

This consistency, quarter-after-quarter, reflects a very deliberate approach. It comes from the choices that we are making on product mix, the customers that we choose to partner with, our engineering-first approach and strong R&D fundamentals, on the back of which we have strengthened operations, improved our cost structures and added stringent working capital discipline, which is also showing a good trajectory.

I would say the most encouraging part of this performance is that it's been achieved while we are simultaneously investing in new platforms, new product lines and also adding entirely new but adjacent industry segments.

The most defining developments of the quarter relate to our time and resources. The first is the joint venture with Unitec. As many of you know, NRB is always focused on complex precision applications, segments where engineering depth and reliability matter much more than volume or price point.

Unitec shares this exact philosophy. They are one of Italy's most respected independent industrial bearing manufacturers, especially strong in precision products across industry applications like cylindrical roller bearings, industrial gearboxes, agriculture, textile equipment, defense applications and aerospace-related systems, which use the products that we are going to start manufacturing along with them. This joint venture is therefore not simply about adding capacity; it's also about adding capability.

We will manufacture industrial cylindrical roller bearings for very, very exacting applications out of a LEED-certified state-of-the-art facility in Uppal, Hyderabad. NRB holds 75% in this upcoming joint venture, which gives us strategic control and long-term direction. Unitec brings advanced engineering solutions, deep customization expertise, a strong Europe-centered OEM base and, importantly, the joint venture comes with an assured off-take commitment of production. This gives the platform immediate scale and visibility.

For us in the NRB group, partnerships are all about accelerating our entry into new segments. This one is into industrial bearings. Industrial bearings is important because it is not a space where we enter as a commodity player, but as an high-end engineering solutions provider. This segment offers diversity in terms of growth. It also offers stability, stronger margins, long life-cycle relationships and aligns perfectly with our proven ability to engineer complex solutions and create diversification at scale.

The second strategic milestone this quarter is our entry into the aerospace industry through the acquisition of Mahant Toolroom in Bengaluru. This is very meaningful for us because aerospace aligns with both our core capabilities and our long-term aspirations. Our technical and R&D resources will enable the scaling up of this business.

Mahant Toolroom brings sophisticated precision machining capabilities for engines, for fuel system components for mission-critical aircraft, as well as doors and rod ends. And they have been recognized multiple times, HAL's best performance award for technical excellence being the most recent. They come with an order book of more than INR25 crores, giving us instant scalability in this high-entry barrier sector.

Aerospace is a domain you cannot enter without a long lead time. Qualification cycles are long, quality expectations exceptionally high, approvals often take years to materialize. Through this acquisition, we are able to fast-track what is typically a long approval cycle. More importantly, this is completely aligned with our strategy of entering high-technology, high-margin, basically businesses where it's difficult to gain a foothold and impossible to lose it once you are there.

These two initiatives, the Unitec JV and Mahant acquisition, are not isolated moves. They are part of a larger declared strategic intent. This reset became possible after certain legacy constraints, as you all are aware of, were resolved.

We continued to be conservative and focused solely on our existing business for the past 8 years to 10 years. Starting from between 2019 to early 2025, we had performed with an entire set of structural constraints. However, we no longer face any of these constraints and focusing on our future while protecting and growing our core automotive leadership strength is the way forward.

The discipline that we are putting in is critically important in terms of how demanding OEMs perceive us. This platform of selecting customers who are both high-margin and extremely, extremely particular in who they partner with is the base on which we are now building our confident entry into industrial, aerospace, robotics, off-highway and fundamentally, many, many next-generation mobility solutions that will help NRB achieve the aspirational goals and go well beyond what we have declared.

I'm pleased to share that CRISIL has maintained its credit rating of AA- this financial year as well. This continues to be a significant recognition for us, as you well know there are very few listed companies of our size that have this ranking. And this reflects our standing as a benchmark of financial discipline and governance, strong liquidity, low leverage, consistent operating performance and disciplined capital allocation framework.

It also gives us the ability to attract partners, pursuing strategic opportunities whether they are in the form of JVs, acquisitions or greenfield initiatives with other partners with extreme confidence and at an optimal cost of capital.

I'm delighted to welcome our new CFO, Mr. Vineet Goel, into our leadership team. Vineet brings over 25 years of international and domestic experience across manufacturing and technology-enabled sectors. What is particularly important for us is that he has been with companies that are also very quality and profitability focused.

He has, during his tenure, covered greenfield projects, mergers and acquisitions, staff-led financial transformations and focuses on working capital management, profitability and cash flow enhancement. This very well fits in with our shorter and long-term strategic initiatives. We are excited to have him join our leadership team.

Let us now turn to the outlook, because this is where I want to spend a little more time. We believe that NRB is entering perhaps the most exciting phase in decades. Our automotive business, which is deeply entrenched with premium OEMs across India, Europe, Asia, and the Americas. Our existing product portfolio is entrenched in new generation EV, ICE and Hybrid platforms globally. This gives us long-term revenue visibility, strong pricing power and an

opportunity to get future business. Beyond automotive, our industrial business is expected to grow rapidly and add significant opportunities through greenfield and partnership initiatives.

As I explained earlier, the Unitec JV gives us access to European OEMs, both here as well as in Europe, who value engineering depth and application-specific customization, which has always been our strength because of our history with Needle Roller Bearings. We expect this platform to expand steadily into construction equipment, agriculture, industrial machinery and robotic applications. These sectors offer resilience across cycles.

Aerospace and defense, as we explained, are our third major engines. This is a long-cycle business with high entry barriers, stringent certifications, robust margins. We believe that our trusted position with demanding customers is a positive, and the ready order book that Mahant has is going to ensure faster growth than if we went on our own. All these platforms, collectively give us a diversified, resilient and future-ready model, and the longer-term growth plan adds profitability in the near and long term.

What gives me the greatest confidence is our people. The teams across our plants, R&D centers and customer-facing functions are what gives us an edge. It is really their dedication and passion which are the true drivers of NRB's performance.

To all our investors and analysts, I thank you for your trust, your insights and your continued engagement. We remain committed to delivering value through disciplined execution, strategic clarity and sustainable profitable growth. I do hope that I have been able to share both the recent results of the company and give you meaningful insights into the way forward.

With that, I will pause and open the floor to your questions.

Moderator:

Thank you very much. The first question is from the line of Shreyans Gathani from SG Securities. Please go ahead.

Shreyans Gathani:

Good afternoon, ma'am. I had a few questions. So the first one was on the working capital. What would be the inventory levels, and where are we with the inventory reduction that we are targeting? If you could just give some color on that. Just the overall working capital and the inventory specifically.

The second question is about the capacities. So I understand that, the capacities at this point is are full and, our sales is probably peaked at around INR330 crores level per quarter. Given the higher inventory levels and the fact that Q4 is typically our best quarter, in that sense, how do we try to capture that growth or are we not able to fulfill the demand that we'll have in Q4? Like on the additional capacity, just trying to understand timelines on how we are building capacity and when and how in stages it's going to, come up.

Harshbeena Zaveri:

Let me address your questions one by one. Our working capital has basically improved, as you could see. And we roughly have working capital limits which are up to INR450 crores and we have not utilized like a significant portion of that. Coming to our inventory, our inventories has historically been 120 to 130 days as you noticed last year. Now, we are down to 110 days. What is optimal for us, to be very honest, between 90 to 100 days.

As you know, NRB is a company that has a very high share of business with many, many important customers in India and overseas. All these customers expect us to carry raw material especially considering the situation that has been faced since the post-COVID period, including the Red Sea situation.

Unless we are reliable in terms of the uptick and the downtick in demand, especially in terms of the dynamic situation that the world has faced, they would not be willing to give us 70% and 100% share of business, which is where we try to reach even where we have 30. Our ability to really command even the prices that we command has a lot to do with our reliability.

So, if you look on the one side, we are a company that has a very much lower COGS than our competitors. On the other hand, there are two numbers where we are higher. One is the inventory and the second is actually our employee cost. That is a direct, I would say, a directly linked to our strategy. And while there are definitely -- there is some scope for improvement, especially looking at AI, trace and track, machine learning and other technological innovations that we are putting into our manufacturing system, but it's not ever going to be less than 90 or 100 days or you would not get the kind of results that you see.

Now your last question. You talked about capacity. Again, I think the most important thing is how do you define capacity. Many companies traditionally look at capacity at some concept of installed capacity or some industrial engineers trying to figure out how much you can get, putting all the constraints in. We do not work with a constraint-driven model. We look constantly at zero base, and we see literally, was there a shift? Was there a month? Was there a week when we got a much higher output.

What did we do differently. For example, instead of waiting for material, we always have 3 or 4 tools set already in place. So even if there is a sluggish delay for something, we immediately do a changeover and do not allow our capacity to go waste. That's the way that NRB has been able to, if you notice, grow well beyond our competitors without actually having added significant capacity. But the one point that I would like to add, we are always adding balancing capacity.

So are we not going to be able to create adequate bearings, produce adequate bearings to meet the demand this quarter, we definitely are going to be able to do that because continuous improvement and improving the actual numbers in every which way, including getting more out of our current production machines where we are building in all kinds of new controls, all kinds of better, I would say, AI-driven.

And what I mean by AI-driven, we don't actually have them on the machine, but we're constantly using all the possible innovative tools available to drive a higher level of capacity and also a high level of quality through the machines, the higher level of consumption, which at the end of the day, leads you to produce at least, I would say, 15% more than the capacity that you state. I hope that answers your question.

Shreyansh Kathari:

Yes, that's very helpful. So the understanding would be it's the current demand, like the capacity is not going to be the constraint for the demand that we have as such, we'll be able to fulfill.

- Harshbeena Zaveri:** It isn't. Because even out of the INR200 crores that we announced earlier, some of the machines have already come. All machines don't take that long to come, especially if you're buying balancing equipment or building it in-house.
- Shreyansh Kathari:** Got it. Yes, that's what I'm trying to understand how the CapEx is going to be staggered and when do we -- it's going to be staggered over 2 years? Like just trying to understand how we are going to be spending it and when we're going to realize those additional capacity?
- Harshbeena Zaveri:** They come every quarter. Some of them take a year. If you're putting heat treatment in place, it takes a year. If you're putting grinding equipment in place, it takes a year. But when you're talking about all the other pieces of equipment that come in, they are considerably shorter lead times.
- Shreyansh Kathari:** Okay. That's very helpful. And my last question would be on the Mahant Tool Room acquisition. Is there like a plant that they have? Because we noticed the sales currently is only INR1 crores. So I don't know if the manufacturing is outsourced or what have we bought in terms, is it just the technology? Or is it the plant? if you could just give some more details on that acquisition?
- Harshbeena Zaveri:** So the average turnover is approximately INR2 crores, but they received very large orders from HAL and other customers, which are conservatively placed at INR25 crores after a lot of due diligence, taking into account that some platforms come faster and some platforms take a little longer. Now they actually were not able to fulfill such a huge scale up of orders, which is one of the big reasons why we got this opportunity.
- However, the gentleman who runs this company and who is a technocrat, who actually is the innovator, he has the ability to design and manufacture all in-house, very sophisticated machine parts, which include as I said landing gears, which include mission-critical fuel injection parts, which include rod ends which are actually a type of bearing, and also linked to the kind of bearings that we have developed in-house already. And they make it there, but to a lower scale than the order book they have. So, we will immediately be scaling that up.
- Moderator:** The next question is from the line of Rajas Joshi from ChrysCapital. Please go ahead.
- Rajas Joshi:** Congratulations on a good set of numbers. I had two sets of questions broadly. The first was around our Q3/nine-month performance. Could you please break down, give a revenue mix of our revenue across different segments, be it domestic and exports and on the other side between CV, industrial and two-wheeler PV. So a split on that?
- And the second one was again around the inorganic initiatives. On Mahant, what would be the timeline for the executable order book and the margin profile of the business? And secondly, on Unitec also, what would be the timeline by which we should start seeing production there? Those would be my two questions.
- Harshbeena Zaveri:** So I heard your first question and that was the break-up between domestic and exports. Right now it's 75/25 because we are 4% to 5% business from the U.S. which is to the extent that the U.S business is down. Otherwise it would have been 70/30. Okay?

We are still waiting for that U.S business to come up and whatever results have been achieved have been achieved in spite of some of the customers in the U.S having lowered their demand pattern. The second question I didn't hear very clearly. Which are the segments that you wanted me to highlight.

Rajat Joshi: CV, PV, two-wheelers and the remaining industrial.

Harshbeena Zaveri: So to be very honest, I've given this data even last time. It doesn't vary hugely. Our industrial segment is growing faster, but otherwise this data is available and I have highlighted it even in the past. There isn't much meaning to give this data quarterly because each particular segment has a cycle. So I can tell you roughly the CV segment for us is 27% to 30%. The two and three wheeler segment is again another 30%. Industrial is growing faster but out of the total pie, it is roughly been 8% to 10% and now is starting to move faster to 11%, 12%.

And the aftermarket is traditionally been between 10% to 12% for us. It continues to be at that pace. And PV for us again, pretty much by design, has been 20%. Because in the PV segment apart from focusing very strongly on the India market, internationally, apart from real, I would say, segment leaders like Audi and Mercedes, we supply tier-one because we find directly supplying PV is a very cost-driven, pricing, commoditized type of approach from the OEMs globally. But the Tier 1 really cares much more about your design and your product launch capabilities, which commands its own, I would say, pricing strength. I hope I answered your question. And with that, I think we can move to the next one.

Moderator: Thank you. The next question is from the line of Dev Gulwani from Care PMS. Please go ahead.

Dev Gulwani: Thank you for the opportunity. So bearing industry market size is approximately INR20,000 crores in India and out of this INR20,000 crores, what will be the market size of needle and cylindrical bearings?

Harshbeena Zaveri: Do you want to know the global market size or do you want to know my—my share of business out of the total or what? Because typically we don't give out such competitor information. We go more by the user segment. I mean, we are by far the strongest player in India in this segment and many times we are compared to one of our large competitors who also manufactures this product.

But you have to keep in mind that that large competitor is predominantly a automotive aggregate supplier. So, 70% of their business is automotive aggregates and only 30% of their business is actually bearings. And I think that helps people understand why we have a higher market share.

Dev Gulwani: Right, understood. But the company is only into needle and cylindrical bearings mostly. So, what is the TAM for NRB in India?

Harshbeena Zaveri: For needle roller bearings?

Dev Gulwani: Yes, for needle bearings and cylindrical bearings?

Harshbeena Zaveri: These are two completely different type of bearings, sir. The reason I'm not answering this question is not because I don't want to answer it or I'm trying to kind of keep some information away, but you could have a cylindrical bearing that's like \$25,000 if it's very, very big and it goes into steel plants.

So, it's not possible for me to answer this question. We are a dominant player in our size range. Our size range is the size that most automotive and industrial companies use in terms of high volume. But as such, cylindrical roller bearings can go into huge sizes which go into steel plants. So, I can't exactly answer that question accurately in a generic form.

And we don't actually make the very large sizes. See, what I explained last time is we are planning to enter the bearing market for larger spherical, cylindrical, and taper bearings, but that will be a separate phase. When we do it, we'll announce it with all the data. Right now, it is not a market that we are currently in. It's something we plan to do in the next 12 months. When we have all parts of that tied up, we will announce it.

Dev Gulwani: Okay. And second question, last question is one of the steps that company is taking to decrease the inventory days is that sourcing material locally instead of importing them. So, how much percentage of raw material is imported currently?

Harshbeena Zaveri: Sir, pardon me saying this, you are assuming there's an advantage for us to use Indian raw material over imported. There are certain products we make for which in that specification there is no producer in India. It's also not interesting for producers in India to make the kind of volume when they can get probably some other business where India has a large off-take.

There are basically two companies in India or three if you take SNL, which is another listed entity that belongs to us, 74%, into account, there are three significant and proper, I would say, organized sector players and there aren't too many unorganized sector players also in this for needle bearing products. And there's not enough demand in terms of tons, okay, for any company to necessarily make some of the very high-end, very specific specialty steels.

So, what we import is really what is not available here in the quality standards that we want to supply an Audi or a Daimler or a Magna or a Dana, or the kind of companies that we supply to. So, if it comes -- the raw material comes to India for the highest end of what we make, which is 25% of our export, and if it goes away from India back to Germany or France or the U.S. or Japan, I mean, I don't see any -- anything wrong with that because we're not just buying -- I think what's more important is are we euro surplus hugely? Are we dollar surplus hugely? I think that is the fundamental point there. Pardon me answering your question in a different way, but that's really how we look at it in the company.

Moderator: Thank you. The next question is from the line of Raghunandhan NL from Nuvama Research. Please go ahead.

Raghunandhan NL: Congratulations, ma'am, for an extremely strong quarter and wishing all the best for the strong performance to continue. Ma'am, I just had one question for the standalone business. Can you indicate what was the growth for aftermarket and exports on a Y-o-Y basis?

Harshbeena Zaveri: See, our exports have been maintained as a percentage of the total. So it can be derived very easily. We've not lost exports. We're not down in exports. It continues to be 25% of our business. It was 25% of our business even last year. So that number can be very easily calculated. Aftermarket is definitely down. There's no question.

Overall the aftermarket is facing very challenging situations and that is probably one of the reasons you've seen our competitors having a great deal of challenge. I think our biggest strength and advantage has been, in my opinion, that we are not very dependent on the aftermarket because if there's one segment that is more volatile than any other segment, okay, in terms of both automotive and industrial, it is the aftermarket.

Now, in the case of NRB, why is aftermarket not so important to us versus our competitors? Because we don't have a margin difference. A lot of the other companies that make commoditized products, even if they're global players, command a hugely higher price in the aftermarket. We are blessed to be able to command the same kind of price at OEMs. And one of the reasons that we don't serve the aftermarket that much is because our bearings don't fail. We're really in applications where performance is so important. I mean, how many of you have had a gearbox that failed? Every single one of you probably has a gearbox that runs on NRB bearings. I don't know if that again answers your question, sir.

Raghunandan NL: But you see aftermarket weakness as a temporary situation? You think that things should improve going forward?

Harshbeena Zaveri: To be very honest, we find it very easy to sell the excess that aftermarket goes up and down on because it's the same quality, it's the same production lines, it's the same product, which is not necessarily true for our competitors. So we don't produce in the aftermarket. So there are two points. We also supply to SPD, okay?

Our customers expect us to supply and keep their aftermarket running. One. Okay? We get a differential pricing from them for that. The second thing is that as far as the aftermarket is concerned, it takes a huge number of people to serve. NRB by its very culture is a very customer-facing, OEM, high-quality, technologically driven company. And the reason I'm highlighting that is all our sales people are very, very technically savvy, technically smart.

If I were to deploy 10 people to supply a new OE segment, I would need probably a 100 people in the aftermarket to serve the same number. It doesn't show up on the annual reports of our competitors because these people could be well sub-contracted by them. Does that answer your question? It really doesn't matter as materially. We can always sell more when the aftermarket is doing well and sell it somewhere else if they're not doing well. It's not a core part of our strategy.

Raghunandan NL: Understood, ma'am. Thank you, thank you for the detailed answer. It's very helpful.

Moderator: Thank you. The next question is from the line of Apoorv from ANS Wealth. Please go ahead.

Apoorv: Thank you ma'am for the opportunity. I have two questions. First question has three subparts. It's mainly on the capacity side only. Just want to know that how much total capex is required

there and the revenue potential on that? And by when that term will the completely commercialized?

Second part is on the INR200 crores capex which we've planned right now. So by when that complete would be came to operationalized? And third, the INR70 crores capex which we're recently announced in the results, so by when it will be completely into operation? And my second question is...

Harshbeena Zaveri: Are you talking about the JV sir? Sorry to interrupt you, but your questions are linked to the JV or NRB's total capex?

Apoorv: So, it has multiple parts. So, first question was regarding the JV with the Unitec Group. So by when it would be commercialized and the capex required for that?

Harshbeena Zaveri: Okay. So let me answer that, because there are multiple questions. I just don't want to lose the chain. Our JV is a total cluster of INR110 crores, okay. And it would -- we've already started the building and we've ordered out the longest length, I would say equipment. And that would be a period of 12 months before it's received. It would take another few months to stabilize. So I would say it would be 15 to 18 months by which it would have significant production coming out, okay, if that answers your question.

The capex per se is not going to be significant, it's not a INR110 crores, we're adding INR110 crores of capacity there. But we also have the JV partner chipping in, right, and there'll also be the debt equity number. So keep all that in mind, all right, which we don't necessarily share in advance, but I just want to give you a perspective on it.

The second question you asked me was related to general capex and capacity. Can you repeat that question?

Apoorv: Yes, sure ma'am. So, the INR200 crores capex, which we have done, right? So by when it will get started completely.

Harshbeena Zaveri: Now you're talking about the total capex of INR270 crores that we have approached that our Board has sanctioned, and which we have disclosed?

Apoorv: Yes, ma'am..

Harshbeena Zaveri: I already answered that question frankly in the first round, unless it's a specific project where everything comes together on goes into a new building, it's constantly coming in.

Apoorv: Sorry, ma'am. So my understanding is that in next within one year it will get completed, right?

Harshbeena Zaveri: No, definitely not, definitely not. I think I will answer this question in two ways, if I might preempt your intention in what you're trying to understand. One is that NRB is not a company that operates like a multinational, which goes and puts in like a huge plant and massive capacities and then tries to sweat them and look for business. That's not how we operate.

We are in so many segments, as you know, we have a large market chain, two, there wheelers, and industrial, farm equipment together in the PV sector, in the CV sector, and in all these, there's ICE, hybrid, EV agnostic applications, and also immobility applications, which all coexist, and we focus on them, and we keep trying to get higher market share than our competitors, and grow faster than the industry growth.

So we are constantly looking – apart from this, I mean, just for your knowledge, we make what 3,400-odd products variants. And we have very high market share and mass customization is actually our strength. We don't necessarily do variance at higher cost. We do them extremely cost effectively, because it's not a mindset. It is not that we have one line and it's making just 100 or 200 types of bearing like some of our competitors make, okay.

Now, when you keep that whole thing in mind, you will understand that our capex is based on our next year's and our three-year plan. So if we know that a particular company is moving to India, like when ZF came and became very aggressive here, and they're moving a lot more of their production from China or somewhere, we will immediately get an insight into that because we work very closely for future launches, globally.

For your information, we supply in 43 countries, okay, for our top 20 customers into their plants in 43 countries. So when you keep this in mind, we are constantly investing the capacity for their specific needs.

Moderator: Thank you. The next question is from the line of Garvit Goyal from Serene Alpha. Please go ahead.

Garvit Goyal: Hi. Good evening. Just one question. While I understand that we are leader, and in your opening remarks, you mentioned you face some legacy challenges and hence very marginal growth in the last decade. But now you will be looking different company. So given this, if I look at your internal target, which we have given in the PPT of around INR2,500 crores by 2031, which again CAGR of 13% to 14%, which we are looking at.

So even after entering into the newer growth areas and considering that we are the leader in the existing product portfolio, why are we settling down for these lower range of growth? Why can't we be more aggressive in the terms of growth?

Harshbeena Zaveri: So first of all, it comes to 12%, not 14%. Okay. What's the number that you mentioned? However, we're not a company that gives future guidance. I mean, when I'm constantly asked this question, I give the answer. It's really up to you to see what answer I gave three months back. Okay? And what our company is actually achieving.

Moderator: Thank you. The next question is from the line of Hiten Boricha from Sequent Investments. Please go ahead.

Hiten Boricha: Yes. Thank you ma'am. Thanks for the opportunity. So ma'am, my question again pertains to capex. So like, if you can give the breakup of these INR270 crores, like out of these INR270 crores, how much we are spending on each segment, like say for NR needle bearing, for cylinder bearing, for industrial segment, for aero segment, if you can provide the break up for that.

Harshbeena Zaveri:

So typically we don't provide information that will hurt us with our competitors.

Because we were not even able to gauge how much SKF was industrial and automotive, okay? After they flipped, we go back and we say, how much was the base of this company? And if I start giving so much more information than my competitors given the public domain, which I'm not required to give, it will just unnecessarily kind of. -- I don't think it's exactly something that, you know, makes sense.

Hiten Boricha:

I understand, ma'am. So let me ask in other way. So suppose with the current capacity, assuming it's running at 100% with INR350 crores kind of run rate per quarter, we will do around 1,400, 1,300, 1,400 per year. So what will be a max turnover post INR270 crores capex?

What will be a peak turnover then?

Harshbeena Zaveri:

I'll give you that answer again in a slightly different way. If we are building something end to end, okay, and putting in every little bit of the capacity and you can see our past results and you will see this when you know we couldn't do joint ventures and acquisitions and the plug and play model that I'm talking about with so many partnerships helping us grow faster in the period we couldn't do that for constraints that have already been explained to you, if you put a hundred crores in these together hundred crores out, okay?

However, that is definitely not true if you look at the model that we are using going forward. For our traditional products where we have a huge edge and we already have a lot of capacity and depreciated machines if we go and buy some additional machines, we don't necessarily get a hundred crores more because we already have machines where we are working on continuous improvement.

So when we go and order machines, we are ordering machines of a much better generation, especially with the technological advancement of 4.0. We are very strong in robotics and we are extremely strong in getting a better performance from our plant and machinery. Okay? So even that 100 would be an improved number for our traditional product line.

When we're talking about all the new businesses that we are adding, whether it's aerospace, whether it's a JV with Unitec, whether it's construction equipment bearings that we have talked about as one of our future four-year strategic plan initiatives and such additional new industrial and beyond automotive because they are also automotive products that we are adding.

We are not losing the momentum on automotive, we are adding more through partnerships. The whole idea of the partnership is actually to get you a quicker and higher return for every INR100 crores you spend. Does that answer your question?

Hiten Boricha:

Yes, ma'am

Harshbeena Zaveri:

So really if you are putting 200, right now we have INR270 crores of capex. INR100 crores is going into this plan that we are making. Now while 110 out of that, again as I said you consider the traditional debt equity ratio NRB has is about 0.47 to 0.5. It's just that we didn't have that much capex happening. So the money got saved. But if you work on that number and then you

see that you have to just put 75% and 25% as I said for example in the JV will come from the partner.

Now at the end of it instead of trying to sell all of it, which again has a cost, right. You will have already a customer for 20% of it because there's a buyback in the JV. Again, if you have any technological challenges and you're talking about getting the stock European customers which are already in India, which are already customers in Italy and in the rest of Europe, of our JV partner. So we get the approval from the customers that much faster.

So when you keep all these things in mind, definitely I would say that traditional 100 would go down conservatively to an 80 or something like that. That means you would get 20% more from the INR100 crores, depending on the kind of JV or acquisition or the kind of order book that you have in advance or the kind of capabilities that the company that you are partnering with has. And that is the model that we're going to use for new segments.

Moderator: Thank you. The next question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.

Saket Kapoor: Ma'am, firstly, pertaining to the EBITDA margin number, we have posted EBITDA margin at 19.3%, that is closer to 20%. Even for nine months it is closer to 20%. What should be the trajectory that we will be guiding going ahead? Are these the peak margins? And what factors have alluded to the incremental margin from 18% to 19.5% journey.

And secondly, ma'am, you have already spoken about the capex part, but in your earlier conversation, you did spoke about INR500 crores worth of capex that is in the annual. So, if you could just give some more color on for the INR2,500 crores top line that we are eyeing, how much capex is needed to be done. Thank you.

Harshbeena Zaveri: So right now this capex would take us approximately 2-2.5 years, right? So the number still stays. You get my point?

Saket Kapoor: No ma'am.

Harshbeena Zaveri: As I said, it depends on whether it will be INR250 crores more, whether it will be INR200 crores more, INR300 crores will depend on the kind of partnerships that we form for additional products beyond the INR2500 crores, which is basically based on the current product strategy. So that's one answer.

The second is that this is EBITA as a percentage of sales. It's not EBITDA. So if your company is growing at 12 % or 14 % and then you maintain your EBITDA, okay? Your actual EBITDA grows as you've seen, substantially. Are we going to maintain our EBITDA as a percentage of sales between the 18% and 20% band? Yes, we are. Exactly how much it will be on quarter-on-quarter has a lot to do with cyclicity and seasonality.

Saket Kapoor: Right ma'am. And in terms of volume growth, the type. The growth which we have seen currently

Harshbeena Zaveri: I mean, we don't give us volumes of our products though, because we make too many different products unlike the other bearing companies which make one or two type of bearings, so there's some meaning. I mean, Timken only makes taper bearings for example and cylindrical so they can give you volume but in our case, the volume and the product mix is not relevant. We really look at how profitable our customer is and we don't tend to share that data externally.

Moderator: Thank you. The next question is from the line of Gaatha Jain from Anantnath Skycon Pvt. Limited. Please go ahead.

Gaatha Jain: Hello. thank you so much for the opportunity and congratulations on good sets of numbers. I just had one question. Are we targeting EBITDA margin at over 20% and what strategies are we implementing to achieve it if we are targeting?

Harshbeena Zaveri: So I believe I did answer that question, but our aim is to make sure that our EBITDA margins are maintained in spite of this kind of high growth that we're talking about going forward. Though certain lines of business are much higher margin and certain lines of businesses that we will target may be slightly lower margin. But at the end of the day, for example, if we even had like INR200 crores or INR300 crores, which I'm not giving as future guidance, but I'm just mentioning for thumb ruling of aerospace business, it would be somewhere around 30% EBITDA margin.

And on the other hand, if you enter a very large segment, okay, like wheels, supplying to wheel applications then you would get a lot of volume jump but the margins might be for the sake of discussion 16% or 17%, but whichever way you look at it, you can be rest assured that we would have strategies that maintain our EBITDA margins as a percentage of sales, but at the same time we also grow.

So again, conventional wisdom would show that a company our size if it grows definitely the fixed cost would go down. It would get spread. Let's put it that way. So I think those are things that will pan out as we go. But that is what we feel it will look like.

Moderator: Thank you. The next question is from the line of Apoorv from ANS Wealth. Please go ahead.

Apoorv: I just have one question. So, ma'am, as we have planning capex of around INR300 crores- INR400 crores in next couple of years, maybe next two, three years. So, ma'am, the potential turnover from this would be around INR400 crores as we do asset turns of one, right? And our existing capacities are full. So, ma'am, how will we reach the INR2,500 crores top-line by 2031?

Harshbeena Zaveri: I'm sorry, sir, I believe I answered this question more than once today. And it was a fairly long answer. I already have explained this.

Apoorv: Okay, ma'am. I will go through the recording, ma'am. Okay. Thank you.

Harshbeena Zaveri: Yes, sorry, because I mean it would take a long time, because I've explained this in fact I think in three different people covering three different aspects of this. How we can reach INR2,500 crores easily and go beyond in terms of the spend.

- Moderator:** Ladies and gentlemen, this will be the last question today, which is from the line of Garvit Goyal from Serene Alpha. Please go ahead.
- Garvit Goyal:** Hi. Thanks for the follow-up. And pardon me, I'm very younger in terms of age than you, ma'am, but I have a suggestion for the management. Please try to listen to the investors first. When I said 13% to 14% growth, it is obviously from the current levels of top-line, while 12% CAGR which you mentioned, ma'am, please check your PPT. It is based on the historical levels. So thank you very much.
- Harshbeena Zaveri:** No, one second, sir. Can you just repeat that because what I mentioned, can you explain what you mean by historical levels, sir?
- Garvit Goyal:** In the PPT, the sales CAGR chart which you have given.
- Harshbeena Zaveri:** We haven't put any PPT in today, sir. That must be a very old, we actually have not put a PPT for today's Investor Call.
- Garvit Goyal:** It's not very old, it is November '25 PPT, ma'am. Thank you.
- Harshbeena Zaveri:** November '25. So it would be two quarters back? Or is it one quarter back? So it's last quarter, right? Okay. And if you see from today's level for INR2,500 crores, that is the point that I made. Am I wrong in my calculation?
- Garvit Goyal:** Yes, ma'am.
- Harshbeena Zaveri:** Am I wrong in the calculation? Give me a second, sir, because your question is important if I've not thumb-ruled the calculation right. In my mind, it was 12% to 13% and not 13% to 14%, which is what you mentioned.
- Garvit Goyal:** That is fine, but I'm just trying to understand, my question was totally different.
- Harshbeena Zaveri:** Go ahead then with your question.
- Garvit Goyal:** I'm just trying to understand from you, like, why are we not a little bit aggressive. I understand we are having the plans, we are entering into the newer areas, we are entering into the aerospace, which is obviously a growing area in India right now. So I'm just trying to understand why are not we a little bit more aggressive in the terms of our guidance. So just that thing I just wanted to understand from you, ma'am?
- Harshbeena Zaveri:** So to be very honest, I'll answer your question in two different ways. We are very aggressive, but we don't tend to give guidance. So we tend to like to perform beyond what we state. And I think it's just a company culture. It's the same thing that makes us a AA- CRISIL company. We tend to be prudent in what we express and we tend to express things in a manner that we as a team can outperform.
- And I think you would have seen that even in the last three quarters. And therefore, probably is just that we don't like to state things too aggressively. Does that answer your question? But principally, yes, I understand where you're coming from and it's a likely outcome.

Garvit Goyal: Got it, ma'am. Thank you very much.

Moderator: Thank you. Ladies and gentlemen, as this was the last question for today, I would now like to hand the conference over to management for closing comments.

Harshbeena Zaveri: I would like to thank you very much for very insightful questions and it's always very interesting for me, and it's a great learning experience to see what are the concerns and whether we are addressing them appropriately and where are the opportunities, because there are a lot of ideas. I can assure you that everything all of you have said today has been noted down very carefully and we'll think about it and we will build it into both our strategy and our operating plan.

Thank you for your time and thank you for the very interesting and insightful questions. Apologies, if some of them could not be answered, because we don't tend to give future guidance. Thank you.

Moderator: Thank you. On behalf of NRB Bearings Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

(This transcript has been edited, without altering the content, to ensure clarity and improve readability.)