15th December 2025

# Usha Martin Ltd.

**BSE: 517146 | NSE: USHAMART**

| Recommendation | Time Period | Current Price | Target Price | Potential Upside |
|---|---|---|---|---|
| **BUY** | **12 months** | **458/-** | **527/-** | **15.1%** |

Established in 1960, **Usha Martin Ltd.** is a leading global and India's No. 1 specialty steel wire rope solutions provider. Usha Martin's manufacturing prowess stems from its state-of-the-art manufacturing facilities in Ranchi, Hoshiarpur, Silvassa, Dubai, Bangkok and UK, along with a global R&D center in Italy. The company is also engaged in the manufacturing of high-quality wires, low relaxation prestressed concrete steel strand (LRPC), bespoke end-fitments, accessories and related services.

## Key Investment Rationale:

- **Capex plans:** The organic capex plan, including maintenance capex, is projected to be close to Rs 300 cr to Rs 350 cr annually over the next 2 to 3 years, with future cash flow utilization focusing on growth plans, including further expanding rope-making capacity (especially elevator and crane ropes), increasing wire production to reach 1,00,000 tonnes and expanding the international distribution and service business. The company will also look at opportunities for inorganic growth to increase its presence in international markets for value-added products and services.
- **LRPC value-added products:** The company is in the final stages of approval with a key customer for its value-added LRPC range. For plasticated LRPC, noticeable volume growth is expected from 4QFY26 and 1QFY27 onwards, as customer approvals are secured and projects delayed by the monsoon commence delivery. For the Wires segment, the focus is on value-added, niche wires, higher spring wires for the auto sector and transmission line wires. The company aims to gradually increase wire volume up to 1,00,000 tonnes over the next 2 to 3 years. EBITDA per tonne in this segment is expected to remain stable at around Rs 10,000 per tonne.
- **Customer stickiness:** High-end applications of wire ropes are a mission critical component of end-product, making safety an absolute priority along with long cycles for new customer and OEM approvals which helps foster deep and sticky customer relationships.
- **Outlook:** During 2QFY26, Usha Martin reported its highest ever quarterly EBITDA despite a challenging global environment, while recording a 110-bps YoY expansion in EBITDA margins. Going ahead, 2HFY26 is expected to yield better demand for the company's products with expectation of projects that were delayed due to monsoon start picking up pace.
- **Attractive valuation:** At the CMP of Rs 458, the stock trades at FY26E/FY27E Bloomberg consensus P/E multiple of 26.0x/21.2x respectively.

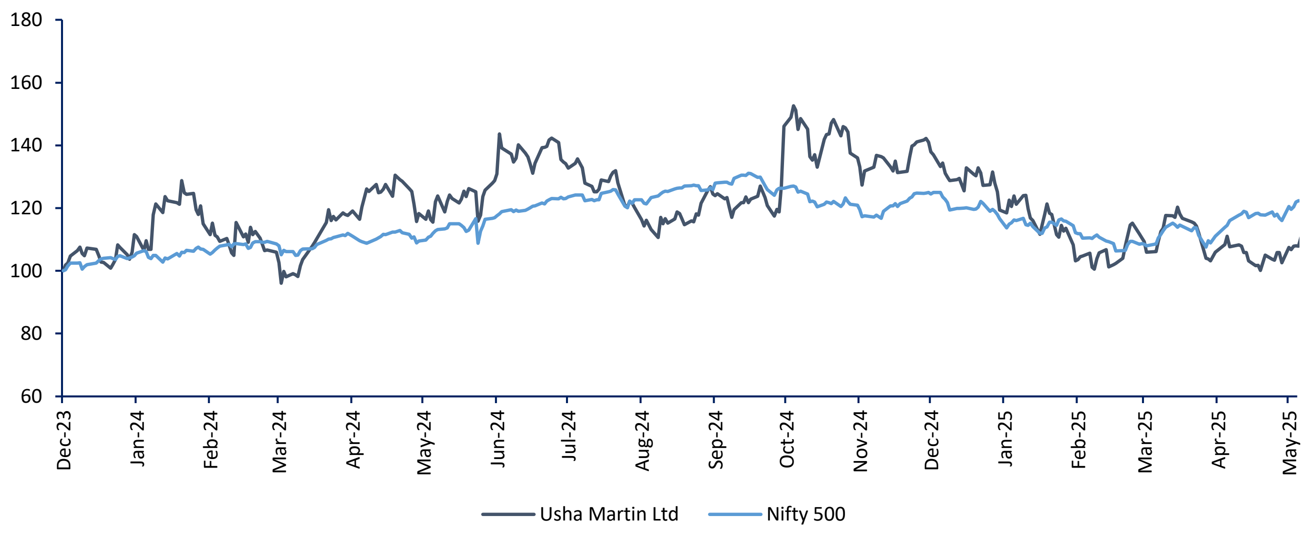
**Key risks:** Slowdown in demand, Increase in input costs.

## Financial Summary

| Particulars (Rs cr) | FY24A | FY25A | FY26E | FY27E |
|---|---|---|---|---|
| Net Sales | 3,225 | 3,474 | 3,766 | 4,336 |
| EBITDA | 599 | 636 | 680 | 867 |
| Net Profit | 424 | 406 | 489 | 602 |
| EBITDA Margin (%) | 18.6 | 18.3 | 18.1 | 20.0 |
| EPS (Rs) | 13.9 | 13.4 | 17.6 | 21.6 |
| RoE (%) | 17.8 | 14.8 | 16.4 | 17.8 |
| P/E (x) | 32.9 | 34.3 | 26.0 | 21.2 |
| P/BV (x) | 5.9 | 5.1 | 4.4 | 3.9 |

Source: Bloomberg Estimates

## Stock Performance (2-Year) – Indexed to 100




Source: Ace equity, SSL Research

## Recommendation History

| Date | Stock Price (Rs) | Target Price (Rs) | Recommendation | Status |
|---|---|---|---|---|
| 16th January 2024 | 313.0 | 360.0 | BUY | Closed at Rs 391.0, up 24.9% |

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