

Q3FY26 Result Highlights
Financial Performance

- Q3FY26 revenue stood at ₹7,644mn, registering 13.8% YoY growth but marginally down ~1% sequentially due to seasonality in rail.
- 9MFY26 revenue came in at ₹23,460mn, reflecting ~6% YoY growth across segments. Q3 PBT stood at ₹719mn and declined YoY and QoQ due to transitional impacts.
- Margin compression was driven by three key factors: (1) Bar plant ramp-up and full capitalization of the ₹7500mn investment leading to quarterly depreciation of ₹90–100mn (~170 bps impact), (2) one-time labor code actuarial impact post implementation effective 21 November (~60 bps impact), and (3) lower other income (~120 bps impact) due to reduced investable surplus following dividend payout and GGB acquisition.
- Excluding the above factors, management indicated Q3 PBT margin would have been ~13%, with the remaining pressure attributable to unfavorable mix. 9M FY26 PBT margin stood at 13.8% versus 15.9% last year; adjusted margins would have been broadly flat within ~30 bps YoY.
- Gross margin was impacted by mix across segments and higher traded goods proportion, though transfer pricing mechanisms remained unchanged.

Rail Segment

- Rail revenue for Q3 stood at ₹1286mn, lower sequentially but up ~10.5% YoY (vs ₹1160mn last year).
- The Management reiterated that rail is a steady, non-cyclical segment rather than a hyper-growth vertical.
- Q4 is historically stronger due to wagon billing cycles and government budget spending patterns.
- The recent Union Budget indicates continued capital allocation toward rail infrastructure, suggesting sustained medium-term visibility.
- Competitive intensity remains stable given high certification barriers and stringent safety norms limiting new entrants.
- The Jamalpur (J4) rail expansion project is expected to go live by end CY26 (Q3 FY27), with initial utilization potentially around 30% in early ramp phase.

Mobile & Commercial Vehicle Segment

- Mobile & Others revenue stood at ₹1671mn in Q3, up ~20% YoY and ~9% sequentially, primarily volume-led rather than content-per-vehicle driven.
- The Management highlighted visible acceleration in commercial vehicles (both on-highway and off-highway), although it remains unclear whether this is structural demand improvement or year-end OEM stocking.
- Q4 is typically strong due to OEM inventory build-up before financial year end.

Distribution & Process Segments

- Distribution revenue stood at ₹1380mn, growing ~8.5% YoY and ~1.5% sequentially.
- Process segment revenue was ₹1670mn, showing steady traction supported by demand from stationary equipment OEMs and steel plants.
- The Management indicated no meaningful change in competitive landscape due to recent GST administrative changes, as the company predominantly works with compliant distributors.
- Shift from unorganized to organized players is gradual and not materially impacting near-term performance.

Important Statistics

Nifty	25,807.20
Sensex	83,674.92
Close*	3,120.80
MCAP (₹ bn)	234.24
52 Week H/L (₹)	3575/2202
NSE Code	TIMKEN
BSE Code	522113
Bloomberg Code	TMKN:IN

Close as on 12th February 2026*

Shareholding Pattern	Dec'25 (%)
Promoters	51.05
DIIIs	30.15
FIIIs	6.94
Public	11.85

Financials

Particulars	₹ mn					
	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	28,066	29,095	31,478	34,838	40,134	45,856
EBITDA	5,604	5,724	5,916	6,291	7,762	9,251
EBITDA Margin (%)	20.0	19.7	18.8	18.06	19.34	20.17
Net Profit	3,907	3,921	4,474	4,226	5,397	6,593
EPS (₹)	51.9	52.1	59.5	56.2	71.7	87.8
RoE (%)	19.2	16.2	17.0	12.9	14.7	16.6
RoCE (%)	22.2	19.4	21.0	15.5	17.8	20.4
P/E (x)	53.0	54.9	46.2	56.9	44.6	36.4
EV/EBITDA (x)	36.3	36.7	35.4	42.0	31.2	24.1

Return (%)	1 Yr	3Yr	5 Yr
Timken	16.92	0.12	122.21
Nifty 50	12.12	44.6	70.4
Sensex	10.05	38.1	62.63

Source: Company, Way2wealth
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Exports & Trade Developments

- Export revenue stood at ₹1590mn in Q3 (vs ₹1520mn last year and ₹1610mn in Q2), broadly stable despite geopolitical uncertainties.
- Export incentives contributed ₹44mn during the quarter (vs ₹32mn in Q2).
- The Management noted that the India–US tariff headline reduction (from 50% to 18%) and India–EU trade developments are directionally positive but require clarity on HSN-level details before quantifying impact.
- Currently, industrial bearings attract ~8% import duty into India (borne as part of landed cost).
- Any future tariff reduction could enhance competitiveness and improve market share, though management emphasized that plant viability is not dependent on trade agreements.
- On exports to the US, duty reductions could provide incremental advantage if implemented product-wise as indicated.

Bar Plant (SRB/CRB – Bharuch) Update

- All SRB (small and large) and CRB lines at the Bharuch facility have been capitalized.
- Q3 revenue contribution was ~₹120–150mn (management clarified closer to ₹120mn), with ~75–80% exports and ~20–25% domestic.
- Current utilization is estimated around ~30%, with management targeting >50% utilization by early FY27 subject to ramp-up execution and PPAP approvals.
- The plant requires customer approvals and tooling processes before full commercial scale, elongating gestation.
- Depreciation impact from the plant is ₹90–100mn per quarter.
- The Management reiterated original ambition of achieving ~3x asset turnover over ~3 years, faster than typical 4–5 year industry ramp-up.

GGB (Plane Bearings) Acquisition

- GGB consolidation has been accounted under pooling of interest (retrospective from April 1, 2024).
- Q3 consolidated incremental revenue impact was ~₹150mn for the full quarter, implying an annual run rate of ₹500–550mn.
- For the last financial year, GGB reported revenue of ₹500mn with PBT of ~₹195mn.
- Majority of GGB revenue comes from distribution and process industries, with some exposure to mobile.
- Additionally, an FRC (fiber-reinforced composite) line is being installed at Bharuch with ~₹350mn investment, expected commissioning in Q1–Q2 FY27.

Margin Outlook & Long-Term Strategy

- The Management acknowledged current margins are below historical peak levels (~17–19%) due to transitional impacts and ramp-up costs.
- However, given fixed-cost operating leverage in manufacturing, faster utilization ramp-up of the Bar plant can meaningfully improve profitability.
- Historically, operating margins have improved from ~10–12% levels (FY13–14) to ~18–19% range pre-transitional phase through disciplined capital allocation.
- Ongoing investments include Bar plant, Jamalpur rail expansion, GGB integration, and FRC line.
- Linear motion products are being actively evaluated, with the global CEO bullish on industrial motion, indicating potential future opportunity in India.
- The Management emphasized long-term value creation through disciplined execution rather than short-term fluctuations.

View

The Company's Q3 performance was operationally steady but optically weak on margins due to transitional factors rather than structural deterioration. Revenue growth of 13.8% YoY reflects healthy traction in commercial vehicles, process and exports, while rail remains stable with seasonal softness. Margin compression was largely attributable to Bar plant depreciation (~170 bps), labor code impact (~60 bps) and lower other income (~120 bps), implying core operating profitability remains intact. The key monitorable remains the ramp-up of the ₹7500mn Bharuch SRB/CRB facility current utilization is ~30%, and operating leverage could meaningfully lift margins as scale improves. With improved demand visibility in CVs, stable rail capex outlook, and potential tailwinds from trade agreements, earnings recovery appears execution-linked rather than demand-constrained. Medium-term margin normalization toward historical 17–18% levels is contingent on faster plant loading and mix improvement. Hence, **we assign HOLD rating on the stock. The stock is currently trading at 36.4x FY28E P/E at EPS ₹87.8.**

FINANCIAL PERFORMANCE

									(₹ mn)
Particulars	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	9MFY26	9MFY25	YoY (%)	
Revenue	7,797	6,834	14.09%	7,864	-0.85%	23,882	22,435	6.45%	
Cost of Matl	2,879	2,195	31.12%	2,526	13.94%	8,073	6,986	15.56%	
Stock Purchases	3,215	2,138	50.38%	2,688	19.61%	8,160	6,703	21.74%	
Inventories Changes	(1,099)	(188)	484.02%	(488)	125.32%	(1,501)	(106)	1312.29%	
Employee Exps	492	438	12.47%	441	11.50%	1,375	1,297	6.03%	
Other Exps	1,302	1,143	13.89%	1,267	2.79%	3,869	3,618	6.94%	
EBITDA	1,008	1,108	-9.01%	1,429	-29.47%	3,906	3,937	-0.80%	
EBITDA Margin (%)	12.9	16.2	(328)	18.2	(525)	16.4	17.5	(120)	
Other Income	72	145	-50.66%	109	(34.3)	292	401	-27.00%	
Depreciation	289	212	36.35%	267	8.29%	764	642	19.14%	
Finance Cost	8	11	-26.75%	8	-3.17%	28	32	-12.36%	
PBT	782	1,030	-24.02%	1,263	-38.03%	3,406	3,665	-7.06%	
Tax Exps	237	248	-4.37%	327	-27.50%	840	946	-11.16%	
Net Profit	546	782	-30.24%	936	-41.71%	2,566	2,719	-5.63%	
EPS (₹)	7.3	10.4	-30.24%	12.4	-41.71%	34.1	36.1	-5.63%	

As % of Sales	Q3FY26	Q3FY25	YoY (BPS)	Q2FY26	QoQ (BPS)	9MFY26	9MFY25	YoY (BPS)
Raw Mat Cost	64.1	60.7	340	60.1	395	61.7	60.5	114
Gross Profit	35.9	39.3	(340)	39.9	(395)	38.3	39.5	(114)
Employee Exps	6.3	6.4	(9)	5.6	70	5.8	5.8	(2)
Other Exps	16.7	16.7	(3)	16.1	59	16.2	16.1	7

Source: Company, Way2wealth

13th February 2026

Close* - ₹3,120.80

View - **HOLD**

Exhibit 1: Revenue mix quarterly trend

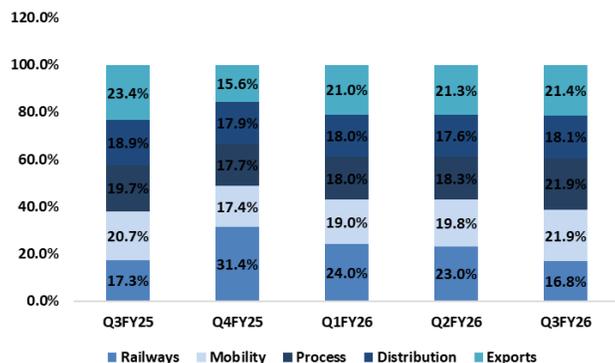


Exhibit 2: Railway quarterly trend

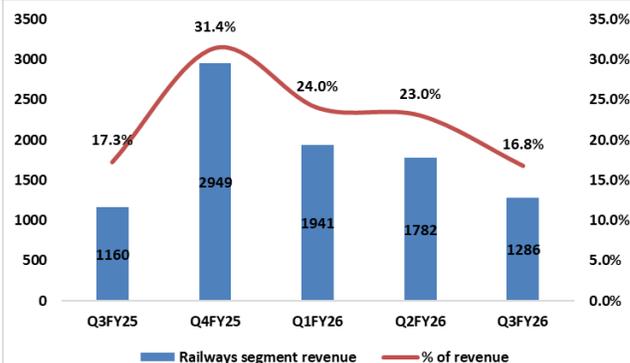


Exhibit 3: Mobility quarterly trend

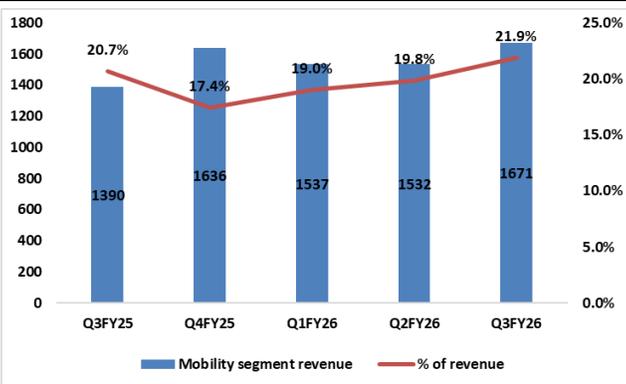


Exhibit 4: Process quarterly trend

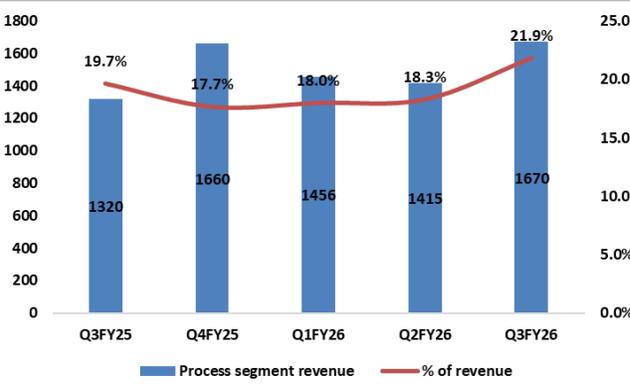


Exhibit 5: Distribution quarterly trend

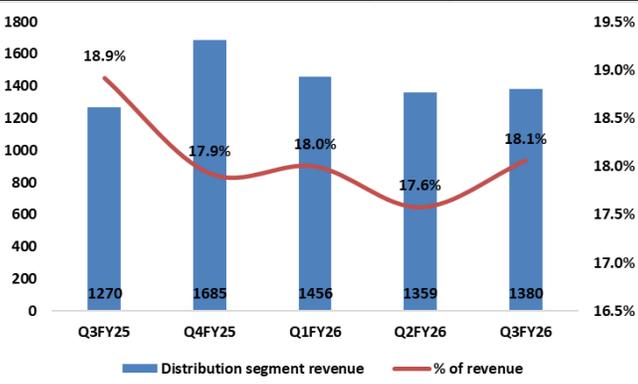
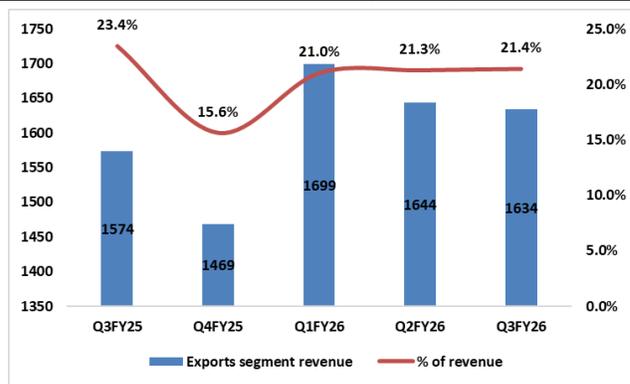


Exhibit 6: Exports quarterly trend



Source: Company, Way2wealth

13th February 2026

Close* – ₹3,120.80

 View – **HOLD**
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Name of the Security	TIMKEN (INDIA) LTD
Name of the analyst	Dhananjay Kansara
Analysts' ownership of any stock related to the information contained	
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
Investment Banking relationship with company covered	NIL

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