

Q4FY26 Result Highlights

Key Takeaways

- Timken India delivered a strong Q4FY26 with revenue crossing the ₹10,000mn mark for the first time, supported by healthy growth across domestic industrial segments and exports.
- Export momentum improved sharply, especially from North America, despite pending trade agreements and global uncertainties.
- Bharuch spherical roller bearing (SRB) and cylindrical roller bearing (CRB) plant ramp-up is progressing well with all lines capitalized; management expects utilization to exceed 70% by Jul-Aug'26.
- Cost inflation has emerged as the key near-term challenge, especially in steel and imported consumables, leading to aggressive price hike negotiations with OEMs and aftermarket customers.
- Rail capex expansion at Jamshedpur remains on track with production expected by Nov-Dec'26.
- Management continues to target growth ahead of market growth while maintaining healthy margins through pricing actions and operational efficiencies.
- Process industries, industrial aftermarket and exports are expected to be the key long-term growth drivers.

Important Statistics

Nifty	23,654
Sensex	75,183
Close*	3,712
MCAP (₹ bn)	~280
52 Week H/L (₹)	3742/2800
NSE Code	TIMKEN
BSE Code	522113
Bloomberg Code	TMKN:IN

Close* as on 21st May 2026

Shareholding Pattern (%) Mar'26

Promoters	51.1
FIIs	7.0
DIIs	30.6
Public	11.4

Q4FY26 Financial Performance

Financials

Revenue and Profitability

- Q4FY26 standalone revenue from operations stood at ₹10,730mn, up 14.2% YoY, marking the company's first-ever ₹10,000mn quarterly revenue milestone.
- Consolidated revenue stood at ₹10,900mn during the quarter and ₹34,780mn for FY26.
- Q4FY26 PBT stood at ₹2,070mn with PBT margin of 19.3%.
- FY26 standalone PBT stood at ₹5,300mn with PBT margin at 15.5%, while EBITDA margin stood at 18.7%.
- Management highlighted that excluding one-time BAPA adjustment in Q4FY25 and labor code related impact in Q4FY26, margins improved ~10bps YoY.
- Operating cash flow improved to ₹4,370mn during FY26.

(₹ mn)

Particulars	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue	29,095	31,478	34,780	39,724	45,558	51,856
EBITDA	5,724	5,916	6,324	7,626	9,215	10,520
EBITDA Margin (%)	19.7	18.8	18.2	19.2	20.2	20.3
Net Profit	3,921	4,474	4,149	5,136	6,420	7,363
EPS (₹)	52.1	59.5	55.2	69.4	85.28	99.05
RoE (%)	16.2	17.0	13.7	15.8	16.7	16.9
RoCE (%)	19.4	21.0	18.3	17.9	19.6	20.1
P/E (x)	54.9	46.2	67.7	50.9	41.5	35.7
EV/EBITDA (x)	36.7	35.4	41.8	34.5	28.5	25.0

Source: Company, Way2wealth

Segment-wise Performance

Q4FY26 Segment Mix	Revenue	Mix
Rail	₹2,780mn	26%
Mobile (CV + Tractor)	₹2,050mn	19%
Distribution / Aftermarket	₹1,620mn	15%
Process Industries	₹2,000mn	19%
Exports	₹2,220mn	21%

FY26 Segment Mix	Revenue	Mix
Rail	₹7,810mn	23%
Mobile	₹6,810mn	20%
Distribution	₹5,820mn	17%
Process Industries	₹6,510mn	19%
Exports	₹7,070mn	21%

Relative Performance

Return (%)	1 Yr	3 Yr	5 Yr
Timken	20.53	14.44	186.04
Nifty 50	-3.99	28.61	61.35
Sensex	-7.29	20.86	54.73

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Export Business – Strong Momentum Continues

- Exports remained a key growth driver with Q4FY26 export revenue at ₹2,220mn versus ₹1,590mn in Q3FY26 and ₹1,330mn in Q4FY25.
- Export business grew ~40% QoQ and ~66% YoY.
- North America continues to drive export growth despite absence of finalized trade agreements.
- Management indicated healthy order books and stable export demand trends.
- South Africa and broader African rail opportunities are also emerging as promising export markets.

Bharuch SRB/CRB Plant Ramp-up

➤ Operational Progress

- All production lines at the Bharuch plant have now been capitalized and commercial production has commenced.
- Massive PPAP approvals are underway across multiple customers and applications.
- Company currently has over 100 new part introductions under qualification at the plant.
- Smaller SRB lines are already operating at near-full utilization while CRB lines are operating at more than one shift.

➤ Revenue Ramp-up

- Bharuch plant contributed ~₹800mn revenue in FY26.
- Q3FY26 revenue contribution was ~₹120-150mn, while Q4FY26 contribution increased sharply to ~₹600mn.
- Management expects utilization to cross 70% by Jul-Aug'26 with further improvement thereafter.

➤ Strategy and Market Positioning

- Bharuch facility targets process industries including:
 - Cement
 - Steel
 - Aggregates
 - Material handling
 - Construction equipment
- Company is leveraging existing taper bearing relationships to cross-sell SRBs and CRBs.
- Management emphasized value engineering and superior bearing life as key differentiators.

➤ Capex and Revenue Potential

- Total Bharuch investment stands at ~₹7,200mn including land and building.
- Building and infrastructure account for ~₹3000-3500mn of investment.
- Asset turns expected around ~2x at peak utilization levels.
- Facility has room for future expansion and additional product ranges.

➤ Rail Business Outlook

- Rail segment revenue stood at ₹2,780mn in Q4FY26 versus ₹1,280mn in Q3FY26.
- Management described rail outlook as "slow and steady."

22nd May 2026

Close* – ₹3,712

View – **HOLD**

- Ordering volatility continues due to timing differences between Railway Board approvals and wagon builders.
- **Jamshedpur rail expansion project remains on track with:**
 - Production expected by Nov-Dec'26
 - Investment of ~₹1,200-1,300mn
 - Advanced robotic and precision manufacturing systems imported from Europe
 - Capability to manufacture high-speed rail bearings for future applications
- Rail export opportunities remain healthy across Africa and North America.

➤ **Commercial Vehicle (CV) and Tractor Outlook**

- CV business remains robust with Q4 mobile segment revenue at ₹2,050mn, up 22% QoQ.
- Management sees healthy domestic demand despite inflationary pressures.
- Tractor demand remains relatively stable though influenced by monsoon trends and rural policies.

Industrial and Process Industry Outlook

➤ **Process Industries Emerging as Key Growth Driver**

- Management expects process industries to outgrow other segments over the next few years.
- **Key drivers include:**
 - Steel capacity additions
 - Cement expansion
 - Renewable energy projects
 - Mining
 - Material handling
 - Heavy industrialization

➤ **Industrial Aftermarket / MRO**

- Cement MRO demand remains healthy.
- Steel MRO demand softened slightly due to lower steel melt volumes during the quarter.
- Industrial OEM demand remains stable though customers are in "wait and watch" mode due to global geopolitical uncertainties.

➤ **Cost Inflation and Pricing Actions**

- Raw material inflation has emerged as the biggest near-term challenge.
- Key cost pressures include:
 - Steel price inflation
 - Grinding wheels
 - Coolants
 - Imported consumables
 - Currency depreciation impact on imports
- Company initiated aggressive price negotiations from mid-April.
- Only ~10% of required price hikes have been implemented so far.
- Balance price recovery expected over Q1FY27 and Q2FY27.
- OEM negotiations may involve short-term lag but management expects retrospective recovery mechanisms.

22nd May 2026

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View – **HOLD**

➤ **Manufacturing Localization**

- **Current mix stands at approximately:**
 - 65% domestically manufactured
 - 35% imported/traded
- Management expects this mix to broadly sustain over next 2-3 years due to:
 - Rapidly evolving bearing applications
 - Need for large scale before localization
 - Access to global Timken manufacturing network
 - Specialized applications like large wind turbine bearings

➤ **Capex Outlook**

- FY26 Capex stood at ₹2,970mn or ~8.7% of revenue.
- Management indicated future capex could remain around 8-10% of revenue.
- **Upcoming investments include:**
 - Rail expansion
 - Additional bearing manufacturing
 - Pre-treatment investments at Bharuch
 - Potential product range additions
 - Possible M&A opportunities

➤ **Renewable Energy and Strategic Initiatives**

- Company completed renewable energy investments across plants to improve:
 - Power security
 - Energy efficiency
 - Long-term cost optimization
- Board approved merger of Timken GGB with Timken India to drive:
 - Operational synergies
 - Better efficiency
 - Lower overall costs

➤ **GGB Business**

- **GGB reported:**
 - Revenue of ₹166mn
 - PBT of ₹46mn
 - PBT margins of ~30-32%

Management Commentary and FY27 Outlook

➤ **Demand Environment**

- Management stated that demand is currently not a concern.
- Domestic consumption remains stable despite inflation.
- Export order books remain healthy.
- **Key management priorities for FY27:**
 - Managing cost inflation and price pass-through
 - Bharuch plant ramp-up and PPAP approvals
 - Executing expansion projects

➤ **Growth Outlook.**

- **Company reiterated intention to:**
 - Outgrow industry growth
 - Maintain healthy profitability
 - Continue operational improvements and efficiency initiatives

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 View – **HOLD**
View

The Company delivered a strong Q4FY26 performance with revenue crossing the ₹10,000mn milestone for the first time, driven by healthy growth across exports, process industries and commercial vehicles, while rail remained stable. Revenue grew 14.2% YoY, supported by improving domestic industrial demand and strong export momentum, particularly from North America. Margins remained resilient despite inflationary pressures, with profitability impacted by labor code costs and continued ramp-up expenses at the Bharuch SRB/CRB facility, implying core operating performance remains largely intact. The key monitorable remains the ramp-up of the ~₹7,200mn Bharuch plant, where all lines have now been capitalized and utilization is expected to exceed ~70% by Jul-Aug'26 as PPAP approvals and customer onboarding accelerate. Management also highlighted healthy traction in process industries and exports, while demand across CVs and rail remains stable. Near-term margins could remain range-bound due to steel inflation and lag in price pass-throughs, though management has already initiated aggressive pricing actions. With improving plant utilization, stable demand outlook and strong export traction, earnings recovery appears increasingly execution-led rather than demand-constrained. The stock is currently trading at 40x FY28E P/E at EPS ₹99.05. **We recommend Hold on the stock.**

22nd May 2026

Close* - ₹3,712

 View - **HOLD**
FINANCIAL PERFORMANCE

(₹ mn)								
Particulars	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Revenue	10,898	9,515	14.54%	7,797	39.78%	34,780	31,972	8.78%
Cost of Matl	2,283	2,767	-17.51%	2,879	-20.69%	10,356	9,754	6.18%
Stock Purchases	3,097	2,373	30.52%	3,215	-3.69%	11,257	9,075	24.04%
Inventories Changes	1,160	521	122.56%	(1,099)	-205.53%	(342)	415	-182.36%
Employee Exps	490	439	11.50%	492	-0.46%	1,865	1,736	7.41%
Other Exps	1,451	1,273	14.04%	1,302	11.47%	5,320	4,880	9.03%
EBITDA	2,418	2,142	12.90%	1,008	139.92%	6,324	6,112	3.46%
EBITDA Margin (%)	22.2	22.5	(32)	12.9	926	18.2	19.1	(94)
Other Income	8	142	-94.26%	72	(88.6)	301	510	-41.01%
Depreciation	296	209	41.31%	289	2.48%	1,060	851	24.59%
Finance Cost	10	12	-20.46%	8	20.95%	37	44	-14.61%
PBT	2,120	2,062	2.82%	782	170.98%	5,526	5,727	-3.50%
Tax Exps	537	159	237.63%	237	126.79%	1,377	1,105	24.67%
Net Profit	1,583	1,903	-16.82%	546	190.17%	4,149	4,622	-10.24%
EPS (₹)	21.0	25.3	-16.82%	7.3	190.17%	55.2	61.4	-10.24%

As % of Sales	Q4FY26	Q4FY25	YoY (BPS)	Q3FY26	QoQ (BPS)	FY26	FY25	YoY (BPS)
Raw Mat Cost	60.0	59.5	50	64.1	(406)	61.2	60.2	97
Gross Profit	40.0	40.5	(50)	35.9	406	38.8	39.8	(97)
Employee Exps	4.5	4.6	(12)	6.3	(182)	5.4	5.4	(7)
Other Exps	13.3	13.4	(6)	16.7	(338)	15.3	15.3	3

Source: Company, Way2wealth

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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
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