LMW LIMITED

(formerly Lakshmi Machine Works Limited)

Our Ref: Sec/270/2025
Date: 21st July 2025

BSE Limited
Listing Department
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400 001
Scrip Code: 500252

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, C-1, Block-G, Bandra Kurla Complex
Bandra(E), Mumbai - 400 051.
Symbol: LMW

Dear Sir/Madam,

Sub: Intimation of submission of the transcript of the Analyst / Investor Meeting- reg

In continuation to our letter dated 30th June 2025, please find the attached transcript of the Analyst/ Investor meeting held on 18th July 2025. Pursuant to Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the same has been uploaded to the website of the Company as well.

This is for your information and records.

Thanking you,

For LMW LIMITED

COIMBATORE RAMANATHAN SHIVKUMARAN

Digitally signed by COIMBATORE RAMANATHAN SHIVKUMARAN
Date: 2025.07.21 13:12:41 +05'30'

C R SHIVKUMARAN
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl: As above

TRANSCRIPT OF Q1 INVESTOR CALL
LMW Limited (formerly Lakshmi Machine Works Limited)

Moderator: Ladies and Gentlemen, good day and welcome to LMW Ltd. Q1 of financial year 2025-26 earnings call hosted by NSDL. As a reminder, please note that the participants' lines will be in listen-only mode, and there will be an opportunity to ask questions after the brief by the company officials. Should you require any assistance during the conference call, or to raise questions, please signal the operator by raising hands. Please note that this call is being recorded. This is Sameer from NSDL. We have with us Mr V. Senthil, Chief Financial Officer and Ms. B. Dhanalakshmi, Associate Vice President of the company. Over to you, Sir.

V. Senthil: Thank you. Good afternoon everyone and thank you for joining the LMW earnings call for Q1 FY25-26. We will have a brief about the overall performance of the company for the quarter ended 30th June 2025, followed by an interactive session.

I would also like to clarify that certain statements made and discussions at the conference may be forward-looking in nature. To begin with, let me explain the overall performance of the company. Then we will proceed to the segment performance and then the consolidated performance.

For overall performance, the financial results have been posted on the company's websites and we hope you have had an opportunity to go through the same. The company has achieved a total revenue of Rs 685 crores in the quarter ended June 2025, compared to Rs 659 crores during June 24 quarter, resulting in a 4% increase. PBT stands at Rs 32.5 crores for the current quarter as against Rs 17.5 crores for the comparative quarter last year. On a consolidated basis, PBT stands at Rs 20 crores for the current quarter as against Rs 16 crores for the quarter ended June 24.

Going into division-specific, TMD's revenue for the quarter stands at Rs 415 crore as against Rs 440 crores during the quarter ended June 24. This is a 6% decline. The split of domestic spares and exports are in the ratio of 65%, 26% and 9%. The TMD registered a loss for the quarter Rs 11 crores as against a loss of Rs 12 crores during the quarter ended June 24. Currently, with respect to the order book, we continue to have an order book of around 2800 crores as of June 25 and the active part of the order book is around 50%-55%.

We continue to operate 5 working days at TMD, and this is set to continue during the current quarter on account of low capacity utilization. We have seen a lower inflow of orders over the last eight quarters, and this trend is continuing as of now. While the mid utilization is high, the margins are under pressure, resulting in lower order booking and machine offtake.

Now, I move to LMW China. With respect to the wholly owned subsidiary, we have clocked a turnover of, at China, we have clocked a turnover of Rs 2.8 crores for the quarter ended June 25 compared to Rs 6.2 crores during the quarter ended June 24 and with a loss of around Rs 4.9 crores in the current quarter. At the LMW Middle East operation, company achieved a turnover of Rs 33 crores for the quarter ended June 25 compared to Rs 26.9 crores for the quarter ended June 24.

The global tariff-related uncertainties and geopolitical situation in countries in which we operate have resulted in lower offtake of machines and in our subsidiaries abroad.

Now, we are moving on to the MTD and Foundry division. The revenue for the division for Q1 stands at Rs 251 crores compared to Rs 206 crores during the quarter ended June 24. The division profits stood at Rs 12 crores for the quarter as against Rs 6 crores for the comparative quarter last year.

Now, with respect to the aerospace division, the revenue in this division was Rs 46 crores in Q1 compared to Rs 39 crores during the previous quarter ended June 24. ATC has clocked a profit of Rs 4 crores as against Rs 1.5 crores in the previous quarter.

Exports contributed to 90% of this turnover in ATC, and the Metallics division turnover accounts for around 80% of the overall turnover. With this, I conclude my initial speech. We can continue with the interactive session.

Back to the moderator, Mr. Sameer.

Moderator: Thank you so much, Sir. We would now like to go ahead with the interactive session, as Sir said.

And I would request the attendees to please raise your hands if you would like to go ahead with questions. We've got a lot of attendees with us. We would request the attendees to please go ahead with your questions and to do the same, we would request you to please raise your hand so that you can be unmuted. Once again, we would request the attendees that if at all you have any questions, please raise your hand so that your questions can be taken. At the moment, we do not have any raised hands.

Okay, we have Mr. Manish Goyal. I believe he's ready with the very first question. Manish, you have been unmuted.

We can also have your video turned on if you like and we are ready for your question.

Manish Goyal: Yeah, thank you so much, Sir. Mr. Senthil, we just missed some of the initial remarks in terms of numbers. So, can you please repeat what is the, in TMD, what is domestic revenue share and what exports and sales as compared to the current quarter, and what was the comparative number for the previous quarter? And on the active order book, what was the number we missed it, if you can share that number? And in the Middle East, what is the loss we have incurred in the current quarter? And on exports, what is the order book for the current quarter and what was it as compared to last year, the Q1 number? These are the few questions in the first round. Thank you.

V. Senthil: Hello.

Moderator: Senthil sir, you have put yourself on mute.

V. Senthil: Yes. Can you hear me now? Yes, sir.

Moderator: Yes. Yeah. Yes.

V. Senthil: Good afternoon, Mr.Manish. Yes. With respect to the share of business between the last year and the current year, it is pretty much the same. What I mentioned is it is 65% domestic machines, 26% domestic spares and around 9% exports. This is the share of business as far as TMD is concerned. With respect to the order book, the order book is around 2800 crores as far as domestic market is concerned.

The active orders is around 50 to 55% . With respect to the export order book, the export order book is closer to around Rs 200 odd crores. But most of it which are LC-backed there have been a challenge in executing this order book. That is the situation as far as export is concerned. Now, the loss in LMW holding- now, as a structure, what we have is LMW holding holds LMW Global, which services the rest of the world and LMW China, which services China and the Chinese customer.

The combined loss is around Rs 13 crores as far as LMW holding is concerned.

Moderator: Thank you so much, sir. Thank you so much for answering that one.

Once again, we would request the attendees that if at all we have any questions, we can have your hands raised and we can have your questions taken. At the moment, among the attendees, we do not have any hands raised and hence, we assume that at the moment, we do not have any questions. Okay, now we have a few.

Mr. Krunal Shah is ready with his question. Mr. Krunal, you have been unmuted. We can also have your video turned on if you like, and we can proceed with your question, sir.

Krunal Shah: Yeah. Hi. Can you hear me?

V. Senthil: Yes, Mr Krunal. Please go ahead.

Krunal Shah: Hi. Good afternoon, and thanks for the opportunity. So, the first question is on this textile machinery business.

Last quarter, there was some enthusiasm that, probably towards the end of the year, you will see orders flowing in or the end order book position improving. So, just wanted to understand where you stand on that right now. Secondly, in the MTD division, growth has been better this quarter on a YoY basis.

So, can you just highlight what happened there, and what is the outlook there? These two questions initially. Thank you so much.

V. Senthil: Okay. The textile machinery business, let me talk about the domestic and international situation. Domestically, yes, there has been a good utilization on the mill side. It is a very high utilization and that is where we have also been able to consistently maintain our spares numbers as far as the domestic business is concerned. However, having said that, the uncertainty around the textile tariff definitely has a bearing on what is kind of happening where the new investment is not coming through. We are predominantly still pushing modernization. So, whatever is getting sold is predominantly modernization.

There is a lot of, definitely in the last quarter, a lot of discussions are happening around the potential orders, but no conversions have happened. Internationally, our markets where we are predominantly present, which are Bangladesh, Turkey, of course, have also been affected, like I mentioned, both geopolitically and economy-wise. And what is happening is that the spinning itself to some extent is going into new areas. We are seeing that Africa is developing as one of the spinning hubs. Of course, it would take time to increase the spindleage there, but these are the new opportunities which are getting created. So, our traditional locations, countries, are not adding as much spindleage as what we have seen. And that is reflected, of course, in our export performance as well.

Now, where do we see this going? Definitely, one thing we need to wait for is the tariff. We need to kind of come to a conclusion as to how it is going to benefit us. Definitely, it looks like it will benefit us as of now, because for a few countries, they have already announced the tariffs. There should be an advantage, but at the same time, we are also looking at it globally. So, this will take some time, and it has been an absolutely unprecedented situation, which the investors, that is the mill owners, are not ready to take decisions because of the uncertainties which continue. And these are all heavy CapEx. So, of course, we do understand that without clarity, they would not go into the business of putting up a new CapEx.

With respect to machine tool division, as what we have maintained and I will reiterate, strong demand, again, India growth story is very much the reason for the machine tool business to grow. And we have also maintained that we have increased our capacities, and it is doing well, it has grown. It is down to new machines also being made part of our product offering. So, more VMCs and HMCs are being made part of our product offering, which was not there in the past. So, increase of product portfolio, increase of market sales both are the reasons for us to see these numbers grow. And of course, even with these numbers, our utilization within the machine tool would still be only closer to 70 odd percent and there is enough capacity for us to grow in the machine tool division. That is it.

Back to Sameer.

Moderator: Thank you so much, Sir. Going ahead, Mr. Manish Goyal, I believe has a follow-up question.

Manish Sir, we are ready for you.

Manish Goyal: Yes. So, a couple of questions.

V. Senthil: Please go on, Mr. Manish.

Manish Goyal: So, on coming back to TMD, Sir, like if we probably see now your active domestic order book, which is probably even if I take at 55 percent, it is just down to Rs 50 not Rs 100 crores, which is probably at a multi-year low. So, how should we now look forward to say entire year, like are we probably going to see better order inflows only after a couple of quarters and probably on the project side also? How do you see that? That was one.

And on the other side, Sir, in terms of our new product introduction for Autoconer, how is it doing? If you can give us a perspective. And on ATC, Sir, how is the order book building up? And are we seeing an improved order inflow, where we can probably see a much higher growth rate going forward? If you can also give some more perspective, because defence spending has been increasing, localization has been increasing. So, maybe from all that perspective, if you can throw some more light on the ATC business with short to medium term views.

Thank you.

V. Senthil: Thank you. First, on the TMD, you are right on a Rs 2800 crore order book with the active orders, of course, we have seen the active orders slightly reduced in the current quarter as well. As I said, there is an order booking taking place. It is not that we do not have an order booking. Considering the capacities, these are orders, and the delivery times are very short. We are looking at probably quarter for booking and starting to deliver. Having said that, the order flow increase, we definitely, like I mentioned, we are waiting and watching the discussions are ongoing, but it is a wait-and-watch approach as we stand.

Let me give you a perspective on this. Today, the question is that if there is a demand which is going to benefit us because of the tariff; definitely, there will be more investments which are going to India. At the same time, we are also, as I said, realising that these are all very capex-heavy investments. For us to see projects, there should be a very positive economic atmosphere. Since that is not there and business confidence is not there, these investments are not happening. We will probably wait to take another quarter or two quarters.I would say it is just a guess-estimate at best. It is not a proper science when we say that another quarter, we will be able to turn around. But like I said, there are a lot of discussions going on.

With respect to the NPD, yes, the Lakshmi Winder, it has been supplied. There have been commercial supplies to a few select customers in the current quarter. We will be doing this in small quantities and once this machine gets established, we will be of course, increase the volume of this Lakshmi Winders.

Coming to ATC as a business, yes, we have been getting new orders on the metallic side. Again, ATC, our focus as of now still continues to be the export business. The orders that we are getting, where we are increasing the wallet share with the existing customers, are mainly on the export side.

On the localization and the Indian defence, we have started participating. As you know, in the past, we have been doing a lot of Indian defence, and we have, over a period of time moved over to exports. Now, we are participating in a lot of Indian tenders which are coming out. But for them to get completed and for them to come into proper sales, it is a very long lead time. Of course, as you know, in the Indian defence sector, including the fifth-generation fighters, are being made. So many things are being made. But these are a little bit longer gestation in nature, and there is nothing for us to report as of now on the Indian defence side.

But of course, we are participating in all the tenders. We have the technical capability. As you know, we also have both the metallic and the composite side of it.

We are very well placed to participate in these tenders. The order book there as of now also stands at around Rs 400 crores to be delivered over 2 to 3 years. That is what I think it is more than not 3 years, more like 2 to 2.5 years, I think, it is what the order book today stands at, which are not being pushed out. So, they are all being pulled in, which is a good sign. And that is where we are seeing the consistency in the top line over the last 4 to 5 quarters.

Back to you, Mr. Sameer.

Moderator: Sir, thank you so much for helping us with the answers to that one. Once again, we would like to request the attendees to please raise your hands if at all you have any questions. At the moment, we do not have any hands raised.

We would be waiting for a few more minutes before we get our next question.

Okay, we have Mr. Krunal. I believe he has a follow-up question.

Mr. Krunal, we are ready for you. You have been unmuted. Yes.

Krunal Shah: Yes. Hi, Sir. Coming back to the TMD division, you said that Africa is emerging as a new hub for spinning. What are the steps we are taking to capture that opportunity, and how big is that opportunity? And the next question is in the new product that we launched. So, we also launched this Ring Frame Autopiecer.

V. Senthil: Yes.

Krunal Shah: How is that product doing? And the third question is about the MTD division. We also launched this 5-axis CNC machine at the beginning of this year. So, I understand it takes time to grow this business. But just want the initial feedback if you have sold any such machines yet.

Okay. So, any other questions, Mr. Krunal?

V. Senthil:

Krunal Shah: No, that's it.

V. Senthil: Thank you. Okay. Thank you for the question on Africa. It is actually, I would take it as a little bit larger question. Our focus and our growth areas are technically the exports, right? Considering the market share, what we hold within the Indian market is our growth area, and our focus is on exports. And that is where our LMW Holding has been established. And we are able to address the markets which are mainly the Turkey, Africa. And within Africa, it's Egypt that is growing, probably a little bit faster than the rest of the African subcontinent. There's a cluster of countries which have a lot of cotton output.

Dubai being the hub for us, we are able to A, make a very clear and focused attention is being given to these customers. We are also able to service them much quicker. So, we have been able to build a hub where we under the UAE, we have this assembly facility, we are able to supply spares from there. So, all this is being done.

And the market is adopting, is adding spindles, but the investments are all coming from not only the local population, it is also people who are moving to Egypt. For example, you have Chinese investment going into Egypt, we have a Turkish investment going to Egypt. So, there is a lot of movement of capital as well.

And we are very, very well placed to be in this market, because we have also been in Turkey, we know the customers, we have also been, and we are also in China. So, we are very well placed to make use of this opportunity of being closer to the customer from our subsidiary.

With respect to the robotic auto-piecing, it works well, it is already there, and is sold in the Indian market as well. But considering the cost, our approach to this would be where this would be bought initially by countries which are high cost for labour. For example, Turkey is a good example where the cost of labour is closer to US$1,000 per person. And upwards in certain provinces, I am told it is closer to US$1,300-US$1,400. `So, these are the places where this automation would first come into use. But considering that the market in itself is doing very badly, this is not really picked up, but the machines, the auto piecing robots are out there, and performance is very well appreciated.

With respect to the machine tool divisions, 5-axis machine, yes, you are right, we have launched the machine. There is no, probably there is nothing to report in terms of significant sales of these 5-axis machines from our side at the moment. But we have, like I said, the technology and it is available for sale, and I probably will come get back probably next quarter or so once they are being sold in a decent number.

Okay, back to you, Mr. Sameer.

Moderator: So, thank you so much for answering that one. Once again, we would request the people in the attendees, if at all we have any questions, we can have your hands raised. Sir, at the moment, we do not have any questions and hence we do not have any hands raised.

Once again, we would request the attendees, since we have some more time on hand, we can have more questions answered. If at all, we have more questions, we can have them put forth. Sir, would you like to wait for some more time or would you like to go ahead and…

V. Senthil: I think we will, let us give it five minutes, Mr. Sameer and then…

Moderator: Sure, Sir, sure. Ladies and gentlemen, we would be waiting for a couple more minutes before we conclude the meeting. We would request you to please raise your hands if at all you have any questions so that they can be taken. Thank you.

Sir, we have Mr. Anand with his question ready. Please go on, please go on, Mr. Anand. Thank you so much for raising your hand, and you will now be able to unmute yourself.

Okay, we can see that you have already unmuted yourself. Mr. Anand, we are ready for you.

Anand S.: Yeah, can you hear me now?

Moderator: Yes, Sir.

Anand S.: not on the numbers side but more so on the, where the TMD products that we supply, which process of the spinning would it be used? Now, there are different stages within the spinning process. So, for which all stages in the spinning process do we have machines one? Two is in terms of a lot of our machines can be interchangeably used for both cotton yarn and polyester yarn. Is that how it is? Or are there differences in these machines, too? Three is in terms of how the cost per spindle has moved, let us say, over the last five years or so, in terms of trends right? So, how was it a few years back in terms of the realization that we get per spindle to currently how it has been moved currently? So that is my three questions. Okay.

V. Senthil: Our machinery is in the spinning section. So as you can, you have ginning as a process and you get the gin cotton and then it goes into Card and if it is a combing process, it goes to the comber, then it goes into speed frame, then it goes into a ring frame and out of the, and then it goes to winder for packaging. So we have these machines in this spinning segment. And of course, after this, you have got weaving and knitting, we are not there in that.

But within spinning, we have cotton and polyester, and viscose. So these machines are versatile in terms of both count range and in terms of the fibre. So you can spin low counts to very, very fine counts.

So you are looking at 60s and 80s, which go into denim right up to very, very high counts of 160s and 200s plus. So that is the type of machines that we sell in the spinning segment. With respect to the cost per spindle, over the last 5 years, especially after COVID, the cost of spindle has gone up, it is almost by 20-25% the cost of spindles have gone up.

Right now, the cost of our machines, I can just give you a indicative number. From blow room to ring frame alone for a 30s combed cotton or a combed 30s, combed compact cotton will cost you somewhere around 19,000 odd rupees per spindle, that is up to the ring frame. That is the overall cost per spindle up to the ring frame, and this, of course, excludes the cost of your land, building, etc. This is purely machinery up to the ring frame.

I hope it answers your question.

Anand S. Yes, Sir.

Moderator: Thank you so much for answering that one, Sir. Thank you. Going ahead, we have Mr. Manish Goyal with us once again. I believe with a follow-up.

V. Senthil: Please go on, please go on. Mr. Manish, we are ready for you.

Manish Goyal: Yes, Sir. Sir, I have a question on MTD, machine tool business, Sir, like probably we are still at 5% margin levels, where probably historically we have seen in double-digit 15-16% margins. So just to get a perspective, like probably in past you have been mentioning in terms of changing revenue mix with more machining centers, sales increasing and impacting our margins. So like how is the revenue mix now, both in terms of our traditional products and machining between say auto and non-auto? And probably when do we see these margins coming back to double digits? It will surely be on the top line growth or it will also be driven by your improved profitability in the machining centres. If you can just give us perspective, Sir, because some of the competitors continue to do well and report very high double-digit margins, and we being such a long traditional player. So just if you can throw some more light on this part of the business.

V. Senthil: Thank you for the question, Mr. Manish.

Yes, one of the main reasons where we have kind of invested in MTD was basically to expand our product portfolio, and the expansion of portfolio comes from this introduction of VMCs and HMCs. And of course, the fact is that VMCs are being the latest machines, whilst there are established players already in the market. There has been quite a significant pressure, both on the price and on the margins.

Of course, price-wise, we are on the higher side, but from a margin perspective, it is single-digit margins. The margins for it to go back to double digit, it is going to come out of the top line because we have added a lot of overhead costs because of the second unit, which has got established for MTD and that is taking in, that has increased our capacity. So when we were doing, of course, you are absolutely right, when we are doing 13%-14% or a little bit more, we were operating out of a single unit.

And today, there is absolutely, including the overheads, everything has gone up because of the second unit, which are established. There, at that point in time, our capacity itself was probably around Rs 600 crores. I think you are referring to a time where our turnovers were, of course, much smaller than this.

And today, we have the capacity to deliver, let us say, Rs 1,200 crores or Rs 1,300 crores. And we have got around 30%, like you mentioned, capacity available for us to deliver. So if you are able to bring that capacity utilization up, definitely, you will see the margins go up.

With respect to the product margin in itself, I would not want to comment because it is too, way too interim to comment on that. But definitely, we are looking forward to a better capacity utilization and a higher capacity utilization, which will help with the bottom line increase. Back to you, Mr. Sameer.

Moderator: Thank you so much, Sir. Thank you so much for answering that one. Once again, we would like to wait for more questions. If at all, we have any questions, we would request the attendees to please raise your hands.

Mr. Krunal Shah has a follow-up question. Yes, Sir.

Krunal Shal: Thank you for the follow-up. My question is on this textile machinery division. So, generally, obviously, a trend wherein the spinning guys are forward integrating into weaving and knitting and knitting apparels, and we are not present in these processes.

So, does that put us at a disadvantage versus our peers who are probably present in the entire chain from garmenting to spinning, whereas we are only present in spinning? Would like to understand your views on the same. Thank you.

V. Senthil: I did not quite understand the last part of the question. Can you repeat? You said where we are?

Krunal Shah: So, we are present only in the spinning process and not in the weaving, knitting and garmenting process on the TMD division, whereas there will be peers who are present throughout in the entire chain. And does that put us at a disadvantage when the spinning guys are expanding capacity? Would they want a completely integrated supplier or would they still prefer LMW for the spinning part?

V. Senthil I think from a competition perspective, these are different segments. Spinning is a different segment. Weaving, knitting and weaving is different, knitting is different, and garmenting is again totally different. And there are no suppliers doing this entire range from spinning to garmenting. What we have is within the spinning segment, there is a set of competition and then of course, we have knitting looms and machinery after that.

So, no, we are not at a disadvantage in that sense..Sameer.?

Moderator: Yes, Sir. Yeah.

V. Senthil: Back to you.

Moderator: Thank you so much, Sir. Thank you.

I believe at the moment, we do not have any questions since we do not have any hands raised.

V. Senthil: Okay.

Moderator: We are waiting for a few more people to help us with the questions. We request the attendees that if you have any questions, please raise your hand so that those can be taken.

Thank you.

V. Senthil: Sameer, if there are no other questions, probably we can close.

Moderator: Sure, Sir. We do not have any more hands raised. So, we do not have any further questions. All the questions which were taken have been answered. This brings us to the end of all of the questions. Thank you so much Senthil Sir for helping us with the answers to those.

And thank you so much, everybody, for joining this meeting. Thank you so much, people.

V. Senthil: Thank you. Thank you, everyone. Bye bye.

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