

ESAB INDIA LIMITED
38TH ANNUAL GENERAL MEETING

Good Afternoon,

Ladies and Gentlemen,

I am G Balaji, Company Secretary of ESAB India Limited and it is my pleasure to welcome you all to this 38th Annual General Meeting (AGM) of ESAB India Limited. This AGM is held on virtual mode. It is my pleasure to introduce our Board of Directors and other dignitaries who have joined this virtual Annual General Meeting. I welcome Kevin Johnson, Chairman of this Annual General Meeting and other dignitaries.

With the permission of the Chairman, G Balaji, Company Secretary introduced the Directors to the shareholders including their membership details in the various committees and their place of attending the virtual Annual General Meeting.

G Balaji, Company Secretary also introduced the Statutory Auditors and Secretarial Auditors to the shareholders of the company. He further informed that the Auditors have given their report and there were no qualifications in their reports.

With the permission of the Chairman, G Balaji, Company Secretary has informed the following to the shareholders during the virtual Annual General Meeting:

Members constituting the quorum are present. The remote e-voting process was opened from 9.00 a.m. on 11th August, 2025 and closed at 5.00 pm. on 13th August, 2025. The e-voting process is also now open when this Annual General Meeting is on. Members who have not cast their vote already may do so right now before the closure of Annual General Meeting. The meeting is held on electronic mode and hence no proxies are taken cognizance in line with the MCA circular and SEBI guidelines.

G Balaji, Company Secretary has requested Mr. Kevin Johnson, Chairman to address the shareholders and to conduct the further proceedings of this meeting.

Kevin Johnson, Chairman

Thank you Balaji.

Good Afternoon, I welcome you all to the 38th Annual General Meeting of ESAB India Limited. This meeting is in order since the requisite quorum is present.

Kevin Johnson, Chairman informed the shareholders that pursuant to the SEBI circular and MCA guidelines, the soft copy of the Annual Report of the Company for the financial year ended 31 March, 2025 was sent electronically to the shareholders on 14th July, 2025. He further said that there were no qualifications in the reports of the Statutory and Secretarial Auditors. The statutory registers are available for inspection by the Members at the website of the Company.

Chairman's Speech

I welcome all to the Thirty Eight Annual General Meeting of ESAB India Ltd. which is being held virtually. The Annual Report has been with you for a while and with your permission I take this as read.

Environment, Health and Safety continues to be the highest priority at ESAB as we deliver the highest standards of safe working practices and minimize our impact on the environment.

Your Company achieved a revenue growth of 10.5% and strong growth in profits compared to the prior year. This was achieved across key product categories, growth in service income and exports of manufactured products from India. The Company continued to leverage significant benefits from access to ESAB's global processes.

Based on the financial performance and after evaluation of cash flow requirements, your Board has proposed a final dividend of 42 Rupees per equity share.

During this financial year 2024-25, Mr. K Vaidyanathan and Mr. Vikram Tandon, Independent Directors of the Company completed their tenure of 10 years and retired from the Board of the Company. We take this opportunity to thank them for their valuable contributions to the Board.

I am pleased to welcome two new Independent Directors, Mr. Ramesh Rajan and Mr. Raja Venkataraman, who have been appointed on the Board in the month of January 2025.

Finally, I would like to thank the entire team of ESAB and our customers, suppliers and other stakeholders for all their support during the year.

Agenda

Kevin Johnson, Chairman has taken up the items of the businesses placed before the shareholders as below:

Agenda No.1:

To Consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2025 together with the Reports of the Directors and Auditors thereon.

Agenda No.2:

To approve a final dividend of Forty Two Rupees per equity share.

Agenda No.3:

To appoint a Director in place of Mr. Rohit Gambhir having DIN 06686250 who retires by rotation and is eligible for re-appointment.

Agenda No.4:

To appoint Mr. V Mahesh, Practicing Company Secretary, Chennai as the Secretarial Auditor of the Company for a period of 5 (Five) years from the financial year 2025-26 to 2029-30 and to authorise the Board of Directors of the Company to fix his remuneration.

Agenda No.5:

To ratify the Remuneration to Cost Auditors of Rupees Five lakhs fifty thousand only.

Agenda No.6 & 7:

To approve for material related party transactions with ESAB Europe GmbH, Switzerland and EWAC Alloys Limited, India.

The Chairman has said that the Company has been doing transactions with related parties namely ESAB Europe GmbH, Switzerland and EWAC Alloys Limited, India, in its ordinary course of business and at arm's length basis for many years. The details of the past transactions are disclosed to the shareholders

as part of notes to financial statements under the heading related party transactions in the Annual Report. These two related parties are fellow subsidiaries to the Company.

Since the value of the transactions with these two related parties may likely exceed the threshold limit of 10% of the turnover of the company in the current year, the company as an abundant precaution seeks approval of the shareholders for a value upto Rs.200 crores each with ESAB Europe GmbH, Switzerland and EWAC Alloys Limited, India.

The Chairman has checked with Balaji have there been any queries raised by the shareholders in advance. Can you share it with the Board to respond to such queries.

G Balaji, Company Secretary has read out the queries received from the shareholders as below:

Shareholder: Mr. J Abhishek (IN301637/41359155)

i) What will be the growth triggers in first half and second half?

Rohit Gambhir, Managing Director responded that growth triggers are invariably linked to Steel and to a good extent, the investment cycle in the economy. Geopolitical developments globally and commodity price trends have a bearing on the Country and your company.

ii) Please give the production capacity utilization figures in % for the month April, May and June 2025? What was capacity utilization of last year and last 5 years on moving average basis?

Mohan, Director & CFO responded that capacity utilization levels are comparable to same period of prior year as adjusted for product mix, especially on filler metals. There is scalability within a given range based on tweaks in shifts and machine set up.

iii) What are the new innovations and production enhancement activity done by the management?

Rohit Gambhir, Managing Director responded that new products launches are an ongoing part of our business and there have been launches across both consumables and welding equipment; the response has been encouraging and we have a good pipeline of new products from ESAB's global portfolio apart from products developed specifically for local markets.

iv) What is the cost cutting initiatives and production enhancement activity done by the management?

Mohan, Director & CFO responded that cost actions are undertaken across various dimensions. This ranges from sourcing, conversion costs, productivity enhancement projects and also SG&A spend. We work with an identified funnel of projects with targeted savings. These are periodically reviewed.

v) What is the view of the management going forward on sustainability of the profit earning growth will remain the challenge in coming quarters?

Mohan, Director & CFO responded that there is a reasonable level of resilience in the Indian economy but we are not insulated from global turbulences including geo political developments and the overall impact of tariff related developments. Our ability to grow profitably would hinge on adapting quickly and continuing to stay competitive on costs with customer focused offerings. Our presence in segments like M&R does help ride a difficult phase.

vi) What are the management efforts to improve working capital to sales ratio, ROCE, Net Debt to EBITDA multiple OPM, Debtor days and interest coverage ratio?

Mohan, Director & CFO responded that the Company remains debt free. Payment of dividends (Rs.386 over the last 5 Financial Years) have helped manage ROCE. Working Capital is closely monitored as part of our cash flow reviews.

vii) Please provide the details of parties in Other Current and Non Current Liabilities. Please let me know the details of our Contingent Liabilities.

Mohan, Director & CFO responded that other current liabilities consist of dues under CSR, statutory dues, primarily on indirect taxes and also advances from Customers. Contingent liabilities largely related to tax related demands contested by the Company and pending at judicial forums.

viii) What are the management efforts to reduce Other Expenses, Legal Professional Charges & Audit Fees?

Mohan, Director & CFO responded that as with other costs, we continue to look for opportunities for optimization. In terms of legal and professional charges and audit fees, we need to have the right quality of firms we work with. We do leverage on globally negotiated terms with some of our service providers.

ix) What are the credentials that the new and existing directors are bringing on the table to take the company to next phase of growth or to guide the new generation? Is the appointment being done after checking all the new amendments under clause 49?

Mohan, Director & CFO responded that new Directors have been appointed after going through the processes under Companies Act and related regulations. Their appointments are compliant with all applicable provisions. Their background and credentials were set out in the postal ballot documents sent out on. They bring rich and varied experience across various businesses and the Board is of the view that the Company would immensely benefit from their guidance and engagement.

x) What is the policy related to dividend in our company as most of the senior citizens only depend on that?

Mohan, Director & CFO responded that dividends are paid based on cash flows and business needs. Members should be pleased to note that the Company has paid Rs.386 per Share of Rs.10 each over a 5 year period, including this year final dividend.

xi) Where you see the industry in next 3 years and where our company will be placed within the industry as other players are more proactive and prudent?

Rohit, Managing Director responded that we do not wish to make any forward looking statements. The Company continues to review the external environment to pro actively address risks and threats.

Shareholder: Mr. Aniket Mittal representing SBI Mutual Fund

i) What is the market size for welding equipment and welding consumables in India. What is the addressable portion for ESAB ? What was the market growth in FY25?

Rohit Gambhir, Managing Director responded that the overall market is estimated at between INR 6000 to INR 7000 crores. Addressable portion is assessed year on year based on review of product portfolio and new product launches. This is based on Company's strategic business plan and growth/ profitability considerations.

ii) How do you see the growth in welding equipment and the consumables market in India during FY26 over the next 3-5 years ?

Rohit Gambhir, Managing Director responded that the fortunes of Welding market are linked predominantly to Steel growth and investment cycles in the economy. The Company has doubled in revenues over a four year period and does endeavour to riding volatilities and grow profitably.

iii) In the annual report company has mentioned heightened interest from emerging sectors in renewable energy, digital transformation and infrastructure. Could you elaborate on this and their contribution to our revenues?

Rohit Gambhir, Managing Director responded that ESAB has a good presence as a supplier for wind power related applications. Infrastructure is a core segment with opportunities given the size of the Country and requirements.

iv) Which are the top 5 end user industries and how much do they contribute of the overall market ? What is the contribution from Thermal power and what are the growth prospects?

Rohit Gambhir, Managing Director responded that the Company has an assorted customer base with no single segment dominating. Broadly, these are around fabrication.

v) How has ESAB's market share moved over the last 1 year and 3 years? Which are the end markets / sectors wherein ESAB would have gained and lost share respectively? Which are the end markets ESAB India has dominant positioning?

Rohit Gambhir, Managing Director responded that we would not like to get into specifics on market shares. Information is available in public domain with respect to listed competitors as also some limited information on unlisted players. We have leadership positions in several product categories.

vi) What is the breakup of revenues between welding consumables and welding equipment for ESAB? How has this mix changed over the past 1 year and 3 years respectively, and how do you see it going forward ?

B Mohan, Director & CFO responded that we operate in one segment- Fabrication technologies. Details with respect to product categories are not appropriate for sharing.

vii) What are the new product launches in the past 1 year and what is their contribution to revenues? What are the key areas for new product development ?

Rohit Gambhir, Managing Director responded that new product launches have been across all product categories in Filler Metals, Equipment, PPE and other products. We derive benefits from global launches and work on variants customized for local markets.

viii) How is the market divided between SMAW, MIG/MAG, TIG, FCAW and SAW categories in terms of volumes and value ? Do you see a shift in their mix?

Rohit Gambhir, Managing Director responded that it would not be in the Company's interest to share category level details. We did have volume growth in all key filler metals categories during the year.

ix) The share of exports/outside India has risen to 14% of overall revenues. What is driving this growth and what is our outlook on exports? Which products is ESAB supplying for exports and do you plan to add new products?

Rohit Gambhir, Managing Director responded that exports have been growing though on a small base. Opportunities do keep coming in and we are equipped to handle growth in volumes. We have details on export values in the annual report.

x) Which are the key raw materials and finished goods that we purchase from parent and how do we see it going ahead?

B Mohan, Director & CFO responded that our purchases cover components, finished products in filler metals and equipment as also some raw materials for filler metals. These are expected to continue depending on market requirements.

xi) We have seen a revenue growth of 10.5% in FY 25. How much of this is price led and what were the price hikes taken in the past 1 to 3 years?

Rohit Gambhir, Managing Director responded that growth has come through volumes, price and product mix. Prices have been aligned with underlying commodity price movements to the extent feasible.

xii) We have continued to see an increase in gross margins in FY25, reaching 40.7%. What do you attribute this to? What are the sustainable gross margins and EBITDA margins?

B Mohan, Director & CFO responded that this has arisen from a combination of product mix, cost downs on conversion costs and overheads apart from tight monitoring on Capex and Working Capital. Sustainable margins are a function of multiple extraneous and internal factors including product mix and it would be hard to put a number to this. We strive to grow in a profitable manner.

xiii) What are the capex expenditure plans over FY26-28 and which areas would you invest?

B Mohan, Director & CFO responded that we are sufficiently invested in terms of current and immediate growth requirements on capacities. Process improvements, EHS, IT and replacement needs are other drivers of capex.

Shareholder: Ms. Gokul Maheswari (1203390000199186)

i) The trademark license fees paid to the parent has moved from 2.6% of Sales to 3.5%. Is this the new rate or was it a one off given the engagement? If this is new rate, can we pass this on to our customers or adjust our cost structure to minimise the impact of this margins?

B Mohan, Director & CFO responded that the trademark fees are payable at 5% of Net Sales with some exceptions. This has been in effect from 1.1.2024 and therefore for the entire financial year 2024-25. Our pricing in the market is a function of product attributes and product positioning

ii) What has been the impact of BIS norms? Has this helped us gain share from smaller/regional players?

B Mohan, Director & CFO responded that there is no major impact except some delays due to procedural formalities within the ministry of steel and commerce for shipment clearance.

iii) Why have your Gross Margins expanded in the last 3 years vs. prior 5-7 years? Are they sustainable?

B Mohan, Director & CFO responded that this is from a combination of growth in volumes, product mix and cost actions. We would like to have these as sustainable levers for the future.

iv) Sustainable EBITDA margins given the performance of the last 3 years?

B Mohan, Director & CFO responded that we do not make forward looking statements but do plan for growing profitably in all markets.

v) Is there a plan to merge EWAC into the listed company? Is there product range competing with ESAB India or is it complementary?

B Mohan, Director & CFO responded that we do not have any such plans for now. EWAC has a product range which complements and competes with ESAB range on some applications.

vi) Lastly, what is the expected growth of this industry for the next 3 years and does the company expect to outgrow it?

B Mohan, Director & CFO responded that this is a function of growth in the larger economy and specifically on Steel and fabrication linked sectors. Our intent is always to outgrow.

Shareholder: Ms. Veena Patel (IN30302849230451)

i) How is the current demand outlook for our products?

Rohit Gambhir, Managing Director responded that global economic headwinds to impact demand in the short term.

ii) How is the competitive intensity in the domestic market?

Rohit Gambhir, Managing Director responded that competition is intense as always. Newer players keep emerging in some of the products.

iii) Initiatives taken to increase domestic sales?

Rohit Gambhir, Managing Director responded that active engagement with channels and new product launches leveraging on global portfolio.

iv) Future outlook for export sales?

Rohit Gambhir, Managing Director responded that reasonably positive on exports on sales and services given our competitive strengths.

v) Reasons for improvement in EBITDA Margins in last 3 years. What would be sustainable range of EBITDA margins?

Mohan, Director & CFO responded that the improvement in EBITDA is due to the growth in revenues and service incomes.

The Chairman informed that all the questions of the shareholders were answered.

He further informed that the results of the Remote E-voting and E-voting exercised today by the shareholders would be announced on or before 16th August, 2025:

- i. At the website of Stock Exchanges – BSE and NSE;
- ii. At The website of NSDL;
- iii. At the Notice Board; and
- iv. At the website of the Company www.esabindia.com

The Chairman thanked all the shareholders for their participation in the meeting and declared that the 38th Annual General Meeting as closed.

Thank you

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