

January 30, 2026

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor,
Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

Trading Symbol: ORIENTELEC

Scrip Code: 541301

Dear Sir / Madam,

Sub.: Transcript of Earnings Call for the quarter ended December 31, 2025.

This is in continuation to our earlier letter dated January 16, 2026, filed in terms of the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding participation of the management of the Company in an Earnings Call, to discuss the Un-Audited financial results of the Company for the quarter ended December 31, 2025, held on Thursday, January 22, 2026 at 04:30 PM (IST).

In this regard, the transcript of the Earnings Call is attached herewith. Further, the said transcript is also available on the website of the Company at, <https://orientelectric.com/pages/earning-calls>.

You are requested to take the above information on record.

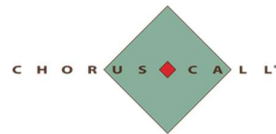
Thanking you,

For **ORIENT ELECTRIC LIMITED**

Diksha Singh
Company Secretary
Encl.: as above



“Orient Electric Limited
Q3 FY '26 Results Call”
January 22, 2026



**MANAGEMENT: MR. RAVINDRA SINGH NEGI – MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER – ORIENT ELECTRIC
LIMITED**

**MR. ARVIND VATS – CHIEF FINANCIAL OFFICER –
ORIENT ELECTRIC LIMITED**

**MR. SAMBHAV JAIN – HEAD, INVESTOR RELATIONS –
ORIENT ELECTRIC LIMITED**

MODERATOR: MR. DHRUV JAIN – AMBIT CAPITAL PRIVATE LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Orient Electric Limited Q3 FY '26 Results Call, hosted by Ambit Capital Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Dhruv Jain, from Ambit Capital Private Limited. Thank you, and over to you, sir.

Dhruv Jain: Thank you. Hello, everyone. Welcome to Orient Electric's Q3 FY '26 Earnings Call. From the management side today, we have with us Mr. Ravindra Singh Negi, Managing Director and Chief Executive Officer; Mr. Arvind Vats, Chief Financial Officer; and Mr. Sambhav Jain, Head of Investor Relations.

Thank you, and over to you, sir, for your opening remarks.

Ravindra Singh Negi: Thank you, Dhruv, and thank you, Iqra. Good evening, everyone, and thank you for joining us for the Orient Electric Q3 FY '26 Earnings Conference Call. I appreciate your time and continued engagement with our journey of strengthening Orient into a more premium consumer-centric and future-ready FMEG brand. We've been interacting with a lot of you over the course of last 6 months, updating on our progress of our strategy in action.

Let me give you an overview first of the quarter 3 from an industry perspective. Quarter 3 unfolded against a dynamic macro background. The quarter began with healthy festive momentum with signs of resilience in the domestic environment, supported by steady GDP growth, improved liquidity and sustained consumer confidence, aided by GST rate realization across various categories.

Even though OEMs and FMEG categories were not impacted by this, but Q3 started on a positive consumer sentiment towards discretionary spendings. However, elevated channel inventory and muted demand in cooling categories tempered the industry's overall growth trajectory.

In parallel, the industry underwent a major regulatory transition from implementation of the ratcheting of new BEE Star Label norms for Ceiling Fans effective 1st January 2026. This triggered widespread channel destocking of older models causing short-term trade dilution. Additionally, a sharp rise in copper prices and commodities added further cost pressures.

Despite these disruptions, Orient Electric delivered resilient performance, recording 11% year-on-year revenue growth, driven by a consistent emphasis on portfolio diversification through a multiproduct growth engine, anchored in consumer innovation, premiumization and disciplined execution under our One Orient strategy.

Orient navigated the seasonal softness well and delivered a standout performance in the ECD segment, with a revenue growth of 12.6% year-on-year and a strong 46.7% quarter-on-quarter increase.

This growth was led by a strong double-digit growth in appliances, especially the heating category, underscoring its central role in our diversification strategy, balancing the seasonal dips and fans for our ECD segment.

Prolonged and severe winters enabled significant market share gains in water heaters and room heaters, supported by the launch of our Whirlflow fast heating range and a successful extension of the Fatt se Garam campaign.

In fans, we delivered decent single-digit growth, demonstrating resilience despite broader industry softness. Our premiumization playbook continued to gain traction, with BLDC portfolio growing by over 30% and collectively, premium decorative and BLDC models now contribute to about 30% plus of our domestic Ceiling Fans mix.

Our Mission Orange retail program expanded to 4,500 new outlets, enhancing in-store product engagement of our premium portfolio and improving conversion. We also successfully transitioned and stabilized the Pune market to the DTM model. MP and Chhattisgarh transitioned previously to direct service, and it has now stabilized.

We have further strengthened our service infrastructure by implementing 4-hour service commitment in fans and water heaters across 18 major cities.

Another key growth engine, Lighting & Switchgear segment sustained its growth momentum with a 7.1% year-on-year increase in revenue. In the Consumer Lighting, we continue to strengthen our market share with a single-digit volume and value growth and a mix shifting towards Luminaires, which rose to 66% contribution versus 61% last year, driven by COB Downlights and Panels. Premium Lighting also grew in double digits. However, tender business had a sharp onetime degrowth on the back of a higher base last year, leading to an overall flattish lighting revenue. Our brand campaign for lighting One Brand Voice, featuring MS Dhoni, Kusha Kapila in the podcast format with the tagline, “Fans wale Orient, lights bhi banate hain”, has resonated strongly across both trade and consumer segments.

Our Switchgear and Wires business delivered well this quarter, Wires doubled year-on-year, although on a very small base, supported by strong acceptance in trade and influencer ecosystems.

Switches also posted high double-digit growth, supported by sustained electrician engagement initiative and effective cross-selling through our fans, lighting distribution ecosystem. This segment though currently at a low base, is a future growth segment for OEL.

E-commerce grew in high double digits, fueled by improved assortment, positive reviews and strong performance marketing push. With a substantial part of our marketing investments now directed towards digital and contextual platforms, we continue to sharpen our consumer centric communication strategy.

Exports also grew 40%, strengthening our diversified international footprint largely led by fans. Across businesses, we are increasing design differentiation, energy-efficient technologies, which are aesthetics and category-leading user experience. Building a premium brand imaging and driving visibility in trade and e-commerce.

Moving on to the financials, in Q3 FY '26, Orient delivered a resilient performance, building on the strategic levers. Our revenue grew 11% year-on-year to INR906.5 crores representing a robust sequential increase of 29% over Q2. This growth reflects our continued focus on market expansion and the success of our premiumization strategy across core and emerging categories. Gross profit for the quarter stood at about INR270.4 crores, up 4.3% year-on-year. Gross margin was at 29.8%, approximately 30%, slightly below our guidance of 32% to 34%, primarily due to elevated commodity prices, especially copper during the quarter. To mitigate this, we have implemented a 3% to 3.5% price increase in January across main categories of fans, Lighting and Switchgear. Wires has been passing on the impact of the commodity increase now almost every 3 weeks for last few months. Despite margin pressures, I'm pleased to report that our operating EBITDA margin remained stable at 7.5%, supported by operating leverage and ongoing cost efficiency initiatives.

PBT before the exceptional item was INR44 crores, up 19% year-on-year, reflecting strong underlying operational performance. PAT, however, was impacted by onetime statutory adjustment of INR8.7 crores related to implementation of the new labour codes. This exceptional item by non-recurring in nature, temporarily weighed on reported profitability. Overall, Q3 results highlighted the resilience of our business model, diversified multi-growth engines and disciplined execution, positioning us well to sustain momentum in the quarters ahead.

Our focus remains clear, build a more premium, more digital, more efficient and more consumer-centric Orient with category leadership in BLDC, luminaires, heating segment and build scale in B2B lighting, Switchgears and Wires.

Looking ahead, we believe that the new BEE Star norms effective 1st January 2026 will act as a structural catalyst for accelerated BLDC adoption. With a strong and expanding energy-efficient portfolio, we are well positioned to benefit from this shift.

Combined with the expansion of our DTM footprint, strengthening digital reach and disciplined execution across channels, we remain confident of finishing FY 25- 26 on a better than industry note, with sustained growth, improved profitability and continued progress towards the future-ready operating model.

With these remarks, I would like to open the floor for your questions. Thank you.

Moderator:

Thank you very much. We will now begin the question and answer session. The first question is from the line of Ravi Swaminathan from Avendus Park.

Ravi Swaminathan:

My first question is with respect to the fans industry. So any flavor on what would have been the volume decline in 9 months in the fans industry and how Orient would have performed during this period?

- Ravindra Singh Negi:** Ravi, thanks for the question, and thanks for the compliment on the good set of numbers. If I were to look at it, and I don't have the final quarter 3 third-party report, but volume de-growth-. and there are 2 sets that we need to look at when we look at volume de-growth. Volume at the Ceiling Fans level is more or less sustained but the degrowth largely has happened in the TPW segment, from an industry perspective that you're saying. If you look at our last 3 quarters results in YTD also, we've done better than industry, better than peers, we've gained market share. And if you do any channel check would be very evident in the market.
- Ravi Swaminathan:** Understood, sir. And within fans itself, with respect to the BLDC fans, what is the share of BLDC in your overall portfolio? And a while ago mentioned that this BEE norm change would accelerate the shift towards BLDC. What is the key reason behind that happening?
- Ravindra Singh Negi:** So if I were to look at my YTD, YTD almost at about 40% on the BLDC is what we've grown. This quarter also 30% we've grown. Industry sits at about 17%- 18% of BLDC of the Ceiling Fan. We are for this quarter because, there was a one-time BEE ratcheting, but overall, we are at almost one-fourth of my Ceiling Fan closer to one-fourth coming from BLDC. And it fits in well with our premiumization strategy as well as from a consumer optic perspective.
- When I say the ratcheting, the ratcheting is making the norms tighter and hence, consumers will be attracted to far more energy-efficient products. And it's not just the energy-efficient product. It's the blend of technology and design is what we are delivering, which is making our BLDC grow That's why we said, tighter the norm, the adoption of BLDC would be faster in that segment. If you play a lifestyle design and a tech combination together, the chances for Orient gets far bigger and far higher than most of the other brands.
- Ravi Swaminathan:** Understood. And in terms of profitability of BLDC or the other products, is there a big difference in that or is it like similar in terms of profitability at the gross and EBITDA level?
- Ravindra Singh Negi:** It's higher. It's higher.
- Ravi Swaminathan:** It's higher. Okay. And final question with respect to fans once again, what would be the likely requirement of price increases that is needed to offset the commodity price going up? Like copper prices have gone up and rupee also has depreciated. So what would be the kind of price increase that will be required for that? And what would have been the price increase associated with just the BEE norm change alone?
- Ravindra Singh Negi:** So I would not share the breakup between the two. And it will all depend on brand to brand. A substantial part of my portfolio was already meeting the norms set by BEE, because we always focus on quality, and we try and give the best to the consumer. We've taken a 3% price increase on 1st of January. We're keeping a very close watch on the commodities. If required, if the commodities stay at these elevated levels, we'll revisit our need for another price increase.
- Moderator:** The next question is from the line of Nattasha Jain from PhillipCapital.
- Nattasha Jain:** So, I have 2 questions. First, in terms of fans, so you mentioned in your opening remarks that elevated channel inventory and demand also has been tepid now given that there will be cost

hike as well. Do you think that in 4Q, the industry growth could be moderated as a factor of all this? And any good trigger we could only see from FY '27 onwards?

Ravindra Singh Negi: See, we have to look at it when I say elevated channel limited, they've been destocking it - because of poor summers that happened. And we also have to keep in mind where did the impact happen more when there was a tapered summer. So TPW and that's what I said in the beginning to Ravi's question, TPW got more impacted. Ceiling fans got lesser impacted. Now those ratcheting has happened in Ceiling Fan and not in the TPW. Given the fact that this year Holi is slightly earlier, we are expecting and very hopeful for a strong summer. And if the strong summer starts to happen in South first, that kick starts the TPW first and then it goes on to the Ceiling Fans. So very hopeful that quarter 4, Feb onwards on, we should start seeing some traction here.

Nattasha Jain: Understood. So that's helpful. And my second question is in terms of lighting. Now when I see your top line growth has been moderate, but margin decline has been sharper, and it is even sharper when I see it on both on a Q-o-Q and Y-o-Y basis. So is it mainly because of the front buying? And now we are getting impacted more from costs or the pricing decline? And if so, can you call out what is the pricing decline in this quarter as well for lighting?

Ravindra Singh Negi: So when you look at the results, it's a combination lighting, Switchgear and Wires all put together. Wires we were able to pass on the price increase literally every 2-3 weeks. Switchgear is where our price increase pass on to the consumer did not happen. It's taken on 17th of January, So there has been an impact on overall. Lighting also went through a little bit of commodity impact. There also we passed on the price increase on the 20th of January of 3%. So we are hoping that the margins would come back. And obviously, we have spent a little bit more on Lighting from a branding perspective, trade engagement perspective, but and that's largely our Q3 phenomena because that's the time when Lighting seasonality impact happens.

We're building up that category. We've taken the price increase and we've taken a price increase in fact, ahead of the industry. So that should bring back the margins in the Lighting and switchgear, wire segment.

Nattasha Jain: Sir, what would be your B2B, B2C split in Lighting?

Ravindra Singh Negi: Largely, I've given a guidance earlier also. It's currently 75%-25%. Ideally, we should move towards some of the industry leaders of 65%-35%. So we're building our capabilities on B2B and side more.

Moderator: The next question is from the line of Aniruddha Joshi from ICICI Securities.

Aniruddha Joshi: Sir, 2 questions. One, now as per the new norms, even the star rating 2 can be only BLDC fan and means if somebody launches an induction fan, he cannot get star rating 2 also. So is that a fair understanding? So if that is the case, eventually, the entire industry may shift pretty fast to BLDC only. Is that one fair assumption?

Second question is now earlier, induction fans required a lot of commodities like copper and aluminum, whereas in case of BLDC, the major cost is PCB Electronics, which is almost 50%

of the cost. So, the increase in commodity prices will literally will not at all impact or will impact very negligible to BLDC fans. Again, is that a fair understanding? So I mean basically, the gap between BLDC and induction may reduce, and it may push for more premiumization, right?

Ravindra Singh Negi:

Aniruddha, thanks, let me just first address your first assumption of saying the star rated 2 will be BLDC. I think it's a wrong assumption. What government has simply done is they have service values defined. And at a service value earlier was a 4.1% service value for defining as a 1 Star. Now they've made those service values go up. Government simply says, at this service value, whether you make it through an induction or a BLDC, if you're delivering that service value, that star rating gets applied there.

Okay. So currently, theoretically, you can do a 5 star both on induction as well as on BLDC. So it's a factor of service value and 2 star doesn't mean BLDC. Typically, everybody is giving 5 star on BLDC. So you are able to bring the consumption to anything between 28 to 32 watts.

So that's one. On the other factor of saying, yes, there is the commodity consumption that starts to happen very differently. But it's PCB is not the 50% part of the overall costs, it is lesser than that, and there are different variable components of making a fan where there is an elevated price increase. So we passed on -- I wouldn't say category to category, but it's been far more secular when we pass on a 3% price increase. So there's a cost increase and impact, which happens across categories right now.

Aniruddha Joshi:

Ravindra sir, if the commodity prices increase, will it require same price hike in BLDC also or induction fans also?

Ravindra Singh Negi:

No. So ideally require slightly more on induction than BLDC. But currently, given the price increase and everything, it's impacting both sides.

Aniruddha Joshi:

Okay. Okay, surely. Surely sir, understood. And just last second question. It seems that we have gained market share in 3 months or 9 months. So if you can indicate what would be the gain of market share? And if you can give more color like which region we would have gained, East, West, North, South or urban versus rural. Any details on that will be helpful. Also if you can share the market shares in BLDC versus the inductions also?

Ravindra Singh Negi:

So typically, we don't share market shares, and I'll refrain from sharing that. But yes, there are third-party data, which is available to most of the people who subscribe to it, we've gained shares across different categories, different markets and different channels also. So we track them separately. The reports that we have, third-party indicators. We don't share the data. But we seem to be moving in the right direction on the market share gains. Difficult for me to even give you a region-wise, I hope that you're satisfied.

Moderator:

The next question is from the line of Rachna from SiMPL.

Rachna:

I have a few questions. Within the appliances in ECD, which has seen strong double-digit growth, did the heating category in Q3 FY '26 grow at a rate of 20% year-on-year? Some color -- quantitative color specifically on the heating category?

Ravindra Singh Negi: Our heating category has done extremely well, and that's the qualitative number that I can give you. We don't share subcategory wise, but when I look at appliances, given the fact that there's been a good winter, especially in North and East, and there were parts of even South where heating category did grow well.

So we've seen a growth that's happened. And water heaters as a category is something that we're doubling down, we've got new models, we've expanded our distribution, we've expanded our channels, that's showing a good traction as we speak.

Rachna: Even if you could give a ballpark figure, is it grown higher than the ECD category or some range to give specifically color on the heating segment?

Ravindra Singh Negi: So Rachna, we've grown ECD by 12.5%. And when I'm qualitatively saying that we've done high double digit, you can understand that we've grown higher than the ECD overall.

Rachna: Okay. Okay. My second question would be for 9 months FY '26, did Switchgear and Wires contribute more than 5%? And what could be the annual revenue run rate for Switchgears and Wires? And will the contribution grow in the long term? And if yes, what would be the labels?

Ravindra Singh Negi: So we've called out earlier that the Switchgears & Wires is a growth engine for us. And that's where there are tailwinds of infrastructure push and development by the government happening. Currently, it's clubbed. And obviously, it's clubbed because it's less than 15% of the overall.

As and when we put these 2 as different sections, we give you far more detail on Switchgears and Wires. What are the right to win in these segments. Switchgears we've been doing. We have a good technology partnership. Our EuroTech is one of the better technology-backed Switchgear available in the market. Switches is also gaining traction there.

And on Wires, our country strategy has been saying, where is my channel synergies coming in. Just to give you a little data point, 40% to 45% of the fan selling dealers sell wires. So those are the channel synergies that we're doing. Currently, we're seeing as a percentage good growth. But as a value, we need to do a lot more given the opportunity and the size of the opportunity available. As and when it becomes substantial enough, we will share more details on Switchgears and Wires separately with all of you.

Rachna: Okay. So is it fair to assume it is around 5% to 10% of our Lighting business?

Ravindra Singh Negi: Rachna, we don't give a breakdown of that. So I would refrain from answering.

Rachna: Okay. One data keeping question. Other expenses have decreased. Could you share which cost components have seen some control and whether it is likely to continue in the medium, long term as well? Same for depreciation as well, there has been a slight decline. So both on these cost components, if you could give some color?

Ravindra Singh Negi: So firstly, a slight correction. Our Other expenses has not decreased. They've just gone up by about 2.4% up. There are a lot of cost initiatives that we're taking, a lot of operating leverage that we're trying to build in, in the organization, and we'll continue to focus on this. What is not

controllable in our factors, are these commodities and the headwinds of regulatory and other things that we did. What is controllable with us is some of the structuring and cost and a huge focus on programs like Sanchay that we do with saved till YTD about INR43 crores for us. So those are something that will continue to happen for us. On depreciation, it's hardly anything, it's an accounting number that happened because of our investments earlier in now, it's not much there.

Moderator: The next question is from the line of Dhruv Jain from Ambit Capital Private Limited.

Dhruv Jain: I had 2 questions. First is, if you could just provide an update on the Hyderabad plant, as to what is the utilization. And from when should we start expecting some bit of gross margin expansion being driven from there?

Ravindra Singh Negi: Dhruv, thank you. On Hyderabad plant, as I said if you look at the 9 months and you look at what has impacted the industry, the decline has been in the TPW segment far more than the Ceiling Fans. Our Hyderabad plant is primarily built for TPW. And as I also said that February onwards, we see TPW bouncing back and we are very hopeful that this summer starting from South would be better than last year. And if you read a little bit about it, there is this whole El Nino which is building up again. So that should give us a little bit of more hope. As we speak utilization is low, this summer would be a full layer -- for a full year for us to start leveraging the Hyderabad plant and that have the impact on our gross margins.

Dhruv Jain: Sure. And sir, second question linked to this on the margin side, right? So given how commodities have moved up, there has been the aspiration that you guys have had with respect to touching double-digit margins sooner. So does that mean that we not see that number even in this year will get pushed out to FY '28 or do you think that the price rises that you're taking will be enough to kind of get you to that number, assuming you grow at double digits from a top line perspective in FY '27?

Ravindra Singh Negi: So Dhruv, a lot depends on the commodities. And our assumption is that commodities should start softening from February onwards. If it doesn't happen, we will have to pass on the prices to the consumer, and that we'll do.

What helps us is that for the last few quarters, we've been building a very strong portfolio and a focus on premiumization. You were slightly better off when the price increases happen because the consumer at that premium end is slightly more inelastic to the price movement. So hopefully, that should help. We're still maintaining, we'll keep a close watch in Q4 and then only if there is any guidance on saying that if I have to shift my goalpost on double digit. I'll come back to you. But we're hopeful and we're pushing to move towards the double-digit margin.

Dhruv Jain: And just one question quantitatively in this industry over the last 4 or 5 years has seen a fair bit of competitive intensity, right? So in your mind is that competitive intensity across segments coming off or it's still sort of the same as what we've seen in the past?

Ravindra Singh Negi: To me, I think the number of entrants has slowed down, but a number of existing players getting into different segments is increasing. I don't know if you have a right to win and a synergy that you want to build up, each category that you do will have a value of debt. So you could probably

-- if you get into fans, the value of this could be about INR200 crores, INR250 crores. Because post that, your distribution, your brand, your service, your premiumization and your consumer pull starts to kick in. So to me, I don't -- I think the number of new entrants would be not increasing much but the existing players would then get into each other's categories far more.

- Moderator:** The next question is from the line of Balasubramanian from Arihant Capital.
- Balasubramanian:** Currently premium fan mix contributes nearly 30% of domestic Ceiling Fans. And what is the target mix of FY '27 and '28? And how are you addressing affordability to drive further adoption?
- Ravindra Singh Negi:** Thank you for the question. I had stated a couple of quarters back. For us, the ultimate target is to move this 30% to 45%, a huge amount of focus on BLDC, a huge amount of focus on getting the design language right when we fill finish and a complete go-to-market on selling the premium products is being worked upon.
- We strongly believe that it's a traction that we are on the right path. 45% is what we aspire to be. We are quite a distance away, but that's where we would be -- we'll have a milestone there.
- Balasubramanian:** Okay, sir. So on the export side, I think we have grown 40% year-on-year while many players are struggling on the export side because of the tariff issues. I just want to understand which regions are driving this kind of growth? And what is the scalability of the export business?
- Ravindra Singh Negi:** So I'll first tell you from an industry perspective, I don't want to divulge my areas of where we sell. The industry sales largely the SAARC, Middle East and Africa. Those are the areas which are not impacted by tariffs as of now. So I think there is still a headway for the industry to keep growing in those markets.
- Balasubramanian:** So my last question, DTM model, I think we have...
- Moderator:** Sorry to interrupt Balasubramanian. Please rejoin the queue for more questions.
- Balasubramanian:** Yes. Okay.
- Moderator:** The next question is from the line of Keshav Garg from CCIPL.
- Keshav Garg:** Sir, firstly, our working capital days have increased from 18 days in FY '24 to 31 days. And sir, also, are we on track to achieve 10% operating margins over the next 6 quarters that you had told us? And sir, also our stock price is at 2020 COVID levels, so. And our market cap is almost equal to our revenue. So and promoter holding is very low at 38% or so isn't it an opportune time to do a share buyback to increase shareholder wealth?
- Ravindra Singh Negi:** Firstly, I won't comment on the stock and the valuation and all. That's out of purview of this call. Secondly, on the 10% guidance, I just answered Dhruv on that. We remain optimistic about it, inspite and I said in the call that what is controllable, if commodities and regulatory is not controllable, there is this whole focus on getting our cost structures our operating leverage in, and we are working on that with the one aim of getting on to the double-digit margins there.

Yes, our stock prices have come down, but that's a larger impact of what's happening at a global level, what's happening with FIIs, what's happening with the small cap and overall investor sentiment.

Keshav Garg: **And what about the working capital?** Sir, I'm just saying we should make use of the attractive level of stock price to do a share buyback?

Ravindra Singh Negi: Thank you, point noted. Thanks for your suggestion on that. Working capital, which are largely at stock in the market, which leads to a receivable going up which is a person, but otherwise, there's nothing there and which is also what we have building up. So there's not much of a gap there.

Keshav Garg: So what steady state working capital days are you expecting going forward?

Ravindra Singh Negi: We should be in the range of 18 to 20 - 22, and that's the number of days that we've always kept in.

Moderator: The next question is from the line of Nirranish Jain from BNP Paribas.

Nirranish Jain: Sir, my first question is again back to the inventory levels for the fans. So given that -- like this year, anyway, the issue was higher on the TPW side and like based on our checks also the inventory levels had been like a little bit fair, especially for the Ceiling Fans. And like in your opening comments, you mentioned that there has been a further destocking that has happened on the older rating. So is it fair to assume that the inventory levels are even below than the normal level, especially for the Ceiling Fans? Or another way, like how do you see the current channel sentiment for the upcoming summer? Like do you see them stocking up or like waiting for the summer recovery?

Ravindra Singh Negi: Nirranish, thank you for the question. So if you look at the split between the ceiling and TPW is about 70%-30%. Last year, if you recall the average temperatures in February, March 2025, were higher than even 2024. So a huge amount of pent-up demand pent-up built up for the summer has happened. And it starts first with the South and South contributes to almost 60%, 65% of the TPW. So huge amount of stock inventory has been built up happened for the industry in the South, which then again went through a very consistent crash in sales over the last 9 months.

So I think that's where I was mentioning saying, look, the destocking happened from our overall Ceiling Fan perspective, the industry has been more or less flat on the volumes, but there's been -- I think there is because of the star ratcheting price increase. Towards the end of quarter for the industry, there's been a little bit of positive sentiment that trade has shown in terms of this. A lot depends on how February turns out, with summers in South. Given the fact that Holi is early this time, it also is a positive indication for North and East also. So we've not got any negative sentiment from the trade as of now. And we're very optimistic about the summer is turning out to be much better than last year. And if you look at over the last 10 - 15-year results of any cooling category, there's never been 2 years of bad summers, just a reference point.

- Nirransh Jain:** Sure, sir. And sir, is it possible to call out the advertisement and the sales promotions for the 9 months YTD?
- Ravindra Singh Negi:** So we are at about 4.2%, 4.1% of our revenue there. We've always maintained that since we are building up different categories, we will be higher than the industry, at this elevated level of about 4% - 4.5%.
- Nirransh Jain:** Right. And sir, actually, my question comes from the fact that if I look at last year also, the ad spends grew by like 8%. So we have already started seeing some deceleration in the ad spends. Now obviously, this comes as a broader strategy of like when the investments were front-loaded and now we are seeing some moderation in there.
- But my question is that next year, for example, if the demand again recovered, do we see these ad spends as a percentage of sales going back to those 4.5% levels? Or like how do you see the ad spends trajectory over the next 1 to 2 years?
- Ravindra Singh Negi:** This quarter, I was at 4.2% versus last year, have done a double-digit spend on my marketing spend. So as I said, we will continue to invest because it's not just one category. We're building up a brand across different categories. So we will see a slightly elevated levels. And next year also we intend to spend because that's where when you're building up a brand standing for multi-categories and premiumization, you will have to do.
- We will have to find the right and how are we getting the right results from those, are we picking the right channels. And that's why I specify saying we're picking up the right digital channels. We're picking up right connected TVs, we're picking up the right segments to go and talk about our brand and products.
- Nirransh Jain:** Right, sir. And sir, lastly, just one thing, are we thinking about any other category specifically related to solar or like is there any thoughts behind that?
- Ravindra Singh Negi:** As soon as we finalize anything, we'll come back to you guys.
- Moderator:** The next question is from the line of Umang Shah from Aventus.
- Umang Shah:** But sir, my question is more related towards our projections on premiumization. So that is one main reason why I think that we really love your brand. Orange has really worked very well. Brand exposure has worked very well. So going forward, what do you think would be the additions in the SKUs that we will be looking at? Fans and Lights, both if you could comment on that?
- Ravindra Singh Negi:** So Umang, thanks for bringing out the brand and the color and the fact that you really like the premiumization efforts that we're doing. Premiumization, especially when you start thinking and keeping consumers at the core of it, it's a long drawn process. We've been at it for a long time. As we move forward, for the summers also, you will see some of the innovation and premium products coming in both categories of Lighting and in Fans.

And moving forward, we will also see in some of the other categories of heating that we will have. This is a continuous journey. Premiumization and innovation doesn't stop at one innovation or a one product. You'll have to keep understanding the consumer, keep solving for the consumer needs and work very hard.

Interestingly, your DNA has to become consumer-centric to be able to anticipate the trends, movements and do that. As simple as that last year, we picked up the trends and colors, we introduced about 40 colors which was very liked and appreciated by the consumers as well as specifiers. So some of those things, it's a continuous journey that we are at it and we'll continue to do so.

Umang Shah: Okay. And sir, the other way, so what would be our DTM strategy now? Do we think that we have penetrated in the existing market and that we will start looking at different markets? Or we are still a long way to go for that?

Ravindra Singh Negi: No, we've always said that there's always going to be a hybrid model of MD and DTM. What are we wanting and solving for? We are saying any market where I am growing, gaining market share, improving my quality of distribution, both in terms of numeric distribution and weightage, premiumization and engagement with the retailer. That's a market we'll continue to do whether and then the route and the model doesn't matter. And we keep evaluating that. So that still stands that we've always had. All the markets that we've done, we've seen a traction there in terms of all these parameters.

Umang Shah: Got it, sir. And sir, I missed in between, there were questions on water heaters, so heating and cooling products. What is our strategy over there? What do you think is the optimal season that we should be aware of in terms of seasonality for growth in revenue or something on that sort?

Ravindra Singh Negi: See, if you look at it in the last few years, the weather conditions and global warming is becoming extreme. Either it's going to be extreme summer or it's going to be extreme winters. The consumers will pick for both conditions, products, and we would want to be aggressive. We would want to have the same presence in both categories and solve for consumer needs from hard seasonal variances that we are seeing, whether it's summer or it's winters.

And we've seen water heaters could get good traction and good response. We've seen room heaters getting a good response. And we are hopeful that we'll build these categories more and gain market share there. There's a headroom for us there in that category to gain market share as well as gain on the premiumization there.

Umang Shah: Okay. Just to continue on the last point. So what would be the optimal mix that we will be very happy with? Currently 65-35. Where do we think in 2 years down the line on Lighting, what mix is the optimal mix for us?

Ravindra Singh Negi: Umang, sorry, I couldn't get it, but I'm assuming you are asking what could be a B2C and a B2B mix in Lighting, would be an optimal...

Umang Shah: In our overall revenue, where we will be very happy - that 50-50 fans and other products?

Ravindra Singh Negi: So for us, the mix is obviously an end product and a by-product. For us, the key thing is to see growth in my existing strong core categories, much better than the industry, much better than the peers. And from a newer categories are higher double-digit growth that we would want. So we'd want to see ideally both the mix is a fallout and end result of that.

Our key purpose is to have a secular growth across all categories, driving all categories, being seen as a consumer-centric premium brand across all the scales that we do across all categories that we do for the consumer. Mix is a resultant.

Moderator: The next question is from the line of Disha from Sapphire Capital.

Disha: So my question is just on the BLDC side. I think currently, we're around 30%, right? And you mentioned that we are targeting to get this up to 45%. So what's the timeline there?

Ravindra Singh Negi: So Disha, I said, BLDC, we've grown by 30% on the premium, which is a mix of BLDC, decorative and non-BLDC premium. We're currently at our greater than 30%. That's where we're looking at 45%. Obviously, we want to do it as soon as possible, maybe next couple of years.

Disha: But any sort of any timeline?

Ravindra Singh Negi: Take 2 seasons.

Disha: Okay. And what's this margin differential that we see how like because this is on the premium side. So what's the differential for the margin?

Ravindra Singh Negi: So we don't declare that because that's internal data, but it's better on BLDC and premium. And that's what most categories, if you look at it, you don't call any category or SKU premium if it's not delivering a better margin than the average or the entry level.

Moderator: We'll take this as the last question for today. We can close the call.

Ravindra Singh Negi: Yes. So thank you, everyone, and thank you for your time and for all the encouragement and the questions, which -- and looking forward, we are very hopeful for a good summers and a good Q4.

Thank you so much for the time. Thank you. Have a good day.

Moderator: Thank you very much. On behalf of Ambit Capital Private Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.

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Contact Information:

investor@orientelectric.com

Corporate Office:

Orient Electric
240, Okhla Industrial Estate
Okhla Phase III
New Delhi 110 020