July 25, 2022

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051

Trading Symbol: ORIENTELEC

Department of Corporate Services -Listing
BSE Limited
Phiroze JeeJeebhoy Towers,
Dalal Street,
Fort, Mumbai – 400 001

Scrip Code: 541301

Sub.: Investors' Release – Un-Audited Financial Results – June 30, 2022

Dear Sir / Madam,

This is in continuation of our earlier letter of today's date and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), please find enclosed herewith the copy of Investors' Release on the Un-Audited Financial Results of the Company for the quarter ended June 30, 2022.

Investors' Release will also be available on the website of the Company, www.orientelectric.com.

You are requested to take the above enclosed document on your record.

Thanking you,

Yours Sincerely,

For **Orient Electric Limited**

Hitesh Kumar Jain
Digitally signed by Hitesh Kumar Jain
Date: 2022.07.25 17:05:34 +05'30'

Hitesh Kumar Jain
Company Secretary
Encl.: as above

CK BIRLA GROUP

orient electric

Orient Electric Limited

Investor Release

Q1FY23

Q1FY23- Key Highlights

Revenue & EBITDA Margins realigning with Pre Covid levels despite high inflation, and seasonal volatility

Q1 Revenue CAGR OF 14% FY18-FY23

Q1FY23 showed QoQ resilience to RM inflation

EBITDA margins in line with pre covid Levels

ECD segment revenue at Pre covid levels

Coolers and Water heaters witness strong traction

Raw material Pressure evident due to commodity inflation

L&S segment clocks in an all time high Q1 revenue

L&S segment EBIT margins at 13%

Working capital days reduces YoY to 33 days

Q1FY23 Result Snapshot

Revenue higher than pre covid levels; despite higher base of previous quarters, creates a platform to grow from here on…

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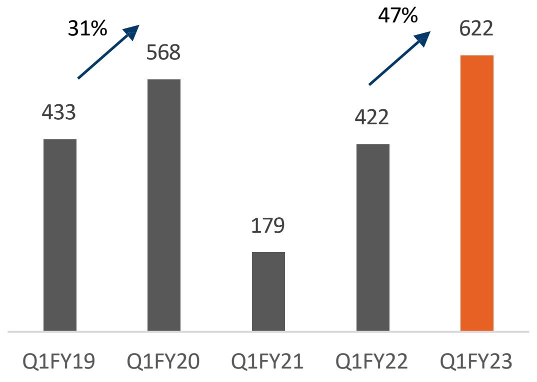
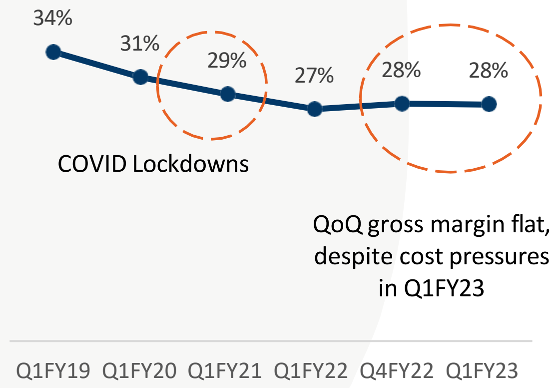
₹ in crore

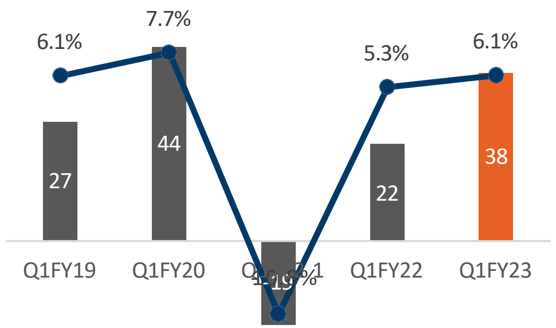
Revenue



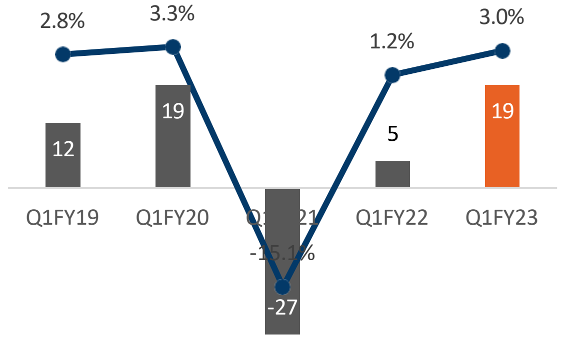
Gross Margins (%)



Op. EBITDA & EBITDA Margin (%)



PAT & PAT Margin (%)



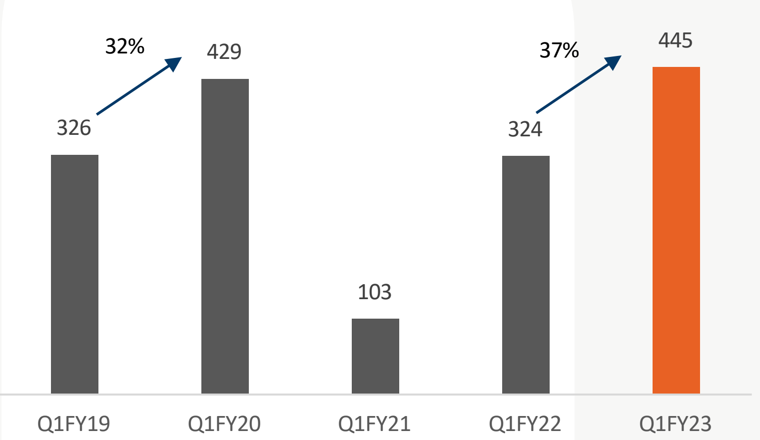
- Q1FY23 began with an optimistic note with a record heat wave across the country, However, post-mid-may, several parts of the countries started receiving early rains and coupled with steep inflation which slowed the demand for the summer range of products, especially Fans.
- The channel partners of ECD products took a cautious view of the seasonal factors and demand conditions, thus clearing the existing inventory.
- Channel partners had stocked up earlier in anticipation of price increases, but consumer demand contracted subsequently affecting lower primary sales. However, good traction in Coolers enabled clearance of channel inventory.
- Lighting and Switchgear segment witnessed a promising and optimistic scenario. This segment continues to de-risk the seasonality factors and is witnessing an encouraging trend. After some slowdown in B2B tenders in FY22, Q1FY23 has been witnessing an uptick from this source.
- Recorded highest Sales in last 5 years. Revenue has been growing at a CAGR of 14% for Q1 for the FY18-FY23 period.
- Gross margins are maintained sequentially despite cost pressures. However, optimistic commodity cost in the coming quarter imparts a positive view going ahead after the clearance of channel inventories.
- With gross margin witnessing severe pressure of more than 270 bps over the last three years due to severe commodity inflation, various cost control measures adopted by the company arrested a sharper fall in EBITDA margins.
- EBITDA Margins For Q1FY23 at 6.1% remains at par with comparable Q1 of previous years despite strong cost pressure in Q1.

Q1 FY23 – ECD Segment Performance

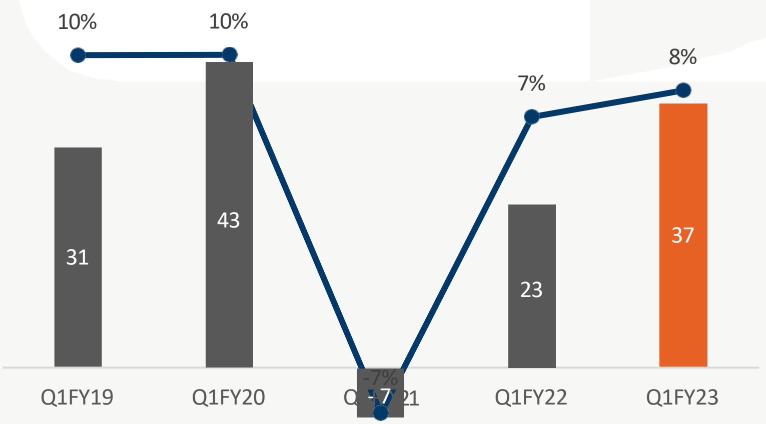
Direct to Dealer approach being extended to other regions, with realigning of the channel distribution, it provides a window of opportunity

₹ in crore

Revenue



EBIT & EBIT Margin (%)



Distribution Channel:

- During Q4FY22, the Company transitioned its distribution approach for its Fans segment in the underpenetrated markets of Odisha and Bihar, with a direct-to-dealer approach from its traditional approach of selling via master distributors. The company in Q1FY23 has further extended to other low underpenetrated markets of Uttar Pradesh and Karnataka. The company expects a positive outcome from this action in these markets.

Revenue:

- ECD segment witnessed a mixed trend with a robust pick up in demand in 1st half of the quarter with record heat temperature in several regions of the country. However, in the second half of the quarter, with a drop in consumer demand and expectation of price drop due to commodity correction led to de-stocking by the trade channel resulting in lower primary sales.
- **Coolers** demand witnessed positive traction, especially for the month of April'22 given a intense heat wave across the country. This helped in liquidating channel inventory and reduced Orient inventory as well. This paves way for a positive outlook in the next season. **Water heate**r in ECD also started picking up towards the end of the Quarter, imparting optimism for the remainder year.
- Revenue for ECDs reached its pre covid levels despite various macro challenges in terms of higher inflation, global political turmoil and raw material supply bottlenecks.

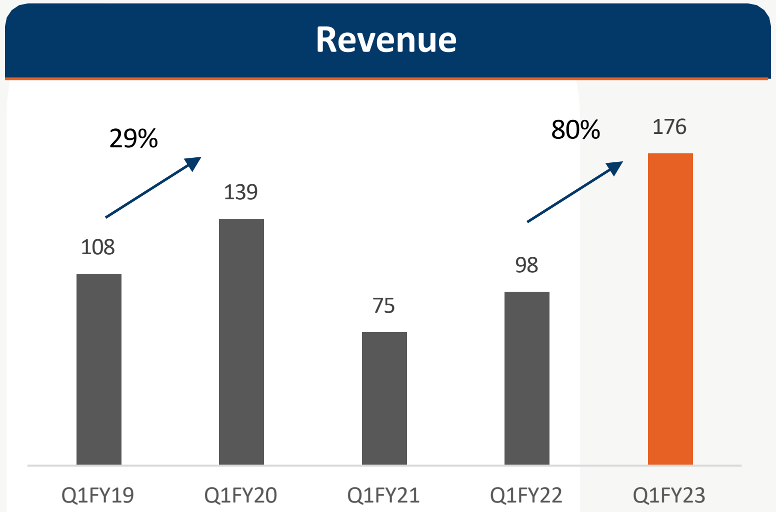
Margins:

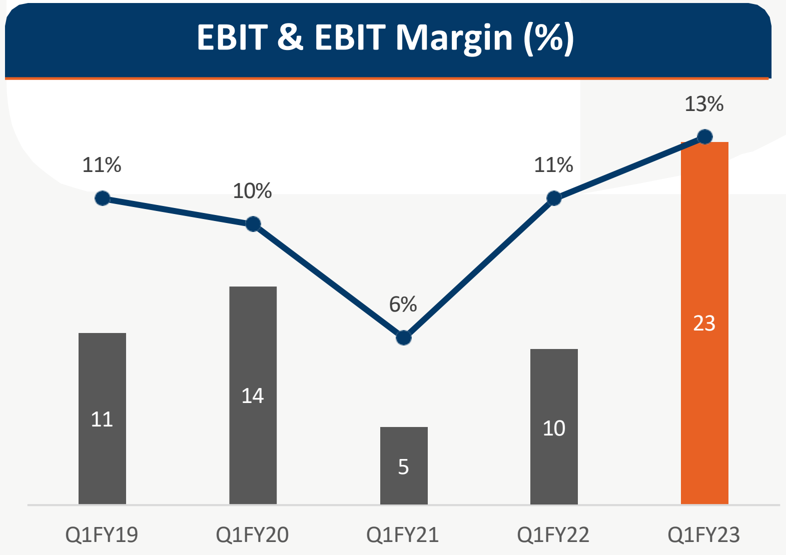
- ECD segment remains most susceptible to volatility in commodity prices which are basic RM for the company's products. The industry has seen relentless inflation in commodity prices since the beginning of Q4FY21 and continuing till Q1FY23 with some respite towards fag end of Q1FY23.
- However, the company has been able to withstand the RM pressure and took strategic cost control measures which arrested a significant fall in EBIT margins vis a vis fall in gross margins and are still able to clock in margins in line with Q1FY18/19 where gross margins were a significantly higher than current margins.

Q1 FY23 – Lighting & Switchgear Segment Performance

Emerging Stronger, Q1 EBIT grew at CAGR of 42% for FY18–23 period

₹ in crore





Revenue

- The Lighting & Switchgear (L&S) segment reported revenue growth of 80% for Q1FY23 YoY. The lighting and Switchgear division remained buoyant and showed great resilience to macro headwinds.
- The Lighting business had a strong growth as the segment continued to display encouraging growth, led by Consumer Lamps and Luminaries enjoying strong demand from homes, small offices and showrooms.
- Government spending has started picking up, which will keep the order book of the lighting segment encouraging. Façade lighting orders have been witnessing good traction and the Company remains optimistic about its prospects going ahead with a healthy enquiry pipeline.
- Switchgear segment continues to deliver growth as the Company's new range of switches catering to the mass-premium segment, is being very well received by channels and consumers alike and volumes continue to pick up the pace.
- New product launches and the ability to swiftly change the product mix brings in great agility in this segment. The continued and focused efforts in expanding distribution through digital enablement have helped increase this segment's share in the overall revenue pie.

Margins

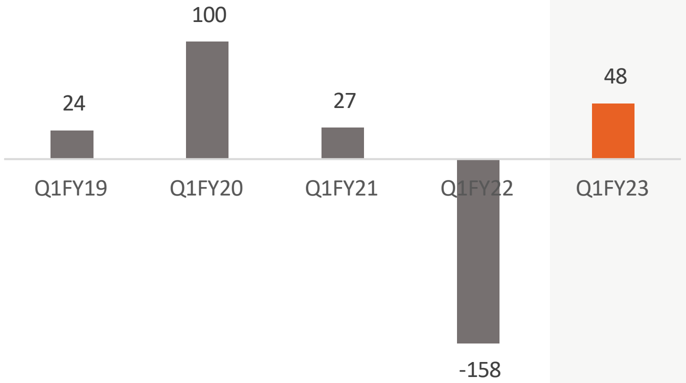
- EBIT margin has been increasing historically due to the dynamic product mix and offerings. Higher volumes are also bringing better economies of scale in aiding better margins
- Company has been building a base for its L&S segment, which will start reaping meaningful benefits over a longer period and ultimately increase its share in overall revenue. Share of the L&S segment in total EBIT has increased to 38% indicating a well diversified portfolio.

Q1 FY23 – Qualitative growth

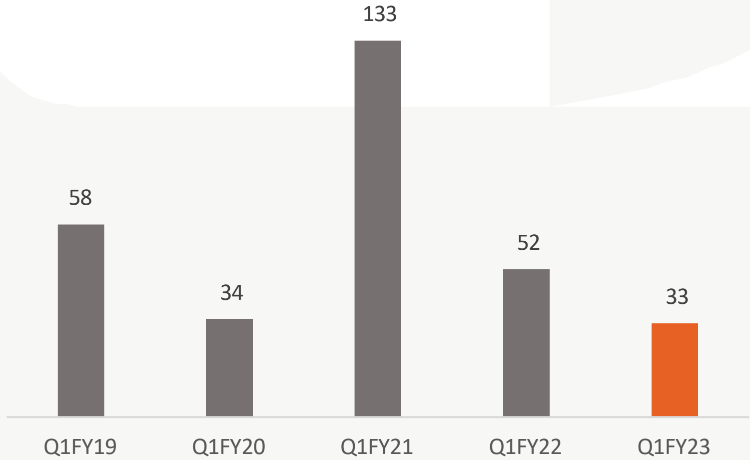
Cash Flows, Working capital sacrosanct to profitability

₹ in crore

Cash Flows from Operations



Working Capital Days



Other Expenses

- Higher volume of operations in the quarter as against a covid-impacted operations last year influenced the higher spends.
- renewed thrust in advertisement & promotion expenses mainly in digital and BTL increased by 108% over LY and 5% QoQ. Travelling resumed at pre-covid levels against almost nil in Q1 LY. Logistics & warranty expenses has increased 87% YoY due to higher throughput and volumes for the quarter. Besides, there was higher consulting expenses towards special projects to support strategic initiatives.
- These major spends account for over 80% of other expenses with 115% growth YoY and 13% QoQ.

Cash Flow & Working Capital

- The Company has been evenly focused on qualitative growth along with its Market presence and Market share. With higher Raw material costs, inventory management remains one of the crucial elements in balancing growth.
- Working capital days have been consistently coming down over the period despite multiple challenges in the past years led by Covid Lockdowns and global supply disruptions. Working Capital for Q1FY23 stands at 33 days. The Company aims to maintain a lean working capital cycle, where cash flows can be utilized to maximize the operating leverage of the Company.
- The Company is progressing as per plan on the Hyderabad project and has kicked off during the quarter with ground-breaking and awarding of contracts.
- Looking ahead the Company aims to further improve its net cash position with dynamic working capital management and agile response to volatility.
- The Company's Q1FY23 cash flows from operations remain in line with pre-covid levels, despite a very challenging scenario faced over the last two years. This demonstrates the company's agility to navigate the tides and continue investing behind its strategies.

New product launches

Fans


Morace Hickory Brown


I Tome Plus


I Falcon Deco


Adonis


Venito Air

Appliances

Water Heaters


Evoke


Thermoslim – Glassline


Aquanaut

Kitchen Appliances


Sprint Super MG


Suvidha ICT


Chefnova JMG

Iron


Panache Crystal


Fabrismooth

Lighting & Switchgear


Bulkhead 12W


Joylight Pixel


'Stella' Distribution Board

Q1 FY23 Results Profit & Loss Statement

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Particular (₹ in Crore)	Q1 FY23	Q1 FY22	YoY %	Q4FY22	QoQ%
Revenue from Operations	621.6	422.3	47.2%	753.3	-17.5%
COGS	448.8	306.9	46.3%	543.7	-17.5%
Gross Profit	**172.8**	**115.5**	**49.7%**	**209.6**	**-17.5%**
Gross Margin %	**27.8%**	**27.3%**	**46bps**	**27.8%**	**0bps**
Employee Expenses	46.8	46.7	0.2%	46.0	1.7%
Other Expenses	87.9	46.5	89.2%	83.1	5.8%
EBITDA	**38.1**	**22.3**	**70.8%**	**80.6**	**-52.7%**
EBITDA Margin %	**6.1%**	**5.3%**	**85bps**	**10.7%**	**-456bps**
Depreciation	12.8	11.6	10.2%	11.9	7.5%
Financial Cost	5.2	4.8	7.3%	6.0	-14.0%
Other Income	5.2	0.9	476.7%	2.7	92.2%
Profit Before Tax (PBT)	25.4	6.8	272.8%	65.5	-61.2%
Other comprehensive income	-0.1	-0.1	0.0%	0.6	-121.7%
Tax	6.4	1.8	262.1%	16.8	-61.8%
Profit After Tax (PAT)	**18.8**	**4.9**	**282.9%**	**49.2**	**-61.8%**
PAT Margin %	**3.0%**	**1.2%**	**187bps**	**6.5%**	**-347bps**
Earning Per Share in Rs.	0.89	0.24	278%	2.29	-61%

Thank You!

investor@orientelectric.com

www.orientelectric.com

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