

### About the Company

Orient Electric Limited is an India-based lifestyle electrical solutions company. It is engaged in the manufacture/purchase, and sale of electrical consumer durables, lighting and switchgear products. The company operates through two primary segments, Electrical Consumer Durables and Lighting & Switchgear.

### Investment Rationale

- Fan Sales:** The company saw good growth in the ECD segment, driven by the festive season. With the upcoming expected heat wave, we anticipate fans to meet demand targets, driving sales. Orient has also undertaken 3-3.5% price hikes to combat commodity inflation. Additionally, the Direct-to-Market (DTM) model remains a primary growth driver, contributing approximately 50% to overall expansion.
- South Expansion:** Orient anticipates improved margins and lower logistics costs as its Hyderabad plant in the South ramps up, reducing the previous reliance on Northern supplies. This strategic shift is crucial given that South India represents 40% of the industry's fan sales. Orient is successfully gaining market share in this region through a robust distribution strategy. The Indian market is dominated by the TPW (Table, Pedestal, and Wall) category, which makes up 40% of the industry but only 30% of Orient's current mix. The company expects further gains as it aligns its presence with regional demand.
- Lighting Products:** Price erosion in the lighting market is bottoming out, enabling Orient to focus on premium, higher-margin products. Despite heavy competition from unorganised players in luminaires (current share ~66%), Orient is prioritising solution-oriented lighting and selective tenders, supported by modest price increases of 2–2.5%. Meanwhile, the switchgear business is nearing breakeven as the company expands its footprint in wires and switches, while simultaneously exploring export opportunities to broaden its total addressable market.

### Valuation & Recommendation

Orient is witnessing strong demand for fans, driven by the early onset of summer starting in early March and the anticipated heat wave in the coming weeks. The company is standing at a healthy inventory with growing premium segments. In switchgears, it is stabilising its portfolio and exploring export opportunities. Consequently, we recommend a **BUY** rating on the stock with a TP of Rs 192/share, implying an upside of 10% from the CMP.

### Financial Summary

Y/E	Sales (Rs Cr)	EBITDA (Rs Cr)	PAT (Rs Cr)	EPS (Rs)	P/E (x)	EV/EBITDA (x)	ROE (%)	NetDebt/Equity (X)
March								
FY25	3,094	204	83	3.9	44.9	21.2	12.0	1.2
FY26E	3,335	227	96	4.5	39.0	19.4	12.1	1.2
FY27E	3,679	283	139	6.5	26.8	15.5	15.0	1.0
FY28E	4,145	333	181	8.5	20.6	12.8	16.3	1.0

Source: Axis Securities; CMP as on 17<sup>th</sup> April, 2026

Duration: 3-6 Months

CMP (Rs)	175
Target Price (Rs)	192
Upside (%)	10%

### Why Orient Electric Ltd

- ✓ **Expected Upcoming Heat Waves**
- ✓ **Strong Focus on Premiumization; BLDC Fans**
- ✓ **Bottoming Out of Price Erosion for Lighting**

### Key risks

- ✓ **Unseasonal Rains**
- ✓ **Delays in South Expansion**
- ✓ **Oversupply Affecting Demand**

### MARKET DATA

No. of Shares	21.5 Cr
Market Cap	3,745 Cr
52-week High / Low	254/149
BSE Code	541301
NSE Code	ORIENTELEC

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## | OBJECTIVE



Axis Punch is designed to generate solid returns in the short to medium term based on High Conviction Stock Ideas for both investors and traders. This fundamental medium-term product targets a return of 10% plus with an investment horizon of 3 to 6 months. Recommendations under Axis Punch are driven by various business and economic events, company valuations, market direction, or a mix of these factors.

## | Axis PUNCH is a strong, research-based idea based on



**Events-Based:** Our recommendations are based on the following critical factors, providing a comprehensive approach to medium-term investment opportunities:

- **Company-Specific Events:** Recommendations consider significant company-specific events such as new orders, product launches, acquisitions, management changes, and the commissioning of new plants.
- **Commodity Price Fluctuations:** We analyse changes in commodity prices, including metals, cement, chemicals, and pharmaceutical materials.
- **Macro-Economic Events:** Key macroeconomic events such as RBI Monetary Policy, US Fed decisions, inflation rates, GDP figures, budget announcements, and changes in government policies are factored into our recommendations.
- **Sector Developments:** Material developments within sectors, including monthly production and sales numbers in industries like Auto, Cement, and Steel, as well as competitive landscape changes due to business actions or new entrants/exits, are considered.
- **Earnings Surprises:** We identify companies expected to report better-than-anticipated earnings in upcoming quarters.
- **Corporate Actions:** Corporate actions such as mergers and acquisitions, capital raising programs, and regulatory announcements that impact a company or its industry form crucial elements for our recommendations.

**Strategic Insights:** Benefit from insights based on a blend of critical business events, economic trends, and thorough company valuations.

**Informed Decisions:** Make well-informed investment decisions backed by the expertise of our dedicated research team.

**Medium-term Horizon:** Enjoy the medium-term investment strategy, perfectly suited for those looking to optimise returns over 3 to 6 months.

## | Why to choose Axis PUNCH



These medium-term recommendations are crafted by the fundamental research team of Axis Securities, ensuring a rigorous analysis of developments around the company. Please note that Axis Punch recommendations may differ from our long-term company recommendations. Key investment rationale and risks are clearly highlighted in stock ideas.

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