

Orient Bell

11 August 2026

Operator: Ladies and gentlemen, good day and welcome to the Orient Bell Ltd. Q1 FY27 earnings conference call. As a reminder, all participant lines will be in 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 the operator by pressing star and then zero on your touchtone phone. I now hand the conference over to Mr. Shreyas Sharma. Thank you, and over to you, sir.

Shreyas Sharma: Thank you. Good afternoon, everyone, and thank you for joining us today. We have with us today the senior management team of Orient Bell Ltd.: Mr. Aditya Gupta, Chief Executive Officer, and Mr. Anuj Arora, Chief Financial Officer, who will represent Orient Bell Ltd. on the call. The management will share its view of the operating and financial highlights for the quarter ended June 30, 2026, followed by a question-and-answer session.

Please note that this call may contain some forward-looking statements, which are completely based upon the company's beliefs, opinions, and expectations as of today. These statements are not a guarantee of the company's future performance and involve unforeseen risks and uncertainties. The company also undertakes no obligation to update any forward-looking statement to reflect developments that occur after the statement is made. I now hand over the conference to Mr. Aditya Gupta. Thank you, and over to you, sir.

Aditya Gupta – Chief Executive Officer: Thank you. Good evening, ladies and gentlemen, and welcome to our Q1 FY27 earnings call. Over the years, OBL has focused on three key priorities: driving demand generation, strengthening our brand, and simplifying tile selling with our cutting-edge digital and AI tools. We have built a tech-driven ecosystem comprising platforms such as PMP for project tracking, Lakshya for market working, the OBL Connect app for dealers, the OBL Executive app for the sales team, and Darpan, which is our graphical MIS tool available across functions and levels. We also have our unique AI-powered visualization tool, Instlook.

Our tech-driven initiatives have gained traction in the sales system. For instance, dealers showcase 50,000 new tile designs every month using Instlook. They are also using this tool to send quotations to customers. More than 2,000 new projects are added every month to PMP, which is our project management tool. More than 6,000 mapped influencers are tracked every day through Lakshya, and there are many more such examples. Some of these tools were launched more than 7 years ago, while some are recent. All of them have accumulated valuable data across multiple areas of our business.

This structured data enabled us to take the next step with the launch of our AI chatbot, Drishti. Drishti leverages our huge, extensive data repository to provide the sales team with granular, actionable insights. In July alone, Drishti answered almost 10,000 questions for our sales team, and this always-on analytics tool is helping identify and address regional opportunities.

All our efforts, including 24/7 advertising on television, are designed to generate inquiries and preference for OBL. Our demand-generation initiatives have ensured a sell-out of approximately 40% of the primary sales volume in Q1, versus a 26% sell-out last year. This sell-out support is helping us command a better price and collect faster. Our DSO improved by 5 days in Q1.

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The operating environment for the industry has been volatile, as you all know, and geopolitical developments in the Middle East continue to create global uncertainty. Q1 saw a significant gap in supplies as Morbi operations were shut down during April and most of May. The gap was bridged by organized players like OBL and through our drawdown of dealer inventory levels. The current operating environment favors organized players like OBL, especially those with a lower dependence on Morbi as a production center.

While near-term volatility persists, we are positive about the long-term outlook. Housing, infrastructure, and renovation demand are strong structural growth drivers. If exports open up, it would lead to a significant boom for the industry. To summarize, our initiatives over the last few years are now translating into outcomes, with revenue growth and margins improving quarter on quarter. We will continue to focus on what is within our control, with execution driving revenue growth and profitability. Thank you. I will now hand over to Anuj, our CFO, who will take you through the detailed financial performance.

Anuj Arora – Chief Financial Officer: Thank you, Aditya, and good afternoon, everyone. As Aditya highlighted, our continued focus on a range of growth initiatives is beginning to deliver results, with the benefits becoming increasingly visible in the momentum building quarter on quarter. Let me take you through the financial performance now.

Overall volume grew by 22.9%, while revenue increased by 42.8% year on year to 203 crores, supported by an ASP increase of around 15.9%. We were able to effectively pass through the increase in input costs, while the higher contribution from our own manufacturing business provided an additional benefit to gross margin. As a result, we achieved our highest-ever gross margin of 39.7% during this quarter.

At the operating level, EBITDA increased to 17.6 crores from 5.6 crores in the corresponding period last year, with an EBITDA margin of 8.7%. The EBITDA margin expanded by 480 bps compared to the same period last year. Profit before tax also improved significantly to 11.2 crores, compared to a loss of 0.6 crores last year. Importantly, profitability continues to grow ahead of revenue, driven by improvement in realization, operating leverage, and enhanced manufacturing efficiencies.

We also remain focused on strong cash flow generation and disciplined working capital management during the quarter. Our working capital cycle further improved to 18 days from 20 days sequentially, reflecting our continued efforts to enhance operating efficiency, optimize inventory and receivables, and maintain a lean balance sheet.

From a balance sheet perspective, the company remains debt-free, supported by a strong cash position and liquid investments of over 47.7 crores, net of debt. This robust financial position provides significant flexibility to pursue further growth opportunities while maintaining a disciplined and prudent approach to capital allocation.

On the manufacturing front, capacity utilization improved to 73% compared to 64% in Q4. We plan to invest around 10 crores to convert 1 million metres of existing ceramic capacity to GVT. This is in line with our disciplined approach to capital allocation, where we prioritize maximizing the utilization of our existing assets before investing in incremental capacity. The conversion will also enable us to improve our asset utilization, enhance our product mix, and capitalize on the growing

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demand for premium products.

Overall, the continued improvement in profitability, cash flow generation, manufacturing efficiency, and balance sheet strength gives us confidence that the business is well positioned to deliver sustainable and profitable growth going forward. With this, I will request the moderator to open the floor for the Q&A. Thank you.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and then one on their touchtone phone. If you wish to remove yourself from the question queue, you may press star and then two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Again, to register for a question, please press star and then one now.

Your first question comes from the line of Gunreet Singh with Countercyclical PMS. Please go ahead.

Gunreet Singh – Countercyclical PMS: Hi, sir. Congratulations on a good set of numbers. How much of a price hike did we take in Q1 compared to Q4 or Q1 last year?

Management: In totality, we have taken a price increase of around 18–19% vis-à-vis the pre-war situation, and we were able to get almost all of that.

Gunreet Singh – Countercyclical PMS: Got it. Now that gas prices have fallen because the Middle East situation is getting better, are we still able to sustain these high prices? Have we taken any cuts in Q2, or do we plan to take any price cuts?

Management: As of now, the situation is very volatile. Gas prices continue to remain volatile, and the availability of propane is still uncertain. People are not very sure about the continuity of propane availability. As of now, we have not taken any price cuts. We will continue to watch the market and decide based on gas prices going forward.

Gunreet Singh – Countercyclical PMS: What were the gas prices in Q1 for us, on average?

Management: On average, it was around 60 rupees.

Gunreet Singh – Countercyclical PMS: And how are they currently?

Management: Currently, there has not been much of a drop—one or two rupees here and there—but those prices are currently sustained.

Gunreet Singh – Countercyclical PMS: Got it. If gas prices go down tomorrow, would we have to take price cuts, or do you think we would be able to sustain these high prices? What is your view on that, given the current demand-supply dynamics?

Management: It all depends on how the industry works and how prices move across different geographies. If price cuts happen only in Morbi or happen across the industry, it all depends on that. It is too early to tell what will happen in the future.

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Gunreet Singh – Countercyclical PMS: Got it. Did we see any plant shutdowns in Morbi in Q1, and how is the situation...

Management: There were plant shutdowns from, I think, the end of March until mid-May. After that, supply has resumed, and there is no problem in terms of the availability of gas or propane. Currently, the plants are running at capacity in Morbi. Initially, there were some problems on account of gas and then on account of labor, but after May 15, I think the supply situation improved.

Gunreet Singh – Countercyclical PMS: Got it. Currently, with the higher prices, I am sure Morbi players would also have increased their prices. What kind of premium do we have? How much higher are our prices compared to the Morbi players?

Management: I think it depends on the product, but the gap between our prices and Morbi prices has come down. If the gap between us and them was, for example, 100 rupees, the gap has come down to 50-55 rupees. This is positive for organized players like us.

One more thing that is playing out, which is good for organized players, is that the dealers are increasingly looking at diversifying their sourcing by adding additional suppliers to their portfolio. They do not want to be dependent on one geography like Morbi because of what has happened recently. They want supply security, and as a result, they are adding more sourcing locations across geographies.

Gunreet Singh – Countercyclical PMS: Got it. In terms of demand, what were the main drivers of the 23% higher volumes? If we look at project completions and end-user demand for us, do you think that we... such growth [inaudible]?

Management: There are basically two broad categories or two broad reasons why we have seen an increase in demand. One of them is what has happened in the market. We all know that Morbi was shut down for half of Q1, and that created a supply vacuum, a supply gap in the industry. With our lower-than-most-companies' dependence on Morbi, we benefited from that. That was one part of the 23% growth.

The second part is unique to OBL, and that is because of our sustained efforts in demand generation. When prices were going up amid a lot of uncertainty, dealers were not very sure about stocking up. They always thought that prices would come down 15 days later or the following month, and so on.

However, with all the work that we have been doing on demand generation, our teams were able to go to the dealers and tell them, "Whatever you are buying from me, I am going to ensure that 35-40% of that is sold out in your name through projects and through our online tile e-commerce initiative, Tile Card." That helped dealers feel secure, knowing that almost 40% of what they were buying from us would be sold out by the company's team itself. Their inventory levels were not getting beyond their... their capital was not getting blocked.

In addition, we have been working on the brand side, and we have been on television 24/7 for more than a year now. All these factors combined helped us achieve this 23% volume growth.

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Gunreet Singh – Countercyclical PMS: Got it, sir. With the Morbi supply coming back, the growth in volumes might not be as high. With the initiatives that you have taken, are you looking at some kind of volume growth for the current financial year?

Management: We have consistently stayed away from providing future guidance, especially at this point in time when things are so volatile. The news from the Middle East changes almost every few days, so we will stay away from that.

What I would like to tell you is that we are sharply focused on some of the input KPIs that we are driving. These include our own internal initiatives to generate secondary sales, how our dealers are stocking up, and how our dealers are using our tools to reach out to more customers. We continue to see a good growth rate in those input KPIs.

Based on these early indicators, we are optimistic and confident that we will continue to grow from here.

Gunreet Singh – Countercyclical PMS: Got it, sir. Thank you very much. I will join the queue again. I wish you all the best.

Management: Thank you.

Operator: Thank you. A reminder to all participants: if you wish to register for a question, please press star and then one.

Your next question comes from the line of Ashwat Rajan with Arihant Capital Markets Limited. Please go ahead.

Ashwat Rajan – Arihant Capital Markets Limited: Thank you for the opportunity, and I congratulate the management on a good set of numbers. My first question is on the Dora plant. I wanted to understand its utilization and some specific numbers to help us with some details and color on the same.

Management: Ashwat, good evening to you. We very often produce in a particular plant and move the products to another plant of ours to sell them in that market. That is why plant-level capacity utilization can be misleading, because it might go down dramatically in a quarter for the simple reason that we decided not to produce that product in that plant.

Regarding the Dora expansion, the logic behind it over the last 3 years was to focus on the South and West markets. You may get your answer if I tell you how the South and West markets have been performing for us. That would help you more and give you a better understanding than the utilization number at Dora, which is not a key metric.

I am talking about the retail business and will keep the enterprise business out of this. Our South business grew by about 37% in volume in Q1. Our West business grew by about 60% in volume. Growth has been faster and stronger in these two territories, where historically OBL has been underrepresented. This is a good sign for us and augurs well for the future.

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Ashwat Rajan – Arihant Capital Markets Limited: Thank you for that. Just to follow up on the Dora plant, I wanted to understand what percentage of our GVT today is supplied from the Dora plant. If you could quantify its EBITDA levels or its contribution to EBITDA, that would also be helpful.

Management: About 47% by value of our sales in Q1 was GVT. I think 15–20% of that would be coming from Dora, while the balance, or bulk of the rest, would be coming from SKB. A very small percentage, perhaps 4–5% plus, or a low single-digit percentage, would be sourced from Morbi.

Ashwat Rajan – Arihant Capital Markets Limited: Could you also help us with our blended utilization levels? What was it for FY23, and what is it in Q1?

Management: Capacity utilization last year was 60% on a blended basis, compared with 73% in this quarter. We have headroom to grow, Ashwat, so I think that is one positive. We have headroom to grow, and one of the lines that we were using for quality was a ceramic line that we have decided to convert into GVT. This would further help drive our capacity utilization in Q3 and Q4.

Ashwat Rajan – Arihant Capital Markets Limited: I have a question on our project and retail split. There has been some industry outlook indicating an uptick in retail or in the project part of the overall mix. I wanted to understand OBL's outlook on this and what percentage split we are looking at on the project side going forward.

Management: Ashwat, we have historically been strong in projects. We execute projects both through our direct team, which is a key account management team, and the enterprise team, as well as through our dealers.

Historically, in all calls, we have taken a split where projects of 3,000 metres and above are classified as projects, while all smaller projects are done through retail. On this basis, our project revenue in Q1 was 18%. This was 15%, and 18% includes projects that we have executed through retail, involving projects larger than 3,000 metres of billed volume, as well as projects executed by key account management.

Regarding our outlook, we have grown faster over the last few quarters, and not just in Q1. In the last financial year also, our growth was faster in the retail segment than in the enterprise segment. This is something we are focusing on now, and we plan to build some additional volume from the enterprise segment, which is the large builder segment. However, we do not have a specific target percentage that this will be 80% and that will be 20%, or anything similar.

Ashwat Rajan – Arihant Capital Markets Limited: Understood. I have one last question on gas cost inflation. Have we absorbed the entire impact in Q1, or do we see a drag in the next quarter as well?

Management: I will repeat your question, Ashwat. Regarding the inflation in gas costs, do we foresee this continuing in Q2 as well, or do we see the larger part of it having been settled in Q1?

Most likely, the bulk of the increase in gas prices seems to have happened in Q1. Now, it is more or less stable, as Manoj was saying, with perhaps one or two rupees here or there and a few percentage points here or there.

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As of now, we see stability. However, as mentioned before, it is anybody's guess what happens in the larger world and what happens in Iran. We have also been seeing over the last few days how refineries in Russia are being destroyed. I believe they have lost one-third of their refining capacity, and what impact this will have going forward is anybody's guess.

Given the situation so far, I would say that the situation in July has been close to what we experienced in Q1.

Operator: Thank you. Our next question comes from the line of Apoorva Sharma with {? Equirus Capital ?}. Please go ahead.

Apoorva Sharma – {? Equirus Capital ?}: Hello, am I audible?

Management: Yes.

Apoorva Sharma – {? Equirus Capital ?}: Congratulations, everyone, on the great set of results. This is the operating leverage we have been waiting for for a very long time. My first question is about the benefits we received this quarter from price, volume, and the price hike that we discussed last quarter.

Last quarter, we also briefly discussed that the effect of a price hike does not sustain for more than 3, 4, or a maximum of 5 months. However, looking at the macro events, it still appears that the high-price situation may continue for another 1-2 quarters. Are we still on track to maintain these prices and the hikes that we have taken?

Management: Yes, so far, so good. However, as I said before, we are watching the market. We do not want to get locked into a position if the market changes in a certain direction. In that case, we would follow suit. But as things stand today, we are more or less on course to retain the margins.

Apoorva Sharma – {? Equirus Capital ?}: Another question: are our gas contracts with GAIL, GSPC, or both?

Management: Only with GAIL. Our Morbi JVs are tied up with Gujarat Gas. Outside Morbi, it is all Gas Authority of India.

Apoorva Sharma – {? Equirus Capital ?}: What I have understood through some of the manufacturers in Morbi is that gas prices, which were 42-44 per cubic, have gone up to 69 during these times. I think last week's rate has moved up slightly. Given the situation in Morbi, how do gas prices typically fluctuate in the North?

Management: I could not understand that question, Apoorva.

Apoorva Sharma – {? Equirus Capital ?}: I wanted to understand how the gas price hikes we experienced in Morbi work in the North, where our Sikandrabad plant is located.

Management: Before the war, prices in Sikandrabad were somewhere in the range of 44-45 rupees, and currently they stand at 60-62 rupees. Again, it is formula-based and depends on your usage in the {? [unclear] ?} segment. Based on that, they have a formula under which, up to a certain level, they will provide gas at rates prevailing based on the Brent rate. Beyond that, spot rates apply.

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Broadly, prices have moved from 44–45 rupees before the war to 60–62 rupees currently.

Operator: Apoorva, do you have any further questions? Mr. Sharma, do you have any more questions? Since there is no response from the current participant, we will move on to our next question. Before we take the next question, a reminder to all participants: you may press star and then one to ask a question.

Our next question comes from the line of Sagar Jagtap from {? Antique Capital ?}. Please go ahead.

Sagar Jagtap – {? Antique Capital ?}: Hello. Congratulations on a great set of numbers. Thank you for the opportunity. I have only one question. In Morbi, the Gulf war happened over the last 5–6 months and freight rates have gone up. Regarding the current ground activity of exporters in Morbi, are there any chances of recovering in the market?

Management: Any chances to... what did he say? Any chances to...

Sagar Jagtap – {? Antique Capital ?}: Am I audible?

Management: Yes.

Sagar Jagtap – {? Antique Capital ?}: In Morbi, the Gulf war happened over the last 5–6 months and freight rates have increased significantly. Regarding the current ground situation for exporters in Morbi, are there any chances of recovery in the market?

Management: I am sorry, your voice is garbled. I cannot understand the question. Are you talking about how exports are currently performing?

Sagar Jagtap – {? Antique Capital ?}: Yes, sir.

Management: Exports, okay. Based on the data we have for the first couple of months of the year, exports are down. They were somewhere around 1,500–1,600 crores a month. April was somewhere around 500 crores and May was somewhere around 1,000 crores, averaging 800 crores in the first 2 months of the year.

Because of the elevated freight costs and the geopolitical tension in West Asia, the export market continues to be down, primarily in regions such as the Gulf, where freight costs have increased by at least 5–6 times.

Operator: Thank you. Participants, to ask a question, you may press star and then one. Our next question comes from the line of Saurabh Jain with Sequent Investments. Please go ahead.

Saurabh Jain – Sequent Investments: Hi, sir. Good evening. First of all, congratulations on a good set of numbers. Can you provide guidance for revenue for FY27 and EBITDA margin for this year?

Management: As a policy, we do not provide any guidance for the future.

Saurabh Jain – Sequent Investments: And for the margin?

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Management: The same applies to both the top line and the margin; we do not provide guidance. As we mentioned earlier, we do not provide any future guidance. However, we are encouraged by the continued sales momentum and the performance trend over the last 3–4 quarters.

We continue to focus on strengthening our input parameters, as Aditya mentioned, related to demand generation, customer engagement, and market penetration. The KPIs that we currently track on these parameters are showing positive results. We are hopeful that the year will perform better, but we do not have any particular numbers or guidance for the balance of the year.

Saurabh Jain – Sequent Investments: Okay, sir. Thank you.

Operator: Thank you. Our next question comes from the line of Ashwat Rajan with Arihant Capital Markets Limited. Please go ahead.

Ashwat Rajan – Arihant Capital Markets Limited: Thank you, team, for the follow-up. I have 2 questions. First, I noticed that we have a significant amount of cash on our balance sheet, about 75 crores. I wanted to understand management's outlook on where we can productively use the cash that we are holding at this point.

Management: Hello, Ashwat. Can you hear me, Ashwat?

Ashwat Rajan – Arihant Capital Markets Limited: Yes.

Management: Yes, we are audible. There are some small capex projects that we are currently undertaking over the next 4–5 months, which will cost us roughly 15 crores and will be financed internally. That is one aspect.

Secondly, we are looking at the next phase of growth and evaluating what we should do and where we should expand our manufacturing capabilities. This is something we are working on right now. Hopefully, we will have decided over the next 2 or 3 months and will be able to answer you.

Broadly speaking, the cash we are holding is something that we want to invest back into the business. Exactly where we will invest it is the question we are debating internally.

Ashwat Rajan – Arihant Capital Markets Limited: Hello.

Operator: Ashwat, could you repeat your question?

Ashwat Rajan – Arihant Capital Markets Limited: I just said... hello?

Management: You are audible.

Ashwat Rajan – Arihant Capital Markets Limited: Yes, sir. I was asking about the 15–crore capex. You said this would be for a new plant, or would it be for maintenance?

Management: No. For example, I just spoke about converting one of our underutilized ceramic lines into GVT. That is one capex project. We are changing some digital printing machines, adding some polishing machines, and adding balancing equipment. We also want to replace equipment with the latest model when the DP equipment reaches the point at which replacement is required, in order

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to drive product enhancement.

This is what we are doing. That accounts for approximately 15 crores. The larger part of the money on our balance sheet is something we want to invest in the business, and we have various options that we are debating. We will announce this to the market, hopefully, over the next 3–4 months.

Ashwat Rajan – Arihant Capital Markets Limited: Understood. On the tile accessories front, as we see a must-own SKU mentioned in our PPT presentation, I wanted to understand what kind of progression we expect from here and what kind of investments we have made or plan to make.

Management: We did 2.5 crores in Q1. We started on a very small scale, and it is a 100% cash-and-carry business for us. We have been working on the product mix and related matters, so it has been a slow start. There has been no major capital expenditure because we have not invested in a plant of our own. Therefore, nothing significant has been invested in that area.

However, as vitrified tiles continue to gain traction and given our dealer reach across the country, we want to build this particular product quarter on quarter. We are certainly working on increasing our geographic presence. We started with selected geographies in the North, and now we are focusing on scaling it across North India as well as some parts of the East during the current year.

Ashwat Rajan – Arihant Capital Markets Limited: Another question I have is on the price hike that the industry has taken as a whole. Do we expect this to be curtailed going forward on the price-hike front, or what kind of trajectory are we looking at? Do you see prices coming down?

Management: That is difficult to answer. Performance across companies seems to differ considerably, even among listed companies. It is difficult to say what strategies they will adopt going forward.

All we can say is that our strategy will be to watch the market. If there is a softening in selling prices, we have to remain competitive. We are very clear about that, and we will keep a close watch on what happens in the market.

We will focus on the internal initiatives we discussed, such as {? tile cards ?}, demand generation, brand building, and digitalization, to increase volumes.

Ashwat Rajan – Arihant Capital Markets Limited: Okay.

Aditya Gupta: That is our strategy: remain competitive and work on our internal processes to increase our volume share and market share.

Ashwat Rajan – Arihant Capital Markets Limited: I have one last question. A lot of players have entered the Indian market, especially on the bathware front. I wanted to understand whether we have any plans to enter bathware in the near future.

Aditya Gupta: Currently, we do not have any plans to enter bathware. Our focus remains on strengthening our adhesives segment, which is closely allied to the tile ecosystem, and we see significant opportunities there. As of now, we are focusing only on tiles and adhesives.

Ashwat Rajan – Arihant Capital Markets Limited: Thank you. Thank you for taking my questions.

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Operator: Thank you. A reminder to all participants: you may press star and then one to ask a question.

As there are no further questions from the participants, I now hand the conference over to Mr. Aditya Gupta for his closing comments.

Aditya Gupta: Thank you. Thank you for giving your time. I look forward to meeting you a couple of months later, I think, {? October end ?}.

Operator: Thank you. On behalf of Orient Bell Ltd., that concludes this conference. Thank you, everyone, for joining us. You may now disconnect your lines. Thank you.

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