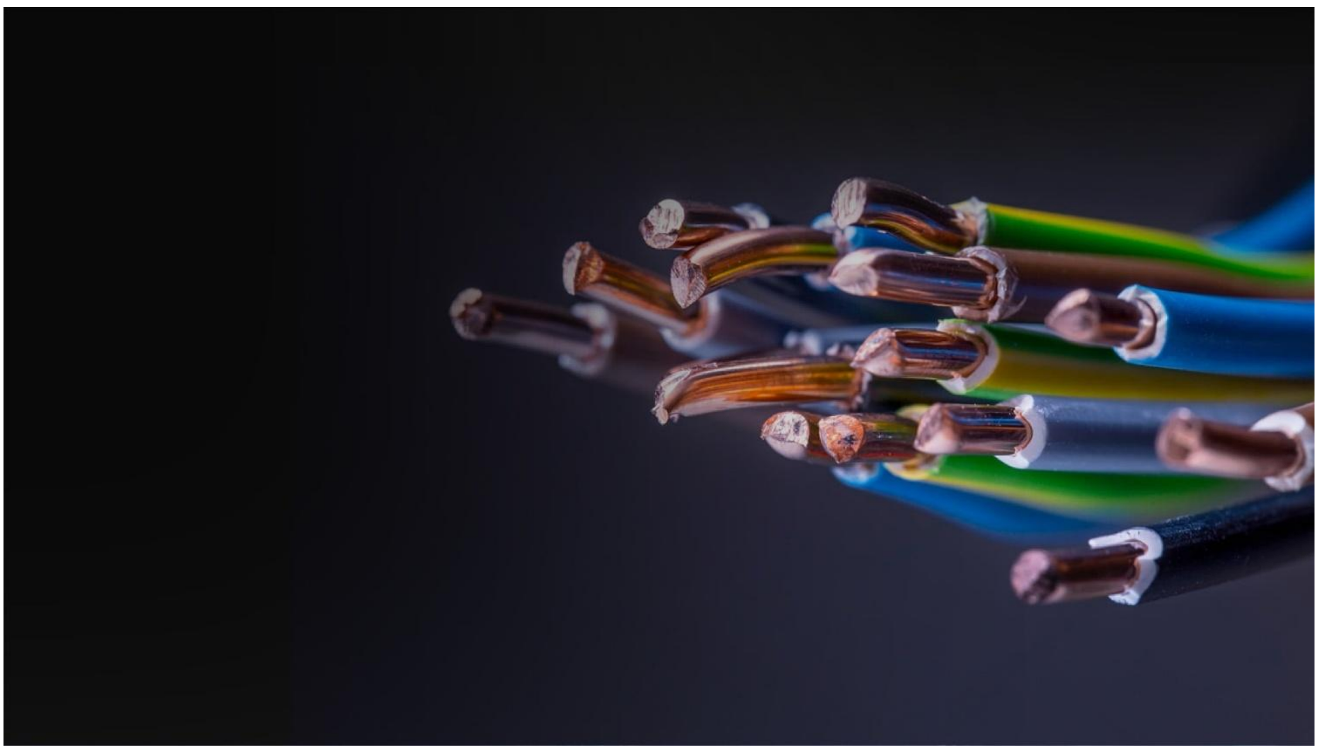
Orient Cables Ltd

IPO Note



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Powering reliable connections

Orient Cables (India) Limited is a leading B2B wire and cable manufacturer with a 22.9% revenue market share in India's networking cables segment in FY26. The company operates across four core product verticals: Networking Cables & Solutions (78.23% of FY26 revenue), Specialty Power & Optical Fibre Cables (21.37%), Other Allied Products (0.39%), and Harness Assemblies (0.01%). In FY26, consolidated revenue from operations reached INR 1,171.65 crores, with domestic sales generating INR 1,063.17 crores (90.74%) and exports across 8+ countries contributing INR 108.49 crores (9.26%). Catering to tier-1 telecom service providers, networking OEMs, and data center integrators, Orient Cables holds a strong market position across digital, power, and industrial infrastructure sectors.

The company's competitive moat is underpinned by stringent regulatory certifications, extensive backward integration, and a cost-efficient manufacturing footprint. Orient Cables is the first Indian manufacturer to obtain BIS certification for symmetrical pair digital communication cables (BIS 14493), alongside global accreditations like UL, ETL, and European CPR. Across its three facilities in Bhiwadi and Bengaluru, installed capacity stands at 895,776 kms of cables and 5.04 million keystone jacks. In-house capabilities—including copper drawing, automated PVC compounding (500 MT/month), FRP rod, and yarn production—protect operating margins and maintain price competitiveness against global peers while establishing high barriers to entry.

Growth strategy centers on expanding high-margin capacity, entering clean-tech verticals, and deepening market reach. The company commercialized an Electron Beam (E-beam) irradiation facility in Bhiwadi for high-performance solar and railway cables and acquired 42,529.98 sq. meters of land in Choupanki, Rajasthan for future plant construction. Through its 51%-owned subsidiary, OCL Greentech Private Limited, it is entering EV charging cable assemblies. These expansion initiatives position Orient Cables to capture structural tailwinds, including the domestic optical fibre cable market (projected to reach INR 2,331.00 crores by FY31) and the Indian solar E-beam cable market (projected at INR 26,670.00 crores by FY31 at a 37.8% CAGR).

Orient Cables exhibits strong top-line momentum, with consolidated revenue expanding at a 33.46% 2-year CAGR to INR 1,171.65 crores in FY26 (and INR 489.16 crores in Q1FY27). EBITDA reached INR 96.40 crores in FY26 (8.23% margin, expanding to 11.22% in Q1FY27), while restated PAT stood at INR 53.81 crores (4.55% margin). Return metrics remain superior to peers, with an ROE of 25.84% and ROCE of 23.82% in FY26, backed by positive operating cash flows of INR 101.66 crores and a 48-day working capital cycle. Net debt-to-equity stands at 0.94x. Long-term growth tailwinds from 5G and data center rollouts are balanced against risks, including customer concentration (top 10 accounting for 76.52% of revenue), copper/PVC price volatility, and ongoing trademark litigation.

Industry	Electricals – Cables & Wires

Scrip Details	
Listing	BSE & NSE
Open Date	25th Sept, 2026
Close Date	29th Sept, 2026
Price Band	INR 258 - 272
Face Value	INR 1
Market Lot	55 Shares
Minimum Lot	1

Issue Structure	
Issue Size (INR cr)	INR 552
Issue Size sh. (in cr.)	2.02
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre-Issue sh. (in cr.)	10.20
Post Issue sh. (in cr.)	11.37
Post Issue Market Cap (in cr)	INR 3,095.35

Shareholding (%)	Pre (%)	Post (%)
Promoter	100.0	82.2
Public	-	17.8
TOTAL	**100**	**100**

Key Consolidated Financial Data (INR Cr, unless specified):

	Revenue	EBITDA	PAT	EBITDA %	PAT%	adj EPS	Adj BVPS	ROE	ROIC	EV/EBITDA	P/BV	P/E
FY24	657.8	58.8	40.1	8.9	6.1	3.5	11.2	37.3	24.8	53.1	24.2	77.2
FY25	825.0	83.9	53.3	10.2	6.5	4.7	15.9	34.6	19.5	38.3	17.1	58.0
FY26	1,171.7	96.4	53.8	8.2	4.6	4.7	20.7	25.8	13.2	34.4	13.1	57.5

Source: Ventura Research & Company update

Issue Structure and Offer Details:

Orient Cables IPO is a **book build issue of INR 552.00 crores.** The issue is a combination of **fresh issue** of 1.17 crore shares aggregating to INR 320.00 crores and **offer for sale** of 85.29 lakh shares aggregating to INR 232.00 crores.

Issue Structure	
Investor Category	**Allocation**
QIB	**Not more than 50% of the Net Offer**
NII (HNI)	**Not less than 15% of the Net Offer**
Retail	**Not less than 35% of the Net Offer**

Number of shares based on a higher price band of INR 272

Source: Company Reports

Objects of the Issue:

	Issue Objects	Est Amt (₹ *Cr.)*
1	Funding of capital expenditure requirements of our Company towards purchase of machinery, equipment and civil works at our Manufacturing Facilities	91.5
2	Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company	155.50
3	*General Corporate Purposes*	
	Total	**320**

Financial Summary

Fig in INR Cr (unless specified)	FY24	FY25	FY26
Income Statement			
Revenue	657.8	825.0	1,171.7
YoY Growth (%)	*NA*	*25.4*	*42.0*
Raw Material Cost	515.9	644.5	941.5
RM Cost to Sales (%)	*78.4*	*78.1*	*80.4*
Employee Cost	30.9	42.9	59.5
Employee Cost to Sales (%)	*4.7*	*5.2*	*5.1*
Other Expenses	52.2	53.6	74.3
Other Exp to Sales (%)	*7.9*	*6.5*	*6.3*
EBITDA	58.8	83.9	96.4
Margin (%)	*8.9*	*10.2*	*8.2*
YoY Growth (%)	*NA*	*42.6*	*15.0*
Depreciation & Amortization	6.1	6.6	14.7
EBIT	52.7	77.3	81.7
Margin (%)	*8.0*	*9.4*	*7.0*
YoY Growth (%)	*NA*	*46.6*	*5.7*
Other Income	7.2	6.9	10.0
Bill discounting & other charges	5.6	12.5	19.1
Fin Charges Coverage (X)	9.5	6.2	4.3
Exceptional Item	0.0	0.0	0.0
PBT	54.4	71.7	72.6
Margin (%)	*8.3*	*8.7*	*6.2*
YoY Growth (%)	*NA*	*31.9*	*1.2*
Tax Expense	14.3	18.4	19.0
Tax Rate (%)	*26.3*	*25.6*	*26.2*
PAT	40.1	53.3	53.6
Margin (%)	*6.1*	*6.5*	*4.6*
YoY Growth (%)	*NA*	*33.1*	*0.5*
Min Int/Sh of Assoc	0.0	0.0	0.3
Net Profit	40.1	53.3	53.8
Margin (%)	*6.1*	*6.5*	*4.6*
YoY Growth (%)	*NA*	*33.1*	*0.9*
Balance Sheet			
Share Capital	1.0	10.2	10.2
Total Reserves	126.5	170.5	225.6
Shareholders Fund	127.5	180.7	235.8
Long Term Borrowings	3.4	27.4	35.7
Deferred Tax Assets / Liabilities	0.2	1.3	1.5
Other Long Term Liabilities	0.2	1.1	0.3
Long Term Trade Payables	0.0	0.0	0.0
Long Term Provisions	0.9	1.3	1.8
Total Liabilities	132.1	211.8	275.2
Net Block	56.8	132.9	191.2
Capital Work in Progress	23.2	2.5	2.0
Intangible assets under developm	0.0	0.0	1.0
Non Current Investments	0.0	0.0	0.0
Long Term Loans & Advances	0.0	0.0	0.0
Other Non Current Assets	4.4	32.6	1.7
Net Current Assets	47.7	43.8	79.3
Total Assets	132.1	211.8	275.2

Fig in INR Cr (unless specified)	FY24	FY25	FY26
Per share data & Yields			
Adjusted EPS (INR)	3.5	4.7	4.7
Adjusted Cash EPS (INR)	4.1	5.3	6.0
Adjusted BVPS (INR)	11.2	15.9	20.7
Adjusted CFO per share (INR)	3.7	(0.9)	(2.3)
CFO Yield (%)	1.4	(0.3)	(0.9)
Adjusted FCF per share (INR)	0.8	(6.1)	(8.8)
FCF Yield (%)	0.3	(2.3)	(3.2)
Solvency Ratio (X)			
Total Debt to Equity	0.3	0.6	1.0
Net Debt to Equity	0.2	0.6	0.9
Net Debt to EBITDA	0.5	1.4	2.3
Return Ratios (%)			
Return on Equity	37.3	34.6	25.8
Return on Capital Employed	41.1	36.5	23.8
Return on Invested Capital	24.8	19.5	13.2
Working Capital Ratios			
Payable Days (Nos)	77	64	40
Inventory Days (Nos)	21	25	29
Receivable Days (Nos)	71	66	59
Net Working Capital Days (Nos)	14	27	48
Net Working Capital to Sales (%)	3.9	7.4	13.1
Valuation (X)			
P/E	77.2	58.0	57.5
P/BV	24.2	17.1	13.1
EV/EBITDA	53.1	38.3	34.4
EV/Sales	4.7	3.9	2.8
Cash Flow Statement			
PBT	54.4	71.7	72.6
Adjustments	7.9	14.6	32.6
Change in Working Capital	(9.5)	(75.1)	(113.2)
Less: Tax Paid	(10.6)	(21.0)	(18.6)
Cash Flow from Operations	42.2	(9.8)	(26.6)
Net Capital Expenditure	(32.7)	(59.8)	(73.0)
Change in Investments	0.0	0.0	9.5
Cash Flow from Investing	(32.7)	(59.8)	(63.6)
Change in Borrowings	(0.5)	75.6	120.8
Less: Finance Cost	(5.6)	(12.5)	(19.1)
Proceeds from Equity	0.0	0.0	0.0
Buyback of Shares	0.0	0.0	0.0
Dividend Paid	0.0	0.0	0.0
Cash flow from Financing	(6.1)	63.1	101.7
Net Cash Flow	3.4	(6.5)	11.4
Forex Effect	0.0	0.0	(0.0)
Opening Balance of Cash	4.6	8.0	1.5
Closing Balance of Cash	8.0	1.5	12.9

Source: Ventura Research

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