

Oriental Aromatics Ltd.

EARNINGS PRESENTATION | Q1-FY22





Overview

- Oriental Aromatics Ltd. is one of the largest Indian manufacturers of a variety of Aroma Chemicals, Camphor, Fragrances and Flavours.
- The company is one of the privileged few integrated manufacturers of fragrances and flavours as well as aroma chemicals globally.
- The Company aspires to become a global player in the specialty aroma chemicals and use these synergies to become one of the most prominent fragrance and flavour companies.
- The company is listed on both NSE and BSE with an approximate Market Capitalisation of INR 25,750 Mn as on June 30, 2021.

Business Mix

- **Aroma Chemicals and Camphor** - Ranging from Pinene derivatives, to petrochem derivatives, and even musk and sandalwood derivatives, OAL delivers quality aroma chemicals to clients across the world.
- **Flavours and Fragrances** – OAL delivers innovative flavours and fragrance raw materials to marquee FMCG companies.

Manufacturing Plants & Capacities

Aroma Chemicals and Camphor:

- Bareilly, U.P. – 7,200 MTPA
- Vadodara, Gujarat - 6,200 MTPA

Flavours and Fragrances:

- Ambernath, Maharashtra - 6,000 MTPA

R&D Facilities

- Centre for Innovation at Mumbai
- Process re-engineering lab at Vadodara

FY21 Consolidated Financials

Op. Income
INR 7,088 Mn

EBITDA
INR 1,551 Mn

EBITDA Margin
21.88%

ROCE
25.46%

PBT
INR 1,370 Mn

Net Profit
INR 1,019 Mn

EPS
INR 30.29

ROE
18.29%



Company Overview

Company Overview

- The Fragrance and Flavours business of Oriental Aromatics was founded by Mr. Keshavlal Bodani in 1955 and has been nurtured and handed down to three generations of the Bodani's.
- In August 2008, Oriental Aromatics' promoters acquired a controlling stake of 57.66% in the listed entity of Camphor & Allied Products Ltd.(CAPL), a key supplier of Camphor and other specialty aroma chemicals. Furthermore in April, 2017, Oriental Aromatics was fully amalgamated into the listed entity and thereafter, the name of CAPL was changed to Oriental Aromatics Limited (OAL).
- Today, The Company is one of the largest manufacturers of variety of specialty based aroma chemicals, and camphor, with a vast product range including Synthetic Camphor, Terpeneols, Pine Oils, Astromusk, several other specialty aroma chemicals finding applications in a wide array of industries ranging from like Cosmetics, Soaps, Pharmaceuticals and many more.
- OAL's custom designed fragrances are found in fine fragrances, incense sticks, candles, and various FMCG products like soaps, shampoos, hair oils, detergents, etc. and it also provides flavours for ice-creams, bakeries, confectionaries, beverages, chewing gums, chocolates etc.
- The Company has evolved into a one stop solution provider for the flavour and fragrance industry.



Fragrances



Flavours

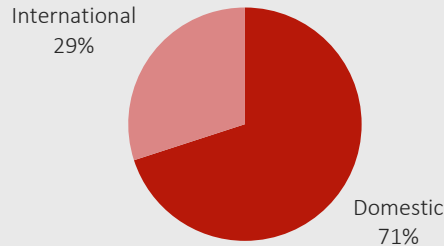


Aroma Chemicals

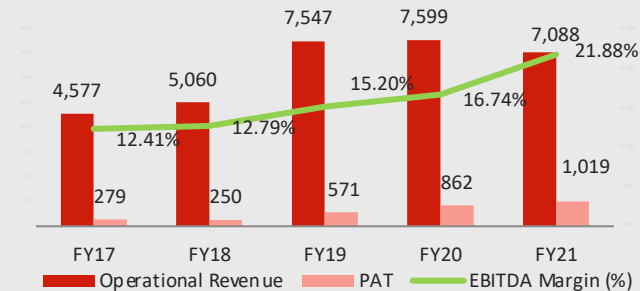


Camphor

FY21 Geographical Sales (%)



Operational Revenue, PAT & EBITDA Margin (INR)



Sources of Raw Materials



Pine Tree



Petroleum



Aleuritic Acid
(Shellac Powder)

Raw Materials



Alpha Pinene



Petro Chemicals

Products/Blends

Aroma Ingredients

Speciality Aroma Chemicals

Pine Oil

Terpene based aroma chemicals

Others

Synthetic Camphor

Fragrance and Flavour Products

Industrial Fragrance Compounds

Flavour Compounds

Customized Fragrance
Compounds

Applications



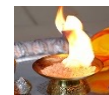
Incense Sticks



Air Fresheners



Cosmetics



Spiritual



Balms



Detergents



Hair Oils,
Shampoos, Soaps
etc.



Q1-FY22
Financial
Overview

Q1-FY22 Consolidated Financial Performance

INR 2,297 Mn

Revenue from
Operations

INR 345 Mn

EBITDA

15.02%

EBITDA Margin

INR 227 Mn

Net Profit

9.88%

PAT Margin

INR 6.75

Basic/Diluted EPS

- During the quarter, the company witnessed a steady demand across all product categories i.e. Aroma Chemicals, Flavours & Fragrances and Camphor despite a challenging domestic macro-environment owing to lockdowns and restrictions.
- Sales Volumes for the quarter were flat on a Q-o-Q basis.
- Sales Realizations across all major product categories except Camphor improved during the quarter on Q-o-Q basis.

Capital Expenditure Update:

- Capital investments program in Baroda, Bareilly and Mahad are on track. However, they are facing moderate delays due to current COVID – 19 situation.

Q1-FY22 Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	Q1-FY22	Q1-FY21	Y-O-Y	Q4-FY21	Q-O-Q
Revenue from Operations	2,297	1,133	102.7%	2,214	3.7%
Total Expenses	1,952	949	105.7%	1,881	3.8%
EBITDA	345	184	87.5%	333	3.6%
EBITDA Margin (%)	15.02%	16.24%	(122) Bps	15.04%	(2) Bps
Other Income	11	4	175.0%	11	NA
Depreciation	40	46	(13.0)%	40	NA
Finance Cost	7	8	(12.5)%	11	(36.4)%
PBT	309	134	130.6%	293	5.5%
Tax	82	35	134.3%	69	18.8%
PAT	227	99	129.3%	224	1.3%
PAT Margin (%)	9.88%	8.74%	114 Bps	10.12%	(24) Bps
Basic/Diluted EPS (INR)	6.75	2.95	128.8%	6.66	1.4%



Historical Financial Overview

Historical Standalone Income Statement (IND-AS)

Oriental Aromatics Ltd.

Income Statement (Mn)	FY19	FY20	FY21	Q1-FY22
Total Operational Income	7,526	7,594	7,088	2,297
Total Expenses	6,372	6,312	5,532	1,950
EBITDA	1,154	1,282	1,556	347
EBITDA Margin (%)	15.33%	16.88%	21.95%	15.11%
Other Income	13	63	18	11
Depreciation	177	190	175	40
Finance Cost	130	120	24	7
Exceptional Items	(101)	-	-	-
PBT	759	1,035	1,375	311
Tax	260	167	351	82
Profit After Tax	499	868	1,024	229
PAT Margin (%)	6.63%	11.43%	14.45%	9.97%
EPS (After Exceptional Items)	14.82	25.78	30.44	6.80

Historical Standalone Balance Sheet

Oriental Aromatics Ltd.

Liabilities (INR Mn)	FY20	FY21	Assets (INR Mn)	FY20	FY21
Shareholders Fund			Assets		
Share Capital	168	168	Non-Current Assets		
Other Equity	4,470	5,406	Property, Plant and Equipment	1,814	1,846
			Intangible Asset	24	2
			Capital WIP	17	125
Non-Current Liabilities			Right of use- Lease	74	67
Financial Liabilities			Goodwill on amalgamation	450	450
i) Long-Term Borrowings	15	-	Financial Assets		
ii) Other Financial Liabilities	8	2	Investment in Subsidiaries	60	96
Deferred Tax Liabilities (Net)	261	267	Other financial assets	37	40
Long-Term Provisions	18	25	Income Tax Assets (Net)	32	74
			Other non-Current assets	6	6
			Current Assets		
Current Liabilities			Inventories	1,623	2,276
Financial Liabilities			Financial Assets		
i) Short-Term Borrowings	431	779	Trade and other Receivable	1,524	1,891
ii) Trade Payables	566	713	Cash & Cash Equivalents	131	151
iii) Other financial Liabilities	114	58	Bank Balance other than above	18	20
Short-Term Provisions	17	14	Other Current Financial Assets	8	10
Other Current liabilities	21	24	Other Current Assets	270	401
			Non-Current Assets classified as held for Sale	1	1
TOTAL EQUITY AND LIABILITIES	6,089	7,456	TOTAL ASSETS	6,089	7,456

Historical Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

Income Statement (Mn)	FY19	FY20	FY21	Q1-FY22
Total Operational Income	7,547	7,599	7,088	2,297
Total Expenses	6,397	6,327	5,537	1,952
EBITDA	1,150	1,272	1,551	345
EBITDA Margin (%)	15.24%	16.74%	21.88%	15.02%
Other Income	13	66	17	11
Depreciation	178	190	175	40
Finance Cost	130	119	23	7
Exceptional Item	(23)	-	-	-
PBT	832	1,029	1,370	309
Tax	261	167	351	82
Profit After Tax	571	862	1,019	227
PAT Margin (%)	7.57%	11.34%	14.38%	9.88%
EPS (After Exceptional Items)	16.98	25.61	30.29	6.75

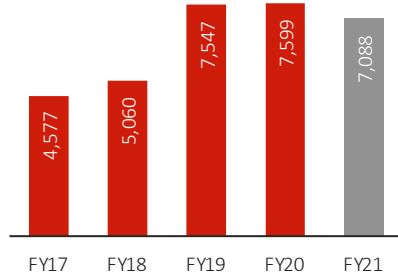
Historical Consolidated Balance Sheet

Oriental Aromatics Ltd.

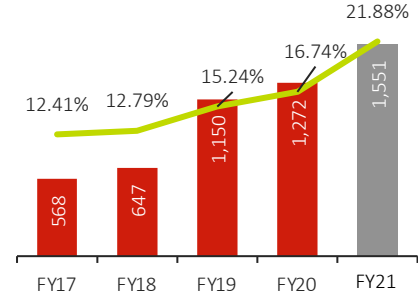
Liabilities (INR Mn)	FY20	FY21	Assets (INR Mn)	FY20	FY21
Shareholders Fund			Assets		
Share Capital	168	168	Non-Current Assets		
Other Equity	4,473	5,405	Property, Plant and Equipment	1,815	1,846
			Goodwill on Amalgamation	450	450
			Capital WIP	18	127
Financial Liabilities			Intangible Assets	24	2
i) Long-Term Borrowings	15	-	Right to use	74	67
ii) Other Financial Liabilities	8	2	Other Financial Assets	37	40
Deferred Tax Liabilities (Net)	260	266	Income Tax Assets (Net)	32	74
Long Term Provisions	18	25	Other non-Current assets	6	68
			Current Assets		
Current Liabilities			Inventories	1,623	2,276
Financial Liabilities			Financial Assets		
i) Short-Term Borrowings	431	779	Trade and other Receivable	1,514	1,886
ii) Trade Payables	557	709	Cash & Cash Equivalents	173	154
iii) Other financial Liabilities	115	58	Bank Bal other than above	38	47
Short-Term Provisions	17	14	Other Current Financial Assets	8	10
Other Current liabilities	21	24	Other Current Assets	270	402
			Non-Current Assets Classified as held for Sale	1	1
TOTAL EQUITY AND LIABILITIES	6,083	7,450	TOTAL ASSETS	6,083	7,450

Financial Performance (Consolidated)

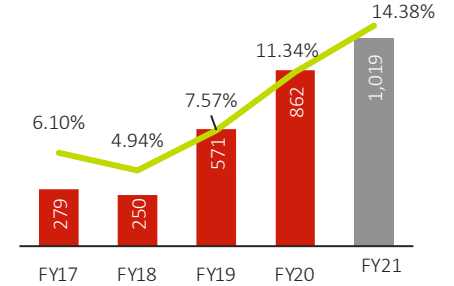
Revenue from Operations (INR Mn)



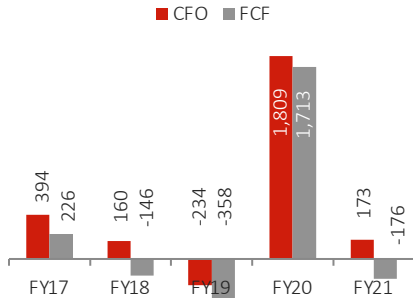
EBITDA (INR Mn) EBITDA MARGIN (%)



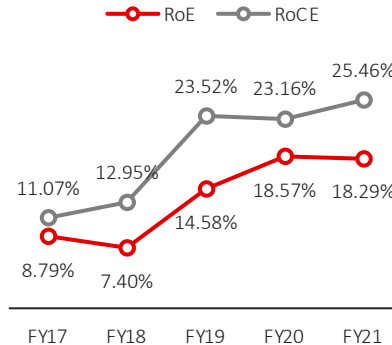
PAT (INR Mn) PAT MARGIN (%)



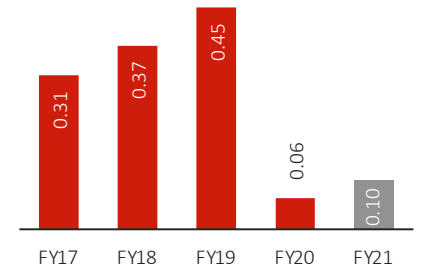
Cash flow from operations (CFO) & Free Cash Flows (FCF) (INR Mn)



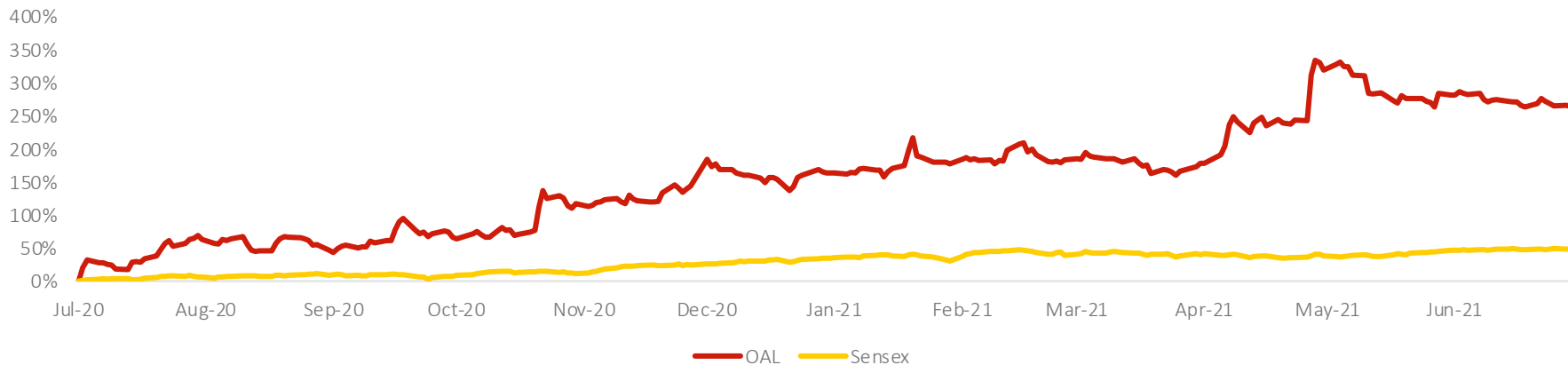
RoE (%) and RoCE (%)



Net D/E (x)



1 Year Stock Return as on 30th June, 2021

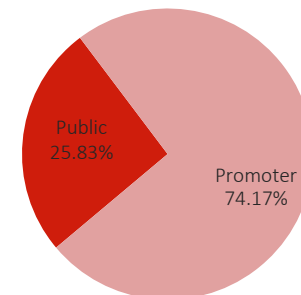


Price Data (30th June , 2021)

INR

Face Value	5.0
CMP	765.0
52 Week H/L (INR)	1,009.0/188.6
Avg. Net Turnover(INR Mn)	3.4
Market Cap (INR Mn)	25,746.6
Equity Shares Outstanding (Mn)	33.7

Shareholding Pattern as on 30th June, 2021



This presentation and the accompanying slides (the "Presentation"), which have been prepared by Oriental Aromatics Limited (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the tire industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

Valorem Advisors Disclaimer:

Valorem Advisors is an Independent Investor Relations Management Service company. This Presentation has been prepared by Valorem Advisors based on information and data which the Company considers reliable, but Valorem Advisors and the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. Valorem Advisors also hereby certifies that the directors or employees of Valorem Advisors do not own any stock in personal or company capacity of the Company under review.

For further information please contact our Investor Relations Representatives:



For further information please contact our Investor Relations Representatives:

Valorem Advisors

Mr. Anuj Sonpal, CEO

Tel: +91-22 3006-7521/22/23/24

Email: oriental@valoremadvisors.com

Thank you

Oriental Aromatics Ltd.