

Oriental Aromatics Ltd.

EARNINGS PRESENTATION | Q4-FY20 / FY20





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 4,500 Mn as on March 31, 2020.

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. - 12,000 MTPA
- Vadodara, Gujarat - 6,700 MTPA

Flavours and Fragrances:

- Ambernath, Maharashtra - 6,000 MTPA

R&D Facilities

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

FY20 Consolidated Financials

Op. Income
INR 7,599 Mn

EBITDA
INR 1,264 Mn

EBITDA Margin
16.63%

ROCE
23.00%

PBT
INR 1,029 Mn

Net Profit
INR 862 Mn

EPS
INR 25.61

ROE
18.57%



Company Overview

Company Overview

Oriental Aromatics Ltd.

- 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

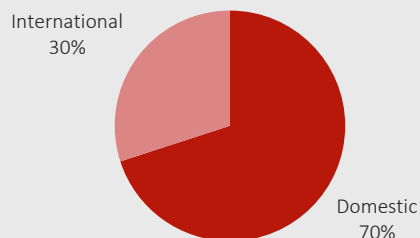


Aroma Chemicals

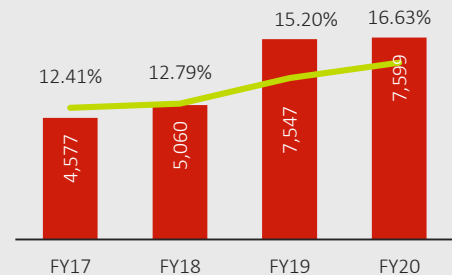


Camphor

FY20 Geographical Sales (%)



Operational Revenue (INR Mn) and EBITDA Margin (%)



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



Pooja



Balms



Detergents



Hair Oils,
Shampoos, Soaps
etc.



Q4-FY20
Financial
Overview

Q4-FY20 Consolidated Performance:

- Revenue from Operations: INR 1,697 Mn
- EBITDA : INR 356 Mn
- EBITDA Margins: 20.98%
- Net Profit: INR 239 Mn
- PAT Margins: 14.08%
- Basic/Diluted EPS: INR 7.09 per share

FY20 Consolidated Performance:

- Revenue from Operations: INR 7,599 Mn
- EBITDA : INR 1,264 Mn
- EBITDA Margins: 16.63%
- Net Profit: INR 862 Mn
- PAT Margins: 11.34%
- Basic/Diluted EPS: INR 25.61 per share

Q4-FY20 / FY20 Operational Highlights

- The company witnessed better demand for specialty aroma chemicals, which resulted in higher volume of production and value of sales as compared to the previous financial year.
- Despite reduction in the Raw material prices the company was able to hold on to the selling prices which improved the margins.
- Strong cash flow generation: As on 31st March, 2020 cash from operations stood at INR 1,809 Mn owing to improvement in the working capital cycle and better sales realization, this enabled the company to reduce its net debt by INR 1,345 Mn to INR 508 Mn.
- Debt reduction was achieved after accomplishing the payment of dividend of INR 142 Mn and a capex of Rs. 99 Mn.
- The company has drawn out a capex plan of Approximately INR 1,000 Mn for FY 2020-2021.
- Company's focus is to maintain the sustainable growth in the business and maintain the margins.
- ROE as on 31st March 2020 stood at 18.57% which higher by 3.91% against last financial year.
- Debt / Equity ratio as on 31st March 2020 improved to 0.11 from 0.47 last financial year.

Q4-FY20 Standalone Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	Q4-FY20	Q4-FY19	Y-O-Y	Q3-FY20	Q-O-Q
Revenue from Operations	1,697	2,010	(15.6)%	1,754	(3.2)%
Total Expenses	1,336	1,696	(21.2)%	1,474	(9.4)%
EBITDA	361	314	15.0%	280	28.9%
EBITDA Margin (%)	21.27%	15.62%	565 Bps	15.96%	531 Bps
Other Income	37	10	NA	17	NA
Depreciation	51	51	NA	47	8.5%
Finance Cost	36	31	16.1%	17	NA
Exceptional Item	-	(101)	NA	-	NA
PBT	311	141	NA	233	33.5%
Tax	69	112	(38.4)%	54	27.8%
PAT	242	29	NA	179	35.2%
PAT Margin (%)	14.26%	1.44%	NA	10.21%	405 Bps
Other Comprehensive Income	(3)	(7)	(57.1)%	(2)	50.0%
Total Comprehensive Income	239	22	NA	177	35.0%
Basic/Diluted EPS (INR)	7.18	0.86	NA	5.32	35.0%

FY20 Standalone Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	FY20	FY19	Y-O-Y
Revenue from Operations	7,594	7,526	0.9%
Total Expenses	6,319	6,372	(0.8)%
EBITDA	1,275	1,154	10.5%
EBITDA Margin (%)	16.79%	15.33%	146 Bps
Other Income	70	13	NA
Depreciation	190	177	7.3%
Finance Cost	120	130	(7.7)%
Exceptional Items	-	(101)	NA
PBT	1,035	759	36.4%
Tax	167	260	(35.8)%
PAT	868	499	73.9%
PAT Margin (%)	11.43%	6.63%	480 Bps
Other Comprehensive Income	(8)	(5)	NA
Total Comprehensive Income	860	494	74.1%
Basic/Diluted EPS (INR)	25.78	14.82	74.0%

Q4-FY20 Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	Q4-FY20	Q3-FY20	Q-O-Q
Revenue from Operations	1,697	1,754	(3.2)%
Total Expenses	1,341	1,471	(8.8)%
EBITDA	356	283	25.8%
EBITDA Margin (%)	20.98%	16.13%	485 Bps
Other Income	39	12	NA
Depreciation	51	47	8.5%
Finance Cost	36	17	NA
PBT	308	231	33.3%
Tax	69	55	25.5%
PAT	239	176	35.8%
PAT Margin (%)	14.08%	10.03%	405 Bps
Other Comprehensive Income	(3)	(1)	NA
Total Comprehensive Income	236	175	34.9%
Basic/Diluted EPS (INR)	7.09	5.24	35.3%

FY20 Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	FY20	FY19	Y-O-Y
Revenue from Operations	7,599	7,547	0.7%
Total Expenses	6,335	6,397	(1.0)%
EBITDA	1,264	1,150	9.9%
EBITDA Margin (%)	16.63%	15.24%	139 Bps
Other Income	74	13	NA
Depreciation	190	178	6.7%
Finance Cost	119	130	(8.5)%
Exceptional Items	-	(23)	NA
PBT	1,029	832	23.7%
Tax	167	261	(36.0)%
PAT	862	571	51.0%
PAT Margin (%)	11.34%	7.57%	377 Bps
Other Comprehensive Income	(8)	(4)	NA
Total Comprehensive Income	854	567	51.0%
Basic/Diluted EPS (INR)	25.61	16.98	50.8%



Historical Financial Overview

Historical Standalone Income Statement (IND-AS)

Oriental Aromatics Ltd.

Income Statement (Mn)	FY18	FY19	FY20
Total Operational Income	5,057	7,526	7,594
Total Expenses	4,398	6,375	6,319
EBITDA	659	1,151	1,275
EBITDA Margin (%)	13.03%	15.29%	16.79%
Depreciation	148	177	70
Interest	69	127	190
Other Income	41	13	120
Exceptional Items	-	(101)	-
PBT	483	759	1,035
Tax	180	260	167
Profit After Tax	303	499	868
PAT Margin (%)	6.00%	6.63%	11.43%
EPS (After Exceptional Items)	9.01	14.82	25.78

Historical Standalone Balance Sheet

Oriental Aromatics Ltd.

Liabilities (INR Mn)	FY19	FY20	Assets (INR Mn)	FY19	FY20
Shareholders Fund			Assets		
Share Capital	168	168	Non-Current Assets		
Other Equity	3,752	4,470	Property, Plant and Equipment	1,941	1,814
			Intangible Asset	58	24
Non-Current Liabilities			Capital WIP	8	17
Financial Liabilities			Right to use	-	74
i) Long-Term Borrowings	118	15	Goodwill	450	450
ii) Other Financial Liabilities	-	8	Financial Assets		
Deferred Tax Liabilities (Net)	342	261	Investment in Subsidiaries	-	60
Long-Term Provisions	19	18	Other financial assets	37	37
			Income Tax Assets (Net)	30	32
			Other non-Current assets	3	6
Current Liabilities			Current Assets		
Financial Liabilities			Inventories	2,027	1,623
i) Short-Term Borrowings	1,622	431	Financial Assets		
ii) Trade Payables	534	566	Trade and other Receivable	1,610	1,524
iii) Other financial Liabilities	146	114	Cash & Cash Equivalents	36	131
Short-Term Provisions	14	17	Bank Bal other than above	13	18
Current Tax Liabilities	-	-	Other Current Financial Assets	14	8
Other Current liabilities	17	21	Other Current Assets	504	270
			Non-Current Assets held for Sale	1	1
TOTAL EQUITY AND LIABILITIES	6,732	6,089	TOTAL ASSETS	6,732	6,089

Historical Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

Income Statement (Mn)	FY18	FY19	FY20
Total Operational Income	5,060	7,547	7,599
Total Expenses	4,413	6,400	6,335
EBITDA	647	1,147	1,264
EBITDA Margin (%)	12.79%	15.20%	16.63%
Depreciation	148	178	190
Interest	73	127	119
Exceptional Item	-	(23)	-
Other Income	4	13	74
PBT	430	832	1,029
Tax	180	261	167
Profit After Tax	250	571	862
PAT Margin (%)	4.94%	7.57%	11.34%
EPS (After Exceptional Items)	7.42	16.98	25.61

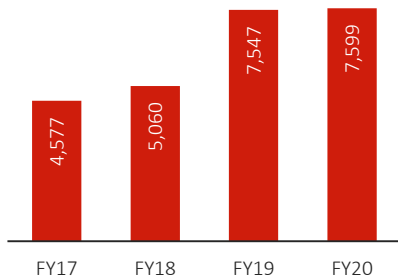
Historical Consolidated Balance Sheet

Oriental Aromatics Ltd.

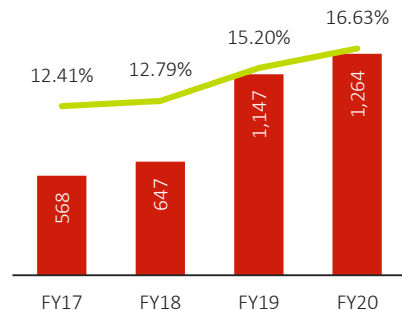
Liabilities (INR Mn)	FY19	FY20	Assets (INR Mn)	FY19	FY20
Shareholders Fund			Assets		
Share Capital	168	168	Non-Current Assets		
Other Equity	3,751	4,473	Property, Plant and Equipment	1,941	1,815
			Goodwill	450	450
			Capital WIP	8	18
Financial Liabilities			Intangible Assets	58	24
i) Long-Term Borrowings	118	15	Right to use	-	74
ii) Other Financial Liabilities	-	8	Other Financial Assets	37	37
Deferred Tax Liabilities (Net)	342	260	Income Tax Assets (Net)	30	32
Long Term Provisions	19	18	Other non-Current assets	4	6
			Non-Current Assets Classified as held for Sale	1	1
Current Liabilities			Current Assets		
Financial Liabilities			Inventories	2,029	1,623
i) Short-Term Borrowings	1,622	431	Financial Assets		
ii) Trade Payables	535	557	Trade and other Receivable	1,600	1,514
iii) Other financial Liabilities	146	115	Cash & Cash Equivalentents	50	173
Short-Term Provisions	14	17	Bank Bal other than above	13	38
Current Tax Liabilities	-	-	Other Current Financial Assets	8	8
Other Current liabilities	17	21	Other Current Assets	503	270
TOTAL EQUITY AND LIABILITIES	6,732	6,083	TOTAL ASSETS	6,732	6,083

Financial Performance (Consolidated)

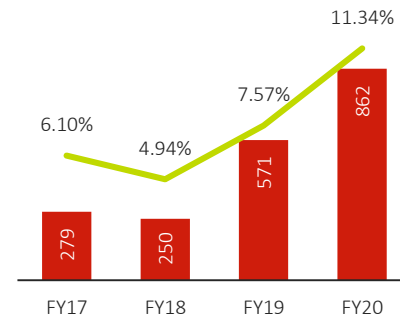
Revenue from Operations (INR Mn)



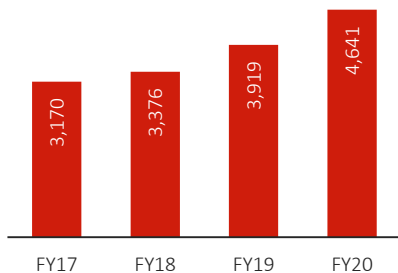
EBITDA (INR Mn) EBITDA MARGIN (%)



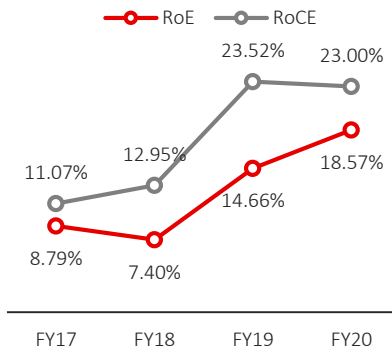
PAT (INR Mn) PAT MARGIN (%)



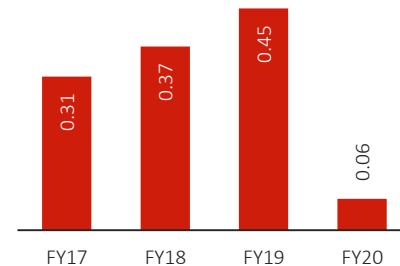
Net Worth (INR Mn)



RoE (%) and RoCE (%)

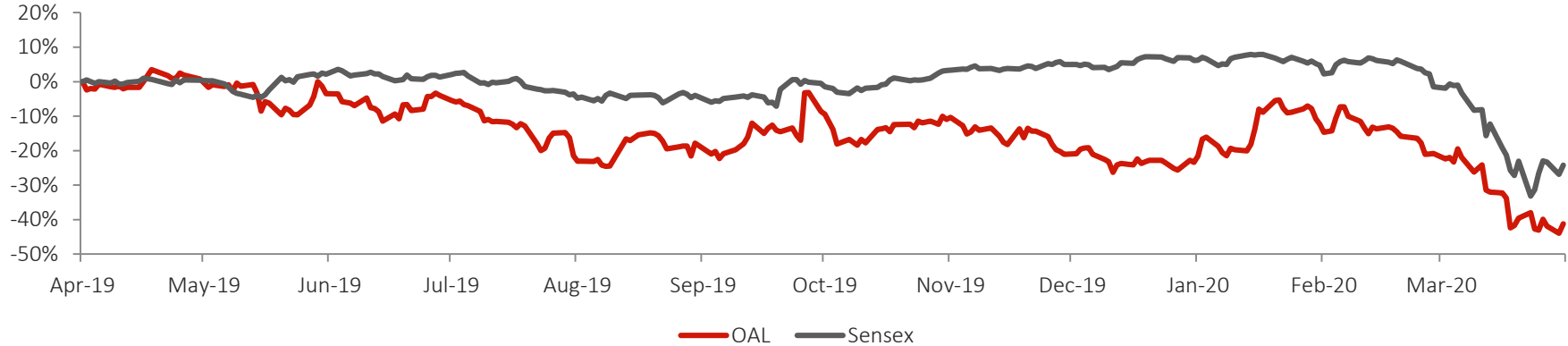


Net D/E (x)



Capital Market Information

Oriental Aromatics Ltd.

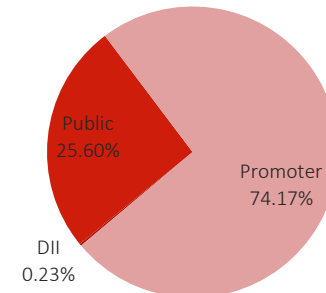


Price Data (31st March, 2020)

INR

Face Value	5.0
CMP	134.1
52 Week H/L (INR)	243.00/117.05
Avg. Net Turnover(INR Mn)	1.1
Market Cap (INR Mn)	4,511.0
Equity Shares Outstanding (Mn)	33.7

Shareholding Pattern as on 31st March, 2020



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Thank you

Oriental Aromatics Ltd.