

Oriental Aromatics Ltd.

EARNINGS PRESENTATION | H1 / Q2-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 30,236 Mn as on September 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

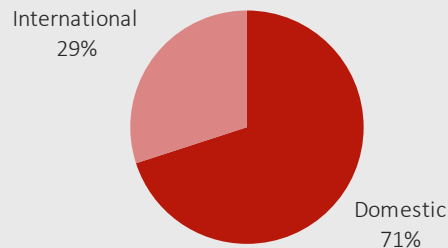


Aroma Chemicals

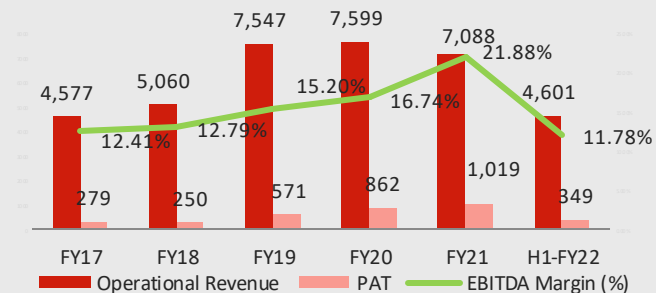


Camphor

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.



H1 / Q2-FY22
Financial
Overview

H1 / Q2-FY22 Financial Highlights

H1-FY22 Consolidated Financial Performance

INR 4,601 Mn	INR 542 Mn	11.78%
Revenue from Operations	EBITDA	EBITDA Margin
INR 349 Mn	7.59%	INR 10.36
Net Profit	PAT Margin	Basic/Diluted EPS

Q2-FY22 Consolidated Financial Performance

INR 2,305 Mn	INR 198 Mn	8.59%
Revenue from Operations	EBITDA	EBITDA Margin
INR 121 Mn	5.25%	INR 3.61
Net Profit	PAT Margin	Basic/Diluted EPS

- During the quarter, the company witnessed flattish demand across all product categories i.e. Aroma Chemicals, Flavours & Fragrances and Camphor despite a challenging domestic macro-environment owing to lockdowns and restrictions as compared to Q-o-Q basis.
- Productions and Sales Volumes for the quarter were flattish on a Q-o-Q basis.
- During the quarter there is substantial increase in the price of some of the major raw materials on a Q-o-Q basis which impacted the profitability of the quarter.
- Net Debt/Equity ratio as on 30th Sept 2021 stayed same to 0.10x 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.

Q2-FY22 Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	Q2-FY22	Q2-FY21	Y-O-Y	Q1-FY22	Q-O-Q
Revenue from Operations	2,305	1,838	25.4%	2,297	0.3%
Total Expenses	2,107	1,348	56.3%	1,952	7.9%
EBITDA	198	490	(59.6)%	345	(42.6)%
EBITDA Margin (%)	8.59%	26.66%	NA	15.02%	(643) Bps
Other Income	20	5	NA	11	81.8%
Depreciation	41	46	(10.9)%	40	2.5%
Finance Cost	10	3	NA	7	42.9%
PBT	167	446	(62.6)%	309	(46.0)%
Tax	46	114	(59.6)%	82	(43.9)%
PAT	121	332	(63.6)%	227	(46.7)%
PAT Margin (%)	5.25%	18.06%	NA	9.88%	(463) Bps
Basic/Diluted EPS (INR)	3.61	9.88	(63.5)%	6.75	(46.5)%

H1-FY22 Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	H1-FY22	H1-FY21	Y-O-Y
Revenue from Operations	4,601	2,971	54.9%
Total Expenses	4,059	2,293	77.0%
EBITDA	542	678	(20.1)%
EBITDA Margin (%)	11.78%	22.82%	NA
Other Income	31	5	NA
Depreciation	81	92	(12.0)%
Finance Cost	16	10	60.0%
PBT	476	581	(18.1)%
Tax	127	149	(14.8)%
PAT	349	432	(19.2)%
PAT Margin (%)	7.59%	14.54%	(695 Bps)
Basic/Diluted EPS (INR)	10.36	12.83	(19.3)%



Historical Financial Overview

Historical Standalone Income Statement (IND-AS)

Oriental Aromatics Ltd.

Income Statement (Mn)	FY19	FY20	FY21	H1-FY22
Total Operational Income	7,526	7,594	7,088	4,601
Total Expenses	6,372	6,312	5,532	4,052
EBITDA	1,154	1,282	1,556	549
EBITDA Margin (%)	15.33%	16.88%	21.95%	11.93%
Other Income	13	63	18	30
Depreciation	177	190	175	81
Finance Cost	130	120	24	17
Exceptional Items	(101)	-	-	-
PBT	759	1,035	1,375	481
Tax	260	167	351	128
Profit After Tax	499	868	1,024	353
PAT Margin (%)	6.63%	11.43%	14.45%	7.67%
EPS (After Exceptional Items)	14.82	25.78	30.44	10.48

Historical Standalone Balance Sheet

Oriental Aromatics Ltd.

Liabilities (INR Mn)	FY20	FY21	H1-FY22	Assets (INR Mn)	FY20	FY21	H1-FY22
Shareholders Fund				Assets			
Share Capital	168	168	168	Non-Current Assets			
Other Equity	4,470	5,406	5,757	Property, Plant and Equipment	1,814	1,846	1,809
				Intangible Asset	24	2	11
				Capital WIP	17	125	366
Non-Current Liabilities				Right of use- Lease	74	67	63
Financial Liabilities				Goodwill on amalgamation	450	450	450
i) Long-Term Borrowings	15	-	300	Financial Assets			
ii) Other Financial Liabilities	8	2	-	Investment in Subsidiaries	60	96	96
Deferred Tax Liabilities (Net)	261	267	265	Other financial assets	37	40	40
Long-Term Provisions	18	25	28	Income Tax Assets (Net)	32	74	62
				Other non-Current assets	6	6	40
				Current Assets			
Current Liabilities				Inventories	1,623	2,276	2,520
Financial Liabilities				Financial Assets			
i) Short-Term Borrowings	431	779	400	Trade and other Receivable	1,524	1,891	1,875
ii) Trade Payables	566	713	823	Cash & Cash Equivalents	131	151	72
iii) Other financial Liabilities	114	58	75	Bank Balance other than above	18	20	20
Short-Term Provisions	17	14	19	Other Current Financial Assets	8	10	27
Other Current liabilities	21	24	31	Other Current Assets	270	401	414
				Non-Current Assets classified as held for Sale	1	1	1
TOTAL EQUITY AND LIABILITIES	6,089	7,456	7,866	TOTAL ASSETS	6,089	7,456	7,866

Historical Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

Income Statement (Mn)	FY19	FY20	FY21	H1-FY22
Total Operational Income	7,547	7,599	7,088	4,601
Total Expenses	6,397	6,327	5,537	4,059
EBITDA	1,150	1,272	1,551	542
EBITDA Margin (%)	15.24%	16.74%	21.88%	11.78%
Other Income	13	66	17	31
Depreciation	178	190	175	81
Finance Cost	130	119	23	16
Exceptional Item	(23)	-	-	-
PBT	832	1,029	1,370	476
Tax	261	167	351	127
Profit After Tax	571	862	1,019	349
PAT Margin (%)	7.57%	11.34%	14.38%	7.59%
EPS (After Exceptional Items)	16.98	25.61	30.29	10.36

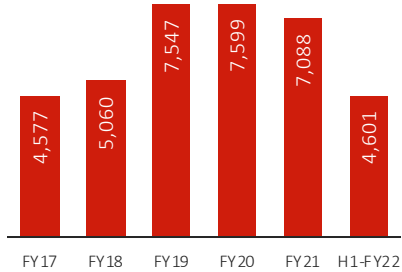
Historical Consolidated Balance Sheet

Oriental Aromatics Ltd.

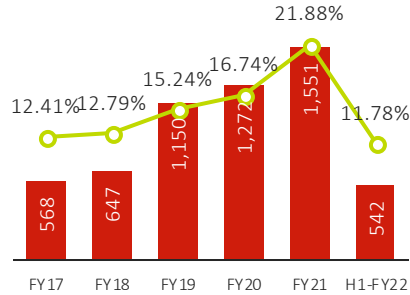
Liabilities (INR Mn)	FY20	FY21	H1-FY22	Assets (INR Mn)	FY20	FY21	H1-FY22
Shareholders Fund				Assets			
Share Capital	168	168	168	Non-Current Assets			
Other Equity	4,473	5,405	5,752	Property, Plant and Equipment	1,815	1,846	1,852
				Goodwill on Amalgamation	450	450	450
				Capital WIP	18	127	373
				Intangible Assets	24	2	11
Financial Liabilities				Right to use	74	67	64
i) Long-Term Borrowings	15	-	300	Other Financial Assets	37	40	40
ii) Other Financial Liabilities	8	2	-	Income Tax Assets (Net)	32	74	62
Deferred Tax Liabilities (Net)	260	266	264	Other non-Current assets	6	68	62
Long Term Provisions	18	25	29				
				Current Assets			
				Inventories	1,623	2,276	2,520
Current Liabilities				Financial Assets			
Financial Liabilities				Trade and other Receivable	1,514	1,886	1,869
i) Short-Term Borrowings	431	779	401	Cash & Cash Equivalents	173	154	73
ii) Trade Payables	557	709	818	Bank Bal other than above	38	47	35
iii) Other financial Liabilities	115	58	75	Other Current Financial Assets	8	10	28
Short-Term Provisions	17	14	18	Other Current Assets	270	402	415
Other Current liabilities	21	24	30	Non-Current Assets Classified as held for Sale	1	1	1
TOTAL EQUITY AND LIABILITIES	6,083	7,450	7,855	TOTAL ASSETS	6,083	7,450	7,855

Financial Performance (Consolidated)

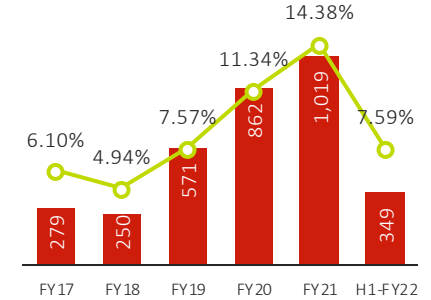
Revenue from Operations (INR Mn)



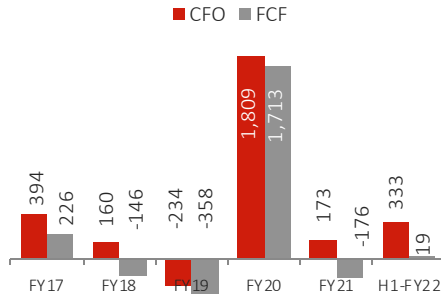
EBITDA (INR Mn) EBITDA MARGIN (%)



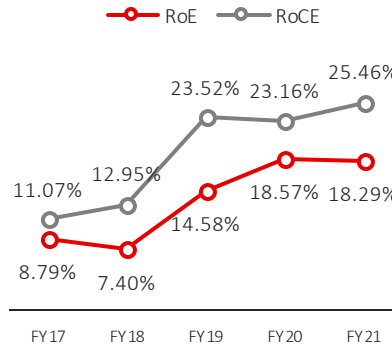
PAT (INR Mn) PAT MARGIN (%)



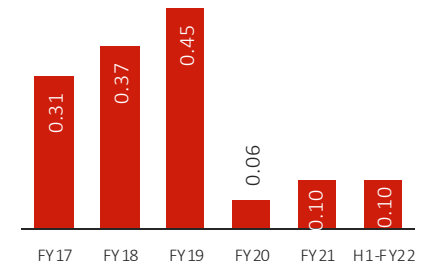
Cash flow from operations (CFO) & Free Cash Flows (FCF) (INR Mn)

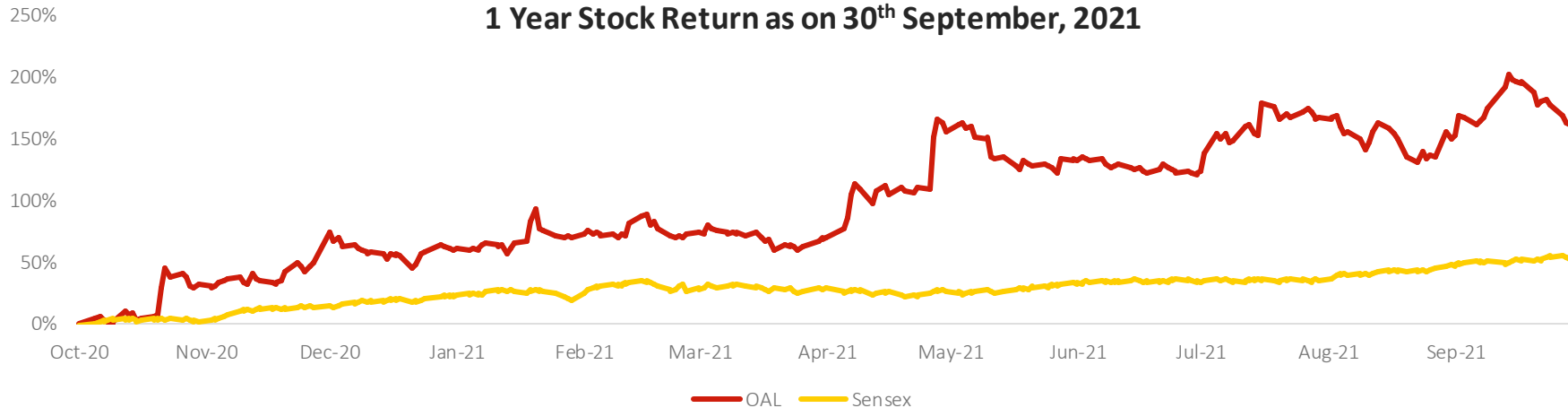


RoE (%) and RoCE (%)



Net D/E (x)



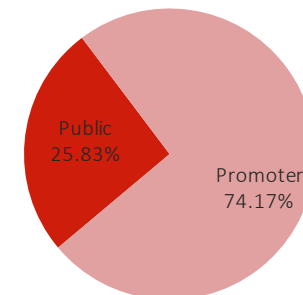


Price Data (30th September, 2021)

INR

Face Value	5.0
CMP	898.5
52 Week H/L (INR)	1,148.0/340.3
Avg. Net Turnover(INR Mn)	31.9
Market Cap (INR Mn)	30,236.1
Equity Shares Outstanding (Mn)	33.7

Shareholding Pattern as on 30th September, 2021



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Thank you

Oriental Aromatics Ltd.