

Oriental Aromatics

Ref: OAL/BSE/NSE/84/2022-23

10th November, 2022

To
The Manager
Department of Corporate Services,
BSE Limited,
Phiroz Jeejeebhoy Towers
Dalal Street, Mumbai- 400 001
Scrip ID : OAL
Scrip Code: 500078

To
The Manager
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai - 400 051
Symbol: OAL
Series : EQ

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Ma'am,

This is to inform you that pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), read with Part A of Schedule III of the Listing Regulations, we hereby enclose the Earning Presentation for the Quarter and Half-Year ended 30th September, 2022.

Pursuant to Regulation 46(2) (0) of the Listing Regulations, the aforesaid Earnings Presentation is also uploaded on the website of the Company i.e. www.orientalaromatics.com.

Kindly take the same on your record.

Thanking you.

For Oriental Aromatics Limited

KIRANPREET
KAUR GILL

Digitally signed by
KIRANPREET KAUR GILL
Date: 2022.11.10 11:48:14
+05'30'

Kiranpreet Gill
Company Secretary & Compliance Officer

Oriental Aromatics Ltd.

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Oriental Aromatics Ltd.

EARNINGS PRESENTATION | Q2/H1-FY23





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 16,978 Mn as on 30thSeptember, 2022.

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. – 7,900 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

FY22 Consolidated Financials

Op. Income
INR 8,688 Mn

EBITDA
INR 925 Mn

EBITDA Margin
10.65%

ROCE
12.51%

PBT
INR 759 Mn

Net Profit
INR 533 Mn

EPS
INR 15.84

ROE
8.81%



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

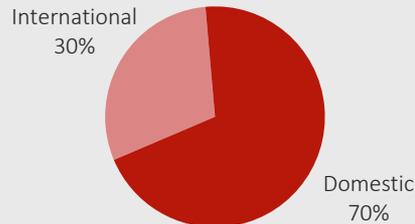


Aroma Chemicals

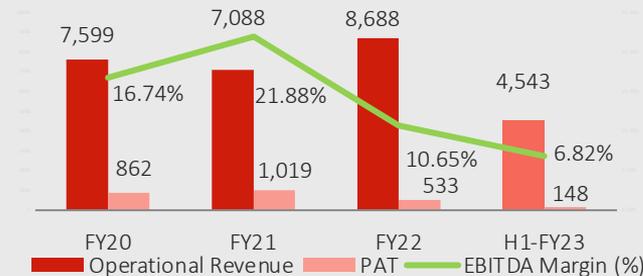


Camphor

FY22 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.



Q2/H1-FY23
Financial
Overview

Q2-FY23 Consolidated Financial Performance

INR 2,208 Mn	INR 146 Mn	6.61 %
Revenue from Operations	EBITDA	EBITDA Margin
INR 63 Mn	2.85 %	INR 1.88
Net Profit	PAT Margin	Basic/Diluted EPS

H1-FY23 Consolidated Financial Performance

INR 4,543 Mn	INR 310 Mn	6.82 %
Revenue from Operations	EBITDA	EBITDA Margin
INR 148 Mn	3.26 %	INR 4.38
Net Profit	PAT Margin	Basic/Diluted EPS

- During the quarter, the company witnessed a healthy demand in Fragrance, Flavours & Camphor.
- Specialty Aroma ingredients & Terpene chemicals have seen a bit of softening of demand due to over-stocking of materials in the supply chain. However, the forecasting for the first half of calendar year 2023 for both these divisions remains strong and in line with the demand.
- Productions and Sales Volumes for the quarter decreased by 2% & 12% respectively on a Q-o-Q basis.
- Margin and profitability pressure continued due to significant increases across all input costs due to the impact of geopolitical issues and US Dollar appreciation, however raw material costs are showing signs of stabilization from mid of the quarter and in some cases have started showing downward correction as well.
- Net Debt/Equity ratio as on 30th September 2022 improved to 0.26x.

Capital Expenditure Update:

- The capex plans for all expansion projects in the group are going ahead in full swing. We are glad that we paused our capex plans briefly in Q1-FY23, due to unreasonable increase in input costs then. Due to this decision, we have saved almost 7% to 8% in project costs. Now that the prices have stabilized, although at higher levels in some cases, we are focusing on execution and time lines for commissioning of the projects at the earliest.

Q2-FY23 Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	Q2-FY23	Q2-FY22	Y-O-Y	Q1-FY23	Q-O-Q
Revenue from Operations	2,208	2,305	(4.2)%	2,336	(5.5)%
Total Expenses	2,062	2,107	(2.1)%	2,171	(5.0)%
EBITDA	146	198	(26.3)%	165	(11.5)%
<i>EBITDA Margins (%)</i>	<i>6.61%</i>	<i>8.59%</i>	<i>(198) Bps</i>	<i>7.06%</i>	<i>(45) Bps</i>
Other Income	23	20	15%	20	15%
Depreciation	48	41	17.1%	47	2.1%
Finance Cost	33	10	NA	24	37.5%
PBT	88	167	(47.3)%	114	(22.8)%
Tax	25	46	(45.7)%	30	(16.7)%
PAT	63	121	(47.9)%	84	(25.0)%
<i>PAT Margins (%)</i>	<i>2.85%</i>	<i>5.25%</i>	<i>(240) Bps</i>	<i>3.60%</i>	<i>(75) Bps</i>
Basic/Diluted EPS (INR)	1.88	3.61	(47.9)%	2.50	(24.8)%

H1-FY23 Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	H1-FY23	H1-FY22	Y-O-Y
Revenue from Operations	4,543	4,601	(1.3)%
Total Expenses	4,233	4,059	4.3%
EBITDA	310	542	(42.8)%
<i>EBITDA Margins (%)</i>	<i>6.82%</i>	<i>11.78%</i>	<i>(496) Bps</i>
Other Income	44	31	41.9%
Depreciation	95	81	17.3%
Finance Cost	57	16	NA
PBT	202	476	(57.6)%
Tax	54	127	(57.5)%
PAT	148	349	(57.6)%
<i>PAT Margins (%)</i>	<i>3.26%</i>	<i>7.59%</i>	<i>(433) Bps</i>
Basic/Diluted EPS (INR)	4.38	10.36	(57.7)%



Historical Financial Overview

Historical Standalone Income Statement

Oriental Aromatics Ltd.

Income Statement (Mn)	FY20	FY21	FY22	H1-FY23
Total Operational Income	7,594	7,088	8,688	4,543
Total Expenses	6,312	5,532	7,753	4,229
EBITDA	1,282	1,556	935	314
<i>EBITDA Margins (%)</i>	<i>16.88%</i>	<i>21.95%</i>	<i>10.76%</i>	<i>6.91%</i>
Other Income	63	18	44	44
Depreciation	190	175	170	94
Finance Cost	120	24	41	58
PBT	1,035	1,375	768	206
Tax	167	351	227	55
Profit After Tax	868	1,024	541	151
<i>PAT Margins (%)</i>	<i>11.43%</i>	<i>14.45%</i>	<i>6.23%</i>	<i>3.32%</i>
EPS (After Exceptional Items)	25.78	30.44	16.06	4.50

Historical Standalone Balance Sheet

Oriental Aromatics Ltd.

Liabilities (INR Mn)	FY21	FY22	H1-FY23
Shareholders Fund			
Share Capital	168	168	168
Other Equity	5,406	5,893	6,042
Non-Current Liabilities			
Financial Liabilities			
i) Long-Term Borrowings	-	450	383
ii) Other Financial Liabilities	2	-	14
Deferred Tax Liabilities (Net)	267	271	272
Long-Term Provisions	25	21	23
Current Liabilities			
Financial Liabilities			
i) Short-Term Borrowings	779	943	1319
ii) Trade Payables	713	817	818
iii) Other financial Liabilities	58	38	59
Short-Term Provisions	14	19	23
Other Current liabilities	24	40	17
TOTAL EQUITY AND LIABILITIES	7,456	8,660	9,138

Assets (INR Mn)	FY21	FY22	H1-FY23
Assets			
Non-Current Assets			
Property, Plant and Equipment	1,846	2,076	2,087
Intangible Asset	2	24	33
Capital WIP	125	210	245
Right of use- Lease	67	60	74
Goodwill on amalgamation	450	450	450
Financial Assets			
Investment in Subsidiaries	96	144	240
Other financial assets	40	39	41
Income Tax Assets (Net)	74	77	101
Other non-Current assets	6	42	43
Current Assets			
Inventories	2,276	2,869	3,062
Financial Assets			
Trade and other Receivable	1,891	1,954	2,072
Cash & Cash Equivalents	151	63	42
Bank Balance other than above	20	16	16
Other Current Financial Assets	10	12	8
Other Current Assets	401	624	624
Non-Current Assets classified as held for Sale	1	-	
TOTAL ASSETS	7,456	8,660	9,138

Historical Consolidated Income Statement

Oriental Aromatics Ltd.

Income Statement (Mn)	FY20	FY21	FY22	H1-FY23
Total Operational Income	7,599	7,088	8,688	4,543
Total Expenses	6,327	5,537	7,763	4,233
EBITDA	1,272	1,551	925	310
<i>EBITDA Margins (%)</i>	<i>16.74%</i>	<i>21.88%</i>	<i>10.65%</i>	<i>6.82%</i>
Other Income	66	17	44	44
Depreciation	190	175	170	95
Finance Cost	119	23	40	57
PBT	1,029	1,370	759	202
Tax	167	351	226	54
Profit After Tax	862	1,019	533	148
<i>PAT Margins (%)</i>	<i>11.34%</i>	<i>14.38%</i>	<i>6.13%</i>	<i>3.26%</i>
EPS (After Exceptional Items)	25.61	30.29	15.84	4.38

Historical Consolidated Balance Sheet

Oriental Aromatics Ltd.

Liabilities (INR Mn)	FY20	FY21	FY22	H1-FY23
Shareholders Fund				
Share Capital	168	168	168	168
Other Equity	4,473	5,405	5,884	6,029
Non-Current Liabilities				
Financial Liabilities				
i) Long-Term Borrowings	15	-	450	383
ii) Other Financial Liabilities	8	2	1	16
Deferred Tax Liabilities (Net)	260	266	269	270
Long Term Provisions	18	25	21	23
Current Liabilities				
Financial Liabilities				
i) Short-Term Borrowings	431	779	943	1,319
ii) Trade Payables	557	709	812	812
iii) Other financial Liabilities	115	58	41	59
Short-Term Provisions	17	14	20	24
Other Current liabilities	21	24	40	17
TOTAL EQUITY AND LIABILITIES	6,083	7,450	8,649	9,121

Assets (INR Mn)	FY20	FY21	FY22	H1-FY23
Assets				
Non-Current Assets				
Property, Plant and Equipment	1,815	1,846	2,079	2,090
Goodwill on Amalgamation	450	450	450	450
Capital WIP	18	127	251	330
Intangible Assets	24	2	24	33
Right to use	74	67	102	115
Other Financial Assets	37	40	41	68
Income Tax Assets (Net)	32	74	77	101
Other non-Current assets	6	68	75	67
Current Assets				
Inventories	1,623	2,276	2,869	3,062
Financial Assets				
Trade and other Receivable	1,514	1,886	1,948	2,066
Cash & Cash Equivalents	173	154	66	43
Bank Bal other than above	38	47	28	53
Other Current Financial Assets	8	10	12	9
Other Current Assets	270	402	627	634
Non-Current Assets Classified as held for Sale	1	1	-	-
TOTAL ASSETS	6,083	7,450	8,649	9,121

Consolidated Financial Performance

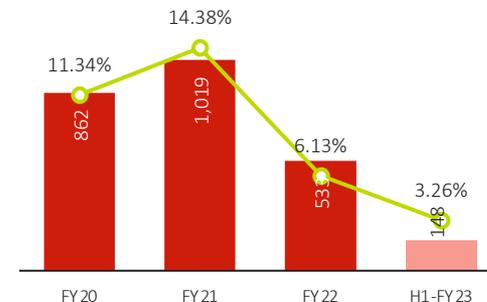
Revenue from Operations (INR Mn)



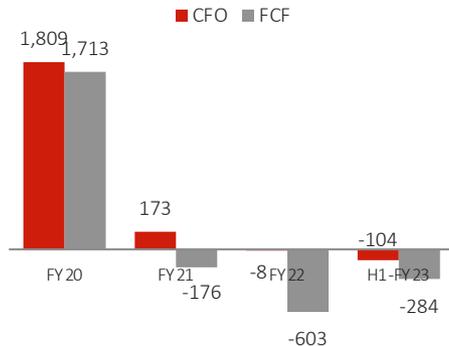
EBITDA (INR Mn) EBITDA MARGINS (%)



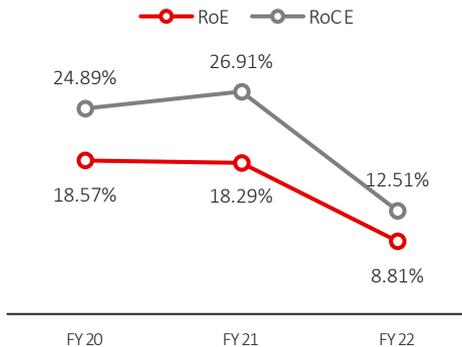
PAT (INR Mn) PAT MARGINS (%)



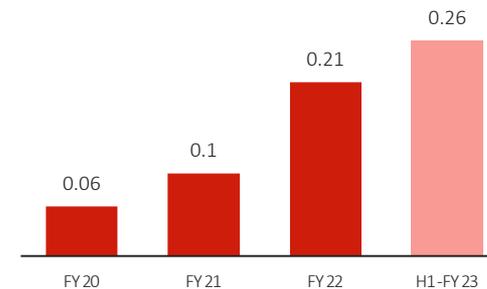
Cash flow from operations (CFO) & Free Cash Flows (FCF) (INR Mn)



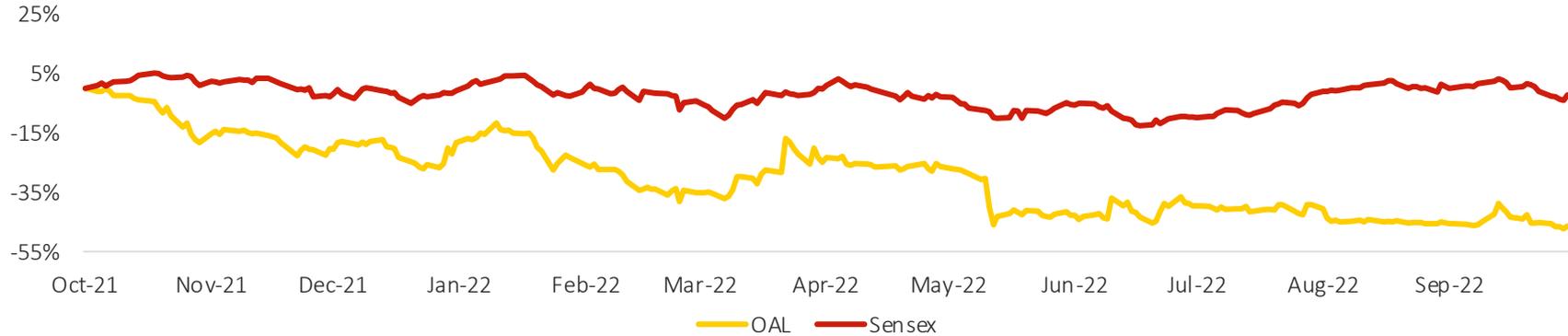
RoE (%) and RoCE (%)



Net D/E (x)



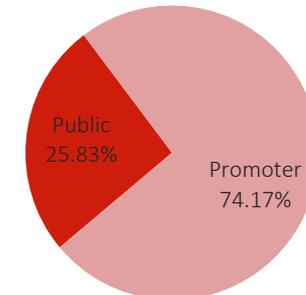
Stock Performance (As on 30th September, 2022)



Price Data (As on 30th September, 2022)

	INR
Face Value	5.0
CMP	504.50
52 Week H/L (INR)	998.95 / 489.70
Avg. Net Turnover(INR Mn)	14.9
Market Cap (INR Mn)	16,978
Equity Shares Outstanding (Mn)	33.65

Shareholding Pattern (As on 30th September, 2022)



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Thank you

Oriental Aromatics Ltd.