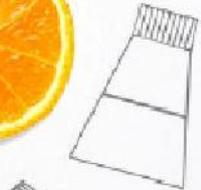
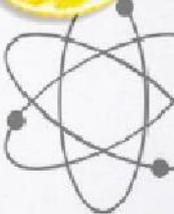
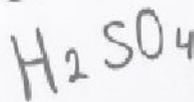
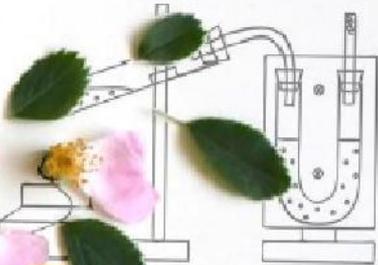
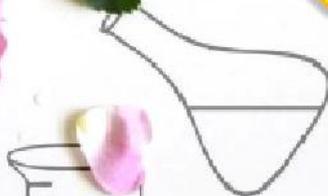


Oriental Aromatics Ltd.

EARNINGS PRESENTATION | H1 / Q2-FY21





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 11,812 Mn as on September 30, 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

- 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

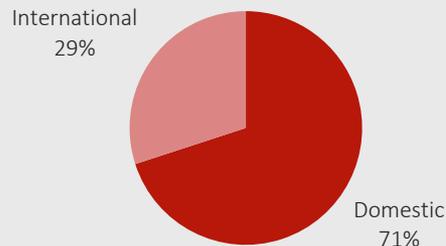


Aroma Chemicals

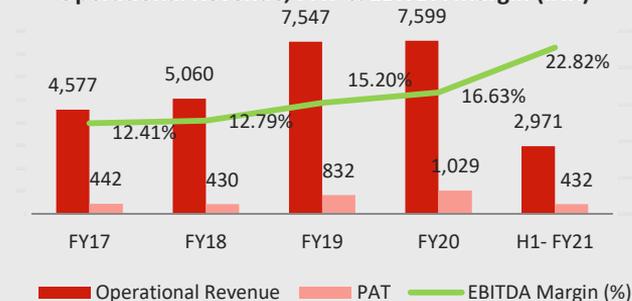


Camphor

FY20 Geographical Sales (%)



Operational Revenue, PAT & EBITDA Margin (INR)



Sources of Raw Materials



Pine Tree



Petroleum



Aleuritic Acid
(Shell 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.



H1/Q2-FY21
Financial
Overview

Q2- FY21 Standalone Performance:

- Revenue from Operations: INR 1,838 Mn
- EBITDA : INR 491 Mn
- EBITDA Margins: 26.71%
- Net Profit: INR 332 Mn
- PAT Margins: 18.06%
- Basic/Diluted EPS: INR 9.85 per share

H1-FY21 Standalone Performance:

- Revenue from Operations: INR 2,971 Mn
- EBITDA : INR 679 Mn
- EBITDA Margins: 22.85%
- Net Profit: INR 432 Mn
- PAT Margins: 14.54%
- Basic/Diluted EPS: INR 12.84 per share

Q2- FY21 Consolidated Performance:

- Revenue from Operations: INR 1,838 Mn
- EBITDA : INR 490 Mn
- EBITDA Margins: 26.66%
- Net Profit: INR 332 Mn
- PAT Margins: 18.06%
- Basic/Diluted EPS: INR 9.88 per share

H1- FY21 Consolidated Performance:

- Revenue from Operations: INR 2,971 Mn
- EBITDA : INR 678 Mn
- EBITDA Margins: 22.82%
- Net Profit: INR 432 Mn
- PAT Margins: 14.54%
- Basic/Diluted EPS: INR 12.83 per share

- During the quarter, with gradual lifting of the lockdown, the company witnessed a healthy demand for all the products.
- Production volumes on a Y-o-Y basis were better for most of the products. This points to all our manufacturing sites reaching pre Covid productions levels with healthy demand.
- Sales Volumes for the quarter have grown by 49% on a Q-o-Q basis while they remained flat on a Y-o-Y basis.
- Improvement in sales realizations along with stabilized raw material prices have significantly improved profit margins on Q-o-Q as well as on a Y-o-Y basis.
- As on 30th September, 2020 cash from operations stood at INR 354 Mn.
- Company reduced its net debt further by INR 333 Mn to INR 175 Mn.
- Cash profit stood at INR 378 Million, an increase of 20.38% on a Y-o-Y basis and substantial increase in Q-o-Q basis .
- Debt/Equity ratio as on 30th September 2020 improved to 0.03 from 0.11 as on 31st March 2020.

Q2-FY21 Standalone Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	Q2-FY21	Q2-FY20	Y-O-Y	Q1-FY21	Q-O-Q
Revenue from Operations	1,838	2,042	(10.0)%	1,133	62.2%
Total Expenses	1,347	1,771	(23.9)%	950	41.8%
EBITDA	491	271	81.2%	183	168.3%
EBITDA Margin (%)	26.71%	13.27%	NA	16.15%	NA
Other Income	3	15	(80.0)%	6	(50.0)%
Depreciation	46	47	(2.1)%	46	NA
Finance Cost	3	38	(92.1)%	8	(62.5)%
PBT	445	201	121.4%	135	NA
Tax	113	(60)	NA	35	NA
PAT	332	261	27.2%	100	NA
PAT Margin (%)	18.06%	12.78%	528 Bps	8.83%	923 Bps
Basic/Diluted EPS (INR)	9.85	7.76	26.9%	2.98	NA

H1-FY21 Standalone Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	H1-FY21	H1-FY20	Y-O-Y
Revenue from Operations	2,971	4,159	(28.6)%
Total Expenses	2,292	3,525	(35.0)%
EBITDA	679	634	7.1%
EBITDA Margin (%)	22.85%	15.24%	761 Bps
Other Income	5	16	(68.8)%
Depreciation	92	92	NA
Finance Cost	11	67	(83.6)%
PBT	581	491	18.3%
Tax	149	44	NA
PAT	432	447	(3.4)%
PAT Margin (%)	14.54%	10.75%	379 Bps
Basic/Diluted EPS (INR)	12.84	13.27	(3.2)%

Q2-FY21 Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	Q2-FY21	Q2-FY20	Y-O-Y	Q1-FY21	Q-O-Q
Revenue from Operations	1,838	2,042	(10.0)%	1,133	62.2%
Total Expenses	1,348	1,767	(23.7)%	949	42.0%
EBITDA	490	275	78.2%	184	166.3%
EBITDA Margin (%)	26.66%	13.47%	NA	16.24%	NA
Other Income	5	17	(70.6)%	4	25.0%
Depreciation	46	47	(2.1)%	46	NA
Finance Cost	3	38	(92.1)%	8	(62.5)%
PBT	446	207	115.5%	134	NA
Tax	114	(60)	NA	35	NA
PAT	332	267	24.3%	99	NA
PAT Margin (%)	18.06%	13.08%	498 Bps	8.74%	932 Bps
Basic/Diluted EPS (INR)	9.88	7.94	24.4%	2.95	NA

H1-FY21 Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	H1-FY21	H1-FY20	Y-O-Y
Revenue from Operations	2,971	4,163	(28.6)%
Total Expenses	2,293	3,531	(35.1)%
EBITDA	678	632	7.3%
EBITDA Margin (%)	22.82%	15.18%	764 Bps
Other Income	5	18	(72.2)%
Depreciation	92	92	NA
Finance Cost	10	67	(85.1)%
PBT	581	491	18.3%
Tax	149	44	NA
PAT	432	447	(3.4)%
PAT Margin (%)	14.54%	10.74%	380 Bps
Basic/Diluted EPS (INR)	12.83	13.28	(3.4)%



Historical Financial Overview

Historical Standalone Income Statement (IND-AS)

Oriental Aromatics Ltd.

Income Statement (Mn)	FY18	FY19	FY20	H1-FY21
Total Operational Income	5,057	7,526	7,594	2,971
Total Expenses	4,398	6,372	6,319	2,292
EBITDA	659	1,154	1,275	679
EBITDA Margin (%)	13.03%	15.33%	16.79%	22.85%
Other Income	41	13	70	5
Depreciation	148	177	190	92
Finance Cost	69	130	120	11
Exceptional Items	-	(101)	-	-
PBT	483	759	1,035	581
Tax	180	260	167	149
Profit After Tax	303	499	868	432
PAT Margin (%)	6.00%	6.63%	11.43%	14.54%
EPS (After Exceptional Items)	9.01	14.82	25.78	12.84

Historical Standalone Balance Sheet

Oriental Aromatics Ltd.

Liabilities (INR Mn)	FY19	FY20	H1-FY21	Assets (INR Mn)	FY19	FY20	H1-FY21
Shareholders Fund				Assets			
Share Capital	168	168	168	Non-Current Assets			
Other Equity	3,752	4,470	4,898	Property, Plant and Equipment	1,941	1,814	1,755
				Intangible Asset	58	24	7
Non-Current Liabilities				Capital WIP	8	17	132
Financial Liabilities				Right of use- Lease	-	74	70
i) Long-Term Borrowings	118	15	-	Goodwill on amalgamation	450	450	450
ii) Other Financial Liabilities	-	8	6	Financial Assets			
Deferred Tax Liabilities (Net)	342	261	260	Investment in Subsidiaries	-	60	60
Long-Term Provisions	19	18	18	Other financial assets	37	37	38
				Income Tax Assets (Net)	30	32	18
				Other non-Current assets	3	6	25
Current Liabilities				Current Assets			
Financial Liabilities				Inventories	2,027	1,623	1,997
i) Short-Term Borrowings	1,622	431	129	Financial Assets			
ii) Trade Payables	534	566	663	Trade and other Receivable	1,610	1,524	1,351
iii) Other financial Liabilities	146	114	107	Cash & Cash Equivalents	36	131	40
Short-Term Provisions	14	17	22	Bank Balance other than above	13	18	18
Current Tax Liabilities	-	-	-	Other Current Financial Assets	14	8	10
Other Current liabilities	17	21	21	Other Current Assets	504	270	320
				Non-Current Assets classified as held for Sale	1	1	1
TOTAL EQUITY AND LIABILITIES	6,732	6,089	6,292	TOTAL ASSETS	6,732	6,089	6,292

Historical Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

Income Statement (Mn)	FY18	FY19	FY20	H1-FY21
Total Operational Income	5,060	7,547	7,599	2,971
Total Expenses	4,413	6,397	6,335	2,293
EBITDA	647	1,150	1,264	678
EBITDA Margin (%)	12.79%	15.24%	16.63%	22.82%
Other Income	4	13	74	5
Depreciation	148	178	190	92
Finance Cost	73	130	119	10
Exceptional Item	-	(23)	-	-
PBT	430	832	1,029	581
Tax	180	261	167	149
Profit After Tax	250	571	862	432
PAT Margin (%)	4.94%	7.57%	11.34%	14.54%
EPS (After Exceptional Items)	7.42	16.98	25.61	12.83

Historical Consolidated Balance Sheet

Oriental Aromatics Ltd.

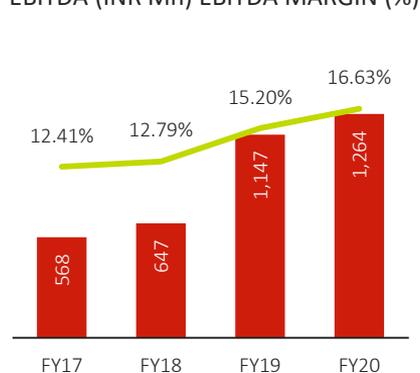
Liabilities (INR Mn)	FY19	FY20	H1-FY21	Assets (INR Mn)	FY19	FY20	H1-FY21
Shareholders Fund				Assets			
Share Capital	168	168	168	Non-Current Assets			
Other Equity	3,751	4,473	4,901	Property, Plant and Equipment	1,941	1,815	1,755
				Goodwill on Amalgamation	450	450	450
				Capital WIP	8	18	132
Financial Liabilities				Intangible Assets	58	24	7
i) Long-Term Borrowings	118	15	-	Right to use	-	74	70
ii) Other Financial Liabilities	-	8	6	Other Financial Assets	37	37	38
Deferred Tax Liabilities (Net)	342	260	260	Income Tax Assets (Net)	30	32	18
Long Term Provisions	19	18	18	Other non-Current assets	4	6	37
Current Liabilities				Current Assets			
Financial Liabilities				Inventories	2,029	1,623	1,997
i) Short-Term Borrowings	1,622	431	129	Financial Assets			
ii) Trade Payables	535	557	654	Trade and other Receivable	1,600	1,514	1,340
iii) Other financial Liabilities	146	115	107	Cash & Cash Equivalents	50	173	52
Short-Term Provisions	14	17	22	Bank Bal other than above	13	38	57
Current Tax Liabilities	-	-	-	Other Current Financial Assets	8	8	11
Other Current liabilities	17	21	21	Other Current Assets	503	270	321
				Non-Current Assets Classified as held for Sale	1	1	1
TOTAL EQUITY AND LIABILITIES	6,732	6,083	6,286	TOTAL ASSETS	6,732	6,083	6,286

Financial Performance (Consolidated)

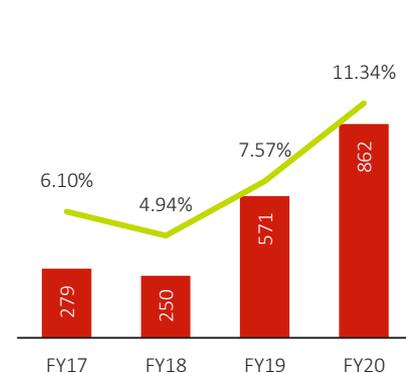
Revenue from Operations (INR Mn)



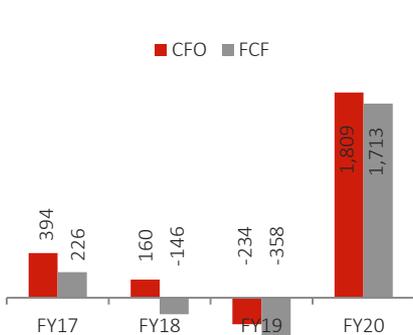
EBITDA (INR Mn) EBITDA MARGIN (%)



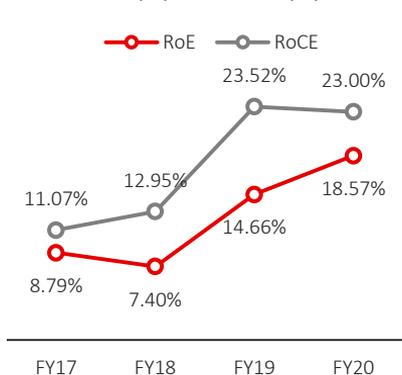
PAT (INR Mn) PAT MARGIN (%)



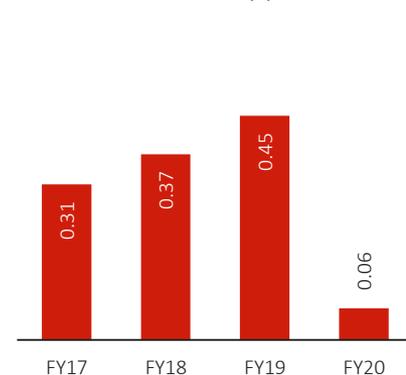
Cash flow from operations (CFO) & Free Cash Flows (FCF) (INR Mn)



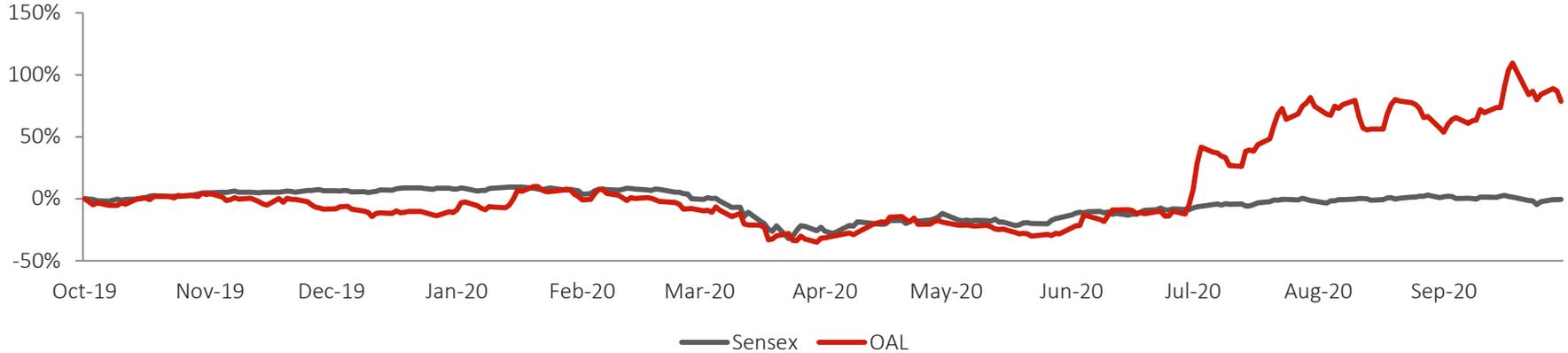
RoE (%) and RoCE (%)



Net D/E (x)

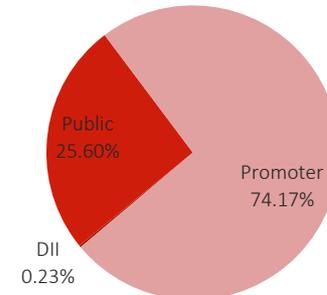


Capital Market Information



Price Data (30 th September, 2020)	INR
Face Value	5.0
CMP	351.0
52 Week H/L (INR)	424.4/117.05
Avg. Net Turnover(INR Mn)	7.6
Market Cap (INR Mn)	11,812.4
Equity Shares Outstanding (Mn)	33.7

Shareholding Pattern as on 30th September, 2020



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Thank you

Oriental Aromatics Ltd.