

*Oriental Aromatics Ltd.*

EARNINGS PRESENTATION | 9M / Q3-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 18,701 Mn as on December 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

- 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

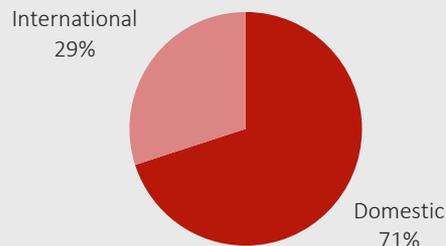


Aroma Chemicals



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.



9M/Q3-FY21  
Financial  
Overview

# 9M / Q3-FY21 Financial Highlights

*Oriental Aromatics Ltd.*

## Q3-FY21 Standalone Financial Performance

<b>INR 1,907 Mn</b> Revenue from Operations	<b>INR 538 Mn</b> EBITDA	<b>28.21%</b> EBITDA Margins
<b>INR 364 Mn</b> Net Profit	<b>19.09%</b> PAT Margins	<b>INR 10.80</b> Basic/Diluted EPS

## Q3-FY21 Consolidated Financial Performance

<b>INR 1,907 Mn</b> Revenue from Operations	<b>INR 533 Mn</b> EBITDA	<b>27.95%</b> EBITDA Margins
<b>INR 364 Mn</b> Net Profit	<b>19.09%</b> PAT Margins	<b>INR 10.80</b> Basic/Diluted EPS

## 9M-FY21 Standalone Financial Performance

<b>INR 4,878 Mn</b> Revenue from Operations	<b>INR 1,214 Mn</b> EBITDA	<b>24.89%</b> EBITDA Margins
<b>INR 796 Mn</b> Net Profit	<b>16.32%</b> PAT Margins	<b>INR 23.64</b> Basic/Diluted EPS

## 9M-FY21 Consolidated Financial Performance

<b>INR 4,878 Mn</b> Revenue from Operations	<b>INR 1,212 Mn</b> EBITDA	<b>24.85%</b> EBITDA Margins
<b>INR 795 Mn</b> Net Profit	<b>16.30%</b> PAT Margins	<b>INR 23.63</b> Basic/Diluted EPS

- During the quarter, the company witnessed a healthy demand across all product categories i.e. Aroma Chemicals, Flavours & Fragrances and Camphor.
- Sales Volumes for the quarter grew by 7% on a Q-o-Q basis and 13% on a Y-o-Y basis.
- Sales Realizations for Camphor improved during the quarter on a Y-o-Y and Q-o-Q basis, while realizations for the aroma chemicals and Flavours & Fragrance division were flattish.
- The company was carrying low-cost inventory of Raw Material and was successful in getting higher price realisation for its finished goods, this has resulted in better margins for the current quarter; although the company has witnessed increase in the raw material prices since.
- Cash profit stood at INR 406 Mn, an increase of 82% on a Y-o-Y basis and 7% on a Q-o-Q basis.
- Net Debt/Equity ratio as on 31<sup>st</sup> December 2020 further improved to 0.03x from 0.06x as on 31st March 2020.
- CapEx update: The company received its land allotment for the greenfield capacity expansion project at Mahad, Maharashtra in the month of October 2020 and has initiated its process for application of environmental clearance and other such approvals.

# Q3-FY21 Standalone Income Statement (IND-AS)

*Oriental Aromatics Ltd.*

Particulars (INR Mn)	Q3-FY21	Q3-FY20	Y-O-Y	Q2-FY21	Q-O-Q
Revenue from Operations	1,907	1,754	8.7%	1,838	3.8%
Total Expenses	1,369	1,474	(7.1)%	1,347	1.6%
<b>EBITDA</b>	<b>538</b>	<b>280</b>	<b>92.1%</b>	<b>491</b>	<b>9.6%</b>
<b>EBITDA Margin (%)</b>	<b>28.21%</b>	<b>15.96%</b>	<b>1,225 Bps</b>	<b>26.71%</b>	<b>150 Bps</b>
Other Income	3	17	(82.4)%	3	NA
Depreciation	42	47	(10.6)%	46	(8.7)%
Finance Cost	3	17	(82.4)%	3	NA
<b>PBT</b>	<b>496</b>	<b>233</b>	<b>112.9%</b>	<b>445</b>	<b>11.5%</b>
Tax	132	54	144.4%	113	16.8%
<b>PAT</b>	<b>364</b>	<b>179</b>	<b>103.4%</b>	<b>332</b>	<b>9.6%</b>
<b>PAT Margin (%)</b>	<b>19.09%</b>	<b>10.21%</b>	<b>888 Bps</b>	<b>18.06%</b>	<b>103 Bps</b>
Basic/Diluted EPS (INR)	10.80	5.32	103.0%	9.85	9.6%

# 9M-FY21 Standalone Income Statement (IND-AS)

*Oriental Aromatics Ltd.*

Particulars (INR Mn)	9M-FY21	9M-FY20	Y-O-Y
Revenue from Operations	4,878	5,913	(17.5)%
Total Expenses	3,664	4,999	(26.7)%
<b>EBITDA</b>	<b>1,214</b>	<b>914</b>	<b>32.8%</b>
<b>EBITDA Margin (%)</b>	<b>24.89%</b>	<b>15.46%</b>	<b>943 Bps</b>
Other Income	12	33	(63.6)%
Depreciation	135	139	(2.9)%
Finance Cost	14	84	(83.3)%
<b>PBT</b>	<b>1,077</b>	<b>724</b>	<b>48.8%</b>
Tax	281	98	186.7%
<b>PAT</b>	<b>796</b>	<b>626</b>	<b>27.2%</b>
<b>PAT Margin (%)</b>	<b>16.32%</b>	<b>10.59%</b>	<b>573 Bps</b>
Basic/Diluted EPS (INR)	23.64	18.60	27.1%

# Q3-FY21 Consolidated Income Statement (IND-AS)

*Oriental Aromatics Ltd.*

Particulars (INR Mn)	Q3-FY21	Q3-FY20	Y-O-Y	Q2-FY21	Q-O-Q
Revenue from Operations	1,907	1,754	8.7%	1,838	3.8%
Total Expenses	1,374	1,478	(7.0)%	1,348	1.9%
<b>EBITDA</b>	<b>533</b>	<b>276</b>	<b>92.9%</b>	<b>490</b>	<b>8.8%</b>
<b>EBITDA Margin (%)</b>	<b>27.95%</b>	<b>15.74%</b>	<b>1,221 Bps</b>	<b>26.66%</b>	<b>129 Bps</b>
Other Income	7	18	(61.1)%	5	40.0%
Depreciation	42	47	(10.6)%	46	(8.7)%
Finance Cost	2	17	(88.2)%	3	(33.3)%
<b>PBT</b>	<b>496</b>	<b>230</b>	<b>115.3%</b>	<b>446</b>	<b>11.2%</b>
Tax	132	54	144.4%	114	15.8%
<b>PAT</b>	<b>364</b>	<b>176</b>	<b>106.4%</b>	<b>332</b>	<b>9.6%</b>
<b>PAT Margin (%)</b>	<b>19.09%</b>	<b>10.03%</b>	<b>906 Bps</b>	<b>18.06%</b>	<b>103 Bps</b>
Basic/Diluted EPS (INR)	10.80	5.24	106.1%	9.88	9.3%

# 9M-FY21 Consolidated Income Statement (IND-AS)

*Oriental Aromatics Ltd.*

Particulars (INR Mn)	9M-FY21	9M-FY20	Y-O-Y
Revenue from Operations	4,878	5,918	(17.6)%
Total Expenses	3,666	5,009	(26.8)%
<b>EBITDA</b>	<b>1,212</b>	<b>909</b>	<b>33.3%</b>
<b>EBITDA Margin (%)</b>	<b>24.85%</b>	<b>15.36%</b>	<b>949 Bps</b>
Other Income	12	35	(65.7)%
Depreciation	135	139	(2.9)%
Finance Cost	13	84	(84.5)%
<b>PBT</b>	<b>1,076</b>	<b>721</b>	<b>49.2%</b>
Tax	281	98	186.7%
<b>PAT</b>	<b>795</b>	<b>623</b>	<b>27.6%</b>
<b>PAT Margin (%)</b>	<b>16.30%</b>	<b>10.53%</b>	<b>577 Bps</b>
Basic/Diluted EPS (INR)	23.63	18.52	27.6%



## Historical Financial Overview

# Historical Standalone Income Statement (IND-AS)

*Oriental Aromatics Ltd.*

Income Statement (Mn)	FY18	FY19	FY20	9M-FY21
<b>Total Operational Income</b>	<b>5,057</b>	<b>7,526</b>	<b>7,594</b>	<b>4,878</b>
Total Expenses	4,398	6,372	6,319	3,664
<b>EBITDA</b>	<b>659</b>	<b>1,154</b>	<b>1,275</b>	<b>1,214</b>
<b>EBITDA Margin (%)</b>	<b>13.03%</b>	<b>15.33%</b>	<b>16.79%</b>	<b>24.89%</b>
Other Income	41	13	70	12
Depreciation	148	177	190	135
Finance Cost	69	130	120	14
Exceptional Items	-	(101)	-	-
<b>PBT</b>	<b>483</b>	<b>759</b>	<b>1,035</b>	<b>1,077</b>
Tax	180	260	167	281
<b>Profit After Tax</b>	<b>303</b>	<b>499</b>	<b>868</b>	<b>796</b>
<b>PAT Margin (%)</b>	<b>6.00%</b>	<b>6.63%</b>	<b>11.43%</b>	<b>16.32%</b>
EPS (After Exceptional Items)	9.01	14.82	25.78	23.64

# Historical Standalone Balance Sheet

*Oriental Aromatics Ltd.*

Liabilities (INR Mn)	FY19	FY20	H1-FY21	Assets (INR Mn)	FY19	FY20	H1-FY21
<b>Shareholders Fund</b>				<b>Assets</b>			
Share Capital	168	168	168	<b>Non-Current Assets</b>			
Other Equity	3,752	4,470	4,898	Property, Plant and Equipment	1,941	1,814	1,755
				Intangible Asset	58	24	7
<b>Non-Current Liabilities</b>				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
<b>Current Liabilities</b>				<b>Current Assets</b>			
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
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,732</b>	<b>6,089</b>	<b>6,292</b>	<b>TOTAL ASSETS</b>	<b>6,732</b>	<b>6,089</b>	<b>6,292</b>

# Historical Consolidated Income Statement (IND-AS)

*Oriental Aromatics Ltd.*

Income Statement (Mn)	FY18	FY19	FY20	9M-FY21
Total Operational Income	5,060	7,547	7,599	4,878
Total Expenses	4,413	6,397	6,335	3,666
<b>EBITDA</b>	<b>647</b>	<b>1,150</b>	<b>1,264</b>	<b>1,212</b>
<b>EBITDA Margin (%)</b>	<b>12.79%</b>	<b>15.24%</b>	<b>16.63%</b>	<b>24.85%</b>
Other Income	4	13	74	12
Depreciation	148	178	190	135
Finance Cost	73	130	119	13
Exceptional Item	-	(23)	-	-
<b>PBT</b>	<b>430</b>	<b>832</b>	<b>1,029</b>	<b>1,076</b>
Tax	180	261	167	281
<b>Profit After Tax</b>	<b>250</b>	<b>571</b>	<b>862</b>	<b>795</b>
<b>PAT Margin (%)</b>	<b>4.94%</b>	<b>7.57%</b>	<b>11.34%</b>	<b>16.30%</b>
EPS (After Exceptional Items)	7.42	16.98	25.61	23.63

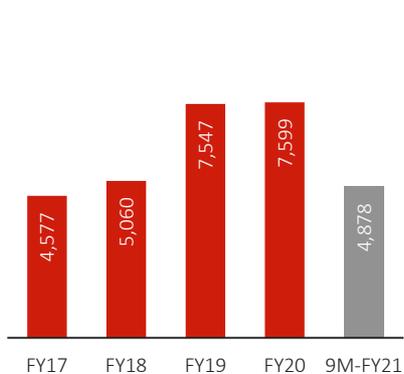
# Historical Consolidated Balance Sheet

*Oriental Aromatics Ltd.*

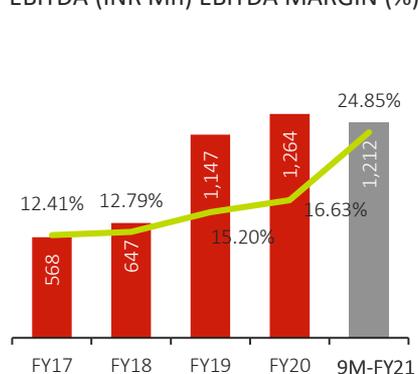
Liabilities (INR Mn)	FY19	FY20	H1-FY21	Assets (INR Mn)	FY19	FY20	H1-FY21
<b>Shareholders Fund</b>				<b>Assets</b>			
Share Capital	168	168	168	<b>Non-Current Assets</b>			
Other Equity	3,751	4,473	4,901	Property, Plant and Equipment	1,941	1,815	1,755
				Goodwill on Amalgamation	450	450	450
				Capital WIP	8	18	132
<b>Financial Liabilities</b>				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
<b>Current Liabilities</b>				<b>Current Assets</b>			
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
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,732</b>	<b>6,083</b>	<b>6,286</b>	<b>TOTAL ASSETS</b>	<b>6,732</b>	<b>6,083</b>	<b>6,286</b>

# Financial Performance (Consolidated)

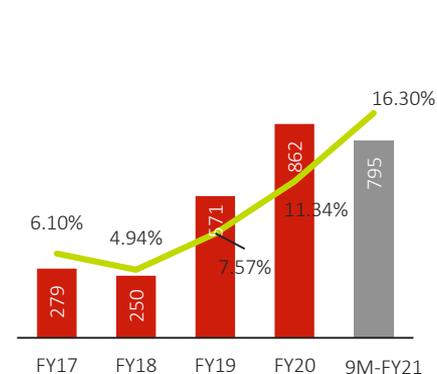
Revenue from Operations (INR Mn)



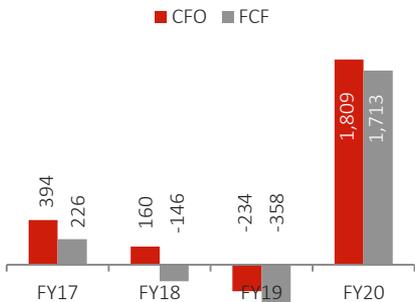
EBITDA (INR Mn) EBITDA MARGIN (%)



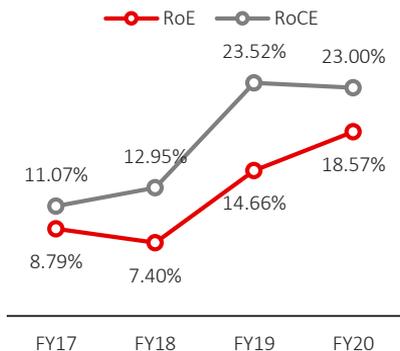
PAT (INR Mn) PAT MARGIN (%)



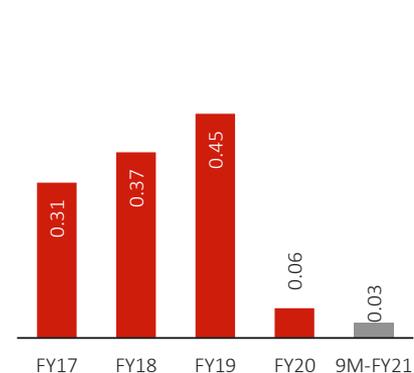
Cash flow from operations (CFO) & Free Cash Flows (FCF) (INR Mn)



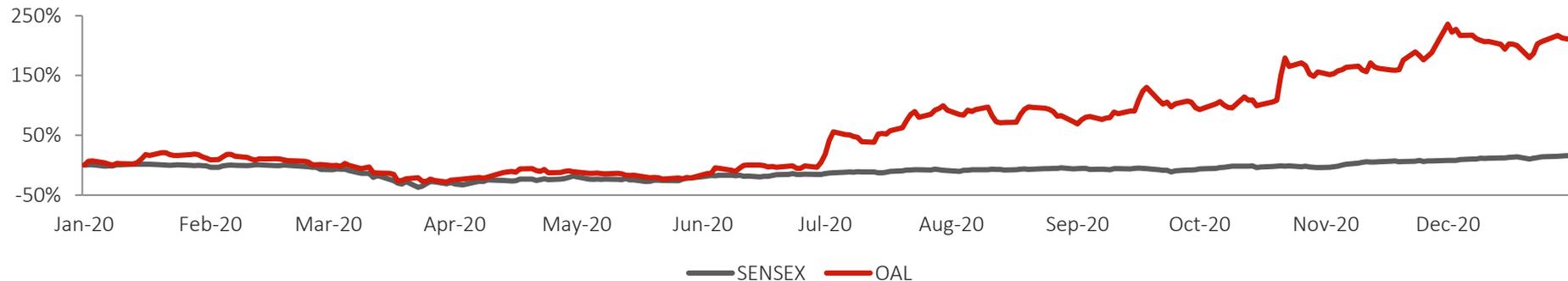
RoE (%) and RoCE (%)



Net D/E (x)



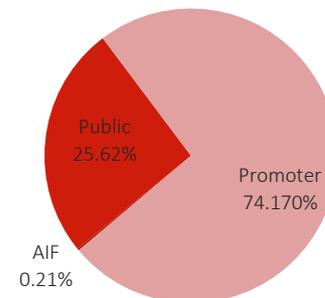
## 1 Year Stock Return as on 31<sup>st</sup> December, 2020



### Price Data (31<sup>st</sup> December , 2020)

Face Value (INR)	5.0
CMP (INR)	555.7
52 Week H/L (INR)	640.0/117.1
Avg. Net Turnover(INR Mn)	14.1
Market Cap (INR Mn)	18,701.3
Equity Shares Outstanding (Mn)	33.7

### Shareholding Pattern as on 31<sup>st</sup> December, 2020



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Thank you

*Oriental Aromatics Ltd.*