

Oriental Aromatics Ltd.

EARNINGS PRESENTATION | Q4-FY21 / 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 19,748 Mn as on March 31, 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
30.29 INR

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

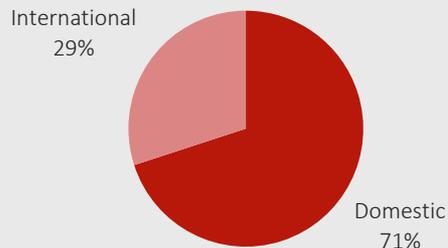


Aroma Chemicals

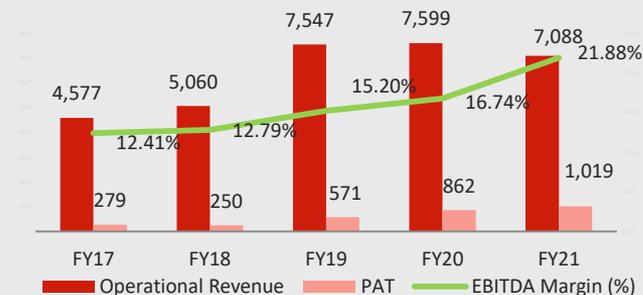


Camphor

FY21 Geographical Sales (%)



Operational Revenue, PAT & EBITDA Margin (INR)



Sources of Raw Materials



Pine Tree



Petroleum



Aleuritic Acid
(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



Spiritual



Balms



Detergents



Hair Oils,
Shampoos, Soaps
etc.



Q4-FY21 / FY21
Financial
Overview

Q4-FY21 Consolidated Financial Performance

INR 2,214 Mn Revenue from Operations	INR 333 Mn EBITDA	15.04% EBITDA Margins
INR 224 Mn Net Profit	10.12% PAT Margins	INR 6.66 Basic/Diluted EPS

FY21 Consolidated Financial Performance

INR 7,088 Mn Revenue from Operations	INR 1,551 Mn EBITDA	21.88% EBITDA Margins
INR 1,019 Mn Net Profit	14.38% PAT Margins	INR 30.29 Basic/Diluted EPS

- During the quarter, the company witnessed a healthy demand across most products, however demand for Terpine Chemicals were under pressure.
 - Increase in revenues on a Y-o-Y and a Q-o-Q basis was mainly driven by the volume growth.
 - The raw material cost for the Terpine chemicals division was higher while the price realizations for them were lower due to seasonal patterns, which impacted the margins for the quarter
 - For FY21, Cash profit stood at INR 1,194 Mn, an increase of 13% on a Y-o-Y basis.
- ☐ CAPEX UPDATE:
- Capital investments program in Baroda, Bareilly and Mahad are on track. However, they are facing moderate delays due to current COVID situation.

Q4-FY21 Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	Q4-FY21	Q4-FY20	Y-O-Y	Q3-FY21	Q-O-Q
Revenue from Operations	2,214	1,697	30.5%	1,907	16.1%
Total Expenses	1,881	1,341	40.3%	1,374	36.9%
EBITDA	333	356	(6.5)%	533	(37.5)%
EBITDA Margin (%)	15.04%	20.98%	(594) Bps	27.95%	(1291) Bps
Other Income	11	39	(71.8)%	7	57.1%
Depreciation	40	51	(21.6)%	42	(4.8)%
Finance Cost	11	36	(69.4)%	2	NA
PBT	293	308	(4.9)%	496	(40.9)%
Tax	69	69	NA	132	(47.7)%
PAT	224	239	(6.3)%	364	(38.5)%
PAT Margin (%)	10.12%	14.08%	(396) Bps	19.09%	(897) Bps
Basic/Diluted EPS (INR)	6.66	7.09	(6.1)%	10.80	(38.3)%

FY21 Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	FY21	FY20	Y-O-Y
Revenue from Operations	7,088	7,599	(6.7)%
Total Expenses	5,537	6,327	(12.5)%
EBITDA	1,551	1,272	21.9%
EBITDA Margin (%)	21.88%	16.74%	514 Bps
Other Income	17	66	(74.2)%
Depreciation	175	190	(7.9)%
Finance Cost	23	119	(80.7)%
PBT	1,370	1,029	33.1%
Tax	351	167	110.2%
PAT	1,019	862	18.2%
PAT Margin (%)	14.38%	11.34%	304 Bps
Basic/Diluted EPS (INR)	30.29	25.61	18.3%



Historical Financial Overview

Historical Standalone Income Statement (IND-AS)

Oriental Aromatics Ltd.

Income Statement (Mn)	FY19	FY20	FY21
Total Operational Income	7,526	7,594	7,088
Total Expenses	6,372	6,312	5,532
EBITDA	1,154	1,282	1,556
EBITDA Margin (%)	15.33%	16.88%	21.95%
Other Income	13	63	18
Depreciation	177	190	175
Finance Cost	130	120	24
Exceptional Items	(101)	-	-
PBT	759	1,035	1,375
Tax	260	167	351
Profit After Tax	499	868	1024
PAT Margin (%)	6.63%	11.43%	14.45%
EPS (After Exceptional Items)	14.82	25.78	30.44

Historical Standalone Balance Sheet

Oriental Aromatics Ltd.

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

Historical Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

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

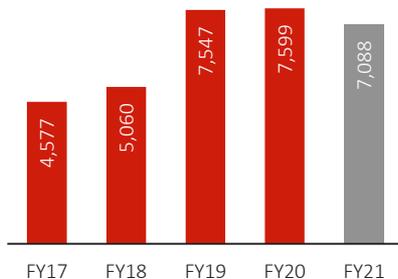
Historical Consolidated Balance Sheet

Oriental Aromatics Ltd.

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

Financial Performance (Consolidated)

Revenue from Operations (INR Mn)



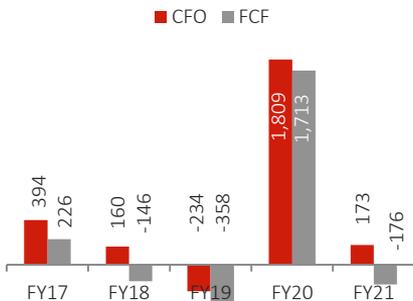
EBITDA (INR Mn) EBITDA MARGIN (%)



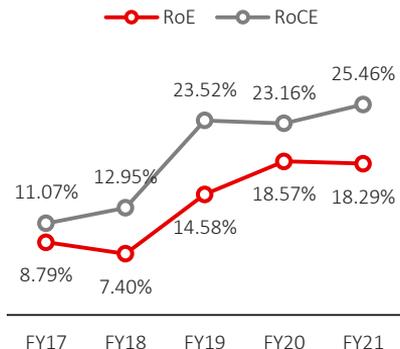
PAT (INR Mn) PAT MARGIN (%)



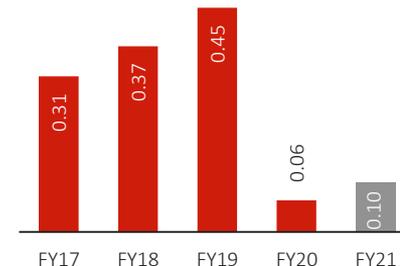
Cash flow from operations (CFO) & Free Cash Flows (FCF) (INR Mn)



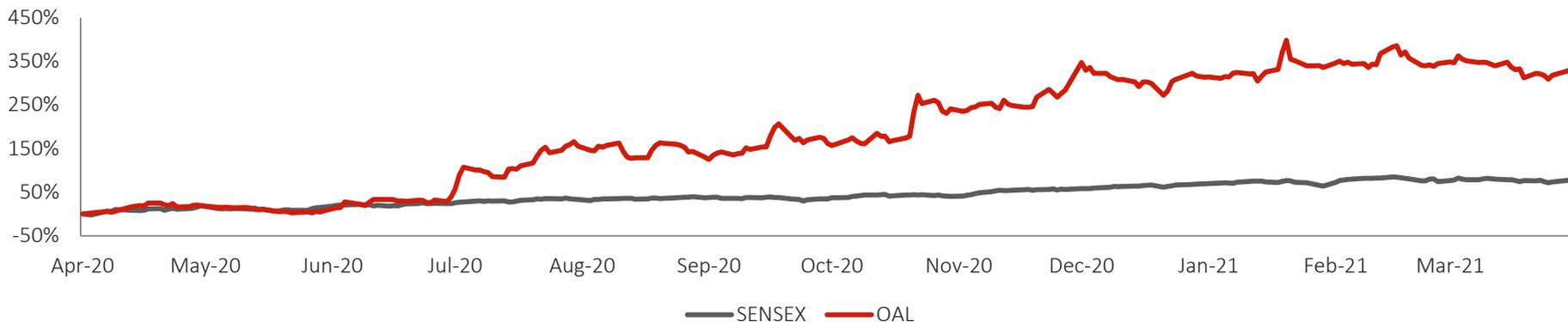
RoE (%) and RoCE (%)



Net D/E (x)



1 Year Stock Return as on 31st March, 2021

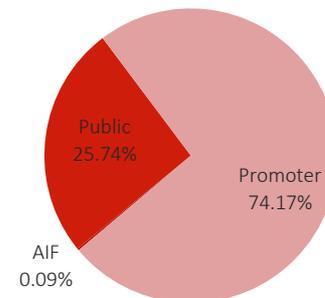


Price Data (31st March , 2021)

INR

Face Value	5.0
CMP	586.8
52 Week H/L (INR)	688.0/130.1
Avg. Net Turnover(INR Mn)	19.9
Market Cap (INR Mn)	19,747.9
Equity Shares Outstanding (Mn)	33.7

Shareholding Pattern as on 31st March, 2021



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Thank you

Oriental Aromatics Ltd.