

*Oriental Aromatics Ltd.*

EARNINGS PRESENTATION | Q4-FY22/ 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 23,749.3 Mn as on 31<sup>st</sup> March, 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

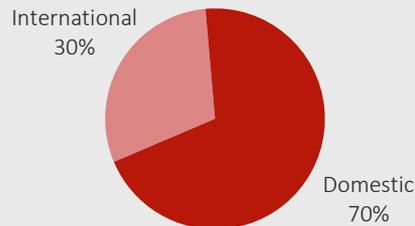


Aroma Chemicals

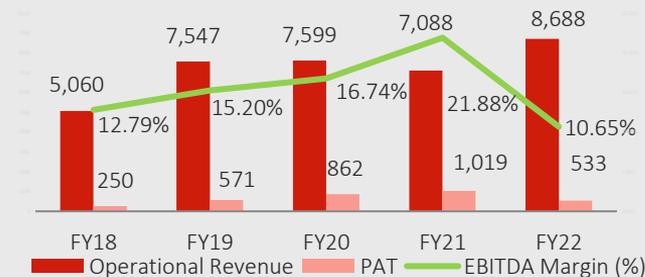


Camphor

FY22 Geographical Sales (%)



Operational Revenue, PAT & EBITDA Margin (INR)



## Sources of Raw Materials



Pine Tree



Petroleum



Aleuritic Acid  
(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-FY22/FY22  
Financial  
Overview

# Q4-FY22/FY22 Financial Highlights

## Q4-FY22 Consolidated Financial Performance

<b>INR 2,029 Mn</b> Revenue from Operations	<b>INR 221 Mn</b> EBITDA	<b>10.89%</b> EBITDA Margin
<b>INR 105 Mn</b> Net Profit	<b>5.17%</b> PAT Margin	<b>INR 3.11</b> Basic/Diluted EPS

## FY22 Consolidated Financial Performance

<b>INR 8,688 Mn</b> Revenue from Operations	<b>INR 925 Mn</b> EBITDA	<b>10.65%</b> EBITDA Margin
<b>INR 533 Mn</b> Net Profit	<b>6.13%</b> PAT Margin	<b>INR 15.84</b> Basic/Diluted EPS

## Q4-FY22:

- The company achieved price increases for H1 FY22, however, the geopolitical developments in Europe and supply chain challenges from China once again pushed the company to the back seat, as most raw materials have either seen significant price increase or are showing signs of price increases
- Although EBITDA Margins for Q4-FY22 improved by 302 bps against Q3-FY22, this was dampened by further pricing pressures in raw materials, which started in February 2022 in some products

## FY22:

- During the year, the company witnessed steady demand across all product categories i.e. Aroma Chemicals, Flavours & Fragrances and Camphor.
- The production volume increased by 9% and sales volumes increased by 12%
- Company crossed pre pandemic levels of production volumes as well as sales volumes across all plants
- Sales realisations across all product categories except camphor improved on a Y-o-Y basis
- During the year, there was a substantial increase in the price of all input costs which has impacted the profitability for the year

## Capital Expenditure Update:

- During the quarter the company successfully commissioned the capacity expansion of Terpineol chemicals group at Bareilly
- Capital investments program in Baroda, Bareilly and Mahad are on track. However, they are facing moderate delays due to combination of factors which include residual covid – 19 impact, challenges in the global supply chains, steel prices and the current geo-political situation due to Russia-Ukraine crisis

# Quarterly Consolidated Financial Performance

*Oriental Aromatics Ltd.*

Particulars (INR Mn)	Q4-FY22	Q4-FY21	Y-O-Y	Q3-FY22	Q-O-Q
Revenue from Operations	2,029	2,214	(8.4)%	2,058	(1.4)%
Total Expenses	1,808	1,881	(3.9)%	1,896	(4.6)%
EBITDA	221	333	(33.6)%	162	36.4%
<i>EBITDA Margin (%)</i>	<i>10.89%</i>	<i>15.04%</i>	<i>(415) Bps</i>	<i>7.87%</i>	<i>302 Bps</i>
Other Income	23	11	NA	0	NA
Depreciation	46	40	15.0%	43	7.0%
Finance Cost	27	11	NA	7	NA
PBT	171	293	(41.6)%	112	52.7%
Tax	66	69	(4.3)%	32	NA
PAT	105	224	(53.1)%	80	31.3%
<i>PAT Margin (%)</i>	<i>5.17%</i>	<i>10.12%</i>	<i>(495) Bps</i>	<i>3.89%</i>	<i>128 Bps</i>
Basic/Diluted EPS (INR)	3.11	6.66	(53.3)%	2.37	31.2%

# Annual Consolidated Financial Performance

*Oriental Aromatics Ltd.*

Particulars (INR Mn)	FY22	FY21	Y-O-Y
Revenue from Operations	8,688	7,088	22.6%
Total Expenses	7,763	5,537	40.2%
EBITDA	925	1,551	(40.4)%
<i>EBITDA Margin (%)</i>	<i>10.65%</i>	<i>21.88%</i>	<i>NA</i>
Other Income	44	17	NA
Depreciation	170	175	(2.9)%
Finance Cost	40	23	73.9%
<b>PBT</b>	<b>759</b>	<b>1,370</b>	<b>(44.6)%</b>
Tax	226	351	(35.6)%
<b>PAT</b>	<b>533</b>	<b>1,019</b>	<b>(47.7)%</b>
<i>PAT Margin (%)</i>	<i>6.13%</i>	<i>14.38%</i>	<i>(825) Bps</i>
Basic/Diluted EPS (INR)	15.84	30.29	(47.7)%



## Historical Financial Overview

# Historical Standalone Income Statement

*Oriental Aromatics Ltd.*

Income Statement (Mn)	FY19	FY20	FY21	FY22
Total Operational Income	7,526	7,594	7,088	8,688
Total Expenses	6,372	6,312	5,532	7,753
EBITDA	1,154	1,282	1,556	935
<i>EBITDA Margin (%)</i>	<i>15.33%</i>	<i>16.88%</i>	<i>21.95%</i>	<i>10.76%</i>
Other Income	13	63	18	44
Depreciation	177	190	175	170
Finance Cost	130	120	24	41
Exceptional Items	(101)	-	-	-
PBT	759	1,035	1,375	768
Tax	260	167	351	227
Profit After Tax	499	868	1,024	541
<i>PAT Margin (%)</i>	<i>6.63%</i>	<i>11.43%</i>	<i>14.45%</i>	<i>6.23%</i>
EPS (After Exceptional Items)	14.82	25.78	30.44	16.06

# Historical Standalone Balance Sheet

*Oriental Aromatics Ltd.*

Liabilities (INR Mn)	FY20	FY21	FY22	Assets (INR Mn)	FY20	FY21	FY22
<b>Shareholders Fund</b>				<b>Assets</b>			
Share Capital	168	168	168	<b>Non-Current Assets</b>			
Other Equity	4,470	5,406	5,893	Property, Plant and Equipment	1,814	1,846	2,076
				Intangible Asset	24	2	24
				Capital WIP	17	125	210
<b>Non-Current Liabilities</b>				Right of use- Lease	74	67	60
Financial Liabilities				Goodwill on amalgamation	450	450	450
i) Long-Term Borrowings	15	-	450	Financial Assets			
ii) Other Financial Liabilities	8	2	-	Investment in Subsidiaries	60	96	144
Deferred Tax Liabilities (Net)	261	267	271	Other financial assets	37	40	39
Long-Term Provisions	18	25	21	Income Tax Assets (Net)	32	74	77
				Other non-Current assets	6	6	42
				<b>Current Assets</b>			
<b>Current Liabilities</b>				Inventories	1,623	2,276	2,869
Financial Liabilities				Financial Assets			
i) Short-Term Borrowings	431	779	943	Trade and other Receivable	1,524	1,891	1,954
ii) Trade Payables	566	713	817	Cash & Cash Equivalents	131	151	63
iii) Other financial Liabilities	114	58	38	Bank Balance other than above	18	20	16
Short-Term Provisions	17	14	19	Other Current Financial Assets	8	10	12
Other Current liabilities	21	24	40	Other Current Assets	270	401	624
				Non-Current Assets classified as held for Sale	1	1	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,089</b>	<b>7,456</b>	<b>8,660</b>	<b>TOTAL ASSETS</b>	<b>6,089</b>	<b>7,456</b>	<b>8,660</b>

# Historical Consolidated Income Statement

*Oriental Aromatics Ltd.*

Income Statement (Mn)	FY19	FY20	FY21	FY22
Total Operational Income	7,547	7,599	7,088	8,688
Total Expenses	6,397	6,327	5,537	7,763
EBITDA	1,150	1,272	1,551	925
<i>EBITDA Margin (%)</i>	<i>15.24%</i>	<i>16.74%</i>	<i>21.88%</i>	<i>10.65%</i>
Other Income	13	66	17	44
Depreciation	178	190	175	170
Finance Cost	130	119	23	40
Exceptional Item	(23)	-	-	-
<b>PBT</b>	<b>832</b>	<b>1,029</b>	<b>1,370</b>	<b>759</b>
Tax	261	167	351	226
Profit After Tax	571	862	1,019	533
<i>PAT Margin (%)</i>	<i>7.57%</i>	<i>11.34%</i>	<i>14.38%</i>	<i>6.13%</i>
EPS (After Exceptional Items)	16.98	25.61	30.29	15.84

# Historical Consolidated Balance Sheet

*Oriental Aromatics Ltd.*

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

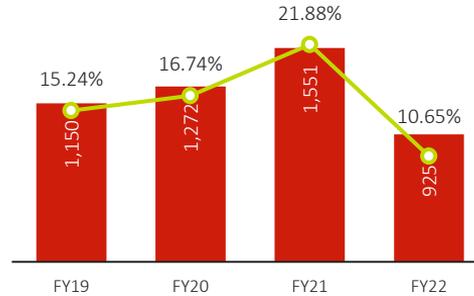
Assets (INR Mn)	FY20	FY21	FY22
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	1,815	1,846	2,079
Goodwill on Amalgamation	450	450	450
Capital WIP	18	127	251
Intangible Assets	24	2	24
Right to use	74	67	102
Other Financial Assets	37	40	41
Income Tax Assets (Net)	32	74	77
Other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

# Consolidated Financial Performance

Revenue from Operations (INR Mn)



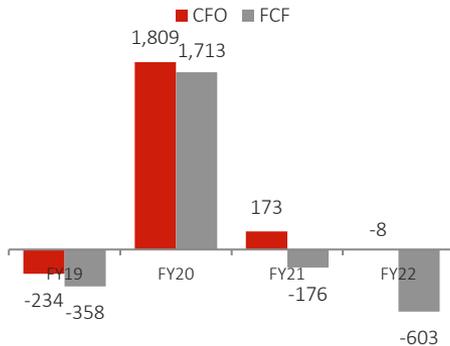
EBITDA (INR Mn) EBITDA MARGIN (%)



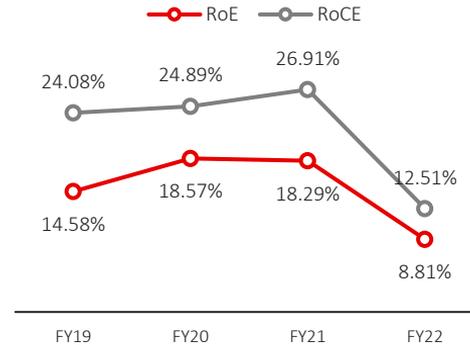
PAT (INR Mn) PAT MARGIN (%)



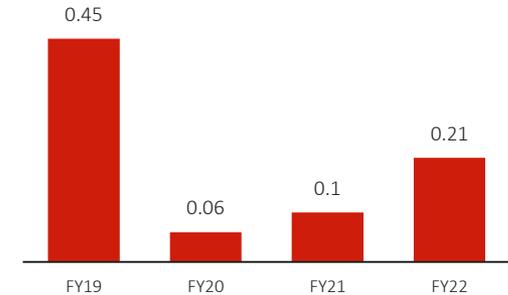
Cash flow from operations (CFO) & Free Cash Flows (FCF) (INR Mn)

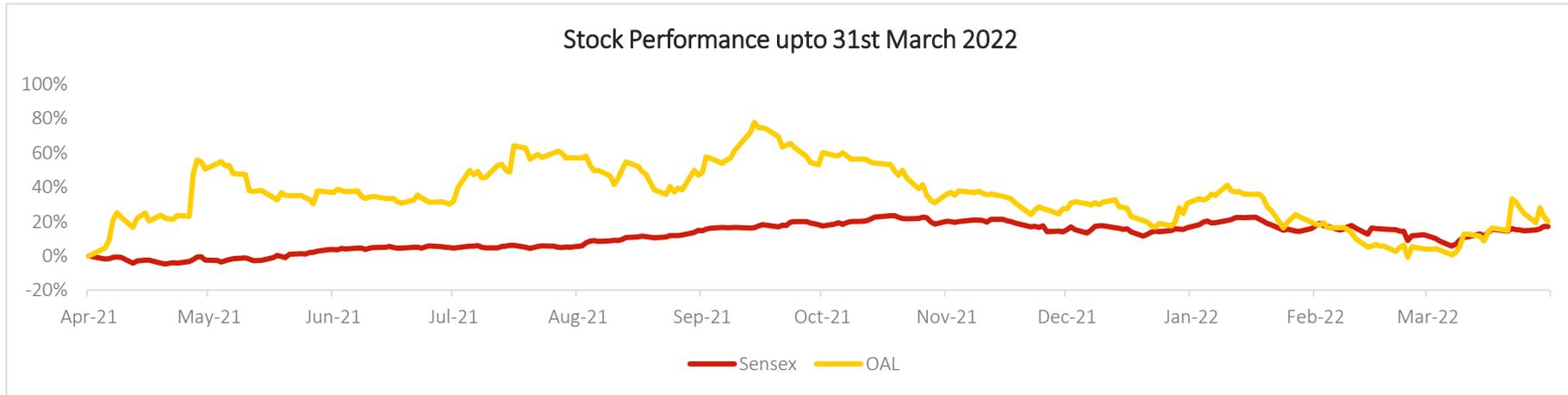


RoE (%) and RoCE (%)



Net D/E (x)



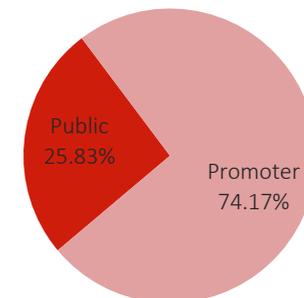


## Price Data (31<sup>st</sup> March , 2022)

INR

Face Value	5.0
CMP	705.7
52 Week H/L (INR)	1,148.0/565.1
Avg. Net Turnover(INR Mn)	28.8
Market Cap (INR Mn)	23,749.3
Equity Shares Outstanding (Mn)	33.7

## Shareholding Pattern as on 31<sup>st</sup> March , 2022



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Thank you

*Oriental Aromatics Ltd.*