

Oriental Aromatics Ltd.

EARNINGS PRESENTATION | Q1-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 6,300 Mn as on June 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

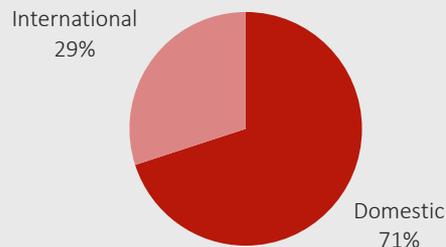


Aroma Chemicals

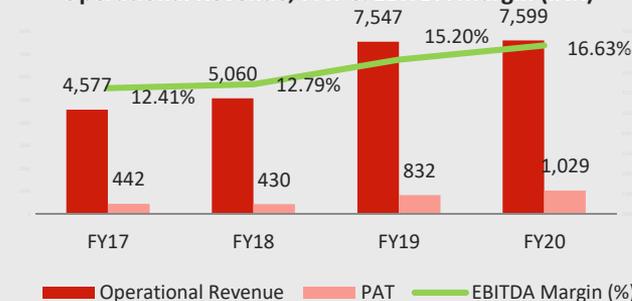


Camphor

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.



Q1-FY21
Financial
Overview

Q1- FY21 Standalone Performance:

- Revenue from Operations: INR 1,133 Mn
- EBITDA : INR 183 Mn
- EBITDA Margins: 16.15%
- Net Profit: INR 100 Mn
- PAT Margins: 8.83%
- Basic/Diluted EPS: INR 2.98 per share

Q1- FY21 Consolidated Performance:

- Revenue from Operations: INR 1,133 Mn
- EBITDA : INR 184 Mn
- EBITDA Margins: 16.24%
- Net Profit: INR 99 Mn
- PAT Margins: 8.74%
- Basic/Diluted EPS: INR 2.95 per share

- On account of the outbreak of COVID-19 virus, the Government of India had imposed a nation-wide lockdown on March 24, 2020 leading to temporary shut-down of the company's manufacturing facilities and operations.
- With effect from 4th May 2020, the company has resumed manufacturing operations across all its plants.
- The company witnessed healthy demand in the month of May and June 2020.
- Revenue impact in the June quarter is approximately estimated to be INR 550-600 Mn.
- All manufacturing facilities are now operating at over 90% capacity utilization levels and volumes are back to the pre Covid levels.
- Debt/Equity ratio as on 30th June 2020 improved to 0.03 from 0.11 as on 31st March 2020.

Q1-FY21 Standalone Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	Q1-FY21	Q1-FY20	Y-O-Y	Q4-FY20	Q-O-Q
Revenue from Operations	1,133	2,117	(46.5)%	1,697	(33.2)%
Total Expenses	950	1,755	(45.9)%	1,336	(28.9)%
EBITDA	183	362	(49.4)%	361	(49.3)%
EBITDA Margin (%)	16.15%	17.10%	(95) Bps	21.27%	(512) Bps
Other Income	6	1	NA	37	(83.8)%
Depreciation	46	45	2.2%	51	(9.8)%
Finance Cost	8	28	(71.4)%	36	(77.8)%
PBT	135	290	(53.4)%	311	(56.6)%
Tax	35	104	(66.3)%	69	(49.3)%
PAT	100	186	(46.2)%	242	(58.7)%
PAT Margin (%)	8.83%	8.79%	4 Bps	14.26%	(543) Bps
Basic/Diluted EPS (INR)	2.98	5.51	(45.9)%	7.18	(58.5)%

Q1-FY21 Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	Q1-FY21	Q1-FY20	Y-O-Y	Q4-FY20	Q-O-Q
Revenue from Operations	1,133	2,122	(46.6)%	1,697	(33.2)%
Total Expenses	949	1,766	(46.3)%	1,341	(29.2)%
EBITDA	184	356	(48.3)%	356	(48.3)%
EBITDA Margin (%)	16.24%	16.78%	(54) Bps	20.98%	(474) Bps
Other Income	4	1	NA	39	(89.7)%
Depreciation	46	45	2.2%	51	(9.8)%
Finance Cost	8	28	(71.4)%	36	(77.8)%
PBT	134	284	(52.8)%	308	(56.5)%
Tax	35	104	(66.3)%	69	(49.3)%
PAT	99	180	(45.0)%	239	(58.6)%
PAT Margin (%)	8.74%	8.48%	26 Bps	14.08%	(534) Bps
Basic/Diluted EPS (INR)	2.95	5.34	(44.8)%	7.09	(58.4)%



Historical Financial Overview

Historical Standalone Income Statement (IND-AS)

Oriental Aromatics Ltd.

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

Historical Standalone Balance Sheet

Oriental Aromatics Ltd.

Liabilities (INR Mn)	FY19	FY20	Assets (INR Mn)	FY19	FY20
Shareholders Fund			Assets		
Share Capital	168	168	Non-Current Assets		
Other Equity	3,752	4,470	Property, Plant and Equipment	1,941	1,814
			Intangible Asset	58	24
Non-Current Liabilities			Capital WIP	8	17
Financial Liabilities			Right to use	-	74
i) Long-Term Borrowings	118	15	Goodwill	450	450
ii) Other Financial Liabilities	-	8	Financial Assets		
Deferred Tax Liabilities (Net)	342	261	Investment in Subsidiaries	-	60
Long-Term Provisions	19	18	Other financial assets	37	37
			Income Tax Assets (Net)	30	32
			Other non-Current assets	3	6
Current Liabilities			Current Assets		
Financial Liabilities			Inventories	2,027	1,623
i) Short-Term Borrowings	1,622	431	Financial Assets		
ii) Trade Payables	534	566	Trade and other Receivable	1,610	1,524
iii) Other financial Liabilities	146	114	Cash & Cash Equivalents	36	131
Short-Term Provisions	14	17	Bank Bal other than above	13	18
Current Tax Liabilities	-	-	Other Current Financial Assets	14	8
Other Current liabilities	17	21	Other Current Assets	504	270
			Non-Current Assets held for Sale	1	1
TOTAL EQUITY AND LIABILITIES	6,732	6,089	TOTAL ASSETS	6,732	6,089

Historical Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

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

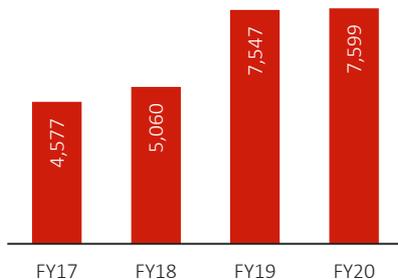
Historical Consolidated Balance Sheet

Oriental Aromatics Ltd.

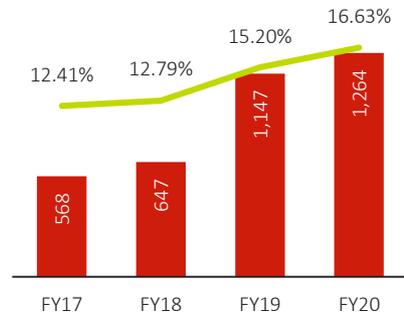
Liabilities (INR Mn)	FY19	FY20	Assets (INR Mn)	FY19	FY20
Shareholders Fund			Assets		
Share Capital	168	168	Non-Current Assets		
Other Equity	3,751	4,473	Property, Plant and Equipment	1,941	1,815
			Goodwill	450	450
			Capital WIP	8	18
Financial Liabilities			Intangible Assets	58	24
i) Long-Term Borrowings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

Financial Performance (Consolidated)

Revenue from Operations (INR Mn)



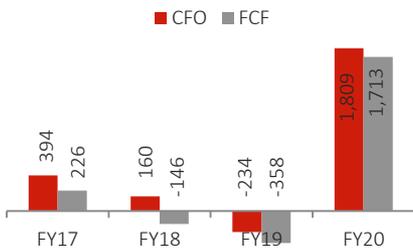
EBITDA (INR Mn) EBITDA MARGIN (%)



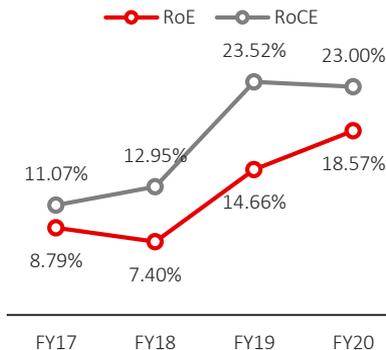
PAT (INR Mn) PAT MARGIN (%)



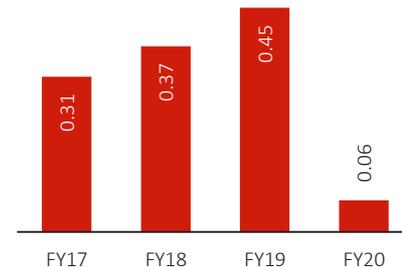
Cash flow from operations (CFO) & Free Cash Flows (FCF) (INR Mn)



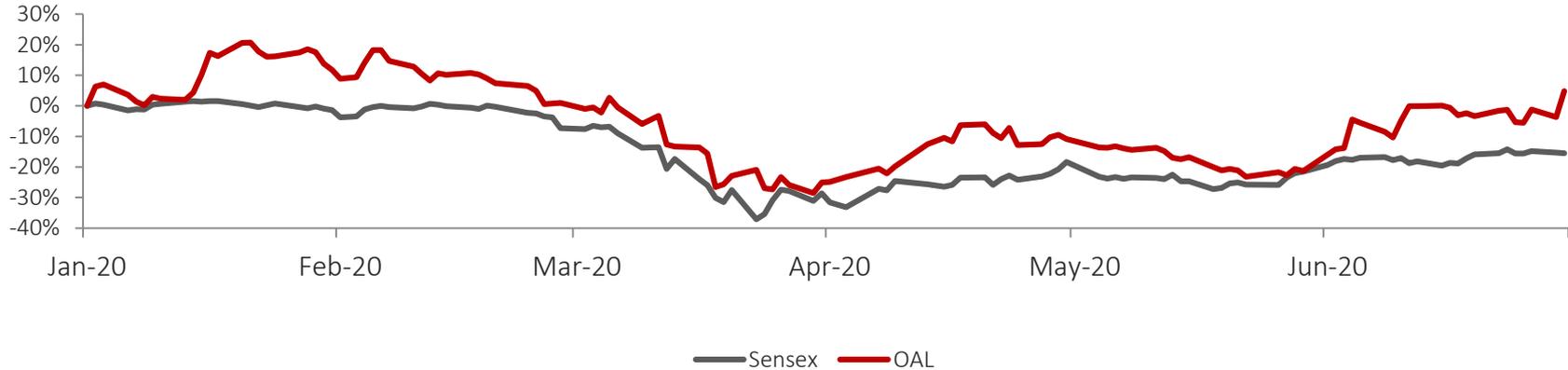
RoE (%) and RoCE (%)



Net D/E (x)



Capital Market Information

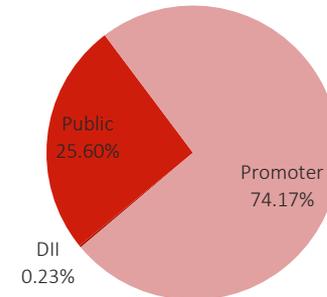


Price Data (30th June, 2020)

INR

Face Value	5.0
CMP	187.5
52 Week H/L (INR)	213.4/117.05
Avg. Net Turnover(INR Mn)	0.3
Market Cap (INR Mn)	6,308.4
Equity Shares Outstanding (Mn)	33.7

Shareholding Pattern as on 30th June, 2020



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Thank you

Oriental Aromatics Ltd.