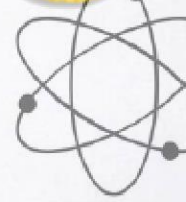
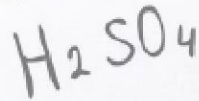
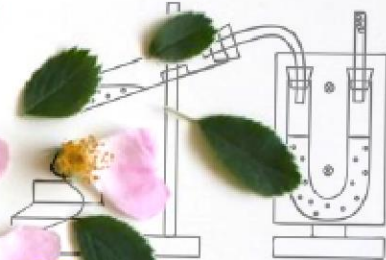


Oriental Aromatics Ltd.

9M / Q3-FY20 EARNINGS PRESENTATION | February 2020



Chemistry



Overview

- Fragrance and Flavour business of Oriental Aromatics was founded by Mr. Keshavlal Bodani in 1955 and has a legacy of creating fine fragrances with its own unique essence.
- 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 OAL is one of the largest manufacturers of variety of terpene chemicals, camphor and other speciality aroma chemicals, in India and also one of the privileged few integrated manufacturers of Aroma Chemicals and Flavours & Fragrances.

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:

- Ambarnath, Maharashtra - 6,000 MTPA

Marquee Clients



FY19 Consolidated Financials

Op. Income
INR 7,547 Mn

EBITDA
INR 1,147 Mn

EBITDA Margin
15.20%

ROCE
22.13%

PBT-Before Excep. Items
INR 855 Mn

Net Profit
INR 571 Mn

ROE
14.58%



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

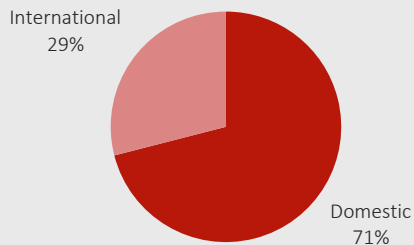


Aroma Chemicals

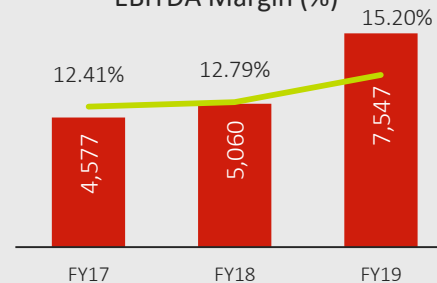


Camphor

FY19 Geographical Sales (%)



Operational Revenue (INR Mn) and EBITDA Margin (%)



Sources of Raw Materials



Pine Tree



Petroleum



Aleuritic Acid
(Shellac 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

Customers

Aroma Ingredients and Camphor Products

Firmenich

IFF
International Flavors & Fragrances

symrise

Givaudan

P&G

TAKASAGO

Fragrance and Flavour Products

SINCE 1948
CYCLES

emami

ATC

NIRMA

Dabur
SINCE 1928

Goody

MOKSH
AGARBATTI

teva

Applications



Incense Sticks



Air Fresheners



Cosmetics



Pooja



Balms



Detergents



Hair Oils,
Shampoos,
Soaps etc.



9M / Q3-
FY20
Financial
Overview

Q3-FY20 Consolidated Performance:

- Revenue from Operations: INR 1,754 Mn
- EBITDA : INR 283 Mn
- EBITDA Margins: 16.13 %
- Net Profit: INR 176 Mn
- PAT Margins: 10.03 %
- Diluted EPS: INR 5.24 per share

9M-FY20 Consolidated Performance:

- Revenue from Operations: INR 5,918 Mn
- EBITDA : INR 925 Mn
- EBITDA Margins: 15.63 %
- Net Profit: INR 623 Mn
- PAT Margins: 10.53 %
- Diluted EPS: INR 18.52 per share

- During the quarter, the company performed considerably well despite global and domestic slowdown. Decline in realisations of Camphor resulted in the decline of overall revenues, even though volume growth was broadly flat across product categories, owing to the overall slowdown in the FMCG sector.
- The raw material prices also declined which resulted in improvement in margins for the quarter.
- On 05th December, 2019, fire occurred in one of our allied products (Catalyst plant) situated at CB Ganj, Bareilly. There has been loss to assets comprising of Inventories, Plant Buildings, Plant & Machinery and other Fixed Assets etc. As per the best estimate of the Management, the book value of the loss due to fire is approximately Rs 1.5 crores, which has been debited to the statement of profit and loss. The Company is adequately insured and in process of filling the required documents with the Insurance Company. The Insurance claim would be recognised as per the requirements of the accounting standards in the subsequent quarters on the admission/approval of the claim by the Insurance Company.

Q3-FY20 Standalone Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	Q3-FY20	Q3-FY19	Y-O-Y	Q2-FY20	Q-O-Q
Revenue from Operations	1,754	2,055	(14.6)%	2,042	(14.1)%
Total Expenses	1,468	1,814	(19.1)%	1,758	(16.5)%
EBITDA	286	241	18.7%	284	0.7%
EBITDA Margin (%)	16.31%	11.73%	458 Bps	13.91%	240 Bps
Other Income	11	1	NA	2	NA
Depreciation	47	43	9.3%	47	NA
Finance Cost	17	13	30.8%	38	(55.3)%
PBT	233	186	25.3%	201	15.9%
Tax	54	15	NA	(60)	NA
PAT	179	171	4.7%	261	(31.4)%
PAT Margin (%)	10.21%	8.32%	189 Bps	12.78%	(257) Bps
Other Comprehensive Income	(2)	-	NA	(1)	NA
Total Comprehensive Income	177	171	3.5%	260	(31.9)%
Basic/Diluted EPS (INR)	5.32	5.07	4.9%	7.76	(31.4)%

9M-FY20 Standalone Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	9M-FY20	9M-FY19	Y-O-Y
Revenue from Operations	5,913	5,515	7.2%
Total Expenses	4,983	4,678	6.5%
EBITDA	930	837	11.1%
EBITDA Margin (%)	15.73%	15.18%	55 Bps
Other Income	17	3	NA
Depreciation	139	126	10.3%
Finance Cost	84	96	(12.5)%
PBT	724	618	17.2%
Tax	98	239	(59.0)%
PAT	626	379	65.2%
PAT Margin (%)	10.59%	6.87%	372 Bps
Other Comprehensive Income	(5)	2	NA
Total Comprehensive Income	621	381	63.0%
Basic/Diluted EPS (INR)	18.60	11.25	65.3%

9M / Q3-FY20 Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

Particulars (INR Mn)	Q3-FY20	Q2-FY20	Q-O-Q	9M-FY20
Revenue from Operations	1,754	2,042	(14.1)%	5,918
Total Expenses	1,471	1,753	(16.1)%	4,993
EBITDA	283	289	(2.1)%	925
EBITDA Margin (%)	16.13%	14.15%	198 Bps	15.63%
Other Income	12	3	NA	19
Depreciation	47	47	NA	139
Finance Cost	17	38	(55.3%)	84
PBT	231	207	11.6%	721
Tax	55	(60)	NA	98
PAT	176	267	(34.1)%	623
PAT Margin (%)	10.03%	13.08%	(305) Bps	10.53%
Other Comprehensive Income	(1)	(1)	NA	(4)
Total Comprehensive Income	175	266	(34.2)%	619
Basic/Diluted EPS (INR)	5.24	7.94	(34.0)%	18.52



Historical Financial Overview

Standalone Income Statement (IND-AS)

Oriental Aromatics Ltd.

Income Statement (Mn)	FY17	FY18	FY19	9M-FY20
Total Operational Income	4,556	5,057	7,526	5,913
Total Expenses	3,975	4,398	6,375	4,983
EBITDA	581	659	1,151	930
EBITDA Margin (%)	12.75%	13.03%	15.29%	15.73%
Depreciation	142	148	177	139
Interest	48	69	127	84
Other Income	12	41	13	17
Exceptional Items	-	-	(101)	-
PBT	403	483	759	724
Tax	147	180	260	98
Profit After Tax	256	303	499	626
PAT Margin (%)	5.62%	6.00%	6.63%	10.59%
EPS (After Exceptional Items)	30.44*	9.01	14.82	18.60

*EPS is 7.61 after adjusting bonus issue and stock split

Historical Standalone Balance Sheet

Oriental Aromatics Ltd.

Liabilities (INR Mn)	FY18	FY19	H1FY20	Assets (INR Mn)	FY18	FY19	H1FY20
Shareholders Fund				Assets			
Share Capital	84	168	168	Non-Current Assets			
Other Equity	3,362	3,752	4,155	Property, Plant and Equipment	1,577	1,936	1,935
				Intangible Asset	90	62	41
				Capital WIP	399	8	10
				Right to use			16
Non-Current Liabilities				Goodwill	450	450	450
Financial Liabilities				Financial Assets			
i) Long-Term Borrowings	212	118	13	a) Investment in Subsidiaries	20	-	-
ii) Other Financial Liabilities	30	-	12	b) Loans to subsidiaries	72	-	-
Deferred Tax Liabilities (Net)	248	342	271	c) Other financial assets	41	37	38
Other Long Term Liabilities				Income Tax Assets (Net)	-	30	43
				Other non-Current assets	1	4	-
				Current Assets			
Current Liabilities				Inventories	1,328	2,027	1,760
Financial Liabilities				Financial Assets			
i) Short-Term Borrowings	1,001	1,616	1,004	Trade and other Receivable	1,346	1,610	1,653
ii) Trade Payables	605	534	610	Cash & Cash Equivalents	24	29	49
iii) Other financial Liabilities	159	145	142	Bank Bal other than above	13	13	14
Short-Term Provisions	17	34	44	Other Current Financial Assets	8	8	10
Current Tax Liabilities	32	-		Other Current Assets	401	510	415
Other Current liabilities	20	16	15	Non-Current Assets held for Sale	-	1	1
TOTAL EQUITY AND LIABILITIES	5,770	6,725	6,434	TOTAL ASSETS	5,770	6,725	6,434

Consolidated Income Statement (IND-AS)

Oriental Aromatics Ltd.

Income Statement (Mn)	FY17	FY18	FY19	9M-FY20
Total Operational Income	4,577	5,060	7,547	5,918
Total Expenses	4,009	4,413	6,400	4,993
EBITDA	568	647	1,147	925
EBITDA Margin (%)	12.41%	12.79%	15.20%	15.63%
Depreciation	143	148	178	139
Interest	53	73	127	84
Exceptional Item	-	-	(23)	-
Other Income	70	4	13	19
PBT	442	430	832	721
Tax	163	180	261	98
Profit After Tax	279	250	571	623
PAT Margin (%)	6.10%	4.94%	7.57%	10.53%
EPS (After Exceptional Items)	33.14*	7.42	16.98	18.52

*EPS is 8.29 after adjusting bonus issue and stock split

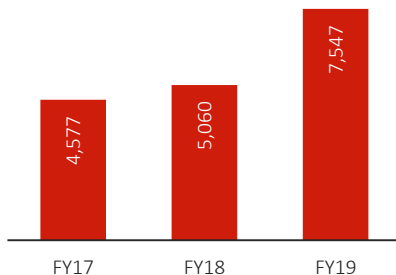
Historical Consolidated Balance Sheet

Oriental Aromatics Ltd.

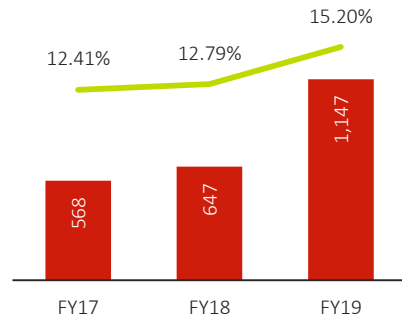
Liabilities (INR Mn)	FY18	FY19	H1FY20	Assets (INR Mn)	FY18	FY19	H1FY20
Shareholders Fund				Assets			
Share Capital	84	168	168	Non-Current Assets			
Other Equity	3,292	3,751	4,155	Property, Plant and Equipment	1,583	1,936	1,935
				Goodwill	450	450	450
				Capital WIP	400	8	10
				Intangible Assets	90	62	41
Financial Liabilities				Right to use			16
i) Long-Term Borrowings	212	118	13	Deferred Tax Assets	-	-	-
ii) Other Financial Liabilities	31	-	11	Other Financial Assets	37	37	37
Deferred Tax Liabilities (Net)	248	342	271	Income Tax Assets (Net)	-	30	42
Other Long Term Liabilities				Other non-Current assets	1	4	-
				Non-Current Assets Classified as Sale	-	1	1
Current Liabilities				Current Assets			
Financial Liabilities				Inventories	1,328	2,029	1,760
i) Short-Term Borrowings	1013	1,616	1,004	Financial Assets			
ii) Trade Payables	612	535	615	a) Trade and other Receivable	1,344	1,600	1,651
iii) Other financial Liabilities	160	146	142	c) Cash & Cash Equivalents	46	44	55
Short-Term Provisions	17	34	44	d) Bank Bal other than above	13	13	14
Current Tax Liabilities	39	-	-	f) Other Current Financial Assets	9	2	11
Other Current liabilities	21	16	15	Other Current Assets	428	510	415
TOTAL EQUITY AND LIABILITIES	5,729	6,726	6,438	TOTAL ASSETS	5,729	6,726	6,438

Financial Performance (Consolidated)

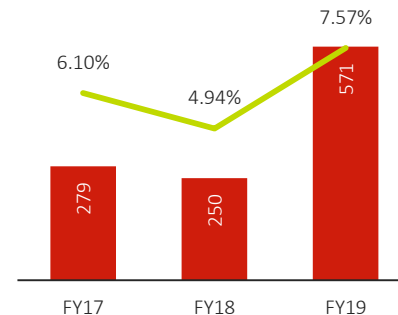
Revenue from Operations (INR Mn)



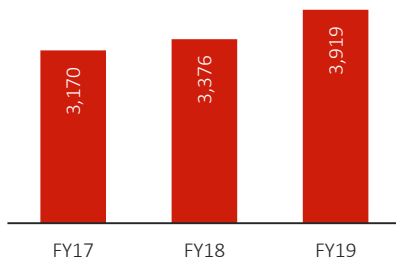
EBITDA (INR Mn) EBITDA MARGIN (%)



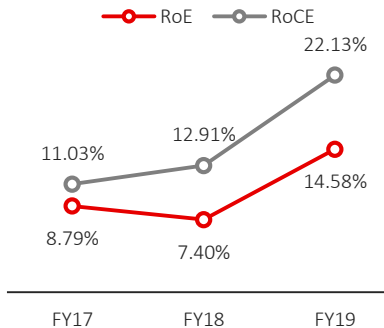
PAT (INR Mn) PAT MARGIN (%)



Net Worth (INR Mn)



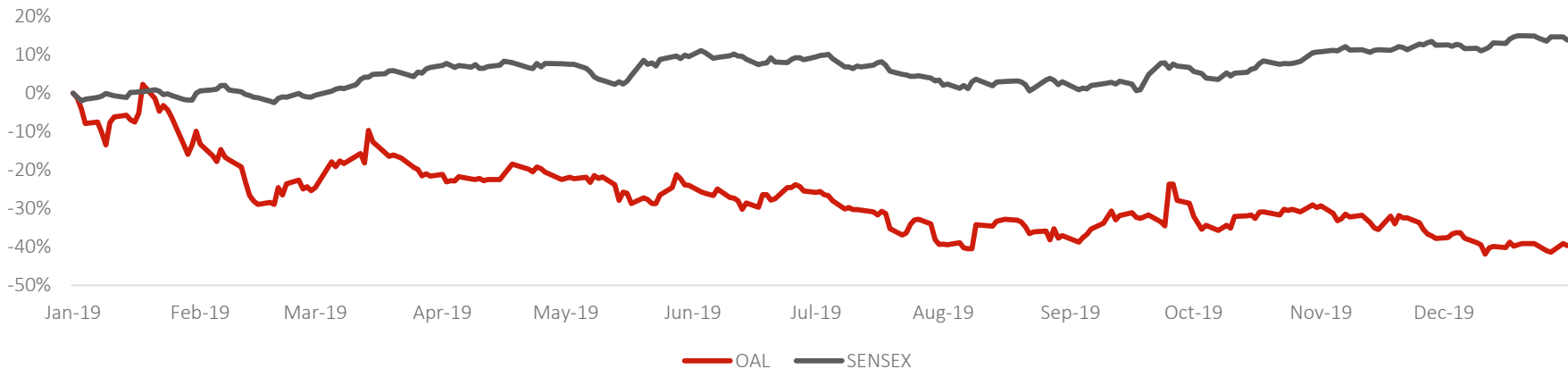
RoE (%) and RoCE (%)



Net D/E (x)



Capital Market Information

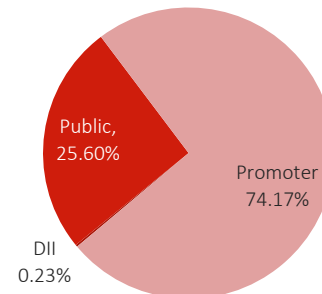


Price Data (31st December, 2019)

INR

Face Value	5.0
CMP	174.7
52 Week H/L (INR)	309.85/165.00
Avg. Net Turnover(INR Mn)	1.5
Market Cap (INR Mn)	5,879.3
Equity Shares Outstanding (Mn)	33.7

Shareholding Pattern as on 31st December, 2019



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thank you

Oriental Aromatics Ltd.