



LAXMI ORGANIC INDUSTRIES LTD

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January 25, 2023

BSE Limited

Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building, P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001

Scrip Code: 543277

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051

Trading Symbol: LXCHEM

Dear Sir / Madam,

Sub: Presentation for Analyst / Institutional Investors' meeting for the quarter ended December 31, 2022

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had informed that it will hold Investor & Analyst Meet to discuss performance for the quarter ended December 31, 2022, on Wednesday, January 25, 2023, at 14:30 hours (IST).

In this regard, please see enclosed investors presentation for the aforementioned meet.

We request you to take this intimation on record.

For **Laxmi Organic Industries Limited**

Aniket Hirpara

Company Secretary and Compliance Officer

Encl.: A/a



LAXMI ORGANIC INDUSTRIES LTD



www.laxmi.com



Investor Presentation – Q3 FY23 | January, 2023

This presentation and the accompanying slides (the “Presentation”), have been prepared by Laxmi Organics Limited (the “Company”) solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

Certain statements in this presentation concerning our future growth prospects are forward looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risk and uncertainties relating to the statements include, but are not limited to, risks and uncertainties regarding fiscal policy, competition, inflationary pressures and general economic conditions affecting demand / supply and price conditions in domestic and international markets. The Company does not undertake to update any forward -looking statement that may be made from time to time by or on behalf of the Company.

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Agenda

01 Company overview

02 Strategic Overview

03 Financial Performance



Company overview

Stable, Growing & Diversified Business

AI

Acetyl
Intermediaries

- #1 in India
- Top 7 in the world
- Capacity : >2,32,000 TPA
- **Low capex, Cash cow**

SI

Specialty
Intermediaries

- #1 in India
- Very strong NPD
- High & growing contracted revenue
- **Niche applications, Higher margin**

FI

Fluoro-Specialty
Intermediaries

- USD 4.0bn GTM opportunity
- World class technology
- Customer approvals for samples
- **Diversification, Customer synergies, Higher Margin**

Diversified End Use Applications



Pharmaceuticals



Paints & Coatings



Dyes & Pigments

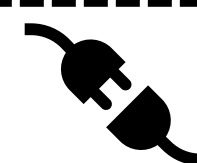


Agrochemical



Flavour & Fragrance

Opportunities



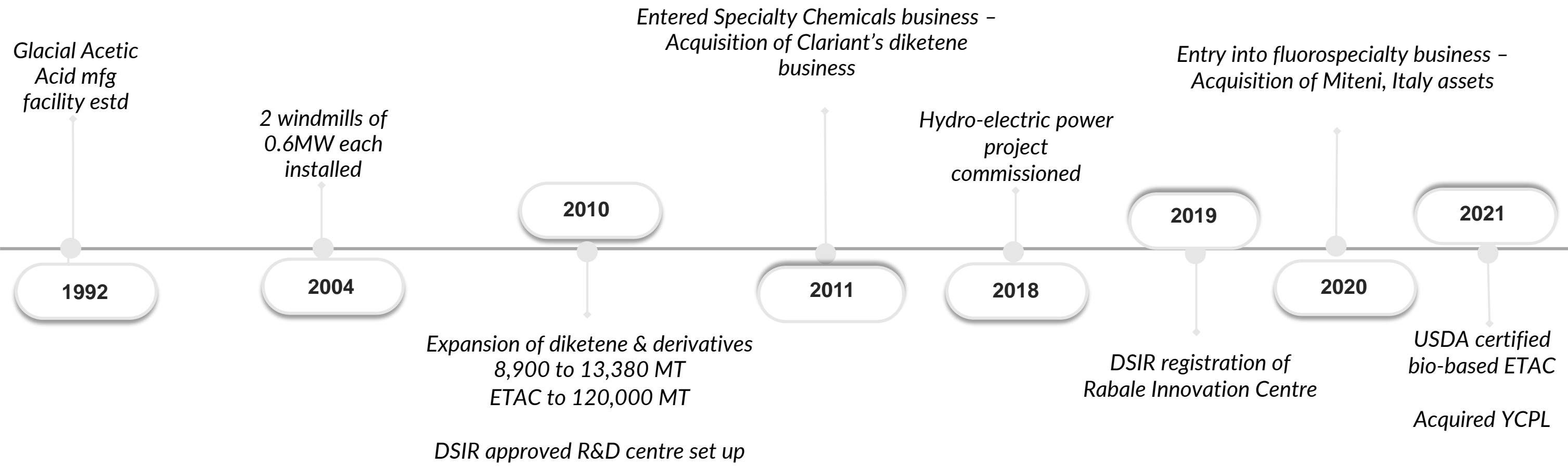
Electronics



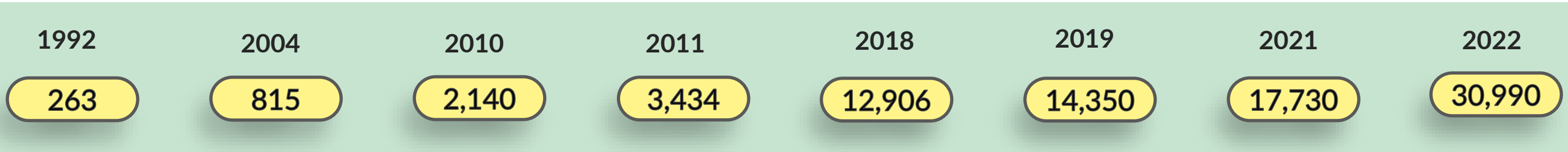
Automobile



The Journey So Far



REVENUE (Rs Mn)



Technology & Sustainability at the foundation of the business



Strategic overview

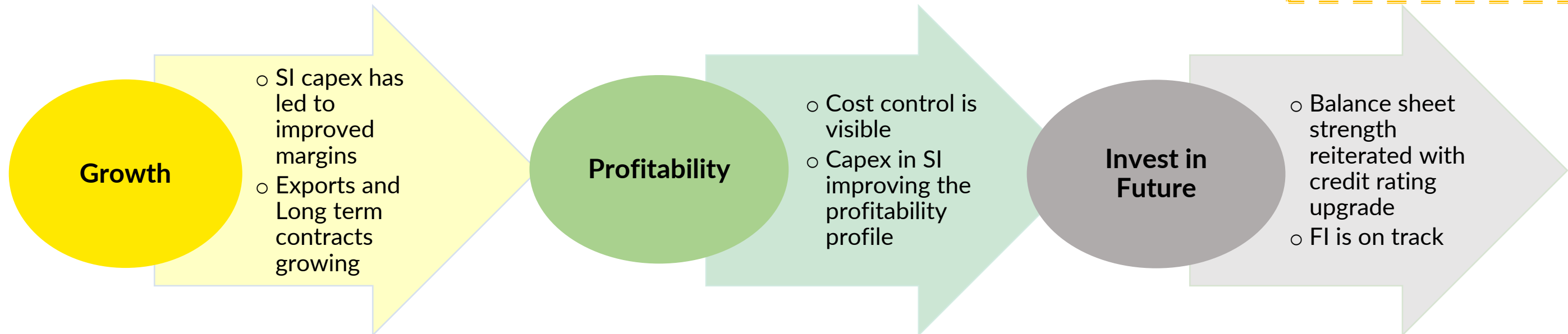


Consolidating Growth & Building for Future

Consolidating AI + Growing SI

Consolidating SI + Growing FI

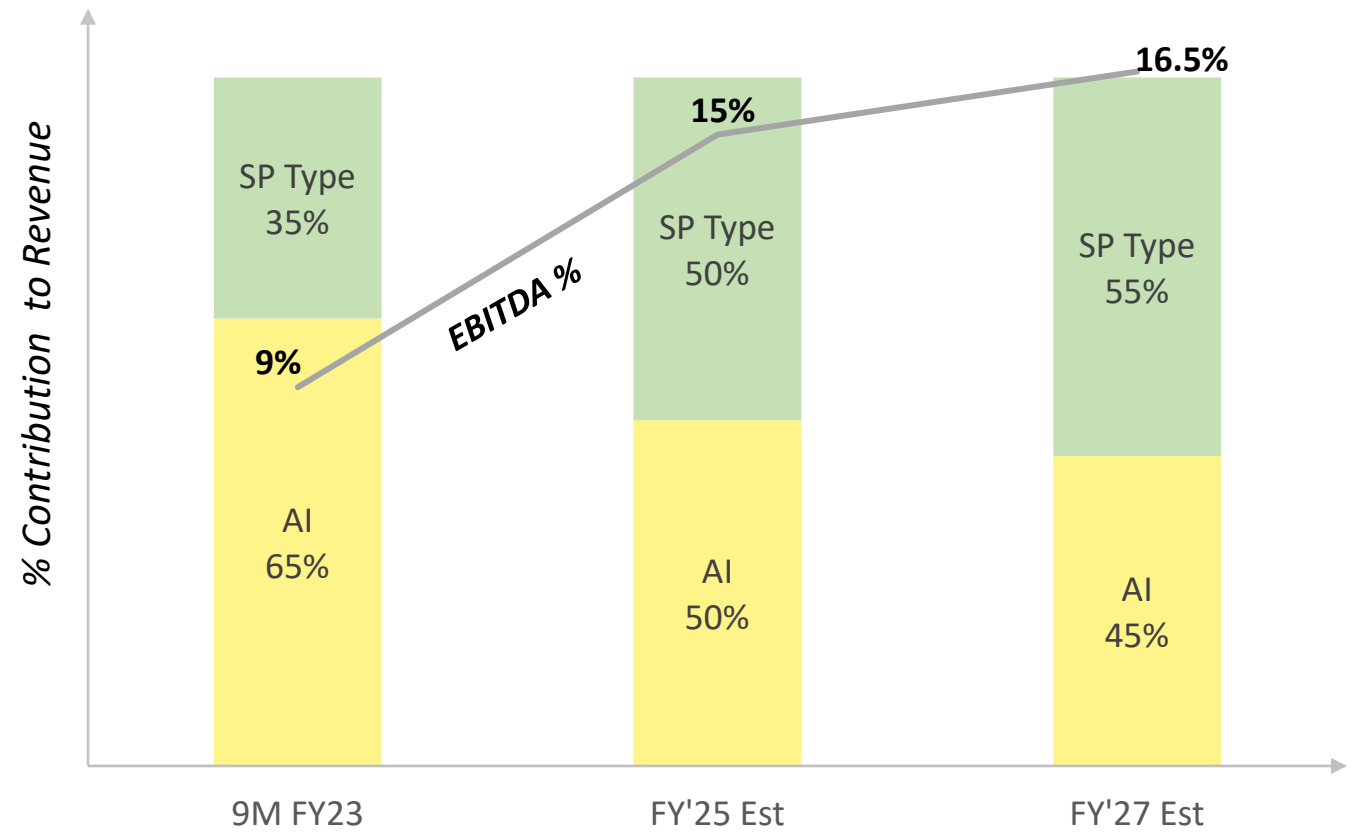
Particulars	FY11-FY14	FY15-FY18	FY19-FY22	9MFY23
AI Revenue Contribution	77%	63%	60%	65%
SI Revenue Contribution	23%	37%	40%	35%
EBITDA CAGR (%)	4%	22%	31%	SI contribution continues to grow
Average p.a. Capex (INR Cr)	46.7	49.3	62.3	>INR 200cr capitalised in the period
Average PAT Margin % in period				5%
Average D/E (x)	1.06	0.66	0.12	0.28





The Journey Ahead

Revenue & EBITDA Growth Estimates



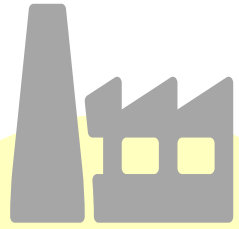
Capex Outlook

- The land acquisition of 92 acres in Dahej is almost concluded with ca. 95% of the payment being made. This land will be used for the expansion of Specialty Type (SP Type) businesses.
- The 9 months of FY23 saw less than 5% of capex being made in the AI business.
- In the coming 5-years, overall, the investment in AI will be limited to less than 10% of the overall capex being done

With the land acquisition in Dahej being finalized, the visibility on Specialty Type (SP Type) business has crystallised giving more confidence to the reducing reliance on the AI segment going forward

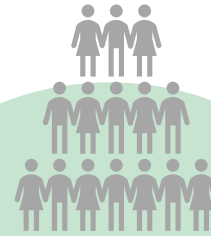


Key Growth Levers in Place



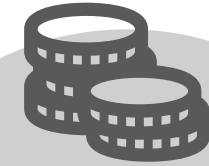
INFRASTRUCTURE

- **Well Invested Infrastructure**
- Mega site for AI; no expansion required
- Investments in SI on stream and leading to strong partnerships
- FI plant is a flexi plant
- 92acre site in Dahej which comes with civil structure to be for SP Type businesses



CUSTOMERS

- **Diversified customer base** across geographies and industries
- Forward integration with overlap of AI and SI customers and the same being the initial buyers of FI
- Future preparedness for new FI products that would lead to industry and application diversification



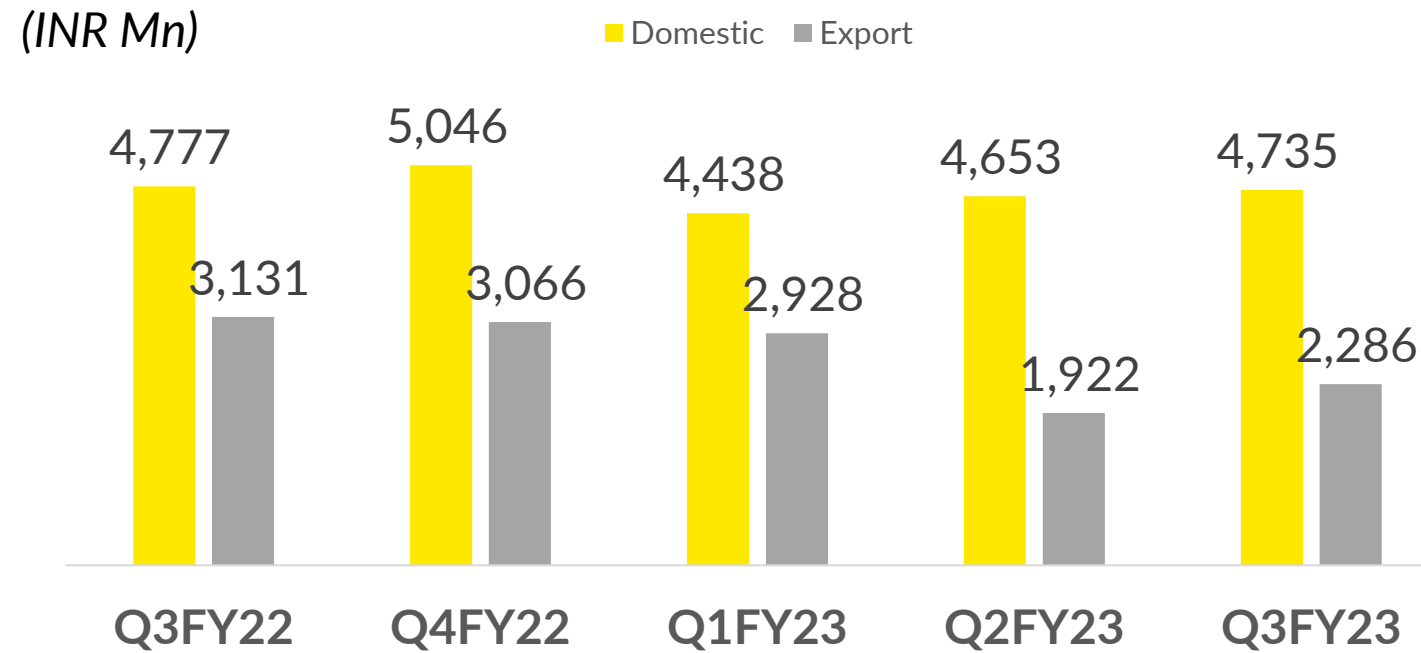
STRONG BALANCE SHEET

- **Responsible growth**
- Prudent leverage – credit rating at AA- (positive outlook) with low leverage
- Improving cash flow from operations
- Rigor on working capital

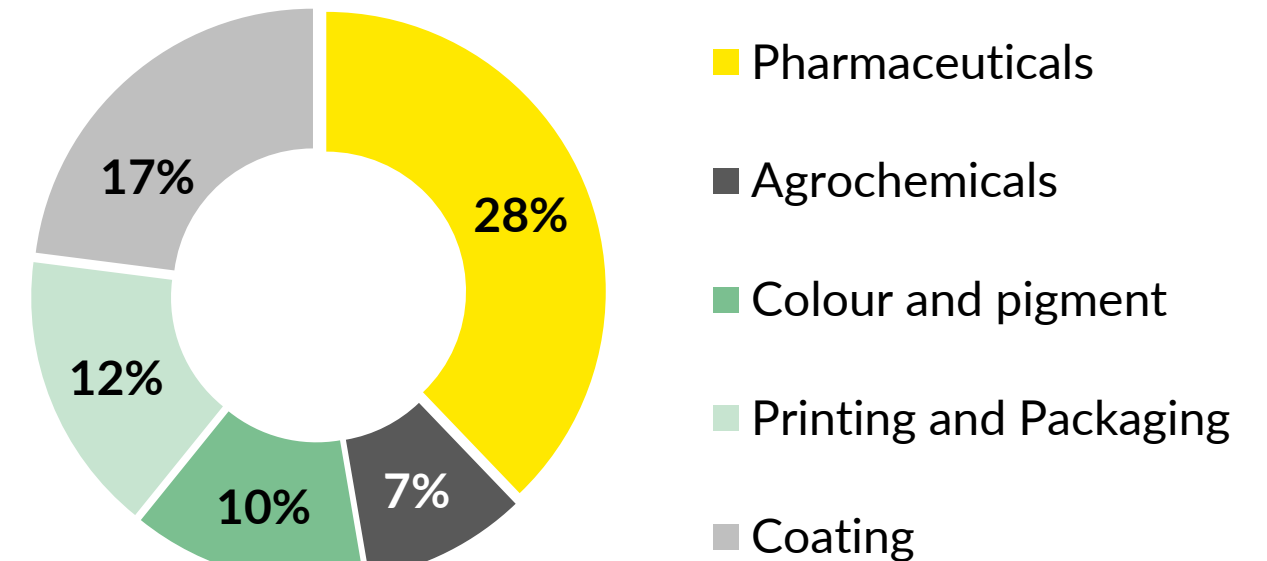


De-risked Business Model

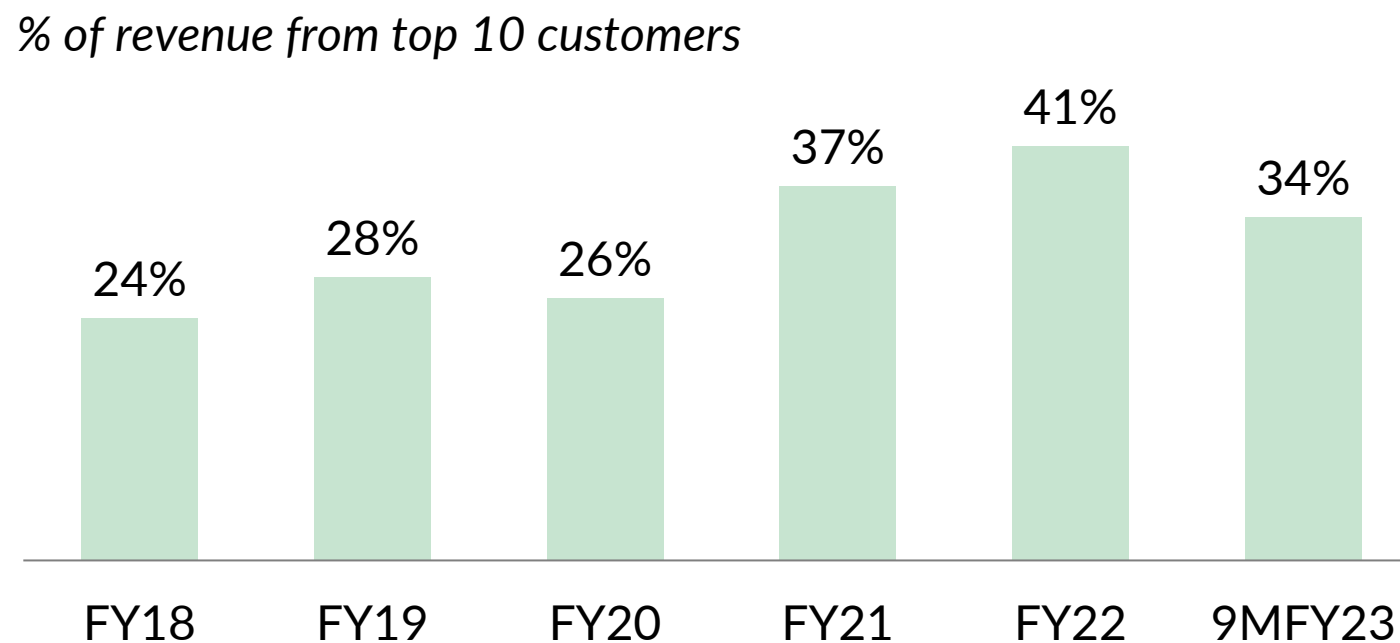
Robust Export Share



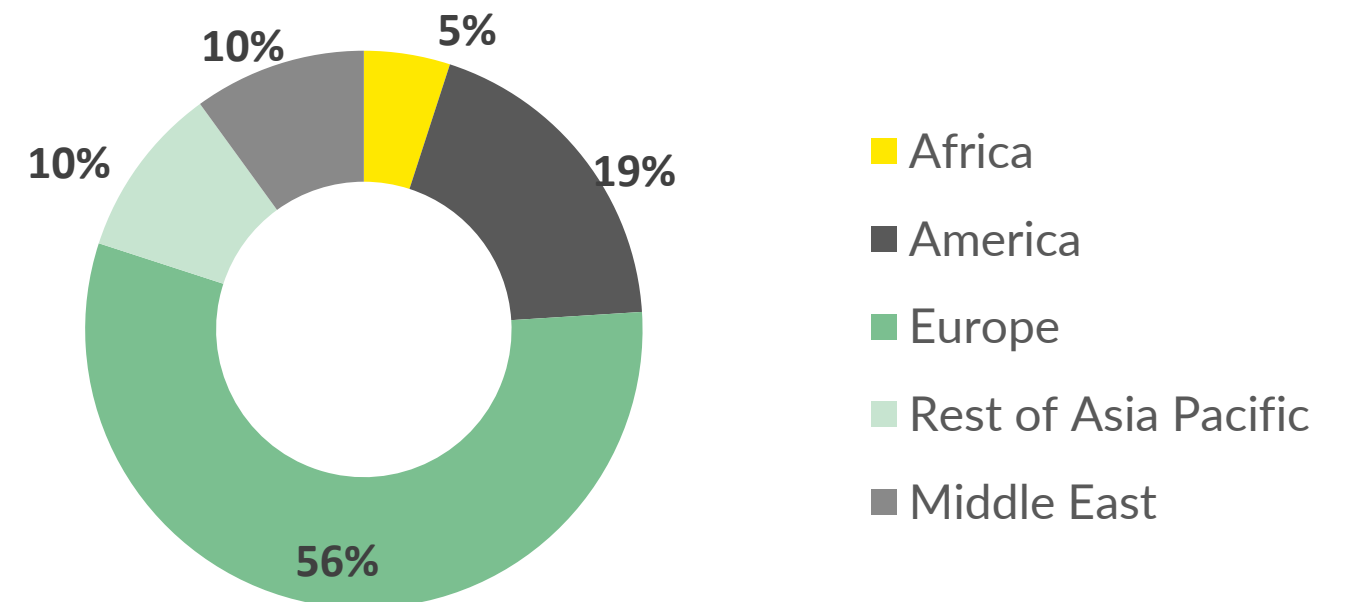
Diversified Industry Base 9M FY23



Contribution from top 10 customers



Building Deeper Exports 9M FY23



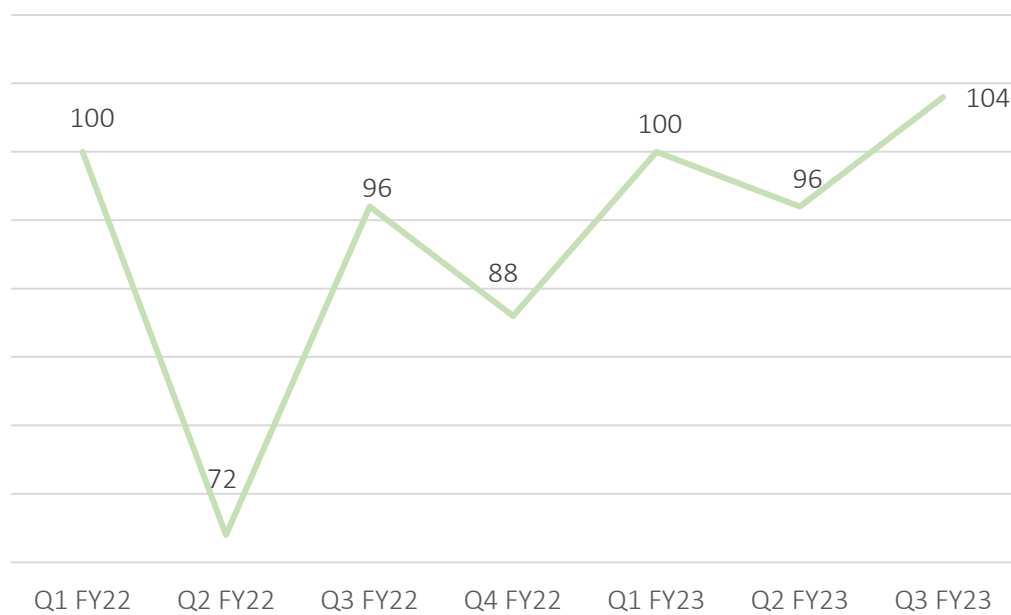


Financial Performance

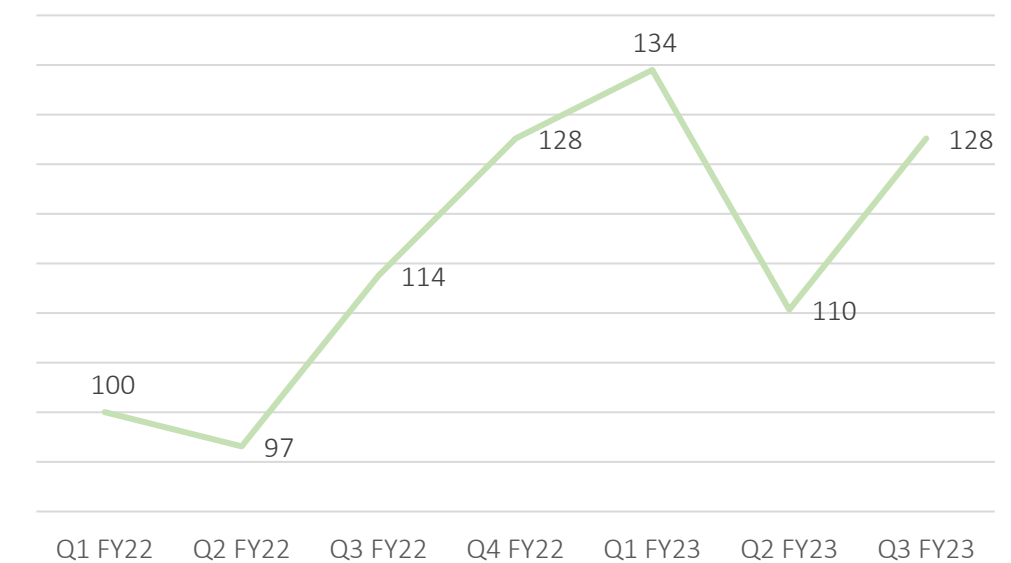


Key Developments Q3 FY23- SI

Product Mix Optimisation - Rebased



SI Contribution Margin Growth - Rebased



Specialty Intermediaries – Market Overview

- Domestic demand that was subdued in certain segments has started to come back and the global scenario has also started improving towards the end of Q3 FY23, especially with the energy prices coming down in Europe.
- LOIL continues to maintain its market leadership position in the domestic market and grow overseas sales as well.
- Keen customer partnership continues in the SI segment.

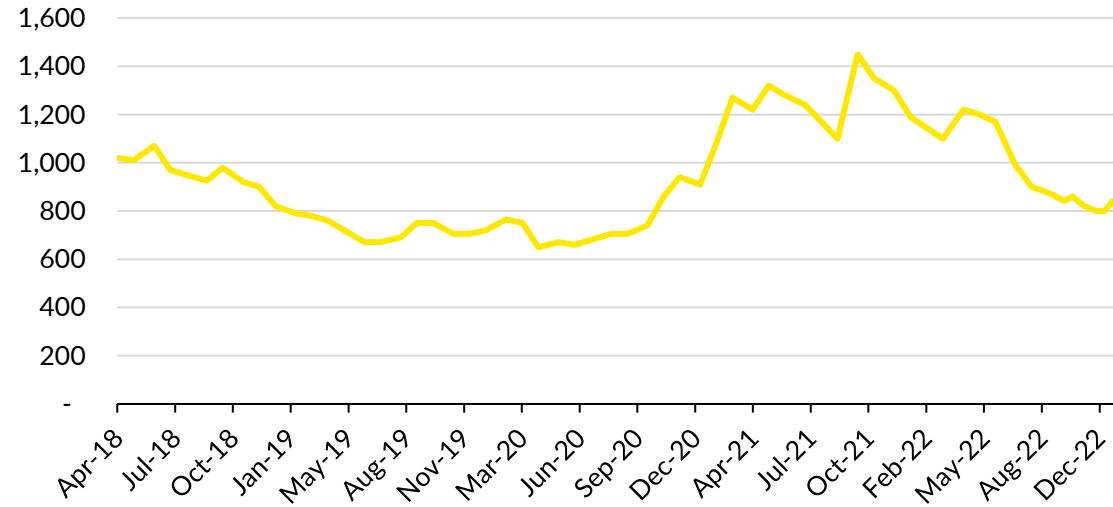
Specialty Intermediaries – Business Performance

- Contribution margins of the business have improved significantly QoQ and YoY driven by the new capitalisation done this year.
- The second phase of the new second plant was capitalized in Q3 FY23 as planned.
- Exports in the SI segment continued to be on the growth path as per the internal plans.

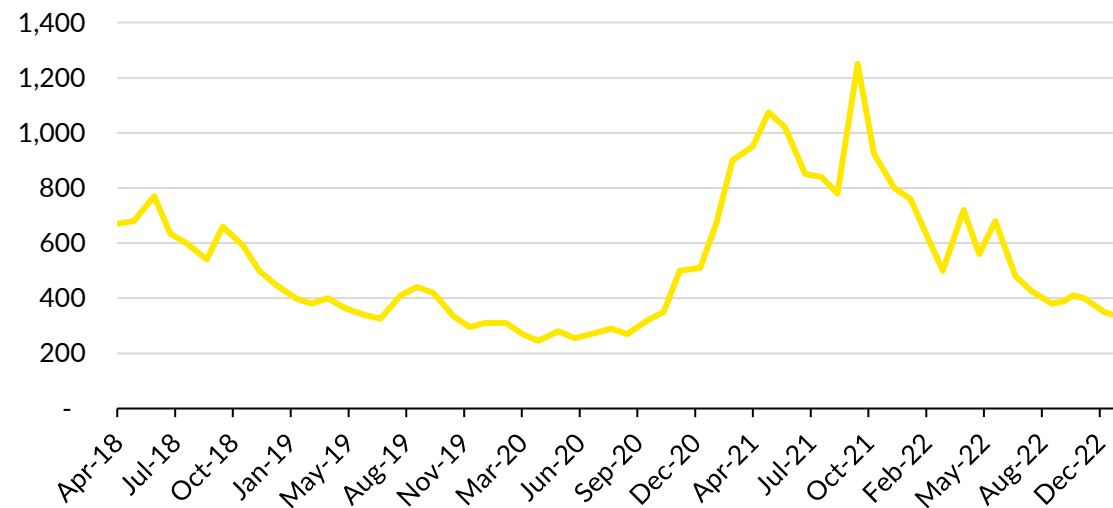


Key Developments Q3 FY23- AI

ETAC FOB (USD/t)



AA FOB (USD/t)



Acetyls Intermediary – Market Overview

- ETAC prices globally saw softening in Q3
- While the prices have softened, demand has stabilized especially with energy prices softening in Europe
- We continue to maintain our leadership position in the AI business

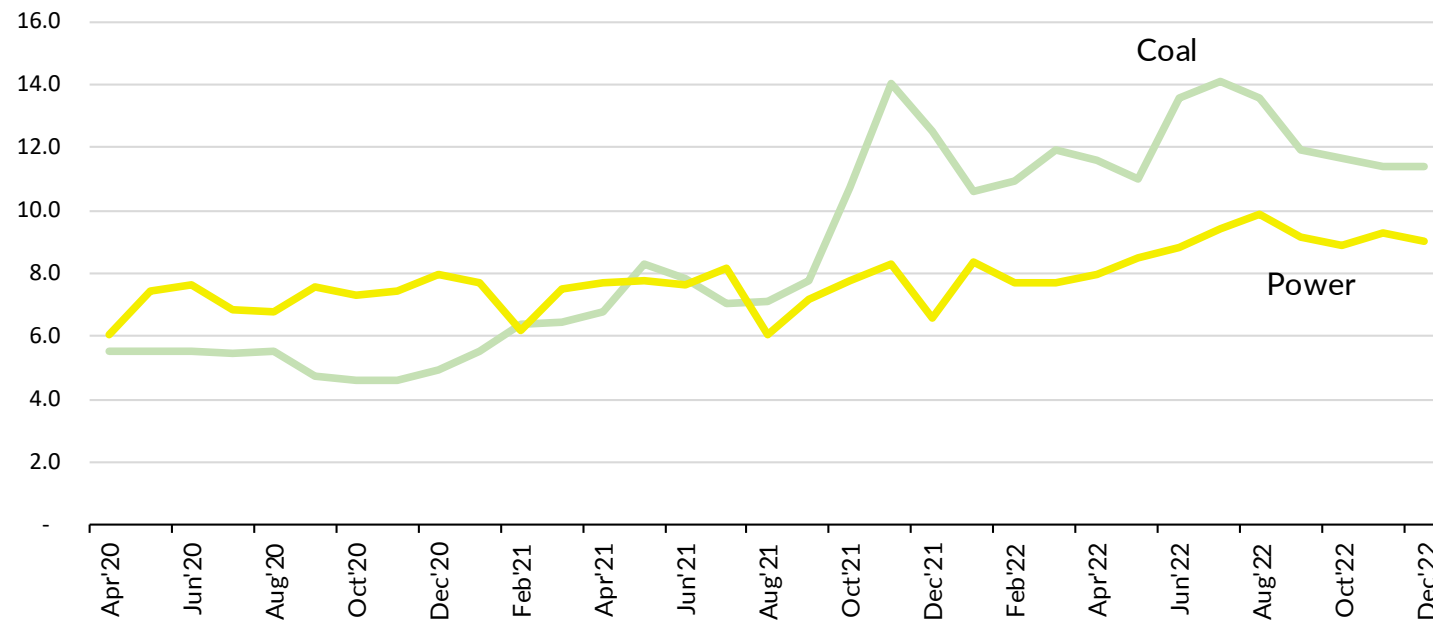
Acetyls Intermediary – Business Overview

- Debottlenecking for the AI business was completed in Q3 FY23
- Volumes grew QoQ and we remain the most cost-efficient producer in the country
- Procurement strategy was geared to ensure inventory availability and price optimisation



Key Developments Q3 FY23 - Input Cost Trends

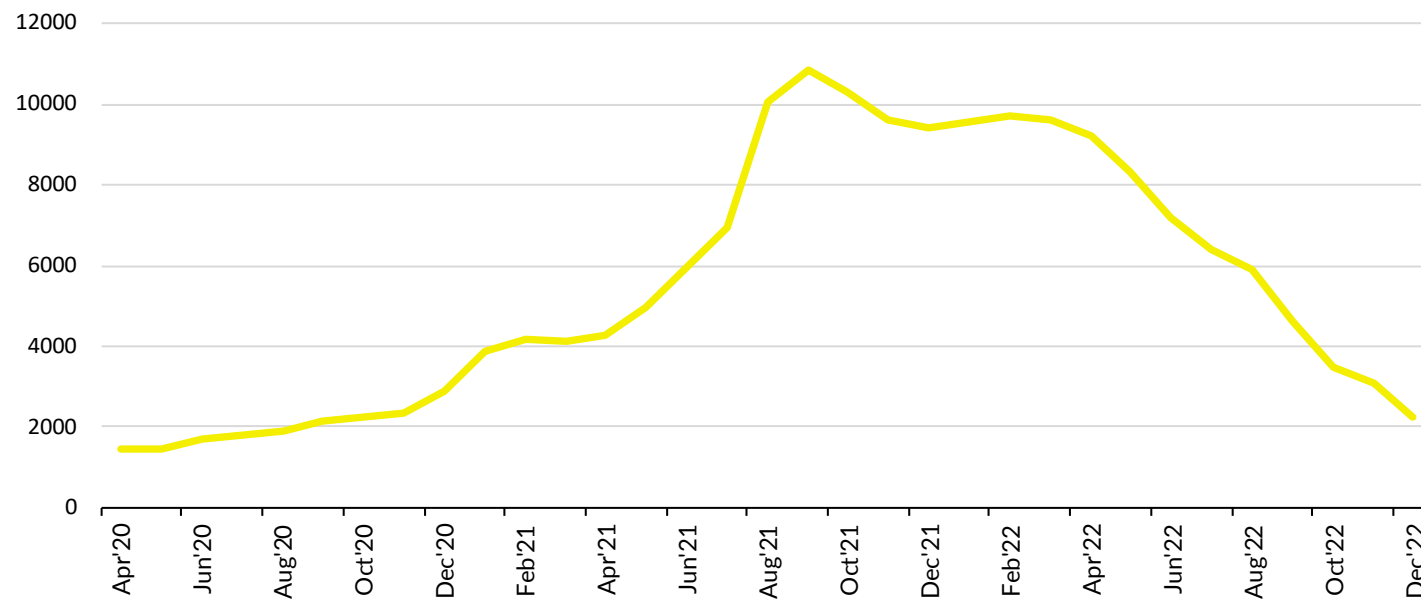
Energy Cost (INR/kg of Coal & INR/Unit of Power)



Input Costs Softening

- Coal costs are starting to stabilize after seeing highs in 2021
- Planned integration of solar power to increase the renewable energy concentration
- Freight Costs rose sharply in 2021 and are beginning to optimize with container availability slowly improving as well

Freight Cost (USD/Container)





Consol Financial Highlights: Q3FY23

	SALES (INR Mn)	EBITDA (INR Mn)	PAT (INR Mn)	EPS (INR)
Q3'FY23	₹ 6,579	₹ 580	₹ 273	₹ 1.03
YOY:	(24%)	(47%)	(61%)	(62%)
QOQ:	0%	84%	216%	216%
Q3'FY22	₹ 8,619	₹ 1,085	₹ 706	₹ 2.68
Q2'FY23	₹ 6,551	₹ 315	₹ 86	₹ 0.32

CFO / EBITDA ratio for the quarter Q3 FY23 is at 86%



Consol Financial Highlights: 9MFY23

	SALES <i>(INR Mn)</i>	EBITDA <i>(INR Mn)</i>	CFO/ EBITDA	PAT <i>(INR Mn)</i>	EPS <i>(INR)</i>
9M'FY23 YOY:	₹ 20,717 (6.6%)	₹ 1,920 (35%)	65%	₹ 1,003 (46%)	₹ 3.78 (47%)
9M'FY22	₹ 22,173	₹ 2,956	21%	₹ 1,874	₹ 7.11
FY'22	₹ 30,991	₹ 3,825	27%	₹ 2,575	₹ 9.76

CFO / EBITDA ratio for 9M FY23 is at 65% vs 6M FY23 at 57%

Business Unit Overview for 9M FY23

AI business

Contribution to Top-line

65%

Contribution to Profits

35%

Exports

36%

SI business

Contribution to Top-line

35%

Contribution to Profits

65%

Exports

45%

The growth in the SI business is consistent and in line with internal expectations



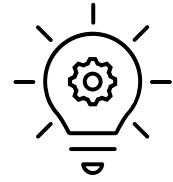
Quarterly Performance – Consolidated Results

INR Mn

Particulars	Q3 FY23	Q2 FY23	QoQ (%)	Q3 FY22	YoY (%)	YTD FY 23	YTD FY 22	YoY (%)
Total Income	6,579	6,551	0%	8,619	-24%	20,717	22,173	-7%
Cost of Materials	4,390	4,599	-5%	5,574	-21%	13,672	15,043	-9%
Gross Profits	2,189	1,951	12%	3,045	-28%	7,045	7,130	-1%
Gross Margin (%)	33%	30%	348 bps	35%	(206) bps	34%	32%	(184) bps
Employee Cost	289	294	-2%	335	-14%	867	922	-6%
Other Expenses	1,320	1,342	-2%	1,625	-19%	4,257	3,252	31%
EBITDA	580	315	84%	1,085	-47%	1,920	2,956	-35%
EBITDA Margins	9%	5%	402 bps	13%	(377) bps	9%	13%	(406) bps
Depreciation	188	170	11%	128	47%	494	349	41%
EBIT	392	145	171%	957	-59%	1,427	2,607	-45%
EBIT Margin (%)	6%	2%	375 bps	11%	(514) bps	7%	12%	(487) bps
Interest	57	44	31%	69	-18%	125	108	15%
PBT	335	101	231%	888	-62%	1,302	2,499	-48%
Tax	63	15	318%	183	-66%	298	624	-52%
ETR (%)	19%	15%		21%		23%	25%	
PAT	273	86	216%	706	-61%	1,003	1,874	-46%
EPS	1.03	0.32	216%	2.68	-62%	3.78	7.11	-47%



Delivering Shared Value to all Stakeholders



INNOVATION

- To create a culture of innovation where failure is the first step to success
- Two DSIR-certified research and development (R&D) centres are dedicated to new product development and process improvements.



CUSTOMER CENTRICITY

- Always on the lookout for customer-specific and market-driven emerging chemistries.
- Excellent track record of delivering quality solutions to global clients
- Aim to improve the lives of our customers through reliability, agility, empathy and quality



INTERGRITY

- Proud partner of many well established and well-respected global industry leaders across a wide range of industries.
- The Company operates in the AI and SI verticals, where backward and forward integration synergies have been achieved



SUSTAINABILTY

- Signatories to Responsible Care- *a voluntary commitment by the global chemical industry to achieve excellence in environmental, health, safety and security performance.*
- All of the plants are state-of-the-art and comply with relevant ISO accreditations.

“We aim to establish ourselves as a leader in Speciality Intermediates and become the growth partner of choice to global Life Sciences, Crop Sciences and Pigments companies.”

THANK YOU

For further information, please get in touch with:

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