



## LAXMI ORGANIC INDUSTRIES LTD

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July 28, 2022

### **BSE Limited**

Corporate Relationship Department,  
1<sup>st</sup> 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 June 30, 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 June 30, 2022, on Thursday, July 28, 2022, at 14:00 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**

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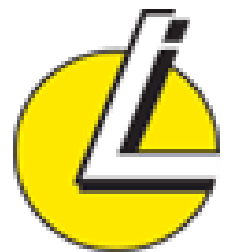
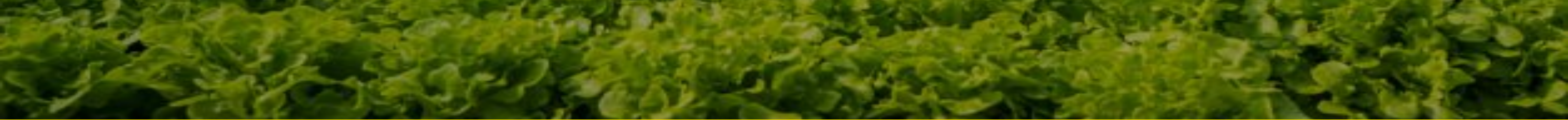
**Aniket Hirpara**

Company Secretary and Compliance Officer

Encl.: A/a



**Laxmi Organic Industries Ltd**  
**Investor Presentation- Q1FY23**  
28<sup>th</sup> July 2022



**LAXMI ORGANIC INDUSTRIES LTD**

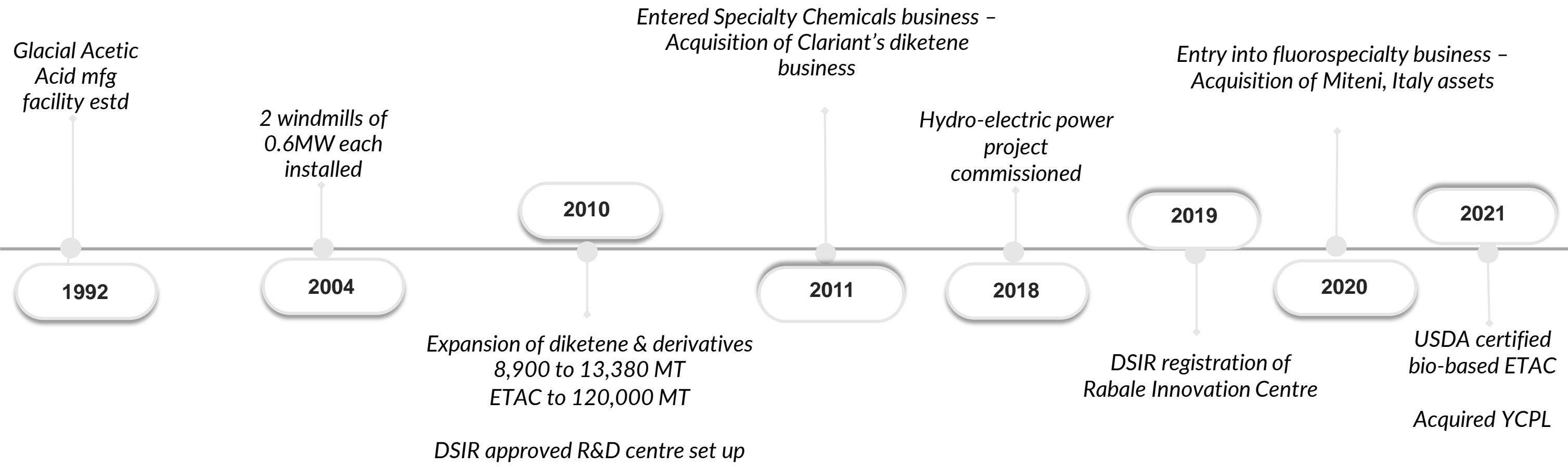
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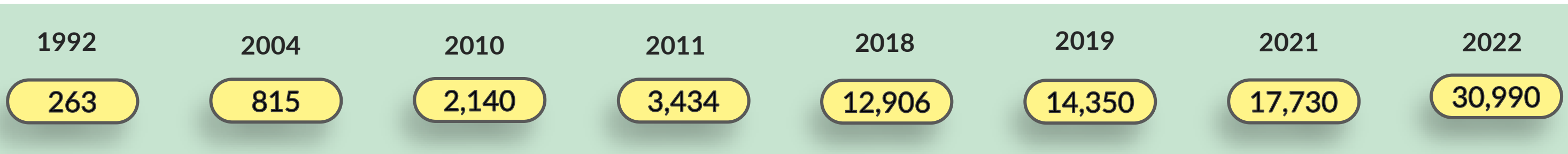
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# The Journey So Far



## REVENUE (Rs Mn)

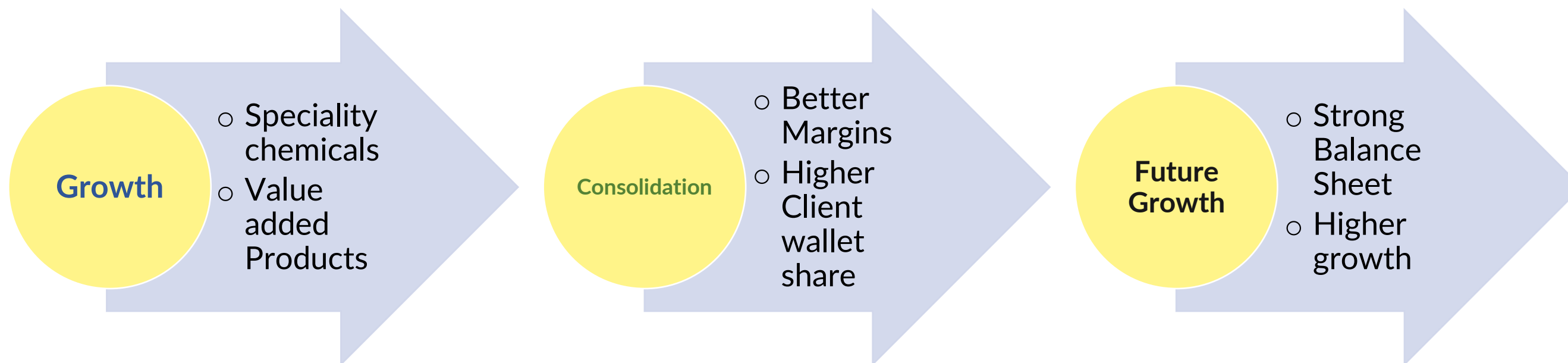


*Technology & Sustainability at the foundation of the business*

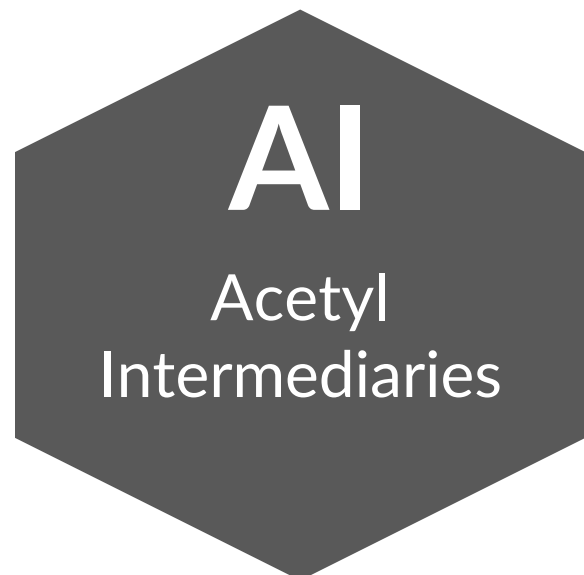


# Consolidating Growth over the Years

Particulars	FY11-FY14	FY15-FY18	FY19-FY22
AI Revenue Contribution	77%	63%	60%
SI Revenue Contribution	23%	37%	40%
EBITDA CAGR (%)	4%	22%	31%
Average Annual Capex (Rs cr)	46.7	49.3	62.3
Average D/E (x)	1.06	0.66	0.12



# Stable, Growing & Diversified Business



- #1 in India
- Top 5 in the world
- Capacity : 2,32,000 TPA
- **Low capex, Cash cow**

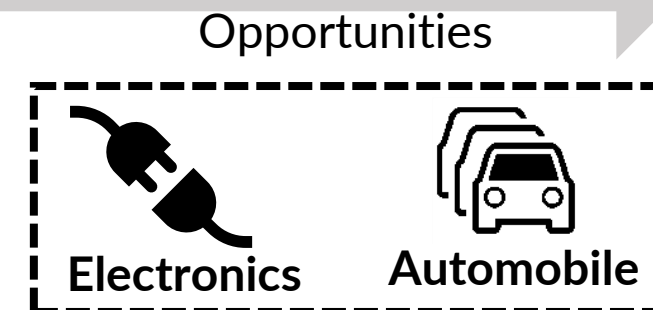
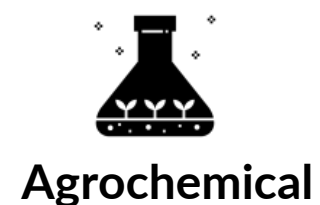
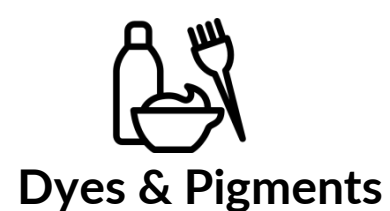


- #1 in India
- Very strong NPD
- High & growing contracted revenue
- **Niche applications, Higher margin**



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

## Diversified End Use Applications

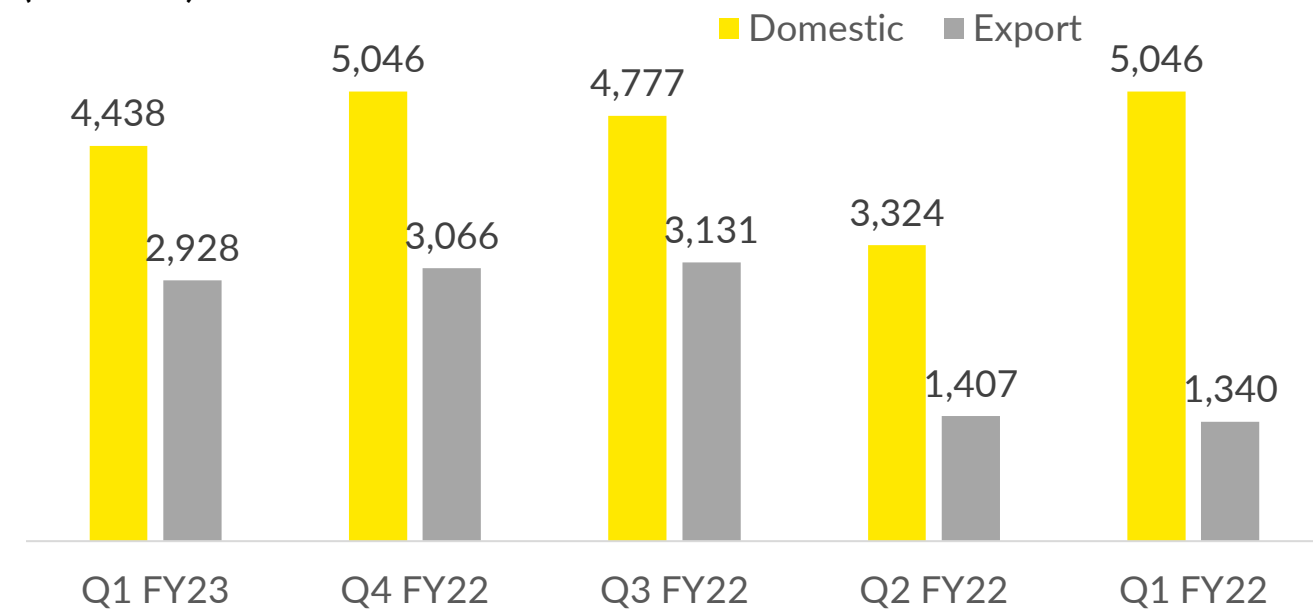




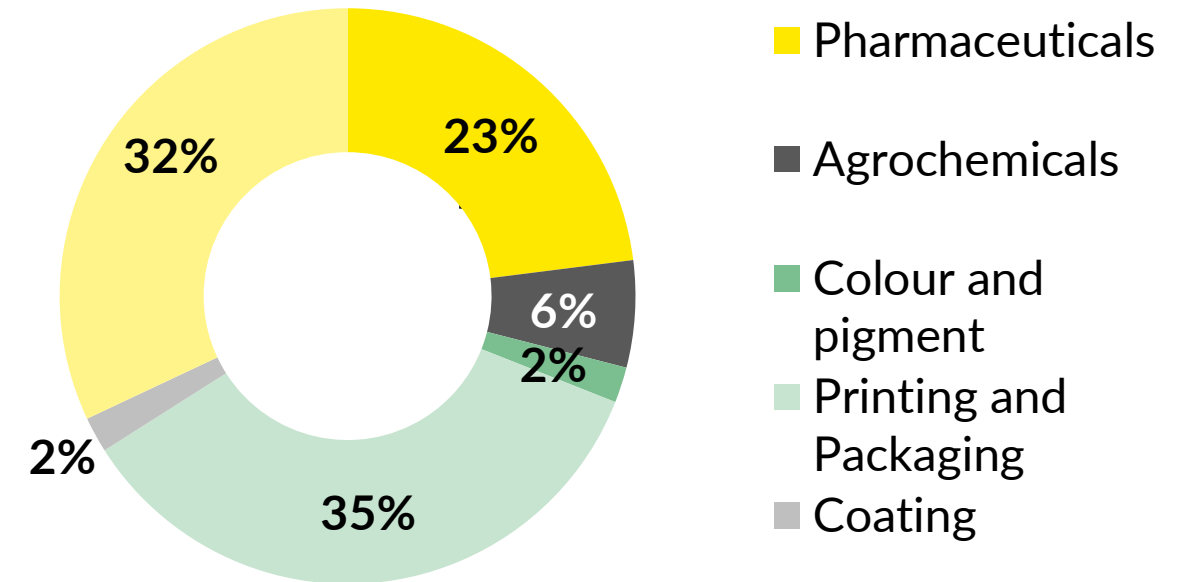
# De-risked Business Model

## Robust Export Share in Sales

(INR Mn)

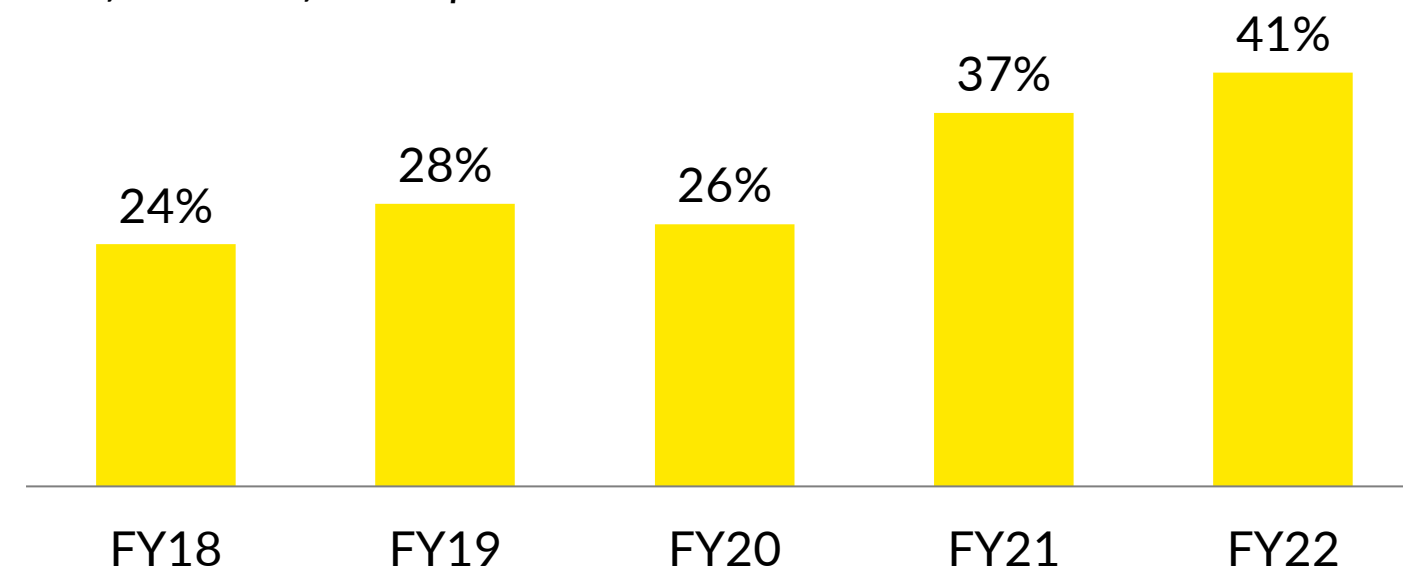


## Diversified Industry Base

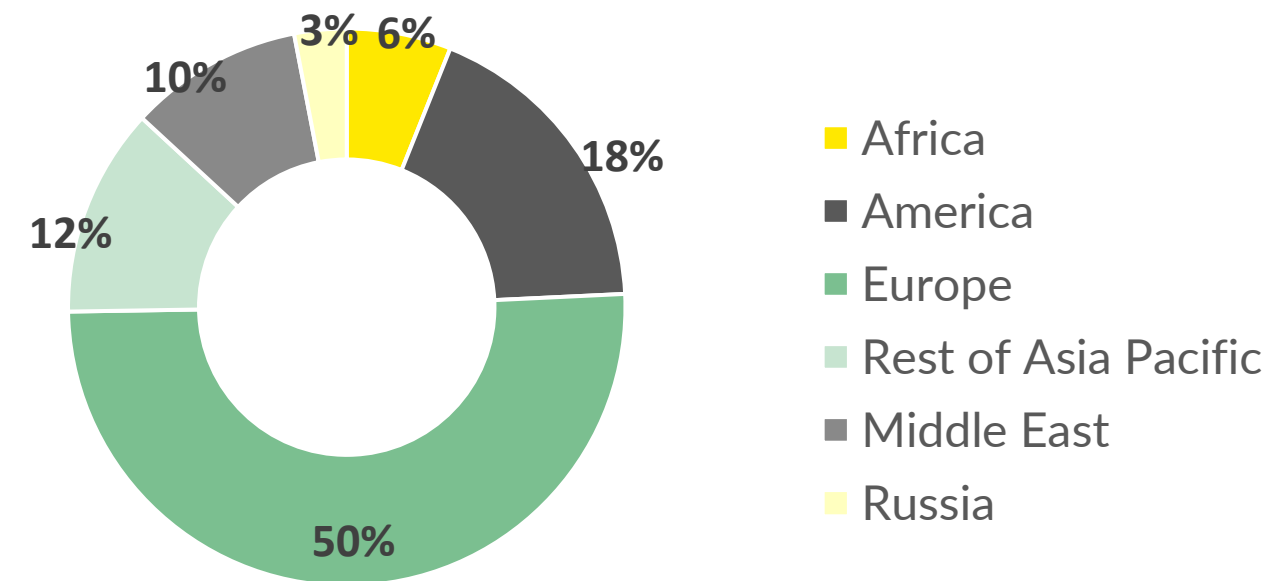


## Contribution from top 10 customers

% of revenue from top 10 customers

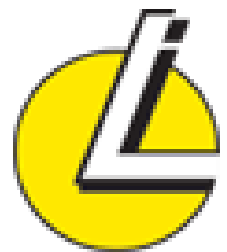


## Low Dependence on a Single Export Market





# Q1FY23 Performance



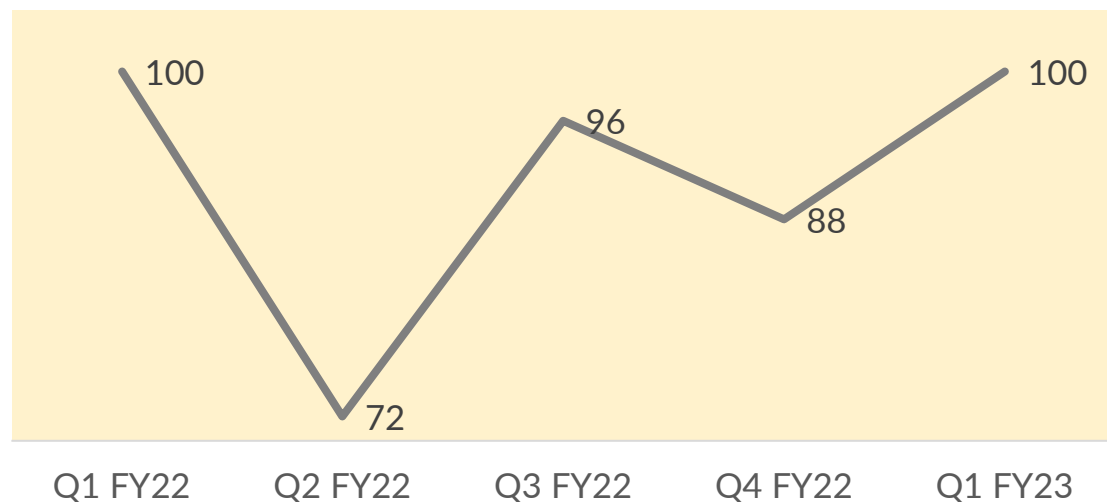
**LAXMI ORGANIC INDUSTRIES LTD**



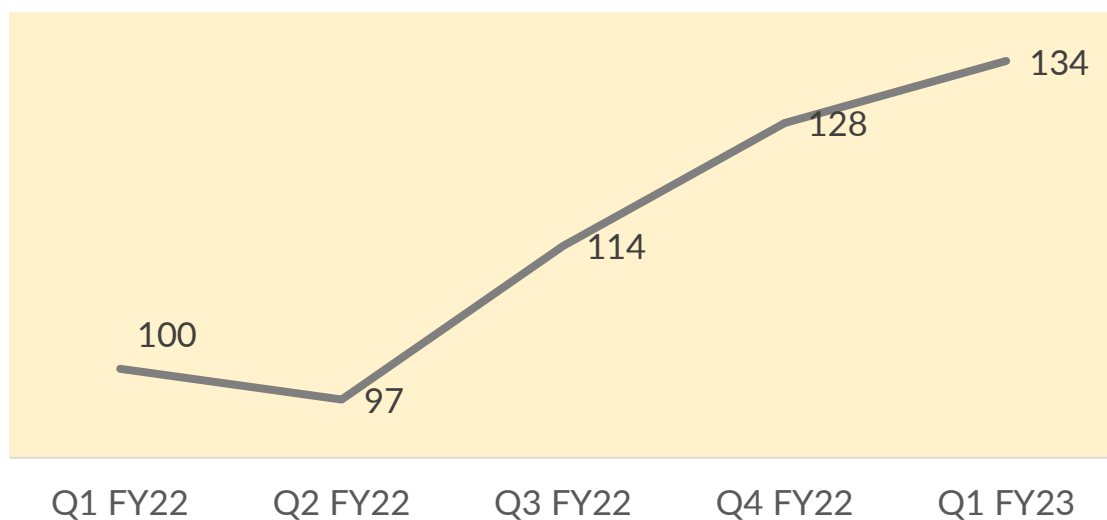


# Key Developments in Q1 FY23- SI

Product Mix Optimisation - Rebased



SI Contribution Margin Growth - Rebased



## Specialty Intermediaries – Market Overview

- We continue to maintain our leading market share in the domestic market of Diketene derivatives
- Given our backward integrated operations, global customers prefer Laxmi supplies for reliability and consistency
- Inflationary pressures are causing some demand softness in the market

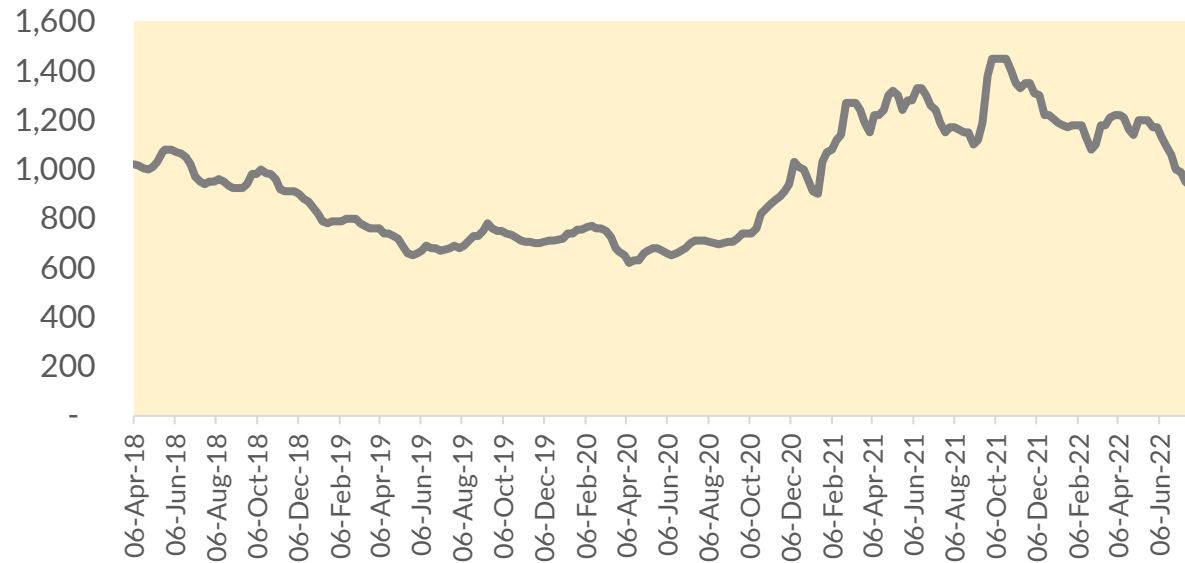
## Specialty Intermediaries – Business Performance

- New plant commissioned for supplying of a higher value molecule for global use. Sales to start in Q2 FY23
- Exports contributed higher to the SI sales in Q1 FY23 growing ca. 50% YoY
- Margins improved significantly with CM% growing ca. 35% YoY and ca. 10% QoQ

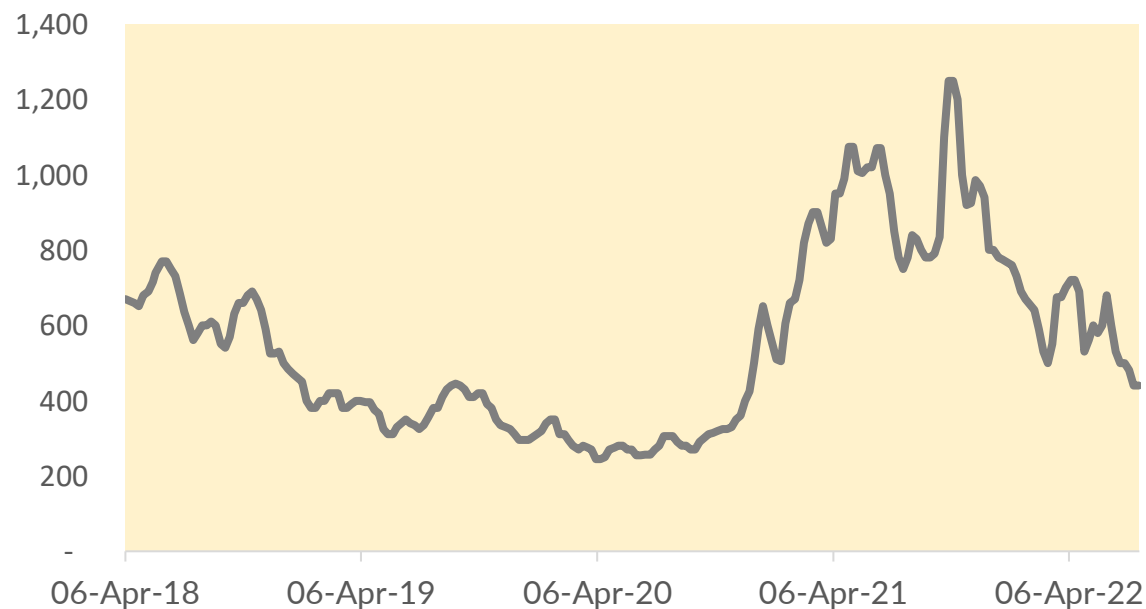


# Key Developments in Q1 FY23- AI

ETAC FOB (USD/t)



AA FOB (USD/t)



## Acetyls Intermediary – Market Overview

- Domestic ETAC prices remained flat in Q1 FY23 vs Q4 FY22
- Acetic acid prices saw softening and we optimized RM purchase between local supplies and imports
- We continue to maintain ca. 33% market share in the AI business

## Acetyls Intermediary – Business Overview

- Volumes grew ca. 50% YoY on the back of the YCPL acquisition and remained flat QoQ
- Exports contributed higher to the AI sales in Q1 FY23. The ratio of export to domestic sales in AI segment grew in line with volume growth
- CM% improved ca. 30% QoQ



# Key Developments in Q1 FY23 - FI

## Fluoro Specialty – Project Overview

- Significant progress has been made in India with almost 95% of the civil and structural work being complete
- Almost 60% of the packing and dispatch work has been done at Italy so far
- The heat wave is causing some disruption to the balance dismantling work

## Fluoro Specialty – Customer Overview

- Samples for initial ca. 8 products approved by customers
- Customer contract negotiations on for the above products
- Demand for the products remains strong from existing customer base

***Remain confident of commissioning the plant this fiscal; First sales should also start this fiscal***



# Financial Highlights: Q1FY23

	<b>SALES</b> (INR Mn)	<b>EBITDA</b> (INR Mn)	<b>PAT</b> (INR Mn)	<b>EPS</b> (INR)
<b>Q1'FY23</b>	<b>₹ 7,566</b>	<b>₹ 1,036</b>	<b>₹ 649</b>	<b>₹ 2.45</b>
YOY:	+ 2.8%	- 30.7%	- 37.1%	- 37.1%
QOQ:	- 14.0%	+ 38.3%	+ 12.9 %	+ 12.9 %
<b>Q1'FY22</b>	<b>₹ 7,364</b>	<b>₹ 1,453</b>	<b>₹ 1,023</b>	<b>₹ 3.58</b>
<b>Q4'FY22</b>	<b>₹ 8,798</b>	<b>₹ 729</b>	<b>₹ 575</b>	<b>₹ 2.30</b>

**Improved margins in Q1 FY2023**



# Company Performance – Contribution from AI & SI

## AI business

Contribution to Top-line

65%

Contribution to Profits

50%

Exports

40%

## SI business

Contribution to Top-line

35%

Contribution to Profits

50%

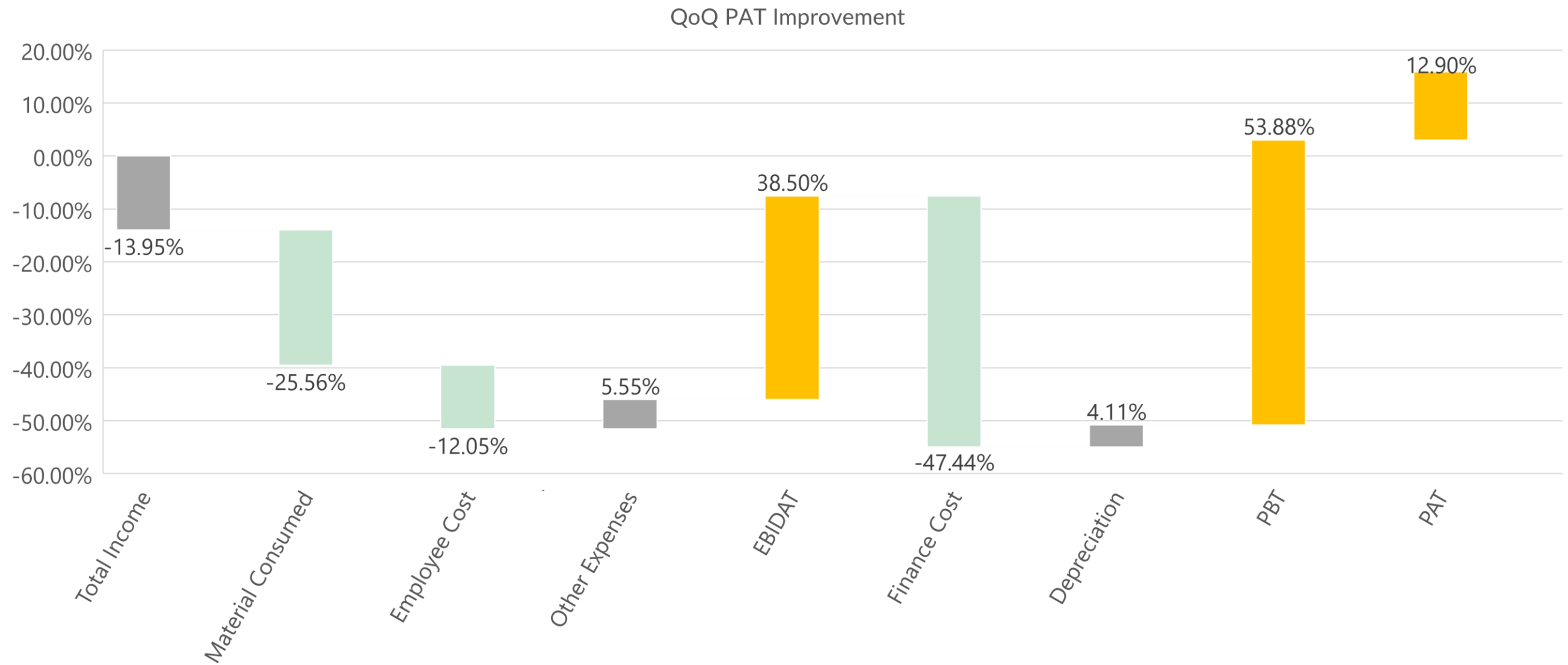
Exports

40%

*Strong performance of both business segments has started FY23 on a strong foot*



# QoQ PAT Improvement



*Improved material, employee and finance costs have improved QoQ PAT*



# Quarterly Performance

Particulars (In INR Mn)	Q1FY23	Q4FY22	QoQ (%)	Q1FY22	YoY (%)
Revenue from Operations	7,566	8,799	-14.0%	7,364	2.8%
Other Income	21	19	15.8%	43	-50%
<b>Total Income</b>	<b>7,587</b>	<b>8,818</b>	<b>-14.0%</b>	<b>7,407</b>	<b>2.4%</b>
Cost of Materials	4,569	6,138	-25.6%	4,774	-4.3%
<b>Gross Profits</b>	<b>3,018</b>	<b>2,680</b>	<b>12.6%</b>	<b>2,633</b>	<b>15.8%</b>
<b>Gross Margin (%)</b>	<b>39.9%</b>	<b>30.5%</b>	<b>943bps</b>	<b>36%</b>	<b>413bps</b>
Employee Cost	284	323	-12.1%	302	-6.0%
Other Expenses	1,698	1,609	5.5%	835	103.5%
<b>EBITDA</b>	<b>1,036</b>	<b>749</b>	<b>38.3%</b>	<b>1,496</b>	<b>-30.7%</b>
<b>EBITDA Margins</b>	<b>13.7%</b>	<b>8.5%</b>	<b>518bps</b>	<b>20.3%</b>	<b>-662bps</b>
Depreciation	143	138	3.6%	109	31.2%
<b>EBIT</b>	<b>893</b>	<b>611</b>	<b>46.2%</b>	<b>1,387</b>	<b>-35.0%</b>
<b>EBIT Margin (%)</b>	<b>11.8%</b>	<b>6.9%</b>	<b>486bps</b>	<b>18.8%</b>	<b>-703bps</b>
Interest	24	46	-47.6%	28	-13.9%
<b>PBT</b>	<b>869</b>	<b>565</b>	<b>54.2%</b>	<b>1,359</b>	<b>-35.9%</b>
Tax	220	-10	-	335	-34.3%
<b>ETR (%)</b>	<b>25%</b>	<b>-2%</b>	<b>-</b>	<b>25%</b>	<b>-</b>
<b>PAT</b>	<b>649</b>	<b>575</b>	<b>13.2%</b>	<b>1,024</b>	<b>-36.4%</b>
<b>EPS</b>	<b>2.4</b>	<b>2.3</b>	<b>13.2%</b>	<b>3.9</b>	<b>36.4%</b>



# Capex Overview

## Capex Overview for FY 23

Debottlenecking capex in AI – less than 5% of annual capex

Growth capex in SI – ca. 42% of the annual capex

Fluro specialty – ca. 53% of the annual capex

## Funding of Capex

IPO process of > INR 100cr available at the beginning of the fiscal

Cash flow from operations available

Deleveraged balance sheet – negligible long term debt on books

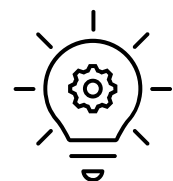
High promoter share holding

*The company has the capability to execute INR 300 – 350cr of organic capex annually*





# 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 and safety 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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