



## LAXMI ORGANIC INDUSTRIES LTD

Chandermukhi, Third Floor, Nariman Point, Mumbai 400021, India  
T +91 22 49104444 E info@laxmi.com W www.laxmi.com

May 26, 2021

### **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 Limited**

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

**Trading Symbol: LXCHEM**

Dear Sir / Madam,

### **Sub: Investor Presentation for Q4 and financial year 2020-21**

In accordance with Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please see enclosed Investor Presentation for Q4 and financial year 2020-21.

The aforesaid presentation is also available on the Company's website at <https://www.laxmi.com/investors/investor-presentation>

We request you to take the above on record.

Thanking you,

For **Laxmi Organic Industries Limited**

**Aniket Hirpara**

Company Secretary and Compliance Officer

**Encl.: A/a**



**LAXMI ORGANIC INDUSTRIES LTD**



[www.laxmi.com](http://www.laxmi.com)



**Investor Presentation – 26<sup>th</sup> May, 2021**



*Certain statements and opinions with respect to the anticipated future performance of Laxmi Organics Ltd (Laxmi) in the presentation (“forward - looking statements”), which reflect various assumptions concerning the strategies, objectives and anticipated results may or may not prove to be correct. Such forward -looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward - looking statements. These include, among other factors, changes in economic, political, regulatory, business or other market conditions. Such forward - looking statements only speak as at the date the presentation is provided to the recipient and Laxmi is not under any obligation to update or revise such forward -looking statements to reflect new events or circumstances. No representation or warranty (whether express or implied) is given in respect of any information in this presentation or that this presentation is suitable for the recipient’s purposes. The delivery of this presentation does not imply that the information herein is correct as at any time subsequent to the date hereof and Laxmi has no obligation whatsoever to update any of the information or the conclusions contained herein or to correct any inaccuracies which may become apparent subsequent to the date hereof.*

# Agenda

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**01** Company overview

**02** Business

**03** Strategy

**04** Financials




# Company overview




**LAXMI ORGANIC INDUSTRIES LTD**




 Large scale organic chemical manufacturing for more than three decades


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 Combined with YCPL the Company will become the largest manufacturer of Ethyl Acetate (ETAC) in India and among the top 7 in the world


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 Only manufacturer of Diketene derivatives in India with ~55% market share


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 Forayed into high margin specialty fluorochemicals by acquisition of Miteni, Italy


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 Diversified portfolio of more than 50 products catering to pharma, agro, paints & coatings, printing & packaging, dyes & pigments industry segments


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 Global footprint with offices in Europe, China, Middle-East with stock points in Europe

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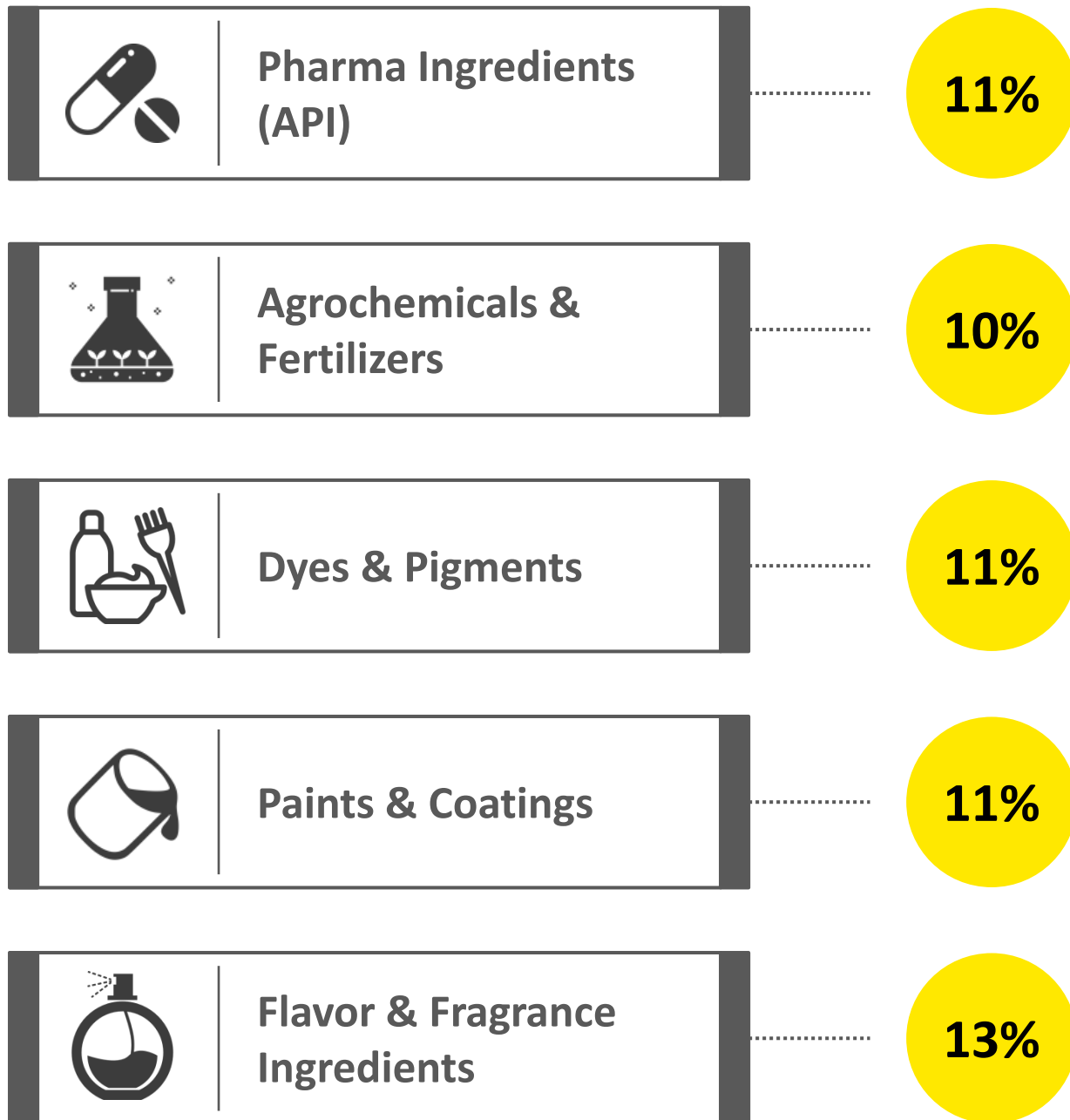
 Marque customers in high growth applications in 30+ countries

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 DSIR approved 2 R&D facilities with state-of-the-art infrastructure



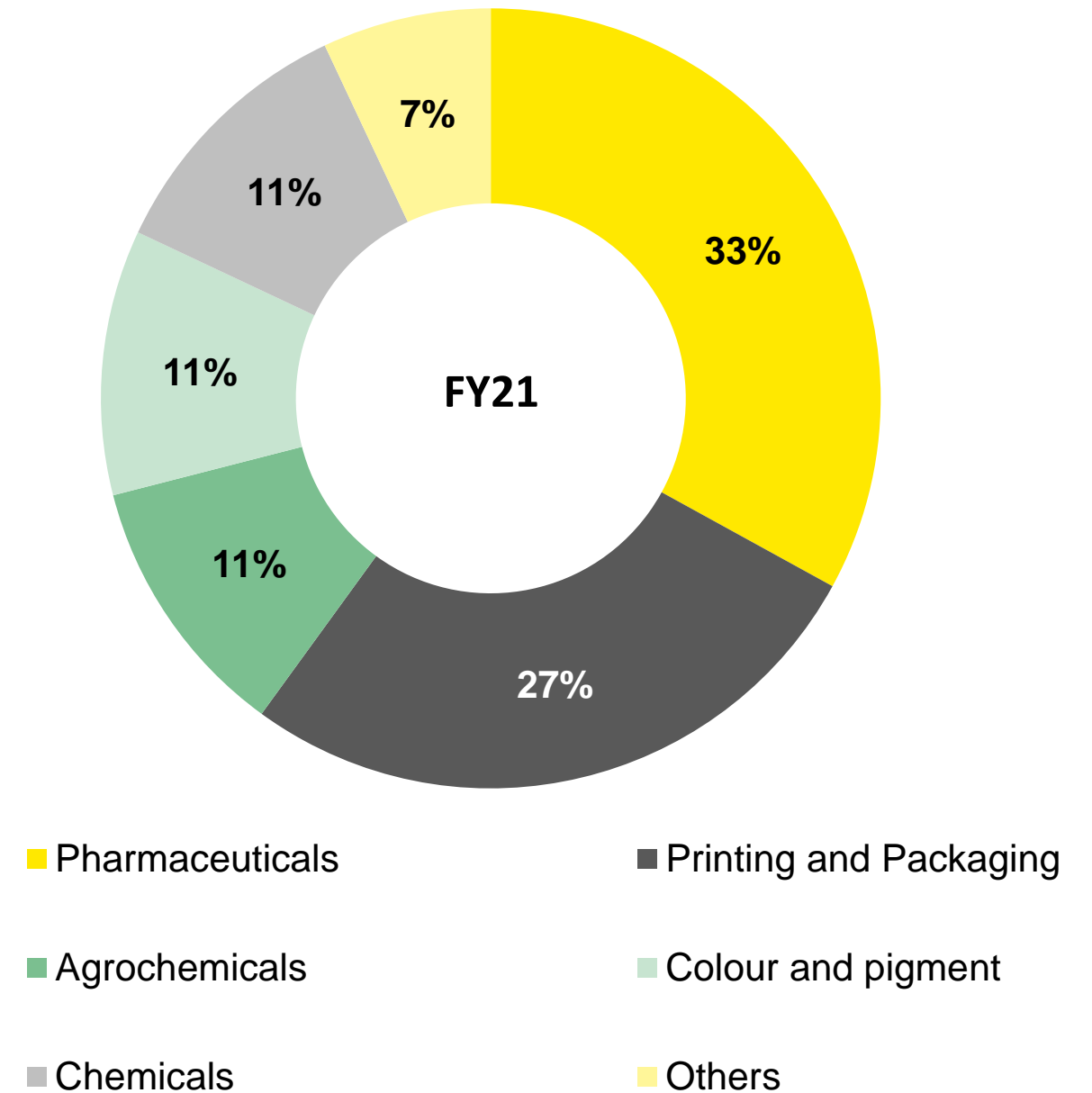
## India market - Growth (2019-24 CAGR)



Source: Frost & Sullivan Report

## Diversified customer base

% of revenue from sale of manufactured products & services

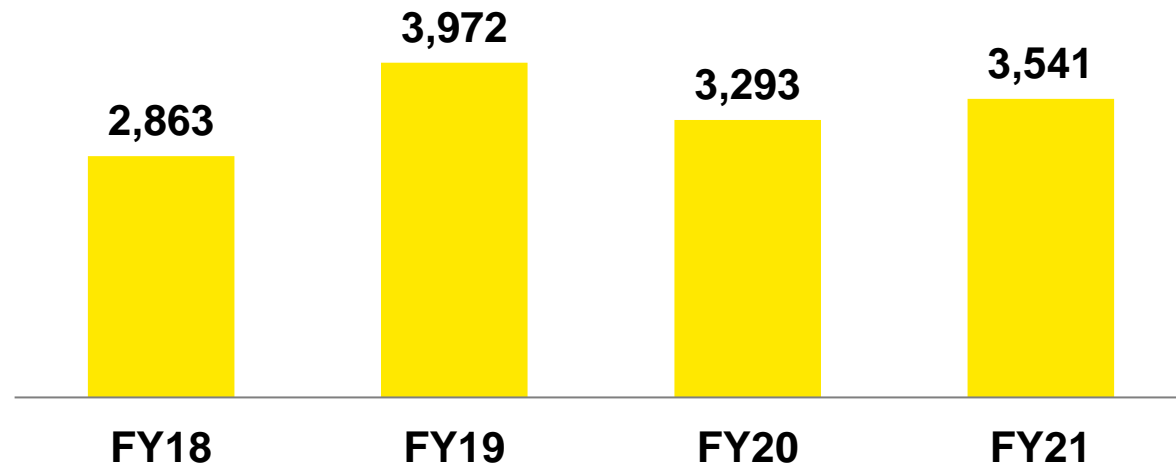




# De-risking through presence in different geographies

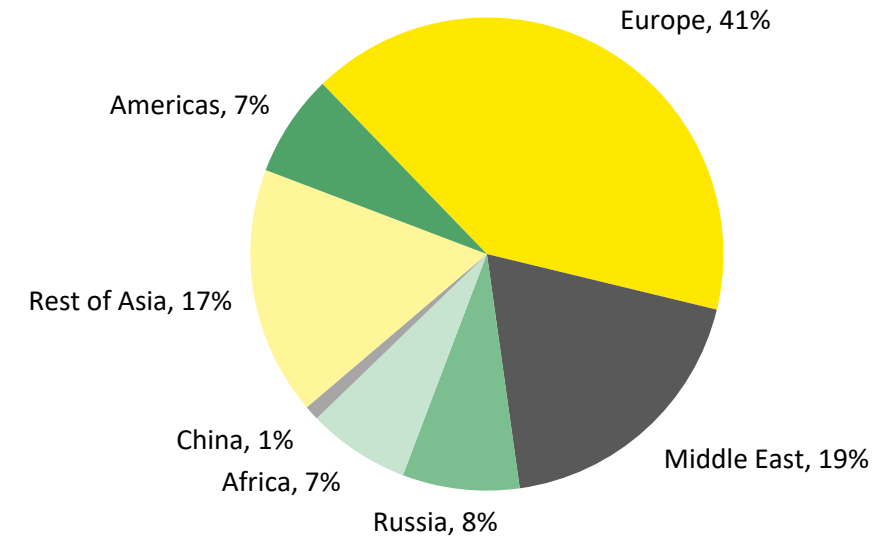
## Robust export earnings

(INR mn)



## Low dependence on a single export market

FY21 sale break-up



Customers in 30+ countries, including UK, USA and UAE among others



Local presence & International offices facilitate in sales & market insights



Arrangements for storage of finished products in key markets ensures delivery on short notice





## Consistent technology absorption to develop new potential marketable products

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- Developed five different chemistry platforms on commercial scale
- Addition of 34 New Products to the SI Platform in the last 8 years
- 2 of the new piloted molecules in SI ready for commercialization

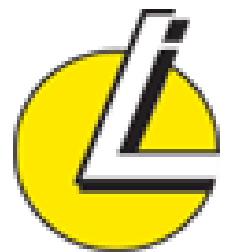
## R&D – Key growth driver of business

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- Two DSIR recognised R&D facilities working on ketene, diketene & other complex chemistries
- Dedicated team of 49 employees – focused on innovations in chemistry & engineering
- Unlocked value in various complex chemistries, resulting in higher margins & revenues
- Patent in European countries and USA



# Business



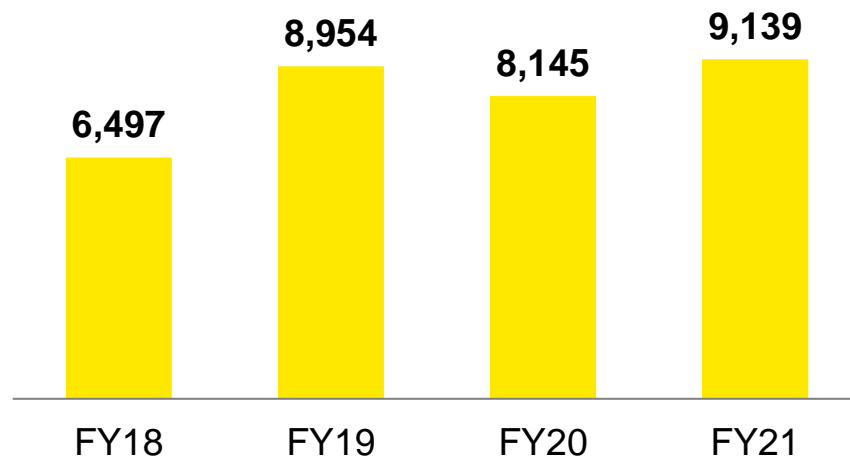
**LAXMI ORGANIC INDUSTRIES LTD**



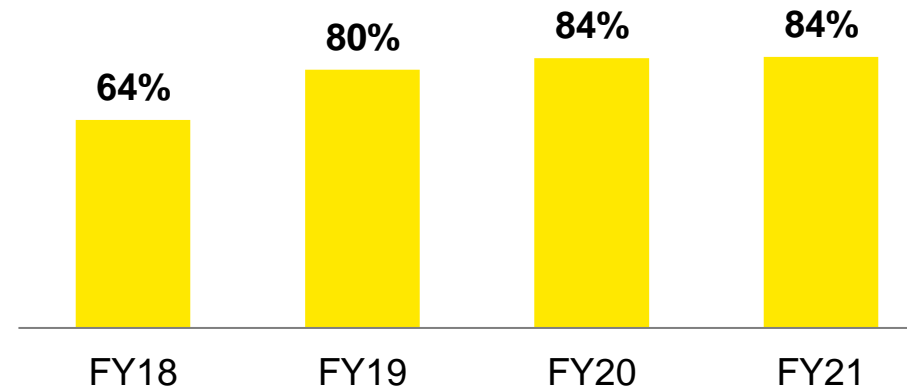
Comprising of ETAC, acetaldehyde, ethanol & other customised solvents

## Revenue

(INR mn)

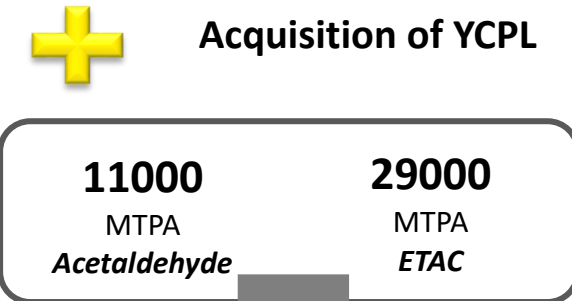


## ... Growing capacity utilisation



## Expanding manufacturing capabilities

161000  
MTPA



201,020 MTPA

## Competitive Edge

- Strong conversion efficiencies aid consistent contribution margin across business cycles
- Strategic location, backward integration, large storage capabilities help achieve economies of scale

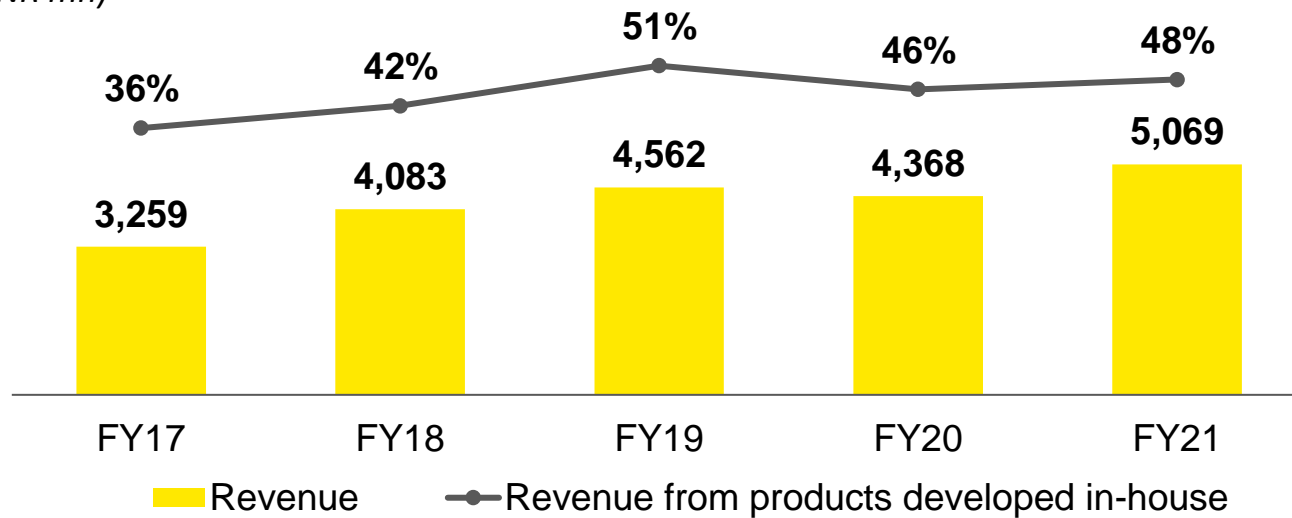
# Overview of Specialty Intermediates (SI) business



Basket of 34+ products – ketene, diketene derivatives (esters, acetic anhydride, amides, arylides & others)

## Healthy revenue contribution from new products

(INR mn)



## Highly versatile products



## Broad based growth

- Product mix optimization improving profitability
- Acquisition of significant international accounts



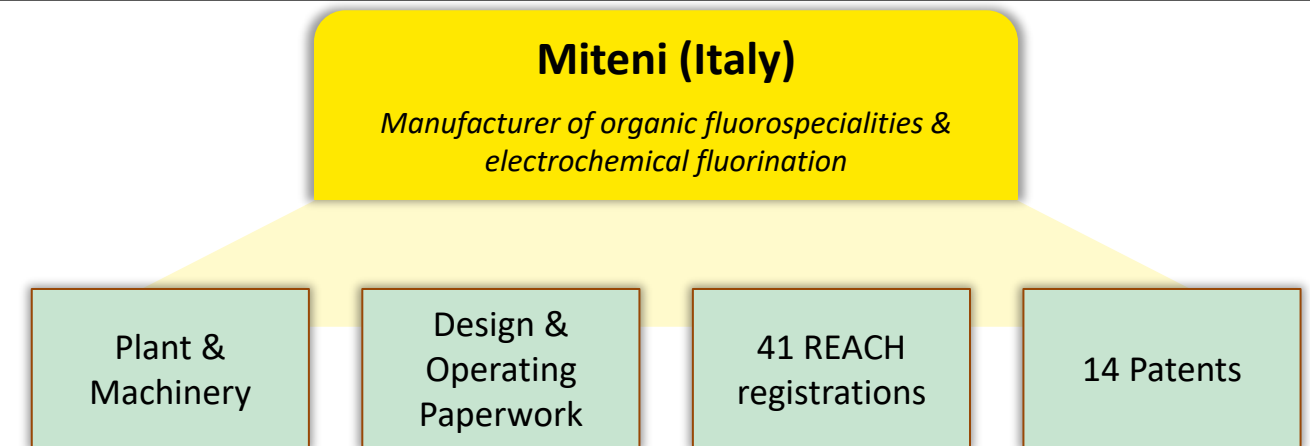
## Growth drivers of fluorochemicals

- One in every 3 new APIs will be based on fluorine chemistry
- Upto 20% of pharma molecules contain Fluorine atom
- 50% of agrochemical molecules developed recently have fluorine



**Laxmi well poised to leverage the opportunity with its experience in complex chemistries**

## Diversification into high margin fluorospecialty chemicals...



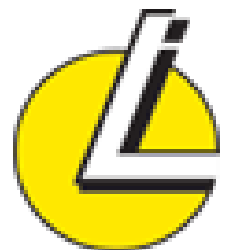
**World-class technology, library of 100+ products in R&D and scale-up stages, multi-purpose facility**

## Progress

- Total spend till 31st March 21 – Rs. 1000 million
- R&D in India – Kilo Lab operations have started
- Dismantling activities have restarted and the initial container loads will start in June 21
- Civil and infrastructure work at Lote, India is more than 50% complete
- A team of more than 40 is working in India and Italy
- R&D in Italy – Plan to start by end of Q2 FY22



# Strategy



**LAXMI ORGANIC INDUSTRIES LTD**



## Increasing global footprint

- Creation of **subsidiary in USA** with an aim of having a **stock point in the US**
- Operationalise **Chinese subsidiary** and have **stock point in China** to support exports to China



## Continuing focus on innovation

- Leverage know-how in complex chemistries to **add downstream & value-added products**
- New products in AI & SI segment to have **synergies in raw materials & processes with existing products**
- **Dedicated R&D unit for fluorospecialty** for long term growth opportunity
- **Acquired 30000 sq ft of R&D floor space** near Mumbai

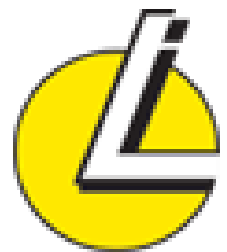


## Establishing the fluorospecialty business

- **Capture market share of Miteni**, utilising existing chemistries & past customer base
- **Dismantle & relocate assets to India**, with marketing support in Europe
- **Leverage existing relationships** in pharma & agro sector to boost market entry



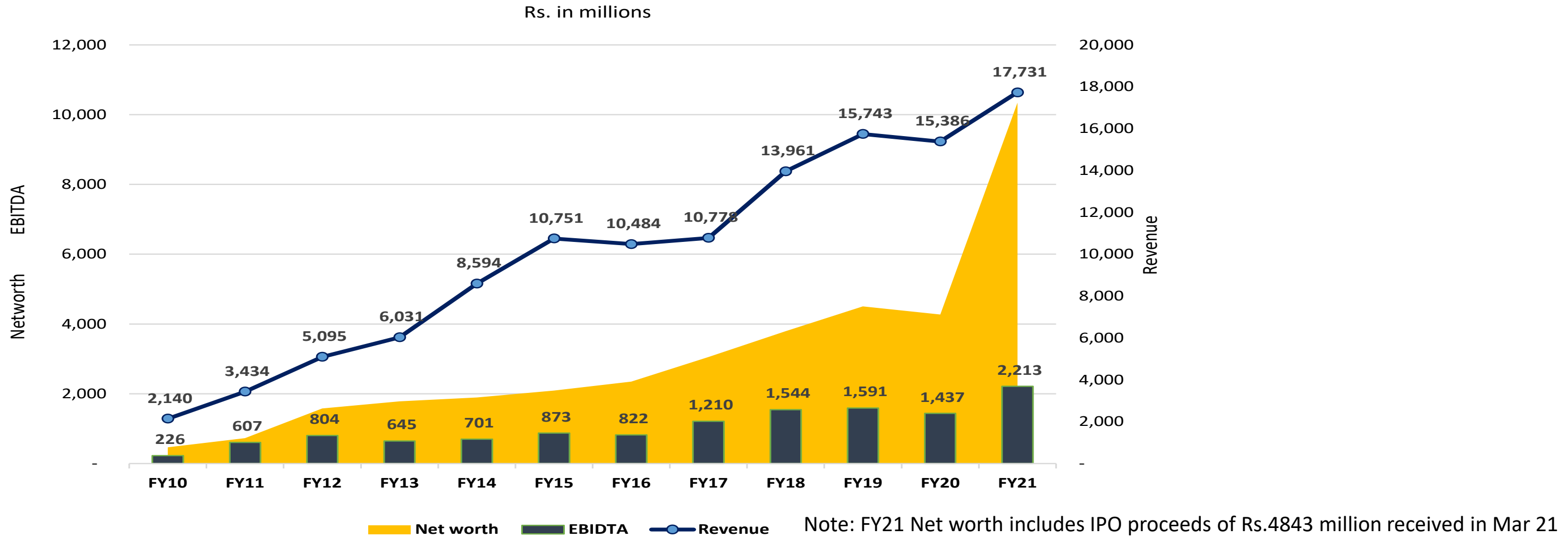
# Financial performance



**LAXMI ORGANIC INDUSTRIES LTD**



# The financial journey



## 10-year growth trajectory

	CAGR
Revenue	15%
EBIDTA	12%
Net worth	23%

## 5-year growth trajectory

	CAGR
Revenue	13%
EBIDTA	16%
Net worth	36%

# Standalone results



(Rs Mn)	Q4FY21	Q4 FY20	Variance %
<b>Revenue</b>	<b>4,708</b>	<b>3,428</b>	<b>37%</b>
AI	2,806	1,802	56%
SI	1,572	1,129	39%
Others	330	497	-34%
EBITDA	590	266	122%
<i>EBITDA margin</i>	<i>12.5%</i>	<i>7.7%</i>	
Profit After Tax	312	133	135%
EPS	1.34	0.60	

Rs in Mn	FY21	FY20	Variance %
<b>Revenue</b>	<b>16,156</b>	<b>13,663</b>	<b>18%</b>
AI	9,139	8,145	12%
SI	5,069	4,368	16%
Others	1,947	1,150	69%
EBITDA	2,119	1,252	69%
<i>EBITDA margin</i>	<i>13.1%</i>	<i>9.2%</i>	
Profit After Tax	1,226	786	56%
EPS	5.40	3.21	
Return on Capital Employed	18.7%	17.6%	

# Consolidated results



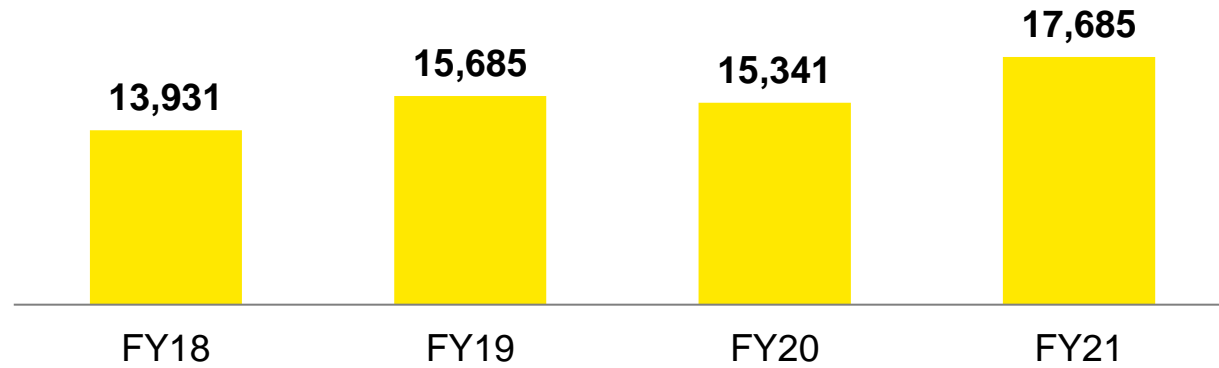
(Rs Mn)	Q4FY21	Q4 FY20	Variance %
<b>Revenue</b>	<b>5,213</b>	<b>3,879</b>	<b>34%</b>
EBITDA	654	210	211%
<i>EBITDA margin</i>	<i>12.6%</i>	<i>5.4%</i>	
Profit After Tax	364	102	257%
EPS	1.56	0.46	

Rs in Mn	FY21	FY20	Variance %
<b>Revenue</b>	<b>17,731</b>	<b>15,386</b>	<b>15%</b>
EBITDA	2,213	1,437	54%
<i>EBITDA margin</i>	<i>12.5%</i>	<i>9.3%</i>	
Profit After Tax	1,271	702	81%
EPS	5.59	2.86	
Return on Capital Employed	18.9%	15.6%	



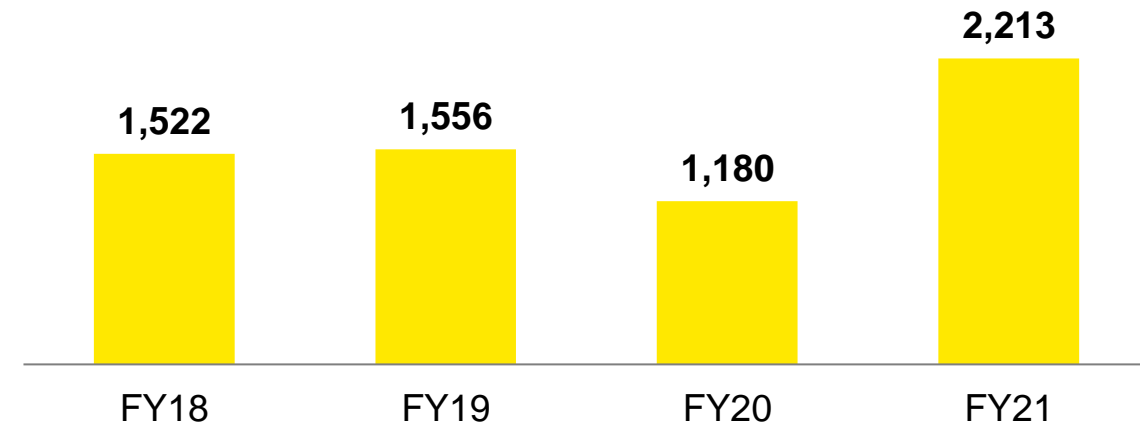
## Revenue from operations

(INR mn)



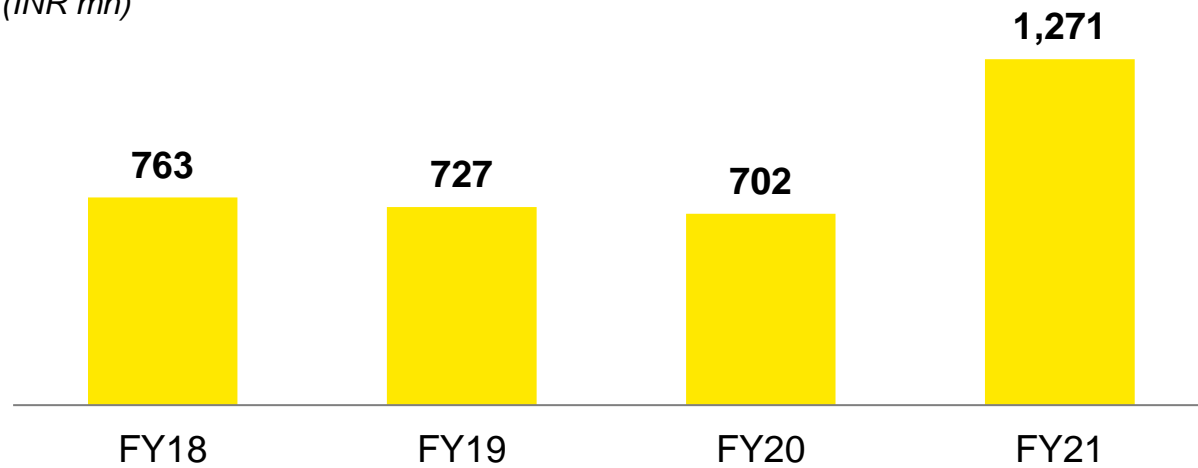
## EBITDA profile

(INR mn)

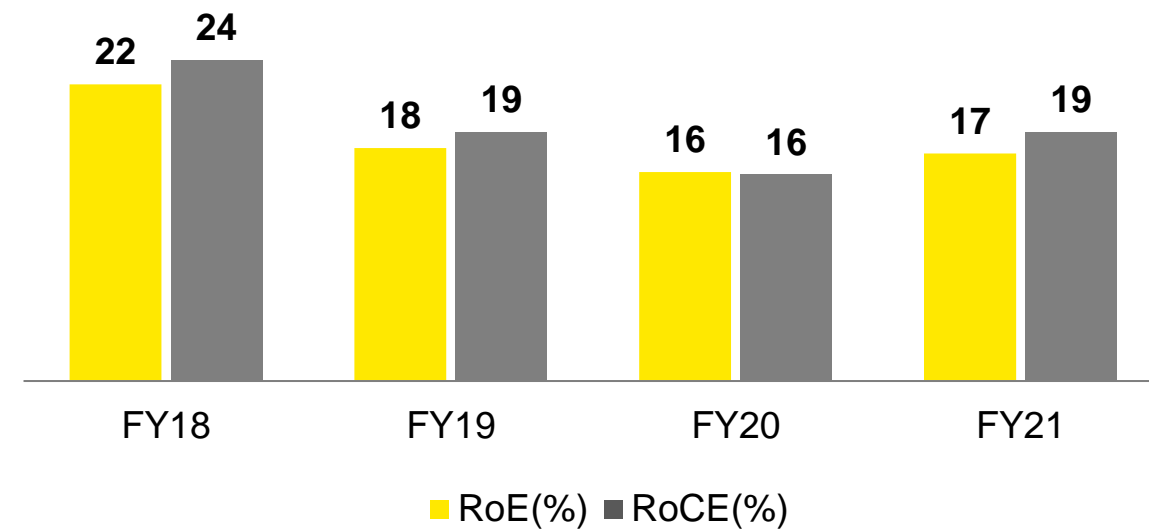


## PAT profile

(INR mn)



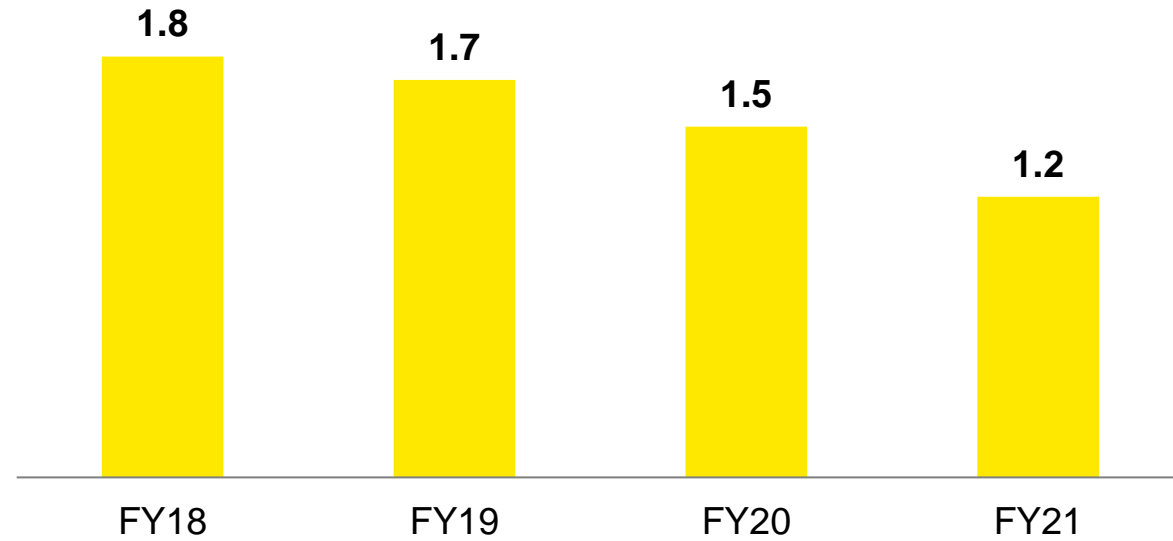
## Return ratios



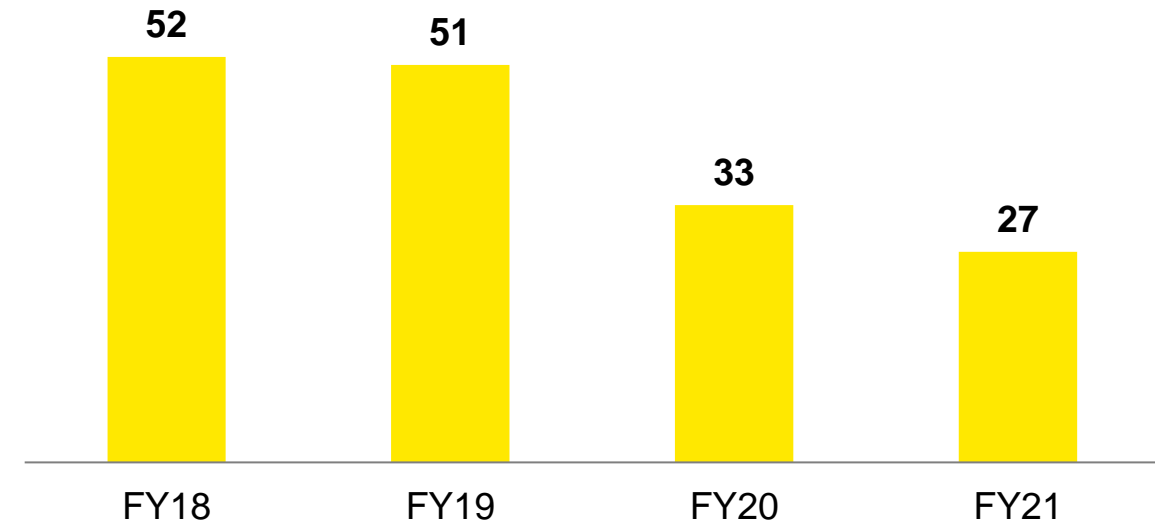
Figures on consolidated basis; RoE = PAT / Average Net worth; ROCE = EBIT / Average Capital Employed; Capital Employed for FY21 includes IPO proceeds of Rs.4843 million received in Mar 21



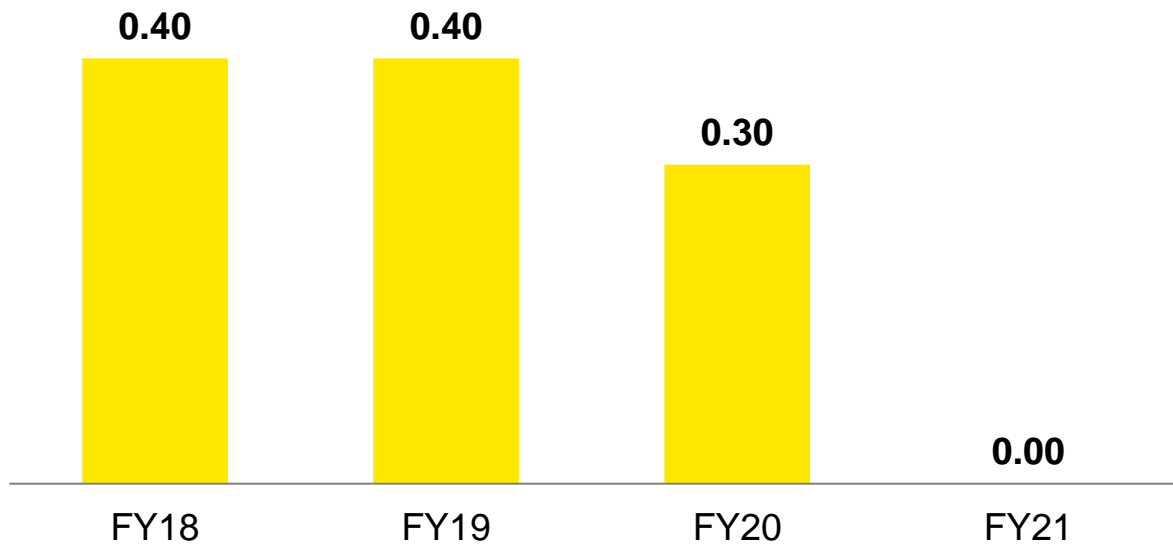
## Asset turnover (x)



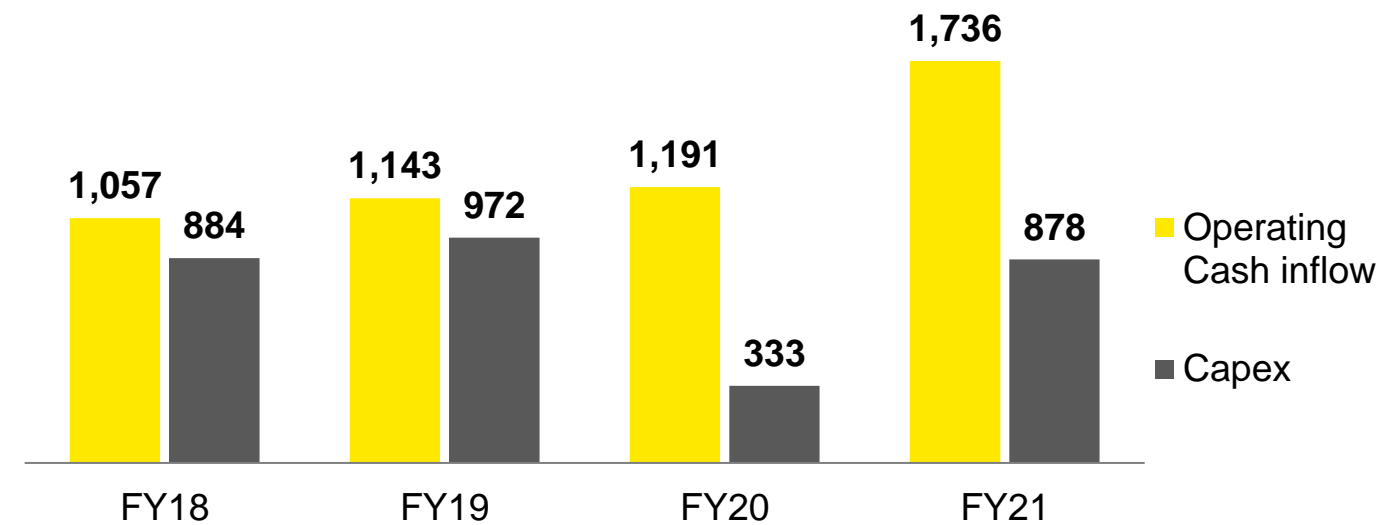
## Working capital days (x)



## Leverage profile (x)



## Cash Inflow from Operations before WC changes and Capex Outgo (Capex Outgo pertains to LOIL only)



Figures on consolidated basis; Asset Turnover = Sales / Average Total Assets; Working Capital Days = 365 \* (Inventories + Receivables - Payables) / Sales; Cash Flow from Operations = PAT + Depreciation



- ETAC – Ethyl Acetate
- AI – Acetyl Intermediates
- SI – Specialty Intermediates
- DSIR – Department of Scientific and Industrial Research
- IFC – International Finance Corporation
- LOIL – Laxmi Organic Industries Ltd
- YCPL – Yellowstone Chemicals Pvt Ltd
- YFCPL – Yellowstone Fine Chemicals Pvt Ltd
- AHPL – Acetyls Holdings Pvt Ltd
- R&D – Research and Development
- WC – Working Capital
- REACH – Registration, Evaluation, Authorisation, and Restriction of Chemicals

**THANK YOU**

