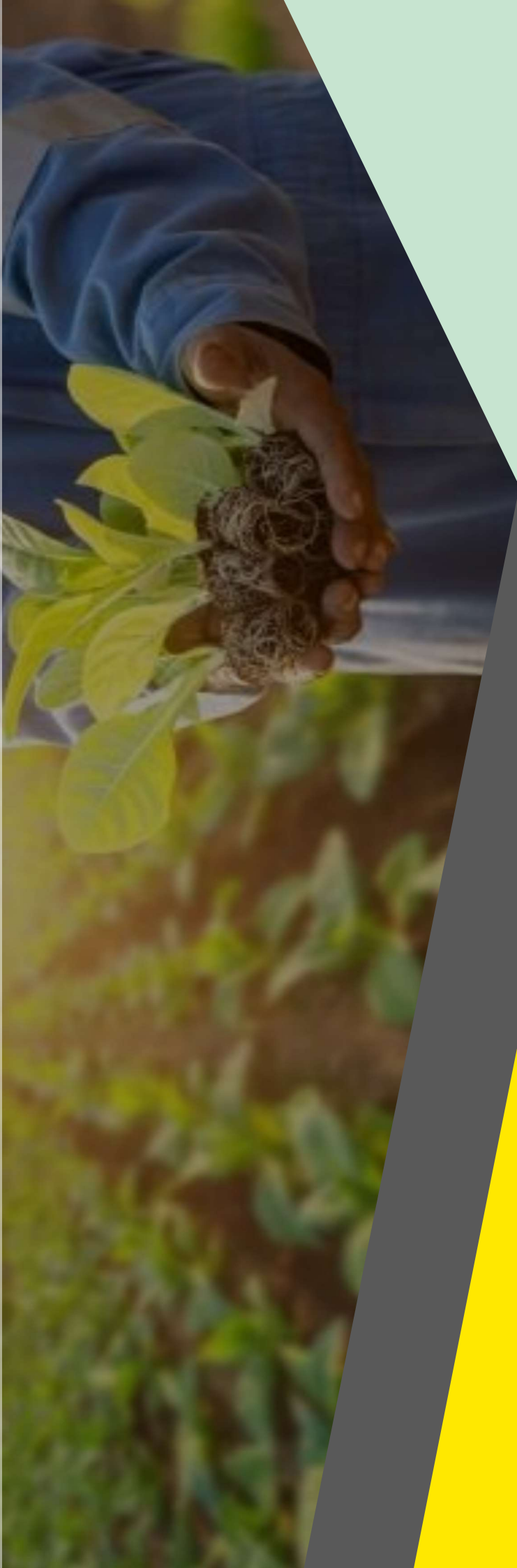




**LAXMI ORGANIC INDUSTRIES LTD**



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



**Investor Presentation – Q4 FY22 | May, 2022**

# Disclaimer



*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**

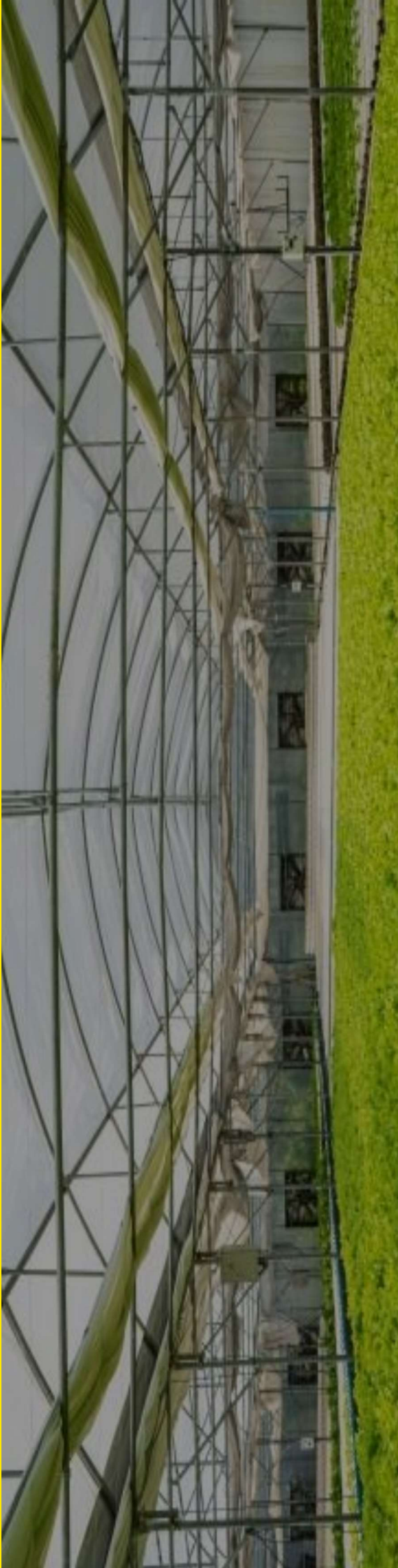
Business

**03**

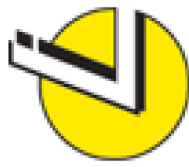
Strategy

**04**

Financials

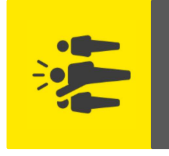


# Company overview



**LAXMI ORGANIC INDUSTRIES LTD**

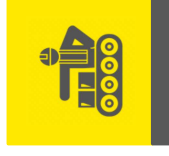
# Company overview



Large scale organic chemical manufacturing for **more than three decades**



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



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



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



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



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



Marque customers in high growth applications in 44 countries

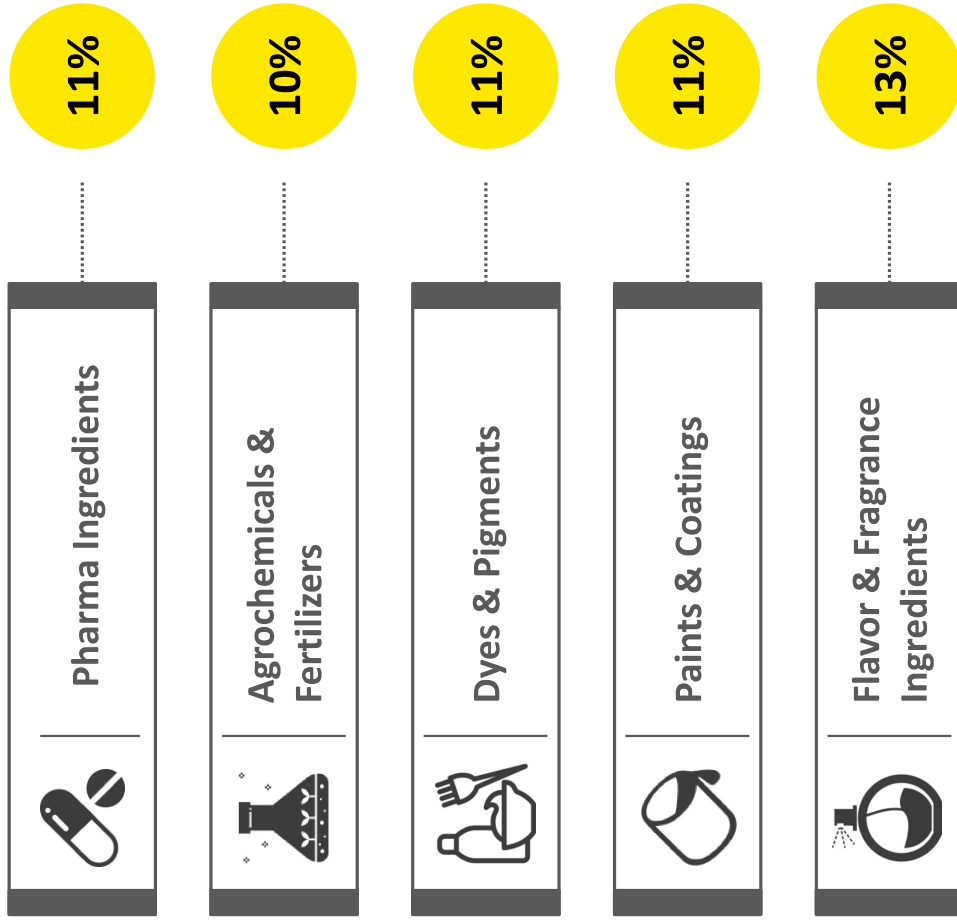


**DSIR approved 2 R&D facilities** with state-of-the-art infrastructure

# De-risked business model with diversified customer base

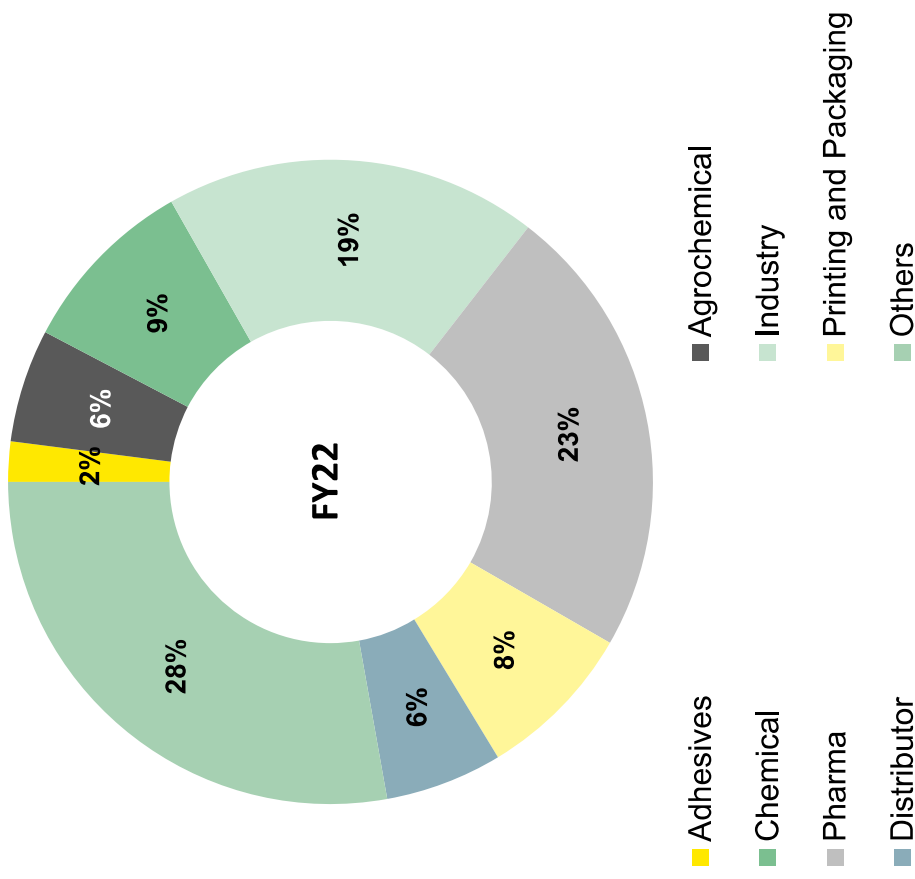


India market - Growth  
(2019-24 CAGR)



## Diversified customer base

% of revenue from sale of manufactured products & services



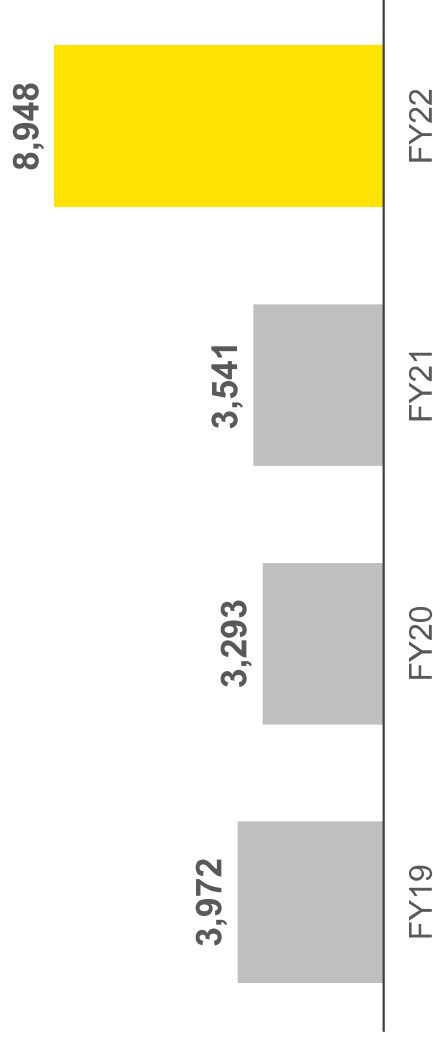
Source: Frost & Sullivan Report

# De-risking through presence in different geographies



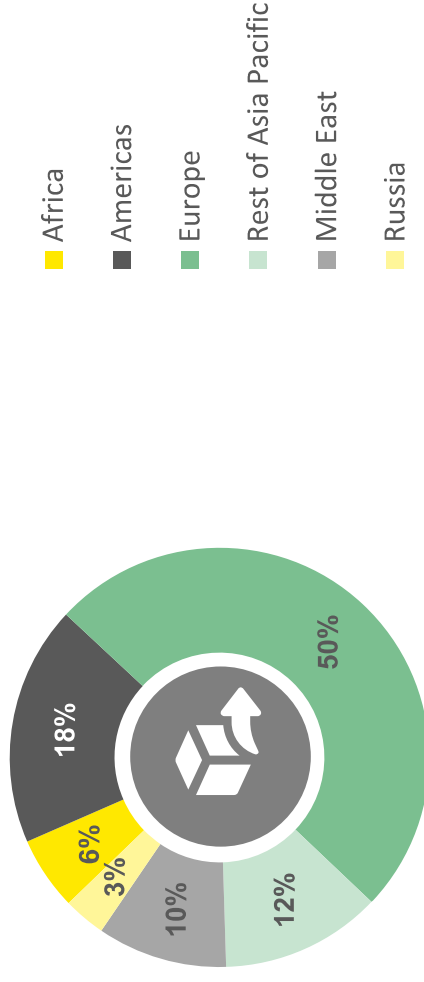
## Robust export earnings

(INR Mn)



## Low dependence on a single export market

FY22 sale break-up



Customers in 40+ 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

# In-house Research & Development capabilities



## Consistent technology absorption to develop new potential marketable products

- Developed five different chemistry platforms on commercial scale
- Addition of 34 New Products to the SI Platform in the last 8 years



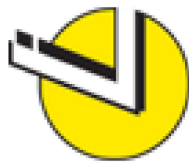
## R&D – Key growth driver of business

- Two DSIR recognised R&D facilities working on ketene, diketene & other complex chemistries
- Dedicated team of 62 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**

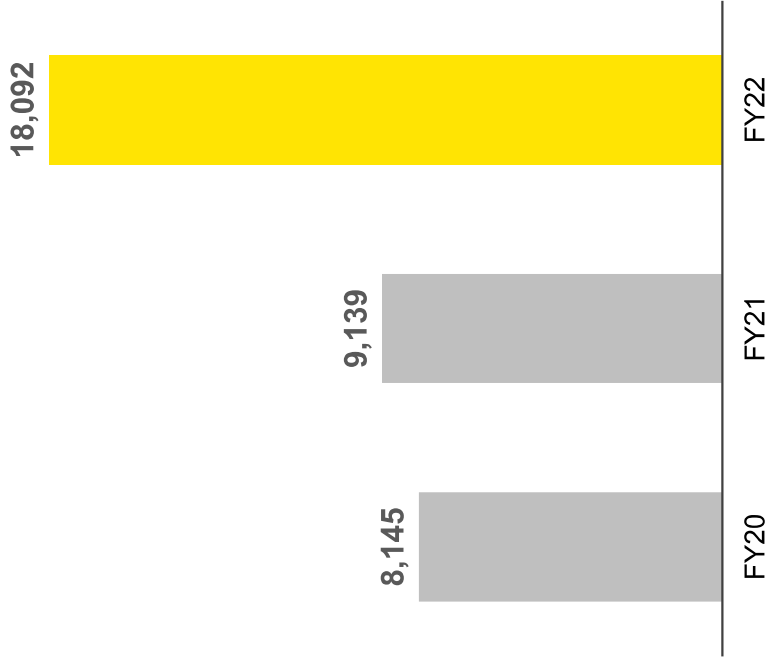
# Overview of Acetyl Intermediates (AI) business



Comprising of ETAC, acetaldehyde, ethanol & other customised solvents

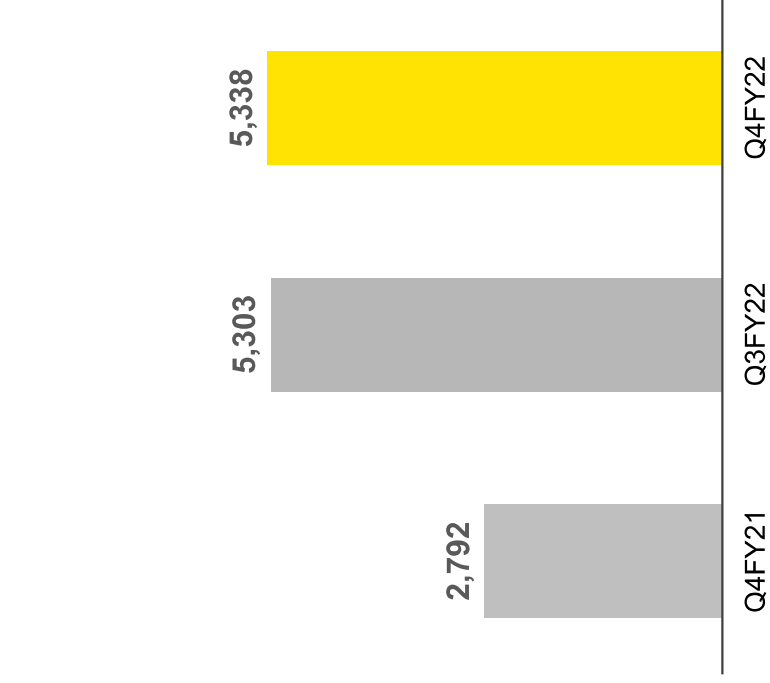
## FY22 AI Revenue

(INR Mn)



## Q4 FY22 AI Revenue

(INR Mn)



## Expanded capacity & trade channels

Increase of capacity during the year

201,000 MTPA



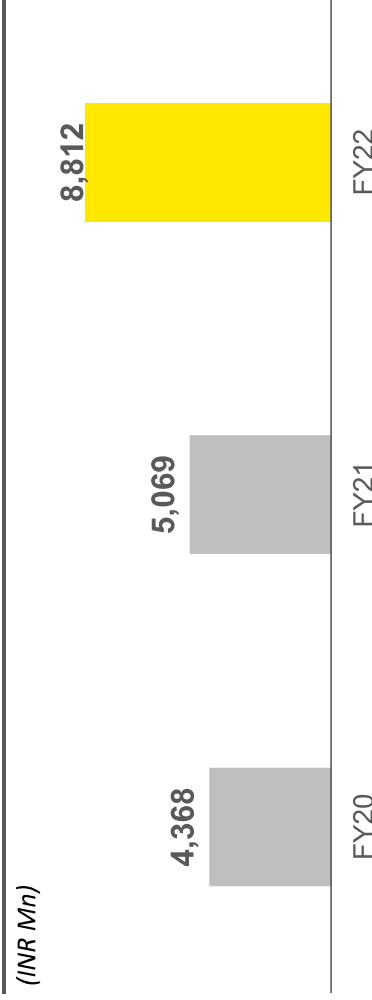
233,000 MTPA

# Overview of Specialty Intermediates (SI) business



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

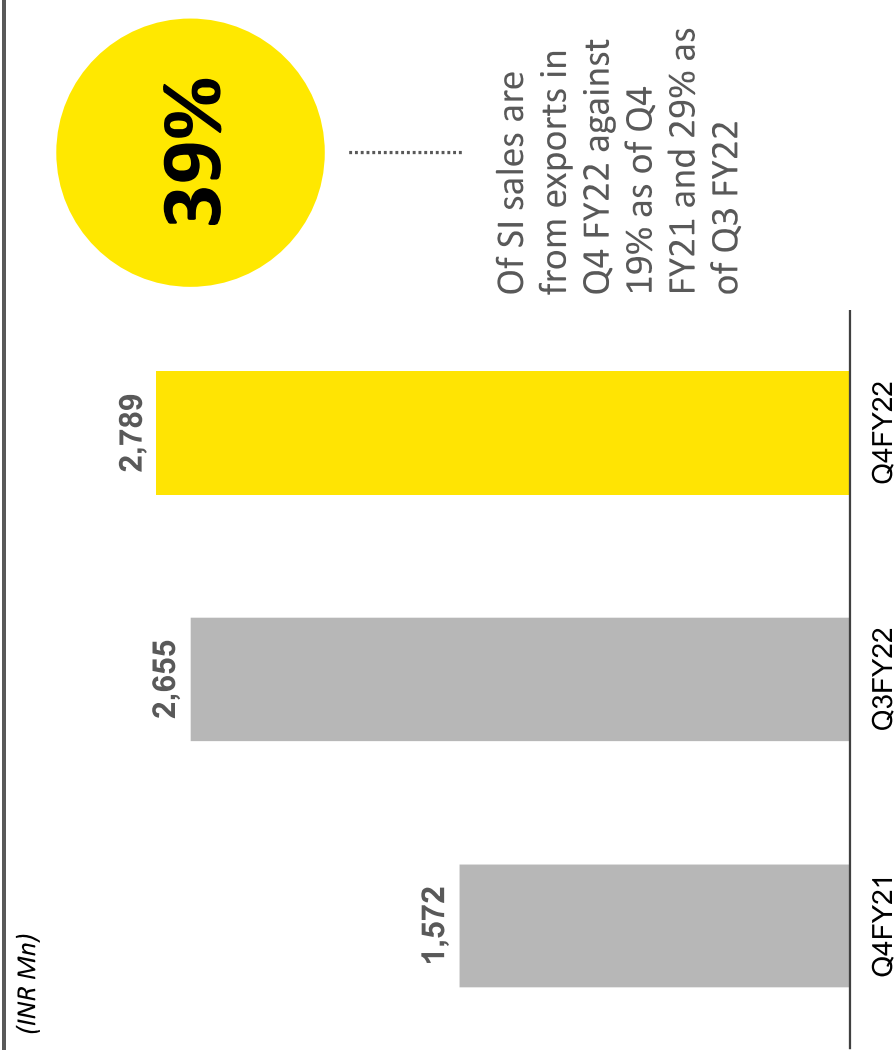
## Healthy revenue contribution from new products



## Sustained performance despite major challenges

- Floods in Mahad impacted SI Production in Q2 FY22
- Business continuity was well managed through and subsequent
- SI revenue in Q4 FY22 sustained vs Q3 FY22
- Preventive work continued with production on site
- Product mix enhancement & optimisation will continue

## Q4FY22 - SI performance



# Fluorospecialty– Differentiated position in chemical manufacturing



## Progress

- Total spend till 31st March 2022 – Rs. 2130 million
- Civil & structural works are close to completion and progressing well within timelines
- Kilo lab has been functional and many trial runs have been successfully completed
- Italian transfer is progressing well
- Expected to begin commercial production in Q3 FY23



## Growth perspective

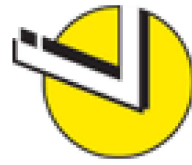
- Improved SI portfolio with the same customers affording higher wallet share and exports
- Upto 20% of pharma molecules contain Fluorine atom
- 50% of agrochemical molecules developed recently have fluorine



Once commercialised the Fluorospecialty should be a strong value enhancer for Laxmi stakeholders



# Financial performance



LAXMI ORGANIC INDUSTRIES LTD



## **Mr. Ravi Goenka** **CHAIRMAN & MANAGING DIRECTOR**



*"I am happy to share that FY 22 has been a strong year despite the headwinds that we faced on many fronts. We recorded a strong performance in both our business segments – Acetyl Intermediates (AI) and Specialty Intermediates (SI), despite the Mahad plant being shut for 50 days between July and August 2021 on account of floods. This was also compounded by high volatility in raw material costs along with logistical challenges. However, our results this year highlight the true merits and strength of our business.*

*Our performance this quarter was largely driven by our SI business, which performed strongly on both fronts - volume and product mix. The volumes in this quarter which mirrored what we did in the last quarter saw a richer product mix. We made an entry into US which is a new market that opened for this in this quarter. Our SI revenue grew by 74% on annual basis and 5% on a sequential basis from Q3FY22. On the AI front, this quarter, while our volumes remain strong, margins were impacted due to price corrections. Our pricing in Europe for the AI segment remained robust, and it is expected to remain so in the near future as well. AI revenue grew by 98% in FY22 from FY21, and on a quarterly basis by around 1% from Q3FY22. I am happy to share that we have successfully brought into stream part of our SI Capex, the commercial production of which has started in Q1FY23, and the rest shall begin by Q3FY23. Our FI Capex, which is being undertaken in a phased manner, remains on track and is expected to be completed by Q3FY23.*

*Going forward, we will continue to drive operational efficiencies and maintain our leadership position in AI, through enhanced capacities and periodic debottlenecking. For our SI segment, we are confident that new capacities will further improve our product mix, while we focus on increasing the share of contractual sales and expand geographical presence. The opportunity in our FI segment is robust, we are preparing for a phased growth beginning with agrochemicals and progressing to pharmaceuticals and industrials later. The strategy of creating a strong foundation has worked for us in our SI segment, and we are confident that we can replicate that success in our FI area as well."*

# Full Year Profit and Loss Statement



## Standalone

PARTICULARS (in INR Millions)	FY22	FY21
Revenue From Operations	29,965	16,061
Other Income	204	95
Total Income	30,169	16,156
Total Operating Expenses	26,771	14,037
<b>EBITDA</b>	<b>3,194</b>	<b>2,024</b>
<b>EBITDA Margins</b>	<b>11%</b>	<b>13%</b>
PBT	2,817	1,513
PAT	2,311	1,226
<b>EPS</b>	<b>8.77</b>	<b>5.40</b>

## Consolidated

PARTICULARS (in INR Millions)	FY22	FY21
Revenue From Operations	30,842	17,684
Other Income	149	46
Total Income	30,991	17,731
Total Operating Expenses	27,165	15,517
<b>EBITDA</b>	<b>3,677</b>	<b>2,167</b>
<b>EBITDA Margins</b>	<b>12%</b>	<b>12%</b>
PBT	3,179	1,584
PAT	2,565	1,271
<b>EPS</b>	<b>9.72</b>	<b>5.58</b>

## FY'22 Total Income Split (in INR Mn) (Standalone)

**18,092**

AI

↑ **98%** Y-o-Y

**8,812**

SI

↑ **74%** Y-o-Y

**3,265**

Others

↑ **68%** Y-o-Y

# Quarterly Profit and Loss Statement



## Standalone

PARTICULARS (in INR Millions)	Q4FY22	Q3FY22	Q4FY21	Q-o-Q	Y-O-Y
Revenue From Operations	9,062	8,742	4,674	4%	94%
Other Income	41	19	34	116%	21%
Total Income	8,760	8,761	4,708	-0.01%	86%
Total Operating Expenses	8,495	7,724	4,118	10%	106%
<b>EBITDA</b>	<b>568</b>	<b>1,018</b>	<b>556</b>	<b>-44%</b>	<b>2%</b>
<b>EBITDA Margins</b>	<b>6%</b>	<b>12%</b>	<b>12%</b>	<b>-539 bps</b>	<b>-564 bps</b>
PBT	448	865	426	-48%	5%
PAT	410	811	312	-49%	31%
<b>EPS</b>	<b>1.56</b>	<b>3.08</b>	<b>1.34</b>	<b>-49%</b>	<b>16%</b>

## Q4'22 Total Income Split (in INR Mn) (Standalone)

**5,338**

AI

↑ 91% Y-o-Y ↑ 1% Q-o-Q

**2,789**

SI

↑ 77% Y-o-Y ↑ 5% Q-o-Q

**977**

Others

↑ 183% Y-o-Y ↑ 22% Q-o-Q



# Quarterly Profit and Loss Statement



## Consolidated

PARTICULARS (in INR Millions)	Q4FY22	Q3FY22	Q4FY21	Q-o-Q	Y-o-Y
Revenue From Operations	8,799	8,599	5,195	2%	69%
Other Income	19	20	17	-5%	12%
Total Income	8,818	8,619	5,213	2%	69%
Total Operating Expenses	8,069	7,412	4,540	9%	78%
<b>EBITDA</b>	<b>730</b>	<b>1,187</b>	<b>655</b>	<b>-39%</b>	<b>11%</b>
<b>EBITDA Margins</b>	<b>8%</b>	<b>14%</b>	<b>13%</b>	<b>-550 bps</b>	<b>-431 bps</b>
PBT	565	1,004	487	-44%	16%
PAT	575	821	364	-30%	58%
EPS	2.30	3.11	1.56	-26%	47%

# Balance Sheet Statement Standalone



PARTICULARS (in INR Millions)	FY22	FY21
Shareholders' Funds	12,860	10,445
Non Current Liabilities	250	300
Current Liabilities	8,193	6,605
<b>Total Liabilities</b>	<b>21,303</b>	<b>17,350</b>
Non Current Assets	7,819	5,142
Current Assets	13,422	12,208
<b>Total Assets</b>	<b>21,303</b>	<b>17,350</b>

# Balance Sheet Statement Consolidated

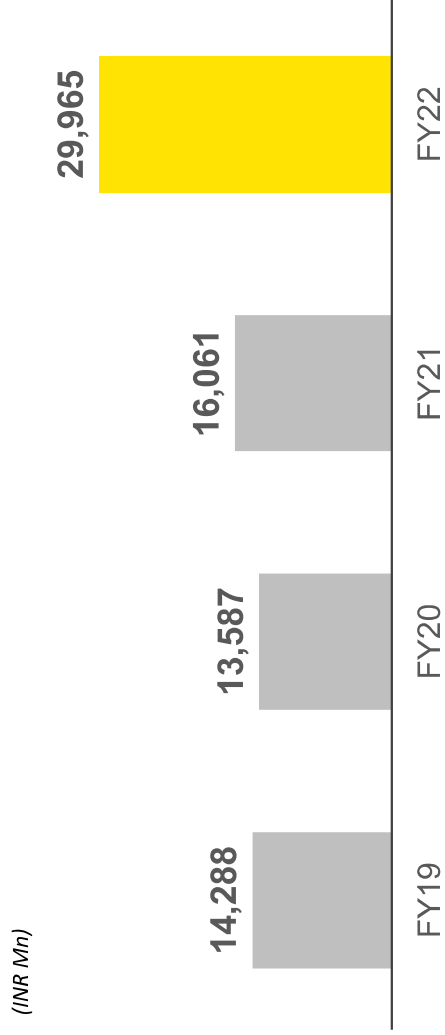


PARTICULARS (in INR Millions)	FY22	FY21
Shareholders' Funds	13,010	10,350
Non Current Liabilities	341	348
Current Liabilities	9,324	7,678
<b>Total Liabilities</b>	<b>22,675</b>	<b>18,376</b>
Non Current Assets	7,947	5,325
Current Assets	14,728	13,051
<b>Total Assets</b>	<b>22,675</b>	<b>18,376</b>

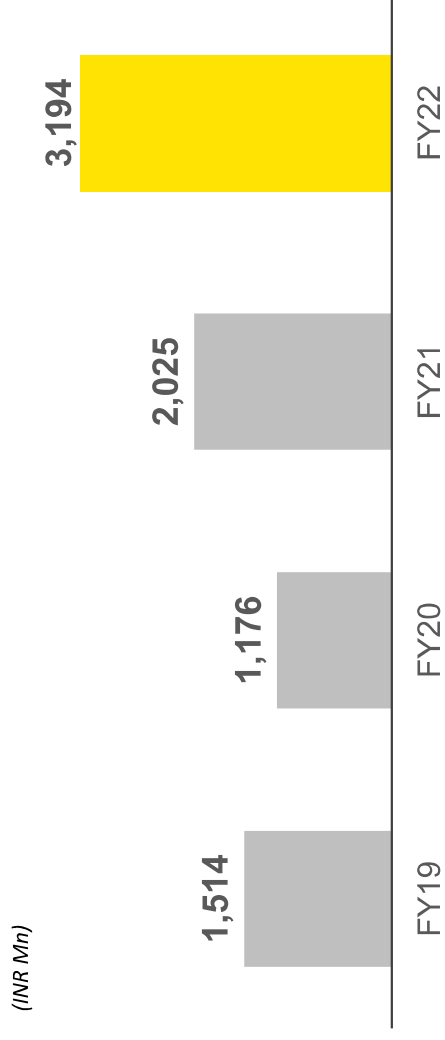
# Financial performance trend



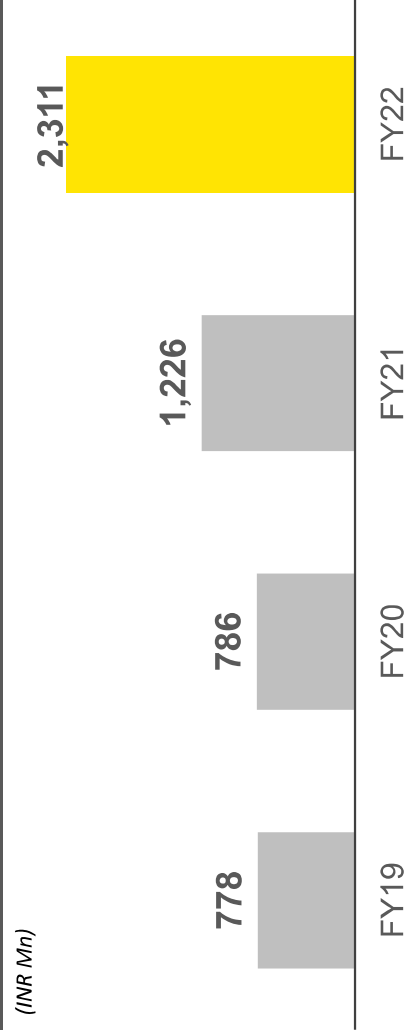
## Revenue from operations



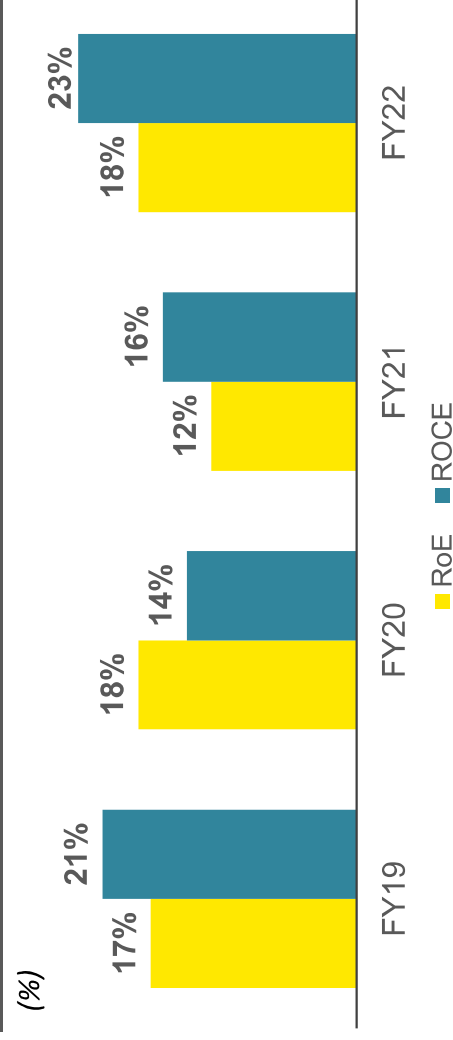
## EBITDA profile



## PAT profile



## Return ratios

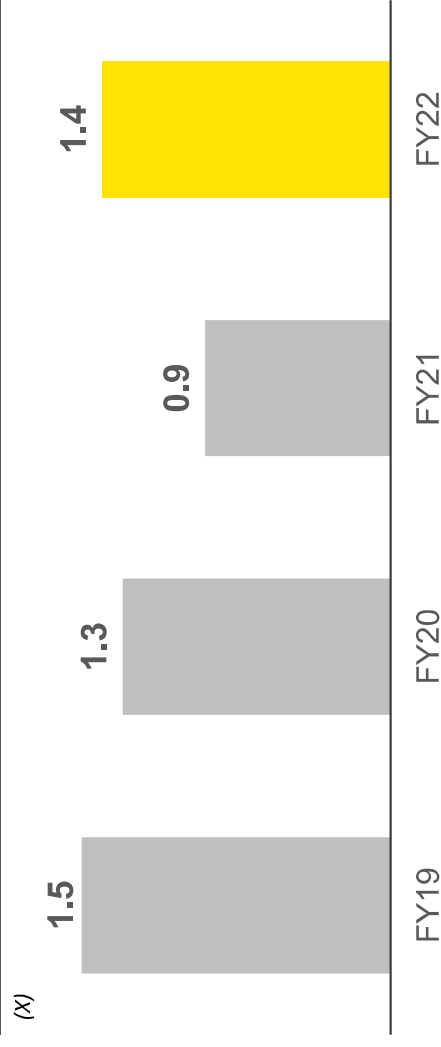


Figures on standalone basis; RoE = PAT / Net worth; ROCE = EBIT / Capital Employed

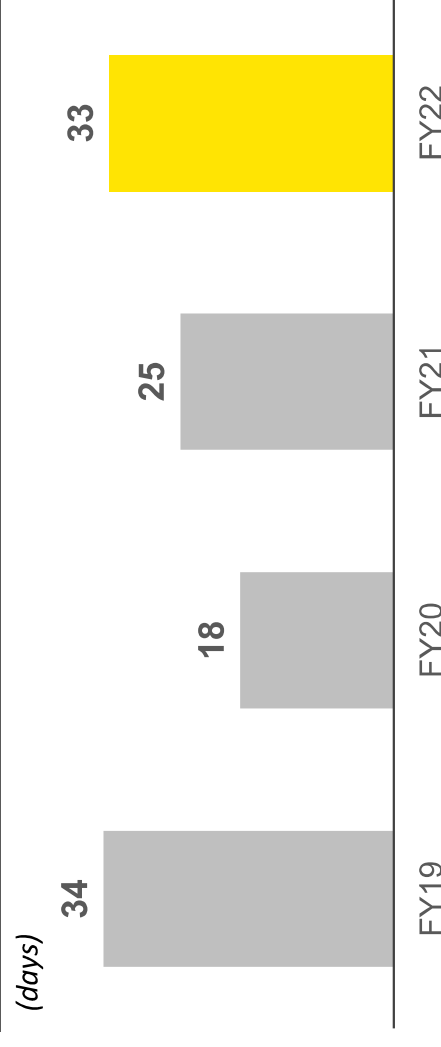
# Financial performance trend



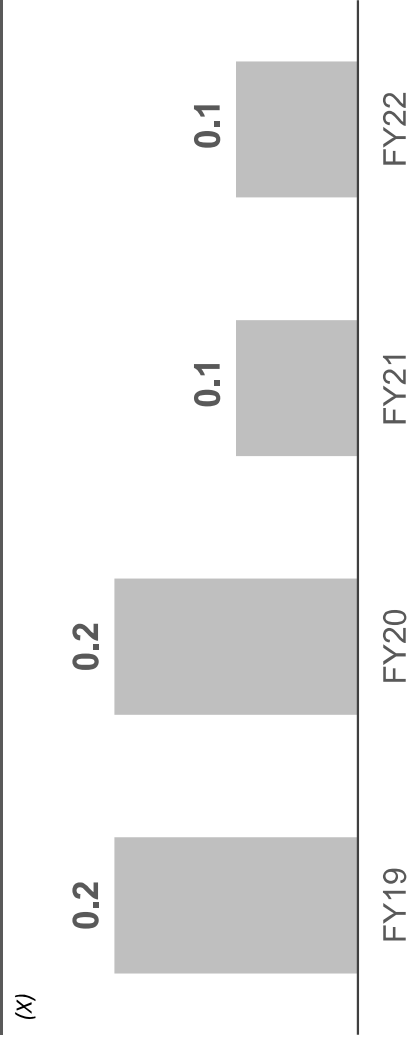
## Asset turnover



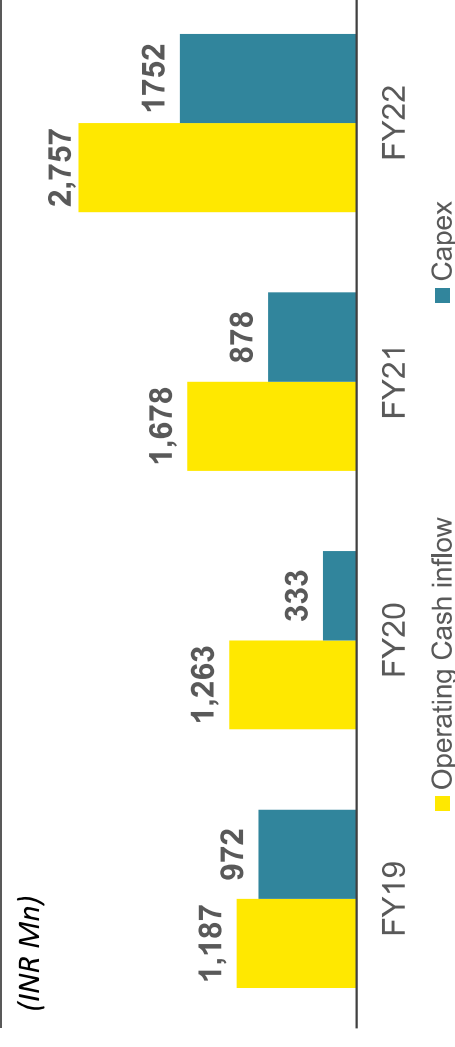
## Working capital days



## Leverage profile



## Cash Inflow from Operations before WC changes and CAPEX outgo



Figures on standalone basis; Asset Turnover = Sales / Total Assets; Working Capital Days = 365 \* (Inventories + Receivables - Payables) / Sales; Cash Flow from Operations = PAT + Depreciation; FY22 Asset Turnover, Capex outgo doesn't include investment in Fluorospeciality chemicals

## Glossary



- 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

For further details please get in touch with:

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