



LAXMI ORGANIC INDUSTRIES LTD

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May 15, 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 and year ended March 31, 2023

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 and year ended March 31, 2023, on Monday, May 15, 2023, at 16:00 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**

Aniket Hirpara

Company Secretary and Compliance Officer

Encl.: A/a



LAXMI ORGANIC INDUSTRIES LTD



www.laxmi.com



Investor Presentation – Q4 FY23 | May, 2023



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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 Business Overview

02 Strategic Overview

03 Financial Drivers & Performance



Business Overview



Growing & Diversified Portfolio Across Chemistries

AI

Acetyl
Intermediaries

- #1 in India
- 6th largest globally
- Capacity : >2,32,000 TPA
- *Lead in Quality & Reliability*

SI

Specialty
Intermediaries

- #1 in India
- >30 products via R&D
- High & growing contracted revenue
- *Lead in innovation, Quality & Reliability*

FI

Fluoro-Specialty
Intermediaries

- USD 2.5bn go to market
- World class technology
- Customer approvals for samples
- *Innovation & Diversification*

Diversified End Use Applications

Essentials



Pharmaceuticals



Agrochemical

Lifestyle



Dyes & Pigments

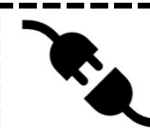


Paints & Coatings



Flavour & Fragrance

Opportunities



Electronics



Automobile



Key Growth Enablers in Place



INFRASTRUCTURE

- Well Invested Infrastructure
- World class technologies across chemistries
- Large scale sites across businesses
- New land acquired for expansion and de-risking
- Captive power and increasing renewable sources



CUSTOMERS

- Diversified customer base
- Essential, lifestyle and industrial industries supplied to across geographies
- Deeper wallet share with supplies across chemistries
- Long term contracts and customer focused innovation defining relationships



STRONG BALANCE SHEET & EHS

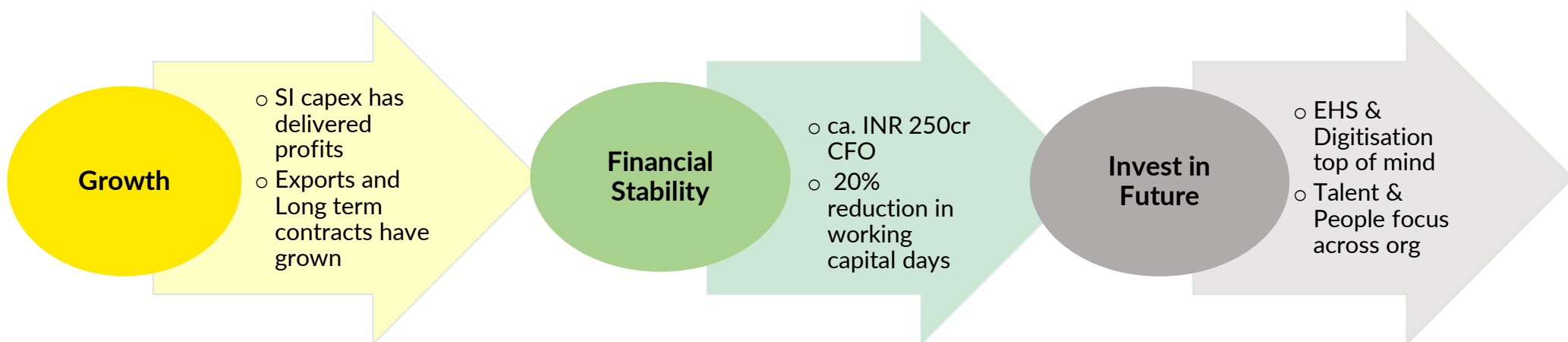
- Responsible growth
- Prudent leverage – credit rating at AA- (positive outlook)
- Improving cash flow from operations
- 3rd time Responsible Care certification



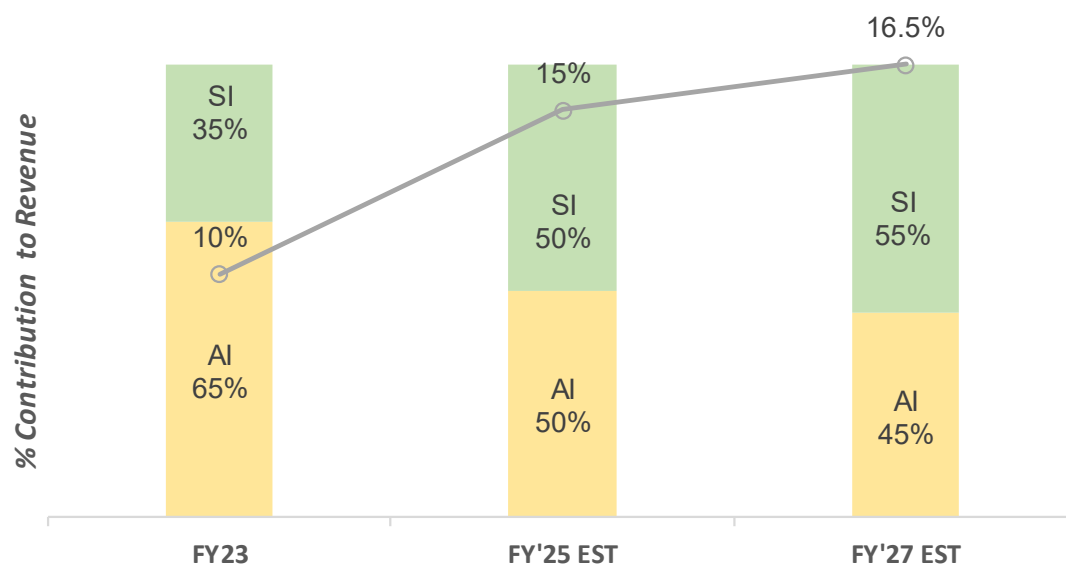
Strategic Overview

Consolidating Growth & Building for Future

Particulars	Diversification & Growth			Consolidation & Growth
	FY11-FY14	FY15-FY18	FY19-FY22	FY23
AI Revenue Contribution	77%	63%	60%	65%
SI Revenue Contribution	23%	37%	40%	35%
EBITDA CAGR (%)	4%	22%	31%	70% EBITDA from SI
Average Capex p. a.(INR Cr)	46.7	49.3	62.3	>250cr
Average D/E (x)	1.06	0.66	0.12	0.29



Revenue & EBITDA Growth Estimates



Future Drivers

- Acetyl Intermediaries:
 - Continue to be the Green champions
 - Augment product portfolio with smart capex
 - Market retention and industry diversification
- Specialty Intermediaries:
 - Downstream expansion
 - Extended partnerships and market reach
 - Innovation cocreation with customers
- Fluro Intermediaries :
 - Focus on establishing a strong foundation
 - Create a trajectory similar to past acquisitions
 - Invest and innovate

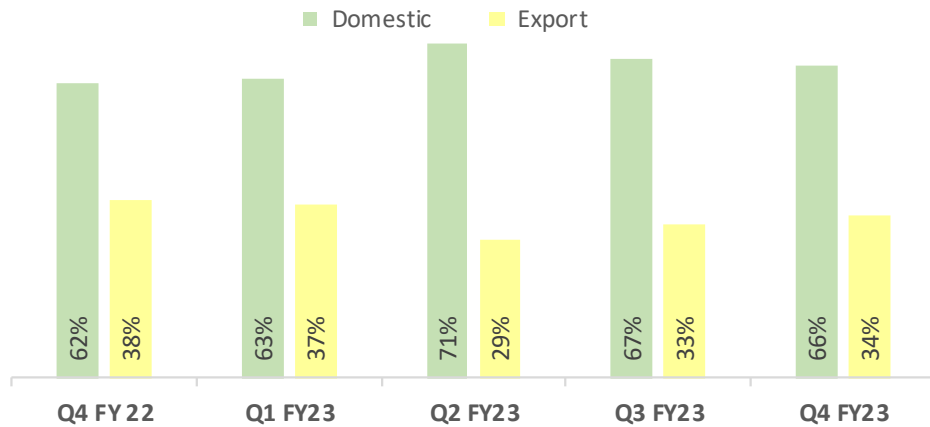
EBITDA growth to be the key focus



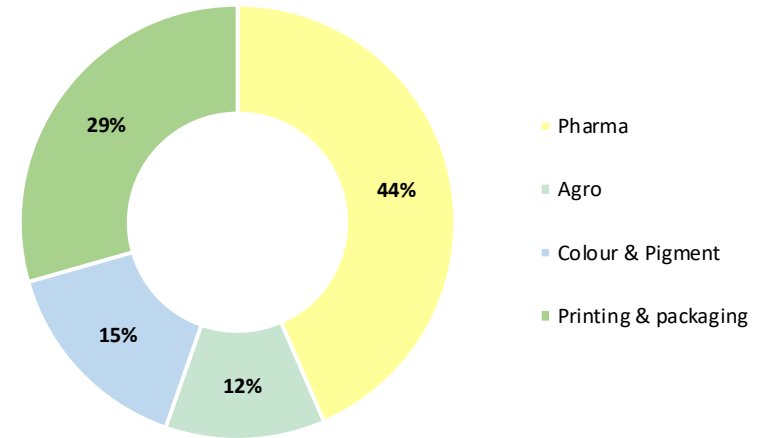
De-risked Business Model

Robust Export Share

% of sales

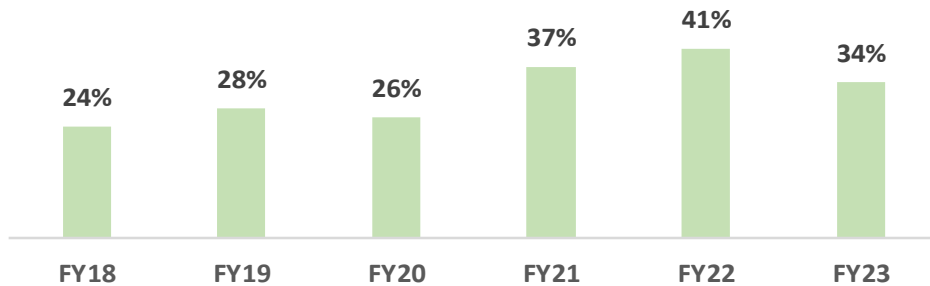


Diversified Industry Base FY23

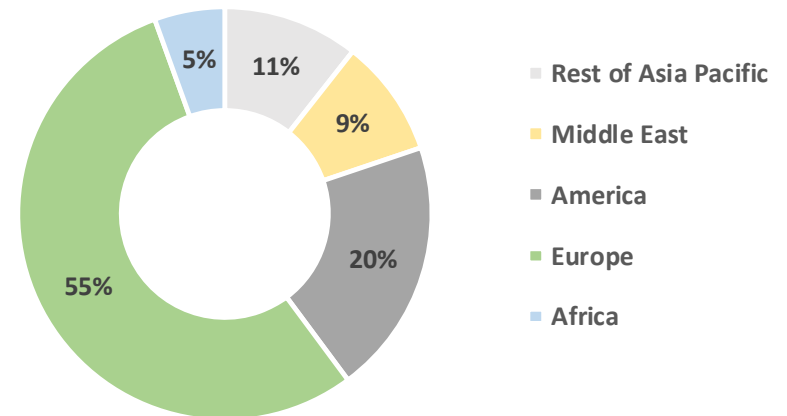


Contribution from top 10 customers

% of revenue from top 10 customers



Building Deeper Exports FY23

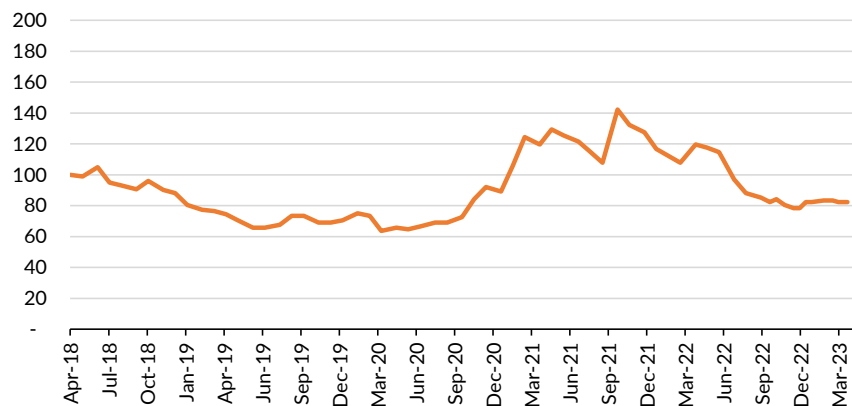




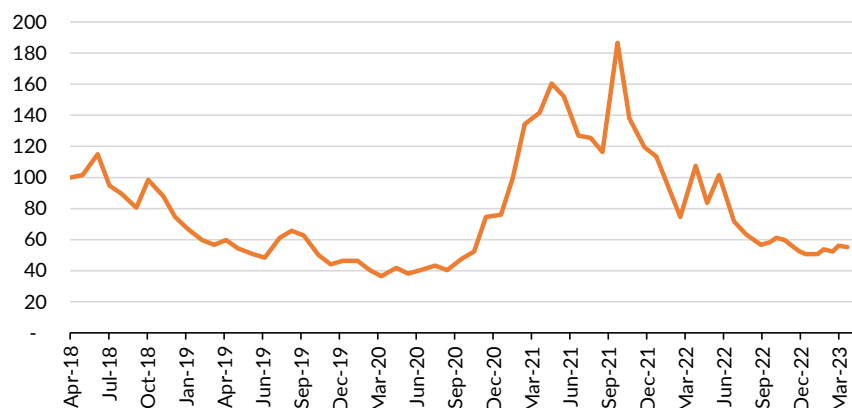
Financial Drivers & Performance

Acetyl Intermediaries: FY23 In Focus

ETAC FOB Re-based



AA FOB Rebased



Business Overview

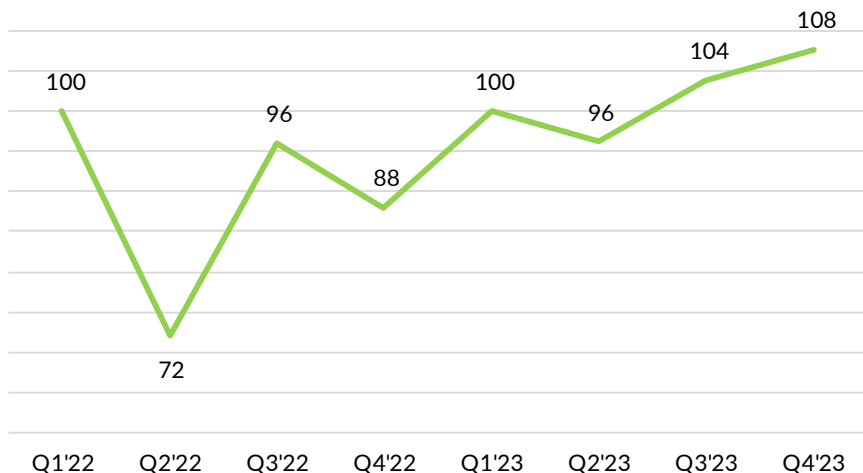
- Volumes in the business remained strong with ca. 40% of the sales coming from exports
- New product augmentation in the latter part of the year led to portfolio diversification
- Continue to maintain our leadership position in the AI business both in India and Europe

Market Overview

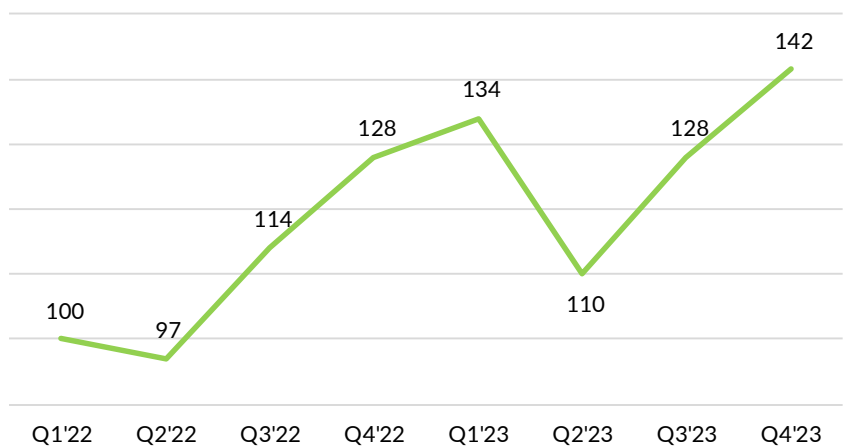
- Demand pressures were significant through the year, especially in Europe in Q2 with the energy crisis hitting a peak
- Pharma demand in India was under pressure, however, other industry segments such as packaging remained steadfast
- Market status quo continues to remain

Specialty Intermediaries: FY23 In Focus

Product Mix Optimization - Rebased



SI Contribution Margin - Rebased



Business Overview

- Exports contributed ca. 50% to SI sales: vs ca. 39% in FY 22 driven both by volume and price
- Product and customer de-risking achieved: Top 5 products contribute ca. 50% to sales across customers and industry segments
- New Products leading contribution margin improvement: Capex realized from FY22 leading to improving top line and bottom line

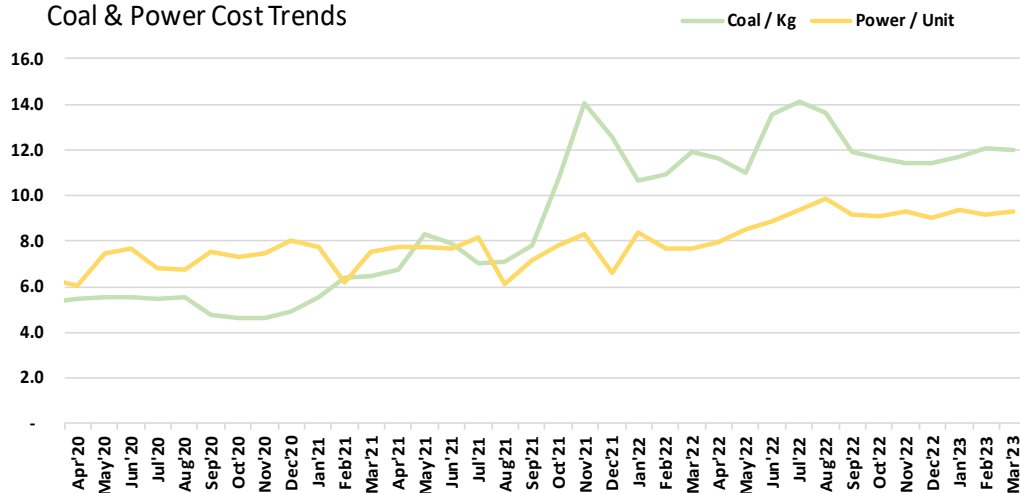
Market Overview

- Pharma demand has remained subdued throughout FY'23 with Agro seeing a slow down towards the latter part of the year
- Exports continue to hold and grow
- China opening up could have an impact on domestic prices but also open another market opportunity

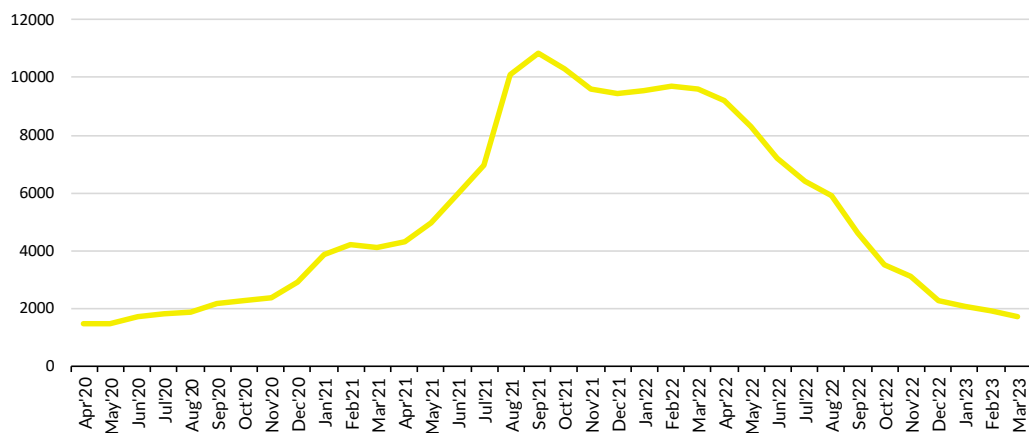


Key Developments Q4FY23 - Input Cost Trends

Coal & Power Cost Trends



Freight Cost (USD/Container)



Input Costs Softening

- Coal costs remained high in FY'23 vs FY'22 leading to majority of the impact on the consolidated EBITDA
- The rising power costs need to be monitored in FY'24. The company has commissioned 5MW solar power
- Freight Costs rose sharply in 2021 have come back to normalcy with container availability improving



Consolidated Financial Highlights: Q4FY23

	SALES (INR Mn)	EBITDA (INR Mn)	PAT (INR Mn)	EPS (INR)
Q4'FY23	₹ 7370	₹ 645	₹ 243	₹ 0.92
YOY:	(16%)	(26%)	(51%)	(66%)
QOQ:	12%	11%	(11%)	(11%)
Q4'FY22	₹ 8,818	₹ 869	₹ 701	₹ 2.65
Q3'FY23	₹ 6,579	₹ 580	₹ 273	₹ 1.03

CFO / EBITDA ratio for the quarter Q4 FY23 is at ca.190%



Consolidated Financial Highlights: FY23

	SALES (INR Mn)	EBITDA (INR Mn)	CFO/ EBITDA	PAT (INR Mn)	EPS (INR)
FY23	₹ 28,087	₹ 2,566	97%	₹ 1,246	₹ 4.70
YOY:	(9%)	(27%)		(52%)	(52%)
FY22	₹ 30,991	₹ 3,825	29%	₹ 2,575	₹ 9.76

CFO / EBITDA ratio for FY23 is at 97% vs FY22 at 29%

Business Unit Overview for FY23

AI business

Contribution to Topline

65%

Contribution to Profits

30%

Exports

36%

SI business

Contribution to Topline

35%

Contribution to Profits

70%

Exports

50%

The strength of the SI business is visible in its significant export growth and contribution to profits



Quarterly Performance – Consolidated Results

INR Mn

Particulars	Q4 FY23	Q3 FY23	QoQ (%)	Q4 FY22	YoY (%)	FY 23	FY 22	YoY (%)
Total Income	7,370	6,579	12%	8,818	-16%	28,087	30,991	-9%
Cost of Materials	4,880	4,390	11%	6,213	-21%	18,552	21,256	-13%
Gross Profits	2,490	2,189	14%	2,605	-4%	9,535	9,735	-2%
Gross Margin (%)	34%	33%	51 bps	30%	425 bps	34%	31%	254 bps
Employee Cost	292	289	1%	323	-10%	1,159	1,244	-7%
Other Expenses	1,553	1,320	18%	1,413	10%	5,810	4,665	25%
EBITDA	645	580	11%	869	-26%	2,566	3,825	-33%
EBITDA Margins	9%	9%	-6 bps	10%	-110 bps	9%	12%	-321 bps
Depreciation	230	188	23%	132	75%	724	481	51%
EBIT	415	392	6%	737	-44%	1,842	3,344	-45%
EBIT Margin (%)	6%	6%	-33 bps	8%	-273 bps	7%	11%	-423 bps
Interest	-12	57	-122%	47	-126%	113	155	-27%
PBT	427	335	27%	691	-38%	1,729	3,189	-46%
Tax	185	63	194%	-10	-1946%	483	614	-21%
ETR (%)	43%	19%		-1%		28%	19%	
PAT	243	273	-11%	701	-65%	1,246	2,575	-52%
EPS	0.92	1.03	-11%	2.65	-65%	4.70	9.76	-52%

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



SUSTAINABILITLY

- 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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