



## LAXMI ORGANIC INDUSTRIES LTD

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

November 3, 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: Presentation for Analyst / Institutional Investors' meeting for the quarter ended September 30, 2021**

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 September 30, 2021, on Wednesday, November 3, 2021, at 2:30 pm (IST).

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

Further, we have also enclosed press release for the quarter ended September 30, 2021.

We request you to take this intimation on record.

Thanking you,

For **Laxmi Organic Industries Limited**

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**Aniket Hirpara**

Company Secretary and Compliance Officer

Encl.: A/a

## LAXMI ORGANIC INDUSTRIES REPORTS Q2FY22 RESULTS

**Standalone Operating Revenue of ₹ 5,263 Mn  
Profit After Tax at ₹ 103 Mn**

**Mumbai, November 3, 2021:** Laxmi Organic Industries Limited (NSE: LXCHEM|BSE:543277|ISIN: INE576O0102), one of India's leading specialty chemical manufacturers, has announced its financial results for the first quarter ended September 30th, 2021.

**Commenting on the strong financial performance Mr. Ravi Goenka, Chairman & Managing Director, said,** "Our results for the half year remains encouraging and has nearly surpassed last whole year's profitability. This has been due to our growing specialty business and a run-up of the Acetyls spreads in the first quarter. In the second quarter the Acetyl's spreads normalized and our sites faced a catastrophic flood which impacted our inventory and volume.

I would like to mention that the plant, equipment, inventories and other properties are well insured and the claim finalization including claim for loss of profit is underway. Despite the temporary setback in Q2 we see a strong performance for the rest of the year. The overall demand for both the AI and SI remains steady across the sectors that we operate in. SI order book in particular looks strong and we hope to capitalize on the opportunities presented to us in Q3 and Q4 of the current fiscal. We are confident of surpassing our internal targets for the current year.

While our capex's of the SI division are broadly on track and will be completed during March/April 2022, the fluorochemicals project is facing some increased costs and delays mainly due to increase in building material costs and shipping costs. We expect the project start-up in Q1 of the next fiscal. On a positive note, the demand visibility is very strong and customer engagement, product development & sampling are underway."

### **Standalone Financial Highlights for Half Year Ended September 30<sup>th</sup>, 2021:**

- Operating Revenues at ₹ 12,160 Mn in H1FY22 as compared to ₹ 7,451 Mn in H1FY21; a growth of 63% Y-o-Y
- EBITDA at ₹ 1,608 Mn in H1FY22 as compared to ₹ 872 Mn in H1FY21; a growth of 84% Y-o-Y
- EBITDA Margins stood at 13.22% in H1FY22 and expanded by 151 bps Y-o-Y
- Profit After Tax at ₹ 1,090 Mn in H1FY22 as compared to ₹ 507 Mn in H1FY21; a growth of 115% Y-o-Y
- EPS for H1FY22 was 4.13 as compared to 2.25 in H1FY21

### **Consolidated Financial Highlights for Half Year Ended September 30<sup>th</sup>, 2021:**

- Operating Revenues at ₹ 13,444 Mn in H1FY22 as compared to ₹ 8,134 Mn in H1FY21; a growth of 65% Y-o-Y
- EBITDA at ₹ 1,761 Mn in H1FY22 as compared to ₹ 854 Mn in H1FY21; a growth of 106% Y-o-Y
- EBITDA Margins stood at 13.10% in H1FY22 and expanded by 260 bps Y-o-Y
- Profit After Tax at ₹ 1,169 Mn in H1FY22 as compared to ₹ 455 Mn in H1FY21; a growth of 157% Y-o-Y
- EPS for H1FY22 was 4.31 as compared to 2.02 in H1FY21

### **Standalone Financial Highlights for Quarter Ended September 30<sup>th</sup>, 2021:**

- Operating Revenues at ₹ 5,263 Mn in Q2FY22 as compared to ₹ 3,914 Mn in Q2FY21; a growth of 34% Y-o-Y; de-growth of 24% Q-o-Q
- EBITDA at ₹ 240 Mn in Q2FY22 as compared to ₹ 501 Mn in Q2FY21; a de-growth of 52% Y-o-Y and 82% Q-o-Q
- EBITDA Margins stood at 4.57% in Q2FY22 and contracted by 824 bps Y-o-Y; and 1525 bps Q-o-Q
- Profit After Tax at ₹ 103 Mn in Q2FY22 as compared to ₹ 321 Mn in Q2FY21; a de-growth of 68% Y-o-Y and of 91% Q-o-Q
- EPS for Q2FY22 was 0.39 as compared to 1.42 in Q2FY21 and 3.74 in Q1FY22

### **Consolidated Financial Highlights for Quarter Ended September 30<sup>th</sup>, 2021:**

- Operating Revenues at ₹ 6,081 Mn in Q2FY22 as compared to ₹ 4,098 Mn in Q2FY21; a growth of 48% Y-o-Y; de-growth of 17% Q-o-Q
- EBITDA at ₹ 309 Mn in Q2FY22 as compared to ₹ 434 Mn in Q2FY21; a de-growth of 29% Y-o-Y and a de-growth of 79% Q-o-Q
- EBITDA Margins stood at 5.08% in Q2FY22 and contracted by 552 bps Y-o-Y; and 1456 bps Q-o-Q
- Profit After Tax at ₹ 146 Mn in Q2FY22 as compared to ₹ 241 Mn in Q2FY21; a de-growth of 40% Y-o-Y and of 86% Q-o-Q
- EPS for Q2FY22 was 0.43 as compared to 1.12 in Q2FY21 and 3.88 in Q1FY22



**About Laxmi Organic Industries Ltd. (LXCHEM):**

Laxmi Organic Industries Ltd (LXCHEM) is a leading manufacturer of Acetyl Intermediates and Specialty Intermediates with almost three decades of experience in large scale manufacturing of chemicals. It is currently among the largest manufacturers of ethyl acetate in India with a market share of approximately 30% of the Indian ethyl acetate market. It is the only manufacturer of diketene derivatives in India with a market share of approximately 55 % of the Indian diketene derivatives market. LXCHEM's products are currently divided into two broad categories, namely the Acetyl Intermediates and the Specialty Intermediates. The Acetyl Intermediates include ethyl acetate, acetaldehyde, fuel-grade ethanol and other proprietary solvents, while the Specialty Intermediates comprises of ketene, diketene derivatives namely esters, acetic anhydride, amides, arylides and other chemicals. Its products find application in various high-growth industries, including pharmaceuticals, agrochemicals, dyes & pigments, inks & coatings, paints, printing & packaging, flavours & fragrances, adhesives and other industrial applications. It also propose to diversify into manufacturing of specialty fluorochemicals to which end, it has recently acquired assets including plant & machinery, design and operating paperwork, REACH registrations and patents of Miteni, a manufacturer of organic fluorospecialties and electrochemical fluorination.

For more information, please visit: <https://www.laxmi.com/>

**FOR FURTHER DETAILS PLEASE GET IN TOUCH WITH:**

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**LAXMI ORGANIC INDUSTRIES LTD**



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



**Investor Presentation – 3<sup>rd</sup> November, 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

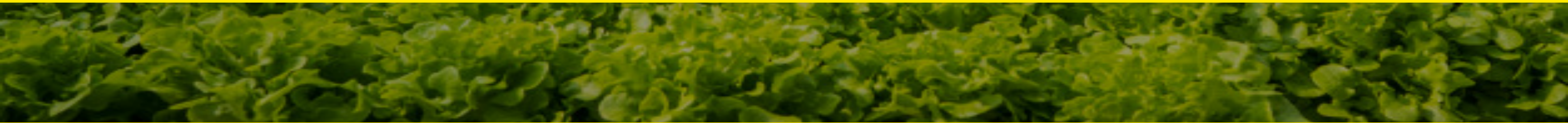
**02** Business

**03** Strategy

**04** Financials



# Company overview



**LAXMI ORGANIC INDUSTRIES LTD**



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



Combined with YCPL the Company will become 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 **30+ countries**

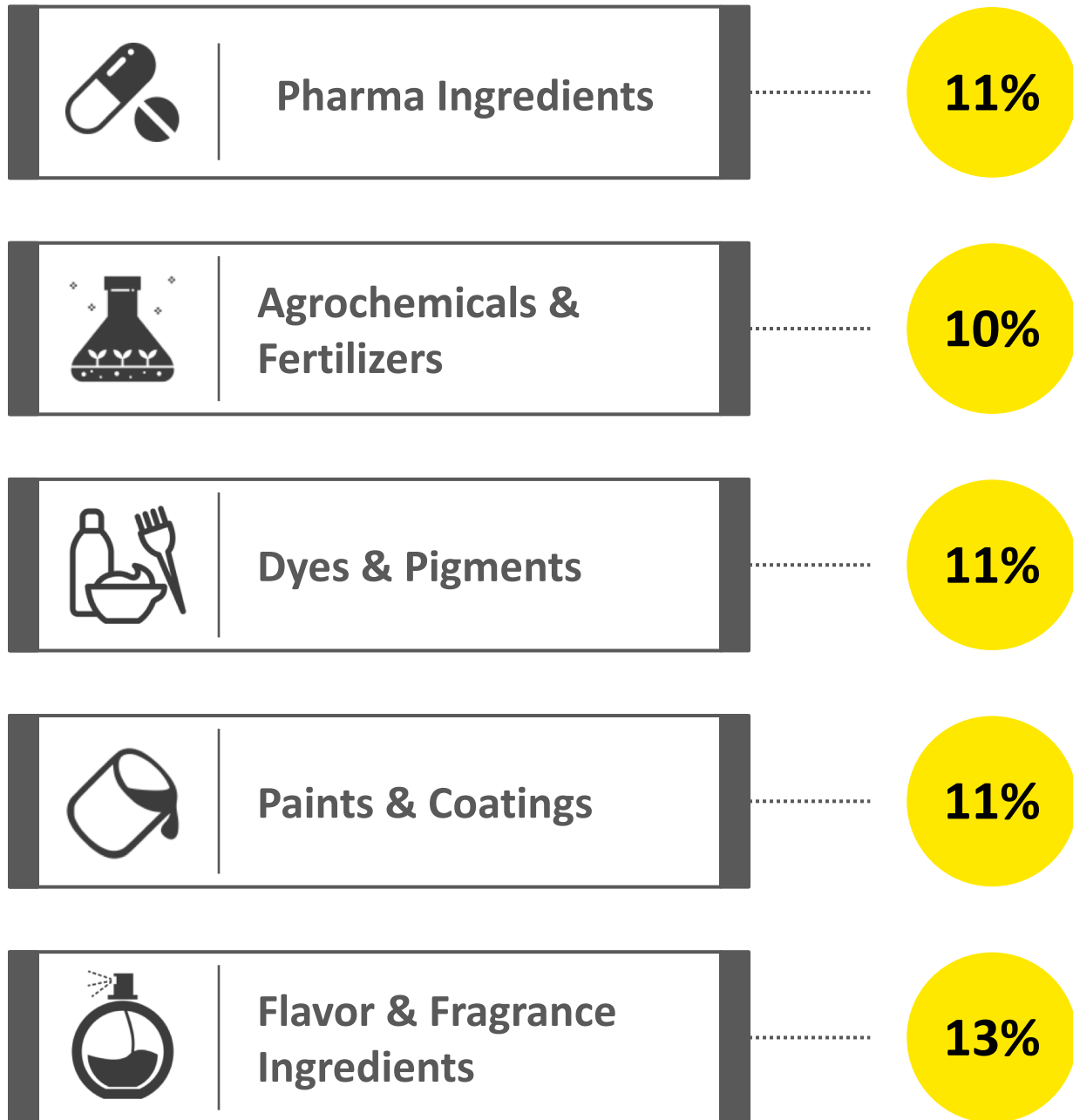


**DSIR approved 2 R&D facilities** with state-of-the-art infrastructure





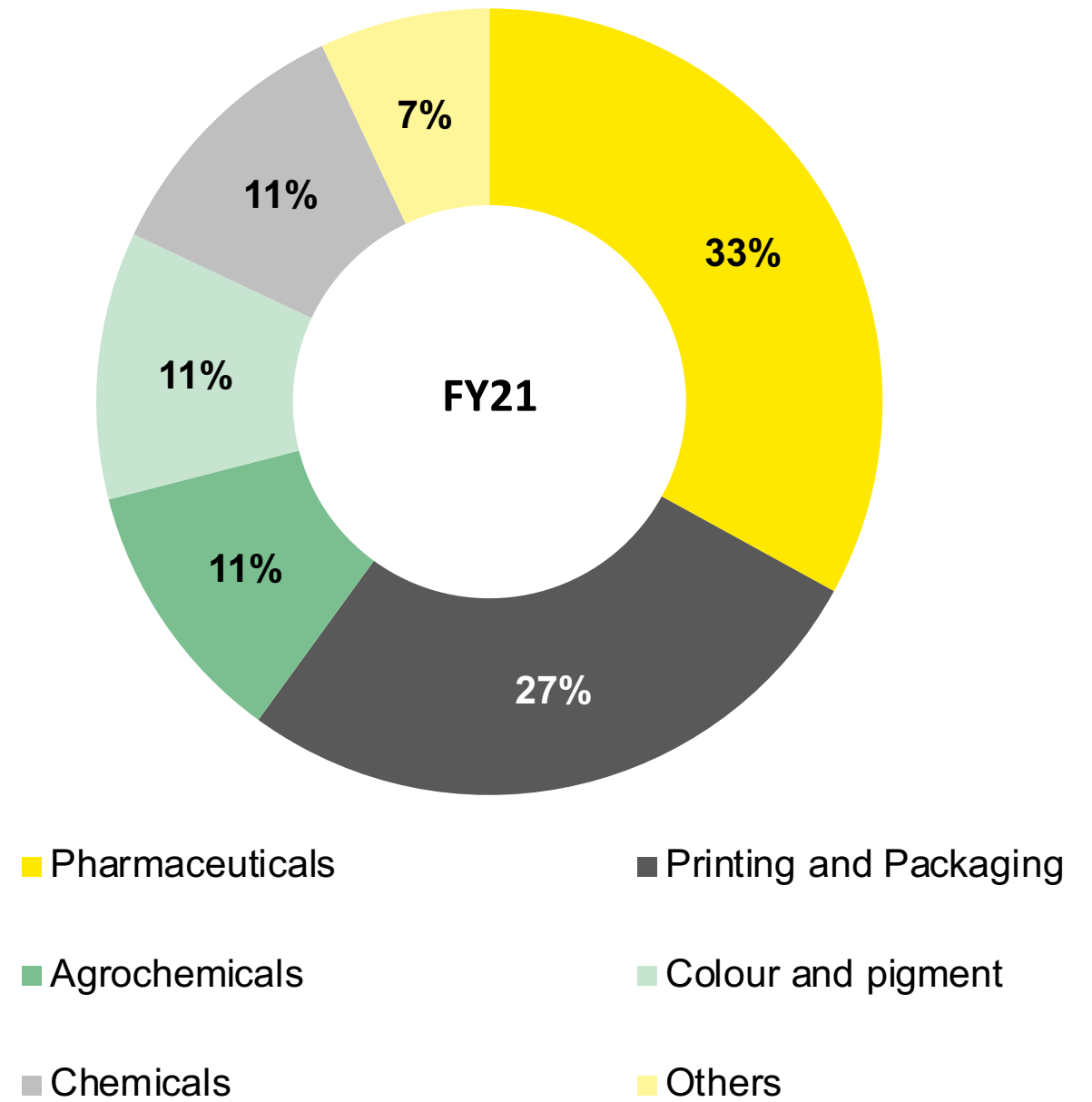
## India market - Growth (2019-24 CAGR)



Source: Frost & Sullivan Report

## Diversified customer base

% of revenue from sale of manufactured products & services

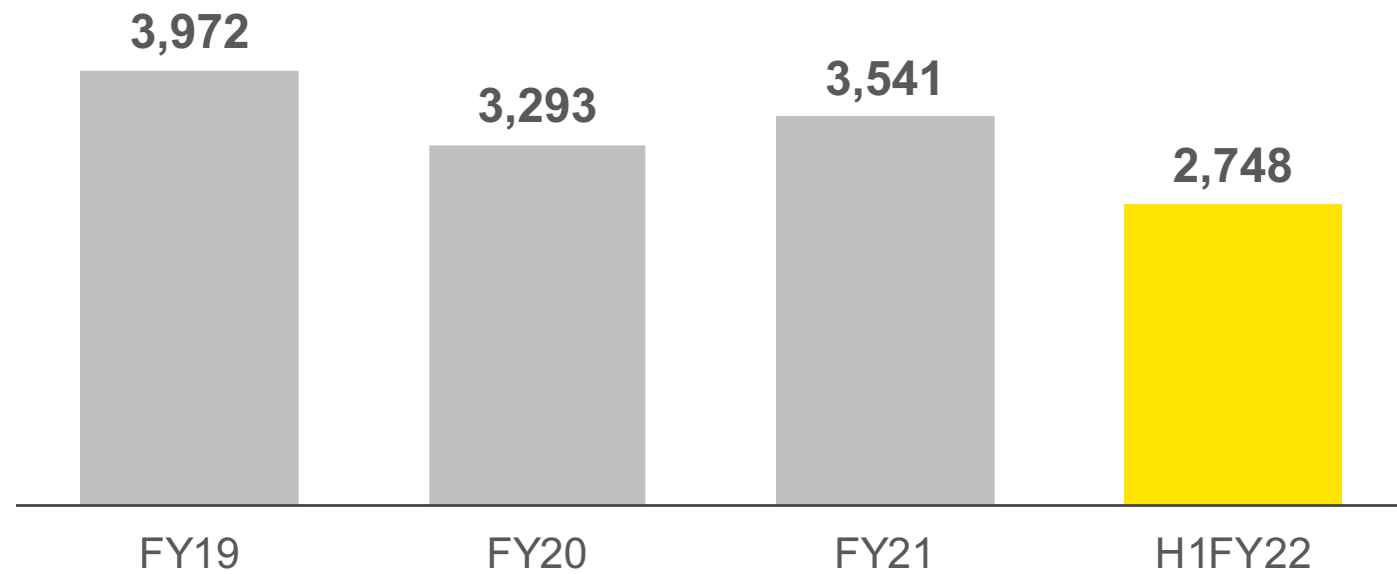




# De-risking through presence in different geographies

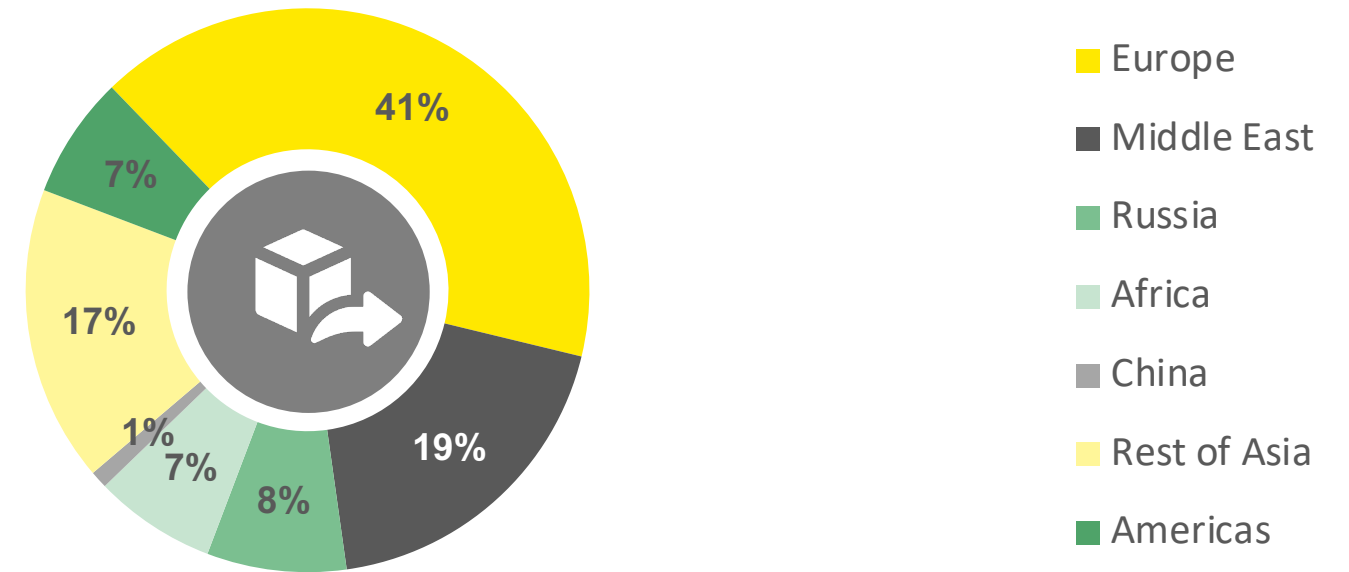
## Robust export earnings

(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

- 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

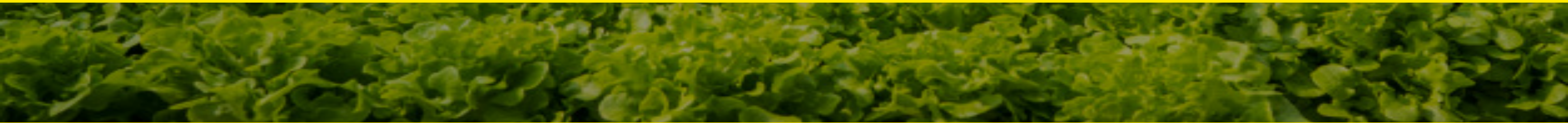


## R&D – Key growth driver of business

- Two DSIR recognised R&D facilities working on ketene, diketene & other complex chemistries
- Dedicated team of 70 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



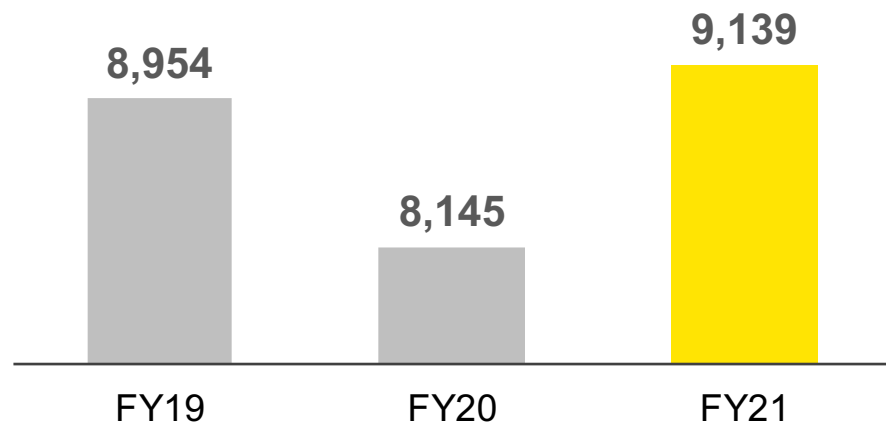
**LAXMI ORGANIC INDUSTRIES LTD**



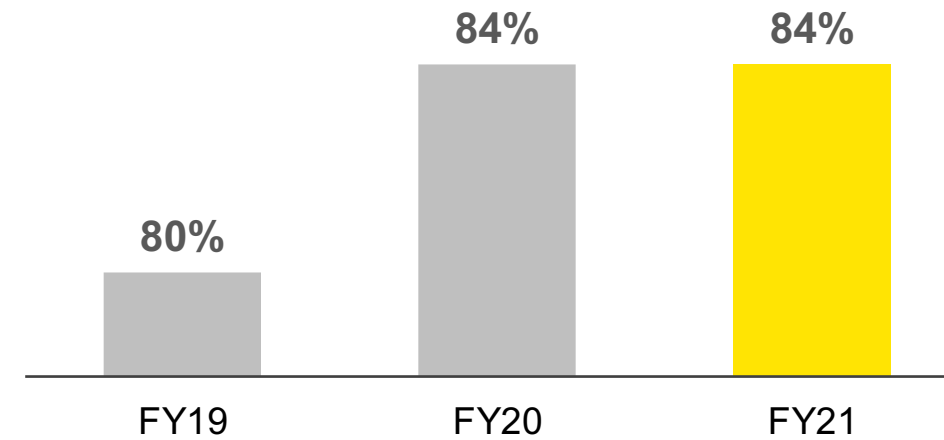
Comprising of ETAC, acetaldehyde, ethanol & other customised solvents

## Revenue

(INR Mn)



## ... Growing capacity utilisation



## Expanding manufacturing capabilities

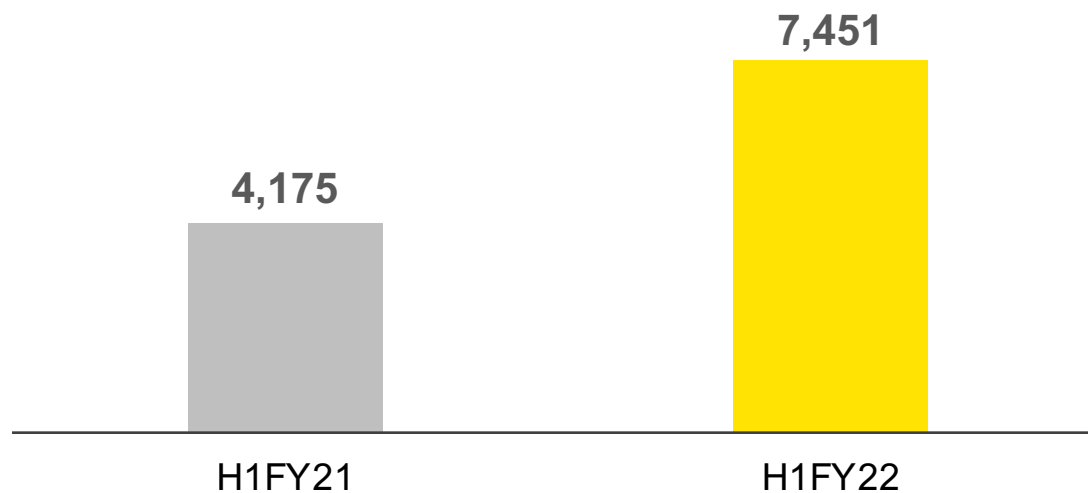
161,000 MTPA + Acquisition of YCPL



201,020 MTPA

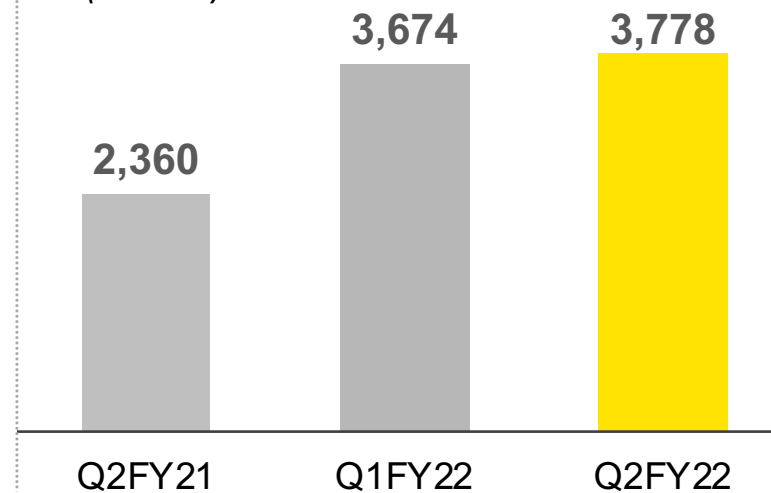
## H1FY22 AI performance

(INR Mn)



## Q2FY22 AI performance

(INR Mn)



## Competitive edge

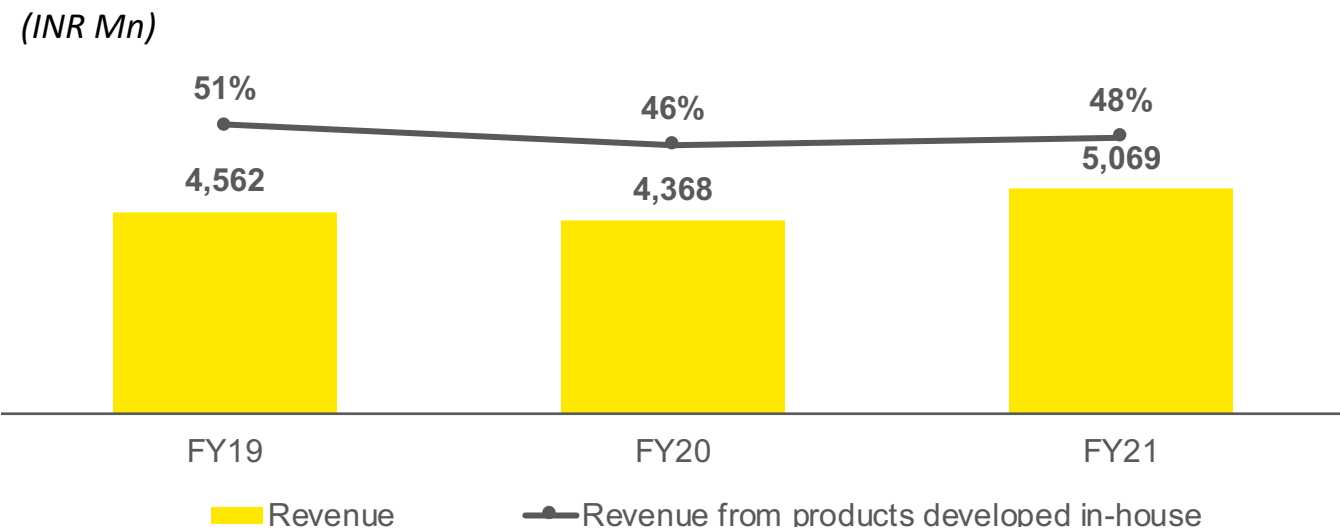
- Strong conversion efficiencies provide the moat around contribution margin across business cycles
- Strategic location, backward integration, large storage capabilities help achieve economies of scale

# Overview of Specialty Intermediates (SI) business

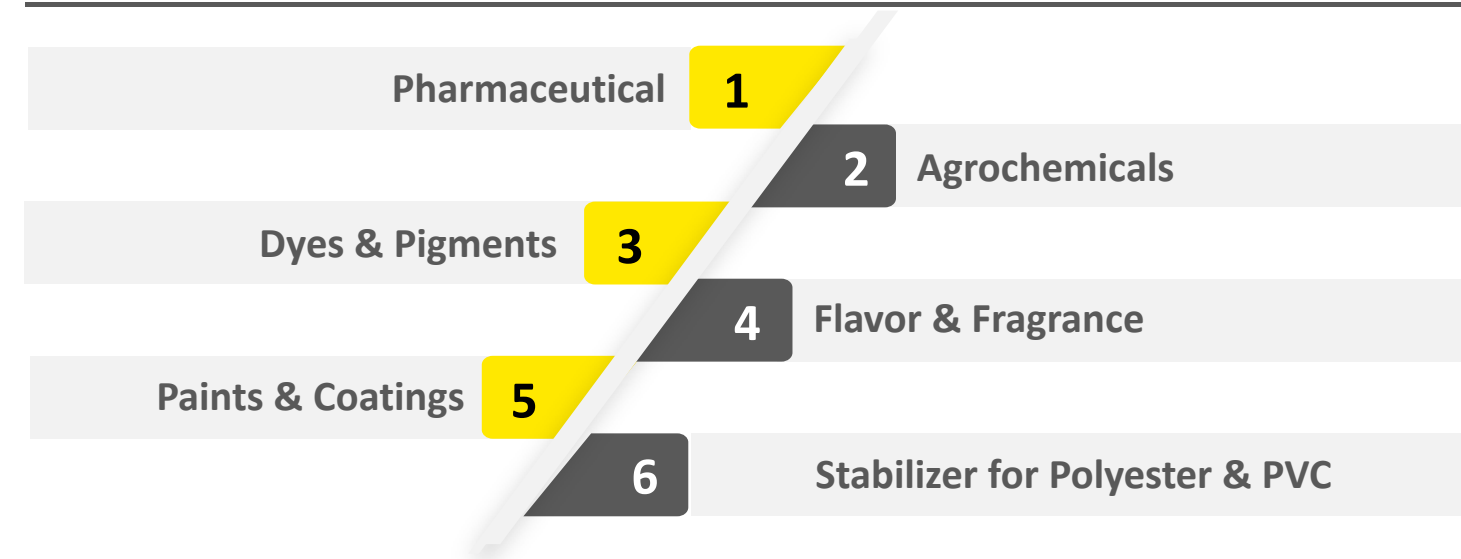


Basket of 34+ products – ketene, diketene derivatives (esters, acetic anhydride, amides, arylides & others)

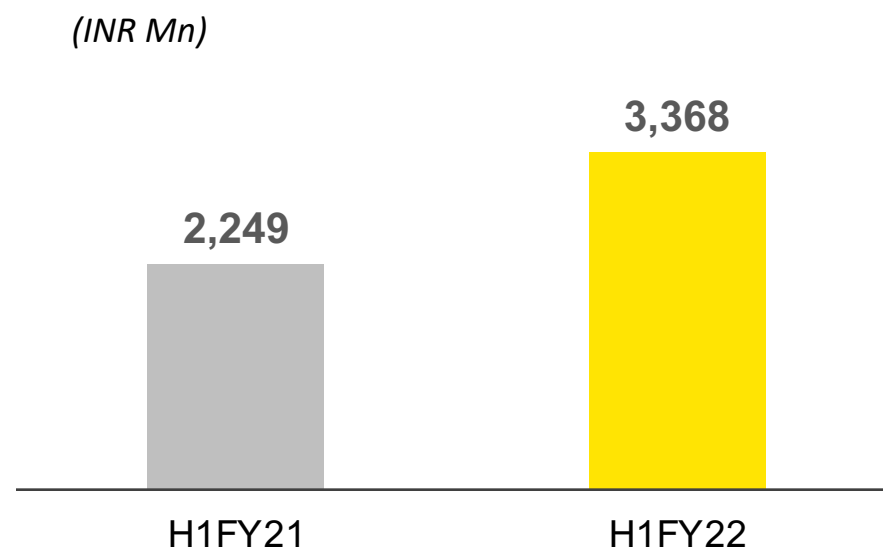
## Healthy revenue contribution from new products



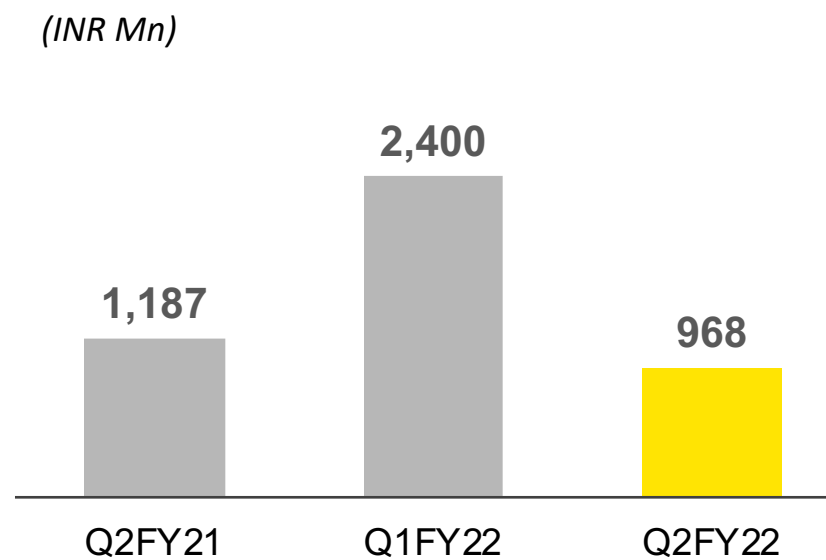
## Highly versatile products



## H1FY22 SI Performance



## Q2FY22 - SI performance



**24%**  
of SI sales are from exports against 5% as of Q2 FY21

## 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

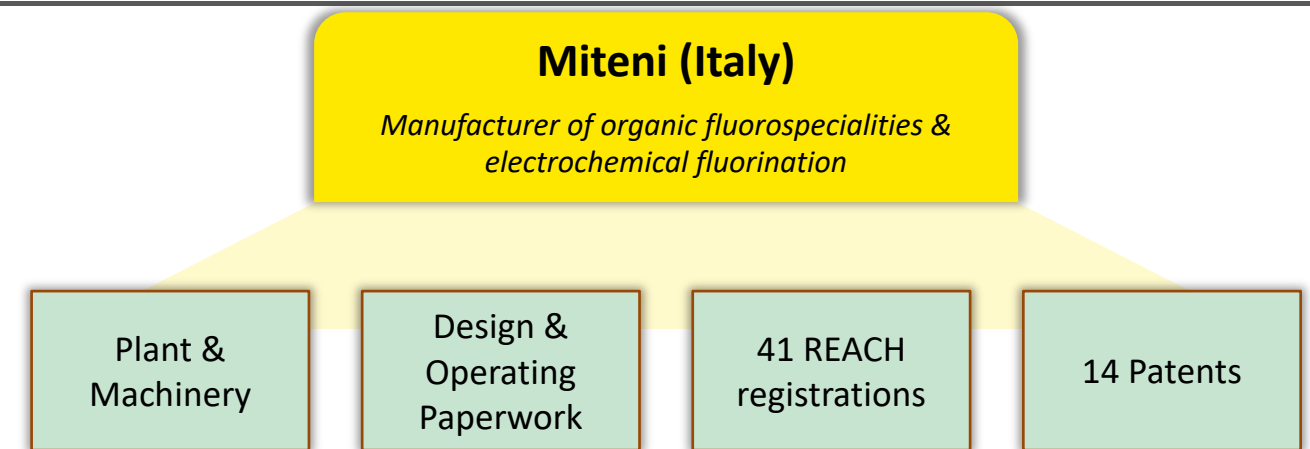


**Laxmi well poised to leverage the opportunity with its experience in complex chemistries**

## Progress

- Total spend till 30th September – Rs. 1500 million
- R&D in India – Kilo Lab operations have started
- Dismantling activities have restarted and the initial containers are received in India
- Civil and infrastructure work at Lote, India is progressing well
- R&D in Italy – Plan to start by Q4FY22

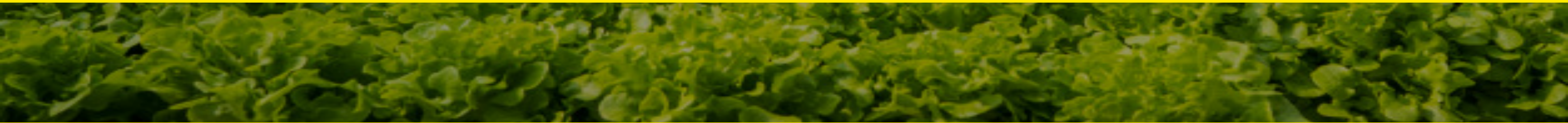
## Diversification into high margin fluorospeciality chemicals...



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



# 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

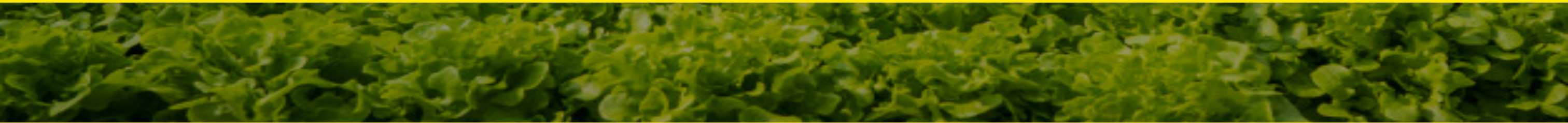


## Establishing the fluorospecialty business

- **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**



## Mr. Ravi Goenka

Chairman & Managing Director

*“Our results for the half year remains encouraging and has nearly surpassed last whole year’s profitability. This has been due to our growing specialty business and a run-up of the Acetyls spreads in the first quarter. In the second quarter the Acetyl’s spreads normalized and our sites faced a catastrophic flood which impacted our in inventory and volume.*”

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# Half Yearly Profit and Loss Statement



## Standalone

PARTICULARS (in INR Millions)	H1FY22	H1FY21
Revenue From Operations	12,160	7,451
Other Income	144	34
Total Income	12,305	7,484
Total Operating Expenses	10,552	6,579
<b>EBITDA</b>	<b>1,608</b>	<b>872</b>
<b>EBITDA Margins</b>	<b>13.22%</b>	<b>11.70%</b>
PBT	1,503	616
PAT	1,090	507
<b>EPS</b>	<b>4.13</b>	<b>2.25</b>

## Consolidated

PARTICULARS (in INR Millions)	H1FY22	H1FY21
Revenue From Operations	13,444	8,134
Other Income	110	9
Total Income	13,554	8,144
Total Operating Expenses	11,683	7,280
<b>EBITDA</b>	<b>1,761</b>	<b>854</b>
<b>EBITDA Margins</b>	<b>13.10%</b>	<b>10.50%</b>
PBT	1,611	562
PAT	1,169	455
<b>EPS</b>	<b>4.31</b>	<b>2.02</b>

## H1'22 Revenue Split

(in INR Mn) (Standalone)

**7,451**

AI

↑ **78%** Y-o-Y

**3,368**

SI

↑ **50%** Y-o-Y

**1,485**

Others

↑ **40%** Y-o-Y

# Quarterly Profit and Loss Statement



## Standalone

PARTICULARS (in INR Millions)	Q2FY22	Q1FY22	Q2FY21
Revenue From Operations	5,263	6,897	3,914
Other Income	90	55	15
Total Income	5,353	6,952	3,929
Total Operating Expenses	5,023	5,530	3,412
<b>EBITDA</b>	<b>240</b>	<b>1,367</b>	<b>502</b>
<b>EBITDA Margins</b>	<b>4.57%</b>	<b>19.82%</b>	<b>12.81%</b>
PBT	212	1,291	372
PAT	103	987	321
<b>EPS</b>	<b>0.39</b>	<b>3.74</b>	<b>1.42</b>

## Consolidated

PARTICULARS (in INR Millions)	Q2FY22	Q1FY22	Q2FY21
Revenue From Operations	6,281	7,364	4,098
Other Income	67	43	4
Total Income	6,148	7,406	4,102
Total Operating Expenses	5,772	5,911	3,664
<b>EBITDA</b>	<b>309</b>	<b>1,453</b>	<b>434</b>
<b>EBITDA Margins</b>	<b>5.07%</b>	<b>19.73%</b>	<b>10.60%</b>
PBT	252	1,359	287
PAT	146	1,023	241
<b>EPS</b>	<b>0.43</b>	<b>3.88</b>	<b>1.07</b>

# Balance Sheet Statement Standalone



PARTICULARS (in INR Millions)	H1FY22	FY21
Shareholder Fund	11,523	10,445
Non Current Liabilities	334	300
Current Liabilities	5,771	6,602
<b>Total Liabilities</b>	<b>17,628</b>	<b>17,348</b>
Non Current Assets	5,142	4,548
Current Assets	12,486	12,799
<b>Total Assets</b>	<b>17,628</b>	<b>17,348</b>

# Balance Sheet Statement Consolidated



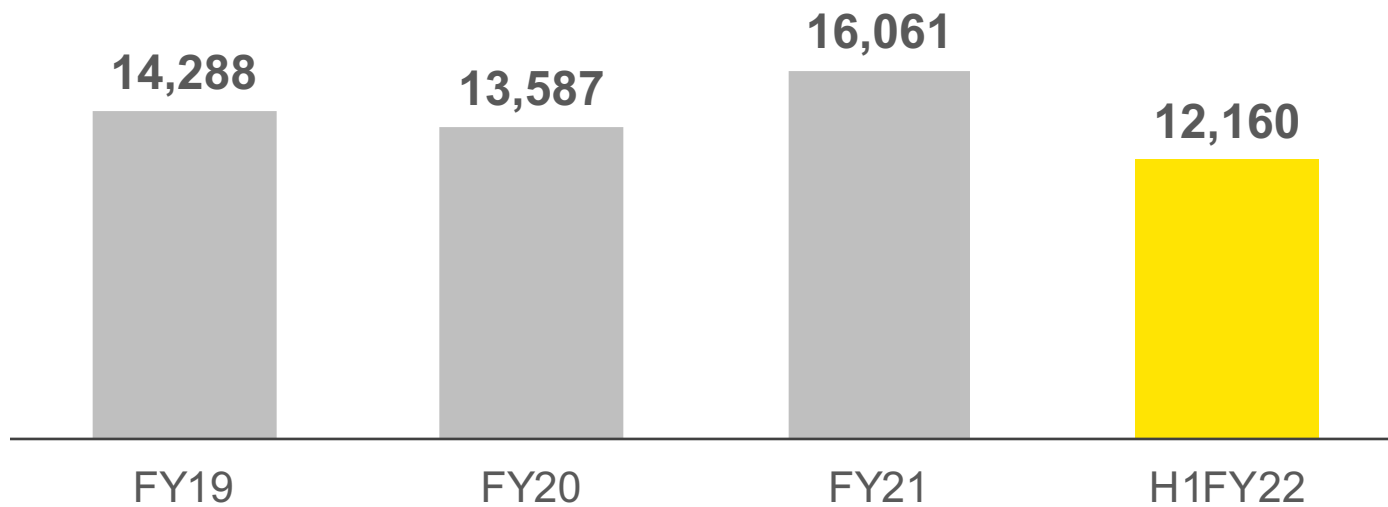
PARTICULARS (in INR Millions)	H1FY22	FY21
Shareholder Fund	11506	10350
Non Current Liabilities	376	348
Current Liabilities	6566	7675
<b>Total Liabilities</b>	<b>18449</b>	<b>18374</b>
Non Current Assets	6520	5323
Current Assets	11929	13050
<b>Total Assets</b>	<b>18449</b>	<b>18374</b>

# Financial performance trend



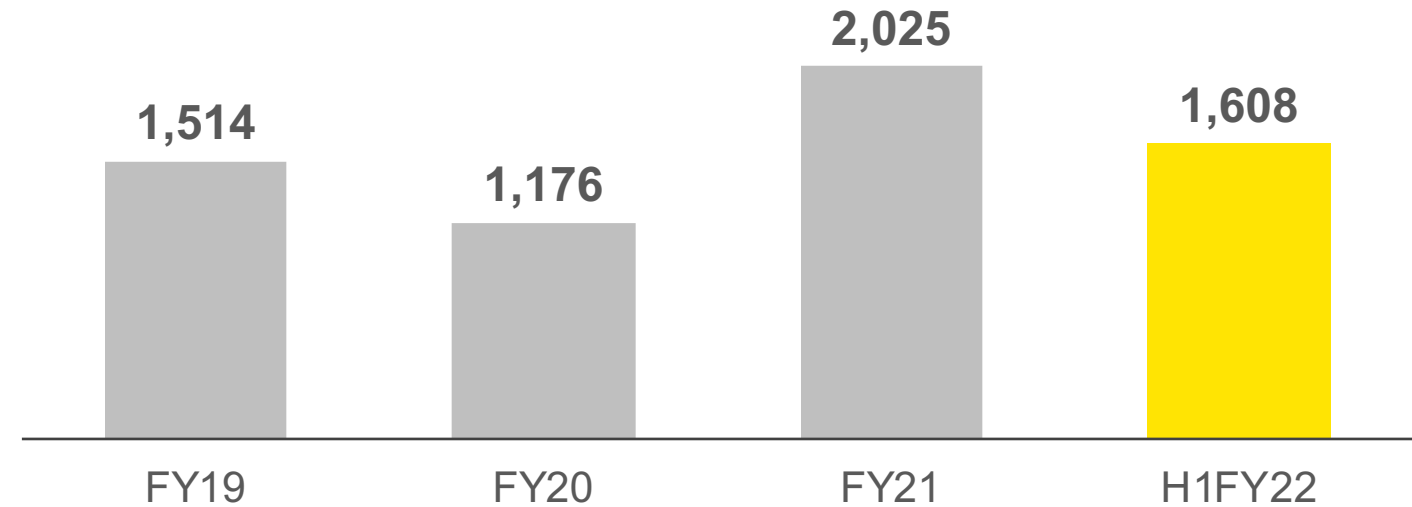
## Revenue from operations

(INR Mn)



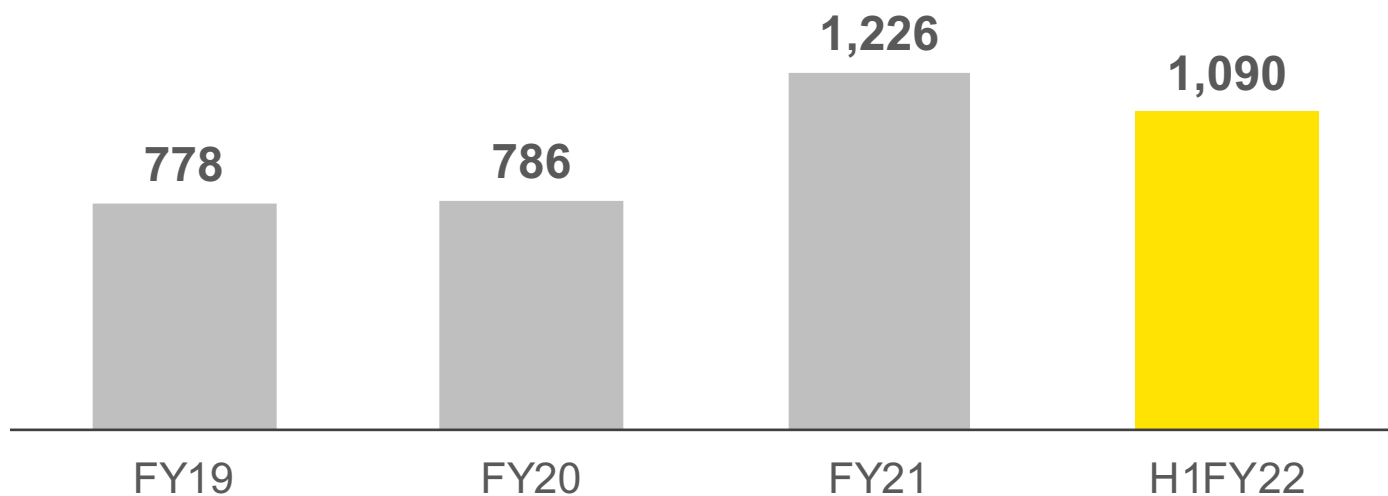
## EBITDA profile

(INR Mn)



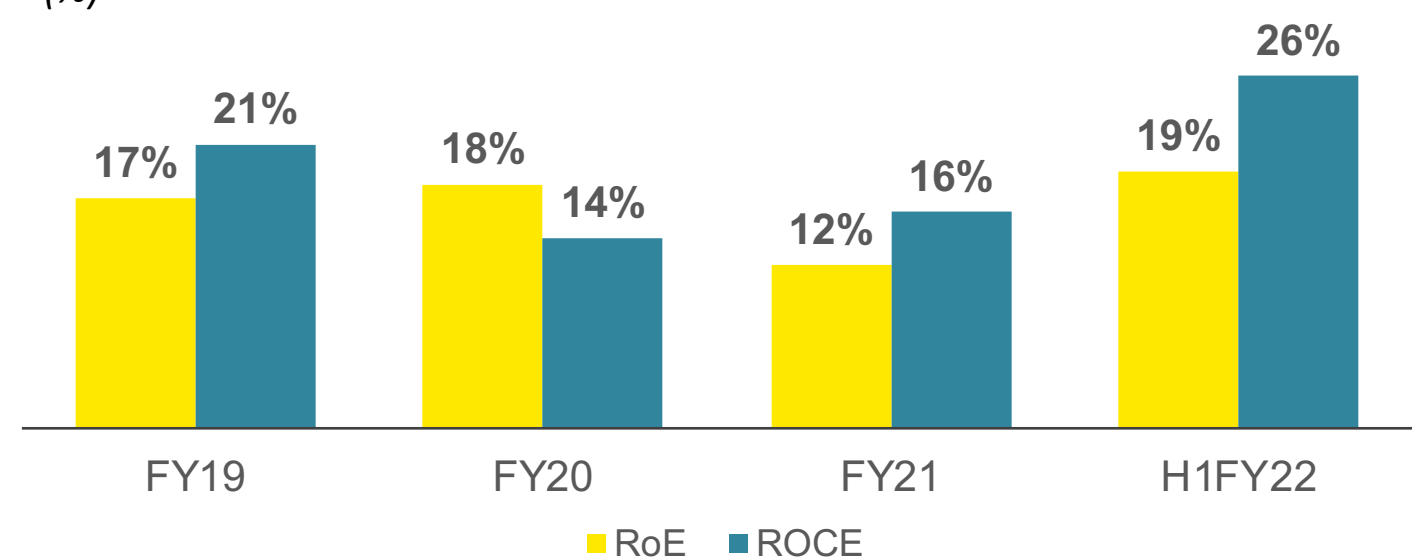
## PAT profile

(INR Mn)



## Return ratios

(%)



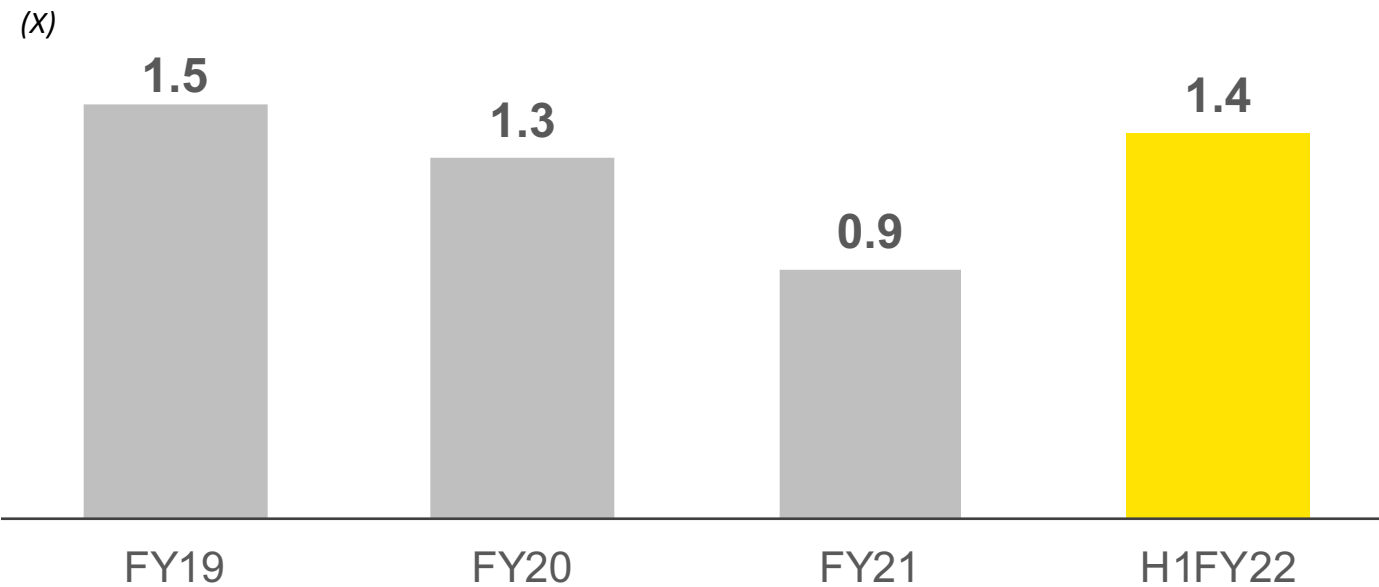
Figures on standalone basis; RoE = PAT / Net worth; ROCE = EBIT / Capital Employed; Q1FY22 RoE and ROCE on an annualised basis.



# Financial performance trend



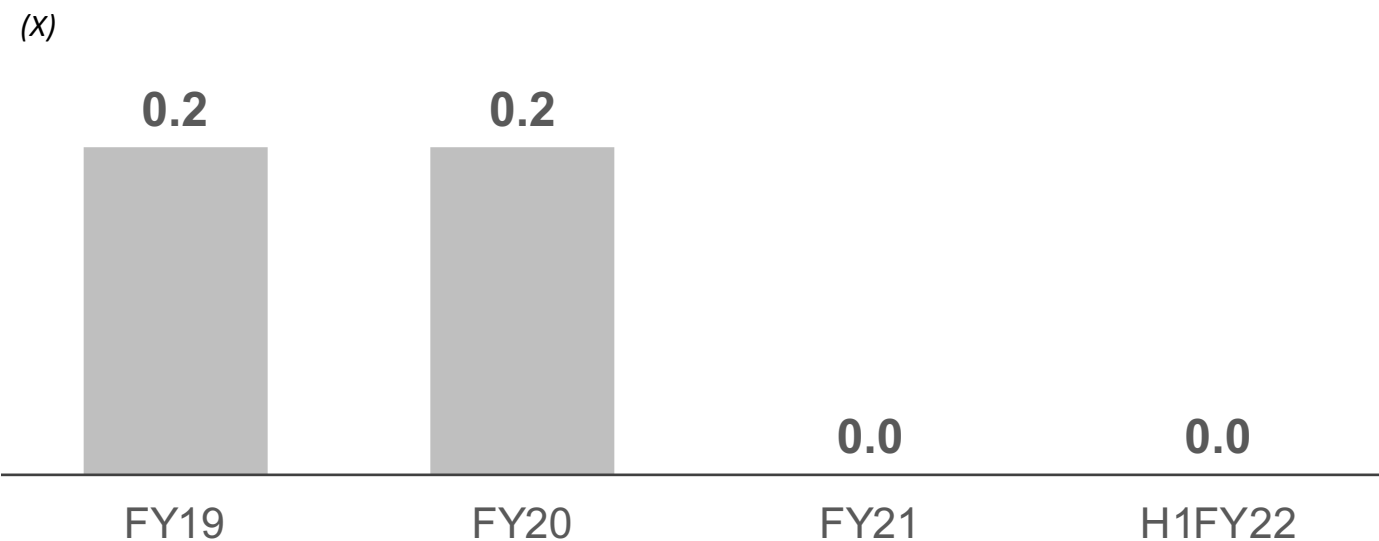
## Asset turnover



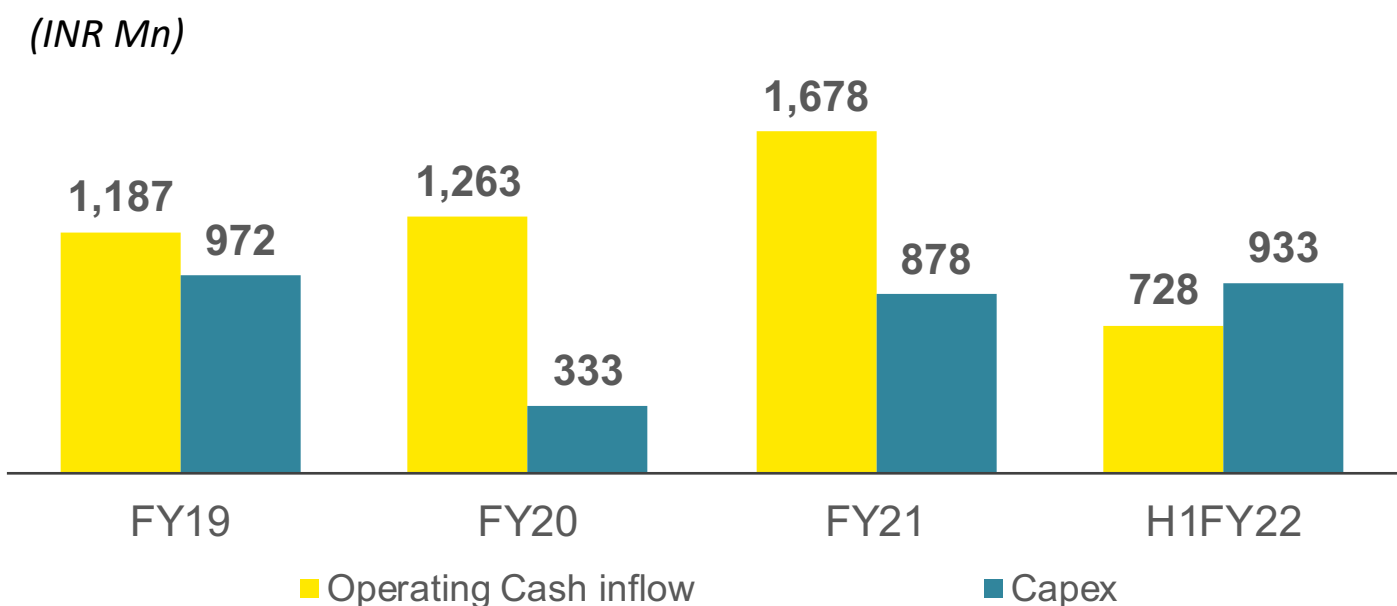
## Working capital days



## 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; Q1FY22 Asset Turnover, Working Capital Days on annualised basis. Capex outgo doesn't include investment in Fluorospeciality chemicals



- 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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**DIWAKAR PINGLE**

CHRISTENSEN ADVISORY

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