



## LAXMI ORGANIC INDUSTRIES LTD

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November 11, 2022

### **BSE Limited**

Corporate Relationship Department,  
1<sup>st</sup> Floor, New Trading Ring,  
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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 half year ended September 30, 2022**

The Company has uploaded investors presentation on November 09, 2022 but due to some typo errors enclosed is the revised investor presentation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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**



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



Investor Presentation – Q2 FY23 | November, 2022



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# Agenda

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**01** Company overview

**02** Strategic Overview

**03** Financial Performance



# Company overview

# Stable, Growing & Diversified Business

## AI

Acetyl  
Intermediaries

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

## SI

Specialty  
Intermediaries

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

## FI

Fluoro-Specialty  
Intermediaries

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

### Diversified End Use Applications



Pharmaceuticals



Paints & Coatings



Dyes & Pigments



Agrochemical



Flavour & Fragrance

Opportunities



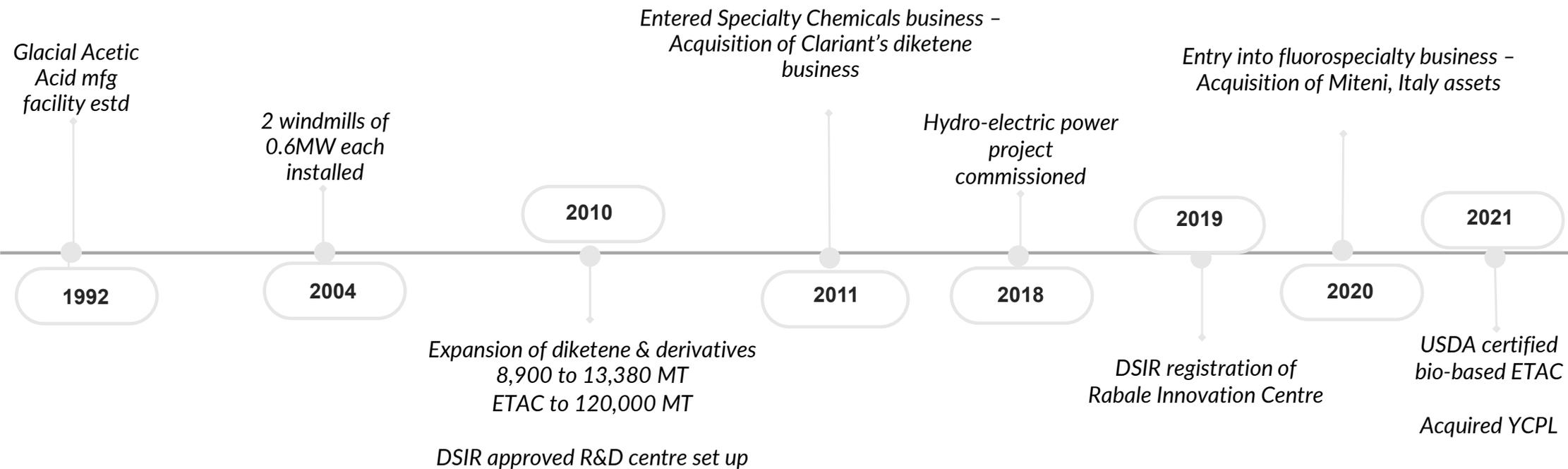
Electronics



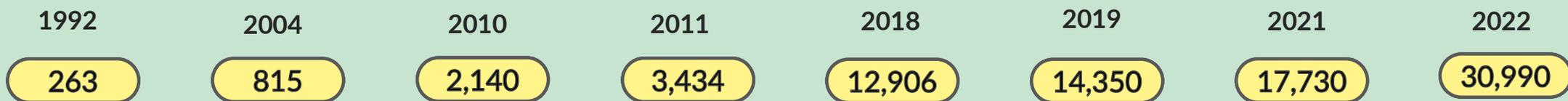
Automobile



# The Journey So Far



## REVENUE (Rs Mn)



Technology & Sustainability at the foundation of the business



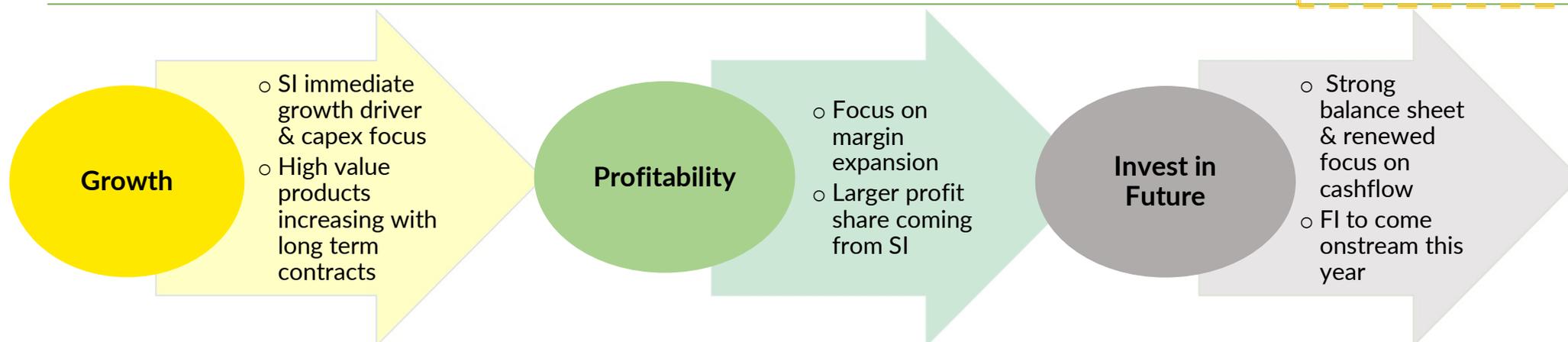
# Strategic overview

# Consolidating Growth & Building for Future

Consolidating AI + Growing SI

Consolidating SI + Growing FI

Particulars	FY11-FY14	FY15-FY18	FY19-FY22	FY23 H1
AI Revenue Contribution	77%	63%	60%	65%
SI Revenue Contribution	23%	37%	40%	35%
EBITDA CAGR (%)	4%	22%	31%	~75% of the margin has come from the SI segment
Average p.a. Capex (INR Cr)	46.7	49.3	62.3	135crs capitalized towards SI business
Average PAT % in period				5.2%
Average D/E (x)	1.06	0.66	0.12	0.18





# The Journey Ahead



*The next 5 years the margin expansion will come from SI & FI businesses, contributing ca. 70% to the profitability*

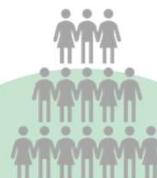


# Key Growth Levers in Place



## INFRASTRUCTURE

- **Well Invested Infrastructure**
- Mega site for AI; no expansion required
- Backward integrated plant focused capex in SI
- FI plant is a flexi plant
- Future de-risking through expansion to a 92acre site in Dahej which comes with civil structure



## CUSTOMERS

- **Diversified customer base** across geographies and industries
- Forward integration with overlap of AI and SI customers
- Future readiness with existing customers for new FI products plus Miteni customers to come



## STRONG BALANCE SHEET

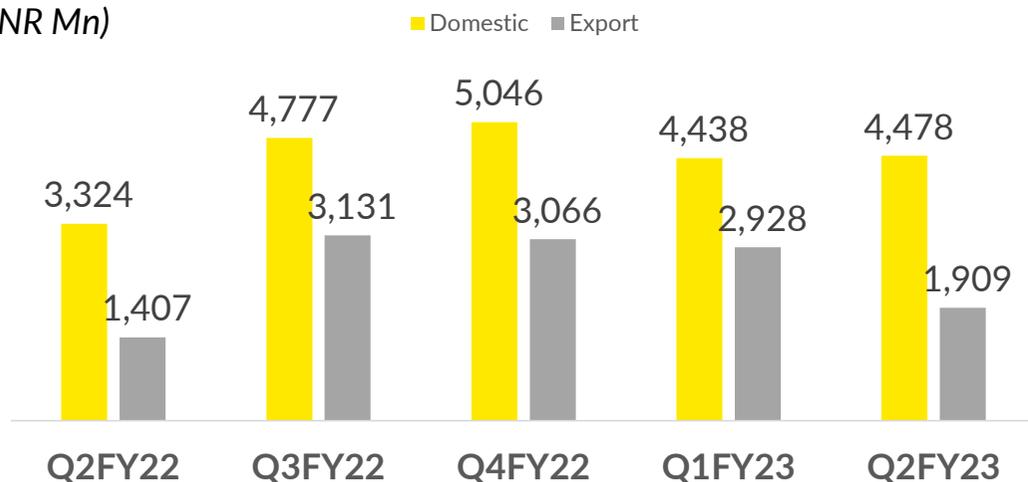
- **Responsible growth**
- Prudent leverage - D/E ratio at peak levels to be <0.5
- Improving cash flows
- Rigor on working capital



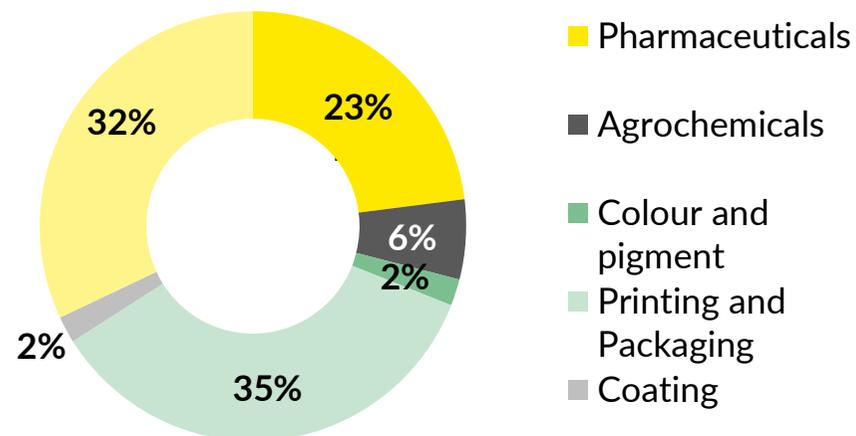
# De-risked Business Model

## Robust Export Share

(INR Mn)

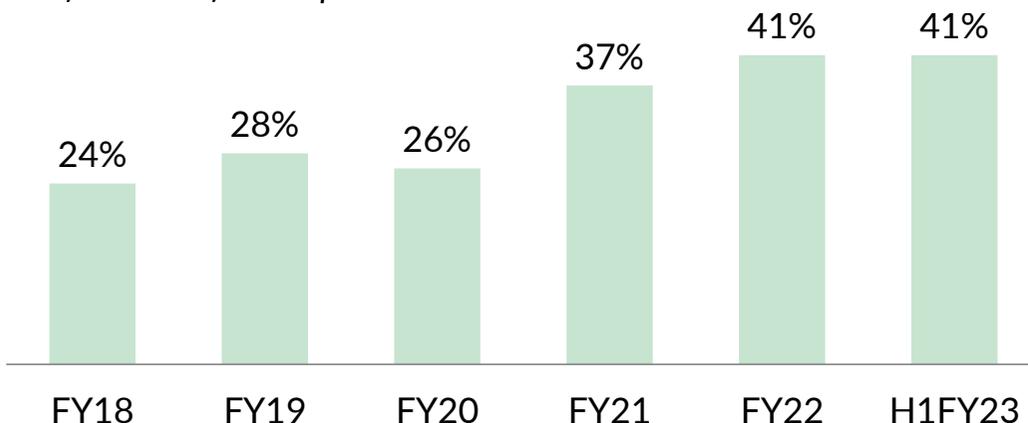


## Diversified Industry Base

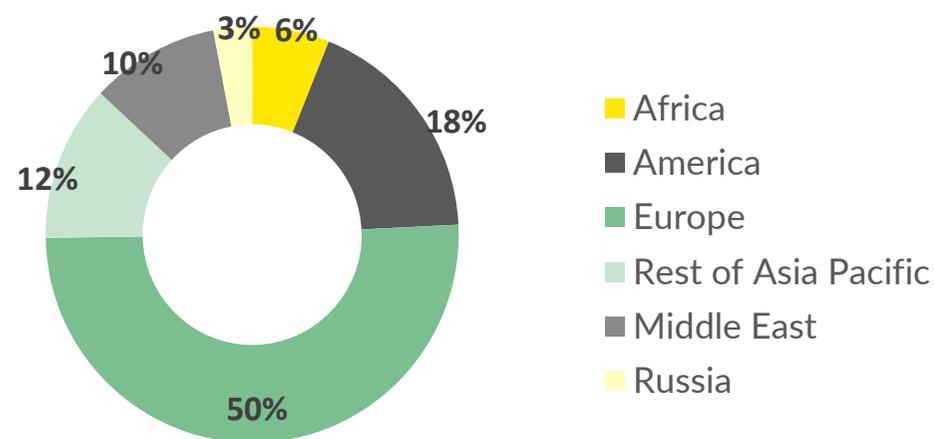


## Contribution from top 10 customers

% of revenue from top 10 customers



## Low Dependence on a Single Export Market





# Financial Performance



# Key Developments Q2 FY23- SI

Product Mix Optimisation - Rebased



SI Contribution Margin Growth - Rebased



## Specialty Intermediaries – Market Overview

- While demand softness remained due to inflationary pressures, the Company maintained its market leadership position and increased market share in some products and segments
- There is an increasing global interest to consider India as a consistent supplier to ensure supply chain security (not just China +1)
- The Company's brand and product value has strengthened

## Specialty Intermediaries – Business Performance

- Product mix and contribution margin variance is a result of lower volumes due to the planned annual maintenance shut down
- The first phase of the second plant in this business was capitalized in the said quarter and will commence production in Q3 FY23
- The contribution margin and the sales were in line with the Company's internal estimates

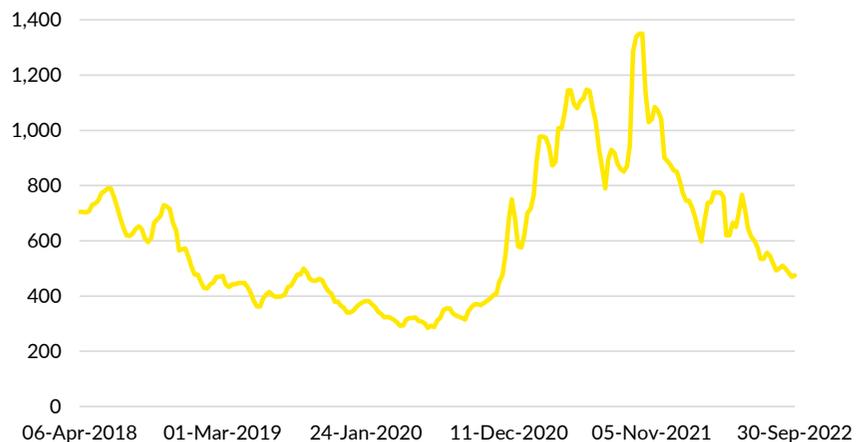


# Key Developments Q2 FY23- AI

ETAC FOB (USD/t)



AA FOB (USD/t)



## Acetyls Intermediary – Market Overview

- ETAC prices globally saw softening in Q2
- European demand saw a steep fall with the recessionary environment and currency moves becoming more stark
- We continue to maintain our market share in the AI business

## Acetyls Intermediary – Business Overview

- Volumes reduced in Q2 FY23 vs Q1 FY23 given the lower demand and pricing scenario
- Careful planning was done to ensure FG stock is optimal and RM inventory is purchased locally given the INR depreciation
- The business remains strong to be able to withstand the cycle

## Business Overview

- Two main projects in SI segment are on track
  - First plant commissioned in Q1 and has commenced production
  - Second plant phase 1 capitalized and production to start in Q3 FY23
- FI plant is on stream and production will commence in Q4 FY23
- Growth and business de-risking remain the focal areas

## Supply Chain Overview

- Continued focus on responsible domestic and global sourcing has ensured cash, inventory and supply chain optimisation
- Customer demand on SI is on the growth path with FI contracts also coming into fold
- Demand for the products remains strong from existing customer base

***SI business maintains the uptrend in demand, product mix and margin expansion***



# Financial Highlights: Q2FY23

	<b>SALES</b> (INR Mn)	<b>EBITDA</b> (INR Mn)	<b>PAT</b> (INR Mn)	<b>EPS</b> (INR)
<b>Q2'FY23</b>	<b>₹ 6,522</b>	<b>₹ 286</b>	<b>₹ 86</b>	<b>₹ 0.32</b>
YOY:	+ 7%	- 7%	- 87%	- 37%
QOQ:	- 14%	-72%	-41%	+ 13%
<b>Q2'FY22</b>	<b>₹ 6,081</b>	<b>₹ 309</b>	<b>₹ 146</b>	<b>₹ 0.55</b>
<b>Q1'FY23</b>	<b>₹ 7,566</b>	<b>₹ 1,004</b>	<b>₹ 644</b>	<b>₹ 2.44</b>

*SI business remains to be a strong contributor to the EBITDA*



# Financial Highlights: H1FY23

	<b>SALES</b> <i>(INR Mn)</i>	<b>EBITDA</b> <i>(INR Mn)</i>	<b>CFO/ EBITDA</b>	<b>PAT</b> <i>(INR Mn)</i>	<b>EPS</b> <i>(INR)</i>
<b>H1'FY23</b>	<b>₹ 14,088</b>	<b>₹ 1,290</b>	<b>55%</b>	<b>₹ 731</b>	<b>₹ 2.76</b>
YOY:	+ 5%	-27%		- 38%	- 38%
<b>H1'FY22</b>	<b>₹ 13,444</b>	<b>₹ 1,761</b>	<b>9%</b>	<b>₹ 1,169</b>	<b>₹ 4.43</b>
<b>FY'22</b>	<b>₹ 30,842</b>	<b>₹ 3,676</b>	<b>27%</b>	<b>₹ 2,575</b>	<b>₹ 9.76</b>

*Cash flow from operations have strengthened given the supply chain & working capital optimisations*

# Business Unit Overview

## AI business

Contribution to Top-line

**70%**

Contribution to Profits

**33%**

Exports

**31%**

## SI business

Contribution to Top-line

**30%**

Contribution to Profits

**67%**

Exports

**39%**

*SI business continues to be the focus for future investments and growth*



# Quarterly Performance – Consolidated Results

INR Mn

Particulars	Q2 FY23	Q1 FY23	QoQ (%)	Q2 FY22	YoY (%)	H1 FY23	H1 FY22	YoY (%)
<b>Revenue from Operations</b>	<b>6,522</b>	<b>7,566</b>	<b>-14%</b>	<b>6,081</b>	<b>7%</b>	<b>14,088</b>	<b>13,444</b>	<b>5%</b>
Cost of Materials	3,317	4,179	-21%	3,288	1%	7,496	7,070	6%
<b>Gross Profits</b>	<b>3,205</b>	<b>3,387</b>	<b>-5%</b>	<b>2,793</b>	<b>15%</b>	<b>6,592</b>	<b>6,375</b>	<b>3%</b>
<b>Gross Margin (%)</b>	<b>49%</b>	<b>45%</b>	<b>445 bps</b>	<b>46%</b>	<b>285 bps</b>	<b>47%</b>	<b>47%</b>	<b>(86) bps</b>
Employee Cost	294	284	4%	285	3%	578	587	-1%
Other Expenses	2,625	2,099	25%	2,200	19%	4,724	4,026	17%
<b>EBITDA</b>	<b>286</b>	<b>1004</b>	<b>-71%</b>	<b>309</b>	<b>-7%</b>	<b>1290</b>	<b>1761</b>	<b>-27%</b>
<b>EBITDA Margins</b>	<b>4%</b>	<b>13%</b>	<b>(870) bps</b>	<b>5%</b>	<b>(130) bps</b>	<b>9%</b>	<b>13%</b>	<b>(432) bps</b>
Depreciation	170	136	25%	113	51%	306	221	38%
<b>EBIT</b>	<b>116</b>	<b>868</b>	<b>-87%</b>	<b>196</b>	<b>-41%</b>	<b>985</b>	<b>1540</b>	<b>-36%</b>
<b>EBIT Margin (%)</b>	<b>2%</b>	<b>11%</b>	<b>(951) bps</b>	<b>3%</b>	<b>(207) bps</b>	<b>7%</b>	<b>11%</b>	<b>(485) bps</b>
Other Income	29	21	35%	67	-57%	50	110	-55%
Interest	44	24	81%	11	303%	68	39	74%
<b>PBT</b>	<b>101</b>	<b>865</b>	<b>-88%</b>	<b>252</b>	<b>-60%</b>	<b>966</b>	<b>1611</b>	<b>-40%</b>
Tax	15	221	-93%	106	-86%	236	442	-47%
<b>ETR (%)</b>	<b>15</b>	<b>26</b>		<b>42</b>		<b>24</b>	<b>27</b>	
<b>PAT</b>	<b>86</b>	<b>644</b>	<b>-87%</b>	<b>146</b>	<b>-41%</b>	<b>731</b>	<b>1169</b>	<b>-37%</b>
<b>EPS</b>	<b>0.32</b>	<b>2.42</b>	<b>-87%</b>	<b>0.54</b>	<b>-42%</b>	<b>2.73</b>	<b>4.36</b>	<b>-37%</b>



# 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 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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