



## LAXMI ORGANIC INDUSTRIES LTD

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

February 2, 2022

### **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 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 ended December 31, 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 December 31, 2021, on Wednesday, February 2, 2022, at 15:00 hours (IST).

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

Further, we have also enclosed press release for the quarter ended December 31, 2021.

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 REPORTS Q3FY22 RESULTS

**Standalone Operating Revenue of ₹ 8,742 Mn  
Profit After Tax at ₹ 811 Mn**

**Mumbai, February 1, 2022:** Laxmi Organic Industries Limited (NSE: LXCHEM | BSE: 543277 | ISIN: INE57600102), one of India's leading specialty chemical manufacturers, has announced its financial results for the quarter ended December 31st, 2021.

**Commenting on the strong financial performance Mr. Ravi Goenka, Chairman & Managing Director, said,** "I am pleased to provide you with an update on our performance in Q3FY22. Operating revenues for Q3FY22 came in at INR 8,742 million as against INR 3,936 million in Q3FY21. The strong top-line growth was fuelled by a 144% growth in Acetyl Intermediates (AI) and a 113% growth in Specialty Intermediates (SI) on a Y-o-Y basis, respectively.

*The strong performance of Acetyl Intermediates (AI) is largely a result of increased realisations and higher volumes. With the anticipated completion of the Yellowstone Chemicals Private Limited (YCPL) merger, we expect these volumes to be sustainable and even increase going forward. The robust performance in Specialty Intermediates (SI) is attributable to ramped up production following the flood restoration and optimising the product portfolio towards higher value-added derivatives. The SI business returned to the growth trajectory of Q1 and continued to see buoyant demand from export markets. This resulted in corresponding growth of 71% and 100% Y-o-Y basis in EBITDA and PAT respectively."*

*Additionally, he stated, "We remain on track to commercialise our SI CAPEX which will start clocking revenues in Q1FY23."*

*The fluoro platform remains an exciting opportunity for Laxmi. The Indian and international markets offer a large opportunity for companies like ourselves to play in. The project is facing a delay and cost escalations on account of covid, escalations in the prices of construction materials and logistics challenges. As a matter of strategy, we have decided to launch phase II of the Capex to add incremental capacities simultaneously. The commercial production is expected to start in Q3FY22"*

### **Standalone Financial Highlights for Nine Months Year Ended December 31<sup>st</sup>, 2021:**

- Operating Revenues at ₹ 20,902 Mn in 9M FY22 as compared to ₹ 11,387 Mn in 9M FY21; a growth of 84% Y-o-Y
- EBITDA at ₹ 2,626 Mn in 9M FY22 as compared to ₹ 1,469 Mn in 9M FY21; a growth of 79% Y-o-Y
- EBITDA Margins stood at 13% in 9M FY22, in line with 9M FY21
- Profit After Tax at ₹ 1,901 Mn in 9M FY22 as compared to ₹ 913 Mn in 9M FY21; a growth of 108% Y-o-Y
- EPS for 9M FY22 was 7.21 as compared to 4.06 in 9M FY21

### **Standalone Financial Highlights for Quarter Ended December 31<sup>st</sup>, 2021:**

- Operating Revenues at ₹ 8,742 Mn in Q3FY22 as compared to ₹ 3,936 Mn in Q3FY21; a growth of 122% Y-o-Y; growth of 66% Q-o-Q
- EBITDA at ₹ 1,019 Mn in Q3 FY22 as compared to ₹ 597 Mn in Q3 FY21; a growth of 71% Y-o-Y and 324% Q-o-Q
- EBITDA margin stood at 12% in Q3 FY22 and contracted by 350 bps Y-o-Y; increase of over 700 bps Q-o-Q
- Profit After Tax at ₹ 811 Mn in Q3 FY22 as compared to ₹ 406 Mn in Q3 FY21; a growth of 100% Y-o-Y and around 690% Q-o-Q
- EPS for Q3FY22 was 3.08 as compared to 1.80 in Q3FY21 and 0.39 in Q2FY22

### **Consolidated Financial Highlights for Nine Months Year Ended December 31<sup>st</sup>, 2021:**

- Operating Revenues at ₹ 22,043 Mn in 9M FY22 as compared to ₹ 12,489 Mn in 9M FY21; a growth of 76% Y-o-Y
- EBITDA at ₹ 2,948 Mn in 9M FY22 as compared to ₹ 1,530 Mn in 9M FY21; a growth of 93% Y-o-Y
- EBITDA Margins stood at 13% in 9M FY22 as compared to 12% in 9M FY21
- Profit After Tax at ₹ 1,990 Mn in 9M FY22 as compared to ₹ 907 Mn in 9M FY21; a growth of 119% Y-o-Y
- EPS for 9M FY22 was 7.55 as compared to 4.03 in 9M FY21

### **Consolidated Financial Highlights for Quarter Ended December 31<sup>st</sup>, 2021:**

- Operating Revenues at ₹ 8,599 Mn in Q3FY22 as compared to ₹ 4,355 Mn in Q3FY21; a growth of 97% Y-o-Y; growth of 41% Q-o-Q
- EBITDA at ₹ 1,187 Mn in Q3FY22 as compared to ₹ 677 Mn in Q3FY21; a growth of 75% Y-o-Y and a growth of 284% Q-o-Q
- EBITDA Margins stood at 14% in Q3FY22 and contracted by 173 bps Y-o-Y; and expanded by 872 bps Q-o-Q
- Profit After Tax at ₹ 821 Mn in Q3FY22 as compared to ₹ 452 Mn in Q3FY21; a growth of 82% Y-o-Y and of 464% Q-o-Q
- EPS for Q3FY22 was 3.11 as compared to 2.01 in Q3FY21 and 0.55 in Q2FY22



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**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/>

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

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[kkhanna@christensenir.com](mailto:kkhanna@christensenir.com)

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**LAXMI ORGANIC INDUSTRIES LTD**



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



**Investor Presentation – Q3 FY22 | February, 2022**



*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 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 **35 countries**

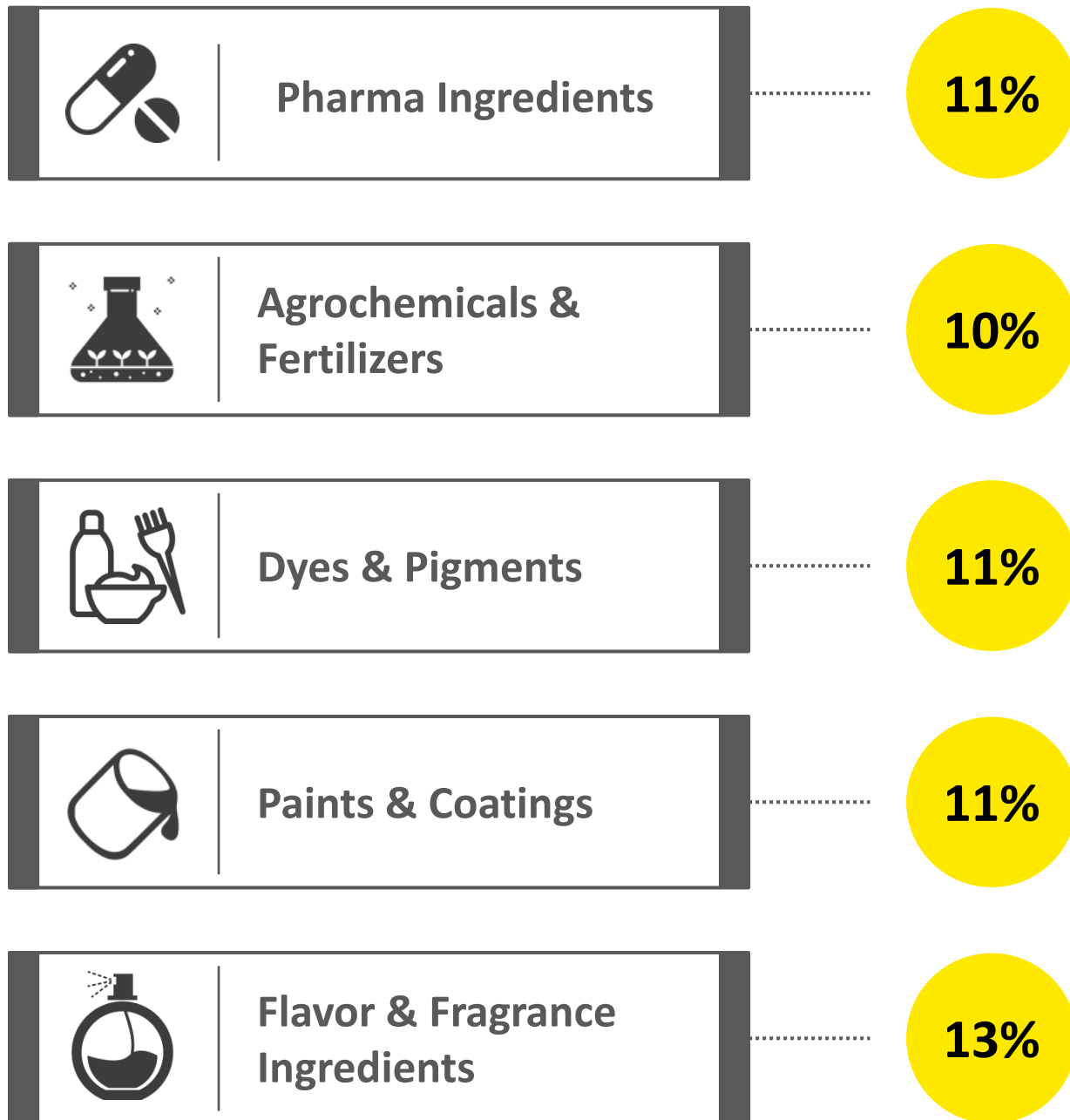


**DSIR approved 2 R&D facilities** with state-of-the-art infrastructure





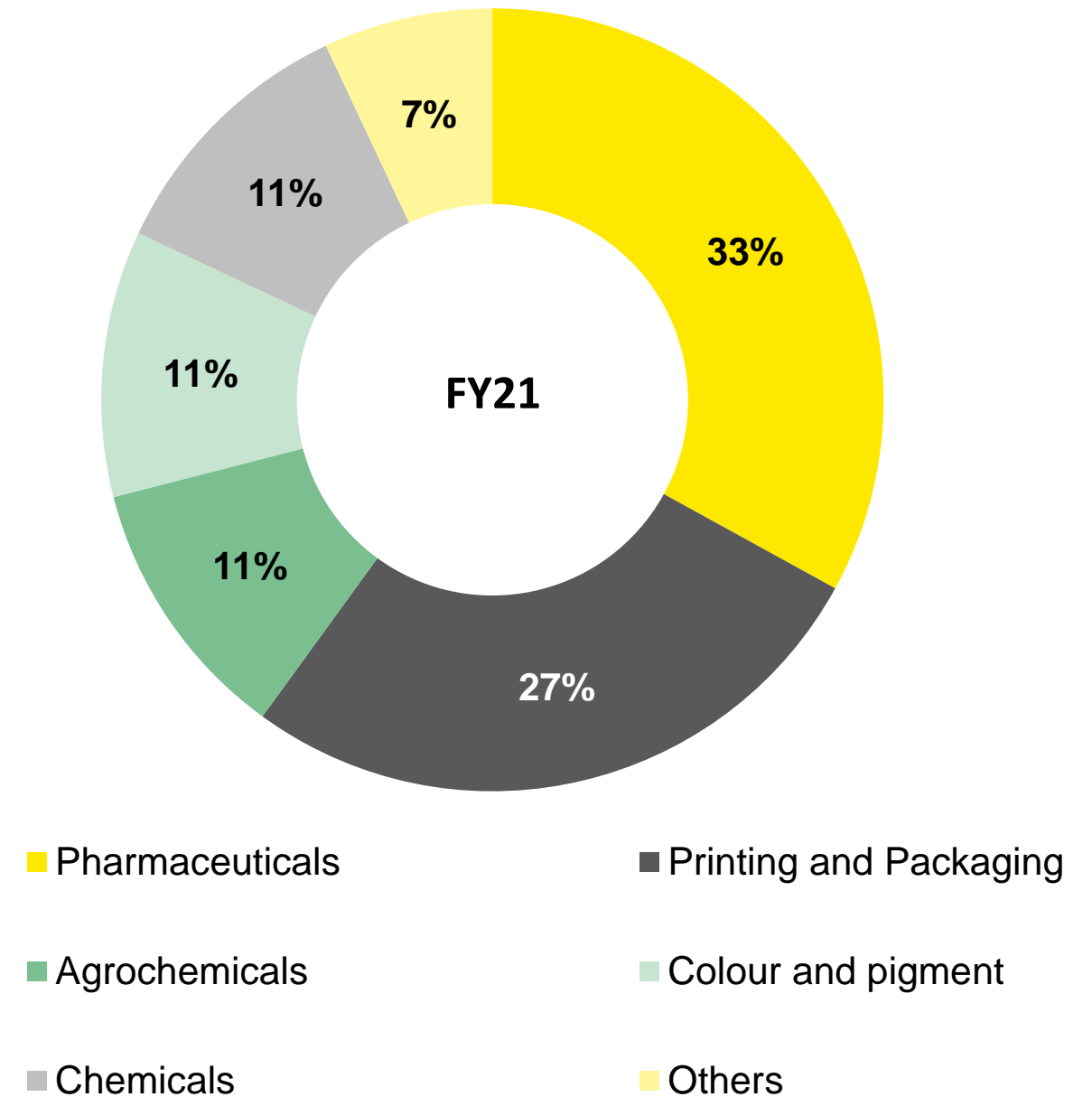
## India market - Growth (2019-24 CAGR)



Source: Frost & Sullivan Report

## Diversified customer base

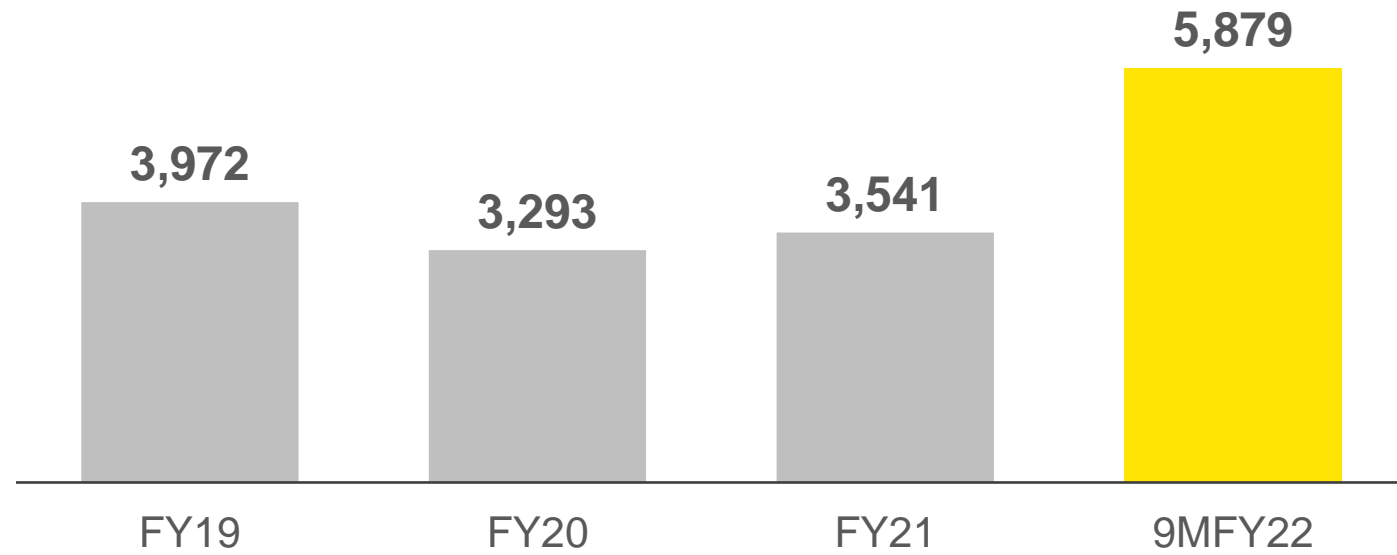
% of revenue from sale of manufactured products & services





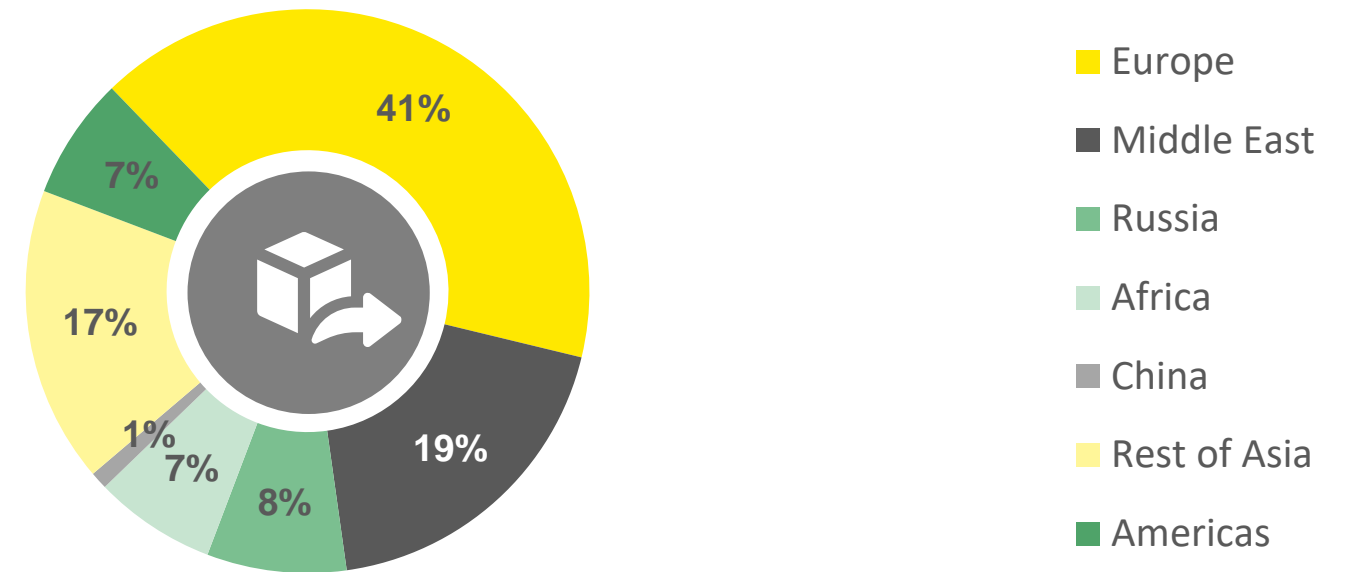
## Robust export earnings

(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 molecules have been successfully piloted in SI which will generate revenues in FY23



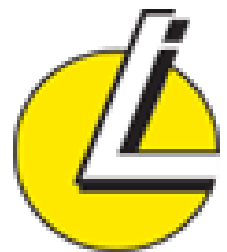
## R&D – Key growth driver of business

- 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



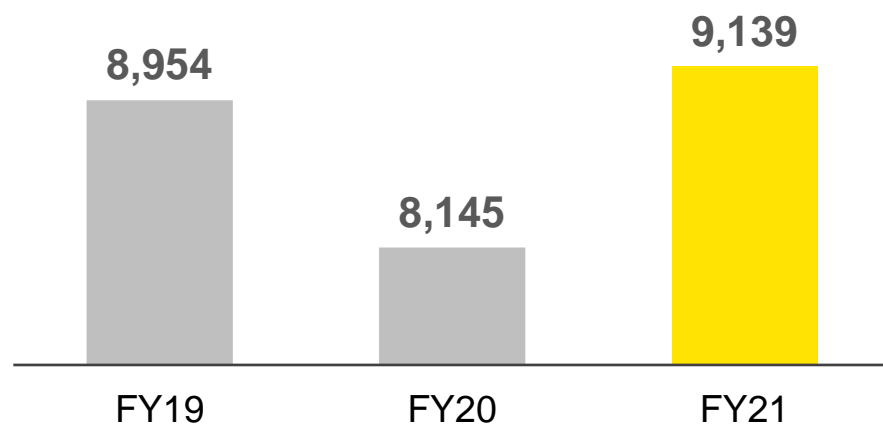
**LAXMI ORGANIC INDUSTRIES LTD**



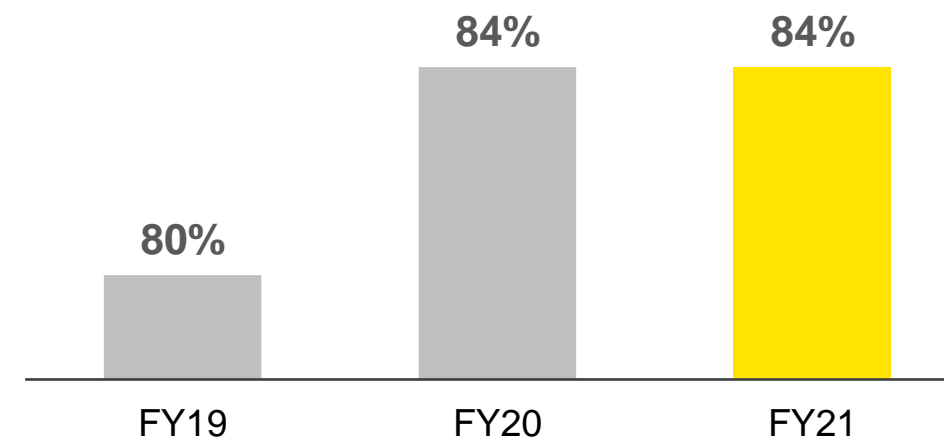
Comprising of Ethyl Acetate, acetaldehyde, ethanol & other customised solvents

## Revenue

(INR Mn)



## ... Capacity utilisation



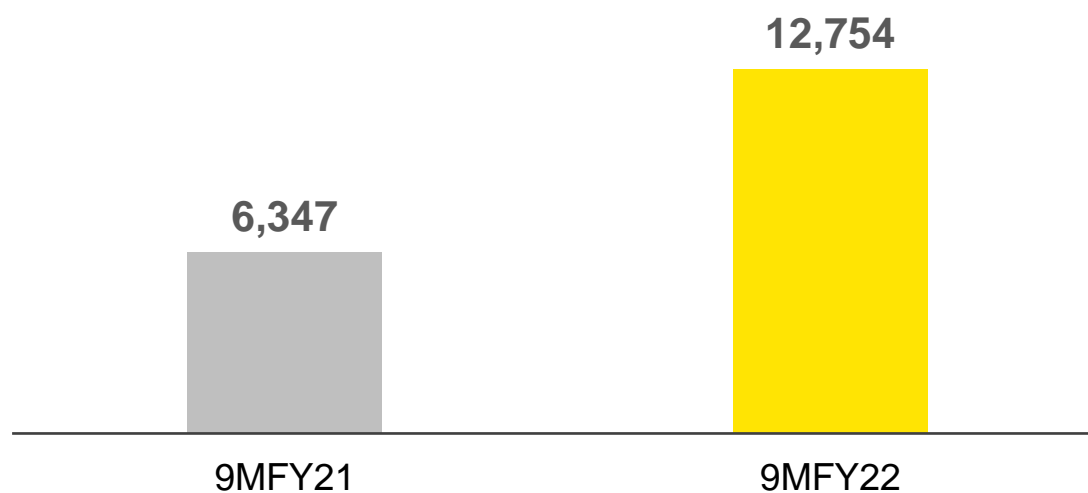
## Expanding manufacturing capabilities

**201,000** MTPA

Acquisition of Yellowstone has been completed. The trade channels have now been combined to improve the supply chain efficiencies

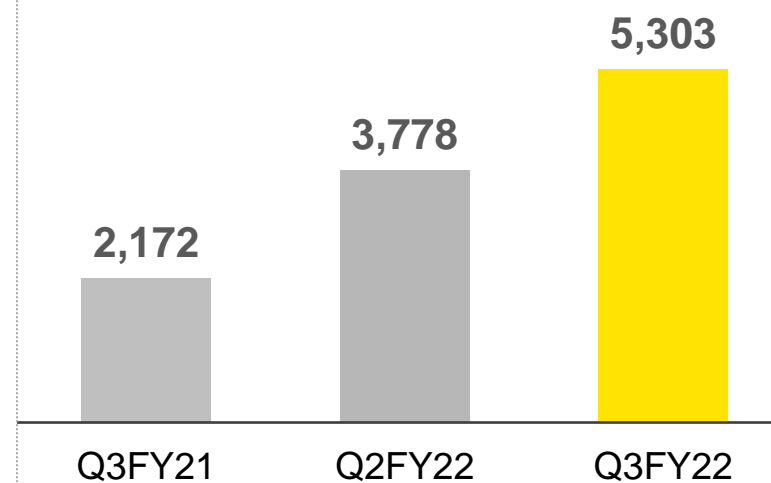
## 9M FY22 AI Revenue

(INR Mn)



## Q3FY22 AI Revenue

(INR Mn)



## Competitive edge

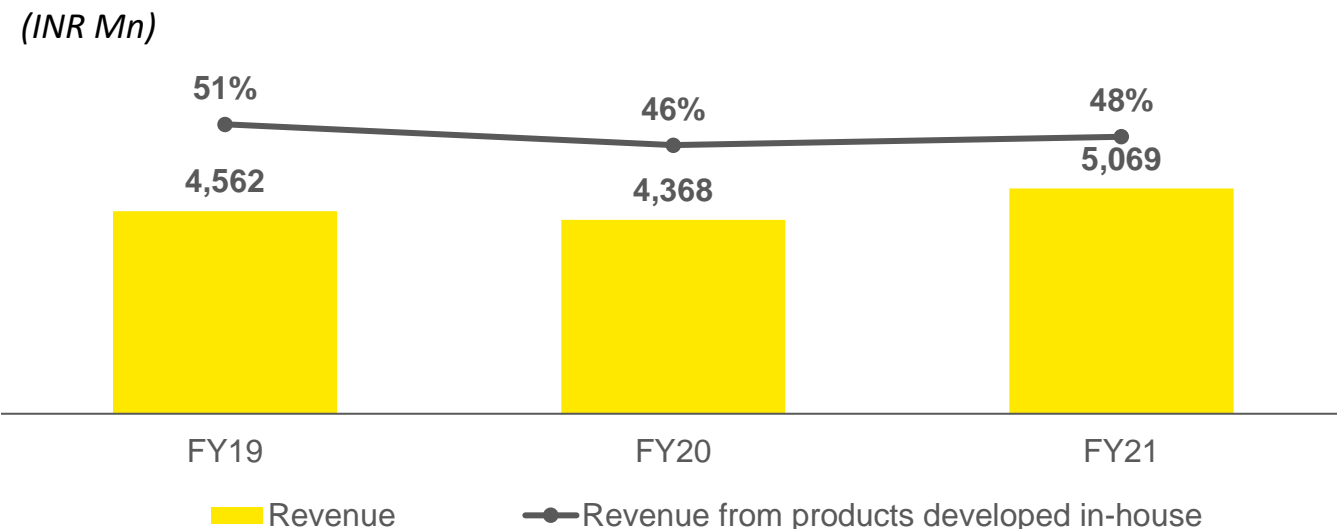
- Strong conversion efficiencies provide the moat around contribution margin across business cycles
- Strategic location, backward integration, large storage capabilities help achieve economies of scale

# Overview of Specialty Intermediates (SI) business

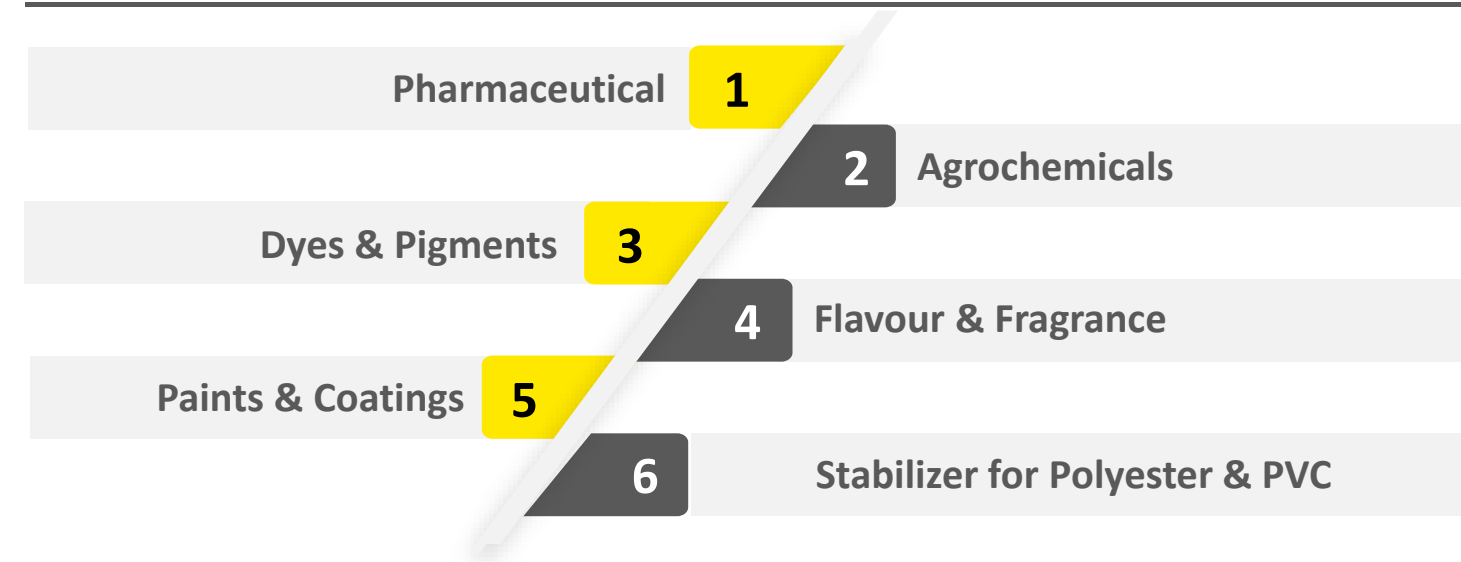


Basket of 34+ products – ketene, diketene derivatives (esters, acetic anhydride, amides, arylides & others)

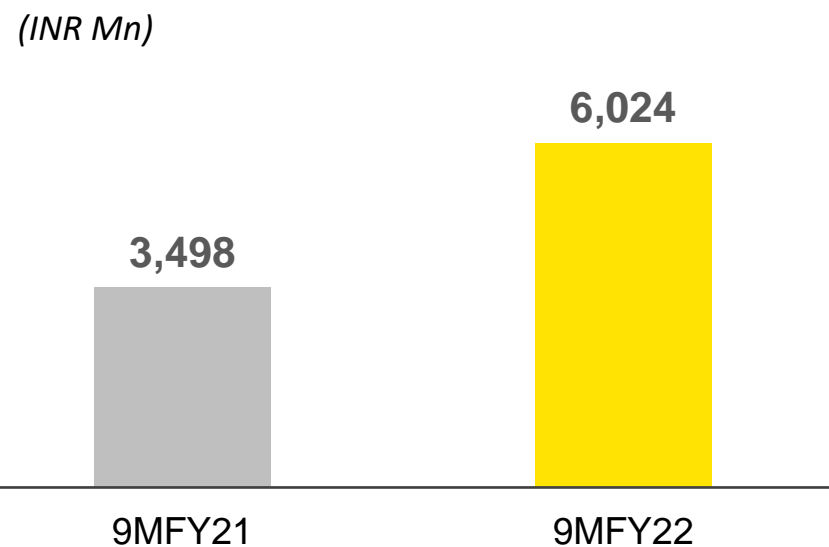
## Healthy revenue contribution from new products



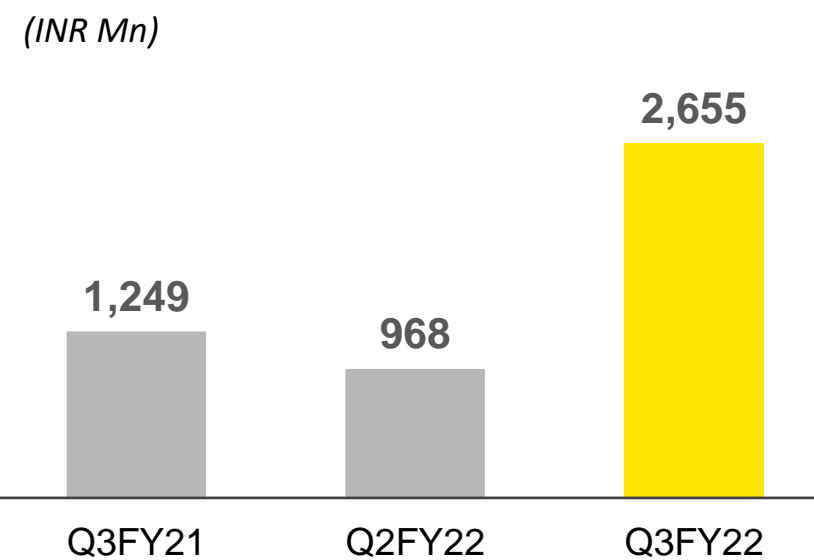
## Highly versatile products



## 9M FY22 SI Revenue



## Q3FY22 - SI Revenue



**29%**

of SI sales are from exports against 9% as of Q3 FY21

## Broad based growth

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





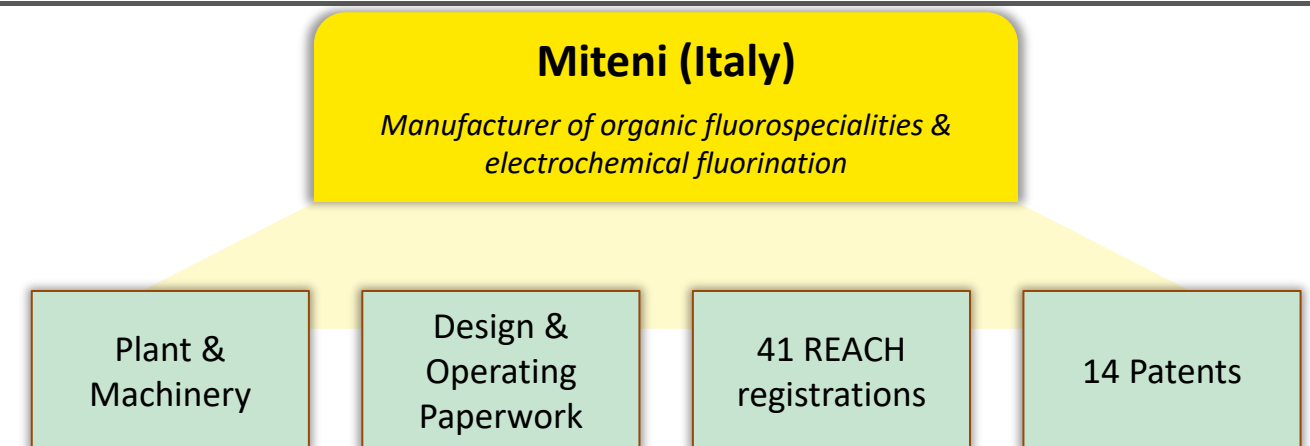
## Growth drivers of fluorochemicals

- 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**

## Diversification into high margin fluorospeciality chemicals...



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

## Progress

- Total spend till 31st December 2021 – Rs. 1700 million
- Plans to expand the product profile and capacities, in addition to the original plan
- R&D in India – Kilo Lab operations have started. R&D and Kilo Lab samples have been approved by multiple customers
- Civil and infrastructure work at Lote, India is progressing well
- Expected to begin commercial production in Q3FY23



# 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



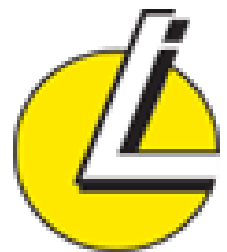
## Establishing the fluorospecialty business

- **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

*"I am pleased to provide you with an update on our performance in Q3FY22. Operating revenues for Q3FY22 came in at INR 8,742 million as against INR 3,936 million in Q3FY21. The strong top-line growth was fuelled by a 144% growth in Acetyl Intermediates (AI) and a 113% growth in Specialty Intermediates (SI) on a Y-o-Y basis, respectively. The strong performance of Acetyl Intermediates (AI) is largely a result of increased realisations and higher volumes. With the anticipated completion of the Yellowstone Chemicals Private Limited (YCPL) merger, we expect these volumes to be sustainable and even increase going forward. The robust performance in Speciality Intermediates (SI) is attributable to ramped up production following the flood restoration and optimising the product portfolio towards higher value-added derivatives. The SI business returned to the growth trajectory of Q1 and continued to see buoyant demand from export markets. This resulted in corresponding growth of 71% and 100% Y-o-Y basis in EBITDA and PAT respectively." Additionally, he stated, "We remain on track to commercialise our SI CAPEX which will start clocking revenues in Q1FY23." The fluoro platform remains an exciting opportunity for Laxmi. The Indian and international markets offer a large opportunity for companies like ourselves to play in. The project is facing a delay and cost escalations on account of covid, escalations in the prices of construction materials and logistics challenges. As a matter of strategy we have decided to launch phase II of the Capex to add incremental capacities simultaneously. The commercial production is expected to start in Q3FY22".*



# Nine Months Profit and Loss Statement



## Standalone

PARTICULARS (in INR Millions)	9M FY22	9M FY21
Revenue From Operations	20,902	11,387
Other Income	163	61
Total Income	21,065	11,447
Total Operating Expenses	18,276	9,918
<b>EBITDA</b>	<b>2,626</b>	<b>1,469</b>
<b>EBITDA Margins</b>	<b>13%</b>	<b>13%</b>
PBT	2,368	1,088
PAT	1,901	913
EPS	7.21	4.06

## Consolidated

PARTICULARS (in INR Millions)	9M FY22	9M FY21
Revenue From Operations	22,043	12,489
Other Income	130	29
Total Income	22,173	12,518
Total Operating Expenses	19,096	10,959
<b>EBITDA</b>	<b>2,948</b>	<b>1,530</b>
<b>EBITDA Margins</b>	<b>13%</b>	<b>12%</b>
PBT	2,614	1,097
PAT	1,990	907
EPS	7.55	4.03

## 9M'22 Total Income Split

(in INR Mn) (Standalone)

**12,754**

AI

↑ **101%** Y-o-Y

**6,024**

SI

↑ **72%** Y-o-Y

**2,288**

Others

↑ **43%** Y-o-Y



# Quarterly Profit and Loss Statement



## Standalone

PARTICULARS (in INR Millions)	Q3FY22	Q2FY22	Q3FY21	Q-o-Q	Y-O-Y
Revenue From Operations	8,742	5,263	3,936	66%	122%
Other Income	19	90	28	-80%	-36%
Total Income	8,761	5,353	3,963	64%	121%
Total Operating Expenses	7,723	5,022	3,339	54%	131%
<b>EBITDA</b>	<b>1,019</b>	<b>240</b>	<b>597</b>	<b>324%</b>	<b>71%</b>
<b>EBITDA Margins</b>	<b>12%</b>	<b>5%</b>	<b>15%</b>	<b>708 bps</b>	<b>-350 bps</b>
PBT	865	212	471	308%	84%
PAT	811	103	406	687%	100%
EPS	3.08	0.39	1.80	690%	71%

## Q3'22 Total Income Split

(in INR Mn) (Standalone)

**5,303**

AI

↑ **144%** Y-o-Y    ↑ **40%** Q-o-Q

**2,655**

SI

↑ **113%** Y-o-Y    ↑ **174%** Q-o-Q

**803**

Others

↑ **48%** Y-o-Y    ↑ **32%** Q-o-Q

# Quarterly Profit and Loss Statement



## Consolidated

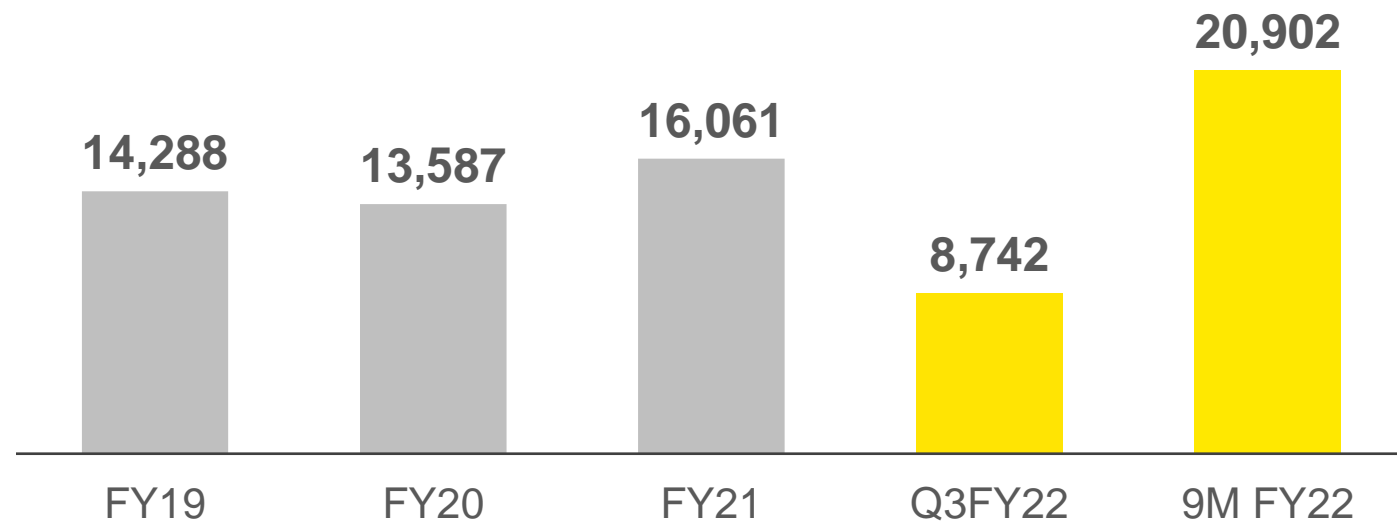
<b>PARTICULARS</b> (in INR Millions)	<b>Q3FY22</b>	<b>Q2FY22</b>	<b>Q3FY21</b>	<b>Q-o-Q</b>	<b>Y-o-Y</b>
Revenue From Operations	8,599	6,081	4,355	41%	97%
Other Income	20	67	19	-70%	5%
Total Income	8,619	6,148	4,374	40%	97%
Total Operating Expenses	7,412	5,772	3,679	28%	102%
<b>Operating EBITDA</b>	<b>1,187</b>	<b>309</b>	<b>677</b>	<b>284%</b>	<b>75%</b>
<b>EBITDA Margins</b>	<b>14%</b>	<b>5%</b>	<b>16%</b>	<b>872 bps</b>	<b>-173 bps</b>
PBT	1,004	252	535	298%	88%
PAT	821	146	452	464%	82%
<b>EPS</b>	<b>3.11</b>	<b>0.55</b>	<b>2.01</b>	<b>465%</b>	<b>55%</b>

# Financial performance trend



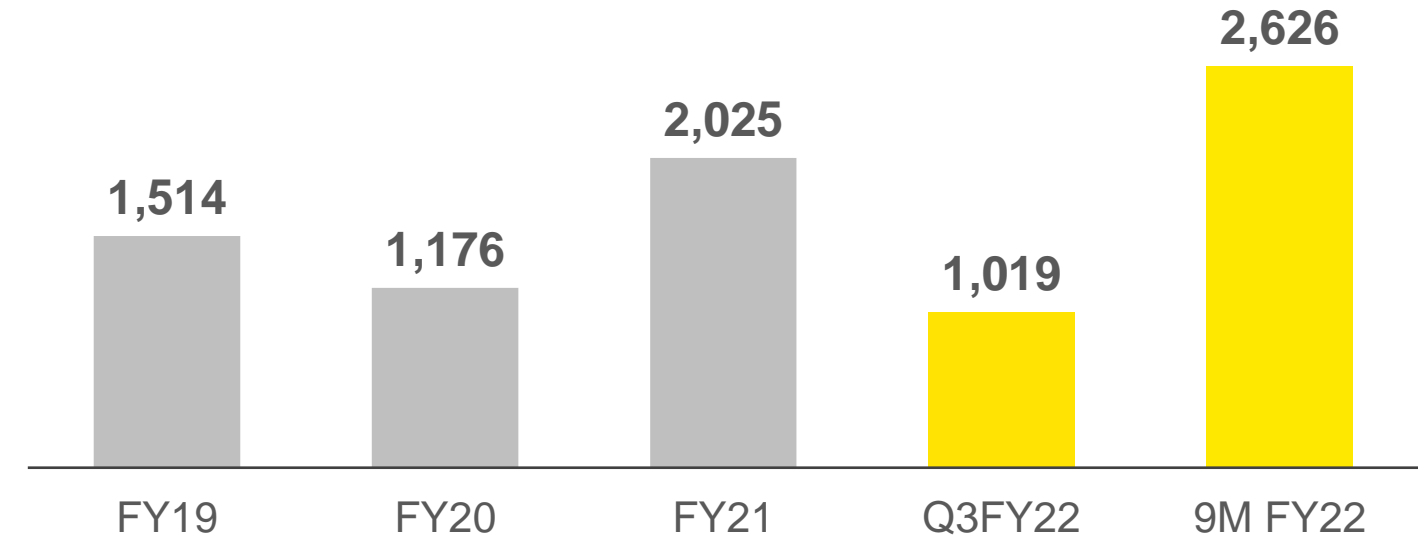
## Revenue from operations

(INR Mn)



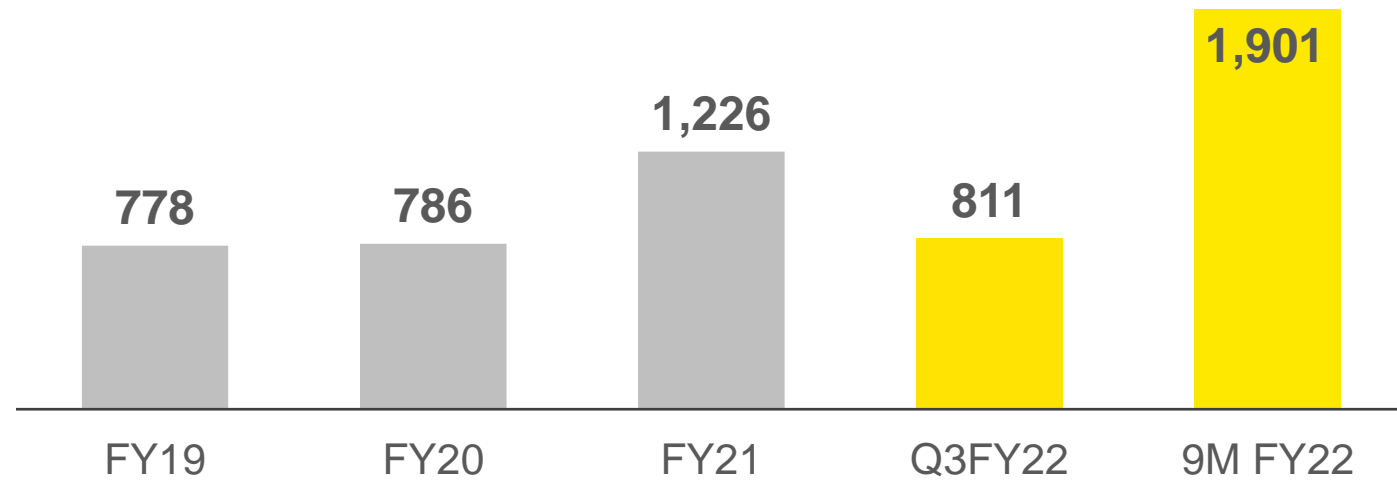
## EBITDA profile

(INR Mn)



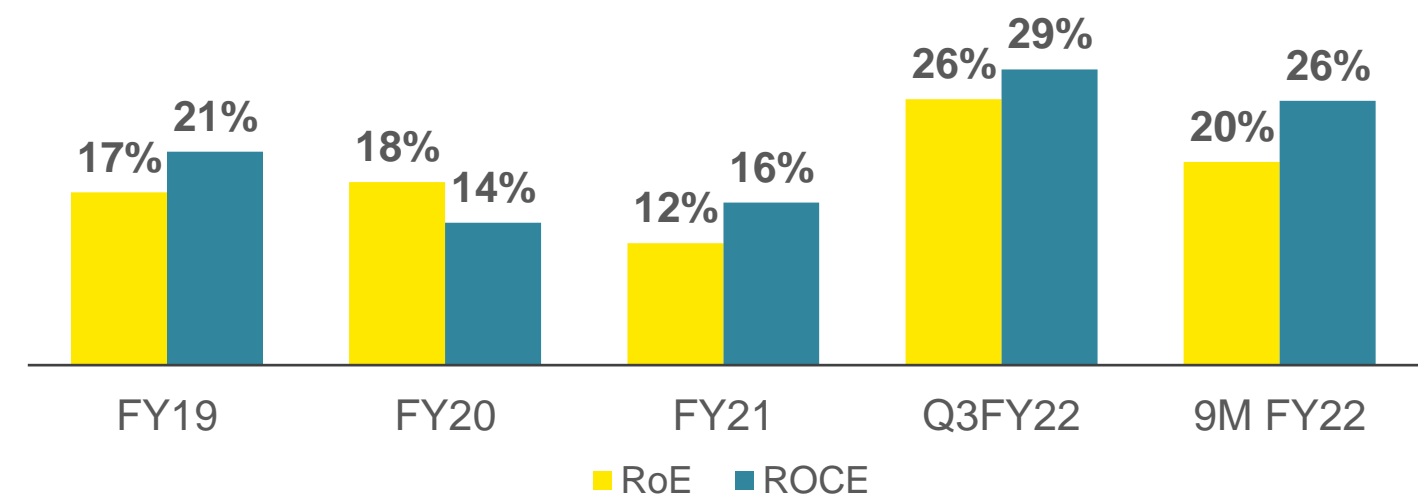
## PAT profile

(INR Mn)



## Return ratios

(%)



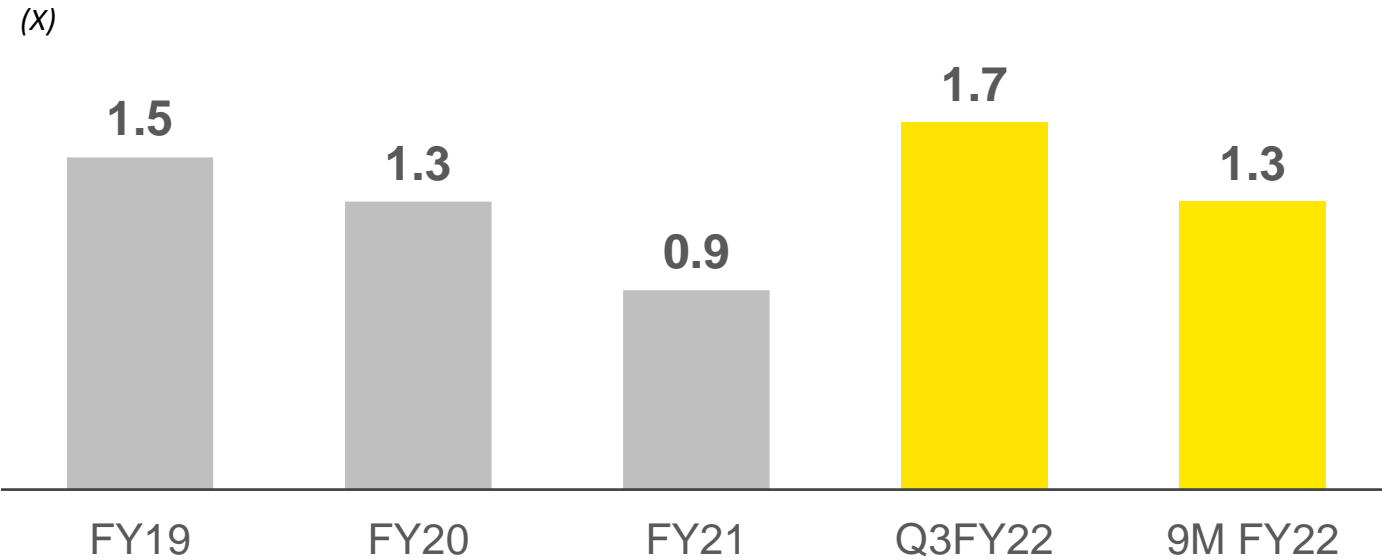
Figures on standalone basis; RoE = PAT / Net worth; ROCE = EBIT / Capital Employed; Q1FY22 RoE and ROCE on an annualised basis.



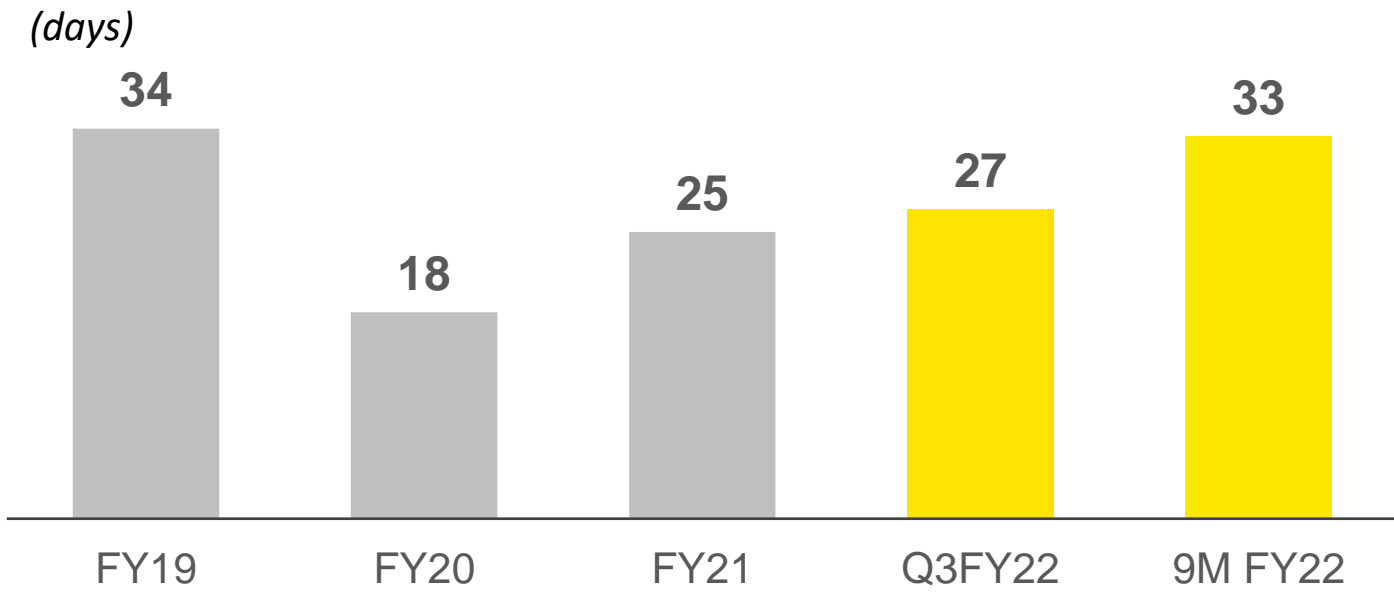
# Financial performance trend



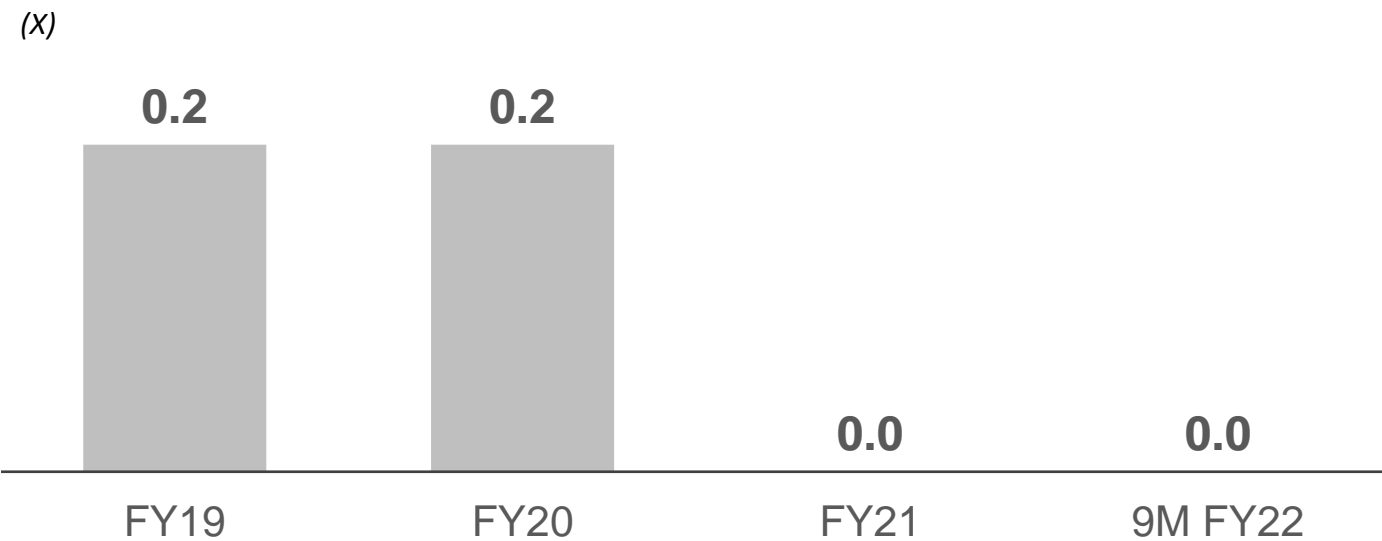
## Asset turnover



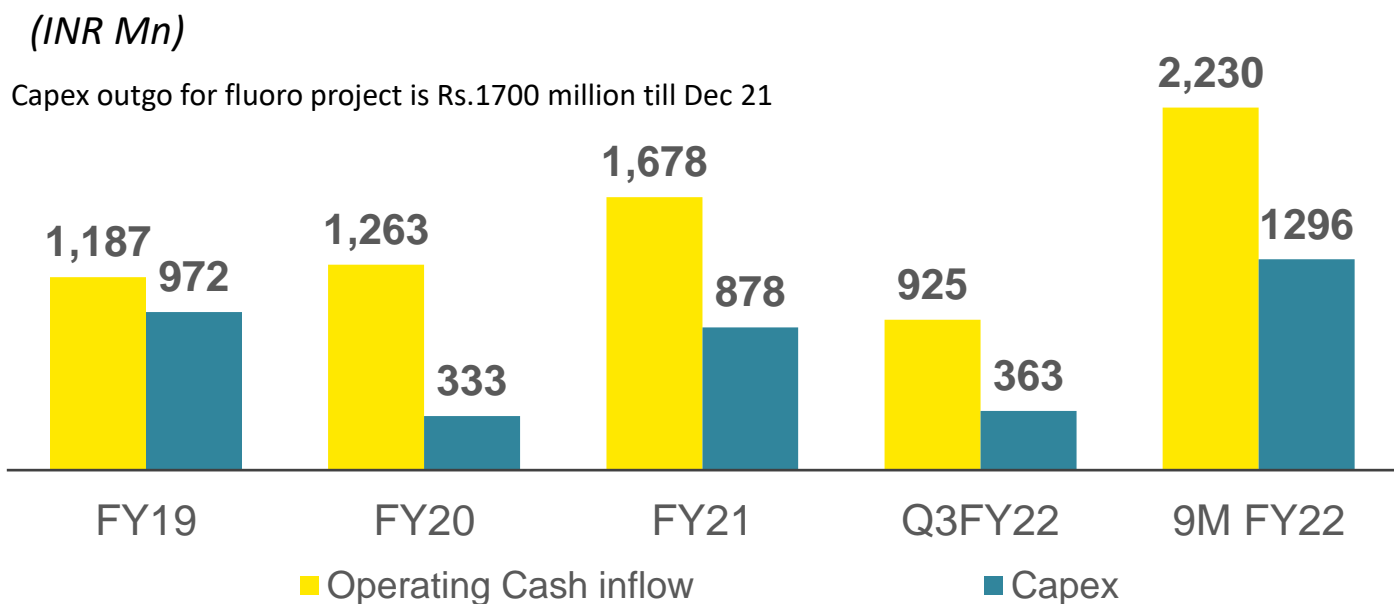
## Working capital days



## 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; 9M FY22 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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