



LAXMI ORGANIC INDUSTRIES LTD



www.laxmi.com



Investor Presentation – 26th May, 2021



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Agenda

01 Company overview

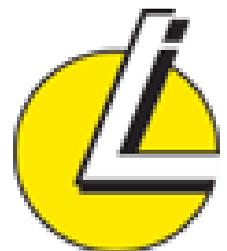
02 Business

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

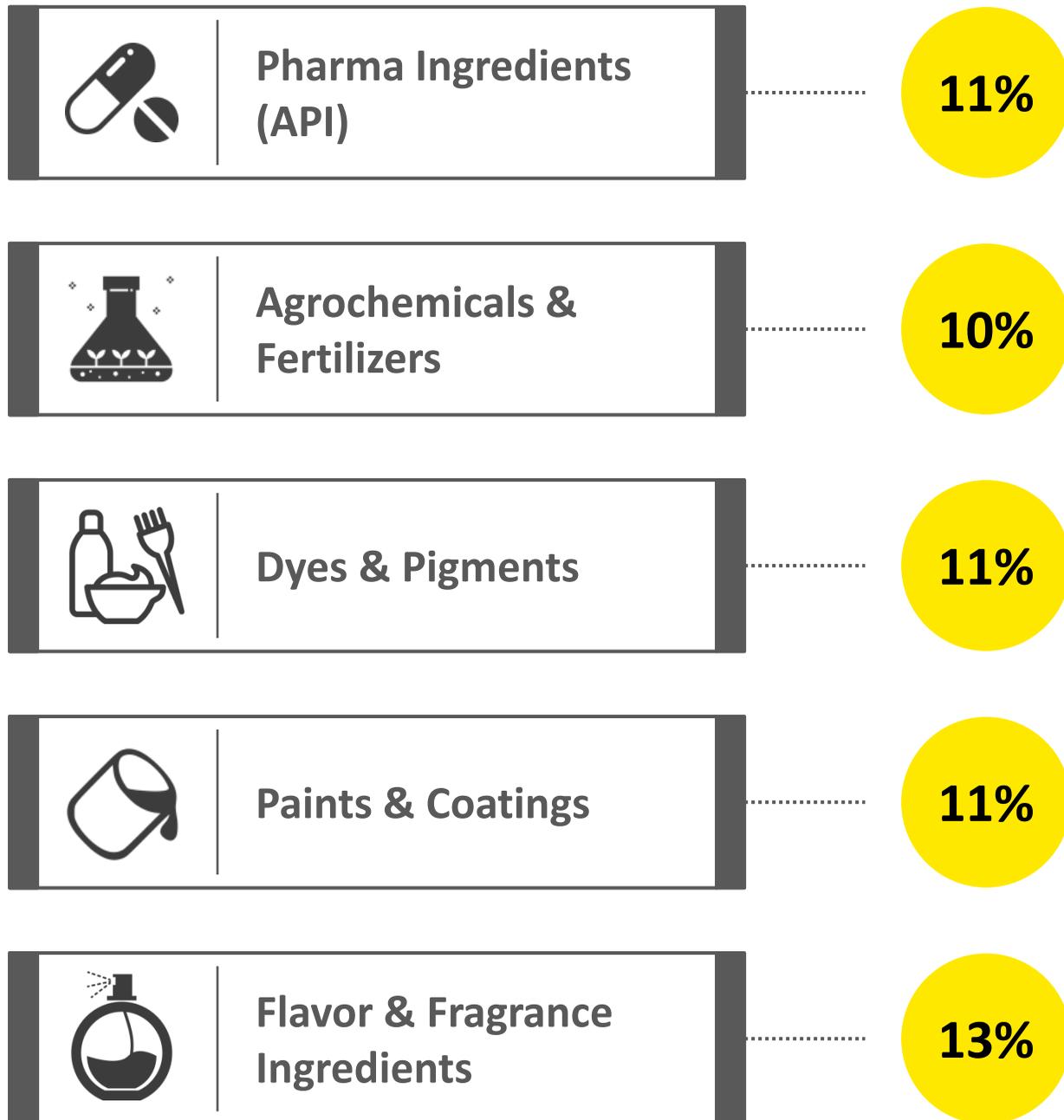
 Global footprint with offices in Europe, China, Middle-East with stock points in Europe

 Marque customers in high growth applications in 30+ countries

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



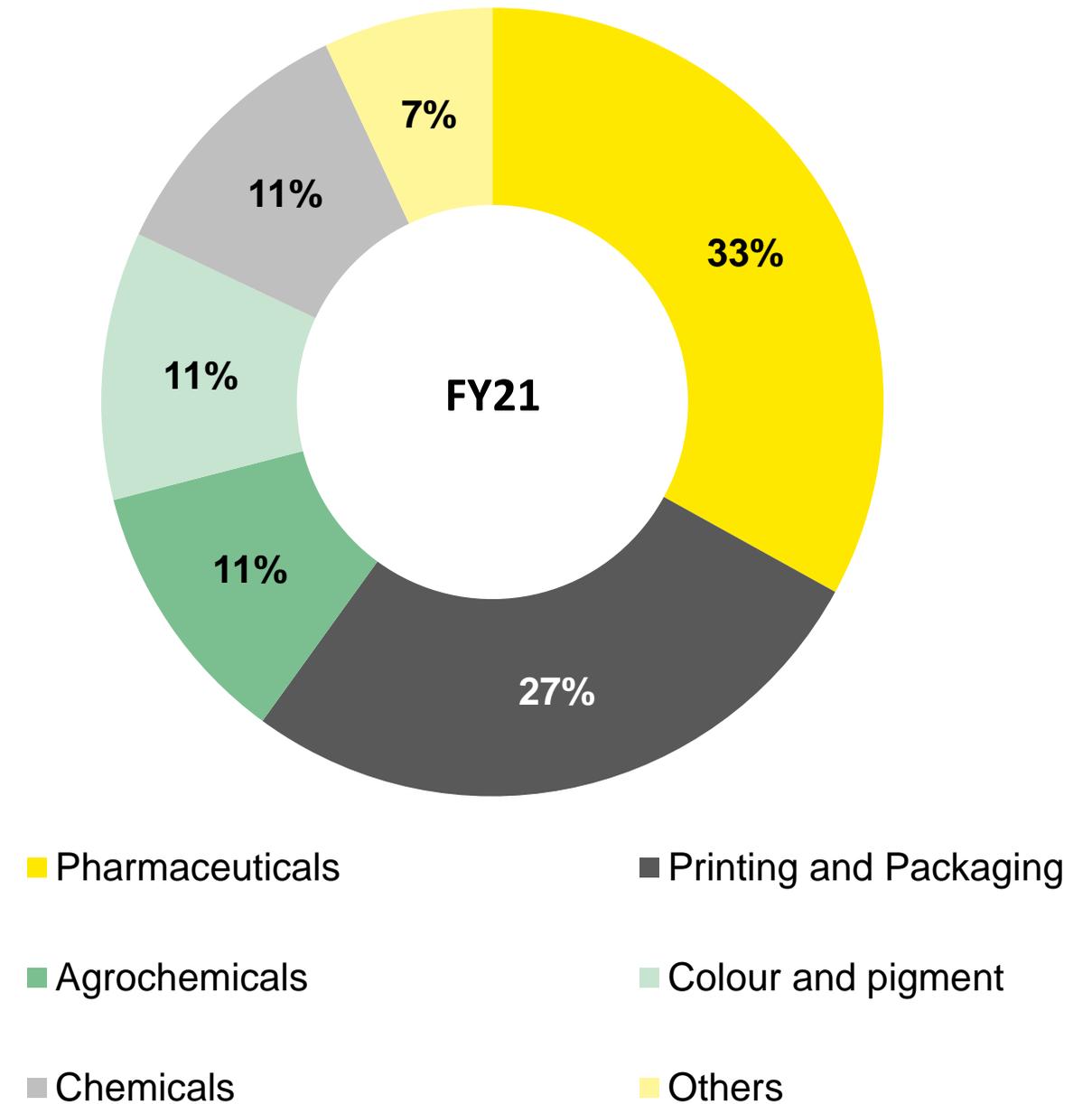
India market - Growth (2019-24 CAGR)



Source: Frost & Sullivan Report

Diversified customer base

% of revenue from sale of manufactured products & services

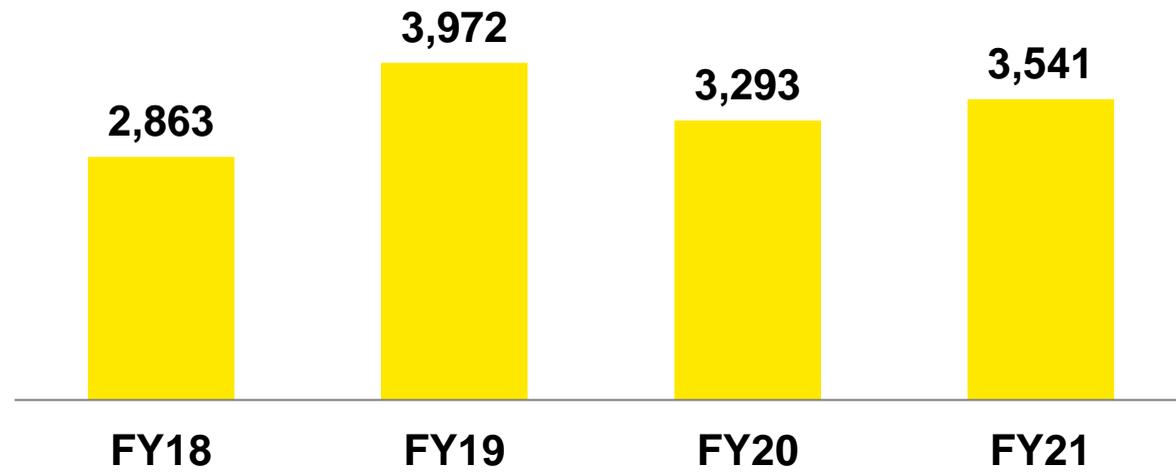




De-risking through presence in different geographies

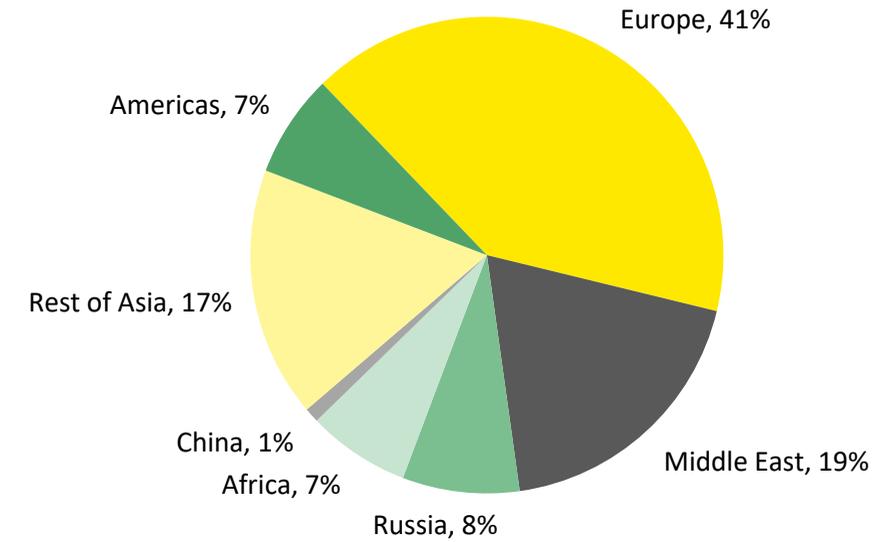
Robust export earnings

(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

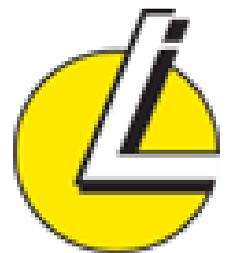
- Developed five different chemistry platforms on commercial scale
- Addition of 34 New Products to the SI Platform in the last 8 years
- 2 of the new piloted molecules in SI ready for commercialization

R&D – Key growth driver of business

- Two DSIR recognised R&D facilities working on ketene, diketene & other complex chemistries
- Dedicated team of 49 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



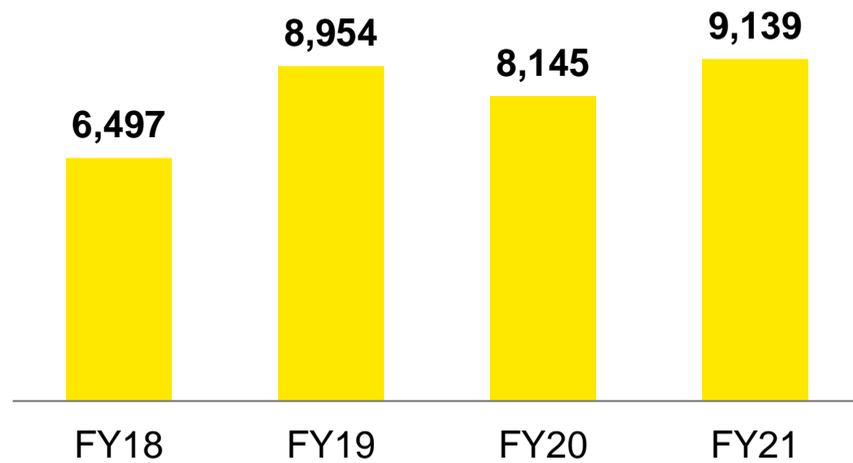
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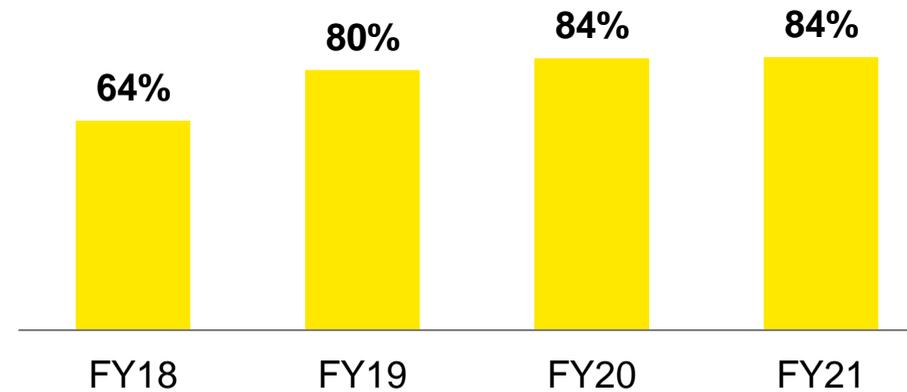
Comprising of ETAC, acetaldehyde, ethanol & other customised solvents

Revenue

(INR mn)

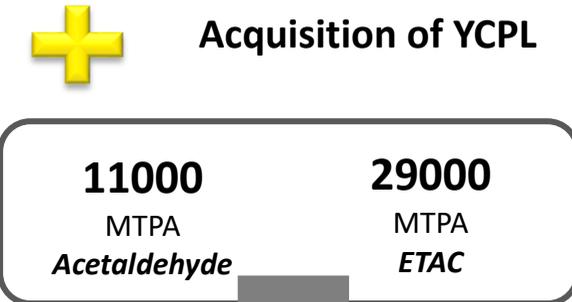


... Growing capacity utilisation



Expanding manufacturing capabilities

161000
MTPA



201,020 MTPA

Competitive Edge

- Strong conversion efficiencies aid consistent contribution margin across business cycles
- Strategic location, backward integration, large storage capabilities help achieve economies of scale

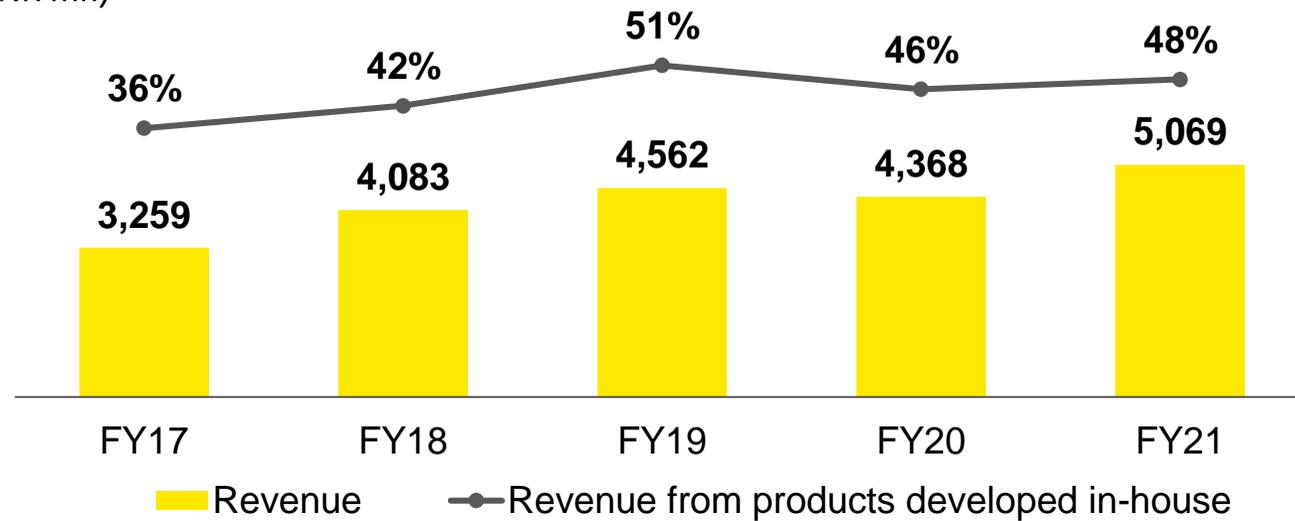
Overview of Specialty Intermediates (SI) business



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

Healthy revenue contribution from new products

(INR mn)



Highly versatile products



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

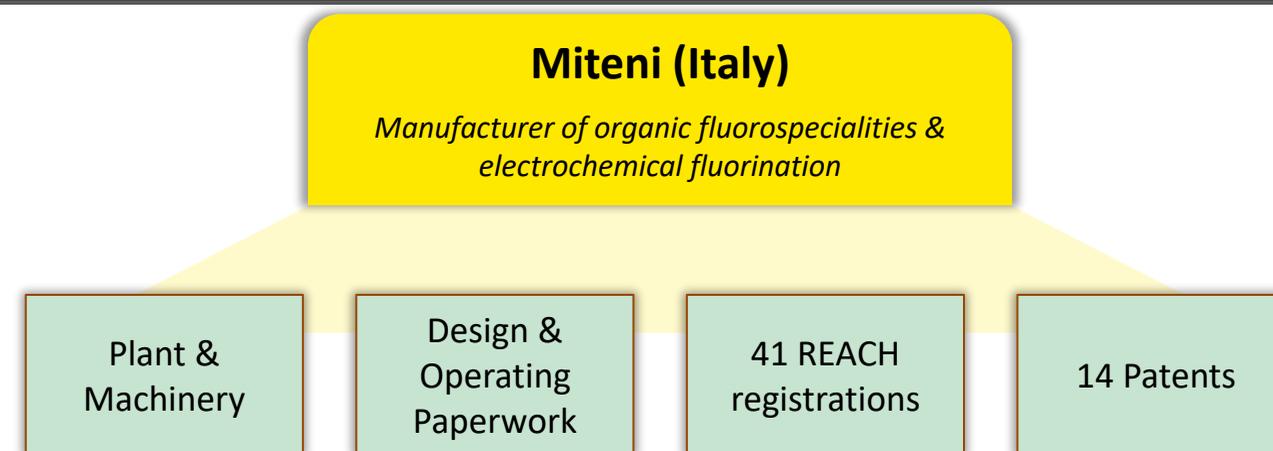


Laxmi well poised to leverage the opportunity with its experience in complex chemistries

Progress

- Total spend till 31st March 21 – Rs. 1000 million
- R&D in India – Kilo Lab operations have started
- Dismantling activities have restarted and the initial container loads will start in June 21
- Civil and infrastructure work at Lote, India is more than 50% complete
- A team of more than 40 is working in India and Italy
- R&D in Italy – Plan to start by end of Q2 FY22

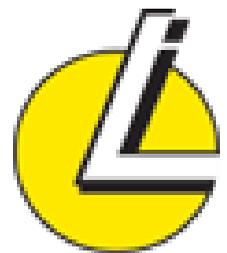
Diversification into high margin fluorospecialty chemicals...



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

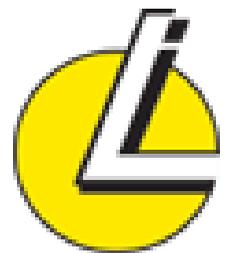


Establishing the fluorospecialty business

- **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

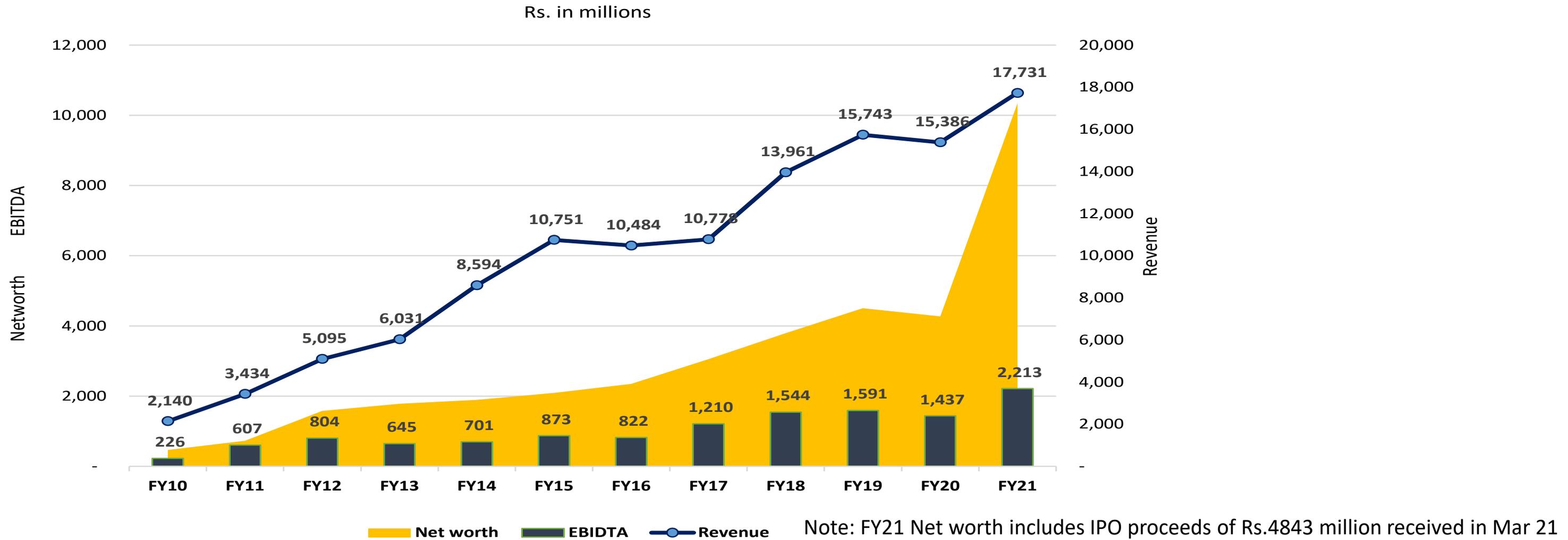


Financial performance



LAXMI ORGANIC INDUSTRIES LTD

The financial journey



10-year growth trajectory

	CAGR
Revenue	15%
EBIDTA	12%
Net worth	23%

5-year growth trajectory

	CAGR
Revenue	13%
EBIDTA	16%
Net worth	36%

Standalone results



(Rs Mn)	Q4FY21	Q4 FY20	Variance %
Revenue	4,708	3,428	37%
AI	2,806	1,802	56%
SI	1,572	1,129	39%
Others	330	497	-34%
EBITDA	590	266	122%
<i>EBITDA margin</i>	<i>12.5%</i>	<i>7.7%</i>	
Profit After Tax	312	133	135%
EPS	1.34	0.60	

Rs in Mn	FY21	FY20	Variance %
Revenue	16,156	13,663	18%
AI	9,139	8,145	12%
SI	5,069	4,368	16%
Others	1,947	1,150	69%
EBITDA	2,119	1,252	69%
<i>EBITDA margin</i>	<i>13.1%</i>	<i>9.2%</i>	
Profit After Tax	1,226	786	56%
EPS	5.40	3.21	
Return on Capital Employed	18.7%	17.6%	

Consolidated results



(Rs Mn)	Q4FY21	Q4 FY20	Variance %
Revenue	5,213	3,879	34%
EBITDA	654	210	211%
<i>EBITDA margin</i>	<i>12.6%</i>	<i>5.4%</i>	
Profit After Tax	364	102	257%
EPS	1.56	0.46	

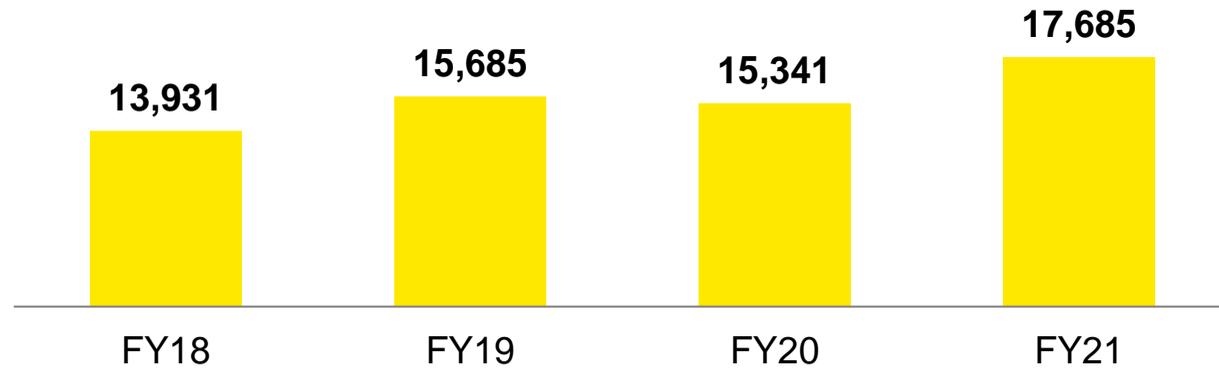
Rs in Mn	FY21	FY20	Variance %
Revenue	17,731	15,386	15%
EBITDA	2,213	1,437	54%
<i>EBITDA margin</i>	<i>12.5%</i>	<i>9.3%</i>	
Profit After Tax	1,271	702	81%
EPS	5.59	2.86	
Return on Capital Employed	18.9%	15.6%	

Financial performance trend



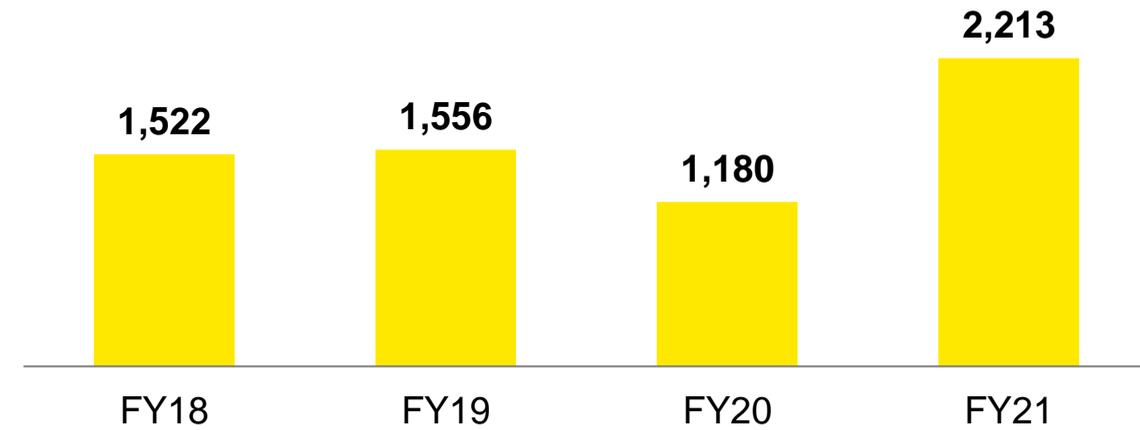
Revenue from operations

(INR mn)



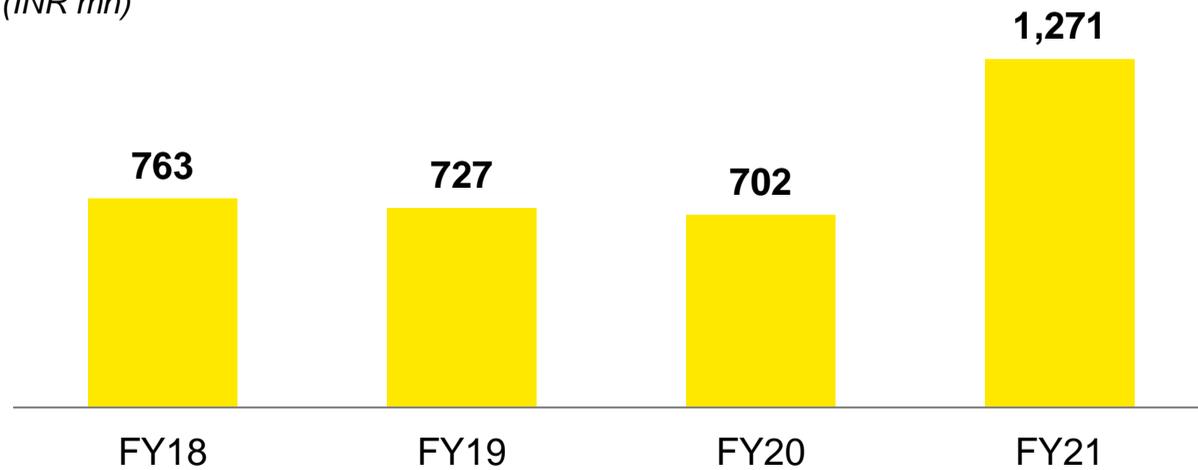
EBITDA profile

(INR mn)

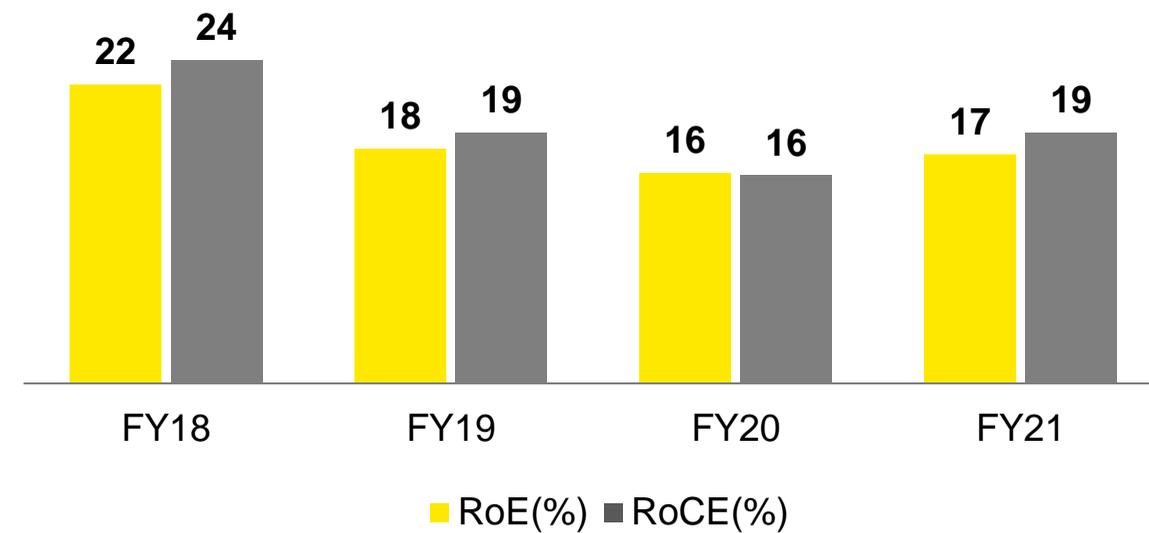


PAT profile

(INR mn)



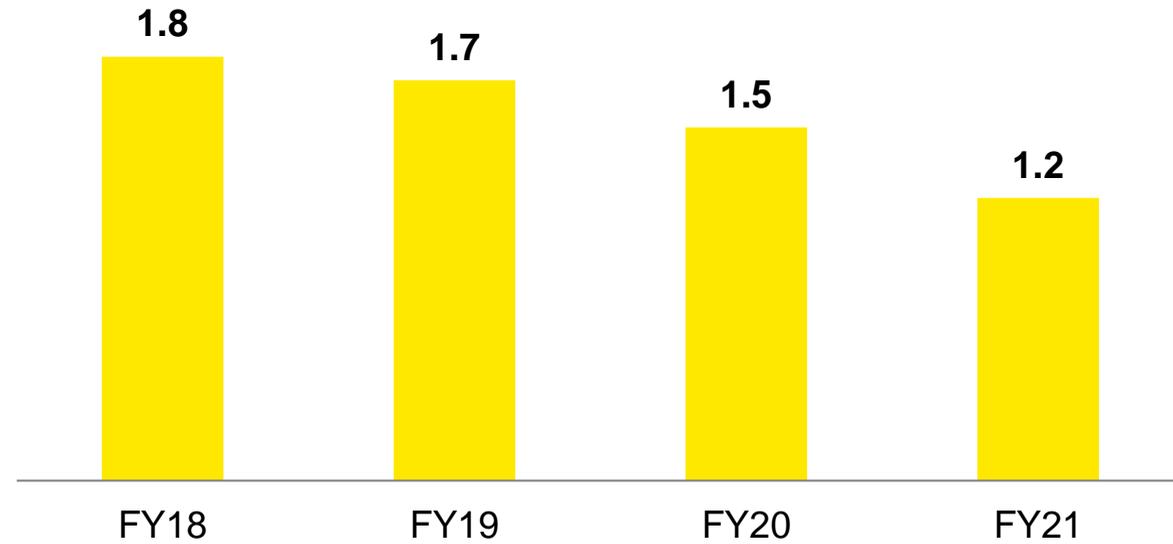
Return ratios



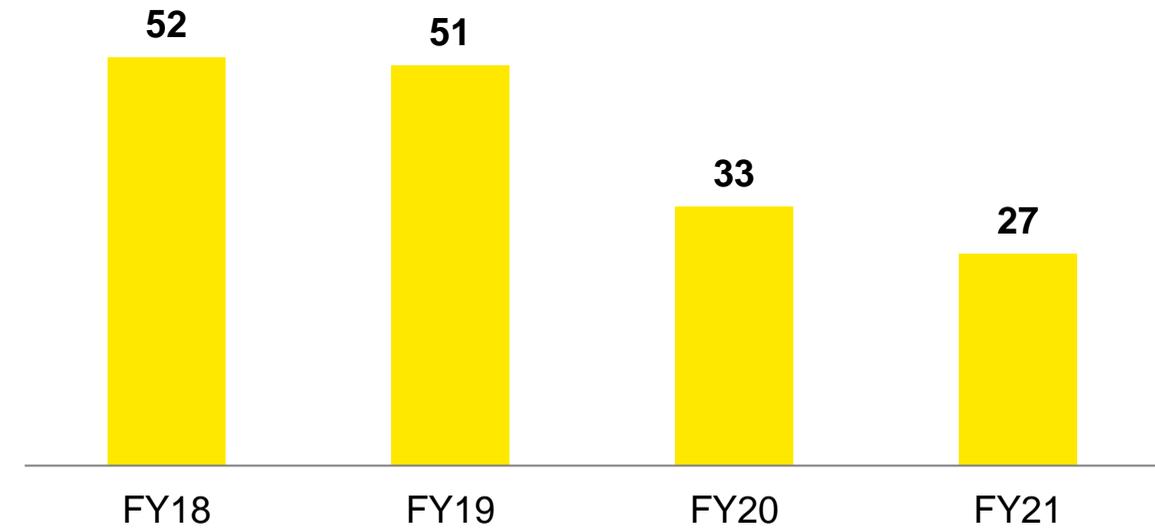
Figures on consolidated basis; RoE = PAT / Average Net worth; ROCE = EBIT / Average Capital Employed; Capital Employed for FY21 includes IPO proceeds of Rs.4843 million received in Mar 21



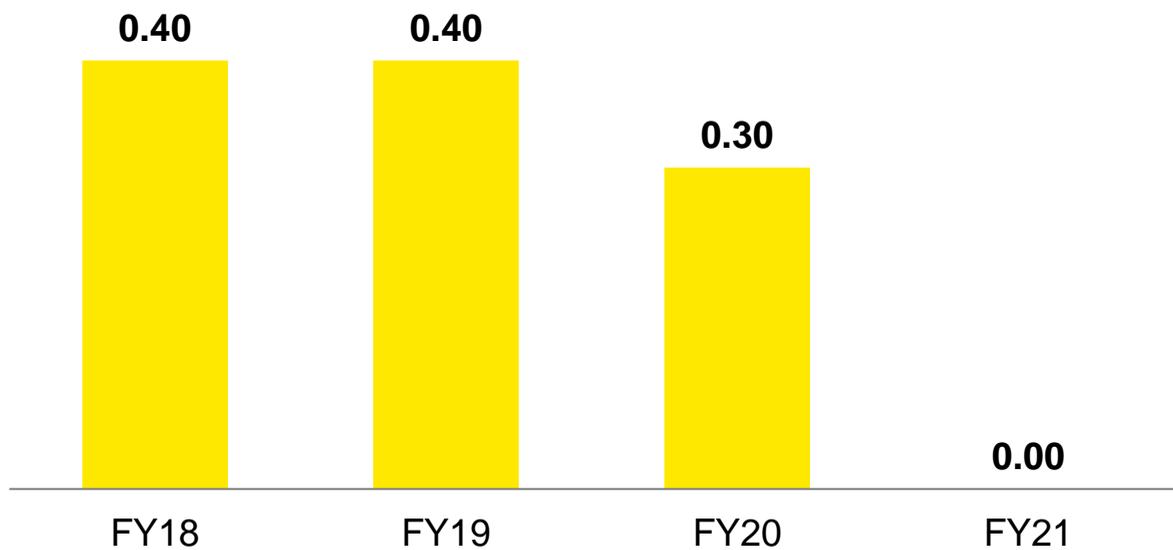
Asset turnover (x)



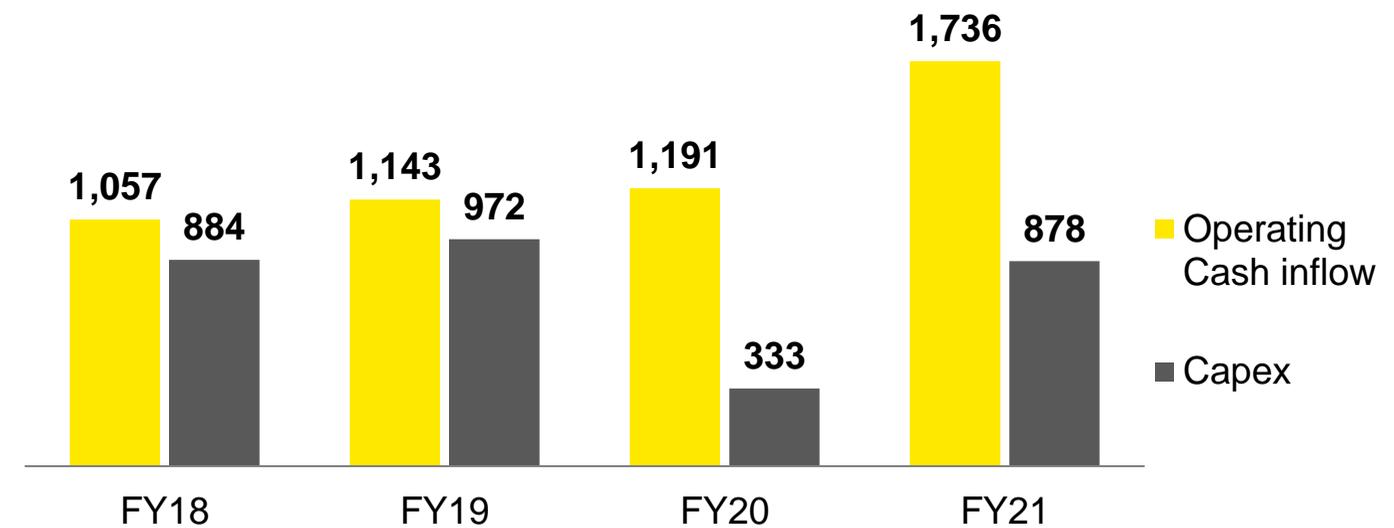
Working capital days (x)



Leverage profile (x)



Cash Inflow from Operations before WC changes and Capex Outgo (Capex Outgo pertains to LOIL only)



Figures on consolidated basis; Asset Turnover = Sales / Average Total Assets; Working Capital Days = 365 * (Inventories + Receivables - Payables) / Sales; Cash Flow from Operations = PAT + Depreciation



- 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

