

**LAXMI ORGANIC INDUSTRIES LTD**

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May 05, 2022

BSE LimitedCorporate 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, 2022

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, 2022, on Thursday, May 05, 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 and year ended March 31, 2022.

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 Q4FY22 & FY22 RESULTS

**FY22 Standalone Operating Revenue of ₹ 29,965 Mn; Q4 FY22 Standalone Operating Revenue of ₹ 9,062 Mn
FY22 Profit After Tax at ₹ 2,311 Mn; Q4 FY22 Profit After Tax at ₹ 410 Mn**

Mumbai, May 5, 2022: 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 full year and quarter ended March 31st, 2022.

Commenting on the strong financial performance Mr. Ravi Goenka, Chairman & Managing Director, said, "I am happy to share that FY 22 has been a strong year despite the headwinds that we faced on many fronts. We recorded a strong performance in both our business segments – Acetyl Intermediates (AI) and Specialty Intermediates (SI), despite the Mahad plant being shut for 50 days between July and August 2021 on account of floods. This was also compounded by high volatility in raw material costs along with logistical challenges. However, our results this year highlight the true merits and strength of our business.

Our performance this quarter was largely driven by our SI business, which performed strongly on both fronts - volume and product mix. The volumes in this quarter which mirrored what we did in the last quarter saw a richer product mix. We made an entry into US which is a new market that opened for this in this quarter. Our SI revenue grew by 74% on annual basis and 5% on a sequential basis from Q3FY22. On the AI front, this quarter, while our volumes remain strong, margins were impacted due to price corrections. Our pricing in Europe for the AI segment remained robust, and it is expected to remain so in the near future as well. AI revenue grew by 98% in FY22 from FY21, and on a quarterly basis by around 1% from Q3FY22. I am happy to share that we have successfully brought into stream part of our SI Capex, the commercial production of which has started in Q1FY23, and the rest shall begin by Q3FY23. Our FI Capex, which is being undertaken in a phased manner, remains on track and is expected to be completed by Q3FY23.

Going forward, we will continue to drive operational efficiencies and maintain our leadership position in AI, through enhanced capacities and periodic debottlenecking. For our SI segment, we are confident that new capacities will further improve our product mix, while we focus on increasing the share of contractual sales and expand geographical presence. The opportunity in our FI segment is robust, we are preparing for a phased growth beginning with agrochemicals and progressing to pharmaceuticals and industrials later. The strategy of creating a strong foundation has worked for us in our SI segment, and we are confident that we can replicate that success in our FI area as well."

Standalone Financial Highlights for the Year Ended March 31st, 2022:

- Operating Revenues at ₹ 29,965 Mn in FY22 as compared to ₹ 16,061 Mn in FY21; a growth of 87% Y-o-Y
- EBITDA at ₹ 3,194 Mn in FY22 as compared to ₹ 2,025 Mn in FY21; a growth of 58% Y-o-Y
- EBITDA Margins stood at 11% in FY22, as compared to 13% in FY21
- Profit After Tax at ₹ 2,311 Mn in FY22 as compared to ₹ 1,226 Mn in FY21; a growth of 89% Y-o-Y
- EPS for FY22 was 8.77 as compared to 5.40 in FY21

Standalone Financial Highlights for Quarter Ended March 31st, 2022:

- Operating Revenues at ₹ 9,062 Mn in Q4FY22 as compared to ₹ 4,674 Mn in Q4FY21; a growth of 94% Y-o-Y and growth of 4% Q-o-Q
- EBITDA at ₹ 568 Mn in Q4 FY22 as compared to ₹ 556 Mn in Q4 FY21; a growth of 2% Y-o-Y, de-growth of 44% Q-o-Q
- EBITDA margin stood at 6% in Q4 FY22 and contracted by 564 bps Y-o-Y and by 539 bps Q-o-Q
- Profit After Tax at ₹ 410 Mn in Q4 FY22 as compared to ₹ 312 Mn in Q4 FY21; a growth of 31% Y-o-Y and contraction of 49% Q-o-Q
- EPS for Q4FY22 was 1.56 as compared to 1.34 in Q4FY21

Consolidated Financial Highlights for Year Ended March 31st, 2022:

- Operating Revenues at ₹ 30,842 Mn in FY22 as compared to ₹ 17,684 Mn in FY21; a growth of 74% Y-o-Y
- EBITDA at ₹ 3,677 Mn in FY22 as compared to ₹ 2,167 Mn in FY21; a growth of 70% Y-o-Y
- EBITDA Margins stood at 12% in FY22, in line with same period last year
- Profit After Tax at ₹ 2,565 Mn in FY22 as compared to ₹ 1,271 Mn in FY21; a growth of 102% Y-o-Y
- EPS for FY22 was 9.72 as compared to 5.58 in FY21



Consolidated Financial Highlights for Quarter Ended March 31st, 2022:

- Operating Revenues at ₹ 8,799 Mn in Q4FY22 as compared to ₹ 5,195 Mn in Q4FY21; a growth of 69% Y-o-Y and of 2% Q-o-Q
- EBITDA at ₹ 730 Mn in Q4FY22 as compared to ₹ 655 Mn in Q4FY21; a growth of 11% Y-o-Y and a de-growth of 39% Q-o-Q
- EBITDA Margins stood at 8% in Q4FY22; contracted by 431 bps Y-o-Y and by 551 bps Q-o-Q
- Profit After Tax at ₹ 575 Mn in Q4FY22 as compared to ₹ 364 Mn in Q4FY21; a growth of 58% Y-o-Y and a de-growth of 30% Q-o-Q
- EPS for Q4FY22 was 2.30 as compared to 1.56 in Q4FY21

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 proposes 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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Ernst & Young LLP

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www.laxmi.com



Investor Presentation – Q4 FY22 | May, 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

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 44 countries

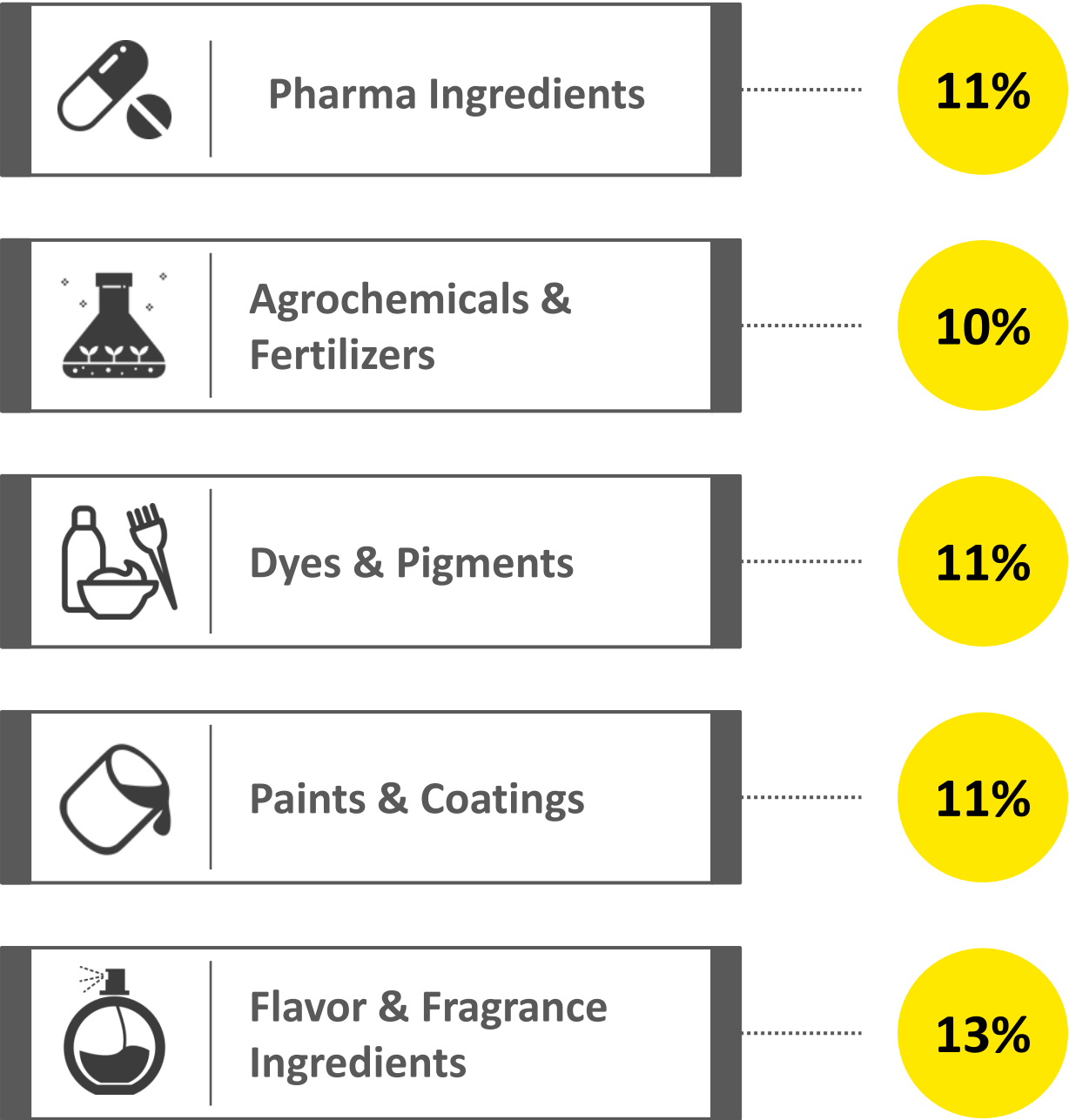


DSIR approved 2 R&D facilities with state-of-the-art infrastructure



De-risked business model with diversified customer base

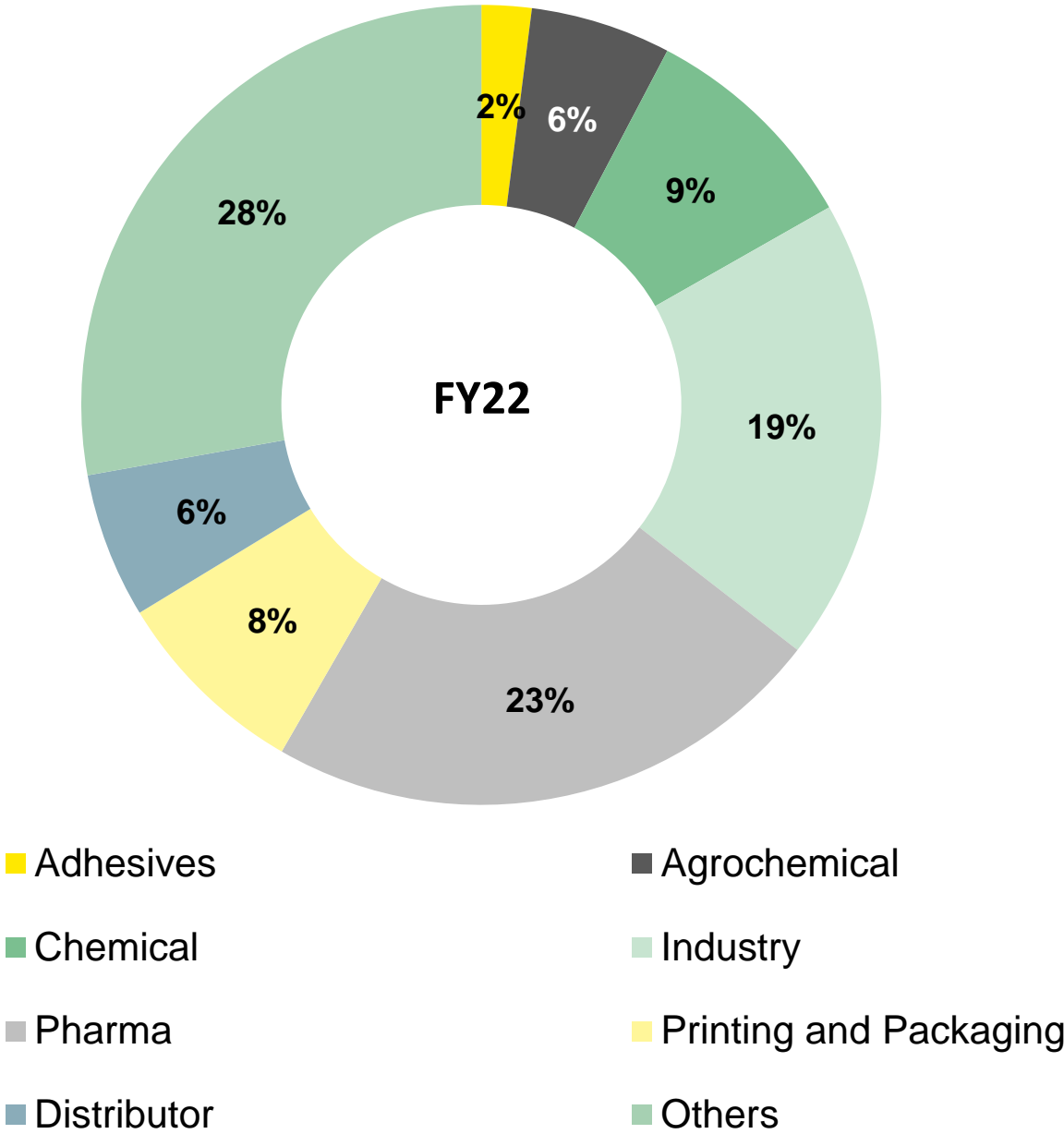
India market - Growth
(2019-24 CAGR)



Source: Frost & Sullivan Report

Diversified customer base

% of revenue from sale of manufactured products & services

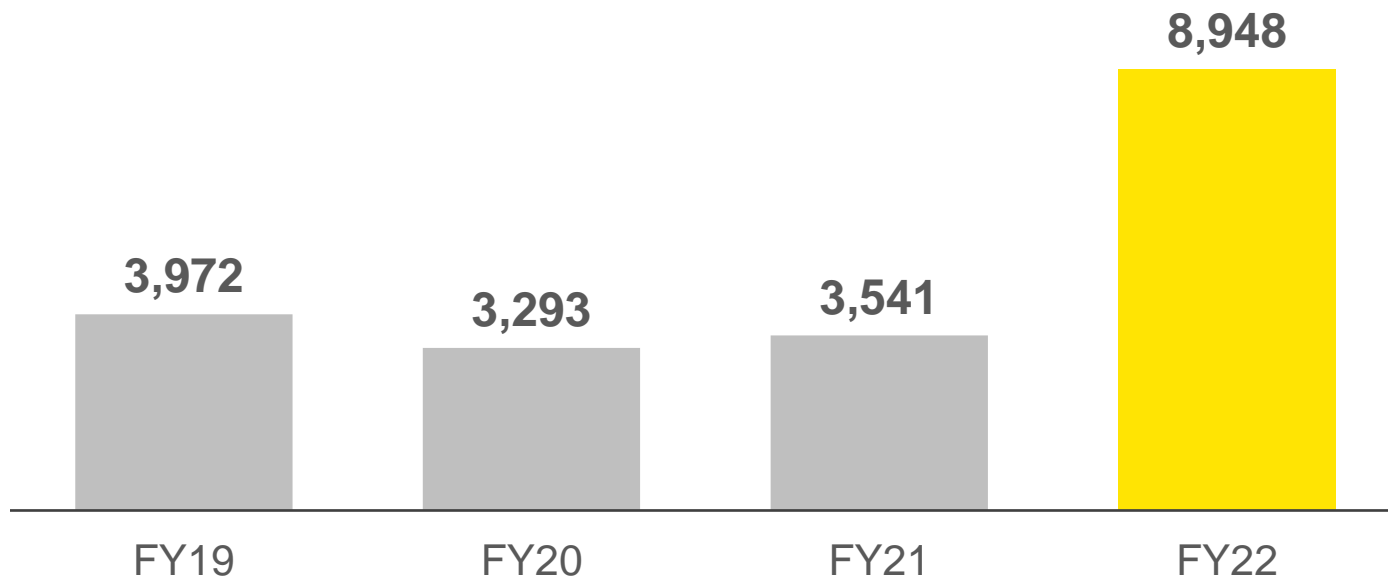


De-risking through presence in different geographies



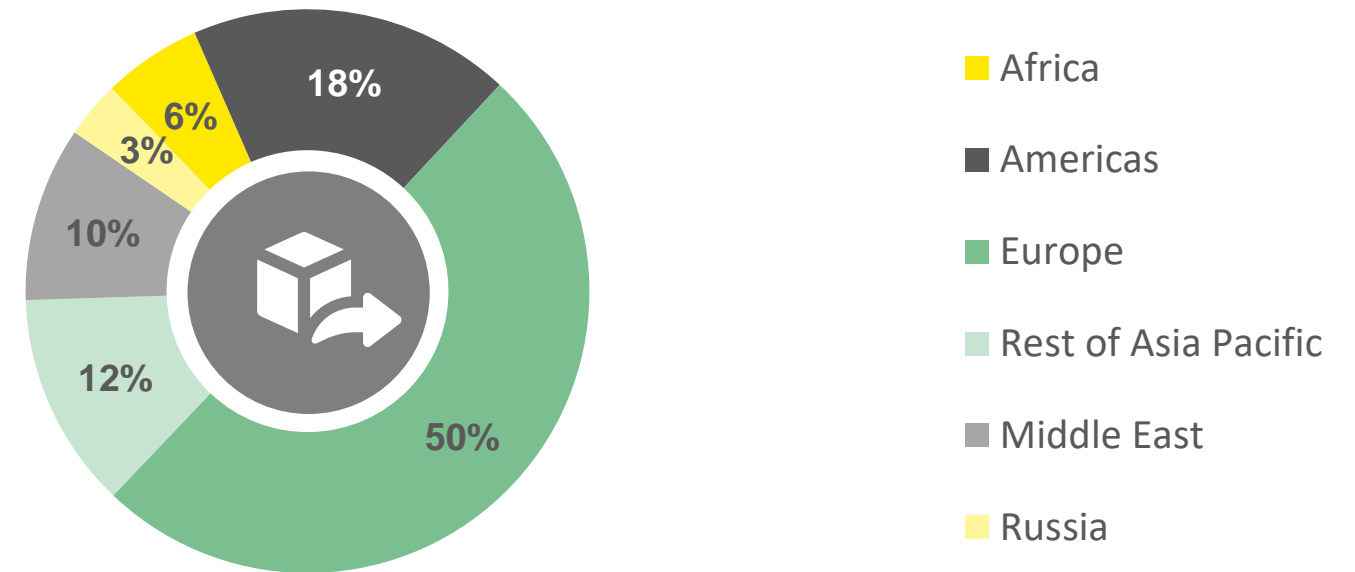
Robust export earnings

(INR Mn)



Low dependence on a single export market

FY22 sale break-up



Customers in 40+ 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



R&D – Key growth driver of business

- Two DSIR recognised R&D facilities working on ketene, diketene & other complex chemistries
- Dedicated team of 62 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



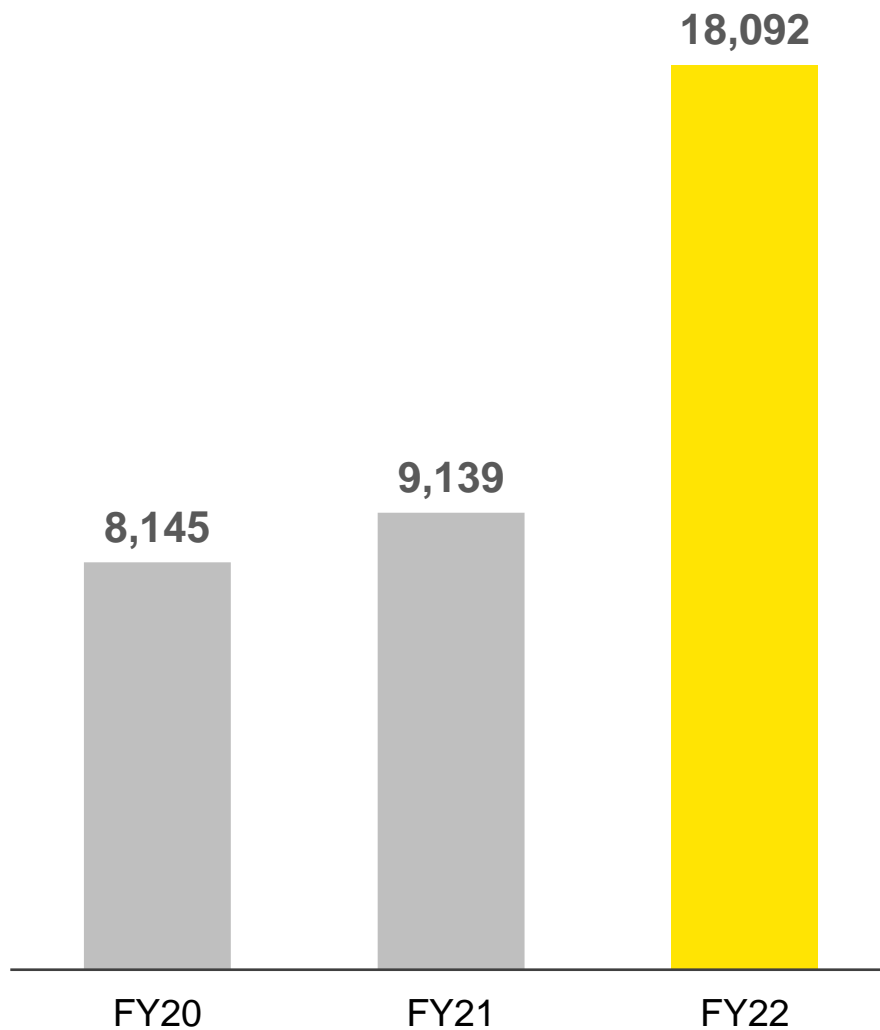
LAXMI ORGANIC INDUSTRIES LTD



Comprising of ETAC, acetaldehyde, ethanol & other customised solvents

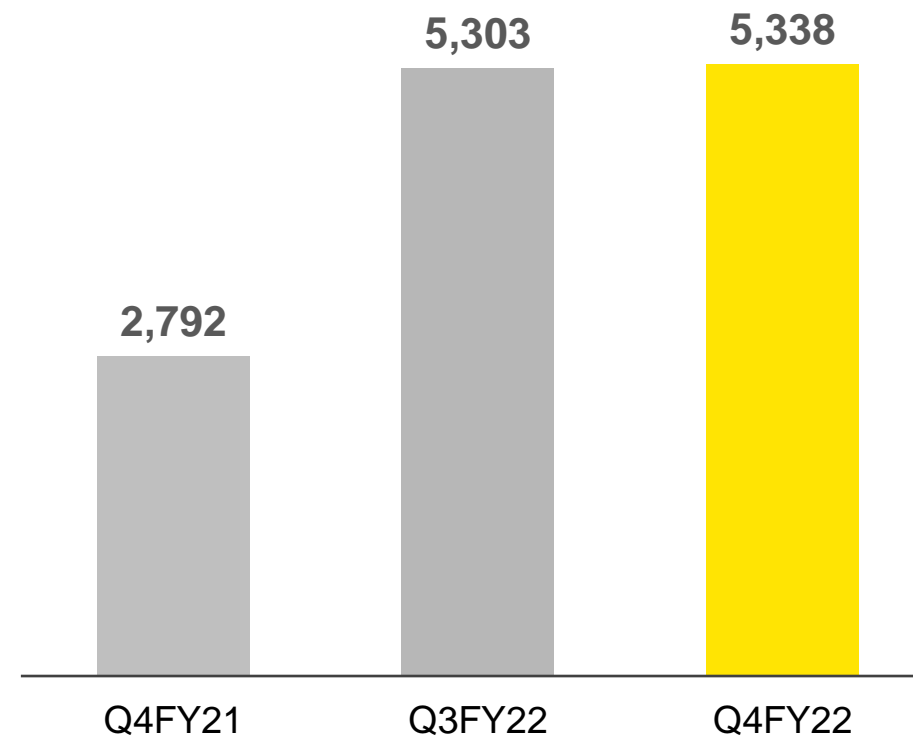
FY22 AI Revenue

(INR Mn)



Q4 FY22 AI Revenue

(INR Mn)



Expanded capacity & trade channels

Increase of capacity during the year

201,000 MTPA



233,000 MTPA

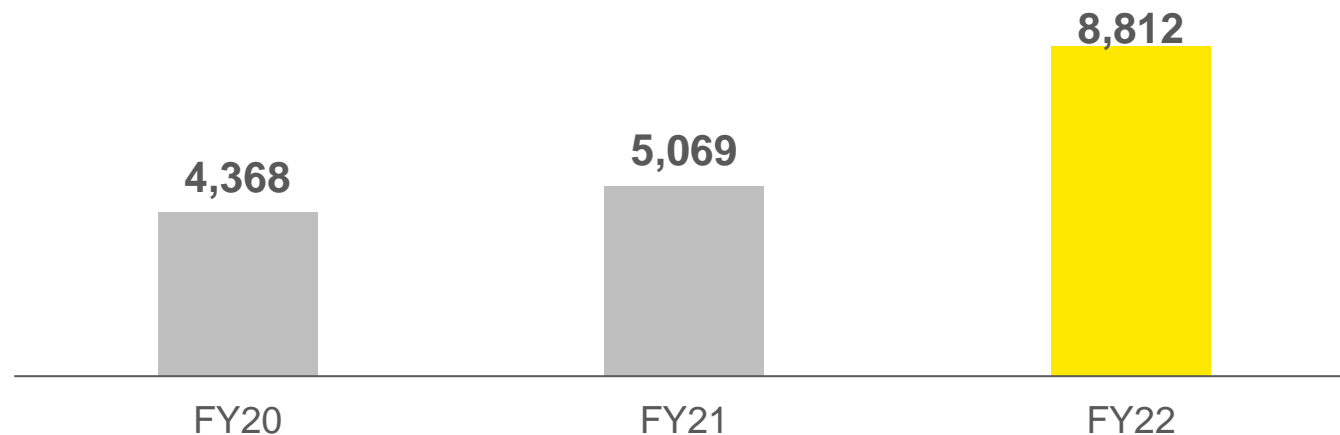
Overview of Specialty Intermediates (SI) business



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

Healthy revenue contribution from new products

(INR Mn)

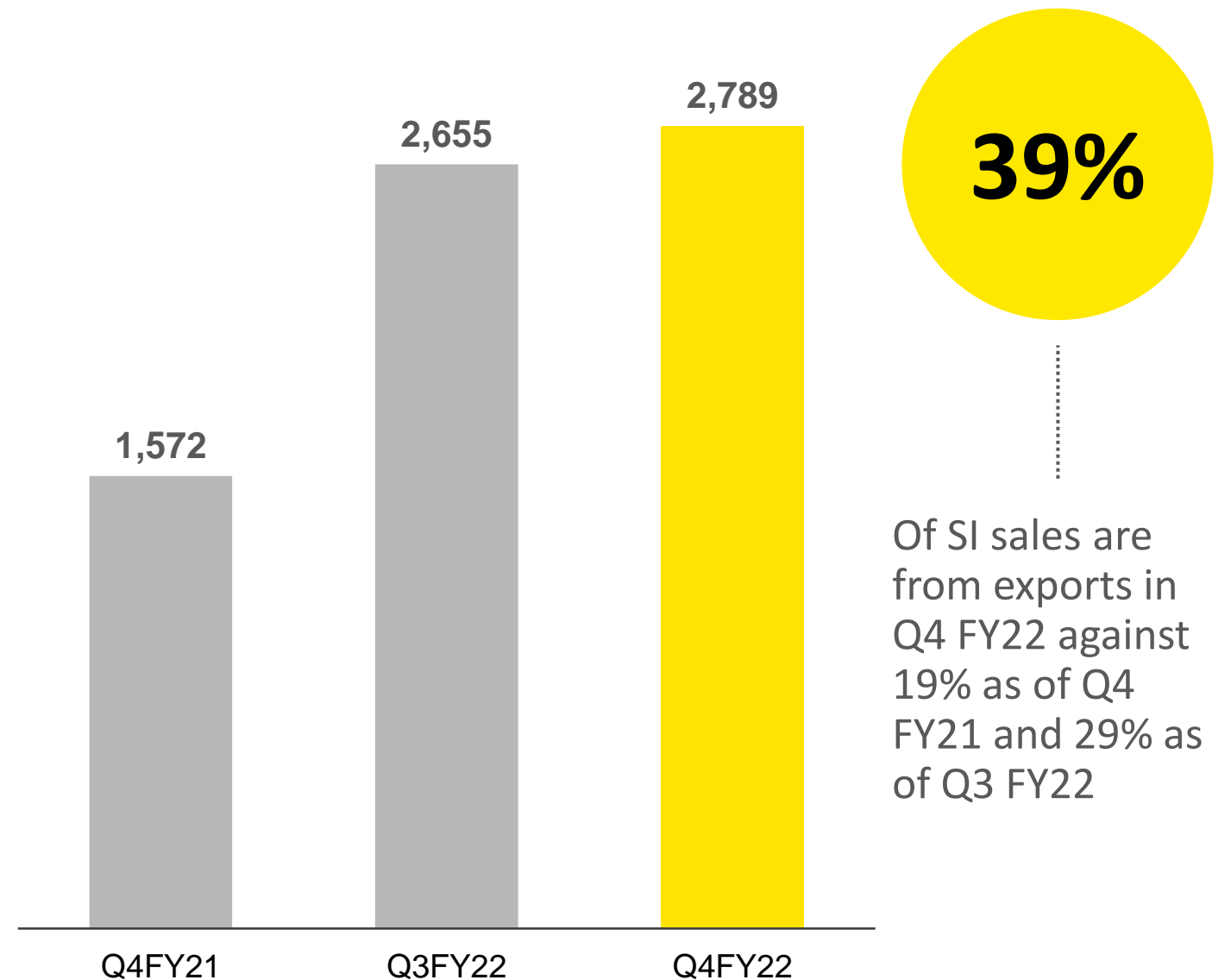


Sustained performance despite major challenges

- Floods in Mahad impacted SI Production in Q2 FY22
- Business continuity was well managed through and subsequent
- SI revenue in Q4 FY22 sustained vs Q3 FY22
- Preventive work continued with production on site
- Product mix enhancement & optimisation will continue

Q4FY22 - SI performance

(INR Mn)





Progress

- Total spend till 31st March 2022 – Rs. 2130 million
- Civil & structural works are close to completion and progressing well within timelines
- Kilo lab has been functional and many trial runs have been successfully completed
- Italian transfer is progressing well
- Expected to begin commercial production in Q3 FY23



Growth perspective

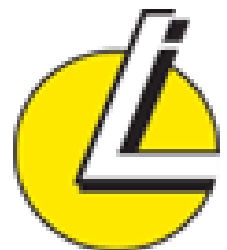
- Improved SI portfolio with the same customers affording higher wallet share and exports
 - Upto 20% of pharma molecules contain Fluorine atom
 - 50% of agrochemical molecules developed recently have fluorine



Once commercialised the Fluorospecialty should be a strong value enhancer for Laxmi stakeholders



Financial performance



LAXMI ORGANIC INDUSTRIES LTD



Mr. Ravi Goenka

CHAIRMAN & MANAGING DIRECTOR

"I am happy to share that FY 22 has been a strong year despite the headwinds that we faced on many fronts. We recorded a strong performance in both our business segments – Acetyl Intermediates (AI) and Specialty Intermediates (SI), despite the Mahad plant being shut for 50 days between July and August 2021 on account of floods. This was also compounded by high volatility in raw material costs along with logistical challenges. However, our results this year highlight the true merits and strength of our business.

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Full Year Profit and Loss Statement

Standalone

PARTICULARS (in INR Millions)	FY22	FY21
Revenue From Operations	29,965	16,061
Other Income	204	95
Total Income	30,169	16,156
Total Operating Expenses	26,771	14,037
EBITDA	3,194	2,024
EBITDA Margins	11%	13%
PBT	2,817	1,513
PAT	2,311	1,226
EPS	8.77	5.40

Consolidated

PARTICULARS (in INR Millions)	FY22	FY21
Revenue From Operations	30,842	17,684
Other Income	149	46
Total Income	30,991	17,731
Total Operating Expenses	27,165	15,517
EBITDA	3,677	2,167
EBITDA Margins	12%	12%
PBT	3,179	1,584
PAT	2,565	1,271
EPS	9.72	5.58

FY'22 Total Income Split

(in INR Mn) (Standalone)

18,092

AI

↑ 98% Y-o-Y

8,812

SI

↑ 74% Y-o-Y

3,265

Others

↑ 68% Y-o-Y

Quarterly Profit and Loss Statement



Standalone

PARTICULARS (in INR Millions)	Q4FY22	Q3FY22	Q4FY21	Q-o-Q	Y-O-Y
Revenue From Operations	9,062	8,742	4,674	4%	94%
Other Income	41	19	34	116%	21%
Total Income	8,760	8,761	4,708	-0.01%	86%
Total Operating Expenses	8,495	7,724	4,118	10%	106%
EBITDA	568	1,018	556	-44%	2%
EBITDA Margins	6%	12%	12%	-539 bps	-564 bps
PBT	448	865	426	-48%	5%
PAT	410	811	312	-49%	31%
EPS	1.56	3.08	1.34	-49%	16%

Q4'22 Total Income Split

(in INR Mn) (Standalone)

5,338

AI

↑ **91%** Y-o-Y ↑ **1%** Q-o-Q

2,789

SI

↑ **77%** Y-o-Y ↑ **5%** Q-o-Q

977

Others

↑ **183%** Y-o-Y ↑ **22%** Q-o-Q

Quarterly Profit and Loss Statement



Consolidated

PARTICULARS (in INR Millions)	Q4FY22	Q3FY22	Q4FY21	Q-o-Q	Y-o-Y
Revenue From Operations	8,799	8,599	5,195	2%	69%
Other Income	19	20	17	-5%	12%
Total Income	8,818	8,619	5,213	2%	69%
Total Operating Expenses	8,069	7,412	4,540	9%	78%
EBITDA	730	1,187	655	-39%	11%
EBITDA Margins	8%	14%	13%	-550 bps	-431 bps
PBT	565	1,004	487	-44%	16%
PAT	575	821	364	-30%	58%
EPS	2.30	3.11	1.56	-26%	47%

Balance Sheet Statement Standalone



PARTICULARS (in INR Millions)	FY22	FY21
Shareholders' Funds	12,860	10,445
Non Current Liabilities	250	300
Current Liabilities	8,193	6,605
Total Liabilities	21,303	17,350
Non Current Assets	7,819	5,142
Current Assets	13,422	12,208
Total Assets	21,303	17,350

Balance Sheet Statement Consolidated



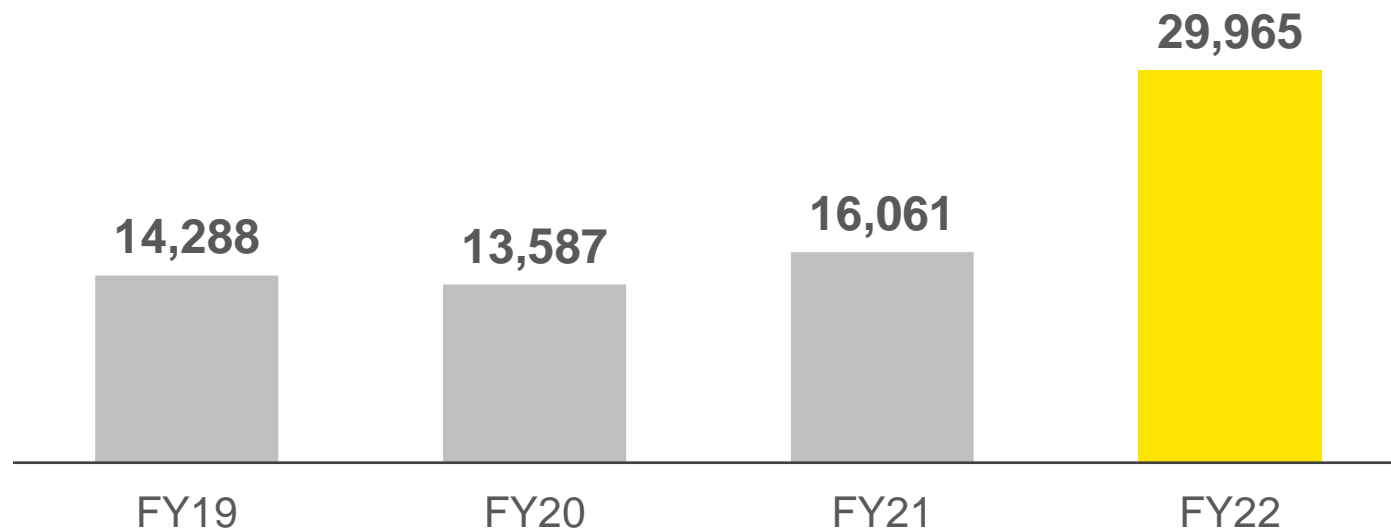
PARTICULARS (in INR Millions)	FY22	FY21
Shareholders' Funds	13,010	10,350
Non Current Liabilities	341	348
Current Liabilities	9,324	7,678
Total Liabilities	22,675	18,376
Non Current Assets	7,947	5,325
Current Assets	14,728	13,051
Total Assets	22,675	18,376

Financial performance trend



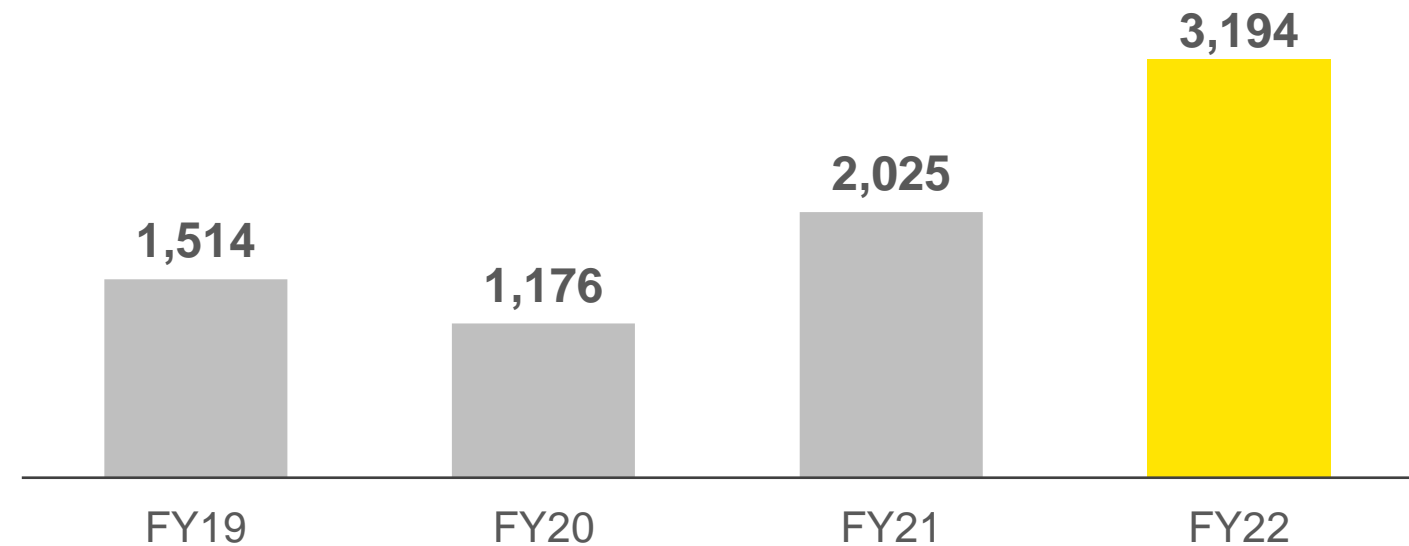
Revenue from operations

(INR Mn)



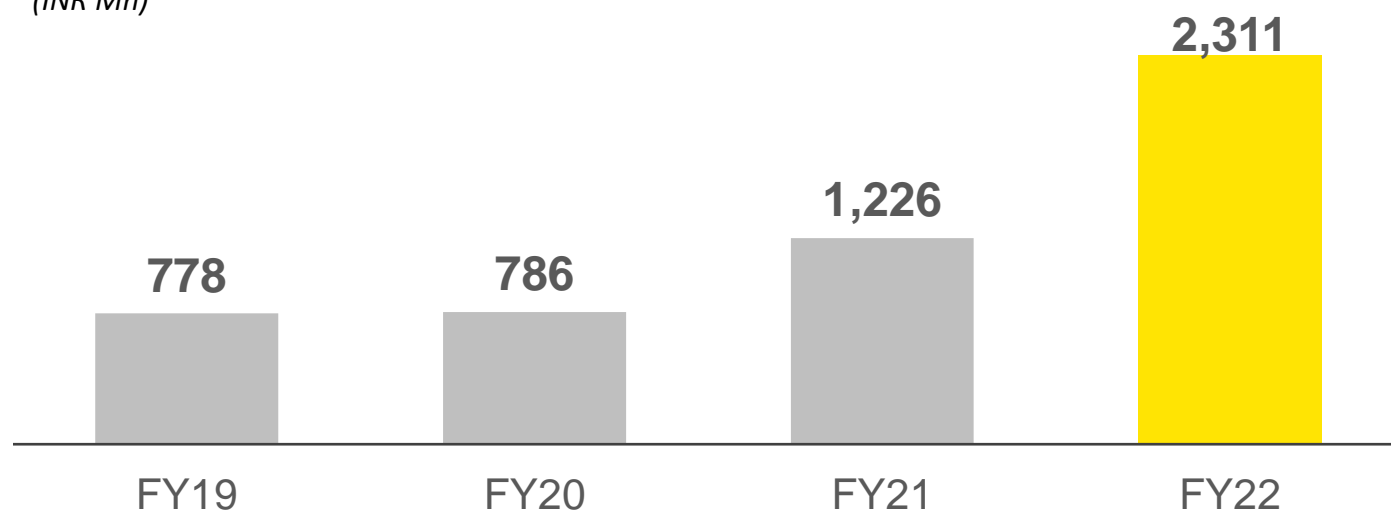
EBITDA profile

(INR Mn)



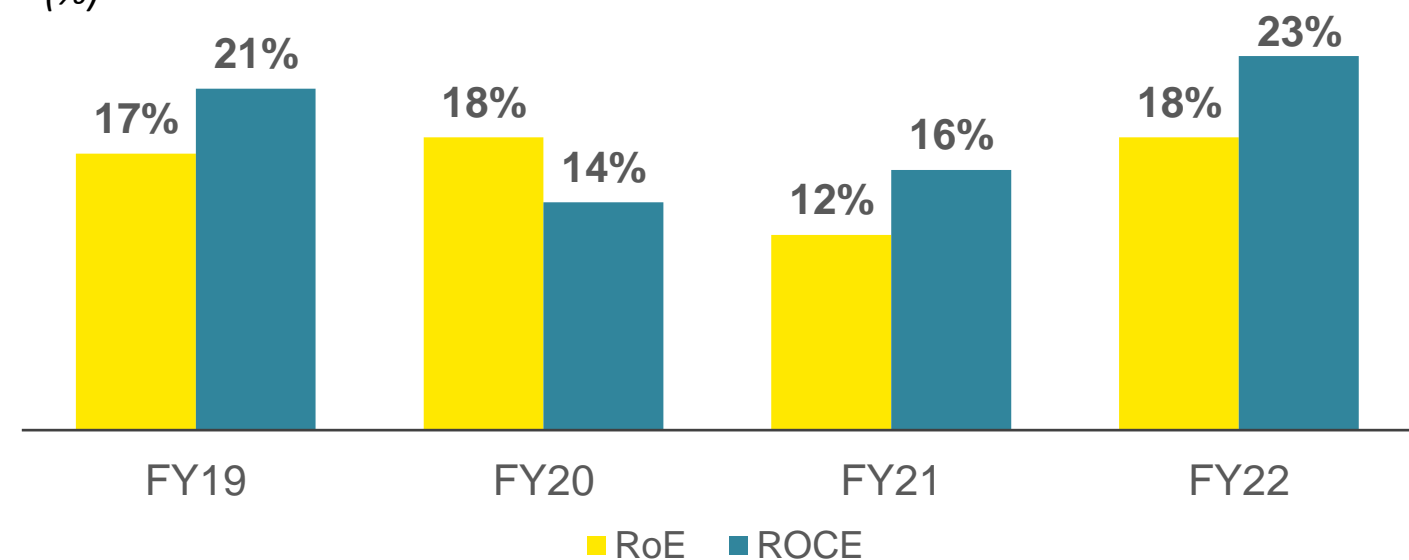
PAT profile

(INR Mn)



Return ratios

(%)

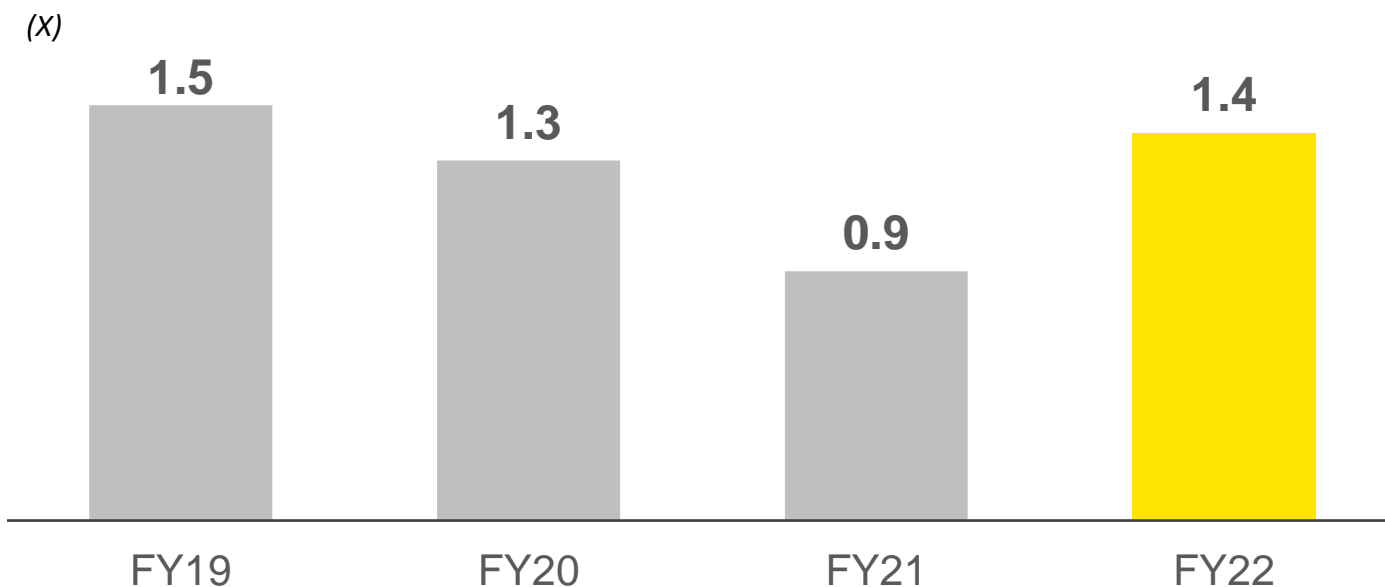


Figures on standalone basis; RoE = PAT / Net worth; ROCE = EBIT / Capital Employed

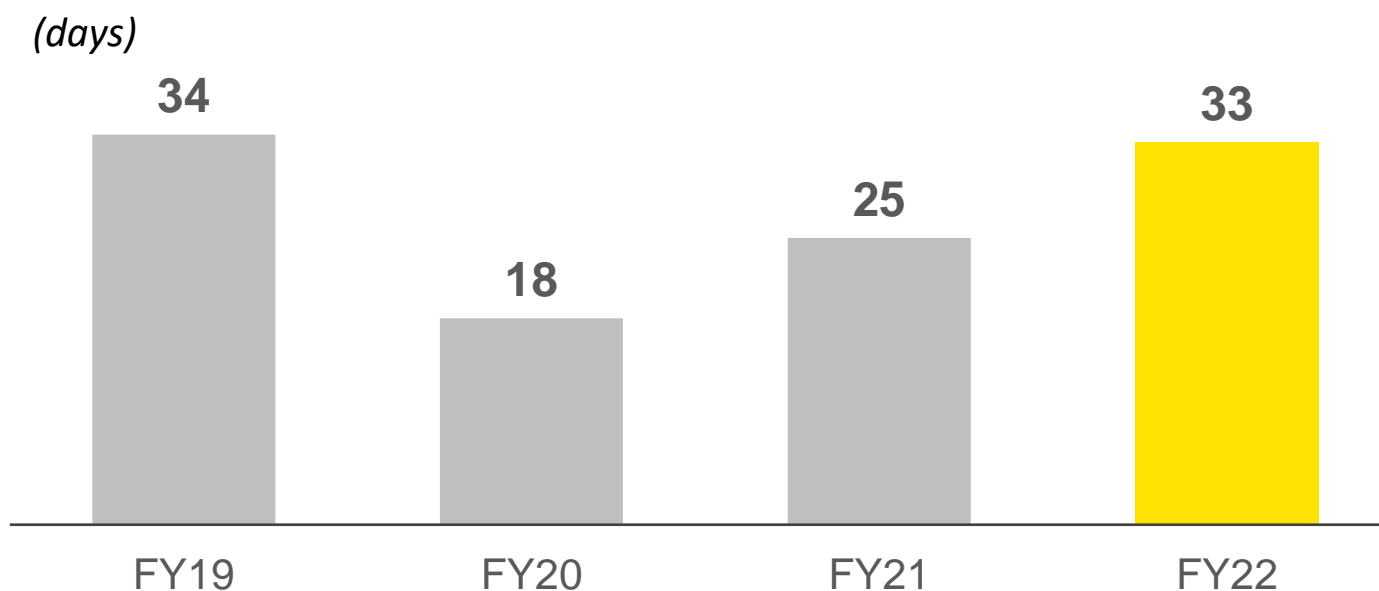
Financial performance trend



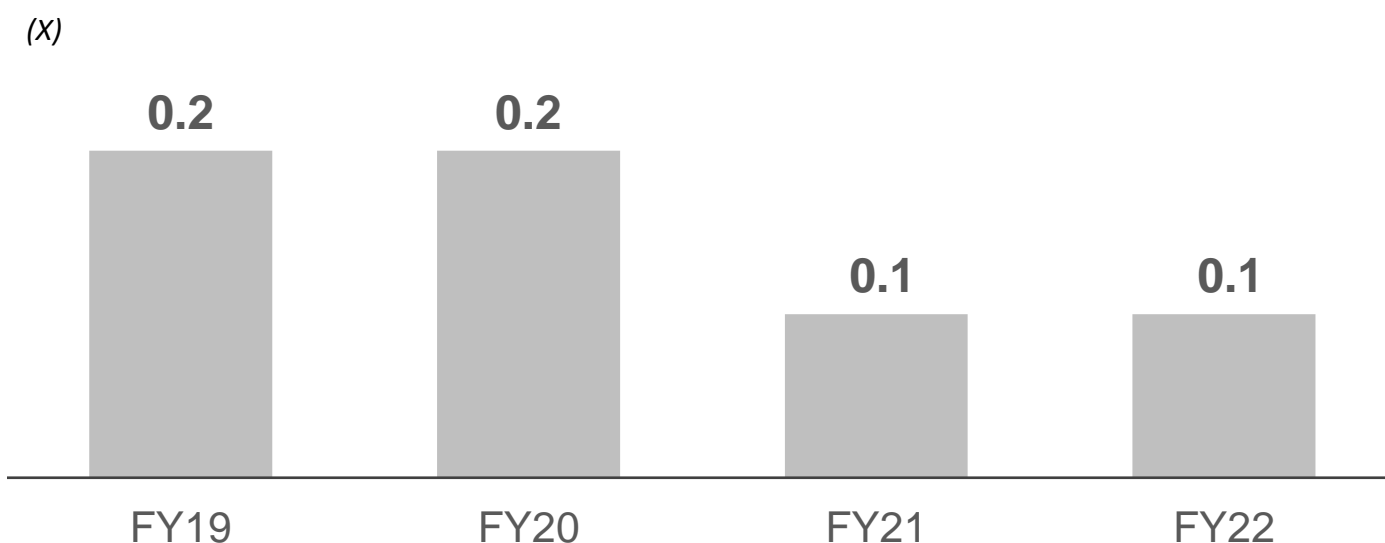
Asset turnover



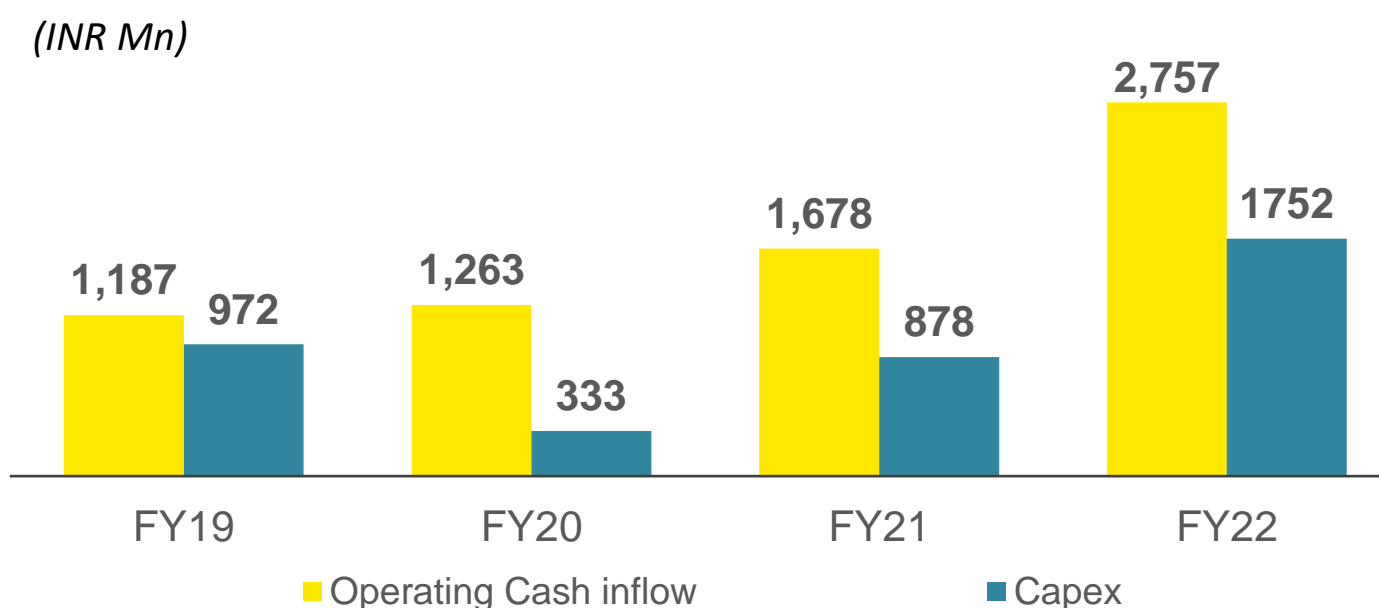
Working capital days



Leverage profile



Cash Inflow from Operations before WC changes and CAPEX outgo



Figures on standalone basis; Asset Turnover = Sales / Total Assets; Working Capital Days = $365 * (\text{Inventories} + \text{Receivables} - \text{Payables}) / \text{Sales}$; Cash Flow from Operations = PAT + Depreciation; FY22 Asset Turnover, 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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