



Yasho Industries Limited

Investor Presentation - November 2022

Safe Harbour



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Q2 FY23 Highlights

Profit & Loss Statement

Particulars (Rs. in Lakhs)	Q2FY23	Q2FY22	Y-o-Y	Q1FY23	Q-o-Q	H1FY23	H1FY22	Y-o-Y
Revenue from Operation	19074.67	13438.24		18344.63		37419.30	26639.36	
Other income	169.06	286.19		410.21		579.27	491.04	
Total Revenue	19243.73	13724.43	40.22%	18754.84	2.61%	37998.57	27130.40	40.06%
Cost of Material Consumed	11371.75	8153.92		10776.16		22147.92	16636.93	
Employee's Benefits Expense	1005.16	814.12		900.04		1905.19	1532.55	
Other Expenses	3240.72	2237.24		3576.62		6817.33	4208.15	
EBITDA	3626.10	2519.15	43.94%	3502.02	3.54%	7128.13	4752.77	49.98%
EBITDA Margin (%)	18.84%	18.36%		18.67%		18.76%	17.52%	
Depreciation	504.35	361.25		488.26		992.60	710.55	
EBIT	3121.75	2157.90		3013.76		6135.53	4042.22	
Finance cost	392.43	347.35		394.62		787.04	689.37	
PBT	2729.33	1810.55		2619.14		5348.48	3352.85	
Tax expense	586.41	437.73		559.70		1146.12	888.73	
PAT	2142.92	1372.82	56.10%	2059.45	4.05%	4202.37	2464.12	70.54%
PAT Margin (%)	11.14%	10.00%		10.98%		11.06%	9.08%	
EPS (in Rs.)	18.80	12.60		18.07		36.87	22.61	

Balance Sheet

ASSETS (in lakhs)	30-Sep-22	31-Mar-22	EQUITY AND LIABILITIES (in lakhs)	30-Sep-22	31-Mar-22
Non-current assets			EQUITY		
Property, Plant and Equipment	15439.40	14702.64	Equity Share Capital	1139.92	1139.92
Capital work-in-progress	2099.54	53.03	Other Equity	20351.29	16212.66
Right-of-use Assets	-	-	Total Equity	21491.21	17352.58
Investment Property	-	-	Liabilities		
Goodwill	-	-	Non-Current Liabilities		
Other Intangible Assets	984.43	1354.25	Financial liabilities		
	60.00	-	(i) Borrowings	6107.75	6352.49
Intangible assets under development			(ii) Financial Liabilities / Lease Liabilities	753.23	141.71
Financial Assets			Provisions	175.82	152.64
(i) Investments	14.47	14.47	Deferred Tax Liabilities (Net)	728.82	816.43
(ii) Loans	-	-	Other non-current liabilities	-	-
(iii) Other Financial Assets	-	-	Sub-Total	7765.62	7463.26
Non-current tax assets	-	-			
Other non-current assets	2981.56	1716.24	Current liabilities		
Sub-Total	21579.41	17840.63	Financial Liabilities		
Current assets			(i) Lease Liabilities	149.43	114.61
Inventories	16438.36	13368.88	(ii) Borrowings	14379.99	11269.46
Financial Assets			(iii) Trade Payables- Micro and Small Enterprises	18.22	368.22
(i) Investments	-	-	(iv) Trade Payables- Other than Micro and Small Enterprises	11043.33	10817.68
(ii) Trade receivables	14253.26	13188.55	(iv) Other Financial Liabilities	-	-
(iii) Cash and cash equivalents	73.50	5.00	Contract Liabilities		
(iv) Bank balances other than (iii) above	1648.33	1454.31	Provisions	245.79	407.63
(v) Loans	67.16	69.82	Current Tax Liabilities (Net)	569.98	161.98
(vi) Others financial assets	-	-	Other Current Liabilities	260.70	378.81
Other Current Assets	1864.26	2407.03	Sub-Total	26667.44	23518.39
Sub-Total	34344.86	30493.59	TOTAL EQUITY AND LIABILITIES	55924.27	48334.22
TOTAL ASSETS	55924.27	48334.22			

Cash Flow

Particulars (Rs. in lakhs)	30-Sep-22	31-Mar-22
(A) Cash flow from operating activities		
Profit before tax	5339.47	7126.86
Adjustments for noncash items	1750.41	3194.86
Operating profit before working capital changes	7089.98	10321.72
Working capital adjustments	(5140.40)	(6723.67)
Cash flows generated from operating activities	1949.48	3598.07
Income taxes paid (net of refunds)	(1132.74)	(2005.75)
Net Cash flows generated from operating activities (A)	816.74	1592.30
Net Cash flows generated from investing / capex activities (B)	(3419.01)	(5873.02)
Net Cash flows generated from financing activities (C)	2670.76	4220.83
Net Cash Increase/(Decrease)	68.50	(59.89)

Business Highlights



“We are pleased to report consistent quarterly performance. Total revenue for the quarter stood at Rs. 192.4 Cr, a growth of 40.22% on YoY basis. We continue to see interest in our product offerings globally. This quarter your company received its environmental clearance for its greenfield project at Pakhajan, Gujarat. Civil activities at the site have started and we intend to commence production in Q4FY24.

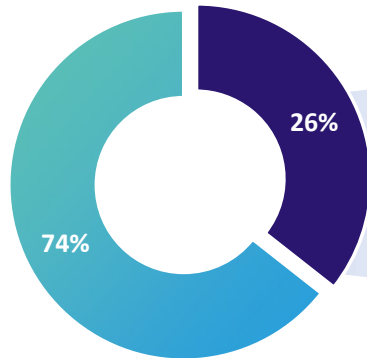
Due to global macroeconomic headwinds we see some volatility in raw material and finished product prices. Despite this, your company is doing its best to sustain the current sales momentum through better product mix and making efficient use of our multi-purpose facilities.

As we wait to commence production at our new Pakhajan site, we continue to improve our product mix and offerings from our existing facilities which are operating at full capacity. Our sustained investments in R&D and process development have resulted in consistent growth in our EBITDA margins over the last few quarters. This has been possible on account of new product offerings and improved process economics. We are confident to grow the company from a medium to long term timeframe and continue to take steps that result in increasing shareholder wealth.”

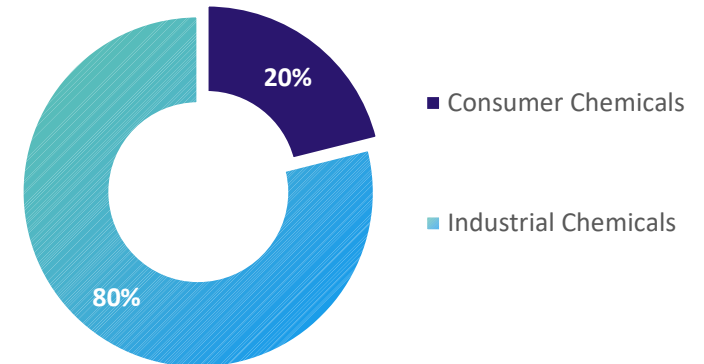
***Mr. Parag Jhaveri,
Managing Director & CEO***

Growing Contribution From Value Added Category

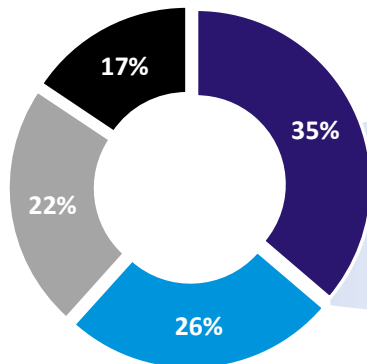
Q2 FY22 Category-wise
Revenue Breakup (Rs 134 Cr)



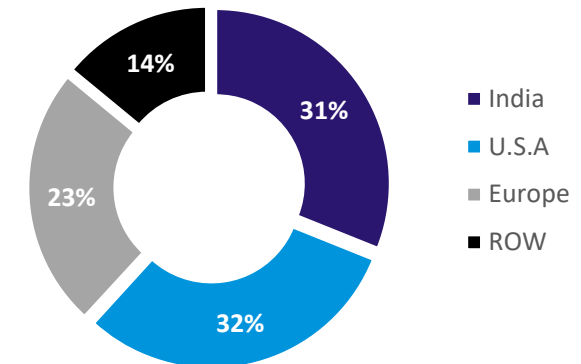
Q2 FY23 Category-wise
Revenue Breakup (Rs 190 Cr)



Q2 FY22 Region-wise



Q2 FY23 Region-wise



Excluding Other Income

Our Facilities in Vapi, Gujarat



Total Capacity
11,000 MTPA



Greenfield Project at Pakhajan, Gujarat



~ Rs 350 Crores for **Phase 1**

Estimated Cost

Estimated Revenue

~ Rs 500 – 550 Crores from **Phase 1**

Industrial Chemicals
EBITDA Margin > 20%

Target Products

Source of Funding

~Rs 240 Crores from Bank loans & ~ Rs 110 Crores via internal accruals and equity already raised

~**15,500 MTPA** in Phase 1

Capacity Expansion

Total Capacity Post Expansion

~26,500 MTPA Post Phase 1 Expansion

~**Q4FY24** to commence production

Timeline

Usage of Land

Phase 1 will use **50-55%** of the newly acquired 42-acre land



Civil activity at our Pakhajan Site



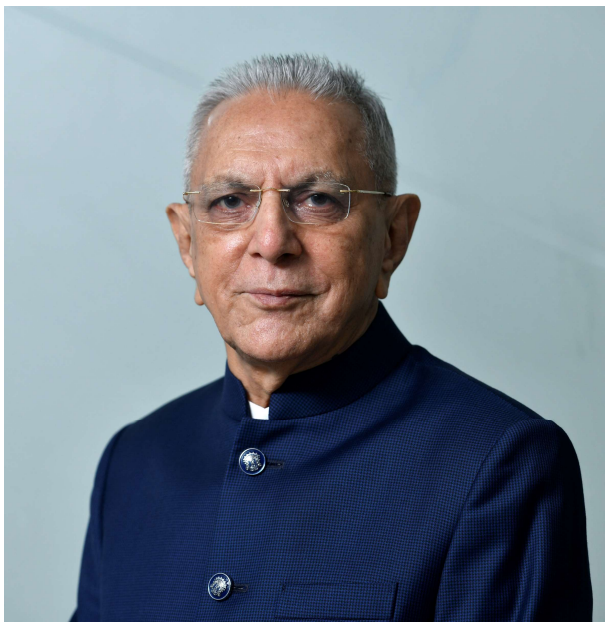
Project Numbers in Brief*

- Total Investment – Rs.350 Cr
- Land, Infrastructure & Utilities – Rs.180 Cr
- Plant and Machinery – Rs.170 Cr
- Revenue Expected – Rs.500 to 550 Cr
- EBITDA margin > 20%
- Total Land – 42 acres (50-55% utilized in phase 1)
- **Incurred Total Cash Capex of ≈ Rs.64 crores during H1 FY23**

**Timeline for Production
Q4FY24**



Founding Team on the Board



Mr. Vinod Jhaveri

Chairman & Executive Director

- One of the founding promoters of the Company. He is a Commerce graduate from Gujarat University
- He remains the main guiding force behind the growth and business strategy and plays a crucial role in the accounts and finance function
- Played a key role in ensuring the consistent growth of the Company and has helped build a robust framework for excellence in implementation



Mr. Parag Jhaveri

Managing Director & CEO

- M.Sc Chemistry from Mumbai University. He has over three decades of experience in the chemicals industry
- He played a key role in ensuring the robust growth of the organisation with oversight over the functions of sales, finance, R&D and marketing
- Under his visionary leadership, the Company has built a model for a sustainable future.



Mr. Yayesh Jhaveri

Whole Time Director & CFO

- Commerce graduate from Mumbai University. With experience of more than 25 years in the chemical industry, he has played an eminent role in handling the purchase, logistics, supply chain and production planning
- He played an integral part in setting up Unit-II & Unit-III

Along with the Independent Directors



Mr. Anurag Surana
Independent Director

- He has 27 years of professional experience, 14 of which he has spent on the Board of Directors of different Specialty Chemicals and Agrochemical Companies.
- He was associated with PI Industries for 20 years
- Currently, he is the Managing Director of KAGASHIN Global Network Private Limited
- He is a Director on the Board of IFFCO MC Crop Science Pvt Ltd, Nichino India Pvt Ltd, Nichino Chemical India Pvt Ltd, Kagashin Global Network Pvt Ltd, Neogen Chemicals Limited, and Privi Specialty Chemicals Ltd.



Mr. Ullal Bhatt
Independent Director

- M.Sc. from IIT, Kanpur and has attended advanced courses on Finance at the Harvard Business School, Boston and IIM, Ahmedabad
- He is one of India's well-known investment managers having managed foreign institutional investments in Indian equities for more than two decades
- He joined the Dalton group, UK in 2005 to lead their entry into India as the Managing Director of Dalton Capital Advisors (India) Pvt. Ltd., advising foreign institutional investors investing in India and has cofounded Alphaniti Fintech Pvt. Ltd., a new-age Investment Advisory Co. offering data-driven, rule-based and tech-enabled investment products.



Dr. Prakash Bhate
Independent Director

- Ph.D. in Organic Chemistry from the Ohio State University, Columbus.
- He has over 37 years of experience in the chemical industry. He is a visiting professor at the Institute of Chemical Technology in Mumbai
- He has been elected as the Fellow of Society of Dyers and Colourists (UK) in 2011-12, and is a member of the American Chemical Society



Mrs. Sudha Navandar
Independent Director

- Qualified Chartered Accountant and Certified Public Accountancy from USA. She completed post qualification course on Information System Audit (DISA) and is also an Insolvency Professional
- She is currently a partner in M/s. Pravin R. Navandar & Co. Chartered Accountants, with main focuses on IBC matters, corporate advisory services and income leakage
- She is associated as independent director for Route Mobile Limited, Tribhovandas Bhimji Zaveri Limited Anand Rathi Wealth Limited, and Kolte-Patil Developers Limited.



Business Overview

1. Consumer Chemicals

Consumer Chemicals

Aroma Chemicals

- We lead the market share for clove oil and its derivatives.
- Chemicals like fatty esters and natural essential / aroma oils find utilisation in various industries
- Areas of Application
 - Flavours and fragrances
 - Agro chemicals as pheromones
 - Pharmaceutical products such as pain relief, cold and cough formulations
 - Personal care products like toiletries and cosmetics
 - Dentifrices and oral care preparations including toothpaste, tooth powder and mouthwash

Food Antioxidants

- Auto-oxidation of fatty oils and oil-based foods result in unpleasant odour and rancid taste.
- Branded as YANTQ, our synthetic antioxidants, with their superior anti-oxidative power, find widespread application in keeping food fresh and appetising for a longer time while enhancing its nutrient content.
- Areas of Application
 - Edible oils
 - Confectioneries and food stuff
 - Animal feed
 - Vitamin premix
 - Nutraceuticals



2. Industrial Chemicals

Industrial Chemicals

Rubber Chemicals

- Our comprehensive and qualitative range of rubber chemicals are used to manufacture rubber products like tyres and automotive components like hoses, seals, conveyor belts, and others.
- Areas of Application
 - Tyres
 - Conveyor belts
 - Automobile components
 - Surgical gloves
 - Latex gloves
 - Condoms
 - Balloons



Lubricant Additives

- Branded as YALUB, our lubricant additives elevate the performance of lubricants by improving boundary lubricity, oxidation resistance, extreme pressure properties, and inhibiting corrosion
- Areas of Application
 - Hydraulic
 - Turbine
 - Engine and gear oils
 - Metal working fluids and greases



Speciality Chemicals

- We provide customised high-quality speciality chemicals specific to the needs of our clients across multiple industries.
- Areas of Application
 - Stabilisers for acrylics, printing inks/coating, UPR resins and fibre composite resins
 - Cross linkers for thermoplastics urethanes, electroplating chemicals
 - Intermediates for API and bulk drugs, and agrochemicals

Business Overview

Consumer Chemicals

Total Products: 18

Revenue
Contribution: ~27%

Stable Business

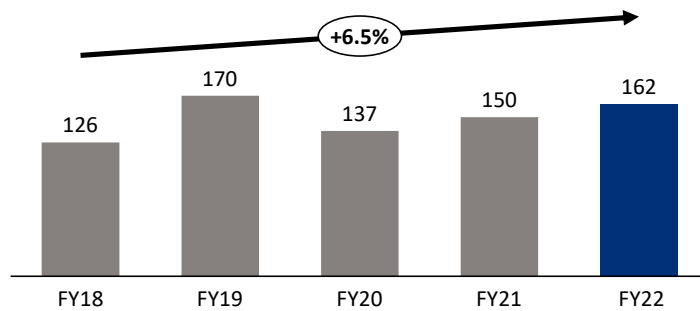
Industrial Chemicals

Total Products: 130

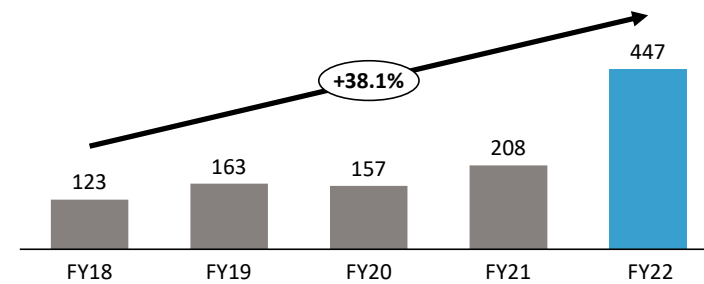
Revenue
Contribution: ~73%

Growing Business

Revenue Trend (Rs. Crs.)



Revenue Trend (Rs. Crs.)



Embracing Opportunities



Opportunities

- China +1 opportunity
- Strong domestic demand
- Demand from global customers for niche products
- Atmanirbhar Bharat opportunity

Our Edge

- Recognized global partner
- Multi-purpose, multiproduct plant
- Dedicated R&D Centre with well equipped instruments
- Branding & distribution capabilities
- As an environmentally conscious company, we stand to benefit from stricter environment norms and compliance

Core Focus

- Continuous product development
- Wide distribution reach through distributors
- Diversified client base across multiple industries
- Market Penetration to reach the end-users directly

Global Chemicals Market: \$2.4 trn

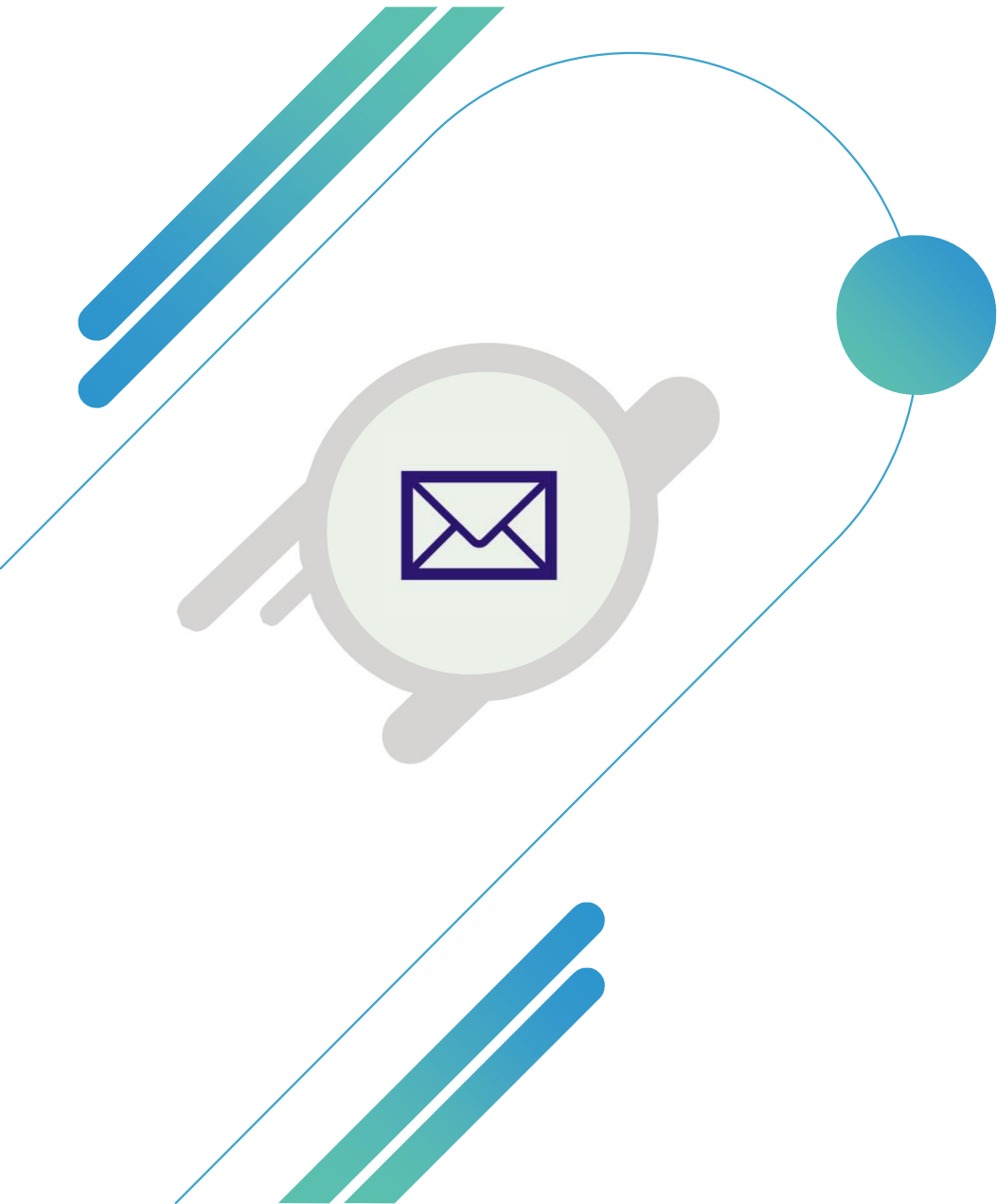
Global Specialty Chemicals Market: \$470 bn

Indian Specialty Chemicals Market: \$32 bn

Indian Chemicals Products: +70,000

Compliant Manufacturers have a competitive edge

Our Opportunity: Medium to High



Contact Information

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