



# Yasho Industries Limited

Investor Presentation – May 2021

# Safe Harbour

This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Yasho Industries Limited (the “Company”)**, have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.



# Financial Highlights

# Business Highlights

**Q4FY21**



**41%**

**Total Revenue**  
growth on YoY basis



**76%**

**EBITDA**  
growth on YoY basis



**38%**

**Sales Volume**  
growth on YoY basis

**FY21**



**23%**

**Total Revenue**  
growth on YoY basis



**38%**

**EBITDA**  
growth on YoY basis



**21%**

**Sales Volume**  
growth on YoY basis

India Ratings and Research (Ind-Ra) has assigned Long-Term Issuer Rating of 'IND BBB' with 'Stable' Outlook

The Board of Directors has recommended the dividend of Rs. 0.50 per equity share of the face value of Rs.10 each for FY21

# Business Highlights

*“We are pleased to report the highest quarterly & annual performance for our company. Demand for all major chemicals have seen growth in H2FY21 as compared to H1FY21 despite all ongoing challenges in the country and the global market.*

*Our revenue grew by 41% on YoY basis for the quarter at Rs 110.1 Cr. Our sales volume grew by 38% and EBITDA grew by 76%. Rubber chemicals, Lubricant chemicals & Speciality chemical businesses continue to witness higher growth as compared to Food Antioxidants & Aroma Chemicals.*

*Our export business which contributes more than 60%, has maintained its growth momentum. This was primarily due to strong product quality and long-standing relationships with major MNC’s. Our primary goal would be to ramp-up our existing capacity to an optimum level and increase contribution from rubber chemicals, lubricant additive, and specialty chemical business.*

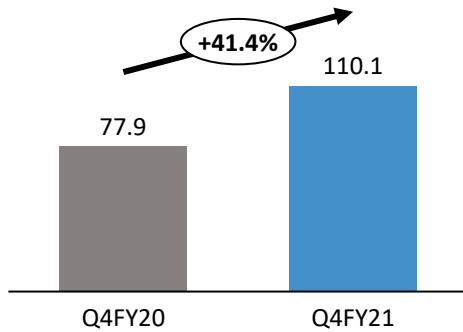
*We are witnessing a shift in international trade patterns and believe this is an opportune time for the Indian chemical players like us. We are committed to delivering long-term growth and are ready to encapsulate the upcoming opportunities.”*

**Mr. Parag Jhaveri,**

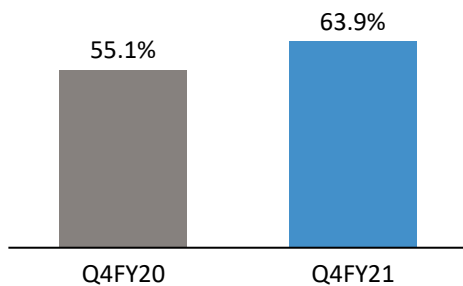
**Managing Director & CEO**

# Financial Highlights

## Revenue (Rs. Crs.)

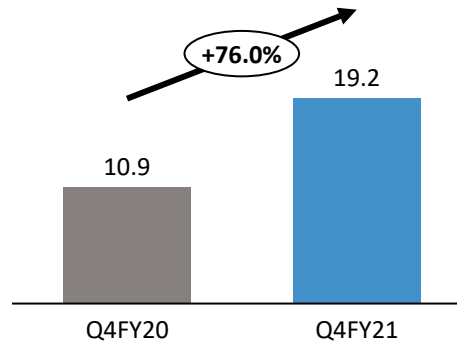


## Export (%)

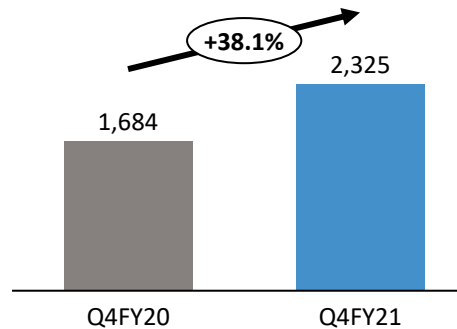


## EBITDA (Rs. Crs.)

14.0%      17.4%

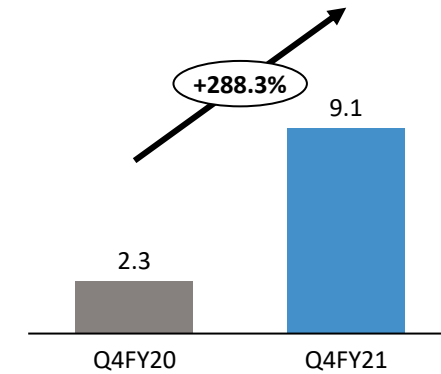


## Volume (MTPA)

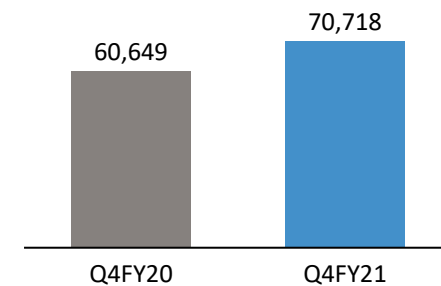


## PAT (Rs. Crs.)

3.0%      8.3%



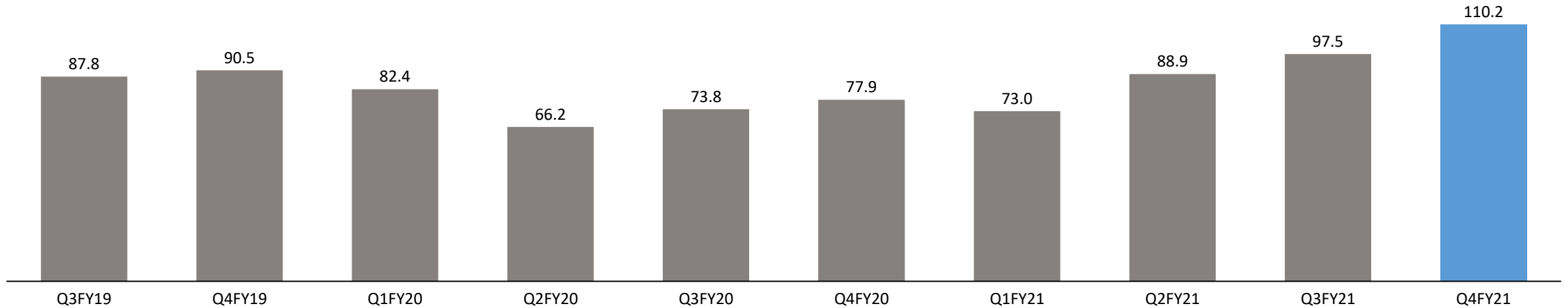
## EBITDA/ Tonne\*\* (Rs)



Margin

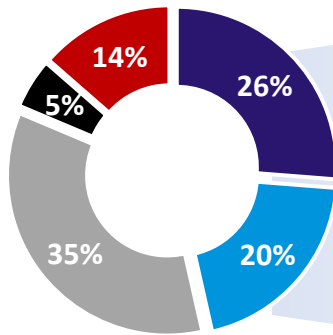
# Highest Quarterly Performance

Revenue (Rs. Crs.)

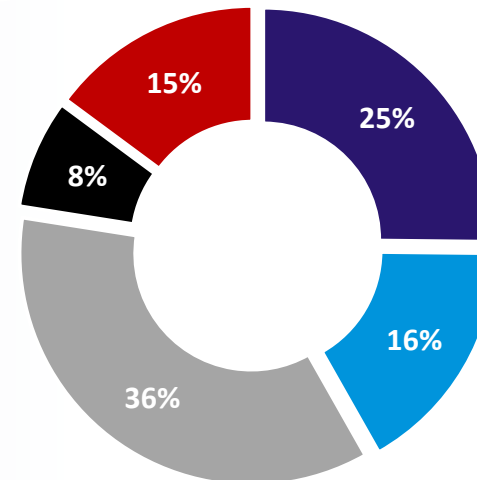


# Growing Contribution From Value Added Segments

FY20 Segment-wise  
Revenue Breakup (Rs 293 Cr)



FY21 Segment-wise  
Revenue Breakup (Rs 357 Cr)



- Aroma
- Food Antioxidant
- Rubber
- Lubricant
- Speciality



# Profit & Loss Statement

Particulars (Rs. In Crs.)	Q4FY21	Q4FY20	Y-o-Y	Q3FY21	Q-o-Q	FY21	FY20	Y-o-Y
<b>Revenue from Operation</b>	107.4	77.2	39.1%	92.4	16.2%	359.4	297.1	21.0%
Other income	2.7	0.7		5.1		10.1	3.2	
<b>Total Revenue</b>	<b>110.1</b>	<b>77.9</b>	<b>41.4%</b>	<b>97.5</b>	<b>13.0%</b>	<b>369.5</b>	<b>300.3</b>	<b>23.1%</b>
Cost of Material Consumed	66.9	47.1		62.4		233.7	188.5	
Employee's Benefits Expense	7.0	5.9		6.3		23.3	20.7	
Other Expenses	17.1	14.1		13.3		53.5	48.1	
<b>EBITDA</b>	<b>19.2</b>	<b>10.9</b>	<b>76.0%</b>	<b>15.5</b>	<b>23.6%</b>	<b>59.1</b>	<b>42.9</b>	<b>37.7%</b>
<b>EBITDA Margin</b>	<b>17.4%</b>	<b>14.0%</b>		<b>15.9%</b>		<b>16.0%</b>	<b>14.3%</b>	
Depreciation	3.0	2.9		2.7		12.0	10.4	
<b>EBIT</b>	<b>16.1</b>	<b>8.0</b>	<b>100.7%</b>	<b>12.8</b>	<b>26.0%</b>	<b>47.1</b>	<b>32.5</b>	<b>44.7%</b>
Finance cost	3.1	3.9		4.0		16.4	15.6	
<b>PBT</b>	<b>13.0</b>	<b>4.1</b>	<b>215.9%</b>	<b>8.8</b>	<b>48.3%</b>	<b>30.7</b>	<b>16.9</b>	<b>81.2%</b>
Tax expense	3.9	1.8		2.4		9.2	4.9	
<b>PAT</b>	<b>9.1</b>	<b>2.3</b>	<b>288.3%</b>	<b>6.4</b>	<b>42.9%</b>	<b>21.5</b>	<b>12.0</b>	<b>78.3%</b>
<b>PAT Margin</b>	<b>8.3%</b>	<b>3.0%</b>		<b>6.5%</b>		<b>5.8%</b>	<b>4.0%</b>	
<b>EPS</b>	<b>8.47</b>	<b>2.12</b>		<b>5.82</b>		<b>19.77</b>	<b>10.98</b>	

# Balance Sheet

ASSETS (Rs. Crs)	Mar-21	Mar-20
<b>Non-Current Assets</b>		
Property, Plant and Equipment	103.1	91.3
Capital Work-in-Progress	-	11.6
Intangible Assets	16.8	15.1
<b>Financial Assets</b>		
(i) Investments	0.1	0.1
(ii) Other Financial assets	2.8	2.5
Other Non-Current assets	5.5	3.4
<b>Non-Current assets</b>	<b>128.4</b>	<b>124.0</b>
<b>Current Assets</b>		
Inventories	80.2	73.4
<b>Financial Assets</b>		
(i) Trade Receivable	71.5	59.9
(ii) Cash & Cash Equivalents	0.6	0.5
(iii) Bank balances other than (ii)	14.1	7.8
(iv) Short term loans & advances	0.3	0.3
(v) Other Financial assets	0.1	0.3
Current Tax assets	0.5	0.6
Other Current Assets	10.0	10.9
<b>Current assets</b>	<b>177.3</b>	<b>153.8</b>
<b>Total assets</b>	<b>305.7</b>	<b>277.8</b>

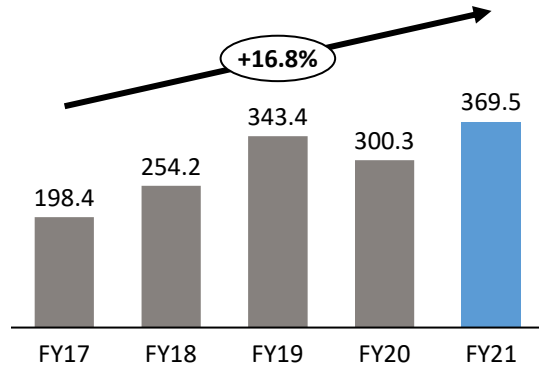
EQUITY AND LIABILITIES (Rs. Crs.)	Mar-21	Mar-20
<b>Shareholders Funds</b>	<b>78.9</b>	<b>57.5</b>
Shareholder's equity	10.9	10.9
Reserve & Surplus	68.0	46.6
<b>Non-Current Liabilities</b>		
<b>Financial Liabilities</b>		
(i) Long-Term Borrowings	53.2	59.8
(ii) Other financial Liabilities	2.6	3.5
Long Term Provisions	2.1	1.2
Deferred tax liabilities	10.8	9.3
<b>Non-Current Liabilities</b>	<b>68.7</b>	<b>73.8</b>
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
(i) Short Term Borrowings	97.8	94.7
(ii) Trade Payables	45.8	33.0
(iii) Other financial liabilities	10.6	14.4
Short Term Provisions	2.7	2.8
Other Current Liabilities	1.0	1.6
<b>Current liabilities</b>	<b>158.0</b>	<b>146.5</b>
<b>Total liabilities</b>	<b>305.7</b>	<b>277.8</b>

# Cash Flow Statement

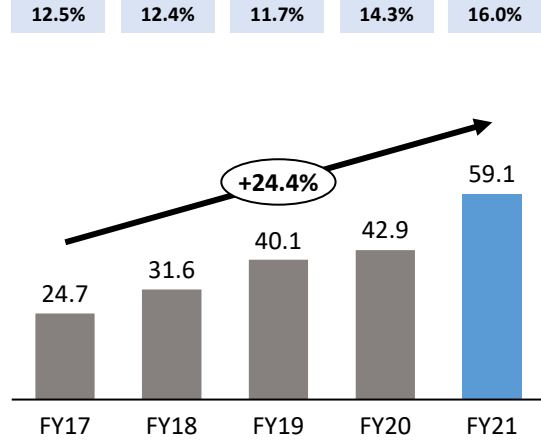
Particulars (Rs. Crs.)	Mar-21	Mar-20
<b>Net Profit Before Tax</b>	<b>30.8</b>	<b>16.8</b>
Adjustments for: Non Cash Items / Other Investment or Financial Items	27.8	25.7
<b>Operating profit before working capital changes</b>	<b>58.6</b>	<b>42.5</b>
Changes in working capital	(19.6)	(8.1)
<b>Cash generated from Operations</b>	<b>39.0</b>	<b>34.4</b>
Direct taxes paid (net of refund)	4.4	3.8
<b>Net Cash from Operating Activities</b>	<b>34.6</b>	<b>30.5</b>
<b>Net Cash from Investing Activities</b>	<b>(13.6)</b>	<b>(29.5)</b>
<b>Net Cash from Financing Activities</b>	<b>(20.9)</b>	<b>(1.4)</b>
<b>Net Decrease in Cash and Cash equivalents</b>	<b>0.13</b>	<b>(0.33)</b>
Add: Cash & Cash equivalents at the beginning of the period	0.5	0.9
<b>Cash &amp; Cash equivalents at the end of the period</b>	<b>0.6</b>	<b>0.5</b>

# Performance Highlights

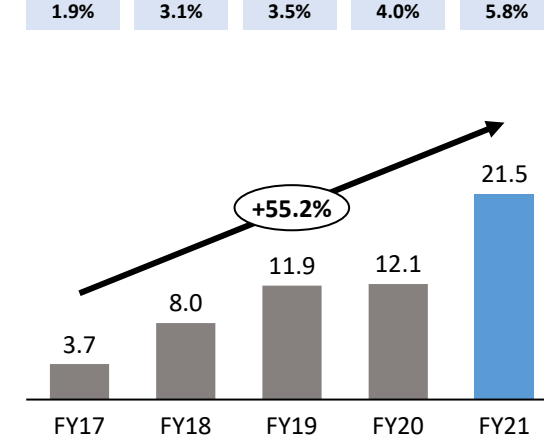
## Revenue (Rs. Crs.)



## EBITDA (Rs. Crs.)

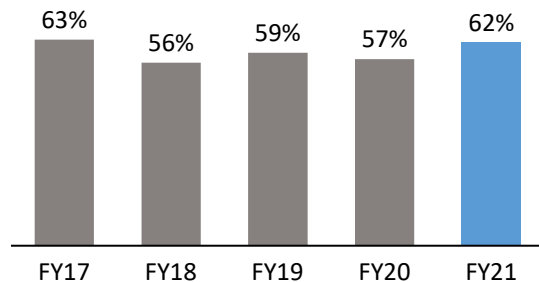


## PAT (Rs. Crs.)

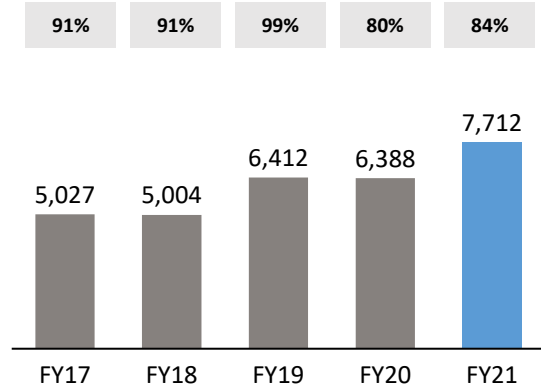


Margin

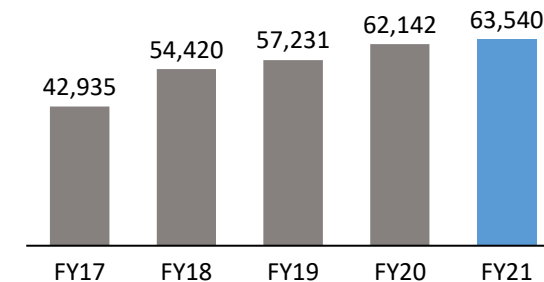
## Export (%)



## Volume (MTPA)



## EBITDA/ Tonne\*\* (Rs)



Utilization

91% 91% 99% 80% 84%

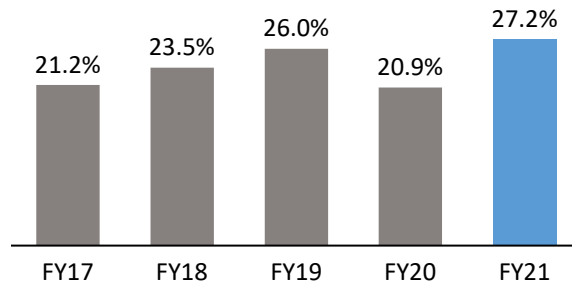
Revenue Includes Other Income

\*New Unit III capacity of 1200 tonne commercialized from April 2020

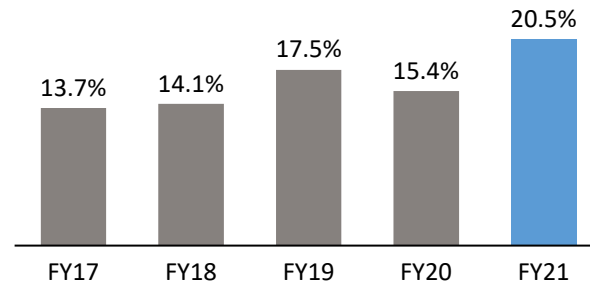
\*\*Excluding other Income

# Key Ratios

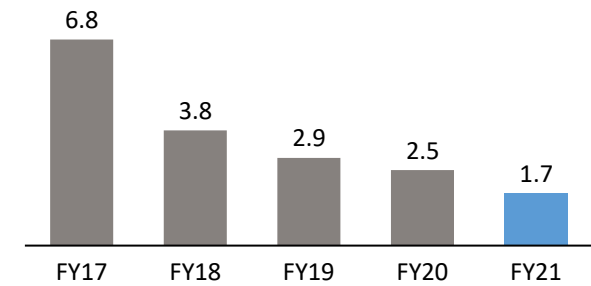
### ROE (%)



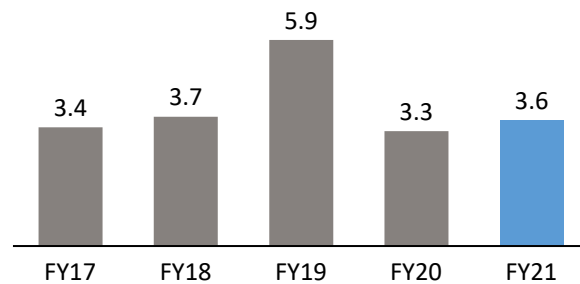
### ROCE (%)



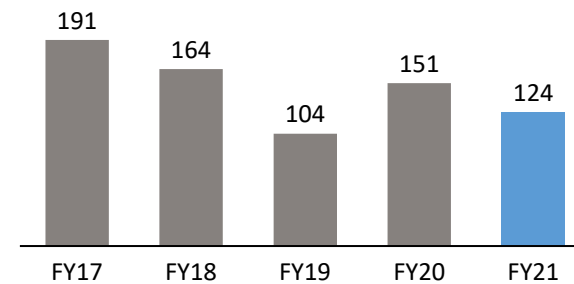
### Net Debt / Equity (x)



### Fixed Asset Turnover (x)



### Working Capital Days





# Company Overview

# Yasho Industries Ltd : A Snapshot



Manufacturer of specialty and performance chemicals

Technocrat Promoters

Strong Presence in Over 40 Countries

Global Certifications

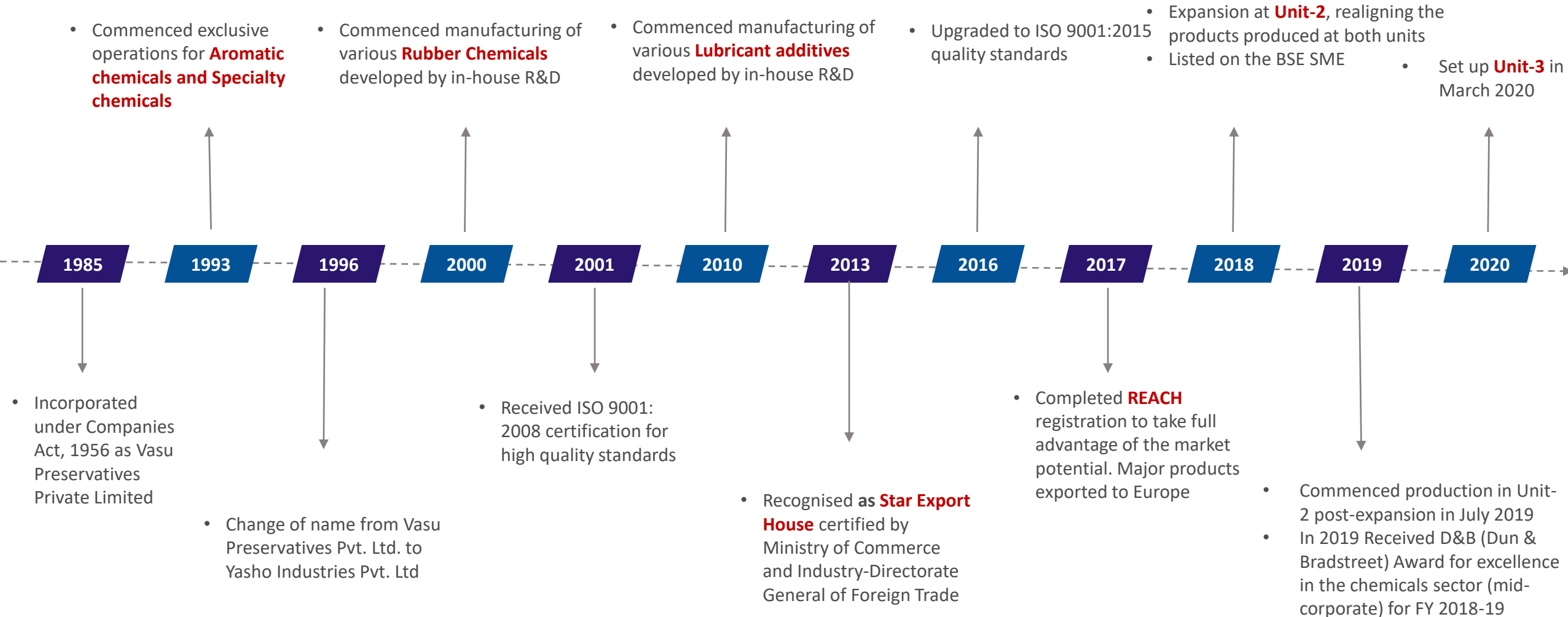
Business Vertical : 5

Total Products : 160

9,200 MT  
Manufacturing Capacity

3 Manufacturing Units in Vapi, Gujarat

# Our Journey from Aromatic Chemicals to Rubber & Lubricant additives

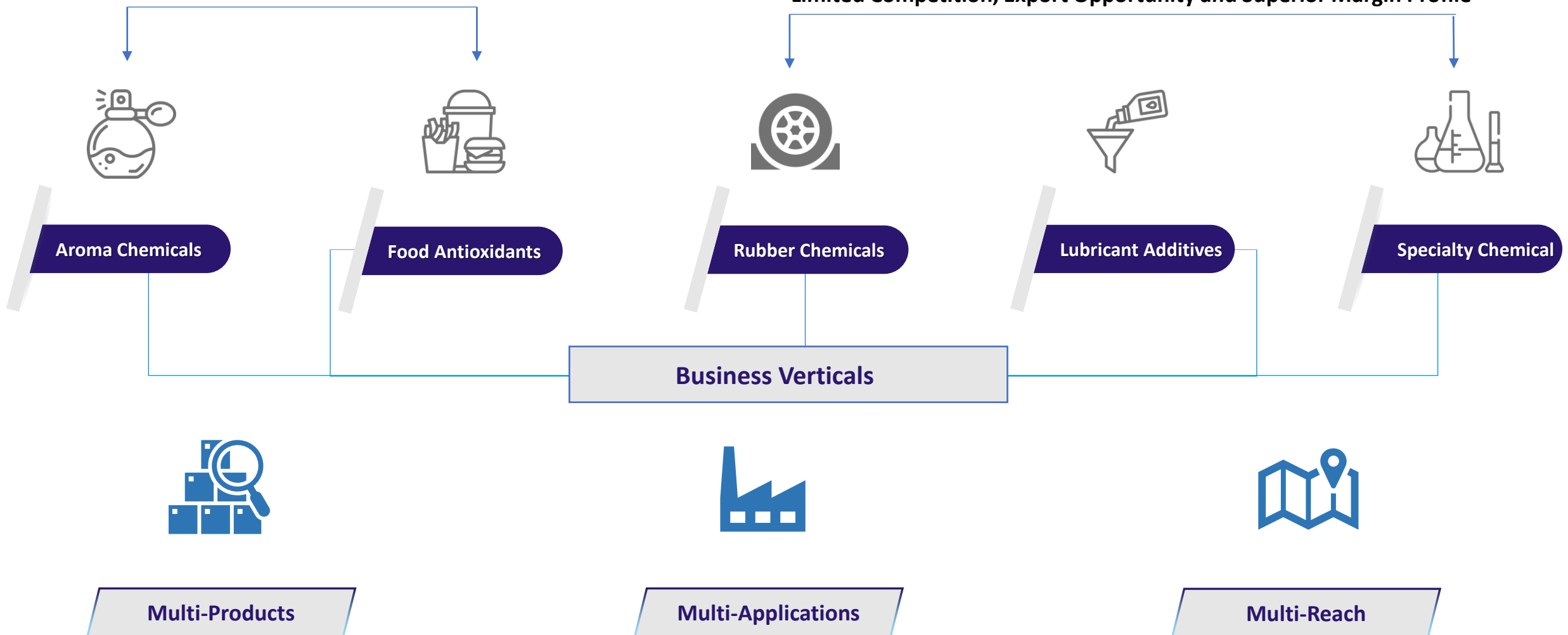




# Diversified Business Portfolio

Highly Competitive segments

Limited Competition, Export Opportunity and Superior Margin Profile



# Made in India : Delivering Globally

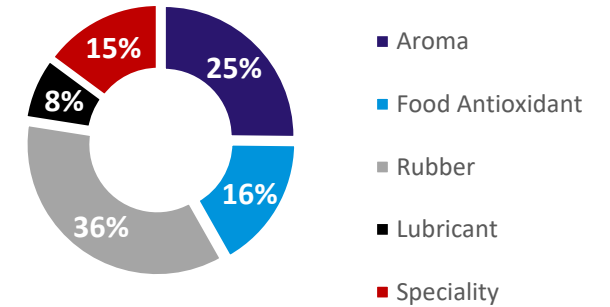
Strong Presence in over **40 countries** across Europe, America, Middle East and Asia.

Exports over **60%**

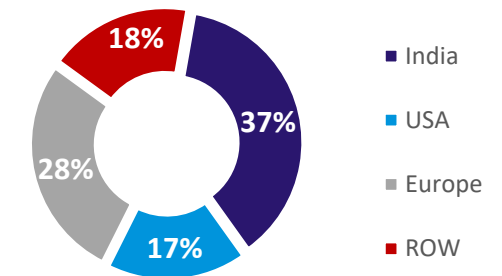


Recognized Supplier in Global Markets since last **2 Decades**

**FY21 Segment-wise Revenue Breakup (Rs 357 Cr)**



**FY21 Region-wise Revenue Breakup (Rs 357 Cr)**



# Large Marquee Clients



हिन्दुस्तान पेट्रोलियम



Balmer Lawrie



IndianOil



For a healthy growing nation



We are a **customer-centric producer**,  
with the ability to deliver as per the  
specifications desired by our buyers.

**Serving 1,000+ Clients**

# Our Facilities are Multipurpose & Multiproduct

**Total Capacity  
9,200 MTPA**

**Unit 1: 3,450 MTPA**

**Unit 2: 4,550 MTPA**

**Unit 3: 1,200 MTPA**

**3 Units at  
Vapi, Gujarat**



**3,700 MTPA expanded  
in last 3 years**

- 950 MTPA Additional Capacity added in FY19

- Additional capacity of 1,550 MTPA commissioned in FY20

- Warehousing facilities and 1,200 MTPA capacity commissioned in March 20
- Capacity ramp up expected in 2022

**Competitive Edge**

**01**

Strategically located within 200 Kms from Nhava Sheva Sea Port

**02**

Designed to be 'multi-purpose', giving us the advantage of manufacturing several products


**03**

Easy access for import of raw materials and export of finished goods

**04**

Dedicated R&D center with well equipped instrument

# Research & Development is core to our approach

- 
- A photograph of various laboratory glassware including a large beaker with yellow liquid, a smaller beaker with red liquid, a test tube with orange liquid, and several flasks with green, blue, and red liquids. The background is a blurred periodic table of elements.
- Being a specialty chemical company, Our R&D Team is the backbone of the company. It has contributed greatly to the growth and expansion of our company.
  - Our R&D facility is DSIR certified, thereby having official recognition by the Government
  - Our research has been the focused-on development and optimization of the new products, upgrading process and improving existing products using green chemistry.
  - Over the years, we have constantly increased our R&D spend to deliver the best quality products to our customers.
  - Our R&D department has developed a whole range of rubber chemicals, antioxidants, lube additives and various other specialty chemicals indigenously.



## Greening our Operations

Our R&D capabilities identify process bottlenecks and undertake specific initiatives to enhance efficiencies. This leads to **cost optimization** and ensures **higher capacity utilization**.

This has helped to **reduce waste generated** at the facilities.

Further, the use of environment-friendly catalysts in the units help in **eliminating toxic metal waste generation**.

We improved several processes to **reduce water consumption by more than 50%**.

We also continued our efforts towards new product development in the emerging fields of **electric vehicles and Euro-VI fuel**.

# Global Certifications : Highly Compliant Manufacturer

**ISO 9001:2015** –  
Quality standards

**HALAL** – certifies various products processed by us is registered with Jamiat Ulama Halal Foundation (JUHF)

Delivering Highest Quality Products  
Across the Globe

**FSSC 22000** –  
Food safety standards

**FSSAI** – certifies items of food products are authorised to manufacture/ re-pack/re-label

Our Testing laboratory is well equipped with  
modern instruments

**FAMI-QS** – Feed Safety Management System including Good Manufacturing Practice (GMP) in compliance with FAMI-QS Code

**Export Inspection Agency Certification** – certifies food antioxidants and flavouring compound for export to all countries excluding EU

Our conformity to Global Best Practices have led us to achieving Global Certifications which act as an entry barrier especially in large Exports market

**STAR-K KOSHER** – certifies various products as KOSHER certified

**REACH** - To take full advantage of the market potential. Major products exported to Europe

# Board of Directors



**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
- Built a robust framework for excellence in execution



**Mr. Ashok Malaviya**

*Non-Executive Independent Director*

- Commerce graduate from Mumbai University with over 20 years of experience in handling exports, worldwide parcel service, bulk cargo handling and trading of special hazardous chemicals
- As an Independent Director, he provides his expertise and inputs, to ensure that the Board adheres to the required corporate governance requirements



**Mr. Parag Jhaveri**

*Managing Director & CEO*

- M.Sc Chemistry from Mumbai University. He has over three decades of experience in the chemical 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



**Mrs. Mila Desai**

*Non-Executive Independent Director*

- Commerce graduate and has completed her Master's Degree from Calcutta University. She has various diplomas in fields such as Foundation and Advanced Course in Learning Disabilities and Diploma in Early Childhood Teacher Education



**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 also played an integral part in setting up Unit-II & Unit-III



**Dr. Prakash Bhatte**

*Non-Executive 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





# Business Overview

# Aroma Chemicals

## Aroma Chemicals

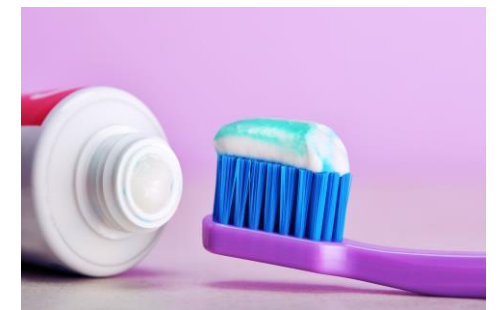
## Food Antioxidants

## Rubber Chemicals

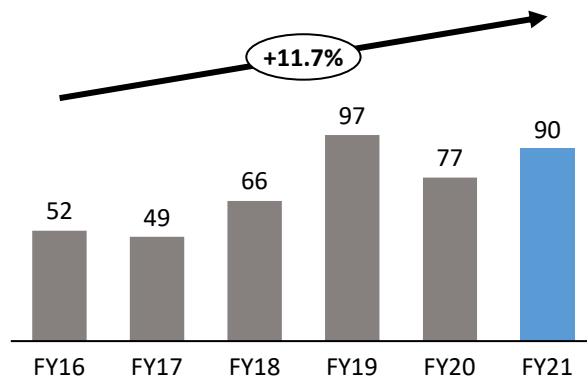
## Lubricant Additives

## Specialty Chemicals

- We are the market leaders for clove oil and its derivatives
- Chemicals like fatty esters and natural essential / aroma oils cater to a gamut of personal care products such as cosmetics and toiletries. They are also used for flavours and fragrances, and in pharmaceutical segments for pain relief, cold and cough formulations
- It is also utilized in dentifrices and oral care preparations including toothpaste, tooth powder and mouthwash
- It is also used as an insect repellent



### Revenue Trend (Rs. Crs.)



- Total Products: 35
- Revenue Contribution: ~25%
- Margin: Single Digit
- Domestic Market Presence: Yes
- Global Market Presence : Yes

# Food Antioxidants

Aroma Chemicals

Food Antioxidants

Rubber Chemicals

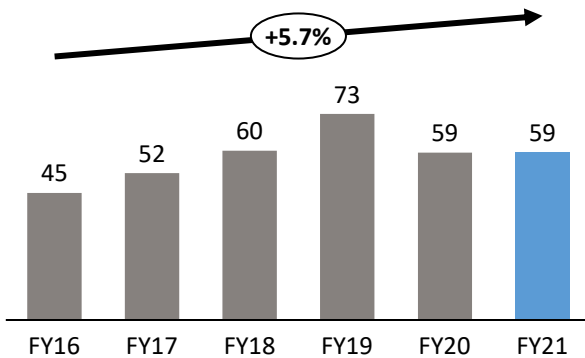
Lubricant Additives

Specialty Chemicals

- Fatty oils and oil-based foods are prone to auto-oxidation that results in a rancid taste and unpleasant odour
- Our antioxidants help inhibit the negative effects of oxidation.
- The YANTQ brand of synthetic antioxidants has superior antioxidative power and finds application in foodstuff
- It helps enhance the food nutrient content, keeps it fresh and makes it more appetizing
- This is also used in animal feed, vitamin pre-mixes and in nutraceuticals



Revenue Trend (Rs. Crs.)



- Total Products: 14
- Revenue Contribution: 17%
- Margin: Single Digit
- Domestic Market Presence: Yes
- Global Market Presence : Yes

# Rubber Chemicals

Aroma Chemicals

Food Antioxidants

Rubber Chemicals

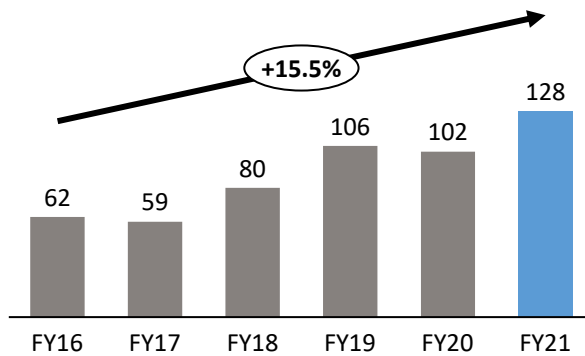
Lubricant Additives

Specialty Chemicals

- Our range of rubber chemicals is used to manufacture rubber products like tyres, automotive components like hoses, seals, conveyor belts, and others
- They are also used in the manufacture of surgical gloves, condoms, balloons and latex gloves.



Revenue Trend (Rs. Crs.)



- Total Products: 64
- Revenue Contribution: ~36%
- Margin: Double Digit
- Domestic Market Presence: Yes
- Global Market Presence : Yes

# Lubricant Additives

Aroma Chemicals

Food Antioxidants

Rubber Chemicals

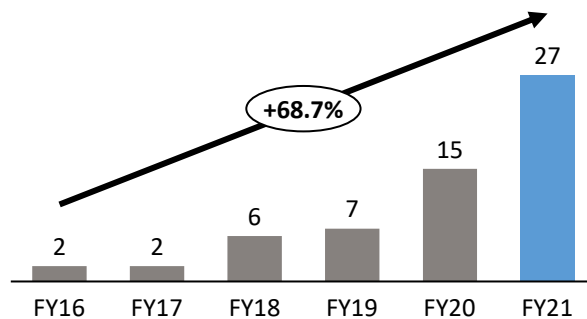
**Lubricant Additives**

Specialty Chemicals

- Our Lubricant additives improve the performance of lubricants by providing critical performance parameters
- They improve boundary lubricity, extreme pressure properties, inhibit corrosion and improve oxidation resistance
- This products are marketed under the “YALUB”
- It finds application in hydraulic, turbine, engine and gear oils, metal working fluids and greases



Revenue Trend (Rs. Crs.)



- Total Products: 24
- Revenue Contribution: ~8%
- Margin: Double Digit
- Domestic Market Presence: Yes
- Global Market Presence : Yes

- Yasho manufactures a range of Additives for Industrial / Automotive Lube & Greases like
  - Antioxidants (Phenolic / Aminic)
  - Molybdenum based Friction Modifiers / Antiwear agents
  - Dithiocarbamates
  - Thiadiazoles Corrosion Inhibitor & Extreme pressure additives
  - Triazole Metal Deactivators

# Specialty Chemicals

Aroma Chemicals

Food Antioxidants

Rubber Chemicals

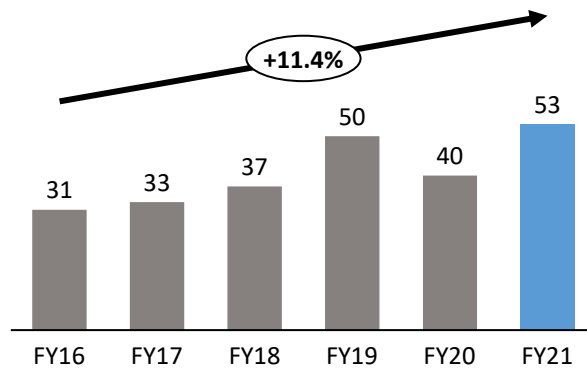
Lubricant Additives

Specialty Chemicals

- These value-added chemicals are used as stabilisers for acrylics, printing inks, UPR resins and fibre composite resins, as cross linkers for thermoplastics urethanes, electroplating chemicals, intermediates for API and bulk drugs, and agrochemicals.



Revenue Trend (Rs. Crs.)



- Total Products: 23
- Revenue Contribution: ~15%
- Margin: Double Digit
- Domestic Market Presence: Yes
- Global Market Presence : Yes



# Embracing Opportunities

## Opportunities

- China +1 Opportunity
- Strong Domestic Demand
- Demand for Global Supplier of Niche Products
- Atmanirbhar Bharat opportunity

## Our Edge

- Recognized Global Partner
- Strategically located near Port
- Multi-purpose , Multiproduct Plant
- Dedicated R&D Centre with well equipped instrument
- Branding & Distribution Capabilities
- As an environmentally conscious company, we stand to benefit from stricter environment norms and compliance

## Future Ready

- Capacity Ready for Future Growth
- Continuous Product Development
- Wide distribution reach through distributors
- Diversified Client base across multiple industries

Global  
Chemical  
Market:  
\$2.4 trn

Global  
**Specialty**  
Chemical  
Market:  
\$470 bn

Indian  
**Specialty**  
Chemical  
Market: \$32  
bn

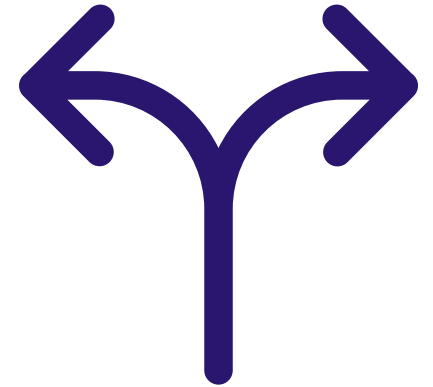
Indian  
Chemical  
Products:  
+70,000

Compliant  
Manufactur  
ers have a  
competitive  
edge

Our  
Opportunity  
: Medium to  
High

# We have a De-Risked & Diversified Product Portfolio

- Our distributed product portfolio catering to multiple industries which insulates us from downturns in specific industries
- It also gives us more avenues to market our innovative products and solutions
- While Food Antioxidants and Aroma Chemicals segments witnessed robust demand during FY 2019-20, Industrial and Specialty Chemicals businesses remained sensitive to economic cycles
- Although the automobile industry slowdown affected sale of rubber chemicals, but our Specialty Chemicals segment witnessed strong demand and rising sales





# Way Forward



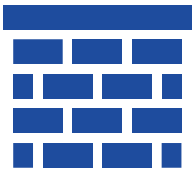
## Capacity Ramp-up

- 1,200 MTPA capacity added in Mar-April 2020
- We plan to reach **optimum utilization** by 2022



## Focusing on High Margin Products

- We plan to **improve our product mix** significantly to high margin Rubber, Lubricant and Specialty products portfolio



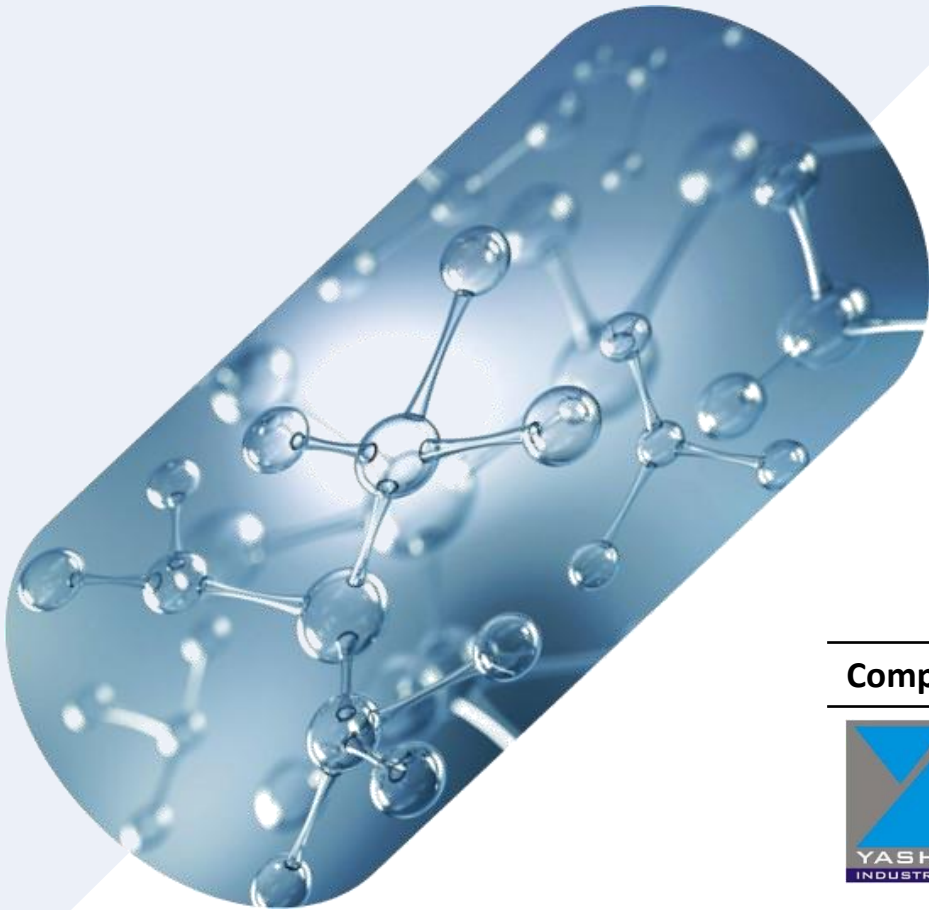
## Strengthening Balance Sheet

- Increasing utilization to lead to generation of free cash flow which shall be deployed in **de-leveraging** the Balance Sheet



## Continuous Product Development

- **Innovate new product solution** for our clients through continuous product development



## Contact Information

---

### Company :



#### **Yasho Industries Ltd.**

CIN – L74110MH1985PLC037900

Mr. Yayesh Jhaveri

Email - [yayesh@yashoindustries.com](mailto:yayesh@yashoindustries.com)

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

---

### Investor Relations Advisors :

**SGA** Strategic Growth Advisors

#### **Strategic Growth Advisors Pvt. Ltd.**

CIN - U74140MH2010PTC204285

Mr. Shrikant Sangani / Ms. Pankti Majithia

Email - [shrikant.sangani@sgapl.net](mailto:shrikant.sangani@sgapl.net)

[/pankti.majithia@sgapl.net](mailto:pankti.majithia@sgapl.net)

+91 9619595686 / +91 9619611096

[www.sgapl.net](http://www.sgapl.net)

---