



INVESTOR PRESENTATION

MAY 2023

AROMA
CHEMICALS



FOOD
ANTIOXIDANTS



RUBBER
CHEMICALS



LUBRICANT
ADDITIVES



SPECIALTY
CHEMICALS



Safe Harbor

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 what so ever. 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.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

Q4 & FY23 Results Highlights



Message from Managing Director's Desk

We are pleased to report our financial and business performance for Q4 and FY23. Our ability to adapt and respond to market dynamics ensured a significantly improved performance this quarter. We have continued to focus on our core strengths while also exploring new opportunities that align with our business objectives.

The strong traction witnessed in our exports market is noteworthy and to capitalize further, exports will be a high priority going forward. Our focus on industrial chemicals has been paying off, and we believe that this sector holds great potential for our business. We will continue to invest in research and development to develop high-quality products that cater to our customers demands.

Our greenfield project at Pakhajan is on track and is expected to commence production in Q4 FY24. This project is an essential part of our growth strategy, and we are confident that it will create significant value for our stakeholders.

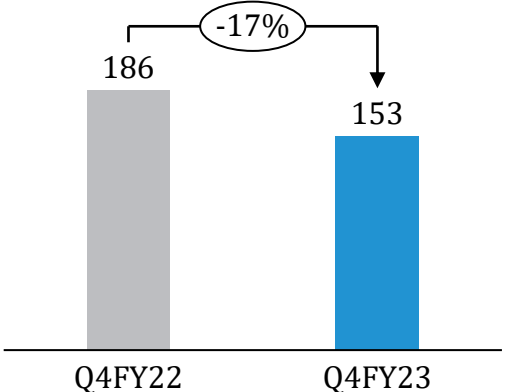
Overall, we are optimistic about our business trajectory and we are excited about the future prospects of our company. We remain committed to creating long-term value for our stakeholders and look forward to continued growth in the coming years.

- Mr. Parag Jhaveri, Managing Director & CEO

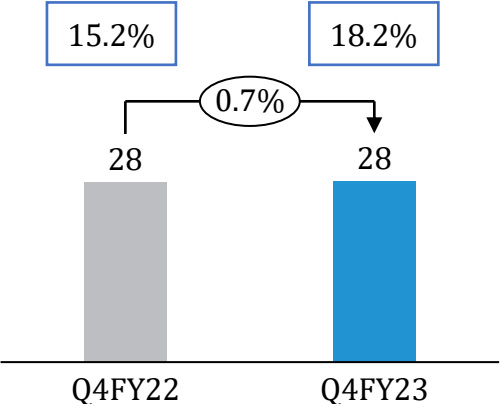
	Q4 FY23	FY23
Operating Revenue	Rs. 151.9 crs	Rs. 671.6 crs
EBITDA	Rs. 27.9 crs Margin at 18.2%	Rs. 126 crs Margin at 18.5%
PAT	Rs. 15.7 crs Margin at 10.2%	Rs. 67.9 crs Margin at 9.9%

Results Highlights (Q4 & FY23)

Total Revenue

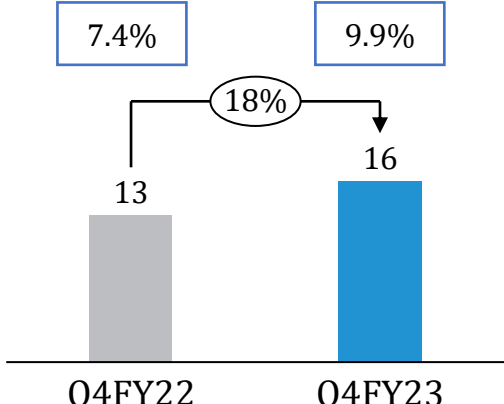


Operating EBITDA & Margin

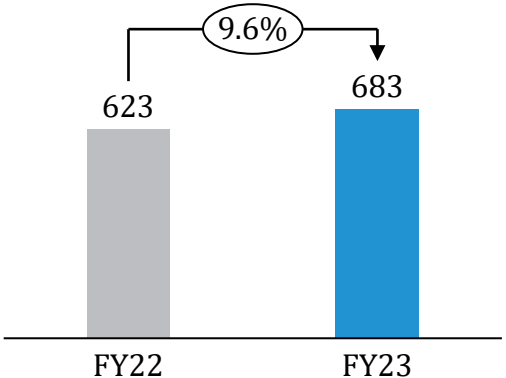


PAT & PAT Margin

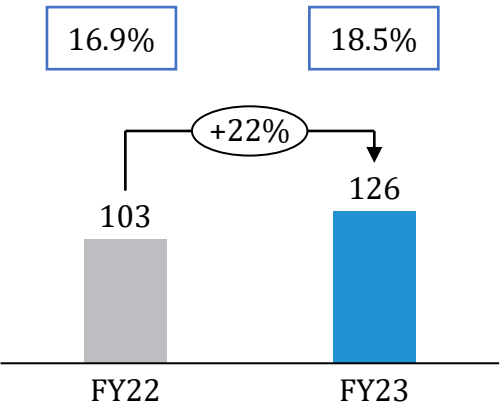
(Rs. in Crs)



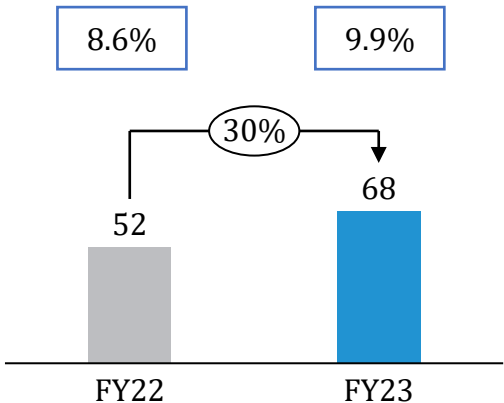
Total Revenue



Operating EBITDA & Margin

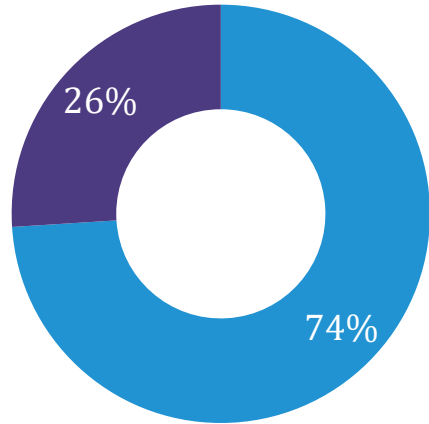


PAT & PAT Margin

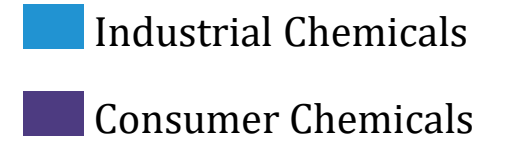
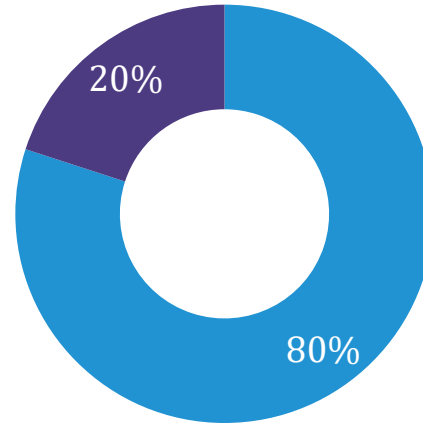


Operational Highlights

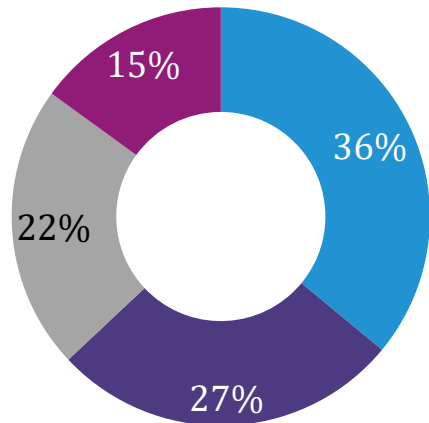
FY22 Category-wise Revenue Breakup



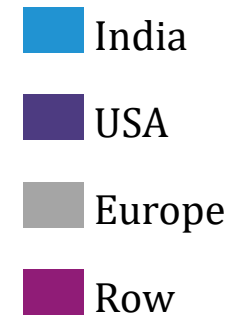
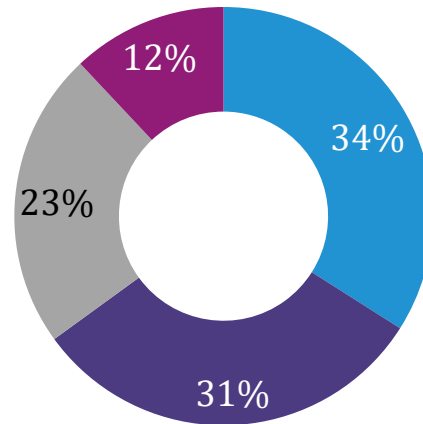
FY23 Category-wise Revenue Breakup



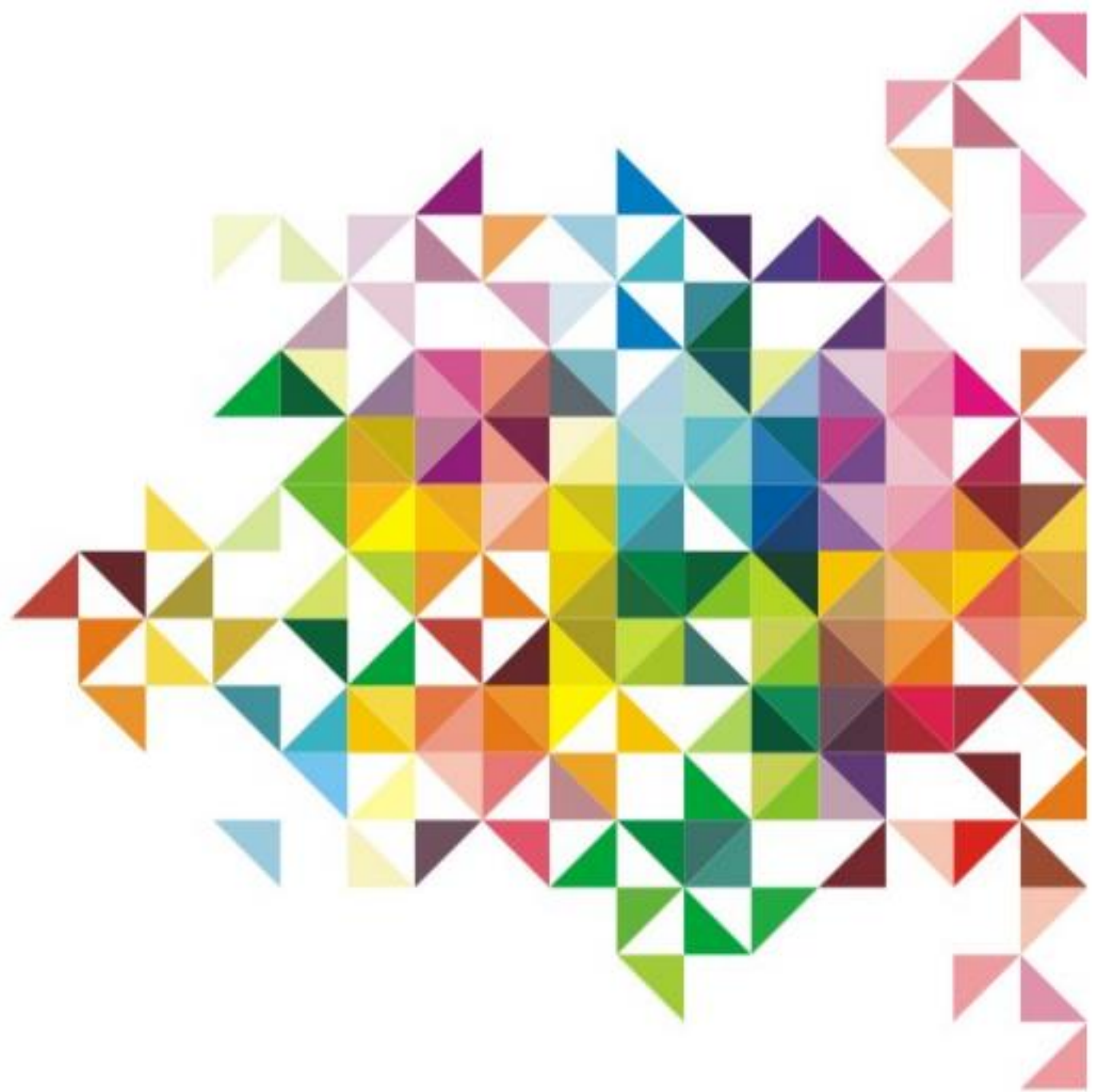
FY22 Geography-wise Revenue Breakup



FY23 Geography-wise Revenue Breakup



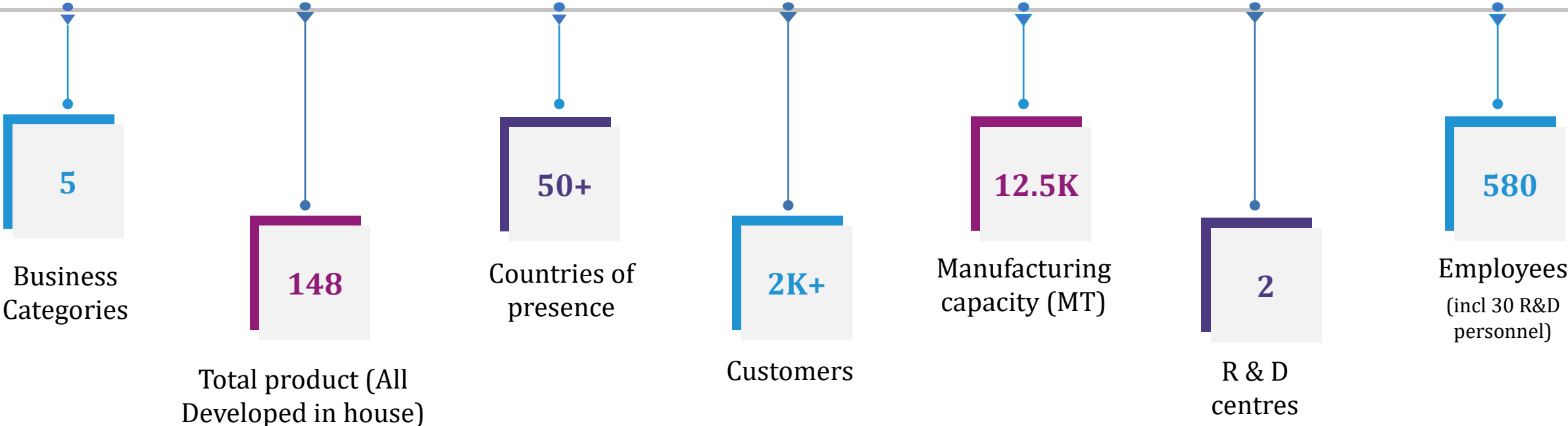
COMPANY OVERVIEW



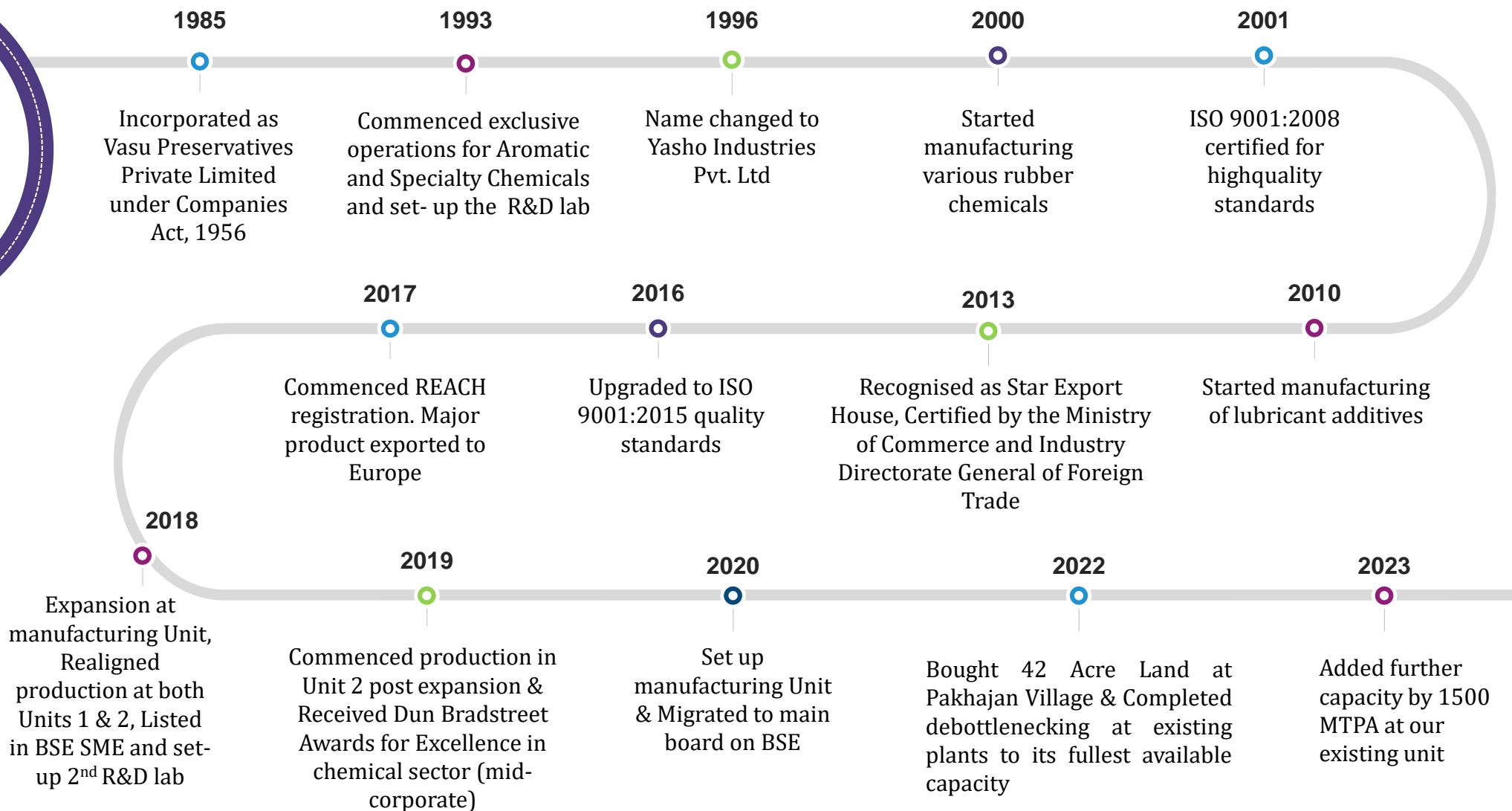
Business Overview

Leading specialty and performance chemicals manufacturer

Yasho Industries is a pioneer in specialty and fine chemicals manufacturing, incorporated in 1985 by Mr. Vinod Jhaveri. Equipped with a dedicated research and development centre and state-of-the-art manufacturing facilities, we manufacture 148 products across five business verticals - Food Antioxidants, Aroma Chemicals, Rubber Chemicals, Lubricant Additives, and Specialty Chemicals. Our diverse product portfolio helps us serve a dynamic and far-reaching customer base across the world including the United States of America (USA), Europe, Asia, and the Middle East, securing around 65% of revenue from exports.



History Timeline



Board of Directors



MR. VINOD JHAVERI

Chairman & Executive Director



MR. PARAG JHAVERI

Managing Director & CEO



MR. YAYESH JHAVERI

Whole Time Director & CFO



MR. ANURAG SURANA

Non-Executive Independent Director



MR. ULLAL BHAT

Non-Executive Independent Director



DR. PRAKASH BHATE

Non-Executive Independent Director



MRS. SUDHA NAVANDAR

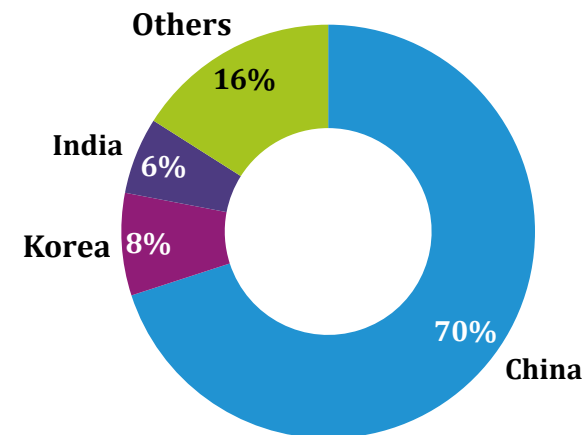
Non-Executive Independent Director

Industry Overview



Rubber Chemicals Industry

- 1 The global rubber chemicals market is expected to grow at 4.9% to \$5.31 bn by 2025 *(Source - Global Market Insights)*
- 2 The global rubber chemicals demand is at 1.0-1.1 million tonnes annually and Indian demand is around 70,000-75,000 TPA
- 3 China and Korea constitute ~75% of the market of rubber chemicals. India market share is around 5-6%
- 4 Asia Pacific to emerge as the leader in consumption of rubber chemicals owing to big automotive base, strong demand and wide population. China, India and Japan provides immense opportunities for rubber chemicals manufacturers
- 5 Rubber chemicals are split into 3 categories: accelerators, anti-oxidants (which make up over 50% of the market), and inhibitors/stabilizers.



Global Market Share Split

Indian Tyre Market - Boosting Rubber Chemicals with Rising Tyre Demand

1	2	3	4	5
<p>In 2022, 179.2 mn units were produced, and the market is projected to grow to 222.85 mn units by 2028 at a 3.7% CAGR.</p>	<p>Domestic consumption is 5 lakh tonne per annum and production was 7.75 lakh mt in 2022, with 70% going to tyre manufacturing.</p>	<p>The industry has completed investment of Rs 35,000 crore in the last three years in new capacity creation and debottlenecking</p>	<p>Replacement market accounts for over 60% of total tyre sales, with 50% in motorcycle, 46% in PV, 53% in LCV, and 67% in T&B</p>	<p>The industry is expected to reach a turnover of Rs 1 lakh crore in the next three years, driven by new capacities.</p>

Lubricant Additives Industry

The global lubricant additives market is expected to grow at a CAGR of 4.63% from 2022 to 2027 and is forecasted to reach \$13.2 billion by 2027 from \$10 billion in 2021.

CATEGORY ANALYSIS

Type

- A dispersant is the most used lubricant additive in industrial and automotive oil
- The India industrial lubricants market is divided into product type and end-user industry

Application

- The market is bifurcated into automotive and industrial lubricants
- In the construction, mining, and agricultural industries, lubricants are useful for preventing premature failure and the performance decline of heavy equipment

Geographical Analysis

- APAC was the third largest and fastest growing market for lubricant additives.
- China, India, and South Korea is witnessing a surge in demand

GROWTH DRIVERS

Growing Demand in Automotive and Manufacturing sector

- Witnessing the increasing production and demand for vehicles in emerging economies
- Rising demand of industrial lubricant in wind energy sector, mining operation and construction industry

Growing Demand for Multifunctional Additives

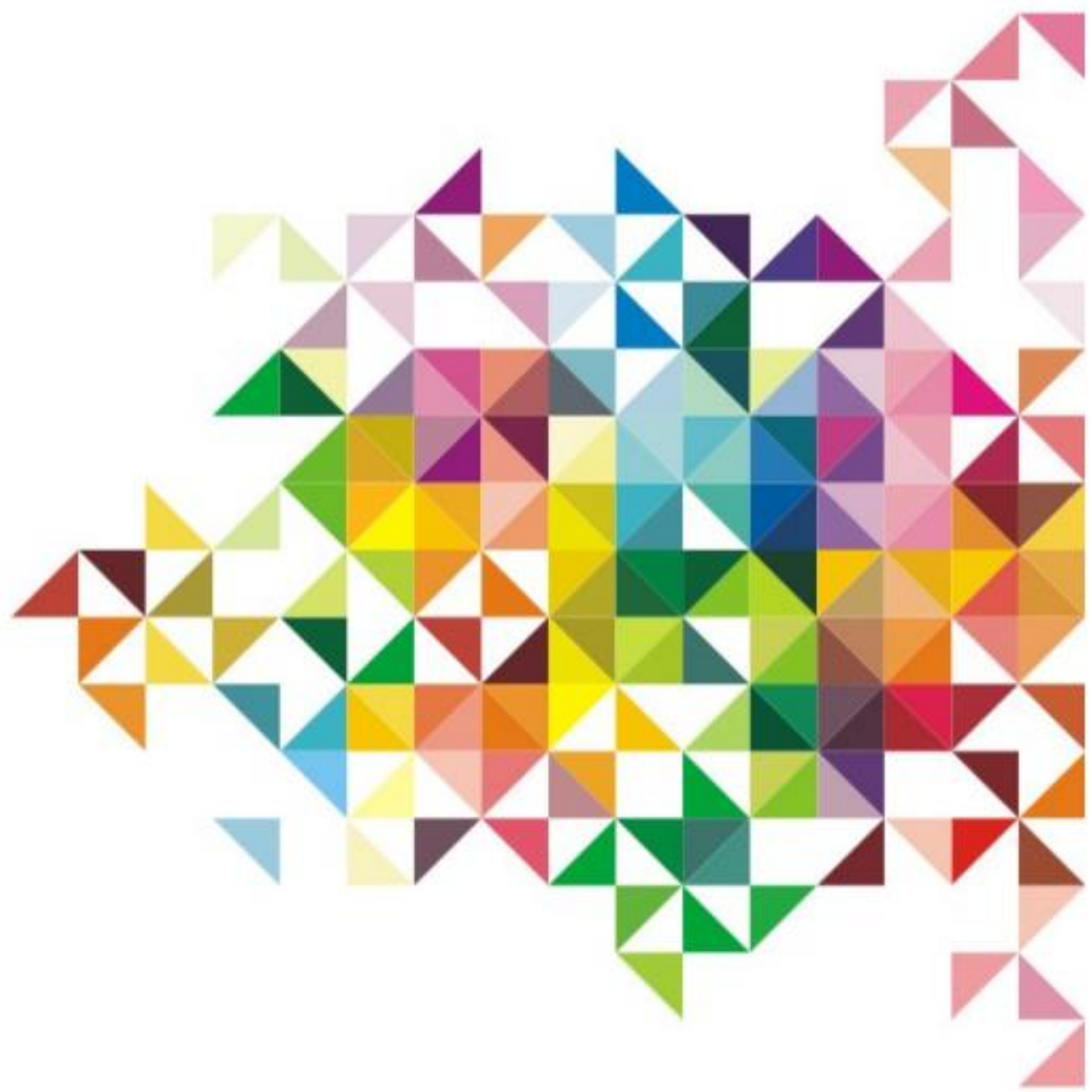
- The increasing advancement in engine design and the inclination of customers toward high-performance products is driving the demand

Nations effort for Achieving Fuel economy

- For improving vehicle efficiency and transition to low carbon vehicles, various initiative has been launched in nations globally focusing on all automobile sectors

(Source – globenewswire, mordorintelligence)

DIVERSIFIED BUSINESS MODEL



Diversified portfolio of over 148 products

Consumer Division



Aroma Chemicals

- Flavours and fragrances; personal care products - cosmetics & toiletries
- Agro chemicals as pheromones; Pharmaceutical products such as pain relief, cold & cough formulations
- Dentifrices and oral care preparations including toothpaste, tooth powder and mouthwash

Offerings - Chemicals like fatty esters and natural essential / aroma oils find utilisation in various industries

13
Products



Food Antioxidants

Edible oil, Confectioneries & food stuff, Animal feed, Vitamin premix, Nutraceutical

Offerings - Branded as YANTQ, with their superior anti-oxidative power, find widespread application in keeping food fresh and appetising for a longer time while enhancing its nutrient content

5
Products

Industrial Division



Rubber Chemicals

Tyres, Automobile components, Conveyor belts, surgical gloves, latex gloves, condoms, balloons

Offerings - products like tyres and automotive components like hoses, seals, conveyor belts etc

87
Products



Lubricant Additives

Hydraulic, turbine, engine & gear oils, metal working fluids & greases

Offerings - Branded as YALUB elevate the performance of lubricants by improving boundary lubricity, oxidation resistance, extreme pressure properties, and inhibiting corrosion.

22
Products

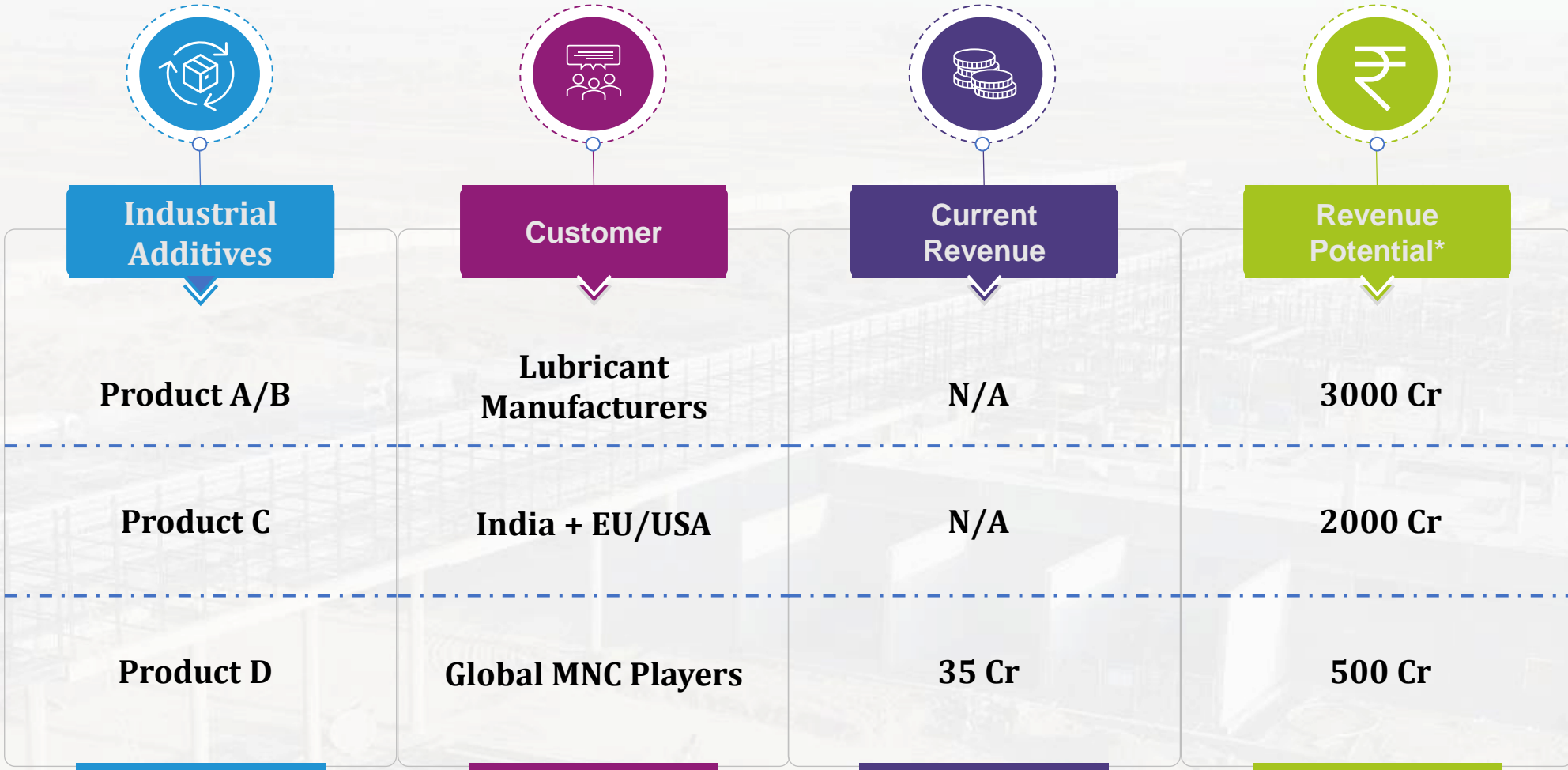


Specialty Chemicals

- Stabilisers for acrylics, printing inks/coating, UPR resins and fibre composite resins
- Intermediates for API and bulk drugs, and agrochemicals

21
Products

Product Pipeline & Revenue Potential



Diverse applications across industries



Cosmetics



Feed Additives



Flavours and Fragrance



Food



Fuel & Bio Diesel



Industrial Chemicals



Ink & Coating



Lube & Grease



Automobile and
Industrial Rubber Sectors



Water Treatment



Pharmaceuticals &
Nutraceuticals



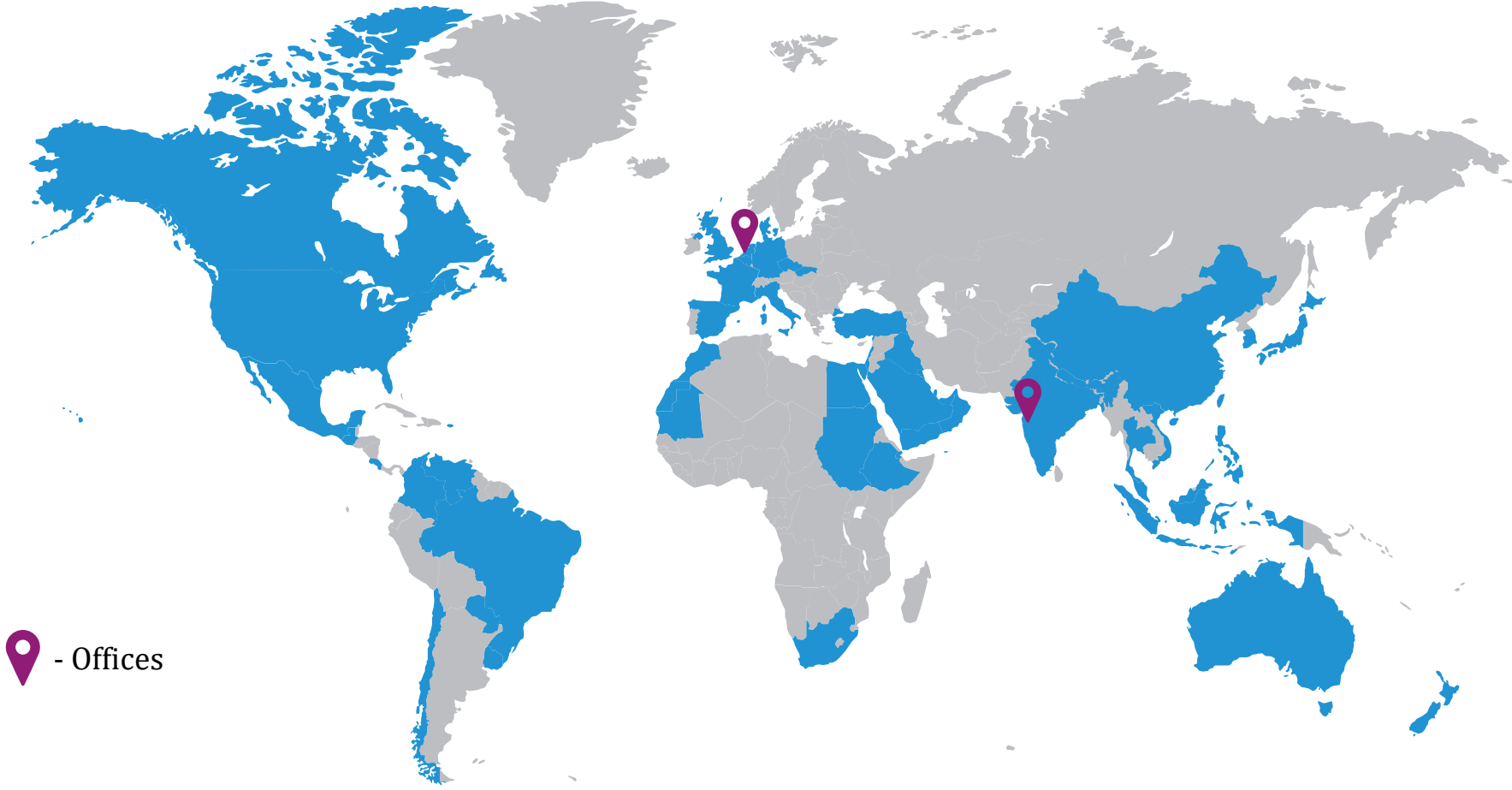
Plastic & Resins

Diverse geographical presence

6 Continents

50+ Countries

2 Offices

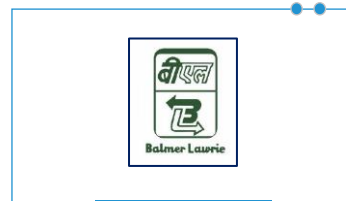


 - Offices

- ✓ India
- ✓ Australia
- ✓ Bangladesh
- ✓ Belgium
- ✓ Brazil
- ✓ Canada
- ✓ Chile
- ✓ China
- ✓ Colombia
- ✓ Costa Rica
- ✓ Czech Republic
- ✓ Denmark
- ✓ Djibouti
- ✓ Dubai
- ✓ Ecuador
- ✓ Egypt
- ✓ Ethiopia
- ✓ France
- ✓ Germany
- ✓ Guatemala
- ✓ Indonesia
- ✓ Iraq
- ✓ Israel
- ✓ Italy
- ✓ Japan
- ✓ Kuwait
- ✓ Lebanon
- ✓ Malaysia
- ✓ Mexico
- ✓ Morocco
- ✓ Netherlands
- ✓ New Zealand
- ✓ Oman
- ✓ Paraguay
- ✓ Philippines
- ✓ Puerto Rico
- ✓ Saudi Arabia
- ✓ Singapore
- ✓ Slovakia
- ✓ South Africa
- ✓ South Korea
- ✓ Spain
- ✓ Sudan
- ✓ Taiwan
- ✓ Thailand
- ✓ Turkey
- ✓ United Arab Emirates
- ✓ United Kingdom
- ✓ United States
- ✓ Uruguay
- ✓ Venezuela
- ✓ Vietnam
- ✓ Yemen

Diversity at scale with large customer base

We have clients from diversified industries and we help them to build their worldwide presence



Key Takeaways

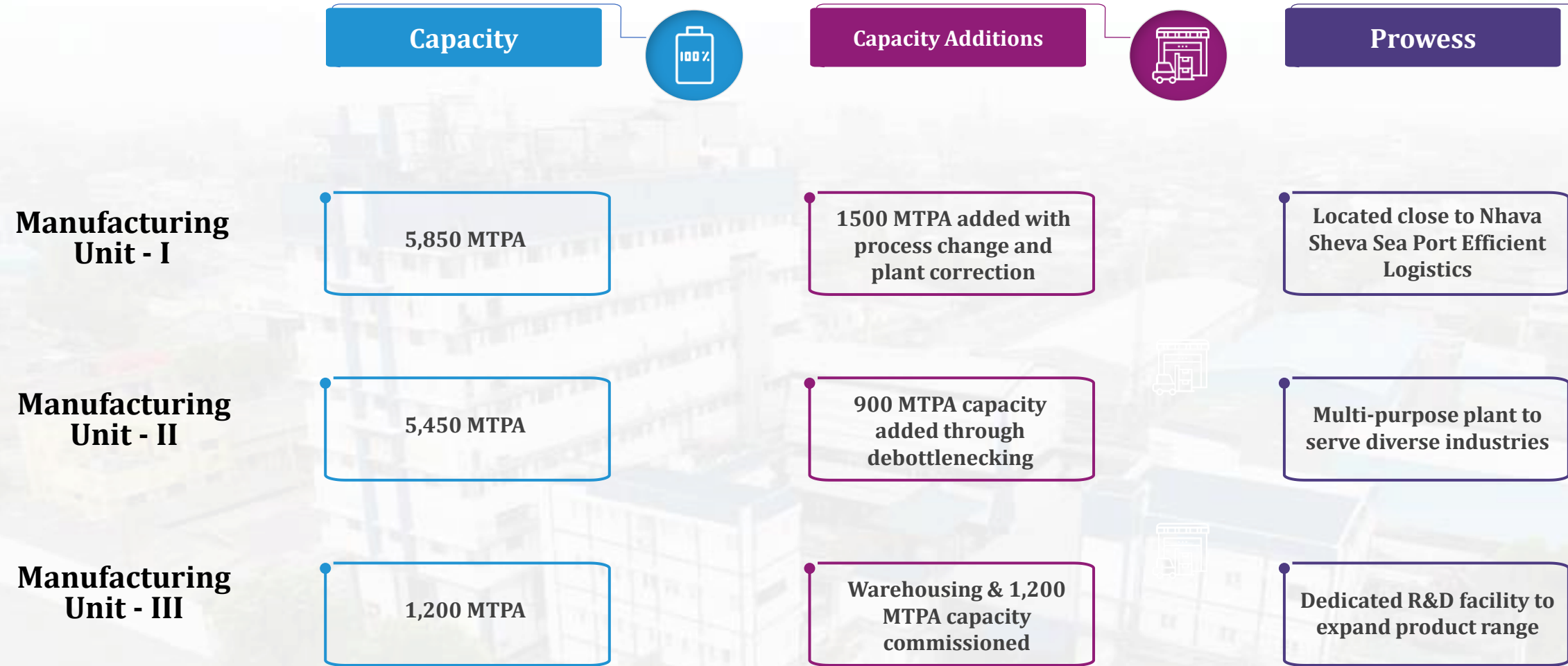
15+ high value (unicorn) clients

Over 30 years, we have created 148 products for a variety of industries.

We serve customers from USA, Europe, Asia and the Middle East, securing more than 65% of revenue from exports.

2000+ customers across industries

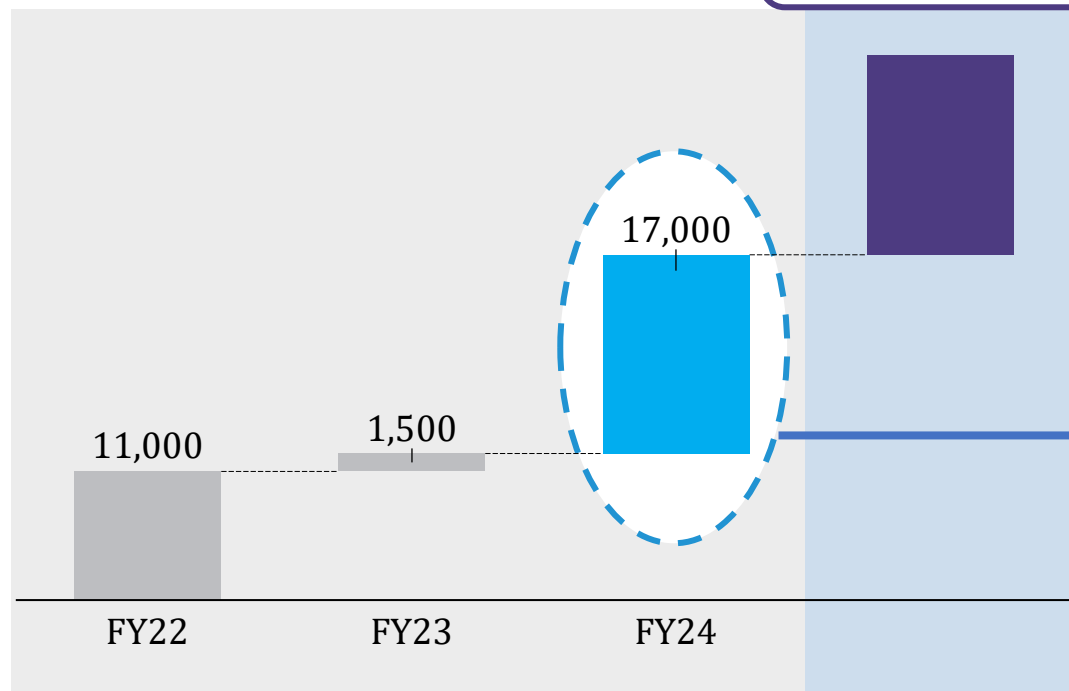
Manufacturing Capabilities



Update on Capex

Capacity Expansion

50% of land is still available in Pakhajan for expansion



To address the Demand Supply Gap through capacity expansion

Greenfield Project at Pakhajan, Gujarat

Estimated Cost ~ Rs 400 Crores for Phase 1

Target Products Industrial Chemicals, EBITDA Margin > 20%

Timeline ~Q4FY24 to commence production

Estimated Revenue ~ Rs 550 – 600 Crores from Phase 1

Source of Funding ~Rs 269 Crores from Bank loans & ~ Rs 131 Crores via internal accruals and equity already raised

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

Dahej Plant



Research & Development



Research & Development

- As the cornerstone of our business, R&D is led by our promoters with active contribution and guidance
- We are working on process improvements and new products which align with our business portfolio
- Recently, we have upgraded our R&D facility and now have more than 30 chemists contributing actively
- Several projects are in various stages of development, and we are confident that this will help us to achieve our future growth



Quality Control

- Research & Development & Quality Control is our core strength. YIL continues to invest in R&D and technological upgradation to ensure sustainable operations throughout its facilities
- Our In-house testing facility & the state-of-the-art laboratory uses modern quality control methods and sophisticated instrumentation such as:
 - AAS(Atomic Absorption Spectrophotometer)
 - CHNS Analyzer
 - Differential Scanning Calorimeter (DSC)
 - FTIR (Fourier Transforms Infrared Spectrophotometer)
 - GC (Gas Chromatography)
 - HPLC (High-Performance Liquid Chromatography)
 - UV Spectrophotometer

Certifications & Accreditation



ISO Certification



FSSC 22000 Certification



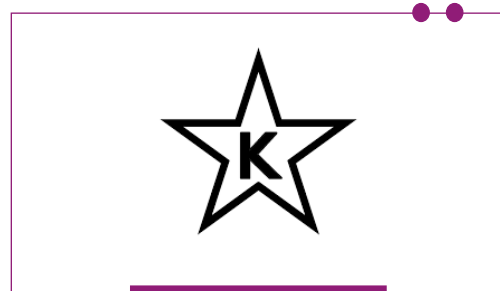
FSSAI Certification



NSF Certified



FAMIQS Certification



STAR KOSHER Certification



HALAL Certification



ecovadis Certified

Entry Barriers & USP's

Economies of Scale

Established players in the industry often have access to economies of scale, which can make it difficult for new entrants to compete on price

Technical know-how

Complex processes and technologies, making it difficult for new entrants without specialized knowledge and experience to compete

Long Gestation

Long lead time between investment in research and development. commercialization of new products

Highly Regulated Markets

Many chemicals are used in specific industries and require extensive testing and process of getting customer approvals for new products can be long and difficult

Capex

Setting up and running a chemical manufacturing facility requires significant investments in equipment, infrastructure, and research & development

Stringent Environmental Compliance

Subject to strict environmental regulations, which can be costly for new entrants to comply with

Prolonged Customer Endorsements

Many chemicals are used in specific industries and require extensive testing and process of getting customer approvals for new products can be long and difficult

Wide Range of Products

Wide range of products, which can be a barrier to entry for new companies as it may be difficult to specialize in one specific area

Unique Selling Propositions

Innovative solutions for the future

Constantly researching and investing in new generation chemicals to stay ahead of industry trends and meet the evolving needs of our customers

Quality is our top priority

Rigorous quality control measures in place to ensure that all our products meet industry standards and exceed customer expectations

Optimizing efficiency and profitability

Our efficient operations and cost-effective processes help us to maximize our profitability and provide competitive pricing to our customers

Meeting diverse needs

We offer a wide range of products, catering to diverse end user applications and a wide geographic reach.

Expertise you can trust

Our team of experts have extensive knowledge and experience in the industry, ensuring that we can provide the best technical support and advice to our customers

Building long-term relationships

Strong customer base and maintain long-lasting relationships with our customers due to our commitment to quality and service

Financial stability you can rely on

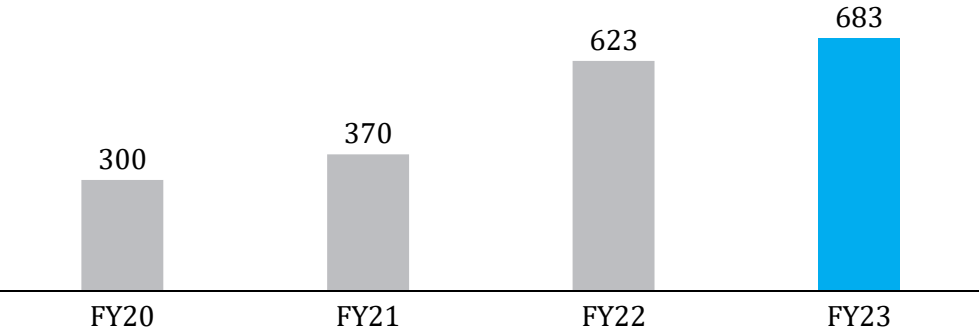
Strong credit metrics, ensuring our financial stability and the ability to meet our financial obligations and support long-term growth.

Financial Performance

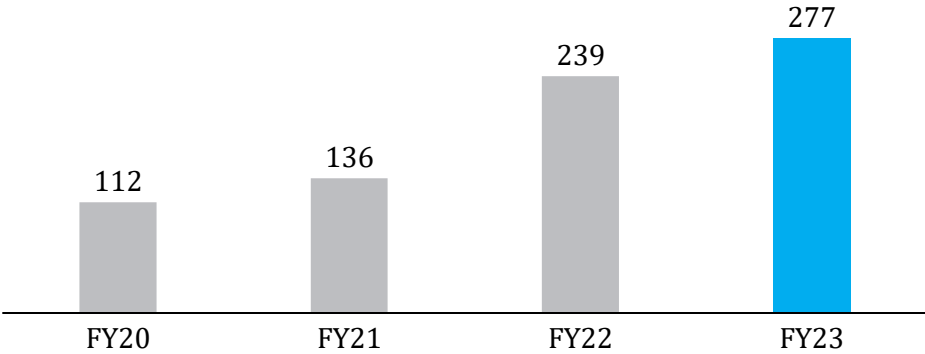


Financial Performance

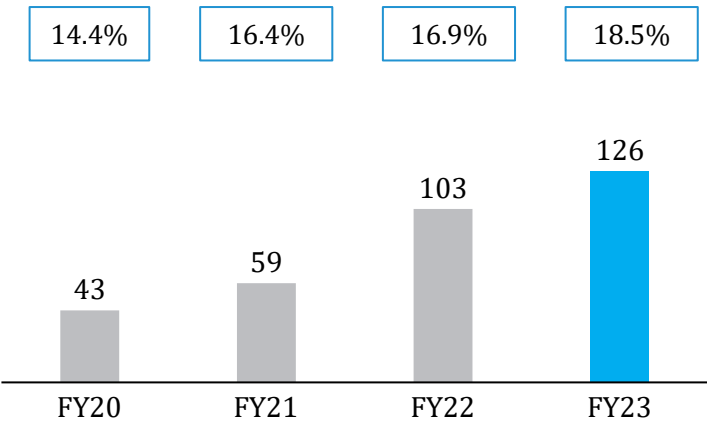
Total Revenue (Rs. Crs.)



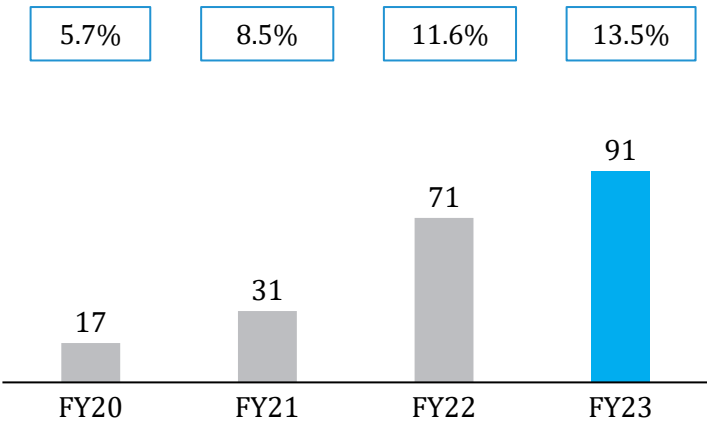
Gross Profit



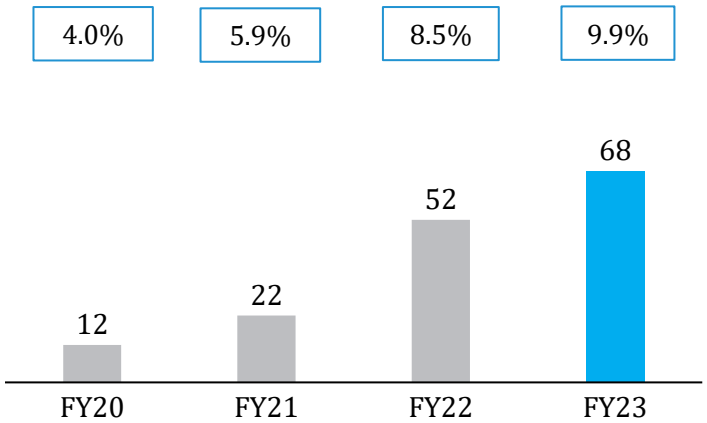
EBITDA (Rs. Crs) & EBITDA Margin



PBT (Rs. Crs) & PBT Margin



PAT (Rs. Crs) & PAT Margin

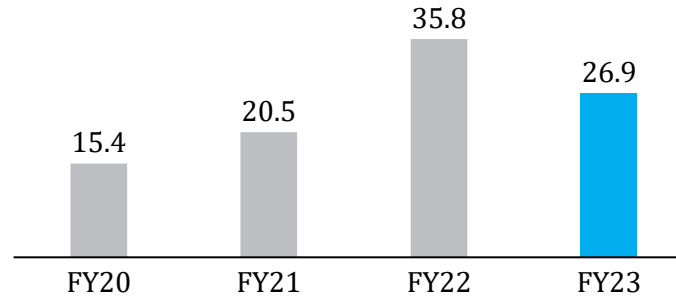


Financial Performance

ROE (%)



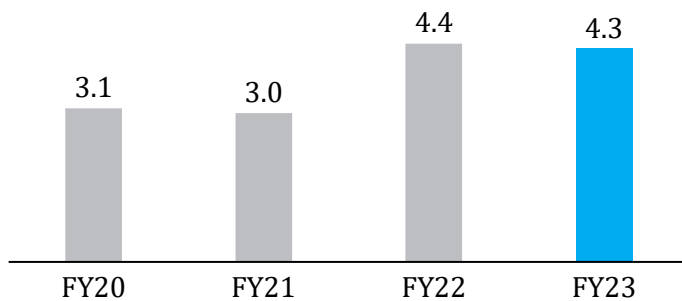
ROCE (%)



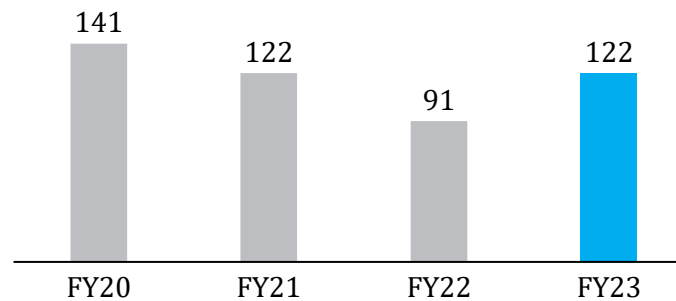
Net Debt / Equity (x)



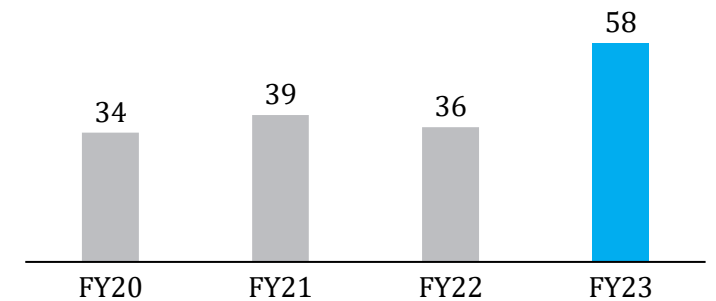
Fixed Asset Turnover (x)



Working Capital Days



Cash Flow from Operations (Rs. Crs.)



Consolidated Income Statement – Q4 & FY23

Particulars (Rs. in Crs)	Q4 FY23	Q4 FY22	Y-o-Y	Q3 FY23	Q-o-Q	FY23	FY22	Y-o-Y
Revenue from Operations	152	182.5		148.9		671.6	612.7	
Other Income	1.5	2.9		3.8		11	10.3	
Total Revenue	153.5	185.3	-17.2%	152.6	+0.6%	682.6	623	+9.6%
Cost of Material Consumed	106.1	119.5		101.9		462.7	409.1	
Change in Inventories of Finished goods & Work in Progress	-11	-4.0		-10.1		-57.4	-19.9	
Total Raw Material	95.1	115.4		91.8		405.3	389.2	
Gross Profit	58.4	69.9		60.9		277.2	233.8	
Gross Profit Margin (%)	38.1	37.7%		39.9%		40.6%	37.5%	
Employee Expenses	9.9	9.1		9.7		38.6	32.5	
Other Expenses	20.6	33		24.3		112.7	97.9	
EBITDA	27.9	27.8	+0.7%	26.9	+0.1%	126	103.3	+22%
EBITDA Margin (%)	18.2%	15.2%		17.6%		18.5%	16.9%	
Depreciation	4.7	5.2		5.19		19.8	18.7	
EBIT	23.2	22.5	+3%	21.7		106.2	84.6	+25.5%
EBIT Margin (%)	15.1%	12.2%		14.2%		15.6%	13.6%	
Finance Cost	3.8	3.1		3.9		15.6	13.8	
Profit before Tax	19.5	19.4	+0.2%	17.8	+9.4%	90.6	70.8	+27.9%
Profit before Tax(%)	10.2%	10.7%		11.9%		13.5%	11.6%	
Tax	3.8	6.1		7.3		22.7	18.5	
Profit After Tax	15.7	13.5	+17.8%	10.5	+49.9%	67.9	52.3	+29.8%
PAT Margin (%)	10.2%	7.4%		7.0%		9.9%	8.4%	
EPS (As per Profit after Tax)	13.8	12.2		9.2		59.5	47.2	

Income Statement

Particulars (Rs. Crs.)	FY20	FY21	FY22	FY23
Revenue From Operations	297.1	359.4	612.7	671.5
Other Income	3.2	10.1	10.3	11
Total Revenue	300.3	369.5	623.0	682.6
Cost of Material Consumed	196.8	222.2	405.6	462.7
Change in Inventories of Finished goods & Work in Progress	-8.3	11.5	-21.5	-57.4
Gross Profit	111.8	135.9	238.8	277.3
Gross Profit Margin	37.6%	37.8%	38.9%	40.6%
Employee Expenses	20.7	23.3	32.5	38.6
Other Expenses	48.1	53.5	103.0	112.7
EBITDA	42.9	59.1	103.3	126
EBITDA Margin (%)	14.4%	16.4%	16.9%	18.5%
Depreciation	10.4	12.0	18.7	19.8
EBIT	32.5	47.1	84.6	106.2
EBIT Margin (%)	10.9%	13.1%	13.8%	15.6%
Finance Cost	15.6	16.4	13.8	15.6
Profit before Tax	16.9	30.7	70.8	90.6
Profit before Tax(%)	5.7%	8.5%	11.6%	13.5%
Tax	4.9	9.2	18.5	22.7
Profit After Tax	12.0	21.5	52.3	67.9
PAT Margin (%)	4.0%	5.9%	8.5%	9.9%



Mr. Yayesh Jhaveri
Whole Time Director

yayesh@yashoindustries.com
www.yashoindustries.com

CIN – L74110MH1985PLC037900

thank you!



Investor Relations:

Mr. Bhavya Shah
bhavya.shah@linkintime.co.in
+91 80827 48577

Mr. Nachiket Kale
nachiket.kale@linkintime.co.in
+91 99209 40808

www.orientcap.com



BSE

541167

Bloomberg

YASHO:IN



REUTERS

YASO:NS