



Yasho Industries Limited

Investor Presentation – May 2021

Safe Harbour

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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.

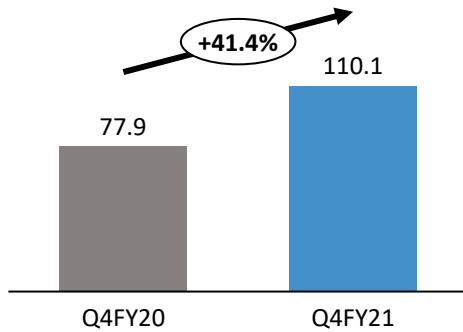
We are witnessing a shift in international trade patterns and believe this is an opportune time for the Indian chemical players like us. We are committed to delivering long-term growth and are ready to encapsulate the upcoming opportunities.”

Mr. Parag Jhaveri,

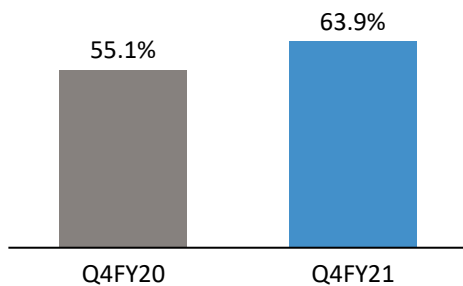
Managing Director & CEO

Financial Highlights

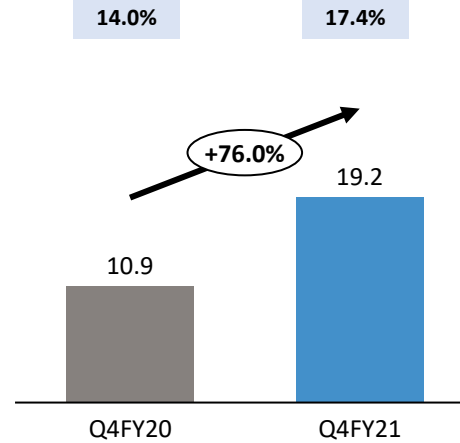
Revenue (Rs. Crs.)



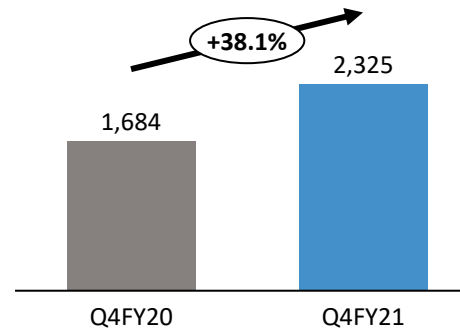
Export (%)



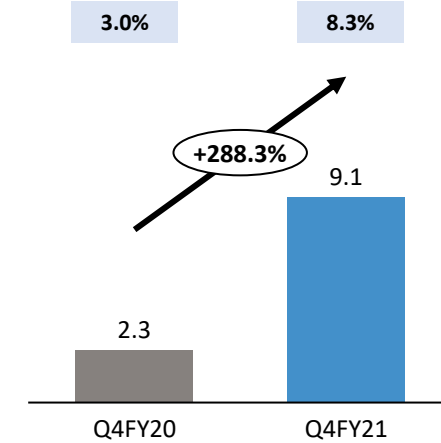
EBITDA (Rs. Crs.)



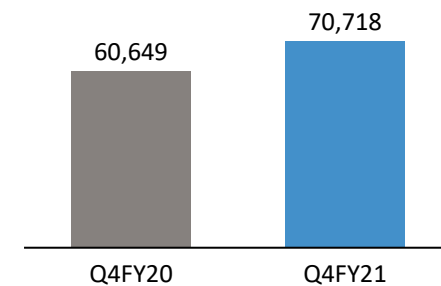
Volume (MTPA)



PAT (Rs. Crs.)



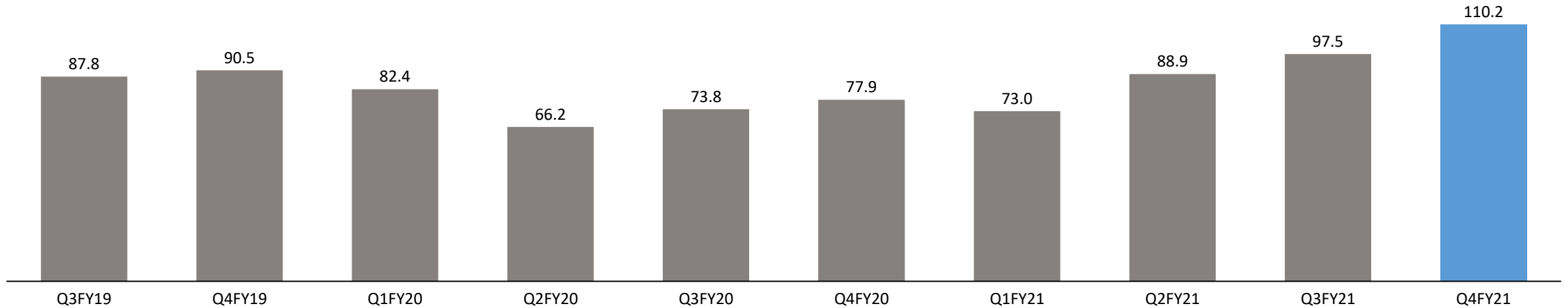
EBITDA/ Tonne** (Rs)



Margin

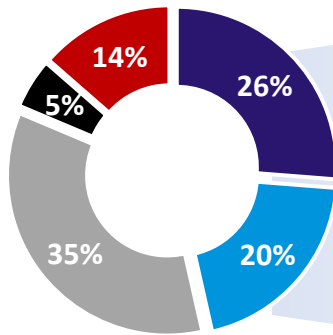
Highest Quarterly Performance

Revenue (Rs. Crs.)

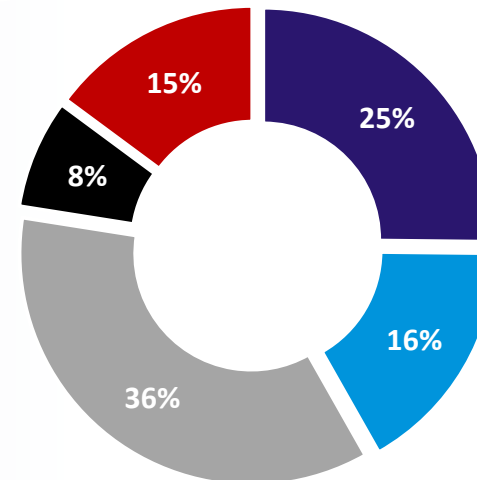


Growing Contribution From Value Added Segments

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
Revenue from Operation	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	
Total Revenue	110.1	77.9	41.4%	97.5	13.0%	369.5	300.3	23.1%
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	
EBITDA	19.2	10.9	76.0%	15.5	23.6%	59.1	42.9	37.7%
EBITDA Margin	17.4%	14.0%		15.9%		16.0%	14.3%	
Depreciation	3.0	2.9		2.7		12.0	10.4	
EBIT	16.1	8.0	100.7%	12.8	26.0%	47.1	32.5	44.7%
Finance cost	3.1	3.9		4.0		16.4	15.6	
PBT	13.0	4.1	215.9%	8.8	48.3%	30.7	16.9	81.2%
Tax expense	3.9	1.8		2.4		9.2	4.9	
PAT	9.1	2.3	288.3%	6.4	42.9%	21.5	12.0	78.3%
PAT Margin	8.3%	3.0%		6.5%		5.8%	4.0%	
EPS	8.47	2.12		5.82		19.77	10.98	

Balance Sheet

ASSETS (Rs. Crs)	Mar-21	Mar-20
Non-Current Assets		
Property, Plant and Equipment	103.1	91.3
Capital Work-in-Progress	-	11.6
Intangible Assets	16.8	15.1
Financial Assets		
(i) Investments	0.1	0.1
(ii) Other Financial assets	2.8	2.5
Other Non-Current assets	5.5	3.4
Non-Current assets	128.4	124.0
Current Assets		
Inventories	80.2	73.4
Financial Assets		
(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
Current assets	177.3	153.8
Total assets	305.7	277.8

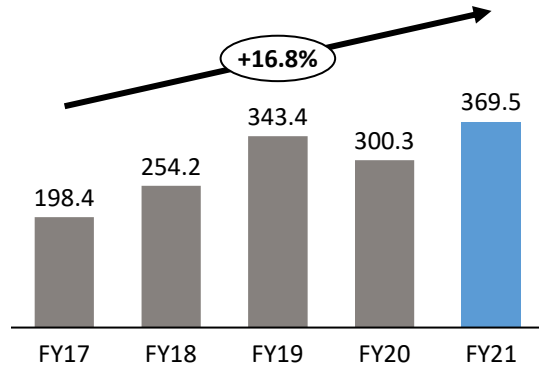
EQUITY AND LIABILITIES (Rs. Crs.)	Mar-21	Mar-20
Shareholders Funds	78.9	57.5
Shareholder's equity	10.9	10.9
Reserve & Surplus	68.0	46.6
Non-Current Liabilities		
Financial Liabilities		
(i) Long-Term Borrowings	53.2	59.8
(ii) Other financial Liabilities	2.6	3.5
Long Term Provisions	2.1	1.2
Deferred tax liabilities	10.8	9.3
Non-Current Liabilities	68.7	73.8
Current Liabilities		
Financial Liabilities		
(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
Current liabilities	158.0	146.5
Total liabilities	305.7	277.8

Cash Flow Statement

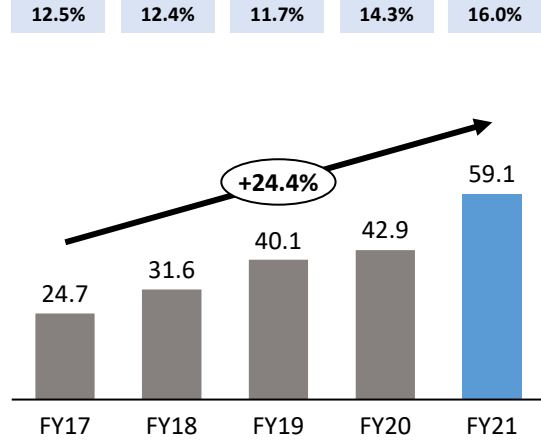
Particulars (Rs. Crs.)	Mar-21	Mar-20
Net Profit Before Tax	30.8	16.8
Adjustments for: Non Cash Items / Other Investment or Financial Items	27.8	25.7
Operating profit before working capital changes	58.6	42.5
Changes in working capital	(19.6)	(8.1)
Cash generated from Operations	39.0	34.4
Direct taxes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

Performance Highlights

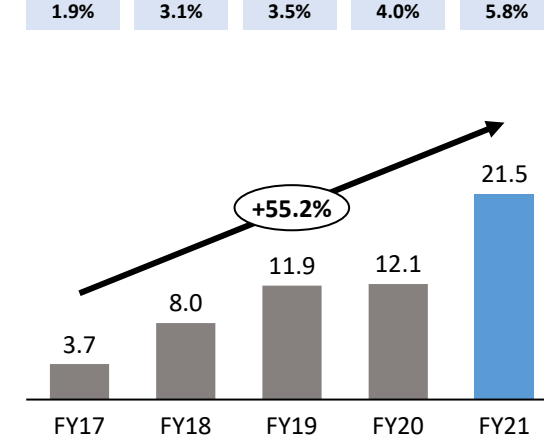
Revenue (Rs. Crs.)



EBITDA (Rs. Crs.)

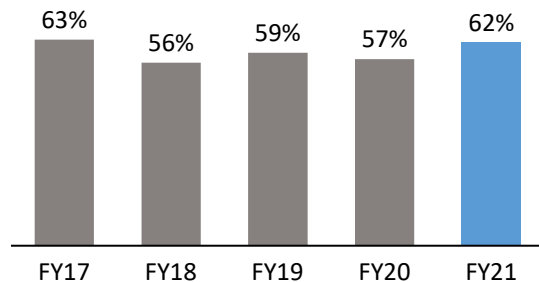


PAT (Rs. Crs.)

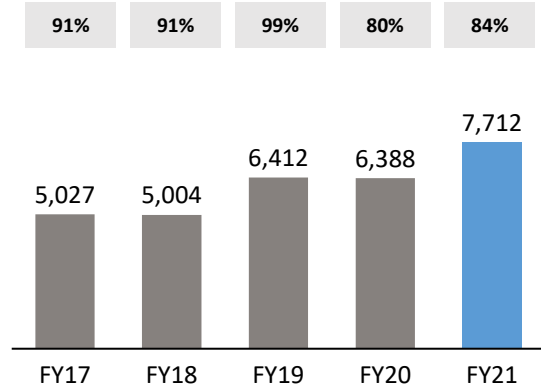


Margin

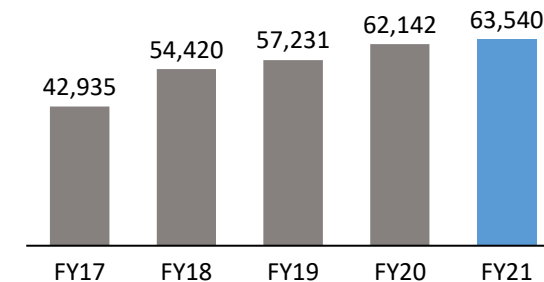
Export (%)



Volume (MTPA)



EBITDA/ Tonne** (Rs)



Utilization

91% 91% 99% 80% 84%

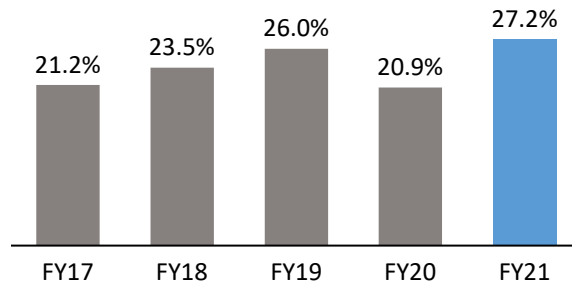
Revenue Includes Other Income

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

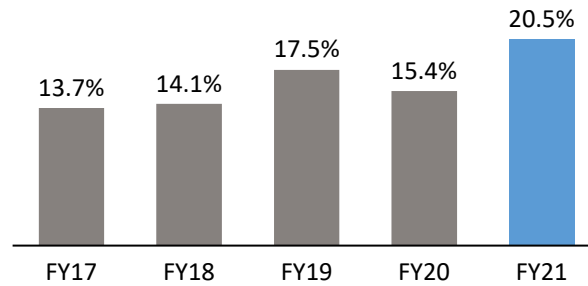
**Excluding other Income

Key Ratios

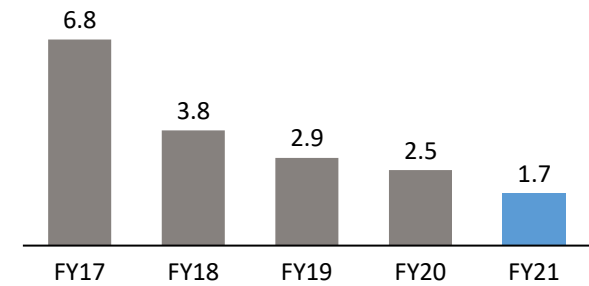
ROE (%)



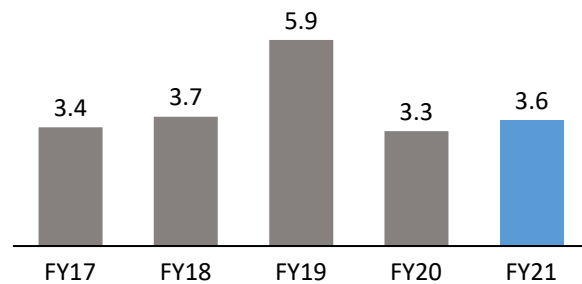
ROCE (%)



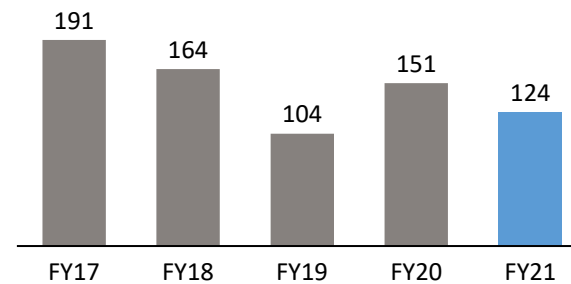
Net Debt / Equity (x)



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

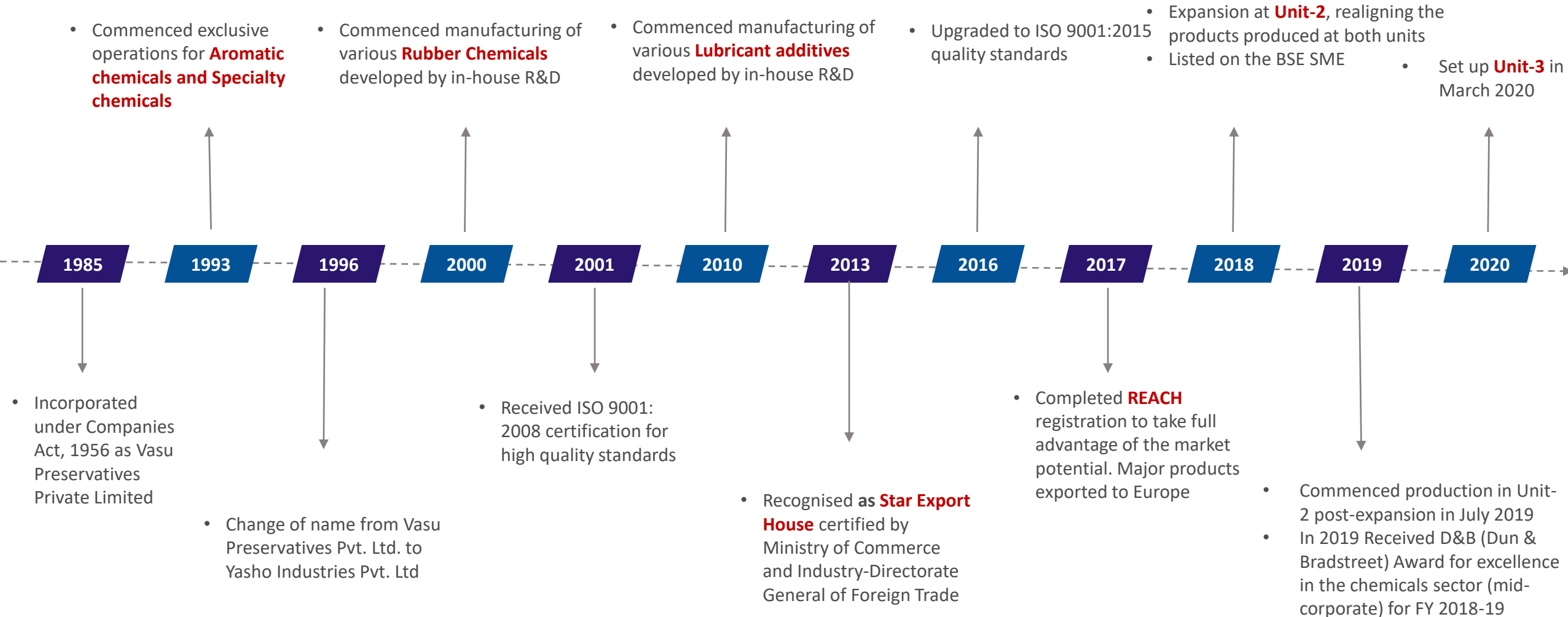
Business Vertical : 5

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



Aroma Chemicals



Food Antioxidants

Limited Competition, Export Opportunity and Superior Margin Profile



Rubber Chemicals



Lubricant Additives

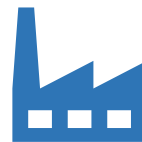


Specialty Chemical

Business Verticals



Multi-Products



Multi-Applications



Multi-Reach

Made in India : Delivering Globally

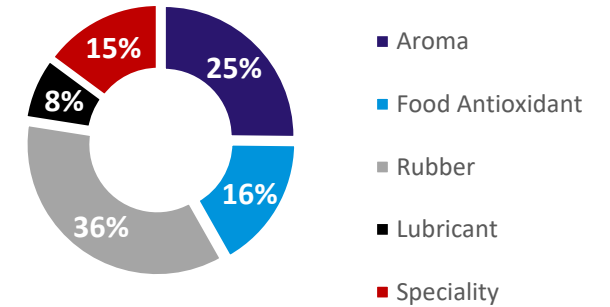
Strong Presence in over **40 countries** across Europe, America, Middle East and Asia.

Exports over **60%**

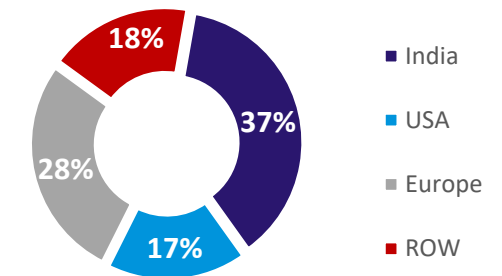


Recognized Supplier in Global Markets since last **2 Decades**

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**

**3 Units at
Vapi, Gujarat**

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

Competitive Edge

Unit 1: 3,450 MTPA



- 950 MTPA Additional Capacity added in FY19

01

Strategically located within 200 Kms from Nhava Sheva Sea Port

Unit 2: 4,550 MTPA



- Additional capacity of 1,550 MTPA commissioned in FY20

02

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

Unit 3: 1,200 MTPA



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


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

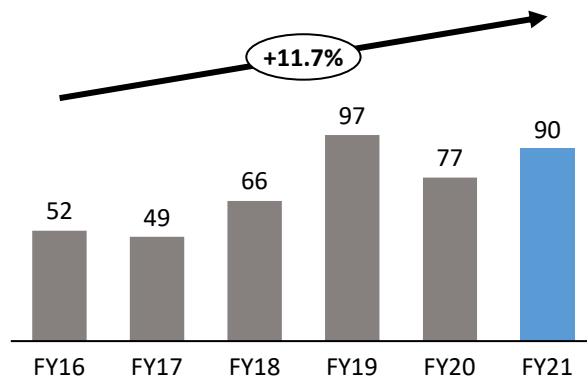
Lubricant Additives

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](#)

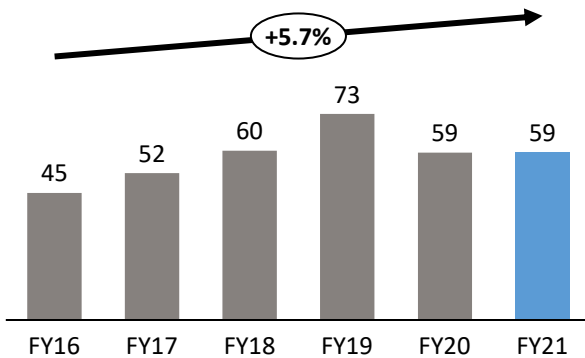
[Lubricant Additives](#)

[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

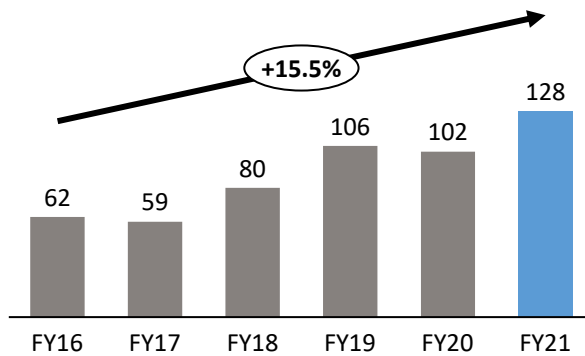
Lubricant Additives

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

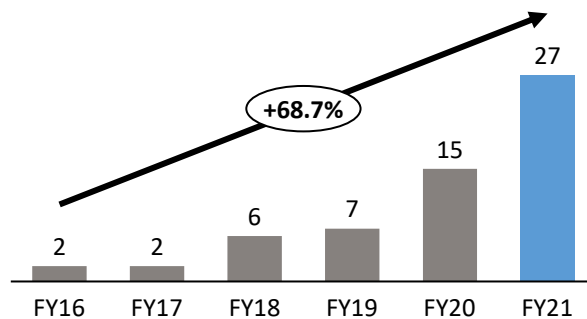
Rubber Chemicals

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

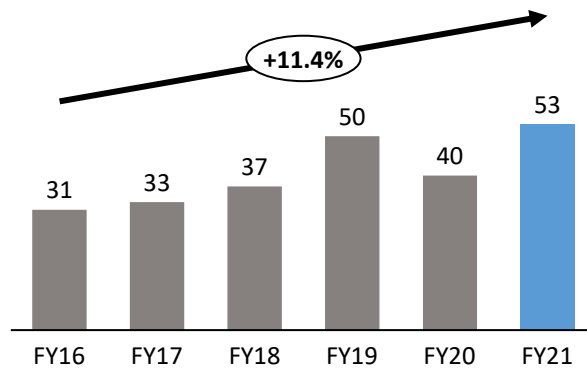
Lubricant Additives

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

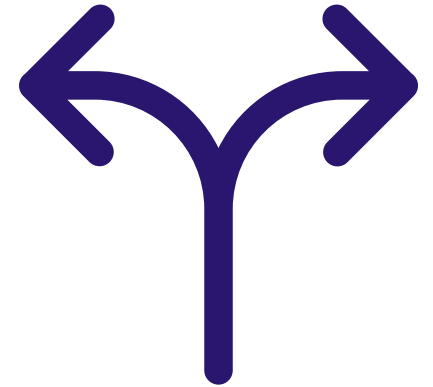
Indian
Chemical
Products:
+70,000

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



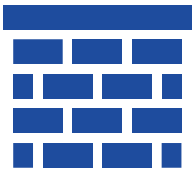
Capacity Ramp-up

- 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



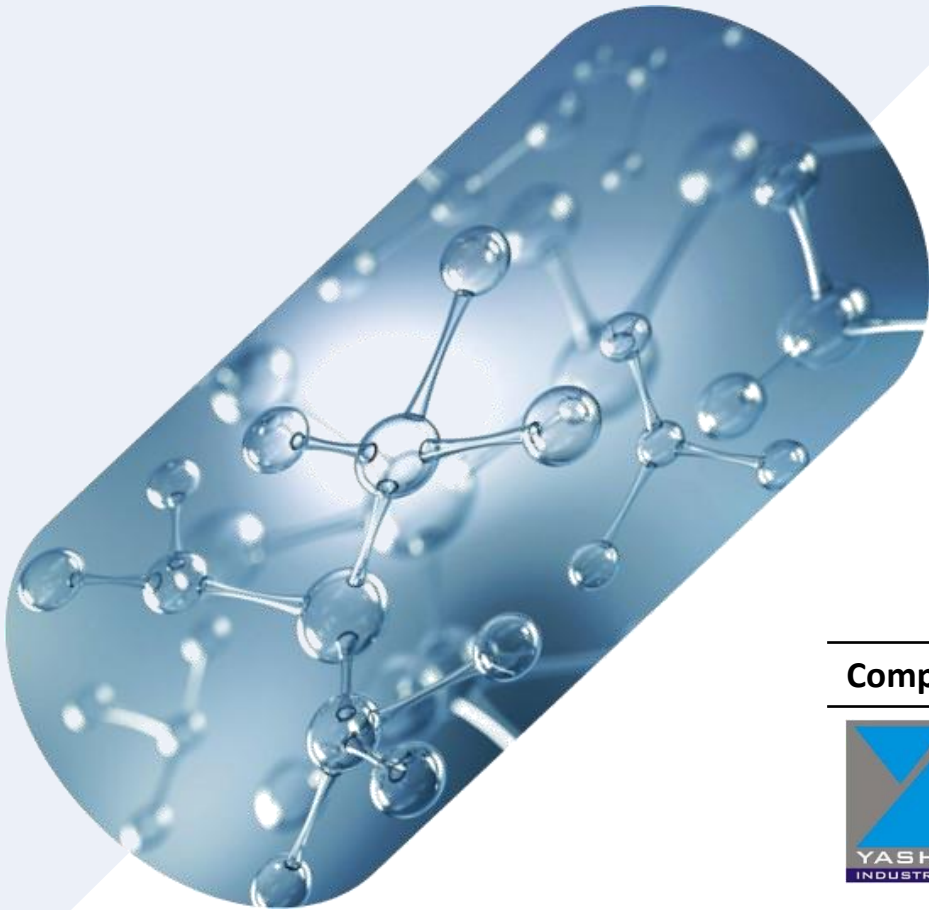
Strengthening Balance Sheet

- 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



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