

**JYOTI RESINS &  
ADHESIVES LTD.**

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Website :- [www.euro7000.com](http://www.euro7000.com)

Date :- 19.05.2023

The Manager,  
BSE Limited,  
Department of Corporate Services,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001

**Script Code: 514448**

**Sub :- Q4 F.Y. 22 - 23 Investor Presentation.**

Dear Sir,

With reference to above subject, please find attached herewith our  
Q4 F.Y. 22 - 23 Investor Presentation.

You are requested to kindly update the same on your website.

Thanking you,

Yours faithfully,

**For, JYOTI RESINS & ADHESIVES LTD.**

**MANISH SHANTILAL JAIN**

**Compliance Officer & Company Secretary**

**(M.No. ACS – 53423 )**



# Jyoti Resins and Adhesives Ltd

Q4 & FY2023  
Investor Presentation

# Safe Harbour Statement

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## Quarter Performance highlights

Performance snapshot |  
Stronger Balance Sheet; Improving  
Cash Flows |  
Financial highlights

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## Business Model

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Way forward

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## Company background

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Manufacturing | Our strengths &  
commitment | Management Team |  
Annual Performance snapshot |  
Financial highlights

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## Product Portfolio, New Products, Digital Advertisement, Events

Diversified product portfolio |  
New Products |  
Digital Ads |  
Recent Dealer Events



# Performance Highlights



# Performance Snapshot (Q4)

**13.3%**  
Growth in  
Revenue  
YoY

**+1765 bps**  
EBITDA  
Margin  
YoY

**+1317 bps**  
PAT  
Margin  
YoY

**165%**  
Growth in  
EBITDA  
YoY

**135%**  
Growth in  
PBT  
YoY

**137%**  
Growth in  
Net Profit  
YoY

**Strong Gross Margin of 57.14% and EBITDA Margin of 30.8%** led by sharp drop in raw material prices

Robust **volume growth of 27.5%** for the year

Volume growth for Q4FY23 is **up 8% QoQ** vs Q3FY23

On reconciliation of operating cash flow (*details on slide no 6*), **generated strong operating cash flows of Rs 377 mn**

Currently operating at **~60% capacity utilisation** at gross production levels.

Recent dealer meets in Jan-Mar'23 witnessed very strong traction and participation in all the regions. (*see pictures on Slide 26*)

Dividend declared Rs.6 per share equivalent to 60% of Face Value and **15.5% Dividend Payout**, on enhanced post bonus equity.

Note - During our post-submission review process, we identified a computational error in the 'Changes in Inventories of Finished Goods, Work-in-Progress, and Stock-in-Trade' line item for the 4th quarter of FY 2022-23. This discrepancy resulted from an inadvertent miscalculation. Please note that this error was immediately corrected in our revised report. This **has led to an increase in our net profit for Q4 to Rs 46.8 mn**. Please note, the overall result for FY 2022-23 remains unchanged, with the correction affecting only the distribution within the results, not the cumulative total. The corrected report has been promptly submitted to the BSE and is accessible on their website.

# Stronger Balance Sheet; Improving Cash Flows

(Rs mn)	FY23	FY22
Cash flow from operating activities (as per CFS)	10.0	26.1
<b>Added back</b>		
Change in Non current financial assets*	271.6	-58.6
Change in Other bank balance**	95.5	8.8
<b>Reconciliation of Cash Flow from Operations</b>	<b>377.2</b>	<b>-23.7</b>

**On Reconciliation, Cash flow from operations has increased from Rs.(-23.7) mn in FY22 to Rs.377.2 mn in FY23**

**Avg. Receivables reduced to 109 days** vs 117 days YoY in spite of 42% growth in revenue for the year. This is **down from 266 and 190 days in FY20 and FY21 respectively.**

Other Financial Liabilities (liabilities for expenses w.r.t. buyer schemes) dropped to 32% of revenue from approx. 91% and 46% levels in FY21 & FY22 respectively.

**Fixed Deposits + Bank Balance + Cash & Cash Equivalent Increased 2x** from Rs.281 mn in FY22 **to Rs.585 mn in FY23.**

**Shareholders Funds (Total Equity) stands at Rs 1,059.8 mn** and excluding revaluation reserves (Rs 168 mn) stands at Rs 891.8 mn.

\*Fixed Deposits having maturity beyond 12 months from the Balance sheet date

\*\*Fixed Deposits having maturity between 3 to 12 months from the Balance sheet date

Note: As per accounting standards, FDs up to 3 months form part of cash and cash equivalent at end of Cash Flow

# Quarterly Financial highlights

(All values in Rs mn)	Q4FY23	Q3FY23	Q4FY22	YoY%	FY23	FY22	YoY%
Net Sales	650.8	666.1	574.6	13.25	2,612.5	1,819.6	43.6
Expenditure	450.3	502.8	499.0	-9.77	2,006.3	1,581.9	26.8
<b>EBITDA</b>	<b>200.5</b>	<b>163.3</b>	<b>75.6</b>	<b>165.17</b>	<b>606.3</b>	<b>237.6</b>	<b>155.1</b>
<i>EBITDA Margin (%)</i>	<i>30.81</i>	<i>24.52</i>	<i>13.16</i>	<i>+1,765 bps</i>	<i>23.21</i>	<i>13.06</i>	<i>+1,015 bps</i>
Other Income	17.5	1.7	17.7	-1.15	22.6	34.5	-34.4
Depreciation	4.0	3.5	1.9	107.83	14.5	7.1	104.6
Interest	0.3	-	0.3	9.93	0.3	0.5	-32.8
<b>Profit Before Tax</b>	<b>213.7</b>	<b>161.5</b>	<b>91.2</b>	<b>134.48</b>	<b>614.1</b>	<b>264.6</b>	<b>132.1</b>
Tax	49.7	40.0	21.9	126.37	149.7	66.9	123.6
<b>Profit After Tax</b>	<b>164.1</b>	<b>121.5</b>	<b>69.2</b>	<b>137.06</b>	<b>464.4</b>	<b>197.6</b>	<b>135.0</b>
<i>PAT Margin (%)</i>	<i>25.21</i>	<i>18.24</i>	<i>12.04</i>	<i>+1,317 bps</i>	<i>17.78</i>	<i>10.86</i>	<i>+692 bps</i>
<b>Earnings Per Share (Rs)</b>	<b>13.67</b>	<b>10.12</b>	<b>5.77</b>	<b>137.06</b>	<b>38.70</b>	<b>16.47</b>	<b>135.0</b>





# Business Model & Our Edge

# Business Model



01

• The company imports raw materials from several countries. The raw materials are then processed and white glue is manufactured in their plant at Santej. The finished product is then packaged into different sizes starting from 500 gm upto 70 kgs. The products are then sold through a mix of Distributors and Consignee & Sales Agents into the retail market (sold to dealers).

02

• At a team level, the company has zonal managers, area managers, sales executives and business development executives. The whole chain works cohesively towards the visibility, promotions, training of carpenters, use and applications, resolving customer issues, sales orders and processing, and other related activities.

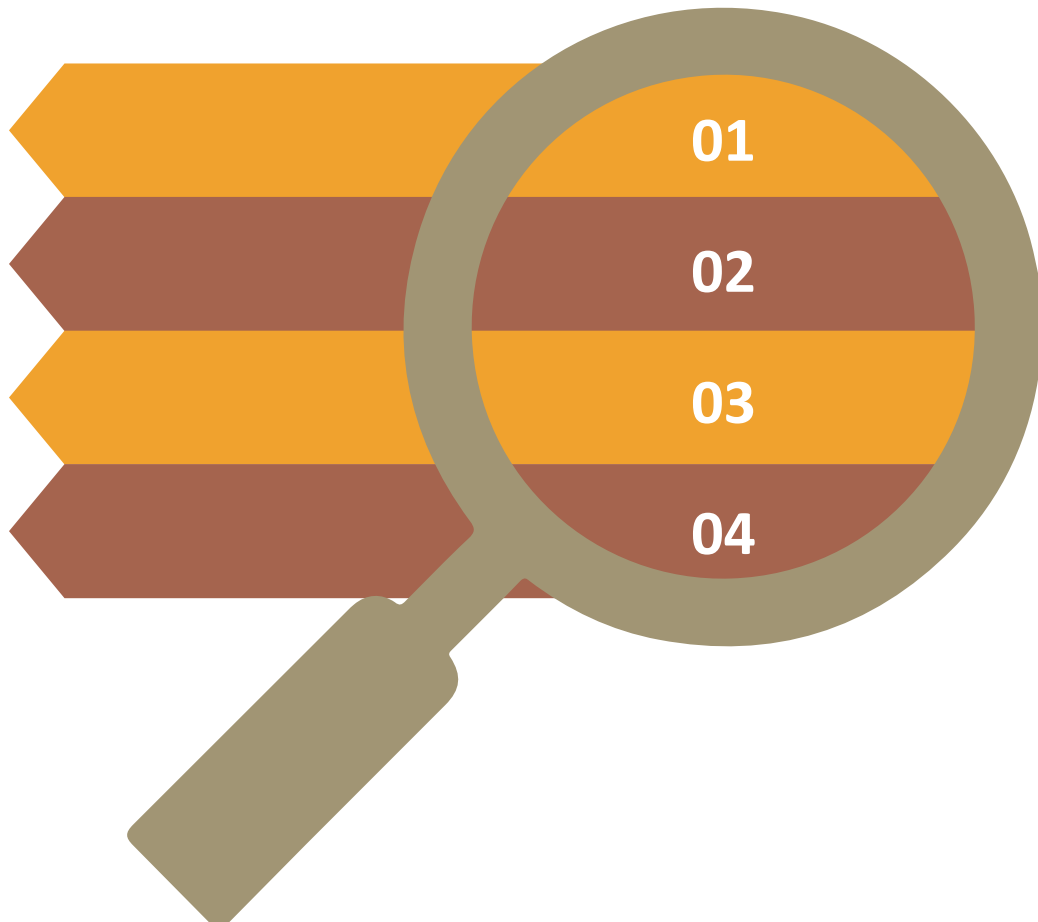
03

• The company also has an efficient carpenter reward model system which is a loyalty program for carpenters. On every bucket / drums purchased by carpenters, they receive certain amount of points, which are then recorded by downloading and logging into the app designed by the company. Post a certain threshold, the carpenters can then redeem these points in return for gifts in several forms / modes of awards.

04

• The company has a well established and customised ERP software, which integrates its sales, purchases, distributor and consignee agent ordering, billing inventory, receivables as well as the carpenter loyalty programme.

# Our competitive edge



## Low cost manufacturing; Asset light

- Overall manpower costs is limited to 15-16% of revenues
- Selling and Distribution expenses maintained under 12%
- Asset turnover is at 8x
- Amongst the highest EBITDA per tonne vis-à-vis peers
- Working capital efficient hence No Debt and OCF & FCF positive

## Our network

- Presence in 13 states
- Operating through 50 distributors for smaller cities
- Operating through 28 branches for bigger cities (metros)
- Selling to 10,000 active retailers & working with 3 lac carpenters
- 300 sales executives & business development executives

## Diversified product portfolio

- The company offers a wide range of products with several features and catering to different substrates such as :
  - Anti Termite
  - Wider coverage
  - Weather proof
  - Cold and hot press applications
  - Multi purpose uses for Wood, PVC and Acrylic.
- Water proof
- Fungal resistance
- High fixing strength
- Fast drying
- Heat resistance

## Our carpenter reward model

- We have one of the best and highest rewarding carpenter rewarding model in the industry
- Reward & loyalty programs are devised state wise
- Company app provided to carpenters for claiming and redeeming points. Slab systems created on usage basis
- 3 lac carpenters currently registered under this programme



Way Forward



# Way forward

## ENHANCE PRODUCTION CAPACITY FURTHER

Owing to sharp demand and growth in our market share, **we completed the process of increasing our production capacity further to 2000 TPM.** Company is in the process of setting up a warehouse for enhancing storage of raw materials and finished goods.

01

## EXPAND DISTRIBUTION NETWORK AND OUR BRANCHES

We are looking to expand and increase our penetration in existing states with increase in branches and distributors with an eye on improving our market share. **Foray into 1-2 new states & increase efficiencies in established states.**

02

## GROWTH OVER NEXT 3-5 YEARS

Over the last 5 years, we have grown at CAGR of 38%, 103%, 113% on Revenue, EBIDTA, PAT.

**We are targeting 25% CAGR for Revenues over the next 3 years (Base Year: FY2023)**

03

## RETURN RATIOS; DEBT FREE; IMPROVE WORKING CAPITAL EFFICIENCY

Continue to maintain +30% ROE and +40% ROCE.

Stay debt free and generate positive operating cash flows and free cash flows.

Reduce liabilities for expenses (for redemption points) further from current 31% of revenue

04



# Company background





# About Us



The company launched its brand “Euro 7000” in 2006, and is now the second largest (No 2) selling wood adhesive (white glue) brand in India in the retail segment.



## Vision & Mission

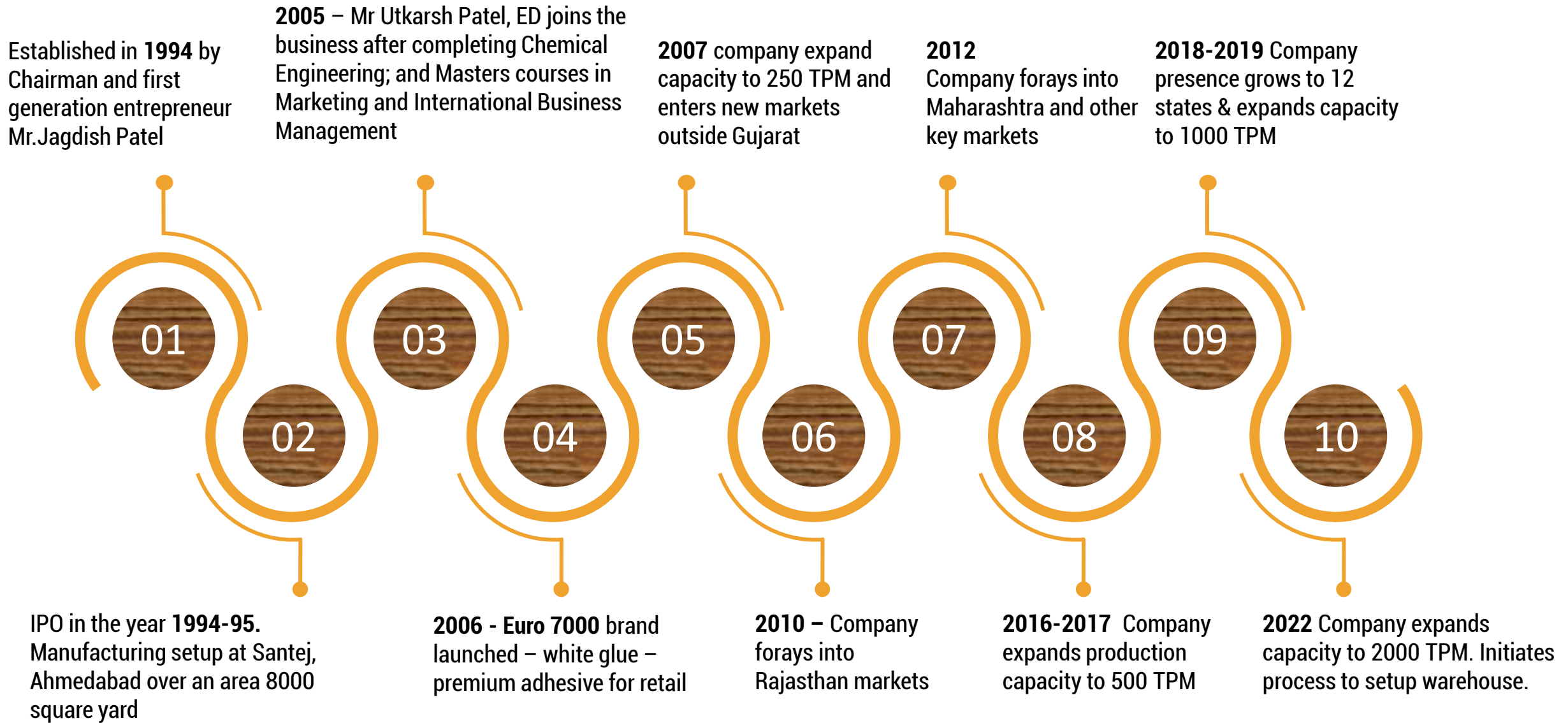
To Acquire National Leadership Position in Wood Adhesives Field In Retail Segment.

To be India's most Preferable Adhesive Brand For The Carpenters , where Our End Users Can find The Best Solution For Gluing The Furniture.

We Believe To Continuously Create New Opportunities For Our Team Members To Do Growth In Our Strategic Business.

- **JYOTI RESINS AND ADHESIVES LTD** is a manufacturer of synthetic resin adhesives. The Company manufactures various types of wood adhesives (white glue) under the brand name of EURO 7000.
- The company launched its brand “**Euro 7000**” in 2006.
- The company has steadily increased its plant (at Santej, Ahmedabad) capacity to 1000 Tonnes per month, expanded capacity to **2000 TPM (24,000 TPA) in Aug'22**.
- Euro 7000 has today grown exponentially and is now **the second largest (No 2) selling wood adhesive (white glue) brand in India in the retail segment**.
- The company's success so far in this business is an outcome of its strategic vision focus on delivering world class products and services to its customers.
- Today it services 13 states in India through 28 branches and 50 distributors, catering to 10,000 active retailers and 3 lac carpenters across India. A 300 strong sales force plays a key role in this process.

# Our Journey





# Our Network today



13  
STATES

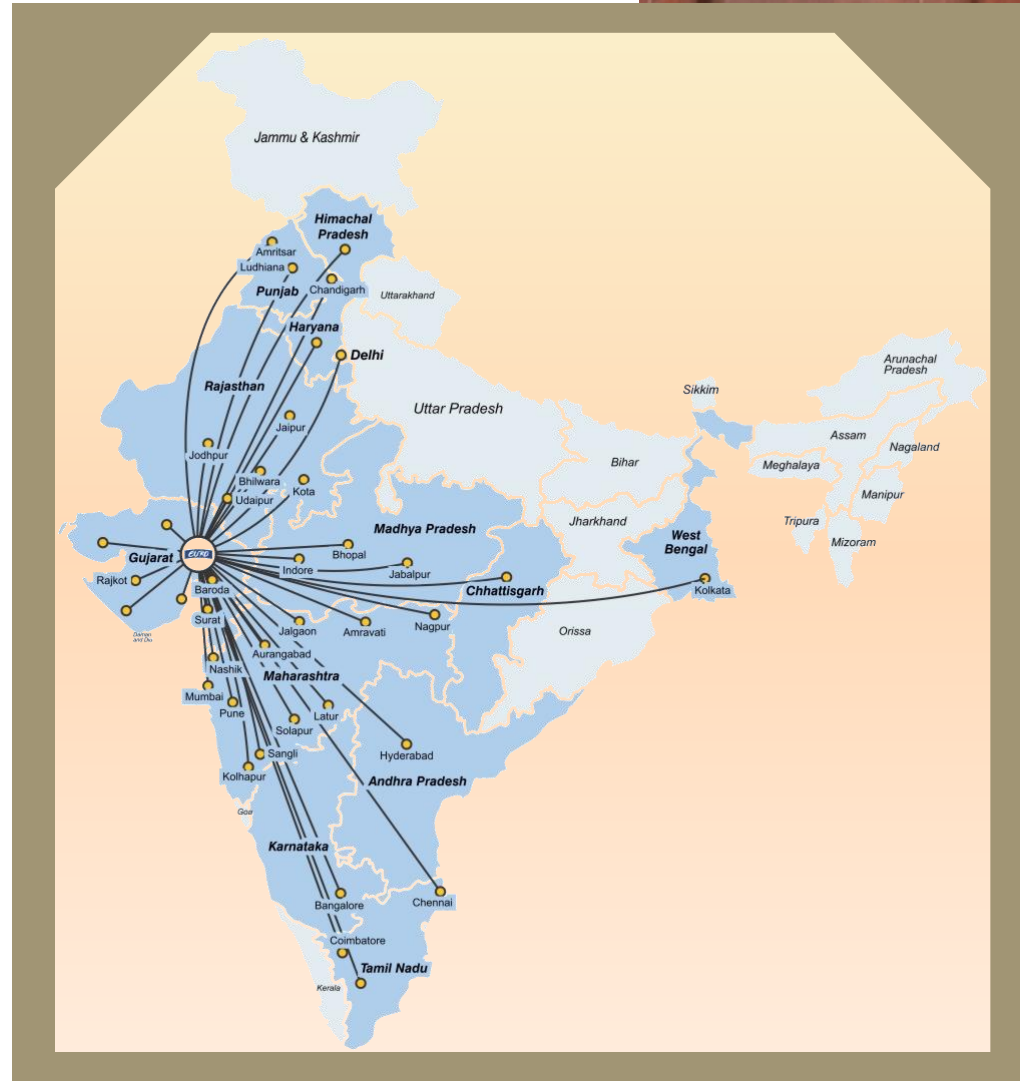
300  
SALES  
FORCE

28  
BRANCHES

10,000  
ACTIVE  
RETAILERS

50  
DISTRIBUTORS

300,000  
CARPENTERS



# Manufacturing & Operations

## Manufacturing Plant

Our manufacturing plant at Santej, Ahmedabad, Gujarat is currently at 2000 TPM (24,000 TPA).

## Administrative Offices

Our corporate office is at Ahmedabad, Gujarat. We also have an Administrative Office in Mumbai. Other than this we have 28 branch offices & warehouses across key cities & states.



# Our strength & commitment



**+40%**

Return on Equity

**+50%**

Return on Capital Employed

**Second Largest  
brand in India**

Clear lead as 2<sup>nd</sup> largest  
Wood Adhesive brand in India  
(retail segment)

**Debt Free**

Continues to be Net Debt  
negative since FY18

**Dividend**

60% Dividend Per Share  
15.5% Dividend Payout  
for FY23

Shareholders Funds  
increased by  
70% YoY in FY23 to  
Rs 1,060 mn

Consistent growth  
in Operating Profit & Net Profit.

Both have increased by  
1.5x & 1.35x in FY23 (YoY)

Revenue touched  
Rs 262 cr in FY23

Current production capacity  
stands at 2000 TPM

Promoter holding  
Increased from  
49.97% in Mar 2022  
to  
50.82% as on Mar 2023



## Jagdish N Patel

### Chairman

Mr Jagdish N Patel is the first generation entrepreneur and started this company in 1994 eyeing the huge opportunity he saw in the market for organized players in adhesives.

With his financial prowess and effective team management capabilities, he built the strong foundation on which Euro7000 stand today.



## Management Team



## Utkarsh J Patel

### Managing Director

In 2005, Mr. Utkarsh Patel, Executive Director, joined the business, after completing his Chemical Engineering and Management courses in the field of Marketing and International Business Management.

He is currently driving the business on all fronts and has been instrumental in the operational turnaround of the business, with a vision to be the next big participant in the adhesives industry in India.



# Product Portfolio



# Diversified Product Portfolio



Anti termite applications



Water proof,  
Anti termite,  
Heat & fungal resistant



Cold & Hot press applications



Waterproof,  
Anti termite,  
Fast drying (2-3 hours)



Waterproof,  
Anti termite,  
Heat & fungal resistance



For PVC and Acrylic sheet bonding to wood; pre edge bending taps



Waterproof,  
Anti termite,  
Fast drying (2-3 hours)



Waterproof, Anti termite,  
Fast drying (2-3 hours),  
Weather Proof

# Product Launches (last 12 months)

## Extreme 3 Hi-Strong



### THREE BENEFITS IN ONE

- Fast Drying Adhesive with 2-3 hours handling strength
- Waterproof adhesive
- Anti termite formula

## EURO EWR



### COLD PRESS EXPERT

- Suitable for cold press
- Economy grade with extra strength
- Use for furniture industry
- Packing: 50 kgs drum

Anti Termite formula water resistant adhesive

## EWR D2+



### HOT PRESS EXPERT

- Suitable for Hot & Cold Press
- D2+ Formula
- Fast Drying
- Powerful strength
- Packing : 50 kgs drum pack

D2+ Grade Adhesive with Fast Drying Formula



# Applications



## USAGE OF OUR PRODUCT



## PAKKA JOD, HAMESHA



# Digital Advertisements



#SachiMein - EURO 7000  
Ultra 5in1

22K views



#SachiMein - EURO 7000 WP  
2in1

57K views



#SachiMein - EURO 7000  
Extreme 3

83K views



Navratri Mein EURO 7000 Ka  
Pakka Jod

16K views

# Recent Dealer Events



Dealer (500+) Meet – Ahmedabad, Gujarat



Dealer (200+) Meet – Jodhpur, Rajasthan



Dealer (200+) Meet – Vadodara, Gujarat



Dealer (300+) Meet – Rajkot, Gujarat



Dealer (550+) Meet – Mumbai, Maharashtra



Dealer (175+) Meet – Nashik, Maharashtra

# Connecting users & dealers digitally

मजबूत जोड  
हमारे रिश्तों का...

An ISO 9001:2008 certified company

**PASSBOOK FORM**

कॉन्ट्राक्टर  
Points Offer

Token + Points

तारीख : \_\_\_\_\_ Sr. No. : \_\_\_\_\_

कॉन्ट्राक्टर नाम : \_\_\_\_\_

मोबाइल : \_\_\_\_\_

शहर : \_\_\_\_\_

कॉन्ट्राक्टर साईन

यूरो एक्जिक्यूटिव साईन

JYOTI RESINS & ADHESIVES LIMITED [www.euro7000.com](http://www.euro7000.com)



Scan barcode & collect Loyalty Points



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# Thank You

FOR FURTHER INFORMATION PLEASE CONTACT



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