



Yasho Industries Limited

Investor Presentation – August 2021

Safe Harbour

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Q1 FY22 Highlights

Business Highlights

Q1FY22



84%

Total Revenue
growth on YoY basis



97%

EBITDA
growth on YoY basis



73%

Sales Volume
growth on YoY basis

“We are pleased to report our highest quarterly performance led by better product mix. Total revenue for the quarter stood at Rs 134 crores, a growth of 84% on YoY basis. Our sales volume grew by 73% and EBITDA grew by 97% on YoY basis. Demand for all major chemicals has been healthy in Q1FY22 led by Rubber chemicals, Lubricant chemicals & Speciality chemical business.

Looking at the current demand for these products, we have incurred a Capex up to Rs 10 crores to enhance our existing capacity by 1,800 MTPA through debottlenecking at our unit 1 and unit 2 plant by 900 MTPA each. The said capacity expansion is expected to fully commercialize from Q3FY22 onwards and will be able to serve incremental demand.

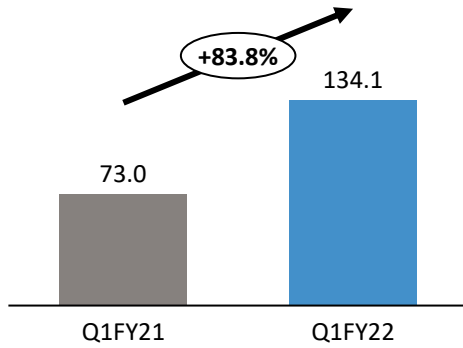
Over the past few years, we have steadily built up our strengths in innovation, customization, manufacturing, as well as in global distribution. We have invested lots of effort in product development, product approval cycle, and various global certifications to match international quality standards. We serve more than 1,000 clients across 50 countries and have been their long-term business partner backed by our strong R&D approach that creates value add chemistries. We foresee huge prospects in Rubber chemicals, Lubricant chemicals & Speciality chemical segments. This expansion will strengthen our capabilities and will be able to capture upcoming opportunities”

Mr. Parag Jhaveri,

Managing Director & CEO

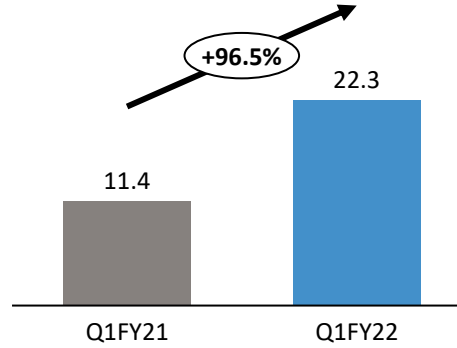
Financial Highlights

Revenue (Rs. Crs.)



EBITDA (Rs. Crs.)

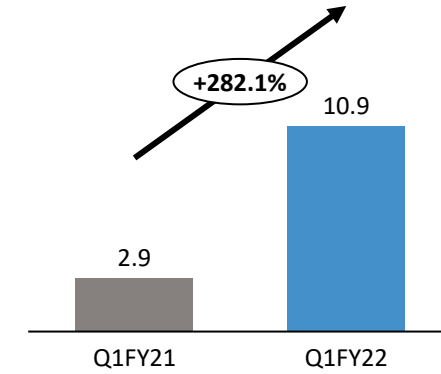
15.6% 16.7%



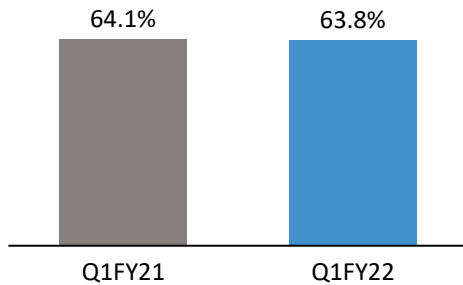
PAT (Rs. Crs.)

3.9% 8.1%

Margin

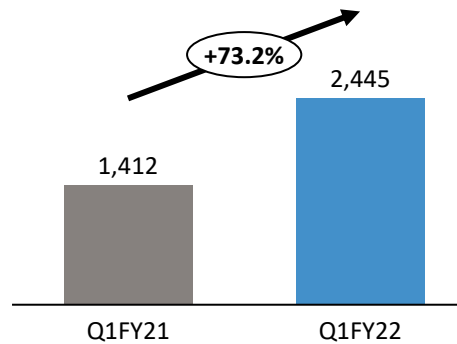


Export (%)

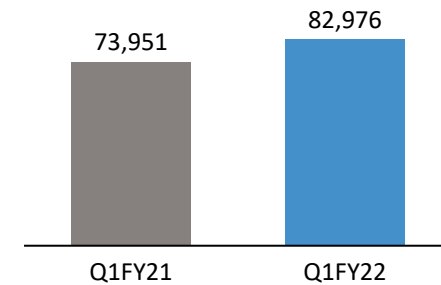


Sales Volume (MTPA)

+73.2%



EBITDA/ Tonne** (Rs)

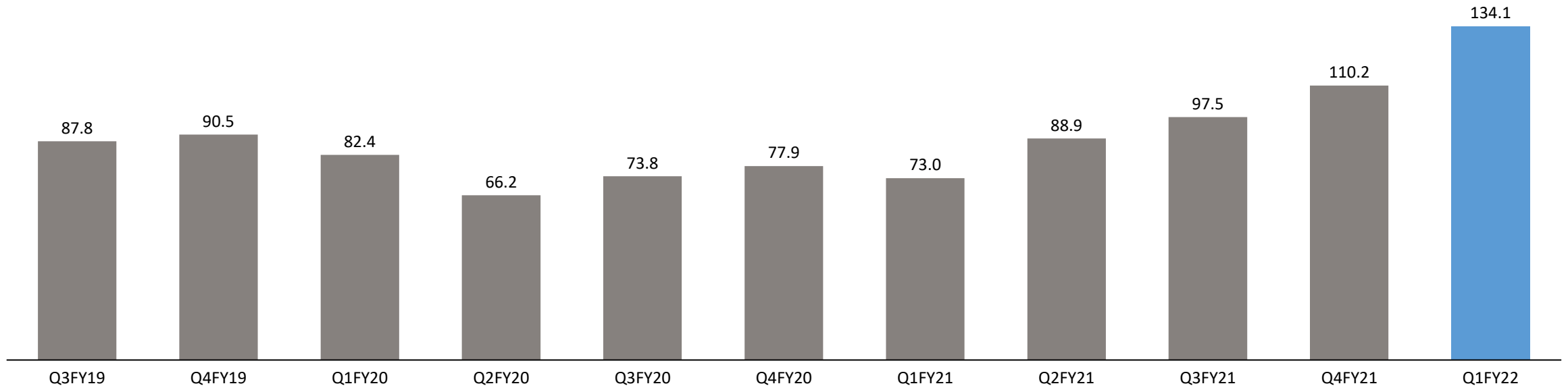


Revenue Includes Other Income

**Excluding other Income

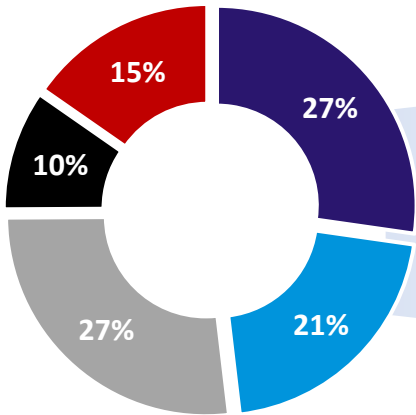
Highest Quarterly Performance

Revenue (Rs. Crs.)

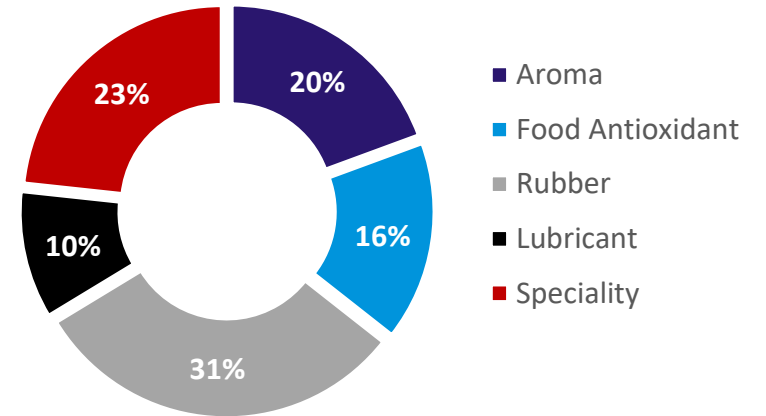


Growing Contribution From Value Added Segments

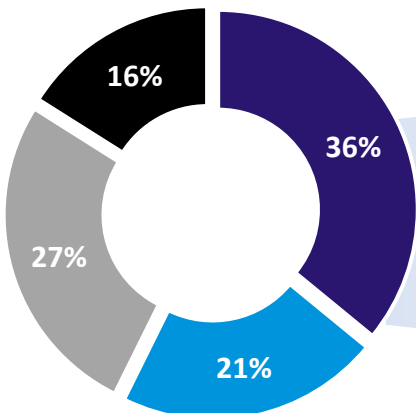
Q1 FY21 Segment-wise
Revenue Breakup (Rs 71 Cr)



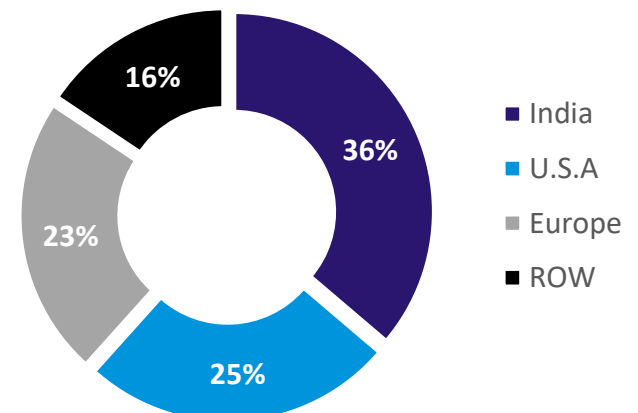
Q1 FY22 Segment-wise
Revenue Breakup (Rs 131 Cr)



Q1 FY21 Region-wise



Q1 FY22 Region-wise



Profit & Loss Statement

Particulars (Rs. In Crs.)	Q1 FY22	Q1 FY21	Y-o-Y	Q4 FY21	Q-o-Q
Revenue from Operation	132.0	72.0		107.4	
Other income	2.0	0.9		2.7	
Total Revenue	134.1	73.0	83.8%	110.1	21.7%
Cost of Material Consumed	84.8	47.6		66.9	
Employee's Benefits Expense	7.2	4.6		7.0	
Other Expenses	19.7	9.4		17.1	
EBITDA	22.3	11.4	96.5%	19.2	16.6%
EBITDA Margin	16.7%	15.6%		17.4%	
Depreciation	3.5	3.1		3.0	
EBIT	18.8	8.3	126.6%	16.1	17.0%
Finance cost	3.4	4.5		3.1	
PBT	15.4	3.8	300.9%	13.0	18.9%
Tax expense	4.5	1.0		3.9	
PAT	10.9	2.9	282.2%	9.1	19.9%
PAT Margin	8.1%	3.9%		8.3%	
EPS	10.01	2.62		8.35	



Company Overview

Yasho Industries Ltd : A Snapshot



Manufacturer of Specialty &
Performance Chemicals

Technocrat Promoters

Strong Presence in
Over 50 Countries

Global Certifications

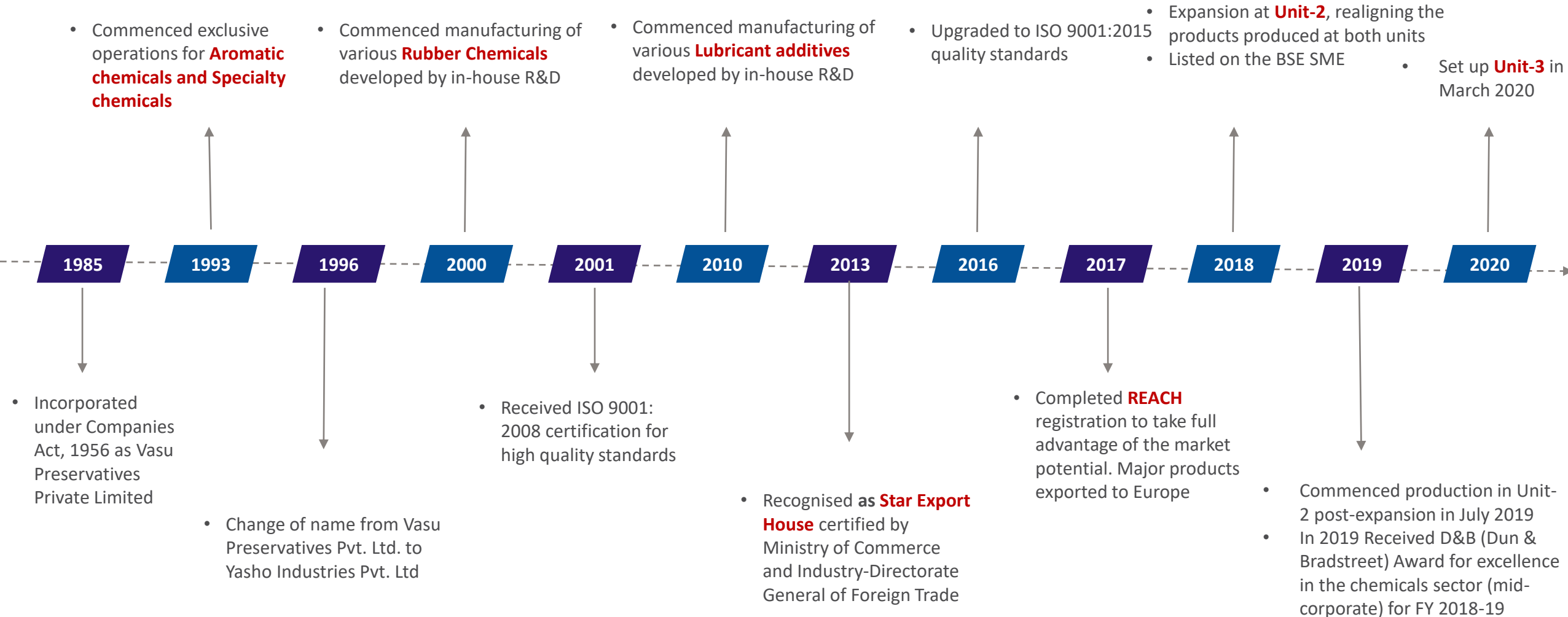
Business Vertical : 5

Total Products : 148

9,200 MT
Manufacturing Capacity

3 Manufacturing Units in
Vapi, Gujarat

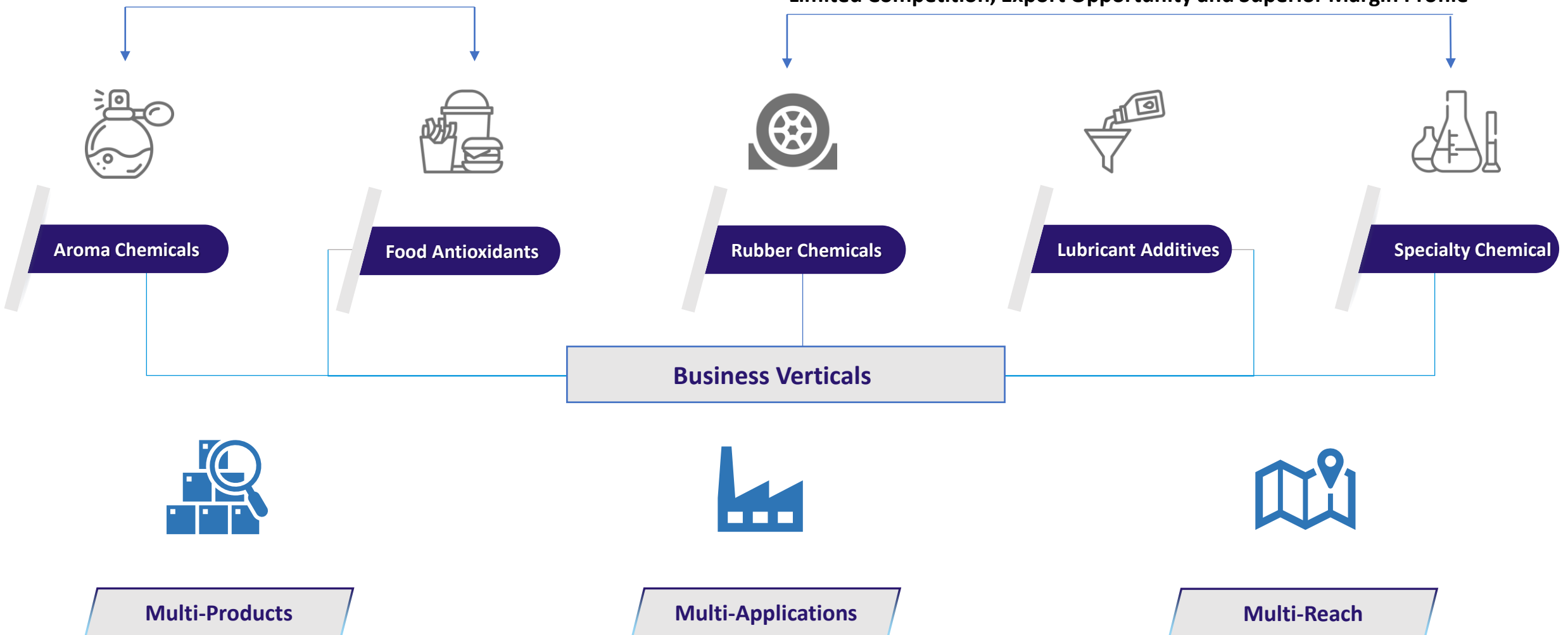
Our Journey from Aromatic Chemicals to Rubber & Lubricant additives



Diversified Business Portfolio

Highly Competitive segments

Limited Competition, Export Opportunity and Superior Margin Profile



Made in India : Delivering Globally

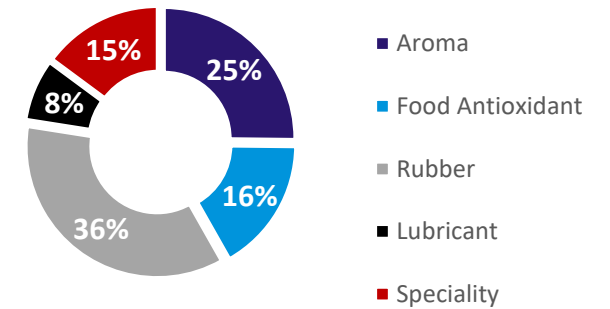
Strong Presence in over **50 countries** across Europe, America, Middle East and Asia.

Exports over **60%**

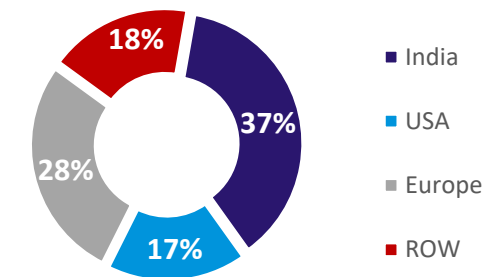


Recognized Supplier in Global Markets since last **2 Decades**

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

**Existing Capacity
9,200 MTPA**

Unit 1: 3,450 MTPA

Unit 2: 4,550 MTPA

Unit 3: 1,200 MTPA

**3 Units at
Vapi, Gujarat**



**New Capacity
1,800 MTPA**

- 900 MTPA will be added through debottlenecking and is expected to fully commercialized from Q3FY22

- 900 MTPA will be added through debottlenecking and is expected to fully commercialized from Q3FY22

- 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

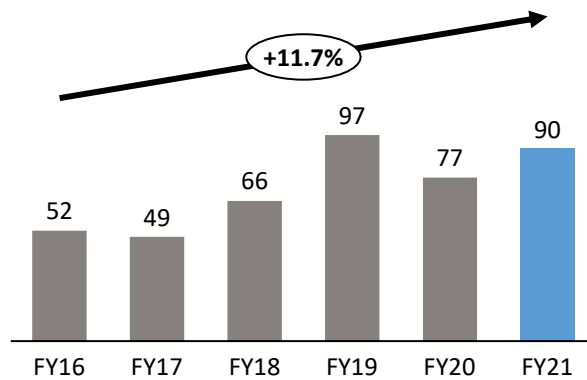
Lubricant Additives

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: 13
- Revenue Contribution: ~25%
- Margin: Single Digit
- Domestic Market Presence: Yes
- Global Market Presence : Yes

Food Antioxidants

Aroma Chemicals

Food Antioxidants

Rubber Chemicals

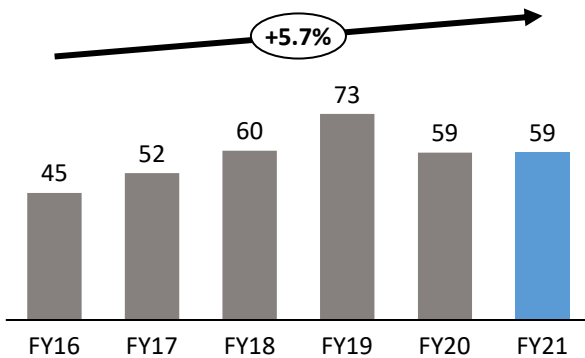
Lubricant Additives

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: 5
- Revenue Contribution: ~17%
- Margin: Single Digit
- Domestic Market Presence: Yes
- Global Market Presence : Yes

Rubber Chemicals

[Aroma Chemicals](#)

[Food Antioxidants](#)

[Rubber Chemicals](#)

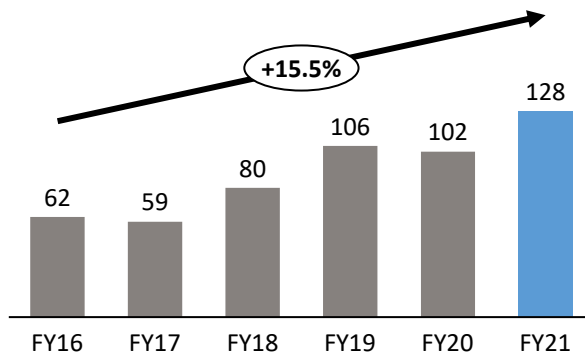
[Lubricant Additives](#)

[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: 87
- Revenue Contribution: ~36%
- Margin: Double Digit
- Domestic Market Presence: Yes
- Global Market Presence : Yes

Lubricant Additives

Aroma Chemicals

Food Antioxidants

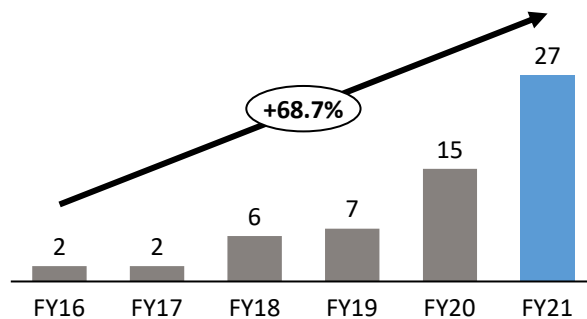
Rubber Chemicals

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: 22
- 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

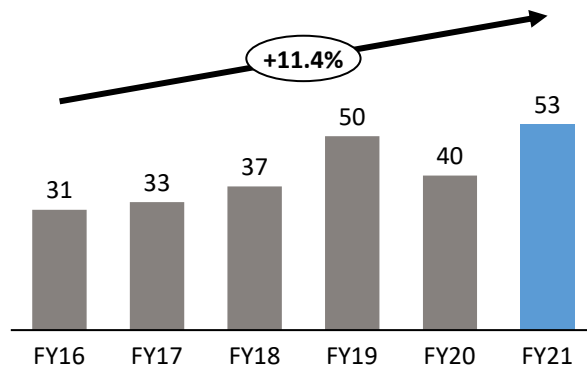
Lubricant Additives

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: 21
- 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



Financial Highlights

Profit & Loss Statement

Particulars (Rs. In Crs.)	FY21	FY20	Y-o-Y
Revenue from Operation	359.4	297.1	21.0%
Other income	10.1	3.2	
Total Revenue	369.5	300.3	23.1%
Cost of Material Consumed	233.7	188.5	
Employee's Benefits Expense	23.3	20.7	
Other Expenses	53.5	48.1	
EBITDA	59.1	42.9	37.7%
EBITDA Margin	16.0%	14.3%	
Depreciation	12.0	10.4	
EBIT	47.1	32.5	44.7%
Finance cost	16.4	15.6	
PBT	30.7	16.9	81.2%
Tax expense	9.2	4.9	
PAT	21.5	12.0	78.3%
PAT Margin	5.8%	4.0%	
EPS	19.71	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	0.0	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 Equivalent	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	0.0	0.0
Current Tax assets	0.0	0.6
Other Current Assets	10.0	11.1
Current assets	176.8	153.8
Total assets	305.1	277.8

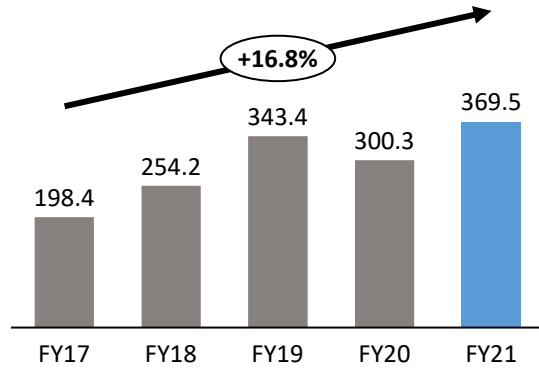
EQUITY AND LIABILITIES (Rs. Crs.)	Mar-21	Mar-20
Shareholders Funds	78.9	57.5
Shareholder's equity	10.9	10.9
Reserve & Surplus	68.0	46.6
Non-Current Liabilities		
Financial Liabilities		
(i) Long-Term Borrowings	53.2	59.8
(ii) Other financial Liabilities	2.6	3.5
Long Term Provisions	1.1	1.2
Deferred tax liabilities	10.8	9.3
Non-Current Liabilities	67.7	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 Tax Liabilities	0.5	0.0
Current liabilities	158.5	146.5
Total liabilities	305.1	277.8

Cash Flow Statement

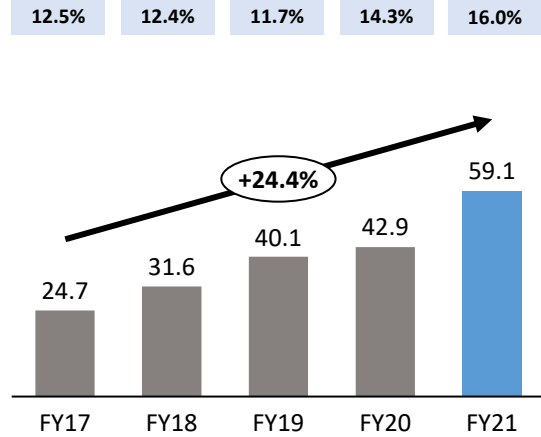
Particulars (Rs. Crs.)	Mar-21	Mar-20
Net Profit Before Tax	30.8	16.8
Adjustments for: Non Cash Items / Other Investment or Financial Items	27.8	25.7
Operating profit before working capital changes	58.6	42.5
Changes in working capital	(19.6)	(8.1)
Cash generated from Operations	39.0	34.4
Direct taxes 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

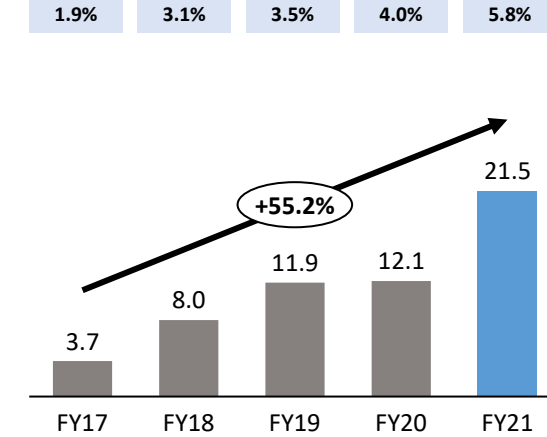
Revenue (Rs. Crs.)



EBITDA (Rs. Crs.)

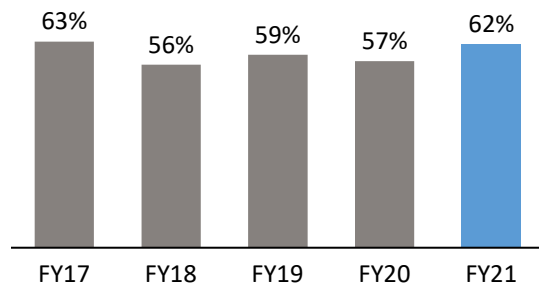


PAT (Rs. Crs.)

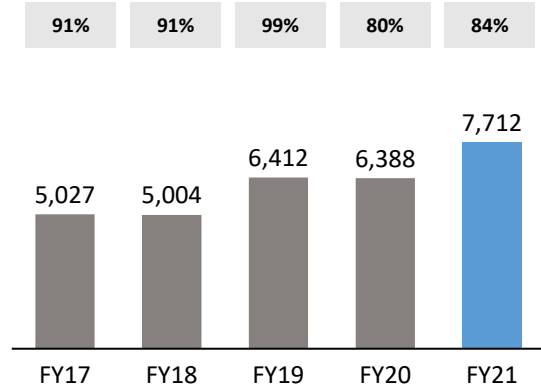


Margin

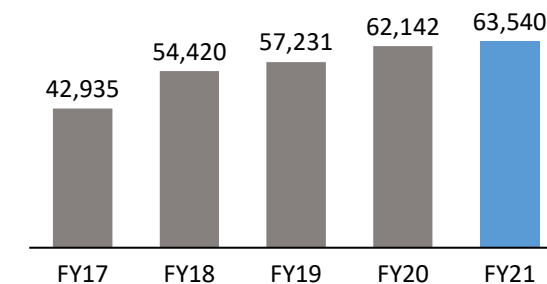
Export (%)



Volume (MTPA)



EBITDA/ Tonne** (Rs)



Utilization

91% 91% 99% 80% 84%

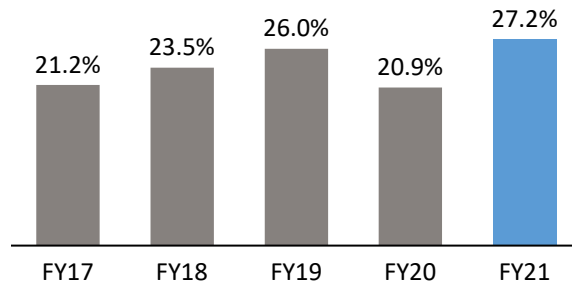
Revenue Includes Other Income

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

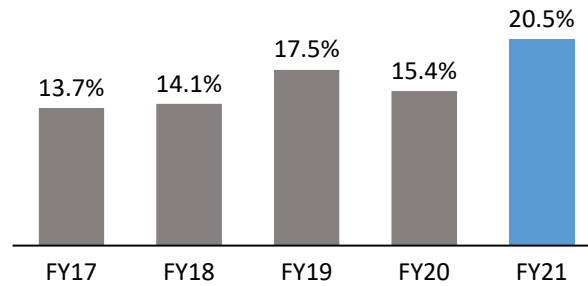
**Excluding other Income

Key Ratios

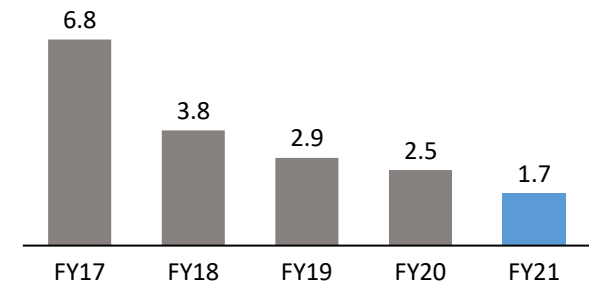
ROE (%)



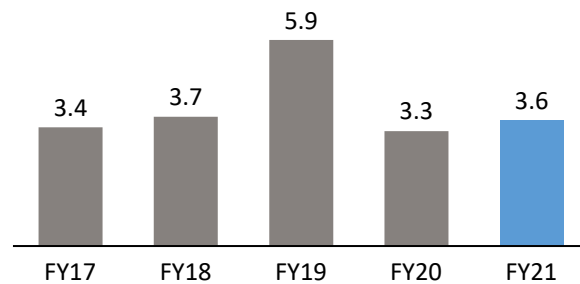
ROCE (%)



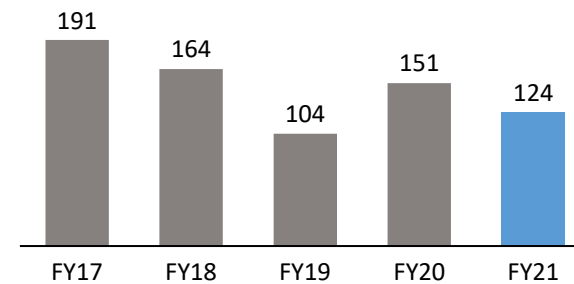
Net Debt / Equity (x)



Fixed Asset Turnover (x)



Working Capital Days

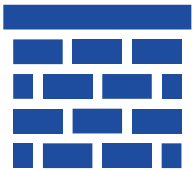


Way Forward



Capacity Addition

- 1,800 MTPA capacity will be added through debottlenecking and is expected to fully commercialized from Q3FY22
- We plan to reach **optimum utilization** by 2023



Strengthening Balance Sheet

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



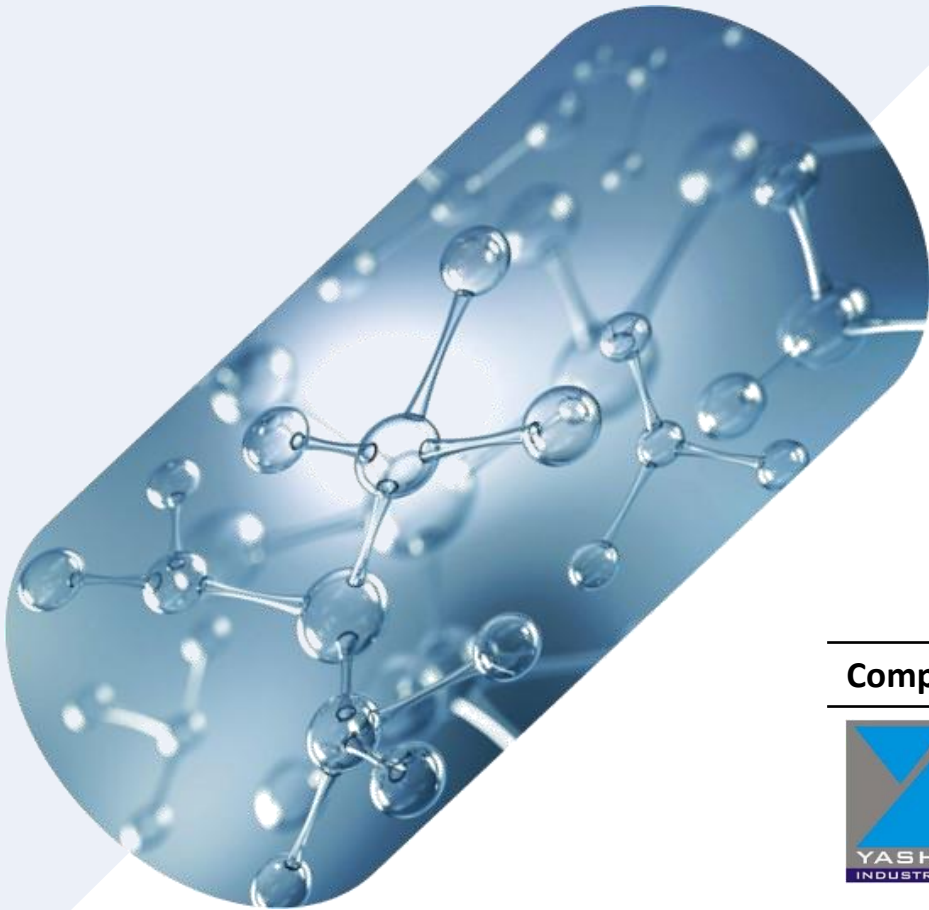
Focusing on High Margin Products

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



Continuous Product Development

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



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