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**20<sup>th</sup> February, 2024**

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

**Script Code: 514448**

Dear Sir,

**Subject: Investor Presentation of Q3 FY2024**

We hereby submit the Investor Presentation of Q3 FY 2024.

This is for your information and records.

Thanking You,

Yours Faithfully

**For, Jyoti Resins and Adhesives Limited**

**Utkarsh Patel**  
**Managing Director**  
**DIN: 02874427**



# Jyoti Resins and Adhesives Ltd

Q3 FY2024  
Investor Presentation

# Safe Harbour Statement

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*You acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company.*

## Quarter Performance highlights

Performance snapshot |  
Financial highlights

01

## Business Model

Business Model |  
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02

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Way forward

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## Company background

About Us | Our Journey | Our Network |  
Manufacturing | Our strengths &  
commitment | Management Team |  
Annual Performance snapshot |  
Financial highlights

05

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

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



# Performance Highlights



# Performance Snapshot

<b>71.74%</b> Gross Margin Vs 47.66% YoY	<b>33.17%</b> EBITDA Margin Vs 24.52% YoY	<b>26.53%</b> PAT Margin Vs 18.24% YoY
<b>25.8%</b> Growth in EBITDA YoY	<b>33.1%</b> Growth in PBT YoY	<b>35.3%</b> Growth in Net Profit & EPS YoY

**Gross Margin improvement to 70.65%** led by softer raw material and higher share of premium products. This led to **EBITDA and PBT Margin at 33.2% and 34.7% respectively**

Higher sale of premium products led to higher Gross Margins during the quarter

Company continues to sit on strong cash and cash equivalents in the Balance Sheet, more than the quantum of our liabilities for expenses (current + non current)

Company foray in new markets like Delhi-NCR and Uttar Pradesh has met with good response and company continues to expand in the new markets

# Quarterly Financial highlights

(All values in Rs Mn)	Q3FY24	Q2FY24	Q3FY23	YoY%	9MFY24	9MFY23	YoY%
Net Sales	619.2	629.6	666.1	-7.0	1,860.6	1,961.8	-5.2
Expenditure	413.8	415.6	502.8	-17.7	1,233.8	1,556.0	-20.7
<b>EBITDA</b>	<b>205.4</b>	<b>214.0</b>	<b>163.3</b>	<b>25.8</b>	<b>626.8</b>	<b>405.8</b>	<b>54.5</b>
<i>EBITDA Margin (%)</i>	<i>33.17%</i>	<i>33.99%</i>	<i>24.52%</i>	<i>+865 bps</i>	<i>33.69%</i>	<i>20.68%</i>	<i>+1,300 bps</i>
Other Income	12.5	8.1	1.7	652.1	26.2	5.1	413.4
Depreciation	2.9	2.7	3.5	-17.7	8.3	10.5	-21.0
Interest	-	-	-	-	-	0.0	-100.0
<b>Profit Before Tax</b>	<b>215.0</b>	<b>219.4</b>	<b>161.5</b>	<b>33.1</b>	<b>644.7</b>	<b>400.4</b>	<b>61.0</b>
Tax	50.7	57.6	40.0	26.8	161.3	100.0	61.3
<b>Profit After Tax</b>	<b>164.4</b>	<b>161.8</b>	<b>121.5</b>	<b>35.3</b>	<b>483.5</b>	<b>300.4</b>	<b>60.9</b>
<i>PAT Margin (%)</i>	<i>26.53%</i>	<i>25.70%</i>	<i>18.24%</i>	<i>+830 bps</i>	<i>25.98</i>	<i>15.31</i>	<i>+1,067 bps</i>
<b>Earnings Per Share (Rs)</b>	<b>13.70</b>	<b>13.48</b>	<b>10.12</b>	<b>35.3</b>	<b>40.29</b>	<b>25.03</b>	<b>61.0</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.

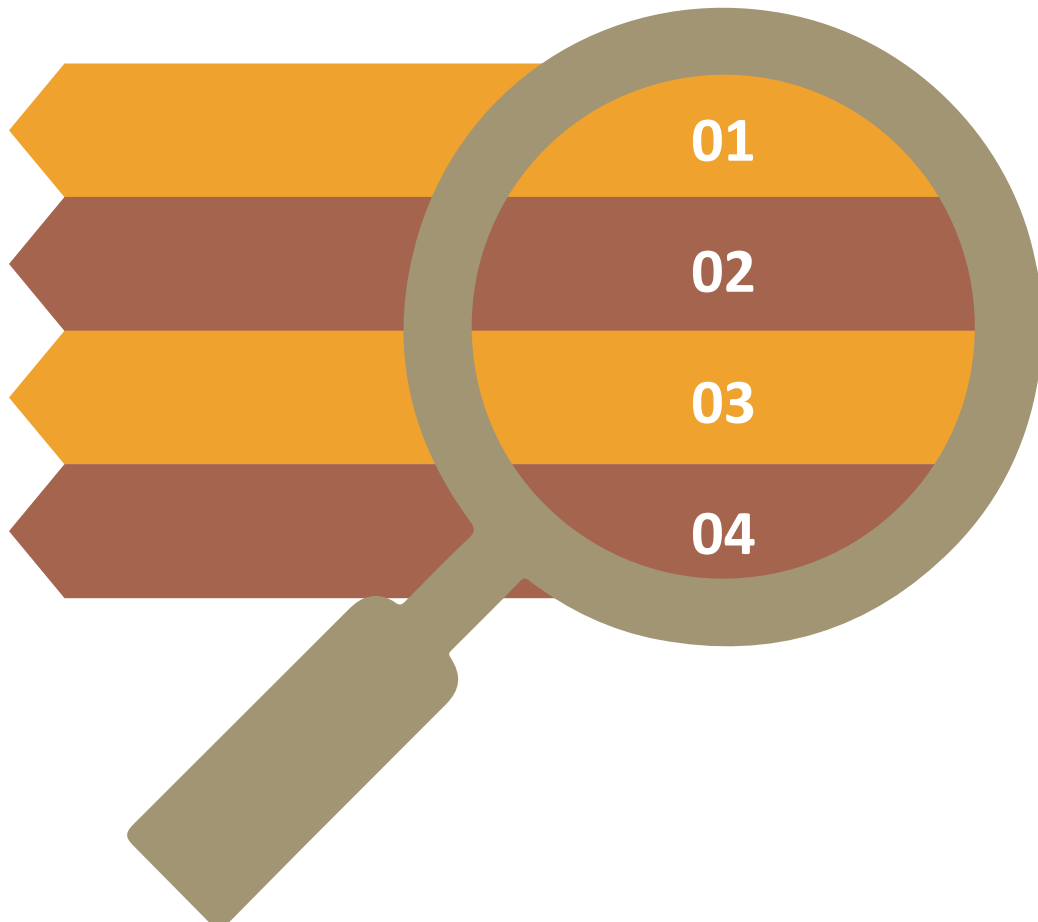
03

• 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 14 states
- Operating through 60 distributors for smaller cities
- Operating through 35 branches for bigger cities (metros)
- Selling to 12,000 active retailers & working with 3.5 lac carpenters
- 400 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
- 3.5 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 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 20-25% CAGR over the next 3 years (Base Year: FY2024) owing to softer FY24**

03

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

Continue to maintain +30-40% 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 14 states in India through 35 branches and 60 distributors, catering to 12,000 active retailers and 3.5 lac carpenters.
- A 400 strong sales force plays a key role in this process.

# Our Journey

Established in **1994** by Chairman and first generation entrepreneur Mr.Jagdish Patel

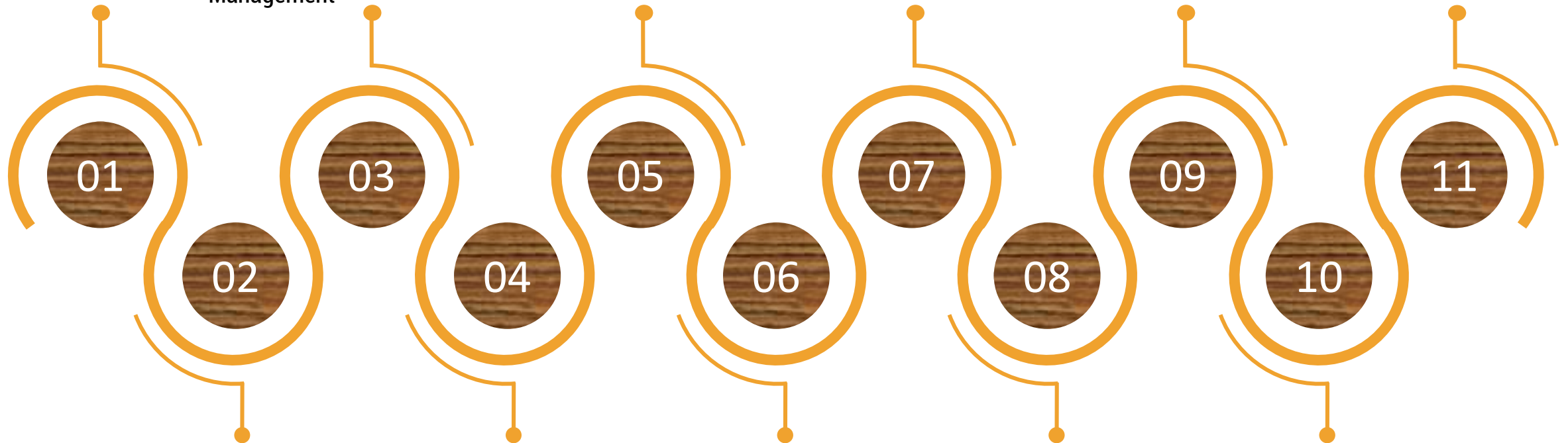
**2005** – Mr Utkarsh Patel, ED joins the business after completing Chemical Engineering; and Masters courses in Marketing and International Business Management

**2007** company expand capacity to 250 TPM and enters new markets outside Gujarat

**2012** Company forays into Maharashtra and other key markets

**2018-2019** Presence grows to 12 states & capacity to 1000 TPM

**2023** Foray into New Delhi & UP with 5 new branches.



**IPO** in the year **1994-95**. Manufacturing setup at Santej, Ahmedabad over an area 8000 square yard

**2006** - Euro 7000 brand launched – white glue – premium adhesive for retail

**2010** – Company forays into Rajasthan markets

**2016-2017** Company expands production capacity to 500 TPM

**2022** Company expands capacity to 2000 TPM. Initiates process to setup warehouse.

# Our Network today



14  
STATES

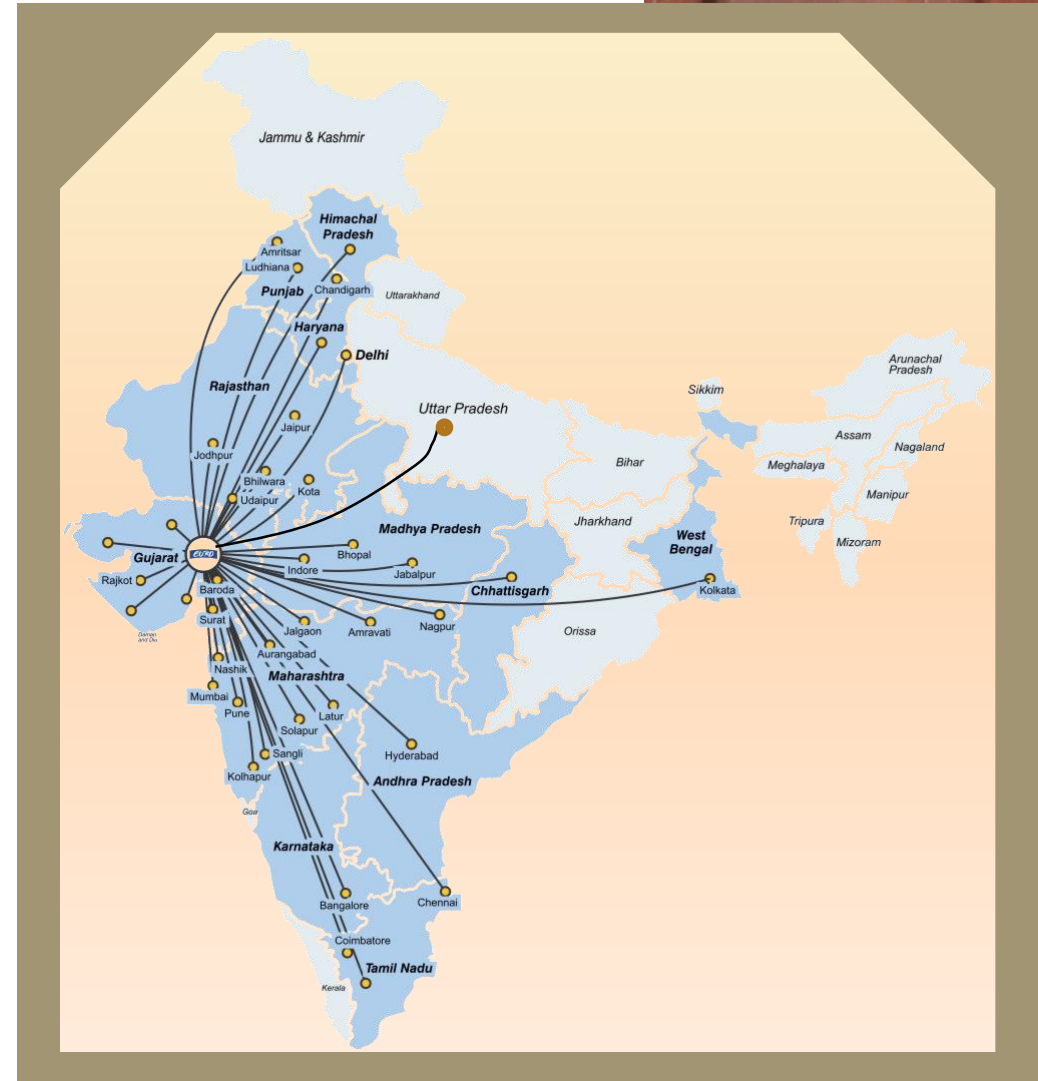
400  
SALES  
FORCE

35  
BRANCHES

12,000  
ACTIVE  
RETAILERS

60  
DISTRIBUTORS

350,000  
CARPENTERS





# Manufacturing & Operations

## Manufacturing Plant

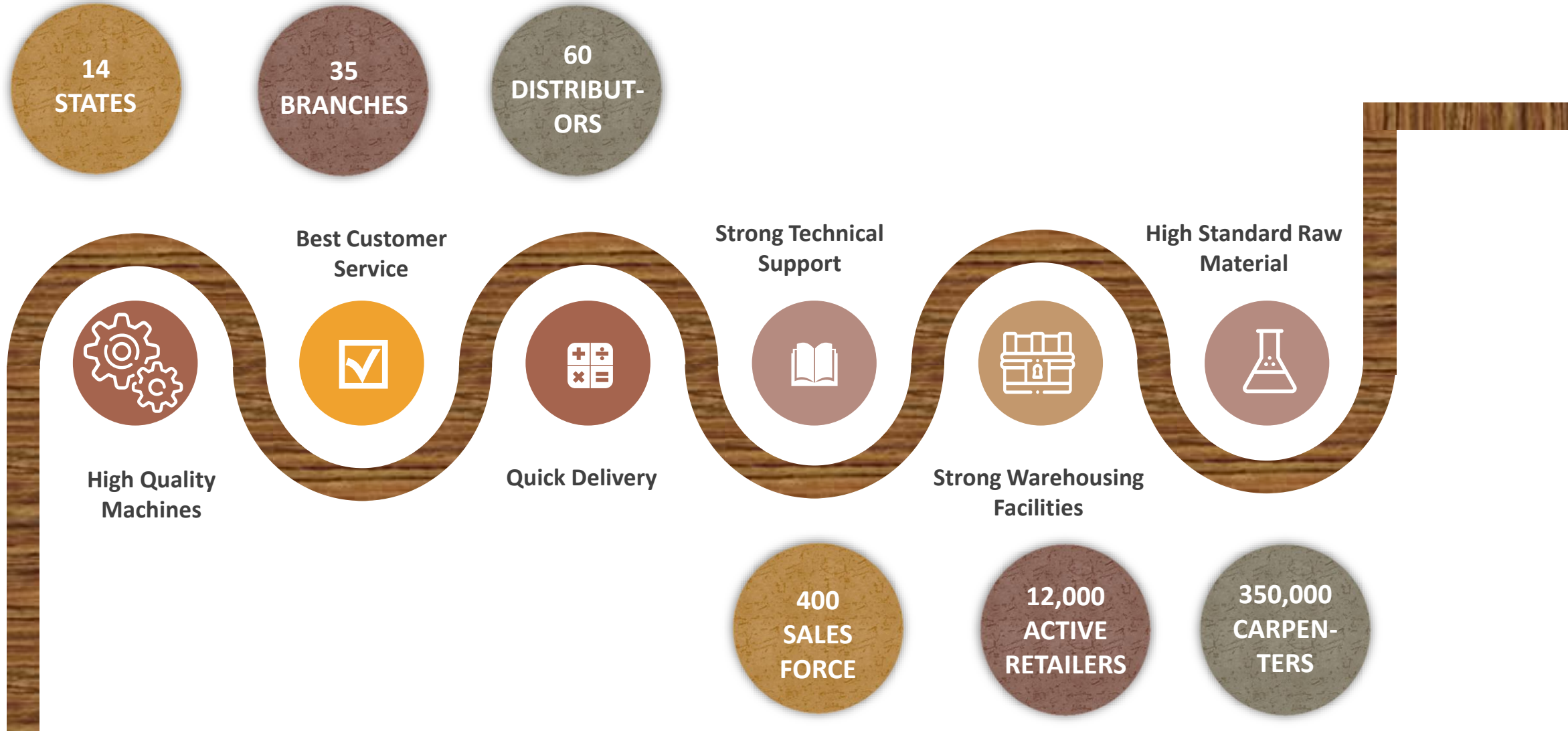
Our manufacturing plant at Santej, Ahmedabad, Gujarat is currently at 2000 TPM (24,000 TPA).

## Administrative Offices

Our corporate office is at Ahmedabad, Gujarat. We also have an Administrative Office in Mumbai. Other than this we have 35 branch offices & warehouses across key cities & states.



# Our strength & commitment



**+40%**

Return on Equity

**+40-50%**

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  
50.83% as on Mar 2023  
(maintained Dec'23)



## 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

# Past Product Launches

## 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

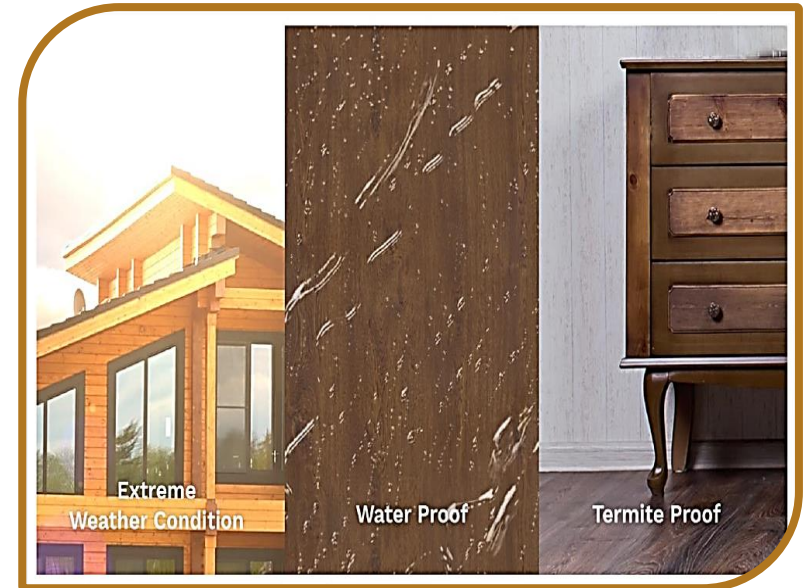
# Applications



## 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

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मोबाइल : \_\_\_\_\_

शहर : \_\_\_\_\_

कॉन्ट्राक्टर साईन

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# Thank You

FOR FURTHER INFORMATION PLEASE CONTACT



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



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