



Date: May 02, 2023

To,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai,  
Maharashtra – 400 001

**Sub: Investor Presentation**

**Scrip Code: 541167**

Dear Sir/ Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Investor's Presentation is enclosed herewith and the said Investor's Presentation has also been uploaded on the Company's website at [www.yashoindustries.com](http://www.yashoindustries.com)

We request you to kindly take the same on record.

Thanking You,

**For Yasho Industries Limited**

**Komal Bhagat  
(Company Secretary & Compliance Officer)**

***Encl: As above***

**YASHO INDUSTRIES LIMITED**

**REGISTERED OFFICE:** Office No. 101/102, Peninsula Heights, C.D Barfiwala Marg, Juhu lane, Andheri (West), Mumbai - 400058, India  
TEL: +91 22 62510100; FAX: +91 22 62510199; E-Mail: [info@yashoindustries.com](mailto:info@yashoindustries.com); CIN No: L74110MH1985PLC037900



# INVESTOR PRESENTATION

MAY 2023

AROMA  
CHEMICALS



FOOD  
ANTIOXIDANTS



RUBBER  
CHEMICALS



LUBRICANT  
ADDITIVES



SPECIALTY  
CHEMICALS



# Safe Harbor

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# Q4 & FY23 Results Highlights

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# 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.

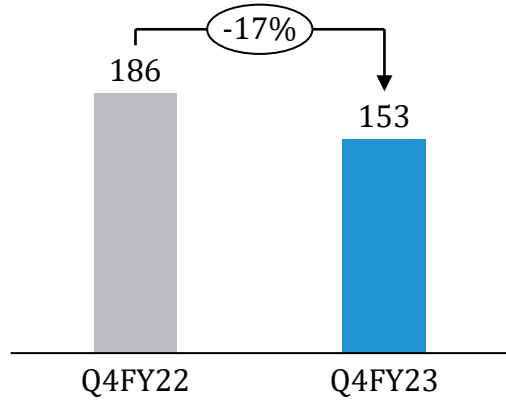
Overall, we are optimistic about our business trajectory and we are excited about the future prospects of our company. We remain committed to creating long-term value for our stakeholders and look forward to continued growth in the coming years.

**- Mr. Parag Jhaveri, Managing Director & CEO**

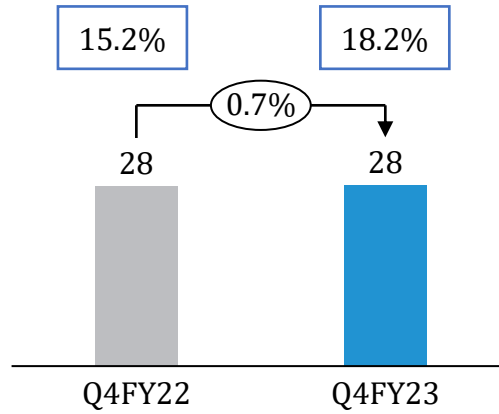
	Q4 FY23	FY23
<b>Operating Revenue</b>	<b>Rs. 151.9 crs</b>	<b>Rs. 671.6 crs</b>
<b>EBITDA</b>	<b>Rs. 27.9 crs</b> Margin at 18.2%	<b>Rs. 126 crs</b> Margin at 18.5%
<b>PAT</b>	<b>Rs. 15.7 crs</b> Margin at 10.2%	<b>Rs. 67.9 crs</b> Margin at 9.9%

# Results Highlights (Q4 & FY23)

## Total Revenue

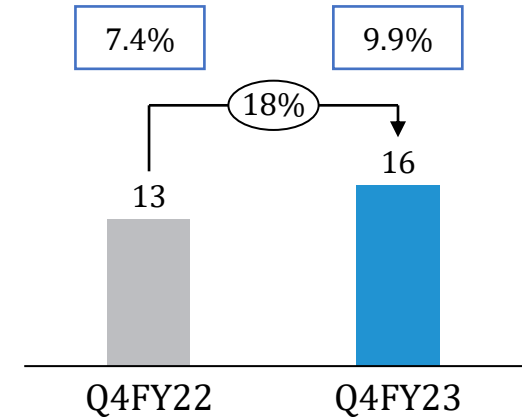


## Operating EBITDA & Margin

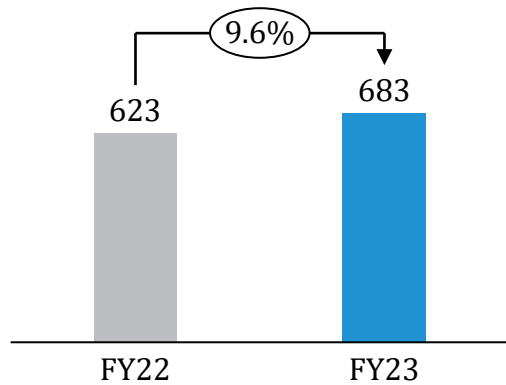


## PAT & PAT Margin

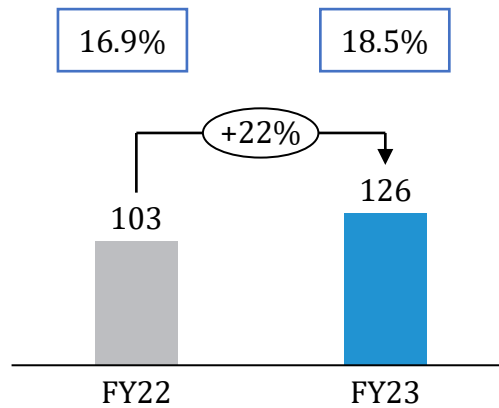
(Rs. in Crs)



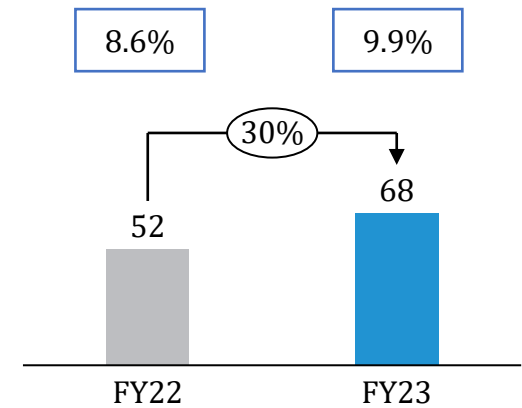
## Total Revenue



## Operating EBITDA & Margin

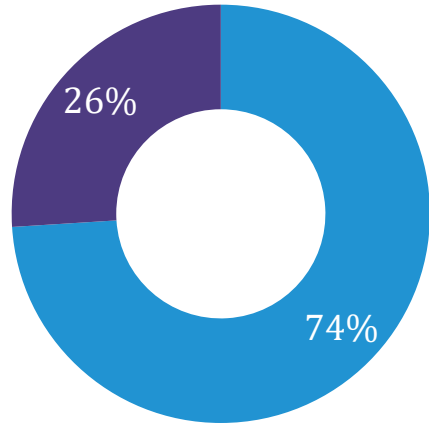


## PAT & PAT Margin

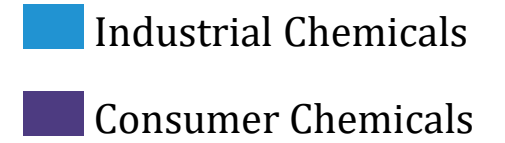
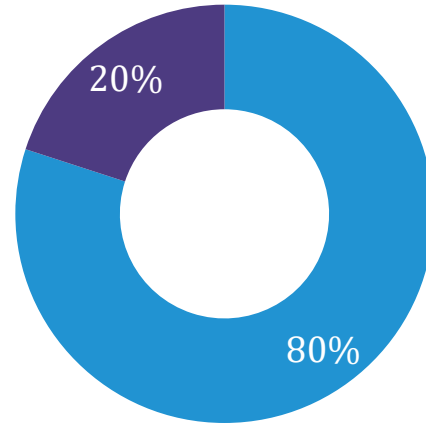


# Operational Highlights

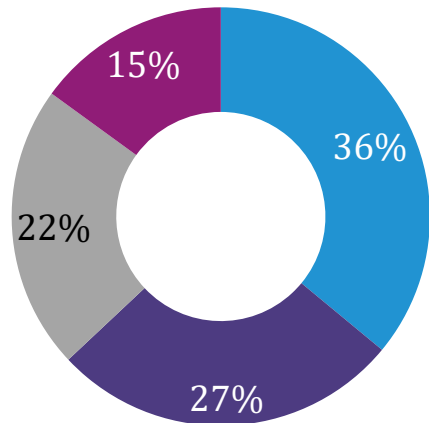
**FY22 Category-wise Revenue Breakup**



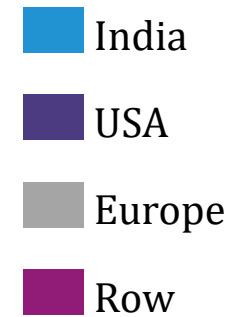
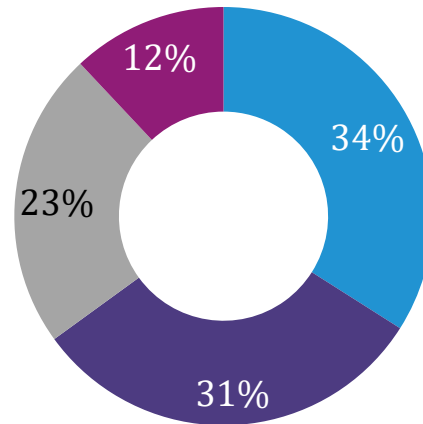
**FY23 Category-wise Revenue Breakup**



**FY22 Geography-wise Revenue Breakup**



**FY23 Geography-wise Revenue Breakup**



# COMPANY OVERVIEW

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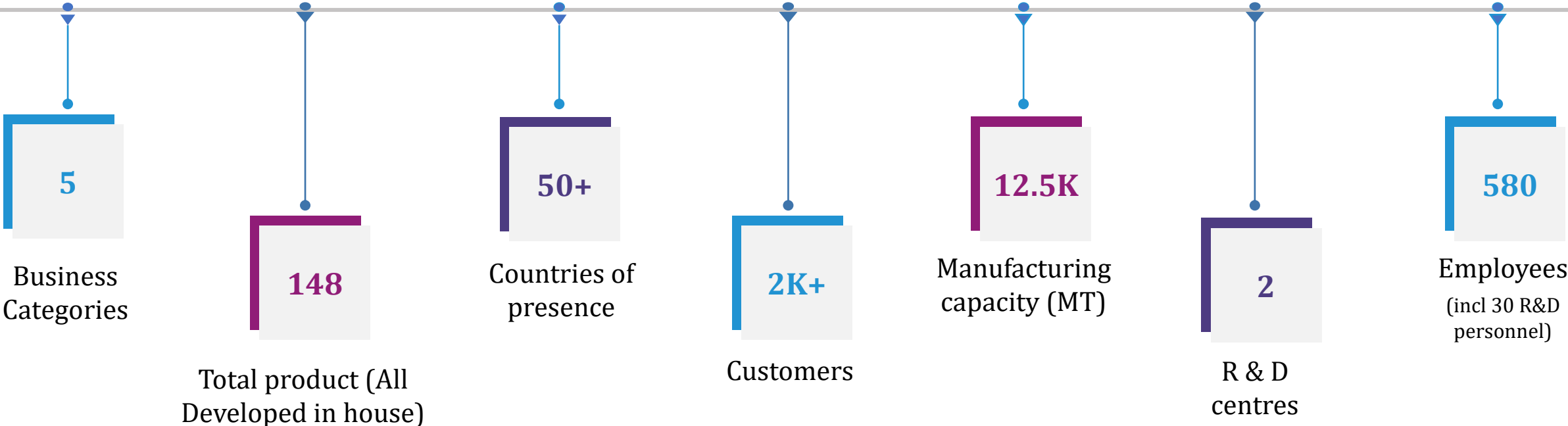




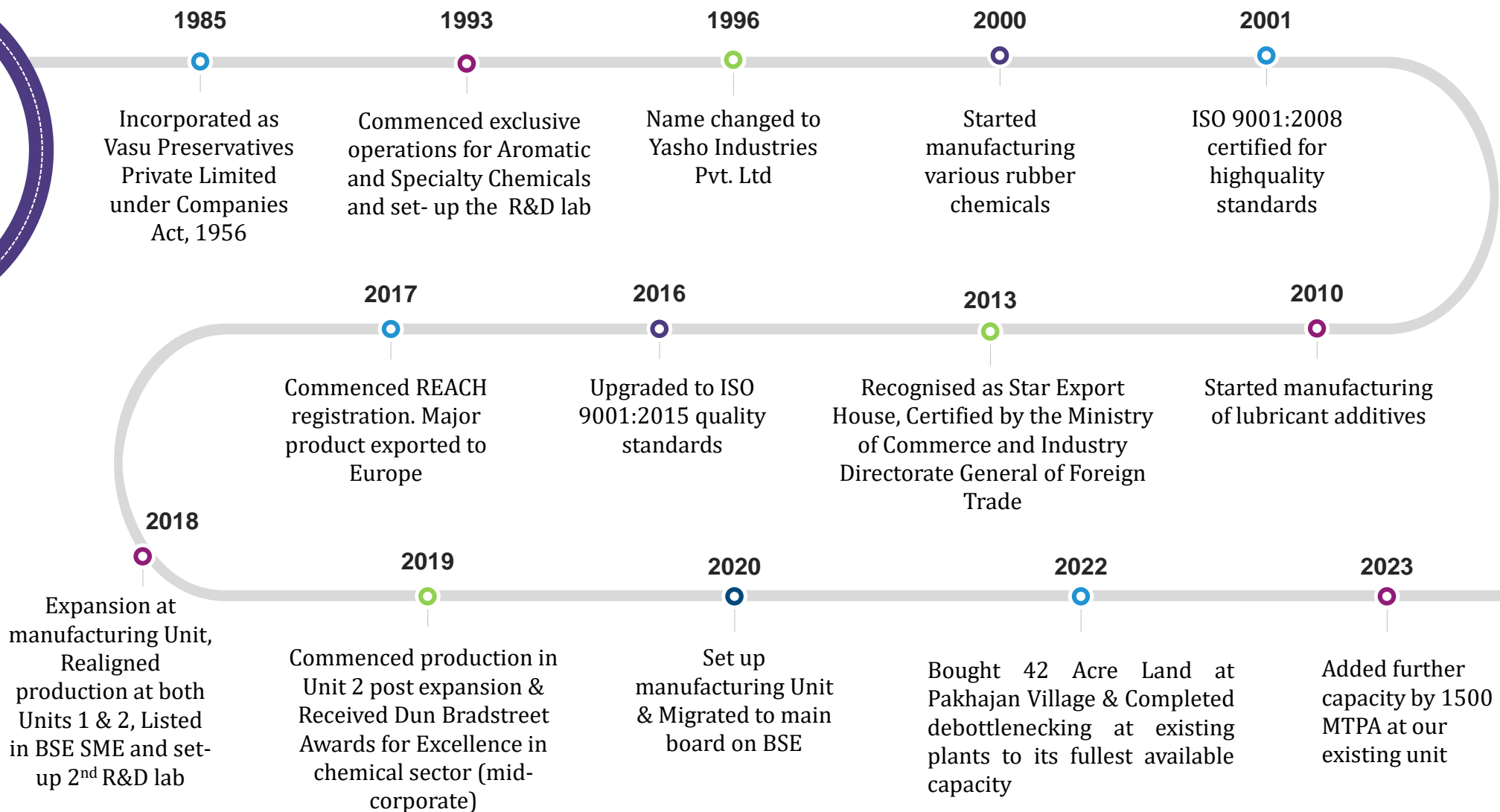
# Business Overview

## 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

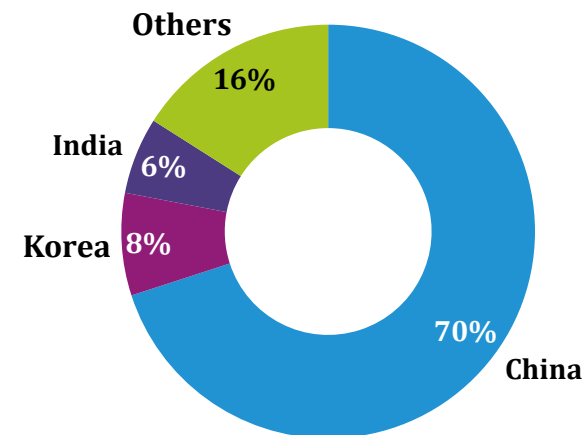
# Industry Overview

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# 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

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<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&amp;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

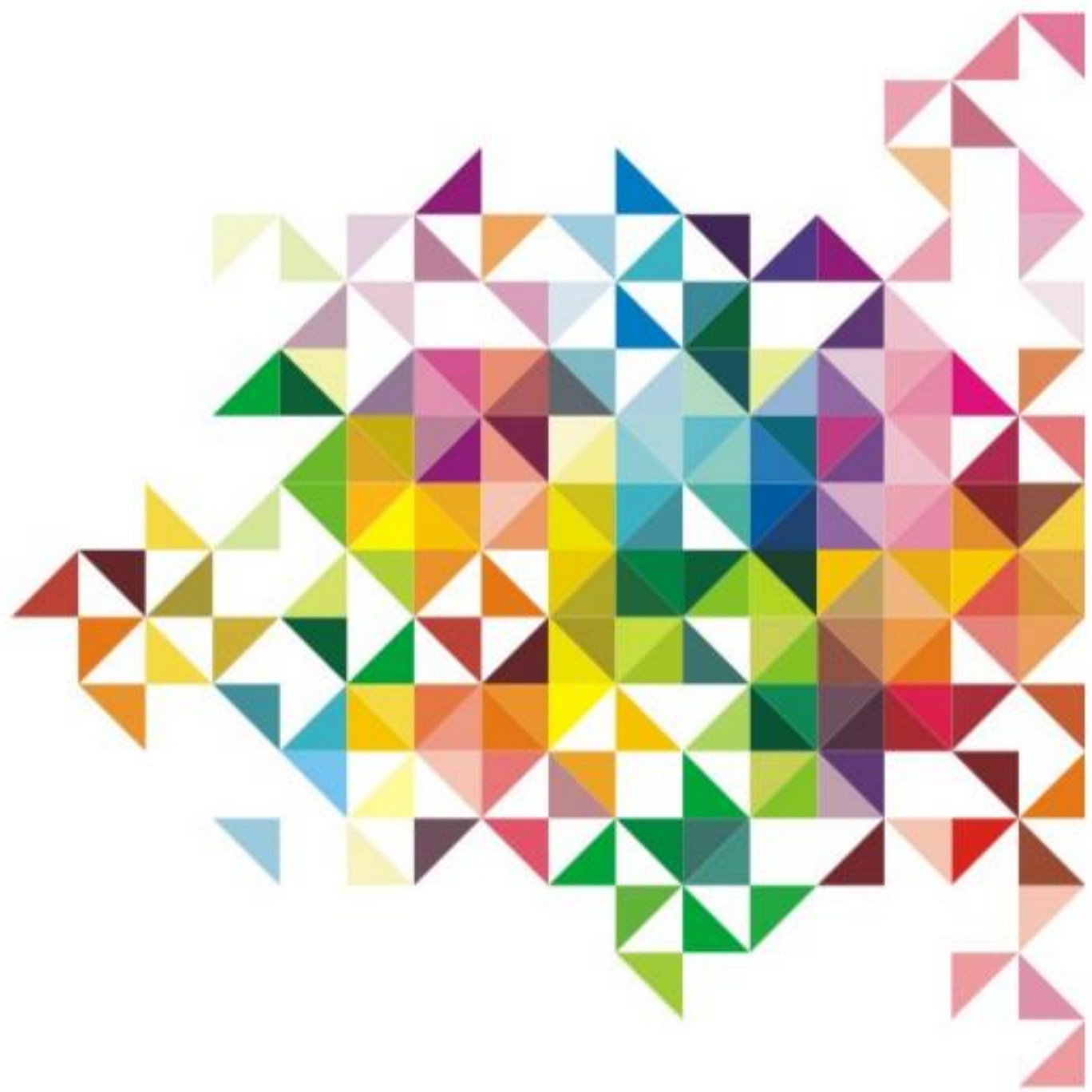
### Nations effort for Achieving Fuel economy

- 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**

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# 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

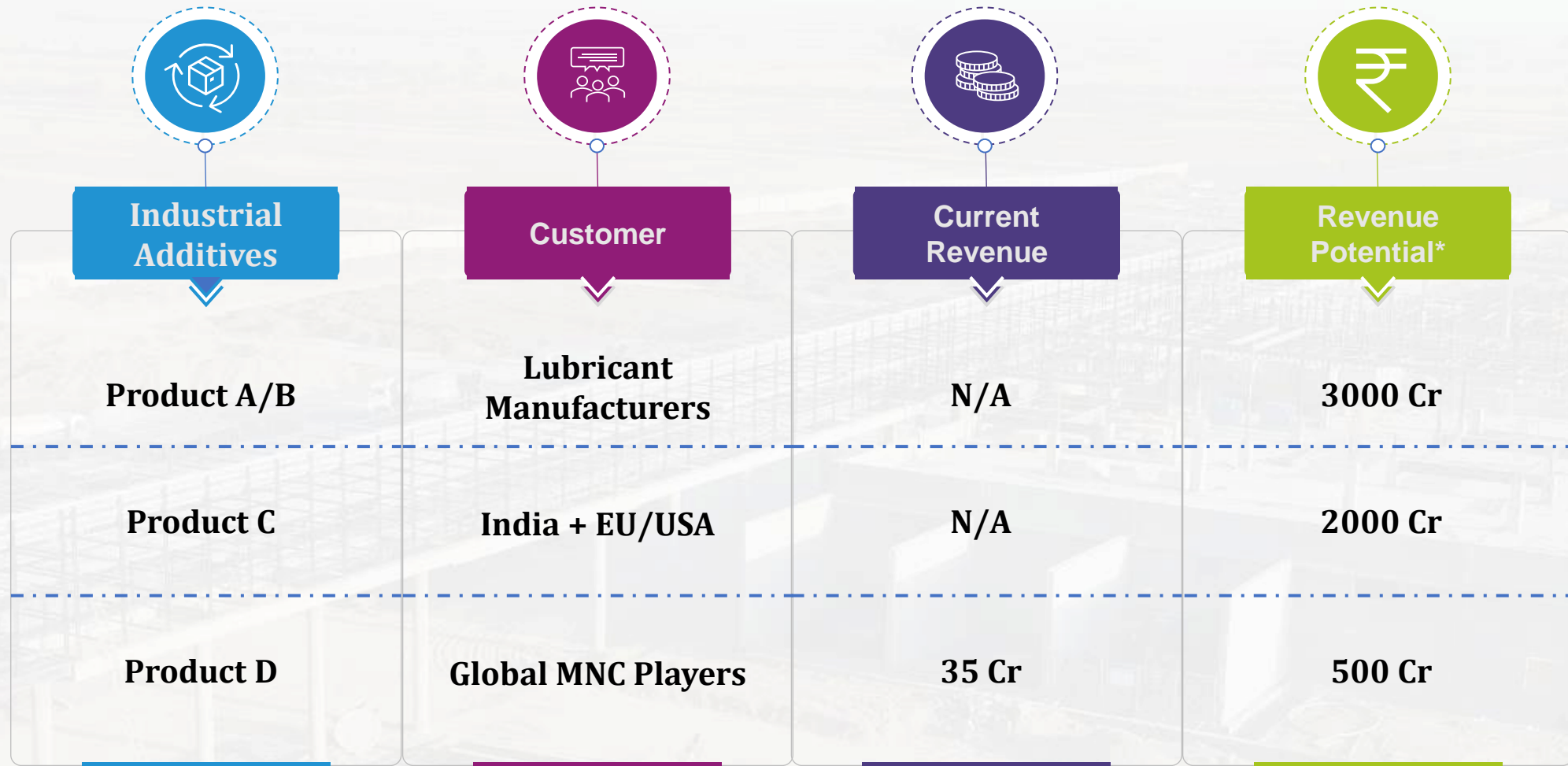


### Specialty Chemicals

- 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

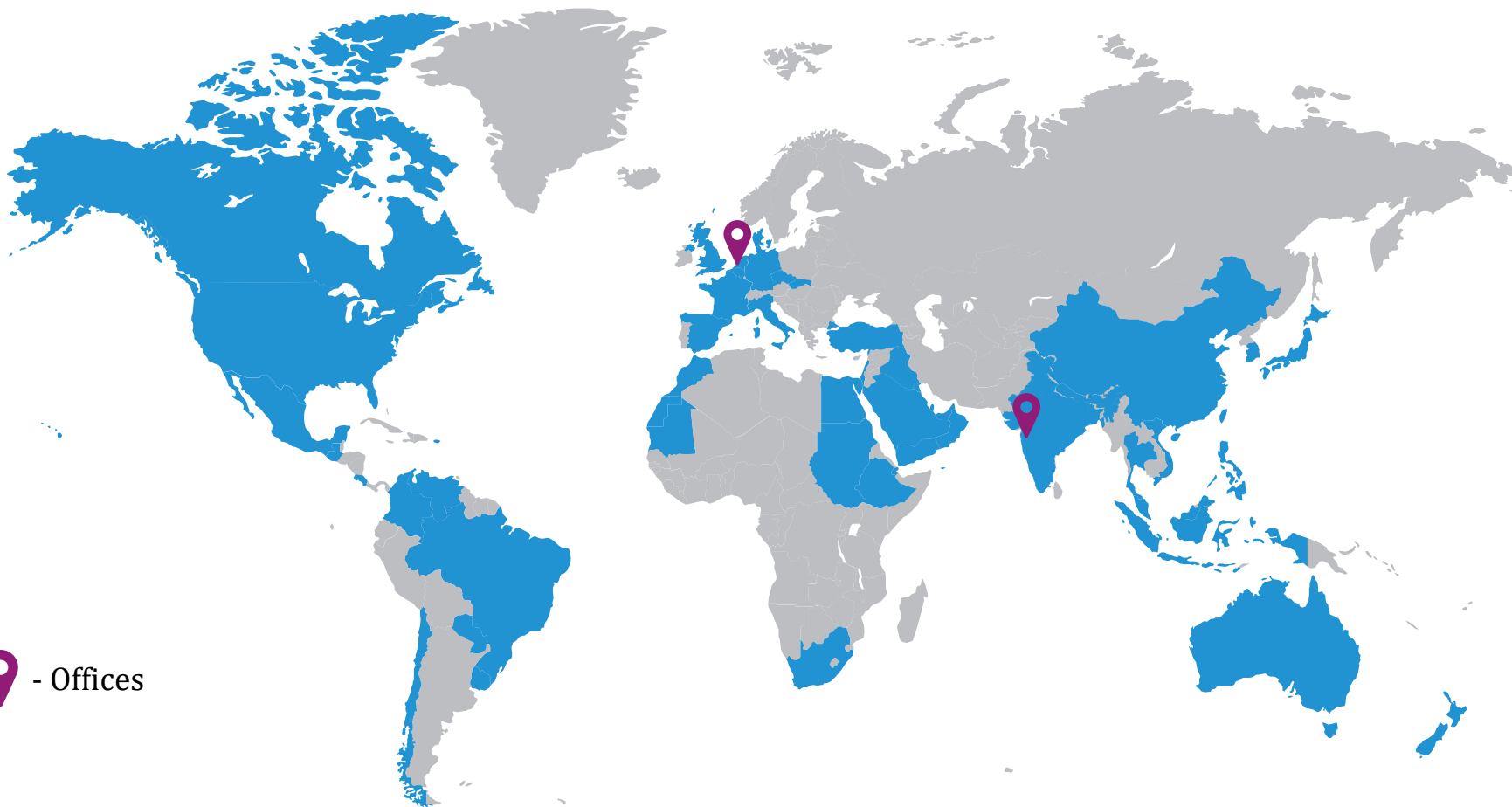
Continents

50+

Countries

2

Offices

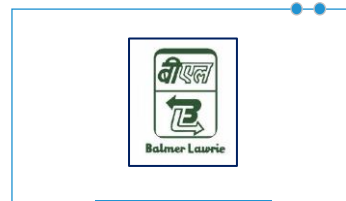


 - Offices

- ✓ 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

## Capacity



## Capacity Additions



## Prowess



**Manufacturing Unit - I**

5,850 MTPA

1500 MTPA added with process change and plant correction

Located close to Nhava Sheva Sea Port Efficient Logistics

**Manufacturing Unit - II**

5,450 MTPA

900 MTPA capacity added through debottlenecking

Multi-purpose plant to serve diverse industries

**Manufacturing Unit - III**

1,200 MTPA

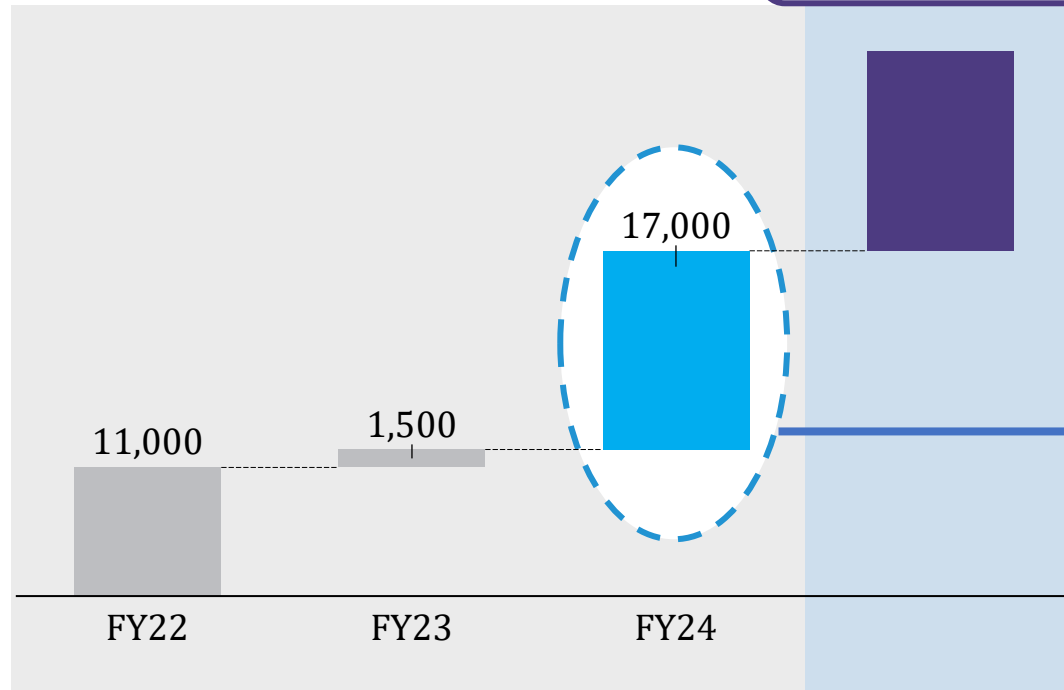
Warehousing & 1,200 MTPA capacity commissioned

Dedicated R&D facility to expand product range

# 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**



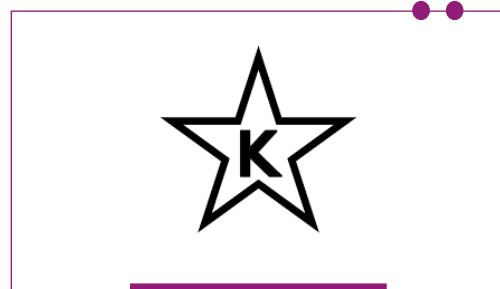
**FSSAI Certification**



**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.

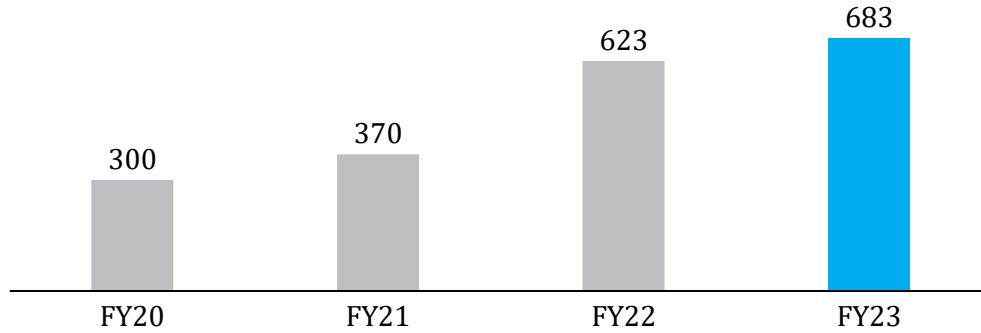
# Financial Performance

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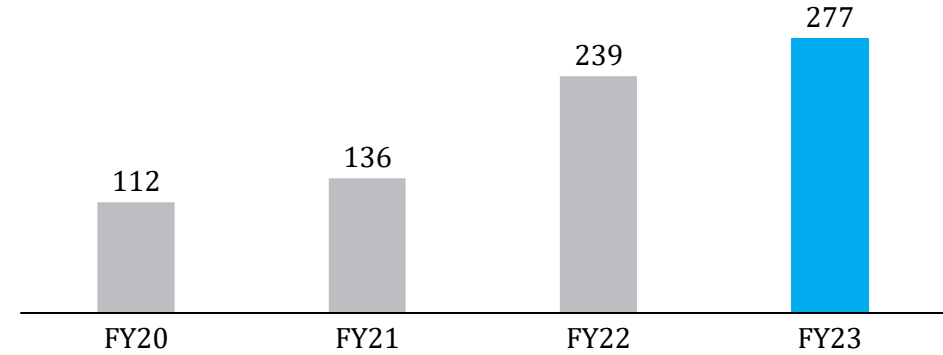


# Financial Performance

## Total Revenue (Rs. Crs.)

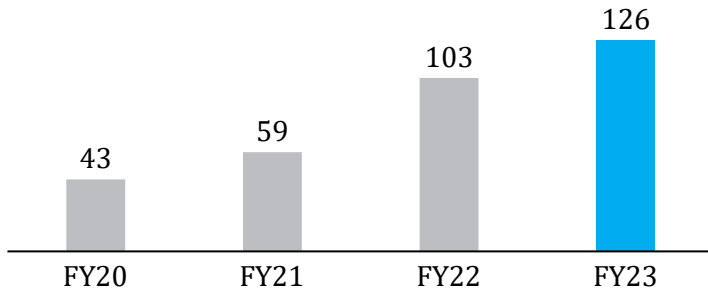


## Gross Profit



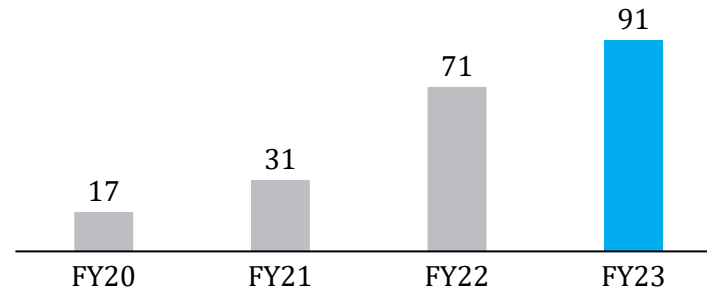
## EBITDA (Rs. Crs) & EBITDA Margin

14.4%    16.4%    16.9%    18.5%



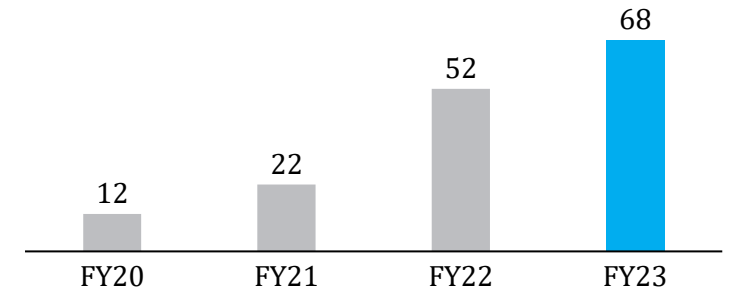
## PBT (Rs. Crs) & PBT Margin

5.7%    8.5%    11.6%    13.5%



## PAT (Rs. Crs) & PAT Margin

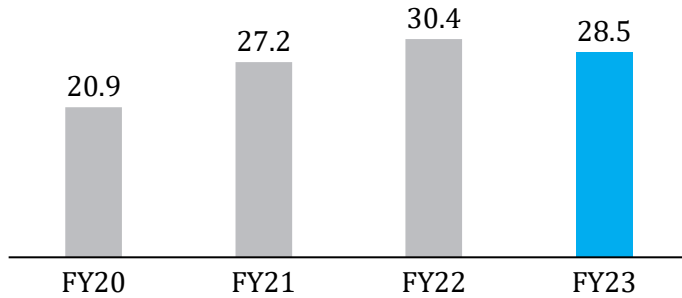
4.0%    5.9%    8.5%    9.9%



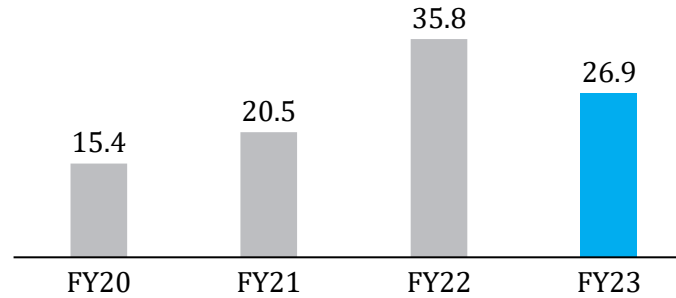


# Financial Performance

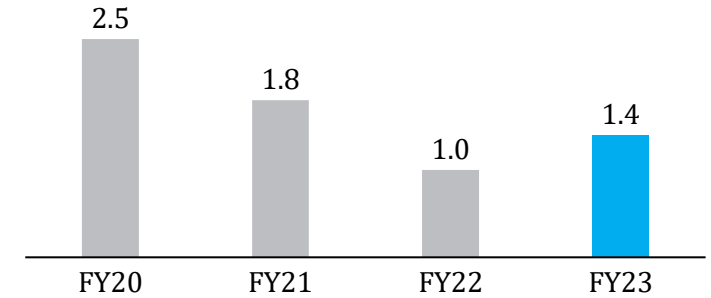
## ROE (%)



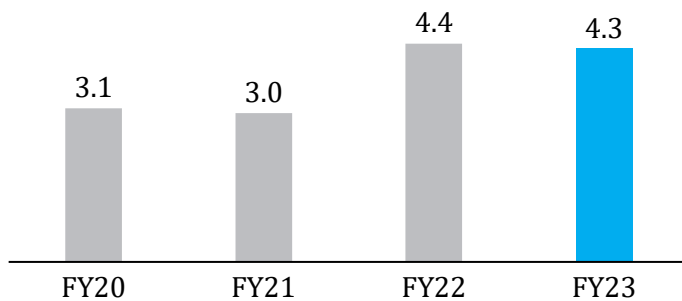
## ROCE (%)



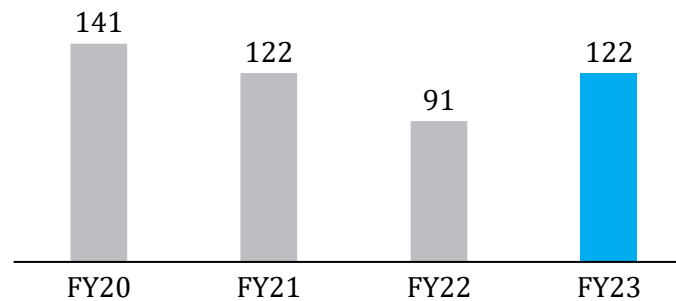
## Net Debt / Equity (x)



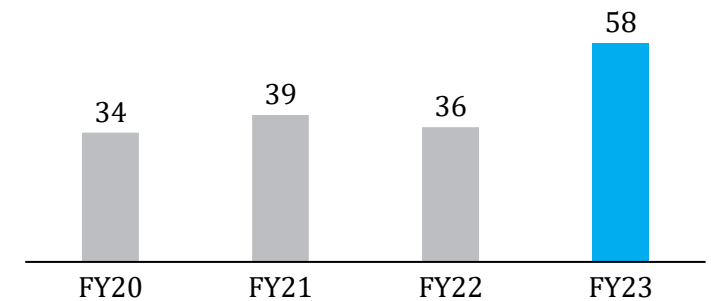
## Fixed Asset Turnover (x)



## 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	
<b>Total Revenue</b>	<b>153.5</b>	<b>185.3</b>	<b>-17.2%</b>	<b>152.6</b>	<b>+0.6%</b>	<b>682.6</b>	<b>623</b>	<b>+9.6%</b>
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	<b>95.1</b>	<b>115.4</b>		<b>91.8</b>		<b>405.3</b>	<b>389.2</b>	
Gross Profit	<b>58.4</b>	<b>69.9</b>		<b>60.9</b>		<b>277.2</b>	<b>233.8</b>	
Gross Profit Margin (%)	<b>38.1</b>	<b>37.7%</b>		<b>39.9%</b>		<b>40.6%</b>	<b>37.5%</b>	
Employee Expenses	9.9	9.1		9.7		38.6	32.5	
Other Expenses	20.6	33		24.3		112.7	97.9	
<b>EBITDA</b>	<b>27.9</b>	<b>27.8</b>	<b>+0.7%</b>	<b>26.9</b>	<b>+0.1%</b>	<b>126</b>	<b>103.3</b>	<b>+22%</b>
<b>EBITDA Margin (%)</b>	<b>18.2%</b>	<b>15.2%</b>		<b>17.6%</b>		<b>18.5%</b>	<b>16.9%</b>	
Depreciation	4.7	5.2		5.19		19.8	18.7	
<b>EBIT</b>	<b>23.2</b>	<b>22.5</b>	<b>+3%</b>	<b>21.7</b>		<b>106.2</b>	<b>84.6</b>	<b>+25.5%</b>
<b>EBIT Margin (%)</b>	<b>15.1%</b>	<b>12.2%</b>		<b>14.2%</b>		<b>15.6%</b>	<b>13.6%</b>	
Finance Cost	3.8	3.1		3.9		15.6	13.8	
<b>Profit before Tax</b>	<b>19.5</b>	<b>19.4</b>	<b>+0.2%</b>	<b>17.8</b>	<b>+9.4%</b>	<b>90.6</b>	<b>70.8</b>	<b>+27.9%</b>
<b>Profit before Tax(%)</b>	<b>10.2%</b>	<b>10.7%</b>		<b>11.9%</b>		<b>13.5%</b>	<b>11.6%</b>	
Tax	3.8	6.1		7.3		22.7	18.5	
<b>Profit After Tax</b>	<b>15.7</b>	<b>13.5</b>	<b>+17.8%</b>	<b>10.5</b>	<b>+49.9%</b>	<b>67.9</b>	<b>52.3</b>	<b>+29.8%</b>
<b>PAT Margin (%)</b>	<b>10.2%</b>	<b>7.4%</b>		<b>7.0%</b>		<b>9.9%</b>	<b>8.4%</b>	
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
<b>Total Revenue</b>	<b>300.3</b>	<b>369.5</b>	<b>623.0</b>	<b>682.6</b>
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
<b>Gross Profit</b>	<b>111.8</b>	<b>135.9</b>	<b>238.8</b>	<b>277.3</b>
<b>Gross Profit Margin</b>	<b>37.6%</b>	<b>37.8%</b>	<b>38.9%</b>	<b>40.6%</b>
Employee Expenses	20.7	23.3	32.5	38.6
Other Expenses	48.1	53.5	103.0	112.7
<b>EBITDA</b>	<b>42.9</b>	<b>59.1</b>	<b>103.3</b>	<b>126</b>
<b>EBITDA Margin (%)</b>	<b>14.4%</b>	<b>16.4%</b>	<b>16.9%</b>	<b>18.5%</b>
Depreciation	10.4	12.0	18.7	19.8
<b>EBIT</b>	<b>32.5</b>	<b>47.1</b>	<b>84.6</b>	<b>106.2</b>
<b>EBIT Margin (%)</b>	<b>10.9%</b>	<b>13.1%</b>	<b>13.8%</b>	<b>15.6%</b>
Finance Cost	15.6	16.4	13.8	15.6
<b>Profit before Tax</b>	<b>16.9</b>	<b>30.7</b>	<b>70.8</b>	<b>90.6</b>
<b>Profit before Tax(%)</b>	<b>5.7%</b>	<b>8.5%</b>	<b>11.6%</b>	<b>13.5%</b>
Tax	4.9	9.2	18.5	22.7
<b>Profit After Tax</b>	<b>12.0</b>	<b>21.5</b>	<b>52.3</b>	<b>67.9</b>
<b>PAT Margin (%)</b>	<b>4.0%</b>	<b>5.9%</b>	<b>8.5%</b>	<b>9.9%</b>



**Mr. Yayesh Jhaveri**  
Whole Time Director

[yayesh@yashoindustries.com](mailto:yayesh@yashoindustries.com)  
[www.yashoindustries.com](http://www.yashoindustries.com)

CIN – L74110MH1985PLC037900

thank you!



**Investor Relations:**

**Mr. Bhavya Shah**  
[bhavya.shah@linkintime.co.in](mailto:bhavya.shah@linkintime.co.in)  
+91 80827 48577

**Mr. Nachiket Kale**  
[nachiket.kale@linkintime.co.in](mailto:nachiket.kale@linkintime.co.in)  
+91 99209 40808

[www.orientcap.com](http://www.orientcap.com)



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