



Yasho Industries Limited

Investor Presentation – November 2021

Safe Harbour

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Q2 & H1 FY22 Highlights

Business Highlights

H1 FY22



68%

Total Revenue
growth on YoY basis



94%

EBITDA
growth on YoY basis



59%

Sales Volume
growth on YoY basis

“Due to disruptions in the global supply chain, there is an increasing focus on Indian chemical manufacturers to act as an alternate regional supplier. Continuous process improvements & commercialisation of new quality products has helped us to position ourselves well in the specialty chemicals industry.

We are pleased to report our highest ever quarterly & half-year performance in terms of Volumes, Sales & Profitability. Total revenue for the H1FY22 stood at Rs 266.39 crores, a growth of 167 % on a YoY basis. Our sales volume for H1FY22 grew by 159% and EBITDA grew by 194% on a YoY basis. Demand for all major chemicals has been healthy in H1FY22 led by Rubber chemicals, Lubricant additives & Speciality chemicals business. Capacity expansion through debottlenecking has been completed and will serve incremental demand in H2FY22. We serve over 1,000 clients in 50 countries and have been their long-term business partner thanks to our robust R&D strategy that generates value-add solutions.

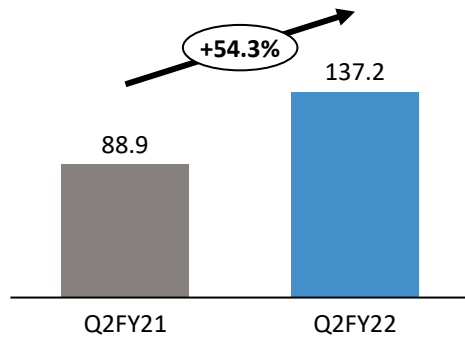
We are delighted to welcome Mr. Anurag Surana and Mr. Ullal Bhat as our new Non-Executive Directors and we will benefit from their vast experience. We have progressively built up our product portfolio to strategically place ourselves with our customers. We have focused our efforts on process intensification and R&D to deliver quality products to our customers. To tap the potential of our REACH registered products in Europe, we have opening a subsidiary in the Netherlands which will help us better serve our customer base in the region. These developments will boost our proficiencies and allow us to seize future opportunities”

Mr. Parag Jhaveri,

Managing Director & CEO

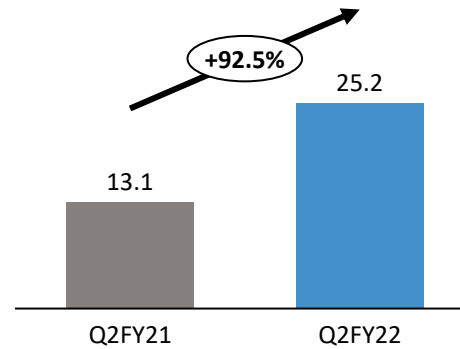
Quarterly Performance

Revenue (Rs. Crs.)



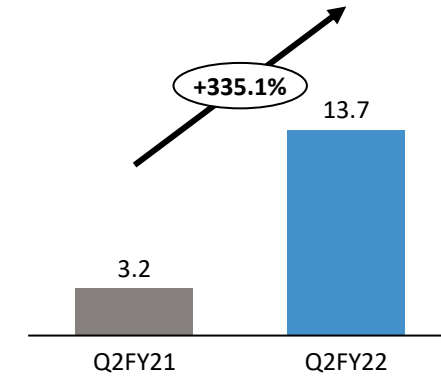
EBITDA (Rs. Crs.)

14.7% 18.4% Margin

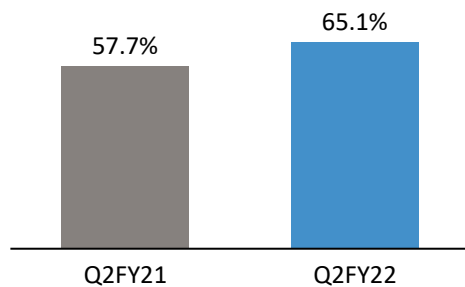


PAT (Rs. Crs.)

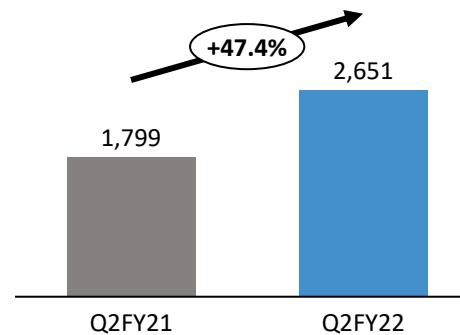
3.5% 10.0% Margin



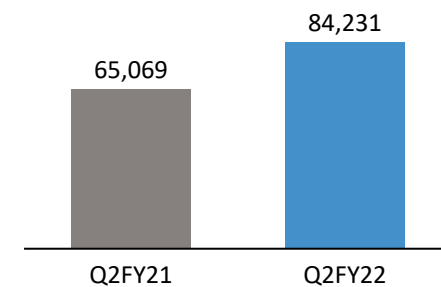
Export (%)



Sales Volume (MTPA)

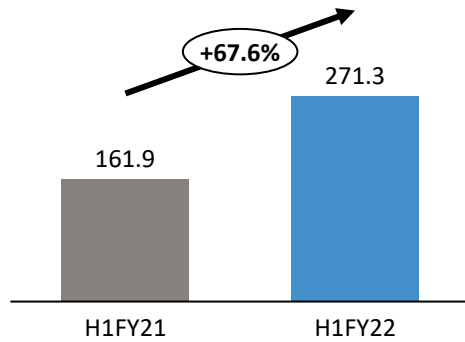


EBITDA/ Tonne** (Rs)



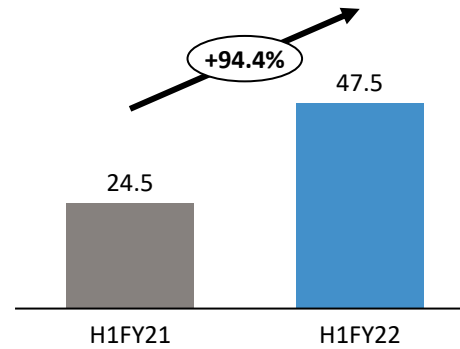
Half-Yearly Performance

Revenue (Rs. Crs.)



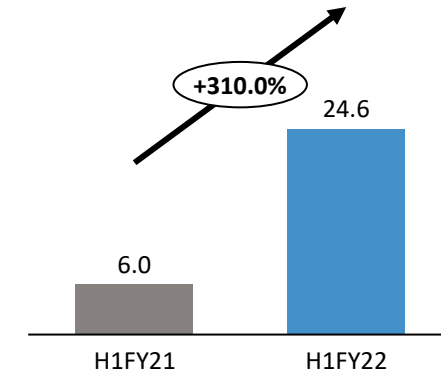
EBITDA (Rs. Crs.)

15.1% 17.5% Margin

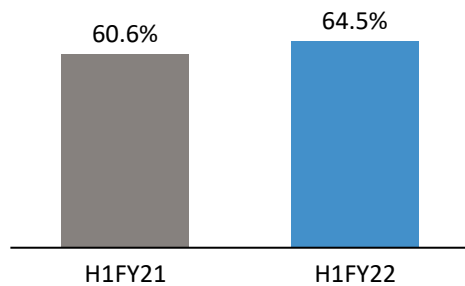


PAT (Rs. Crs.)

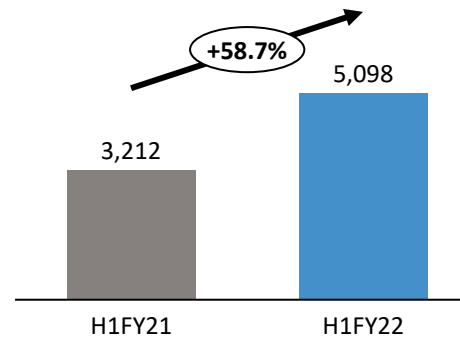
3.7% 9.1% Margin



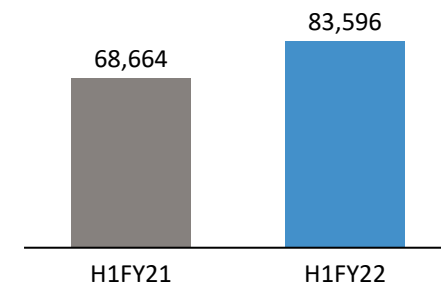
Export (%)



Sales Volume (MTPA)

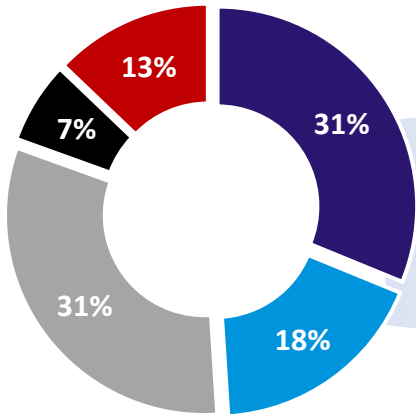


EBITDA/ Tonne** (Rs)

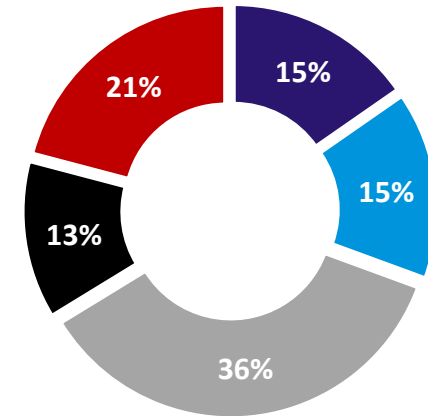


Growing Contribution From Value Added Segments

H1 FY21 Segment-wise
Revenue Breakup (Rs 159 Cr)

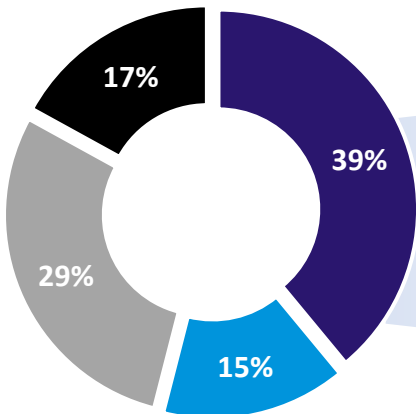


H1 FY22 Segment-wise
Revenue Breakup (Rs 265 Cr)

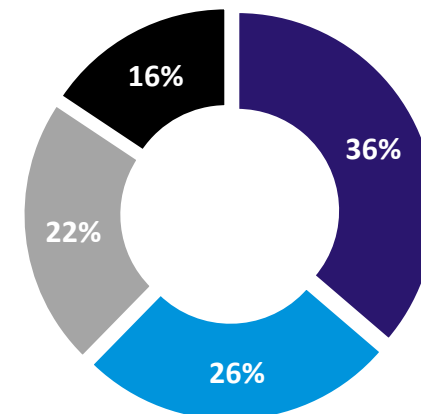


- Aroma Chemicals
- Food Antioxidants
- Rubber Chemicals
- Lubricant Additives
- Speciality Chemicals

H1 FY21 Region-wise



H1 FY22 Region-wise



- India
- U.S.A
- Europe
- ROW

Profit & Loss Statement

Particulars (Rs. In Crs.)	Q2 FY22	Q2 FY21	Y-o-Y	H1 FY22	H1 FY21	Y-o-Y
Revenue from Operation	134.4	87.5		266.4	159.6	
Other income	2.9	1.4		4.9	2.3	
Total Revenue	137.2	88.9	54.3%	271.3	161.9	67.6%
Cost of Material Consumed	81.5	56.7		166.4	104.3	
Employee's Benefits Expense	8.1	5.4		15.3	10.0	
Other Expenses	22.4	13.7		42.1	23.1	
EBITDA	25.2	13.1	92.5%	47.5	24.5	94.4%
EBITDA Margin	18.4%	14.7%		17.5%	15.1%	
Depreciation	3.6	3.2		7.1	6.2	
EBIT	21.6	9.9	117.8%	40.4	18.2	121.8%
Finance cost	3.5	4.8		6.9	9.2	
PBT	18.1	5.1	253.0%	33.5	9.0	273.5%
Tax expense	4.4	2.0		8.9	3.0	
PAT	13.7	3.2	335.1%	24.6	6.0	310.0%
PAT Margin	10.0%	3.5%		9.1%	3.7%	
EPS (in Rs.)	12.60	2.89		22.61	5.51	

Balance Sheet

ASSETS (Rs. Crs)	Sep-21	Mar-21
Non-Current Assets		
Property, Plant and Equipment	105.7	103.1
Capital Work-in-Progress	0.0	0.0
Intangible Assets	17.9	16.8
Financial Assets		
(i) Investments	0.1	0.1
(ii) Other Financial assets	2.7	2.8
Other Non-Current assets	7.7	5.5
Non-Current assets	134.2	128.4
Current Assets		
Inventories	92.6	80.2
Financial Assets		
(i) Trade Receivable	91.2	71.5
(ii) Cash & Cash Equivalents	0.1	0.6
(iii) Bank balances other than (ii)	9.8	14.1
(iv) Short term loans & advances	0.3	0.3
(v) Other Financial assets	0.0	0.0
Current Tax assets	0.0	0.0
Other Current Assets	22.4	10.1
Current assets	216.4	176.8
Total assets	350.6	305.2

EQUITY AND LIABILITIES (Rs. Crs.)	Sep-21	Mar-21
Shareholders Funds	103.1	78.9
Shareholder's equity	10.9	10.9
Reserve & Surplus	92.2	68.0
Non-Current Liabilities		
Financial Liabilities		
(i) Long-Term Borrowings	48.0	53.2
(ii) Other financial Liabilities	2.0	2.6
Long Term Provisions	1.2	1.1
Deferred tax liabilities	10.7	10.8
Non-Current Liabilities	61.9	67.7
Current Liabilities		
Financial Liabilities		
(i) Short Term Borrowings	122.3	107.3
(ii) Trade Payables	52.0	45.8
(iii) Other financial liabilities	1.1	1.1
Short Term Provisions	4.8	2.7
Other Current Liabilities	1.7	1.0
Current Tax Liabilities	3.6	0.5
Current liabilities	185.7	158.5
Total liabilities	350.6	305.2

Cash Flow Statement

Particulars (Rs. Crs.)	Sep-21	Sep-20
Net Profit Before Tax	33.5	8.9
Adjustments for: Non Cash Items / Other Investment or Financial Items	13.9	15.3
Operating profit before working capital changes	47.5	24.2
Changes in working capital	(33.1)	(15.3)
Cash generated from Operations	14.4	8.9
Direct taxes paid (net of refund)	6.4	1.2
Net Cash from Operating Activities	8.0	7.7
Net Cash from Investing Activities	(10.4)	(7.6)
Net Cash from Financing Activities	1.9	(0.2)
Net Decrease in Cash and Cash equivalents	(0.6)	(0.1)
Add: Cash & Cash equivalents at the beginning of the period	0.6	0.5
Cash & Cash equivalents at the end of the period	0.1	0.4



Company Overview

Yasho Industries Ltd : A Snapshot



Manufacturer of Specialty &
Performance Chemicals

Technocrat Promoters

Strong Presence in
Over 50 Countries

Global Certifications

Business Verticals: 5

Total Products : 148

11,000 MT
Manufacturing Capacity

3 Manufacturing Units in
Vapi, Gujarat

Our Journey from Aromatic Chemicals to Rubber & Lubricant Additives



- Commenced exclusive operations for **Aromatic chemicals and Specialty chemicals**

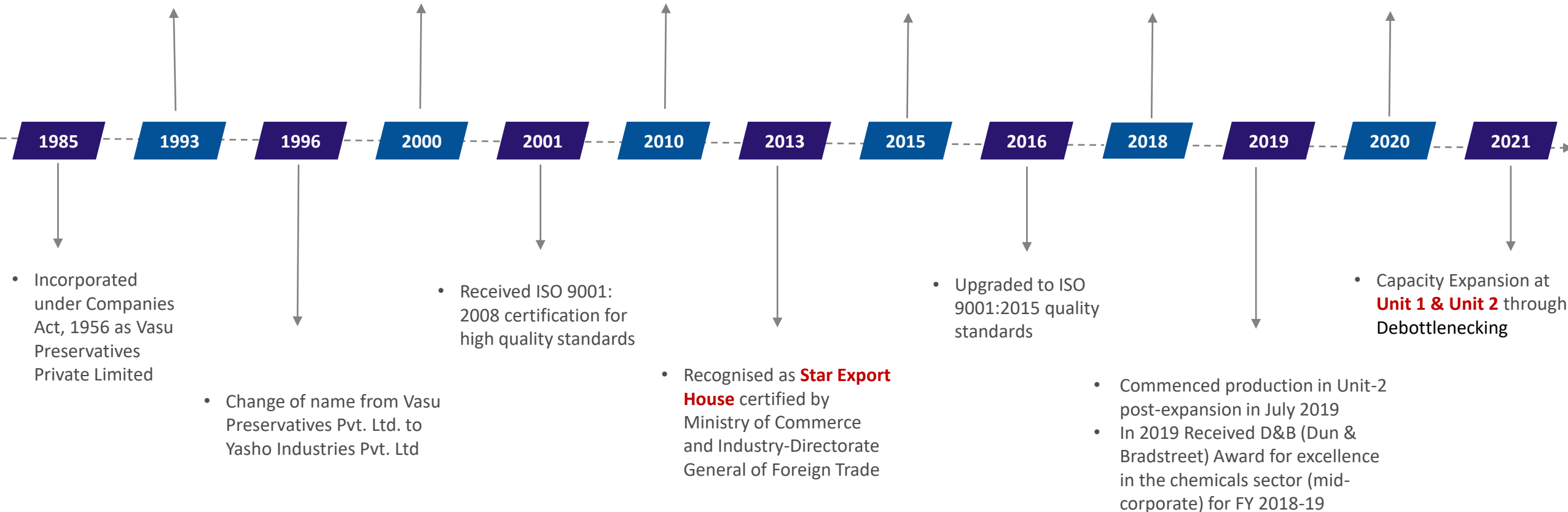
- Commenced manufacturing of various **Rubber Chemicals** developed by in-house R&D

- Commenced manufacturing of various **Lubricant additives** developed by in-house R&D

- REACH** registration started for few products

- Expansion at **Unit-2**, realigning the products produced at both units
- Listed on the BSE SME

- Set up **Unit-3** in March 2020



Diversified Business Portfolio

Highly Competitive segments



Aroma Chemicals



Food Antioxidants

Limited Competition, Export Opportunity and Superior Margin Profile



Rubber Chemicals



Lubricant Additives

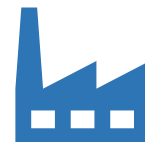


Specialty Chemicals

Business Verticals



Multi-Products



Multi-Applications



Multi-Reach

Made in India : Delivering Globally

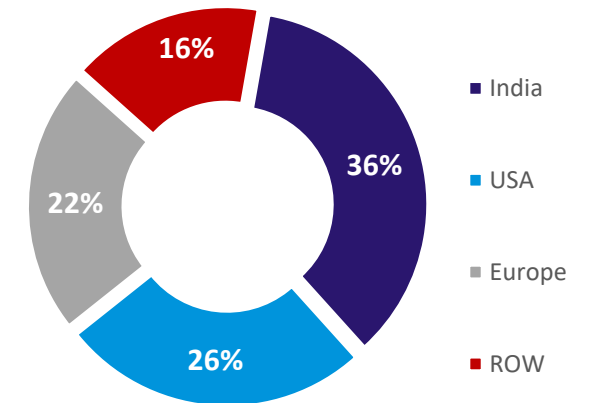
Strong Presence in over **50 countries** across Europe, America, Middle East and Asia.

Exports over **60%**



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

H1 FY22 Region-wise Revenue Breakup (Rs 265 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
11,000 MTPA**

**3 Units at
Vapi, Gujarat**

**1,800 MTPA Capacity Added
in last 6 Month**

Competitive Edge

Unit 1: 4,350 MTPA



- **900 MTPA** capacity added through debottlenecking and is expected to be fully commercialized from Q4FY22 onwards

01

Strategically located within 200 Kms from Nhava Sheva Sea Port

Unit 2: 5,450 MTPA



- **900 MTPA** capacity added through debottlenecking and is expected to be fully commercialized from Q4FY22 onwards

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 on March 20


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

- 
- Being a specialty chemicals 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 team identifies process bottlenecks and undertakes specific initiatives to enhance efficiencies. This leads to **cost optimization** and ensures **higher capacity utilization**.



Process intensification has helped to reduce energy intensive processes.



Further, the use of environment-friendly catalysts in the units help in **eliminating toxic metal waste generation**.



We have improved several processes to **reduce water consumption by more than 50%**.



We continue to endeavor to improve our processes in order to reduce waste.

Global Certifications : Highly Compliant Manufacturer



9001:2015



FSSC 22000



- Delivering quality products across the globe
- Testing Laboratory is well equipped with modern instruments
- Our conformity to global best practices has led us to achieving global certifications which act as an entry barrier especially in large exports market

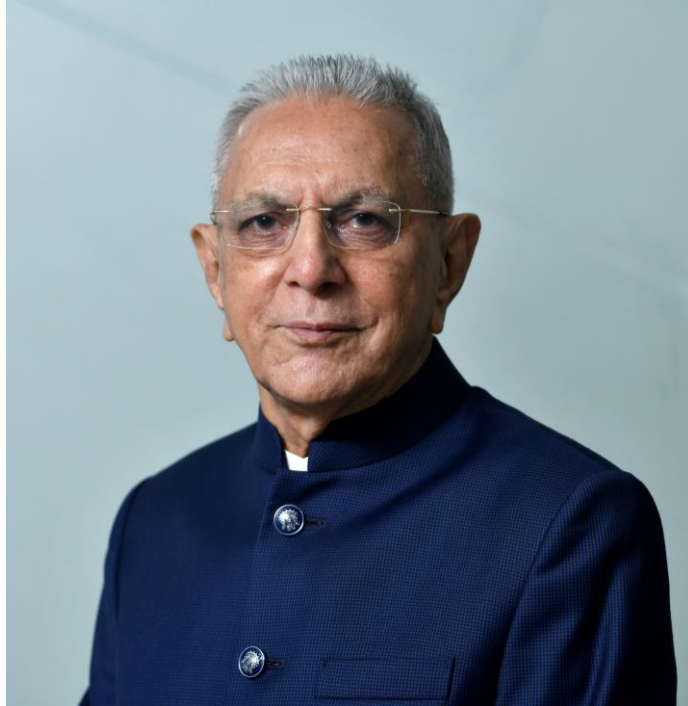
- REACH is a regulation of the European Union, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals, while enhancing the competitiveness of the EU chemicals industry.
- It is required by European Manufacturer, Importer, Downstream Users and Companies established outside the EU.
- We have registered **35 products** for **REACH** to increase business opportunity in European Region



Initiative to Re-Construct School in Vapi District

- Financed and supervised the reconstruction of Kocharva Patel Falia School, in Vapi District, Gujarat
- Stalled due to COVID-19, Company came forth with a funding of Rs. 1.2 Crores for the re-construction of the school.
- The institution hosts 120 Students from the first grade to tenth grade and is spread out through the first floor and the ground floor
- Company has always lent a helping hand for the people in the district and has come forward during various humanitarian crises in the country
- Last year, company contributed actively towards the PM Cares fund, in the battle against COVID-19.
- Some of its other initiatives include funding a mass crematorium in Vapi & donation for school infrastructure (mainly benches) in the region

Founding Team on the Board



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
- Played a key role in ensuring the consistent growth of the Company and has helped build a robust framework for excellence in implementation



Mr. Parag Jhaveri

Managing Director & CEO

- M.Sc Chemistry from Mumbai University. He has over three decades of experience in the chemicals 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
- Under his visionary leadership, the Company has built a model for a sustainable future.



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 played an integral part in setting up Unit-II & Unit-III

Along with the Independent Directors



Mr. Anurag Surana
Independent Director

- He has 27 years of professional experience, 14 of which he has spent on the Board of Directors of different Specialty Chemicals and Agrochemical Companies.
- Was associated with PI Industries for 20 years
- Currently, he is the Managing Director of KAGASHIN Global Network Private Limited
- He is a Director on the Board of IFFCO MC Crop Science Pvt Ltd, Nichino India Pvt Ltd, Nichino Chemical India Pvt Ltd, Kagashin Global Network Pvt Ltd, Neogen Chemicals Limited, and Privi Specialty Chemicals Ltd.



Mr. Ullal Bhatt
Independent Director

- M.Sc. from IIT, Kanpur and has attended advanced courses on Finance at the Harvard Business School, Boston and IIM, Ahmedabad
- He is one of India's well-known investment managers having managed foreign institutional investments in Indian equities for more than two decades
- He joined the Dalton group, UK in 2005 to lead their entry into India as the Managing Director of Dalton Capital Advisors (India) Pvt. Ltd., advising foreign institutional investors investing in India and has cofounded Alphaniti Fintech Pvt. Ltd., a new-age Investment Advisory Co. offering data-driven, rule-based and tech-enabled investment products.



Mrs. Mila Desai
Independent Director

- Mrs. Mila Desai 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
- As an Independent Director, she is responsible for providing her expertise & Inputs, for ensuring the growth of our Company



Dr. Prakash Bhate
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

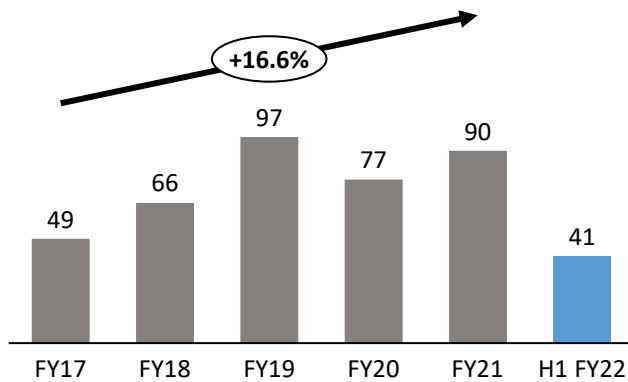
Lubricant Additives

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: ~15%
- Margin: Single Digit
- Domestic Market Presence: Yes
- Global Market Presence : Yes

Food Antioxidants

Aroma Chemicals

Food Antioxidants

Rubber Chemicals

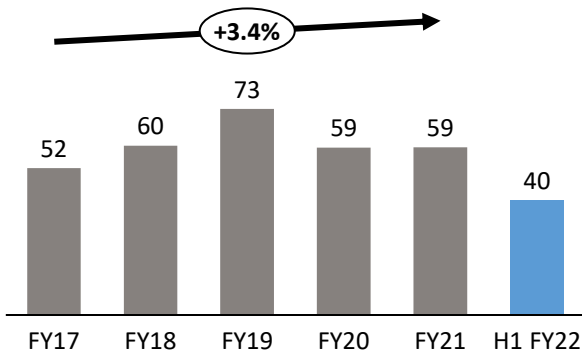
Lubricant Additives

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: ~15%
- Margin: Single Digit
- Domestic Market Presence: Yes
- Global Market Presence : Yes

Rubber Chemicals

Aroma Chemicals

Food Antioxidants

Rubber Chemicals

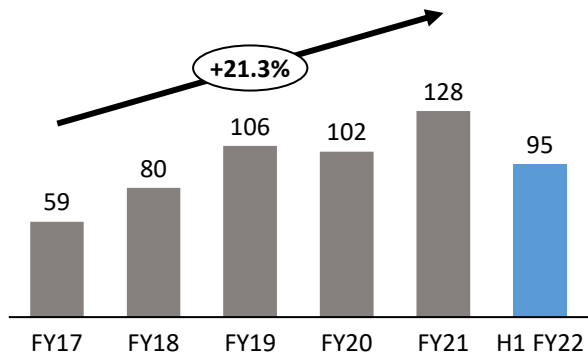
Lubricant Additives

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

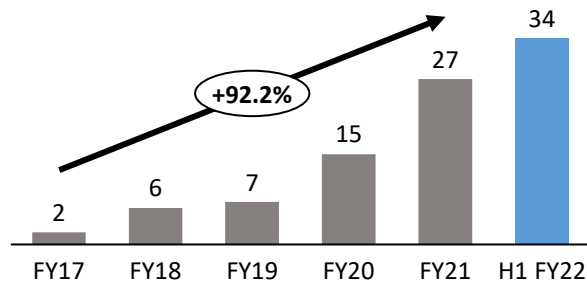
Rubber Chemicals

Lubricant Additives

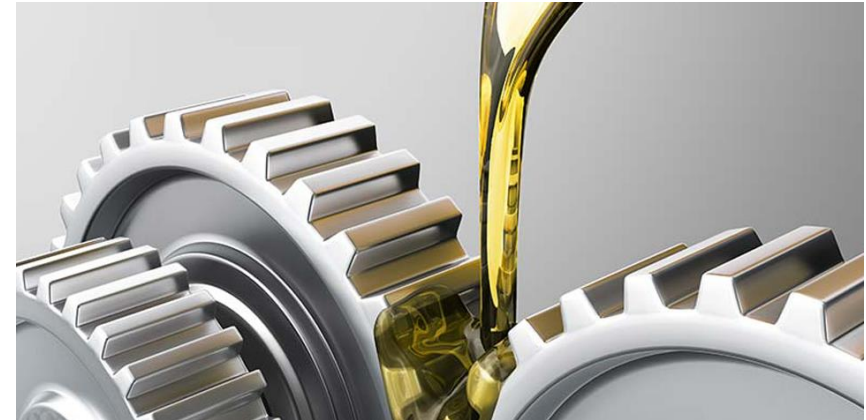
Specialty Chemicals

- 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: ~13%
- 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

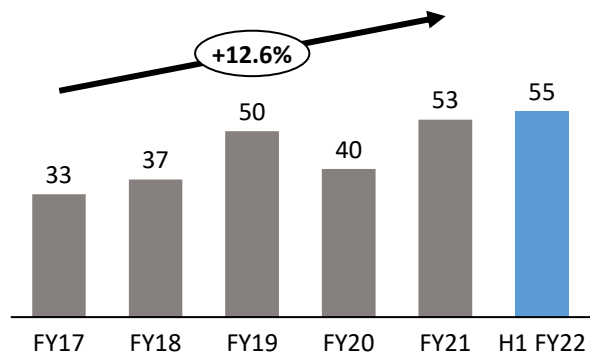
Lubricant Additives

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: ~21%
- Margin: Double Digit
- Domestic Market Presence: Yes
- Global Market Presence : Yes



Embracing Opportunities

Opportunities

- China +1 opportunity
- Strong domestic demand
- Demand from global customers for 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 Chemicals Market: \$2.4 trn

Global **Specialty** Chemicals Market: \$470 bn

Indian **Specialty** Chemicals Market: \$32 bn

Indian Chemicals Products: +70,000

Compliant Manufacturers have a competitive edge

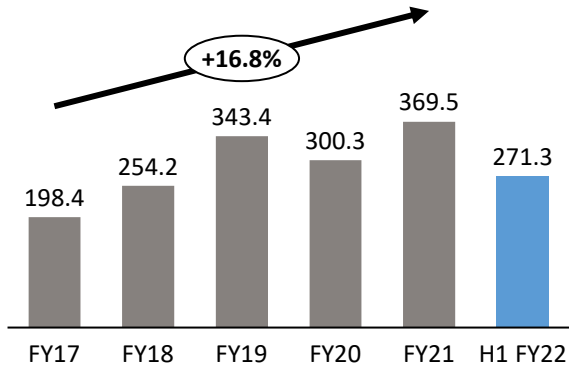
Our Opportunity: Medium to High



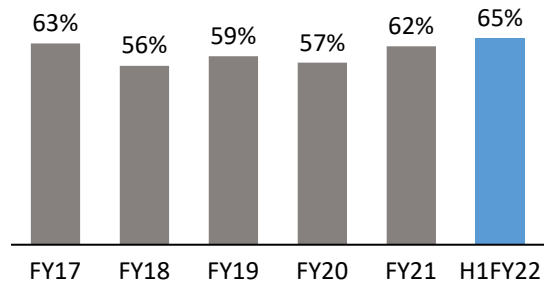
Financial Highlights

Performance Highlights

Revenue (Rs. Crs.)

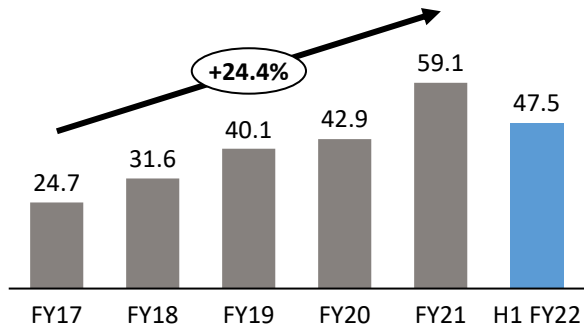


Export (%)



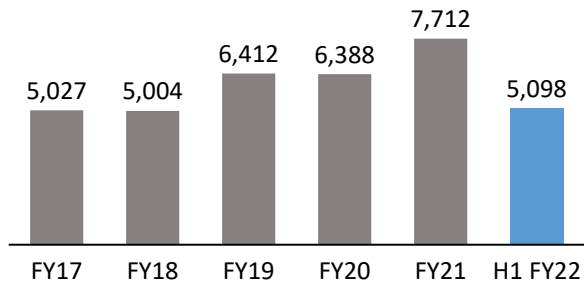
EBITDA (Rs. Crs.)

12.5% 12.4% 11.7% 14.3% 16.0% 17.5%



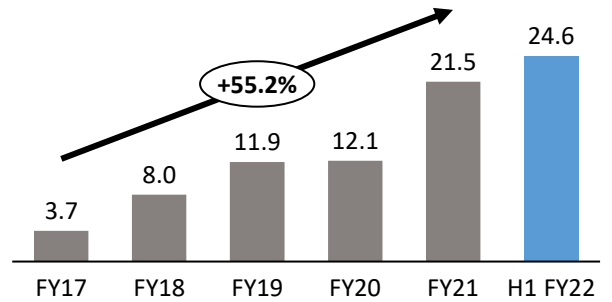
Volume (MTPA)

91% 91% 99% 80% 84% 93%

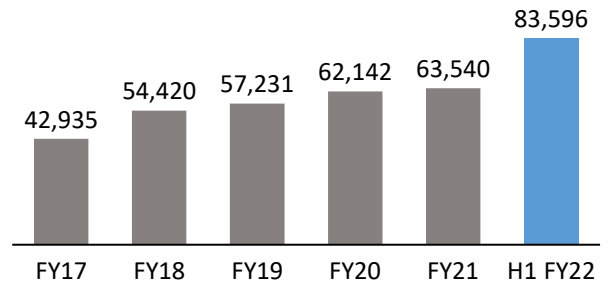


PAT (Rs. Crs.)

1.9% 3.1% 3.5% 4.0% 5.8% 9.1%



EBITDA/Tonne** (Rs)



Margin

Utilization

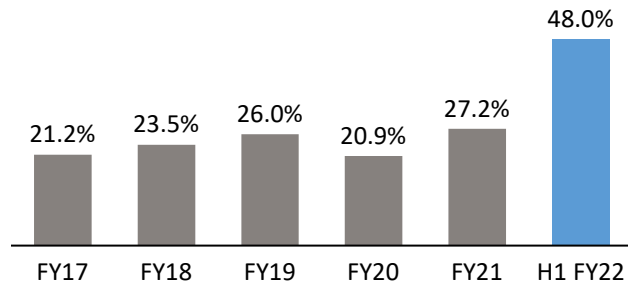
Revenue Includes Other Income

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

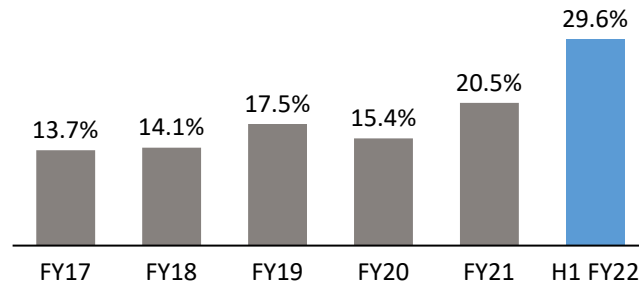
**Excluding other Income

Key Ratios

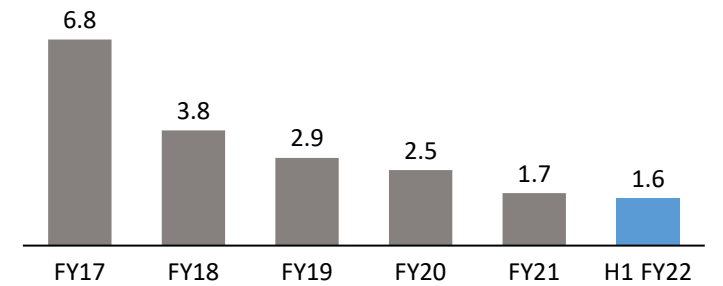
ROE (%)



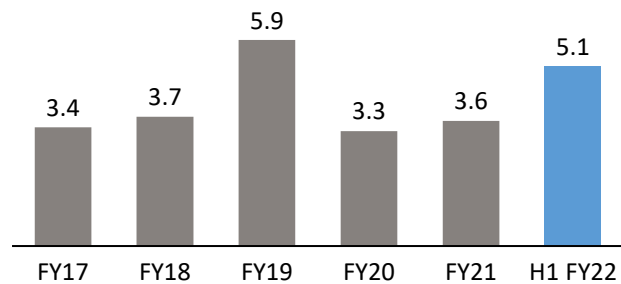
ROCE (%)



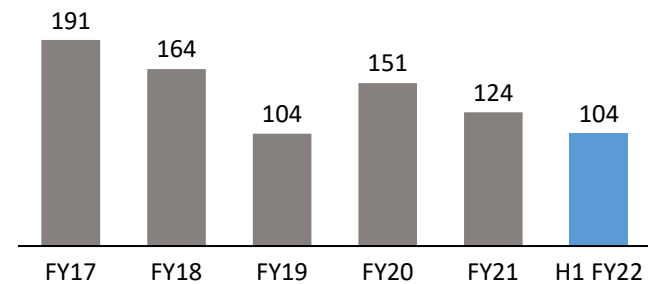
Net Debt / Equity (x)



Fixed Asset Turnover (x)



Working Capital Days



Way Forward

Capacity Addition

- 1,800 MTPA capacity added through debottlenecking and is expected to fully commercialized from Q4FY22 onwards

Focusing on High Margin Products

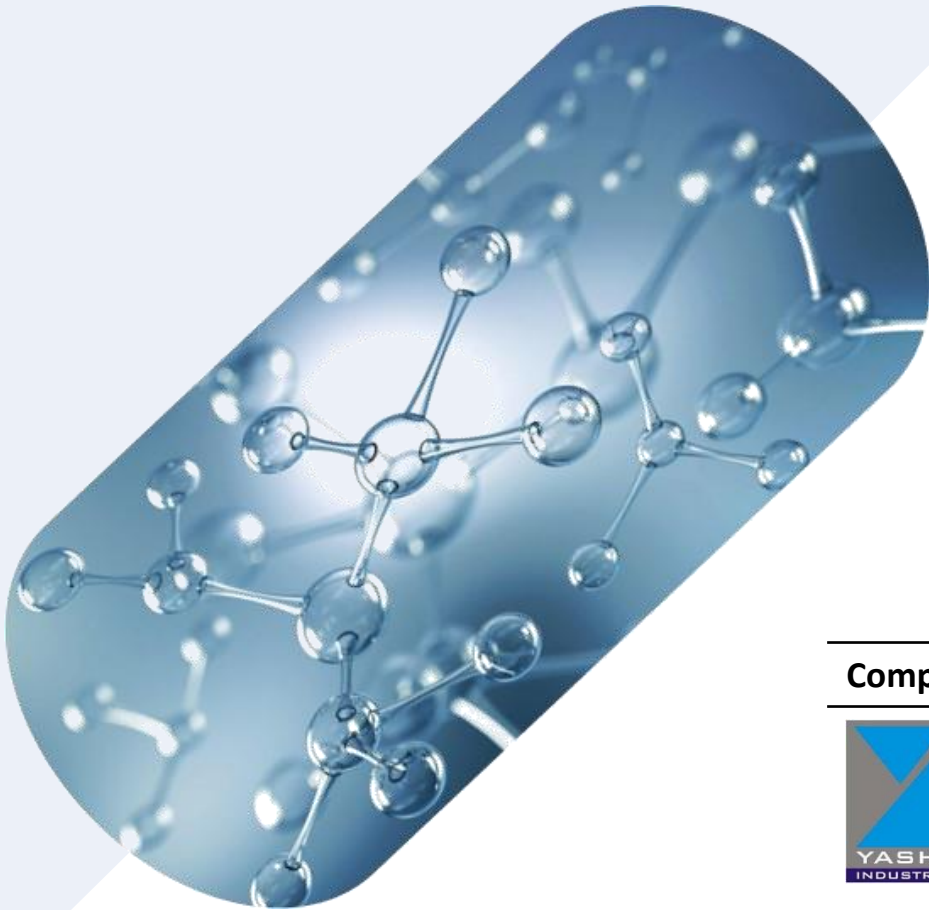
- **Improving our product mix** significantly to high margin Rubber chemicals, Lubricant additives and Specialty products portfolio

Capital Raised Through Preferential Allotment

- In view of the future outlook, growth targets and prospects, the company raised Rs 42.75 Crores to augment its balance sheet

Increase Global Footprint

- Enhance presence in European market through our Netherland Subsidiary
- Leveraging REACH registered Products



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