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CLEAN METAL**



IFGL Refractories Limited

(Formerly IFGL Exports Limited)

Investor Presentation
February 2019



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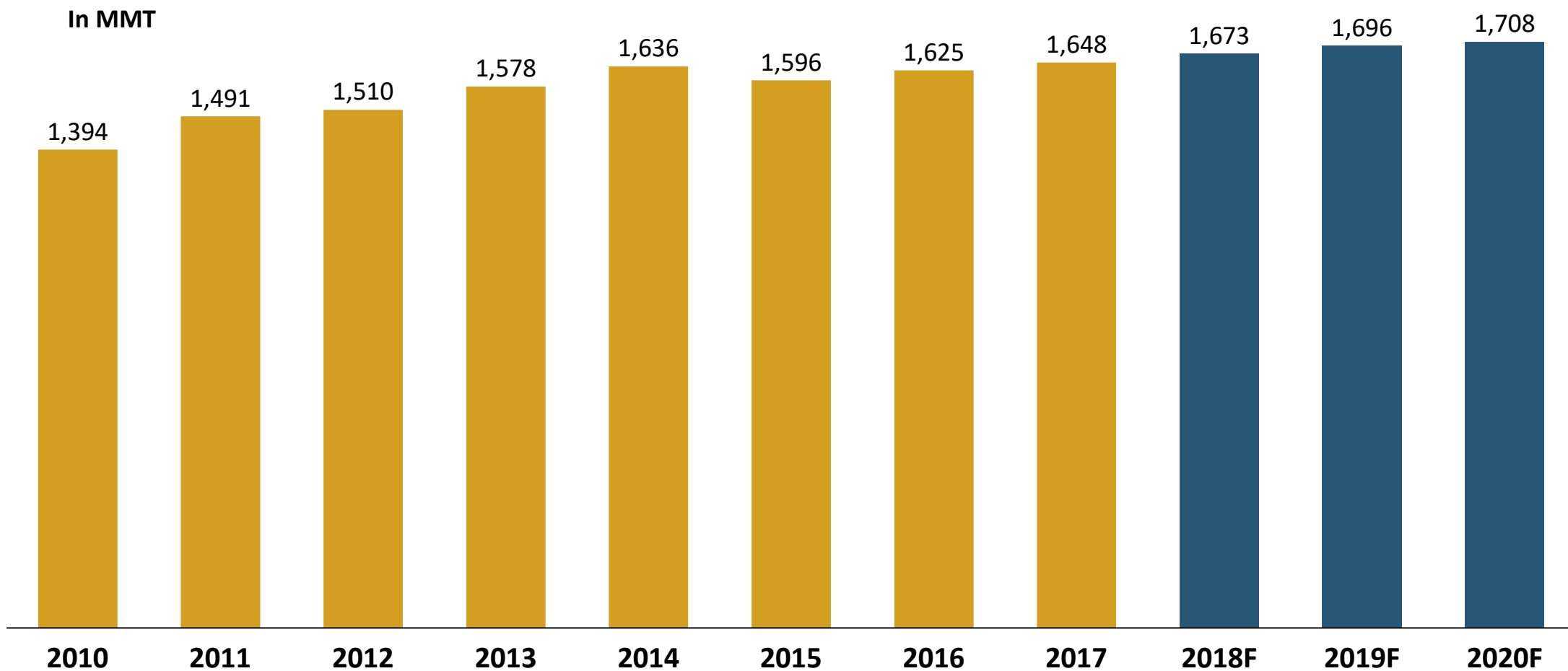
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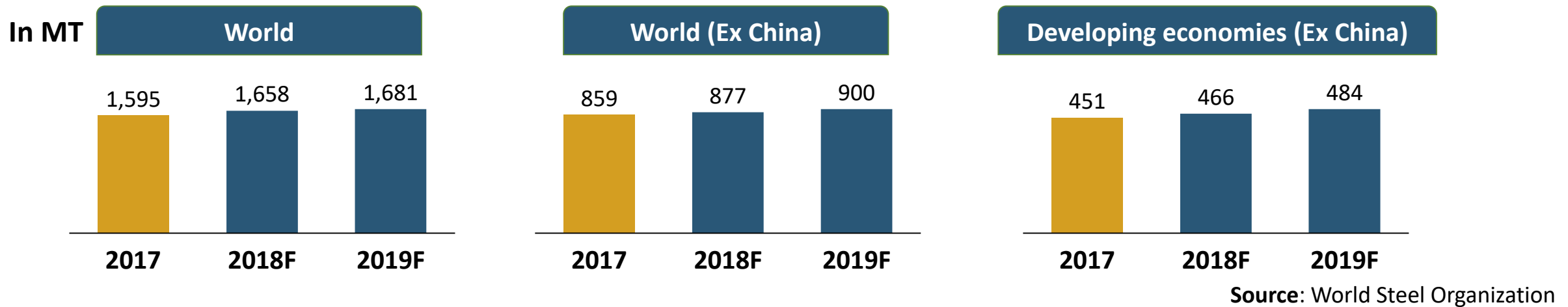
The background features a white central area flanked by two large triangles. On the left, a dark blue triangle points towards the top-left corner. On the right, a gold triangle points towards the top-right corner.

Industry Overview

Global Steel Production outlook



Global Steel Demand outlook



Reasons contributing to growth



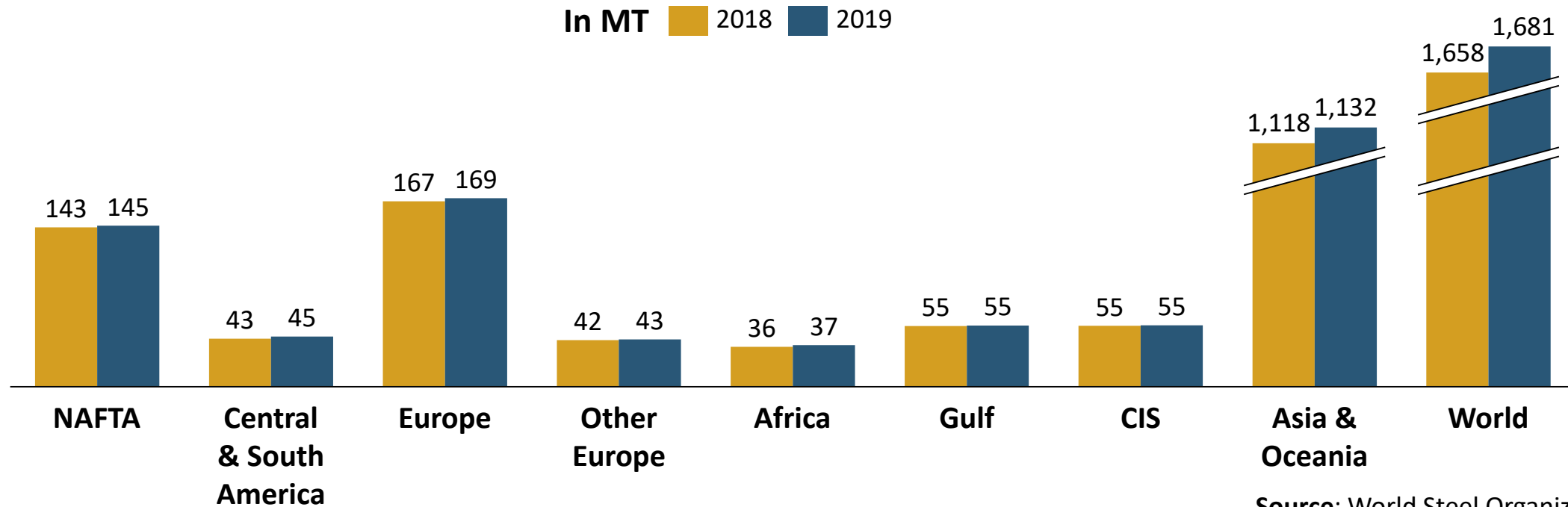
➤ Global outlook:

- The rise in Global Steel demand is expected to be driven by the developing economies such as India, Brazil, Mexico, Russia, and others on the back of Increasing infrastructure & construction activities
- Also, the Construction sector in Asia-Pacific is the largest in the world hence the demand outlook from this geography remains strong

➤ Domestic Outlook:

- Steel demand in **India** is expected to **grow at 6% - 7% over the next decade**
- This will be driven by sectors like Construction & Auto
- Favourable government policies like 'Make in India', 'Smart cities' and 'Pradhan Mantri Awas Yojana', etc.
- Reduction in Chinese steel production, which is expected to aide the domestic market

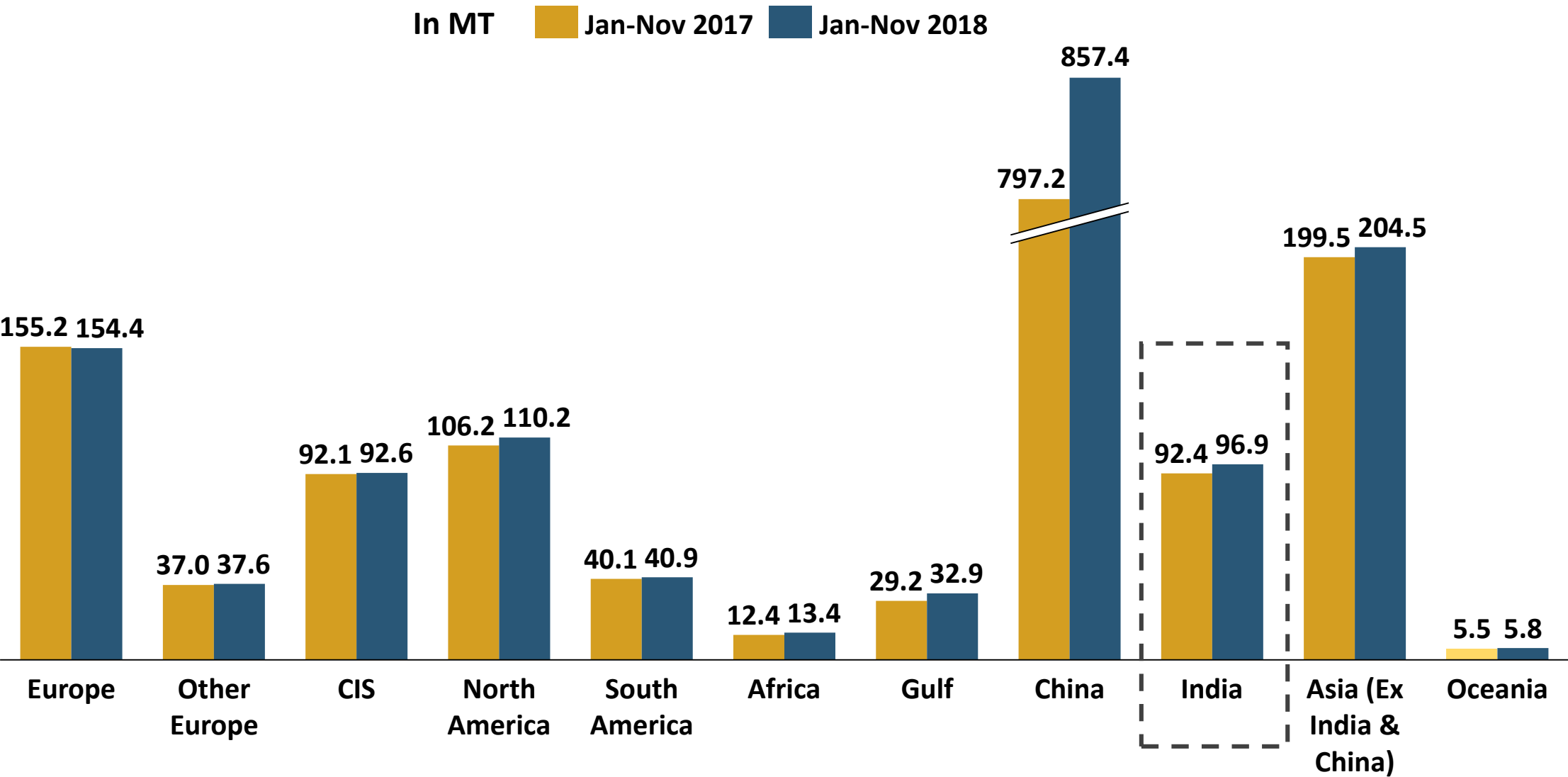
Forecasted Short Term Steel Demand



Source: World Steel Organization

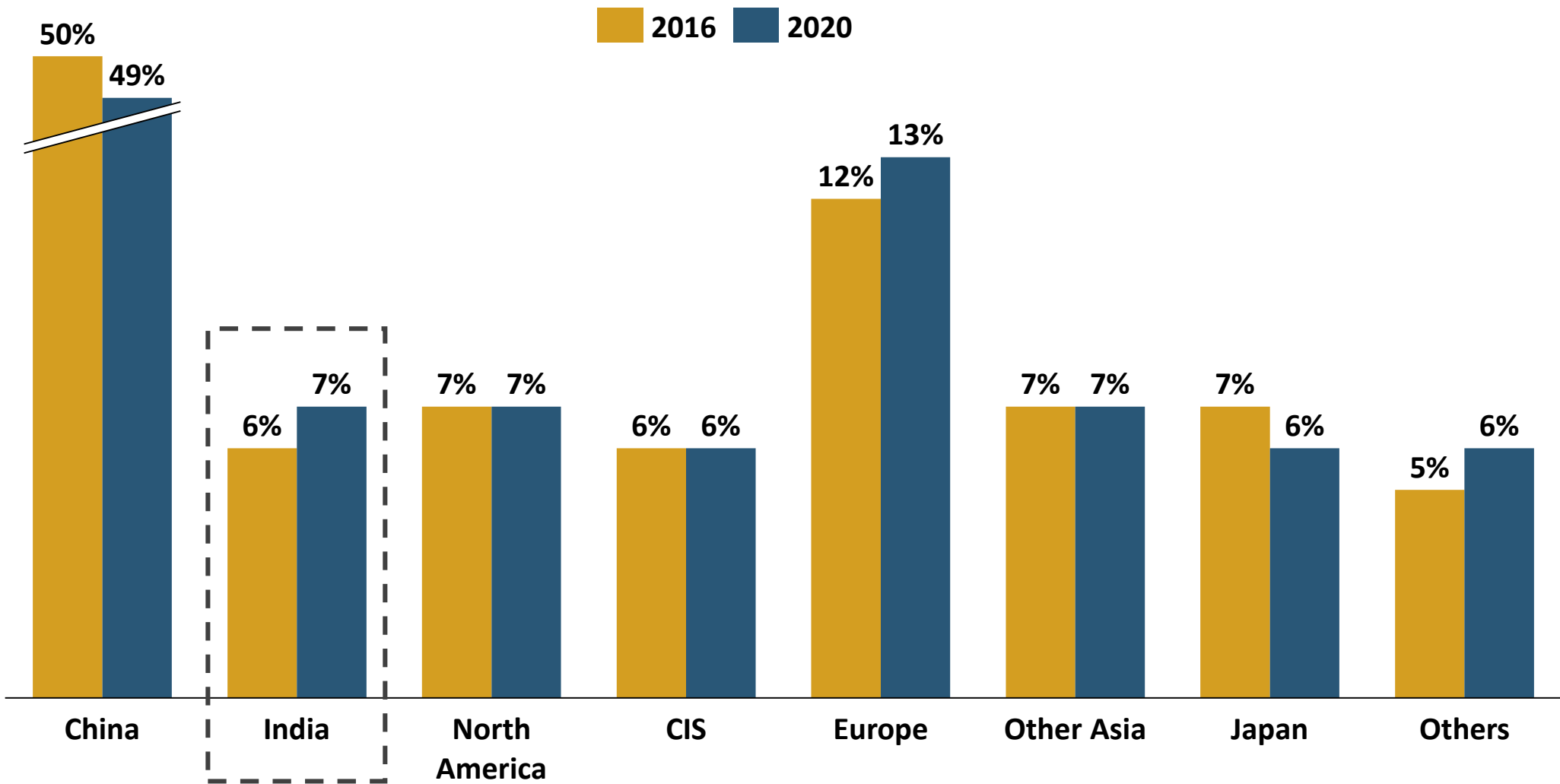
- According to the World Steel Association the demand in Asia (ex China) is expected to increase by 5.9% and 6.8% in 2018 and 2019 respectively
- The demand scenario in India is expected to further improve on the back of:
 - Increased investments in the infrastructure sector
 - Protection from cheap imports
 - Limited exposure to exports, resulting into marginal impact of global trade war

Global Steel production on the rise

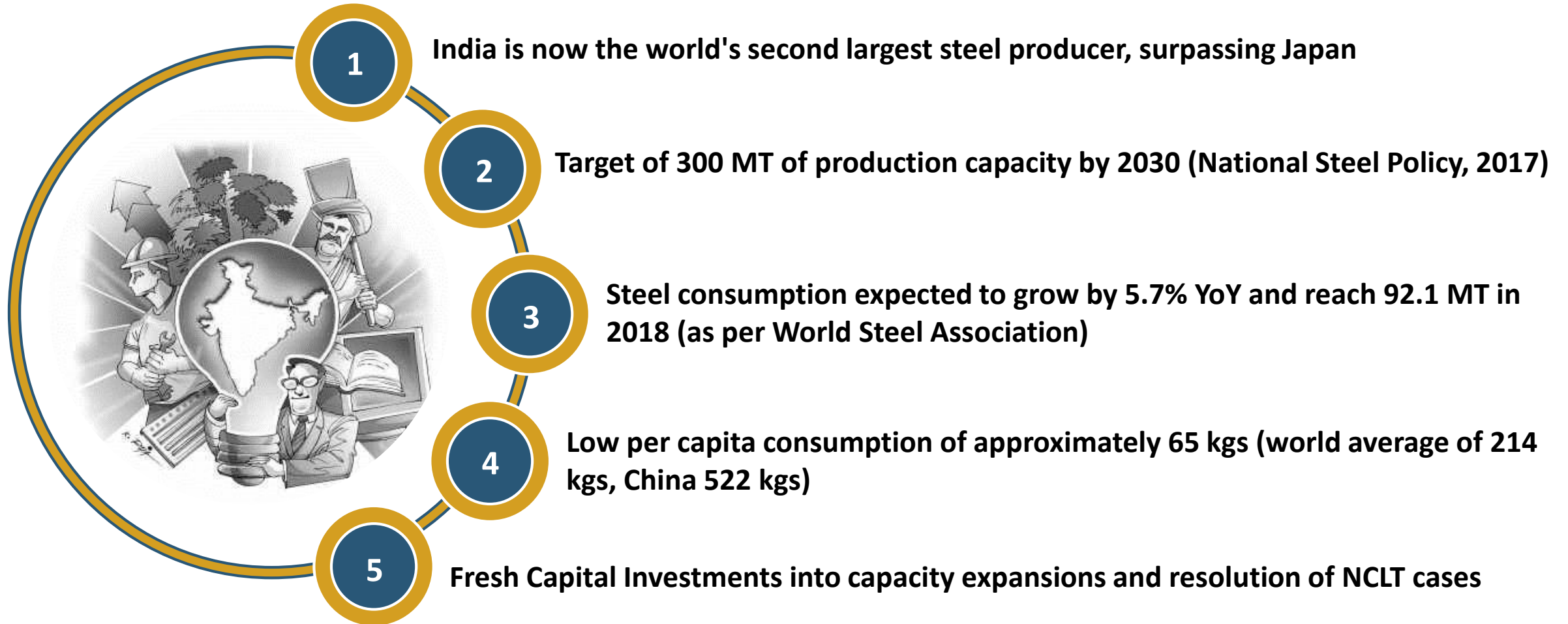


Source: World Steel Organization

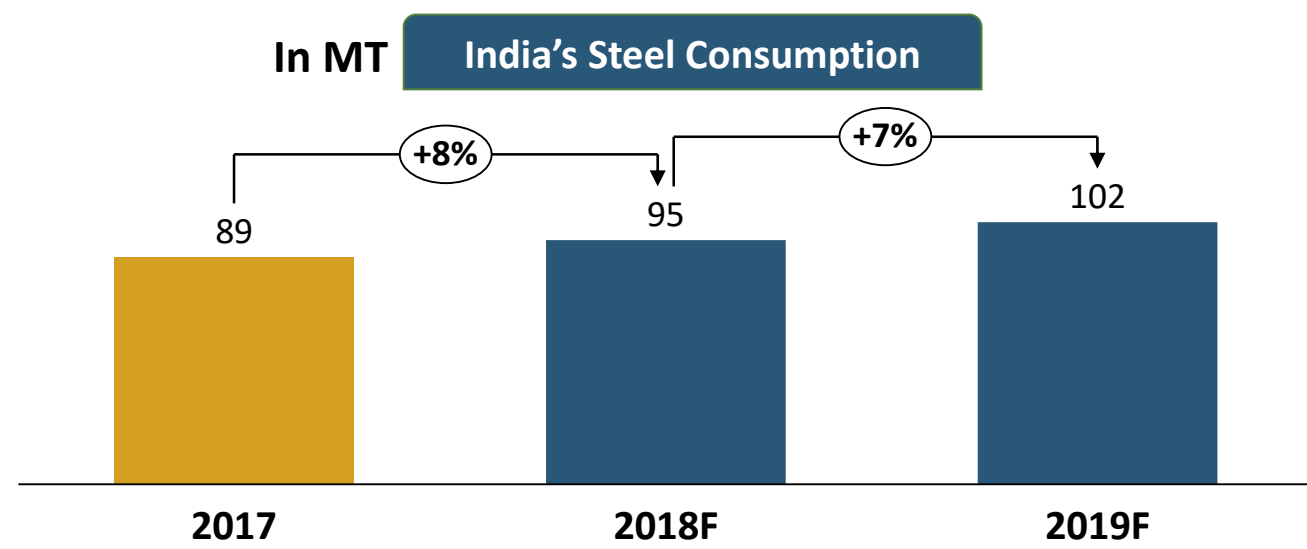
India's share in Global Steel production expected to rise



Domestic Steel Industry on a strong footing



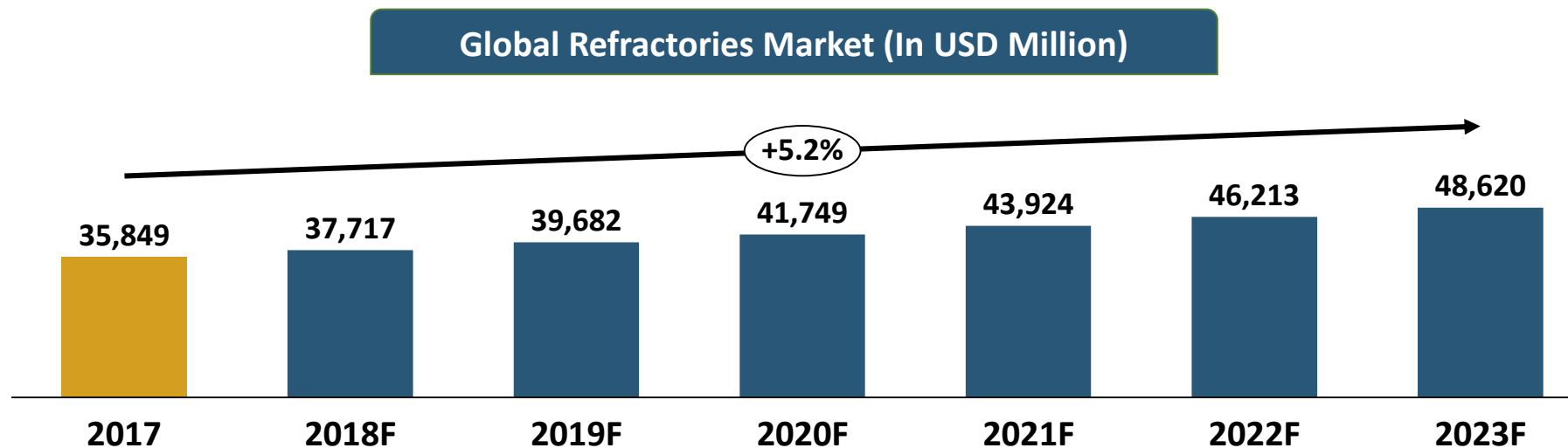
Strong Domestic consumption



Particulars (in MTPA)	FY17	FY18F	YoY%	FY19E	YoY%
India	88.7	95.4	8%	102.3	7%
China	736.8	781.0	6%	781.0	0%
USA	97.7	99.9	2%	101.2	1%
Japan	64.4	64.5	0.2%	64.8	0.5%

India’s consumption is expected to grow at higher rate as compared to other top steel consuming nations in the world

Global Refractories Market outlook (2018-2023)



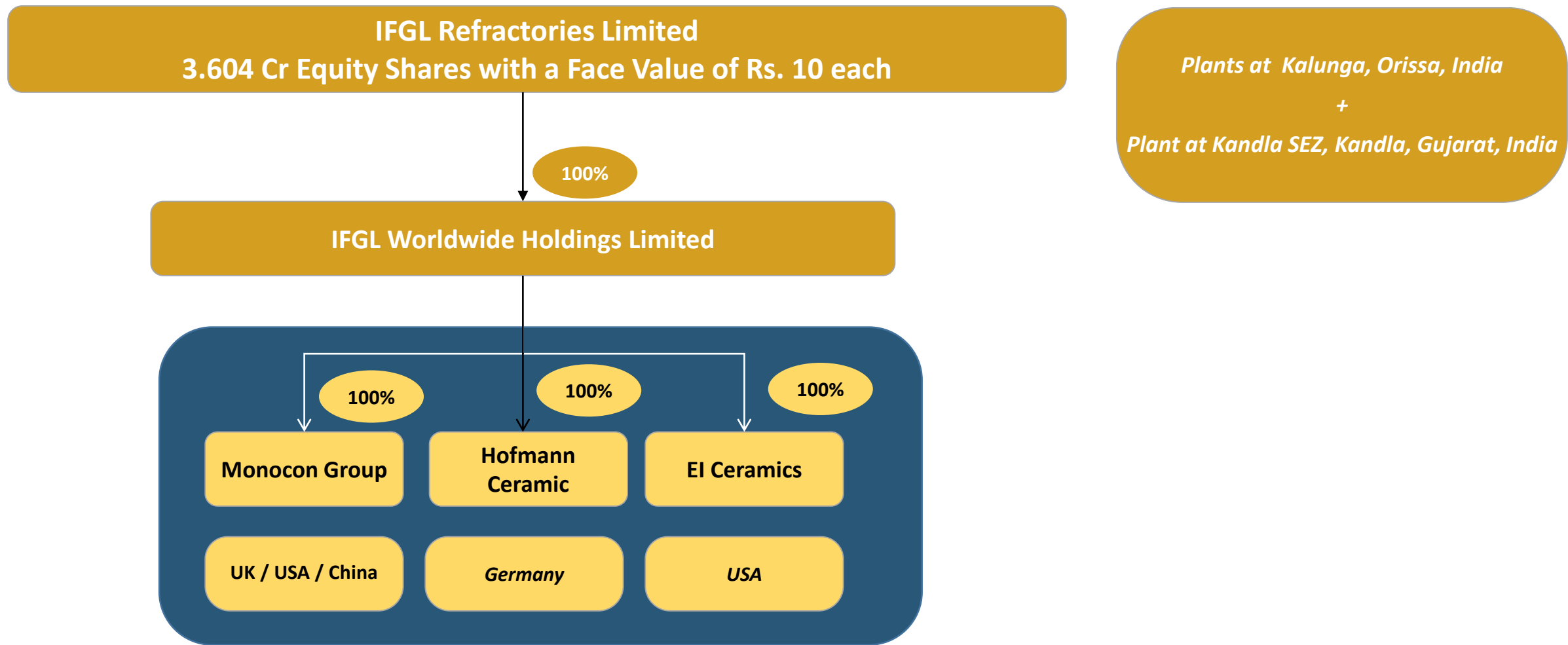
Reasons contributing to growth



- Global Refractories Market is estimated to grow at a CAGR of 5.2% and reach a size of \$ 48,620 Million by 2023
- India is expected to exhibit promising growth in the global refractories market and grow at a similar rate
- Asian countries, such as China, Japan, India, Korea and ASEAN are showing good traction in demand
- The rise in Demand can be attributed to increased Capital Investments in various sectors as well as increased infrastructure & construction activities

The background features a white central area flanked by two large triangles. On the left, a dark blue triangle points towards the center. On the right, a gold triangle points towards the center.

Our Performance



...simplified to create value for shareholders

Consolidated Profit & Loss



Particulars [Rs. Crs.]	Q3 FY19	Q3 FY18	Growth%	9M FY19	9M FY18^	Growth%
Total Income	235.9	211.2	11.7%	694.9	609.6	14.0%
Materials consumed	117.8	107.3		338.3	307.2	
Employee Expenses	38.3	31.5		110.7	95.0	
Other Expenses	55.6	49.0		158.6	131.1	
EBITDA	24.3	23.5	3.3%	87.4	76.3	14.5%
EBITDA %	10.3%	11.1%		12.6%	12.5%	
Depreciation	5.2	4.2		14.2	12.2	
Goodwill written off*	6.7	6.7		20.1	20.1	
Finance Cost	1.4	1.0		3.2	3.0	
Profit before Tax	11.0	11.6	-5.0%	49.8	41.0	21.5%
Tax	2.8	4.9		12.4	13.7	
Profit after Tax	8.2	6.7	23.8%	37.4	27.3	37.0%
Profit after Tax %	3.5%	3.1%		5.4%	4.5%	
Cash Profit after Tax	20.4	20.2	0.9%	73.6	69.0	6.7%
Earnings Per Share (Rs.)	2.28	1.85		10.38	7.58	

^ Total Income is Net of Excise Duty

* Goodwill amounting to Rs. 267 Crs on account of Merger is being written off over a period of 10 years

Cash PAT = Profit after Tax + Deferred tax + Depreciation + Goodwill written off on account of Merger

Consolidated Balance Sheet

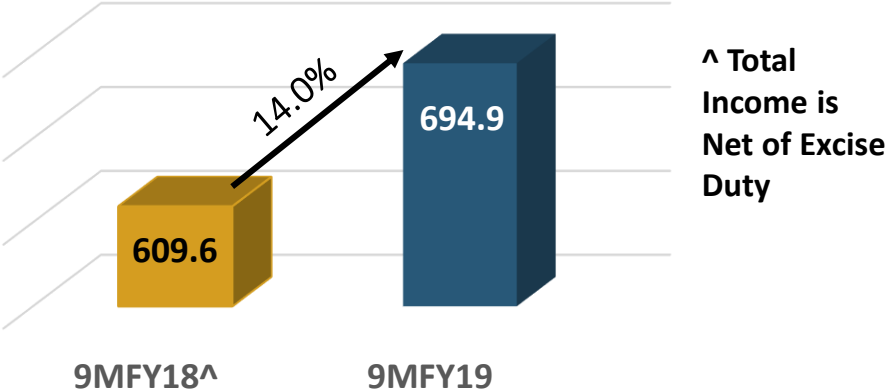
Particulars in Rs. Crs.	Sep-18	Mar-18
Assets		
Non current Assets	497	493
Fixed Assets		
Property Plant & Equipment	125	122
Capital WIP	11	8
Goodwill	120	122
Other Intangible assets	217	217
Financial Assets		
Investments	1	1
Others	2	2
Tax Assets (Net)	13	10
Other Non current Assets	9	11
Current Assets	543	506
Inventories	155	108
Financial Assets		
Investments	32	13
Trade Receivables	253	285
Cash & cash equivalents	78	74
Bank Balances	9	7
Other Financial Assets	2	2
Other Current Assets	15	17
Total Assets	1,040	999

Particulars in Rs. Crs	Sep-18	Mar-18
Equity & Liabilities		
Equity	790	752
Share Capital	36	36
Other Equity	754	716
Non Current Liabilities	29	24
Financial Liabilities – Borrowings	19	21
Provisions	0	0
Deferred Tax Liabilities (Net)	10	3
Current Liabilities	220	223
Financial Liabilities		
Borrowings	79	86
Trade Payables	130	125
Other Financial Liabilities	10	10
Other Current Liabilities	1	1
Provisions	0	1
Total Equity & Liabilities	1,040	999

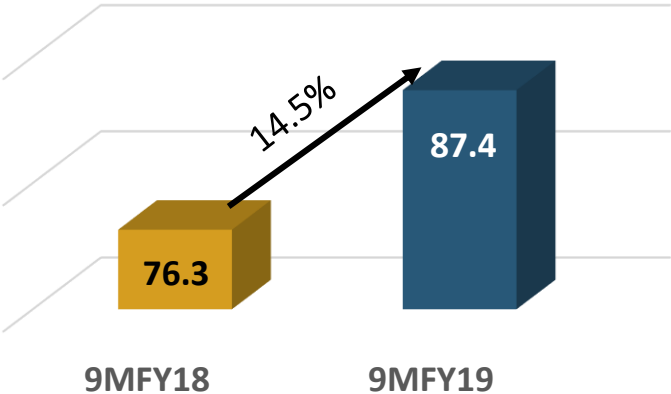
9MFY19 Consolidated Financial Highlights



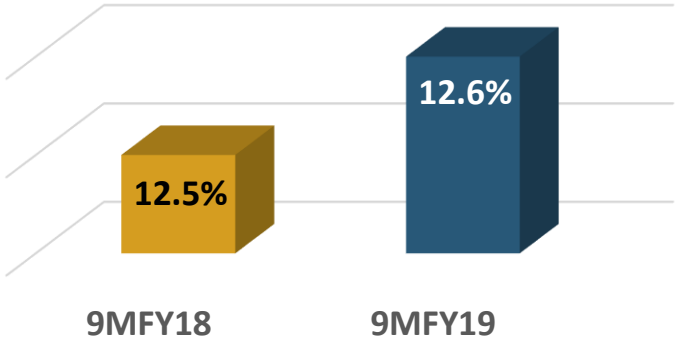
Total Income [Rs. Crs]



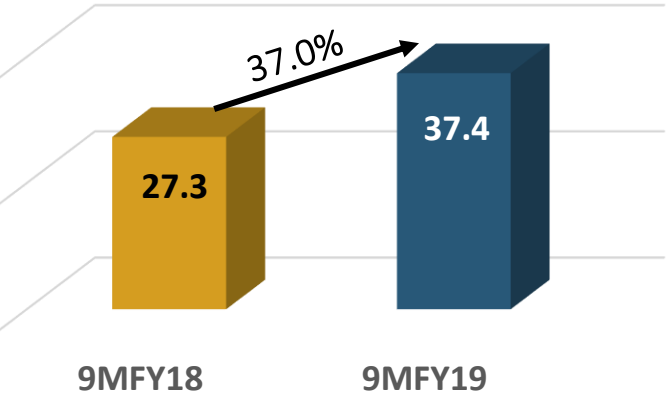
EBITDA [Rs. Crs]



EBITDA margin [%]



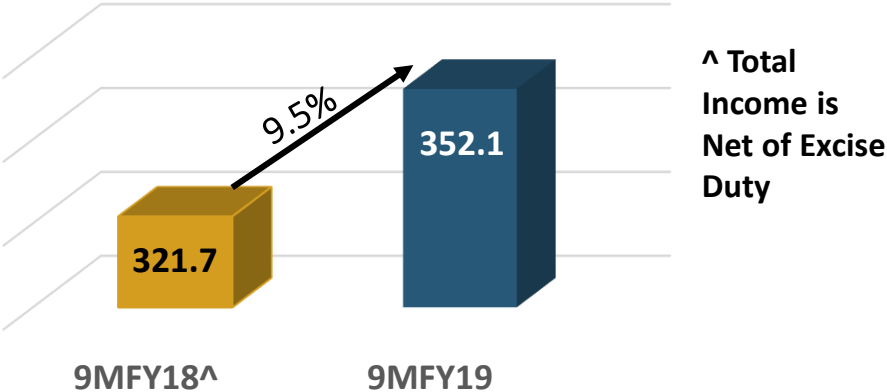
PAT [Rs. Crs]



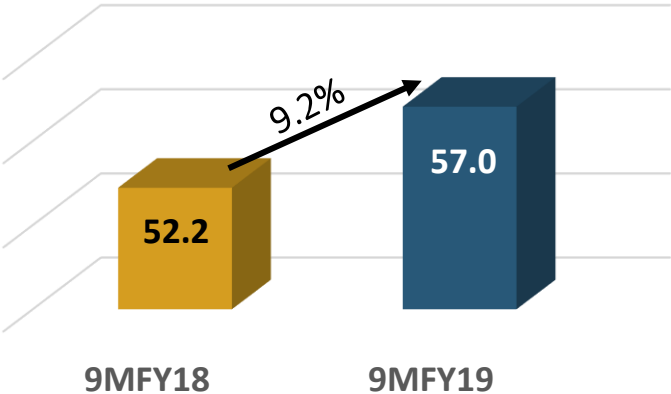
9MFY19 Standalone Financial Highlights



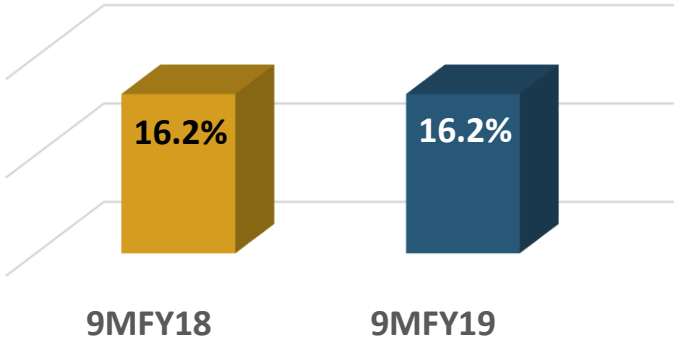
Total Income [Rs. Crs]



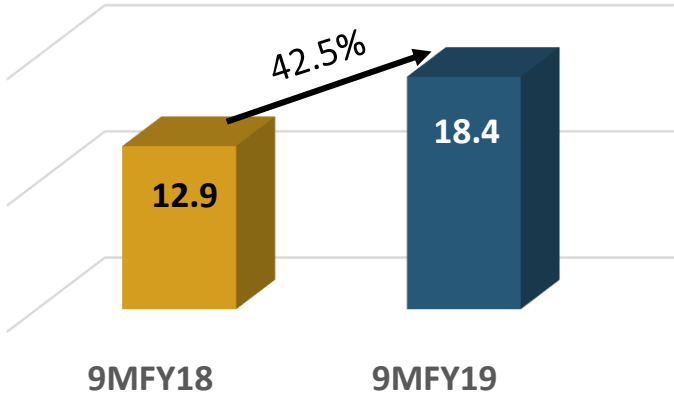
EBITDA [Rs. Crs]



EBITDA margin [%]



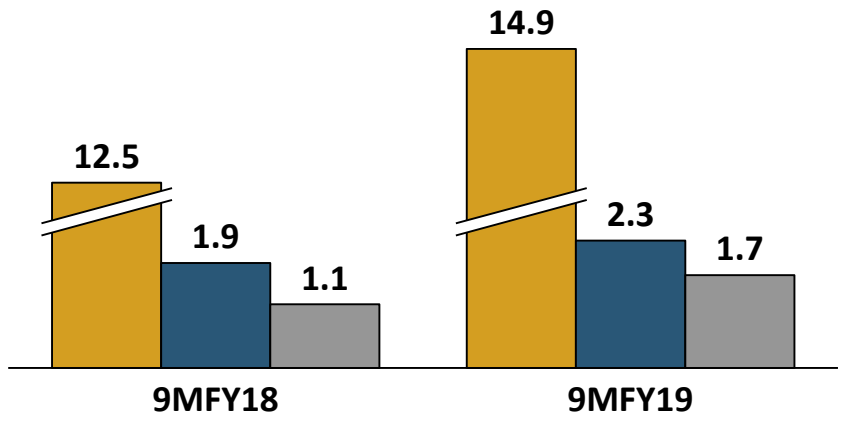
PAT [Rs. Crs]



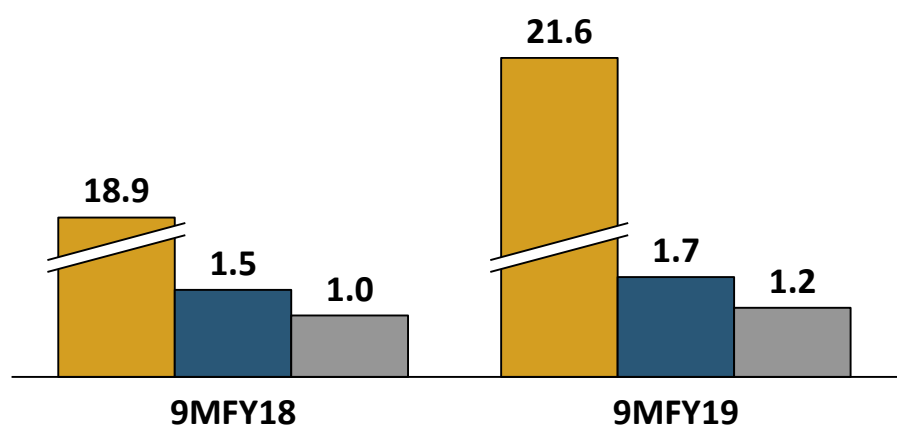
Subsidiaries Performance



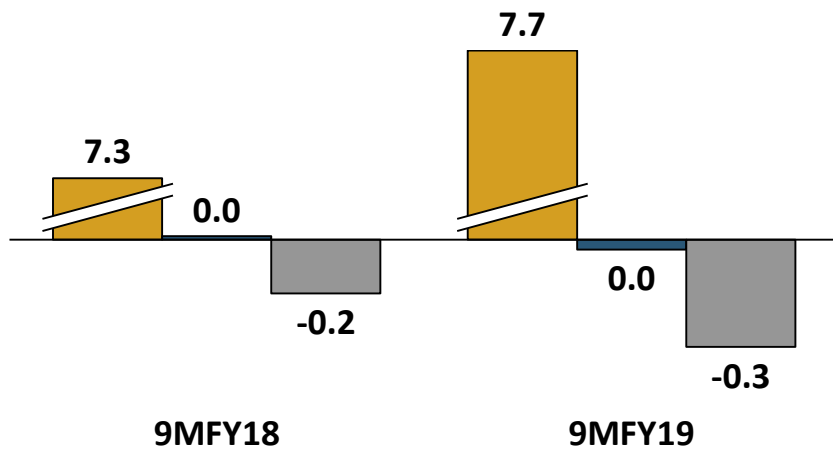
El Ceramics [\$ mn]



Monocon Group [GBP mn]



Hofmann Ceramic [Euro mn]



Ongoing Capex to boost performance



~Rs. 8 Cr : Capex towards de-bottlenecking and re-balancing



~Rs. 29 Cr : For introduction of new products
Phase 1 capex to be completed by March 2021



Allotment of land

Consistently performing over the years...



Particulars [Rs. Crs.]	FY14^	FY15^	FY16^	FY17^	FY18^	CAGR
Total Income	781.0	793.5	722.1	769.5	839.7	9.1%
Materials consumed	378.0	406.1	365.2	362.0	421.4	
Employee Expenses	110.0	117.9	119.6	120.9	126.7	
Other Expenses	181.0	170.6	156.1	183.5	181.3	
EBITDA	113.0	98.9	81.2	103.1	110.3	7.0%
EBITDA %	14.5%	12.5%	11.2%	13.4%	13.1%	
Depreciation & Amortization	15.0	14.3	15.6	17.3	17.0	
Goodwill written off*	-	-	-	26.8	26.8	
Finance Cost	7.0	5.9	4.8	4.5	4.0	
Profit before Tax and Minority Interest (MI)	91.0	78.7	60.9	54.5	62.6	14.7%
Tax	25.0	25.4	15.7	4.6	15.5	
Profit after Tax & before MI	66.0	53.3	45.2	50.0	47.1	-5.7%
Minority Interest	2.0	0.2	3.2	0.0	0.0	
Profit after Tax & MI	64.0	53.1	41.9	50.0	47.1	-5.7%
Cash Profit	79.0	67.4	57.5	83.6	99.8	19.4%
Earnings Per share (Rs.)	18.25	15.12	12.12	13.86	13.07	

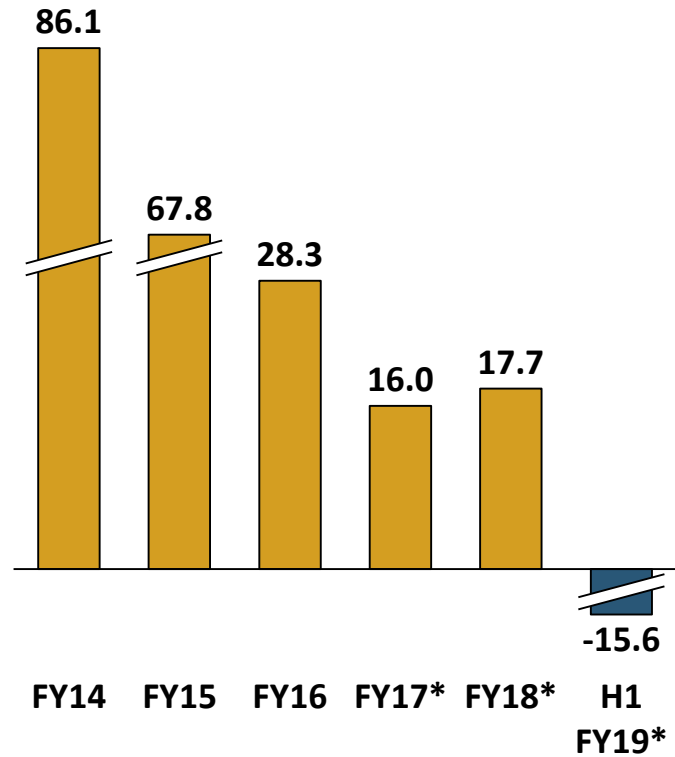
^ Total Income is Net of Excise Duty

* Goodwill on account of Merger is being written off over a period of 10 years

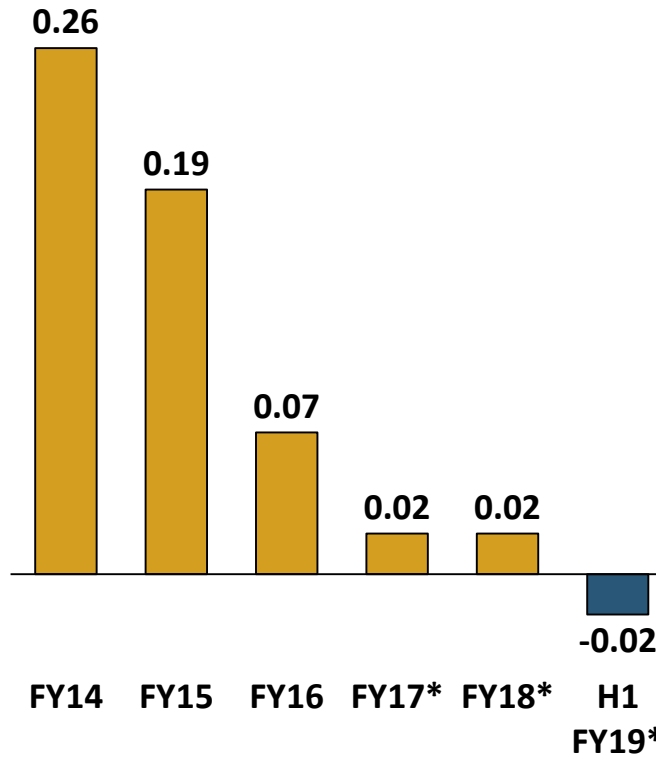
Cash PAT = Profit after Tax + Deferred tax + Depreciation + Goodwill written off on account of Merger

...to create sustainable value for Shareholders...

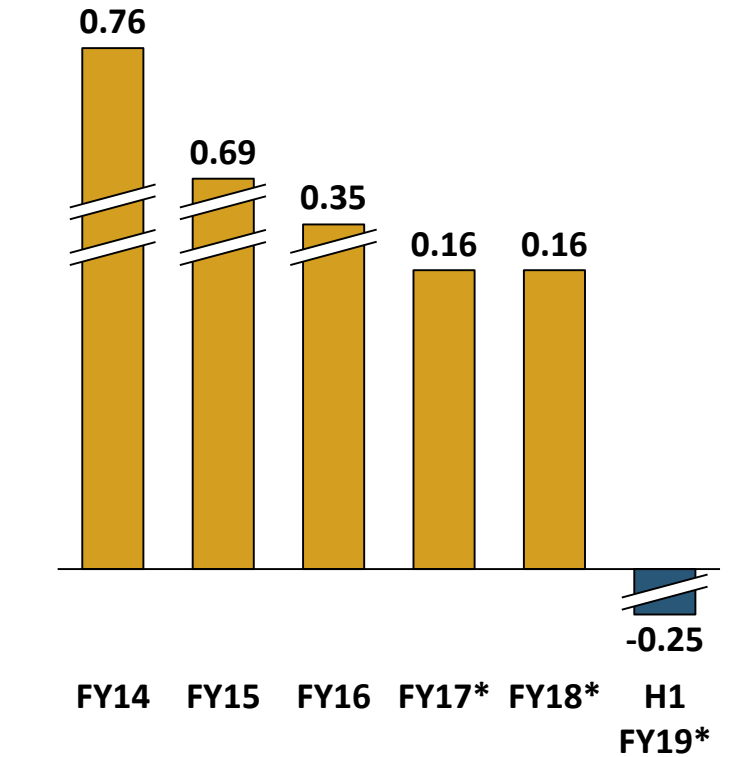
Net Debt (Rs. Crs.)



Net Debt : Equity [x]

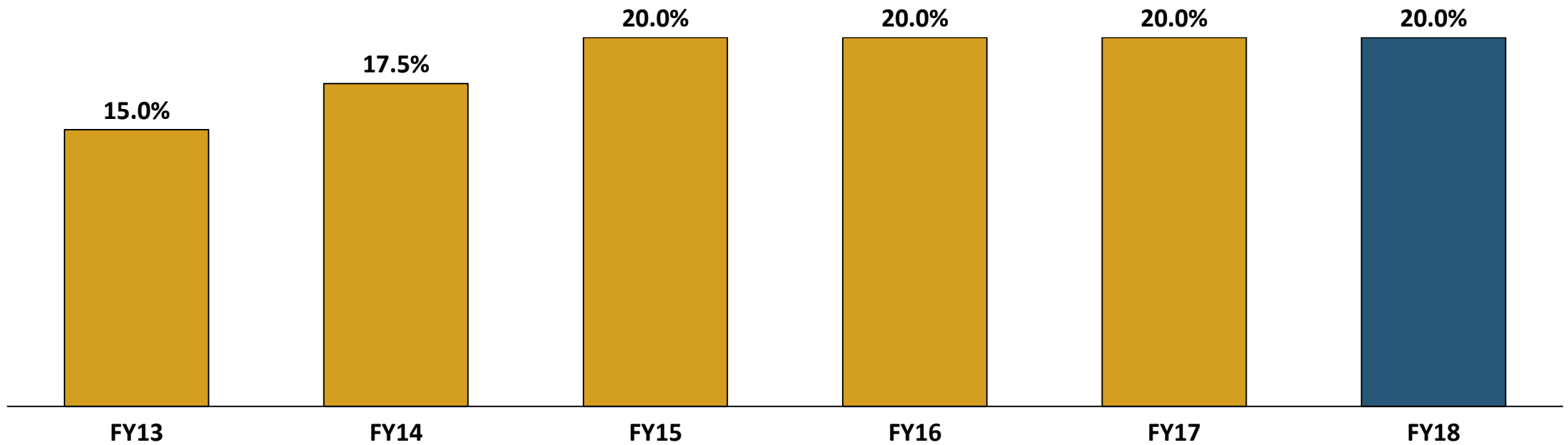


Net Debt : EBITDA [x]



The company is debt free on Net basis as on September 2018

...with consistent Payout

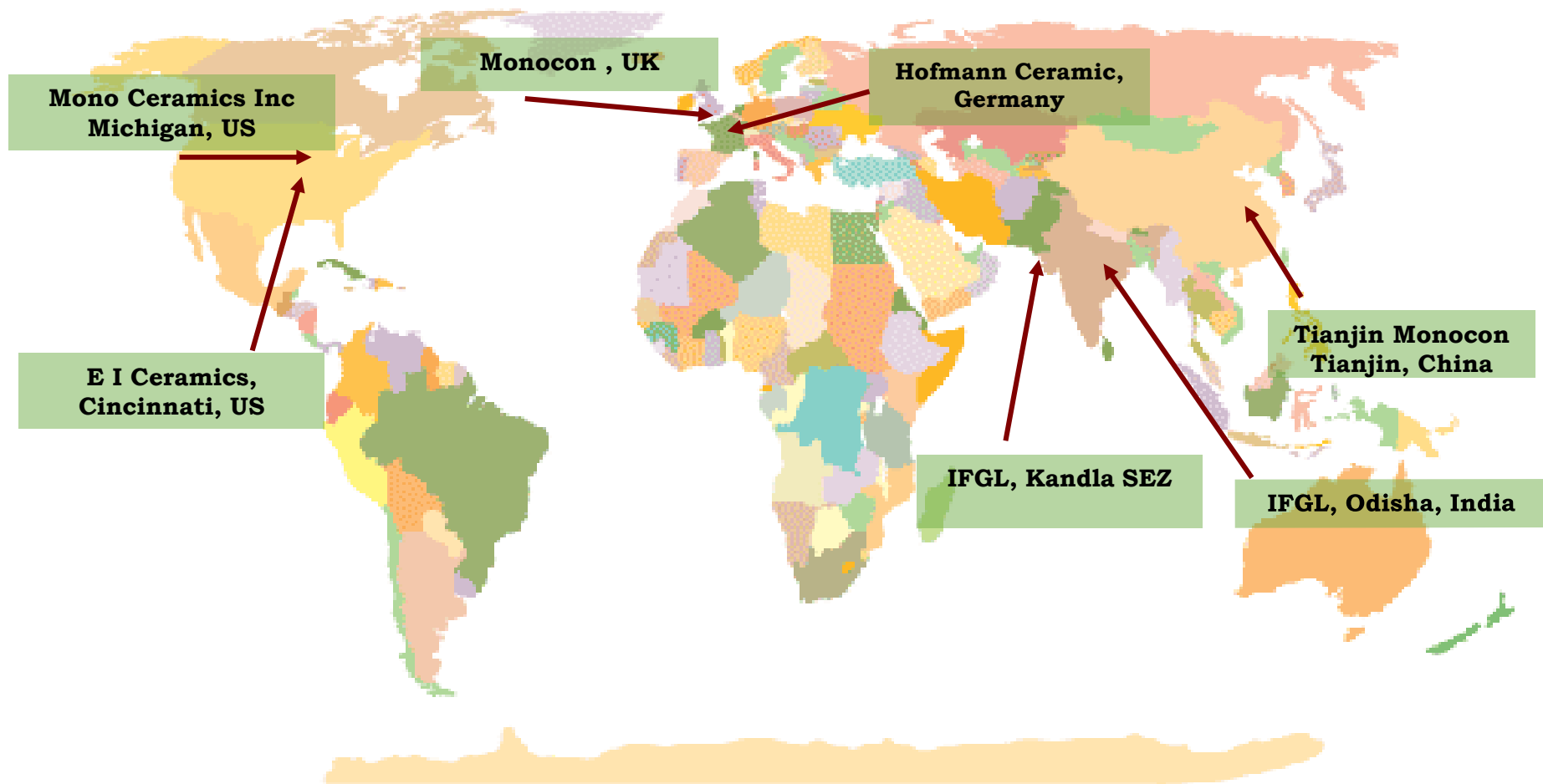


Particulars (Rs.)	FY13	FY14	FY15	FY16	FY17	FY18
Consolidated Book Value Per Share	70.9	95.1	99.6	111.7	189.9	208.7
Consolidated Earning Per Share	7.9	18.3	15.1	12.1	13.9	13.1
Dividend Per Share	1.5	1.75	2.00	2.00	2.00	2.00



About Us

A Global MNC...



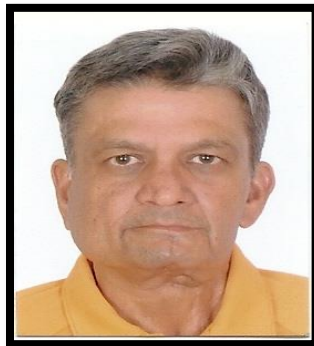
...with proven management...

Mr. S.K. Bajoria
Chairman



- Promoter of S K Bajoria Group based at Kolkata engaged in diversified business activities
- Has been President of the Indian Chamber of Commerce, Director of West Bengal Industrial Development Corporation Ltd and Industrial Promotion & Investment Corporation of Orissa Ltd

Mr. P. Bajoria
Managing Director



- Associated with IFGL from the very early days of Indo Flogates, even before the start of production in 1984. Has been Director & Chief Executive of erstwhile Indo Flogates Ltd.
- More than 30 years of experience of Refractory Industry and has been involved in various capacities in Indian Refractories Makers Association

Mr. Kamal Sarda
Director
&
Chief Executive
Officer



- Fellow Member of ICAI and a law graduate with more than 30 years of experience of Finance, Accounts, Commercial & Operations
- More than 20 years of working experience in the refractory industry
- Previously were COO of IFGL Refractories Ltd. till February, 2011; he is also past Chairman of Indian Refractory Makers Association

...serving the specialized refractory segment...

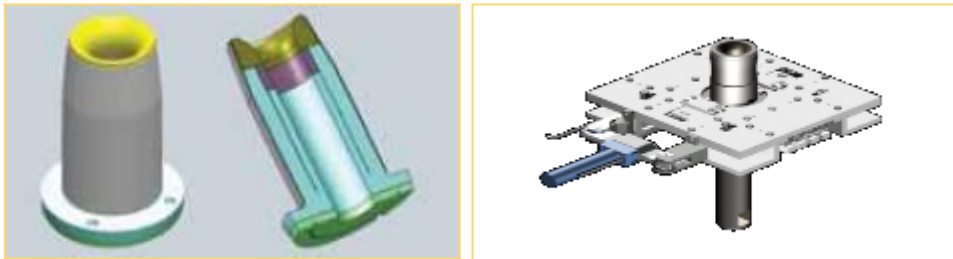
Isostatic Refractories



Slide Gate Refractories & Systems



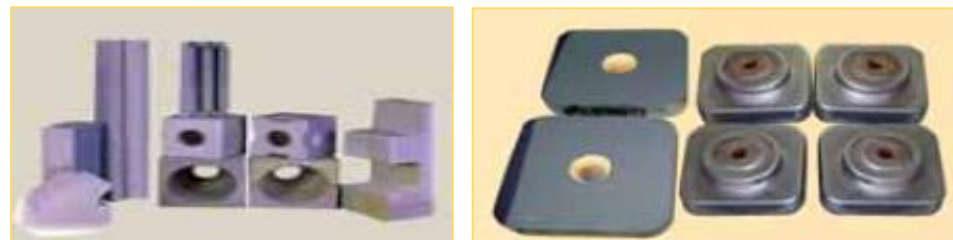
Tube Changer Refractories & System



Purging System & Refractories



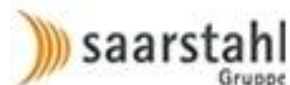
Cast Products & Zirconia Nozzles



Foundry Ceramics



...to reputed names in the Global Steel Industry



For further information, please contact:



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CIN - L51909OR2007PLC027954

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SGA Strategic Growth Advisors

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.

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