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CLEAN METAL**



IFGL Refractories Limited

**Investor Presentation – Q3FY22
February 2022**



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A large, abstract graphic occupies the upper two-thirds of the slide. It features a large, flowing yellow shape that resembles a ribbon or a stylized wave, set against a background of light blue and dark blue wavy bands. The yellow shape has a slight dip in the middle, creating a sense of movement and depth.

Our Performance

Standalone & Consolidated Performance

**Standalone
Total Income**

Rs. 196.5 Crores

**Consolidated
Total Income**

Rs. 317.2 Crores

**Standalone
EBITDA**

Rs. 35.1 Crores

**Consolidated
EBITDA**

Rs. 39.4 Crores

**Standalone
PAT**

Rs. 17.5 Crores

**Consolidated
PAT**

Rs. 18.9 Crores

Standalone & Consolidated Performance

**Standalone
Total Income**

Rs. 561.2 Crores

**Consolidated
Total Income**

Rs. 908.8 Crores

**Standalone
EBITDA**

Rs. 97.2 Crores

**Consolidated
EBITDA**

Rs. 115.8 Crores

**Standalone
PAT**

Rs. 47.6 Crores

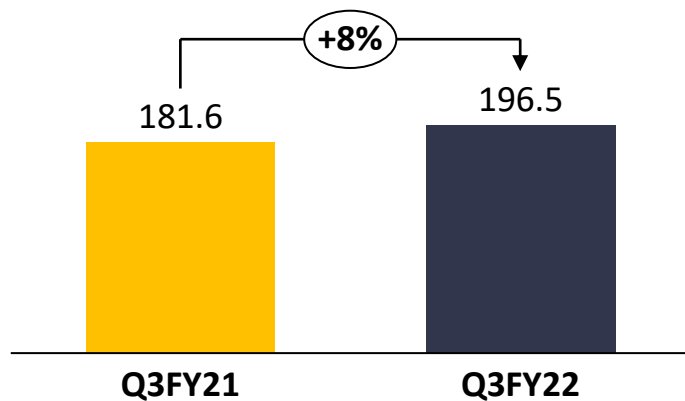
**Consolidated
PAT**

Rs. 56.8 Crores

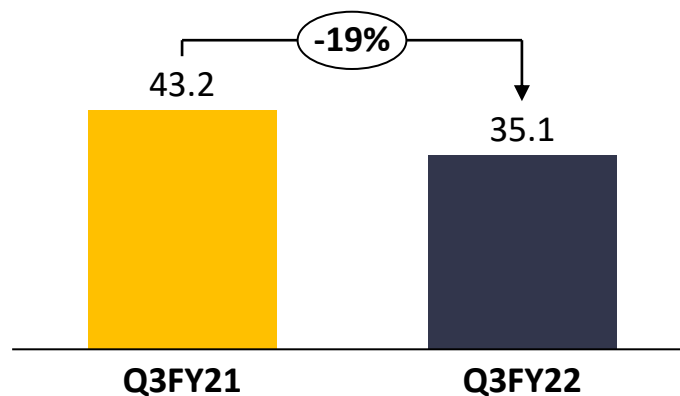
Q3FY22 Standalone Financial Highlights



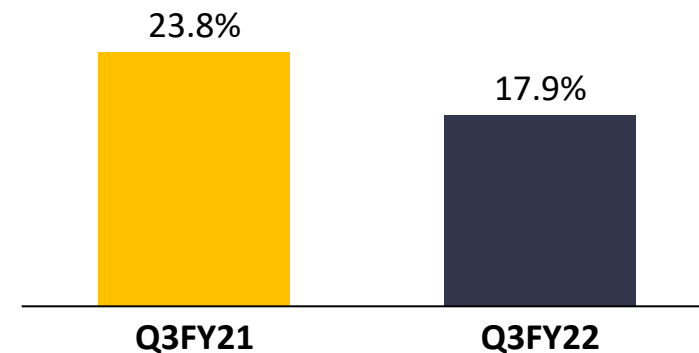
Total Income [Rs. Crs.]



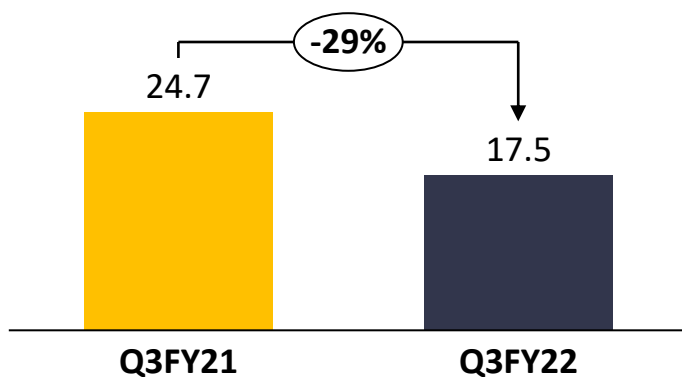
EBITDA [Rs. Crs.]



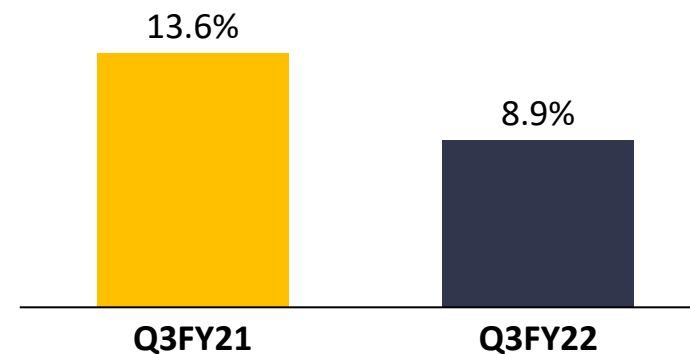
EBITDA margin [%]



Profit After Tax [Rs. Crs.]



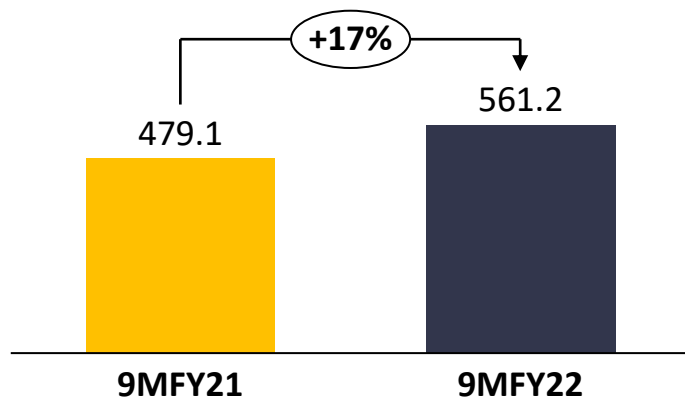
PAT margin [%]



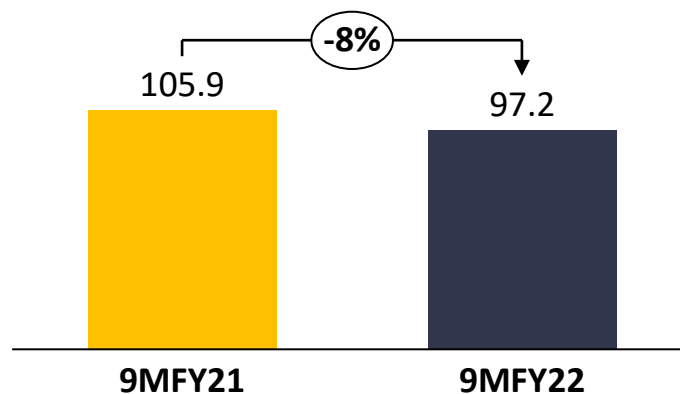
9MFY22 Standalone Financial Highlights



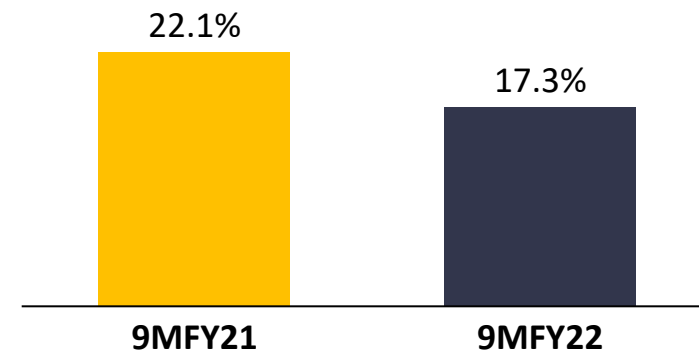
Total Income [Rs. Crs.]



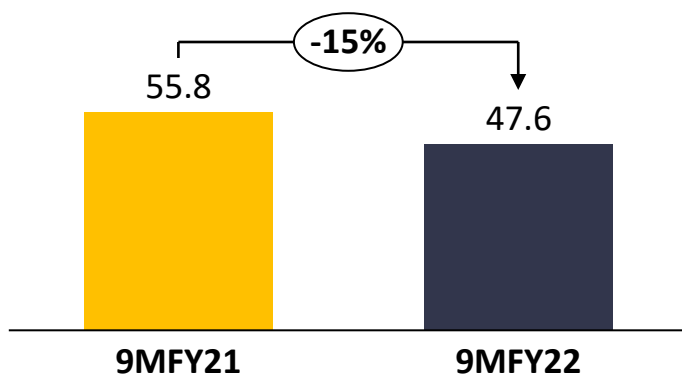
EBITDA [Rs. Crs.]



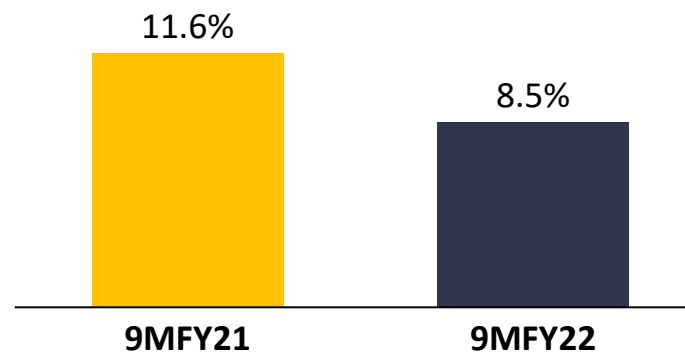
EBITDA margin [%]



Profit After Tax [Rs. Crs.]



PAT margin [%]



Q3 & 9MFY22 Standalone Profit & Loss



Profit & Loss [Rs. Crs.]	Q3FY22	Q3FY21	Y-o-Y%	Q2FY22	Q-o-Q%	9MFY22	9MFY21	Y-o-Y%
Total Income	196.5	181.6	8%	201.5	-2%	561.2	479.1	17%
Raw Material	93.8	81.0		97.4		270.7	220.3	
Employee Expenses	13.8	14.6		15.7		43.2	39.4	
Other Expenses	53.8	42.9		54.2		150.2	113.6	
EBITDA	35.1	43.2	-19%	34.4	2%	97.2	105.9	-8%
EBITDA Margins	17.9%	23.8%		17.1%		17.3%	22.1%	
Depreciation	3.3	2.8		2.9		9.0	9.2	
Goodwill written off	6.7	6.7		6.7		20.1	20.1	
Finance Cost	0.9	0.5		0.8		2.4	1.8	
Profit before Tax	24.2	33.3	-27%	23.9	1%	65.7	74.8	-12%
Tax	6.7	8.6		7.3		18.1	19.1	
Profit after Tax	17.5	24.7	-29%	16.6	5%	47.6	55.8	-15%
PAT Margins	8.9%	13.6%		8.3%		8.5%	11.6%	
Cash Profit after Tax	26.0	34.3	-24%	24.2	7%	71.9	87.1	-17%
EPS	4.9	6.8		4.6		13.2	15.5	

Cash PAT = Profit after Tax + Deferred tax + Depreciation + Goodwill amortized on account of merger

Standalone Balance Sheet

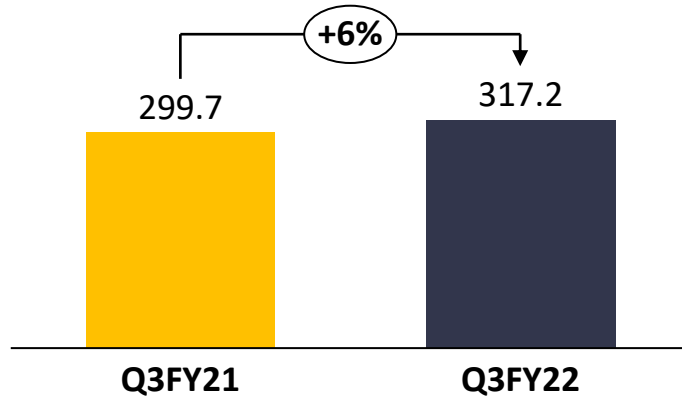


Assets (in Rs. Crs.)	Sep-21	Mar-21	Equity & Liabilities (in Rs. Crs)	Sep-21	Mar-21
Non current Assets	333.8	318.7	Equity	553.2	559.1
Fixed Assets			Share Capital	36.0	36.0
Property Plant & Equipment	94.8	77.6	Other Equity	517.2	523.1
Right to Use Asset	15.4	15.6			
Capital WIP	10.0	18.1			
Goodwill (other)	120.2	133.5			
Other Intangible assets	0.2	0.2	Non Current Liabilities	39.5	42.7
Financial Assets			Financial Liabilities		
Investments	75.6	62.4	Lease Liabilities	8.9	8.9
Others	5.5	5.5	Deferred Tax Liabilities (net)	30.6	33.8
Income Tax Assets (net)	2.6	2.4			
Other Non current Assets	9.6	3.3			
Current Assets	430.9	433.0	Current Liabilities	172.1	149.9
Inventories	122.8	100.5	Financial Liabilities		
Financial Assets			Borrowings	52.3	36.0
Investments	113.2	121.7	Lease Liabilities	0.9	0.8
Trade Receivables	162.2	156.7	Trade Payables	84.9	85.1
Cash & cash equivalents	0.1	0.2	Other Financial Liabilities	9.4	8.3
Bank Balances	5.1	43.3	Other Current Liabilities	16.0	17.9
Other Financial Assets	2.3	2.5	Provisions	0.3	0.3
Other Current Assets	25.3	8.2	Income Tax Liabilities	8.4	1.6
Total Assets	764.8	751.7	Total Equity & Liabilities	764.8	751.7

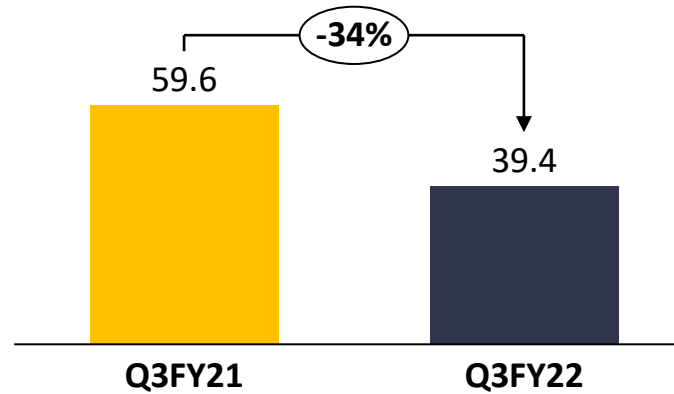
Q3FY22 Consolidated Financial Highlights



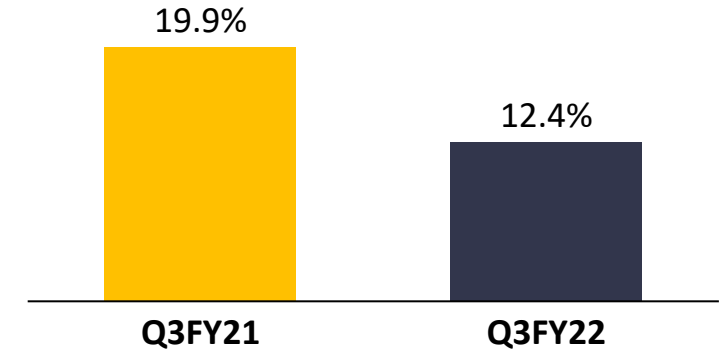
Total Income [Rs. Crs.]



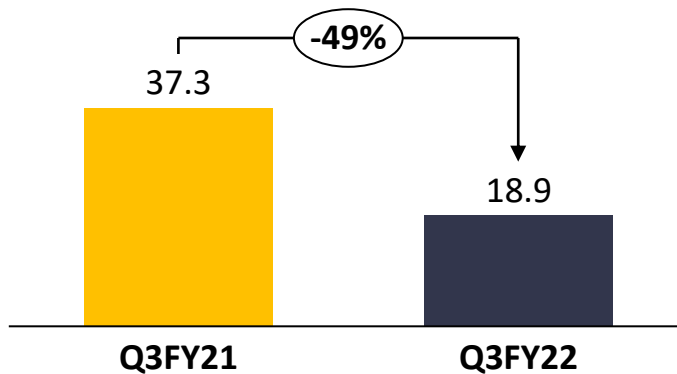
EBITDA [Rs. Crs.]



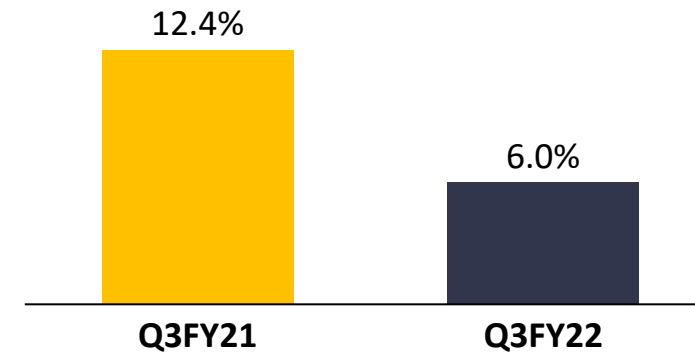
EBITDA margin [%]



Profit After Tax [Rs. Crs.]



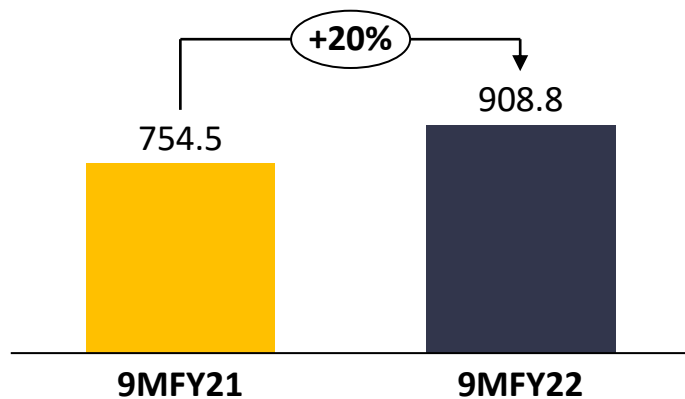
PAT margin [%]



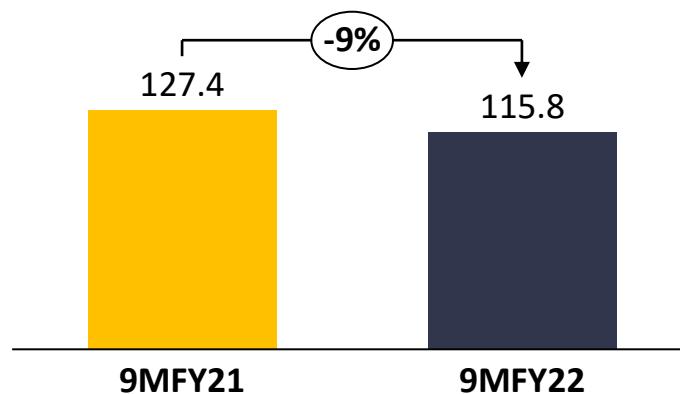
9MFY22 Consolidated Financial Highlights



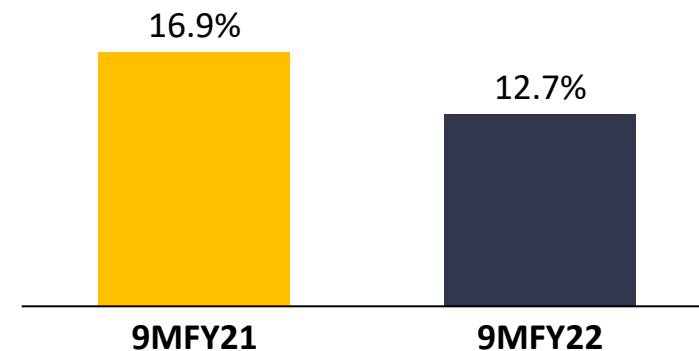
Total Income [Rs. Crs.]



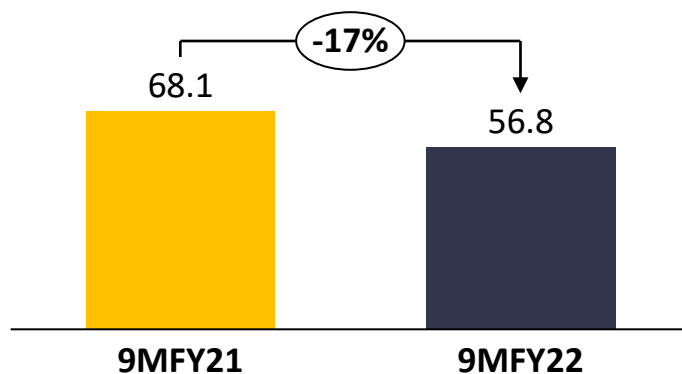
EBITDA [Rs. Crs.]



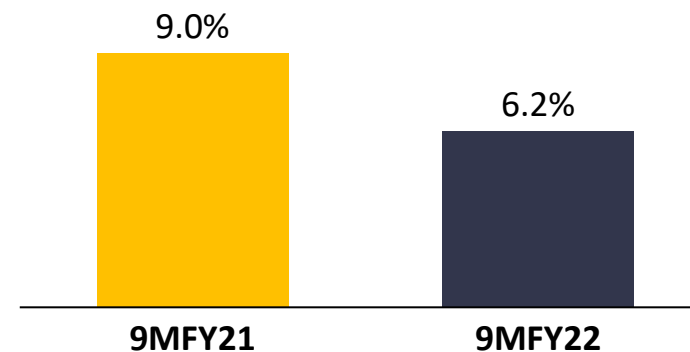
EBITDA margin [%]



Profit After Tax [Rs. Crs.]



PAT margin [%]



Q3 & 9MFY22 Consolidated Profit & Loss



Profit & Loss [Rs. Crs.]	Q3FY22	Q3FY21	Y-o-Y%	Q2FY22	Q-o-Q%	9MFY22	9MFY21	Y-o-Y%
Total Income	317.2	299.7	6%	313.7	1%	908.8	754.5	20%
Raw Material	151.1	135.8		150.4		433.2	341.3	
Employee Expenses	44.0	40.1		44.6		130.8	112.8	
Other Expenses	82.7	64.2		78.1		229.0	173.1	
EBITDA	39.4	59.6	-34%	40.7	-3%	115.8	127.4	-9%
EBITDA Margins	12.4%	19.9%		13.0%		12.7%	16.9%	
Depreciation	5.8	5.1		5.3		16.3	16.1	
Goodwill written off*	6.7	6.7		6.7		20.1	20.1	
Finance Cost	1.0	0.6		1.0		2.9	2.2	
Profit before Tax	25.9	47.2	-45%	27.7	-6%	76.6	89.0	-14%
Tax	7.0	9.9		7.7		19.8	20.9	
Profit after Tax	18.9	37.3	-49%	20.0	-6%	56.8	68.1	-17%
PAT Margins %	6.0%	12.4%		6.4%		6.2%	9.0%	
Cash Profit after Tax	30.2	49.0	-38%	30.3	0%	89.0	107.3	-17%
EPS (Rs.)	5.2	10.3		5.6		15.8	18.9	

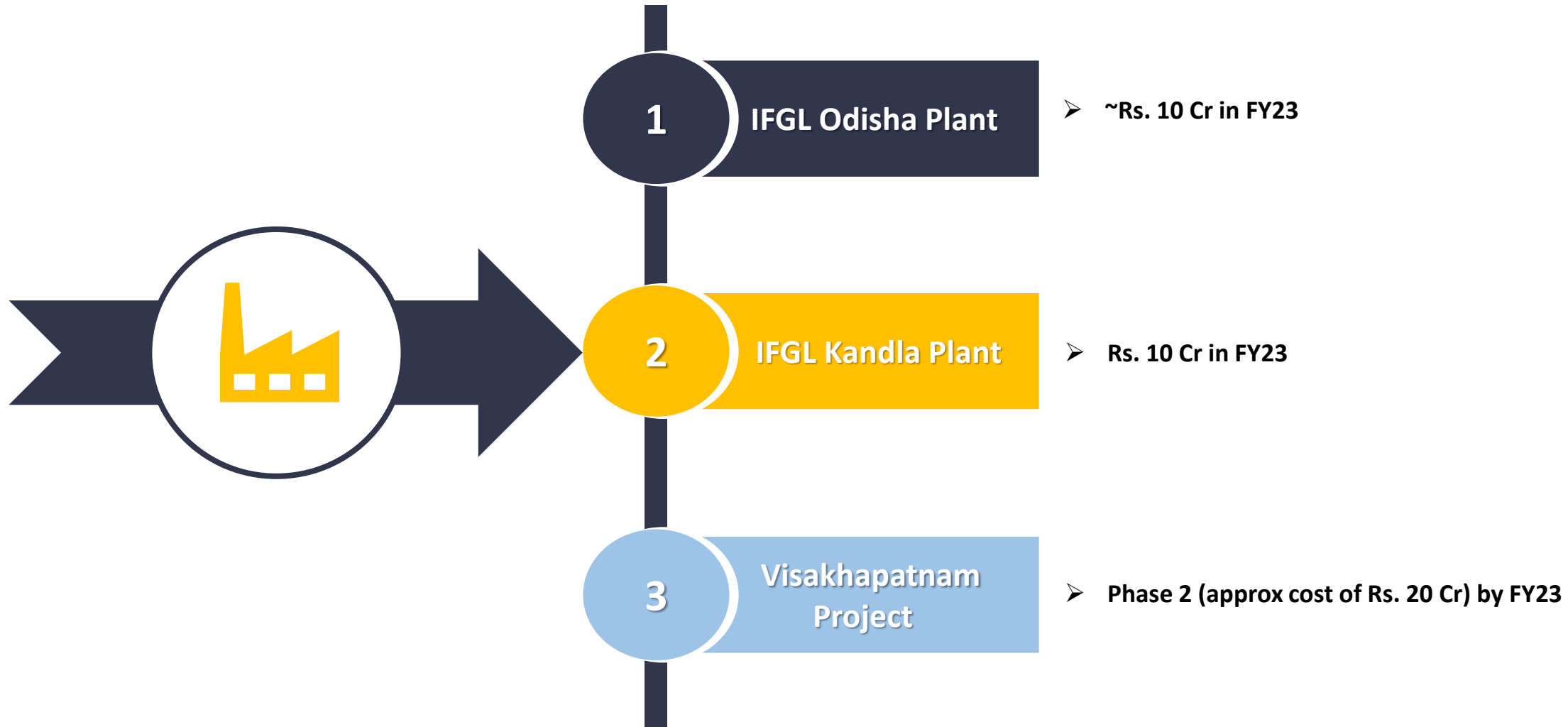
Cash PAT = Profit after Tax + Deferred tax + Depreciation + Goodwill amortized on account of merger

Consolidated Balance Sheet



Assets (in Rs. Crs.)	Sep-21	Mar-21	Equity & Liabilities (in Rs. Crs)	Sep-21	Mar-21
Non current Assets	474.6	456.4	Equity	892.6	890.5
Fixed Assets			Share Capital	36.0	36.0
Property Plant & Equipment	165.6	147.6	Other Equity	856.5	854.5
Right to Use Asset	19.4	20.3			
Capital WIP	16.5	22.1			
Goodwill (on consolidation)	111.0	111.9			
Goodwill (other)	120.2	133.5	Non Current Liabilities	62.9	67.7
Other Intangible assets	2.5	2.2	Financial Liabilities		
Financial Assets			Borrowings	10.3	11.9
Investments	19.4	6.2	Lease Liabilities	9.5	9.9
Others	5.5	5.5	Deferred Tax Liabilities (Net)	43.1	45.8
Income Tax Assets (net)	4.0	3.8			
Other Non current Assets	10.6	3.3			
Current Assets	730.4	727.5	Current Liabilities	249.4	225.8
Inventories	199.0	167.8	Financial Liabilities		
Financial Assets			Borrowings	56.0	39.7
Investments	113.2	121.7	Lease Liabilities	2.3	2.2
Trade Receivables	247.1	228.2	Trade Payables	156.2	155.1
Cash & cash equivalents	132.0	147.6	Other Financial Liabilities	9.4	8.3
Bank Balances	5.1	43.3	Income Tax Liabilities	9.3	2.0
Other Financial Assets	2.9	3.9	Other Current Liabilities	16.0	18.3
Other Current Assets	31.0	15.1	Provisions	0.3	0.3
Total Assets	1,204.9	1,183.9	Total Equity & Liabilities	1,204.9	1,183.9

Ongoing Capex to boost performance



Capex funded out of internal accruals

Consistently performing over the years...



Particulars [Rs. Crs.]	FY17	FY18	FY19	FY20	FY21
Total Income	769.5	839.7	955.4	928.3	1,042.5
Materials consumed	362.0	421.4	477.0	459.1	474.0
Employee Expenses	120.9	126.7	146.2	150.5	151.8
Other Expenses	183.5	181.3	218.5	216.2	240.8
EBITDA	103.1	110.3	113.8	102.5	175.9
EBITDA %	13.4%	13.1%	11.9%	11.0%	16.9%
Depreciation & Amortization	17.3	17.0	19.2	21.5	21.8
Goodwill amortized*	26.8	26.8	26.8	26.8	26.8
Finance Cost	4.5	4.0	3.7	3.6	3.1
Profit before Tax before Exceptional Items	54.5	62.6	64.1	50.6	124.2
Exceptional Item [#]	-	-	-	-20.6	-
Profit before Tax	54.5	62.6	64.1	30.0	124.2
Tax	4.6	15.4	13.6	10.5	58.6
Profit after Tax	50.0	47.1	50.5	19.5	65.6
One time tax adjustment (Goodwill)	-	-	-	-	20.2
Adjusted Profit after Tax	50.0	47.1	50.5	40.1	85.8
Cash PAT	83.6	92.0	95.1	89.2	139.2
Adjusted Earnings Per share (Rs.)	13.86	13.07	14.00	11.1	23.8

*Goodwill on account of Merger is being amortized over a period of 10 years.

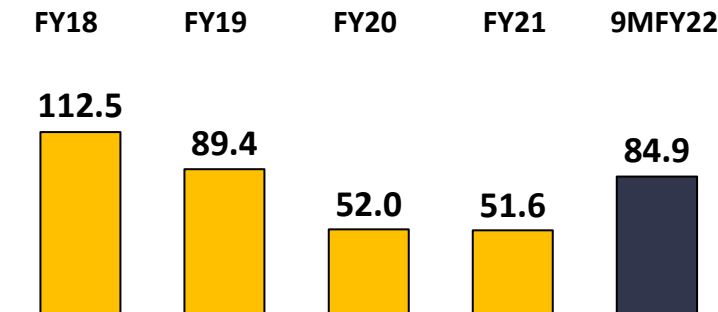
Adjusted PAT is after adding back exceptional loss and one-time tax adjustment due to goodwill

Cash PAT = Profit after Tax + Deferred tax + Depreciation + Goodwill amortized on account of merger + Exceptional Item written off

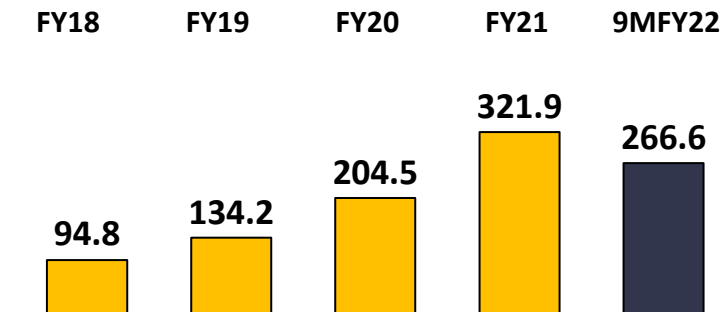
[#]Exceptional Item is the Impairment of Goodwill pertaining to German operations

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

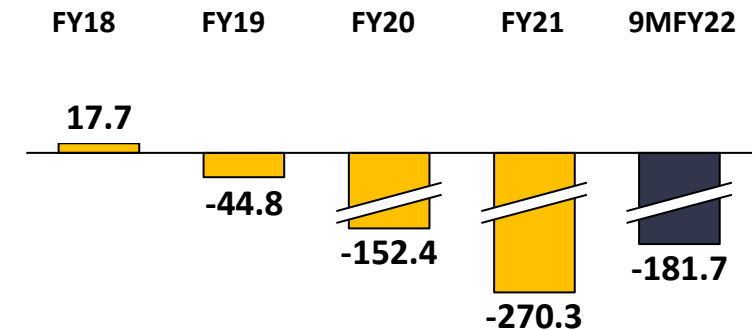
Total Debt (Rs. Crs.)



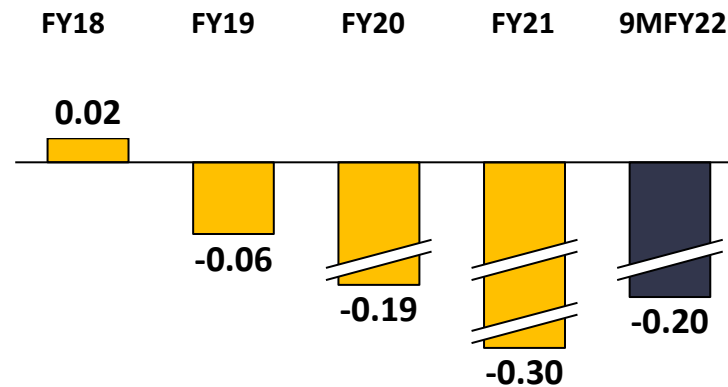
Cash & Equivalents (Rs. Crs.)



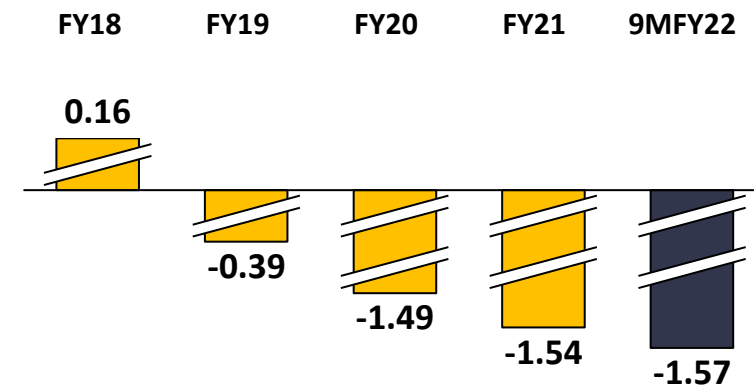
Net Debt (Rs. Crs.)



Net Debt : Equity [x]

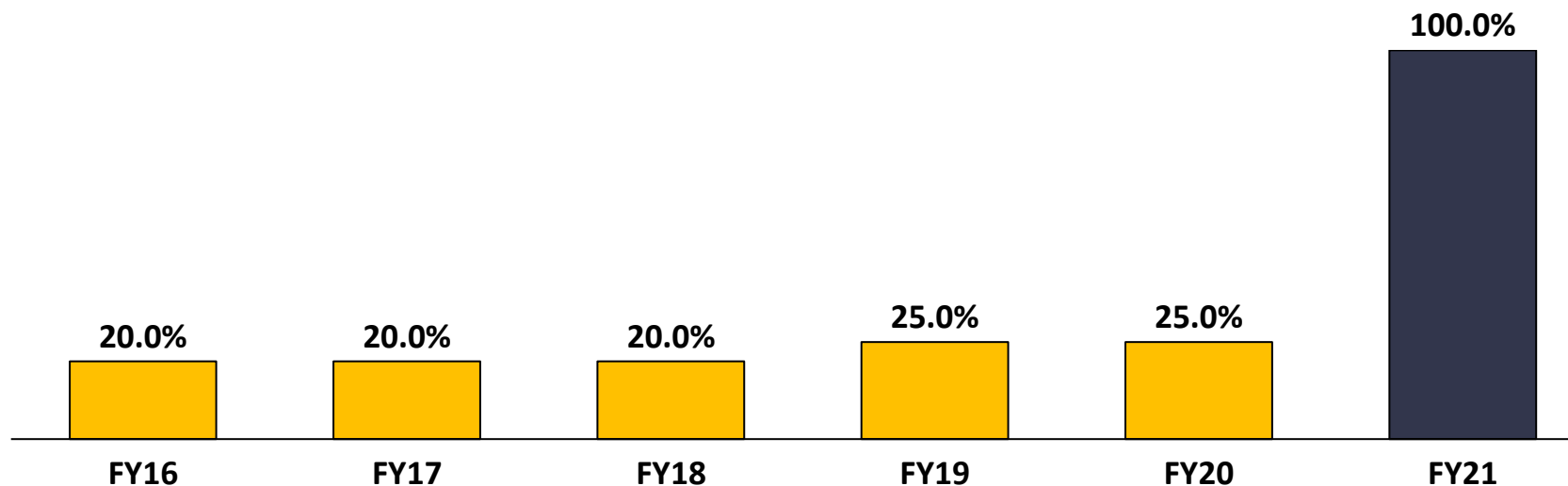


Net Debt : EBITDA [x]



We are a Net Cash Company from FY 19

...with consistent Payout



Particulars (Rs.)	FY16	FY17	FY18	FY19	FY20	FY21
Consolidated Book Value Per Share	111.7	189.9	208.7	220.5	224.5	247.1
Consolidated Earning Per Share	12.1	13.9	13.1	14.0	11.1*	23.8*
Dividend Per Share	2.00	2.00	2.00	2.50	2.50	10.0#

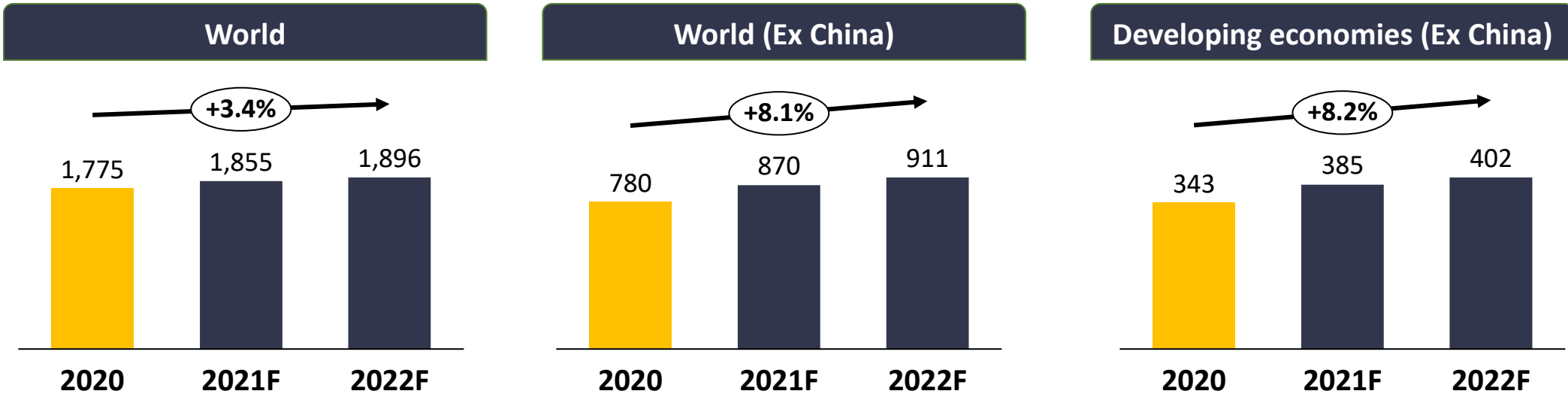
* EPS Adjusted for exceptional item and one time deferred tax liability due to goodwill

Includes Special Dividend of Rs. 6 per share

A large, abstract graphic in the background consisting of flowing, wavy shapes in yellow, light blue, and dark blue, creating a sense of movement and depth.

Industry Overview

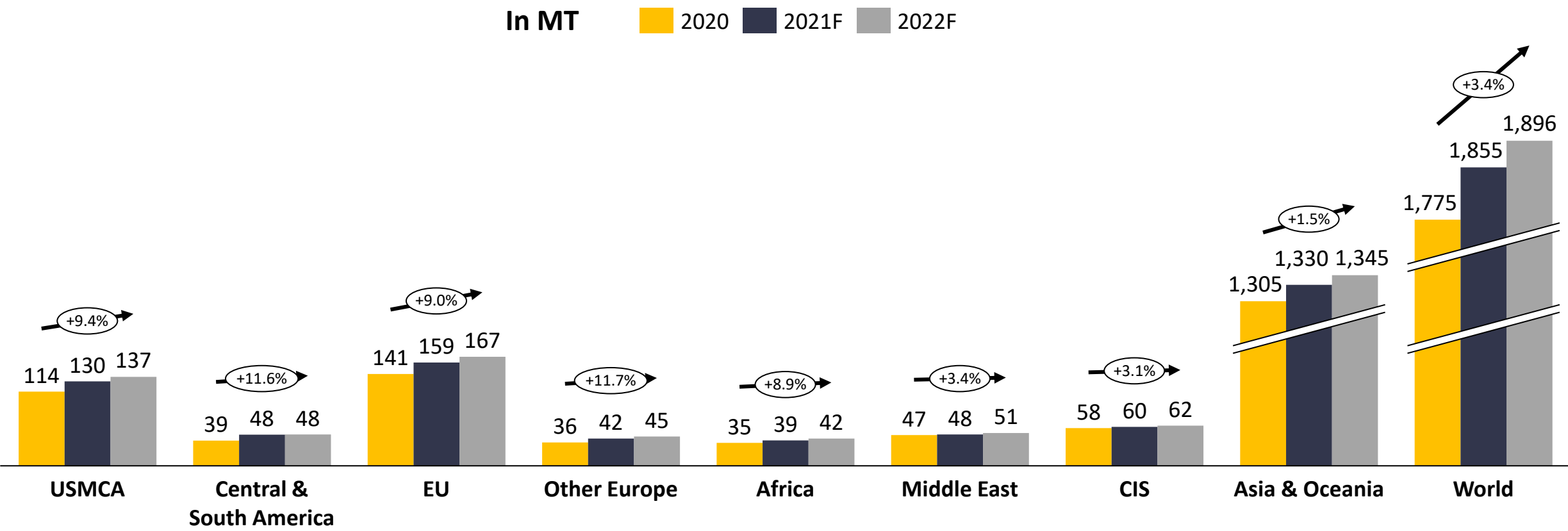
In MT



➤ Global outlook:

- As per WSA, the current forecast assumes that steel demand will grow by 4.5% in 2021 and reach 1,855.4 Mt after 0.1% growth in 2020. In 2022, steel demand will see a further increase of 2.2% to 1,896.4 Mt.
- The current forecast assumes that, with the progress of vaccinations across the world, the spread of variants of the COVID virus will be less damaging and disruptive than seen in previous waves.

Forecasted Global Short-Term Steel Demand

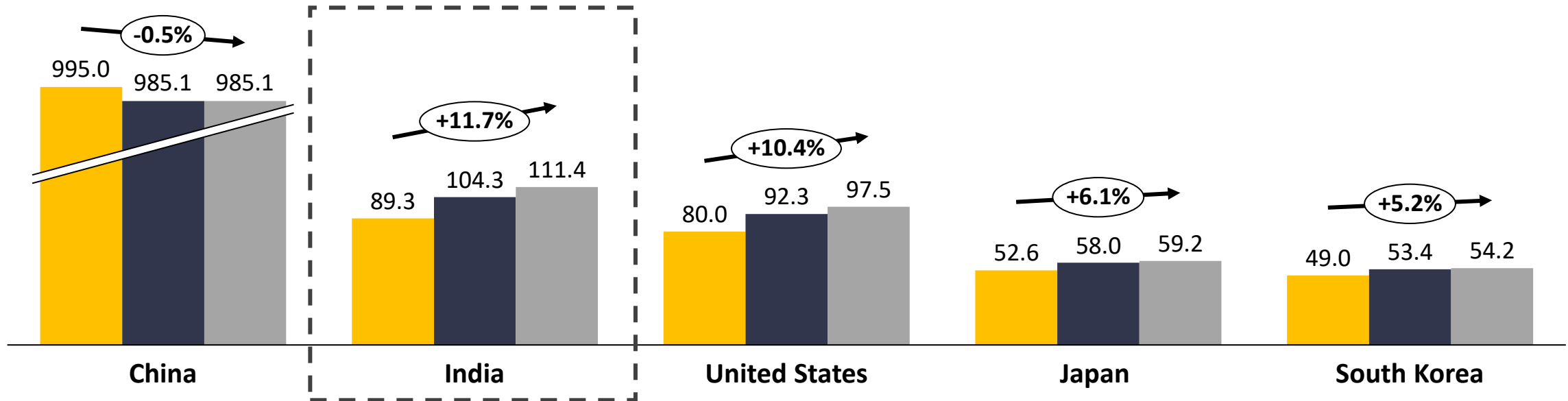


Steel Demand is expected to grow strongly across all parts of the world in 2021 & 2022

Top 5 Steel Consuming Countries

In MT

2020 2021F 2022F



National Infrastructure Pipeline (NIP) Project



National Infrastructure Pipeline Project (NIP)

Government unveiled the multimillion-dollar National Infrastructure Pipeline (NIP), with projects spread across 18 states over the next five years



\$5 Trillion Economy

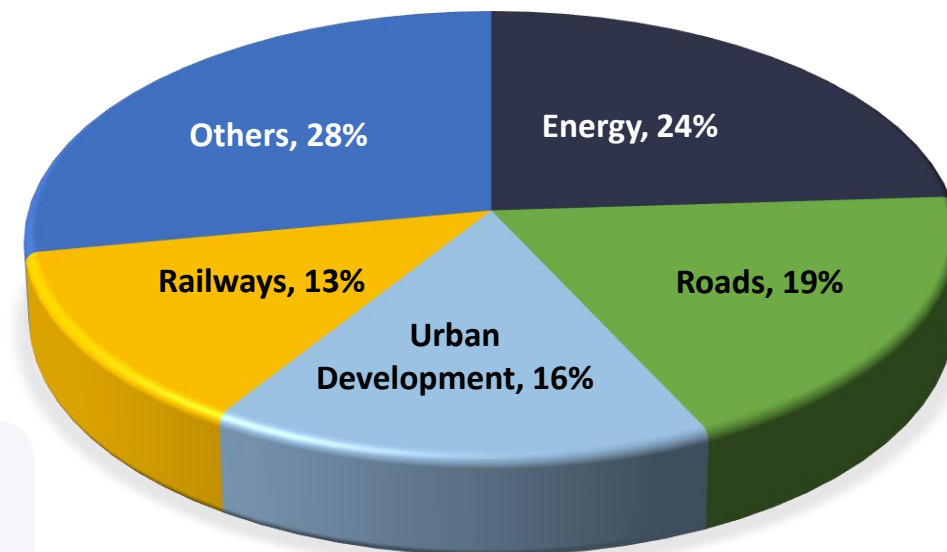
India needs to spend about \$1.4 trillion on infrastructure to become a \$5 trillion economy by FY25



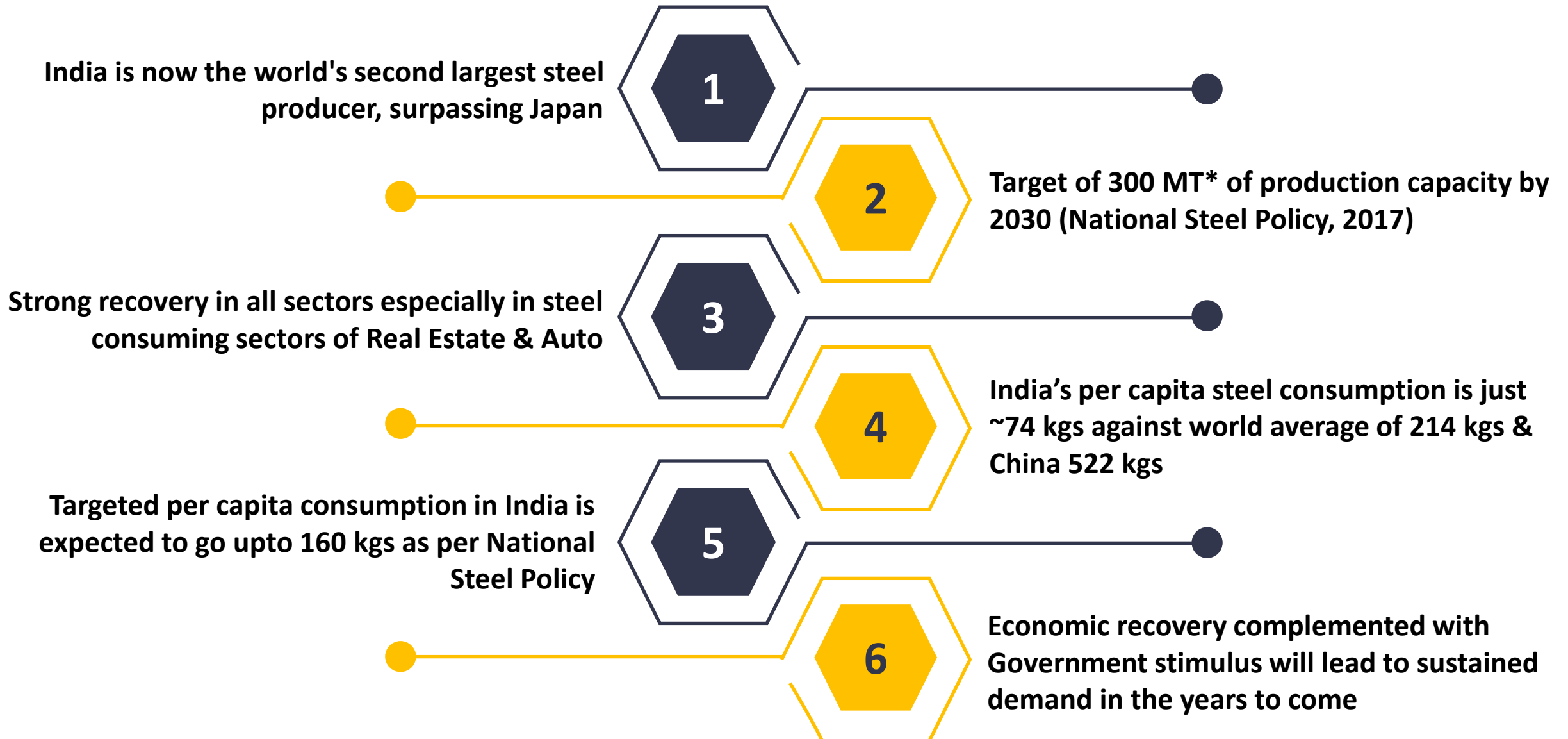
Fresh Investments in Infrastructure

This fresh investment in power, railways, and water, coupled with renewed interest in the automobile sector is bound to bring in fresh demand for steel

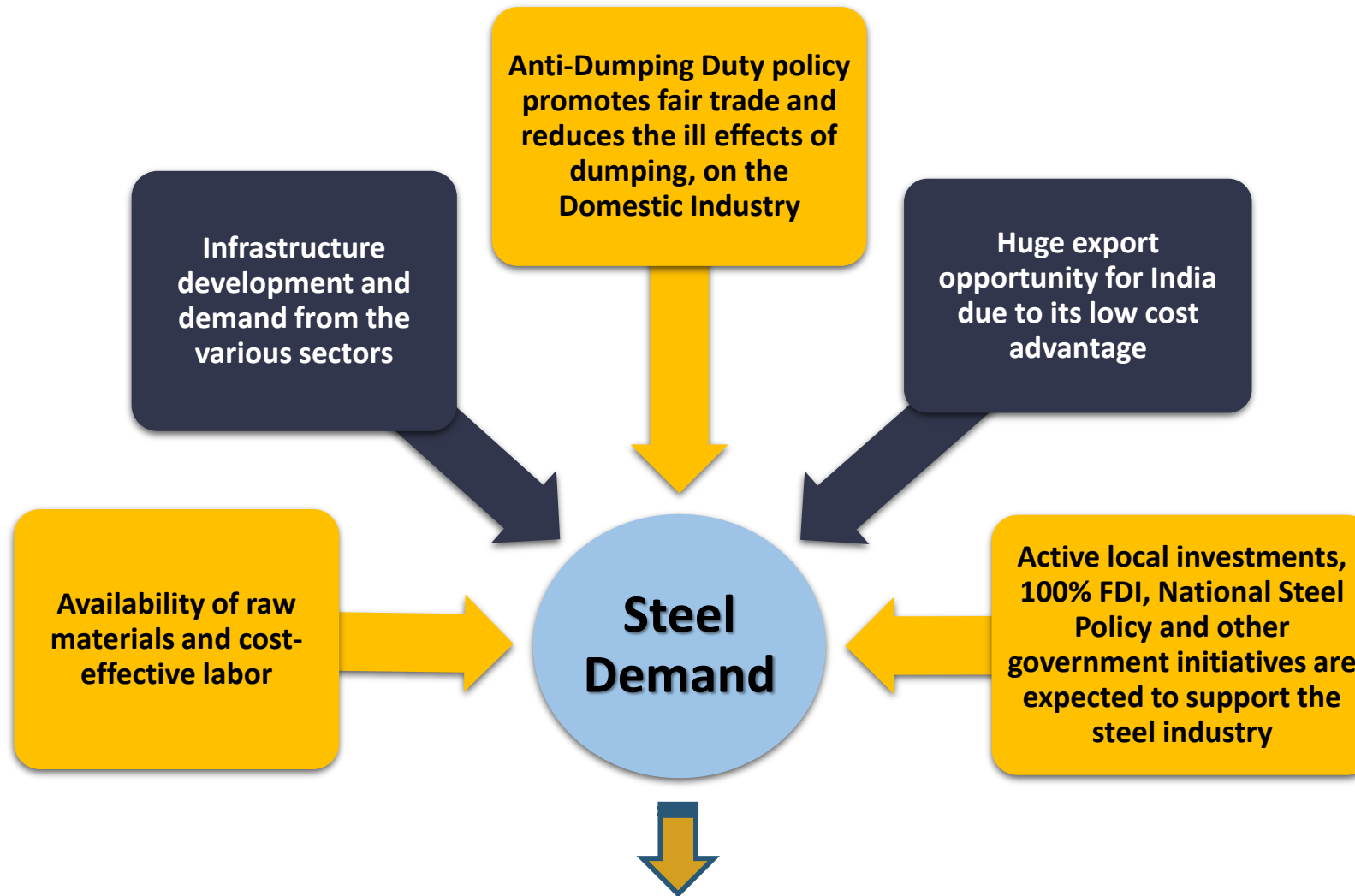
Investment allocation under NIP



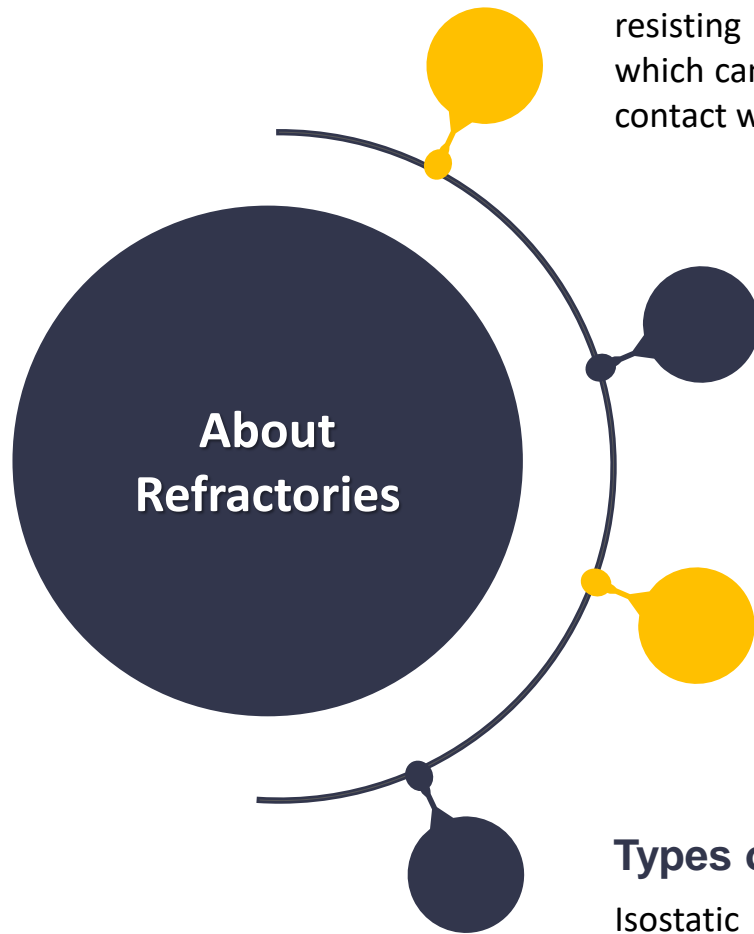
Domestic Steel Industry on a strong footing in the long term



Growth drivers of Indian Steel industry



Boost usage of refractory products significantly. Iron and steel industry accounts for approximately 71% of the refractories market share



What are Refractories

Refractories are material having high melting points, with properties that make them suitable to act as heat-resisting barriers between high and low temperature zones. Refractories are inorganic nonmetallic material which can withstand high temperature without undergoing physical or chemical changes while remaining in contact with molten slag, metal and gases

Raw Materials

Principal raw materials used in the production of refractories are: oxides of silicon, aluminum, magnesium, calcium and zirconium and some non-oxide refractories like alumina, carbides, nitrides, borides, silicates and graphite

Uses

Refractories are used by metallurgy industry for flow control and also in the internal linings of furnaces, kilns, reactors and other vessels for holding and transporting metal and slag. In non-metallurgical industries, the refractories are mostly installed on fired heaters, hydrogen reformers, ammonia primary and secondary reformers, cracking furnaces, utility boilers, catalytic cracking units, coke calciner, sulphur furnaces, air heaters, ducting, stacks, etc.

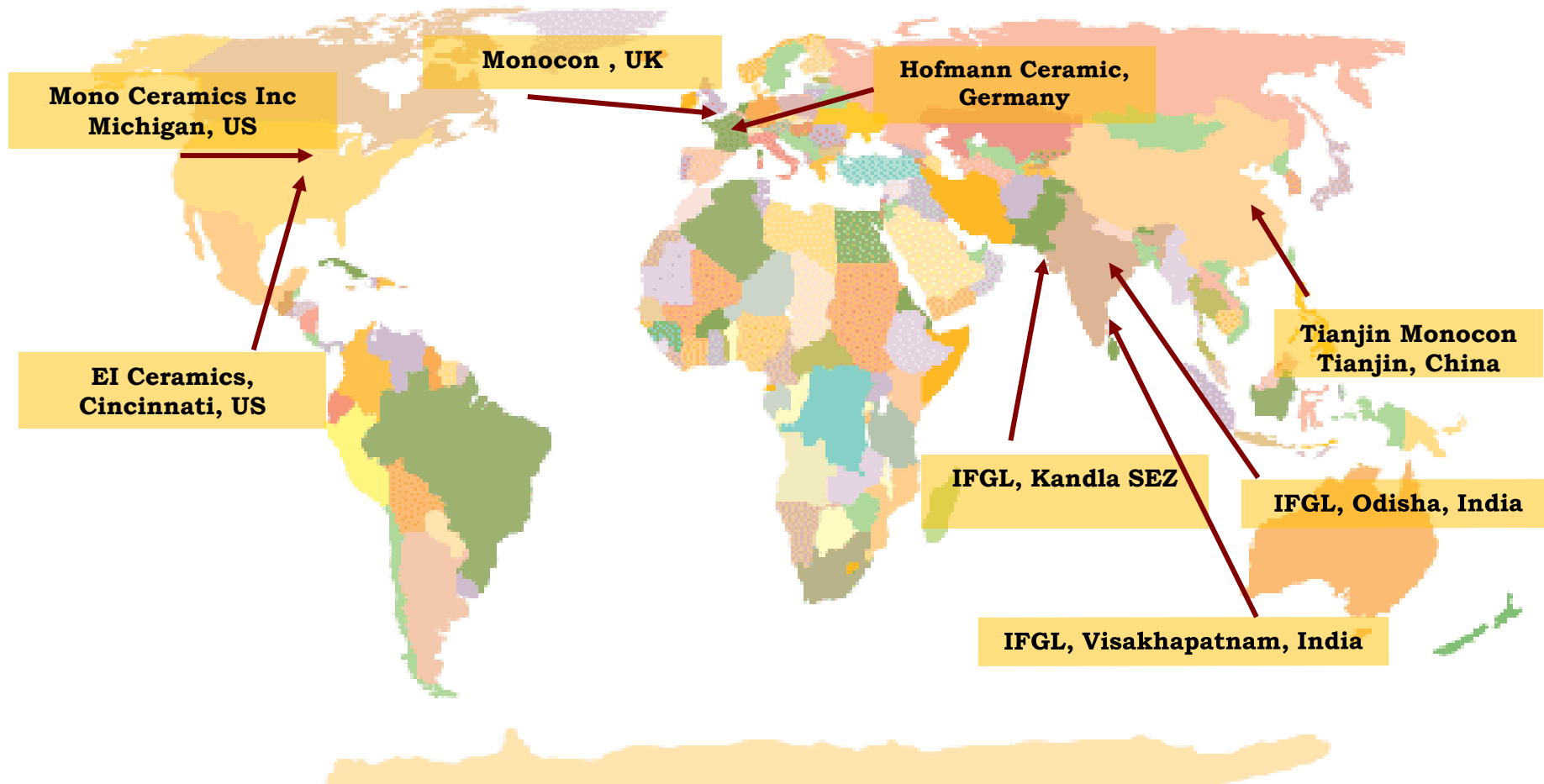
Types of Refractories

Isostatic Refractories, Slide Gate Refractories & Systems, Tube Changer Refractories & System, Purging System & Refractories, Cast Products & Zirconia Nozzles, Monolithics/ Castable & Foundry Ceramics

An abstract background graphic consisting of several overlapping, wavy, organic shapes. The top layer is a large yellow shape. Below it is a light blue shape. At the bottom is a dark blue shape. The shapes overlap in a way that creates a sense of depth and movement, with some areas appearing to be in front of others.

About Us

A Global MNC...



IFGL Refractories Limited
3.604 Cr Equity Shares with a Face Value of Rs. 10 each

100%

IFGL Worldwide Holdings Limited

100%

Monocon Group

UK / USA / China

100%

**Hofmann
Ceramic**

Germany

100%

El Ceramics

USA

Plants at Kalunga, Odisha, India
+
Plant at Kandla SEZ, Gujarat, India
+
Plant at Visakhapatnam, Andhra Pradesh, India

...simplified to create value for shareholders

...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. James McIntosh
Managing Director

- Holder of Masters Degree in Technological Marketing
- Previously President of Company's US step down subsidiary, El Ceramics LLC
- Has wide experience of more than three decades of refractory industry worldwide



Mr. Kamal Sarda
Director & Chief Executive Officer

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

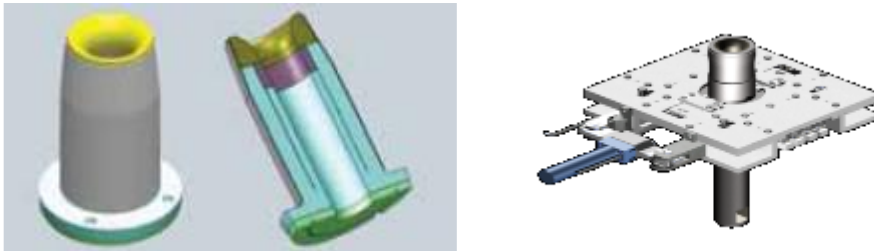
Isostatic Refractories



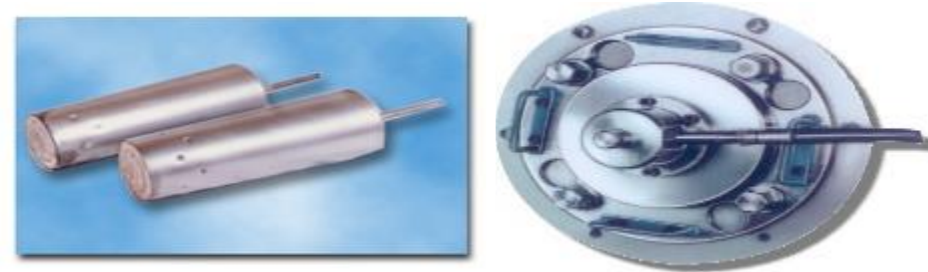
Slide Gate Refractories & Systems



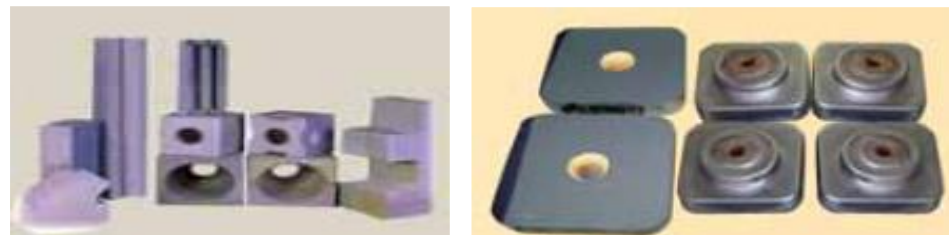
Tube Changer Refractories & System



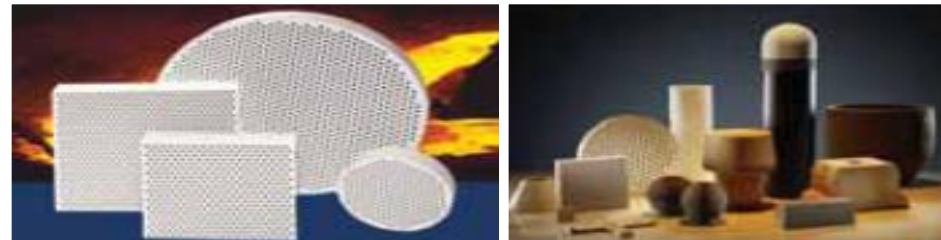
Purging System & Refractories



Cast Products & Zirconia Nozzles



Foundry Ceramics



...to reputed names in the Global Steel Industry



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