

IFGL Refractories Limited

An Indian Multinational

Investor Presentation

August 2015



COMMITTED TO CLEAN METAL



Safe Harbor



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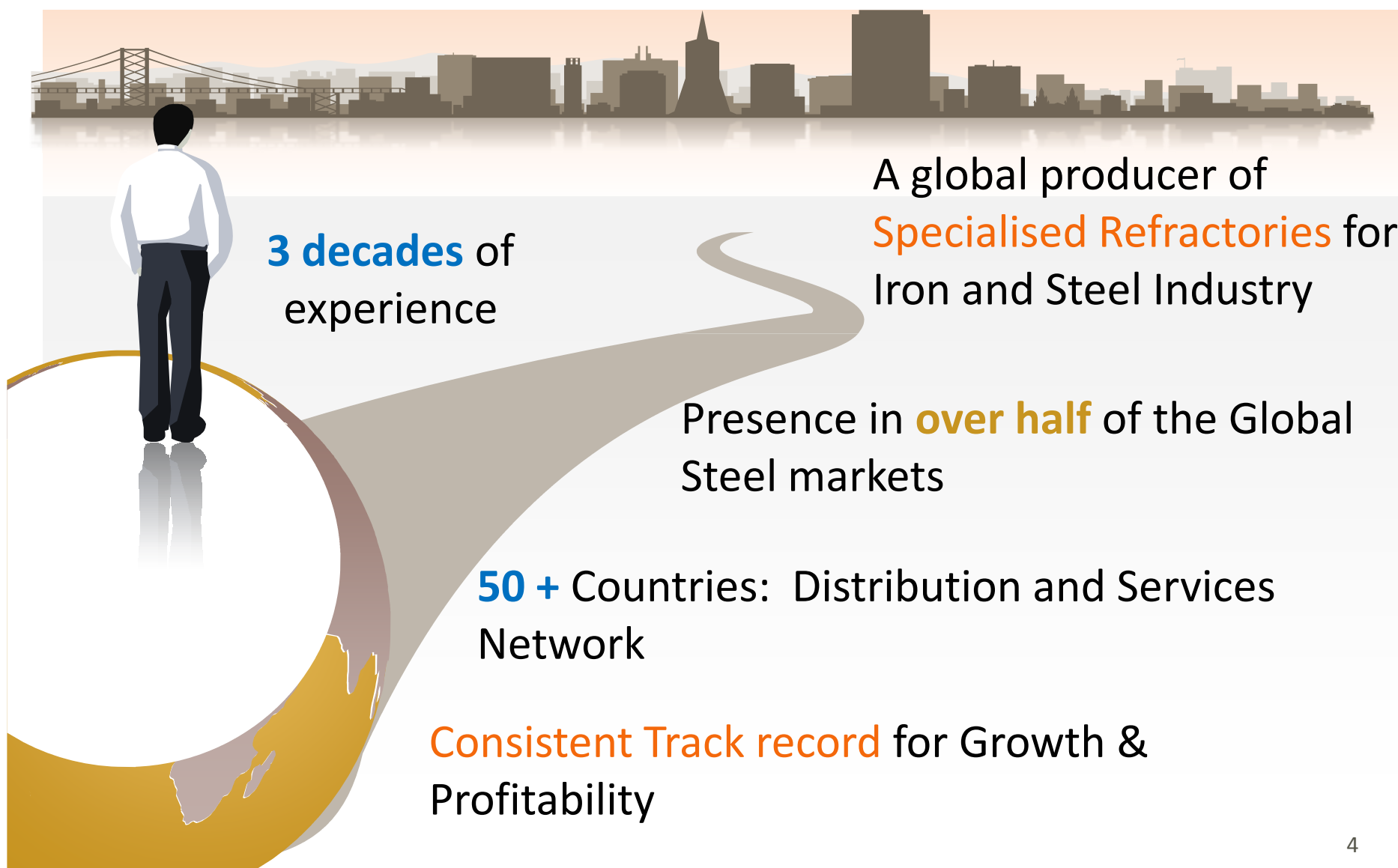
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An Overview

IFGL Group – An Introduction



3 decades of
experience

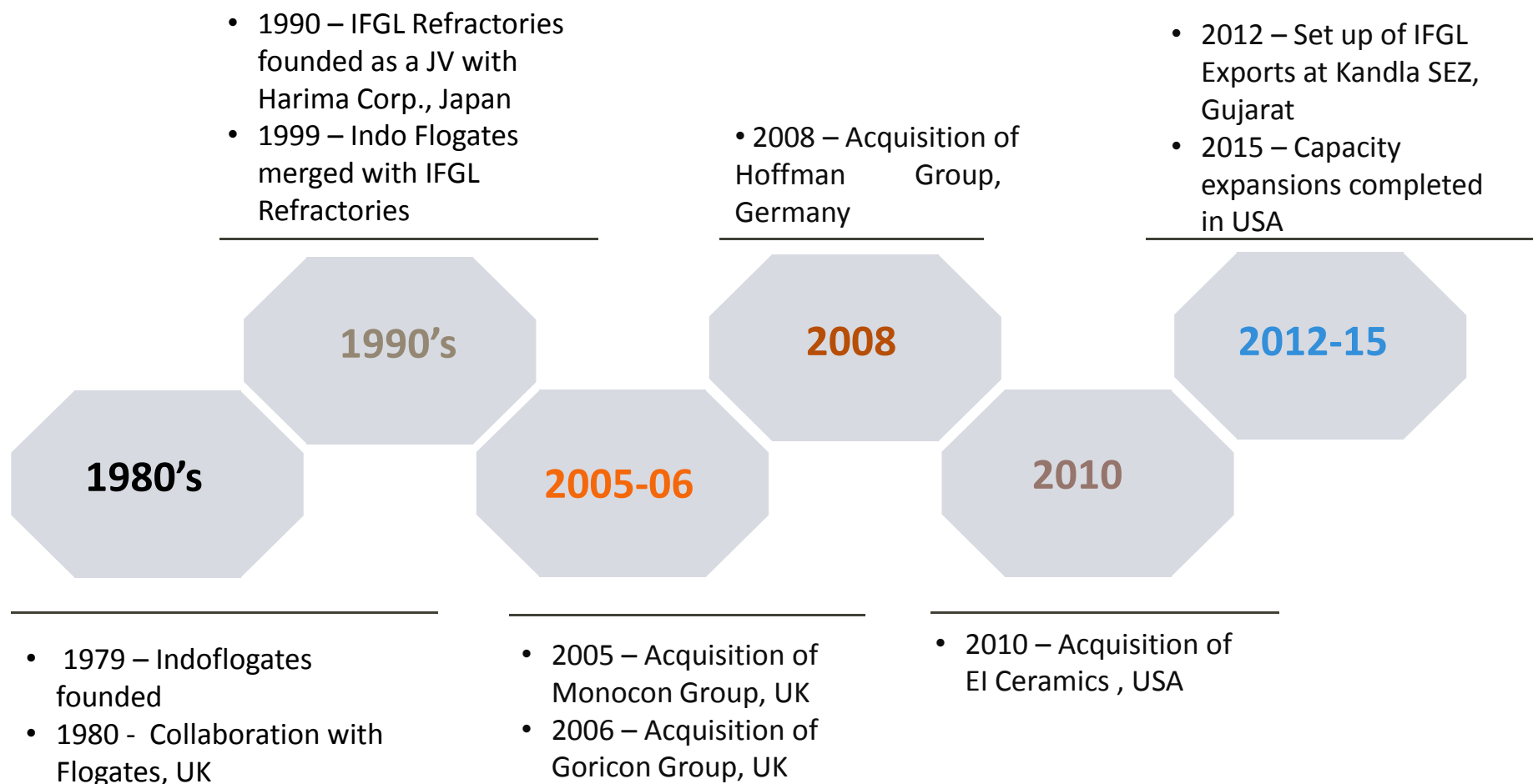
A global producer of
Specialised Refractories for
Iron and Steel Industry

Presence in **over half** of the Global
Steel markets

50 + Countries: Distribution and Services
Network

Consistent Track record for Growth &
Profitability

Our Journey



Experienced 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. Gian Carlo Cozzani
Director, Monocon



- Associated with IFGL since Oct, 2009
- Former President and CEO of Vesuvius (now Vesuvius plc). Instrumental in steering Vesuvius from US\$ 100 million to over US\$ 1 billion
- Based in Europe, he is a member of IFGL's Core Group and a Director of Monocon International Refractories Limited, UK

Mr. Giorgio Cappelli
Director, Monocon



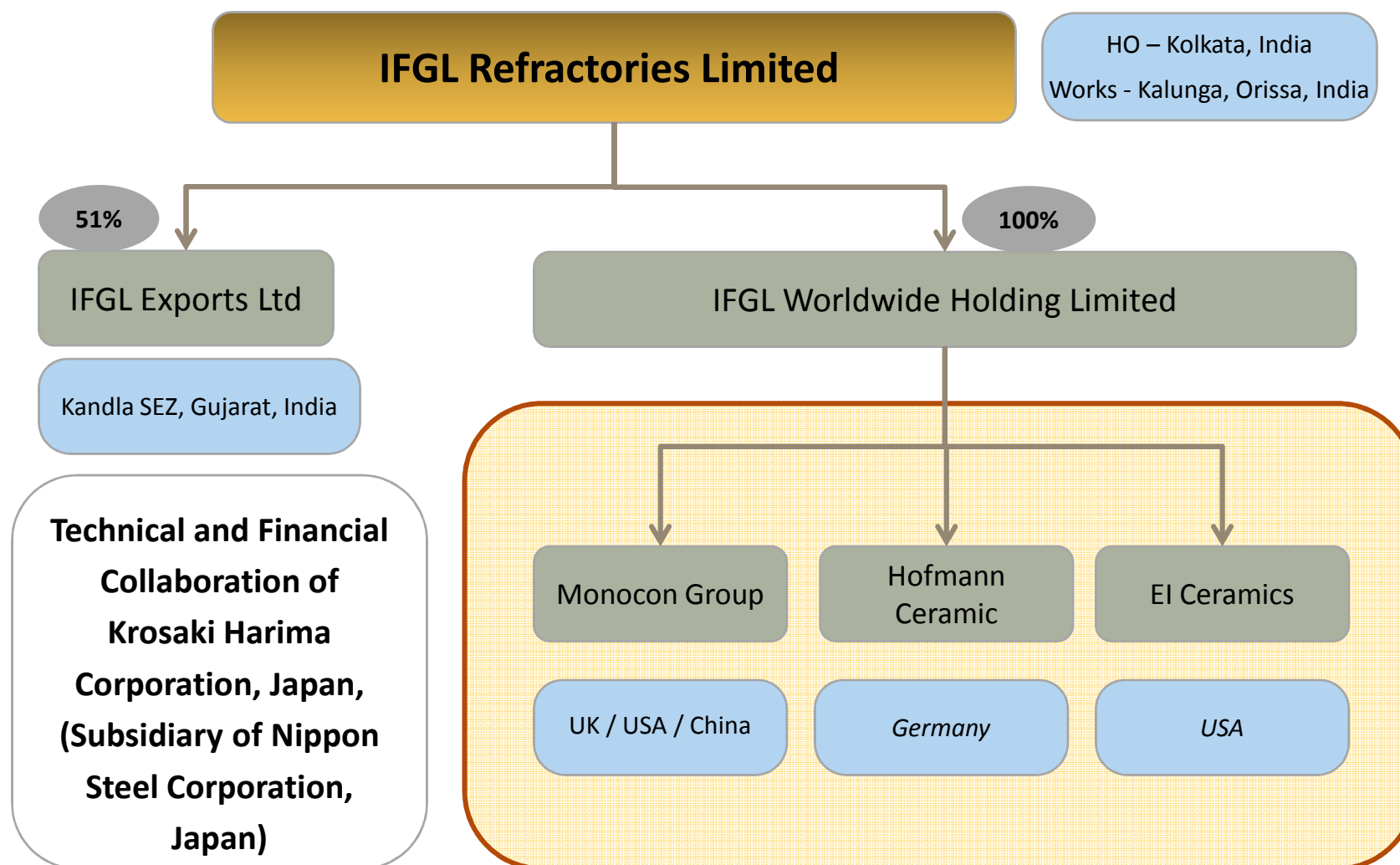
- Joins as Director Monocon International Refractories Ltd from May, 2015, he will be fully involved in Overseas Operations of Group.
- Is a Doctorate in Industrial Chemistry from Milano University
- Was the Board member & COO of Steel Division of RHI AG Vienna, being one of the leading manufacturers of specialized refractories for Iron & Steel Industry

Successful International Acquisitions

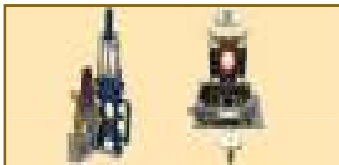
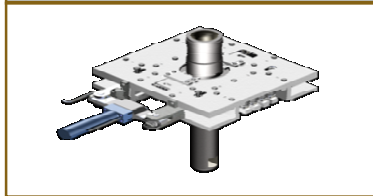
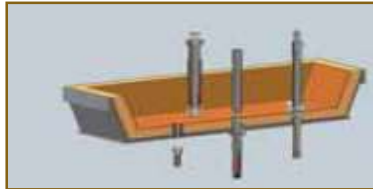
Company Acquired	Manufacturing Facilities	Acquisition Cost	Revenue in Acquisition Year	2015 Revenue
Monocon Group, UK - 2005	UK + USA + China	GBP 9.5mn	GBP 21mn	GBP 27mn
Hoffman Group, UK - 2008	Germany, Europe	Euro 7.0mn	Euro 9mn	Euro 10mn
Ei Ceramics USA - 2010	Cincinnati, USA	\$ 13mn	\$ 11mn	\$ 17mn



Holding Structure



Specialized Refractory for Steel making with Wide Product Range



**Isostatic & Tube Changer
Refractories & System**

**Slide Gate & Purging Refractories
& System**

**Cast Products, Zirconia
Nozzles, Foundry Ceramics**

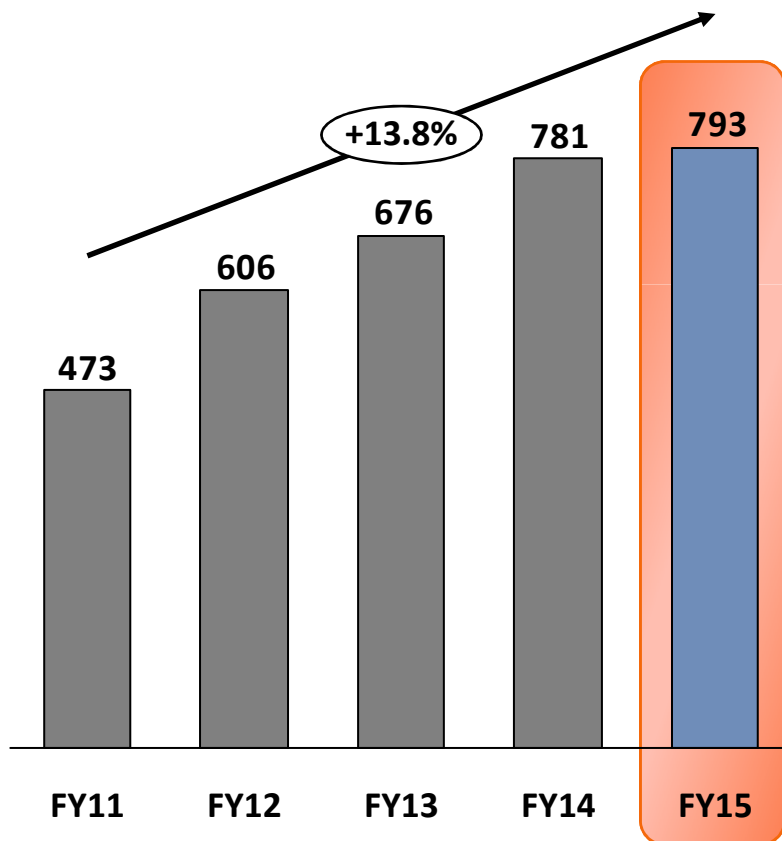


Our Performance

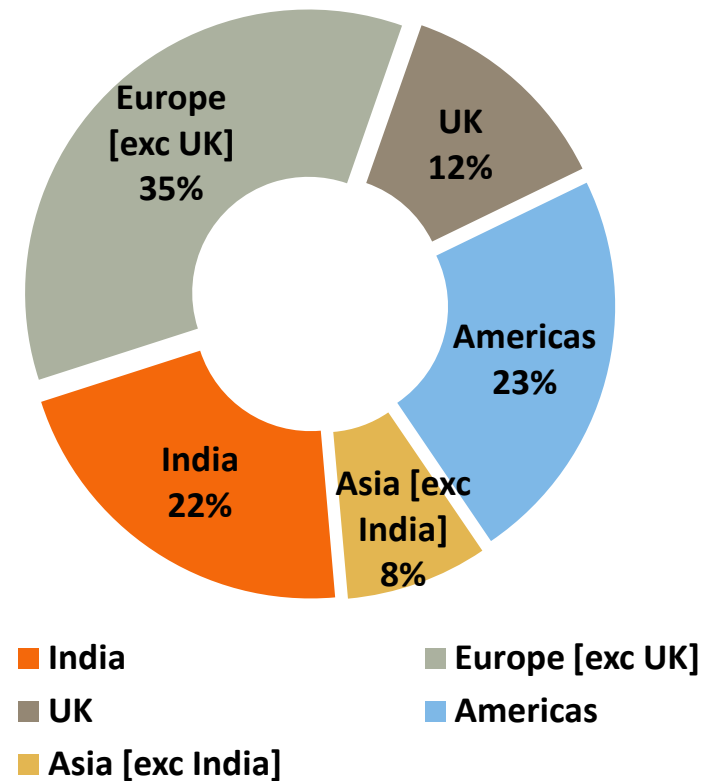
Financial Overview



Consolidated Turnover [Rs. Crs.]



FY15 Sales by Region

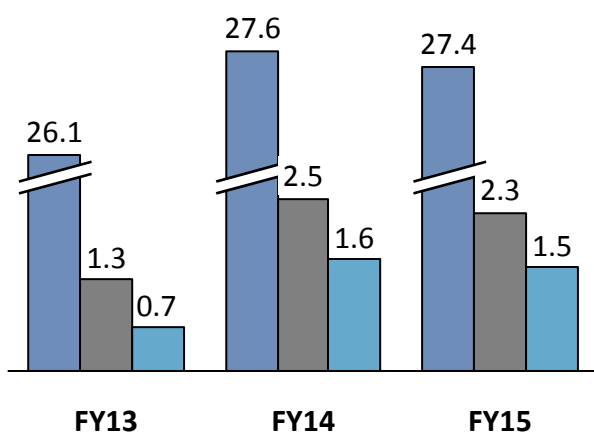


Profitable International Operations with...

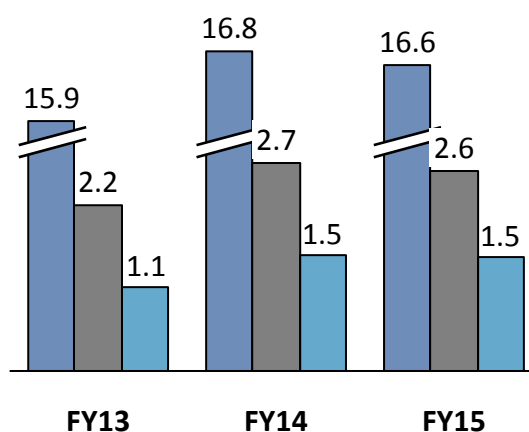


Revenue EBITDA PAT

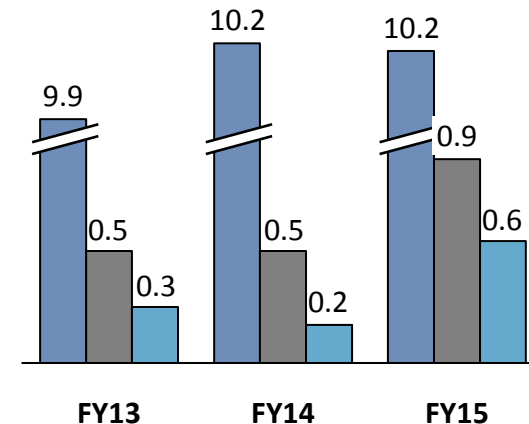
Monocon Group [GBP mn]



EI Ceramics [\$ mn]

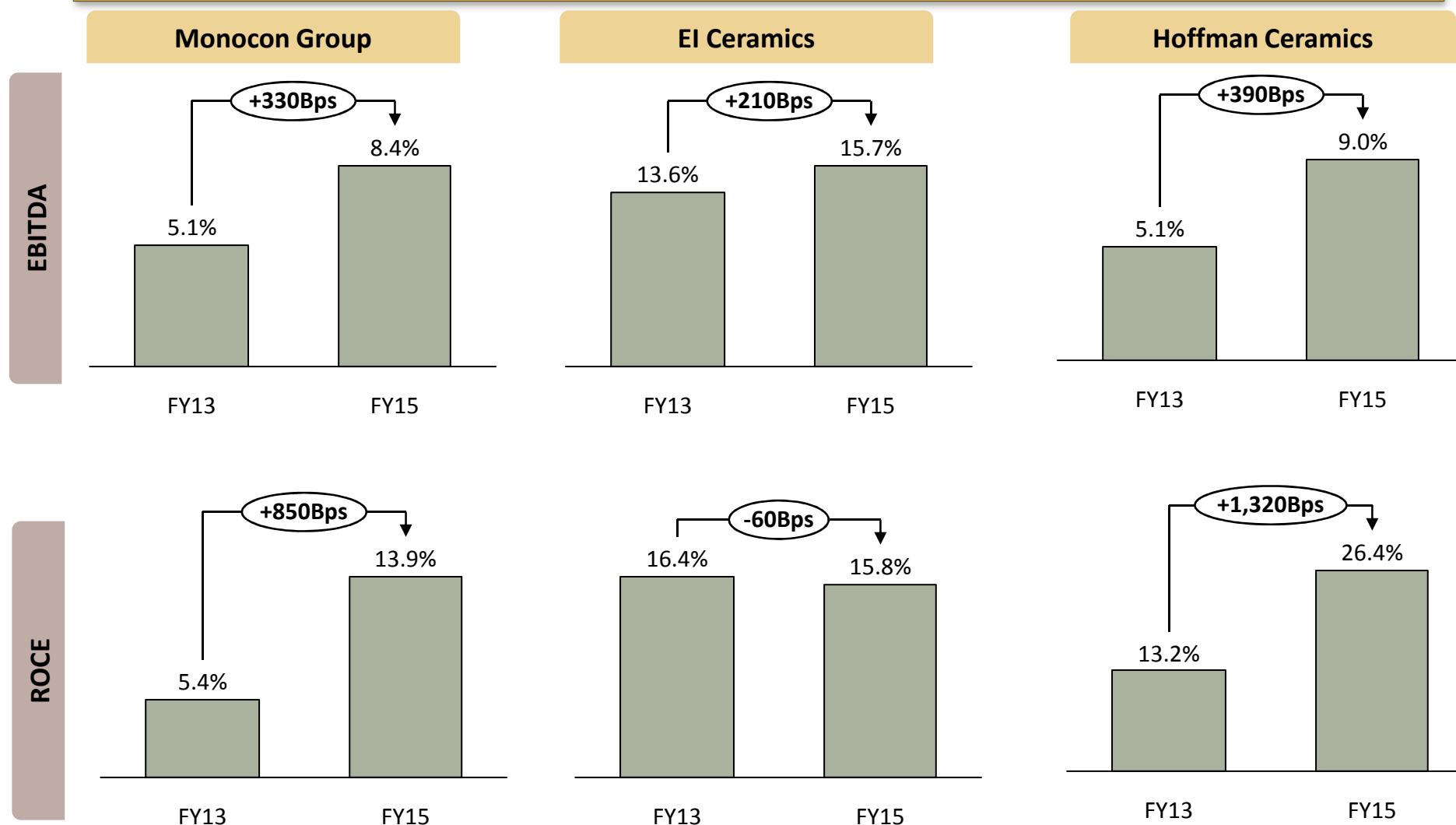


Hoffman Ceramics [Euro mn]



- ✓ Despite challenging growth environments in World economy, International Operations have continued to sustain and gain market share
- ✓ Monocon Group & Hoffman Ceramics have grown at 3% CAGR since acquisition while EI Ceramics has grown at 9% CAGR since acquisition in 2010
- ✓ All International Acquisitions are profitable & generate sufficient cash flow to manage Debt servicing and fund capacity expansions

...increasing focus on improving Returns*



* On Basis of Local currency Financials in the country of reporting

Key Industry Highlights – Q1 FY16

- In 2014, World Crude Steel Production grew 1% whereas India saw a growth of 4.3%
- Cheap imports of Steel in India remains a cause of concern however the recent intervention by Government of India to raise import duties shall provide some relief
- Demand for refracting material is expected to be better in emerging countries such as China, Brazil, Russia, India and South Africa while the demand is likely to be constant for developed nations
- Research & Development continues to be an area of focus for players in the refractories industry globally.
- Good quality refractory is getting manufactured in India due to the advent of Global majors and this will benefit the Indian Steel industry

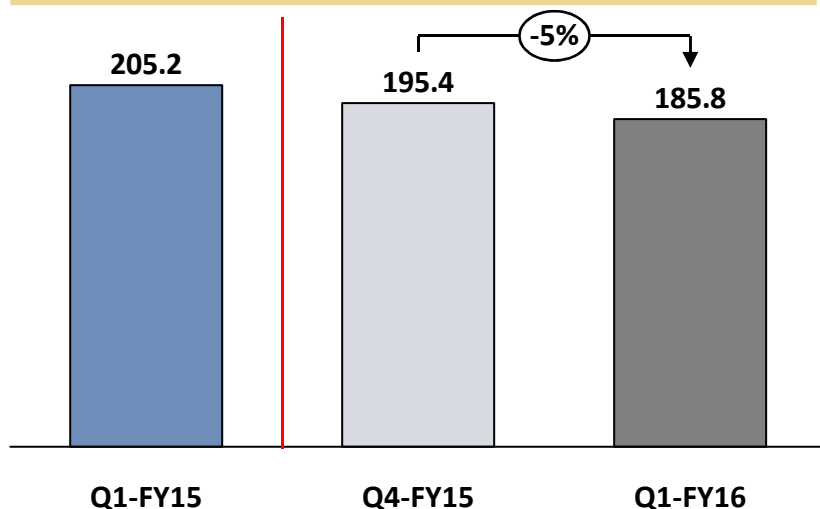
Consolidated Profit & Loss

Particulars [Rs. Crs]	Q1 FY16	Q1 FY15	Q4 FY15		FY 15
Total Income	185.8	205.2	195.4		793.5
Raw Material	95.1	101.8	105.8		406.1
Employee Expenses	28.4	28.9	30.0		117.9
Other Expenses	36.2	43.4	40.7		170.6
EBITDA	26.1	31.0	19.0		98.9
EBITDA %	14.0%	15.1%	9.7%		12.5%
Finance Cost	1.2	1.4	1.3		5.9
Depreciation	3.9	3.7	3.1		14.3
Profit Before Tax	21.0	25.9	14.5		78.7
Tax	5.0	6.7	6.7		25.4
Minority Interest (MI)	0.8	0.7	-0.5		0.2
Profit after Tax & MI	15.2	18.4	8.4		53.1
PAT %	8.2%	9.0%	4.3%		6.7%

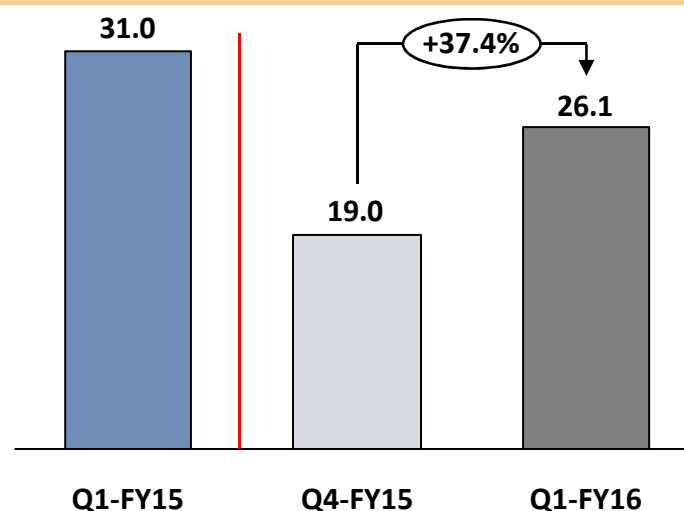
Consolidated Financial Highlights –Q1 FY16



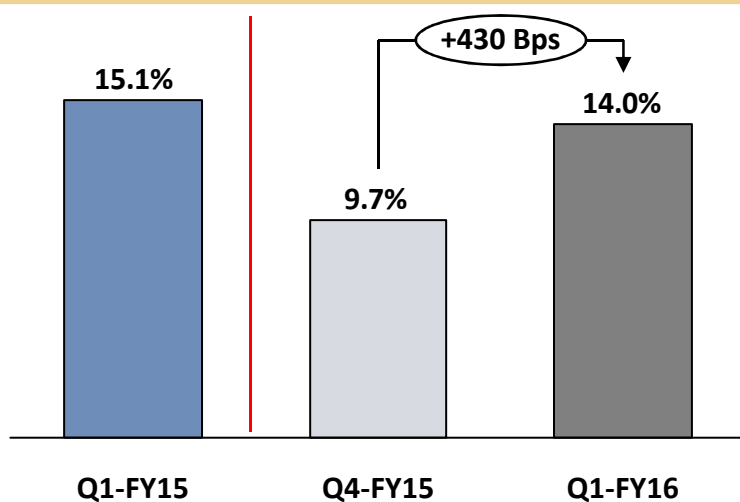
Consolidated Turnover [Rs. Crs]



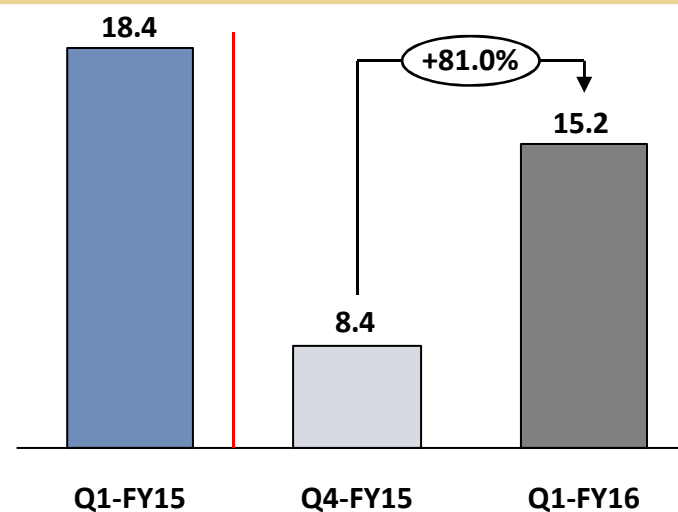
EBITDA [Rs. Crs]



EBITDA [%]



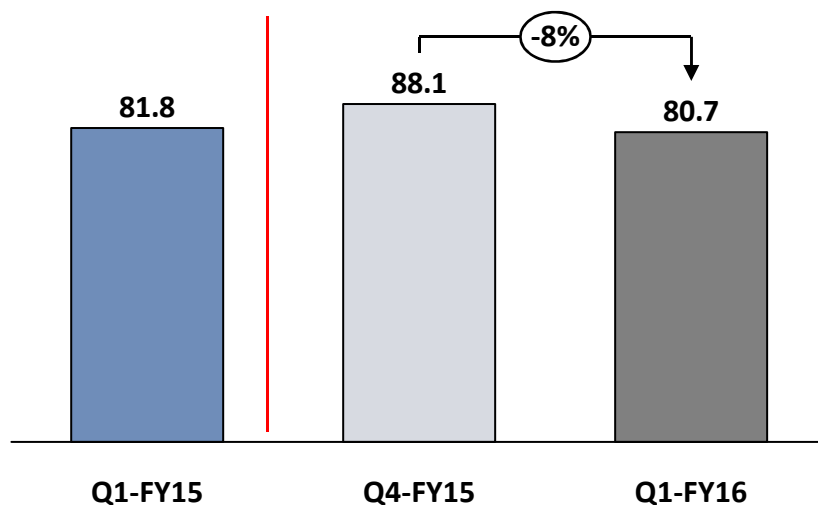
PAT [Rs. Crs]



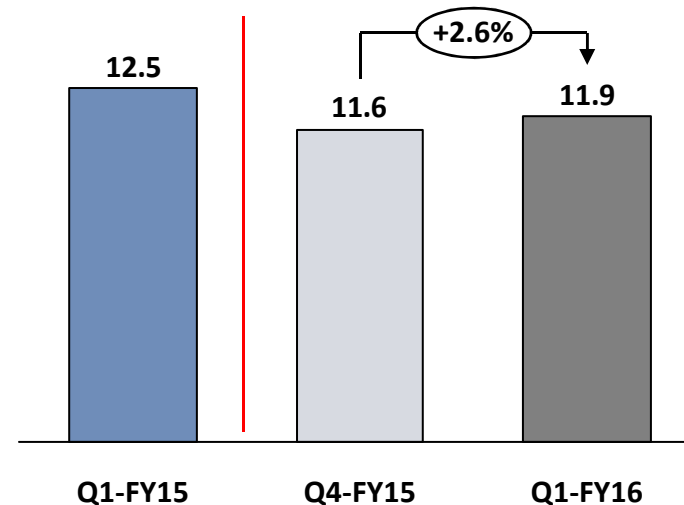
Standalone Financial Highlights – Q1 FY16



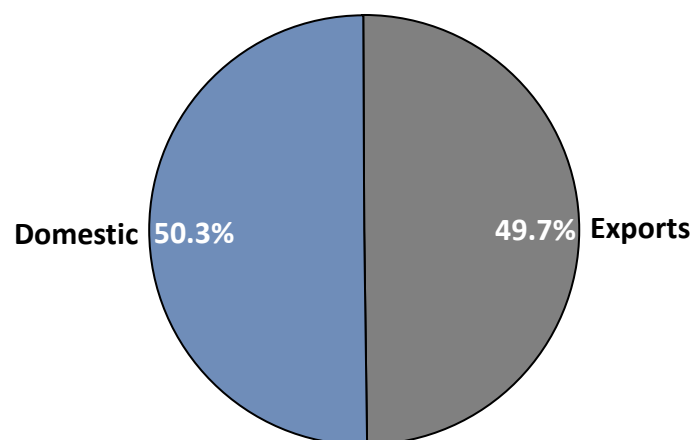
Standalone Turnover [Rs. Crs]



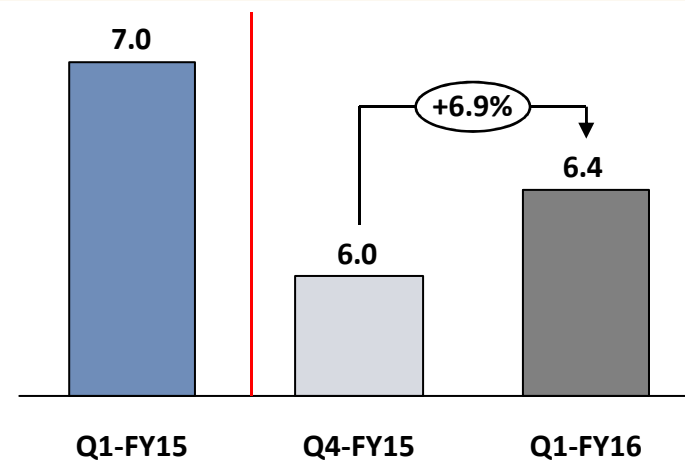
EBITDA [Rs. Crs]



Domestic V/s Export Sales [%]

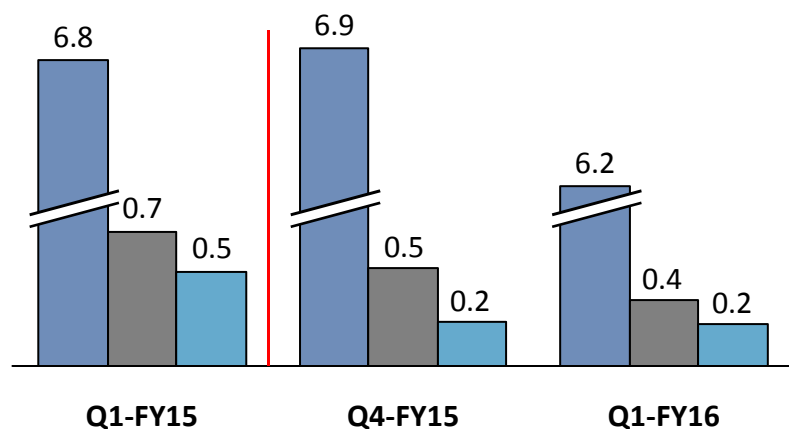


PAT [Rs. Crs]

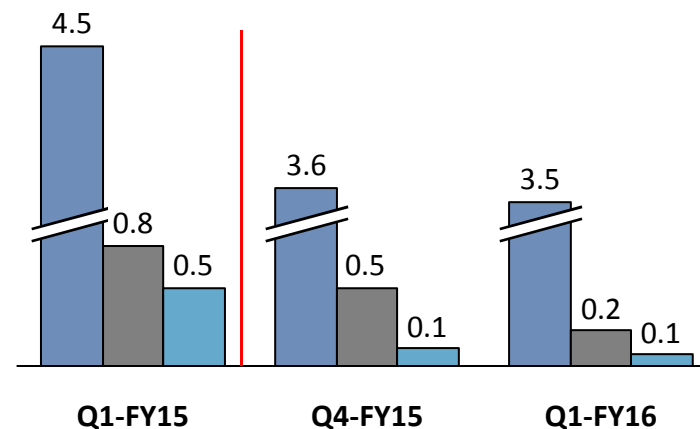


Subsidiary Performance – Q1 FY16

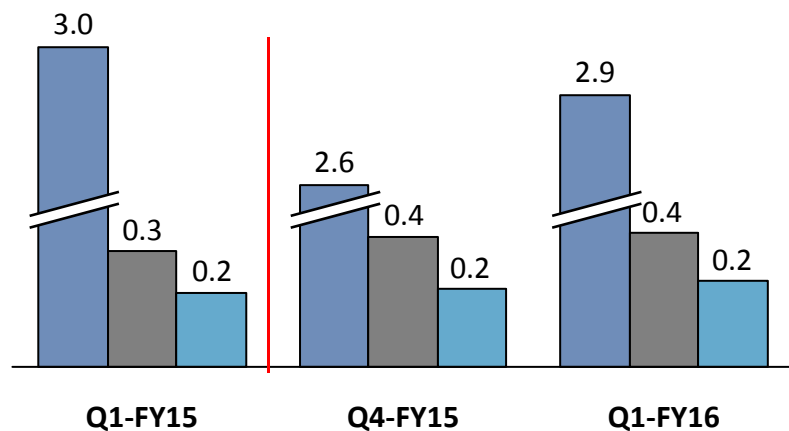
Monocon Group [GBP mn]



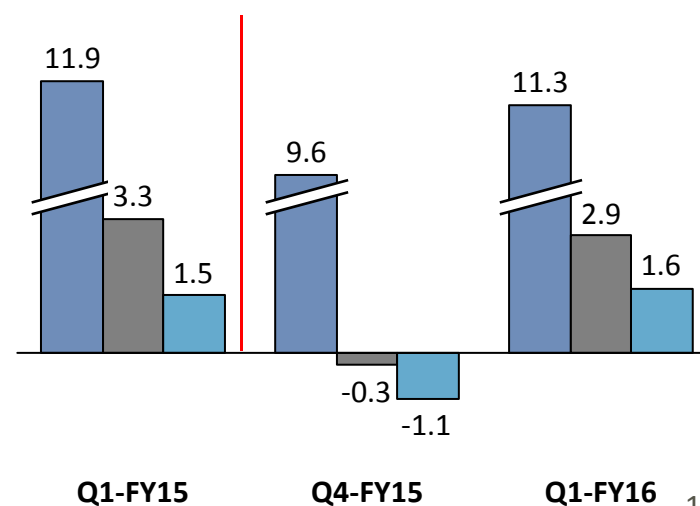
EI Ceramics [\$ mn]



Hoffman Ceramics [Euro mn]



IFGL Exports [Rs. Crs]

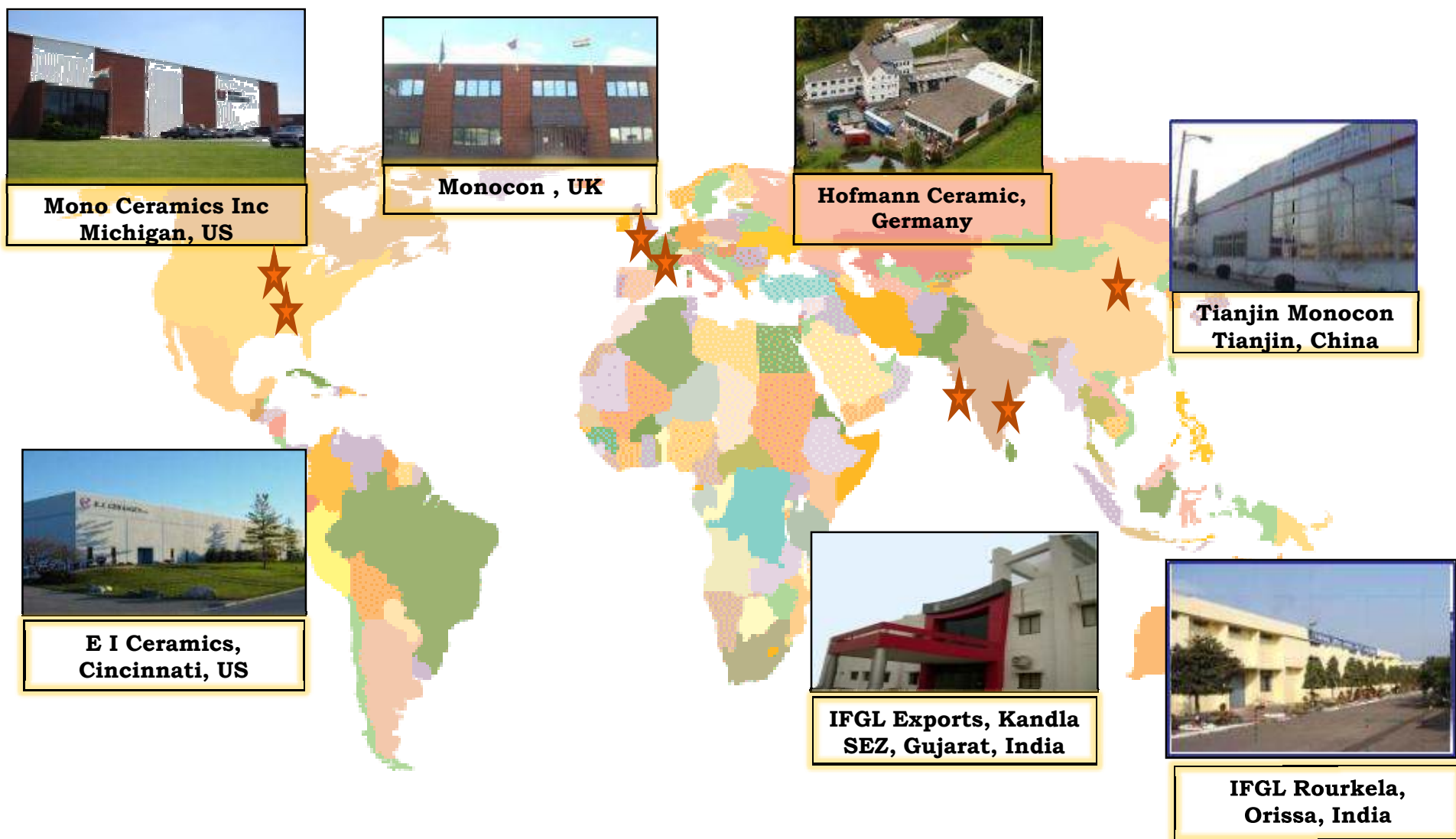


Revenue
EBITDA
PAT



Key Strengths & Strategy

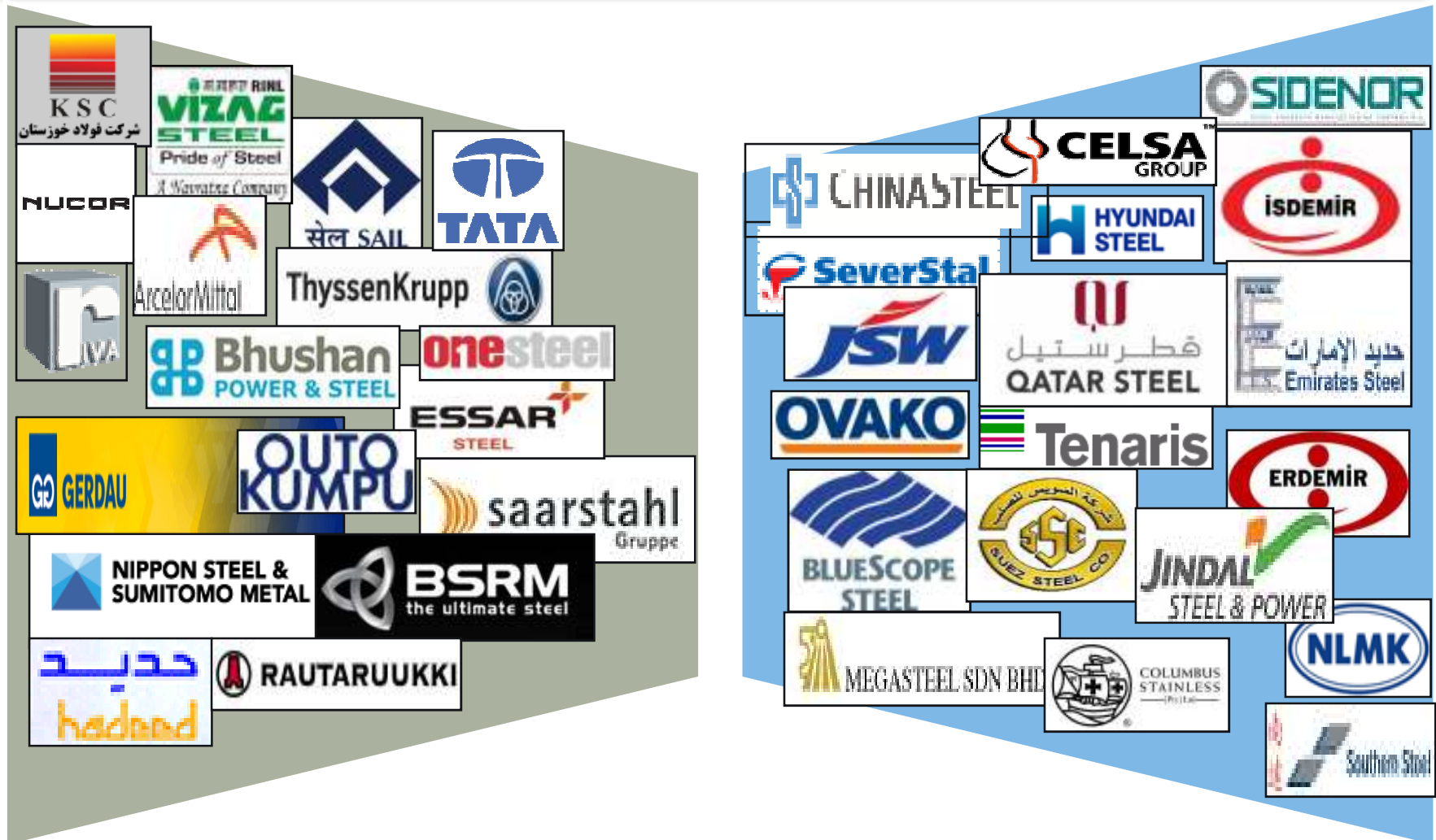
Our Manufacturing Plants





21

Strong Customer Relationships



Future Strategy

Capacity Expansion

- Tripling capacity in Kandla - Phase 1 completion by 2016
- On going exercise of De-bottlenecking to improve capacities

Foray in New Markets

IFGL is currently present in 50% of the steel producing nations of the world leaving enough room for geographical expansion of our products

New Products & Technologies

Focus on investing in developing new products thereby increase product penetration and offering best quality products to Steel companies

Inorganic Acquisitions

Successfully integrated all acquisitions between 2005-2010 across geographies creating stakeholder value and increasing global market share

Future Strategy



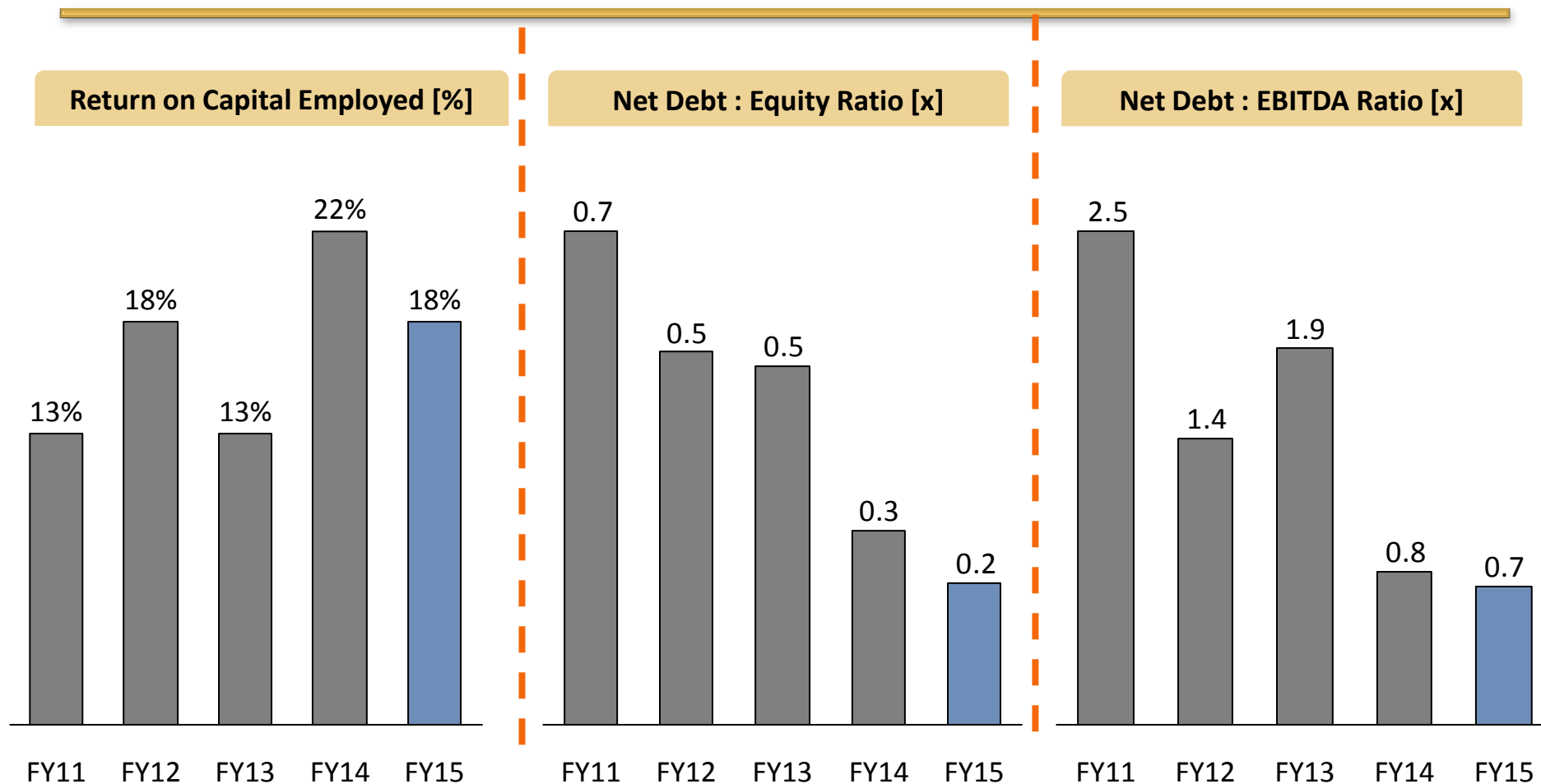
Strong Track Record



IFGL 5 Year Performance

Particulars [Rs. Crs]	FY11	FY 12	FY 13	FY 14	FY 15	CAGR
Total Income	473.3	607.1	676.8	781.0	793.5	13.8%
Raw Material	247.0	303.8	352.3	378.0	406.1	
Employee Expenses	66.1	84.3	98.7	110.0	117.9	
Other Expenses	113.3	141.8	163.2	181.0	170.6	
EBITDA	47.0	77.2	62.7	113.0	98.9	20.4%
EBITDA %	9.9%	12.7%	9.3%	14.5%	12.5%	
Finance Cost	5.6	6.75	8.0	7.0	5.9	
Depreciation	8.7	12.91	13.4	15.0	14.3	
Profit Before Tax	32.7	57.5	41.3	91.0	78.7	24.6%
Tax	8.4	18.3	15.9	25.0	25.4	
Minority Interest (MI)	0.0	0.0	-2.8	2.0	0.2	
Profit after Tax & MI	24.3	39.2	28.2	64.0	53.1	21.6%
PAT %	5.1%	6.5%	4.2%	8.2%	6.7%	

Key Ratios*

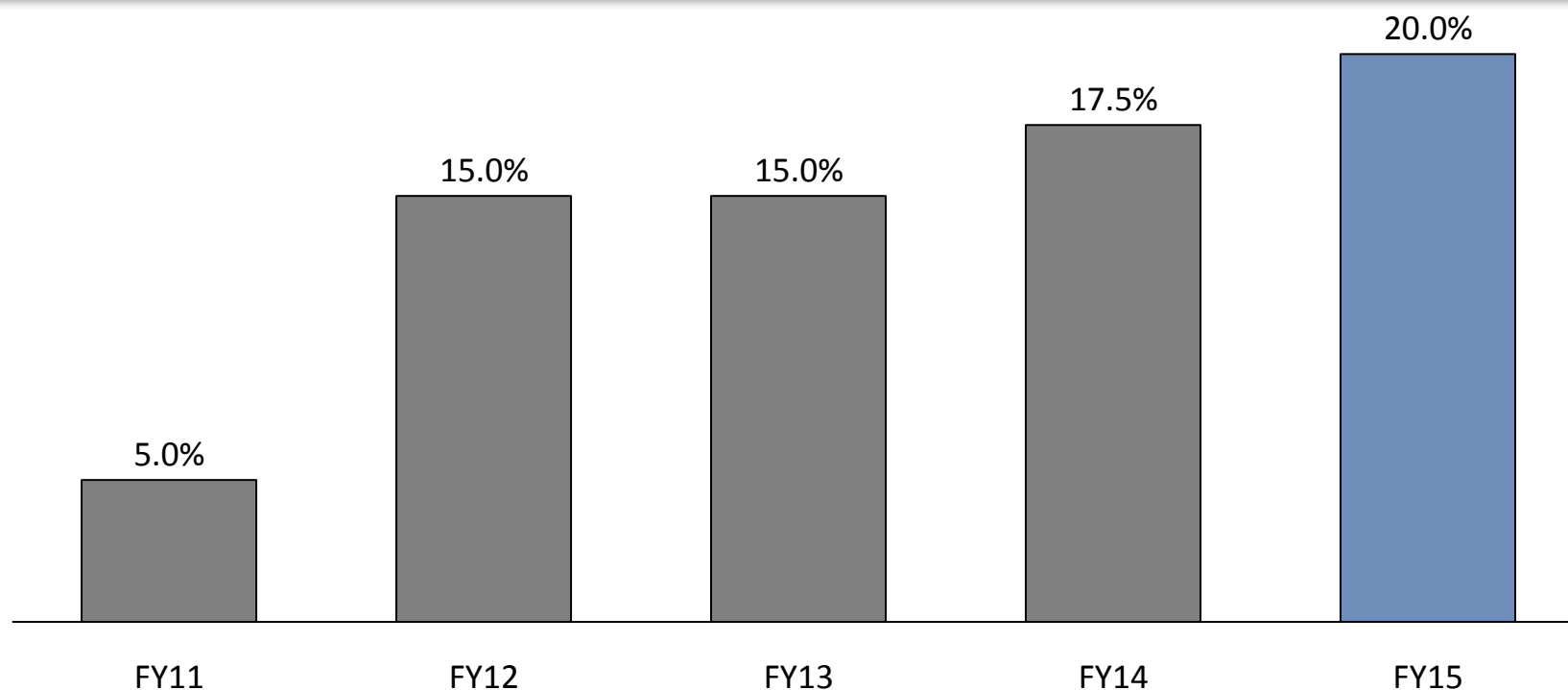


* Consolidated

$ROCE = EBIT / (Total Debt + Networth)$

$Net Debt:Equity Ratio = (Total Debt - Cash \& bank balance) / Networth$

Dividend Record



Particulars (Rs.)	FY11	FY12	FY13	FY14	FY15
Consolidated Book Value per Share	50.8	64.1	70.9	95.1	99.7
Consolidated Earning Per Share	6.9	11.3	7.9	18.3	15.1
Dividend Per Share	0.5	1.5	1.5	1.75	2.00

Contact



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