# IFGL Refractories Limited

**An Indian Multinational – Listed on BSE & NSE**

# Investor Presentation

**September 2014**

***DEDICATED TO CLEAN METAL***

# Safe Harbor

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# An Overview

# In brief

A global producer of Specialised Refractories for Iron and Steel Industry

3 decades of experience

8 Manufacturing plants strategically located across globe

Presence in 50% + of the Global markets

1000+ Employees

50 + Countries Distribution and Services Network

Also Producer of Foundry Ceramics and Bio Ceramics

# Evolution

1979
Indo Flogates founded

1981
Collaboration with Flogates, UK

1980s

1990
IFGL Refractories founded as JV with Harima Corp., Japan

1999
Indo Flogates merged with IFGL Refractories

1990s

2005 - 2006

2005
Acquisition of Monocon Group, UK

2006
Acquisition of Goricon Group, UK

2008

Acquisition of Hofmann Group, Germany

2010

Acquisition of EI Ceramics, USA

2012

Set up of IFGL Exports at Kandla SEZ, Gujarat

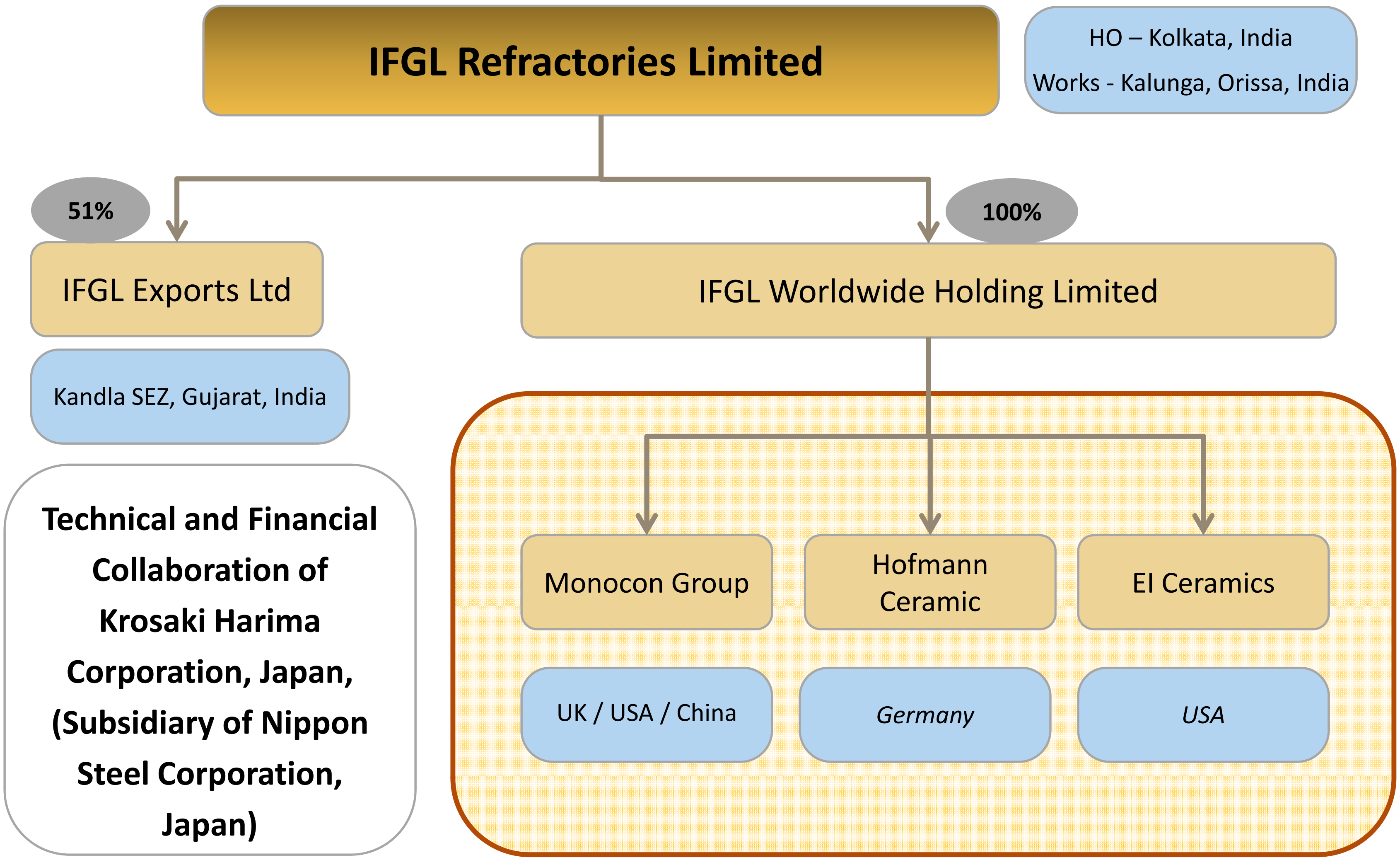
**Acquisitions brought along …**

**New Products & Technologies**

**New Markets**

**New Customers**

# Holding Structure



# Group Management Team led by ….

**Mr. S.K. Bajoria – Chairman**

- Promoter of S K Bajoria Group based at Kolkata engaged in diversified business activities.
- Has been Honorary Vice Consul of Denmark in Kolkata, 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**

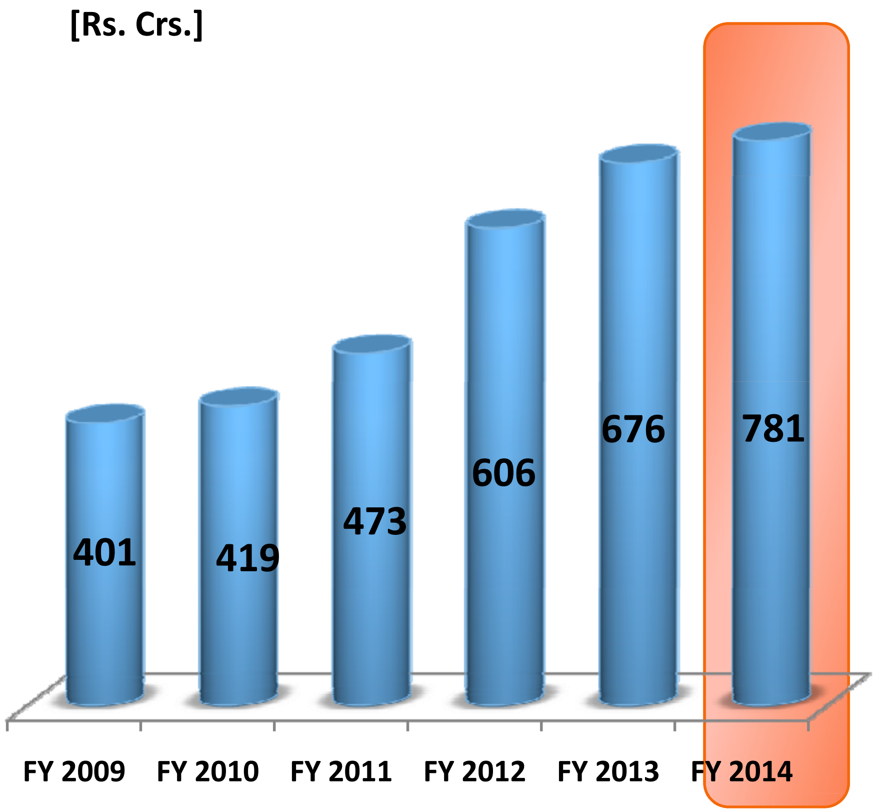
- Associated with IFGL from the very early days of Indo Flogates, even before the commencement of production in 1984. Has been Director & Chief Executive of erstwhile Indo Flogates Ltd.
- More than 30 years of experience of Refractory Industry and has been involved in various capacities in Indian Refractories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

**Mr. Gian Carlo Cozzani**

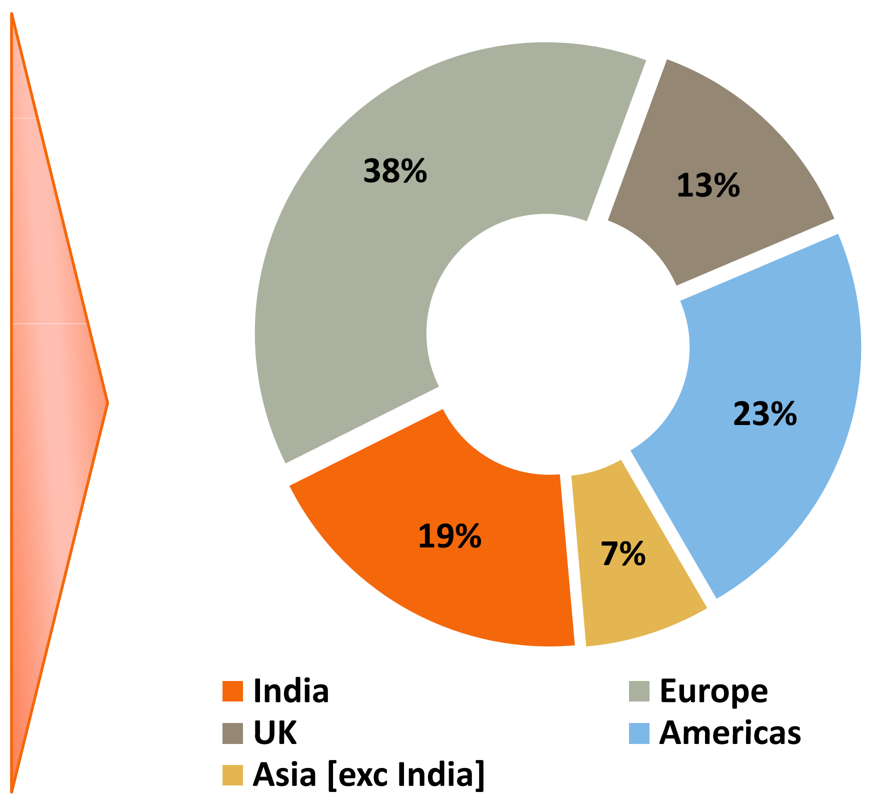
- Associated with IFGL since Oct, 2009.
- Former President and CEO of Vesuvius (now Vesuvius plc). Instrumental in steering Vesuvius from US$ 100 million to over US$ 1 billion.
- Based in Europe, he is a member of IFGL's Core Group and a Director of Monocon International Refractories Limited, UK

# Consistent Growth

**Consolidated Turnover**



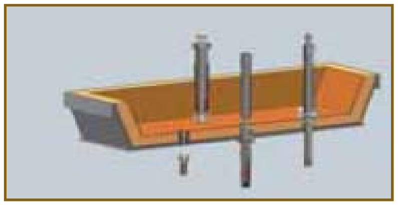
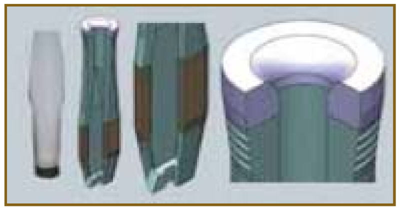

**FY 2014 Revenue - by Geography**



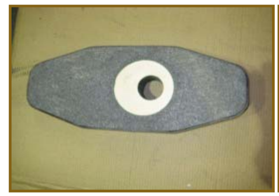
# Wide Product Range

IFGL

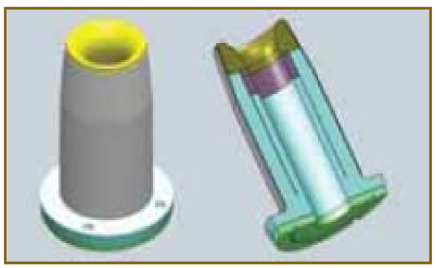
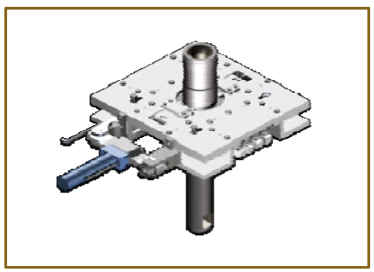
## Isostatic Refractories

## Slide Gate Refractories & Systems

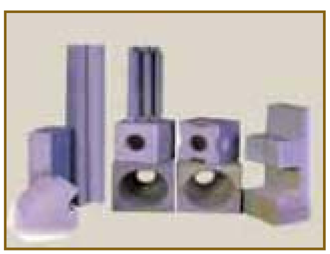


## Tube Changer Refractories & System

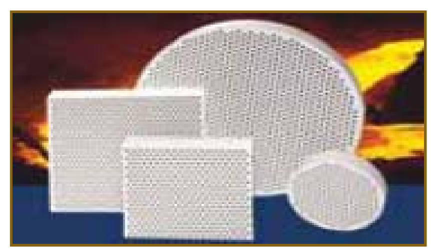



## Purging System & Refractories


## Cast Products & Zirconia Nozzles




## Foundry Ceramics




**Our Brands**

IFGL ei MONOCON hofmann CERAMIC BioGraft® CeraEye®

# Specialised Refractory for Steel Making

**Product Range**

Steel

### Caster

- ISO Products
- Tube Changer machine & Refractories
- Tundish Gate –plate only
- Zirconia metering Nozzle

- Tundish spray, Dry Vibe & Machines.
- Tundish furnitures & safety lining

### Ladle

- Ladle Gate machine & Refractories
- Purge Plug & safety M/C

- Monolithic Lance
- Castables
- Monocator

### Furnaces

#### BOF

- Tap Hole

- Slag dart & Machine
- Gunning mass

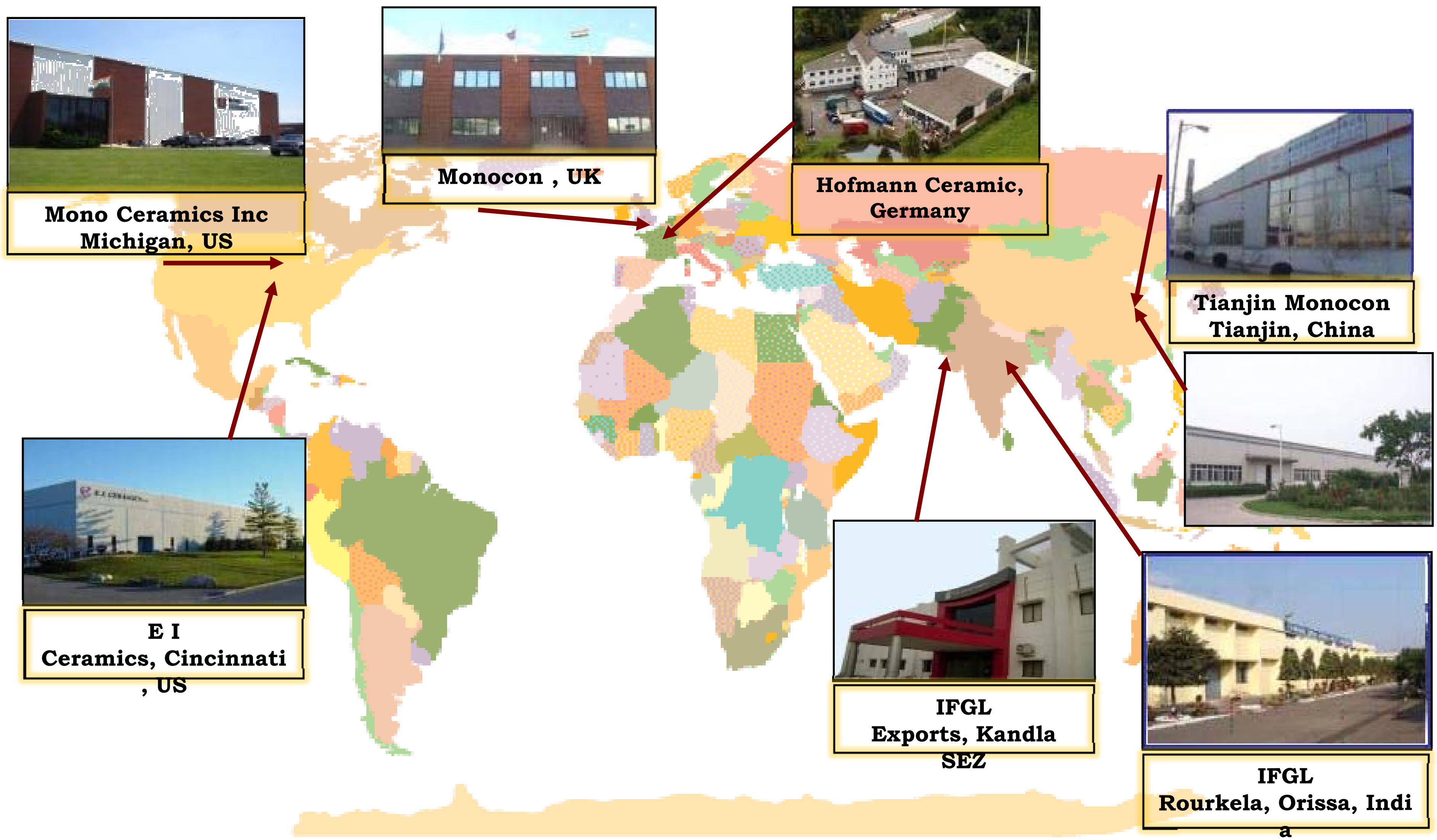
#### EAF

- Tap Hole

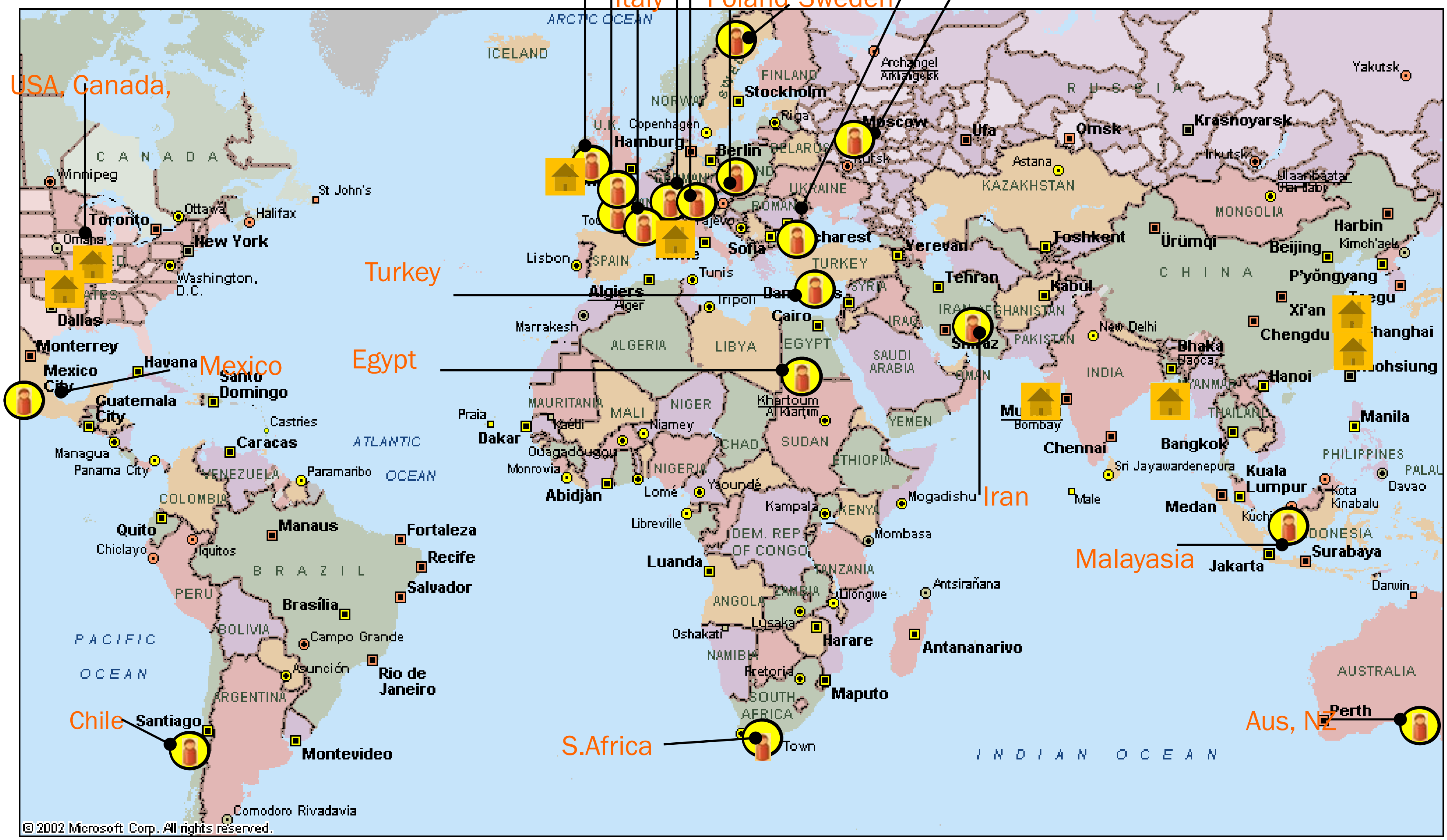
- Gunning & ramming mass
- Monocator

# Key Strengths & Strategy

# Our Global manufacturing



# Our Global Network




Works & Marketing offices

Distributors/Agents

# Our Long lasting Customer …

IFGL

ArcelorMittal

सेल SAIL

आर.आइ.एन.एल RINL VIZAG STEEL Pride of Steel A Navratna Company

SeverStal

KSC شرکت فولاد خوزستان

CELSA GROUP

TATA

HYUNDAI STEEL

Tenaris

RIVA

قطر ستيل QATAR STEEL

NUCOR

JSW

ThyssenKrupp

SIDENOR

ESSAR STEEL

OVAKO

Bhushan POWER & STEEL

saarstahl Gruppe

İSDEMİR

حديد الإمارات Emirates Steel

BLUESCOPE STEEL

SUEZ STEEL CO.

JINDAL STEEL & POWER

NIPPON STEEL & SUMITOMO METAL

OUTOKUMPU

ERDEMİR

BSRM the ultimate steel

حديد hadeed

GERDAU

NLMK

MEGASTEEL SDN BHD

RAUTARUUKKI

onesteel

COLUMBUS STAINLESS [Pty] Ltd

南達 Southern Steel

CHINASTEEL

# Our Plans

- **Capacity Expansion**

  - India : Tripling Kandla SEZ Capacity – to service exports market through Kandla SEZ facility and freeing up capacity in Orissa facility to cater to Indian Steel demand

  - US : Doubling US Capacity

- **Entering New Markets**

- **New Products and Technologies**

- **Inorganic Growth through acquisitions**

# Financial Highlights

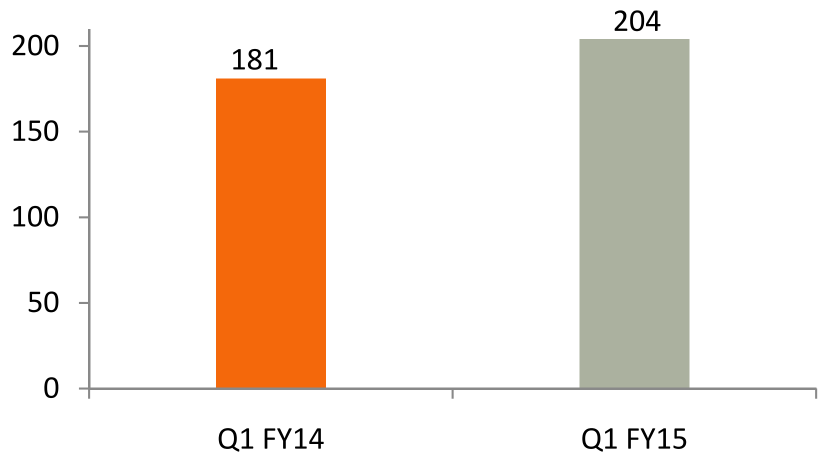
# Consolidated P/L Highlights – Q1FY15

*Rs. Crs*

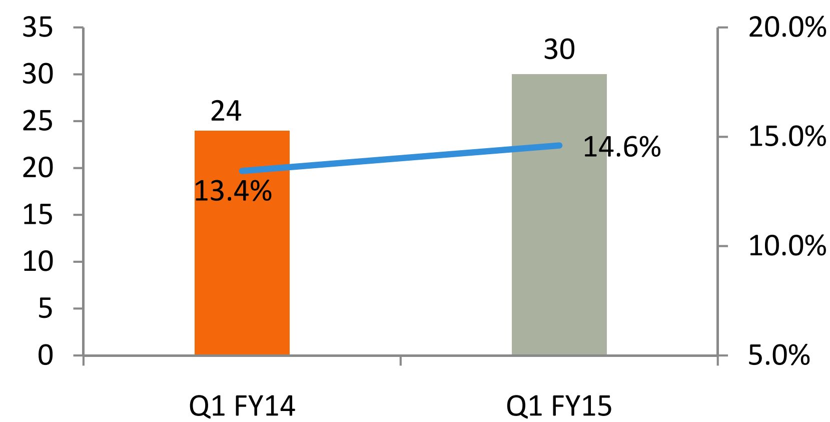
| Parameter | Q1FY15 | Q1FY 14 | YoY Change | FY 14 | FY13 |
|---|---|---|---|---|---|
| **Total Income** | **204** | **181** | 12.6% | 781 | 676 |
| Raw Material | 102 | 89 | | 378 | 352 |
| Employee Expenses | 29 | 25 | | 110 | 99 |
| Other Expenses | 43 | 43 | | 181 | 162 |
| **EBITDA** | 30 | 24 | 22.3% | 113 | 63 |
| ***EBITDA %*** | *14.6%* | *13.4%* | *116Bps* | *14.5%* | *9.3%* |
| Finance Cost | 1 | 2 | | 7 | 8 |
| Depreciation | 4 | 3 | | 15 | 13 |
| **Profit Before Tax** | 26 | 20 | 28.2% | 91 | 41 |
| Tax | 7 | 5 | | 25 | 16 |
| **Minority Interest (MI)** | 1 | (0) | | 2 | (3) |
| **Profit after Tax & MI** | 18 | 15 | 23.4% | 64 | 28 |
| ***PAT %*** | *9.0%* | *8.3%* | *76Bps* | *8.2%* | *4.2%* |

# Consolidated Financial Highlights – Q1FY15

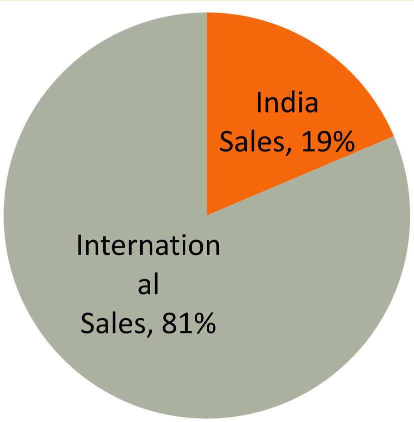
## Consolidated Turnover [Rs. Crores]



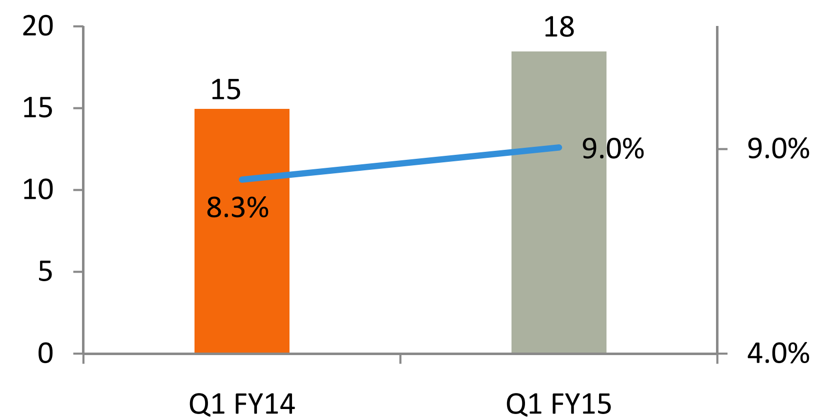

## EBITDA [Rs. Crores] & EBITDA Margin [%]




## India Sales V/s International Sales [%]

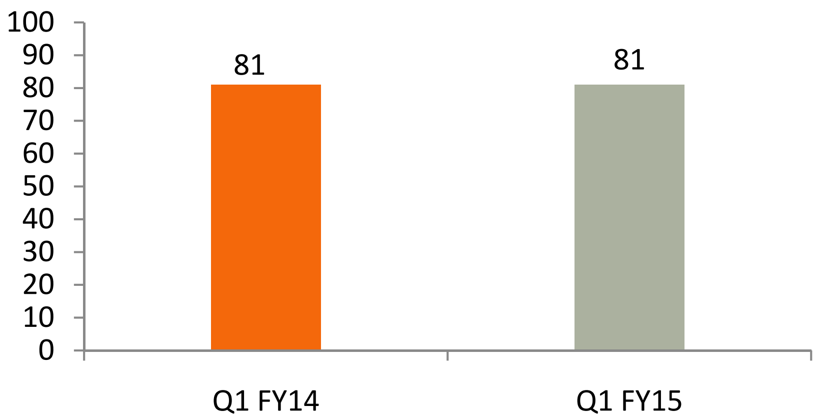



## PAT [Rs. Crores] & PAT Margin[%]

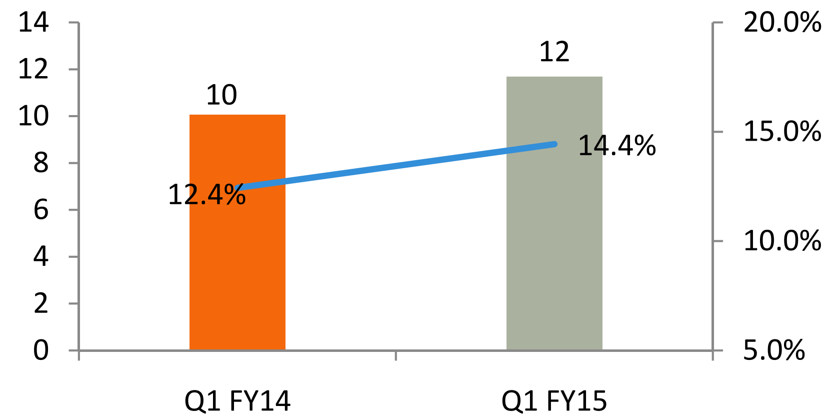


# Standalone Financial Highlights – Q1FY15

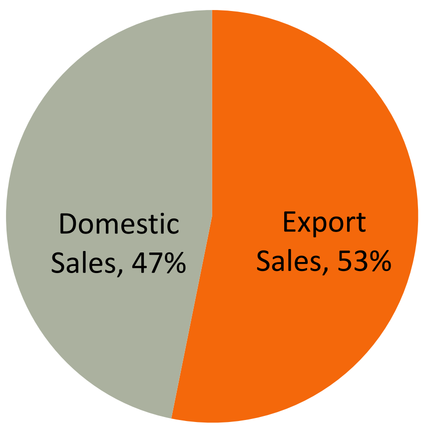
**Standalone Turnover [Rs. Crores]**



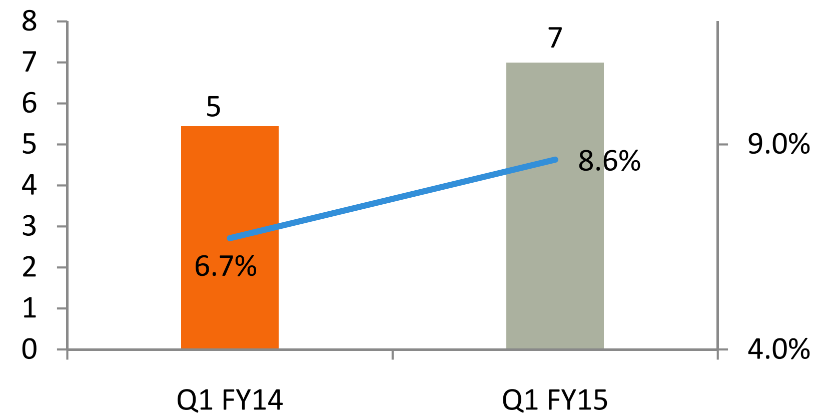

**EBITDA [Rs. Crores] & EBITDA Margin [%]**




**Domestic V/s Export Sales [%]**

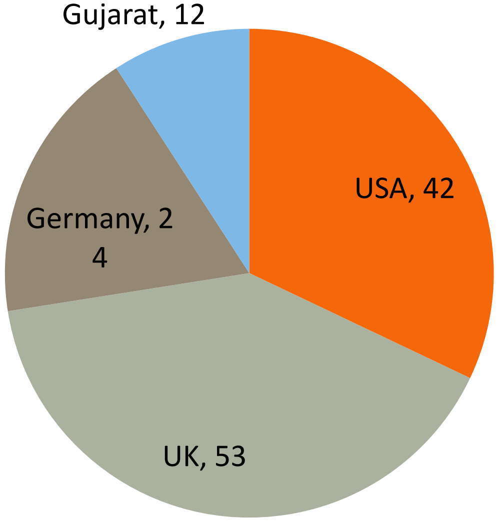



**PAT [Rs. Crores] & PAT Margin[%]**

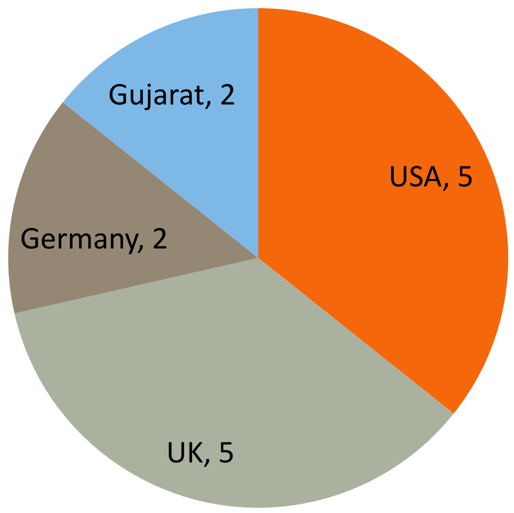


# Subsidiary Performance Highlights – Q1FY15*

**Subsidiary Turnover [Rs. Crores]**




**Subsidiary EBIT [Rs. Crores]**




***Notes**

*• UK refers to Monocon UK + China*

*•USA refers to EI Ceramics + Monocon USA*

*•Germany refers to Hoffman Ceramics*

*Gujarat refers to IFGL Exports Ltd where IFGL Refractories Ltd owns 51%*

# IFGL Consol : Historical P/L Highlights

*Rs. Crs*

| Parameter | FY 14 | FY 13 | FY 12 | FY11 |
|---|---|---|---|---|
| **Total Income** | 781 | 676 | 606 | 473 |
| Raw Material | 378 | 352 | 304 | 247 |
| Employee Expenses | 110 | 99 | 84 | 66 |
| Other Expenses | 181 | 162 | 141 | 113 |
| **EBITDA** | 113 | 63 | 78 | 47 |
| ***EBITDA %*** | *14.5%* | *9.3%* | *12.9%* | *10.0%* |
| Finance Cost | 7 | 8 | 7 | 6 |
| Depreciation | 15 | 13 | 13 | 9 |
| **Profit Before Tax** | 91 | 41 | 58 | 33 |
| Tax | 25 | 16 | 18 | 8 |
| **Minority Interest (MI)** | 2 | (3) | 0 | 0 |
| **Profit after Tax & MI** | 64 | 28 | 40 | 24 |
| ***PAT %*** | *8.2%* | *4.2%* | *6.6%* | *5.1%* |

# Consolidated Balance Sheet

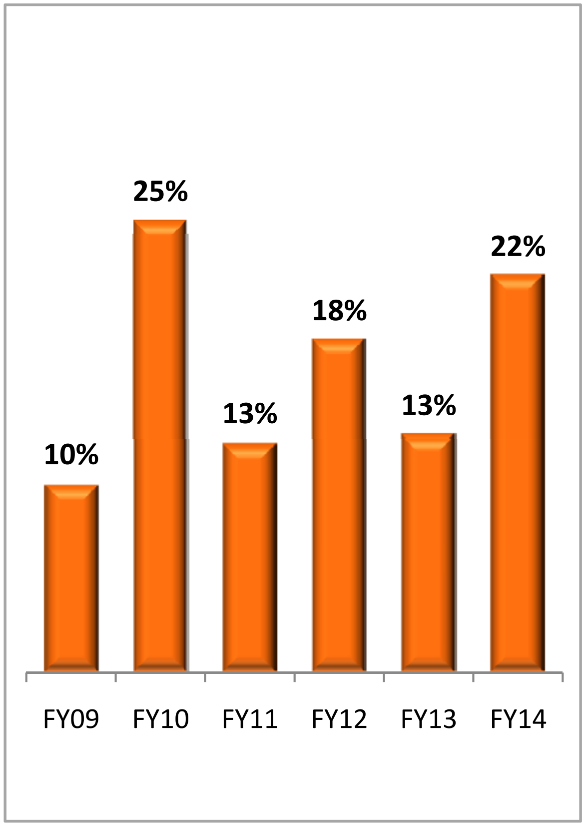
*Rs. Crs*

| Rs. Crs. | Mar-14 | Mar-13 |
|---|---|---|
| ***Shareholder's Fund*** | ***329*** | ***246*** |
| Share capital | 49 | 49 |
| Reserves & Surplus | 280 | 196 |
| ***Minority Interest*** | **9** | **8** |
| ***Non-current liabilities*** | ***48*** | ***61*** |
| Long term borrowings | 41 | 54 |
| Other Long Term Assets | 8 | 7 |
| ***Current liabilities*** | ***187*** | ***166*** |
| Short term borrowings | 58 | 60 |
| Trade Payables | 96 | 80 |
| Other current liabilities | 33 | 26 |
| **Total Liabilities** | **574** | **480** |

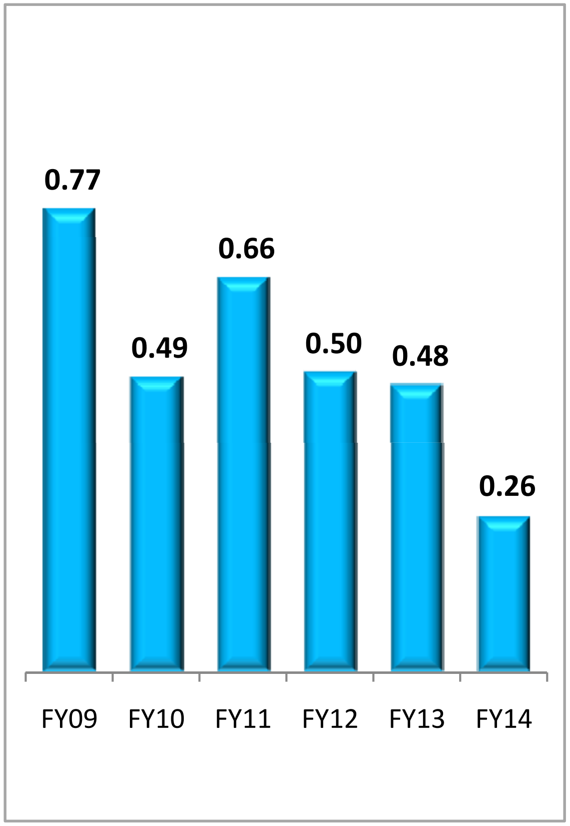
| Rs. Crs. | Mar-14 | Mar-13 |
|---|---|---|
| ***Non-Current Assets*** | ***261*** | ***234*** |
| Fixed assets | 125 | 122 |
| Goodwill on consolidation | 134 | 111 |
| Long-term loans and advances | 1 | 1 |
| Other non-current assets | *1* | *1* |
| ***Current assets*** | **313** | **246** |
| Inventories | 103 | 85 |
| Trade receivables | *166* | *143* |
| Cash and bank balances | 31 | 11 |
| Short-term loans and advances | 9 | 4 |
| Other current assets | 4 | 3 |
| **Total Assets** | **574** | **480** |

# Key Ratios

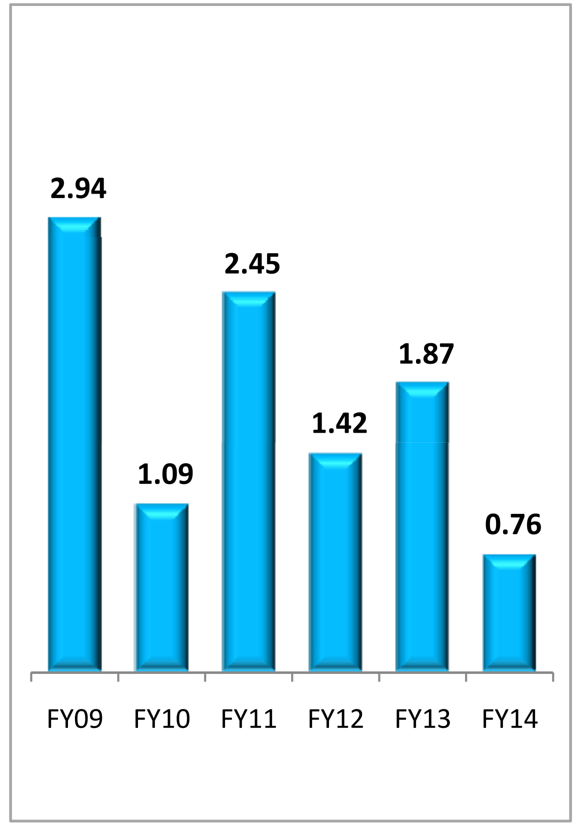
Return on Capital Employed [%] *




Net Debt : Equity *




Net Debt : EBITDA *

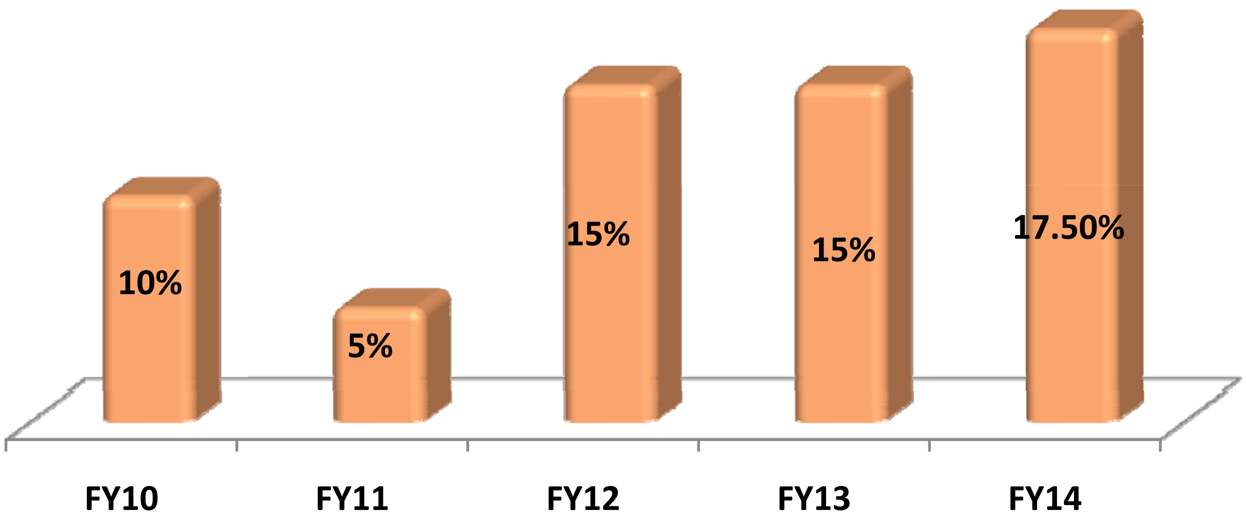



** Consolidated*

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

*Net Debt:Equity = ( Total Debt – Cash & bank balance ) / Networth*

# Dividend Track Record




| | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|
| **Consol Book Value (Rs.)** | 39.6 | 50.8 | 64.1 | 70.9 | 95.1 |
| **Consol Earning Per Share (Rs.)** | 9.91 | 6.87 | 11.28 | 7.91 | 18.25 |
| **Dividend Per Share (Rs.)** | 1 | 0.5 | 1.5 | 1.5 | 1.75 |
| **Dividend Payout (%)** | 10% | 7% | 13% | 19% | 10% |

# Contact

**For further information, please contact:**

| **Company :** | **Investor Relations Advisors :** |
|---|---|
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