



***Result Update Presentation Q2 & H1-FY17***



***November 2016***



## Safe Harbor

This presentation and the accompanying slides (the “Presentation”), has been prepared by IFGL Refractories Limited (the “Company”), solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

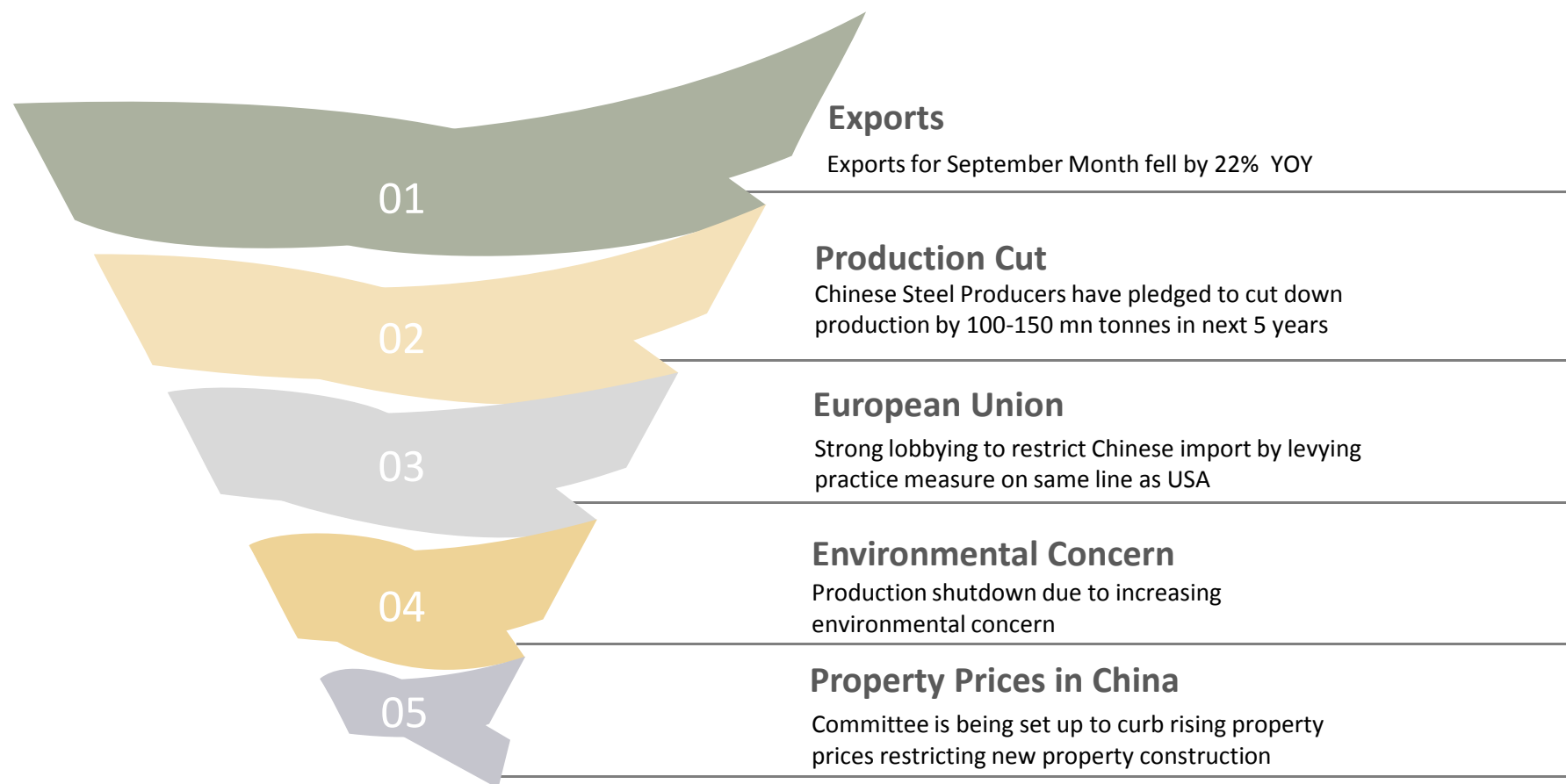
Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the refractories industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation.



**Industry Overview**

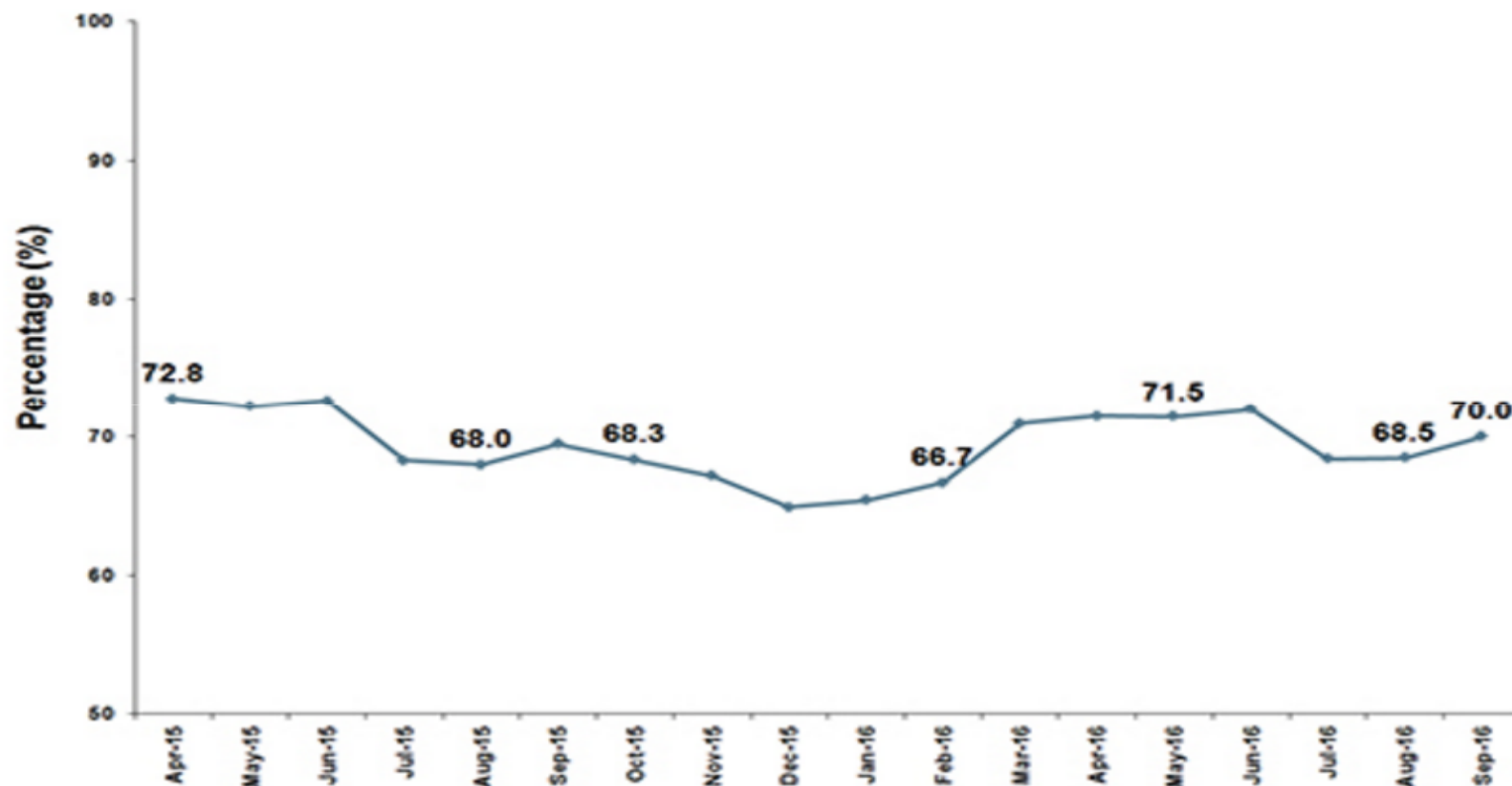


# Slowdown in Chinese Steel Production...



**...is Rebounding Global Production..**

## ...Reflected in World Steel Production...



...Showing an Increasing Trend



**Quarterly Performance**





# Export Award



The Chairman and Committee  
of the Indian Refractory Makers Association  
have pleasure in recording their appreciation and in extending this citation under the  
IRMA Awards Scheme  
for achieving Highest in Export Performance for the year 2015-16 to

Messrs. IFGL Refractories Ltd.

In Large Scale Sector



Hakimuddin Ali  
Chairman

Kolkata, 19<sup>th</sup> August 2016



# Consolidated Profit & Loss

Particulars [Rs. Crs]	Q2 FY17	Q2 FY16	Growth %	H1 FY17	H1 FY16	Growth %	Commentary
<b>Total Income</b>	<b>194.1</b>	<b>186.6</b>	<b>4.0%</b>	<b>376.0</b>	<b>372.4</b>	<b>1.0%</b>	<b>USA Performance:</b> Seeing strong demand for our products, resulting in higher utilization levels  <b>Germany:</b> Witnessing stable business environment  <b>IFGL Exports:</b> Operating leverage playing out post increase in installed capacity  <b>Monocon Group:</b> Focus on engineering and new product development improving financial performance  <b>India Business:</b> Slow offtake of certain product categories especially in the export market impacted financials
Raw Material	88.8	96.1		177.9	191.1		
Employee Expenses	31.1	30.3		62.2	58.7		
Other Expenses	44.1	44.7		84.1	80.9		
<b>EBITDA</b>	<b>30.1</b>	<b>15.6</b>	<b>92.9%</b>	<b>51.7</b>	<b>41.7</b>	<b>24.0%</b>	
<b>EBITDA %</b>	<b>15.5%</b>	<b>8.4%</b>		<b>13.7%</b>	<b>11.2%</b>		
Depreciation	3.9	4.0		7.8	7.9		
Finance Cost	0.9	1.3		2.1	2.5		
<b>Profit before Tax</b>	<b>25.3</b>	<b>10.2</b>	<b>148.0%</b>	<b>41.8</b>	<b>31.2</b>	<b>33.9%</b>	
Tax	5.4	3.4		10.4	8.4		
Minority Interest (MI)	2.1	0.9		3.6	1.7		
<b>Profit after Tax &amp; MI</b>	<b>17.8</b>	<b>5.9</b>	<b>201.7%</b>	<b>27.9</b>	<b>21.1</b>	<b>32.2%</b>	



# Consolidated Balance Sheet

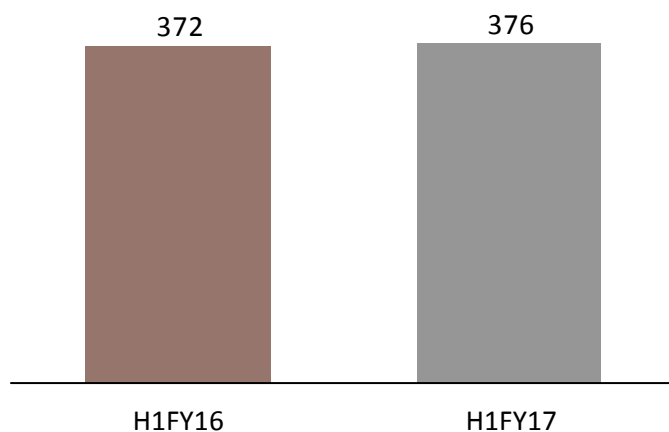
Rs. Crs.	Sep-16	Mar-16
<b>Shareholder's Fund</b>	<b>396</b>	<b>387</b>
Share capital	35	35
Reserves & Surplus	361	352
<b>Minority Interest</b>	<b>16</b>	<b>13</b>
<b>Non-current liabilities</b>	<b>26</b>	<b>30</b>
Long term borrowings	14	19
Deferred Tax Liabilities (net)	12	11
Other non-current liabilities	0	0
Long-term provisions	0	0
<b>Current liabilities</b>	<b>188</b>	<b>169</b>
Short term borrowings	62	51
Trade Payables	109	99
Other current liabilities	12	17
Short-term provisions	5	2
<b>Total Liabilities</b>	<b>626</b>	<b>598</b>

Rs. Crs.	Sep-16	Mar-16
<b>Non-current assets</b>	<b>252</b>	<b>264</b>
Fixed assets	129	132
Goodwill on Consolidation	116	128
Long-term loans and advances	6	4
Non-current investments	1	1
Other Non Current Assets	0	1
<b>Current assets</b>	<b>374</b>	<b>334</b>
Current Investments	8	8
Inventories	87	78
Trade receivables	206	180
Cash and bank balances	62	55
Short-term loans and advances	9	10
Other current assets	2	3
<b>Total Assets</b>	<b>626</b>	<b>598</b>

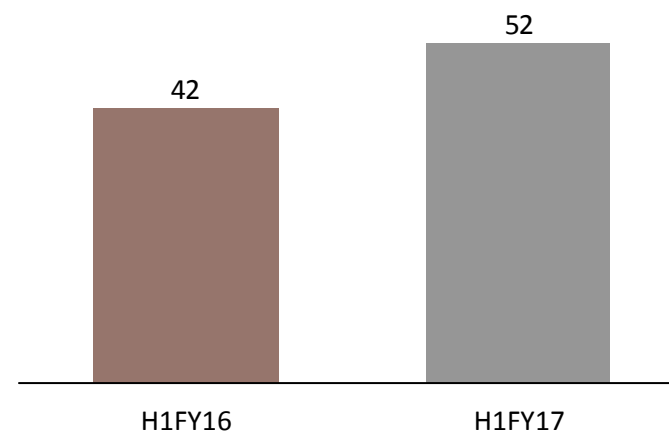


## Consolidated Financial Highlights – H1FY17

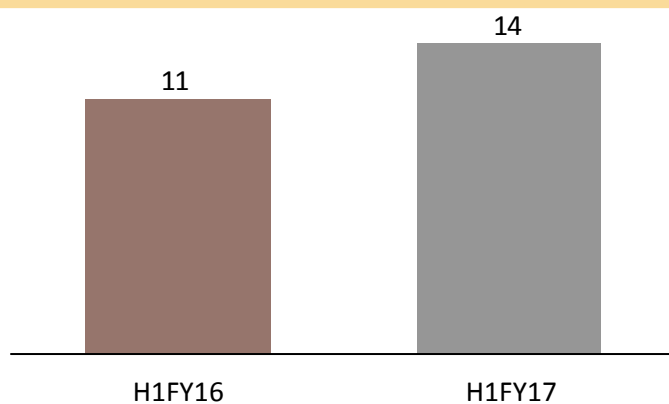
### Consolidated Turnover [Rs. Crs]



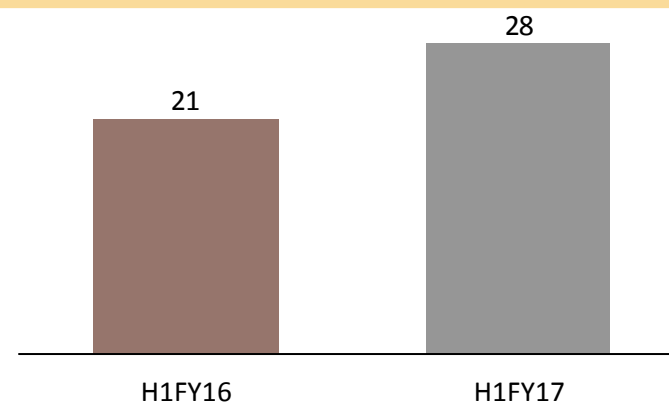
### EBITDA [Rs. Crs]



### EBITDA margin %

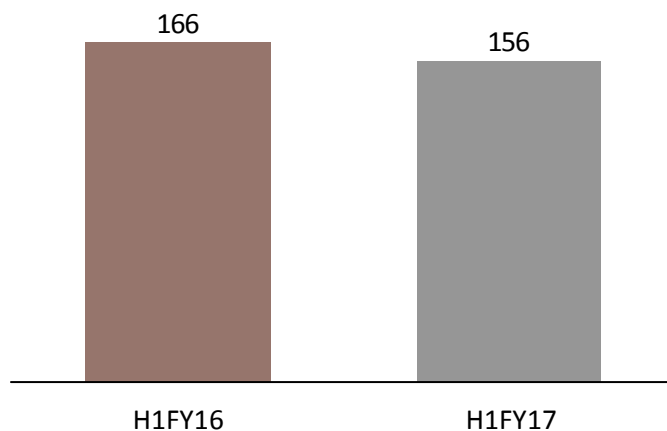


### PAT After MI [Rs. Crs]

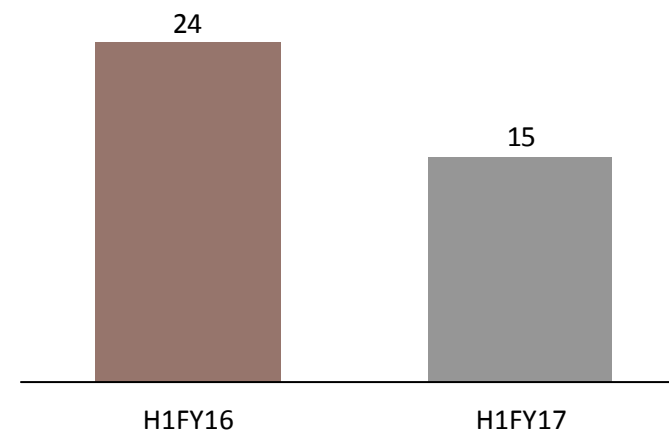


# Standalone Financial Highlights – H1FY17

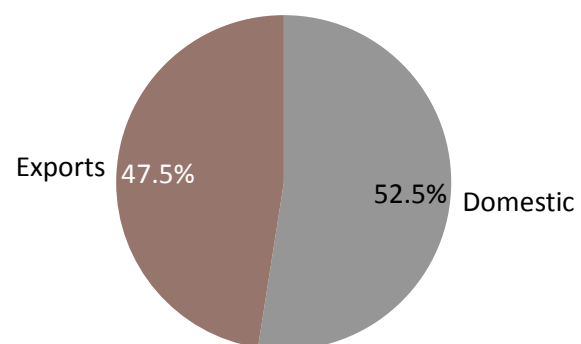
## Standalone Turnover [Rs. Crs]



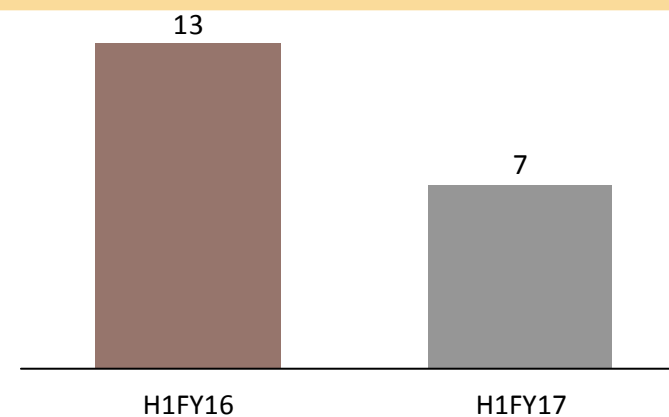
## EBITDA [Rs. Crs]



## Domestic V/s Export Sales [%]

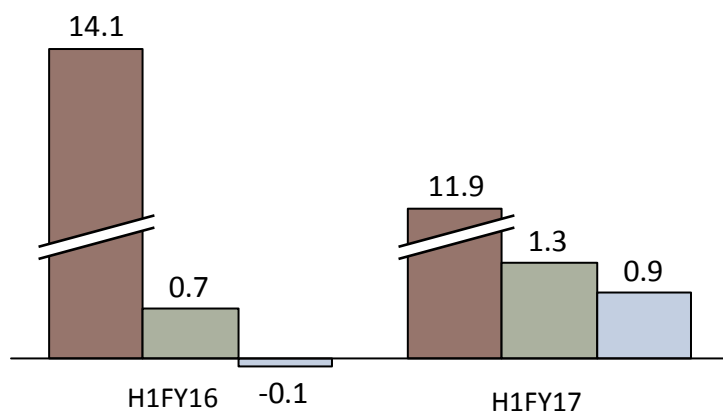


## PAT [Rs. Crs]

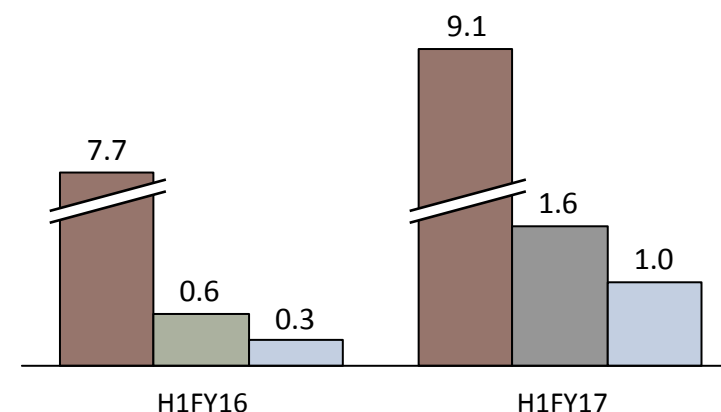


# Subsidiary Performance – H1FY17

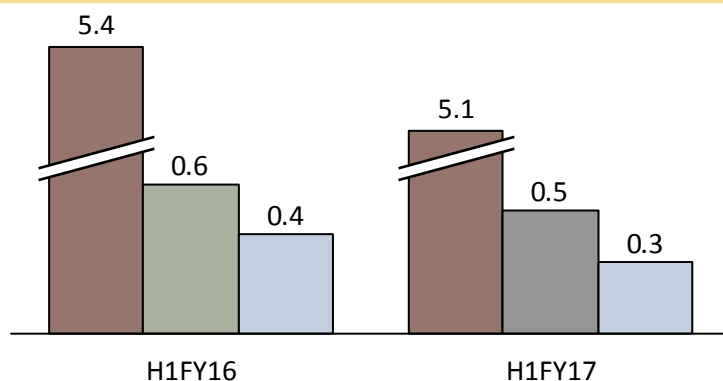
## Monocon Group [GBP mn]



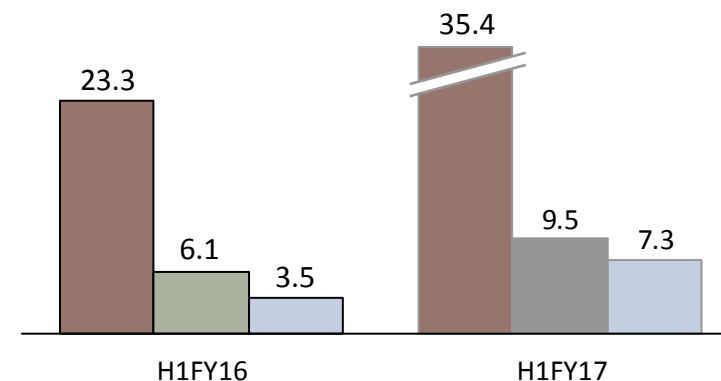
## EI Ceramics [\$ mn]



## Hofmann Ceramic [Euro mn]



## IFGL Exports [Rs. Crs]



Revenue  
 EBITDA  
 PAT



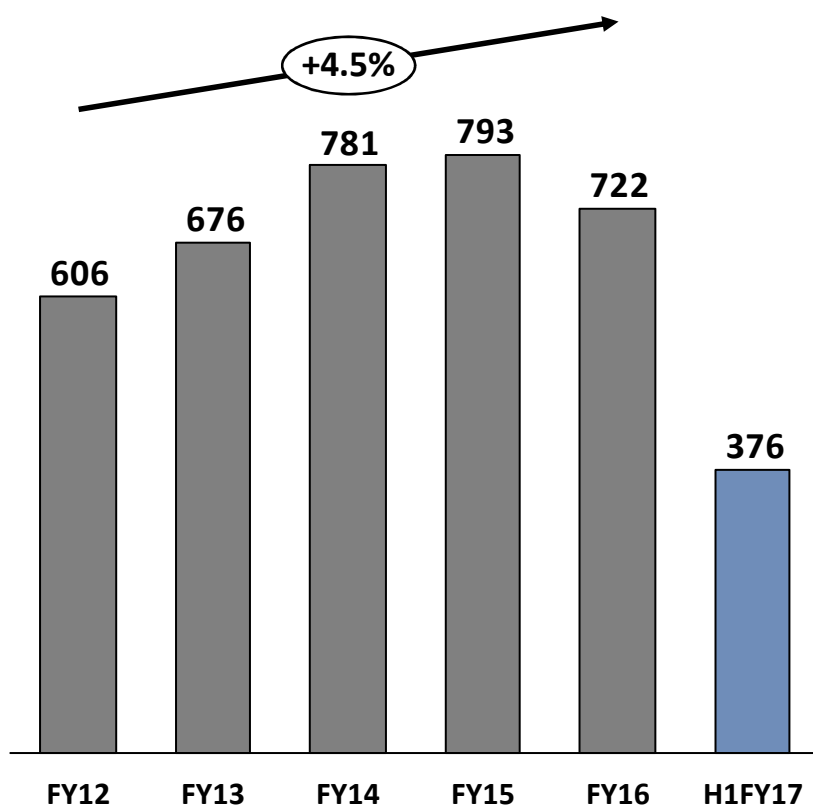
**Reputed Global Brand**



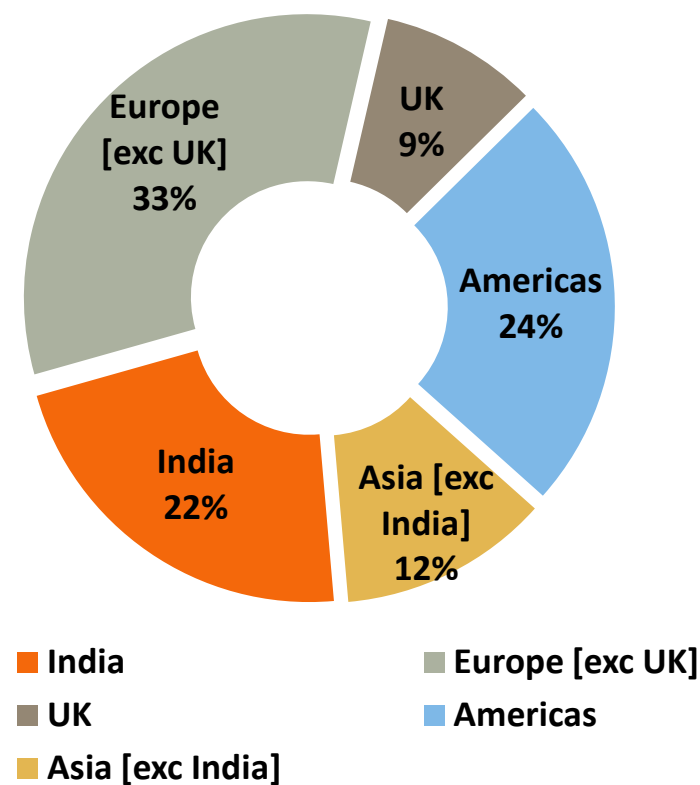


# Strong Brand in Global Refractories Market

Consolidated Turnover [Rs. Crs.]



FY16 Sales by Region





# Our Manufacturing Plants



**Mono Ceramics Inc**  
Michigan, US



**Monocon , UK**



**Hofmann Ceramic,**  
Germany



**Tianjin Monocon**  
Tianjin, China



**E I**  
Ceramics, Cincinnati,  
US



**IFGL Exports, Kandla**  
SEZ, Gujarat, India

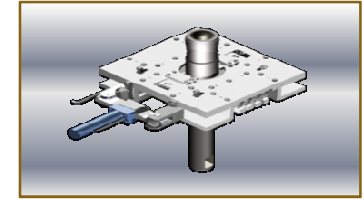
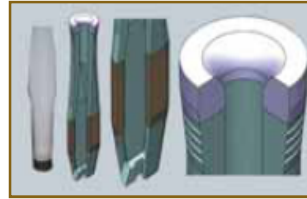
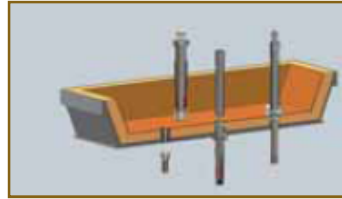


**IFGL**  
Rourkela, Orissa, Indi  
a

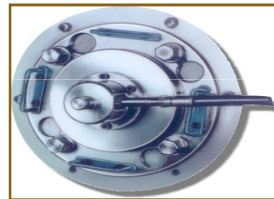
# Specialized Refractory for Steel making with Wide Product Range



## Isostatic & Tube Changer Refractories & System



## Slide Gate & Purging Refractories & System



## Cast Products, Zirconia Nozzles, Foundry Ceramics





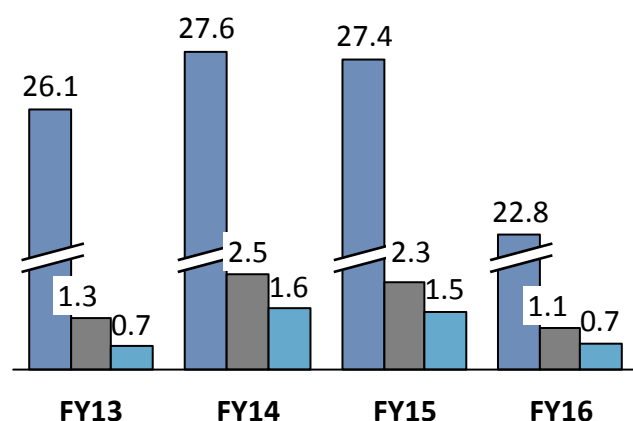
## IFGL Performance over the Years...

Particulars [Rs. Crs]	FY12	FY 13	FY 14	FY 15	FY 16	H1FY17
<b>Total Income</b>	<b>607.1</b>	<b>676.8</b>	<b>781.0</b>	<b>793.5</b>	<b>722.1</b>	<b>376.0</b>
Raw Material	303.8	352.3	378.0	406.1	365.2	177.9
Employee Expenses	84.3	98.7	110.0	117.9	119.6	62.2
Other Expenses	141.8	163.2	181.0	170.6	156.2	84.1
<b>EBITDA</b>	<b>77.2</b>	<b>62.7</b>	<b>113.0</b>	<b>98.9</b>	<b>81.1</b>	<b>51.7</b>
<b>EBITDA %</b>	<b>12.7%</b>	<b>9.3%</b>	<b>14.5%</b>	<b>12.5%</b>	<b>11.2%</b>	<b>13.7%</b>
Finance Cost	6.75	8.0	7.0	5.9	4.8	2.1
Depreciation	12.91	13.4	15.0	14.3	15.5	7.8
<b>Profit Before Tax</b>	<b>57.5</b>	<b>41.3</b>	<b>91.0</b>	<b>78.7</b>	<b>60.9</b>	<b>41.8</b>
Tax	18.3	15.9	25.0	25.4	15.7	<b>10.4</b>
Minority Interest (MI)	0.0	-2.8	2.0	0.2	3.2	3.6
<b>Profit after Tax &amp; MI</b>	<b>39.2</b>	<b>28.2</b>	<b>64.0</b>	<b>53.1</b>	<b>42.0</b>	<b>27.9</b>
<b>PAT %</b>	<b>6.5%</b>	<b>4.2%</b>	<b>8.2%</b>	<b>6.7%</b>	<b>5.8%</b>	<b>7.4%</b>

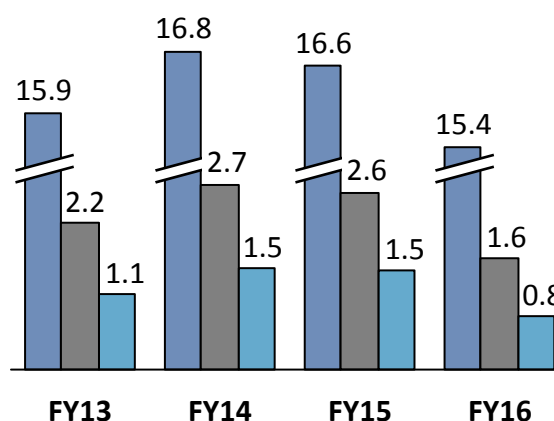
## ...bucking Global Steel Trend and...

Revenue EBITDA PAT

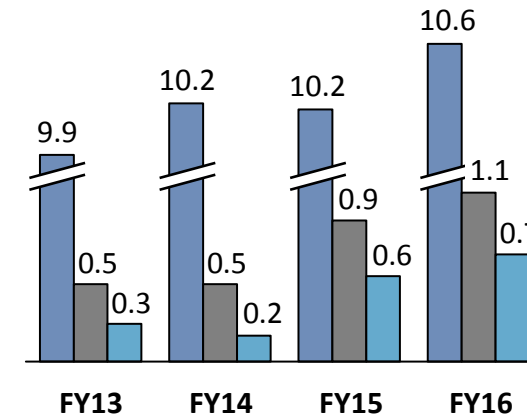
### Monocon Group [GBP mn]



### El Ceramics [\$ mn]



### Hofmann Ceramic [Euro mn]



✓ Despite challenging growth environments in World economy, International Operations have continued to grow and gain market share strengthening Brand Value for IFGL

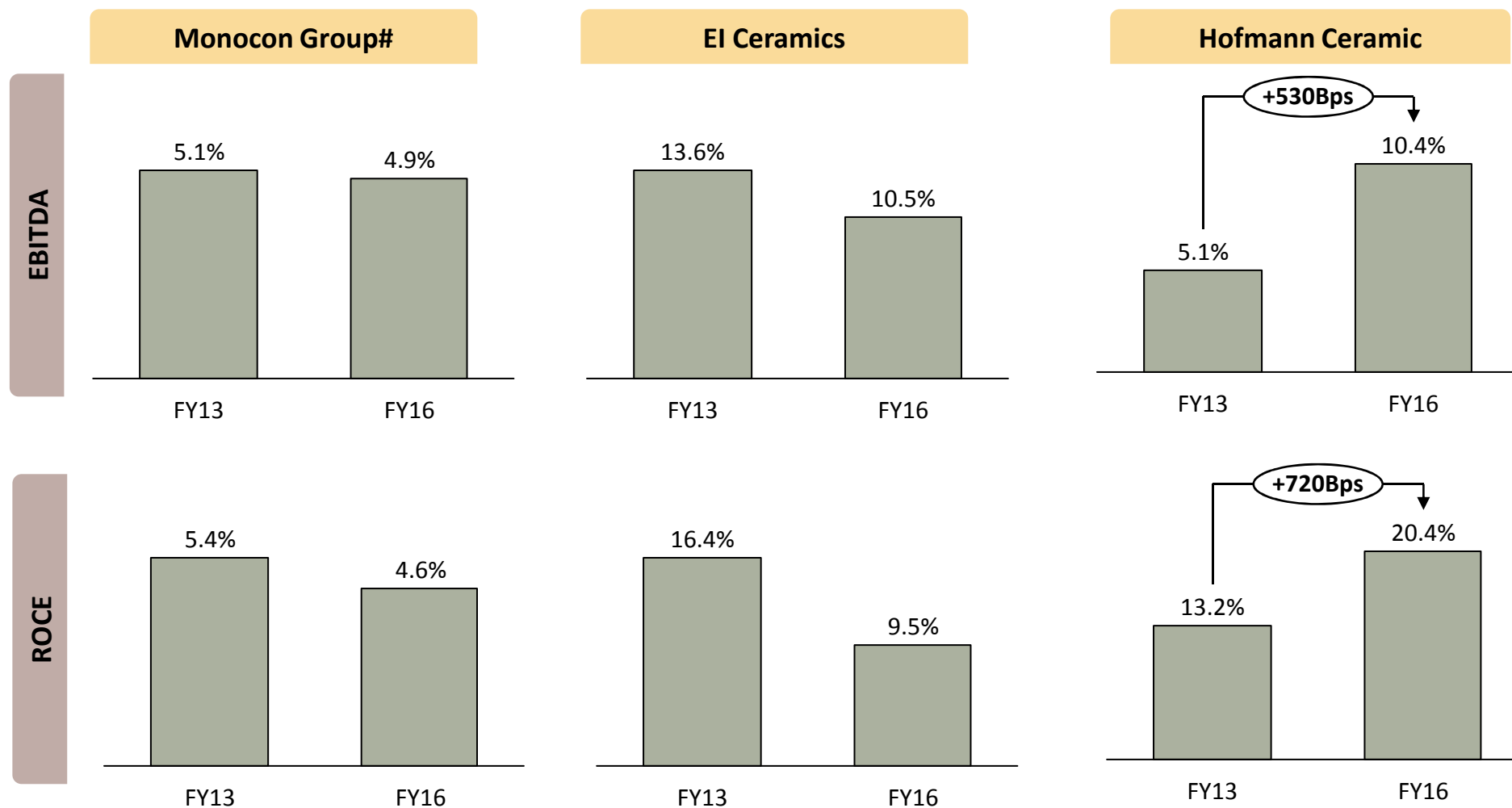
✓ Monocon Group & Hofmann Ceramic have grown at a Revenue CAGR of 2% & 4% respectively since acquisition while El Ceramics has grown at 6% CAGR since acquisition

✓ Monocon Group Revenue and Profitability was impacted by a closure of Steel client's mill in UK during August –September 2015 owing to bankruptcy

✓ All International Acquisitions are profitable & generate sufficient cash flow to manage Debt servicing and fund capacity expansions



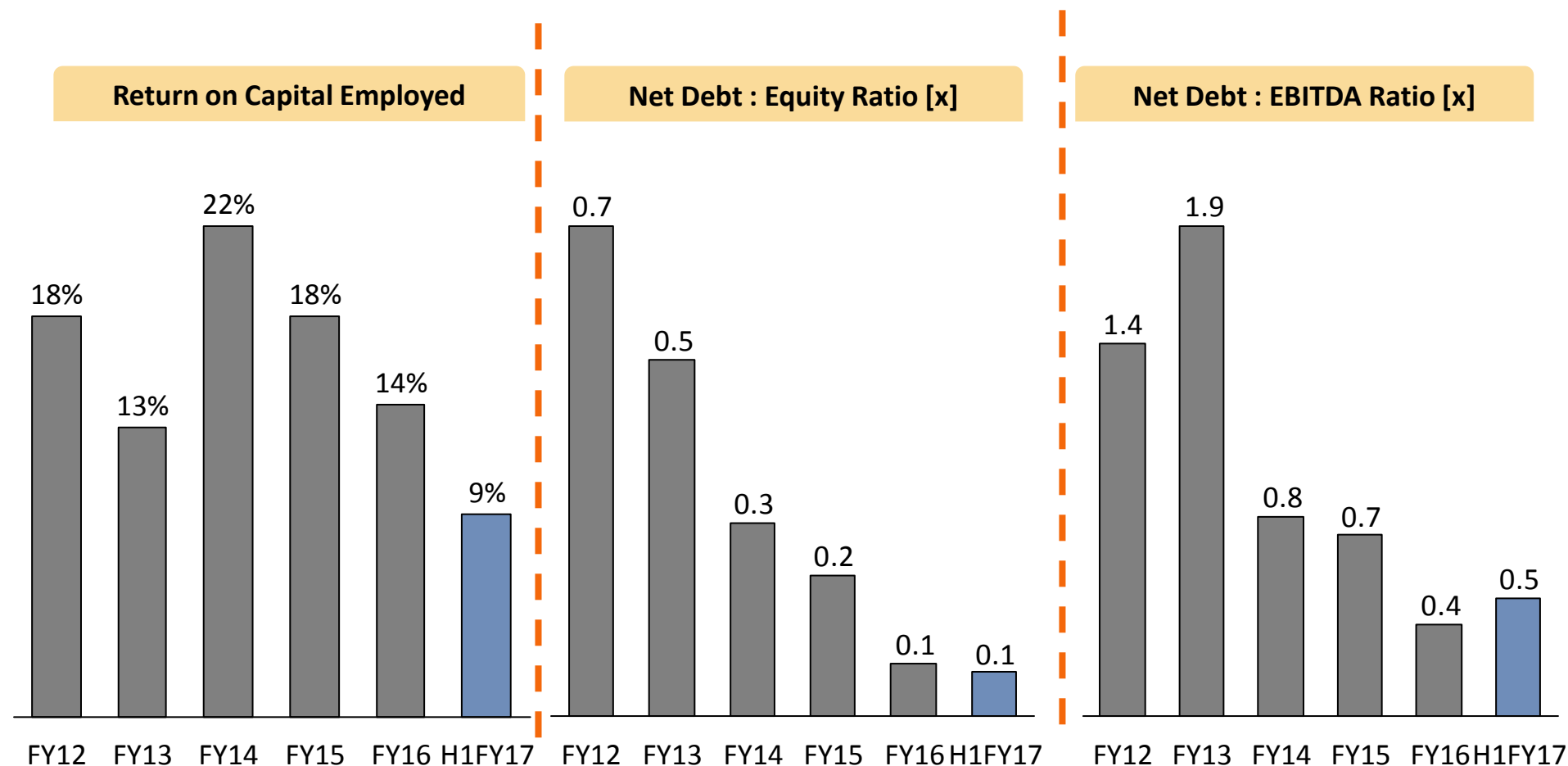
## ...increasing focus on Return Matrix\*



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

•# For FY16 performance impacted by closure of Clients Steel Mill Business in UK

# Sustainable Shareholder Value Creation

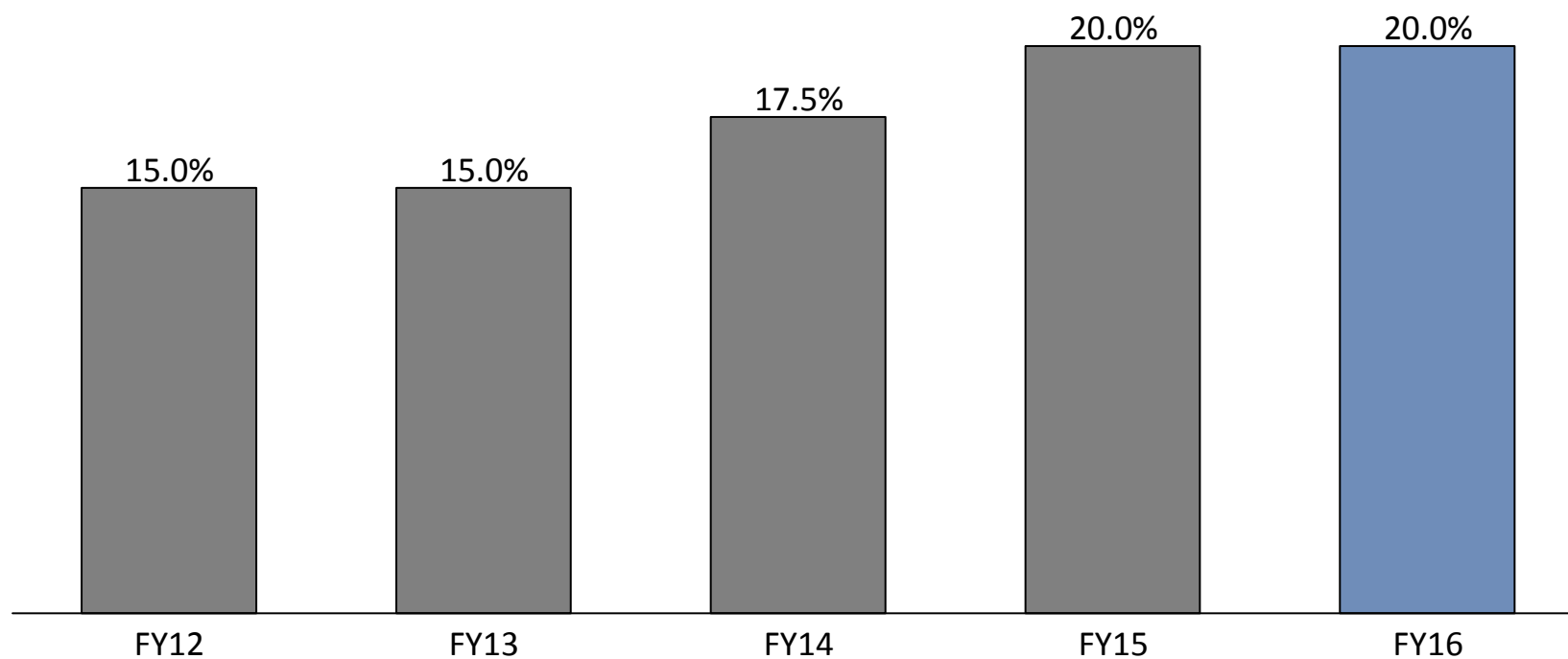


\* Consolidated

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

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

## Dividend Record



Particulars (Rs.)	FY12	FY13	FY14	FY15	FY16	H1FY17
Consolidated Book Value per Share	64.1	70.9	95.1	99.6	111.7	114.4
Consolidated Earning Per Share	11.3	7.9	18.3	15.1	12.1	8.1
Dividend Per Share	1.5	1.5	1.75	2.00	2.00	-



**For further information, please contact:**

---

**Company :**

IFGL Refractories Ltd.  
CIN - L27202OR1989PLC002971  
Mr. Rajesh Agrawal  
[rajesh.agrawal@ifgl.in](mailto:rajesh.agrawal@ifgl.in)  
  
[www.ifglref.com](http://www.ifglref.com)

---

**Investor Relations Advisors :**

Strategic Growth Advisors Pvt. Ltd.  
CIN - U74140MH2010PTC204285  
Mr. Shogun Jain / Ms. Payal Dave  
[shogun.jain@sgapl.net](mailto:shogun.jain@sgapl.net) / [payal.dave@sgapl.net](mailto:payal.dave@sgapl.net)  
+91 7738377756 / +91 9819916314  
[www.sgapl.net](http://www.sgapl.net)