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CLEAN METAL**



IFGL Refractories Limited

(Formerly IFGL Exports Limited)

Investor Presentation
November 2018



Safe Harbor



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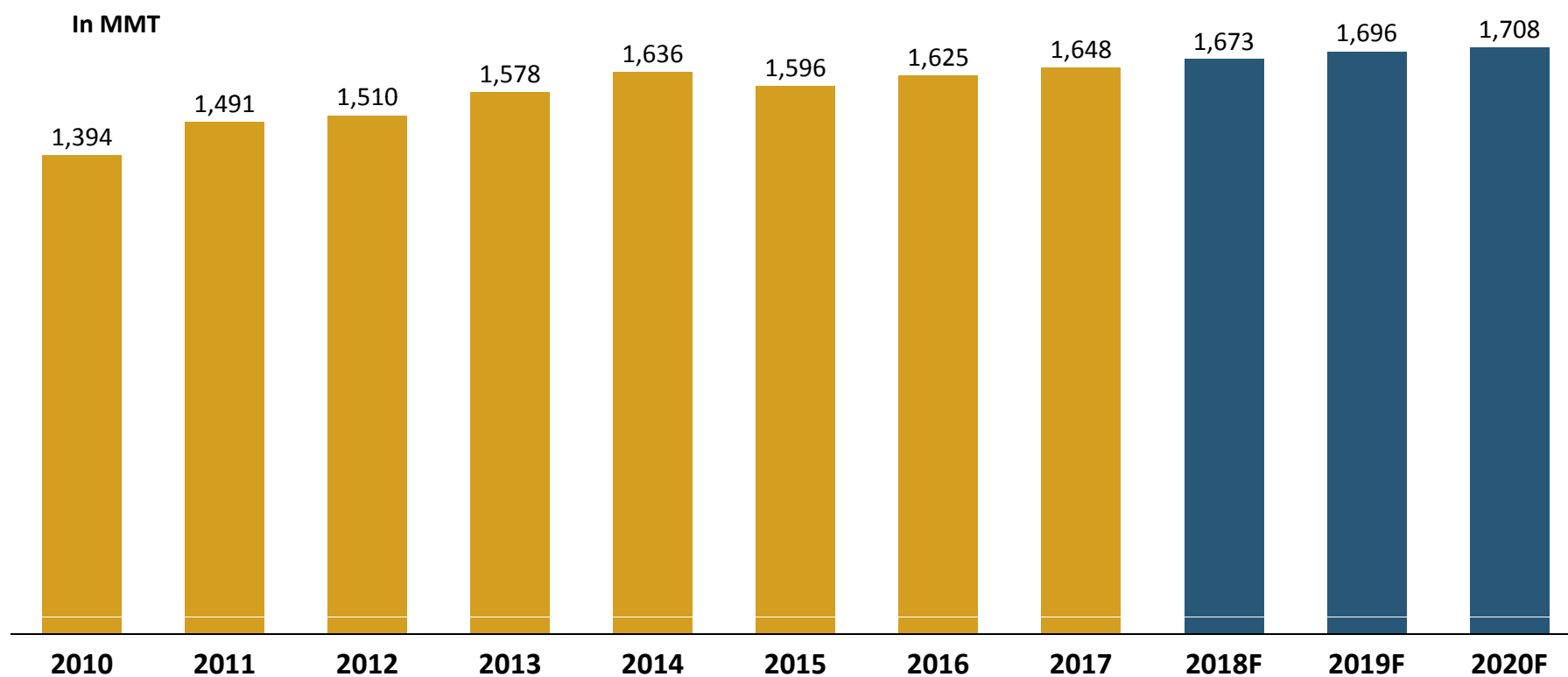
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The background of the slide is white. It features two large triangular decorative elements. A dark blue triangle is located in the bottom-left corner, with its hypotenuse running diagonally from the top-left towards the bottom-right. A gold triangle is located in the top-right corner, with its hypotenuse running diagonally from the top-right towards the bottom-left. The two triangles appear to meet at the center of the slide.

Industry Overview

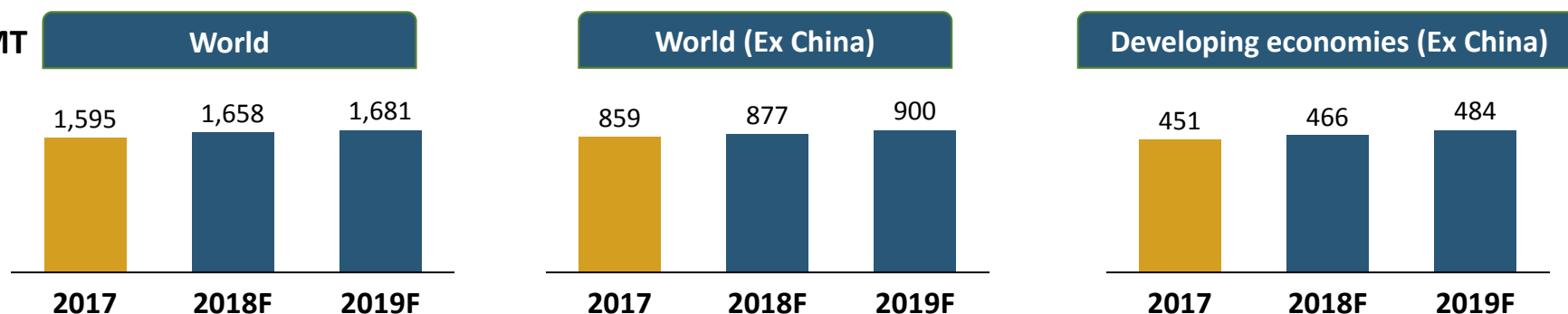
Global Steel Production outlook



Source: Statista.com

Global Steel Demand outlook

In MT



Source: World Steel Organization

Reasons contributing to growth



➤ Global outlook:

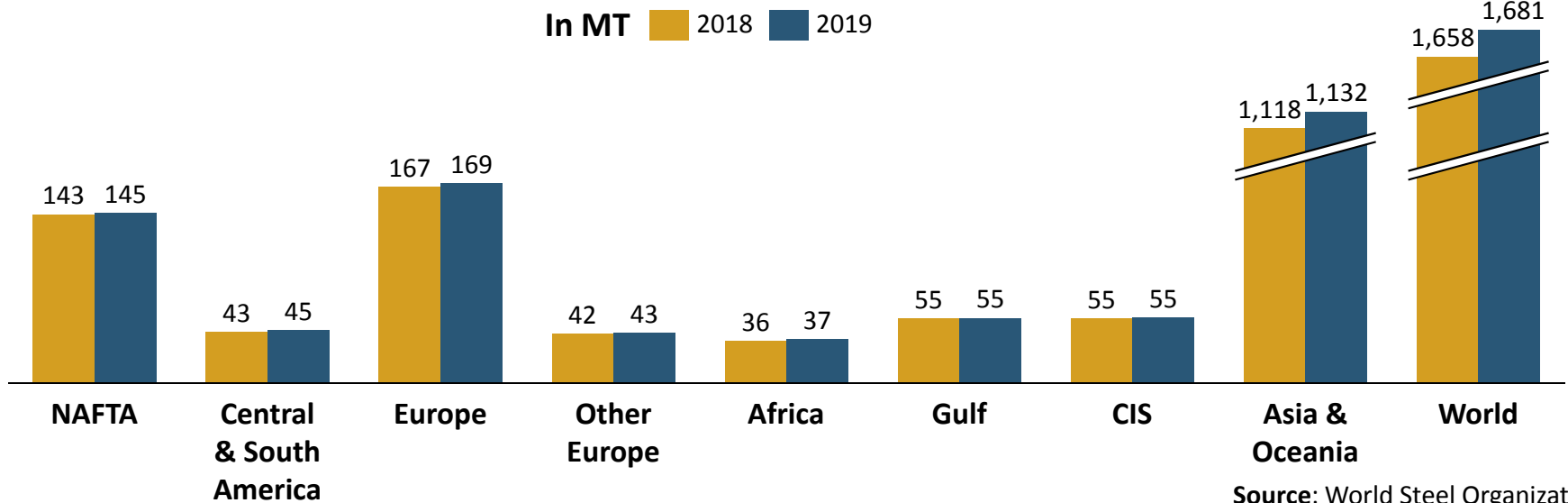
- The rise in Global Steel demand is expected to be driven by the developing economies such as India, Brazil, Mexico, Russia, and others on the back of Increasing infrastructure & construction activities
- Also, the Construction sector in Asia-Pacific is the largest in the world hence the demand outlook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

Source: Various sources

Forecasted Short Term Steel Demand



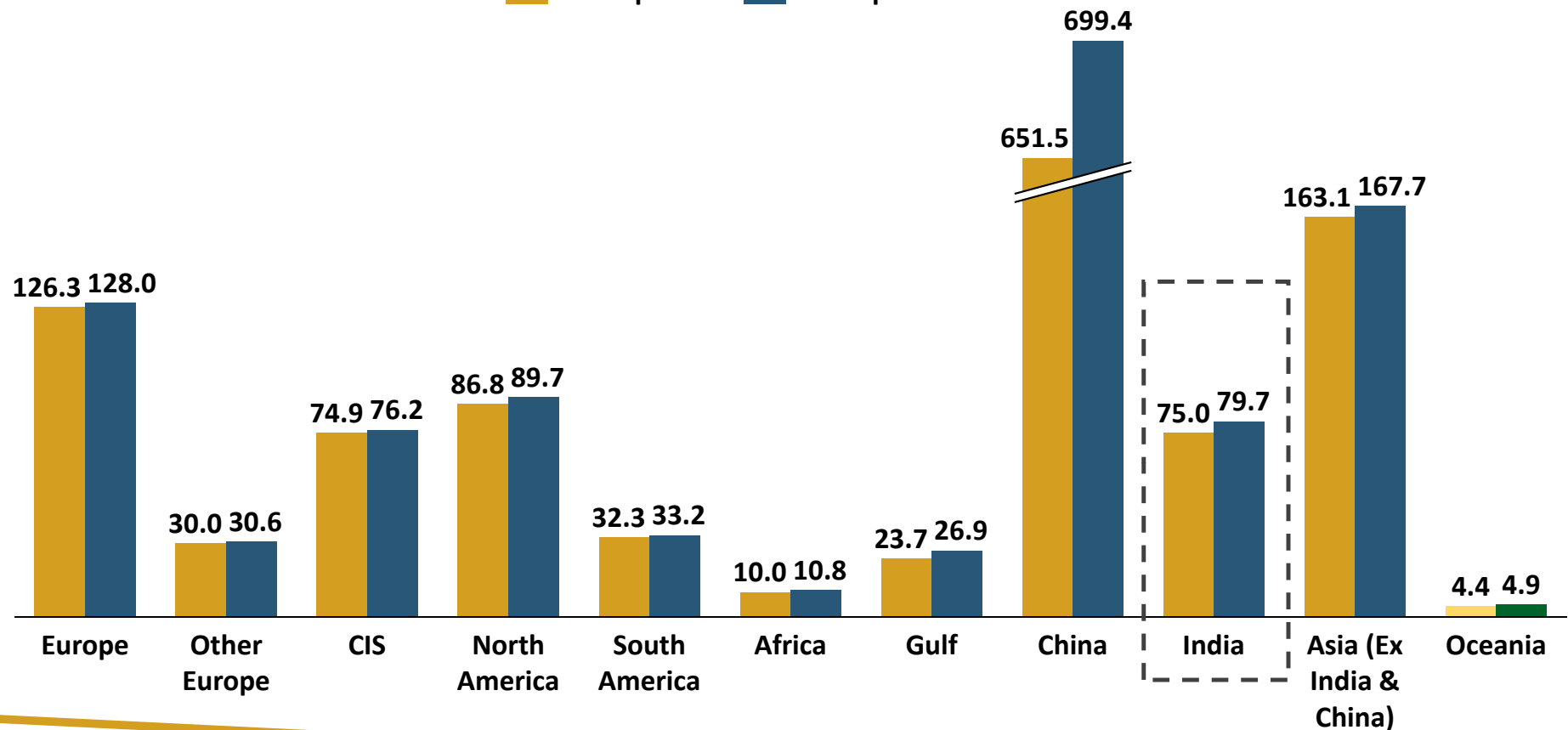
- According to the World Steel Association the demand in Asia (ex China) is expected to increase by 5.9% and 6.8% in 2018 and 2019 respectively
- The demand scenario in India is expected to further improve on the back of:
 - Increased investments in the infrastructure sector
 - Protection from cheap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

Source: World Steel Organization

Global Steel production on the rise

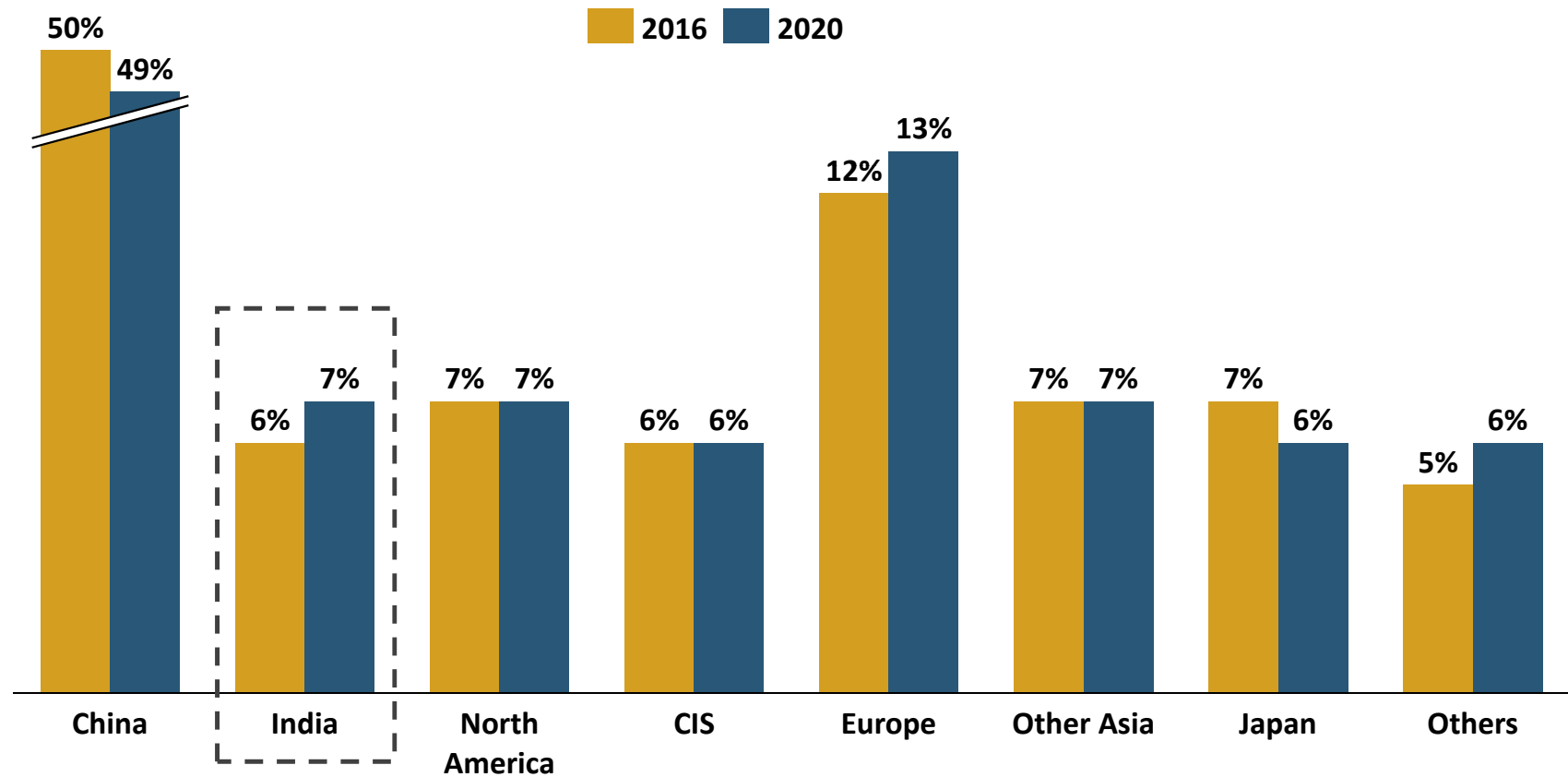


In MT Jan-Sept 2017 Jan-Sept 2018



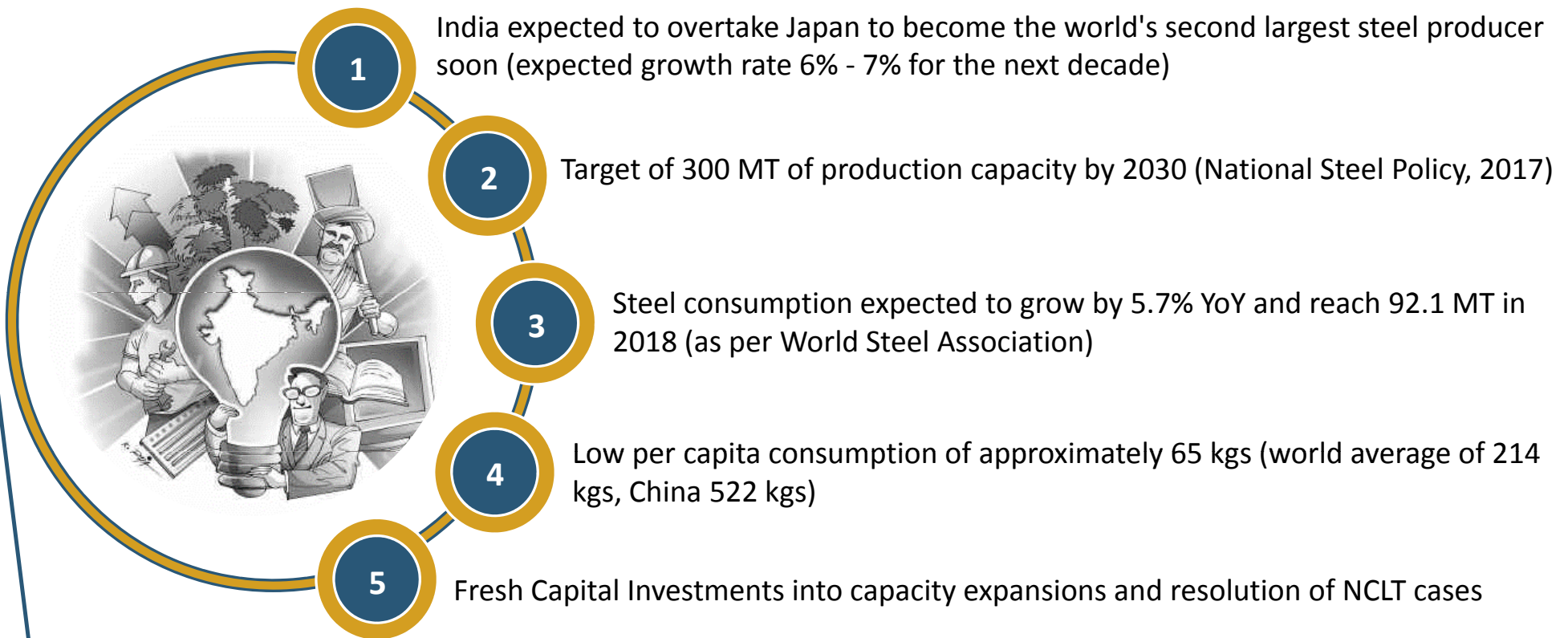
Source: World Steel Organization

India's share in Global Steel production expected to rise



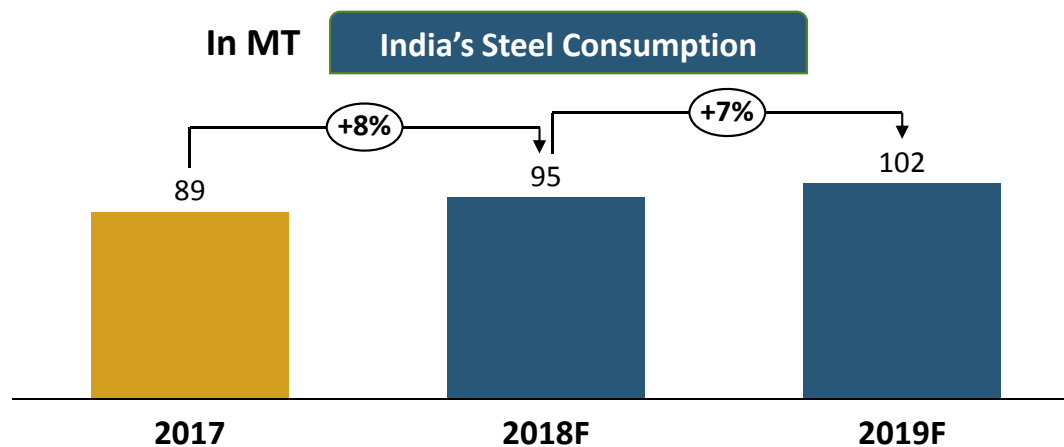
Source: BofA Merrill Lynch Report

Domestic Steel Industry on a strong footing



Source: Indian Brand Equity Foundation

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 Demand outlook



Forecast Period - 2017-2022

Expected to reach **USD 36.17 Bn in Value** **CAGR – 3.9%**

Expected to reach **56.83 MT in Volume** **CAGR – 3.5%**

Reasons contributing to growth



- Increase in Infrastructure & Construction activities in Developing economies
- Growing demand for high-grade refractories from iron & steel industries, which is the largest user segment of refractories
- Shifting of manufacturing facilities by large market players from mature markets to Asia-Pacific, Middle East & Africa
- Improvement in the Indian Steel industry also augurs well for the domestic refractories market

Source: Market and Markets research

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Our Performance

Corporate Structure...



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%

EI Ceramics

USA

Plants at Kalunga, Orissa, India

+

Plant at Kandla SEZ, Kandla, Gujarat, India

...simplified to create value for shareholders

Consolidated Profit & Loss



Particulars [Rs. Crs.]	Q2 FY19	Q2 FY18	Growth%	H1 FY19	H1 FY18^	Growth%
Total Income	219.9	199.9	10.0%	459.0	398.4	15.2%
Materials consumed	99.5	99.2		220.5	200.0	
Employee Expenses	37.5	31.0		72.4	63.6	
Other Expenses	51.7	42.3		103.0	82.1	
EBITDA	31.2	27.5	13.5%	63.1	52.8	19.5%
EBITDA %	14.2%	13.7%		13.7%	13.3%	
Depreciation	4.8	4.0		9.0	8.0	
Goodwill written off*	6.7	6.7		13.4	13.4	
Finance Cost	1.1	0.9		1.9	2.0	
Profit before Tax	18.6	15.8	17.6%	38.8	29.4	32.0%
Tax	4.9	6.4		9.6	8.8	
Profit after Tax	13.7	9.4	45.4%	29.2	20.7	41.2%
Profit after Tax %	6.2%	4.7%		6.4%	5.2%	
Cash Profit after Tax	25.9	25.8	0.3%	53.2	48.8	9.1%
Earnings Per Share (Rs.)	3.80	2.63		8.09	5.73	

^ 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 Includes Profit after Tax, Deferred tax, Depreciation and Goodwill written off on account of Merger

Consolidated Balance Sheet

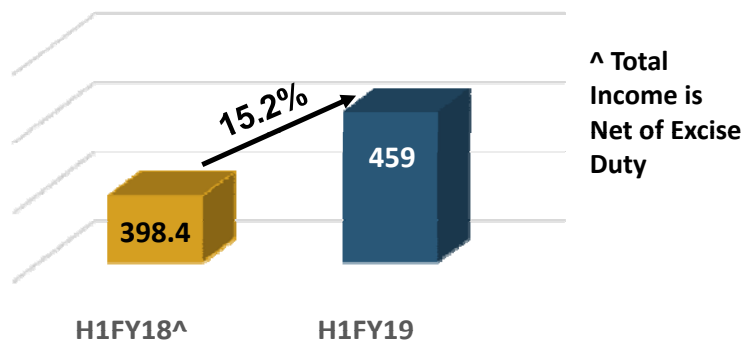
Particulars in Rs. Crs.	Sep-18	Mar-18
Assets		
Non current Assets	497	493
Fixed Assets		
Property Plant & Equipment	125	122
Capital WIP	11	8
Goodwill	120	122
Other Intangible assets	217	217
Financial Assets		
Investments	1	1
Others	2	2
Tax Assets (Net)	13	10
Other Non current Assets	9	11
Current Assets	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

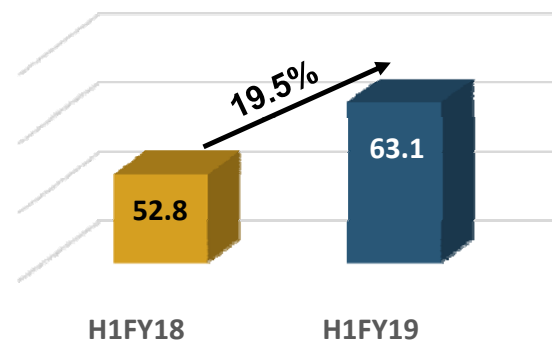
H1FY19 Consolidated Financial Highlights



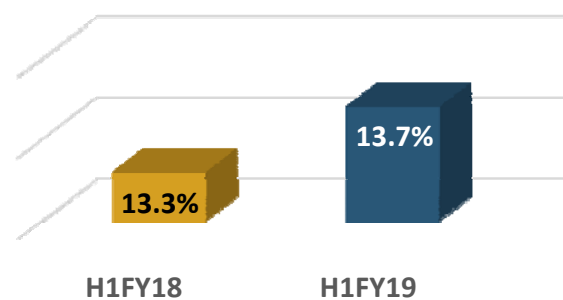
Total Income [Rs. Crs]



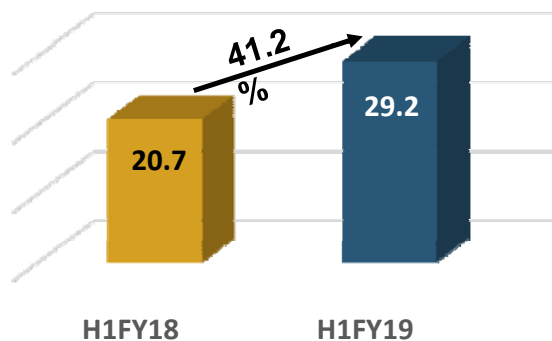
EBITDA [Rs. Crs]



EBITDA margin [%]



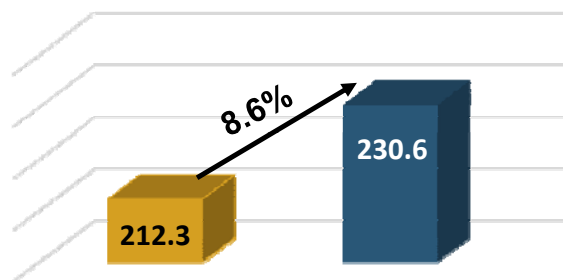
PAT [Rs. Crs]



H1FY19 Standalone Financial Highlights



Total Income [Rs. Crs]

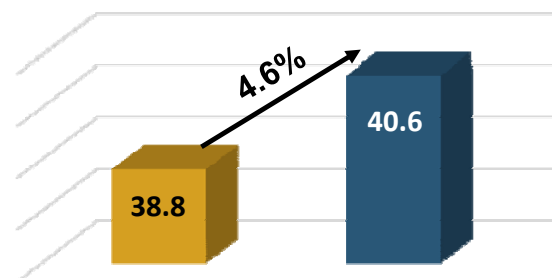


H1FY18[^]

H1FY19

[^] Total
Income is
Net of Excise
Duty

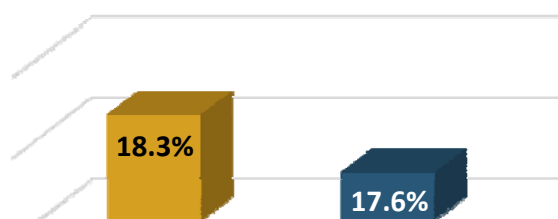
EBITDA [Rs. Crs]



H1FY18

H1FY19

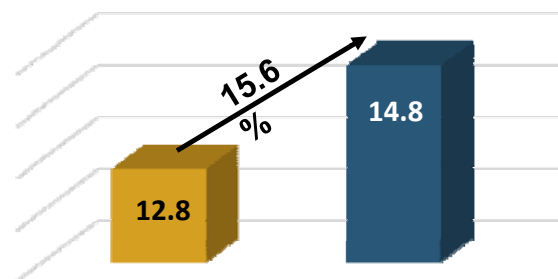
EBITDA margin [%]



H1FY18

H1FY19

PAT [Rs. Crs]



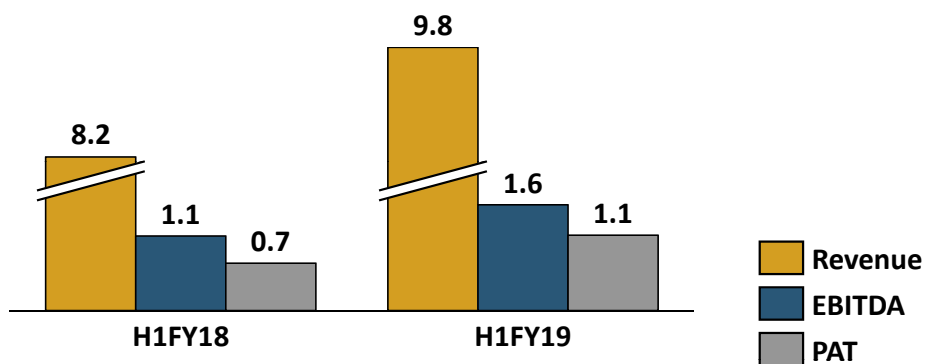
H1FY18

H1FY19

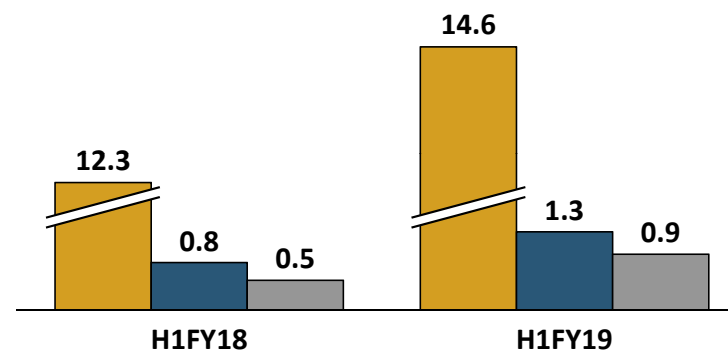
Subsidiaries Performance



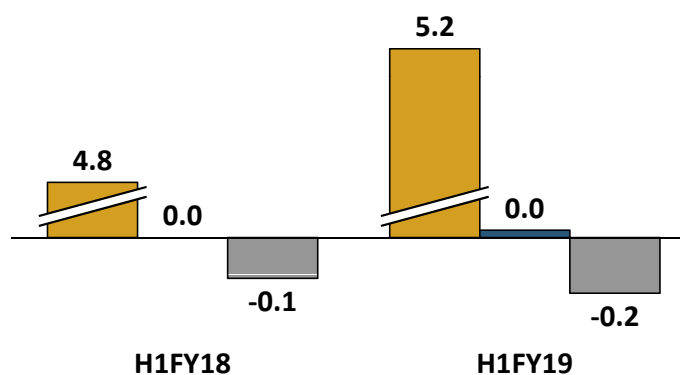
El Ceramics [\$ mn]



Monocon Group [GBP mn]



Hofmann Ceramic [Euro mn]



Ongoing Capex to boost performance



~Rs. 8 Cr : For Capacity expansions



~Rs. 29 Cr : For introduction of new products



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	

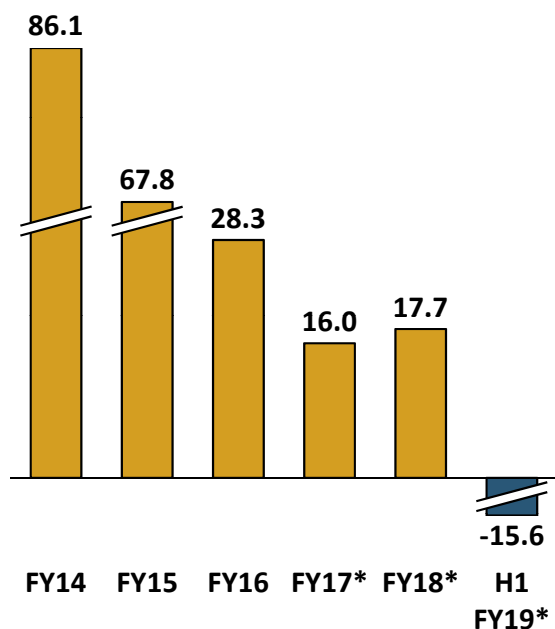
^ Total Income is Net of Excise Duty

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

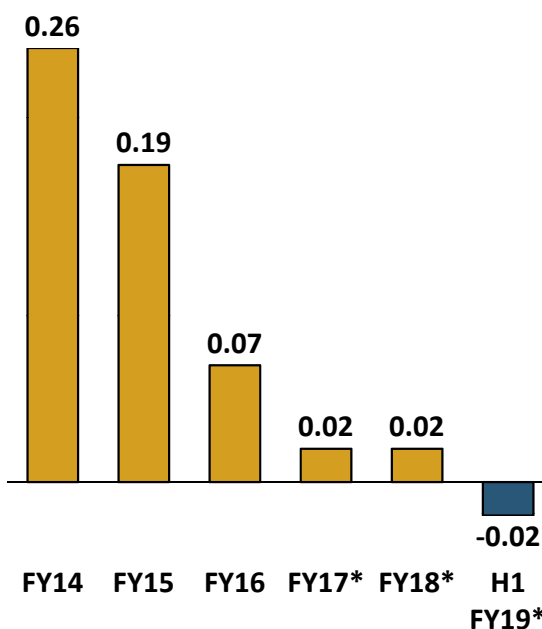
...to create sustainable value for Shareholders...



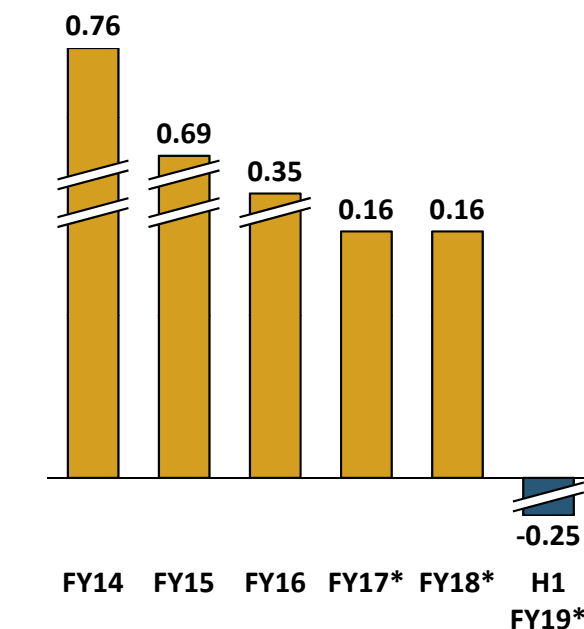
Net Debt (Rs. Crs.)



Net Debt : Equity [x]



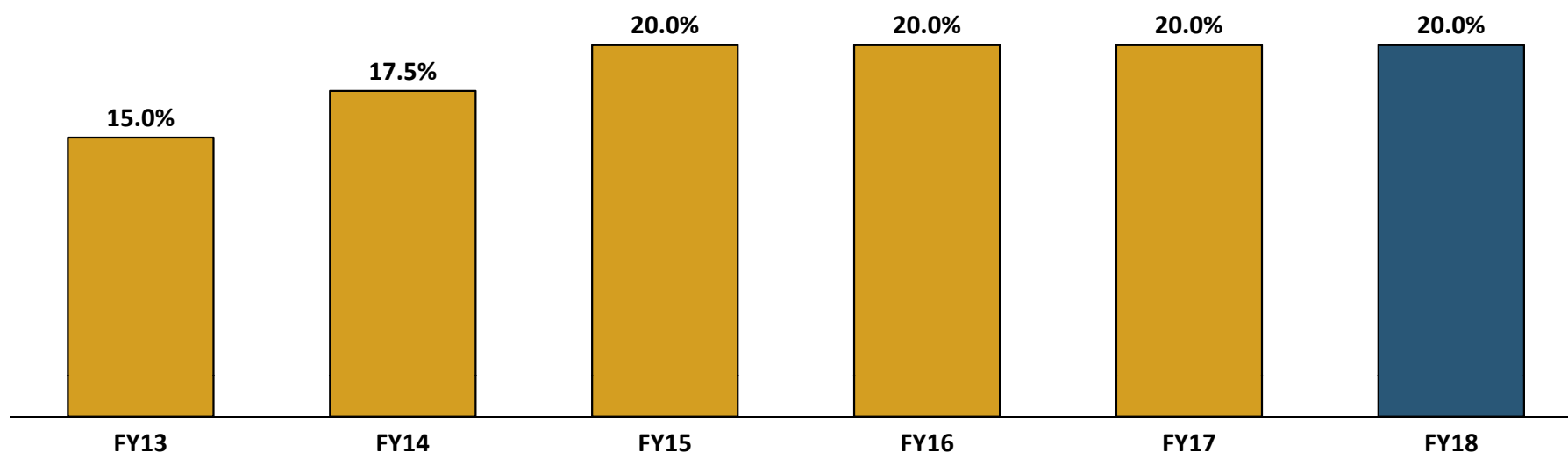
Net Debt : EBITDA [x]



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

* Figures post Merger

...with consistent Payout

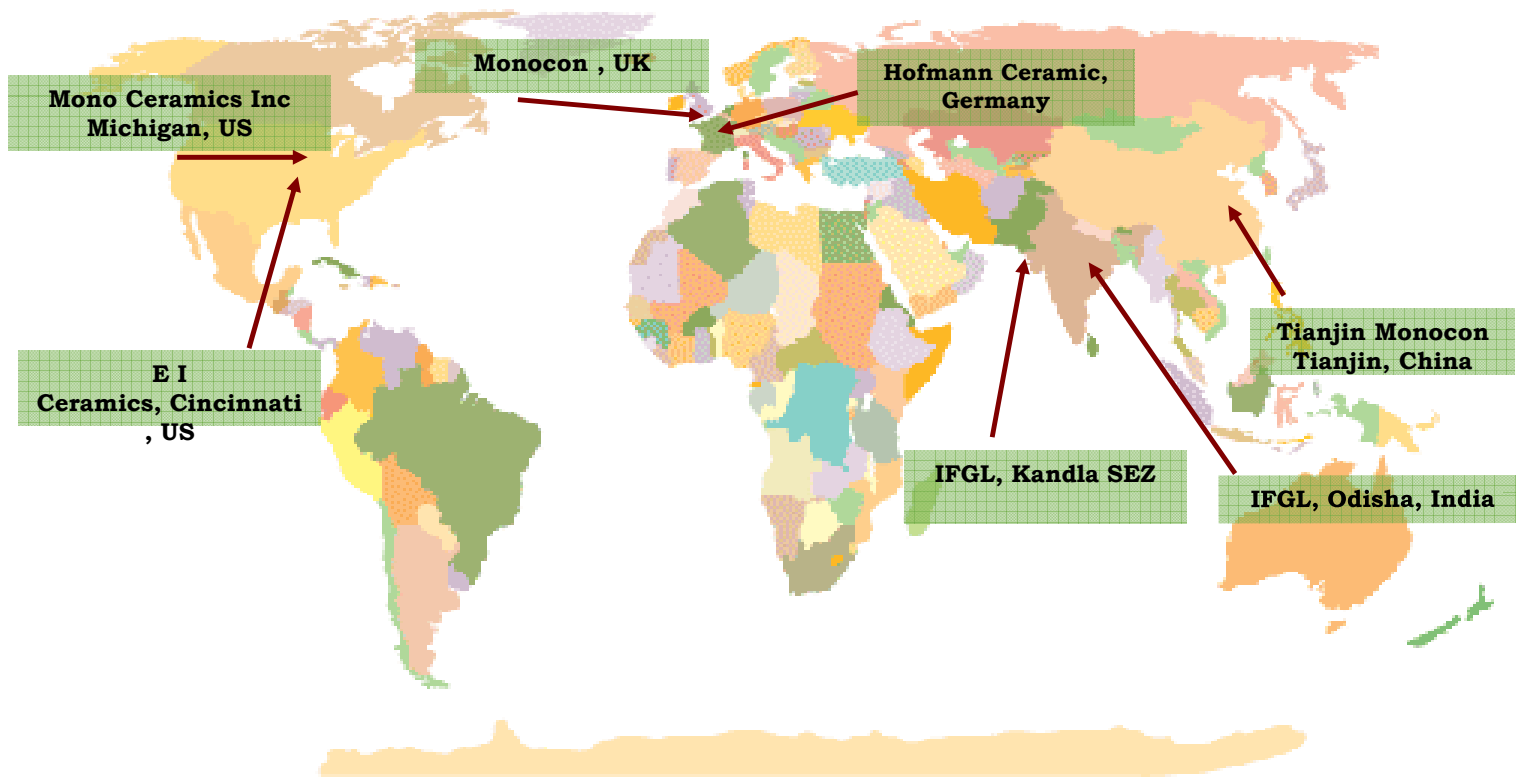


Particulars (Rs.)	FY13	FY14	FY15	FY16	FY17	FY18
Consolidated Book Value Per Share	70.9	95.1	99.6	111.7	189.9	208.7
Consolidated Earning Per Share	7.9	18.3	15.1	12.1	13.9	13.1
Dividend Per Share	1.5	1.75	2.00	2.00	2.00	2.00



About Us

A Global MNC...



...with proven management...

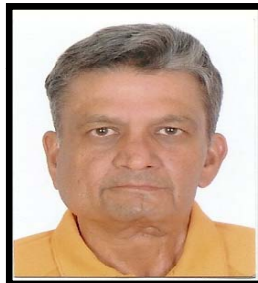


Mr. S.K. Bajoria
Chairman



- 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

...serving the specialized refractory segment...



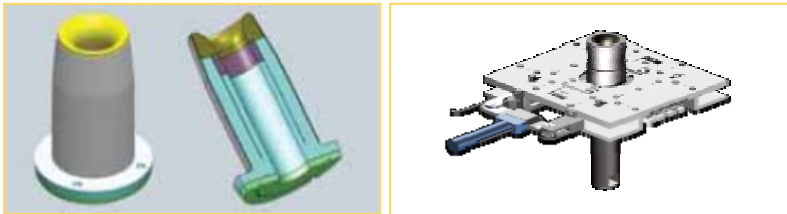
Isostatic Refractories



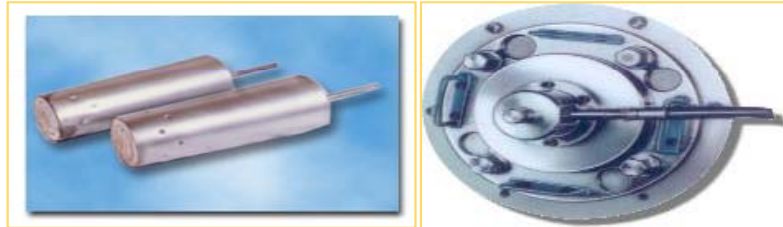
Slide Gate Refractories & Systems



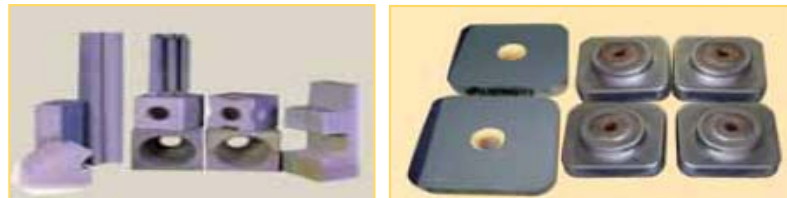
Tube Changer Refractories & System



Purging System & Refractories



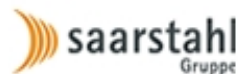
Cast Products & Zirconia Nozzles



Foundry Ceramics



...to reputed names in the Global Steel Industry





For further information, please contact:



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