



IFGL REFRACTORIES LIMITED

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E-mail : ifgl.ho@ifgl.in, Websites : www.ifglref.com

18th August, 2021

National Stock Exchange of India Ltd
'Exchange Plaza', C-1, Block – G
Bandra – Kurla Complex
Bandra (E), Mumbai 400 051
CODE: IFGLEXPOR

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
CODE: 540774

Dear Sirs,

Re: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In compliance of above, please find enclosed herewith copy of an updated Investors Presentation. Copy of this is being hosted on Company's Website: www.ifglref.com.

Thanking you,

Yours faithfully,
For IFGL Refractories Ltd

(R Agarwal)
Company Secretary

Encl : as above

Formerly known as **IFGL EXPORTS LIMITED**

Registered Office & Kalunga Works :

Sector 'B', Kalunga Industrial Estate
PO. Kalunga - 770 031, Dist. Sundergarh, Odisha, India
Phone : +91 661 2660195, Fax : +91 661 2660173
E-mail : ifgl.works@ifgl.in, CIN : L51909OR2007PLC027954



**COMMITTED TO
CLEAN METAL**



IFGL Refractories Limited

**Investor Presentation – Q1FY22
August 2021**



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We pay our respectful homage
to our great leader -
visionary, dreamer and architect



1960 – 2021

PRADEEP BAJORIA

MANAGING DIRECTOR
IFGL REFRACTORIES LIMITED



 **IFGL** GROUP OF COMPANIES

Our Performance

Strong Standalone & Consolidated Performance

**Standalone
Total Income**

**Rs. 163.2 Crores
Up 26% YoY**

**Consolidated
Total Income**

**Rs. 277.8 Crores
Up 35% YoY**

**Standalone
EBITDA**

**Rs. 27.7 Crores
Up 6% YoY**

**Consolidated
EBITDA**

**Rs. 35.7 Crores
Up 35% YoY**

**Standalone
PAT**

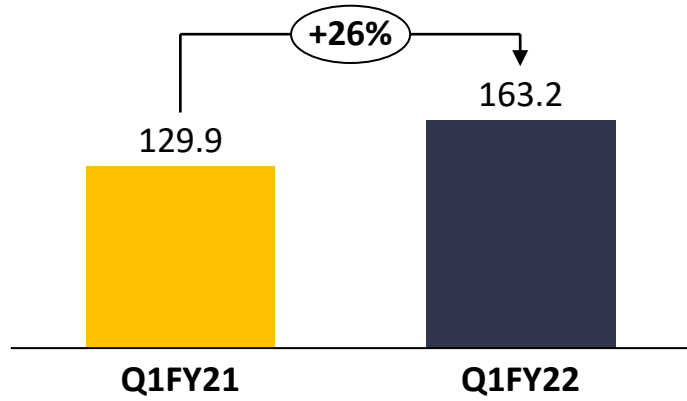
**Rs. 13.4 Crores
Up 12% YoY**

**Consolidated
PAT**

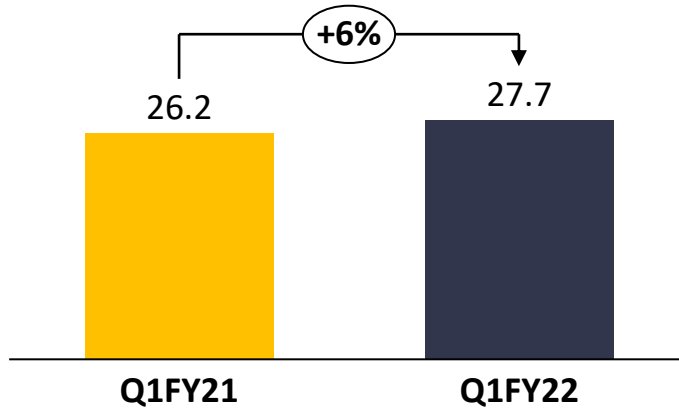
**Rs. 17.9 Crores
Up 75% YoY**

Q1FY22 Standalone Financial Highlights

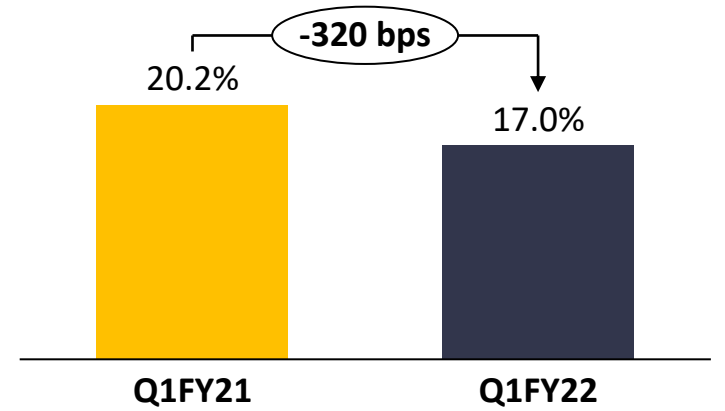
Total Income [Rs. Crs.]



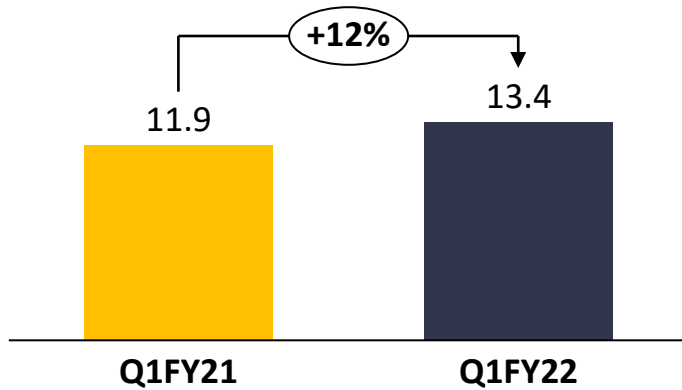
EBITDA [Rs. Crs.]



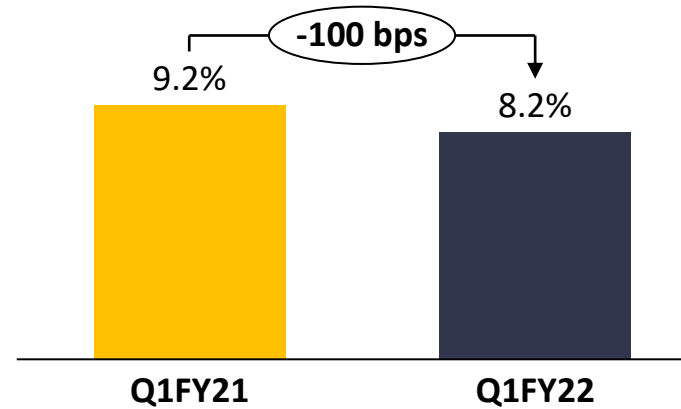
EBITDA margin [%]



Profit After Tax [Rs. Crs.]



PAT margin [%]



Q1FY22 Standalone Profit & Loss



Profit & Loss [Rs. Crs.]	Q1FY22	Q1FY21	Y-o-Y%	Q4FY21	Q-o-Q%	FY21
Total Income	163.2	129.9	26%	176.8	-8%	655.8
Raw Material	79.5	60.8		83.7		304.0
Employee Expenses	13.8	11.7		12.4		51.8
Other Expenses	42.2	31.2		43.6		157.2
EBITDA	27.7	26.2	6%	37.1	-25%	143.0
EBITDA Margins	17.0%	20.2%		21.0%		21.8%
Depreciation	2.8	2.9		3.3		12.5
Goodwill written off*	6.7	6.7		6.7		26.8
Finance Cost	0.7	0.6		0.6		2.4
Profit before Tax	17.5	16.0	9%	26.5	-34%	101.3
Tax	4.2	4.1		37.4		56.5
Profit after Tax	13.4	11.9	12%	-10.9	-	44.8
One time tax adjustment (Goodwill)*	0.0	0.0		21.7		20.2
Adjusted PAT [#]	13.4	11.9	12%	10.7	25%	65.0
Adjusted PAT Margins	8.2%	9.2%		6.1%		9.9%
Cash Profit after Tax	21.6	22.8	-5%	20.9	3%	108.0
Adjusted EPS	3.7	3.3		3.0		18.0

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

#Adjusted PAT is after adding back one-time tax adjustment due to goodwill

*Refer to slide no.11

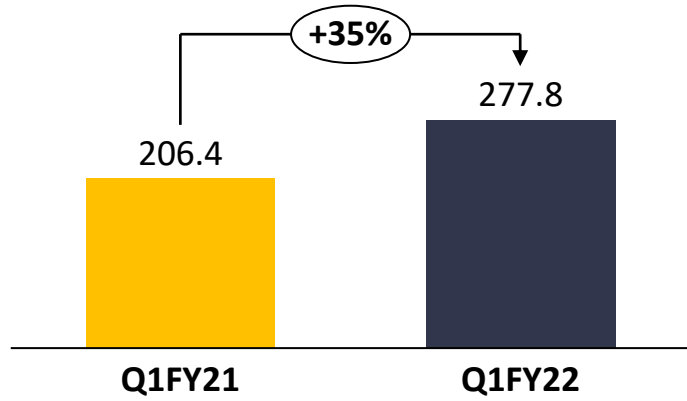
Standalone Balance Sheet



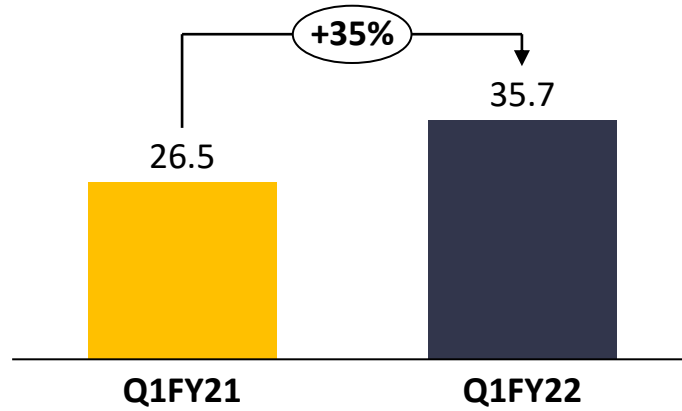
Assets (in Rs. Crs.)	Mar-21	Mar-20	Equity & Liabilities (in Rs. Crs)	Mar-21	Mar-20
Non current Assets	318.7	328.9	Equity	559.1	514.0
Fixed Assets			Share Capital	36.0	36.0
Property Plant & Equipment	77.6	80.7	Other Equity	523.1	478.0
Right to Use Asset	15.6	16.2			
Capital WIP	18.1	3.9			
Goodwill (other)	133.5	160.2			
Intangible assets	0.2	0.1	Non Current Liabilities	42.7	8.7
Financial Assets			Financial Liabilities		
Investments	62.4	57.8	Lease Liabilities	8.9	8.7
Loans & Deposits	2.3	2.2	Deferred Tax Liabilities (net)	33.8	-
Others	3.3	-			
Deferred Tax Assets (net)	-	5.3			
Income Tax Assets (net)	2.4	1.5			
Other Non current Assets	3.3	1.1			
Current Assets	433.0	307.9	Current Liabilities	149.9	114.1
Inventories	100.5	73.8	Financial Liabilities		
Financial Assets			Borrowings	36.0	31.8
Investments	121.7	92.2	Lease Liabilities	0.8	0.8
Trade Receivables	156.7	125.1	Trade Payables	85.1	62.4
Cash & cash equivalents	0.2	7.8	Other Financial Liabilities	8.3	4.8
Bank Balances	43.3	1.1	Other Current Liabilities	17.9	13.7
Other Financial Assets	1.9	2.1	Provisions	0.3	0.3
Other Current Assets	8.8	6.0	Income Tax Liabilities	1.6	0.4
Total Assets	751.7	636.8	Total Equity & Liabilities	751.7	636.8

Q1FY22 Consolidated Financial Highlights

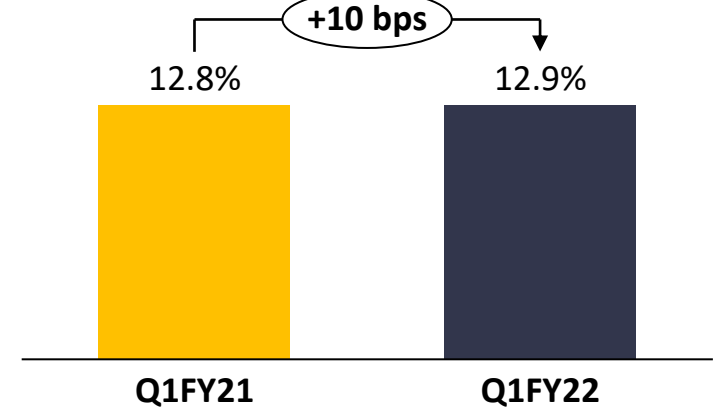
Total Income [Rs. Crs.]



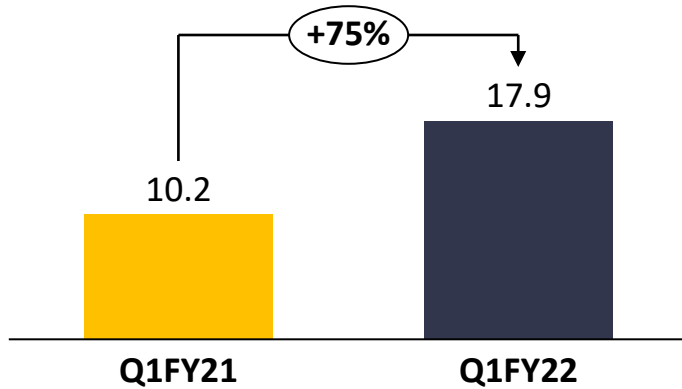
EBITDA [Rs. Crs.]



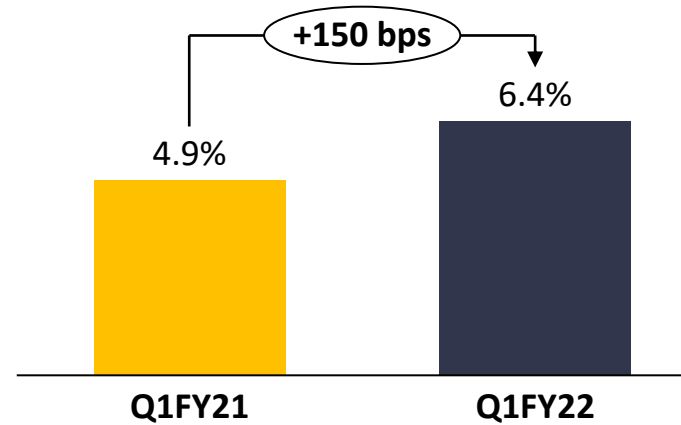
EBITDA margin [%]



Profit After Tax [Rs. Crs.]



Adjusted PAT margin [%]



Q1FY22 Consolidated Profit & Loss



Profit & Loss [Rs. Crs.]	Q1FY22	Q1 FY21	Y-o-Y%	Q4FY21	Q-o-Q%	FY21
Total Income	277.8	206.4	35%	287.9	-4%	1042.5
Raw Material	131.7	95.9		132.8		474.0
Employee Expenses	42.3	34.8		39.0		151.8
Other Expenses	68.1	49.2		67.7		240.8
EBITDA	35.7	26.5	35%	48.5	-26%	175.9
EBITDA Margins	12.9%	12.8%		16.8%		16.9%
Depreciation	5.1	5.2		5.7		21.8
Goodwill written off*	6.7	6.7		6.7		26.8
Finance Cost	0.9	0.7		0.9		3.1
Profit before Tax	23.1	13.9	66%	35.2	-35%	124.2
Tax	5.2	3.7		37.8		58.6
Profit after Tax	17.9	10.2	75%	-2.5	-	65.6
One time tax adjustment (Goodwill)*	0.0	0.0		21.7		20.2
Adjusted PAT [#]	17.9	10.2	75%	19.1	-7%	85.8
Adjusted PAT Margins	6.4%	4.9%		6.6%		8.2%
Cash Profit after Tax	28.5	23.8	20%	31.8	-10%	139.2
Adjusted EPS (Rs.)	5.0	2.8		5.3		23.8

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

#Adjusted PAT is after adding back one-time tax adjustment due to goodwill

*Refer to slide no.11

Consolidated Balance Sheet



Assets (in Rs. Crs.)	Mar-21	Mar-20	Equity & Liabilities (in Rs. Crs)	Mar-21	Mar-20
Non current Assets	456.4	461.6	Equity	890.5	809.0
Fixed Assets			Share Capital	36.0	36.0
Property Plant & Equipment	147.6	152.3	Other Equity	854.5	772.9
Right to Use Asset	20.3	22.0			
Capital WIP	22.1	6.9			
Goodwill (on consolidation)	111.9	103.6			
Goodwill (other)	133.5	160.2	Non Current Liabilities	67.7	36.1
Intangible assets	2.2	2.3	Financial Liabilities		
Financial Assets			Borrowings	11.9	13.5
Investments	6.2	1.5	Lease Liabilities	9.9	10.9
Loans & Deposits	2.3	2.2	Deferred Tax Liabilities (Net)	45.8	11.7
Others	3.3	-			
Deferred Tax Assets (net)	-	5.6			
Income Tax Assets (net)	3.8	3.0			
Other Non current Assets	3.3	1.9			
Current Assets	727.5	567.6	Current Liabilities	225.8	184.1
Inventories	167.8	141.8	Financial Liabilities		
Financial Assets			Borrowings	36.4	35.1
Investments	121.7	92.2	Lease Liabilities	2.2	2.0
Loans & Deposits	0.7	0.7	Trade Payables	155.1	124.2
Trade Receivables	228.2	210.5	Other Financial Liabilities	11.5	8.0
Cash & cash equivalents	147.6	109.7	Income Tax Liabilities	2.0	0.5
Bank Balances	43.3	1.1	Other Current Liabilities	18.3	14.1
Other Financial Assets	2.6	2.1	Provisions	0.3	0.3
Other Current Assets	15.7	9.7			
Total Assets	1,183.9	1,029.2	Total Equity & Liabilities	1,183.9	1,029.2

One Time Tax Impact on account of Goodwill

Consolidated Profit & Loss [Rs. Crs.]	Q4FY21	FY21
Total Income	287.9	1042.5
EBITDA	48.5	175.9
Profit before Tax	35.2	124.2
Tax	37.8	58.6
Profit After Tax	-2.5	65.6
One time tax adjustment (Goodwill)	21.7	20.2
Adjusted PAT	19.1	85.8
Adjusted EPS (Rs.)	5.3	23.8

Profit After Tax Impacted by deferred tax liability

- As per amendments by Finance Act, 2021, Goodwill on amalgamation is no longer a depreciable asset and depreciation on goodwill is not allowable expenditure effective April 1, 2020.
- Profit after Tax is impacted by recognition of one-time deferred tax charge of Rs. 21.7 Crores for Q4FY21 (including adjustment for corresponding net deferred tax credit recognised in prior quarters) and Rs. 20.2 Crores (net) for the year consequent to the reduction of the depreciable amount of goodwill for tax purposes to nil.
- On adjusted basis, consolidated Profit after Tax for Q4FY21 has increased by 186% YoY and increased by 114% YoY for FY21.

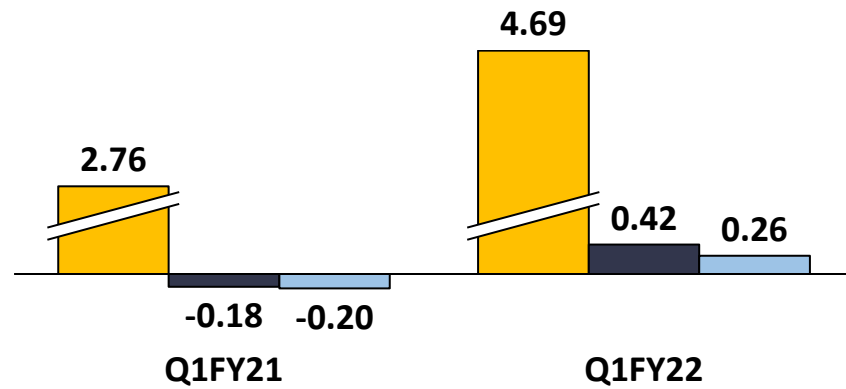
Balance Goodwill to be written off

- Goodwill of Rs. 267 Crores had arisen on 1st April, 2016 and was being amortised over a period of 10 years.
- Balance in Securities Premium Account as on 1st April, 2021 is proposed to be utilised to adjust Goodwill of Rs. 133.5 Crores as on that date.
- Utilisation will lead to fair representation of assets and liabilities of the Company.

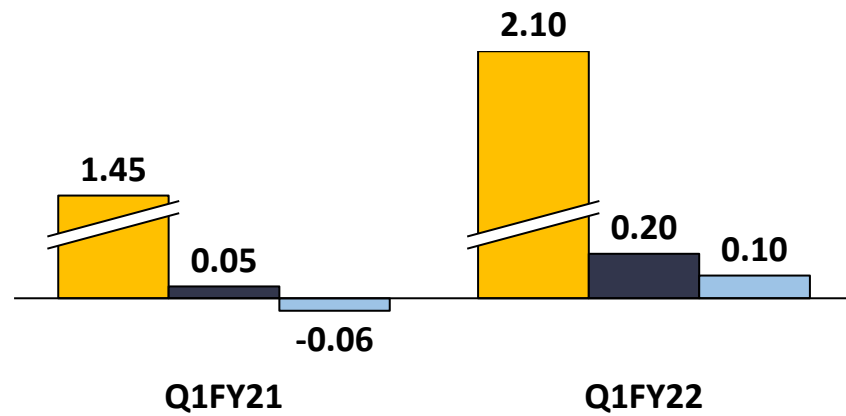
Subsidiaries Performance



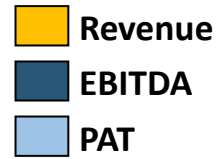
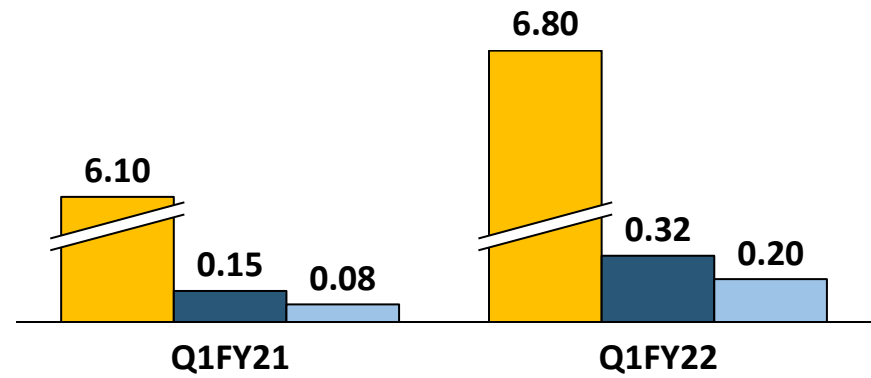
El Ceramics [\$ mn]



Hofmann Ceramic [Euro mn]

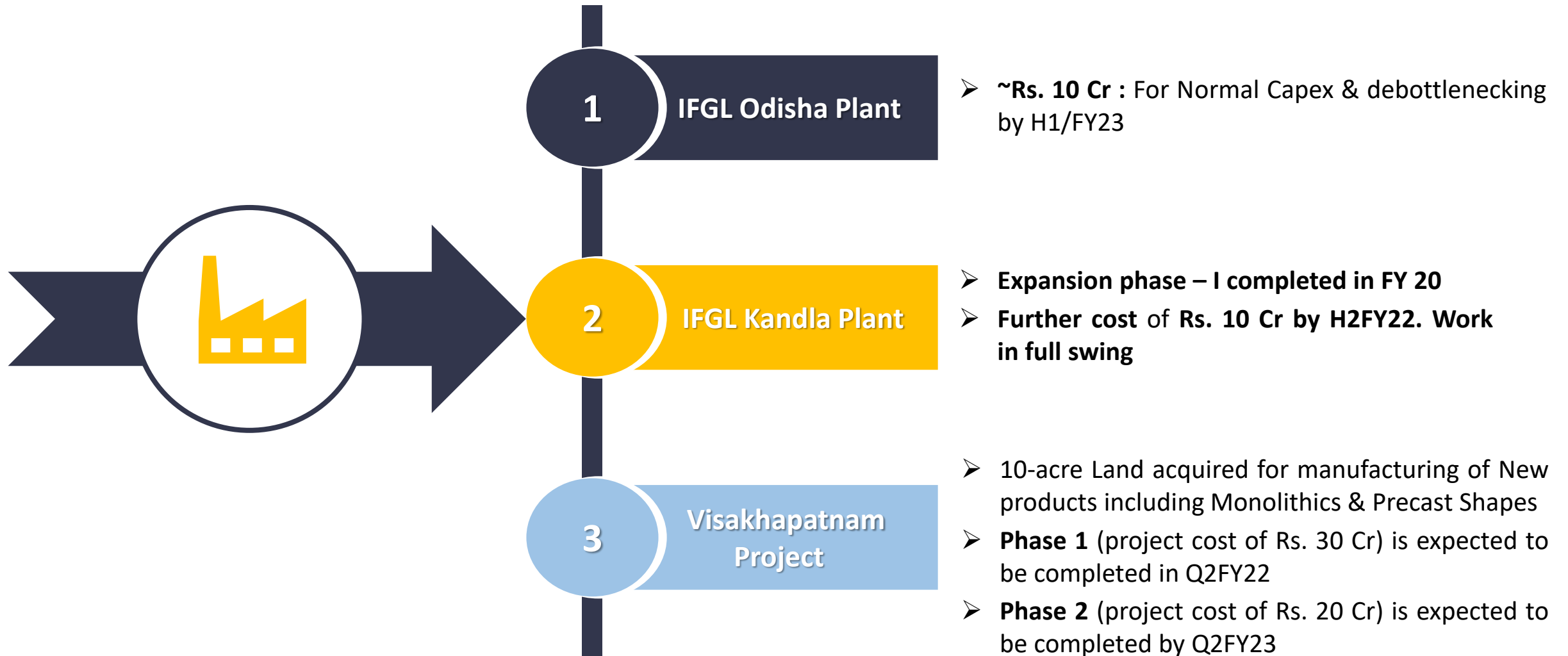


Monocon Group [GBP mn]



Overseas subsidiaries has witnessed sustainable demand improvement. All our subsidiaries are now profitable even at the PAT level.

Ongoing Capex to boost performance



Capex till date 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.

**Refer to slide 11

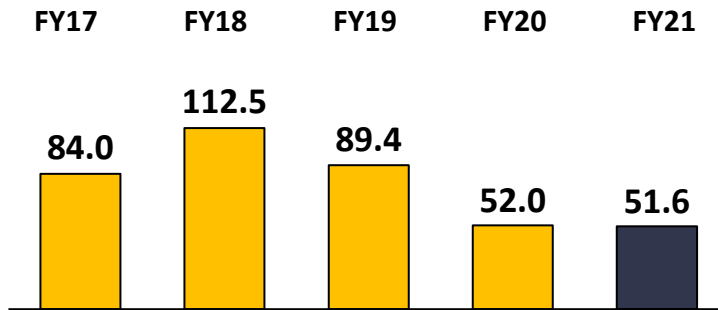
Adjusted PAT is after adding back exceptional loss and one-time tax adjustment due to goodwill

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

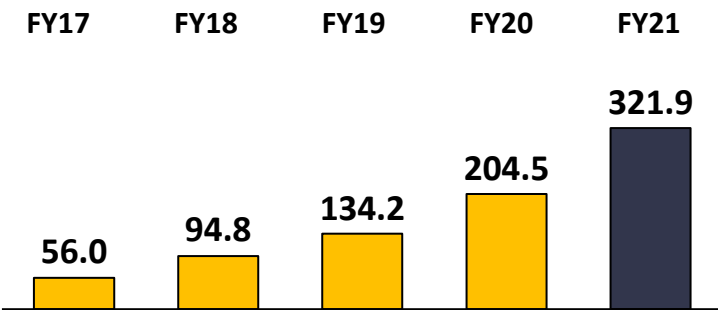
[#]Exceptional Item is the Impairment of Goodwill pertaining to German operations

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

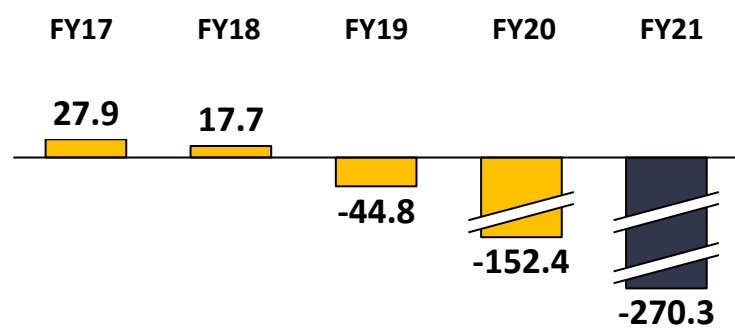
Total Debt (Rs. Crs.)



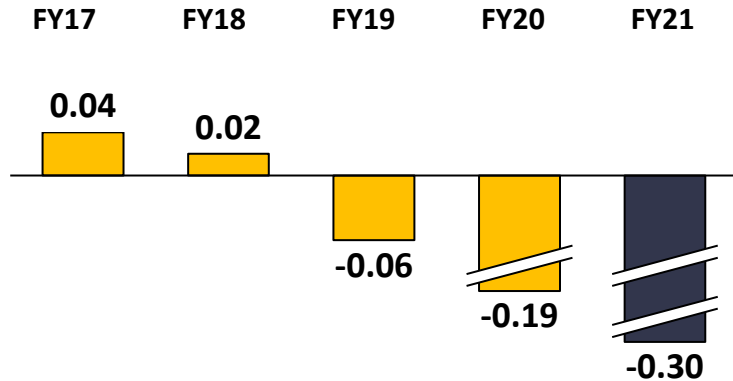
Cash & Equivalents (Rs. Crs.)



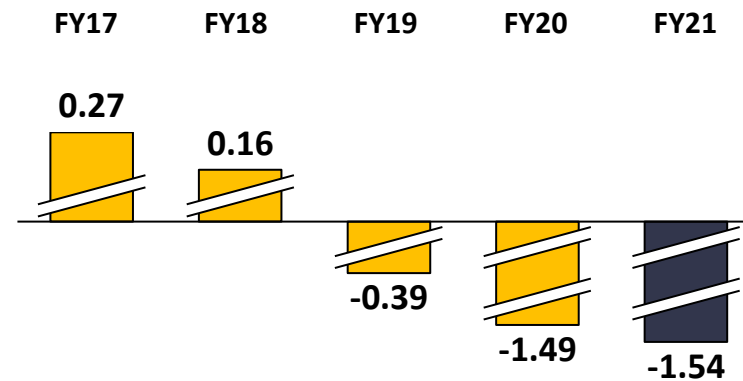
Net Debt (Rs. Crs.)



Net Debt : Equity [x]

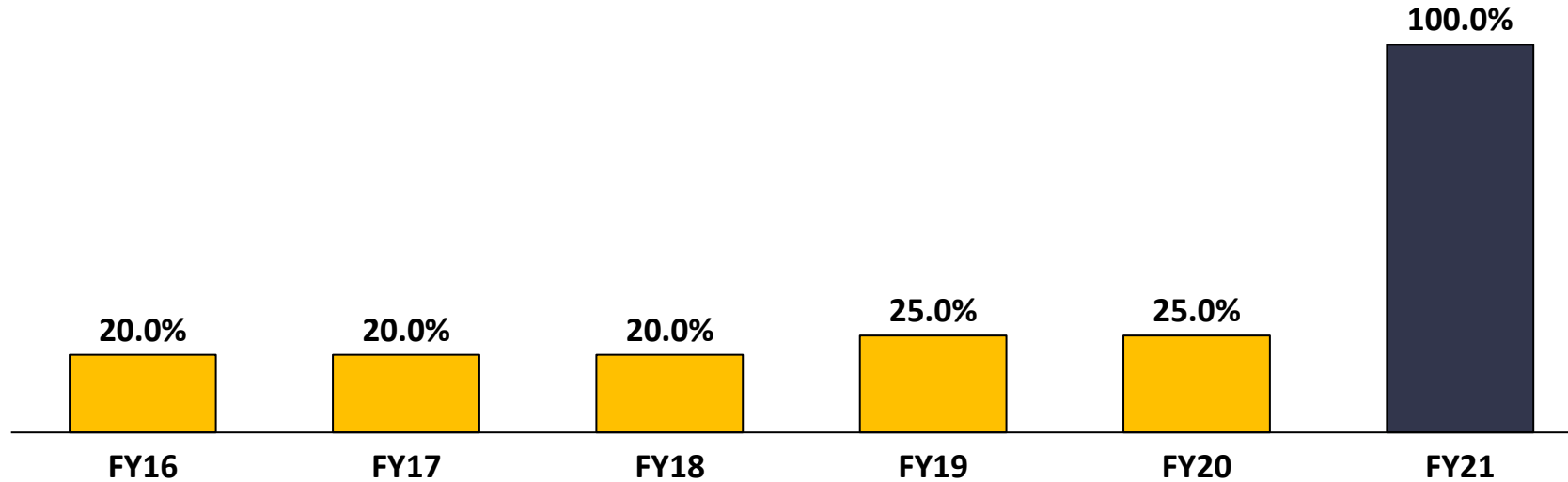


Net Debt : EBITDA [x]



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

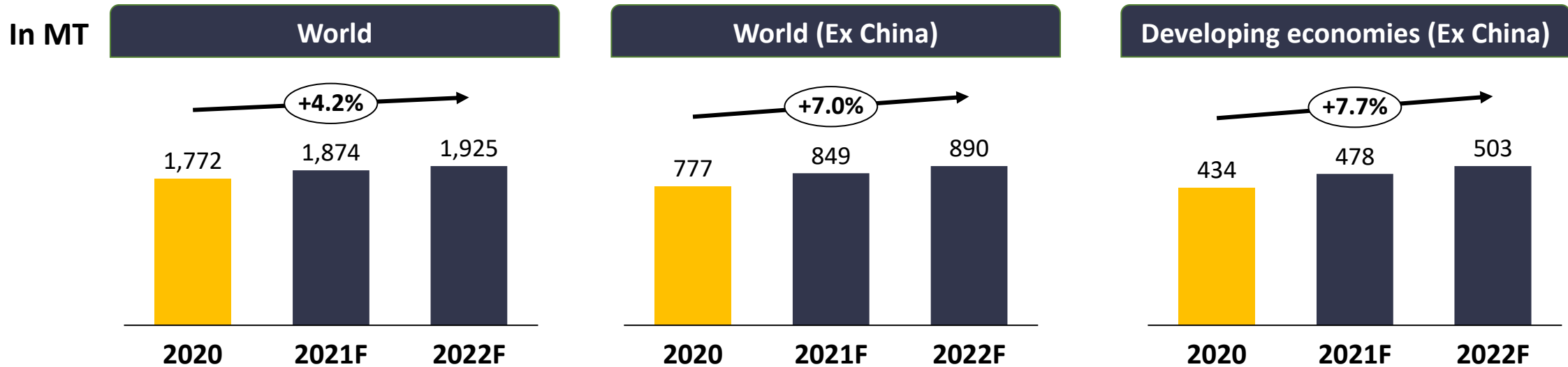
Includes Special Dividend of Rs. 6 per share



Mr. James Leacock McIntosh Appointed as Managing Director effective 1st Sep, 2021

- Holder of Masters Degree in Technological Marketing
- More than three decades experience in Refractory Industry
- Hands on experience of manufacturing and marketing of Flow Control Refractories including Isostatically pressed for use in Iron and Steel Industry
- Hitherto President of Company's US Step down subsidiary, EI Ceramics LLC.

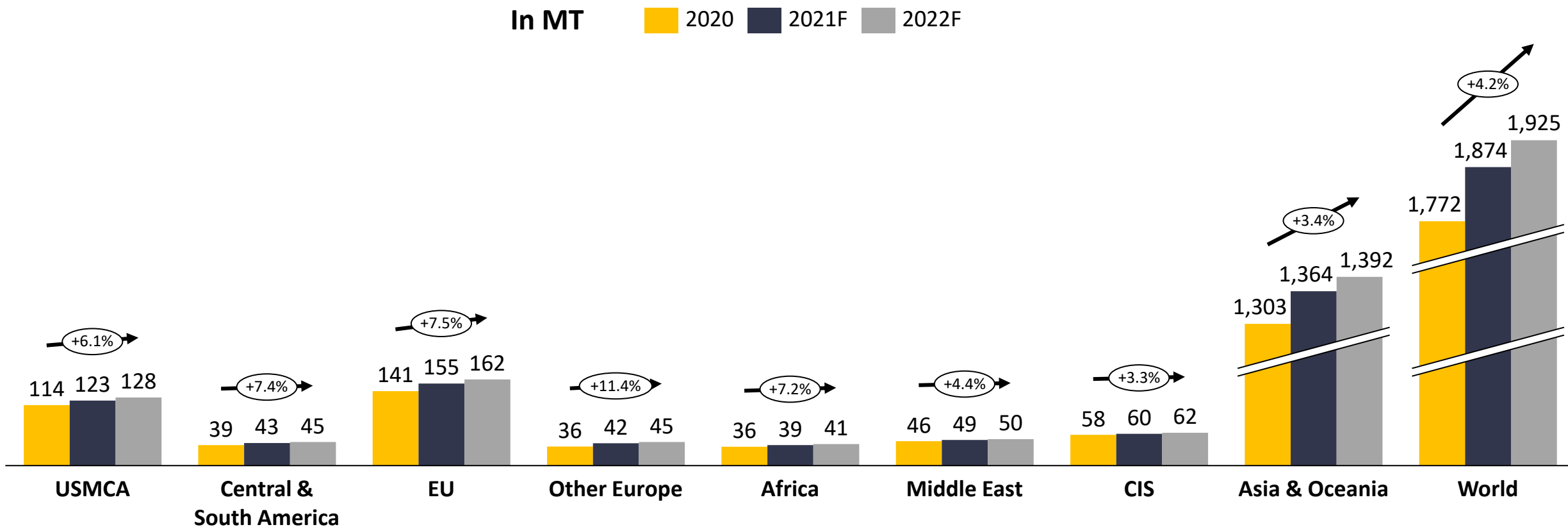
Industry Overview



➤ Global outlook:

- As per WSA, the current forecast assumes that the ongoing second or third waves of infections will stabilise in the second quarter and that steady progress on vaccinations will be made, allowing a gradual return to normality in major steel-using countries.
- In the coming years, steel demand will recover firmly, both in the developed and developing economies, supported by pent-up demand and governments' recovery programmes.

Forecasted Global Short-Term Steel Demand

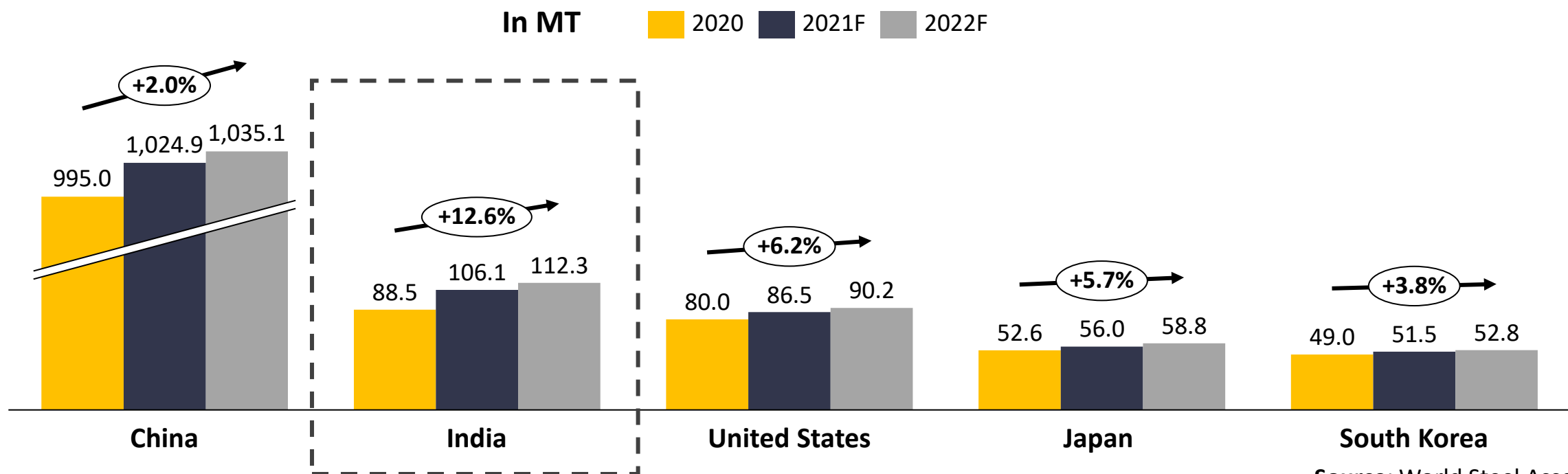


Steel Demand is expected to grow strongly across all parts of the world in 2021 & 2022

USMCA – US, Mexico, Canada

Source: World Steel Association, other articles

Top 5 Steel Consuming Countries

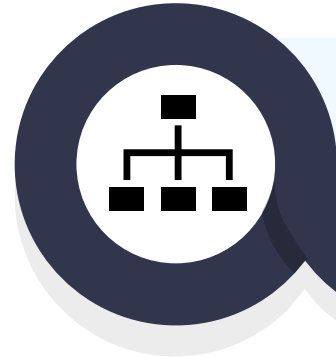


Source: World Steel Association

➤ India outlook:

- India had implemented one of the strictest lockdown in world which disrupted demand of steel for a short period of time. However, as lockdown started easing, country has witnessed a strong bounce back in demand led by increased manufacturing activities across all the sectors
- Demand for steel in India in 2021 is expected to be extremely strong as Government has unveiled various infrastructure investments, production linked incentives, support for rural people through infra development in rural areas complemented by restarting of construction activities across India & recovery of auto industry
- Second wave of covid-19 led to lockdown restrictions coming back and had some impact on steel production. However, in medium term, as the economy unlocks, steel production and demand is expected to bounce back again strongly

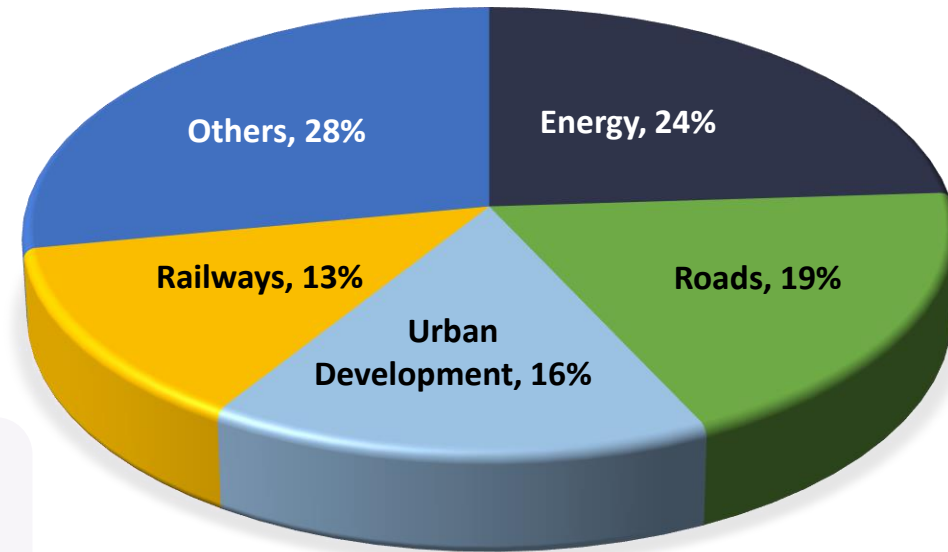
National Infrastructure Pipeline (NIP) Project



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

Investment allocation under NIP



\$5 Trillion Economy

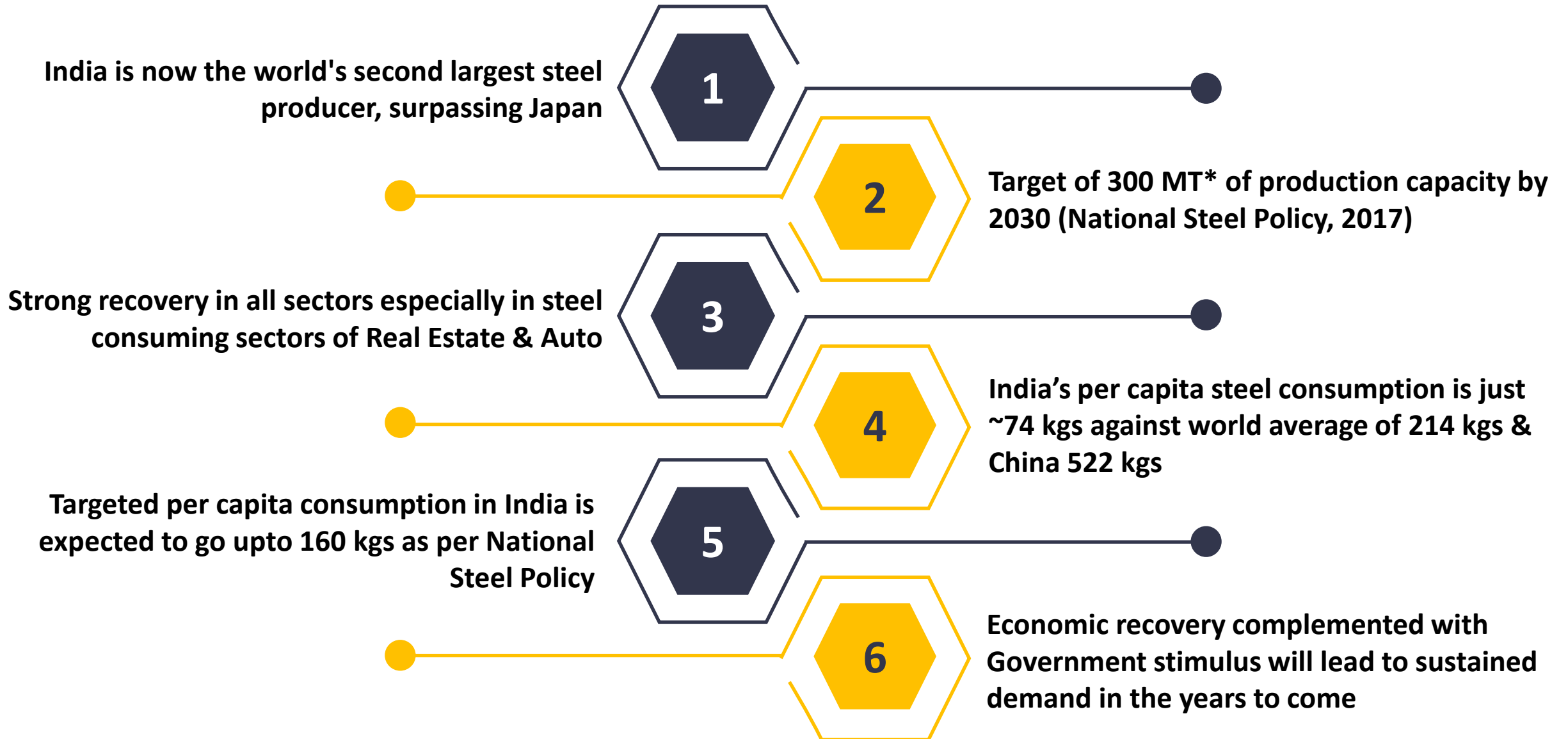
India needs to spend about \$1.4 trillion on infrastructure to become a \$5 trillion economy by FY25



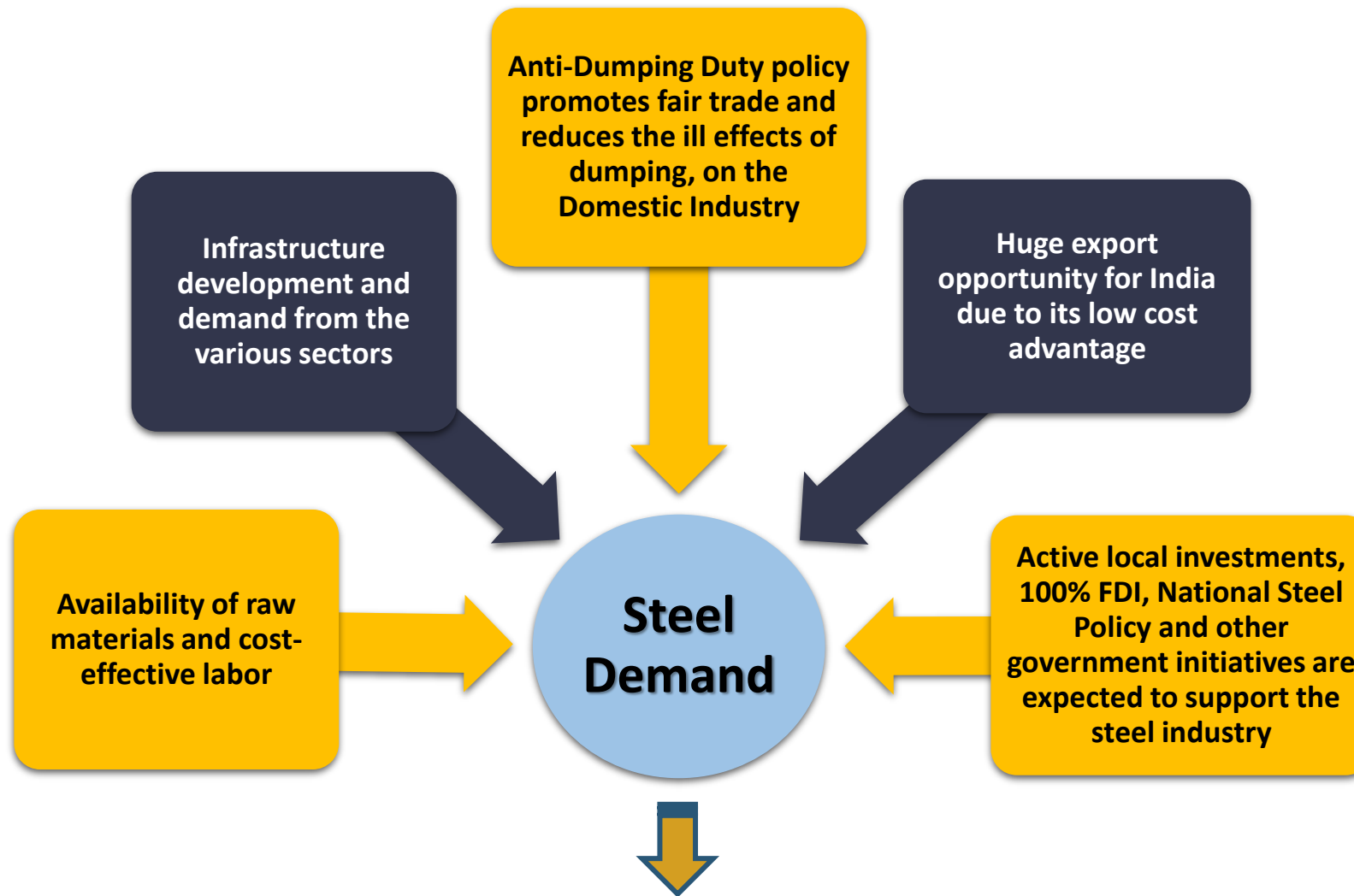
Fresh Investments in Infrastructure

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

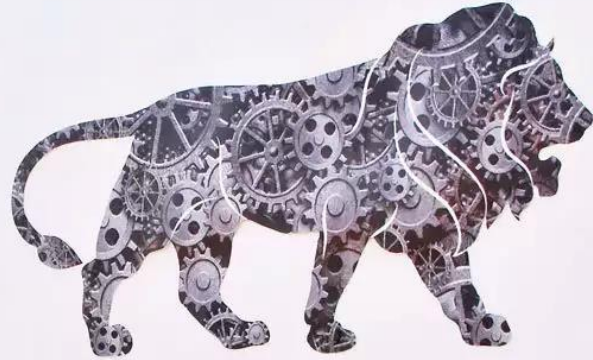
Domestic Steel Industry on a strong footing in the long term



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



MAKE IN INDIA

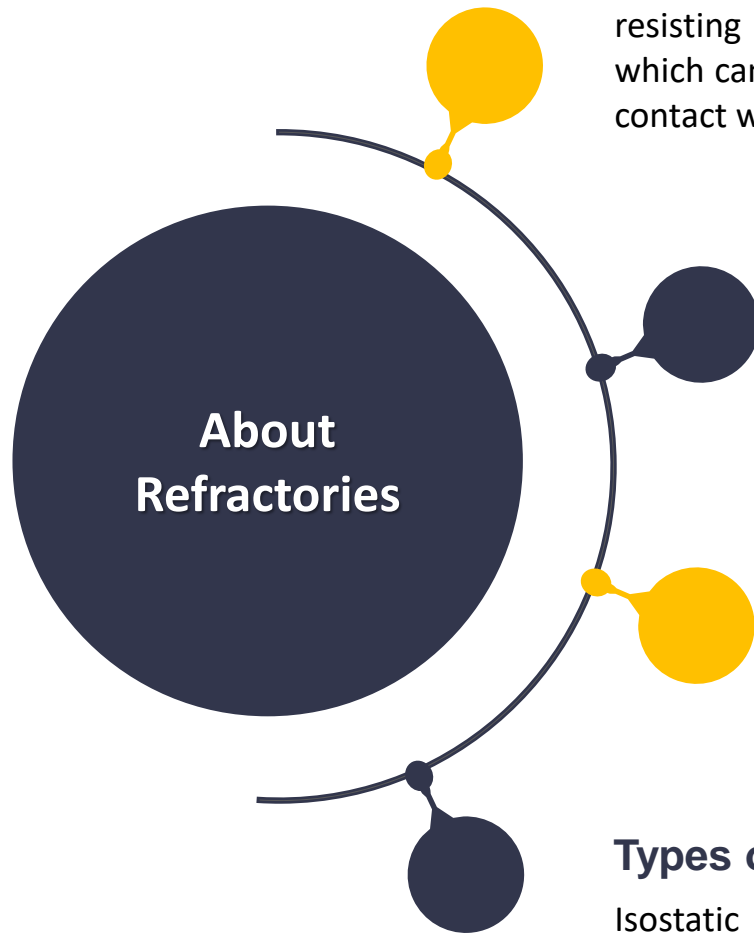
AATMANIRBHAR
BHARAT

AATMANIRBHAR BHARAT

- ❑ AATMANIRBHAR BHARAT is the vision of the Government to make India a self-reliant nation. PM Modi has promoted “Vocal about Local” campaign which promotes Indian Companies to lead India to become self reliant
- ❑ Self-reliant India will ensure production of quality products on a large scale, fulfil India’s requirements and boost export of surplus production

Budget 2021 to provide demand boost

- ❑ The increased capital expenditure for infrastructure projects in Union Budget 2021-22 will push the demand for steel in the country
- ❑ Government incentives for affordable housing and vehicle scrappage policy will lead to sustained demand for steel from both the Real Estate & Auto Sector



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

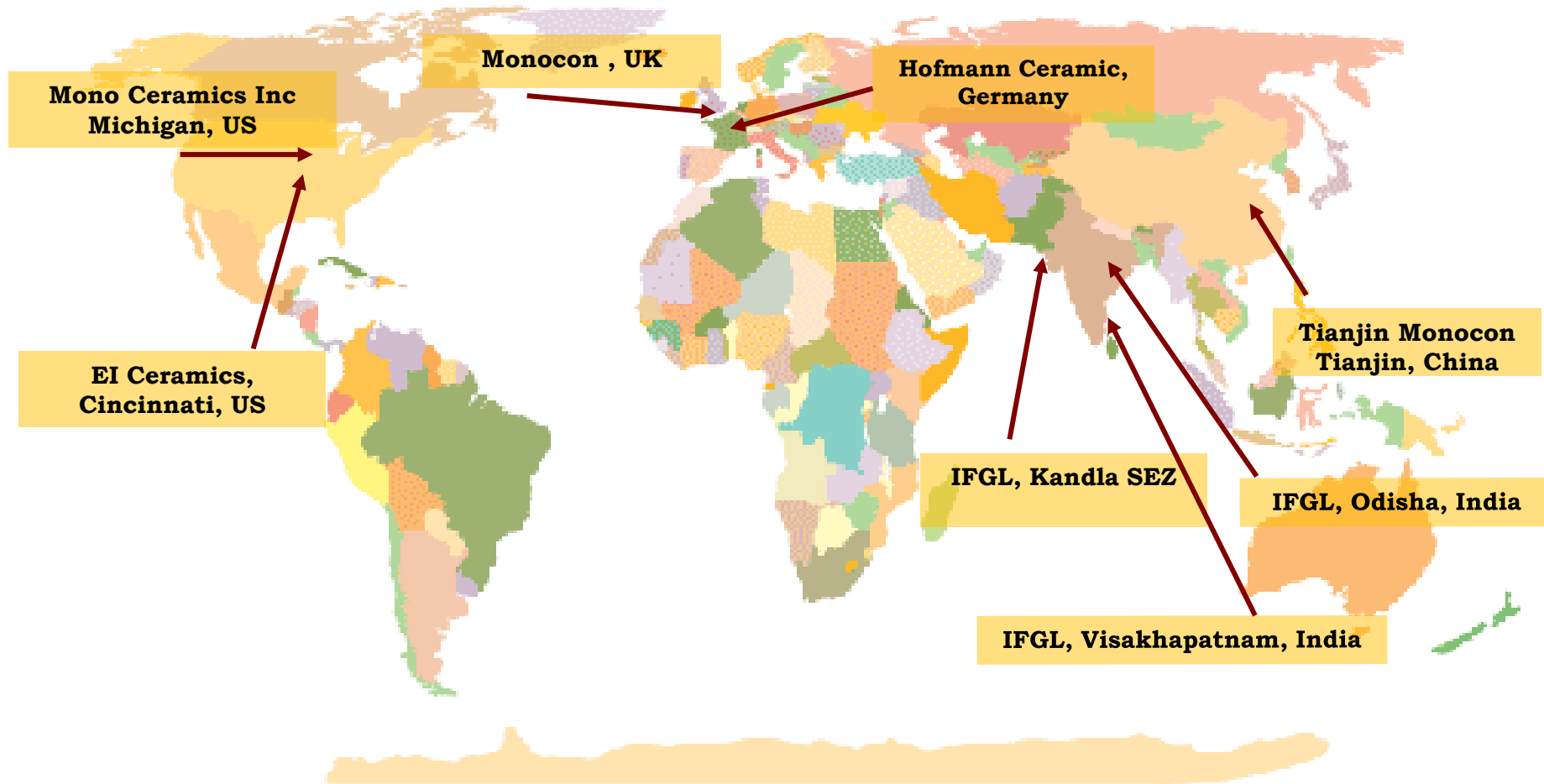
Refractories are used by metallurgy industry for flow control and also in the internal linings of furnaces, kilns, reactors and other vessels for holding and transporting metal and slag. In non-metallurgical industries, the refractories are mostly installed on fired heaters, hydrogen reformers, ammonia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

Types of Refractories

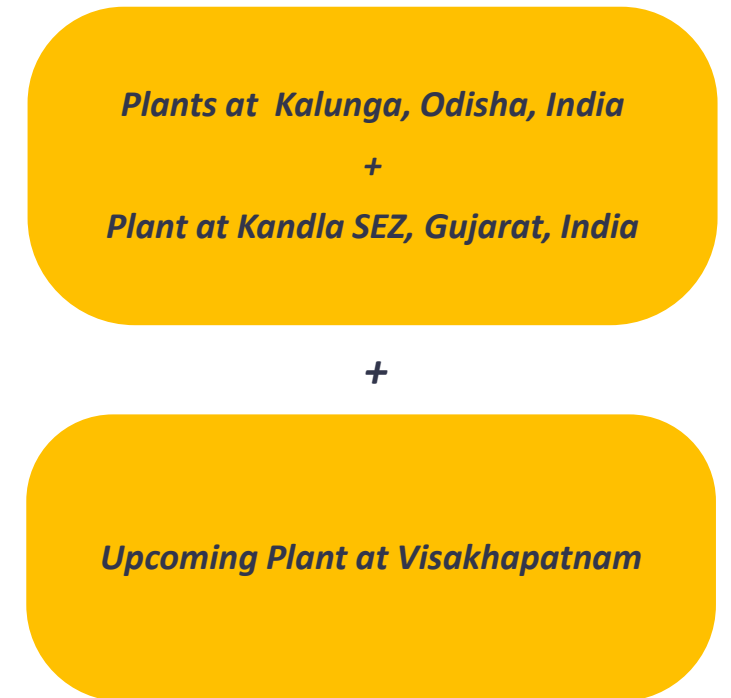
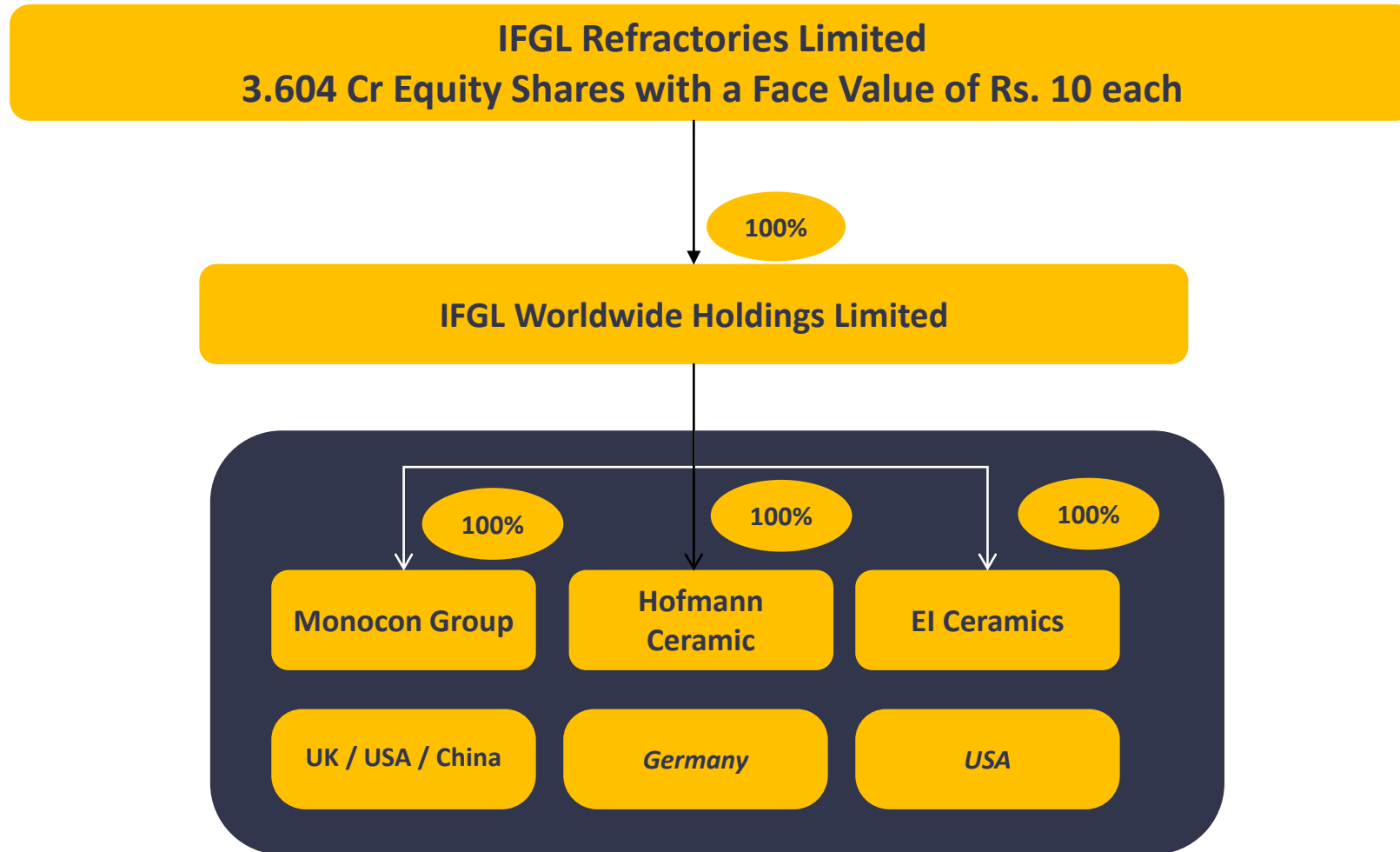
Isostatic Refractories, Slide Gate Refractories & Systems, Tube Changer Refractories & System, Purging System & Refractories, Cast Products & Zirconia Nozzles, Monolithics/ Castable & Foundry Ceramics

About Us

A Global MNC...



Corporate Structure...



...simplified to create value for shareholders



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
(wef 1st Sep, 2021)

- Holder of Masters Degree in Technological Marketing
- Mr. McIntosh is presently 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 Sarma
Director & Chief Financial 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

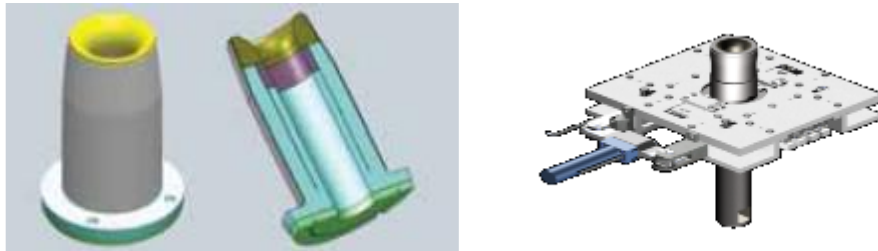
Isostatic Refractories



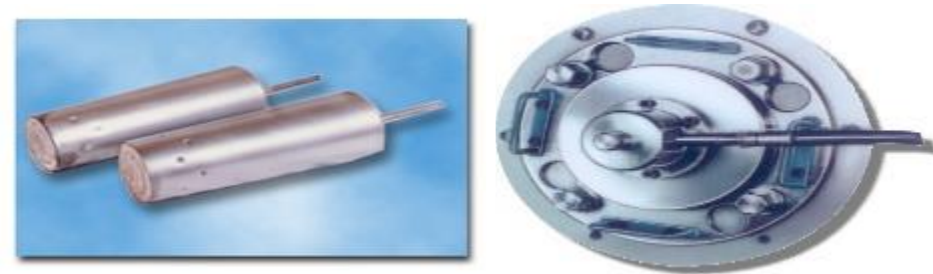
Slide Gate Refractories & Systems



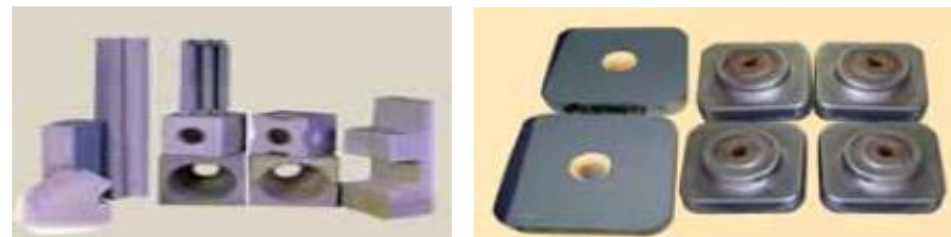
Tube Changer Refractories & System



Purging System & Refractories



Cast Products & Zirconia Nozzles



Foundry Ceramics



...to reputed names in the Global Steel Industry



For further information, please contact:



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IFGL Refractories Ltd.

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