



**IFGL REFRACTORIES LIMITED**

**Head & Corporate Office :**

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

10<sup>th</sup> February, 2018

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](http://www.ifglref.com).

Thanking you,

Yours faithfully,  
For IFGL Refractories Ltd

  
(R Agarwal)  
Company Secretary

Formerly known as IFGL EXPORTS LIMITED

Registered Office & Kalunga Works :

Sector 'B', Kalunga Industrial Estate

P.O. Kalunga - 770 031, Dist. Sundergarh, Odisha, India

Phone : +91 661 2660195, Fax : +91 661 2660173

E-mail : ifgl.works@ifgl.in, CIN : U51909OR2007PLC027954

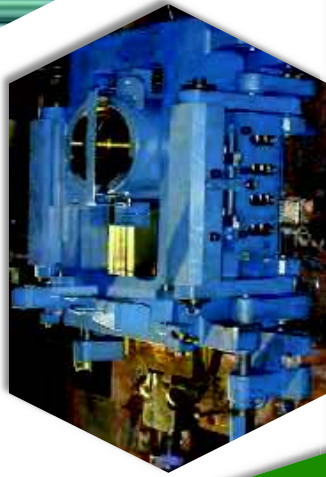
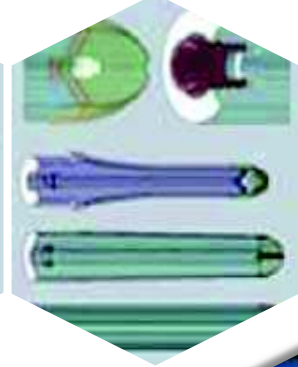
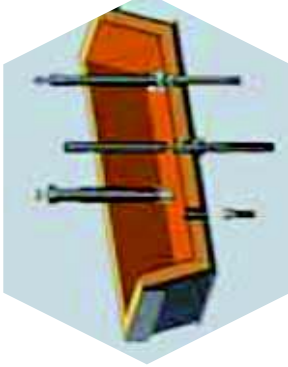
**MONOCON**

hofmann  
**CERAMIC**  
GMBH



# IFGL Refractories Limited

(Formerly IFGL Exports Limited)



Investor Presentation  
February 2018

# Safe Harbor



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# Industry Overview

# Favorable Government Policies aiding Indian Steel



Product	Anti-dumping duty support price (ADD) (In range of)	Applicable till	Countries targeted
Hot rolled coil (width >600 mm)	\$ 474-561	Aug 2021	China PR, Japan, Korea RP, Russia, Brazil or Indonesia
Plates	\$ 474-561	Aug 2021	China PR, Japan, Korea RP, Russia, Brazil or Indonesia
Cold rolled coil	\$ 576	Aug 2021	China, Japan, South Korea & Ukraine
Seamless tubes (dia. <14 inches)	\$ 961-1,610	May 2021	China, Japan, South Korea, Russia, Brazil & Indonesia
Coated steel	\$ 822	Jan 2022	China & European Union

**Strong global prices, coupled with steel import restriction measures (by Govt.), are likely to protect margins for domestic steel manufacturers**

# Capacity expansion by Indian players

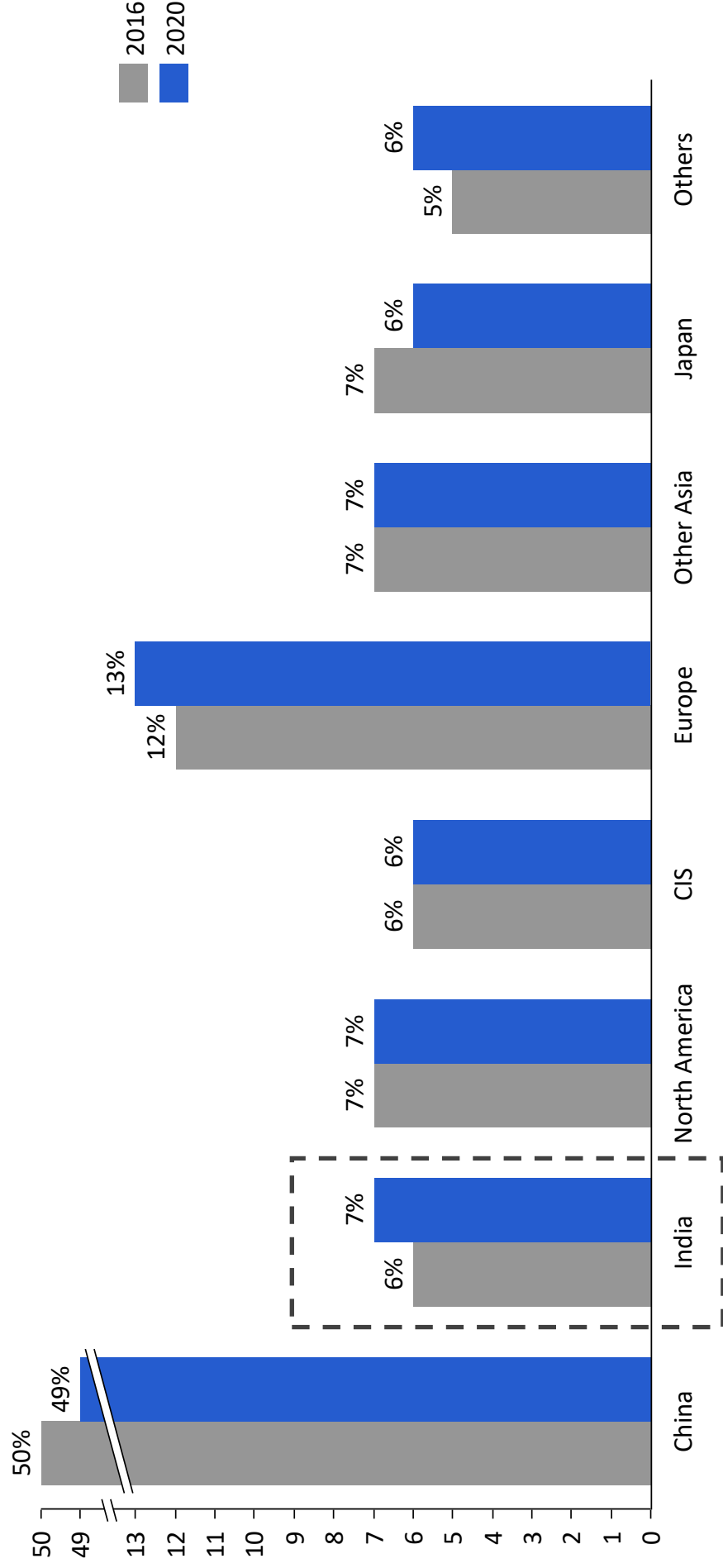


## New Projects likely to be commissioned post FY20

Company	Project	Capacity (mtpa)	Steady Production year
Tata Steel	Kalinganagar II	3	2021
SAIL	Modernization	2.5	2021
JSPL	Angul	2	2020
NMDC	Nagamar	3	2021

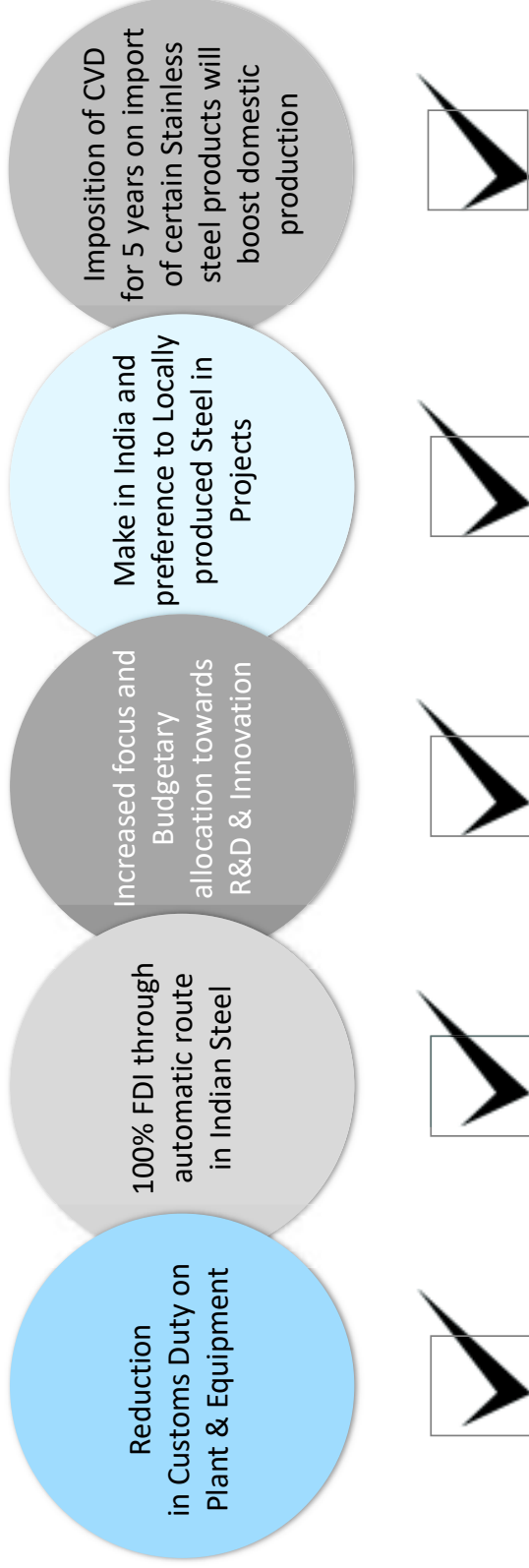
Source: BofA Merrill Lynch Report

# India's market share in Global Steel production on the rise



Source: BofA Merrill Lynch Report

# Impetus on Indian Steel sector



**Increasing Domestic Demand for Steel has been recognized by Indian Government by way of Sector friendly policies benefitting manufacturers of Refractories**



# Growing Opportunities in India a positive



The Automotive industry is forecasted to grow in size by US\$ 74 billion in 2015 to US\$ 260-300 billion by 2026



The capital goods sector accounts for 11 per cent of steel consumption and expected to increase 14/15 per cent by 2025-26 and has the potential to increase in tonnage & market share



The infrastructure sector accounts for 9 per cent of steel consumption and expected to increase 11 per cent by 2025- 26



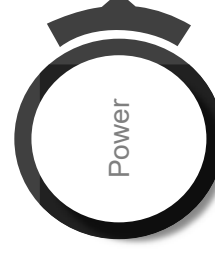
Estimated steel consumption in airport building is likely to grow more than 20 per cent over next few years



Crisil estimated that the railways sector could create business opportunities worth US\$ 99.65 billion



Oil and gas amongst major end-user segment accounted for ~34.4 per cent of primary energy consumption in FY16

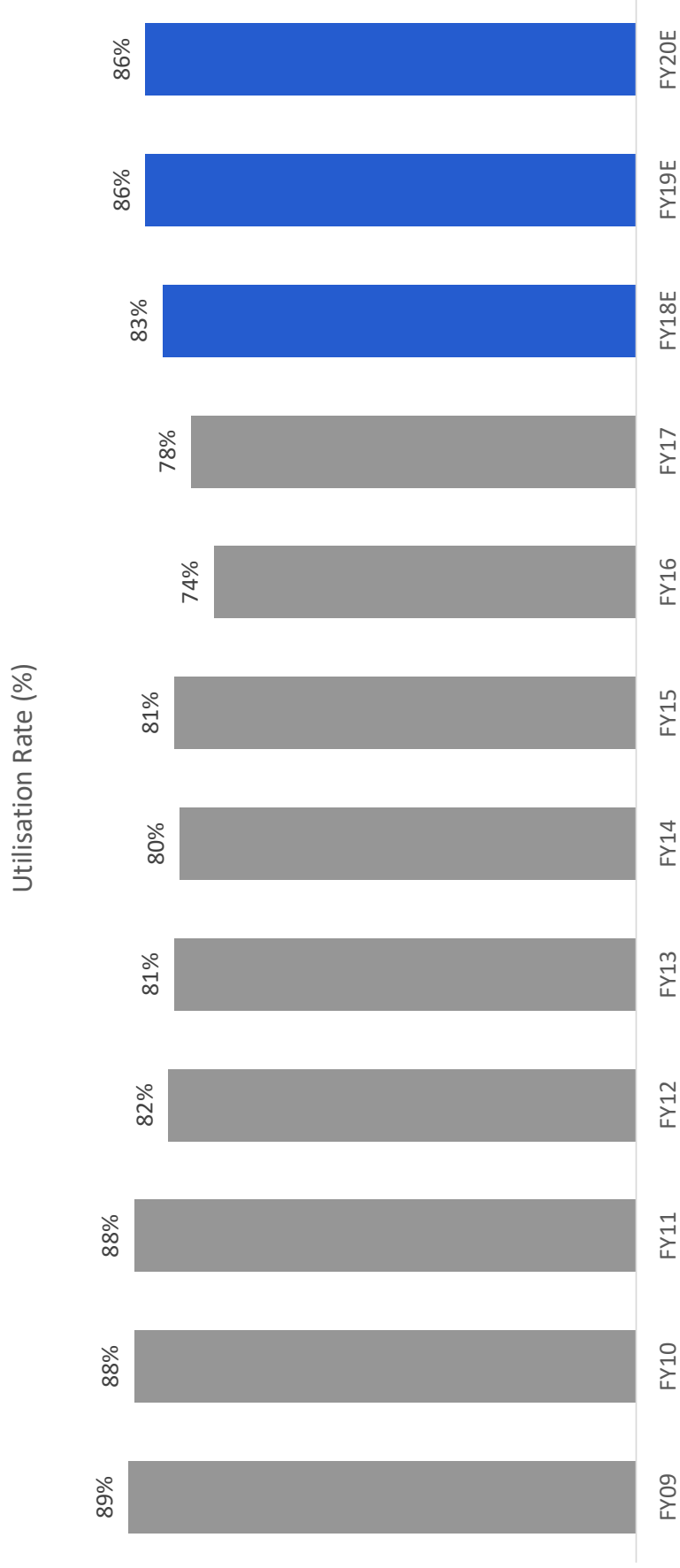


The government targets capacity addition of 100 GW under the 13th Five-Year Plan (2017-22)



Rural India is expected to reach per capita consumption of 12.11 kg to 14 kg for finished steel by 2020

# Global Steel Utilization rates expected to increase



Source: BofA Merrill Lynch Report

# Global Crude Steel Capacities & Utilizations



MIT	Japan			EU 27			Korea		
	2016	2017E	2018E	2016	2017E	2018E	2016	2017E	2018E
Year									
Capacity(Crude steel)	130	129	128	217	218	218	86	86	86
Production(Crude steel)	105	107	107	160	163	166	75	72	71
YoY	0%	2%	0%	-4%	2%	2%	2%	-3%	-1%
Utilization	81%	83%	84%	74%	75%	76%	87%	84%	83%
Apparent Consumption (Finished steel)	62	65	65	152	154	156	56	54	53
YoY	-1%	5%	0%	0%	1%	1%	1%	-3%	-2%

MIT	Russia			World		
	2016	2017E	2018E	2016	2017E	2018E
Year						
Capacity(Crude steel)	82	81	81	2,179	2,116	2,095
Production(Crude steel)	70	71	72	1,631	1,660	1,664
YoY	-1%	1%	2%	0%	2%	0%
Utilization	86%	87%	89%	75%	78%	79%
Apparent Consumption (Finished steel)	36	37	38	1,512	1,555	1,560
YoY	-6%	2%	3%	1%	3%	0%

Source: Goldman Sachs Report

# Refractories Market to mirror Steel Demand



Global Refractories Market size



Source: Industry Reports

2016

2021

Growing at CAGR of 3.32%

**>60%**

Iron & Steel to contribute in  
Product-Demand in Volume  
Terms

**42.5 Mn MT**

Domestic size of  
Refractories Market in  
2016

**15kg/tonne**

Average consumption of  
Refractories per tonne in crude  
steel

**Effective Basic Customs Duty on Refractories increased from 5.15% to 8.25%;  
Beneficial for Domestic Refractories manufacturers**



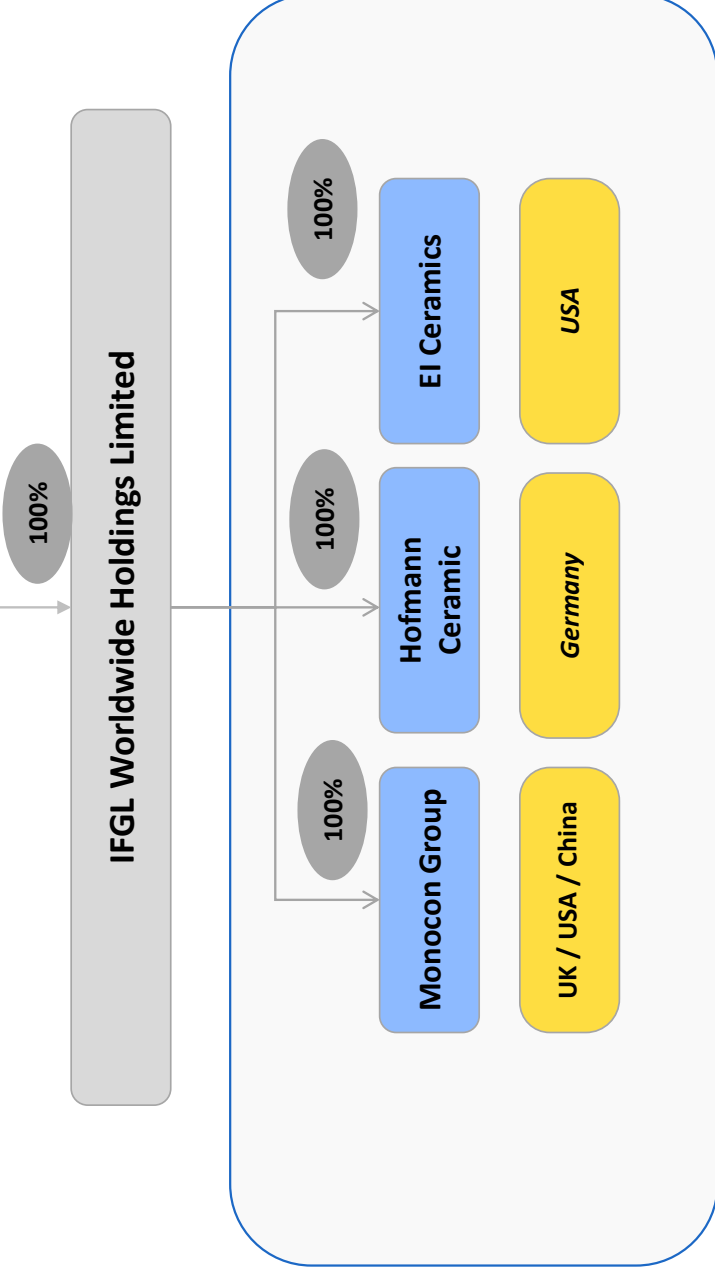
# **Our Performance**

# Corporate Structure...



IFGL Refractories Limited (formerly IFGL Exports Limited)  
3.604 Cr Equity Shares with a Face Value of Rs. 10 each

Plants at Kalunga, Orissa, India  
+  
Plant at Kandla SEZ, Kandla, Gujarat, India



...simplified to create value for shareholders

# Consolidated Profit & Loss



Particulars [Rs. Crs.]	Q3 FY18	Q3 FY17 <sup>^</sup>	Growth%	9M FY18 <sup>^</sup>	9M FY17 <sup>^</sup>	Growth%
Total Income <sup>^</sup>	211.2	183.4	15.2%	609.6	560.1	8.8%
Raw Material	107.3	86.9		307.2	264.9	
Employee Expenses	31.5	30.7		95.0	92.5	
Other Expenses	49.0	43.8		131.1	127.3	
EBITDA	23.5	22.0	6.9%	76.3	75.4	1.2%
EBITDA %	11.1%	12.0%		12.5%	13.5%	
Depreciation	4.2	4.1		12.2	11.8	
Goodwill written off*	6.7	6.7		20.1	20.1	
Finance Cost	1.0	1.0		3.0	3.1	
Profit before Tax	11.6	10.2	13.5%	41.0	40.4	1.6%
Tax	4.9	2.5		13.7	5.9	
Profit after Tax	6.7	7.7	-13.5%	27.3	34.4	-20.7%
Earnings Per Share	1.85	2.13		7.58	9.55	
Cash Profit (Profit after Tax + Deferred Tax + Depreciation + Goodwill written off)	20.2	16.7	21.6%	69.0	63.8	8.1%
Cash Earnings Per Share	5.62	4.62		19.14	17.71	

<sup>^</sup> 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

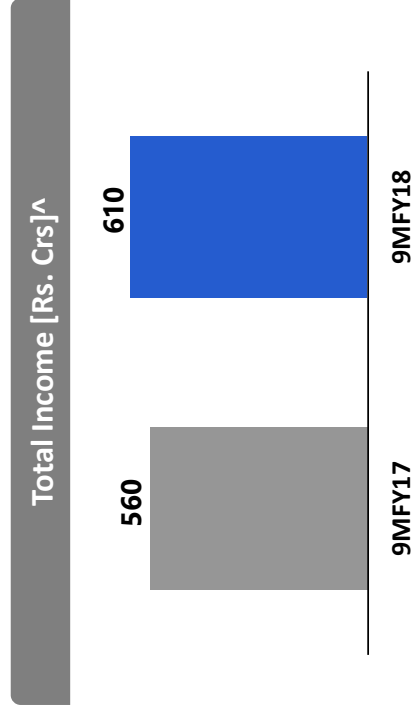
# Consolidated Balance Sheet



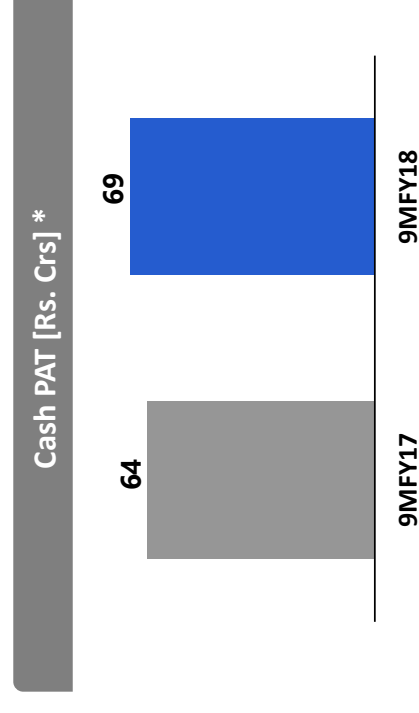
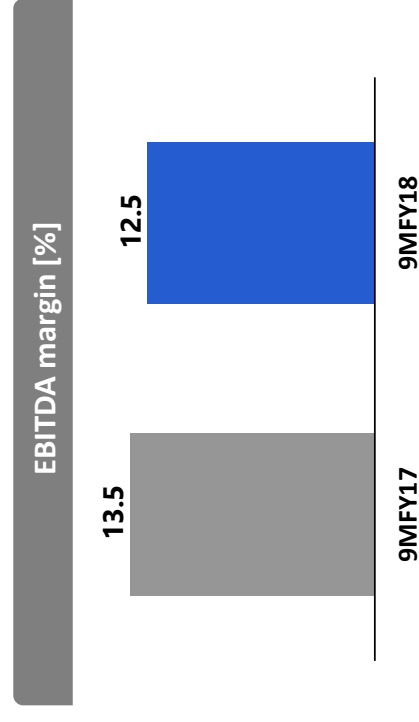
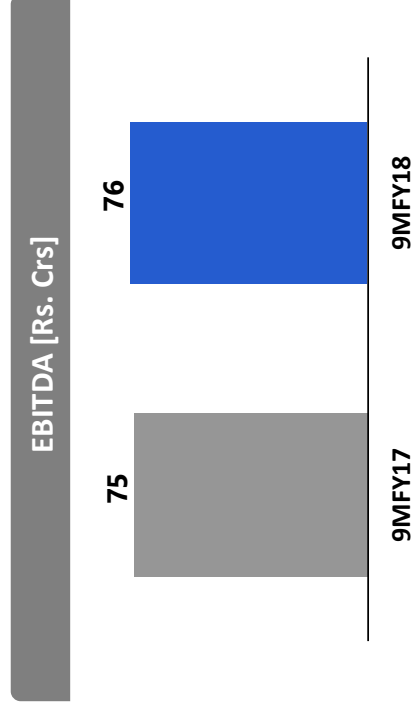
Particulars in [Rs. Crs.]	Sept 17	Particulars in [Rs. Crs.]	Sept 17
<b>Assets</b>		<b>Equity &amp; Liabilities</b>	
Non current Assets	506	Equity	724
Fixed Assets		Share Capital	36
Property Plant & Equipment	121	Other Equity	688
Capital WIP	4	Non controlling interest	0
Goodwill on consolidation	117	<b>Non Current Liabilities</b>	<b>27</b>
Goodwill on amalgamation	227	Financial Liabilities – Borrowings	14
Other Intangible assets	3	Provisions	0
Financial Assets		Deferred Tax Liabilities (Net)	13
Investments	1	<b>Current Liabilities</b>	<b>192</b>
Others	1	Financial Liabilities	
Tax Assets (Net)	15	Borrowings	58
Other Non current Assets	18	Trade Payables	124
<b>Current Assets</b>	<b>436</b>	Other Financial Liabilities	7
Inventories	108	Other Current Liabilities	3
Financial Assets		Provisions	0
Investments	12	<b>Total Equity &amp; Liabilities</b>	<b>942</b>
Trade Receivables	237		
Cash & cash equivalents	61		
Bank Balances	1		
Other Financial Assets	2		
Other Current Assets	15		
<b>Total Assets</b>	<b>942</b>		



# Consolidated Financial Highlights as per IndAS

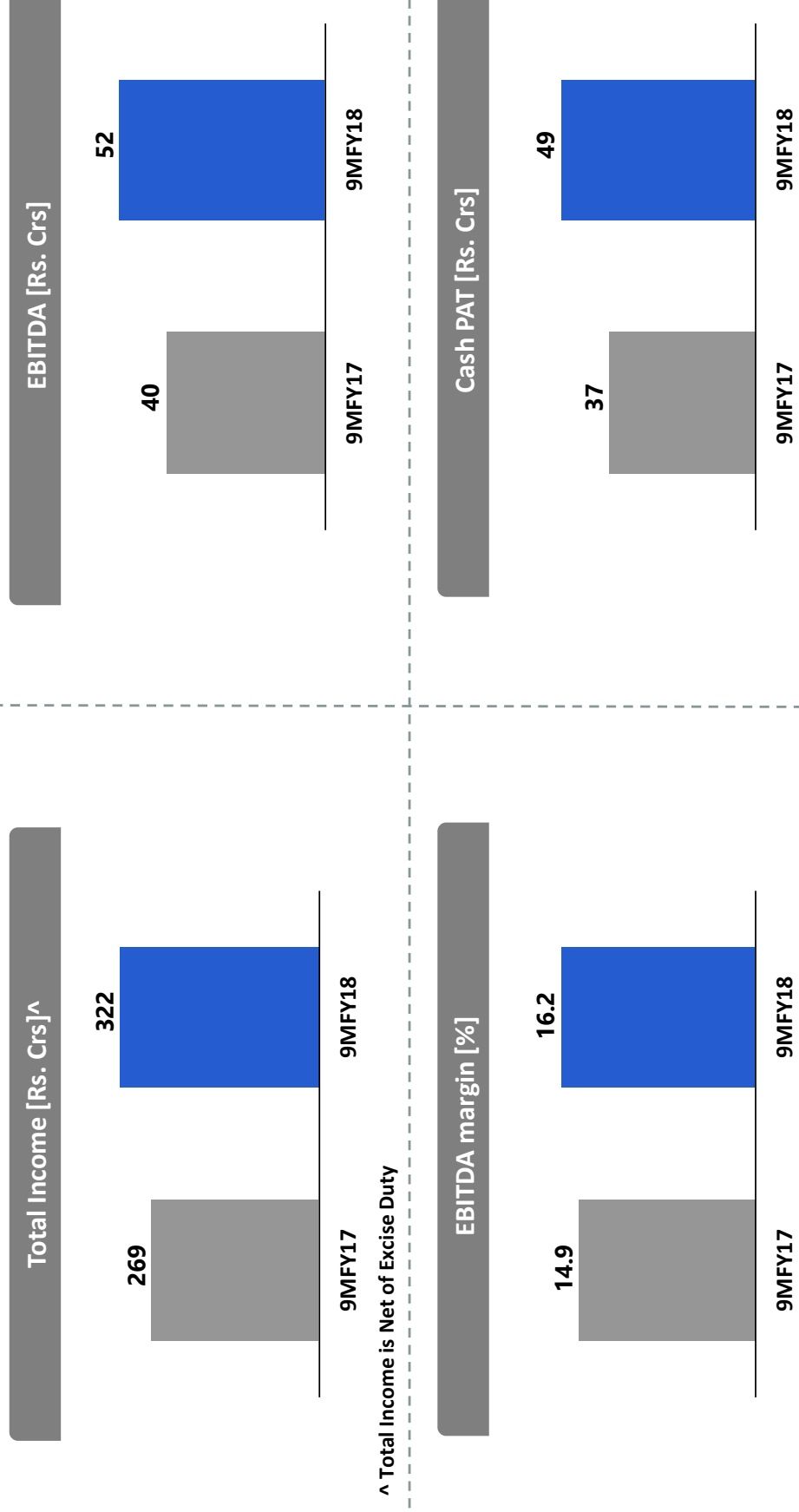


^ Total Income is Net of Excise Duty



\*Cash PAT Includes Profit after Tax, Deferred tax, Depreciation and Goodwill written off on account of Merger

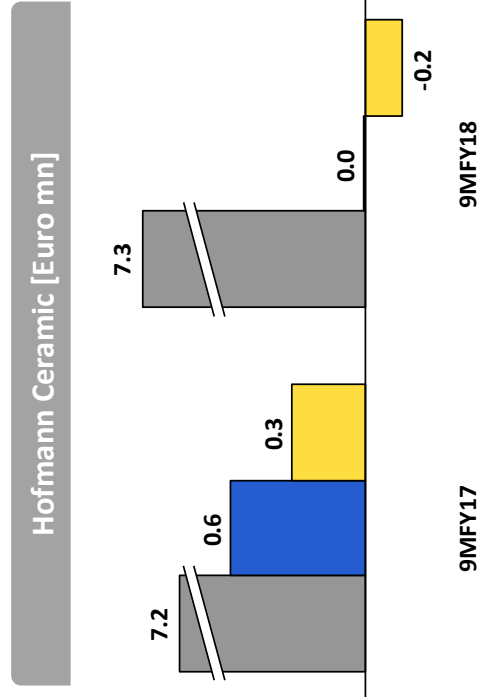
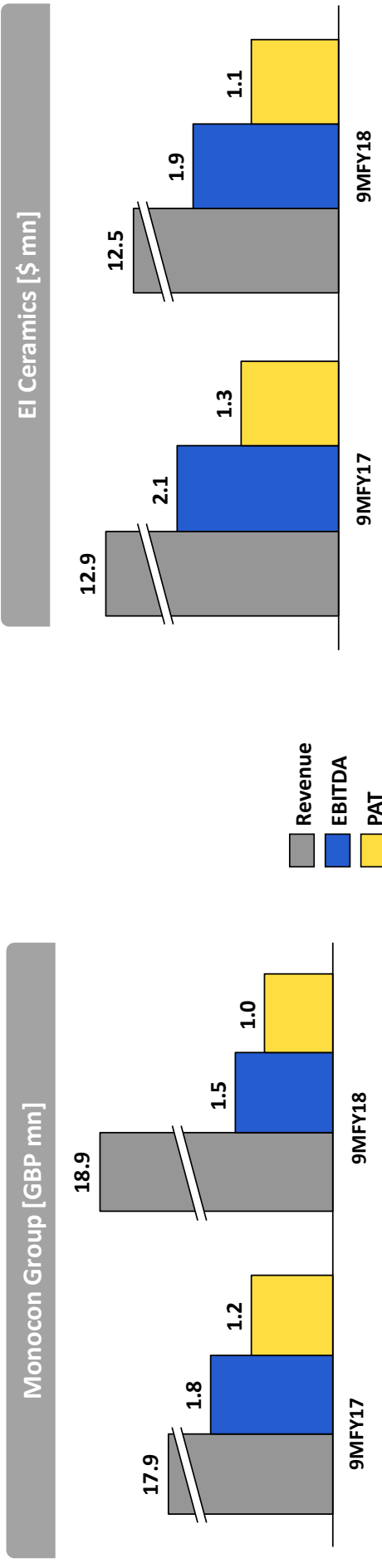
# Standalone Financial Highlights as per IndAS



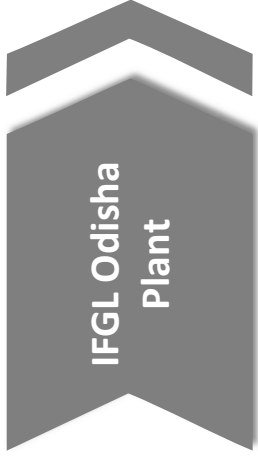
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\*Cash PAT Includes Profit after Tax, Deferred tax, Depreciation and Goodwill written off on account of Merger

# Subsidiaries Performance

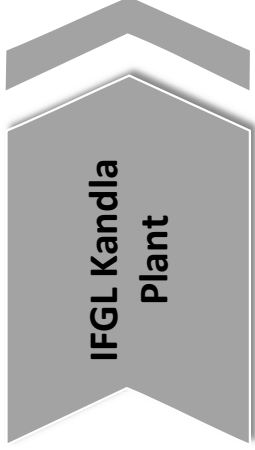


# Ongoing Capex in FY18 to boost performance



IFGL Odisha  
Plant

~Rs. 10Cr Capex: To augment SGR & Zirconia  
Nozzles manufacturing facilities



IFGL Kandla  
Plant

~Rs. 10Cr Capex: To increase the present capacity of ISO  
products from 160,000 pcs p.a. to 240,000 pcs p.a.



Hofmann  
Germany Plant

~Euro 2mn Capex: Capacity Increase  
Automation  
Efficiency Enhancement

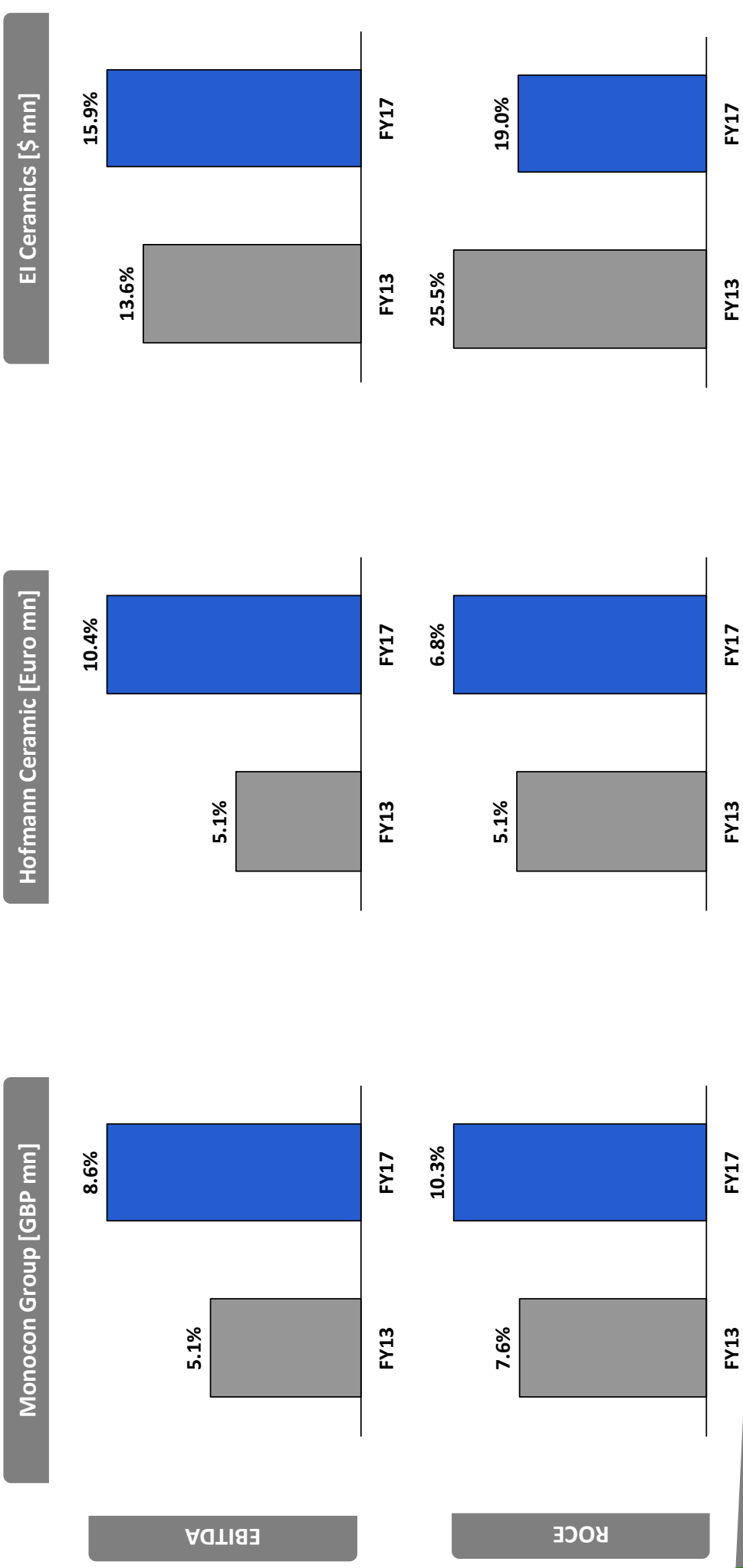
# Consistently performing over the years...



Particulars [Rs. Crs.]	FY13	FY14	FY15	FY16	FY17	CAGR
Total Income	676.8	781.0	793.5	722.1	768.3	6.4%
Raw Material	352.3	378.0	406.1	365.2	362.0	
Employee Expenses	98.7	110.0	117.9	119.6	125.4	
Other Expenses	163.2	181.0	170.6	156.1	183.4	
EBITDA	62.7	113.0	98.9	81.2	97.5	20.1%
EBITDA %	9.3%	14.5%	12.5%	11.2%	12.7%	
Depreciation & Amortization	13.4	15.0	14.3	15.6	17.4	
Goodwill written off*	-	-	-	-	26.8	
Finance Cost	8.0	7.0	5.9	4.8	4.5	
Profit before Tax and Minority Interest (MI)	41.3	91.0	78.7	60.9	48.8	-19.9%
Tax	15.9	25.0	25.4	15.7	4.6	
Profit after Tax & before MI	25.4	66.0	53.3	45.2	44.2	-2.2%
Minority Interest	-2.8	2.0	0.2	3.2	0.0	
Profit after Tax & MI	28.2	64.0	53.1	41.9	44.2	5.5%
Cash Profit (PAT + Goodwill written off + Depreciation)	41.6	79.0	67.4	57.5	88.3	53.6%
Cash EPS (Rs. Per share)	12.01	22.83	19.47	16.61	24.50	

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

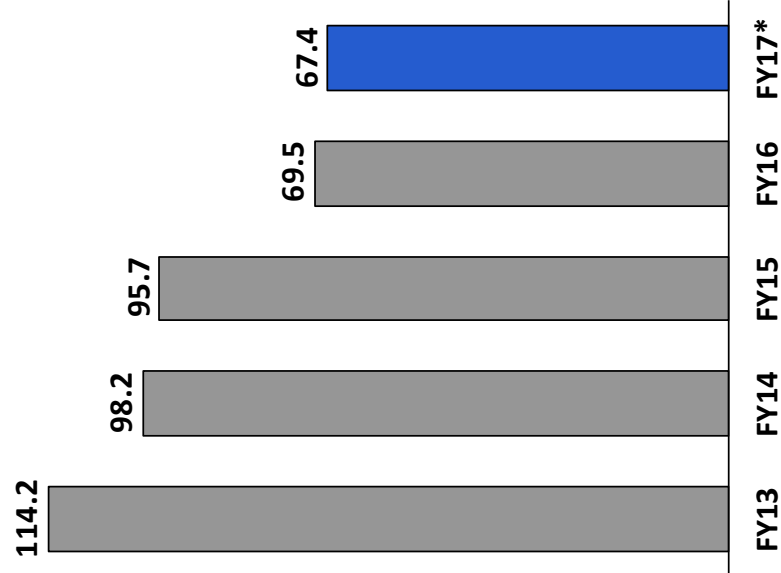
# ...with steady overseas subsidiaries performance...



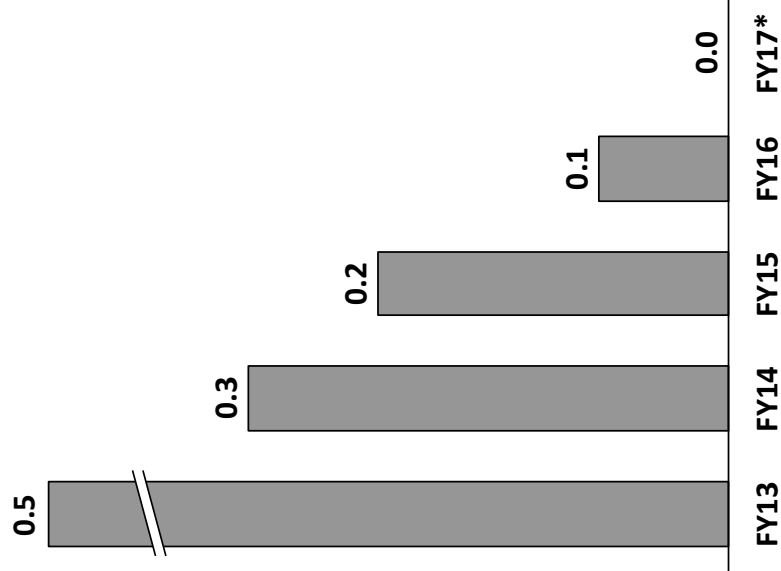
# ...to create sustainable value for Shareholders....



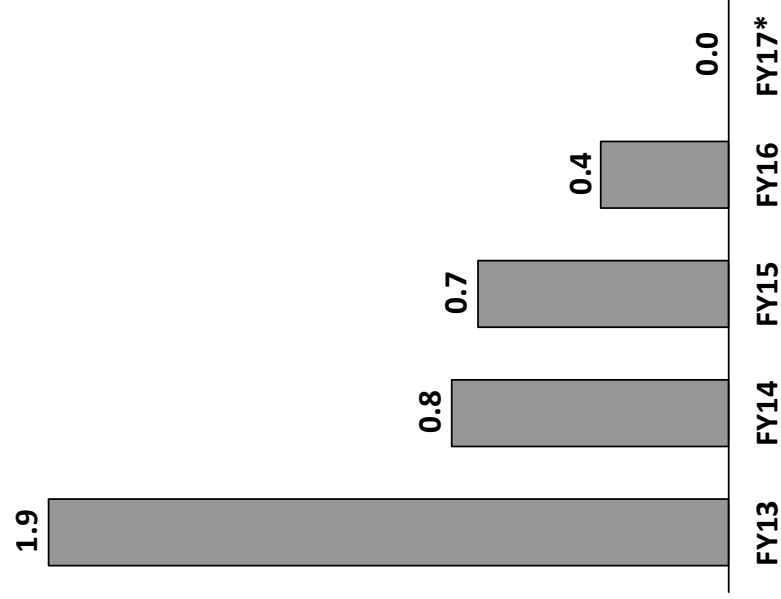
Gross Debt (Rs. Crs.)



Net Debt : Equity [x]

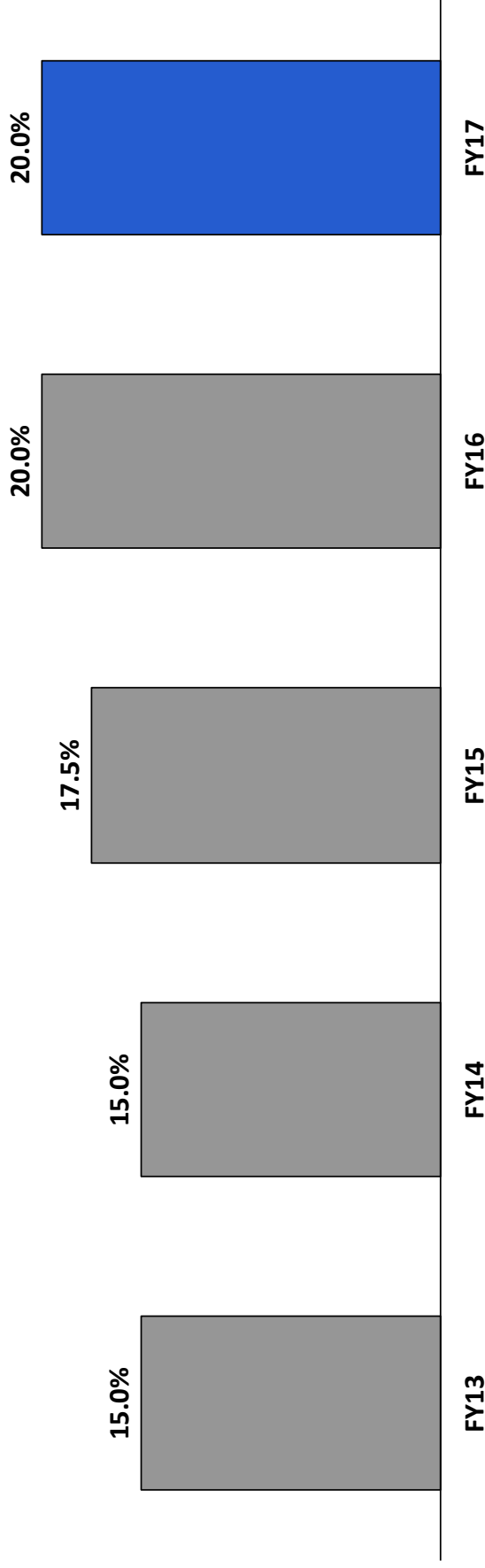


Net Debt : EBITDA [x]



\* Figures post Merger

## ...with consistent Payout



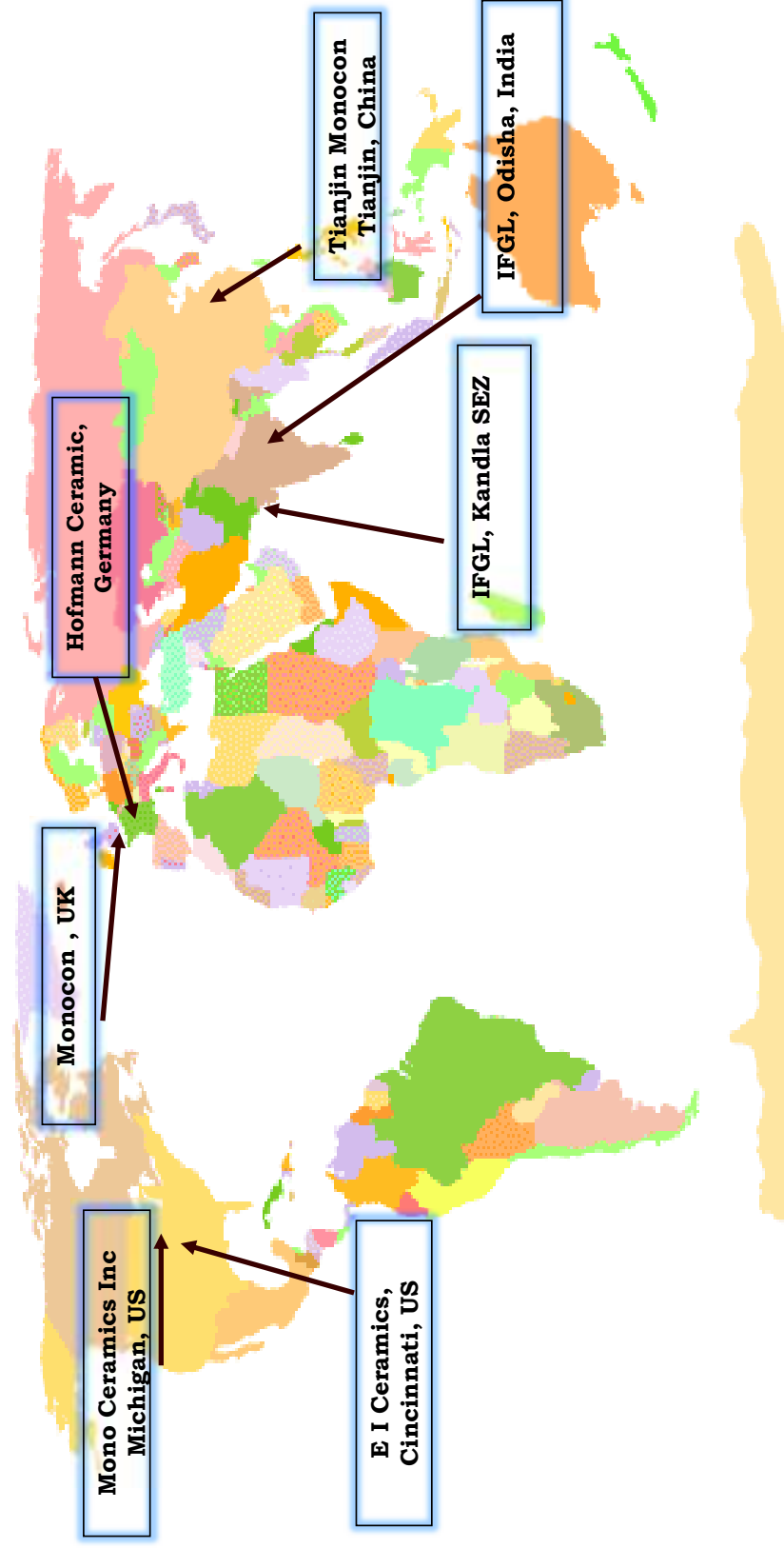
Particulars (Rs.)	FY13	FY14	FY15	FY16	FY17
Consolidated Book Value per Share	70.9	95.1	99.6	111.7	189.9
Consolidated Earning Per Share	7.9	18.3	15.1	12.1	12.6
Dividend Per Share	1.5	1.75	2.00	2.00	2.00





# 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

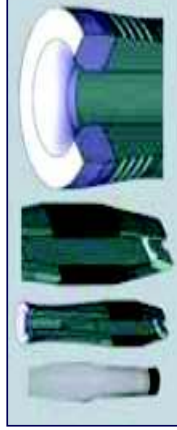
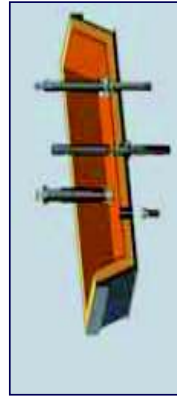


- Associated with IFGL from the very early days of Indo Flogates, even before the start of production in 1984. Has been Director & Chief Executive of erstwhile Indo Flogates Ltd.
- More than 30 years of experience of Refractory Industry and has been involved in various capacities in Indian Refractories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

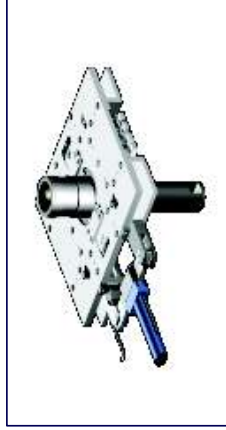
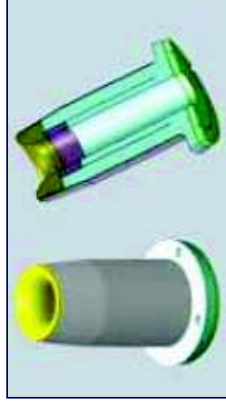
# ...serving the specialized refractory segment...



Isostatic Refractories



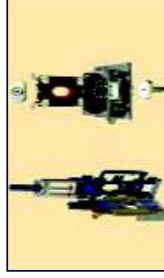
Tube Changer Refractories & System



Cast Products & Zirconia Nozzles



Slide Gate Refractories & Systems



Purging System & Refractories



Foundry Ceramics







**For further information, please contact:**

**Company :**

**IFGL Refractories Ltd. (formerly IFGL Exports Ltd.)**

CIN - L51909OR2007PLC027954

Mr. Rajesh Agrawal

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[www.ifglref.com](http://www.ifglref.com)

**Investor Relations Advisors :**

**Strategic Growth Advisors Pvt. Ltd.**

CIN - U74140MH2010PTC204285

Mr. Shogun Jain / Mr. Pratik R. Shah

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