



**IFGL REFRACTORIES LIMITED**

**Head & Corporate Office :**

3, Netaji Subhas Road, Kolkata - 700 001, India  
Phone : +91 33 40106100, Fax : +91 33 22430886  
E-mail : ifgl.ho@ifgl.in, Websites : www.ifglref.com

18<sup>th</sup> February, 2019

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

Encl : as above

**COMMITTED TO  
CLEAN METAL**



# IFGL Refractories Limited

(Formerly IFGL Exports Limited)

Investor Presentation  
February 2019



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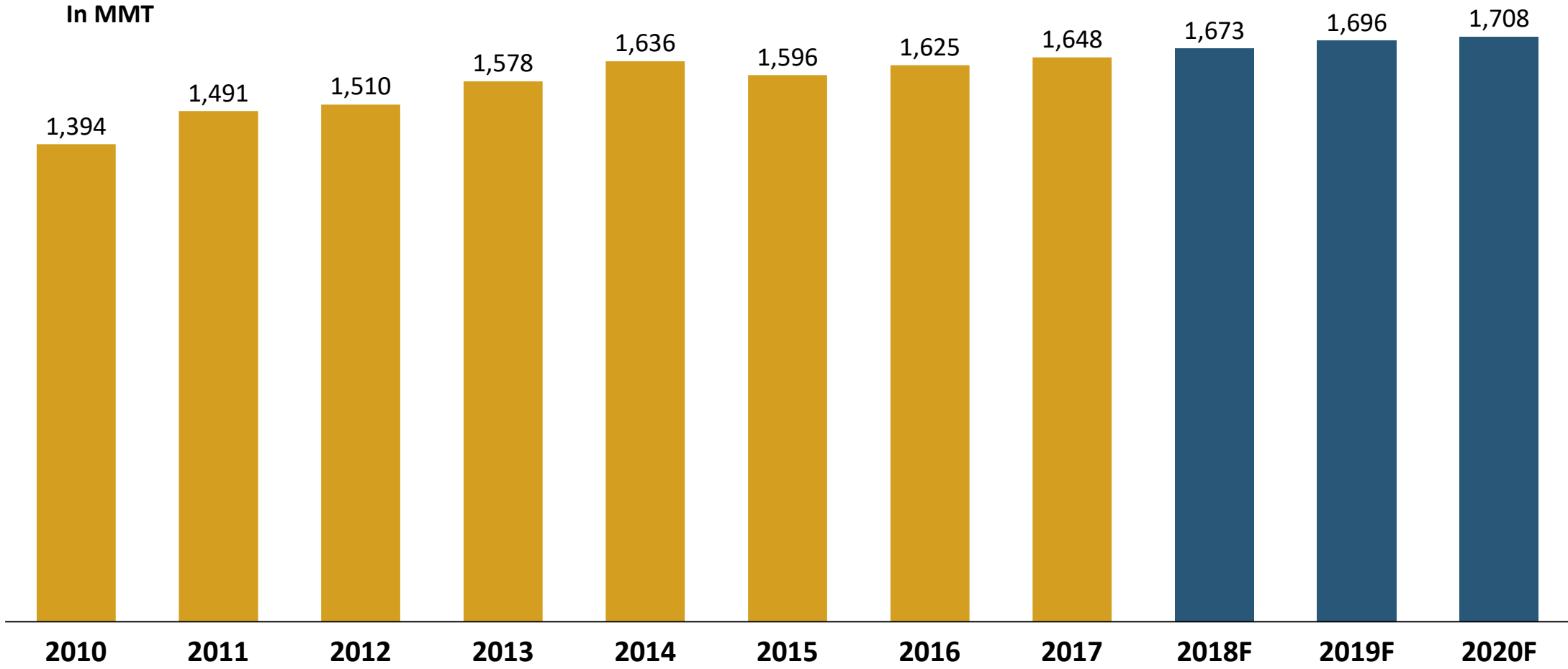
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The background features a white central area with two large triangles: a dark blue triangle on the left and a gold triangle on the right, both pointing towards the center.

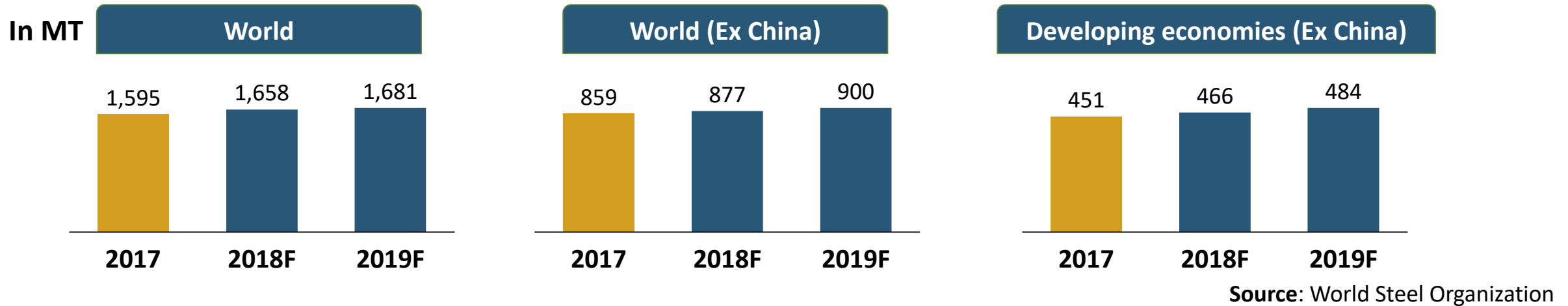
# **Industry Overview**

# Global Steel Production outlook



Source: Statista.com

# Global Steel Demand outlook



## Reasons contributing to growth



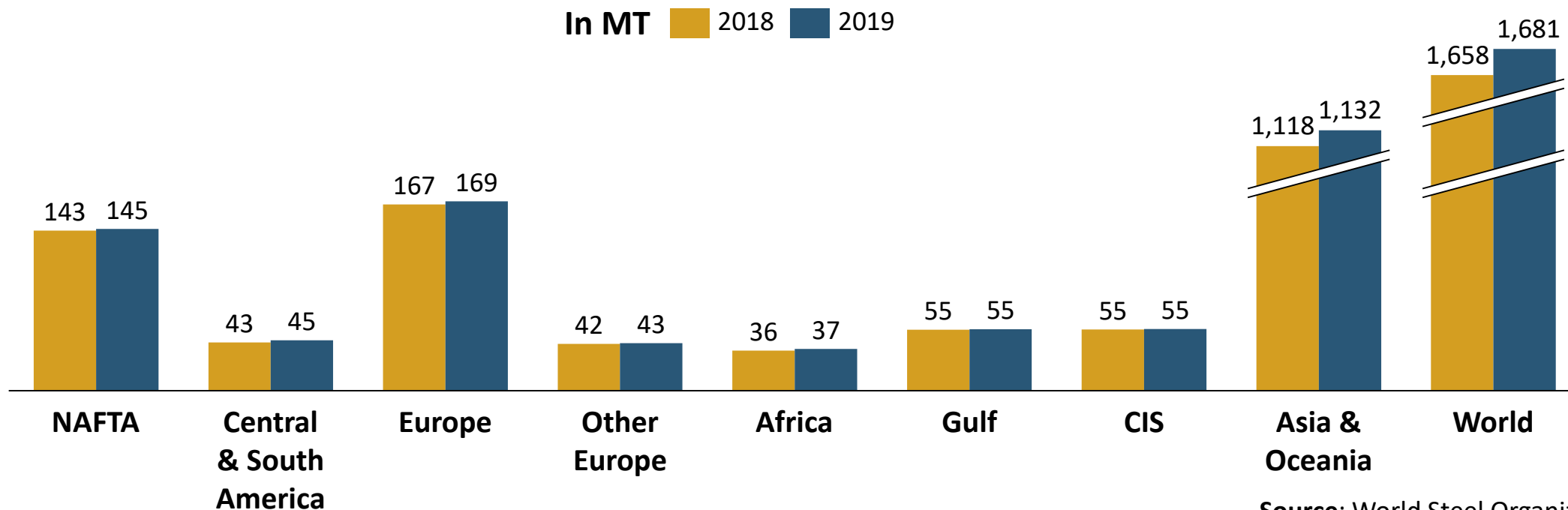
### ➤ Global outlook:

- 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

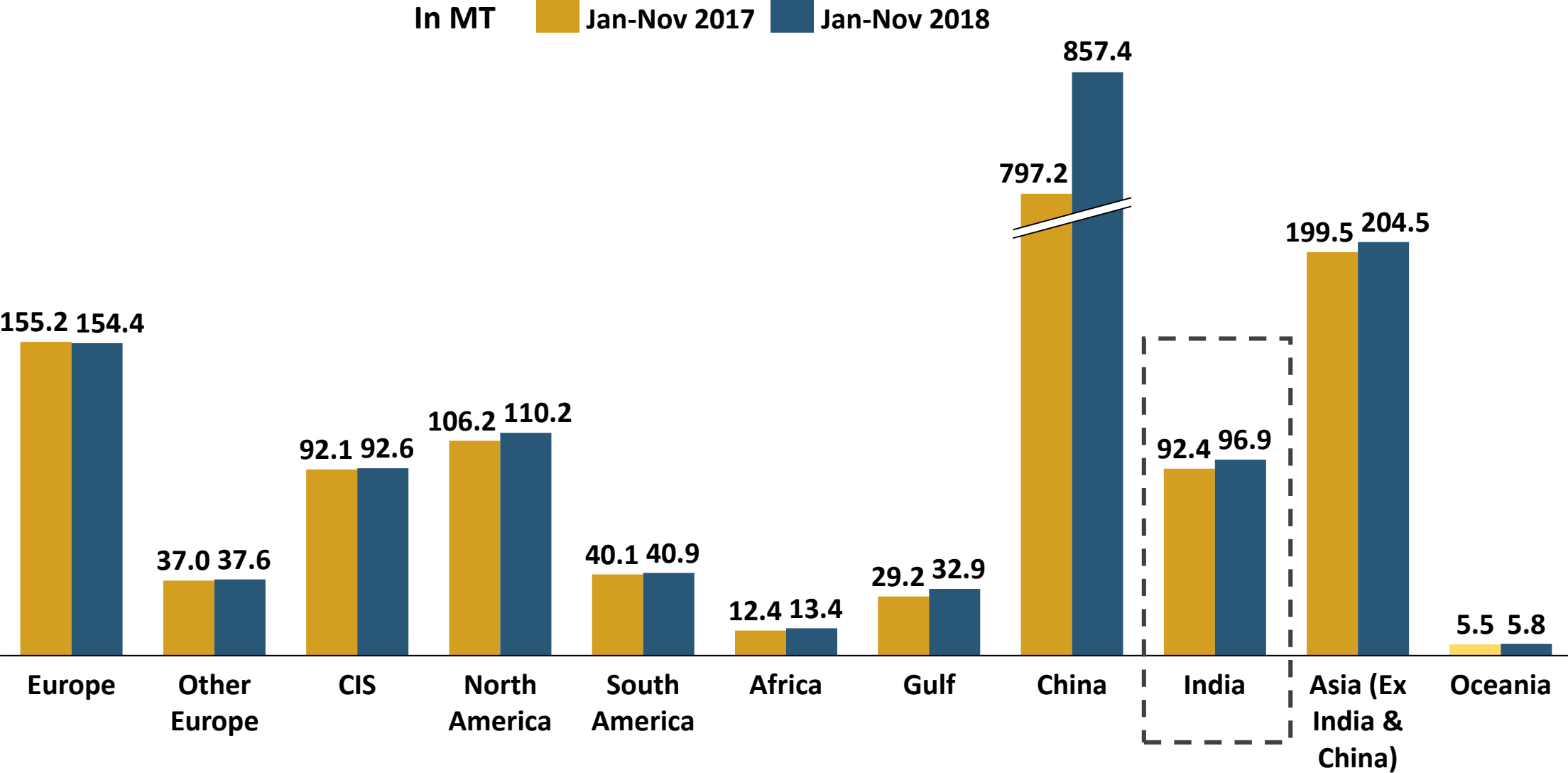
# Forecasted Short Term Steel Demand



Source: World Steel Organization

- 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

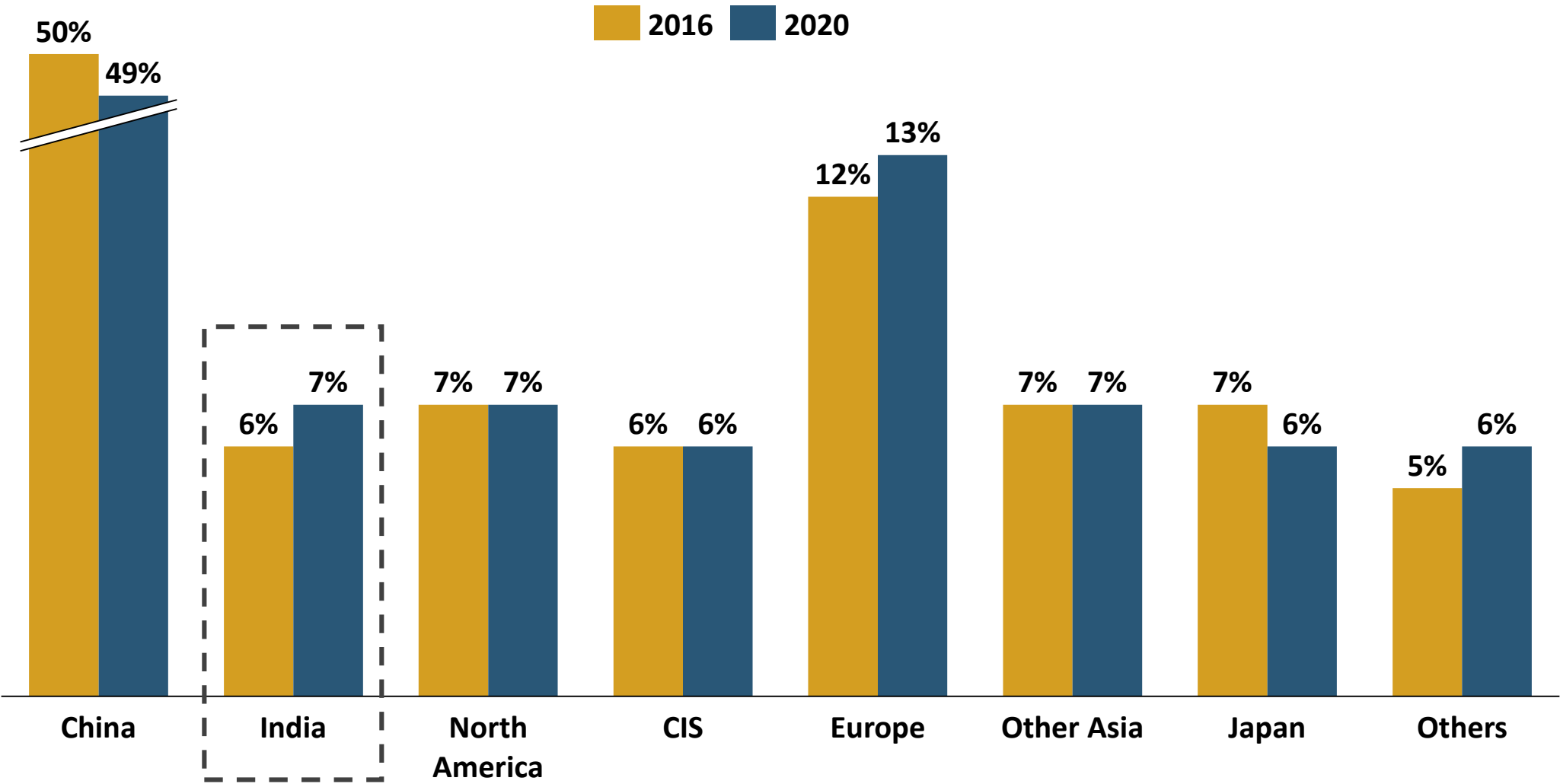
# Global Steel production on the rise



Source: World Steel Organization

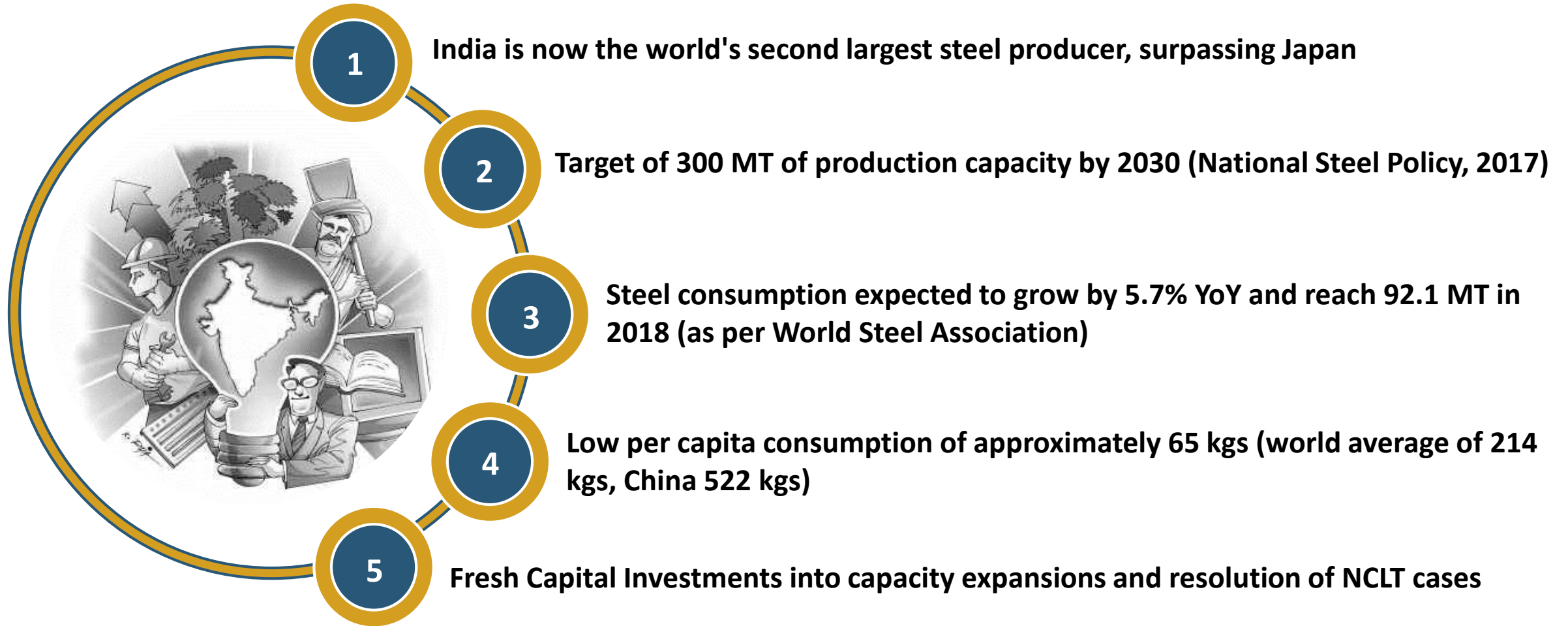


# India's share in Global Steel production expected to rise

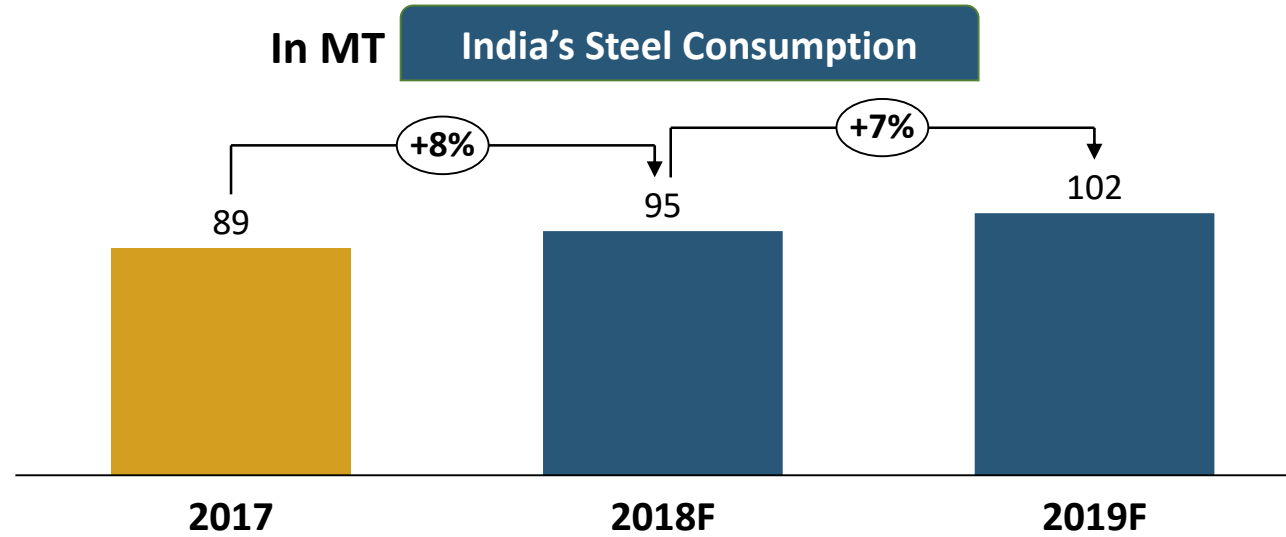


Source: BofA Merrill Lynch Report

# Domestic Steel Industry on a strong footing



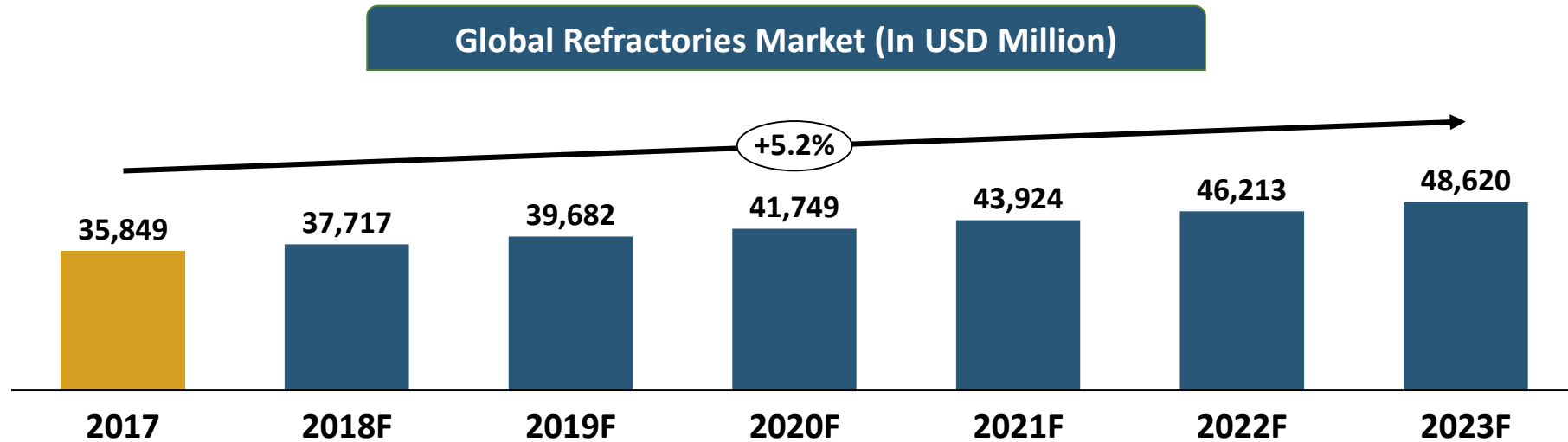
# Strong Domestic consumption



Particulars (in MTPA)	FY17	FY18F	YoY%	FY19E	YoY%
<b>India</b>	<b>88.7</b>	<b>95.4</b>	<b>8%</b>	<b>102.3</b>	<b>7%</b>
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 Market outlook (2018-2023)



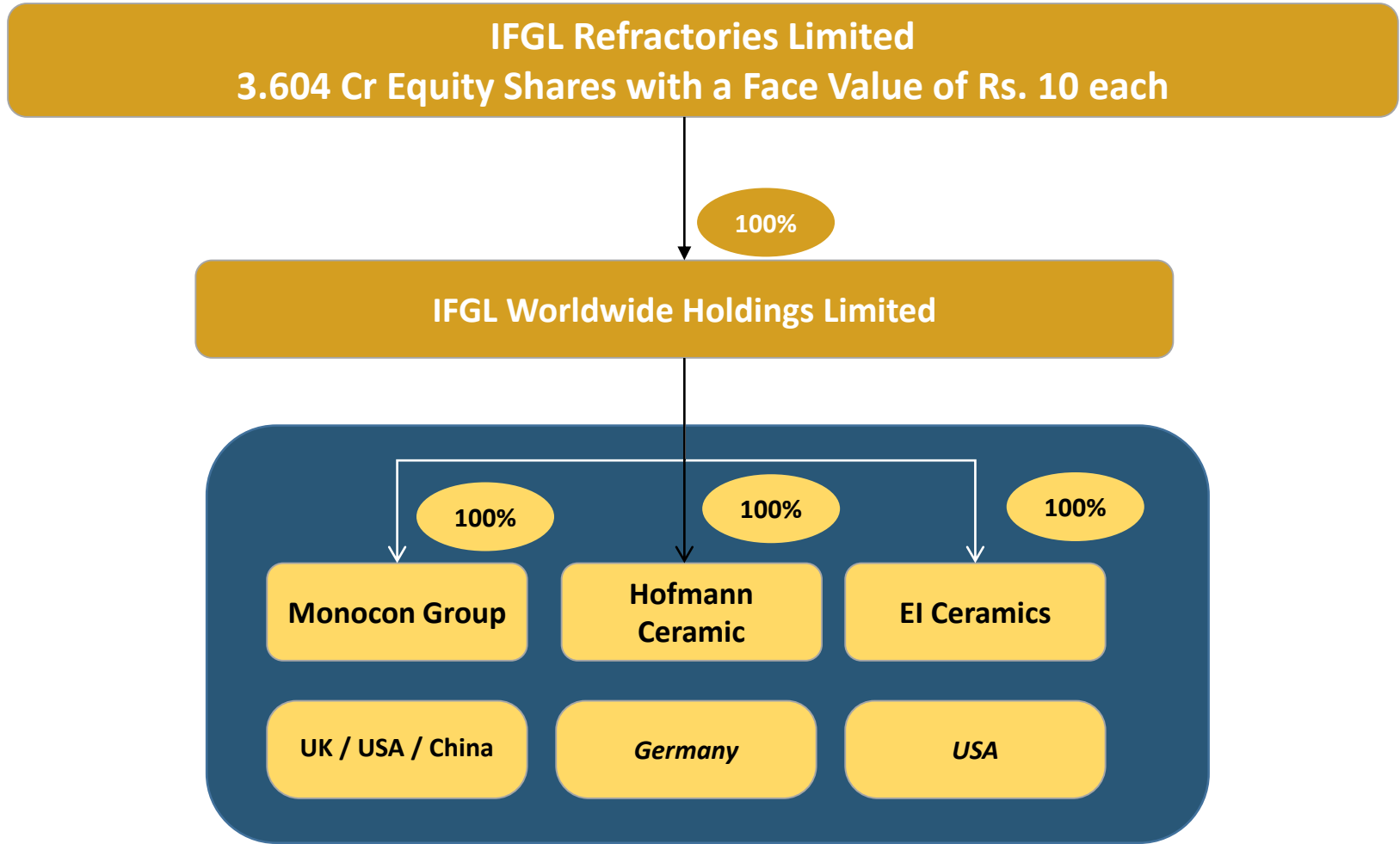
## Reasons contributing to growth



- Global Refractories Market is estimated to grow at a CAGR of 5.2% and reach a size of \$ 48,620 Million by 2023
- India is expected to exhibit promising growth in the global refractories market and grow at a similar rate
- Asian countries, such as China, Japan, India, Korea and ASEAN are showing good traction in demand
- The rise in Demand can be attributed to increased Capital Investments in various sectors as well as increased infrastructure & construction activities



# **Our Performance**



*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 FY19	Q3 FY18	Growth%	9M FY19	9M FY18^	Growth%
<b>Total Income</b>	<b>235.9</b>	<b>211.2</b>	<b>11.7%</b>	<b>694.9</b>	<b>609.6</b>	<b>14.0%</b>
Materials consumed	117.8	107.3		338.3	307.2	
Employee Expenses	38.3	31.5		110.7	95.0	
Other Expenses	55.6	49.0		158.6	131.1	
<b>EBITDA</b>	<b>24.3</b>	<b>23.5</b>	<b>3.3%</b>	<b>87.4</b>	<b>76.3</b>	<b>14.5%</b>
<b>EBITDA %</b>	<b>10.3%</b>	<b>11.1%</b>		<b>12.6%</b>	<b>12.5%</b>	
Depreciation	5.2	4.2		14.2	12.2	
Goodwill written off*	6.7	6.7		20.1	20.1	
Finance Cost	1.4	1.0		3.2	3.0	
<b>Profit before Tax</b>	<b>11.0</b>	<b>11.6</b>	<b>-5.0%</b>	<b>49.8</b>	<b>41.0</b>	<b>21.5%</b>
Tax	2.8	4.9		12.4	13.7	
<b>Profit after Tax</b>	<b>8.2</b>	<b>6.7</b>	<b>23.8%</b>	<b>37.4</b>	<b>27.3</b>	<b>37.0%</b>
<b>Profit after Tax %</b>	<b>3.5%</b>	<b>3.1%</b>		<b>5.4%</b>	<b>4.5%</b>	
<b>Cash Profit after Tax</b>	<b>20.4</b>	<b>20.2</b>	<b>0.9%</b>	<b>73.6</b>	<b>69.0</b>	<b>6.7%</b>
<b>Earnings Per Share (Rs.)</b>	<b>2.28</b>	<b>1.85</b>		<b>10.38</b>	<b>7.58</b>	

^ 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 = Profit after Tax + Deferred tax + Depreciation + Goodwill written off on account of Merger

# Consolidated Balance Sheet

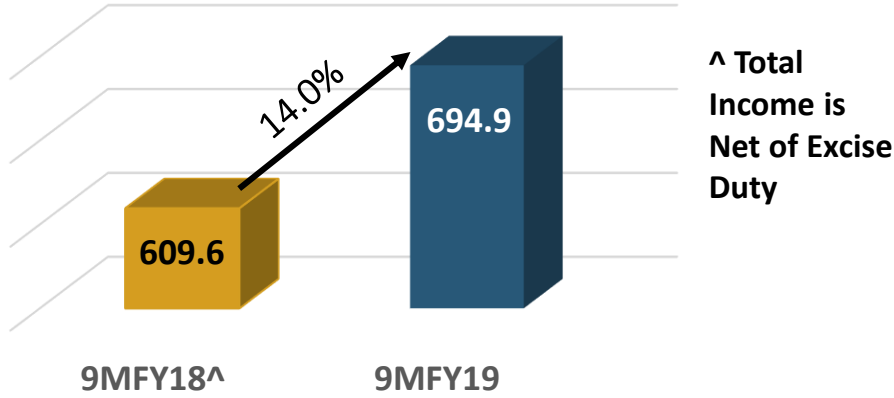
Particulars in Rs. Crs.	Sep-18	Mar-18
<b>Assets</b>		
<b>Non current Assets</b>	<b>497</b>	<b>493</b>
<b>Fixed Assets</b>		
Property Plant & Equipment	125	122
Capital WIP	11	8
Goodwill	120	122
Other Intangible assets	217	217
<b>Financial Assets</b>		
Investments	1	1
Others	2	2
Tax Assets (Net)	13	10
Other Non current Assets	9	11
<b>Current Assets</b>	<b>543</b>	<b>506</b>
Inventories	155	108
<b>Financial Assets</b>		
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
<b>Total Assets</b>	<b>1,040</b>	<b>999</b>

Particulars in Rs. Crs.	Sep-18	Mar-18
<b>Equity &amp; Liabilities</b>		
<b>Equity</b>	<b>790</b>	<b>752</b>
Share Capital	36	36
Other Equity	754	716
<b>Non Current Liabilities</b>	<b>29</b>	<b>24</b>
<b>Financial Liabilities – Borrowings</b>	<b>19</b>	<b>21</b>
Provisions	0	0
Deferred Tax Liabilities (Net)	10	3
<b>Current Liabilities</b>	<b>220</b>	<b>223</b>
<b>Financial Liabilities</b>		
Borrowings	79	86
Trade Payables	130	125
Other Financial Liabilities	10	10
Other Current Liabilities	1	1
Provisions	0	1
<b>Total Equity &amp; Liabilities</b>	<b>1,040</b>	<b>999</b>

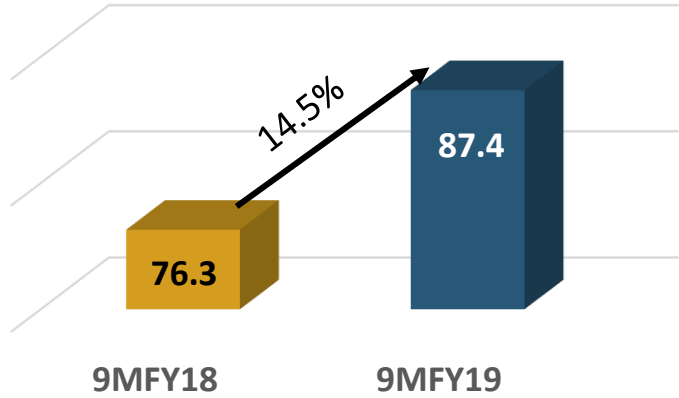


# 9MFY19 Consolidated Financial Highlights

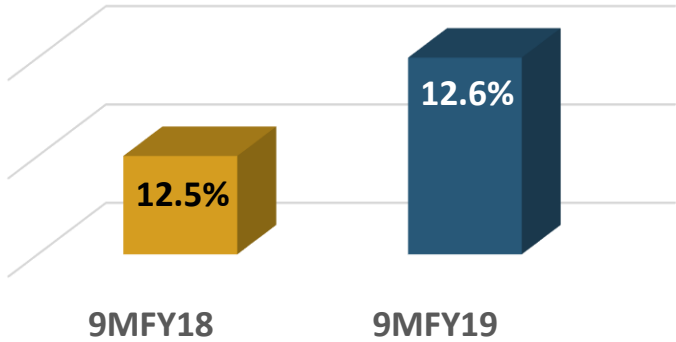
## Total Income [Rs. Crs]



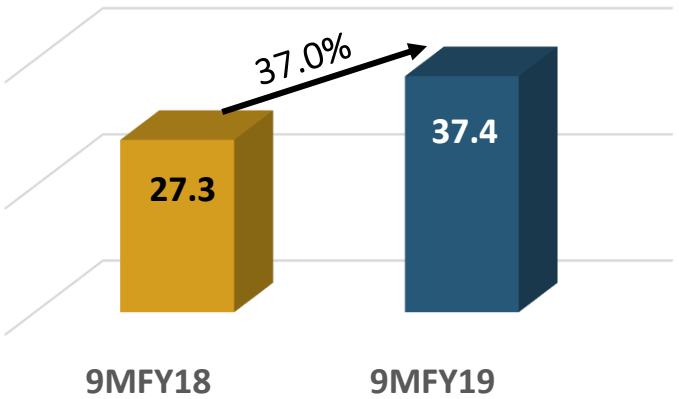
## EBITDA [Rs. Crs]



## EBITDA margin [%]

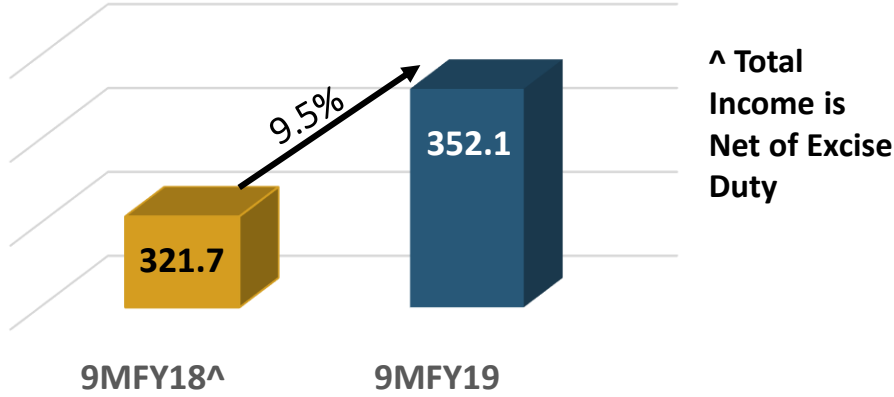


## PAT [Rs. Crs]

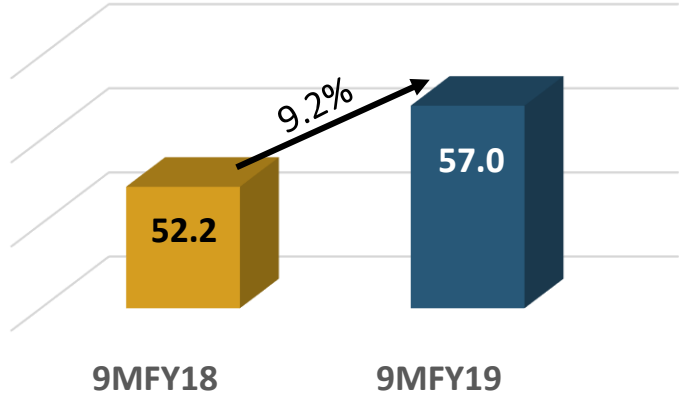


# 9MFY19 Standalone Financial Highlights

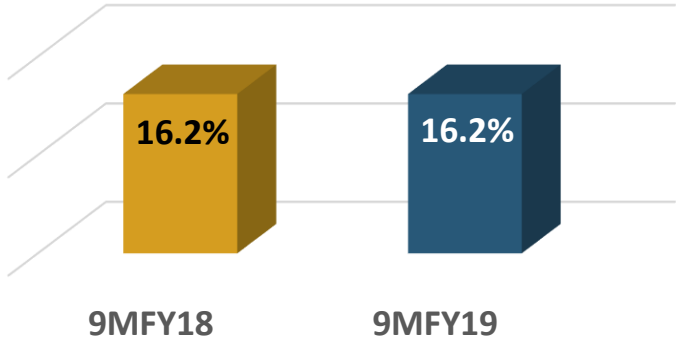
## Total Income [Rs. Crs]



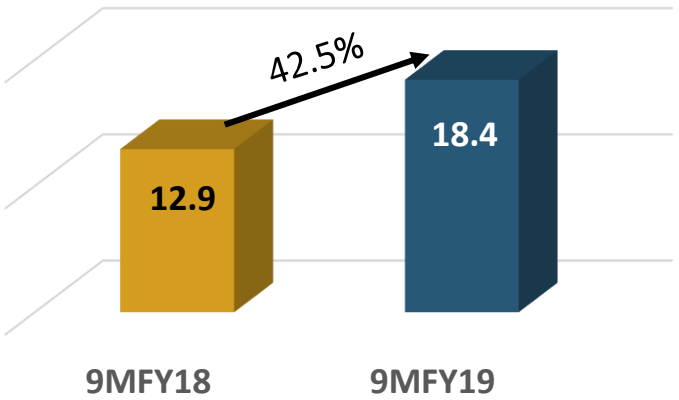
## EBITDA [Rs. Crs]



## EBITDA margin [%]



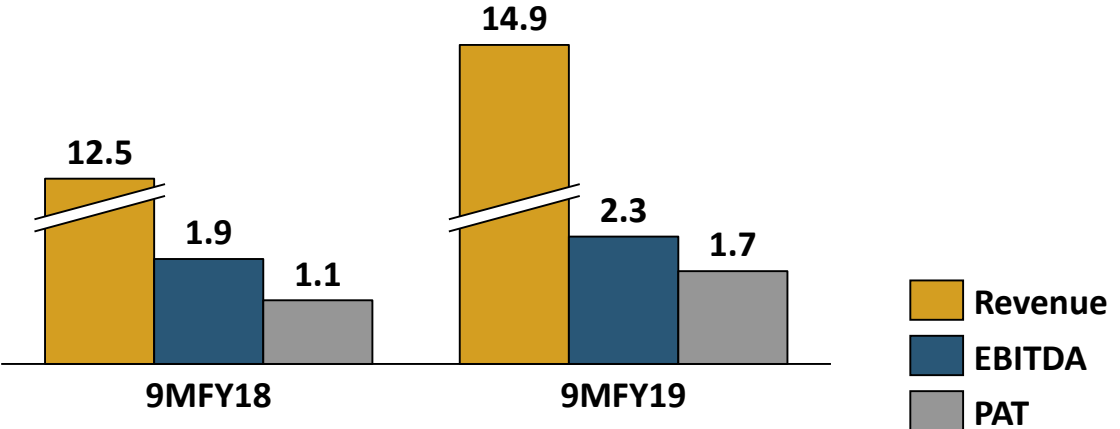
## PAT [Rs. Crs]



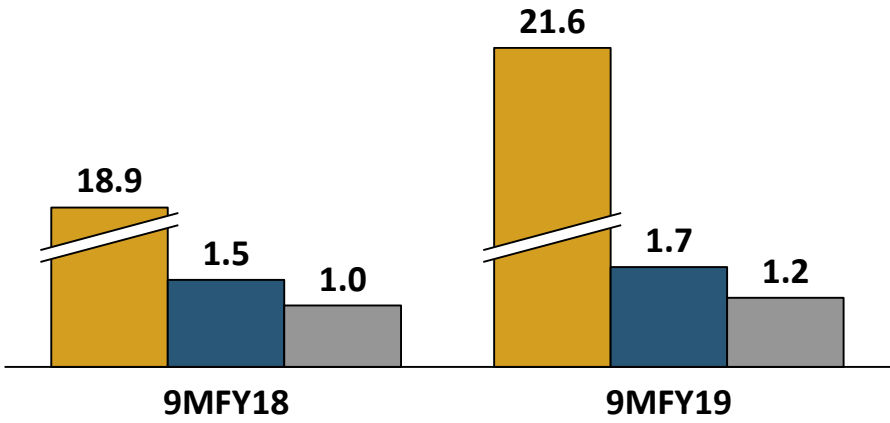
# Subsidiaries Performance



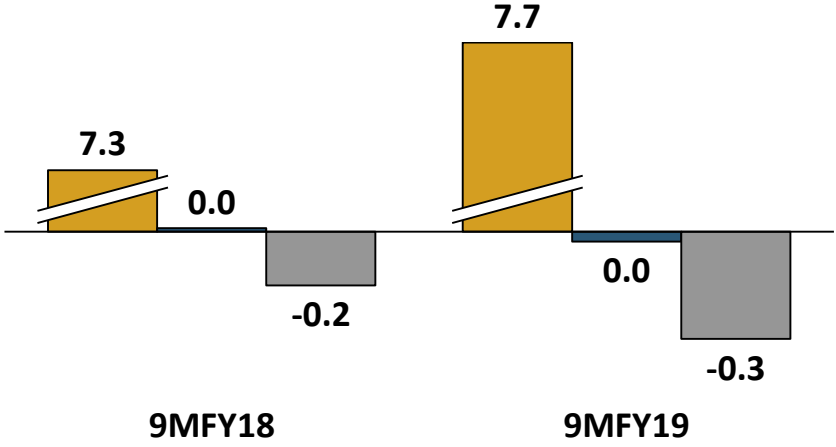
**El Ceramics [\$ mn]**



**Monocon Group [GBP mn]**



**Hofmann Ceramic [Euro mn]**



# Ongoing Capex to boost performance



~Rs. 8 Cr : Capex towards de-bottlenecking and re-balancing



~Rs. 29 Cr : For introduction of new products  
Phase 1 capex to be completed by March 2021



Allotment of land

# Consistently performing over the years...

Particulars [Rs. Crs.]	FY14 <sup>^</sup>	FY15 <sup>^</sup>	FY16 <sup>^</sup>	FY17 <sup>^</sup>	FY18 <sup>^</sup>	CAGR
<b>Total Income</b>	<b>781.0</b>	<b>793.5</b>	<b>722.1</b>	<b>769.5</b>	<b>839.7</b>	<b>9.1%</b>
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	
<b>EBITDA</b>	<b>113.0</b>	<b>98.9</b>	<b>81.2</b>	<b>103.1</b>	<b>110.3</b>	<b>7.0%</b>
<b>EBITDA %</b>	<b>14.5%</b>	<b>12.5%</b>	<b>11.2%</b>	<b>13.4%</b>	<b>13.1%</b>	
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	
<b>Profit before Tax and Minority Interest (MI)</b>	<b>91.0</b>	<b>78.7</b>	<b>60.9</b>	<b>54.5</b>	<b>62.6</b>	<b>14.7%</b>
Tax	25.0	25.4	15.7	4.6	15.5	
<b>Profit after Tax &amp; before MI</b>	<b>66.0</b>	<b>53.3</b>	<b>45.2</b>	<b>50.0</b>	<b>47.1</b>	<b>-5.7%</b>
Minority Interest	2.0	0.2	3.2	0.0	0.0	
<b>Profit after Tax &amp; MI</b>	<b>64.0</b>	<b>53.1</b>	<b>41.9</b>	<b>50.0</b>	<b>47.1</b>	<b>-5.7%</b>
<b>Cash Profit</b>	<b>79.0</b>	<b>67.4</b>	<b>57.5</b>	<b>83.6</b>	<b>99.8</b>	<b>19.4%</b>
<b>Earnings Per share (Rs.)</b>	<b>18.25</b>	<b>15.12</b>	<b>12.12</b>	<b>13.86</b>	<b>13.07</b>	

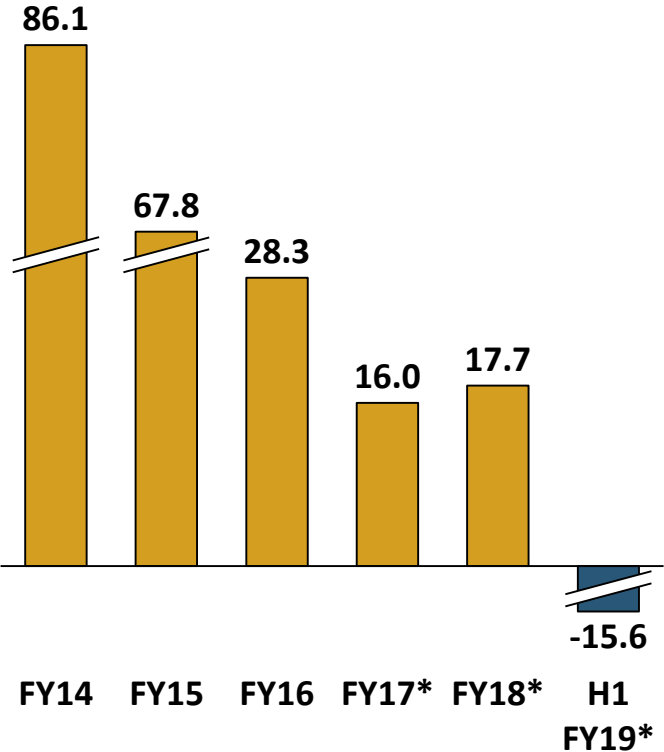
<sup>^</sup> Total Income is Net of Excise Duty

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

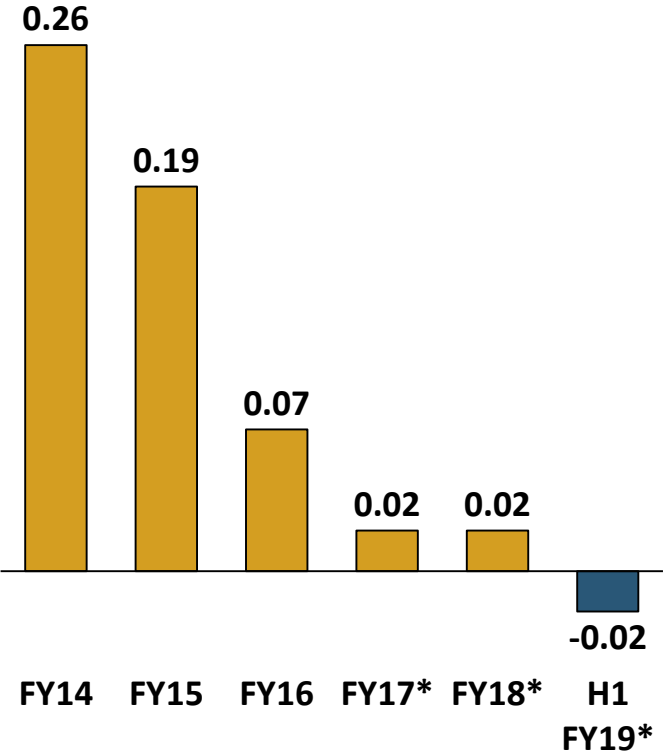
Cash PAT = Profit after Tax + Deferred tax + Depreciation + Goodwill written off on account of Merger

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

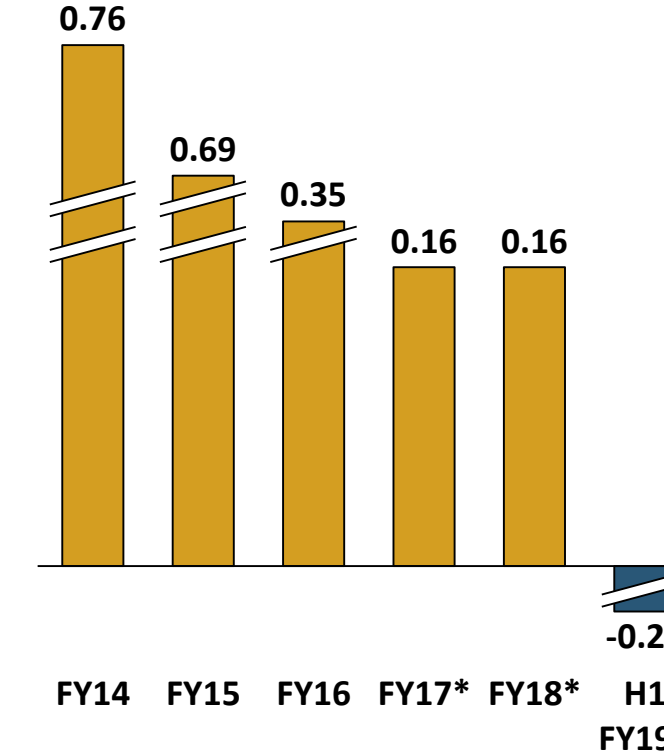
**Net Debt (Rs. Crs.)**



**Net Debt : Equity [x]**



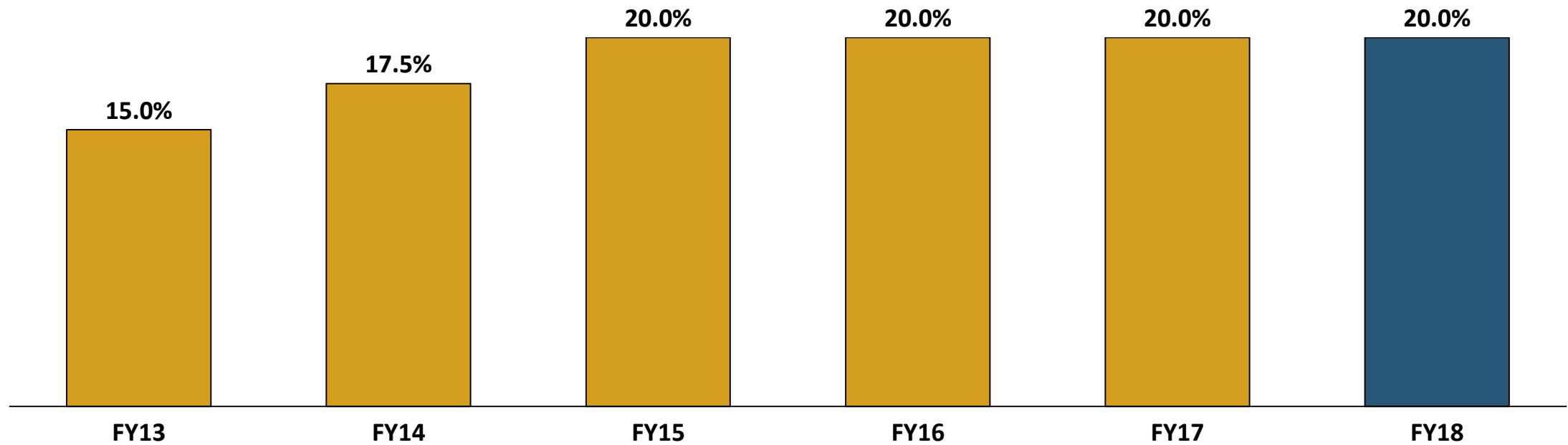
**Net Debt : EBITDA [x]**



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

\* Figures post Merger

# ...with consistent Payout



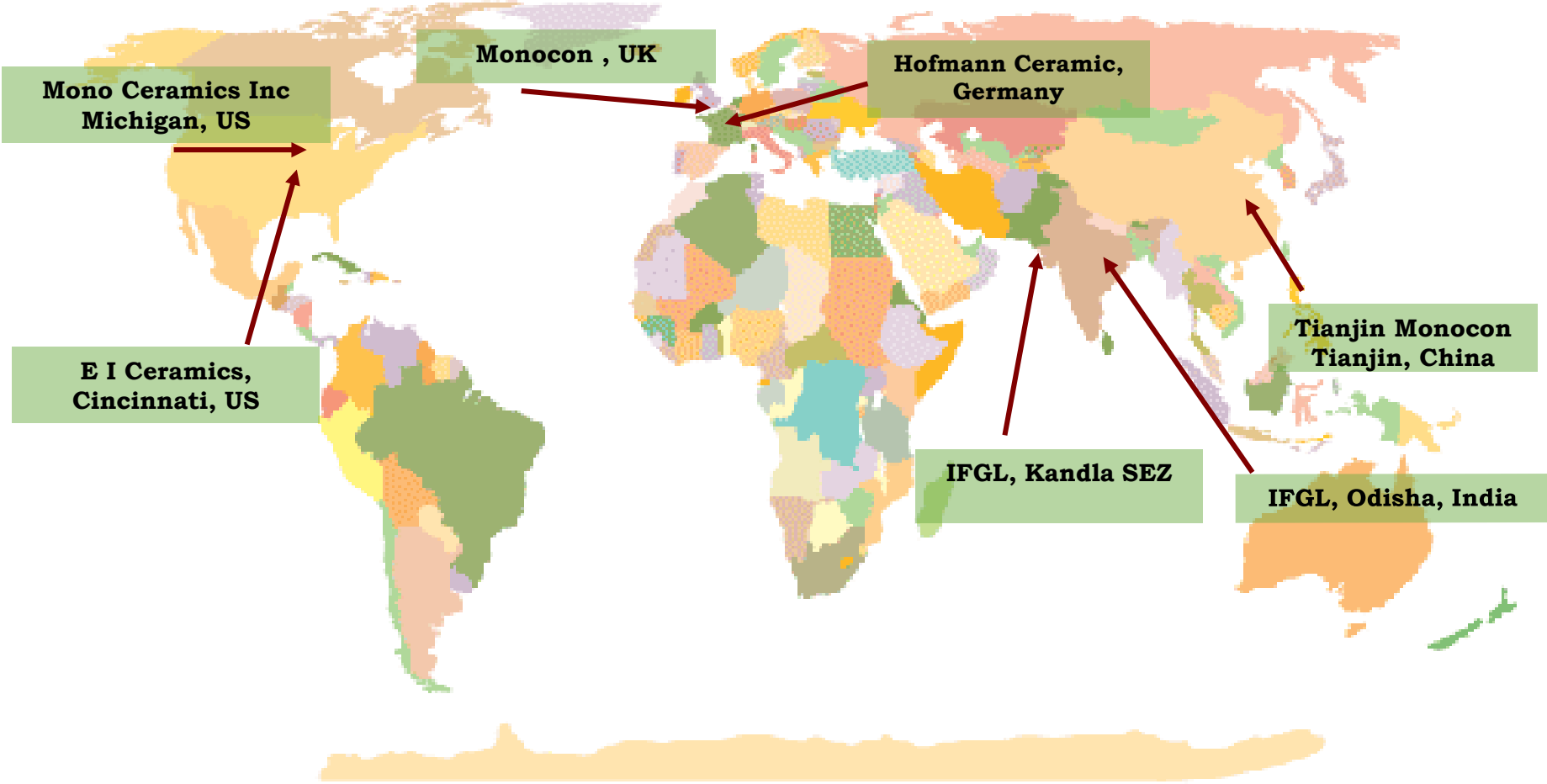
Particulars (Rs.)	FY13	FY14	FY15	FY16	FY17	FY18
Consolidated Book Value Per Share	70.9	95.1	99.6	111.7	189.9	208.7
Consolidated Earning Per Share	7.9	18.3	15.1	12.1	13.9	13.1
Dividend Per Share	1.5	1.75	2.00	2.00	2.00	2.00



# About Us



# A Global MNC...



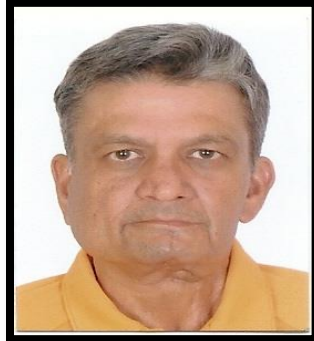
# ...with proven management...

**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

**Mr. Kamal Sarda  
Director  
&  
Chief Executive  
Officer**



- Fellow Member of ICAI and a law graduate with more than 30 years of experience of Finance, Accounts, Commercial & Operations
- More than 20 years of working experience in the refractory industry
- Previously were COO of IFGL Refractories Ltd. till February, 2011; he is also past Chairman of Indian Refractory Makers Association

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

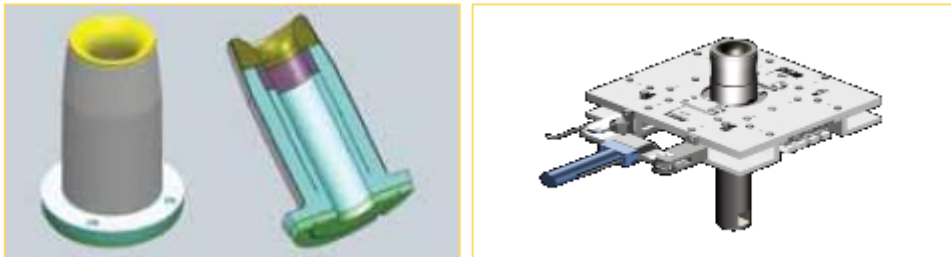
## Isostatic Refractories



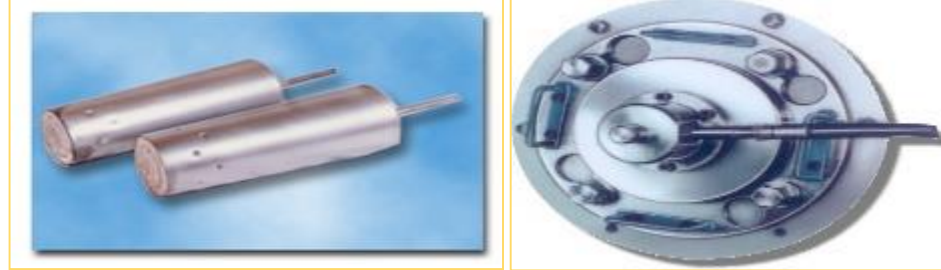
## Slide Gate Refractories & Systems



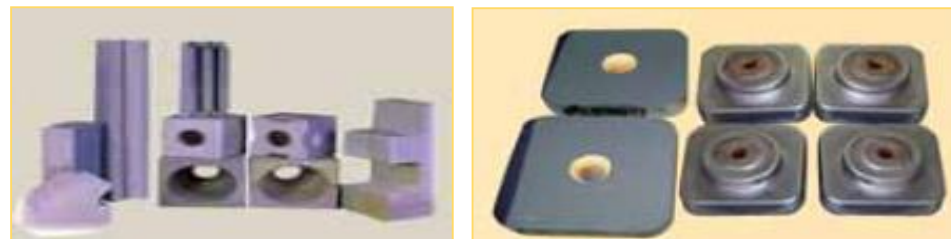
## Tube Changer Refractories & System



## Purging System & Refractories



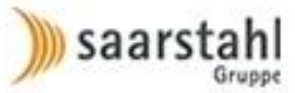
## Cast Products & Zirconia Nozzles



## Foundry Ceramics



# ...to reputed names in the Global Steel Industry



For further information, please contact:



**Company :**

**IFGL Refractories Ltd.**

CIN - L51909OR2007PLC027954

Mr. Rajesh Agrawal

[rajesh.agarwal@ifgl.in](mailto:rajesh.agarwal@ifgl.in)

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

**SGA** Strategic Growth Advisors

**Investor Relations Advisors :**

**Strategic Growth Advisors Pvt. Ltd.**

CIN - U74140MH2010PTC204285

Mr. Shogun Jain / Mr. Pratik R. Shah

[shogun.jain@sgapl.net](mailto:shogun.jain@sgapl.net) / [pratik.shah@sgapl.net](mailto:pratik.shah@sgapl.net)

+91 77383 77756 / +91 97692 60769

[www.sgapl.net](http://www.sgapl.net)