

IFGL REFRACTORIES LIMITED

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24th August, 2020

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

COMMITTED TO
CLEAN METAL



IFGL Refractories Limited

Investor Presentation – Q1FY21
August 2020



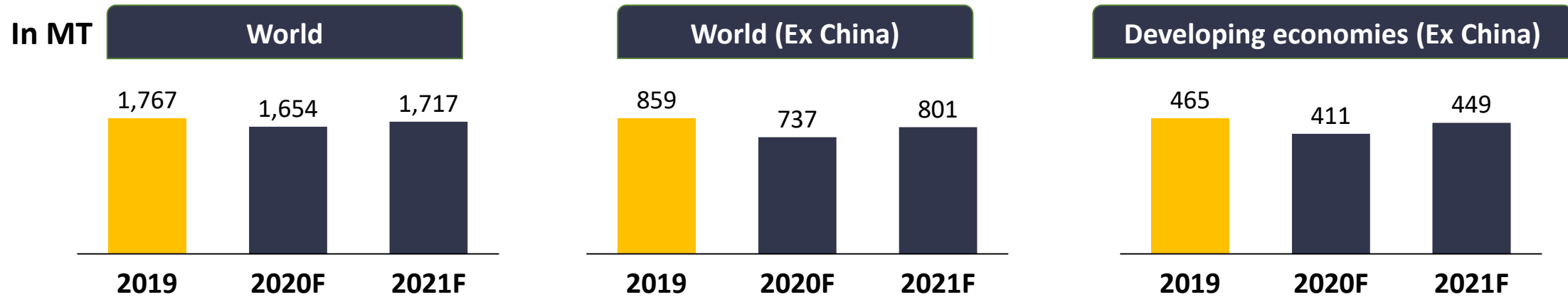
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Industry Overview

Global Steel Demand outlook



➤ Global outlook:

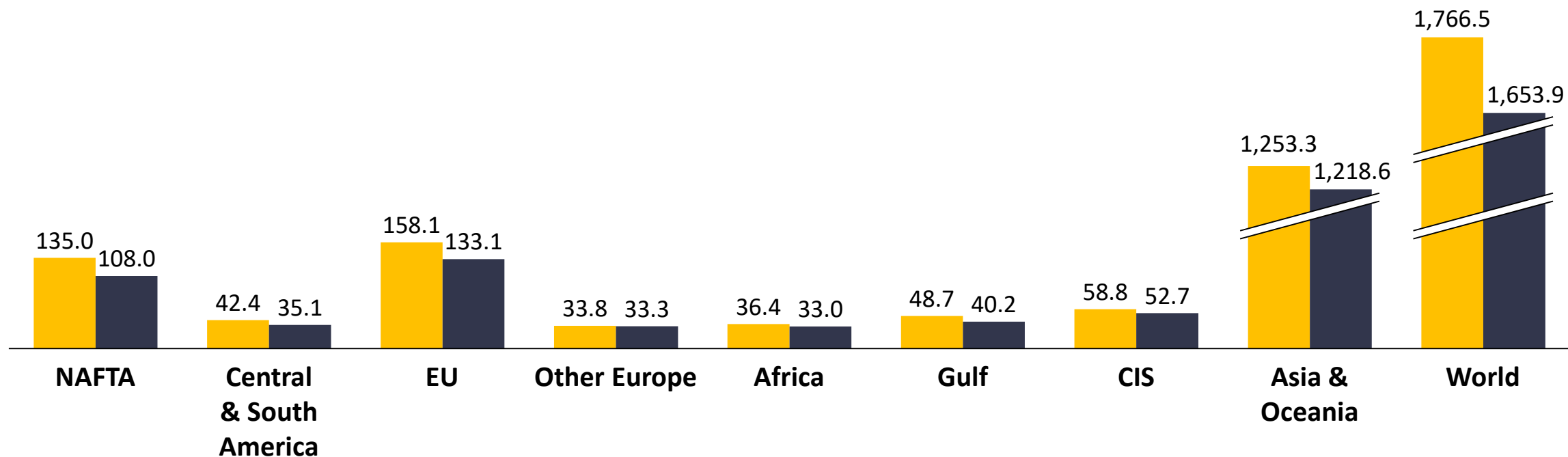
- In 2020 worldsteel forecasts that steel demand will contract by 6.4%, dropping to 1,654 Mt due to the COVID-19 crisis. In 2021 steel demand is expected to recover to 1,717 Mt, an increase of 3.8 % over 2020
- This year's likely reduction in global steel demand will be mitigated by an expected faster recovery.

➤ India Outlook:

- Steel Industry being classified as an essential service continued to operate even during the lockdown and hence not as adversely impacted as other Industries
- Supported by government stimulus, recovery in construction will be led by infrastructure investment such as railways. The government's support to rural income, as well as expected consumption related to the upcoming festive season, will help a substantial recovery of demand for consumption-driven manufacturing goods in the second half

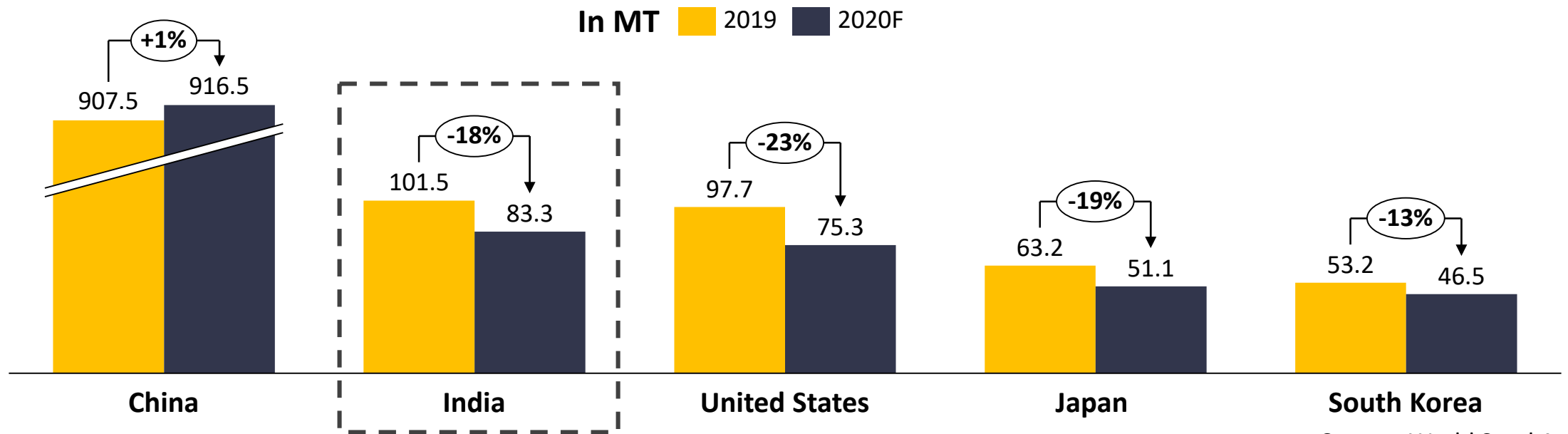
Forecasted Global Short-Term Steel Demand

In MT 2019 2020F



- Steel demand in the developed economies is expected to decline in 2020. Although the downturn is led by consumer and service sectors, massive dislocations in spending, labour markets, and confidence are fuelling broad-based declines in steel-using sectors
- The developing economies are less well equipped to tackle COVID-19 than the developed economies, with inadequate health capacity leading to stricter lockdown measures in some countries. However, the economies have started opening up and improved demand sentiment has been observed

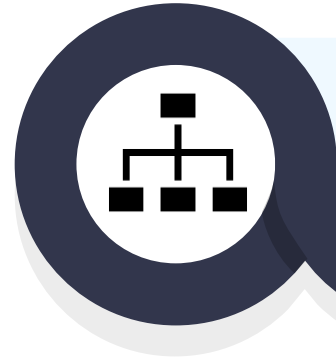
Top 5 Steel Consuming Countries



Source: World Steel Association

- India had implemented one of the strictest lockdown in world which disrupted Steel demand for a short period of time. However, as lockdown was relaxed, large Indian steel manufacturers revived production and started reporting improving capacity utilization levels backed by renewed domestic demand
- Steel demand is expected to move up gradually and soon be back to Pre COVID levels as Government has unveiled various infrastructure investments, support for rural people through infra development in rural areas complemented by restarting of construction activities across India & recovery of auto industry

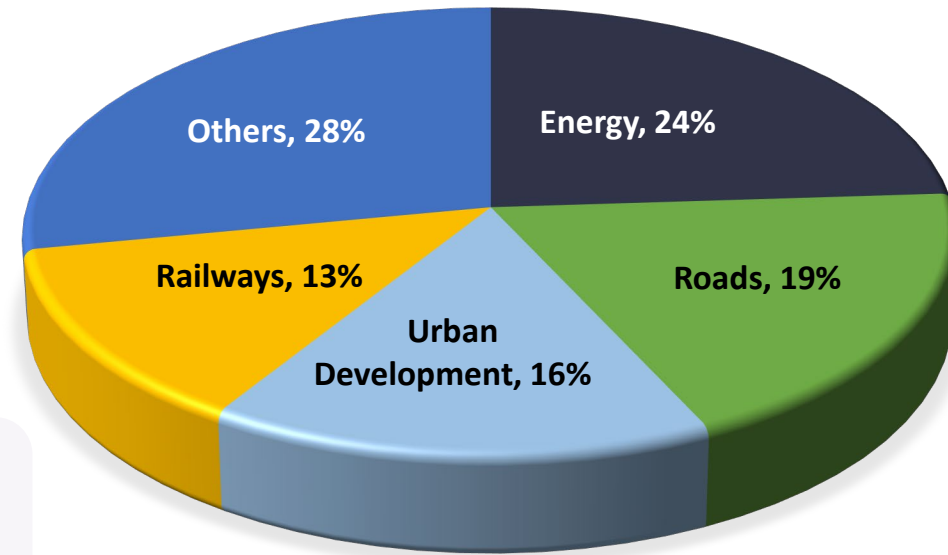
National Infrastructure Pipeline (NIP) Project



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

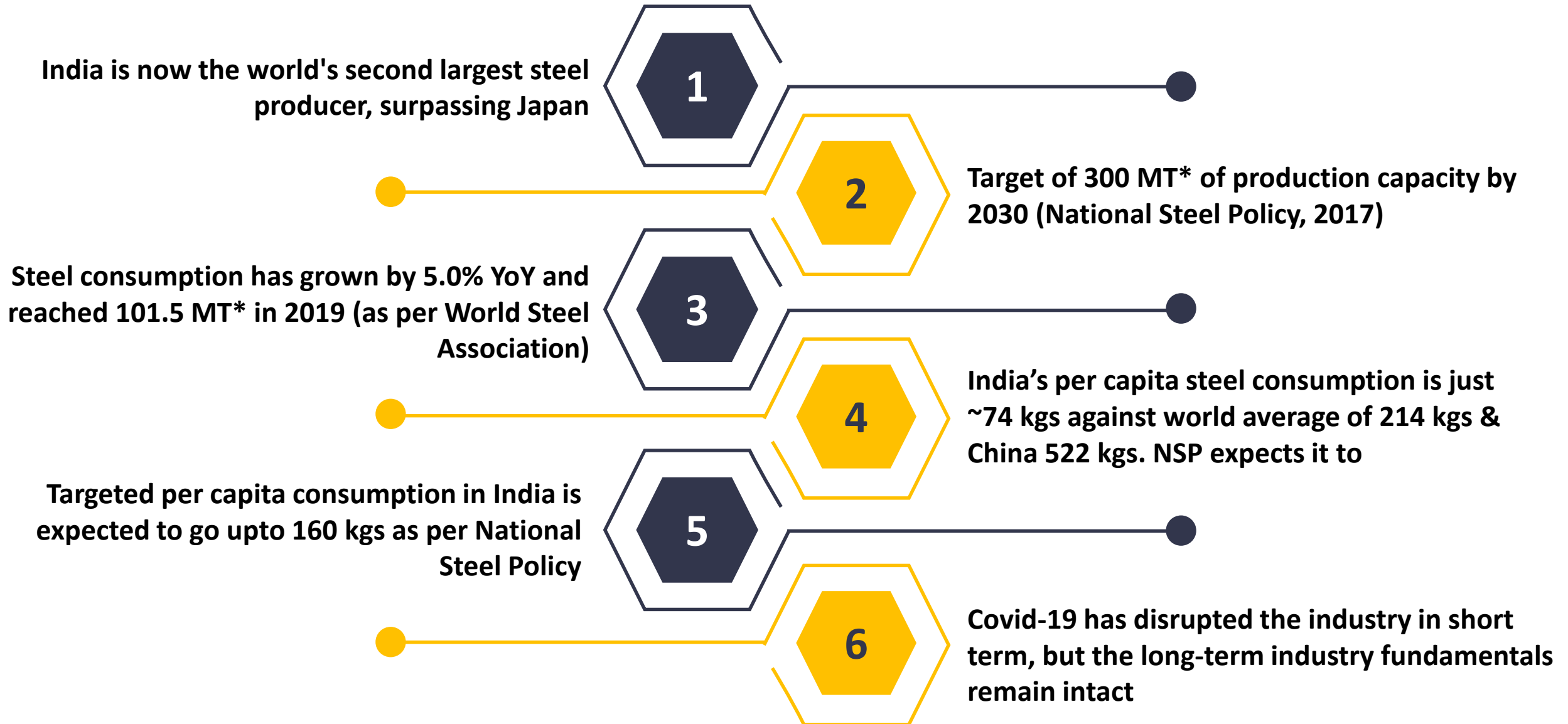
India needs to spend about \$1.4 trillion on infrastructure to become a \$5 trillion economy by FY25



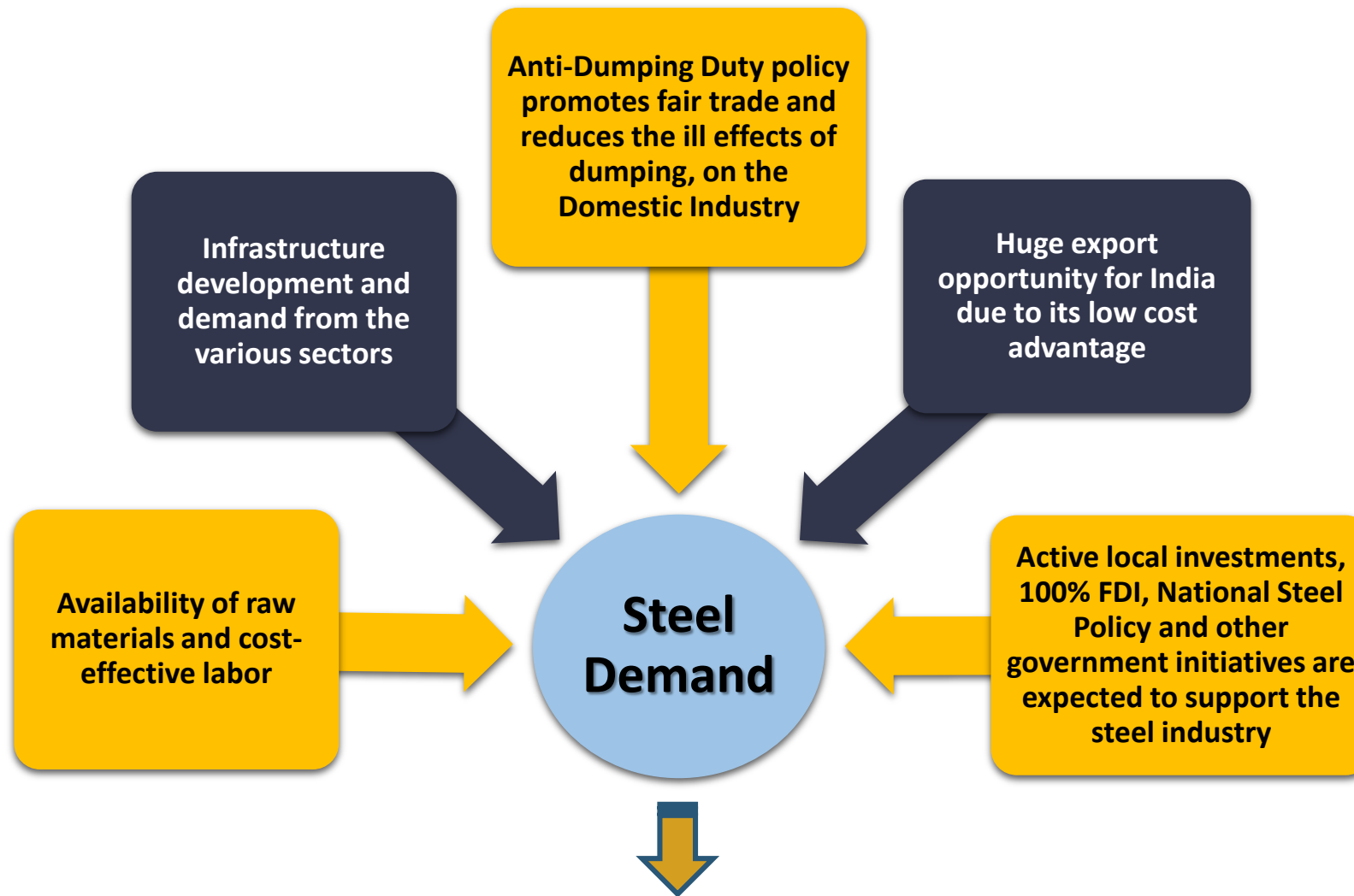
Fresh Investments in Infrastructure

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

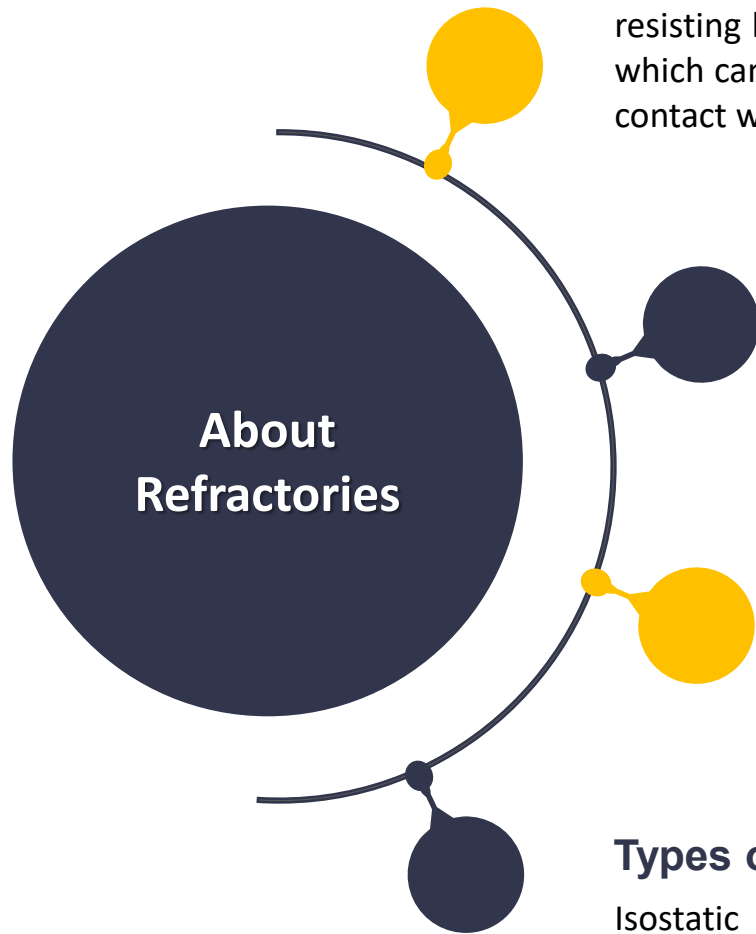
During FY19-20, Government announced significant reduction in Corporate Taxes to give fillip to the domestic companies and make them competitive globally

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

No Global Tenders for less than Rs. 200 Crores Project

- ❑ No Global tenders of up to Rs 200 crore allowed in government procurements
- ❑ Move to immensely benefit Indian domestic Manufacturers; especially the MSME’s
- ❑ PSU Steel companies have already started implementing this



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

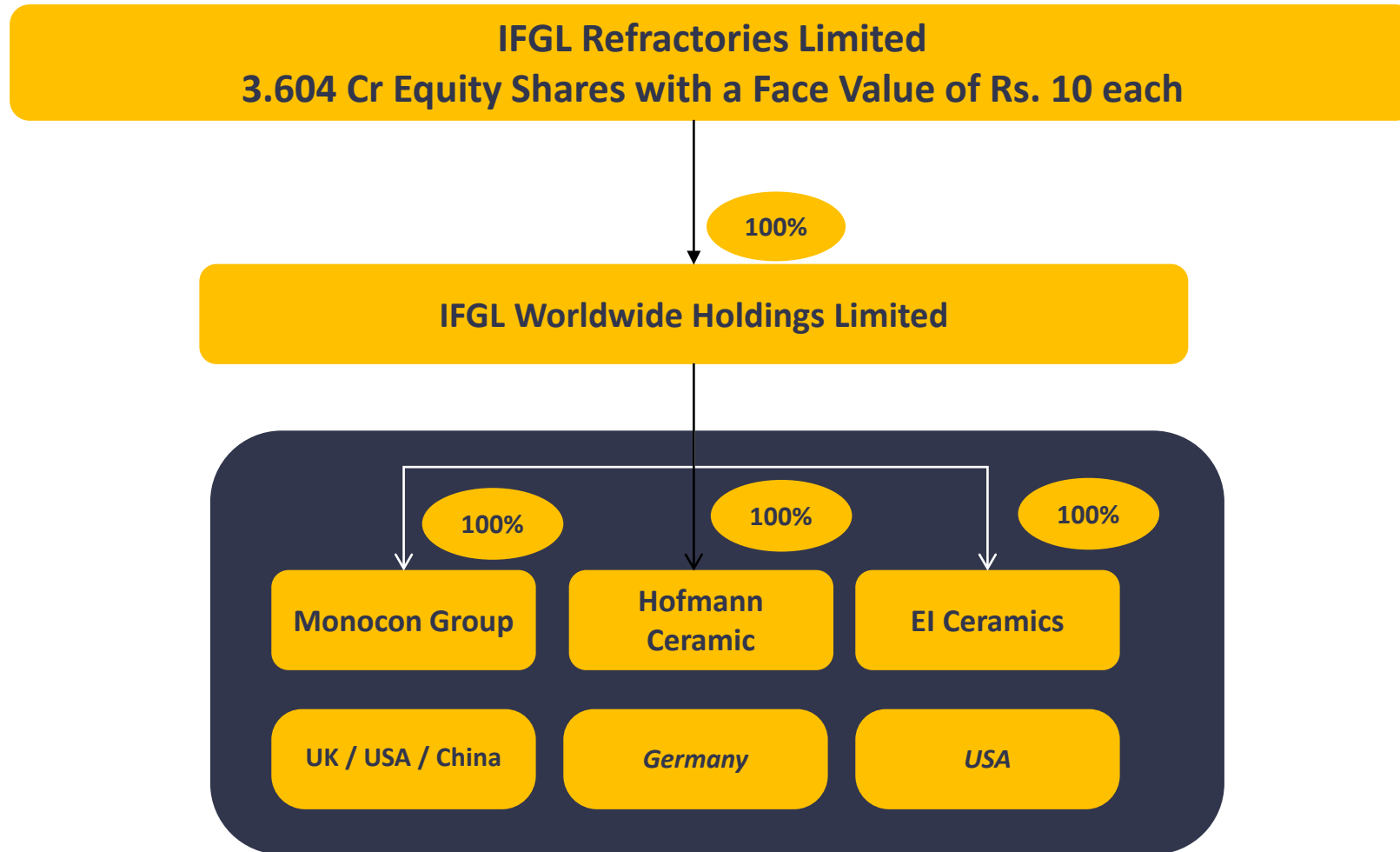
Refractories are used by metallurgy industry for flow control and also in the internal linings of furnaces, kilns, reactors and other vessels for holding and transporting metal and slag. In non-metallurgical industries, the refractories are mostly installed on fired heaters, hydrogen reformers, ammonia 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

Our Performance

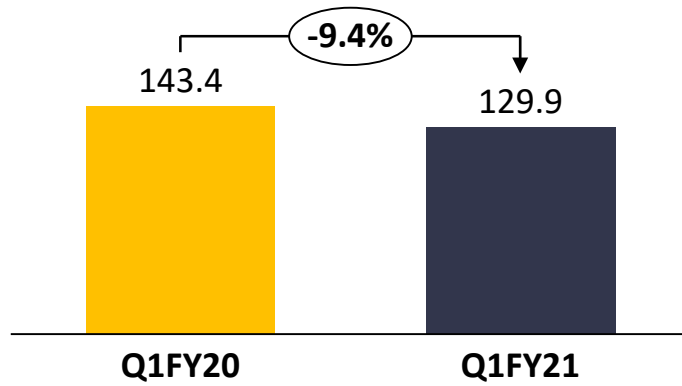
Corporate Structure...



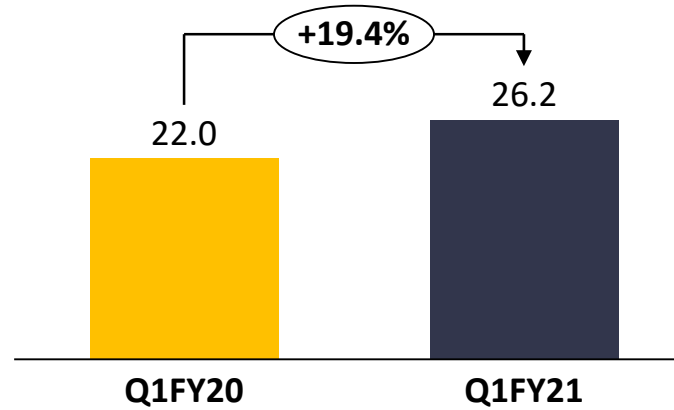
...simplified to create value for shareholders

Q1FY21 Standalone Financial Highlights

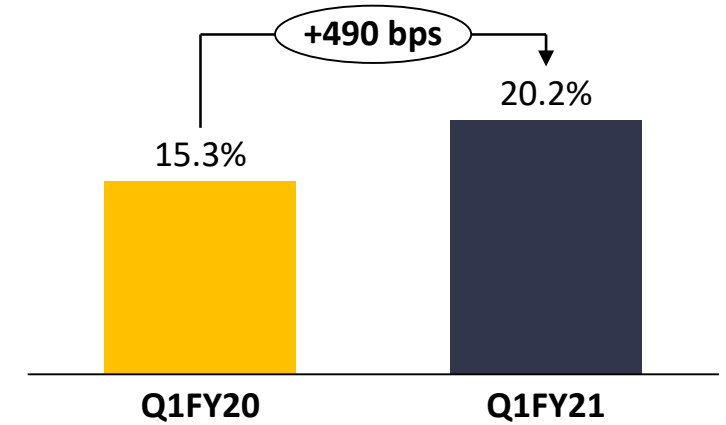
Total Income [Rs. Crs.]



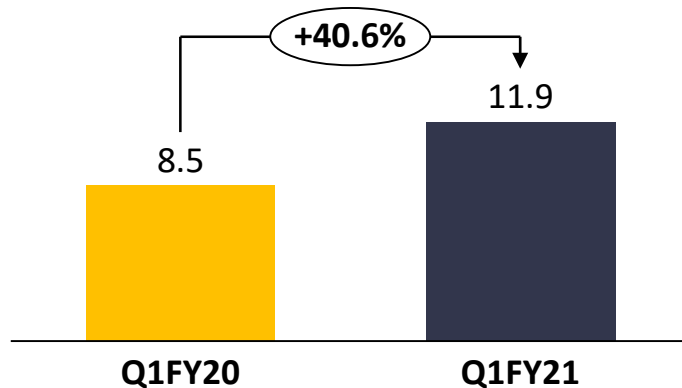
EBITDA [Rs. Crs.]



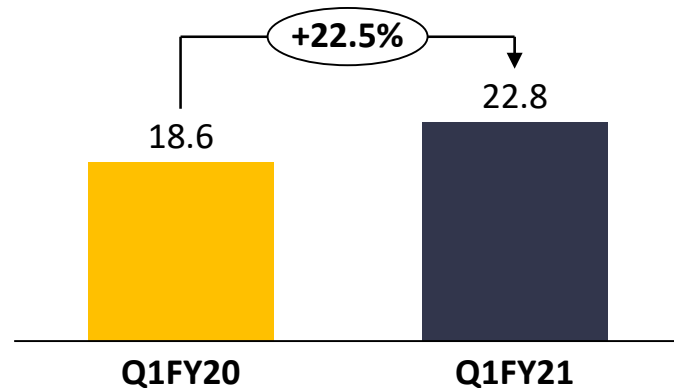
EBITDA margin [%]



Profit After Tax [Rs. Crs.]



Cash PAT [Rs. Crs.]



Demand in India picked up from May, 2020. Several cost optimization efforts have led to improvement in profitability in Q1FY21

Q1FY21 Standalone Profit & Loss



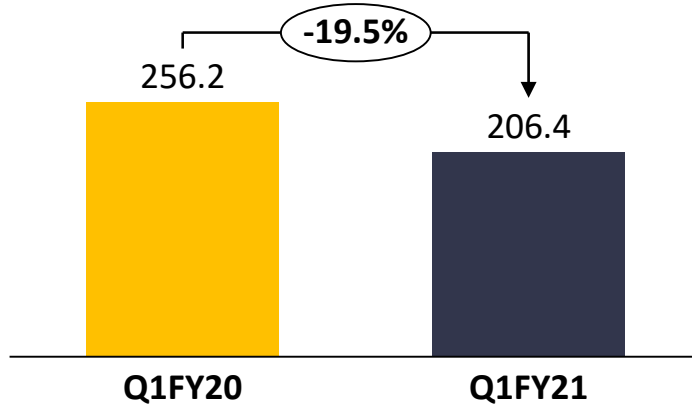
Profit & Loss [Rs. Crs.]	Q1 FY21	Q1 FY20	Y-o-Y%	Q4 FY20	Q-o-Q%	FY20
Total Income	129.9	143.4	-9.4%	117.8	10.3%	506.7
Raw Material	60.8	76.2		55.5		256.2
Employee Expenses	11.7	10.4		11.4		44.3
Other Expenses	31.2	34.8		33.2		128.2
EBITDA	26.2	22.0	19.4%	17.6	48.8%	78.1
EBITDA %	20.2%	15.3%		15.0%		15.4%
Depreciation	2.9	3.1		3.5		12.6
Goodwill written off*	6.7	6.7		6.7		26.8
Finance Cost	0.6	0.9		0.6		3.0
Profit before Tax	16.0	11.3	41.9%	6.8	134.9%	35.8
Tax	4.1	2.8		0.6		6.0
Profit after Tax	11.9	8.5	40.6%	6.3	90.7%	29.7
Profit after Tax %	9.2%	5.9%		5.3%		5.9%
Cash Profit after Tax	22.8	18.6	22.5%	15.9	43.6%	68.9
Earnings Per Share (Rs.)	3.31	2.38		1.74		8.25

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

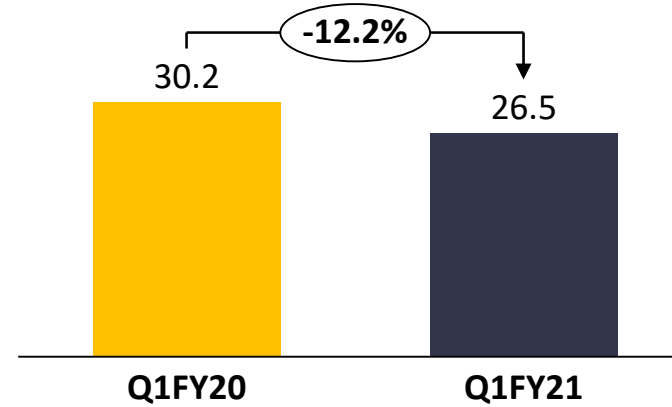
* Goodwill amounting to Rs. 267 Crs. on account of Merger is being written off over a period of 10 years

Q1FY21 Consolidated Financial Highlights

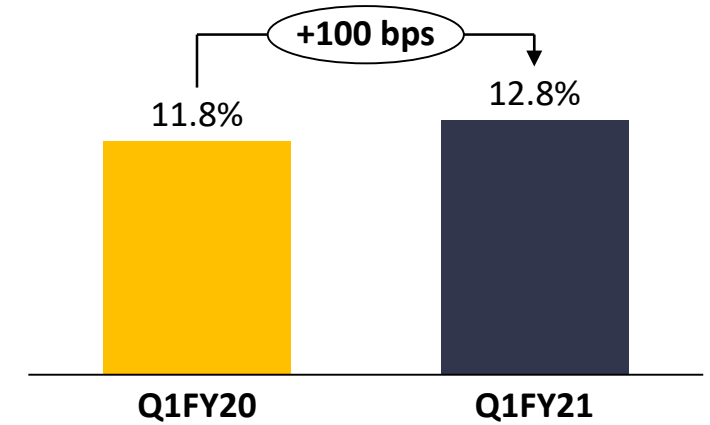
Total Income [Rs. Crs.]



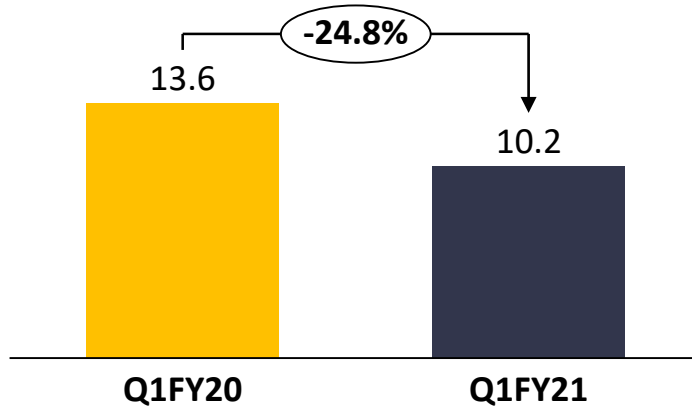
EBITDA [Rs. Crs.]



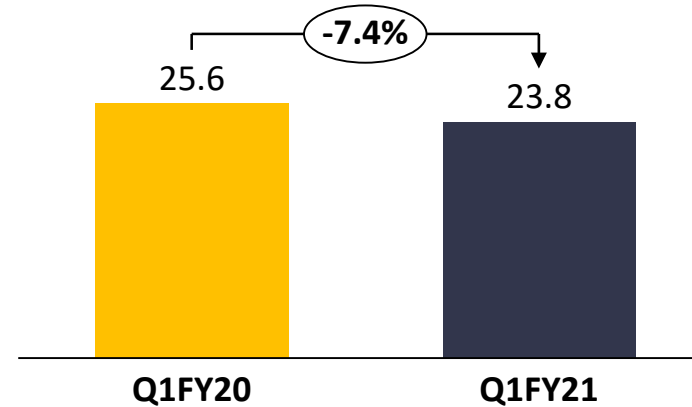
EBITDA margin [%]



Profit After Tax [Rs. Crs.]



Cash PAT [Rs. Crs.]



Performance of overseas subsidiaries especially the US, affected overall results. The markets are showing signs of improvements

Q1FY21 Consolidated Profit & Loss



Profit & Loss [Rs. Crs.]	Q1 FY21	Q1 FY20	Y-o-Y%	Q4 FY20	Q-o-Q%	FY20
Total Income	206.4	256.2	-19.5%	225.3	-8.4%	928.3
Raw Material	95.9	131.4		107.3		459.1
Employee Expenses	34.8	37.2		37.3		150.5
Other Expenses	49.2	57.4		57.7		216.2
EBITDA	26.5	30.2	-12.2%	23.0	15.3%	102.5
EBITDA %	12.8%	11.8%		10.2%		11.0%
Depreciation	5.2	4.9		6.9		21.5
Goodwill written off*	6.7	6.7		6.7		26.8
Finance Cost	0.7	1.0		1.1		3.6
PBT before Exceptional Items	13.9	17.7	-21.6%	8.2	68.1%	50.6
Exceptional Gain / (Loss)#	0.0	0.0		-20.6		-20.6
Profit before Tax	13.9	17.7	-21.6%	-12.4	-	30.0
Tax	3.7	4.1		1.6		10.5
Profit after Tax	10.2	13.6	-24.8%	-13.9	-	19.5
Profit after Tax %	4.9%	5.3%		-6.2%		2.1%
Cash Profit after Tax	23.8	25.6	-7.4%	20.3	17.0%	89.2
Earnings Per Share (Rs.)	2.8	3.8		-3.9		5.40

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

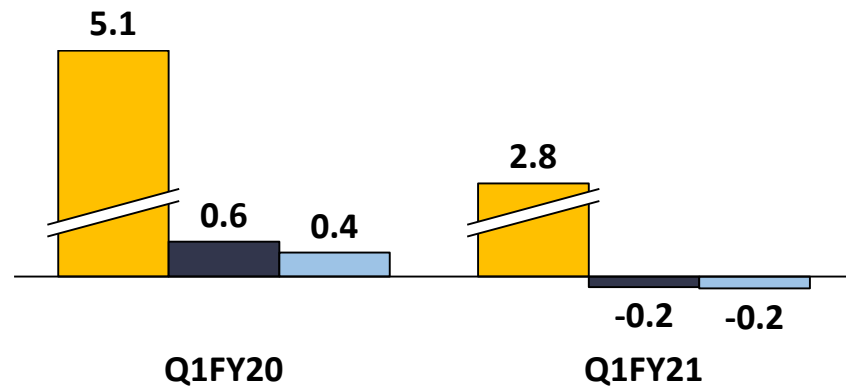
* Goodwill amounting to Rs. 267 Crs. on account of Merger is being written off over a period of 10 years

Exceptional Item is Impairment of Goodwill pertaining to German operations

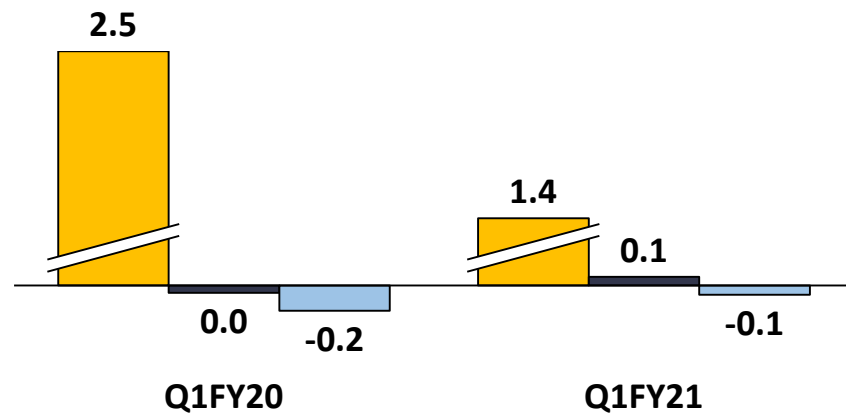
Subsidiaries Performance



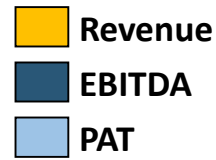
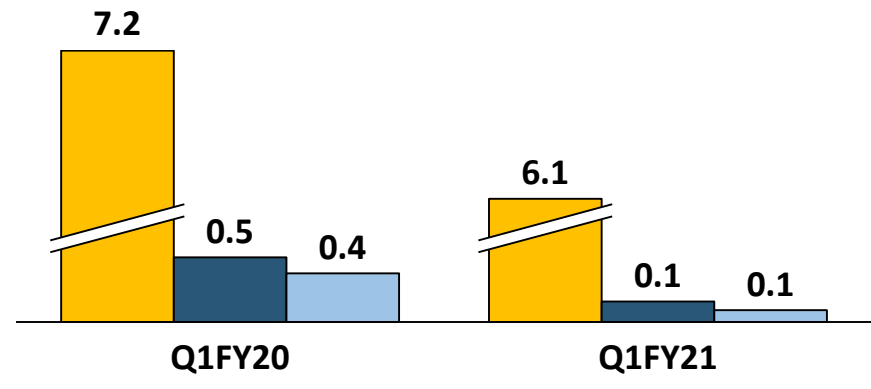
El Ceramics [\$ mn]



Hofmann Ceramic [Euro mn]

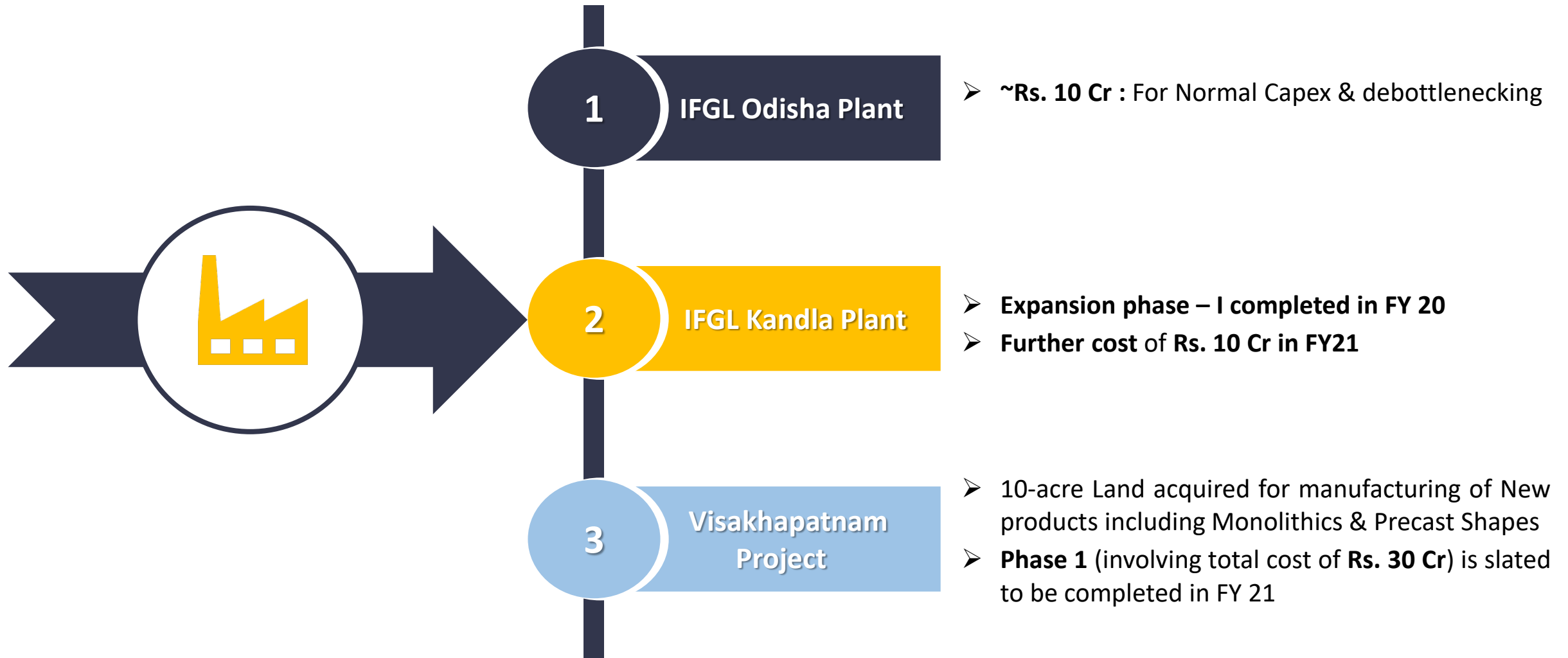


Monocon Group [GBP mn]



Performance impacted due to Covid-19 related disruptions

Ongoing Capex to boost performance



Capex till date funded out of internal accruals

Consistently performing over the years...



Particulars [Rs. Crs.]	FY16	FY17	FY18	FY19	FY20
Total Income	722.1	769.5	839.7	955.4	928.3
Materials consumed	365.2	362.0	421.4	477.0	459.1
Employee Expenses	119.6	120.9	126.7	146.2	150.5
Other Expenses	156.1	183.5	181.3	218.5	216.2
EBITDA	81.2	103.1	110.3	113.8	102.5
EBITDA %	11.2%	13.4%	13.1%	11.9%	11.0%
Depreciation & Amortization	15.6	17.3	17.0	19.2	21.5
Goodwill written off*	-	26.8	26.8	26.8	26.8
Finance Cost	4.8	4.5	4.0	3.7	3.6
Profit before Tax before Exceptional Items	60.9	54.5	62.6	64.1	50.6
Exceptional Item [#]	-	-	-	-	-20.6
Profit before Tax and Minority Interest (MI)	60.9	54.5	62.6	64.1	30.0
Tax	15.7	4.6	15.4	13.6	10.5
Profit after Tax before MI	45.2	50.0	47.1	50.5	19.5
Minority Interest	3.2	0.0	0.0	0.0	0.0
Profit after Tax & MI	41.9	50.0	47.1	50.5	19.5
Cash Profit	57.5	83.6	92.0	95.1	89.2
Earnings Per share (Rs.)	12.12	13.86	13.07	14.00	5.40

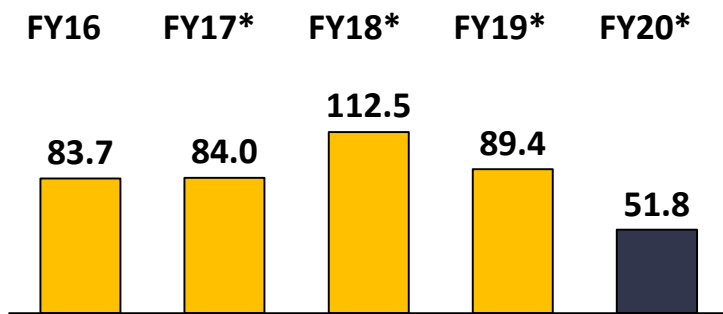
* Goodwill on account of Merger is being written off over a period of 10 years

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

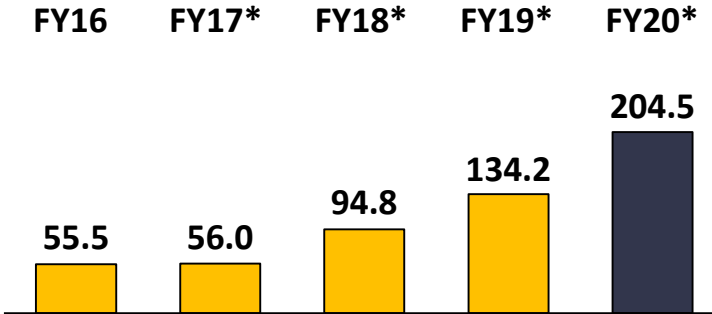
[#]Exceptional Item is the Impairment of Goodwill pertaining to German operations

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

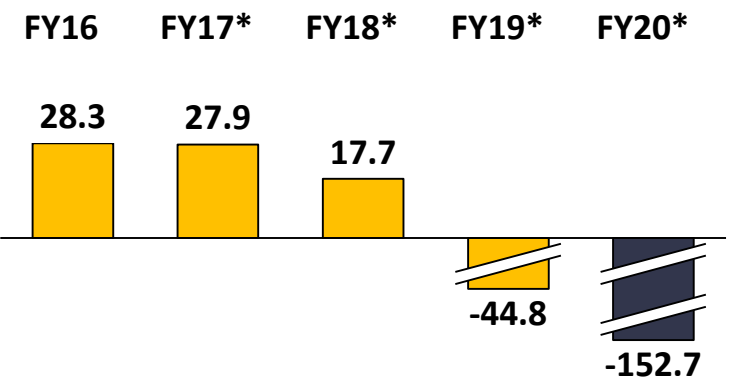
Total Debt (Rs. Crs.)



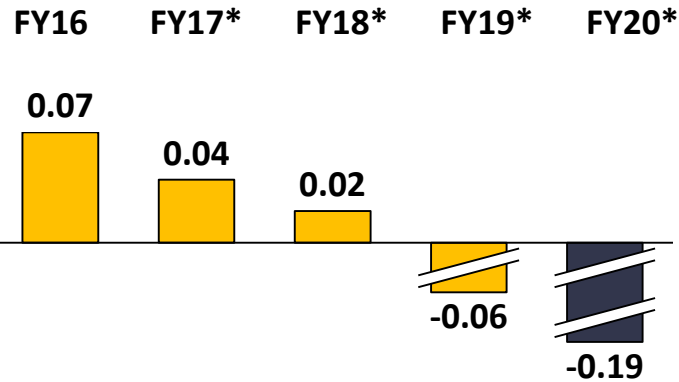
Cash & Equivalents (Rs. Crs.)



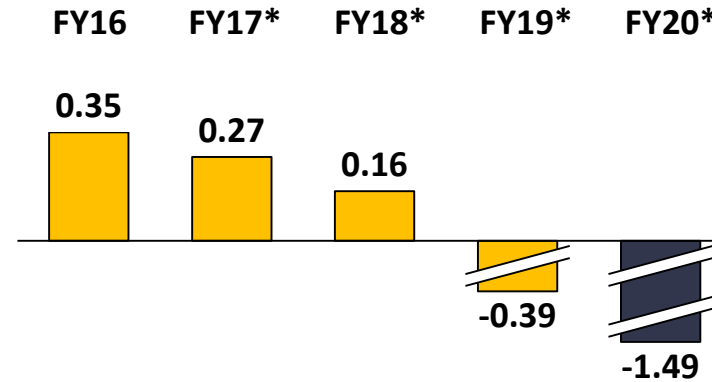
Net Debt (Rs. Crs.)



Net Debt : Equity [x]



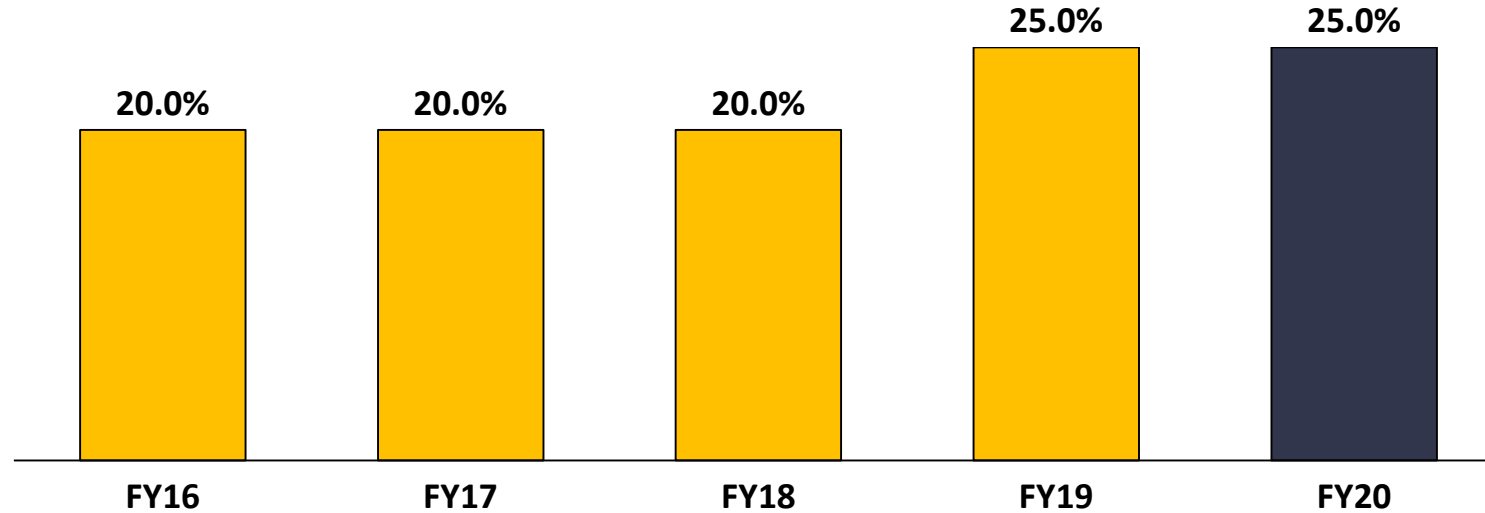
Net Debt : EBITDA [x]



* Figures post Merger

We are a Net Cash Company from FY 19

...with consistent Payout

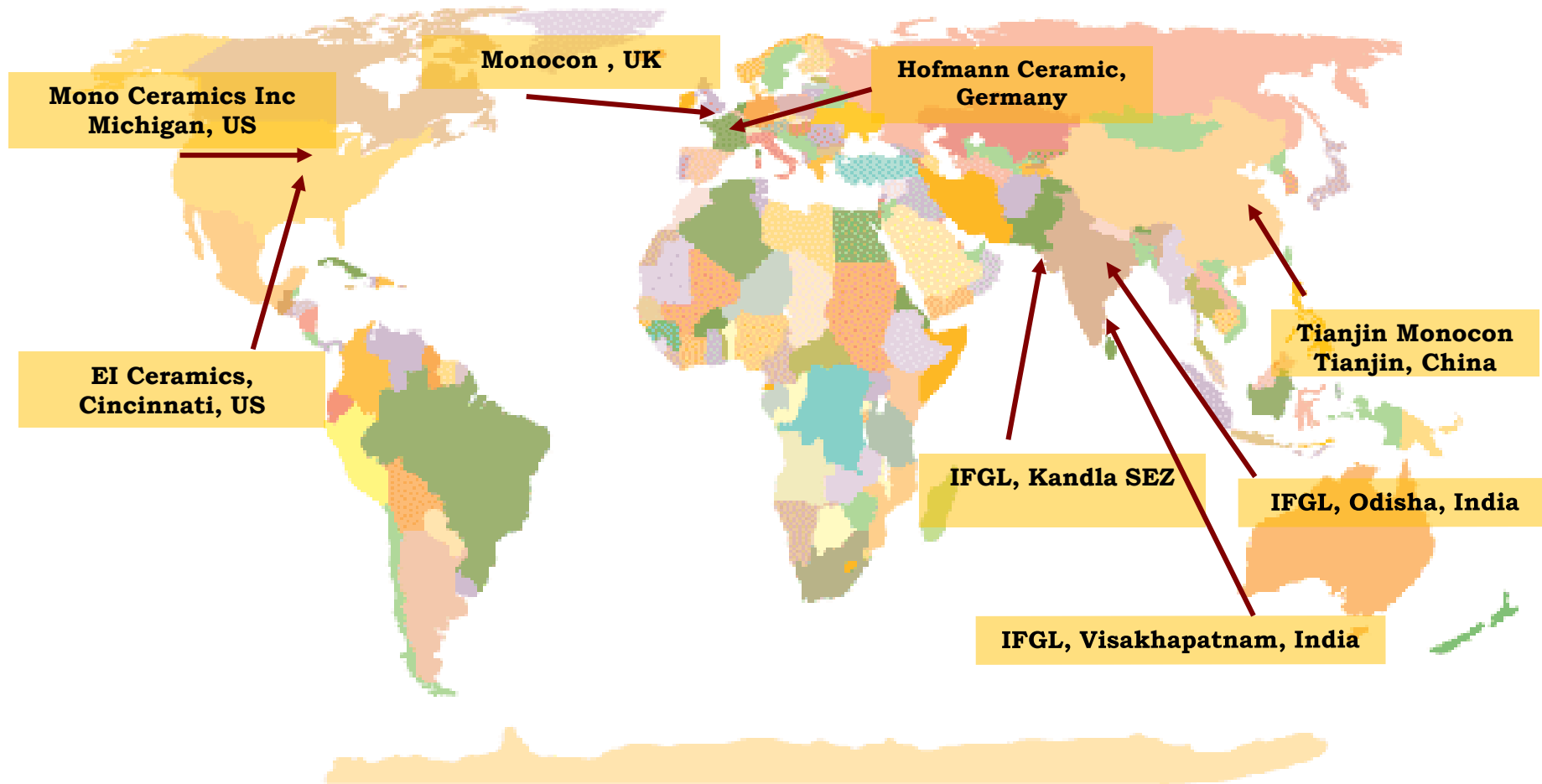


Particulars (Rs.)	FY16	FY17	FY18	FY19	FY20
Consolidated Book Value Per Share	111.7	189.9	208.7	220.5	224.5
Consolidated Earning Per Share	12.1	13.9	13.1	14.0	5.4*
Dividend Per Share	2.00	2.00	2.00	2.50	2.50

* EPS lower due to Exceptional Item being Impairment of Goodwill pertaining to German operations

About Us

A Global MNC...





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, before the start of production in 1984. Has been Director & Chief Executive of erstwhile Indo Flogates Ltd.
- More than ~40 years of experience of Refractory Industry & has been involved in various capacities in Indian Refractories Makers Association



Mr. Kamal Sarda
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



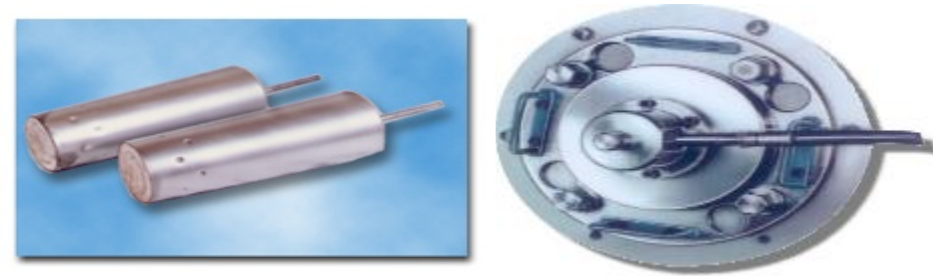
Slide Gate Refractories & Systems



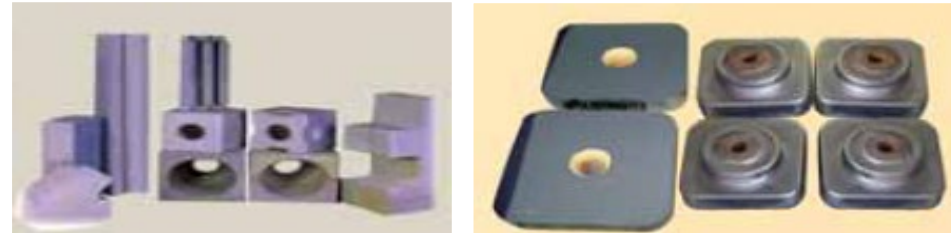
Tube Changer Refractories & System



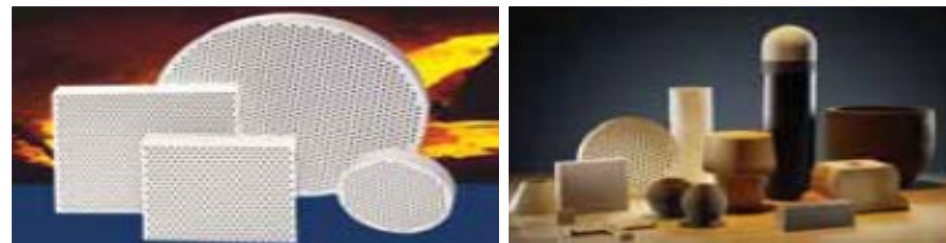
Purging System & Refractories



Cast Products & Zirconia Nozzles



Foundry Ceramics



...to reputed names in the Global Steel Industry



Committed to Clean Metal

For further information, please contact:



SGA Strategic Growth Advisors

Company :

Investor Relations Advisors :

IFGL Refractories Ltd.

CIN - L51909OR2007PLC027954

Mr. Rajesh Agrawal

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Strategic Growth Advisors Pvt. Ltd.

CIN - U74140MH2010PTC204285

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