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IFGL Refractories Limited

(Formerly IFGL Exports Limited)

Investor Presentation
August 2018



Safe Harbor



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The background features a white central area with two large triangles. A dark blue triangle is in the bottom-left corner, and a gold triangle is in the top-right corner. Both triangles have their hypotenuses facing towards the center of the page.

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

Source: BofA Merrill Lynch Report

Domestic Steel Production outlook

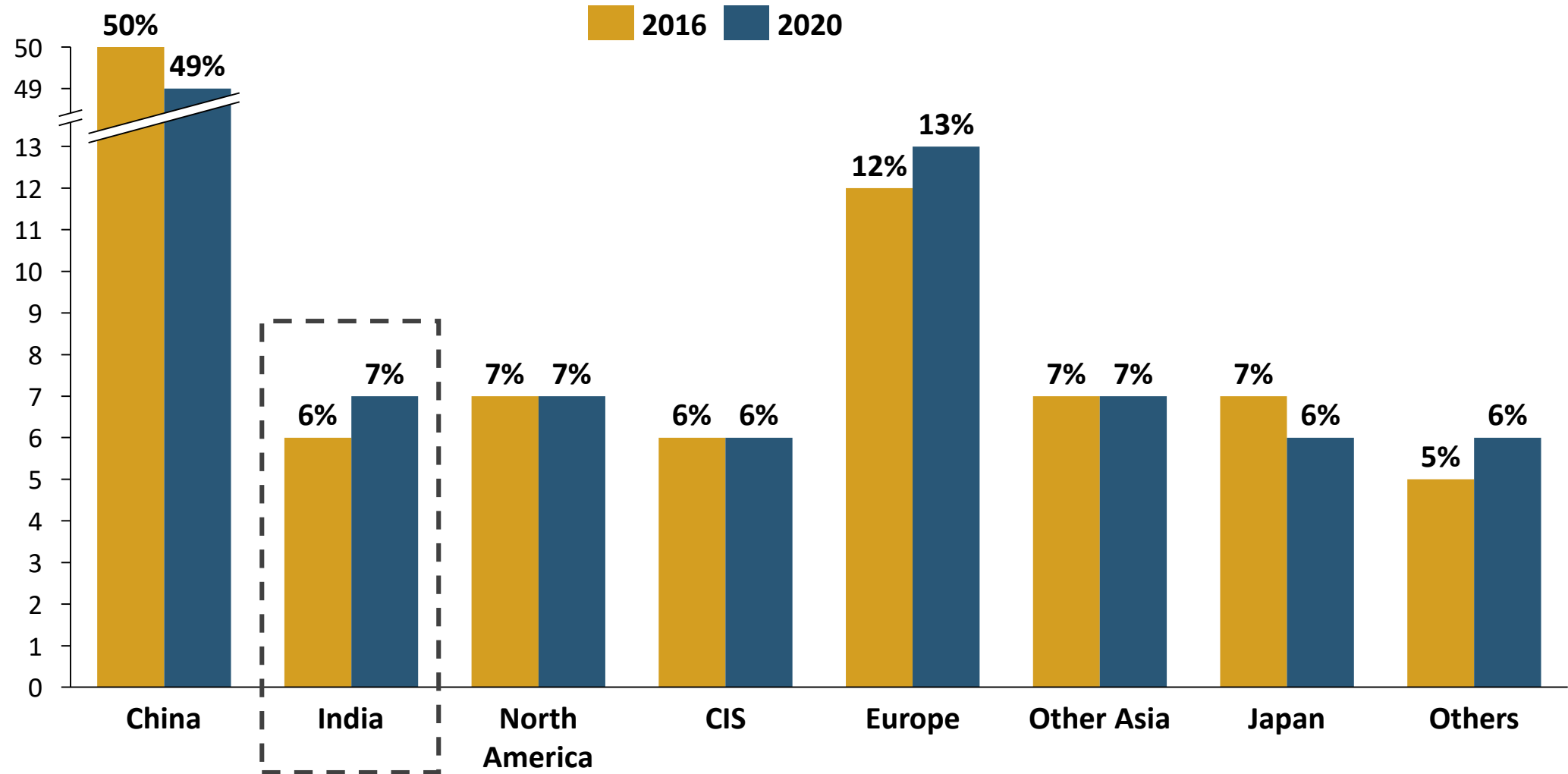


Particulars (in MTPA)	FY17	FY18E	FY19E	FY20E	FY21E
Installed Capacity	128	131	138	148	158
Capacity Utilisation (%)	82%	81%	82%	82%	82%
Crude Steel Production	102	105	111	117	125
Finished Steel Import	7.2	7.5	5.5	5.5	4.5
Finished Steel Export	8.2	9.6	12.0	8.2	9.2
Finished Steel consumption	84	90.7	97	103.7	111.7
Consumption growth (%)	3%	8%	7%	7%	8%

Volumes (MT)	FY17	FY18E	FY19E	FY20E
Tata Steel	11.0	12.3	12.7	13.0
Change (%)	15%	12%	4%	2%
JSW	14.8	15.5	15.8	16.3
Change (%)	22%	5%	2%	3%
JSPL	3.4	3.6	5.5	6.5
Change (%)	2%	8%	52%	18%
SAIL	13.1	14.1	15.9	17.1
Change (%)	8%	8%	13%	8%

Source: ICRA Report & Steel Ministry

India's share in Global Steel production expected to rise



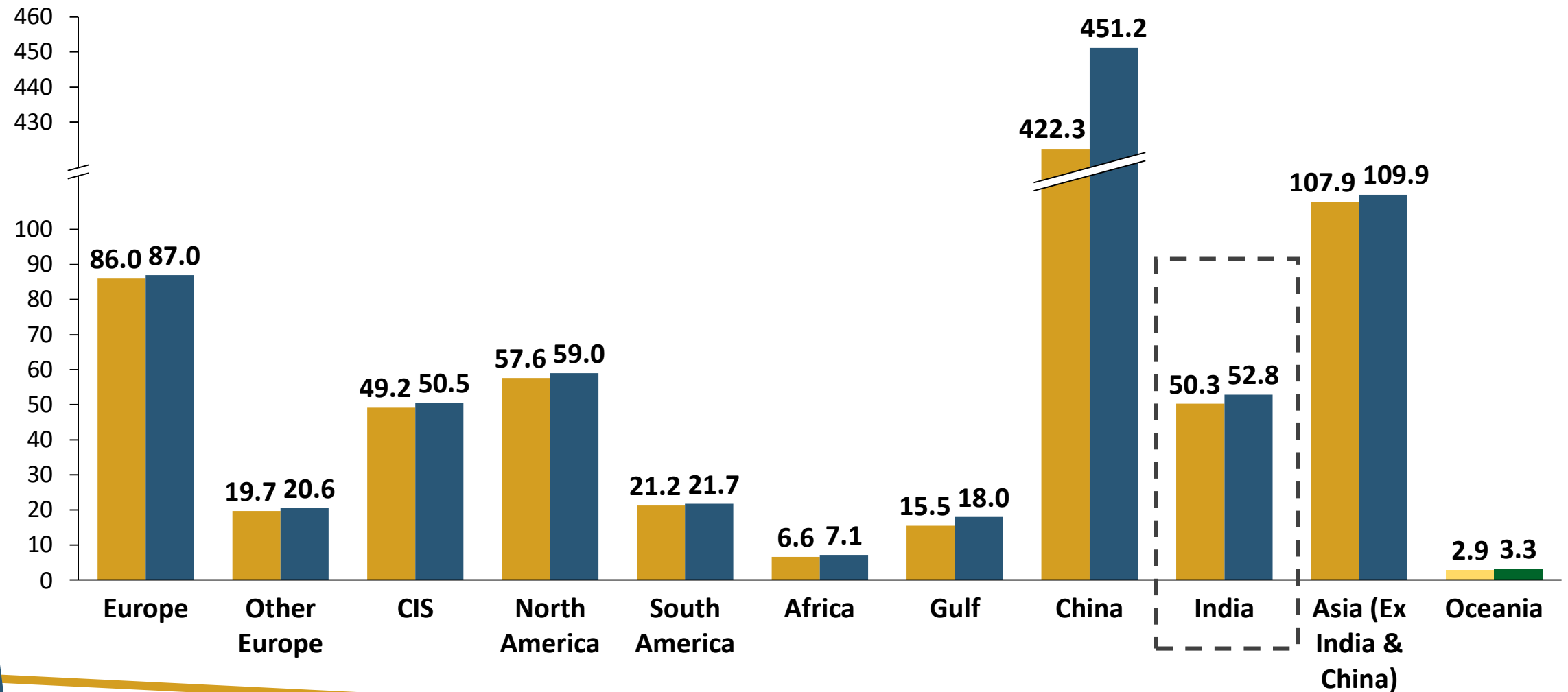
Source: BofA Merrill Lynch Report

Global Steel production on the rise during H1 2018



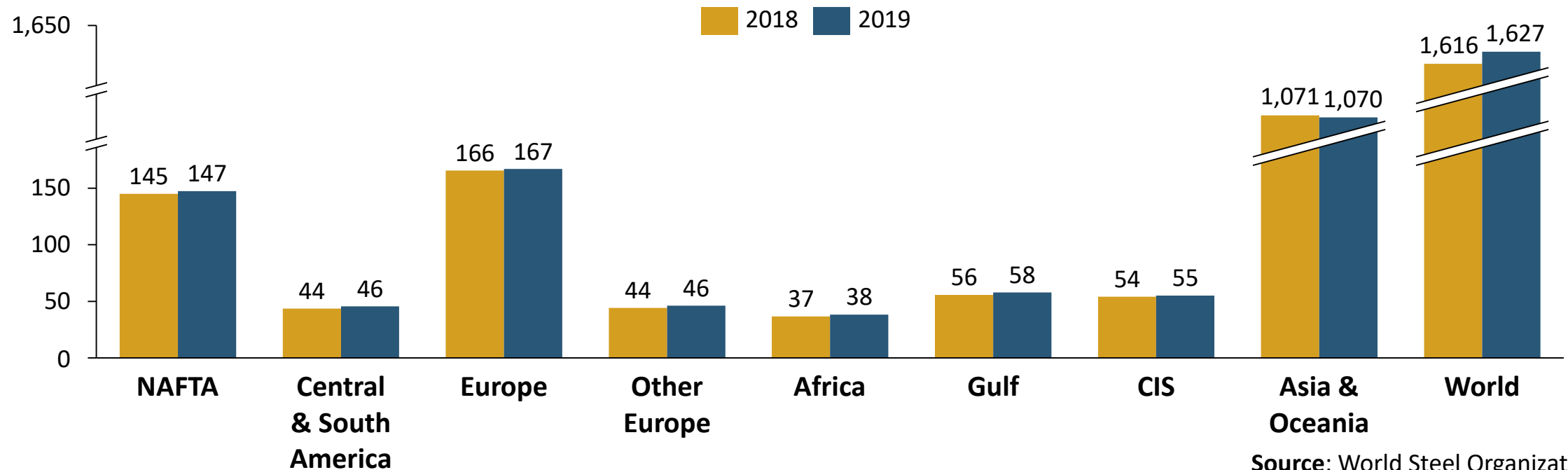
In MT

Jan-Jun2017 Jan-Jun2018



Source: World Steel Organization

Forecasted Short Term Steel Demand



Source: World Steel Organization

- According to the World Steel Association the demand in the Developing economies is expected to increase by 4.9% and 4.5% 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

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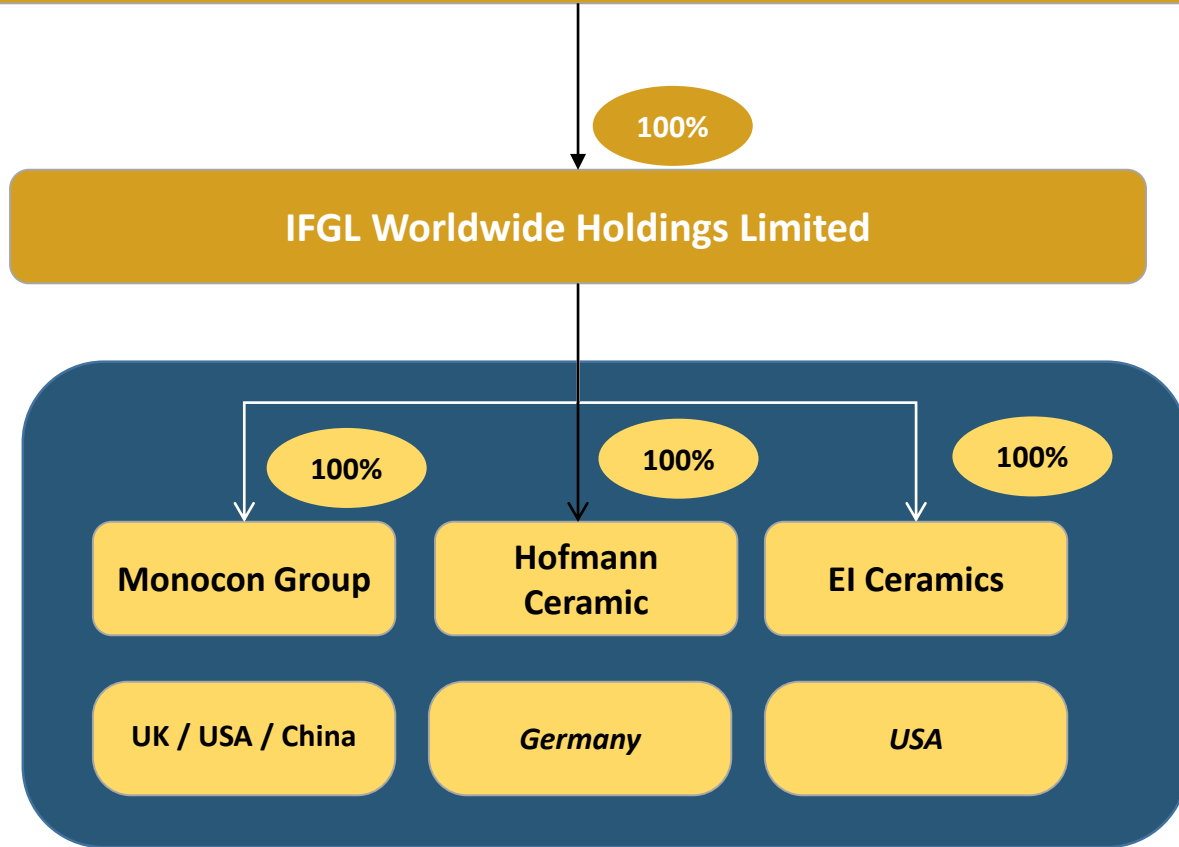
Our Performance

Corporate Structure...



IFGL Refractories 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.]	Q1 FY19	Q1 FY18 [^]	Growth%	FY18 [^]
Total Income	239.1	198.4	20.5%	839.7
Raw Material	121.1	100.8		421.4
Employee Expenses	34.8	32.6		126.7
Other Expenses	51.3	39.8		181.3
EBITDA	31.9	25.3	25.9%	110.3
EBITDA %	13.3%	12.8%		13.1%
Depreciation	4.3	4.0		17.0
Goodwill written off*	6.7	6.7		26.8
Finance Cost	0.8	1.1		4.0
Profit before Tax	20.2	13.6	48.7%	62.6
Tax	4.7	2.3		15.5
Profit after Tax	15.5	11.2	37.7%	47.1
Profit after Tax %	6.5%	5.7%		5.6%
Cash Profit after Tax	29.4	20.9	41.0%	99.8
Earnings Per Share (Rs.)	4.29	3.10		13.07

[^] 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



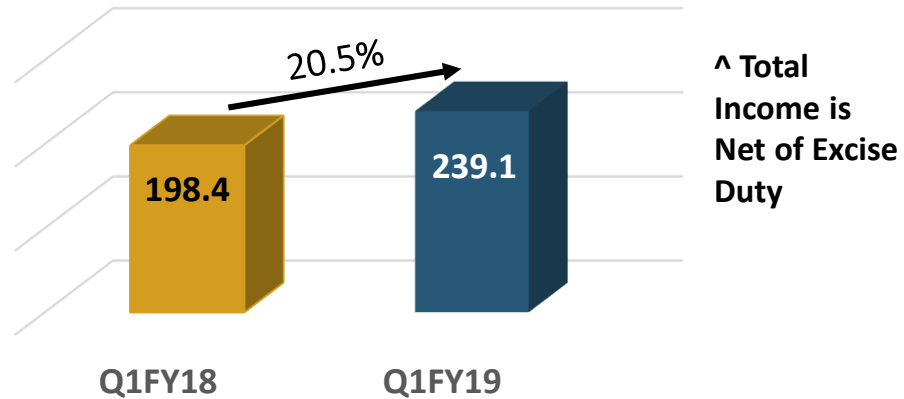
Particulars in Rs. Crs.	Mar-18	Mar-17
Assets		
Non current Assets	493	492
Fixed Assets		
Property Plant & Equipment	122	119
Capital WIP	8	2
Goodwill	122	109
Other Intangible assets	217	243
Financial Assets		
Investments	1	1
Others	2	1
Tax Assets (Net)	10	9
Other Non current Assets	11	8
Current Assets	506	402
Inventories	108	93
Financial Assets		
Investments	13	12
Trade Receivables	285	228
Cash & cash equivalents	74	54
Bank Balances	7	2
Other Financial Assets	2	2
Other Current Assets	17	11
Total Assets	999	894

Particulars in Rs. Crs	Mar-18	Mar-17
Equity & Liabilities		
Equity	752	686
Share Capital	36	36
Other Equity	716	650
Non controlling interest	0	0
Non Current Liabilities	24	16
Financial Liabilities – Borrowings	21	14
Provisions	0	0
Deferred Tax Liabilities (Net)	3	2
Current Liabilities	223	192
Financial Liabilities		
Borrowings	86	61
Trade Payables	125	117
Other Financial Liabilities	10	12
Other Current Liabilities	1	2
Provisions	1	0
Total Equity & Liabilities	999	894

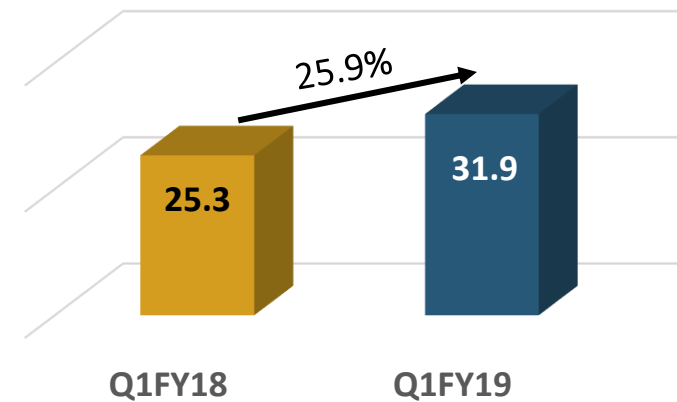
Consolidated Financial Highlights



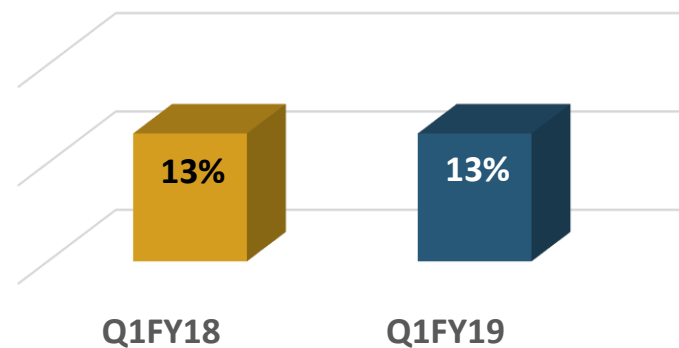
Total Income [Rs. Crs]^



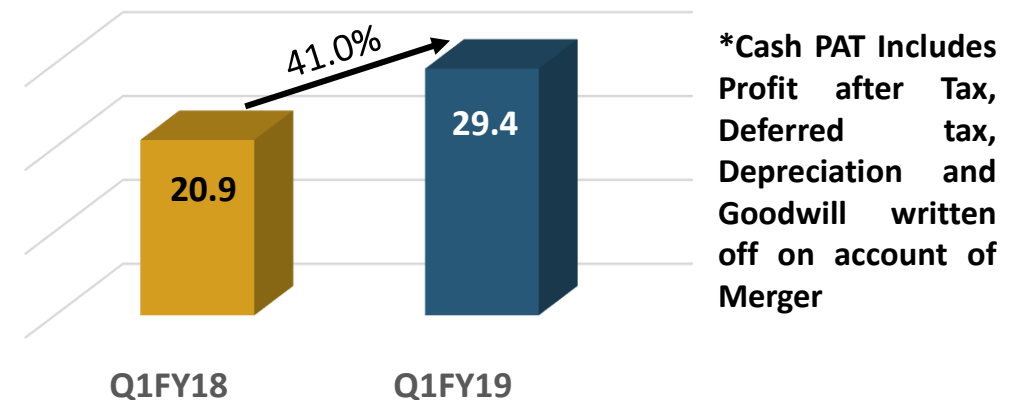
EBITDA [Rs. Crs]



EBITDA margin [%]



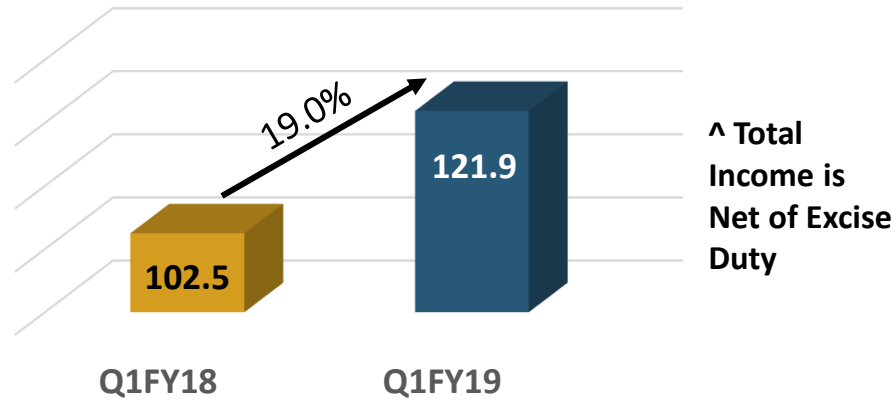
Cash PAT [Rs. Crs] *



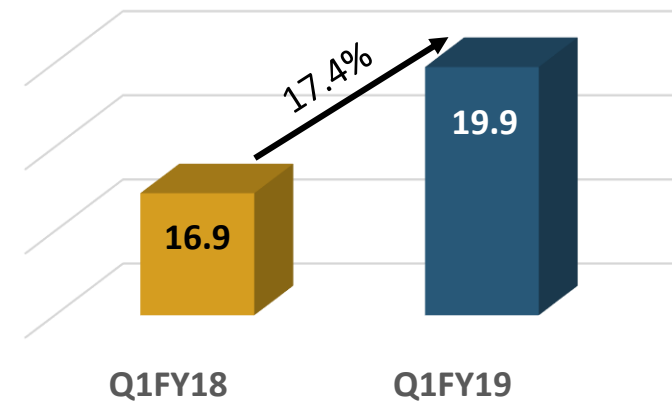
Standalone Financial Highlights



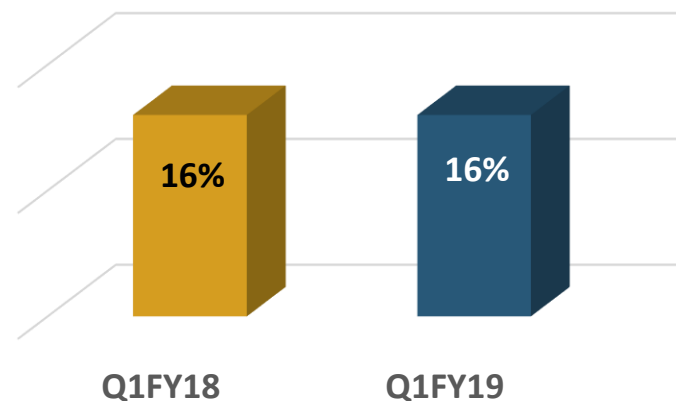
Total Income [Rs. Crs]^



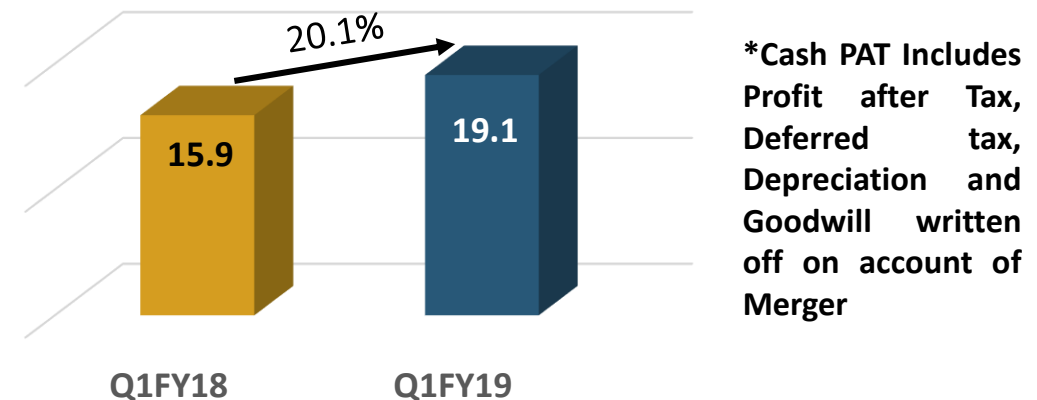
EBITDA [Rs. Crs]



EBITDA margin [%]



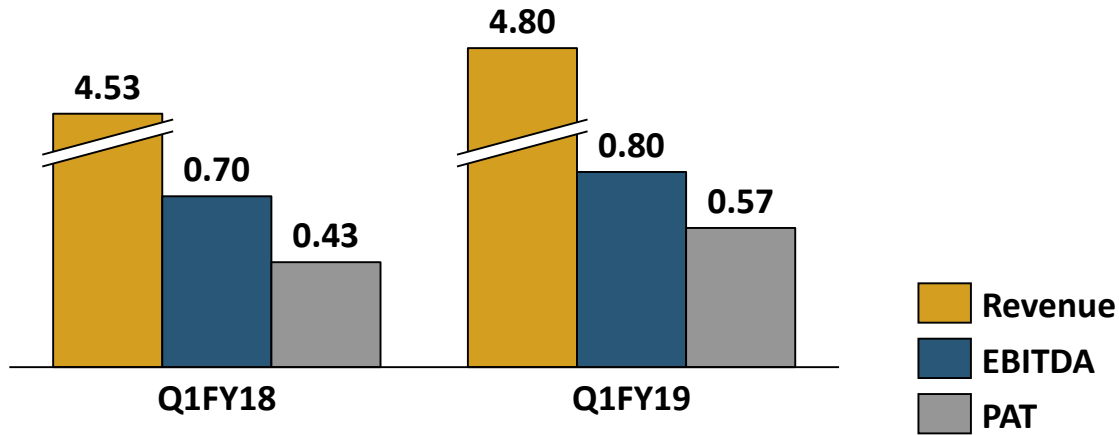
Cash PAT [Rs. Crs] *



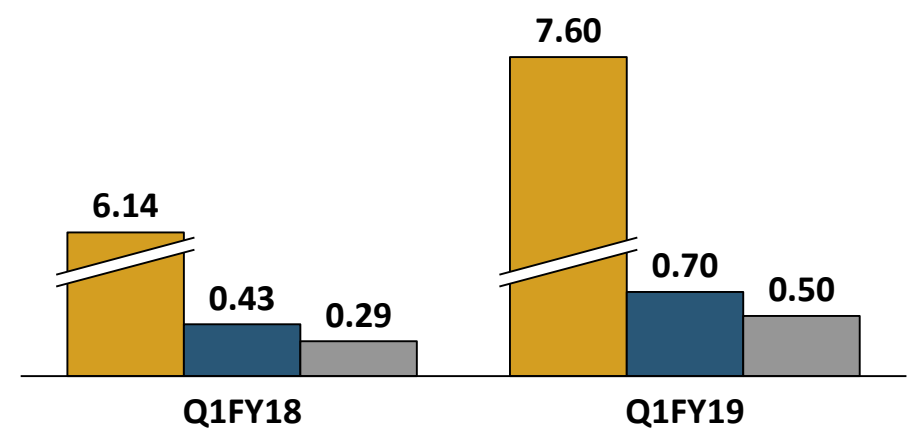
Stellar Performance By Subsidiaries



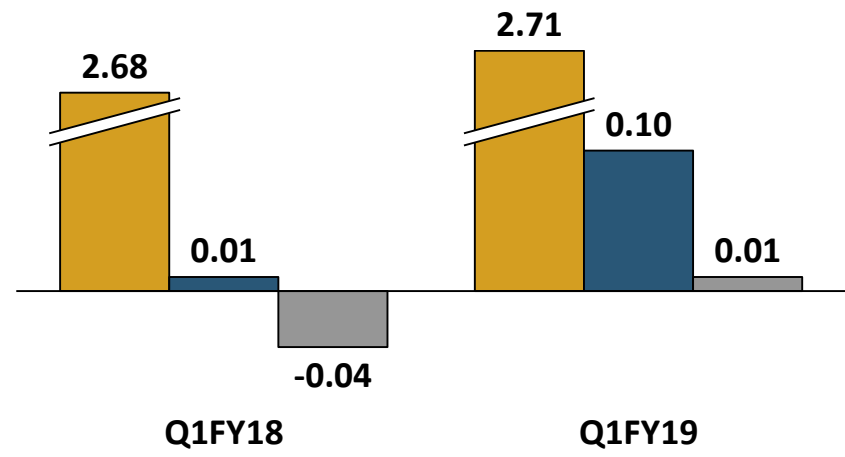
El Ceramics [\$ mn]



Monocon Group [GBP mn]



Hofmann Ceramic [Euro mn]



Ongoing Capex to boost performance



**IFGL Odisha
Plant**

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

Current status: 90% completed

**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.

Current status: 90% completed

**Hofmann
Germany Plant**

~Euro 2mn Capex: Capacity Increase
Automation Efficiency
Enhancement

Current status: 60% completed

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%
Raw Material	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 (PAT + Goodwill written off + Depreciation)	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	

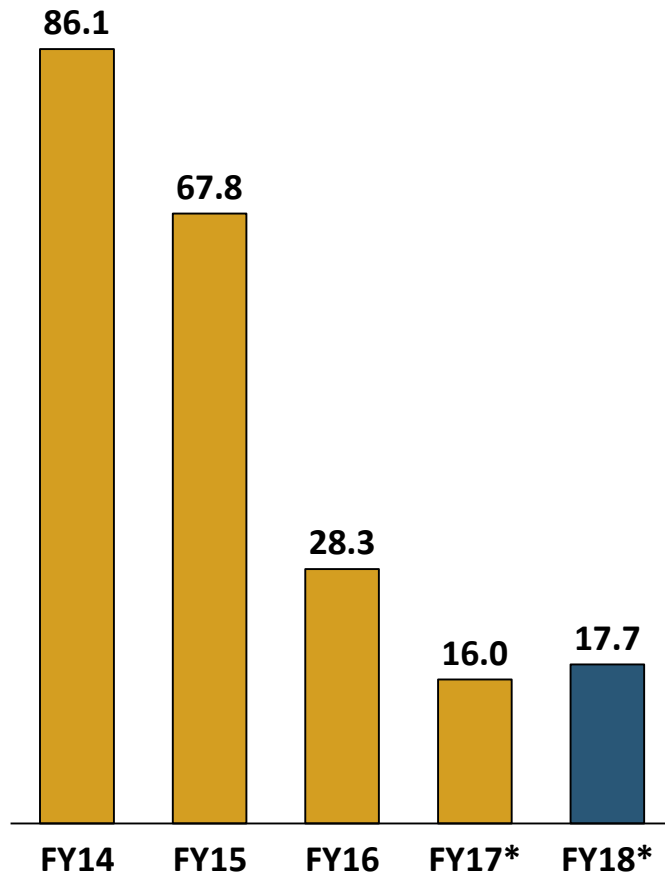
[^] Total Income is Net of Excise Duty

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

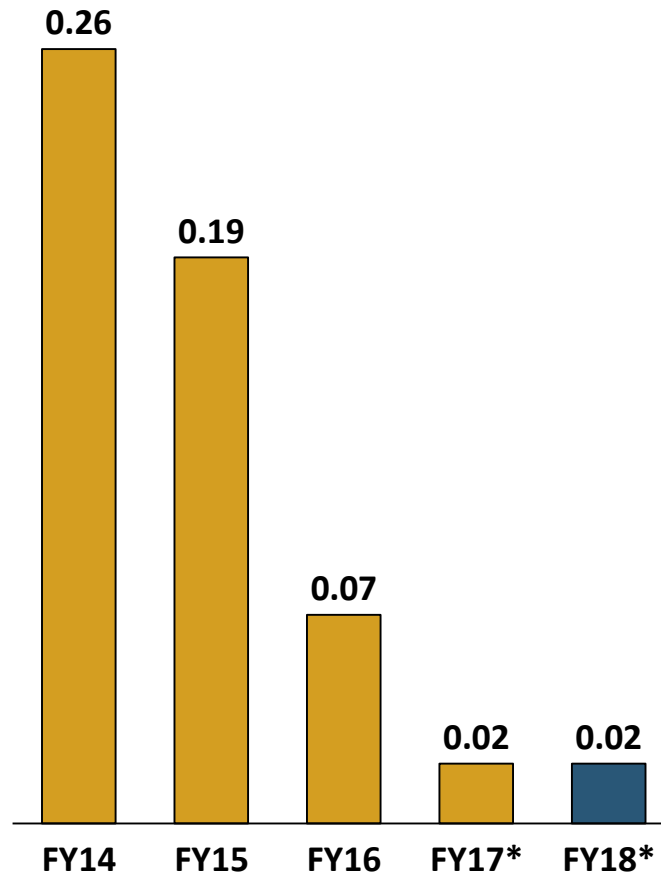
...to create sustainable value for Shareholders...



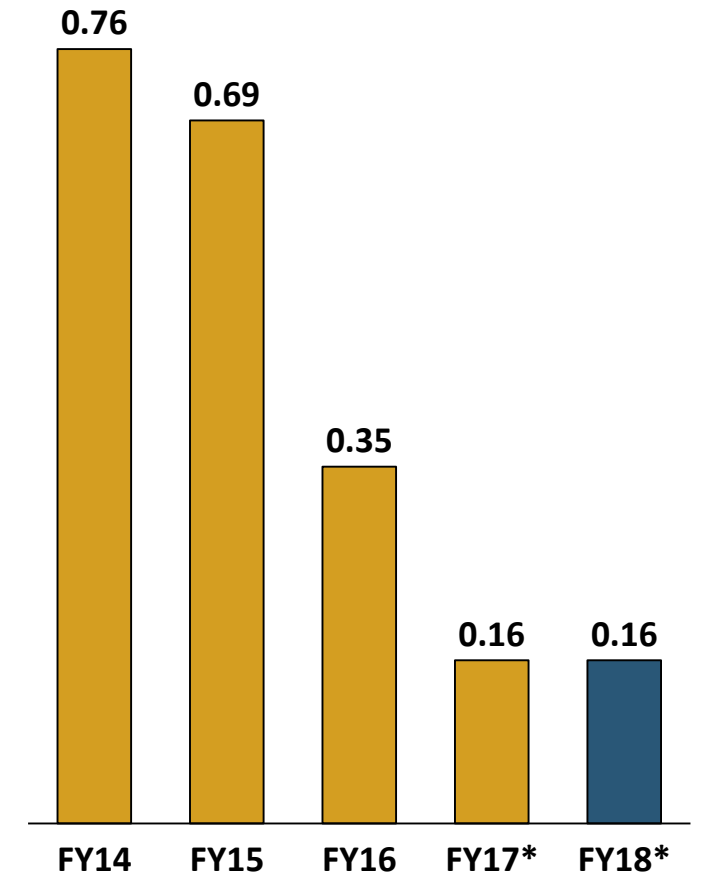
Net Debt (Rs. Crs.)



Net Debt : Equity [x]

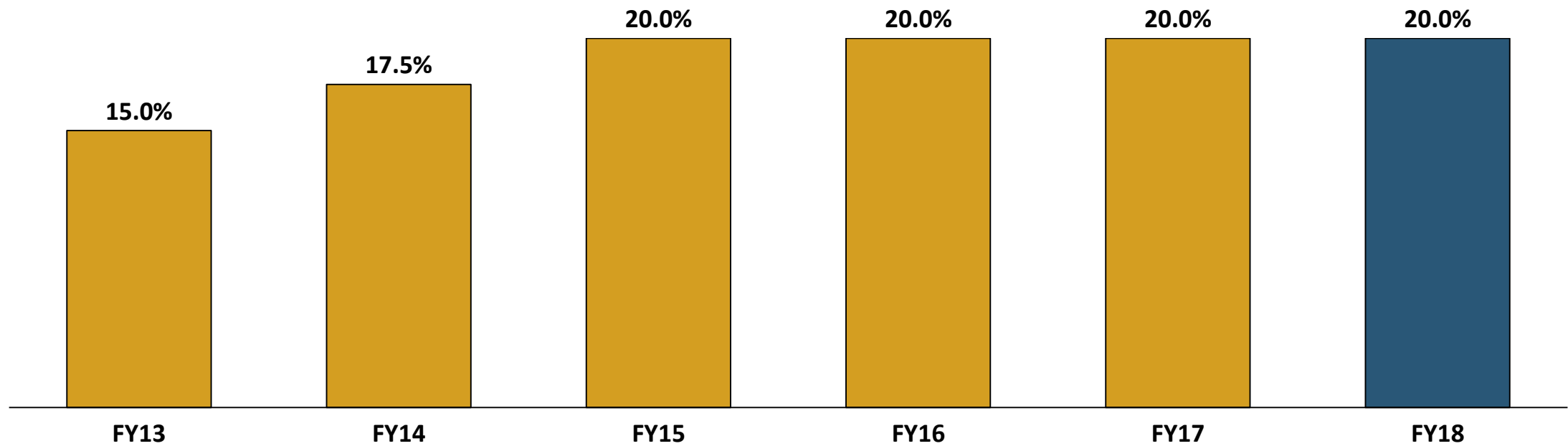


Net Debt : EBITDA [x]



* Figures post Merger

...with consistent Payout



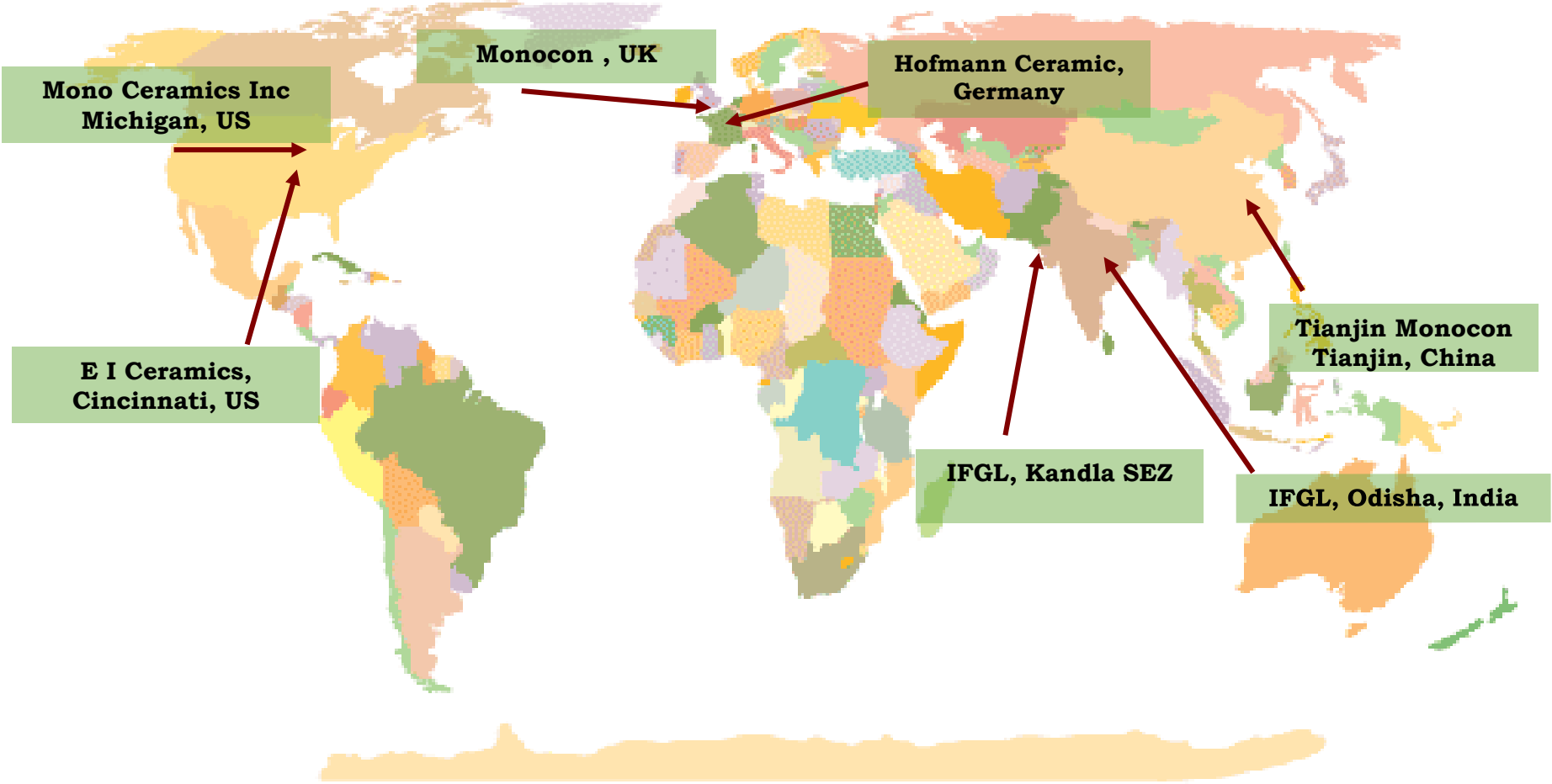
Particulars (Rs.)	FY13	FY14	FY15	FY16	FY17	FY18*
Consolidated Book Value per Share	70.9	95.1	99.6	111.7	189.9	208.7
Consolidated Earning Per Share	7.9	18.3	15.1	12.1	13.9	13.1
Dividend Per Share	1.5	1.75	2.00	2.00	2.00	2.00

* Subject to approval of the shareholders



About Us

A Global MNC...



...with proven management...

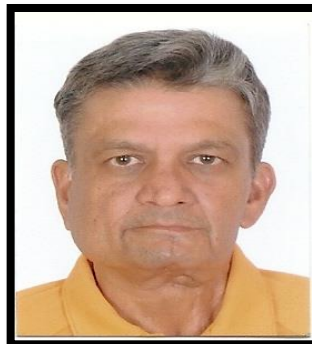


Mr. S.K. Bajoria
Chairman



- 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...

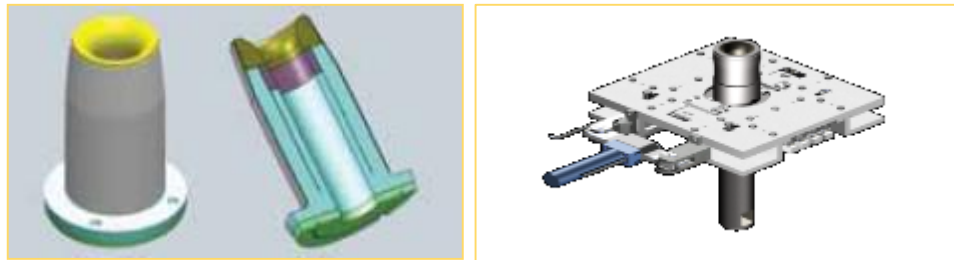
Isostatic Refractories



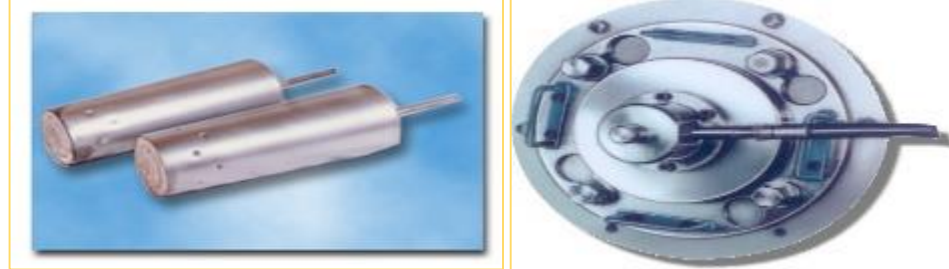
Slide Gate Refractories & Systems



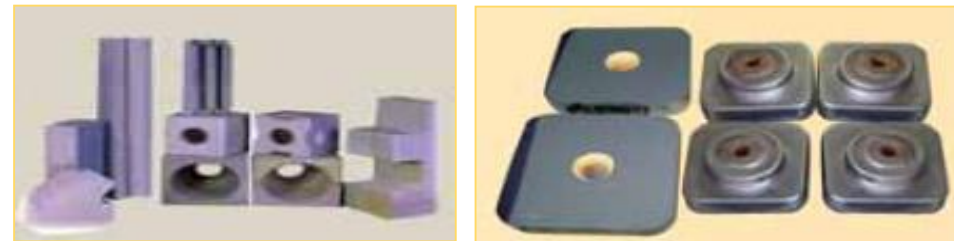
Tube Changer Refractories & System



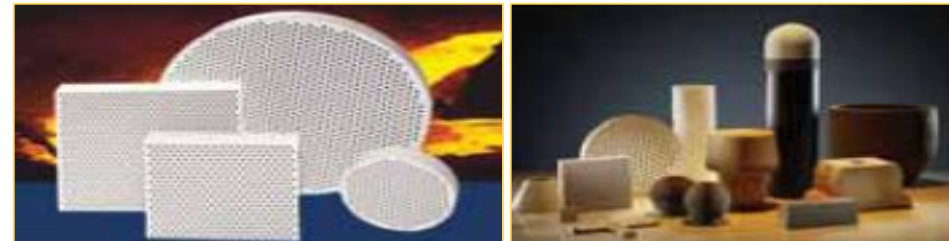
Purging System & Refractories



Cast Products & Zirconia Nozzles



Foundry Ceramics



...to reputed names in the Global Steel Industry



For further information, please contact:



SGA Strategic Growth Advisors

Company :

IFGL Refractories Ltd.

CIN - L51909WB2007PLC118407

Mr. Rajesh Agrawal

rajesh.agrawal@ifgl.in

www.ifglref.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.

CIN - U74140MH2010PTC204285

Mr. Shogun Jain / Mr. Pratik R. Shah

shogun.jain@sgapl.net / pratik.shah@sgapl.net

+91 77383 77756 / +91 97692 60769

www.sgapl.net