

IFGL REFRACTORIES LTD

RESULT UPDATE  
PRESENTATION ,  
May 2016

# Safe Harbor

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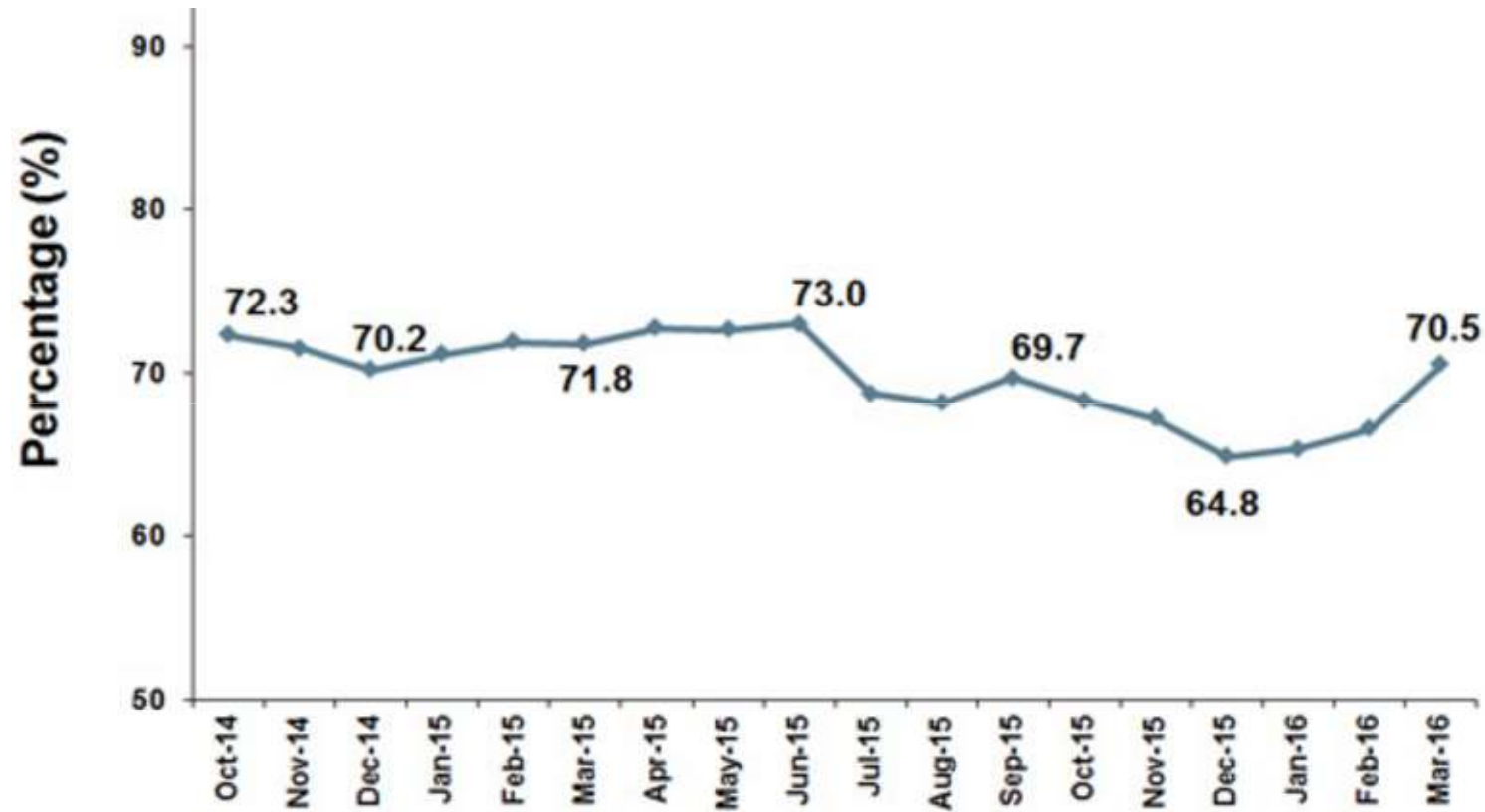
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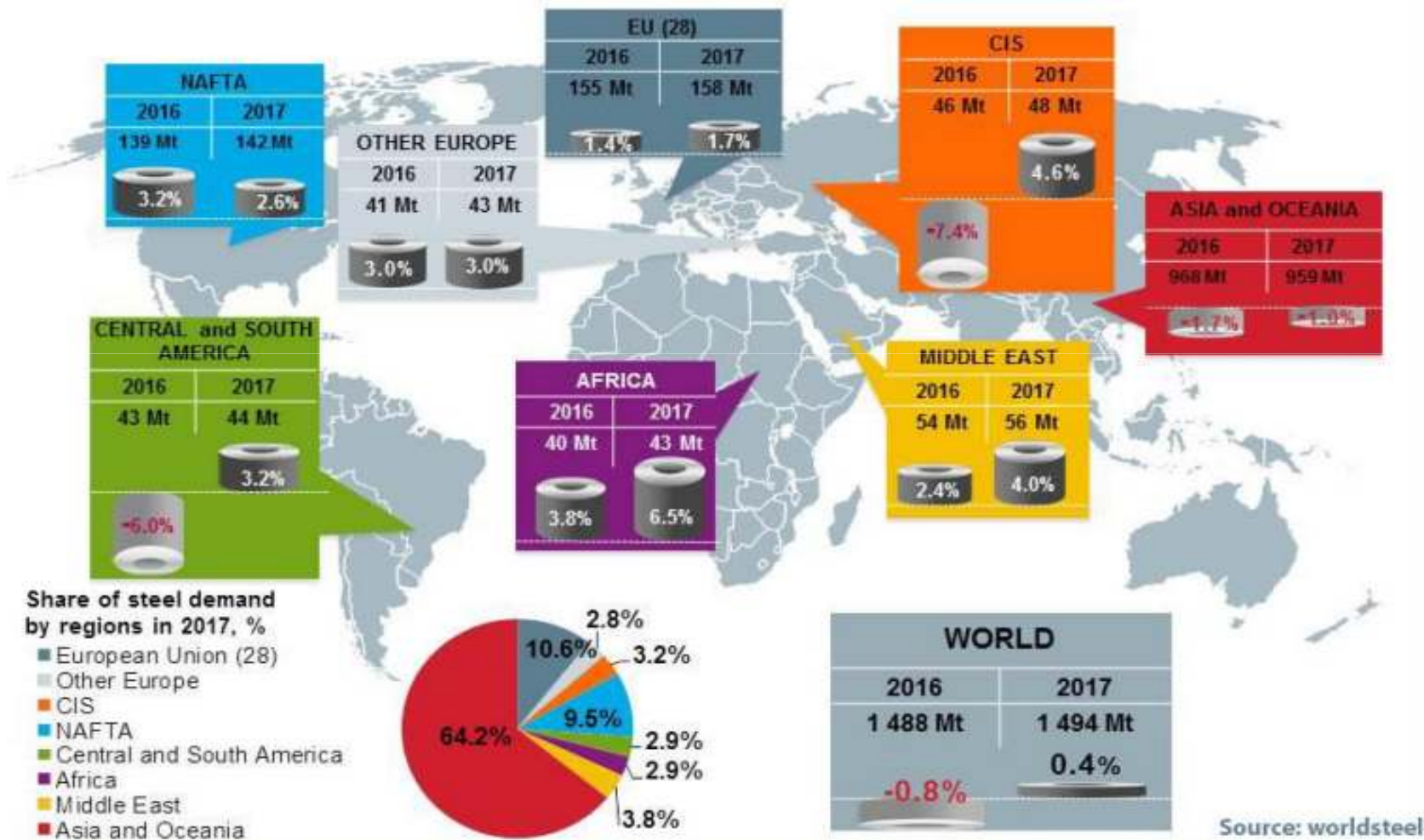
# INDUSTRY OVERVIEW

# World Steel Capacity Utilization...



...at a Nine Month High

# World Steel Short Range Outlook 2016-2017



Source: worldsteel

# IFGL - Ready to Capitalize

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Increase Steel Production In India on back of Infrastructure growth & Safeguards

Steel Demand in the World ex-China to is expected to grow in 2016

Stabilizing World Economy to lead to recovery of Steel Demand in Developed Economies

IFGL is present in 50% of the Steel Producing countries of the World; will benefit from Economic Recovery

**SIGNIFICANT OPERATING LEVERAGE**



## Our Performance



# Consolidated Profit & Loss

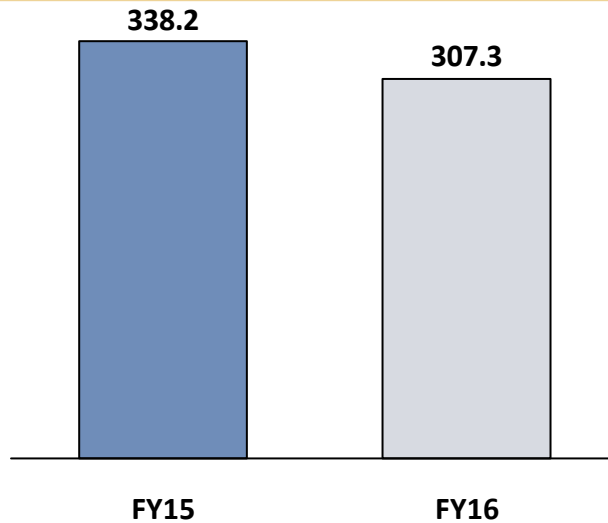
Particulars [Rs. Crs]	Q4 FY16	Q4 FY15	Growth %	FY16	FY15	Growth %	Commentary
<b>Total Income</b>	178	172	<b>3.6%</b>	<b>722</b>	<b>793</b>	<b>-9.0%</b>	<p><b>USA :</b> Heavy dumping from China led to lower domestic production thus impacted profitability</p> <p><b>Germany:</b> Record profitability and return ratios achieved due to higher focus on value added products</p> <p><b>IFGL Exports:</b> Deepened penetration in EU through quality products and stable currency led to higher profits</p> <p><b>Monocon Group:</b> Tight control on costs and improved product mix remains focus areas. Financials impacted by closure of Steel Mill in UK.</p> <p><b>India Business:</b> Impacted by slowing domestic production in H1. Recent Government measures likely to improve scenario</p>
Raw Material	87	87		365	406		
Employee Expenses	32	29		120	118		
Other Expenses	39	36		150	171		
<b>Normalized EBITDA*</b>	<b>19</b>	<b>20</b>	<b>-3.7%</b>	<b>87</b>	<b>99</b>	<b>-11.8%</b>	
<b>Normalized EBITDA %</b>	<b>10.8%</b>	<b>11.6%</b>	<b>-80 bps</b>	<b>12.17%</b>	<b>12.57%</b>	<b>-40 bps</b>	
Depreciation	4	4		15	14		
Finance Cost	1	1		5	6		
Provisions	-	-		6	-		
Tax	3	4		16	25		
Minority Interest (MI)	1	0		3	0		
<b>Profit after Tax &amp; MI</b>	<b>11</b>	<b>10</b>	<b>2.9%</b>	<b>42</b>	<b>53</b>	<b>-21.2%</b>	

\*Normalized EBITDA is before Provisions (other than Tax) which is part of other expenses

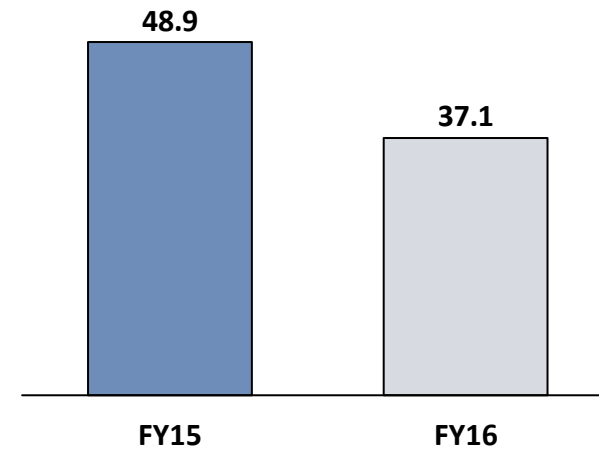


# Standalone Financial Highlights – FY16

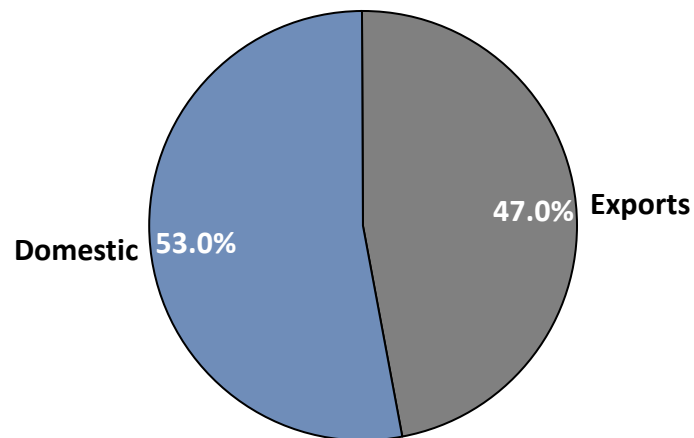
Standalone Turnover [Rs. Crs]



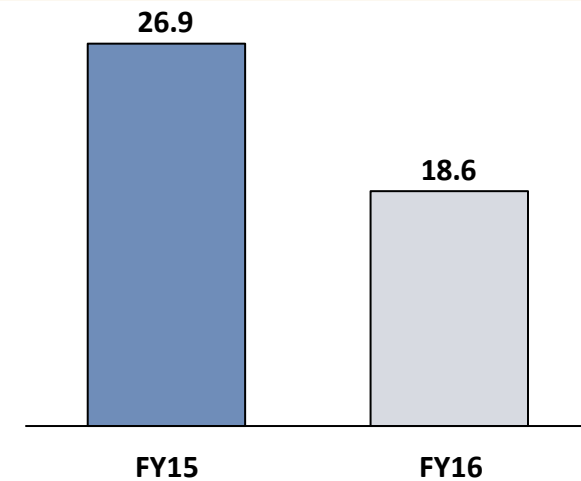
EBITDA [Rs. Crs]



Domestic V/s Export Sales [%]



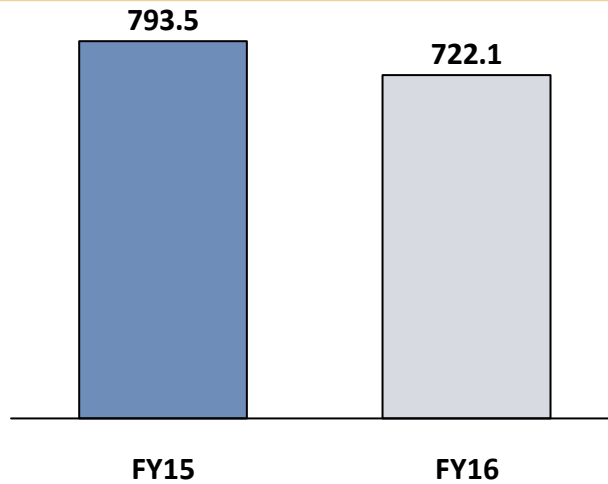
PAT [Rs. Crs]



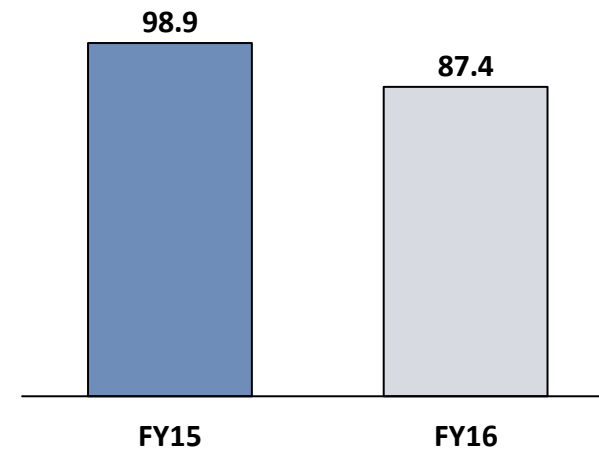


# Consolidated Financial Highlights – FY16

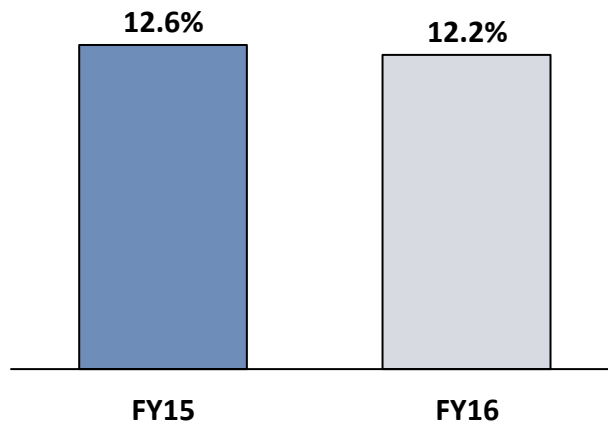
Consolidated Turnover [Rs. Crs]



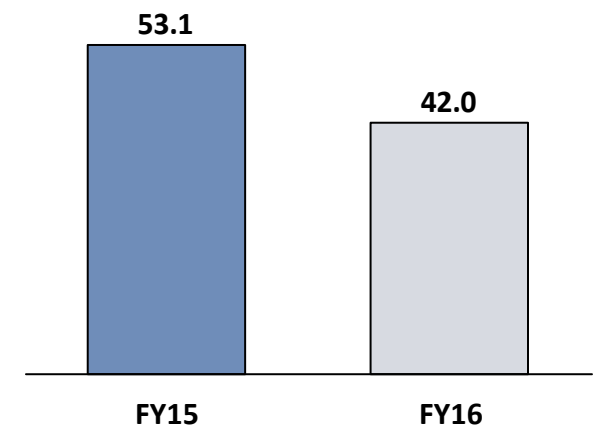
Normalized EBITDA [Rs. Crs]



Normalized EBITA margin



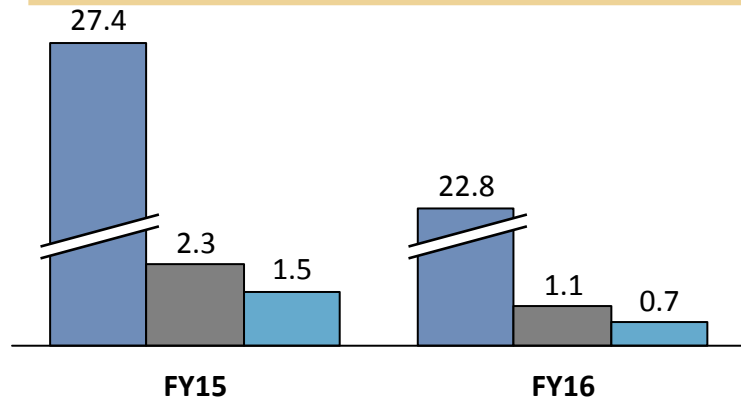
PAT After MI [Rs. Crs]



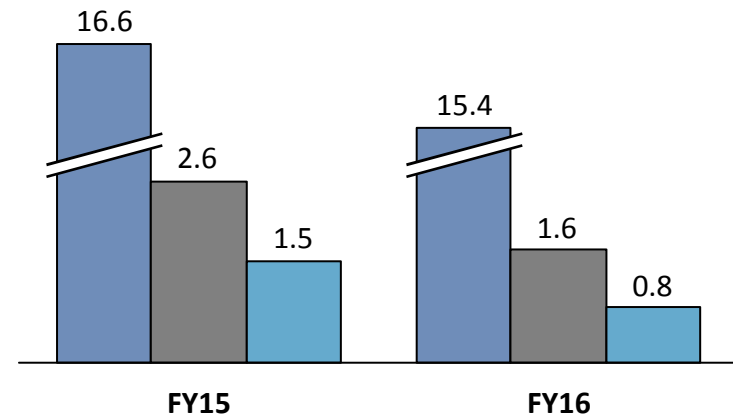
\*Normalized EBITDA is before Provisions (other than Tax) which is part of other expenses

# Subsidiary Performance – FY16

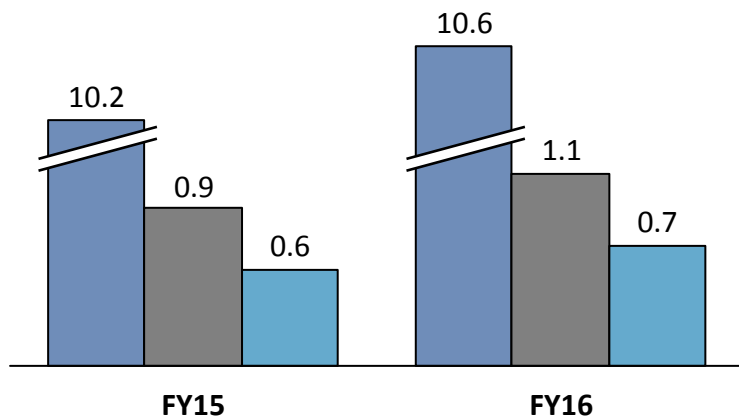
**Monocon Group [GBP mn]**



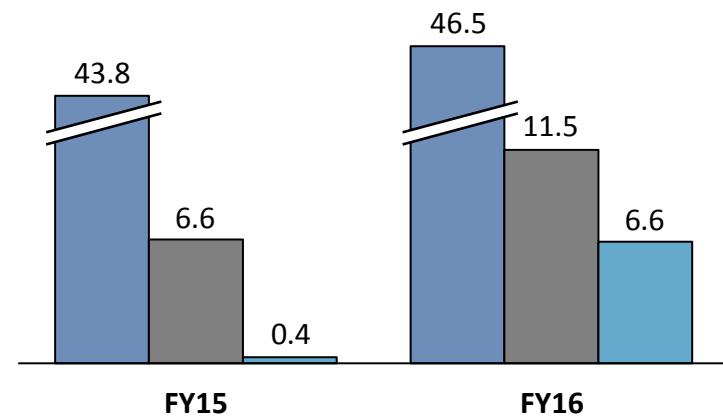
**EI Ceramics [\$ mn]**



**Hofmann Ceramic [Euro mn]**



**IFGL Exports [Rs. Crs]**



■ Revenue  
■ EBITDA  
■ PAT

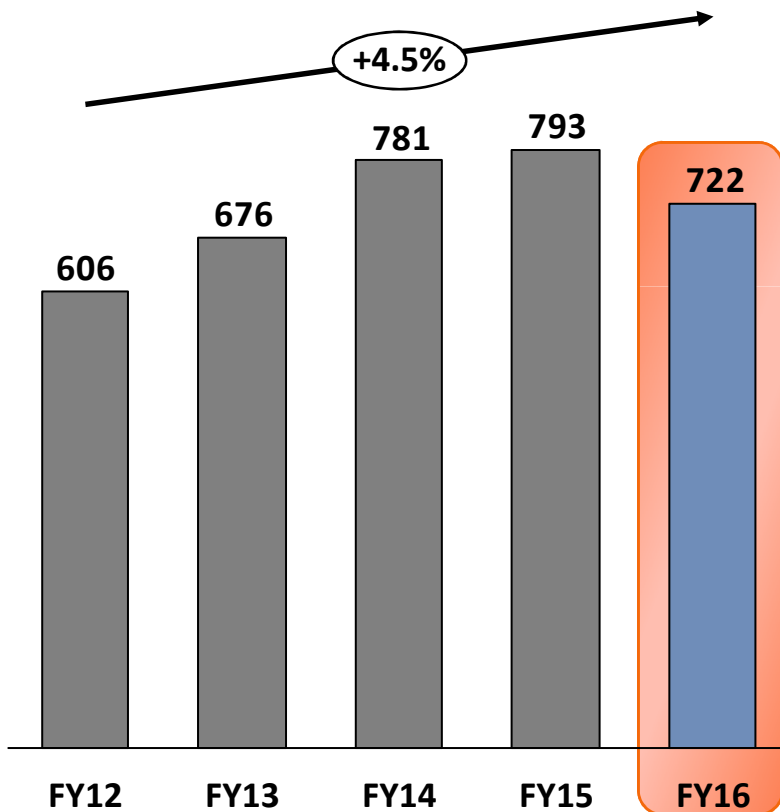


**Reputed Global  
Brand**

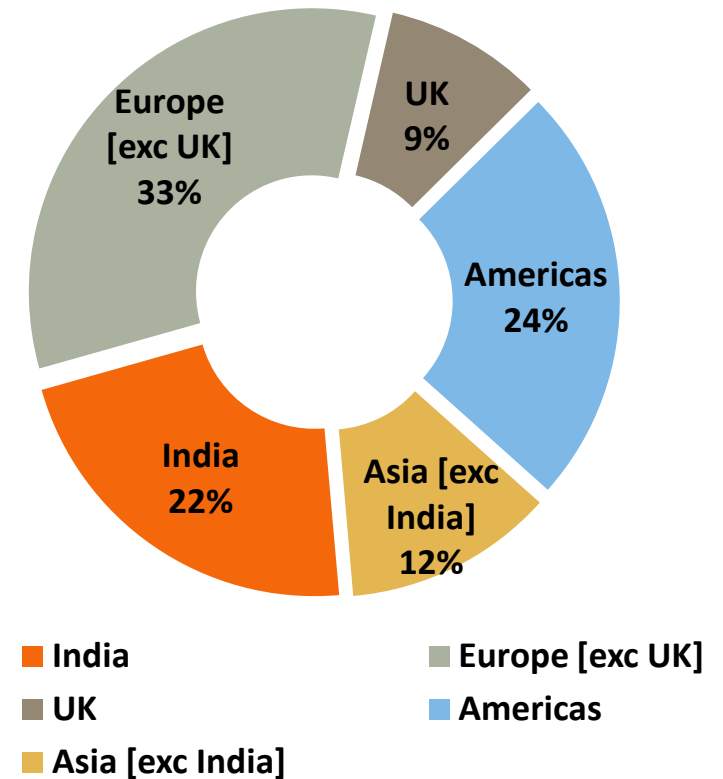
# Strong Brand in Global Refractories Market



Consolidated Turnover [Rs. Crs.]



FY16 Sales by Region





# IFGL Five Year Performance

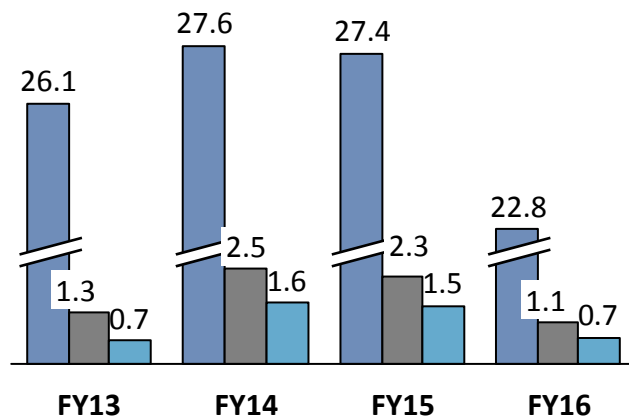
Particulars [Rs. Crs]	FY12	FY 13	FY 14	FY 15	FY 16
<b>Total Income</b>	<b>607.1</b>	<b>676.8</b>	<b>781.0</b>	<b>793.5</b>	<b>722.1</b>
Raw Material	303.8	352.3	378.0	406.1	365.2
Employee Expenses	84.3	98.7	110.0	117.9	119.6
Other Expenses	141.8	163.2	181.0	170.6	149.9
<b>EBITDA*</b>	<b>77.2</b>	<b>62.7</b>	<b>113.0</b>	<b>98.9</b>	<b>87.4</b>
<b>EBITDA %*</b>	<b>12.7%</b>	<b>9.3%</b>	<b>14.5%</b>	<b>12.5%</b>	<b>12.2%</b>
Finance Cost	6.75	8.0	7.0	5.9	4.8
Depreciation	12.91	13.4	15.0	14.3	15.5
Provisions	-	-	-	-	6.3
<b>Profit Before Tax</b>	<b>57.5</b>	<b>41.3</b>	<b>91.0</b>	<b>78.7</b>	<b>60.9</b>
Tax	18.3	15.9	25.0	25.4	15.7
Minority Interest (MI)	0.0	-2.8	2.0	0.2	3.2
<b>Profit after Tax &amp; MI</b>	<b>39.2</b>	<b>28.2</b>	<b>64.0</b>	<b>53.1</b>	<b>42.0</b>
<b>PAT %</b>	<b>6.5%</b>	<b>4.2%</b>	<b>8.2%</b>	<b>6.7%</b>	<b>5.8%</b>

\*For FY16 EBITDA is before Provisions (other than Tax) which is part of other expenses

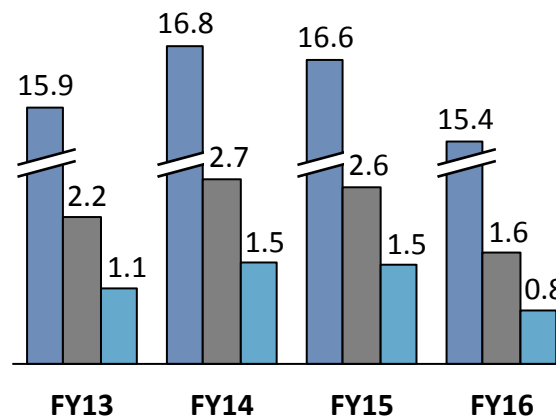
# Growth in the face of challenges

Revenue EBITDA PAT

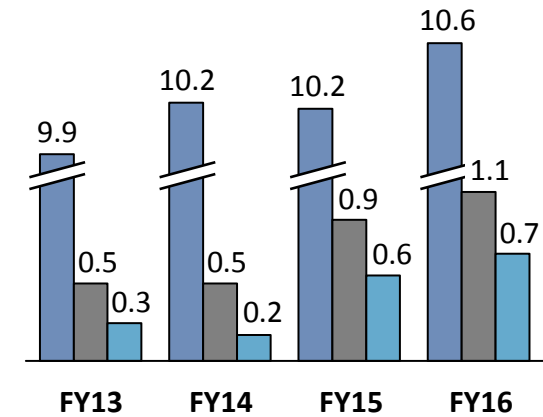
**Monocon Group [GBP mn]**



**EI Ceramics [\$ mn]**

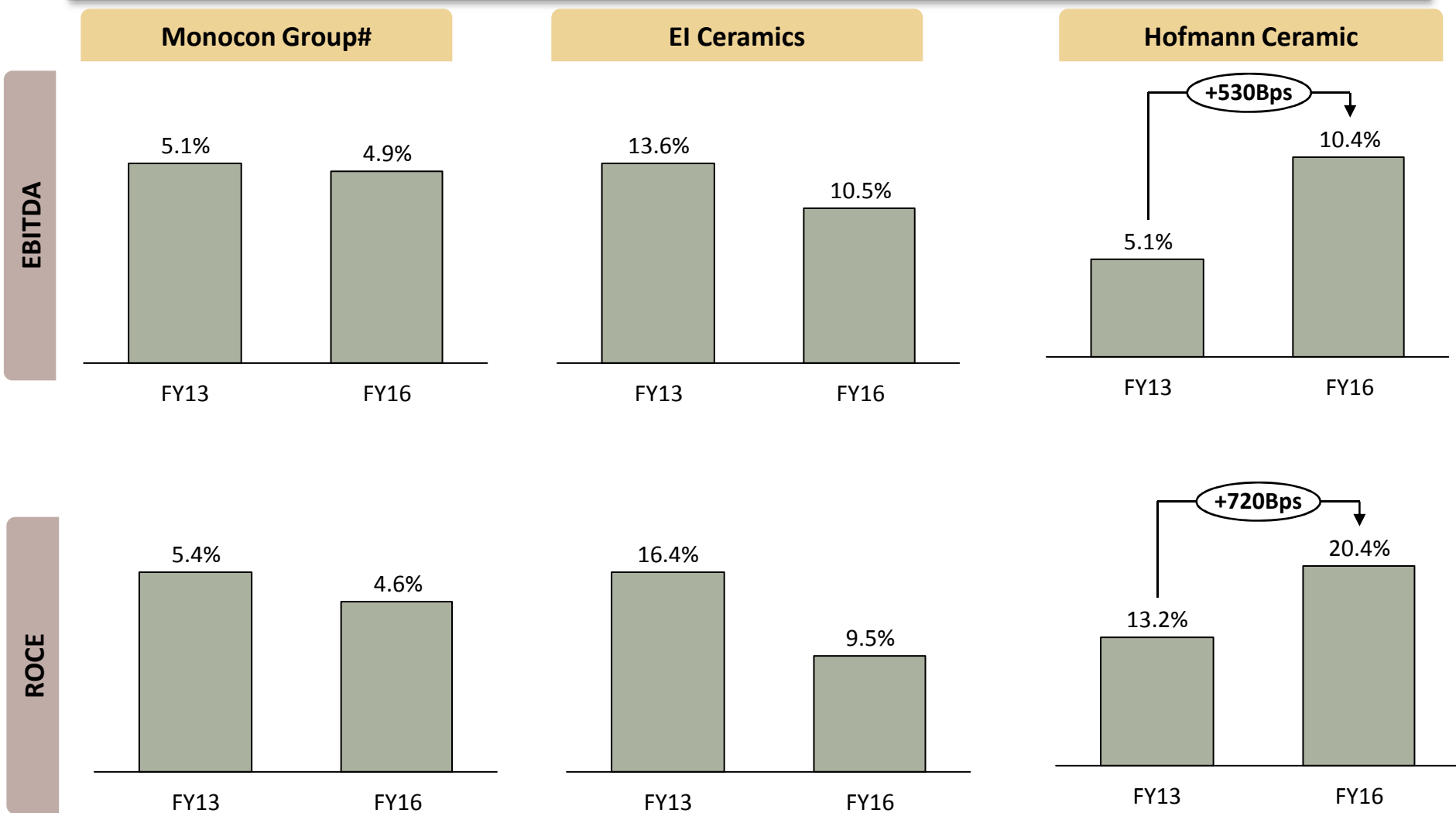


**Hofmann Ceramic [Euro mn]**



- ✓ Despite challenging growth environments in World economy, International Operations have continued to sustain and gain market share
- ✓ Monocon Group and Hofmann Ceramic have grown at a Revenue CAGR of 2% & 4% respectively since acquisition while EI Ceramics has grown at 6% CAGR since acquisition
- ✓ Monocon Group Revenue and Profitability impacted due to closure of a Steel plant in UK
- ✓ All International acquisitions are profitable and generate sufficient cash flows for Debt servicing and fund capacity expansions

# ...increasing focus on Return Matrix\*

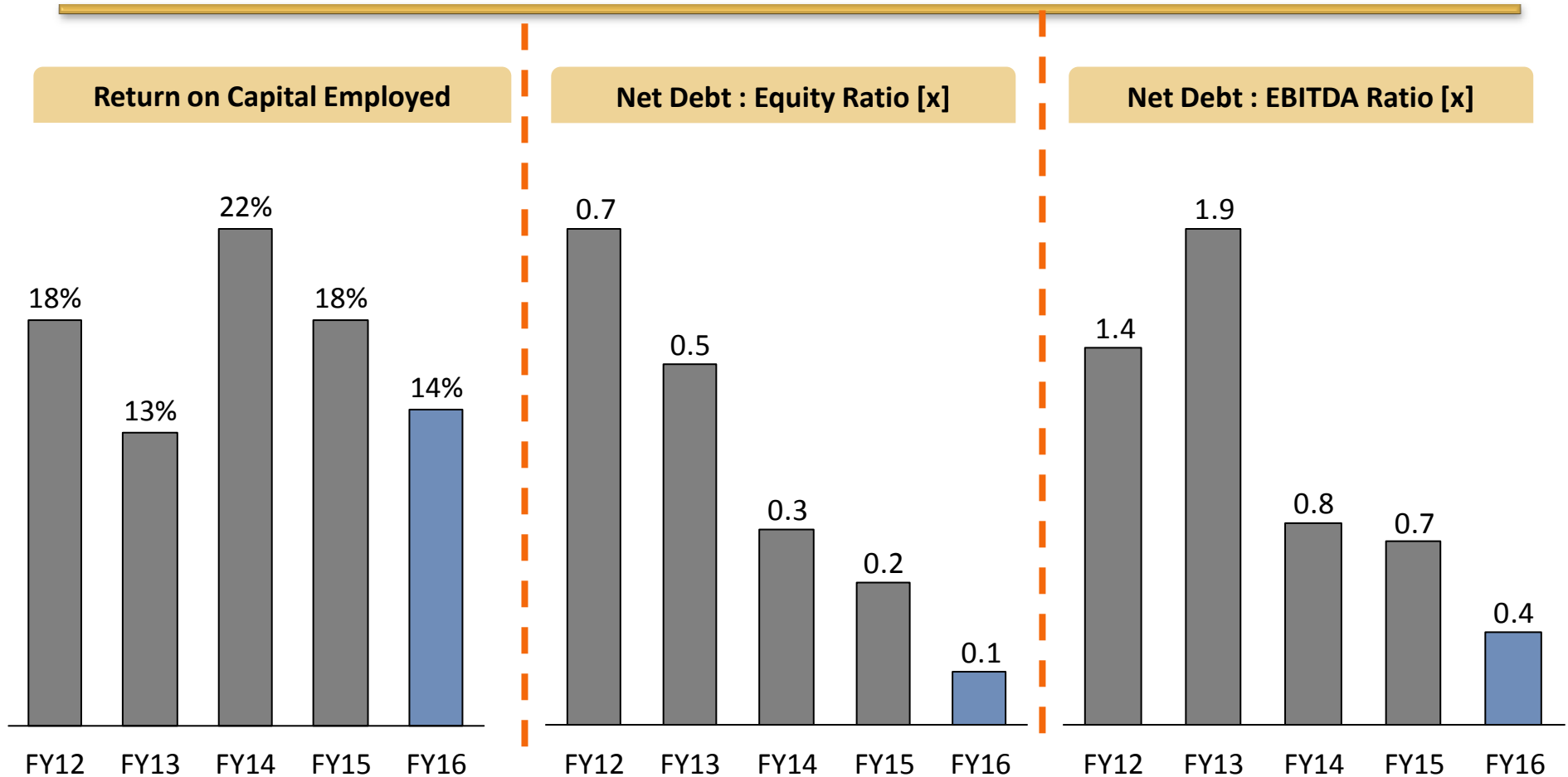


• Local currency financials in reporting country

• # For FY16 performance impacted due to closure of a Steel plant in UK



# Sustainable Shareholder Value Creation

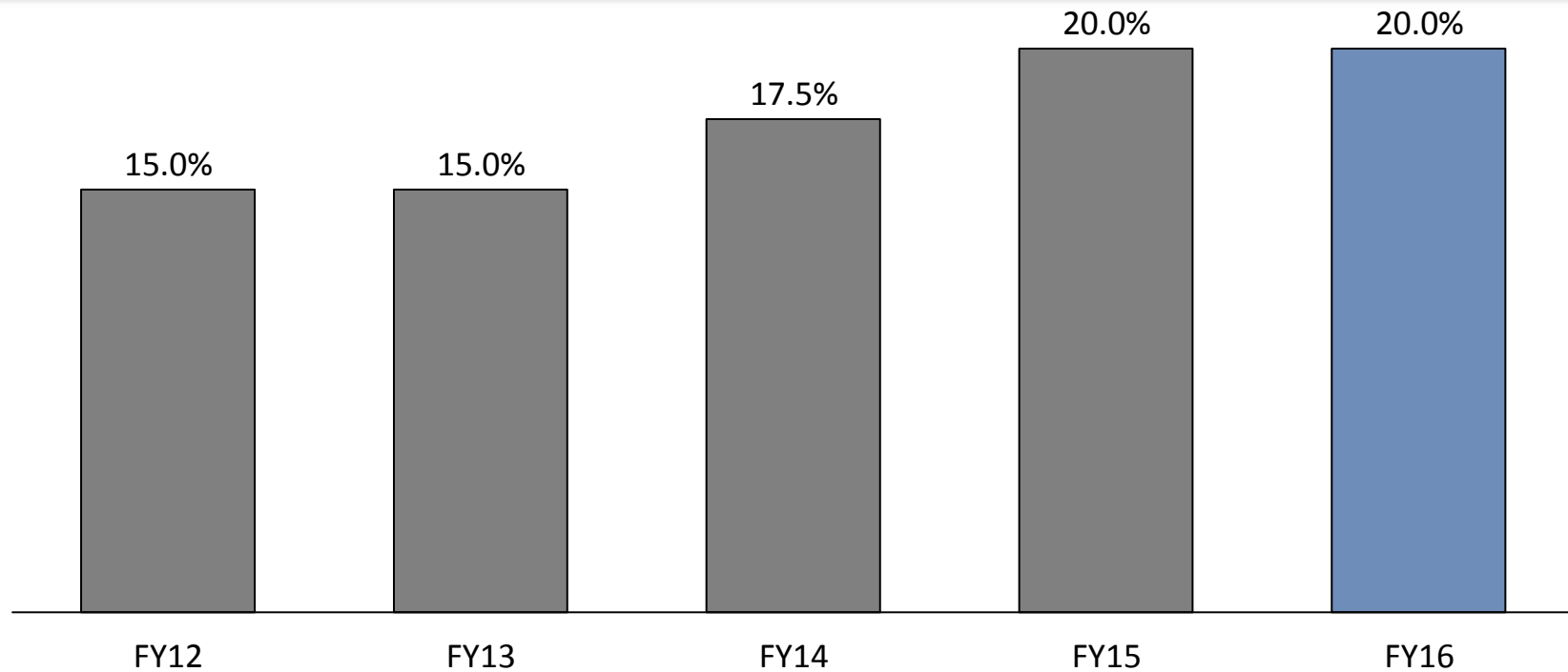


\* Consolidated

$ROCE = EBIT / (Total Debt + Net\ worth)$

$Net\ Debt : Equity\ Ratio = (Total\ Debt - Cash\ \&\ bank\ balance) / Net\ worth$

# Dividend Record



Particulars (Rs.)	FY12	FY13	FY14	FY15	FY16
Consolidated Book Value per Share	64.1	70.9	95.1	99.6	111.7
Consolidated Earning Per Share	11.3	7.9	18.3	15.1	12.1
Dividend Per Share	1.5	1.5	1.75	2.00	2.00

# Contact

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