



**IOL Chemicals and
Pharmaceuticals Limited**
Q1FY24 Investor Presentation
August 2023



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IOL Chemicals & Pharma - Overview

Incorporated in 1986, IOLCP is one of the leading API Pharmaceuticals company and is a significant player in the field of specialty chemicals with world class facilities



Operational Highlights

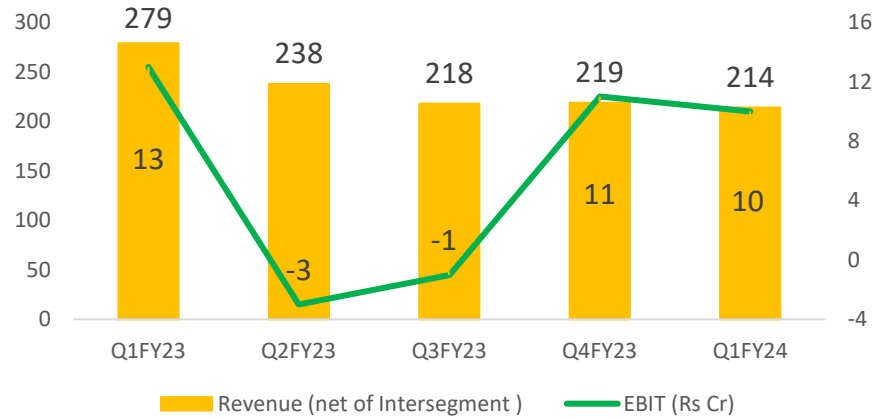
- CARE Rating has reaffirmed to A+ with a stable outlook
- Commenced plant for Acetic Anhydride, which shall be used for captive consumption as well as merchant sale
- Progressing a product registration from NMPA, China

Q1FY24 Financial Performance

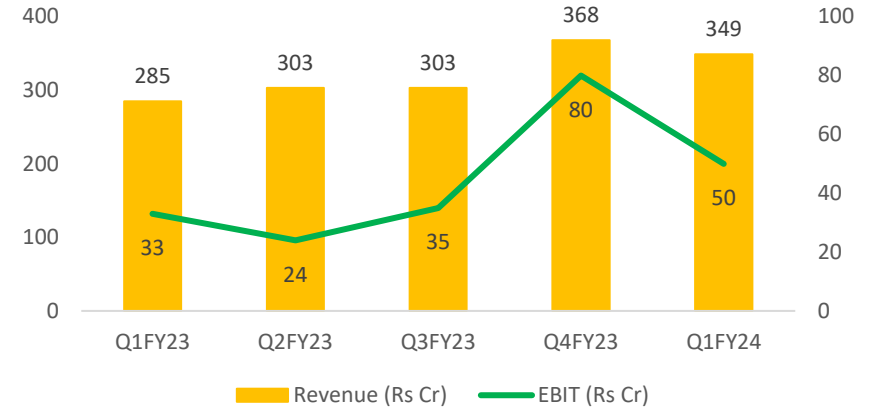
570.24 Revenues (Rs. cr)	79.92 EBITDA (Rs. cr)	14% EBITDA Margin
46.21 Profit After Tax (Rs. cr)	8% PAT Margin	

Geographical and Segmental highlights

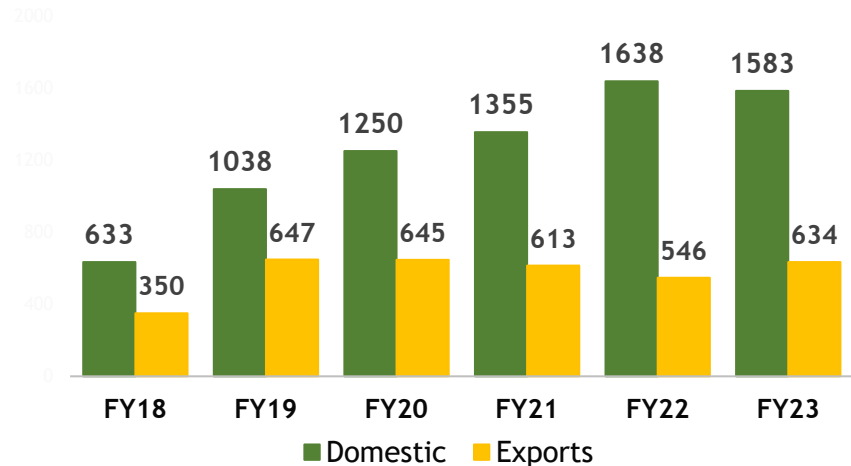
Chemical Segment (Rs. crore)



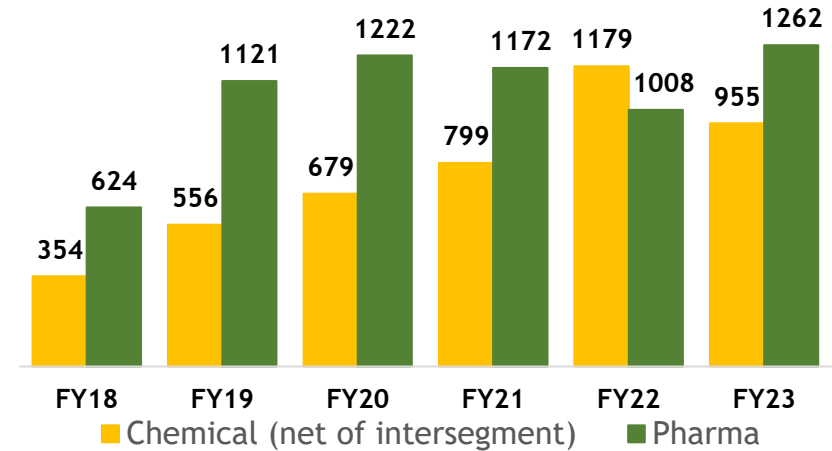
Pharma Segment (Rs. crore)



Geographical Break-up (Rs. crore)



Segmental Rev. Net of intersegmet (Rs. crore)





FINANCIAL HIGHLIGHTS

Quarterly Income Statement

Particulars (Rs. Cr)	Q1 FY24	Q1 FY23	YoY	Q4 FY23
Revenues	563.2	565.0		587.2
Other Income	7.1	5.2		8.7
Total Income	570.3	570.2		595.9
Total Expenses	490.4	509.0		491.4
EBITDA	79.9	61.2	30.6%	104.5
EBITDA Margin (%)	14.0%	10.7%	330 bps	17.5%
Depreciation	14.4	11.0		12.1
Finance Cost	4.0	3.4		4.9
Profit Before Exceptional Items	61.5	46.8		87.5
Exceptional items (Expense) / Income				
Profit Before Tax	61.5	46.8	31.4%	87.5
Tax	15.3	11.9		22.2
Profit After Tax	46.2	34.9	32.4%	65.3
PAT Margin (%)	8.1%	6.2%	190bps	11.0%
Other Comprehensive Income	-1.2	-0.5		0.8
Total Comprehensive Income	45.0	34.4		66.1
Basic & Diluted EPS (INR)	7.9	5.9		11.1

Yearly Income Statement

Particulars (Rs. Cr)	FY23	FY22	YoY
Revenues	2,217.1	2,184.0	
Other Income	25.6	32.0	
Total Income	2,242.7	2,216.0	1.2%
Total Expenses	1,990.6	1,927.6	
EBITDA	252.1	288.4	-12.6%
EBITDA Margin (%)	11.2%	13.0%	-180 bps
Depreciation	46.1	43.3	
Finance Cost	16.5	8.3	
Profit Before Exceptional Items	189.5	236.8	
Exceptional items (Expense) / Income	-	-13.9	
Profit Before Tax	189.5	222.9	
Tax	49.5	57.2	
Profit After Tax	140.0	165.7	-15.5%
PAT Margin (%)	6.2%	7.5%	-130 bps
Other Comprehensive Income	-0.2	-0.6	
Total Comprehensive Income	139.8	165.1	
Basic & Diluted EPS (INR)	23.8	28.2	

Growing top-line

Particulars (Rs. Cr)	FY18	FY19	FY20	FY21	FY22	FY23
Revenues	983.3	1,685.3	1,894.5	1,967.0	2,184.0	2,217.1
Other Income	6.3	10.4	16.0	24.3	32.0	25.6
Total Income	989.6	1,695.7	1,910.5	1,991.3	2,216.0	2,242.7
Total Expenses	863.7	1,275.7	1,320.6	1,375.2	1,927.6	1,990.6
EBITDA	125.9	420.0	589.9	616.1	288.4	252.1
EBITDA Margin (%)	12.7%	24.8%	30.9%	30.9%	13.0%	11.2%
Depreciation	30.2	32.5	35.7	38.9	43.3	46.1
Finance Cost	64.4	51.4	20.9	5.8	8.3	16.5
Profit Before Exceptional Items	31.3	336.1	533.3	571.4	236.8	189.5
Exceptional items (Expense) / Income					-13.9	
Profit Before Tax	31.3	336.1	533.3	571.4	222.9	189.5
Tax	3.6	99.5	172	126.8	57.2	49.5
Profit After Tax	27.7	236.6	361.3	444.6	165.7	140.0
PAT Margin (%)	2.8%	14.0%	18.9%	22.3%	7.5%	6.2%
Other Comprehensive Income	-0.6	-1.4	-1.52	-2.14	-0.6	-0.2
Total Comprehensive Income	27.1	235.2	359.8	442.5	165.1	139.8
Diluted EPS (INR)	4.93	42.1	63.4	76.2	28.2	23.8

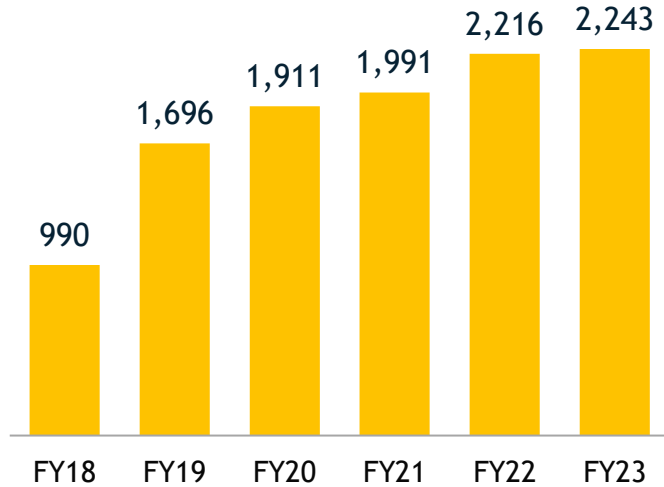
Balance Sheet (Rs. Cr)	FY18	FY19	FY20	FY21	FY22	FY23
Shareholders' Funds	215.7	474.3	813.5	1260.4	1390.3	1506.6
Debt	421.9	284.0	56.0	0.0	0.0	0.0
Total Non-current Liabilities	33.6	20.8	79.7	59.1	56.6	58.1
Total Current Liabilities	180.9	162.8	220.6	290.6	513.4	455.9
Equity & Liabilities	852.1	941.9	1169.8	1610.1	1960.3	2020.6
Fixed Assets	412.6	438.7	488.2	560.6	665.8	841.0
Fixed Deposits (Non-Current)	1.9	6.9	5.3	21.2	203.7	230.7
Other Non-Current Assets	12.9	8.3	5.4	6.0	12.0	29.8
Non Current Assets	427.4	453.8	498.9	587.8	881.5	1101.5
Investments	0.1	0.1	0.1	1.2	2.4	2.6
Cash & Bank Balances	17.3	29.6	154.7	364.8	137.9	20.9
Other Current Assets	407.3	458.4	516.1	656.3	938.5	895.6
Current Assets	424.7	488.1	670.9	1022.3	1078.8	919.1
Assets	852.1	941.9	1169.8	1610.1	1960.3	2020.6

Cash Flow Statement

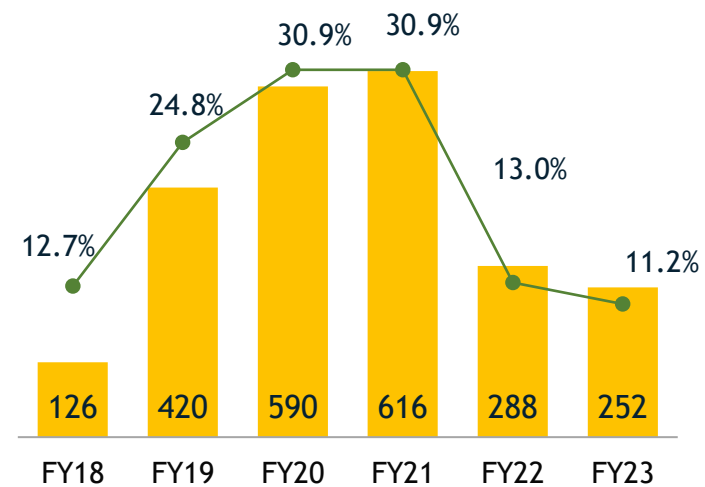
Particulars (Rs. Cr)	FY19	FY20	FY21	FY22	FY23
Profit before tax	336.15	533.24	571.39	222.84	189.49
Adjustments for: Non Cash Items / Other Investment or Financial Items	82.35	51.93	27.15	33.12	44.42
Operating profit before working capital changes	418.50	585.17	598.54	255.96	233.91
Changes in working capital	-77.64	2.78	-76.51	-102.34	-63.67
Cash generated from Operations	340.86	587.95	522.03	153.62	170.24
Income tax paid(net)	-67.69	-117.15	-142.25	-62.58	-47.10
Net cash flow from operating activities	273.17	470.80	379.78	91.04	123.14
Net cash flow from investing activities	-63.04	-184.23	-317.25	-120.62	-119.19
Net cash from financing activities	-197.46	-271.89	-58.28	-1.64	-4.11
Net Increase/Decrease in Cash and Cash equivalents	12.67	14.68	4.25	-31.22	-0.16
Cash & Cash equivalents at the beginning of the period	0.74	13.41	28.09	32.34	1.12
Cash & Cash equivalents at the end of the period	13.41	28.09	32.34	1.12	0.96

5-years Performance

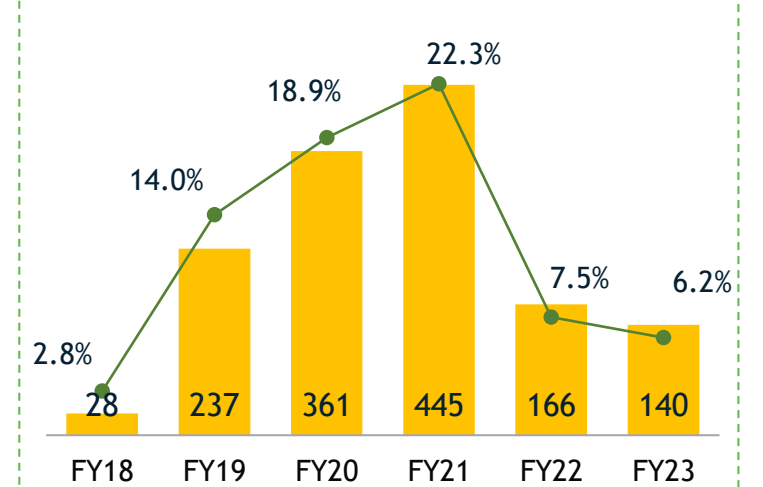
Operational Revenue (Rs Cr)



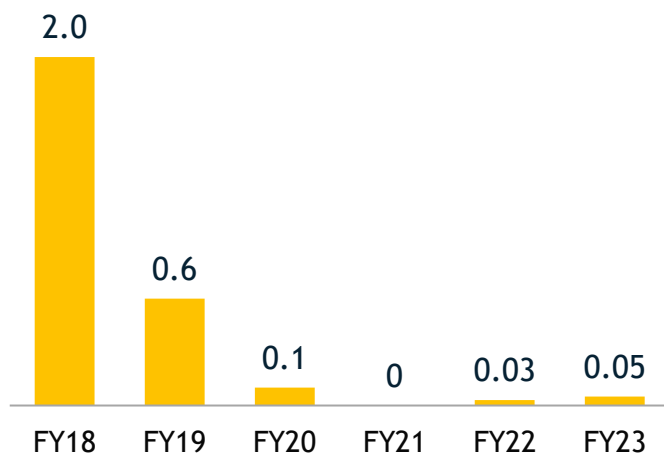
EBITDA (Rs Cr) and EBITDA Margin (%)



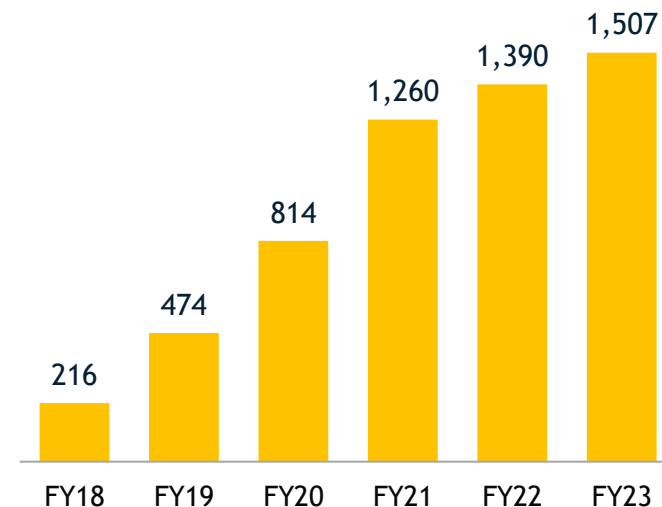
PAT (Rs Cr) and PAT Margin (%)



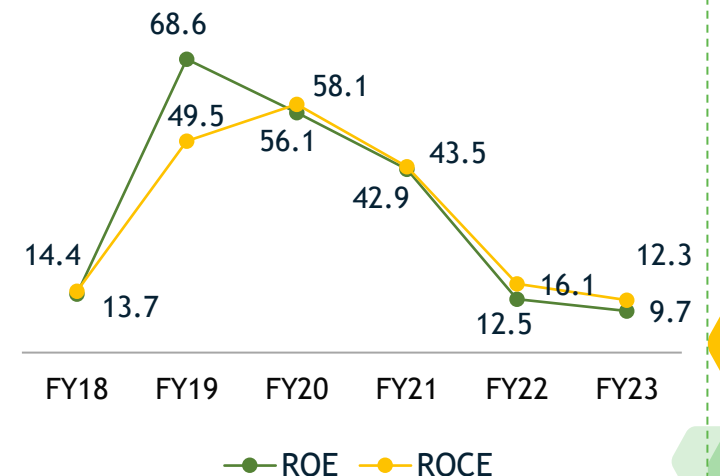
Debt to Equity (%)



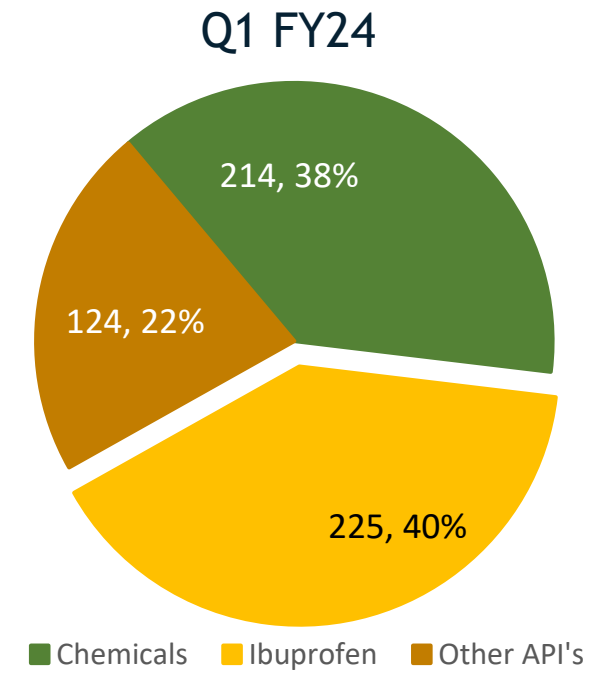
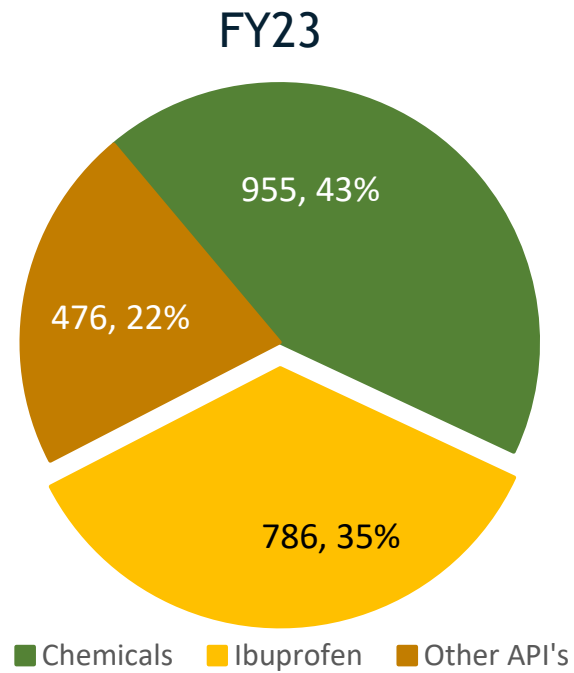
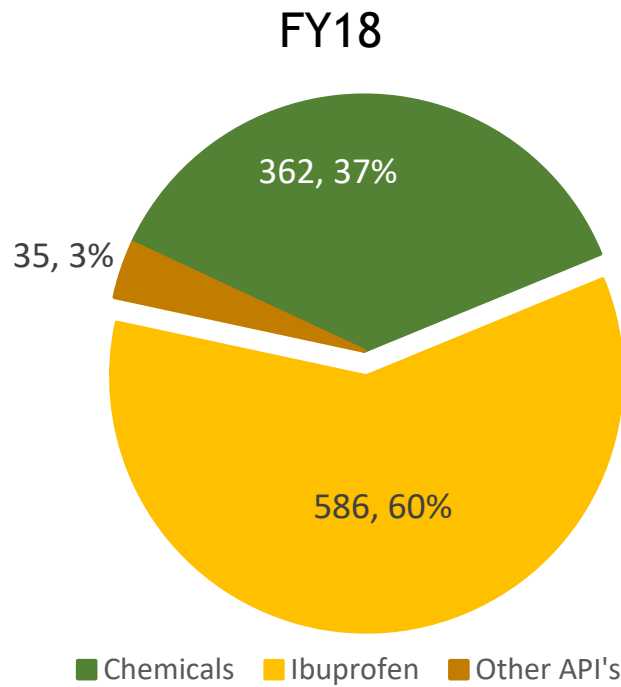
Net Worth (Rs Cr)



ROE and ROCE (%)



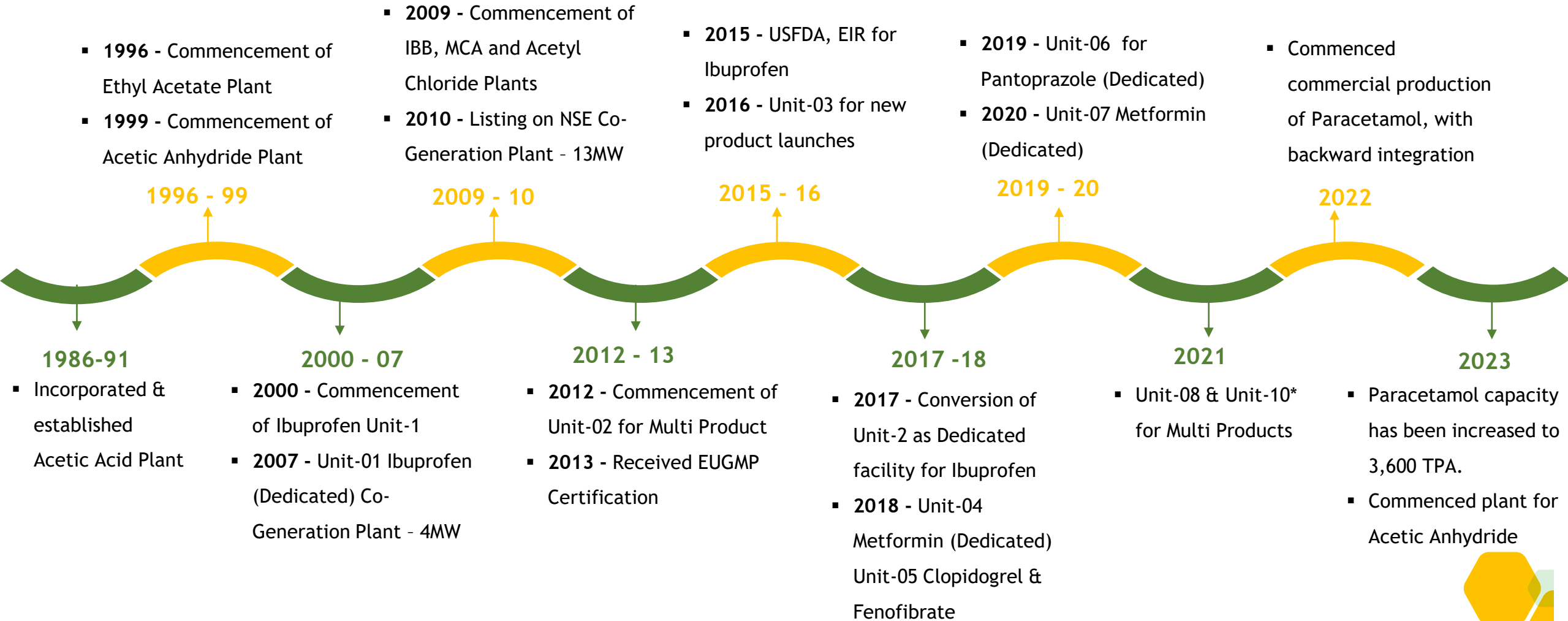
Diversified revenue base



* Amt in Rs.crore



COMPANY OVERVIEW



*Unit-10 was commercialized in Q1FY22

Core management team

Varinder Gupta (Managing Director)

- Wide and rich experience of more than 35 years in the chemical & fertilizer industry and along with a comprehensive approach and strong Pharma API industry oversight has paved a way for innovation and excellence



Abhiraj Gupta (Executive Director*)

- Possesses requisite qualification and experience in the Company's business. He oversees the non-ibuprofen API and chemical business, R&D, regulatory, digital marketing, and strategic decisions. The non-ibuprofen API business is doing good and meeting its targets under his leadership.



Vikas Vij (Chief Executive Officer*)

- Dynamic career spanning over 30 years showing year-on-year success in achieving profitability and business growth for various companies like Sun Pharma, Ranbaxy, Cipla leading API segment and Access Business Unit among others
- Has handled leadership roles across Pharma Value chain and Speciality Chemicals and achieved multi-million dollar sales target



Vikas Gupta (Joint Managing Director)

- Academically equipped with knowledge and possesses organizational capacity. He has worked in strategic department of the Company and played a main role in guiding Chemical and Pharmaceutical business of the company. He has been vital to the functioning of the company over the last 7 years



Kushal Kumar Rana (Director - Works)

- Bachelor's in Chemistry, Physics, Math and Master's degree in Chemistry
- Over 30 years in the pharmaceutical industry in companies like Morepen Laboratories, Chemiplast Industries
- His expertise lies in looking after quality assurance, quality control & corporate regulatory affairs



Rajender Mohan Malla

(Chairman and Independent Director)

- With four decades of experience held top and significant decision-making positions in Banks, Financial Institutions & NBFCs
- In his most recent executive roles, he was MD & CEO of PTC India Financial Services Limited (PFS), and prior to that CMD of IDBI



Dr. Sandhya Mehta

(Independent Director)

- Dr. Sandhya is working as the principal of Guru Nanak Institute of Management & technology, Ludhiana and has vast 22 year experience to her credit
- She has published seven books in addition to numerous papers published in reputed National & international Journals



Harpal Singh

(Independent Director)

- Over 35 year's experience of banking and financial services
- Most recently he was General Manager of Punjab National Bank and headed entire operations of bank in State of Punjab from 2010 to 2015



Sharad Tyagi

(Independent Director)

- Over 35 years of intrapreneurship in India and international markets in diverse industries including pharmaceuticals, OTC, automotive catalysts and specialty chemicals
- Most recently until December 2020, he was the Managing Director for Boehringer Ingelheim (BI) (2009-2020), India



Certifications and Accreditations



Approved USFDA facility since 2015, recertified in 2019



EUGMP Certification in 2013, 2017 & Recertification in 2020



Certificate of Suitability from EDQM



Certified Halal in accordance with Shariah Board Guidelines



Ministry of Food and Drug Safety
Certificate of DMF Registration From MFDS Korea



ISO 9001:2015, 14001:2015 & 45001:2018



Certified Kosher



Certified WHO GMP (COPP)



Written confirmation from CDSCO



Certificate of Occupational Health & Safety Management System, OHS 586128



GMP Certificate by Ministry of Industry and Trade of the Russian Federation



State Food and Drug Administration

Manufacturing License, GMP



BUSINESS OVERVIEW

IOLCP is the largest producer of Ibuprofen with ~35% Global share and the only company worldwide being backward integrated for all Intermediates and Key Starting Material of Ibuprofen having a capacity of 12000+ MT

- Dedicated USFDA approved facilities for Ibuprofen
- Among the largest producer of Metformin in India
- EUGMP Certification from National Institute of Pharmacy and Nutrition, Hungary for 12 APIs.
- Received approval from Korean FDA for 2 products and 6 products from Russian regulatory Authorities
- Filed 12 DMFs with USFDA & 5 CEP with EDQM.

Product Portfolio

Existing Porffolio

Ibuprofen	Clopidogrel	Losartan Potassium
Ibuprofen Lysinate	Pantoprazole Sodium	Levetiracetam
Ibuprofen Sodium	Fenofibrate	Paracetamol
Dex-Ibuprofen	Gabapentin	
Metformin HCL	Lamotrigine	

Product application across various therapeutic areas



Anti - Inflammatory



Analgesic & Antipyretic



Anti - Diabetic



Anti - Convulsant



Anti - Platelet



Anti - Cholelithic



Anti- Cholesterol



Proton Pump Inhibitor

IOLCP first commenced manufacturing Ethyl Acetate in 1996, with a starting capacity of 3000 TPA Today, the Company has grown this business to become the largest single location plant in India, with a production capacity of 1,00,000 TPA

- India's second largest manufacturer for Iso Butyl Benzene (IBB) with ~30% global share
- Received REACH Certificate for ethyl acetate and is exported to over 40 countries worldwide
- IBB, MCA and Acetyl Chloride are key starting materials for Ibuprofen
- Captive consumption of Mono Chloro Acetic Acid with 7,200 TPA capacity and Acetyl Chloride with 5200 TPA capacity
- Commenced plant for Acetic Anhydride with 25,000 TPA , which shall be used for captive consumption as well as merchant sale

Product Portfolio



Product application across diversified industries

 Food processing	 Textiles
 Flexible Packaging	 Ink
 Pharma	 Paints
 Chemical Intermediate	 Pesticides

Manufacturing facilities



1

API manufactured in batch manner and intermediates & Specialty chemicals in continuous product delivery manner based on DCS technology

3

Dedicated and multiproduct blocks involved in manufacturing of APIs

5

Facility is coupled with ISO class-8 HVAC system, PSA Nitrogen & Purified water along with 127 MTPH steam generation capacity with multiple boilers

2

Manufacturing facilities involves - Reactions, Filtration, Centrifugation, Drying, Blending & Sieving, Micronization operation

4

Four stage treatment zero discharge ETP, solvent recovery plants & EHS cell as a part of the facility

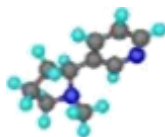
6

Dedicated decentralized utilities from -20 to 275 deg.C temp and dedicated co-generation plant of 17MW

Research & Development



110 Highly skilled members



Working on generic molecules with latest equipment & techniques for process development



DSIR approved facility for research & development



In-house development of multi step products

Ensuring a Sustainable Tomorrow Through ESG Initiatives

Environment

- Committed to ensure that our operations have minimal impact on the environment
- Constantly monitoring environmental footprints and implementing relevant initiatives.
- We have installed a Continuous Air Quality Monitoring System (CAAQMS) to monitor real-time concentrations of all key pollutants in ambient air.

Governance

We prioritize strong and effective corporate governance to ensure the best interests of all our stakeholders.

Social

- Committed towards making a difference in the lives of communities surrounding our operations through our CSR efforts
- We strive to create sustainable and meaningful change through our philanthropic efforts, reflecting our core values and commitment to social responsibility.

- Our continuous efforts have resulted in a 4.58% reduction in Scope-01 greenhouse gas (GHG) emissions during FY 2022-23.
- Our targets include a reduction in Scope-01 emissions by 45.21% and 100% reduction in Scope-02 emissions by 2035, based on the baseline emissions of FY 2021-22



95%
Water neutral



48%
Reduction in carbon intensity



100%
Zero Liquid Discharge (ZLD)



48%
Power requirement met via renewable energy



99%
Usage of renewable energy by employing green fuel rice husk



83.5%
Reduction in freshwater consumption in cooling towers



INDUSTRY OVERVIEW

Indian API Market

- Pharmaceutical exports have registered a 3.25 per cent growth in FY23 at \$25.3 billion. In 2021-22, the exports growth was almost flat at 0.71 per cent at \$24.62 billion
- Pharma imports decreased 10.5 per cent last fiscal to \$8 billion, compared with a little over \$9 billion in FY22
- The Indian pharma industry is making serious efforts towards a shift from volume-based products to value-based products

World Pharmaceutical Industry

\$1.5

Trillion (2022)

3-6%

CAGR in 5 years

\$2.4

Trillion (2027)

Indian Pharmaceutical Industry

\$42

Billion-2021
(13.9%)

\$65

Billion-2024
(15%)

\$120

Billion- 2030
(13%)

Specialty Chemicals - an era of sustained robust growth

- India is expected to become a \$850-1000 Bn chemicals market by 2040, taking 10-12% share of the global chemicals market
- The sector is projected to grow at 11-12% during 2021-27 and 7-10% during 2027-40 tripling its global market share by 2040.
- Specialty chemicals is expected to be a net exporter. By 2040, its net exports are expected to rise by around ten times, from about USD 2 billion in 2021 to USD 21 billion
- India has cost advantage in production of Iso-Butyl Benzene (IBB) compared to China (15% lower) and Germany (35% lower) commanding two-third of the global market

Indian Specialty Chemical Industry

Year	Chemical	Specialty Chemicals	Growth
2021	US\$170-180 Billion	US\$32 Billion	9-10%
2040	US\$ 850-1000 Billion	US\$140-190 Billion	11.5% (2021-27) 7-9.5% (2027-40)

Source: McKinsey - India: The Next Chemicals Manufacturing Hub, March 2023

Factors driving growth of specialty chemicals in India

India becoming preferred destination following China + 1 strategy

Domestic demand boost post launch of PLI scheme for Pharma firms

Bio-friendly products' demand rising globally



WAY FORWARD

Four pronged strategy for growth

Improved asset utilization

During the last five years, the Company's turnover increased ₹983 crores to ₹2217 crores at a CAGR of 17.66%.

Focus on Regulated Markets

During the last five years the share of regulated market sale has increased from ₹100 crores to ₹300 crores. Filed six DMFs during FY 2022-23.

Expanding Non-Ibuprofen Business

Increased contribution of non-Ibuprofen drugs from ₹35 crores in 2018 to ₹476 crores in 2023, showing a steady upward trend over the years.

Capacity expansion in Pharma & Chemicals

Added more than 10 products since 2017 in APIs and in chemical, the Company is commissioning a new plant of Acetic Anhydride

Expanding the non-Ibuprofen business

(Analgesic and Antipyretic drugs)

Multi Product facility focused on Paracetamol, with an installed capacity of 3,600 MT/Annum, with a backward integration process



Regulatory Filings: CEP approved; US DMF filed

(Anticonvulsant or anti-epileptic)

As a prime manufacturer and supplier, we are commercialized with an installed capacity of 24 MT/Annum



Regulatory Filings: US/EU/ANVISA



(Antidiabetic and potential antineoplastic used for patients with type 2 diabetes)

Dedicated manufacturing block with an installed capacity of 7,200 MT/Annum



Regulatory Filings: US/EU/ENVISA



(Antiplatelet drug, used in cardiovascular therapies, preventing future heart attacks, strokes, and other clot-related diseases)



Dedicated manufacturing facility with installed capacity of 240 MT/Annum, with a fully backward integrated process.



Regulatory Filings: US/EU/ENVISA/China

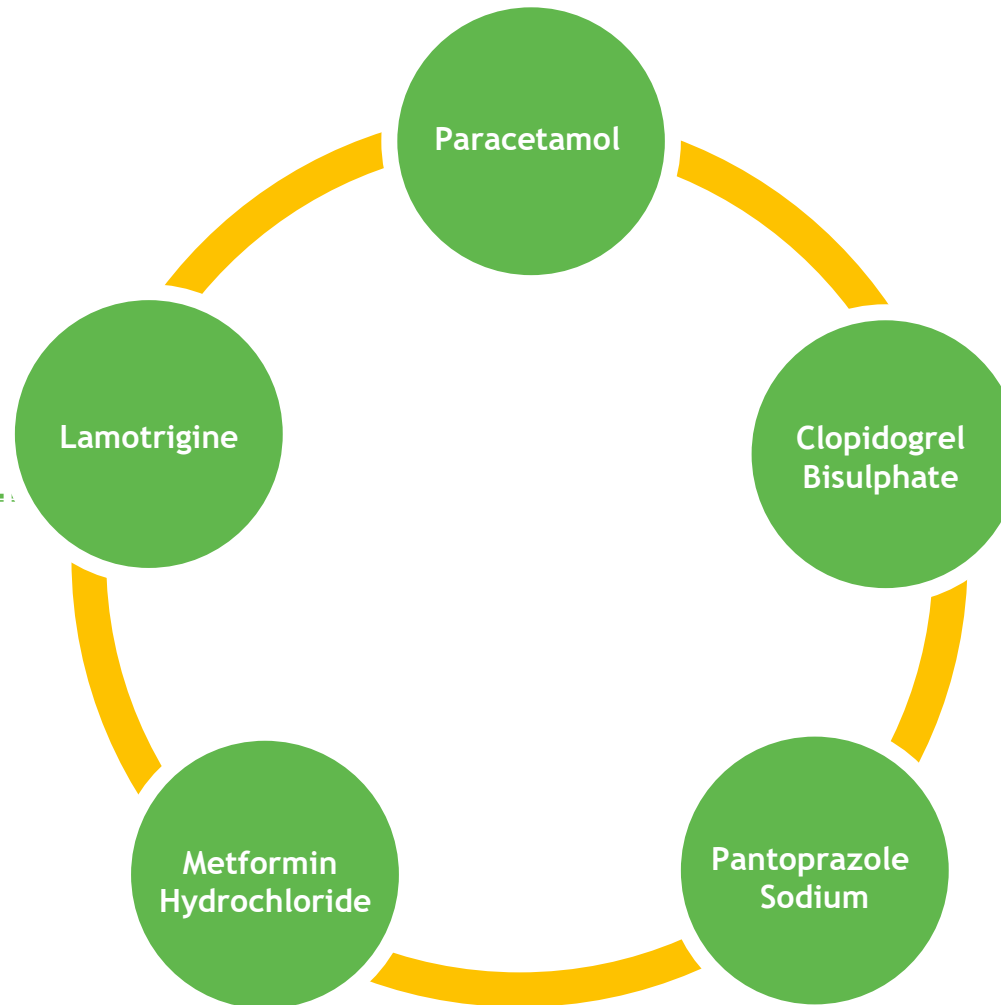
(Treatment for gastroesophageal reflux disease and promote healing of tissue damage caused by gastric acid)



Fully backward integration process, commercialized with an installed capacity >200 MT/Annum



Regulatory Filings: US/EU/ENVISA



Pharmaceutical Segment

- Moving towards a well diversified product portfolio, that is a shift towards the non-ibuprofen business.
- We have successfully implemented manufacturing processes for Pantoprazole, Clopidogrel, Levetiracetam, and other APIs.
- Our creation of synergistic segments, such as combination products like Vildagliptin and Sitagliptin with Metformin and Losartan and Valsartan, further diversifies our portfolio and positions us for growth in specific therapeutic areas.

Specialty Chemical Segment

- Commenced plant for Acetic Anhydride with 25,000 TPA , which shall be used for captive consumption as well as merchant sale
- Explored opportunities in diverse product categories such as plasticizers, amines, and diketene derivatives, enabling us to identify new products for future growth.

Thank You

Company :

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Pharmaceuticals Ltd.**

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