



IOL Chemicals and Pharmaceuticals Limited

Q3 & 9M FY24 Investor Presentation
February 2024



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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



Q3FY24 Financial Performance

528.8 Total Income (Rs. cr)	52.9 EBITDA (Rs. cr)	10.0% EBITDA Margin
23.2 Profit After Tax (Rs. cr)	4.4% PAT Margin	

- Received CEP Certificate for Losartan Potassium issued by EDQM which will enable higher export to European market
- The Board declared an Interim Dividend of Rs.5/- per equity share

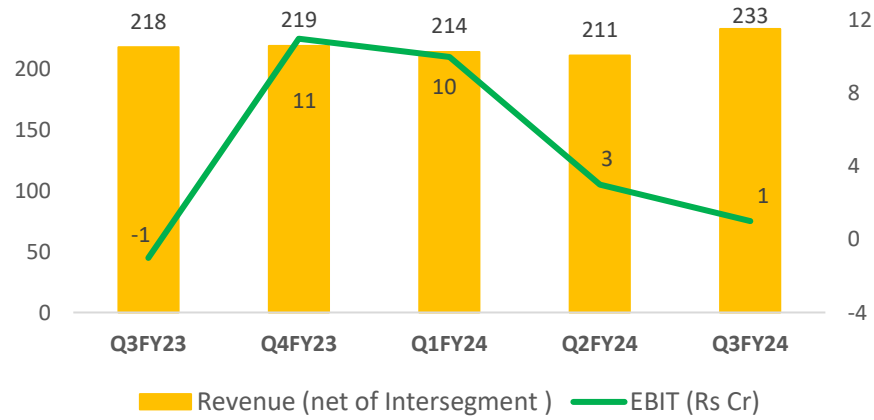
9M-FY24 Financial Performance

1651.4 Total Income (Rs. cr)	204.0 EBITDA (Rs. cr)	12.4% EBITDA Margin
107.2 Profit After Tax (Rs. cr)	6.5% PAT Margin	

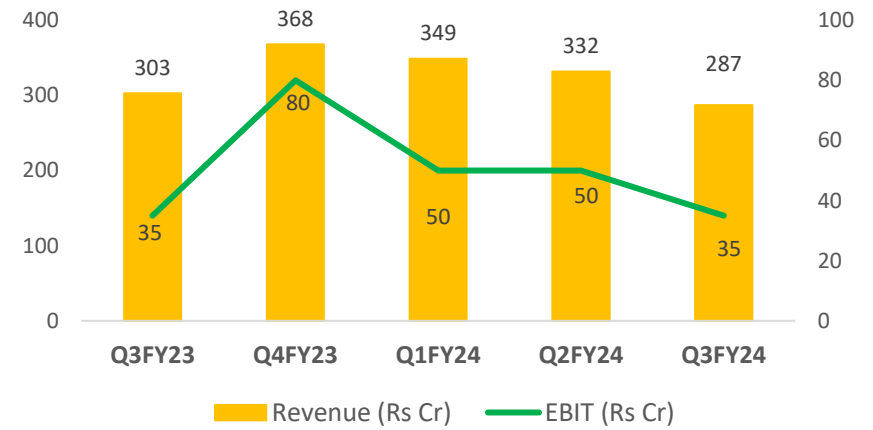
- Declining inputs costs led to jump in EBITDA margins by 340 basis points to 12%
- EBIT margin for API segment grows by 360 basis points to 14%

Geographical and Segmental highlights

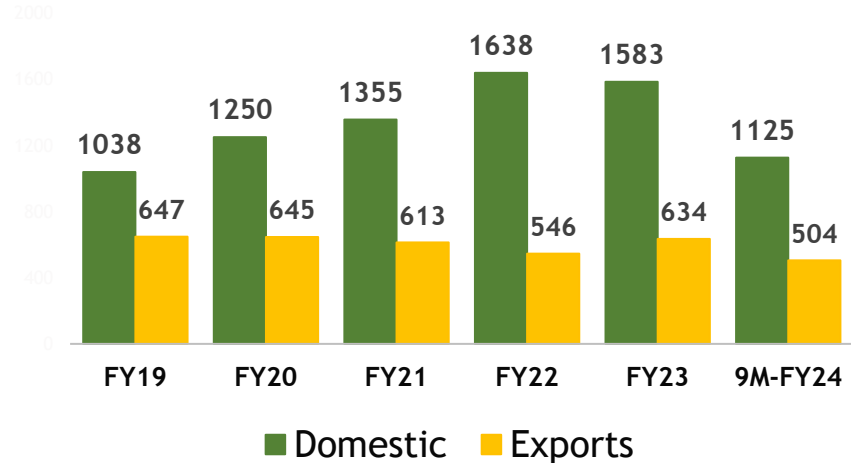
Chemical Segment (Rs. crore)



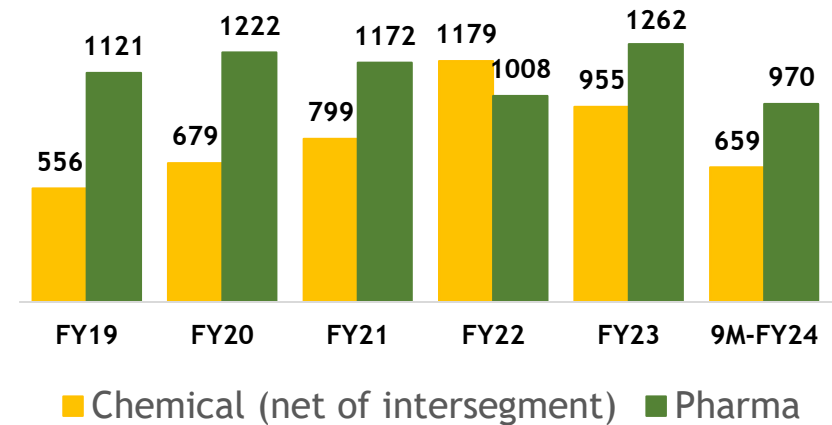
Pharma Segment (Rs. crore)



Geographical Break-up (Rs. crore)



Segmental Rev. Net of intersegment (Rs. crore)





FINANCIAL HIGHLIGHTS

Quarterly & Nine monthly Income Statement

Particulars (Rs. Cr)	Q3 FY24	Q3 FY23	YoY	Q2 FY24	9M FY24	9M FY23	YoY
Revenues	520.4	523.5	-0.6%	545.3	1,628.9	1,629.9	-0.1%
Other Income	8.4	6.6		7.1	22.6	16.9	
Total Income	528.8	530.1	-0.2%	552.4	1,651.5	1,646.8	0.3%
Total Expenses	475.9	480.4		481.2	1,447.4	1,499.2	
EBITDA	52.90	49.70	6.4%	71.2	204.1	147.6	38.3%
EBITDA Margin (%)	10.0%	9.4%	60 bps	12.9%	12.4%	9.0%	340 bps
Depreciation	16.3	11.7		15.7	46.4	34.0	
Finance Cost	4.3	4.7		4.4	12.7	11.6	
Profit Before Exceptional Items	32.3	33.3	-3.0%	51.1	145.0	102.0	42.2%
Exceptional items (Expense) / Income	-	-	-	-	-	-	-
Profit Before Tax	32.3	33.3	-3.0%	51.1	145.0	102.0	42.2%
Tax	9.0	9.1		13.3	37.6	27.3	
Profit After Tax	23.3	24.2	-3.7%	37.8	107.4	74.7	43.8%
PAT Margin (%)	4.4%	4.6%	-20 bps	6.8%	6.5%	4.5%	200 bps
Other Comprehensive Income	0.1	-0.3		-0.5	-1.6	-1.0	
Total Comprehensive Income	23.4	23.9		37.3	105.8	73.7	
Basic & Diluted EPS (INR)	4.0	4.1		6.4	18.3	12.7	

Growing top-line

Particulars (Rs. Cr)	FY19	FY20	FY21	FY22	FY23	9M-FY24
Revenues	1,685.3	1,894.5	1,967.0	2,184.0	2,217.1	1,628.9
Other Income	10.4	16.0	24.3	32.0	25.6	22.6
Total Income	1,695.7	1,910.5	1,991.3	2,216.0	2,242.7	1,651.5
Total Expenses	1,275.7	1,320.6	1,375.2	1,927.6	1,990.6	1,447.4
EBITDA	420.0	589.9	616.1	288.4	252.1	204.1
EBITDA Margin (%)	24.8%	30.9%	30.9%	13.0%	11.2%	12.4%
Depreciation	32.5	35.7	38.9	43.3	46.1	46.4
Finance Cost	51.4	20.9	5.8	8.3	16.5	12.7
Profit Before Exceptional Items	336.1	533.3	571.4	236.8	189.5	145.0
Exceptional items (Expense) / Income				-13.9		-
Profit Before Tax	336.1	533.3	571.4	222.9	189.5	145.0
Tax	99.5	172	126.8	57.2	49.5	37.6
Profit After Tax	236.6	361.3	444.6	165.7	140.0	107.4
PAT Margin (%)	14.0%	18.9%	22.3%	7.5%	6.2%	6.5%
Other Comprehensive Income	-1.4	-1.52	-2.14	-0.6	-0.2	-1.6
Total Comprehensive Income	235.2	359.8	442.5	165.1	139.8	105.8
Basic & Diluted EPS (INR)	42.1	63.4	76.2	28.2	23.8	18.3

Building assets

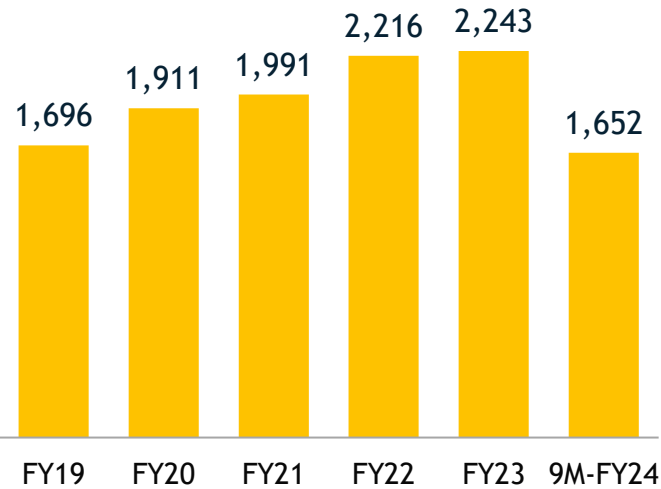
Balance Sheet (Rs. Cr)	FY19	FY20	FY21	FY22	FY23	H1-FY24
Shareholders' Funds	474.3	813.5	1260.4	1390.3	1506.6	1588.8
Debt	284.0	56.0	0.0	0.0	0.0	0.0
Total Non-current Liabilities	20.8	79.7	59.1	56.6	58.1	61.5
Total Current Liabilities	162.8	220.6	290.6	513.4	455.9	429.9
Equity & Liabilities	941.9	1169.8	1610.1	1960.3	2020.6	2080.2
Fixed Assets	438.7	488.2	560.6	665.8	841.0	894.5
Fixed Deposits (Non-Current)	6.9	5.3	21.2	203.7	230.7	203.7
Other Non-Current Assets	8.3	5.4	6.0	12.0	29.8	63.6
Non Current Assets	453.8	498.9	587.8	881.5	1101.5	1161.8
Investments	0.1	0.1	1.2	2.4	2.6	2.7
Cash & Bank Balances	29.6	154.7	364.8	137.9	20.9	58.4
Other Current Assets	458.4	516.1	656.3	938.5	895.6	857.3
Current Assets	488.1	670.9	1022.3	1078.8	919.1	918.4
Assets	941.9	1169.8	1610.1	1960.3	2020.6	2080.2

Cash Flow Statement

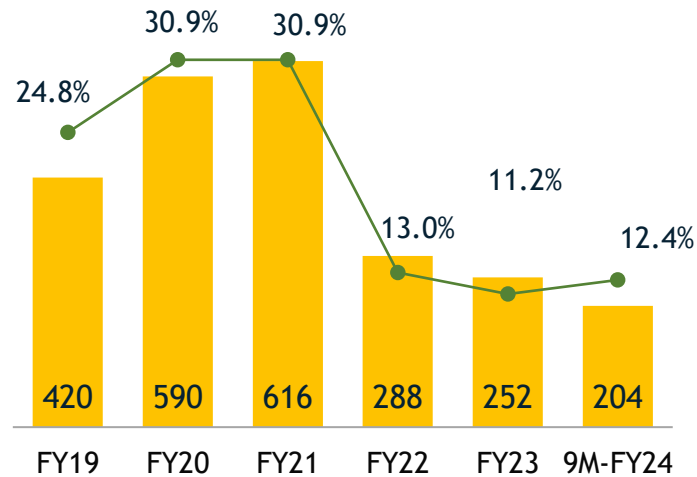
Particulars (Rs. Cr)	FY19	FY20	FY21	FY22	FY23	H1-FY24
Profit before tax	336.15	533.24	571.39	222.84	189.49	112.63
Adjustments for: Non Cash Items / Other Investment or Financial Items	82.35	51.93	27.15	33.12	44.42	29.60
Operating profit before working capital changes	418.50	585.17	598.54	255.96	233.91	142.23
Changes in working capital	-77.64	2.78	-76.51	-102.34	-63.67	49.09
Cash generated from Operations	340.86	587.95	522.03	153.62	170.24	191.32
Income tax paid(net)	-67.69	-117.15	-142.25	-62.58	-47.10	-31.00
Net cash flow from operating activities	273.17	470.80	379.78	91.04	123.14	160.32
Net cash flow from investing activities	-63.04	-184.23	-317.25	-120.62	-119.19	-129.07
Net cash from financing activities	-197.46	-271.89	-58.28	-1.64	-4.11	-29.14
Net Increase/Decrease in Cash and Cash equivalents	12.67	14.68	4.25	-31.22	-0.16	2.11
Cash & Cash equivalents at the beginning of the period	0.74	13.41	28.09	32.34	1.12	0.96
Cash & Cash equivalents at the end of the period	13.41	28.09	32.34	1.12	0.96	3.07

5-years Performance

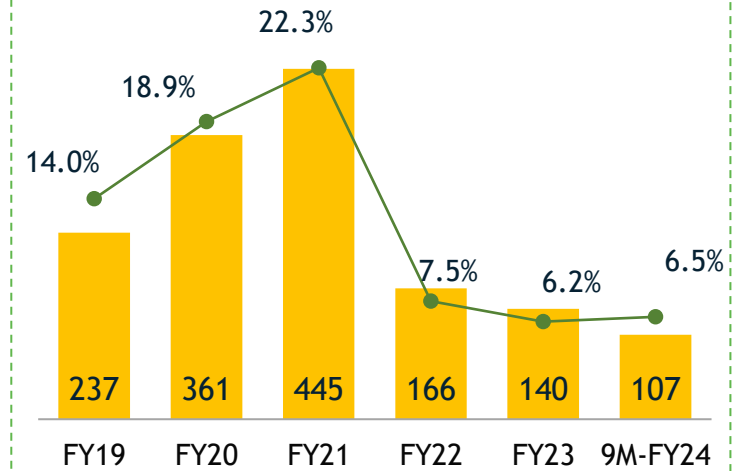
Operational Revenue (Rs Cr)



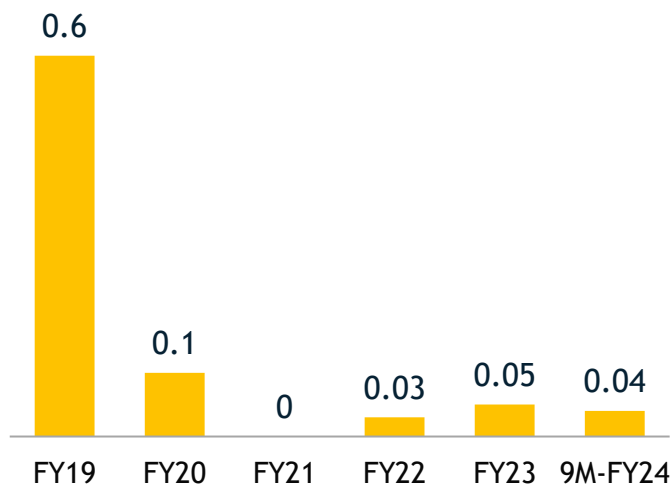
EBITDA (Rs. Cr) and EBITDA Margin (%)



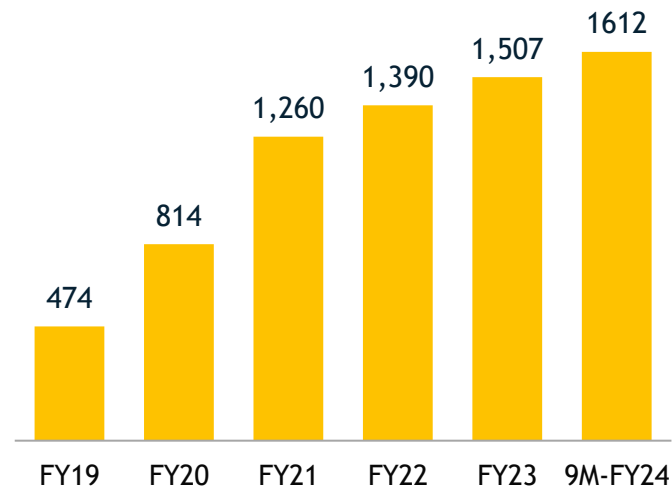
PAT (Rs. Cr) and PAT Margin (%)



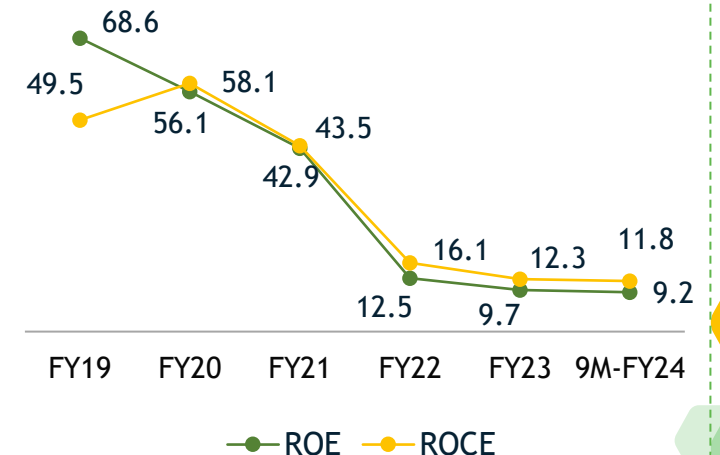
Debt to Equity (%)



Net Worth (Rs. Cr)

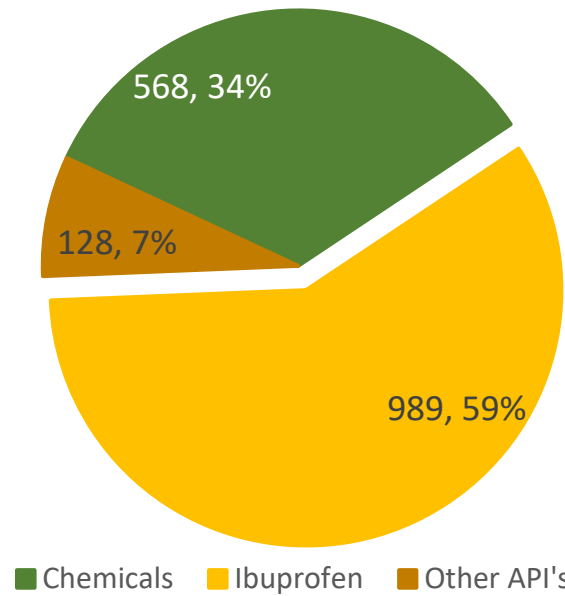


ROE and ROCE (%)

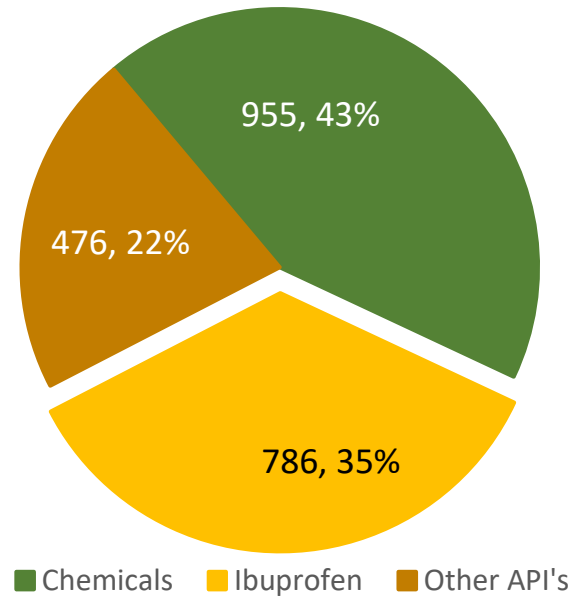


Diversified revenue base

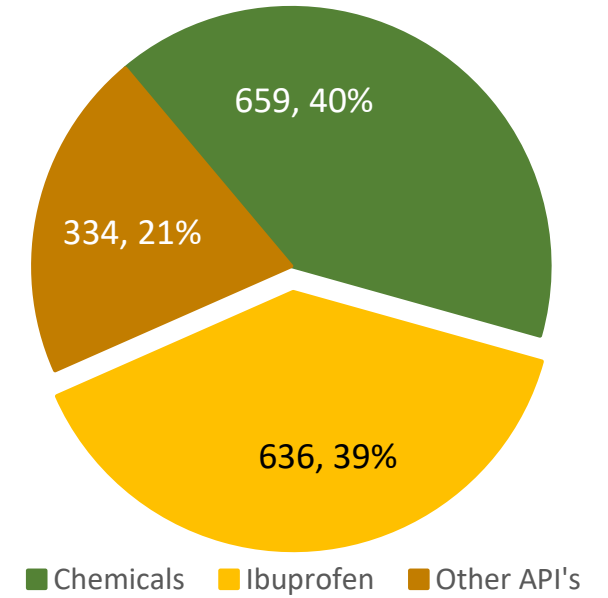
FY19



FY23



9M-FY24



* Amt in Rs.crore



COMPANY OVERVIEW

The Journey

- **1996** - Commencement of Ethyl Acetate Plant
- **1999** - Commencement of Acetic Anhydride Plant
- **2009** - Commencement of IBB, MCA and Acetyl Chloride Plants
- **2010** - Listing on NSE Co-Generation Plant - 13MW
- **2015** - USFDA, EIR for Ibuprofen
- **2016** - Unit-03 for new product launches
- **2019** - Unit-06 for Pantoprazole (Dedicated)
- **2020** - Unit-07 Metformin (Dedicated)
- Commenced commercial production of Paracetamol, with backward integration

1996 - 99

2009 - 10

2015 - 16

2019 - 20

2022

1986-91

2000 - 07

2012 - 13

2017 -18

2021

2023

- Incorporated & established Acetic Acid Plant

- **2000** - Commencement of Ibuprofen Unit-1
- **2007** - Unit-01 Ibuprofen (Dedicated) Co-Generation Plant - 4MW

- **2012** - Commencement of Unit-02 for Multi Product
- **2013** - Received EUGMP Certification

- **2017** - Conversion of Unit-2 as Dedicated facility for Ibuprofen
- **2018** - Unit-04 Metformin (Dedicated) Unit-05 Clopidogrel & Fenofibrate

- Unit-08 & Unit-10* for Multi Products

- Paracetamol capacity has been increased to 3,600 TPA.
- Commenced plant for Acetic Anhydride

*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



CEP Certificate for Losartan Potassium issued by EDQM



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 15 DMFs with USFDA & 10 CEP with EDQM.

Product Portfolio

Existing Porffolio

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



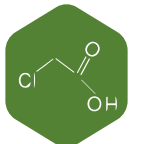
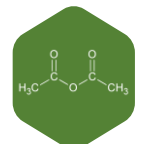
Specialty chemicals - capitalizing on global demand

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









- Commenced plant for Acetic Anhydride, which shall be used for captive consumption as well as merchant sale
- 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
- Asia's first continuous dual technology (green chemistry) plant for MCA and Acetyl Chloride

Product Portfolio

 Ethyl Acetate 1,00,000 TPA	 Acetyl Chloride 5,200 TPA	 Iso Butyl Benzene 12,000 TPA
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 Mono Chloro Acetic Acid 7,200 TPA	 Acetic Anhydride 25,000 TPA
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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

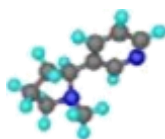
6

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

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

- Active Pharmaceutical Ingredient is a crucial segment of the pharma industry, contributing to around 35% of the market
- India is the 3rd largest producer of API accounting for an 8% share of the Global API Industry.
- About 500+ different APIs are manufactured in India, and it contributes 57% of APIs to prequalified list of the WHO.
- India imported US \$4.4 billion worth of API's constituting ~56% of total Pharma Imports in FY23.
- Substantial reliance on China which in both value and volume terms constituted 71% and 75% respectively of total API imports in FY23 by India is a concern

World Pharmaceutical Industry

\$1.5

Trillion (2022)

3-6%

CAGR in 5 years

\$2.4

Trillion (2027)

Indian Pharmaceutical Industry

\$48.4

Billion-2022

13.1%

CAGR (2022-2030)

\$130

Billion-2030

Specialty Chemicals - an era of sustained robust growth

- India is expected to become a \$1,000 Bn chemicals market by 2040, currently constituting 3.4% share of the global chemical market
- Specialty Chemical account for 20% of the global chemical industry's US\$4 trillion. Specialty chemicals constitute 22% of chemical market in India.
- India's market share in Specialty Chemical to increase at a CAGR of 12% to US\$ 64 billion by 2025. Specialty chemical market in India would grow faster than China, increasing its market share to 6% by 2026 from 3-4% in fiscal 2021
- The growth in Specialty segment will be driven by a healthy demand in export/enduser industries
- 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, IBEF

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 three DMFs during current year 2024.

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 has recently commenced 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

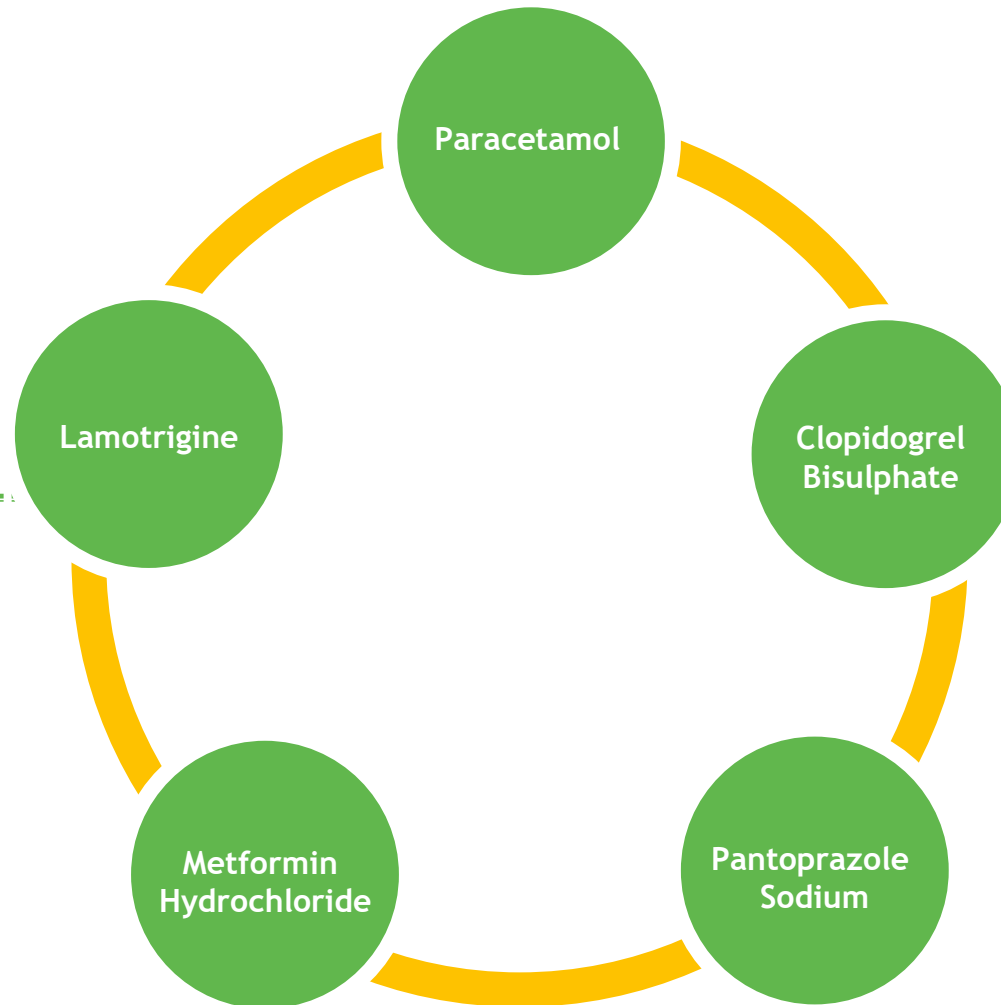
(Treatment for gastroesophageal reflux disease and promote healing of tissue damage caused by gastric acid)



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



Regulatory Filings: US/EU/ENVISA



Thank You

Company :

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