



**IOL Chemicals and
Pharmaceuticals Limited**
Q4 & FY23 Investor Presentation
May 2023



This presentation has been prepared by IOL Chemicals & Pharmaceuticals Limited (the “Companies”, IOL) solely for information purposes and does not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the companies will be made except by means of a statutory offering document containing detailed information about the Companies.

This Presentation has been prepared by the Companies based on information and data which the Companies considers reliable, but the Companies makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the companies market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the companies ability to successfully implement its strategy, the companies future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the companies market preferences and its exposure to market risks, as well as other risks. The companies actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The companies assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the companies and the companies is not responsible for such third party statements and projections.

01 IOLCP at a glance

- About IOL Chemicals and Pharmaceuticals Ltd.
- Q4 & FY23 Performance
- Geographical & Segmental Highlights

02 Financial Highlights

- Quarterly Income Statement
- Half yearly Income statement
- Growing top-line
- Building Assets
- Cash Flow Statement
- 5 years performance highlights
- Diversified Revenue base

03 Company Overview

- The Journey
- Core management team
- Board of Directors
- Certification & Accreditation

04 Business Overview

- Pharmaceutical-Building API Portfolio
- Specialty Chemicals-Capitalizing on global demand
- Manufacturing Facilities
- Core sustainability pillars

05 Industry Overview

- Pharmaceutical-Emerging strongly out of pandemic
- Chemical Sector- An era of sustained robust growth

06 Way Forward

- Future growth prospects
- Summary

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

- The company received patent for “an improved safe process for the preparation of Sartan drugs of Formula I” by Indian Patent Office
- Paracetamol capacity expansion commenced from February 2023, currently at 3600 TPA.
- CEP Certificate for Paracetamol issued by EDQM
- 6 DMF filed and 3 CEP approved during the year 2022-23

Q4FY23 Financial Performance

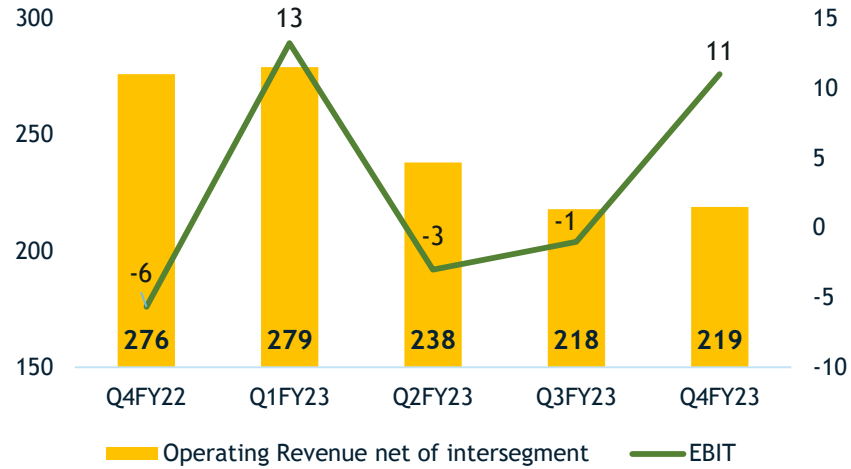
587.2 Revenues (Rs. cr)	104.5 EBITDA (Rs. cr)	17.5% EBITDA Margin
65.3 Profit After Tax (Rs. cr)		11.0% PAT Margin

FY23 Financial Performance

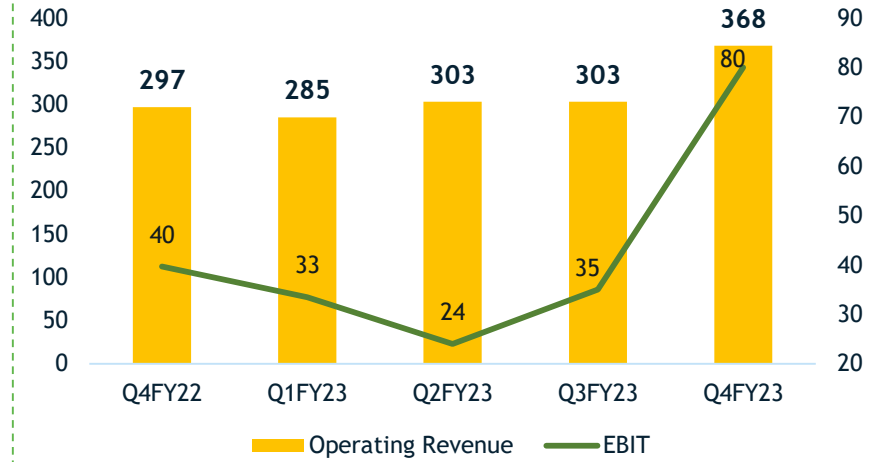
2217.1 Revenues (Rs. cr)	252.1 EBITDA (Rs. cr)	11.2% EBITDA Margin
140.0 Profit After Tax (Rs. cr)		6.2% PAT Margin

Geographical and Segmental highlights

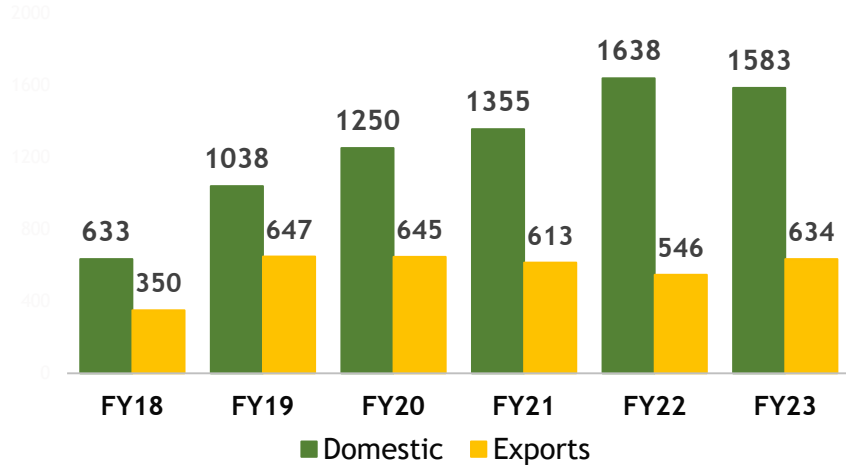
Chemical Segment (Rs. crore)



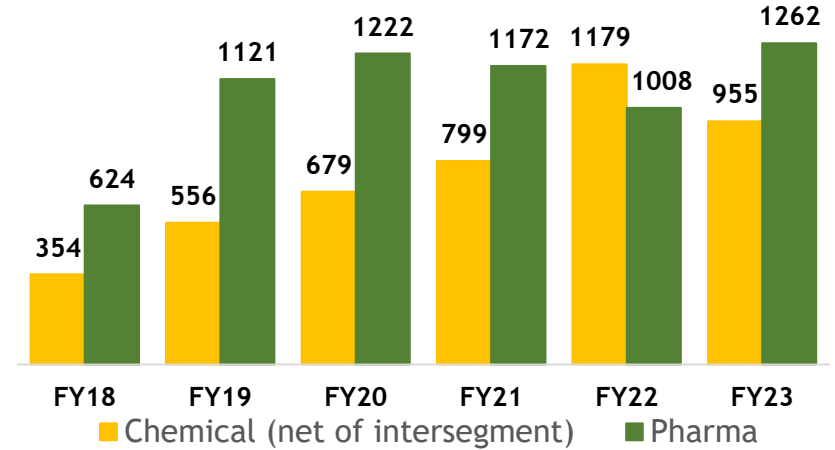
Pharma Segment (Rs. crore)



Geographical Break-up (Rs. crore)



Segmental Rev. Net of intersegmet (Rs. crore)





FINANCIAL HIGHLIGHTS

Quarterly Income Statement

Particulars (Rs. Cr)	Q4 FY23	Q4 FY22	YoY	Q3 FY23	QoQ
Revenues	587.2	572.5		523.5	
Other Income	8.7	6.9		6.6	
Total Income	595.9	579.4	2.8%	530.1	12.4%
Total Expenses	491.4	529.4		480.4	
EBITDA	104.5	50.0	108.8%	49.7	110.3%
EBITDA Margin (%)	17.5%	8.6%	890 bps	9.4%	810 bps
Depreciation	12.1	11.0		11.7	
Finance Cost	4.9	2.3		4.7	
Profit Before Exceptional Items	87.5	36.7		33.3	
Exceptional items (Expense) / Income					
Profit Before Tax	87.5	36.7		33.3	
Tax	22.2	9.0		9.1	
Profit After Tax	65.3	27.7	135.2%	24.2	169.8%
PAT Margin (%)	11.0%	4.8%	620 bps	4.6%	640 bps
Other Comprehensive Income	0.8	0.3		-0.2	
Total Comprehensive Income	66.1	28.0		24.0	
Basic & Diluted EPS (INR)	11.1	4.7		4.1	

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

Building assets

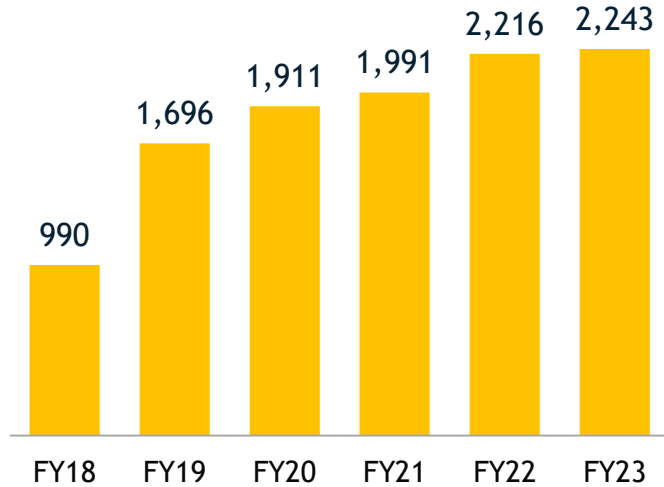
Balance Sheet (Rs. Cr)	FY18	FY19	FY20	FY21	FY22	FY23
Shareholders' Funds	215.7	474.3	813.5	1260.4	1390.3	1506.6
Debt	421.9	284.0	56.0	0.0	0.0	0.0
Total Non-current Liabilities	33.6	20.8	79.7	59.1	56.6	58.1
Total Current Liabilities	180.9	162.8	220.6	290.6	513.4	455.9
Equity & Liabilities	852.1	941.9	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

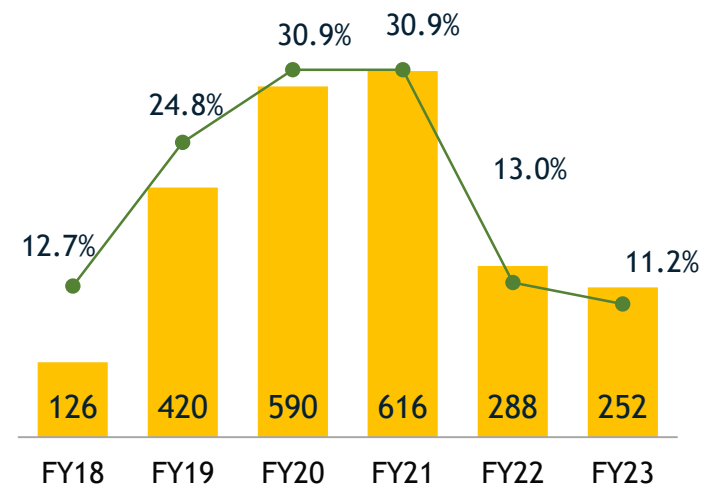
Particulars (Rs. Cr)	FY19	FY20	FY21	FY22	FY23
Profit before tax	336.15	533.24	571.39	222.84	189.49
Adjustments for: Non Cash Items / Other Investment or Financial Items	82.35	51.93	27.15	33.12	44.42
Operating profit before working capital changes	418.50	585.17	598.54	255.96	233.91
Changes in working 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

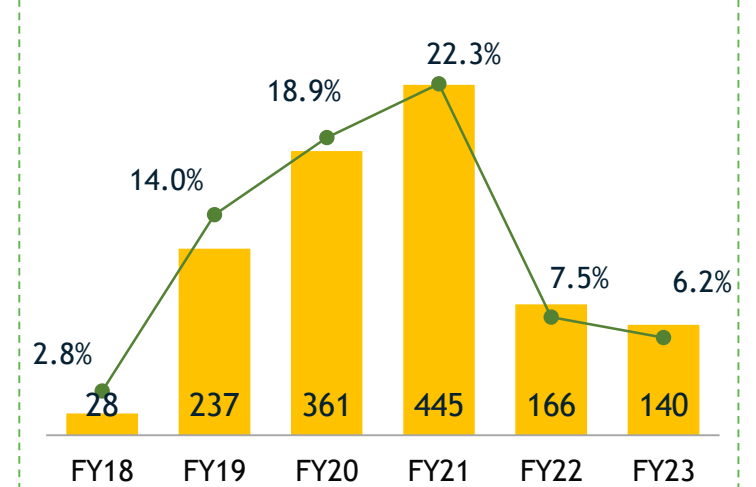
Operational Revenue (Rs Cr)



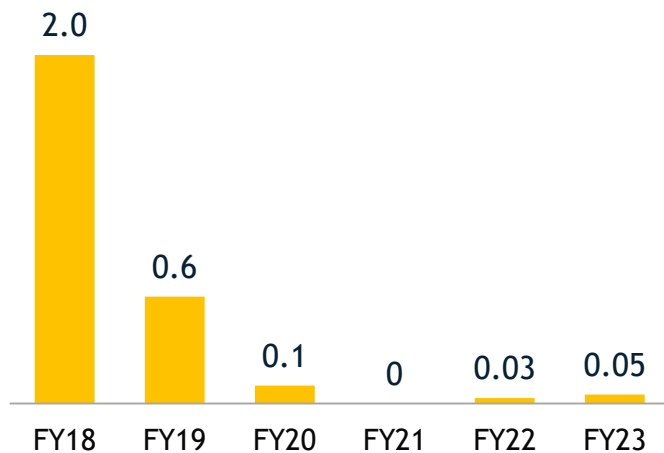
EBITDA (Rs Cr) and EBITDA Margin (%)



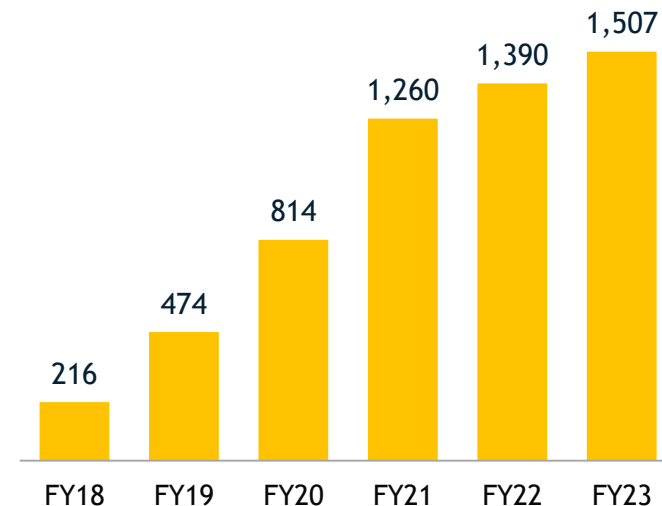
PAT (Rs Cr) and PAT Margin (%)



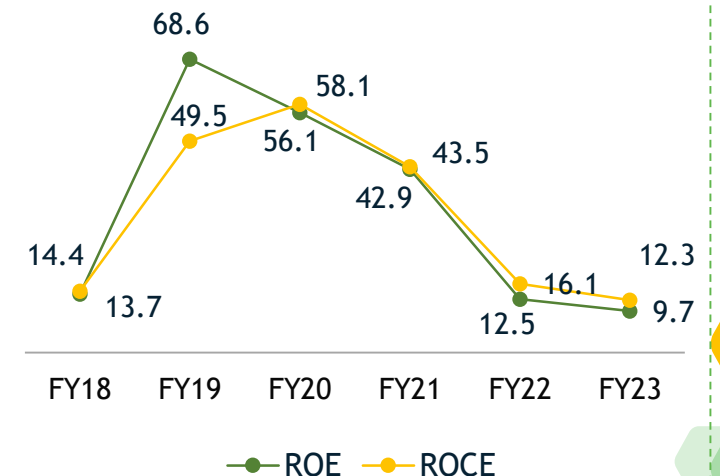
Debt to Equity (%)



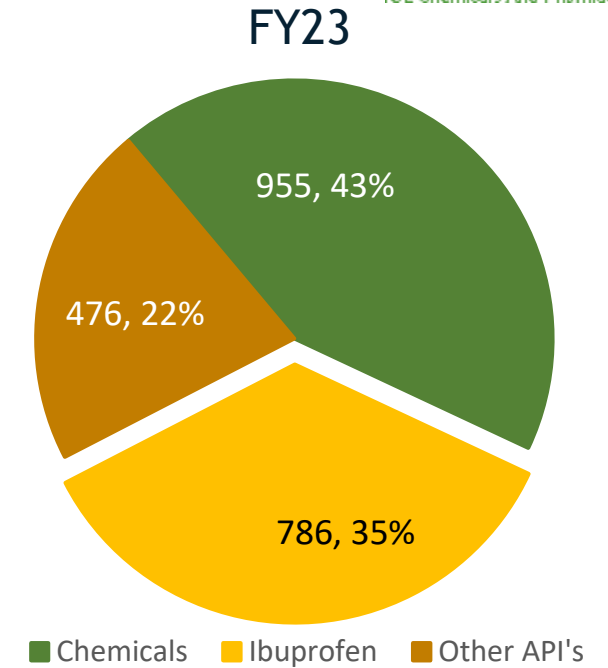
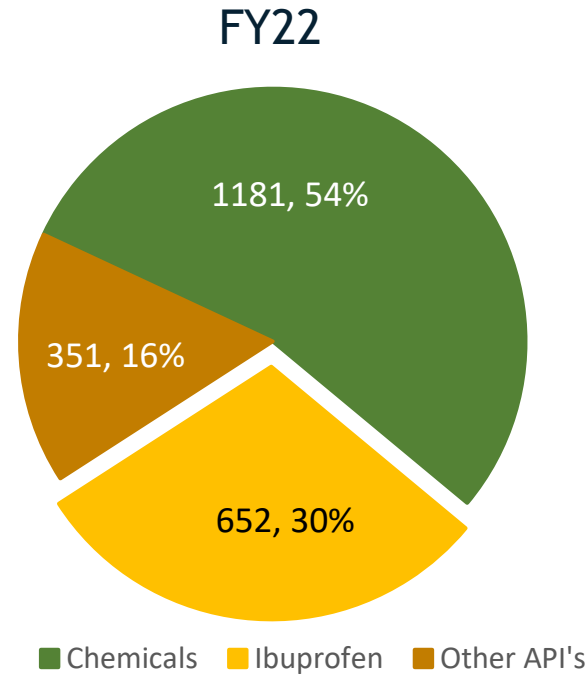
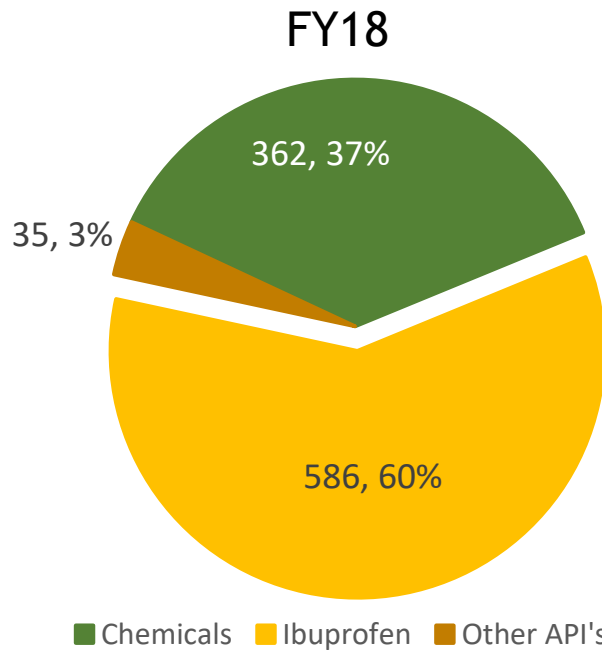
Net Worth (Rs Cr)



ROE and ROCE (%)



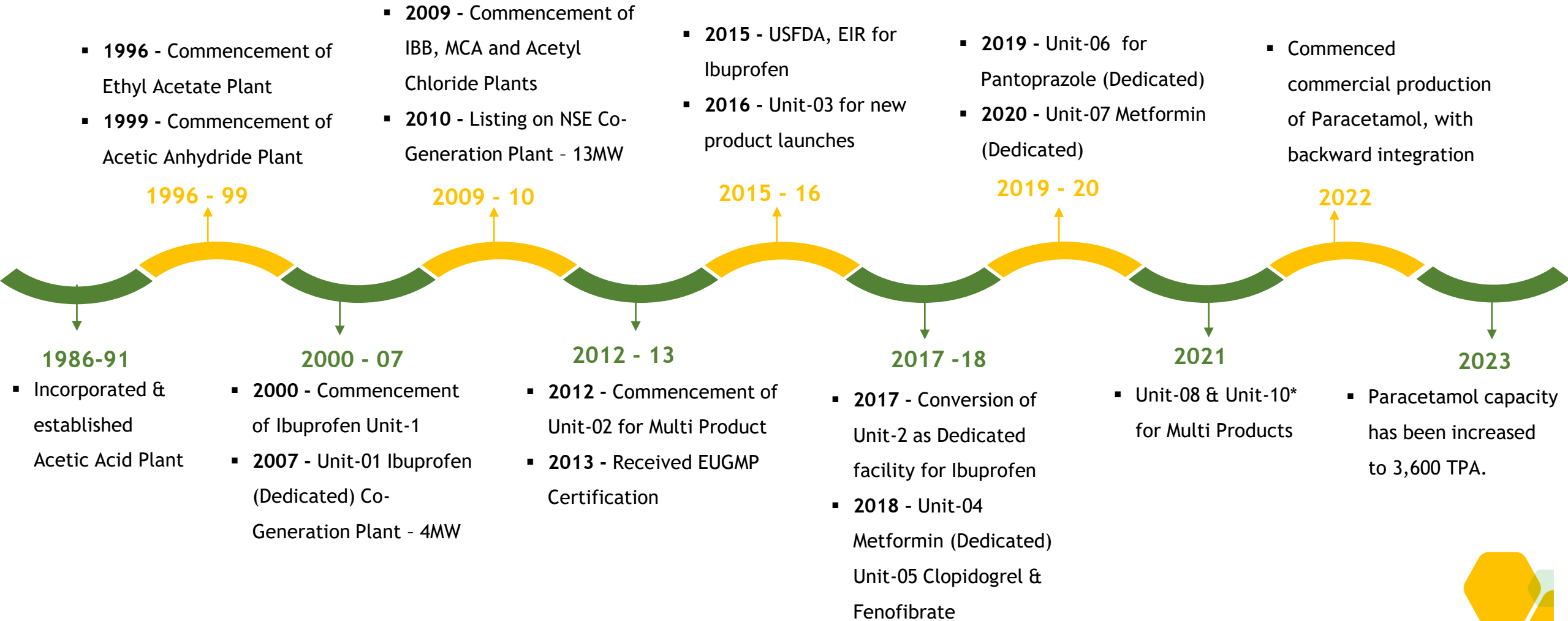
Diversified revenue base



- Contribution of non-Ibuprofen drugs has increased from Rs.35 crore in 2018 to Rs.476 crore in 2023, showing an upward trend over the years.



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.



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



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



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



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

- Among the largest producer of Metformin in India
- Fully backward integrated process for Lamotrigine & Clopidogrel Bisulphate
- Filed 4 new DMFs with USFDA & 3 CEP applications with EDQM.
- Received approval from Korean FDA for 2 products and 6 products from Russian regulatory Authorities.
- EUGMP Certification from National Institute of Pharmacy and Nutrition, Hungary

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

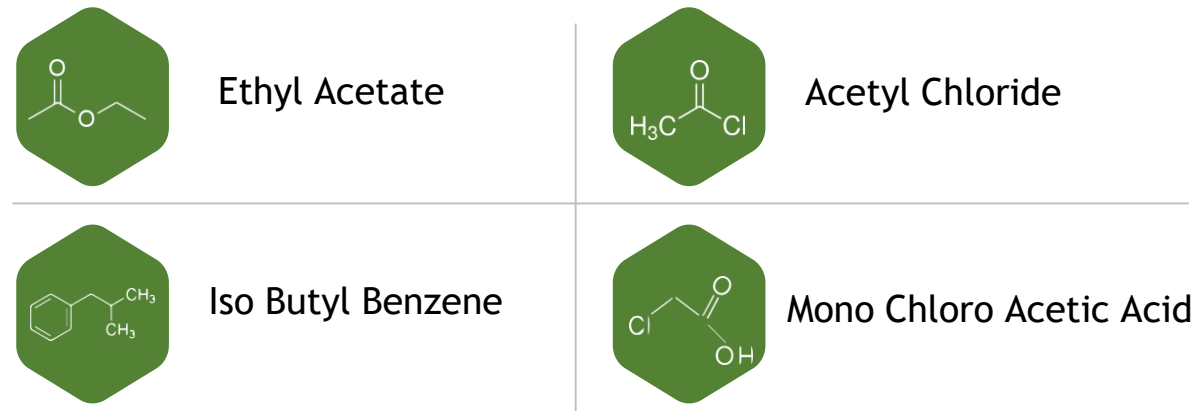


Specialty chemicals - capitalizing on global demand

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

- 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
- Asia's first continuous dual technology (green chemistry) plant for MCA and Acetyl Chloride

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

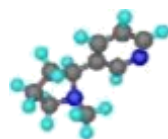
6

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

Research & Development



24*7 R&D Facility



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

- Strive to minimize the adverse impact on environment, health and Safety by upgrading technology, optimum utilization of resources and minimizing effluent / waste generation
- Complying with the applicable statutory and legal requirements and providing safe working environment / work place by imparting training to all employees
- Initiated the usage of biofuels in our captive co-generation plant (17 MW capacity) to reduce our carbon footprint



Social

- Construction and renovation of schools and provided technical equipment for smart education
- Primary healthcare including sanitation
- Disaster relief by eradicating hunger, poverty and malnutrition
- Community development by providing computers to schools
- Protection of art and culture
- Plantation in villages for restoration to environment



Governance

- Implemented a sound and well-structured corporate governance that enables us to operate more efficiently
- Governance system directs the focus of our business activities on sustainable value creation and innovation
- Builds the management culture that confirms high standards of corporate governance and a policy of transparency.



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 (2029)

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

Focus on efficiently utilizing existing assets built through internal accruals. Also working on restructuring of our product portfolio to deploy these assets

Focus on Regulated Markets

Plan to enhance our product development plans and accelerate our DMF filing to cover 5-6 products per year

Expanding Non-Ibuprofen Business

Target non- Ibuprofen business to contribute 50% to total pharma business

Capacity expansion in Pharma & Chemicals

Capacity expansion for Chemicals & Pharmaceuticals underway.

Pharmaceutical Segment

- Most reliable partner for reputed pharmaceutical players globally, by providing them with high-quality input products, which are key ingredients used for making essential and advanced medicines.
- Moving towards a well diversified product portfolio, that is a shift towards the non-ibuprofen business.
- Received EDQM certification to supply pantoprazole sodium as well as API in the European markets.

Specialty Chemical Segment

- Under our Specialty Chemicals division, Ethyl Acetate is manufactured from alcohol and its application is in multiple industries like flexible packaging, pharmaceuticals, ink, food processing, pesticides and paint industry.
- Registered the REACH Certificate for ethyl acetate and in accordance with EU REACH regulations on the chemicals and the safe use

Thank You

Company :

**IOL Chemicals &
Pharmaceuticals Ltd.**

**Mr. Pardeep Kumar Khanna,
CFO**
pardeepkhanna@iolcp.com

www.iolcp.com

Investor Relations Advisors :

Adfactorspr Pvt. Ltd.

Snighter Albuquerque
snighter.a@adfactorspr.com

Darshan Mankad
darshan.mankad@adfactorspr.com

www.adfactorspr.com

