



IOL Chemicals and Pharmaceuticals Limited

Q2 & H1 FY24 Investor Presentation
November 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.
- Q2FY24 & H1-FY24 Performance
- Geographical & Segmental Highlights

02 Financial Highlights

- Quarterly & 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
- Ensuring a Sustainable Tomorrow Through ESG Initiatives

05 Industry Overview

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

06 Way Forward

- Charting a path to success
- Expanding the non-Ibuprofen business
- 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



Q2FY24 Financial Performance

552.41 Revenues (Rs. cr)	71.21 EBITDA (Rs. cr)	12.9% EBITDA Margin
37.79 Profit After Tax (Rs. cr)		6.8% PAT Margin

- Reduction in raw material cost YoY leads to better EBITDA and Net Profit margins
- Pharma revenue grows nearly 10% leading to overall sales growth
- Chemical revenue flattish in second quarter

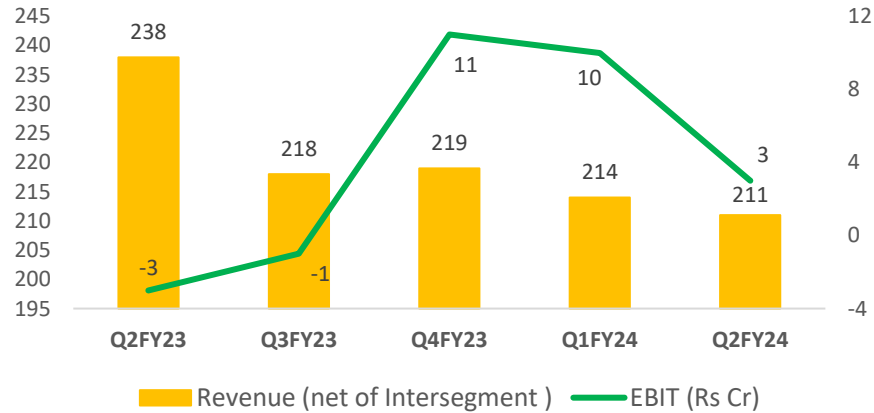
H1-FY24 Financial Performance

- EBITDA margins surge 54% despite flattish revenue growth on lower raw material costs
- Robust 15.8% growth in pharma revenue
- Chemical segment revenue declines 5.7%

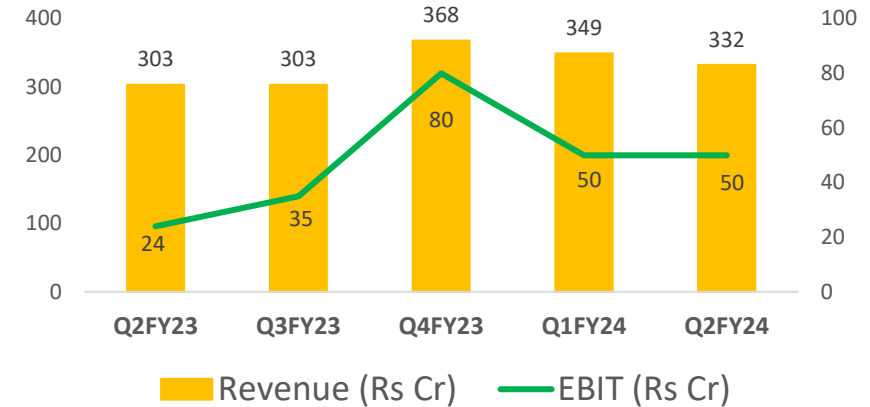
1122.65 Revenues (Rs. cr)	151.13 EBITDA (Rs. cr)	13.5% EBITDA Margin
84.00 Profit After Tax (Rs. cr)		7.5% PAT Margin

Geographical and Segmental highlights

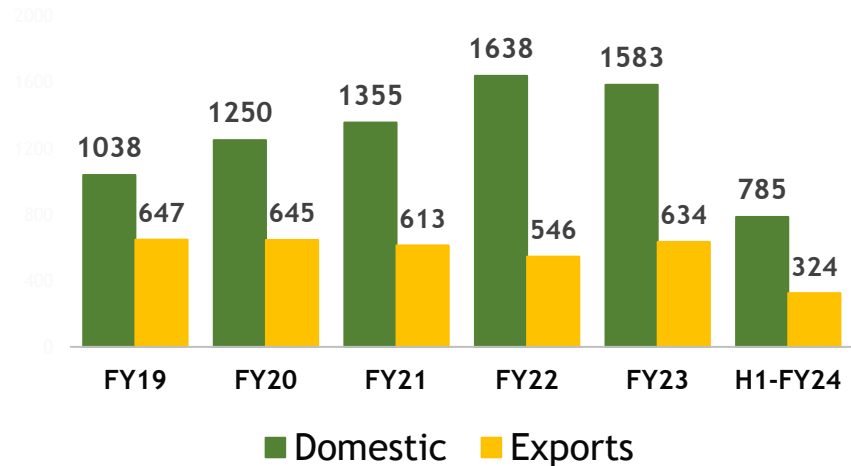
Chemical Segment (Rs. crore)



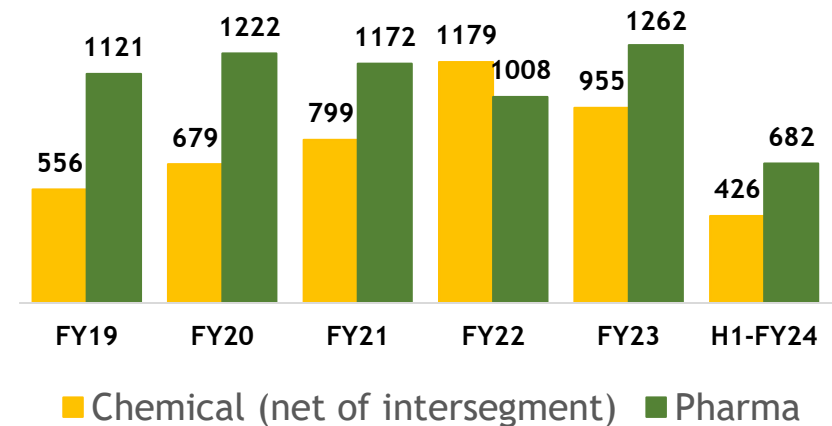
Pharma Segment (Rs. crore)



Geographical Break-up (Rs. crore)



Segmental Rev. Net of intersegmet (Rs. crore)





FINANCIAL HIGHLIGHTS

Quarterly & Half yearly Income Statement

Particulars (Rs. Cr)	Q2 FY24	Q2 FY23	YoY	Q1 FY24	H1 FY24	H1 FY23	YoY
Revenues	545.3	541.4	0.7%	563.2	1108.5	1,106.4	0.2%
Other Income	7.1	5.1		7.1	14.2	10.2	
Total Income	552.4	546.5	1.1%	570.3	1122.7	1,116.6	0.5%
Total Expenses	481.2	509.7		490.4	971.6	1,018.7	
EBITDA	71.2	36.7	93.5%	79.9	151.1	97.9	54.4%
EBITDA Margin (%)	12.9%	6.7%	620bps	14.0%	13.5%	8.8%	470bps
Depreciation	15.7	11.32		14.4	30.1	22.3	
Finance Cost	4.4	3.51		4.0	8.4	6.9	
Profit Before Exceptional Items	51.1	21.90	132.3%	61.5	112.6	68.7	64%
Exceptional items (Expense) / Income							
Profit Before Tax	51.1	21.90		61.5	112.6	68.7	
Tax	13.3	6.23		15.3	28.6	18.2	
Profit After Tax	37.8	15.67		46.2	84.0	50.56	
PAT Margin (%)	6.8%	2.9%	390bps	8.1%	7.5%	4.5%	300bps
Other Comprehensive Income	-0.5	-0.3		-1.2	-1.7	-0.8	
Total Comprehensive Income	37.3	15.3		45.0	82.3	49.8	
Basic & Diluted EPS (INR)	6.4	2.7		7.9	14.3	8.6	

Growing top-line

Particulars (Rs. Cr)	FY19	FY20	FY21	FY22	FY23	H1-FY24
Revenues	1,685.3	1,894.5	1,967.0	2,184.0	2,217.1	1108.5
Other Income	10.4	16.0	24.3	32.0	25.6	14.2
Total Income	1,695.7	1,910.5	1,991.3	2,216.0	2,242.7	1122.7
Total Expenses	1,275.7	1,320.6	1,375.2	1,927.6	1,990.6	971.6
EBITDA	420.0	589.9	616.1	288.4	252.1	151.1
EBITDA Margin (%)	24.8%	30.9%	30.9%	13.0%	11.2%	13.5%
Depreciation	32.5	35.7	38.9	43.3	46.1	30.1
Finance Cost	51.4	20.9	5.8	8.3	16.5	8.4
Profit Before Exceptional Items	336.1	533.3	571.4	236.8	189.5	112.6
Exceptional items (Expense) / Income				-13.9		
Profit Before Tax	336.1	533.3	571.4	222.9	189.5	112.6
Tax	99.5	172	126.8	57.2	49.5	28.6
Profit After Tax	236.6	361.3	444.6	165.7	140.0	84.0
PAT Margin (%)	14.0%	18.9%	22.3%	7.5%	6.2%	7.5%
Other Comprehensive Income	-1.4	-1.52	-2.14	-0.6	-0.2	-1.7
Total Comprehensive Income	235.2	359.8	442.5	165.1	139.8	82.3
Basic & Diluted EPS (INR)	42.1	63.4	76.2	28.2	23.8	14.3

Building assets

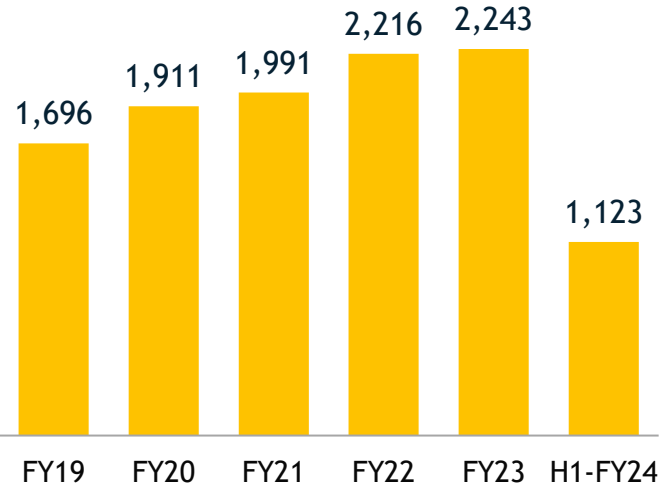
Balance Sheet (Rs. Cr)	FY19	FY20	FY21	FY22	FY23	H1-FY24
Shareholders' Funds	474.3	813.5	1260.4	1390.3	1506.6	1588.8
Debt	284.0	56.0	0.0	0.0	0.0	0.0
Total Non-current Liabilities	20.8	79.7	59.1	56.6	58.1	61.5
Total Current Liabilities	162.8	220.6	290.6	513.4	455.9	429.9
Equity & Liabilities	941.9	1169.8	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

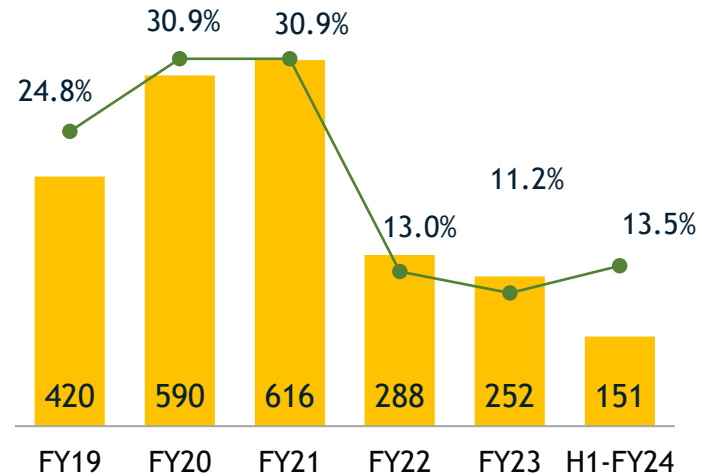
Particulars (Rs. Cr)	FY19	FY20	FY21	FY22	FY23	H1-FY24
Profit before tax	336.15	533.24	571.39	222.84	189.49	112.63
Adjustments for: Non Cash Items / Other Investment or Financial Items	82.35	51.93	27.15	33.12	44.42	29.60
Operating profit before working capital changes	418.50	585.17	598.54	255.96	233.91	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

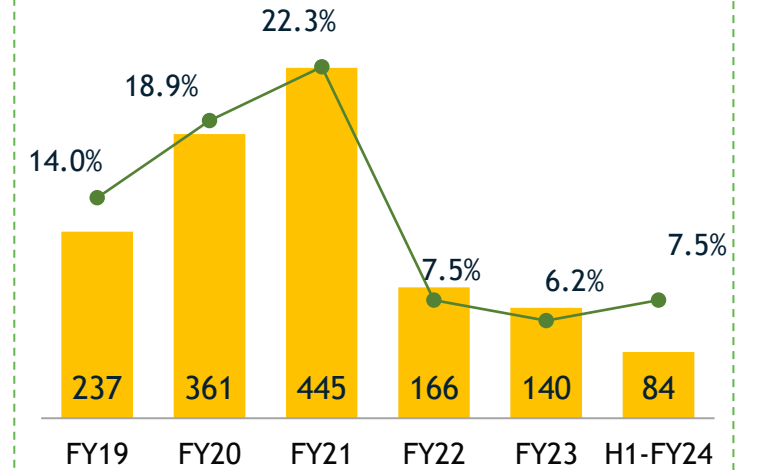
Operational Revenue (Rs Cr)



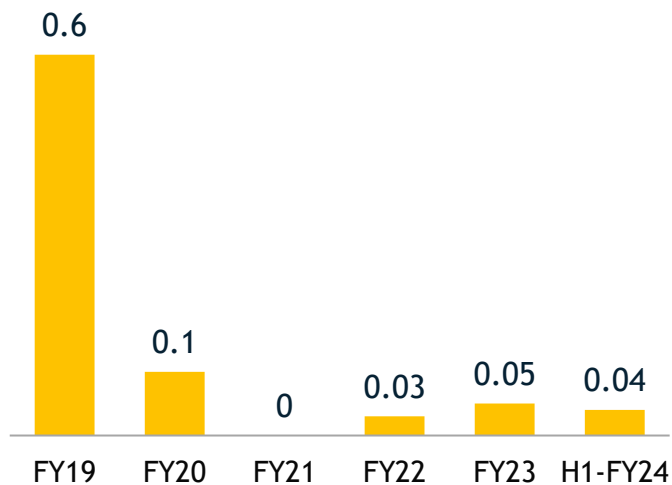
EBITDA (Rs. Cr) and EBITDA Margin (%)



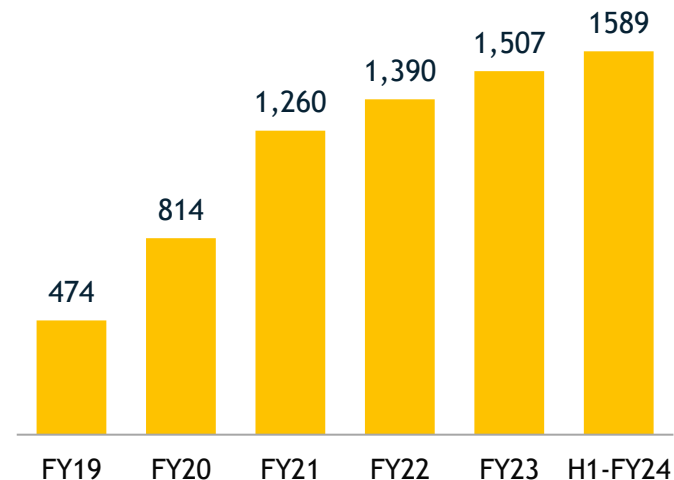
PAT (Rs. Cr) and PAT Margin (%)



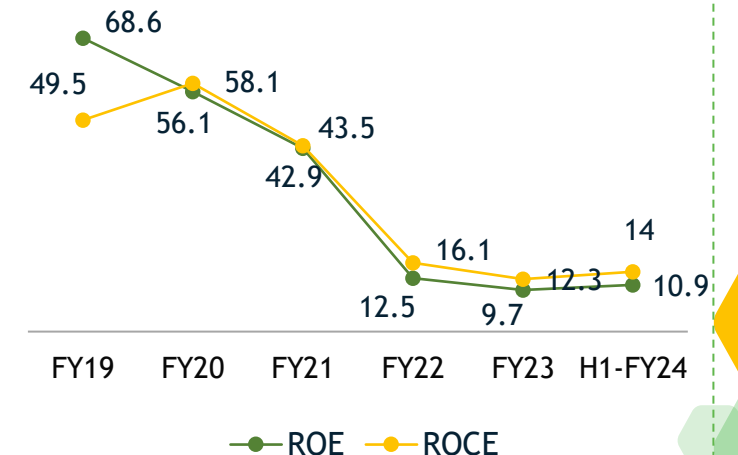
Debt to Equity (%)



Net Worth (Rs. Cr)

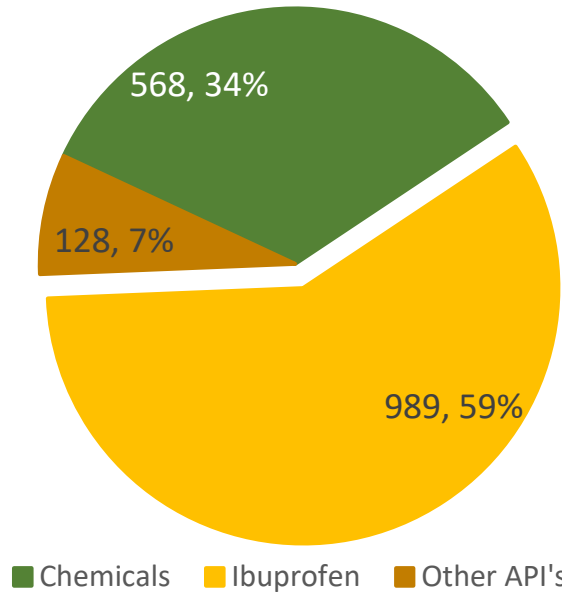


ROE and ROCE (%)

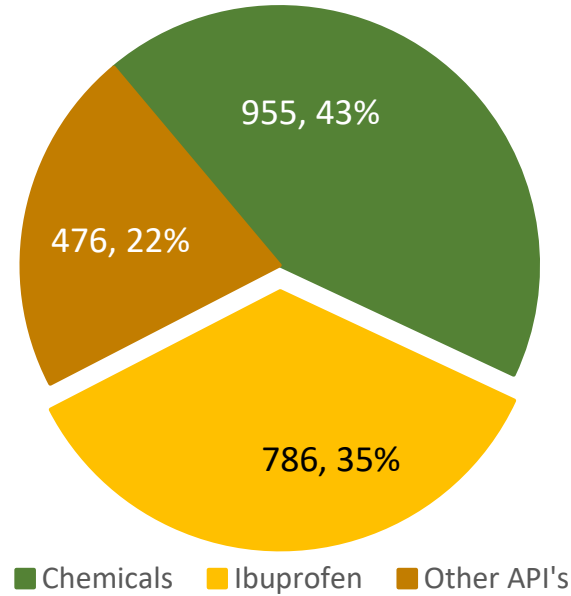


Diversified revenue base

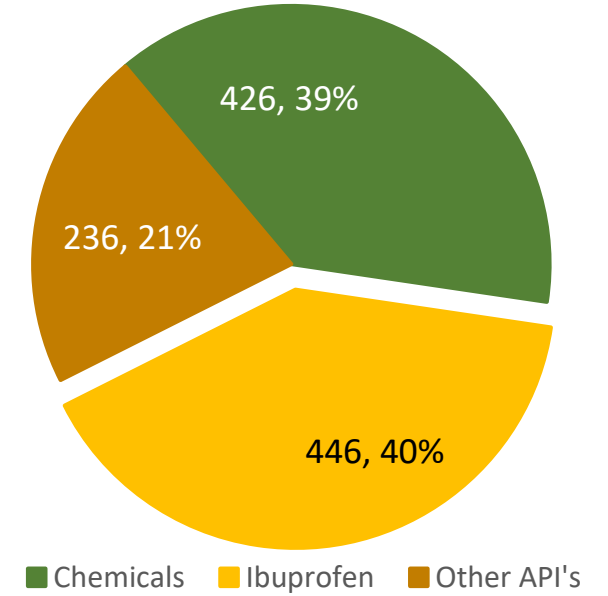
FY19



FY23



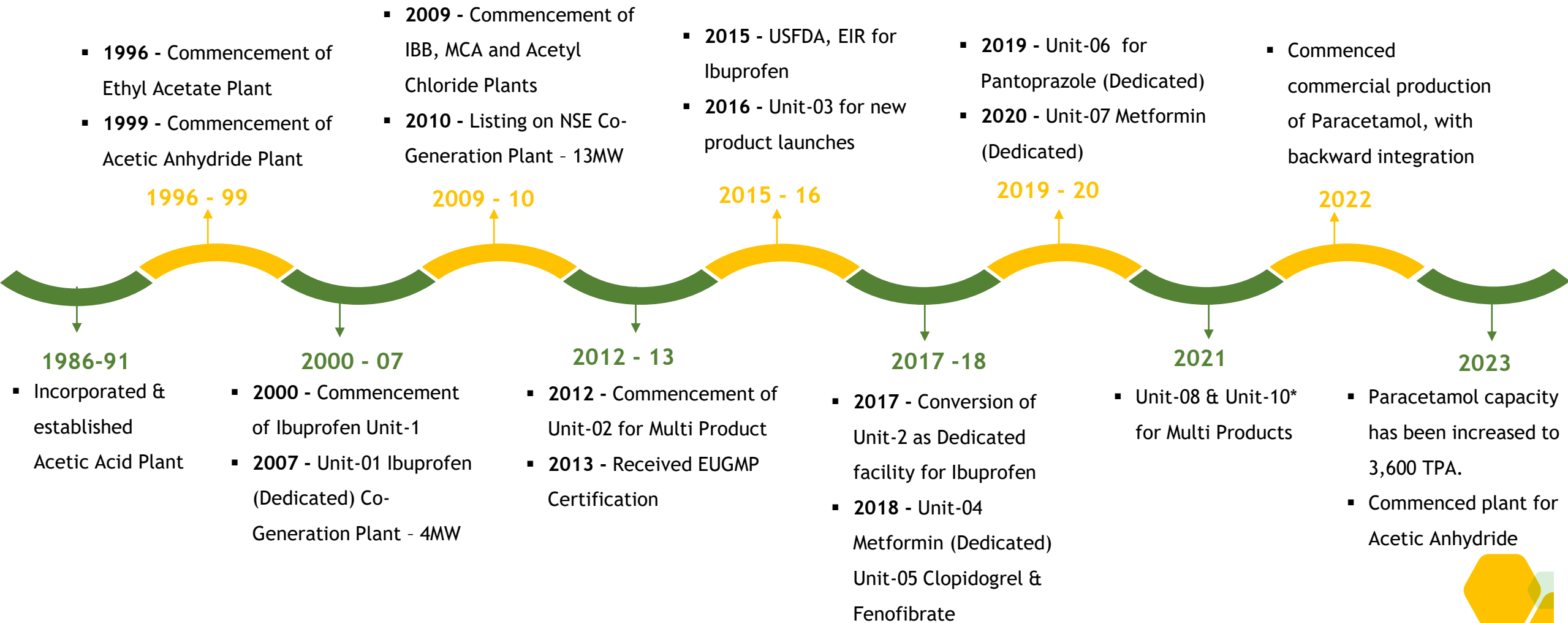
H1-FY24



* 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

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

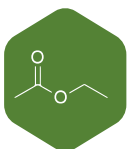


Specialty chemicals - capitalizing on global demand

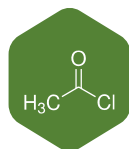
IOLCP first commenced manufacturing Ethyl Acetate in 1996, with a starting capacity of 3000 TPA Today, the Company has grown this business to become the largest single location plant in India, with a production capacity of 1,00,000 TPA

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

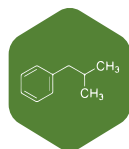
Product Portfolio



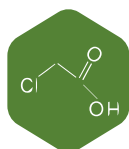
Ethyl Acetate
1,00,000 TPA



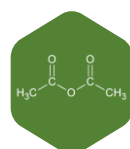
Acetyl Chloride
5,200 TPA



Iso Butyl Benzene
12,000 TPA



Mono Chloro Acetic Acid
7,200 TPA



Acetic Anhydride
25,000 TPA

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

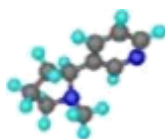
6

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 (or API) 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.
- Data from the Pharmaceutical Exports Promotion Council (Pharmexcil) shows India imported \$3.18 billion worth of APIs and intermediates from China in 2022-23, up 1.74% from previous year.
- In 2021-22, India had imported \$3.12 billion worth of APIs and intermediates from China, which was up 19.5% from 2020-21.

Source: EY-FICCI, IMARC Group, News Reports

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 \$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 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

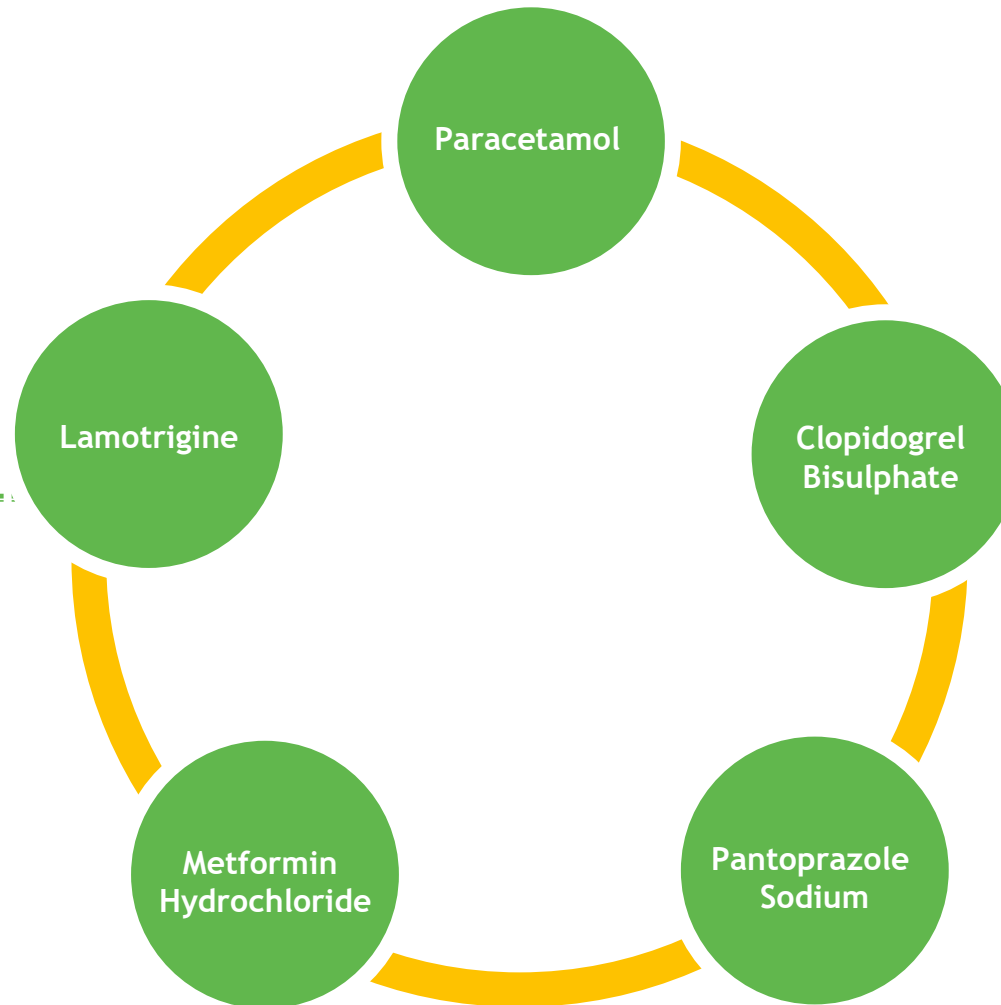


(Treatment for gastroesophageal reflux disease and promote healing of tissue damage caused by gastric acid)

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



Regulatory Filings: US/EU/ENVISA



Thank You

Company :

**IOL Chemicals &
Pharmaceuticals Ltd.**

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

www.iolcp.com

Investor Relations Advisors :

Adfactorspr Pvt. Ltd.

Darshan Mankad
darshan.mankad@adfactorspr.com

Hanishi Shah
hanishi.shah@adfactorspr.com

www.adfactorspr.com

