



IOL Chemicals and Pharmaceuticals Limited

Investor Presentation

February 2021



This information may contain certain forward-looking statements/details in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Investors/shareholders/public are hence cautioned not to place undue reliance on these statements/details, and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following here in reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company under takes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section, consequent to new information, future events or otherwise.



Incorporated in 1986, IOLCP is one of the leading APIs / bulk drugs company and is a significant player in the field of specialty chemicals with world class facilities



R&D Centre is approved by Department of Scientific and Industrial Research (DSIR) and a captive co-generation unit with capacity of 17 MW to meet power and steam requirements



Chemicals application in diverse important industries like pharmaceuticals, ink industry, flexible packaging, adhesives, surface coatings, flavours, paints & lamination and essences etc.



Wide presence across various therapeutic categories like Pain Management, Anti-Diabetic, Anti Hypertensive, Anti Convulsants, etc.

Vision

To be the most admired and valuable company in APIs/bulk drugs, Intermediates and specialty chemicals globally.

Mission

To provide qualitative products in bulk chemicals, intermediate specialty chemicals and APIs by constant innovation and breaking technological barriers with due regard to safety and environment.

Values

Every business needs to identify and acknowledge its values. We at IOLCP believe that values bring character to any organization and it can help leaders to guide teams for a culture of excellence through continuous improvement.





Team size of 2,000+ employees



Largest producer of Ibuprofen and the only company worldwide being backward integrated with ~35% Global share



Largest producer of Ethyl Acetate at Single Location in India



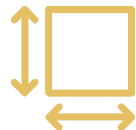
2nd Largest producer of Iso Butyl Benzene (IBB) with ~30% Global share



Over 12 products in pipeline



Debt free company, No debt raised since 2017



Spread over a sprawling campus of 92 acres



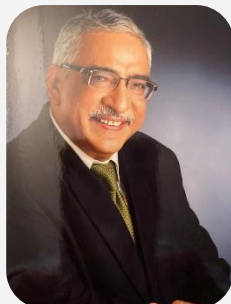
Zero Discharge Effluent Treatment Plant



3 star export house



Credit Rating: A, outlook; stable (Care Ratings Limited)



Rajender Mohan Malla

(Chairman and Independent Director)

He has very distinguished career of four decades. He had 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.



Vikas Gupta

(Executive Director)

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



Varinder Gupta

(Managing Director)

He is an industrialist and has 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.



Dr. Sandhya Mehta

(Independent Director)

She 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.



Vijay Garg

(Joint Managing Director)

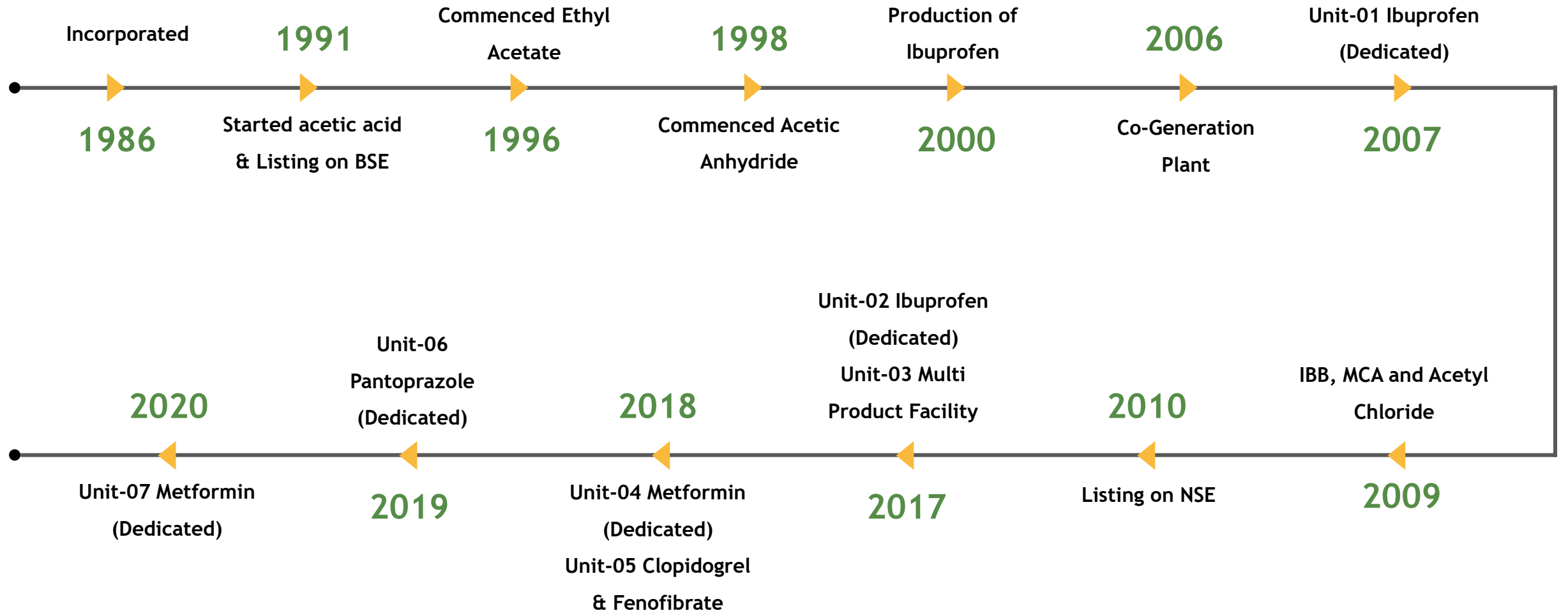
He has 28 years experience in commercial activities of the chemical and pharmaceutical products and has an international exposure in the industry.

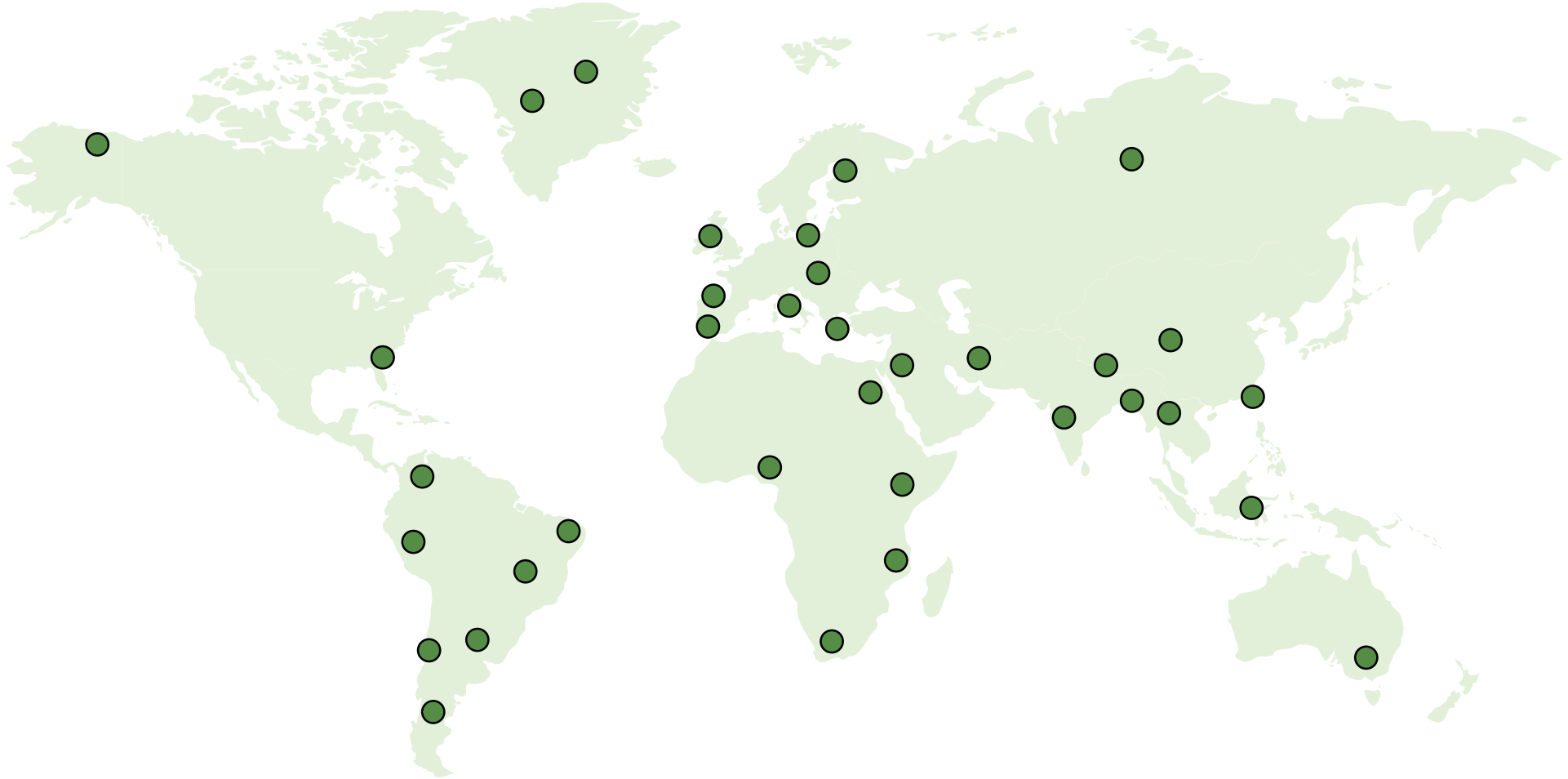


Harpal Singh

(Independent Director)

He has had 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.





Argentina	China	Spain	Netherlands	Thailand	Vietnam
Bangladesh	UAE	Germany	Nigeria	Finland	Uruguay
Belgium	Italy	Indonesia	Peru	Switzerland	UK
Brazil	Egypt	Iran	South Africa	Portugal	Kenya



Approved USFDA Ibuprofen facility since 2015, recertified in 2019



EUGMP Certification in 2013, 2017 & Recertification in 2020



Certificate of Suitability from EDQM for IBUPROFEN, CEP No. 316-2008



Certificate of Suitability from EDQM for LAMOTRIGINE, CEP No. 066-2012



Certificate of Suitability from EDQM for FENOFIBRATE CEP No. 175 2018



EDMF submitted to EDQM for Clopidogrel Hydrogen Sulfate



Certificate of Suitability from EDQM for METFORMIN, CEP No. 188-2013



ISO9001:2015, 14001:2015 & 18001:2007



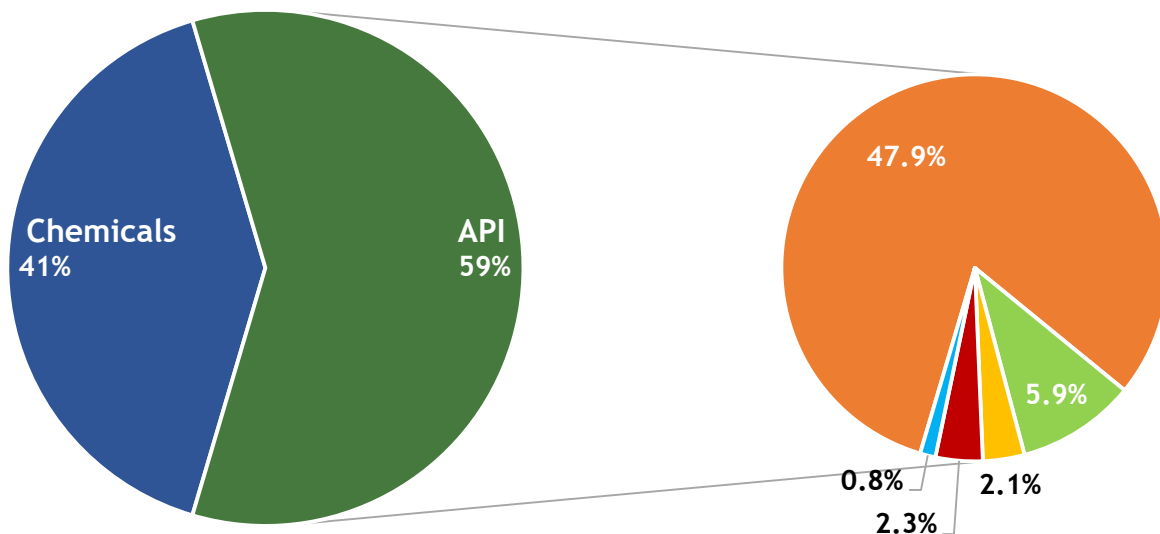
WHOGMP (COPP) for Ibuprofen, Metformin, Lamotrigine, Fenofibrate and Clopidogrel, UDCA and Pantoprazole Sodium



Written confirmation from CDSCO for Ibuprofen, Metformin, Lamotrigine, Fenofibrate Clopidogrel



Product wise Segmentation - Q3FY21



Product	Ibuprofen	Metformin	Clopidogrel	Pantoprazole	Others
Capacity	12,000 TPA	11,200 TPA	180 TPA	240 TPA	-
Therapeutic Area	NSAIDS*	Anti-diabetic	Anti Platelet	Acid Control	Liver disease Anti-convulsant Anti-Cholesterol

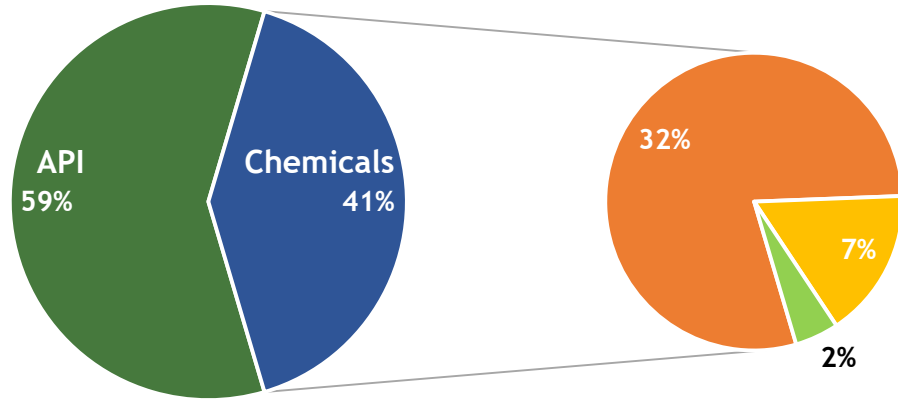
API Pipeline

- Gabapentin - Antiepileptic
- Losartan - Antihypertensive
- Albendazole - Antiprotozoal
- Folic Acid - Dietary Supplement
- Valsartan - Antihypertensive
- Levetiracetam - Antiepileptic
- Fexofenadine Hydrochloride - Anti-allergic
- Dextromethorphan Hydrobromide - Antitussive





Product wise Segmentation - Q3FY21



■ Ethyl Acetate	■ Iso Butyl Benzene	■ Acetyl Chloride
87,000 TPA	12,000 TPA	5,200 TPA

1

India's Largest Ethyl Acetate plant at single location

2

India's second largest manufacturer for Iso Butyl Benzene (IBB) with ~30% global share

3

Captive consumption of Mono Chloro Acetic Acid with 7,200 TPA capacity

4

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

5

IBB, MCA and Acetyl Chloride are key starting materials for Ibuprofen

Product application across diversified industries



Pharmaceuticals



Textiles



Paints



Pesticides



Food Processing



Flexible Packaging



Chemical Intermediate



Ink







1

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

2

Dedicated blocks involved in manufacturing of APIs

3

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

4

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

5

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

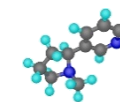
6

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

Research & Development



R&D work is carried out at the facility 24*7



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



DSIR approved facility for innovative research



In-house development of multi step products

Technology

- Blend skills of chemistry and engineering with latest tools & techniques for benchmarks achieved in API & Chemical products
- Asia Pacific's first continuous dual technology (Green Chemistry) for MCA and Acetyl Chloride

Integrated Manufacturing Facilities

- Chemical and Pharmaceutical segments are forward and backward integrated at single location and connected through pipelines
- Ensures Value addition at each stage of manufacturing under stringent SOP's



Strong Manpower

- Operations of the company are managed by qualified and experienced professionals

Economies of Scale

- One of the largest manufacturer of Ibuprofen, IBB and Ethyl Acetate

Global Footprints

- Units exports its goods to around 80 countries
- Trusted supplier for numerous multinational enterprises in Pharmaceutical industry

Connectivity

- Unit is well connected with State Highway and National Highway
- Proximity to railway station and Dry port
- Connected through road/rail with airports



Single Site Location

- Company is enjoying economics of scale
- Pharmaceuticals segment is backward integrated with chemical segment and connected through pipeline

Agro based Raw Material

- Agriculture is the mainstay of Punjab's economy. 84% of total geographical area is under cultivation
- Easy access to Rice husk as fuel



Strong Work Force Availability

- Skilled as well as unskilled labor force is easily available.
- Engineering colleges are in near vicinity.
- Barnala town can accommodate all level of people.





EHS Policy

- 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.
- Spread awareness about the EMS and Process Safety and necessary PPE.



Economical & Social Responsibilities

- Assets and Capital Management & Utilization
- Customer Satisfaction and provide complete knowledge of our products
- Corporate Social Responsibility - to be a responsible corporate house
- Promote & Protect Human Rights
- Formulate & Implement Fair Labour Policies & Practices
- Industrial Health & Safety



Environmental Responsibilities

- State & central pollution control board & MoEF compliant facility
- Four stage effluent treatment process
- Capacity: 1000 KL/Day
- Used Capacity: 800 KL/Day
- Zero effluent discharge system
- 35 Acre land is used for plantation
- ISO 14001:2004 certified
- Permission of solid Hazard waste disposal



Quarterly Summary (INR Cr)

Financial Summary (Q3FY21)

521 Total Income

165 EBITDA

115 PAT

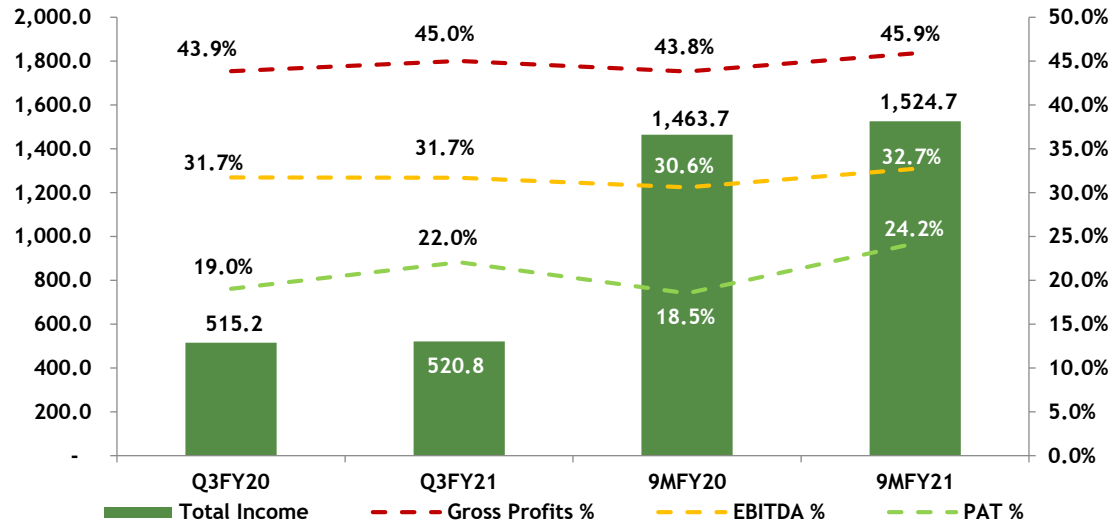
Financial Summary (Q3FY20)

515 Total Income

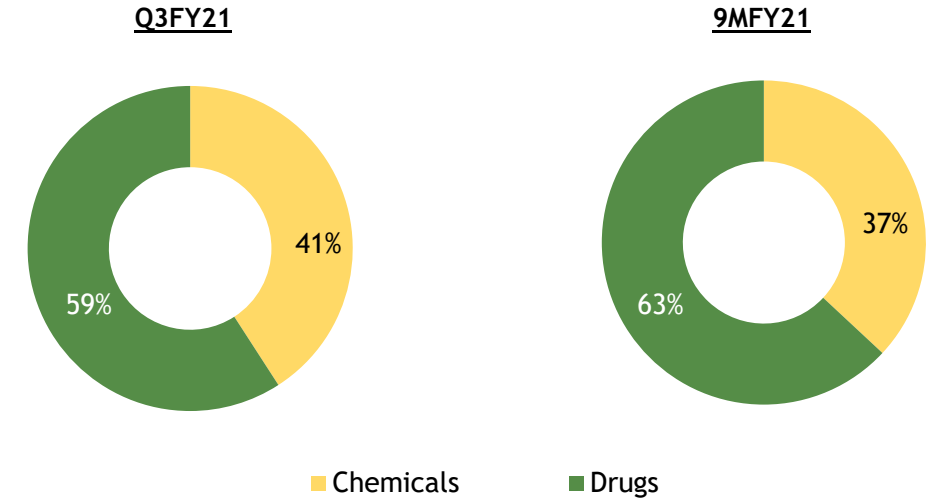
163 EBITDA

98 PAT

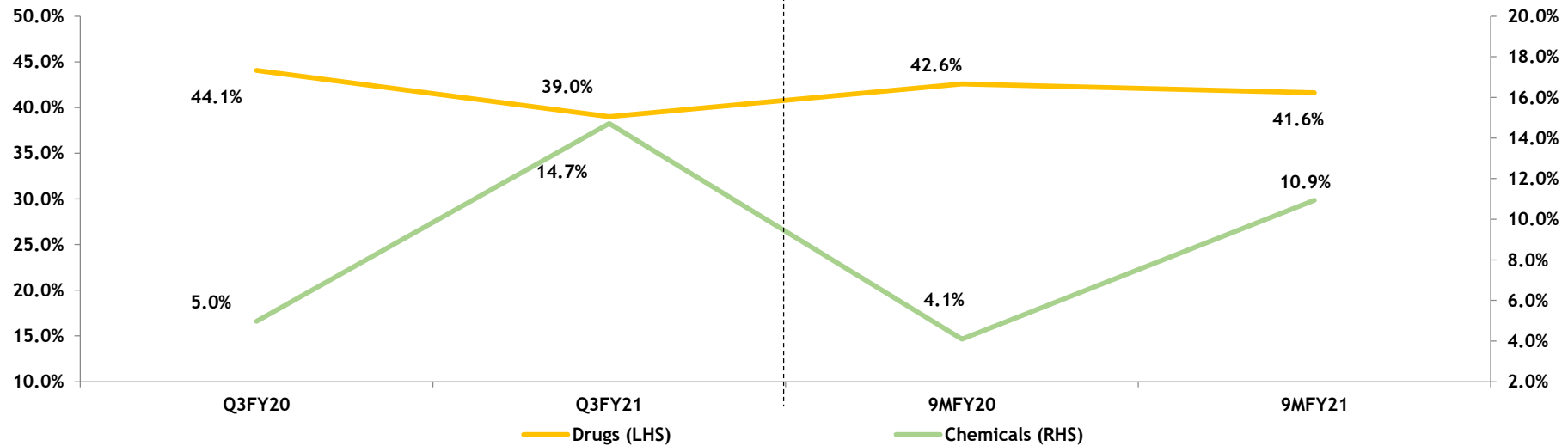
Revenues & Margins* - 9 Monthly & Quarterly



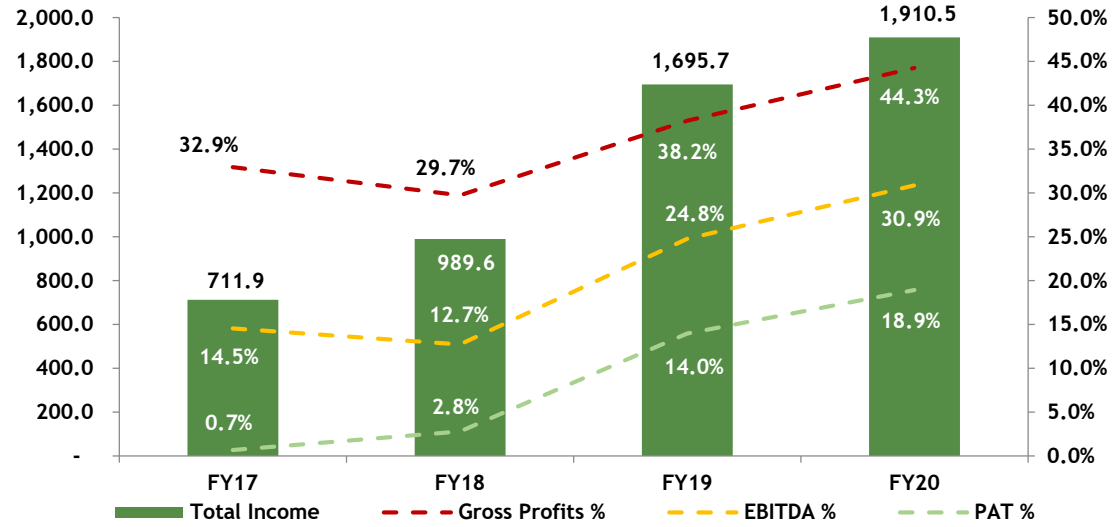
Segmental Revenue Break-Up



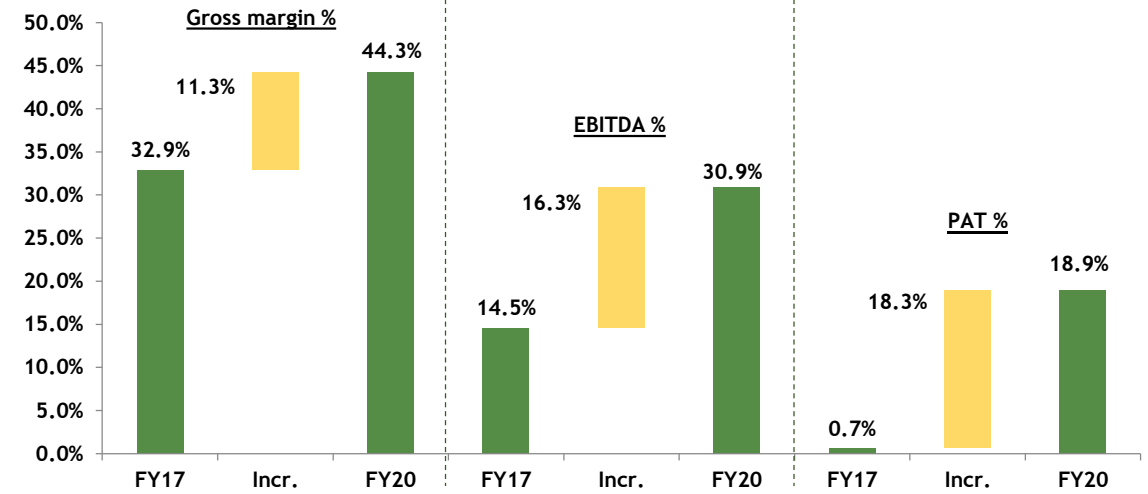
Segmental EBIT %



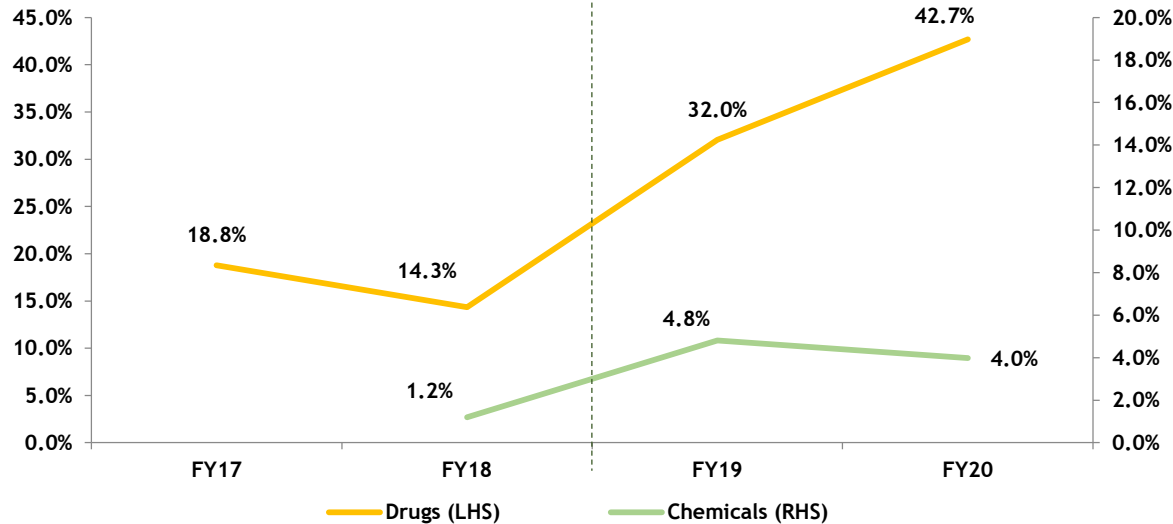
Revenues & Margins* - Annual



Margin* Expansion - Over the Years

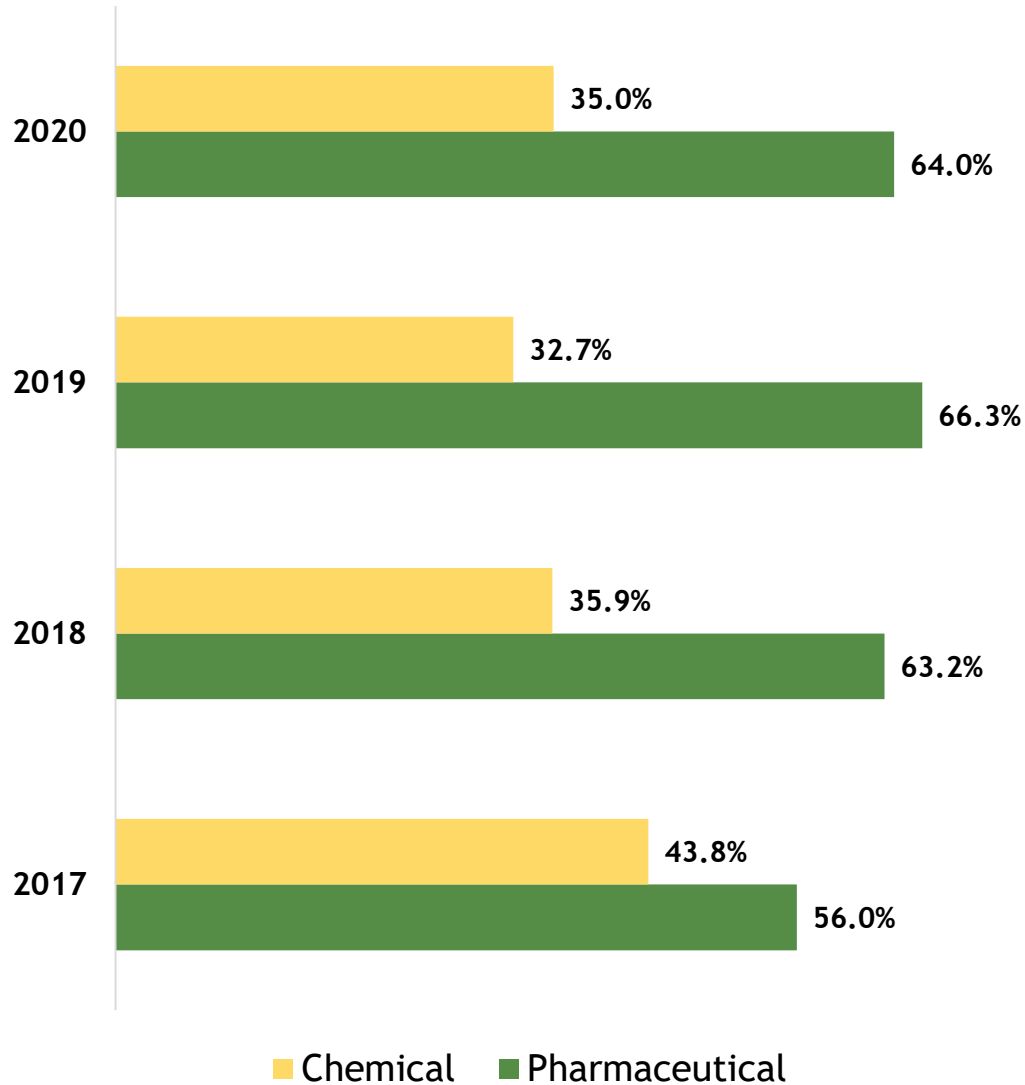


Segmental EBIT %

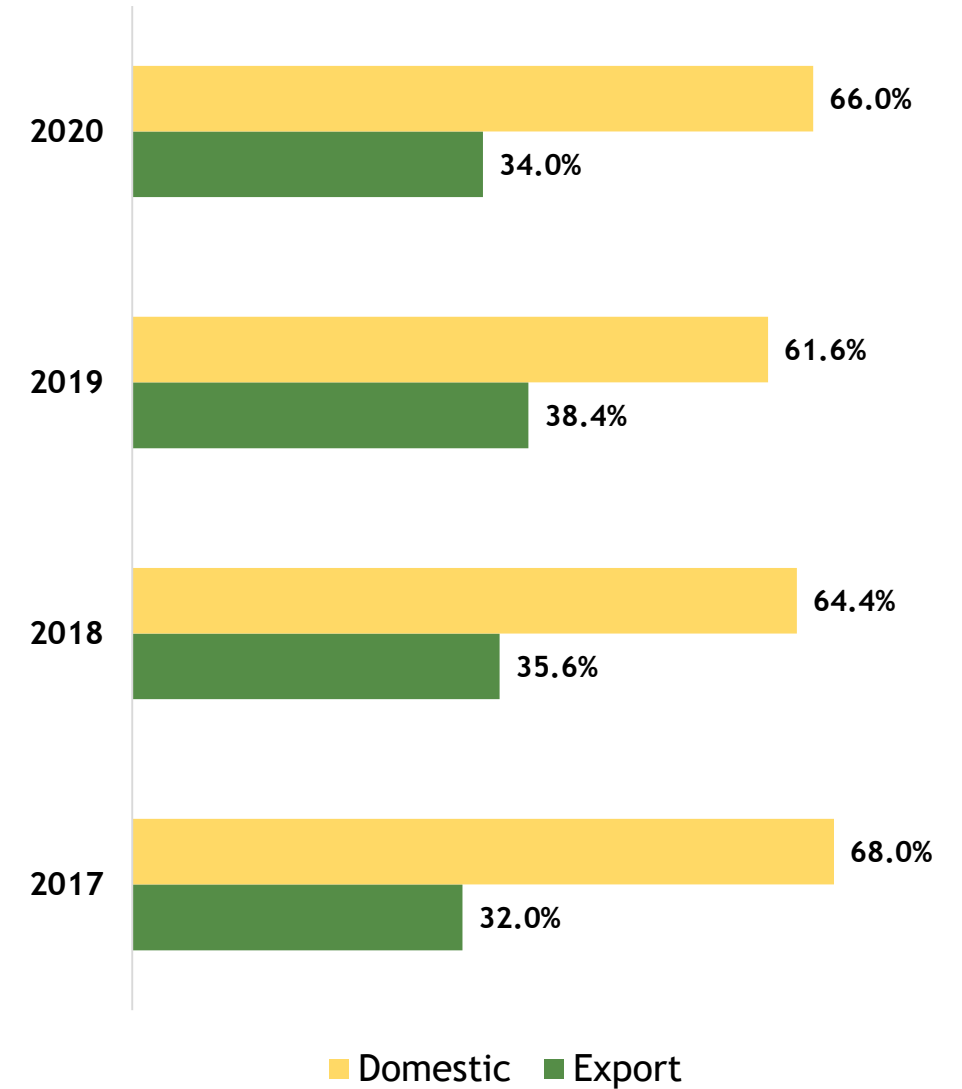


Debt/Equity	FY18	FY19	FY20	H1FY21
Debt (INR Crs)	421.9	284.0	56.0	21.4
Equity (INR Crs)	215.7	474.3	813.5	1,094.8
Debt/Equity	2.0	0.6	0.1	0.0

Product wise Segmentation*



Geographical wise Segmentation



P&L (INR Crs)	FY17	FY18	FY19	FY20	Q3FY20	Q3FY21	9MFY20	9MFY21
Revenues	710.7	983.3	1,685.3	1,894.5	511.3	513.0	1,453.0	1,506.6
Other Income	1.3	6.3	10.4	16.0	4.0	7.8	10.7	18.1
Total Income	711.9	989.6	1,695.7	1,910.5	515.2	520.8	1,463.7	1,524.7
Cost of Goods Sold	477.4	695.3	1,047.3	1,065.0	289.3	286.4	822.6	825.2
Gross Profits	234.5	294.4	648.5	845.5	225.9	234.5	641.1	699.5
<i>Gross Profits %*</i>	<i>32.9%</i>	<i>29.7%</i>	<i>38.2%</i>	<i>44.3%</i>	<i>43.9%</i>	<i>45.0%</i>	<i>43.8%</i>	<i>45.9%</i>
Other Expenses	131.1	168.5	228.4	255.6	62.5	69.4	193.4	200.8
EBITDA	103.5	125.9	420.0	589.9	163.5	165.1	447.7	498.8
<i>EBITDA %*</i>	<i>14.5%</i>	<i>12.7%</i>	<i>24.8%</i>	<i>30.9%</i>	<i>31.7%</i>	<i>31.7%</i>	<i>30.6%</i>	<i>32.7%</i>
Depreciation	29.8	30.2	32.5	35.7	8.9	10.0	26.4	29.0
EBIT	73.6	95.7	387.6	554.2	154.5	155.1	421.3	469.8
<i>EBIT %*</i>	<i>10.3%</i>	<i>9.7%</i>	<i>22.9%</i>	<i>29.0%</i>	<i>30.0%</i>	<i>29.8%</i>	<i>28.8%</i>	<i>30.8%</i>
Interest	67.7	64.4	51.4	20.9	3.8	1.5	18.2	4.4
EBT	5.9	31.3	336.2	533.2	150.8	153.6	403.2	465.4
Taxes	1.3	3.6	99.5	172.0	52.8	38.8	132.1	96.1
PAT	4.7	27.7	236.7	361.3	98.0	114.8	271.0	369.3
<i>PAT %*</i>	<i>0.7%</i>	<i>2.8%</i>	<i>14.0%</i>	<i>18.9%</i>	<i>19.0%</i>	<i>22.0%</i>	<i>18.5%</i>	<i>24.2%</i>

Balance Sheet (INR Crs)	FY18	FY19	FY20	H1FY21
Share Capital	56.2	56.9	56.9	58.7
Other Equity	159.5	417.5	756.7	1036.1
Shareholder's Funds	215.7	474.3	813.5	1094.8
Long Term Debt	258.1	189.9	0.0	0.0
Short Term Debt	135.3	67.7	55.9	21.4
Current Maturities	28.5	26.4	0.1	-
Debt	421.9	284.0	56.0	21.4
Other Long Term Liabilities	33.6	20.8	79.7	59.7
Other Current Liabilities	180.8	162.8	226.3	277.8
Equity & Liabilities	852.1	941.9	1175.6	1453.7
Fixed Assets	412.6	438.7	488.2	515.1
Other Non Current Assets	13.0	8.2	11.1	8.5
Non Current Bank Balances	1.9	6.9	5.3	20.4
Non Current Assets	427.4	453.8	504.6	544.1
Investments	0.1	0.1	0.1	0.0
Cash & Bank Balances	17.3	29.6	154.7	281.4
Other Current Assets	407.3	458.4	516.2	628.2
Current Assets	424.7	488.1	670.9	909.6
Assets	852.1	941.9	1175.6	1453.7

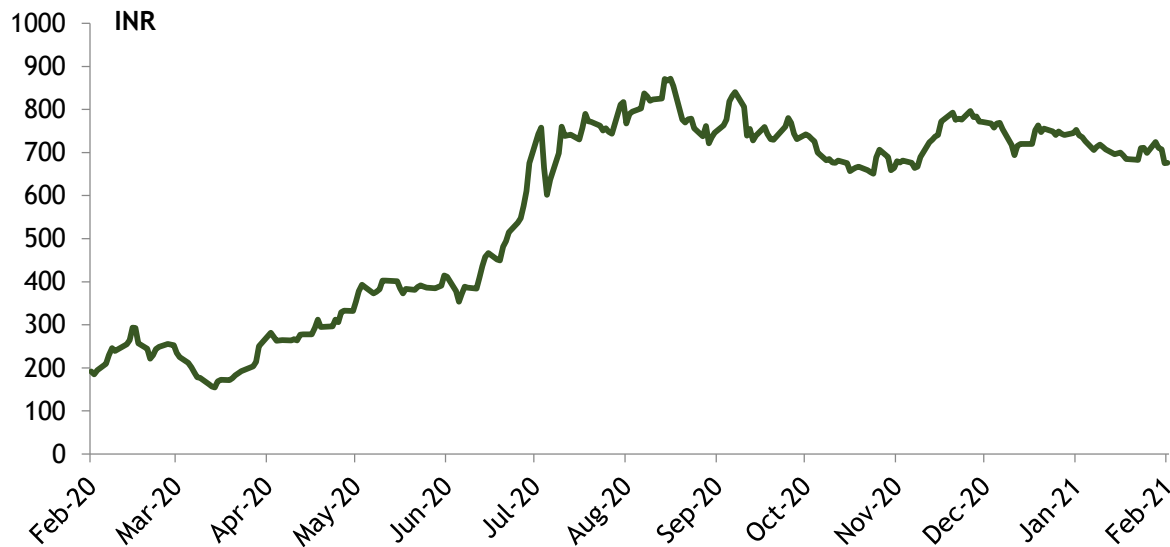
Stock Data (As on 15th February, 2021)

Market Capitalization(₹)	3,869.8 Crs
Face Value(₹)	10.0
52-Week High(₹)	898.9
52-Week Low(₹)	147.3
Symbol(NSE/BSE)	IOLCP 524164

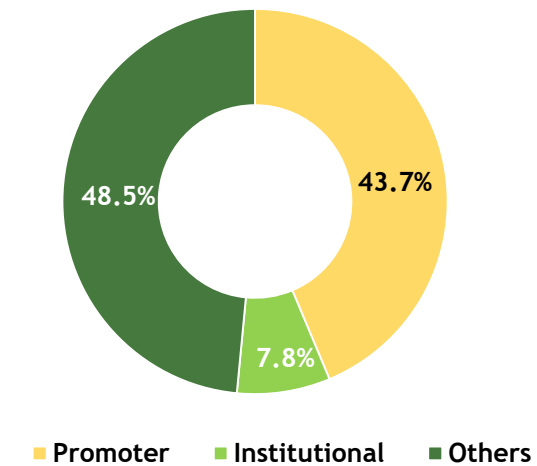
Institutional Holders (%)

Stitching Depository APG Emerging Markets Equity Pool	1.08%
Morgan Stanley Asia Pte	1.06%
Acadian Emerging Markets Small Cap Fund	1.04%
Others	4.65%
Total	7.83%

Stock Chart



Shareholding Pattern (%) (As on 31st December, 2020)





Thank You

For further details:

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