



IOI Chemicals and Pharmaceuticals Limited

Investor Presentation

November 2020

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

Wide presence across various therapeutic categories like Pain Management, Anti-diabetic, Anti hypertensive, Anti Convulsants, etc.

Chemicals application in diverse important industries like pharmaceuticals, ink industry, flexible packaging, adhesives, surface coatings, flavours, paints & lamination and essences 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 1,950 employees



Largest manufacturer of Ibuprofen with ~35% Global share



Largest producer of Ethyl Acetate at Single Location in India



Only company world wide being backward integrated for Ibuprofen



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



Zero Discharge Effluent Treatment Plant



Spread over a sprawling campus of 88 acres



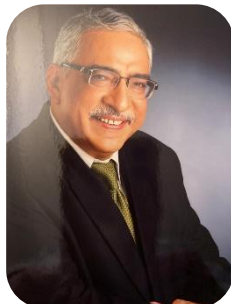
3 star export house



Geographical reach across 80 countries



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)

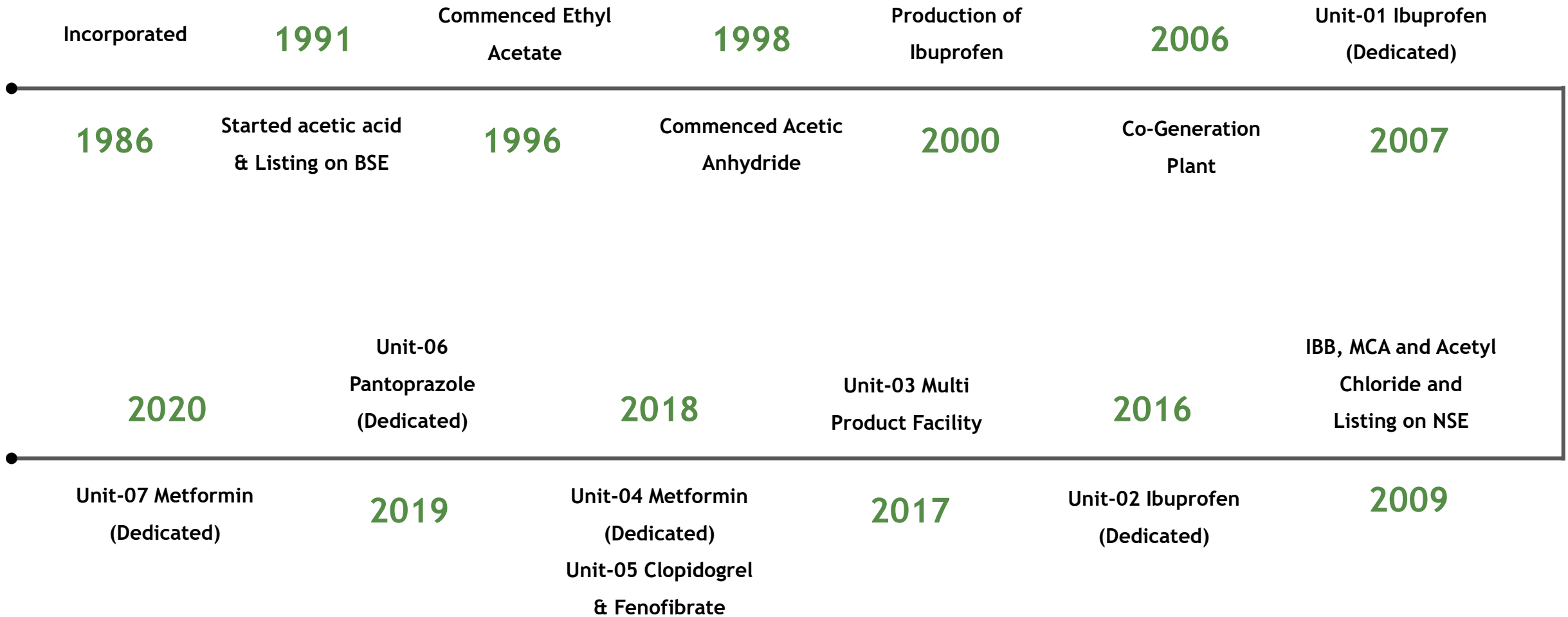
He has 28 years experience in commercial activities of the chemical and pharmaceutical products and has an international exposure in the industry.



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 **METFORMIN**, CEP No. 188-2013
- Certificate of Suitability from **EDQM** for **FENOFIBRATE** CEP No. 175-2018
- EDMF submitted to **EDQM** for **Clopidogrel Hydrogen Sulfate**
- WHO GMP (COPP) for Ibuprofen, Metformin, Lamotrigine, Fenofibrate and Clopidogrel, UDCA and Pantoprazole Sodium
- Written confirmation from CDSCO for Ibuprofen, Metformin, Lamotrigine, Fenofibrate Clopidogrel
- ISO9001:2015, 14001:2015 & 18001:2007



IOLCP's APIs Revenue Share - 65% of total revenue

Product Name	Ibuprofen	Metformin	Clopidogrel	Pantoprazole	UDCA	Lamotrigine	Fenofibrate
Capacity	12,000TPA	11,200TPA	180TPA	240TPA			
Therapeutic Area	NSAIDS*	Anti-diabetic	Anti Platelet	Acid Control	Liver disease	Anti-convulsant	Anti-Cholesterol
% Revenue of total income	56.37%	4.03%	2.94%	1.03%	0.61%		

API Pipeline

Gabapentin - Antiepileptic

Losartan - Antihypertensive

Albendazole - Antiprotozoal

Folic Acid - Dietary Supplement

Fexofenadine Hydrochloride - Anti-allergic

Dextromethorphan Hydrobromide - Antitussive

Valsartan - Antihypertensive

Levetiracetam - Antiepileptic







Pharmaceuticals



IOLCP's Chemicals Revenue Share - 35% of total revenue

Product Name	Ethyl Acetate <i>C₄H₈O₂</i>	Iso Butyl Benzene <i>C₁₀H₁₄</i>	Acetyl Chloride <i>CH₃COCl</i>	Mono Chloro Acetic Acid <i>ClCH₂COOH</i>
Capacity	87,000TPA	12,000TPA	5,200TPA	7,200TPA
% Revenue of total income	24.76%	8.07%	2.03%	Captive consumption

Product Application

							
Pharmaceuticals	Textiles	Paints	Flexible Packaging	Chemical Intermediate	Ink	Pesticides	Food Processing

Key Highlights

India's Largest Ethyl Acetate plant at single location

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

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

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





Chemicals





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

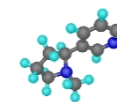
6

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

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

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

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 Ethanol as raw material and 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 (Q2FY21)

538.0 Total Income

175.8 EBITDA

127.0 PAT

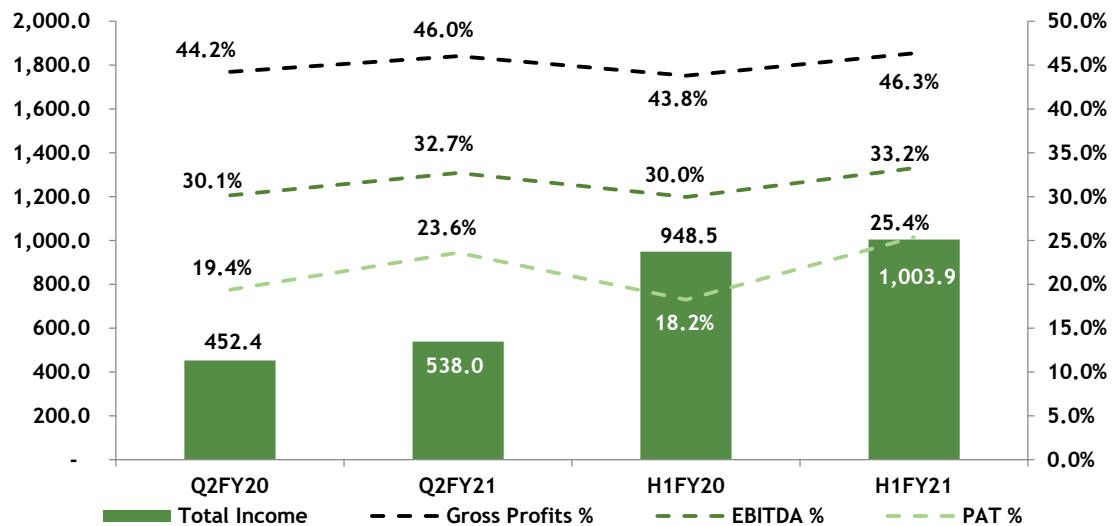
Financial Summary (Q2FY20)

452.4 Total Income

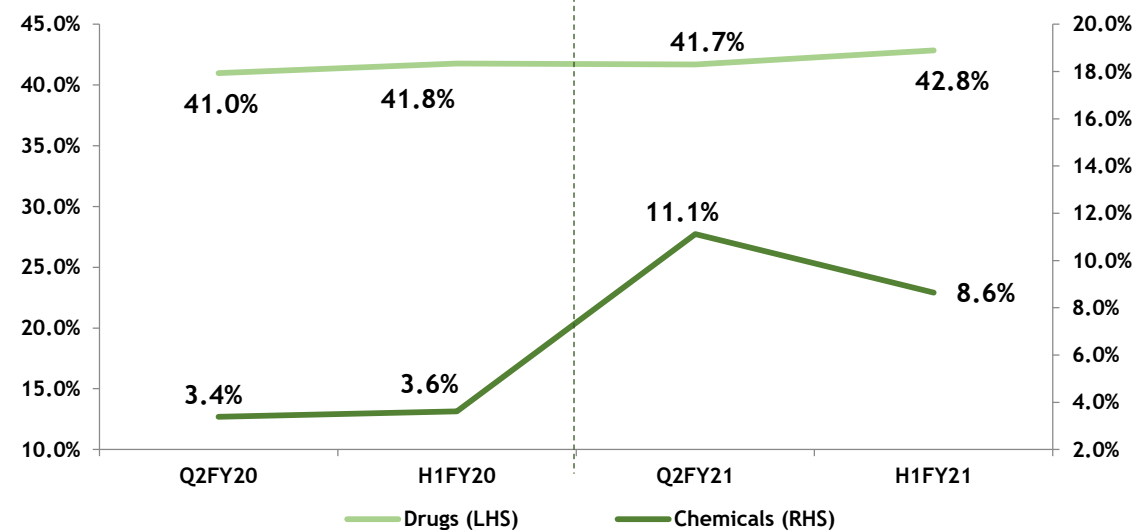
136.3 EBITDA

87.7 PAT

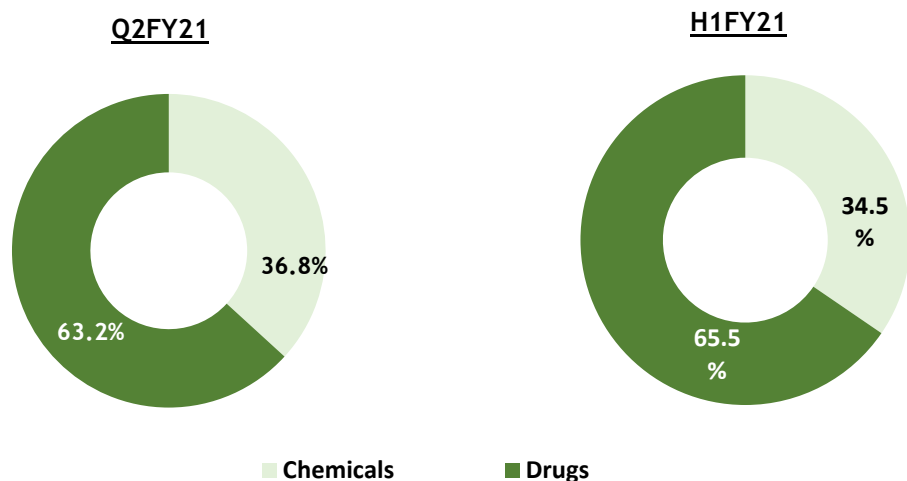
Revenues & Margins* - Half Yearly & Quarterly



Segmental EBIT %

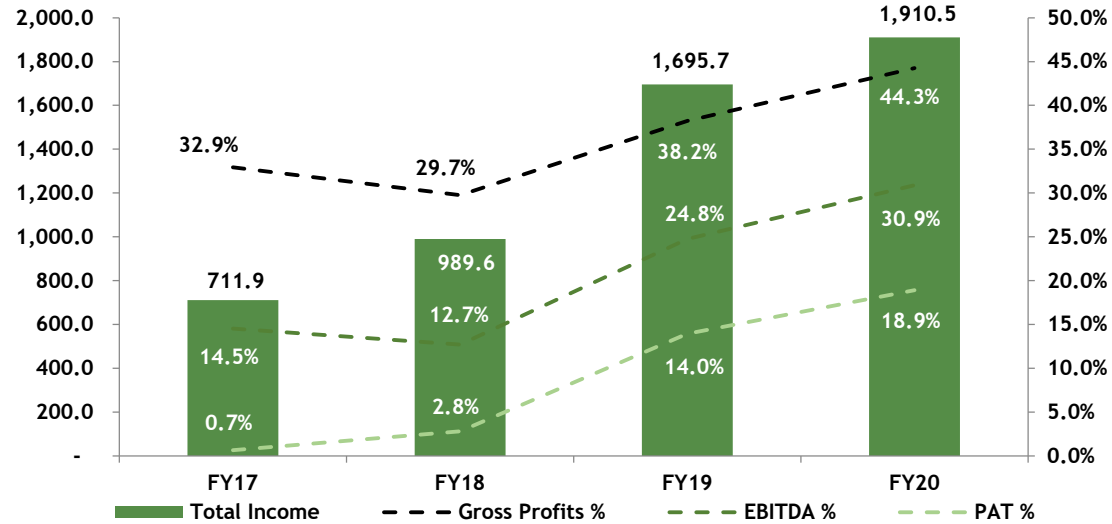


Segmental Revenue Break-Up

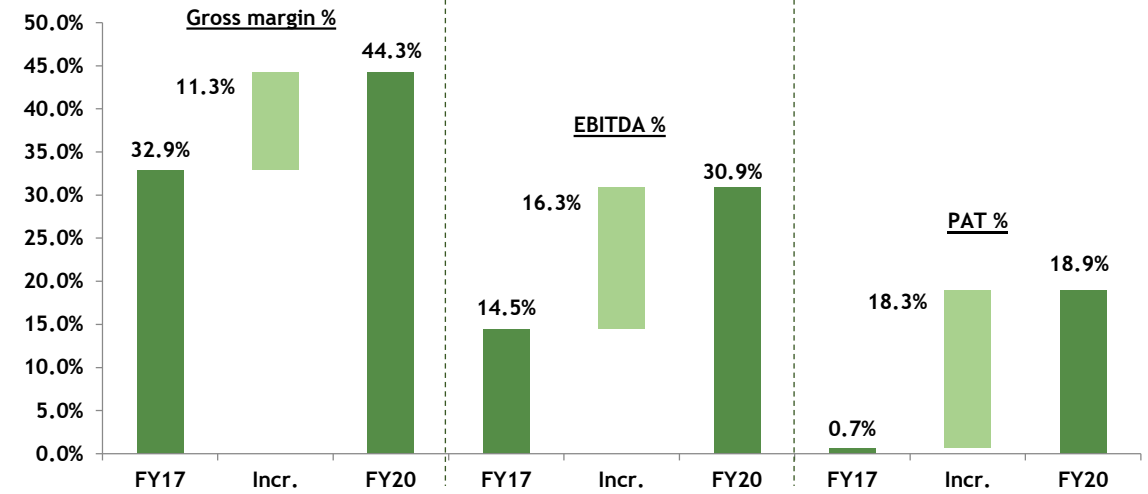


Debt/Equity	FY18	FY19	FY20	H1FY21
Debt (INR Crs)	421.9	284.0	56.0	21.4
Equity (INR Crs)	215.7	474.3	813.5	1,094.8
Debt/Equity	2.0	0.6	0.1	0.0

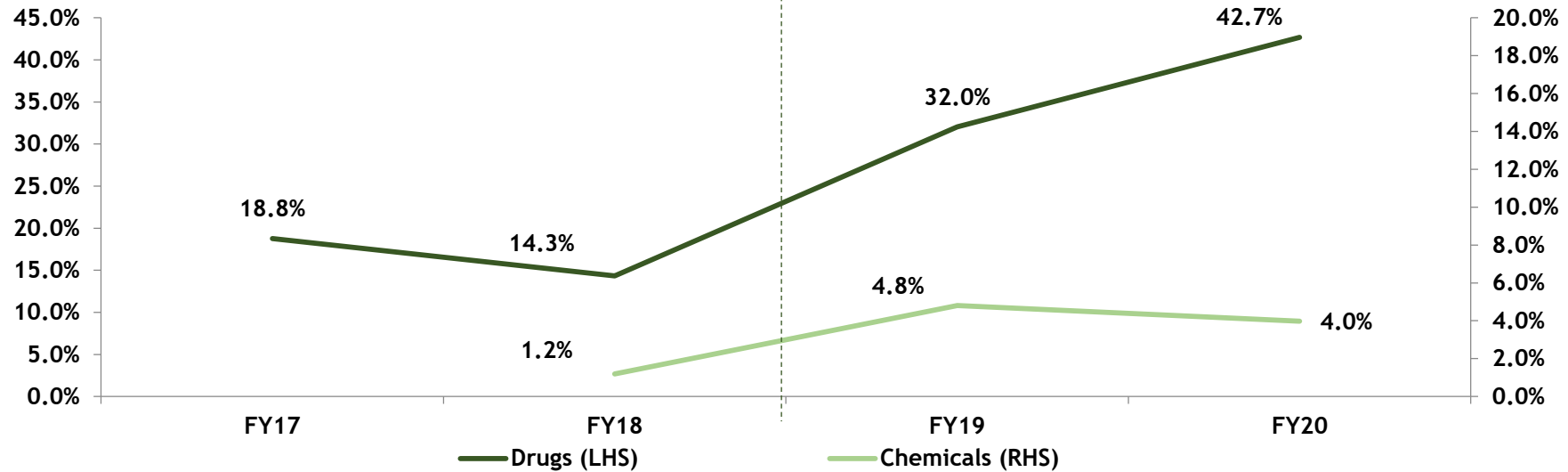
Revenues & Margins* - Annual



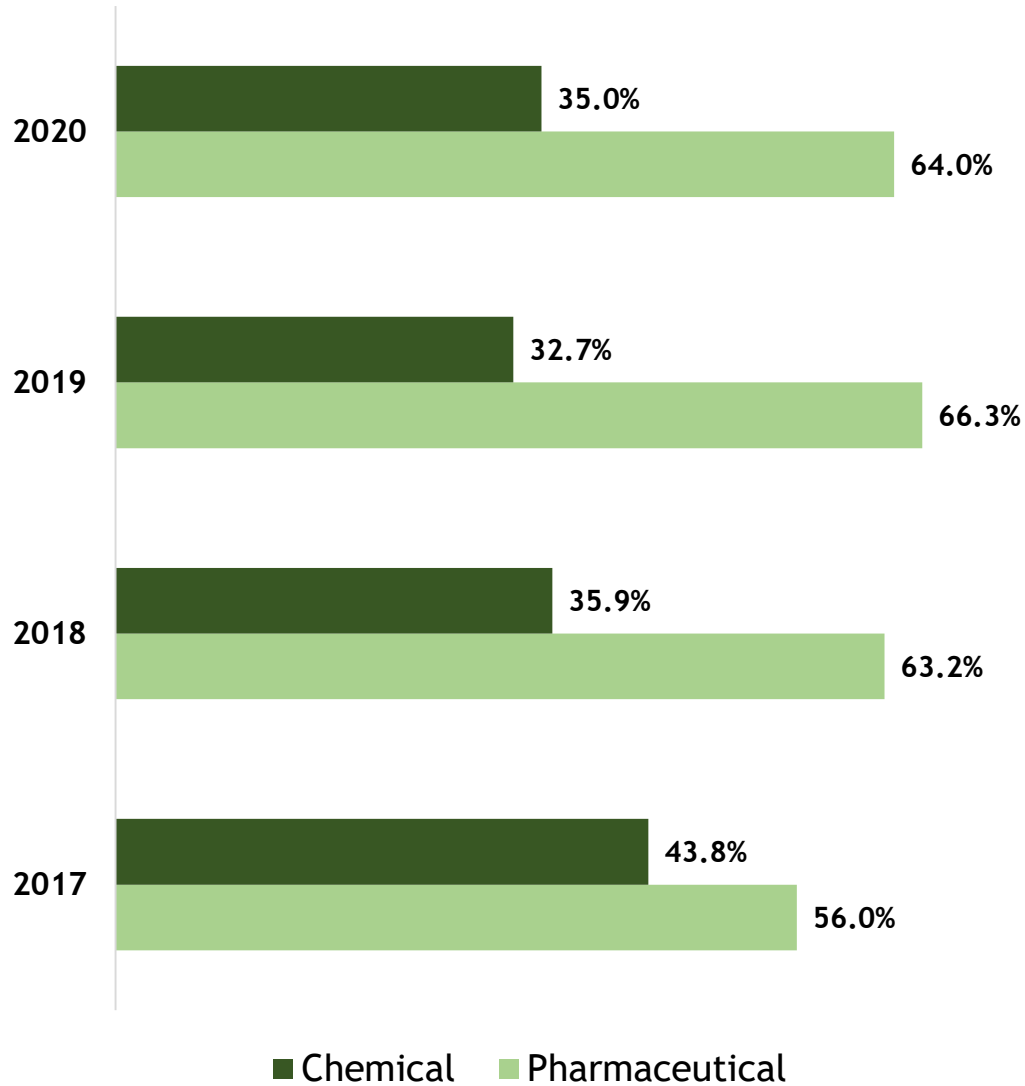
Margin* Expansion - Over the Years



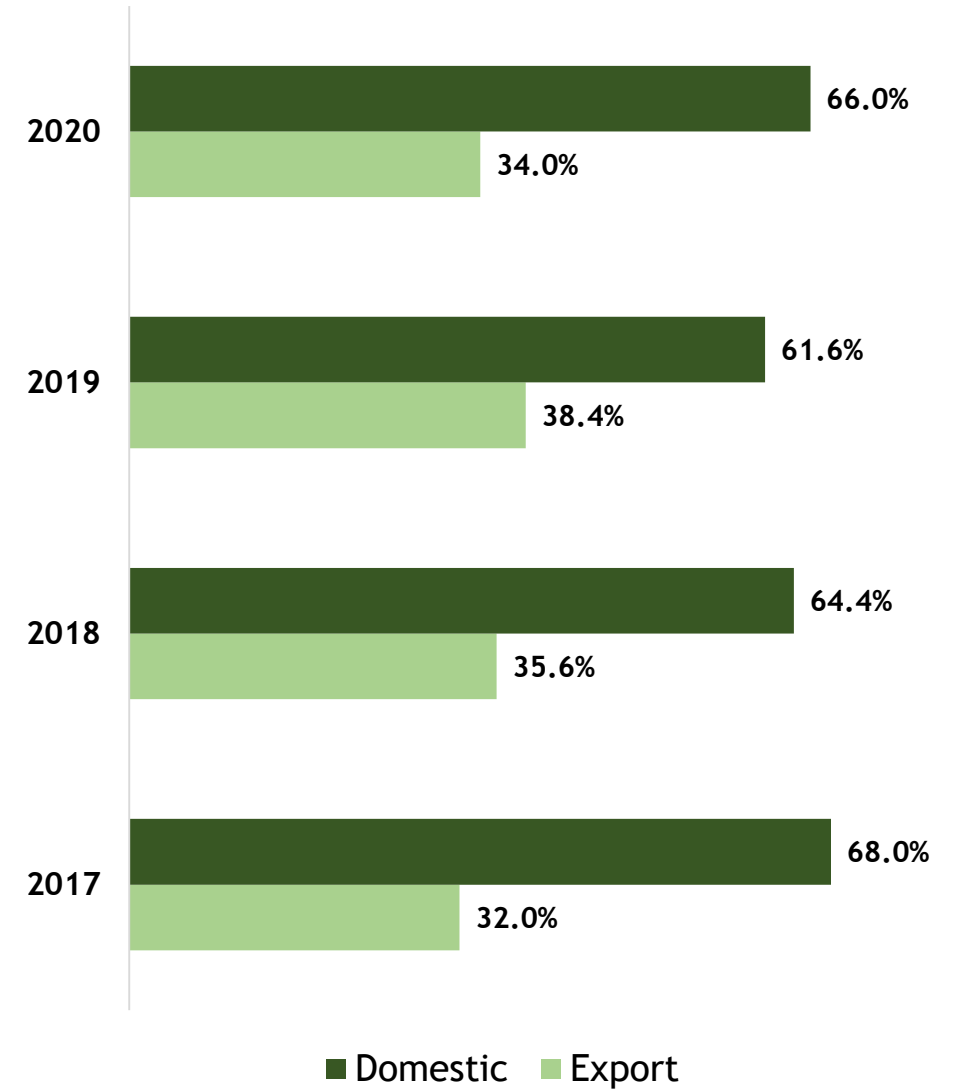
Segmental EBIT %



Product wise Segmentation



Geographical wise Segmentation



P&L (INR Crs)	FY17	FY18	FY19	FY20	Q2FY20	Q2FY21	H1FY20	H1FY21
Revenues	710.7	983.3	1,685.3	1,894.5	449.0	533.5	941.8	993.6
Other Income	1.3	6.3	10.4	16.0	3.4	4.5	6.7	10.3
Total Income	711.9	989.6	1,695.7	1,910.5	452.4	538.0	948.5	1,003.9
Cost of Goods Sold	477.4	695.3	1,047.3	1,065.0	252.4	290.6	533.3	538.8
Gross Profits	234.5	294.4	648.5	845.5	200.0	247.4	415.2	465.1
<i>Gross Profits %*</i>	<i>32.9%</i>	<i>29.7%</i>	<i>38.2%</i>	<i>44.3%</i>	<i>44.2%</i>	<i>46.0%</i>	<i>43.8%</i>	<i>46.3%</i>
Other Expenses	131.1	168.5	228.4	255.6	63.6	71.6	131.0	131.4
EBITDA	103.5	125.9	420.0	589.9	136.3	175.8	284.2	333.7
<i>EBITDA %*</i>	<i>14.5%</i>	<i>12.7%</i>	<i>24.8%</i>	<i>30.9%</i>	<i>30.1%</i>	<i>32.7%</i>	<i>30.0%</i>	<i>33.2%</i>
Depreciation	29.8	30.2	32.5	35.7	8.8	9.6	17.4	19.0
EBIT	73.6	95.7	387.6	554.2	127.5	166.2	266.8	314.7
<i>EBIT %*</i>	<i>10.3%</i>	<i>9.7%</i>	<i>22.9%</i>	<i>29.0%</i>	<i>28.2%</i>	<i>30.9%</i>	<i>28.1%</i>	<i>31.4%</i>
Interest	67.7	64.4	51.4	20.9	6.1	1.1	14.4	2.9
EBT	5.9	31.3	336.2	533.2	121.4	165.1	252.4	311.8
Taxes	1.3	3.6	99.5	172.0	33.7	38.1	79.4	57.3
PAT	4.7	27.7	236.7	361.3	87.7	127.0	173.0	254.5
<i>PAT %*</i>	<i>0.7%</i>	<i>2.8%</i>	<i>14.0%</i>	<i>18.9%</i>	<i>19.4%</i>	<i>23.6%</i>	<i>18.2%</i>	<i>25.4%</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	28.9
Non Current Bank Balances	1.9	6.9	5.3	-
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 10th November, 2020)

Market Capitalization(₹)	3,808.81 Crs
Face Value(₹)	10.0
52-Week High(₹)	898.4
52-Week Low(₹)	147.3
Symbol(NSE/BSE)	IOLCP 524164

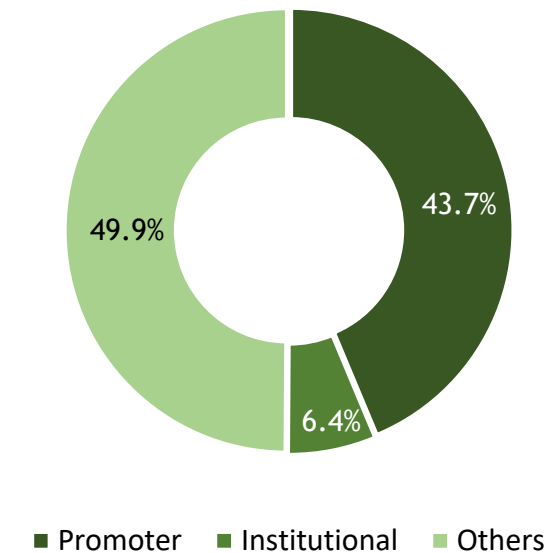
Stock Chart



Institutional Holders (%)

Stitching Depository APG Emerging Markets Equity Pool	1.16%
Morgan Stanley Asia Pte	1.11%
Others	4.13%
Total	6.40%

Shareholding Pattern (%) (As on 30th September, 2020)



Thank You

For further details:

Mr. Pardeep Kumar Khanna , CFO

Email: pardeepkhanna@iolcp.com

Phone: +91-161-2225531-35