



IOL Chemicals and Pharmaceuticals Limited

Investor Presentation Q1FY23

Aug 2022

*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 Pharmaceuticals company and is a significant player in the field of specialty chemicals with world class facilities*



Catering to the top-tier players across diverse important industries like pharmaceuticals, ink industry, flexible packaging, adhesives, surface coatings, flavours, paints & lamination and essences etc.



Captive co-generation unit with capacity of 17 MW to meet power and steam requirements

## Vision

To be amongst the most admired companies in APIs, Intermediates and Specialty Chemicals globally.

## Mission

To provide top quality products in APIs, Intermediates and Specialty Chemicals through continuous innovation and cutting-edge technology with due regards to safety and environment.

## Values

We, at IOLCP, believe values bring character to any organization that help leaders to guide teams for a culture of excellence through continuous improvements.

*The domestic economy is witnessing revival in consumption and recovery in the services sector, which has allayed any recession related speculation. Over the next few years, our focus will be on diversifying into other speciality chemical products and increase the share of non-Ibuprofen business. The investment planned in setting up a new plant will aid the Company in strengthening its position in western market and cater to our global customers, thereby helping in improving our market share. Over the course of next few quarters, the Company's plan to explore new geographies and de-risk the business with continuous backward integration model will play out leading to improvement in margins as well as profitability. Various business challenges of softening demand, rising inputs costs and volatility in chemical prices are slowly getting normalized as can be seen from recovery in EBITDA margins. However, we believe that the challenges are a temporary phenomenon. The robust global demand on specialty chemicals front owing to shift in market share from China would benefit the sector over next few year.*



**Dr. Sanjay Chaturvedi,  
Executive Director & CEO**

*Financial  
Overview*



## Financial Summary

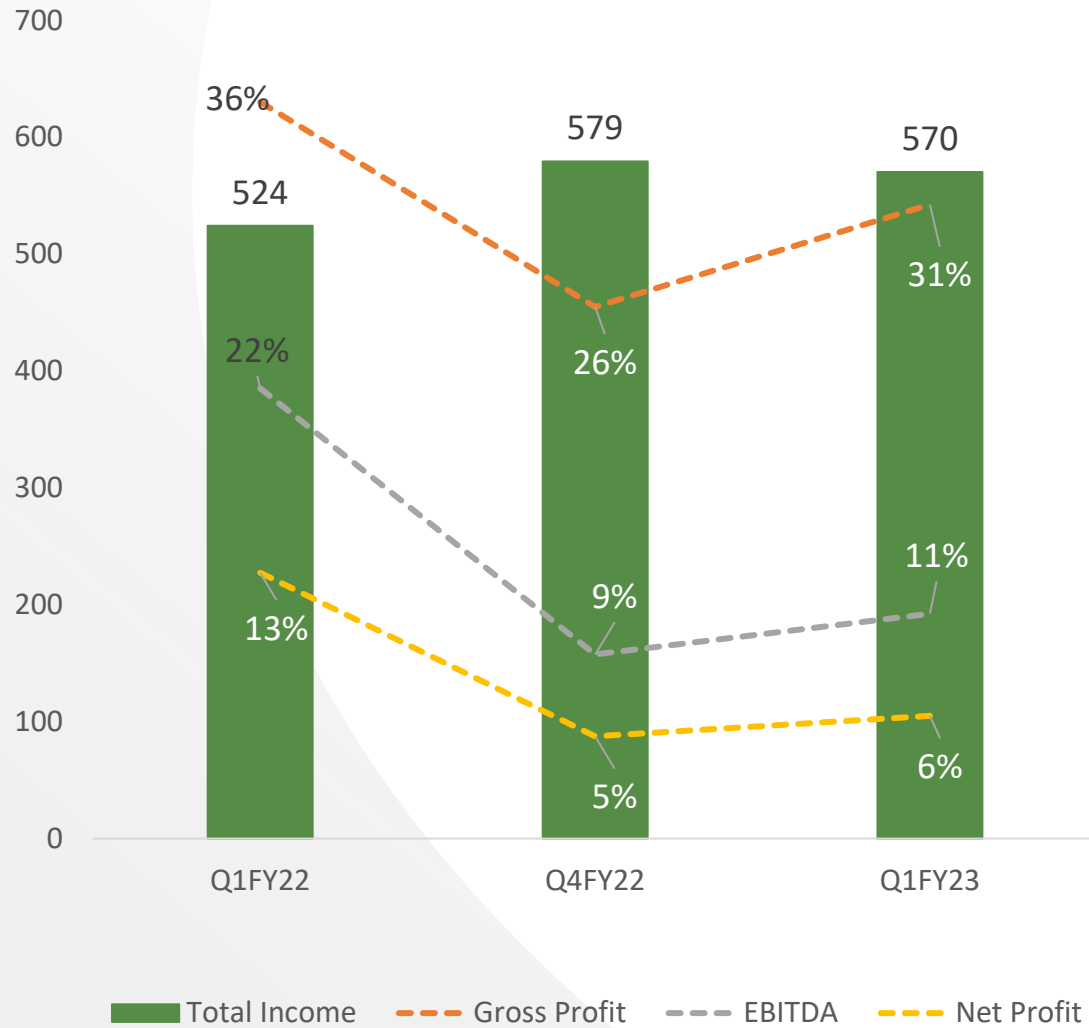
(INR Cr)

	Q1FY23	Q4FY22	Q1FY22
Total Income	570	579	524
Gross Profit	176	151	189
EBITDA	61	50	116
PAT	35	28	67

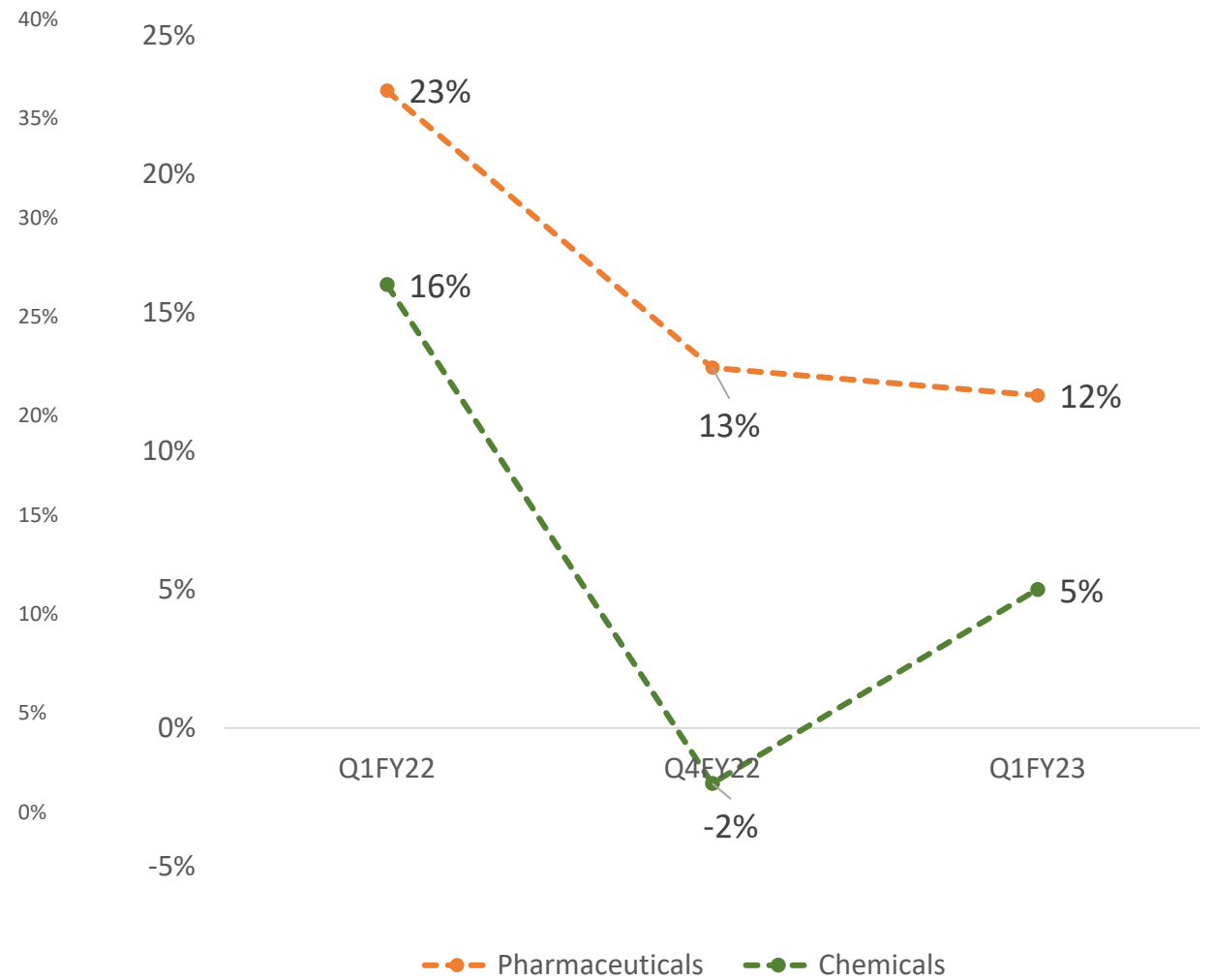
# Quarterly Financial Performance



### Quarterly Revenues & Margins\*



### Quarterly Segmental EBIT %



\*All Profits and Total Income include Other Income

# Geographical Segmental Breakup - Annual & Quarter

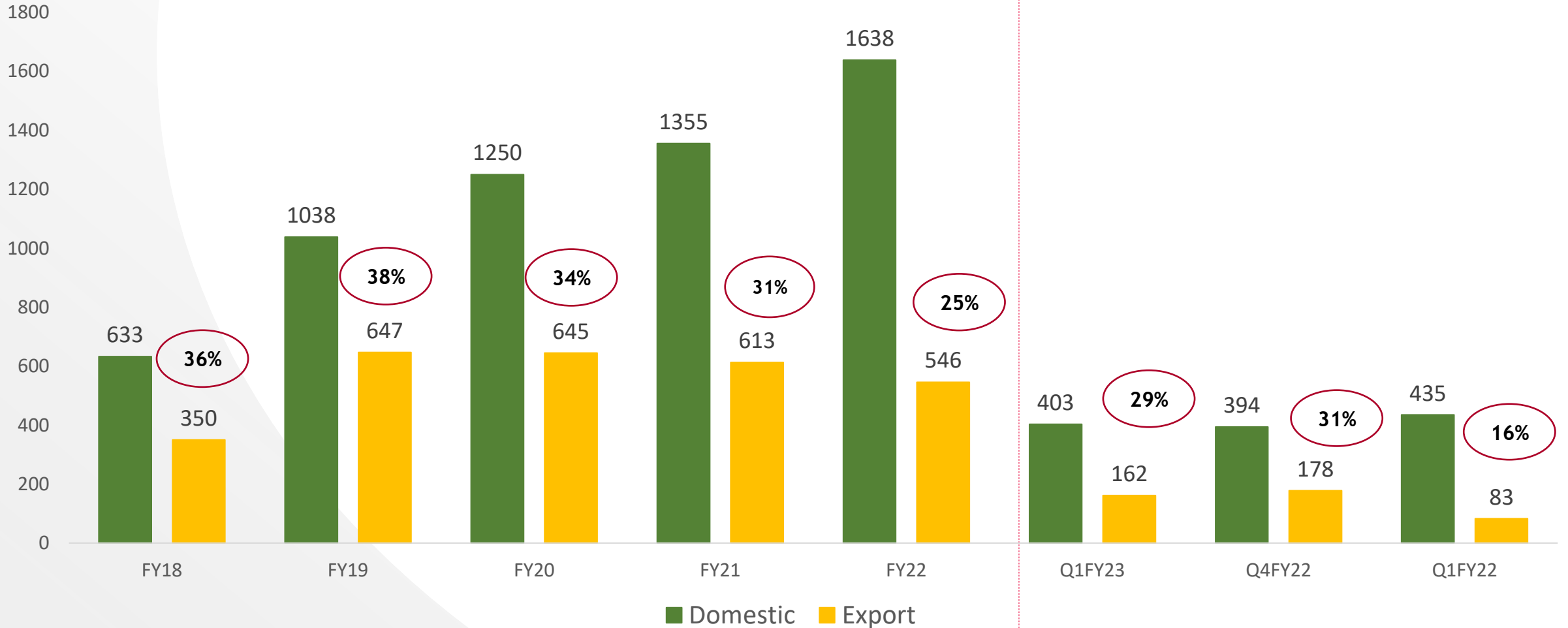


## Annually

In INR crs

## Quarterly

In INR crs



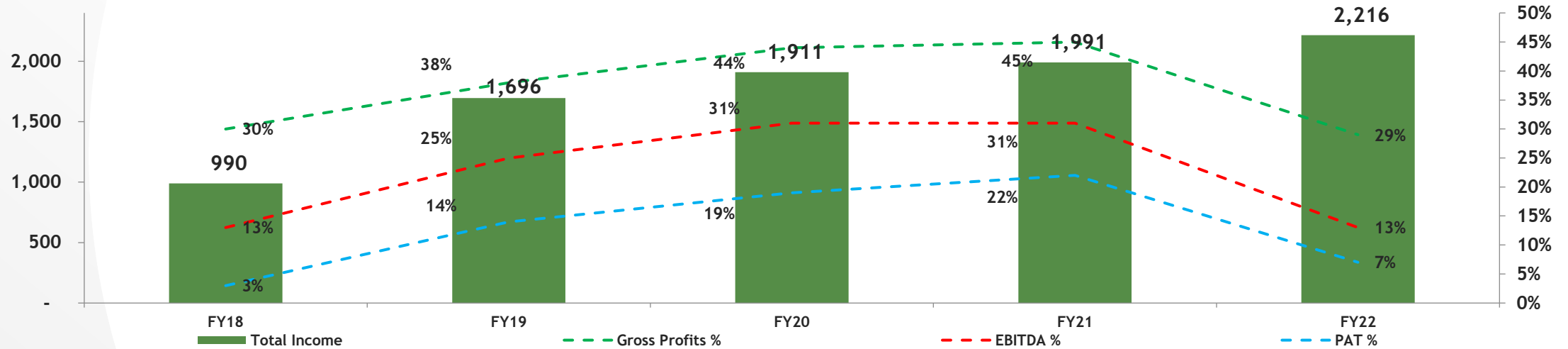
\*FY21 Covid Impact



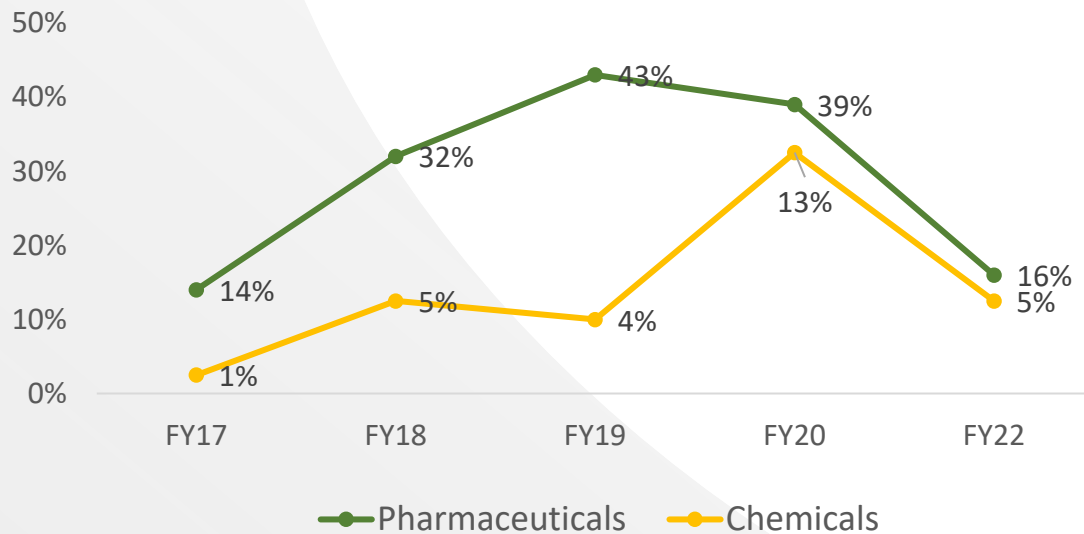
# 5 years Financial Performance - Annually



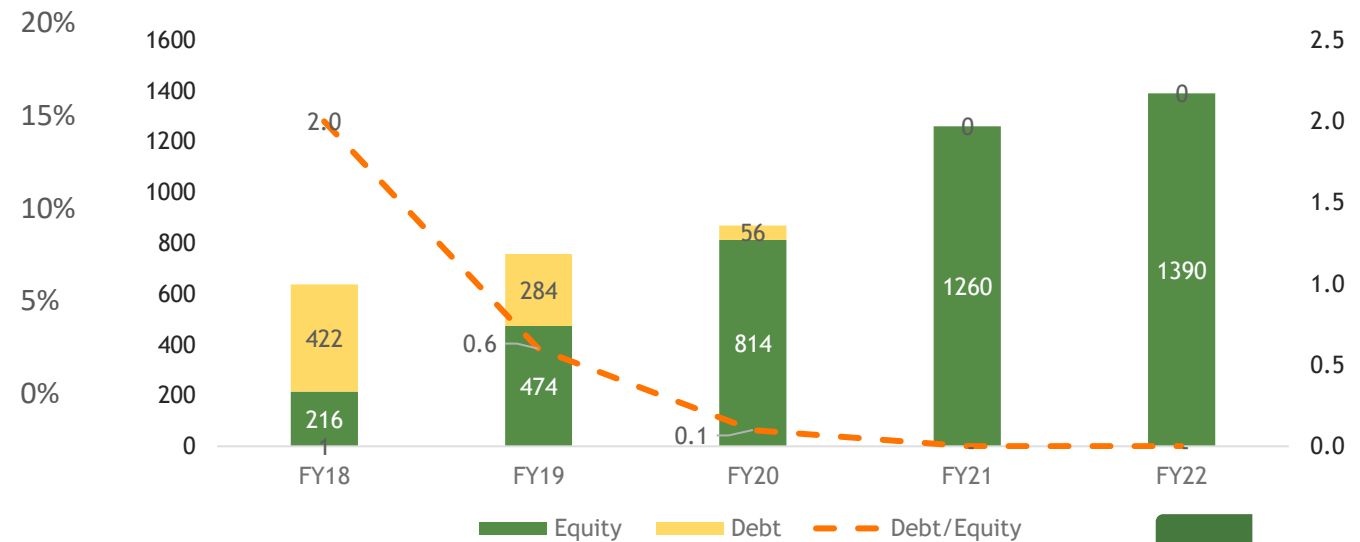
## Revenues & Margins\* - Annual



## Segmental EBIT %



## Debt/Equity



\*All Profits and Total Income include Other Income








# Financial Summary - Statement of Profit and Losses



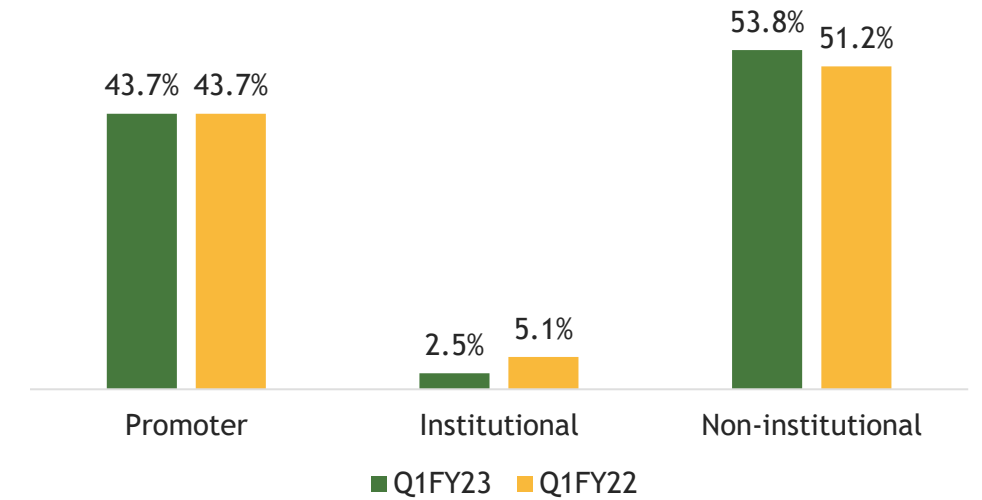
P&L (INR Crs)	FY18	FY19	FY20	FY21	FY22	Q1FY23	Q4FY22	Q1FY22
Revenues	983.3	1,685.3	1,894.5	1,967.0	2,184.0	565.0	572.5	518.5
Other Income	6.3	10.4	16	24.3	32.0	5.2	6.9	5.7
<b>Total Income</b>	<b>989.6</b>	<b>1,695.7</b>	<b>1,910.5</b>	<b>1,991.3</b>	<b>2,216.0</b>	<b>570.2</b>	<b>579.4</b>	<b>524.2</b>
<b>Gross Profits</b>	<b>294.4</b>	<b>648.5</b>	<b>845.5</b>	<b>645.6</b>	<b>645.6</b>	<b>175.6</b>	<b>150.7</b>	<b>189.2</b>
<i>Gross Profits %</i>	<i>29.7%</i>	<i>38.2%</i>	<i>44.3%</i>	<i>32.4%</i>	<i>29.1%</i>	<i>30.8%</i>	<i>26.0%</i>	<i>36.1%</i>
<b>EBITDA</b>	<b>125.9</b>	<b>420</b>	<b>589.9</b>	<b>616.1</b>	<b>288.4</b>	<b>61.2</b>	<b>50.1</b>	<b>115.9</b>
<i>EBITDA %</i>	<i>12.7%</i>	<i>24.8%</i>	<i>30.9%</i>	<i>30.9%</i>	<i>13.0%</i>	<i>10.7%</i>	<i>8.6%</i>	<i>22.1%</i>
Depreciation	30.2	32.5	35.7	38.9	43.3	11.0	11.0	10.3
<b>EBIT</b>	<b>95.7</b>	<b>387.6</b>	<b>554.2</b>	<b>577.2</b>	<b>245.1</b>	<b>50.2</b>	<b>39.1</b>	<b>105.6</b>
<i>EBIT %</i>	<i>9.7%</i>	<i>22.9%</i>	<i>29.0%</i>	<i>29.0%</i>	<i>11.1%</i>	<i>8.8%</i>	<i>6.7%</i>	<i>20.1%</i>
Interest	64.4	51.4	20.9	5.8	8.30	3.40	2.30	1.80
<b>Earnings before Exceptional Items and Taxes</b>	<b>31.3</b>	<b>336.2</b>	<b>533.3</b>	<b>571.4</b>	<b>236.8</b>	<b>46.8</b>	<b>36.8</b>	<b>103.8</b>
Exceptional Items	-	-	-	-	13.9	-	-	13.9
Taxes	3.6	99.5	172	126.8	57.2	11.9	9.0	22.9
<b>PAT</b>	<b>27.7</b>	<b>236.7</b>	<b>361.3</b>	<b>444.6</b>	<b>165.7</b>	<b>34.9</b>	<b>27.8</b>	<b>67.0</b>
<i>PAT %</i>	<i>2.8%</i>	<i>14.0%</i>	<i>18.9%</i>	<i>22.3%</i>	<i>7.5%</i>	<i>6.1%</i>	<i>4.8%</i>	<i>12.8%</i>

Balance Sheet (INR Crs)	FY18	FY19	FY20	FY21	FY22
Shareholder's Funds	215.7	474.3	813.5	1260.4	1390.3
Debt	421.9	284	56	0	0
Other Long Term Liabilities	33.6	20.8	79.7	59.1	56.6
Other Current Liabilities	180.9	162.8	220.6	290.6	513.4
<b>Equity &amp; Liabilities</b>	<b>852.1</b>	<b>941.9</b>	<b>1169.8</b>	<b>1610.1</b>	<b>1960.3</b>
Fixed Assets	412.6	438.7	488.2	560.6	665.8
Other Non Current Assets	14.8	15.1	10.7	39.6	215.7
<b>Non Current Assets</b>	<b>427.4</b>	<b>453.8</b>	<b>498.9</b>	<b>600.2</b>	<b>881.5</b>
Investments	0.1	0.1	0.1	1.2	2.4
Cash & Bank Balances	17.3	29.6	154.7	364.7	137.9
Other Current Assets	407.3	458.4	516.1	643.9	938.5
<b>Current Assets</b>	<b>424.7</b>	<b>488.1</b>	<b>670.9</b>	<b>1009.8</b>	<b>1078.8</b>
<b>Assets</b>	<b>852.1</b>	<b>941.9</b>	<b>1169.8</b>	<b>1610.1</b>	<b>1960.3</b>

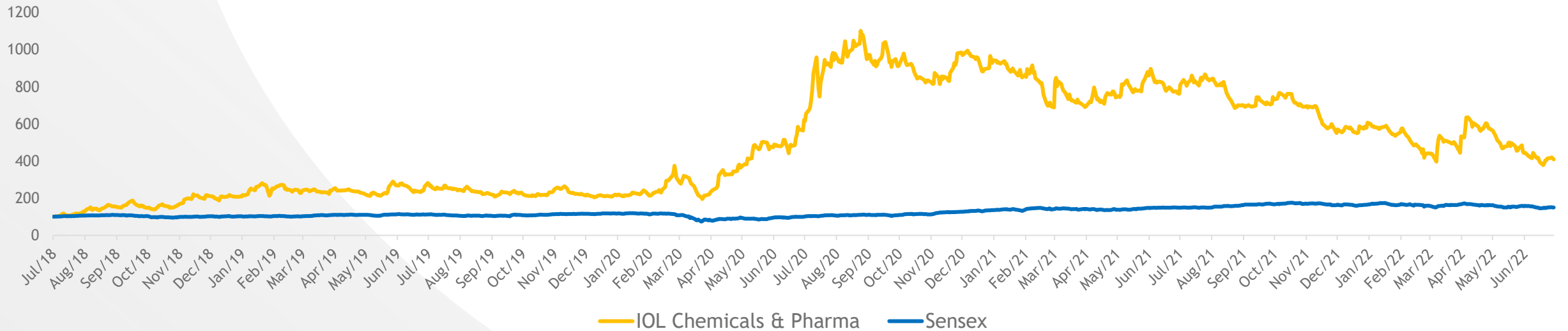
## Stock Data (As on 9th Aug, 2022)

	Market Capitalization (₹)	2,087 Crore
	Face Value(₹)	10
	Share Price (₹)	355.6
	EPS TTM (₹)	22.8
	52-Week High (₹)	670.0
	52-Week Low (₹)	295.1
	Symbol(NSE/BSE)	IOLCP   524164

## Shareholding Pattern (%)

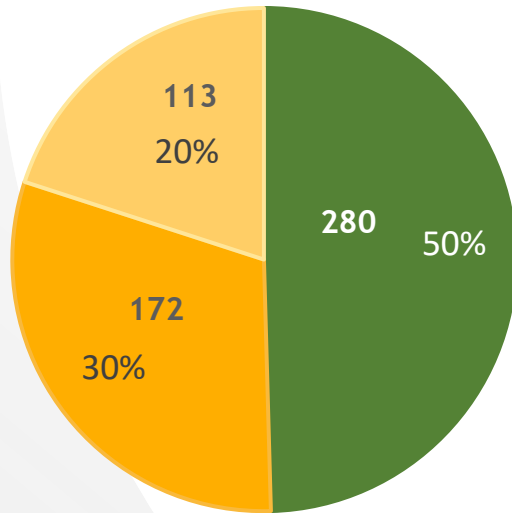


## IOL Stock Performance vs Sensex



Q1FY23

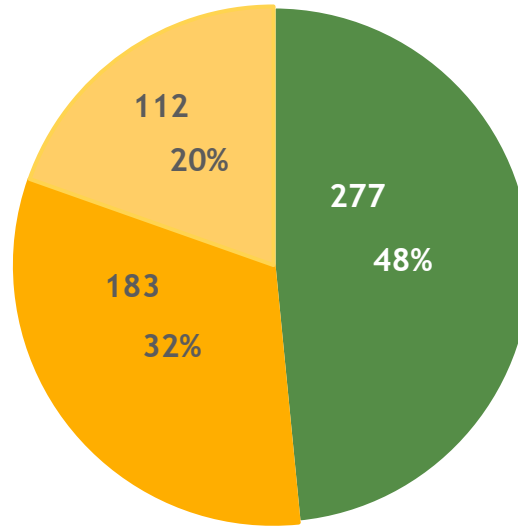
565



Chemicals

Q4FY22

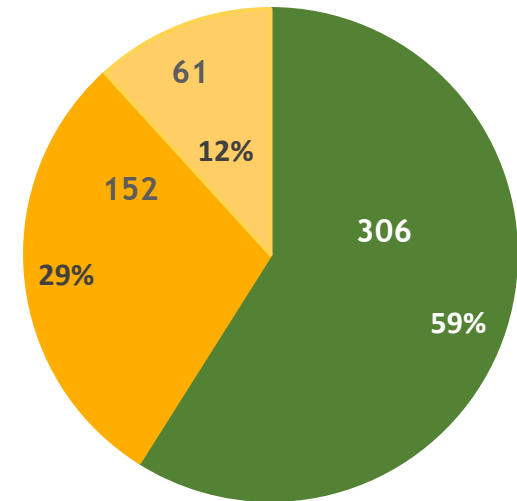
572



Ibuprofen

Q1FY22

519



Other API's

Ratios	FY22	FY21
Debt-Equity Ratio (in times)	0.03	0.00
Return on Equity (%)	12.50	42.87
Return on Capital Employed (%)	16.12	43.49
Return on Investment (%)	5.19	5.86

# Annexure



Team size of 2,300+ 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



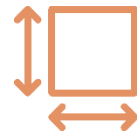
2nd Largest producer of Iso Butyl Benzene (IBB) with ~30% Global share



Over 20 products are commercialised with 8 products in pipeline



Debt free company, No debt raised since 2017



Spread over a sprawling campus of over 111 acres



Zero Discharge Effluent Treatment Plant



Customer base across 80 countries



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





**Varinder Gupta**  
(Managing Director)

Mr. Varinder 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.



**Vikas Gupta**  
(Executive Director)

Mr. Vikas 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.



**Dr. Sanjay Chaturvedi**  
(Executive Director &  
Chief Executive Officer)

Dr. Sanjay is a seasoned global business executive having worked in the specialty chemicals and pharmaceutical industry for over 25 years in companies like Praj Industries, Dr. Reddy's, Aurobindo among few others. He brings a demonstrated track record along with functional expertise in Sales, Marketing, Strategy, Manufacturing and R&D in USA and in India.



**Kushal Kumar Rana**  
(Director - Works)

Mr. Kushal comes from a strong technical background having done his Bachelor's in Chemistry, Physics, Math and Master's degree in Chemistry. He has a rich experience of 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)*

- Mr. Rajender 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.



**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)*

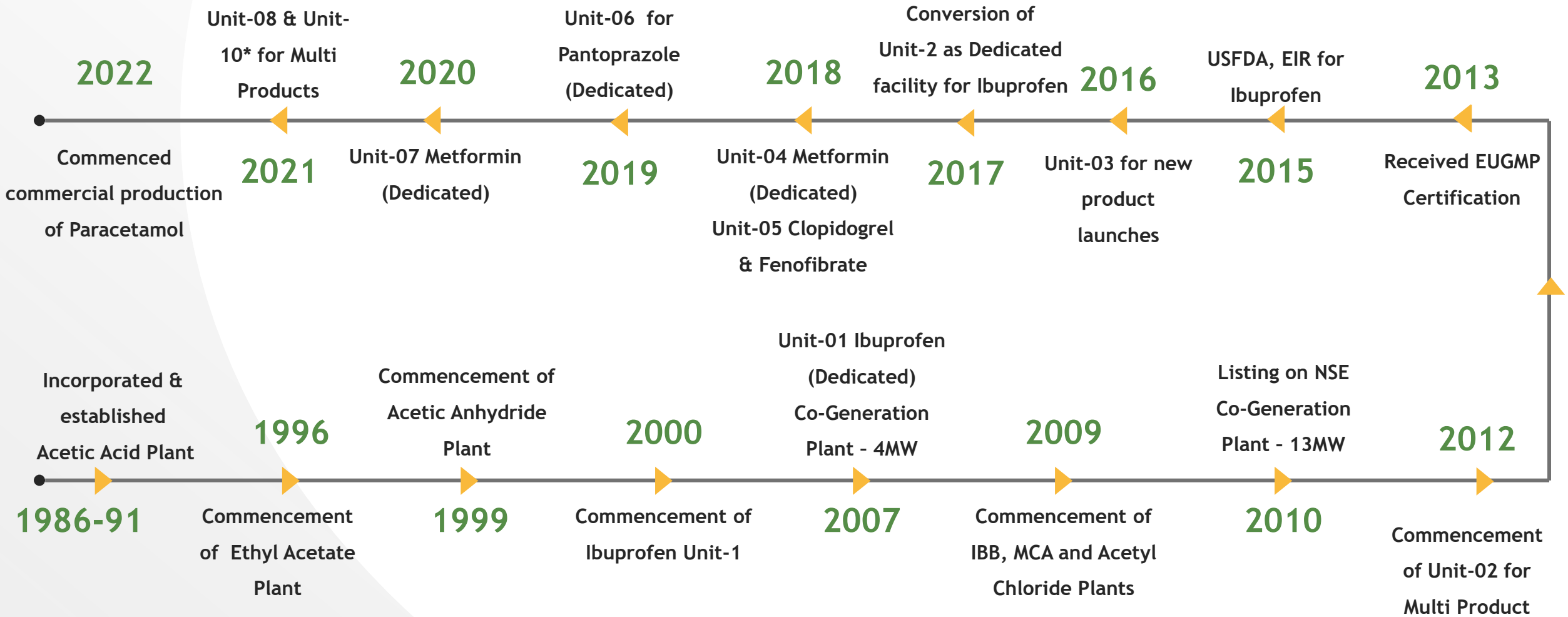
- Mr. Harpal has had over 35 year's experience of banking and financial services.
- Most recently he was General Manager of Punjab National Bank and headed entire operations of bank in State of Punjab from 2010 to 2015.



**Sharad Tyagi**  
*(Independent Director)*

- Mr Sharad Tyagi brings 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.

# Our Journey



\*Unit-10 was commercialized in Q1FY22



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

*Product  
Segmentation*





*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*



Among the largest producer of Metformin in world



Added 8 new products in its API portfolio basket in last two years



Product portfolio that caters to over 8 therapeutic category

Product application across various therapeutic areas



Anti - Inflammatory



Analgesic & Antipyretic



Anti - Diabetic



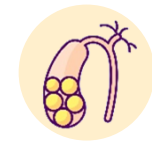
Anti - Platelet



Anti - Cholesterol



Anti - Convulsant



Anti - Cholelithic



Proton Pump Inhibitor

## API - Commercialized

Ibuprofen

Ibuprofen Lysinate

Ibuprofen Sodium

Dex-Ibuprofen

Metformin HCL

Clopidogrel Bisulphate (Form II)

Pantoprazole Sodium

Fenofibrate (Micronised)

Gabapentin

Lamotrigine

Ursodeoxycholic Acid

Levetiracetam

Losartan Potassium

Paracetamol

## API - Pipeline/ Validation

Irbesartan

Valsartan

Vildagliptin

Sitagliptin M Phosphate

Quetiapine Fumarate

Allopurinol

Minoxidil

Mesalazine

Ketoconazole

Sacubitril

Edoxaban



*IOLCP first commenced manufacturing Ethyl Acetate in 1996, with a starting capacity of 3000 tonnes per annum. Today, the Company has grown this business to become the largest single location plant in India, with a production capacity of 100,000 tonnes per annum.*



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



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



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



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

## Product application across diversified industries



Food Processing



Flexible Packaging



Pharma



Chemical Intermediate



Textiles



Ink



Paints



Pesticides





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

▶ Dedicated blocks involved in manufacturing of APIs

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

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

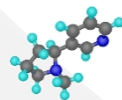
▶ Four stage treatment zero discharge ETP, solvent recovery plants & EHS cell as a part of the facility

▶ 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



- 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.

## Environment



- Construction and renovation of school locations, 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
- Trust/Contribution

## Corporate Social Responsibility





**Thank You**

For further details:

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