



IOL 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.

About IOL Chemicals and Pharmaceuticals Limited



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.



Key Highlights



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



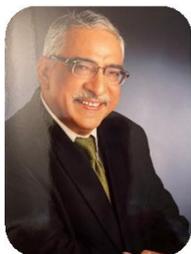
Geographical reach across 80 countries



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



Professional Board of Directors backed by a Strong Team



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.



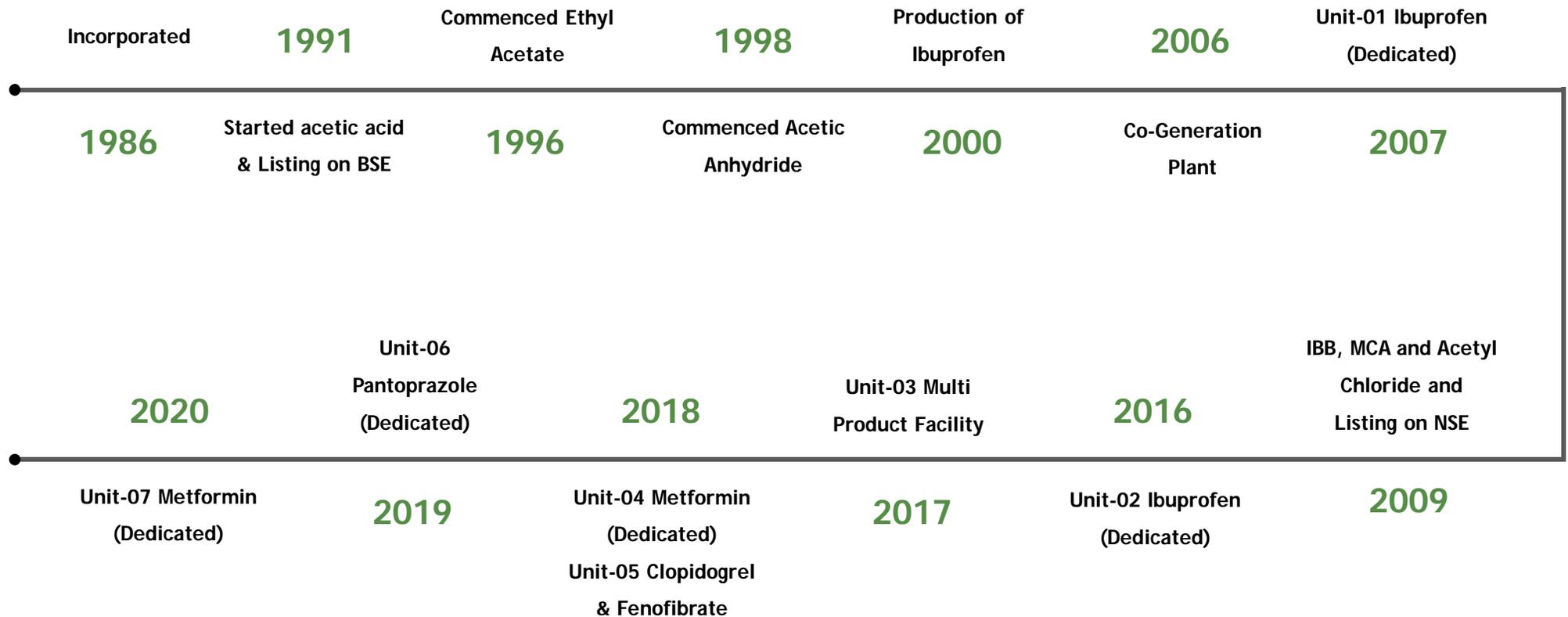
Harpal Singh

(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.



Our Journey



Our Strong Global reach spread across 80 countries



| | | | | | |
|------------|-------|-----------|--------------|-------------|---------|
| 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 |



Certifications and Accreditations



- 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**
- WHOGMP (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



Business Segment - Active Pharma Ingredients (APIs)



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

9 *Non-steroidal anti-inflammatory drugs



Strong Customer base across Diversified Industries



Pharmaceuticals



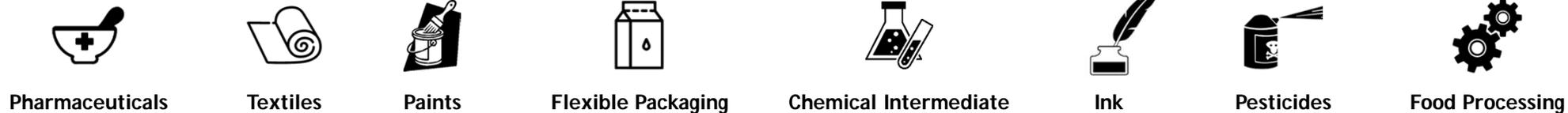
Business Segment - Specialty Chemicals



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

| Product Name | Ethyl Acetate $C_4H_8O_2$ | Iso Butyl Benzene $C_{10}H_{14}$ | Acetyl Chloride CH_3COCl | Mono Chloro Acetic Acid $ClCH_2COOH$ |
|---------------------------|------------------------------|-------------------------------------|-------------------------------|---|
| Capacity | 87,000TPA | 12,000TPA | 5,200TPA | 7,200TPA |
| % Revenue of total income | 24.76% | 8.07% | 2.03% | Captive consumption |

Product Application



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



Strong Customer base across Diversified Industries



Chemicals



Manufacturing Facility spread across 88 acres at a Single Location with GMP approved guidelines



- 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



Our Core Capabilities



Technology

Strong Manpower

Economies of Scale

Integrated Manufacturing Facilities

Global Footprints



Location Benefits



Connectivity

Single Site Location

Agro based Raw Material

Strong Work Force Availability



Our Core Sustainability Pillars



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)**

**Financial Summary
(Q2FY20)**

538.0 Total Income

452.4 Total Income

175.8 EBITDA

136.3 EBITDA

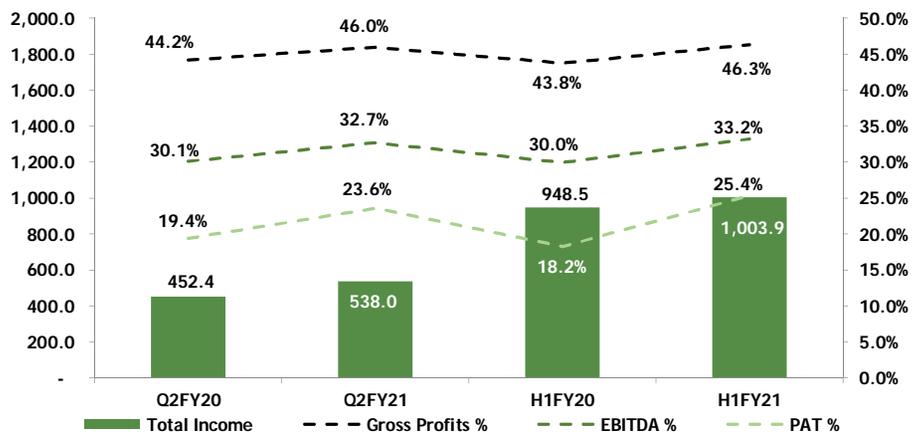
127.0 PAT

87.7 PAT

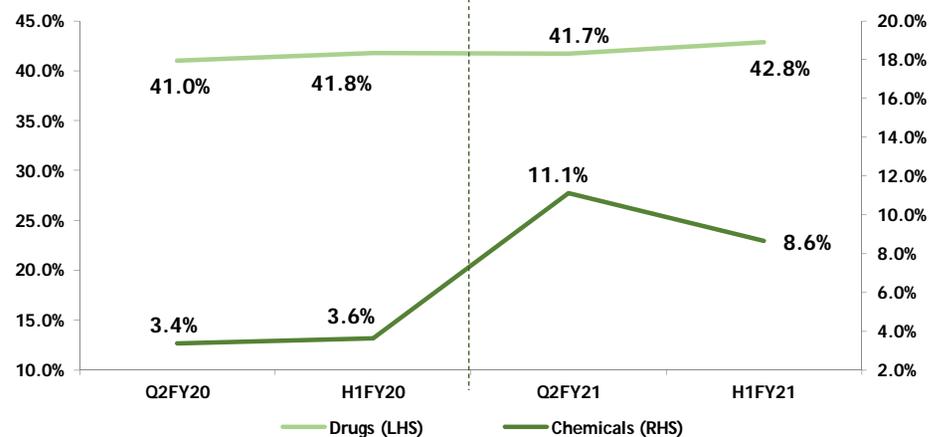
Financial Performance - Quarterly & Half Yearly



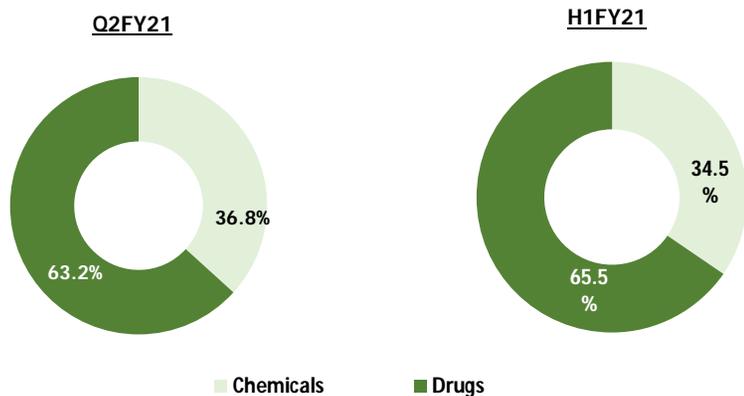
Revenues & Margins* - Half Yearly & Quarterly



Segmental EBIT %



Segmental Revenue Break-Up



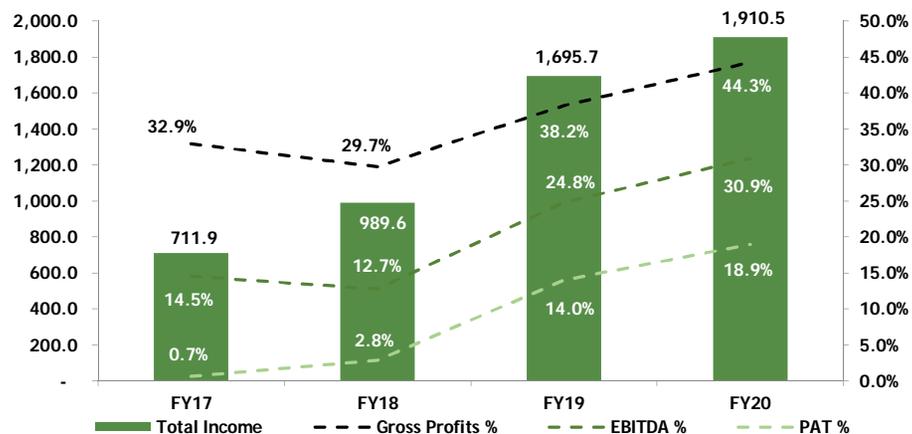
| Debt/Equity | FY18 | FY19 | FY20 | H1FY21 |
|--------------------|------------|------------|------------|------------|
| Debt (INR Crs) | 421.9 | 284.0 | 56.0 | 21.4 |
| Equity (INR Crs) | 215.7 | 474.3 | 813.5 | 1,094.8 |
| Debt/Equity | 2.0 | 0.6 | 0.1 | 0.0 |



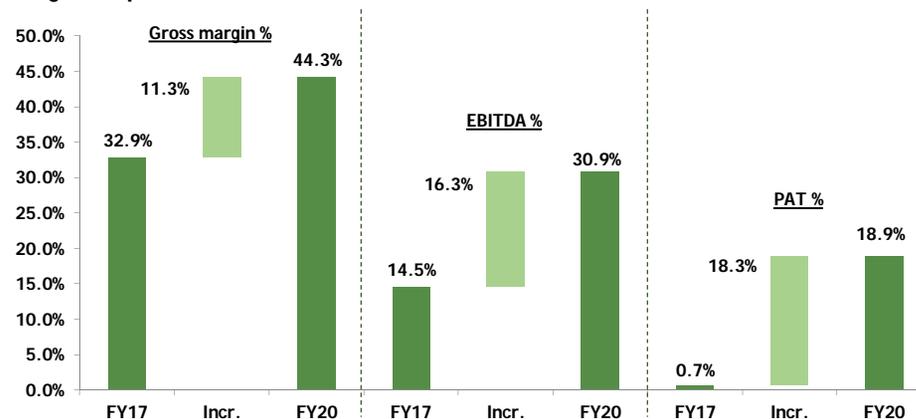
Financial Performance - Annual



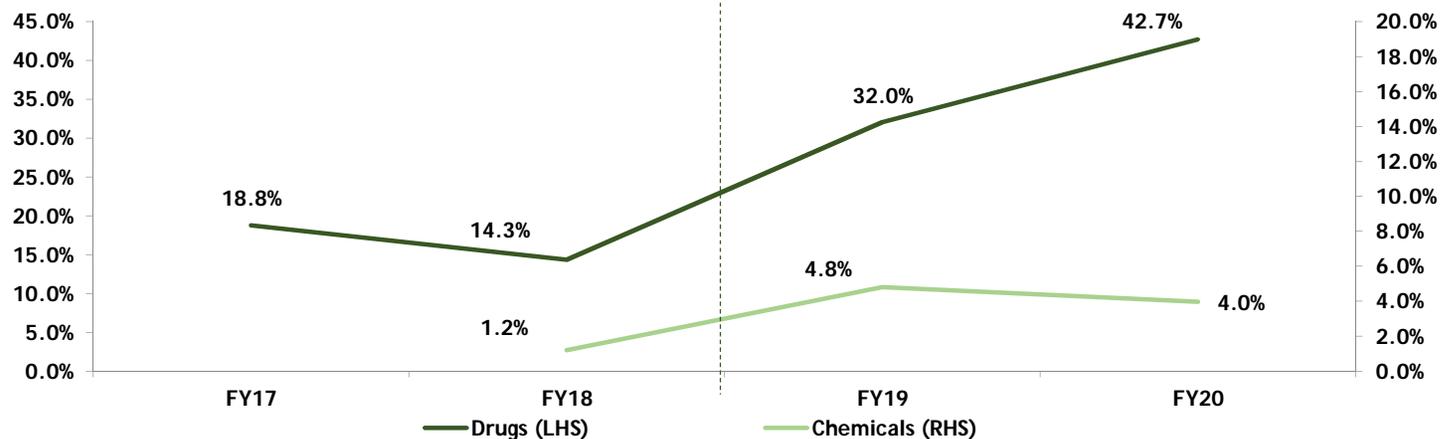
Revenues & Margins* - Annual



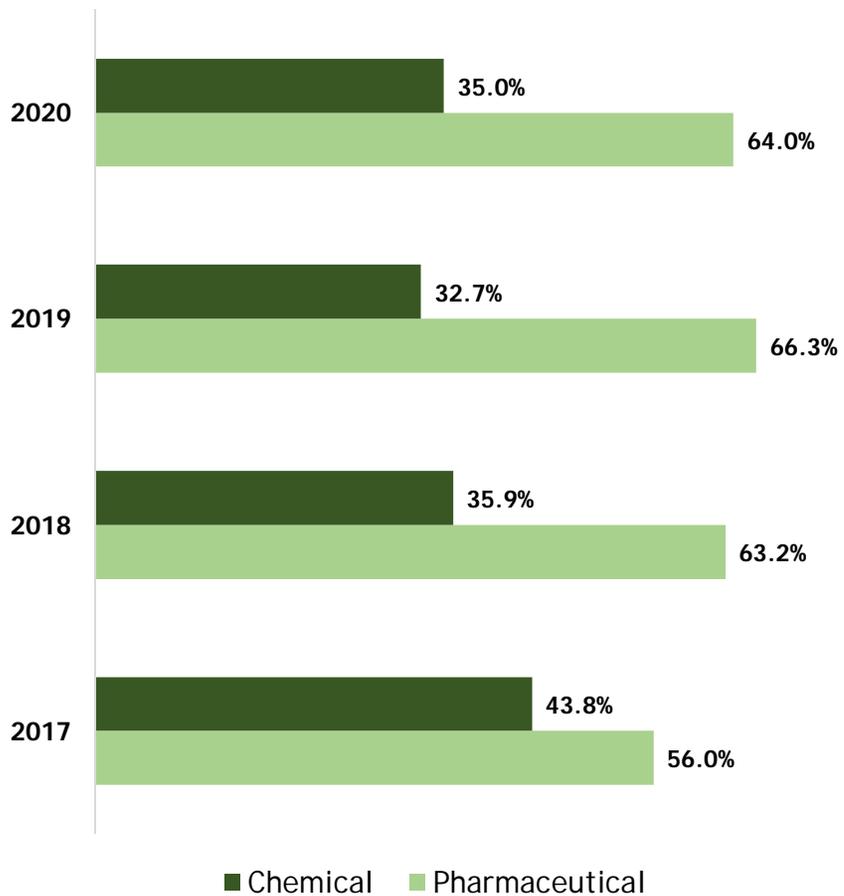
Margin* Expansion - Over the Years



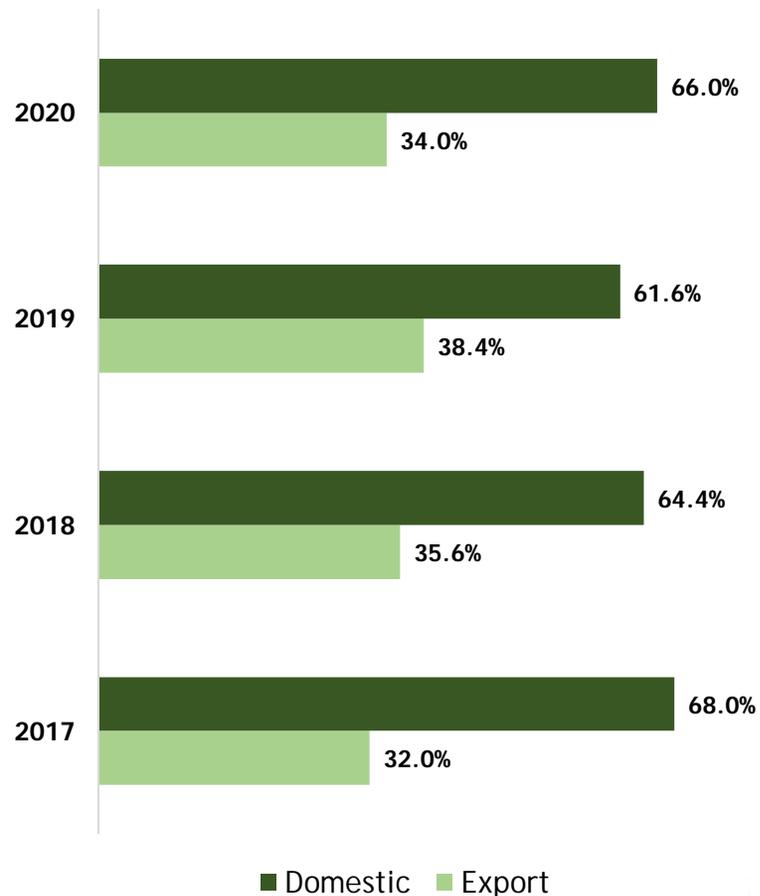
Segmental EBIT %



Product wise Segmentation



Geographical wise Segmentation



Financial Summary - Statement of Profit and Loss



| 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> | 32.9% | 29.7% | 38.2% | 44.3% | 44.2% | 46.0% | 43.8% | 46.3% |
| 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> | 14.5% | 12.7% | 24.8% | 30.9% | 30.1% | 32.7% | 30.0% | 33.2% |
| 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> | 10.3% | 9.7% | 22.9% | 29.0% | 28.2% | 30.9% | 28.1% | 31.4% |
| 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> | 0.7% | 2.8% | 14.0% | 18.9% | 19.4% | 23.6% | 18.2% | 25.4% |



Financial Summary - Balance Sheet



| 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 |



Shareholder Information



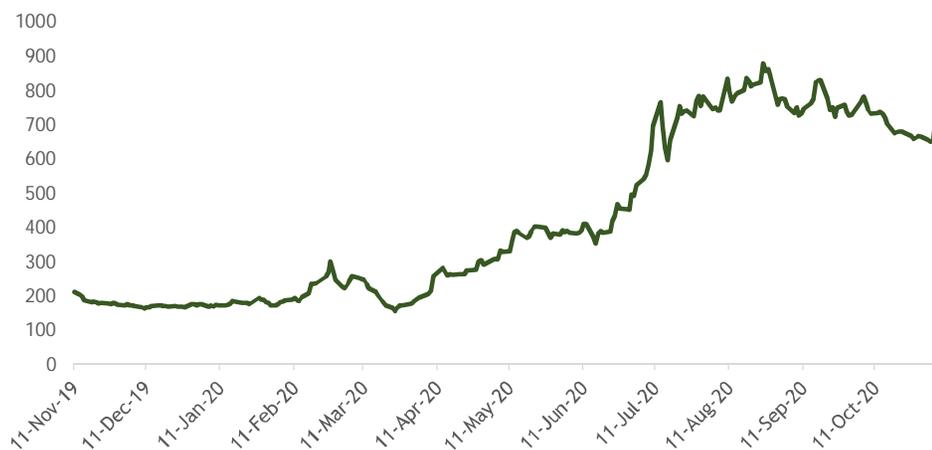
Stock Data (As on 10th November, 2020)

| | |
|---|-----------------------|
|  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 |

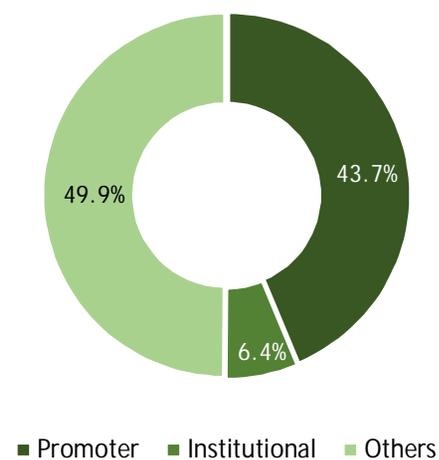
Institutional Holders (%)

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

Stock Chart



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



Thank You

For further details:

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