



**IOL Chemicals and
Pharmaceuticals Limited**
Q1 FY2025 Investor Presentation
August 2024



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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



Operational Highlights

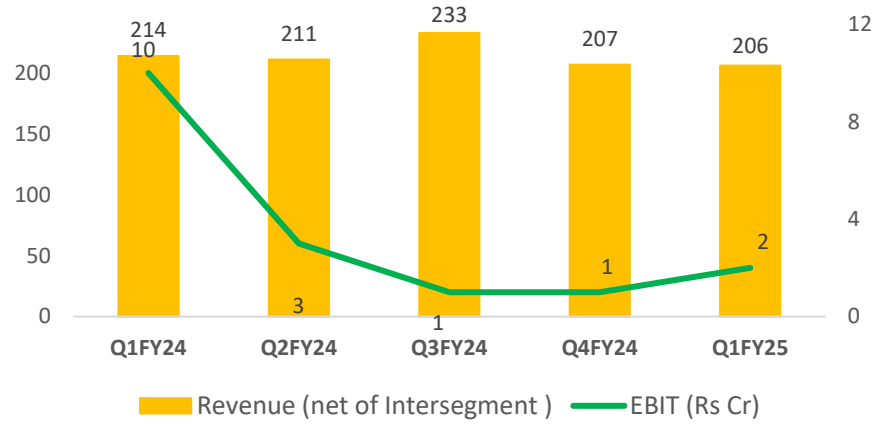
- EDQM issued CEP Certificate for Gabapentin, Allopurinol, Pantoprazole Sodium Sesquihydrate” for alternative process (Process - II), and Valsartan, enabling to export these products in European and other CEP accepting countries.
- CARE Rating has reaffirmed to A+ with a stable outlook

Q1FY25 Financial Performance

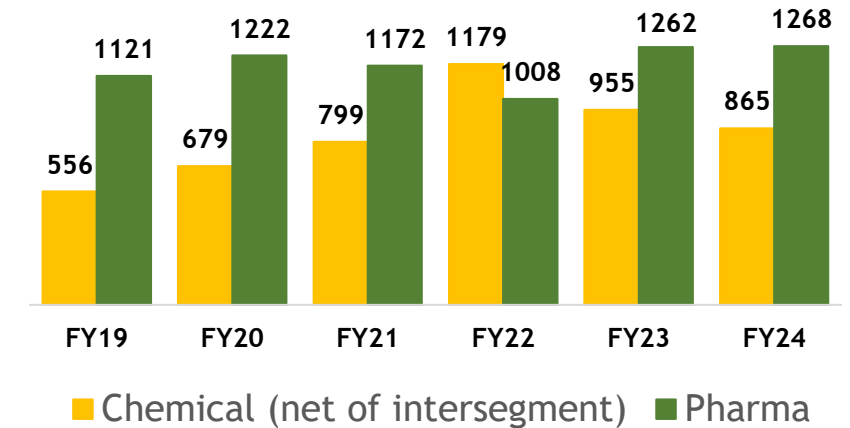
509.76 Revenues (Rs. cr)	58.18 EBITDA (Rs. cr)	11.41% EBITDA Margin
29.68 Profit After Tax (Rs. cr)	5.82% PAT Margin	

Geographical and Segmental highlights

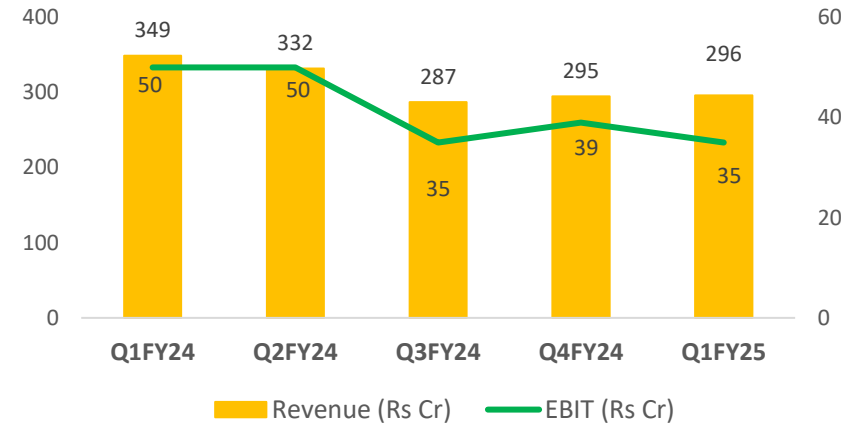
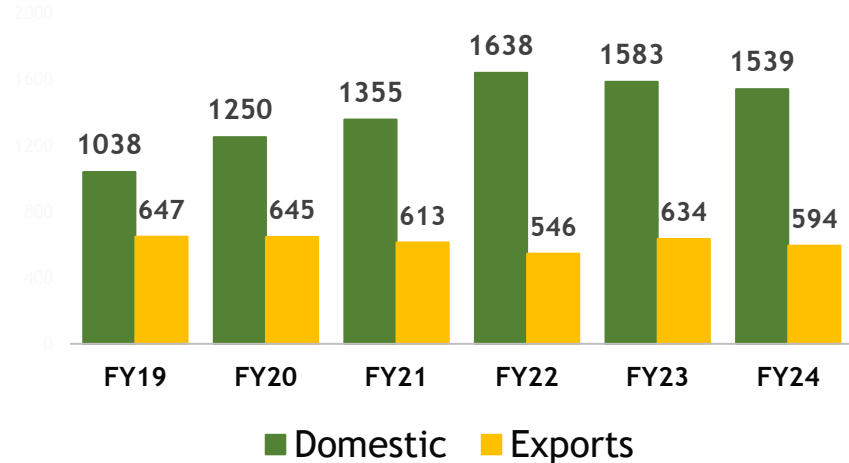
Chemical Segment (₹ crore)



Segmental Rev. Net of intersegment (₹ crore)



Geographical Break-up (₹ crore)





FINANCIAL HIGHLIGHTS

Standalone Quarterly Income Statement

Particulars (₹ Cr)	Q1 FY25	Q1 FY24	YoY	Q4 FY24	QoQ
Revenues	502.4	563.2	-10.8%	503.9	-0.3%
Other Income	7.4	7.1		7.5	
Total Income	509.8	570.3	-10.6%	511.4	-0.3%
Total Expenses	451.6	490.4		453.8	
EBITDA	58.2	79.9	-27.2%	57.6	1.0%
EBITDA Margin (%)	11.4%	14.0%	-260 bps	11.3%	10 bps
Depreciation	16.8	14.4		16.4	
Finance Cost	2.2	4.0		3.4	
Profit Before Exceptional Items	39.2	61.5	-36.3%	37.8	3.7%
Exceptional items (Expense) / Income				-	
Profit Before Tax	39.2	61.5	-36.3%	37.8	3.7%
Tax	9.5	15.3		9.6	
Profit After Tax	29.7	46.2	-35.7%	28.2	5.3%
PAT Margin (%)	5.8%	8.1%	-230 bps	5.5%	30 bps
Other Comprehensive Income	-1.4	-1.2		0.3	
Total Comprehensive Income	28.3	45.0		28.5	
Basic & Diluted EPS (INR)	5.1	7.9		4.8	

Standalone Income - Sustained revenue

Particulars (₹ Cr)	FY19	FY20	FY21	FY22	FY23	FY24
Revenues	1,685.3	1,894.5	1,967.0	2,184.0	2,217.1	2,132.8
Other Income	10.4	16.0	24.3	32.0	25.6	30.1
Total Income	1,695.7	1,910.5	1,991.3	2,216.0	2,242.7	2,162.9
Total Expenses	1,275.7	1,320.6	1,375.2	1,927.6	1,990.6	1,901.3
EBITDA	420.0	589.9	616.1	288.4	252.1	261.6
EBITDA Margin (%)	24.8%	30.9%	30.9%	13.0%	11.2%	12.1%
Depreciation	32.5	35.7	38.9	43.3	46.1	62.9
Finance Cost	51.4	20.9	5.8	8.3	16.5	16.1
Profit Before Exceptional Items	336.1	533.3	571.4	236.8	189.5	182.6
Exceptional items (Expense) / Income				-13.9		
Profit Before Tax	336.1	533.3	571.4	222.9	189.5	182.6
Tax	99.5	172	126.8	57.2	49.5	47.2
Profit After Tax	236.6	361.3	444.6	165.7	140.0	135.4
PAT Margin (%)	14.0%	18.9%	22.3%	7.5%	6.2%	6.3%
Other Comprehensive Income	-1.4	-1.52	-2.14	-0.6	-0.2	-1.3
Total Comprehensive Income	235.2	359.8	442.5	165.1	139.8	134.1
Basic & Diluted EPS (INR)	42.1	63.4	76.2	28.2	23.8	23.1

Standalone Balance Sheet - Building assets

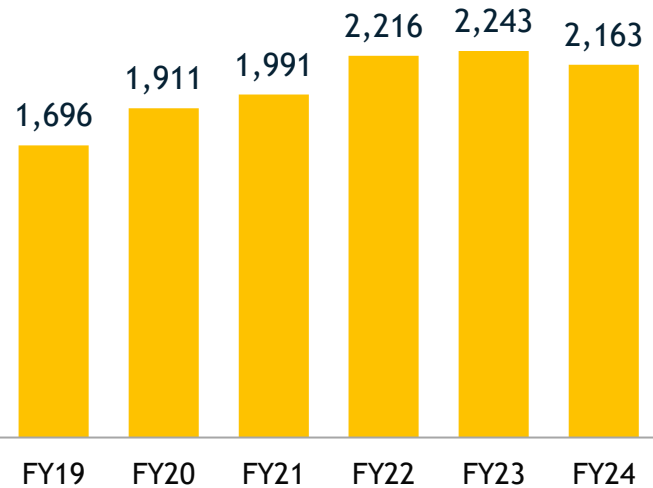
Balance Sheet (₹ Cr)	FY19	FY20	FY21	FY22	FY23	FY24
Shareholders' Funds	474.3	813.5	1260.4	1390.3	1506.6	1611.3
Long-term Debt	284.0	56.0	0.0	0.0	0.0	0.0
Total Non-current Liabilities	20.8	79.7	59.1	56.6	58.1	72.9
Total Current Liabilities	162.8	220.6	290.6	513.4	455.9	559.8
Equity & Liabilities	941.9	1169.8	1610.1	1960.3	2020.6	2244.0
Fixed Assets	438.7	488.2	560.6	665.8	841.0	1033.6
Fixed Deposits (Non-Current)	6.9	5.3	21.2	203.7	230.7	48.3
Other Non-Current Assets	8.3	5.4	6.0	12.0	29.8	42.6
Non Current Assets	453.8	498.9	587.8	881.5	1101.5	1124.5
Investments	0.1	0.1	1.2	2.4	2.6	2.9
Cash & Bank Balances	29.6	154.7	364.8	137.9	20.9	142.6
Other Current Assets	458.4	516.1	656.3	938.5	895.6	974.0
Current Assets	488.1	670.9	1022.3	1078.8	919.1	1119.5
Assets	941.9	1169.8	1610.1	1960.3	2020.6	2244.0

Standalone Cash Flow Statement

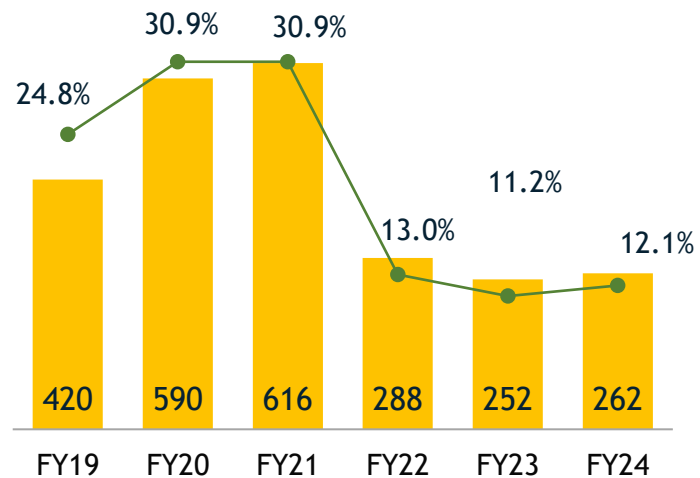
Particulars (₹ Cr)	FY19	FY20	FY21	FY22	FY23	FY24
Profit before tax	336.2	533.2	571.4	222.8	189.5	182.6
Adjustments for: Non Cash Items / Other Investment or Financial Items	82.4	51.9	27.2	33.1	44.4	60.1
Operating profit before working capital changes	418.5	585.2	598.5	256.0	233.9	242.7
Changes in working capital	-77.6	2.8	-76.5	-102.3	-63.7	90.1
Cash generated from Operations	340.9	588.0	522.0	153.6	170.2	332.8
Income tax paid(net)	-67.7	-117.2	-142.3	-62.6	-47.1	-42.0
Net cash flow from operating activities	273.2	470.8	379.8	91.0	123.1	290.8
Net cash flow from investing activities	-63.0	-184.2	-317.3	-120.6	-119.2	-191.7
Net cash from financing activities	-197.5	-271.9	-58.3	-1.6	-4.1	-92.5
Net Increase/Decrease in Cash and Cash equivalents	12.7	14.7	4.3	-31.2	-0.2	6.6
Cash & Cash equivalents at the beginning of the period	0.7	13.4	28.1	32.3	1.1	0.9
Cash & Cash equivalents at the end of the period	13.4	28.1	32.3	1.1	0.9	7.5

5-years Performance

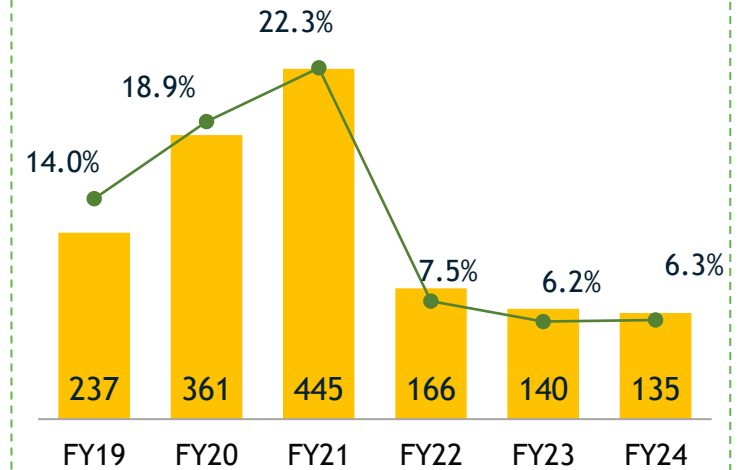
Operational Revenue (₹ Cr)



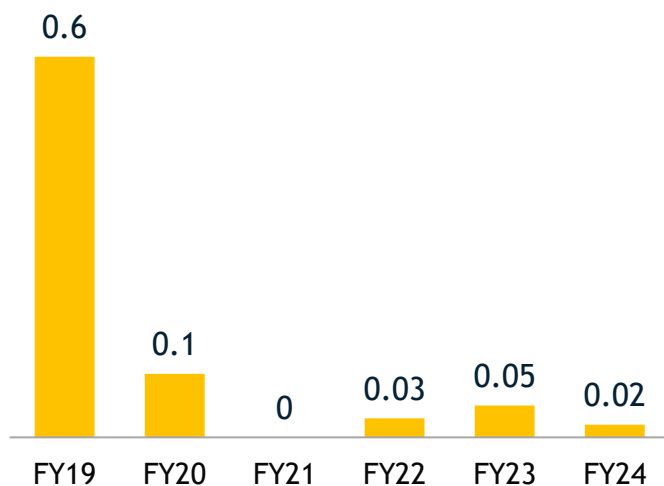
EBITDA (₹ Cr) and EBITDA Margin (%)



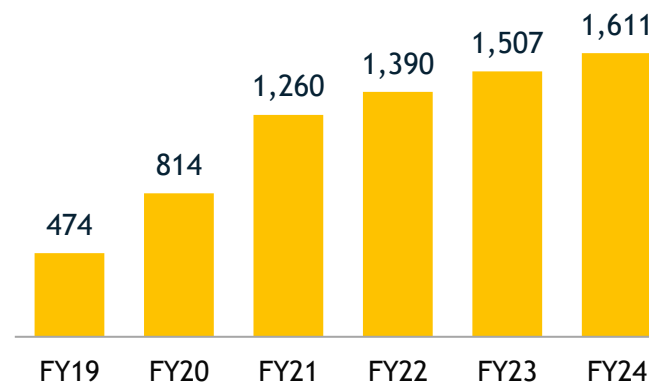
PAT (₹ Cr) and PAT Margin (%)



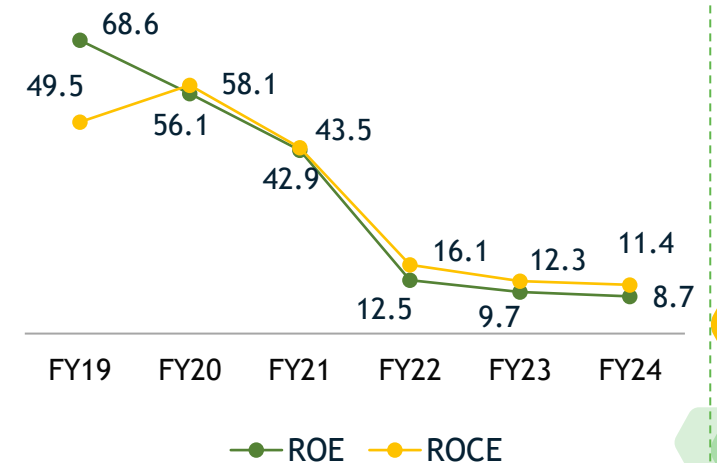
Debt to Equity (%)



Net Worth (₹ Cr)

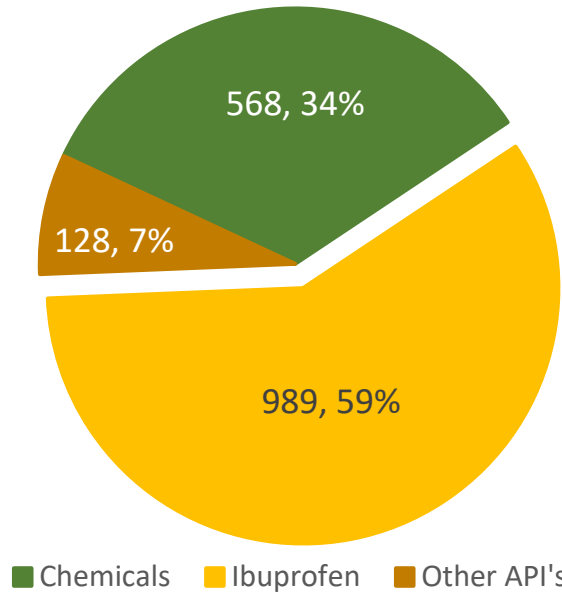


ROE and ROCE (%)

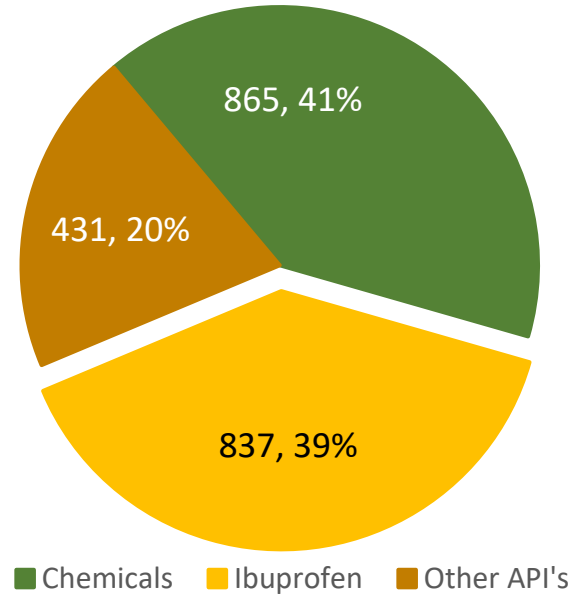


Diversified revenue base

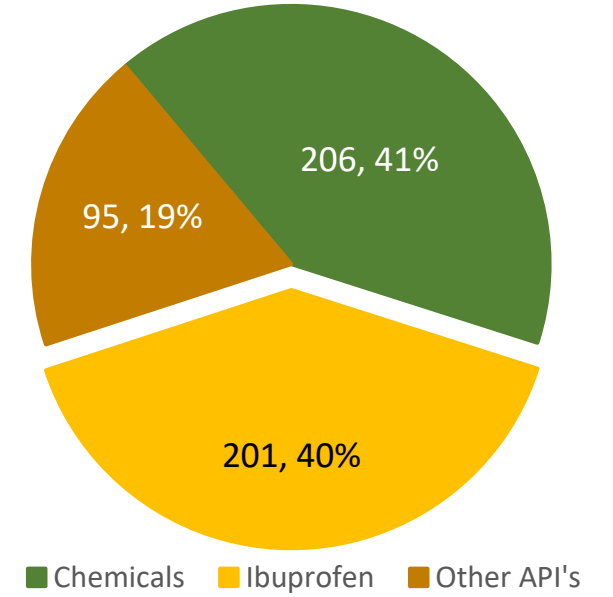
FY19



FY24



Q1 FY25



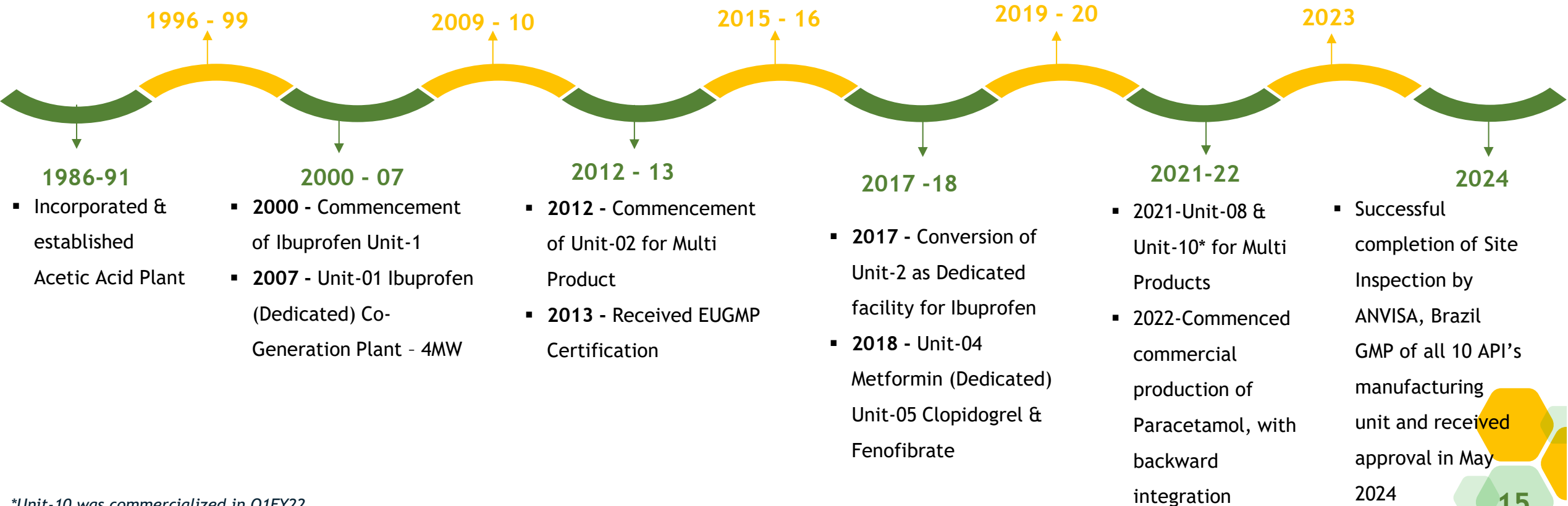
* Amt in ₹ crore



COMPANY OVERVIEW

The Journey

- **1996** - Commencement of Ethyl Acetate Plant
- **1999** - Commencement of Acetic Anhydride Plant
- **2009** - Commencement of IBB, MCA and Acetyl Chloride Plants
- **2010** - Listing on NSE Co-Generation Plant - 13MW
- **2015** - USFDA, EIR for Ibuprofen
- **2016** - Unit-03 for new product launches
- **2019** - Unit-06 for Pantoprazole (Dedicated)
- **2020** - Unit-07 Metformin (Dedicated)
- Paracetamol capacity has been increased to 3,600 TPA.
- Commenced plant for Acetic Anhydride



*Unit-10 was commercialized in Q1FY22

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)

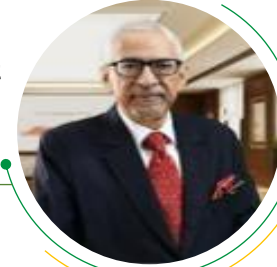
- Bachelor's in Chemistry, Physics, Math and Master's degree in Chemistry
- Over 30 years in the pharmaceutical industry in companies like Morepen Laboratories, Chemiplast Industries
- His expertise lies in looking after quality assurance, quality control & corporate regulatory affairs



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



Social Accountability Standard



CDE of NMPA approval to export in Metformin Hydrochloride to China Market in 2024



Approved ANVISA, Brazil GMP for 10 API Facilities



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
- Metformin Hydrochloride” has been approved by Center for Drug Evaluation (CDE) of National Medical Products Administration (NMPA), China.
- Received CEP Certificate for Gabapentin, Allopurinol, Pantoprazole Sodium Sesquihydrate” for alternative process (Process - II) and Valsartan, enabling to export these products in European and other CEP accepting countries.
- Filed 15 DMFs with USFDA & 17 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

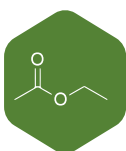


Proton Pump Inhibitor

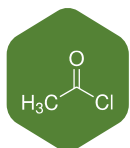
IOLCP first commenced manufacturing Ethyl Acetate in 1996, with a starting capacity of 3000 TPA Today, the Company has grown this business to become the largest single location plant in India, with a production capacity of 1,00,000 TPA

- Strengthening the backward integration for Ibuprofen and Paracetamol at the newly commenced Acetic Anhydride plant which is used for captive consumption as well as merchant sale
- India's second largest manufacturer for Iso Butyl Benzene (IBB) with ~30% global share
- REACH Certificate for ethyl acetate enabling to export over 40 countries worldwide
- Asia's first continuous dual technology (green chemistry) plant for MCA and Acetyl Chloride

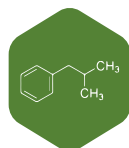
Product Portfolio



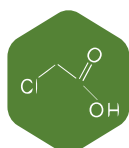
Ethyl Acetate
1,00,000 TPA



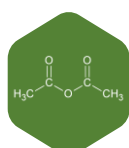
Acetyl Chloride
5,200 TPA



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

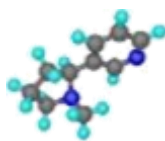
6

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

- State of the art Zero liquid Discharge (ZLD) Facility
- Committed to ensure that our operations have minimal impact on the environment
- Constantly monitoring environmental footprints and implementing relevant initiatives.
- Continuous Air Quality Monitoring System (CAAQMS) to monitor real-time concentrations of all key pollutants in ambient air.
- Our continuous efforts have resulted in a 3.91% reduction in Scope-01 greenhouse gas (GHG) emissions during FY 2023-24
- Our targets include a reduction in Scope-01 emissions by 40.0% and 100% reduction in Scope-02 emissions by 2035, based on the baseline emissions of FY 2022-23

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.
- SA 8000 : 2014 Social Accountability Standard Certified Organization

Governance

We prioritize strong and effective corporate governance to ensure the best interests of all our stakeholders.



100%
Water neutral



100%
Zero Liquid Discharge (ZLD)



0
Frequency and severity rate



81%
Power requirement met via renewable energy



3.9%
Reduction in Scope-01 GHG Emission



6.8%
Reduction in water consumption KL/ton of production



INDUSTRY OVERVIEW

Indian API Market

- The Indian API market is expected to grow at a CAGR of 13.7% over the four years
- India hosts 500 API manufacturers, contributing approximately 8% to the global API Industry.
- As the largest supplier of generic medicines, India manufactures around 60,000 different generic brands across 60 therapeutic categories.
- In FY24 India saw a 4.12% increase in the total imports of bulk drugs and intermediates, amounting to ₹ 37,721.88 crore, compared to ₹ 36,229.15 crore in FY23.
- Indian medicines are preferred worldwide due to their combination of low price and high quality, earning India the title of "pharmacy of the world."

Source: EY-FICCI, IMARC Group, News Reports

World Pharmaceutical Industry

\$1.6

Trillion (2023)

8-10%

CAGR in 5 years

\$2.4

Trillion (2027)

Indian Pharmaceutical Industry

\$23.7

Billion-2024

32.5%

CAGR (2024-2030)

\$130

Billion-2030

Specialty Chemicals - an era of sustained robust growth

Short-term growth to remain subdued...

- Demand headwinds from export markets, China's rising supplies and inventory destocking have impacted margins & profitability of Indian players
- Expectations of sluggish global growth, oversupplied industry situation and ongoing conflict in the Red Sea likely to impact margin recovery in H1 FY25
- Any sustained improvement in profitability would likely be driven by a rebound in demand from China and permanent capacity closures to help ease oversupply conditions, probably in H1 FY25

...yet long-term structural growth story to remain intact

- India is expected to become a \$1,000 Bn chemicals market by 2040, currently constituting 3.6% share of the global chemical market
- India's market share in Specialty Chemical to increase at a CAGR of 11% to US\$ 64 billion by 2026 against 5.7% globally.
- 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
2022	US\$220 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, IBEF, ICRA Research, S&P Global



WAY FORWARD

Four pronged strategy for growth

Improved asset utilization

The Company's turnover increased to ₹ 2,133 crore in FY24 from ₹ 983 crore in FY18 at a CAGR of 13.77%

Focus on Regulated Markets

The share of regulated market sale has increased to ₹ 300 crore in FY24 from ₹100 crore in FY18

Expanding Non-Ibuprofen Business

Increased contribution of non-Ibuprofen drugs from ₹35 crore in FY18 to ₹431 crore in FY24, showing a steady upward trend over the years

Capacity expansion in Pharma & Chemicals

Added more than 10 products since 2017 in APIs and chemical segments. 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

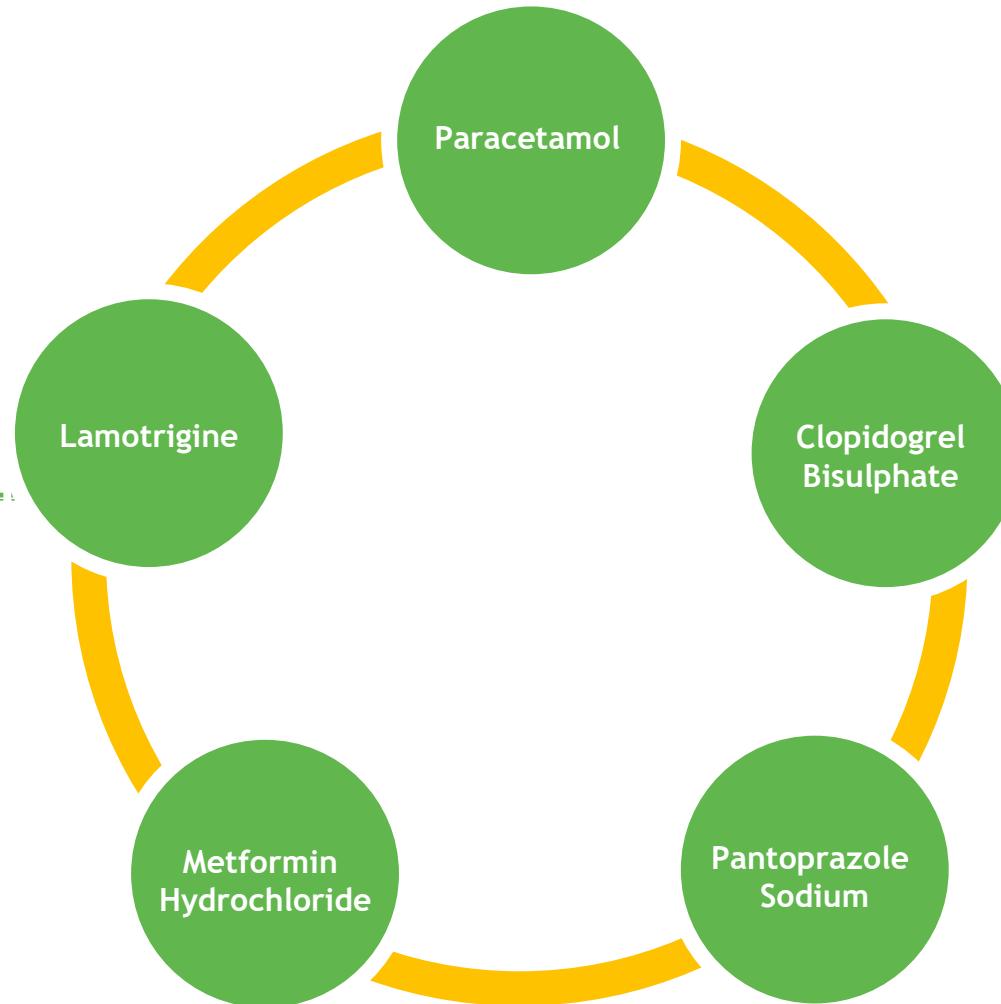
(Treatment for gastroesophageal reflux disease and promote healing of tissue damage caused by gastric acid)



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



Regulatory Filings: US/EU/ENVISA



Thank You

Company :

**IOL Chemicals and
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

