



IG PETROCHEMICALS LIMITED

Investor Presentation – August 2022

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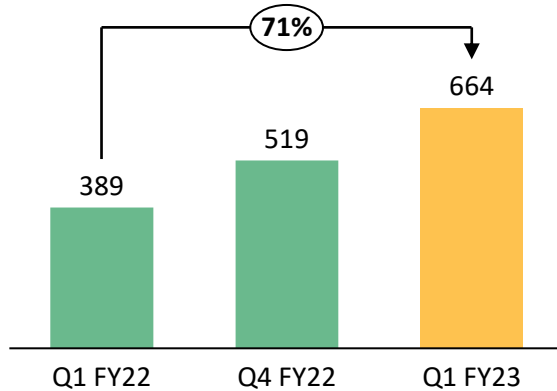


Q1 FY23 Highlights

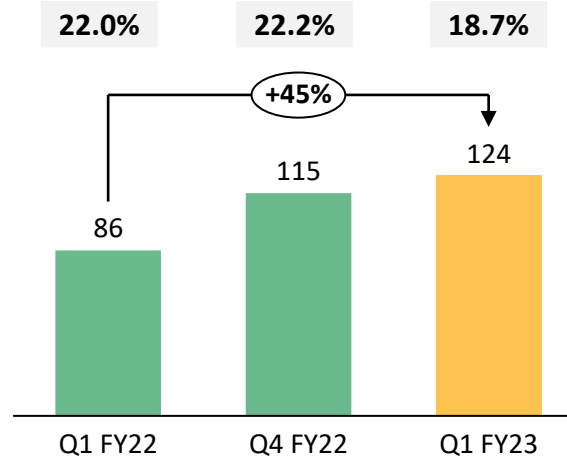


Strong Quarterly Performance

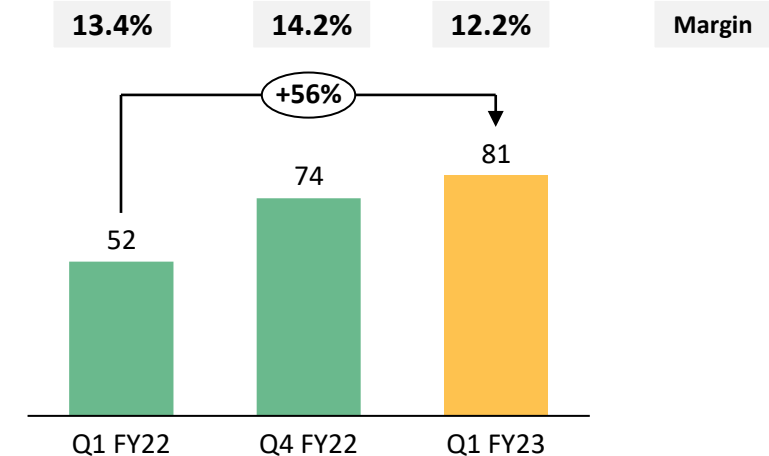
Revenue^ (Rs. Crs)



EBITDA (Rs. Crs)



PAT (Rs. Crs)



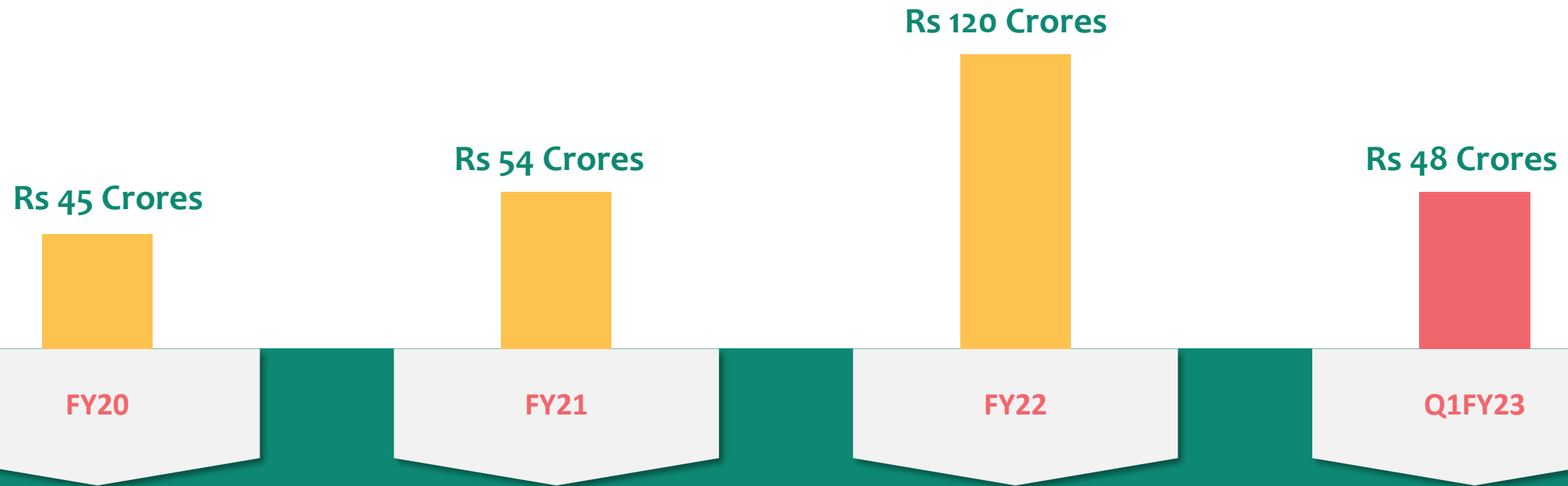
Margin

Key Highlights

- Strong Business momentum continued for the Q1FY23 led by robust demand for Phthalic Anhydride & Maleic Anhydride
- Diethyl Phthalate (New downstream product i.e. Advance Plasticizer) has started contributing to the total revenue meaningfully
- Revenue contribution from Non-Phthalic business stood Rs. 48 Crores for Q1FY23
- Brownfield Expansion of Phthalic Anhydride (PA-5 unit) is on track and is expected to commence in March 2024

Contribution From Non – PAN* Business

Increasing share From Non- Phthalic Anhydride Business



*Non Phthalic Anhydride (PAN) Business includes - Maleic Anhydride (MAN), Benzoic Acid (BA), Diethyl Phthalate (DEP) & Others

DEP facility commercialized in November 2021



Profit & Loss Statement

| Particulars (Rs. Cr) | Q1 FY23 | Q1 FY22 | Y-o-Y | Q4 FY22 | Q-o-Q |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Revenue[^] | 664.4 | 389.3 | 70.6% | 519.1 | 28.0% |
| Raw Material | 479.3 | 245.9 | | 335.8 | |
| Employee Expenses | 20.3 | 18.2 | | 18.5 | |
| Other Expenses | 40.6 | 39.7 | | 49.7 | |
| EBITDA | 124.2 | 85.6 | 45.1% | 115.1 | 7.9% |
| EBITDA Margin (%) | 18.7% | 22.0% | | 22.2% | |
| Depreciation | 11.9 | 11.3 | | 11.5 | |
| EBIT | 112.3 | 74.3 | | 103.6 | |
| EBIT Margin (%) | 16.9% | 19.1% | | 20.0% | |
| Finance Cost | 3.6 | 4.5 | | 3.5 | |
| Exceptional Items | 0.0 | 0.0 | | 0.0 | |
| Profit Before Tax | 108.7 | 69.8 | | 100.1 | |
| Tax | 27.4 | 17.6 | | 26.4 | |
| Profit After Tax | 81.3 | 52.2 | 55.7% | 73.6 | 10.4% |
| PAT Margin (%) | 12.2% | 13.4% | | 14.2% | |
| EPS (in Rs.) | 26.40 | 16.96 | | 23.91 | |



Company Overview

India's Largest Phthalic Anhydride Manufacturer

Incorporated in 1988

World's **Largest PAN***
Manufacturer at Single Location

20+ End User Industries Served

Lowest Cost Producer of PAN*

India's only
Maleic Anhydride (MAN)
Manufacturer

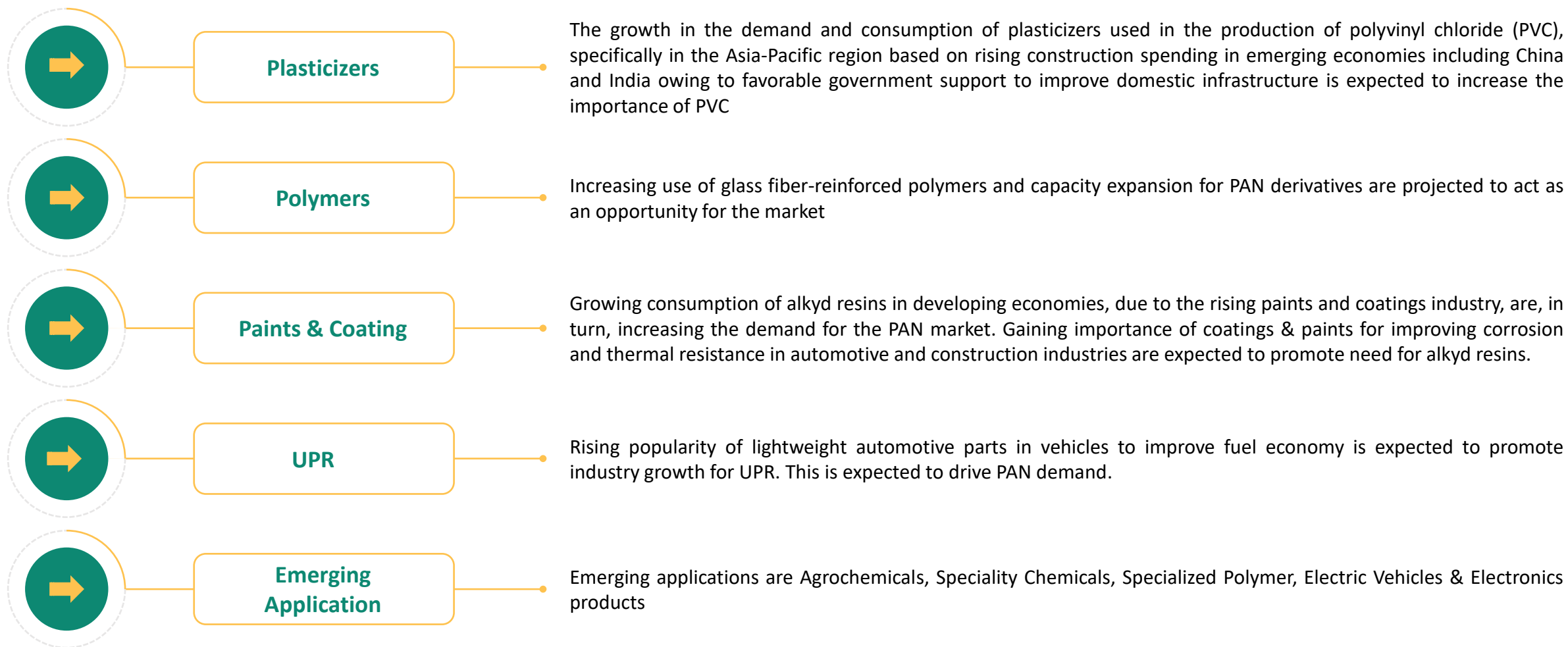
> 50% Domestic Market Share of
PAN*

PAN* Capacity **2.22 Lakh MTPA**

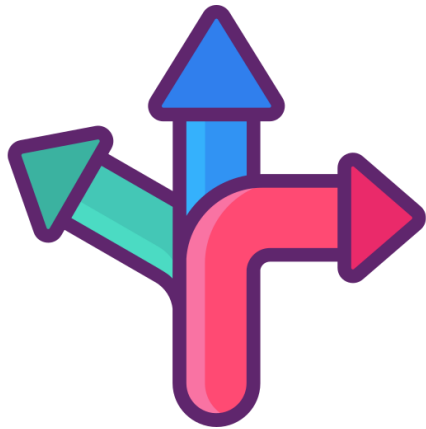
ISO Certified
9001:2015
14001:2015

Phthalic Anhydride Overview

PAN is a versatile intermediate in organic chemistry and a downstream product of a basic petrochemical, Orthoxylene (Ox). It is used as an intermediate to produce Plasticizers, Unsaturated Polyester Resins, and Alkyd Resins & Polyols. It finds application in both consumer durables to non-consumer durables. Its end users are paints, inks, coatings, boxes, containers and packaging films industries among others.



Diversification Into Non-Phthalic Anhydride Products



Current Capacity

- › Phthalic Anhydride - 222,110 MTPA
- › Maleic Anhydride – 7,660 MTPA
- › Benzoic Acid – 1,300 MTPA
- › Diethyl Phthalate – 8,400 MTPA

Benzoic Acid

Downstream
Speciality
Derivatives

Maleic Anhydride

Diethyl Phthalate
(DEP – Advance Specialized
Plasticizers)

Evaluating Speciality
& Green Chemicals

Proximity to Western Belt of India

VISION

“To be a well-diversified chemicals company with a leadership position in Phthalic Anhydride Industry”



Plants are engineered with **Technical collaboration with Lurgi GmbH, Germany** and are designed on the low energy-based processes



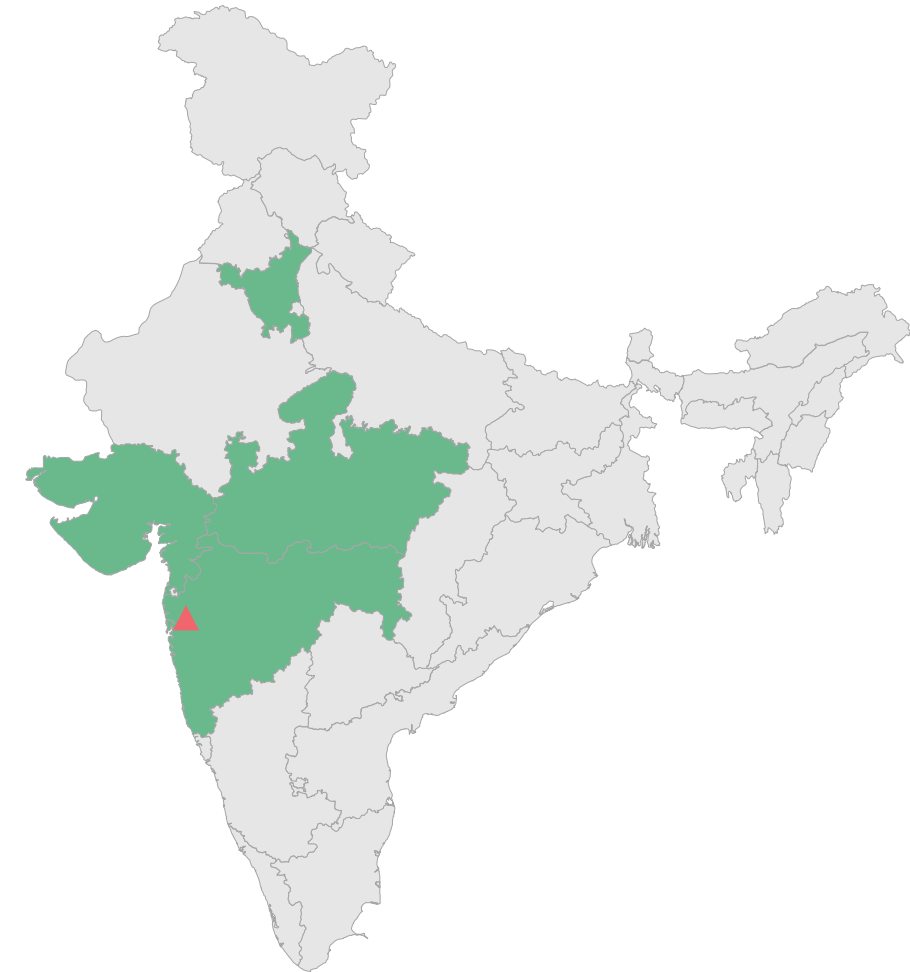
The company has a distinct sourcing and selling advantage due to its strategic location in the **Western Chemical Belt of India**



A leading PAN manufacturer in India and the global market



The plant is well connected with **road & port facilities.**



▲ IGPL Plant at MIDC - Talaja, Maharashtra

■ Chemical Belt of Western India

State of the Art Manufacturing Facilities



World's **Largest PAN** Manufacturer at Single Location

Undertaken Significant Process Enhancement Initiatives along with capacity expansions and product diversification

Six-sigma quality control processes and ERP systems across the organization

Steam generated from the production process is used for Company's captive power requirements

New Effluent Treatment Plant (ETP) facility has enabled the Company to achieve a partial Zero Liquid Discharge

100% energy requirements met through captive power plants

Efforts are on to reach complete Zero Liquid Discharge status in the next few years

Diversified End-User Industry

Phthalic Anhydride



Plasticizers



Alkyd Resins & Paints



Unsaturated Polyester Resins



CPC Pigments

20+
End User
Industries

Maleic Anhydride



Lubricant Additive



Agro Chemicals



Plastics



Unsaturated Polyester Resins

120+
Clients

Benzoic Acid



Perfume



Insect Repellent



Speciality Chemicals

~11%
Export
Business

Advance Plasticizers (DEP)



Incense Stick



Perfume



Personal Care

High Focus on Capacity Expansion

PA 4 Plant

- PAN Capacity of 53,000 MTPA
- Capacity **commissioned** in Dec 2020



Commissioned



Advance Plasticizers (DEP)

- Capacity of 8,400 MTPA
- Capacity **commissioned** in Nov 2021



Commissioned



PA 5 Plant (Brownfield Expansion)

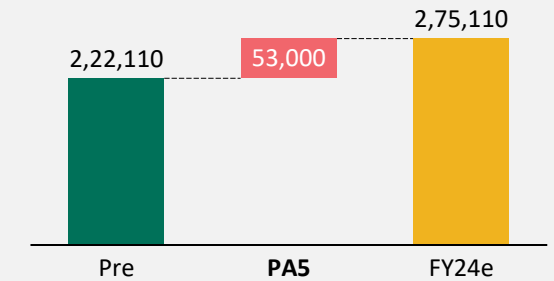
- Project Cost : Rs. 350 Crores
- Capacity PAN : 53,000 MTPA | MAN : 1,500 MTPA
- PA 5 unit is expected to commence in March 2024



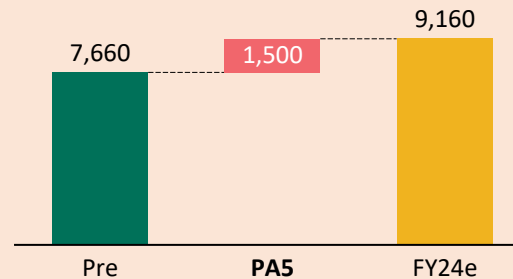
Upcoming

Capacity Post PA 5 Expansion (MTPA)

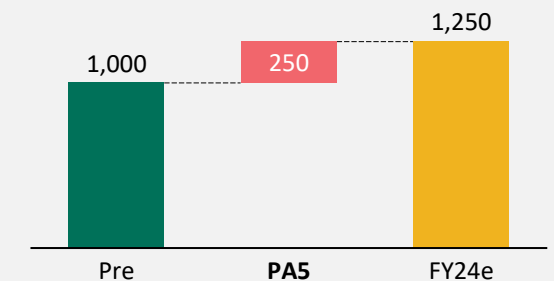
Phthalic Anhydride



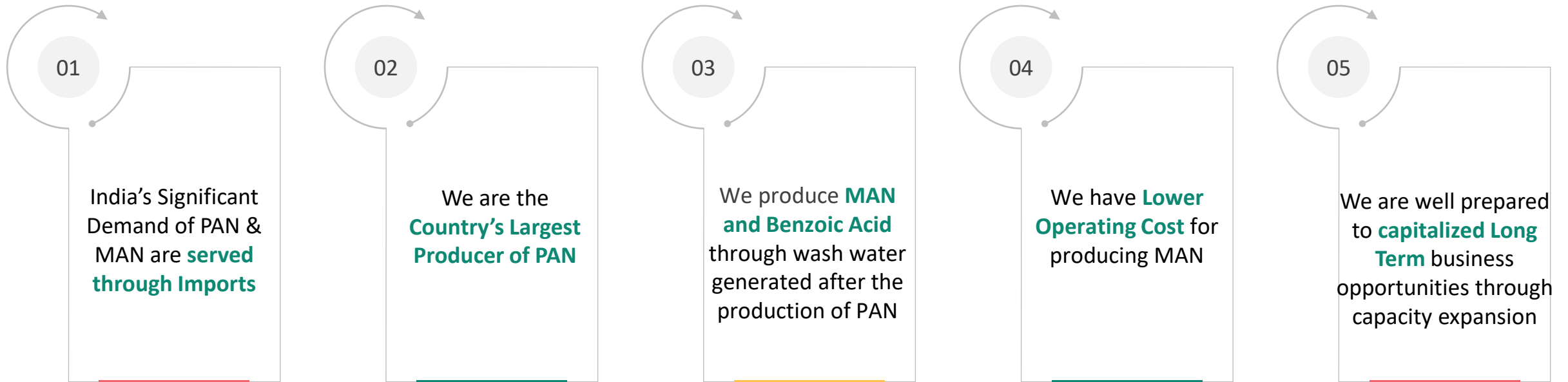
Maleic Anhydride



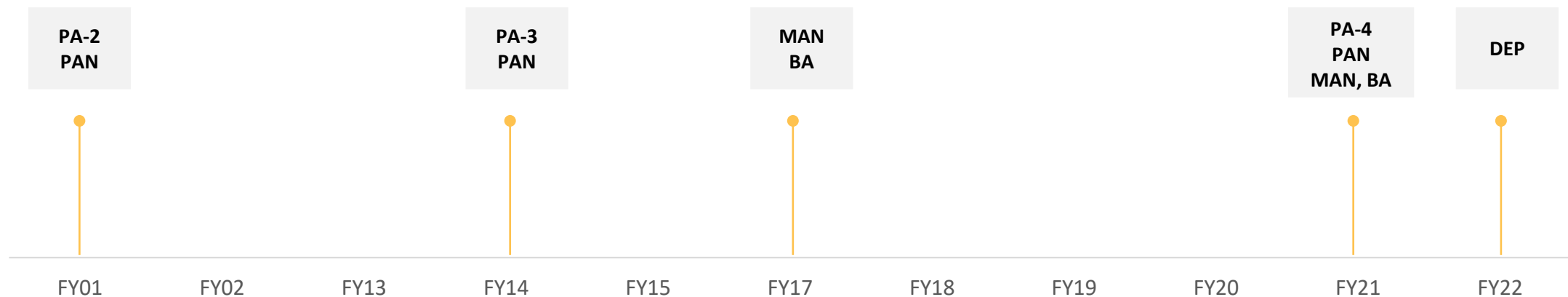
Benzoic Acid



Sustainable Business Model



Capacity Added Over The Last 2 Decades



Led by Healthy Demand



Paints & Resins



Plasticizers



Speciality Chemicals



Medical Device



Synthetic Leather



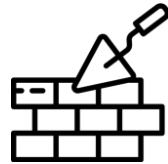
Lubricants



Building &
Construction



Cables & Wires



Construction



Packaging Films



Personal Care



Perfumes & Fragrance

Sustainable Growth

Infrastructure Development

Higher private and government spending on social and industrial infrastructure leading to Strong & Constant domestic demand for the Products

Make in India Push

Govt. Initiative to encourage companies to manufacture in India and incentivize dedicated investments into manufacturing

Increase in Consumption

Increase in consumption fueled by rising demand for plasticizers, paints etc

High Demand in Asia Pacific

Over 60% of global PAN consumption is in ASIA Pacific, which is anticipated to expand because of increased private and government spending.

All Major End User Industries Are Growing At Healthy Pace

ETP

- A full-fledged Effluent Treatment Plant (ETP) to treat all types of effluent generated from manufacturing plants
- Segregated effluent streams like low COD streams & High COD/TDS streams
- A centrifuge and filter press to treat hazardous waste/sludge in a disposable manner



Various Initiatives For Sustainability of The Business

- | | |
|---|---|
| <ul style="list-style-type: none">• Preventing and controlling pollution• Maintaining an eco-friendly environment | <ul style="list-style-type: none">• Disposing of inevitable wastes in an environmentally friendly manner |
| <ul style="list-style-type: none">• Enhancing environmental awareness amongst all our staff, workmen, suppliers, visitors and other stakeholders | <ul style="list-style-type: none">• Various Initiatives for the conservation of key resources like water, energy, fuel |
| <ul style="list-style-type: none">• Setting up of solar power plant at our factory location | <ul style="list-style-type: none">• Recycle and reuse packing bags returned by our customers in consideration of monetary incentives offered to them |

CSR Initiatives



Provision of Medical Equipments / Apparatus to Valap Health Centre



Provision of Phaco Machine with accessories for Cataract Surgery, Sonography Machine, Dialysis Machine etc. to Dr. Patwardhan Hospital



Contribution to OSCAR foundation to support their initiative for Football league which aims to empower children from low-income communities



Donation of Mobile Blood Donation Coach with necessary accessories to Rotary Club, New Panvel



Shri M M Dhanuka
Non-executive Chairman

Background : B.E. (Chem) and a founder member of the Company along with his brother Late Shri Shyam Sunder Dhanuka. Possesses varied experience and expertise in Chemical Industries, sales, marketing, commercial, board governance, production and technical.



Shri Nikunj Dhanuka
Managing Director & CEO

Background : Management Graduate and is associated with the Company since 1998. In charge of the overall affairs of the Company. Under his leadership, the overall performance of the Company has been growing at a brisk pace with significant improvement in margins during the last few years.



Shri J.K Saboo
Executive Director

Background : Commerce & Law Graduate and is associated with the Company since 1991. Has more than 40 years of experience in the petrochemical industry & is in charge of the operations of the Company's plant situated at Taloja.



Shri Rajesh R Muni
Non-executive & Independent

Background : A fellow member of The Institute of Chartered Accountants of India. He is a senior partner of M/s R. R. Muni & Co., Practicing Chartered Accountant and has more than 44 years of vast experience in audit and taxation



Dr. A. K. A. Rathi
Non-executive and Independent

Background : B.E. (Hons) Chemical, M.E. (Chemical), Ph.D (Engineering), Diploma in Management, Diploma in Integrated Coastal Zone Management. Been a Professor at CEPT University in the Faculty of Planning and Public Policy. He was Director (Environment) and Chief Technical Adviser to Govt of Gujarat.



Dr. Vaijayanti Pandit
Non-executive and Independent

Background : MA, Ph. D in Management studies from JBIMS. She was Vice President at Adfactors Group and headed FICCI West as the Sr. Director and was Secretary to Indian Merchants' Chamber

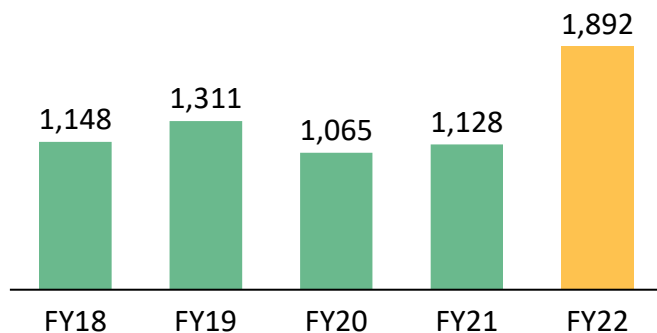


Financial Highlights

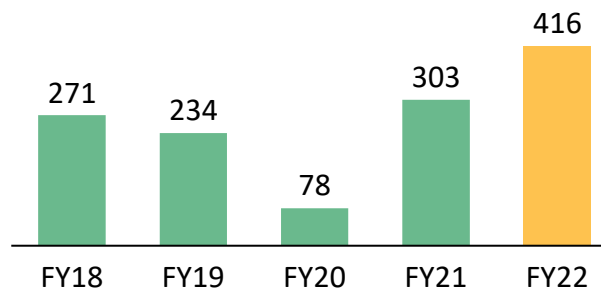


Financial Trends

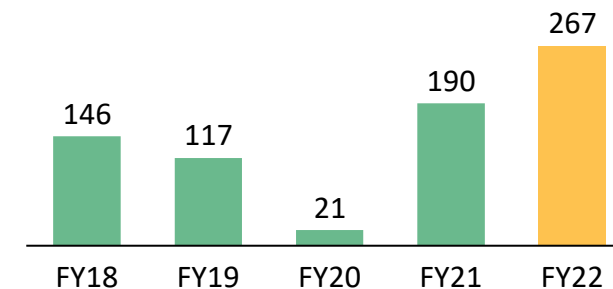
Total Revenue ^ (Rs. Cr)



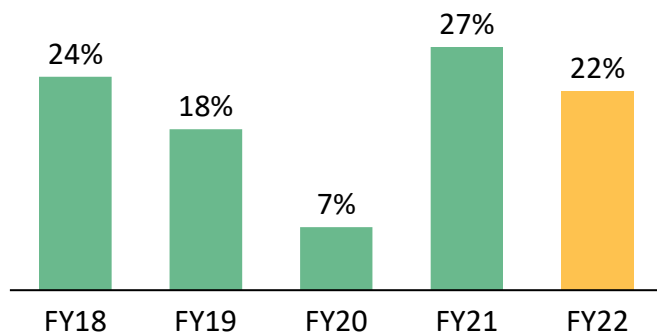
EBITDA ^ (Rs. Cr)



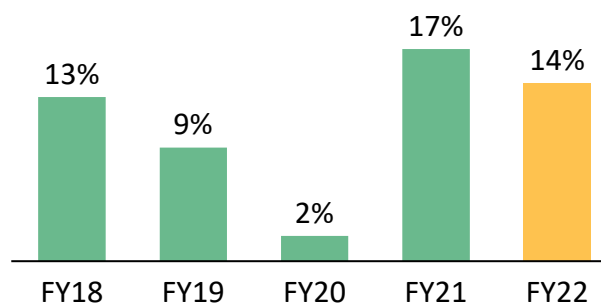
PAT (Rs. Cr)



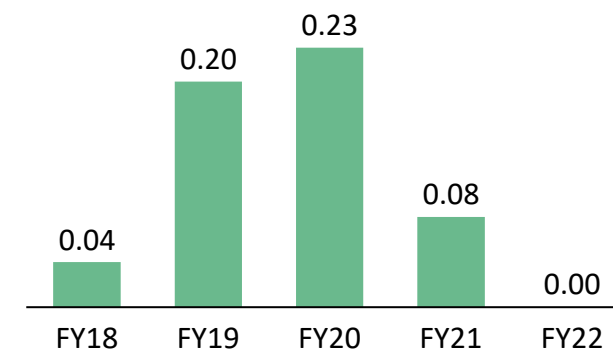
EBITDA Margin (%)



PAT Margin (%)



Net Debt/ Equity (x)



Way Forward

To Complete
Brownfield PA-5 Project

To ramp-up New
Downstream Advance
Plasticizers (DEP) Capacity

High Capacity Utilization &
Recovery Process To Drive
Efficiencies And Cost Reduction

Increase International Presence

Cater To Increasing Diverse End-
user Industries Of PAN

To Evaluate Organic & Inorganic
Growth Opportunities

Targeting ~30% Diversification into Non-PAN Business by FY25

Phthalic Anhydride

Non-PAN &
Downstream Derivative Business



**Thank
You**

For further information, please contact



I G Petrochemicals Ltd

CIN: L51496GA1988PLC000915

Mr. Pramod Bhandari – CFO / Mr. Akash Bihani – Finance Manager

Email - pbhandari@igpetro.com / abihani@igpetro.com

www.igpetro.com

SGA Strategic Growth Advisors

Strategic Growth Advisors Pvt. Ltd.

CIN - U74140MH2010PTC204285

Mr. Shrikant Sangani / Ms. Pankti Majithia

Email - shrikant.sangani@sgapl.net / pankti.majithia@sgapl.net

+91 9619595686 / 9619611096

www.sgapl.net