



PROUD TO BE INDIAN  
PRIVILEGED TO BE GLOBAL

HEG/SECTT/2021

14<sup>th</sup> February, 2021

1	<b>BSE Limited</b> 25 <sup>th</sup> Floor, P J Towers Dalal Street MUMBAI - 400 001. <b>Scrip Code : 509631</b>	2	<b>National Stock Exchange of India Limited</b> Exchange Plaza, 5th Floor Plot No.C/1, G Block, Bandra - Kurla Complex Bandra (E), MUMBAI - 400 051. <b>Scrip Code : HEG</b>
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**Sub: Investors presentation on the unaudited Financial Results of the Company for the quarter & nine months period ended 31<sup>st</sup> December, 2020.**

Dear Sirs,

Please find enclosed a copy of Investors Presentation on the unaudited Financial Results of the Company for the quarter & nine months period ended 31<sup>st</sup> December, 2020 for your information and record please.

The copy of same is also being uploaded on the website of the Company.

Thanking you,

Yours faithfully,  
For **HEG Limited**

  
Vivek Chaudhary  
Company Secretary  
A-13263  
[heg.investor@lnjbhilwara.com](mailto:heg.investor@lnjbhilwara.com)

Encl: as above

## HEG LIMITED



**Corporate Office :**  
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Fax: +91-120-4277841  
Website: [www.lnjbhilwara.com](http://www.lnjbhilwara.com)

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(Madhya Pradesh), India  
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Fax: +91-7480-233522  
Website: [www.heg ltd.com](http://www.heg ltd.com)



Corporate Identification No.: L23109MP1972PLC008290



**PROUD TO BE INDIAN  
PRIVILEGED TO BE GLOBAL**



**HEG LIMITED**  
**Investor Presentation**

**Performance Highlights**

**Q3 of FY 2020-21**

HEG is part of LNJ Bhilwara group a diversified, reputed and large Indian business house having more than five decades of industrial experience and presence in



PROUD TO BE INDIAN  
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## THE FAMILY TREE

### IT Enabled Services

Buds flower in our service sector offerings.

- Bhilwara Infotech Ltd. – IT Software
- Bhilwara Scribe Pvt. Ltd. – Medical transcription



### Power Generation & Power Consultancy

The branches spread forth, powered by

- Bhilwara Energy Ltd.
- Malana Power Company Ltd.
- AD Hydro Power Ltd.



### Textiles

The roots of our Group heritage

- RSWM Ltd.
- Maral Overseas Ltd.
- BSL Ltd.
- BMD Pvt. Ltd.
- Bhilwara Technical Textiles Ltd.



### Graphite Electrodes

Standing tall, the shaft supports the branches

- HEG Limited





# HEG Limited – Profile



- HEG Limited is a leading graphite electrode manufacturer & exporter globally.
- Exports approximately 70% of its production to about 30 countries around the world.
- Diversified customers - supplying large portion of production to top 20 steel companies of the world.
- Graphite electrodes manufacturing plant (capacity of 80,000 tons /Year) located at Mandideep in MP, India - is the largest single-site facility in the world. Further expanding to 100,000 tons in 2 years.
- Captive power generation capacity of around 76.5 mw (2 thermal power plants & 1 hydro power plant)



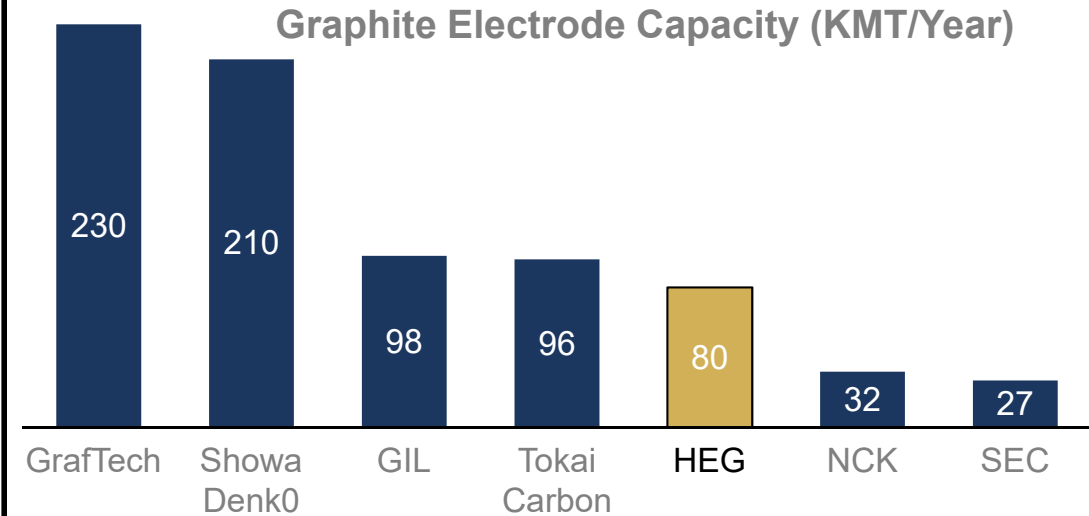
**World's Largest Single Site Graphite Electrode Plant**



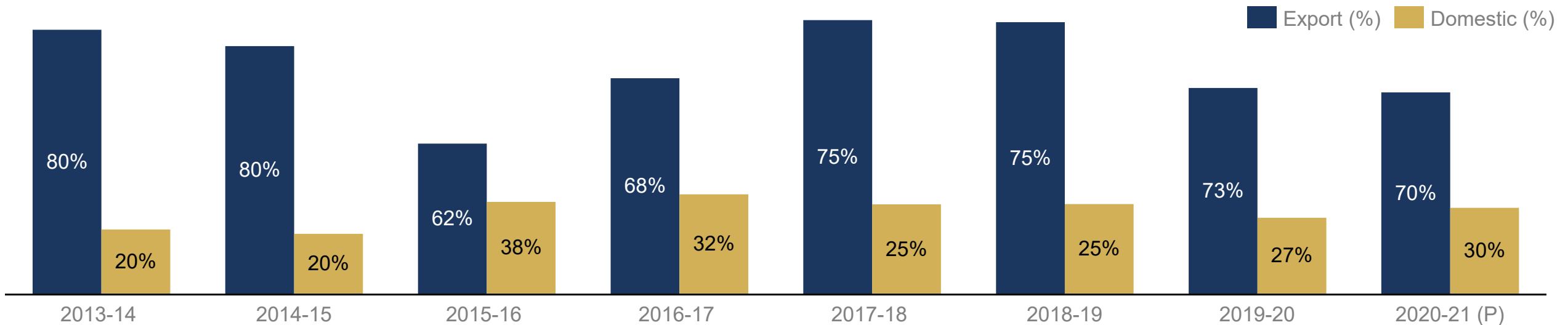
# Business Overview

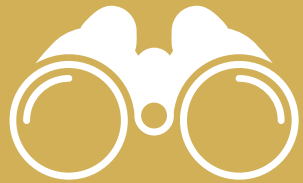


- HEG is among the world's top five graphite electrode manufacturers
- Steel production levels started improving in rest of the world excluding China since Oct'20 and prices started moving up resulting in increased profitability of steel companies.
- The excess inventories of graphite electrodes have been liquidated and now steel companies are working at normal inventory levels.
- The increase in steel production and normalisation of electrode inventory levels have resulted in increase of electrodes demand thus increasing our capacity utilisation levels.
- We expect electrode prices to start firming up from next quarter.



## HEG Sales share among Exports & Domestic Market





## Our Growth

- 1977 - Established in Financial (appx 25% equity) / Technical participation of Pechiney, France
- 1992 - Pechiney sold their Graphite business to SGL, Germany & Indian Promoters bought these shares in HEG
- 1995 / 2011 – Kept expanding from 10,000 mt in small tranches & in 2011 took a quantum leap from 60,000 to 80,000 mt
- Single largest Graphite plant in the world under one roof.
- Consistently exporting appx 65-70% of production to more than 30 countries and to more than 100 customers around the world incl ArcelorMittal, Nucor, Posco, Tata, Sail, Jindals, Sabic, Gerdau, Ferroatlantica, Celsa etc.
- Capacity Expansion to 100,000 mt in next 24 months.



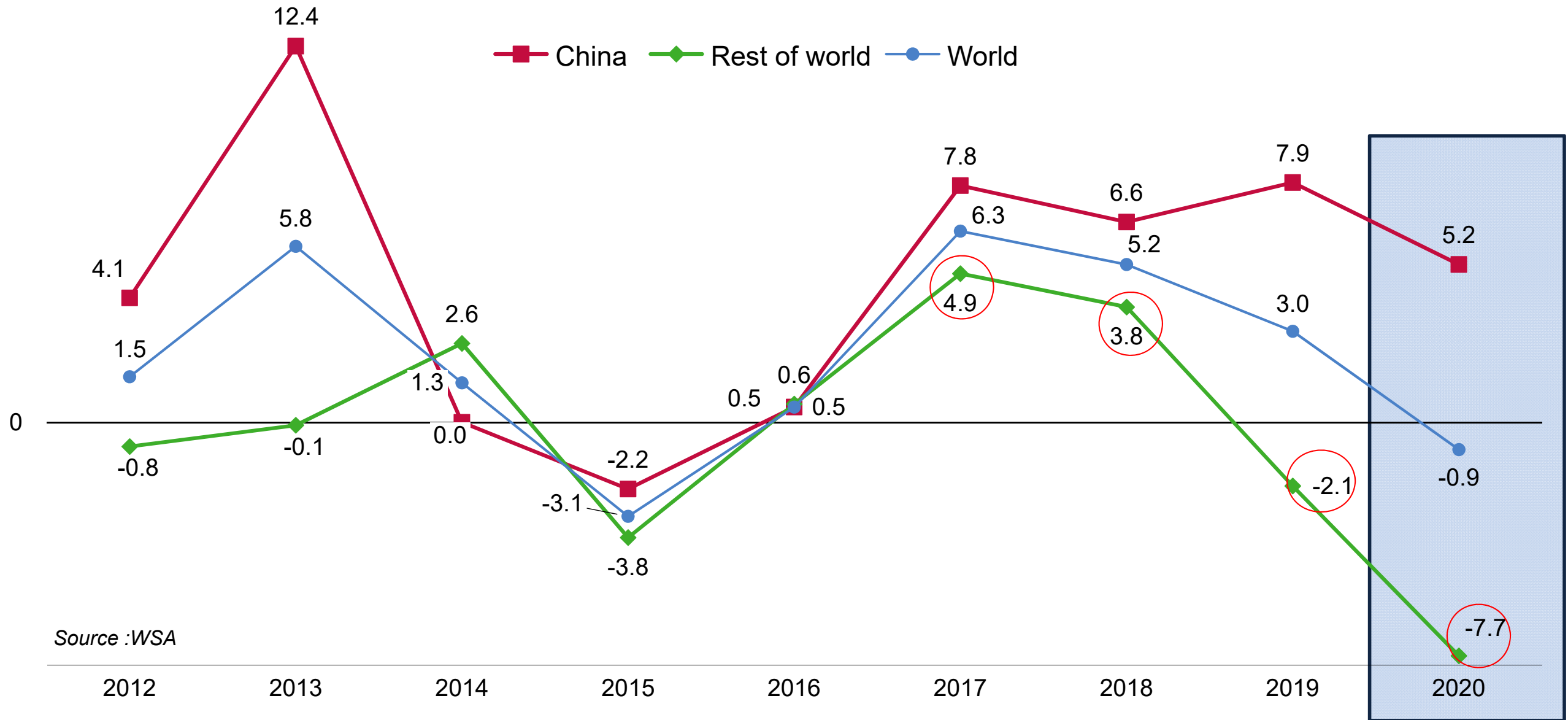
## R&D Center

- R&D set up to corroborate the Quality & Improvement Drives with small scale production facilities
- The focus is also on development of new product lines
- Development is focused towards Carbon





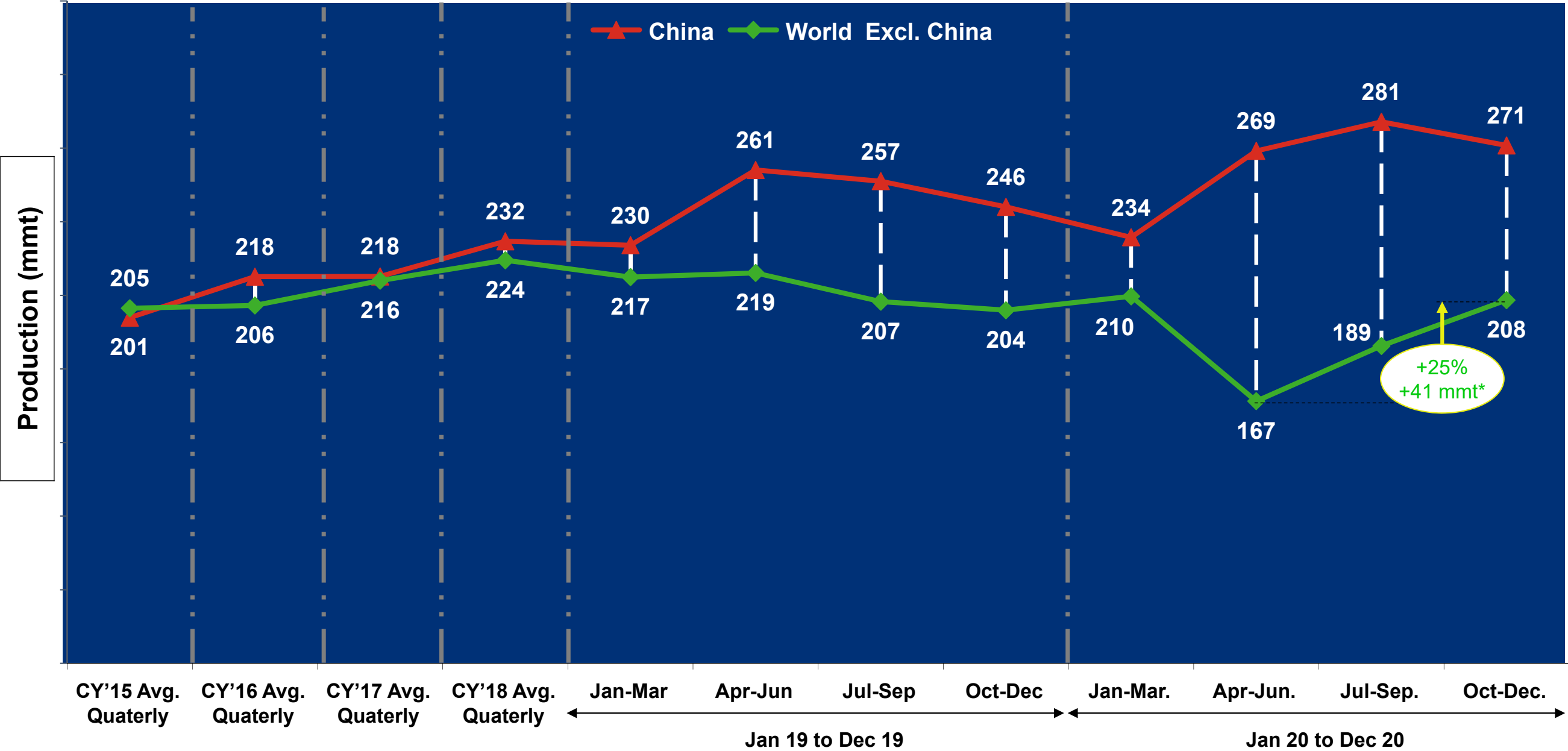
# CRUDE STEEL PRODUCTION ANNUAL GROWTH TREND (%)



Source : WSA



# World Crude Steel Production Last Eight Quarters ( CY Jan 19 – Dec.20)



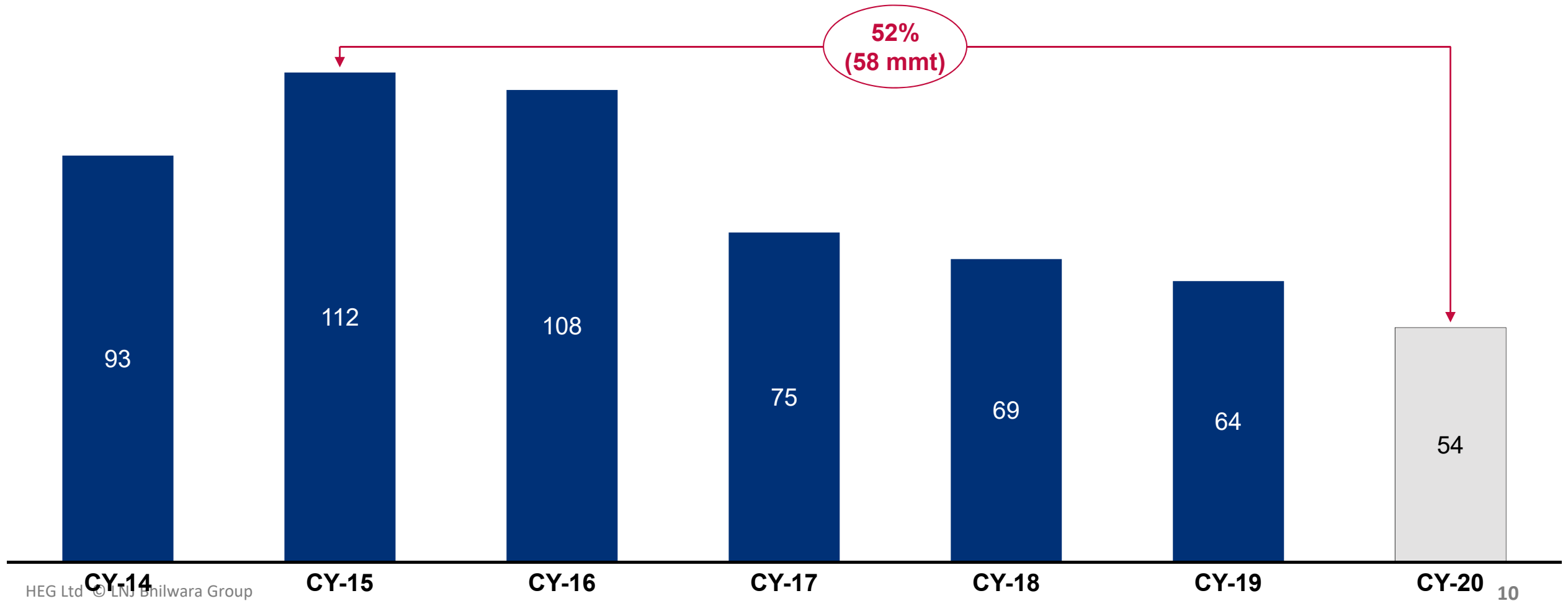
# TOP 10 EAF STEEL-PRODUCING COUNTRIES-2020



Rank	Country	EAF Steel Prod. CY-2020 (Mt)	EAF Steel Prod. CY-2019 (Mt)	Change Absolute	%2020/2019
1	China	109.5	104.1	5.38	5.2%
2	United States	50.7	61.2	-10.50	-17.2%
3	Iran	26.2	23.2	3.09	13.4%
4	India	25.9	29.0	-3.06	-10.6%
5	Russia	24.7	24.1	0.56	2.3%
6	Turkey	24.2	22.9	1.37	6.0%
7	South Korea	21.3	22.7	-1.36	-6.0%
8	Japan	20.4	24.3	-3.94	-16.2%
9	Italy	16.5	19.0	-2.45	-12.9%
10	Mexico	13.0	14.2	-1.18	-8.3%
	Subtotal	332.5	344.6	-12.10	-3.5%
Source :WSA	World ex China	386.8	419.2	-32.34	-7.7%
	World	473.5	477.5	-4.06	-0.9%

# China's Finished steel exports

- China exported a gross 53.69 million mt of semi-finished and finished steel in 2020, down 17% year on year
- Recovering demand for China's exports and a likely slowdown in domestic home starts in 2021, the net steel exports are likely to rebound in 2021.
- China's steel exports may climb up in first quarter of 2021, as overseas demand has improved substantially and the domestic market will be traditionally weak amid the Lunar New Year holidays.



# Financial Snapshot (Standalone)



*in Rs. Crore (except EPS)*

PARTICULARS	Q3 FY'21	Q2 FY'21	Q1 FY'21	FY 19-20	FY 18-19	FY 17-18
<b>REVENUE FROM OPERATIONS</b>	320	323	233	2,149	6,593	2,758
<b>EBITDA*</b>	24	(25)	35	138	4,767	1,734
<b>EBIT</b>	6	(44)	17	66	4,695	1,661
<b>PAT</b>	5	(34)	11	53	3,050	1,081
<b>EPS</b>	1.21	(8.79)	2.79	13.83	763.60	270.61
<b>EBITDA Margin (%)</b>	8%	(8%)	15%	6%	72%	63%
<b>EBIT Margin (%)</b>	2%	(14%)	7%	3%	71%	60%
<b>PAT Margin (%)</b>	1%	(11%)	5%	2%	46%	39%

\* EBITDA includes Other Income



# Profit & Loss for the Quarter ended 31<sup>st</sup> December 2020- Standalone



in Rs. Crores

Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year ended
		31-12-2020	30-09-2020	31-12-2019	31-12-2020	31-12-2019	31-03-2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operations	319.59	322.88	393.69	875.75	1,774.59	2,149.02
II	Other Income	25.35	16.41	27.28	87.80	101.46	143.76
III	<b>Total Revenue (I+II)</b>	<b>344.94</b>	<b>339.29</b>	<b>420.97</b>	<b>963.55</b>	<b>1,876.05</b>	<b>2,292.78</b>
IV	<b>Expenses</b>						
	Cost of materials consumed	142.65	158.29	261.01	387.47	1,089.52	1,558.13
	Purchase of stock -in-trade	-	-	-	-	-	-
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	61.75	93.12	7.28	220.99	(231.87)	62.95
	Employee benefits expense	13.47	12.51	17.48	39.75	69.35	65.60
	Finance cost	1.27	3.04	8.73	10.28	27.93	36.51
	Depreciation and amortisation expense	18.53	18.34	17.79	54.64	53.26	72.13
	Power and Fuel (Net of Interdivisional Purchases)	31.75	30.19	39.90	89.85	128.75	163.31
	Other Expenses	71.24	70.64	63.28	192.17	227.23	304.86
	<b>Total expenses (IV)</b>	<b>340.66</b>	<b>386.13</b>	<b>415.47</b>	<b>995.15</b>	<b>1,364.17</b>	<b>2,263.49</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>4.28</b>	<b>(46.84)</b>	<b>5.50</b>	<b>(31.60)</b>	<b>511.88</b>	<b>29.29</b>
VI	Exceptional Items	-	-	-	-	-	-
VII	<b>Profit/(Loss) before Tax (V-VI)</b>	<b>4.28</b>	<b>(46.84)</b>	<b>5.50</b>	<b>(31.60)</b>	<b>511.88</b>	<b>29.29</b>

# Profit & Loss for the Quarter ended 31<sup>st</sup> December 2020- Standalone



in Rs. Crores

Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year ended
		31-12-2020	30-09-2020	31-12-2019	31-12-2020	31-12-2019	31-03-2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
VIII	Tax expense						
	(1) Current Tax	-	0.20	(2.73)	0.20	120.60	(0.19)
	(2) Deferred Tax	(0.40)	(13.13)	2.29	(13.31)	(28.10)	(23.90)
IX	<b>Net Profit/(Loss) for the period (VII-VIII)</b>	<b>4.68</b>	<b>(33.91)</b>	<b>5.94</b>	<b>(18.50)</b>	<b>419.38</b>	<b>53.37</b>
X	<b>Other Comprehensive Income (Net of Taxes)</b>						
	<b>A (i) Items that will not be reclassified to profit or loss</b>	-	0.91	-	0.91	0.28	(0.70)
	<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>	-	(0.23)	-	(0.23)	(0.07)	0.18
	<b>B (i) Items that will be reclassified to profit or loss</b>	-	-	-	-	-	-
	<b>(ii) Income tax relating to items that will be reclassified to profit or loss</b>	-	-	-	-	-	-
XI	<b>Total Comprehensive Income for the period</b>	<b>4.68</b>	<b>(33.23)</b>	<b>5.94</b>	<b>(17.82)</b>	<b>419.59</b>	<b>52.85</b>
XII	<b>Paid -Up Equity Share Capital ( Face Value ( ₹ 10/- per share)</b>	38.60	38.60	38.60	38.60	38.60	38.60
XIII	<b>Reserves (Excluding Revaluation Reserves)</b>	-	-	-	-	-	3,384.28
XIV	<b>Earnings Per Share ( ₹ ) - Basic (Rs.)</b>	1.21	(8.79)	1.54	(4.79)	108.66	13.83
	<b>- Diluted (Rs.)</b>	1.21	(8.79)	1.54	(4.79)	108.66	13.83

# Profit & Loss for Quarter ended 31<sup>st</sup> December 2020 - Consolidated



in Rs. Crores

Sl. No.	Particulars	Quarter Ended			Nine Months Ended		
		31-12-2020	30-09-2020	31-12-2019	31-12-2020	31-12-2019	31-03-2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operation	<b>319.59</b>	<b>322.88</b>	<b>393.69</b>	<b>875.75</b>	1,774.59	<b>2,149.02</b>
II	Other Income	<b>25.35</b>	<b>16.41</b>	<b>27.28</b>	<b>87.80</b>	101.46	<b>143.76</b>
III	<b>Total Revenue (I+II)</b>	<b>344.94</b>	<b>339.29</b>	<b>420.97</b>	<b>963.55</b>	<b>1,876.05</b>	<b>2,292.78</b>
IV	<b>Expenses</b>						
	Cost of materials consumed	142.65	158.29	261.01	387.47	1,089.52	1,558.13
	Purchase of stock -in-trade	-	-	-	-	-	-
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	61.75	93.12	7.28	220.99	(231.87)	62.95
	Employee benefits expense	13.47	12.51	17.48	39.75	69.35	65.60
	Finance cost	1.27	3.04	8.73	10.28	27.93	36.51
	Depreciation and amortisation expense	18.53	18.34	17.79	54.64	53.26	72.13
	Power and Fuel (Net of Interdivisional Purchases)	31.75	30.19	39.90	89.85	128.75	163.31
	Other Expenses	71.24	70.64	63.28	192.17	227.23	304.86
	<b>Total expenses (IV)</b>	<b>340.66</b>	<b>386.13</b>	<b>415.47</b>	<b>995.15</b>	<b>1,364.17</b>	<b>2,263.49</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>4.28</b>	<b>(46.84)</b>	<b>5.50</b>	<b>(31.60)</b>	<b>511.88</b>	<b>29.29</b>
VI	Exceptional Items	-	-	-	-	-	-
VII	<b>Profit/(Loss) before Tax (V-VI)</b>	<b>4.28</b>	<b>(46.84)</b>	<b>5.50</b>	<b>(31.60)</b>	<b>511.88</b>	<b>29.29</b>

# Profit & Loss for Quarter ended 31<sup>st</sup> December 2020 - Consolidated



in Rs. Crores

Sl. No.	Particulars	Quarter Ended			Nine Months Ended		
		31-12-2020	30-09-2020	31-12-2019	31-12-2020	31-12-2019	31-03-2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
VIII	Tax expense						
	(1) Current Tax	-	0.20	(2.73)	0.20	120.60	(0.19)
	(2) Deferred Tax	(0.40)	(13.13)	2.29	(13.31)	(28.10)	(23.90)
IX	Share of Profit/ (loss) of associates	(5.48)	18.55	(7.17)	16.64	25.22	14.26
X	Net Profit/(Loss) for the period (VII-VIII+IX)	(0.80)	(15.36)	(1.23)	(1.86)	444.60	67.63
XI	Other Comprehensive Income (Net of Taxes)						
	A (i) Items that will not be reclassified to profit or loss	-	0.91	-	0.91	0.28	(0.70)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(0.23)	-	(0.23)	(0.07)	0.18
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	C. Share of Other comprehensive Income of Associates	(0.07)	(0.04)	(0.01)	(0.16)	(0.02)	(0.11)
	Total Comprehensive Income for the period	(0.87)	(14.72)	(1.24)	(1.34)	444.79	67.00
XII	Paid -Up Equity Share Capital ( Face Value ( ₹ 10/- per share)	38.60	38.60	38.60	38.60	38.60	38.60
XIII	Reserves (Excluding Revaluation Reserves)	-	-	-	-	-	3,473.12
XIV	Earnings Per Share ( ₹ ) - Basic (Rs.)	(0.21)	(3.98)	(0.32)	(0.48)	115.19	17.52
XV	- Diluted (Rs.)	(0.21)	(3.98)	(0.32)	(0.48)	115.19	17.52



### Company's Position:

- ❑ The liquidity position of the company is quite robust.
- ❑ The company is having a treasury size of more than Rs. 1450 Crores at the end of December 2020. Further, the company is long term debt free.
- ❑ The company has also implemented stringent cost control measures across the organization to conserve cash to address any evolving situation resulting from the pandemic.
- ❑ The company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

# Thank You



Mr.Manish Gulati : Executive Director  
Mr.Om Prakash Ajmera : Group CFO  
Mr.Gulshan Kr.Sakhuja : CFO

HEG Limited

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