



PROUD TO BE INDIAN  
PRIVILEGED TO BE GLOBAL

HEG/SECTT/2020

12<sup>th</sup> August, 2020

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>
---	---	---	---

Reg: Intimation of Schedule of Analyst/ Institutional Investor Meeting.

Dear Sirs,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Senior Management of the Company is scheduled to attend the Annual flagship conference confluence 2020, organised by Emkay Global Financial Services Limited; as per the following details:

Day and Date	Type of Interaction
Thursday, 13 <sup>th</sup> August, 2020	Virtual Conference

The schedule is subject to changes due to any exigencies on behalf of the Investors or the Company.

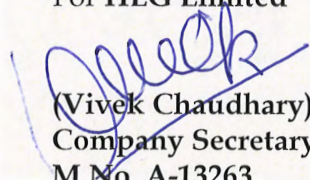
We would like to inform further that the presentation to be made in the aforesaid meeting is attached herewith for your reference.

The same is also being uploaded on the Company website i.e. [www.hegltd.com](http://www.hegltd.com)

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,  
For HEG Limited

  
(Vivek Chaudhary)  
Company Secretary  
M.No. A-13263

[heg.investor@lnjbhilwara.com](mailto:heg.investor@lnjbhilwara.com)

Encl: As above



## HEG LIMITED

### Corporate Office :

Bhilwara Towers, A-12, Sector-1  
Noida - 201 301 (NCR-Delhi), India  
Tel.: +91-120-4390300 (EPABX)  
Fax: +91-120-4277841  
Website: [www.lnjbhilwara.com](http://www.lnjbhilwara.com)

### Regd. Office :

Mandideep (Near Bhopal) Distt. Raissen - 462046  
(Madhya Pradesh), India  
Tel.: +91-7480-405500, 233524 to 233527  
Fax: +91-7480-233522  
Website: [www.hegltd.com](http://www.hegltd.com)



Corporate Identification No.: L23109MP1972PLC008290



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



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

**Performance Highlights**  
**Q1 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  
PRIVILEGED TO BE GLOBAL

## THE FAMILY TREE

### IT Enabled Services

Buds flower in our service sector offerings.

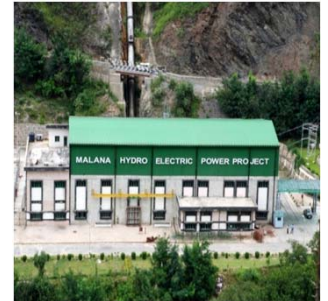
- Bhilwara Infotech Ltd. – IT Software
- Bhilwara Scribe Pvt. Ltd. – Medical transcription



### 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

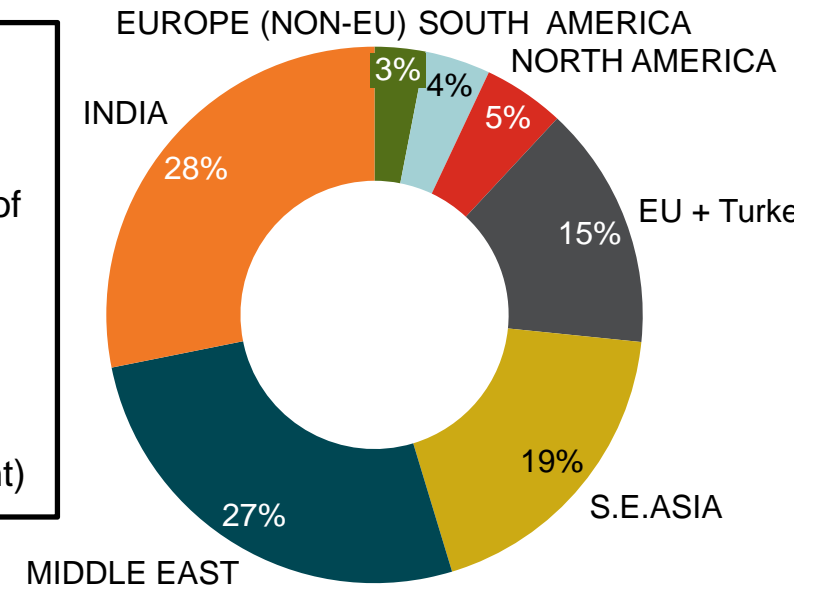




# HEG Limited – Profile



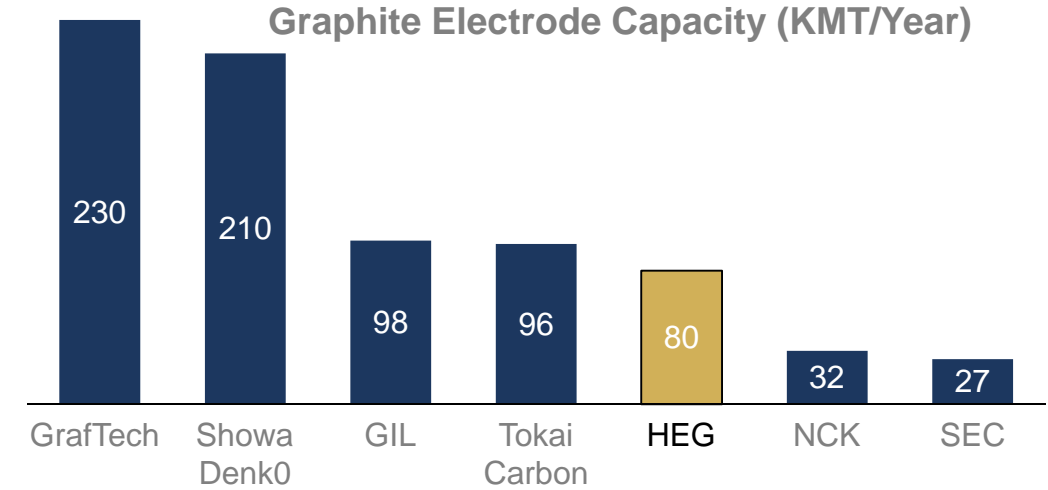
- HEG Limited is a leading graphite electrode manufacturer & exporter globally.
- Exports approximately 70% of its production to about 30 countries around the world.
- Diversified customer portfolio –supplying large proportion of our volumes to top 20 steel companies of the world.
- Graphite electrodes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



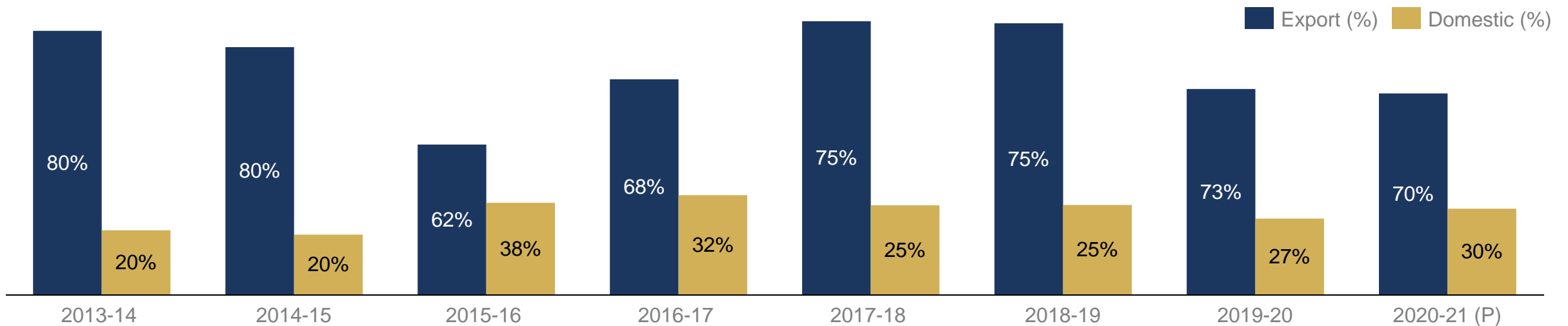
# Business Overview

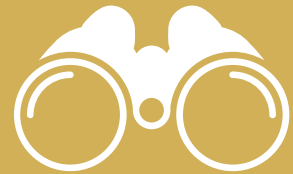


- HEG is among the world's top five graphite electrode manufacturers
- Global slowdown in steel has impacted the demand of electrodes worldwide along with excess Chinese capacities has resulted significant correction of electrode prices.
- Also, current ongoing COVID-19 Pandemic has slowed down the pace of destocking of electrode inventory at customer end
- Needle coke prices has also fall down reacting to drop in GE pricing, but not fully in line with the current electrode prices



## 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.

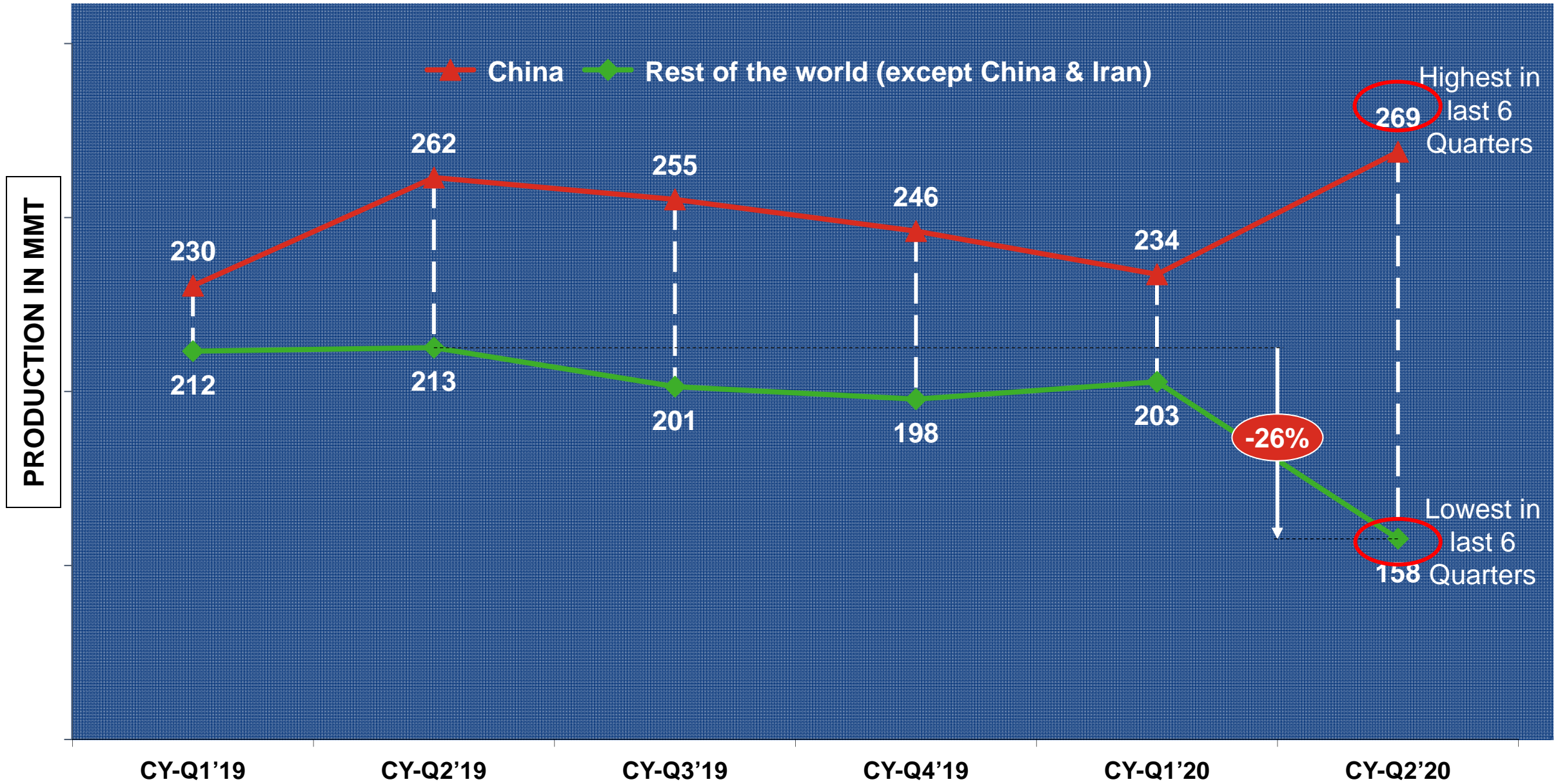




## R&D Center

- ❖ 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

# World Crude Steel Production Last six Quarters (CY Jan 19 – Jun 20)





# Outlook for Steel Industry



## Short-Term Forecast for Steel World steel Association

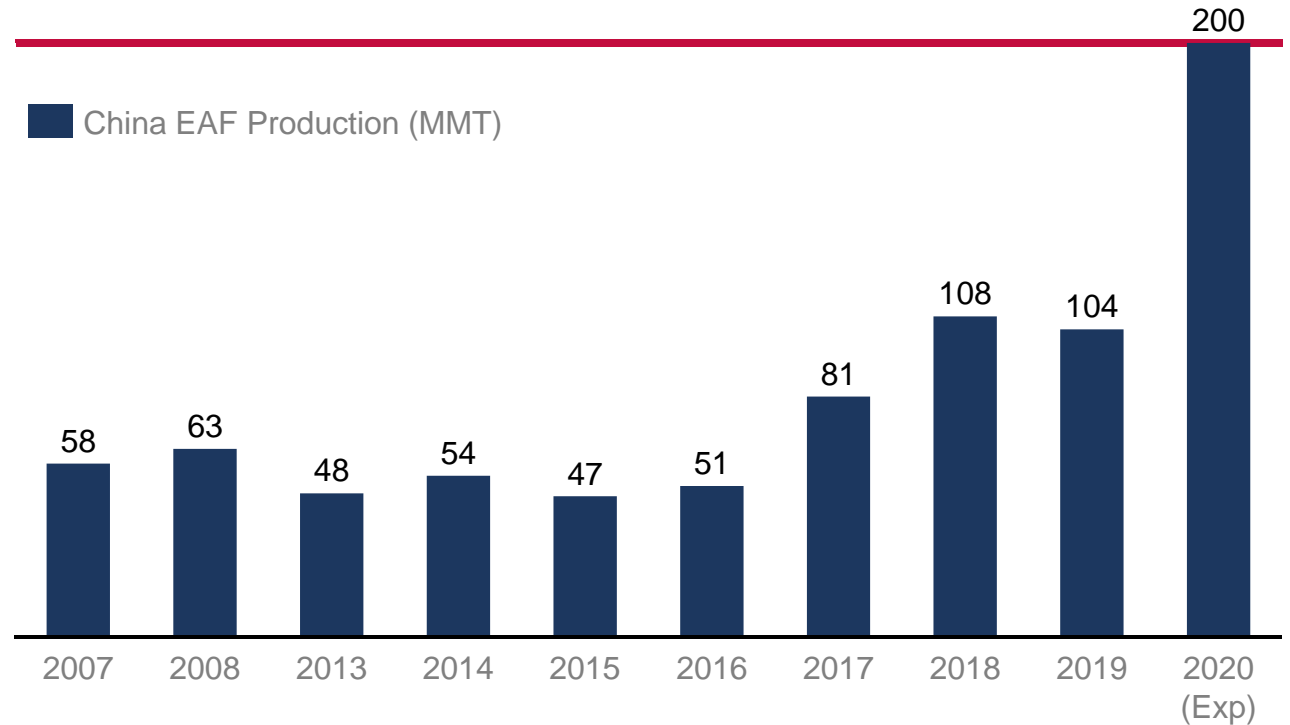
- The situation to gradually improve in the third quarter, but the recovery path will be slow.
- In many developed economies, steel demand was already at a low level, having still not fully recovered from 2008
- In China the recovery of steel demand will be more visible in H2-20 & we expect Chinese steel demand to increase by 1.0% in 2020.

	2019	2020f	2021f	2019	2020f.	2021f.
EU(28)	158.1 M	133.1 M	147.0 M	-6%	-16%	10%
Europe (other)	33.8 M	33.3 M	36.5 M	-10%	-2%	10%
CIS	58.8 M	52.7 M	56.5 M	6%	-10%	7%
NAFTA	135.0 M	108.0 M	114.7 M	-4%	-20%	6%
Latin America	42.4 M	35.1 M	39.3 M	-4%	-17%	12%
Africa	36.4 M	33.0 M	34.9 M	0%	-9%	6%
The Middle East	48.7 M	40.2 M	45.4 M	-2%	-17%	13%
Asia and Other	1,253.3 M	1,218.6 M	1,243.2 M	7%	-3%	2%
Global	1,766.5 M	1,654.0 M	1,717.5 M	3.4%	-6.4%	3.8%

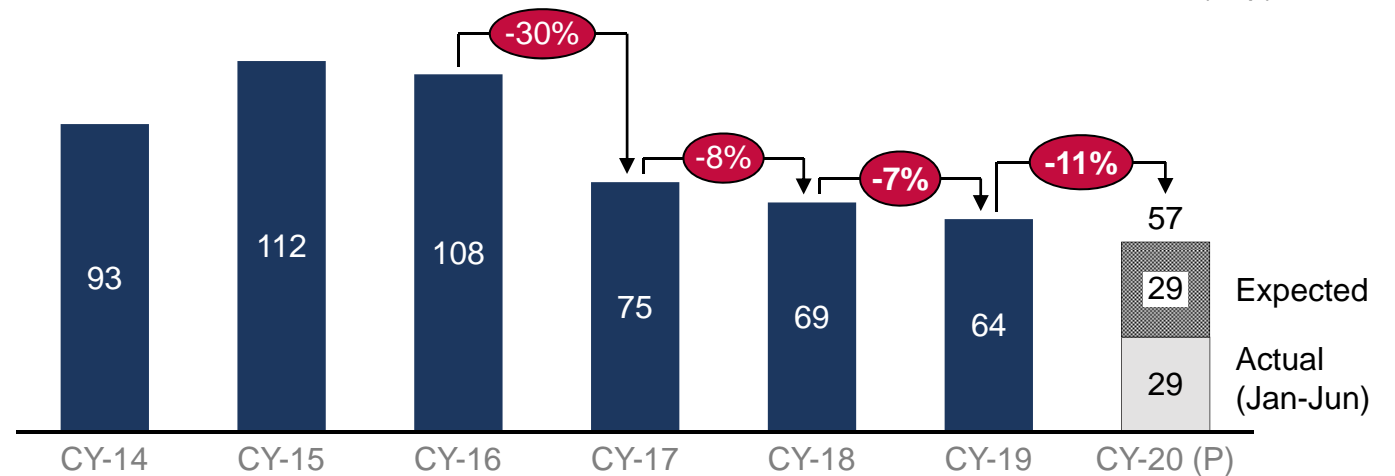
# China's EAF steel Production & Finished steel exports



- As per Chinese Blue Sky policy ,Country planned to produce 20 % of the steel production by EAF route by year 2020, Hence target steel production for current year should be 200 MMT ( 20 % of 1 Billion steel production of China)
- However as per 2019 production fig. recently released by WSA, china is majorly running behind on achieving this target, resulting excess of GE capacity within china which came online in anticipation.



- Steel exports China's steel exports fall to seven-year low in June & expected to stay low low in July and August, on a preference for local sales
- This gives rest of the world opportunity to produce more steel

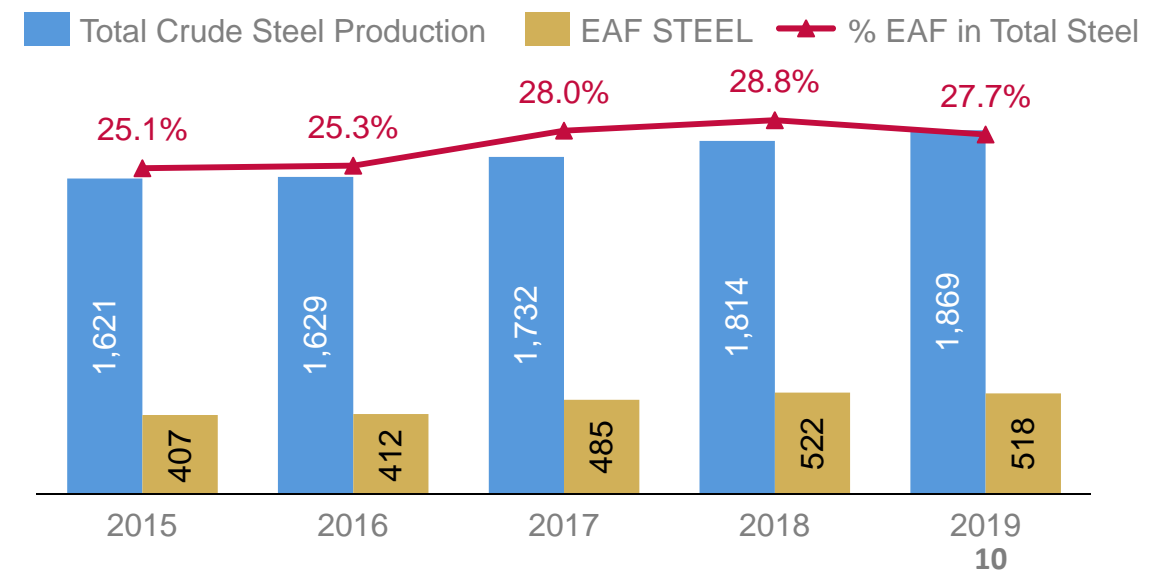
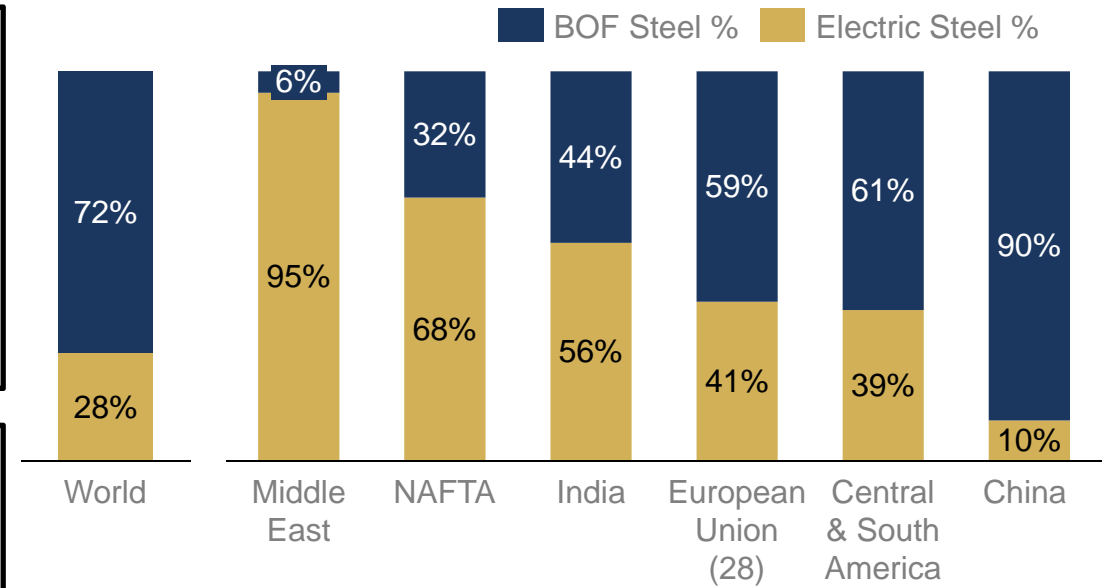


# Benefits of EAF Steelmaking & Graphite Electrode (GE) Industry



- EAF Growth rate in longer term is positive (~3%)
- EAF Route is environmentally advantageous as it emits 75% less carbon.
- These mills are flexible to operation & Low capital intensive in cost structure.

- GE- An indispensable material for Electric Arc Furnaces (EAF) for Steel production
- High Entry Barrier – HEG the last new entrant in the world -1977
- HEG is Capable of producing 100% UHP Electrodes with State of the art manufacturing facility – due to constant expansions & investments
- EAF accounts for approx 45% of total World Steel Production (W/o China)
- EAF's route in global steel production increased from 25% in 2015 to 28% in 2019







# Financials

# Financial Snapshot



*in Rs. Crore (except EPS)*

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

\* EBITDA includes Other Income

# Thank You



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

HEG Limited

Ph: +91 9910103865

Fax: +91 120 254 1575

Email: [Manish.gulati@lnjbhilwara.com](mailto:Manish.gulati@lnjbhilwara.com)

[Gulshan.sakhuja@lnjbhilwara.com](mailto:Gulshan.sakhuja@lnjbhilwara.com)