



HEG/SECTT/2023

15th November, 2023

1	BSE Limited P J Towers Dalal Street MUMBAI - 400 001. Scrip Code : 509631	2	National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot No.C/1, G Block, Bandra - Kurla Complex Bandra (E), MUMBAI - 400 051. Scrip Code : HEG
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Sub: Investors presentation on the Unaudited Financial Results of the Company for the quarter & half year ended 30th September, 2023.

Dear Sir/Madam,

Please find enclosed a copy of Investors Presentation on the Unaudited Financial Results of the Company for the quarter & half year ended 30th September, 2023 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
M.No. A-13263
heg.investor@lnjbhilwara.com

Encl. as above

HEG LIMITED

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



HEG LIMITED
Investor Presentation



Performance Highlights
Q2 of FY 2023-24



- A consumable for Electric Arc Furnaces (EAF) for Steel production
- Used as electrical conductors in Electric Arc Furnaces to generate heat to melt steel scrap
- High-tech / High Entry Barrier – HEG the last new entrant in the world -1976
- EAF Steel emits one fourth carbon in the environment as compared to same Steel produced by traditional Blast Furnaces
- As per World Steel Association EAF Steel production (w/o China) has gone up from 44% to 49% between 2015 - 2022 - while China's production through EAF is around 11% and is likely to go upto around 15-20% by 2025



- Has been World's Largest Single Site Graphite Electrode Plant under one roof with a capacity of 80,000 tons pa for a long time.
- Recently completed expansion to 100,000 tons to become the third largest producer of Graphite electrodes in the western world.
- Except ours, no additional capacity announced by any other company in the western world.
- Exporting approx. 65 - 70% of its production to about 35 countries around the world consistently since more than 20 years
- Diversified customer base - supplying large portion of production to top 20 steel companies of the world
- Captive power generation capacity of around 80 mw (Two thermal power plants & One hydro power plant)

Expanded plant at 100,000 tons now complete - Appearing on the horizon





TOP 10 Crude Steel - Producing Countries

Q-o-Q Comparison

Y-o-Y Comparison

Sr. No	Country	Q-o-Q Comparison			Y-o-Y Comparison		
		July-Sep'23	Apr-June'23	Q-o-Q	Jan-Sep'23	Jan-Sep'22	2023/2022
1	China	259.3	273.9	(-5.3%)	797.6	783.5	1.8%
2	India	35.1	35.0	0.2%	104.1	93.3	11.6%
3	Japan	21.6	22.2	(-3.0%)	65.4	67.8	(-3.6%)
4	United States	20.7	20.4	1.3%	60.6	61.4	(-1.4%)
5	Russia	5.9	9.5	(-37.3%)	57.1	54.6	4.8%
6	South Korea	16.8	17.0	(-1.5%)	50.4	50.7	(-0.4%)
7	Germany	8.7	9.4	(-7.1%)	27.2	28.2	(-3.6%)
8	Iran	19.2	19.2	(-0.2%)	22.1	22.2	(-0.6%)
9	Brazil	8.1	8.1	(-0.4%)	24.0	26.0	(-8.0%)
10	Turkey	8.6	8.5	0.9%	24.5	26.0	(-6.0%)
Source WSA	World	460.8	483.1	(-4.6%)	1,408.9	1,407.0	0.1%

Demand Forecasts, Short Range Outlook – Oct'23

Source WSA



Regions	million tonnes			Y-o-Y growth %		
	2022	2023 (f)	2024 (f)	2022	2023 (f)	2024 (f)
Asia and Oceania	1,265.3	1,298.3	1,314.9	-2.7	2.6	1.3
European Union (27) & United Kingdom	152.0	144.3	152.7	-7.8	-5.1	5.8
USMCA	132.9	134.1	136.1	-3.0	0.9	1.5
Other Europe	39.2	45.0	47.3	-2.5	14.9	5.1
Russia & other CIS + Ukraine	51.6	54.6	55.2	-12.0	5.8	1.0
Middle East	57.1	56.1	57.9	7.7	-1.7	3.2
Central and South America	44.9	44.2	45.1	-11.5	-1.6	2.2
Africa	39.5	37.9	39.9	0.8	-4.1	5.4
World	1,782.5	1,814.5	1,849.1	-3.3	1.8	1.9
Developed Economies	374.7	368.2	378.4	-6.4	-1.8	2.8
China	486.8	507.0	531.4	-0.6	4.1	4.8
Em. and Dev. Economies excl. China	920.9	939.3	939.3	-3.5	2.0	0.0
India	116.2	126.1	135.8	9.3	8.6	7.7
ASEAN (5)	72.6	75.3	79.2	-0.2	3.8	5.2
MENA	76.6	74.0	76.6	9.4	-3.5	3.5
ROW except China	861.6	875.2	909.8	-3.2	1.6	4.0

Steel Industry Outlook



1. Steel demand has been impacted by high inflation and interest rates globally.
2. Steel-using sectors experienced a significant slowdown in the second half of 2022 due to weakened investment and consumption. This trend continued into 2023, particularly affecting the EU and the US.
3. Advanced economies are expected to have a slow steel demand recovery in 2024, while emerging economies, particularly in Asia, are showing resilience.
4. Regional conflicts and unrest, like those in Russia, Ukraine, Israel, and Palestine, pose downside risks, potentially impacting steel demand.
5. Despite high interest rates affecting construction, infrastructure investment remains positive in many regions, driven by decarbonization efforts.
6. Manufacturing sectors have been slowing down, but the automotive industry is expected to recover in 2023 due to order backlogs and improved supply chain conditions.
7. Steel demand in 2023 is projected to grow by 2.0%, supported by infrastructure investments and property sector stabilization, with 2024 remaining uncertain due to potential negative factors.

Financial Results for the Quarter and Half year ended 30th Sep 2023 Standalone (in Rs. cr)



Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2023	30-06-2023	30-09-2022	30-09-2023	30-09-2022	31-03-2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operations	614.17	671.43	598.14	1,285.60	1,320.09	2,467.24
II	Other Income	28.02	26.12	19.57	54.14	40.90	109.14
III	Total Income (I+II)	642.19	697.55	617.71	1,339.74	1,360.99	2576.38
IV	Expenses						
	Cost of materials consumed	304.41	308.40	340.51	612.81	671.45	1,312.64
	Changes in inventories of finished goods, work-in- progress	(28.45)	(5.16)	(159.89)	(33.61)	(207.68)	(397.49)
	Employee benefits expense	22.99	23.84	22.14	46.84	45.30	91.83
	Finance cost	8.53	8.85	6.88	17.38	10.91	26.01
	Depreciation and amortisation expense	38.48	38.34	23.17	76.82	44.17	102.30
	Power and Fuel	78.41	84.63	79.85	163.04	165.43	315.90
	Other Expenses	134.36	108.30	136.74	242.65	282.78	524.71
	Total expenses	558.73	567.20	449.40	1,125.93	1,012.36	1975.90
V	Profit before exceptional items and tax (III-IV)	83.46	130.35	168.31	213.81	348.63	600.48
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit before Tax (V-VI)	83.46	130.35	168.31	213.81	348.63	600.48

Financial Results for the Quarter and Half year ended 30th Sep 2023 Standalone (in Rs. cr)



Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2023	30-06-2023	30-09-2022	30-09-2023	30-09-2022	31-03-2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
VII	Profit before Tax (V-VI)	83.46	130.35	168.31	213.81	348.63	600.48
VIII	Tax expense						
	(1) Current Tax	16.86	31.34	33.16	48.20	88.47	154.25
	(2) Deferred Tax	4.84	1.45	5.25	6.29	(3.30)	(9.29)
IX	Profit for the period (VII-VIII)	61.76	97.56	129.90	159.32	263.46	455.51
X	Other Comprehensive Income						
	A (i) Items that will not be classified to profit or loss						
	- Remeasurement of Employee Defined Benefit Plan	(0.01)	-	(0.36)	(0.01)	(0.36)	(0.83)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.00	-	0.09	0.00	0.09	0.21
	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	-	-	-	-	-	-
XI	Total Comprehensive Income for the period (IX+X)	61.75	97.56	129.63	159.31	263.19	454.89
XII	Paid -Up Equity Share Capital (Face Value Rs.10/- per share)	38.60	38.60	38.60	38.60	38.60	38.60
XIII	Other Equity						4038.63
XIV	Earnings Per Share (Rs.) (Not annualised except for the year ended March 31,2023)						
	- Basic (Rs.)	16.00	25.28	33.66	41.28	68.26	118.02
	- Diluted (Rs.)	16.00	25.28	33.66	41.28	68.26	118.02

Financial Results for the Quarter and Half year ended 30th Sep 2023 Consolidated (in Rs.cr)



Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2023	30-06-2023	30-09-2022	30-09-2023	30-09-2022	31-03-2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operations	614.17	671.43	598.14	1,285.60	1,320.09	2,467.24
II	Other Income	28.02	26.12	19.57	54.14	40.90	109.14
III	Total Income (I+II)	642.19	697.55	617.71	1,339.74	1,360.99	2576.38
IV	Expenses						
	Cost of materials consumed	304.41	308.40	340.51	612.81	671.45	1,312.64
	Changes in inventories of finished goods, work-in- progress	(28.45)	(5.16)	(159.89)	(33.61)	(207.68)	(397.49)
	Employee benefits expense	23.12	24.03	22.14	47.15	45.30	92.05
	Finance cost	8.53	8.85	6.88	17.38	10.91	26.01
	Depreciation and amortisation expense	38.48	38.34	23.17	76.82	44.17	102.30
	Power and Fuel	78.41	84.63	79.85	163.04	165.43	315.90
	Other Expenses	134.83	108.36	136.74	243.19	282.78	525.73
	Total expenses	559.33	567.46	449.40	1,126.79	1,012.36	1977.16
V	Profit before exceptional items and tax (III-IV)	82.86	130.10	168.31	212.95	348.63	599.22
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit before Tax & Share of Profit of Associates (V-VI)	82.86	130.10	168.31	212.95	348.63	599.22
VIII	Share of Profit of Associates	34.82	41.82	39.04	76.64	64.47	78.11
IX	Profit before Tax (VII+VIII)	117.68	171.92	207.35	289.60	413.10	677.33

Financial Results for the Quarter and Half year ended 30th Sep 2023 Consolidated (in Rs.cr)



Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2023	30-06-2023	30-09-2022	30-09-2023	30-09-2022	31-03-2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
IX	Profit before Tax (VII+VIII)	117.68	171.92	207.35	289.60	413.10	677.33
X	Tax expense						
	(1) Current Tax	16.86	31.34	33.16	48.20	88.47	154.26
	(2) Deferred Tax	4.84	1.45	5.25	6.29	(3.30)	(9.29)
XI	Profit for the period (IX-X)	95.98	139.12	168.93	235.11	327.92	532.36
XII	Other Comprehensive Income						
	A (i) Items that will not be classified to profit or loss						
	- Remeasurement of Employee Defined Benefit Plan	(0.01)	-	(0.36)	(0.01)	(0.36)	(0.83)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.00	-	0.09	0.00	0.09	0.21
	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	(0.02)	(0.04)	0.00	(0.06)	0.02	(0.13)
XIII	Total Comprehensive Income for the period (XI+XII)	95.95	139.08	168.66	235.04	327.67	531.61
XIV	Paid -Up Equity Share Capital (Face Value Rs.10/- per share)	38.60	38.60	38.60	38.60	38.60	38.60
XV	Other Equity						4242.30
XVI	Earnings Per Share (Rs.) (Not annualised except for the year ended March 31,2023)						
	- Basic (Rs.)	24.87	36.05	43.77	60.92	84.96	137.93
	- Diluted (Rs.)	24.87	36.05	43.77	60.92	84.96	137.93

Financial Snapshot (Standalone)



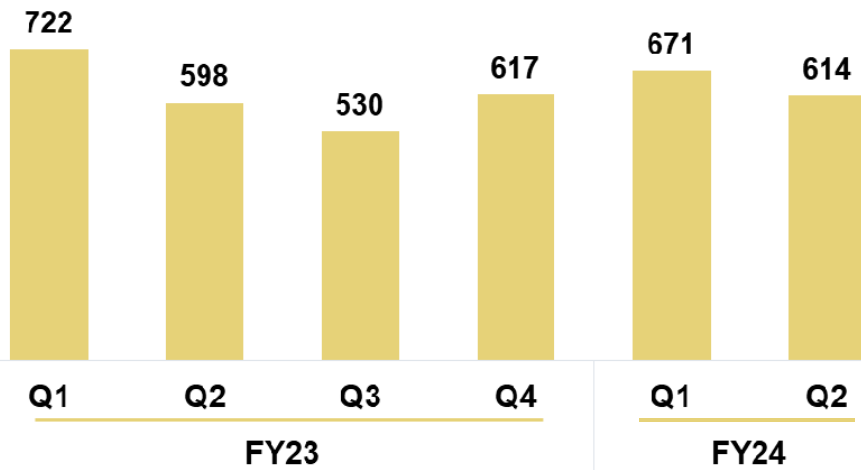
in Rs. cr (except EPS)

PARTICULARS	FY 23-24		FY		
	Q2	Q1	22-23	21-22	20-21
TOTAL INCOME	642	698	2576	2281	1369
EBITDA	130	178	729	607	54
EBIT	92	139	626	527	(19)
PAT	62	98	456	391	(25)
EPS	16.00	25.28	118.02	101.20	(6.56)
EBITDA Margin (%)	20%	25%	28%	27%	4%
PAT Margin (%)	10%	14%	18%	17%	(2%)

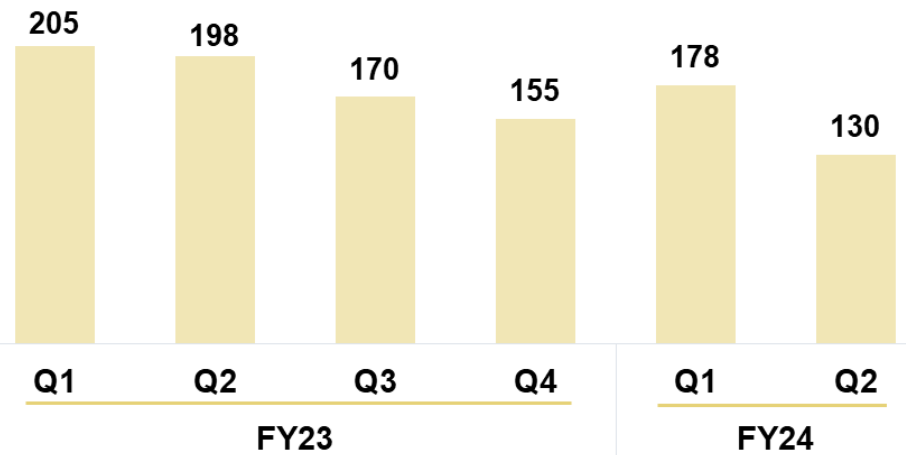
Quarterly Performance (Standalone)



Revenue from Operations (Rs. in crs.)



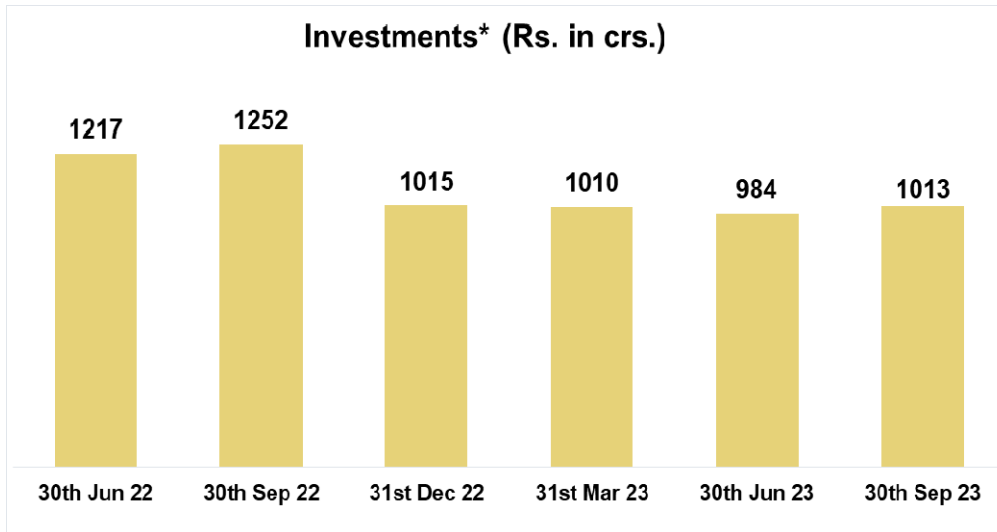
EBITDA (Rs. in crs.)



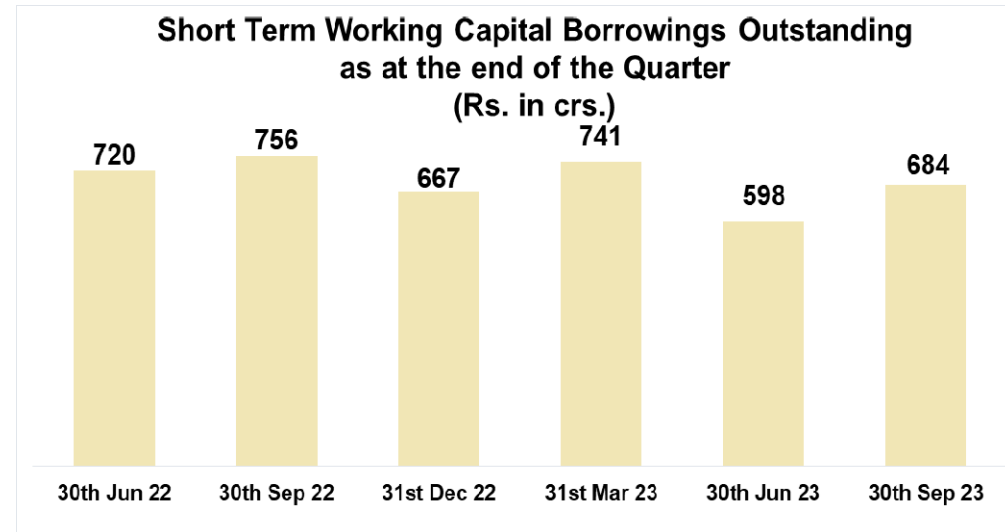
Investments and Borrowings (Standalone)



Investments* (Rs. in crs.)



Short Term Working Capital Borrowings Outstanding as at the end of the Quarter (Rs. in crs.)



* Investments including Cash & Cash equivalents and excluding investments in Associates & Wholly Owned Subsidiary



Thank You

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

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