



LNJ Bhilwara Group Company



PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

HEG/SECTT/2024

19th August, 2024

| | | | |
|---|---|---|--|
| 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 |
|---|---|---|--|

Sub: Investors presentation on the Unaudited Financial Results of the Company for the quarter ended 30th June, 2024.

Dear Sirs,

Please find enclosed a copy of Investors Presentation on the Unaudited Financial Results of the Company for the quarter ended 30th June, 2024 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

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
GSTN No.: 09AAACH6184K2Z6
Website: www.lnjbhilwara.com

Regd. Office :

Mandideep (Near Bhopal) Distt. Raisen - 462046
(Madhya Pradesh), India
Tel.: +91-7480-405500, 233524 to 233527
Fax: +91-7480-233522
GSTN No.: 23AAACH6184K1ZH
Website: www.hegltd.com

E-mail: heg.investor@lnjbhilwara.com

Corporate Identification No.: L23109MP1972PLC008290





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



HEG LIMITED
Investor Presentation



Performance Highlights
Q1 of FY 2024-25



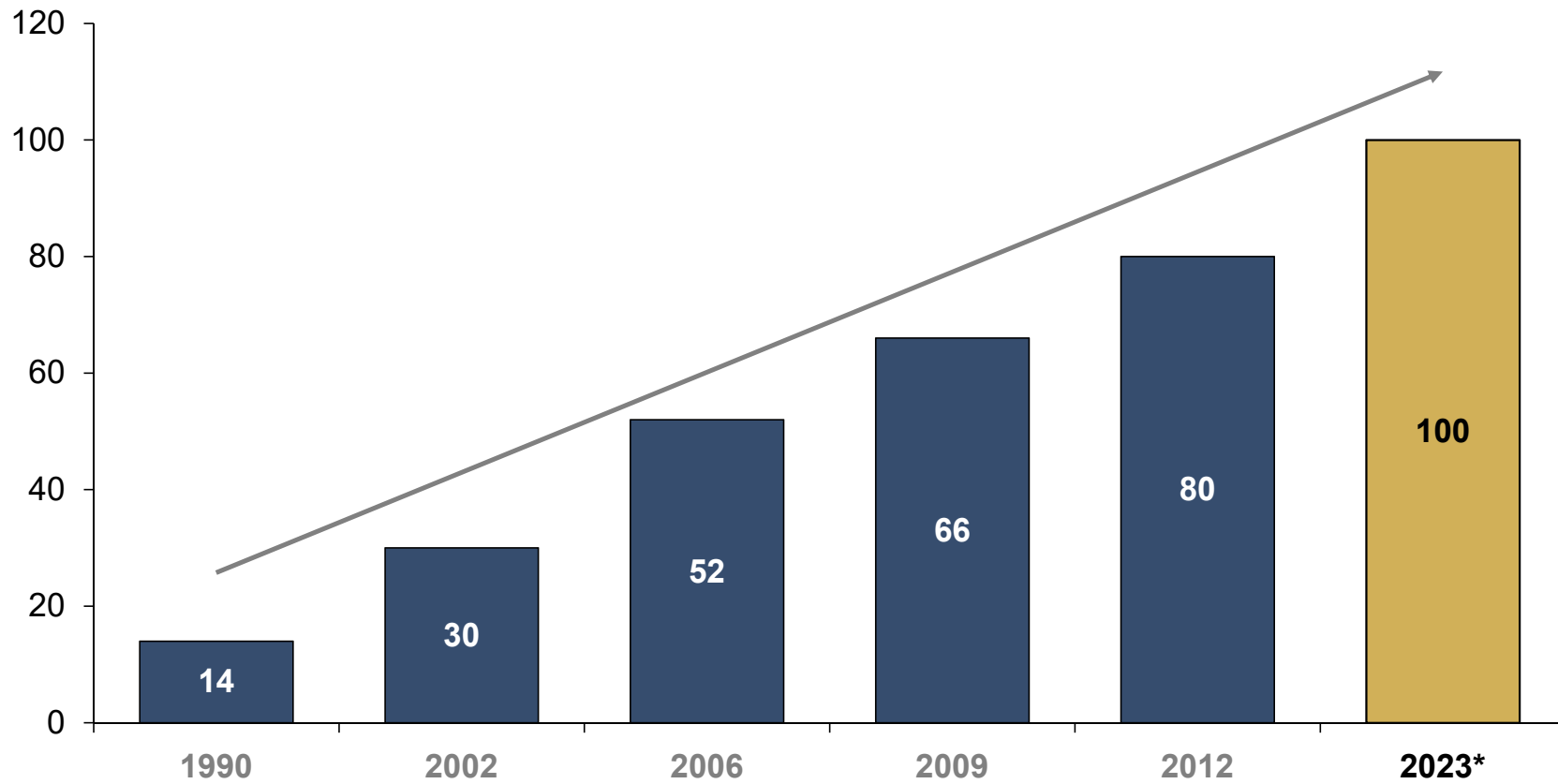
- A consumable for Electric Arc Furnaces (EAF) for Steel production
- Used as electrical conductors in Electric Arc Furnaces to generate heat to melt steel scrap
- High-tech / High Entry Barrier – HEG the last new entrant in the world -1976
- EAF Steel emits one fourth carbon in the environment as compared 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)

GE Capacity Build up

Capacity Fig. in 000'MT



* w.e.f. Nov 2023

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



TOP 10 Crude Steel - Producing Countries



| Crude Steel Production (mmt) | | First six month Y-o-Y | | | Q-o-Q Comparision | | |
|------------------------------|---------------|-----------------------|--------------|-------------|-------------------|--------------|-------------|
| Sr. No | Country | Jan-Jun'24 | Jan-Jun'23 | Y-o-Y (%) | Jan-Mar'24 | Apr-Jun'24 | Q-o-Q (%) |
| 1 | China | 530.6 | 536.5 | -1.1% | 256.2 | 270.4 | 5.5% |
| 2 | India | 74.2 | 69.0 | 6.9% | 37.6 | 36.6 | -2.6% |
| 3 | Japan | 42.7 | 43.8 | -2.7% | 21.5 | 21.2 | -1.0% |
| 4 | United States | 40.0 | 40.9 | -2.4% | 19.8 | 20.1 | 1.4% |
| 5 | Russia | 36.8 | 37.9 | -3.1% | 18.4 | 18.4 | -0.4% |
| 6 | South Korea | 31.5 | 33.7 | -6.8% | 16.1 | 15.4 | -4.5% |
| 7 | Germany | 19.4 | 18.5 | 4.3% | 9.7 | 9.7 | -0.5% |
| 8 | Iran | 16.6 | 15.7 | 5.6% | 7.6 | 9.0 | 18.6% |
| 9 | Turkey | 18.6 | 15.9 | 14.5% | 9.5 | 9.1 | -4.7% |
| 10 | Brazil | 16.4 | 16.0 | 2.3% | 8.2 | 8.2 | -0.8% |
| Total 71 countries | | 954.6 | 954.7 | 0.0% | 468.3 | 482.4 | 3.0% |
| World ex china | | 424.1 | 418.3 | 1.4% | 212.1 | 212.0 | 0.0% |

Source: World Steel Association. Estimates are subject to revision in the next update. The table above represents 71 countries,

1. Global crude steel production for H1 2024 remained flat at 954.6 mmt, unchanged from the same period last year.
2. India, the second-largest global steel producer, showed strong growth with production rising by 7.4% to 74.2 mmt
3. Steel production outside of China faces constraints due to subdued demand and geopolitical issues.
4. Chinese steel exports increased by 24% from Jan to Jun'2024 in comparison to the same period in 2023, reaching 53.4 mmt.
5. Supply-chain issues, like congestion and delays, are driven by geopolitical tensions. The threat from Yemen's Houthis has disrupted Suez Canal routes, forcing ships to reroute around Africa, adding weeks to transit times and reducing capacity, contributing to rising shipping costs.
6. China's transition to (EAF) steel production stagnates, leading to an oversupply of Chinese electrodes and price decline.
7. GE demand remained sluggish, and prices continued to be under pressure, situation likely to stagnate for another 2-3 quarters
8. Expected initiatives for steel industry decarbonization are set to increase demand for graphite electrodes, driven by the adoption of EAF steelmaking , resulting in additional demand of 200,000 tons approx. by 2030 (excl China)
9. Considering the irreversible process of decarbonization, we are optimistic about the growth of GE demand in the medium to long run.

Financial Results for the Quarter ended 30th June 2024 - Standalone

(In Rs. Cr.)



| Sl. No. | Particulars | Quarter Ended | | | Year Ended |
|---------|--|---------------|---------------|---------------|----------------|
| | | 30-06-2024 | 31-03-2024 | 30-06-2023 | 31-03-2024 |
| | | Unaudited | Audited | Unaudited | Audited |
| I | Revenue from operations | 571.46 | 546.90 | 671.43 | 2,394.90 |
| II | Other income | 20.44 | 64.31 | 26.12 | 141.67 |
| III | Total Income (I+II) | 591.90 | 611.21 | 697.55 | 2536.57 |
| IV | Expenses | | | | |
| | Cost of materials consumed | 231.16 | 234.78 | 308.40 | 1,093.00 |
| | Changes in inventories of finished goods and work-in-progress | - | - | - | - |
| | | 45.27 | 57.83 | (5.16) | 58.39 |
| | | - | - | - | - |
| | Employee benefit expenses | 23.73 | 25.19 | 23.84 | 94.80 |
| | Finance costs | 8.47 | 8.63 | 8.85 | 35.74 |
| | Depreciation and amortisation expense | 47.50 | 50.44 | 38.34 | 174.65 |
| | Power and fuel | 84.35 | 73.46 | 84.63 | 310.08 |
| | Other expenses | 148.16 | 112.27 | 108.30 | 454.67 |
| | Total expenses (IV) | 588.64 | 562.60 | 567.20 | 2221.33 |
| V | Profit/(loss) before exceptional items and tax (III-IV) | 3.26 | 48.61 | 130.35 | 315.24 |
| VI | Exceptional items | - | - | - | - |
| VII | Profit/(loss) before tax (V-VI) | 3.26 | 48.61 | 130.35 | 315.24 |

Financial Results for the Quarter ended 30th June 2024 - Standalone

(In Rs. Cr)



| Sl. No. | Particulars | Quarter Ended | | | Year Ended |
|-------------|---|---------------|--------------|---------------|---------------|
| | | 30-06-2024 | 31-03-2024 | 30-06-2023 | 31-03-2024 |
| | | Unaudited | Audited | Unaudited | Audited |
| VII | Profit/(loss) before tax (V-VI) | 3.26 | 48.61 | 130.35 | 315.24 |
| VIII | Tax expense | | | | |
| | (1) Current tax | 7.57 | 15.07 | 31.34 | 74.58 |
| | (2) Deferred tax | (6.89) | (1.61) | 1.45 | 9.12 |
| IX | Profit/(loss) for the period (VII-VIII) | 2.58 | 35.15 | 97.56 | 231.54 |
| X | Other comprehensive income | | | | |
| | A (i) Items that will not be classified to profit or loss | | | | |
| | - Remeasurement of employee defined benefit plan | - | 0.48 | - | 0.47 |
| | (ii) Tax expense relating to items that will not be reclassified to profit or loss | - | (0.12) | - | (0.12) |
| | B (i) Items that will be reclassified to profit or loss | - | - | - | - |
| | (ii) Tax relating to items that will be reclassified to profit or loss | - | - | - | - |
| XI | Total other comprehensive income for the period (IX+X) | 2.58 | 35.52 | 97.56 | 231.89 |
| XII | Paid -up equity share capital (face value ` 10/- per share) | 38.60 | 38.60 | 38.60 | 38.60 |
| XIII | Other equity (excluding revaluation reserves) | | | | 4106.48 |
| XIV | Earnings per share (₹) (for the quarter not annualised) | | | | |
| | - Basic (₹) | 0.67 | 9.11 | 25.28 | 59.99 |
| | - Diluted (₹) | 0.67 | 9.11 | 25.28 | 59.99 |

Financial Results for the Quarter ended 30th June 2024- Consolidated

(In Rs. Cr)



| Sl. No. | Particulars | Quarter Ended | | | Year Ended |
|---------|--|---------------|----------------------------|---------------|----------------|
| | | 30-06-2024 | 31-03-2024 | 30-06-2023 | 31-03-2024 |
| | | Unaudited | Audited (refer note 4) | Unaudited | Audited |
| I | Revenue from Operations | 571.46 | 546.90 | 671.43 | 2,394.90 |
| II | Other Income | 20.44 | 64.31 | 26.12 | 141.67 |
| III | Total Income (I+II) | 591.90 | 611.21 | 697.55 | 2536.57 |
| IV | Expenses | | | | |
| | Cost of materials consumed | 231.16 | 234.78 | 308.40 | 1,093.00 |
| | Changes in inventories of finished goods and work-in- progress | 45.27 | 57.83 | (5.16) | 58.39 |
| | Employee benefits expense | 23.82 | 25.26 | 24.03 | 95.27 |
| | Finance cost | 8.47 | 8.63 | 8.85 | 35.74 |
| | Depreciation and amortisation expense | 47.50 | 50.44 | 38.34 | 174.65 |
| | Power and Fuel | 84.35 | 73.46 | 84.63 | 310.08 |
| | Other Expenses | 148.17 | 112.78 | 108.36 | 455.73 |
| | Total expenses | 588.74 | 563.18 | 567.46 | 2222.86 |
| V | Profit/(Loss) before exceptional items and tax (III-IV) | 3.16 | 48.03 | 130.10 | 313.71 |
| VI | Exceptional Items | - | - | - | - |
| VII | Profit/(Loss) before Tax & Share of Profit/(Loss)of Associates (V-VI) | 3.16 | 48.03 | 130.10 | 313.71 |

Financial Results for the Quarter ended 30th June 2024- Consolidated

(In Rs. Cr)



| Sl. No. | Particulars | Quarter Ended | | | Year Ended |
|---------|--|---------------|---------------------------|---------------|---------------|
| | | 30-06-2024 | 31-03-2024 | 30-06-2023 | 31-03-2024 |
| | | Unaudited | Audited (refer note 4) | Unaudited | Audited |
| VII | Profit/(Loss) before Tax & Share of Profit/(Loss) of Associates (V-VI) | 3.16 | 48.03 | 130.10 | 313.71 |
| VIII | Share of Profit/ (Loss) of Associates | 20.57 | (1.66) | 41.82 | 81.66 |
| IX | Profit/(Loss) before Tax (VII+VIII) | 23.73 | 46.37 | 171.92 | 395.37 |
| X | Tax expense | | | | |
| | (1) Current Tax | 7.58 | 15.07 | 31.34 | 74.58 |
| | (2) Deferred Tax | (6.89) | (1.61) | 1.45 | 9.12 |
| XI | Profit/(Loss) for the period (IX-X) | 23.04 | 32.91 | 139.12 | 311.67 |
| XII | Other Comprehensive Income | | | | |
| | A (i) Items that will not be classified to profit or loss | | | | |
| | - Remeasurement of Employee Defined Benefit Plan | - | 0.48 | - | 0.47 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | - | (0.12) | - | (0.12) |
| | 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) | 0.02 | (0.04) | (0.11) |
| XIII | Total Comprehensive Income for the period (XI+XII) | 23.02 | 33.29 | 139.08 | 311.91 |
| XIV | Paid -Up Equity Share Capital (Face Value ` 10/- per share) | 38.60 | 38.60 | 38.60 | 38.60 |
| XV | Other Equity (Excluding Revaluation Reserves) | | | | 4387.34 |
| XVI | Earnings Per Share (₹) (For the quarter not annualised) | | | | |
| | - Basic (₹) | 5.97 | 8.53 | 36.05 | 80.75 |
| | - Diluted (₹) | 5.97 | 8.53 | 36.05 | 80.75 |

Financial Snapshot (Standalone)



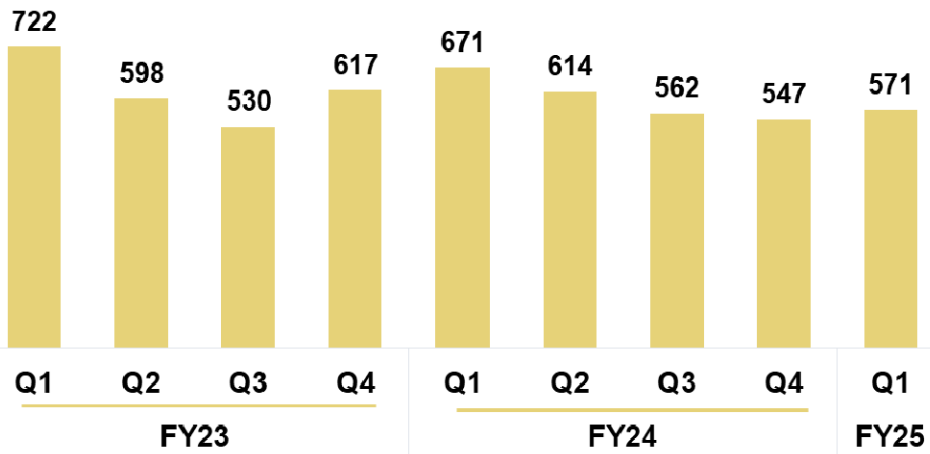
in Rs. cr (except EPS)

| PARTICULARS | FY 24-25 | FY | | |
|--------------------------|--------------|--------------|---------------|---------------|
| | Q1 | 23-24 | 22-23 | 21-22 |
| TOTAL INCOME | 592 | 2537 | 2576 | 2281 |
| EBITDA | 59 | 526 | 729 | 607 |
| EBIT | 12 | 351 | 626 | 527 |
| PAT | 3 | 232 | 456 | 391 |
| EPS | 0.67 | 59.99 | 118.02 | 101.20 |
| EBITDA Margin (%) | 10% | 21% | 28% | 27% |
| PAT Margin (%) | 0.44% | 9% | 18% | 17% |

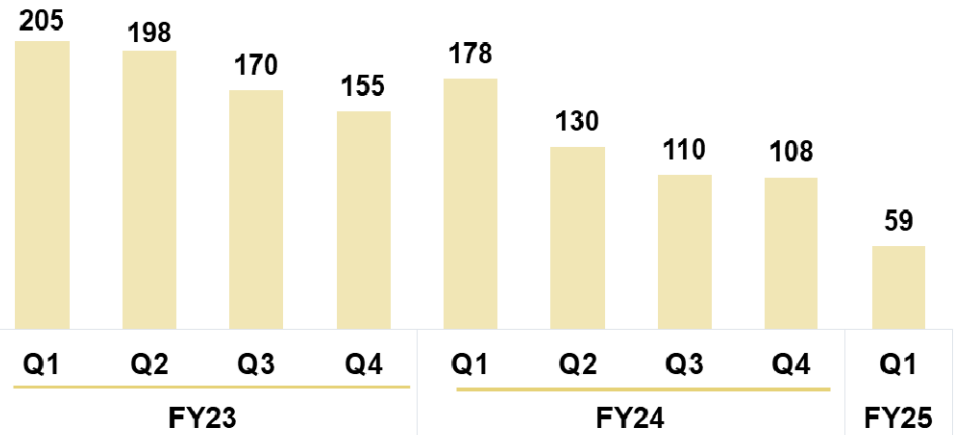
Quarterly Performance (Standalone)



Revenue from Operations (Rs. in crs.)



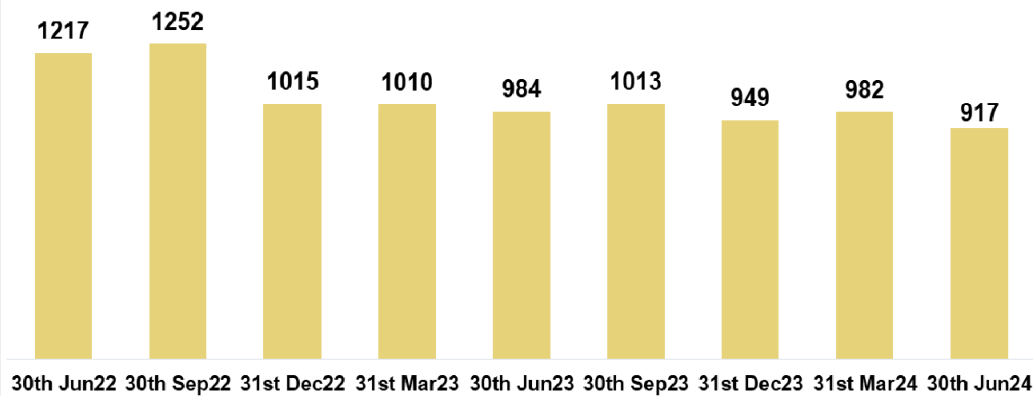
EBITDA (Rs. in crs.)



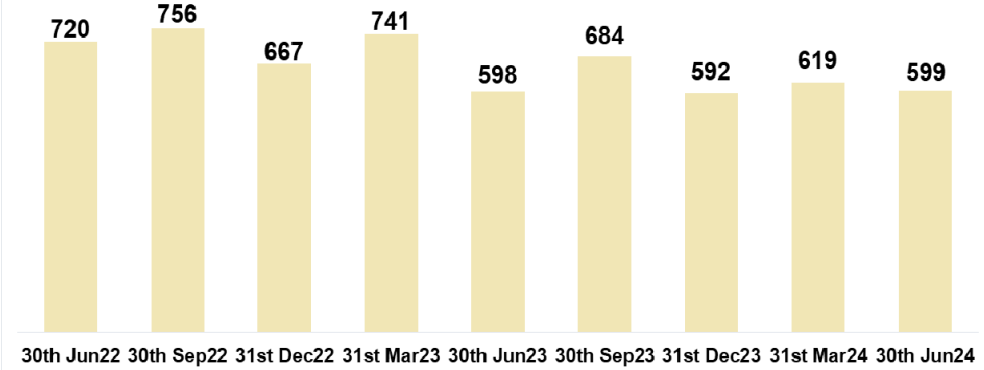
Investments and Borrowings (Standalone)



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 |
| Mr.Puneet Anand | : | CSO |

HEG Limited

Ph: +91 9910103865

Fax: +91 120 254 1575

Email: Manish.gulati@lnjbhilwara.com

Gulshan.sakhuja@lnjbhilwara.com

