



HEG/SECTT/2024

28th May, 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 Audited Financial Results of the Company for the quarter & year ended 31st March, 2024.

Dear Sir/Madam,

Please find enclosed a copy of Investors Presentation on the Audited Financial Results of the Company for the quarter & year ended 31st March, 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
M.No. A-13263
heg.investor@lnjbhilwara.com

Encl. as above

HEG LIMITED

Corporate Office:
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Noida - 201 301 (NCR-Delhi), India
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Fax: +91-120-4277841
GSTN No.: 09AAACH6184K2Z6
Website: www.lnjbhilwara.com

Regd. Office:
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(Madhya Pradesh), India
Tel.: +91-7480-405500, 233524 to 233527
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GSTN No.: 23AAACH6184K1ZH
Website: www.hegltd.com





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



HEG LIMITED
Investor Presentation



Performance Highlights
Q4 & FY 2023-24

Graphite Electrode (GE)



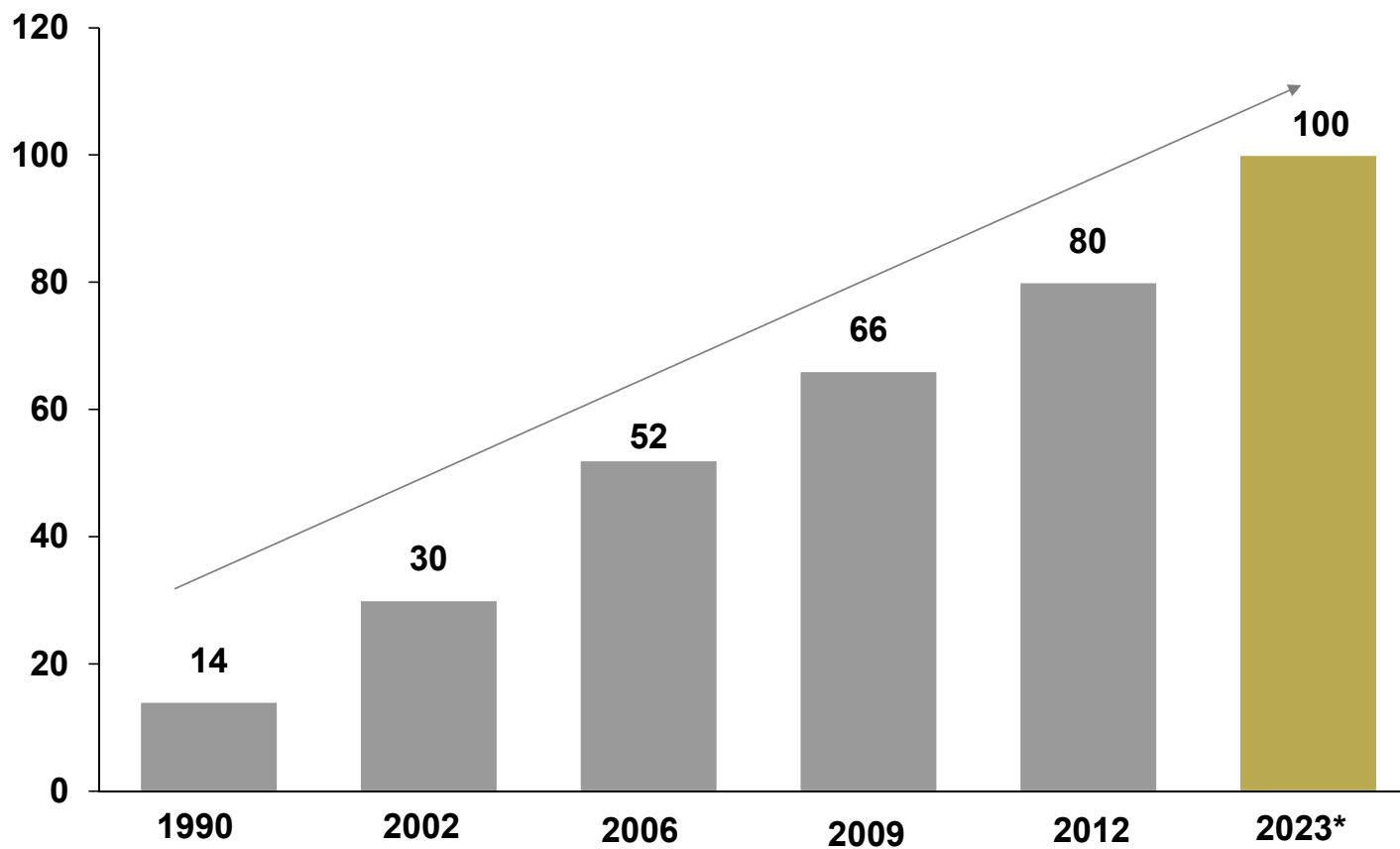
- A consumable for Electric Arc Furnaces (EAF) for Steel production
- Used as electrical conductors in Electric Arc Furnaces to generate heat to melt steel scrap
- High-tech / High Entry Barrier – HEG the last new entrant in the world -1976
- EAF Steel emits one fourth carbon in the environment as compared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

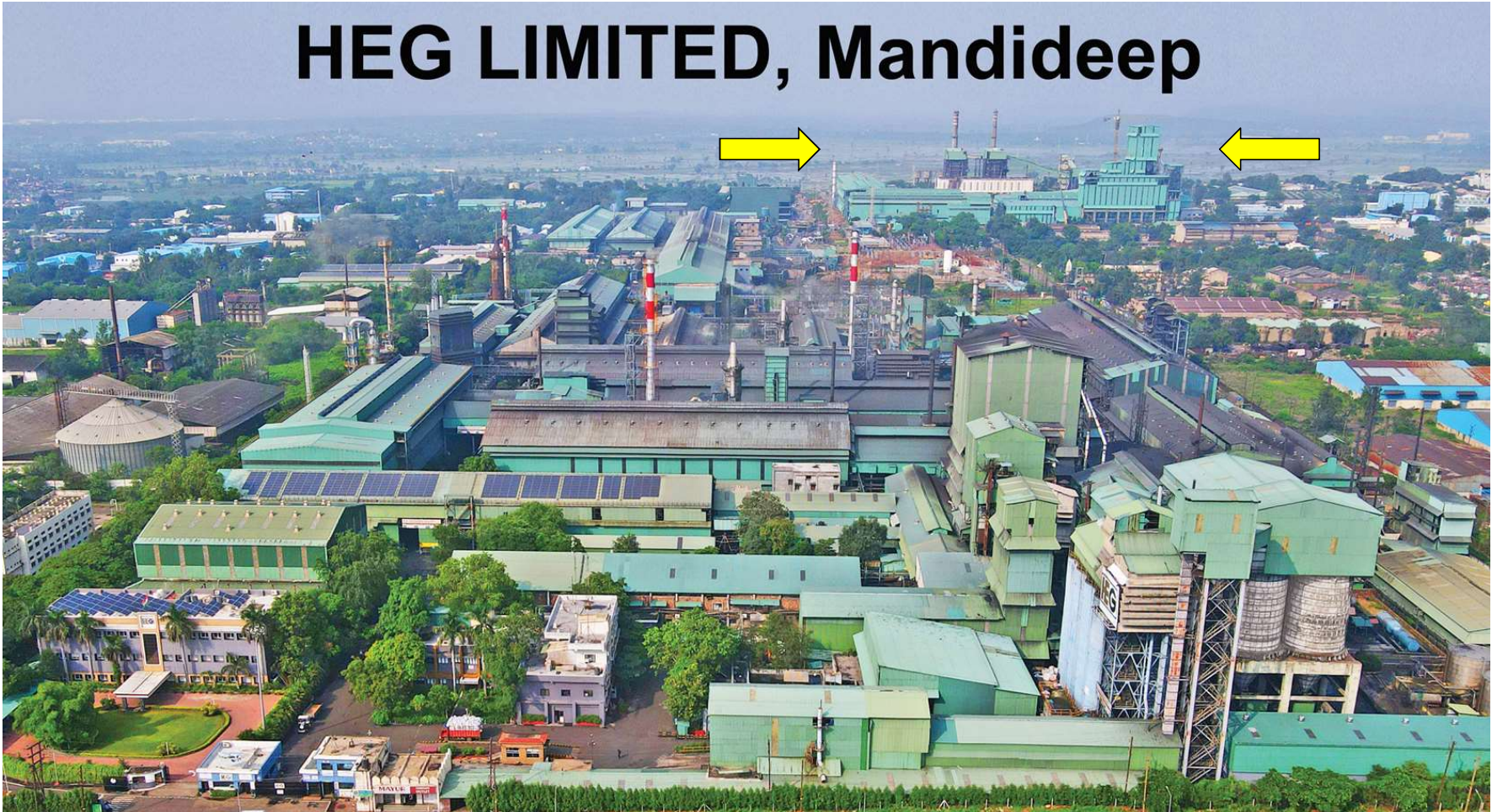


* w.e.f. Nov 2023

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



HEG LIMITED, Mandideep



TOP 10 Crude Steel - Producing Countries

Y-o-Y Comparison

| Sr. No | Country | Jan-Mar'23 | Jan-Mar'24 | Y-o-Y |
|------------|----------------|------------|------------|-------|
| 1 | China | 257.2 | 256.2 | -0.4% |
| 2 | India | 34.0 | 37.3 | 9.7% |
| 3 | Japan | 21.6 | 21.5 | -0.8% |
| 4 | United States | 20.3 | 19.9 | -1.6% |
| 5 | Russia | 18.7 | 18.7 | -0.2% |
| 6 | South Korea | 16.7 | 16.2 | -2.5% |
| 7 | Germany | 9.2 | 9.7 | 6.0% |
| 8 | Turkey | 7.4 | 9.5 | 28.4% |
| 9 | Brazil | 7.8 | 8.3 | 6.2% |
| 10 | Iran | 6.5 | 7.6 | 16.3% |
| Source WSA | World | 462.5 | 468.7 | 1.3% |
| | World ex China | 205.3 | 212.5 | 3.5% |

Q-o-Q Comparison

| Oct-Dec'23 | Jan-Mar'24 | Q-o-Q |
|------------|------------|--------|
| 222.6 | 256.2 | 15.1% |
| 36.4 | 37.3 | 2.4% |
| 21.6 | 21.5 | -0.7% |
| 20.1 | 19.9 | -0.8% |
| 18.8 | 18.7 | -0.9% |
| 16.3 | 16.2 | -0.1% |
| 8.2 | 9.7 | 18.2% |
| 9.2 | 9.5 | 3.7% |
| 7.9 | 8.3 | 5.4% |
| 9.1 | 7.6 | -16.0% |
| 431.8 | 468.7 | 8.6% |
| 209.2 | 212.5 | 1.6% |

WSA Steel Demand Forecast – Top steel consuming countries



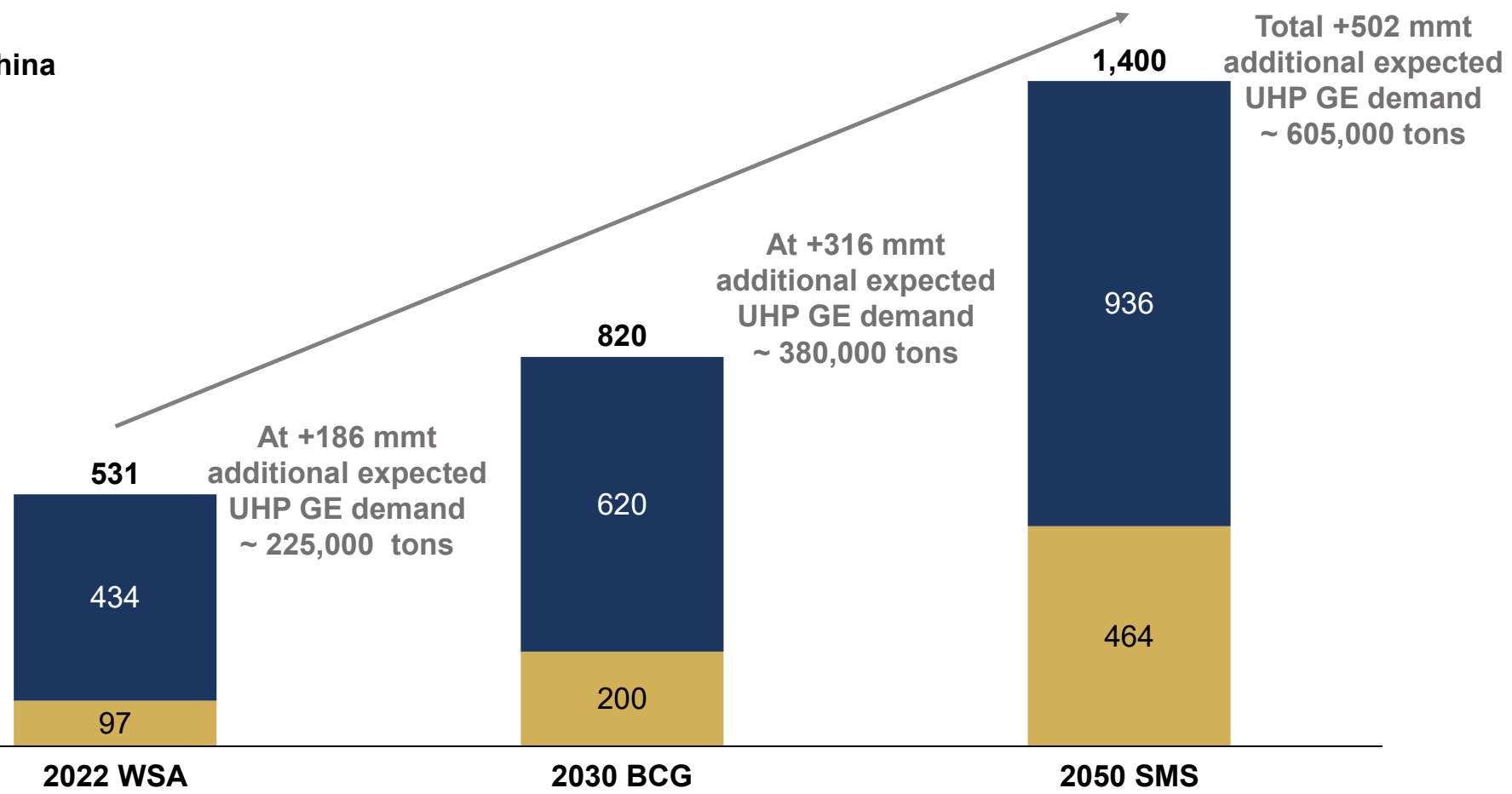
WSA projects a healthy, 3.5% y-o-y growth in steel demand, excluding China, for 2024 and 2025

| S.No | Country | million tonnes | | | y-o-y growth rates % | | |
|------------------------|------------------|----------------|---------------|---------------|----------------------|-------------|-------------|
| | | 2023 | 2024 (f) | 2025 (f) | 2023 | 2024 (f) | 2025 (f) |
| 1 | India | 133.4 | 144.3 | 156.0 | 14.8% | 8.2% | 8.2% |
| 2 | United States | 90.5 | 92.2 | 94.0 | -4.2% | 1.8% | 2.0% |
| 3 | South Korea | 54.7 | 54.3 | 54.4 | 6.7% | -0.8% | 2.0% |
| 4 | Japan | 53.3 | 53.3 | 53.9 | -3.0% | -0.1% | 1.1% |
| 5 | Russia | 44.6 | 46.4 | 46.4 | 7.0% | 4.0% | 0.0% |
| 6 | Türkiye | 38.1 | 41.5 | 39.4 | 17.2% | 9.0% | -5.0% |
| 7 | Mexico | 28.5 | 28.8 | 29.3 | 14.0% | 1.2% | 1.6% |
| 8 | Germany | 28.0 | 28.9 | 31.8 | -13.7% | 3.2% | 10.0% |
| 9 | Brazil | 23.9 | 24.1 | 24.5 | 1.5% | 1.0% | 1.6% |
| 10 | Others w/o China | 372.3 | 383.6 | 398.7 | 1.1% | 3.0% | 3.9% |
| World w/o China | | 867.3 | 897.4 | 928.4 | 1.3% | 3.5% | 3.5% |
| China | | 895.7 | 895.7 | 886.7 | -3.3% | 0.0% | -1.0% |
| World | | 1763.0 | 1793.1 | 1815.1 | -1.1% | 1.7% | 1.2% |

EAF Steel Forecast Trend – BCG / SMS Group (Net Zero Carbon Emissions) in million mt



■ EAF w/o China
■ EAF China



Source: BCG Report & SMS Group Report, HEG's Estimate

Financial Results for the Quarter & Year ended 31st Mar 2024 - Standalone

(in Rs. cr)



| Sl. No. | Particulars | Quarter Ended | | | Year Ended | |
|---------|--|---------------|---------------|---------------|-----------------|----------------|
| | | 31-03-2024 | 31-12-2023 | 31-03-2023 | 31-03-2024 | 31-03-2023 |
| | | Audited | Unaudited | Audited | Audited | Audited |
| I | Revenue from Operations | 546.90 | 562.40 | 616.88 | 2,394.90 | 2,467.24 |
| II | Other Income (refer note 4) | 64.31 | 23.22 | 31.35 | 141.67 | 109.14 |
| III | Total Income (I+II) | 611.21 | 585.62 | 648.23 | 2,536.57 | 2576.38 |
| IV | Expenses | | | | | |
| | Cost of materials consumed | 234.78 | 245.40 | 316.37 | 1,093.00 | 1,312.64 |
| | Changes in inventories of finished goods and work-in- progress | 57.83 | 34.17 | (48.16) | 58.39 | (397.49) |
| | Employee benefits expense | 25.19 | 22.77 | 24.50 | 94.80 | 91.83 |
| | Finance cost | 8.63 | 9.73 | 7.33 | 35.74 | 26.01 |
| | Depreciation and amortisation expense | 50.44 | 47.39 | 33.14 | 174.65 | 102.30 |
| | Power and Fuel | 73.46 | 73.58 | 73.79 | 310.08 | 315.90 |
| | Other Expenses | 112.27 | 99.75 | 126.60 | 454.67 | 524.71 |
| | Total expenses | 562.60 | 532.79 | 533.57 | 2,221.33 | 1975.90 |
| V | Profit/(Loss) before exceptional items and tax (III-IV) | 48.61 | 52.83 | 114.66 | 315.24 | 600.48 |
| VI | Exceptional Items | - | - | - | - | - |
| VII | Profit/(Loss) before Tax (V-VI) | 48.61 | 52.83 | 114.66 | 315.24 | 600.48 |

Financial Results for the Quarter & Year ended 31st Mar 2024 - Standalone

(in Rs. cr)



| Sl. No. | Particulars | Quarter Ended | | | Year Ended | |
|---------|---|---------------|--------------|---------------|---------------|---------------|
| | | 31-03-2024 | 31-12-2023 | 31-03-2023 | 31-03-2024 | 31-03-2023 |
| | | Audited | Unaudited | Audited | Audited | Audited |
| VII | Profit/(Loss) before Tax (V-VI) | 48.61 | 52.83 | 114.66 | 315.24 | 600.48 |
| VIII | Tax expense | | | | | |
| | (1) Current Tax | 15.07 | 11.31 | 28.21 | 74.58 | 154.25 |
| | (2) Deferred Tax | (1.61) | 4.44 | (2.78) | 9.12 | (9.29) |
| IX | Profit/(Loss) for the period (VII-VIII) | 35.15 | 37.08 | 89.23 | 231.54 | 455.51 |
| X | Other Comprehensive Income | | | | | |
| | A (i) Items that will not be classified to profit or loss | | | | | |
| | - Remeasurement of Employee Defined Benefit Plan | 0.48 | - | (0.47) | 0.47 | (0.83) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | (0.12) | - | 0.12 | (0.12) | 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) | 35.52 | 37.08 | 88.88 | 231.89 | 454.89 |
| XII | Paid -Up Equity Share Capital (Face Value Rs.10/- per share) | 38.60 | 38.60 | 38.60 | 38.60 | 38.60 |
| XIII | Other Equity (Excluding Revaluation Reserves) | | | | 4106.48 | 4038.63 |
| XIV | Earnings Per Share (Rs.) (For the quarter not annualised) | | | | | |
| | - Basic (Rs.) | 9.11 | 9.61 | 23.12 | 59.99 | 118.02 |
| | - Diluted (Rs.) | 9.11 | 9.61 | 23.12 | 59.99 | 118.02 |

Financial Results for the Quarter & Year ended 31st Mar 2024- Consolidated

(in Rs. cr)



| Sl. No. | Particulars | Quarter Ended | | | Year Ended | |
|---------|---|---------------|---------------|---------------|-----------------|----------------|
| | | 31-03-2024 | 31-12-2023 | 31-03-2023 | 31-03-2024 | 31-03-2023 |
| | | Audited | Unaudited | Audited | Audited | Audited |
| I | Revenue from Operations | 546.90 | 562.40 | 616.88 | 2,394.90 | 2,467.24 |
| II | Other Income (refer note 5) | 64.31 | 23.22 | 31.35 | 141.67 | 109.14 |
| III | Total Income (I+II) | 611.21 | 585.62 | 648.23 | 2,536.57 | 2576.38 |
| IV | Expenses | | | | | |
| | Cost of materials consumed | 234.78 | 245.40 | 316.37 | 1,093.00 | 1,312.64 |
| | Changes in inventories of finished goods and work-in- progress | 57.83 | 34.17 | (48.16) | 58.39 | (397.49) |
| | Employee benefits expense | 25.26 | 22.85 | 24.72 | 95.27 | 92.05 |
| | Finance cost | 8.63 | 9.73 | 7.33 | 35.74 | 26.01 |
| | Depreciation and amortisation expense | 50.44 | 47.39 | 33.14 | 174.65 | 102.30 |
| | Power and Fuel | 73.46 | 73.58 | 73.79 | 310.08 | 315.90 |
| | Other Expenses | 112.78 | 99.76 | 126.70 | 455.73 | 525.75 |
| | Total expenses | 563.18 | 532.88 | 533.90 | 2,222.86 | 1977.16 |
| V | Profit/(Loss) before exceptional items and tax (III-IV) | 48.03 | 52.74 | 114.33 | 313.71 | 599.22 |
| VI | Exceptional Items | - | - | - | - | - |
| VII | Profit/(Loss) before Tax & Share of Profit/(Loss) of Associates (V-VI) | 48.03 | 52.74 | 114.33 | 313.71 | 599.22 |
| VIII | Share of Profit/ (Loss) of Associates | (1.66) | 6.68 | 10.83 | 81.66 | 78.15 |
| IX | Profit/(Loss) before Tax (VII+VIII) | 46.37 | 59.42 | 125.17 | 395.37 | 677.37 |

Financial Results for the Quarter & Year ended 31st Mar 2024- Consolidated

(in Rs. cr)



| Sl. No. | Particulars | Quarter Ended | | | Year Ended | |
|-------------|--|---------------|--------------|---------------|---------------|---------------|
| | | 31-03-2024 | 31-12-2023 | 31-03-2023 | 31-03-2024 | 31-03-2023 |
| | | Audited | Unaudited | Audited | Audited | Audited |
| IX | Profit/(Loss) before Tax (VII+VIII) | 46.37 | 59.42 | 125.17 | 395.37 | 677.37 |
| X | Tax expense | | | | | |
| | (1) Current Tax | 15.07 | 11.31 | 28.22 | 74.58 | 154.25 |
| | (2) Deferred Tax | (1.61) | 4.44 | (2.78) | 9.12 | (9.29) |
| XI | Profit/(Loss) for the period (IX-X) | 32.91 | 43.67 | 99.72 | 311.67 | 532.40 |
| 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) | 0.47 | (0.83) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | (0.12) | - | 0.12 | (0.12) | 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 | (0.07) | (0.14) | (0.11) | (0.13) |
| XIII | Total Comprehensive Income for the period (XI+XII) | 33.29 | 43.60 | 99.23 | 311.91 | 531.65 |
| XIV | Paid -Up Equity Share Capital (Face Value Rs.10/- per share) | 38.60 | 38.60 | 38.60 | 38.60 | 38.60 |
| XV | Other Equity (Excluding Revaluation Reserves) | | | | 4387.34 | 4242.34 |
| XVI | Earnings Per Share (Rs.) (For the quarter not annualised) | | | | | |
| | - Basic (Rs.) | 8.53 | 11.32 | 25.84 | 80.75 | 137.95 |
| | - Diluted (Rs.) | 8.53 | 11.32 | 25.84 | 80.75 | 137.95 |

Financial Snapshot (Standalone)



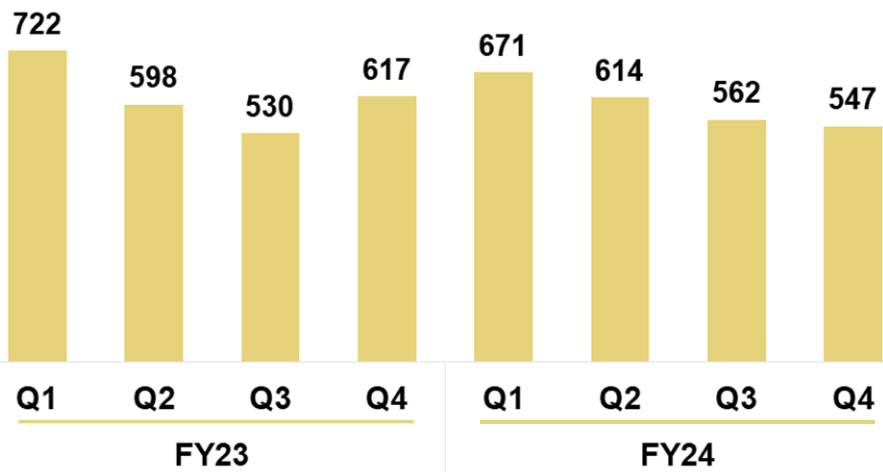
in Rs. cr (except EPS)

| PARTICULARS | FY | | | |
|--------------------------|--------------|---------------|---------------|---------------|
| | 23-24 | 22-23 | 21-22 | 20-21 |
| TOTAL INCOME | 2537 | 2576 | 2281 | 1369 |
| EBITDA | 526 | 729 | 607 | 54 |
| EBIT | 351 | 626 | 527 | (19) |
| PAT | 232 | 456 | 391 | (25) |
| EPS | 59.99 | 118.02 | 101.20 | (6.56) |
| EBITDA Margin (%) | 21% | 28% | 27% | 4% |
| PAT Margin (%) | 9% | 18% | 17% | (2%) |

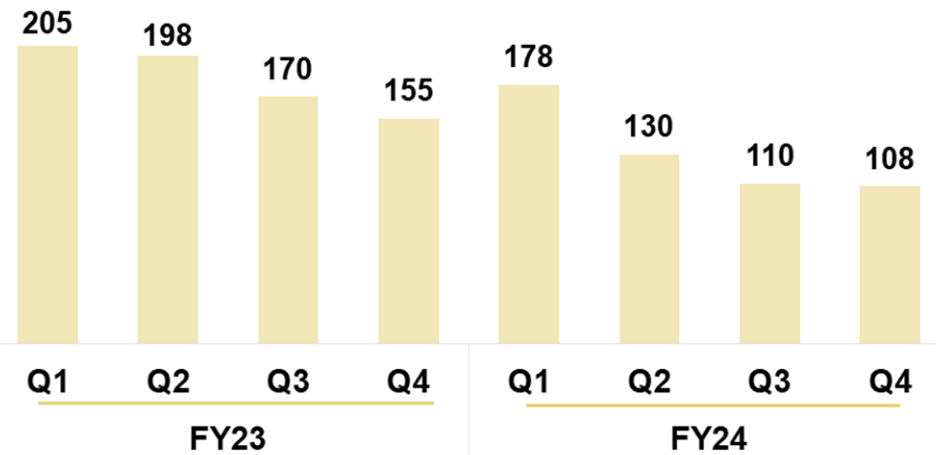
Quarterly Performance (Standalone)



Revenue from Operations (Rs. in crs.)



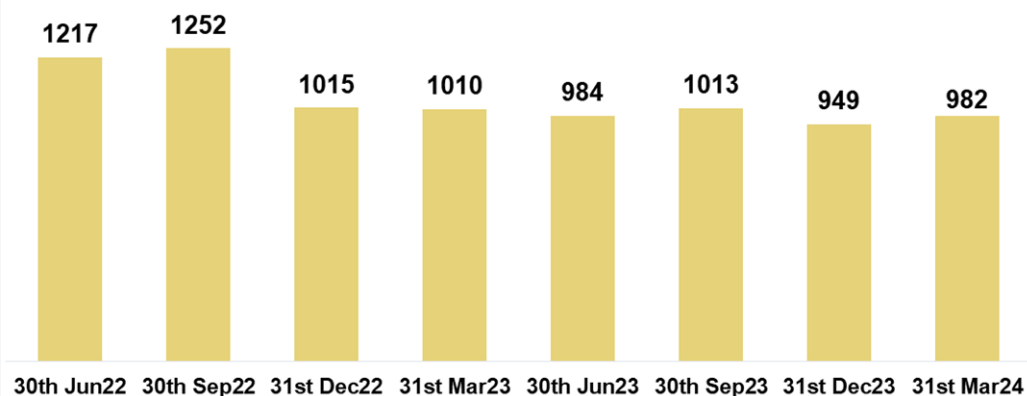
EBITDA (Rs. in crs.)



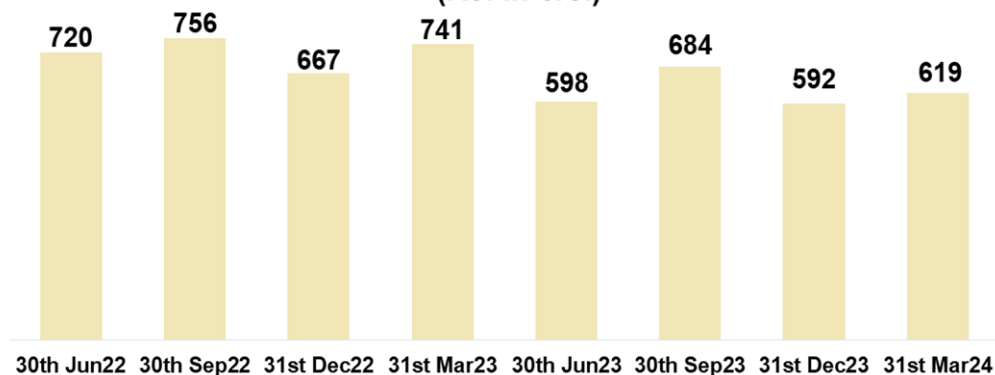
Investments and Borrowings (Standalone)



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 |
| Mr.Puneet Anand | : | CSO |

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