



HEG/SECTT/2023

20<sup>th</sup> February, 2023

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 Un-audited Financial Results of the Company for the quarter & nine months ended 31<sup>st</sup> December, 2022.**

Dear Sirs,

Please find enclosed a copy of Investors Presentation on the Un-audited Financial Results of the Company for the quarter & nine months ended 31<sup>st</sup> December, 2022 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:

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) Dist. Raissen - 462046  
(Madhya Pradesh), India  
Tel.: +91-7480-405500, 233524 to 233527  
Fax: +91-7480-233522  
GSTN No.: 23AAACH6184K1ZH  
Website: www.heg ltd.com





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



**HEG LIMITED**  
**Investor Presentation-Q3 FY23**  
**20<sup>th</sup> Feb, 2023**





- 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
- World production of Steel through EAF (w/o China) has gone up from 47% to 49% of total Steel - while China's production through EAF Steel is around 11% and is likely to go up to around 15-20% by 2025

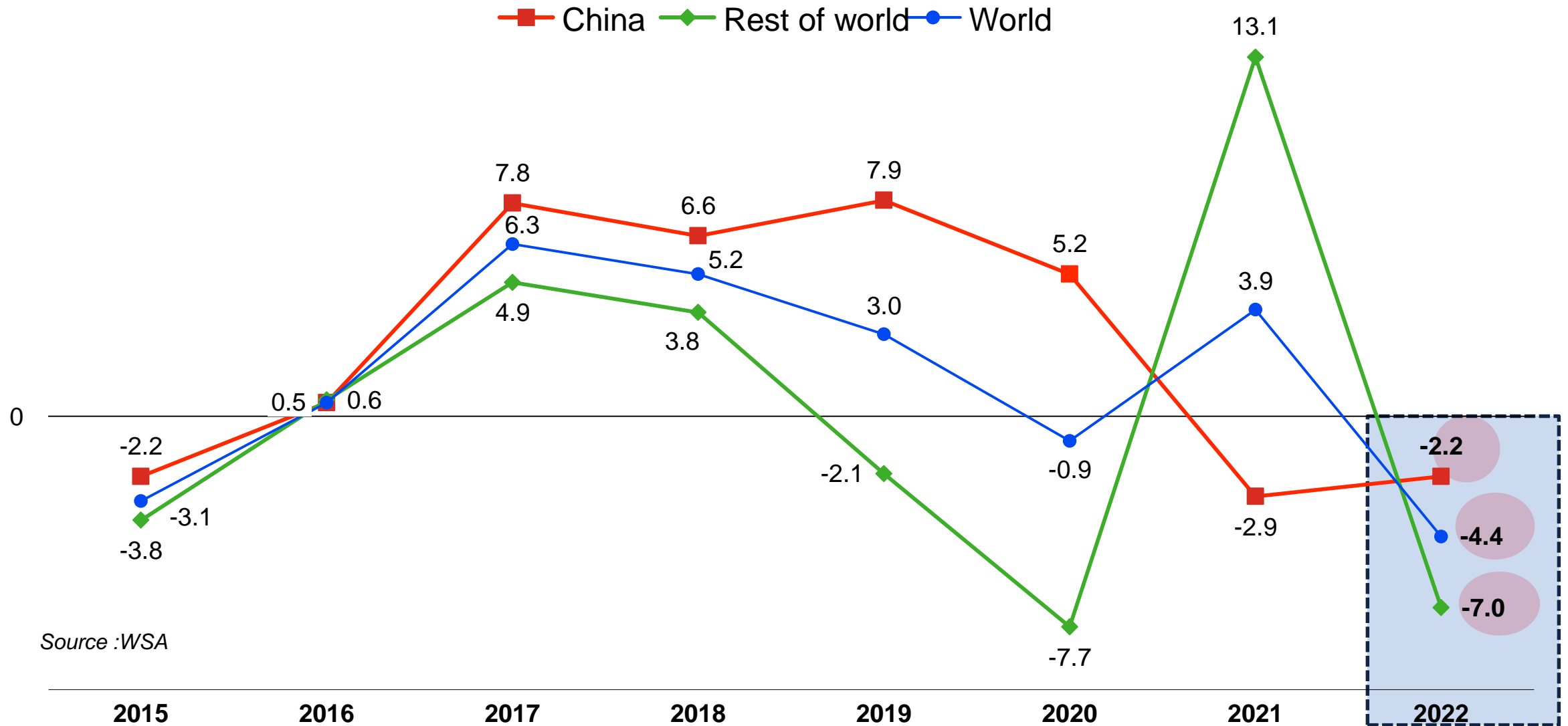


- Has been World's Largest Single Site Graphite Electrode Plant under one roof with a capacity of 80,000 tons pa
- On the verge of completing expansion to 100,000 tons in next 2 - 3 months (part of the new capacity already commissioned)
- Except ours, no additional capacity announced by any other company
- 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)

# HEG Limited - Plant View



# Crude Steel Production Annual Growth Trend (%)



Source : WSA

# TOP 10 CRUDE STEEL-PRODUCING COUNTRIES- 2022 vs 2021 (12 months)



Sr. No	Country	CY 21 (mmt)	CY 22 (mmt)	Change	2021/2022
1	China	1033.7	1010.8	-22.9	-2.2%
2	Iran	28.3	30.6	2.3	8.0%
	<b>Subtotal</b>	<b>1062.0</b>	<b>1041.4</b>	<b>-20.6</b>	<b>-1.9%</b>
3	India	118.2	124.7	6.5	5.5%
4	Japan	96.3	89.2	-7.1	-7.4%
5	United States	85.8	80.7	-5.1	-5.9%
6	Russia	77.0	71.5	-5.5	-7.2%
7	South Korea	70.4	65.9	-4.6	-6.5%
8	Germany	40.2	36.8	-3.4	-8.4%
9	Turkey	40.4	35.1	-5.2	-12.9%
10	Brazil	36.1	34.0	-2.1	-5.8%
	<b>Subtotal</b>	<b>564.4</b>	<b>538.0</b>	<b>-26.5</b>	<b>-4.7%</b>
<i>Source WSA</i>	World	1913.4	1829.3	-84.1	-4.4%
	<b>World ex (China+Iran)</b>	<b>851.4</b>	<b>787.9</b>	<b>-63.5</b>	<b>-7.5%</b>

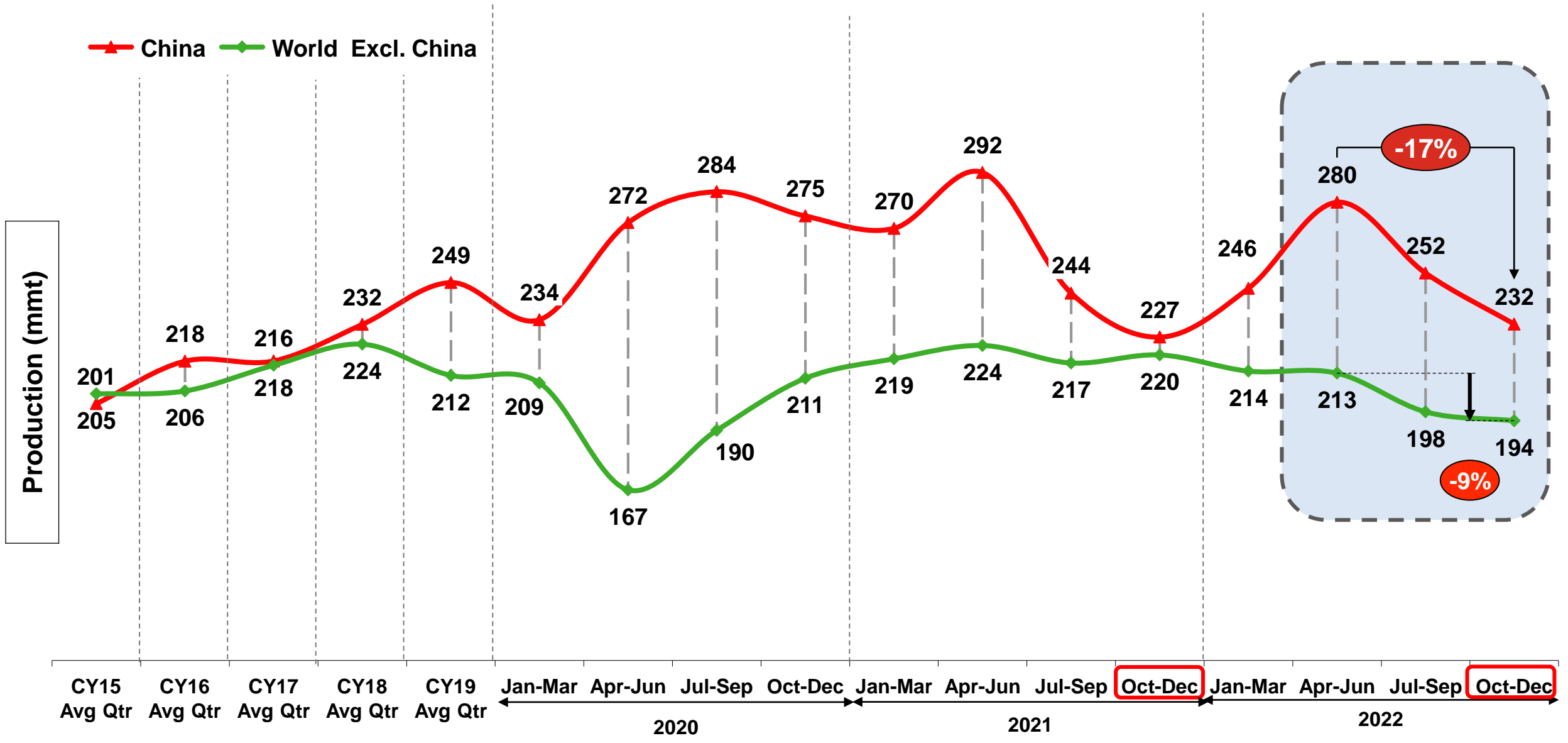
# TOP 10 CRUDE STEEL-PRODUCING COUNTRIES- Q4'2022 vs Q3'2022 (3 months)



Sr. No	Country	Jul-Sep22 (mmt)	Oct-Dec22 (mmt)	Change	Q3/Q4
1	China	252.3	232.2	-20.1	-8.0%
2	Iran	6.8	8.4	1.6	23.0%
	Subtotal	259.1	240.6	-18.5	-7.1%
3	India	30.0	31.4	1.4	4.7%
4	Japan	21.8	21.4	-0.4	-1.8%
5	United States	20.4	19.3	-1.1	-5.5%
6	Russia	17.5	16.9	-0.6	-3.3%
7	South Korea	16.7	15.2	-1.5	-9.0%
8	Germany	8.7	8.6	-0.1	-1.0%
9	Turkey	8.3	7.9	-0.4	-4.7%
10	Brazil	8.4	8.0	-0.4	-4.6%
	Subtotal	131.9	128.8	-3.1	-2.3%
Source WSA	World	449.8	426.4	-23.4	-5.2%
	World ex (China+Iran)	190.8	185.8	-4.9	-2.6%



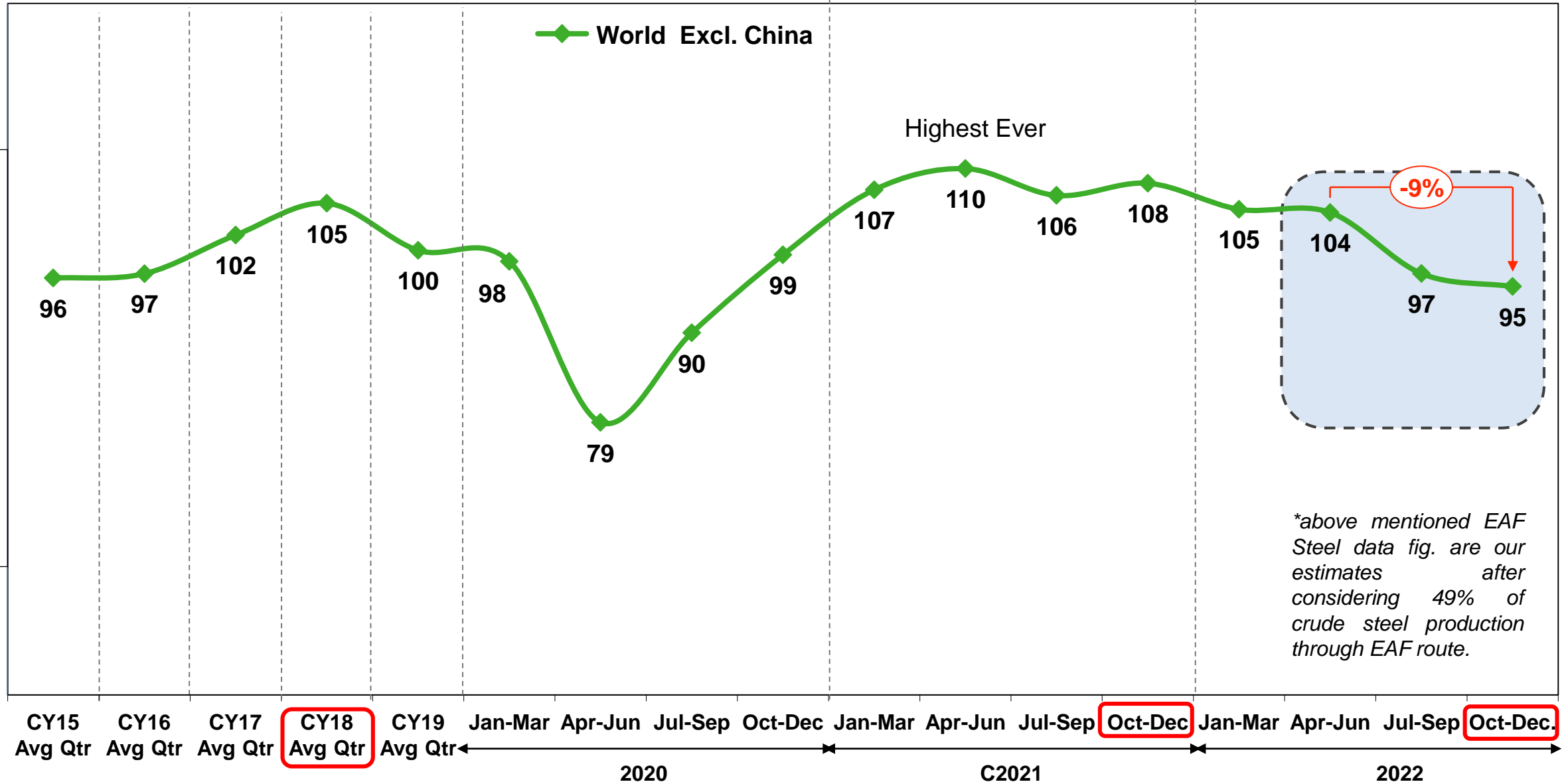
# World Crude Steel Production Quarters wise ( CY 15 – 22)



# ROW EAF Steel Production Quarters wise ( CY 15 – 22)



EAF STEEL Production (mmt)



- As per World Steel Association (WSA), Global Electric Arc Furnace (EAF) Steel production grew at a 4% CAGR between 2015 to 2022 (w/o China)
- EAF Steel production accounted for 49% in 2022 as compared to 44% in 2015 (w/o China)
- EAF Steel production emits 1/4<sup>th</sup> carbon as compared to similar Steel produced through BOF, leading to more and more Steel production through EAF in the future
- Based on various recent announcements coming from US and Europe, we expect EAF Steel capacity to keep increasing by about 3.5%- 4% CAGR between 2023-2030 (w/o China)
- Based on estimated EAF Steel production of 400 mmt in 2022 (w/o China) and considering a CAGR of around 3.5%, we expect EAF Steel production to grow to 527 mmt by 2030
- This would mean an additional demand of about 200,000 tons of UHP Electrodes worldwide

# Financials

# Financial Results for the Quarter ended 31<sup>st</sup> Dec 2022 Standalone

(in Rs. cr)



Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2022	30-09-2022	31-12-2021	31-12-2022	31-12-2021	31-03-2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operations	530.27	598.14	597.30	1,850.36	1,528.55	2,201.61
II	Other Income	36.89	19.57	14.74	77.79	62.15	79.55
III	<b>Total Income (I+II)</b>	<b>567.16</b>	<b>617.71</b>	<b>612.04</b>	<b>1,928.15</b>	<b>1,590.70</b>	<b>2281.16</b>
IV	<b>Expenses</b>						
	Cost of materials consumed	324.81	340.51	274.25	996.25	626.15	940.42
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	(141.64)	(159.89)	(60.64)	(349.33)	(41.16)	(111.41)
	Employee benefits expense	22.02	22.14	21.22	67.33	60.44	80.00
	Finance cost	7.77	6.88	4.17	18.68	6.49	7.49
	Depreciation and amortisation expense	24.99	23.17	21.05	69.17	57.90	79.29
	Power and Fuel	76.68	79.85	76.38	242.11	193.40	271.11
	Other Expenses	115.33	136.74	130.11	398.10	319.38	494.26
	<b>Total expenses</b>	<b>429.96</b>	<b>449.40</b>	<b>466.54</b>	<b>1,442.31</b>	<b>1,222.60</b>	<b>1761.16</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>137.20</b>	<b>168.31</b>	<b>145.50</b>	<b>485.84</b>	<b>368.10</b>	<b>520.00</b>
VI	Exceptional Items	-	-	-	-	-	-
VII	<b>Profit/(Loss) before Tax (V-VI)</b>	<b>137.20</b>	<b>168.31</b>	<b>145.50</b>	<b>485.84</b>	<b>368.10</b>	<b>520.00</b>

# Financial Results for the Quarter ended 31<sup>st</sup> Dec 2022 Standalone

(in Rs. cr)



Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2022	30-09-2022	31-12-2021	31-12-2022	31-12-2021	31-03-2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
VII	<b>Profit/(Loss) before Tax (V-VI)</b>	<b>137.20</b>	<b>168.31</b>	<b>145.50</b>	<b>485.84</b>	<b>368.10</b>	<b>520.00</b>
VIII	Tax expense						
	(1) Current Tax	37.58	33.16	37.30	126.04	90.52	129.56
	(2) Deferred Tax	(3.21)	5.25	(0.31)	(6.51)	0.25	(0.14)
IX	<b>Profit/(Loss) for the period (VII-VIII)</b>	<b>102.83</b>	<b>129.90</b>	<b>108.51</b>	<b>366.31</b>	<b>277.33</b>	<b>390.58</b>
X	<b>Other Comprehensive Income</b>						
	<b>A (i) Items that will not be reclassified to profit or loss</b>	-	(0.36)	-	(0.36)	(0.64)	(1.23)
	<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>	-	0.09	-	0.09	0.16	0.31
	<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 (IX+X)</b>	<b>102.83</b>	<b>129.63</b>	<b>108.51</b>	<b>366.04</b>	<b>276.85</b>	<b>389.66</b>
XII	<b>Paid -Up Equity Share Capital (Face Value Rs.10/- per share)</b>	38.60	38.60	38.60	38.60	38.60	38.60
XIII	<b>Other Equity (Excluding Revaluation Reserves)</b>						3738.12
XIV	<b>Earnings Per Share (₹) (not annualised)</b>						
	- Basic (Rs.)	26.64	33.66	28.11	94.91	71.86	101.20
	- Diluted (Rs.)	26.64	33.66	28.11	94.91	71.86	101.20

# Financial Results for the Quarter ended 31<sup>st</sup> Dec 2022 Consolidated

(in Rs. cr)



Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2022	30-09-2022	31-12-2021	31-12-2022	31-12-2021	31-03-2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operations	530.27	598.14	597.30	1,850.36	1,528.55	2,201.61
II	Other Income	36.89	19.57	14.74	77.79	62.15	79.55
III	<b>Total Income (I+II)</b>	<b>567.16</b>	<b>617.71</b>	<b>612.04</b>	<b>1,928.15</b>	<b>1,590.70</b>	<b>2,281.16</b>
IV	<b>Expenses</b>						
	Cost of materials consumed	324.81	340.51	274.25	996.25	626.15	940.42
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	(141.64)	(159.89)	(60.64)	(349.33)	(41.16)	(111.41)
	Employee benefits expense	22.02	22.14	21.22	67.33	60.44	80.00
	Finance cost	7.77	6.88	4.17	18.68	6.49	7.49
	Depreciation and amortisation expense	24.99	23.17	21.05	69.17	57.90	79.29
	Power and Fuel	76.68	79.85	76.38	242.11	193.40	271.11
	Other Expenses	116.27	136.74	130.11	399.05	319.38	494.26
	<b>Total expenses</b>	<b>430.90</b>	<b>449.40</b>	<b>466.54</b>	<b>1,443.26</b>	<b>1,222.60</b>	<b>1761.16</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>136.26</b>	<b>168.31</b>	<b>145.50</b>	<b>484.89</b>	<b>368.10</b>	<b>520.00</b>
VI	Exceptional Items	-	-	-	-	-	-
VII	<b>Profit/(Loss) before Tax &amp; Share of profit/loss of Associates</b>	<b>136.26</b>	<b>168.31</b>	<b>145.50</b>	<b>484.89</b>	<b>368.10</b>	<b>520.00</b>
VIII	Share of Profit/ (loss) of associates	2.81	39.04	4.97	67.28	24.45	40.47
IX	<b>Profit/(Loss) before Tax (VII+VIII)</b>	<b>139.07</b>	<b>207.35</b>	<b>150.47</b>	<b>552.17</b>	<b>392.55</b>	<b>560.47</b>

# Financial Results for the Quarter ended 31<sup>st</sup> Dec 2022 Consolidated

(in Rs. cr)



Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2022	30-09-2022	31-12-2021	31-12-2022	31-12-2021	31-03-2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
IX	<b>Profit/(Loss) before Tax (VII+VIII)</b>	<b>139.07</b>	<b>207.35</b>	<b>150.47</b>	<b>552.17</b>	<b>392.55</b>	<b>560.47</b>
X	Tax expense						
	(1) Current Tax	37.58	33.16	37.30	126.04	90.52	129.56
	(2) Deferred Tax	(3.21)	5.25	(0.31)	(6.51)	0.25	(0.14)
XI	<b>Net Profit/(Loss) for the period (IX-X)</b>	<b>104.70</b>	<b>168.93</b>	<b>113.48</b>	<b>432.64</b>	<b>301.78</b>	<b>431.05</b>
XII	<b>Other Comprehensive Income</b>						
	<b>A (i) Items that will not be reclassified to profit or loss</b>	-	(0.36)	-	(0.36)	(0.64)	(1.23)
	<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>	-	0.09	-	0.09	0.16	0.31
	<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>	-	-	-	-	-	-
	<b>C. Share of Other comprehensive Income of Associates</b>	(0.01)	-	0.06	0.01	0.15	0.01
XIII	<b>Total Comprehensive Income for the period (XI+XII)</b>	<b>104.69</b>	<b>168.66</b>	<b>113.54</b>	<b>432.38</b>	<b>301.45</b>	<b>430.14</b>
XIV	<b>Paid -Up Equity Share Capital ( Face Value Rs.10/- per share)</b>	38.60	38.60	38.60	38.60	38.60	38.60
XV	<b>Other Equity (Excluding Revaluation Reserves)</b>						3,875.04
XVI	<b>Earnings Per Share (₹) (not annualised)</b>						
	<b>- Basic (Rs.)</b>	27.13	43.77	29.40	112.10	78.19	111.68
	<b>- Diluted (Rs.)</b>	27.13	43.77	29.40	112.10	78.19	111.68



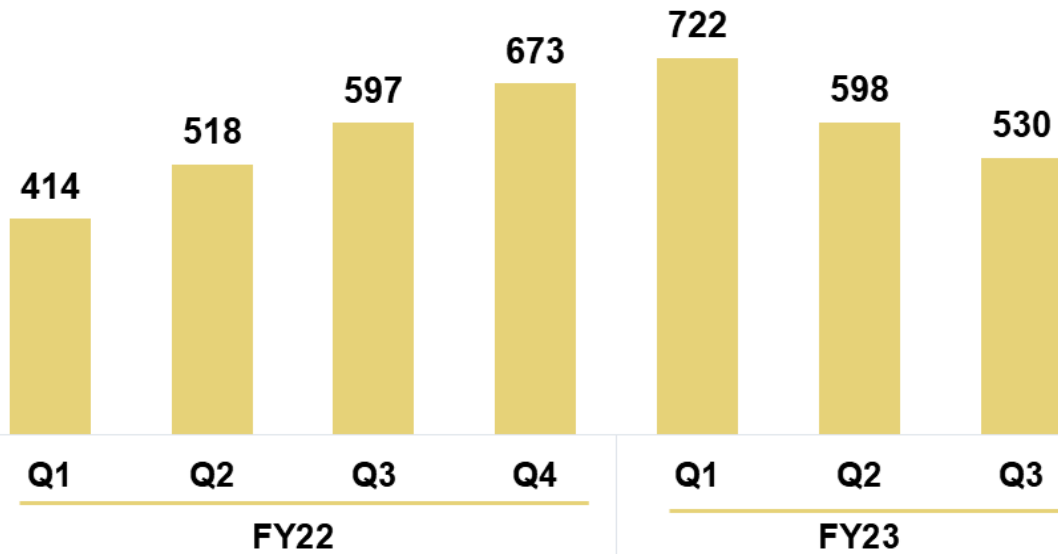
# Financial Snapshot (Standalone)



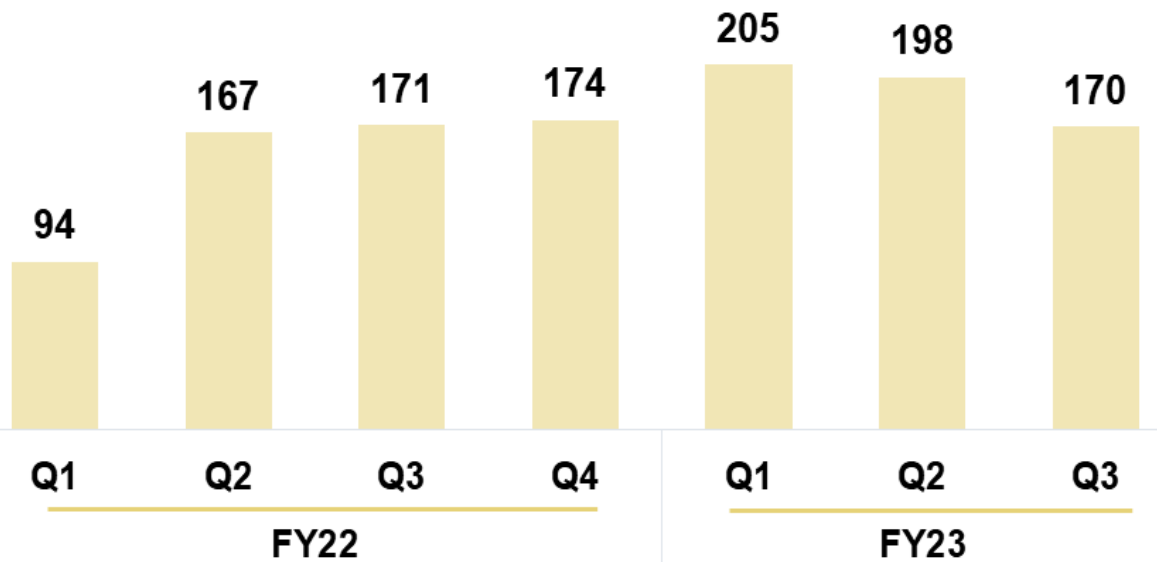
*in Rs. cr (except EPS)*

PARTICULARS	FY 22-23			FY		
	Q3	Q2	Q1	21-22	20-21	19-20
<b>TOTAL INCOME</b>	567	618	743	2281	1369	2293
<b>EBITDA</b>	170	198	205	607	54	138
<b>EBIT</b>	145	175	184	527	(19)	66
<b>PAT</b>	103	130	134	391	(25)	53
<b>EPS</b>	<b>26.64</b>	<b>33.66</b>	<b>34.61</b>	<b>101.20</b>	<b>(6.56)</b>	<b>13.83</b>
<b>EBITDA Margin (%)</b>	<b>30%</b>	<b>32%</b>	<b>28%</b>	<b>27%</b>	<b>4%</b>	<b>6%</b>
<b>PAT Margin (%)</b>	<b>18%</b>	<b>21%</b>	<b>18%</b>	<b>17%</b>	<b>(2%)</b>	<b>2%</b>

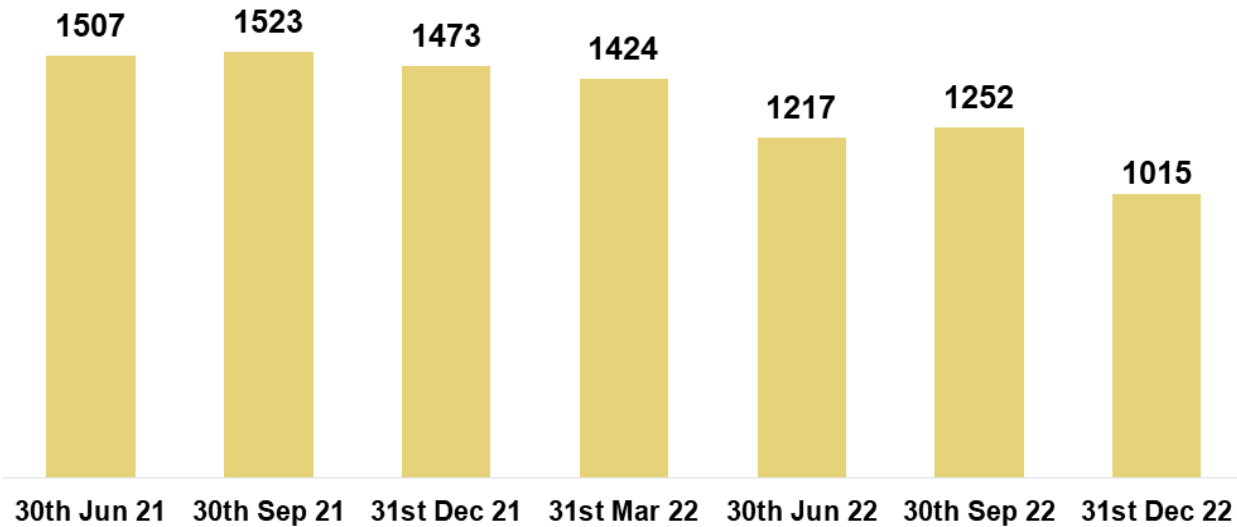
## Revenue from Operations (Rs. in crs.)



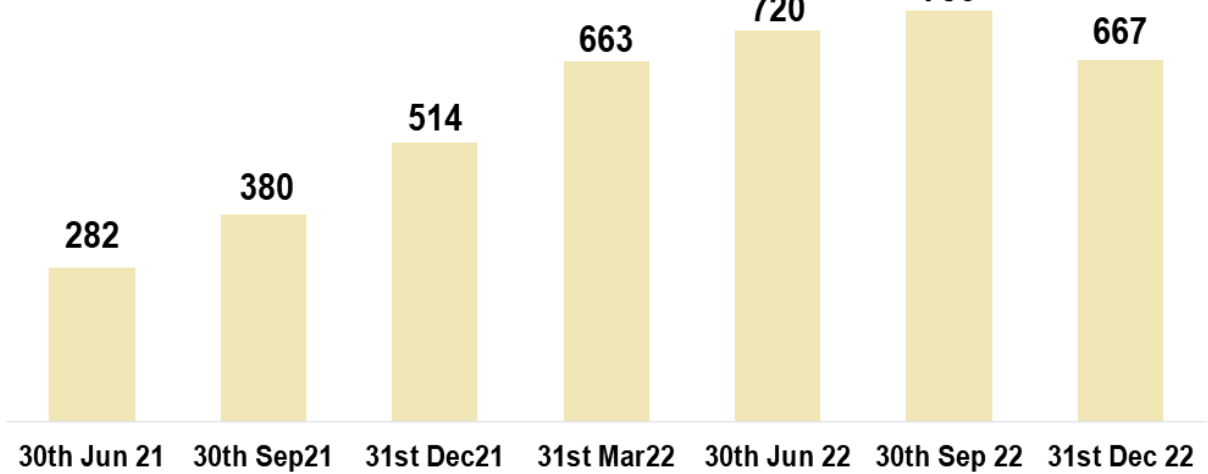
## EBITDA (Rs. in crs.)



**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 investment in Associates

# Thank You



For investor  
enquiries, please  
contact:

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Mr.Om Prakash Ajmera	:	Group CFO
Mr.Gulshan Kr.Sakhuja	:	CFO

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