



PROUD TO BE INDIAN  
PRIVILEGED TO BE GLOBAL

HEG/SECTT/2020

13<sup>th</sup> February, 2020

1	<b>BSE Limited</b> 25 <sup>th</sup> Floor, P J Towers Dalal Street MUMBAI - 400 001. Scrip Code : 509631	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. Scrip Code : HEG
---	--	---	--

**Sub: Investors presentation on the Unaudited Financial Results of the Company for the quarter & nine months period ended 31<sup>st</sup> December, 2019.**

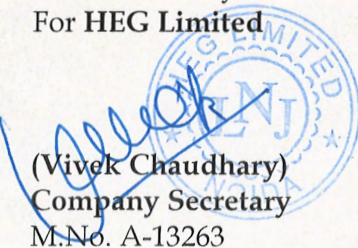
Dear Sirs,

Please find enclosed a copy of Investors Presentation on the Unaudited financial results of the Company for the quarter & nine months period ended 31<sup>st</sup> December, 2019 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 :

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

### Regd. Office :

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

ISO 9001  
BUREAU VERITAS  
Certification



ISO 14001  
BUREAU VERITAS  
Certification



Corporate Identification No.: L23109MP1972PLC008290



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



**Q3 FY20 - Investor Update Presentation**

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

Textiles



Graphite Electrodes



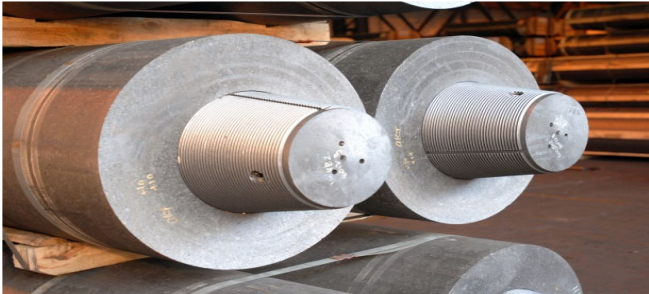
Power Generation &  
Power Consultancy



IT Enabled Services



# World's Largest Single Site Graphite Electrode Plant





- ❖ HEG Limited is a leading graphite electrode manufacturer & exporter Globally
- ❖ The company produces two grades of graphite electrodes - Ultra High Power (UHP) & High Power (HP)
  - used in producing steel through the Electric Arc Furnace (EAF) route.
- ❖ 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 per annum) 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)



## Highlights

- ❖ 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, Sabc, Gerdau, Ferroatlantica, Celsa etc.
- ❖ Capacity Expansion to 100,000 mt in next 24 months.

- ❖ GE- An indispensable material for Electric Arc Furnaces (EAF) for Steel production
- ❖ EAF accounts for approx 45% of total World Steel Production (Without China)
- ❖ High Entry Barrier – HEG the last new entrant in the world -1977
- ❖ State of the art manufacturing facility – due to constant expansions & investments
- ❖ Capable of producing 100% UHP Electrodes
- ❖ Facilities suitable for manufacturing up to 32” electrodes





## 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

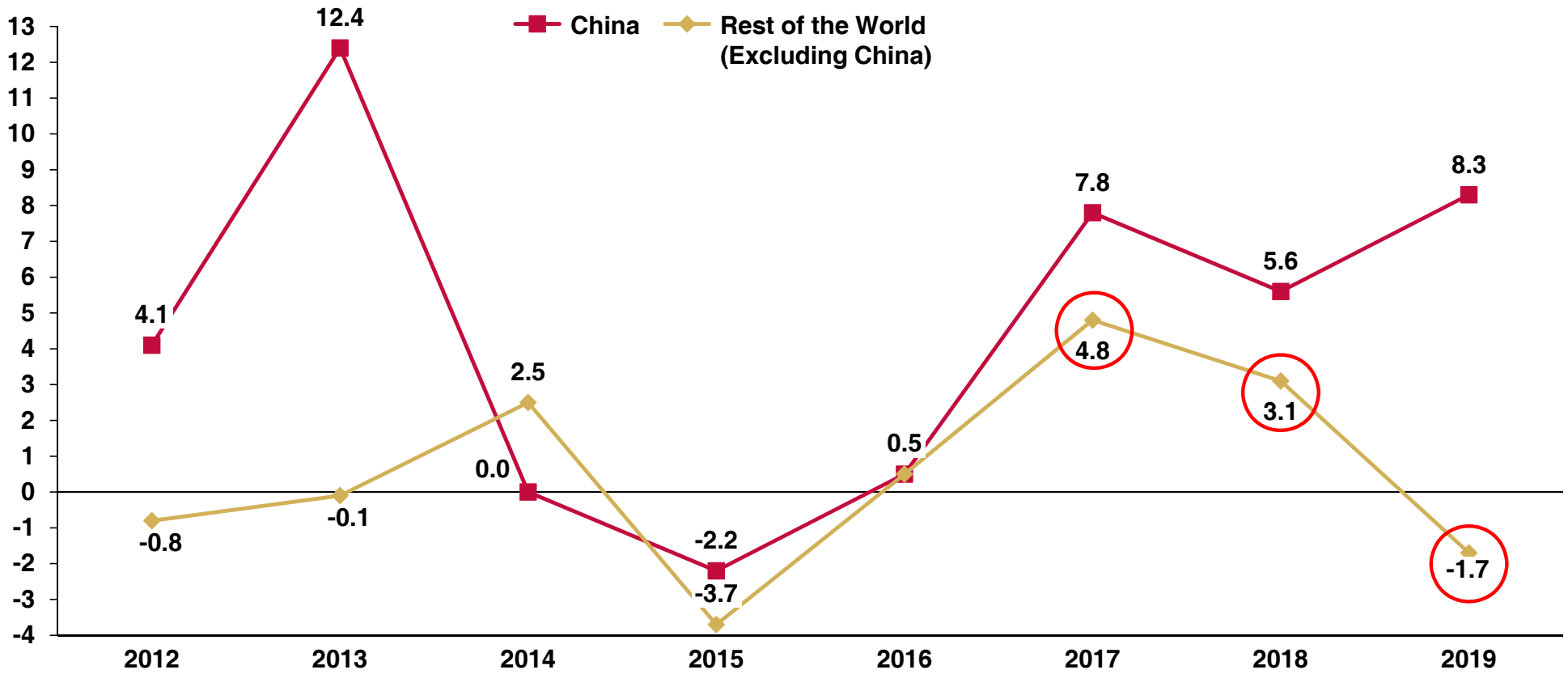




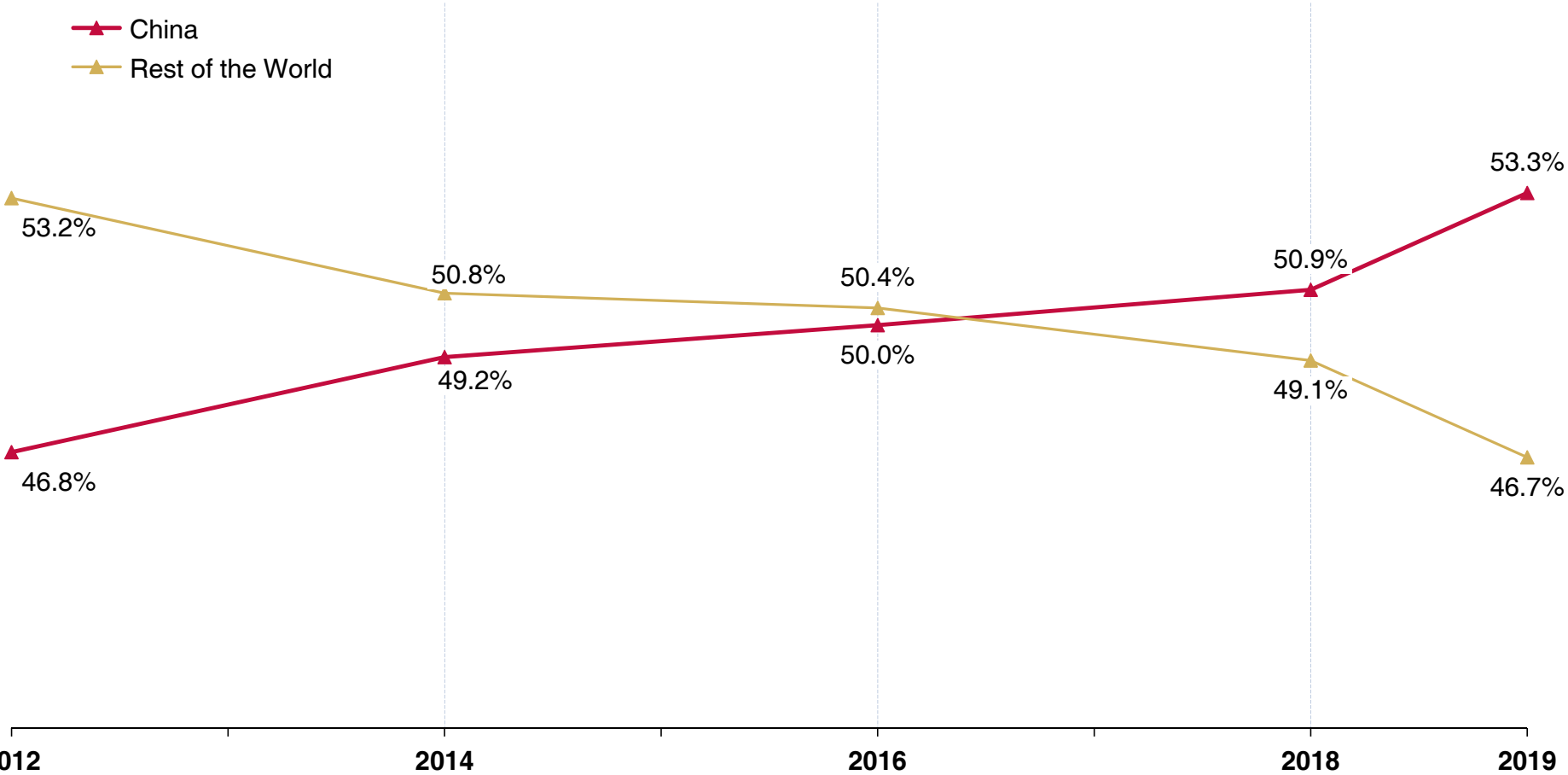
# WORLD CRUDE STEEL PRODUCTION



CRUDE STEEL PRODUCTION ANNUAL GROWTH TREND (%)



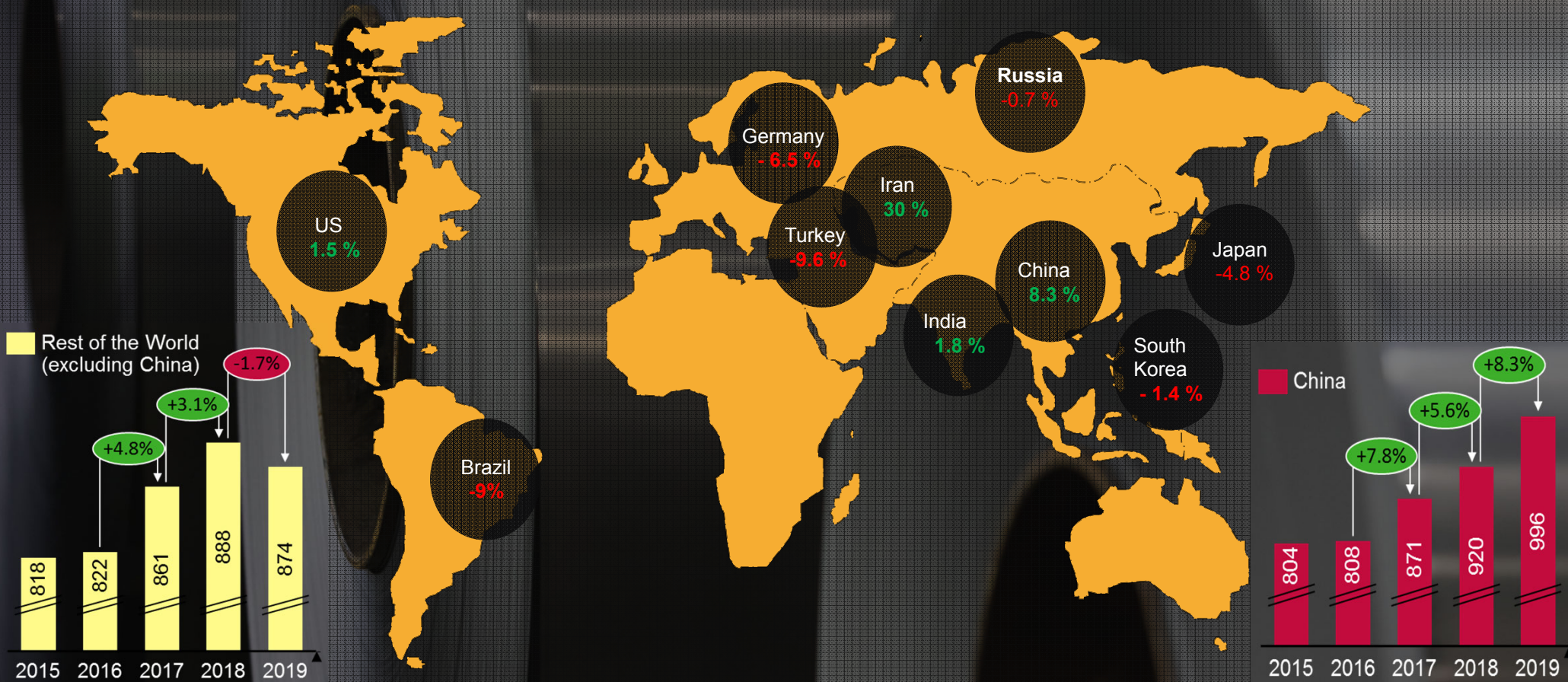
# China Continuously Increasing its share in Global Steel Market



# WORLD CRUDE STEEL(Including China) :- Jan- Dec ( 2019 vs 2018)



World Crude Steel Output Increased **3.4%** in CY-19 after increasing by **6.3 %** in CY 2017 & **4.4 %** in CY 2018



## Top 10 Crude Steel Producers- 2019/2018 (%)



### Top 10 Crude Steel-Producing Countries

Rank	Country	2018 (Mt)	2019 (Mt)	2018/2019 (%)
1	China	920.0	996.3	8.3
2	India	109.3	111.2	1.8
3	Japan	104.3	99.3	-4.8
4	United States	86.6	87.9	1.5
5	Russia	72.0	71.6	-0.7
6	South Korea	72.5	71.4	-1.4
7	Germany	42.4	39.7	-6.5
8	Turkey	37.3	33.7	-9.6
9	Brazil	35.4	32.2	-9.0
10	Iran	24.5	31.9	30.1

## Financial Snapshot (standalone)



*in Rs. Crore (except EPS)*

<b>PARTICULARS</b>	<b>Q3 FY20</b>	<b>Q2 FY20</b>	<b>Q1 FY20</b>	<b>Q3 FY19</b>	<b>FY19</b>
REVENUE FROM OPERATIONS	394	564	817	1865	6593
EBITDA*	32	174	387	1351	4767
EBIT	14	156	369	1332	4695
PAT	6	179	234	867	3050
EPS	1.54	46.39	60.73	216.93	763.60
EBITDA Margin (%)	8%	31%	47%	72%	72%
EBIT Margin (%)	4%	28%	45%	71%	71%
PAT Margin (%)	1.51%	32%	29%	46%	46%

\* EBITDA includes Other Income

# Profit & Loss for the period ended 31<sup>st</sup> December 2019 - Standalone

in Rs. Crores



Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operations	393.69	564.38	1,864.99	1,774.59	5,246.17	6,592.83
II	Other Income	27.28	35.03	37.20	101.46	66.91	109.19
III	<b>Total Revenue (I+II)</b>	<b>420.97</b>	<b>599.41</b>	<b>1,902.19</b>	<b>1,876.05</b>	<b>5,313.08</b>	<b>6,702.02</b>
IV	Expenses						
	Cost of materials consumed	261.01	334.17	456.70	1,089.52	1,147.88	1,611.84
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	7.28	(47.40)	(112.04)	(231.87)	(379.74)	(497.06)
	Employee benefits expense	17.48	23.38	56.58	69.35	154.58	197.57
	Finance cost	8.73	9.95	3.57	27.93	12.11	17.97
	Depreciation and amortisation expense	17.79	17.75	18.52	53.26	54.20	72.39
	Power and Fuel (Net of Interdivisional Purchases)	39.90	40.29	49.75	128.75	136.63	183.21
	Other Expenses	63.28	74.89	100.52	227.23	316.56	439.02
	<b>Total expenses (IV)</b>	<b>415.47</b>	<b>453.03</b>	<b>573.59</b>	<b>1,364.17</b>	<b>1,442.21</b>	<b>2,024.94</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>5.50</b>	<b>146.38</b>	<b>1,328.60</b>	<b>511.88</b>	<b>3,870.87</b>	<b>4,677.08</b>
VI	Exceptional Items	-	-	-	-	-	-
VII	<b>Profit/(Loss) before Tax (V-VI)</b>	<b>5.50</b>	<b>146.38</b>	<b>1,328.60</b>	<b>511.88</b>	<b>3,870.87</b>	<b>4,677.08</b>

# Profit & Loss for the period ended 31<sup>st</sup> December 2019 - Standalone

in Rs. Crores



Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
VIII	<b>Tax expense</b>						
	(1) Current Tax	(2.73)	1.55	458.78	120.60	1,340.37	1,619.35
	(2) Deferred Tax	2.29	(34.20)	2.99	(28.10)	4.48	7.30
IX	<b>Net Profit/(Loss) for the period (VII-VIII)</b>	<b>5.94</b>	<b>179.03</b>	<b>866.83</b>	<b>419.38</b>	<b>2,526.02</b>	<b>3,050.43</b>
X	<b>Other Comprehensive Income (Net of Taxes)</b>						
	<b>A (i) Items that will not be reclassified to profit or loss</b>	-	0.28	-	0.28	(1.17)	(0.98)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(0.07)	-	(0.07)	0.41	0.34
	<b>B (i) Items that will be reclassified to profit or loss</b>	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
XI	<b>Total Comprehensive Income for the period (IX + X)</b>	<b>5.94</b>	<b>179.24</b>	<b>866.83</b>	<b>419.59</b>	<b>2,525.26</b>	<b>3,049.79</b>
XII	<b>Paid -Up Equity Share Capital ( Face Value ₹ 10/- per share)</b>	<b>38.60</b>	<b>38.60</b>	<b>39.96</b>	<b>38.60</b>	<b>39.96</b>	<b>38.60</b>
XIII	<b>Reserves (Excluding Revaluation Reserves)</b>						<b>3,680.40</b>
XIV	<b>Earnings Per Share (₹) - Basic (Rs.)</b>	<b>1.54</b>	<b>46.39</b>	<b>216.93</b>	<b>108.66</b>	<b>632.15</b>	<b>763.60</b>
	- Diluted (Rs.)	1.54	46.39	216.93	108.66	632.15	763.60

# Profit & Loss for the period ended 31<sup>st</sup> December 2019 - Standalone

in Rs. Crores



SEGMENTWISE REVENUE, RESULTS, ASSETS AND SEGMENT LIABILITIES							
Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>A</b>	<b>Segment Revenue</b>						
	Graphite	387.13	559.55	1,858.24	1,759.29	5,238.47	6,582.28
	Power	6.56	22.45	35.37	53.57	92.09	121.47
	Others	0.00	-	0.00	0.00	0.01	0.01
	<b>Total</b>	<b>393.69</b>	<b>582.00</b>	<b>1,893.61</b>	<b>1,812.86</b>	<b>5,330.57</b>	<b>6,703.76</b>
	Less: Inter segment sales	-	17.62	28.62	38.27	84.40	110.93
	<b>Revenue from Operations</b>	<b>393.69</b>	<b>564.38</b>	<b>1,864.99</b>	<b>1,774.59</b>	<b>5,246.17</b>	<b>6,592.83</b>
<b>B</b>	<b>Segment Results</b>						
	Profit before tax and finance cost from each segment						
	Graphite	(7.93)	121.68	1,300.34	453.85	3,842.24	4,605.34
	Power	(0.69)	1.67	(2.99)	0.43	(15.40)	(17.62)
	Others	-	-	-	-	-	-
	<b>Total</b>	<b>(8.62)</b>	<b>123.35</b>	<b>1,297.35</b>	<b>454.28</b>	<b>3,826.84</b>	<b>4,587.72</b>
	<b>Add/Less:</b>						
	Interest Income	7.42	9.77	13.74	28.64	26.69	49.75
	Gain on sale of Investments( Including gain/(loss) on its Fair Valuation)	14.80	21.96	20.60	54.47	28.85	51.49
	Other Unallocable Income net of expenses	0.63	1.24	0.47	2.42	0.60	6.09
	Finance cost	(8.73)	(9.95)	(3.57)	(27.93)	(12.11)	(17.97)
	<b>Total Profit Before Tax</b>	<b>5.50</b>	<b>146.38</b>	<b>1,328.60</b>	<b>511.88</b>	<b>3,870.87</b>	<b>4,677.08</b>





SEGMENTWISE REVENUE, RESULTS, ASSETS AND SEGMENT LIABILITIES							
Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
C	<b>Segment Assets</b>						
	Graphite	3318.32	3655.26	3348.17	3318.32	3348.17	3479.11
	Power	111.24	118.47	160.87	111.24	160.87	143.13
	Unallocated / Others	1539.41	1461.57	1670.37	1539.41	1670.37	1447.43
	<b>Total Segment Assets</b>	<b>4968.97</b>	<b>5235.30</b>	<b>5179.41</b>	<b>4968.97</b>	<b>5179.41</b>	<b>5069.67</b>
D	<b>Segment Liabilities</b>						
	Graphite	933.78	1183.53	1106.60	933.78	1106.60	1120.62
	Power	10.39	10.92	35.51	10.39	35.51	9.62
	Unallocated / Others	118.87	140.87	88.81	118.87	88.81	220.44
	<b>Total Segment Liabilities</b>	<b>1063.04</b>	<b>1335.32</b>	<b>1230.92</b>	<b>1063.04</b>	<b>1230.92</b>	<b>1350.68</b>

# Profit & Loss for the period ended 31<sup>st</sup> December 2019 - Consolidated

in Rs. Crores



Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operations	393.69	564.38	1,864.99	1,774.59	5,246.17	6,592.83
II	Other Income	27.28	35.03	37.20	101.46	66.91	109.19
III	<b>Total Revenue (I+II)</b>	<b>420.97</b>	<b>599.41</b>	<b>1,902.19</b>	<b>1,876.05</b>	<b>5,313.08</b>	<b>6,702.02</b>
IV	Expenses						
	Cost of materials consumed	261.01	334.17	456.70	1,089.52	1,147.88	1,611.84
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	7.28	(47.40)	(112.04)	(231.87)	(379.74)	(497.06)
	Employee benefits expense	17.48	23.38	56.58	69.35	154.58	197.57
	Finance cost	8.73	9.95	3.57	27.93	12.11	17.97
	Depreciation and amortisation expense	17.79	17.75	18.52	53.26	54.20	72.39
	Power and Fuel (Net of Interdivisional Purchases)	39.90	40.29	49.75	128.75	136.63	183.21
	Other Expenses	63.28	74.89	100.52	227.23	316.56	439.02
	<b>Total expenses (IV)</b>	<b>415.47</b>	<b>453.03</b>	<b>573.59</b>	<b>1,364.17</b>	<b>1,442.21</b>	<b>2,024.94</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>5.50</b>	<b>146.38</b>	<b>1,328.60</b>	<b>511.88</b>	<b>3,870.87</b>	<b>4,677.08</b>
VI	Exceptional Items	-	-	-	-	-	-
VII	<b>Profit/(Loss) before Tax (V-VI)</b>	<b>5.50</b>	<b>146.38</b>	<b>1,328.60</b>	<b>511.88</b>	<b>3,870.87</b>	<b>4,677.08</b>

## Profit & Loss for the period ended 31<sup>st</sup> December 2019 - Consolidated

in Rs. Crores



Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
VIII	Tax expense						
	(1) Current Tax	(2.73)	1.55	458.78	120.60	1,340.37	1,619.35
	(2) Deferred Tax	2.29	(34.20)	2.99	(28.10)	4.48	7.30
IX	Share of Profit/ (loss) of associates	(7.17)	23.30	(1.38)	25.22	17.87	(24.27)
X	Net Profit/(Loss) for the period (VII-VIII +IX)	(1.23)	202.34	865.45	444.60	2,543.89	3,026.16
XI	Other Comprehensive Income (Net of Taxes)						
	A (i) Items that will not be reclassified to profit or loss	-	0.28	-	0.28	(1.17)	(0.98)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(0.07)	-	(0.07)	0.41	0.34
	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	(0.01)	(0.02)	(0.02)	(0.02)	0.02	0.05
XII	Total Comprehensive Income for the period (X + IX)	(1.24)	202.53	865.43	444.79	2,543.15	3,025.57
XIII	Paid -Up Equity Share Capital ( Face Value ₹ 10/- per share)	38.60	38.60	39.96	38.60	39.96	38.60
XIV	Reserves (Excluding Revaluation Reserves)						3,680.40
XV	Earnings Per Share (₹) - Basic (Rs.)	(0.32)	52.42	216.58	115.19	636.61	757.53
	- Diluted (Rs.)	(0.32)	52.42	216.58	115.19	636.61	757.53

# Profit & Loss for the period ended 31<sup>st</sup> December 2019 - Consolidated

in Rs. Crores



SEGMENTWISE REVENUE, RESULTS, ASSETS AND SEGMENT LIABILITIES							
Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>A</b>	<b>Segment Revenue</b>						
	Graphite	387.13	559.55	1,858.24	1,759.29	5,238.47	6,582.28
	Power	6.56	22.45	35.37	53.57	92.09	121.47
	Others	0.00	-	0.00	0.00	0.01	0.01
	<b>Total</b>	<b>393.69</b>	<b>582.00</b>	<b>1,893.61</b>	<b>1,812.86</b>	<b>5,330.57</b>	<b>6,703.76</b>
	Less: Inter segment sales	-	17.62	28.62	38.27	84.40	110.93
	<b>Revenue from Operations</b>	<b>393.69</b>	<b>564.38</b>	<b>1,864.99</b>	<b>1,774.59</b>	<b>5,246.17</b>	<b>6,592.83</b>
<b>B</b>	<b>Segment Results</b>						
	Profit before tax and finance cost from each segment						
	Graphite	(7.93)	121.68	1,300.34	453.85	3,842.24	4,605.34
	Power	(0.69)	1.67	(2.99)	0.43	(15.40)	(17.62)
	Others	-	-	-	-	-	-
	<b>Total</b>	<b>(8.62)</b>	<b>123.35</b>	<b>1,297.35</b>	<b>454.28</b>	<b>3,826.84</b>	<b>4,587.72</b>
	<b>Add/Less:</b>						
	Interest Income	7.42	9.77	13.74	28.64	26.69	49.75
	Gain on sale of Investments( Including gain/(loss) on its Fair Valuation)	14.80	21.96	20.60	54.47	28.85	51.49
	Other Unallocable Income net of expenses	0.63	1.24	0.47	2.42	0.60	6.09
	Finance cost	(8.73)	(9.95)	(3.57)	(27.93)	(12.11)	(17.97)
	<b>Total Profit Before Tax</b>	<b>5.50</b>	<b>146.38</b>	<b>1,328.60</b>	<b>511.88</b>	<b>3,870.87</b>	<b>4,677.08</b>



**SEGMENTWISE REVENUE, RESULTS, ASSETS AND SEGMENT LIABILITIES**

Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
C	<b>Segment Assets</b>						
	Graphite	3318.32	3655.26	3348.17	3318.32	3348.17	3479.11
	Power	111.24	118.47	160.87	111.24	160.87	143.13
	Unallocated / Others	1639.29	1568.63	1787.17	1639.29	1787.17	1522.12
	<b>Total Segment Assets</b>	<b>5068.85</b>	<b>5342.36</b>	<b>5296.21</b>	<b>5068.85</b>	<b>5296.21</b>	<b>5144.36</b>
D	<b>Segment Liabilities</b>						
	Graphite	933.78	1183.53	1106.60	933.78	1106.60	1120.62
	Power	10.39	10.92	35.51	10.39	35.51	9.62
	Unallocated / Others	118.87	140.87	88.81	118.87	88.81	220.44
	<b>Total Segment Liabilities</b>	<b>1063.04</b>	<b>1335.32</b>	<b>1230.92</b>	<b>1063.04</b>	<b>1230.92</b>	<b>1350.68</b>

# Thank You



Ms.Dimple Momaya

[heg@adfactorspr.com](mailto:heg@adfactorspr.com)

+91 98207 62036

Mr.Manish Gulati, COO & CMO

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)