



PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

HEG/SECTT/2020

17th November, 2020

1	BSE Limited 25 th Floor, 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, 2020.

Dear Sirs,

Please find enclosed a copy of Investors Presentation on the unaudited Financial Results of the Company for the quarter & half year ended 30th September, 2020 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
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Encl: as above

HEG LIMITED



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Fax : +91-7480-233522
Website : www.heg ltd.com



Corporate Identification No.: L23109MP1972PLC008290



**PROUD TO BE INDIAN
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HEG LIMITED
Investor Presentation

Performance Highlights
Q2 of FY 2020-21

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
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THE FAMILY TREE

IT Enabled Services

Buds flower in our service sector offerings.

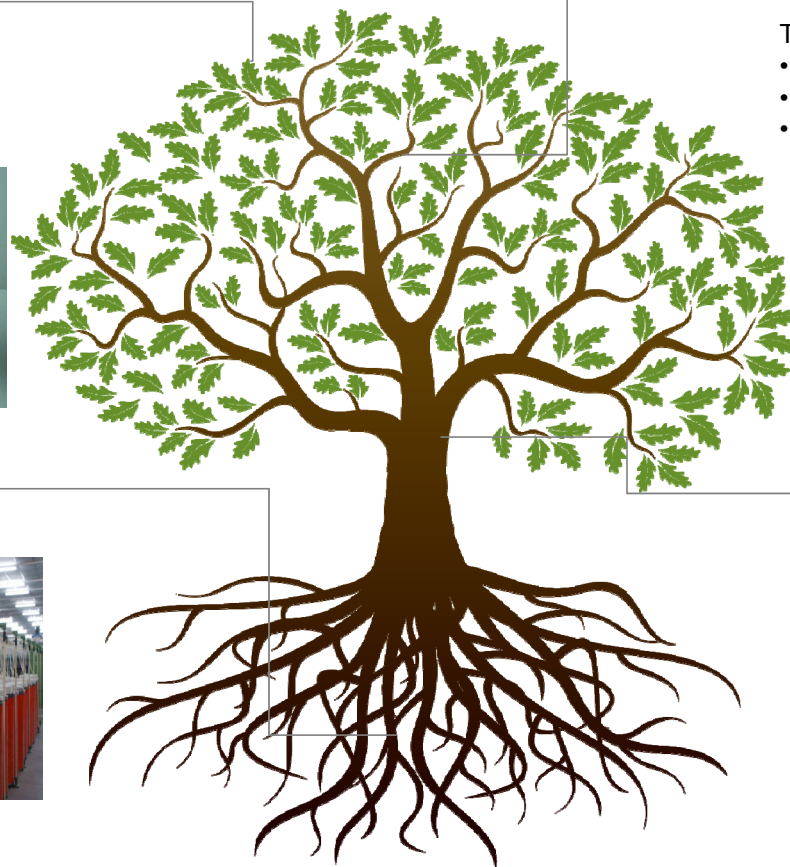
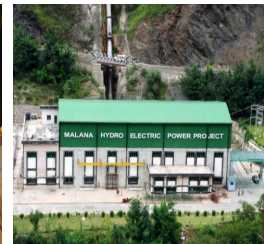
- Bhilwara Infotech Ltd. – IT Software
- Bhilwara Scribe Pvt. Ltd. – Medical transcription



Power Generation & Power Consultancy

The branches spread forth, powered by

- Bhilwara Energy Ltd.
- Malana Power Company Ltd.
- AD Hydro Power Ltd.



Textiles

The roots of our Group heritage

- RSWM Ltd.
- Maral Overseas Ltd.
- BSL Ltd.
- BMD Pvt. Ltd.
- Bhilwara Technical Textiles Ltd.



Graphite Electrodes

Standing tall, the shaft supports the branches

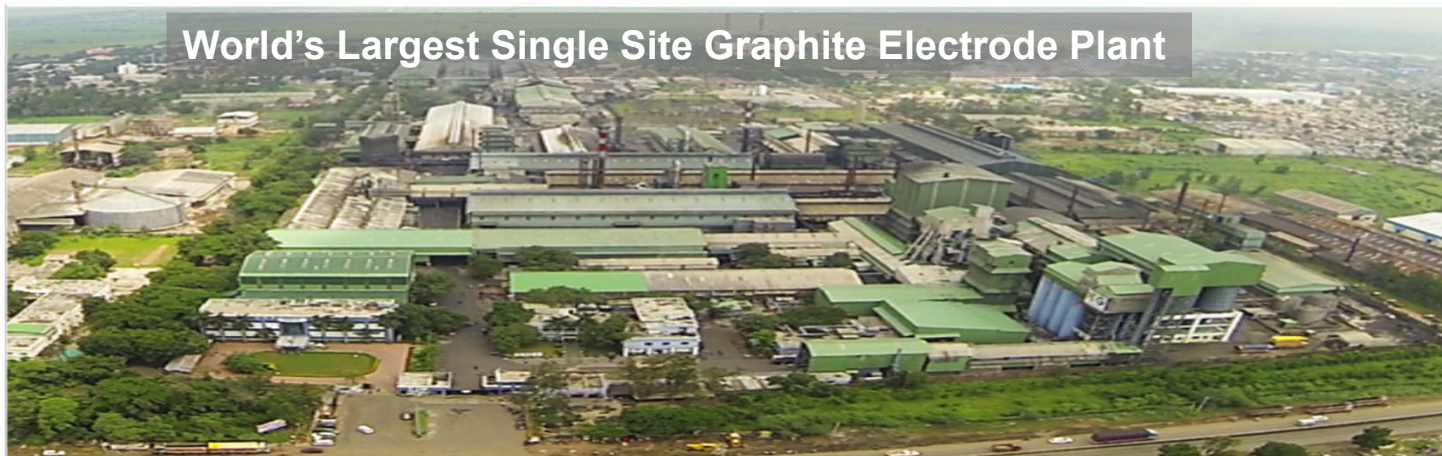
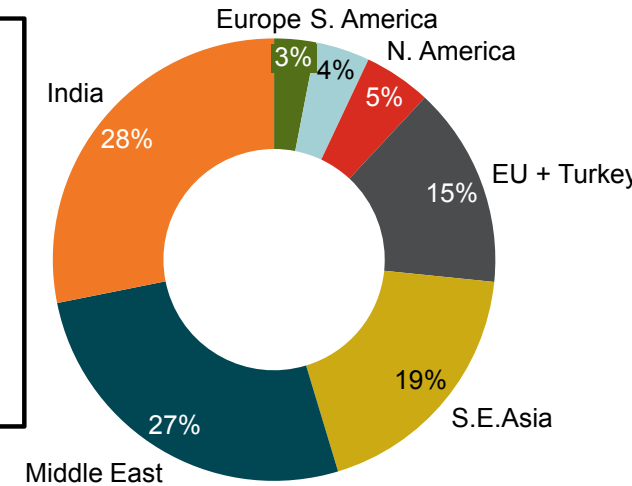
- HEG Limited



HEG Limited – Profile



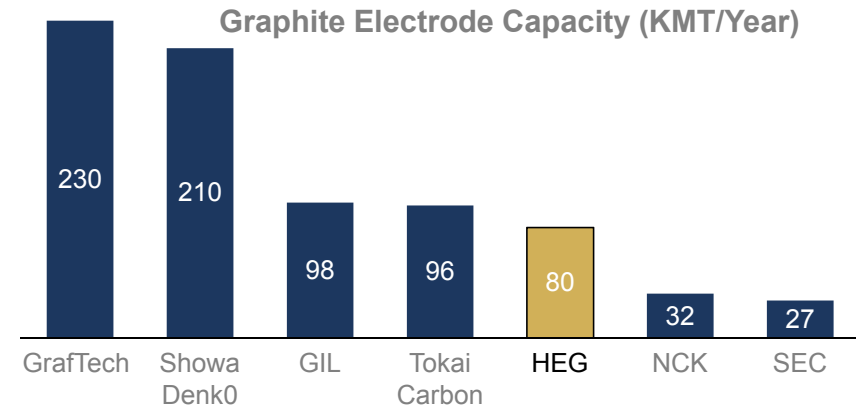
- HEG Limited is a leading graphite electrode manufacturer & exporter globally.
- Exports approximately 70% of its production to about 30 countries around the world.
- Diversified customer portfolio –supplying large proportion of our volumes to top 20 steel companies of the world.
- Graphite electrodes manufacturing plant (capacity of 80,000 tons /Year) 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)



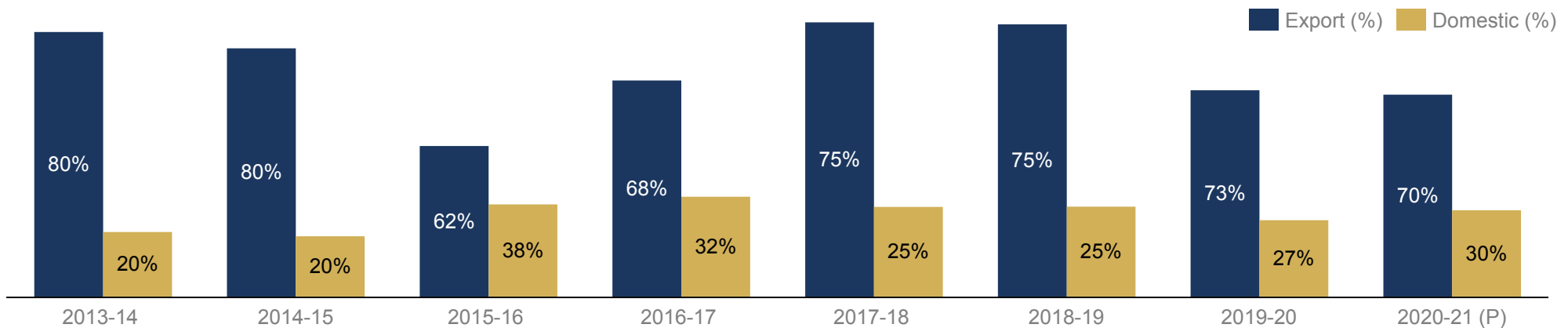
Business Overview



- HEG is among the world's top five graphite electrode manufacturers
- Global slowdown in steel production has impacted the demand of electrodes worldwide.
- Also, current ongoing COVID-19 pandemic has slowed down the pace of destocking of electrode inventory at customer end
- Needle coke prices have also fallen down reacting to drop in GE pricing, but not fully in line with the current electrode prices



HEG Sales share among Exports & Domestic Market





Our Growth

- 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.



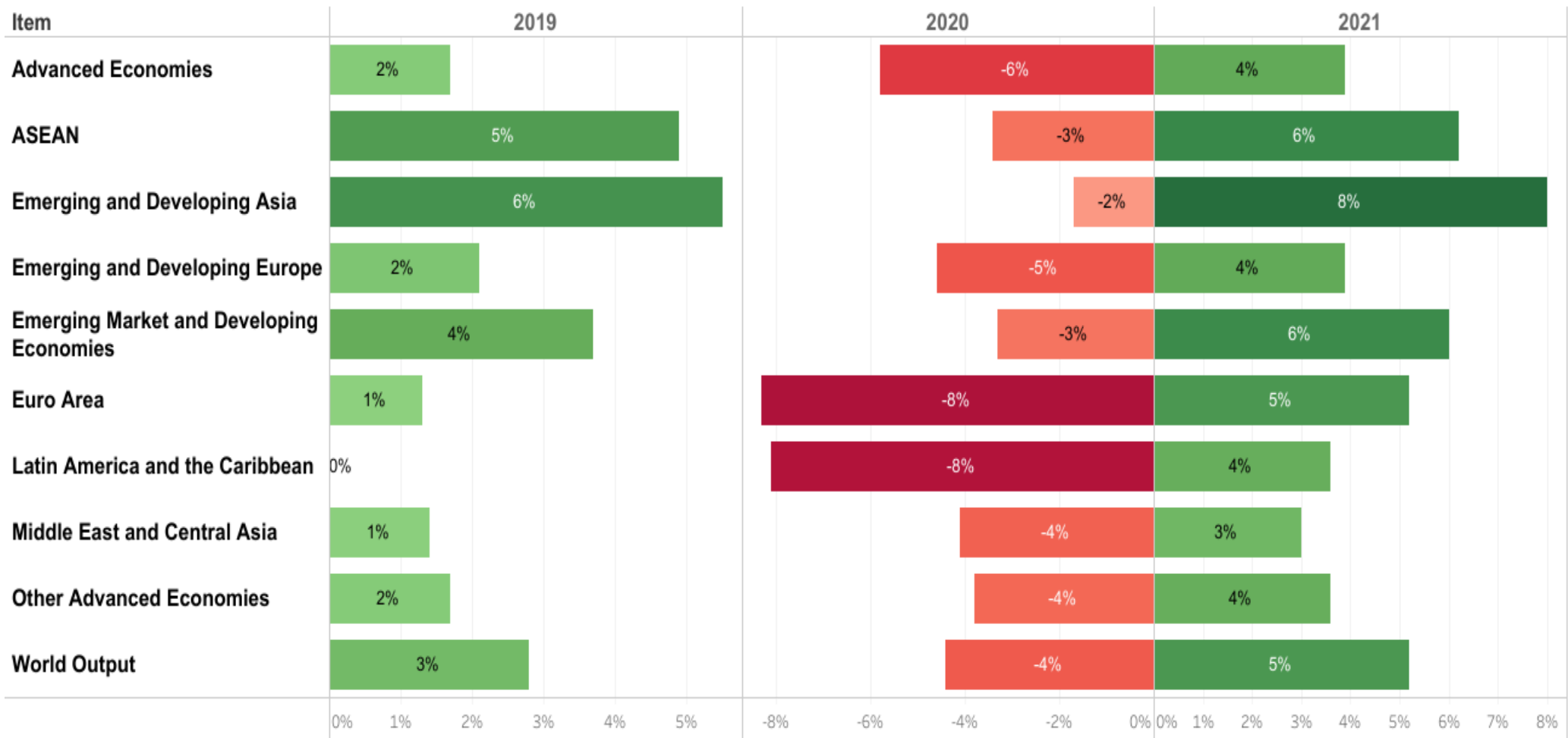
R&D Center

- 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

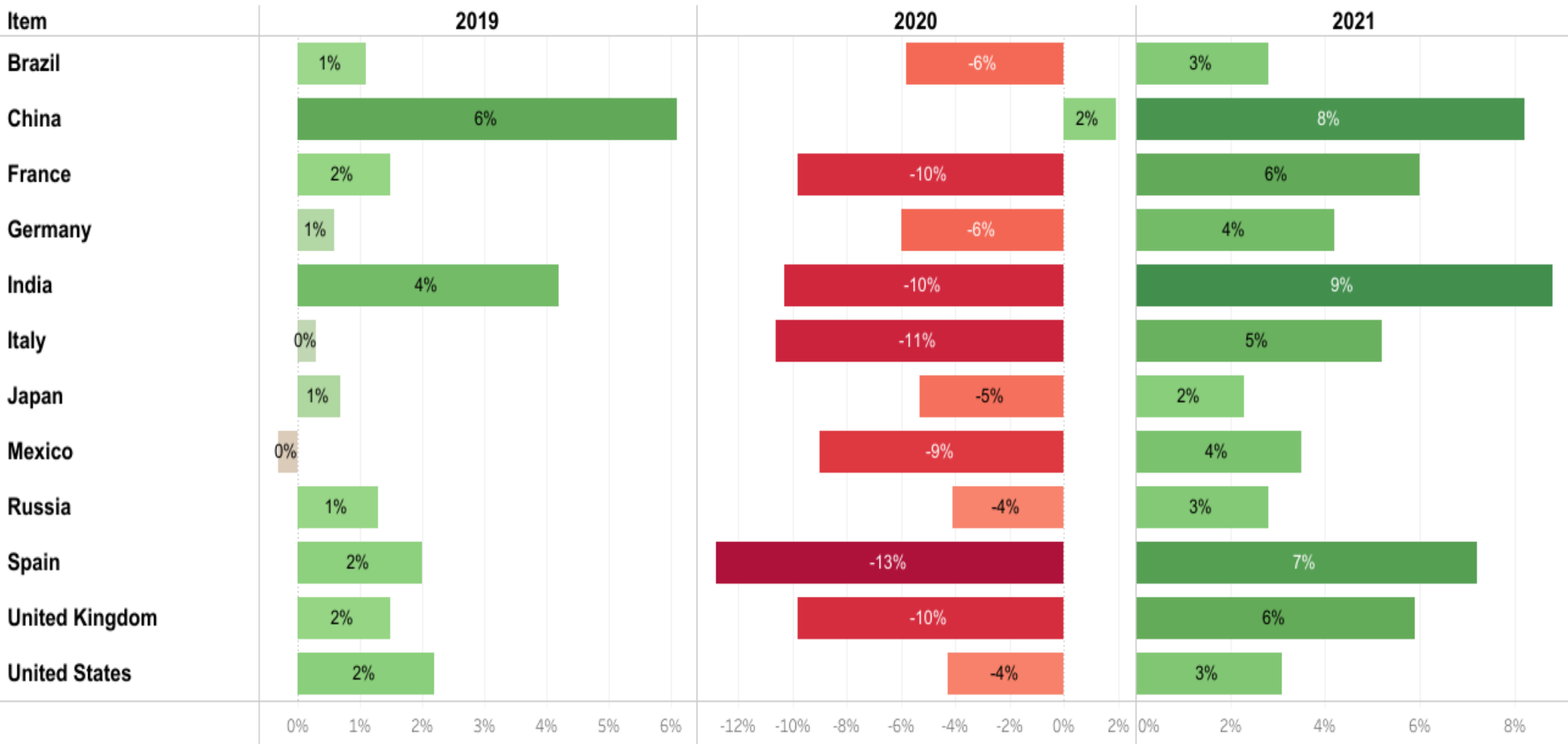


World Economic Outlook Projections (Percent change) Oct-20

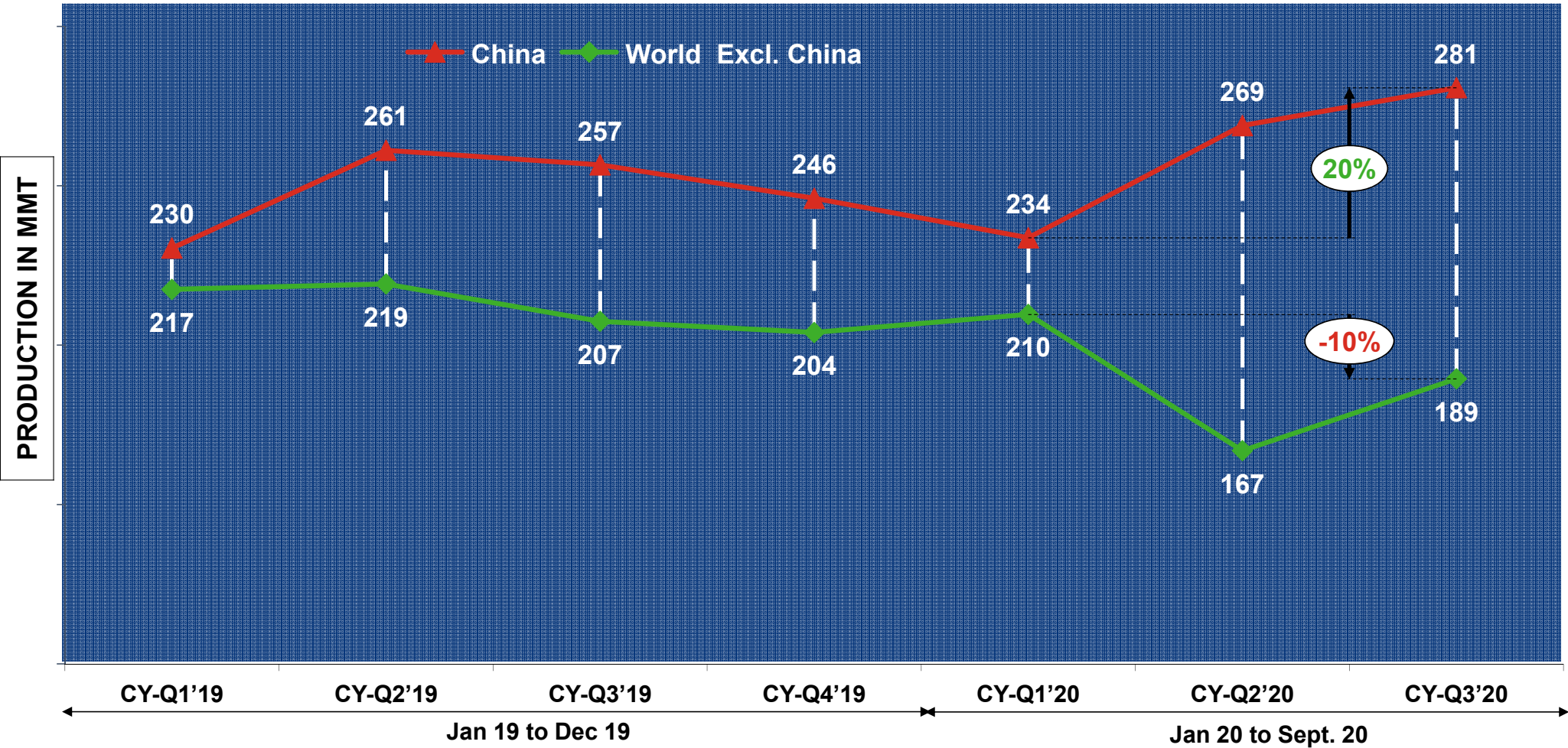
source International Monetary Fund



Overview of the World Economic Outlook Projections (Percent change) Revised in Oct source International Monetary Fund (Contd.)



World Crude Steel Production Last Seven Quarters (CY Jan 19 – Sept.20)



Financial Snapshot (Standalone)



in Rs. Crore (except EPS)

PARTICULARS	Q2 FY'21	Q1 FY'21	FY 19-20	FY 18-19	FY 17-18
REVENUE FROM OPERATIONS	323	233	2,149	6,593	2,758
EBITDA*	(25)	35	138	4,767	1,734
EBIT	(44)	17	66	4,695	1,661
PAT	(34)	11	53	3,050	1,081
EPS	(8.79)	2.79	13.83	763.60	270.61
EBITDA Margin (%)	(8%)	15%	6%	72%	63%
EBIT Margin (%)	(14%)	7%	3%	71%	60%
PAT Margin (%)	(11%)	5%	2%	46%	39%

* EBITDA includes Other Income

Profit & Loss for the Quarter ended 30th September 2020- Standalone



in Rs. Crores

Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year ended
		30-09-2020	30-06-2020	30-09-2019	30-09-2020	30-09-2019	31-03-2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operation	322.88	233.29	564.38	556.17	1,380.89	2,149.02
II	Other Income	16.41	46.03	35.03	62.45	74.19	143.76
III	Total Revenue (I+II)	339.29	279.32	599.41	618.62	1,455.08	2292.78
IV	Expenses						
	Cost of materials consumed	158.29	86.53	334.17	244.81	828.52	1,558.13
	Purchase of stock -in-trade	-	-	-	-	-	-
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	93.12	66.12	(47.40)	159.24	(239.15)	62.95
	Employee benefits expense	12.51	13.77	23.38	26.28	51.88	65.60
	Finance cost	3.04	5.97	9.95	9.01	19.21	36.51
	Depreciation and amortisation expense	18.34	17.77	17.75	36.11	35.47	72.13
	Power and Fuel (Net of Interdivisional Purchases)	30.19	27.90	40.29	58.10	88.85	163.31
	Other Expenses	70.64	50.28	74.89	120.93	163.95	304.86
	Total expenses (IV)	386.13	268.34	453.03	654.48	948.72	2263.49
V	Profit/(Loss) before exceptional items and tax (III-IV)	(46.84)	10.98	146.38	(35.86)	506.36	29.29
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit/(Loss) before Tax (V-VI)	(46.84)	10.98	146.38	(35.86)	506.36	29.29

Profit & Loss for the Quarter ended 30th September 2020- Standalone



in Rs. Crores

Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year ended
		30-09-2020	30-06-2020	30-09-2019	30-09-2020	30-09-2019	31-03-2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
VIII	Tax expense						
	(1) Current Tax	0.20	-	1.54	0.20	123.33	(0.19)
	(2) Deferred Tax	(13.13)	0.22	(34.20)	(12.91)	(30.39)	(23.90)
IX	Net Profit/(Loss) for the period (VII-VIII)	(33.91)	10.76	179.03	(23.15)	413.42	53.37
X	Other Comprehensive Income (Net of Taxes)						
	A (i) Items that will not be reclassified to profit or loss	0.91	-	0.28	0.91	0.28	(0.70)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.23)	-	(0.07)	(0.23)	(0.07)	0.18
	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	(33.23)	10.76	179.24	(22.47)	413.63	52.85
XII	Paid -Up Equity Share Capital (Face Value ₹ 10/- per share)	38.60	38.60	38.60	38.60	38.60	38.60
XIII	Reserves (Excluding Revaluation Reserves)	-	-	-	-	-	3384.28
XIV	Earnings Per Share (₹) - Basic (Rs.)	(8.79)	2.79	46.39	(6.00)	107.12	13.83
	- Diluted (Rs.)	(8.79)	2.79	46.39	(6.00)	107.12	13.83

Profit & Loss for Quarter ended 30th September 2020 - Consolidated



in Rs. Crores

Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2020	30-06-2020	30-09-2019	30-09-2020	30-09-2019	31-03-2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operation	322.88	233.29	564.38	556.17	1,380.89	2,149.02
II	Other Income	16.41	46.03	35.03	62.45	74.19	143.76
III	Total Revenue (I+II)	339.29	279.32	599.41	618.62	1,455.08	2,292.78
IV	Expenses						
	Cost of materials consumed	158.29	86.53	334.17	244.81	828.52	1,558.13
	Purchase of stock -in-trade	-	-	-	-	-	-
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	93.12	66.12	(47.40)	159.24	(239.15)	62.95
	Employee benefits expense	12.51	13.77	23.38	26.28	51.88	65.60
	Finance cost	3.04	5.97	9.95	9.01	19.21	36.51
	Depreciation and amortisation expense	18.34	17.77	17.75	36.11	35.47	72.13
	Power and Fuel (Net of Interdivisional Purchases)	30.19	27.90	40.29	58.10	88.85	163.31
	Other Expenses	70.64	50.28	74.89	120.93	163.95	304.86
	Total expenses (IV)	386.13	268.34	453.03	654.48	948.72	2,263.49
V	Profit/(Loss) before exceptional items and tax (III-IV)	(46.84)	10.98	146.38	(35.86)	506.36	29.29
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit/(Loss) before Tax (V-VI)	(46.84)	10.98	146.38	(35.86)	506.36	29.29

Profit & Loss for Quarter ended 30th September 2020 - Consolidated



in Rs. Crores

Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2020	30-06-2020	30-09-2019	30-09-2020	30-09-2019	31-03-2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
VIII	Tax expense						
	(1) Current Tax	0.20	-	1.54	0.20	123.33	(0.19)
	(2) Deferred Tax	(13.13)	0.22	(34.20)	(12.91)	(30.39)	(23.90)
IX	Share of Profit/ (loss) of associates	18.55	3.57	23.30	22.11	32.39	14.26
X	Net Profit/(Loss) for the period (VII-VIII+IX)	(15.36)	14.33	202.34	(1.04)	445.81	67.63
XI	Other Comprehensive Income (Net of Taxes)						
	A (i) Items that will not be reclassified to profit or loss	0.91	-	0.28	0.91	0.28	(0.70)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.23)	-	(0.07)	(0.23)	(0.07)	0.18
	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	(0.04)	(0.05)	(0.02)	(0.09)	(0.01)	(0.11)
	Total Comprehensive Income for the period	(14.72)	14.28	202.53	(0.45)	446.01	67.00
XII	Paid -Up Equity Share Capital (Face Value ₹ 10/- per share)	38.60	38.60	38.60	38.60	38.60	38.60
XIII	Reserves (Excluding Revaluation Reserves)	-	-	-	-	-	3,473.12
XIV	Earnings Per Share (₹) - Basic (Rs.)	(3.98)	3.71	52.42	(0.27)	115.51	17.52
XV	- Diluted (Rs.)	(3.98)	3.71	52.42	(0.27)	115.51	17.52

In line with the previous periods, the Company, in accordance with the applicable IND AS -2 "Inventories", has recognized its carrying inventory on Net Realizable Value (NRV) basis to the extent applicable.

Due to this, the company has taken further charge of Rs. 28.96 Crores and Rs. 3.88 Crores on the cost of inventory during the quarter ended September 30, 2020 and June 30, 2020 respectively.

Impact on Business and actions taken by the Company:

- ❑ World Health Organization (WHO) declared outbreak of coronavirus disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared nationwide lockdown on March 23, 2020 and the company temporarily suspended the operations of the company in compliance with the lockdown instructions issued by central and state governments and resumed the operations from 23rd April 2020.
- ❑ Corporate and regional offices were also opened with the permitted employees adhering to strict safety norms prescribed by Government of India.
- ❑ Most of our end user industries have been impacted in varying degrees owing to spread of the pandemic related contraction and its consequent effects on global supply chains. The ripple effect of this, like in most industries, is also faced by our customers and in extension by us, which in turn has impacted the profitability.

Impact on Business and actions taken by the Company:

- ❑ The Company has considered the possible effects that may result from COVID-19 in the preparation of the financial results including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the Company has, at the date of approval of the financial results, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of the same.

- ❑ To ensure the smooth functioning of the works at our plant, we have taken necessary steps to communicate with our employees, stakeholders, customers and vendors about the company's status and updated them on a regular basis.

Company's Position:

- ❑ The liquidity position of the company is quite robust.
- ❑ The company is having a treasury size of more than Rs. 1400 Crores at the end of September 2020. Further, the company is long term debt free.
- ❑ The company has also implemented stringent cost control measures across the organization to conserve cash to address any evolving situation resulting from the pandemic.
- ❑ The company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.



Thank You

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

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