



PROUD TO BE INDIAN  
PRIVILEGED TO BE GLOBAL

HEG/SECTT/2019

16<sup>th</sup> August, 2019

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 Unaudited Financial Results of the Company for the quarter ended 30<sup>th</sup> June, 2019.

Dear Sirs,

Please find enclosed a copy of Investors Presentation on the Unaudited financial results of the Company for the quarter ended 30<sup>th</sup> June, 2019 for your information and record please.

The copy of same is also 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  
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**Q1 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  
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Textiles



Graphite Electrodes



Power Generation & Power Consultancy



IT Enabled Services

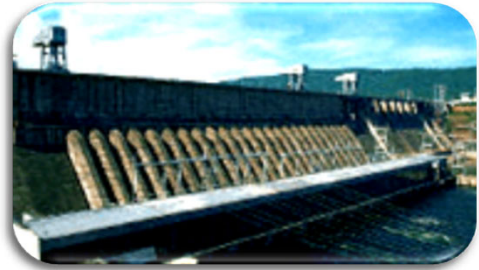
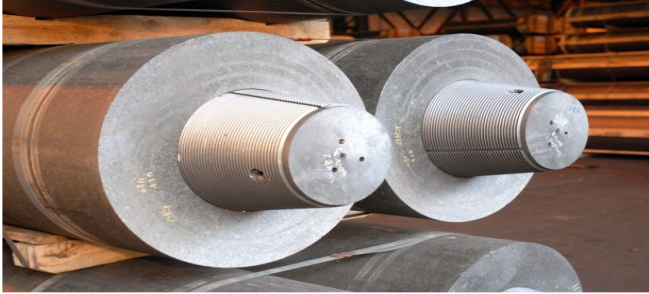




- HEG Limited is a leading graphite electrode manufacturer & exporter Globally
- The company produces two grades of graphite electrodes - Ultra High Power (UHP) & High Power (HP) - used in producing steel through the Electric Arc Furnace (EAF) route.
- Exports approximately 75% of its production to about 30 countries around the world.
- Diversified customer portfolio –supplying large portion 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)
- ***Expanding capacity from 80,000 tons to 100,000 tons per annum to be operational by early 2022.***



# World's Largest Single Site Graphite Electrode Plant





## 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

- 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

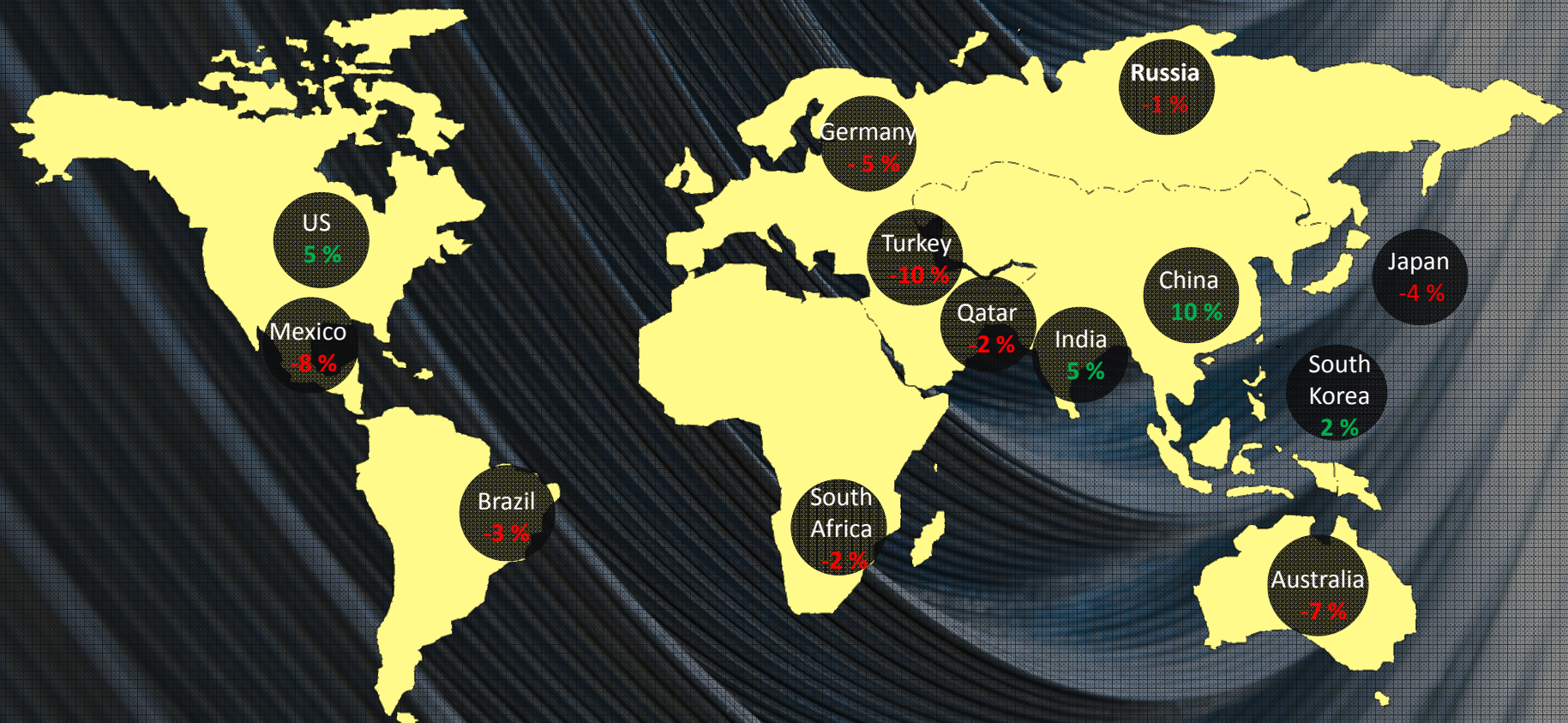




## WORLD CRUDE STEEL :- H1-2019 vs H2-2018

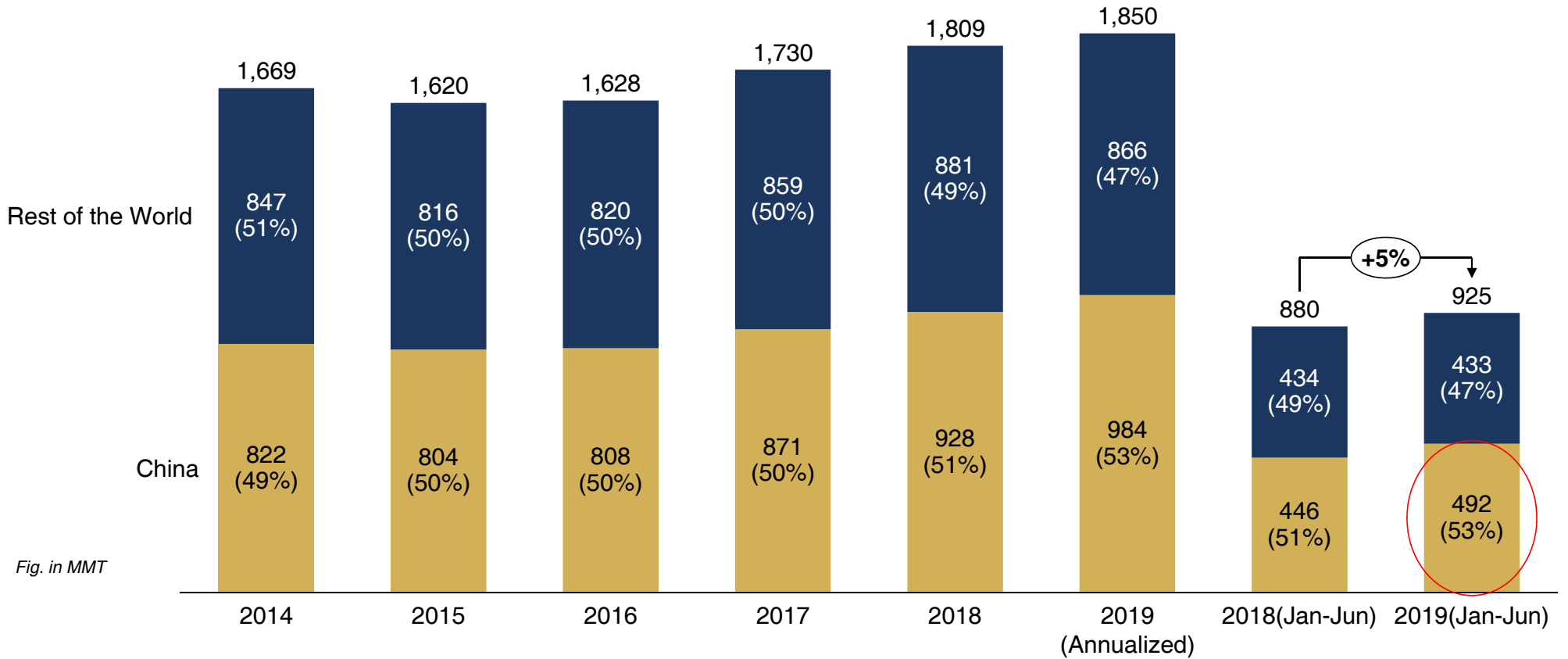


World Crude Steel Output (Excluding China) Declines **0.3%** in H1 CY'19 after increasing by **4.8%** in CY 2017 & **2.5%** in CY 2018





# WORLD CRUDE STEEL PRODUCTION



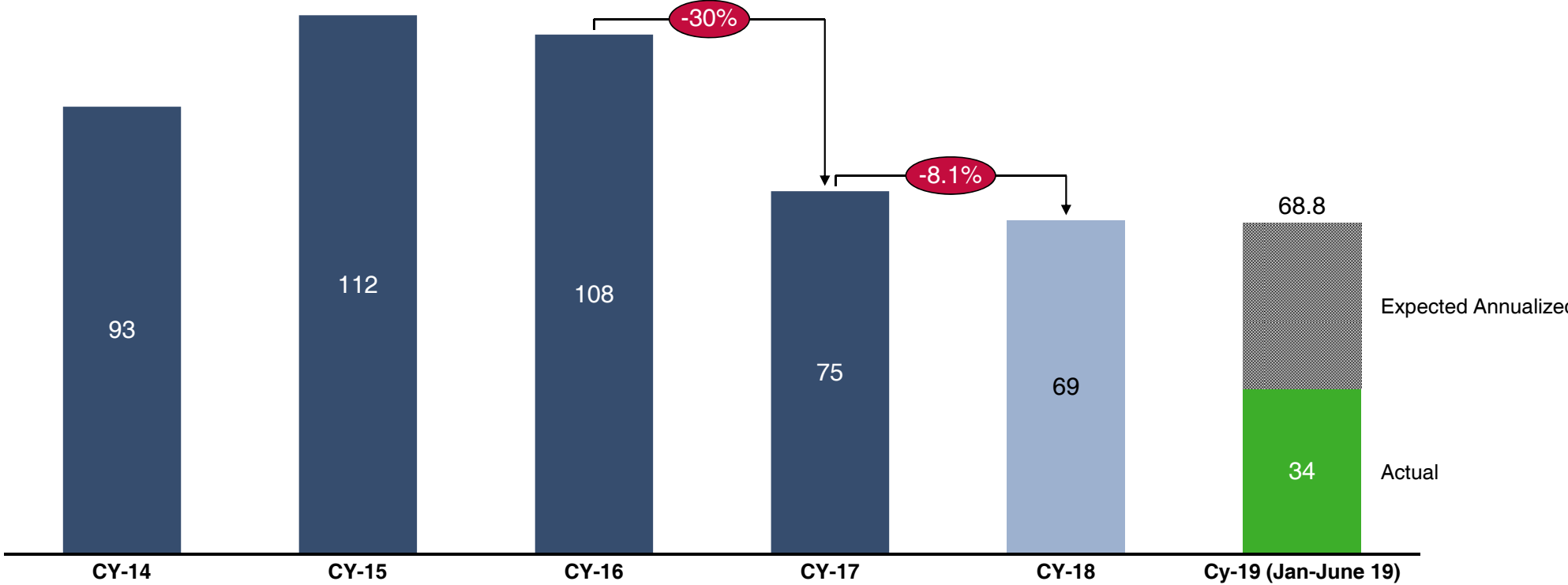
## WORLD CRUDE STEEL PRODUCTION –REGIONAL GROWTH (H1-2019 vs H2-2018)



*Production Process : Hot Rolling*

Growth Areas	% ↑	% of world pdn
China	10.2	53.2
Africa	7.6	0.8
Middle East (Inc. Iran)	4.3	2.0
N. America	1.4	6.5
Asia (Excl. China)	0.8	18.2
CIS	0.0	5.5
EU	-2.5	9.2
S. America	-3.0	2.3
Other EU	-8.0	2.0

# China's finished steel exports- Monthly & Year Wise Trends





## Financial Snapshot (standalone)



*in Rs. Crore (except EPS)*

<b>PARTICULARS</b>	<b>Q1 FY20</b>	<b>Q4 FY19</b>	<b>Q1 FY19</b>	<b>FY19</b>
REVENUE FROM OPERATION	817	1347	1587	6593
EBITDA*	387	830	1197	4767
EBITDA Margin	47%	62%	75%	72%
EBIT	369	812	1180	4695
EBIT Margin	45%	60%	74%	71%
PAT	234	524	770	3050
PAT Margin	29%	39%	49%	46%
EPS	60.73	131.39	192.77	763.60

\* EBITDA includes Other Income

## Segmental Performance – Graphite Electrodes



<b>PARTICULARS</b>	<b>Q1 FY20</b>	<b>Q4 FY19</b>	<b>Q1 FY19</b>	<b>FY19</b>
Net Sales (Rs.crores)	815	1344	1587	6582
Export (% of sales)	75%	77%	69%	75%
EBITDA Margin	44%	58%	75%	71%
EBIT Margin	42%	57%	74%	70%

## Segmental Performance – Power



<b>PARTICULARS</b>	<b>Q1 FY20</b>	<b>Q4 FY19</b>	<b>Q1 FY19</b>	<b>FY 19</b>
Net Sales (Rs.crores)	24.57	29.37	27.88	121.47
EBITDA Margin	10%	2%	(6)%	(5)%
EBIT Margin	(2)%	(8)%	(18)%	(15)%



## Profit & Loss for the period ended 30th June 2019 - Standalone

in Rs. Crores



Sl. No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Year Ended
		30-06-2019	31-03-2019	30-06-18	31-03-2019
		Unaudited	Audited	Unaudited	Audited
I	Revenue from Operation	816.51	1346.65	1587.38	6592.83
II	Other Income	39.16	42.28	7.95	109.19
III	<b>Total Revenue (I+II)</b>	<b>855.67</b>	<b>1388.93</b>	<b>1595.33</b>	<b>6702.02</b>
IV	Expenses				
	Cost of materials consumed	494.35	463.96	277.02	1611.84
	Purchase of stock -in-trade	-	-	-	-
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	(191.75)	(117.31)	(71.38)	(497.06)
	Employee benefits expense	28.50	43.17	45.45	197.57
	Finance cost	9.25	5.86	1.74	17.97
	Depreciation and amortisation expense	17.72	18.20	17.56	72.39
	Power and Fuel (Net of Interdivisional Purchases)	48.56	46.58	41.50	183.21
	Other Expenses	89.06	122.25	106.82	439.02
	<b>Total expenses (IV)</b>	<b>495.69</b>	<b>582.71</b>	<b>418.71</b>	<b>2024.94</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>359.98</b>	<b>806.22</b>	<b>1176.62</b>	<b>4677.08</b>

## Profit & Loss for the period ended 30th June 2019 - Standalone

in Rs. Crores



Sl. No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Year Ended
		30-06-2019	31-03-2019	30-06-18	31-03-2019
		Unaudited	Audited	Unaudited	Audited
VI	Exceptional Items	-	-	-	-
VII	Profit/(Loss) before Tax (V-VI)	359.98	806.22	1176.62	4677.08
VIII	Tax expense				
	(1) Current Tax	121.78	278.98	406.21	1619.35
	(2) Deferred Tax	3.81	2.82	0.11	7.30
IX	Net Profit/(Loss) for the period (VII-VIII)	234.39	524.42	770.30	3050.43
X	Other Comprehensive Income (Net of Taxes)				
	A (i) Items that will not be reclassified to profit or loss	0.00	0.18	0.00	(0.98)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.00	(0.06)	0.00	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	-	-	-	
XI	Total Comprehensive Income for the period	234.39	524.54	770.30	3049.79
XII	Paid -Up Equity Share Capital ( Face Value ₹ 10/- per share)	38.60	38.60	39.96	38.60
XIII	Reserves (Excluding Revaluation Reserves)	-	-	-	3,680.40
XIV	Earnings Per Share (₹) - Basic (Rs.)	60.73	131.39	192.77	763.60
	- Diluted (Rs.)	60.73	131.39	192.77	763.60

## Profit & Loss for the period ended 30th June 2019 - Standalone

in Rs. Crores



Sl. No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Year Ended
		30-06-2019	31-03-2019	30-06-18	31-03-2019
		Unaudited	Audited	Unaudited	Audited
A	<b>Segment Revenue</b>				
	Graphite	814.64	1343.81	1586.84	6582.28
	Power	24.57	29.37	26.51	121.47
	Others	0.00	0.00	0.00	0.01
	<b>Total</b>	<b>839.21</b>	<b>1373.18</b>	<b>1613.35</b>	<b>6703.76</b>
	Less: Inter segment sales	22.70	26.53	25.97	110.93
	<b>Revenue from Operations</b>	<b>816.51</b>	<b>1346.65</b>	<b>1587.38</b>	<b>6592.83</b>
B	<b>Segment Results</b>				
	Profit before tax and finance cost from each segment				
	Graphite	340.10	763.11	1179.12	4605.34
	Power	(0.56)	(2.21)	(4.77)	(17.62)
	Others	0.00	0.00	4.01	0.00
	<b>Total</b>	<b>339.54</b>	<b>760.90</b>	<b>1178.36</b>	<b>4587.72</b>
	Add/Less:				
	Interest Income	11.45	23.05	-	49.75
	Gain on sale of Investments( Including gain/(loss) on its Fair Valuation)	17.70	22.64	-	51.49
	Other Unallocable Income net of expenses	0.54	5.49	-	6.09
	Finance cost	(9.25)	(5.86)	(1.74)	(17.97)
	<b>Total Profit Before Tax</b>	<b>359.98</b>	<b>806.22</b>	<b>1,176.62</b>	<b>4,677.08</b>



## Profit & Loss for the period ended 30th June 2019 - Consolidated

in Rs. Crores



Sl. No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Year Ended
		30-06-2019	31-03-2019	30-06-18	31-03-2019
		Unaudited	Audited	Unaudited	Audited
I	Revenue from Operation	816.51	1346.65	1587.38	6592.83
II	Other Income	39.16	42.28	7.95	109.19
III	<b>Total Revenue (I+II)</b>	<b>855.67</b>	<b>1388.93</b>	<b>1595.33</b>	<b>6702.02</b>
IV	<b>Expenses</b>				
	Cost of materials consumed	494.35	463.96	277.02	1611.84
	Purchase of stock -in-trade	-	-	-	-
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	(191.75)	(117.31)	(71.38)	(497.06)
	Employee benefits expense	28.50	43.17	45.45	197.57
	Finance cost	9.25	5.86	1.74	17.97
	Depreciation and amortisation expense	17.72	18.20	17.56	72.39
	Power and Fuel (Net of Interdivisional Purchases)	48.56	46.58	41.50	183.21
	Other Expenses	89.06	122.25	106.82	439.02
	<b>Total expenses (IV)</b>	<b>495.69</b>	<b>582.71</b>	<b>418.71</b>	<b>2024.94</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>359.98</b>	<b>806.22</b>	<b>1176.62</b>	<b>4677.08</b>

## Profit & Loss for the period ended 30th June 2019 - Consolidated

in Rs. Crores



Sl. No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Year Ended
		30-06-2019	31-03-2019	30-06-18	31-03-2019
		Unaudited	Audited	Unaudited	Audited
VI	Exceptional Items	-	-	-	-
VII	Profit/(Loss) before Tax (V-VI)	359.98	806.22	1176.62	4,677.08
VIII	Tax expense				
	(1) Current Tax	121.78	278.98	406.21	1,619.35
	(2) Deferred Tax	3.81	2.82	0.11	7.30
IX	Share of Profit/ (loss) of associates	9.09	(42.14)	5.36	(24.27)
X	Net Profit/(Loss) for the period (VII-VIII)	243.48	482.28	775.66	3,026.16
XI	Other Comprehensive Income (Net of Taxes)				
	A (i) Items that will not be reclassified to profit or loss	0.00	0.18	0.00	(0.98)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.00	(0.06)	0.00	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	0.04	0.01	0.05
XII	Total Comprehensive Income for the period	243.49	482.44	775.67	3,025.57
XIII	Paid -Up Equity Share Capital ( Face Value ₹ 10/- per share)	38.60	38.60	39.96	38.60
XIV	Reserves (Excluding Revaluation Reserves)	-	-	-	3,755.09
XV	Earnings Per Share (₹) - Basic (Rs.)	63.09	124.96	194.11	757.53
	- Diluted (Rs.)	63.09	124.96	194.11	757.53

# Profit & Loss for the period ended 30th June 2019 - Consolidated

in Rs. Crores



		₹ in Crores			
Sl. No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Year Ended
		30-06-2019	31-03-2019	30-06-18	31-03-2019
		Unaudited	Audited	Unaudited	Audited
<b>A</b>	<b>Segment Revenue</b>				
	Graphite	814.64	1343.81	1586.84	6582.28
	Power	24.57	29.37	26.51	121.47
	Others	0.00	0.00	0.00	0.01
	<b>Total</b>	<b>839.21</b>	<b>1373.18</b>	<b>1613.35</b>	<b>6703.76</b>
	Less: Inter segment sales	22.70	26.53	25.97	110.93
	<b>Revenue from Operations</b>	<b>816.51</b>	<b>1346.65</b>	<b>1587.38</b>	<b>6592.83</b>
<b>B</b>	<b>Segment Results</b>				
	<b>Profit before tax and finance cost from each segment</b>				
	Graphite	340.10	763.11	1179.12	4605.34
	Power	(0.56)	(2.21)	(4.77)	(17.62)
	Others	0.00	0.00	4.01	0.00
	<b>Total</b>	<b>339.54</b>	<b>760.90</b>	<b>1178.36</b>	<b>4587.72</b>
	<b>Add/Less:</b>				
	Interest Income	11.45	23.05	-	49.75
	Gain on sale of Investments( Including gain/(loss) on its Fair Valuation)	17.70	22.64	-	51.49
	Other Unallocable Income net of expenses	0.54	5.49	-	6.09
	Finance cost	(9.25)	(5.86)	(1.74)	(17.97)
	<b>Total Profit Before Tax</b>	<b>359.98</b>	<b>806.22</b>	<b>1,176.62</b>	<b>4,677.08</b>



# Thank You



Ms Dimple Momaya

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