



BSE Limited	National Stock Exchange of India Limited
Scrip Code : 509631	Scrip Code : HEG

Sub: Investors presentation on the Audited Financial Results of the Company for the quarter & year ended 31st March, 2023.

HEG Limited

Vivek Chaudhary
Company Secretary

HEG LIMITED

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HEG LIMITED

Investor Presentation

Performance Highlights
Q4 & FY 2022-23



- 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.
- On the verge of completing expansion to 100,000 tons by June 2023(major 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)



World's Largest Single Site Graphite Electrode Plant

TOP 10 Crude Steel - Producing Countries

Q-o-Q Comparision

Y-o-Y Comparision

Sr. No	Country	Q-o-Q Comparision			Y-o-Y Comparision		
		Oct-Dec'22 (mmt)	Jan-Mar'23 (mmt)	Q4/Q1	Q1'CY 22 (mmt)	Q1'CY 23 (mmt)	2022/2023
1	China	232.2	264.4	13.9%	246.3	264.4	7.4%
2	India	31.4	33.2	5.5%	32.2	33.2	3.0%
3	Japan	21.4	21.6	1.0%	23.0	21.6	-6.0%
4	United States	19.3	19.4	0.5%	20.2	19.4	-4.0%
5	Russia	16.9	18.7	10.5%	19.0	18.7	-1.3%
6	South Korea	15.2	16.7	9.6%	16.9	16.7	-1.5%
7	Germany	8.6	9.2	7.3%	9.8	9.2	-5.8%
8	Iran	8.4	5.4	-35.3%	6.8	5.4	-20.2%
9	Brazil	8.0	8.0	0.3%	8.6	8.0	-6.8%
10	Turkey	7.9	7.4	-5.9%	9.5	7.4	-21.5%
Source WSA	World	426.4	462.2	8.4%	460.0	462.2	0.5%

Country	million tonnes			Y-o-Y growth %		
	2022	2023 (f)	2024 (f)	2022	2023 (f)	2024 (f)
Asia and Oceania	1267.0	1303.6	1319.1	-2.6	2.9	1.2
European Union (27) & United Kingdom	151.8	151.3	159.8	-7.9	-0.4	5.6
USMCA	132.9	135.0	138.1	-3.1	1.6	2.3
Other Europe	39.2	42.1	44.6	-2.6	7.4	6.0
Russia & other CIS + Ukraine	53.3	51.5	49.3	-8.7	-3.5	-4.3
Middle East	51.3	52.4	54.1	3.8	2.2	3.2
Central and South America	45.4	46.0	47.0	-10.5	1.4	2.3
Africa	40.6	40.5	42.1	3.6	-0.2	4.0
Other Europe	39.2	42.1	44.6	-2.6	7.4	6.0
World	1781.5	1822.3	1854.0	-3.2	2.3	1.7
Developed Economies	375.5	380.3	392.6	-6.2	1.3	3.2
China	920.9	939.3	939.3	-3.5	2.0	0.0
Em. and Dev. Economies excl. China	485.0	502.8	522.2	-0.3	3.6	3.9
India	114.9	123.3	130.9	8.2	7.3	6.2
ASEAN (5)	72.6	77.1	81.4	-0.3	6.2	5.7
MENA	69.8	70.2	72.5	4.9	0.6	3.4
ROW except China	860.6	883.0	914.7	3.0	2.6	3.6

- As per WSA, the global steel industry is projected to experience a rebound in demand this year, with a growth rate of 2.3%, and for 2024, it is expected to continue growing, with a forecasted increase of 1.7% .
- After declining by 3.5% in 2022, China's total steel demand is expected to grow by 2.0% in 2023. It is expected to stay flat in 2024.
- The global recession concerns continue to influence steel demand, exerting an ongoing impact. However, the trajectory for Electric Arc Furnace (EAF) growth in the medium to long term remains distinctly evident.
- The evident focus on substantial decarbonization measures in the developed world indicates that the growth of Electric Arc Furnace (EAF) will surpass that of Blast Furnace/Basic Oxygen Furnace (BF/BOF).
- Indian Steel demand has been steadily increasing, driven by infrastructure development, urbanization, and industrial growth & is expected to continue to rise in the coming years.

Financial Results for the Quarter and Year ended 31st Mar 2023 Standalone

(in Rs. cr)



Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2023	31-12-2022	31-03-2022	31-03-2023	31-03-2022
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from Operations	616.88	530.27	673.06	2,467.24	2,201.61
II	Other Income	31.35	36.89	17.40	109.14	79.55
III	Total Income (I+II)	648.23	567.16	690.46	2,576.38	2,281.16
IV	Expenses					
	Cost of materials consumed	316.37	324.82	314.27	1,312.64	940.42
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	(48.16)	(141.64)	(70.25)	(397.49)	(111.41)
	Employee benefits expense	24.50	22.02	19.56	91.83	80.00
	Finance cost	7.33	7.77	1.00	26.01	7.49
	Depreciation and amortisation expense	33.14	24.99	21.39	102.30	79.29
	Power and Fuel	73.79	76.68	77.71	315.90	271.11
	Other Expenses	126.60	115.32	174.88	524.71	494.26
	Total expenses	533.57	429.96	538.56	1,975.90	1,761.16
V	Profit/(Loss) before exceptional items and tax (III-IV)	114.66	137.20	151.90	600.48	520.00
VI	Exceptional Items	-	-	-	-	-
VII	Profit/(Loss) before Tax (V-VI)	114.66	137.20	151.90	600.48	520.00

Financial Results for the Quarter and Year ended 31st Mar 2023 Standalone

(in Rs. cr)



Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2023	31-12-2022	31-03-2022	31-03-2023	31-03-2022
		Audited	Unaudited	Audited	Audited	Audited
VII	Profit/(Loss) before Tax (V-VI)	114.66	137.20	151.90	600.48	520.00
VIII	Tax expense					
	(1) Current Tax	28.21	37.58	39.04	154.25	129.56
	(2) Deferred Tax	(2.78)	(3.21)	(0.39)	(9.29)	(0.14)
IX	Profit/(Loss) for the period (VII-VIII)	89.23	102.83	113.25	455.51	390.58
X	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit or loss	(0.47)	-	(0.59)	(0.83)	(1.23)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.12	-	0.15	0.21	0.31
	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)	88.88	102.83	112.81	454.89	389.66
XII	Paid -Up Equity Share Capital (Face Value ₹ 10/- per share)	38.60	38.60	38.60	38.60	38.60
XIII	Other Equity (Excluding Revaluation Reserves)			-	4,038.63	3,738.12
XIV	Earnings Per Share (₹) (For the quarter not annualised)			-		
	- Basic (₹)	23.12	26.64	29.34	118.02	101.20
	- Diluted (₹)	23.12	26.64	29.34	118.02	101.20

Financial Results for the Quarter and Year ended 31st Mar 2023 Consolidated

(in Rs. cr)



Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2023	31-12-2022	31-03-2022	31-03-2023	31-03-2022
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from Operations	616.88	530.27	673.06	2,467.24	2,201.61
II	Other Income	31.35	36.89	17.40	109.14	79.55
III	Total Income (I+II)	648.23	567.16	690.46	2,576.38	2281.16
IV	Expenses					
	Cost of materials consumed	316.37	324.82	314.27	1,312.64	940.42
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	(48.16)	(141.64)	(70.25)	(397.49)	(111.41)
	Employee benefits expense	24.72	22.02	19.56	92.05	80.00
	Finance cost	7.33	7.77	1.00	26.01	7.49
	Depreciation and amortisation expense	33.14	24.99	21.39	102.30	79.29
	Power and Fuel	73.79	76.68	77.71	315.90	271.11
	Other Expenses	126.70	116.27	174.88	525.75	494.26
	Total expenses	533.90	430.91	538.56	1,977.16	1,761.16
V	Profit/(Loss) before exceptional items and tax (III-IV)	114.33	136.25	151.90	599.22	520.00
VI	Exceptional Items	-	-	-	-	-
VII	Profit/(Loss) before Tax & Share of Profit/(Loss)of Associates	114.33	136.25	151.90	599.22	520.00

Financial Results for the Quarter and Year ended 31st Mar 2023 Consolidated

(in Rs. cr)



Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2023	31-12-2022	31-03-2022	31-03-2023	31-03-2022
		Audited	Unaudited	Audited	Audited	Audited
VII	Profit/(Loss) before Tax & Share of Profit/(Loss)of Associates (V-VI)	114.33	136.25	151.90	599.22	520.00
VIII	Share of Profit/ (Loss) of Associates	10.83	2.81	16.02	78.11	40.47
IX	Profit/(Loss) before Tax (VII+VIII)	125.17	139.06	167.92	677.33	560.47
X	Tax expense					
	(1) Current Tax	28.22	37.58	39.04	154.26	129.56
	(2) Deferred Tax	(2.78)	(3.21)	(0.39)	(9.29)	(0.14)
XI	Profit/(Loss) for the period (VII-VIII)	99.72	104.69	129.27	532.36	431.05
XII	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit or loss	(0.47)	-	(0.59)	(0.83)	(1.23)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.12	-	0.15	0.21	0.31
	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	(0.14)	(0.01)	(0.13)	(0.13)	0.01
XIII	Total Comprehensive Income for the period (IX+X)	99.23	104.68	128.70	531.61	430.14
XIV	Paid -Up Equity Share Capital (Face Value ₹ 10/- per share)	38.60	38.60	38.60	38.60	38.60
XV	Other Equity (Excluding Revaluation Reserves)			-	4,242.30	3,875.04
XVI	Earnings Per Share (₹) (For the quarter not annualised)					
	- Basic (₹)	25.84	27.13	33.49	137.93	111.68
	- Diluted (₹)	25.84	27.13	33.49	137.93	111.68

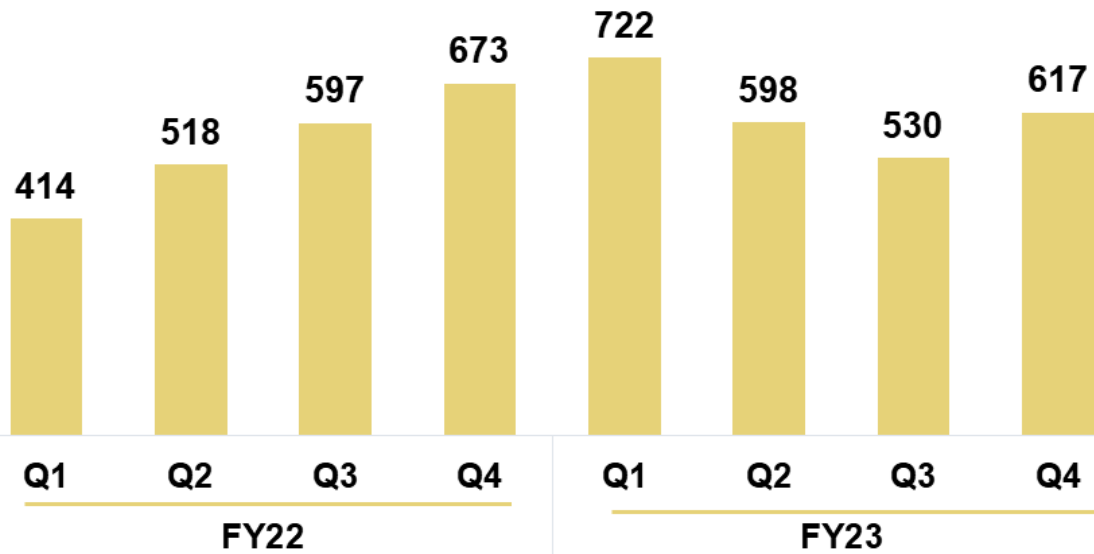
Financial Snapshot (Standalone)



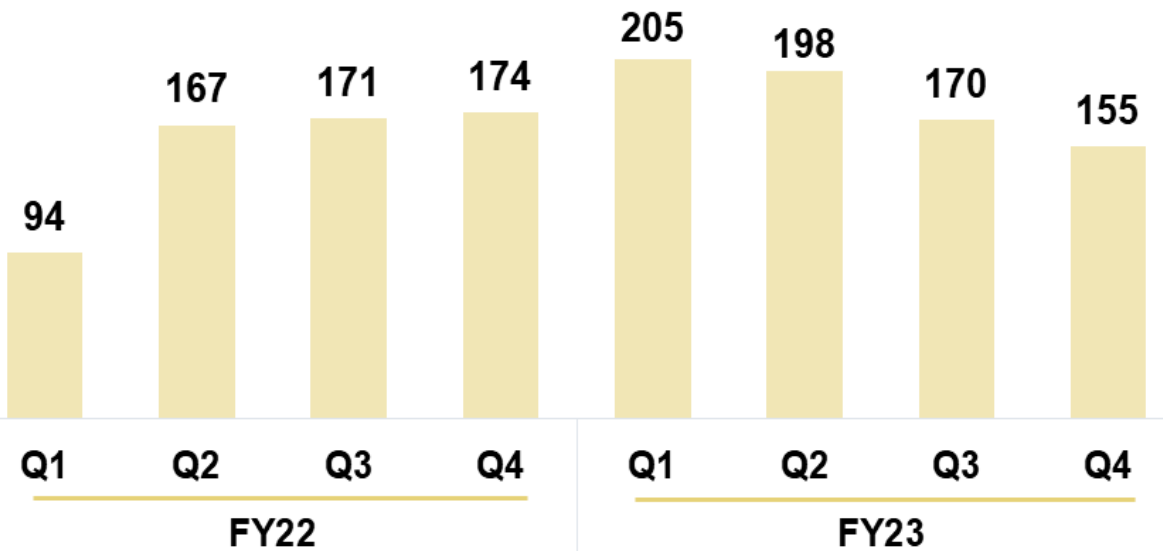
in Rs. cr (except EPS)

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

Revenue from Operations (Rs. in crs.)



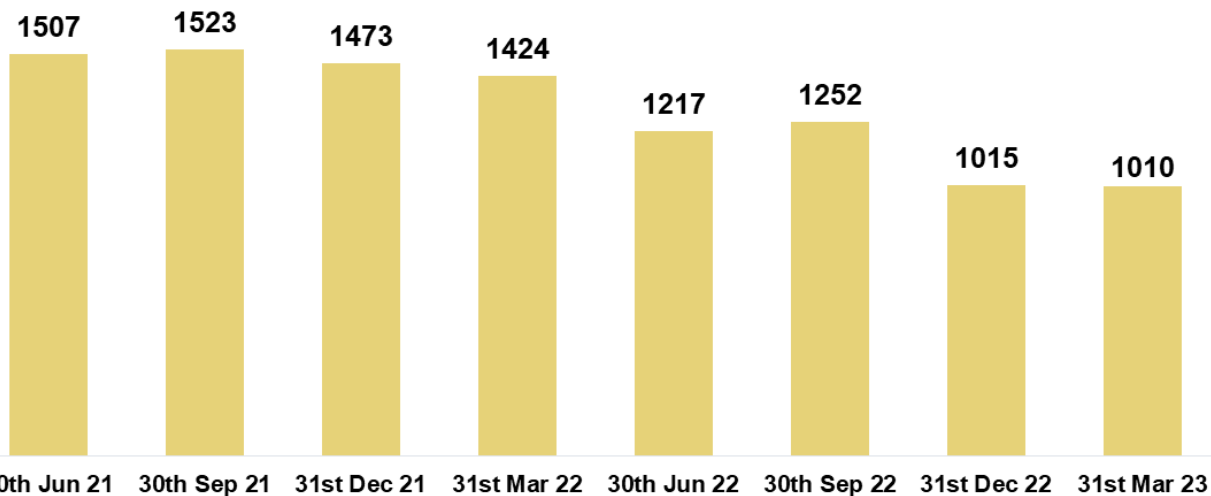
EBITDA (Rs. in crs.)



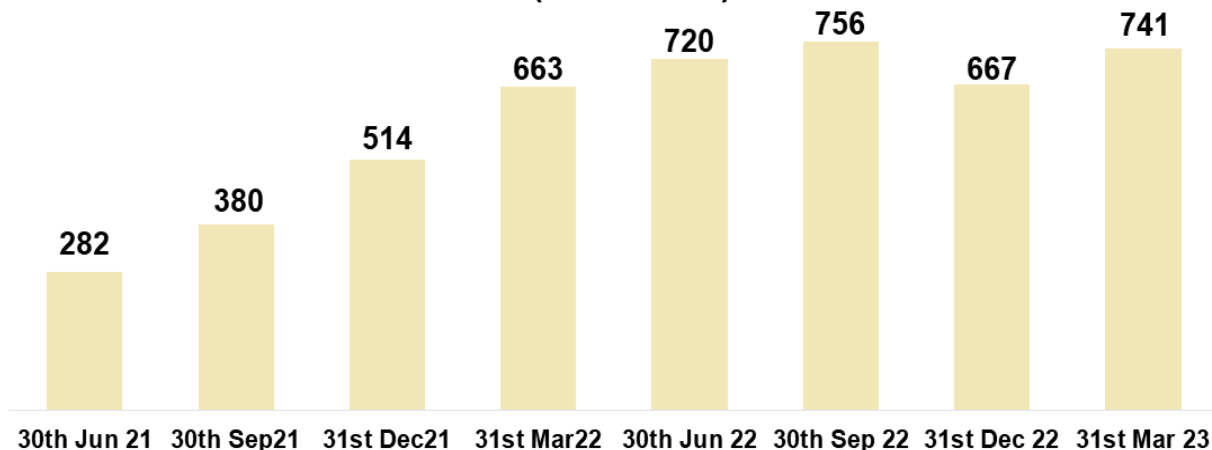
Investments and Borrowings (Standalone)



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 investment in Associates

Thank You



For investor
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