



PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

HEG/SECTT/2019

15th February, 2019

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
---	---	---	---

Sub: Investors presentation on the Unaudited Financial Results of the Company for the Q3 of FY 2019.

Dear Sir,

Please find enclosed a copy of Investors Presentation on the Unaudited financial results of the Company for the Q3 of FY 2019 for your information and record please.

Thanking you,

Yours faithfully,
For **HEG LIMITED**


(VIVEK CHAUDHARY)
COMPANY SECRETARY
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



Corporate Identification No.: L23109MP1972PLC008290



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



Q3 of FY19 Investor Update Presentation

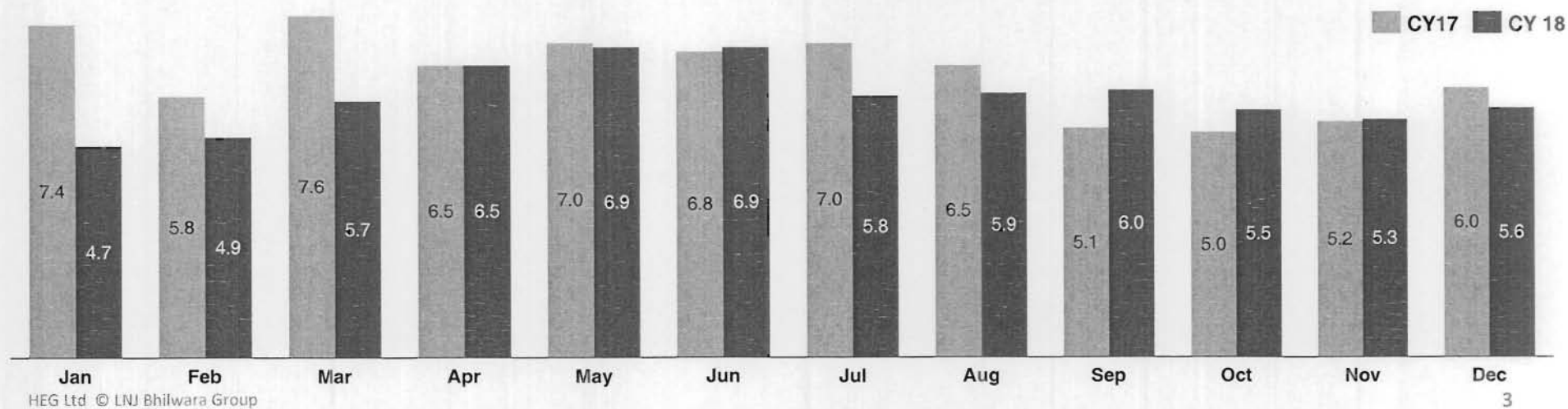
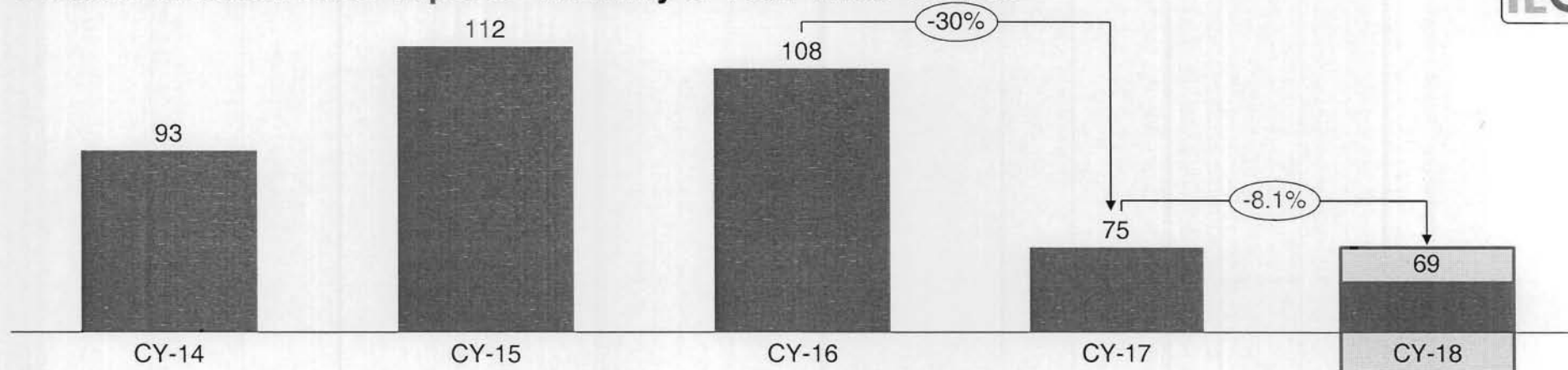
WORLD STEEL SCENARIO (JAN-DEC) 2018, MMT

Crude Steel Production	2017	(Jan-Dec) 2018	Change 2018 vs. 2017
World	1,730	1,809	4.6 %
China	871	928	6.6 %
World without China	859	881	2.5 %

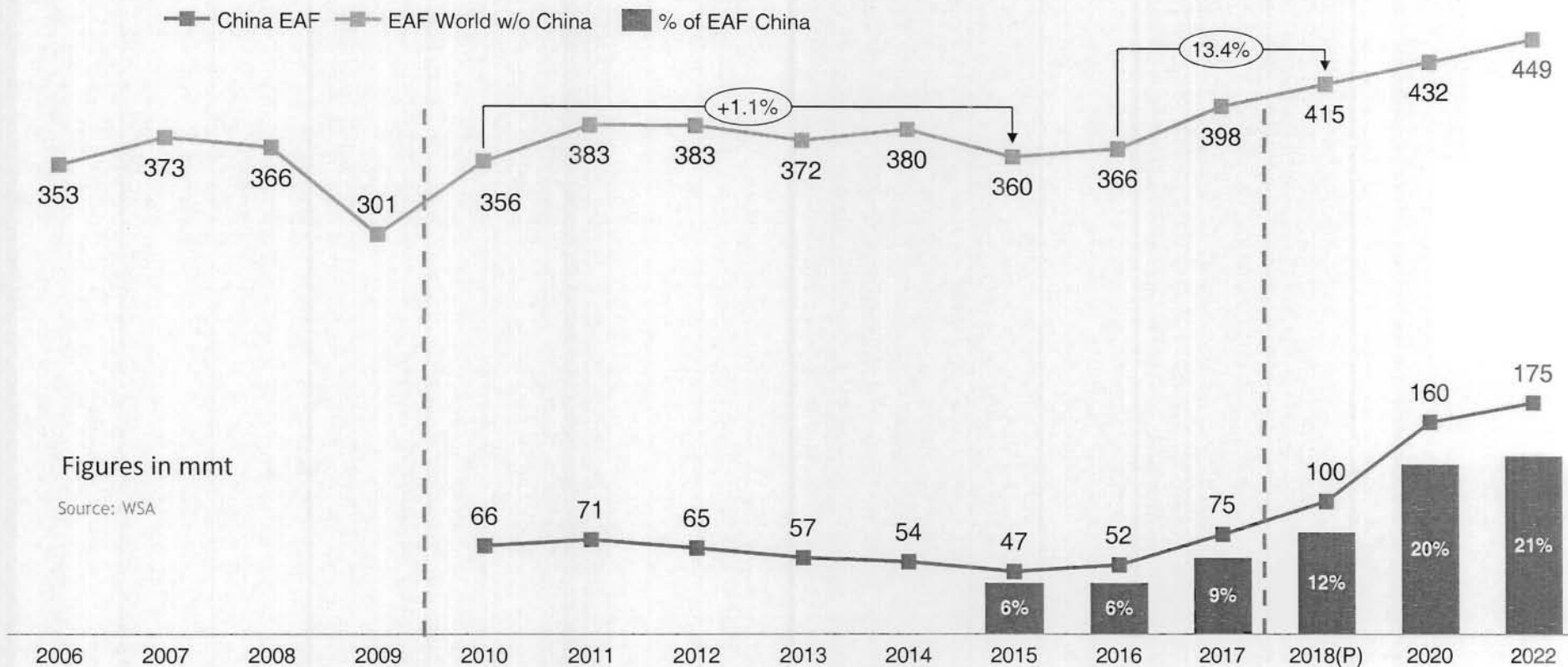
Growth / Decline Areas	% ↑	% of world pdn
Asia	5.6	70%
Middle East	11.7	2%
Africa	7.2	1%
N. America	4.1	7%
S. America	1.3	2%
Europe	0	17%

India produced 106 mmt steel posting a growth of 5.0%

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



EAF World Production –Without China & China



- The estimates between 2018 & 2022 are taken at growth rate of 2% per annum for rest of the world
- Additional EAF capacity of 110 mmt between 2016 and 2020, would mean an additional demand of appx 275,000 mt of GE in China. Which may further go upto 310,000 mt by 2022

Industry Outlook



- ❖ Global crude steel production reached 1.81 billion tonnes for the year 2018, up by 4.6% compared to 2017
- ❖ China has achieved its capacity elimination target by 2018. however output cuts for environmental reasons will be less stringent in 2019.
- ❖ In CY18 China's finished steel exports decreased by 8.1% on year to 69.336 MMT in 2018 due to strong domestic market driven by steel capacity elimination and output cuts for environmental reasons.
- ❖ China is pushing for more incentive policies to boost domestic demand in major steel consumption sectors like infrastructure, vehicles and white goods
- ❖ India removed antidumping duties on graphite electrodes imported from China in September 2018 which has increased imports.
- ❖ Needle coke supply continues to be tight and our efforts are on to organize as much coke as possible
- ❖ All needle coke suppliers are now offering prices on half yearly basis which is a departure from past practice where they used to give prices valid for one year
- ❖ Demand for UHP Graphite electrodes continues to remain strong and prices are expected to remain stable at an elevated level.



Financial Snapshot

in Rs. Crore (except EPS)

	Q3 FY19	Q2 FY19	Q1 FY19	Q3 FY18	FY18
REVENUE FROM OPERATION	1865	1794	1587	843	2758
EBITDA*	1351	1389	1197	563	1734
EBITDA Margin	72%	77%	75%	67%	63%
EBIT	1332	1371	1180	544	1661
EBIT Margin	71%	76%	74%	65	60%
PAT	867	889	770	342	1081
PAT Margin	46%	50%	49%	41%	39%
EPS	216.93	222.45	192.77	85.62	270.61

* EBITDA includes Other Income



Segmental Performance – Graphite Electrodes

in Rs. Crore

	Q3 FY19	Q2 FY19	Q1 FY19	Q3 FY18	FY18
Net Sales	1858	1793	1587	831	2739
Export (% of sales)	80%	72%	69%	65%	71%
EBITDA Margin	70.7%	77.2%	75.3%	64.4%	61%
EBIT Margin	70%	76.37%	74.40%	63%	59%

- ❖ Capacity utilisation at around 82% during the Quarter.
- ❖ USD/INR favorable, as graphite electrode business is net exporting segment.

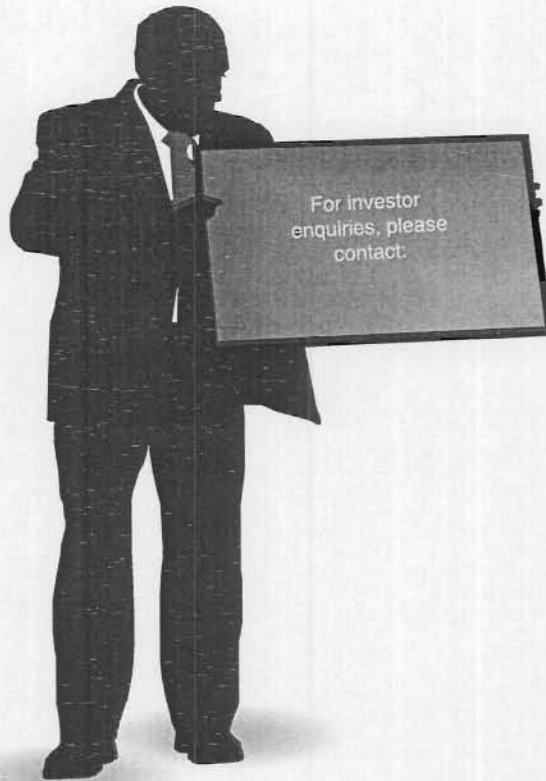
Segmental Performance – Power



in Rs. Crore

	Q3 FY19	Q2 FY19	Q1 FY19	Q3 FY18	FY18
Net Sales	35.37	28.85	27.88	69.32	213.80
EBITDA Margin	-	(16)%	(6)%	35%	28%
EBIT Margin	(8)%	(26)%	(18)%	30%	23%

- ❖ Coal availability under FSA with Coal India acutely short. Sourcing of coal from open market affecting bottom line.
- ❖ Net sales reduced in Q3 of FY19 vs. Q3 of FY18, as company has been able to negotiate a win win deal with state electricity board since Feb 2018. Hence, own generation reduced due to commercial reasons.



Thank You

Ms Dimple Momaya

heg@adfactorspr.com

+91 98207 62036

Mr. Manish Gulati, COO & CMO

Mr. Gulshan Sakhuja, CFO

HEG Limited

Ph: +91 9910103865

Fax: +91 120 254 1575

Email: manish.gulati@lnjbhilwara.com

gulshan.sakhuja@lnjbhilwara.com