



GRAPHITE INDIA LIMITED

REGD. & H.O. : 31, CHOWRINGHEE ROAD, KOLKATA - 700 016, W.B., INDIA
PHONE : 91 33 4002 9600, 2226 5755 / 4942 / 4943 / 5547 / 2334, 2217 1145 / 1146
FAX : 91 33 2249 6420, E-mail : gilro@graphiteindia.com
WEBSITE : www.graphiteindia.com, CIN : L10101WB1974PLC094602

GIL: SEC/SM/22-23/30

August 5, 2022

Bombay Stock Exchange Limited
The Corporate
Relationship Department
1st Floor, New Trading Ring,
Rotunda Bldg., P.J.Towers,
Dalal Street,
Mumbai 400 001.

Scrip Code – 509488

The Manager
Listing Department
National Stock Exchange
Exchange Plaza, 5th Floor,
Plot No-C/1, G Block,
Bandra-Kurla Complex,
Bandra (E)
Mumbai 400 051
Symbol - GRAPHITE

Sub: Earnings Presentation – Results for quarter ended June, 2022

Dear Sir,

Earning Presentation in connection with the Company's un-audited financial results (Standalone and Consolidated) for the quarter ended 30th June, 2022 is enclosed for your information and records.

Thanking you,

Yours faithfully,
For Graphite India Limited

S. Marda
Dy. Company Secretary

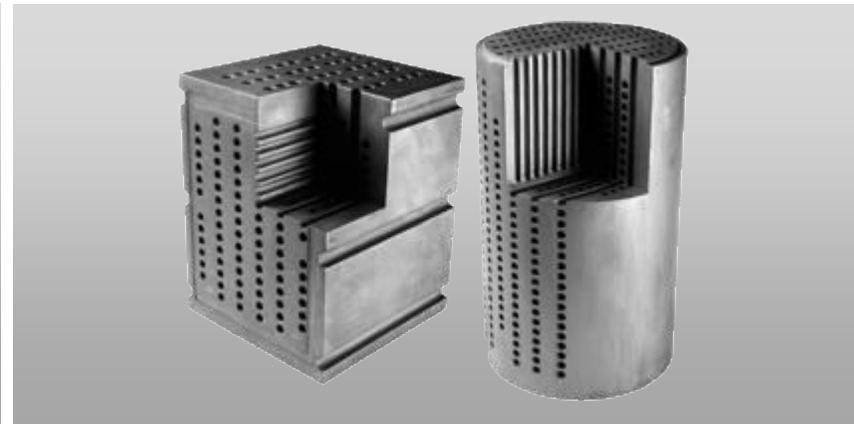
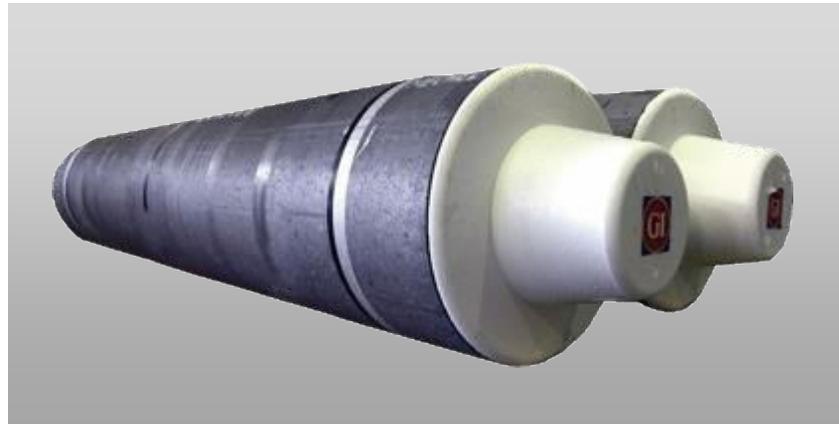
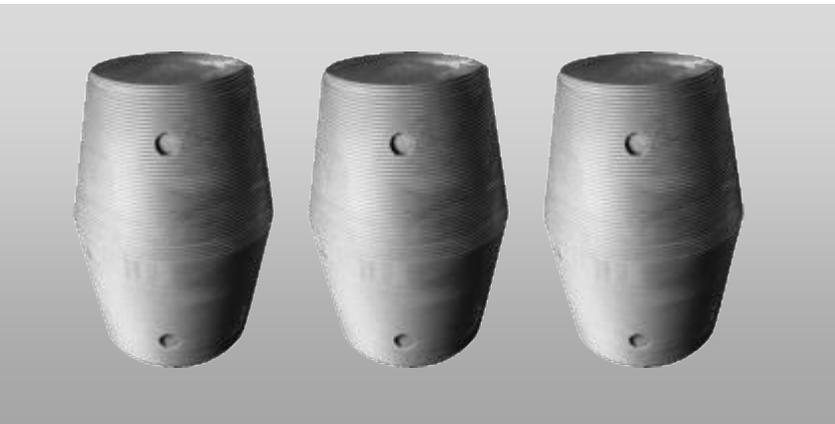
Encl.: As above.



Graphite India Limited

NSE: GRAPHITE, BSE: 509488

Q1 FY2023 Earnings Presentation August 5, 2022



Executive Summary_____	3
Chairman’s Message_____	4
Steel Industry Overview_____	5
Graphite Electrode Industry Overview_____	7
Financial Performance_____	8-9
Financial Performance Trends_____	10-11
Leverage Profile_____	12
Segment Performance_____	13
Graphite at a Glance_____	14

Q1 FY2023 Financial Performance

Q1 FY2023 Profit and Loss

(Consolidated)

- Net Sales of Rs. 866 Crores, an increase of 42% y-o-y and 3% q-o-q
- EBITDA excluding one time charge is Rs. 134 Crores as compared to Rs. 219 Crores in Q1 FY22
- Net Profit of Rs. 24 Crores as compared to Rs. 150 Crores in Q1 FY22
- EPS of Rs. 1.23 per share

Balance Sheet (Consolidated)

- Gross Debt of Rs. 464 Crores
- Cash (Net of Gross Debt) of Rs. 2,203 Crores

Q1 FY2023 Profit and Loss

(Standalone)

- Net Sales of Rs. 798 Crores, an increase of 47% y-o-y and 4% q-o-q
- EBITDA excluding one time charge is Rs. 172 Crores as compared to Rs. 212 Crores in Q1 FY22
- Net Profit of Rs. 63 Crores as compared to Rs. 157 Crores in Q1 FY21
- EPS of Rs. 3.26 per share

Balance Sheet (Standalone)

- Gross Debt of Rs. 356 Crores
- Cash (Net of Gross Debt) of Rs. 2,118 Crores

Note: In Q1 FY2023, Damodar Valley Corporation has revised electricity tariff rates and the net charge of Rs. 75 Crores has been clubbed under 'Power and Fuel' for the quarter and referred as one time charge



K K Bangur
Chairman

"In Q1 FY2023, Graphite India registered a Consolidated Net sales of Rs. 866 Cr, growth of 42% y-o-y and modest growth of 3% on a sequential basis. EBITDA before one time charge was Rs. 134 Cr and Net Profit was Rs. 24 Cr. The capacity utilization during the quarter was 71% as compared to 77% in Q1 FY2022. The year on year sales growth was primarily driven by improvement in realizations while volumes remained subdued. German business operations continued to remain impacted primarily due to higher energy costs which got accentuated with ongoing Russia-Ukraine crisis. From a balance sheet perspective, we maintain a strong consolidated Net Cash position of Rs. 2,203 Cr at the end of June 2022.

The quarter was marked with several macroeconomic challenges such as central banks raising interest rates, supply chain constraints and continuous rise in energy and commodity prices. In addition, the levy of 15% duty on steel exports in middle of the quarter has impacted the steel production in India especially in the month of June-22. Despite these multiple headwinds, Graphite India has delivered a resilient topline performance however margins were impacted due to the increase in overall operational costs.

Amidst the ongoing volatile macroeconomic market conditions globally, the steel demand and production in major EAF producing nations is expected to remain muted. However, the Indian steel industry is expected to deliver growth in 2022 driven by greater push by government on infrastructure development despite the initial setbacks due to levy of export duty. With this backdrop, the demand for electrode and realizations are expected to remain volatile in the near term and cost inflation may continue to add pressure on margins.

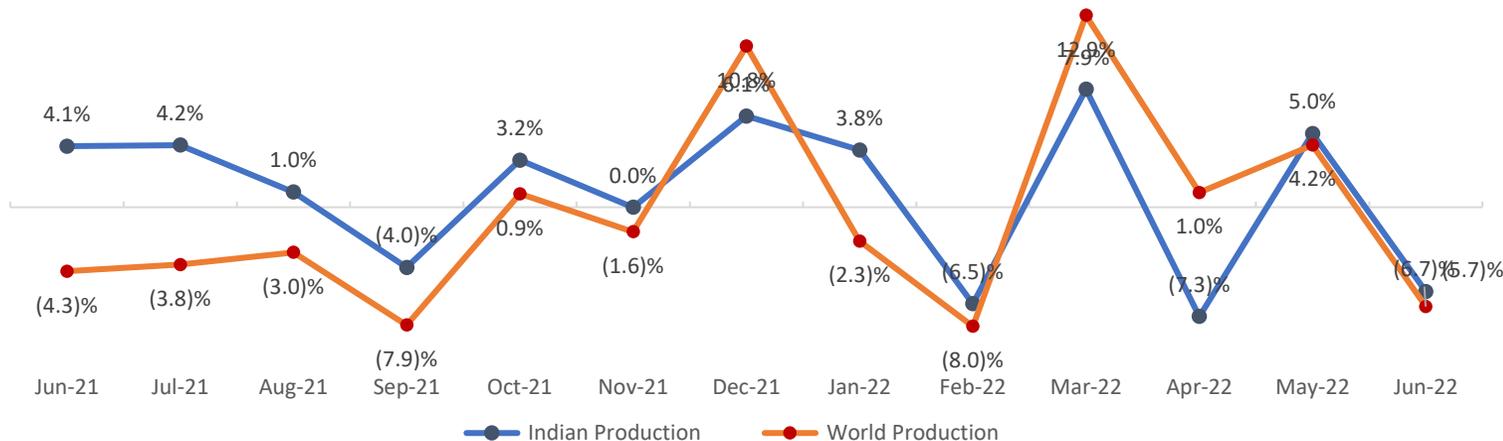
At Graphite India, we are committed to reduce our carbon footprint therefore identified GHG emission, waste management and water pollution reduction as our immediate focus areas and intend to reduce its intensity in the coming years. We are conscious of our responsibility towards environment and will continue to adopt best-in-class practices across our business operations."

Steel Industry Overview

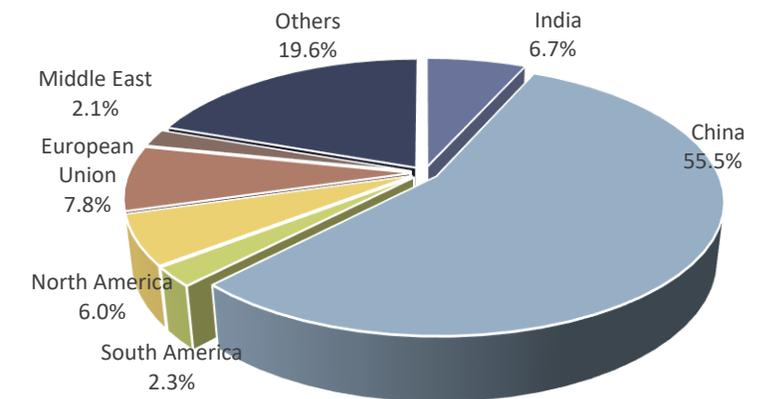


Crude Steel Production (million MT)	Three Months Ended				Year Ended			
	June-22	June-21	Y-o-Y (%)	Mar-22	Q-o-Q (%)	6M 2022	6M 2021	Y-o-Y (%)
Asia and Oceania	367.0	378.1	(2.9)%	331.3	10.8%	701.4	736.8	(4.8)%
India	30.7	28.0	9.8%	31.9	(3.8)%	63.2	58.1	8.8%
China	280.1	291.8	(4.0)%	243.4	15.1%	526.9	563.5	(6.5)%
Others	56.2	58.3	(3.6)%	56.0	0.4%	111.3	115.1	(3.3)%
South America	11.1	11.6	(4.2)%	10.6	4.7%	21.8	22.4	(2.8)%
North America	28.9	30.1	(3.8)%	28.1	2.8%	57.2	58.5	(2.3)%
European Union	37.0	40.3	(8.1)%	36.8	0.5%	73.8	78.7	(6.2)%
Middle East	10.2	11.3	(10.0)%	10.2	0.0%	20.4	21.7	(5.9)%
Others	36.2	43.8	(17.3)%	39.7	(8.8)%	74.9	86.5	(13.4)%
Total 64 Countries as per WSA	490.4	515.1	(4.8)%	456.7	7.4%	949.5	1,004.6	(5.5)%

M-o-M Growth (%)



6M 2022 Regional Production



Note: Source: World Steel Association, the figures are estimates that may be revised with next month's production update. Above table represents Total 64 Countries as per WSA which accounts for 98% of total world crude steel production

- As per World Steel Association (WSA) Global crude steel production decreased by 5.5% to 949.5 Mt in H1 CY2022 compared to 1,004.6 Mt in H1 CY2021. In Q2 CY2022, steel production declined by 4.8% y-o-y
- In Q2 CY2022 Global crude steel production excluding China registered a decrease of 5.8% on y-o-y and 1.4% on q-o-q basis due to overall economic slowdown and challenges arising from the conflict between Russia and Ukraine
- China crude steel production in Q2 CY2022 was 280.1 Mt, representing a decline of 4.0% y-o-y. However, it registered a robust increase of 15.1% on q-o-q basis
- India's crude steel production in Q2 CY2022 was 30.7 Mt, registering a strong increase of 9.8% y-o-y and however it declined by 3.8% on q-o-q basis due levy of exports duty on steel
- The EU produced 37.0 Mt of crude steel in Q2 CY2022, a decrease of 8.1% y-o-y
- Japan produced 23 Mt in Q2 CY2022, a decrease of 5.6% y-o-y
- North America produced 28.9 Mt of crude steel in Q2 CY2022, a decrease of 3.8% y-o-y with United States producing 21.0 Mt, a decrease of 3.6% y-o-y
- The Middle East produced 10.2 Mt of crude steel in Q2 CY2022, a decrease of 10.0% y-o-y

Steel Industry Outlook

- The WSA (April Outlook) has forecasted steel demand to grow nominally by 0.4% in 2022 to reach 1,840.2 MT after increasing by 2.7% in 2021. In 2023 steel demand will see further growth of 2.2% to reach 1,881.4 MT. The subdued growth in 2022, is primarily due to higher fuel prices, peak inflation levels in key economies and supply chain disruptions due to the ongoing Russia and Ukraine crisis
- As per Moody's, demand for Indian steel is expected to grow by 10% in 2022 backed by the government's continued focus on the infrastructural development, construction of roads, railways, ports and airports.
- In Q2 CY2022, Indian steel industry remained subdued due to levy of export duty on steel by however medium term outlook remain buoyant

- As per S&P Platts, In 2021, China has approved the construction of 43 new EAFs with a total crude steel capacity of 29 million mt/year through capacity swaps, while in 2020, only about 10 million mt/year of new EAFs got construction approvals
- The new EAF capacities are expected to drive the demand of graphite electrode in the country and may result in lower export of electrode to other countries.
- China's crude steel production is expected to be capped to keep the output below 2021 levels. This policy is in line with Beijing's goal to achieve carbon neutrality by 2060
- China abolished rebate of 13% VAT on certain steel exports to reduce steel production and exports. The lower exports from China will lead to higher steel production in the EAF steel producing nations
- The recent announcement of the increased government spending on Indian infrastructure and the revival of key sectors such as construction, mining, capital goods and automobiles could have a positive impact on steel production and electrodes demand
- Countries around the world are moving towards their carbon neutrality goals and therefore corporates are becoming environment conscious and adopting environment friendly manufacturing processes. Steel manufacturers are gradually moving towards EAF process which is expected to create sustainable demand for graphite electrode in the longer term
- Needle coke price and other input costs are witnessing a rising trend

Consolidated Financial Performance



Graphite India Limited

(Rs. Crore)	Q1		y-o-y Growth (%)	Q4 FY2022	q-o-q Growth (%)	Year Ended		y-o-y Growth (%)	Comments
	FY2023	FY2022				FY2022	FY2021		
Net Sales (Excluding Other Income)	866	610	42%	844	3%	3,026	1,958	55%	<i>Y-o-Y Sales growth was driven primarily driven by improved realizations</i>
Other Income	31	78	(60%)	71	(56%)	294	316	(7%)	
Total Income	897	688	30%	915	(2%)	3,320	2,274	46%	
EBITDA / (Loss) excluding CSR Expense and One Time Income/Expense <i>Margin (%)</i>	134 15%	219 36%	(39%)	189 22%	(29%)	799 26%	93 5%	-	<i>Q-o-Q Sales growth was driven by realizations coupled with modest increase in volumes</i>
EBITDA / (Loss) <i>Margin (%)</i>	59 7%	219 36%	(73%)	159 19%	(63%)	769 25.4%	111 5.7%	-	
Interest	2	1	100%	2	-	5	6	(17%)	<i>In Q1 FY2023, Damodar Valley Corporation has revised electricity tariff rates and the net charge of Rs. 75 Crores has been clubbed under 'Power and Fuel" for the quarter</i>
Depreciation	14	14	-	14	-	55	52	6%	
Profit / (Loss) Before Tax (before Exceptional items and Associates)	43	204	(79%)	143	(70%)	709	53	-	
Share of Profit/(Loss) of an Associate	-	(7)	(100%)	(2)	(100%)	(16)	(10)	60%	
Profit / (Loss) Before Tax	43	197	(78%)	141	(70%)	693	43	-	
Net Profit / (Loss) <i>Margin (%)</i>	24 3%	150 25%	(84%)	95 11%	(75%)	505 17%	(32) (2)%	-	
Earnings Per Share (Rs)	1.23	7.70	(84%)	4.82	(74%)	25.82	(1.64)	-	

- Notes:
- EBITDA excluding CSR Expense and One Time Income : CSR Expense was Rs 30 crores in Q4 FY22 and FY22. Similarly, it was Rs. 70 Crores in Q4 FY21 and Rs. 73 crores in FY21. One time income of Rs. 91 Crores which was refunded by Damodar Valley Corporation (DVC) on account of electricity refund in Q4 and FY21
 - EBITDA includes Other Income
 - All margins calculated as a percentage of Net Sales (excluding Other Income)

Standalone Financial Performance



Graphite India Limited

(Rs. Crore)	Q1		y-o-y Growth (%)	Q4 FY2022	q-o-q Growth (%)	Year Ended		y-o-y Growth (%)	Comments
	FY2023	FY2022				FY2022	FY2021		
Net Sales (Excluding Other Income)	798	543	47%	767	4%	2,799	1,839	52%	<i>Y-o-Y Sales growth was driven primarily driven by improved realizations</i>
Other Income	22	76	(71%)	74	(70%)	279	306	(9%)	
Total Income	820	619	32%	841	(2%)	3,078	2,145	43%	
EBITDA / (Loss) excluding One Time Income and Expense	172	212	(19%)	211	(18%)	833	304	174%	<i>Q-o-Q Sales growth was driven by realizations coupled with modest increase in volumes</i>
Margin (%)	22%	39%		28%		30%	17%		
EBITDA / (Loss)	97	212	(54%)	181	(46%)	803	322	149%	<i>In Q1 FY2023, Damodar Valley Corporation has revised electricity tariff rates and the net charge of Rs. 75 Crores has been clubbed under 'Power and Fuel" for the quarter</i>
Margin (%)	12%	39%		24%		29%	18%		
Interest	2	1	100%	1	100%	4	6	(33%)	<i>In Q1 FY2023, Damodar Valley Corporation has revised electricity tariff rates and the net charge of Rs. 75 Crores has been clubbed under 'Power and Fuel" for the quarter</i>
Depreciation	11	12	(8%)	12	(8%)	46	45	2%	
Profit / (Loss) Before Tax (before Exceptional items and Associates)	84	199	(58%)	168	(50%)	753	271	178%	
Profit / (Loss) Before Tax	84	199	(58%)	168	(50%)	753	271	178%	
Net Profit / (Loss)	63	157	(60%)	122	(48%)	574	199	188%	
Margin (%)	8%	29%		16%		21%	11%		
Earnings Per Share (Rs)	3.26	8.03	(59%)	6.32	(48%)	29.39	10.20	188%	

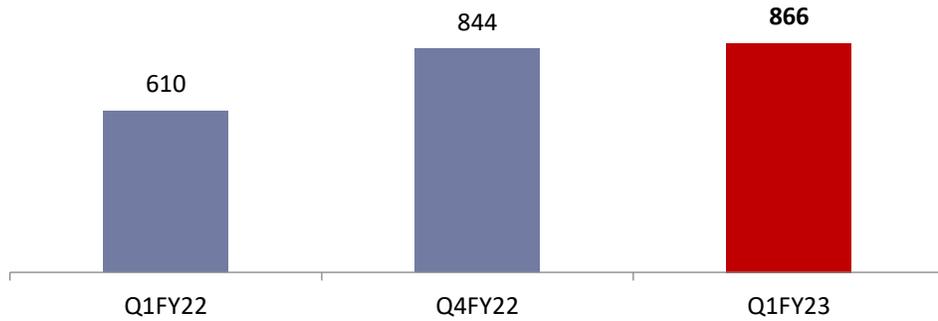
Notes:

- EBITDA excluding CSR Expense and One Time Income : CSR Expense was Rs 30 crores in Q4 FY22 and FY21. Similarly, it was Rs. 70 Crores in Q4 FY21 and Rs. 73 crores in FY21. One time income of Rs. 91 Crores which was refunded by Damodar Valley Corporation (DVC) on account of electricity refund in Q4 and FY21
- EBITDA includes Other Income
- All margins calculated as a percentage of Net Sales (excluding Other Income)

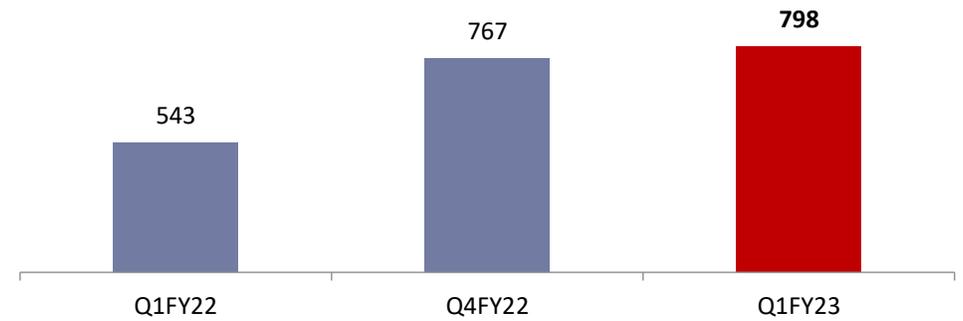
Quarter Performance Trends



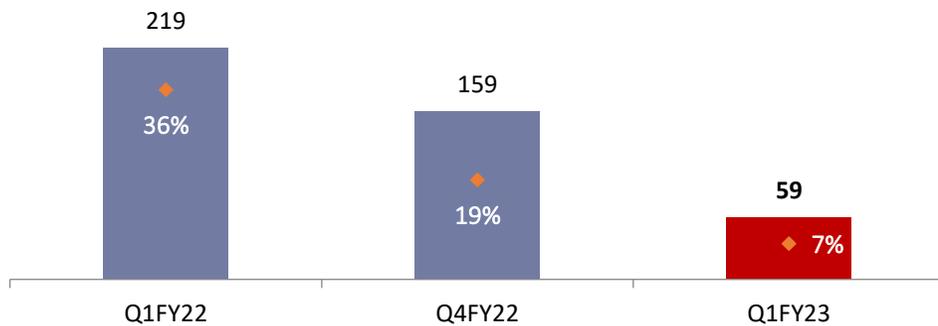
Consolidated Net Sales



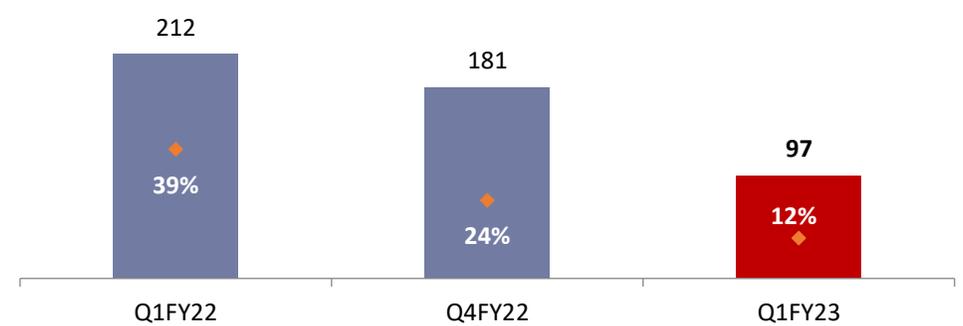
Standalone Net Sales



Consolidated Operating Profit / (Loss)



Standalone Operating Profit / (Loss)



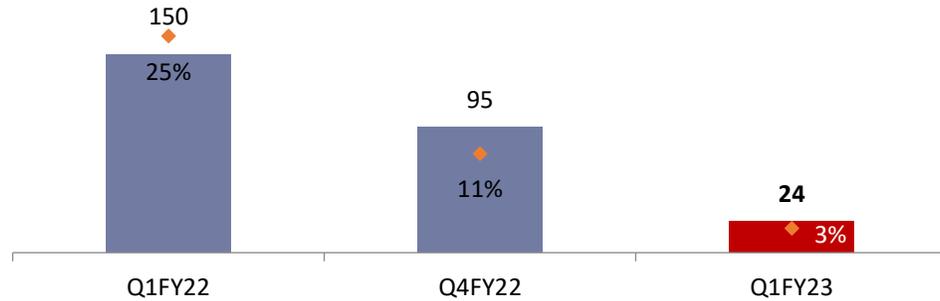
Notes:

1. Operating Profit / (Loss) is including Other Income. Operating profit is as reported without adjustment for CSR expense and one time income / expense
2. All numbers in Crores unless specifically mentioned

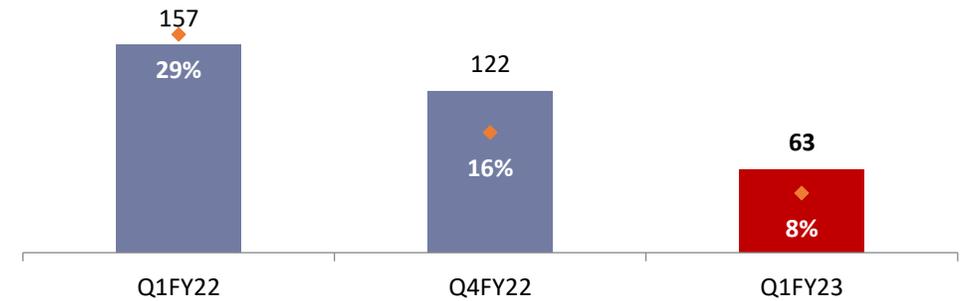
Quarter Performance Trends



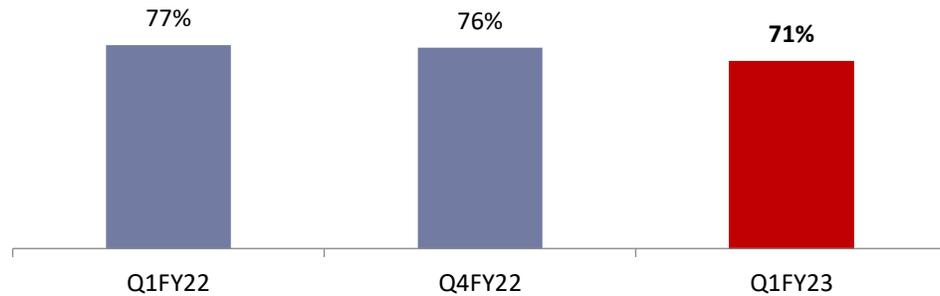
Consolidated Net Profit / (Loss)



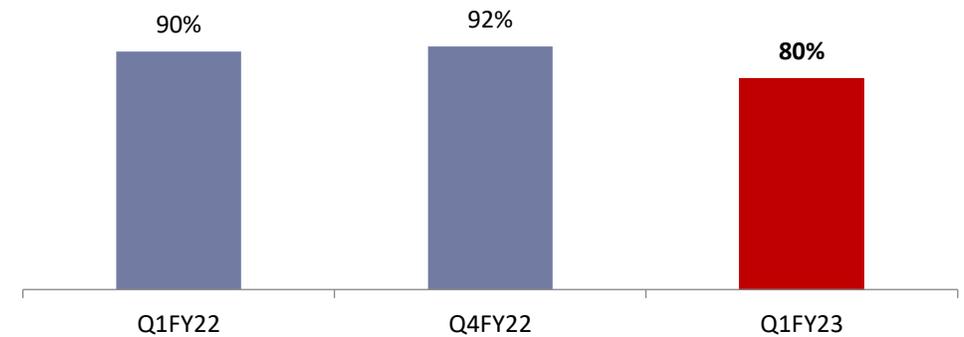
Standalone Net Profit / (Loss)



Consolidated Capacity Utilization



Standalone Capacity Utilization



Note: All numbers in Crores unless specifically mentioned

Significant financial flexibility available for future organic and inorganic growth

Consolidated Leverage Profile

(Rs. Crore)	June-22	Mar-22	Dec-21	Sep-21	June-21
Cash & Cash Equivalents ¹	2,667	2,774	2,785	2,906	3,047
Total Debt	(464)	428	(333)	(275)	(267)
Net Cash	2,203	2,346	2,452	2,631	2,780

Standalone Leverage Profile

(Rs. Crore)	June- 22	Mar- 22	Dec- 21	Sep- 21	June- 21
Cash & Cash Equivalents ¹	2,474	2,482	2,468	2,466	2,539
Total Debt	(356)	(343)	(249)	(258)	(267)
Net Cash	2,118	2,139	2,219	2,208	2,272

Notes:

1. Cash and cash equivalents include investments

Quarterly Segment Performance



Graphite India Limited

Consolidated Segment Performance

(Rs. Crore)	Q1		y-o-y	Q4	q-o-q
	FY2023	FY2022	Growth (%)	FY2022	Growth (%)
Graphite and Carbon	798	549	45%	790	1%
Others	68	61	11%	54	26%
Less: Inter Segment Sales	*	*	-	*	-
Segment Revenue	866	610	42%	844	3%
Graphite and Carbon	69	114	(39)%	106	(35)%
Others	16	23	(30)%	18	(11)%
Profit / (Loss) before tax and interest	85	137	(38)%	124	(31)%
Finance Cost	(2)	(1)	100%	(2)	-
Unallocated Income / (expense)	(40)	68	-	21	-
Profit / (Loss) Before Tax (Before Exceptional Items and Associates)	43	204	(79)%	143	(70)%
Share of Profit/Loss of an Associate	0	(7)	-	(2)	-
Profit / (Loss) Before Tax	43	197	(78)%	141	(70)%

Standalone Segment Performance

(Rs. Crore)	Q1		y-o-y	Q4	q-o-q
	FY2023	FY2022	Growth (%)	FY2022	Growth (%)
Graphite and Carbon	730	504	45%	726	1%
Others	68	39	74%	41	66%
Less: Inter Segment Sales	*	*	-	*	-
Segment Revenue	798	543	47%	767	4%
Graphite and Carbon	94	135	(30)%	137	(31)%
Others	22	1	-	5	-
Profit / (Loss) before tax and interest	116	136	(15)%	142	(18)%
Finance Cost	(2)	(1)	-	(1)	-
Unallocated Income / (expense)	(30)	64	-	27	-
Profit / (Loss) Before Tax (Before Exceptional Items)	84	199	(58)%	168	(50)%
Profit / (Loss) Before Tax	84	199	(58)%	168	(50)%

* Amounts are below the rounding off norm adopted by the company

Company Background

Graphite India is the largest Indian producer of graphite electrodes and one of the largest globally, by total capacity. Its manufacturing capacity of 98,000 tonnes per annum is spread over three plants at Durgapur and Nashik in India and Nurnberg in Germany. The Company has over 40 years of technical expertise in the industry. Exports account for approximately half of the total revenues. Graphite India manufactures the full range of graphite electrodes but stays focused on the higher margin, large diameter, ultra-high power (“UHP”) electrodes.

Graphite India is well poised in the global graphite electrode industry through its quality, scale of operations and low cost production base. The Company’s competitive edge was particularly evident during the last decade, when low prices for graphite electrodes resulted in many of the leading players generating losses, but Graphite India however remained consistently profitable and declared dividends. Graphite India currently has a conservative leverage profile with significant financial capacity for organic or inorganic expansion.

The Company’s strategy is to become further vertically integrated, continue its penetration of new markets and clients as well as pursue value enhancing inorganic growth opportunities. Graphite India also manufactures Calcined Petroleum Coke (“CPC”) for use in electrode manufacturing. It is enhancing its presence in value added graphite products for the auto, aerospace, chemical, pharmaceutical, metallurgical and machine tool industries.

The Company also has facilities designed for the manufacture of impervious graphite equipment and glass reinforced plastic pipes and tanks. It has an installed capacity of 18 MW of power generation through hydel route.

Graphite India Limited, through its subsidiary has progressively acquired and now owns 55% stake in General Graphene Corporation, a US based company which has developed a breakthrough proprietary technology which would allow them to produce large area, high quality, low cost graphene sheets in industrial volumes for commercial applications.

Industry

Graphite electrodes are used in electric arc furnace (“EAF”) based steel mills and is a consumable item for the steel industry. The graphite electrode industry is highly consolidated with the top five major global players accounting for almost 75% of the high end UHP electrode capacity. Majority of this capacity however, is currently located in high cost regions like US, Europe and Japan. The manufacturing process for the high end UHP electrodes is technology intensive and is a constraint for the entry of new players.



Disclaimer

This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Graphite India’s future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Graphite India undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.

Graphite India Limited

(CIN: L10101WB1974PLC094602)

31 Chowringhee Road, Kolkata 700 016

Phone: +91 33 4002 9600

Fax: +91 33 4002 9676

www.graphiteindia.com

M.K. Chhajer

Graphite India Limited

+91 33 40029622

mkchhajer@graphiteindia.com

Ravi Gothwal

+91 22 6169 5988

Churchgate Partners

graphite@churchgatepartners.com