



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
May 23, 2022

GIL:SEC/SM/22-23/ 13

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

Re : Earnings Presentation – Results for year ended March 2022

Dear Sir,

Earning Presentation in connection with the Company's Audited Financial results (Standalone and Consolidated) for the year ended 31st March, 2022 is enclosed for your information and records.

Thanking you,

Yours faithfully,
For Graphite India Limited

S. Marda
Dy. Company Secretary

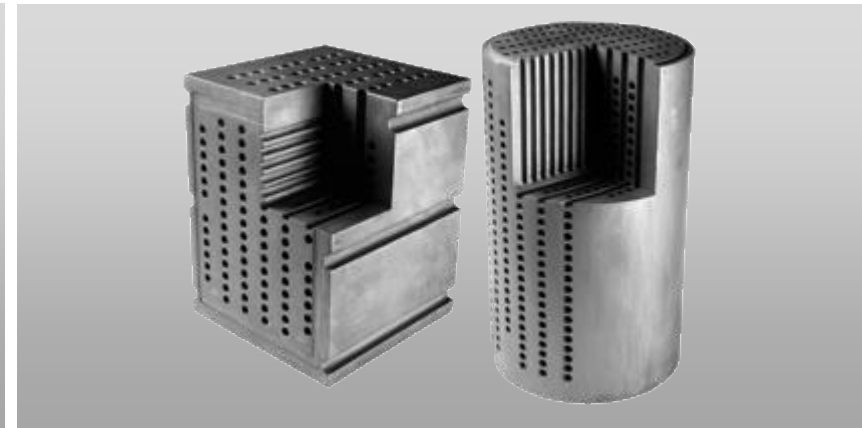
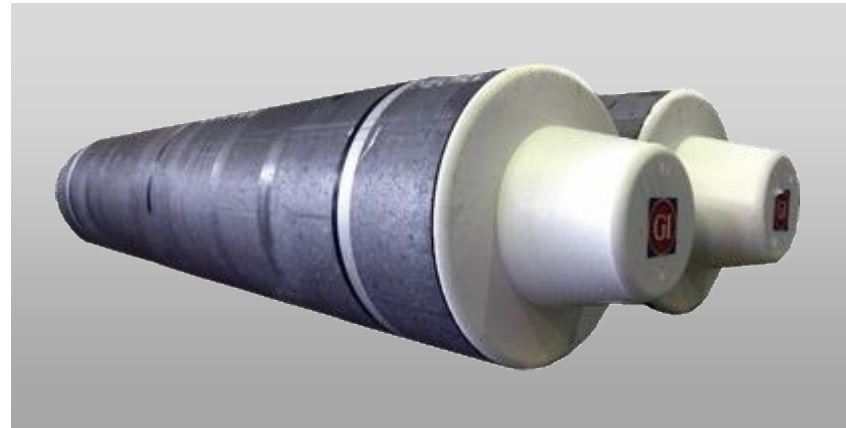
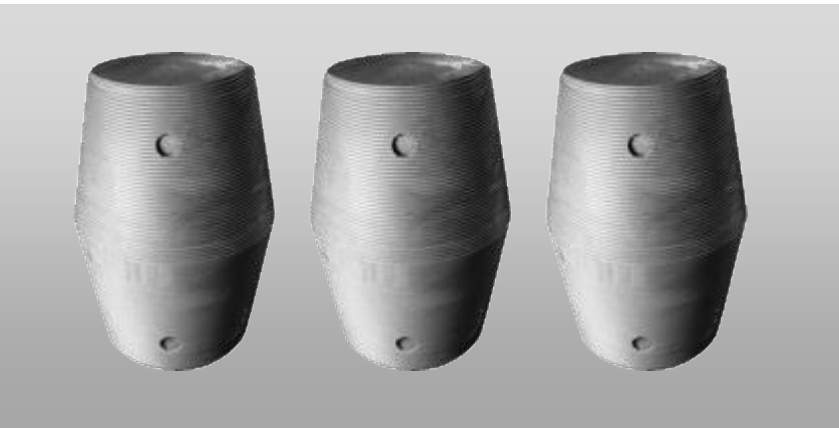
Encl : As above.



Graphite India Limited

NSE: GRAPHITE, BSE: 509488

Q4 and Full Year FY2022 Earnings Presentation May 23, 2022



Discussion Agenda



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Q4 and Full Year FY2022 Consolidated Financial Performance

FY2022 Profit and Loss

- Net Sales of Rs. 3,026 Crores, up by 55% y-o-y
- EBITDA excluding CSR expense and one time income is Rs. 799 Crores as compared to Rs. 93 Crores in FY21
- Net Profit of Rs. 505 Crores compared to loss of Rs. 32 Crores in FY21
- EPS of Rs. 25.82 per share

Balance Sheet

- Gross Debt of Rs. 428 Crores
- Cash (Net of Gross Debt) of Rs. 2,346 Crores

Q4 FY2022 Profit and Loss

- Net Sales of Rs. 844 Crores, up by 49% y-o-y
- EBITDA excluding CSR expense and one time income is Rs. 189 Crores as compared to Rs. 113 Crores in Q4FY21
- Net Profit of Rs. 95 Crores, up by 48% y-o-y
- EPS of Rs. 4.82 per share

Dividend

- Dividend announced of Rs. 10 per share for FY2022
- Dividend pay out ratio of 500% on the Face Value

*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

Q4 and Full Year FY2022 Standalone Financial Performance

FY2022 Profit and Loss

- Net Sales of Rs. 2,799 Crores, up by 52% y-o-y
- EBITDA excluding CSR expense and one time income is Rs. 833 Crores as compared to Rs. 304 Crores in FY21
- Net Profit of Rs. 574 Crores compared to Rs. 199 Crores in FY21
- EPS of Rs. 29.39 per share

Q4 FY2022 Profit and Loss

- Net Sales of Rs. 767 Crores, an increase of 36% y-o-y
- EBITDA excluding CSR expense and one time income is Rs. 211 Crores as compared to Rs. 160 Crores in Q4 FY21
- Net Profit of Rs. 122 Crores compared to Rs. 114 Crores in Q4 FY21
- EPS of Rs. 6.32 per share

Balance Sheet

- Gross Debt of Rs. 343 Crores
- Cash (Net of Gross Debt) of Rs. 2,139 Crores

*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



K K Bangur
Chairman

“During FY2022, Graphite India registered a Consolidated Net sales of Rs. 3,026 Cr, growth of 55%, EBITDA before CSR expense of Rs. 799 Cr and Net Profit of Rs. 505 Cr. The capacity utilization during the year was 81% as compared to 58% in FY2021. Standalone Net Sales were Rs. 2,799 Cr, EBITDA of Rs. 833 Cr and Net Profit of Rs. 574 Cr. The growth during the year was driven by both improved realizations and volumes, backed by higher demand from both domestic and export markets. Our balance sheet remains robust with consolidated Net Cash balance of Rs. 2,346 Cr at the end of March 2022.

I am pleased that our Indian business delivered resilient performance despite second wave of Covid-19 impacting the first quarter and fresh challenges posed by geo-political crisis at the end of the fiscal year. At our German business operations, we saw a strong recovery in volumes however the performance was impacted due to sharp increase in electricity and gas prices.

In 2021, the steel industry across the world excluding China registered a strong growth in the steel production driven by robust demand by the end user industries on the back of easing of covid restrictions and supportive government monetary and fiscal policies. However, from the beginning of 2022, the global steel production was impacted due to escalation in Russia-Ukraine crisis, supply chain disruptions and higher energy price. As a result, in Q1 CY2022 global steel production excluding China declined by 2.2% y-o-y, with most countries registering a de-growth except India which continues to register a strong growth of 5.9% y-o-y. In view of these market conditions, the global steel demand outlook remain uncertain, but the Indian steel industry is expected to continue its momentum backed by strong demand in India and increased demand for steel products from rest of the world.

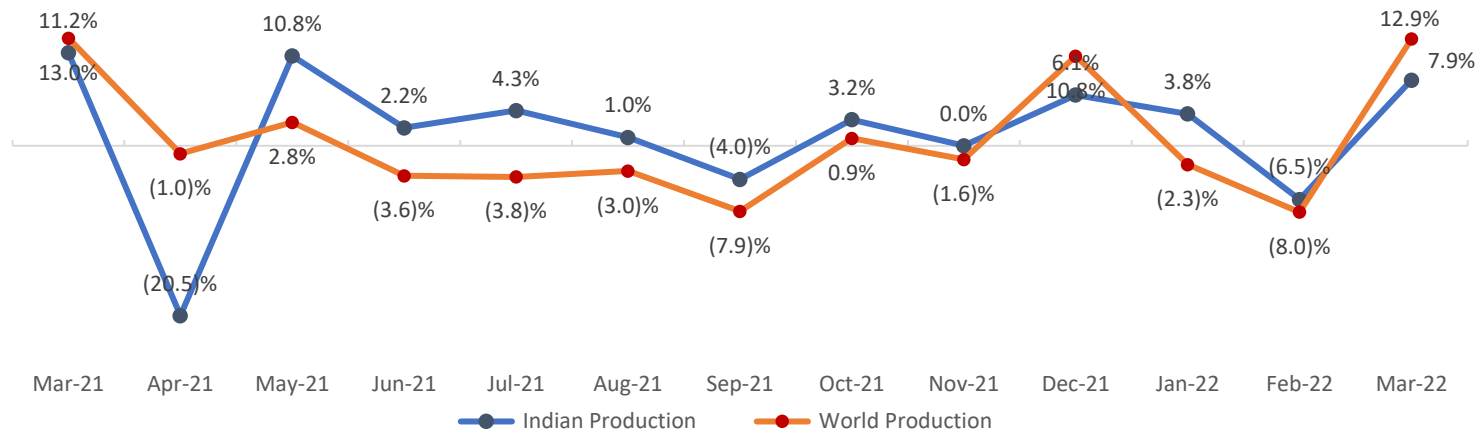
Looking ahead, we remain cautiously optimistic, the electrode demand and prices are expected to stabilize however uncertainty surrounding key input and logistics costs continue to add pressure. Our current priority is to adopt cost efficient solutions, ensure optimum utilization of resources and maintain the momentum for growth in profitability.”

Steel Industry Overview

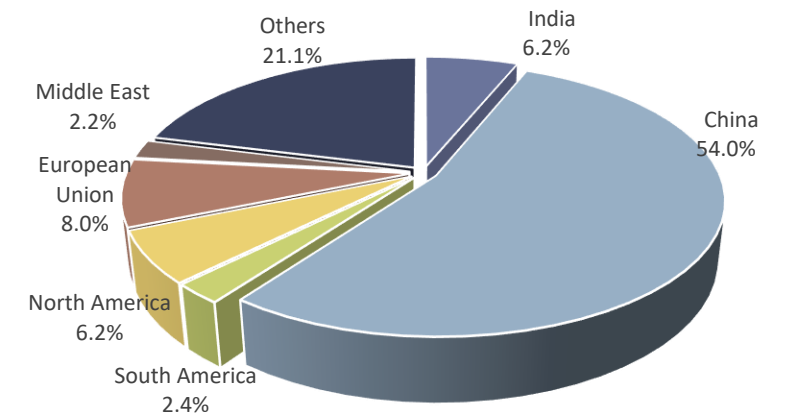


Crude Steel Production (million MT)	Three Months Ended				Year Ended			
	Mar-22	Mar-21	Y-o-Y (%)	Dec-21	Q-o-Q (%)	2021	2020	Y-o-Y (%)
Asia and Oceania	331.3	359.3	(7.8)%	315.1	5.1%	1,382.0	1,373.8	0.6%
India	31.9	30.1	5.9%	30.0	6.3%	118.1	100.3	17.8%
China	243.4	272.0	(10.5)%	227.1	7.2%	1,032.8	1,064.7	(3.0)%
Others	56.0	57.2	(2.2)%	58.0	(3.4)%	231.1	208.8	10.7%
South America	10.6	11.0	(3.6)%	11.4	(7.0)%	45.6	38.7	17.8%
North America	28.1	28.4	(0.9)%	29.6	(5.1)%	117.8	101.0	16.6%
European Union	36.8	38.3	(3.8)%	37.4	(1.6)%	152.5	132.1	15.4%
Middle East	10.2	10.4	(1.9)%	10.9	(6.4)%	41.2	40.7	1.2%
Others	39.7	42.7	(7.0)%	43.1	(7.9)%	172.8	158.5	9.0%
Total 64 Countries as per WSA	456.6	490.0	(6.8)%	447.5	2.1%	1,911.9	1,844.9	3.6%

M-o-M Growth (%)



2021 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 6.8% to 456.6 Mt in Q1 CY2022 compared to 490 Mt in Q1 CY2021
- Global crude steel production excluding China registered a decrease of 2.2% on y-o-y due to slowdown arising from the conflict between Russia and Ukraine
- China crude steel production for Q1 CY2022 was 243.4 Mt, representing a decline of 10.5% y-o-y. The decline is primarily due to Covid-19 induced lockdown amidst the rising new variants and in line with the government capping to keep the steel output levels of 2021
- India's crude steel production in Q1 CY2022 was 31.9 Mt, registering a strong increase of 5.9% y-o-y and remaining second largest steel producer
- The EU produced 36.8 Mt of crude steel in Q1 CY2022, a decrease of 3.8% y-o-y
- Japan produced 23 Mt in Q1 CY2022, a decrease of 2.9% y-o-y
- North America produced 28.1 Mt of crude steel in Q1 CY2022, a decrease of 0.9% y-o-y with United States producing 20.3 Mt, a decrease of 0.4% y-o-y
- The Middle East produced 10.2 Mt of crude steel in Q1 CY2022, a decrease of 1.9% y-o-y

Steel Industry Outlook

- The WSA 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
- The steel production in India is expected to remain robust driven by strong demand for Indian steel products within India and from rest of the world. However, the high energy price environment, supply chain disruption may impact growth momentum

- 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
- Withdrawal of custom duty in India on scrap imports should benefit EAF steel manufacturers
- 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)	Q4		y-o-y Growth (%)	Q3		Year Ended		y-o-y Growth (%)	Comments
	FY2022	FY2021		FY2022	q-o-q Growth (%)	FY2022	FY2021		
Net Sales (Excluding Other Income)	844	565	49%	880	(4%)	3,026	1,958	55%	<i>In FY2022, sales y-o-y growth was driven both higher volumes and improved realizations</i>
Other Income	71	56	27%	66	8%	294	316	(7%)	
Total Income	915	621	47%	946	(3%)	3,320	2,274	46%	
EBITDA / (Loss) excluding CSR Expense and One Time Income	189	113	67%	203	(7%)	799	93	-	<i>In Q4 FY2022, sales y-o-y growth was primarily driven higher realizations while volumes were down</i>
Margin (%)	22%	20%		23%		26%	5%		
EBITDA / (Loss)	159	134	19%	203	(22%)	769	111	-	
Margin (%)	19%	24%		23%		25.4%	5.7%		
Interest	2	1	100%	2	-	5	6	(17%)	
Depreciation	14	14	-	14	-	55	52	6%	
Profit / (Loss) Before Tax (before Exceptional items and Associates)	143	119	20%	187	(24%)	709	53	-	
Share of Profit/(Loss) of an Associate	(2)	(3)	-	(3)	-	(16)	(10)	60%	
Profit / (Loss) Before Tax	141	116	22%	184	(23%)	693	43	-	
Net Profit / (Loss)	95	64	48%	132	(28%)	505	(32)	-	
Margin (%)	11%	11%		15%		17%	(2)%		
Earnings Per Share (Rs)	4.82	3.29	47%	6.75	(29%)	25.82	(1.64)	-	

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)

Standalone Financial Performance



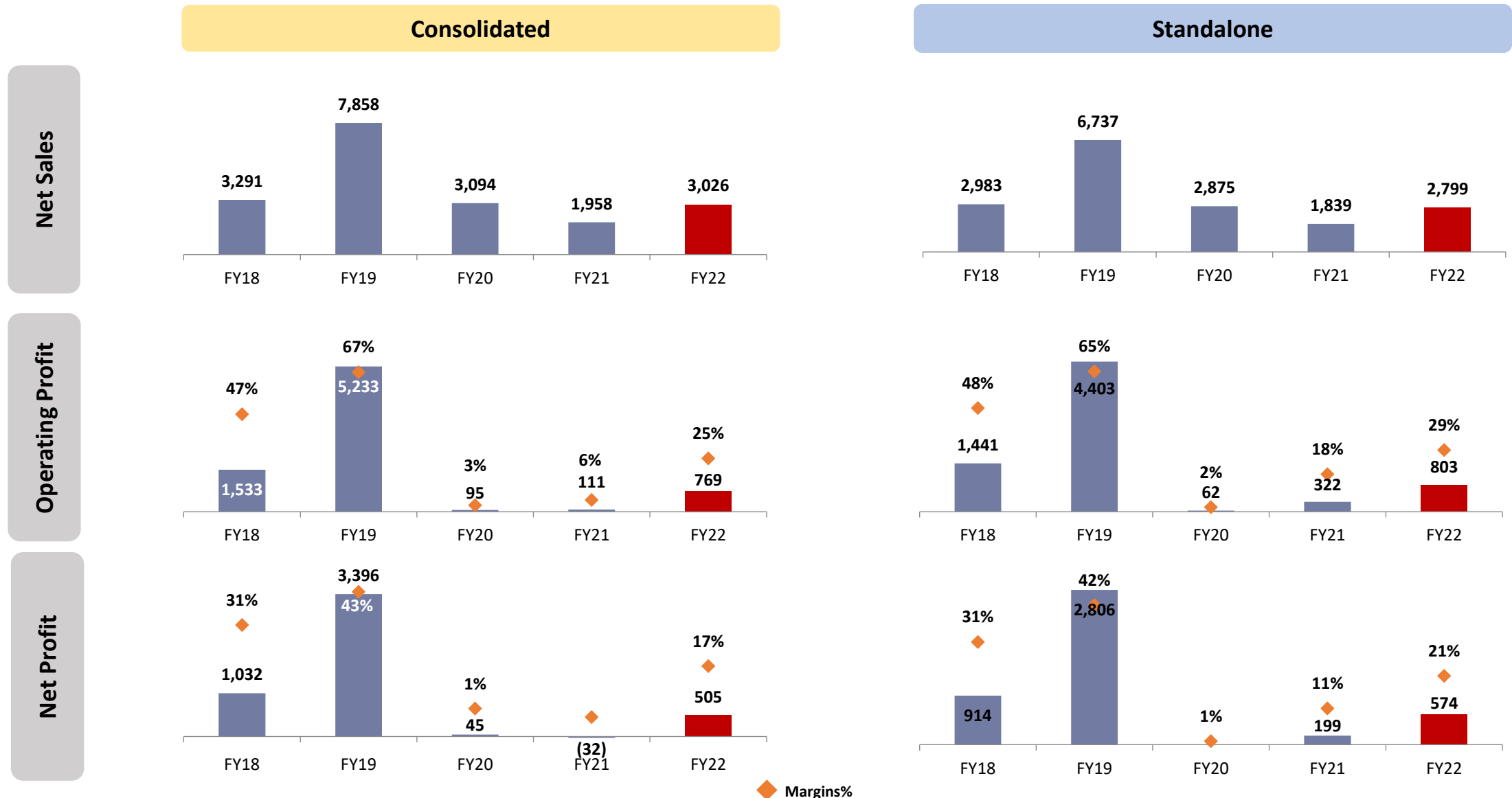
Graphite India Limited

(Rs. Crore)	Q4		y-o-y Growth (%)	Q3		Year Ended		y-o-y Growth (%)	Comments
	FY2022	FY2021		FY2022	q-o-q Growth (%)	FY2022	FY2021		
Net Sales (Excluding Other Income)	767	563	36%	835	(8%)	2,799	1,839	52%	<i>In FY2022, sales y-o-y growth was driven both higher volumes and improved realizations</i>
Other Income	74	53	40%	61	21%	279	306	(9%)	
Total Income	841	616	37%	896	(6%)	3,078	2,145	43%	
EBITDA / (Loss) excluding One Time Income and Expense	211	160	32%	218	(3%)	833	304	174%	<i>In Q4 FY2022, sales y-o-y growth was primarily driven higher realizations while volumes were down</i>
Margin (%)	28%	28%		26%		30%	17%		
EBITDA / (Loss) Margin (%)	181	181	-	218	(17%)	803	322	149%	
Margin (%)	24%	32%		26%		29%	18%		
Interest	1	1	-	2	(50%)	4	6	(33%)	
Depreciation	12	12	-	11	9%	46	45	2%	
Profit / (Loss) Before Tax (before Exceptional items and Associates)	168	168	-	205	(18%)	753	271	178%	
Profit / (Loss) Before Tax	168	168	-	205	(18%)	753	271	178%	
Net Profit / (Loss)	122	114	7%	155	(21%)	574	199	188%	
Margin (%)	16%	20%		19%		21%	11%		
Earnings Per Share (Rs)	6.32	5.83	8%	7.85	(19%)	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)

Annual Performance Trends

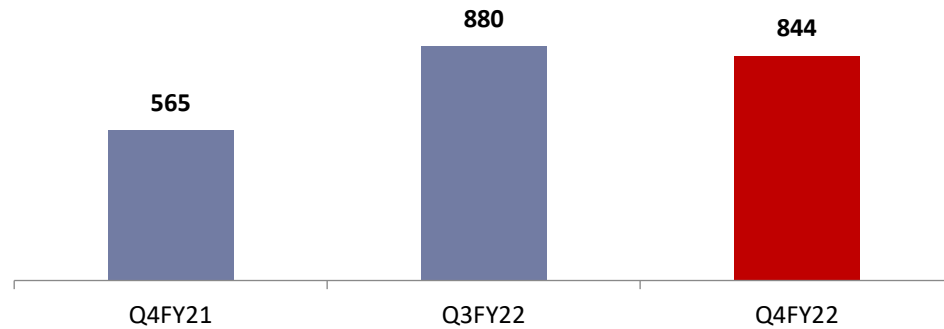


* All numbers in Crores unless specifically mentioned. Operating profit is as reported without adjustment for CSR expense and one time income

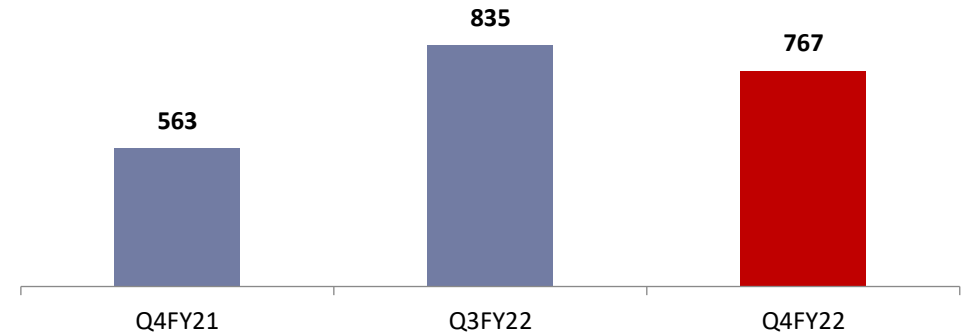
Quarter Performance Trends



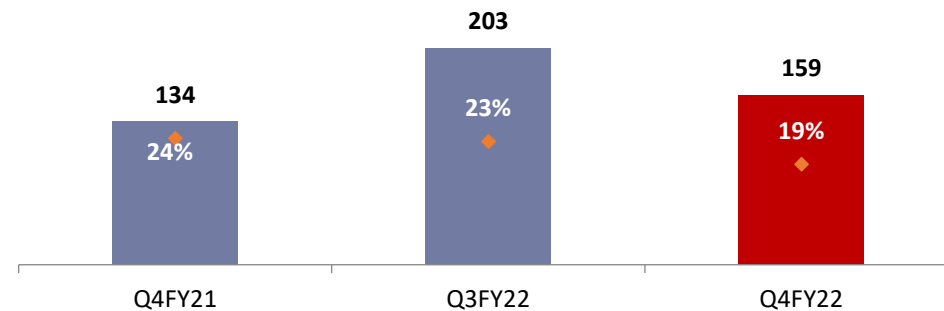
Consolidated Net Sales



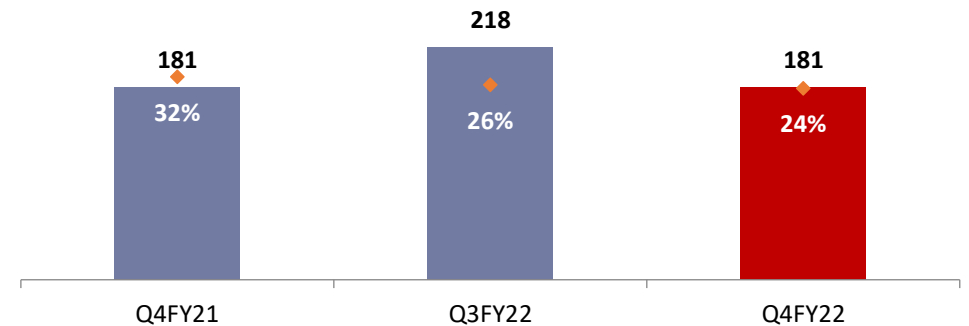
Standalone Net Sales



Consolidated Operating Profit / (Loss)



Standalone Operating Profit / (Loss)



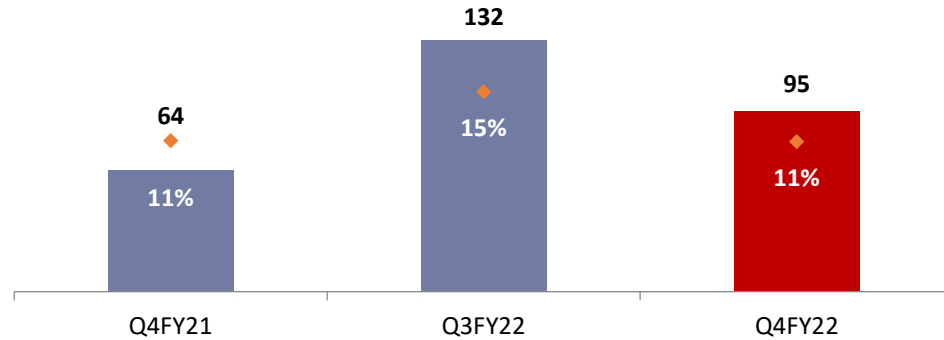
Notes:

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

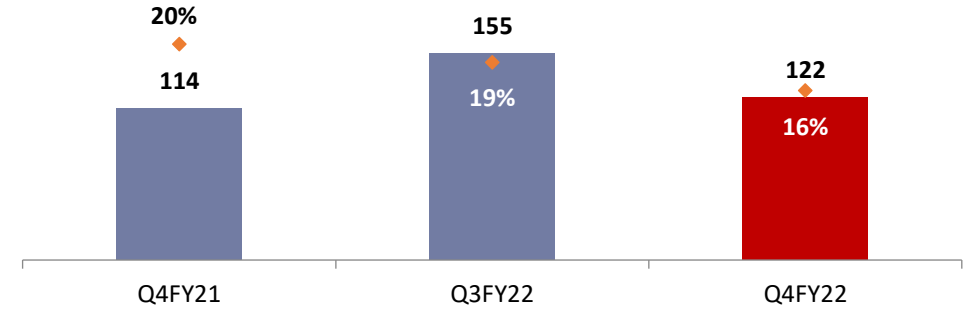
Quarter Performance Trends



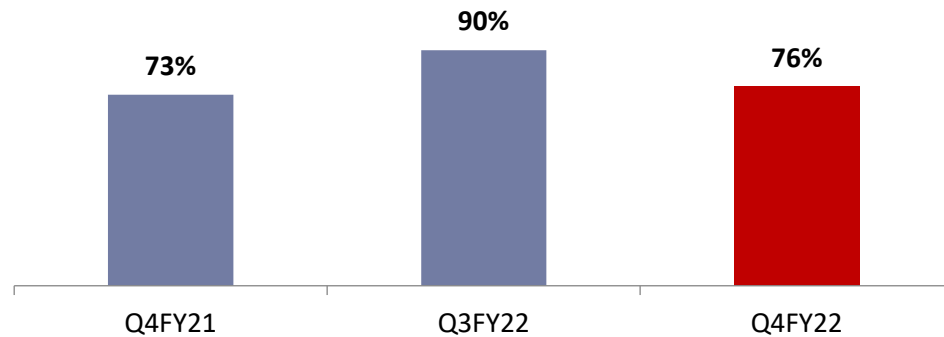
Consolidated Net Profit / (Loss)



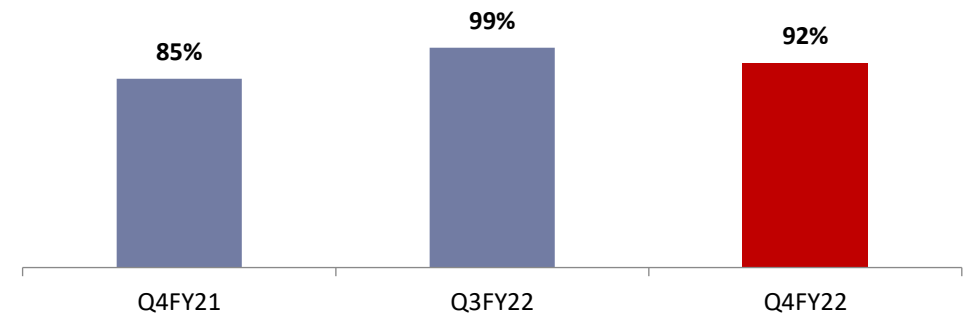
Standalone Net Profit / (Loss)



Consolidated Capacity Utilization



Standalone Capacity Utilization



Significant financial flexibility available for future organic and inorganic growth

Consolidated Leverage Profile

(Rs. Crore)	Mar-22	Dec-21	Sep-21	June-21	Mar-21
Cash & Cash Equivalents ¹	2,774	2,785	2,906	3,047	2,957
Total Debt	428	(333)	(275)	(267)	(223)
Net Cash	2,346	2,452	2,631	2,780	2,734

Standalone Leverage Profile

(Rs. Crore)	Mar-22	Dec-21	Sep-21	June-21	Mar-21
Cash & Cash Equivalents ¹	2,482	2,468	2,466	2,539	2,484
Total Debt	(343)	(249)	(258)	(267)	(223)
Net Cash	2,139	2,219	2,208	2,272	2,261

Notes:

1. Cash and cash equivalents include investments

Annual Segment Performance



Graphite India Limited

Consolidated Segment Performance

(Rs. Crore)	Full Year		y-o-y
	FY2022	FY2021	Growth (%)
Graphite and Carbon	2,808	1,813	55%
Others	219	145	51%
Less: Inter Segment Sales	(1)	*	-
Segment Revenue	3,026	1,958	55%
Graphite and Carbon	446	(67)	-
Others	64	37	73%
Profit / (Loss) before tax and interest	510	(30)	-
Finance Cost	(5)	(6)	-
Unallocated Income / (expense)	204	89	129%
Profit / (Loss) Before Tax (Before Exceptional Items and Associates)	709	53	-
Share of Profit/Loss of an Associate	(16)	(10)	60%
Profit / (Loss) Before Tax	693	43	-

Standalone Segment Performance

(Rs. Crore)	Full Year		y-o-y
	FY2022	FY2021	Growth (%)
Graphite and Carbon	2,619	1,719	52%
Others	181	120	51%
Less: Inter Segment Sales	*	*	-
Segment Revenue	2,800	1,839	52%
Graphite and Carbon	526	176	199%
Others	26	13	100%
Profit / (Loss) before tax and interest	552	189	192%
Finance Cost	(4)	(6)	-
Unallocated Income / (expense)	205	88	133%
Profit / (Loss) Before Tax (Before Exceptional Items and Associates)	753	271	178%
Share of Profit/Loss of an Associate	-	-	-
Profit / (Loss) Before Tax	753	271	178%

* All numbers in Crores unless specifically mentioned

Quarterly Segment Performance



Graphite India Limited

Consolidated Segment Performance

(Rs. Crore)	Q4		y-o-y	Q3	q-o-q
	FY2022	FY2021	Growth (%)	FY2022	Growth (%)
Graphite and Carbon	790	527	50%	824	(4)%
Others	54	38	42%	56	(4)%
Less: Inter Segment Sales	*	*	-	*	-
Segment Revenue	844	565	49%	880	(4)%
Graphite and Carbon	106	169	(37)%	123	(14)%
Others	18	1	-	12	50%
Profit / (Loss) before tax and interest	124	170	(27)%	135	(8)%
Finance Cost	(2)	(1)	100%	(2)	0%
Unallocated Income / (expense)	21	(50)	(142)%	54	(61)%
Profit / (Loss) Before Tax (Before Exceptional Items and Associates)	143	119	20%	187	(24)%
Share of Profit/Loss of an Associate	(2)	(3)	(33)%	(3)	(33)%
Profit / (Loss) Before Tax	141	116	22%	184	(23)%

Standalone Segment Performance

(Rs. Crore)	Q4		y-o-y	Q3	q-o-q
	FY2022	FY2021	Growth (%)	FY2022	Growth (%)
Graphite and Carbon	726	524	39%	778	(7)%
Others	41	39	5%	57	(28)%
Less: Inter Segment Sales	*	*	-	*	-
Segment Revenue	767	563	36%	835	(8)%
Graphite and Carbon	137	216	(37)%	140	(2)%
Others	5	2	150%	12	(58)%
Profit / (Loss) before tax and interest	142	218	(35)%	152	(7)%
Finance Cost	(1)	(1)	0%	(2)	(50)%
Unallocated Income / (expense)	27	(49)	-	55	(51)%
Profit / (Loss) Before Tax (Before Exceptional Items)	168	168	0%	205	(18)%
Profit / (Loss) Before Tax	168	168	0%	205	(18)%

* 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 signed a definitive agreement to acquire 46% stake in General Graphene Corporation, a US based company which has developed a breakthrough proprietary technology which would allow them to produce large area, 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