



GRAPHITE INDIA LIMITED

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GIL:SEC/SM/21-22/

June 28, 2021

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 2021

Dear Sir,

Earning Presentation in connection with the Company's Audited Financial results (Standalone and Consolidated) for the year ended 31st March, 2021 is enclosed for your information and records.

Thanking you,

Yours faithfully,
For Graphite India Limited

S. Marda
Asst. Company Secretary

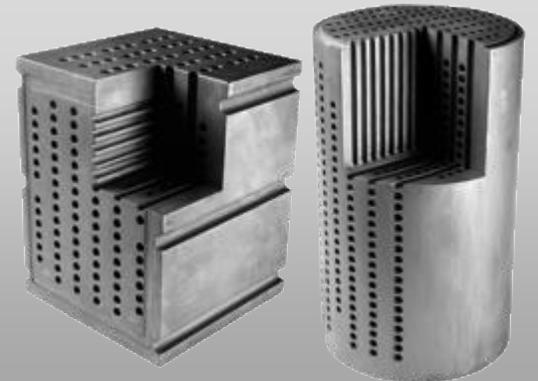
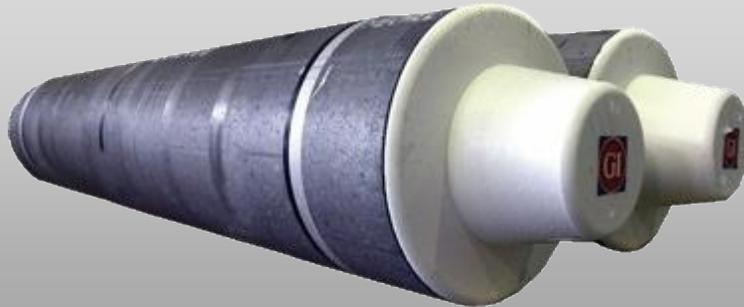
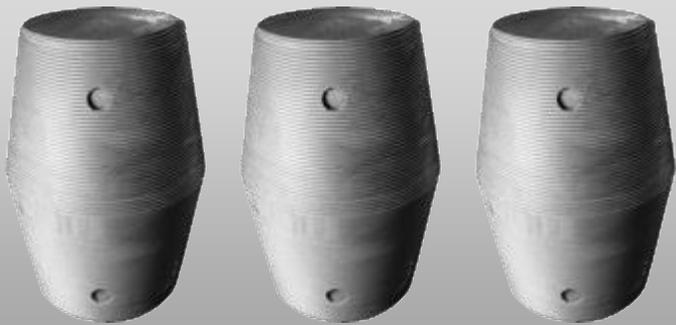
Encl : As above.



Graphite India Limited

NSE: GRAPHITE, BSE: 509488

Q4 and Full Year FY2021 Earnings Presentation June 28th, 2021



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Q4 and Full Year FY2021 Consolidated Financial Performance

FY2021 Profit and Loss

- Net Sales of Rs. 1,958 Crores, a decline of 37% y-o-y
- EBITDA excluding one time income and expense is Rs. 90 Crores as compared to Rs. 95 Crores in FY20
- Net Loss of Rs. 32 Crores
- EPS of Rs. (1.64) per share

Balance Sheet

- Gross Debt of Rs. 223 Crores
- Cash (Net of Gross Debt) of Rs. 2,734 Crores
- Cash Generated from Operations of Rs. 636 Crores

Q4 FY2021 Profit and Loss

- Net Sales of Rs. 565 Crores, an increase of 13% q-o-q
- EBITDA excluding one time income and expense is Rs. 194 Crores as compared to Loss of Rs. 13 Crores in Q3 FY21
- Net Profit of Rs. 64 Crores
- EPS of Rs. 3.29 per share

Dividend

- Dividend announced of Rs. 5 per share for FY2021
- Dividend pay out ratio is more than 100% on the Face Value

Note: EBITDA excluding One Time Income and Expense: One time expense include provision for unspent CSR of Rs. 70 Crores in Q4 FY21 and FY21. One time income of Rs. 91 Crores which was refunded by Damodar Valley Corporation (DVC) on account of electricity refund in FY21

Q4 and Full Year FY2021 Standalone Financial Performance

FY2021 Profit and Loss

- Net Sales of Rs. 1,839 Crores, a decline of 36% y-o-y
- EBITDA excluding one time income and expense is Rs. 301 Crores as compared to Rs. 62 Crores in FY20
- Net Profit of Rs. 199 Crores
- EPS of Rs. 10.20 per share

Q4 FY2021 Profit and Loss

- Net Sales of Rs. 563 Crores, an increase of 24% q-o-q
- EBITDA excluding one time income and expense is Rs. 241 Crores as compared to Rs. 53 Crores in Q3 FY21
- Net Profit of Rs. 114 Crores
- EPS of Rs. 5.83 per share

Balance Sheet

- Gross Debt of Rs. 223 Crores
- Cash (Net of Gross Debt) of Rs. 2,261 Crores
- Cash Generated from Operations of Rs. 683 Crores

Note: EBITDA excluding One Time Income and Expense: One time expense include provision for unspent CSR of Rs. 70 Crores in Q4 FY21 and FY21. One time income of Rs. 91 Crores which was refunded by Damodar Valley Corporation (DVC) on account of electricity refund in FY21



K K Bangur
Chairman

“During FY2021, Graphite India registered Net Sales of Rs. 1,958 Cr, EBITDA of Rs. 90 Cr and Net Loss of Rs. 32 Cr. The capacity utilization during the year was 58% as compared to 55% in FY2020. Standalone Net Sales were Rs. 1,839 Cr, EBITDA* of Rs. 301 Cr and Net Profit of Rs. 199 Cr. Our Indian business operations registered stellar recovery during the second half and delivered higher profits. During Q4 FY2021, the electrode prices started to recover from the lows, resulting in inventory gains on account of Net Realizable Value of inventory. On the other hand, our German business operations were impacted for most part of the year due to extended lockdown, lower capacity utilization and electrode pricing having remained under pressure in the European region. Overall, our balance sheet remains robust with Net Cash balance of Rs. 2,734 Cr at the end of March 2021.*

The steel and electrode industries across the world were severely impacted especially during first half of the year due to Covid-19 induced lockdowns and closure of factories. The gradual pick up in demand from steel consuming sectors in second half of the year led to increase in demand for steel and electrode. In Q4 FY2021, the world crude steel production excluding China registered a growth of 3.6% on a y-o-y basis and 2.9% on a sequential basis. India crude steel production continues to register a strong growth of 10.4% on y-o-y basis and 5.3% on sequential basis. Overall, with the increased steel production around the world, the demand for electrodes have started to pick up and prices started to stabilize.

The steel industry growth is underpinned by strong demand from the end user industries such as construction and automobile. In addition, China's continuous focus on reducing energy consumption, abolition of VAT rebate on certain steel exports may lead to lower steel exports from China to rest of the world. These factors are expected to bode well for EAF steel manufacturing countries and will drive demand for steel and electrode in the longer run.

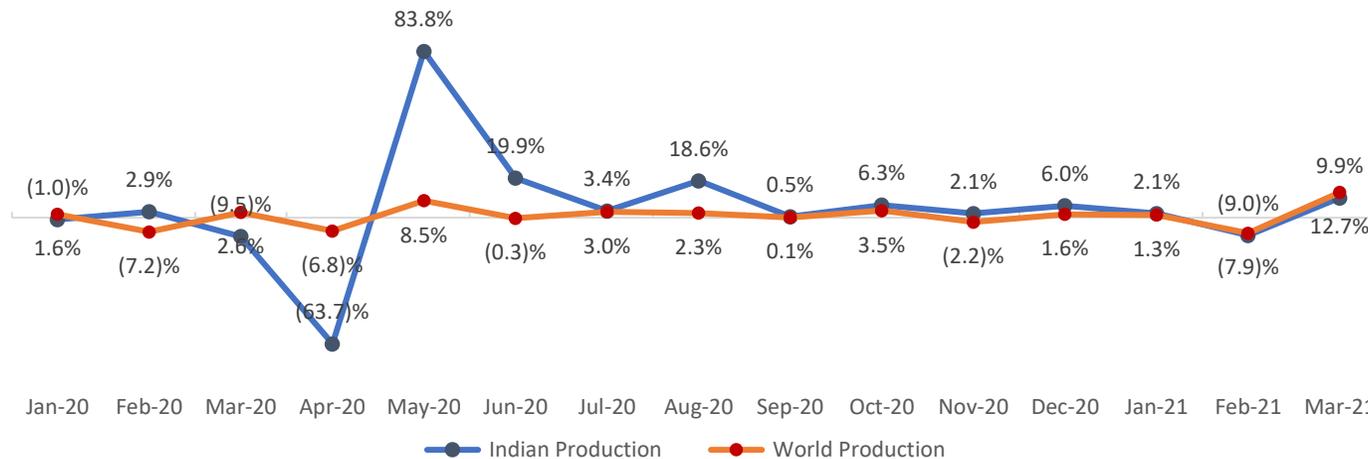
Looking ahead, we remain optimistic with the ongoing recovery in demand for electrodes and stabilization of prices. Graphite India is well positioned to cater to the growing demand for electrodes and maintain its strong liquidity and balance sheet position. We also reiterate our commitment to create sustainable value for all stakeholders.”

Steel Industry Overview

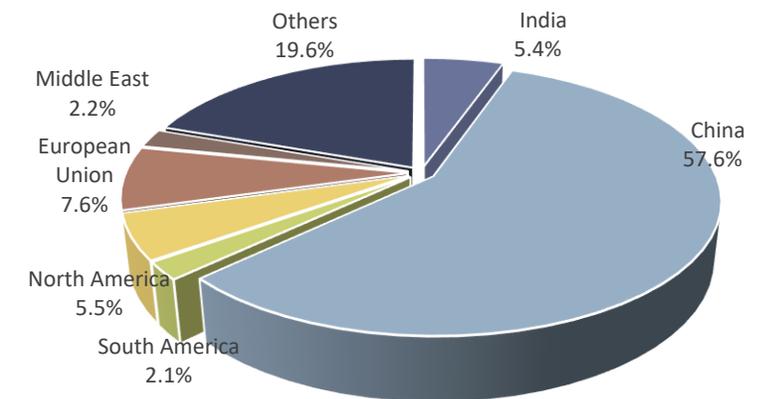


Crude Steel Production (million MT)	Three Months Ended					Year Ended		
	Mar-21	Mar-20	Y-o-Y (%)	Dec-20	Q-o-Q (%)	Dec-20	Dec-19	Y-o-Y (%)
Asia and Oceania	356.9	315.3	13.2%	355.1	0.5%	1,357.2	1,336.5	1.5%
India	29.6	26.8	10.4%	28.1	5.3%	99.6	111.4	(10.6)%
China	271.0	234.4	15.6%	271.1	(0.0)%	1,053.0	1,001.3	5.2%
Others	56.3	54.0	4.2%	55.9	0.7%	204.6	223.8	(8.6)%
South America	10.9	10.2	7.1%	10.8	1.0%	38.2	41.7	(8.4)%
North America	28.1	29.6	(5.2)%	26.1	7.6%	101.1	119.7	(15.5)%
European Union	37.8	36.7	3.1%	37.2	1.7%	138.8	157.3	(11.8)%
Middle East	10.5	10.2	3.2%	10.7	(2.1)%	40.7	39.7	2.7%
Others	42.7	40.8	(11.4)%	41.1	(7.5)%	159.2	157.7	0.9%
Total	486.9	442.8	10.0%	481.0	1.2%	1,829.1	1,846.4	(0.9)%

M-o-M Growth (%)



CY2020 Regional Production



Note: Source: World Steel Association, the figures are estimates that may be revised with next month's production update. Year end numbers as per December 2020 crude steel production report

- As per World Steel Association (WSA) Global crude steel production was 486.9 Mt in Q1 CY2021, an increase of 10.0% y-o-y and 1.2% on q-o-q basis. Global crude steel production excluding China registered an increase of 3.6% and 2.9% on y-o-y and q-o-q basis respectively
- China crude steel production for Q1 CY2021 was 271.0 Mt, representing a strong growth of 15.6% y-o-y and remained flat on q-o-q basis. China share of global steel production increased to 57.6% in 2020 from 54.2% in 2019 and EAF contribution was around 9.2%
- India's crude steel production in Q1 CY2021 was 29.6 Mt, a strong increase of 10.4% y-o-y and 5.3% on q-o-q basis
- The EU produced 37.8 Mt of crude steel in Q1 CY2021, an increase of 3.1% y-o-y and 1.7% on q-o-q basis
- Japan produced 23.7 Mt in Q1 CY2021, decline of 1.7% y-o-y and an increase of 7.8% on q-o-q basis
- North America produced 28.1 Mt of crude steel in Q1 CY2021, a decline of 5.2% y-o-y and an increase of 7.6% on q-o-q basis
- The Middle East produced 10.5 Mt of crude steel in Q1 CY2021, an increase of 3.2% y-o-y and a decline of 2.1% on q-o-q basis

Steel Industry Outlook

- The ongoing vaccinations around the world is expected to minimize the impact of subsequent waves of the Coronavirus infections. The major steel consuming economies and industries are expected to gradually return to normalcy in the second half of the year
- As per WSA, global steel demand is expected to increase by 5.8%, to 1,874 Mt in 2021. In 2022 steel demand is expected to increase of 2.7% over 2021 to 1,924.6 Mt
- In 2020, Indian steel industry was impacted due to Coronavirus outbreak and nationwide lockdowns which brought manufacturing sector to a standstill. However, gradual recovery in the steel consuming sectors especially in the later part of the year has led to pick up in demand and production. As per WSA, India's steel demand fell by 13.7% in 2020 but is expected to increase by 19.8% in 2021

- Since 2016 China has closed about 300 million tonnes of outdated and highly polluting steel production capacity but around 908 million tonnes still remain. Such closures are being replaced by environment friendly electric arc furnaces (EAF's)
- As per S&P Platts estimates, Chinese EAF steelmaking capacity is expected to increase by 14.3 million mt in 2021 to reach 197 million mt by end 2021. It will constitute 15% of the total China's crude steel capacity
- The growth of EAF capacities in China is expected to slow down in 2022-23 due to tight scrap supply and expensive electricity
- China recently abolished rebate of 13% VAT on certain steel exports to reduce steel production and exports. The lower exports from China may bode well for other EAF steel producing nations
- Pick up in EAF steel production globally is expected to drive demand for electrodes in the near term
- 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
- Reduction in custom duty on scrap imports will benefit EAF steel manufacturers
- Needle coke prices are increasing in tandem with electrode pricing

Consolidated Financial Performance



Graphite India Limited

(Rs. Crore)	Q4		y-o-y Growth (%)	Q3 FY2021	q-o-q Growth (%)	Year Ended		y-o-y Growth (%)	Comments
	FY2021	FY2020				FY2021	FY2020		
Net Sales (Excluding Other Income)	565	602	(6%)	499	13%	1,958	3,094	(37%)	<i>On a Y-o-Y basis sales was impacted due to lower realizations despite the higher volumes</i>
Other Income	56	23	143%	142	(61%)	316	174	82%	
Total Income	621	625	(1%)	641	(3%)	2,274	3,268	(30%)	
EBITDA / (Loss) excluding One Time Income and Expense	194	(3)	-	(13)	-	90	95	(5%)	<i>Q-o-Q improvement is driven by higher volumes however realization remain subdued</i>
Margin (%)	34%	(0)%		(3)%		5%	3%		
EBITDA / (Loss) Margin (%)	134	(3)	-	68	97%	111	95	17%	
	24%	(0)%		14%		5.7%	3.1%		
Interest	1	4	(75%)	1	-	6	18	(67%)	
Depreciation	14	13	8%	12	17%	52	51	2%	
Profit / (Loss) Before Tax (before Exceptional items and Associates)	119	(20)	-	55	116%	53	26	104%	
Share of Profit/(Loss) of an Associate	(3)	(3)	-	(3)	-	(10)	(7)	43%	
Profit / (Loss) Before Tax	116	(23)	-	52	123%	43	19	126%	
Net Profit / (Loss)	64	(7)	-	23	178%	(32)	45	(171%)	
Margin (%)	11%	(1)%		5%		(2)%	1%		
Earnings Per Share (Rs)	3.29	(0.37)	-	1.19	176%	(1.64)	2.30	(171%)	

- Notes:
- EBITDA excluding One Time Income and Expense: One time expense include provision for unspent CSR of Rs. 70 Crores in Q4 FY21 and FY21. One time income of Rs. 91 Crores which was refunded by Damodar Valley Corporation (DVC) on account of electricity refund in FY21
 - EBITDA includes Other Income
 - All margins calculated as a percentage of Net Sales (excluding Other Income)

Standalone Financial Performance

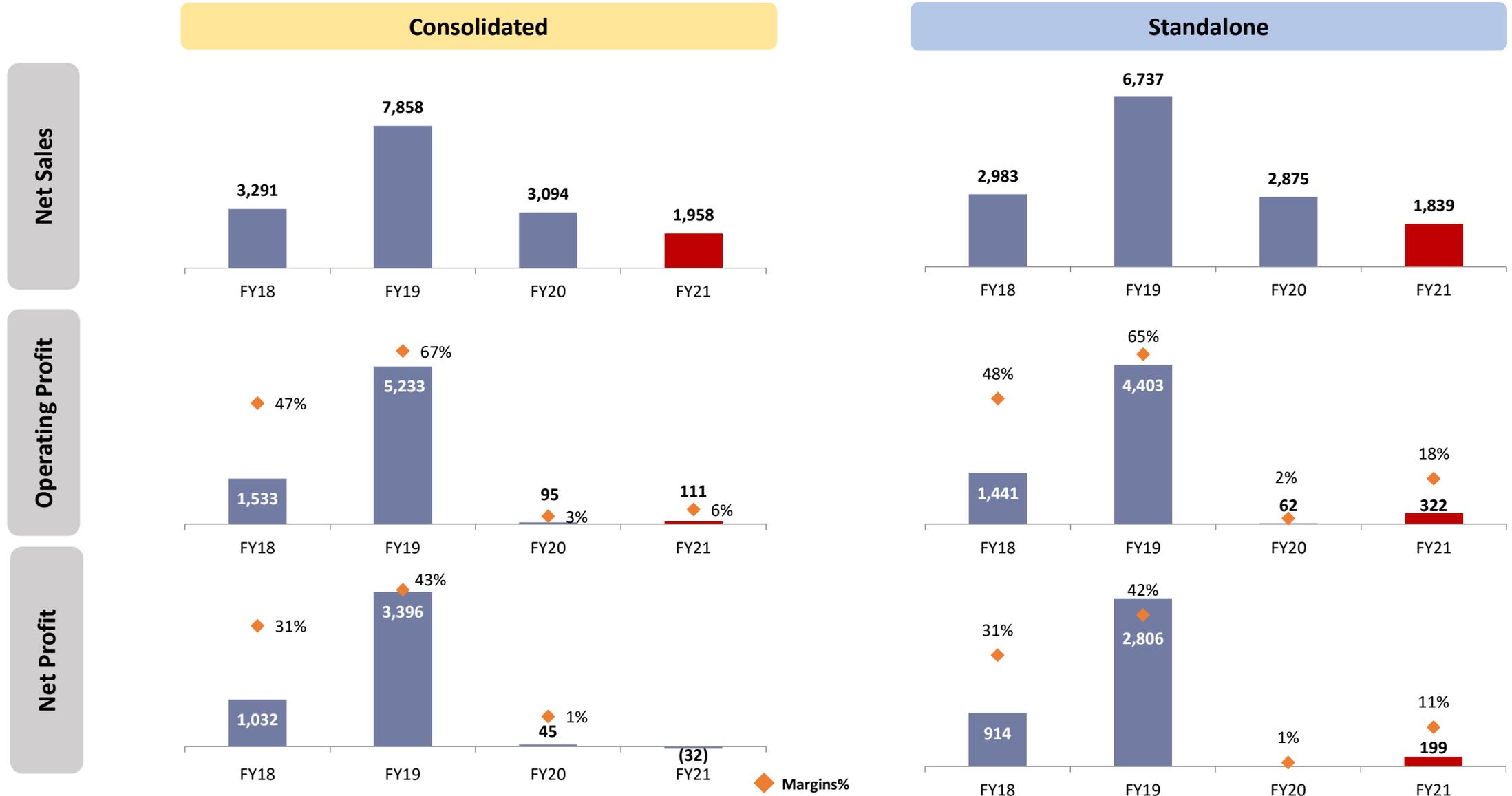


Graphite India Limited

(Rs. Crore)	Q4		y-o-y Growth (%)	Q3 FY2021	q-o-q Growth (%)	Year Ended		y-o-y Growth (%)	Comments
	FY2021	FY2020				FY2021	FY2020		
Net Sales (Excluding Other Income)	563	548	3%	453	24%	1,839	2,875	(36%)	<i>On a Y-o-Y basis sales was impacted due to lower realizations despite the higher volumes</i>
Other Income	53	18	194%	139	(62%)	306	157	95%	
Total Income	616	566	9%	592	4%	2,145	3,032	(29%)	
EBITDA / (Loss) excluding One Time Income and Expense	241	39	518%	53	355%	301	62	385%	<i>Q-o-Q improvement is driven by higher volumes however realization remain subdued</i>
Margin (%)	43%	7%		12%		16%	2%		
EBITDA / (Loss) Margin (%)	181 32%	39 7%	364%	134 30%	35%	322 18%	62 2%	419%	
Interest	1	4	(75%)	1	-	6	17	(65%)	
Depreciation	12	11	9%	11	9%	45	44	2%	
Profit / (Loss) Before Tax (before Exceptional items and Associates)	168	24	-	122	38%	271	1	-	
Profit / (Loss) Before Tax	168	24	-	122	38%	271	1	-	
Net Profit / (Loss) Margin (%)	114 20%	25 5%	356%	93 21%	23%	199 11%	31 1%	542%	
Earnings Per Share (Rs)	5.83	1.28	355%	4.80	21%	10.20	1.60	538%	

Notes:
 1. EBITDA excluding One Time Income and Expense: One time expense include provision for unspent CSR of Rs. 70 Crores in Q4 FY21 and FY21. One time income of Rs. 91 Crores which was refunded by Damodar Valley Corporation (DVC) on account of electricity refund in FY21
 2. EBITDA includes Other Income
 3. All margins calculated as a percentage of Net Sales (excluding Other Income)

Annual Performance Trends

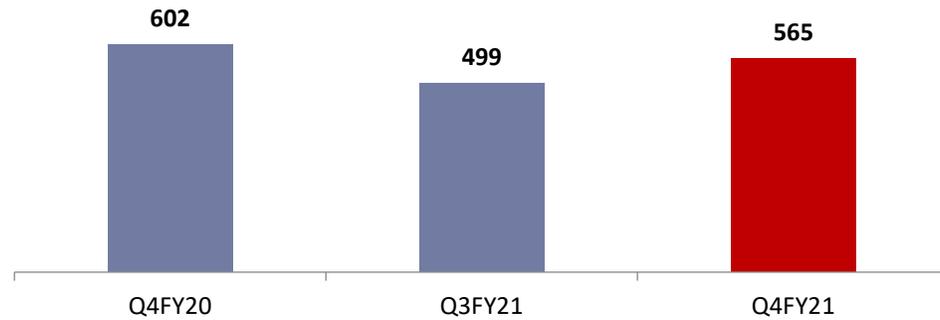


* All numbers in Crores unless specifically mentioned. Operating profit is as reported without adjustment for one time income and expense

Quarter Performance Trends



Consolidated Net Sales



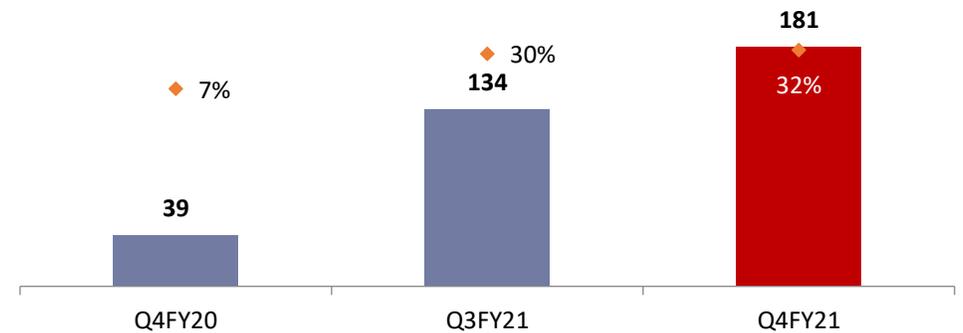
Standalone Net Sales



Consolidated Operating Profit / (Loss)



Standalone Operating Profit / (Loss)



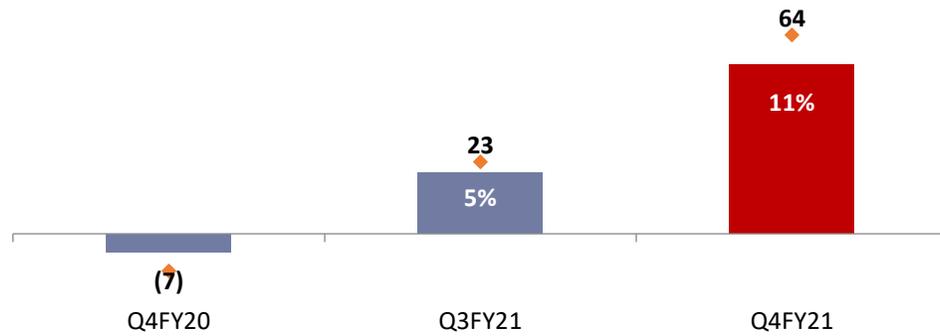
Notes:

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

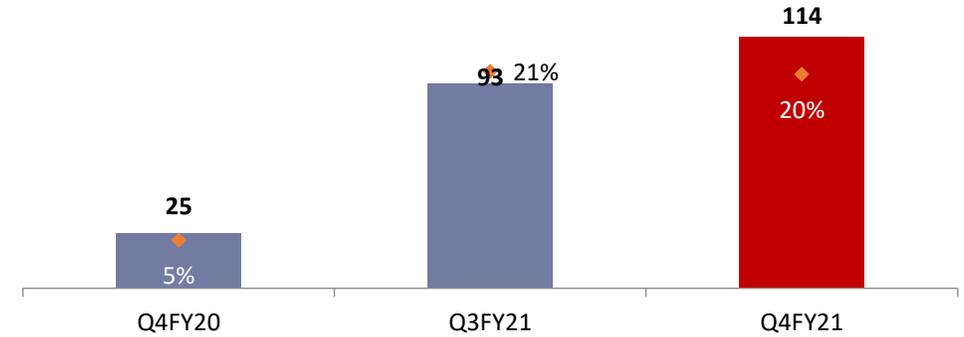
Quarter Performance Trends



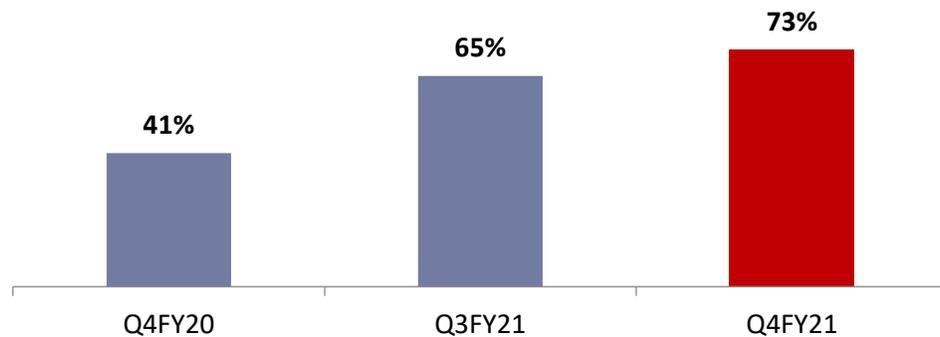
Consolidated Net Profit / (Loss)



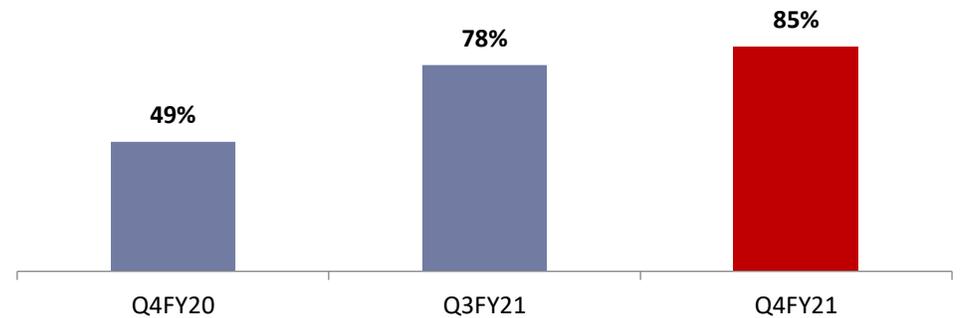
Standalone Net Profit / (Loss)



Consolidated Capacity Utilization



Standalone Capacity Utilization



Significant financial flexibility available for future organic and inorganic growth

Consolidated Leverage Profile

(Rs. Crore)	Mar-21	Dec-20	Sep-20	June-20	Mar-20
Cash & Cash Equivalents ¹	2,957	2,839	2,722	2,598	2,424
Total Debt	(223)	(239)	(318)	(308)	(416)
Net Cash	2,734	2,600	2,404	2,290	2,008

Standalone Leverage Profile

(Rs. Crore)	Mar- 21	Dec- 20	Sep- 20	June- 20	Mar- 20
Cash & Cash Equivalents ¹	2,484	2,346	2,229	2,094	1,935
Total Debt	(223)	(239)	(318)	(308)	(416)
Net Cash	2,261	2,107	1,911	1,787	1,519

Notes:

1. Cash and cash equivalents include investments

Annual Segment Performance



Graphite India Limited

Consolidated Segment Performance

(Rs. Crore)	Full Year		y-o-y
	FY2021	FY2020	Growth (%)
Graphite and Carbon	1,813	2,995	(39)%
Others	145	99	46%
Less: Inter Segment Sales	*	*	-
Segment Revenue	1,958	3,094	(37)%
Graphite and Carbon	(67)	(54)	-
Others	37	3	-
Profit / (Loss) before tax and interest	(30)	(51)	-
Finance Cost	(6)	(18)	-
Unallocated Income / (expense)	89	95	(6)%
Profit / (Loss) Before Tax (Before Exceptional Items and Associates)	53	26	104%
Share of Profit/Loss of an Associate	(10)	(7)	-
Profit / (Loss) Before Tax	43	19	126%

Standalone Segment Performance

(Rs. Crore)	Full Year		y-o-y
	FY2021	FY2020	Growth (%)
Graphite and Carbon	1,719	2,780	(38)%
Others	120	95	26%
Less: Inter Segment Sales	*	*	-
Segment Revenue	1,839	2,875	(36)%
Graphite and Carbon	176	(77)	-
Others	13	0	-
Profit / (Loss) before tax and interest	189	(77)	-
Finance Cost	(6)	(17)	-
Unallocated Income / (expense)	88	95	(7)%
Profit / (Loss) Before Tax (Before Exceptional Items and Associates)	271	1	-
Share of Profit/Loss of an Associate	-	-	-
Profit / (Loss) Before Tax	271	1	-

* 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
	FY2021	FY2020	Growth (%)	FY2021	Growth (%)
Graphite and Carbon	527	577	(9)%	469	12%
Others	38	25	52%	30	27%
Less: Inter Segment Sales	*	*	-	*	-
Segment Revenue	565	602	(6)%	499	13%
Graphite and Carbon	169	(30)	-	(1)	-
Others	1	9	(89)%	3	(67)%
Profit / (Loss) before tax and interest	170	(21)	-	2	-
Finance Cost	(1)	(4)	-	(1)	-
Unallocated Income / (expense)	(50)	5	-	54	-
Profit / (Loss) Before Tax (Before Exceptional Items and Associates)	119	(20)	-	55	116%
Share of Profit/Loss of an Associate	(3)	(3)	0%	(3)	0%
Profit / (Loss) Before Tax	116	(23)	-	52	123%

Standalone Segment Performance

(Rs. Crore)	Q4		y-o-y	Q3	q-o-q
	FY2021	FY2020	Growth (%)	FY2021	Growth (%)
Graphite and Carbon	524	527	(1)%	423	24%
Others	39	21	86%	30	30%
Less: Inter Segment Sales	0	0	-	0	-
Segment Revenue	563	548	3%	453	24%
Graphite and Carbon	216	22	-	69	213%
Others	2	1	100%	3	(33)%
Profit / (Loss) before tax and interest	218	23	-	72	203%
Finance Cost	(1)	(4)	-	(1)	-
Unallocated Income / (expense)	(49)	5	-	51	-
Profit / (Loss) Before Tax (Before Exceptional Items)	168	24	-	122	38%
Profit / (Loss) Before Tax	168	24	-	122	38%

* 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.

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