



# GRAPHITE INDIA LIMITED

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GIL: SEC/SM/24-25/25

August 6, 2024

Bombay Stock Exchange Limited  
The Corporate  
Relationship Department  
1<sup>st</sup> 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, 5<sup>th</sup> 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, 2024**

Dear Sir,

Earning Presentation in connection with the Company's un-audited financial results (Standalone and Consolidated) for the quarter ended 30<sup>th</sup> June, 2024 is enclosed for your information and records.

Thanking you,

Yours faithfully,  
For Graphite India Limited

S. Marda  
Company Secretary

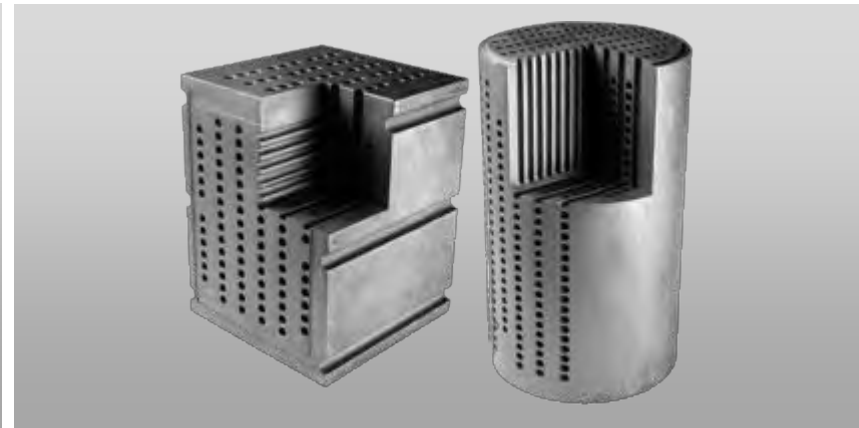
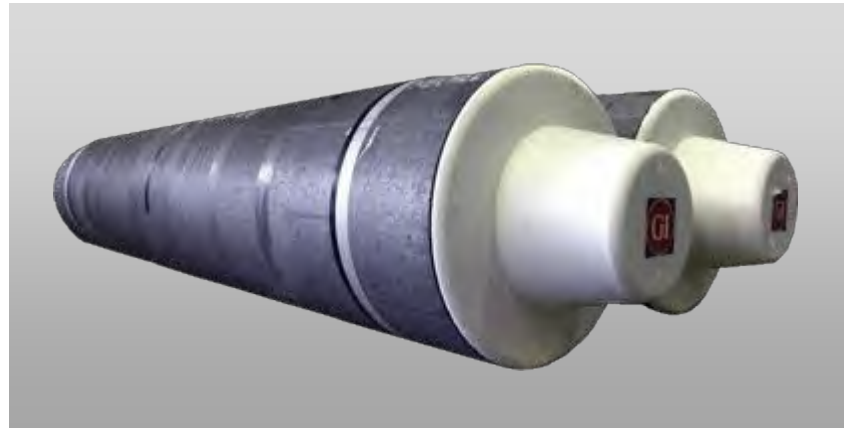
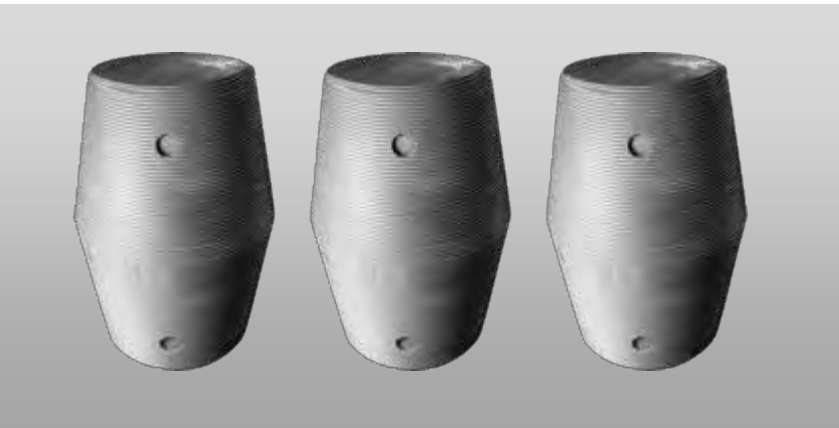
Encl.: As above.



# Graphite India Limited

NSE: GRAPHITE, BSE: 509488

## Q1 FY2025 Earnings Presentation August 6, 2024



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## Q1 FY2025 Financial Performance

### Q1 FY2025 Profit and Loss (Consolidated)

- Net Sales of Rs. 728 Crores, a decline of 2.5% y-o-y
- EBITDA<sup>1</sup> of Rs. 307 Crores
- Net Profit of Rs. 236 Crores as compared to a loss of Rs. 30 Crores in Q1 FY2024
- EPS of Rs. 12.11 per share

### Balance Sheet (Consolidated)

- Gross Debt of Rs. 257 Crores
- Cash (Net of Gross Debt) of Rs. 3,729 Crores

### Q1 FY2025 Profit and Loss (Standalone)

- Net Sales of Rs. 672 Crores, a decline of 6.7% y-o-y
- EBITDA<sup>1</sup> of Rs. 265 Crores
- Net Profit of Rs. 205 Crores as compared to a loss of Rs. 27 Crores in Q1 FY2024
- EPS of Rs. 10.49 per share

### Balance Sheet (Standalone)

- Gross Debt of Rs. 172 Crores
- Cash (Net of Gross Debt) of Rs. 3,650 Crores

Notes:

1. EBITDA includes Other Income of Rs. 194 Crores and Rs. 190 Crores for Consolidated and Standalone basis respectively



K K Bangur  
Chairman

“In Q1 FY2025, Graphite India registered Consolidated Net Sales of Rs. 728 Cr, a marginal decline of 2.5% compared to Q1 FY2024. Net Sales was driven by higher volumes offset by lower realisations. The company delivered EBITDA of Rs. 307 Cr, which includes Other Income of Rs. 194 Cr, and Net Profit of Rs. 236 Cr. Capacity utilization increased to 87% as compared to 67% in Q1 FY2024. Graphite India continues to be well capitalised with a Net Cash balance of Rs. 3,729 Cr at the end of 30 June 2024.

During the quarter, global crude steel production excluding China increased by 1.8% on y-o-y and a decline of 0.3% on q-o-q. Except for India and Middle East which increased production by 10.6% and 12.5% respectively, all other major countries either recorded marginally increased or declined steel production. The increase in India's steel production was correlated to the government spending on the infrastructure and construction sectors. Both these sectors are expected to jointly account for 67% of India's steel demand until 2030.

While the pricing for graphite electrodes continues to remain under pressure, the decline in the cost of imported needle coke is not commensurate, thereby impacting operating margins.

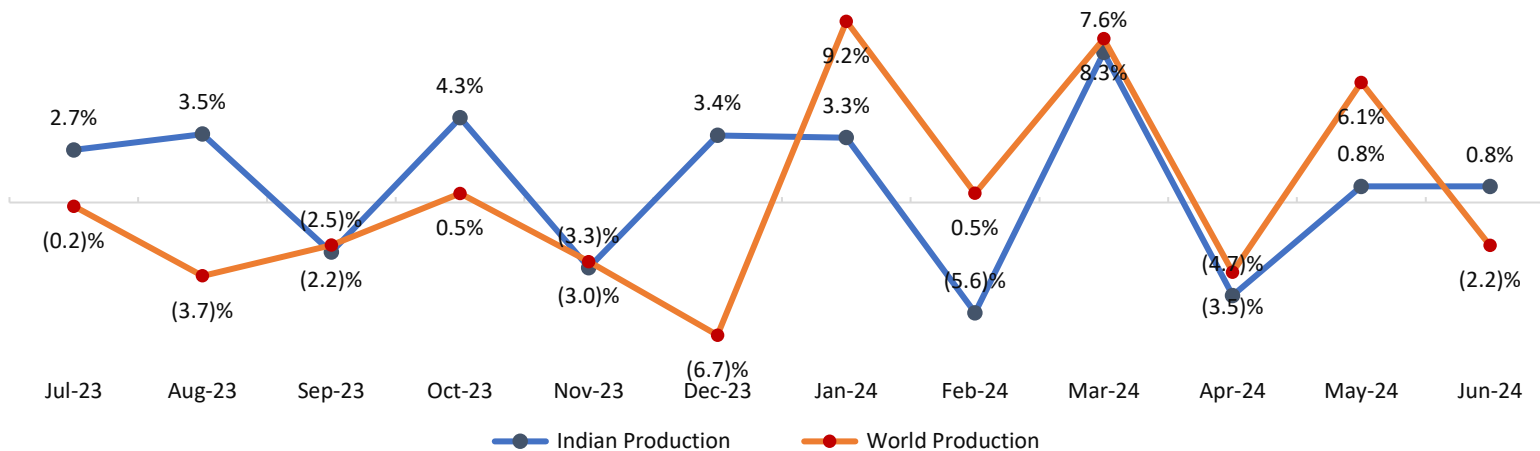
In the coming years, the global steel industry is expected to place greater emphasis on new capacity expansion through the EAF route. This strategic shift aligns with not only global decarbonization efforts, but with the need for lower operating costs. Graphite India is well positioned to benefit from the structural industry changes with its globally benchmarked quality and cost efficient manufacturing platform. In addition to being responsive to its customer requirements and continuous improvements in operations, sustainability remains high on the agenda.”

# Steel Industry Overview

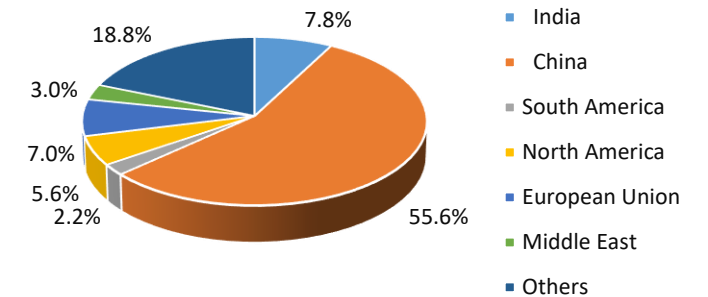


Crude Steel Production (million MT)	Three Months Ended				Half Year Ended			
	June-24	June-23	Y-o-Y (%)	Mar-24	Q-o-Q (%)	6M 2024	6M 2023	Y-o-Y (%)
Asia and Oceania	357.5	360.3	(0.8)%	345.9	3.4%	707.1	708.2	(0.2)%
India	36.6	33.1	10.6%	37.3	(1.9)%	74.2	67.9	9.3%
China	270.4	273.8	(1.2)%	256.6	5.4%	530.6	535.6	(0.9)%
Others	50.5	53.4	(5.4)%	52.0	(2.9)%	102.3	104.7	(2.3)%
South America	10.2	10.5	(2.9)%	10.6	(3.8)%	20.7	20.4	1.5%
North America	27.2	28.0	(2.9)%	27.2	0.0%	53.9	54.8	(1.6)%
European Union	34.1	33.3	2.4%	33.0	3.3%	67.2	66.3	1.4%
Middle East	14.4	12.8	12.5%	13.7	5.1%	28.5	23.0	23.9%
Others	38.8	37.0	4.9%	38.7	0.3%	77.3	82.2	(5.9)%
<b>Total 64 Countries as per WSA</b>	<b>482.2</b>	<b>481.9</b>	<b>0.1%</b>	<b>469.1</b>	<b>2.8%</b>	<b>954.7</b>	<b>954.9</b>	<b>(0.02)%</b>

M-o-M Growth (%)



6M 2024 Regional Production



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

## Q2 CY2024 Steel Production <sup>(1)</sup>

- As per the World Steel Association (WSA), global crude steel production was 482.2 million MT in Q2 CY2024, a marginal increase of 0.1% y-o-y. Global crude steel production excluding China also increased marginally by 1.8% on a y-o-y basis
- China's crude steel production for Q2 CY2024 was 270.64 million MT, a decline of 1.2% y-o-y
- India's crude steel production in Q2 CY2024 was 36.6 million MT, an increase of 10.6% y-o-y
- The EU produced 34.1 million MT of crude steel in Q2 CY2024, an increase of 2.4% y-o-y
- North America produced 27.2 million MT of crude steel in Q2 CY2024, a decline of 2.9% y-o-y
- Japan's crude steel production for Q2 CY2024 was 21.3 million MT, a decline of 3.6% y-o-y
- The Middle East produced 14.4 million MT of crude steel in Q2 CY2024, an increase of 12.5% y-o-y

## Steel Industry Outlook <sup>(2)</sup>

- The WSA released an update of the Short Range Outlook for 2024 and 2025. It forecasts that steel demand will grow by 1.7% in 2024 to reach 1,793 million MT. In 2025, steel demand will grow by 1.2% to 1,815 million MT
- The real estate sector was impacted by high interest rates and construction costs, leading to reduced steel demand across major economies
- The WSA expects steel demand in China to remain stable in 2024. Investments in real estate will continue to decline, but the corresponding loss in steel demand will be offset by growth from the infrastructure and manufacturing sectors. However, in 2025, steel demand in China is projected to decrease by 1.0%
- Acceleration in global decarbonisation efforts in public infrastructure sector will support the global steel demand in the near term

Note:

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

2) Source: [World Steel Association](#)

- The focus on substantial decarbonization measures in developing economies supports the growth of the Electric Arc Furnace (EAF) process compared with the Blast Furnace / Bessimer Oxygen Furnace (BF/BOF) process
- Governments around the world are also introducing stringent environmental regulations to reduce pollution. This will further support the growth of the EAF process and along with decarbonization, drive the future demand for graphite electrodes
- The use of the EAF process in the steel industry is not only important for sustainable steel production but is a more cost-effective manufacturing method
- India's national steel policy has identified a roadmap for reaching 300 million MT steel production capacity by 2030
- Currently, the construction and infrastructure sectors account for 67% of steel consumption in India
- In the Budget of 2024, the Indian government highlighted the importance of developing infrastructure projects in railways, highways and power, including renewable energy, which are all steel intensive sectors



# Consolidated Financial Performance



Graphite India Limited

(Rs. Crore)	Q1		y-o-y	Q4	q-o-q	Year Ended		y-o-y	Comments
	FY2025	FY2024	Growth (%)	FY2024	Growth (%)	FY2024	FY2023	Growth (%)	
Net Sales	728	747	(2.5%)	720	1.1%	2,950	3,181	(7.3%)	
Other Income	194	78	148.7%	72	169.4%	304	133	128.6%	
Total Income	922	825	11.8%	792	16.4%	3,254	3,314	(1.8%)	
EBITDA / (Loss)*	307	(13)	nm	62	nm	160	445	(64.0%)	Y-o-Y volumes improved but Net Sales were impacted by lower realizations
Margin (%)	42.2%	(1.7)%		8.6%		5.4%	14.0%		
Interest	3	6	(50.0%)	3	nm	17	13	30.8%	
Depreciation	20	18	11.1%	22	(9.1%)	80	57	40.4%	Q-o-Q lower realizations were partly offset by higher sales volume
PBT before Exceptional Items	284	(37)	nm	37	nm	63	375	(83.2%)	
Exceptional Items	-	-	nm	-	nm	954 <sup>#</sup>	(53)	nm	Increase in Other Income was due to favorable treasury market conditions
PBT after Exceptional Items	284	(37)	nm	37	nm	1,017	322	nm	
Net Profit	236	(30)	nm	16	nm	805	199	nm	
Margin (%)	32.4%	(4.0)%		2.2%		27.3%	6.3%		
Earnings Per Share	12.11	(1.56)	nm	0.80	nm	41.36	10.19	nm	

Notes:

- \*The Company, in accordance with the applicable Ind AS, has recognized its inventory on Net Realizable Value (NRV) basis to the extent applicable and has accordingly written down the carrying cost of inventory of Rs. 208 Crores, Rs. 328 Crores and Rs. 191 Crores during Q1 FY2025, Q4 FY2024 and Q1 FY2024 respectively
- <sup>#</sup>Includes a net gain of Rs. 954 Crores related to the sale of land in Bengaluru
- FY2024 EBITDA includes a write back of Rs. 43 Crores charged under Power and Fuel and FY2023 EBITDA excludes onetime expense of Rs. 75 Crores (after netting off corresponding provision created in earlier years) charged under Power and Fuel

# Standalone Financial Performance



Graphite India Limited

(Rs. Crore)	Q1		y-o-y	Q4	q-o-q	Year Ended		y-o-y	Comments
	FY2025	FY2024	Growth (%)	FY2024	Growth (%)	FY2024	FY2023	Growth (%)	
Net Sales	672	720	(6.7%)	706	(4.8%)	2,894	2,913	(0.7%)	Y-o-Y and Q-o-Q volumes improved but Net Sales were impacted by lower realizations  Increase in Other Income was due to favorable treasury market conditions
Other Income	190	72	163.9%	73	160.3%	291	133	118.8%	
Total Income	862	792	8.8%	779	10.7%	3,185	3,046	4.6%	
EBITDA / (Loss)*	265	(14)	nm	66	nm	207	531	(61.0%)	
Margin (%)	39.4%	(1.9)%		9.3%		7.2%	18.2%		
Interest	1	4	(75.0%)	2	(50.0%)	12	9	33.3%	
Depreciation	18	16	12.5%	18	nm	70	46	52.2%	
PBT before Exceptional Items	246	(34)	nm	46	nm	125	476	(73.7%)	
Exceptional Item #	-	-	nm	-	nm	954	-	nm	
PBT after Exceptional Items	246	(34)	nm	46	nm	1,079	476	126.7%	
Net Profit	205	(27)	nm	34	nm	872	350	149.1%	
Margin (%)	30.5%	(3.8)%		4.8%		30.1%	12.0%		
Earnings Per Share	10.49	(1.39)	nm	1.73	nm	44.62	17.91	149.1%	

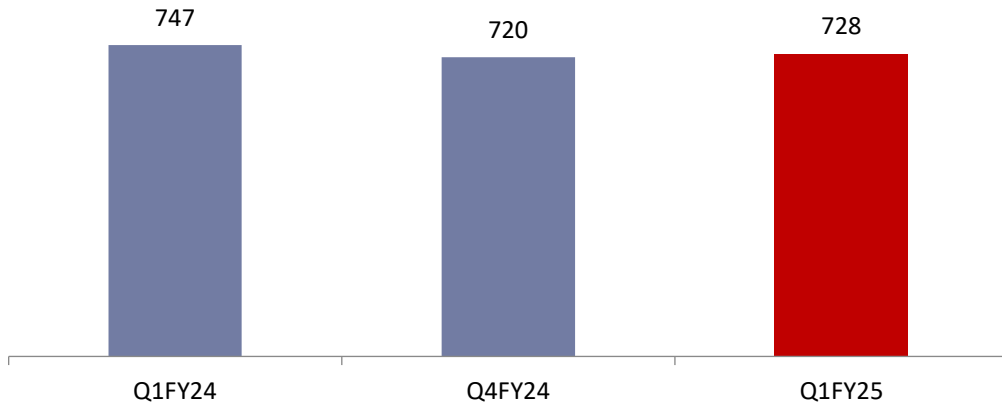
Notes:

- \*The Company, in accordance with the applicable Ind AS, has recognized its inventory on Net Realizable Value (NRV) basis to the extent applicable and has accordingly written down the carrying cost of inventory of Rs. 192 Crores, Rs. 298 Crores and Rs. 157 Crores during Q1 FY2025, Q4 FY2024 and Q1 FY2024 respectively
- #Includes a net gain of Rs. 954 Crores related to the sale of land in Bengaluru
- FY2024 EBITDA includes a write back of Rs. 43 Crores charged under Power and Fuel and FY2023 EBITDA excludes onetime expense of Rs. 75 Crores (after netting off corresponding provision created in earlier years) charged under Power and Fuel

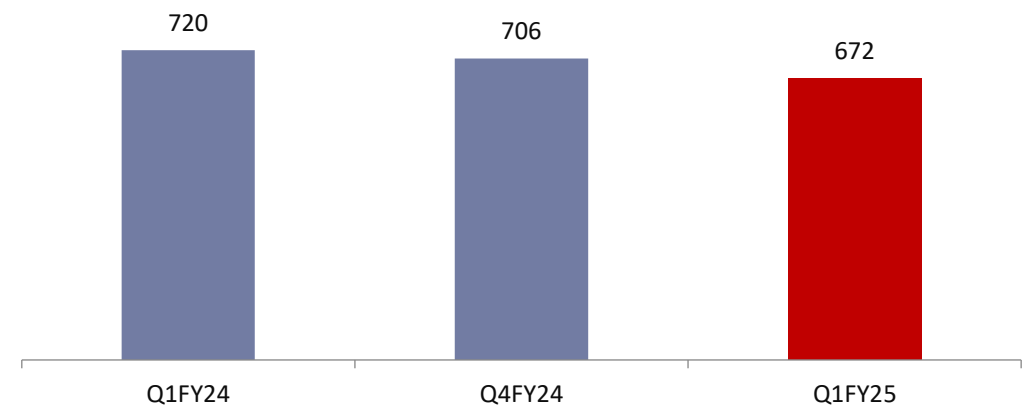
# Quarter Performance Trends



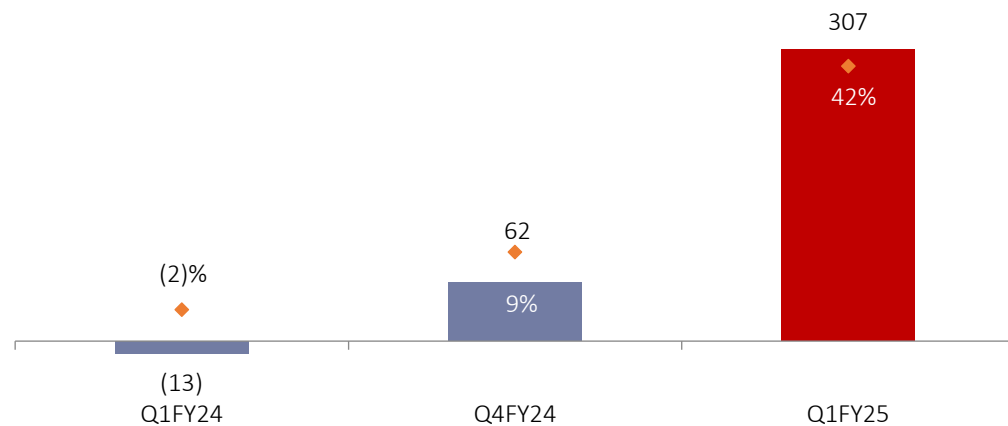
## Consolidated Net Sales



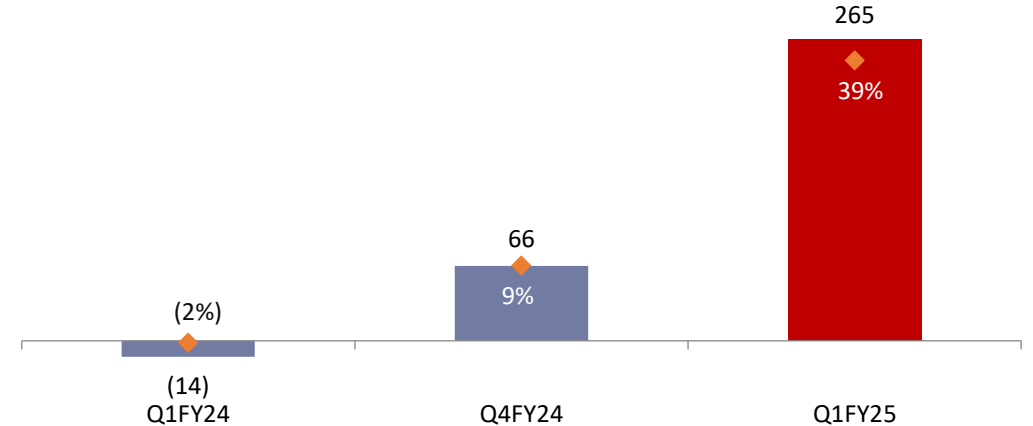
## Standalone Net Sales



## Consolidated Operating Profit / (Loss)



## Standalone Operating Profit / (Loss)



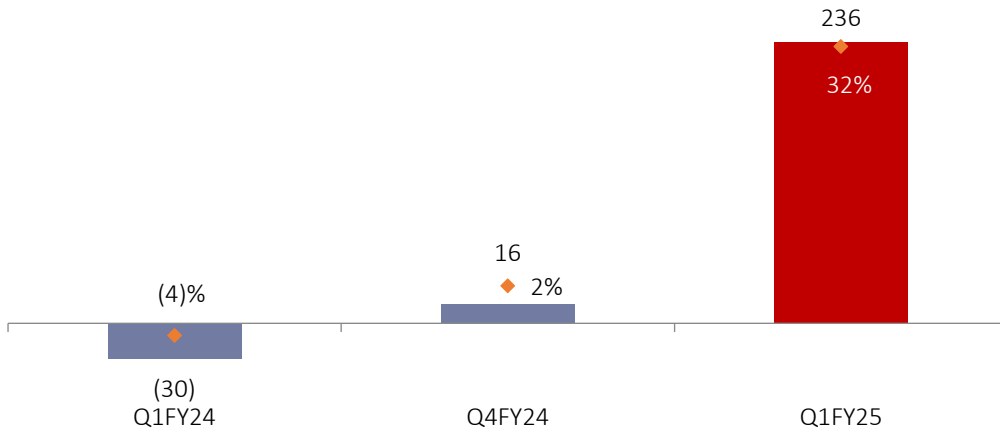
Notes:

1. Operating Profit / (Loss) is including Other Income
2. All numbers in Crores unless specifically mentioned

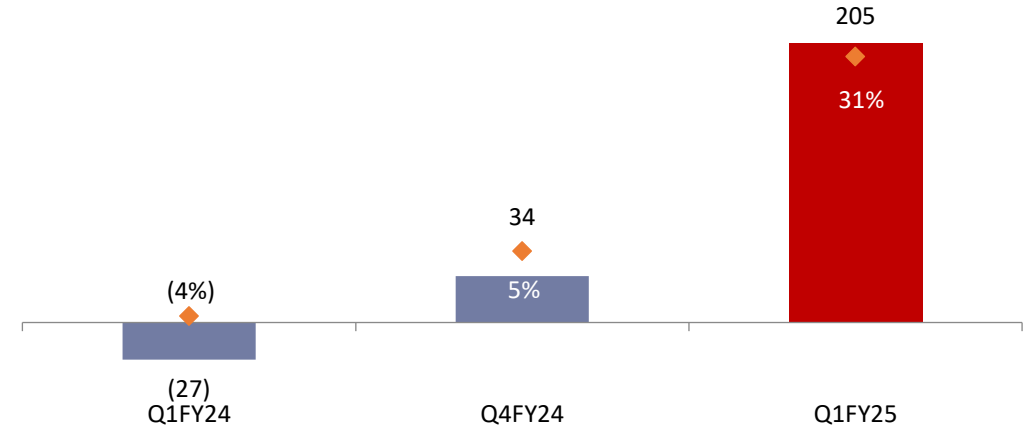
# Quarter Performance Trends



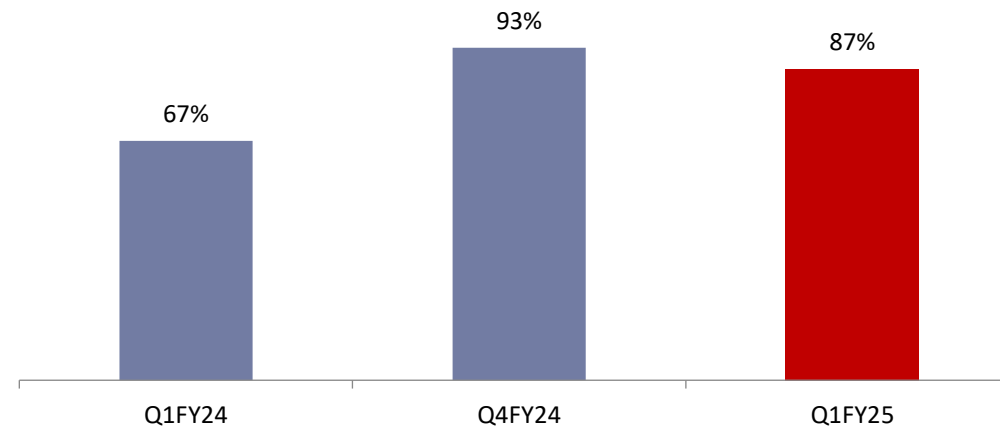
## Consolidated Net Profit / (Loss)



## Standalone Net Profit / (Loss)



## Capacity Utilization (Standalone)



Notes:  
1. All numbers in Crores unless specifically mentioned

Significant financial flexibility available for future organic and inorganic growth

## Consolidated Leverage Profile

(Rs. Crore)	June- 24	Mar- 24	Dec- 23	Sept- 23	June- 23
Cash & Cash Equivalents <sup>1</sup>	3,986	3,484	3,404	3,520	2,475
Total Debt	(257)	(177)	(225)	(341)	(360)
Net Cash	3,729	3,307	3,179	3,179	2,115

## Standalone Leverage Profile

(Rs. Crore)	June- 24	Mar- 24	Dec- 23	Sept- 23	June- 23
Cash & Cash Equivalents <sup>1</sup>	3,822	3,344	3,124	3,120	2,222
Total Debt	(172)	(96)	(143)	(266)	(280)
Net Cash	3,650	3,248	2,981	2,854	1,942

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
	FY2025	FY2024	Growth (%)	FY2024	Growth (%)
Graphite and Carbon	624	692	(9.8)%	664	(6.0)%
Others	105	56	87.5%	57	84.2%
Less: Inter Segment Sales	1	1	nm	1	nm
<b>Segment Revenue</b>	<b>728</b>	<b>747</b>	<b>(2.5)%</b>	<b>720</b>	<b>1.1%</b>
Graphite and Carbon	60	(105)	nm	(10)	nm
Others	52	11	nm	(5)	nm
<b>Profit / (Loss) before tax and interest</b>	<b>112</b>	<b>(94)</b>	<b>nm</b>	<b>(15)</b>	<b>nm</b>
Finance Cost	3	6	(50.0)%	3	nm
Unallocated Income / (expense)	(175)	(63)	nm	(55)	nm
<b>Profit / (Loss) Before Tax</b>	<b>284</b>	<b>(37)</b>	<b>nm</b>	<b>37</b>	<b>nm</b>

## Standalone Segment Performance

(Rs. Crore)	Q1		y-o-y	Q4	q-o-q
	FY2025	FY2024	Growth (%)	FY2024	Growth (%)
Graphite and Carbon	612	673	(9.1)%	646	(5.3)%
Others	61	48	27.1%	61	nm
Less: Inter Segment Sales	1	1	nm	1	nm
<b>Segment Revenue</b>	<b>672</b>	<b>720</b>	<b>(6.7)%</b>	<b>706</b>	<b>(4.8)%</b>
Graphite and Carbon	65	(94)	nm	(10)	nm
Others	8	3	166.7%	5	60.0%
<b>Profit / (Loss) before tax and interest</b>	<b>73</b>	<b>(91)</b>	<b>nm</b>	<b>(5)</b>	<b>nm</b>
Finance Cost	1	4	(75.0)%	2	(50.0)%
Unallocated Income / (expense)	(174)	(61)	nm	(53)	nm
<b>Profit / (Loss) Before Tax</b>	<b>246</b>	<b>(34)</b>	<b>nm</b>	<b>46</b>	<b>nm</b>

Notes:

1. 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 60 years of technical expertise in the industry. Exports account for less than 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 positioned 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 manufacturers generating losses. However, Graphite India remained consistently profitable and declared dividends.

The Company currently has a conservative leverage profile with significant financial capacity for organic or inorganic expansion.

Graphite India’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.

The Company 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.

Graphite India 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 hydro electric power generation. The Company has also partially installed wind power plants with an installed capacity of 14.7 MW.

The Company, through its subsidiary, has progressively acquired and now owns more than a 60% stake in General Graphene Corporation, a US based company which has developed a breakthrough proprietary technology which would allow it to produce large area, high quality, low cost graphene sheets in industrial applications in scaled up commercial volumes.

Graphite India has also acquired a 31% stake in Godi India. This investment is part of its strategy to diversify into advanced chemistry battery technologies for the development of EV and energy storage battery cells.

## 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 manufacturers accounting for almost 75% of the high end UHP electrode capacity. The majority of this capacity however, is currently located in high cost regions like US, Europe and Japan.



## 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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