



Q2FY23 Results

Supplementary Information
Chief Investors Relation Officer
Bharat Heavy Electricals Ltd.
November 11th, 2022

Context

Subsequent to the declaration of the results of Q2FY23 on NSE, BSE and www.bhel.com post approval from the Board, following supplementary information is shared for the interest of broader investor community.

Cautionary Statement

Statements in this “presentation” describing the company’s objectives, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and

regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company’s operations include global and Indian demand supply conditions, finished goods prices, cyclical demand and pricing in the company’s principal markets, changes in government regulations, tax regimes, economic developments within India and the countries within which the company conducts business and other factors such as litigation and labour negotiations. The company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.

Financial performance



Particulars (Rs Crore)	Q2FY23	Q2FY22
Turnover	4,928	4,911
Revenue From Operations	5,203	5,112
EBITDA	-19	45
Profit Before Tax	-201	-88
Profit After Tax	10	-67

Accounts Receivables

Particulars (Rs. Crore)	Q2FY23	Q2FY22
Trade Receivables	6,624	7,220
Contract Assets	27,094	23,939
Total	33,718	31,159

Category	Central Utilities	State Utilities	Private Sector	Exports
Share, % (Q2FY23)	37.1%	41.6%	14.4%	6.9%

Provisions

Particulars (Rs. Crore)	Q2FY23	Q2FY22
Creation	238	101
Withdrawal	378	340
Write off	21	59
Net Provisions	-118	-180

Business Environment

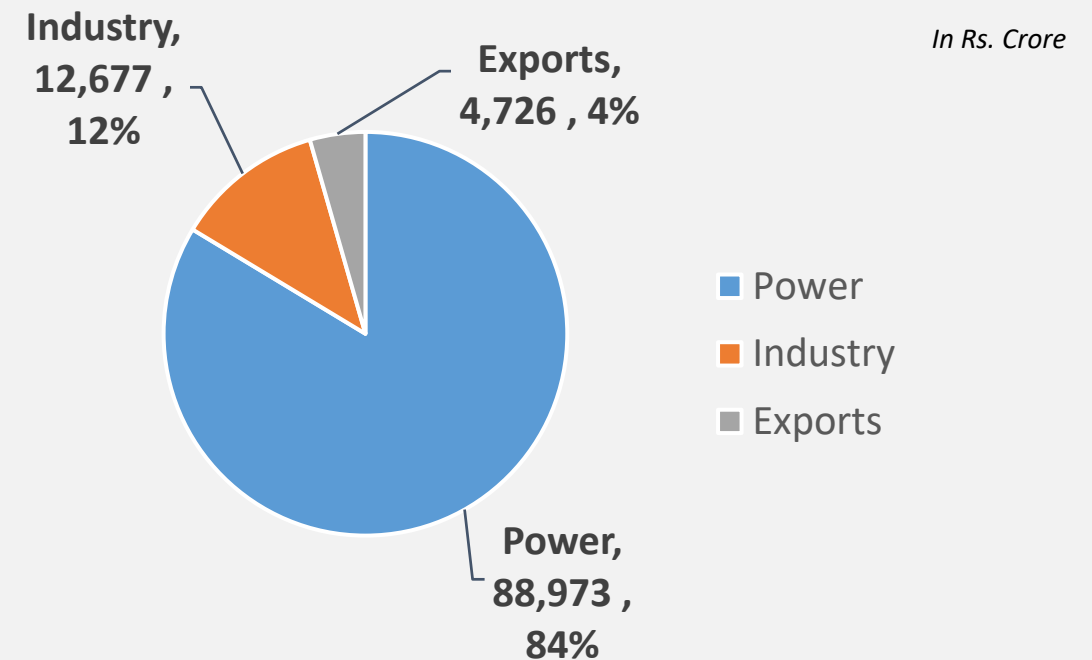


- Strong private consumption and investment demand boosted economic growth – 13.5% GDP growth in Q1FY23
- Industrial activity (IIP index) grew by 7.7% during Apr-Aug 2022 period
- Domestic economy is advancing steadily, Govt. increased capital expenditure during Q1 FY23, the revenue expenditure to capital outlay (RECO) ratio decreased to 4.8 in Apr-Jul 2022 from 7.3 in the Apr-Jul 2021
- PLI schemes in identified sectors expected to boost private capex in the economy
- Core sectors of economy like cement, steel, refinery etc. are bullish and are firming up their capacity expansion plans
- Indian Railways going for big-ticket induction of semi-high speed trainsets, high HP locomotives for freight
- Downside risks include prolonged complex geopolitical situation, continued lockdowns in China, and sustained global inflation
- In anticipation of global headwinds, RBI revised real GDP growth rate forecast for FY23 from 7.2% to 7.0%

Order Book



Order Book (incl. Taxes) (Rs Crore)	Power	Industry	Exports	Total
Received, Upto Q2FY23	11,174	3,155	183	14,511
Total Outstanding, as on 30.09.2022	88,973	12,677	4,726	1,06,376





Power sector Prominent orders received in Q2FY23 include:

- '2x660 MW Talcher Thermal Power Project Stage-III' on EPC basis from NTPC Ltd.
- Flexiblisation orders from WBPDCCL for:
 - one 500 MW Unit at 2X500 MW Sagardighi TPEP (Phase-II)
 - one 250 MW Unit of 2X250 Santaldih STPS
- Notification of Award (NOA) from M/s Druk Green Power Corporation Limited (DGPC), Bhutan for 'Replacement & Restoration of Generator Unit#4' of Chhukha Hydropower Plant, Bhutan.
- Supply, supervision of erection & commissioning of 42 MW STG in West Bengal.



Industry sector Prominent orders in Q2FY23 include:

Transportation

- 22 WAG-9H locomotives from Indian Railways
- 90 sets of IGBT based 3-phase drive propulsion equipment for WAG-9 from CLW, Chittaranjan
- 35 sets of IGBT based composite converter for 3-phase WAP-5 locomotive and 39 sets of IGBT based hotel load converter for WAP-7 locomotives from BLW, Varanasi

Transmission

- Orders for '400/220kV Neemuch New Substation', and Extension of '400kV Chittorgarh Substation' & '400kV Mandsaur Substation' from Neemuch Transmission Ltd.
- Supply, inspection, testing and commissioning of 03 nos. 500 MVA, 400 kV ICT and 13 nos. 500 MVA, 765 kV ICTs at Navsari, Gujarat from PGCIL.
- Supply of Five 160 MVA, 220/66kV Power Transformers from Punjab State Transmission Corporation Limited.

Order Book



Others

- *Largest ever spares order in the overseas market- O&M spares for two years for 1x125 MW Senegal Power Plant-*
- *First-ever rate contract in the aftersales overseas market -supply of GT Spare Parts for a period of five years for BHEL-supplied Cogen Power Plant Fr-5 Gas Turbine for Unit # 1 & 2 from Oman.*
- Supply of various types of compressors (Product Splitter Heat Pump Compressor, Wet Gas Compressor Pkg., Vacuum Gas Oil Recycle Gas Compressor etc.) from both private & PSU customers.
- Supply of Air Blowers from Numaligarh Refineries Ltd, and Heater Package for IOC Panipat Refinery Project from IOCL
- Supply and commissioning along with AMC for 70 fast EV chargers (of 50 KW DC rating) from Bharat Petroleum Corporation Ltd.

Operations



In Q2FY23, focus on project delivery led to:

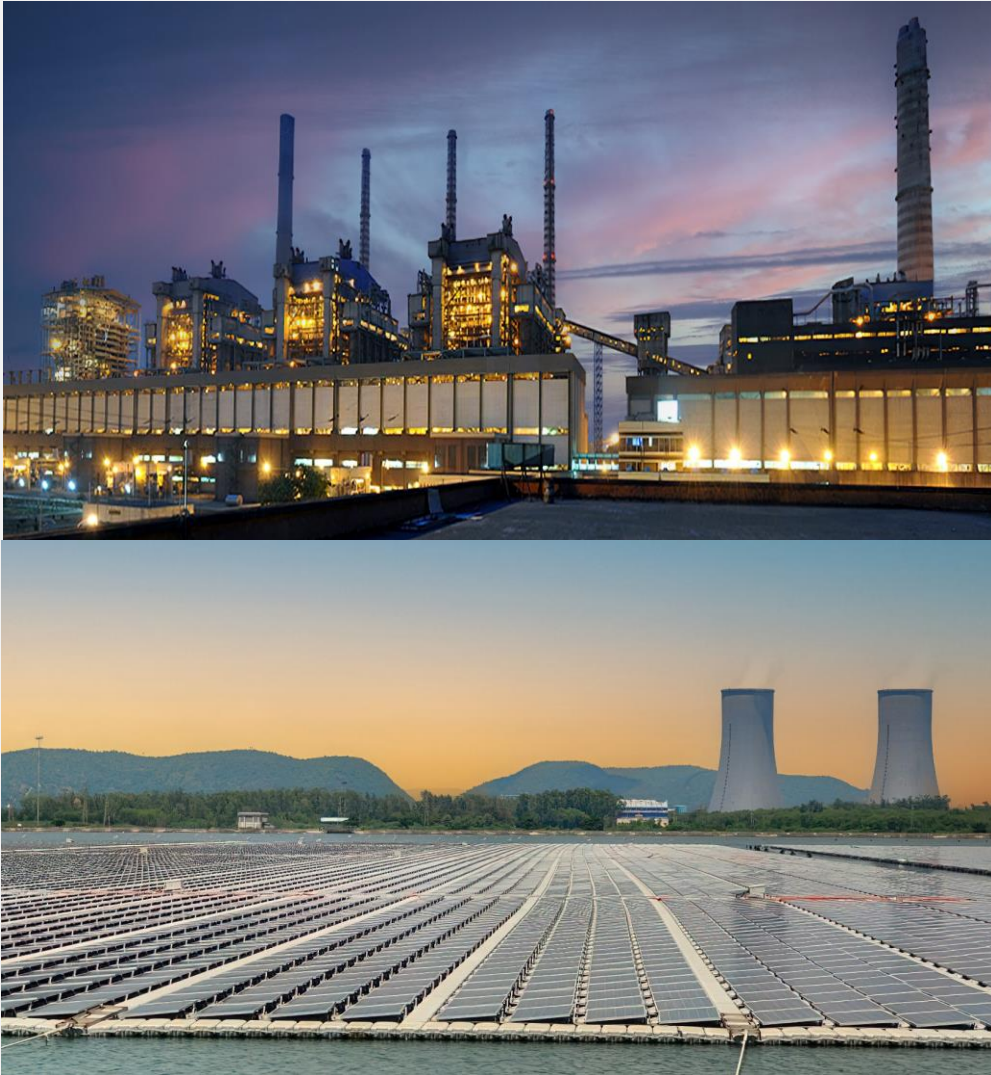
- Synchronization of Unit#1 of 2x660 MW Maitree STPP, Bangladesh on 15 August 2022
- Capacity Addition of Unit#1&2 of 2x60 MW Vyasi UJVNL HEP
- Completion of Commissioning of India's largest floating solar power plant of 100 MW at NTPC Ramagundam in Telangana.
- Commissioning of entire 20 MW for NTPC Gandhar Solar PV Project
- Synchronization of 50 MW Solar Power Project of MAHAGENCO at Koudgaon in Osmanabad dist. of Maharashtra.

Notable successes



- First ever order for design, development & supply of 30Ah Li-ion Battery for Advanced Medium Combat Aircraft (AMCA) from Aeronautical Development Agency (ADA) Bangalore- *BHEL to be the sole Indian supplier of Li-ion batteries for next generation aircraft.*
- Indigenous Aircraft Carrier (IAC) INS Vikrant successfully completed 4th Sea Trials in July 2022. Integrated Platform Management System (IPMS) fitted on-board has been supplied by BHEL jointly with GE Avio.
- Received numerous awards including 'Golden Peacock Environment Management' Award 2022 under the category 'Power Equipment Sector', 'Renewable Energy India Awards - 2022 winner in the category of Leading EPC-Solar.

Notable successes



- BHEL has signed Strategic MoU with Coal India Limited (CIL) and NLC India Limited (NLCIL) for setting up Coal Gasification based plants. Under these MoUs, BHEL will jointly set up:
 - A Coal to Ammonium Nitrate Project with CIL
 - A lignite-based gasification pilot plant with NLCIL for power generation,

The projects to deploy *BHEL's indigenously-developed Pressurised Fluidised Bed Gasification (PFBG) technology*, suitable for high ash Indian Coal and Lignite.

- BHEL also signed MoUs with:
 - Rail Vikas Nigam Ltd. (RVNL) to jointly work in the field of infrastructure and project execution, in India and abroad.
 - Ministry of Heavy Industries (MHI) for setting up “Common Engineering Facility Centre at WRI-Trichy for skilling in Advanced Welding Technologies”.



- Successfully demonstrated its indigenously developed Flexible operation capability for coal based thermal power projects, at Adani Power 1X600 MW Avanta Raigarh Thermal power plant (REGL). During flexible operation trials, BHEL achieved ramp rate in excess of 3% per minute, keeping all major parameters within stable limit.
- Significant R&D achievements include:
 - Designing, manufacturing and successful dynamic short circuit testing of BHEL's highest rating 3-phase station transformer (144 MVA, 400 kV) for 3x800 MW NTPC Patratu Project.
 - Designing, manufacturing, testing and supply of 16 pole 2,150 kW, 6.6 kV motor— *company's largest rating motor of this type suitable for hazardous area applications*
- Over Rs. 264 Crore spent on R&D activities upto September 2022. Intellectual capital of BHEL, at end of Q2FY23, stands at 5163 patents & copyrights.



Thanks!

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