



## RAIN INDUSTRIES LIMITED

RIL/SEs/2024

May 9, 2024

The General Manager Department of Corporate Services <b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street, Fort <u>Mumbai-400 001</u>	The Manager Listing Department <b>The National Stock Exchange of India Limited</b> Bandra Kurla Complex Bandra East <u>Mumbai – 400 051</u>
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Dear Sir/ Madam,

Sub: Earnings Presentation on the Un-Audited Financial Results of the Company (Standalone, Consolidated and Segment) for the First Quarter ended March 31, 2024.–Reg.

Ref : Scrip Code: 500339 (BSE) & Scrip code : RAIN (NSE)

With reference to the above stated subject, please find enclosed herewith Rain Industries Limited Earnings Presentation on the Un-Audited Financial Results of the Company (Standalone, Consolidated and Segment) for the First Quarter ended March 31, 2024.

This is for your information and records.

Thanking you,

Yours faithfully,  
for Rain Industries Limited

S. Venkat Ramana Reddy  
Company Secretary



## RAIN INDUSTRIES LIMITED

# Earnings Presentation – Q1 CY24

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RAIN is a leading vertically integrated global producer of a diversified portfolio of products that are essential raw materials for staples of everyday life. We operate in three business segments: Carbon, Cement and Advanced Materials. Our Carbon business segment converts the by-products of oil refining and steel production into high-value carbon-based products that are critical raw materials for the aluminium, graphite, carbon black, wood preservation, titanium dioxide, refractory and several other global industries. Our Cement segment consists of two integrated cement plants that operate in the South Indian market, producing two primary grades of cement: ordinary portland cement ("OPC") and portland pozzolana cement ("PPC"). Our Advanced Materials business segment extends the value chain of our carbon processing through the downstream refining of a portion of this output into high-value chemical products that are critical raw materials for the specialty chemicals, coatings, construction, petroleum and several other global industries. We have longstanding relationships with most of our major customers, including several of the largest companies in the global aluminium, graphite and specialty chemicals industries, and with most of our major raw material suppliers, including several of the world's largest oil refiners and steel producers. Our scale and process sophistication provides us the flexibility to capitalize on market opportunities by selecting from a wide range of raw materials, adjusting the composition of our product mix and producing products that meet exacting customer specifications, including several specialty products. Our production facility locations and integrated global logistics network also strategically position us to capitalize on market opportunities by addressing raw material supply and product demand on a global basis in both established and emerging markets.



# Forward-Looking Statement

This presentation contains forward-looking statements based on management's current expectations, estimates and projections. All statements that address expectations or projections about the future, including our statements addressing our expectations for segment volumes and earnings, the factors we expect to impact earnings in each segment, demand for our products, our expected uses of cash, and our expected tax rate, are forward looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and difficult to predict. If known or unknown risks materialize, or should underlying assumptions prove inaccurate, our actual results could differ materially from past results and from those expressed in the forward-looking statement. Important factors that could cause our results to differ materially from those expressed in the forward-looking statements include, but are not limited to lower than expected demand for our products; the loss of one or more of our important customers; our failure to develop new products or to keep pace with technological developments; patent rights of others; the timely commercialization of products under development (which may be disrupted or delayed by technical difficulties, market acceptance, competitors' new products, as well as difficulties in moving from the experimental stage to the production stage); changes in raw material costs; demand for our customers' products; competitors' reactions to market conditions; delays in the successful integration of structural changes, including acquisitions or joint ventures; the laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates, of countries where we do business; and severe weather events that cause business interruptions, including plant and power outages or disruptions in supplier or customer operations.

# Key Highlights – Q1 2024

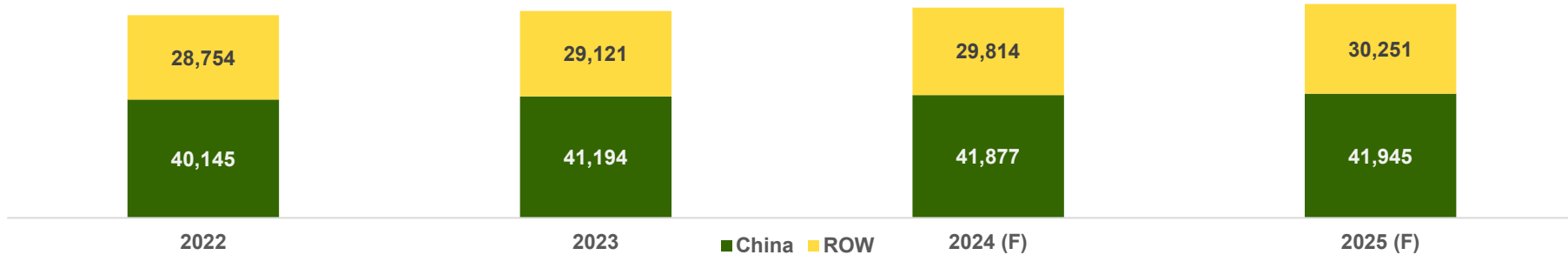
- Revenue from Operations was ₹36.70 billion
- Adjusted EBITDA was ₹3.26 billion
- Adjusted Net Loss After Tax was ₹(1.62) billion
- Adjusted Loss per share was ₹(4.81)
- Capital expenditure of US\$ 17 million for the three-month period ended March 31, 2024
- Liquidity of US\$ 473 million – including cash balance of US\$ 240 million
- Carbon segment performance impacted due to delayed shipments and continued tight margins
- Advanced Materials segment performance improved due to higher volumes and lower operating costs
- Cement segment performance declined due to lower realisations and higher operating costs

Achieved TRIR of 0.14 for Q1 2024 at RAIN Carbon Inc Level

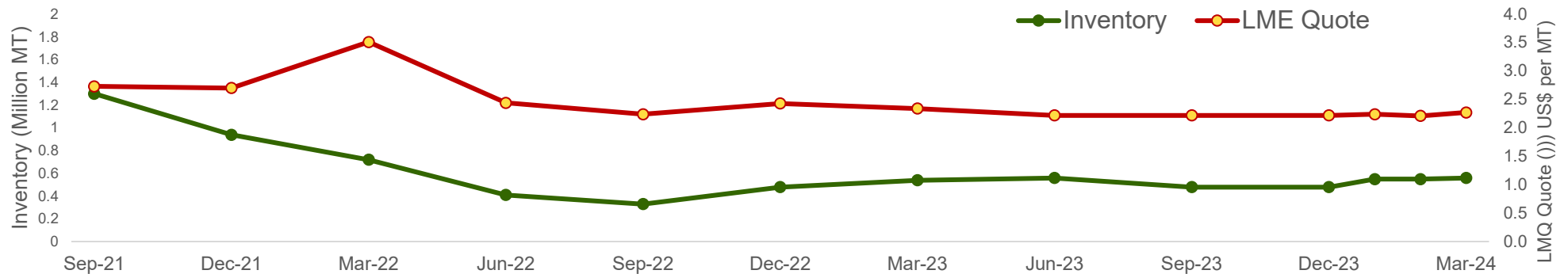
# Aluminium Market Update

Primary Aluminium Production Growth in Thousand Tonnes

Not to Scale



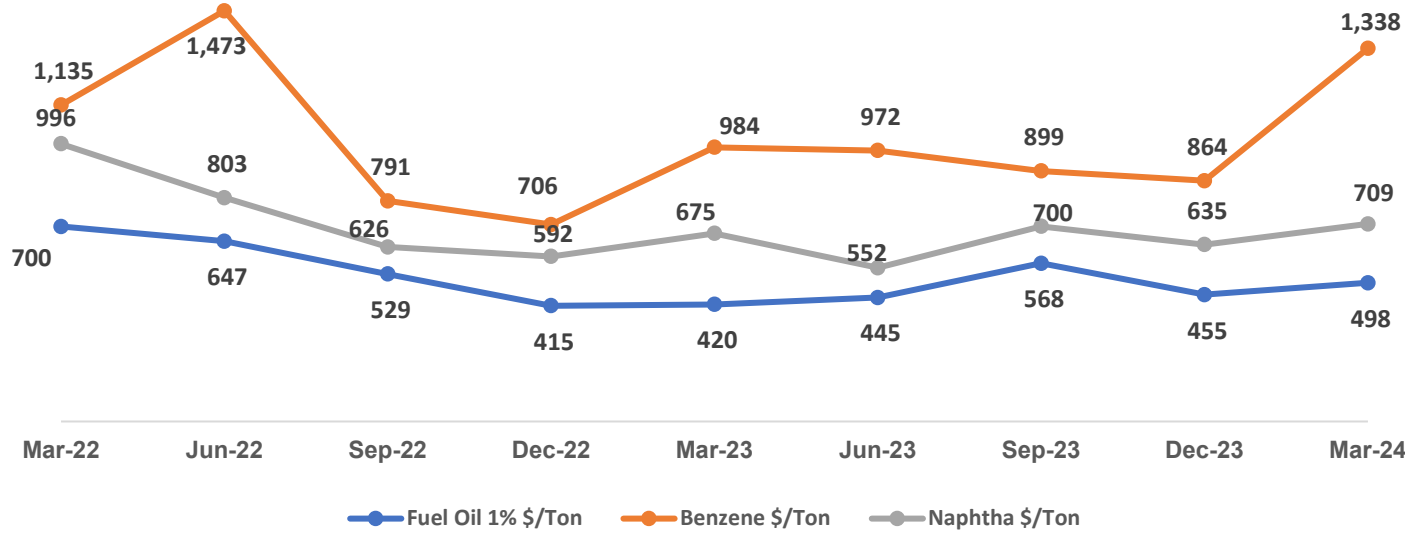
LME AL Inventory (Million MT) vis-à-vis LME AL Quote (000 US\$ per MT)



- Aluminium 3-month LME seller's price trading around US\$2,600 per Ton in April 2024
- Expected smelter restarts in Europe and North America resulting in incremental demand for CPC and CTP

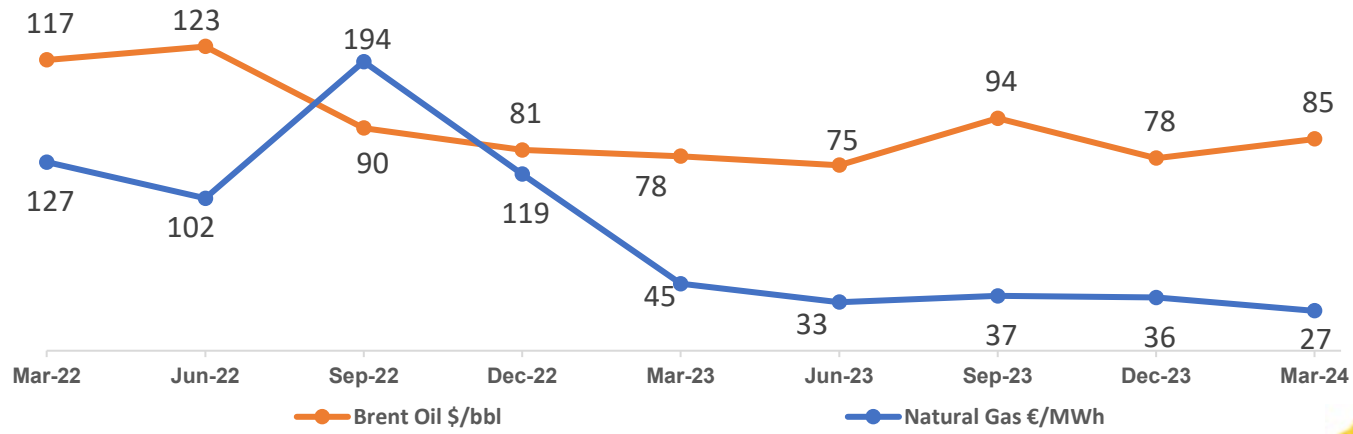
# Price Trend of Key Products and European Natural Gas

Not to Scale

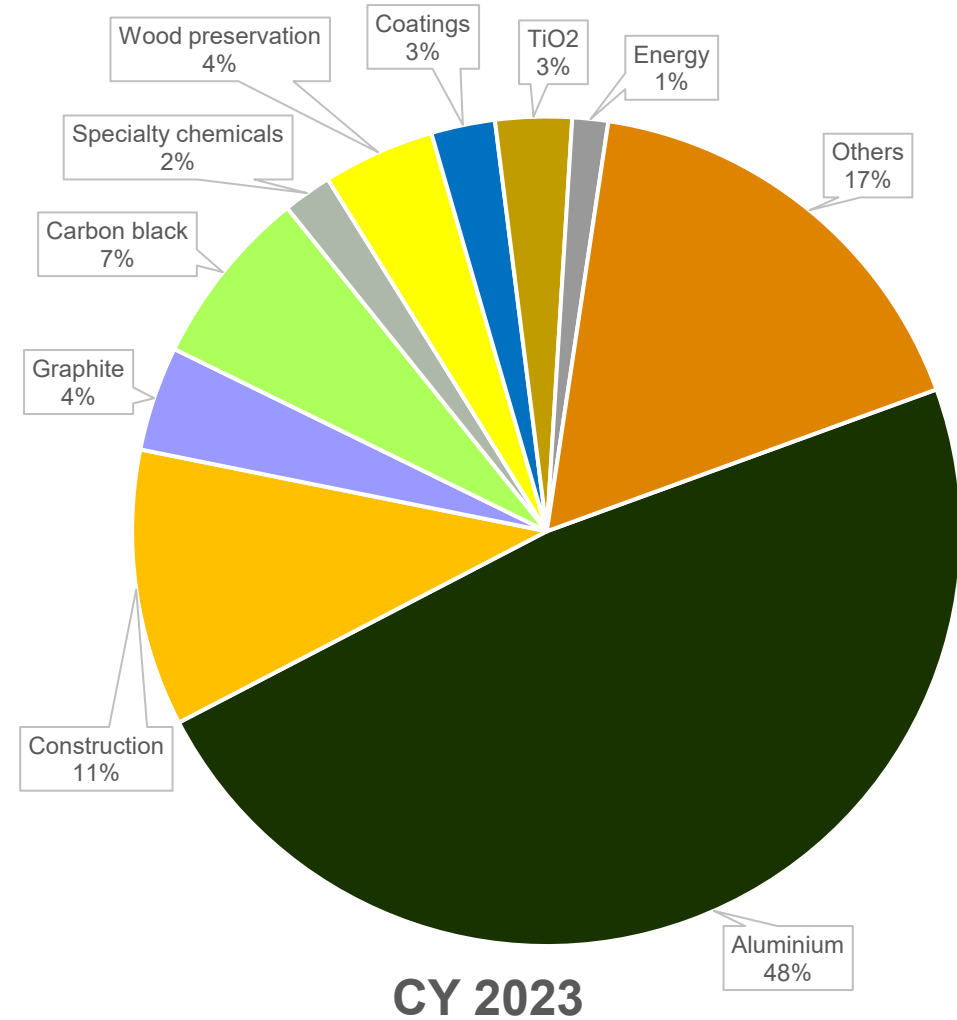
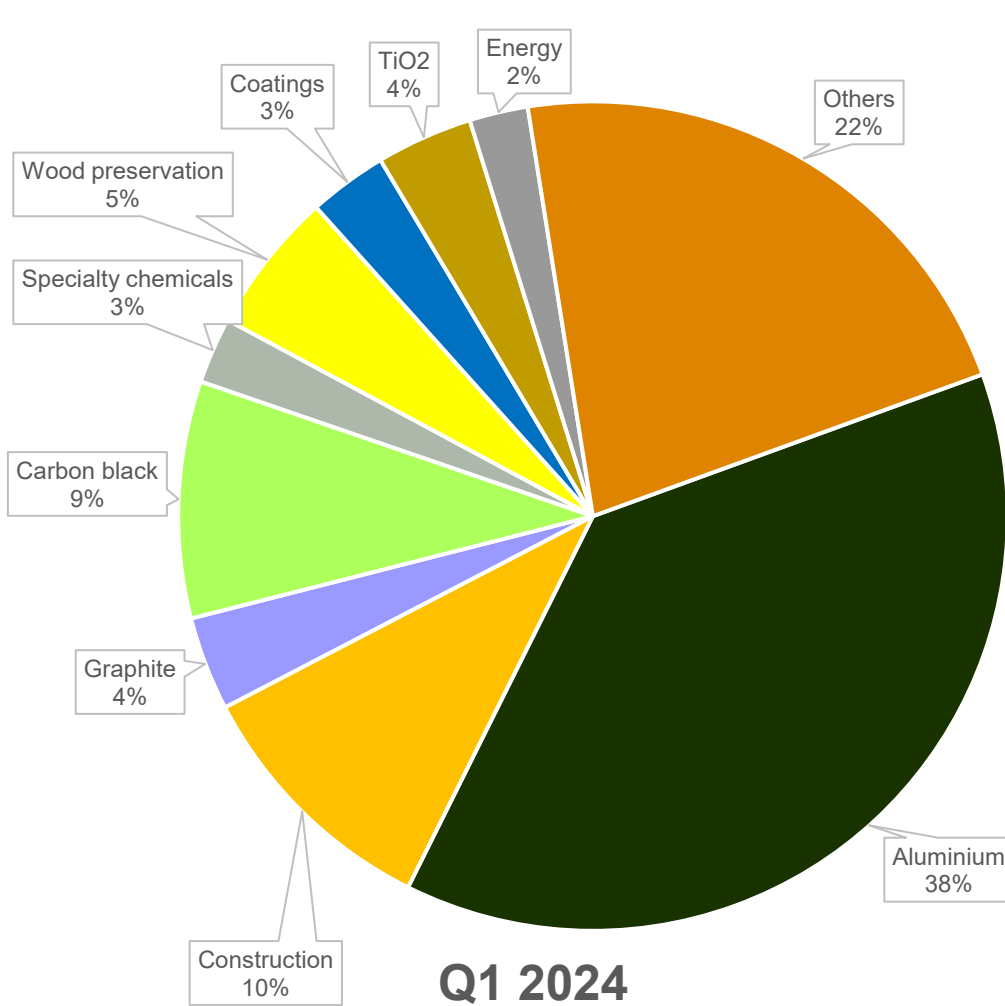


Improved quotations helping Advanced Materials segment

Gradual reduction in gas prices positively impacting operating costs



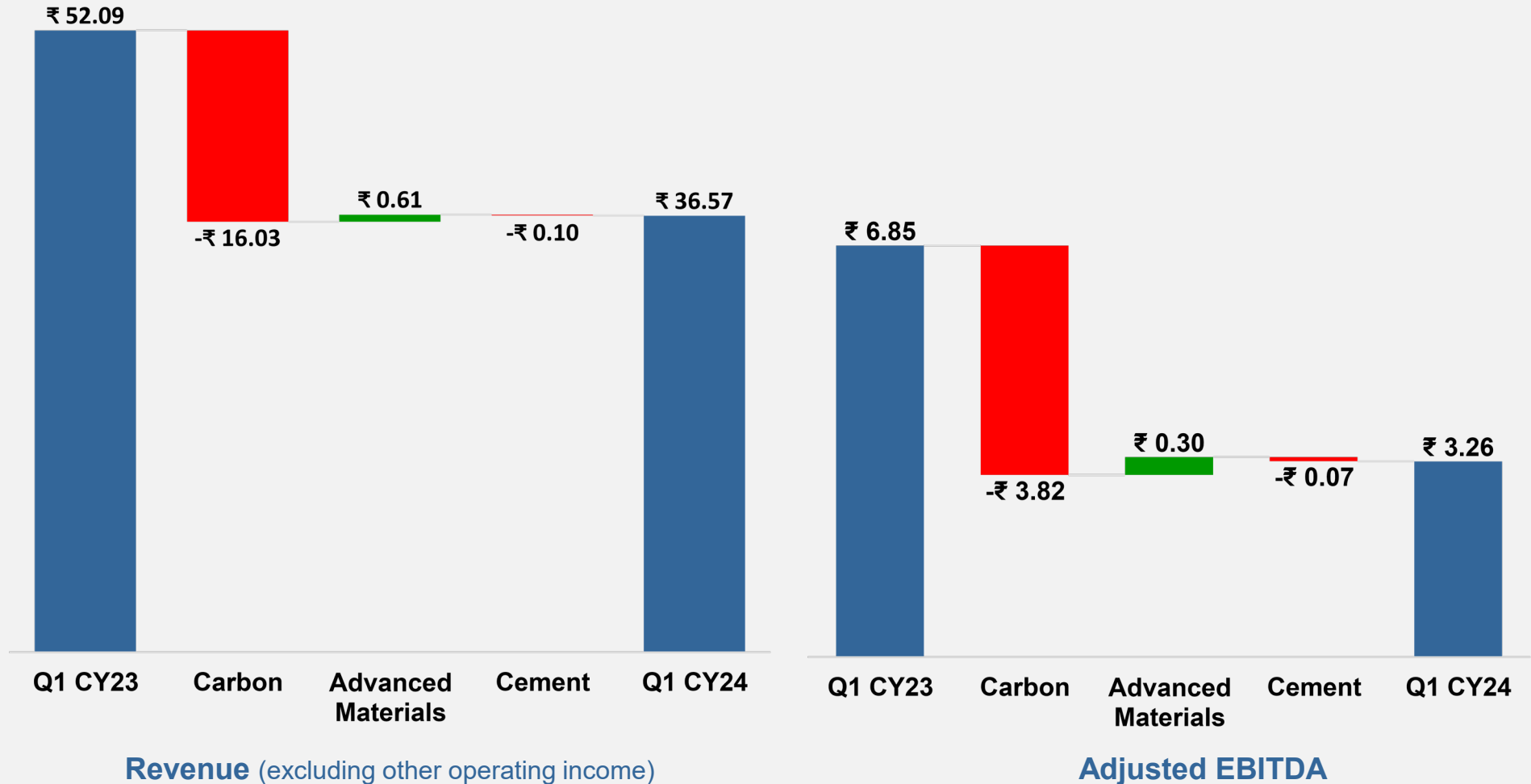
# Revenue by End Industry



Aluminium continued to be major end-customer industry

# Consolidated Revenue and EBITDA Q1-2024

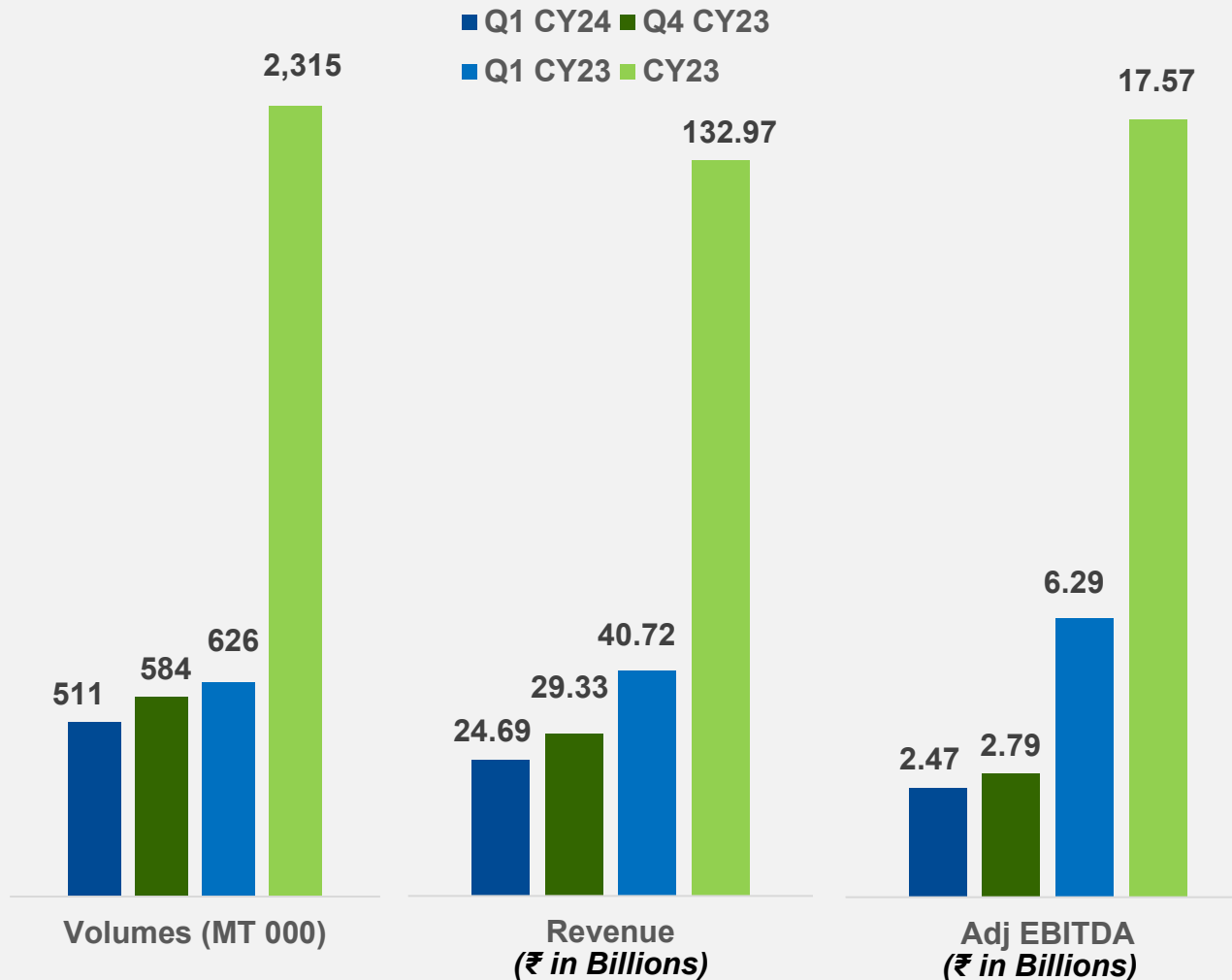
(₹ in Billions)



Note: Charts not to scale

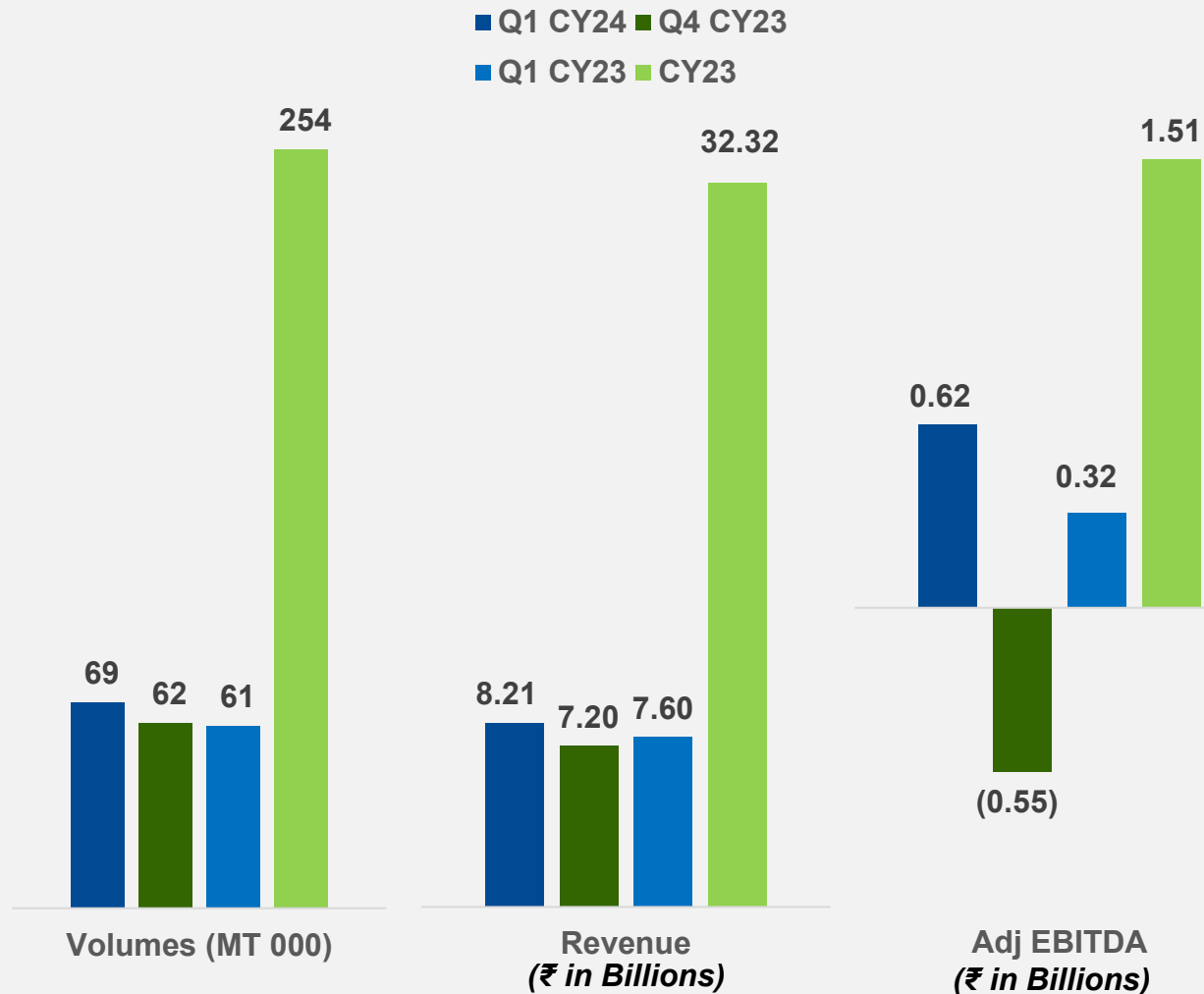


# Carbon: Revenue and EBITDA



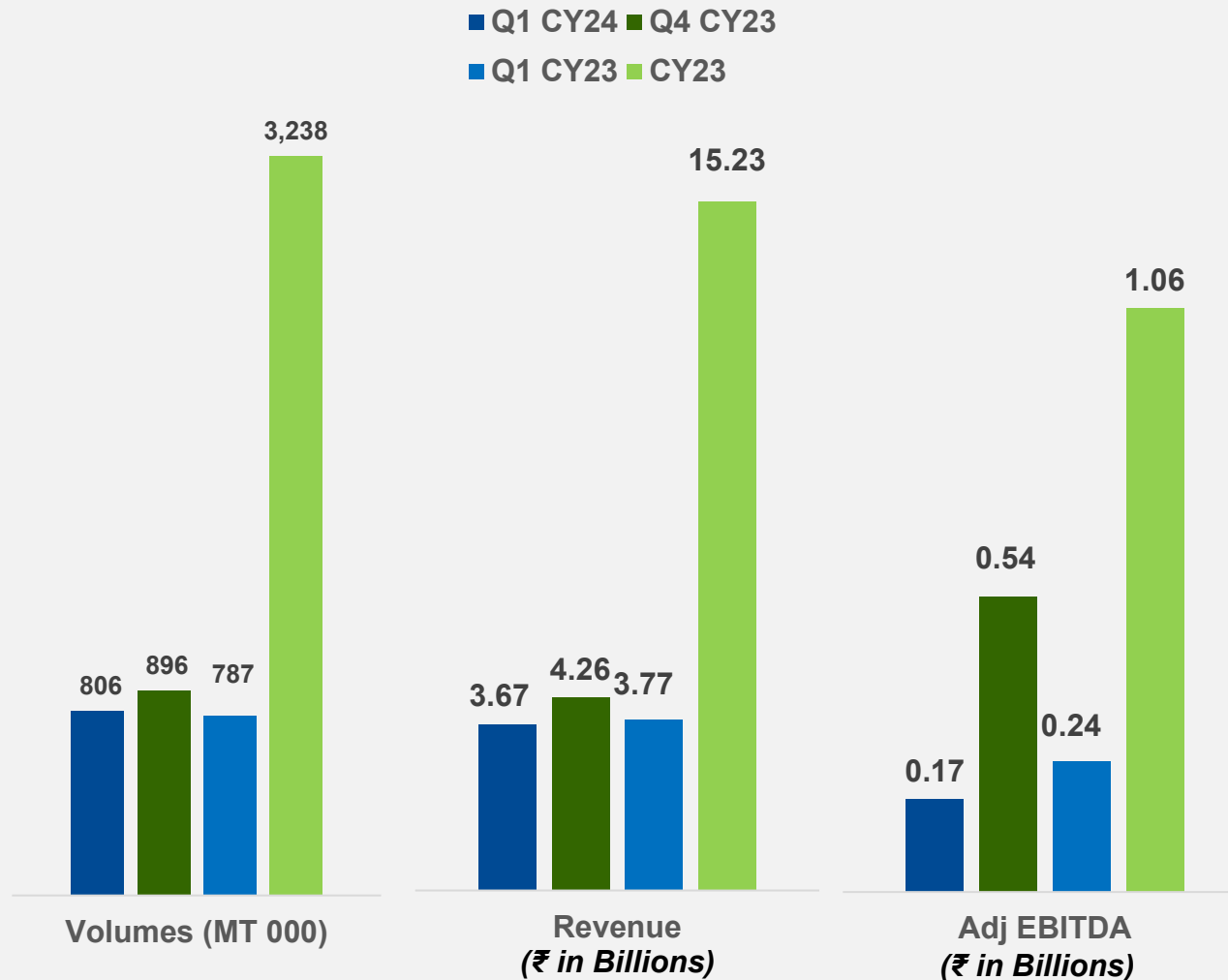
- Revenue decrease driven by
  - Lower realisations across all key products due to fall in market quotations
  - Lower volumes due to delayed shipments
- EBITDA decrease due to
  - lower volumes
  - lag in cost resets of raw-materials in line with price resets of finished goods.

# Advanced Materials: Revenue and EBITDA



- Revenue in Q1 CY24 increase driven by
  - increase in volumes driven by Red sea crisis impacting Asian supplies and availability of raw materials compared to earlier quarters
  - Offset by lower average prices driven by fall in commodity prices
- EBITDA improved due to
  - Increased volumes in resins business
  - Lower natural gas prices

# Cement: Revenue and EBITDA



- Revenue in Q1 CY24 decrease driven by
  - Decrease in realisations
  - Offset by increase in volumes
- EBITDA declined due to
  - Lower realisations
  - Higher operating costs

# Debt Summary

US\$ in Millions	Mar 2024	Dec 2023
USD-denominated Senior Secured Notes (due in April 2025)	50	50
USD-denominated Senior Secured Notes (due in September 2029)	449	450
Euro-denominated Senior Secured Term Loan (due by October 2028) *	372	380
Senior Bank Debt and Other debt	22	22
Liability towards Right-of-use of Assets	64	63
<b>Gross Term Debt</b>	<b>957</b>	<b>965</b>
Add: Working Capital Debt	102	102
Less: Deferred Finance Cost	20	21
<b>Total Debt</b>	<b>1,039</b>	<b>1,046</b>
Less: Cash and Cash Equivalents	240	268
<b>Net Debt</b>	<b>799</b>	<b>778</b>
LTM Adjusted EBITDA	200	244

\* Debt of €343.5 million converted at USD/EURO rates of 1.08 and 1.11 as at Mar.31, 2024 and Dec. 31, 2023 respectively.

## Cash Inflows / Outflows during Q1 2024

- Operating cash flows includes net working capital inflows of ₹1.55 billion (compared to inflows of ₹6.76 billion in Q1 2023) due to general decline in prices.
- Capital expenditure of ₹1.44 billion (US\$17 million) during the quarter.
- Net cash used in financing activities of ₹5.21 billion primarily related to the payment of interest and the repayment of long-term debt.

(₹ in millions)

Particulars	Q1 2024	Q1 2023
Operating Activities	4,245	11,122
Investing Activities	(525)	(1,572)
Financing Activities	(5,211)	(3,081)

# Key Takeaways

- Margins expected to normalize in the second half of 2024.
- CAQM order partially implemented with the DTA plant receiving a higher allocation compared to the previous year.
- Allocation to SEZ unit is still under progress and expect to receive pending permissions in Q2 2024.
- Primary focus for 2024
  - Cost control during the down cycle
  - Realign product margins
  - Reduce long term debt

# Thank You

# Appendix

# Summary of Consolidated Income Statement

₹ in Millions

Particulars	Q1 2024	Q4 2023	Q1 2023	CY 2023
Net Revenue	36,570	40,788	52,093	180,518
Other Operating Income	132	218	442	897
<b>Revenue from Operations</b>	<b>36,702</b>	<b>41,006</b>	<b>52,535</b>	<b>181,415</b>
<b>Reported EBITDA</b>	<b>3,466</b>	<b>1,678</b>	<b>5,370</b>	<b>17,374</b>
<b>Adjusted EBITDA</b>	<b>3,258</b>	<b>2,779</b>	<b>6,846</b>	<b>20,137</b>
<i>Adjusted EBITDA Margin</i>	8.9%	6.8%	13.0%	11.1%
<b>Profit / (Loss) Before Tax</b>	<b>(339)</b>	<b>(9,794)</b>	<b>2,030</b>	<b>(4,824)</b>
Tax Expense, net	826	995	612	3,138
Non-controlling Interest	294	399	365	1,417
<b>Reported Profit / (Loss) After Tax</b>	<b>(1,459)</b>	<b>(11,188)</b>	<b>1,053</b>	<b>(9,379)</b>
<b>Adjusted Profit / (Loss) After Tax</b>	<b>(1,617)</b>	<b>(1,960)</b>	<b>2,145</b>	<b>1,526</b>
Adjusted Earnings / (Loss) Per Share (in ₹)*	(4.81)	(5.83)	6.38	4.54

\*Quarterly Earnings Per Share is not annualized.



# Reconciliation of EBITDA and PAT

₹ in Millions

Particulars	Q1-2024	
	EBITDA	PAT
<b>A. Reported</b>	<b>3,466</b>	<b>(1,459)</b>
<b><i>B. Adjustments/Exceptional items:</i></b>		
• Expenses towards non-recurring items	16	16
• Foreign exchange loss/(gain) on inter-company debt note	(224)	(224)
• Tax impact on above adjustments	-	50
<b>C. Adjusted (A + B)</b>	<b>3,258</b>	<b>(1,617)</b>

# RAIN – Key Business Strengths



- Three business segments (Carbon, Advanced Materials and Cement)
- Global presence with 2.4 million tonnes p.a. calcination capacity, 1.0 million tonnes p.a. CPC blending capacity, 1.3 million tonnes p.a. coal tar distillation capacity, 0.4 million tonnes p.a. advanced materials capacity and 4.0 million tonnes p.a. cement capacity
- Transforming by-products of oil and steel industries into high-value carbon-based materials essential to numerous manufacturing applications and end products
- Long-standing relationships with raw material suppliers and end customers
- Leading R&D function drives continuous innovation
- Diversified geographical footprint with advantageous freight and logistics network
- Facilities with overall 187 MW co-generated steam and power capacity and renewable solar power
- Experienced international management team
- Strategy shift from low-margin products to favourable product mix

**RAIN Group continues to grow on its core competencies.**