



# RAIN INDUSTRIES LIMITED

RIL/SEs/2022

July 29, 2022

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

Dear Sir/ Madam,

Sub: Press Release –Reg.


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

With reference to the above stated subject, please find enclosed herewith the Press Release on the Unaudited Financial Results (Standalone, Consolidated and Segment) for the second quarter ended June 30, 2022.

This is for your kind information and record.

Thanking you,

Yours faithfully,  
for Rain Industries Limited

  
S. Venkat Ramana Reddy  
Company Secretary



## RAIN INDUSTRIES LIMITED

Press Release

July 29, 2022

### Results for the second quarter ended June 30, 2022

RAIN INDUSTRIES LIMITED ("RAIN" / "the Company") reported its unaudited financial results for the second quarter ended June 30, 2022.

#### Financial Highlights for Q2 CY 22

- Revenue from Operations was ₹55.41 billion vs ₹36.44 billion in Q2 2021.
- Adjusted EBITDA was ₹12.52 billion vs ₹6.87 billion in Q2 2021.
- Adjusted Net Profit After Tax was ₹6.96 billion vs ₹2.42 billion in Q2 2021.
- Adjusted EPS was ₹20.70 vs ₹7.18 in Q2 2021.

#### Summary of Consolidated Income Statement

₹ in Millions

Particulars	Q2 2022	Q1 2022	Q2 2021	CY 2021
Net Revenue	55,265	44,093	36,223	143,697
Other Operating Income	141	273	212	1,571
<b>Revenue from Operations</b>	<b>55,406</b>	<b>44,366</b>	<b>36,435</b>	<b>145,268</b>
<b>Reported EBITDA</b>	<b>12,105</b>	<b>7,986</b>	<b>6,781</b>	<b>25,291</b>
<b>Adjusted EBITDA</b>	<b>12,520</b>	<b>8,348</b>	<b>6,865</b>	<b>25,174</b>
<i>Adjusted EBITDA Margin</i>	22.6%	18.8%	18.8%	17.3%
<b>Profit Before Tax</b>	<b>9,017</b>	<b>4,904</b>	<b>3,641</b>	<b>12,764</b>
Tax Expense, Net	1,941	1,765	983	5,829
Non-controlling Interest	391	365	305	1,134
<b>Reported Profit After Tax</b>	<b>6,685</b>	<b>2,774</b>	<b>2,353</b>	<b>5,801</b>
<b>Adjusted Profit After Tax</b>	<b>6,962</b>	<b>3,044</b>	<b>2,416</b>	<b>7,560</b>
Adjusted Earnings Per Share in (₹)*	20.70	9.05	7.18	22.48

\*Quarterly Earnings Per Share is not annualised.



## RAIN INDUSTRIES LIMITED

Set forth below is selected Segment information:

### Carbon

(₹ in Millions except volume data)

Particulars	Q2 CY22	Q1 CY22	Q2 CY21	CY 2021	Variance Q2 CY22 vs Q1 CY22	Variance Q2 CY22 vs Q2 CY21
<b>(a) Sales Volumes <sup>(1)</sup> (000 Metric Tonne)</b>						
- Calcined Petroleum Coke (CPC)	346	335	353	1,419	3.3%	(2.0%)
- Coal Tar Pitch (CTP)	129	141	137	556	(8.5%)	(5.8%)
- Other Carbon Products (OCP)	135	137	147	554	(1.5%)	(8.2%)
<b>TOTAL</b>	<b>610</b>	<b>613</b>	<b>637</b>	<b>2,529</b>	<b>(0.5%)</b>	<b>(4.2%)</b>
<b>(b) Net Revenue <sup>(1)</sup></b>						
- Calcined Petroleum Coke (CPC)	18,888	14,353	9,923	42,258	31.6%	90.3%
- Coal Tar Pitch (CTP)	12,647	9,940	7,363	31,318	27.2%	71.8%
- Other Carbon Products (OCP)	7,690	6,131	5,548	21,124	25.4%	38.6%
- Energy	491	567	472	2,266	(13.4%)	4.0%
<b>TOTAL</b>	<b>39,716</b>	<b>30,991</b>	<b>23,306</b>	<b>96,966</b>	<b>28.2%</b>	<b>70.4%</b>
<b>(c) Adjusted EBITDA <sup>(2)</sup></b>	<b>10,452</b>	<b>6,871</b>	<b>4,910</b>	<b>20,884</b>	<b>52.1%</b>	<b>112.9%</b>
<b>(d) Adjusted EBITDA Margin (%)</b>	<b>26.3%</b>	<b>22.2%</b>	<b>21.1%</b>	<b>21.5%</b>	<b>4.1%</b>	<b>5.2%</b>

**Notes:**

(1) Net of inter-company and inter-segment sales.

(2) Adjusted EBITDA is profit before Depreciation & Amortisation, Impairment Loss, Interest and Tax adjusted with exceptional items, if any.



## RAIN INDUSTRIES LIMITED

### Advanced Materials

(₹ in Millions except volume data)

Particulars	Q2 CY22	Q1 CY22	Q2 CY21	CY 2021	Variance Q2 CY22 vs Q1 CY22	Variance Q2 CY22 vs Q2 CY21
<b>(a) Sales Volumes <sup>(1)</sup> (000 Metric Tonne)</b>						
- Engineered Products	20	14	32	96	42.9%	(37.5%)
- Chemical Intermediates	39	36	42	173	8.3%	(7.1%)
- Resins	32	33	32	116	(3.0%)	0.0%
<b>TOTAL</b>	<b>91</b>	<b>83</b>	<b>106</b>	<b>385</b>	<b>9.6%</b>	<b>(14.2%)</b>
<b>(b) Net Revenue <sup>(1)</sup></b>						
- Engineered Products	2,406	1,549	2,228	7,424	55.3%	8.0%
- Chemical Intermediates	4,408	3,191	3,378	12,457	38.1%	30.5%
- Resins	4,989	4,513	3,459	13,029	10.5%	44.2%
<b>TOTAL</b>	<b>11,803</b>	<b>9,253</b>	<b>9,065</b>	<b>32,910</b>	<b>27.6%</b>	<b>30.2%</b>
<b>(c) Adjusted EBITDA <sup>(2)</sup></b>	<b>1,785</b>	<b>894</b>	<b>1,005</b>	<b>1,555</b>	<b>99.7%</b>	<b>77.6%</b>
<b>(d) Adjusted EBITDA Margin (%)</b>	<b>15.1%</b>	<b>9.7%</b>	<b>11.1%</b>	<b>4.7%</b>	<b>5.4%</b>	<b>4.0%</b>

### Cement

(₹ in Millions except volume data)

Particulars	Q2 CY22	Q1 CY22	Q2 CY21	CY 2021	Variance Q2 CY22 vs Q1 CY22	Variance Q2 CY22 vs Q2 CY21
(a) Sales Volumes <sup>(1)</sup> (000 Metric Tonne)	767	798	804	2,895	(3.9%)	(4.6%)
(b) Net Revenue	3,746	3,849	3,852	13,821	(2.7%)	(2.8%)
<b>(c) Adjusted EBITDA <sup>(2)</sup></b>	<b>283</b>	<b>583</b>	<b>950</b>	<b>2,735</b>	<b>(51.5%)</b>	<b>(70.2%)</b>
<b>(d) Adjusted EBITDA Margin (%)</b>	<b>7.6%</b>	<b>15.1%</b>	<b>24.7%</b>	<b>19.8%</b>	<b>(7.5%)</b>	<b>(17.1%)</b>

**Notes:**

(1) Net of inter-company and inter-segment sales.

(2) Adjusted EBITDA is profit before Depreciation & Amortisation, Impairment Loss, Interest and Tax adjusted with exceptional items, if any.



## RAIN INDUSTRIES LIMITED

### Results of Operations

#### Quarter Ended June 30, 2022 Compared to Quarter Ended June 30, 2021

- Net Revenue of ₹55.27 billion during Q2 CY22 was an increase of ~52.6% as compared to ₹36.22 billion during Q2 CY21.
  - Carbon sales volumes during Q2 CY22 were 610 thousand metric tonnes, a decrease of 4.2% as compared to 637 thousand metric tonnes in Q2 CY21, driven by lower throughput due to raw material availability. Further, the average blended realisation increased by ~78.0% driven by higher demand and market quotations across all regions. There was a depreciation of EURO against Indian Rupee by ~7.5% and an appreciation of USD against Indian Rupee by ~4.6%. Overall, due to the aforesaid reasons, revenue from Carbon segment increased by ~70.4% in Q2 CY22 as compared to Q2 CY21.
  - Advanced Materials sales volumes during Q2 CY22 were 91 thousand metric tonnes, a decrease of 14.2% as compared to 106 thousand metric tonnes in Q2 CY21. The decrease in volumes was primarily driven by changes in product mix based on raw material availability and lower demand from Asian markets and the adhesive industry. During Q2 CY22, the average blended realisation increased by ~51.7% primarily due to changes in energy prices, oil-indexed prices and a change in the product mix and customer mix offset by a depreciation of EURO against Indian Rupee by ~7.5%. Due to the aforesaid reasons, revenue from Advanced Materials segment increased by ~30.2% during Q2 CY22 as compared to Q2 CY21.
  - Cement revenue decreased by 2.8% during Q2 CY22 as compared to Q2 CY21 due to a decrease in volumes of 4.6% offset by an increase in realisations of 1.9%.
- During Q2 CY22, Adjusted EBITDA was ₹12,520 million, an increase of ₹5,655 million as compared to Adjusted EBITDA of ₹6,865 million achieved during Q2 CY21.
  - Carbon segment Adjusted EBITDA increased by ₹5,542 million as compared to Q2 CY21 due to improved realisations offset by a depreciation of EURO against Indian Rupee and an increase in raw material and energy costs.
  - Advanced Materials segment Adjusted EBITDA increased by ₹780 million due to improved realisations offset by a depreciation of EURO against Indian Rupee and an increase in energy costs.
  - Cement segment Adjusted EBITDA decreased by ₹667 million due to higher energy costs and decreased sales volumes.



## RAIN INDUSTRIES LIMITED

- Reconciliation of Reported EBITDA and Adjusted EBITDA for Q2 CY22 is as follows:

Particulars	₹ in Millions
<b>A. Reported EBITDA</b>	<b>12,105</b>
<i>B. Adjustments/exceptional items:</i>	
<ul style="list-style-type: none"><li>Expenses towards strategic projects and other non-recurring items @</li></ul>	418
<ul style="list-style-type: none"><li>Repair and other costs incurred on account of hurricane</li></ul>	19
<ul style="list-style-type: none"><li>Gain on repurchase of bonds</li></ul>	(22)
<b>C. Adjusted EBITDA (A + B)</b>	<b>12,520</b>

@ Includes costs of ₹379 million in connection with closure expenses of certain products in Aromatic Chemicals business in Europe

- Finance costs of ₹1.22 billion during Q2 CY22 stood at same level as compared to Q2 CY21. Despite an increase in the working-capital borrowing limits, the interest expense remained same level due to the impact of fluctuations in exchange rates, repurchase of senior secured notes and repayment of senior bank debt.
- The Company recorded an income tax expense of ₹1.94 billion for Q2 CY22 as compared to ₹0.98 billion for Q2 CY21. Due to non-recognition of deferred tax impacts in Germany consequent to the position taken as at Dec. 31, 2021, coupled with other tax adjustments, the effective tax rate is lower during the quarter. However, the consolidated effective tax rate will be in the range of 26% -28%, considering the enacted tax rates in various geographies.
- The Adjusted Profit After Tax during Q2 CY22 was ₹6.96 billion as compared to Adjusted Profit After Tax of ₹2.42 billion during Q2 CY21.
- The Company achieved an Adjusted Earnings per Share of ₹20.70 during Q2 CY22 as compared to Adjusted Earnings per Share of ₹7.18 during Q2 CY21.



## RAIN INDUSTRIES LIMITED

- Reconciliation of Reported Profit After Tax and Adjusted Profit After Tax for Q2 CY22 is as follows:

Particulars	₹ in Millions
<b>A. Reported Profit After Tax</b>	<b>6,685</b>
<i>B. Adjustments/Exceptional items:</i>	
• Expenses towards strategic projects and other non-recurring items	418
• Repair and other costs incurred on account of hurricane	19
• Gain on repurchase of bonds	(22)
• Tax impact on above adjustments	(138)
<b>C. Adjusted Profit After Tax (A + B)</b>	<b>6,962</b>



## RAIN INDUSTRIES LIMITED

### Debt Summary

As at June 30, 2022, the Company had a Gross Debt of US\$ 1,172 million (including Working Capital Debt of US\$ 155 million), Cash and cash equivalents of US\$ 250 million (including restricted cash), Unamortised Deferred Finance Cost of US\$ 7 million and Net Debt of US\$ 915 million.

(US\$ <sup>(1)</sup> in Millions)

Particulars	As on Jun. 30, 2022	As on Dec. 31, 2021	Repayment Terms
7.25% USD-denominated Senior Secured Notes <sup>(2)</sup>	531	546	Matures in April 2025
Euro-denominated Senior Secured Term Loan <sup>(3)</sup>	408	441	Matures in January 2025
Senior Bank Debt	20	28	Floating Rate - Matures in November 2023
Sales Tax Deferment	5	6	Interest Free - Instalments up to 2025
Finance Lease Liability	53	59	Fixed Rates - Finance leases
<b>Gross Term Debt</b>	<b>1,017</b>	<b>1,080</b>	
Add: Working Capital Debt	155	71	
Less: Deferred Finance Cost	7	9	
<b>Total Debt</b>	<b>1,165</b>	<b>1,142</b>	
Less: Cash and cash equivalents <sup>(4)</sup>	250	228	
<b>Net Debt</b>	<b>915</b>	<b>914</b>	

(1) As major part of the Debt is denominated in US Dollars, the Debt of the Company is presented in US Dollars.

(2) Decrease on account of re-purchase of bonds during the six months period ended June 30, 2022.

(3) Debt of €390 million converted at EURO/USD rates of 1.05 and 1.13 as at June 30, 2022 and Dec. 31, 2021 respectively.

(4) Includes inter-corporate deposits with financial institutions (HDFC).

During the six months period ended June 30, 2022, the Company incurred capital expenditures of US\$ 48 million, including expansion CAPEX for the vertical-shaft kiln project in Vizag, India, anhydrous carbon pellet project in the US, solar power plants in India and other maintenance projects across all locations.

As the prices of most products have increased sequentially over last few quarters, there was a substantial increase in inventories and receivables, resulting in higher working capital borrowings, which should normalise when the prices stabilise.





## RAIN INDUSTRIES LIMITED

With the existing Cash and cash equivalents and undrawn working-capital loan facilities, the Company is well placed to fund CAPEX projects and meet debt-servicing obligations in the near-term. The major debt repayments are scheduled to start in January 2025.

### Foreign Exchange Rates

The Company has used the below-mentioned average and closing exchange rates for conversion of foreign entities' financial statements included in the Consolidated Statement of Profit and Loss, and Consolidated Balance Sheet items, respectively.

Average Rate of Exchange	Q2 CY22	Q1 CY22	Q2 CY21	CY 2021	Variance Q2 CY22 vs Q1 CY22	Variance Q2 CY22 vs Q2 CY21
Indian Rupee / US Dollar	77.19	75.23	73.77	73.92	(2.6%)	(4.6%)
Indian Rupee / Euro	82.22	84.40	88.93	87.48	2.6%	7.5%
Russian Ruble / US Dollar	67.70	87.83	74.23	73.77	22.9%	8.8%
Canadian Dollar / Euro	1.36	1.42	1.48	1.48	4.2%	8.1%

Closing Rate of Exchange	Q2 CY22	Q1 CY22	Q2 CY21	CY 2021	Variance Q2 CY22 vs Q1 CY22	Variance Q2 CY22 vs Q2 CY21
Indian Rupee / US Dollar	78.94	75.81	74.35	74.30	(4.1%)	(6.2%)
Indian Rupee / Euro	82.58	84.66	88.50	84.05	2.5%	6.7%
Russian Ruble / US Dollar	53.11	82.55	73.02	75.31	35.7%	27.3%
Canadian Dollar / Euro	1.34	1.39	1.47	1.44	3.6%	8.8%



## RAIN INDUSTRIES LIMITED

---

### About RAIN:

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, Advanced Materials and Cement. 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 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 advanced material products that are critical raw materials for the specialty chemicals, coatings, construction, petroleum 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"). 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 provide us the flexibility to capitalise 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 capitalise on market opportunities by addressing raw material supply and product demand on a global basis in both established and emerging markets.

### For further information please contact:

#### Investor Relations – India

Email: [investorrelations@rain-industries.com](mailto:investorrelations@rain-industries.com)

Tel: +91 40 4234 9870

#### Investor Relations – US

Email: [investorrelations@raincarbon.com](mailto:investorrelations@raincarbon.com)

Tel: +1 203 406 0535

**Safe Harbour:** *Some of the statements made in this release that are not historical facts can be construed as forward-looking statements. These forward-looking statements include the RAIN's financial and growth projections as well as statements concerning its plans, strategies, intentions and beliefs concerning its business and the markets in which it operates. These statements are based on information currently available to RAIN and are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. Many factors could cause results to materially differ from those stated. These factors include, but are not limited to, changes in laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates of countries with which RAIN does business; competitive pressures, the loss of one or more key customer or supplier relationships; customer insolvencies, successful integration of structural changes, including restructuring plans, acquisitions divestitures and alliances; cost and availability of raw materials; and other economic, business, competitive, regulatory and/or operational matters affecting the Company and its subsidiaries generally. RAIN assumes no obligation to update forward-looking statements and takes no responsibility for any consequence of decisions made based on such statements.*