



## RAIN INDUSTRIES LIMITED

RIL/SEs/2020

February 28, 2020

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

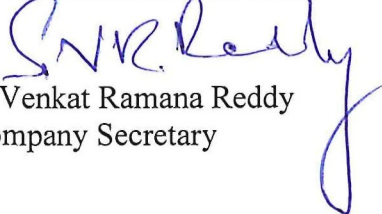
Sub: Press Release on the Financial Results of the Company –Reg.  
Ref : Scrip Code: 500339 (BSE) & Scrip code : RAIN (NSE)

With reference to the above stated subject, please find enclosed herewith the Press Release on the Annual Audited Financial Results of the Company for the Financial Year ended on December 31, 2019.

This is for your information and record.

Thanking you,

Yours faithfully,  
for Rain Industries Limited

  
S. Venkat Ramana Reddy  
Company Secretary



## RAIN INDUSTRIES LIMITED

Press Release

February 28, 2020

### **Results for the fourth quarter and year ended December 31, 2019**

RAIN INDUSTRIES LIMITED ("RAIN" / "the Company") reported its audited financial results for the fourth quarter and year ended December 31, 2019.

#### **Financial Highlights**

##### **Q4 2019**

- Revenue from Operations was ₹28.30 billion and Adjusted EBITDA was ₹4.54 billion.
- Adjusted Net Profit After Tax was ₹1.33 billion and Adjusted EPS was ₹3.94.

##### **CY 2019**

- Revenue from Operations was ₹123.61 billion and Adjusted EBITDA was ₹17.43 billion.
- Adjusted Net Profit After Tax was ₹5.21 billion and Adjusted EPS was ₹15.49.

#### **Selected Financial Data**

₹ in Millions

<b>Particulars</b>	<b>Q4 2019</b>	<b>Q4 2018</b>	<b>CY 2019</b>	<b>CY 2018</b>
Net Revenue	28,090	34,280	122,873	139,608
Other Operating Income	214	161	735	882
<b>Revenue from Operations</b>	<b>28,304</b>	<b>34,441</b>	<b>123,608</b>	<b>140,490</b>
<b>Adjusted EBITDA</b>	<b>4,535</b>	<b>2,498</b>	<b>17,427</b>	<b>21,411</b>
<i>Adjusted EBITDA Margin</i>	<i>16.0%</i>	<i>7.3%</i>	<i>14.1%</i>	<i>15.2%</i>
<b>Profit (Loss) Before Tax</b>	<b>1,492</b>	<b>(1,494)</b>	<b>5,907</b>	<b>9,957</b>
Tax Expense (Benefit), net	275	(215)	1,283	3,643
Non-controlling Interest	69	113	710	497
<b>Net Profit (Loss) After Tax</b>	<b>1,148</b>	<b>(1,392)</b>	<b>3,914</b>	<b>5,817</b>
<b>Adjusted Net Profit (Loss) After Tax</b>	<b>1,325</b>	<b>(135)</b>	<b>5,211</b>	<b>7,305</b>
Adjusted Earnings (Loss) Per Share in ₹*	3.94	(0.40)	15.49	21.71

\*Quarterly Earnings Per Share is not annualised.



## RAIN INDUSTRIES LIMITED

Set forth below is selected Segment information:

### Carbon

Particulars	Q4 CY19	Q4 CY18	CY 2019	CY 2018	Variance Q4 CY19 vs Q4 CY18	Variance CY 2019 vs CY 2018
<b>(a) Sales Volumes (1) (In '000 MTs)</b>						
- Calcined Petroleum Coke (CPC)	412	419	1,521	1,657	(1.7)%	(8.2)%
- Coal Tar Pitch (CTP)	134	131	557	508	2.3%	9.6%
- Other Carbon Products	123	122	538	550	0.8%	(2.2)%
<b>TOTAL</b>	<b>669</b>	<b>672</b>	<b>2,616</b>	<b>2,715</b>	<b>(0.4)%</b>	<b>(3.6)%</b>
<b>(b) Net Revenue (1) (₹ in Millions)</b>						
- Calcined Petroleum Coke (CPC)	7,806	11,622	32,083	45,746	(32.8)%	(29.9)%
- Coal Tar Pitch (CTP)	6,576	7,083	28,901	28,329	(7.2)%	2.0%
- Other Carbon Products	4,095	4,755	18,002	19,285	(13.9)%	(6.7)%
- Energy	579	645	2,239	2,321	(10.2)%	(3.5)%
<b>TOTAL</b>	<b>19,056</b>	<b>24,105</b>	<b>81,225</b>	<b>95,681</b>	<b>(20.9)%</b>	<b>(15.1)%</b>
<b>(c) Adjusted EBITDA (2)</b> (₹ in Millions)	<b>3,848</b>	<b>1,735</b>	<b>12,758</b>	<b>16,675</b>	<b>121.8%</b>	<b>(23.5)%</b>
<b>(d) Adjusted EBITDA Margin (%)</b>	<b>20.2%</b>	<b>7.2%</b>	<b>15.7%</b>	<b>17.4%</b>	<b>13.0%</b>	<b>(1.7)%</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

Particulars	Q4 CY19	Q4 CY18	CY 2019	CY 2018	Variance Q4 CY19 vs Q4 CY18	Variance CY 2019 vs CY 2018
<b>(a) Sales Volumes (1) (In '000 MTs)</b>						
- Engineered Products	13	14	85	89	(7.1)%	(4.5)%
- Petro Chemical Intermediates	27	30	122	127	(10.0)%	(3.9)%
- Naphthalene Derivates	27	29	118	121	(6.9)%	(2.5)%
- Resins	25	27	117	135	(7.4)%	(13.3)%
<b>TOTAL</b>	<b>92</b>	<b>100</b>	<b>442</b>	<b>472</b>	<b>(8.0)%</b>	<b>(6.4)%</b>
<b>(b) Net Revenue (1) (₹ in Millions)</b>						
- Engineered Products	941	1,183	5,417	6,183	(20.5)%	(12.4)%
- Petro Chemical Intermediates	1,176	1,537	5,482	6,600	(23.5)%	(16.9)%
- Naphthalene Derivates	1,839	2,070	7,951	7,966	(11.2)%	(0.2)%
- Resins	2,867	3,160	12,498	14,095	(9.3)%	(11.3)%
<b>TOTAL</b>	<b>6,823</b>	<b>7,950</b>	<b>31,348</b>	<b>34,844</b>	<b>(14.2)%</b>	<b>(10.0)%</b>
<b>(c) Adjusted EBITDA (2) (₹ in Millions)</b>	<b>432</b>	<b>486</b>	<b>3,107</b>	<b>4,022</b>	<b>(11.1)%</b>	<b>(22.7)%</b>
<b>(d) Adjusted EBITDA Margin (%)</b>	<b>6.3%</b>	<b>6.1%</b>	<b>9.9%</b>	<b>11.5%</b>	<b>0.2%</b>	<b>(1.6)%</b>

### Cement

Particulars	Q4 CY19	Q4 CY18	CY 2019	CY 2018	Variance Q4 CY19 vs	Variance CY 2019 vs
					Q4 CY18	CY 2018
(a) Sales Volumes (In '000 MTs)	568	563	2,468	2,229	0.9%	10.7%
(b) Net Revenue (₹ in Millions)	2,211	2,225	10,300	9,083	(0.6)%	13.4%
(c) Adjusted EBITDA (2) (₹ in Millions)	255	277	1,562	714	(7.9)%	118.8%
(d) Adjusted EBITDA Margin (%)	11.5%	12.4%	15.2%	7.9%	(0.9)%	7.3%

#### 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.



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### Results of Operations

#### Quarter Ended December 31, 2019 Compared to Quarter Ended December 31, 2018

- Net Revenue of ₹28.09 billion during Q4 CY19 was a decrease of ~18.1% compared to ₹34.28 billion during Q4 CY18.
  - Carbon sales volumes during Q4 CY19 were 669 thousand metric tonnes, a decrease of ~0.4% compared to 672 thousand metric tonnes in Q4 CY18. During Q4 CY19, the average blended realisation decreased by ~20.6% due to changes in market trend, further affected due to the unfavourable impact from depreciation of the Euro and USD against Indian Rupee by ~4.2% and ~1.2 respectively. Overall, due to the aforesaid reasons, revenue from the Carbon segment decreased by ~20.9% in Q4 CY19 as compared to Q4 CY18.
  - Advanced Materials sales volumes during Q4 CY19 were 92 thousand metric tons, a decrease of ~8.0% as compared to 100 thousand metric tons in Q4 CY18. The decrease in volumes was primarily driven by the sluggish demand in the steel and graphite industries coupled with weakness in the European automotive, adhesive and North America construction industries. During Q4 CY19, the average blended realisation decreased by ~6.7% driven by a decline in oil-related prices along with the unfavourable impact from depreciation of the Euro against the Indian Rupee by ~4.2%. Due to the aforesaid reasons, revenue from the Advanced Materials segment decreased by ~14.2% during Q4 CY19 as compared to Q4 CY18.
  - Cement sales decreased by ~0.6% compared to Q4 of CY 18 due to a decrease in realisations by ~1.5% and offset with increase in volumes by ~0.9%. During Q4 CY19, there was an ~13.3% increase in sales volume from Tamil Nadu, Karnataka, Maharashtra, Pondicherry and other small markets offset by ~12.4% lower volumes in Andhra Pradesh, Telangana, Odisha and Kerala as compared to Q4 CY18.
- During Q4 CY19, Adjusted EBITDA was ₹4,535 million, an increase of ₹2,037 million compared to Adjusted EBITDA of ₹2,498 million achieved during Q4 CY18. Adjusted EBITDA in the Carbon segment increased by ₹2,113 million due to exhausting of high-value raw materials during the previous quarter. Adjusted EBITDA decreased by ₹54 million and ₹22 million in the Advanced Materials and Cement segments respectively.
- Reconciliation of reported EBITDA and Adjusted EBITDA for Q4 CY19 is as follows:

Particulars	₹ in Millions
<b>A. Reported EBITDA</b>	<b>4,457</b>
<i>B. Adjustments:</i>	
• Insurance claims related to prior periods	(231)
• Income from sale of land in Hanau, Germany	(156)
• Expenses towards strategic projects and other non-recurring items	465
<b>C. Adjusted EBITDA (A + B)</b>	<b>4,535</b>

- Finance costs of ₹1.13 billion during Q4 CY19, as compared to finance costs of ₹1.14 billion during Q4 CY18. Decreased expense on account of reduced working capital borrowings.
- The Company recorded an income tax expense of ₹0.28 billion for Q4 CY19, compared to an income tax benefit of ₹0.22 billion for Q4 CY18. Effective tax rate for the quarter is lower on account of



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recognition of additional deferred tax asset due to closure of the Uithoorn facility in the Netherlands, offset by recognition of Global Intangible Low Taxes Income ("GILTI") in USA and taxes incurred on repatriation of profits from Russia and Belgium to Germany.

- The Adjusted Net Profit during Q4 CY19 was ₹1.33 billion as compared to Adjusted Net Loss of ₹0.13 billion during Q4 CY18. The increase was mainly due to improved operating performance.
- The Company achieved an Adjusted Earnings per Share of ₹3.94 during Q4 CY19 as compared to Adjusted Loss per Share of ₹0.40 during Q4 CY18.
- Reconciliation of reported net profit after tax and adjusted net profit after tax for Q4 CY19 is as follows:

Particulars	₹ in Millions
<b>A. Reported Net Profit After Tax</b>	1,148
<i>B. Adjustments:</i>	
• Insurance claims related to prior periods	(179)
• Income from sale of land in Hanau, Germany	(101)
• Expenses towards strategic projects and other non-recurring items	304
• Accelerated depreciation due to plant closure in the Netherlands	588
• Tax adjustments	(435)
<b>C. Adjusted Net Profit After Tax (A + B)</b>	<b>1,325</b>



## RAIN INDUSTRIES LIMITED

### Debt Summary

As at December 31, 2019, the Company had a Gross Debt of US\$ 1,115 million (including Working Capital Debt of US\$ 55 million), Cash and cash equivalents of US\$ 164 million (including restricted cash), Unamortised Deferred Finance Cost of US\$ 14 million and Net Debt of US\$ 937 million.

(\$\* in Millions)

Particulars	As on Dec. 31, 2019	As on Dec. 31, 2018	Repayment Terms
7.25% USD-denominated Senior Secured Notes	550	550	Matures in April 2025
Euro-denominated Senior Secured Term Loan B	437	446	Matures in January 2025
Senior Bank Debt	48	50	Floating Rate - Instalments up to March 2022
Sales Tax Deferment	9	9	Interest Free - Instalments up to 2025
Other Debt	16	5	Fixed Rates - Finance leases
<b>Gross Term Debt</b>	<b>1,060</b>	<b>1,060</b>	
Add: Working Capital Debt	55	72	
Less: Deferred Finance Cost	14	17	
<b>Total Debt</b>	<b>1,101</b>	<b>1,115</b>	
Less: Cash and cash equivalents	164	122	
<b>Net Debt</b>	<b>937</b>	<b>993</b>	

\*As major part of the Debt is denominated in US Dollars, the Debt of the Company is presented in US Dollars.

During the year ended December 31, 2019, the Company incurred capital expenditures of US\$ 170 million, including expansion CAPEX for the hydrogenated hydrocarbon resins project in Castrop-Rauxel, Germany, vertical-shaft kiln project in Vizag, India, waste-heat recovery power plant in Kodad, India, and other maintenance projects across all locations.

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.



## RAIN INDUSTRIES LIMITED

### 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	Q4 CY19	Q4 CY18	CY 2019	CY 2018	Variance Q4 CY19 vs Q4 CY18	Variance CY 2019 vs CY 2018
Indian Rupee / US Dollar	71.23	72.11	70.37	68.36	1.2%	-2.9%
Indian Rupee / Euro	78.87	82.30	78.83	80.66	4.2%	2.3%
Russian Ruble / US Dollar	63.72	66.51	64.71	62.77	4.2%	-3.1%
Canadian Dollar / Euro	1.46	1.51	1.49	1.53	3.3%	2.6%

Closing Rate of Exchange	CY 2019	CY 2018	Variance CY 2019 vs CY 2018
Indian Rupee / US Dollar	71.27	69.79	-2.1%
Indian Rupee / Euro	79.88	79.78	-0.1%
Russian Ruble / US Dollar	62.27	69.62	10.6%
Canadian Dollar / Euro	1.46	1.56	6.4%





## RAIN INDUSTRIES LIMITED

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### 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:

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**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.*