



RAIN INDUSTRIES LIMITED

Earnings Presentation – Q3 2024

Investor Relations Contact:

India Email: investorrelations@rain-industries.com

Main Phone: +91 40 4040 1234, **Direct:** +91 40 4234 9870

US Email: investorrelations@raincarbon.com

Main Phone: +1 985 635 3400

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 business 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 – Q3 2024

- Revenue from Operations - ₹39.34 billion
- Adjusted EBITDA - ₹2.92 billion
- Adjusted Net Loss After Tax - ₹1.66 billion
- Adjusted Loss per share - ₹4.94
- Capital expenditure of US\$ 55 million for the nine-months period ended September 30, 2024
- Liquidity of US\$ 469 million – including cash balance of US\$ 241 million
- Carbon segment volumes and margins still in recovery mode due to raw material availability and delay in re-establishing supply chain network to gain market share
- Advanced Materials segment continued to contribute positively
- Cement segment performance declined due to lower realisations and volumes in key markets

Safety - Achieved TRIR of 0.20 for 9M 2024 in Carbon and Advanced Materials segments



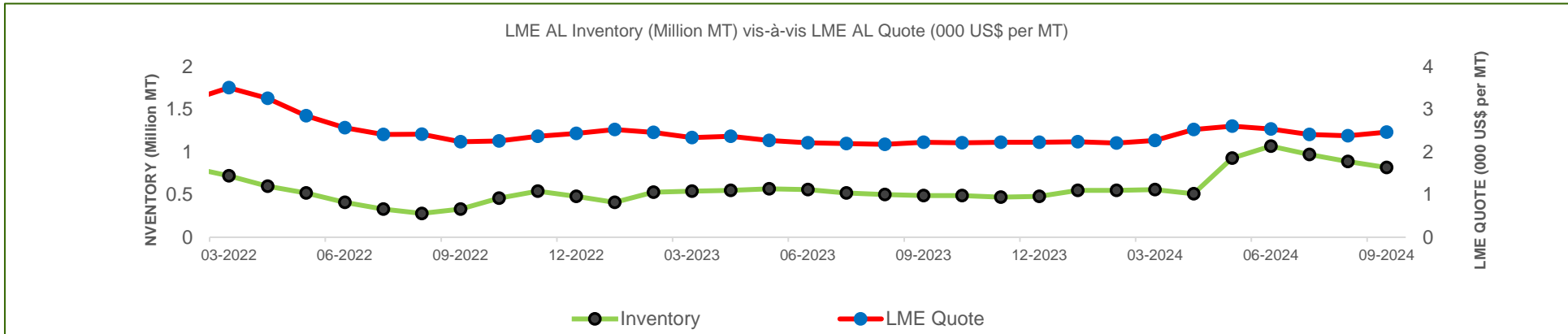
Aluminium Market Update

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)

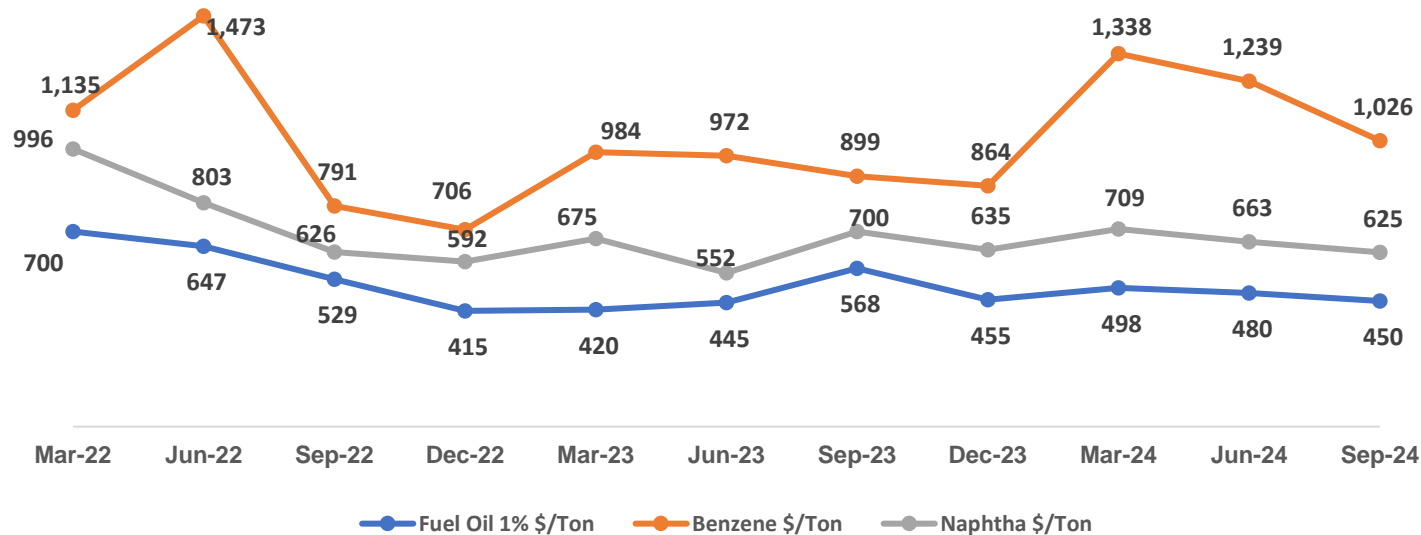


- Aluminium 3-month LME seller's price trading around US\$2,660 per Ton by end of Oct 2024
- Primary Aluminium production growing both in China and Rest of World. However, underlying macro conditions remain challenging due to weaker demand amid high interest rates



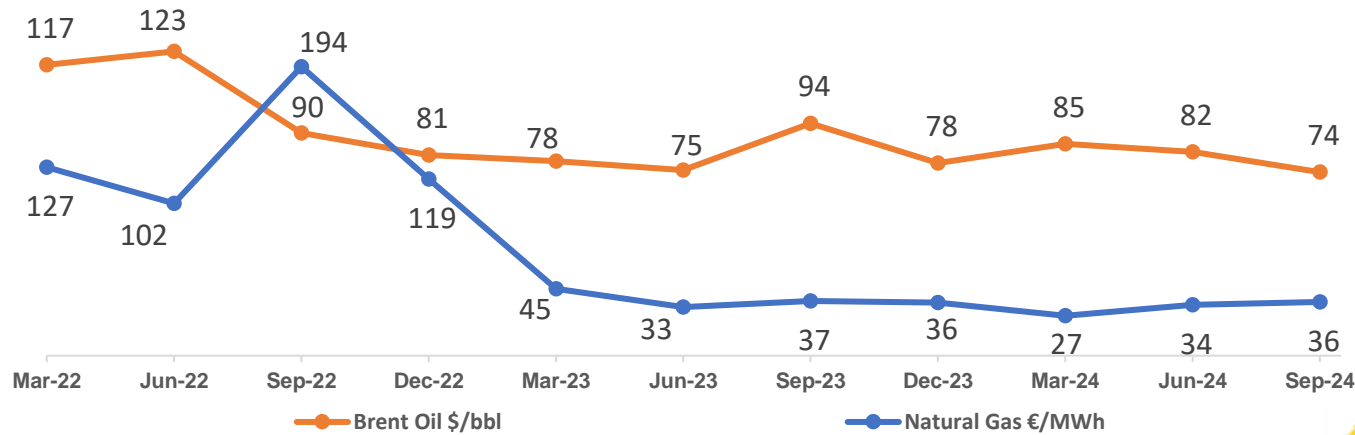
Price Trend of Key Products and European Natural Gas

Not to Scale



Prices have fallen compared to Q2 2024

Stabilised gas prices in Europe



Revenue by End Industry – LTM September 2024

Markets We Serve



Aluminum



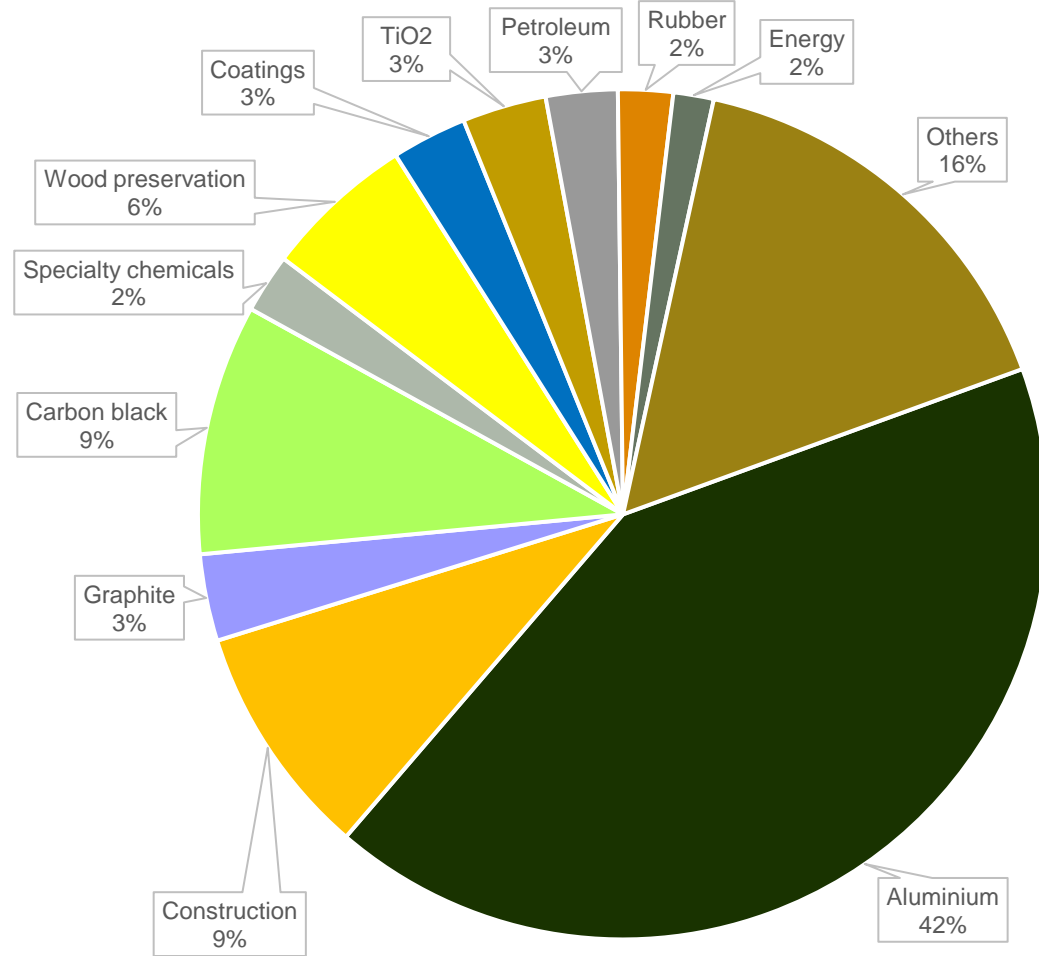
Automotive



Chemicals and Advanced Materials



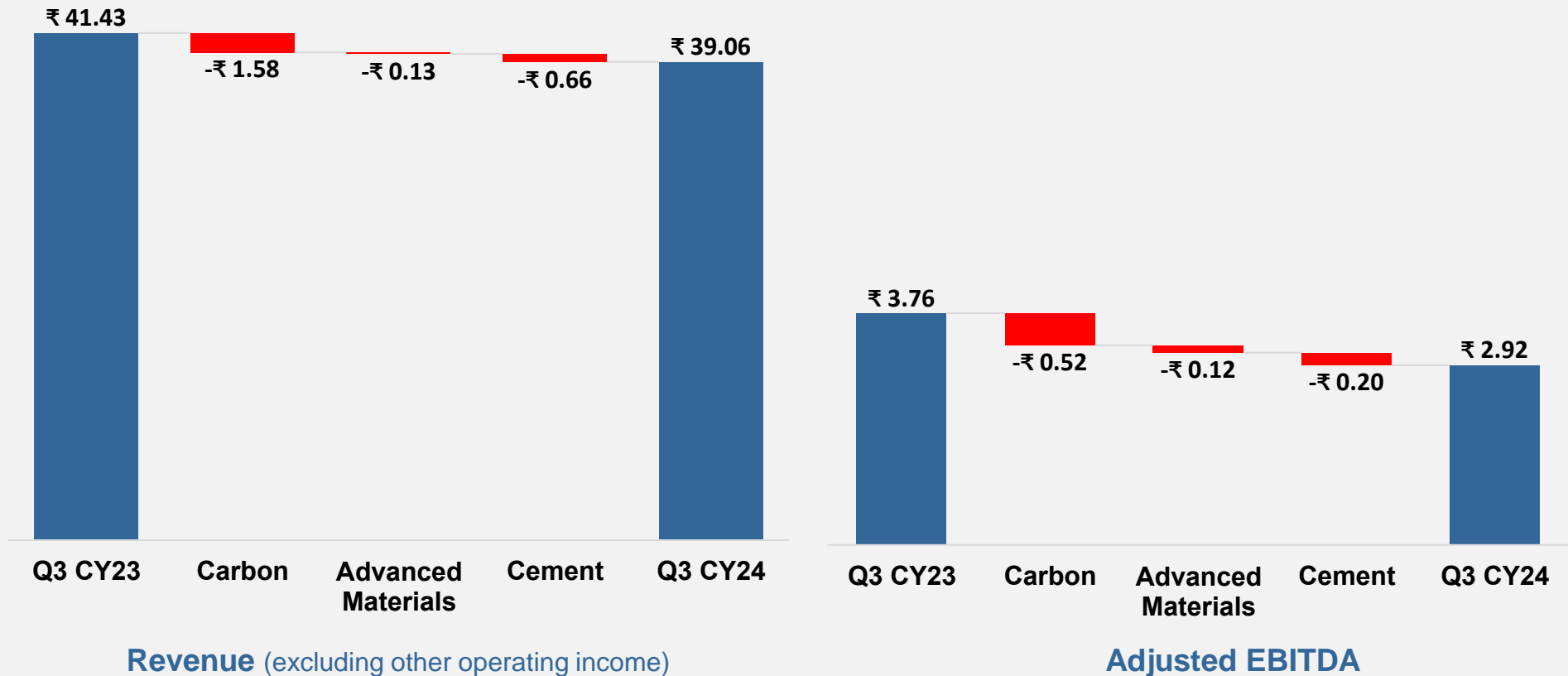
Graphite



Aluminium continued to be major end-customer industry

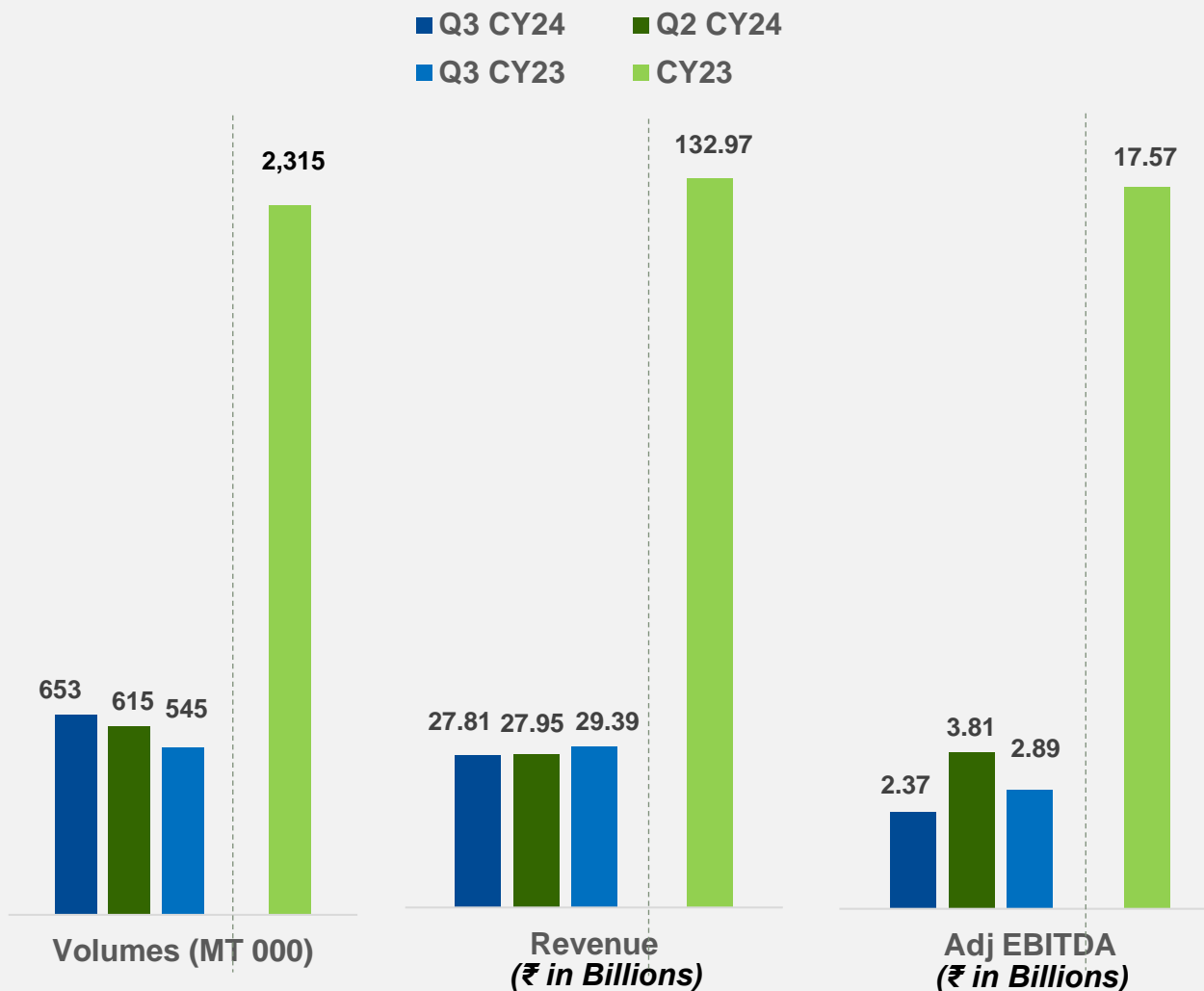
Consolidated Revenue and EBITDA Q3-2024

(₹ in Billions)



Note: Charts not to scale

Carbon: Revenue and EBITDA

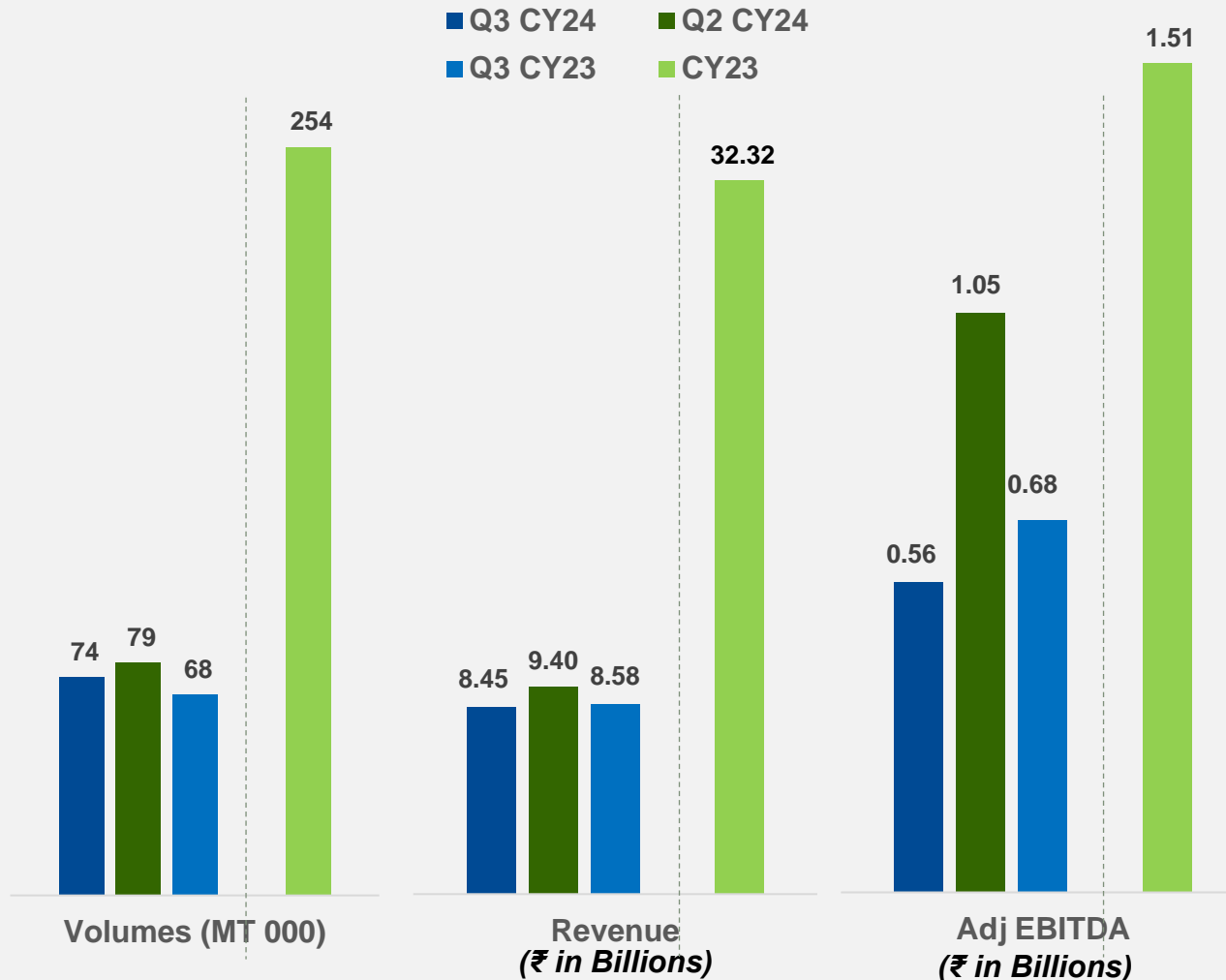


Q3 2024 Vs Q3 2023

- Revenue decrease driven by
 - Reduced average realisations across all major products due to declining market quotations
 - Offset by higher volumes from calcination business in India pursuant to CAQM order

- EBITDA decrease driven by
 - Continued margin pressure due to raw material availability causing price increases against falling finished product prices

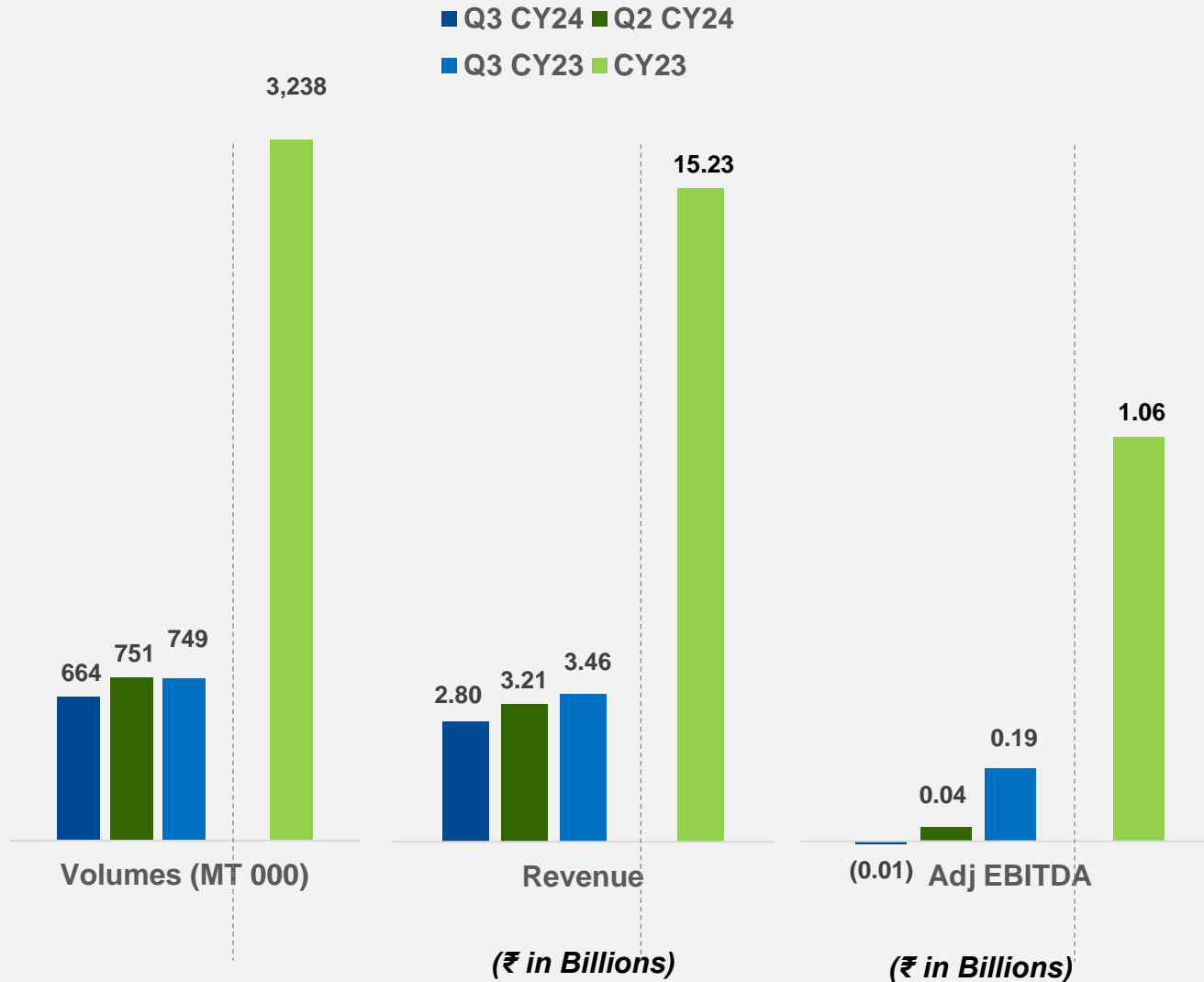
Advanced Materials: Revenue and EBITDA



Q3 2024 Vs Q3 2023

- Revenue decrease driven by
 - Lower average prices due to fall in commodity prices
 - Offset by increase in volumes driven by higher throughput from HHCR plant
- EBITDA marginally declined due to
 - Decline in realisations
 - Offset by increased volumes

Cement: Revenue and EBITDA



Q3 2024 Vs Q3 2023

- Revenue decrease driven by
 - Fall in realisations
 - Lower volumes due to extended monsoon in key markets

- EBITDA declined due to
 - Lower realisations
 - Marginal increase in operating costs

Debt Summary

US\$ in Millions	Sep 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) *	347	380
Senior Bank Debt and Other debt	21	22
Gross Term Debt	867	902
Add: Working Capital Debt	102	102
Less: Deferred Finance Cost	17	21
Total Debt	952	983
Less: Cash and Cash Equivalents	241	268
Net Debt #	711	715
LTM Adjusted EBITDA	166	244

* Debt of €310.6 million and €343.5 million converted at USD/EURO rates of 1.12 and 1.11 as at Sep.30, 2024 and Dec. 31, 2023 respectively.

Does not include Lease liabilities amounting to US\$67 million and US\$63 million for Sep.30, 2024 and Dec. 31, 2023 respectively.

Cash Inflows / Outflows during 9M 2024

- Operating cash flows includes net working capital release of ₹8.41 billion (compared to inflows of ₹15.96 billion for nine months ended Sep 2023) due to general decline in prices.
- Capital expenditure of ₹4.60 billion (US\$55 million) during the nine months period.
- Net cash used in financing activities of ₹15.48 billion primarily related to the payment of interest & dividend along with repayment of long-term debt.

(₹ in millions)

Particulars	9M 2024	9M 2023
Operating Activities	16,710	28,478
Investing Activities	(2,715)	(7,905)
Financing Activities	(15,476)	(15,787)

Outlook

- **Margin pressures expected to ease:** While we anticipate continued margin pressure through the end of 2024, we project improvement starting in the first half of 2025, driven by strategic initiatives and market recovery.
- **CAQM order boosts Indian import capacity:** The CAQM order granting relief from petroleum coke import restrictions has resulted in a higher allocation for our DTA plant compared to previous years. This positions us well for enhanced production capabilities.
- **New import permissions secured in India:** In line with the CAQM order, the permissions for the import of GPC and CPC for our SEZ unit were obtained in the second and third quarters, respectively. We expect this to enable increased capacity utilization starting early 2025, supporting our growth trajectory.
- **Government investments drive cement demand:** Increased infrastructure spending by the Government of India and the State Governments in South India, especially in Andhra Pradesh, is set to boost cement demand, providing a robust market for our products.
- **Sustainable cost-saving measures:** We are implementing significant and sustainable cost-saving measures across all geographies, ensuring long-term financial stability and enhanced profitability.

Thank You

Appendix

Summary of Consolidated Statement of Profit and Loss

₹ in Millions

Particulars	Q3 2024	Q2 2024	Q3 2023	CY 2023
Net Revenue	39,060	40,558	41,431	180,518
Other Operating Income	283	384	172	897
Revenue from Operations	39,343	40,942	41,603	181,415
Reported EBITDA	2,746	4,011	3,827	17,374
Adjusted EBITDA	2,918	4,903	3,762	20,137
<i>Adjusted EBITDA Margin</i>	<i>7.4%</i>	<i>12.0%</i>	<i>9.0%</i>	<i>11.1%</i>
Profit / (Loss) Before Tax	(1,077)	(22)	(195)	(4,824)
Tax Expense, net	472	427	462	3,138
Non-controlling Interest	242	330	244	1,417
Reported Profit / (Loss) After Tax	(1,791)	(779)	(901)	(9,379)
Adjusted Profit / (Loss) After Tax	(1,660)	70	(567)	1,526
Adjusted Earnings / (Loss) Per Share (in ₹)*	(4.94)	0.21	(1.69)	4.54

*Quarterly Earnings Per Share are not annualized.

Reconciliation of EBITDA and PAT

₹ in Millions

Particulars	Q3-2024	
	EBITDA	PAT
A. Reported	2,746	(1,791)
<i>B. Adjustments/Exceptional items:</i>		
• Insurance claims related to prior periods	(503)	(503)
• Expenses towards non-recurring items	123	123
• Prior period expenses due to regulatory changes	75	75
• Foreign exchange loss/(gain) on inter-company debt note	477	477
• Tax impact on above adjustments	-	(41)
C. Adjusted (A + B)	2,918	(1,660)

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.