RAIN INDUSTRIES LIMITED

RIL/SEs/2025 February 25, 2025

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

Dear Sir/Madam,

Sub: Transcript of Management Presentation on Annual Audited Financial Results for the Quarter and Financial Year ended on December 31, 2024 – Reg.
Ref : Scrip Code: 500339 (BSE) & Scrip code : RAIN (NSE)

With reference to the above stated subject, please find enclosed herewith the Transcript of Management Presentation on Annual Audited Financial Results for the Quarter and Financial Year ended on December 31, 2024.

This is for your information and records.

Thanking you,

Yours faithfully,
for Rain Industries Limited

VENKAT RAMANA REDDY SINGIDI
Digitally signed by VENKAT RAMANA REDDY SINGIDI
Date: 2025.02.25 23:31:23 +05'30'

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RAIN Industries Limited
Management Commentary on Developments and Performance during Fourth Quarter of 2024

Introduction by Sarang

Greetings to everyone. A warm welcome to you all for today's management presentation from Rain Industries Limited. My name is Sarang Pani, and I serve as the General Manager of Corporate Reporting and Investor Relations at Rain Industries Limited.

Earlier today, we have released our results for the fourth quarter and year-ended December 31, 2024, and the same is also posted on our website.

Shortly, we will guide you through the performance highlights of Rain Industries Limited for the Fourth Quarter of 2024.

The speakers for today are:

Mr. Jagan Reddy Nellore – Managing Director of Rain Industries Limited,

Mr. Gerard Sweeney – President of Rain Carbon Inc., and

Mr. T. Srinivasa Rao – Chief Financial Officer of Rain Industries Limited.

Before we proceed, the management would like to note that during this management discussion, forward-looking statements may be discussed that include various subjects such as outcomes, trends, targets, and strategic directions. These statements rely on our current projections and are subject to risks and uncertainties that could cause actual results to vary materially from those suggested by these forward-looking statements. There are certain risk factors that could lead to results differing significantly from our predictions. The discussion today contains certain non-GAAP financial measures; the related non-GAAP reconciliations are provided in the accompanying slides.

Please turn to Slide 3 at this time, where Mr. Jagan Reddy will offer insight to the key developments at the RAIN Group during the fourth quarter of 2024. Thank you, and I now hand it over to Mr. Jagan.

Slide 3 – Jagan Reddy Nellore:

Thank you Sarang and greetings to all,

Turning to Slide 3 of the presentation, let us begin with safety. We finished the fourth quarter of 2024 with two recordable incidents and a Total Recordable Incident Rate (or "TRIR") of 0.13 for the twelve months ended December 2024. This refers to all three of our business segments and marks an improvement over the year. It also keeps RAIN firmly positioned as "best in class" in terms of safety as an industrial operator. Just to add, we implemented the International Safety Standards even in our Cement Business from the current year. The two recordable incidents which we had during the fourth quarter were both in the "slip, trip and fall" category, and relatively minor in nature. Fortunately, neither employee was seriously injured, and both have returned to work.

Our unwavering commitment to safety is driven not by the pursuit of statistical goals or industry accolades, but by the genuine care we hold for the well-being of our employees. They deserve to feel safe and supported within our company, and we are dedicated for creating such an environment. To this end, we continually adapt our safety strategies and initiatives to address evolving trends, both within our plants and across the industry.

Turning to our financial performance, we concluded the fourth quarter with an EBITDA of 3.90 billion Rupees and ended the year with an

EBITDA of 14.98 billion Rupees. While the fourth quarter EBITDA showed improvement over our third quarter earnings and surpassed the previous year's quarterly results, we recognize that we have not yet achieved our normalized quarterly EBITDA target. The primary factor influencing our return to normalized earnings is related to raw materials. Specifically, obtaining the right quality raw materials at favorable prices has posed significant challenges for some of our businesses over the past several quarters.

In our Carbon segment businesses, we continue to face pressures on volume and margins due to market competition and unique raw material supply circumstances. As we enter the new year, our focus is on re-establishing our normalized operating margins to stabilize our overall performance. This step is crucial for achieving our Calendar Year 2025 objectives, and we remain cautiously optimistic about our prospects in the current Calendar Year.

Aligned with our strategic plan to reduce fixed costs, we spent the second half of 2024 optimizing operations at our manufacturing plants and adjusting our global workforce to match current demand conditions. These efforts have enabled us to reduce costs while maximizing productivity, ensuring that we remain competitive and efficient in our operations.

In our Carbon segment's calcination business, the supply situation has been particularly perplexing. Despite a global decrease in demand for Calcined Petroleum Coke (or CPC) following the downturn in early 2023, demand and pricing for raw material Green Petroleum Coke (or GPC) have remained surprisingly robust. This resilience is primarily driven by demand from the emerging battery anode materials (or BAM) sector.

Over the past five years, the demand from the BAM sector has been somewhat sporadic, largely dependent on the availability of natural and synthetic graphite. However, it has become increasingly evident over the last few quarters that the demand for GPC from the BAM sector is not a passing trend but a likely permanent shift.

Initially, the incursion of BAM sector demand was confined to the global markets for ultra-low sulfur GPC (below 1% sulfur) and low metals GPC products. This happened during periods when the demand for graphite raw materials was strong, causing initial disruptions limited to ultra-low sulfur GPC. As the BAM sector has expanded, what was once transient demand has transformed into consistent and ongoing demand, as this emerging sector seeks sufficient raw materials to sustain its growth.

Consequently, despite the steep decline in CPC prices over the past two years, GPC prices have remained comparatively high. This persistent demand from the BAM sector has maintained upward pressure on GPC prices, creating a unique supply challenge for our calcination business.

The calcination industry has taken some time to fully grasp and respond to the significant changes in the market dynamics. Historically, calciners have been able to offer the highest prices for anode-grade GPC, giving them priority access to the globally available GPC supply. Although the BAM sector previously entered the market and paid higher premiums, this only occurred during swing periods and typically in "up-market" situations. What was once perceived as a temporary or minor disruption is now a permanent fixture in the global GPC demand portfolio, with the BAM sector consistently paying premium prices compared to traditional anode grade GPC users.

Over the past year, as we observed the development of this new demand, it became evident that its impact on calcination margins necessitated a response. The calcination market is now facing the realities of the evolving GPC supply marketplace. In the initial two months of 2025, we observed a notable surge in both demand and prices for ultra-low to mid-sulfur GPC with reduced metal content. This increase was primarily fueled by the increased demand from the BAM manufacturers in China.

Initially, prices rose towards the end of 2024, in anticipation of the Chinese New Year, with pre-holiday restocking activities. It was expected that prices would stabilize after the holiday, but this did not occur. Instead, prices for both GPC and CPC continued to climb in China as we entered 2025.

For the calcination industry, this tipping point has initiated a long-awaited directional change in prices. In early 2025, we are witnessing a rebalancing of the GPC-CPC relationship. CPC prices are once again ascending, aligning more closely with the costs of GPC. This adjustment is resulting in normalized calcination margins for the first time in the past two years.

This 2025 change in market direction is an important step in re-establishing our margins and now allows us to move forward with our plan to maximize our sales in India and the surrounding region, as we leverage our unique, global CPC production capacities, logistics and blending assets to reinstate our global blend strategy.

Now, to take you back to 2024, and back to looking at our two carbon businesses together again as one Carbon segment, we experienced a 5% quarter-over-quarter decline in volumes during the fourth quarter, mostly driven by CPC, while prices were relatively flat quarter over quarter.

Drilling into this, in our Carbon segment's calcination business, CPC sales volumes were down 9% versus our strong third quarter volumes, but still consistent with our expectations. Looking forward from the end of 2024, we expect CPC sales volumes to increase during the course of 2025, building up gradually throughout the year, as we continue to ramp up our vertical shaft calciner production capacity in our SEZ plant in India and begin to re-start our unique, integrated, global blend strategy almost after a gap of six years. As you will recall from our prior calls, the return to the global blend strategy is now achievable due to relaxation of Indian import restrictions, which had been in place since July 2018. And, while CPC markets were basically flat in pricing during the fourth quarter, we have seen, as mentioned above, a functional shift in China for pricing of both GPC raw materials and the finished product, CPC. Prices have not just changed direction, they have decisively done so, with CPC prices in China rising substantially in the first two months of 2025.

This significant structural change in the Carbon Calcination business and the transformation underscores the critical importance of securing access to GPC, especially in light of the increasing competition from BAM manufacturers. Rest assured, we are strategically positioned to navigate these changes and capitalize on emerging opportunities.

In our Carbon segment's distillation business, 2024 saw continued raw material disruption from the war in Europe, coupled with drastic curtailments in a weak global steel industry. This greatly reduced the availability of coal tar to our carbon distillation facilities. Native European supply has been reduced, and, while our flexible logistics infrastructure has been set up to pull in raw materials from longer distances, we are forced to do so at a currently higher cost.

Further in our Carbon segment's distillation business, product prices increased modestly during the quarter, working to keep pace with increasing coal tar raw material prices. Volumes increased by 6% versus the third quarter, in-line with expectations. Entering the first quarter of 2025, we expect modestly higher volumes in our carbon distillation business, attributable to some of the expected volume demand increase from European aluminium smelters. Meanwhile, prices for the first quarter are expected to roll over for both coal tar raw material and finished coal tar pitch.

Elsewhere in our Carbon segment, our Other Carbon Products volumes remained at reasonably strong levels, in the fourth quarter, although prices declined compared to the previous quarter.

Shifting now to our Advanced Materials segment, we are pleased that EBITDA has remained positive during the quarter, and, although the fourth quarter is traditionally weaker due to seasonality, the segment finished with a strong performance for the year. After a promising first half of 2024, the positive trend held up in the second half in both pricing and volumes, and our Advanced Materials segment continues to perform well into 2025.

Upon examining the sub-categories within this segment, the quarterly volumes for our Engineered Products declined as anticipated. This decrease can be attributed to seasonality factors and reduced volumes of some high-value materials, including our premium CARBORES®. However, the Chemical Intermediates sub-category compensated for this decline with robust sales, particularly for our BTX materials.

In contrast, the Resins and Downstream Materials sub-category experienced lower volumes despite strong demand for our HHCR resins in the fourth quarter. This decline was due to a combination of reduced availability of raw materials and planned maintenance activities at our HHCR unit.

Throughout the year in Europe, energy prices remained manageable, with the exception of the fourth quarter when they rose due to seasonal cold weather. Despite the stability in energy costs, the industrial sector continues to await definitive signs of a demand resurgence. The market is still in a state of anticipation, hoping for stronger indications of recovery and growth.

We had anticipated the usual seasonal decline in Advanced Materials volumes during the fourth quarter. However, we were correct to remain confident that the resilience of our non-seasonal products would sustain profitability for our Advanced Materials segment through year-end.

As we look at 2025, the economies in Europe and the US appear to be improving overall, with some positive developments supporting industrial production. These developments should be positive for us in our major markets and there is some hope that peace efforts will be successful both in Ukraine and the Middle East.

Regarding the proposed tariffs by the United States on imports from various countries, including Canada and Europe, our management team is committed to a thorough analysis once the tariffs are officially initiated, and guidelines are published.

We are closely monitoring the situation and will keep our investors informed as more information becomes available. Our priority remains to ensure that we continue to operate efficiently and maintain our competitive edge in the market.

In regard to the Cement segment, the cement industry in India faced numerous challenges in 2024, including moderate capacity utilization, lower sales realization, and a contraction of margins, all of which impacted both the topline and the bottom line of our Cement segment.

In 2024, growth for the cement industry in India decelerated to 4.5-5.5% on a high base, following three consecutive years of strong growth. Construction activity slowed during the second and third quarters due to several factors, including a prolonged heatwave, labor shortages during the general elections period, and seasonal weakness during the monsoon. This combination of factors led to a slowdown in demand, continued capacity additions, and industry consolidation, resulting in declining realizations.

Despite these challenges, the industry anticipates an 8% growth in sales by 2025. This optimistic outlook is driven by several factors:

- Increased rural consumption aided by improved firm cash flows
- Sustained healthy demand for urban housing
- Expected increases in government spending on infrastructure projects.

In the South Indian cement industry, where we operate, we are anticipating positive growth in 2025. This growth is expected to be driven by strong demand from various infrastructure projects, particularly with the increased emphasis on constructing the new capital, Amaravathi, in Andhra Pradesh state, as well as numerous irrigation projects.

Although the Indian cement industry encountered significant challenges in 2024, the outlook for our Cement segment in 2025 is promising. The expected growth is projected to be fueled by both rural and urban demand, alongside government-led infrastructure initiatives. This combination of factors positions our Cement segment for a better year ahead.

Now, I will hand over the presentation to Gerry who will provide further updates on the industry and our business on Slide 4…

Gerry….

Slide 4 – Gerard Sweeney:

Thank you, Jagan. Hello, everyone. It is a pleasure to speak with you again.

The outlook for the global aluminium industry remains positive, with aluminium prices stabilizing around the 2,600-US dollar mark. This stability is supported by relatively low natural gas prices and the expectation of increased demand amid persistently low LME inventories. In 2024, global primary aluminium production reached a new record high, increasing by 3% year over year. Despite this increase in production, LME inventories remained low.

The production increases in 2024 were primarily driven by the Yunnan province in China, although these increases are expected to taper off. Looking ahead, smelting expansions in India and Indonesia are set to lead the way for 2025 start-ups. Additionally, several new smelter projects are scheduled to come online in 2026 in various regions outside of China.

Overall, the industry is poised for growth, buoyed by favorable pricing, low natural gas costs, and anticipated demand resurgence.

Slide 5 – Gerry:

Referring to slide 5, which outlines key commodity price trends and our business performance during the fourth quarter of 2024, we observed that prices remained relatively stable, with the exception of benzene. While benzene prices experienced a reduction, they are still at reasonably high levels, so this decrease is not particularly alarming at this time.

Additionally, it is important to note that natural gas prices in Europe reached an 18-month high, largely due to the winter season and the curtailment of certain gas supplies to Europe during the year. This has had a significant impact on the overall energy market in the fourth quarter 2024.

Slide 6 – Gerry:

Moving to slide 6, which focuses on revenue distribution by end-industry, you will see that the aluminium sector accounted for approximately 42% of our total consolidated revenues in 2024. We anticipate a rebound to the usual range of 44% by the end of 2025. Our remaining revenue streams are diversified across various industries, including the important construction and carbon black sectors.

Slide 7 – Gerry:

On Slide 7, our Carbon segment experienced an overall 5% decrease in volumes, driven by CPC, while prices declined for Other Carbon products quarter over quarter.

In the CPC business, sales volumes were down by 9% versus the third quarter due to timing of shipments. CPC prices remained stable, and the same held true for GPC raw material prices also.

On the distillation side of our Carbon segment, CTP sales volumes were up by 6% compared to the third quarter, and CTP prices largely rolled over from the third quarter.

Elsewhere in our Carbon segment, our Other Carbon Products volumes declined by 2% and pricing declined by 12% compared to the previous quarter, which was in line with changes to fuel oil quotations.

As mentioned earlier, we are pleased that our Advanced Materials segment's EBITDA performed well and contributed positively despite seasonality and increased natural gas prices over third quarter.

In our Advanced Materials segment's Engineered Products sub-category, volumes of PETRORES® have increased, but our volumes for asphalt sealers and other pitch oils were significantly down compared to third quarter.

Volumes in the Chemical Intermediates sub-category were up by 27% due to higher throughput and price changes, driven by benzene quotations.

Moving on to the Resins and Downstream Materials sub-category, volumes have decreased due to reduced availability of raw material and weaker demand from coating industry, but prices were up compared to previous quarter, driven by continued supply chain issues from Asian markets to Europe.

I will now hand over the presentation to Srinivas, who will discuss RAIN's consolidated financial performance.

Srinivas, the floor is yours.

Srinivas:

Thank you, Gerry, and Hello everyone, staying on Slide 7.

During the fourth quarter of 2024, RAIN reported a consolidated net revenue of 36.49 billion Rupees, marking a reduction of 4.30 billion Rupees from 40.79 billion Rupees during the same period in 2023. The reduction was primarily due to revenue decreases of 3.20 billion Rupees in our Carbon segment and 1.62 billion Rupees in our Cement segment; offset by increase of 0.52 billion Rupees in our Advanced Materials segment.

RAIN's consolidated adjusted EBITDA for fourth quarter increased by 1.12 billion Rupees compared to the previous year. This was attributed to an increase of 0.88 billion Rupees in the Carbon segment and 0.90 billion Rupees in the Advanced Materials segment, offset by a decrease of 0.66 billion Rupees in the Cement segment.

Slide 8 – Srinivasa Rao:

Moving to Slide 8, we can see that, for the fourth quarter, ending on December 31, 2024, our Carbon segment reported revenue of 26.13 billion Rupees, which was a decrease from 29.33 billion Rupees during the same period in the previous year.

During this quarter, the increase in volumes in our Carbon segment was primarily driven by higher CPC volumes due to higher capacity utilization from Indian CPC plants after the relief granted by the Hon'ble CAQM during February 2024, and due to the gradual implementation of the same. During the fourth quarter of 2024, the average blended realization decreased by about 16.0% on account of lower market quotations across all regions. There was an appreciation of the Euro against the Indian Rupee by about 0.6% and an appreciation of the US Dollar against the Indian Rupee by about 1.4%.

Overall, due to the previously mentioned reasons, revenue from the Carbon segment decreased by about 10.9% in the fourth quarter of 2024, as compared to the fourth quarter of 2023.

However, the Adjusted EBITDA for the Carbon segment increased by 883 million Rupees compared to the fourth quarter of the previous year. This was driven primarily by increased volumes, cost optimization measures implemented by the company and appreciation of both the

US Dollar and the Euro against the Indian Rupee, which was partially offset by a decrease in realizations.

Slide 9 – Srinivasa Rao:

Moving on to slide nine, we can see the Advanced Materials segment's performance.

During the quarter ending December 31, 2024, our Advanced Materials segment earned revenues totaling 7.72 billion Rupees, which was an increase from 7.20 billion Rupees during the same period in the previous year.

During this quarter, the increase in volumes was primarily driven by a higher throughput in our Chemical Intermediates sub-segment. During the fourth quarter of 2024, average blended realisation decreased by 3.6% due to a fall in commodity prices, offset by an appreciation of the Euro against the Indian Rupee by about 0.6%. Due to the previously mentioned reasons, revenue from the Advanced Materials segment increased by about 7.3% during the fourth quarter of 2024, as compared to the fourth quarter of 2023.

Adjusted EBITDA increased by 897 million Rupees compared to the fourth quarter of 2023, due to increased volumes and the appreciation of the Euro against the Indian Rupee, partially offset by fall in commodity prices.

Slide 10 – Srinivasa Rao:

Moving on to slide 10, we can look at our Cement segment, which experienced a 38.1% decline in revenue in the fourth quarter of 2024 compared to the same period in 2023, attributable to a 12.4% fall in realizations and a 29.4% reduction in volumes due to consolidation of market.

The Adjusted EBITDA for our Cement segment saw a downturn of 657 million Rupees, due to decreased realisations coupled with decreased volumes and a marginal increase in operating costs.

Slide 11 – Srinivasa Rao:

Moving on to the next slide on debt, slide 11.

The fourth quarter concluded with a gross debt of 918 million US dollars, which includes working capital debt of 96 million US dollars. Our net debt stood at 699 million US dollars, and, with an LTM EBITDA of 179 million US dollars, our net debt to EBITDA ratio was 3.9x. Over the next few quarters, as performance improves and debt gets paid, we anticipate this leverage ratio to gradually approach 3.0x.

During current year, our Euro-denominated Term Loan saw a reduction by 57 million US Dollars, driven by 35 million US dollars in repayments coupled with 22 million US dollars in foreign exchange impact, due to appreciation of US dollar against Euro.

In terms of liquidity, we closed the quarter with 428 million US dollars, comprised of a 219-million US dollar cash balance and 209 million US dollars available in undrawn credit facilities.
With the existing cash and cash equivalents, and with undrawn working-capital loan facilities, the company is well placed both to repay its US

denominated Secured Notes of 44 million US dollars, which is due in April 2025, and fund cash requirements in medium term. The major long-term debt repayments are scheduled to start in October 2028.

The group had spent approximately 78 million US dollars for maintenance capital expenditures and plant turnarounds during the 2024 across all locations.

I will now pass over the presentation to Mr. Jagan for his concluding remarks.

Closing Remarks – Jagan Reddy Nellore:

Thank you, Srinivas.

The year 2024 has undeniably presented its challenges, with market movements oscillating unpredictably as they recover from the highs of 2022 and early 2023. Amidst the turbulence, we have witnessed a significant breakthrough in India: through the relief granted by CAQM on the import restrictions after six long years. This change has invigorated our enthusiasm as we now have the opportunity to operate our Indian carbon calcination facilities at optimum capacity and seamlessly reintegrate our global blend strategy.

While these positive developments are encouraging, we must remain vigilant as few market indicators continue to raise concerns. Our steadfast commitment is to scrutinize every expenditure, ensuring it is both necessary and in the best interest of the company. We will persist in rigorously evaluating all our costs, including raw material expenses, to procure optimal products and manufacture in locations that maximize profitability. This relentless pursuit of efficiency and cost management underscores our team's dedication. We are resolute in our efforts to navigate these uncertain times and remain committed to achieving sustainable growth and success.

Looking ahead, the future is promising. Noteworthy are the recent announcements of our new research and development laboratory and demonstration plant for Energy Storage Materials and Battery Anode Materials in Canada, along with government grants in Canada and

Germany, and joint development agreements. These initiatives position RAIN as a significant player in the burgeoning EV and other battery markets. Already an established supplier to the Chinese battery market, we bring years of experience in serving major manufacturers. The demonstration plant will solidify RAIN's reputation for excellence in battery technology, allowing us to highlight our products' current relevance while exploring new applications and supply chain opportunities.

We are excited about the future and confident in our strategies to navigate the complexities ahead. The dedication and hard work of our teams are paving the way for continued success and growth. Together, we will seize the opportunities that lie ahead and ensure prosperity in the evolving market landscape.

We appreciate your ongoing support for Rain Industries Limited and eagerly anticipate sharing further updates in the upcoming quarterly presentation.