



RAIN INDUSTRIES LIMITED

Press Release

November 6, 2024

Results for the third quarter ended September 30, 2024

RAIN INDUSTRIES LIMITED ("RAIN" / "the Company") reported its unaudited financial results for the third quarter ended September 30, 2024.

Financial Highlights for Q3 CY 24

- Revenue from Operations was ₹39.34 billion vs ₹41.60 billion in Q3 2023
- Adjusted EBITDA was ₹2.92 billion vs ₹3.76 billion in Q3 2023
- Adjusted Net Loss After Tax was ₹ 1.66 billion vs ₹ 0.57 billion in Q3 2023
- Adjusted Loss per share was ₹ 4.94 vs ₹ 1.69 in Q3 2023

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 annualised.



RAIN INDUSTRIES LIMITED

Set forth below is selected Segment information:

Carbon

Particulars (₹ in Millions except volume data)	Q3 CY24	Q2 CY24	Q3 CY23	CY 2023	Variance Q3 CY24 vs Q2 CY24	Variance Q3 CY24 vs Q3 CY23
(a) Sales Volumes ⁽¹⁾ (000 Metric Tonne)	653	615	545	2,315	6.2%	19.8%
(b) Net Revenue ⁽¹⁾	27,810	27,951	29,388	132,968	(0.5%)	(5.4%)
(c) Adjusted EBITDA ⁽²⁾	2,370	3,812	2,893	17,566	(37.8%)	(18.1%)
(d) Adjusted EBITDA Margin (%)	8.5%	13.6%	9.8%	13.2%	(5.1%)	(1.3%)

Advanced Materials

Particulars (₹ in Millions except volume data)	Q3 CY24	Q2 CY24	Q3 CY23	CY 2023	Variance Q3 CY24 vs Q2 CY24	Variance Q3 CY24 vs Q3 CY23
(a) Sales Volumes ⁽¹⁾ (000 Metric Tonne)	74	79	68	254	(6.3%)	8.8%
(b) Net Revenue ⁽¹⁾	8,454	9,400	8,584	32,317	(10.1%)	(1.5%)
(c) Adjusted EBITDA ⁽²⁾	555	1,054	677	1,509	(47.3%)	(18.0%)
(d) Adjusted EBITDA Margin (%)	6.6%	11.2%	7.9%	4.7%	(4.6%)	(1.3%)

Cement

Particulars (₹ in Millions except volume data)	Q3 CY24	Q2 CY24	Q3 CY23	CY 2023	Variance Q3 CY24 vs Q2 CY24	Variance Q3 CY24 vs Q3 CY23
(a) Sales Volumes ⁽¹⁾ (000 Metric Tonne)	664	751	749	3,238	(11.6%)	(11.3%)
(b) Net Revenue ⁽¹⁾	2,796	3,207	3,459	15,233	(12.8%)	(19.2%)
(c) Adjusted EBITDA ⁽²⁾	(7)	37	192	1,062	(118.9%)	(103.6%)
(d) Adjusted EBITDA Margin (%)	(0.3%)	1.2%	5.6%	7.0%	(1.5%)	(5.9%)

Notes:

- (1) Net of inter-company and inter-segment sales.
- (2) Adjusted EBITDA is profit before Depreciation & Amortization, Impairment Loss, Interest and Tax adjusted with exceptional items, if any.



RAIN INDUSTRIES LIMITED

Management Discussion and Analysis

Quarter Ended September 30, 2024, Compared to Quarter Ended September 30, 2023

- Net Revenue of ₹39.06 billion during Q3 CY24 was a decrease of ~5.7% as compared to ₹41.43 billion during Q3 CY23.
 - Carbon segment sales volumes during Q3 2024 were 653 thousand metric tonnes, an increase of 19.8% as compared to 545 thousand metric tonnes in Q3 2023. The increase in volumes was primarily driven by higher CPC volumes due to higher capacity utilization of Indian CPC plants post the relief granted by Honorable CAQM in February 2024 and implementation of the same during the third quarter. During Q3 2024, the average blended realisation decreased by ~21.0% on account of lower market quotations across all regions. There was an appreciation of the Euro against the Indian Rupee by ~2.3% and an appreciation of the US Dollar against the Indian Rupee by ~1.3%. Overall, due to the aforesaid reasons, revenue from the Carbon segment decreased by ~5.4% in Q3 2024, as compared to Q3 2023.
 - Advanced Materials segment sales volumes during Q3 2024 were 74 thousand metric tonnes, an increase of 8.8% as compared to 68 thousand metric tonnes in Q3 2023. The increase in volumes was primarily driven by higher throughput from our HHCR plant supported by the Red Sea crisis and higher demand. During Q3 2024, average realisations decreased by 9.5% due to fall in commodity prices offset by an appreciation of the Euro against the Indian Rupee by ~2.3%. Due to the aforesaid reasons, revenue from the Advanced Materials segment decreased by ~1.5% during Q3 2024, as compared to Q3 2023.
 - Cement segment revenue decreased by 19.2% during Q3 2024 as compared to Q3 2023 due to decrease in realisations by 8.8% and decrease in volumes by 11.3% due to extended monsoon in key markets.
- During Q3 2024, Adjusted EBITDA was ₹2,918 million, as compared to Adjusted EBITDA of ₹3,762 million achieved during Q3 2023, a decrease of ₹844 million.
 - Carbon segment Adjusted EBITDA decreased by ₹523 million, as compared to Q3 2023, driven primarily by continued pressure on margins, which was partially offset by increased volumes and appreciation of the US Dollar and the Euro against the Indian Rupee.
 - Advanced Materials segment Adjusted EBITDA decreased by ₹122 million as compared to Q3 2023 due to fall in commodity prices partially offset by increased volumes and appreciation of the Euro against the Indian Rupee.
 - Cement segment Adjusted EBITDA decreased by ₹199 million due to decreased realisations coupled with decreased volumes and a marginal increase in operating costs.
- Reconciliation of Reported EBITDA and Adjusted EBITDA for Q3 CY24 is as follows:

(₹ in Millions)	
Particulars	Q3 2024
A. Reported EBITDA	2,746
<i>B. Adjustments/exceptional items:</i>	
• Insurance claims related to prior periods	(503)
• Expenses towards non-recurring items	123
• Prior period expenses due to regulatory changes	75
• Foreign Exchange Loss / (Gain) on inter-company Debt Note	477
C. Adjusted EBITDA (A + B)	2,918



RAIN INDUSTRIES LIMITED

- Finance costs were ₹2.34 billion during Q3 2024 as compared to ₹2.42 billion in Q3 2023. The decrease was primarily on account of lower average working capital borrowings partially offset by appreciation of US Dollar and Euro against Indian Rupee compared to Q3 2023
- The Company recorded an income tax expense of ₹0.47 billion for Q3 2024 as compared to ₹0.46 billion for Q3 2023. The effective tax rate ("ETR") was higher than normal range due to non-recognition of deferred tax assets in Germany and US on tax attributes.
- The Adjusted Loss After Tax during Q3 2024 was ₹ 1.66 billion as compared to Adjusted Loss After Tax of ₹ 0.57 billion during Q3 2023.
- The Company achieved an Adjusted Loss per Share of ₹ 4.94 during Q3 2024 as compared to Adjusted Loss per Share of ₹ 1.69 during Q3 2023.
- Reconciliation of Reported Profit / (Loss) After Tax and Adjusted Profit / (Loss) After Tax for Q3 2024 is as follows:

(₹ in Millions)

Particulars	Q3 2024
A. Reported Profit / (Loss) After Tax	(1,791)
<i>B. Adjustments/Exceptional items:</i>	
• Insurance claims related to prior periods	(503)
• Expenses towards non-recurring items	123
• Prior period expenses due to regulatory changes	75
• Foreign Exchange Loss / (Gain) on inter-company Debt Note	477
• Tax impact on above adjustments	(41)
C. Adjusted Profit / (Loss) After Tax (A + B)	(1,660)



RAIN INDUSTRIES LIMITED

Debt Summary

(US\$ ⁽¹⁾ in Millions)

Particulars	As on Sep 30, 2024	As on Dec. 31, 2023	Repayment Terms
USD-denominated Senior Secured Notes	50	50	Matures in April 2025
USD-denominated Senior Secured Notes	449	450	Matures in September 2029
Euro-denominated Senior Secured Term Loan ⁽²⁾	347	380	Matures by October 2028
Senior Bank Debt and other debt	21	22	Matures in November 2025
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 ⁽³⁾	241	268	
Net Debt ⁽⁴⁾	711	715	

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

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

(3) Includes investment in liquid mutual fund.

(4) Does not include lease liabilities amounting to US\$67 million and US\$63 million for September 2024 and December 2023 respectively.

During the nine months period ended September 30, 2024, the Company incurred capital expenditures of US\$ 55 million towards 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 medium term. The major debt repayments are scheduled to start in October 2028.



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	Q3 CY24	Q2 CY24	Q3 CY23	CY 2023	Variance Q3 CY24 vs Q2 CY24	Variance Q3 CY24 vs Q3 CY23
Indian Rupee / US Dollar	83.77	83.42	82.66	82.60	(0.4%)	(1.3%)
Indian Rupee / Euro	92.02	89.81	89.98	89.32	(2.5%)	(2.3%)
Indian Rupee / Russian Ruble	0.94	0.92	0.88	0.98	(2.2%)	(6.8%)
Canadian Dollar / Euro	1.50	1.47	1.46	1.46	(2.0%)	(2.7%)

Closing Rate of Exchange	Q3 CY24	Q2 CY24	Q3 CY23	CY 2023	Variance Q3 CY24 vs Q2 CY24	Variance Q3 CY24 vs Q3 CY23
Indian Rupee / US Dollar	83.79	83.45	83.06	83.12	(0.4%)	(0.9%)
Indian Rupee / Euro	93.53	89.25	87.94	92.00	(4.8%)	(6.4%)
Indian Rupee / Russian Ruble	0.89	0.97	0.85	0.93	8.2%	(4.7%)
Canadian Dollar / Euro	1.51	1.47	1.42	1.46	(2.7%)	(6.3%)



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

Tel: +91 40 4234 9870

Investor Relations – US

Email: investorrelations@raincarbon.com

Tel: +1 985 635 3400

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 several 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.*