



RAIN INDUSTRIES LIMITED

RIL/SEs/2023

May 9, 2023

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

Sub: Press Release on the Un-Audited Financial Results of the Company (Standalone, Consolidated and Segment) for the First Quarter ended March 31, 2023.—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 Un-Audited Financial Results of the Company (Standalone, Consolidated and Segment) for the First Quarter ended March 31, 2023.

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

May 9, 2023

Results for the first quarter ended March 31, 2023

RAIN INDUSTRIES LIMITED ("RAIN" / "the Company") reported its unaudited financial results for the first quarter ended March 31, 2023.

Financial Highlights for Q1 CY 23

- Revenue from Operations was ₹52.54 billion vs ₹44.37 billion in Q1 2022.
- Adjusted EBITDA was ₹6.85 billion vs ₹8.35 billion in Q1 2022.
- Adjusted Net Profit After Tax was ₹2.15 billion vs ₹3.04 billion in Q1 2022.
- Adjusted EPS was ₹6.38 vs ₹9.05 in Q1 2022.

Summary of Consolidated Income Statement

(₹ in Millions)

Particulars	Q1 2023	Q4 2022	Q1 2022	CY 2022
Net Revenue	52,093	54,112	44,093	209,063
Other Operating Income	442	456	273	1,048
Revenue from Operations	52,535	54,568	44,366	210,111
Reported EBITDA	5,370	6,629	7,986	36,381
Adjusted EBITDA	6,846	6,895	8,348	37,545
<i>Adjusted EBITDA Margin</i>	<i>13.0%</i>	<i>12.6%</i>	<i>18.8%</i>	<i>17.9%</i>
Profit Before Tax	2,030	3,355	4,904	23,273
Tax Expense, Net	612	2,095	1,765	7,503
Non-controlling Interest	365	365	365	1,383
Reported Profit /(Loss) After Tax	1,053	895	2,774	14,387
Adjusted Profit After Tax	2,145	2,373	3,044	16,980
Adjusted Earnings Per Share in (₹)*	6.38	7.06	9.05	50.49

*Quarterly Earnings Per Share is not annualised.



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Set forth below is selected Segment information:

Carbon

(₹ in Millions except volume data)

Particulars	Q1 CY23	Q4 CY22	Q1 CY22	CY 2022	Variance Q1 CY23 vs Q4 CY22	Variance Q1 CY23 vs Q1 CY22
(a) Sales Volumes ⁽¹⁾ (000 Metric Tonne)						
- Calcined Petroleum Coke (CPC)	376	378	335	1,385	-0.5%	12.2%
- Coal Tar Pitch (CTP)	117	121	141	523	-3.3%	-17.0%
- Other Carbon Products (OCP)	133	118	137	522	12.7%	-2.9%
TOTAL	626	617	613	2,430	1.5%	2.1%
(b) Net Revenue ⁽¹⁾						
- Calcined Petroleum Coke (CPC)	20,967	22,491	14,353	75,681	-6.8%	46.1%
- Coal Tar Pitch (CTP)	12,785	13,314	9,940	49,969	-4.0%	28.6%
- Other Carbon Products (OCP)	6,551	6,000	6,131	26,741	9.2%	6.9%
- Energy	415	523	567	2,223	-20.7%	-26.8%
TOTAL	40,718	42,328	30,991	154,614	-3.8%	31.4%
(c) Adjusted EBITDA ⁽²⁾	6,289	7,663	6,871	34,792	-17.9%	-8.5%
(d) Adjusted EBITDA Margin (%)	15.4%	18.1%	22.2%	22.5%	-2.7%	-6.7%

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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Advanced Materials

(₹ in Millions except volume data)

Particulars	Q1 CY23	Q4 CY22	Q1 CY22	CY 2022	Variance Q1 CY23 vs Q4 CY22	Variance Q1 CY23 vs Q1 CY22
(a) Sales Volumes ⁽¹⁾ (000 Metric Tonne)						
- Engineered Products	10	11	14	65	-9.1%	-28.6%
- Chemical Intermediates	32	27	36	135	18.5%	-11.1%
- Resins	19	18	33	110	5.6%	-42.4%
TOTAL	61	56	83	310	8.9%	-26.5%
(b) Net Revenue ⁽¹⁾						
- Engineered Products	1,530	1,553	1,549	8,282	-1.5%	-1.2%
- Chemical Intermediates	3,130	2,781	3,191	13,965	12.5%	-1.9%
- Resins	2,943	3,345	4,513	16,857	-12.0%	-34.8%
TOTAL	7,603	7,679	9,253	39,104	-1.0%	-17.8%
(c) Adjusted EBITDA ⁽²⁾	320	(1,220)	894	1,347	-126.2%	-64.2%
(d) Adjusted EBITDA Margin (%)	4.2%	-15.9%	9.7%	3.4%	20.1%	-5.5%

Cement

(₹ in Millions except volume data)

Particulars	Q1 CY23	Q4 CY22	Q1 CY22	CY 2022	Variance Q1 CY23 vs Q4 CY22	Variance Q1 CY23 vs Q1 CY21
(a) Sales Volumes ⁽¹⁾ (000 Metric Tonne)	787	807	798	3,124	-2.5%	-1.4%
(b) Net Revenue	3,772	4,105	3,849	15,345	-8.1%	-2.0%
(c) Adjusted EBITDA ⁽²⁾	237	452	583	1,406	-47.6%	-59.3%
(d) Adjusted EBITDA Margin (%)	6.3%	11.0%	15.1%	9.2%	-4.7%	-8.9%

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 March 31, 2023 Compared to Quarter Ended March 31, 2022

- Net Revenue of ₹52.10 billion during Q1 CY23 was an increase of ~18.2% as compared to ₹44.09 billion during Q1 CY22.
 - Carbon sales volumes during Q1 CY23 were 626 thousand metric tonnes, an increase of 2.1% as compared to 613 thousand metric tonnes in Q1 CY22. The increase in volumes was primarily driven by higher throughputs. During Q1 CY23, the average blended realisation increased by ~28.7% on account of higher raw material costs and product mix. There was an appreciation of EURO against Indian Rupee by ~4.6% and an appreciation of USD against Indian Rupee by ~9.4%. Overall, due to the aforesaid reasons, revenue from the Carbon segment increased by ~31.4% in Q1 CY23, as compared to Q1 CY22.
 - Advanced Materials sales volumes during Q1 CY23 were 61 thousand metric tonnes, a decrease of 26.5% as compared to 83 thousand metric tonnes in Q1 CY22. The decrease in volumes was primarily driven by lower production on account of closure of aromatic chemicals business and temporary shutdown of facilities partly offset by an increase in realisations by 11.8% and an appreciation of EURO against Indian Rupee by ~4.6%. Due to the aforesaid reasons, revenue from the Advanced Materials segment decreased by ~17.8% during Q1 CY23, as compared to Q1 CY22.
 - Cement revenue decreased by 2% during Q1 CY23 as compared to Q1 CY22 due to a decrease in volumes by 1.4% and decrease in realisations by 0.6%.
- During Q1 CY23, Adjusted EBITDA was ₹6,846 million, a decrease of ₹1,502 million as compared to Adjusted EBITDA of ₹8,348 million achieved during Q1 CY22.
 - Carbon segment Adjusted EBITDA decreased by ₹582 million as compared to Q1 CY22 due to increased raw material prices partly offset by increased volumes, realisations and appreciation of USD and EURO against Indian Rupee.
 - Advanced Materials segment Adjusted EBITDA decreased by ₹574 million as compared to Q1 CY22 due to a decrease in volumes on account of the temporary shutdown of facilities partly offset by an increase in realisations and appreciation of USD and EURO against Indian Rupee.
 - Cement segment Adjusted EBITDA decreased by ₹346 million due to higher operating costs, decreased volumes and realisations.



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- Reconciliation of Reported EBITDA and Adjusted EBITDA for Q1 CY23 is as follows:

(₹ in Millions)

Particulars	Q1 2023
A. Reported EBITDA	5,370
<i>B. Adjustments/exceptional items:</i>	
• Inventory adjustments	1,703
• Insurance claims relating to prior periods	(247)
• Expenses towards strategic projects and other non-recurring items	20
C. Adjusted EBITDA (A + B)	6,846

- Finance costs of ₹1.63 billion during Q1 CY23 as compared to ₹1.20 billion in Q1 CY22. The increase was primarily on account of an increase in interest rates and appreciation of USD against Indian Rupee compared to Q1 2022.
- The Company recorded an income tax expense of ₹0.61 billion for Q1 CY23 as compared to ₹1.77 billion for Q1 CY22. The effective tax rate for the quarter is in line with the group tax rates at various geographies.
- The Adjusted Profit After Tax during Q1 CY23 was ₹2.15 billion as compared to Adjusted Profit After Tax of ₹3.04 billion during Q1 CY22.
- The Company achieved an Adjusted Earnings per Share of ₹6.38 during Q1 CY23 as compared to Adjusted Earnings per Share of ₹9.05 during Q1 CY22.



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- Reconciliation of Reported Profit After Tax and Adjusted Profit After Tax for Q1 CY23 is as follows:
(₹ in Millions)

Particulars	Q1 2023
A. Reported Profit After Tax	1,053
<i>B. Adjustments/Exceptional items:</i>	
• Inventory adjustments	1,703
• Insurance claims relating to prior periods	(247)
• Expenses towards strategic projects and other non-recurring items	20
• Tax impact on above adjustments	(385)
C. Adjusted Profit After Tax (A + B)	2,145



RAIN INDUSTRIES LIMITED

Debt Summary

As at March 31, 2023, the Company had a Gross Debt of US\$ 1,042 million (including Working Capital Debt of US\$ 146 million), Cash and cash equivalents of US\$ 293 million (including restricted cash), Unamortised Deferred Finance Cost of US\$ 5 million and Net Debt of US\$ 890 million.

(US\$ ⁽¹⁾ in Millions)

Particulars	As on Mar. 31, 2023	As on Dec. 31, 2022	Repayment Terms
7.25% USD-denominated Senior Secured Notes	530	530	Matures in April 2025
Euro-denominated Senior Secured Term Loan ⁽²⁾	425	415	Matures in January 2025
Senior Bank Debt	20	20	Floating Rate - Matures in November 2023
Sales Tax Deferment	3	3	Interest Free - Instalments up to 2025
Finance Lease Liability	64	61	Fixed Rates - Finance leases
Gross Term Debt	1,042	1,029	
Add: Working Capital Debt	146	152	
Less: Deferred Finance Cost	5	6	
Total Debt	1,183	1,175	
Less: Cash and cash equivalents ⁽³⁾	293	217	
Net Debt	890	958	

(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 €390 million converted at USD/EURO rates of 1.09 and 1.06 as at Mar. 31, 2023 and Dec. 31, 2022 respectively.

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

During the quarter ended March 31, 2023, the Company incurred capital expenditures of US\$ 22 million, including expansion CAPEX for the solar power plants in 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	Q1 CY23	Q4 CY22	Q1 CY22	CY 2022	Variance Q1 CY23 vs Q4 CY22	Variance Q1 CY23 vs Q1 CY22
Indian Rupee / US Dollar	82.27	82.20	75.23	78.60	0.1%	9.4%
Indian Rupee / Euro	88.26	83.88	84.40	82.72	5.2%	4.6%
Russian Ruble / US Dollar	73.11	63.12	87.83	69.70	15.8%	-16.8%
Canadian Dollar / Euro	1.45	1.39	1.42	1.37	4.3%	2.1%

Closing Rate of Exchange	Q1 CY23	Q4 CY22	Q1 CY22	CY 2022	Variance Q1 CY23 vs Q4 CY22	Variance Q1 CY23 vs Q1 CY22
Indian Rupee / US Dollar	82.22	82.79	75.81	82.79	-0.7%	8.5%
Indian Rupee / Euro	89.61	88.15	84.66	88.15	1.7%	5.8%
Russian Ruble / US Dollar	77.24	71.87	82.55	71.87	7.5%	-6.4%
Canadian Dollar / Euro	1.47	1.44	1.39	1.44	2.1%	5.8%



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
Tel: +91 40 4234 9870

Investor Relations – US

Email: 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.*