



RAIN INDUSTRIES LIMITED

RIL/SEs/2022

February 25, 2022

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,

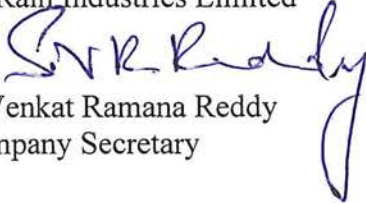
Sub: Press Release on the Financial Results of the Company –Reg.
Ref : Scrip Code: 500339 (BSE) & Scrip code : RAIN (NSE)

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 December 31, 2021.

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 25, 2022

Results for the Fourth quarter ended December 31, 2021

RAIN INDUSTRIES LIMITED (“RAIN” / “the Company”) reported its audited financial results for the fourth quarter ended December 31, 2021.

Financial Highlights

Q4 2021

- Revenue from Operations was ₹40.26 billion and Adjusted EBITDA was ₹5.41 billion.
- Adjusted Net Profit After Tax was ₹0.94 billion and Adjusted EPS was ₹2.81

CY 2021

- Revenue from Operations was ₹145.27 billion and Adjusted EBITDA was ₹25.17 billion.
- Adjusted Net Profit After Tax was ₹7.56 billion and Adjusted EPS was ₹22.48

Summary of Consolidated Income Statement

₹ in Millions

Particulars	Q4 2021	Q4 2020	CY 2021	CY 2020
Net Revenue	39,660	26,201	143,697	103,962
Other Operating Income	601	201	1,571	685
Revenue from Operations	40,261	26,402	145,268	104,647
Reported EBITDA ⁽¹⁾	5,468	7,776	25,291	21,012
Adjusted EBITDA ⁽¹⁾	5,410	4,806	25,174	19,896
<i>Adjusted EBITDA Margin</i>	<i>13.4%</i>	<i>18.2%</i>	<i>17.3%</i>	<i>19.0%</i>
Profit Before Tax	2,234	4,450	12,764	8,510
Tax Expense, Net	2,958	1,229	5,829	2,627
Non-controlling Interest	246	151	1,134	301
Reported (Loss) / Profit After Tax	(970)	3,070	5,801	5,582
Adjusted Profit After Tax	944	1,159	7,560	5,321
Adjusted Earnings Per Share in (₹)*	2.81	3.44	22.48	15.82

*Quarterly Earnings Per Share is not annualised.

Notes:

1. The Company adopted Ind AS 116 – Leases, from January 1, 2020. Accordingly, the nature of expenses with respect to operating leases has changed from lease rent to depreciation and interest expense resulting in increase in EBITDA by ₹296 million, ₹296 million, ₹1,167 million and ₹1,122 million during Q4 2021, Q4 2020, CY 2021 and CY 2020 respectively.



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Set forth below is selected Segment information:

Carbon

(₹ in Millions except volume data)

Particulars	Q4 CY21	Q4 CY20	CY 2021	CY 2020	Variance Q4 CY21 vs Q4 CY20	Variance CY 2021 vs CY 2020
(a) Sales Volumes ⁽¹⁾ (In '000 MTs)						
- Calcined Petroleum Coke (CPC)	367	394	1,419	1,520	(6.9%)	(6.6%)
- Coal Tar Pitch (CTP)	131	111	556	500	18.0%	11.2%
- Other Carbon Products (OCP)	132	136	554	502	(2.9%)	10.4%
TOTAL	630	641	2,529	2,522	(1.7%)	0.3%
(b) Net Revenue ⁽¹⁾						
- Calcined Petroleum Coke (CPC)	14,041	7,466	42,258	27,066	88.1%	56.1%
- Coal Tar Pitch (CTP)	8,282	4,895	31,318	23,150	69.2%	35.3%
- Other Carbon Products (OCP)	5,599	3,850	21,124	14,419	45.4%	46.5%
- Energy	655	503	2,266	2,137	30.2%	6.0%
TOTAL	28,577	16,714	96,966	66,772	71.0%	45.2%
(c) Adjusted EBITDA ⁽²⁾	5,790	3,361	20,884	13,857	72.3%	50.7%
(d) Adjusted EBITDA Margin (%)	20.3%	20.1%	21.5%	20.8%	0.2%	0.7%

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	Q4 CY21	Q4 CY20	CY 2021	CY 2020	Variance Q4 CY21 vs Q4 CY20	Variance CY 2021 vs CY 2020
(a) Sales Volumes ⁽¹⁾ (In '000 MTs)						
- Engineered Products	16	14	96	83	14.3%	15.7%
- Chemical Intermediates ⁽³⁾	42	59	173	218	(28.8%)	(20.6%)
- Resins	27	26	116	97	3.8%	19.6%
TOTAL	85	99	385	398	(14.1%)	(3.3%)
(b) Net Revenue ⁽¹⁾						
- Engineered Products	1,492	1,069	7,424	5,897	39.6%	25.9%
- Chemical Intermediates ⁽³⁾	3,089	2,994	12,457	10,609	3.2%	17.4%
- Resins	3,299	2,508	13,029	10,429	31.5%	24.9%
TOTAL	7,880	6,571	32,910	26,935	19.9%	22.2%
(c) Adjusted EBITDA ⁽²⁾	(927)	799	1,555	3,864	(216.0%)	(59.8%)
(d) Adjusted EBITDA Margin (%)	(11.8%)	12.2%	4.7%	14.3%	(24.0%)	(9.6%)

Cement

(₹ in Millions except volume data)

Particulars	Q4 CY21	Q4 CY20	CY 2021	CY 2020	Variance Q4 CY21 vs Q4 CY20	Variance CY 2021 vs CY 2020
(a) Sales Volumes ⁽¹⁾ (In '000 MTs)	640	618	2,895	2,241	3.6%	29.2%
(b) Net Revenue	3,203	2,916	13,821	10,255	9.8%	34.8%
(c) Adjusted EBITDA ⁽²⁾	547	646	2,735	2,175	(15.3%)	25.7%
(d) Adjusted EBITDA Margin (%)	17.1%	22.2%	19.8%	21.2%	(5.1%)	(1.4%)

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.
- (3) With the divestment of Superplasticizers business, Naphthalene Derivates sub-segment got merged with Petro Chemical intermediates sub-segment and renamed as "Chemical Intermediates".



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Results of Operations

Quarter Ended December 31, 2021 Compared to Quarter Ended December 31, 2020

- Net Revenue of ₹39.66 billion during Q4 CY21 was an increase of ~51.4% as compared to ₹26.20 billion during Q4 CY20.
 - Carbon sales volumes during Q4 CY21 were 630 thousand metric tonnes, a decrease of 1.7% as compared to 641 thousand metric tonnes in Q4 CY20. Further, the average blended realisation increased by ~74.0% driven by higher demand and market quotations across all regions. There was a depreciation of EURO against Indian Rupee by ~2.6% and an appreciation of USD against Indian Rupee by ~1.6%. Overall, due to the aforesaid reasons, revenue from Carbon segment increased by ~71.0% in Q4 CY21, as compared to Q4 CY20.
 - Advanced Materials sales volumes during Q4 CY21 were 85 thousand metric tonnes, a decrease of 14.1% as compared to 99 thousand metric tonnes in Q4 CY20. The decrease in volumes was primarily related to the sale of the superplasticizers business and planned maintenance during the quarter. During Q4 CY21, the average blended realisation increased by ~39.7% primarily due to changes in the oil-related prices and a change in the product mix and customer mix offset by a depreciation of EURO against Indian Rupee by ~2.6%. Due to the aforesaid reasons, revenue from Advanced Materials segment increased by ~19.9% during Q4 CY21, as compared to Q4 CY20.
 - Cement revenue increased by 9.8% during Q4 CY21, as compared to Q4 CY20 due to an increase in volumes by 3.6% and increase in realisations by 6.1%.
- During Q4 CY21, Adjusted EBITDA was ₹5,410 million, an increase of ₹604 million as compared to Adjusted EBITDA of ₹4,806 million achieved during Q4 CY20.
 - Carbon segment Adjusted EBITDA increased by ₹2,429 million as compared to Q4 CY20 due to improved realisations offset by depreciation of EURO against Indian Rupee and increase in energy costs.
 - Advanced Materials segment Adjusted EBITDA decreased by ₹1,726 million due to increase in energy costs and incremental operating costs in HHCR plant for replacing certain equipment to make process improvements, coupled with divestment of superplasticizers business and depreciation of EURO against Indian Rupee offset by improved realisations.
 - Cement segment Adjusted EBITDA decreased by ₹99 million due to higher operating costs offset by increased volumes and realisations.



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- Reconciliation of Reported EBITDA and Adjusted EBITDA is as follows:

₹ in Millions

Particulars	Q4 2021	CY 2021
A. Reported EBITDA	5,468	25,291
<i>B. Adjustments/exceptional items:</i>		
• Expenses towards strategic projects and other non-recurring items	466	540
• Repair and other costs incurred on account of hurricane	74	513
• Insurance claims received during the quarter related to prior periods	(337)	(337)
• Gain on disposal of assets held for sale	(221)	(221)
• Reversal of reorganisation costs accruals	(40)	(103)
• Income due to waiver of Payroll Protection Program Loan by federal government of United States	-	(469)
• Gain on divestment of superplasticizer business	-	(40)
C. Adjusted EBITDA (A + B)	5,410	25,174

- Finance costs of ₹1.19 billion during Q4 CY21, as compared to finance costs of ₹1.24 billion during Q4 CY20. The decrease in finance costs was due to depreciation of EURO against Indian Rupee by ~2.6% coupled with lower utilisation of working capital borrowings compared to last-year quarter.
- The Company recorded an income tax expense of ₹2.96 billion for Q4 CY21 as compared to ₹1.23 billion for Q4 CY20. This includes a net impact of ₹1.88 billion of higher valuation allowance for deferred tax assets in Germany offset by a reversal in US. The adjusted effective tax rate for the quarter is in line with the group tax rates at various geographies.
- The Adjusted Profit After Tax during Q4 CY21 was ₹0.94 billion as compared to Adjusted Profit After Tax of ₹1.16 billion during Q4 CY20.
- The Company achieved an Adjusted Earnings per Share of ₹2.81 during Q4 CY21 as compared to Adjusted Earnings per Share of ₹3.44 during Q4 CY20.



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- Reconciliation of Reported Profit After Tax and Adjusted Profit After Tax is as follows:

₹ in Millions

Particulars	Q4 2021	CY 2021
A. Reported (Loss) / Profit After Tax	(970)	5,801
<i>B. Adjustments/Exceptional items:</i>		
• Expenses towards strategic projects and other non-recurring items	466	540
• Repair and other costs incurred on account of hurricane	74	513
• Insurance claims received during the quarter related to prior periods	(337)	(337)
• Gain on disposal of assets held for sale	(221)	(221)
• Reversal of reorganisation costs accruals	(40)	(103)
• Income due to waiver of Payroll Protection Program Loan by federal government of United States	-	(469)
• Gain on divestment of superplasticizer business	-	(40)
• Impairment of pond pitch asset	168	168
• Tax impact on above adjustments	(78)	(174)
• Valuation of deferred taxes	1,882	1,882
C. Adjusted Profit After Tax (A + B)	944	7,560



RAIN INDUSTRIES LIMITED

Debt Summary

As at December 31, 2021, the Company had a Gross Debt of US\$ 1,151 million (including Working Capital and other Debt of US\$ 71 million), Cash and cash equivalents of US\$ 228 million (including restricted cash), Unamortised Deferred Finance Cost of US\$ 9 million and Net Debt of US\$ 914 million.

(US\$ ⁽¹⁾ in Millions)

Particulars	As on Dec. 31, 2021	As on Dec. 31, 2020	Repayment Terms
7.25% USD-denominated Senior Secured Notes	546	550	Matures in April 2025
Euro-denominated Senior Secured Term Loan ⁽²⁾	441	479	Matures in January 2025
Senior Bank Debt	20	20	Floating Rate - Matures in November 2023
Senior Bank Debt	8	19	Instalments up to end of 2022
Sales Tax Deferment	6	7	Interest Free - Instalments up to 2025
Finance Lease Liability	59	72	Fixed Rates - Finance leases
Gross Term Debt	1,080	1,147	
Add: Working Capital and other Debt	71	77	
Less: Deferred Finance Cost	9	12	
Total Debt	1,142	1,212	
Less: Cash and cash equivalents ⁽³⁾	228	280	
Net Debt	914	932	

(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 EURO/USD rates of 1.13 and 1.23 as at Dec. 31, 2021 and Dec. 31, 2020 respectively.

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

During the year ended December 31, 2021, the Company incurred capital expenditures of US\$ 74 million, including expansion CAPEX for the hydrogenated hydrocarbon resins project in Castrop-Rauxel, Germany, vertical-shaft kiln project in Vizag, India, anhydrous carbon pellet project in US 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 CY21	Q4 CY20	CY 2021	CY 2020	Variance Q4 CY21 vs Q4 CY20	Variance CY 2021 vs CY 2020
Indian Rupee / US Dollar	74.93	73.76	73.92	74.10	(1.6%)	0.2%
Indian Rupee / Euro	85.68	87.93	87.48	84.57	2.6%	(3.4%)
Russian Ruble / US Dollar	72.68	76.23	73.77	72.34	4.7%	(2.0%)
Canadian Dollar / Euro	1.44	1.55	1.48	1.53	7.1%	3.3%

Closing Rate of Exchange	CY 2021	CY 2020	Variance CY 2021 vs CY 2020
Indian Rupee / US Dollar	74.30	73.05	(1.7%)
Indian Rupee / Euro	84.05	89.79	6.4%
Russian Ruble / US Dollar	75.31	74.54	(1.0%)
Canadian Dollar / Euro	1.44	1.56	7.7%



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.

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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.*