RAIN INDUSTRIES LIMITED

RIL/SEs/2023 February 27, 2023

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: Earnings Presentation – Reg.
Ref : Scrip Code: 500339 (BSE) & Scrip code : RAIN (NSE)

With reference to the above stated subject, please find enclosed herewith Rain Industries Limited Earnings Presentation on the Annual Audited Standalone and Consolidated Financial Results for the Financial Year ended on December 31, 2022.

This is for your information and records.

Thanking you,

Yours faithfully,
for Rain Industries Limited

S. Venkat Ramana Reddy
Company Secretary

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RAIN INDUSTRIES LIMITED

Earnings Presentation – Q4 CY22

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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 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.

Fourth-Quarter and Year-End Results

Financial Highlights

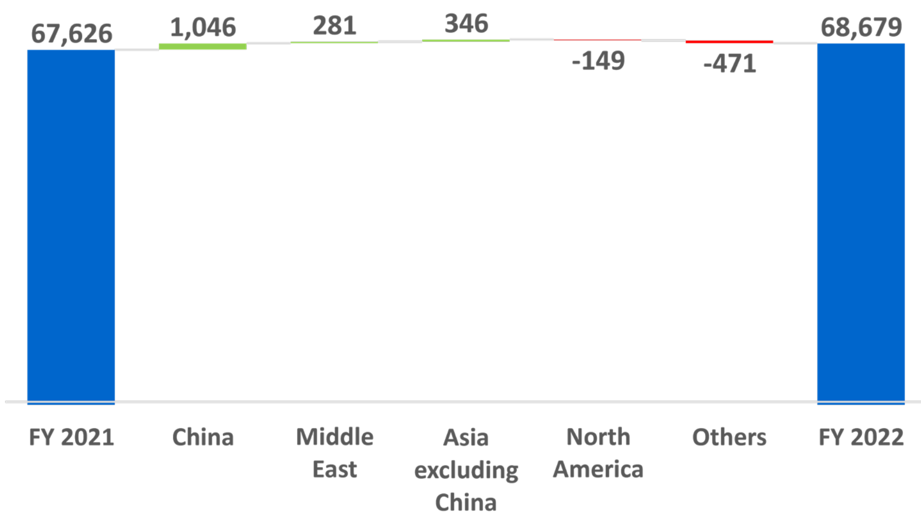
- Revenue from Operations was ₹ 54.57 billion and Adjusted EBITDA was ₹ 6.90 billion during the quarter
- Adjusted Net Profit After Tax was ₹ 2.37 billion and Adjusted Earnings Per Share was ₹ 7.06 during Q4
- Capex was US$ 85 million for the year ended December 31, 2022

Business Highlights

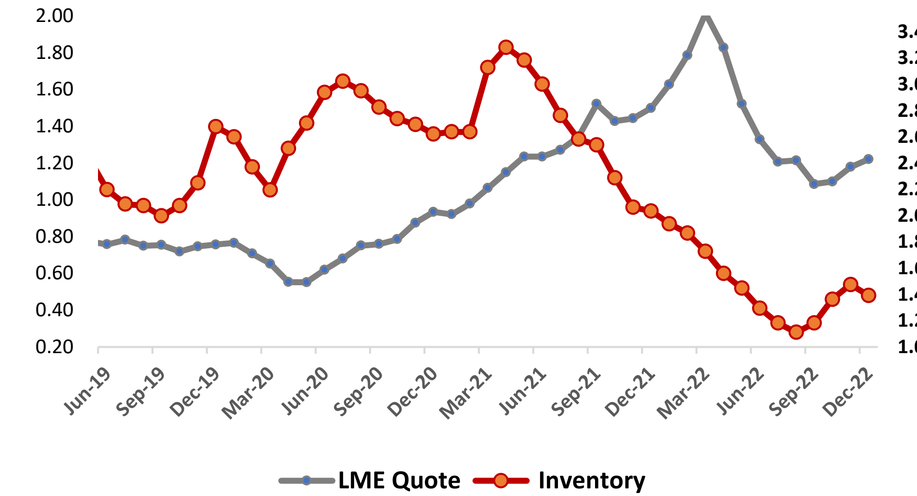
- Higher annual EBITDA performance, driven by opportunistic margins and offset by headwinds resulting from high European natural gas prices
- Quarterly performance trending downward toward historical normalised levels, driven by increased raw material prices and reduced demand across the production chain, resulting in margin erosion
- Advanced Materials segment results impacted by peak energy prices as well as lower production and demand during the quarter
- Cement segment revenue increased due to increased sales volumes offset by increased energy costs during the quarter
- Company completed 2022 with a total recordable incident rate of 0.16, marking the third-consecutive year under 0.20

Aluminium: Production, Price and Inventory Levels

Primary Aluminium Production Growth in Thousand Metric Tonnes



LME AL Inventory (Million MT) vis-à-vis LME AL Quote (000 US$ per MT)

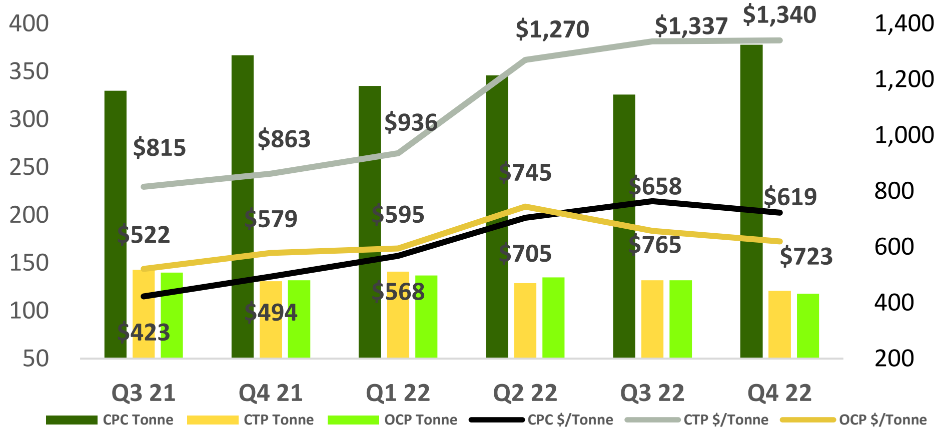


- Aluminium 3-month LME seller's price last traded at US$ 2,407 per tonne (February 23, 2023).
- Increased energy costs drove certain European smelters to curtail their capacities

LME prices declined as low as US$2,250 per tonne from all-time high in March 2022 of US$4,073 per tonne.

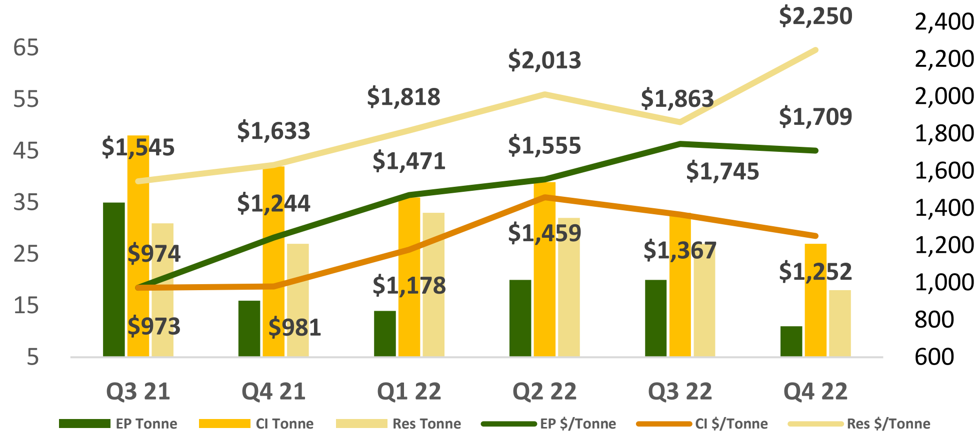
Flattening Demand Amid High Energy Costs in Europe

Carbon Volumes (000 Metric Tonne) and Price ($/MT)



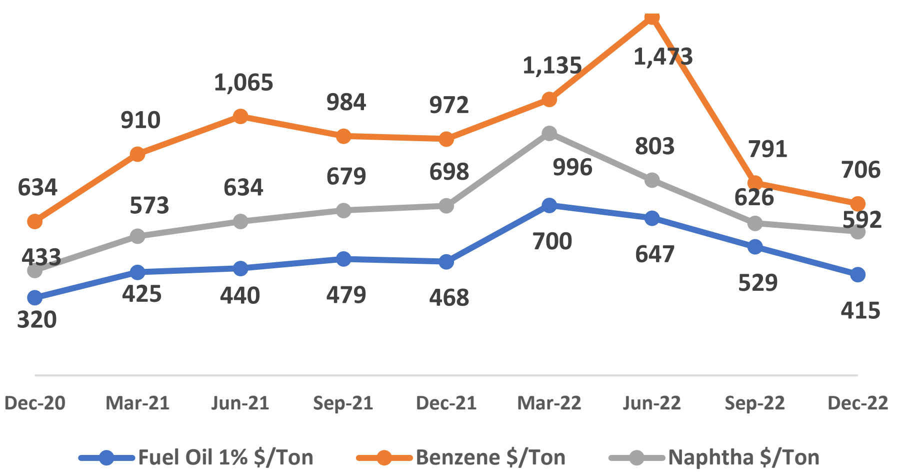
CPC – Calcined Petroleum Coke; CTP – Coal Tar Pitch; OCP – Other Carbon Products

Advanced Materials Volumes (000 Metric Tonne) and Price ($/MT)

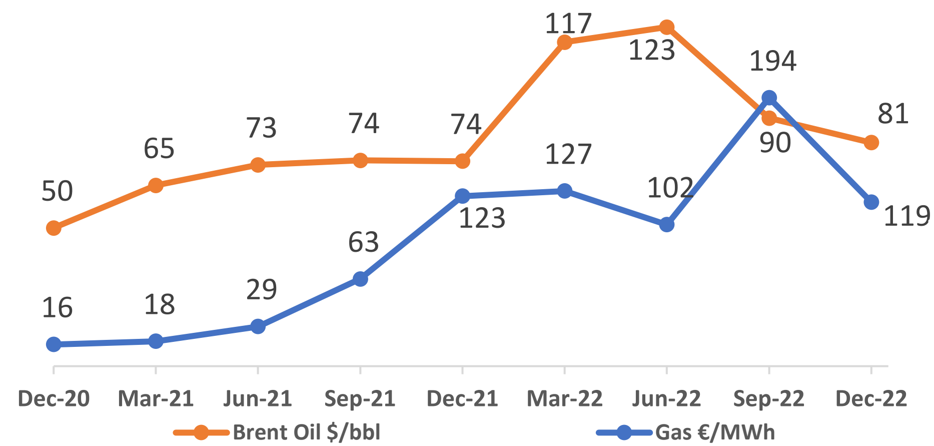


EP – Engineered Products; CI – Chemical Intermediates; Res – Resins

Key Market Quotations in Advanced Materials Business



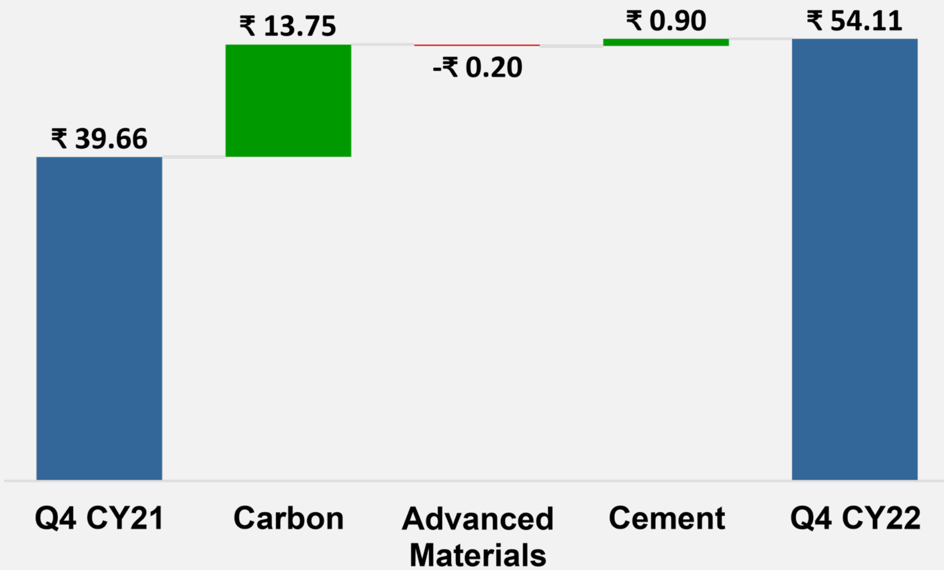
Energy Cost in European Region



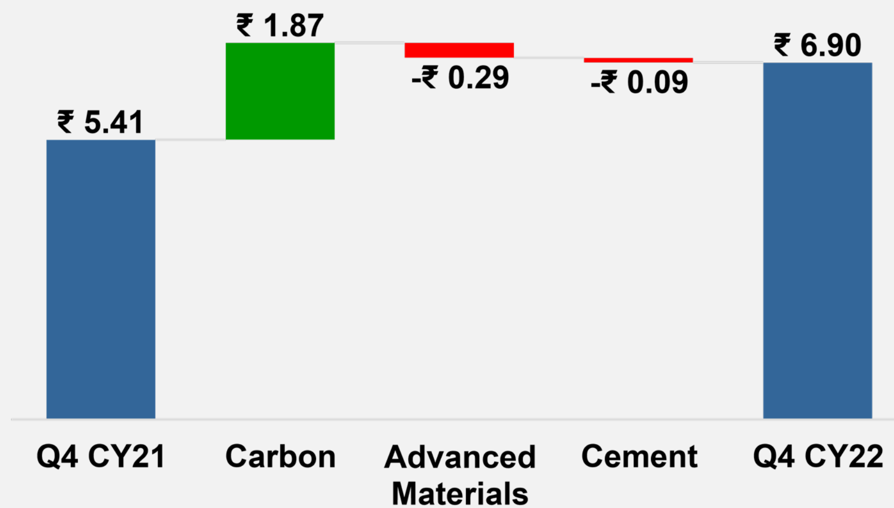
Realisations increased during Q4 enabling recovery of increased raw materials costs.
Brent oil prices and gas prices reduced across all geographies compared to Q3.

Segment Volumes Mixed, Higher Costs Driving Margins Back to Historical Norm

(₹ in Billions)



Revenue (excluding other operating income)



Adjusted EBITDA

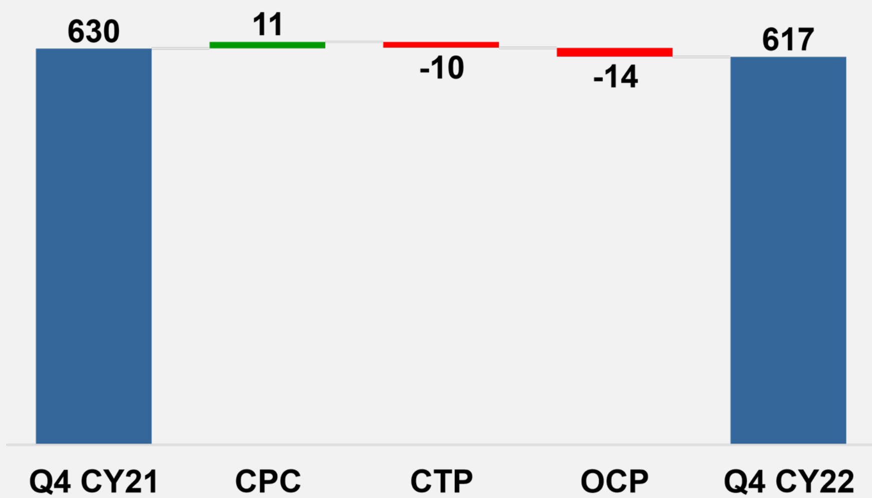
Highlights in Q4 CY22

- Carbon segment revenue increase driven by market quotations, higher volumes on account of timing of shipments and increased raw material prices and operating costs
- Advanced Materials segment revenue declined due to lower volumes driven by reduced production and demand
- Cement segment revenue increased due to higher volumes, offset by lower realisations
- Margins trending toward normalisation due to increasing raw material costs and declining realisations

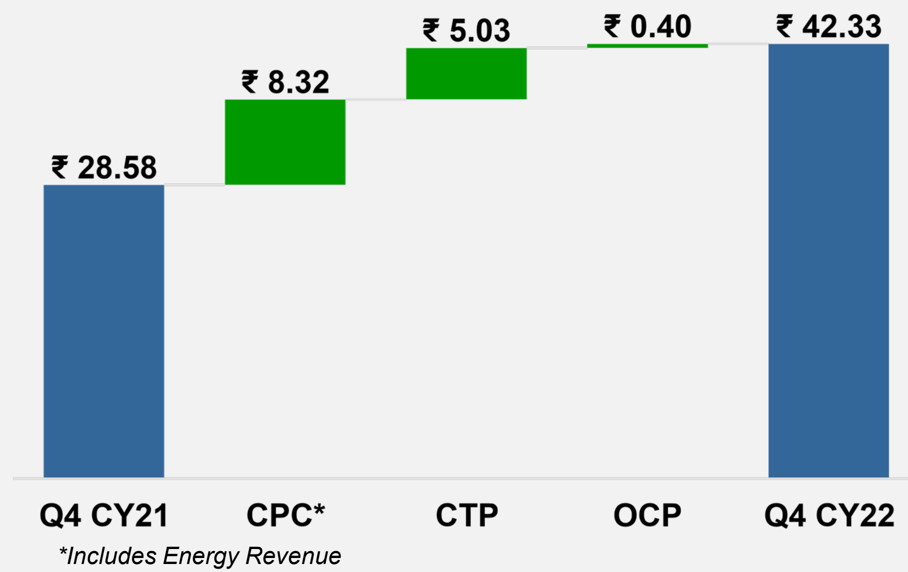
Note: Charts not to scale

Carbon: Significant Increase in Revenue Driven by Pricing

(₹ in Billions)



Volumes (MT in thousands)



Revenue (excluding other operating income)

Highlights in Q4 CY22

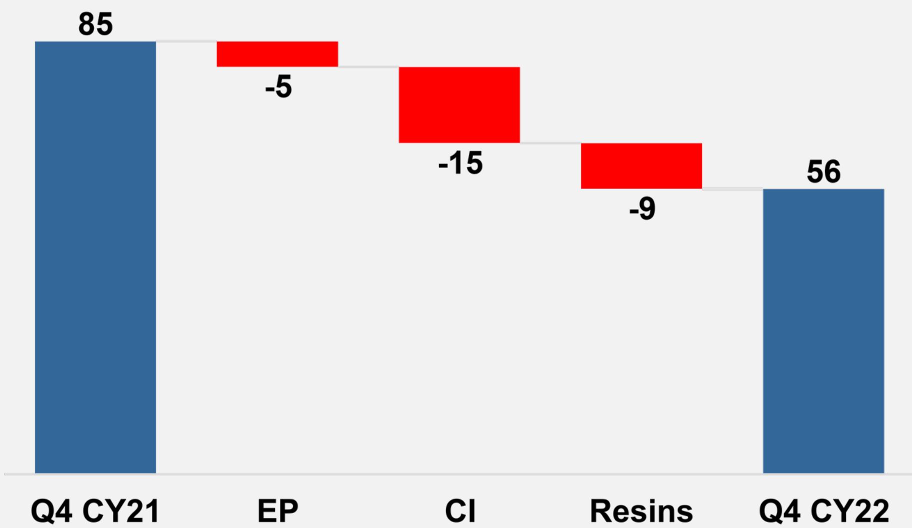
- CPC revenue increased primarily on account of prices reaching peak levels, driven by increased raw material prices and increased volumes
- Pitch revenue increased due to higher prices resulting from increased raw material prices and operating costs, offset by lower volumes on account of lower throughput due to longer maintenance schedules
- Other Carbon Products revenue increased due to price increases, driven by fuel-oil quotations and offset by lower volumes as a result of lower throughput

CPC – Calcined Petroleum Coke; CTP – Coal Tar Pitch; OCP – Other Carbon Products

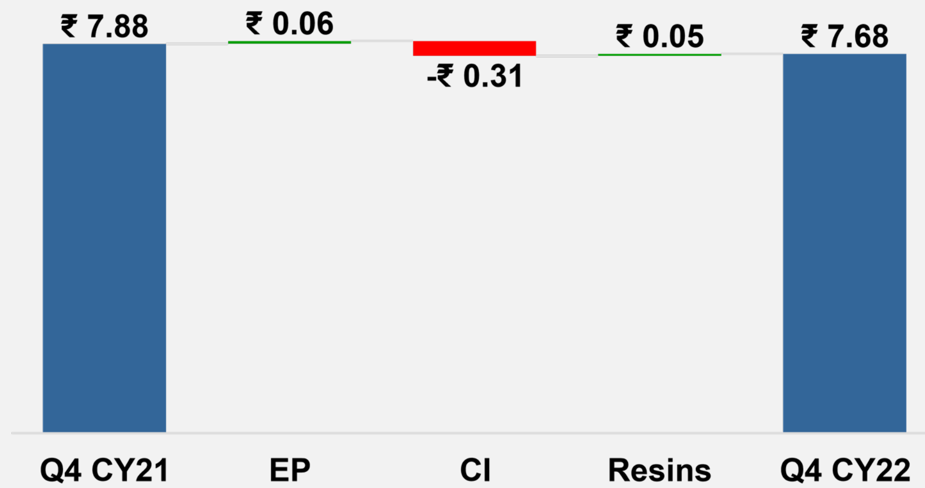
Note: Charts not to scale

Advanced Materials: Impacted by Lower Volumes and Continued High Energy Costs

(₹ in Billions)



Volumes (MT in thousands)



Revenue (excluding other operating income)

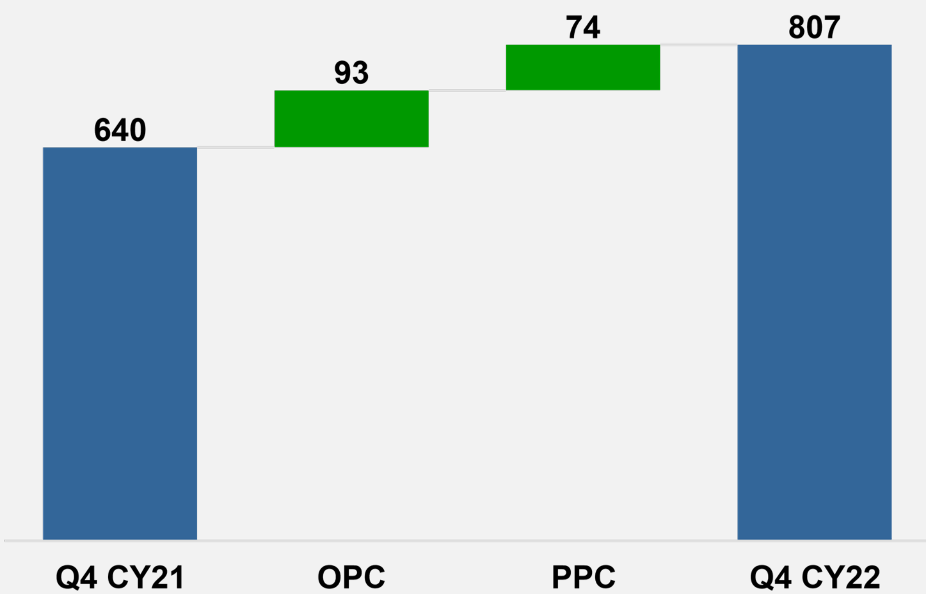
Highlights in Q4 CY22

- Decrease in volumes driven by lower production on account of maintenance shutdowns, closure of the aromatic chemicals business and overall lower demand
- Negative adjusted EBITDA during the quarter due to higher manufacturing costs and lower production, resulting in under utilisation of production capacities

EP – Engineered Products; CI – Chemical Intermediates

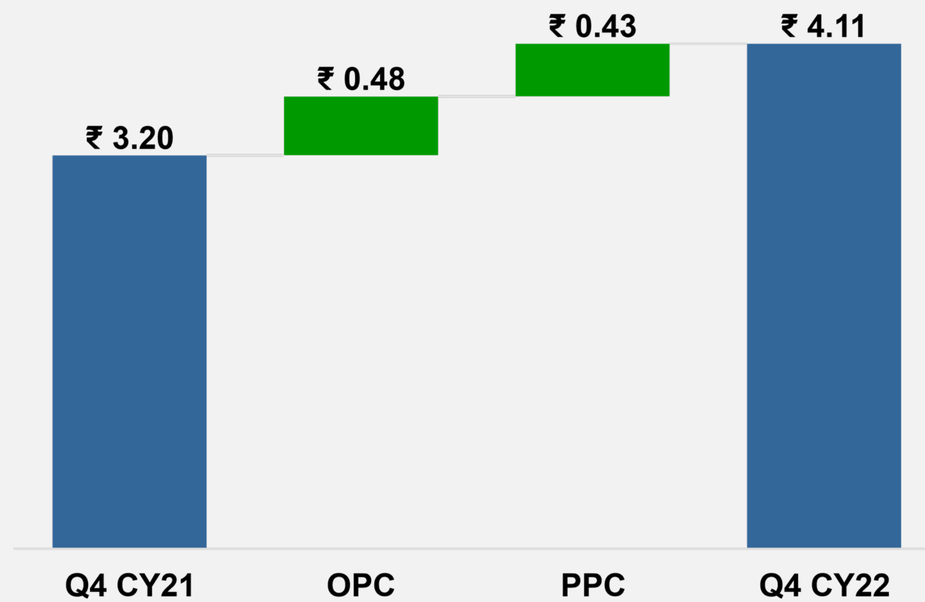
Note: Charts not to scale

Cement: Higher Revenues Driven by Increased Volumes



Volumes (MT in thousands)

(₹ in Billions)



Revenue (excluding other operating income)

Highlights in Q4 CY22

- Revenue from Cement business increased by ~28% due to higher volumes
- Adjusted EBITDA decreased by ₹ 95 million due to higher energy costs, offset by increased sales volumes

OPC – Ordinary Portland Cement; PPC – Portland Pozzolana Cement

Note: Charts not to scale

Debt Summary

US$ in Millions	Dec 2022	Dec 2021
7.25% USD-denominated Senior Secured Notes (due in April 2025)	530#	546
Euro-denominated Senior Secured Term Loan (due in January 2025) *	415	441
Senior Bank Debt	20	28
Sales Tax Deferment	3	6
Finance Lease Liability	61	59
Gross Term Debt	**1029**	**1,080**
Add: Working Capital Debt	152	71
Less: Deferred Finance Cost	6	9
Total Debt	**1,175**	**1,142**
Less: Cash and Cash Equivalents	217	228
Net Debt	**958**	**914**
LTM Adjusted EBITDA	478	341

Decrease on account of re-purchase of bonds during the period ended December 31, 2022
* Debt of €390 million converted at EURO/USD exchange rates of 1.06 and 1.13 as at Dec. 31, 2022, and Dec. 31, 2021, respectively

Cash Inflows / Outflows during 2022

- Operating cash flows includes net working capital outflows of ₹ 20.47 billion (compared to outflows of ₹ 11.42 billion in 2021), due to an increase in prices across all three business segments.
- Capital expenditure of ₹ 6.69 billion (US$ 85 million) during 2022 includes ₹ 0.94 billion (US$ 12 million) spent on expansion projects.
- Net cash used in financing activities of ₹ 3.8 billion during 2022 primarily includes outflow of ₹ 6.1 billion towards interest and dividend payments and ₹ 2.3 billion from net proceeds from borrowings.

(₹ in millions)

Particulars	CY 2022	CY 2021
Operating Activities	10,300	8,336
Investing Activities	(6,630)	(5,268)
Financing Activities	(3,828)	(7,401)

Thank You

Appendix

Summary of Consolidated Income Statement

₹ in Millions

Particulars	Q4 2022	Q4 2021	CY 2022	CY 2021
Net Revenue	54,112	39,660	209,063	143,697
Other Operating Income	456	601	1,048	1,571
Revenue from Operations	**54,568**	**40,261**	**210,111**	**145,268**
Reported EBITDA	**6,629**	**5,468**	**36,381**	**25,291**
Adjusted EBITDA	**6,895**	**5,410**	**37,545**	**25,174**
Adjusted EBITDA Margin	*12.6%*	*13.4%*	*17.9%*	*17.3%*
Profit Before Tax	**3,355**	**2,234**	**23,273**	**12,764**
Tax Expense, net	2,095	2,958	7,503	5,829
Non-controlling Interest	365	246	1,383	1,134
Reported Profit/(Loss) After Tax	**895**	**(970)**	**14,387**	**5,801**
Adjusted Profit After Tax	**2,373**	**944**	**16,980**	**7,560**
Adjusted Earnings Per Share (in ₹)*	7.06	2.81	50.49	22.48

Quarterly Earnings Per Share is not annualized.

Reconciliation of EBITDA and PAT for Q4 2022

₹ in Millions

Particulars	EBITDA	PAT
A. Reported	**6,629**	**895**
B. Adjustments:		
• Insurance claims received during the quarter related to prior periods and other operating income adjustments	(206)	(206)
• Expenses towards strategic projects and other non-recurring items	472	472
• Tax impact on above adjustments	-	98
• Other tax adjustments	-	1,114
C. Adjusted (A + B)	**6,895**	**2,373**

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, 0.6 million tonnes p.a. advanced materials capacity and 3.5 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.