



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
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Dear Sir/ Madam,

Sub: Rain Industries Limited - Press Release on the Annual Audited Financial Results for the Financial Year ended on December 31, 2022 – Reg.

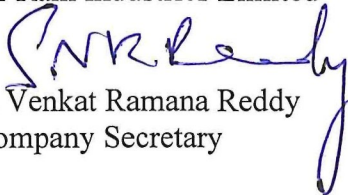
Ref : Scrip Code: 500339 (BSE) and Scrip code : RAIN (NSE)

With reference to the above stated subject, please find enclosed herewith the Press Release on the Annual Audited Standalone and Consolidated Financial Results for the Financial Year ended on December 31, 2022

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

February 27, 2023

Results for the fourth quarter ended December 31, 2022

RAIN INDUSTRIES LIMITED ("RAIN" / "the Company") reported its audited financial results for the fourth quarter ended December 31, 2022.

Financial Highlights

Q4 2022

- Revenue from Operations was ₹54.57 billion and Adjusted EBITDA was ₹6.90 billion.
- Adjusted Net Profit After Tax was ₹2.37 billion and Adjusted EPS was ₹7.06.

CY 2022

- Revenue from Operations was ₹210.11 billion and Adjusted EBITDA was ₹37.55 billion.
- Adjusted Net Profit After Tax was ₹16.98 billion and Adjusted EPS was ₹50.49.

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
<i>Adjusted EBITDA Margin</i>	<i>12.6%</i>	<i>13.4%</i>	<i>17.9%</i>	<i>17.3%</i>
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 annualised.



RAIN INDUSTRIES LIMITED

Set forth below is selected Segment information:

Carbon

(₹ in Millions except volume data)

Particulars	Q4 CY22	Q4 CY21	CY 2022	CY 2021	Variance Q4 CY22 vs Q4 CY21	Variance CY 2022 vs CY 2021
(a) Sales Volumes ⁽¹⁾ (000 Metric Tonne)						
- Calcined Petroleum Coke (CPC)	378	367	1,385	1,419	3.0%	-2.4%
- Coal Tar Pitch (CTP)	121	131	523	556	-7.6%	-5.9%
- Other Carbon Products (OCP)	118	132	522	554	-10.6%	-5.8%
TOTAL	617	630	2,430	2,529	-2.1%	-3.9%
(b) Net Revenue ⁽¹⁾						
- Calcined Petroleum Coke (CPC)	22,491	14,041	75,681	42,258	60.2%	79.1%
- Coal Tar Pitch (CTP)	13,314	8,282	49,969	31,318	60.8%	59.6%
- Other Carbon Products (OCP)	6,000	5,599	26,741	21,124	7.2%	26.6%
- Energy	523	655	2,223	2,266	-20.2%	-1.9%
TOTAL	42,328	28,577	154,614	96,967	48.1%	59.5%
(c) Adjusted EBITDA ⁽²⁾	7,663	5,790	34,792	20,884	32.3%	66.6%
(d) Adjusted EBITDA Margin (%)	18.1%	20.3%	22.5%	21.5%	-2.2%	1.0%

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 CY22	Q4 CY21	CY 2022	CY 2021	Variance Q4 CY22 vs Q4 CY21	Variance CY 2022 vs CY 2021
(a) Sales Volumes ⁽¹⁾ (000 Metric Tonne)						
- Engineered Products	11	16	65	96	-31.3%	-32.3%
- Chemical Intermediates	27	42	135	173	-35.7%	-22.0%
- Resins	18	27	110	116	-33.3%	-5.2%
TOTAL	56	85	310	385	-34.1%	-19.5%
(b) Net Revenue ⁽¹⁾						
- Engineered Products	1,553	1,492	8,282	7,424	4.1%	11.6%
- Chemical Intermediates	2,781	3,089	13,965	12,457	-10.0%	12.1%
- Resins	3,345	3,299	16,857	13,029	1.4%	29.4%
TOTAL	7,679	7,880	39,104	32,909	-2.6%	18.8%
(c) Adjusted EBITDA ⁽²⁾	(1,220)	(927)	1,347	1,555	31.6%	-13.3%
(d) Adjusted EBITDA Margin (%)	-15.9%	-11.8%	3.4%	4.7%	-4.1%	-1.3%

Cement

(₹ in Millions except volume data)

Particulars	Q4 CY22	Q4 CY21	CY 2022	CY 2021	Variance Q4 CY22 vs Q4 CY21	Variance CY 2022 vs CY 2021
(a) Sales Volumes ⁽¹⁾ (000 Metric Tonne)	807	640	3,124	2,895	26.1%	7.9%
(b) Net Revenue	4,105	3,203	15,345	13,821	28.2%	11.0%
(c) Adjusted EBITDA ⁽²⁾	452	547	1,406	2,735	-17.4%	-48.6%
(d) Adjusted EBITDA Margin (%)	11.0%	17.1%	9.2%	19.8%	-6.1%	-10.6%

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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Results of Operations

Quarter Ended December 31, 2022 Compared to Quarter Ended December 31, 2021

- Net Revenue of ₹54.11 billion during Q4 CY22 was an increase of ~36% as compared to ₹39.66 billion during Q4 CY21.
 - Carbon sales volumes during Q4 CY22 were 617 thousand metric tonnes, a decrease of ~2% as compared to 630 thousand metric tonnes in Q4 CY21, driven by lower throughputs on account of longer maintenance schedules. The average blended realisation increased by ~38% driven by market quotations and increased raw material prices across all regions. There was a depreciation of Euro against Indian Rupee by ~2% and an appreciation of USD against Indian Rupee by ~10%. Overall, due to the aforesaid reasons, revenue from Carbon segment increased by ~48% in Q4 CY22 as compared to Q4 CY21.
 - Advanced Materials sales volumes during Q4 CY22 were 56 thousand metric tonnes, a decrease of ~34% as compared to 85 thousand metric tonnes in Q4 CY21. The decrease in volumes was driven by lower production on account of maintenance shutdowns, closure of the aromatic chemicals business and lower overall demand. During Q4 CY22, the average blended realisation increased by ~33% primarily due to increased energy costs, oil-related quotations and raw material quotations offset by a depreciation of Euro against Indian Rupee by ~2%. Due to the aforesaid reasons, revenue from Advanced Materials segment decreased by ~3% during Q4 CY22 as compared to Q4 CY21.
 - Cement revenue increased by ~28% during Q4 CY22 as compared to Q4 CY21 due to an increase in volumes of ~26% and an increase in realisations of ~2%.
- During Q4 CY22, Adjusted EBITDA was ₹6,895 million, an increase of ₹1,485 million as compared to Adjusted EBITDA of ₹5,410 million achieved during Q4 CY21.
 - Carbon segment Adjusted EBITDA increased by ₹1,873 million as compared to Q4 CY21 due to an increased lag between raw material costs and finished good prices offset by a depreciation of Euro against Indian Rupee and increased energy costs.
 - Advanced Materials segment Adjusted EBITDA decreased by ₹293 million due to higher manufacturing costs and lower production, depreciation of Euro against Indian Rupee and an increase in energy costs, offset by improved realisations.
 - Cement segment Adjusted EBITDA decreased by ₹95 million due to higher energy costs, offset by increased sales volumes.



RAIN INDUSTRIES LIMITED

- Reconciliation of Reported EBITDA and Adjusted EBITDA for Q4 CY22 is as follows:

(₹ in Millions)

Particulars	Q4 2022	CY 2022
A. Reported EBITDA	6,629	36,381
<i>B. Adjustments/exceptional items:</i>		
• Gain on Bond re-purchase (buyback)	-	(30)
• 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	1,367
• Gain on polymer business transaction	-	(33)
• Costs incurred on account of hurricane at Lake Charles plant in United States	-	66
C. Adjusted EBITDA (A + B)	6,895	37,545

- Finance costs of ₹1.50 billion during Q4 CY22 as compared to finance costs of ₹1.19 billion during Q4 CY21 due to an increase in working-capital borrowings and the impact of fluctuations in exchange rates, offset by a decrease due to the repurchase of senior-secured notes and repayment of senior bank debt.
- The Company recorded an income tax expense of ₹2.10 billion for Q4 CY22 as compared to ₹2.96 billion for Q4 CY21. The current-period amount includes ₹1.11 billion of valuation allowance on deferred tax assets in Germany and US as compared to ₹1.88 billion of valuation allowance in Q4 2021. The consolidated adjusted effective tax rate is in line with group tax rates, considering the enacted tax rates in various geographies.
- The Adjusted Profit After Tax during Q4 CY22 was ₹2.37 billion as compared to Adjusted Profit After Tax of ₹0.94 billion during Q4 CY21.
- The Company achieved an Adjusted Earnings per Share of ₹7.06 during Q4 CY22 as compared to Adjusted Earnings per Share of ₹2.81 during Q4 CY21.



RAIN INDUSTRIES LIMITED

- Reconciliation of Reported Profit After Tax and Adjusted Profit After Tax for Q4 CY22 is as follows:

(₹ in Millions)

Particulars	Q4 2022	CY 2022
A. Reported Profit After Tax	895	14,387
<i>B. Adjustments/Exceptional items:</i>		
• Gain on Bond re-purchase (buyback)	-	(30)
• Impairment of pond pitch/dual-solvent project	-	466
• 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	1,367
• Gain on sale of polymer business	-	(33)
• Costs incurred on account of hurricane at Lake Charles plant in United States	-	66
• Tax impact on above adjustments	98	(151)
• Other tax adjustments	1,114	1,114
C. Adjusted Profit After Tax (A + B)	2,373	16,980



RAIN INDUSTRIES LIMITED

Debt Summary

As at December 31, 2022, the Company had a Gross Debt of US\$ 1,181 million (including Working Capital Debt of US\$ 152 million), Cash and cash equivalents of US\$ 217 million (including restricted cash), Unamortised Deferred Finance Cost of US\$ 6 million and Net Debt of US\$ 958 million.

(US\$ ⁽¹⁾ in Millions)

Particulars	As on Dec. 31, 2022	As on Dec. 31, 2021	Repayment Terms
7.25% USD-denominated Senior Secured Notes ⁽²⁾	530	546	Matures in April 2025
Euro-denominated Senior Secured Term Loan ⁽³⁾	415	441	Matures in January 2025
Senior Bank Debt	20	28	Floating Rate - Matures in November 2023
Sales Tax Deferment	3	6	Interest Free - Instalments up to 2025
Finance Lease Liability	61	59	Fixed Rates - Finance leases
Gross Term Debt	1,029	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 ⁽⁴⁾	217	228	
Net Debt	958	914	

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

(2) Decrease on account of re-purchase of bonds during the year ended December 31, 2022.

(3) Debt of €390 million converted at Euro/USD rates of 1.06 and 1.13 as at Dec. 31, 2022 and Dec. 31, 2021 respectively.

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

During the year ended December 31, 2022, the Company incurred capital expenditures of US\$ 85 million, including expansion CAPEX for the vertical-shaft kiln project in Vizag, India, anhydrous carbon pellet project in the US, solar power plants in India and other maintenance projects across all locations.

As the prices of most products have increased sequentially over the last few quarters, there was a substantial increase in inventories and receivables, resulting in higher working capital borrowings, which should normalise when the prices stabilise.



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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.

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 CY22	Q4 CY21	CY 2022	CY 2021	Variance Q4 CY22 vs Q4 CY21	Variance CY 2022 vs CY 2021
Indian Rupee / US Dollar	82.20	74.93	78.60	73.92	-9.7%	-6.3%
Indian Rupee / Euro	83.88	85.68	82.72	87.48	2.1%	5.4%
Russian Ruble / US Dollar	63.12	72.68	69.70	73.70	13.2%	5.4%
Canadian Dollar / Euro	1.39	1.44	1.37	1.48	3.5%	7.4%

Closing Rate of Exchange	Q4 CY22	Q4 CY21	CY 2022	CY 2021	Variance Q4 CY22 vs Q4 CY21	Variance CY 2022 vs CY 2021
Indian Rupee / US Dollar	82.79	74.30	82.79	74.30	-11.4%	-11.4%
Indian Rupee / Euro	88.15	84.05	88.15	84.05	-4.9%	-4.9%
Russian Ruble / US Dollar	71.87	75.31	71.87	75.31	4.6%	4.6%
Canadian Dollar / Euro	1.44	1.44	1.44	1.44	0.0%	0.0%



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:

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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.*