



RAIN INDUSTRIES LIMITED

RIL/SEs/2022

May 4, 2022

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: Press Release –Reg.

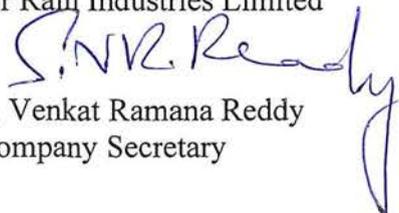
Ref : Scrip Code: 500339 (BSE) and Scrip code : RAIN (NSE)

With reference to the above stated subject, please find enclosed herewith the Press Release on the Unaudited Financial Results (Standalone, Consolidated and Segment) for the first quarter ended on March 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

May 4, 2022

Results for the first quarter ended March 31, 2022

RAIN INDUSTRIES LIMITED ("RAIN" / "the Company") reported its unaudited financial results for the first quarter ended March 31, 2022.

Financial Highlights for Q1 CY 22

- Revenue from Operations was ₹44.37 billion vs ₹30.08 billion in Q1 2021.
- Adjusted EBITDA was ₹8.35 billion vs ₹6.35 billion in Q1 2021.
- Adjusted Net Profit After Tax was ₹3.04 billion vs ₹2.15 billion in Q1 2021.
- Adjusted EPS was ₹9.05 vs ₹6.40 in Q1 2021.

Summary of Consolidated Income Statement

₹ in Millions

Particulars	Q1 2022	Q4 2021	Q1 2021	CY 2021
Net Revenue	44,093	39,660	29,900	143,697
Other Operating Income	273	601	182	1,571
Revenue from Operations	44,366	40,261	30,082	145,268
Reported EBITDA	7,986	5,468	6,237	25,291
Adjusted EBITDA	8,348	5,410	6,353	25,174
<i>Adjusted EBITDA Margin</i>	<i>18.8%</i>	<i>13.4%</i>	<i>21.1%</i>	<i>17.3%</i>
Profit Before Tax	4,904	2,234	3,143	12,764
Tax Expense, Net	1,765	2,958	831	5,829
Non-controlling Interest	365	246	249	1,134
Reported Profit /(Loss) After Tax	2,774	(970)	2,063	5,801
Adjusted Profit After Tax	3,044	944	2,151	7,560
Adjusted Earnings Per Share in (₹)*	9.05	2.81	6.40	22.48

*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 CY22	Q4 CY21	Q1 CY21	CY 2021	Variance Q1 CY22 vs Q4 CY21	Variance Q1 CY22 vs Q1 CY21
(a) Sales Volumes ⁽¹⁾ (000 Metric Tons)						
- Calcined Petroleum Coke (CPC)	335	367	369	1,419	(8.7%)	(9.2%)
- Coal Tar Pitch (CTP)	141	131	145	556	7.6%	(2.8%)
- Other Carbon Products (OCP)	137	132	135	554	3.8%	1.5%
TOTAL	613	630	649	2,529	(2.7%)	(5.5%)
(b) Net Revenue ⁽¹⁾						
- Calcined Petroleum Coke (CPC)	14,353	14,041	7,946	42,258	2.2%	80.6%
- Coal Tar Pitch (CTP)	9,940	8,282	7,039	31,318	20.0%	41.2%
- Other Carbon Products (OCP)	6,131	5,599	4,561	21,124	9.5%	34.4%
- Energy	567	655	587	2,266	(13.4%)	(3.4%)
TOTAL	30,991	28,577	20,133	96,966	8.4%	53.9%
(c) Adjusted EBITDA ⁽²⁾	6,871	5,790	5,148	20,884	18.7%	33.5%
(d) Adjusted EBITDA Margin (%)	22.2%	20.3%	25.6%	21.5%	1.9%	(3.4%)

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.



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Advanced Materials

(₹ in Millions except volume data)

Particulars	Q1 CY22	Q4 CY21	Q1 CY21	CY 2021	Variance Q1 CY22 vs Q4 CY21	Variance Q1 CY22 vs Q1 CY21
(a) Sales Volumes ⁽¹⁾ (000 Metric Tons)						
- Engineered Products	14	16	13	96	(12.5%)	7.7%
- Chemical Intermediates	36	42	41	173	(14.3%)	(12.2%)
- Resins	33	27	26	116	22.2%	26.9%
TOTAL	83	85	80	385	(2.4%)	3.8%
(b) Net Revenue ⁽¹⁾						
- Engineered Products	1,549	1,492	1,179	7,424	3.8%	31.4%
- Chemical Intermediates	3,191	3,089	2,533	12,457	3.3%	26.0%
- Resins	4,513	3,299	2,716	13,029	36.8%	66.2%
TOTAL	9,253	7,880	6,428	32,910	17.4%	43.9%
(c) Adjusted EBITDA ⁽²⁾	894	(927)	612	1,555	196.4%	46.1%
(d) Adjusted EBITDA Margin (%)	9.7%	(11.8%)	9.5%	4.7%	21.5%	0.2%

Cement

(₹ in Millions except volume data)

Particulars	Q1 CY22	Q4 CY21	Q1 CY21	CY 2021	Variance Q1 CY22 vs Q4 CY21	Variance Q1 CY22 vs Q1 CY21
(a) Sales Volumes ⁽¹⁾ (000 Metric Tons)	798	640	756	2,895	24.7%	5.6%
(b) Net Revenue	3,849	3,203	3,339	13,821	20.2%	15.3%
(c) Adjusted EBITDA ⁽²⁾	583	547	593	2,735	6.6%	(1.7%)
(d) Adjusted EBITDA Margin (%)	15.1%	17.1%	17.8%	19.8%	(2.0%)	(2.7%)

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.



RAIN INDUSTRIES LIMITED

Results of Operations

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

- Net Revenue of ₹44.09 billion during Q1 CY22 was an increase of ~47.5% as compared to ₹29.90 billion during Q1 CY21.
 - Carbon sales volumes during Q1 CY22 were 613 thousand metric tonnes, a decrease of 5.5% as compared to 649 thousand metric tonnes in Q1 CY21, driven by the extended shutdowns due to raw material unavailability. Further, the average blended realisation increased by ~63.0% driven by higher demand and market quotations across all regions. There was a depreciation of EURO against Indian Rupee by ~4.0% and an appreciation of USD against Indian Rupee by ~3.2%. Overall, due to the aforesaid reasons, revenue from Carbon segment increased by ~53.9% in Q1 CY22, as compared to Q1 CY21.
 - Advanced Materials sales volumes during Q1 CY22 were 83 thousand metric tonnes, an increase of 3.8% as compared to 80 thousand metric tonnes in Q1 CY21. The increase in volumes was primarily driven by higher throughputs, ramp up of the hydrogenated hydrocarbon resins (“HHCR”) plant and increased demand from refractory and lithium-ion battery producers. During Q1 CY22, the average blended realisation increased by ~38.7% 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 ~4.0%. Due to the aforesaid reasons, revenue from Advanced Materials segment increased by ~43.9% during Q1 CY22, as compared to Q1 CY21.
 - Cement revenue increased by 15.3% during Q1 CY22, as compared to Q1 CY21 due to an increase in volumes by 5.6% and increase in realisations by 9.2%.
- During Q1 CY22, Adjusted EBITDA was ₹8,348 million, an increase of ₹1,995 million as compared to Adjusted EBITDA of ₹6,353 million achieved during Q1 CY21.
 - Carbon segment Adjusted EBITDA increased by ₹1,723 million as compared to Q1 CY21 due to improved realisations offset by depreciation of EURO against Indian Rupee and an increase in energy costs.
 - Advanced Materials segment Adjusted EBITDA increased by ₹282 million due to improved realisations offset by depreciation of EURO against Indian Rupee and an increase in energy costs.
 - Cement segment Adjusted EBITDA decreased by ₹10 million due to higher operating costs offset by increased volumes and realisations.



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- Reconciliation of Reported EBITDA and Adjusted EBITDA for Q1 CY22 is as follows:

Particulars	₹ in Millions
A. Reported EBITDA	7,986
<i>B. Adjustments/exceptional items:</i>	
• Expenses towards strategic projects and other non-recurring items	356
• Repair and other costs incurred on account of hurricane	47
• Gain on repurchase of bonds	(8)
• Gain on divestment of superplasticizer business	(33)
C. Adjusted EBITDA (A + B)	8,348

- Finance costs of ₹1.20 billion during Q1 CY22 stood at same level as compared to Q1 CY21. Despite an increase in the working capital borrowing limits, the interest expense remained same due to the impact of fluctuations in exchange rates, repurchase of senior secured notes and repayment of senior bank debt.
- The Company recorded an income tax expense of ₹1.77 billion for Q1 CY22 as compared to ₹0.83 billion for Q1 CY21. Due to non-recognition of Deferred tax assets in Germany consequent to the position taken as at Dec 31, 2021, coupled with other tax adjustments, the effective tax rate is higher during the quarter. However, 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 Q1 CY22 was ₹3.04 billion as compared to Adjusted Profit After Tax of ₹2.15 billion during Q1 CY21.
- The Company achieved an Adjusted Earnings per Share of ₹9.05 during Q1 CY22 as compared to Adjusted Earnings per Share of ₹6.40 during Q1 CY21.



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- Reconciliation of Reported Profit After Tax and Adjusted Profit After Tax for Q1 CY22 is as follows:

Particulars	₹ in Millions
A. Reported Profit After Tax	2,774
<i>B. Adjustments/Exceptional items:</i>	
• Expenses towards strategic projects and other non-recurring items	356
• Repair and other costs incurred on account of hurricane	47
• Gain on repurchase of bonds	(8)
• Gain on divestment of superplasticizer business	(33)
• Tax impact on above adjustments	(92)
C. Adjusted Profit After Tax (A + B)	3,044



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Debt Summary

As at March 31, 2022, the Company had a Gross Debt of US\$ 1,153 million (including Working Capital Debt of US\$ 95 million), Cash and cash equivalents of US\$ 212 million (including restricted cash), Unamortised Deferred Finance Cost of US\$ 8 million and Net Debt of US\$ 933 million.

(US\$ ⁽¹⁾ in Millions)

Particulars	As on Mar. 31, 2022	As on Dec. 31, 2021	Repayment Terms
7.25% USD-denominated Senior Secured Notes	539 [#]	546	Matures in April 2025
Euro-denominated Senior Secured Term Loan ⁽²⁾	436	441	Matures in January 2025
Senior Bank Debt	20	20	Floating Rate - Matures in November 2023
Senior Bank Debt	-	8	Matured
Sales Tax Deferment	5	6	Interest Free - Instalments up to 2025
Finance Lease Liability	58	59	Fixed Rates - Finance leases
Gross Term Debt	1,058	1,080	
Add: Working Capital Debt	95	71	
Less: Deferred Finance Cost	8	9	
Total Debt	1,145	1,142	
Less: Cash and cash equivalents ⁽³⁾	212	228	
Net Debt	933	914	

[#] Decrease on account of re-purchase of bonds during the quarter

(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 1.12 and 1.13 as at Mar. 31, 2022 and Dec. 31, 2021 respectively.

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

During the quarter ended March 31, 2022, the Company incurred capital expenditures of US\$ 18 million, including expansion CAPEX for the 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	Q1 CY22	Q4 CY21	Q1 CY21	CY 2021	Variance Q1 CY22 vs Q4 CY21	Variance Q1 CY22 vs Q1 CY21
Indian Rupee / US Dollar	75.23	74.93	72.89	73.92	(0.4%)	(3.2%)
Indian Rupee / Euro	84.40	85.68	87.93	87.48	1.5%	4.0%
Russian Ruble / US Dollar	87.83	72.68	74.42	73.77	(20.8%)	(18.0%)
Canadian Dollar / Euro	1.42	1.44	1.53	1.48	1.4%	7.2%

Closing Rate of Exchange	Q1 CY22	Q4 CY21	Q1 CY21	CY 2021	Variance Q1 CY22 vs Q4 CY21	Variance Q1 CY22 vs Q1 CY21
Indian Rupee / US Dollar	75.81	74.30	73.50	74.30	(2.0%)	(3.1%)
Indian Rupee / Euro	84.66	84.05	86.10	84.05	(0.7%)	1.7%
Russian Ruble / US Dollar	82.55	75.31	75.32	75.31	(9.6%)	(9.6%)
Canadian Dollar / Euro	1.39	1.44	1.48	1.44	3.5%	6.1%



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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.*