



## RAIN INDUSTRIES LIMITED

RIL/SEs/2021

February 25, 2021

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

Dear Sir/ Madam,

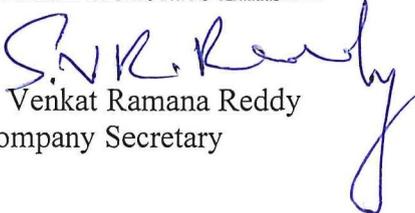
Sub: Press Release on the Financial Results of the Company –Reg.  
Ref : Scrip Code: 500339 (BSE) & Scrip code : RAIN (NSE)

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 on December 31, 2020.

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, 2021

### **Results for the fourth quarter and year ended December 31, 2020**

RAIN INDUSTRIES LIMITED (“RAIN” / “the Company”) reported its audited financial results for the fourth quarter and year ended December 31, 2020.

#### **Financial Highlights**

##### Q4 2020

- Revenue from Operations was ₹26.40 billion and Adjusted EBITDA was ₹4.80 billion.
- Adjusted Net Profit After Tax was ₹1.16 billion and Adjusted EPS was ₹3.44.

##### CY 2020

- Revenue from Operations was ₹104.65 billion and Adjusted EBITDA was ₹19.89 billion.
- Adjusted Net Profit After Tax was ₹5.32 billion and Adjusted EPS was ₹15.82.

#### **Selected Financial Data**

₹ in Millions

| Particulars                           | Q4 2020       | Q4 2019       | CY 2020        | CY 2019        |
|---------------------------------------|---------------|---------------|----------------|----------------|
| Net Revenue                           | 26,201        | 28,090        | 103,962        | 122,873        |
| Other Operating Income                | 201           | 214           | 685            | 734            |
| <b>Revenue from Operations</b>        | <b>26,402</b> | <b>28,304</b> | <b>104,647</b> | <b>123,607</b> |
| EBITDA <sup>(1)</sup>                 | 7,775         | 4,457         | 21,008         | 15,968         |
| <b>Adjusted EBITDA <sup>(1)</sup></b> | <b>4,804</b>  | <b>4,535</b>  | <b>19,892</b>  | <b>17,427</b>  |
| <i>Adjusted EBITDA Margin</i>         | <i>18.2%</i>  | <i>16.0%</i>  | <i>19.0%</i>   | <i>14.1%</i>   |
| <b>Profit Before Tax</b>              | <b>4,450</b>  | <b>1,492</b>  | <b>8,510</b>   | <b>5,907</b>   |
| Tax Expense, Net                      | 1,229         | 275           | 2,627          | 1,283          |
| Non-controlling Interest              | 151           | 69            | 301            | 710            |
| Net Profit After Tax                  | 3,070         | 1,148         | 5,582          | 3,914          |
| <b>Adjusted Net Profit After Tax</b>  | <b>1,159</b>  | <b>1,325</b>  | <b>5,321</b>   | <b>5,211</b>   |
| Adjusted Earnings Per Share in (₹)*   | 3.44          | 3.94          | 15.82          | 15.49          |

\*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 in previous periods to depreciation and interest expense from FY 2020, resulting in increase in EBITDA by ₹ 296 million and ₹ 1,122 million during Q4 2020 and CY 2020 respectively. Hence, prior period numbers are not comparable.



## RAIN INDUSTRIES LIMITED

Set forth below is selected Segment information:

### Carbon

| Particulars   | Q4 CY20       | Q4 CY19       | CY 2020       | CY 2019       | Variance<br>Q4 CY20<br>vs<br>Q4 CY19 | Variance<br>CY 2020<br>vs<br>CY 2019 |
|---|---------------|---------------|---------------|---------------|--------------------------------------|--------------------------------------|
| <b>(a) Sales Volumes <sup>(1)</sup> (In '000 MTs)</b>         |               |               |               |               |                                      |                                      |
| - Calcined Petroleum Coke (CPC)                               | 394           | 412           | 1,520         | 1,521         | (4.4)%                               | (0.1)%                               |
| - Coal Tar Pitch (CTP)  | 111           | 134           | 500           | 557           | (17.2)%                              | (10.2)%                              |
| - Other Carbon Products (OCP)                                 | 136           | 123           | 502           | 538           | 10.6%                                | (6.7)%                               |
| <b>TOTAL</b>  | <b>641</b>    | <b>669</b>    | <b>2,522</b>  | <b>2,616</b>  | <b>(4.2)%</b>                        | <b>(3.6)%</b>                        |
| <b>(b) Net Revenue <sup>(1)</sup> (₹ in Millions)</b>         |               |               |               |               |                                      |                                      |
| - Calcined Petroleum Coke (CPC)                               | 7,466         | 7,806         | 27,066        | 32,083        | (4.4)%                               | (15.6)%                              |
| - Coal Tar Pitch (CTP)  | 4,895         | 6,576         | 23,150        | 28,901        | (25.6)%                              | (19.9)%                              |
| - Other Carbon Products (OCP)                                 | 3,850         | 4,095         | 14,419        | 18,002        | (6.0)%                               | (19.9)%                              |
| - Energy  | 503           | 579           | 2,137         | 2,239         | (13.1)%                              | (4.6)%                               |
| <b>TOTAL</b>  | <b>16,714</b> | <b>19,056</b> | <b>66,772</b> | <b>81,225</b> | <b>(12.3)%</b>                       | <b>(17.8)%</b>                       |
| <b>(c) Adjusted EBITDA <sup>(2)</sup><br/>(₹ in Millions)</b> | <b>3,361</b>  | <b>3,848</b>  | <b>13,857</b> | <b>12,758</b> | <b>(12.7)%</b>                       | <b>8.6%</b>                          |
| <b>(d) Adjusted EBITDA Margin (%)</b>                         | <b>20.1%</b>  | <b>20.2%</b>  | <b>20.7%</b>  | <b>15.7%</b>  | <b>(0.1)%</b>                        | <b>5.0%</b>                          |

**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

### Advanced Materials

| Particulars   | Q4<br>CY20   | Q4<br>CY19   | CY<br>2020    | CY<br>2019    | Variance<br>Q4 CY20<br>vs<br>Q4 CY19 | Variance<br>CY 2020<br>vs<br>CY 2019 |
|---|--------------|--------------|---------------|---------------|--------------------------------------|--------------------------------------|
| <b>(a) Sales Volumes <sup>(1)</sup> (In '000 MTs)</b>         |              |              |               |               |                                      |                                      |
| - Engineered Products   | 14           | 13           | 83            | 85            | 7.7%                                 | (2.4)%                               |
| - Petro Chemical Intermediates                                | 28           | 27           | 107           | 122           | 3.7%                                 | (12.3)%                              |
| - Naphthalene Derivates                                       | 31           | 27           | 111           | 118           | 14.8%                                | (5.9)%                               |
| - Resins  | 26           | 25           | 97            | 117           | 4.0%                                 | (17.1)%                              |
| <b>TOTAL</b>  | <b>99</b>    | <b>92</b>    | <b>398</b>    | <b>442</b>    | <b>7.6%</b>                          | <b>(10.0)%</b>                       |
| <b>(b) Net Revenue <sup>(1)</sup> (₹ in Millions)</b>         |              |              |               |               |                                      |                                      |
| - Engineered Products   | 1,069        | 941          | 5,897         | 5,417         | 13.6%                                | 8.9%                                 |
| - Petro Chemical Intermediates                                | 966          | 1,176        | 3,474         | 5,482         | (17.9)%                              | (36.6)%                              |
| - Naphthalene Derivates                                       | 2,028        | 1,839        | 7,135         | 7,951         | 10.3%                                | (10.3)%                              |
| - Resins  | 2,508        | 2,867        | 10,429        | 12,498        | (12.5)%                              | (16.6)%                              |
| <b>TOTAL</b>  | <b>6,571</b> | <b>6,823</b> | <b>26,935</b> | <b>31,348</b> | <b>(3.7)%</b>                        | <b>(14.1)%</b>                       |
| <b>(c) Adjusted EBITDA <sup>(2)</sup><br/>(₹ in Millions)</b> | <b>799</b>   | <b>432</b>   | <b>3,864</b>  | <b>3,107</b>  | <b>85.0%</b>                         | <b>24.4%</b>                         |
| <b>(d) Adjusted EBITDA Margin (%)</b>                         | <b>12.2%</b> | <b>6.3%</b>  | <b>14.3%</b>  | <b>9.9%</b>   | <b>5.9%</b>                          | <b>4.4%</b>                          |

### Cement

| Particulars   | Q4<br>CY20 | Q4<br>CY19 | CY<br>2020 | CY<br>2019 | Variance<br>Q4 CY20<br>vs<br>Q4 CY19 | Variance<br>CY 2020<br>vs<br>CY 2019 |
|---|------------|------------|------------|------------|--------------------------------------|--------------------------------------|
| (a) Sales Volumes <sup>(1)</sup> (In '000 MTs)        | 618        | 568        | 2,241      | 2,468      | 8.8%                                 | (9.2)%                               |
| (b) Net Revenue (₹ in Millions)                       | 2,916      | 2,211      | 10,255     | 10,300     | 31.9%                                | (0.4)%                               |
| (c) Adjusted EBITDA <sup>(2)</sup><br>(₹ in Millions) | 644        | 255        | 2,171      | 1,562      | 152.5%                               | 39.0%                                |
| (d) Adjusted EBITDA Margin (%)                        | 22.1%      | 11.5%      | 21.2%      | 15.2%      | 10.6%                                | 6.0%                                 |

#### 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.



## RAIN INDUSTRIES LIMITED

### Results of Operations

#### Quarter Ended December 31, 2020 Compared to Quarter Ended December 31, 2019

- Net Revenue of ₹26.20 billion during Q4 CY20 was a decrease of ~6.7% compared to ₹28.09 billion during Q4 CY19.
  - Carbon sales volumes during Q4 CY20 were 641 thousand metric tonnes, a decrease of 4.2% compared to 669 thousand metric tonnes in Q4 CY19. The decrease in volumes was primarily driven by lost CPC sales due to Hurricane Laura and reduced demand due to smelter closures. During Q4 CY20, the average blended realisation decreased by ~8.5%, which was offset to some extent by the appreciation of USD and EURO against Indian Rupee by ~3.6% and ~11.5% respectively. Overall, due to the aforesaid reasons, revenue from the Carbon segment decreased by ~12.3% in Q4 CY20 as compared to Q4 CY19.
  - Advanced Materials sales volumes during Q4 CY20 were 99 thousand metric tonnes, an increase of 7.6% as compared to 92 thousand metric tonnes in Q4 CY19. The increase in volumes was driven by improved demand from Asian markets after recovery from COVID-19 and improved demand from construction industries coupled with higher throughput based on improved raw material availability. During Q4 CY20, the average blended realisation decreased by ~10.5% driven by changes in customer mix and a fall in oil-related prices, which was offset to some extent by the appreciation of EURO against Indian Rupee by ~11.5%. Due to the aforesaid reasons, revenue from the Advanced Materials segment decreased by ~3.7% during Q4 CY20 as compared to Q4 CY19.
  - Cement revenue increased by 31.9% compared to Q4 CY19 due to an increase in realisations by 21.2% along with an increase in volumes by 8.8% as compared to Q4 CY19.
- During Q4 CY20, Adjusted EBITDA was ₹4,804 million, an increase of ₹269 million compared to Adjusted EBITDA of ₹4,535 million achieved during Q4 CY19. Adjusted EBITDA increased by ₹367 million in the Advanced Materials segment due to higher realisations in engineered products and volumes in naphthalene derivatives compared to Q4 CY19, coupled with the appreciation of the EURO against Indian Rupee. Further, Adjusted EBITDA increased by ₹389 million in the Cement segment due to increase in realisations, coupled with lower costs. Adjusted EBITDA decreased by ₹487 million in the Carbon segment due to a decline in volumes majorly on account of Hurricane Laura.
- Reconciliation of reported EBITDA and Adjusted EBITDA for Q4 CY20 is as follows:

| Particulars   | ₹ in Millions |
|---|---------------|
| <b>A. EBITDA</b>  | <b>7,775</b>  |
| <i>B. Adjustments:</i>  |               |
| • Repair and other costs incurred on account of hurricane           | 342           |
| • Gain on divestment of superplasticizer business                   | (3,864)       |
| • Expenses towards strategic projects and other non-recurring items | 551           |
| <b>C. Adjusted EBITDA (A + B)</b>                                   | <b>4,804</b>  |



## RAIN INDUSTRIES LIMITED

- Finance costs were ₹1.23 billion during Q4 CY20, as compared to finance costs of ₹1.13 billion during Q4 CY19. The increase in finance costs was on account of implementation of the new lease standard coupled with the appreciation of Euro against Indian Rupee.
- The Company recorded an income tax expense of ₹1.24 billion for Q4 CY20 compared to ₹0.28 billion for Q4 CY19.
- The Adjusted Net Profit during Q4 CY20 was ₹1.16 billion as compared to Adjusted Net Profit of ₹1.33 billion during Q4 CY19.
- The Company achieved an Adjusted Earnings per Share of ₹3.44 during Q4 CY20 as compared to Adjusted Earnings per Share of ₹3.94 during Q4 CY19.
- Reconciliation of reported net profit after tax and adjusted net profit after tax for Q4 CY20 is as follows:

| Particulars   | ₹ in Millions |
|---|---------------|
| <b>A. Net Profit After Tax</b>                                      | 3,070         |
| <i>B. Adjustments:</i>  |               |
| • Repair and other costs incurred on account of hurricane           | 342           |
| • Gain on divestment of superplasticizer business                   | (3,864)       |
| • Expenses towards strategic projects and other non-recurring items | 551           |
| • Tax impact on above adjustments                                   | 154           |
| • Deferred Tax adjustments  | 906           |
| <b>C. Adjusted Net Profit After Tax (A + B)</b>                     | <b>1,159</b>  |



## RAIN INDUSTRIES LIMITED

### Debt Summary

As at December 31, 2020, the Company had a Gross Debt of US\$ 1,224 million (including Working Capital and other Debt of US\$ 77 million), Cash and cash equivalents of US\$ 280 million (including restricted cash), Unamortised Deferred Finance Cost of US\$ 12 million and Net Debt of US\$ 932 million.

(US\$ <sup>(1)</sup> in Millions)

| Particulars  | As on Dec. 31, 2020 | As on Dec. 31, 2019 | Repayment Terms                              |
|--|---------------------|---------------------|--|
| 7.25% USD-denominated Senior Secured Notes                 | 550                 | 550                 | Matures in April 2025                        |
| Euro-denominated Senior Secured Term Loan B <sup>(2)</sup> | 479                 | 437                 | Matures in January 2025                      |
| Senior Bank Debt   | 39                  | 48                  | Floating Rate - Instalments up to March 2022 |
| Sales Tax Deferment  | 7                   | 9                   | Interest Free - Instalments up to 2025       |
| Finance Lease Liability <sup>(3)</sup>                     | 72                  | 16                  | Fixed Rates - Finance leases                 |
| <b>Gross Term Debt</b>                                     | <b>1,147</b>        | <b>1,060</b>        |  |
| Add: Working Capital and other Debt                        | 77                  | 55                  |  |
| Less: Deferred Finance Cost                                | 12                  | 14                  |  |
| <b>Total Debt</b>  | <b>1,212</b>        | <b>1,101</b>        |  |
| Less: Cash and cash equivalents <sup>(4)</sup>             | 280                 | 173                 |  |
| <b>Net Debt</b>  | <b>932</b>          | <b>928</b>          |  |

(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 1.23 and 1.12 as at Dec. 31, 2020 and Dec. 31, 2019 respectively.

(3) Includes lease liability of ~US\$ 57 created on account of implementation of new lease standard Ind AS 116 – Leases.

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

During the year ended December 31, 2020, the Company incurred capital expenditures of US\$ 146 million, including expansion CAPEX for the hydrogenated hydrocarbon resins project in Castrop-Rauxel, Germany, vertical-shaft kiln project in Vizag, India, mini solar power plants at cement plants in Kodad and Kurnool, 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  | Q4 CY20 | Q4 CY19 | CY 2020 | CY 2019 | Variance Q4 CY20 vs Q4 CY19 | Variance CY 2020 vs CY 2019 |
|---------------------------|---------|---------|---------|---------|-----------------------------|-----------------------------|
| Indian Rupee / US Dollar  | 73.76   | 71.23   | 74.10   | 70.37   | (3.6)%                      | (5.3)%                      |
| Indian Rupee / Euro       | 87.93   | 78.87   | 84.57   | 78.83   | (11.5)%                     | (7.3)%                      |
| Russian Ruble / US Dollar | 76.23   | 63.72   | 72.34   | 64.71   | (19.6)%                     | (11.8)%                     |
| Canadian Dollar / Euro    | 1.55    | 1.46    | 1.53    | 1.49    | (6.2)%                      | (2.7)%                      |

| Closing Rate of Exchange  | CY 2020 | CY 2019 | Variance CY 2020 vs CY 2019 |
|---------------------------|---------|---------|-----------------------------|
| Indian Rupee / US Dollar  | 73.05   | 71.27   | (2.5)%                      |
| Indian Rupee / Euro       | 89.79   | 79.88   | (12.4)%                     |
| Russian Ruble / US Dollar | 74.54   | 62.27   | (19.7)%                     |
| Canadian Dollar / Euro    | 1.56    | 1.46    | (6.8)%                      |



## 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

Saranga Pani  
Tel: +91 40 4234 9870  
Email: [Sarang.Pani@raincarbon.com](mailto:Sarang.Pani@raincarbon.com)

#### Investor Relations – US

Ryan Tayman  
Tel: +1 203 517 2822  
Email: [Ryan.Tayman@raincarbon.com](mailto:Ryan.Tayman@raincarbon.com)

**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.*