# RAIN INDUSTRIES LIMITED

# Earnings Presentation – Q1 2025


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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 business 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.

# Key Highlights – Q1 2025

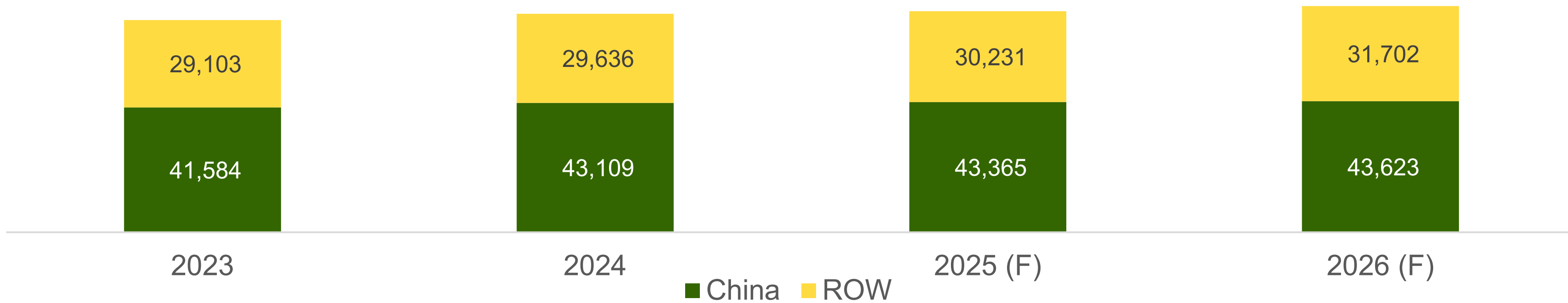
- Revenue from Operations - ₹37.68 billion
- Adjusted EBITDA - ₹4.34 billion
- Adjusted Net Loss After Tax - ₹0.98 billion
- Adjusted Loss per share - ₹2.91
- Maintenance Capital expenditure of US$ 14 million
- Repayment of 2025 Notes of $ 44 million
- Liquidity of US$ 278 million – including cash balance of US$ 120 million
- Carbon segment performance improved due to improved margins and volumes
- Advanced Materials segment performance declined due to lower demand and higher cost of raw materials
- Cement segment performance declined due to lower volumes and realisations

**Safety - Achieved TRIR of 0.06 for Q1 2025 across all three segments**

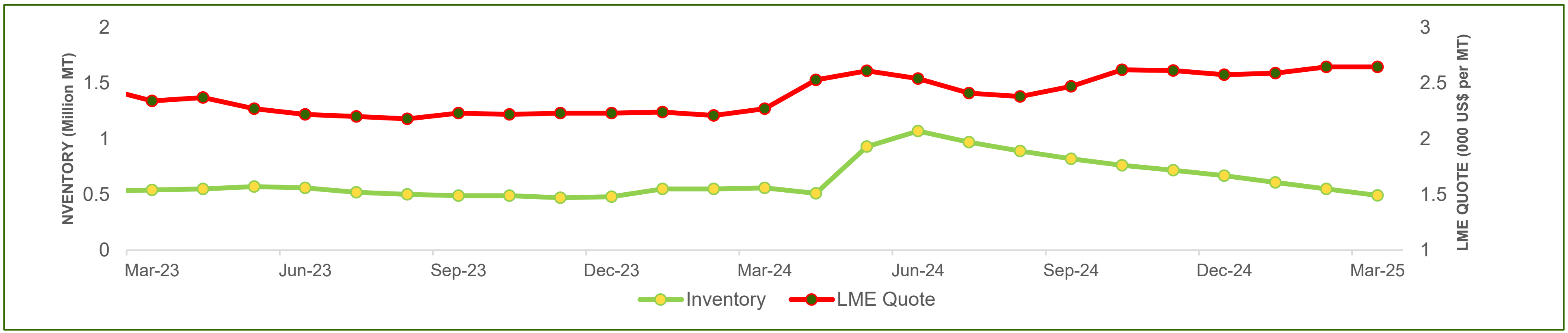
# Aluminium Market Update

**Primary Aluminium Production Growth** in Thousand Tonnes

**Not to Scale**



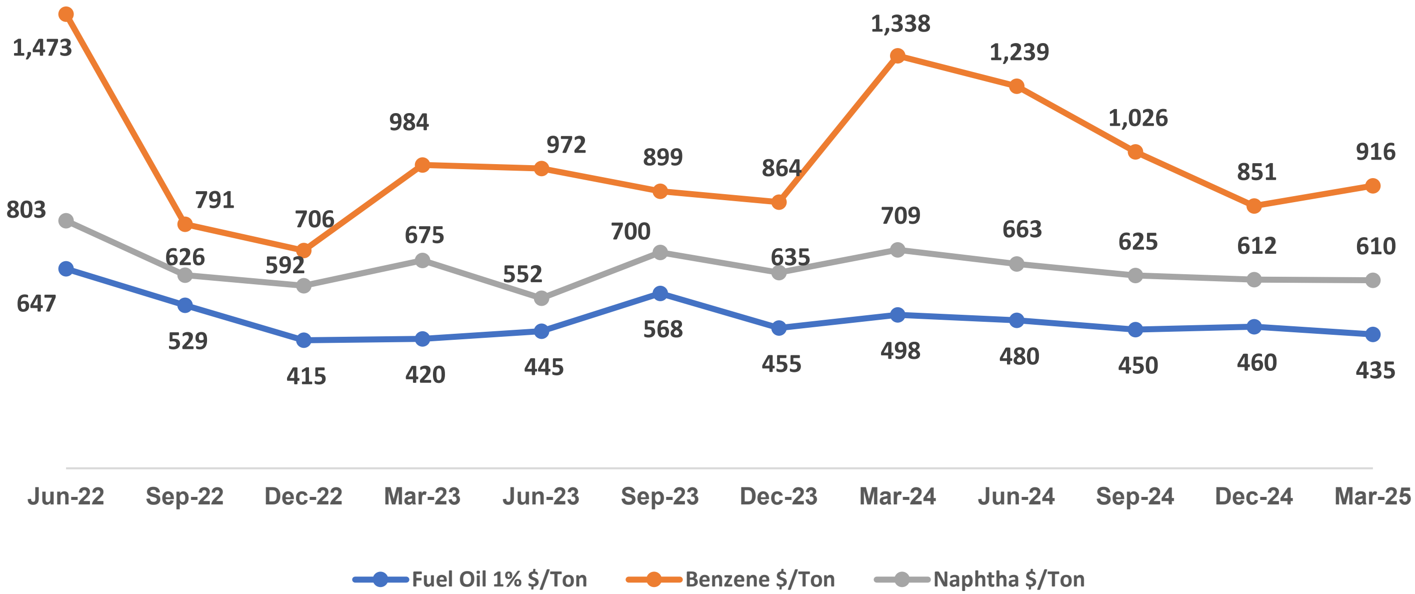

**LME AL Inventory** (Million MT) vis-à-vis **LME AL Quote** (000 US$ per MT)




- Aluminium production continues to expand world-wide, meeting the growth in demand.
- Aluminium 3-month LME price is trading at around US$2,400 per tonne at end of April 2025

# Price Trend of Key Products and European Natural Gas

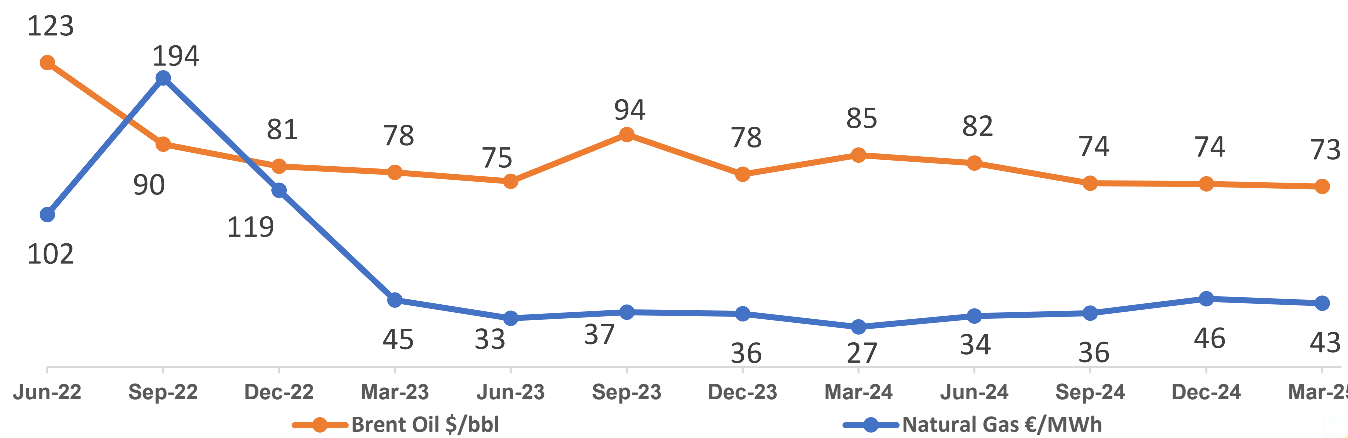
Not to Scale




**Recovery in Benzene prices**

**Fuel Oil at 22-month low**

**Natural gas prices stable in Europe during the quarter**



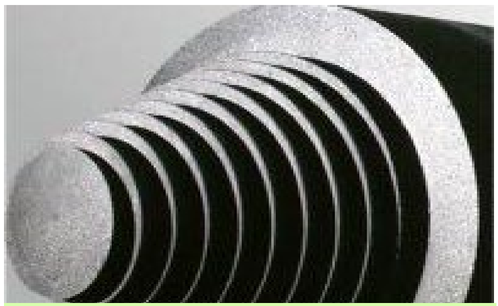
# Revenue by End Industry – LTM Q1 2025

## Markets We Serve

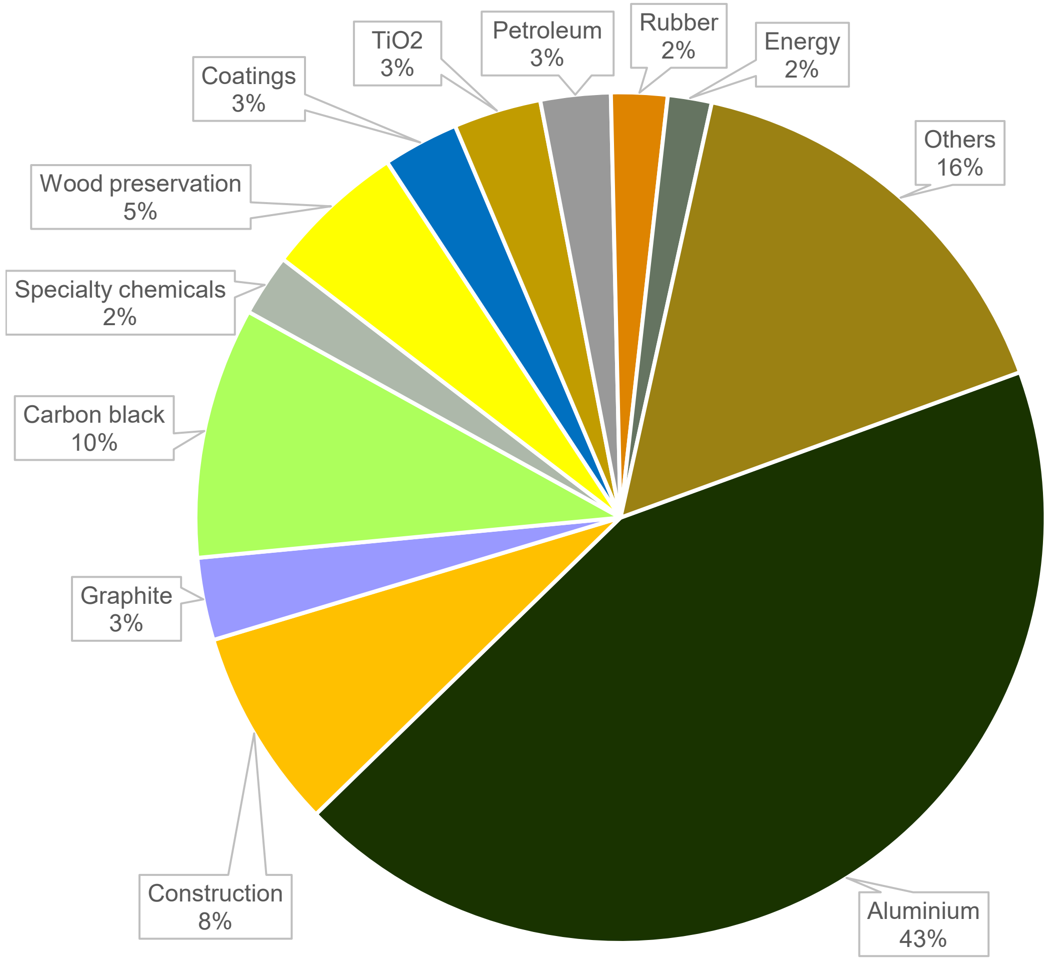
**Aluminium**

**Automotive**

**Chemicals and Advanced Materials**



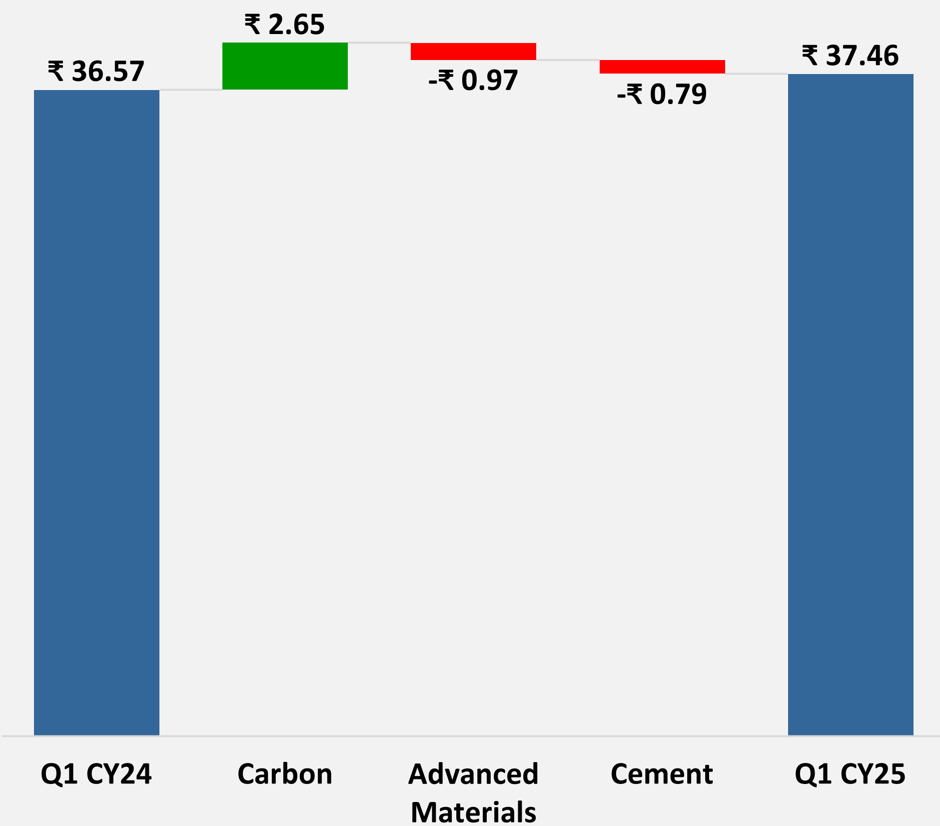
**Graphite**



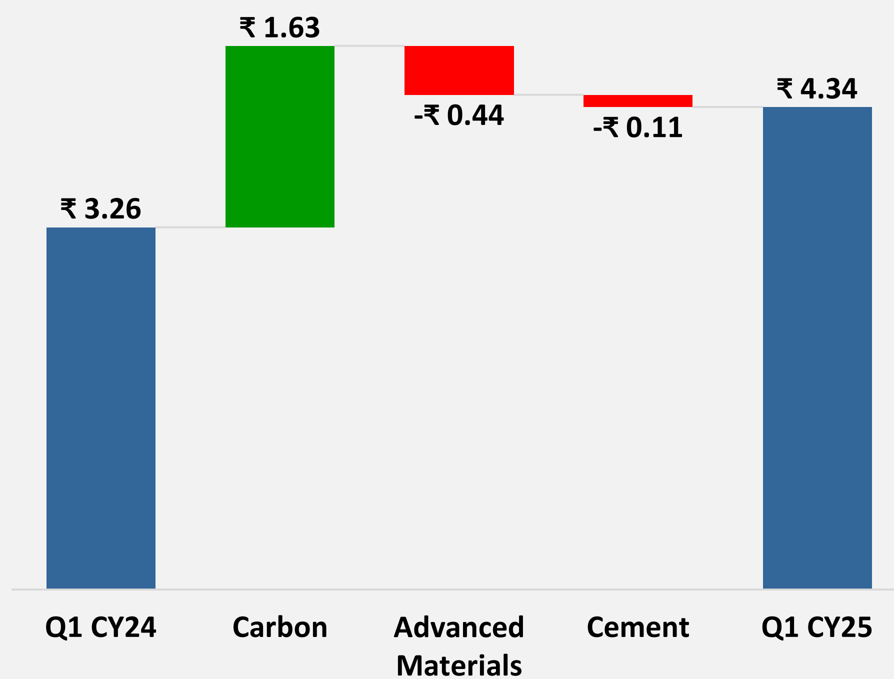

**Aluminium continued to be major end-customer industry**

# Consolidated Revenue and EBITDA Q1 2025

(₹ in Billions)



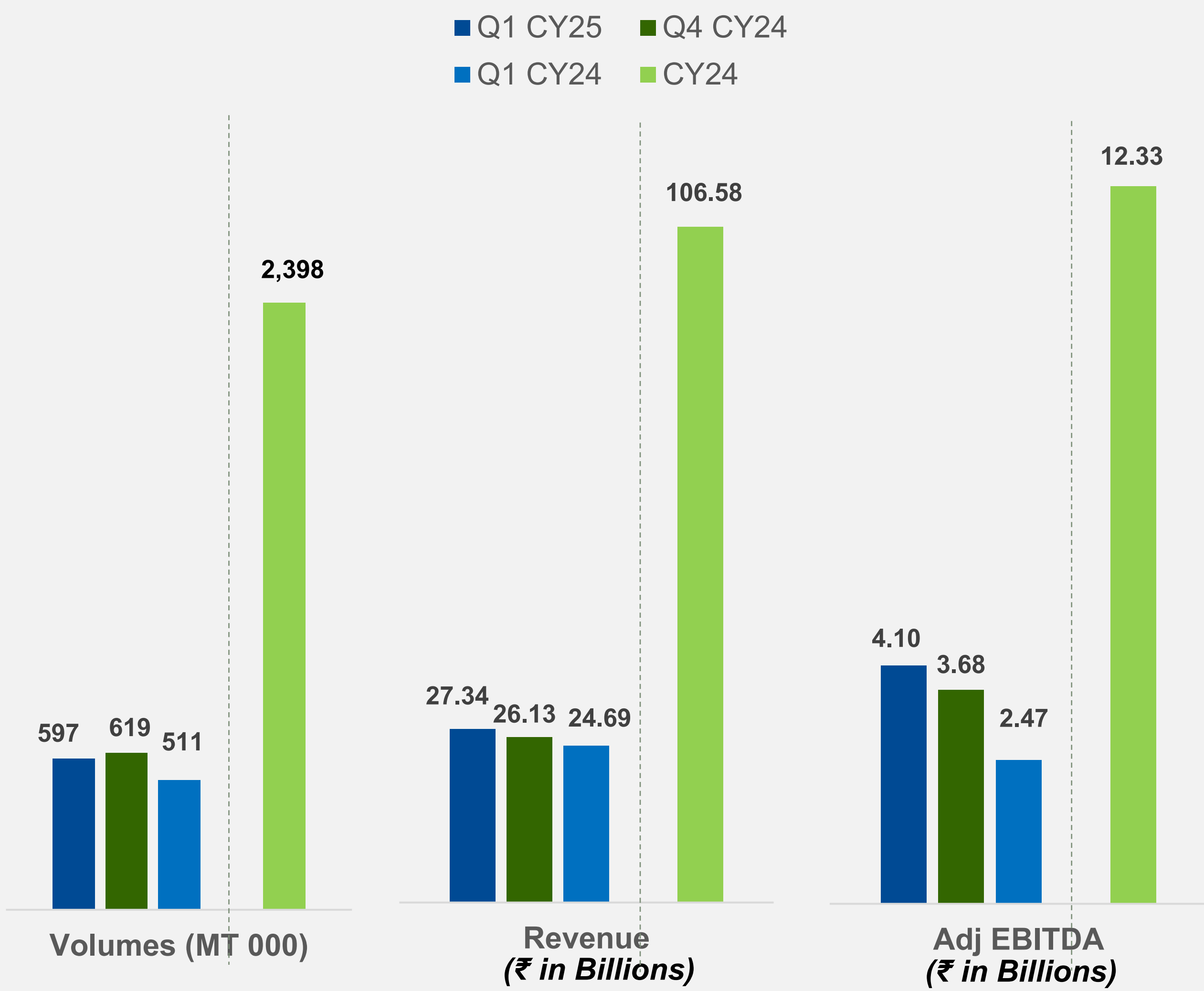

**Revenue** (excluding other operating income)




**Adjusted EBITDA**

*Note: Charts not to scale*

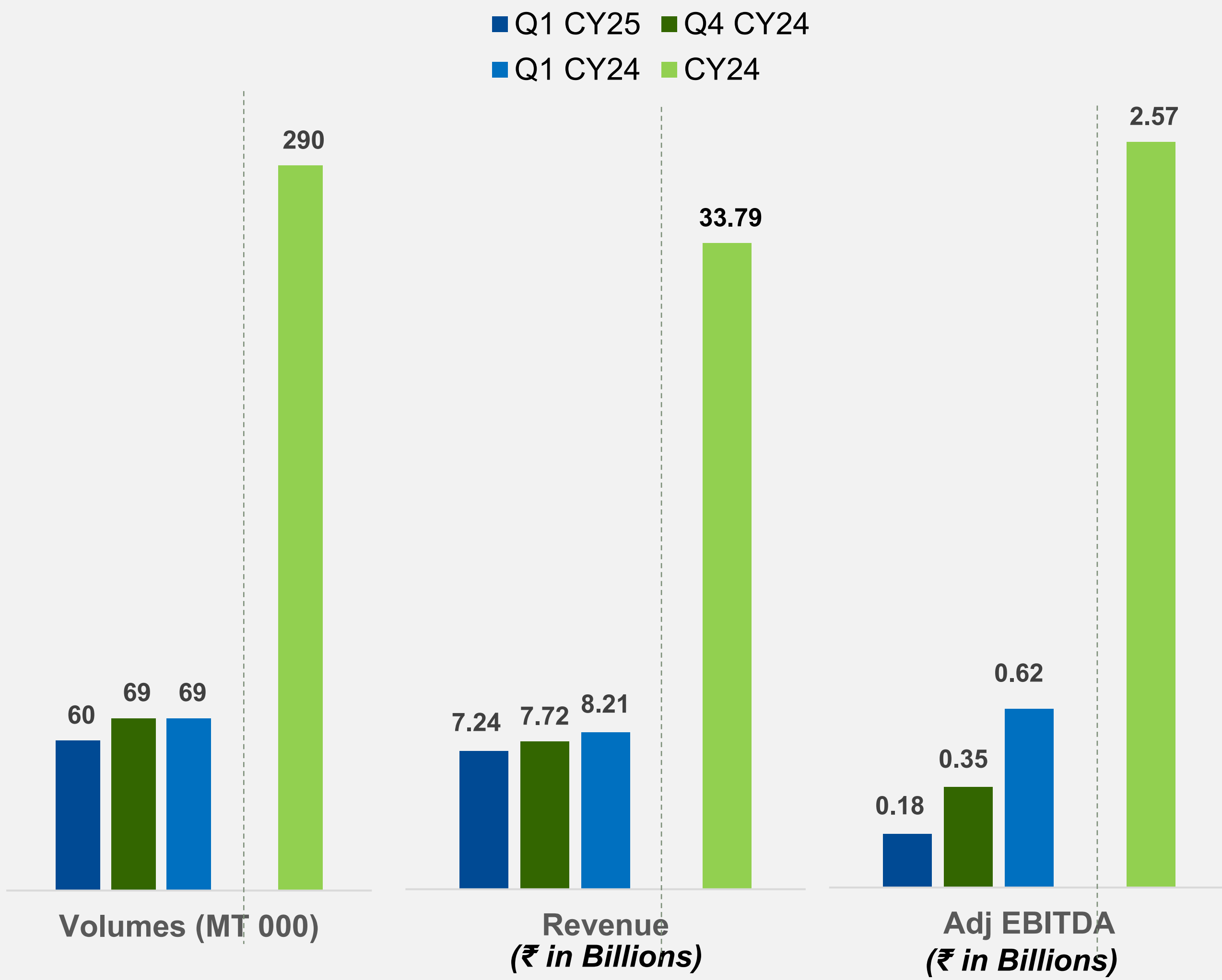
# Carbon: Revenue and EBITDA




**Q1 2025**

- Revenue increase driven by
  - Higher CPC volumes due to relief from import restrictions and increased prices offset with lower prices of Coal Tar Pitch
- EBITDA increase driven by
  - Increase in margins of Calcination business
  - Offset by lower selling prices of Coal Tar Pitch and increased raw material costs in distillation business and higher operating costs

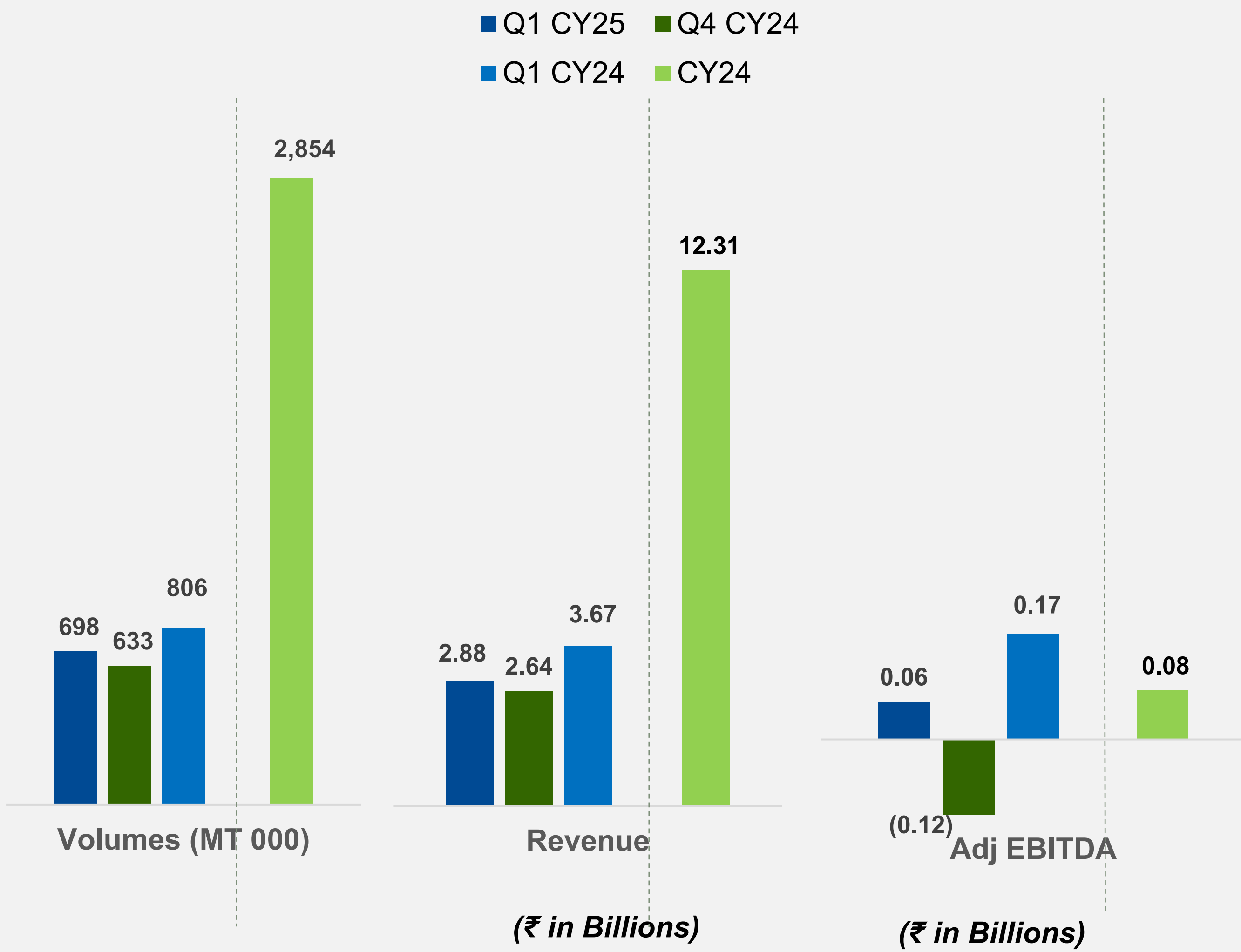
# Advanced Materials: Revenue and EBITDA




**Q1 2025**

- Revenue decrease driven by
  - Decrease in volumes from chemical intermediates and resins sub-segments due to lower demand
  - Slightly offset by appreciation of Euro against Indian Rupee.
- EBITDA decreased due to
  - Decrease in volumes and higher operational costs

# Cement: Revenue and EBITDA




**Q1 2025**

- Revenue decrease driven by
  - Lower selling prices
  - Lower volumes due to market consolidation by National players
- EBITDA declined due to
  - Lower selling prices coupled with lower volumes

# Debt Summary

| US$ in Millions | Mar. 2025 | Dec. 2024 |
|---|---|---|
| USD-denominated Senior Secured Notes (due in April 2025) * | - | 44 |
| USD-denominated Senior Secured Notes (due in September 2029) | 449 | 449 |
| Euro-denominated Senior Secured Term Loan (due by October 2028) # | 335 | 323 |
| Senior Bank Debt and Other debt | 21 | 21 |
| **Gross Term Debt** | **805** | **837** |
| Add: Working Capital Debt | 184 | 96 |
| Less: Deferred Finance Cost | 15 | 15 |
| **Total Debt** | **974** | **918** |
| Less: Cash and Cash Equivalents | 120 | 219 |
| **Net Debt** | **854** | **699** |
| LTM Adjusted EBITDA | 190 | 179 |

- Repaid during March 2025.

# Debt of €310.6 million converted at USD/EURO rates of 1.08 and 1.04 as at Mar. 31, 2025 and Dec. 31, 2024 respectively.

## Cash Inflows / Outflows during Q1 2025

- Net operating cash outflows includes net working capital increase of ₹11.89 billion (compared to inflows of ₹1.56 billion for three months period ended Mar 2024)
- Net investing cash inflows include net maturities of deposits and interest received on deposits amounting to ₹1.67 billion offset by maintenance capital expenditure of ₹1.23 billion (US$14 million) during the quarter.
- Net cash used in financing activities of ₹0.40 billion primarily related to the payment of interest and along with repayment of long-term debt offset by increase in working capital borrowings.

**(₹ in millions)**

| Particulars | Q1 2025 | Q1 2024 |
|---|---|---|
| Operating Activities | (7,655) | 4,261 |
| Investing Activities | 449 | (525) |
| Financing Activities | (404) | (5,211) |

# Outlook

- **Carbon segment to improve:** With increased capacity utilization along with re-introduction of Indian blending operations coupled with increase in realisations, Calcination business of Carbon segment expected to improve further during 2025

- **Raw material constraints:** Due to changing market dynamics resulting in higher demand for our key raw materials GPC and coal tar, RAIN is expanding alternative sources of raw-materials to increase its capacity utilization

- **Future strategies:** Research facilities in Canada and improvement in production facilities in Germany should yield benefits in the near future

- **Repayment of 2025 Senior Secured Notes:** The Company has re-paid the remaining Secured Notes (due in April 2025) during end of March 2025

- **Government investments drive cement demand:** The Company anticipates that market consolidation and incremental government spending will lead to improvements in both prices and volumes in Cement segment during 2025

# Thank You

# Appendix

# Summary of Consolidated Statement of Profit and Loss

₹ in Millions

| Particulars | Q1 2025 | Q4 2024 | Q1 2024 | CY 2024 |
|---|---|---|---|---|
| Net Revenue | 37,461 | 36,486 | 36,570 | 152,673 |
| Other Operating Income | 219 | 272 | 132 | 1,071 |
| **Revenue from Operations** | **37,680** | **36,758** | **36,702** | **153,744** |
| **Reported EBITDA** | **3,834** | **4,316** | **3,466** | **14,539** |
| **Adjusted EBITDA** | **4,342** | **3,902** | **3,258** | **14,981** |
| *Adjusted EBITDA Margin* | 11.5% | 10.6% | 8.9% | 9.7% |
| **Loss Before Tax** | **(260)** | **(819)** | **(339)** | **(2,257)** |
| Tax Expense, net | 891 | 518 | 826 | 2,243 |
| Non-controlling Interest | 226 | 277 | 294 | 1,143 |
| **Reported Loss After Tax** | **(1,377)** | **(1,614)** | **(1,459)** | **(5,643)** |
| **Adjusted Loss After Tax** | **(978)** | **(1,212)** | **(1,617)** | **(4,419)** |
| Adjusted Loss Per Share (in ₹)* | (2.91) | (3.60) | (4.81) | (13.14) |

***Quarterly Earnings Per Share are not annualized.***

# Reconciliation of EBITDA and PAT

₹ in Millions

| Particulars | Q1 2025 | |
|---|---|---|
| | EBITDA | PAT |
| | | |
| **A. Reported** | **3,834** | **(1,377)** |
| ***B. Adjustments/Exceptional items:*** | | |
| • Expenses towards non-recurring items | 179 | 179 |
| • Foreign exchange loss/(gain) on inter-company debt note | 329 | 329 |
| • Tax impact on above adjustments | - | (109) |
| **C. Adjusted (A + B)** | **4,342** | **(978)** |

# RAIN – Key Business Strengths

RAIN CARBON INC.

RAIN CEMENTS LIMITED

- Three business segments (Carbon, Advanced Materials and Cement)
- Global presence with 2.4 million tonnes p.a. calcination capacity, 1.3 million tonnes p.a. coal tar distillation capacity, 0.5 million tonnes p.a. advanced materials capacity and 4.0 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**