



RHI MAGNESITA

Investor Presentation

RHI Magnesita India Limited

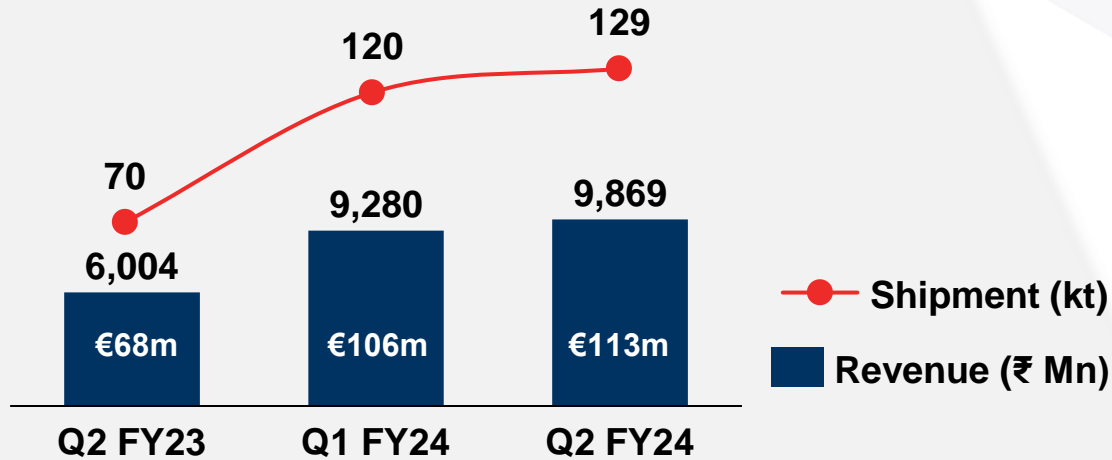
November 2023



Quarter Highlights

Robust YoY growth in top line driven by higher shipments

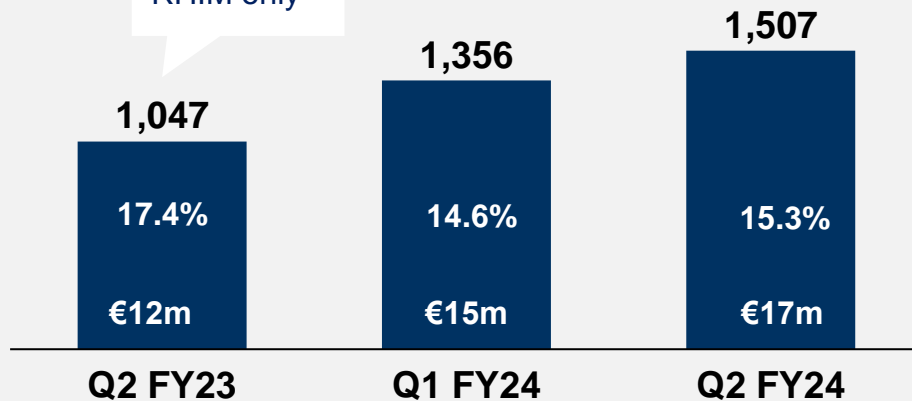
Revenue supported by significant shipment increase



EBITDA

₹ mn

RHIM only



Q2 FY24 Vs Q1 FY24

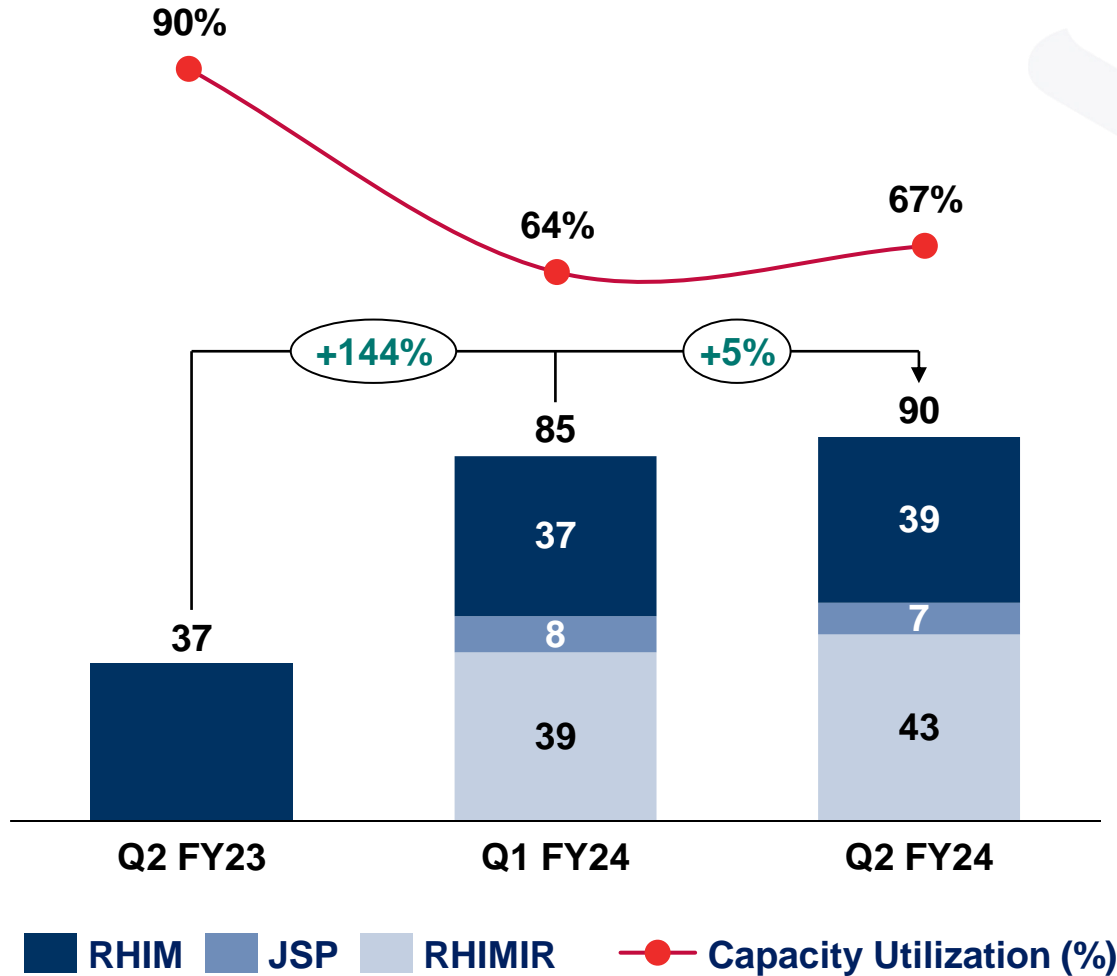
- 6% revenue growth driven through increased shipment @ 8% and drop in average realization per ton @ 1% due to change in mix
- EBITDA margins increased marginally by 0.7% to 15.3% primarily due to decrease in employee cost and other expenses

Q2 FY24 (Consolidated) Vs Q2 FY23 (RHIM only)

- 64% revenue growth driven through
 - Shipments increase by 83%
 - Decrease in average price per ton @10% due to change in sales mix (increasing share of industrial segment with RHIMIR)
- EBITDA margin 15.3% lower by 2.2% primarily due to
 - Increase in employee related and other expenses
 - offset by decrease in material cost

Production (kt)

Rise in production volumes supported by recently acquired capacities



- **Production : Q1 FY24 +5% from 85kt to 90kt and Q2 FY23 +144% from 37kt to 90kt**

- RHIM : Q1 FY24 : +3% @ 39kt and Vs Q2 FY23 : +5%
- JSP : (-11)% @ 7kt due to ERP implementation
- RHIMIR : +10% @ 43kt

- **Capacity Utilization**

- **Consolidated Q1 FY24 : 64% Vs Q2 FY 24 : 67%**
Q2 FY24 : RHIM 88%, RHIMIR 59%, JSP 48%
- **Q2 FY23 @ 90% (RHIM only) Vs Consolidated Q2 FY24 @ 67%**

Profit and Loss Snapshot : Consolidated

Q2 FY24 Vs Q1 FY24

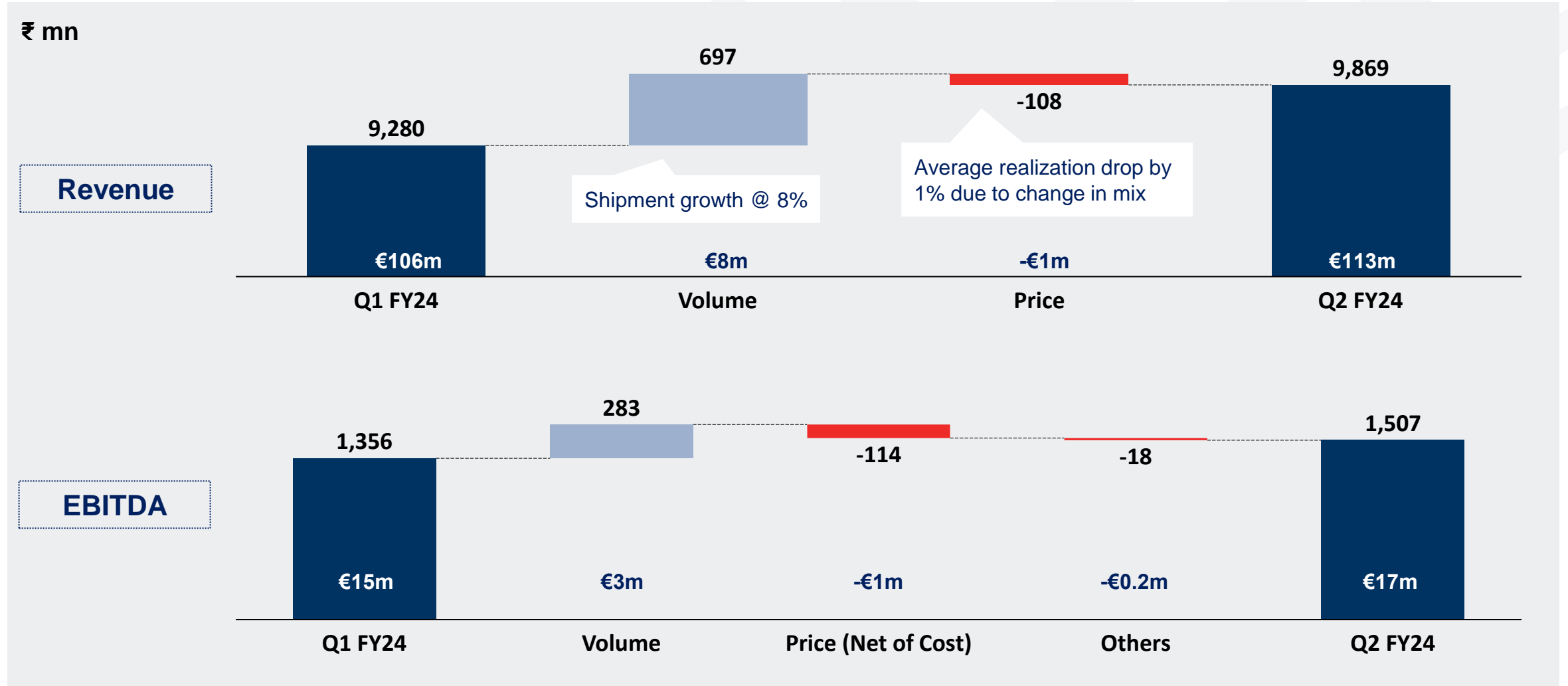


Consolidated	₹ Mn			%	€ Mn			
	Q2 FY24	Q1 FY24	Change		Q2 FY24	Q1 FY24	Q2 FY24	Q1 FY24
Production - MT	89,587	85,128	5.2%	89,587	85,128			
Shipment - MT	128,943	119,930	7.5%	128,943	119,930			
Avg realisation (Currency/MT)	76,538	77,375	-1.1%	873	882			
Income	9,897	9,305	6.4%	112.9	106.1			
Revenue from operations	9,869	9,280	6.4%	112.5	105.8			
Other Income	28	26	8.2%	0.3	0.3			
Expenses	8,390	85.0% 7,950	85.7% 0.7%	95.7	85.0% 90.7	85.7%		
Material Cost	5,940	60.2% 5,519	59.5% -0.7%	67.7	60.2% 62.9	59.5%		
Employee Benefits expense	879	8.9% 934	10.1% 1.2%	10.0	8.9% 10.7	10.1%		
Other expenses	1,571	15.9% 1,497	16.1% 0.2%	17.9	15.9% 17.1	16.1%		
EBITDA	1,507	15.3% 1,356	14.6% 0.7%	17.2	15.3% 15.5	14.6%		
Depreciation	253	2.6% 262	2.8% 0.3%	2.9	2.6% 3.0	2.8%		
EBITA	1,254	12.7% 1,094	11.8% 0.9%	14.3	12.7% 12.5	11.8%		
Amortisation	189	1.9% 197	2.1% 0.2%	2.2	1.9% 2.2	2.1%		
EBIT	1,065	10.8% 897	9.7% 1.1%	12.1	10.8% 10.2	9.7%		
Finance Cost	85	0.9% 260	2.8% 1.9%	1.0	0.9% 3.0	2.8%		
Profit before Tax	979	9.9% 637	6.9% 3.1%	11.2	9.9% 7.3	6.9%		
Tax	263	2.7% 169	1.8% -0.9%	3.0	2.7% 1.9	1.8%		
Profit After Tax	716	7.3% 468	5.0% 2.2%	8.2	7.3% 5.3	5.0%		
One timers	-	0.0% 69	0.7% 0.7%	-	0.0% 0.8	0.7%		
Adj EBITDA	1,507	15.3% 1,425	15.4% -0.1%	17.2	15.3% 16.3	15.4%		
Adj Profit Before Tax	979	9.9% 706	7.6% 2.3%	11.2	9.9% 8.1	7.6%		

- Revenue increase @ 6% driven through
 - shipment growth @ 8%
 - drop in average realization per ton @ 1% due to change in mix
- EBITDA @ 15.3% higher by 0.7% primarily due to
 - Decrease in employee cost
 - Offset by increase in material cost

Bridge – Q2 FY24 Vs Q1 FY24

Growth in shipments offsets lower realization due to change in product mix



Profit and Loss Snapshot : Consolidated

Q2 FY24 Vs Q2 FY23



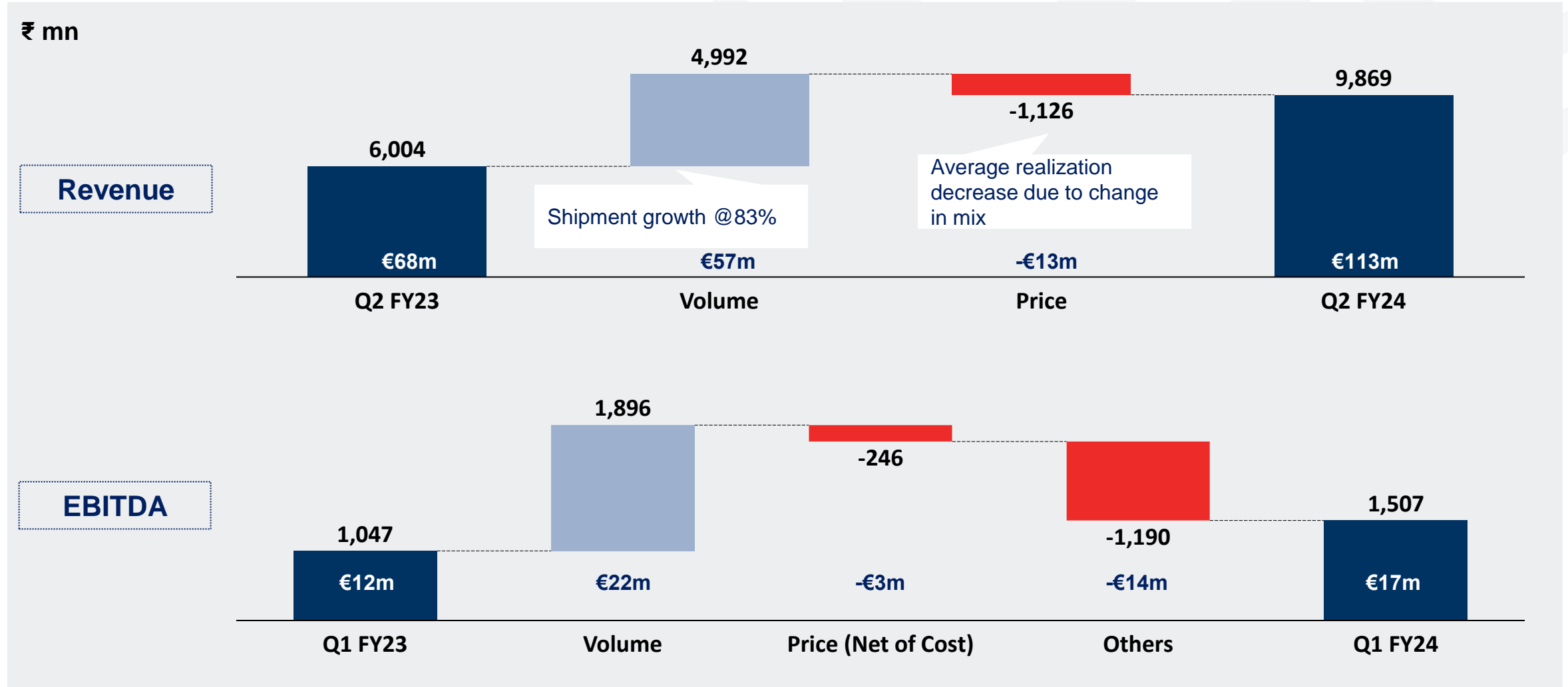
Consolidated	₹ Mn				%	€ Mn			
	Q2 FY24	Q2 FY23	Change	Q2 FY24		Q2 FY23	Change	Q2 FY24	Q2 FY23
Production - MT	89,587	36,731	143.9%	89,587	36,731		89,587	36,731	
Shipment - MT	128,943	70,405	83.1%	128,943	70,405		128,943	70,405	
Avg realisation (Currency/MT)	76,538	85,273	-10.2%	873	972		873	972	
Income	9,897	6,044	63.8%	112.9	68.9		112.9	68.9	
Revenue from operations	9,869	6,004	64.4%	112.5	68.5		112.5	68.5	
Other Income	28	40	-29.8%	0.3	0.5		0.3	0.5	
Expenses	8,390	85.0%	4,996	83.2%	-1.8%	95.7	85.0%	57.0	83.2%
Material Cost	5,940	60.2%	3,724	62.0%	1.8%	67.7	60.2%	42.5	62.0%
Employee Benefits expense	879	8.9%	402	6.7%	-2.2%	10.0	8.9%	4.6	6.7%
Other expenses	1,571	15.9%	871	14.5%	-1.4%	17.9	15.9%	9.9	14.5%
EBITDA	1,507	15.3%	1,047	17.4%	-2.2%	17.2	15.3%	11.9	17.4%
Depreciation	253	2.6%	90	1.5%	-1.1%	2.9	2.6%	1.0	1.5%
EBITA	1,254	12.7%	958	16.0%	-3.2%	14.3	12.7%	10.9	16.0%
Amortisation	189	1.9%	3	0.1%	-1.9%	2.2	1.9%	0.0	0.1%
EBIT	1,065	10.8%	954	15.9%	-5.1%	12.1	10.8%	10.9	15.9%
Finance Cost	85	0.9%	(15)	-0.3%	-1.1%	1.0	0.9%	(0.2)	-0.3%
Profit before Tax	979	9.9%	970	16.1%	-6.2%	11.2	9.9%	11.1	16.1%
Tax	263	2.7%	247	4.1%	1.4%	3.0	2.7%	2.8	4.1%
Profit After Tax	716	7.3%	722	12.0%	-4.8%	8.2	7.3%	8.2	12.0%

- Revenue increase @ 64% driven through
 - shipment growth @ 83%
 - decrease in average price per ton @ 10% due to change in sales mix (increasing share of industrial segment with RHIMIR)
- EBITDA @ 15.3% lower by 2.2% due to
 - Increase in employee cost and other expenses
 - Offset by decrease in material cost

Bridge – Q2 FY24 Vs Q2 FY23

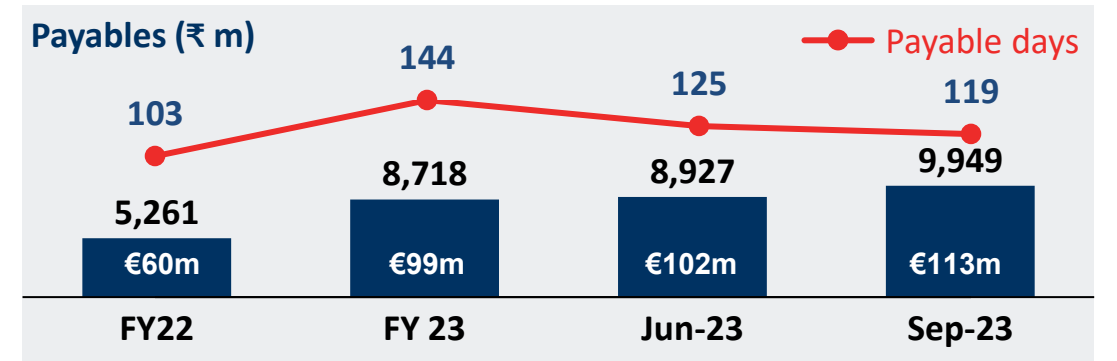
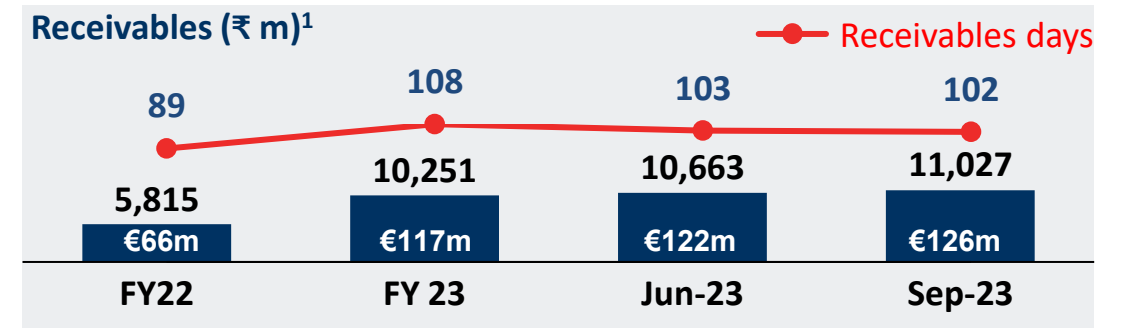
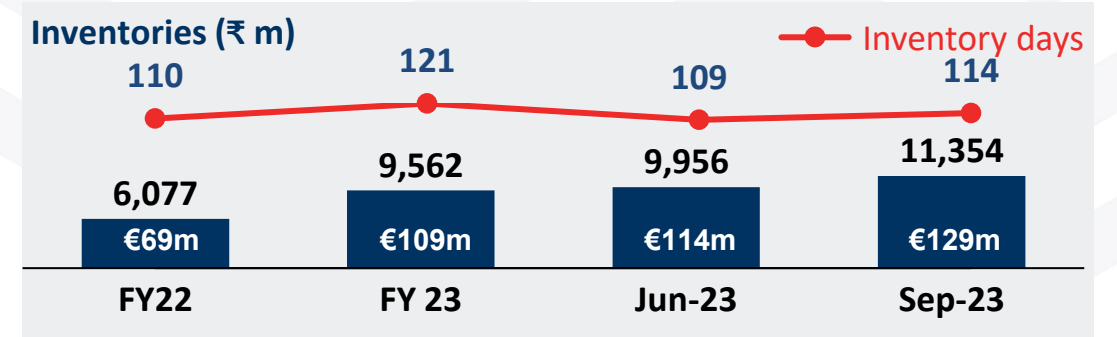
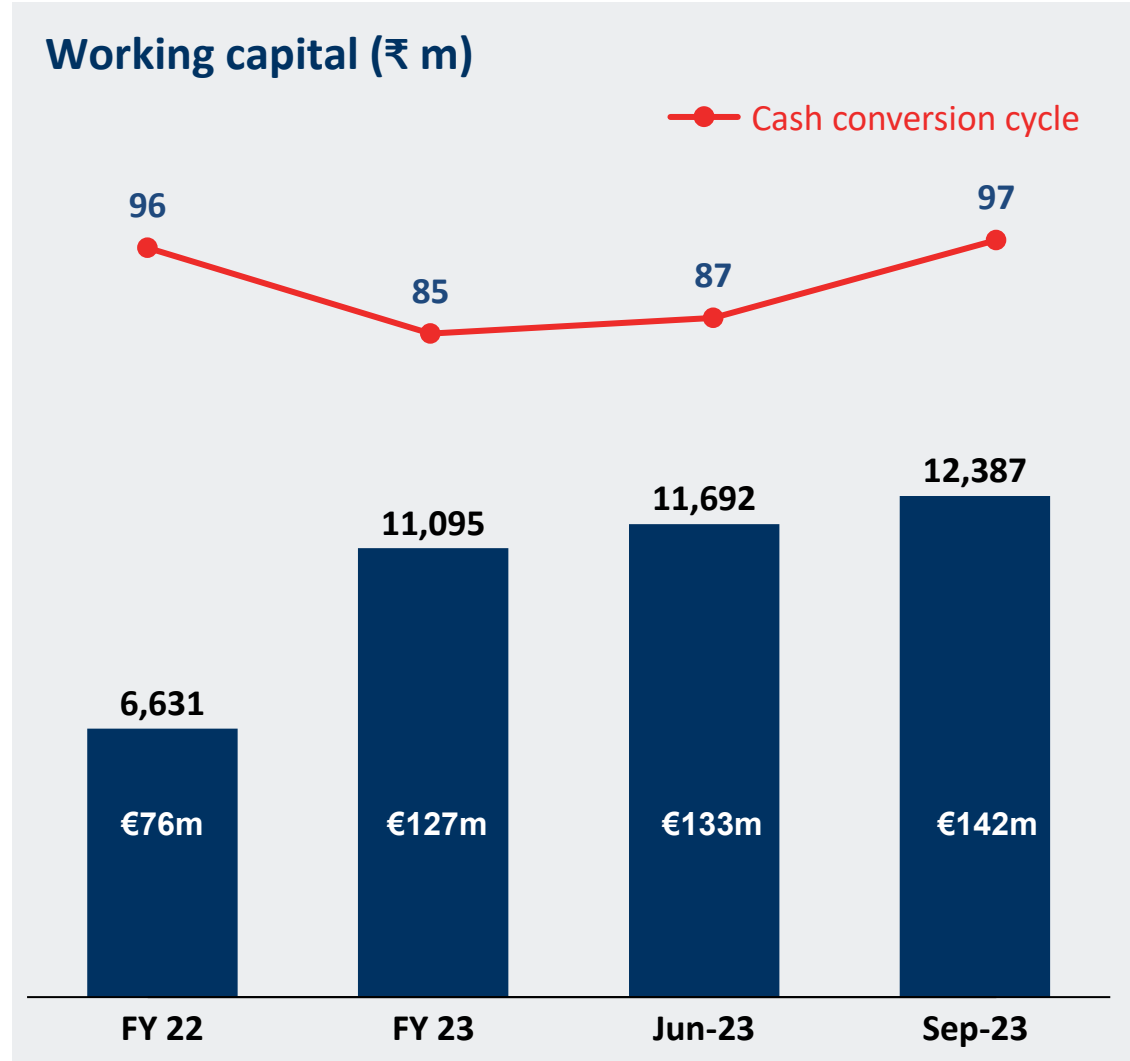


Lower realization from changed product mix was offset by volume contribution from acquired capacities, leading to revenue growth



Working Capital

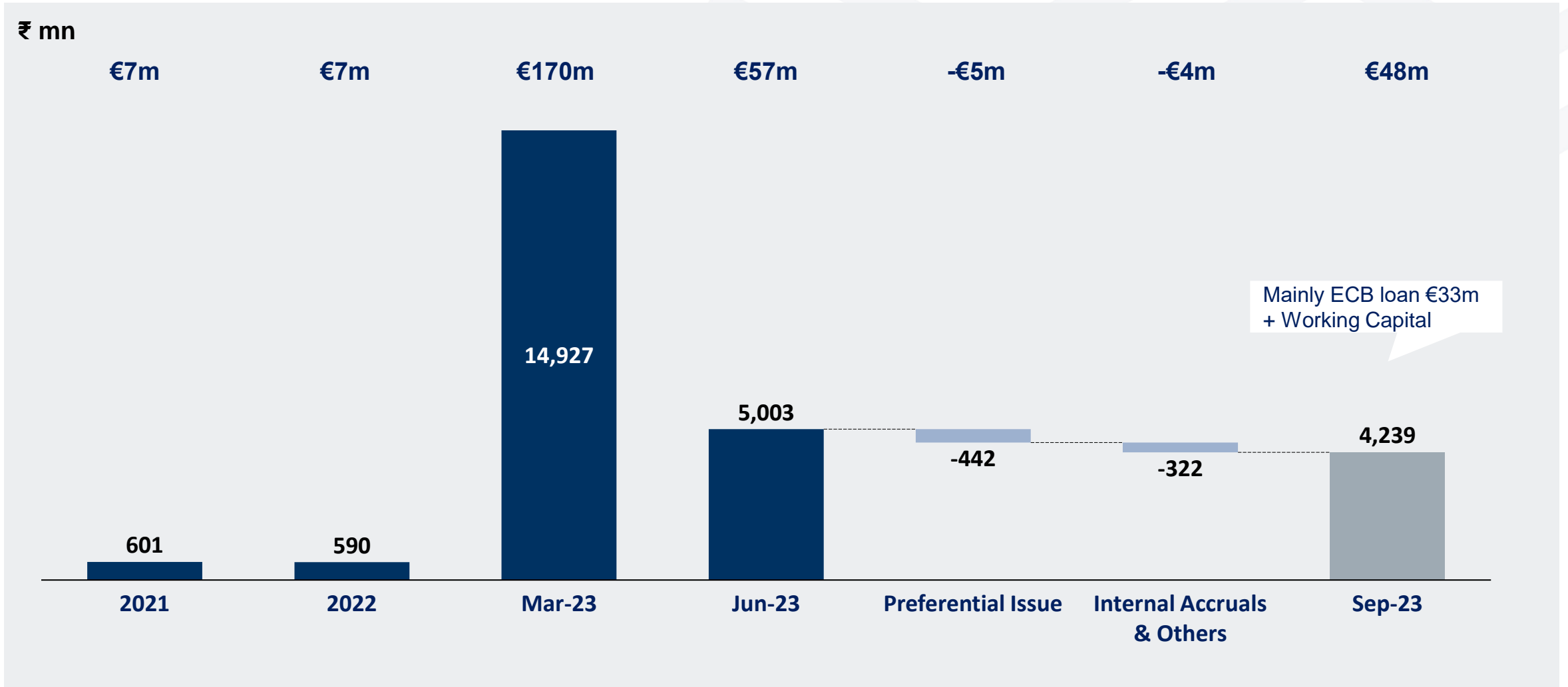
Strategic focus on improving cash conversion cycle



1. Receivables – Trade receivables + Contract Assets – Contract Liabilities

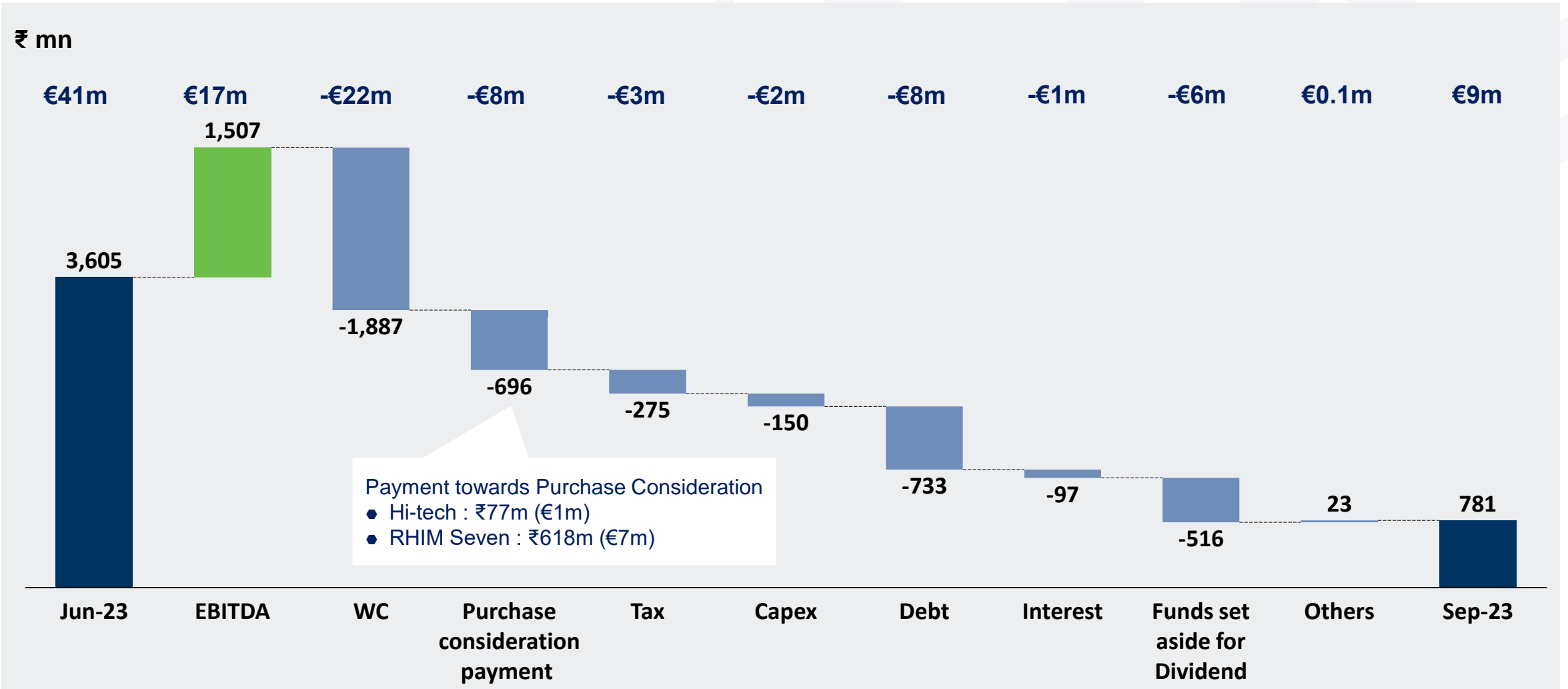
Debt including short term

Comfortable debt position following successful QIP paying majority acquisition debt



Cashflow

Optimal cash utilization towards acquisitions and debt repayment

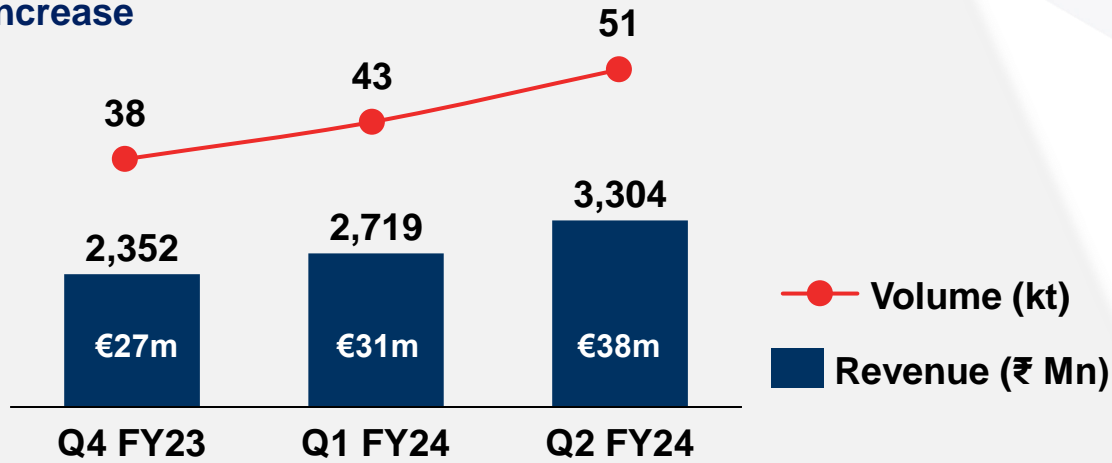


M&A Progress - RHIMIR

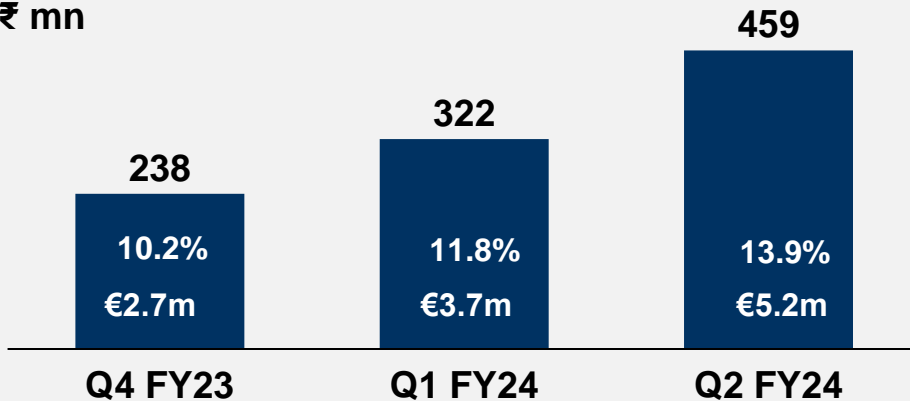
Synergy from M&A reflecting in higher shipments and realization per ton



Revenue supported by significant shipment increase



EBITDA
₹ mn



- 22% revenue growth Vs Q1 FY 24 @ ₹3,304m (€38m) driven through
 - increased shipment @18% and
 - increase in sales to steel segment resulting in improvement of average realization per ton by 3%
- EBITDA margins increased by 2.1% to 13.9% primarily due to
 - Decrease in employee cost
 - Offset by increase in material cost
- Synergies from cross-selling and improvement in efficiencies, resource bundling and economies of scale

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