Investor Presentation

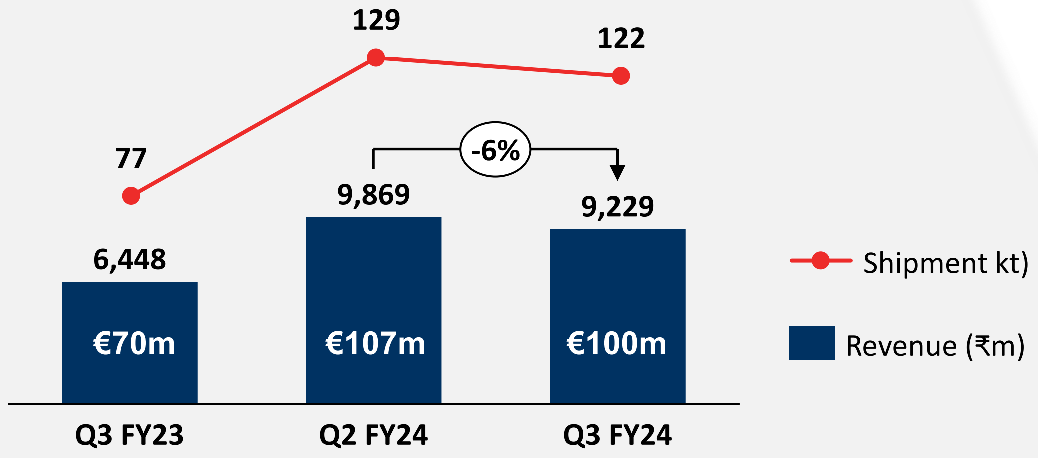
RHI Magnesita India Limited

February 2024

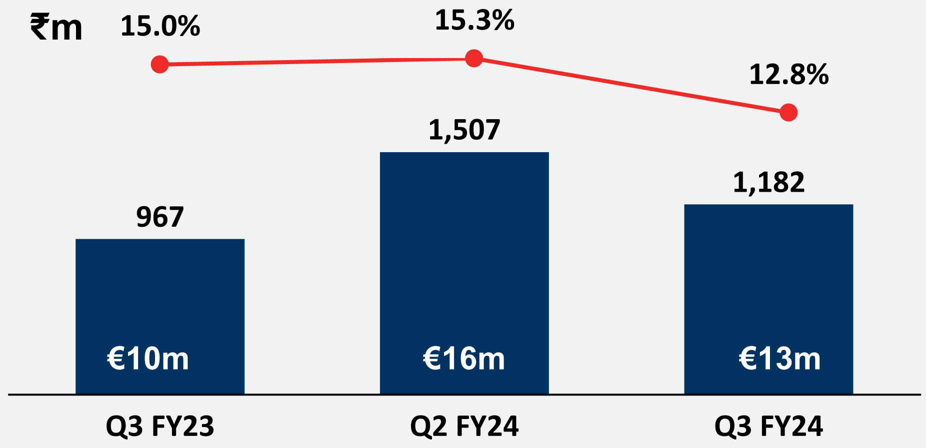
Quarter Highlights

43% YoY growth in top line due to M&A driven sales volume increase

Q3 on Q2 revenue decline due to reduced volumes



EBITDA



Q3 FY24 Vs Q2 FY24

- 6% revenue decline due to
  - 5% lower shipment - Deliberate tightening of customer credit risk criteria
  - 1% lower average realization - Refractory pricing slightly reduced due to lower industry input costs
- EBITDA margins 12.8% :
  - Higher employee costs
  - Lower fixed cost absorption due to reduced production volumes

Q3 FY24 (Consolidated) Vs Q3 FY23 (RHIM only)

- 43% revenue growth driven through
  - 58% shipment increase due to M&A
  - 9% decrease in average price per ton - change in sales mix caused by increasing share of industrial segment and lower refractory pricing in general
- EBITDA margin 12.8% :
  - Consolidation of lower margin acquisitions completed in January 2023
  - Increase in employee related costs
  - Increase in Other expenses
  - Partially offset by decrease in raw material costs

Profit and Loss Snapshot : Consolidated

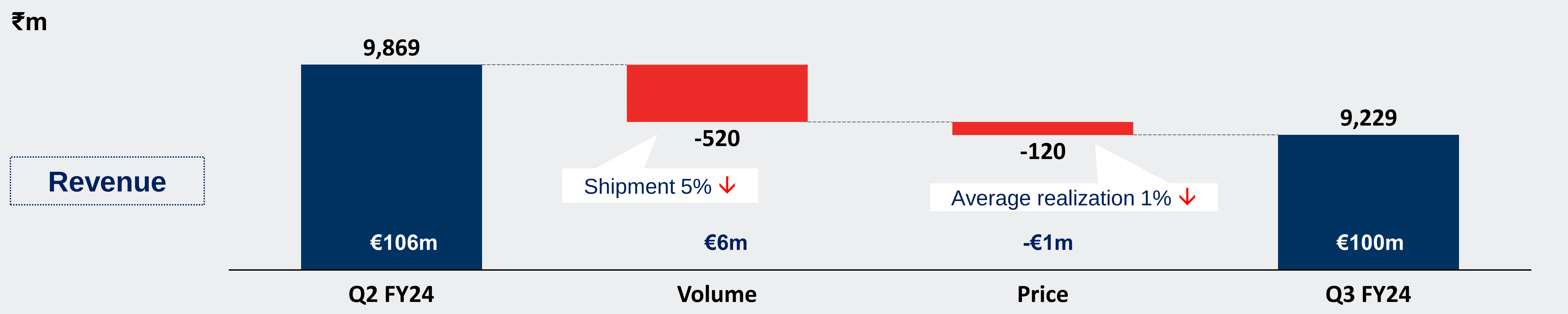
Q3 FY24 Vs Q2 FY24

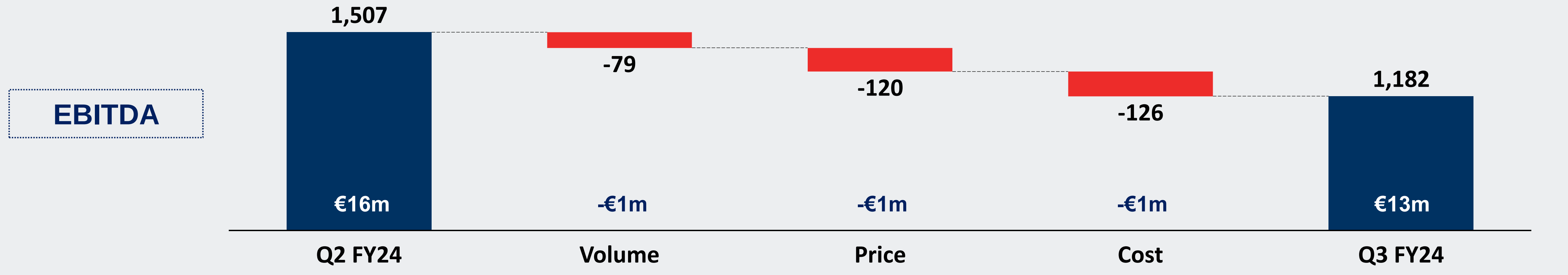
	₹m					€m			
	Q3 FY24		Q2 FY24		Change	Q3 FY24		Q2 FY24	
Production - MT	**77718**		**89587**		**-13%**	**77718**		**89587**	
Shipment - MT	**122154**		**128943**		**-5%**	**122154**		**128943**	
Avg realisation/MT	**75556**		**76538**		**-1%**	**816**		**827**	
Income	**9243**		**9897**		**-7%**	**99.8**		**106.9**	
Revenue from operations	9229		9869		-6%	99.7		106.6	
Other Income	14		28		-50%	0.1		0.3	
Expenses	**8062**	**87.3%**	**8390**	**85.0%**	**-2.3%**	**87.1**	**87.3%**	**90.6**	**85.0%**
Material Cost	5528	59.9%	5940	60.2%	0.3%	59.7	59.9%	64.2	60.2%
Employee Benefits expense	997	10.8%	879	8.9%	-1.9%	10.8	10.8%	9.5	8.9%
Other expenses	1537	16.7%	1571	15.9%	-0.7%	16.6	16.7%	17.0	15.9%
EBITDA	**1182**	**12.8%**	**1507**	**15.3%**	**-2.5%**	**12.8**	**12.8%**	**16.3**	**15.3%**
Depreciation	266	2.9%	253	2.6%	-0.3%	2.9	2.9%	2.7	2.6%
EBITA	**916**	**9.9%**	**1254**	**12.7%**	**-2.8%**	**9.9**	**9.9%**	**13.5**	**12.7%**
Amortisation	216	2.3%	189	1.9%	-0.4%	2.3	2.3%	2.0	1.9%
EBIT	**700**	**7.6%**	**1065**	**10.8%**	**-3.2%**	**7.6**	**7.6%**	**11.5**	**10.8%**
Finance Cost	161	1.7%	85	0.9%	-0.9%	1.7	1.7%	0.9	0.9%
Profit before Tax	**539**	**5.8%**	**979**	**9.9%**	**-4.1%**	**5.8**	**5.8%**	**10.6**	**9.9%**
Tax	145	1.6%	263	2.7%	1.1%	1.6	1.6%	2.8	2.7%
Profit After Tax	**394**	**4.3%**	**716**	**7.3%**	**-3.0%**	**4.3**	**4.3%**	**7.7**	**7.3%**

- 13% lower production by 12kt
  - inventory reduction by 14kt
  - of which, strike at RGP - 2.3kt
- 6% revenue decline
  - 5% lower shipment
  - 1% lower average realization
- EBITDA margins 12.8% :
  - Higher employee cost
  - Lower absorption of fixed cost
- Finance cost higher mainly due to forex impact on External Commercial Borrowing

Bridge – Q3 FY24 Vs Q2 FY24

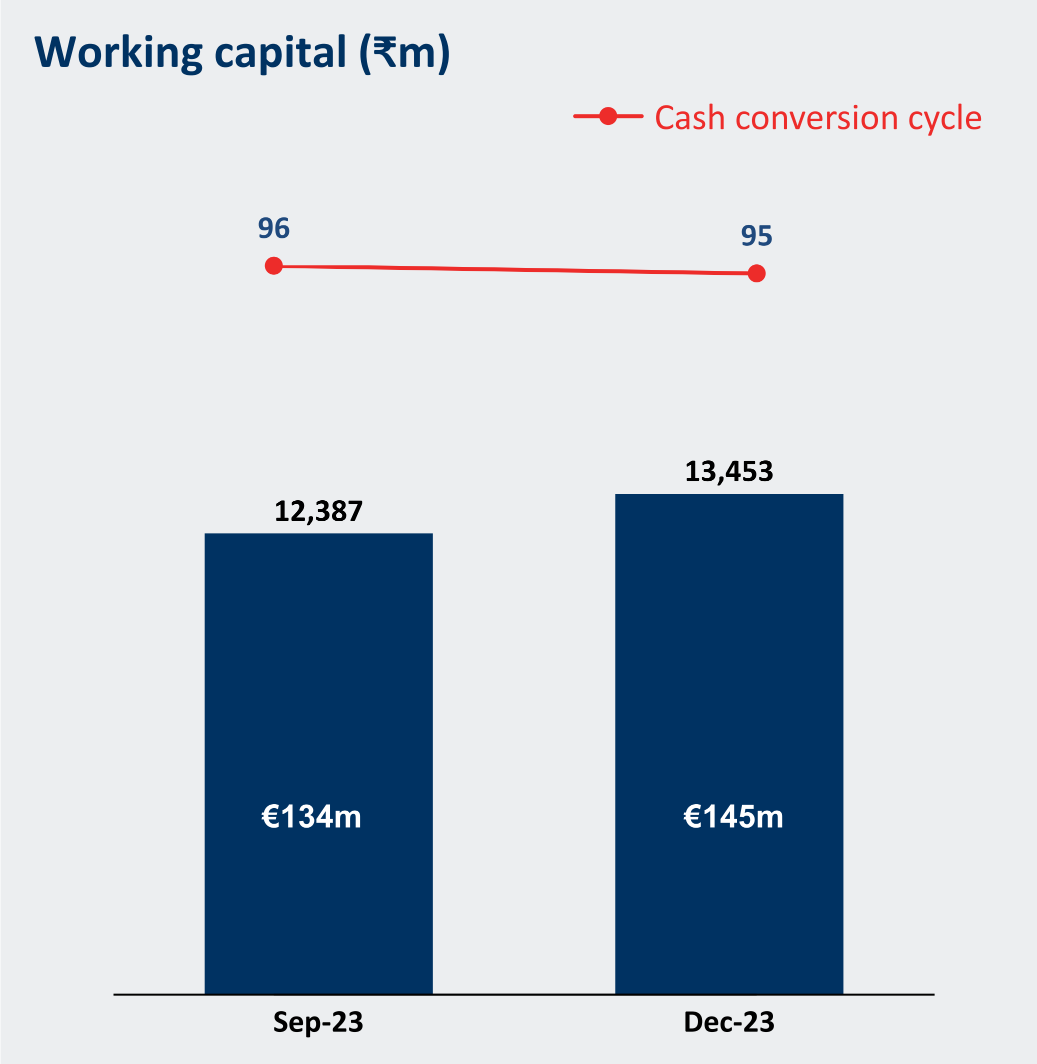
Lower revenue primarily due to decline in shipments

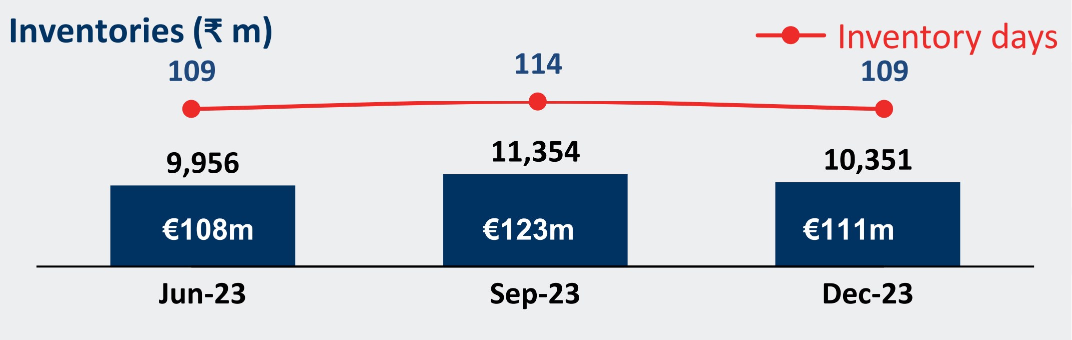


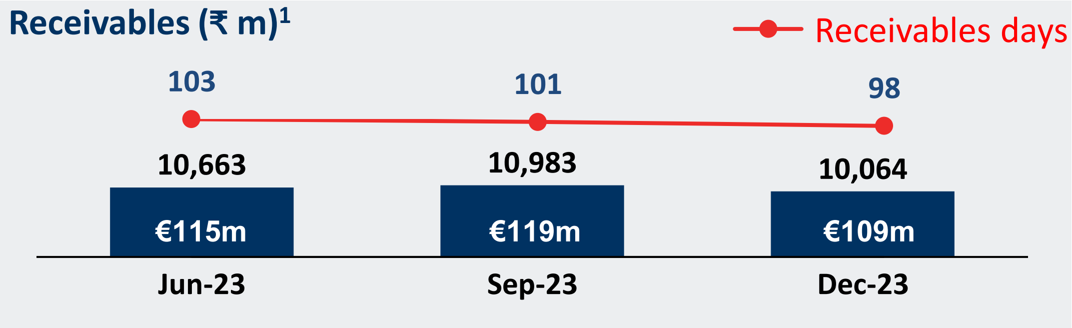


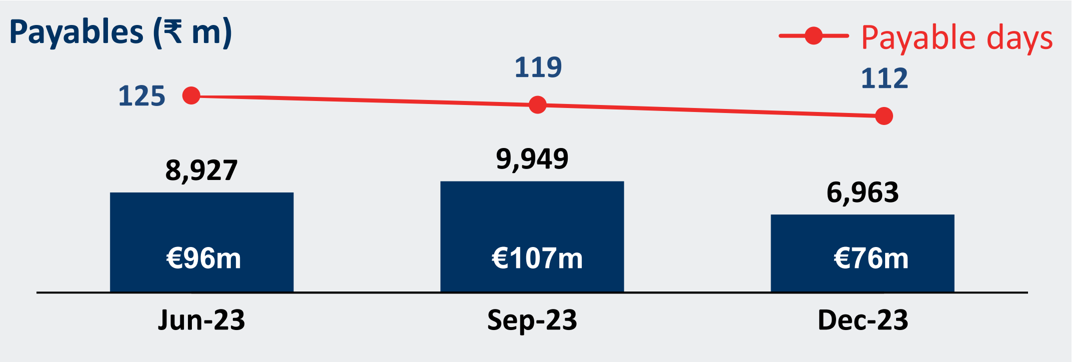
Working Capital

Strategic focus on improving cash conversion cycle





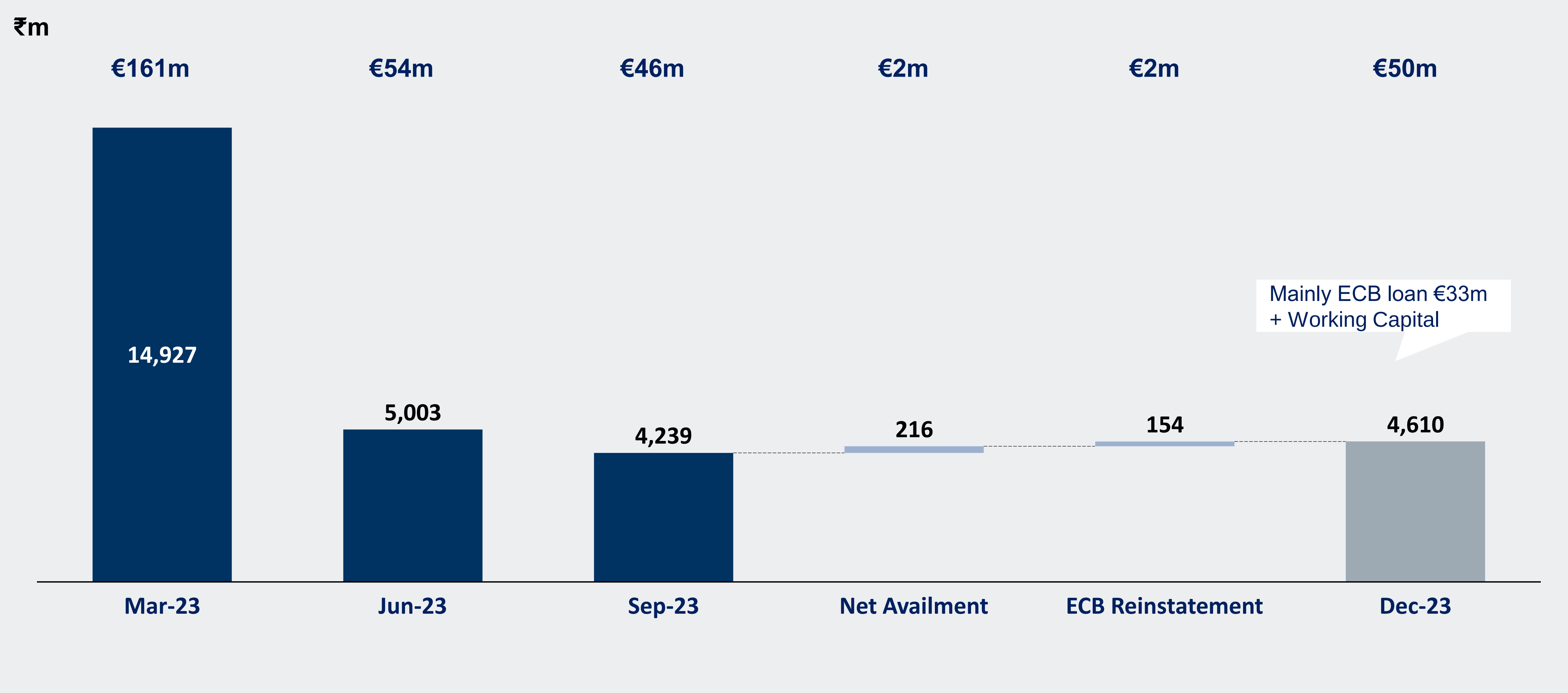




1. Receivables – Trade receivables + Contract Assets – Contract Liabilities

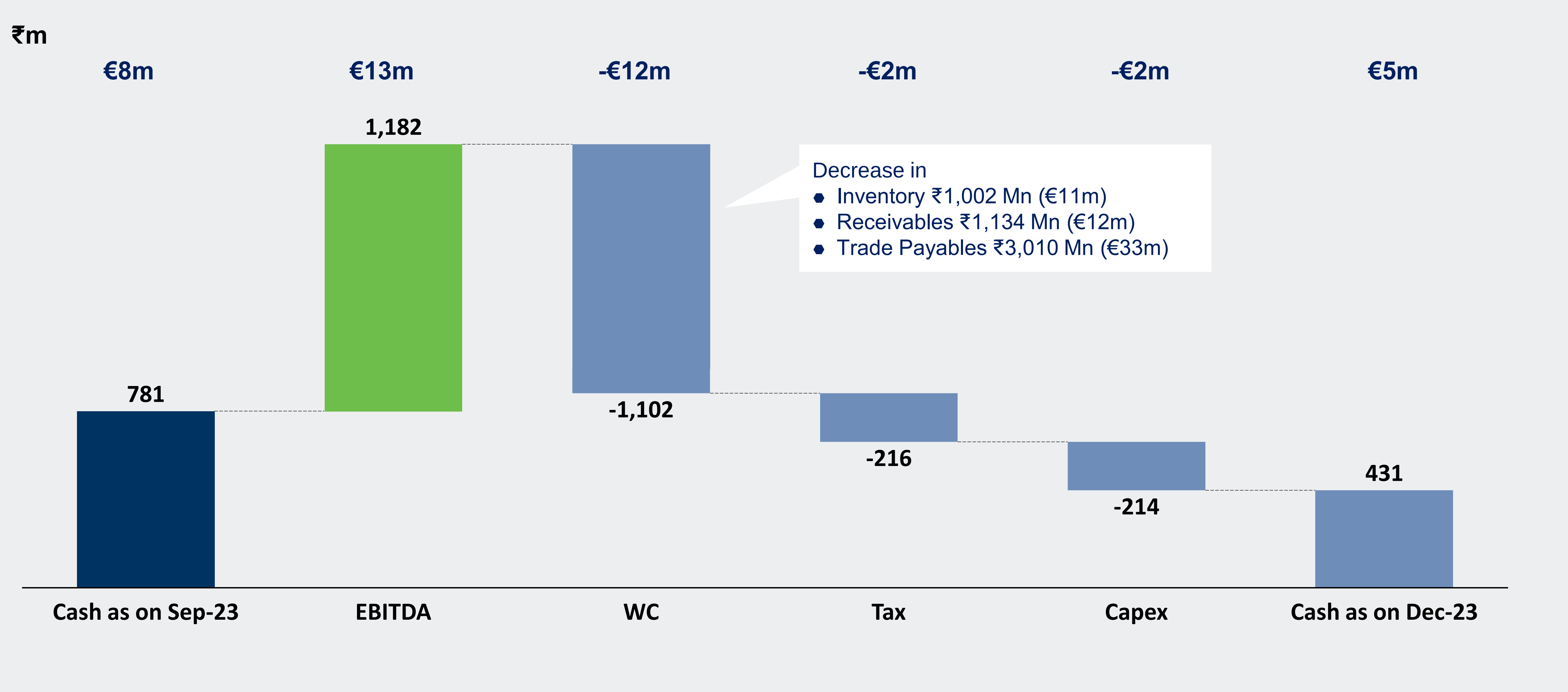
Debt including short term

Comfortable debt position



Cashflow

Reduced payables leads to net working capital absorption



Strategic progress

RHIM India is delivering against its strategic priorities

- The integration of the Dalmia and Hi-Tech acquisitions is proceeding according to plan, with initial synergies evident
  - YTD 2024 Shipment growth @ 63%
  - YTD 2024 EBITDA margin 12.1%

- RHIM India is on track to deliver further value drivers:
  - Increase proportion of domestic production for India customers, shortening supply chain
  - Growth in production volumes led by strong domestic market demand
  - Significant operational leverage opportunity as production capacity utilization increases
  - Longer term export opportunity in Middle East, West Asia and Africa

Key strengths

- ✓ Market leadership position
- ✓ Local for local manufacturing strategy - ‘Make in India’
- ✓ Recent acquisitions create balanced portfolio of refractory products and a strong platform for growth
- ✓ India is the highest growth market globally for refractories
- ✓ Strong cash generation with access to capital for further growth and expansion
- ✓ Opportunity to increase regional exports from India manufacturing hub
- ✓ Backing of RHI Magnesita Group – technology, R&D, global product range, raw material purchasing benefits and security of supply

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