



RHI MAGNESITA

RHI MAGNESITA INDIA LTD.
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19 November 2022

To,
National Stock Exchange of India Limited,
Compliance Department,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051,
Maharashtra, India

Code: RHIM

To,
BSE Limited,
Compliance Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001,
Maharashtra, India

Code: 534076

Total no. of page including covering:5

Dear Sir/ Madam,

Subject: Intimation regarding Acquisition by execution of Share Swap Agreement (“SSA”) by RHI Magnesita India Limited (“the Company” or “RHIM”).

Reference: Regulation 30 (3) and (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We wish to inform you that the Company is desirous of executing a share swap agreement (“SSA”) with Dalmia Bharat Refractories Limited (“DBRL”) to acquire 8,24,83,642 of equity shares, each fully paid up, having a face value of INR 10, representing 100% of the equity share capital of Dalmia OCL Limited (“DOCL”).

Under the terms of the Share Swap Agreement, the Company will acquire all outstanding shares in DOCL in exchange for 2,70,00,000 new shares (vide preferential allotment) in the Company (“Transaction”) on such terms and conditions as may be mutually agreed between the parties. Based on the issuance price of the Company at INR 632.5029 per share, the Share consideration has a value of approximately INR 1,708 crores. The Company will consolidate DOCL’s earnings and approximately INR 443 crores of net debt held by DOCL.

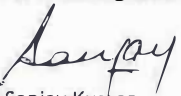
The disclosures pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as per ‘Annexure A’.

We wish to inform you that Board Meeting held today commenced at 2:00 p.m. and concluded at 5:45 p.m.

This is for your information and record.

Yours faithfully,

For RHI Magnesita India Limited


Sanjay Kumar
Company Secretary
Membership no. A17021



Encls:

Annexure A

Acquisition (including agreement to acquire)
Issuance of securities

Annexure B Press release.

Annexure A

I. Acquisition (including agreement to acquire):

1. Name of the target entity, details in brief such as size, turnover, etc.:

The name of the target entity is Dalmia OCL Limited ("DOCL"), which will own the Indian refractory business of Dalmia Bharat Refractories Limited ("DBRL"). The turnover of the Indian refractory business of DBRL for the FY 2021-2022 is INR 946 crores and the adjusted EBITDA for the FY 2021-2022 is INR 95 crores.

2. Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length":

No.

3. Industry to which the entity being acquired belongs:

Refractory Industry.

4. Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity):

The Acquisition enables the Company to increase its presence in the fast-growing Indian refractory market. The production footprint and product offering is highly complementary to the Company's existing plant locations and product range in the industrial segment, where the Company is currently under-represented. Significant network benefits and margin improvement potential have been identified through the addition of production capacity in important industrial locations in the South and West of India, where the Company currently has no assets.

The target entity operates in the same industry.

5. Brief details of any governmental or regulatory approvals required for the acquisition:

Approval from the relevant State Government Authority in relation to transfer of the mining leases (located at Chhattisgarh, Gujarat and Odisha) and the approval from the relevant State Government Authority in relation to transfer of the leasehold land admeasuring 12.53 acres situated at Odisha.

6. Indicative time period for completion of the acquisition:

Subject to satisfaction of conditions precedent as provided in the SSA, the aim of the Parties to achieve closing within 2 (two) to 3 (three) months from the date of execution of the SSA.

7. Nature of consideration - whether cash consideration or share swap and details of the same:

To acquire 8,24,83,642 equity shares, each fully paid up, having a face value of INR 10, representing 100% of the equity share capital of DOCL. The Company will acquire all outstanding shares in DOCL in exchange for 2,70,00,000 new shares (vide preferential allotment) in the Company on such terms and conditions as may be mutually agreed between the parties. Based on the issuance price of the Company at INR 632.5029 per share, the Share consideration has a value of approximately INR 1,708 crores. The Company will consolidate DOCL's earnings and approximately INR 443 crores of net debt held by DOCL.

8. Cost of acquisition or the price at which the shares are acquired:

Based on the issuance price of RHI Magnesita India Limited at INR 632.5029 per share, the Share consideration has a value of approximately INR 1,708 crores. The Company will consolidate DOCL's earnings and approximately INR 443 crores of net debt held by DOCL.



9. **Percentage of shareholding / control acquired and / or number of shares acquired:**

The Company is acquiring 100% of equity shares of DOCL.

10. **Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief):**

Line of Business: DOCL shall engage in the refractory business wherein it shall manufacture and supply products like basic and non-basic bricks, basic and non-basic monolithics, pre-cast shapes and flow-control products as well as services for the steel industry and Industrial end-industries, such as cement, glass, copper, aluminium and others.

Date of Incorporation: October 5, 2018

Turnover of DOCL for the last 3 FY's is: FY 2021-2022 is INR 946 crores, FY 2020-2021 is INR 618 crores; FY 2019-2020 is INR 672 crores.

Countries in which acquired entity has presence: India and approx. 40 countries in which products are marketed.

II. **Issuance of securities:**

1. **Type of securities proposed to be issued :** Equity Shares
2. **Type of issuance (further public offering, rights issue, depository receipts, qualified institutions placement, preferential allotment etc.) :** Preferential Allotment
3. **Total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately) :** 2,70,00,000 shares
4. **Additional details in case of preferential issue:**
 - a) **Names of the investors :** Dalmia Bharat Refractories Limited
 - b) **post allotment of securities - outcome of the subscription, issue price / allotted price (in case of convertibles), number of investors :** The investor will hold approx. 14.4% of the issued and paid-up equity share capital post issuance. Each share will be issued at INR 632.5029. Number of investors will be 1.
 - c) **In case of convertibles - intimation on conversion of securities or on lapse of the tenure of the instrument :** No convertible securities are being issued.



Press Release

RHI Magnesita to acquire Indian refractory business of Dalmia

Acquisition strengthens RHI Magnesita's presence and offer in key growth market

Gurugram, Nov 19: RHI Magnesita, the leading global supplier of refractory products, today announces the acquisition of the Indian refractory business of Dalmia Bharat Refractories Limited ("DBRL"). DBRL is one of India's leading refractory players and a long-term trusted partner to customers in the region.

DBRL will transfer its Indian refractory business to Dalmia OCL (DOCL). Under the terms of a Share Swap Agreement, RHI Magnesita will acquire all outstanding shares in Dalmia OCL (DOCL) in exchange for 27 million new shares in RHI Magnesita India Limited. Based on the issuance price of RHI Magnesita India Limited at ₹632.5029 per share, the Share Consideration had a value of approximately ₹1,708 Crores (€208 million). RHI Magnesita will consolidate DOCL's earnings and approximately INR 443 Crores (€54 million) of net debt held by DOCL.

The acquisition will significantly increase RHI Magnesita's presence in the fast-growing Indian refractory market, with forecast steel production growth in India of 12% in 2022 and a 7-8% compound annual growth rate until 2030. Through the consolidation of DBRL's production into RHI Magnesita's existing operations, significant network optimisation synergies will be captured. The company employs approximately 1,200 people in India and has production capacity of more than 300,000 tons of refractory annually, from five refractory plants and raw material sites. The acquisition will add production capacities in important industrial regions in the south and west of India where RHI Magnesita currently has no assets.

Stefan Borgas, CEO of RHI Magnesita, said: "I am very pleased to announce this highly value creating acquisition which will accelerate our development in the fast-growing Indian refractory market. It is another step in the execution of our Group strategy. We see material financial and operational benefits from the addition of the Dalmia Bharat Refractories business to our existing network, which will enable us to increasingly serve our customers with a 'local for local' approach in India and offer a broader range of products, in particular in the Industrial segment, in which RHI Magnesita is currently under-represented. This transaction demonstrates our ability to continue to grow our business in India where the outlook for the refractory industry is strong, at a time when demand in other geographies is weakening."

Parmod Sagar, CEO of RHI Magnesita India, said: "As a trusted and reliable business partner, the integration of the Dalmia Bharat Refractories business into our network will underline our position as the leading player in the Indian refractory market. This transaction represents a strong commitment from the senior management to continue strengthening the company's operations in India and to further expand our footprint in the region."

Commenting on the transaction, **Sameer Nagpal, Managing Director & CEO of DBRL** said: "We were able to scale up the business over the last few years on the back of product breadth and service capabilities, establishing ourselves as a reliable Indian player. For the next phase of growth of this business it is imperative to have access to technology which RHI Magnesita, being a global leader, brings to the table. We believe our business can be optimally utilised to serve Indian customers by becoming a part of RHI Magnesita's network."

About RHI Magnesita

RHI Magnesita is the leading global supplier of high-grade refractory products, systems and solutions which are critical for high-temperature processes exceeding 1,200°C in a wide range of industries, including steel, cement, non-ferrous metals and glass. With a vertically integrated value chain, from raw materials to refractory products and full performance-based solutions, RHI Magnesita serves customers around the world, with around 12,000 employees in 28 main production sites and more than 70 sales offices. RHI Magnesita intends to leverage its leadership in terms of revenue, scale, product portfolio and diversified geographic presence to target strategically those countries and regions benefitting from more dynamic economic growth prospects.

The Group maintains a premium listing on the Official list of the London Stock Exchange (symbol: RHIM) and is a constituent of the FTSE 250 index, with a secondary listing on the Vienna Stock Exchange (Wiener Börse). For more information please visit: www.rhimagnesita.com

About RHI Magnesita India Limited

RHI Magnesita India Limited is a leading India-based supplier of high-grade refractory products, systems and solutions to the India and West Asia region, which are indispensable for industrial high-temperature processes exceeding 1,200°C in a wide range of industries including steel, cement, non-ferrous metals and glass. RHI Magnesita India Limited is listed on the Bombay Stock Exchange (stock code: 534076) and National Stock Exchange of India (symbol: RHIM NS) with ISIN INE743M01012. For more information please visit: www.rhimagnesitaindia.com

About Dalmia Bharat Refractories Limited

Established in 1954, Dalmia Bharat Refractories Limited (previously Shri Nataraj Ceramics and Chemical Industries Ltd.) is a leading India-based producer of high alumina refractory bricks for the Indian cement industry. DBRL provides a complete line of services including refractory design and layout for greenfield projects, refractory application and maintenance. DBRL offers end-to-end refractory products, solutions and services to customers in over 40 countries and is one of the oldest and leading suppliers of refractories to cement plants in India and the Middle East and North Africa region.

For further enquiries, please contact:

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