

RHI Magnesita India

12 August 2026

Operator: Ladies and gentlemen, good day and welcome to the RHI Magnesita India Ltd. Q1 FY27 earnings conference call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star and then zero on your touchtone phone. Before we get started, I would like to point out that some statements made or discussed on today's call may be forward-looking in nature and must be viewed in conjunction with the risks and uncertainties that we face. The company does not undertake to update these forward-looking statements publicly. I now hand the conference over to Mr. Parmod Sagar, Chairman of RHI Magnesita India Ltd. Thank you, and over to you, sir.

Parmod Sagar – Chairman: Thank you very much. Good morning, everyone, and thank you for joining us. It is a pleasure to welcome all of you to this earnings conference call for the first quarter of FY27.

Safety remains our highest priority at RHI Magnesita India. We will continue to invest in our safety programs and make progress toward zero harm and the well-being of our people.

We delivered a strong start to FY27, with revenue growth and a significant improvement in profitability despite a volatile operating environment. This performance underscores the resilience of our business model, the effectiveness of our execution, and the strength of the strategic foundations that we have built over the years. Our Q1 performance reinforces our confidence in our ability to create long-term value while maintaining disciplined growth.

Let me briefly share our perspective on the industry environment. The refractory industry continues to operate in a competitive environment characterized by pricing pressure, rising input costs, and increased competition from both domestic and multinational players with greenfield and brownfield expansion. Nevertheless, our differentiated business model, technical expertise, and customer-centric approach position us well to navigate these challenges.

Encouragingly, demand across all our key end markets remains healthy. In the steel sector, major steel producers reported steady growth in production and volumes, aided by strong domestic demand and high capacity utilization levels. From a refractory industry perspective, continued investment in blast furnaces, steelmaking facilities, rolling mills, and capacity expansion projects is expected to sustain demand for refractory products.

High production levels and capacity utilization across steel plants typically support both project-related and maintenance refractory requirements. The requirement for advanced refractory solutions to improve campaign life, reduce downtime, and enhance thermal efficiency creates opportunities.

The cement industry maintained strong growth momentum in Q1 FY27, supported by robust demand and capacity expansion programs. Industry players remain committed to significant brownfield and greenfield investments, reinforcing a positive long-term demand outlook. While the cement industry experienced margin pressure due to elevated fuel, energy, and raw material costs, manufacturers continue to focus on operational efficiency, productivity improvement, and cost optimization initiatives.

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RHI Magnesita India

12 August 2026

While the operating environment remains dynamic, the structural growth drivers across our end markets remain intact, and we remain focused on leveraging our technological leadership and strategic partnerships to consistently outperform the underlying market.

Our sustainability agenda continues to translate into tangible business initiatives through the formation of our joint venture with Kancor Refractories, Minpro, to establish a greenfield mineral processing facility in Odisha, which will be a subsidiary of RHI Magnesita India Ltd. We see this as a strategic investment that delivers both environmental and economic value over the long term.

Overall, the progress across these five pillars reinforces our strategy of driving profitable growth through market expansion, technology leadership, cost excellence, sustainability, and long-term value creation for our customers while generating value for our shareholders and all stakeholders.

Before I conclude, I would like to take a moment to address an important leadership transition for the company. After having the privilege of leading RHI Magnesita India over the past several years and working alongside a highly committed team to build a strong platform for future growth, I am delighted to welcome Mr. Pankaj Malhan as our new Managing Director and Chief Executive Officer, while I continue to serve as Chairman.

Pankaj brings industry experience, deep customer insights, and a strong commercial track record. His customer-centric leadership style and strategic vision make him ideally positioned to lead the company through its next phase of growth. I look forward to working closely with Pankaj as we continue strengthening our market position and advancing our vision of building a high-quality, differentiated industrial solutions business for our customers while generating value for our shareholders and all stakeholders.

With that, I would like to invite Pankaj to share his thoughts and perspective on the opportunities ahead. Thank you very much.

Pankaj Malhan – MD & CEO: Thank you, Parmod, and good morning, everyone. It is an honor to address you today as the Managing Director and CEO of RHI Magnesita India. I am joining a company with a strong market position, deep technical expertise, and a proven track record of creating value through innovation, operational excellence, and long-standing customer relationships.

As we look ahead, we remain focused on five strategic pillars that are going to drive our next phase of growth. First, we would like to outpace the market by strengthening our presence in high-growth segments such as ironmaking, DRI, pellets, flow control, and selected industrial applications. We are very confident that this will be supported by new order wins and deeper customer engagements.

Second, we continue to expand our flow control model, moving beyond traditional product supply to deliver tailored solutions and long-term strategic partnerships, with strong momentum coming from both the steel and cement markets.

Third, we are resolute in accelerating digitization and technology adoption to enhance customer value and operational excellence, including investments in advanced automation and energy optimization initiatives.

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RHI Magnesita India

12 August 2026

Fourth, we remain focused on driving cost competitiveness through backward integration, progress in quartzite mining, and increasing recycling rates, which would strengthen both our resilience and sustainability.

Finally, sustainability remains at the core of the strategy. We continue to reduce energy consumption and CO2 emissions. This reinforces our commitment to responsible and profitable growth.

With a very resilient business model, trusted customer relationships, a talented team, and very clear strategic priorities, I think we are very well positioned to deliver sustainable and profitable growth over the long term.

With that, let me hand over to our CFO, Mr. V, who will take us through the financials. Over to you, V.

Mr. V – CFO: Thank you, Pankaj and Parmod, and good morning, everyone. Let me now take you through our financial performance for the first quarter of FY27.

We began FY27 on a strong note, delivering healthy growth in both revenue and profitability despite a challenging industry environment. Revenue from operations for Q1 FY27 stood at 1,014 crores, representing 9% quarter-on-quarter growth and 6% year-on-year growth. Growth was primarily driven by the steel business, supported by favorable realizations and healthy demand across key applications. The cement segment also recorded a recovery during the quarter, benefiting from seasonal maintenance demand.

EBITDA for the quarter stood at 147 crores, reflecting a strong 42% year-on-year increase. EBITDA margin improved significantly to 14.1%, compared to 10.8% in Q1 FY26. This improvement in profitability was driven by strong execution across our steelmaking portfolio, favorable price realization, operating leverage, and ongoing productivity initiatives.

Despite inflationary pressures in raw materials, logistics, and energy costs, disciplined cost management and operational efficiency measures supported healthy margin expansion. In addition, initiatives around recycling, vertical integration, and supply chain optimization continue to contribute to cost competitiveness and long-term margin sustainability.

As a result, profit after tax nearly doubled during the quarter, increasing from 35 crores in Q1 FY26 to 65 crores in Q1 FY27.

Our balance sheet remains strong. Working capital remains well controlled, even as we strategically increase inventory levels to strengthen supply continuity and support customer requirements in the upcoming quarters. We remain focused on maintaining supply chain resilience while preserving capital discipline and liquidity.

We have cash and cash equivalents of 452 crores, and our balance sheet shows a strong improvement in working capital. Our balance sheet remains net cash positive with strong KPIs.

Our confidence in the outlook is supported by the resilience of our business model, strong customer engagement, healthy order visibility, and the progress we continue to make across our

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RHI Magnesita India

12 August 2026

strategic initiatives, as outlined by Pankaj.

Looking ahead, while the industry continues to face competitive intensity, excess capacity, and geopolitical uncertainty, we remain confident in our ability to outperform the underlying market. Our confidence is supported by customer engagement, the order book, and continued progress across our priorities.

We remain encouraged by the momentum in our business and expect to deliver profitable growth while maintaining a disciplined focus on margins, cash generation, and returns. Overall, the quarter reflects the strength of our business model and our ability to deliver profitable growth despite a challenging environment.

With that, we conclude our prepared remarks and will now be happy to take your questions. Thank you. Back to the operator.

Operator: Thank you very much, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to withdraw yourself from the question queue, you may press star and two. Participants are requested to use a handset while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Participants wishing to ask a question may press star and one. The first question is from the line of Varun Jain from Daulat Capital. Please go ahead.

Varun Jain – Daulat Capital: Hi, sir. Good morning. I have a couple of questions. Starting with realizations, I think realizations grew close to 12% year-on-year in this quarter. Could you split this into what came from price increases versus product mix versus currency, and what is the sustainable realization for this year?

Management: Normally, we do not split what is coming from price increases and other areas. I am sorry, but we do not have this split as of now. At a high level, what we can say is that most of the price increases were nothing but a war surcharge. So you can basically say that it was primarily driven by the product mix, if that helps.

Varun Jain – Daulat Capital: All right, sure, sir. On the capex side, I think we did only 8 crores of capex in Q1 versus the 150 crores guidance. So we are running slower than the run rate. Do we want to revise the capex guidance, or is it intact? Can you give us a split of the capex into 4Pro, Dalmia modernization, and so on?

Management: The long-term guidance that we gave earlier, of 80–100 crores of capex every year, remains unchanged. It includes modernization of the Dalmia plants, some 4Pro machinery, robotic solutions, and maintenance projects.

Varun Jain – Daulat Capital: Got it, sir. On the Minpro JV, what is the planned investment, and how will we be funding it? If you can throw some more light on the commissioning timelines and the entire economics of this, that would be helpful.

Management: For the first 2 years, we and our {? JV ?} partner Khemka will infuse capital, as per the shareholding. We will infuse 51% and they will infuse 49% in capex as well as working capital for the first 2 years. After that, the {? JV ?} will have self-sustaining funds, and from those funds it will

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RHI Magnesita India

12 August 2026

undertake further expansion or ramp-up of the facility.

Varun Jain – Daulat Capital: My question was how much investment is planned, and what is the payback period, EBITDA margin, and ROCE? How are we thinking about it?

Management: It is roughly 35 crores of initial investment over the next 2 years, and we believe EBITDA should be around 8–10%. The payback period should be less than 3 years or so after production begins.

Varun Jain – Daulat Capital: Got it, sir. Just one last question on the volumes front. I think we have guidance of close to 9% for FY27. Since we did not deliver that in this quarter, we will need close to 14% for the balance 9 months to meet that guidance. Is that much possible?

Management: I do not think I ever committed to 9% volume growth. I normally say 7–9%, and you are taking the upper side of it; I can take the lower side of it. My dear friend, it all depends on the situation and the dynamic environment. The cement season is almost going to be over by the end of September.

I would say that we will have a healthy run-up equivalent to market growth. I still believe we can deliver 7–8% volume growth. However, 9% is a bit of a stretch, but definitely, if we can get some good orders with high volumes, why not? As of now, I am not in a position to say that 9% is sustainable volume growth for the rest of the year.

Varun Jain – Daulat Capital: Okay, sir. Thank you, and all the best.

Management: Thank you.

Operator: Thank you. The next question is from the line of Sahil Sanghvi from Monarch Network Capital. Please go ahead.

Sahil Sanghvi – Monarch Network Capital: Excellent set of numbers, team. Congratulations to the whole team. Secondly, I wanted to convey my best wishes to Parmod. There was a time when the RHI team used to say, “Learn how to do profitable business from Parmod.” Congratulations, sir, and best wishes.

My question is how should we look at margins for the business? I am trying to understand this from a structural and medium- to longer-term perspective. What could be the levers for improvement, and what does the number that we delivered this quarter indicate? I understand that the price hikes are something that should be renegotiated and depend on how raw material costs move.

If you can also split the margins between the Dalmia business and the other businesses, that would be helpful, because as we understand it, the other businesses are flow-control-heavy and have higher margins. Structurally, how should we look at the margins for this business?

Management: Sahil, if I talk about Dalmia and erstwhile RHI Magnesita India, Dalmia is mostly flat, and the growth has come from IM by IM, because in the IM or RHI Magnesita India part, most of the products are flow control products, whether from the Bhiwadi plant or the Jamshedpur plant. That was the focus area where we could manage to get price increases. So the growth has come from

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RHI Magnesita India

12 August 2026

IM, whereas IR remains flat.

I am sorry, I could not understand the many questions you asked.

Sahil Sanghvi – Monarch Network Capital: I was asking for a medium- to longer-term structural view on the margins. Where do we see the numbers, perhaps in terms of a range, and what initiatives will we work on to reach that range? I am asking for a sustainable number.

Pankaj Malhan: Sahil, this is Pankaj Malhan, and I will take this question. First of all, the team has delivered a wonderful first quarter. We should appreciate this.

Going forward, there are a couple of things that Parmod also discussed. First, there are cost structural changes coming up because of the Minpro joint venture that we are looking at. Then, of course, we are looking at some of the mines starting operations for us. These are the structural changes that we are looking at in terms of making sure that the margin is sustained.

We are very positive about the Indian context, specifically in terms of the continuing industry growth rate. Given the way the capex plans have been announced, we are very hopeful that pricing should also remain sustainable here. Overall, we are hopeful that we should be able to sustain the margin over the medium to long term.

Sahil Sanghvi – Monarch Network Capital: Sure. That is helpful. Thank you. I will come back in the queue. Thank you.

Management: Thank you, Sahil.

Operator: Thank you. The next question is from the line of Rajesh Majumdar from 361 Capital. Please go ahead.

Rajesh Majumdar – 361 Capital: Good morning, Parmod, Abhijit, and Pankaj, and congratulations on a good first quarter. I wanted to know a couple of things. First, what was the impact of project orders on the first-quarter result? Were any project orders reflected in the first-quarter numbers? If so, what was the quantum?

Management: Rajesh, we did not have any project in the first quarter, so there was no impact from any particular project delivery in Q1.

Rajesh Majumdar – 361 Capital: So this was entirely from steel operations, mostly?

Management: Yes, steel operations only, mainly steel. Industrial was a bit weak because, whether it was non-ferrous or glass, hardly any projects came up in the first half of the year, I would say. Some projects are coming up in the second half of the year, and we are still expecting them in the second half.

Silica and glass order business will come in Q3 and Q4. You will normally see this as seasonal and easily affected by clients. This is why we are emphasizing our order book visibility, because these are long-term project orders for 7-10 months. We are definitely confident that we will be able to execute them, and they are in our pipeline.

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RHI Magnesita India

12 August 2026

Rajesh Majumdar – 361 Capital: Is there any impact from softer alumina prices in this quarter in terms of the margin, because the standalone gross margin has gone up quite a bit? I was wondering whether the positive impact was from alumina prices.

Management: Alumina prices have stabilized over the last 6 months. The last quarter, or the fourth quarter of the last financial year, and the first quarter of this year were static. There was no significant movement. There is always a little movement here and there, but not a significant movement. It is stable as of now.

Rajesh Majumdar – 361 Capital: What is the outlook for magnesite prices? You already had some price increases in Q1, but will we see cost increases again in Q2, which would again be a problem and require further price increases? Or do you think margins will be stable overall, given the impact of raw materials and everything else?

Management: Magnesite prices have already gone up by 6–8% over the last 2 months or so. We are trying to see how we can absorb this and how we can pass it on to our end users. We are working on both aspects: how we can further optimize our product processes and recipes and use the circular economy, and, wherever that is not possible, how we can approach our end-user customers and ask for a price adjustment.

Rajesh Majumdar – 361 Capital: My last question is regarding the presentation, where you mentioned that the flow control market share has gone up. What was the contribution of flow control in this quarter?

Management: It is difficult to say what the contribution was, but I can only say that in one of the big groups, our market share has gone up almost twofold over the last 6 months or so. Just to give you some idea, Rajesh, 35% of our total revenue is coming from the flow control business, if that helps.

Rajesh Majumdar – 361 Capital: 35%. Okay. Thank you, sir.

Management: Thank you very much.

Rajesh Majumdar – 361 Capital: Thank you.

Operator: The next question is from the line of Rajakumar Vaidyanathan from RK Invest. Please go ahead.

Rajakumar Vaidyanathan – RK Invest: Good morning. Can you hear me?

Management: Yes.

Rajakumar Vaidyanathan – RK Invest: Thank you for the opportunity, and congratulations on the good set of numbers. My first question is whether the margin improvement that we have seen in this quarter is sustainable.

Management: We have given guidance of 13%. We still remain firm with that guidance.

Rajakumar Vaidyanathan – RK Invest: The reason I ask is that your parent company, in its commentary, said that it is looking at a 45 million Euro EBITDA improvement for 2026, coming

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RHI Magnesita India

12 August 2026

from a combination of pricing, efficiency, and product mix. I want to know how much of that will be contributed by the India entity.

Management: Our parent company's guidance is for its entire group, based on the total pricing initiatives that will contribute to 45 million Euro. This includes all the regions, and India is a part of it.

However, as you know very clearly, we give guidance on only 2 aspects. One is volume growth, where we always say that whatever the {? steel cement ?} growth is, plus 1-2%, is the guidance that we have always given. This is on the volume side.

On the profitability side, we say 13%, so we will continue to remain at 13% hereafter.

Management: I can only add that, out of the 45 million Euro that the global organization has indicated, we are going to contribute significantly, proportionately, I would say. There are 6 regions, so we will be contributing proportionately.

Rajakumar Vaidyanathan – RK Invest: Of the 45 million Euro, you said you are going to contribute significantly. Is that already reflected in Q1, or should we expect some more in the upcoming quarters?

Management: No, it is already reflected. Yes.

Rajakumar Vaidyanathan – RK Invest: So that is going to sustain in the next quarter, right?

Management: Again, I will go back to my earlier remark. We will stay at 13%. Of course, if there is any upside in raw material pricing and the war uncertainty gives us a little bit of cost headroom, that would be some kind of upside. However, we cannot comment on or predict this geopolitical uncertainty.

Despite all these challenges, inflationary pressures, and volatility in the market, we remain firm on what we said over the last year: we will continue to stand by the guidance of 13%.

Rajakumar Vaidyanathan – RK Invest: The second question is regarding your competitor Vesuvius, which has recently moved into the crucible market through the Foseco Morganite deal to build its non-ferrous industry exposure. Does RHI see crucibles or broader foundry consumables as a white-space opportunity?

Management: If you talk about our good friend Vesuvius, they have been with Foseco from the very beginning. They acquired Foseco perhaps 30 years ago, and this crucible business has been there throughout. It is not a new diversification, as far as I know.

We, as RHI Magnesita India, are open to anything and everything. If it fits into our scheme of things, we are genuinely looking at various options.

Rajakumar Vaidyanathan – RK Invest: Okay. Got it, sir. Thank you.

Management: Thank you.

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RHI Magnesita India

12 August 2026

Operator: Thank you. Participants wishing to ask a question may press star and one. The next question is from the line of Chetan Doshi, an individual investor. Please go ahead.

Chetan Doshi: Thank you for giving me the opportunity, and welcome to Pankaj. My first question is regarding the coming quarters. This quarter, you performed very well as far as RHI is concerned, but in the coming quarters, what kind of product mix will you concentrate on to achieve similar growth?

Second, despite the raw material costs and other challenges, what active steps will you take to offset them?

My second question is regarding Minpro. When is production actually going to start, and are you the only company recycling this material, or are other competitors also capable in this segment?

Pankaj: Doshi, first of all, thank you very much for welcoming me and for your questions, if I have understood them correctly. First of all, thank you very much for appreciating the company's performance in Q1. Of course, we have just touched upon the fact that our guidance remains strong.

My colleague Aziz has just spoken about profitability, and our guidance of 13% for the year remains in place. Of course, we are also looking forward to some structural changes in the cost base, which we have just discussed, and we are very hopeful that we will be able to deliver the numbers that we gave as guidance.

Second, you spoke about Minpro, and you also wanted to understand the product mix changes. Our endeavor as management is always to ensure that the product mix remains on the richer side, particularly in flow control and on the basic technology side. Going forward, we will look at how we can further enrich our product portfolio and add to profitability.

Third, you wanted to understand the expected timelines for Minpro to start. We are very hopeful that we will be looking toward Q4 of this financial year to start the project.

Chetan Doshi: Do you have any competition in that area, or are you the only one doing this recycling?

Pankaj: Competition is always welcome. We cannot comment on that, but competition is always there, and we believe in healthy competition.

Chetan Doshi: Okay. I will join the queue for another question. Thank you.

Pankaj: Thank you.

Operator: Thank you. The next question is from the line of Praveen Jayaraman from Avendus Spark Institutional Equities. Please go ahead.

Praveen Jayaraman – Avendus Spark Institutional Equities: Good morning, sir. Am I audible?

Management: Yes, sir.

Praveen Jayaraman – Avendus Spark Institutional Equities: Congratulations on the good set of numbers, and welcome to Pankaj. Pankaj, in the opening remarks, you mentioned quartzite mining.

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RHI Magnesita India

12 August 2026

Can you provide more details on what we are doing there and what the objective is? I could not understand that earlier.

Pankaj: The company is planning some backward integration, specifically for quartzite mining. There are 2 mines that we are working on: one is Charaipani, and the other one is Bikampali.

We are very close to opening these mines, and our expectation is that by the end of this quarter, we should be able to open them. This would definitely give us a solid structural benefit in terms of our cost structure. The benefits we expect should start coming from the next quarter.

Management: If I may add a little bit, this mine was acquired as part of our Dalmia deal. We have now received all the licenses to operate the mine. As Pankaj rightly said, this will give us a greater structural benefit.

It is also important for supply resilience and the Make in India initiative, which we have always emphasized. I think this is now coming to fruition, and it will make us completely self-sufficient. Most importantly, it will help us serve public sector steel players, especially.

Praveen Jayaraman – Avendus Spark Institutional Equities: Understood, sir. My second question is regarding project orders. We said that we did not have any impact on revenues as of now. In the earlier conference calls, I came to know about the coke oven-related project orders that we were anticipating. What is the outlook on those, and will they have an impact this year?

Management: We have spoken about the glass project, the silica project, and the coke oven projects. The coke oven project is almost at the final phase of negotiation. There is a bit of pricing adjustment that we are discussing with our customer. It should be concluded soon, and we will start production from next month.

That project is a long-term project, and we will be fully booked for the next 14–16 months. The second is glass. The 2 glass projects are at a very advanced stage of discussion. They should also happen in the third and fourth quarters of this year.

Praveen Jayaraman – Avendus Spark Institutional Equities: So we could expect projects to contribute from H2, with these 2 coming up on both the coke oven side and the glass side?

Management: Yes, absolutely.

Praveen Jayaraman – Avendus Spark Institutional Equities: Thank you for this, and all the best to the management and Pankaj on his arrival.

Pankaj: Thank you.

Operator: Thank you. The next question is from the line of Rajesh Joshi from Chris Capital. Please go ahead.

Rajesh Joshi – Chris Capital: Thank you for the opportunity. I hope I am audible. Congratulations on a good set of numbers.

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RHI Magnesita India

12 August 2026

My question is about the growth drivers. Given that we now have a net cash balance sheet, how should one think about incremental opportunities outside our current industries or products that we manufacture and sell? Are there any other inorganic growth drivers or new segments that we could enter? Some color on that would be helpful.

Management: We have just concluded this JV with Khetan, so give us some breathing time as well. As I said earlier, the global management is also very supportive of expanding our business in India. Going forward, the management, under the leadership of Pankaj, will look into various options for how we can further expand our business in India.

Rajesh Joshi – Chris Capital: Understood. Secondly, on the call we just spoke about how we can enter PSU clients better after having our own captive mine. I wanted to understand why we were not able to cater to them as effectively before.

Related to that, SAIL has recently announced a new plant. Would we be participating in that plant, both from the one-time upfront capex that they undertake and from a recurring revenue perspective for the same plant?

Management: I think you misunderstood what we were saying about linking PSUs with the mine. We are already doing this coke oven project with the PSU plant. The only benefit of our own mining will be supply resilience and a cost advantage. That will improve our margin in a way.

We will not be relying on third parties to supply the raw material for our refractories. That is what he was trying to say.

Rajesh Joshi – Chris Capital: Should one look at this from the perspective that, given our own captive mines, we can price our products better, which should lead to higher volume growth while margins remain largely stable? Or should one look at it as volume growth remaining where it is and margins improving because we have a captive base?

Management: The second option. Margins will improve.

Rajesh Joshi – Chris Capital: Understood. On the SAIL Bhilai plant, could you clarify whether we are already present in the plant or whether we will participate in the new capex that they have announced?

Management: They are setting up SMS-4. It may still take some time before they start talking to refractory producers about first-fill or capex orders. I happened to be there a few weeks ago, and we discussed generally when it would come up. However, it is still some distance away, perhaps another 6-8 months, before they start talking to refractory suppliers.

SMS-4 is coming up, and they have a plan to add approximately 6 or 6.5 million tons.

Rajesh Joshi – Chris Capital: From a product portfolio perspective, if we look at our parent's product portfolio and basket of offerings, are there products that our parent has which have not yet been introduced in India and which we could potentially introduce at some point, depending on how the Indian market evolves?

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RHI Magnesita India

12 August 2026

Management: For the last 3 years, we have continuously been trying to transfer some technologies and products that we were not producing in India. Some have already been transferred, and some are in the pipeline, on which we are working. In perhaps 1 year's time, we will have 4-5 more products being produced in India.

Management: We have shared this portfolio of what we are transferring. If you go to the investor deck, on pages 21 and 22, you can see our current new product transfers and what we are developing. It will provide you with the details.

Management: It gives you a flavor of what we are already introducing or are in the process of introducing.

Rajesh Joshi – Chris Capital: Understood, sir. This is helpful. Thank you, and I wish you all the very best.

Management: Thank you.

Operator: Thank you. The next question is from the line of Sahil Sanghvi from Monarch Network Capital. Please go ahead.

Sahil Sanghvi – Monarch Network Capital: Thank you for the opportunity again. Could you provide some more details on the quartzite mines? Would they be scaled up enough to make us self-sufficient in our requirements for that particular mineral? Is there any approximate understanding of how much cost savings can be achieved or how this could translate into margins? Any details or direction on this would be helpful.

Management: Sahil, it is still a work in progress. Our FP&A team is working on the mining cost, transportation cost, royalty, and other factors. We are also looking at the landed cost and the price at which we are buying from outside sources.

It is still a work in progress, so we are working on this and will reach out to you when we are ready with the costing. In this question, there were some points relating to the specific advantages. However, there are structural advantages that we are expecting.

Sahil Sanghvi – Monarch Network Capital: Got it. With respect to Khemka, I understand what you have explained in this call so far, but is any quantification possible regarding how much we can save in our cost structure?

Management: We cannot divulge those numbers as of now. However, it is primarily about supply chain resilience, as Parmod just mentioned. We are trying to create that kind of resilience in the supply chain.

We have seen a lot of disruptions this year because of geopolitical tensions, and we do not want this to happen in the future. We are preparing the organization from a future perspective.

Sahil Sanghvi – Monarch Network Capital: Understood. Secondly, we are also constantly trying to work on the export story. Are there any developments or improving visibility on that front over the next 6-12 months?

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RHI Magnesita India

12 August 2026

Management: Sahil, it is unfortunate that for the last 2–3 years we have been trying very hard to increase the export percentage of our business, but sometimes the Ukraine–Russia war, and now the Middle East war, or something else, keeps happening.

Although we continue striving and have conducted some very successful trials, we expect that exports of some flow control products, particularly isostatic products, will increase in the coming months and perhaps over the next year as well.

However, our current performance has actually reduced from the last quarter to this quarter, so exports are reducing at the moment for us. There has been a {? 1% ?} reduction.

Our larger focus is that we are an Indian company and would like to focus on the domestic markets. We will definitely be introducing new products, as we discussed earlier. Therefore, our larger focus will continue to be the Indian market. Local for local.

Sahil Sanghvi – Monarch Network Capital: I understand. Thank you, and all the best.

Management: Thank you.

Operator: Thank you. The next question is from the line of Rajakumar Vaidyanathan from RK Invest. Please go ahead.

Operator: Mr. Vaidyanathan, your line is unmuted. Please go ahead with your question.

Rajakumar Vaidyanathan – RK Invest: Thank you for the opportunity again. There was also a commentary line about India stating that there had been some India steel market share loss due to a deliberate exit from low-margin business in favor of 4Pro. I want to know how much top line we lost because of this.

Management: I think that is not the right statement, Ram, if I understand it correctly. We are not saying that we will prioritize 4Pro. These are 2 different statements.

What we said in our earlier calls was that we want to be absolutely disciplined about profitability and about the deals or opportunities that will generate value for our shareholders. What this means is that we will sometimes exit low-margin business, and if it is not adding any value or strategic advantage, we will not pursue growth for the sake of growth. That is what we said.

4Pro, as we said, is a different business model that we are adopting. It is a completely different approach in the way we sell. Earlier, we used to have CRM or SLS-type contracts. Now we are saying that we will provide solutions for our customers.

We are not just a supplier of bricks or mixes. Our focus is on understanding the customer's problem statement, establishing long-term relationships, and ensuring that we provide a solution that works for them. This could involve not only providing refractories or installation, but also automation, digitization, robotics, or managing the supply chain of refractories for them.

This is what we said from the 4Pro perspective. Regarding the margin and numbers that you are asking about, we do not usually provide that split because it is competitively sensitive information. Therefore, we do not disclose it outright.

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RHI Magnesita India

12 August 2026

Rajakumar Vaidyanathan – RK Invest: Will this shift to 4Pro also lead to an elongated sales cycle, given that you are looking at providing long-term solutions to customers?

Management: Exactly. That is the intention of this long-term partnership. If you are implementing robotics, automation, or digitization initiatives, they have their own technology life cycle, starting with adaptation and continuing through the process of making them mature enough to deliver their full value to customers.

There is also an investment from our side. Customers understand this very well, and this is our entry point to ensure that we secure long-term relationships with them.

Rajakumar Vaidyanathan – RK Invest: I have one housekeeping question. I saw the notification regarding the auditor's resignation. Is there any reason for the mid-year resignation by the auditors? Could you provide some color on it?

Management: I know that you follow our group results very closely, and I am sure you would have observed the notification that we had a change in auditors at the group level. We are essentially aligning with that process.

Most importantly, our auditors were also due for rotation next year. We are aligning with our group strategy to ensure that we have the same auditors and the appropriate governance and synergies along with the group.

This mandatory rotation, together with the group's change of auditors, made it sensible for us to have a productive discussion with our auditors. They had set out their position and had also shared their intention to resign. We will adopt the same auditors at the upcoming AGM to ensure the right governance and synergy along with our group.

Rajakumar Vaidyanathan – RK Invest: This is helpful. If you permit me, can I ask one more question?

Management: You are already asking, so go ahead with one more.

Rajakumar Vaidyanathan – RK Invest: I am sorry about that. My question is regarding the goodwill impairment that you recorded last quarter. Do you think that conditions have now improved and that there could be a reversal of that impairment? Is that something we can expect?

Management: Goodwill impairment was a one-time item. The only thing we can confirm is that all of Dalmia's goodwill is already off our balance sheet.

By way of reminding everyone, these are non-cash goodwill and non-cash impairment items, with no impact on our profitability. They are below the EBITDA line. We do not think we need to do anything further because we still have some goodwill in RHIM IN, but we also have enough headroom if the situation worsens.

This has also had a positive impact because it has contributed positively to our growth.

Rajakumar Vaidyanathan – RK Invest: Okay. Got it, sir. Thank you very much.

Management: Thank you.

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RHI Magnesita India

12 August 2026

Operator: The next question is from the line of Chetan Doshi, an individual investor. Please go ahead.

Chetan Doshi: Thank you for giving me the opportunity again. This is regarding the robotic solution in caster operations. We already have 2 robots installed. Since when have they been in operation? You have written that we are flexible on a 5-year lease. Are we ready to offer a 5-year warranty or something similar, under which we remain associated with the company and take care of the maintenance if anything goes wrong with the system?

Management: Yes, Pankaj, the contract with JSW is for 5 years. And, {? Joshi ?}. Chetan, sorry. Chetan, it is a 5-year contract. It includes everything: the supply of refractories and maintenance of the robotic part. Maintenance and everything else are taken care of when we offer this solution.

Chetan, if I may add, the world is opening up to data-centricity, which is a layer of automation, robotics, and, of course, artificial intelligence. Your company, RHIM, is also strongly looking at this area of value addition for customers going forward.

Chetan Doshi: That is great news. Thank you.

Management: Thank you.

Operator: The next question is from the line of P Yogesh, an individual investor. Please go ahead.

P Yogesh: Good morning, everyone. My simple question is: over 3-5 years, apart from our core business, we have recently entered into a new contract with 4Pro, and we are gaining experience in so many areas. This is good for shareholders.

I am simply thinking about what else we can do apart from the refractory business to increase the top line. What could the services business and the product business look like going forward?

I am asking roughly, based on your understanding, because you know the clients better and because the scope for automation and improvement exists everywhere in India and throughout the world. Based on your understanding, what would the possibilities be?

I am not asking for a target. This market is new to me and, to be frank, to everyone, because I have not seen all these types of plants. There could be areas where we can add value, provide consultancy, generate AMC income, or introduce other products.

Recently, Foseco India acquired Foseco Crucible, which is primarily related to the non-ferrous segment. I do not know whether we can also enter that area. I am only asking for your hypothetical view, not a straightforward answer.

Management: It is a very forward-looking question, Yogesh, and also a brilliant question. The company has always been trying to add value for customers, and we will go all the way in terms of ensuring that we engage with them.

When we say "engage," it means going beyond selling products. We really want to put ourselves in the customers' shoes and see exactly what value we can add in the end. This could involve automation, digitization, or even moving up to an AI layer that can add value to their processes.

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RHI Magnesita India

12 August 2026

Therefore, the company will definitely strive to move from product selling to solution selling over the next 3–5 years. Regarding other opportunities, I cannot predict what will be available in the future, but as a company, we remain open to exploring whatever comes our way in terms of business attractiveness.

P Yogesh: Is there anything on the non-ferrous side?

Management: We are already present in non-ferrous. We are in cement, aluminum, and copper, and we will continue to strengthen our position in non-ferrous going forward.

P Yogesh: Just one last question from my side. I agree that it is very difficult to predict anything in a volatile situation, but I am asking about this year. How do you see the steel industry this year, based on your understanding and your contact with customers?

You obviously have some basic idea of how things are done, and there is a lead time to supply goods and services. I am not asking about EBITDA or anything else, but from an outlook perspective, do you see this year being better than last year?

Most production, auto production, and construction activity are increasing. I am simply asking because last year was one scenario, and whether this year could be a {? 1.2X ?} kind of scenario.

Management: We clearly outlined our strategic elements to you: we are looking to outpace market growth. That is what the management is working toward. Of course, there will be customer engagements.

Parmod Sagar: Growth is coming through for the {? Four ?} model. We would definitely like to adopt more of the technology and digitalization that I just discussed. In addition, we are looking at structural changes in the cost structure itself.

All these initiatives are in place. There is a lot of strategic {? portion ?} to this, and as a team we will continue to work on it and take it forward.

P Yogesh: No, sir. I am asking about the environment, because strategy is something we can decide based on the environment.

Parmod Sagar: Regarding the environment, we all know that steel is growing very strongly in the country right now. If we look at the numbers, the Indian steel sector grew by 7–8% in H1. That puts us in a very good position, given the growth of our end-consuming industry.

Cement, of course, continues to grow at a good pace, and we are hopeful that the India story will remain intact going forward. Looking at the capex announced by many steel companies and their commitment to that capex, I think, if I provide a very broad estimate rather than an exact number, the steel sector itself could see capex of no less than 50,000–60,000 crores in this financial year.

That also gives us a lot of headroom going forward. The growth rate of the steel sector is going to be strong for at least the next 5–8 years, based on our outlook. The refractory industry should be {? tagging ?} in line with the growth rate of the steel sector.

P Yogesh: Sure. Thank you very much, and all the best.

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RHI Magnesita India

12 August 2026

Parmod Sagar: Thank you.

Operator: Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Parmod Sagar for the closing comments.

Parmod Sagar: Thank you very much, dear valued shareholders and analysts. Thank you for your support, as you have provided it for many years. Thank you for your trust in the management, and we assure you that we will do everything possible to exceed your expectations in this volatile situation.

We cannot confirm everything, but our intention is to grow faster than the market, and we will continue to do so. We look forward to your continued support. Thank you very much, and all the very best. Thank you.

Operator: Thank you, sir. On behalf of RHI Magnesita India Ltd., that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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