RAIN INDUSTRIES LIMITED

RIL/SEs/2019

February 27, 2019

The General Manager Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai-400 001	The Manager Listing Department The National Stock Exchange of India Limited Bandra Kurla Complex Bandra East Mumbai – 400 051

Dear Sir/ Madam,

Sub: Earnings Presentation– Reg.
Ref : Scrip Code: 500339 (BSE) & Scrip code : RAIN (NSE)

With reference to the above stated subject, please find enclosed herewith Rain Industries Limited Earnings Presentation on Annual Audited Financial Results of the Company for the Financial Year ended on December 31, 2018.

This is for your information and records.

Thanking you,

Yours faithfully,
for Rain Industries Limited

S. Venkat Ramana Reddy
Company Secretary

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RAIN INDUSTRIES LIMITED

Earnings Presentation – Q4 CY18

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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 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.

Fourth-Quarter Summary

Financial Highlights

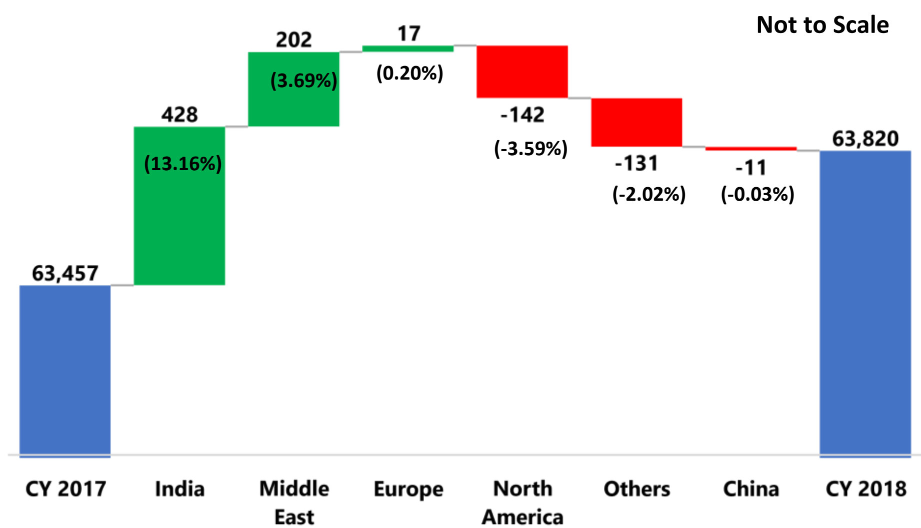
- Revenue from Operations is ₹34.3 billion and Adjusted EBITDA is ₹2.4 billion.
- Adjusted Net Loss After Tax is ₹0.1 billion and Adjusted Loss Per Share is ₹0.4.
- Strong Cash of ₹8.5 billion to fund CAPEX projects and meet debt obligations in the near-term.

Business Highlights

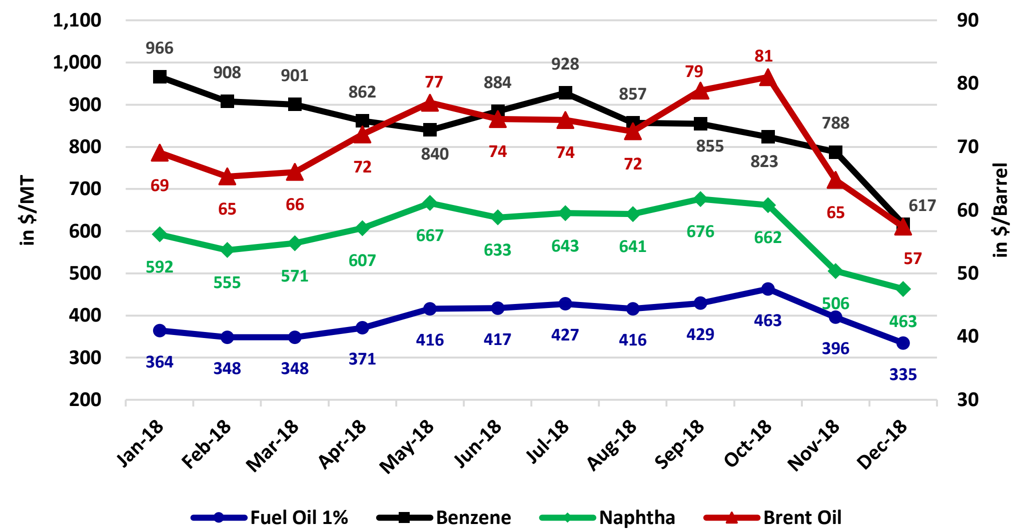
- Performance of Indian calcination business still in recovery phase due to impact of temporary green petroleum coke import ban in India, resulting in consumption of high-priced raw materials
- CPC import ban further negatively impacted blending strategy of RAIN, partly impacting US CPC plant utilisation
- Improved pitch performance due to increased demand by North American smelters and European graphite industry
- Advanced Materials segment impacted by unplanned maintenance shutdowns and weather disruptions
- Non-recurring events included reorganisation in Germany, strategic project in Advanced Materials and receivable write-off due to political conditions
- Achieved company-best safety performance in 2018 and launched **"Quest for Zero"**, a two-year initiative to become incident-free organisation

Market Update

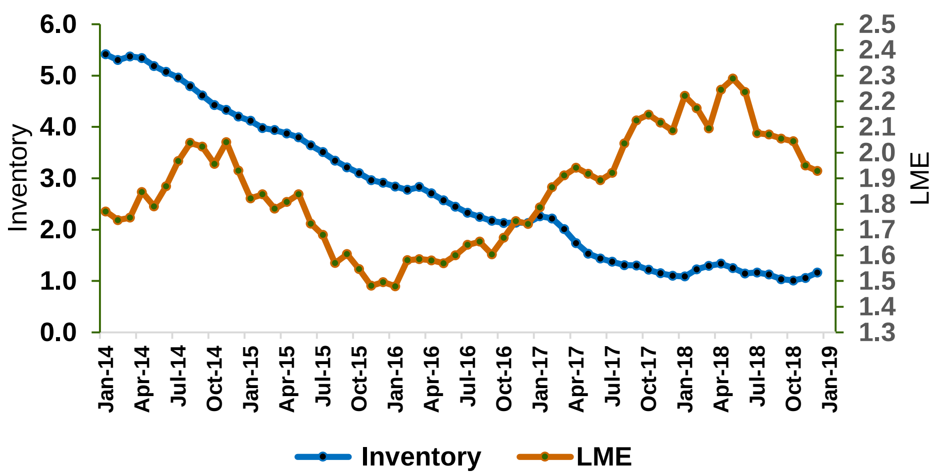
Primary Aluminium Production Growth in Thousand Metric Tons



Price Trends of Key Drivers in Advanced Materials Business



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



Industry Updates:

- Average LME in Q4 2018 was approx. $1,900 compared to $2,100 in Q4 2017. In Jan' 2019 LME prices reached two-year low of approx. $1,700.
- World primary demand grew in Q4 2018 by 2.6% YoY and 3.7% YoY during the first nine months of 2018.
- In Dec' 2018, US OFAC announced its intention to lift sanctions on UC Rusal.
- Highest increase in LME stocks in seven years, coupled with lower LME prices, indicate surplus aluminium production with subdued demand.
- For the first time in six years, Western world is in surplus, which is expected to grow further in next two years.
- Along with the largest expansion in 2019 since 1984, aluminium production in ROW is expected to expand by an unprecedent growth of 1.5 million metric tons or 5.2% during 2019-2020.

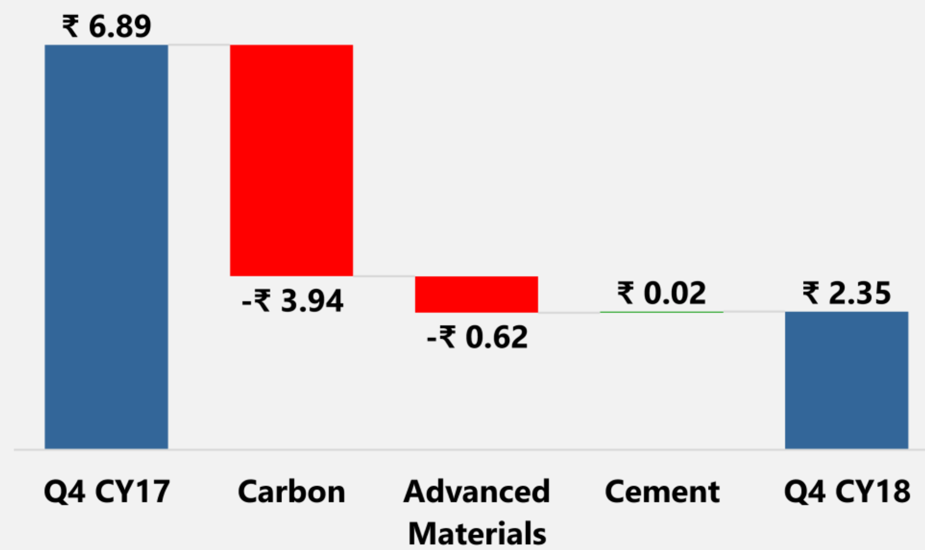
Update on Pet Coke Import Ban in India

- July 26, 2018: Honorable Supreme Court (SC) of India bans the use of petcoke as fuel and permits its use only as a feedstock in cement, lime kiln, calcium carbide and gasification industries
- October 9, 2018: SC grants limited exemption permitting 1.4 million metric tons of GPC imports annually for the calcining industry and 500,000 metric tons of CPC imports annually for the aluminum industry
- Import quantities permitted by SC are aligned with current production requirements by the calcination and aluminum industries, but do not consider increased petcoke requirements for future expansions by either industry
- January 28, 2019: Honorable Supreme Court (SC) reaffirms its October 9, 2018 ruling
- DGFT allocates GPC imports of 255,000 metric tons to the Company for the half-year ended March 31, 2019 including additional allocation of 1,661 metric tons during February 2019 versus a requested volume of 352,145 metric tons
- RAIN continues to pursue discussions with the Indian Authorities regarding the potential import of restricted goods including GPC and CPC, as permitted under the Import – Export Policy, to enable CPC production exclusively for exports, which would allow all of RAIN’s global calcination plants to operate at optimum capacity

Consolidated Performance – Q4 CY18

(₹ in Billions)

Revenue (excluding other operating income)



Adjusted EBITDA

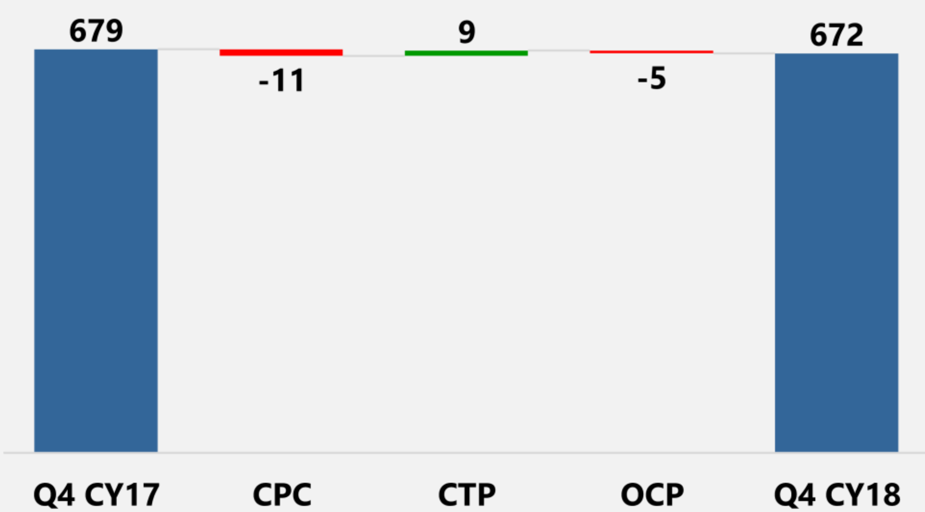
Highlights in Q4 CY18

- Carbon segment affected due to petroleum coke import ban in India
- Earnings impacted due to lag in price resets of finished products versus raw materials
- One-time events such as provision for bad debts, severance payments in Germany and strategic projects
- Although realisations improved, performance reduced due to lower volumes and increased raw material costs

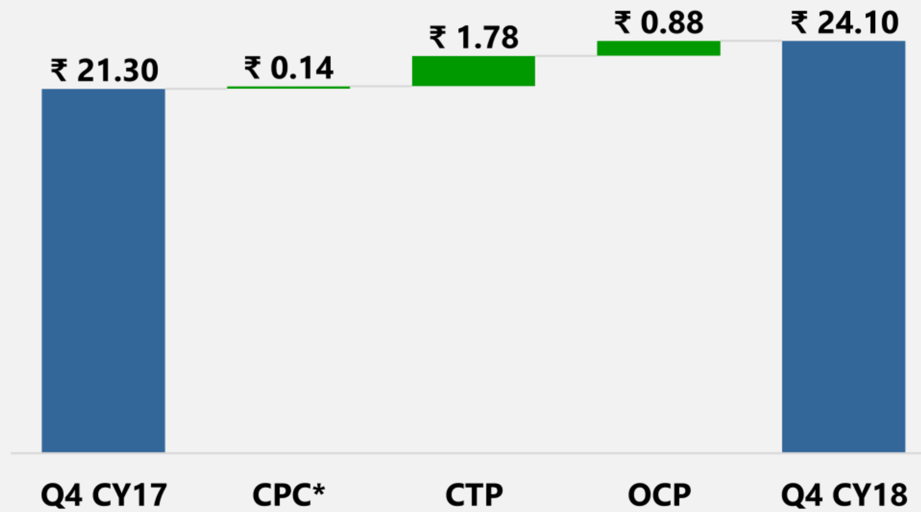
Note: Charts Not to scale

Carbon Business Performance – Q4 CY18

(₹ in Billions)



Sales Volumes (tons in thousands)



*Includes Energy Revenue

Revenue (excluding other operating income)

Highlights in Q4 CY18

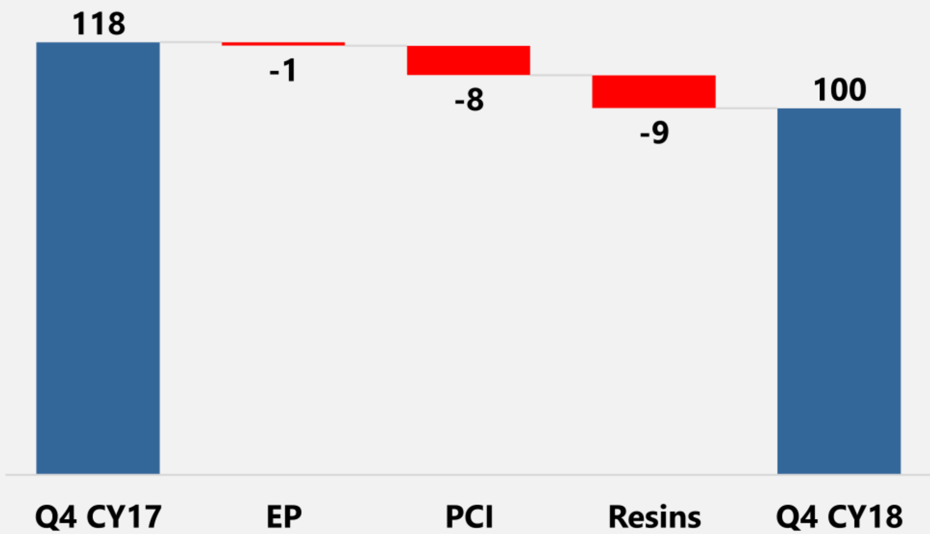
- Carbon revenue increased due to the improved realisations including the favorable impact from depreciation of Indian Rupee against Euro and US Dollar offset by lower volumes
- Import ban of petroleum coke in India led to realignment of shipments and production schedule, ultimately resulting in lower volumes of CPC and higher costs
- Increase in pitch revenue due to increased demand by aluminium industry in North American and European graphite industries
- Adjusted EBITDA decrease of ₹3.9 billion is due to higher raw material costs and lower CPC volumes in India

CPC – Calcined Petroleum Coke; CTP – Coal Tar Pitch; OCP – Other Carbon Products

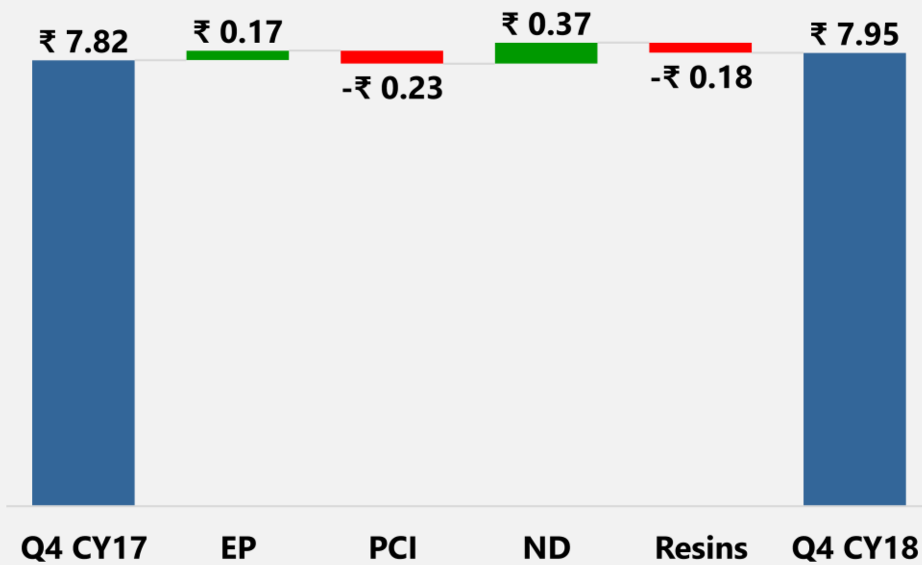
Note: Charts Not to scale

Advanced Materials Business Performance – Q4 CY18

(₹ in Billions)



Sales Volumes (tons in thousands)



Revenue (excluding other operating income)

Highlights in Q4 CY18

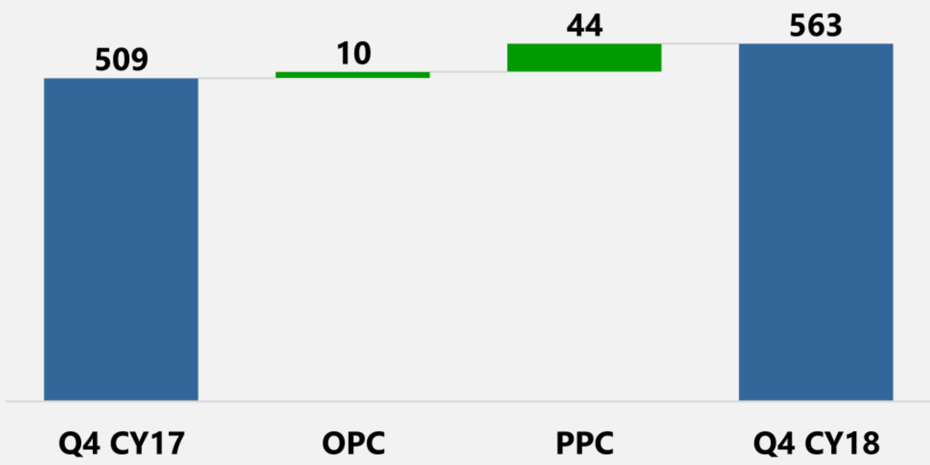
- Improved realisations, including appreciation of Euro against Indian Rupee, contributed to increase in revenue, offset by decrease in volumes
- Volumes decline was primarily driven by lower demand at higher pricing levels, reduced production and sluggish growth in the European automotive industry.
- Adjusted EBITDA decreased by approximately ₹0.6 billion due to a time lag of finished product and raw material price resets.

EP – Engineered Products; PCI – Petro Chemicals Intermediates; ND – Naphthalene Derivates

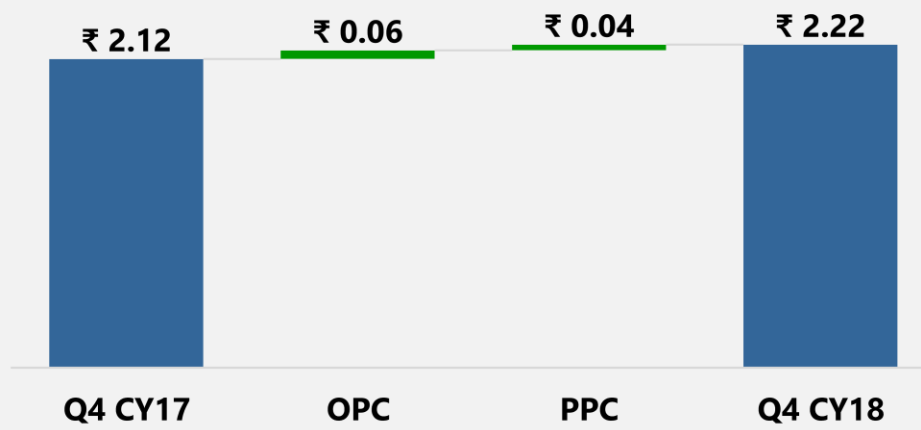
Note: Charts Not to scale

Cement Performance – Q4 CY18

(₹ in Billions)



Sales Volumes (tons in thousands)



Revenue (excluding other operating income)

Highlights in Q4 CY18

- Revenue from Cement business decreased by 4.8%
- Contribution from increase in sales volume by 10.6% offset by 5.3% decrease in realisations
- Adjusted EBITDA from Cement business in Q4 CY18 increased by ₹15 million due to higher volumes

OPC – Ordinary Portland Cement; PPC – Portland Pozzolana Cement

Note: Charts Not to scale

Consolidated Debt Position

$ in Millions	Dec.'18	Dec.'17
Senior Secured Notes		
- 8.25% USD Bonds (due in 2021)	-	247
- 8.50% Euro Bonds (due in 2021)	-	242
- 7.25% USD Bonds (due in 2025)	550	550
Euro Term Loan B	446	-
Other Term Debt	64	69
Gross Term Debt	**1,060**	**1,108**
Add: Working Capital	72	50
Gross Debt	**1,132**	**1,158**
Less: Cash and Cash Equivalents	122	147
Less: Deferred Finance Cost	17	12
Net Debt	**993**	**999**
LTM Adjusted EBITDA	318	349

Highlights in Q4 CY18

- Cash balance of $122 million and unutilised working capital facilities of $138 million.
- Net capital expenditure of ₹11.6 billion during 2018 includes $54.3 million spent on our two major projects under construction – a hydrogenated hydrocarbon resins production facility in Germany and a vertical-shaft calciner in India – as well as expenditure for other expansion projects.
- Net cash used in financing activities of ₹6.1 billion during 2018 includes $38.7 million of net outflows for the redemption of our senior secured notes due in 2021 together with financing costs after considering the proceeds from refinancing.

INR in Million	Dec.'18	Dec.'17
Operating Activities	17,144	8,681
Investing Activities	(10,323)	(5,035)
Financing Activities	(6,186)	(5,205)

Appendix

Summary of Statement of Operations

₹ in Millions

Particulars	Q4 2018	Q4 2017	CY 2018	CY 2017
Net Revenue	34,280	31,245	139,608	113,919
Other Operating Income	161	203	882	552
Revenue from Operations	**34,441**	**31,448**	**140,490**	**114,471**
Adjusted EBITDA	**2,350**	**6,886**	**21,471**	**22,727**
Adjusted EBITDA Margin	*6.8%*	*21.9%*	*15.3%*	*19.9%*
Profit (Loss) before share of profit of associates, exceptional items and tax	**(1,503)**	**4,345**	**9,948**	**12,633**
Less: Exceptional Items	-	1,133	-	1,803
Add: Share of Profit of Associates	9	9	9	9
Profit (Loss) Before Tax	**(1,494)**	**3,221**	**9,957**	**10,839**
Tax Expense (Benefit), including Exceptional Tax Benefit in Q4 CY17	(215)	37	3,643	2,918
Non-controlling Interest	113	112	497	285
Net Profit (Loss)	**(1,392)**	**3,072**	**5,817**	**7,636**
Adjusted Net Profit (Loss)	**(135)**	**2,977**	**7,305**	**7,977**
Adjusted Earnings (Loss) Per Share in (₹)*	(0.4)	8.9	21.7	23.7

Quarterly EPS is not annualized.

Reconciliation of EBITDA and PAT for Q4 CY18

₹ in Millions

Particulars	EBITDA	PAT
A. Reported	**1,064**	**(1,392)**
B. Adjustments:		
• Provision for expenses on account of strategic projects at our European operations	424	327
• Provision for customer receivable due to uncertainty of collection	782	657
• Reorganisation costs on account of closing certain facilities in Europe	80	68
• Depreciation of closed facility	-	259
• Profit on Divestment of Shares in Solar Power Plant	-	(54)
C. Adjusted (A + B)	**2,350**	**(135)**

RAIN – Key Business Strengths

- Three business verticals (Carbon, Advanced Materials and Cement)
- Global presence with 2.1 million tons p.a. calcination capacity, 1.0 million tons p.a. CPC blending capacity, 1.35 million tons p.a. coal tar distillation capacity, 0.65 million tons p.a. advanced materials capacity and 4.0 million tons p.a. cement capacity
- Transforming by-products of oil and steel industries into high-value carbon products
- Long-standing relationships with raw material suppliers and end customers
- Leading R&D function drives continuous innovation
- Diversified geographical footprint with advantaged freight and logistics network
- Facilities with overall 132 MW co-generated energy capacity
- Refinancing at lower interest rate during January 2018
- Experienced international management team
- Strategy shift from low-margin products to favourable product mix

RAIN Group continues to grow on its core competencies.

Thank You