RAIN INDUSTRIES LIMITED

RIL/SEs/2020 February 28, 2020

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, 2019.

This is for your information and records.

Thanking you,

Yours faithfully,
for Rain Industries Limited

S.V.R. Reddy

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Company Secretary

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RAIN INDUSTRIES LIMITED

Earnings Presentation – Q4 CY19

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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

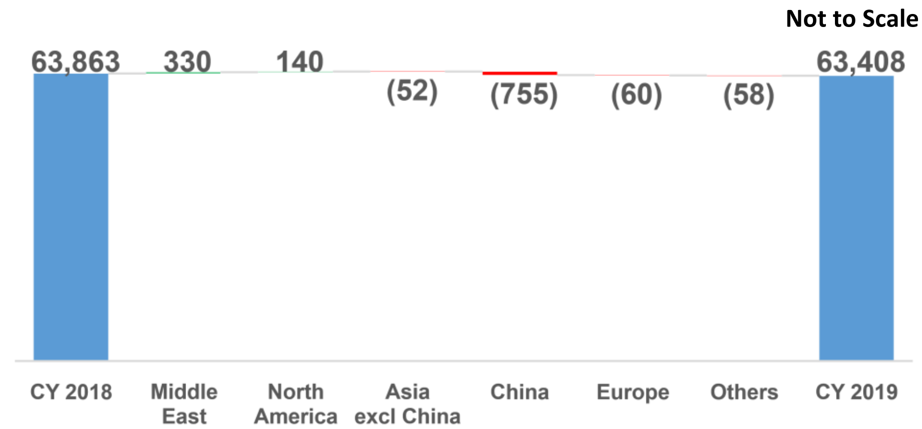
- Revenue from Operations was ₹28.30 billion and Adjusted EBITDA was ₹4.54 billion
- Adjusted Net Profit After Tax was ₹1.33 billion and Adjusted Earnings Per Share was ₹3.94
- Capex of $170 million for the year ended Dec. 31, 2019

Business Highlights

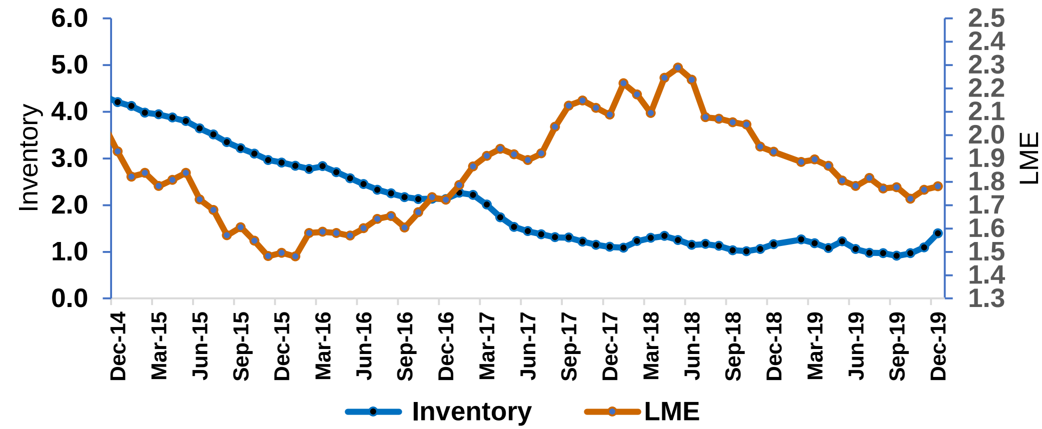
- Recorded safest year in company history, with a recordable incident rate of 0.29 compared to 0.43 in 2018.
- Successfully imported into India first shipment of anhydrous carbon pellets (ACP) produced at US pilot plant.
- Consistent performance for the last two quarters despite weak end-market demand.
- Advanced Materials segment impacted by typical seasonality, weakness in automotive, steel and graphite industries.

Market Update

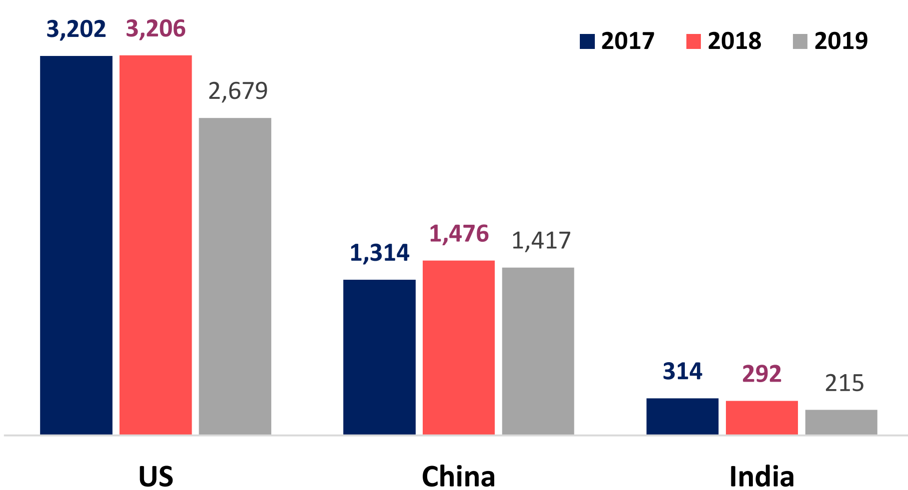
Primary Aluminium Production in Thousand Metric Tonnes



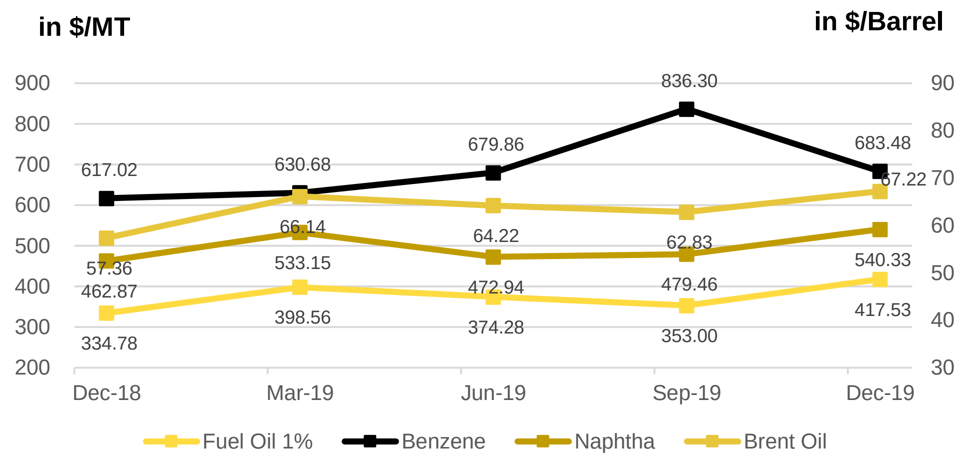
LME AL Inventory (Million MT) vis-à-vis **LME AL Quote** (000 US$ per MT)



CPC Exports in Thousand Metric Tonnes



Price Trends of Key Drivers in Advanced Materials Business



In spite of market headwinds during CY 2019, Aluminium remains the "metal of choice".

Update on Pet Coke Import Restrictions in India

- During Q1 2020, RAIN was allocated additional GPC of 103,852 tonnes from volumes surrendered by other calciners, increasing RAIN's allocation to 657,426 tonnes for the period April 2019 to March 2020.
- RAIN strategically reworking its supply chain to ensure additional volumes are imported to India before the March 31, 2020 deadline.
- RAIN has also developed alternative options such as:
    - Procuring anode-grade GPC from domestic refineries
    - Creating new sales distribution channels
- RAIN successfully imported into India first shipment of ACP in December, produced in a small-scale US pilot plant.
- Hon'ble Supreme Court of India is expected to receive new national guidelines for calcination plant emissions from Ministry of Environment, Forests & Climate Change in March 2020.

Ongoing Capital Expansions

Hydrogenated Hydrocarbon Resins (HHCR) Plant, Germany

- Commercial operation is expected to start during Q2 2020
- New facility will have the flexibility to produce customised products, as per end-user specifications

Vertical-Shaft Calcination Plant, India

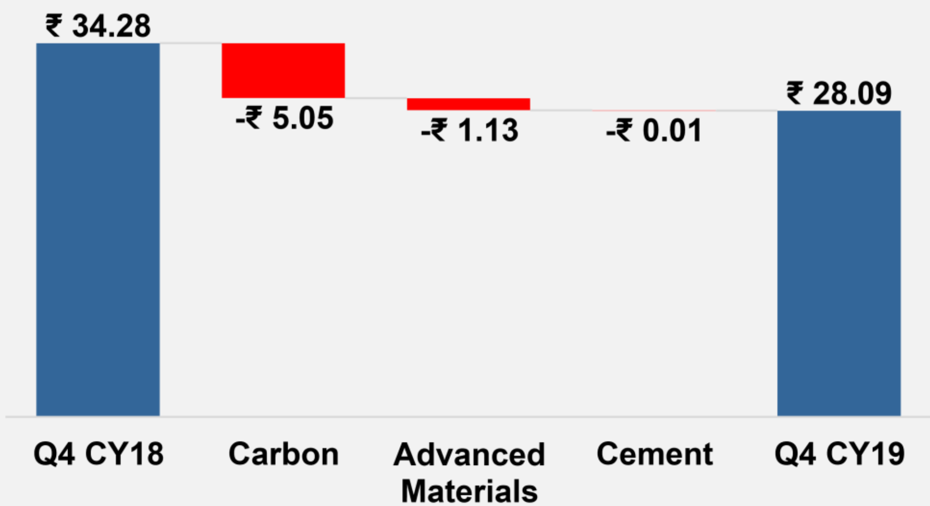
- Project commissioning is in progress, commencement of operations by end of March 2020

Anhydrous Carbon Pellets (ACP) Plants, India and United States

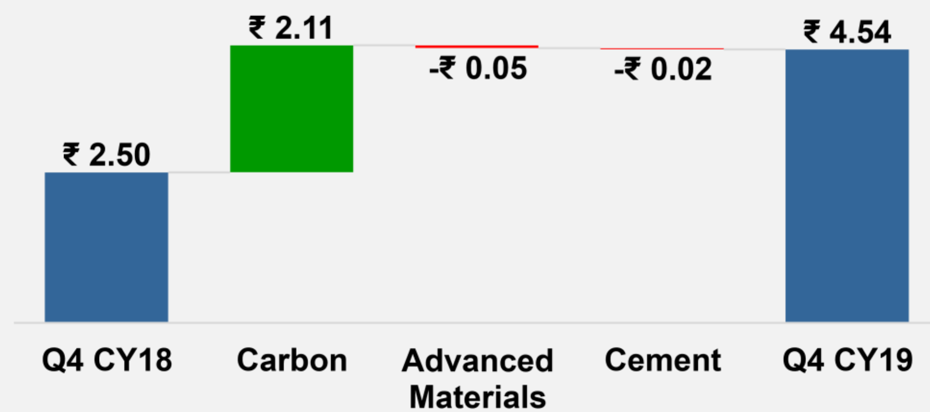
- ACP plant in US is under construction, with an estimated start during Q2 2020
- ACP plant in India will be installed as part of the vertical-shaft calcination plant and estimated to begin production during H2 2020

Consolidated Performance – Q4 CY19

(₹ in Billions)



Revenue (excluding other operating income)



Adjusted EBITDA

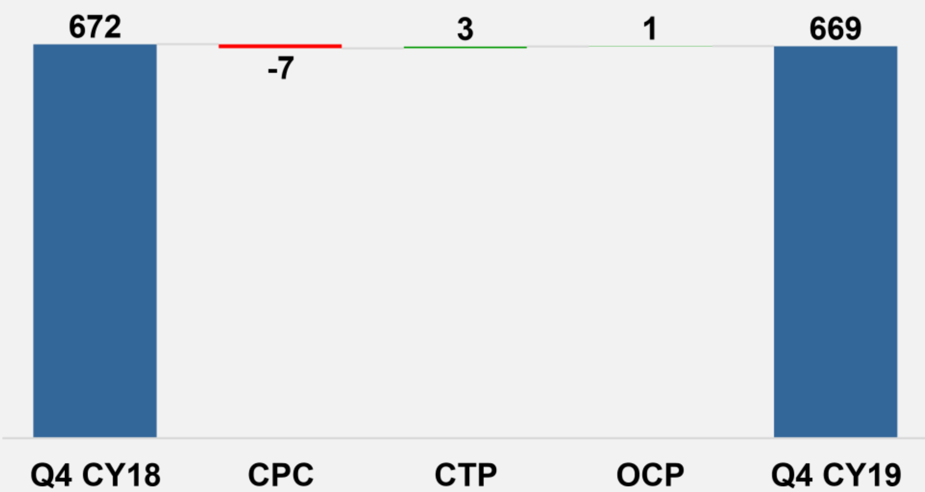
Highlights in Q4 CY19

- Revenue for the Carbon segment impacted on account of average prices falling across all products. However, performance of the segment improved as we exhausted high-value inventories in prior quarters.
- Advanced Materials still facing margin pressure due to sluggish growth in automotive, steel and construction industries.
- Cement segment performance impacted by lower realisations offset by higher volumes.

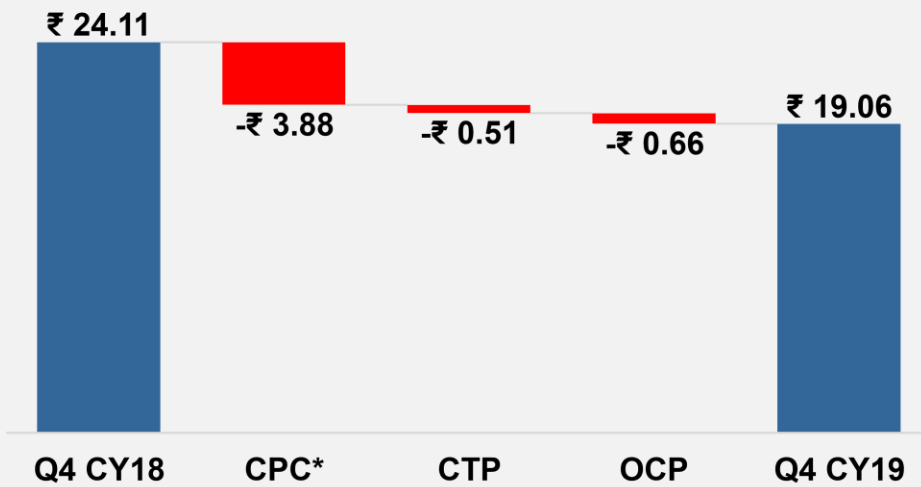
Note: Charts not to scale

Carbon Business Performance – Q4 CY19

(₹ in Billions)



Volumes (metric tons in Thousands)



*Includes Energy Revenue

Revenue (excluding other operating income)

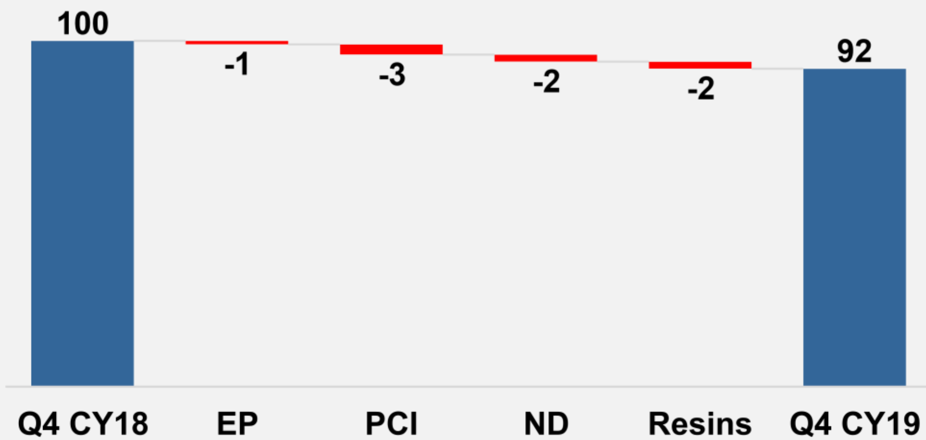
Highlights in Q4 CY19

- CPC revenue declined primarily on account of price decreases in North American and Asian markets.
- Pitch revenue decrease driven by lower prices due to changes in customer mix and changes in demand from graphite industry.
- Adjusted EBITDA increase of ₹2,113 million was due to increased margins in CPC on account of lower raw material costs.

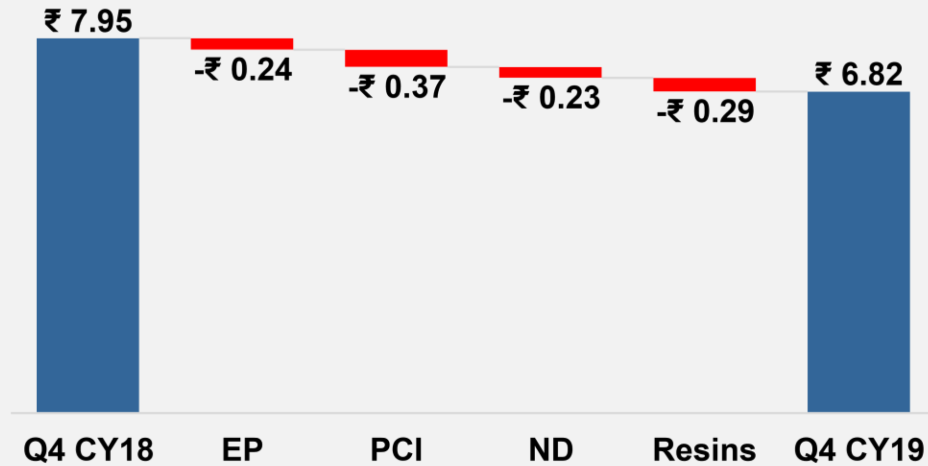
CPC – Calcined Petroleum Coke; CTP – Coal Tar Pitch; OCP – Other Carbon Products

Note: Charts not to scale

Advanced Materials Business Performance – Q4 CY19 (₹ in Billions)



Volumes (metric tons in Thousands)



Revenue (excluding other operating income)

Highlights in Q4 CY19

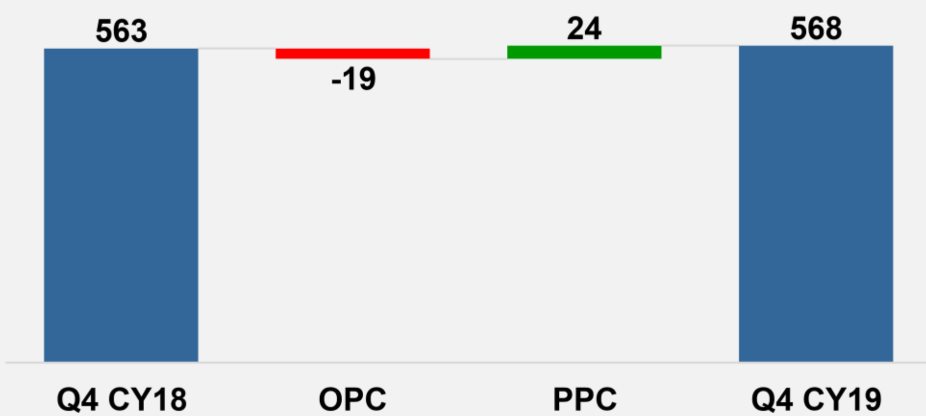
- Revenue decreased due to decline in volumes, lower realisation and changes in foreign exchange rates.
- Lower prices in engineered products and petrochemical intermediates driven by sluggish demand in steel and graphite industries coupled with lower oil-related prices.
- Continued lower resins performance due to weakness in European automotive and adhesives industries.
- Adjusted EBITDA decreased by approximately ₹54 million.

EP – Engineered Products; PCI – Petrochemical Intermediates; ND – Naphthalene Derivates

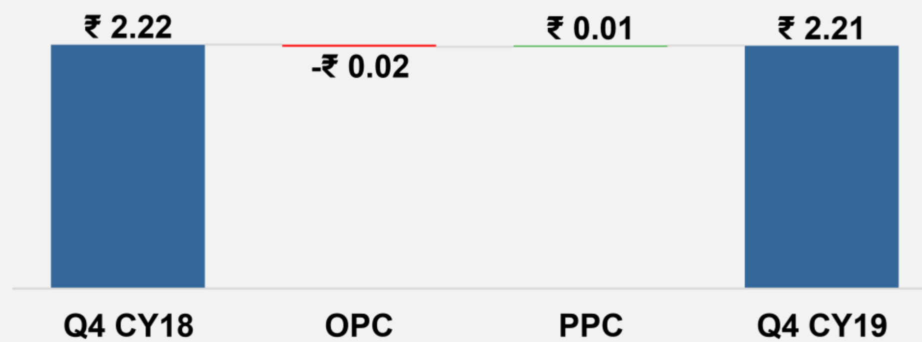
Note: Charts not to scale

Cement Performance – Q4 CY19

(₹ in Billions)



Volumes (metric tons in Thousands)



Revenue (excluding other operating income)

Highlights in Q4 CY19

- Revenue from Cement business decreased 0.6% due to lower realisation offset by higher volumes.
- Sales volumes increased across most markets except Andhra Pradesh, Telangana, Odisha and Kerala.
- Adjusted EBITDA from Cement business in Q4 CY 19 decreased ₹22 million due to lower realisations.

OPC – Ordinary Portland Cement; PPC – Portland Pozzolana Cement

Note: Charts not to scale

Consolidated Debt Position

US$ in Millions	Dec 2019	Dec 2018
7.25% USD-denominated Senior Secured Notes (due in April 2025)	550	550
Euro-denominated Senior Secured Term Loan B (due in January 2025)	437	446
Other Term Debt	73	64
Gross Term Debt	**1,060**	**1,060**
Add: Working capital debt	55	72
Less: Deferred finance cost	14	17
Total Debt	**1,101**	**1,115**
Less: Cash and cash equivalents	164	122
Net Debt	**937**	**993**
LTM Adjusted EBITDA	248	317

Highlights in CY 2019

- Capital expenditure of ₹11.94 billion (~US $170 million) during CY 2019 includes ₹5.42 billion (US $77 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 projects.
- Net cash used in financing activities of ₹6.53 billion during CY 2019 includes ₹1.41 billion of net outflows for the repayment of borrowings and ₹0.75 billion of net outflows for dividend. Balance of ₹4.37 billion is toward interest payments.

INR in Millions	CY 2019	CY 2018
Operating Activities	22,400	17,055
Investing Activities	(11,792)	(10,324)
Financing Activities	(6,528)	(6,186)

Appendix

Summary of Statement of Operations

₹ in Millions

Particulars	Q4 2019	Q4 2018	CY 2019	CY 2018
Net Revenue	28,090	34,280	122,873	139,608
Other Operating Income	214	161	735	882
Revenue from Operations	**28,304**	**34,441**	**123,608**	**140,490**
Adjusted EBITDA	**4,535**	**2,498**	**17,427**	**21,411**
Adjusted EBITDA Margin	*16.0%*	*7.3%*	*14.1%*	*15.2%*
Profit (loss) Before Tax	**1,492**	**(1,494)**	**5,907**	**9,957**
Tax Expense (Benefit), net	275	(215)	1,283	3,643
Non-controlling Interest	69	113	710	497
Net Profit (loss) After Tax	**1,148**	**(1,392)**	**3,914**	**5,817**
Adjusted Net Profit (loss) After Tax	**1,325**	**(135)**	**5,211**	**7,305**
Adjusted Earnings (loss) Per Share (in ₹)*	3.94	(0.40)	15.49	21.71

Quarterly EPS is not annualized.

Reconciliation of EBITDA and PAT for Q4 CY19

₹ in Millions

Particulars	EBITDA	PAT
A. Reported	**4,457**	**1,148**
B. Adjustments:		
• Insurance claims related to prior periods	(231)	(179)
• Income from sale of land in Hanau, Germany	(156)	(101)
• Expenses towards strategic projects and other non-recurring items	465	304
• Accelerated depreciation due to plant closure in the Netherlands	-	588
• Tax adjustments	-	(435)
C. Adjusted (A + B)	**4,535**	**1,325**

RAIN – Key Business Strengths

RAIN CARBON INC.

PRIYA CEMENT
Lives Forever

- Three business segments (Carbon, Advanced Materials and Cement)
- Global presence with 2.1 million tonnes p.a. calcination capacity, 1.0 million tonnes p.a. CPC blending capacity, 1.3 million tonnes p.a. coal tar distillation capacity, 0.7 million tonnes p.a. advanced materials capacity and 4.0 million tonnes p.a. cement capacity
- Transforming by-products of oil and steel industries into high-value carbon-based materials essential to numerous manufacturing applications and end 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
- Refinanced 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