RAIN INDUSTRIES LIMITED

RIL/SEs/2019 May 29, 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: Corporate 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 Corporate Presentation to be presented during Analyst / Institutional Investors Meeting scheduled on Thursday, the May 30, 2019.

This is for your information and records.

Thanking you,

Yours faithfully,
for **Rain Industries Limited**

S. Venkat Ramana Reddy
Company Secretary

Regd. Office: Rain Center
34, Srinagar Colony
Hyderabad 500073
Telangana, India

Phone: +91 (40) 40401234
Fax: +91 (40) 40401214
Email: secretarial@rain-industries.com
Website: www.rain-industries.com
CIN: L26942TG1974PLC001693

RAIN INDUSTRIES LIMITED

Corporate Presentation – May 2019

Investor Relations Contact:

INDIA: U.S. Sarang Pani

Board: +91 40 4040 1234, Direct: +91 40 4234 9870

Email: Sarang.Pani@raincarbon.com

US: Ryan Tayman

Board:+1 203 406 0535, Direct: +1 203 5172 822

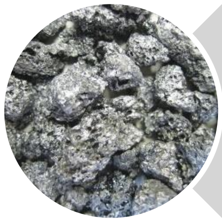
Email: Ryan.Tayman@raincarbon.com

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.

RAIN - At a glance



2.1 MT

Calcined petroleum coke production

1.3 MT

Coal tar distillation

0.7 MT

Advanced materials production

4.0 MT

Cement production

#1 Global producer of Coal Tar Pitch

#2 Global producer of Calcined Petroleum Coke

18 production facilities in **8** countries across **3** continents

5 waste-heat recovery systems

132 MW eco-friendly energy co-generation capacity

3 flue-gas desulphurisation systems

2600+ Team members

Key Milestones

1988

Began operations in Vizag, India, with a production capacity of 0.3 Million Tons of CPC p.a.

2005

Doubled production capacity of CPC to become the 5th largest global producer of CPC.

2007

Acquired CII Carbon LLC, the world's 2nd largest CPC producer.

2008

Brownfield expansion of cement with a capacity of 1.5 Million Tons p.a. at the cement plant in Kurnool, AP, India.

2012

Installed 5th efficiency-boosting WHR facility in the USA.

2013

Acquired RÜTGERS, the world's 2nd largest coal tar distiller.

2014

Brownfield expansion of its PA project in Belgium.

2015

Commissioned FGD system in Chalmette, Louisiana, USA.

2016

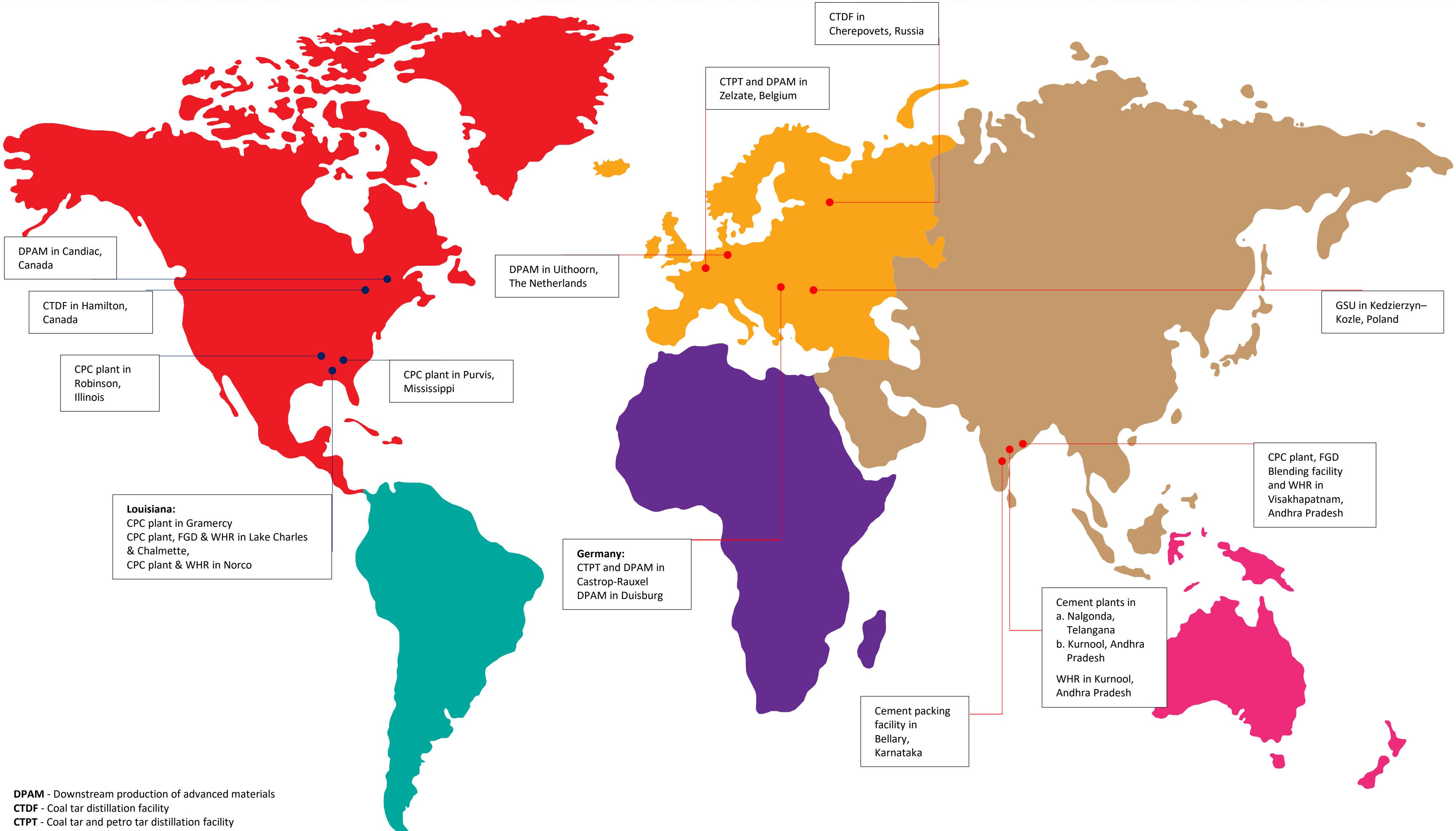
Commissioned 0.3 Million Tons p.a. Greenfield coal tar distillation facility in Cherepovets, Russia, through a JV with PAO Severstal.

Established CPC blending facility with a capacity to blend up to 1 Million Tons p.a. of CPC in Vizag, India.

Installed a 7-MW WHR power plant at Kurnool, AP, India.

Commissioned a 3rd CARBORES® reactor with a capacity of 17,000 Tons p.a. year in Castrop-Rauxel, Germany.

Global Facilities



DPAM - Downstream production of advanced materials
CTDF - Coal tar distillation facility
CTPT - Coal tar and petro tar distillation facility
WHR - Waste-heat-recovery power plant
FGD - Flu-gas desulphurisation facility
GSU - Granulation and soft-pitch upgrading

Overview of Carbon Products
– 68% of Revenue and 79% of Adjusted EBITDA

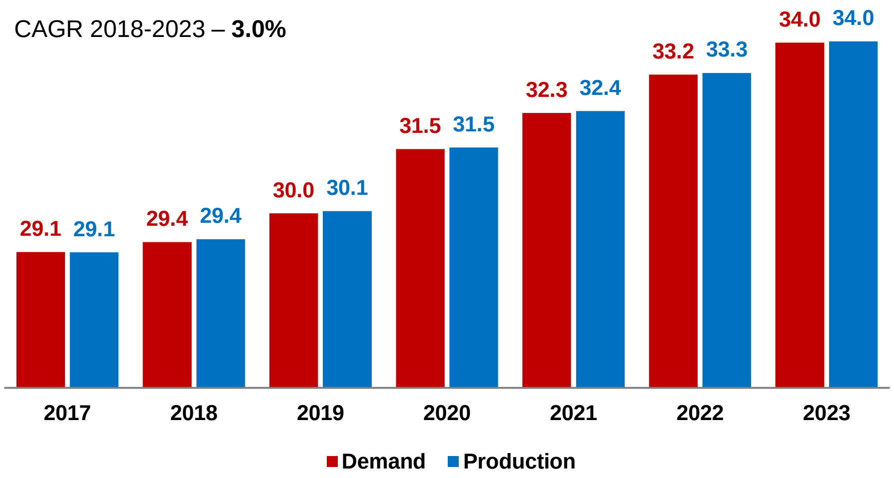
	Primary		Intermediates (Other Carbon Products)		
	Calcined Petroleum Coke	Coal Tar Pitch	Creosote Oil	Carbon Black Oil	Naphthalene Oil
% of Total Revenue (2018)	33%	20%	3%	8%	2%
Key Raw Materials	Green Petroleum Coke	Coal Tar	Coal Tar	Coal Tar	Coal Tar
Product	Calcined Petroleum Coke	Pitch 46.5% of Raw Material	Creosote 6.5% of Raw Material	Carbon Black Oil Other Oils 33% of Raw Material	Crude Naphthalene 3.9%of Raw Material
Key Applications		 			
Key End Markets	Aluminum (85%) Titanium Dioxide (9%)	Aluminum (60%) Graphite electrodes (34%)	Rail Road Ties Utility Poles	Automotive / Tires Pigments Plastic additives Li-ion batteries	Construction Mothballs Plastic additives
Plants	Lake Charles (US) Chalmette (US) Robinson (US) Gramercy (US) Norco (US) Purvis (US) Visakhapatnam (IND)	Hamilton(CAN) Zelzate (BEL) Castrop-Rauxel (GER) Cherepovets (RUS)	Castrop-Rauxel (GER) Zelzate (BEL) Hamilton (CAN)	Castrop-Rauxel (GER) Zelzate (BEL) Cherepovets (RUS) Hamilton (CAN)	Castrop-Rauxel (GER) Zelzate (BEL) Cherepovets (RUS) Hamilton (CAN)

Note: Excludes energy sales, which represented ~2% of 2018 revenue.

Carbon Products – Industry Trend

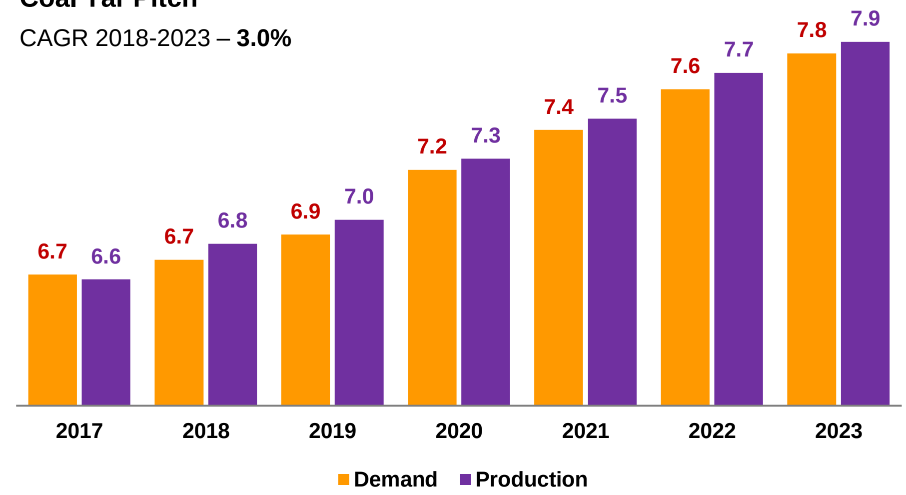
Calcined Petroleum Coke

CAGR 2018-2023 – **3.0%**



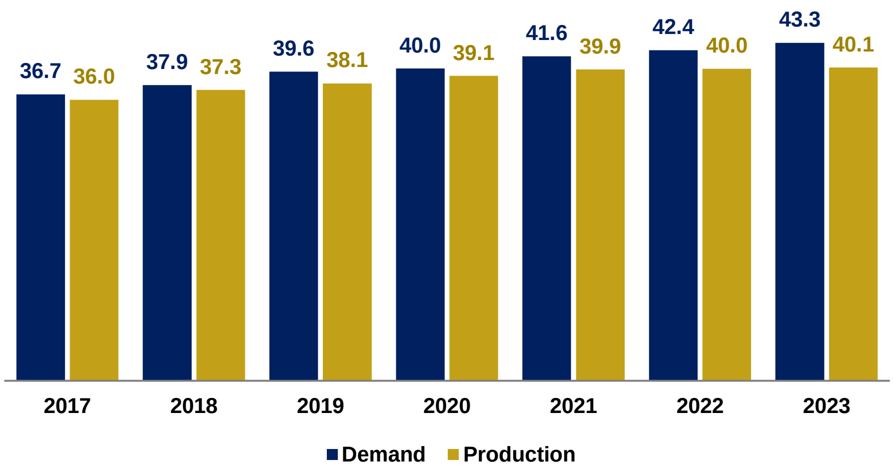
Coal Tar Pitch

CAGR 2018-2023 – **3.0%**



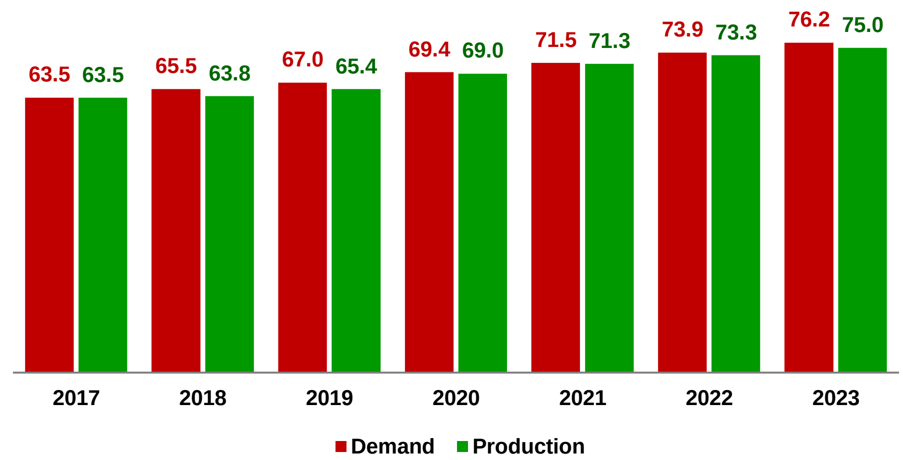
Green Petroleum Coke

CAGR 2018-2023 – **2.7%**



Primary Aluminium

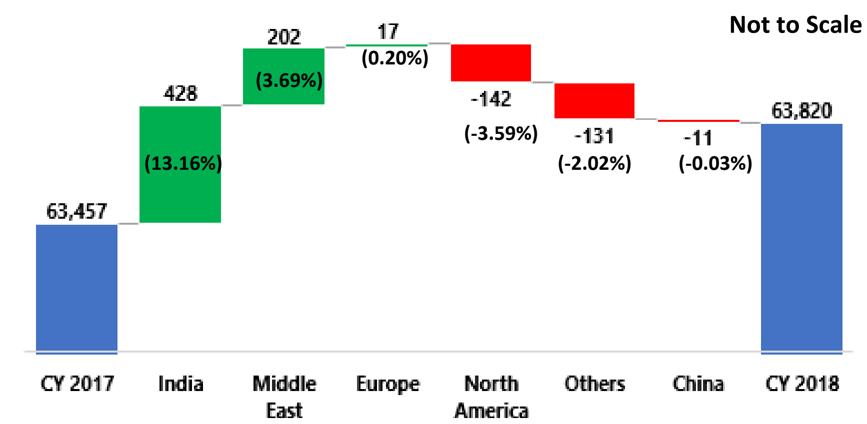
CAGR 2018-2023 – **3.1%**



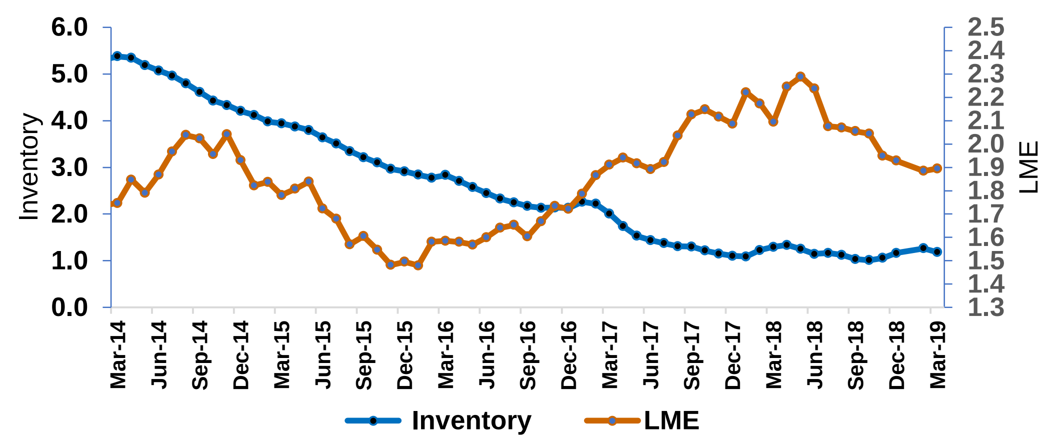
Source: Industry Data

Carbon Products - Market Update

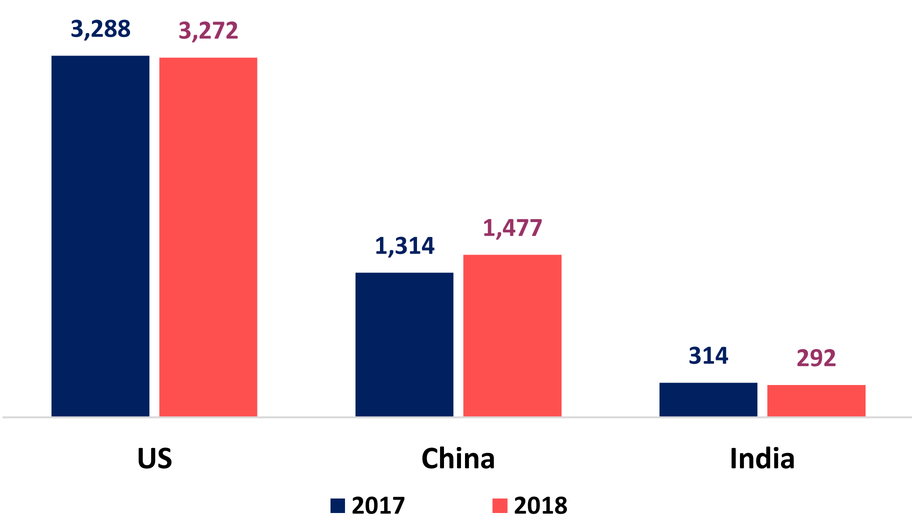
Primary Aluminium Production Growth in Thousand Metric Tons



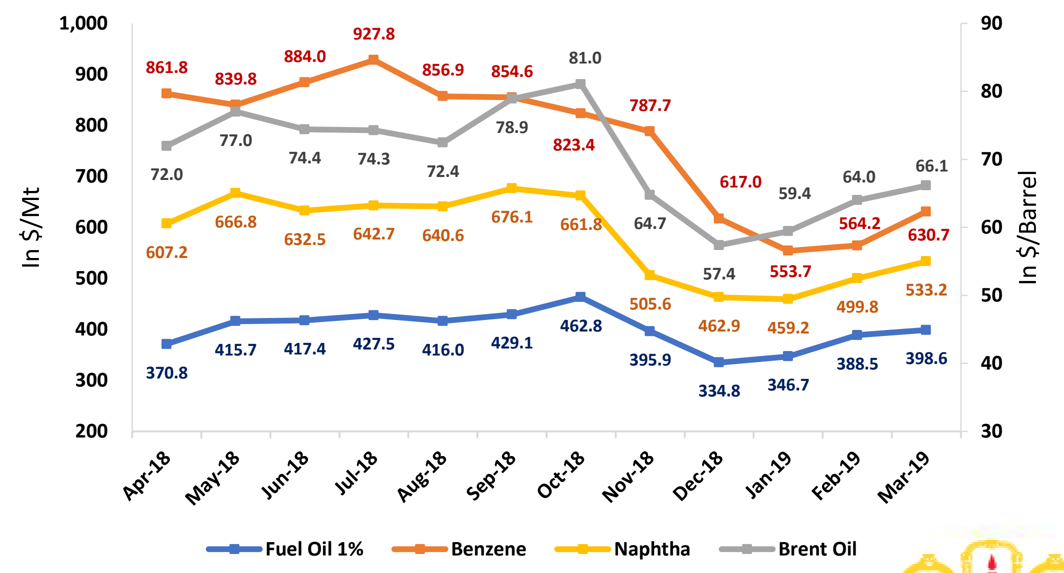
LME Inventory (Million Tons) vis-à-vis **LME** (000 US$ per ton)



CPC Exports in Thousand Metric Tons



Price Trends of Key Drivers in Advanced Materials Business



Carbon Products - Aluminium Market Update

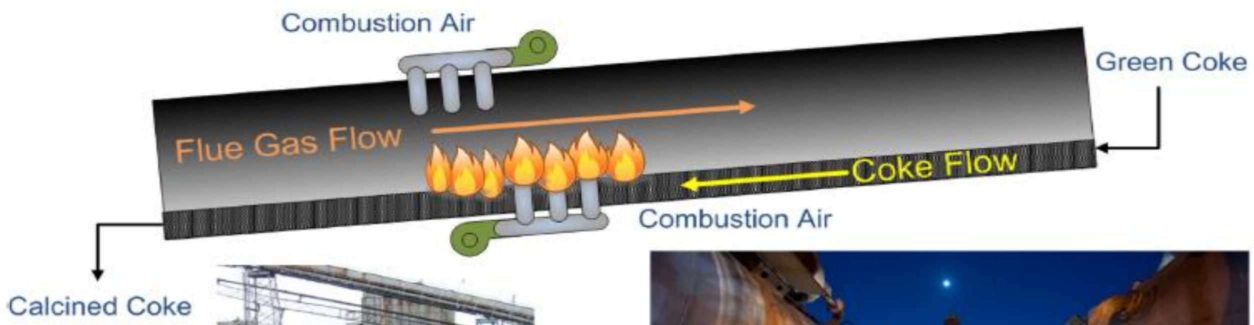
- Downward trend of LME aluminium pricing during Q1 2019 expected to continue in medium-term
- Current level of global inventory days of primary aluminium consumption in 2019 estimated to be lowest in decades
- Weaker demand for aluminium during Q1 CY19 from major end-use markets such as auto and construction sectors in Western world
- Primary production of aluminium outside of China (Rest of World) expected to increase in 2019 due to expansions in Middle East and restarts in US
- Growth in global aluminium demand for 2019 estimated at 2-3%, due to lower demand in China predominantly from transportation and electrical sectors
- Sanctions on RUSAL lifted by United States in January 2019
- US attempts to replace tariffs on imports from Canada and Mexico with quotas for metal import could be unfavourable to North American metal industry
- RUSAL announced investment in new aluminium facility in Kentucky, US
- Alcoa curtailed 124,000 tons smelting capacity in Spain

Carbon Products - Update on Petcoke Import Ban in India

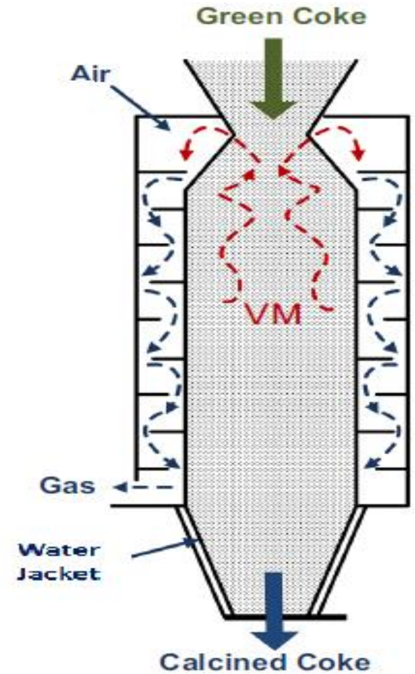
- During Q1 2019, RAIN was allocated additional GPC of 33,680 tons from volumes surrendered by other calciners making total allocation of 287,019 tons for the Second-half of FY 2018-19.
- 553,574 tons of GPC was allotted to the Company for FY 2019-20; not taking into consideration Expansion under construction.
- The Company started procuring GPC from domestic refineries for increasing the capacity utilisation
- DGFT didn't allocate any GPC or CPC for expansion projects:
  - Alternative for aluminum smelters: import ready-made anodes (mostly from China) to cover incremental need.
  - Alternative for calciners: find alternative raw material sources (including India) & methods to lengthen imported raw material volumes
- The Company is evaluating all available options for contesting the approach followed by DGFT for allocation of GPC including approaching Hon'ble Supreme Court.
- Continuous R&D in place for evaluating the use of alternate materials available domestically and internationally for manufacturing of CPC.

Carbon Products - Capacity Expansion under implementation

Rotary Kiln



Vertical Shaft Calciner



Parameters	Rotary Kiln	Vertical Shaft
Processing Time	Less than 2 hours	24 - 48 hours
Conversion Factor (In-Put to Out-Put Ratio)	1.35-1.40	1.25 -1.30
Density	Low	High

Aluminum smelters need both grades of High-density CPC and Low-density CPC

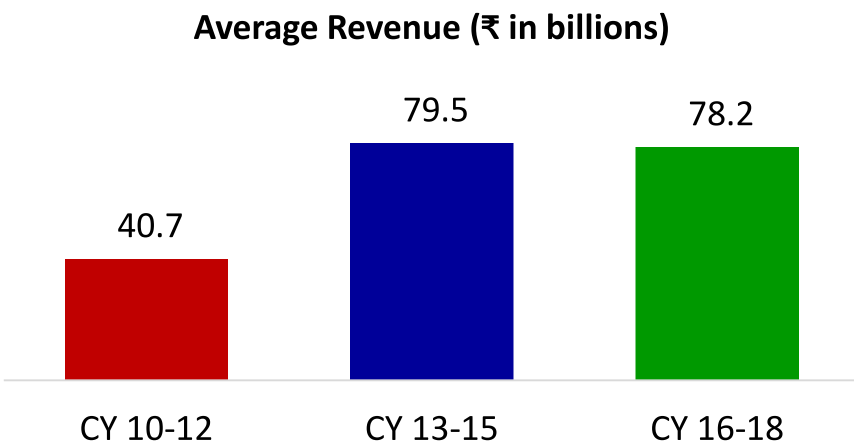
Carbon Products - Capacity Expansion under implementation

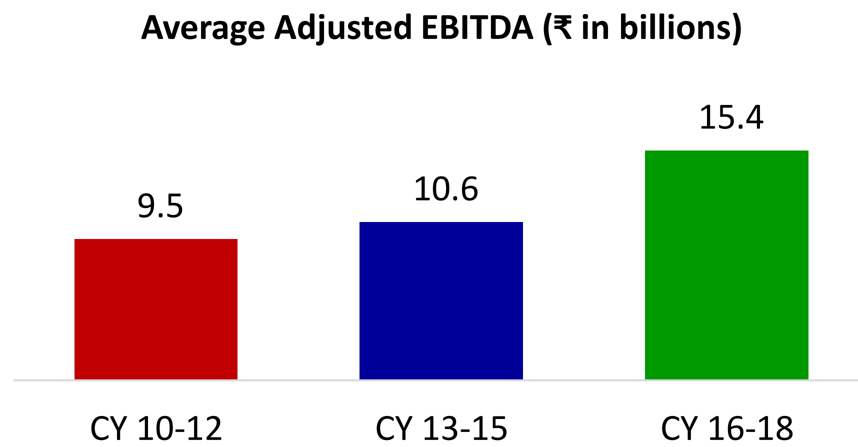
- Vertical Shaft Kiln ("VSK") CPC Plant with a capacity of 370,000 Tons per annum is under construction in Andhra Pradesh Special Economic Zone in Visakhapantam.
  - All existing plants of CPC use Rotary Kiln technology.
  - VSK Plant produces different grade of CPC to be blended with CPC produced in Rotary Kilns to meet the need for High-density CPC of existing customers.
- Construction work is progressing.
- To improve Environmental Efficiency, the Company would be implementing "Ammonia Scrubbing" for the first-time:
  - 100% Sulphur recovered ("Zero SO_2 Emissions")
  - Increase in Project Cost by ~ US$ 5 Million
- The Project is estimated to commence Trial Runs in Q3 of CY19.
- Full benefit of expansion would be achieved in CY20.
- The Company is evaluating options to use alternative raw-materials using proprietary know-how.

Vertical Shaft Kiln

Turbine & Generator

Carbon Products - Key Performance Indicators





- Decrease in revenues between CY 16-18, as compared to CY 13-15; is mainly due to fall in commodity prices, depreciation of Euro against Dollar and reclassification of business segments implemented from CY 2017 offsetting capacity expansions and appreciation of US Dollar against INR.
- New Tar Distillation Facility in Russia, CPC Blending Facility in India and FGD Plant in Chalmette, US completed during CY 16 contributed for increase in "Normalized EBITDA Base".
- Petcoke Ban in India (restricting import of raw-materials ("GPC") to 1.40 Million Tons per annum and import of finished-products ("CPC") to 0.50 Million Tons per annum (restricted only to Aluminium Smelters) impacted the Performance of H2 CY18 and Q1 of CY19.
- No growth in Chinese Aluminium Production over last few quarters has resulted in gradual decline in CPC prices during CY18, which in-turn contributed for lower margins in CPC business, due to the time-lag between the market-quotes for GPC and CPC and inventory held by the Company.

Notes: Financial information up to CY 12 relates to periods prior to RUETGERS Acquisition and are not strictly comparable.

Overview of Advanced Materials
- 25% of Revenue and 18% of Adjusted EBITDA

Advanced Materials

	Petrochemical Intermediates	Naphthalene derivatives	Resins	Engineered Products
% of Total Revenue (2018)	▶ 5%	▶ 6%	▶ 10%	▶ 4%
Key Raw Materials	▶ Crude Benzene ▶ C9 feedstock	▶ Naphthalene Oil	▶ Carboindene ▶ C9 feedstock	▶ Petro tar
Products	▶ Benzene ▶ Toluene ▶ Xylene ▶ Other Byproducts	▶ Phthalic Anhydride (“PA”) ▶ Superplasticizer Chemicals	▶ Resins ▶ Phenol ▶ Carbazole ▶ Carboindene ▶ 3,5 DMP ▶ Specialty products	▶ Carbores® ▶ Petrores® ▶ Petro Pitch
Key Applications				
Key End Markets	▶ Plastics ▶ Solvents ▶ Fuels	▶ Concrete additives ▶ Gypsum boards ▶ Plastic additives	▶ Adhesives and Coatings ▶ Rubber ▶ Paper	▶ Refractory ▶ Construction ▶ Graphite ▶ Li-ion batteries
Plants	▶ Zelzate (BEL)	▶ Zelzate (BEL) ▶ Candiac (CAN)	▶ Duisburg (GER) ▶ Uithoorn (NL)	▶ Castrop-Rauxel (GER) ▶ Zelzate (BEL)

Advanced Materials – Capacity Expansion under implementation

Hydrogenated Hydro Carbon Resins Project:

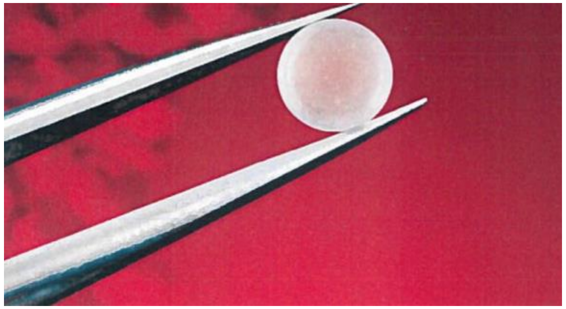
- Construction work is progressing.
- Estimated to commence the commercial operations from Q3 of CY19

Marketing of Product:

- Product "Novares® Pure" launched in various Chemicals conferences.
- White Water Resin used as adhesive in Food Processing & manufacturing of Hygiene products.
- The facility has flexibility to customize the product, as per end-user specifications.

Hydrogenation Plant

Pastillation Plant



HHCR - Product

Carbon and Advanced Materials – End-use in Automobiles

Today's automobiles are highly reliant on our Carbon and Advanced Materials-based products.

Calcined petroleum coke for anodes used in electrolytic process to produce aluminum

CARBORES® for refractory bricks in metallurgy

PETRORES® resins for lithium-ion battery coatings

NOVARES® resins for hot melt adhesives for interior fittings

Coal tar pitch which acts as a binder for the CPC used to create anodes for aluminum

Special pitch for graphite electrodes in lithium-ion batteries

Carbon black oil for automotive coatings

Acetophenone for stabilization of plastics

Naphthalene for dyes used to color plastic parts

Cresolic mixtures/naphthalene for flat screens

Cresol mixtures for insulation of copper wires in motors

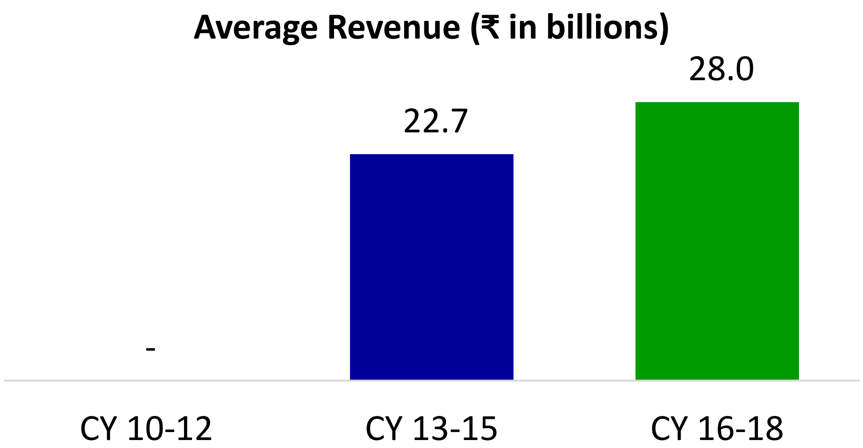
Titanium dioxide used as a filler in automotive paints and plastics

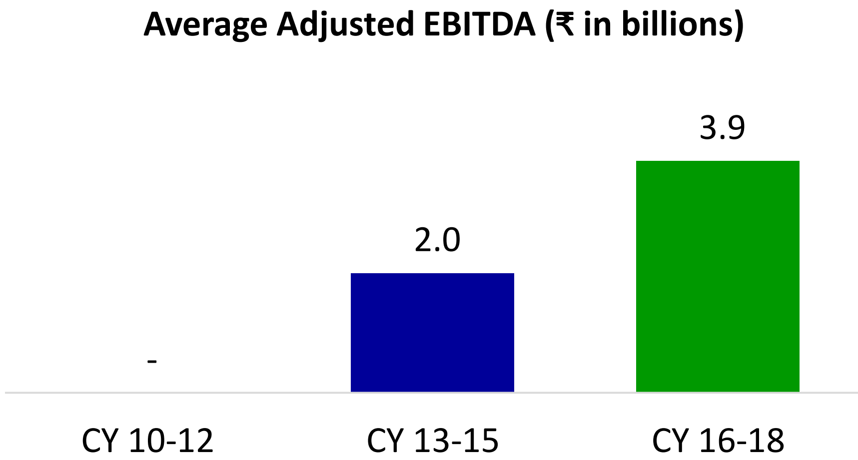
NOVARES® resins improve the grip of tires in wet conditions and reduce rolling resistance

Carbon black oil for carbon black, which improves the mechanical properties of tires

The Raw Materials We Produce Make Products You Rely On Possible

Advanced Materials - Key Performance Indicators





- Increase in revenues between CY 16-18, as compared CY 13-15; is due to shift in segments coupled with appreciation of Euro against INR.
- Further, Capacity Expansion of CARBORES in Germany completed during CY16 has contributed for higher operating margins. CARBORES is used in coating of Lithium-ion Batteries.
- Hydrogenated Hydro Carbon Resin Plants in Germany would contribute to “Normalized EBITDA Base” from the incremental contribution to revenues and EBITDA.

Notes: There are no revenues from Advanced Materials prior to CY 13 as the company acquired RUETGERS in January 2013.

Overview of Cement
- 7% of Revenue and 3% of Adjusted EBITDA

- Two integrated Cement plants; one each in Nalgonda, Kodad District, Telangana and Kurnool District, Andhra Pradesh along with a Packing Plant in Bellary, Karnataka.
- Annual capacity of 4.0 Million Tons
- Two Waste-heat recovery power plants with combined capacity of 11 MW, including 4 MW under construction.
- Major markets in the states of Andhra Pradesh, Karnataka, Maharashtra, Odisha, Tamil Nadu and Telangana.
- Markets under the brand "Priya Cement"

Ordinary Portland Cement

Portland Pozzolana Cement

Cement – Update on Expansion Projects & Other Developments

Waste-heat Recovery Power Plant (4MW) in Kodad, Telangana:

- Majority of construction and erection of equipment is completed.
- Commercial operation date (COD) expected to be in June 2019.
- Once operational, substantial savings from electricity generated from waste-heat, further augmenting the existing capacity of 7 MW in Kurnool Cement Plant.

Upgrading Cement Mill of Line 1 in Kurnool:

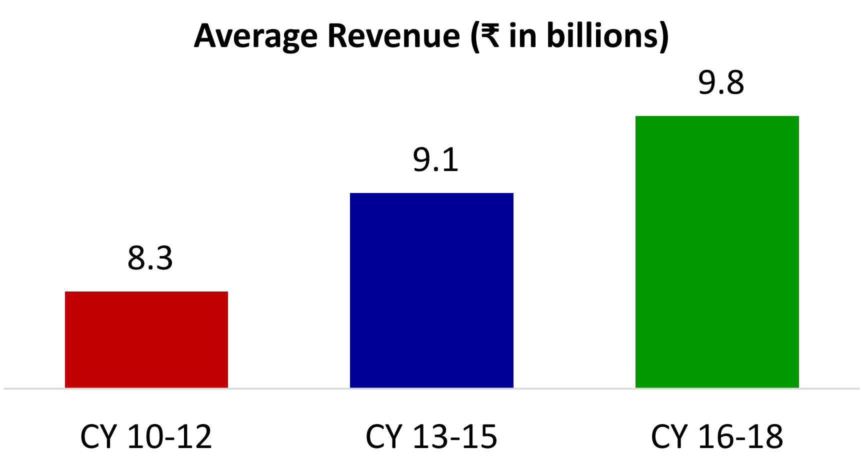
- Project to upgrade cement mill capacity from 50 TPH to 155 TPH initiated.
- The Project is estimated to be completed during H2 2019.

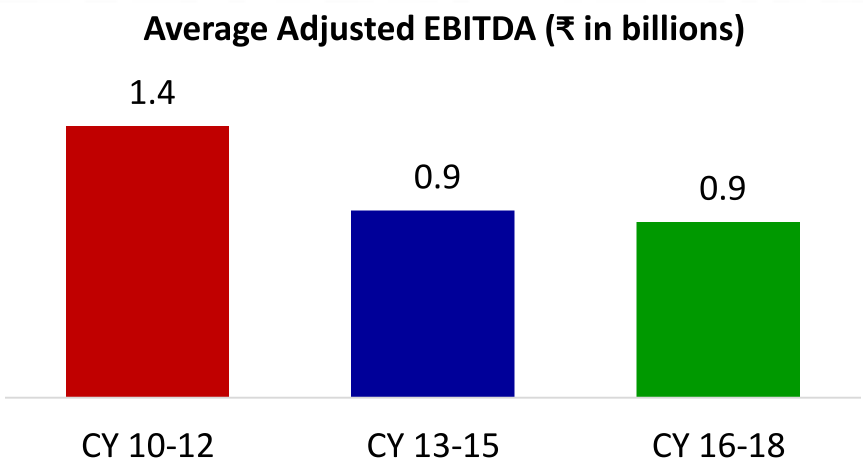
Focus on Core Markets of Andhra Pradesh, Telangana, Tamil Nadu, Karnataka & Kerala:

- From March'2019 Quarter onwards, the Company has started focusing on core-markets, due to increase in demand; resulting in lower distribution costs and higher operating margins.

With cost optimization initiatives and increase in demand,
cement segment would generate higher operating margin in the future.

Cement - Key Performance Indicators

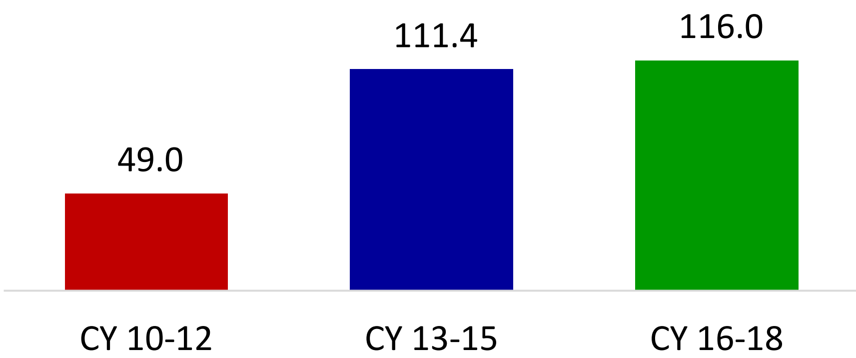




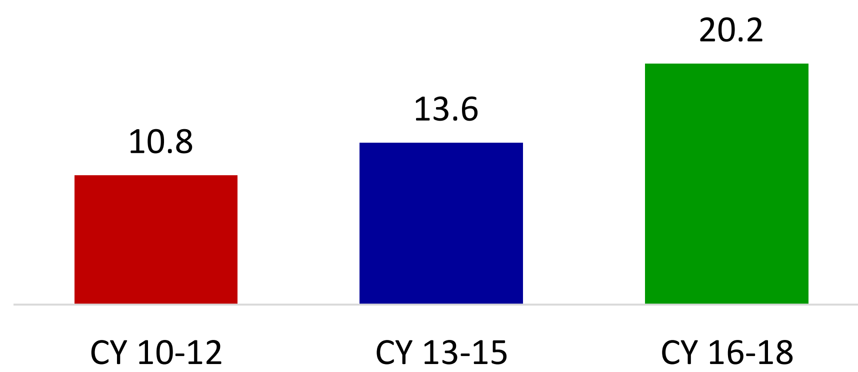
- Increase in revenues between CY 16-18, as compared CY 13-15; is due to higher realizations coupled with increase in volumes.
- Due to substantial increase in outward freight, there is decline in operating margin from CY 13 onwards.
- The Company is focusing to optimize the outward freight by focusing on Core Markets, which are closer to the Cement Plants.

Consolidated Financial Performance (1/2)

Average Revenue (₹ in billions)

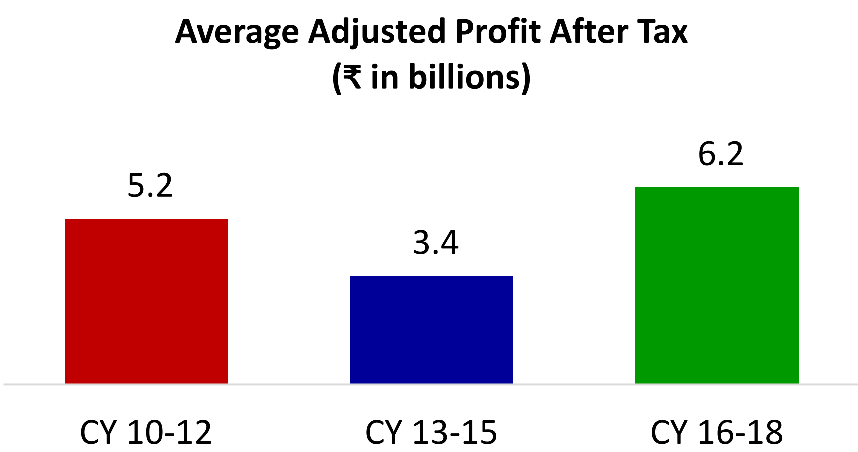


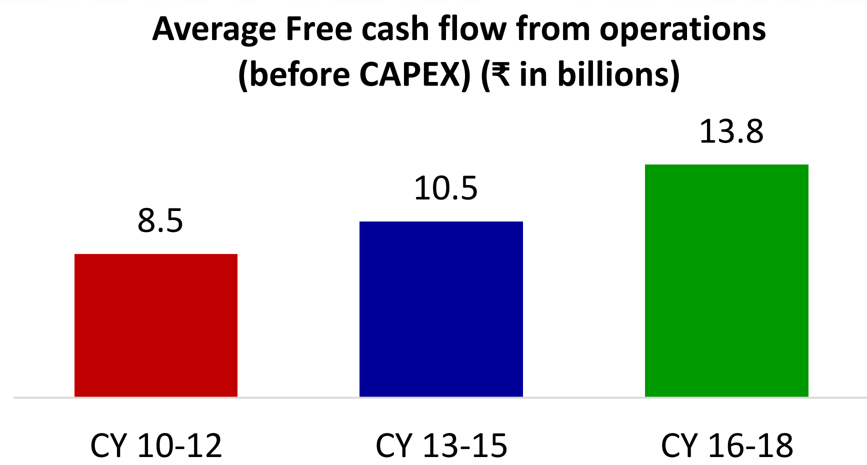
Average Adjusted EBITDA (₹ in billions)



- Increase in revenues between CY 16-18, as compared CY 13-15; is mainly due to capacity Expansions and appreciation of US Dollar against INR offsetting fall in commodity prices and depreciation of Euro against US Dollar.
- New Tar Distillation Facility in Russia, CPC Blending Facility in India, CARBORES 3 expansion in Germany and FGD Plant in Chalmette, US completed during CY 16 had contributed for increase in “Normalized EBITDA Base”.
- Hydrogenated Hydro Carbon Resin Plants in Germany and Vertical Shaft Kiln CPC Plant in India would further contribute to “Normalized EBITDA Base” from incremental contribution to revenues and EBITDA in the future.
- Further, additional measures are taken in Advanced Materials business segment through product optimization, shutting-down loss-making plants, etc., or improving the performance.

Consolidated Financial Performance (2/2)





- There is a fall in "Average Adjusted Profit After Tax" during CY 13-15, due to acquisition of RUETGERS and incremental interest cost thereof.
- With contributions from Expansion Projects in Russia, India and US; "Average Adjusted Profit After Tax" increased substantially during CY 16-18.
- Post completion of Refinancing in January 2018; interest cost reduced by ~ INR 1.7 billion per annum.
- Further, with tax reforms implemented in USA and Belgium from CY 18; there will be lower cash outflows towards taxes.
- Accordingly, there will be increase in "Profit After Tax" and "Free Cash Flow from Operations"; apart from contribution from new Expansion Projects.

Consolidated Financial Position

$ in Millions	Mar.'19	Dec.'18
7.25% USD Bonds (due in April 2025)	550	550
Euro TLB (due in January 2025)	438	446
Other Term Debt	63	64
Gross Term Debt	**1,051**	**1,060**
Add: Working Capital	47	72
Gross Debt	**1,098**	**1,132**
Less: Cash and Bank Balances	151	122
Less: Deferred Finance Cost	16	17
Net Debt	**931**	**993**
LTM Adjusted EBITDA	265	318

INR in Millions		CY 2018	CY 2017
Gross Debt	(A)	77,795	73,323
Net Debt	(B)	69,283	63,897
Equity	(C)	47,661	40,454
Interest Cost	(D)	4,227	5,539
Adjusted EBITDA	(E)	21,471	22,727
Average Interest	(D/A)	5%	8%
Interest Coverage Ratio	(E/D)	5.08	4.10
Net debt to Adj. EBITDA Ratio	(B/E)	3.23	2.81
Debt Equity Ratio	(B/C)	1.45	1.58

With substantial liquidity of US$ 317 million, the Company is well positioned to meet its Capex commitments of US$ 140-150 million for CY 2019 and Debt servicing obligations,

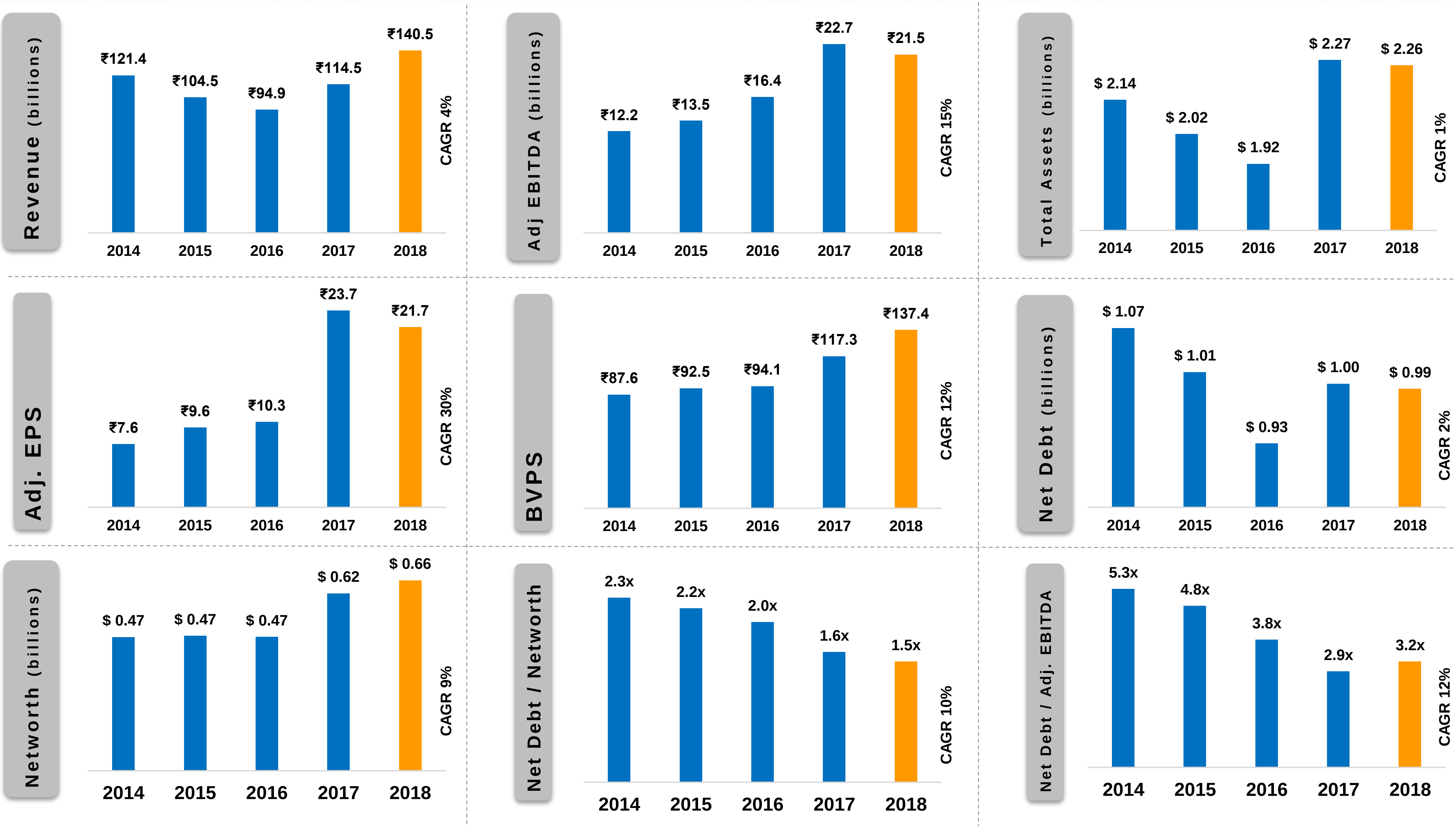
RAIN – Key Business Strengths

- 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, 1.3 million tons p.a. coal tar distillation capacity, 0.7 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.

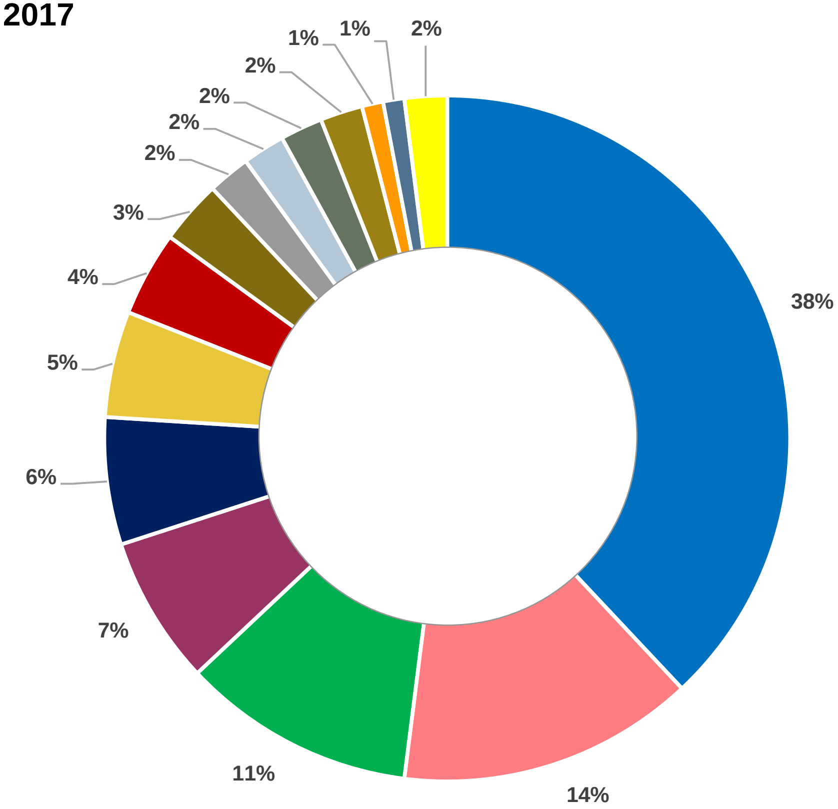
Appendix

Financial Highlights – Last 5 Years



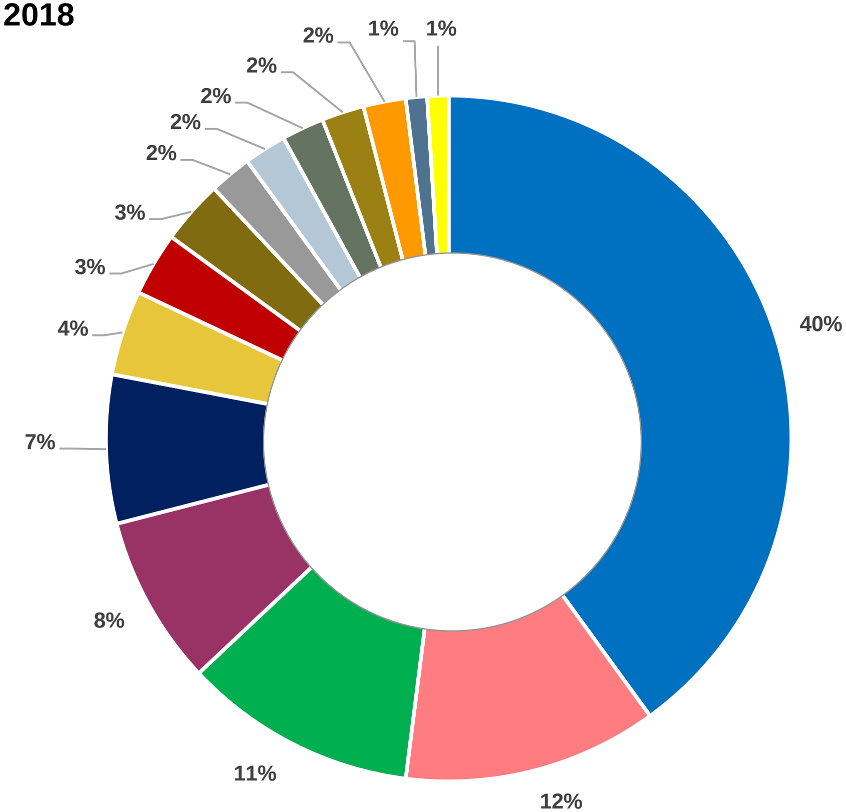
Revenue by end-industry

CY 2017



- Aluminum (38%)
- Construction (14%)
- Specialty Chemicals (11%)
- Carbon black (7%)
- Graphite (6%)
- Coatings (5%)
- Wood preservation (4%)
- TiO2 (3%)
- Petroleum (2%)
- Rubber (2%)
- Printing (2%)
- Adhesives (2%)
- Refractory (1%)
- Gypsum (1%)
- Energy (2%)

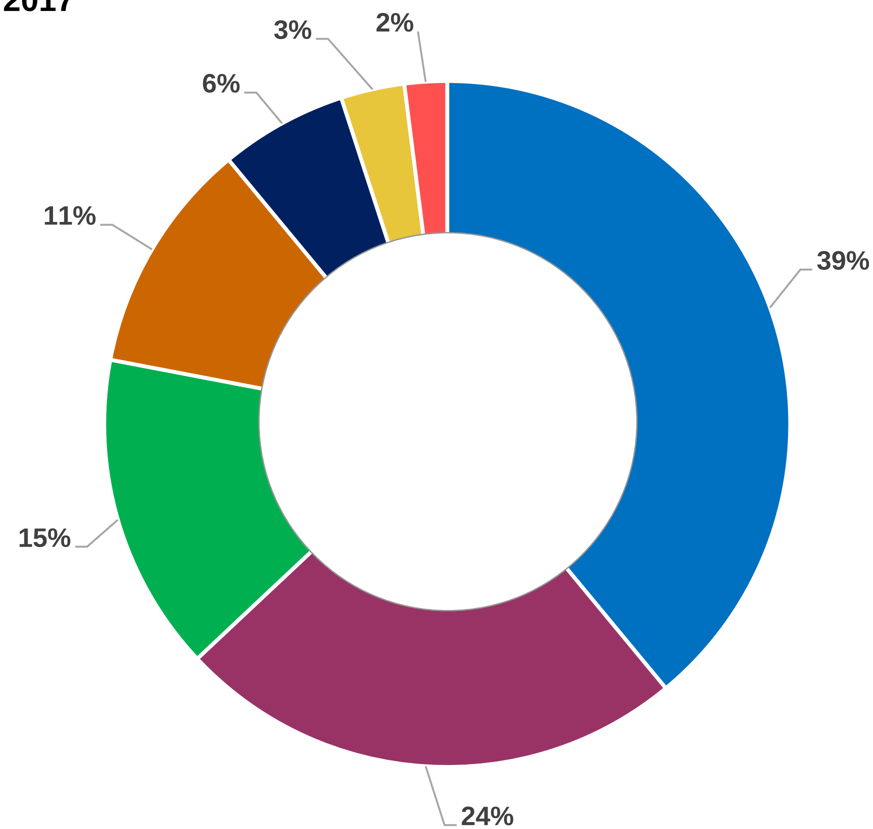
CY 2018



- Aluminum (40%)
- Construction (12%)
- Specialty Chemicals (11%)
- Graphite (8%)
- Carbon black (7%)
- Coatings (4%)
- Wood preservation (3%)
- TiO2 (3%)
- Petroleum (2%)
- Rubber (2%)
- Printing (2%)
- Adhesives (2%)
- Refractory (2%)
- Gypsum (1%)
- Energy (1%)

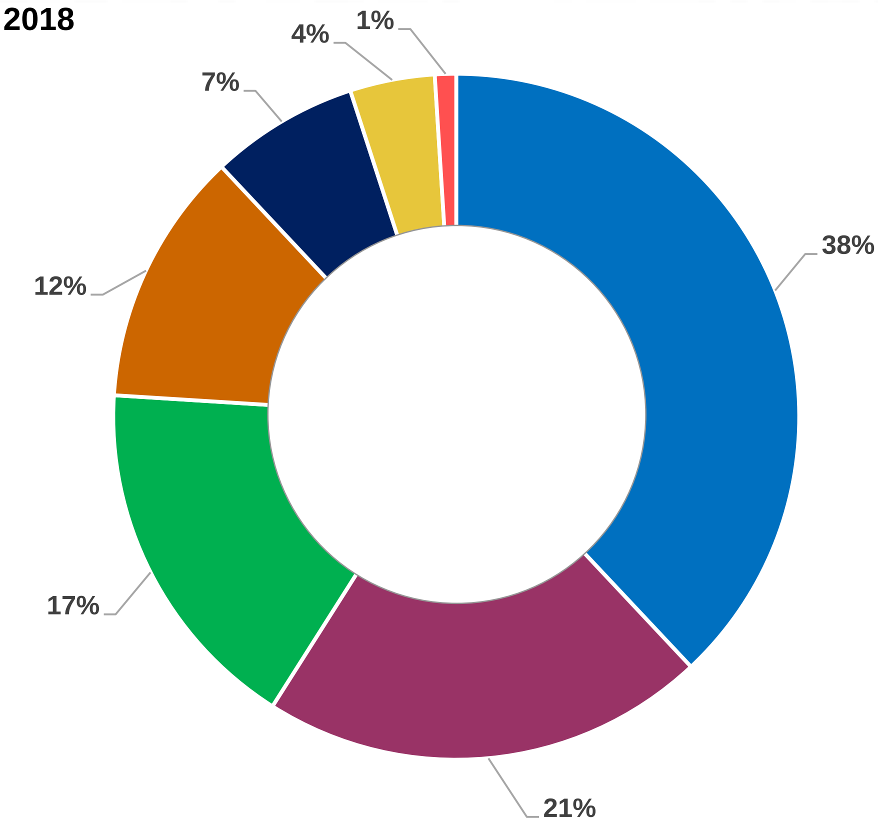
Revenue by Geography

CY 2017



- Europe (39%)
- Asia (excl. ME) (24%)
- United States (US) (15%)
- N. America (excl. US) (11%)
- Middle East (ME) (6%)
- Africa (3%)
- Others (2%)

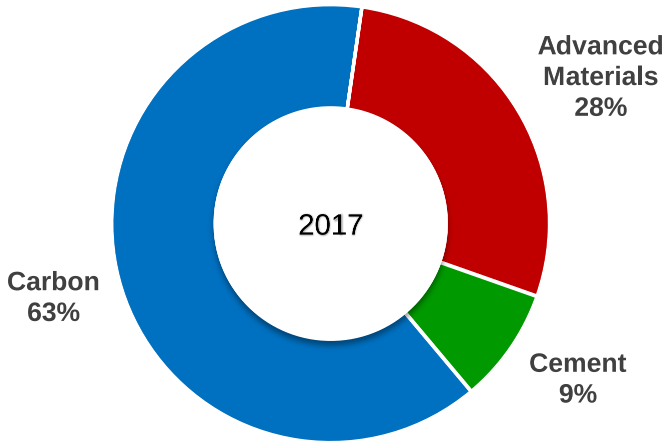
CY 2018

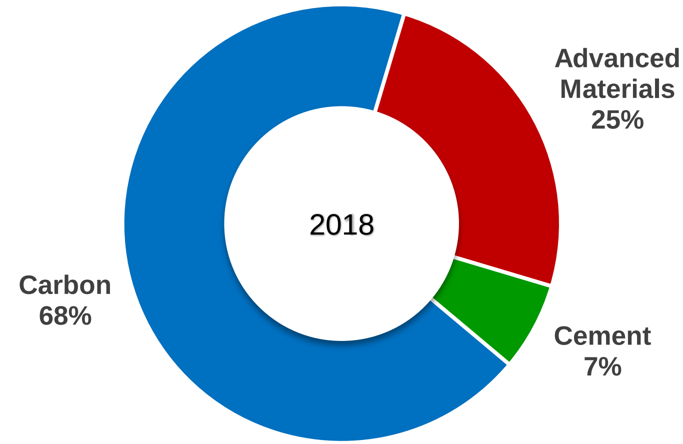


- Europe (38%)
- Asia (excl. ME) (21%)
- United States (US) (17%)
- N. America (excl. US) (12%)
- Middle East (ME) (7%)
- Africa (4%)
- Others (1%)

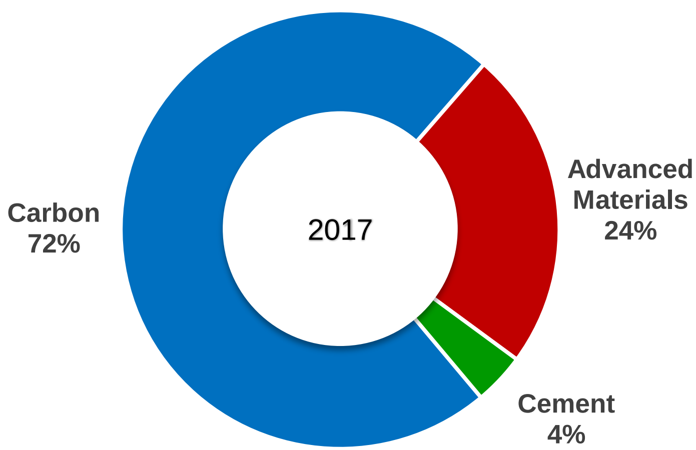
Segment Wise Performance

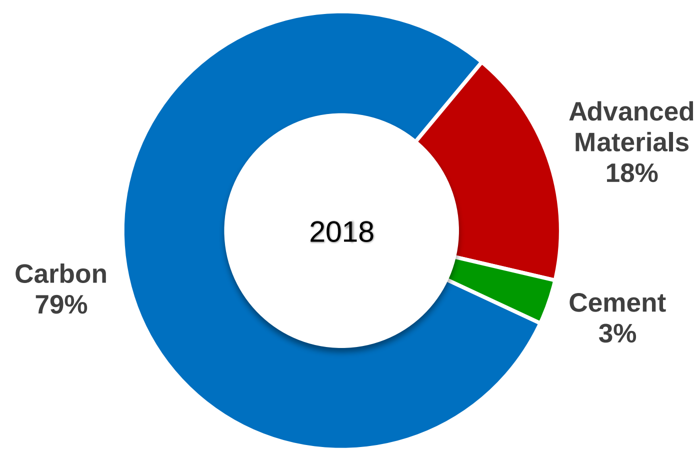
Revenue Mix





EBITDA Mix





Thank You