RAIN INDUSTRIES LIMITED

RIL/SEs/2018 November 14, 2018

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 Unaudited Financial Results for the third quarter ended September 30, 2018

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
India

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

RAIN INDUSTRIES LIMITED

Earnings Presentation – Q3 CY18

Investor Relations Contact:

INDIA: Anil Kumar Upadhyay

Board: +91 40 4040 1234, Direct: +91 40 4234 9855

Email: Anil.Upadhyay@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.

Third Quarter Summary

Financial Highlights

- Revenue from Operations is ₹ 34.9 billion and Adjusted EBITDA is ₹ 5.6 billion
- Adjusted Net Profit After Tax is ₹ 2.0 billion and Adjusted Earnings Per Share is ₹ 5.9
- Strong Cash of ₹ 7.3 billion to fund CAPEX projects and meet debt obligations in the near-term

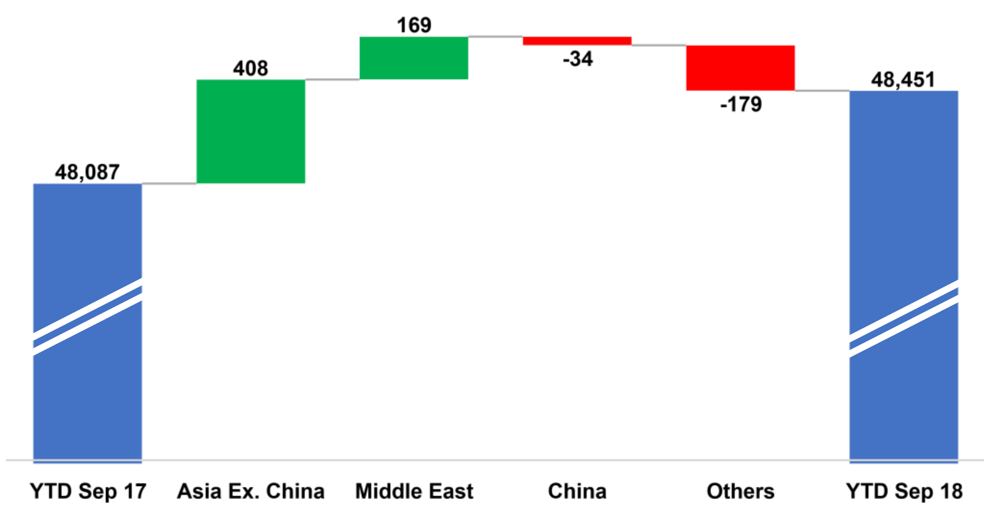
Business Highlights

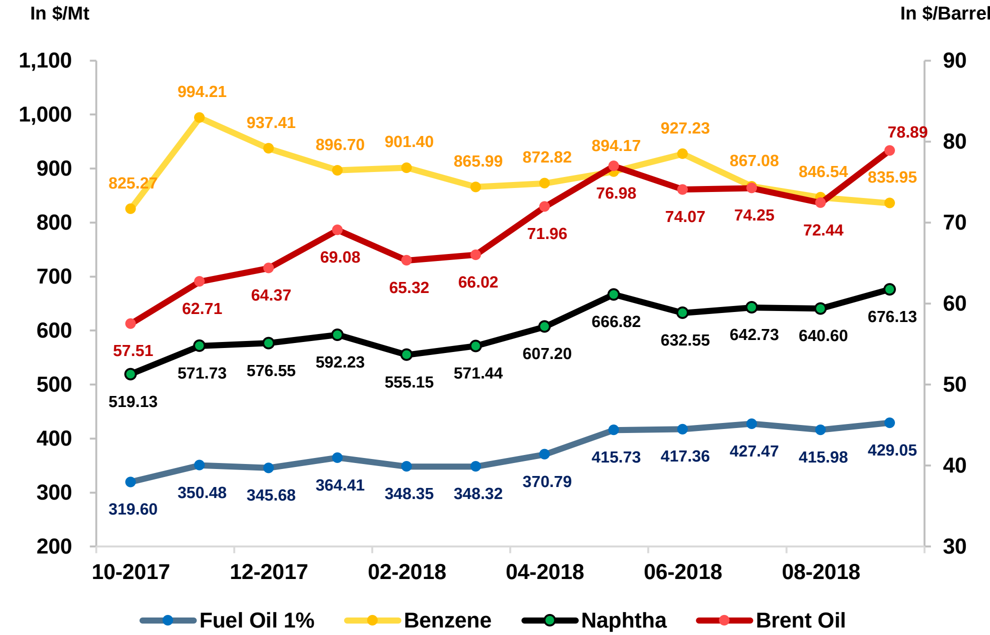
- Calcination business negatively impacted due to petroleum coke import ban into India
- Increase in blended cost of raw materials due to import ban of green petroleum coke (GPC)
- Non-recurring events including reorganization in Germany and strategic project in Advanced Materials
- Indian Rupee depreciated against US Dollar and Euro

Market Update

Primary Aluminium Production Growth in Thousand Tons

Not to Scale





Q3 FY18 Highlights:

- LME prices reach a new three-month low amidst strengthening of US Dollar and weaker economic growth in China
- In view of the ongoing short supply, US indefinitely grants Canada relief from the tariff payable on import of aluminium products
- Softening of US sanctions on RUSAL with the new guidance on permitted “maintenance” activities during the “maintenance and wind-down period”
- 3.75% to 4.75% demand growth in 2018 reflects slowdown in market growth versus 5.8% in 2017
- Excess aluminium production from China that cannot enter US is making its way into other countries

Update on Petcoke Import Ban in India

- On July 26, 2018, Honorable Supreme Court (SC) of India had banned the use of petcoke as fuel and permitted use of petcoke only as a feedstock in cement, lime kiln, calcium carbide and gasification.

- On August 17, 2018, Ministry of Commerce (DGFT) of India, as per SC orders, issued a notification allowing import of petcoke by cement, lime kiln, calcium carbide and gasification industries for use as a feedstock and banned its use as fuel. The exemption did not include the calcining or aluminium industries.

- On October 9, 2018, SC granted 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 aluminium industry.

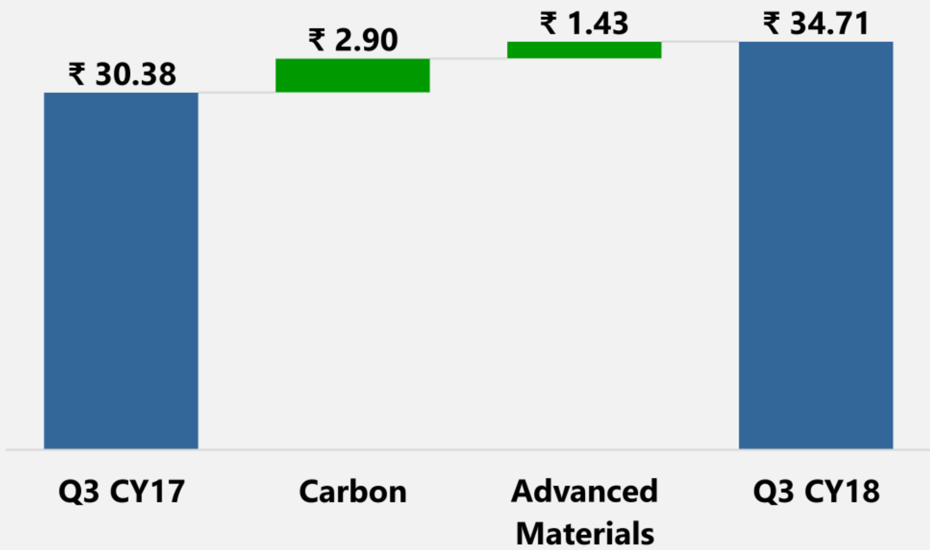
- The import quantities permitted by SC are aligned with current production requirement by the calcination and aluminium industries, but has not considered the increased petcoke requirements needed for future expansions by either industries.

- Rain Carbon is approaching the Indian regulators to permit import of (i) CPC for blending and sale to re-export CPC to customers outside India; and (ii) GPC for its greenfield CPC plant under construction in the Special Economic Zone (SEZ).

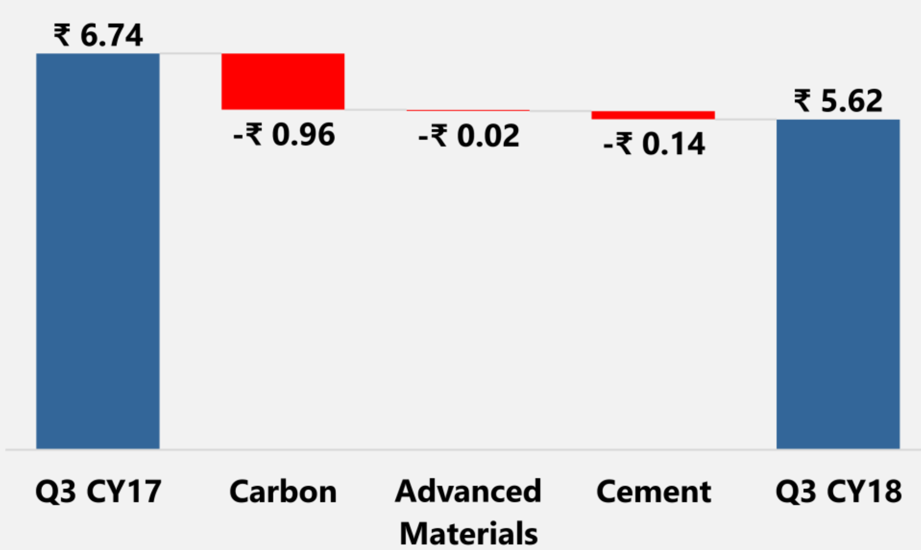
- Although SEZ plants have certain additional privileges for importing prohibited or restricted items too, Rain Carbon will consider all options including approaching SC, as may be necessary.

Consolidated Performance – Q3 CY18

(₹ in Billions)



Revenue (excluding other operating income)



Adjusted EBITDA

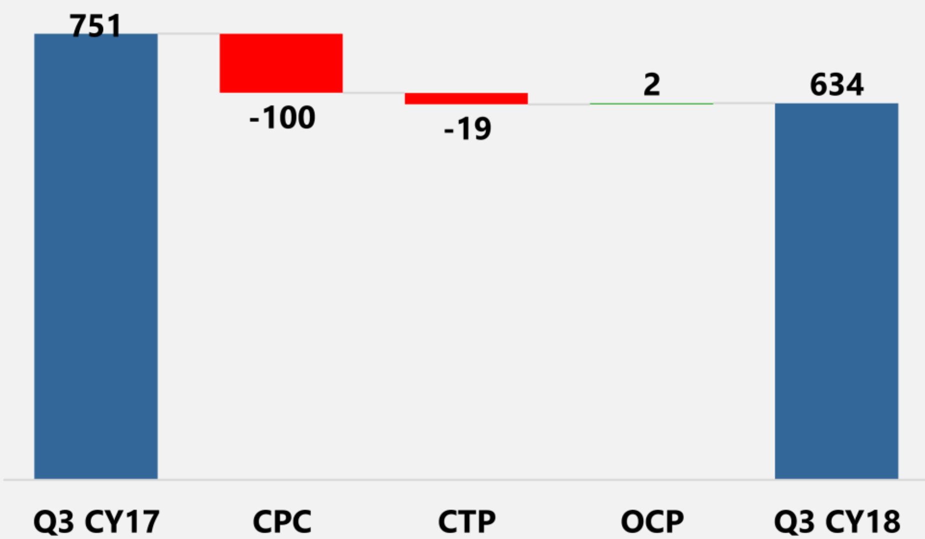
Highlights in Q3 CY18

- Carbon segment affected due to petroleum coke import ban in India
- Earnings impacted due to high-cost inventories procured in Q1 & Q2 consumed in current quarter
- One-time events such as production schedule shifts, rerouting of CPC shipments, etc.
- Although realisations improved, performance reduced due to lower volumes and increased raw material costs
- Adjusted EBITDA decreased by approximately 16.7% in Q3 CY18 compared to Q3 CY17

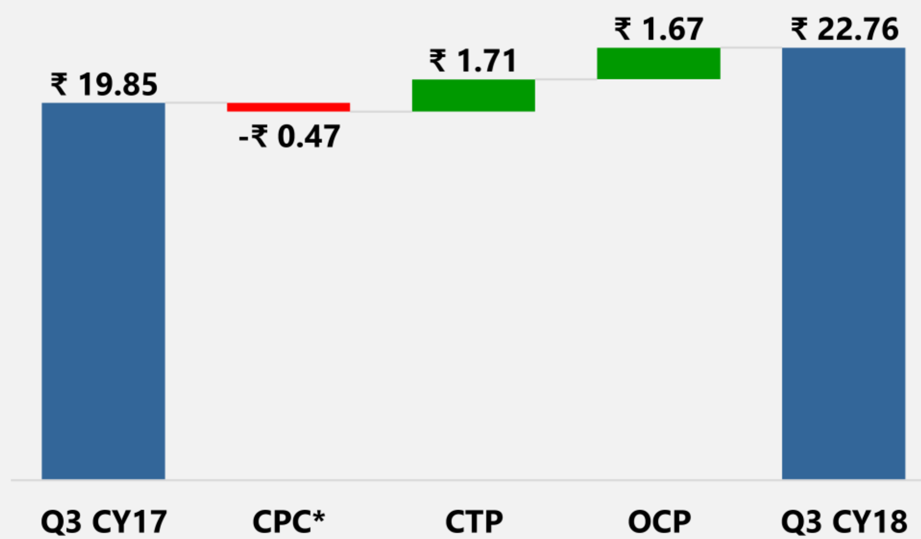
Note: Charts Not to scale

Carbon Business Performance – Q3 CY18

(₹ in Billions)



Sales Volumes (tons in thousands)



*Includes Energy Revenue

Revenue (excluding other operating income)

Highlights in Q3 CY18

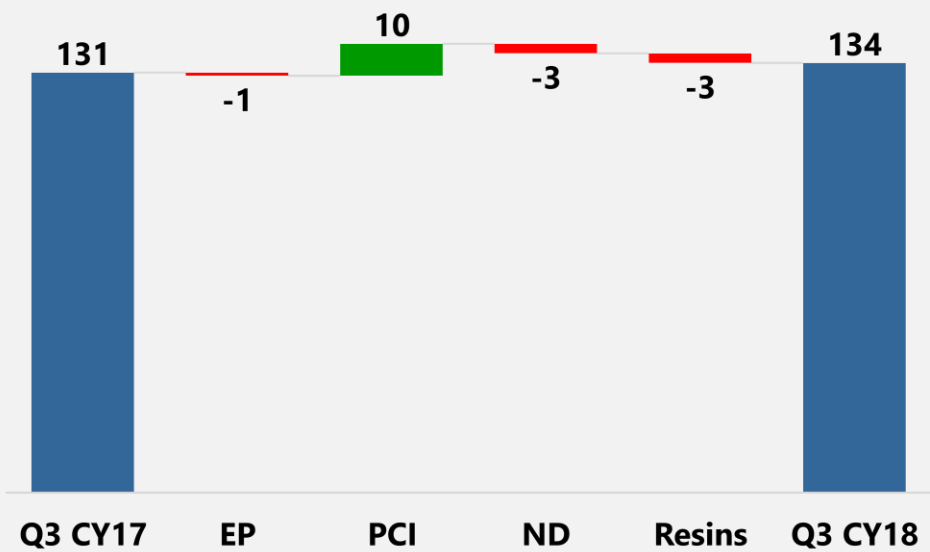
- Carbon revenue increased due to the improved realisations including the favorable impact from depreciation of Indian Rupee against Euro and US Dollar offset by lower volumes
- Import ban of petroleum coke in India led to realignment of shipments and production schedule, ultimately resulting in lower volumes of CPC and higher costs
- Adjusted EBITDA decrease of ₹1.0 billion is due to higher raw material costs and lower volumes

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

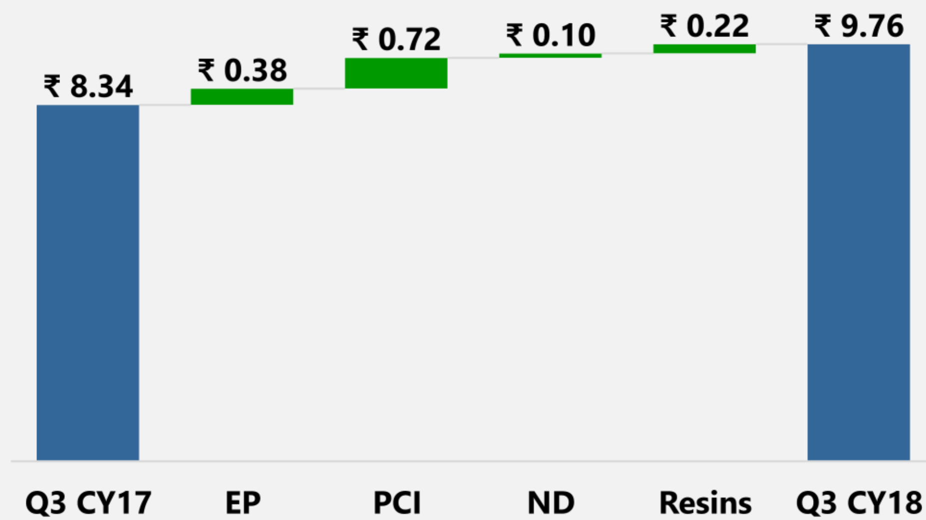
Note: Charts Not to scale

Advanced Materials Business Performance – Q3 CY18

(₹ in Billions)



Sales Volumes (tons in thousands)



Revenue (excluding other operating income)

Highlights in Q3 CY18

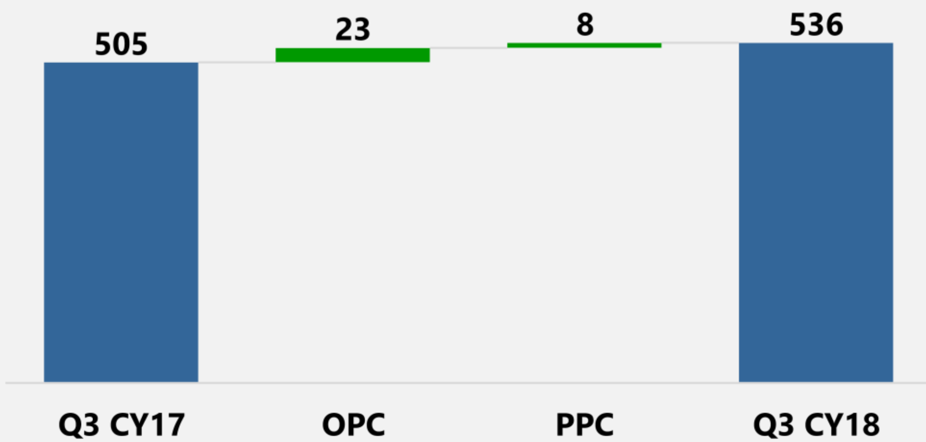
- Improved realisations including appreciation of Euro against Indian Rupee, coupled with increase in volumes of petrochemical intermediates, contributed to increase in revenue, offset by decrease in volumes of other products in this segment
- Although volumes and realisations improved, the adjusted EBITDA of advanced materials remained constant due to higher raw-material costs, impact of U.S. tariffs on Asian sales and few technical issues at customer facilities.

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

Note: Charts Not to scale

Cement Performance – Q3 CY18

(₹ in Billions)



Sales Volumes (tons in thousands)

Revenue (excluding other operating income)

Highlights in Q3 CY18

- Revenue from Cement business remained constant. Contribution from increase in sales volume by 6.1% offset by 5.6% decrease in realisation
- Adjusted EBITDA from Cement business in Q3 CY18 decreased by ₹0.1 billion due to higher operating cost.
- Performance of Cement business impacted due to higher operating cost and lower cement-clinker ratio

OPC – Ordinary Portland Cement; PPC – Portland Pozzolana Cement

Note: Charts Not to scale

Consolidated Debt Position

US$ in Millions	Sep.'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	454	-
Other Term Debt	64	69
Gross Term Debt	**1,068**	**1,108**
Add: Working Capital	62	50
Gross Debt	**1,130**	**1,158**
Less: Cash and Cash Equivalents	101	147
Less: Deferred Finance Cost	18	12
Net Debt	**1,011**	**999**
LTM Adjusted EBITDA	391	349

Highlights in Q3 CY18

- Cash balance of $101 million and unutilised working capital facilities of $ 144 million.
- Net working capital increased by $34 million partially funded with incremental working capital loan of $12 million.

₹ / $ in Millions	Sep.'18	Dec.'17
Inventories (₹)	25,811	19,985
Trade Receivables (₹)	18,478	16,873
Trade Payables (₹)	(13,092)	(11,512)
Net Working Capital (₹)	**31,197**	**25,346**
Net Working Capital ($)	**430**	**396**

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
- International management team
- Strategy shift from low margin products to favourable product mix

RAIN Group continues to grow on its core competencies.

Appendix

Summary of Statement of Operations

₹ in Millions

Particulars	Q3 2018	Q2 CY18	Q3 2017
Net Revenue	34,712	37,706	30,378
Other Operating Income	210	327	130
Revenue from Operations	**34,922**	**38,033**	**30,508**
Adjusted EBITDA	**5,615**	**6,852**	**6,738**
Adjusted EBITDA Margin	*16.1%*	*18.0%*	*22.1%*
Profit before share of profit of associates, exceptional items and tax	**2,807**	**4,584**	**4,196**
Less: Exceptional Items	-	-	-
Add: Share of Profit of Associates	-	-	-
Profit Before Tax	**2,807**	**4,584**	**4,196**
Tax Expense	910	1,546	1,662
Non-controlling Interest	149	90	77
Net Profit	**1,748**	**2,948**	**2,457**
Adjusted Net Profit	**1,978**	**2,948**	**2,457**
Adjusted Earnings Per Share in (₹)*	5.9	8.8	7.3

Quarterly EPS is not annualized.

Summary of Statement of Operations

₹ in Millions

Particulars	9M CY18	9M CY17	CY 2017
Net Revenue	105,328	82,675	113,919
Other Operating Income	688	348	552
Revenue from Operations	**106,016**	**83,023**	**114,471**
Adjusted EBITDA	**19,088**	**15,830**	**22,702**
Adjusted EBITDA Margin	*18.0%*	*19.1%*	*19.8%*
Profit before share of profit of associates, exceptional items and tax	**11,450**	**8,288**	**12,633**
Less: Exceptional Items	-	670	1,803
Add: Share of Profit of Associates	-	-	9
Profit Before Tax	**11,450**	**7,618**	**10,839**
Tax Expense, including Exceptional Tax Benefit in Q4 CY17	3,858	2,881	2,918
Non-controlling Interest	384	173	285
Net Profit	**7,208**	**4,564**	**7,636**
Adjusted Net Profit	**7,438**	**5,000**	**7,977**
Adjusted Earnings Per Share in (₹)*	22.1	14.9	23.7

Quarterly EPS is not annualized.

Reconciliation of EBITDA and PAT for Q3 CY18

₹ in Millions

Particulars	EBITDA	PAT
A. Reported	**5,299**	**1,748**
B. Adjustments:		
• Reorganization costs on account of closing of certain facilities in Europe.	205	150
• On account of strategic project expenses at our European operations.	173	126
• Certain insurance claims received during the quarter related to prior periods.	(62)	(46)
C. Adjusted (A + B)	**5,615**	**1,978**

Thank You