RAIN INDUSTRIES LIMITED

RIL/SEs/2020 October 30, 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 Unaudited Financial Results for the third quarter ended September 30, 2020.

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 – Q3 CY20

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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.

Safety First

- TRIR of 0.17 through September
- Reinstituted strict measures that were in place during height of the pandemic in anticipation of second wave
- Office employees working from home offices to reduce risk of contaminating critical operations and production personnel
- COVID-19 refresher course training across all locations

Performance during September'2020 Quarter

Financial Highlights

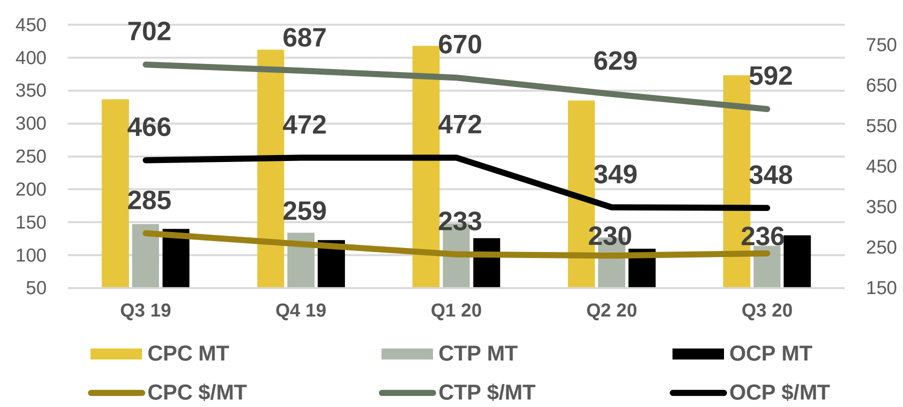
- Revenue from Operations was ₹ 25.66 billion and Adjusted EBITDA was ₹ 5.17 billion
- Adjusted Net Profit After Tax was ₹ 1.30 billion and Adjusted Earnings Per Share was ₹ 3.86
- Capital expenditure of US$ 122 million during the nine-month period ended September 30, 2020 (includes ~$44 million for hydrogenated hydrocarbon resins production facility in Germany and ~$16 million for vertical-shaft calciner in India)

Business Highlights

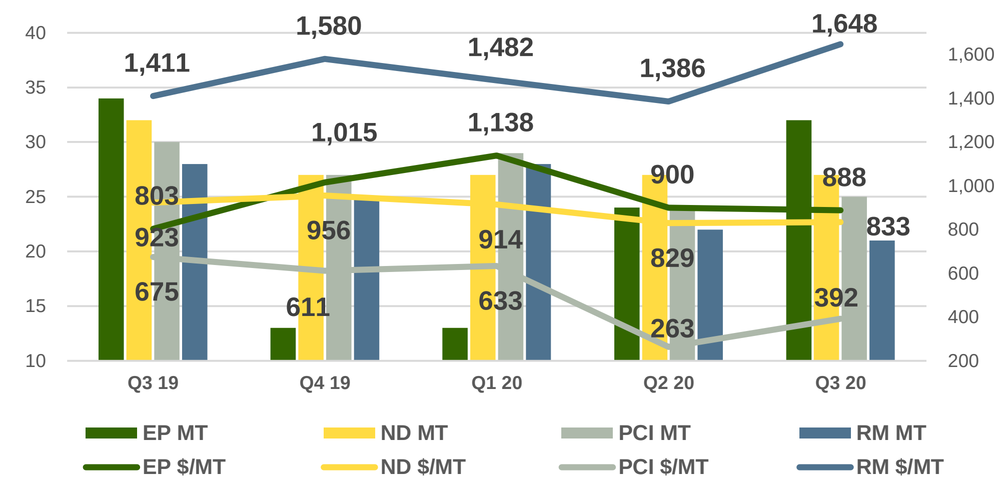
- Flattened results compared to earlier quarter contrary with expected V-shaped recovery
- Shutdown of one US calcination and energy facility due to Hurricane Laura for a period of more than one month during Q3 and into Q4 resulted in the loss of CPC volumes, energy revenue and additional restoration costs
- Increased volumes compared to Q2 2020 with tightening margins

Product and Market Update

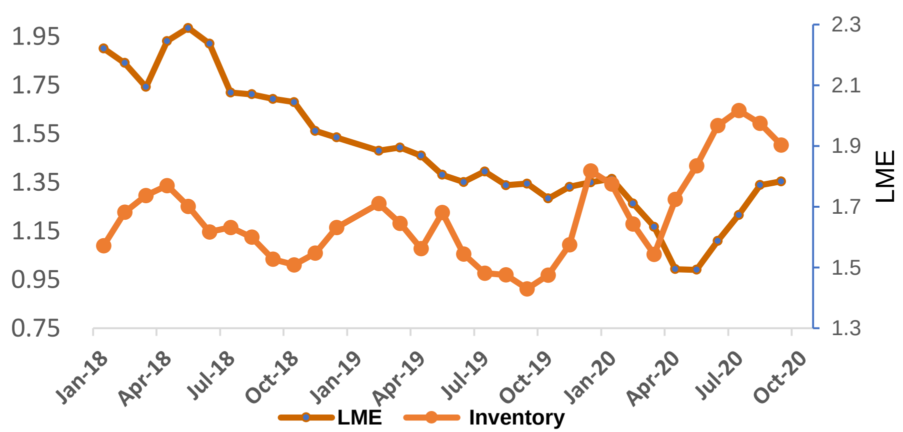
Carbon volumes (MT 000) and Revenue ($/MT)



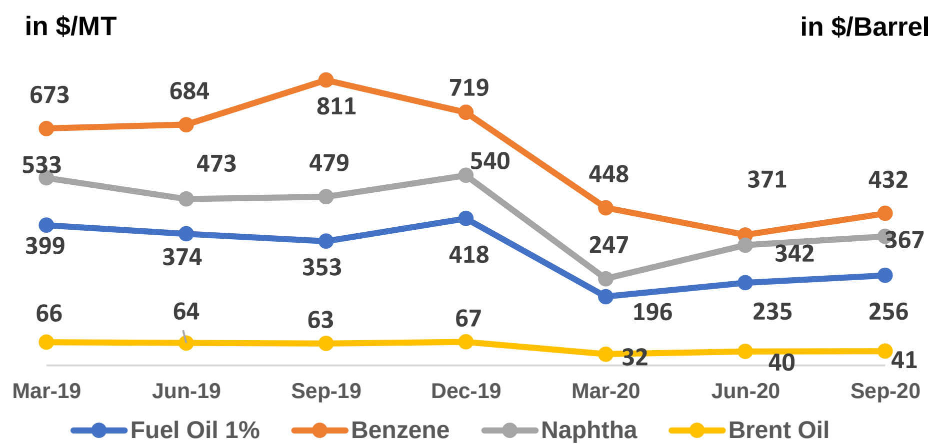
Advanced Materials Volumes (MT 000) and Revenue ($/MT)



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



Key Market Quotations Impact in Advanced Materials Business



With re-bounding of end-markets, demand for Primary Aluminium increased from 14 million tons in Q1 to 16 million tons in Q3.

Ongoing Capital Expansions

Hydrogenated Hydrocarbon Resins (HHCR) Plant, Germany

- Ongoing customer testing and approval in process

Vertical-Shaft Calcination Plant, India

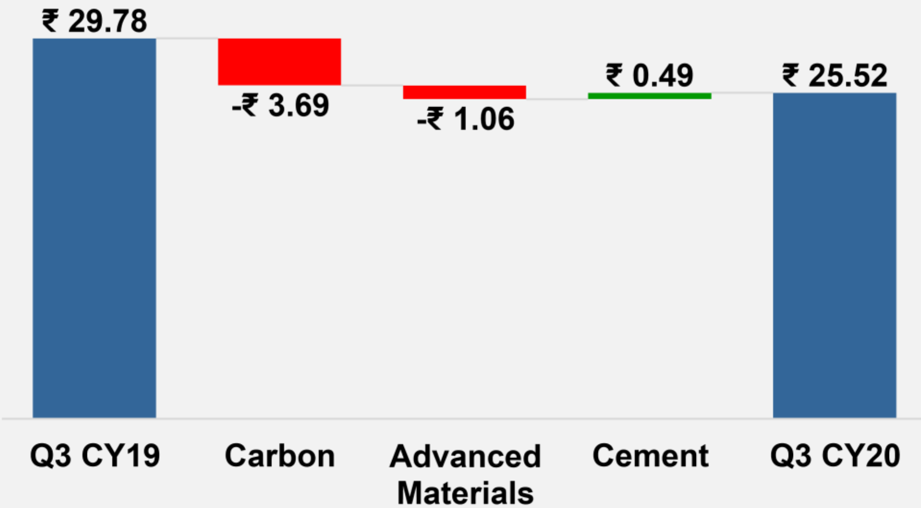
- Operations delayed due to on-going COVID-19 impact on construction workforce and progress
- Company is working to ensure adequate availability and cost-effective supply of feedstock

Anhydrous Carbon Pellets (ACP) Plants, India and USA

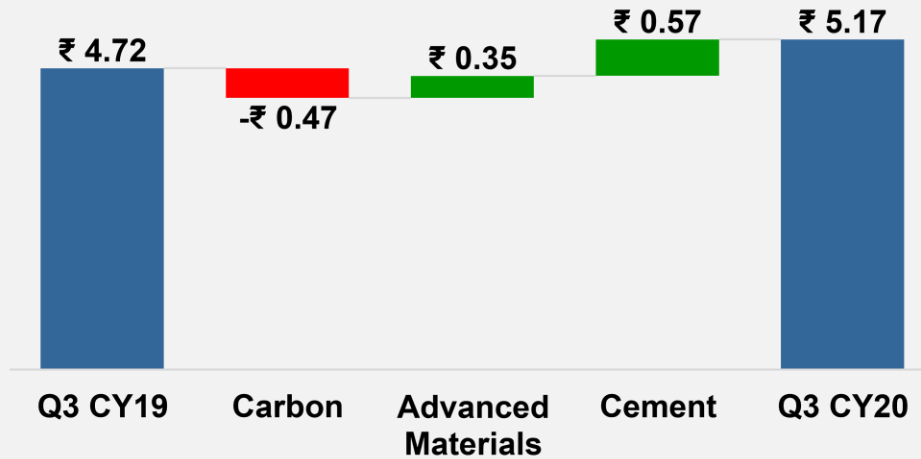
- Restart of the US ACP plant construction in Q4 2020 under final evaluation
- India plant construction will re-commence after completion of vertical-shaft calcination plant completes due to limited construction workforce
- Independent lab testing of green and calcined ACP completed to demonstrate unique, engineered properties that differentiate it from GPC and CPC; results pending publication

Consolidated Performance – Q3 CY20

(₹ in Billions)



Revenue (excluding other operating income)



Adjusted EBITDA

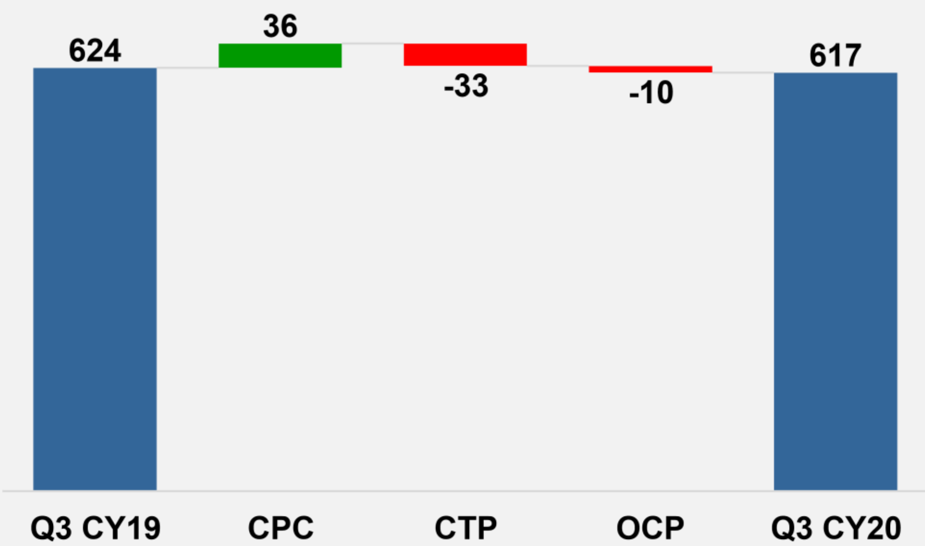
Highlights in Q3 CY20

- Carbon segment revenue and EBITDA declined due to lower volumes and realisations due to decline in commodity prices, sale to non-traditional market during prior quarter and price pressure from Asian markets
- Despite fall in volumes in Advanced Materials segment, EBITDA improved due to lower raw material prices, shutdown of lower-margin facility in the Netherlands coupled with appreciation of Euro against INR
- Cement segment performance improved due to increase in sales realisations

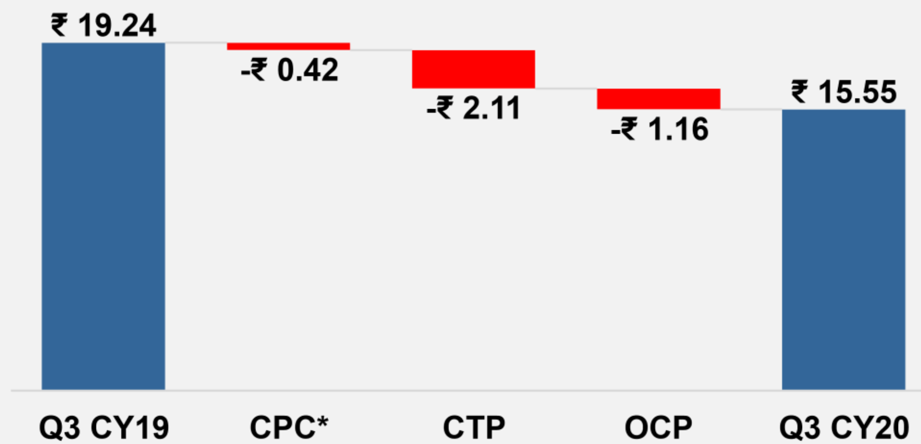
Note: Charts not to scale

Carbon Business Performance – Q3 CY20

(₹ in Billions)



Volumes (metric tons in thousands)



Includes Energy Revenue

Revenue (excluding other operating income)

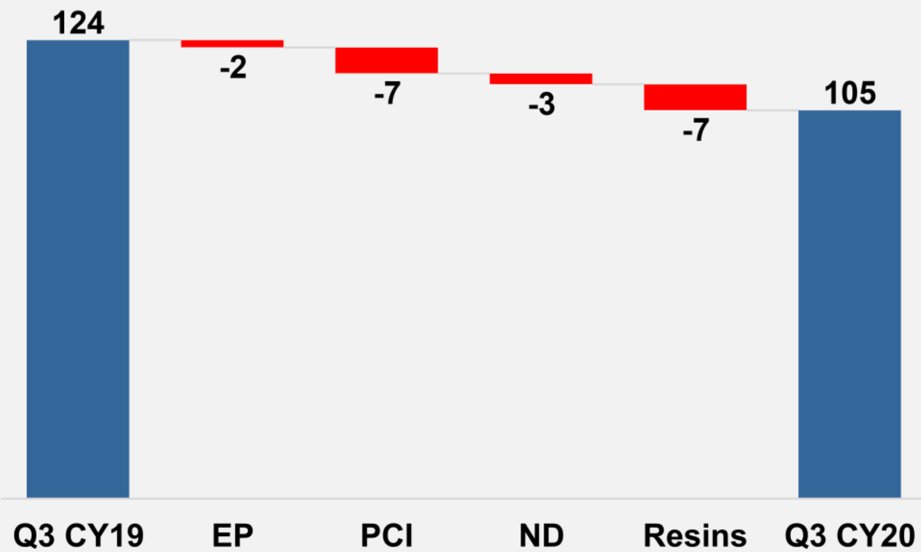
Highlights in Q3 CY20

- CPC revenue decreased primarily on account of price decreases due to lower demand across all regions
- Pitch revenue decrease due by lower volumes and prices driven by reduced demand from aluminium and graphite industries
- Adjusted EBITDA decreased by ₹472 million mainly due to margin pressure

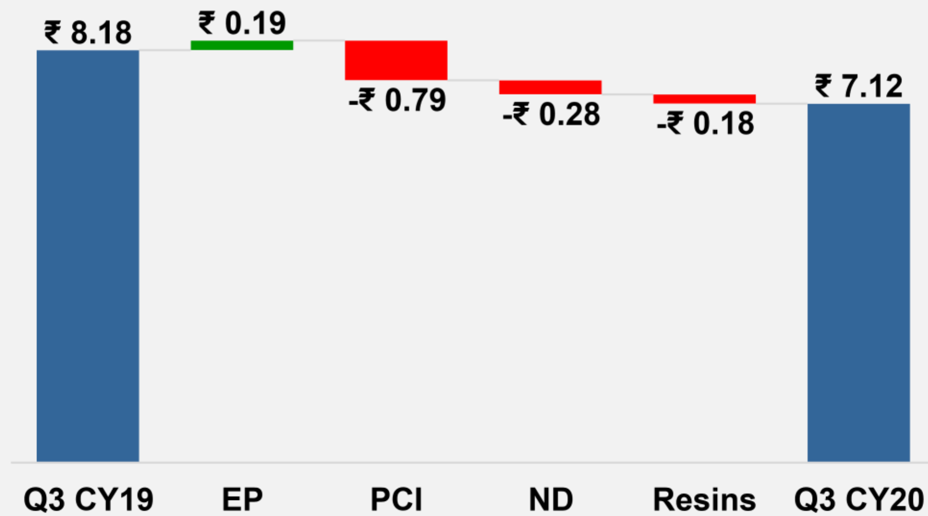
CPC – Calcined Petroleum Coke; CTP – Coal Tar Pitch; OCP – Other Carbon Products

Note: Charts not to scale

Advanced Materials Business Performance – Q3 CY20 (₹ in Billions)



Volumes (metric tons in thousands)



Revenue (excluding other operating income)

Highlights in Q3 CY20

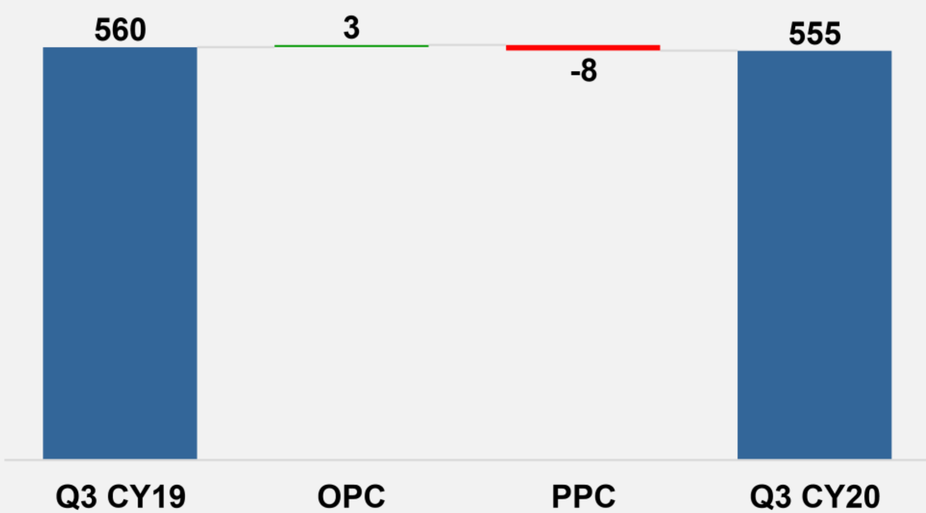
- Revenue decrease primarily driven by lower prices due to fall in related commodity prices supplemented by the closure of our unprofitable Uithoorn facility in the Netherlands
- Adjusted EBITDA increased by ₹349 million due to improved margins and lower costs due to closure of Uithoorn facility in the Netherlands

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

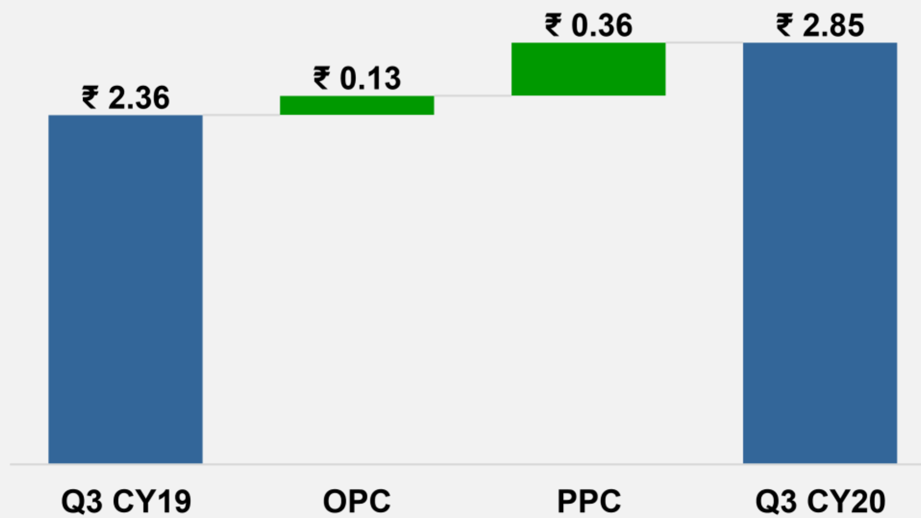
Note: Charts not to scale

Cement Performance – Q3 CY20

(₹ in Billions)



Volumes (metric tons in thousands)



Revenue (excluding other operating income)

Highlights in Q3 CY20

- Revenue from Cement business increased by 20.8% due to higher realisations
- Adjusted EBITDA increased by ₹569 million due to higher margins and lower costs

OPC – Ordinary Portland Cement; PPC – Portland Pozzolana Cement

Note: Charts not to scale

Consolidated Debt Position

US$ in Millions	Sept 2020	Dec 2019
7.25% USD-denominated Senior Secured Notes (due in April 2025)	550	550
Euro-denominated Senior Secured Term Loan B (due in January 2025) *	458	437
Other Term Debt	49	57
Finance Lease Liability	73	16
Gross Term Debt	**1,130**	**1,060**
Add: Working Capital and other Debt	94	55
Less: Deferred Finance Cost	12	14
Total Debt	**1,212**	**1,101**
Less: Cash and Cash Equivalents	208	173
Net Debt	**1,004**	**928**
LTM Adjusted EBITDA	267	248

* Debt of €390 million converted at EURO/USD rates of 1.173 and 1.121 as at Sept. 2020 and Dec 2019 respectively

Highlights in YTD September 2020

- Capital expenditure of ₹8.99 billion (~US$ 122 million) during YTD September 2020 includes ~₹4.42 billion (US$ 60 million) spent on our two major projects – a hydrogenated hydrocarbon resins production facility in Germany and a vertical-shaft calciner (under construction) in India – as well as expenditure for other projects.
- Net cash used in financing activities of ₹(1.92) billion during YTD September 2020 includes ₹2.17 billion of inflows in respect of net proceeds from borrowings and ₹1.01 billion of outflows for lease payments. Balance outflow of ₹3.08 billion is toward interest and dividend payments.

INR in Millions	YTD Sept 2020	YTD Sept 2019
Operating Activities#	13,492	16,981
Investing Activities	(10,615)	(7,844)
Financing Activities	(1,921)	(5,116)

includes net working capital inflow of 1,178 and 7,961 for YTD Sept 2020 and YTD Sept 2019 respectively

Appendix

Summary of Statement of Operations

₹ in Millions

Particulars	Q3 2020	Q2 2020	Q3 2019	CY 2019
Net Revenue	25,518	23,427	29,775	122,873
Other Operating Income	143	181	147	734
Revenue from Operations	**25,661**	**23,608**	**29,922**	**123,607**
Adjusted EBITDA	**5,165**	**4,344**	**4,719**	**17,427**
Adjusted EBITDA Margin	*20.1%*	*18.4%*	*15.8%*	*14.1%*
Profit Before Tax	**1,787**	**659**	**1,085**	**5,907**
Tax Expense, net	608	315	76	1,283
Non-controlling Interest	(2)	78	188	710
Net Profit After Tax	**1,181**	**266**	**821**	**3,914**
Adjusted Net Profit After Tax	**1,297**	**821**	**1,749**	**5,211**
Adjusted Earnings Per Share (in ₹)*	3.86	2.44	5.20	15.49

Quarterly EPS is not annualized.

Reconciliation of EBITDA and PAT for Q3 CY20

₹ in Millions

Particulars	Q3 2020		YTD Sep 2020	
	EBITDA	PAT	EBITDA	PAT
A. Reported	**5,009**	**1,181**	**13,233**	**2,512**
B. Adjustments:				
• Inventory Adjustments due to extraordinary fall in commodity prices	-	-	1,350	1,091
• Reorganisation costs on account of closing of certain facilities in Europe	-	-	(156)	(139)
• Expenses towards strategic projects and other non-recurring items	38	25	543	468
• Accelerated depreciation due to plant closure in the Netherlands	-	-	-	139
• Repairs and other costs incurred on account of hurricanes	118	91	118	91
C. Adjusted (A + B)	**5,165**	**1,297**	**15,088**	**4,162**

RAIN – Key Business Strengths

- 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 177 MW co-generated steam and power capacity and renewable solar power
- 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