



RAIN INDUSTRIES LIMITED

Corporate Presentation – August 2017

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RAIN INDUSTRIES LIMITED ("the Company" or "RAIN") assumes no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information except to the extent required by applicable securities laws. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements.

RAIN Group – At a Glance

2.1 MILLION
TONS



Annual Calcined
Petroleum Coke
Capacity

1.3 MILLION
TONS



Annual Tar
Distillation
Capacity

0.3 MILLION
TONS



Annual Specialty
Chemicals
Capacity

3.5 MILLION
TONS



Cement
Production
Facility

2,442 PEOPLE



across **18**
locations



Carbon Products



Chemical Intermediates



Chemical Products



Services

Markets We Serve

The powerhouse having critical mass to support large-scale development that will help the aluminum industry meet current and future carbon related challenges.

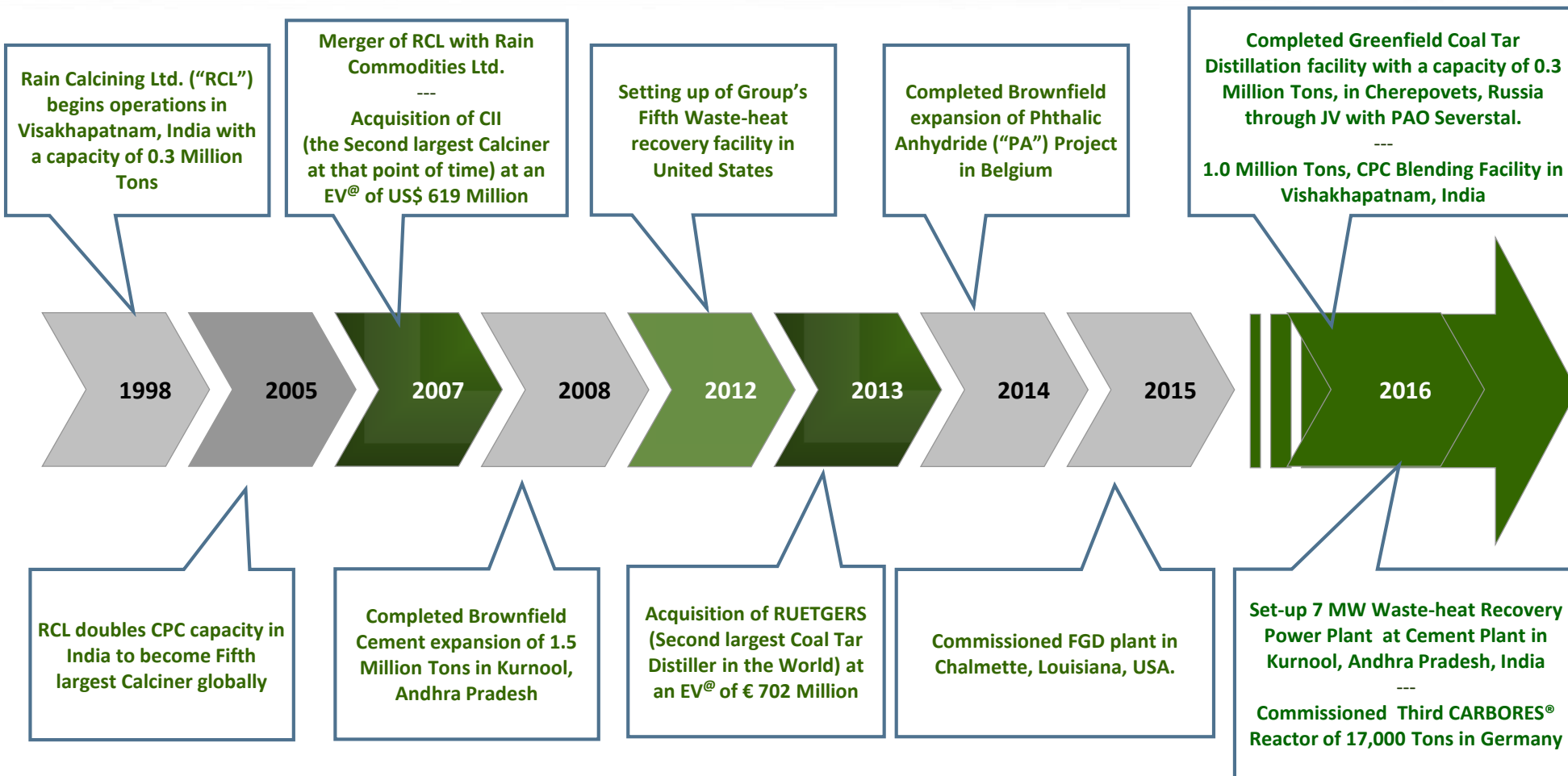
- Aluminum
- Steel
- Automotive
- Titanium Dioxide
- Chemical
- Graphite
- Construction

RAIN is the largest distiller of coal tar and the 2nd largest producer of Calcined Petroleum Coke ("CPC").

RAIN Group – Business Verticals

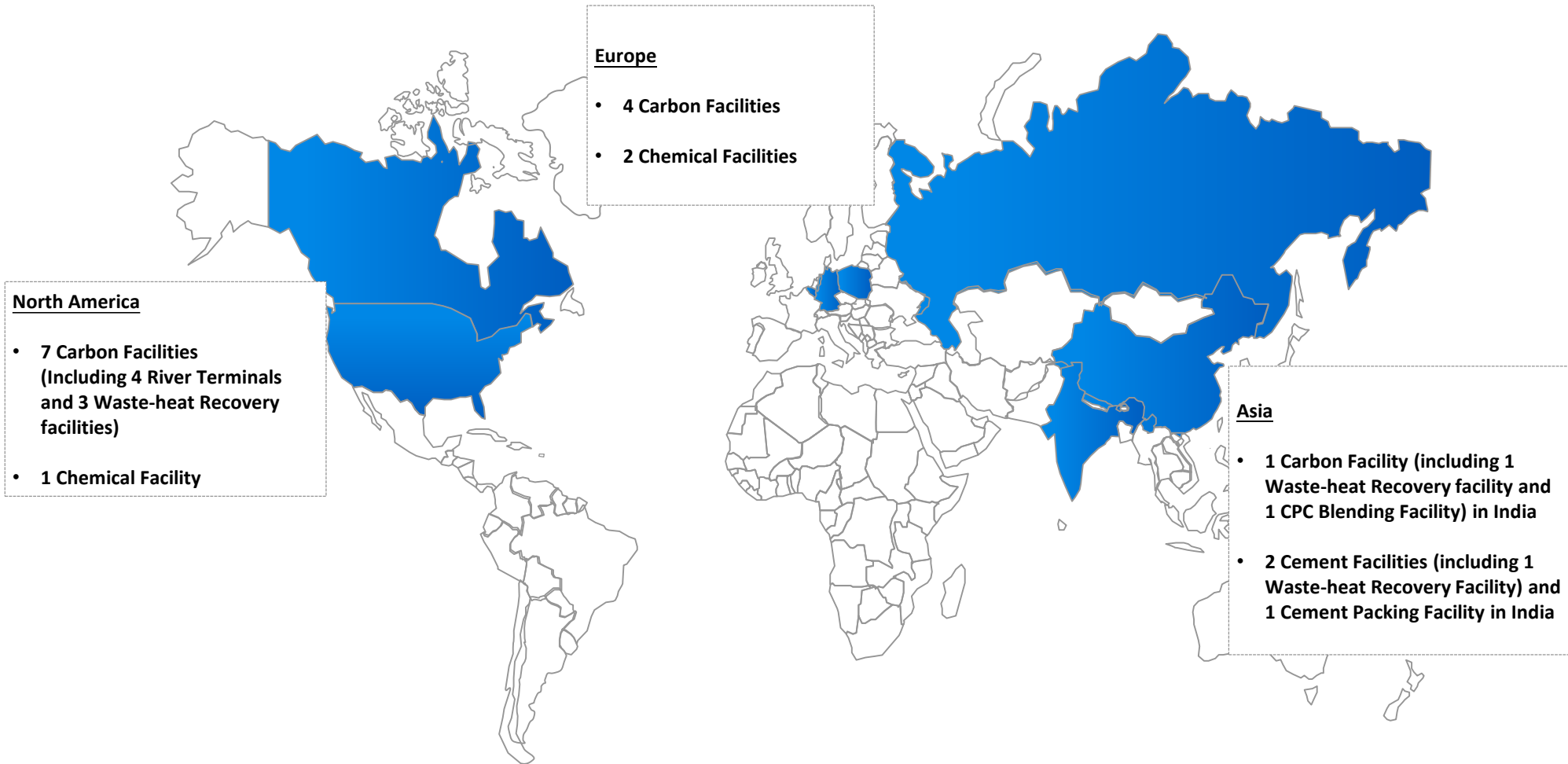
CARBON		CEMENT
Calcination	<ul style="list-style-type: none"> World-wide Leader in the Manufacturing and sale of Calcined Petroleum Coke (“CPC”), by Sales volume 7 CPC Plants with an aggregate calcination capacity of 2.1 Million Tons p.a. in India and US, along with CPC blending capacity of 1 Million Tons p.a. in India Indian blending facility uniquely positioning the Company to meet growing demand for CPC from Aluminium Smelters expanding in India and the Middle-East 4 out of 7 CPC plants have WHR technology which is environmental friendly 3 out of 7 CPC plants are equipped with Flue Gas Desulphurization technology that enable use of low cost raw materials 	<ul style="list-style-type: none"> Manufacturing and Sale of Cement. Two integrated Cement plants; one each in Andhra Pradesh & Telangana along with a Packing Plant in Karnataka. Annual capacity of 3.5 Million Tons p.a. 7MW Co-generation Facility Major markets in the states of Andhra Pradesh, Karnataka, Maharashtra, Odisha, Tamil Nadu and Telangana. Markets under the brand “Priya Cement”
<p>Similar Business Models, Critical Converter for the Crude Oil Refining, Steel and Aluminium Industries</p>		CHEMICALS
Distillation	<ul style="list-style-type: none"> World-wide Leader in the Manufacturing and sale of Coal Tar Pitch (“CTP”) and Other Carbon Products (“OCP”), by Sales volume OCP consist of products produced during the distillation of Coal Tar or Petro Fuel for example Naphthalene, Phthalic Anhydride, Creosote Oil and Carbon Black Oil 4 coal tar distillation plants with an aggregate capacity of 1.3 Million Tons p.a. in Europe and North America. 2 Petro Chemical Feedstock Distillation Plants with an available capacity of 0.2 Million Tons p.a. in Europe. 	<ul style="list-style-type: none"> Downstream processing of coal tar and petrochemical distillates into products such as: <ul style="list-style-type: none"> Resins and Modifiers Aromatic Chemicals Super-plasticizers Other Specialty Chemicals Activities across World with 3 operating facilities in Europe & North America

RAIN Group – Key Milestones



RAIN Group is growing continuously in its core business, through capacity expansions, acquisitions and successfully integrating the same with its existing business

RAIN Group – Diversified Geographical Profile



With best-in-class Facilities across Three Continents, RAIN Group supplies to customers across the World

Carbon – Transforming By-Products into Aluminium's Essential Raw Materials



Overview of Calcined Petroleum Coke (“CPC”) Industry

Oil Refining Industry



Green Petroleum Coke - A by-product

- ▶ GPC production related to refining of sweet crude
- ▶ Reliable off-take is critical

Coke Calciners



Calcined Petroleum Coke

Captured through
calcining process

- ▶ Critical in the value chain of Green Coke
- ▶ Regional competition given high transportation costs
- ▶ High barriers to entry due to limited availability of GPC and scale of economies

Aluminium Industry



CPC <10% of Production Cost

- ▶ Not economically viable substitute for CPC in Aluminium production process
- ▶ Reliable and continuous supply of CPC with consistent high quality is crucial
- ▶ Complementary to CTP in anode production

Overview

- ▶ CPC is produced from GPC, a by-product of crude oil refining
- ▶ Calciners compete on the basis of product quality and reliability, apart from the price
- ▶ Availability of Anode-grade GPC has been declining as oil refiners process heavier, more sour crude oils
- ▶ Additional worldwide CPC capacity effectively constrained by availability of suitable GPC (Anode Grade GPC)
- ▶ Industry participants working to develop CPC from lower quality GPC sources
- ▶ Every Ton of Aluminium requires ~ 0.4 Tons of CPC

World CPC Demand by End-use



- Aluminium 85%
- Recarburizer 6%
- Needle Coke 3%
- TiO₂ 3%
- Other - Speciality Markets 3%

RAIN has Seven CPC Plants in US and India with aggregate capacity of 2.1 Million Tons p.a. and supplies to customers around the world, except China.

Overview of Coal Tar Pitch (“CTP”) Industry

Steel Industry



Coal Tar - A by-product

- ▶ Coke production related to steel industry's production volumes
- ▶ Reliable off-take is critical

Coal Tar Distillers



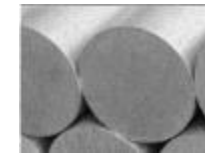
Pitch (incl. CARBORES) ~50%

Aromatic Oils (incl. PA/BTX)~40%

Naphthalene Oil ~10%

- ▶ Critical in the value chain of coal tar
- ▶ Regional competition given logistical limitations/high transportation costs
- ▶ High barriers to entry due to scale economies, asset intensity and know-how requirements

Aluminium Industry



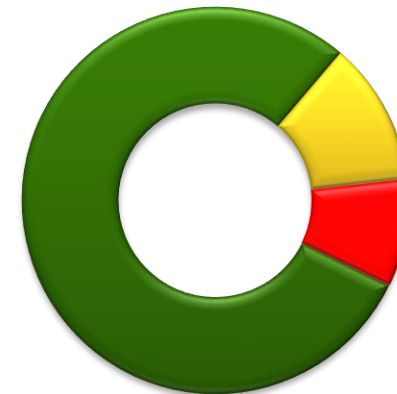
Pitch <5% of Production Cost

- ▶ No economically viable substitute for pitch in Aluminium production process
- ▶ Reliable and continuous supply of pitch with consistent high quality is crucial
- ▶ Complementary to CPC in anode production

Overview

- ▶ CTP is produced from coal tar, a by-product of metallurgical coke ovens in the steel industry
- ▶ The need for CTP determines the rates of operation for coal tar distillation
- ▶ Distillers position their facilities in close proximity to tar suppliers due to specialized transportation requirements to move coal tar and costs associated therewith
- ▶ CTP is the essential binder used primarily to make carbon anodes for the Aluminium industry and carbon electrodes for the electric arc furnaces of the steel industry, in addition to other lower volume applications
- ▶ Every Ton of Aluminium requires ~ 0.1 ton of CTP

World CTP Demand by End-use



- Aluminum Anode 79%
- Electrodes 12%
- Other end users 9%

RAIN has Four Plants in Belgium, Canada, Germany and Russia with aggregate capacity of 1.3 Million Tons p.a. and supplies to customers around the world, except Australia and China.

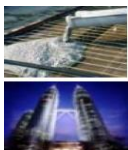


Carbon for Other Diversified Applications

Carbon Products	End Use	Share (%) in Carbon Products Revenue	Share (%) in Overall Group Revenue
CPC & CTP	Titanium Dioxide, Graphite, Steel, etc.	19%	13%
Creosote Oil	Wood Preservation, etc.	8%	5%
Benzene Toluene Xylene (BTX)	Coatings, Pigments, etc.	6%	4%
Carbores	Refractory Products, Graphite, etc.	3%	2%
Phthalic Anhydride (PA)	Plastic Products, Flexible PVC Products etc.	3%	2%
Naphthalene	PA, Coating, Pharma, Mothball, Pigments, Concrete, Paper, etc.	4%	3%
Energy	Public Utilities & Industrial Customers	4%	3%
Carbolic Oil and Other Products	Petroleum, Coatings, Pharma, etc.	10%	7%
Total		57%	39%

The above Diversified End-Uses contribute 57% of Group Revenues from Carbon Products for CY16.



Overview of Chemical Products of RAIN Group

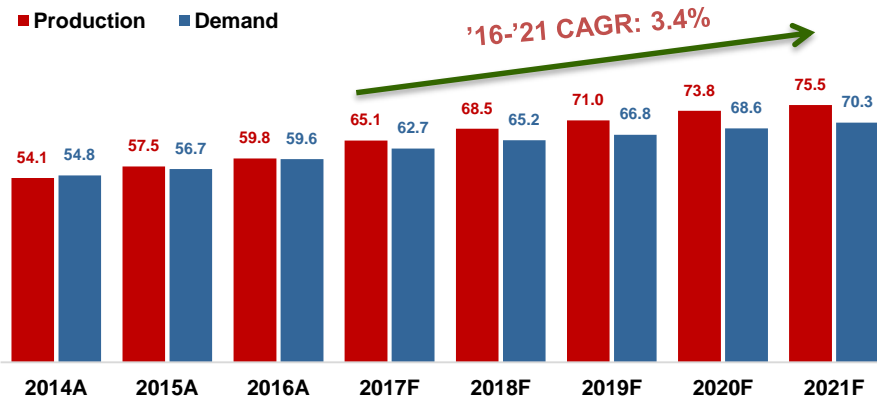
Chemicals			
	Superplasticizer	Resins & Modifiers	Aromatic Chemicals
Key Raw Materials	<ul style="list-style-type: none"> ▶ Naphthalene oil 	<ul style="list-style-type: none"> ▶ Carboindene ▶ C9 feedstock 	<ul style="list-style-type: none"> ▶ Carbolic oil ▶ Anthracene oil
Products	<ul style="list-style-type: none"> ▶ Superplasticizer chemicals 	<ul style="list-style-type: none"> ▶ Resins ▶ Modifiers (DIPN) 	<ul style="list-style-type: none"> ▶ Phenol ▶ Specialty products
Key Applications			
Key End Markets	<ul style="list-style-type: none"> ▶ Chemicals ▶ Admixture and construction 	<ul style="list-style-type: none"> ▶ Adhesives/coatings ▶ Rubber ▶ Paper 	<ul style="list-style-type: none"> ▶ Chemicals ▶ Automotive/tyres ▶ Wire varnish
Plants	<ul style="list-style-type: none"> ▶ Candiatic, Canada 	<ul style="list-style-type: none"> ▶ Duisburg, Germany ▶ Uithoorn, the Netherlands 	<ul style="list-style-type: none"> ▶ Castrop-Rauxel, Germany

RAIN converts by-products in Tar Distillation into a value-added Specialty Chemicals.

Key Market Factors

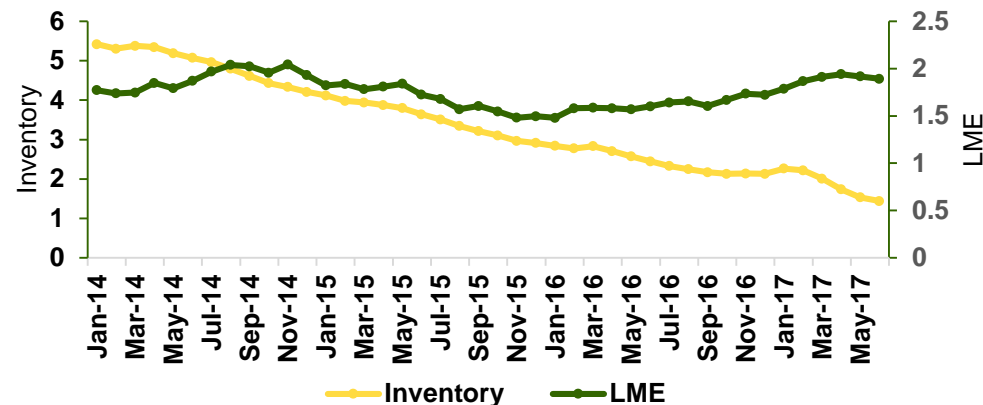
Aluminium: Production & Demand (Million Tons)

■ Production ■ Demand

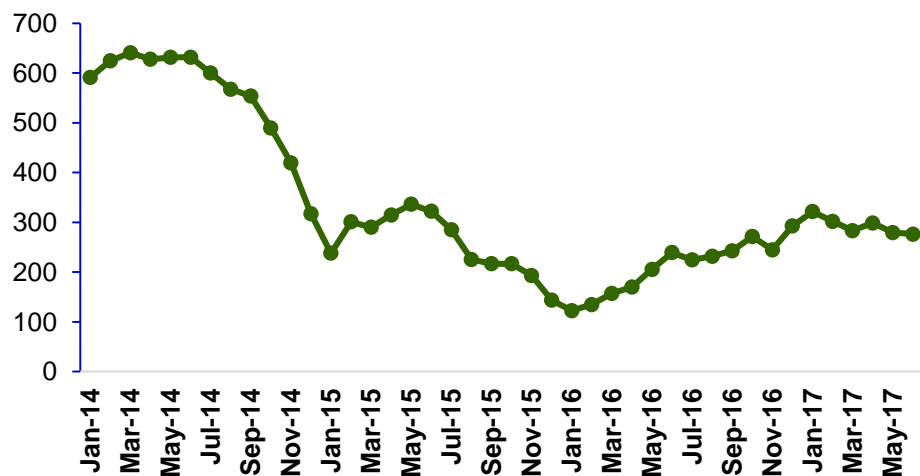


A- Actual F- Forecast

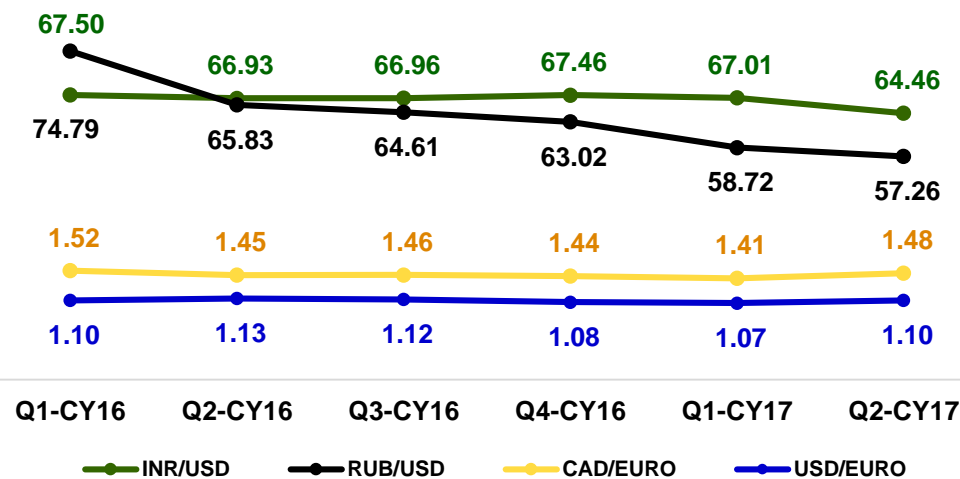
Aluminium: Inventory (Million Tons) vis-à-vis LME (000 US\$ per Ton)



Fuel Oil: (USD / Ton)



Foreign Exchange Movements:



Primary Aluminium production continue to grow contributing to demand for Carbon products.

Completed Capital Projects

Flue Gas Desulfurization Plant in Chalmette, Louisiana, U.S.A. during Dec.'15



300,000 Tons p.a. Coal Tar Pitch Facility in Russia during Feb.'16



7MW Waste Heat Recovery Power Generation Facility in Cement Plant at Kurnool, Andhra Pradesh, India during Sept.'16



1,000,000 Tons p.a. Calcined Petroleum Coke Blending Facility in Visakhapatnam, Andhra Pradesh, India during Dec.'16



17,000 Tons p.a. CARBORES® III reactor in Castrop-Rauxel, Germany during Dec.'16



Debottlenecking Distillation Plant in Hamilton, Canada resulting in increasing capacity from 240,000 Tons p.a. to 263,000 Tons p.a. during June 2017 and improving capacity utilization beyond 90%



All Expansion Projects have now fully stabilized.

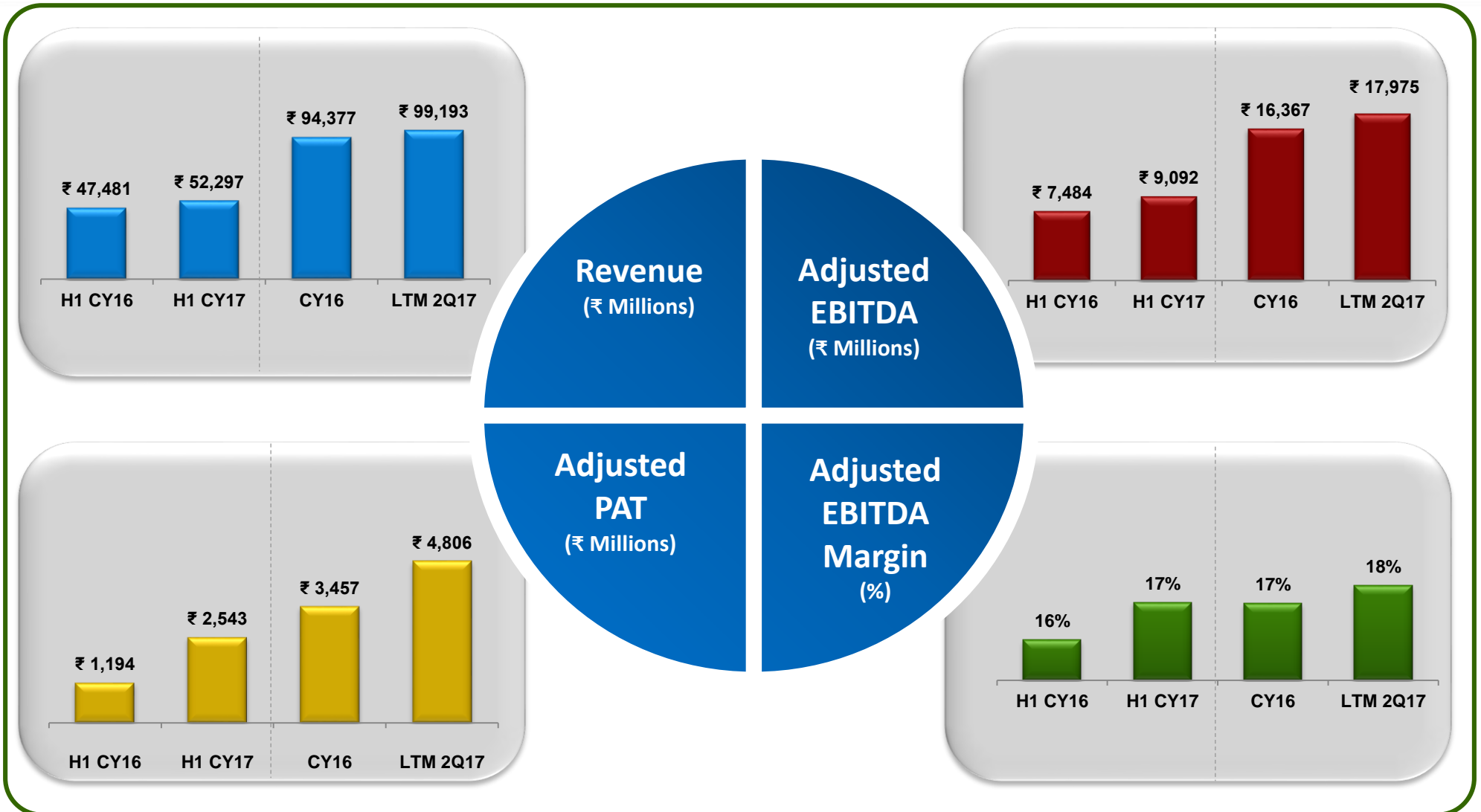
Planned Capital Project 1 – CPC Expansion

Project Name	Vertical Shaft Calcination Plant with Waste Heat Recovery Plant (WHR) at Special Economic Zone (SEZ) in Visakhapatnam, India
Production Capacity	Calcined Petroleum Coke (CPC) up to 370,000 Tons p.a. and 15MW Power from WHR Plant
Technical advantages of Vertical Shaft Kiln	<ul style="list-style-type: none"> - Enables production of High-density CPC - Improves input-output conversion
Value Additions	<ul style="list-style-type: none"> - No import duties on Capital Goods & Raw materials - 100% tax exemption on exports for first 5 years of Operations - Supplementary tax benefits from State Government on Goods & Service Tax - Balance foreign exchange through flexible Exports & Domestic sales mix
Target Markets	India and nearby regions
Estimated Project Cost	₹ 4,240 million (~ US\$ 65 Million)
Commencement of Operations	Q1 2019

Planned Capital Project 2 – Tar Distillation

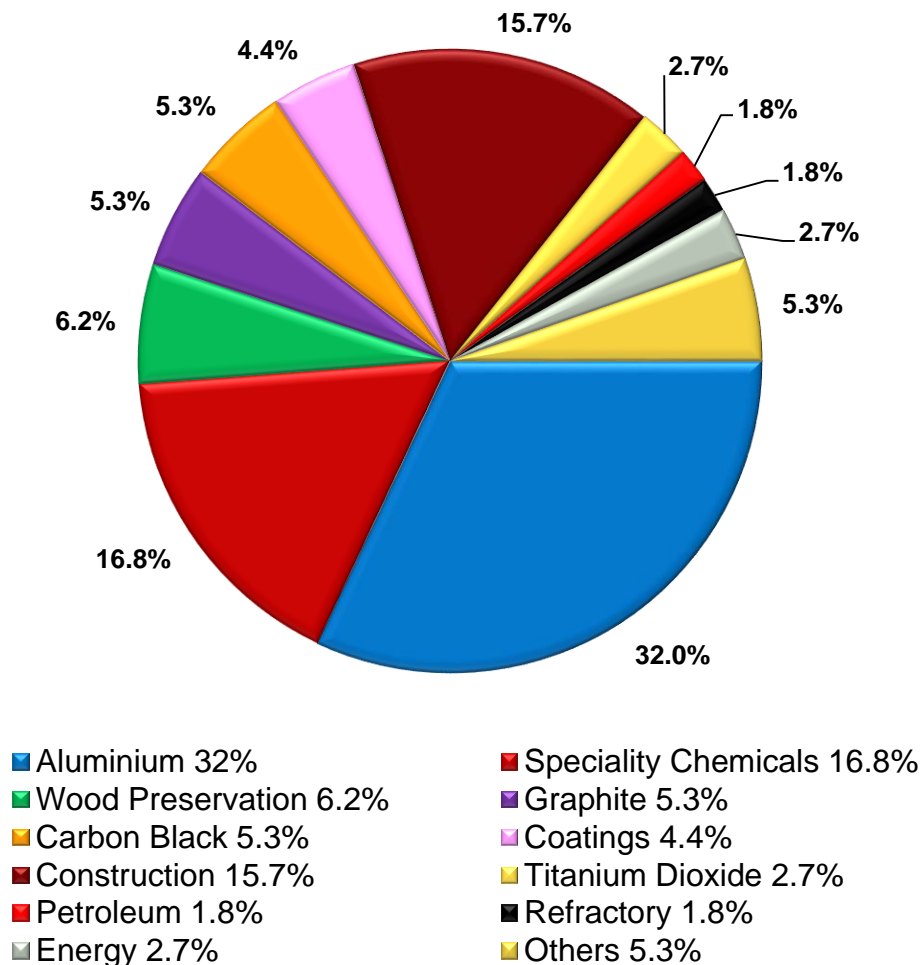
Project Name	Debottlenecking of Petro-Chemical Feedstock Distillation Facilities in Castrop–Rauxel, Germany and Zelzate, Belgium
Activities	Installation of Additional Balancing Equipment and Construction of Storage Facilities and other infrastructure
Value Additions	<ul style="list-style-type: none"> - The installed capacity will incrementally increase to 200,000 Tons p.a. - Further, the capacity utilization of such Petro-Chemical Feedstock Distillation Facilities will increase with construction of additional storage facilities and other infrastructure. - Higher volumes of Petroleum Pitch for Specialty Binders and Graphite Applications, Petrochemical Distillates, Naphthalene and Resin feedstocks.
Estimated Project Cost	US\$ 17.0 million
Commencement of Operations	Q4 2018

RAIN Group – Consolidated Financial Performance

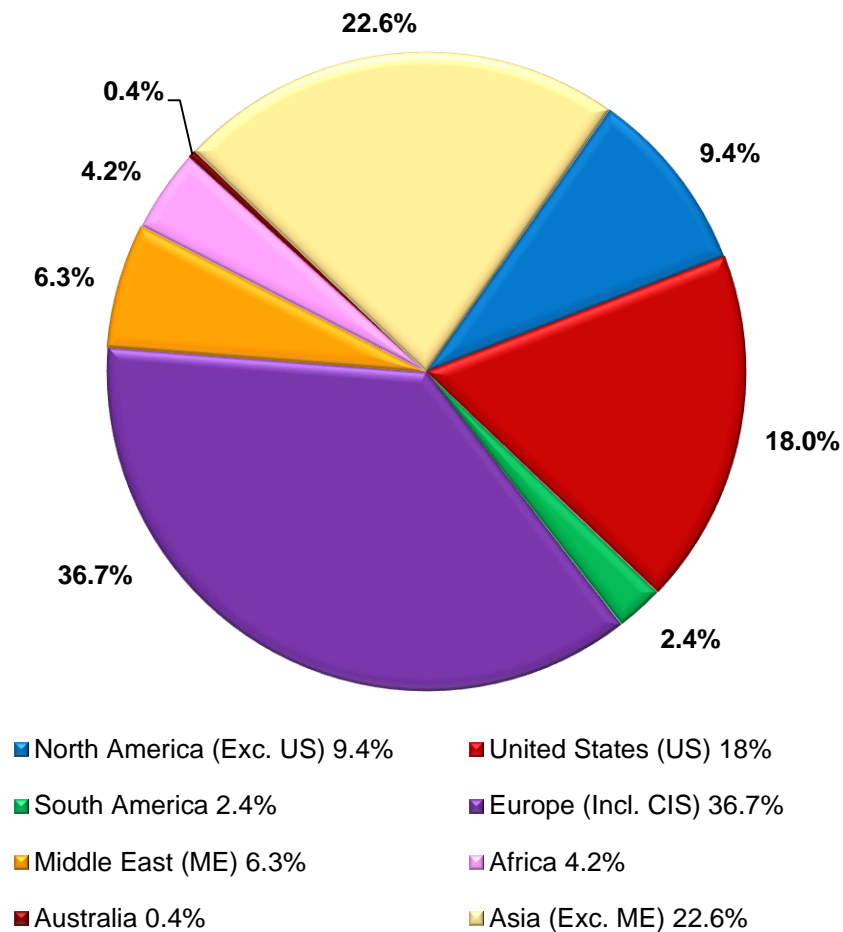


RAIN Group – Revenue Mix

CY16 – Revenue by End use

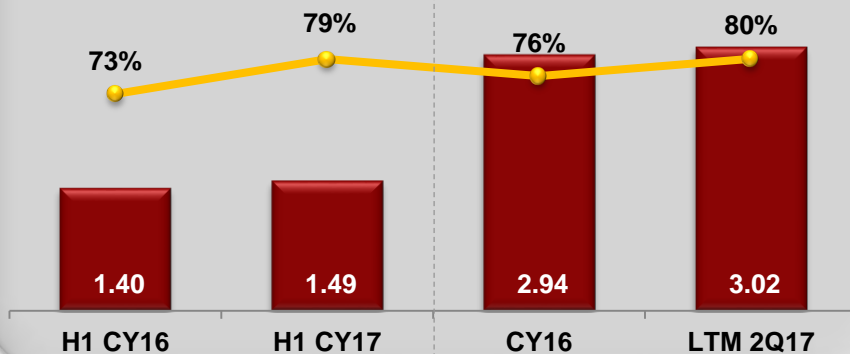


CY16 – Revenue by Geography

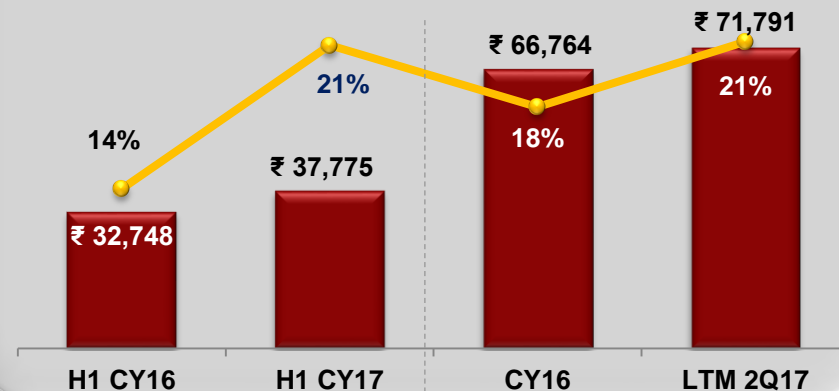


RAIN Group – Performance of Carbon Business

Sales Volume (in Million Tons) & Capacity Utilisation (%)



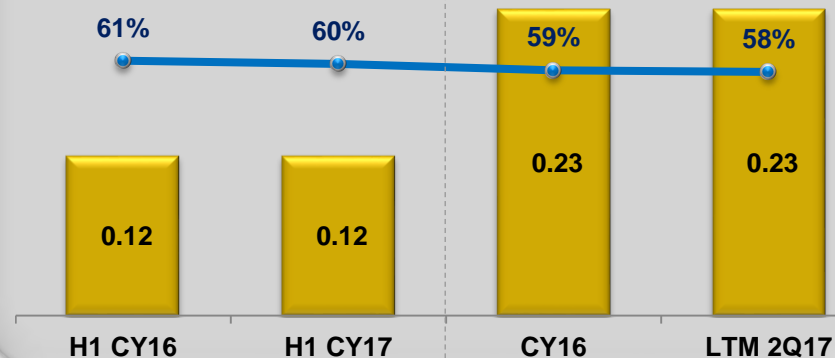
Revenue (₹ in Millions) & Operating Margin (%)



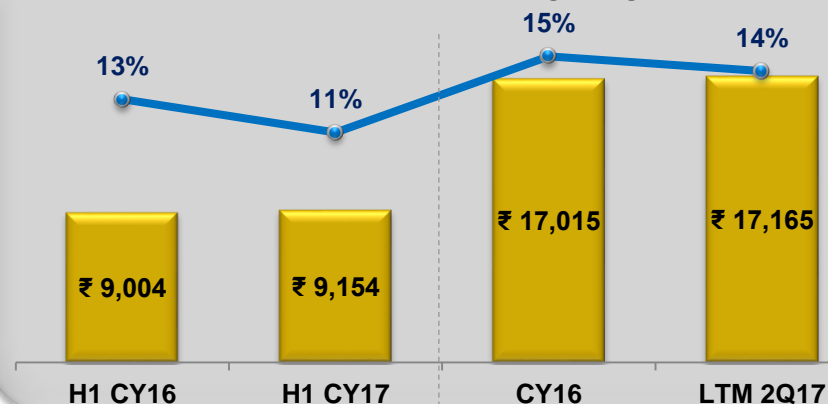
- Carbon Products include CPC, GPC, CTP and Other Carbon Products of Coal Tar Distillation. Carbon Products revenues also include revenues from sale of energy generated through Waste-heat recovery.
- Revenues from Carbon business improved during H1 CY17 compared to H1 CY16 mainly due to increase in volumes by 6.2% and realizations by 6.2% partially offset by appreciation of the Indian Rupee against the Euro by 5.1% and the USD by 2.2%.
- Increased volumes were driven by contributions from new capital projects i.e., CPC Blending Facility in India; FGD Plant in Chalmette, US; CTP facility in Russia and 3rd CARBORES® Reactor in Germany coupled with increased Capacity Utilization of existing plants across all geographies.
- Overall margins improved due to various cost optimization initiatives such as functional integration, blending strategy, logistics planning, etc., implemented during H1 CY17.
- With the encouraging demand, going forward the capacity utilizations at all our existing facilities (together with commissioned new projects) will continue to increase and supplemented by capacity increase from the announced expansion projects.

RAIN Group – Performance of Chemicals Segment

Sales Volume (in Million MT) & Capacity Utilisation (%)



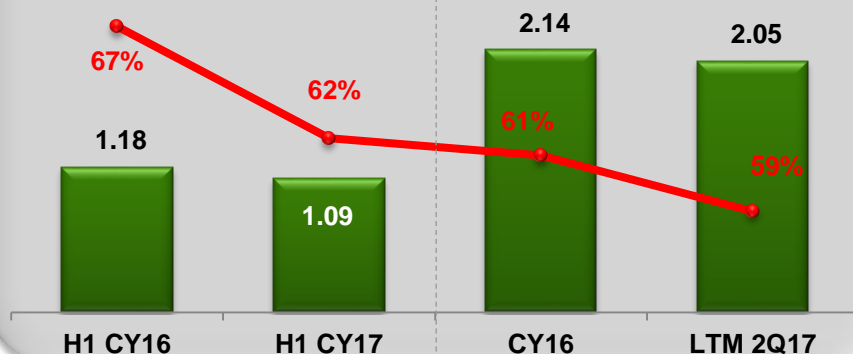
Revenue (₹ in Millions) & Operating Margin (%)



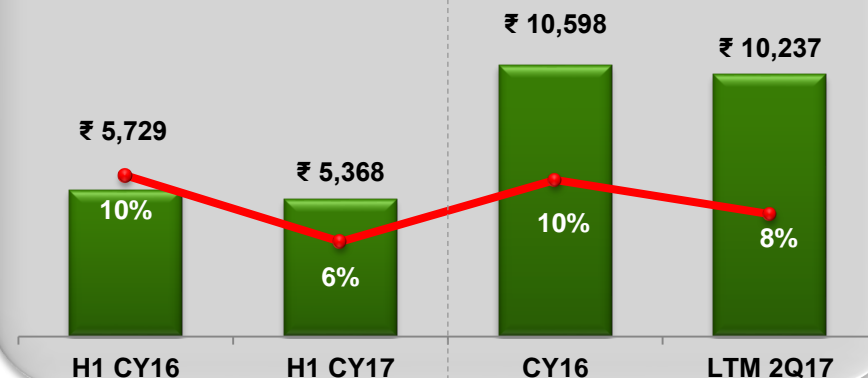
- Chemicals include the downstream operations of Coal Tar Distillation and are comprised of Resins, Modifiers, Super Plasticizers and other Specialty Products
- Although volumes remained constant and realizations improved in H1 CY17, Revenue from Chemical business remained flat mainly due to appreciation of Indian Rupee against Euro 5.1%.
- Margins declined mainly due to increase in raw material quotations indexed to Fuel Oil.
- The Company through R&D is constantly focusing for optimized product mix as well optimized conversion cost.

RAIN Group – Performance of Cement Segment

Sales Volume (in Million MT) & Capacity Utilisation (%)



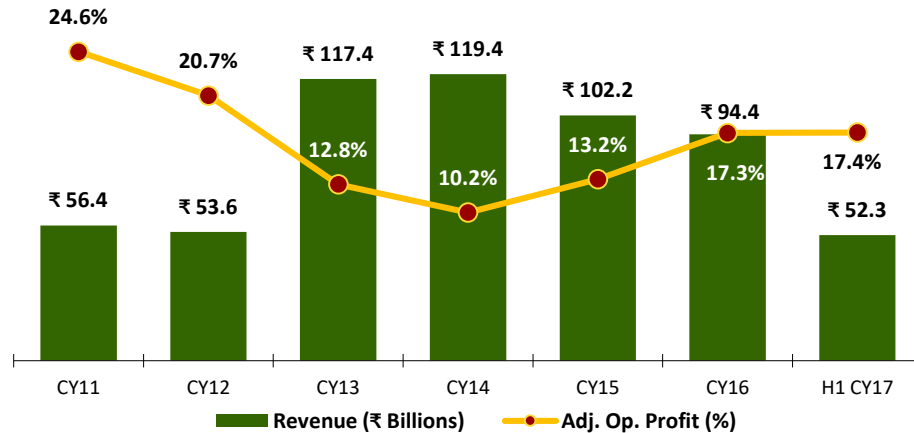
Revenue (₹ in Millions) & Operating Margin (%)



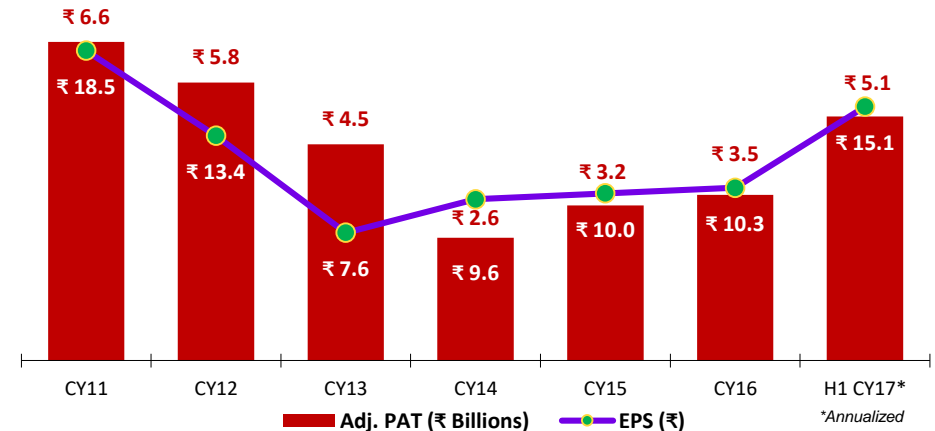
- Due to political instabilities across major markets as well as the impact of demonetization, the volumes declined in H1 CY17 compared to H1 CY16.
- Volumes decrease together with lower realizations have resulted in revenue decrease from Cement Business during H1 CY17 compared to H1 CY16.
- Further, margins declined due to increase in cost of raw material.
- Successfully commissioned 7MW Waste-Heat Recovery Power Plant in Kurnool during Q3-CY16 and Cooler upgradation made at Nalgonda Plant during Q2-CY17 to achieve energy efficiency.
- With the increased focus on development in Andhra Pradesh and Telangana by respective State Governments after separation of States, the demand from these states is expected to grow in future.

Financial Profile

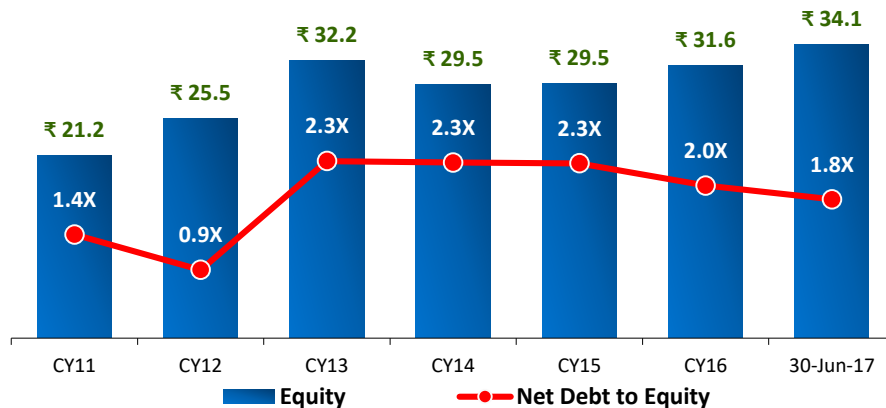
KPI – Revenue vs Adj. Operating Profit



KPI – Adjusted Profit After Tax vs Adjusted EPS

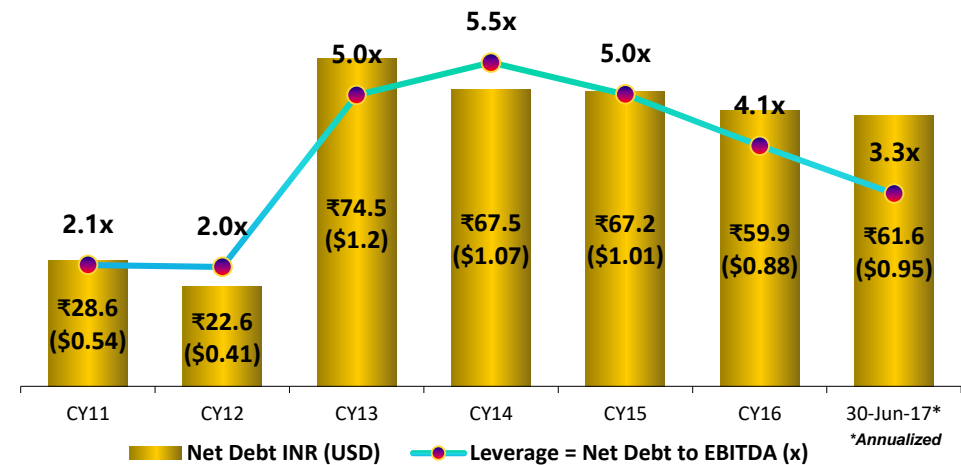


Net Debt to Equity (₹ Billions)



Fall in Equity is due to fall in Euro – INR Exchange rate resulting in lower FCTR

Net Debt & Leverage Ratio (₹ and US\$ Billions)



The Company acquired RUETGERS in January 2013, figures pertaining to years prior to CY12 are not comparable

Consolidated Debt Position

US\$ in Millions	Jun. 2017	Dec. 2016
Senior Secured Notes		
- 8.00% USD Bonds (due in 2018)	-	373
- 8.25% USD Bonds (due in 2021)	241	336
- 8.50% Euro Bonds (due in 2021)	*227	209
- 7.25% USD Bonds (due in 2025)	550	-
Other Term Debt	76	152
Gross Term Debt	1,094	1,070
Add: Working Capital	10	26
Gross Debt	1,104	1,096
Less: Cash and Cash Equivalents	131	154
Less: Deferred Finance Cost	21	15
Net Debt	952	927
LTM EBITDA	289	246

*Change resulting from appreciation of Euro against USD exchange rate

Considering Adjusted EBITDA for LTM 2Q17

Highlights in H1 CY17

- Credit Rating upgraded:
 - Moody's – B1 from B3 (2 notch up)
 - S&P – B+ from B (1 notch up)
- 2025 USD Senior Secured Bonds Issue:
 - Issued in March 2017
 - Maturity in April, 2025
 - Rate of Interest 7.25% p.a.
 - Interest Payable: Semi-annually
- Cash balance of US\$131 Million
- Unutilised Credit Limits – US\$ 162 Million
- Post March'17 Re-financing:
 - Average Rate of Interest : 7.5% pre-tax
 - Average Rate of Interest : 4.8% post-tax.
 - Consolidated gross-leverage[#] : 3.8X
 - Consolidated net-leverage[#] : 3.3X.

RAIN's Resilient Business Model

Key Strengths

Diversified Business Across Geographies and Products

Converter of By-Products into Critical Consumables

Large-Scale Operations with integrated Logistical Network

Strategic Drivers

- Established in high-demand end market regions with an integrated low-cost logistical network providing access to raw material sources globally (ex: CPC in South Asia & Middle East and CTP in North America & Europe)
- A combination of technology applications, process sophistication and scale provides the ability to use a wide variety of raw materials and finished products
- Hub & spoke production, blending and distribution model provides efficient utilization of all processed materials and flexible selection of markets globally
- Increasing participation in the eco-friendly growth industries of the future such as carbon composites, carbon ceramics, lithium ion batteries, Aluminum and low rolling resistance tires.
- Implemented internal reorganization including allocation of debt to European subsidiaries to improve effective tax rate
- Completed First-phase of refinancing at RAIN CARBON INC (Holding Company)

RAIN's Historical Performance (As per Indian GAAP)

Particulars	CY07 ⁽¹⁾	CY08	CY09	CY10	CY11	CY12	CY13	CY14	CY15	CY16	CY16 ⁽²⁾
Revenue (inc OOI)	15,988	44,615	36,494	37,857	56,395	53,614	117,443	119,370	102,185	93,164	94,945
Adjusted EBITDA	2,888	12,124	9,063	7,559	13,873	11,090	14,978	12,220	13,492	14,597	16,367
Adjusted PAT	770	4,038	4,020	3,305	6,641	5,796	4,512	2,561	3,233	3,351	3,457
Adjusted EPS	2.30 [#]	11.47 [#]	11.35 [#]	9.33 [#]	18.76	18.46	13.39	7.62	9.61	9.96	10.30
Equity (Ex. MI)	2,905	8,398	12,104	13,933	21,209	25,517	32,233	29,458	29,375	30,144	31,648
Net Debt	29,098	35,333	26,964	27,543	28,574	22,611	74,459	67,535	67,217	64,002	62,823
Leverage*	10.1x	2.9x	3.0x	3.6x	2.1x	2.0x	5.0x	5.5x	5.0x	4.4x	3.8x

[#] Post share split of Equity Share Face Value from INR 10 per share to INR 2 per share in June 2011

* Net Debt to Adj. EBITDA

Notes:

1. CY07 is the first financial of merger of RCL and RAIN Commodities Limited during April'07 & acquisition of CII Carbon LLC, US in July'07 (for a period of 9 months).
2. As per Ind AS. The Company adopted Ind AS in CY17 with comparative financials of CY16.

Thank You