RAIN INDUSTRIES LIMITED

RIL/SEs/2021 October 30, 2021

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, 2021.

Management Comments on the Earnings Presentation will be posted on the website of the Company (www.rain-industries.com).

This is for your information and records.

Thanking you,

Yours faithfully,
for Rain Industries Limited

SVR Reddy

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RAIN INDUSTRIES LIMITED

Earnings Presentation – Q3 CY21

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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.

Third-Quarter Results

Financial Highlights

- Revenue from Operations was ₹ 38.49 billion and Adjusted EBITDA was ₹ 6.54 billion
- Adjusted Net Profit After Tax was ₹ 2.05 billion and Adjusted Earnings Per Share was ₹ 6.09
- Capital expenditure of US$ 52 million for the nine-month period ended September 30, 2021, mostly related to preventative maintenance and compliance

Business Highlights

- Sustained margins despite higher raw material and energy costs, with cost discipline
- Strong demand for end-products and improved raw material availability resulting from increased refinery throughput and steel production
- Exported the first test quantity of CPC produced at the new vertical-shaft calciner in India

Major Capital Projects

Hydrogenated Hydrocarbon Resins (HHCR) Plant, Germany

- 2,400 metric tonnes of “water-white” resins sold, a 5% increase vs. the second quarter
- Continuing to ramp-up capacity and further improve plant reliability/utilization while working to master the sophisticated HHCR technology and operational economics

Vertical-Shaft Calcination Plant, India

- Heat-up of the first of two lines of kilns commenced during Q3 2021, with the export of an initial test quantity of CPC produced by the new calciner during September 2021
- CPC produced using shaft technology offers superior density for anode customers

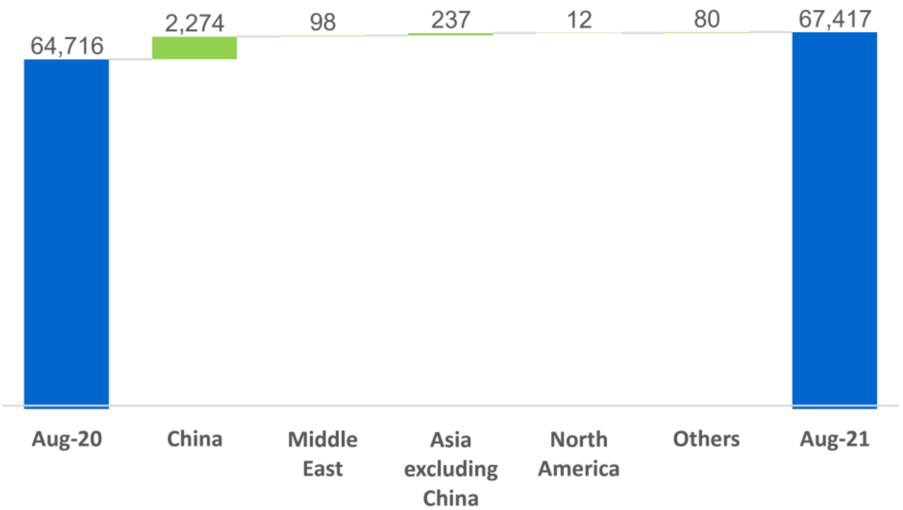
Anhydrous Carbon Pellets (ACP) Plants, India and USA

- US production facility to commence operations during the fourth quarter of 2021
- India plant construction is projected to recommence in early 2022, following successful start-up of the US plant

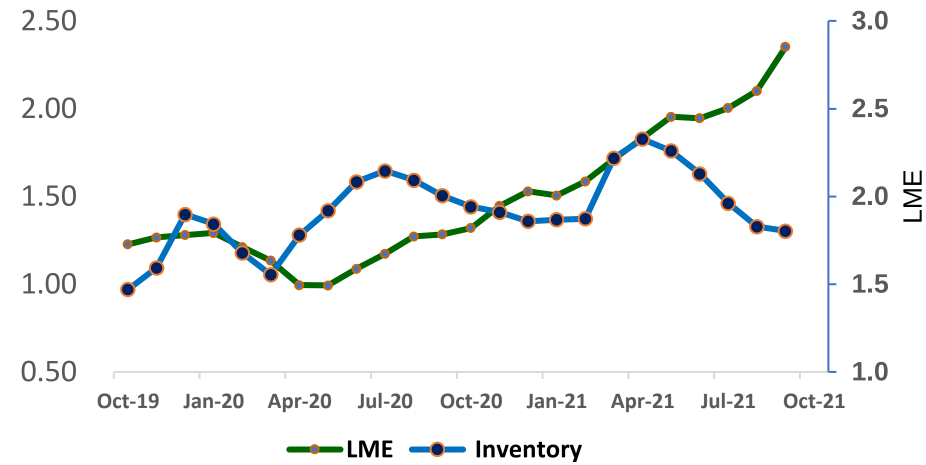
Aluminium: Production, Price and Inventory Levels

Primary Aluminium Production Growth in Thousand Metric Tonnes

Not to Scale



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

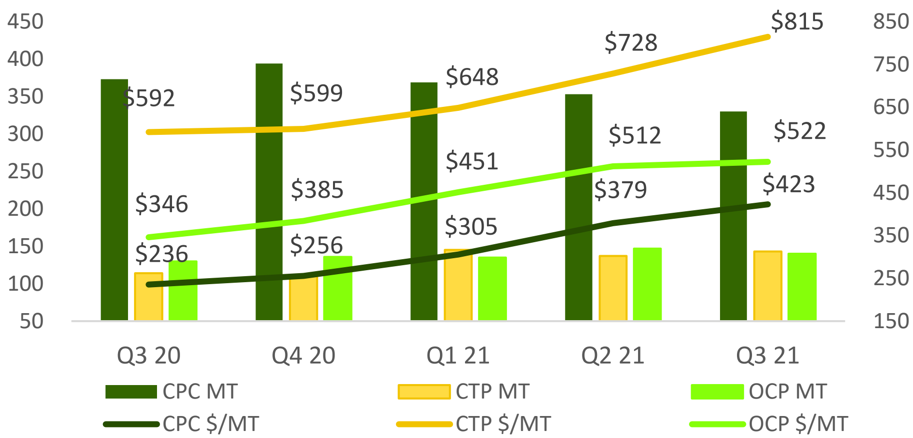


- Aluminium 3-month LME seller's price last traded at US$ 2,724 per tonne (October 27th), higher than multi-year average
- Prices are supportive of smelter restarts and expansions outside of China, with 0.7 million tonnes of restarts projected in North and South America, 1.0 million tonnes of expansions in Middle East and Asia

With increase in demand for primary aluminium, LME prices trading around US$ 2,600 per tonne.

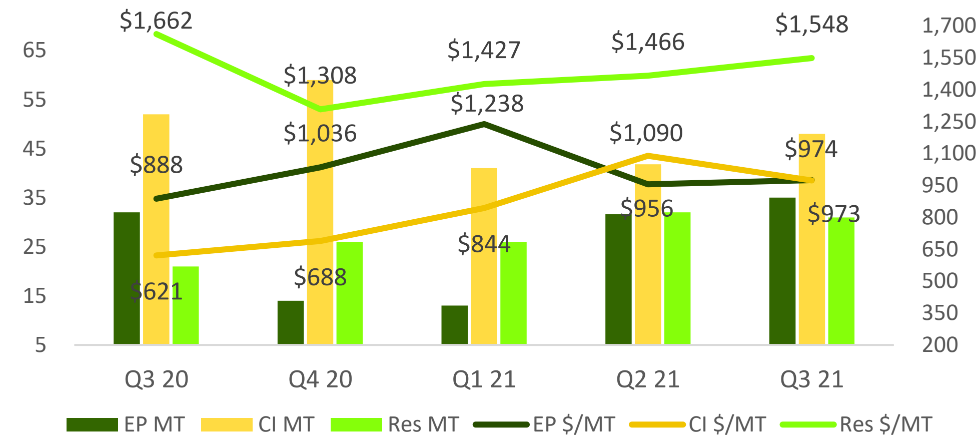
Growing Demand and Increasing Realisations & Cost

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



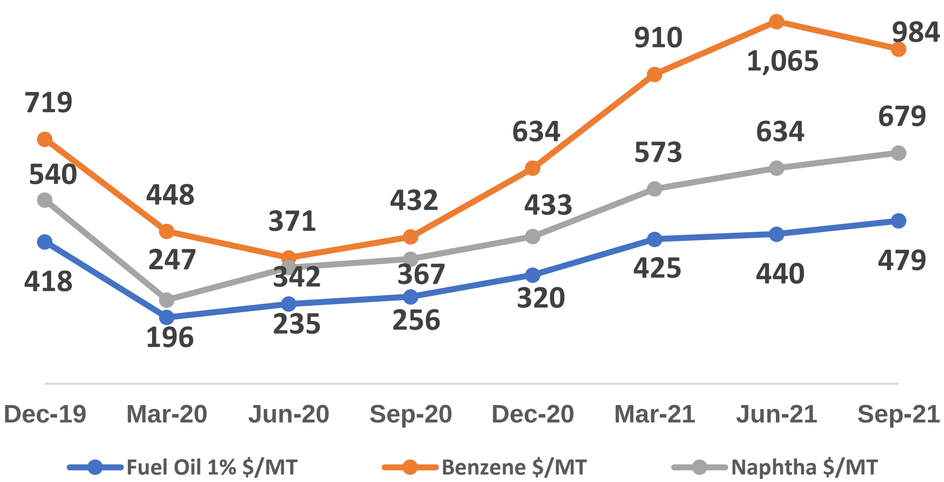
CPC – Calcined Petroleum Coke; CTP – Coal Tar Pitch; OCP – Other Carbon Products

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

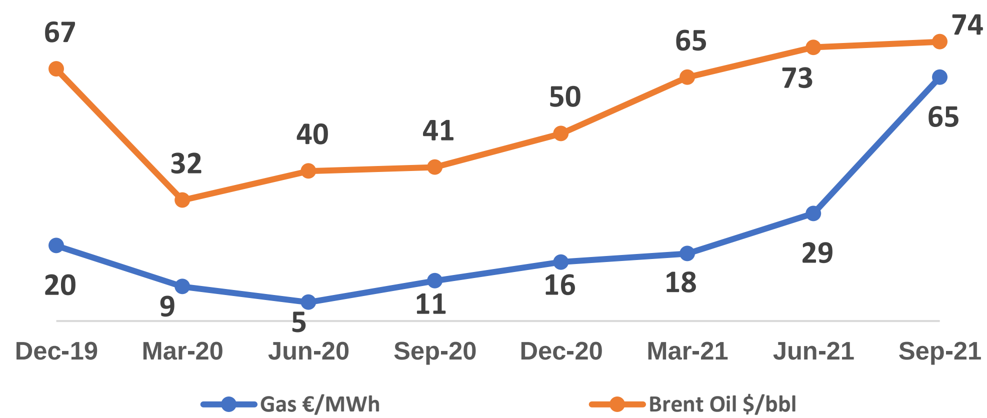


EP – Engineered Products CI – Chemical Intermediates; Res – Resins

Key Market Quotations Impact in Advanced Materials Business



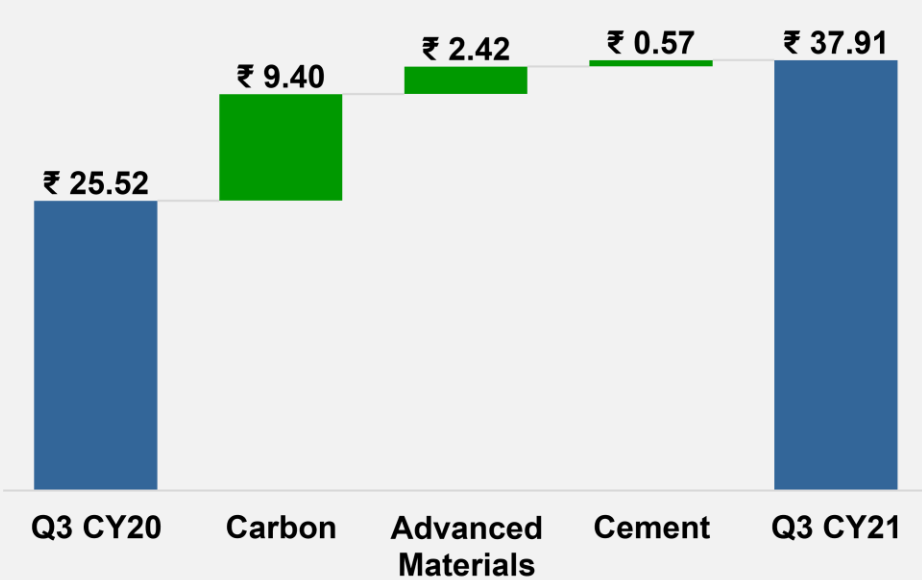
Energy Cost in European Region



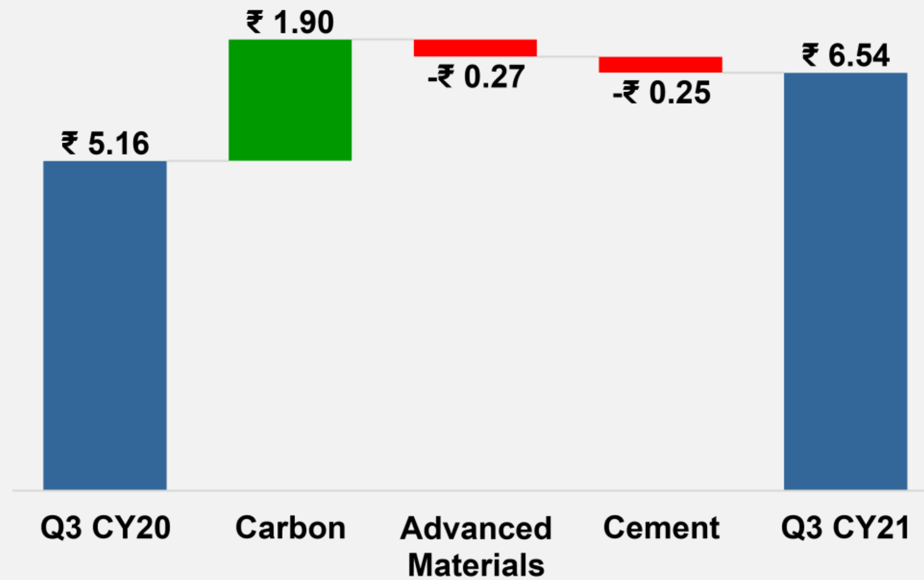
Natural gas prices increased by 124% in Europe during the third quarter, leading to increased operating costs.

Strong Performance Despite Cost-Related Headwinds

(₹ in Billions)



Revenue (excluding other operating income)



Adjusted EBITDA

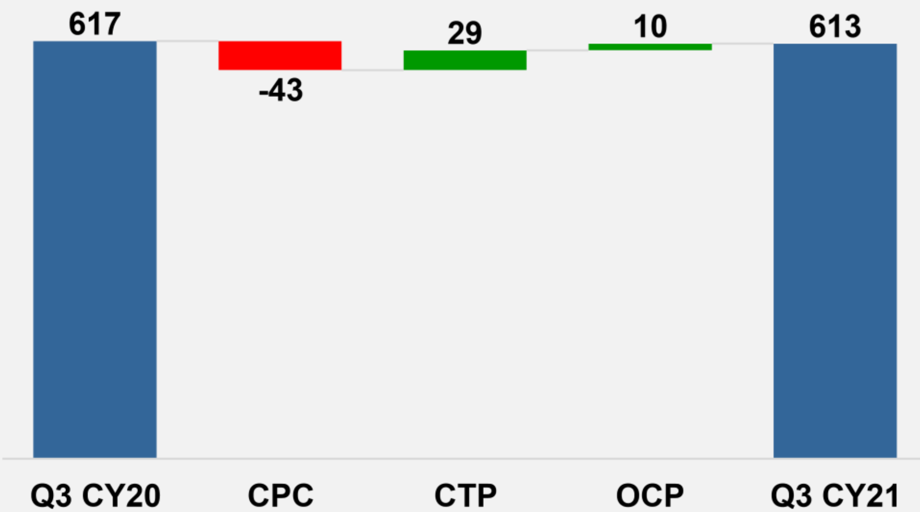
Highlights in Q3 CY21

- Carbon segment revenue improved due to increased prices driven by robust demand across all industries in all locations; margins increased due to effective management of raw material costs offset by rising energy costs in Europe
- Improved Advanced Materials margins due to higher throughputs offset by incremental operating costs of HHCR plant, higher energy costs and divestment of superplasticizers business
- Cement segment performance declined due to lower margins as a result of higher costs offset by increased sales volumes

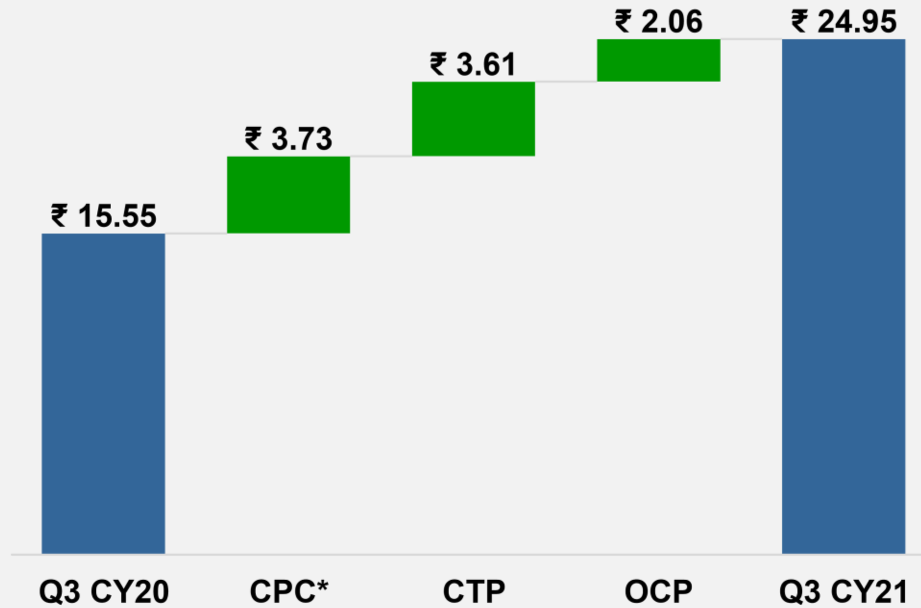
Note: Charts not to scale

Carbon Revenue Driven by Peak Prices

(₹ in Billions)



Volumes (MT in thousands)



**Includes Energy Revenue*

Revenue (excluding other operating income)

Highlights in Q3 CY21

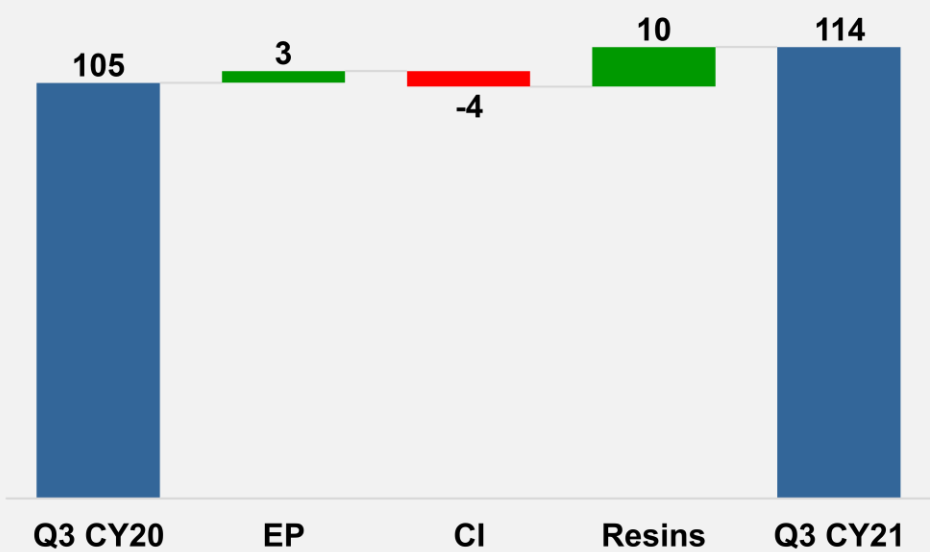
- CPC revenue increased primarily on account of higher prices due to increased demand from all locations
- Pitch revenue increased due to higher prices and volumes resulting from robust demand from all industries and locations driven by higher raw material prices and market quotations
- Adjusted EBITDA increased by ₹ 1,904 million due to improved prices, margins and a lag in price resets supported by increased market quotations after recovery from COVID-19 and cost discipline across all locations, offset by increased energy prices

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

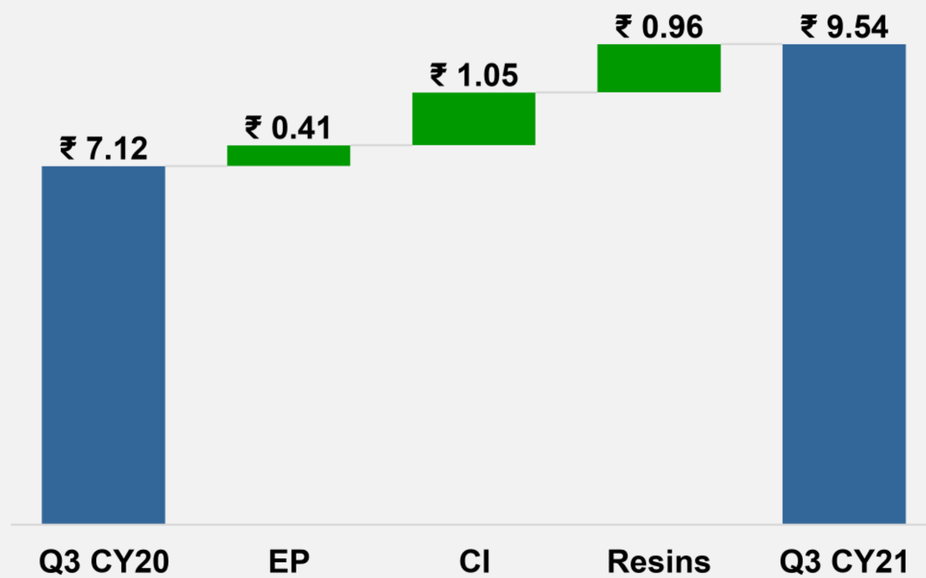
Note: Charts not to scale

Advanced Materials Results Reflect Continued Strong Demand and Price Increases

(₹ in Billions)



Volumes (MT in thousands)



Revenue (excluding other operating income)

Highlights in Q3 CY21

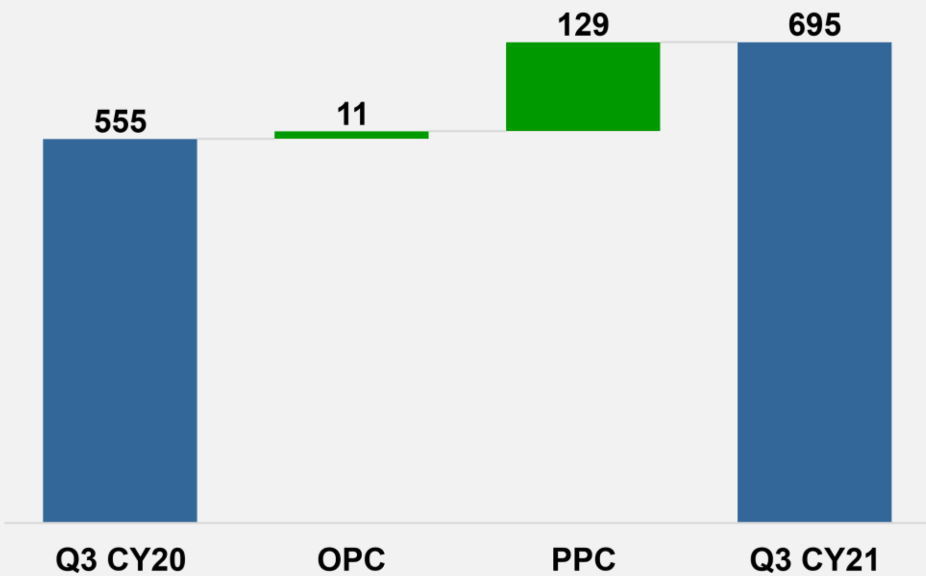
- Revenue increase was primarily the result of higher prices and volumes driven by improved production throughputs, sale of HHCR products, increased demand due to market recovery and changes in customer mix
- Adjusted EBITDA decreased by ₹ 272 million due to incremental operating costs of the new HHCR plant and energy costs, coupled with the divestment of the superplasticizers business, partially offset by margins from higher volumes

EP – Engineered Products; CI – Chemical Intermediates

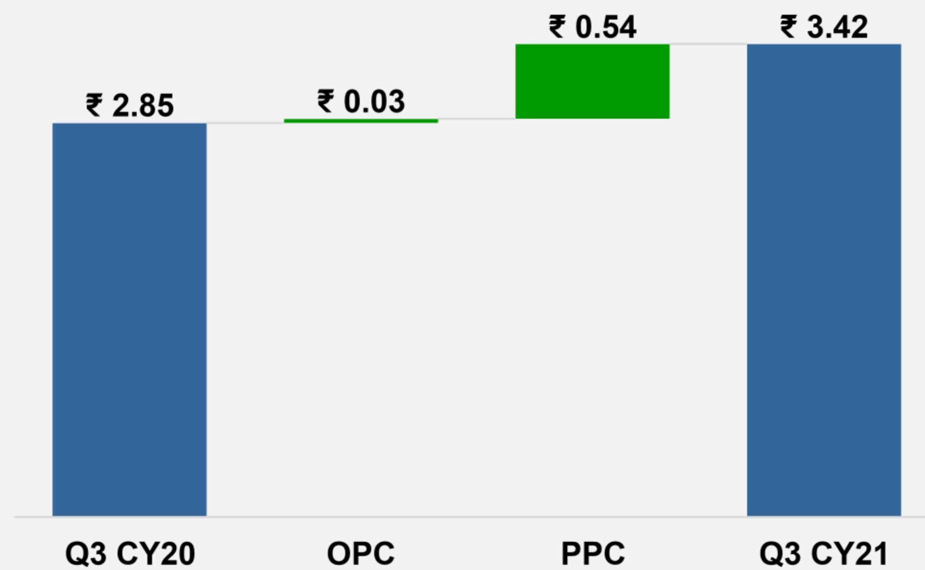
Note: Charts not to scale

Cement Performance Driven by Increase in Volumes

(₹ in Billions)



Volumes (MT in thousands)



Revenue (excluding other operating income)

Highlights in Q3 CY21

- Revenue from Cement business increased by 20.2% due to higher volumes
- Adjusted EBITDA decreased by ₹ 254 million due to lower margins offset by higher volumes

OPC – Ordinary Portland Cement; PPC – Portland Pozzolana Cement

Note: Charts not to scale

Debt Summary

Description of Debt (US$ in Millions)	Sep.'21	Dec.'20
7.25% USD-denominated Senior Secured Notes (due in April 2025) *	546	550
Euro-denominated Senior Secured Term Loan (due in January 2025) **	452	479
Senior Bank Debt	32	39
Sales Tax Deferment	6	7
Finance Lease Liability	62	72
Gross Term Debt	**1,098**	**1,147**
Add: Working Capital and Other Debt	22	77
Less: Deferred Finance Cost	10	12
Total Debt	**1,110**	**1,212**
Less: Cash and Cash Equivalents	227	280
Net Debt	**883**	**932**
LTM EBITDA	334	269

*Reduction on account of bonds repurchase in Q2 2021

** Debt of €390 million converted at EURO/USD exchange rates of 1.16 and 1.23 as at Sep. 30, 2021 and Dec. 31, 2020 respectively

Highlights in YTD September 2021

- Capital expenditure of ₹ 3.81 billion (US$ 52 million) during YTD September 2021 includes ₹0.81 billion (US$ 11 million) spent on our two major projects – hydrogenated hydrocarbon resins production facility in Germany and vertical-shaft calciner in India – as well as expenditure for other projects.
- Net cash used in financing activities of ₹ 8.39 billion during YTD September 2021 majorly includes ₹ 4.52 billion of outflows in respect of net payments towards borrowings and ₹ 2.65 billion of outflows towards interest payments.

₹ in Millions

INR in Millions	YTD Sep 2021	YTD Sep 2020
Operating Activities#	7,804	13,492
Investing Activities	(3,930)	(10,615)
Financing Activities	(8,394)	(1,921)

Includes net working capital outflow of ₹ 8,104 and ₹ 1,178 for YTD Sep 2021 and YTD Sep 2020 respectively

Thank You

Appendix

Summary of Consolidated Income Statement

₹ in Millions

Particulars	Q3 2021	Q2 2021	Q3 2020	CY 2020
Net Revenue	37,914	36,223	25,518	103,962
Other Operating Income	576	212	143	685
Revenue from Operations	**38,490**	**36,435**	**25,661**	**104,647**
Reported EBITDA	**6,802**	**6,779**	**5,009**	**21,008**
Adjusted EBITDA	**6,543**	**6,863**	**5,165**	**19,892**
Adjusted EBITDA Margin	*17.0%*	*18.8%*	*20.1%*	*19.0%*
Profit Before Tax	**3,746**	**3,641**	**1,787**	**8,510**
Tax Expense, net	1,057	983	608	2,627
Non-controlling Interest	334	305	(2)	301
Reported Profit After Tax	**2,355**	**2,353**	**1,181**	**5,582**
Adjusted Profit After Tax	**2,049**	**2,416**	**1,297**	**5,321**
Adjusted Earnings Per Share (in ₹)*	6.09	7.18	3.86	15.82

Quarterly Earnings Per Share is not annualized.

Reconciliation of EBITDA and PAT for Q3 CY21

₹ in Millions

Particulars	EBITDA	PAT
A. Reported	**6,802**	**2,355**
B. Adjustments:		
• Repairs and other costs incurred on account of hurricane and other non-recurring items	210	210
• Income due to waiver of Payroll Protection Program Loan by federal government of United States	(469)	(469)
• Tax impact on above adjustments	-	(47)
C. Adjusted (A + B)	**6,543**	**2,049**

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, 0.6 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
- Experienced international management team
- Strategy shift from low-margin products to favourable product mix

RAIN Group continues to grow on its core competencies.