



Expanding Horizons

RANE (MADRAS) LIMITED

Q2FY17 Earnings Release



Chennai, India, October 24, 2016 – **Rane (Madras) Limited** (NSE: RML; BSE Code:532661), a leading manufacturer of steering and suspension products and die casting components today announced its standalone financial performance for the second quarter (Q2FY17) and six months (H1FY17) ended September 30th 2016

Standalone Q2 FY17 Performance

- Total Operating Income was ₹257.5 Crore for Q2 FY17 as compared to ₹216.5 Crore in the Q2 FY16, an increase of 19%
- EBITDA stood at ₹26.7 Crore as compared to ₹21.4 Crore during Q2 FY16, an increase of 25%
- EBITDA Margin at 10.3% for Q2 FY17 as against 9.9% in Q2 FY16, an improvement of 45 basis point (bps) due to stringent fixed cost controls however partly offset by increased operational cost.
- Net profit (PAT) stood at ₹6.6 Crore for Q2 FY17 as compared to ₹5.2 Crore in Q2 FY16, an increase of 28%

Standalone H1 FY17 Performance

- Total Operating Income was ₹485.1 Crore for H1 FY17 as compared to ₹419.0 Crore in the H1 FY16, an increase of 16%
- EBITDA stood at ₹48.2 Crore as compared to ₹39.6 Crore during H1 FY16, an increase of 22%
- EBITDA Margin at 9.9% for H1 FY17 as against 9.5% in H1 FY16
- Net profit (PAT) stood at ₹9.3 Crore for H1 FY17 as compared to ₹6.8 Crore in H1 FY16, an increase of 37%

Operating Highlights for Q2 FY17

- Strong demand from Passenger Car (PC), LCV & SCV segments in the Steering and Linkages Division.
- Performance in the Farm Tractors (FT) segment is subdued mainly due to growth in unserved markets.
- Steady growth in the Indian Aftermarket segment driven by new product and expansion of distribution network in Western and Northern region.
- Robust growth in Diecast division owing to higher demand from international as well as domestic market aided by ramp up in production volumes at our second Diecasting facility in Hyderabad. This steep ramp up in the new diecasting plant caused delivery and quality issues impacting the profitability.

MANAGEMENT COMMENT

“RML successfully ramped up production to capitalize on the strong order flow from select customers for Steering and Linkages division in PC and LCV segment along with international customers for Diecast division. We continue to work on several initiatives to improve our operational performance and drive margin expansion.”-

L. Ganesh, Chairman, Rane Group

BUSINESS HIGHLIGHTS

FINANCIAL PERFORMANCE

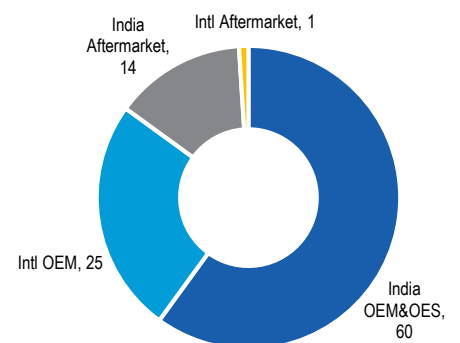
Particulars	Q2FY16	Q2FY17	YoY%
Total Operating Income	216.5	257.5	19%
EBITDA	21.4	26.7	25%
EBITDA Margins	9.9%	10.3%	45 bps
PAT	5.2	6.6	28%

Particulars	H1FY16	H1FY17	YoY%
Total Operating Income	419.0	485.1	16%
EBITDA	39.6	48.2	22%
EBITDA Margins	9.5%	9.9%	47 bps
PAT	6.8	9.3	37%

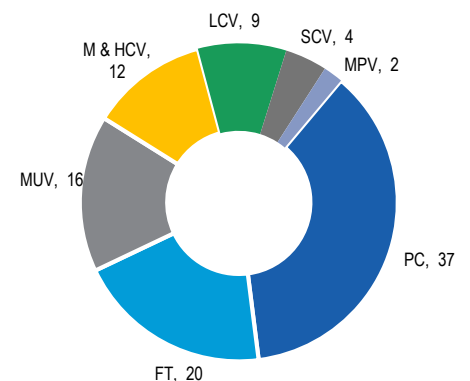
(In ₹ Crore, unless otherwise mentioned, pertain to standalone financials)

BUSINESS SPLIT (Q2 FY17)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



PROFIT AND LOSS ACCOUNT

Particulars	Q2 FY17	Q1 FY17	QoQ%	Q2 FY16	YoY%	H1 FY17	H1 FY16	YoY%
Income from Operations	242.3	222.0	9%	210.8	15%	464.3	408.9	14%
Other Operating Income	15.2	5.5	176%	5.7	167%	20.8	10.1	106%
Total Operating Income	257.5	227.5	13%	216.5	19%	485.1	419.0	16%
Expenses								
-Cost of Material Consumed	147.3	138.1	7%	132.9	11%	285.3	257.0	11%
-Changes in inventories	7.5	-9.0	183%	-4.3	274%	-1.5	-7.0	79%
-Employee Benefit Expense	28.6	27.5	4%	24.2	18%	56.2	47.4	19%
-Depreciation & Amortization	11.5	11.0	5%	10.0	15%	22.5	18.9	19%
-Other Expenditure	47.7	49.8	-4%	42.7	12%	97.4	82.7	18%
Total Expenses	242.6	217.4	12%	205.5	18%	459.9	399.0	15%
EBIT Before Other Income	14.9	10.1	48%	11.0	36%	25.2	20.0	26%
Other Income	0.2	0.3	-33%	0.4	-50%	0.5	0.7	-36%
Finance Costs	7.0	6.6	6%	4.1	71%	13.7	8.5	61%
Exceptional Item						-	-2.7	
PBT	8.1	3.8	113%	7.3	12%	12.0	9.5	26%
Tax Expense	1.5	1.2	25%	2.1	-29%	2.7	2.7	0%
PAT	6.6	2.6	154%	5.2	28%	9.3	6.8	37%

(In ₹ Crore, unless otherwise mentioned, pertain to standalone financials)

KEY BALANCE SHEET ITEMS

Particulars	H1 FY17	FY16	Change
Shareholders Fund	170.6	160.6	10.0
Non-current liabilities	141.1	139.7	1.4
-Long-term borrowings	123.8	124.1	-0.3
Current liabilities	361.7	312.7	49.0
-Short-term borrowings	144.1	110.9	33.2
-Trade payables	135.4	125.3	10.1
Total Liabilities	673.4	613.0	60.4
Non-current assets	356.0	343.5	12.5
-Fixed assets	320.2	313.5	6.7
-Non-current investments	0.2	0.2	-
Current assets	317.4	269.5	47.9
- Inventories	99.8	93.4	6.4
-Trade receivables	133.8	121.8	12.0
-Cash and cash equivalents	6.7	2.8	3.9
Total Assets	673.4	613.0	60.4

(In ₹ Crore, unless otherwise mentioned, pertain to standalone financials)

ABOUT RANE (MADRAS) LIMITED

Established in 1960, Rane (Madras) Limited (RML) is part of the Rane Group of Companies, a leading auto component group based out of Chennai. It has two divisions namely Steering gear (SGP), Steering and Suspension Linkage Products (SSLP) division and Die-casting Products division. The Steering division manufactures manual steering gears, hydrostatic steering systems and steering and suspension linkage products. RML holds 39% and 72% market share in India in SGP and SSLP. The Die costing division manufactures low porosity, high-quality aluminum die-castings such as steering housings, engine case covers.

ABOUT RANE GROUP

Headquartered in Chennai, India, Rane Group is engaged primarily in manufacturing auto components for well over five decades. Rane Group is a preferred supplier to major OEMs in India and abroad. Through its group companies, it manufactures Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems, Die-casting products and Aerospace -grade Wiring harnesses. Its products serve a variety of industry segments including Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Three-wheelers, Railways and stationery Engines.

IF YOU HAVE ANY QUESTIONS OR REQUIRE FURTHER INFORMATION,
PLEASE FEEL FREE TO CONTACT: INVESTORSERVICES@RANEGROUP.COM OR DPINGLE@CHRISTENSENIR.COM

Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.