



Expanding Horizons

RANE (MADRAS) LIMITED

Q2FY18 Earnings Release



Chennai, India, November 22, 2017 – 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 (Q2FY18) and six months (H1FY18) ended September 30th, 2017.

Standalone Q2 FY18 Performance

- Total Net Revenue was ₹297.3 Crore for Q2 FY18 as compared to ₹254.6 Crore in Q2 FY17, an increase of 16.8%
- EBITDA stood at ₹32.5 Crore as compared to ₹27.0 Crore during Q2 FY17, an increase of 20.5%
- EBITDA Margin at 10.9% for Q2 FY18 as against 10.6% in Q2 FY17, an improvement of 33 basis point (bps)
- Net profit (PAT) stood at ₹8.4 Crore for Q2 FY18 as compared to ₹6.9 Crore in Q2 FY17, an increase of 21.1%

Standalone H1 FY18 Performance

- Total Net Revenue was ₹547.7 Crore for H1 FY18 as compared to ₹480.4 Crore in the H1 FY17, an increase of 14.0%
- EBITDA stood at ₹56.2 Crore as compared to ₹49.3 Crore during H1 FY17, an increase of 13.9%
- EBITDA Margin unchanged at 10.3% for H1 FY18
- Net profit (PAT) stood at ₹11.1 Crore for H1 FY18 as compared to ₹10.3 Crore in H1 FY17, an increase of 8.4%

Operating Highlights for Q2 FY18

- Strong demand from Indian OE customers across vehicle segments
- Experienced revival in demand in Indian Aftermarket segment; posted 6% YoY growth
- Diecast division experienced lower offtake from international customers which was offset by higher demand for steering products
- EBITDA margin improved by 33 bps
 - Improved operational performance and cost control measures helped to offset adverse mix impact

MANAGEMENT COMMENT

"RML had a satisfying quarter on the back of robust demand from Indian OE customers and improved operational performance. Though the Diecast division experienced lower pull from international customers, it continued to improve on operational performance. We continue to work on several initiatives to improve the operating margin" - **L. Ganesh, Chairman, Rane Group**

BUSINESS HIGHLIGHTS

Financial Performance

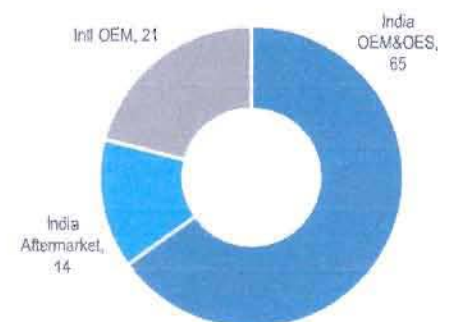
Particulars	Q2 FY 18	Q2 FY 17	YOY
Total Net Revenue*	297.3	254.6	16.8%
EBITDA	32.5	27.0	20.5%
Margin (%)	10.9%	10.6%	33bps
PAT	8.4	6.9	21.1%

Particulars	H1 FY 18	H1 FY 17	YOY
Total Net Revenue*	547.7	480.4	14.0%
EBITDA	56.2	49.3	13.9%
Margin (%)	10.3%	10.3%	(1)bps
PAT	11.1	10.3	8.4%

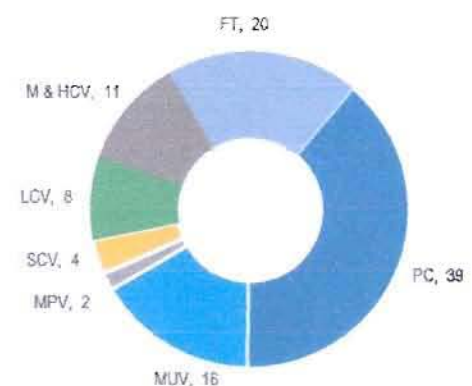
*Revenue excludes excise duty wherever applicable.
(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (Q2 FY18)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



PROFIT AND LOSS ACCOUNT

	Q2FY18	Q1FY18	QoQ%	Q2FY17	YoY%	H1FY18	H1FY17	YoY%
Income from Operations	289.7	263.8	10%	262.1	11%	553.5	502.4	10%
Other Operating Income	6.8	11.1	-38%	15.6	-56%	17.9	21.5	-17%
Other Income	0.8	0.9	-15%	0.5	54%	1.7	1.1	59%
Total Revenue	297.3	275.8	8%	278.2	7%	573.1	525.0	9%
Expenses								
-Cost of Material Consumed	177.8	160.3	11%	147.3	21%	338.1	285.3	19%
-Purchase of stock-in-trade	-	-		-		-	-	
-Changes in inventories	3.6	-3.6	200%	7.5	-51%	-0.0	-1.5	99%
-Excise Duty	-	25.4	-100%	23.6	-100%	25.4	44.6	-43%
-Employee Benefit Expense	34.2	30.9	11%	28.3	21%	65.1	55.5	17%
-Finance Cost	7.7	8.3	-8%	7.2	6%	16.0	14.0	14%
-Depreciation & Amortization	12.1	12.0	1%	11.2	9%	24.2	21.8	11%
-Other Expenditure	49.1	39.2	26%	44.5	10%	88.3	91.7	-4%
Total Expenses	284.6	272.5	4%	269.6	6%	557.2	511.5	9%
PBT before Exceptional Items	12.7	3.3	290%	8.6	47%	16.0	13.5	18%
Exceptional Item	-	-		-		-	-	
PBT	12.7	3.3	290%	8.6	47%	16.0	13.5	18%
Tax Expense	4.3	0.5	706%	1.7	155%	4.8	3.2	50%
PAT	8.4	2.7	208%	6.9	21%	11.1	10.3	8%

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

KEY BALANCE SHEET ITEMS

Particulars	As at 30.09.2017
Non-current assets	378.1
-Property, Plant and Equipment	318.9
-Financial Assets	4.4
Current assets	398.8
-Inventories	117.6
-Trade receivables	178.0
-Cash and cash equivalents	3.3
Total Assets	776.8
Shareholders Fund	242.1
Non-current liabilities	135.7
-Long-term borrowings	123.8
Current liabilities	399.1
-Short-term borrowings	132.4
-Trade payables	191.1
Total Liabilities	534.7
Total Equity and Liabilities	776.8

(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 is a market leader in India in SGP and SSLP. The Die casting division manufactures low porosity, high-quality aluminum die-castings such as steering housings and 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 Telematics solutions. 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,
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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 undertake no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.