



Expanding Horizons

RANE HOLDINGS LIMITED

Q2FY19 Earnings Release



Chennai, India, October 29, 2018 – Rane Holdings Limited (NSE: RANEHOLDIN; BSE Code: 505800), the holding Company of Rane group today announced financial performance for the second quarter (Q2 FY19) and six months (H1FY19) ended September 30th, 2018.

Group Aggregate Performance – Q2 FY19

- Total Net Revenue increased by 18.2% to ₹1,372.1 Crore in Q2 FY19 from ₹1,161.0 Crore in Q2 FY18
- EBITDA stood at ₹147.4 Crore as compared to ₹147.3 Crore during Q2 FY18, an increase of 0.1%
- EBITDA Margin at 10.7% for Q2 FY19 as against 12.7% in Q2 FY18
- PBT (before exceptional items) stood at ₹83.1 Crore for Q2 FY19 as compared to ₹87.1 Crore in Q2 FY18, a decrease of 4.5%

Consolidated Financials – Q2 FY19

- Total Net Revenue increased by 15.3% to ₹647.9 Crore in Q2 FY19 from ₹562.0 Cr in Q2 FY18
- EBITDA stood at ₹61.9 Crore as compared to ₹67.4 Crore during Q2 FY18, a decrease of 8.2%
- EBITDA Margin at 9.6% for Q2 FY19 as against 12.0% in Q2 FY18
- PBT (before exceptional items) stood at ₹54.0 Crore for Q2 FY19 as compared to ₹60.8 Crore in Q2 FY18, a decrease of 11.3%

Group's Key Business Highlights for Q2 FY19

- Revenues from Indian OE customers went up by 24% YoY supported by increased offtake across vehicle segments
- Revenues from international customers grew 5% YoY. Growth driven by increase in schedules from key OEM customers for Steering and Valve train components partially offset by drop in die casting business.
- Indian aftermarket business registered a 5% growth
- EBITDA margin declined by 194 bps
 - Unfavorable forex movement, increase in raw material / employee cost impacted the profitability

MANAGEMENT COMMENT

“The group companies experienced strong demand from the customers and delivered robust growth. We continued to experience headwinds on material and manpower cost. Better operational performance helped to partially offset the impact. We experience uncertainty in demand environment particularly with Indian passenger vehicle. Demand from commercial vehicle continue to remain strong”.

L. Ganesh, Chairman & Managing Director, Rane Holdings Ltd.

BUSINESS HIGHLIGHTS

GROUP AGGREGATE FINANCIAL PERFORMANCE

| Particulars | Q2 FY 19 | Q2 FY 18 | YOY% |
|--------------------------------|----------|----------|----------|
| Total Net Revenue* | 1,372.1 | 1,161.0 | 18.2% |
| EBITDA | 147.4 | 147.3 | 0.1% |
| Margin (%) | 10.7% | 12.7% | -194 bps |
| PBT (Before exceptional items) | 83.1 | 87.1 | -4.5% |

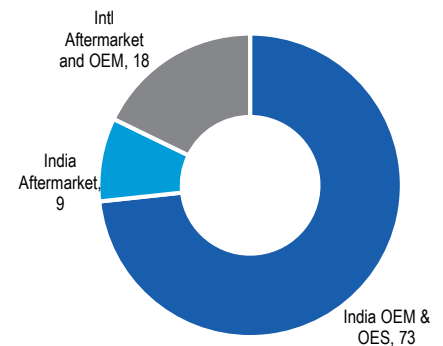
CONSOLIDATED FINANCIAL PERFORMANCE

| Particulars | Q2 FY 19 | Q2 FY 18 | YOY% |
|--------------------------------|----------|----------|----------|
| Total Net Revenue* | 647.9 | 562.0 | 15.3% |
| EBITDA | 61.9 | 67.4 | -8.2% |
| Margin (%) | 9.6% | 12.0% | -244 bps |
| PBT (Before exceptional items) | 54.0 | 60.8 | -11.3% |

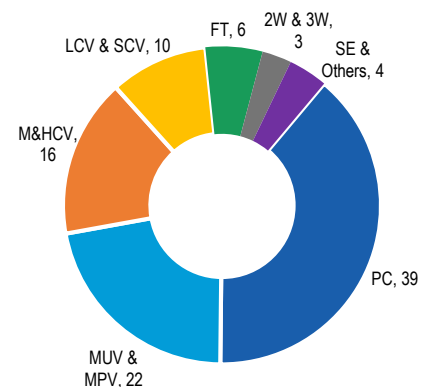
*Revenue excludes excise duty wherever applicable
(In ₹ Crore, unless otherwise mentioned)

GROUP AGGREGATE SALES (Q2 FY19)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



CONSOLIDATED PROFIT AND LOSS ACCOUNT

| Particulars | Q2FY19 | Q1FY19 | QoQ% | Q2FY18 | YoY% | H1FY19 | H1FY18 | YoY% |
|---|--------------|--------------|-----------------|--------------|---------------|----------------|----------------|--------------|
| Income from Operations | 617.8 | 601.3 | 2.7% | 536.8 | 15.1% | 1,219.2 | 1,051.6 | 15.9% |
| Dividend Income | - | - | - | - | - | - | - | - |
| Other Operating Income | 26.9 | 33.5 | -19.6% | 22.8 | 18.1% | 60.5 | 44.2 | 36.7% |
| Other Income | 3.1 | 7.8 | -59.9% | 2.4 | 30.6% | 10.9 | 4.8 | 125.6% |
| Total Revenue | 647.9 | 642.7 | 0.8% | 562.0 | 15.3% | 1,290.6 | 1,100.6 | 17.3% |
| Expenses | | | | | | | | |
| -Cost of Material Consumed | 344.5 | 349.3 | -1.4% | 274.3 | 25.6% | 693.7 | 541.9 | 28.0% |
| -Purchase of stock-in-trade | 6.3 | 5.7 | 8.9% | 2.0 | 219.6% | 12.0 | 4.1 | 191.4% |
| -Changes in inventories | -3.2 | -12.4 | 74.2% | 9.7 | -132.8% | -15.5 | -6.0 | -157.3% |
| -Excise Duty | - | - | - | - | - | - | 47.0 | -100.0% |
| -Employee Benefit Expense | 110.4 | 112.9 | -2.2% | 99.7 | 10.7% | 223.3 | 194.8 | 14.6% |
| -Finance Cost | 11.7 | 11.2 | 4.0% | 11.4 | 2.1% | 22.9 | 22.5 | 1.8% |
| -Depreciation & Amortization | 31.2 | 29.8 | 4.7% | 27.6 | 12.8% | 60.9 | 55.0 | 10.8% |
| -Professional Charges | 7.2 | 5.6 | 29.6% | 6.5 | 11.2% | 12.8 | 10.9 | 17.4% |
| -Information Systems expenses | 2.4 | 2.7 | -12.3% | 2.0 | 22.4% | 5.1 | 3.9 | 31.7% |
| -Other Expenditure | 118.5 | 117.8 | 0.6% | 100.5 | 17.9% | 236.2 | 184.7 | 27.9% |
| Total Expenses | 628.8 | 622.6 | 1.0% | 533.7 | 17.8% | 1,251.4 | 1,058.7 | 18.2% |
| PBT before share of profit / (loss) of JV & associates | 19.1 | 20.1 | -5.1% | 28.4 | -32.8% | 39.1 | 41.9 | -6.6% |
| Share of Profit / (loss) of JV and Associate | 34.9 | 34.2 | 2.0% | 32.5 | 7.5% | 69.1 | 55.1 | 25.3% |
| PBT before Exceptional items | 54.0 | 54.3 | -0.6% | 60.8 | -11.3% | 108.3 | 97.1 | 11.5% |
| Exceptional Item | - | - | - | - | - | - | 15.7 | - |
| PBT | 54.0 | 54.3 | -0.6% | 60.8 | -11.3% | 108.3 | 112.8 | -4.0% |
| Tax Expense | 20.1 | 21.6 | -7.1% | 23.3 | -13.8% | 41.7 | 39.3 | 6.2% |
| PAT | 33.9 | 32.7 | 3.7% | 37.5 | -9.7% | 66.5 | 73.5 | -9.5% |
| Other Comprehensive Income (Net of Tax Expenses) | -2.2 | -0.0 | -7121.2% | -2.1 | -1.9% | -2.2 | -3.3 | 32.2% |
| Total Comprehensive Income for the period | 31.7 | 32.6 | -2.9% | 35.4 | -10.4% | 64.3 | 70.2 | -8.4% |

(In ₹ Crore, unless otherwise mentioned. The sum of sub-segment amounts may not equal the total amounts due to rounding off)

KEY CONSOLIDATED BALANCE SHEET ITEMS

| Particulars | As at 30.09.2018 |
|-------------------------------------|------------------|
| Non-current assets | 1,302.2 |
| -Property, Plant and Equipment | 701.5 |
| -Financial Assets | 401.8 |
| Current assets | 903.3 |
| - Inventories | 283.9 |
| -Trade receivables | 458.2 |
| -Cash and cash equivalents | 44.7 |
| Total Assets | 2,205.5 |
| Shareholders Fund | 848.2 |
| Minority Interest | 252.6 |
| Non-current liabilities | 236.7 |
| -Long-term borrowings | 205.9 |
| Current liabilities | 867.9 |
| -Short-term borrowings | 285.2 |
| -Trade payables | 401.6 |
| Total Liabilities | 1,104.6 |
| Total Equity and Liabilities | 2,205.5 |

(In ₹ Crore, unless otherwise mentioned)

ABOUT RANE HOLDINGS LIMITED

Rane Holdings Limited (RHL) is the holding company of Rane Group. RHL owns the trademark in Rane and provides a wide range of services to group Companies. These include employee training, development, investor services, business development and information system support.

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 provides Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems, Die-casting products and Connected mobility 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, 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.