



Expanding Horizons

RANE (MADRAS) LIMITED

Q3 FY19 Earnings Release



Chennai, India, January 22, 2019 – Rane (Madras) Limited (NSE: RML; BSE Code:532661), a leading manufacturer of steering and suspension products and die casting components today announced its standalone and consolidated financial performance for the third quarter (Q3 FY19) and nine months (9MFY19) ended December 31, 2018

Standalone Q3 FY19 Performance

- Total Net Revenue was ₹341.4 Crore for Q3 FY19 as compared to ₹319.7 Crore in Q3 FY18, an increase of 6.8%
- EBITDA stood at ₹35.6 Crore as compared to ₹38.5 Crore during Q3 FY18, a decrease of 7.5%
- EBITDA Margin at 10.4% for Q3 FY19 as against 12.0% in Q3 FY18, a decline of 162 basis point (bps)
- Net profit (PAT) stood at ₹11.0 Crore for Q3 FY19 as compared to ₹14.2 Crore in Q3 FY18, a decrease of 22.4%

Consolidated Q3 FY19 Performance

- Total Net Revenue was ₹387.2 Crore for Q3 FY19 as compared to ₹364.0 Crore in Q3 FY18, an increase of 6.4%
- EBITDA stood at ₹28.9 Crore as compared to ₹35.4 Crore during Q3 FY18, a decrease of 18.5%
- EBITDA Margin at 7.5% for Q3 FY19 as against 9.7% in Q3 FY18, a decline of 227 basis point (bps)
- Net loss stood at ₹0.7 Crore for Q3 FY19 as compared to Net Profit of ₹7.5 Crore in Q3 FY18, a decrease of 109.1%

Corporate Action

- An interim dividend of ₹4/- per equity share has been declared by the Board of Directors on the paid-up capital of 1,19,73,171 equity shares of ₹10/- each fully paid up. The record date for payment of interim dividend is February 01, 2019.

Operating Highlights for Q3 FY19 – Standalone

- Sales to Indian OE customers grew 4%, supported by strong off take from Farm Tractor segment
- In the International market, there was strong demand for Steering products but lower offtake of Die cast products
- Unfavourable mix, inflationary pressure on raw material and employee cost, resulted in 162 bps drop in EBITDA margin

Operating Highlights for Q3 FY19 – Consolidated

- Rane Precision Die Casting (RPDC) experienced lower off take across served segments.
- RPDC improved delivery performance with customers and achieved lower employee cost. However, lower sales and higher cost on utilities, repairs and tooling maintenance resulted in increased loss.

MANAGEMENT COMMENT

“Q3FY19 saw sluggish demand environment in India particularly in the passenger vehicle segment which affected the momentum of Steering business. The India Die Casting business and RPDC experienced lower pull from its customers. The higher cost on raw material and wages affected the margin. RPDC’s operational turnaround is being addressed through various initiatives.”

– L. Ganesh, Chairman, Rane Group

BUSINESS HIGHLIGHTS

Financial Performance

Standalone	Q3 FY 19	Q3 FY 18	YOY%
Total Net Revenue*	341.4	319.7	6.8%
EBITDA	35.6	38.5	-7.5%
Margin (%)	10.4%	12.0%	-162 bps
PAT	11.0	14.2	-22.4%

Consolidated	Q3 FY 19	Q3 FY 18	YOY%
Total Net Revenue*	387.2	364.0	6.4%
EBITDA	28.9	35.4	-18.5%
Margin (%)	7.5%	9.7%	-227 bps
PAT	-0.7	7.5	-109.1%

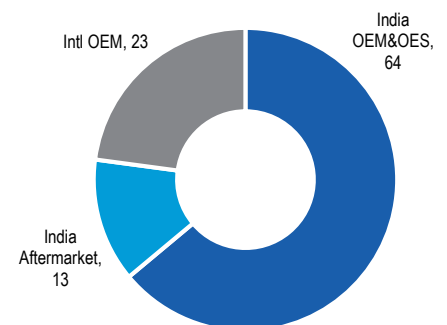
*Revenue excludes excise duty wherever applicable

(In ₹ Crore, unless otherwise mentioned)

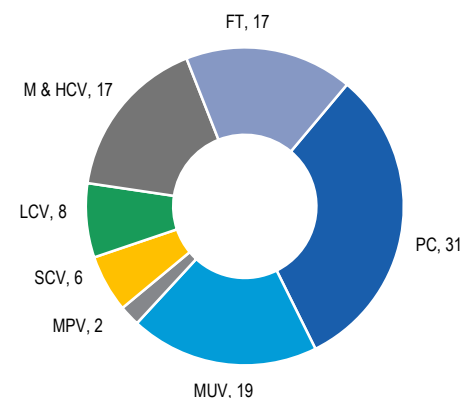
BUSINESS SPLIT (Q3 FY19)

(STANDALONE)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



PROFIT AND LOSS ACCOUNT

Particulars	Standalone						Consolidated					
	Q3 FY19	Q3 FY18	YoY%	9M FY19	9M FY18	YoY%	Q3 FY19	Q3 FY18	YoY%	9M FY19	9M FY18	YoY%
Income from Operations	328.8	308.9	6%	1,003.4	862.4	16%	371.8	352.1	6%	1,140.7	994.3	15%
Other Operating Income	14.7	10.0	47%	33.2	28.9	15%	15.4	11.4	35%	37.0	34.3	8%
Other Income	-2.1	0.8	-375%	8.4	2.5	240%	-0.0	0.6	-105%	7.5	2.0	268%
Total Revenue	341.4	319.7	7%	1,045.0	893.8	17%	387.2	364.0	6%	1,185.2	1,030.6	15%
Expenses												
-Cost of Material Consumed	217.0	206.0	5%	658.7	545.2	21%	230.6	219.5	5%	708.7	589.4	20%
-Purchase of stock-in-trade	-	-	-	-	-	-	-	-	-	-	-	-
-Changes in inventories	-2.0	-13.7	85%	-5.1	-13.7	63%	-1.3	-12.9	90%	-7.5	-16.1	53%
-Excise Duty	-	-	-	-	25.4	-	-	-	-	-	25.4	-
-Employee Benefit Expense	37.5	35.5	6%	114.1	101.2	13%	57.9	55.8	4%	174.4	162.8	7%
-Finance Cost	7.4	6.3	16%	20.9	22.3	-6%	9.0	7.3	23%	25.3	25.2	1%
-Depreciation & Amortization	13.6	12.4	10%	39.2	36.6	7%	17.0	15.0	13%	48.8	44.5	10%
-Other Expenditure	53.3	53.3	0%	162.2	141.1	15%	71.2	66.2	8%	208.4	173.9	20%
Total Expenses	326.8	299.9	9%	990.0	858.1	15%	384.3	350.9	10%	1,158.2	1,005.0	15%
PBT before Exceptional Items	14.6	19.8	-26%	55.0	35.7	54%	2.9	13.1	-78%	27.0	25.6	5%
Exceptional Item	-	-	-	-	-	-	-	-	-	-	-	-
PBT	14.6	19.8	-26%	55.0	35.7	54%	2.9	13.1	-78%	27.0	25.6	5%
Tax Expense	3.6	5.5	-35%	16.8	10.4	62%	3.6	5.6	-36%	16.8	10.4	61%
PAT	11.0	14.2	-22%	38.3	25.3	51%	-0.7	7.5	-109%	10.2	15.2	-33%

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

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. RML has two divisions namely Steering and Linkages Division (SLD) and Die Casting Division (DCD). SLD manufactures mechanical steering gears, hydrostatic steering systems and steering and suspension linkage products. DCD manufactures low porosity, high-quality aluminum die-castings such as steering housings and engine case covers. Through its overseas subsidiary Rane Precision Die Casting Inc. (RPDC), RML manufactures high pressure aluminium die casting components from its facility in Kentucky, USA.

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.