



Expanding Horizons

# RANE (MADRAS) LIMITED

## FY19 Earnings Release



**Chennai, India, May 23, 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 financial year (FY19) ended March 31st, 2019

### Standalone FY19 Performance

- Total Net Revenue was ₹1,380.8 Crore for FY19 as compared to ₹1,219.6 Crore in FY18, an increase of 13.2%
- EBITDA stood at ₹151.7 Crore as compared to ₹139.5 Crore during FY18, an increase of 8.8%
- EBITDA Margin at 11.0% for FY19 as against 11.4% in FY18, a decline of 45 basis point (bps)
- Net profit (PAT) stood at ₹47.2 Crore for FY19 as compared to ₹41.8 Crore in FY18, an increase of 13.0%

### Consolidated FY19 Performance

- Total Net Revenue was ₹1,564.6 Crore for FY19 as compared to ₹1,408.7 Crore in FY18, an increase of 11.1%
- EBITDA stood at ₹125.9 Crore as compared to ₹134.9 Crore during FY18, a decrease of 6.7%
- EBITDA Margin at 8.0% for FY19 as against 9.6% in FY18, a decline of 153 basis point (bps)
- Net profit (PAT) stood at ₹2.4 Crore for FY19 as compared to ₹24.2 Crore in FY18, a decrease of 90.0%

### Corporate Action

- A final dividend of ₹4.5/- per equity share has been recommended by the Board of Directors on the paid-up capital of 1,19,73,171 equity shares of ₹10/- each fully paid up. The total dividend for the year ending March 31, 2019 is ₹8.5/- per equity share including an interim dividend of ₹4.0/- per equity share declared on January 22, 2019 and paid on February 08, 2019.

### Operating Highlights for FY19 – Standalone

- Registered 14% growth in sales to Indian OE customers. This was supported by increased share of business and supplies to new models.
- Experienced 9% growth in sales to Indian Aftermarket segment owing to the successful introduction of new parts for the passenger car segment.
- Sales to international customers grew 13%. Robust demand for steering products partially offset by decline in die-casting business. There was lower off take on served models and a key customer program reaching end of production.
- Unfavourable mix, inflationary pressure on raw material and employee cost, resulted in 45 bps drop in EBITDA margin.

### Overseas Subsidiary

- Lower offtake in served models resulted in drop in sales.
- Rane Precision Die Casting Inc. (RPDC) improved delivery performance with customers and achieved lower employee cost. However, there were few setbacks as the business incurred higher cost on utilities, unexpected machine downtime resulting in increased production costs and higher repairs and tooling maintenance.

### MANAGEMENT COMMENT

"FY19 was a difficult year for Rane (Madras). The strong performance of steering business was offset by challenges in die-casting business. The Indian die-casting business saw overall improvement in operational performance and further cost reduction is planned as the capacity utilization is expected to remain under stress in FY20. RPDC secured new business and the management team is working on operational improvements to ensure long term sustainability of the business."

– L. Ganesh, Chairman, Rane Group

### BUSINESS HIGHLIGHTS

#### Financial Performance:

Standalone	FY19	FY18	YOY%
Total Net Revenue*	1,380.8	1,219.6	13.2%
EBITDA	151.7	139.5	8.8%
Margin (%)	11.0%	11.4%	-45 bps
PAT	47.2	41.8	13.0%

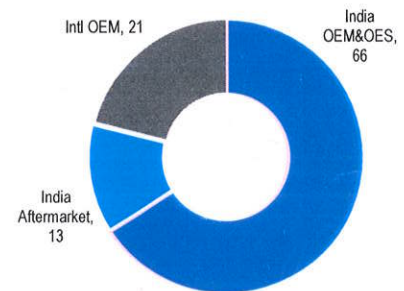
Consolidated	FY19	FY18	YOY%
Total Net Revenue*	1,564.6	1,408.7	11.1%
EBITDA	125.9	134.9	-6.7%
Margin (%)	8.0%	9.6%	-153 bps
PAT	2.4	24.2	-90.0%

\*Revenue excludes excise duty wherever applicable

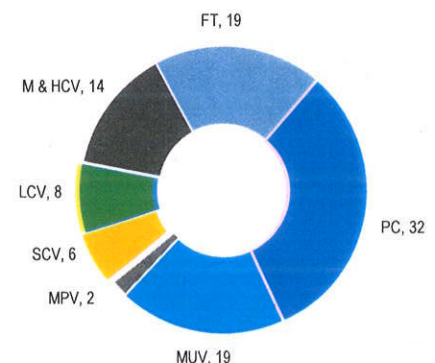
(In ₹ Crore, unless otherwise mentioned)

### BUSINESS SPLIT (FY19)

#### BY MARKET (%)



#### BY VEHICLE SEGMENT (%)



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## PROFIT AND LOSS ACCOUNT

Particulars	Standalone			Consolidated		
	FY19	FY18	YoY%	FY19	FY18	YoY%
Income from Operations	1,327.3	1,197.2	11%	1,506.2	1,374.0	10%
Other Operating Income	42.9	42.2	2%	48.5	51.3	-5%
Other Income	10.6	5.6	87%	9.9	8.9	12%
<b>Total Revenue</b>	<b>1,380.8</b>	<b>1,245.0</b>	<b>11%</b>	<b>1,564.6</b>	<b>1,434.1</b>	<b>9%</b>
<b>Expenses</b>						
-Cost of Material Consumed	865.0	761.1	14%	930.5	819.9	13%
-Changes in inventories	1.1	-15.5	107%	0.4	-15.9	103%
-Excise Duty	-	25.4	-100%	-	25.4	-100%
-Employee Benefit Expense	148.5	136.0	9%	230.2	219.4	5%
-Finance Cost	28.4	29.4	-4%	34.3	33.3	3%
-Depreciation & Amortization	53.0	49.9	6%	66.0	61.4	7%
-Other Expenditure	214.5	198.5	8%	277.5	250.5	11%
<b>Total Expenses</b>	<b>1,310.5</b>	<b>1,184.8</b>	<b>11%</b>	<b>1,538.9</b>	<b>1,394.0</b>	<b>10%</b>
<b>PBT before Exceptional Items</b>	<b>70.4</b>	<b>60.2</b>	<b>17%</b>	<b>25.6</b>	<b>40.1</b>	<b>-36%</b>
Exceptional Item	-	-		-	-	
<b>PBT</b>	<b>70.4</b>	<b>60.2</b>	<b>17%</b>	<b>25.6</b>	<b>40.1</b>	<b>-36%</b>
Tax Expense	23.1	18.4	26%	23.2	15.9	46%
<b>PAT</b>	<b>47.2</b>	<b>41.8</b>	<b>13%</b>	<b>2.4</b>	<b>24.2</b>	<b>-90%</b>

## KEY BALANCE SHEET ITEMS

Particulars	Standalone			Consolidated		
	FY19	FY18	Change	FY19	FY18	Change
<b>Non-current assets</b>	<b>450.7</b>	<b>406.1</b>	<b>44.6</b>	<b>458.0</b>	<b>445.7</b>	<b>12.3</b>
-Property, Plant and Equipment	336.4	337.2	-0.8	378.6	378.9	-0.3
-Financial Assets	64.6	26.5	38.1	17.3	16.6	0.6
<b>Current assets</b>	<b>419.7</b>	<b>405.2</b>	<b>14.6</b>	<b>471.2</b>	<b>455.8</b>	<b>15.4</b>
- Inventories	154.7	135.8	18.9	171.8	152.5	19.2
-Trade receivables	218.9	213.4	5.4	243.7	245.5	-1.8
-Cash and cash equivalents	10.6	5.6	5.0	17.9	6.9	11.0
<b>Total Assets</b>	<b>870.4</b>	<b>811.2</b>	<b>59.2</b>	<b>929.2</b>	<b>901.5</b>	<b>27.7</b>
<b>Shareholders Fund</b>	<b>311.3</b>	<b>266.4</b>	<b>44.8</b>	<b>230.2</b>	<b>229.7</b>	<b>0.5</b>
<b>Non-current liabilities</b>	<b>129.5</b>	<b>130.4</b>	<b>-0.8</b>	<b>158.3</b>	<b>161.6</b>	<b>-3.3</b>
-Long-term borrowings	112.3	118.6	-6.4	141.3	149.3	-8.0
<b>Current liabilities</b>	<b>429.6</b>	<b>414.4</b>	<b>15.1</b>	<b>540.7</b>	<b>510.1</b>	<b>30.5</b>
-Short-term borrowings	171.1	138.7	32.4	223.0	187.0	36.1
-Trade payables	190.8	233.6	-42.7	216.0	256.1	-40.1
<b>Total Liabilities</b>	<b>559.1</b>	<b>544.8</b>	<b>14.3</b>	<b>699.0</b>	<b>671.8</b>	<b>27.2</b>
<b>Total Equity and Liabilities</b>	<b>870.4</b>	<b>811.2</b>	<b>59.2</b>	<b>929.2</b>	<b>901.5</b>	<b>27.7</b>

(In ₹ Crore, unless otherwise mentioned. The sum of the 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,  
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