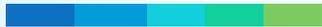




Expanding Horizons

Rane Group

Earnings Presentation | Q2 FY22



November 2021

www.ranegroup.com



- › **Industry Performance Review – Q2 FY22**

- › Rane Group Performance Review – Q2 FY22

- › Group Companies Performance Highlights – Q2 FY22

Industry Performance Review (Q2 FY22)

Vehicle Segment	Production YoY Growth [#] in %	Rane Group Sales Growth YoY in % (India OEM)	Rane Group Revenue Split * (India OEM)
Passenger Cars (PC)	-14%	13%	39%
Utility Vehicles (MUV)	34%	51%	22%
Vans	1%	35%	1%
- Total Passenger Vehicle	4%	24%	62%
Small Commercial Vehicles (SCV)	23%	58%	3%
Light Commercial Vehicles (LCV)	-1%	0%	8%
Medium & Heavy Commercial Vehicles (M&HCV)	97%	87%	13%
- Total Commercial Vehicle	27%	42%	24%
2-Wheeler	-6%	-1%	3%
Farm Tractors (FT)	16%	23%	9%

* Other segments such as Rail, Defence and Stationary Engines contribute around 2%

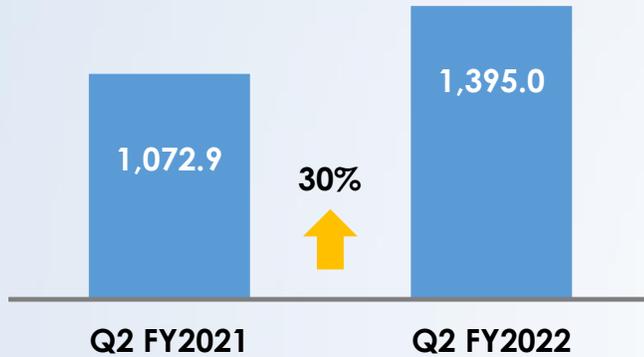
Source: SIAM

- › **Rane Group sales growth better than industry growth except M&HCV segment where there was lower growth in the served models**

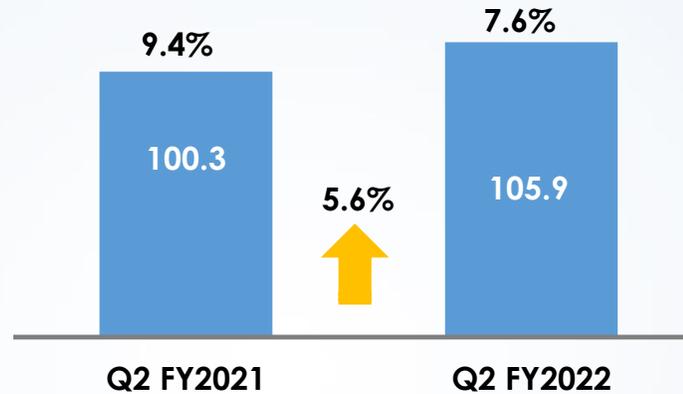
- › Industry Performance Review – Q2 FY22
- › **Rane Group Performance Review – Q2 FY22**
- › Group Companies Performance Highlights – Q2 FY22

Group Aggregate Performance Review (Q2 FY22)

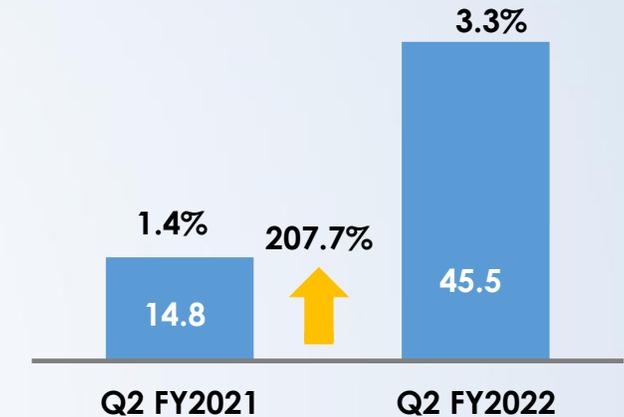
Total Revenue (Rs cr.)



EBITDA (Rs cr.)



PBT* (Rs cr.)



* PBT includes Exceptional items

› **Total Revenue increased by 30% from Rs. 1,072.9 Cr in Q2 FY21 to Rs. 1,395 Cr in Q2 FY22**

- Revenue from Indian OE customers grew 28%. Strong demand across vehicle segments except Two Wheelers.
- Revenues from International customers grew 33% supported by strong off-take of Steering and Light Metal Casting products.
- Revenue from Indian aftermarket segment grew 35%

› **EBITDA increased from Rs. 100.3 Cr in Q2 FY21 to Rs. 105.9 Cr in Q2 FY22**

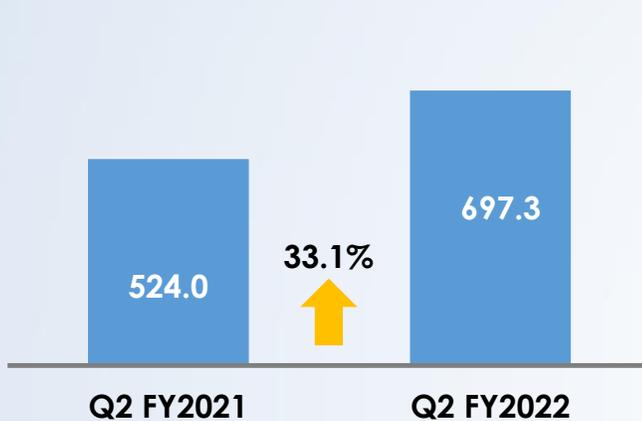
- Material cost increase resulted in drop in EBITDA margin by 176 bps

› **PBT increased by 207.7% from Rs. 14.8 Cr in Q2 FY21 to Rs. 45.5 Cr in Q2 FY22**

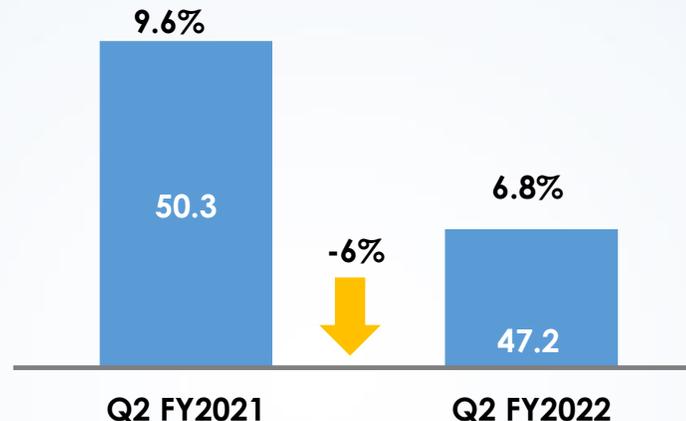
- Exceptional income of Rs. 8.2 Cr represents Income of Rs. 9.1 Cr on account of US Federal stimulus benefit received by RML(LMCA) and Voluntary Retirement Expenditure Rs. 0.9 Cr incurred by REVL

RHL Consolidated Performance Review (Q2 FY22)

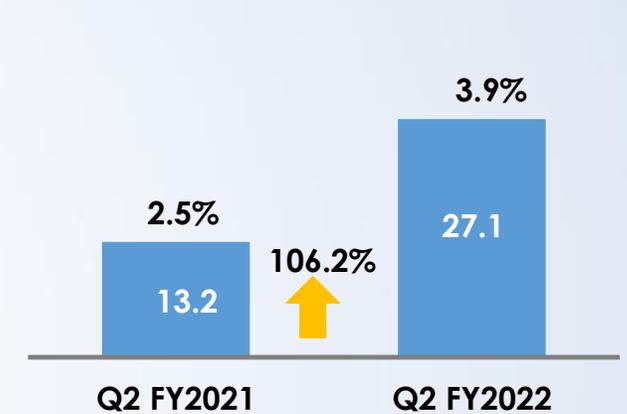
Total Revenue (Rs cr.)



EBITDA (Rs cr.)



PBT* (Rs cr.)



* PBT includes net profit/loss from JV and Exceptional items

› Total Revenue increased by 33.1% from Rs. 524.0 Cr in Q2 FY21 to Rs. 697.3 Cr in Q2 FY22

› EBITDA decreased by 6.0% from Rs. 50.3 Cr in Q2 FY21 to Rs. 47.2 Cr in Q2 FY22

› PBT increased by 106.2% from Rs. 13.2 Cr in Q2 FY21 to Rs. 27.1 Cr in Q2 FY22

— Exceptional income of Rs. 8.2 Cr represents Income of Rs. 9.1 Cr on account of US Federal stimulus benefit received by RML(LMCA) and Voluntary Retirement Expenditure Rs. 0.9 Cr incurred by REVL

Group Aggregate Performance Review (YTD)

Rs Cr	6M FY21#	6M FY22
Total Revenue	1,387.0	2,485.4
EBITDA	24.1	170.0
EBITDA Margin	1.7%	6.8%
PBT Before Exceptional Items	(104.3)	36.4
Exceptional Income / (Expenses)*	(21.6)	36.3
PBT	(126.0)	72.7
PBT Margin	-9.1%	2.9%
PAT	(97.1)	51.7
PAT Margin	-7.0%	2.1%
Total Comprehensive Income	(101.6)	48.8

* Exceptional income of Rs.36.3 Cr in H1 FY22 represents Income of Rs. 37.21 Cr on account of US Federal stimulus benefit received by RML (LMCA) and Voluntary Retirement Expenditure Rs. 0.9 Cr incurred by REVL. Exceptional expenses of Rs. 21.6 Cr in H1 FY21 represents incremental provision made towards product warranty claim of Rs. 20.8 Cr incurred by RNSS and Voluntary Retirement Expenditure Rs. 0.81 Cr incurred by REVL

The business operations were partly suspended during Q1 FY21 on account of the lockdown announced by the Government of India consequent to the outbreak of COVID-19 pandemic. Hence 6M FY21 results are not comparable to the corresponding period of the current year.

RHL Consolidated Performance Review (YTD)

Rs Cr	6M FY21#	6M FY22
Total Revenue	718.1	1,223.1
EBITDA	4.0	70.6
EBITDA Margin	0.6%	5.8%
PBT Before Share of profit/ (loss) of JV & Exceptional Items	(78.2)	(9.0)
Share of profit/ (loss) of JV (Net of Exceptional items & Tax)	(13.9)	19.4
Exceptional Income / (Expenses)*	(0.8)	36.3
PBT	(92.9)	46.7
PBT Margin	-13%	4%
PAT	(79.3)	37.3
PAT Margin	-11.1%	3.0%
Total Comprehensive Income	(85.6)	44.1

*Exceptional income of Rs. 36.3 Cr in H1 FY22 represents Income of Rs. 37.21 Cr on account of US Federal stimulus benefit received by RML (LMCA) and Voluntary Retirement Expenditure Rs. 0.9 Cr incurred by REVL. Exceptional expenses of Rs.0.81 Cr in H1 FY21 incurred by REVL towards Voluntary Retirement Expenditure.

The business operations were partly suspended during Q1 FY21 on account of the lockdown announced by the Government of India consequent to the outbreak of COVID-19 pandemic. Hence 6M FY21 results are not comparable to the corresponding period of the Current year.

- › Industry Performance Review – Q2 FY22
- › Rane Group Performance Review – Q2 FY22
- › **Group Companies Performance Highlights – Q2 FY22**

Rane (Madras) Ltd.

(RML)

RML Standalone – Operational Performance Review

Market Environment

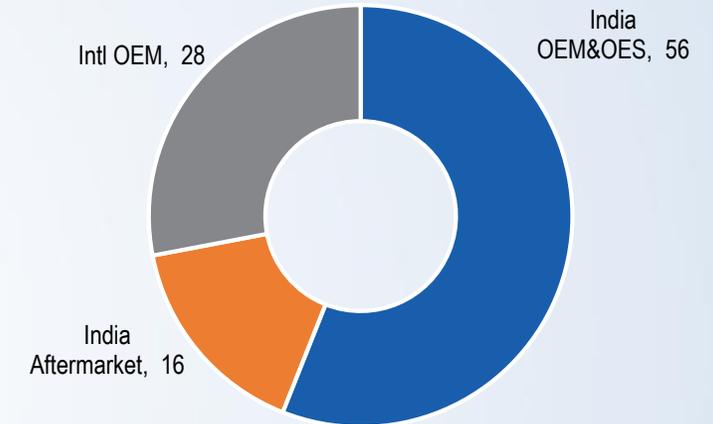
- › Experienced strong demand from passenger vehicle and commercial vehicle segment in India.
- › Semiconductor shortage impacted demand from International customers
- › Domestic Aftermarket is witnessing growth from PV & FT segment across Pan India

Operational Highlights

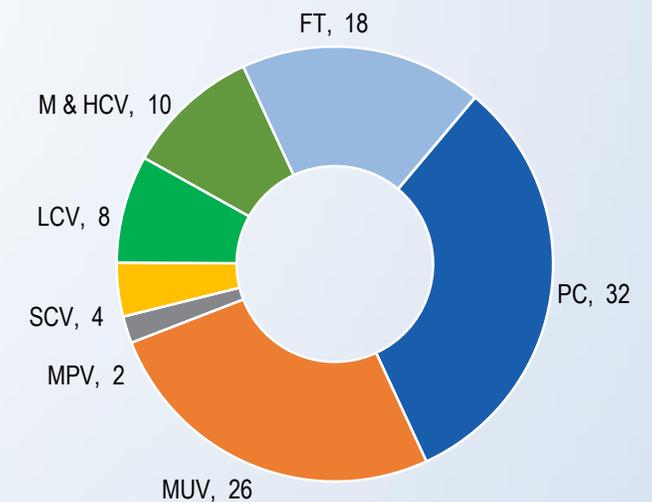
- › Won Supplier Excellence award of 2020 from General Motors through Nexteer
- › Secured Rs. 125 Cr per annum order for R&P from a Global Passenger Vehicle manufacturer
- › Received nomination for Light Metal Casting product worth Rs. 26 Cr per annum from leading European Passenger Vehicle manufacturer
- › **Acquired Steering Components Business of Hical Group**

Business Split (Q2 FY22)

By Market (%)

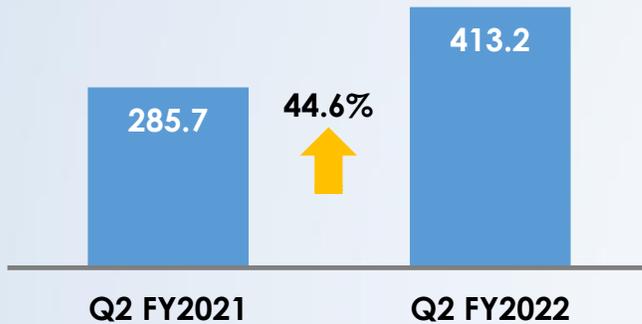


By Vehicle Segment (%)

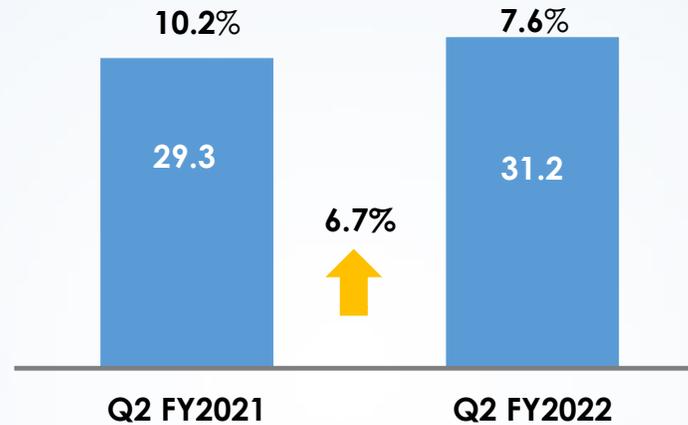


RML Standalone – Financial Performance Review

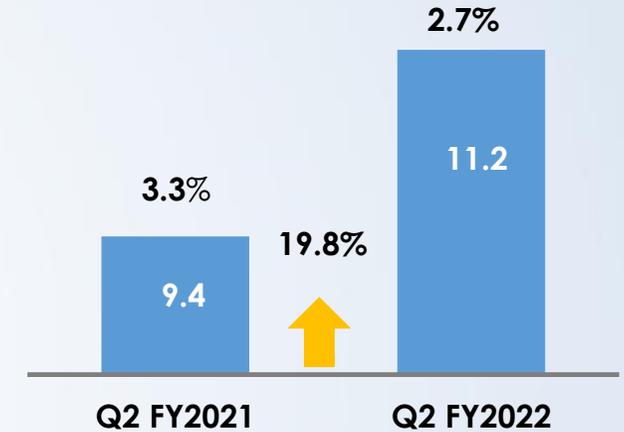
Total Revenue (Rs cr.)



EBITDA (Rs cr.)



PBT (Rs cr.)



› **Total Revenue increased by 44.6% from Rs. 285.7 Cr in Q2 FY21 to Rs.413.2 Cr in Q2 FY22**

- Sales to Indian OE customers grew by 34%.
- Sales to International customers grew by 78% due to commencement of supplies of steering products to new program in Q3FY21.
- Sales to Indian Aftermarket customers increased by 44% supported by new product introductions.

› **EBITDA increased by 6.7% from Rs. 29.3 Cr in Q2 FY21 to Rs. 31.2 Cr in Q2 FY22**

- Increase in all material cost and other cost resulted in drop in EBITDA margin by 268 bps

› **PBT increased by 19.8% from Rs. 9.4 Cr in Q2 FY21 to Rs. 11.2 Cr in Q2 FY22**

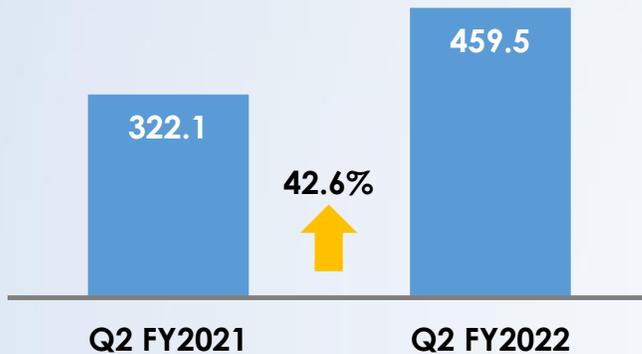
RML – Standalone Financials (YTD)

Rs Cr	6M FY21#	6M FY22
Total Revenue	382.0	713.7
EBITDA	16.8	54.8
EBITDA Margin	4.4%	7.7%
PBT Before Exceptional Items	(22.7)	16.2
Exceptional Income / (Expenses)	-	-
PBT	(22.7)	16.2
PBT Margin	-5.9%	2.3%
PAT	(15.5)	12.2
PAT Margin	-4.1%	1.7%
Total Comprehensive Income	(13.3)	12.0

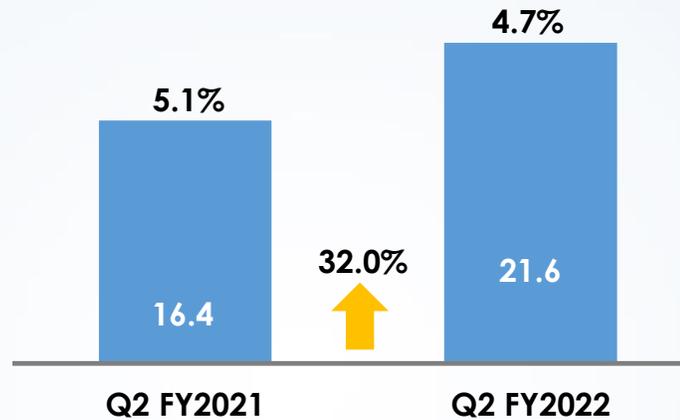
The business operations were partly suspended during Q1 FY21 on account of the lockdown announced by the Government of India consequent to the outbreak of COVID-19 pandemic. Hence 6M FY21 results are not comparable to the corresponding period of current year.

RML Consolidated – Financial Performance Review

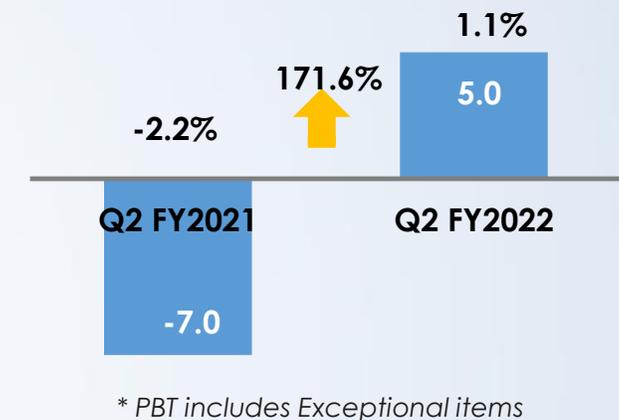
Total Revenue (Rs cr.)



EBITDA (Rs cr.)



PBT* (Rs cr.)



* PBT includes Exceptional items

› **Total Revenue increased by 42.6% from Rs. 322.1 Cr in Q2 FY21 to Rs. 459.5 Cr in Q2 FY22**

— Sales of the US subsidiary grew with strong demand on the served models and ramp-up in volumes on new programs.

› **EBITDA increased by 32% from Rs. 16.4 Cr in Q2 FY21 to Rs. 21.6 Cr in Q2 FY22**

— Improved operational performance sustained on quality, productivity and customer delivery.

› **PBT increased from a loss of Rs. 7 Cr in Q2 FY21 to a profit of Rs. 5.0 Cr in Q2 FY22**

— Exceptional income of Rs. 9.1 Cr (USD 1.2 Mn) on account of US Federal stimulus benefit accounted in Q2 FY22

RML – Consolidated Financials (YTD)

Rs Cr	6M FY21#	6M FY22
Total Revenue	436.4	800.4
EBITDA	(11.6)	32.9
EBITDA Margin	-2.6%	4.1%
PBT Before Exceptional Items	(59.1)	(15.7)
Exceptional Income / (Expenses)*	-	37.21
PBT	(59.1)	21.5
PBT Margin	-13.6%	2.7%
PAT	(51.9)	17.5
PAT Margin	-11.9%	2.2%
Total Comprehensive Income	(57.3)	16.2

* Exceptional Income of Rs.37.21 Cr on account of US Federal stimulus benefit received by LMCA

The business operations were partly suspended during Q1 FY21 on account of the lockdown announced by the Government of India consequent to the outbreak of COVID-19 pandemic. Hence 6M FY21 results are not comparable to the corresponding period of the current year.

Rane Engine Valve Ltd.

(REVL)

REVL – Operational Performance Review

Market Environment

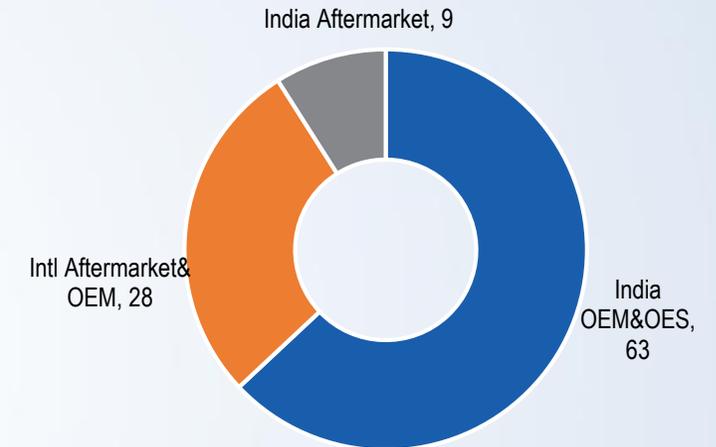
- › Experienced strong demand from Indian OE customers in passenger vehicle and commercial vehicle segments
- › The schedules from International OE customers was affected by semiconductor shortage

Operational Highlights

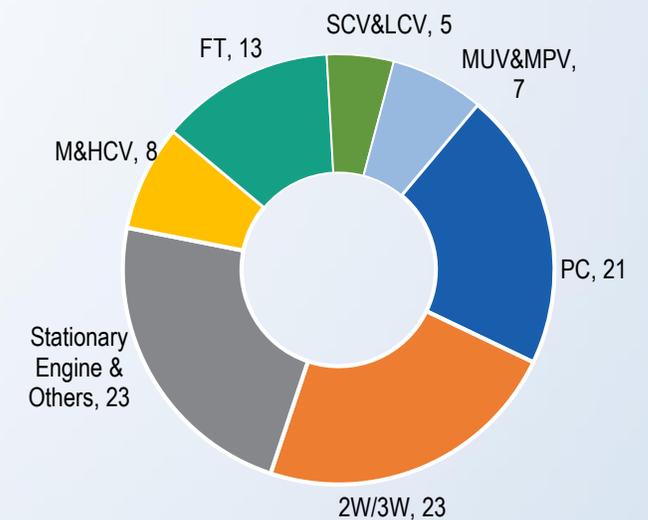
- › The plant operations improved their output to support demand growth in Q2
- › Secured new business worth Rs. 7.9 cr from various customers

Business Split (Q2 FY22)

By Market (%)

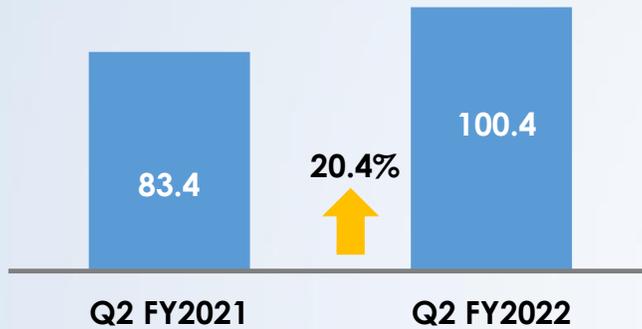


By Vehicle Segment (%)

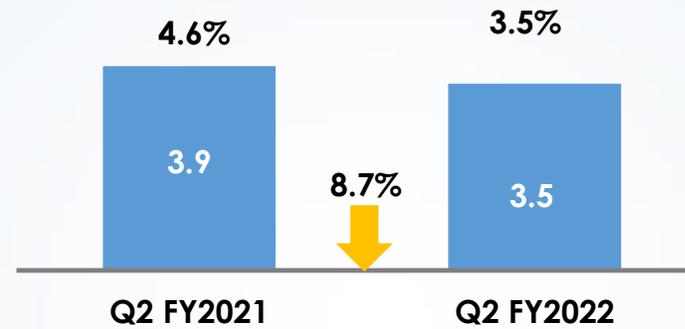


REVL – Financial Performance Review

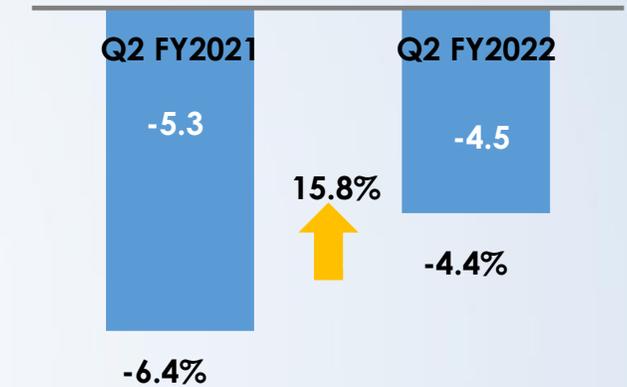
Total Revenue (Rs cr.)



EBITDA (Rs cr.)



PBT* (Rs. cr.)



* PBT includes Exceptional items

› **Total Revenue increased by 20.4% from Rs. 83.4 Cr in Q2 FY21 to Rs. 100.4 Cr in Q2 FY22**

- Sales to Indian OE customers grew by 15%.
- Sales to International customers increased by 20%.
- Sales to Indian Aftermarket customers grew by 42%.

› **EBITDA decreased by 8.7% from Rs. 3.9 Cr in Q2 FY21 to Rs. 3.5 Cr in Q2 FY22**

- Increase in Material cost, employee cost and other costs resulted in drop in EBITDA margin by 112 bps

› **Loss before tax for Q2 FY22 was Rs. 4.5 Cr as against a loss of Rs. 5.3 Cr in Q2 FY21**

REVL – Financials (YTD)

Rs Cr	6M FY21#	6M FY22
Total Revenue	113.9	176.4
EBITDA	(12.7)	1.3
EBITDA Margin	-11.1%	0.7%
PBT Before Exceptional Items	(29.6)	(12.5)
Exceptional Income / (Expenses)*	(0.81)	(0.90)
PBT	(30.4)	(13.4)
PBT Margin	-26.7%	-7.6%
PAT	(19.8)	(8.9)
PAT Margin	-17.4%	-5.0%
Total Comprehensive Income	(19.9)	(8.8)

* Exceptional expenses represents Voluntary Retirement Expenditure

The business operations were partly suspended during Q1 FY21 on account of the lockdown announced by the Government of India consequent to the outbreak of COVID-19 pandemic. Hence 6M FY21 results are not comparable to the corresponding period of the current year.

Rane Brake Lining Ltd.

(RBL)

RBL – Operational Performance Review

Market Environment

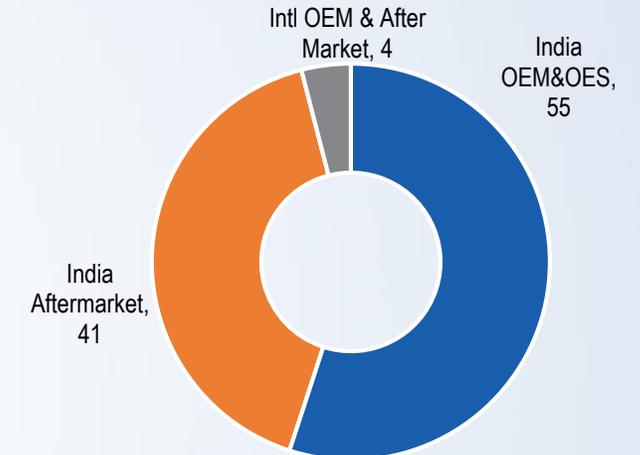
- › Demand recovered across key served segments
- › In the Aftermarket, STU and other Bus segment continue to underperform

Operational Highlights

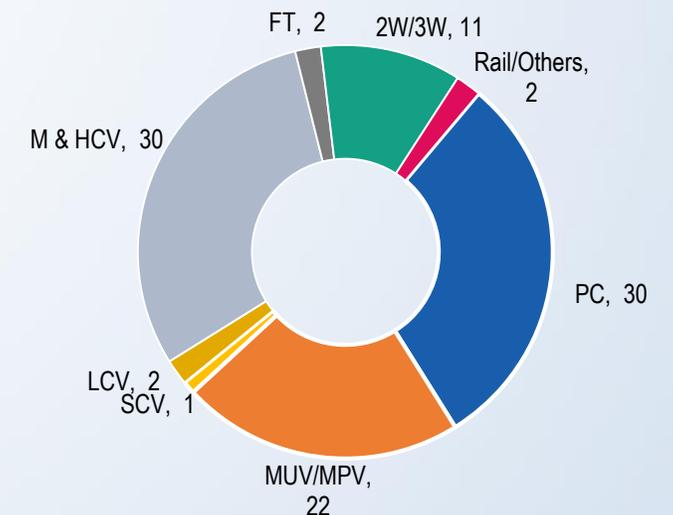
- › Achieved 100% delivery performance with all customers
- › Secured various new business from Indian OE customers having a combined sales potential of around Rs. 3.0 Cr. p.a.

Business Split (Q2 FY22)

By Market (%)

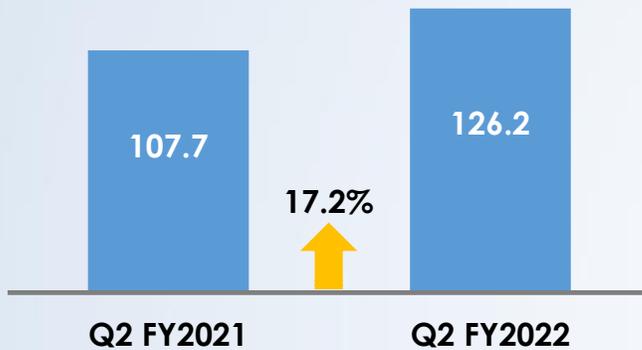


By Vehicle Segment (%)

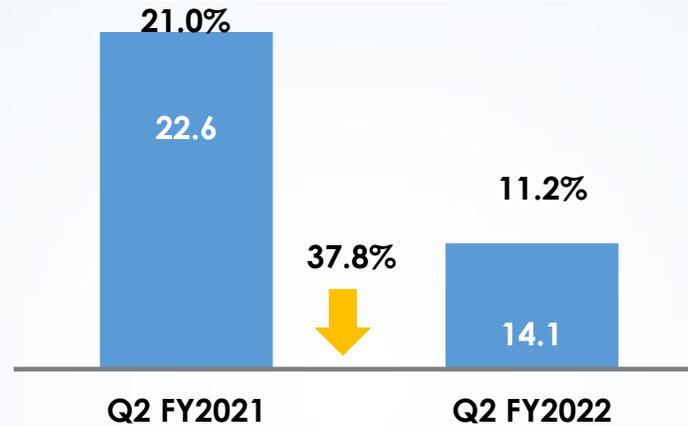


RBL – Financial Performance Review

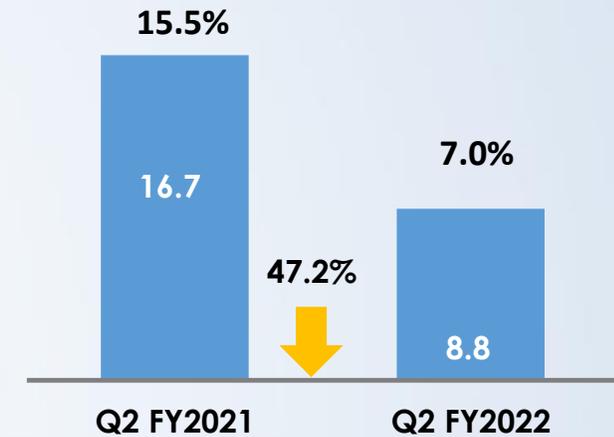
Total Revenue (Rs cr.)



EBITDA (Rs cr.)



PBT (Rs cr.)



› **Total Revenue increased by 17.2% from Rs. 107.7 Cr in Q2 FY21 to Rs. 126.2 Cr in Q2 FY22**

- Sales to OE customer grew by 12%
- Sales to Aftermarket customers grew 24%

› **EBITDA decreased by 37.8% from Rs. 22.6 Cr in Q2 FY21 to Rs. 14.1 Cr in Q2 FY22**

- Increase in material cost and unfavourable product mix resulted in drop in EBITDA margin 985 bps.
- There was also an one off selling price increase recovery from customer during Q2 FY21

› **PBT decreased by 47.2% from Rs. 16.7 Cr in Q2 FY21 to Rs. 8.8 Cr in Q2 FY22**

RBL – Financials (YTD)

Rs Cr	6M FY21#	6M FY22
Total Revenue	148.9	224.1
EBITDA	19.0	21.3
EBITDA Margin	12.8%	9.5%
PBT Before Exceptional Items	6.7	10.7
Exceptional Income / (Expenses)	-	-
PBT	6.7	10.7
PBT Margin	4.5%	4.8%
PAT	4.6	7.1
PAT Margin	3.1%	3.2%
Total Comprehensive Income	4.9	6.0

The business operations were partly suspended during Q1 FY21 on account of the lockdown announced by the Government of India consequent to the outbreak of COVID-19 pandemic. Hence 6M FY21 results are not comparable to the corresponding period of the current year.

Rane TRW Steering Systems Pvt. Ltd.

(RTSS)

Market Environment

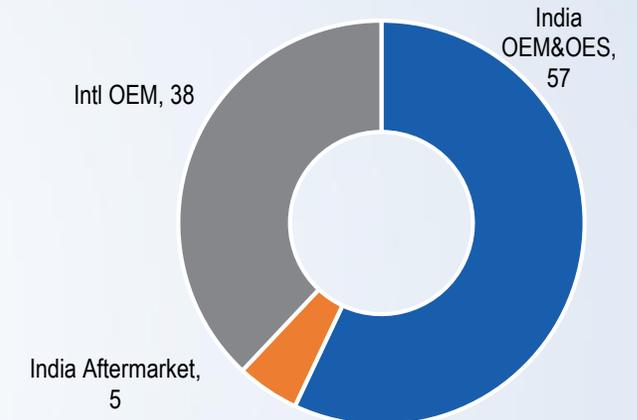
- › Strong off-take from Commercial vehicle segment in steering business
- › Occupant Safety business sales impacted due to semiconductor shortages

Operational Highlights

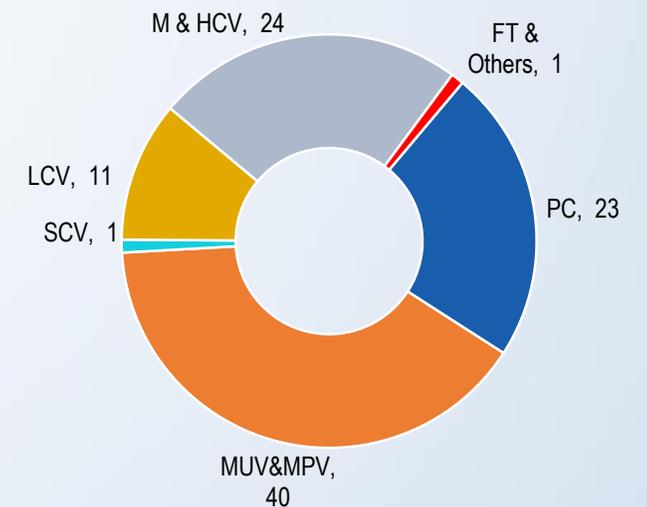
- › Productivity improvements carried out across plants and all plants achieved 100% delivery adherence across all the customers

Business Split (Q2 FY22)

By Market (%)

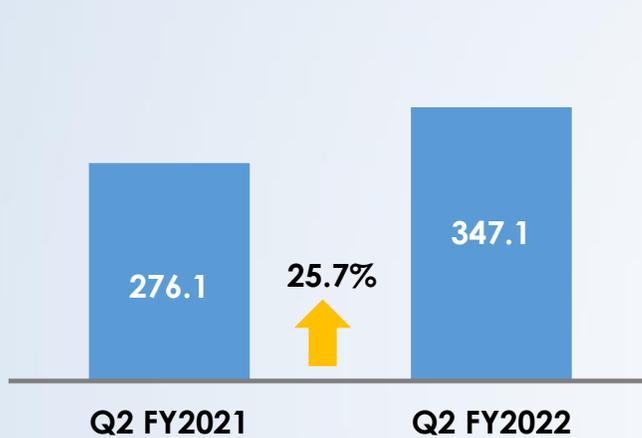


By Vehicle Segment (%)

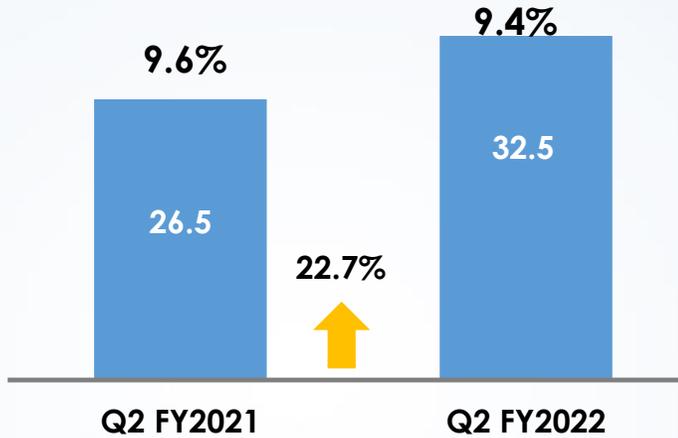


RTSS – Financial Performance Review

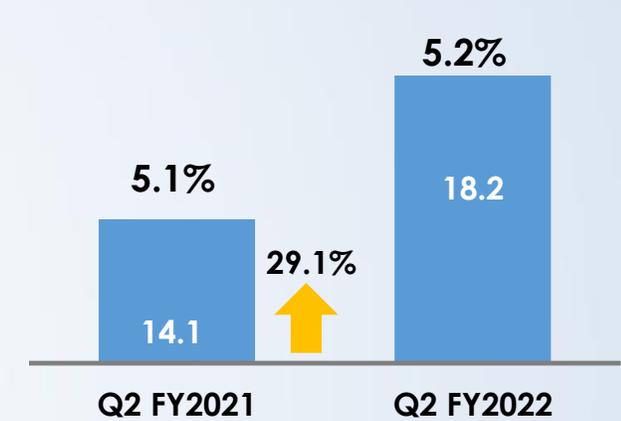
Total Revenue (Rs cr.)



EBITDA (Rs cr.)



PBT (Rs cr.)



- › **Total Revenue increased by 25.7% from Rs. 276.1 Cr in Q2 FY21 to Rs. 347.1 Cr in Q2 FY22**
 - Revenue from steering gear products grew 47%
 - Revenue from occupant safety systems increased 10%
- › **EBITDA increased by 22.7% from Rs. 26.5 Cr in Q2 FY21 to Rs. 32.5 Cr in Q2 FY22**
 - Increase in material cost and employee cost resulted in marginal drop in EBITDA
- › **PBT increased by 29.1% from Rs. 14.1 Cr in Q2 FY21 to Rs. 18.2 Cr in Q2 FY22**

RTSS – Financials (YTD)

Rs Cr	6M FY21#	6M FY22
Total Revenue	362.5	622.6
EBITDA	10.9	52.3
EBITDA Margin	3.0%	8.4%
PBT Before Exceptional Items	(13.2)	23.6
Exceptional Income / (Expenses)	-	-
PBT	(13.2)	23.6
PBT Margin	-3.6%	3.8%
PAT	(9.8)	17.6
PAT Margin	-2.7%	2.8%
Total Comprehensive Income	(9.4)	17.6

The business operations were partly suspended during Q1 FY21 on account of the lockdown announced by the Government of India consequent to the outbreak of COVID-19 pandemic. Hence 6M FY21 results are not comparable to the corresponding period of the current year.

Rane NSK Steering Systems Pvt. Ltd.

(RNSS)

RNSS – Operational Performance Review

Market Environment

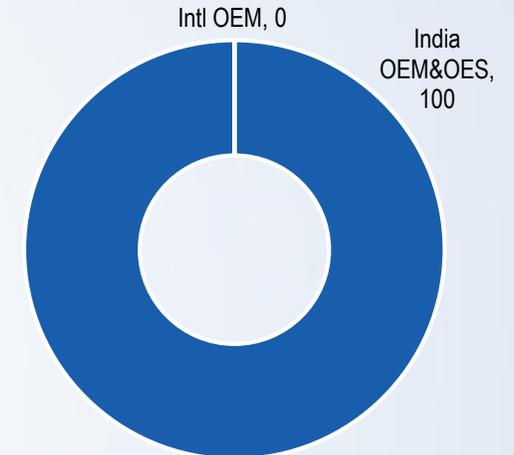
- › Strong growth in Utility Vehicle segment
- › Semiconductor shortage impacting the demand

Operational Highlights

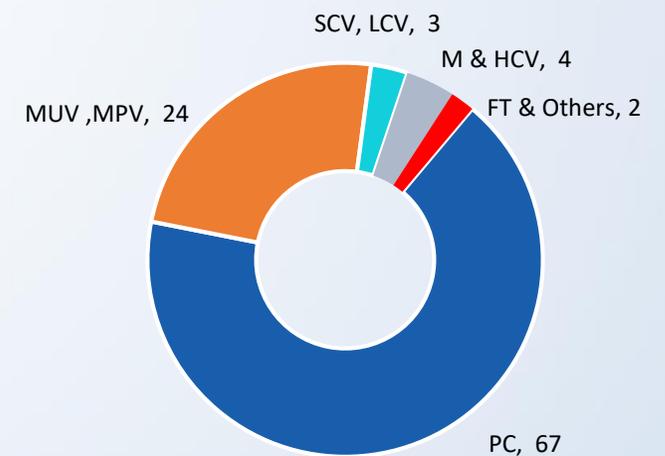
- › Secured new business for MSC product with a sales potential of around Rs. 9 Cr. p.a.

Business Split (Q2 FY22)

By Market (%)

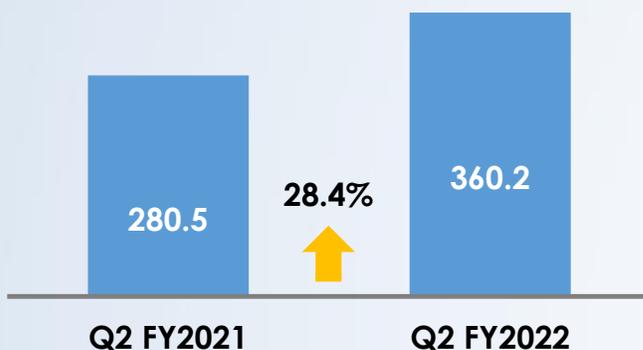


By Vehicle Segment (%)

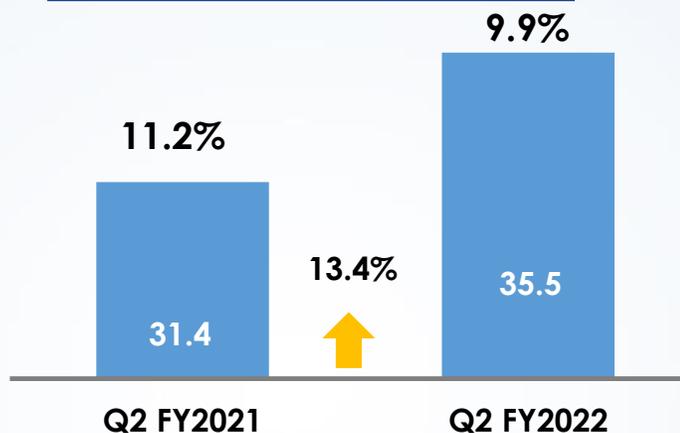


RNSS – Financial Performance Review

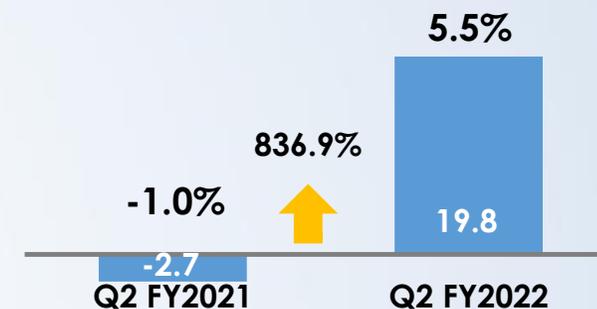
Total Revenue (Rs cr.)



EBITDA (Rs cr.)



PBT* (Rs cr.)



* PBT includes Exceptional items

› **Total Revenue increased by 28.4% from Rs. 280.5 Cr in Q2 FY21 to Rs. 360.2 Cr in Q2 FY22**

— Better offtake in served models helped post growth in Total Revenue

› **EBITDA increased by 13.4% from Rs. 31.4 Cr in Q2 FY21 to Rs. 35.5 Cr in Q2 FY22**

— Lag in recovery of material cost increase resulted in drop in EBITDA margin

› **PBT for Q2 FY22 was Rs.19.8 Cr compared to loss of Rs. 2.7 Cr in Q2 FY21**

— Discussions under progress to determine and conclude on certain aspects pertaining to warranty returns. Based on our assessment and pending final outcome of the discussions, no incremental provision has been made during this quarter.

RNSS – Financials (YTD)

Rs Cr	6M FY21#	6M FY22
Total Revenue	318.8	658.1
EBITDA	19.3	64.5
EBITDA Margin	6.1%	9.8%
PBT Before Exceptional Items	(7.1)	33.6
Exceptional Income / (Expenses)*	(20.8)	-
PBT	(27.9)	33.6
PBT Margin	-8.7%	5.1%
PAT	(18.4)	21.7
PAT Margin	-5.8%	3.3%
Total Comprehensive Income	(18.1)	21.2

*Exceptional expenses represents incremental provision made towards product warranty claim

The business operations were partly suspended during Q1 FY21 on account of the lockdown announced by the Government of India consequent to the outbreak of COVID-19 pandemic. Hence 6M FY21 results are not comparable to the corresponding period of the current year.



Thank You



Rane Corporate Centre

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Chennai - 600 086, India

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For further information, please contact:

investorservices@ranegroup.com or dpingle@christensenir.com

Glossary of Abbreviations

Abbreviation	Expansion
CV	Commercial Vehicle
Cr	Crores
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
FT	Farm Tractors
FY	Financial Year
Intl	International
JV	Joint Venture
LCV	Light Commercial Vehicles
LMCA	Light Metal Castings America
Mn	Million
MSC	Manual Steering Column
MPV	Multi Purpose Vehicles
MUV	Multi Utility Vehicles
M&HCV	Medium & Heavy Commercial Vehicles
OE	Original Equipment
OEM	Original Equipment Manufacturer
OES	Original Equipment Supplier
p.a	Per Annum

Abbreviation	Expansion
PAT	Profit After Tax
PBT	Profit Before Tax
PC	Passenger Car
PV	Passenger Vehicle
Q1	Quarter 1
Q2	Quarter 2
RBL	Rane Brake Lining Limited
REVL	Rane Engine Valve Limited
RHL	Rane Holdings Limited
RML	Rane (Madras) Limited
RNSS	Rane NSK Steering Systems Pvt Limited
RTSS	Rane TRW Steering Systems Pvt Limited
SCV	Small Commercial Vehicles
SE	Stationary Engines
STU	State Transport Undertaking
SIAM	Society of Indian Automobile Manufacturers
YoY	Year-on-Year
YTD	Year To Date
2W/3W	Two Wheeler/Three Wheeler

This presentation may contain certain forward looking statements concerning Rane's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but not limited to risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and the target countries for exports, ability to attract and retain highly skilled professionals, government policies and action with respect to investments, fiscal deficits, regulations etc., interest and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statement become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.