



Expanding Horizons

Rane Group

Earnings Presentation | Q1 FY21



A u g u s t 2 0 2 0

www.ranegroup.com



With the Covid-19 pandemic and Government announcing lockdown measures in March 24, 2020, all our places of business including manufacturing plants, corporate office, branch offices and warehouses were shutdown.

- Critical maintenance activities were undertaken during lockdown
- Employees carried out business critical activities remotely leveraging technology
- Employees were gainfully engaged in several online training programs
- Certain plants resumed operations in last week of April and others resumed operations in May depending on the location
- Rane TRW – Occupant Safety Division started manufacturing Masks for group's internal requirements and also CSR purposes
- All manufacturing facilities are currently operating at 50-80% of pre-covid level depending on the segments served compared to 30-40% level in June.



**RESPONSE
TO
COVID-19**

01


Organisational Preparedness

02

Plant Preparedness

03

Tier-2 Readiness



**Be agile and
respond
quickly to
changes**

Despite challenges, all 25 Plants of Rane Group have been able to meet Customer Demand up till now

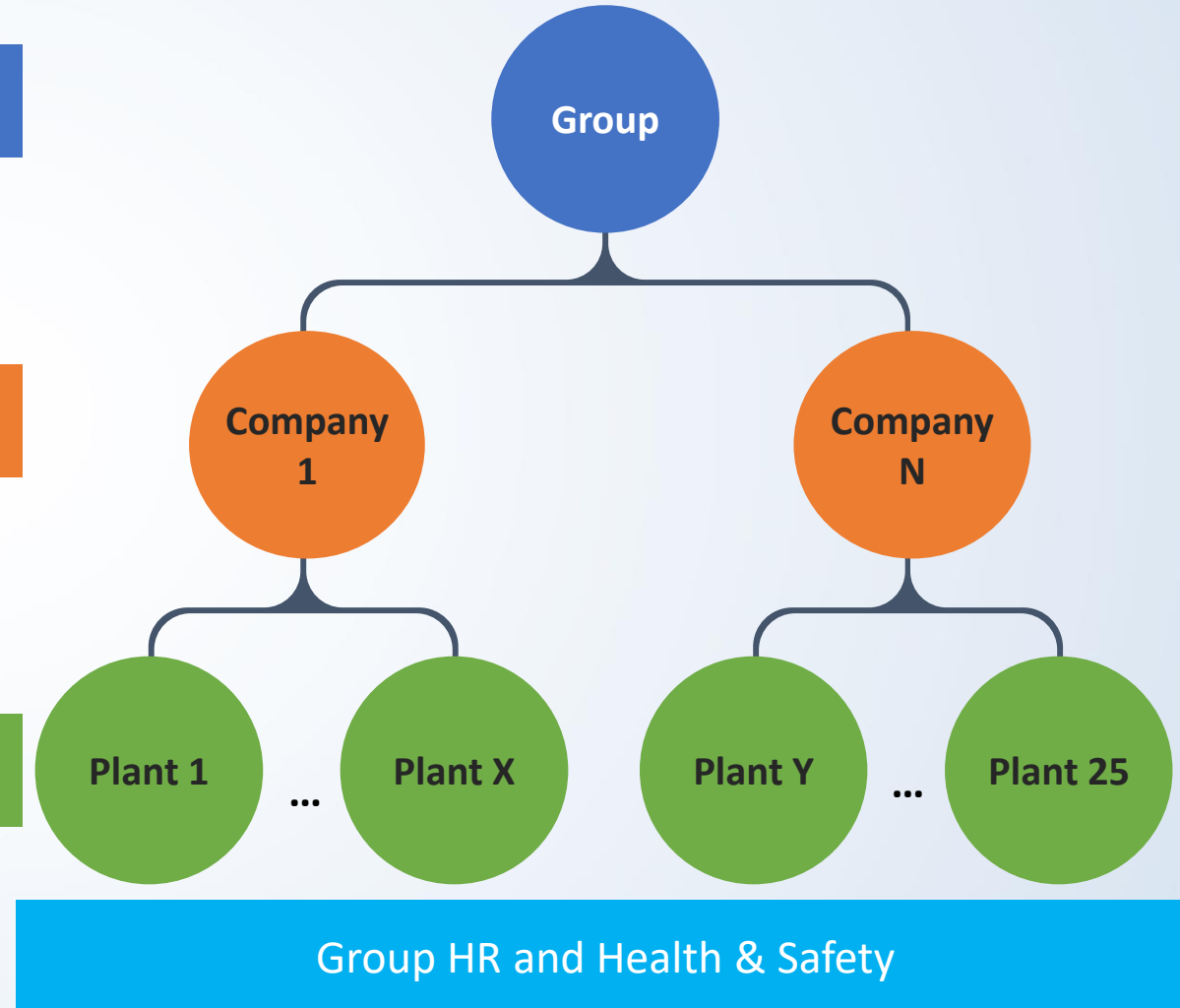
1 Organizational Preparedness

- Executive leadership team reviews business conditions, risks, provides guidelines, etc.
- Company level team reconfigures business plans, cost initiatives, etc.
- Plant level team ensures plant readiness
- Group HR teams and Group Health & Safety teams to standardize procedures

Executive Leadership Team

Business Head Functional Heads

Plant Head Department Heads



2

Plant Preparedness

- Based on interaction with key customers and benchmarking of best practices, Rane Group developed Safety Procedures for reopening and sustenance
- Production restart measures covered raw material control, process capability, machine maintenance, etc.



Temperature Screening of all employees at Gate



Marking at various places to maintain social distancing



Disinfection activity carried out through out the plant periodically at the common touch points



Separation curtain between the operators

3

Tier-2 Readiness

- Frequent communication during lockdown
- Addressed supplier community to provide guidance on restart
- Assessed supplier readiness to start and sustain supplies
- Suppliers in distress were supported with cash advance, etc.
- Specific emphasis on unused material during shut down

Virtual Audit

Factory Sanitization



Decontamination Tunnel & Sanitizers



Raw material Identification



Tag identification, color code, Mill TC, control on material mix-up

Eddy current inspection



Functioning of Pokayoke, Master Calibration

01.

Sales Maximization

- Increase share of business with key customers; BS6 transition provides opportunity in few products
- Increased focus on Aftermarket segment

02.

Cost Reduction

- Salary reduction of 10% to 35% from junior to senior level employees respectively
- Productivity improvement and resultant manpower savings
- Optimizing manufacturing cost

03.

Financial Position

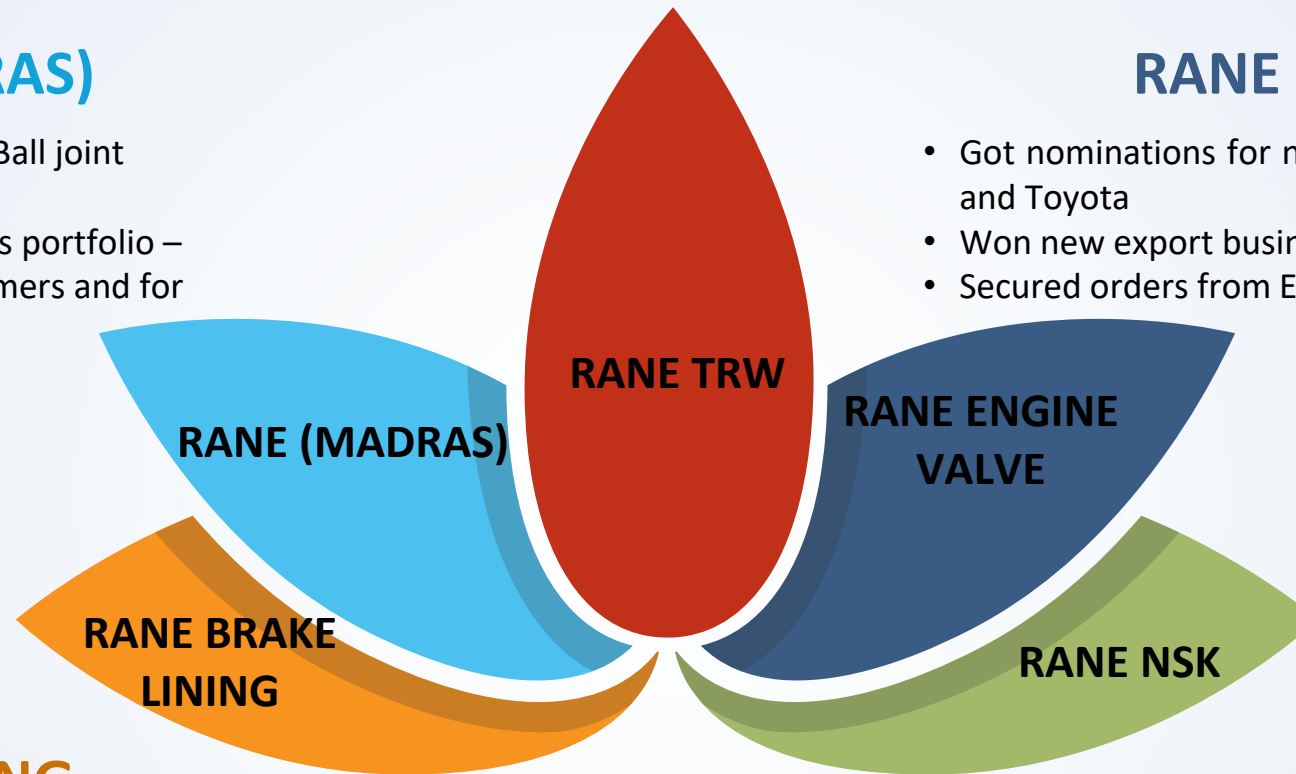
- RHL and few group companies availed moratorium facility offered by banks to restrict cash outflow and do not foresee major challenges in meeting its financial obligations.
- The Company is confident of raising money to meet working capital requirements as and when necessary

RANE (MADRAS)

- SLD has got breakthrough for Ball joint product in export market
- LMCI is diversifying its business portfolio – won business from new customers and for new products

RANE ENGINE VALVE

- Got nominations for new programs in India with Hyundai, Kia and Toyota
- Won new export business with leading engine manufacturer
- Secured orders from Export Aftermarket customers



RANE BRAKE LINING

- Increased penetration in 2W disc pad business
- New business from various PV customers

RANE TRW

- Increased share of business for steering products with key customers with higher application on BS 6 models
- Won first business for occupant safety products with Hyundai India and geographic diversification of exports

RANE NSK

- Secured new business from new PV customer in India
- Continue to win new business from MSIL

Industry Performance Review (Q1 FY21)

Vehicle Segment	Production YoY Growth# in %	Rane Group Sales Growth YoY in % (India OEM)	Rane Group Revenue Split * (India OEM)
Passenger Cars (PC)	-87%	-89%	30%
Utility Vehicles (MUV)	-76%	-85%	17%
Vans	-91%	-90%	1%
- Total Passenger Vehicle	-84%	-88%	48%
Small Commercial Vehicles (SCV)	-87%	-93%	1%
Light Commercial Vehicles (LCV)	-83%	-82%	9%
Medium & Heavy Commercial Vehicles (M&HCV)	-92%	-90%	10%
- Total Commercial Vehicle	-88%	-88%	20%
2-Wheeler	-78%	-72%	6%
Farm Tractors (FT)	-43%	-40%	21%

* Negligible presence in 3-wheeler. Other segments such as Rail, Defence and Stationary Engines contribute around 5%

Source: SIAM

Group's performance against industry varies based on served customers/models

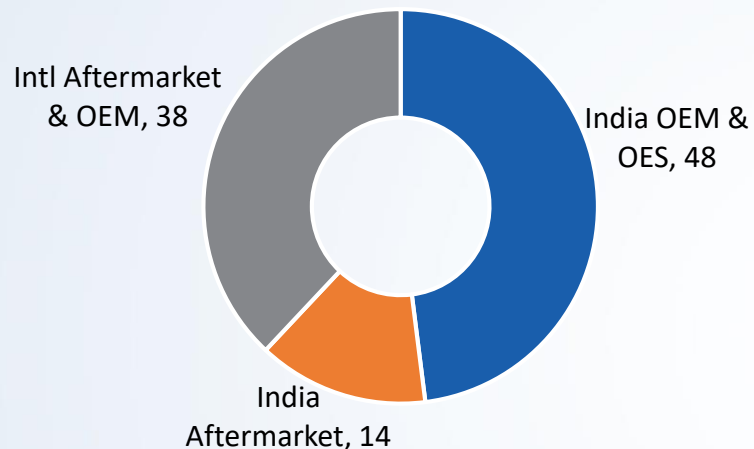
Segment	Estimated Growth
PV	-30% to -25%
CV	-40% to -30%
2W	-25% to -30%
FT	-15% to -10%

- Q1 performance is not reflective of market demand
- Signs of recovery seen across vehicle segments in July
- Recovery in FT driven by strong Agri sector
- Increased pull by OEMs to re-stock as the inventory levels were low
- Sustainability of demand is key to recovery in the coming months
- Further stringent lockdown measures likely to affect recovery

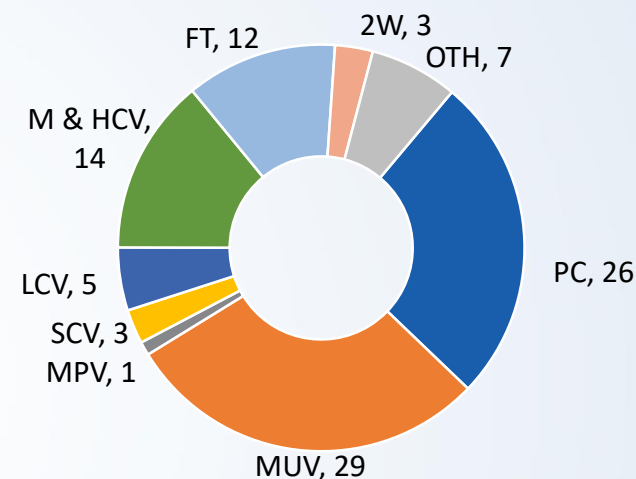
Financial Performance

Business Split – Group Aggregate (Q1 FY'21)

By Market segment (%)



By Vehicle Segment (%)



Financial Performance (Q1 FY'21)

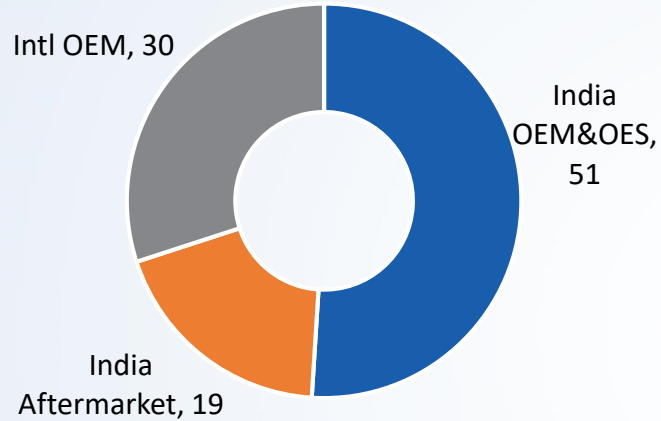
Group Aggregate	Q1 FY21	Q1 FY20
Total Net Revenue	314.1	1,252.9
EBITDA	(76.2)	93.3
PBT*	(140.8)	24.8

RHL Consolidated	Q1 FY21	Q1 FY20
Total Net Revenue	194.1	583.5
EBITDA	(46.2)	43.8
PBT*	(114.2)	14.3

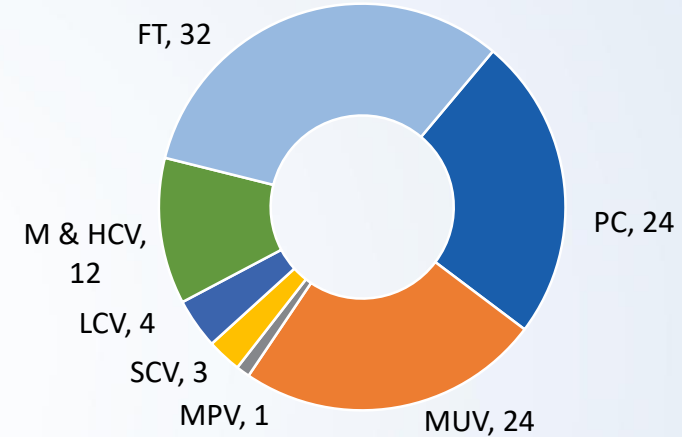
* PBT before exceptional items

Business Split (Q1 FY'21) - Standalone

By Market Segment (%)



By Vehicle Segment (%)



Financial Performance (Q1 FY'21)

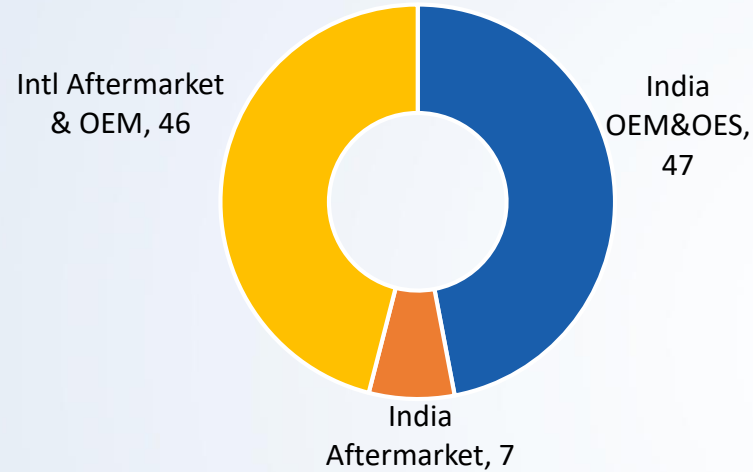
Standalone	Q1 FY21	Q1 FY20
Total Net Revenue	96.3	297.2
EBITDA	(12.5)	25.5
PBT*	(32.1)	4.9

Consolidated	Q1 FY21	Q1 FY20
Total Net Revenue	114.3	346.2
EBITDA	(27.9)	16.5
PBT*	(52.1)	(8.6)

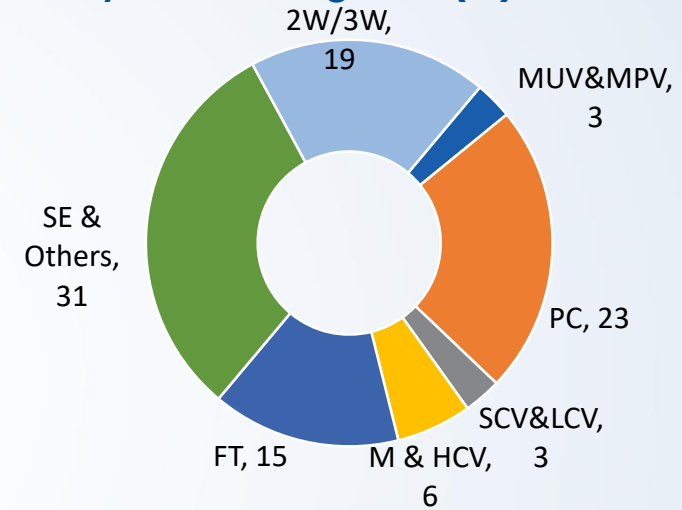
* PBT before exceptional items

Business Split (Q1 FY'21)

By Market Segment (%)



By Vehicle Segment (%)



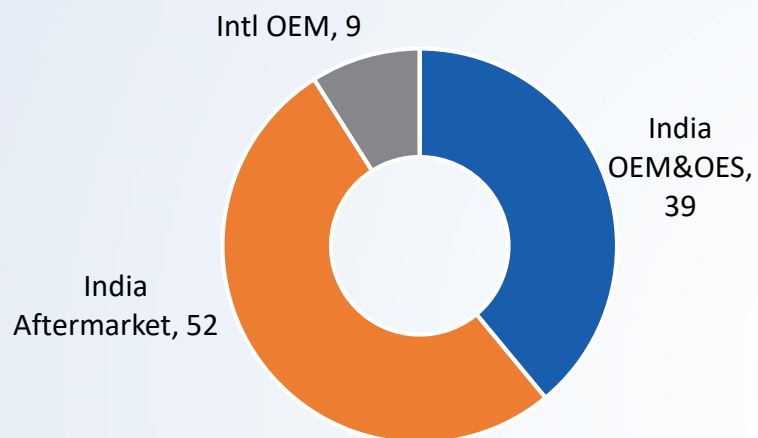
Financial Performance (Q1 FY'21)

Particulars	Q1 FY21	Q1 FY20
Total Net Revenue	30.5	104.1
EBITDA	(16.5)	3.3
PBT*	(25.1)	(6.5)

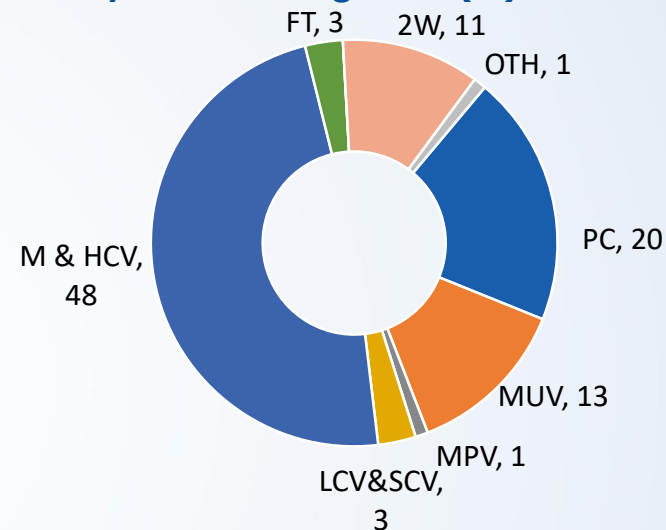
* PBT before exceptional items

Business Split (Q1 FY'21)

By Market Segment (%)



By Vehicle Segment (%)



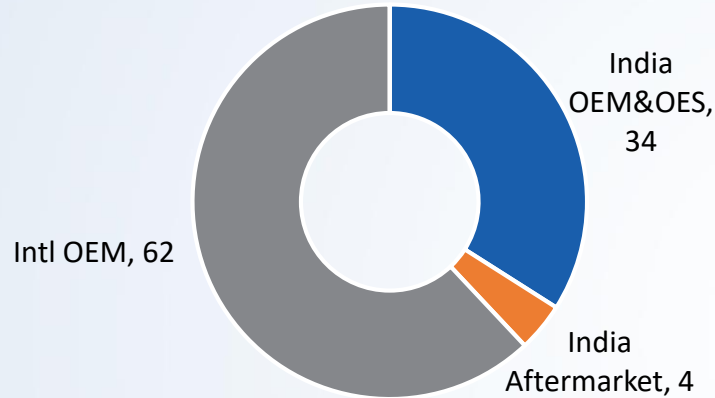
Financial Performance (Q1 FY'21)

Particulars	Q1 FY21	Q1 FY20
Total Net Revenue	41.2	118.9
EBITDA	(3.6)	15.7
PBT*	(10.0)	9.4

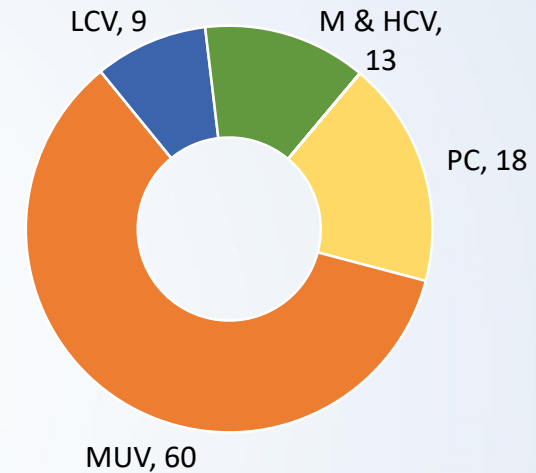
* PBT before exceptional items

Business Split (Q1 FY'21)

By Market Segment (%)



By Vehicle Segment (%)



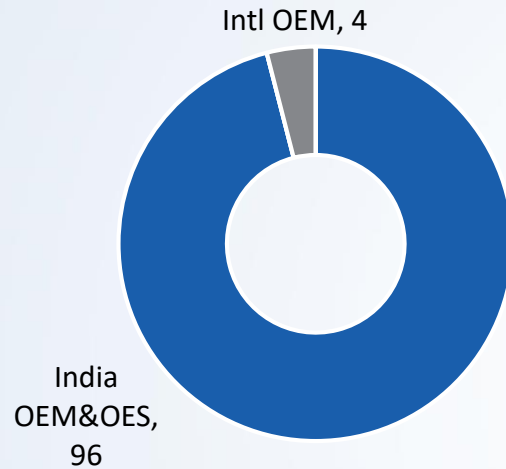
Financial Performance (Q1 FY'21)

Particulars	Q1 FY21	Q1 FY20
Total Net Revenue	86.5	353.7
EBITDA	(15.6)	23.3
PBT*	(27.3)	9.6

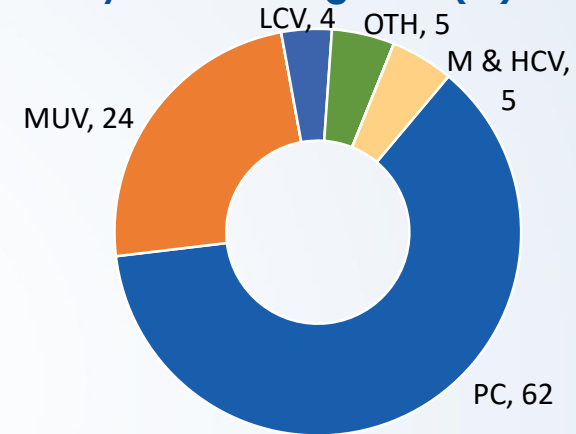
* PBT before exceptional items

Business Split (Q1 FY'21)

By Market Segment (%)



By Vehicle Segment (%)



Financial Performance (Q1 FY'21)

Particulars	Q1 FY21	Q1 FY20
Total Net Revenue	38.4	324.9
EBITDA	(12.1)	35.2
PBT*	(25.2)	22.2

* PBT before exceptional items



Thank You



Rane Corporate Centre

"Maithri" 132, Cathedral Road,
Chennai - 600 086, India

www.ranegroup.com

For further information, please contact:

investorservices@ranegroup.com or dpingle@christensenir.com

Glossary of Abbreviations

Abbreviation	Expansion
EBITDA	Earnings Before Interest, Tax and Depreciation & Amortization
FT	Farm Tractors
FY	Financial Year
Intl	International
LCV	Light Commercial Vehicles
MPV	Multi Purpose Vehicles
MUV	Multi Utility Vehicles
M&HCV	Medium & Heavy Commercial Vehicles

Abbreviation	Expansion
MSC	Manual Steering Column
OEM	Original Equipment Manufacturer
OES	Original Equipment Supplier
PBT	Profit Before Tax
PC	Passenger Car
SCV	Small Commercial Vehicles
SIAM	Society of Indian Automobile Manufacturers
YoY	Year-on-Year
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.