



Expanding Horizons

RANE (MADRAS) LIMITED

FY18 Earnings Release



Chennai, India, April 30, 2018 – 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 (FY18) ended March 31st, 2018

Standalone FY18 Performance

- Total Net Revenue was ₹1,217.5 Crore for FY18 as compared to ₹992.6 Crore in FY17, an increase of 22.7%
- EBITDA stood at ₹139.5 Crore as compared to ₹99.4 Crore during FY17, an increase of 40.4%
- EBITDA Margin at 11.5% for FY18 as against 10.0% in FY17, an improvement of 145 basis point (bps)
- Net profit (PAT) stood at ₹41.8 Crore for FY18 as compared to ₹20.7 Crore in FY17, an increase of 102.3%

Consolidated FY18 Performance

- Total Net Revenue was ₹1,406.6 Crore for FY18 as compared to ₹1,206.5 Crore in FY17, an increase of 16.6%
- EBITDA stood at ₹134.9 Crore as compared to ₹99.9 Crore during FY17, an increase of 35.0%
- EBITDA Margin at 9.6% for FY18 as against 8.3% in FY17, an improvement of 131 basis point (bps)
- Net profit (PAT) stood at ₹24.2 Crore for FY18 as compared to ₹4.3 Crore in FY17, an increase of 460.1%

Corporate Action

- A final dividend of ₹7.50/- per equity share has been recommended by the Board of Directors on the paid-up capital of 1,16,07,541 equity shares of ₹10/- each fully paid up. The total dividend for the year ending March 31, 2018 is ₹12/- per equity share including an interim dividend of ₹4.50/- per equity share declared on January 23, 2018 and paid on February 13, 2018.

Operating Highlights for FY18 – Standalone

- In the Indian market, the Steering and Linkages business registered good growth across vehicle segments and Die Casting business delivered robust performance
- Strong demand for Steering products from international customers
- Improved operational performance of Die Casting business despite marginal decline in revenue because of lower offtake by international customers
- EBITDA margin improved by 145 bps due to increased volume and improved operational performance

Overseas Subsidiary

- Experienced dip in sales due to lower offtake from select customers and delay in commencement of new program.
- The business achieved positive EBITDA in the first half, but in the second half faced unanticipated operational issues leading to significant cost overruns. There was also a one-off customer charge back towards past quality issues.

MANAGEMENT COMMENT

“RML reported strong numbers led by robust demand from Indian OE customers and improved operational performance. Though the Die Casting business experienced lower pull from international customers, it continued to improve on operational performance. Higher volume provided operational leverage to improve the operating margin. The turnaround plan of the overseas subsidiary is work in progress with key emphasis on operations improvement. In addition, we continue to work on securing new contracts which will help achieve profitability.”

– **L. Ganesh, Chairman, Rane Group**

BUSINESS HIGHLIGHTS

Financial Performance

Standalone	FY18	FY17	YOY%
Total Net Revenue*	1,217.5	992.6	22.7%
EBITDA	139.5	99.4	40.4%
Margin (%)	11.5%	10.0%	145 bps
PAT	41.8	20.7	102.3%

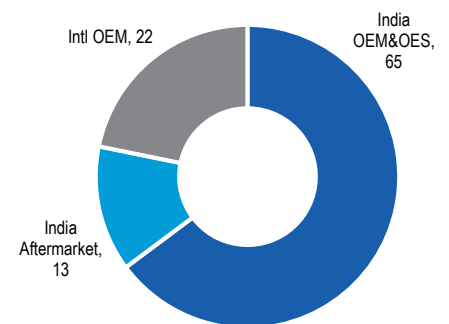
Consolidated	FY18	FY17	YOY%
Total Net Revenue*	1,406.6	1,206.5	16.6%
EBITDA	134.9	99.9	35.0%
Margin (%)	9.6%	8.3%	131 bps
PAT	24.2	4.3	460.1%

*Revenue excludes excise duty wherever applicable

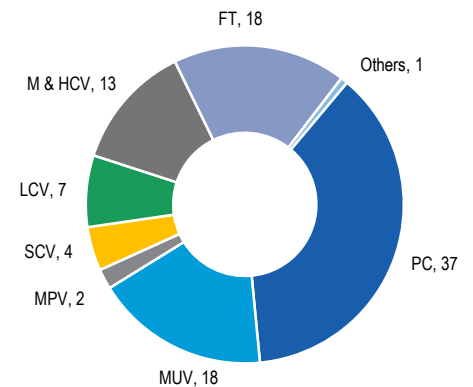
(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (FY18)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



PROFIT AND LOSS ACCOUNT

Particulars	Standalone			Consolidated		
	FY18	FY17	YoY%	FY18	FY17	YoY%
Income from Operations	1,197.2	1,045.3	15%	1,374.0	1,250.2	10%
Other Operating Income	40.1	39.2	2%	49.2	40.0	23%
Other Income	5.6	3.3	69%	8.9	11.5	-23%
Total Revenue	1,243.0	1,087.8	14%	1,432.1	1,301.7	10%
Expenses						
-Cost of Material Consumed	758.9	598.9	27%	818.8	664.0	23%
-Changes in inventories	-15.5	-12.7	-22%	-16.9	-11.6	-46%
-Excise Duty	25.4	95.2	-73%	25.4	95.2	-73%
-Employee Benefit Expense	135.1	114.6	18%	218.4	202.9	8%
-Finance Cost	29.4	27.8	6%	33.3	30.2	10%
-Depreciation & Amortization	49.9	45.3	10%	61.4	57.2	7%
-Other Expenditure	199.5	192.4	4%	251.5	251.3	0%
Total Expenses	1,182.8	1,061.5	11%	1,392.0	1,289.2	8%
PBT before Exceptional Items	60.2	26.3	129%	40.1	12.6	219%
Exceptional Item	-	-		-	-	
PBT	60.2	26.3	129%	40.1	12.6	219%
Tax Expense	18.4	5.6	227%	15.9	8.2	93%
PAT	41.8	20.7	102%	24.2	4.3	460%

KEY BALANCE SHEET ITEMS

Particulars	Standalone			Consolidated		
	FY18	FY17	Change	FY18	FY17	Change
Non-current assets	406.1	389.5	16.5	445.7	429.2	16.5
-Property, Plant and Equipment	337.2	314.1	23.1	378.9	357.3	21.5
-Financial Assets	26.5	13.7	12.7	16.6	7.7	9.0
Current assets	436.4	301.0	135.4	486.9	357.3	129.6
- Inventories	135.8	110.3	25.5	152.5	126.4	26.2
-Trade receivables	213.4	150.7	62.8	245.5	188.1	57.4
-Cash and cash equivalents	5.6	2.9	2.7	6.9	5.6	1.3
Total Assets	842.5	690.5	151.9	932.6	786.5	146.1
Shareholders Fund	266.4	171.0	95.5	229.7	157.2	72.5
Non-current liabilities	130.4	140.1	-9.7	161.6	170.2	-8.5
-Long-term borrowings	118.6	128.9	-10.3	149.3	157.4	-8.1
Current liabilities	445.7	379.5	66.2	541.2	459.1	82.1
-Short-term borrowings	138.7	141.4	-2.7	187.0	180.3	6.6
-Trade payables	233.0	172.6	60.5	255.3	196.8	58.6
Total Liabilities	576.1	519.6	56.5	702.8	629.3	73.5
Total Equity and Liabilities	842.5	690.5	151.9	932.6	786.5	146.1

(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. It has two divisions namely Steering gear (SGP), Steering and Suspension Linkage Products (SSLP) division and Die-casting Products division. The Steering division manufactures manual steering gears, hydrostatic steering systems and steering and suspension linkage products. RML is a market leader in India in SGP and SSLP. The Die casting division manufactures low porosity, high-quality aluminum die-castings such as steering housings and engine case covers.

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.