



Expanding Horizons

RANE (MADRAS) LIMITED

Q1 FY19 Earnings Release



Chennai, India, July 25, 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 first quarter (Q1 FY19) ended June 30th, 2018

Standalone Q1 FY19 Performance

- Total Net Revenue was ₹351.2 Crore for Q1 FY19 as compared to ₹250.4 Crore in Q1 FY18, an increase of 40.2%
- EBITDA stood at ₹39.0 Crore as compared to ₹23.6 Crore during Q1 FY18, an increase of 65.1%
- EBITDA Margin at 11.1% for Q1 FY19 as against 9.4% in Q1 FY18, an improvement of 167 basis point (bps)
- Net profit (PAT) stood at ₹13.4 Crore for Q1 FY19 as compared to ₹2.7 Crore in Q1 FY18, an increase of 393.5%

Consolidated Q1 FY19 Performance

- Total Net Revenue was ₹400.4 Crore for Q1 FY19 as compared to ₹294.9 Crore in Q1 FY18, an increase of 35.7%
- EBITDA stood at ₹34.0 Crore as compared to ₹24.3 Crore during Q1 FY18, an increase of 40.1%
- EBITDA Margin at 8.5% for Q1 FY19 as against 8.2% in Q1 FY18, an improvement of 26 basis point (bps)
- Net profit (PAT) stood at ₹4.1 Crore for Q1 FY19 as compared to ₹0.02 Crore in Q1 FY18

Operating Highlights – Standalone

- In the Indian market, the Steering and Linkages business registered good growth across vehicle segments
- In the International market, there was strong demand for Steering products but lower offtake of Die cast products
- Despite the unfavourable mix, inflationary pressure on raw material and employee cost, EBITDA margin improved by 167 bps due to increased volume and improved operational performance
- Lower depreciation and finance cost helped to improve PBT significantly

Operating Highlights – Consolidated

- Rane Precision Die Casting (RPDC) experienced strong offtake across served segments. Though there is improvement in operational performance, the business experienced cost overruns towards premium freight and tooling maintenance
- There was ₹2.2 Crore unrealized exchange loss on foreign currency borrowing in the overseas subsidiary

MANAGEMENT COMMENT

“RML reported strong results led by robust performance of Steering business. Experienced strong demand for both Steering and Die Cast products from Indian customers. The India Die Casting business experienced lower pull from international customers however RPDC experienced strong offtake across served segments. The operational performance of RPDC is improving and we are working with focus on reducing rejections and improving machine availability.”

– L. Ganesh, Chairman, Rane Group

BUSINESS HIGHLIGHTS

Financial Performance

Standalone	Q1 FY19	Q1 FY18	YOY%
Total Net Revenue*	351.2	250.4	40.2%
EBITDA	39.0	23.6	65.1%
Margin (%)	11.1%	9.4%	167 bps
PAT	13.4	2.7	393.5%

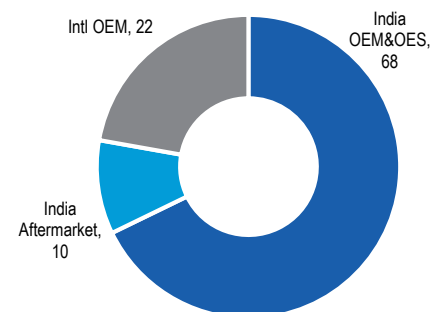
Consolidated	Q1 FY19	Q1 FY18	YOY%
Total Net Revenue*	400.4	294.9	35.7%
EBITDA	34.0	24.3	40.0%
Margin (%)	8.5%	8.2%	26 bps
PAT	4.1	0.0	-

*Revenue excludes excise duty wherever applicable

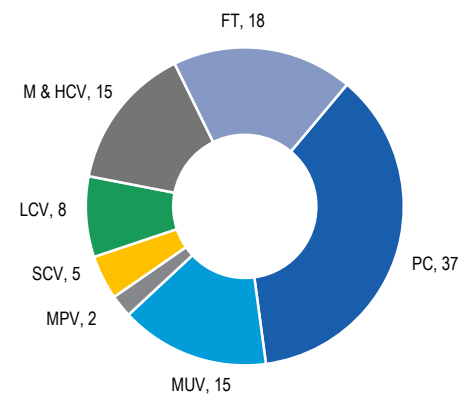
(In ₹ Crore, unless otherwise mentioned)

STANDALONE BUSINESS SPLIT (Q1 FY19)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



PROFIT AND LOSS ACCOUNT

Particulars	Standalone			Consolidated		
	Q1 FY19	Q1 FY18	YoY%	Q1 FY19	Q1 FY18	YoY%
Income from Operations	329.0	263.8	25%	377.1	308.2	22%
Other Operating Income	14.9	11.1	34%	17.2	11.3	53%
Other Income	7.3	0.9	689%	6.1	0.9	548%
Total Revenue	351.2	275.8	27%	400.4	320.4	25%
Expenses						
-Cost of Material Consumed	223.0	160.3	39%	241.4	176.3	37%
-Changes in inventories	-2.4	-3.6	35%	-4.6	-7.7	40%
-Excise Duty	-	25.4		-	25.4	
-Employee Benefit Expense	37.5	30.9	21%	59.7	51.5	16%
-Finance Cost	6.4	8.3	-23%	7.7	9.0	-14%
-Depreciation & Amortization	12.3	12.0	2%	15.3	14.7	4%
-Other Expenditure	54.1	39.2	38%	69.8	50.5	38%
Total Expenses	330.9	272.5	21%	389.4	319.8	22%
PBT before Exceptional Items	20.3	3.3	523%	11.0	0.6	1873%
Exceptional Item	-	-		-	-	
PBT	20.3	3.3	523%	11.0	0.6	1873%
Tax Expense	6.9	0.5	1185%	6.9	0.5	1185%
PAT	13.4	2.7	393%	4.1	0.0	

(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.