



Expanding Horizons

RANE (MADRAS) LIMITED

Q1 FY20 Earnings Release



Chennai, India, July 24, 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 first quarter (Q1 FY20) ended June 30, 2019

Standalone Q1 FY20 Performance

- Total Net Revenue was ₹297.2 Crore for Q1 FY20 as compared to ₹347.5 Crore in Q1 FY19, a decrease of 14.5%
- EBITDA stood at ₹25.5 Crore as compared to ₹39.1 Crore during Q1 FY19, a decrease of 34.7%
- EBITDA Margin at 8.6% for Q1 FY20 as against 11.2% in Q1 FY19, a decline of 265 basis points (bps)
- Net profit (PAT) stood at ₹3.2 Crore for Q1 FY20 as compared to ₹13.4 Crore in Q1 FY19, a decrease of 75.9%

Consolidated Q1 FY20 Performance

- Total Net Revenue was ₹346.2 Crore for Q1 FY20 as compared to ₹396.7 Crore in Q1 FY19, a decrease of 12.7%
- EBITDA stood at ₹16.5 Crore as compared to ₹34.0 Crore during Q1 FY19, a decrease of 51.4%
- EBITDA Margin at 4.8% for Q1 FY20 as against 8.6% in Q1 FY19, a decline of 380 basis points (bps)
- Net loss stood at ₹10.3 Crore for Q1 FY20 as compared to Net Profit of ₹4.1 Crore in Q1 FY19, a decrease of 351.8%

Operating Highlights for Q1 FY20 – Standalone

- Sales to Indian OE customers declined 18%. Volume drop across segments particularly Farm Tractors and Commercial Vehicles
- Sales to International customers declined 11% driven by drop in volume for Die casting products
- Sales to Indian Aftermarket customers grew 6%
- Lower volume and unfavourable mix resulted in 265 bps drop in EBITDA margin

Operating Highlights for Q1 FY20 – Consolidated

- Rane Precision Die Casting (RPDC) commenced supplies on new programs. This compensated for drop in volume with few existing customers.
- EBITDA loss widened on account of
 - Change in product mix resulting in higher material cost.
 - Higher cost on repairs and maintenance.

MANAGEMENT COMMENT

"Q1FY20 was a difficult quarter with significant drop in demand across vehicle segments in India. We expect this declining trend to continue in the near future. The management is working on various initiatives to reduce the impact of volume drop in RML India business. RPDC is working on ramping-up new businesses and improve the operational performance."

– L. Ganesh, Chairman, Rane Group

BUSINESS HIGHLIGHTS

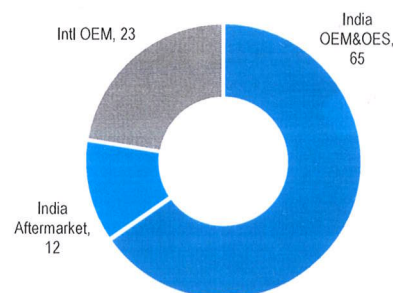
Financial Performance

Standalone	Q1 FY20	Q1 FY19	YOY%
Total Net Revenue	297.2	347.5	-14.5%
EBITDA	25.5	39.1	-34.7%
Margin (%)	8.6%	11.2%	-265 bps
PAT	3.2	13.4	-75.9%

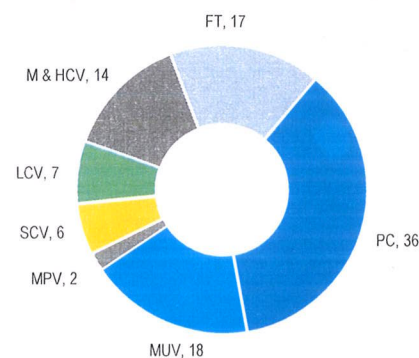
Consolidated	Q1 FY20	Q1 FY19	YOY%
Total Net Revenue	346.2	396.7	-12.7%
EBITDA	16.5	34.0	-51.4%
Margin (%)	4.8%	8.6%	-380 bps
PAT	-10.3	4.1	-351.8%

(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (Q1 FY20) (STANDALONE) BY MARKET (%)



BY VEHICLE SEGMENT (%)



PROFIT AND LOSS ACCOUNT

Particulars	Standalone			Consolidated		
	Q1 FY20	Q1 FY19	YoY%	Q1 FY20	Q1 FY19	YoY%
Income from Operations	287.7	329.0	-13%	335.6	377.1	-11%
Other Operating Income	8.2	11.3	-27%	9.2	13.5	-32%
Other Income	1.3	7.3	-82%	1.3	6.1	-79%
Total Revenue	297.2	347.5	-14%	346.2	396.7	-13%
Expenses						
-Cost of Material Consumed	182.4	219.6	-17%	200.5	238.0	-16%
-Purchase of stock-in-trade	-	-		-	-	
-Changes in inventories	4.8	-2.4	300%	4.4	-4.6	197%
-Employee Benefit Expense	37.4	37.7	-1%	60.6	59.9	1%
-Finance Cost	7.8	6.4	21%	9.3	7.7	20%
-Depreciation & Amortization	12.8	12.3	4%	15.8	15.3	3%
-Other Expenditure	47.2	53.5	-12%	64.1	69.4	-8%
Total Expenses	292.3	327.2	-11%	354.8	385.8	-8%
PBT before Exceptional Items	4.9	20.3	-76%	-8.6	11.0	-179%
Exceptional Item	-	-		-	-	
PBT	4.9	20.3	-76%	-8.6	11.0	-179%
Tax Expense	1.7	6.9	-76%	1.7	6.9	-76%
PAT	3.2	13.4	-76%	-10.3	4.1	-352%

(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.