



Expanding Horizons

# RANE (MADRAS) LIMITED

## Q3 FY20 Earnings Release



**Chennai, India, January 21, 2020** – 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 third quarter (Q3 FY20) and nine months (9MFY20) ended December 31, 2019

### Standalone Q3 FY20 Performance

- Total Net Revenue was ₹280.2 Crore for Q3 FY20 as compared to ₹341.9 Crore in Q3 FY19, a decrease of 18.0%
- EBITDA stood at ₹24.6 Crore as compared to ₹35.6 Crore during Q3 FY19, a decrease of 30.8%
- EBITDA Margin at 8.8% for Q3 FY20 as against 10.4% in Q3 FY19, a decline of 162 basis points (bps)
- Net profit (PAT) stood at ₹3.7 Crore for Q3 FY20 as compared to ₹11.0 Crore in Q3 FY19, a decrease of 66.2%

### Consolidated Q3 FY20 Performance

- Total Net Revenue was ₹320.5 Crore for Q3 FY20 as compared to ₹387.7 Crore in Q3 FY19, a decrease of 17.3%
- EBITDA stood at ₹18.2 Crore as compared to ₹28.9 Crore during Q3 FY19, a decrease of 37.0%
- EBITDA Margin at 5.7% for Q3 FY20 as against 7.4% in Q3 FY19, a decline of 177 basis points (bps)
- Net loss stood at ₹7.2 Crore for Q3 FY20 as compared to Net loss of ₹0.7 Crore in Q3 FY19

### Operating Highlights for Q3 FY20 – Standalone

- Sales to Indian OE customers declined 25%. Experienced volume drop across Commercial vehicle and Farm Tractor segments.
- Sales to International customers declined 28% driven by delay in commencement of new business for Steering products and drop in volume for Die casting products
- Sales to Indian Aftermarket customers increased 17%
- Lower volume and unfavourable mix resulted in 162 bps drop in EBITDA margin

### Operating Highlights for Q3 FY20 – Consolidated

- Rane Precision Die Casting (RPDC) experienced lower offtake across served customers and lower than anticipated volumes on new program
- Continue to invest in repairs and maintenance to improve machine availability

### MANAGEMENT COMMENT

"Q3 FY20 was a challenging quarter with steep volume drop in Indian business. The management's focus on cost reduction initiatives helped to partially mitigate the impact on account of volume drop. The US subsidiary, RPDC experienced lower volumes on new program. We continue to invest in repairs and maintenance and make systemic progress to effect sustainable operational improvement."

– L. Ganesh, Chairman, Rane Group

### BUSINESS HIGHLIGHTS

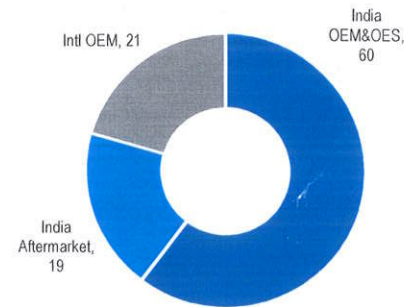
#### Financial Performance

Standalone	Q3 FY 20	Q3 FY 19	YOY%
Total Net Revenue*	280.2	341.9	-18.0%
EBITDA	24.6	35.6	-30.8%
Margin (%)	8.8%	10.4%	-162 bps
PAT	3.7	11.0	-66.2%

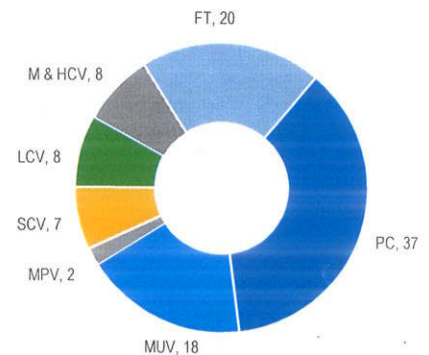
Consolidated	Q3 FY 20	Q3 FY 19	YOY%
Total Net Revenue*	320.5	387.7	-17.3%
EBITDA	18.2	28.9	-37.0%
Margin (%)	5.7%	7.4%	-177 bps
PAT	-7.2	-0.7	-945.5%

(In ₹ Crore, unless otherwise mentioned)

### BUSINESS SPLIT (Q3 FY20) (STANDALONE) BY MARKET (%)



### BY VEHICLE SEGMENT (%)



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### PROFIT AND LOSS ACCOUNT

Particulars	Standalone						Consolidated					
	Q3 FY20	Q3 FY19	YoY%	9M FY20	9M FY19	YoY%	Q3 FY20	Q3 FY19	YoY%	9M FY20	9M FY19	YoY%
Income from Operations	263.8	329.3	-20%	809.3	1,003.4	-19%	303.7	372.4	-18%	946.3	1,140.7	-17%
Other Operating Income	11.5	14.7	-22%	42.0	33.2	27%	12.6	15.4	-18%	45.0	37.0	21%
Other Income	4.9	-2.1	334%	8.5	8.4	1%	4.3	-0.0	14775%	6.6	7.5	-12%
<b>Total Revenue</b>	<b>280.2</b>	<b>341.9</b>	<b>-18%</b>	<b>859.8</b>	<b>1,045.0</b>	<b>-18%</b>	<b>320.5</b>	<b>387.7</b>	<b>-17%</b>	<b>997.9</b>	<b>1,185.2</b>	<b>-16%</b>
<b>Expenses</b>												
-Cost of Material Consumed	161.2	217.0	-26%	518.7	658.7	-21%	173.7	230.6	-25%	567.5	708.8	-20%
-Purchase of stock-in-trade	-	-	-	-	-	-	-	-	-	-	-	-
-Changes in inventories	12.6	-2.0	727%	22.3	-5.1	538%	11.0	-1.3	933%	19.0	-7.5	353%
-Excise Duty	-	-	-	-	-	-	-	-	-	-	-	-
-Employee Benefit Expense	36.2	37.8	-4%	108.7	114.1	-5%	58.1	58.2	0%	178.5	174.4	2%
-Finance Cost	8.2	7.4	12%	24.8	20.9	18%	9.5	9.0	5%	28.3	25.3	12%
-Depreciation & Amortization	13.0	13.6	-5%	38.6	39.2	-1%	16.2	17.0	-5%	48.0	48.8	-2%
-Other Expenditure	45.6	53.5	-15%	135.8	162.2	-16%	59.4	71.4	-17%	183.4	208.4	-12%
<b>Total Expenses</b>	<b>276.8</b>	<b>327.3</b>	<b>-15%</b>	<b>848.8</b>	<b>990.0</b>	<b>-14%</b>	<b>327.9</b>	<b>384.8</b>	<b>-15%</b>	<b>1,024.8</b>	<b>1,158.2</b>	<b>-12%</b>
<b>PBT before Exceptional Items</b>	<b>3.5</b>	<b>14.6</b>	<b>-76%</b>	<b>11.0</b>	<b>55.0</b>	<b>-80%</b>	<b>-7.5</b>	<b>2.9</b>	<b>-358%</b>	<b>-26.9</b>	<b>27.0</b>	<b>-200%</b>
Exceptional Item	-	-	-	-	-	-	-	-	-	-	-	-
<b>PBT</b>	<b>3.5</b>	<b>14.6</b>	<b>-76%</b>	<b>11.0</b>	<b>55.0</b>	<b>-80%</b>	<b>-7.5</b>	<b>2.9</b>	<b>-358%</b>	<b>-26.9</b>	<b>27.0</b>	<b>-200%</b>
Tax Expense	-0.3	3.6	-108%	1.3	16.8	-92%	-0.3	3.6	-108%	1.3	16.8	-92%
<b>PAT</b>	<b>3.7</b>	<b>11.0</b>	<b>-66%</b>	<b>9.7</b>	<b>38.3</b>	<b>-75%</b>	<b>-7.2</b>	<b>-0.7</b>	<b>-946%</b>	<b>-28.2</b>	<b>10.2</b>	<b>-376%</b>

(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](mailto:INVESTORSERVICES@RANEGROUP.COM) OR [DPINGLE@CHRISTENSENIR.COM](mailto: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.

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