



Expanding Horizons

RANE (MADRAS) LIMITED

FY20 Earnings Release



Chennai, India, June 18, 2020 – Rane (Madras) Limited (NSE: RML; BSE Code:532661), a leading manufacturer of steering and suspension products and light metal casting components today announced its standalone and consolidated financial performance for the financial year (FY20) ended March 31, 2020

Standalone FY20 Performance

- Total Net Revenue was ₹1,119.2 Crore for FY20 as compared to ₹1,380.8 Crore in FY19, a decrease of 18.9%
- EBITDA stood at ₹98.5 Crore as compared to ₹151.7 Crore during FY19, a decrease of 35.1%
- EBITDA Margin at 8.8% for FY20 as against 11.0% in FY19, a decline of 219 basis point (bps)
- Net Loss stood at ₹24.4 Crore for FY20 which includes an impairment of ₹37.6 Crore as compared to net profit ₹47.2 Crore in FY19

Consolidated FY20 Performance

- Total Net Revenue was ₹1,291.5 Crore for FY20 as compared to ₹1,564.6 Crore in FY19, a decrease of 17.5%
- EBITDA stood at ₹60.3 Crore as compared to ₹125.9 Crore during FY19, a decrease of 52.1%
- EBITDA Margin at 4.7% for FY20 as against 8.0% in FY19, a decline of 337 basis point (bps)
- Net Loss stood at ₹45.5 Crore for FY20 as compared to net profit ₹2.4 Crore in FY19

Operating Highlights for FY20 – Standalone

- Sales to Indian OE customers declined 24%. Experienced volume drop across segments.
- Sales to International customers declined 22% due to lower offtake in served segments and end of life in some customer programs.
- Sales to Indian Aftermarket customers declined 3%.
- Lower volume and unfavourable mix resulted in 219 bps drop in EBITDA margin

Overseas Subsidiary: Rane Light Metal Castings Inc. (formerly known as Rane Precision Die Casting Inc.)

- Rane Light Metal Casting Inc. continued to face challenge of lower off take across served customers and lower than anticipated volumes on new program.
- Secured new business from one of existing key customers and a new non-automotive customer.
- Continued to focus on operational improvements and cost savings initiatives

Impairment

- The investments made in/loans and guarantees given to the subsidiary companies is evaluated for impairment every year based on the estimated sales volumes and cash flow projections of the subsidiary. The estimation of sales volume is based on management assessment of securing new businesses and also considers the economic impact of Covid-19. Based on the valuation as per the current projections, an impairment of ₹ 37.58 Crores is recognized during the fiscal year 2019-20 in Standalone results.

MANAGEMENT COMMENT

“RML had a challenging year with significant drop in sales on account of demand environment in India and lower volumes on served models in export business. The operational performance continued to improve in steering and light metal casting business in India helping partially offset the volume related impact. The Covid-19 pandemic has significantly affected the business and the company has drafted measures to minimize the impact. This includes a management salary reduction of 10% to 35% from junior to senior level employees respectively.”

US Subsidiary

“The Covid-19 pandemic has significantly impacted the future of this business and this has forced the management to revisit the strategy and limit the investments. The board will review the performance of the business closely in the next 12 months and take an appropriate decision, keeping in view the long term interest of shareholders.”

– **L. Ganesh, Chairman, Rane Group**

BUSINESS HIGHLIGHTS

Financial Performance

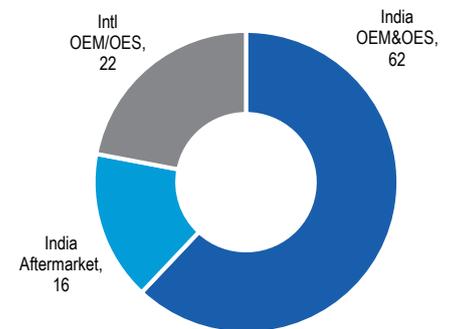
Standalone	FY 20	FY 19	YOY%
Total Net Revenue	1,119.2	1,380.8	-18.9%
EBITDA	98.5	151.7	-35.1%
Margin (%)	8.8%	11.0%	-219 bps
PAT	-24.4	47.2	NA

Consolidated	FY 20	FY 19	YOY%
Total Net Revenue	1,291.5	1,564.6	-17.5%
EBITDA	60.3	125.9	-52.1%
Margin (%)	4.7%	8.0%	-337 bps
PAT	-45.5	2.4	NA

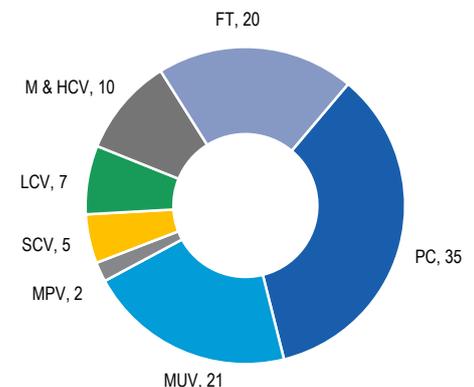
(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (FY20)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



PROFIT AND LOSS ACCOUNT

Particulars	Standalone			Consolidated		
	FY20	FY19	YoY%	FY20	FY19	YoY%
Income from Operations	1,055.6	1,327.3	-20%	1,228.3	1,506.2	-18%
Other Operating Income	44.9	42.9	5%	48.7	48.5	1%
Other Income	18.7	10.6	77%	14.4	9.9	45%
Total Revenue	1,119.2	1,380.8	-19%	1,291.5	1,564.6	-17%
Expenses						
-Cost of Material Consumed	683.0	865.0	-21%	744.2	930.5	-20%
-Purchase of stock-in-trade	-	-	-	-	-	-
-Changes in inventories	14.2	1.1	1178%	11.3	0.4	2474%
-Excise Duty	-	-	-	-	-	-
-Employee Benefit Expense	141.9	148.5	-4%	233.9	230.2	2%
-Finance Cost	31.9	28.4	13%	37.3	34.3	9%
-Depreciation & Amortization	52.4	53.0	-1%	65.6	66.0	0%
-Other Expenditure	181.6	214.5	-15%	241.8	277.5	-13%
Total Expenses	1,105.1	1,310.5	-16%	1,334.1	1,538.9	-13%
PBT before Exceptional Items	14.1	70.4	-80%	-42.6	25.6	-266%
Exceptional Item	-37.6	-	-	-2.0	-	-
PBT	-23.4	70.4	-133%	-44.5	25.6	-274%
Tax Expense	1.0	23.1	-96%	1.0	23.2	-96%
PAT	-24.4	47.2	-152%	-45.5	2.4	-1981%

KEY BALANCE SHEET ITEMS

Particulars	Standalone			Consolidated		
	As at 31.03.2020	As at 31.03.2019	Change	As at 31.03.2020	As at 31.03.2019	Change
Non-current assets	530.0	458.8	71.2	529.3	464.0	65.3
-Property, Plant and Equipment	325.6	336.4	-10.8	371.4	378.6	-7.2
-Financial Assets	164.0	85.2	78.8	50.1	37.9	12.2
Current assets	336.1	419.7	-83.6	392.6	473.3	-80.8
- Inventories	133.4	154.7	-21.3	156.8	171.8	-15.0
-Trade receivables	162.9	218.9	-56.0	190.8	245.9	-55.1
-Cash and cash equivalents	16.5	10.5	6.0	18.4	17.8	0.5
Total Assets	866.1	878.5	-12.4	921.8	937.3	-15.5
Shareholders Fund	300.9	311.3	-10.3	183.9	230.2	-46.3
Non-current liabilities	155.4	137.7	17.8	237.2	181.9	55.3
-Long-term borrowings	139.8	112.3	27.5	199.9	141.3	58.6
Current liabilities	409.7	429.6	-19.8	500.8	525.2	-24.4
-Short-term borrowings	159.0	171.1	-12.2	196.7	223.0	-26.4
-Trade payables	154.4	190.8	-36.4	189.4	215.9	-26.4
Total Liabilities	565.1	567.2	-2.1	738.0	707.1	30.9
Total Equity and Liabilities	866.1	878.5	-12.4	921.8	937.3	-15.5

(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 manufactures steering and suspension linkage products, steering gear products and light metal casting products. Through its overseas subsidiary Rane Light Metal Castings Inc., RML supplies specialized light metal cast components to North American customers 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.