



Expanding Horizons

RANE (MADRAS) LIMITED

Q1 FY21 Earnings Release



Chennai, India, August 07, 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 first quarter (Q1 FY21) ended June 30, 2020.

During the Quarter (Q1 FY21), the entire month of April and half of May were lost owing to the lockdown imposed due to COVID-19 pandemic. As such, the results for Q1 FY21 are not comparable to the corresponding period of the previous year due to the truncated period of operations during the current quarter.

Standalone Q1 FY21 Performance

- Total Net Revenue was ₹96.3 Crore for Q1 FY21 as compared to ₹297.2 Crore in Q1 FY20
- EBITDA stood at ₹-12.5 Crore as compared to ₹25.5 Crore during Q1 FY20
- Net Loss stood at ₹21.9 Crore for Q1 FY21 as compared to Profit of ₹3.2 Crore in Q1 FY20

Consolidated Q1 FY21 Performance

- Total Net Revenue was ₹114.3 Crore for Q1 FY21 as compared to ₹346.2 Crore in Q1 FY20
- EBITDA stood at ₹-27.9 Crore as compared to ₹16.5 Crore during Q1 FY20
- Net Loss stood at ₹41.9 Crore for Q1 FY21 as compared to Loss of ₹10.3 Crore in Q1 FY20

Operating Highlights for Q1 FY21 – Standalone

- The plants resumed operations safely and started supplying to customers as the market re-opened gradually.
- The company prioritized on health and safety of the employees, provided necessary support to the suppliers and worked on cost reduction initiatives.
- The company experienced strong pickup in demand from Farm Tractor segment after easing of the lockdown.
- The company availed moratorium facility offered by banks to restrict cash outflow and do not foresee major challenges in meeting its financial obligations.

Operating Highlights for Q1 FY21 – Consolidated

- Sales of US subsidiary was also affected by Covid-19 pandemic
- Continue to work on operational improvements and cost savings initiatives

MANAGEMENT COMMENT

“Q1FY21 was not a typical quarter due to Covid-19 related shutdown of operations. The company took several measures to restart production safely and addressed the customer demand. We are experiencing positive momentum in the demand environment. However, we remain cautious on the recovery to Pre-Covid levels given the partial lockdown measures continuing in several places. We continue to execute the cost reduction and operational improvement initiatives to reduce the impact of lower volume.”

– L. Ganesh, Chairman, Rane Group

BUSINESS HIGHLIGHTS

Financial Performance

Standalone	Q1 FY21	Q1 FY20
Total Net Revenue	96.3	297.2
EBITDA	-12.5	25.5
PAT	-21.9	3.2

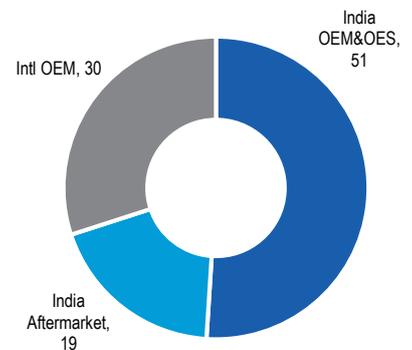
Consolidated	Q1 FY21	Q1 FY20
Total Net Revenue	114.3	346.2
EBITDA	-27.9	16.5
PAT	-41.9	-10.3

(In ₹ Crore, unless otherwise mentioned)

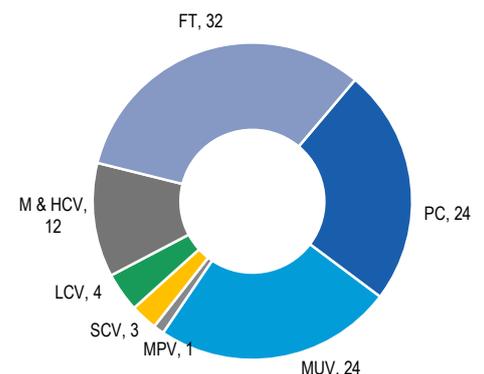
Note: Changes in percentage terms have not been mentioned as the current quarter (Q1FY21) is not comparable with Q1FY20 owing to truncated period of operation in the current quarter because of lockdown imposed due to COVID-19 pandemic.

BUSINESS SPLIT (Q1 FY21) (STANDALONE)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



PROFIT AND LOSS ACCOUNT

Particulars	Standalone		Consolidated	
	Q1 FY21	Q1 FY20	Q1 FY21	Q1 FY20
Income from Operations	89.8	287.7	106.8	335.6
Other Operating Income	2.8	8.2	3.1	9.2
Other Income	3.6	1.3	4.3	1.3
Total Revenue	96.3	297.2	114.3	346.2
Expenses				
-Cost of Material Consumed	48.3	182.4	54.9	200.5
-Purchase of stock-in-trade	-	-	-	-
-Changes in inventories	13.4	4.8	10.0	4.4
-Employee Benefit Expense	26.6	37.4	46.0	60.7
-Finance Cost	7.5	7.8	8.3	9.3
-Depreciation & Amortization	12.1	12.8	15.8	15.8
-Other Expenditure	20.5	47.2	31.2	64.0
Total Expenses	128.4	292.3	166.4	354.8
PBT before Exceptional Items	-32.1	4.9	-52.1	-8.6
Exceptional Item	-	-	-	-
PBT	-32.1	4.9	-52.1	-8.6
Tax Expense	-10.2	1.7	-10.2	1.7
PAT	-21.9	3.2	-41.9	-10.3

(In ₹ Crore, unless otherwise mentioned. The sum of sub-segment amounts may not equal the total amounts due to rounding off)

Note: Changes in percentage terms have not been mentioned as the current quarter (Q1FY21) is not comparable with Q1FY20 owing to truncated period of operation in the current quarter because of lockdown imposed due to COVID-19 pandemic.

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 Light Metal Casting India Division (LMCI). SLD manufactures mechanical steering gears, hydrostatic steering systems and steering and suspension linkage products. LMCI manufactures low porosity, high-quality light metal casting such as steering housings and engine case covers. Through its overseas subsidiary Rane Light Metal Castings Inc. (RLMCA), RML manufactures high pressure light metal 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, Light Metal casting components 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.