



Expanding Horizons

RANE (MADRAS) LIMITED

Q4 FY21 Earnings Release



Chennai, India, May 21, 2021 – 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 fourth quarter (Q4 FY21) and full year (FY21) ended March 31st, 2021.

Standalone Q4 FY21 Performance

- Total Revenue was ₹380.4 Crore for Q4 FY21 compared to ₹259.4 Crore in the Q4 FY20, an increase of 46.6%
- EBITDA stood at ₹25.6 Crore compared to ₹24.2 Crore during Q4 FY20, an increase of 6.1%
- EBITDA Margin at 6.7% for Q4 FY21 against 9.3% in Q4 FY20
- Net Loss stood at ₹56.6 Crore for Q4 FY21 compared to Loss of ₹34.1 Crore in Q4 FY20
- Net Loss stated above includes an impairment provision towards investment in the US subsidiary of ₹62.5 Crore in Q4 FY21 compared to ₹37.6 Crore in Q4 FY20.

Consolidated Q4 FY21 Performance

- Total Revenue was ₹412.9 Crore for Q4 FY21 compared to ₹293.6 Crore in the Q4 FY20, an increase of 40.6%
- EBITDA stood at ₹9.9 Crore compared to ₹10.9 Crore during Q4 FY20, a decrease of 8.7%
- EBITDA Margin at 2.4% for Q4 FY21 against 3.7% in Q4 FY20
- Net Loss stood at ₹14.7 Crore for Q4 FY21 compared to Loss of ₹17.3 Crore in Q4 FY20

Operating Highlights for Q4 FY21 – Standalone

- Sales to Indian OE customers grew by 56%. Experienced strong demand across vehicle segments
- Sales to International customers increased by 74% due to commencement of supplies to new customer program for Steering products
- Sales to Indian Aftermarket customers grew by 30%
- EBITDA margin declined by 257 bps due to increase in material cost. This was partially mitigated by lower employee cost and fixed cost savings

Operating Highlights for Q4 FY21 – Consolidated

- The US subsidiary registered 7% drop in sales
- Despite operational improvements, the drop in volumes resulted in higher loss

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 ₹ 62.5 Crores is recognized during the fiscal year 2020-21 in Standalone results.

MANAGEMENT COMMENT

“RML posted robust sales growth in Q4 FY21 on the back of favourable demand environment across market segments. The intensity of second wave and resultant lockdown is likely to impact the growth in Q1 FY22. We continue to prioritise safety of our employees and focus on cost management to navigate the challenging times.” – **L. Ganesh, Chairman, Rane Group**

BUSINESS HIGHLIGHTS

Financial Performance

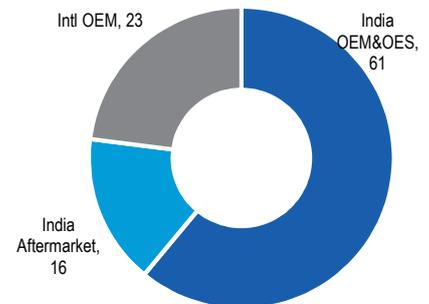
Standalone	Q4 FY 21	Q4 FY 20	YOY%
Total Revenue	380.4	259.4	46.6%
EBITDA	25.6	24.2	6.1%
Margin (%)	6.7%	9.3%	-257 bps
PAT	-56.6	-34.1	-66.1%

Consolidated	Q4 FY 21	Q4 FY 20	YOY%
Total Revenue	412.9	293.6	40.6%
EBITDA	9.9	10.9	-8.7%
Margin (%)	2.4%	3.7%	-130 bps
PAT	-14.7	-17.3	15.1%

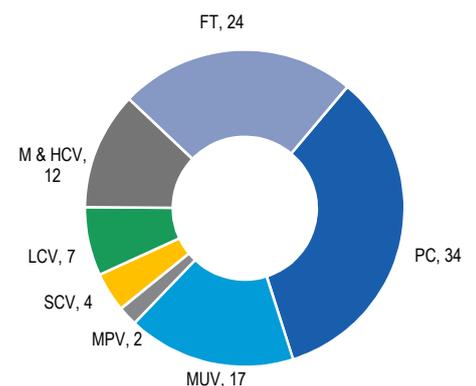
(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (Q4 FY21) (STANDALONE)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



PROFIT AND LOSS ACCOUNT

Particulars	Standalone						Consolidated					
	Q4 FY21	Q4 FY20	YoY%	FY21	FY20	YoY%	Q4 FY21	Q4 FY20	YoY%	FY21	FY20	YoY%
Revenue from Operations	378.4	249.2	52%	1,147.1	1,100.5	4%	411.8	285.8	44%	1,267.4	1,277.1	-1%
Other Income	2.1	10.2	-80%	3.9	18.7	-79%	1.1	7.9	-86%	6.9	14.4	-52%
Total Revenue	380.4	259.4	47%	1,151.0	1,119.2	3%	412.9	293.6	41%	1,274.3	1,291.5	-1%
Expenses												
-Cost of Material Consumed	255.0	164.3	55%	728.5	683.0	7%	268.8	176.7	52%	770.6	744.2	4%
-Changes in inventories	-12.5	-8.1	-54%	4.2	14.2	-70%	-12.5	-7.7	-62%	2.4	11.3	-79%
-Employee Benefit Expense	36.2	33.3	9%	134.0	141.9	-6%	55.5	55.3	0%	219.5	233.9	-6%
-Finance Cost	3.0	7.2	-58%	23.5	31.9	-27%	4.1	8.9	-55%	27.0	37.3	-27%
-Depreciation & Amortization	14.2	13.8	3%	52.3	52.4	0%	18.0	17.6	2%	66.1	65.9	0%
-Other Expenditure	76.0	45.8	66%	191.1	181.6	5%	91.1	58.4	56%	244.0	241.5	1%
Total Expenses	372.0	256.3	45%	1,133.6	1,105.1	3%	425.0	309.3	37%	1,329.7	1,334.1	0%
PBT before Exceptional Items	8.4	3.2	167%	17.5	14.1	24%	-12.1	-15.7	23%	-55.5	-42.6	-30%
Exceptional Item	-62.5	-37.6		-62.5	-37.6		-	-2.0		-	-2.0	
PBT	-54.1	-34.4	-57%	-45.0	-23.4	-92%	-12.1	-17.6	31%	-55.5	-44.5	-25%
Tax Expense	2.6	-0.3		5.7	1.0		2.6	-0.3		5.7	1.0	
PAT	-56.6	-34.1	-66%	-50.7	-24.4	-107%	-14.7	-17.3	15%	-61.1	-45.5	-34%

KEY BALANCE SHEET ITEMS

Particulars	Standalone	Consolidated
	As at 31.03.2021	As at 31.03.2021
Non-current assets	530.1	550.1
-Property, Plant and Equipment	305.2	401.2
-Financial Assets	158.7	57.8
Current assets	416.0	482.1
- Inventories	132.5	159.2
-Trade receivables	242.2	270.1
-Cash and cash equivalents	6.5	7.1
Total Assets	946.0	1,032.2
Shareholders Fund	308.3	181.9
Non-current liabilities	113.9	229.7
-Long-term borrowings	89.3	189.4
Current liabilities	523.8	620.6
-Short-term borrowings	172.6	172.6
-Trade payables	262.7	293.9
Total Liabilities	637.7	850.3
Total Equity and Liabilities	946.0	1,032.2

(In ₹ Crore, unless otherwise mentioned. The sum of the 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 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

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