



Expanding Horizons

RANE (MADRAS) LIMITED

Q2 FY19 Earnings Release



Chennai, India, October 25, 2018 – 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 second quarter (Q2 FY19) and six months (H1FY19) ended September 30th, 2018

Standalone Q2 FY19 Performance

- Total Net Revenue was ₹356.1 Crore for Q2 FY19 as compared to ₹297.3 Crore in Q2 FY18, an increase of 19.7%
- EBITDA stood at ₹40.5 Crore as compared to ₹32.5 Crore during Q2 FY18, an increase of 24.5%
- EBITDA Margin at 11.4% for Q2 FY19 as against 10.9% in Q2 FY18, an improvement of 43 basis point (bps)
- Net profit (PAT) stood at ₹13.8 Crore for Q2 FY19 as compared to ₹8.4 Crore in Q2 FY18, an increase of 64.2%

Consolidated Q2 FY19 Performance

- Total Net Revenue was ₹401.3 Crore for Q2 FY19 as compared to ₹345.2 Crore in Q2 FY18, an increase of 16.2%
- EBITDA stood at ₹38.2 Crore as compared to ₹35.6 Crore during Q2 FY18, an increase of 7.5%
- EBITDA Margin at 9.5% for Q2 FY19 as against 10.3% in Q2 FY18, a decline of 78 basis point (bps)
- Net profit (PAT) stood at ₹6.8 Crore for Q2 FY19 as compared to ₹7.7 Crore in Q2 FY18, a decrease of 10.9%

Operating Highlights for Q2 FY19 – Standalone

- In the Indian market, the Steering and Linkages business registered good growth across vehicle segments
- In the International market, there was strong demand for Steering products but lower offtake of Die cast products
- Despite the unfavourable mix, inflationary pressure on raw material and employee cost, EBITDA margin improved by 43 bps due to increased volume and improved operational performance
- Lower depreciation and finance cost helped to improve PBT margin

Operating Highlights for Q2 FY19 – Consolidated

- Rane Precision Die Casting (RPDC) experienced lower offtake across served segments. On sequential QoQ basis, there is an improvement in operational performance, however the business experienced higher cost on utilities, repairs and tooling maintenance.

MANAGEMENT COMMENT

“RML’s performance in this quarter was supported by strong performance of Steering business. Favourable demand environment in India helped both Steering and Die Casting businesses. The India Die Casting business and RPDC experienced lower pull from international customers. We are working to improve the sales and operational performance of RPDC.”

– L. Ganesh, Chairman, Rane Group

BUSINESS HIGHLIGHTS

Financial Performance

Standalone	Q2 FY 19	Q2 FY 18	YOY%
Total Net Revenue*	356.1	297.3	19.7%
EBITDA	40.5	32.5	24.5%
Margin (%)	11.4%	10.9%	43 bps
PAT	13.8	8.4	64.2%

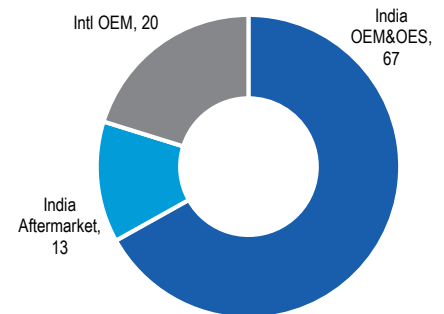
Consolidated	Q2 FY 19	Q2 FY 18	YOY%
Total Net Revenue*	401.3	345.2	16.2%
EBITDA	38.2	35.6	7.5%
Margin (%)	9.5%	10.3%	-78 bps
PAT	6.8	7.7	-10.9%

*Revenue excludes excise duty wherever applicable

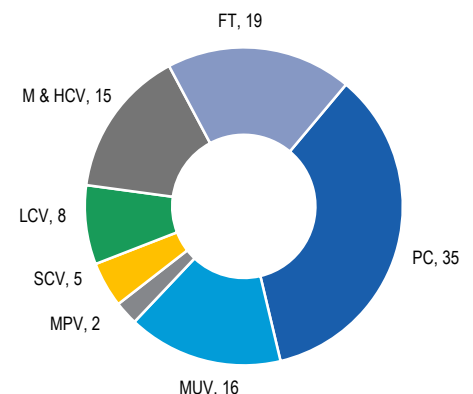
(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (Q2 FY19)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



PROFIT AND LOSS ACCOUNT

Particulars	Standalone						Consolidated					
	Q2 FY19	Q2 FY18	YoY%	H1 FY19	H1 FY18	YoY%	Q2 FY19	Q2 FY18	YoY%	H1 FY19	H1 FY18	YoY%
Income from Operations	345.7	289.7	19%	674.6	553.5	22%	391.8	334.1	17%	768.8	642.2	20%
Other Operating Income	7.2	6.8	5%	22.1	17.9	23%	8.1	10.6	-23%	25.3	21.9	16%
Other Income	3.2	0.8	306%	10.5	1.7	512%	1.4	0.5	164%	7.5	1.5	413%
Total Revenue	356.1	297.3	20%	707.2	573.1	23%	401.3	345.2	16%	801.6	665.6	20%
Expenses												
-Cost of Material Consumed	222.2	177.8	25%	445.1	338.1	32%	240.2	192.6	25%	481.6	368.9	31%
-Purchase of stock-in-trade	-	-		-	-		-	-		-	-	
-Changes in inventories	-0.7	3.6	-119%	-3.1	-0.0	NA	-1.6	4.5	-136%	-6.2	-3.2	-93%
-Excise Duty	-	-		-	25.4		-	-		-	25.4	
-Employee Benefit Expense	38.3	34.2	12%	76.1	65.1	17%	56.0	54.9	2%	116.0	106.4	9%
-Finance Cost	7.1	7.7	-7%	13.6	16.0	-15%	8.6	8.9	-3%	16.3	17.9	-9%
-Depreciation & Amortization	13.3	12.1	9%	25.5	24.2	6%	16.5	14.8	12%	31.8	29.5	8%
-Other Expenditure	55.8	49.1	14%	109.6	88.3	24%	68.5	57.8	19%	138.0	108.3	28%
Total Expenses	336.0	284.6	18%	666.8	557.2	20%	388.1	333.3	16%	777.5	653.1	19%
PBT before Exceptional Items	20.1	12.7	58%	40.4	16.0	153%	13.1	12.0	10%	24.1	12.5	92%
Exceptional Item	-	-		-	-		-	-		-	-	
PBT	20.1	12.7	58%	40.4	16.0	153%	13.1	12.0	10%	24.1	12.5	92%
Tax Expense	6.3	4.3	47%	13.2	4.8	172%	6.3	4.3	47%	13.2	4.8	172%
PAT	13.8	8.4	64%	27.2	11.1	145%	6.8	7.7	-11%	10.9	7.7	42%

KEY BALANCE SHEET ITEMS

Particulars	Standalone	Consolidated
	As at 30.09.2018	As at 30.09.2018
Non-current assets	414.9	452.1
-Property, Plant and Equipment	337.1	377.8
-Financial Assets	30.8	17.1
Current assets	462.5	513.4
- Inventories	152.6	172.6
-Trade receivables	234.4	262.9
-Cash and cash equivalents	10.3	12.4
Total Assets	877.4	965.5
		-
Shareholders Fund	282.3	225.9
Non-current liabilities	124.9	167.0
-Long-term borrowings	108.5	150.4
Current liabilities	470.2	572.6
-Short-term borrowings	166.0	220.4
-Trade payables	216.1	237.2
Total Liabilities	595.1	739.6
Total Equity and Liabilities	877.4	965.5

(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 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

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