



Expanding Horizons

RANE HOLDINGS LIMITED

FY20 Earnings Release



Chennai, India, June 24, 2020 – Rane Holdings Limited (NSE: RANEHOLDIN; BSE Code: 505800), the holding Company of Rane group today announced financial performance for financial year (FY20) ended March 31, 2020

Group Aggregate Performance – FY20

- Total Net Revenue decreased by 17.4% to ₹4,436.8 Crore in FY20 from ₹5,369.4 Crore in FY19
- EBITDA stood at ₹350.9 Crore as compared to ₹584.5 Crore during FY19, a decrease of 40.0%
- EBITDA Margin at 7.9% for FY20 as against 10.9% in FY19
- PBT (before exceptional items) stood at ₹73.7 Crore for FY20 as compared to ₹321.0 Crore in FY19, a decrease of 77.0%

Consolidated Financials – FY20

- Total Net Revenue decreased by 15.0% to ₹2,184.0 Crore in FY20 from ₹2,570.3 Cr in FY19
- EBITDA stood at ₹170.9 Crore as compared to ₹250.9 Crore during FY19, a decrease of 31.9%
- EBITDA Margin at 7.8% for FY20 as against 9.8% in FY19
- PBT (before exceptional items) stood at ₹43.2 Crore for FY20 as compared to ₹211.6 Crore in FY19, a decrease of 79.6%

Corporate Action

- A final dividend of ₹4/- per equity share has been recommended by the Board of Directors on the paid-up capital of 1,42,77,809 of ₹10/- each. The total dividend for the year ending March 31, 2020 is ₹8/- per equity share including an interim dividend of ₹ 4/- per equity share declared on February 6, 2020 and paid on February 26, 2020.

Group's Key Business Highlights for FY20

- Revenue from Indian OE customers declined by 22% due to lower volumes across vehicle segments
- Revenues from International customers declined by 8%. Drop in steering products and light metal casting products partially offset by growth in occupant safety products
- Revenue from Indian aftermarket segment declined by 5% (comparable basis). This drop was mainly due to lockdown in the last week of March 2020.
- EBITDA margin declined by 298 bps due to lower volumes
- There was an exceptional expense of ₹ 104.6 crores made by Rane NSK towards estimated warranty provision in FY20 as against ₹ 31.3 crores in FY19.
- An impairment of ₹ 37.58 Crores is recognized by RML (Standalone) in FY20 considering the possible adverse economic impact of Covid-19 on the future revenue projections of the overseas subsidiary company.

MANAGEMENT COMMENT

Rane group of companies faced significant drop in the volumes across Indian and International customers in FY20. The operational performance of group companies continued to improve and the management worked on various cost savings initiatives to mitigate inflationary pressure on material and employee costs. The Covid-19 pandemic has significantly affected the business and the group companies have drafted measures to minimize the impact. This includes a management salary reduction of 10% to 35% from junior to senior level employees respectively.

L. Ganesh, Chairman & Managing Director, Rane Holdings Ltd.

BUSINESS HIGHLIGHTS

GROUP AGGREGATE FINANCIAL PERFORMANCE

Particulars	FY 20	FY 19	YOY%
Total Net Revenue	4,436.8	5,369.4	-17.4%
EBITDA	350.9	584.5	-40.0%
Margin (%)	7.9%	10.9%	-298 bps
PBT*	73.7	321.0	-77.0%

CONSOLIDATED FINANCIAL PERFORMANCE

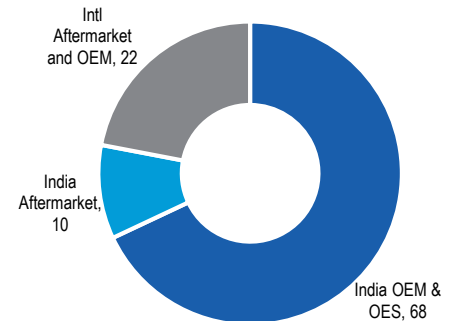
Particulars	FY 20	FY 19	YOY%
Total Net Revenue	2,184.0	2,570.3	-15.0%
EBITDA	170.9	250.9	-31.9%
Margin (%)	7.8%	9.8%	-194 bps
PBT*	43.2	211.6	-79.6%

* Before Exceptional Items

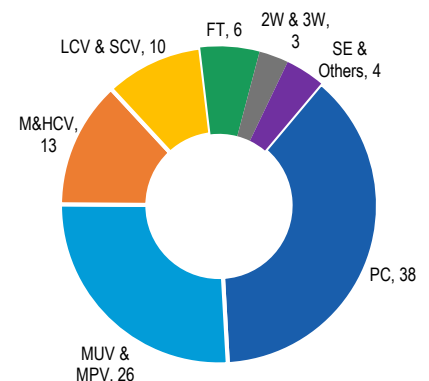
(In ₹ Crore, unless otherwise mentioned)

GROUP AGGREGATE SALES (FY20)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



CONSOLIDATED PROFIT AND LOSS ACCOUNT

Particulars	FY20	FY19	YoY%
Income from Operations	2,044.5	2,432.8	-16.0%
Other Operating Income	110.7	116.3	-4.8%
Other Income	28.8	21.2	35.5%
Total Revenue	2,184.0	2,570.3	-15.0%
Expenses			
-Cost of Material Consumed	1,107.3	1,366.1	-18.9%
-Purchase of stock-in-trade	8.5	19.0	-55.5%
-Changes in inventories	7.2	(26.2)	127.6%
-Employee Benefit Expense	442.1	445.9	-0.9%
-Finance Cost	51.0	48.1	6.1%
-Depreciation & Amortization	127.5	126.1	1.1%
-Professional Charges	33.1	31.2	6.1%
-Information Systems expenses	8.1	9.4	-13.1%
-Other Expenditure	406.8	474.0	-14.2%
Total Expenses	2,191.6	2,493.6	-12.1%
PBT before share of profit / (loss) of JV & associates	(7.6)	76.7	-109.9%
Share of Profit / (loss) of JV and Associate	50.8	134.9	-62.3%
PBT before Exceptional items	43.2	211.6	-79.6%
Exceptional Item	(53.2)	(16.3)	-227.4%
PBT	(10.0)	195.3	-105.1%
Tax Expense	0.5	79.5	-99.4%
PAT	(10.5)	115.8	-109.0%
Other Comprehensive Income (Net of Tax Expenses)	(18.2)	(0.2)	
Total Comprehensive Income for the period	(28.7)	115.6	-124.8%

KEY BALANCE SHEET ITEMS

Particulars	As at 31.03.2020	As at 31.03.2019
Non-current assets	1,391.5	1,343.0
-Property, Plant and Equipment	713.1	707.8
-Financial Assets	432.2	440.1
Current assets	775.4	890.1
- Inventories	296.2	303.5
-Trade receivables	359.5	480.0
-Cash and cash equivalents	59.3	35.6
Total Assets	2,166.8	2,233.0
Shareholders Fund	822.3	865.7
Minority Interest	230.4	254.2
Non-current liabilities	309.6	249.2
-Long-term borrowings	258.1	193.2
Current liabilities	804.4	864.0
-Short-term borrowings	277.1	307.6
-Trade payables	328.9	384.6
Total Liabilities	1,114.1	1,113.2
Total Equity and Liabilities	2,166.8	2,233.0

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

ABOUT RANE HOLDINGS LIMITED

Rane Holdings Limited (RHL) is the holding company of Rane Group. RHL owns the trademark in Rane and provides a wide range of services to group Companies. These include employee training, development, investor services, business development and information system support.

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 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.