



Expanding Horizons

RANE (MADRAS) LIMITED

Q2 FY23 Earnings Release



Chennai, October 21, 2022 – 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 second quarter (Q2FY23) and six month (H1FY23) ended September 30th, 2022.

Standalone Q2 FY23 Performance

- Total Revenue was ₹537.0 Crore for Q2 FY23 compared to ₹413.2 Crore in the Q2 FY22, an increase of 30.0%
- EBITDA stood at ₹43.8 Crore compared to ₹31.2 Crore during Q2 FY22, an increase of 40.1%
- EBITDA Margin at 8.1% for Q2 FY23 against 7.6% in Q2 FY22
- PAT stood at ₹15.8 Crore for Q2 FY23 compared to ₹8.5 Crore in Q2 FY22

Consolidated Q2 FY23 Performance

- Total Revenue was ₹600.6 Crore for Q2 FY23 compared to ₹459.5 Crore in the Q2 FY22, an increase of 30.7%
- EBITDA stood at ₹33.8 Crore compared to ₹21.6 Crore during Q2 FY22, an increase of 56.4%
- EBITDA Margin at 5.6% for Q2 FY23 against 4.7% in Q2 FY22
- PAT stood at ₹0.0 Crore for Q2 FY23 compared ₹2.3 Crore in Q2 FY22
- There was an exceptional income of USD 1.2 Mn on account of US Federal stimulus benefits in Q2 FY'22

Operating Highlights for Q2 FY23 – Standalone

- Sales to Indian OE customers grew 46% supported by strong demand across vehicle segments.
- Export Sales grew 16%. Demand for Light Metal Castings products remained strong
- Sales to Indian Aftermarket customers declined 11%.
- Despite increase in material prices, EBITDA margin expanded by 59 bps due to higher volumes and improved operational performance.

Operating Highlights for Q2 FY23 – Consolidated

- Sales of the US subsidiary grew with the improved off-take from customers. However the demand environment in the US remains challenging.
- Operational improvements progressed in line with the planned activities on quality, productivity and customer delivery.

MANAGEMENT COMMENT

“RML posted strong revenue growth supported by demand from Indian OE segment. Higher volumes and improved operational performance helped to mitigate material price increases. The demand environment remains strong with the ongoing festive season, however we remain cautious given the global economic situation and tightening monetary policy.”

– L. Ganesh, Chairman, Rane Group

BUSINESS HIGHLIGHTS

Financial Performance

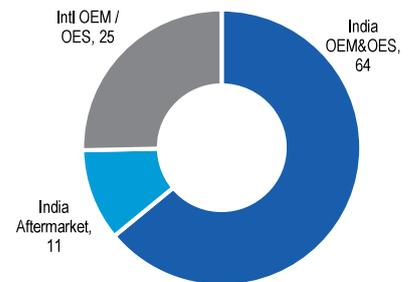
Standalone	Q2 FY 23	Q2 FY 22	YOY%
Total Revenue	537.0	413.2	30.0%
EBITDA	43.8	31.2	40.1%
Margin (%)	8.1%	7.6%	59 bps
PAT	15.8	8.5	86.7%

Consolidated	Q2 FY 23	Q2 FY 22	YOY%
Total Revenue	600.6	459.5	30.7%
EBITDA	33.8	21.6	56.4%
Margin (%)	5.6%	4.7%	92 bps
PAT	0.0	2.3	-97.8%

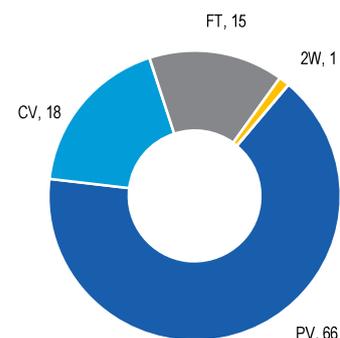
(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (Q2 FY23)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



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PROFIT AND LOSS ACCOUNT

Particulars	Standalone						Consolidated					
	Q2 FY23	Q2 FY22	YoY%	H1FY23	H1FY22	YoY%	Q2 FY23	Q2 FY22	YoY%	H1FY23	H1FY22	YoY%
Income from Operations	536.6	412.3	30%	1,036.4	712.1	46%	600.4	458.4	31%	1,149.6	798.7	44%
Other Income	0.5	0.9	-49%	1.7	1.6	2%	0.3	1.0	-74%	1.4	1.7	-21%
Total Revenue	537.0	413.2	30%	1,038.0	713.7	45%	600.6	459.5	31%	1,151.0	800.4	44%
Expenses												
-Cost of Material Consumed	361.9	285.1	27%	683.5	487.7	40%	390.9	303.6	29%	739.8	523.5	41%
-Changes in inventories	-10.4	-19.4		-10.4	-32.3		-9.6	-17.9		-10.9	-30.5	
-Employee Benefit Expense	49.1	42.0	17%	96.7	81.6	18%	73.8	65.4	13%	145.3	127.8	14%
-Finance Cost	6.6	4.8	37%	11.6	8.9	30%	6.5	5.7	15%	11.5	9.4	23%
-Depreciation & Amortization	16.0	15.2	5%	32.4	29.7	9%	21.9	20.0	9%	43.8	39.3	11%
-Other Expenditure	92.7	74.2	25%	176.6	121.9	45%	111.7	86.8	29%	212.8	146.7	45%
Total Expenses	515.9	401.9	28%	990.2	697.5	42%	595.3	463.6	28%	1,142.3	816.2	40%
PBT before Exceptional Items	21.1	11.2	88%	47.8	16.2	196%	5.3	-4.1	230%	8.7	-15.7	155%
Exceptional Item	-	-		-	-		-	9.1		-	37.2	
PBT	21.1	11.2	88%	47.8	16.2	196%	5.3	5.0	6%	8.7	21.5	-59%
Tax Expense	5.3	2.8	92%	11.9	4.0	201%	5.3	2.8	92%	11.9	4.0	201%
PAT	15.8	8.5	87%	35.9	12.2	194%	0.0	2.3	-98%	-3.2	17.5	-118%

KEY BALANCE SHEET ITEMS

Particulars	Standalone	Consolidated
	As at 30.09.2022	As at 30.09.2022
Non-current assets	646.2	594.7
-Property, Plant and Equipment	360.0	467.7
-Financial Assets	216.7	36.8
Current assets	650.1	727.2
- Inventories	221.3	242.8
-Trade receivables	365.0	414.5
-Cash and cash equivalents	19.3	21.2
Total Assets	1,296.3	1,321.9
Shareholders Fund	409.9	241.3
Non-current liabilities	172.6	272.5
-Long-term borrowings	152.3	234.6
Current liabilities	713.8	808.0
-Short-term borrowings	318.6	379.0
-Trade payables	337.6	363.3
Total Liabilities	886.4	1,080.6
Total Equity and Liabilities	1,296.3	1,321.9

(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 DIWAKAR.PINGLE@IN.EY.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.

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