



Expanding Horizons

RANE (MADRAS) LIMITED

Q4 FY23 Earnings Release



Chennai, May 05, 2023 – 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 (Q4FY23) and full year (FY23) ended March 31st, 2023.

Standalone Q4 FY23 Performance

- Total Revenue was ₹567.1 Crore for Q4 FY23 compared to ₹457.3 Crore in the Q4 FY22, an increase of 24.0%
- EBITDA stood at ₹63.2 Crore compared to ₹47.7 Crore during Q4 FY22, an increase of 32.4%
- EBITDA Margin at 11.1% for Q4 FY23 against 10.4% in Q4 FY22
- Net Loss stood at ₹195.7 Crore for Q4 FY23 which includes an impairment of ₹223 Crore compared to Net Profit of ₹16.7 Crore in Q4 FY22

Consolidated Q4 FY23 Performance

- Total Revenue was ₹630.1 Crore for Q4 FY23 compared to ₹510.3 Crore in the Q4 FY22, an increase of 23.5%
- EBITDA stood at ₹64.0 Crore compared to ₹31.7 Crore during Q4 FY22, an increase of 101.9%
- EBITDA Margin at 10.2% for Q4 FY23 against 6.2% in Q4 FY22
- PAT stood at ₹9.5 Crore for Q4 FY23 compared to Net Loss of ₹2.5 Crore in Q4 FY22

Operating Highlights for Q4 FY23 – Standalone

- Sales to Indian OE customers grew 18% supported by strong demand across vehicle segments.
- Export sales grew by 45% driven by strong off-take for steering products.
- Sales to Indian Aftermarket customers increased by 11%.
- EBITDA margin improved by 71 bps
 - Better operational leverage, favourable mix and forex was partially offset by increase in administration expenses

Operating Highlights for Q4 FY23 – Consolidated

- Demand environment in the US remained challenging with multiple customers reducing schedules.
- Stable operational performance on quality, cost and customer delivery.

Impairment

- The investments made in/loans and guarantees given to the subsidiary companies is evaluated for impairment periodically based on the estimated sales volumes and cash flow projections of the subsidiary. Based on the valuation as per the current projections, an impairment of ₹ 223 Crores is recognized during the fiscal year 2022-23 in Standalone results.

MANAGEMENT COMMENT

"RML posted strong revenue growth supported by robust demand environment in India and strong off-take from international customers. Though we see slowdown in major global economies, the growth momentum across vehicle segments in India continues to remain strong. We navigate this macro environment scenario cautiously prioritizing operational improvement and cost reduction measures. The turnaround planned in the US subsidiary had a setback due to poor offtake in the new business developed and even existing business. The board is closely monitoring the situation and will review the best decision regarding the future of this business considering the long term interests of the Company."

– L. Ganesh, Chairman, Rane Group

BUSINESS HIGHLIGHTS

Financial Performance

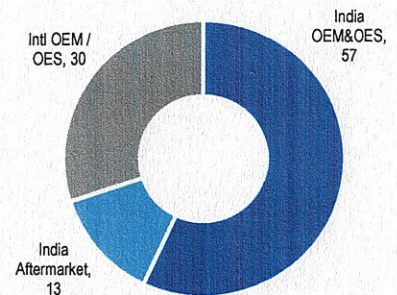
Standalone	Q4 FY23	Q4 FY22	YOY%
Total Revenue	567.1	457.3	24.0%
EBITDA	63.2	47.7	32.4%
Margin (%)	11.1%	10.4%	71 bps
PAT	-195.7	16.7	-1272.0%

Consolidated	Q4 FY23	Q4 FY22	YOY%
Total Revenue	630.1	510.3	23.5%
EBITDA	64.0	31.7	101.9%
Margin (%)	10.2%	6.2%	395 bps
PAT	9.5	-2.5	475.6%

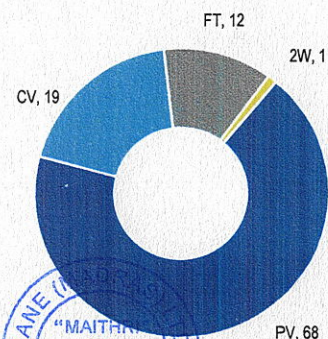
(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (Q4 FY23)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



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PROFIT AND LOSS ACCOUNT

Particulars	Standalone						Consolidated					
	Q4 FY23	Q4 FY22	YoY%	FY23	FY22	YoY%	Q4 FY23	Q4 FY22	YoY%	FY23	FY22	YoY%
Income from Operations	560.8	451.9	24%	2,123.6	1,555.0	37%	621.6	505.4	23%	2,354.4	1,741.9	35%
Other Income	6.2	5.5	14%	12.0	6.8	76%	8.5	4.8	77%	17.9	5.7	212%
Total Revenue	567.1	457.3	24%	2,135.5	1,561.8	37%	630.1	510.3	23%	2,372.3	1,747.6	36%
Expenses												
-Cost of Material Consumed	347.8	290.0	20%	1,389.1	1,049.6	32%	373.9	317.1	18%	1,498.0	1,132.1	32%
-Changes in inventories	18.8	7.6		-11.4	-43.2		18.6	6.0		-11.2	-41.7	
-Employee Benefit Expense	47.2	42.9	10%	192.6	166.9	15%	71.1	65.7	8%	289.6	261.8	11%
-Finance Cost	8.4	6.6	27%	27.6	21.1	31%	12.8	4.5	184%	33.6	19.6	71%
-Depreciation & Amortization	22.9	16.0	43%	73.0	61.1	19%	28.3	21.3	32%	96.6	81.0	19%
-Other Expenditure	90.1	69.1	30%	336.8	254.9	32%	102.5	89.7	14%	395.5	316.0	25%
Total Expenses	535.1	432.2	24%	2,007.7	1,510.3	33%	607.1	504.4	20%	2,302.2	1,768.8	30%
PBT before Exceptional Items	31.9	25.1	27%	127.8	51.5	148%	23.0	5.9	291%	70.1	-21.2	431%
Exceptional Item	-223.3	-		-225.9	-		-9.1	-		-11.7	46.7	
PBT	-191.4	25.1	-862%	-98.1	51.5	-291%	13.9	5.9	137%	58.5	25.5	129%
Tax Expense	4.4	8.4	-48%	28.4	14.9	91%	4.4	8.4	-48%	28.4	14.9	91%
PAT	-195.7	16.7	-1272%	-126.5	36.6	-446%	9.5	-2.5	476%	30.0	10.7	182%

KEY BALANCE SHEET ITEMS

Particulars	Standalone	Consolidated
	As at 31.03.2023	As at 31.03.2023
Non-current assets	494.3	585.0
-Property, Plant and Equipment	380.1	473.3
-Financial Assets	46.0	19.1
Current assets	683.7	763.9
- Inventories	232.0	254.2
-Trade receivables	380.9	419.6
-Cash and cash equivalents	13.9	28.5
Total Assets	1,178.0	1,348.9
Shareholders Fund	247.1	241.7
Non-current liabilities	193.7	281.7
-Long-term borrowings	169.9	244.4
Current liabilities	737.2	825.6
-Short-term borrowings	354.7	413.7
-Trade payables	324.7	347.1
Total Liabilities	930.9	1,107.3
Total Equity and Liabilities	1,178.0	1,348.9

(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.