



Investor Presentation

On Proposed Reorganization

February 2024

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Founded in 1929 and headquartered in Chennai, Rane Group is one of the preferred OE manufacturer and supplier for global auto majors

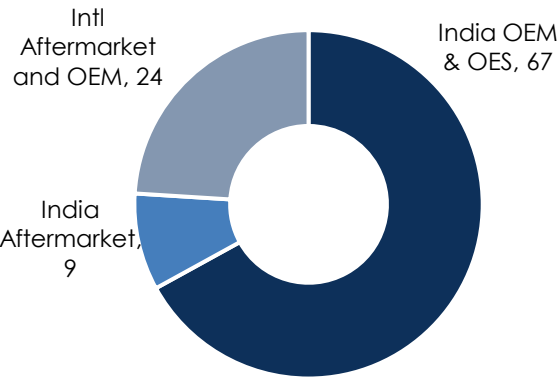


The Group serves a variety of industry segments: Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Three-wheelers, Railways and Stationary Engines

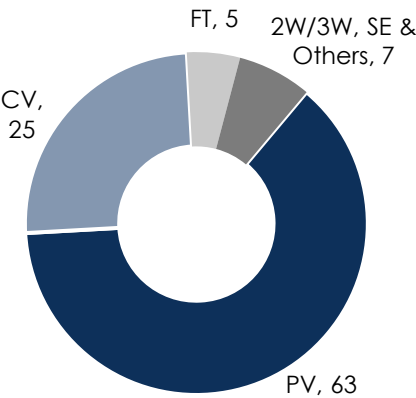


Manufactures Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems and Light metal casting products.

REVENUE BY MARKET (%) – FY'23



REVENUE BY VEHICLE SEGMENT (%) – FY'23



GROUP SALES OF INR 6,690 CR (~USD 820 MN)-FY'23

61%

STEERING AND SUSPENSION SYSTEMS

Rane (Madras) Ltd
ZF Rane Automotive India Pvt Ltd.
Rane NSK Steering Systems Pvt Ltd.

14%

OCCUPANT SAFETY SYSTEMS

ZF Rane Automotive India Pvt Ltd.

09%

FRICTION MATERIAL COMPONENTS

Rane Brake Lining Ltd.

08%

VALVE TRAIN COMPONENTS

Rane Engine Valve Ltd.

07%

LIGHT METAL CASTING COMPONENTS

Rane (Madras) Ltd. – Light Metal Castings India

01%

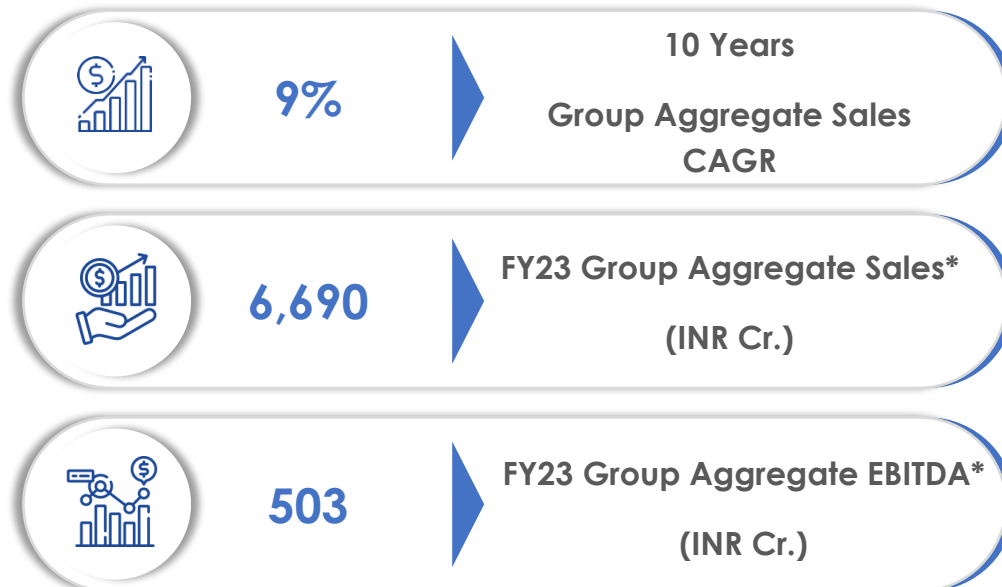
OTHERS

Rane Auto Parts

The Group today has...



...And has achieved credible size over the years



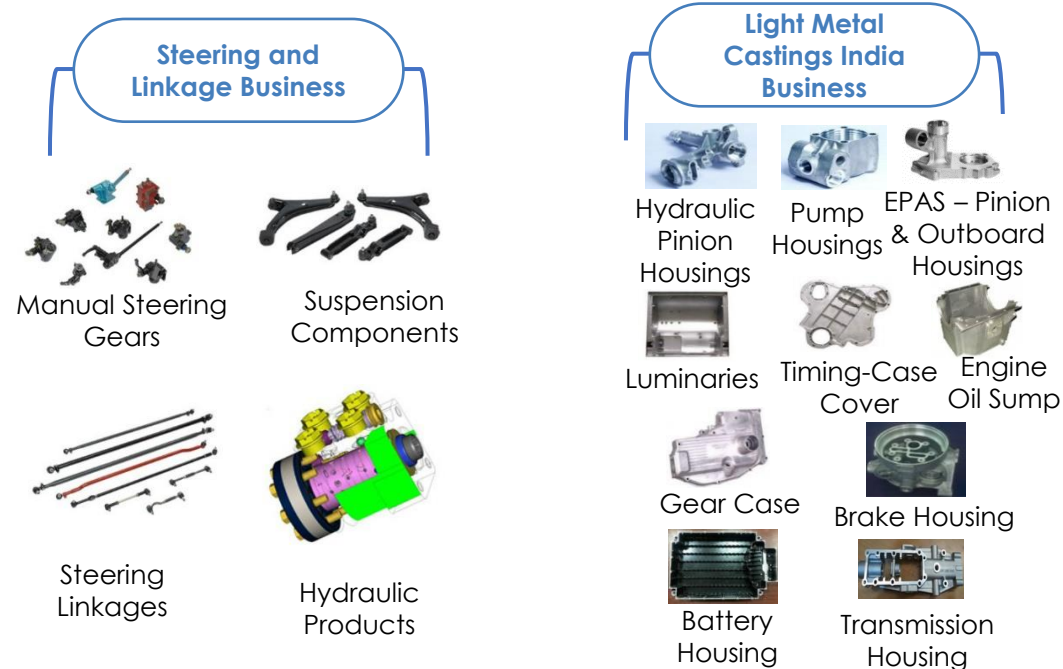
* Group aggregate = RML+REVL+RBL+ZRAI+RNSS

Currently caters to diverse end user segments

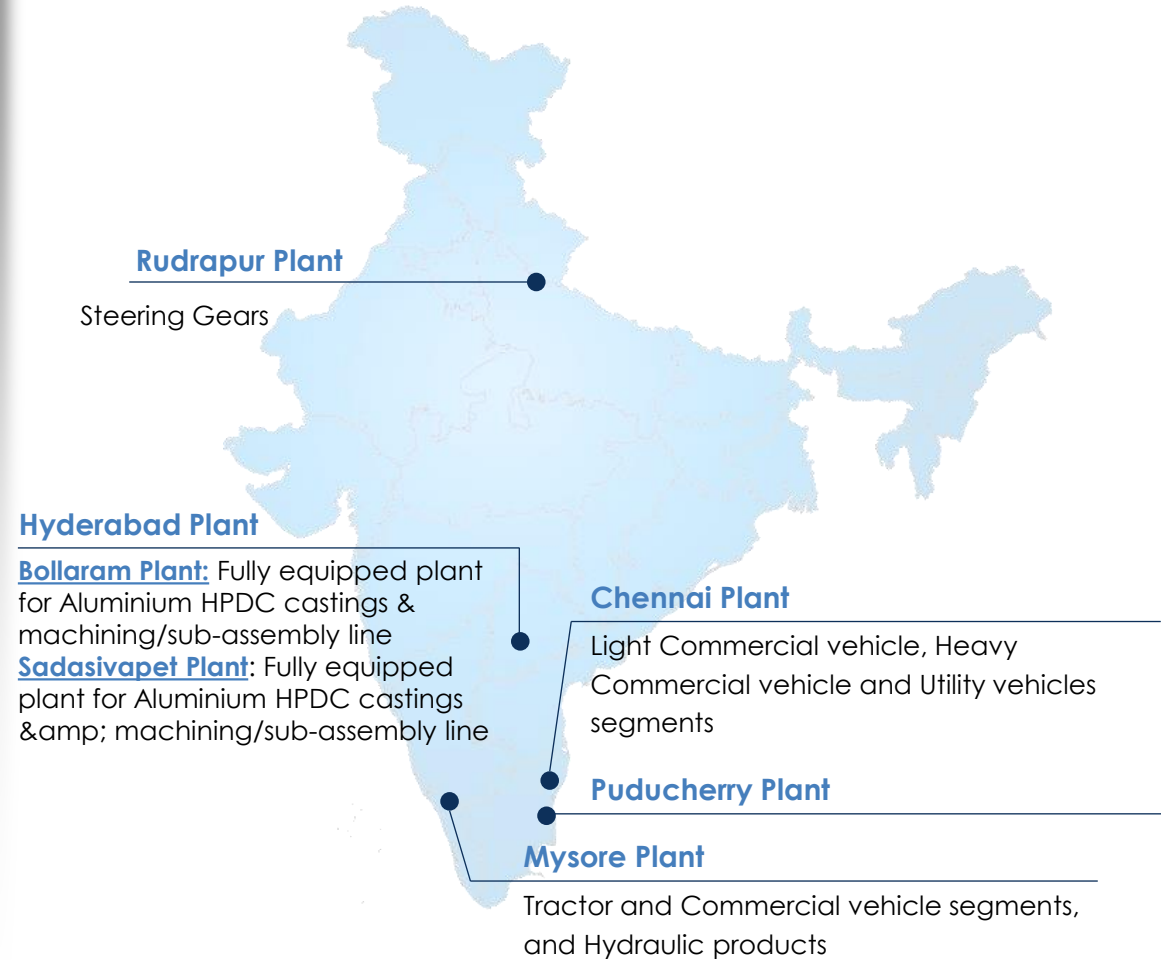


- Market leader in steering gear and steering linkage products in India. We have started catering to hydraulic products such as HSU and steering cylinders.
- Best in class manufacturing facilities at Chennai, Mysore, Puducherry and Pant Nagar.
- End to end testing facilities in house to validate the products' functional, endurance and environmental parameters.

PRODUCTS



MANUFACTURING PLANT



- Incepted In 1959, REVL manufactures valves and valve train components for various engine applications
- Non Automotive applications such as power generation, marine, defence, locomotive, etc.
- Comprehensive test laboratory for material characterisation, simulated test rigs and engine dynamometer test facility.

» PRODUCTS

Engine Valves



Valve Guides



Mechanical Tappets



MANUFACTURING PLANT



Hyderabad Plants (2)

Small Valves for 2W and PC
Medium Valves for PC, Industrial and CV

Tumakuru Plant

Medium Valves for CV and Farm Tractors
Large & Extra Large Valves for Industrial, Power Generation and Marine Applications

Chennai Plant

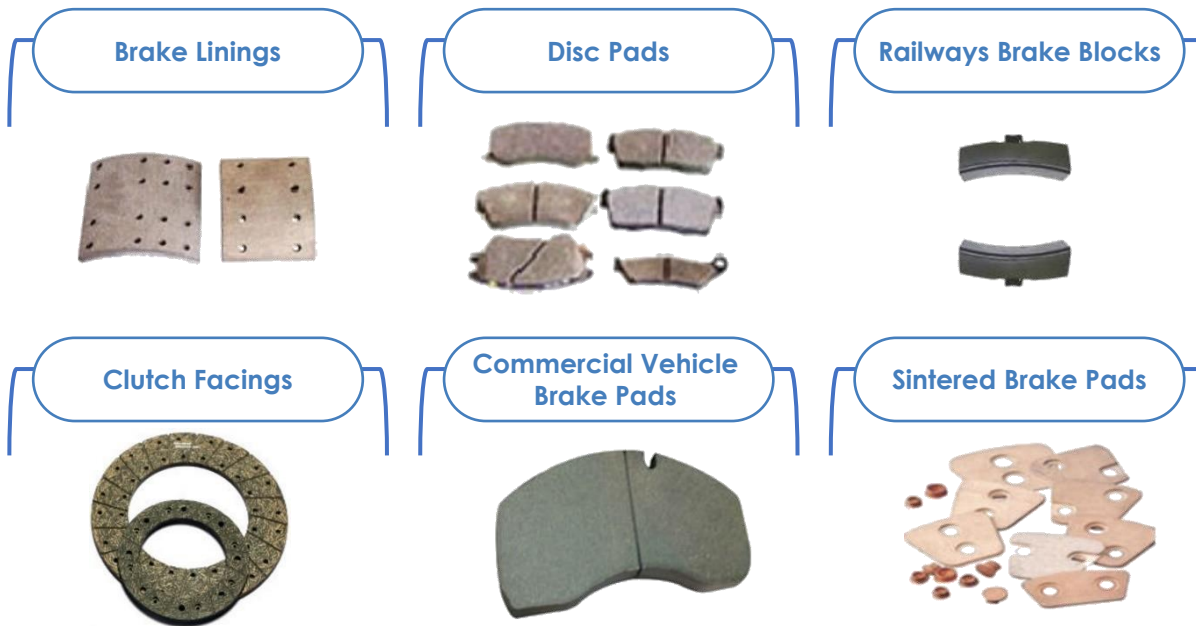
Small Valves for 2W and PC
Medium Valves for Tractors and PC Guides, Tappets

Trichy Plant

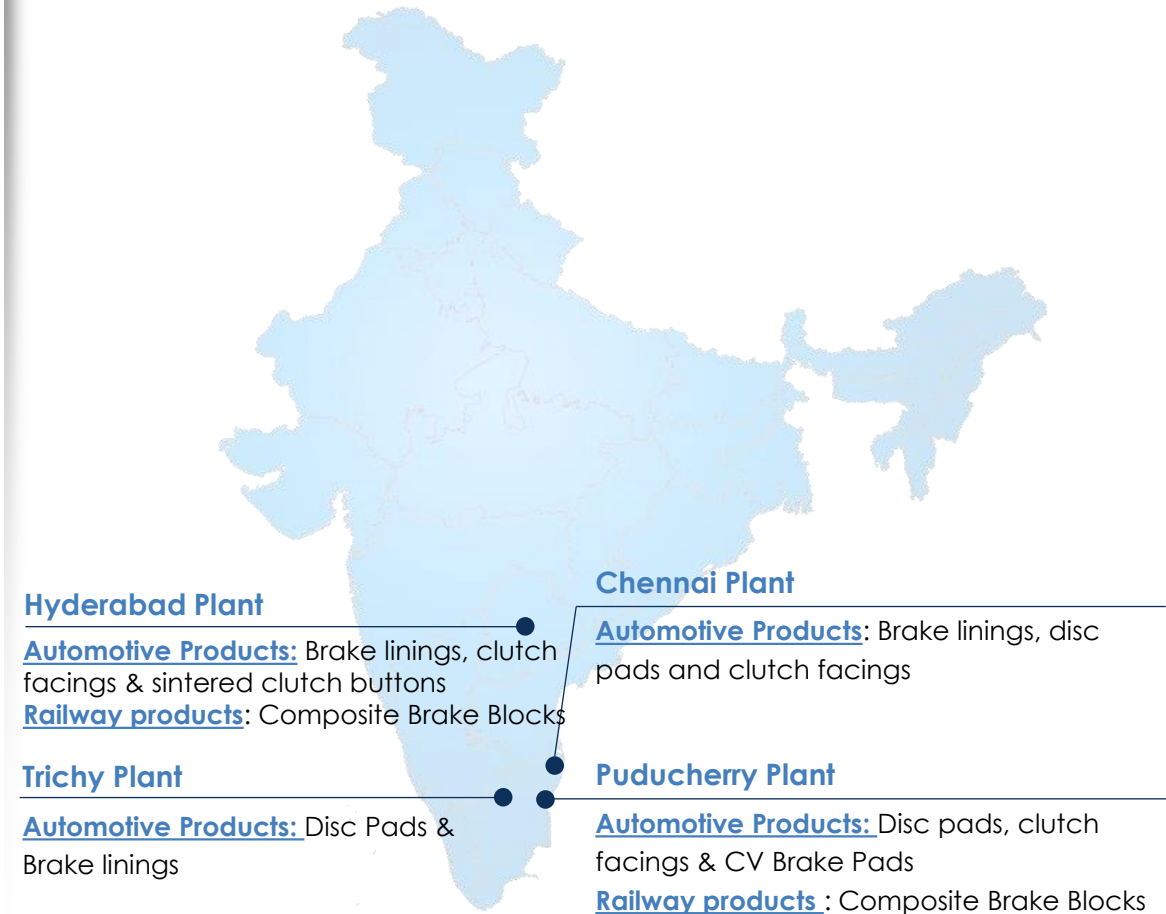
Small & medium Valves for 2W, PC and CV

- Established in 1964, RBL is a leader in Friction Products across OEM segments and supplies products to over 15 countries
- Technical collaboration with Nisshinbo Brakes Inc. and TMD Friction
- Library of widely tested and approved formulations to suit diverse market / customer requirements.
- State-of-the-art R&D center equipped with full scale inertia dynamometer, static mu-measurement and NVH study rig.

PRODUCTS



MANUFACTURING PLANT



Joint venture partnership with ZF Group, Germany.

Steering Gear Division

- Design, Development and Application capability for complete Hydraulic Power Steering system for all vehicles.
- Advanced design tools for 3D modeling, simulation, FE analysis and CFD.
- State-of-the-art testing facilities for strength, environment, noise, fatigue and durability tests to meet global standards

Occupant Safety Division

- Product range includes different types of airbags and latest seatbelt technologies, Retractor and Anchor pretensioners, Emergency Locking Retractor (ELR), Load Limiters, Child Restraint Seat Belt, Driver Airbag, Passenger Airbag, Side Airbag and Curtain Airbags.
- Extensive testing facilities for seat belts include Extraction and Retraction Force Testing Machine, Retractor Durability Tester, Hot & Cold Chamber, Salt spray chamber, ELR functional tester.
- Equipped with Test lab to carry out testing as per National (IS/AIS), International (ECE/EEC/GS/VSCC), customer specifications and COP testing

PRODUCTS

Steering Gear Division



Occupant Safety Division



MANUFACTURING PLANT

Rudrapur Plant

Steering Gears and Pumps

Chennai Plant (4)

Pump and Power Rack & Pinion division, Occupant Safety Products

Tiruchirapally Plant (2)

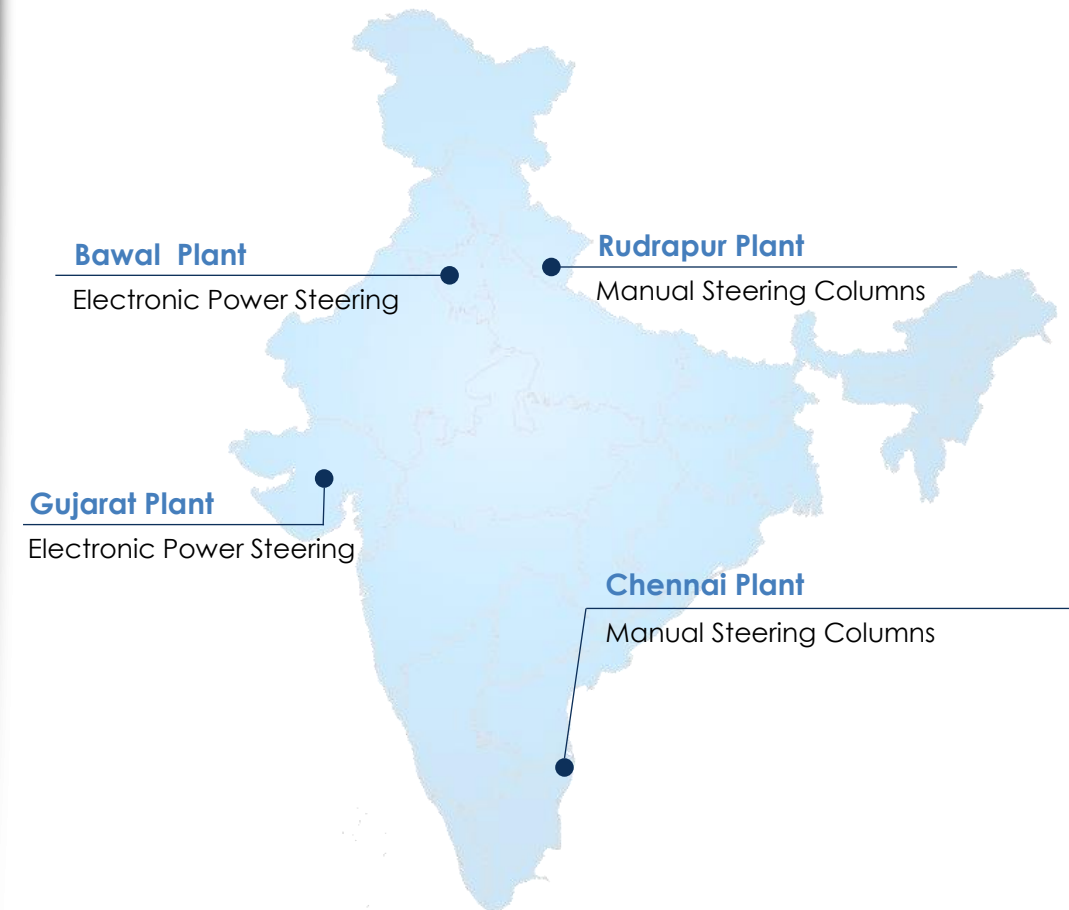
Fully integrated gear, Occupant Safety Products

- Joint venture partnership with NSK, Japan.
- State-of-art R&D test lab for validation of steering columns.
- Manufacturing facilities across four locations in Chennai, Bawal, Rudrapur & Ahmedabad.
- Design & Development capability for solid & energy absorbing columns. Development and application capability for EPS.
- Driver comfort, Passenger safety, Ergonomics and NVH requirements are kept as targets while designing steering system.
- Comprehensive test laboratory for extensive research about column performance characteristic validation, strength and durability validation and NVH requirements.
- Design team includes CAD & CAM application experts and software analysts.

»» PRODUCTS

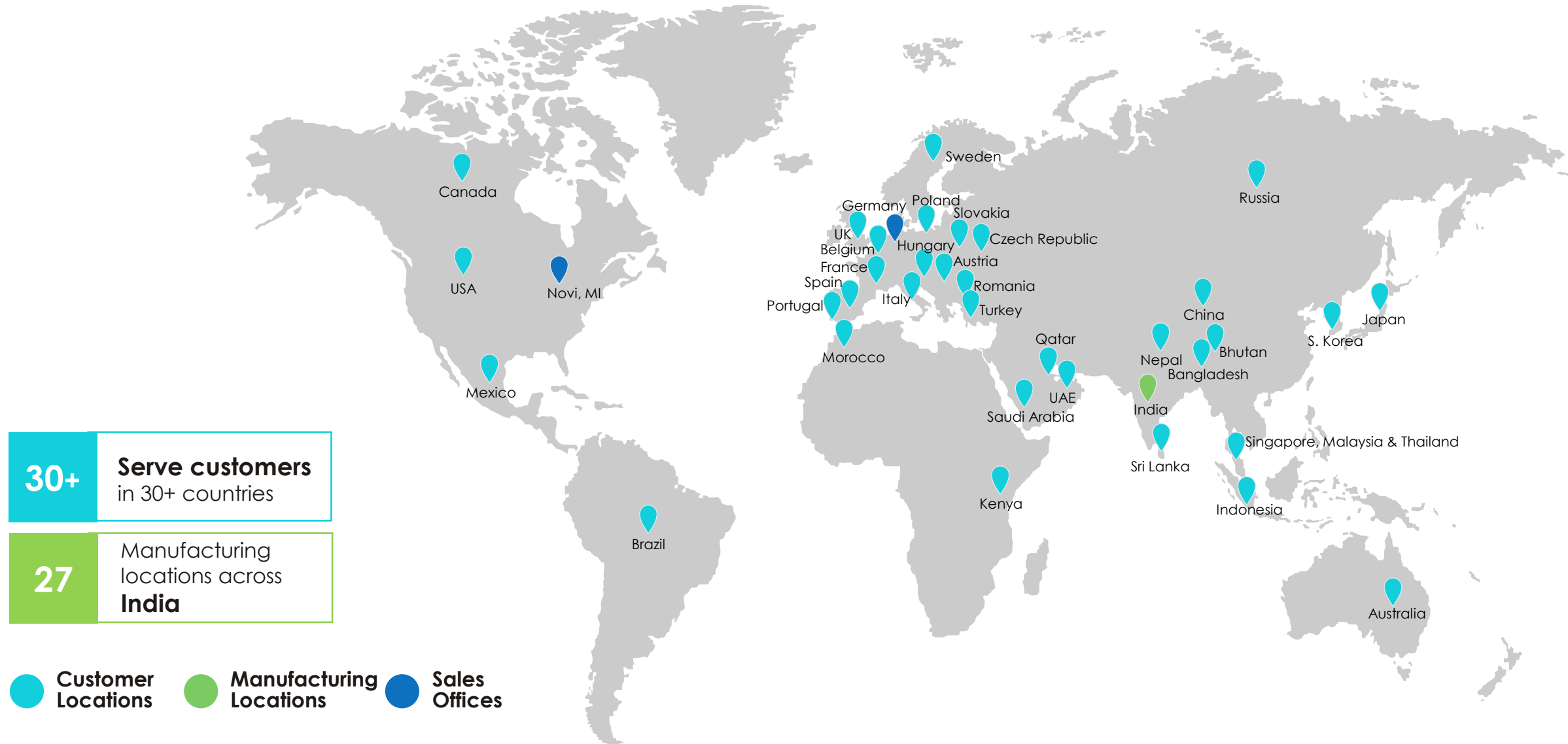


MANUFACTURING PLANT





Increasing Group's brand presence in aftermarket through enhanced product portfolio and wider market reach



Passenger Vehicle



Commercial Vehicle



Farm Tractor



Two/Three-Wheeler



Other Applications



nexteer automotive



VOLVO



SIAM KUBOTA

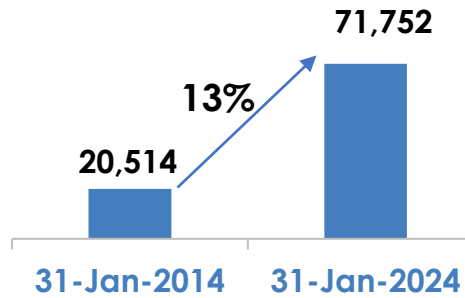


J. JUAN BRAKE SYSTEMS

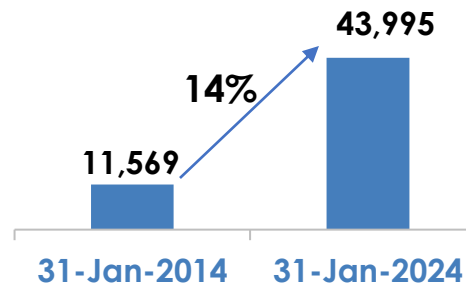


Track Record of Creating Wealth for Shareholders – Share Price (10 Years CAGR)

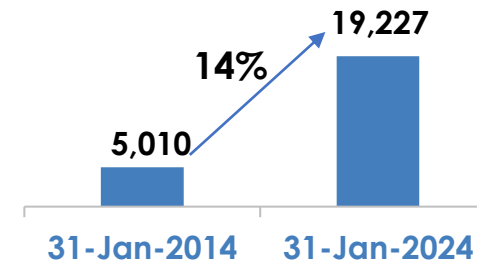
SENSEX



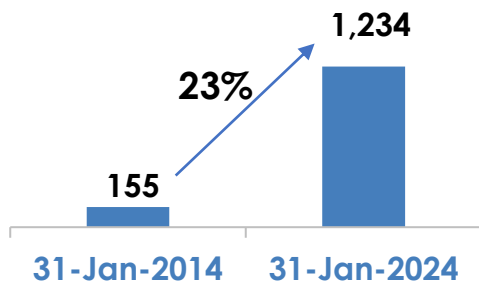
BSE AUTO



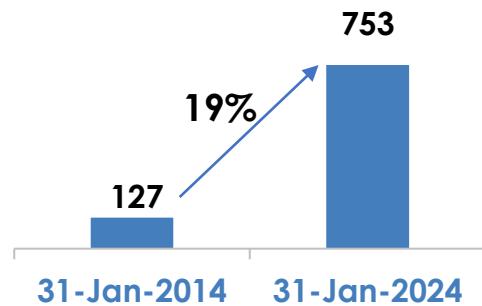
NSE AUTO



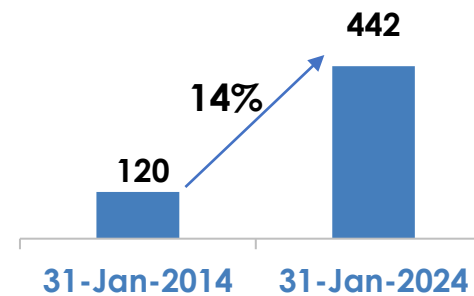
RHL



RML



REVL



RBL

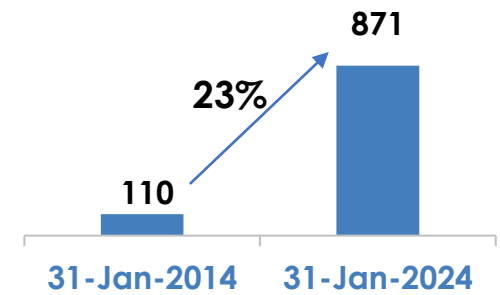


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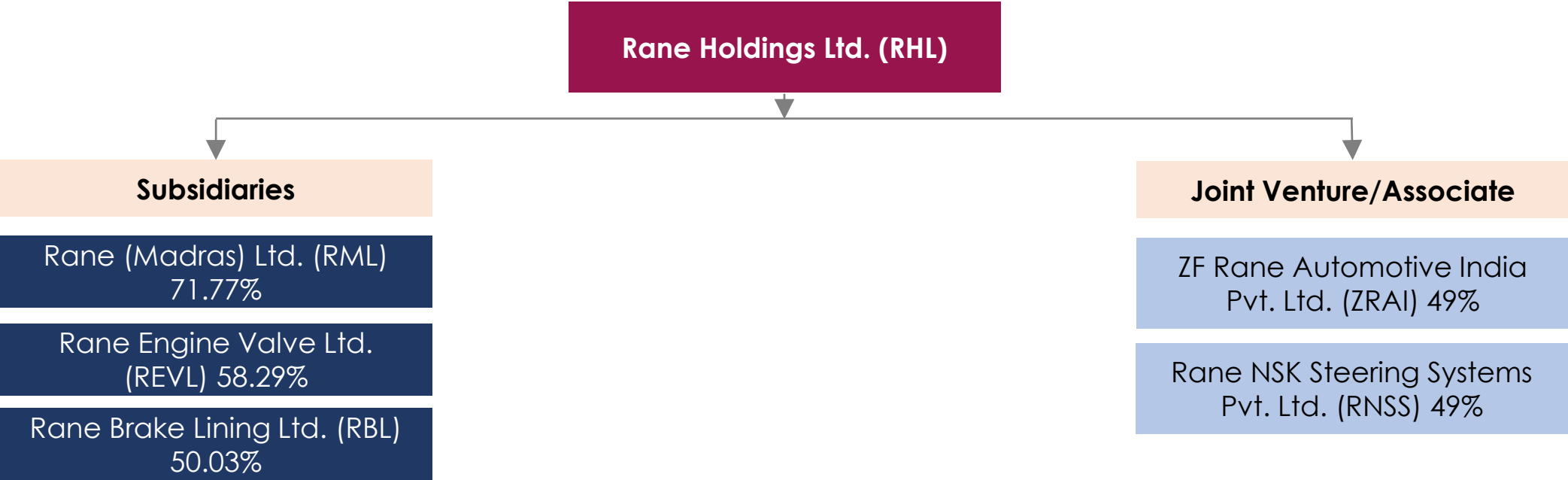
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Transaction Governance & Timelines

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 Considered for reorganization

Share holding as on 31st December 2023

Inter-se merger among subsidiaries of RHL

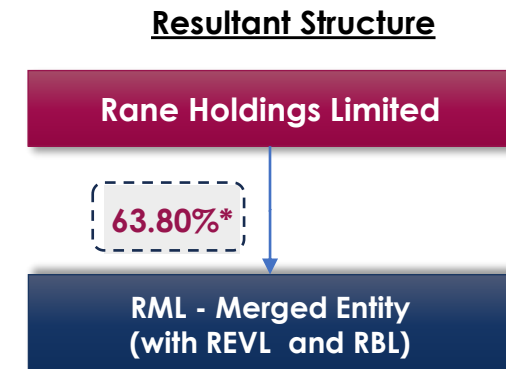
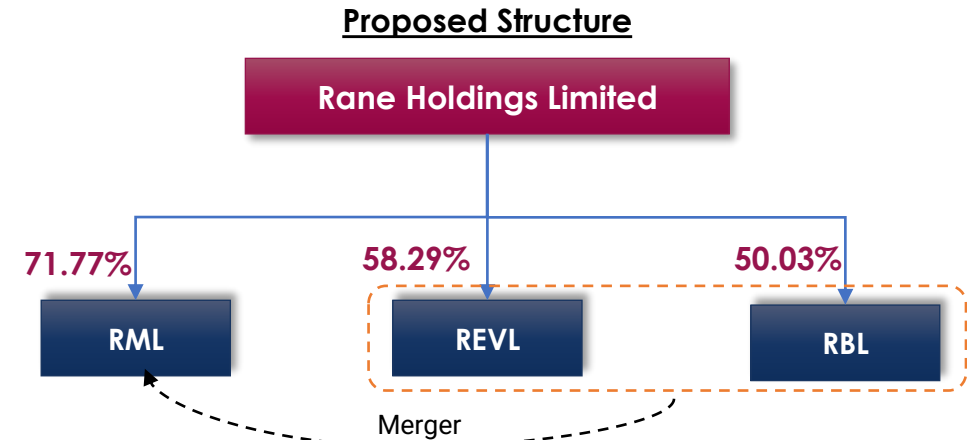
Proposed Reorganisation envisages merger of REVL and RBL into RML (Merged entity)

Objectives

Simplification of Group structure

Unlock synergies from unification of businesses

Create a strong platform for future growth



* The shareholding % was arrived based on independent valuation carried out by valuation agencies.

Valuation

Independent valuation exercise conducted by PwC and M/s Bansi S Mehta, the registered valuers recommended the merger share exchange ratios

Fairness Opinion

Fairness opinion on the recommended share exchange ratio obtained from 3 merchant bankers

- Axis Capital provided fairness opinion to the board of RML
- Motilal Oswal provided fairness opinion to the board of RBL
- Centrum Capital provided fairness opinion to the board of REVL

Swap Ratios

Recommended swap ratio as under:

- 21 shares of RML for every 20 shares of RBL
- 9 shares of RML for every 20 shares of REVL

Pre-Scheme Shareholding Pattern

RML

Shareholder	#Shares (Cr.)	%
RHL	1.17	71.77%
Others	0.46	28.23%
Total	1.63	100.00%

RBL

Shareholder	#Shares (Cr.)	%
RHL	0.39	50.03%
Nisshinbo	0.16	20.64%
Others	0.22	29.33%
Total	0.77	100.00%

REVL

Shareholder	#Shares (Cr.)	%
RHL	0.42	58.29%
Others	0.30	41.71%
Total	0.72	100.00%

Issuance of RML Shares

Issuance to RBL shareholders

21 equity shares of RML to be issued to RBL shareholders for every 20 shares held

Shareholder	#Shares (Cr.)
RHL	0.41
Nisshinbo	0.17
Others	0.23
Total	0.81

Issuance to REVL shareholders

9 equity shares of RML to be issued to REVL shareholders for every 20 shares held

Shareholder	#Shares (Cr.)
RHL	0.18
Others	0.14
Total	0.32

Post-Scheme Shareholding Pattern

RML (Merged entity)

Shareholder	Shares (Cr.) *	%
RHL	1.76	63.80%
Nisshinbo	0.17	6.06%
Others	0.83	30.14%
Total	2.76	100.00%

* Number of shares were arrived based on independent valuation carried out by valuation agencies.



Simplification of Group structure

- Consolidates all operating business subsidiaries under one Rane umbrella, i.e., RML which captures full value of listed businesses of the Group
- Brings down the number of listed entities within the group



Unlock synergies from unification of businesses

- Enhanced potential to unlock synergies leveraging stronger business connect across product lines and superior customer engagement
- Optimization of support functions such as finance, administration, sales, engineering, etc. and reduction of regulatory compliance will result in cost savings
- Merger will enhance operational and financial efficiencies as well as provide benefits from increased scale



Create a strong platform for future growth

- Creation of a larger listed entity increases flexibility to raise capital for growth pursuits, both organic and inorganic
- Optimal allocation of resources between various businesses

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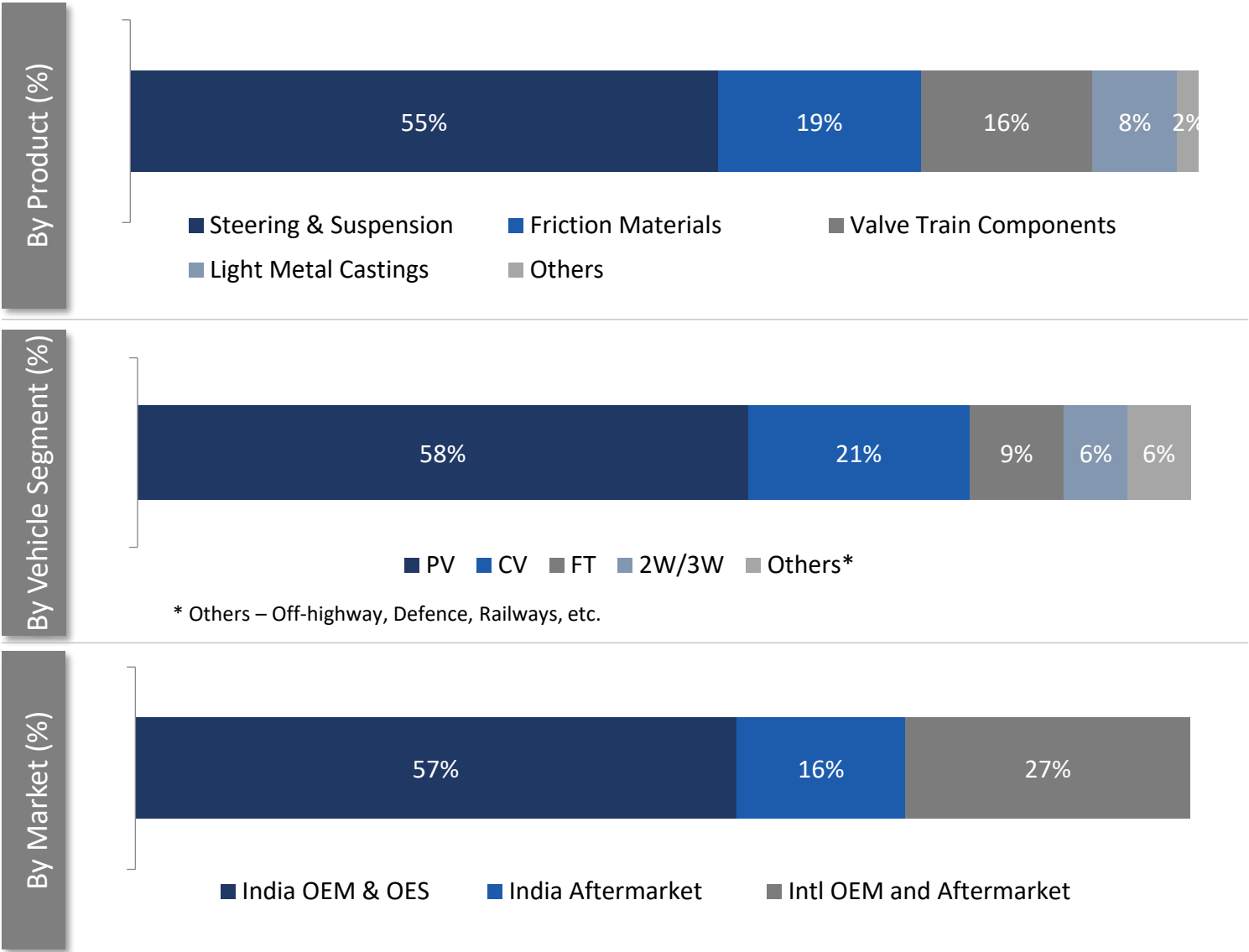
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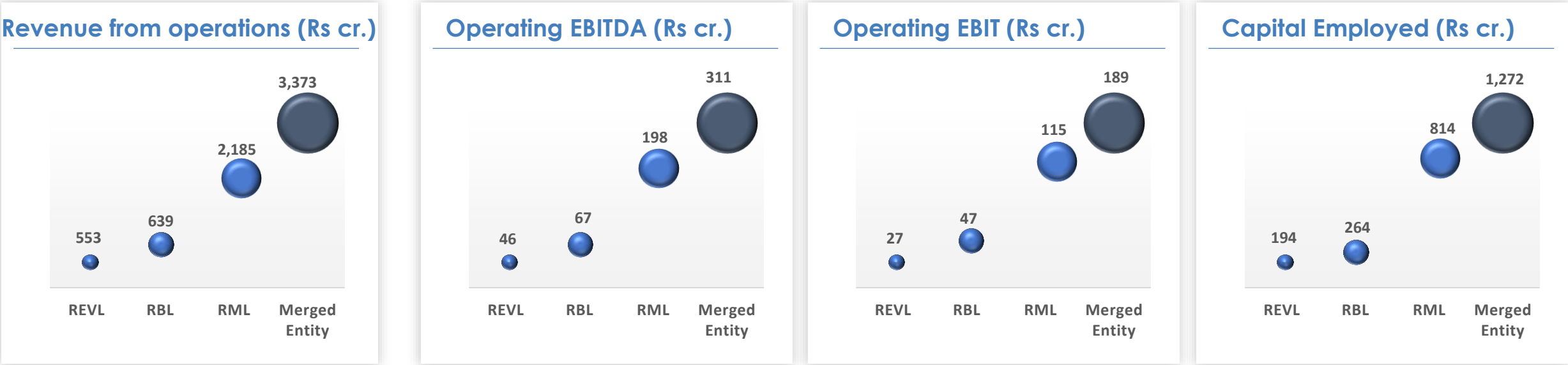
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Merged Entity Proforma Revenue (LTM – Jan'23 to Dec'23)-Rs. 3,373 Cr



Sizeable Auto Component Player with Enhanced Scale and Financial Strength – LTM (Jan'23 to Dec'23)

Particulars	LTM Jan'23 to Dec'23	
	Rs. In Crores	% on Revenue
Revenue from operations	3,373.3	
Material cost	1,989.8	59.0%
Employee benefits	430.0	12.7%
Other expenses	642.5	19.0%
Operating EBITDA	311.0	9.2%
Depreciation	122.2	3.6%
Operating EBIT	188.8	5.6%



Note: The above numbers does not include LMCA, as it was divested w.e.f 14th September 2023 and after eliminating inter-company transactions.

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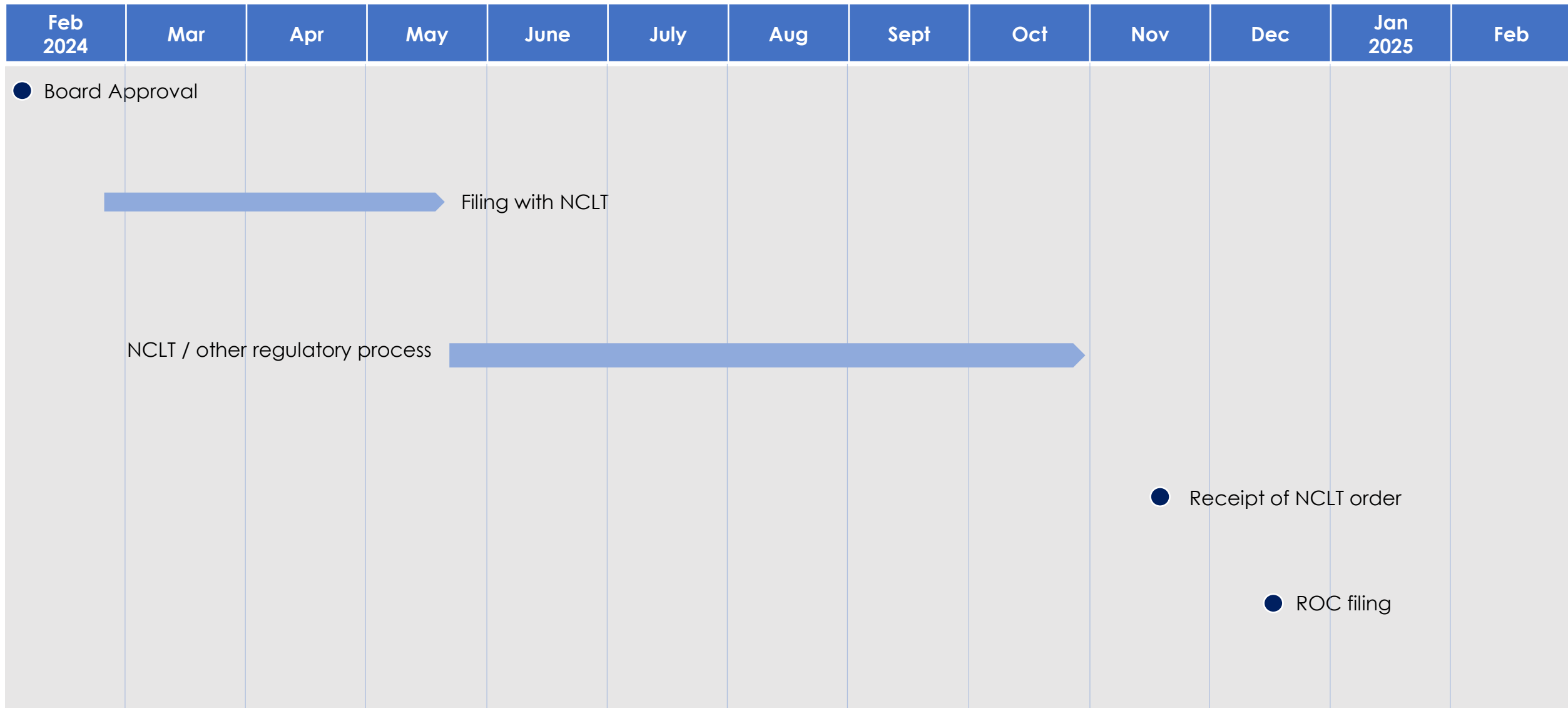
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Indicative Timelines



Implementation of the scheme is expected to take around ~ 9 - 12 months subject to receipt of the requisite approvals

Financial Advisor



Tax Advisor



Legal Advisor



Independent Valuers



Financial & Legal Due Diligence



Fairness Opinion Providers

RML



RBL



REVL



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Abbreviation	Expansion	Abbreviation	Expansion
BSE	Bombay Stock Exchange	NCLT	National Company Law Tribunal
CAGR	Compounded Annual Growth Rate	NSE	National Stock Exchange
Cr	Crores	OEM	Original Equipment Manufacturer
CV	Commercial Vehicle	OES	Original Equipment Supplier
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization	PV	Passenger vehicle
EBIT	Earnings Before Interest, Taxes	R&D	Research & Development
EPS	Electronic power steering	RBL	Rane Brake Lining Limited
FT	Farm Tractors	REVL	Rane Engine Valve Limited
FY	Financial Year	RHL	Rane Holdings Limited
Intl	International	RML	Rane (Madras) Limited
JV	Joint Venture	RNSS	Rane NSK Steering Systems Pvt Limited
LMCA	Rane Light Metal Casting Inc., America	ROC	Registrar of Companies
Ltd	Limited	SE	Station Engine
LTM	Last Twelve Months	ZRAI	ZF Rane Automotive India Pvt limited
Mn	Million	2W/3W/4W	Two-Wheeler/Three-Wheeler/Four-Wheeler

This presentation may contain certain forward looking statements concerning Rane's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but not limited to risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and the target countries for exports, ability to attract and retain highly skilled professionals, government policies and action with respect to investments, fiscal deficits, regulations etc., interest and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statement become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.

Thank You

For further information, please contact:

investorservices@ranegroup.com

Rane Corporate Centre

"Maithri" 132, Cathedral Road,
Chennai - 600 086, India
www.ranegroup.com