

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.

Tel : 91 44 2811 2472
Fax : 91 44 2811 2449
URL : www.ranegroup.com

CIN : L35999TN1936PLC002202

Rane Holdings Limited



//Online Submission//

RHL / SE / 63 / 2017-18

February 09, 2018

BSE Limited Listing Centre Scrip Code : 505800	National Stock Exchange of India Ltd. NEAPS Symbol : RANEHOLDIN
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Dear Sir / Madam,

Sub: Earnings presentation - Unaudited Financial Results for the quarter ended & nine months December 31, 2017

Ref: Our letter no. RHL/SE/62/2017-18 dated February 02, 2018

This is with reference to our aforementioned letter intimating Earnings Conference Call scheduled on **Monday, February 12, 2018 at 15:00 hrs (IST)** to discuss unaudited financial results for the quarter & nine months ended December 31, 2017. We enclose herewith copy of the Earnings presentation proposed to be made thereat, to the analysts and investors.

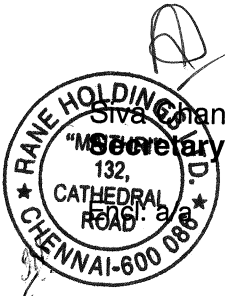
The same is also being made available on the website of the company, www.ranegroup.com.

We request you to take the above on record and note the compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

Thanking you,

Yours faithfully

For Rane Holdings Limited



Siva Chandrasekaran

Secretary



Rane Group

Earnings Presentation | Q3 FY18



February 2018

www.ranegroup.com



› **Industry Performance Review – Q3 FY18**

- › Rane Group Performance Review – Q3 FY18
- › Group Companies Performance Highlights – Q3 FY18

Industry Performance Review (Q3 FY18)

Vehicle Segment	Production YoY Growth# in %	Rane Group Sales Growth Y-o-Y in % (India OEM)	Rane Group Revenue Split * (India OEM)
Passenger Cars (PC)	-0%	37%	43%
Utility Vehicles (MUV)	23%	27%	20%
Vans (MPV)	11%	10%	1%
Small Commercial Vehicles (SCV)	36%	106%	3%
Light Commercial Vehicles (LCV)	17%	16%	7%
Medium & Heavy Commercial Vehicles (M&HCV)	21%	50%	17%
Farm Tractors (FT)	10%	6%	5%
2-Wheeler (2W)	16%	29%	3%

* Negligible presence in 3-wheeler. Other segments such as Stationary Engines, Rail & Defense contributes less than 1%

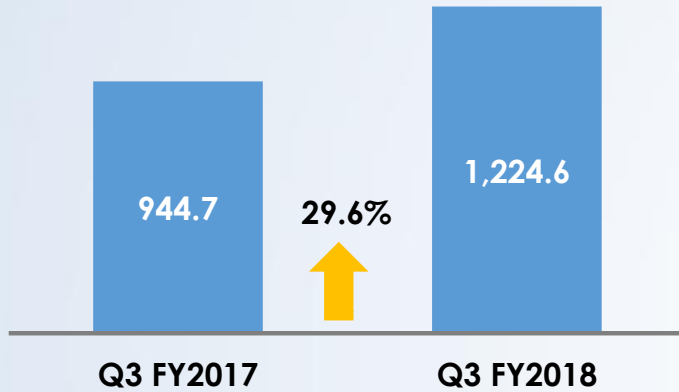
Source: SIAM

- › Registered superior growth in passenger vehicle segment as we supply to some of the successful new models of OE
- › Share of business improvement with key customers in CV segment helped post better growth
- › In the Farm Tractors segment,
 - Growth of steering products is lower as our presence is lower in power steering segment, which had superior growth
 - Production shortfall of valve train products resulted in drop in sales
- › Performance in 2-Wheeler segment was supported by better growth for Disc Pad products and commencement of die cast products supply to 2-Wheeler customer

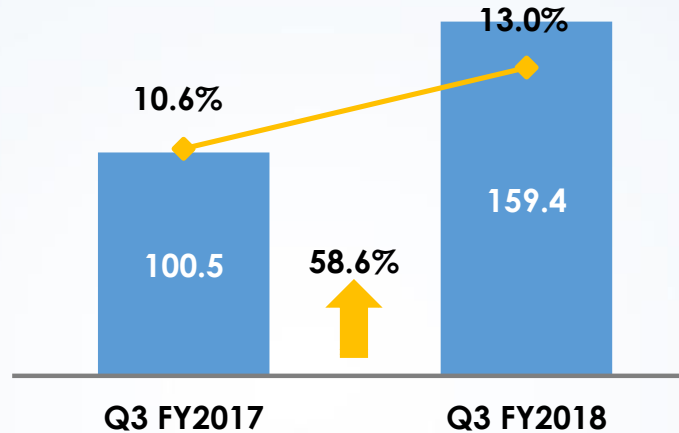
- › Industry Performance Review – Q3 FY18
- › **Rane Group Performance Review – Q3 FY18**
- › Group Companies Performance Highlights – Q3 FY18

Group Aggregate Performance Review (FTQ)

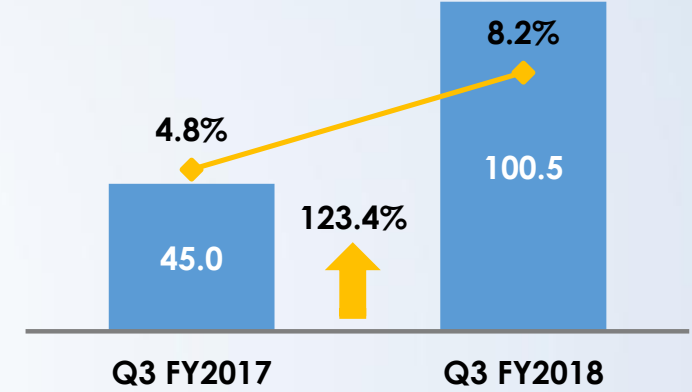
Net Sales (Rs cr.)



EBITDA (Rs cr.)



PBT* (Rs cr.)



* PBT before exceptional items

› **Net Sales increased by 29.6% to Rs. 1,224.6 Cr in Q3 FY18 from Rs. 944.7 Cr in Q3 FY17**

- Revenue from Indian OE customers grew by 34% YoY supported by increased offtake across major vehicle segments
- Revenues from International customers grew 18% YoY driven by new businesses for Occupant safety products
- Revenue from Indian aftermarket segment grew 25% indicating recovery of demand post GST implementation

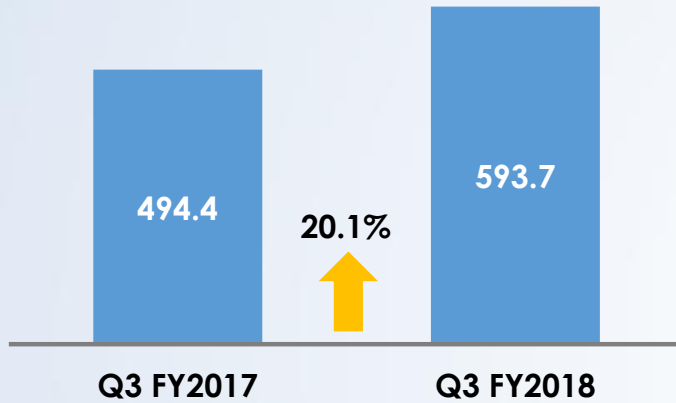
› **EBITDA increased by 58.6% to Rs. 159.4 Cr in Q3 FY18 from Rs. 100.5 Cr in Q3 FY17**

- Operational leverage and various cost control initiatives across group companies helped in improving the overall profitability

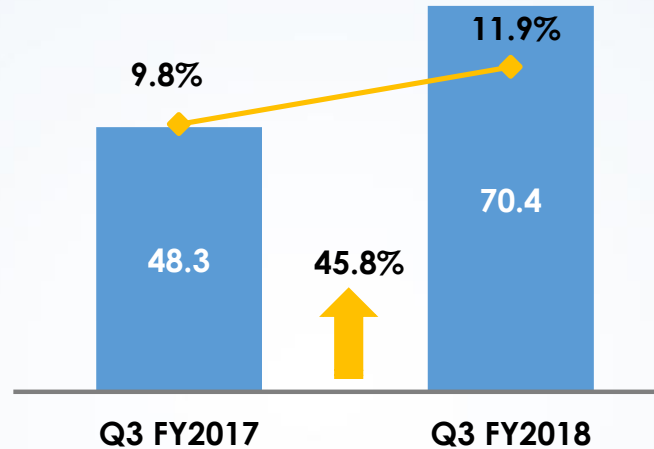
› **PBT increased by 123.4% to Rs. 100.5 Cr in Q3 FY18 from Rs. 45.0 Cr in Q3 FY17**

RHL Consolidated Performance Review (FTQ)

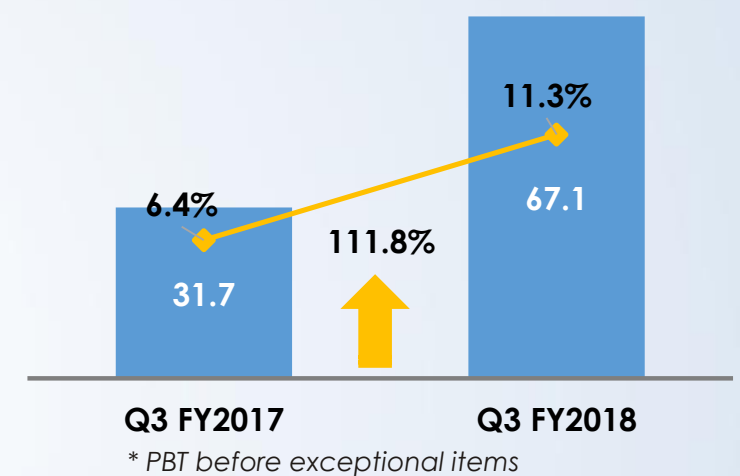
Net Sales (Rs cr.)



EBITDA (Rs cr.)



PBT* (Rs cr.)



- › Net Sales increased by 20.1% to Rs. 593.7 Cr in Q3 FY18 from Rs. 494.4 Cr in Q3 FY17
- › EBITDA increased by 45.8% to Rs. 70.4 Cr in Q3 FY18 from Rs. 48.3 Cr in Q3 FY17
- › PBT increased by 111.8% to Rs. 67.1 Cr in Q3 FY18 from Rs. 31.7 Cr in Q3 FY17

Group Aggregate Performance Review (YTD)

Rs Cr	9M FY17	9M FY18	Growth
Net Sales	2,828.5	3,388.4	19.8%
EBITDA	304.0	419.9	38.1%
EBITDA Margin	10.7%	12.4%	164 bps
PBT Before Exceptional Items	136.0	241.5	77.6%
Exceptional (Expenses) / Income	94.02	32.11	-65.8%
PBT	230.0	273.6	18.9%
PBT Margin	8.1%	8.1%	-6 bps
PAT	165.4	184.0	11.2%
PAT Margin	5.8%	5.4%	-42 bps
Total Comprehensive Income	164.2	180.7	10.0%

RHL Consolidated Performance Review (YTD)

Rs Cr	9M FY17	9M FY18	Growth
Net Sales	1,491.5	1,642.5	10.1%
EBITDA	158.8	189.9	19.6%
EBITDA Margin	10.6%	11.6%	91 bps
PBT Before Exceptional Items	100.2	164.2	63.8%
Exceptional (Expenses) / Income	94.02	15.73	-83.3%
PBT	194.2	179.9	-7.4%
PBT Margin	13.0%	11.0%	-207 bps
PAT	138.3	118.0	-14.7%
PAT Margin	9.3%	7.2%	-209 bps
Total Comprehensive Income	137.7	114.7	-16.7%

- › Industry Performance Review – Q3 FY18
- › Rane Group Performance Review – Q3 FY18
- › **Group Companies Performance Highlights – Q3 FY18**

Rane (Madras) Ltd.

(RML)

RML – Standalone Operational Performance Review

Market Environment

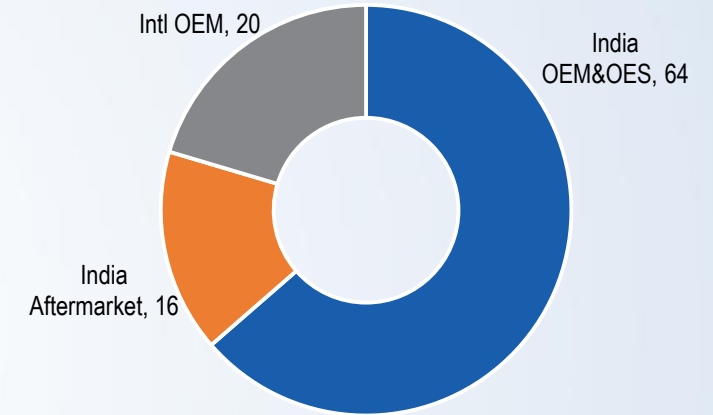
- › Strong demand for Steering products from Indian OE customers across vehicle segments
- › Experienced robust demand in Indian Aftermarket segment
- › Strong demand for Steering products from International customers
- › Lower demand for Die-casting products from International customers
- › Strong growth in Die-casting products sales to India customers

Operational Highlights

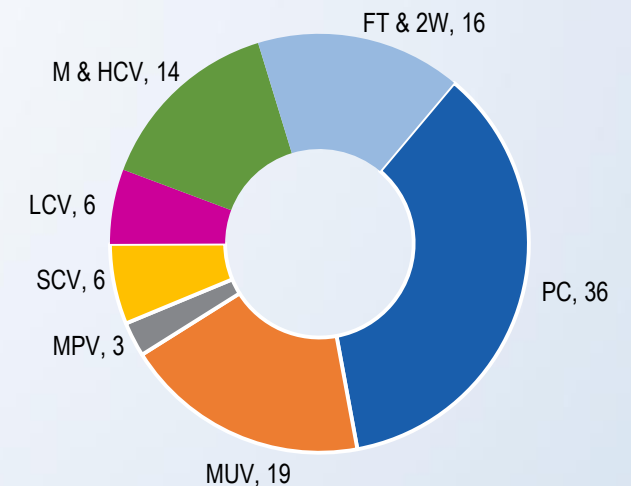
- › All plants achieved their highest production volumes during the quarter to meet increased demand for Steering products
- › Continued to improve operational performance and achieved reduction in internal rejections and premium freight in Die-cast division

Business Split (Q3 FY18)

By Market (%)

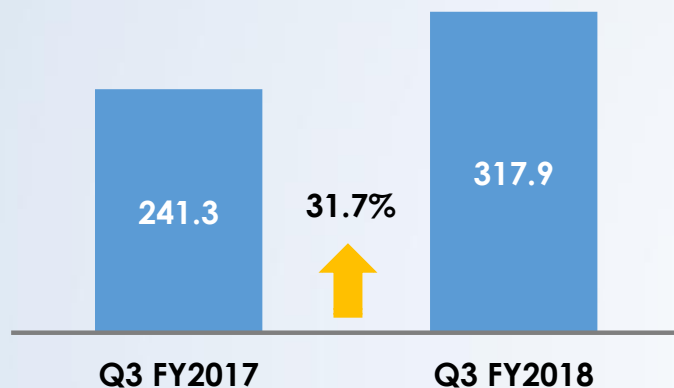


By Vehicle Segment (%)

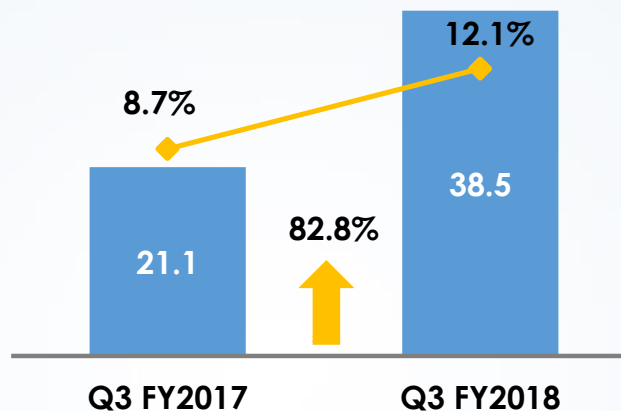


RML – Standalone Financial Performance Review (FTQ)

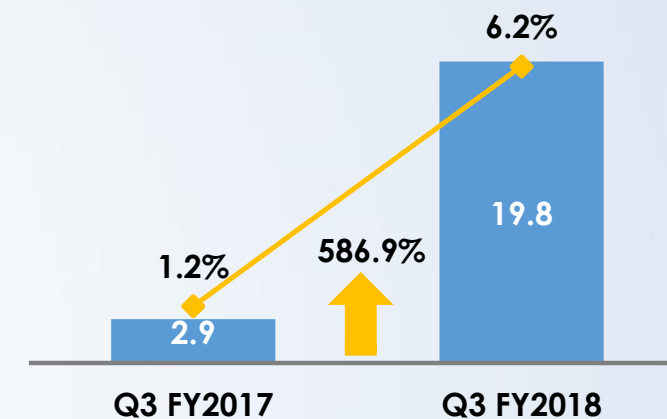
Net Sales (Rs cr.)



EBITDA (Rs cr.)



PBT* (Rs cr.)



* PBT before exceptional items

- › **Net Sales increased by 31.7% to Rs. 317.9 Cr in Q3 FY18 from Rs. 241.3 Cr in Q3 FY17**
 - Strong demand from Indian OE customers across vehicle segments and higher demand from Indian Aftermarket
- › **EBITDA increased by 82.8% to Rs. 38.5 Cr in Q3 FY18 from Rs. 21.1 Cr in Q3 FY17**
 - Increased volume, favorable product mix and improved operational performance helped post strong margin improvement
- › **PBT increased by 586.9% to Rs. 19.8 Cr in Q3 FY18 from Rs. 2.9 Cr in Q3 FY17**
 - Lower finance cost helped to improve PBT margin

RML – Standalone Financials (YTD)

Rs Cr	9M FY17	9M FY18	Growth
Net Sales	720.6	863.9	19.9%
EBITDA	70.4	94.7	34.5%
EBITDA Margin	9.8%	11.0%	119 bps
PBT Before Exceptional Items	16.4	35.7	118.3%
Exceptional (Expenses) / Income	-	-	
PBT	16.4	35.7	118.3%
PBT Margin	2.3%	4.1%	186 bps
PAT	13.7	25.3	85.4%
PAT Margin	1.9%	2.9%	104 bps
Total Comprehensive Income	13.4	25.1	87.8%

Rane Engine Valve Ltd.

(REVL)

Market Environment

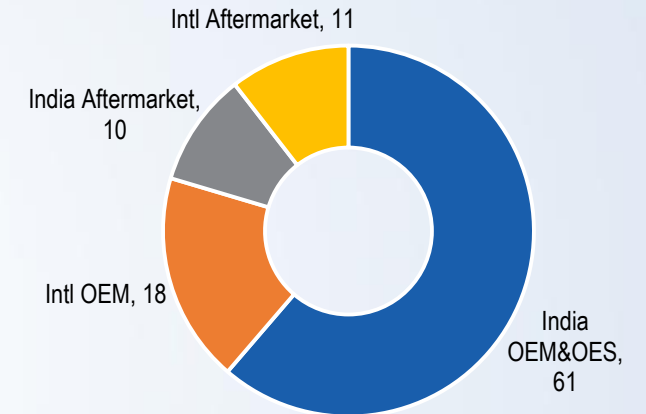
- › Strong demand from Indian OE customers
- › Continued to experience lower offtake in Indian Aftermarket segment
- › Higher offtake from International OE and Aftermarket customers

Operational Highlights

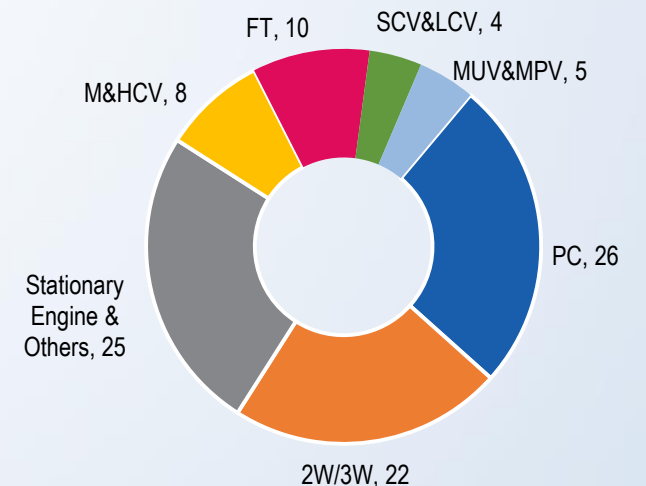
- › Increased Repairs & Maintenance spend to improve machine availability
- › Plants improving capacity realization and operational performance
- › Delivery issues and higher rejection persist at select manufacturing facilities

Business Split (Q3 FY18)

By Market (%)

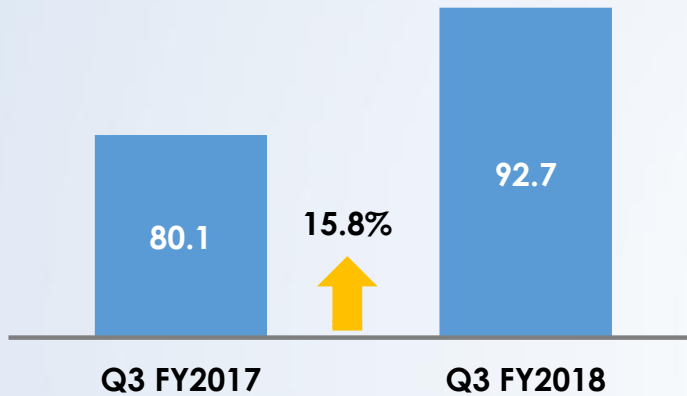


By Vehicle Segment (%)

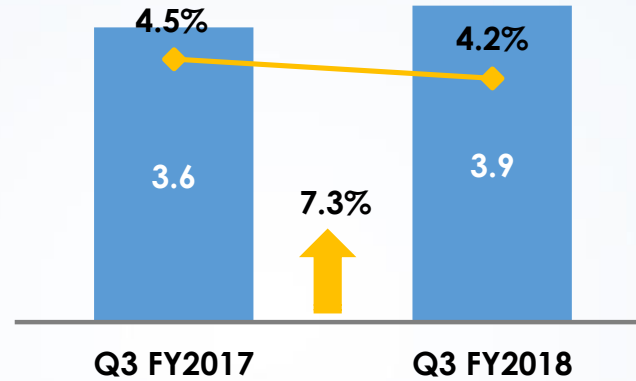


REVL – Financial Performance Review (FTQ)

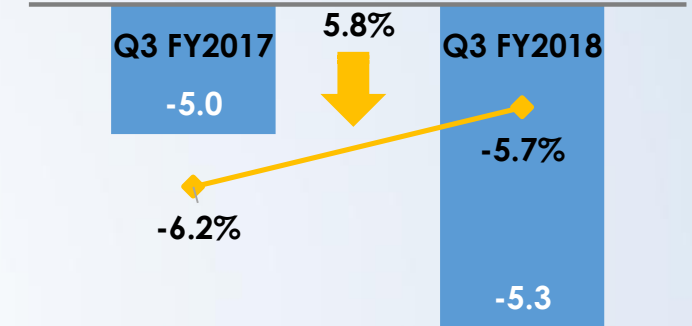
Net Sales (Rs cr.)



EBITDA (Rs cr.)



PBT* (Rs cr.)



* PBT before exceptional items

› **Net Sales increased by 15.8% to Rs. 92.7 Cr in Q3 FY18 from Rs. 80.1 Cr in Q3 FY17**

- Strong demand from Indian OE customers and International customers; Continued to experience lower offtake in Indian Aftermarket segment

› **EBITDA increased by 7.3% to Rs. 3.9 Cr in Q3 FY18 from Rs. 3.6 Cr in Q3 FY17**

- Higher Repairs and Maintenance spend resulted in marginal drop of 32 bps in EBITDA margin

› **Loss before tax for Q3 FY18 was Rs. 5.3 Cr (-5.7%) as against loss of Rs. 5.0 Cr (-6.2%) in Q3 FY17**

- Lower finance costs and depreciation helped in reducing the loss for the quarter

REVL – Financials (YTD)

Rs Cr	9M FY17	9M FY18	Growth
Net Sales	260.7	274.8	5.4%
EBITDA	12.4	13.7	10.5%
EBITDA Margin	4.8%	5.0%	23 bps
PBT Before Exceptional Items	(16.4)	(13.0)	20.8%
Exceptional (Expenses) / Income	94.02	-	
PBT	77.6	(13.0)	-116.7%
PBT Margin	29.8%	-4.7%	NM
PAT	58.0	(8.3)	-114.2%
PAT Margin	22.2%	-3.0%	NM
Total Comprehensive Income	57.5	(8.8)	-115.3%

Rane Brake Lining Ltd.

(RBL)

RBL – Operational Performance Review

Market Environment

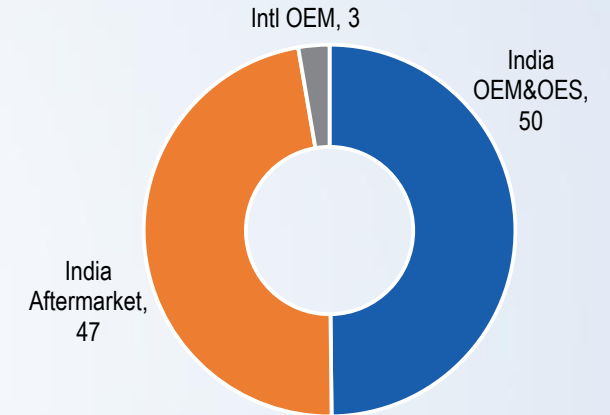
- › Strong demand from Indian OE customers particularly passenger vehicle and two wheeler customers
- › Recovery of demand from the Indian Aftermarket business

Operational Highlights

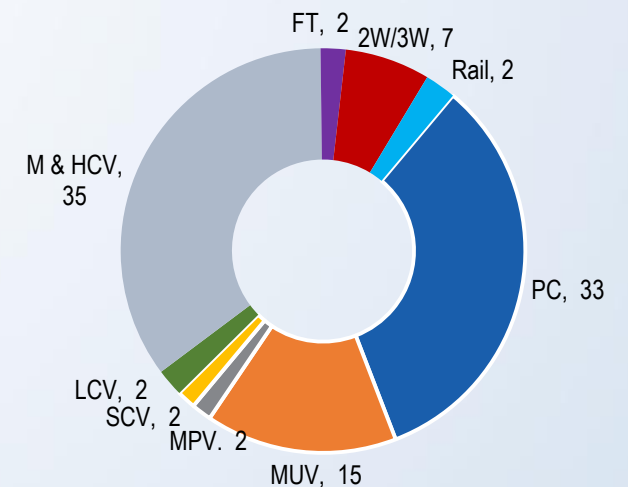
- › Various new products introduced in Aftermarket
- › Continue to realize higher cost savings through various operational and strategic initiatives

Business Split (Q3 FY18)

By Market (%)

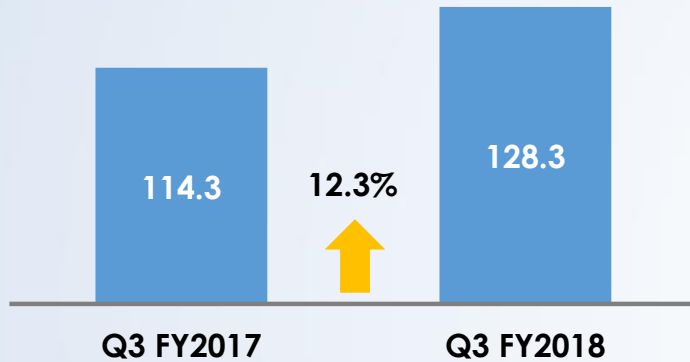


By Vehicle Segment (%)

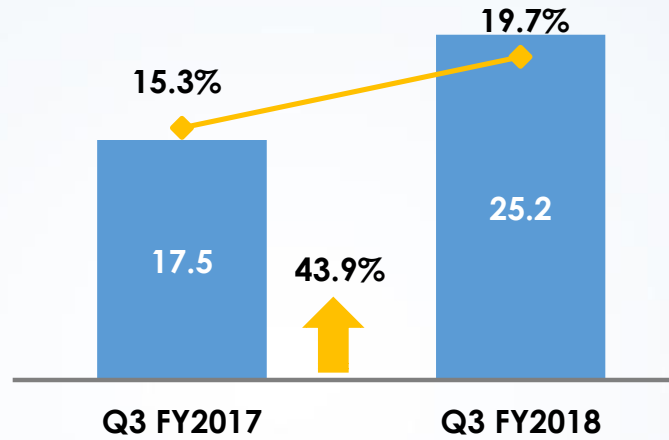


RBL – Financial Performance Review (FTQ)

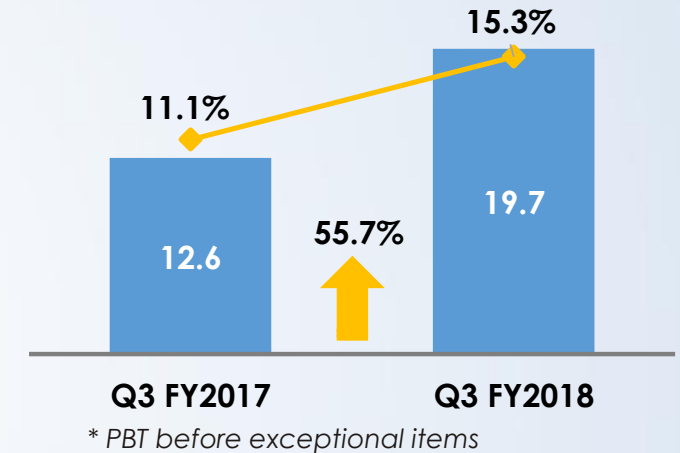
Net Sales (Rs cr.)



EBITDA (Rs cr.)



PBT* (Rs cr.)



› **Net Sales increased by 12.3% to Rs. 128.3 Cr in Q3 FY18 from Rs. 114.3 Cr in Q3 FY17**

- Strong offtake from Indian OE customers and recovery of demand from Aftermarket segment helped post good sales growth

› **EBITDA increased by 43.9% to Rs. 25.2 Cr in Q3 FY18 from Rs. 17.5 Cr in Q3 FY17**

- Favorable commodity prices, foreign exchange movement and higher cost savings realization helped to sustain lower material cost
- Realized cost savings through strategic initiatives undertaken in Q4FY17

› **PBT increased by 55.7% to Rs. 19.7 Cr in Q3 FY18 from Rs. 12.6 Cr in Q3 FY17**

RBL – Financials (YTD)

Rs Cr	9M FY17	9M FY18	Growth
Net Sales	339.7	340.8	0.3%
EBITDA	53.3	60.3	13.2%
EBITDA Margin	15.7%	17.7%	201 bps
PBT Before Exceptional Items	38.0	44.0	15.7%
Exceptional (Expenses) / Income	-	-	
PBT	38.0	44.0	15.7%
PBT Margin	11.2%	12.9%	172 bps
PAT	30.5	29.8	-2.3%
PAT Margin	9.0%	8.8%	-23 bps
Total Comprehensive Income	30.4	30.2	-0.6%

Rane TRW Steering Systems

(RTSS)

Market Environment

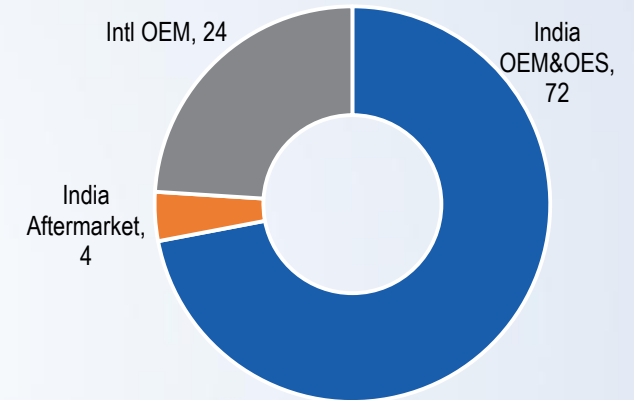
- › Occupant Safety Division: Continued to register robust growth mainly driven by export
- › Steering Gear Division:
 - Served market in Passenger Vehicle shrunk further with migration to EPS
 - Strong growth in M&HCV segment

Operational Highlights

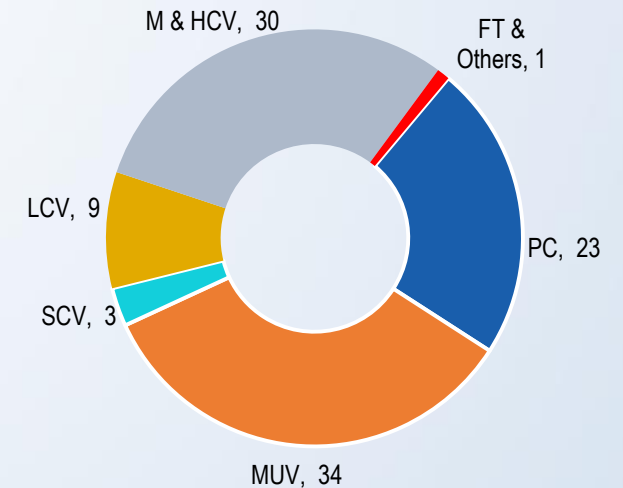
- › Steering Gear Division received “Best in Class” Award from Tata Motors
- › Ramped up production at manufacturing plants to meet the increase in demand for steering products in the CV segment
- › Purchased land near Trichy to construct an additional plant for future expansion of Occupant Safety business

Business Split (Q3 FY18)

By Market (%)

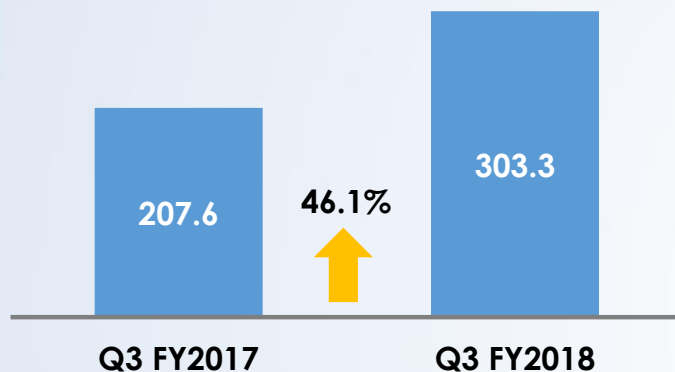


By Vehicle Segment (%)

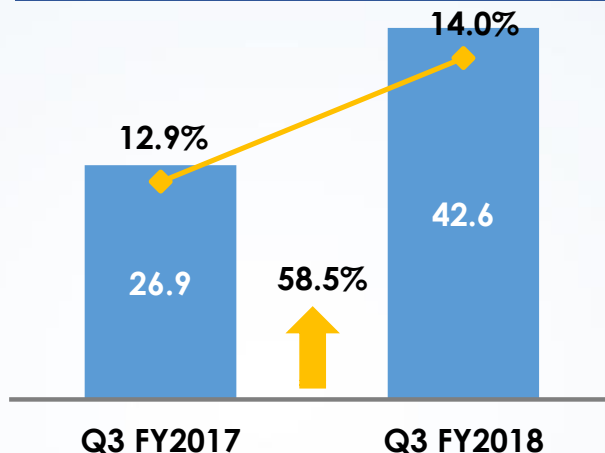


RTSS – Financial Performance Review (FTQ)

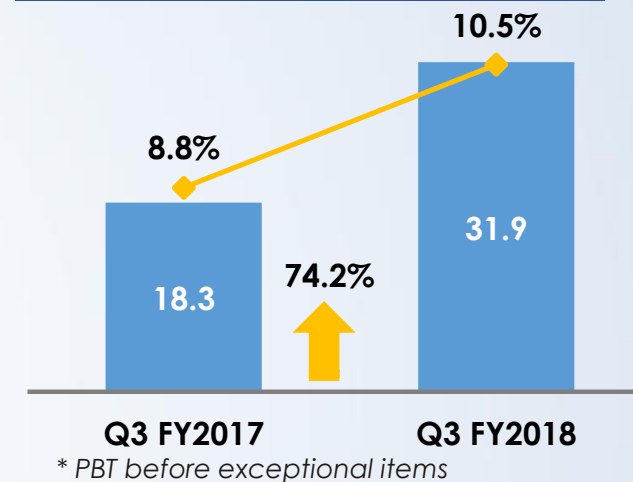
Net Sales (Rs cr.)



EBITDA (Rs cr.)



PBT* (Rs cr.)



- › **Net Sales increased by 46.1% to Rs. 303.3 Cr in Q3 FY18 from Rs. 207.6 Cr in Q3 FY17**
 - Strong offtake for steering products in CV segment and new business supplies of occupant safety products
- › **EBITDA increased by 58.5% to Rs. 42.6 Cr in Q3 FY18 from Rs. 26.9 Cr in Q3 FY17**
 - Fixed cost leverage and sustained cost savings initiatives helped to improve EBITDA margin
- › **PBT increased by 74.2% to Rs. 31.9 Cr in Q3 FY18 from Rs. 18.3 Cr in Q3 FY17**

RTSS – Financials (YTD)

Rs Cr	9M FY17	9M FY18	Growth
Net Sales	610.9	805.7	31.9%
EBITDA	73.1	105.9	44.9%
EBITDA Margin	12.0%	13.1%	118 bps
PBT Before Exceptional Items	48.5	75.6	56.0%
Exceptional (Expenses) / Income	-	-	
PBT	48.5	75.6	56.0%
PBT Margin	7.9%	9.4%	145 bps
PAT	33.5	50.9	52.1%
PAT Margin	5.5%	6.3%	84 bps
Total Comprehensive Income	32.9	50.5	53.6%

Rane NSK Steering Systems

(RNSS)

Market Environment

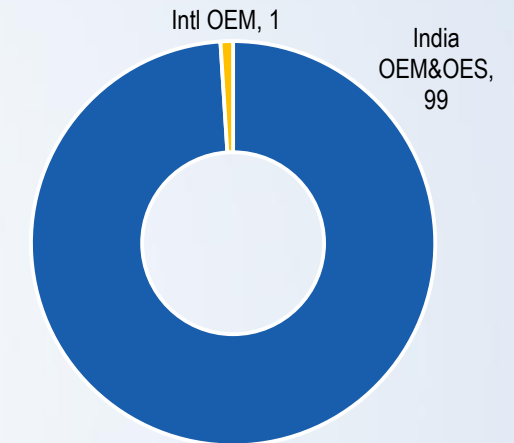
- › Strong demand for EPS continues in the served passenger vehicle models
- › MSC volumes were favorable with increased demand from commercial vehicle segment

Operational Highlights

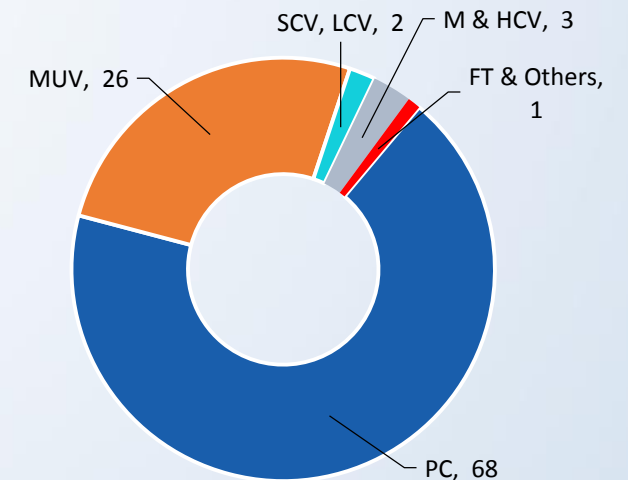
- › Increased localization of testing & validation facility for EPS
- › Enhanced the operational efficiency through Cycle time reduction and OEE improvement

Business Split (Q3 FY18)

By Market (%)

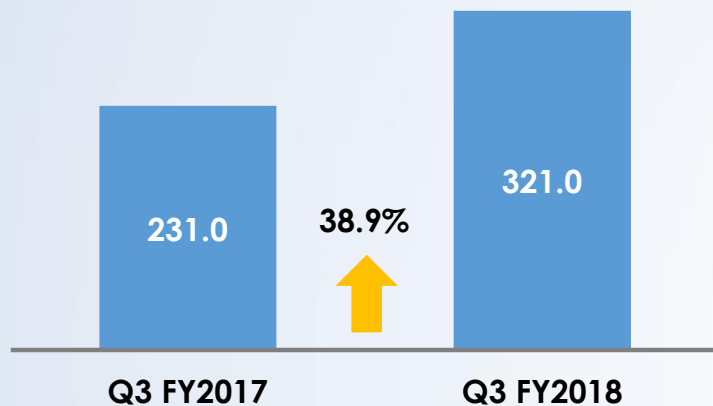


By Vehicle Segment (%)

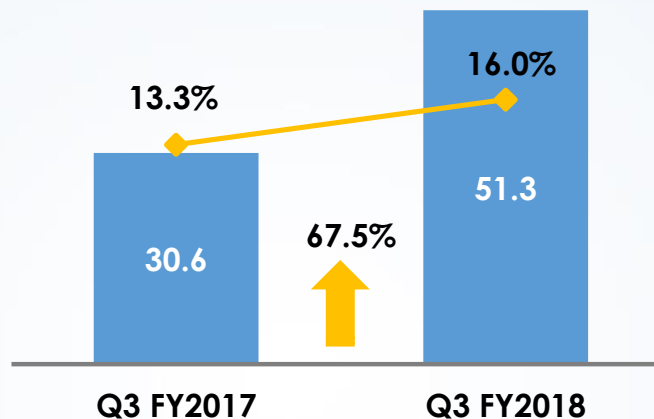


RNSS – Financial Performance Review (FTQ)

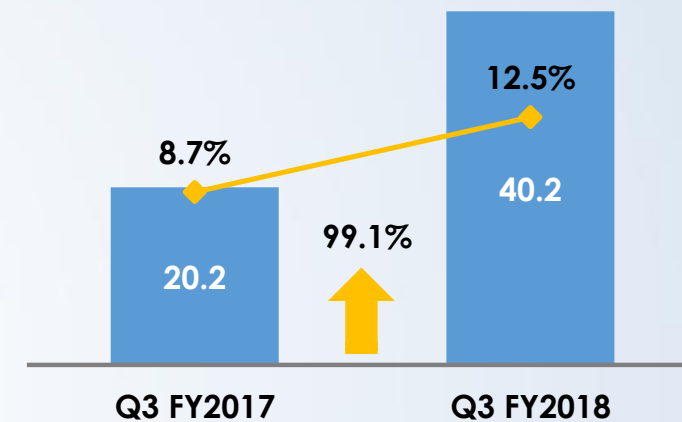
Net Sales (Rs cr.)



EBITDA (Rs cr.)



PBT* (Rs cr.)



* PBT before exceptional items

- › **Net Sales increased by 38.9% to Rs. 321.0 Cr in Q3 FY18 from Rs. 231.0 Cr in Q3 FY17**
 - Sales growth driven by higher offtake from served models in passenger car and MUV segments
- › **EBITDA increased by 67.5% to Rs. 51.3 Cr in Q3 FY18 from Rs. 30.6 Cr in Q3 FY17**
 - Material cost reduction and one off price settlement helped in margin improvement
- › **PBT increased by 99.1% to Rs. 40.2 Cr in Q3 FY18 from Rs. 20.2 Cr in Q3 FY17**
 - Lower finance cost and depreciation helped to improve PBT margin

RNSS – Financials (YTD)

Rs Cr	9M FY17	9M FY18	Growth
Net Sales	691.4	923.0	33.5%
EBITDA	86.8	142.4	64.0%
EBITDA Margin	12.6%	15.4%	287 bps
PBT Before Exceptional Items	54.7	107.4	96.4%
Exceptional (Expenses) / Income	-	32.11	
PBT	54.7	139.5	155.1%
PBT Margin	7.9%	15.1%	720 bps
PAT	35.5	94.9	167.5%
PAT Margin	5.1%	10.3%	515 bps
Total Comprehensive Income	35.1	94.2	168.8%

Thank You



Rane Corporate Centre

"Maithri" 132, Cathedral Road,
Chennai - 600 086, India

www.ranegroup.com

For further information, please contact:

investorservices@ranegroup.com or dpingle@christensenir.com

Glossary of Abbreviations

Abbreviation	Expansion
CV	Commercial Vehicles
EBITDA	Earnings Before Interest, Tax and Depreciation & Amortisation
EPS	Electric Power Steering
FT	Farm Tractors
GST	Goods and Services Tax
LCV	Light Commercial Vehicles
MPV	Multi Purpose Vehicles
MSC	Manual Steering Column
MUV	Multi Utility Vehicles
M&HCV	Medium & Heavy Commercial Vehicles

Abbreviation	Expansion
OE	Original Equipment
OEE	Overall Equipment Efficiency
OEM	Original Equipment Manufacturer
OES	Original Equipment Supplier
PAT	Profit After Tax
PBT	Profit Before Tax
PC	Passenger Car
SCV	Small Commercial Vehicles
SIAM	Society of Indian Automobile Manufactures
2W/3W	Two Wheeler/Three Wheeler

This presentation contains 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.